



The
Growth
Company

Growth Company Business Survey

Results for the 2nd May 2024 to 2nd August 2024

www.growthco.uk

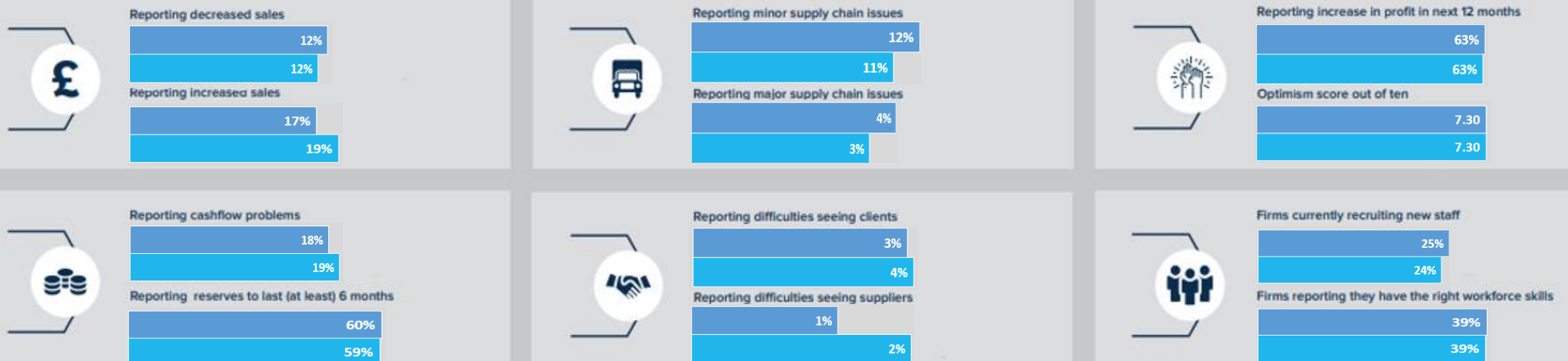
GC Business Survey

The main survey findings reported by businesses in 2nd May 2024 – 2nd August 2024

The Growth Company exists to enable growth, create jobs, and improve lives. To inform how we support businesses and the economy, we continually monitor a range of data and intelligence to understand the impact of Covid-19, and other economic risks and opportunities.

The largest regular monthly business survey of its kind, the following findings are based upon a total of **749 businesses** that participated in our GC Business Survey from **2nd May 2024 and 2nd August 2024**.

The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

Survey Summary

The latest survey results highlight the current state of business confidence, investment intentions, and operational challenges across various sectors. The GC Business Confidence Index (GC-BCI), which measures businesses' confidence in their growth prospects, remains steady at 7.3 out of 10, unchanged from the previous quarter. Confidence levels are notably higher in Engineering, Green Tech, and Business Finance sectors, while Hospitality and Life Sciences report the lowest confidence.

Sales have seen a modest increase, with 19% of businesses reporting higher sales, and 64% anticipating profit growth in the coming year, consistent with previous expectations. Investment intentions are on the rise, with 42% of firms planning to increase capital expenditure, particularly in Manufacturing, Digital, Green Tech, and Retail sectors. Workforce development is also a key focus, especially in Logistics, Healthcare, and Construction.

Despite the positive outlook, rising costs, cashflow issues, and supply chain disruptions continue to pose significant challenges. Many firms, particularly those in Business, Financial, and Professional Services (BFPS), Manufacturing, Creative Digital Technologies, and Healthcare, have sufficient cash reserves to weather these difficulties.

Access to new domestic sales opportunities remains a top challenge, especially in Digital Technologies, Manufacturing, Professional Services, and Retail. Businesses are also seeking support in areas such as innovation, business planning, marketing, workforce development, financial advice, and environmental impact. Smaller firms face more pronounced challenges in domestic sales, product development, business model adaptation, financial management, and digital adoption.

Key Findings

GC Business Confidence Index (GC-BCI): Business confidence remains stable at 7.3 out of 10, with the highest confidence in Engineering, Green Tech, and Banking & Insurance, and the lowest in Hospitality & Tourism.

Sales and Profits: 19% of firms reported increased sales (up from 17%), and 64% expect profits to increase in the year ahead (unchanged). Sectors with the most optimism for future sales include Manufacturing, Digital and Creative Technologies, Green Tech, and Business Services.

Investment: 42% of firms plan to increase capital expenditure (up from 38%). Sectors with the highest planned investment include Green-Tech, Manufacturing, CDT, Retail, Green Services, and Health & Social Care. Workforce development investment is particularly strong in Logistics, Health & Social Wellbeing, and Construction.

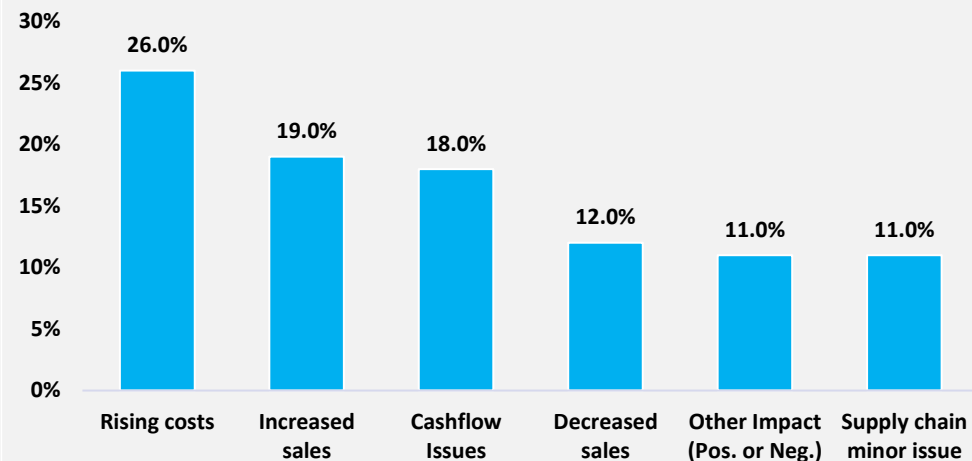
Cashflow Issues: 18% of firms report cashflow problems, with micro-size firms (<10 employees) being the most affected. Sectors with the highest cashflow risks include DCT, Manufacturing, and Retail.

Trade: 19% of firms currently export goods or services (unchanged). Among these, 12% are expanding in current markets, and 16% are entering new markets, with the Manufacturing, Digital Technologies, and Retail sectors being the most active in overseas expansion.

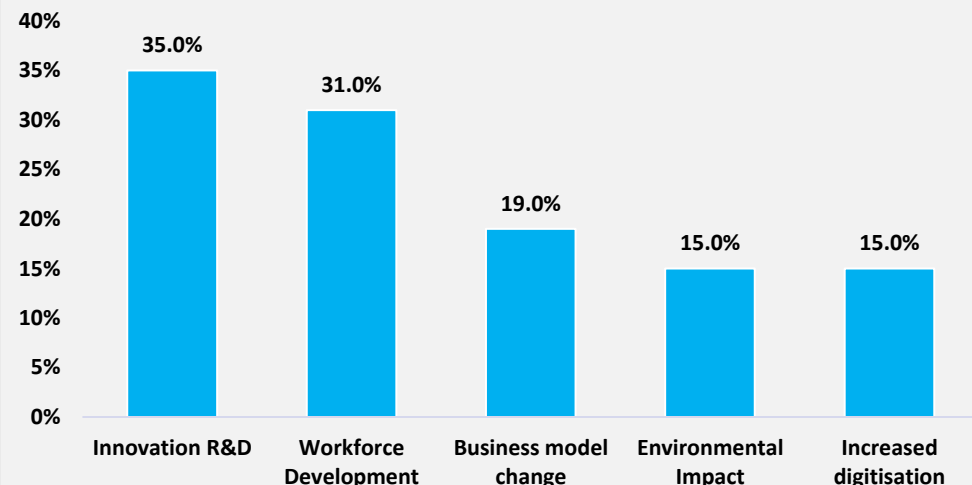
Future Support Needs: Key support priorities include business planning (39%, up from 37%), innovation (39%, unchanged), and marketing (35%, down from 37%). Other important areas include workforce development (29%, down from 30%), financial advice (28%, down from 29%), and environmental impact assistance (16%, down from 18%).

Recruitment and Skills: 24% of firms are currently recruiting (down from 25%), with recruitment concentrated in DCT, Manufacturing, Healthcare, and Business Finance sectors. Workforce skills alignment shows that 39% of firms believe their skills meet business objectives (unchanged), while 47% see partial alignment (up from 46%). Notable skills gaps include specialist technical skills (30%, up from 29%), knowledge of products/services (14%, up from 12%), advanced IT skills (11%, up from 10%), problem-solving (11%, up from 10%), and adapting to new materials (9%, unchanged).

Main Impacts

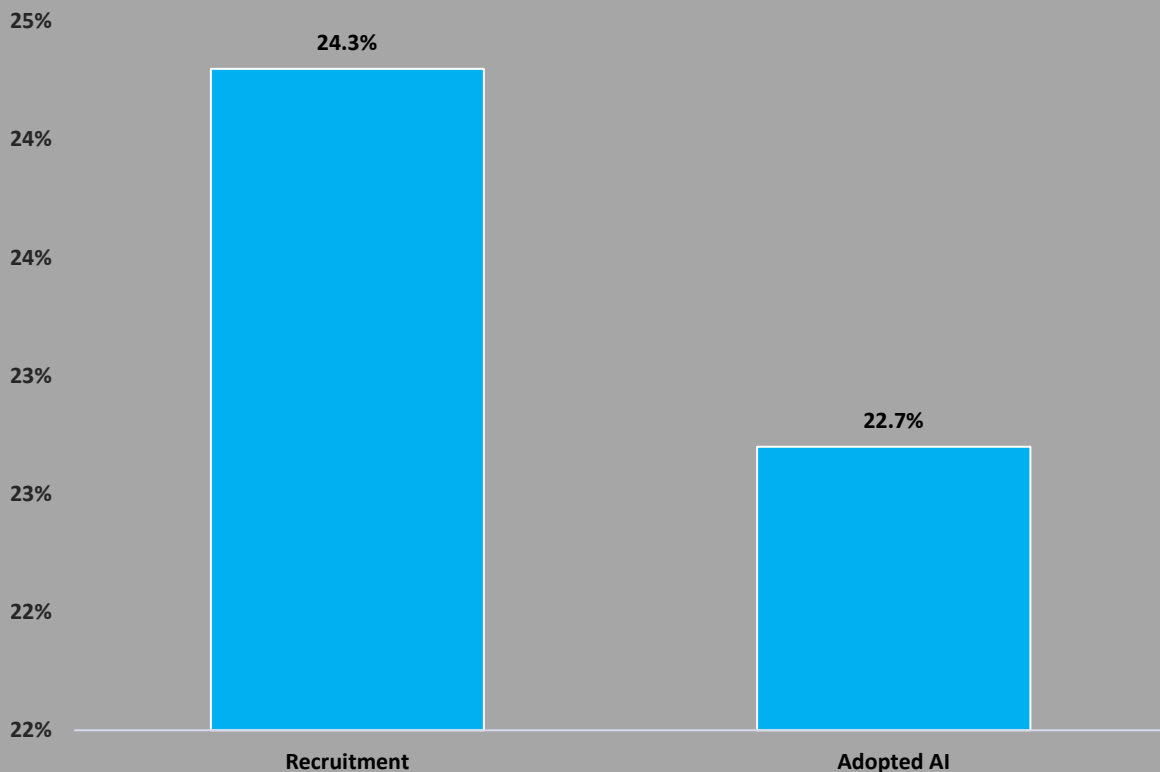


Positive Impacts

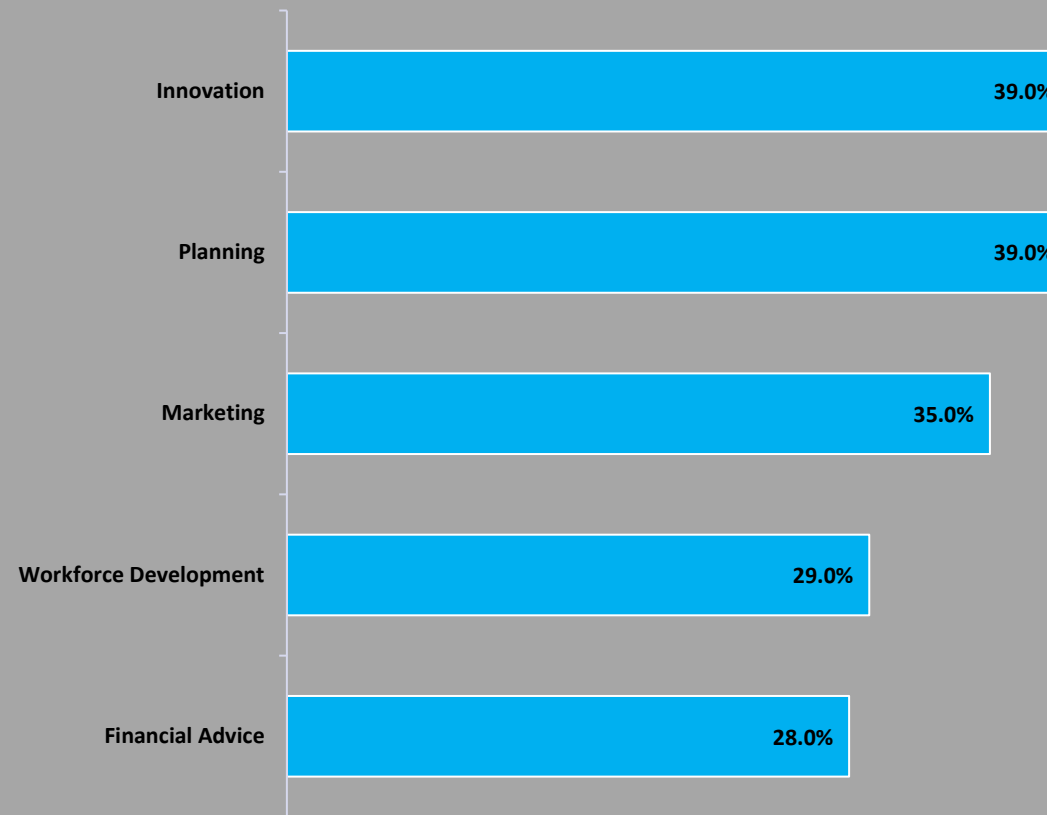


Interest in business support

Percentage of respondents interested in the following initiatives



Top 5 areas for business support in the future



Access support from the Growth Company

As a market leader in business and economy surveys, the Growth Company has engaged with firms throughout the pandemic and remains uniquely placed to provide invaluable intelligence on the challenges faced by business.

Our survey intelligence reports provide regular weekly input to central Government, as well as supporting a variety of local stakeholders in planning their response.

For more information on the results presented here, or to take part in future surveys, please contact: Jake.spires@growthco.uk

Here are some of the ways we can support you:

- Guidance and practical business support
<https://www.businessgrowthhub.com/support/services>
- Help for training staff and finding new talent:
<https://www.businessgrowthhub.com/support/services/people>
- Advice to reduce carbon, boost your competitiveness, and save money
<https://www.businessgrowthhub.com/support/services/sustainability>