



The
Growth
Company

Growth Company Business Survey

Results for the 5th June 2023 to 3rd July 2023

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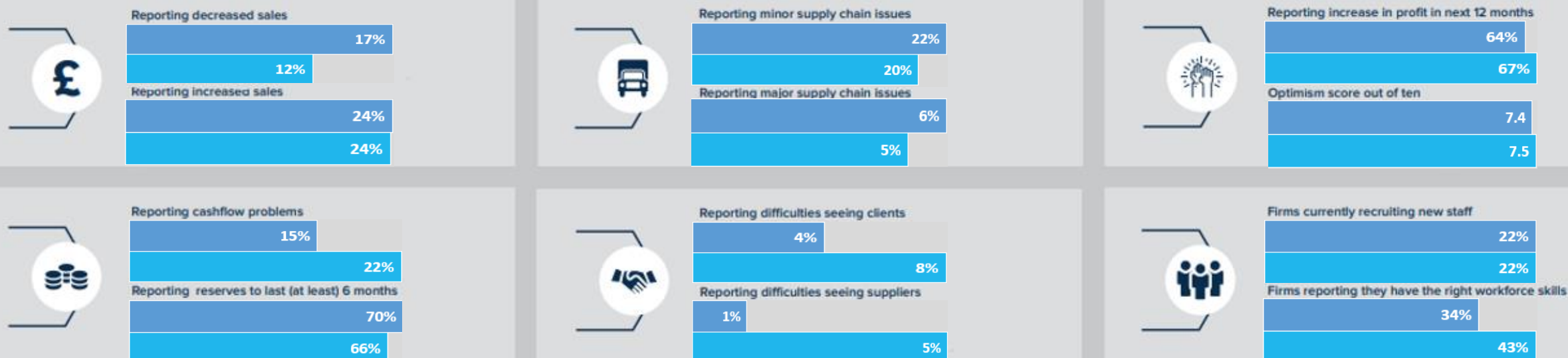
GC Business Survey

The main survey findings reported by businesses in June 2023

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 **235 businesses** that participated in our GC Business Survey from **5th June 2023 to 3rd July 2023**.

The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

SURVEY SUMMARY

Business confidence remains strong in the face of difficult economic circumstances. However, the main risks of elevated costs, decreased sales, and minor supply chain issues remain. Cost risks have decreased in the latest survey but remains a major problem for just under two-fifths of firms. Two-thirds of firms have reserves to last over 6 months, a slight decrease from the previous month. Cashflow problems have increased and continue to affect a fifth of businesses as a serious risk, and there has been an increase in firms reporting late payments. The proportion that reported they still need to increase domestic sales has increased, particularly for consumer facing sectors. The main business support needs are business planning, financial advice, and workforce development. Finally, the proportion of firms recruiting from last month has remained the same and under half of firms still report workforce skill gaps –mostly linked to sales and customer handling roles, time management, prioritising workloads, digital and team leadership - alongside a range of specialist technical skills and knowledge of products/services specific to the industry.

The GC Business Confidence Index. a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.5 out of 10, slightly higher than the previous month, and broadly similar to the average for the last 3 months.

Sales and profits. 24% (vs 24% previously) of firms reported that they experienced an increase in sales in the last month, and 67% expect profits to increase (vs 64%), and slightly higher than the same time last year. Just 1% (vs 2%) expect profits to decrease.

Main impacts from the current situation and financial resilience

- **Impacts.** The main three impacts facing firms are rising costs (39% vs 43% previously), supply chain- minor issues (20% vs 22%), and decreased sales (12% vs 17%). The logistics sector was most likely to report decreased sales.
- **Cash reserves.** 66% (vs 70%) of firms report that they have cash reserves to last over 6 months. 85% of SME's with 10-49 employees have cash reserves to last over 6 months, and reserves were highest in construction (78%), manufacturing (76%), and life sciences (75%).
- **Cashflow.** 22% (vs 15%) of firms said they had cashflow problems. Micro-size firms (<10 employees) were more likely to report cashflow issues compared to SMEs (10-249 FTEs).

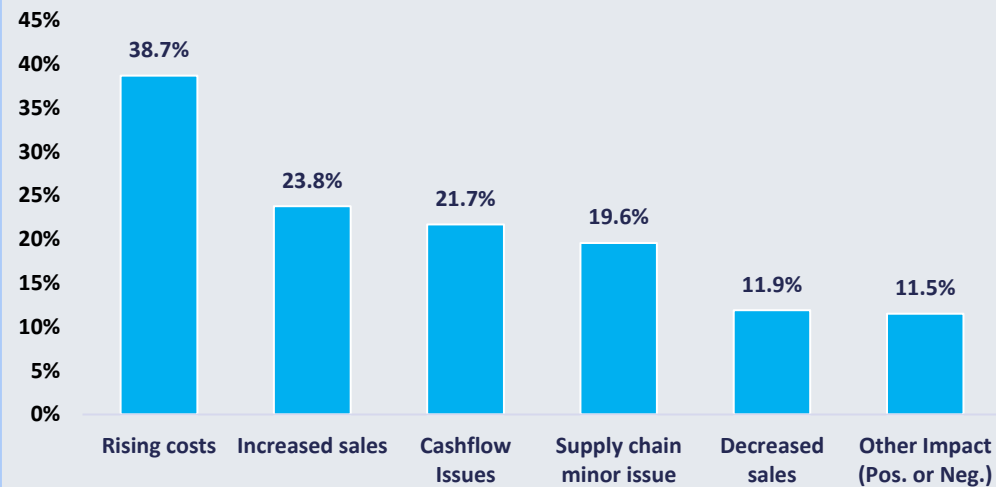
Employment and skills

- **Recruitment.** 22% (vs 22% previously) of firms are currently recruiting new staff, 19% (vs 13%) said they had difficulties recruiting. The main occupational groups recruiting are for are customer facing roles (42% vs 28%), managerial roles (13% vs 10%), and other roles 'not elsewhere classified' (8% vs 18%).
- **Workforce skill gaps.** 43% (vs 51%) of firms said that their workforce skills are only 'partly' at the level to meet business plan objectives. The main technical skill gaps identified are: specialist technical skills (38%), knowledge of products/services (14%), advanced specialist IT skills (11%), and complex problem resolution (10%). The main people and personal skill gaps identified are: sales (20%), ability to manage time (11%), managing/motivating staff (11%), customer handling (10%).
- **Workforce development.** 49% (vs 41%) of firms said they are looking to increase investment in workforce development in the next 12 months, 47% (vs 54%) said they thought investment levels would remain the same, and 3% (vs 2%) were unsure.
- **Redundancy risk.** 2% (vs 2%) of firms said they were in the process of considering making redundancies.

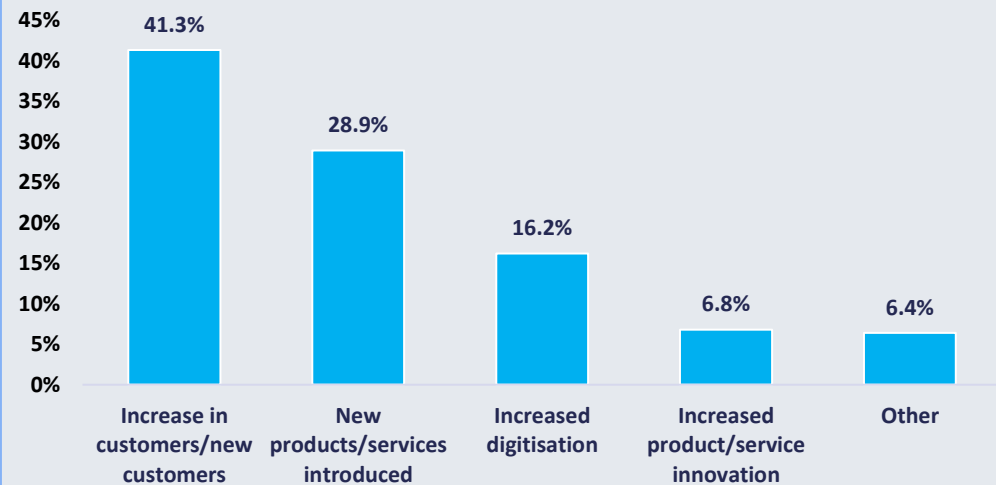
Other challenges and future support needs

- **The main current challenges:** Access to new domestic sales opportunities (59% vs 53%), (highest impacts in construction and green tech services), developing the business model (43% vs 42%), managing overall business finances (44% vs 41%), developing new products/services (28% vs 36%), and workforce development (26% vs 24%).
- **Future support needs.** Looking to the year ahead, the main areas identified are business planning (42% vs 44%), marketing (30% vs 35%), innovation (28% vs 27%), workforce development (30% vs 29%), and financial advice (33% vs 22%).
- **Environmental impact.** 17% (vs 18%) are looking for extra support to manage their environmental impact.

Main Impacts

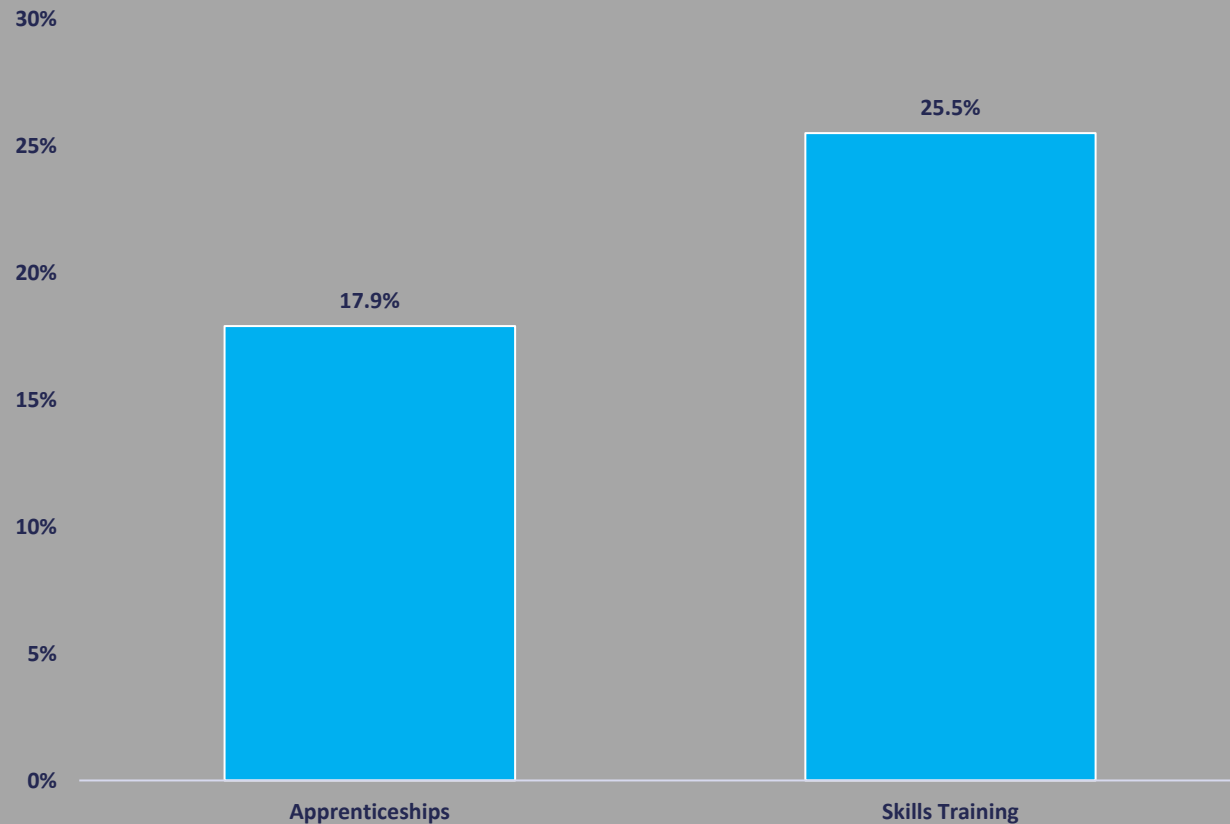


Positive Impacts

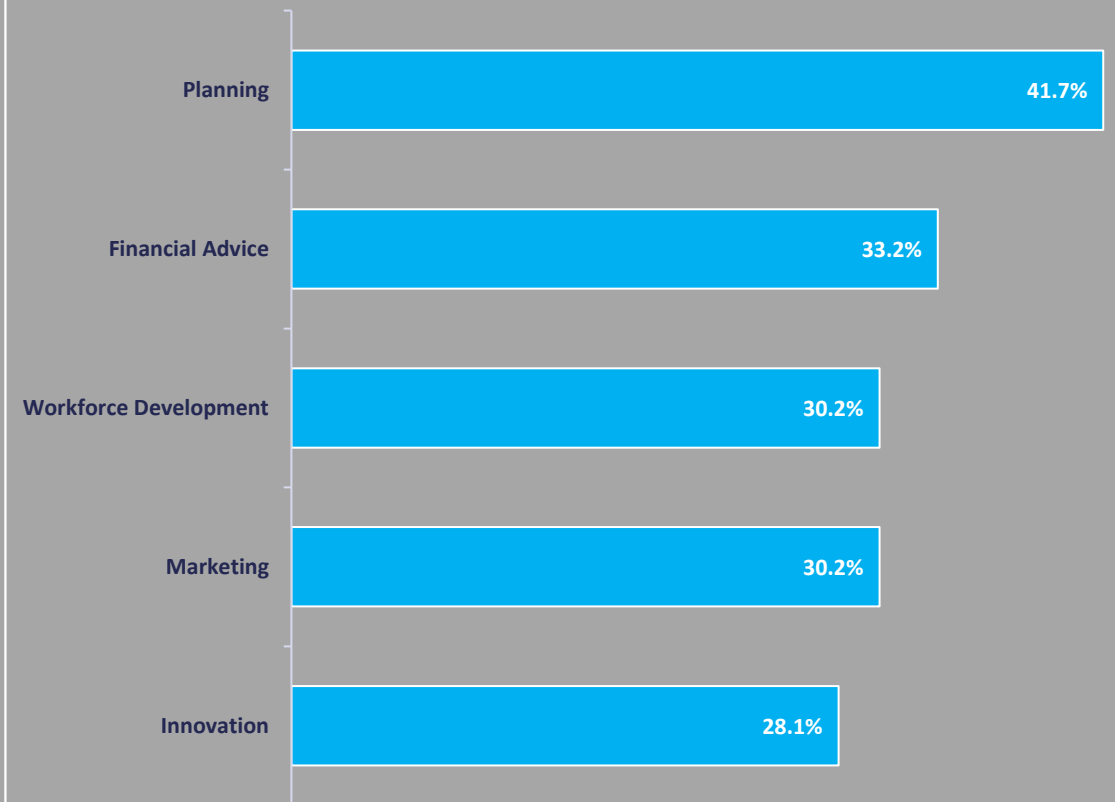


Interest in business support and training

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: Sabirah.Chowdhury@growthco.uk

Here are some of the ways we can support you:

- Advice and support on navigating Covid-19 business challenges: www.businessgrowthhub.com/coronavirus
- Guidance and practical business support on EU Exit: www.businessgrowthhub.com/eu-exit
- Help for training staff and finding new talent: <https://www.businessgrowthhub.com/services/support/people-skills-and-talent>



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