



The  
Growth  
Company

# Growth Company Business Survey

Results for the 2<sup>nd</sup> May 2022 to 6<sup>th</sup> June 2022

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

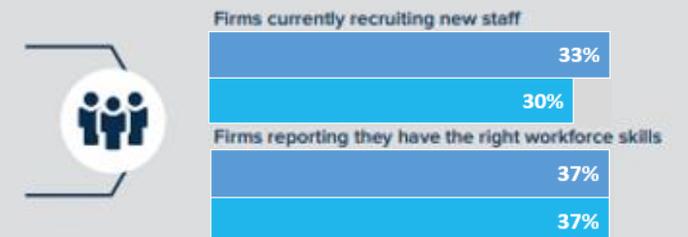
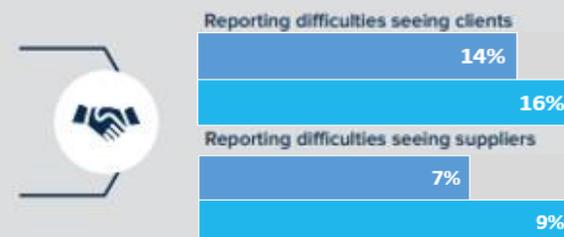
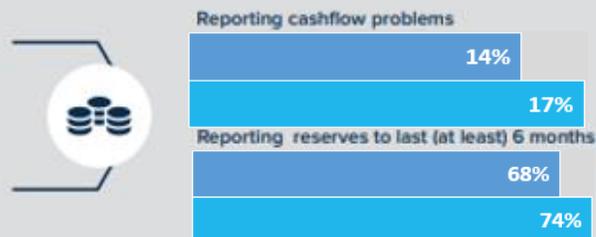
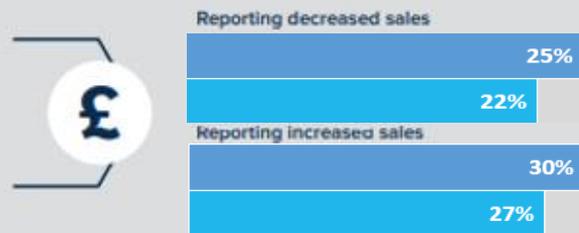
# GC Business Survey

## The main survey findings reported by businesses in May 2022

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 **338 businesses** that participated in our GC Business Survey from **2<sup>nd</sup> May to 6<sup>th</sup> June**.

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



▶▶ Previous month

▶▶ Current Month

## SURVEY SUMMARY

- Firms remain confident about the year ahead. Whilst the proportion expecting sales to increase in the year ahead fell slightly by three percentage points, the proportion expecting profits to increase rose slightly by two percentage points. Investment intentions remain strong, with small increases in the proportion of firms looking to increase spending on workforce development, product/service innovation, and digital transformation. The main areas of concern/impact are rising costs, supply chain issues, and falling sales, with a slight rise in the proportion of firms reporting challenging cashflow issues (17% vs 14% last month) driven by micro-sized firms reporting an increase in this risk. The main pressing challenges and business support needs focus on growing domestic markets/sales, addressing innovation and workforce development and managing finances. Just under a third of firms are recruiting staff, with the main labour shortages reported in technical back-office roles.
- **The GC Business Confidence Index** (GC-BCI) a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.5 out of 10, same as last month, and slightly below the 7.6 recorded the same time last year.
- **Sales and profits.** 27% (vs 30% previously) of firms reported that they experienced an increase in sales in the last month, and 67% expect profits to increase (vs 65%, and similar to that seen in Jan/Feb 2022), whilst just 2% expect profits to decrease.

### Main impacts from the current situation and financial resilience

- **Impacts.** The main impacts facing firms are rising costs (25% vs 28% previously), minor supply chain issues (22% vs 28%), decreased sales (22% vs 25%), cashflow issues (17% vs 14%) and business travel to visit clients (16% vs 14%).
- **Falling sales.** The proportion of firms reporting decreased sales shows variation by sector, and was most prevalent in Hospitality, Tourism, and Sport, and Logistics.
- **Cash reserves.** 74% (vs 68%) of firms report that they have cash reserves to last over 6 months. This represents one of the strongest positions recorded in the last 2 years.
- **Cashflow.** 17% (vs 14%) of firms said they had cashflow problems (30% at the same time last year). Firms are still more likely to report cashflow risks in Tourism / Hospitality / Leisure.

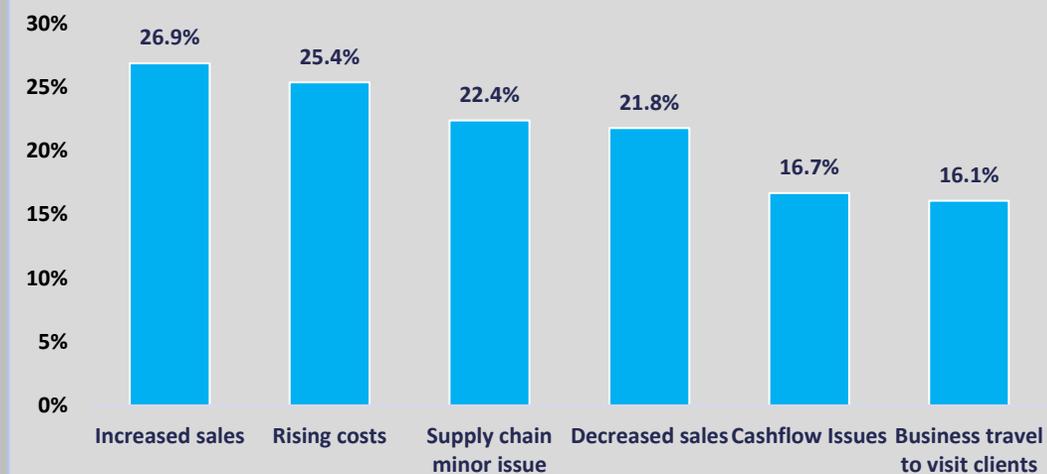
### Employment and skills

- **Recruitment.** 30% (vs 33% previously) of firms are currently recruiting new staff, and 45% (vs 55%) said they had difficulties recruiting for specific occupations. The main occupational groups recruiting are back-office support roles (58% vs 48%), customer facing/sales (33% vs 36%), and managerial jobs (15% vs 14%).
- **Workforce skill gaps.** 44% (vs 49%) of firms said that their workforce skills are only 'partly' at the correct level to meet business plan objectives for the year ahead.
- **Workforce development.** 58% (vs 54%) of firms said they are looking to increase investment in workforce development in the next 12 months, 30% (same as last month) said they thought investment levels would remain the same, and 13% (vs 15%) were unsure.
- **Redundancy risk.** Just 2% (vs 4%) of firms said they were in the process of considering making redundancies.

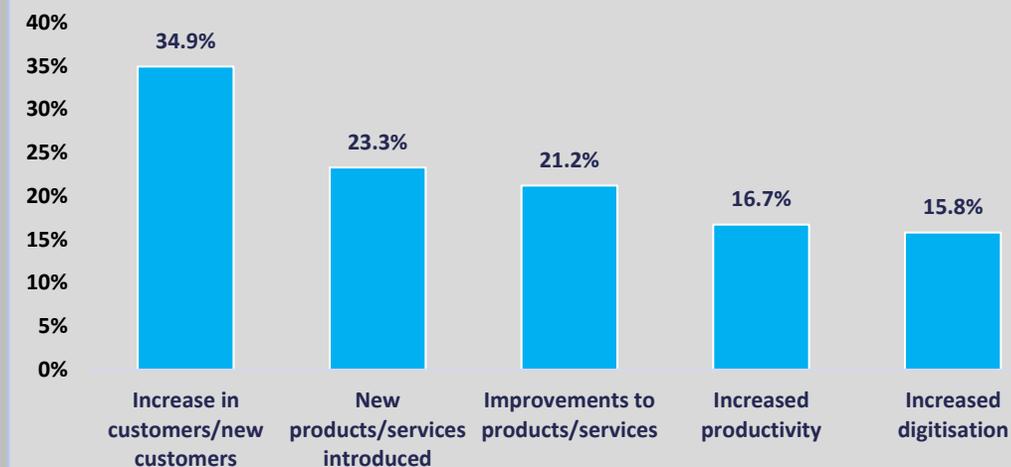
### Other challenges and future support needs

- **The main current challenges:** access to new domestic sales opportunities (56% vs 56% previously), developing business model and plans (37% vs 46%), managing overall business finances (39% vs 43%), recruitment, workforce and skills development (36% vs 34%), and developing new product / service innovation (40% vs 34%).
- **Future support needs.** business planning (42% vs 46%), workforce development (37% vs 33%), sales & marketing (35% vs 33%), financial advice (28% vs 34%), and innovation (28% vs 25%).
- **Environmental impact.** 28% (vs 31%) of firms are looking for support on managing their environmental impact.

## Main Impacts

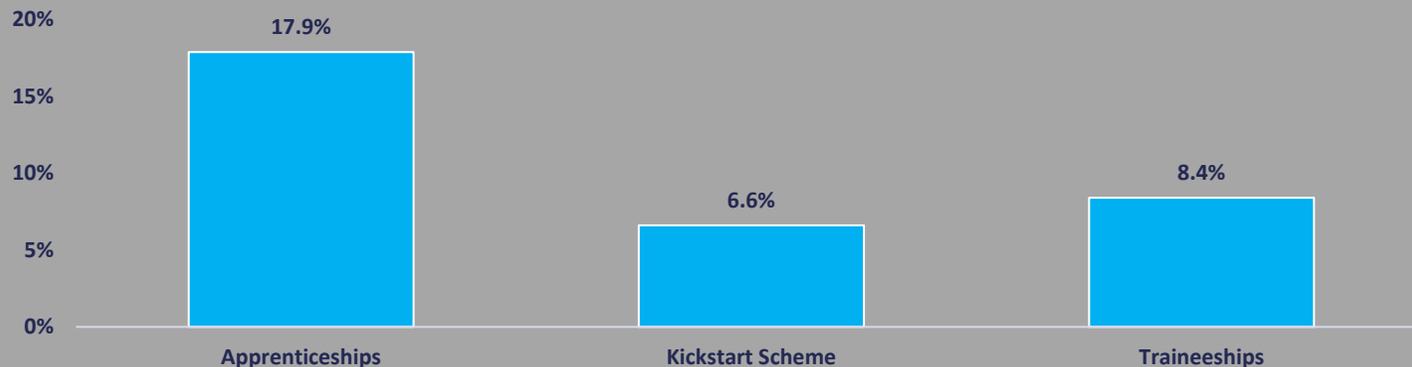


## Positive Impacts

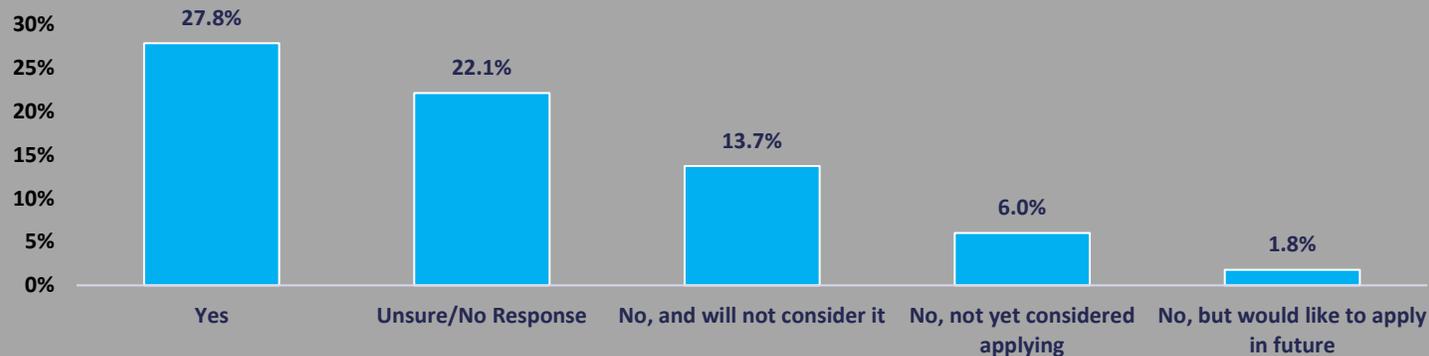


## Interest in business support and training

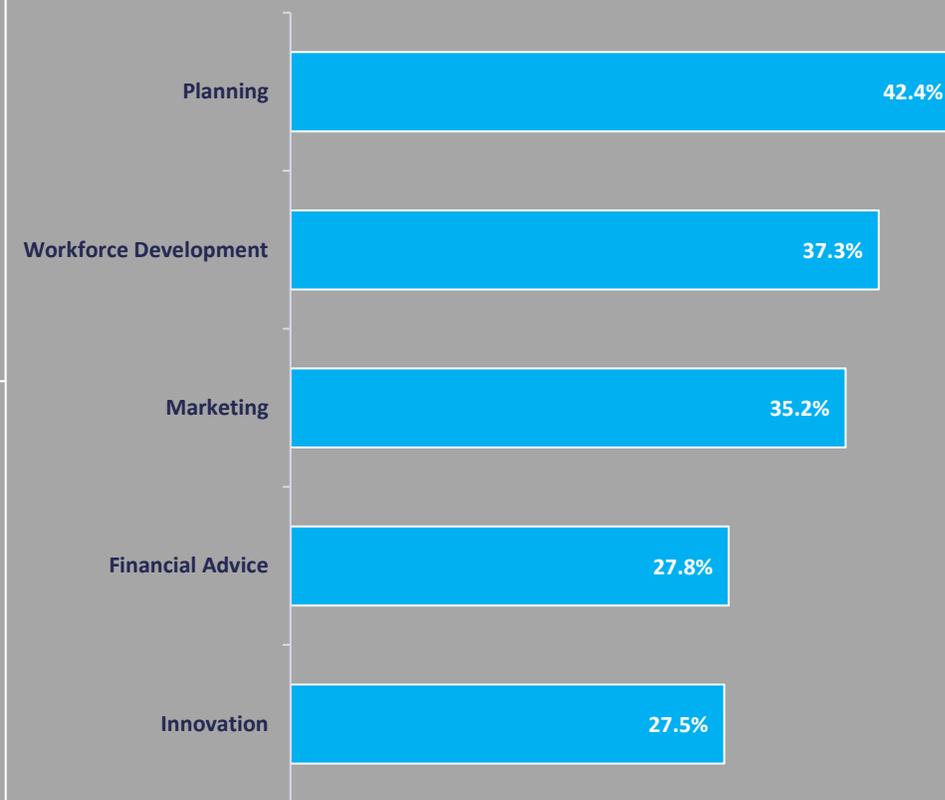
### Percentage of respondents interested in the following initiatives



### Firms accessing government loans and grants for assistance



### 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](mailto: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](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>