



The
Growth
Company

Growth Company Business Survey

Results for the 2nd March 2025 to 2nd June 2025

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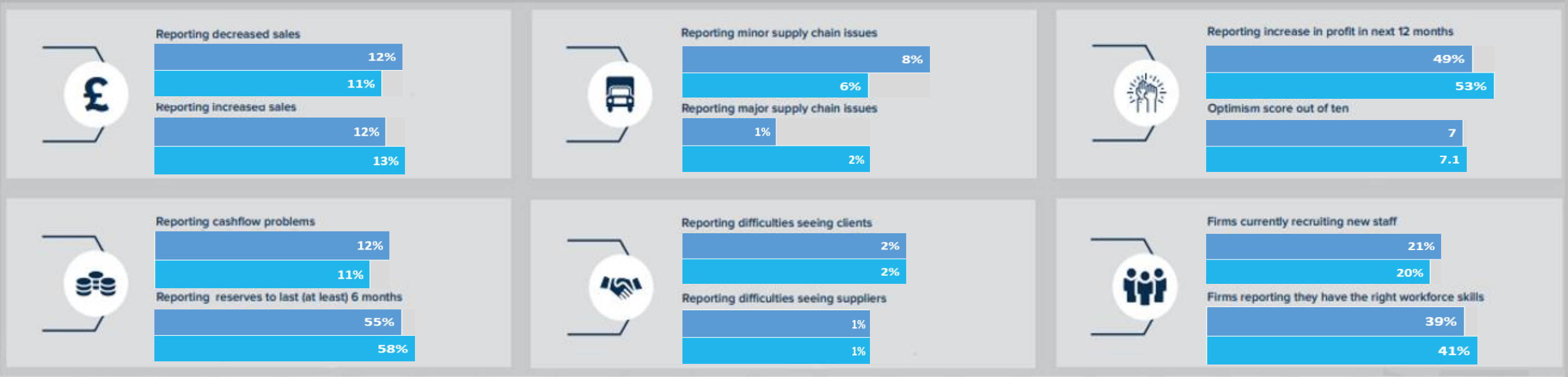
GC Business Survey

The main survey findings reported by businesses from 2nd March 2025 to 2nd June 2025

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 economic risks and opportunities.

The largest regular sub-regional monthly business survey publication of its kind, the following findings are based upon a total of **659 businesses** that participated in our GC Business Survey from **2nd March 2025 and 2nd June 2025**.

The main impacts of the current economic climate on businesses



▶▶ Previous month ▶▶ Current Month

Summary

The GC Business Confidence Index (GC-BCI) for May 2025 is at 7.1, slightly increased compared to last quarter 7.0, showing slight optimistic outlook. Confidence was highest in Business Financial & Professional Services, Engineering, DCTs, Construction, Hospitality and Green Tech and Logistics showed lower sentiment. Sales, and investment expectations have increased in firms, with firms Construction, DCTs, Engineering, Hospitality remaining most optimistic about growth and capital expenditure.

58% of firms holding over six months of cash reserves which have increased compared to last quarter, concerns persist around rising costs (28%), cashflow issues (11%), and late payments which have fallen since last quarter showing optimistic outlook. Smaller firms and those in Green Tech, Health Care, and DCTs are more vulnerable to cashflow pressures and market uncertainties.

Firms continue to face challenges in accessing new sales opportunities (49%), developing new products/services (31%), and workforce development (20%). Key support areas include innovation (30%), business planning (32%), and sales and marketing (29%). Sector-specific needs include innovation and R&D in DCTs, Life Sciences, Manufacturing and Engineering.

Innovation activity remains strong, with 34% investing in improved services and 27% increasing investment in R&D. However, workforce skill gaps persist, especially among smaller SMEs, in areas like specialist skills and time management. Digital investment is rising, particularly in Manufacturing, Engineering and Hospitality.

35% have adopted AI into business. Firms were most likely to have implemented AI into data analytics, whilst replacing admin tasks, sales and marketing systems, and for automating production processes.

Key Findings

GC Business Confidence Index (GC-BCI): GC-BCI fell for May 2025 stands at 7.1 out of 10, showing a slight increase from the previous quarter's figure of 7.0. Confidence levels are above average for Business Financial & Professional Services, Engineering, DCTs, Construction, Hospitality; and the lowest confidence was reported in Health & Social Care, Other Services, and Education. The latest confidence figures show an increasing levels uncertainty (proportion of lower scores rising) in: Green Tech, and Logistics.

Sales and Profits: 13% (vs 12%) of firms reported an increase in sales. 53% (vs 49%) expect profits to increase in the year ahead. 3% (vs 4%) expect profits to decrease. The sectors most optimistic about future profitability are BFPS, DCTs, Engineering, Hospitality and Retail; and lower in Manufacturing (excl. Engineering), Hospitality, Education, and Construction.

Investment: 29% (vs 25%) of firms expect to increase capital expenditure in the year ahead. Construction, DCTs, Engineering, Hospitality are most optimistic, and investment expectations are lowest in Retail & wholesale, Life-Sciences, Business Financial & Professional Services and Other Service Activities.

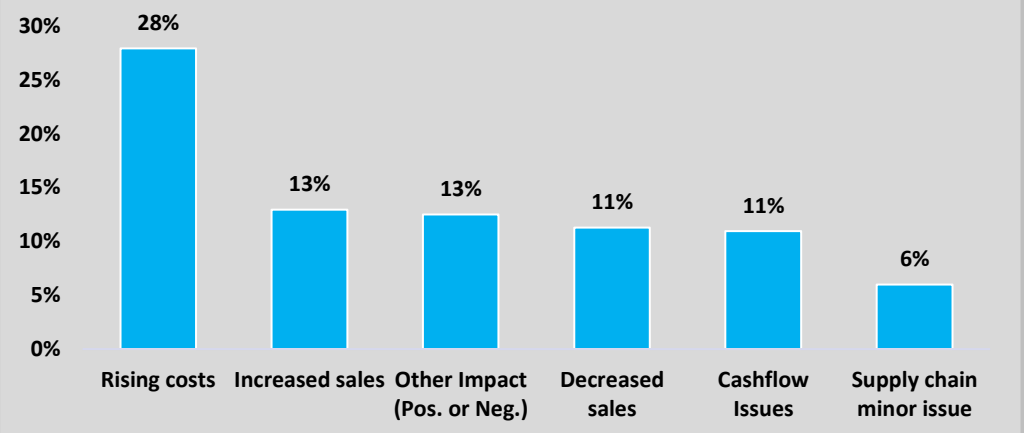
Cashflow Issues & Cash reserves: 11% (vs 12%) of firms reported cashflow problems. Micro-sized firms (<10 employees) were more likely to face cashflow challenges than larger SMEs (50–249+ FTEs), with higher cashflow risks reported in Hospitality, Education, Construction, Health & Social Care, Manufacturing, and Logistics. 4% (vs 3%) of firms reported late payments by suppliers and customers. 58% of firms (vs 55%) report having cash reserves to last over 6 months, with 76% of SMEs (10–249 employees) reporting cash reserves for this duration. Reserves were highest in the BFPS, Construction, and Engineering, while Green Tech, Health Care, and DCTs had the lowest 6+months reserves.

Trade: 21% of firms (unchanged) export goods or services, with 13% (vs 16%) expanding into new markets, a trend particularly notable in the DCTs, Manufacturing and BFPS. Additionally, 10% (unchanged) of firms engaged in overseas trade are looking to expand in their current markets.

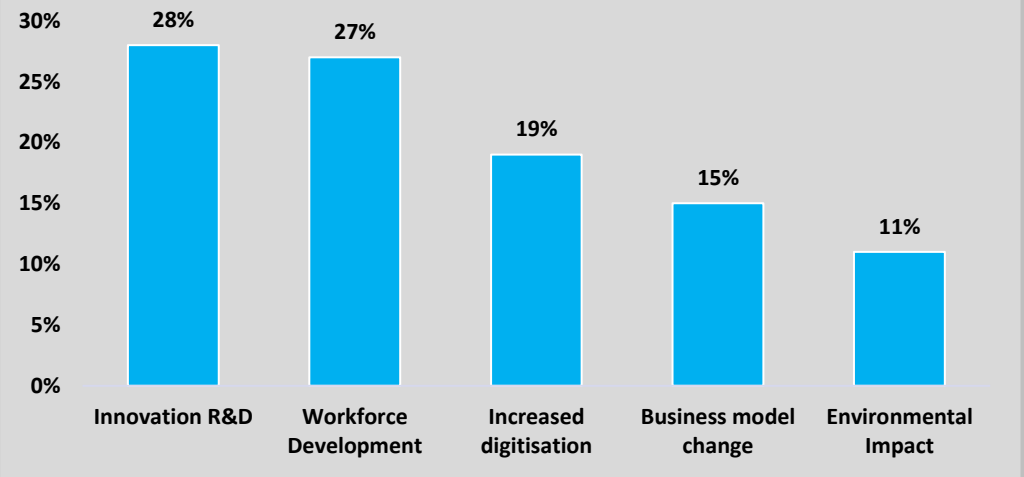
Future support needs include business planning 32% (vs 30%), innovation 30% (vs 32%), sales & marketing 29% (vs 28%), workforce development & skills 25% (vs 23%) and financial advice 21% (vs 17%).

Recruitment and Skills: 20% (vs 21%) of firms are currently recruiting new staff. Recruitment rates are higher amongst SMEs than other sizes of business. By sector, recruitment is more active in Business Financial & Professional Services, Retail, Education, Construction, Hospitality. Life Sciences, DCTs and Engineering sectors were least likely to be currently recruiting.

Main Impacts

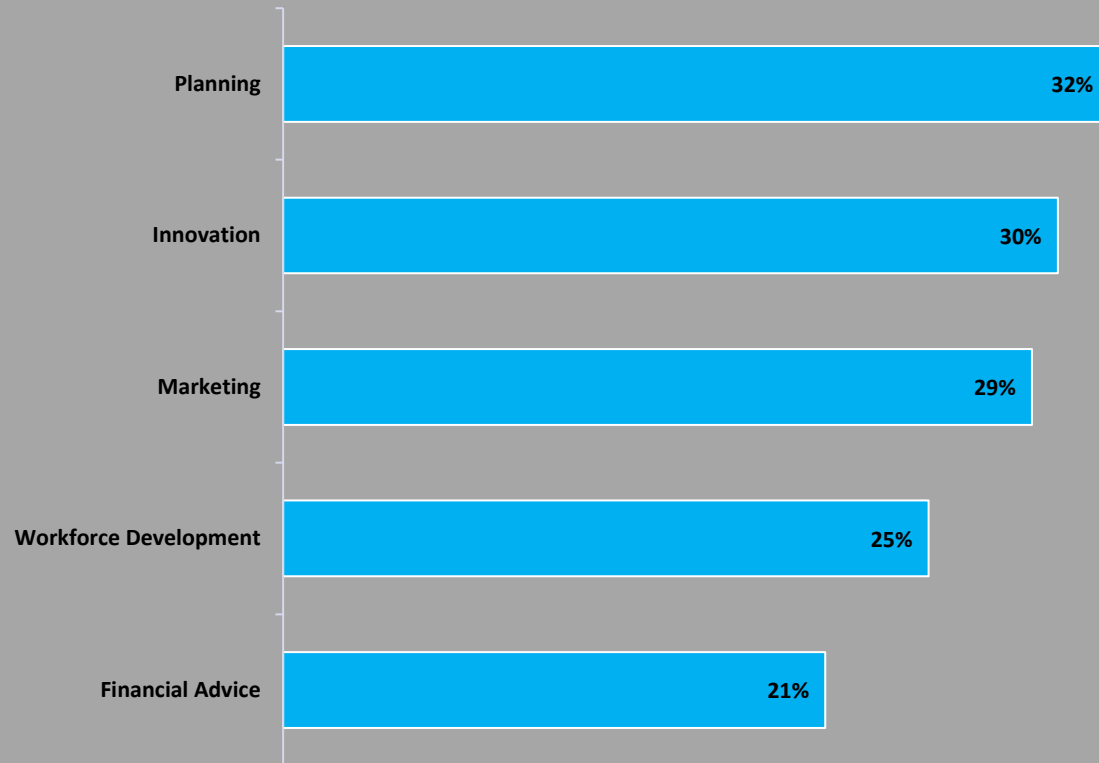


Areas to increase investment

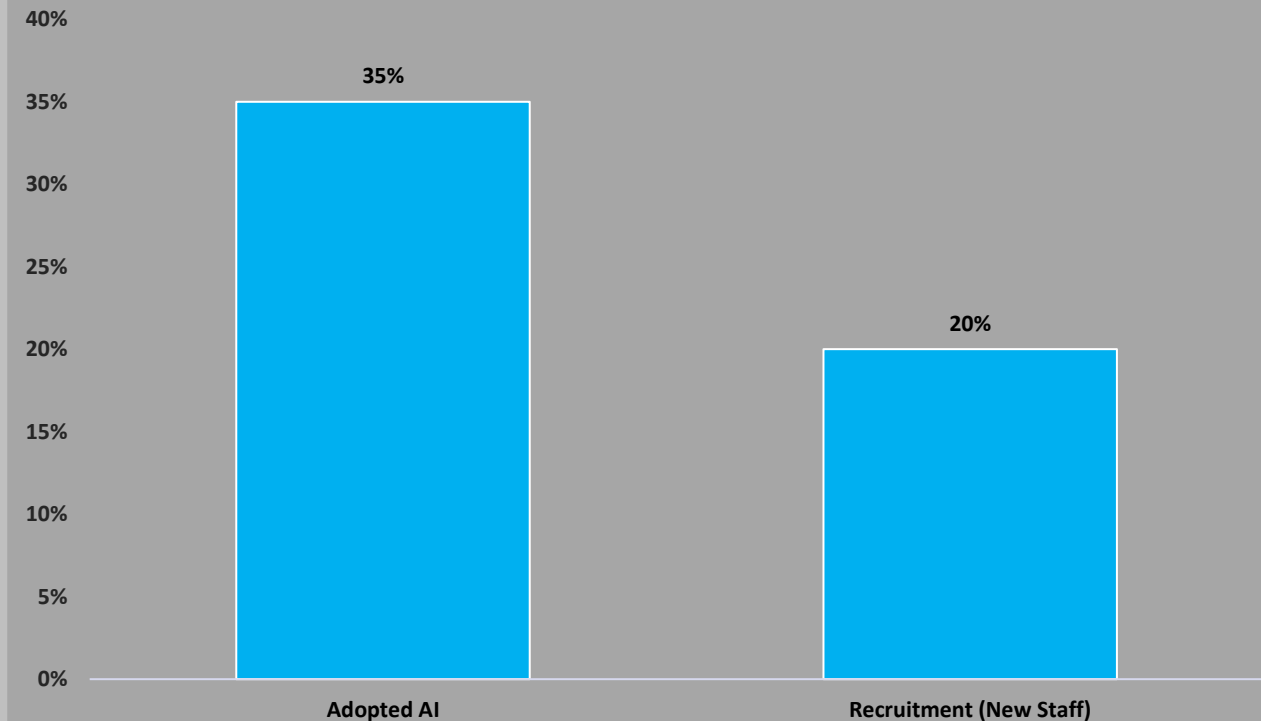


Interest in business support

Top 5 areas for business support in the future



Percentage of respondents interested in the following initiatives



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 or Atharva.Joshi@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>