



The  
Growth  
Company

# Growth Company Business Survey

Results for the 2<sup>nd</sup> February 2024 to 2<sup>nd</sup> May 2024

[www.growthco.uk](http://www.growthco.uk)

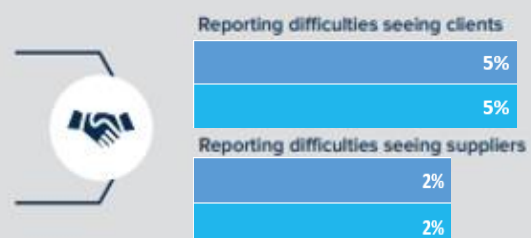
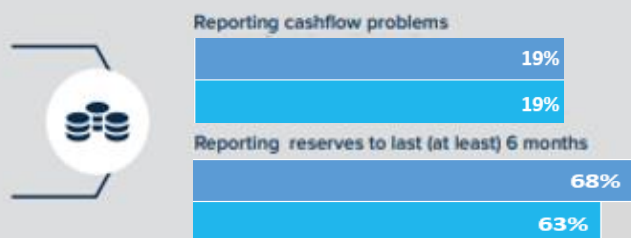
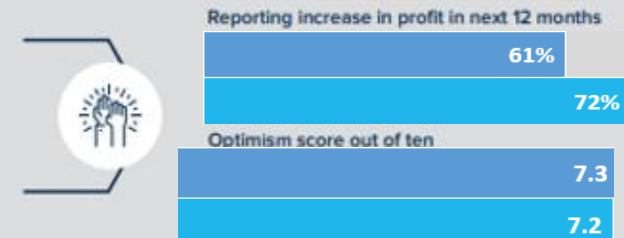
# GC Business Survey

The main survey findings reported by businesses in 2<sup>nd</sup> February 2024 – 2<sup>nd</sup> May 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 **351 businesses** that participated in our GC Business Survey from **2<sup>nd</sup> February 2024 and 2<sup>nd</sup> May 2024**.

## The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

## SURVEY SUMMARY

The latest survey results shows Business Confidence Index (GC-BCI measures businesses' confidence in future growth prospects), currently at 7.2 out of 10, slightly lower than the previous quarter and the yearly average, suggesting a recession. However, it's higher than average for Engineering, Green-Tech, Banking & Insurance, and Construction. Sales saw a decrease, with only 17% reporting increased sales, but 72% anticipate profit growth in the coming year. Investment intentions are up, with 48% planning to increase capital expenditure, especially in Green-Tech, Manufacturing, Digital, and Retail sectors. Workforce development is a priority, notably in Green Tech, Business and Financial Services, Digital, and Manufacturing. Rising costs remain a major concern, along with cashflow issues and supply chain disruptions. Despite challenges, many firms have sufficient cash reserves, particularly in Retail, Manufacturing, Engineering, and Healthcare. Redflag insolvency risks have slightly decreased. Access to new domestic sales opportunities remains a top challenge, especially in Digital Technologies, Manufacturing, and Green Tech sectors. Looking ahead, businesses seek support in innovation, business planning, marketing, workforce development, financial advice, and environmental impact. Small firms face more challenges compared to larger ones, particularly in domestic sales, product development, business model adaptation, financial management, and digital adoption.

**The GC Business Confidence Index.** a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.2 out of 10, less than last month. However, business confidence varies between sector.

**Sales and profits.** 17% (vs 20% previously) of firms reported that they experienced an increase in sales in the latest quarter, and 72% expect profits to increase in the year ahead (vs 61%). Just 2% expect profits to decrease higher than last time. The main sectors expressing an increase in future sales were Manufacturing, Digital and Creative Technologies, Retail, and Business Services.

### Main Impacts and Financial Resilience:

- Main economic impacts include rising costs affecting 52% of firms, cashflow issues for 19%, and minor supply chain disruptions for 16%.
- Despite a slight decrease, 74% of firms maintain cash reserves lasting over 6 months, with higher reserves in smaller firms and sectors like Digital & Creative Technologies and Manufacturing.
- Future sales sentiment decreased post-'mini-recession', with Health and Hospitality sectors experiencing declines while Creative, Manufacturing, and Retail sectors show increased sentiment.

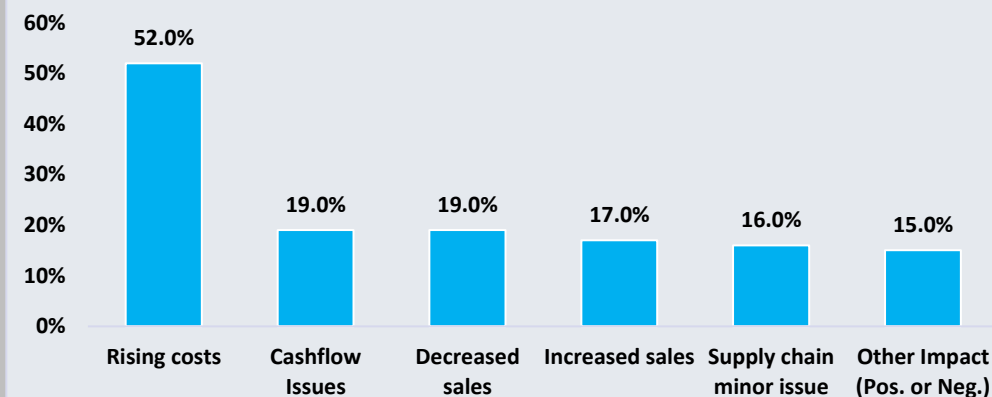
### Business Challenges and Support Needs & Recruitment / skills issues:

- Top future support needs reported include innovation (40%), business planning (39%), and sales/marketing (35%), with recruitment slightly down to 26%.
- Workforce skill gaps persist, with 41% of firms stating existing skills meet objectives, while 43% report skills are partly at the right level, mainly in specialist technical skills (67%) and sales (38%).
- Innovation activity remains steady, with investments in new/improved services (35%), goods (32%), and new business practices (28%).
- Digital innovation investments increased to 17%, with barriers including high innovation costs (28%) and finance availability (25%).

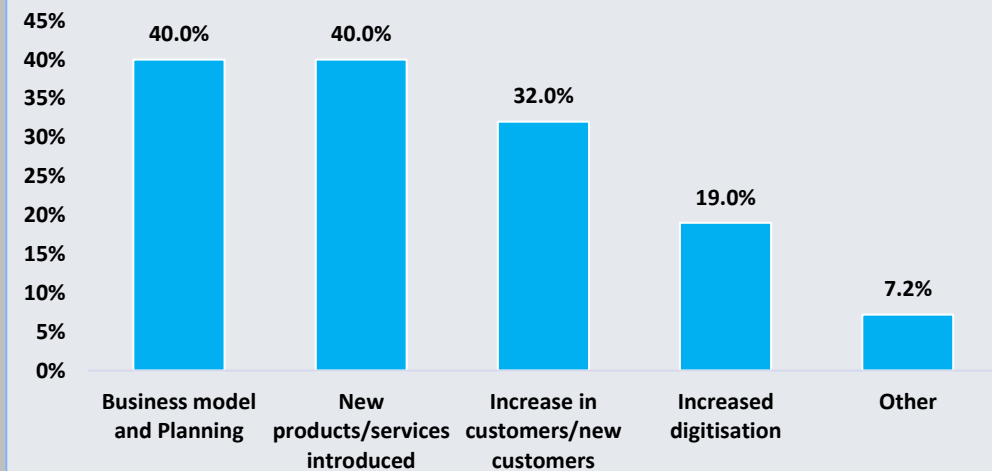
### Recruitment, Employment, and Skills Issues:

- 26% (vs 27% previously) of firms surveyed are currently recruiting new staff.
- Workforce skill gaps. 41% (vs 45%) of firms said that their existing workforce skills are at the right level to meet business plan objectives for the year ahead.
- 43% firms said workforce skills are at partly level and 2% said not at the right level among those small SMEs (0-9) and (10- 49) had correct workforce skills at partly level.

## Main Impacts

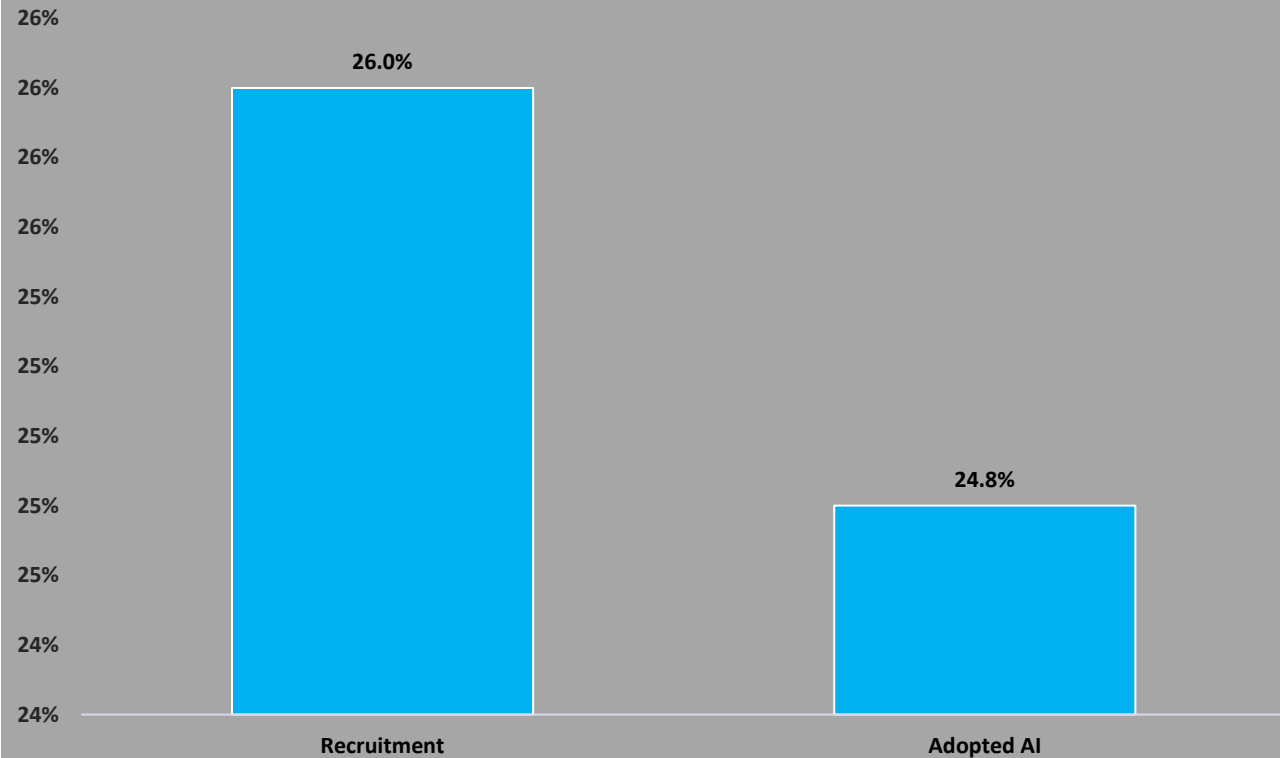


## Positive Impacts

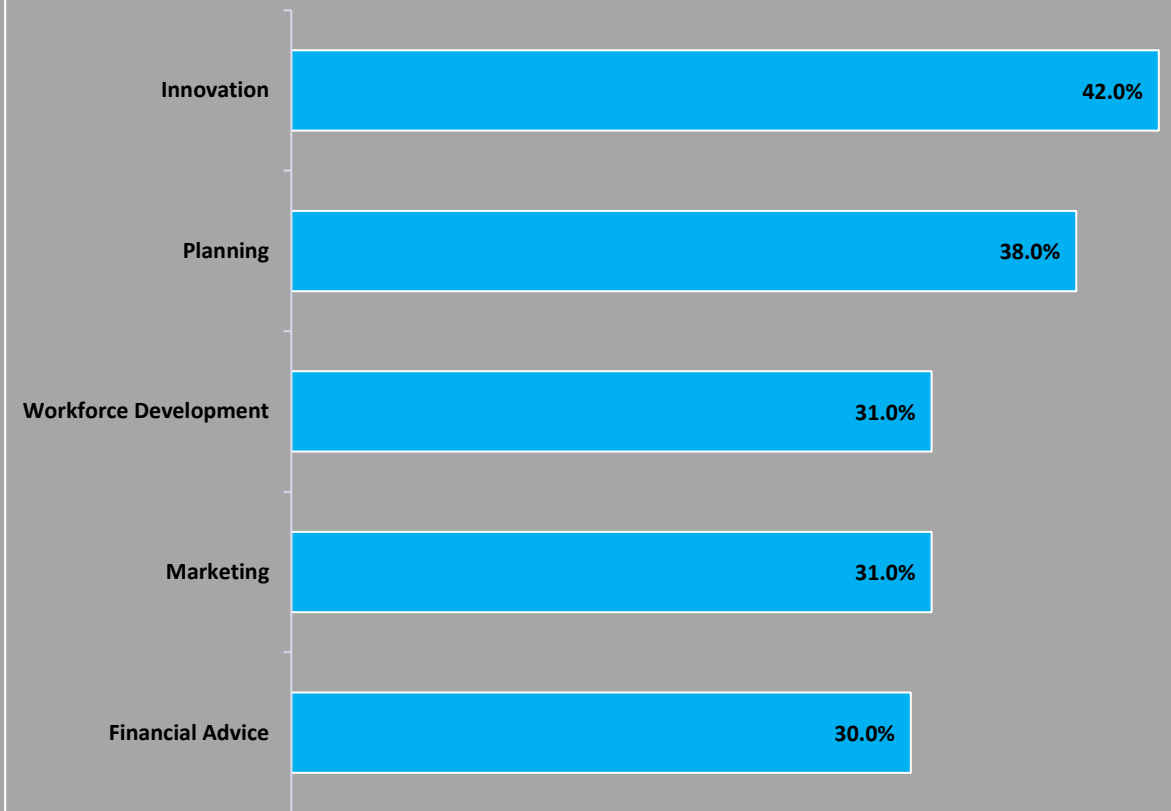


## Interest in business support

### 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: [Atharva.Joshi@growthco.uk](mailto:Atharva.Joshi@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](http://www.businessgrowthhub.com/coronavirus)
- Guidance and practical business support on EU Exit: [www.businessgrowthhub.com/eu-exit](http://www.businessgrowthhub.com/eu-exit)
- Help for training staff and finding new talent: <https://www.businessgrowthhub.com/services/support/people-skills-and-talent>