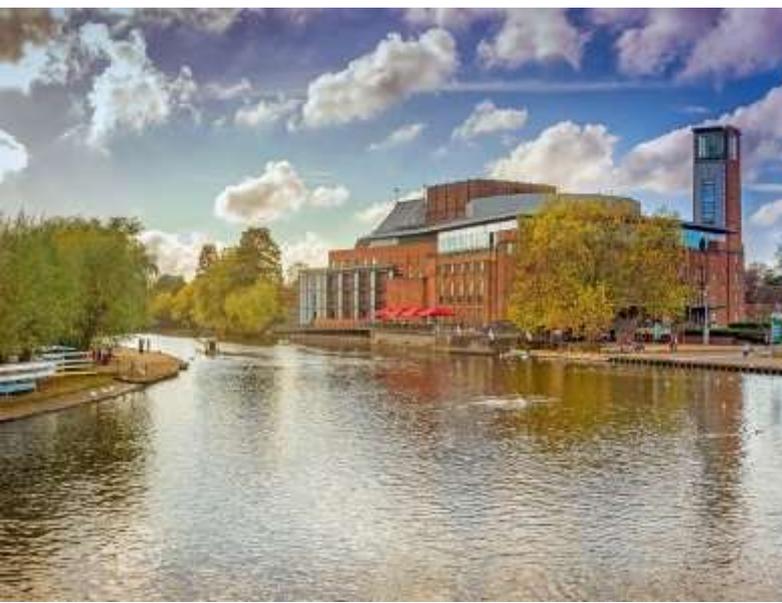




West Midlands Growth Hub Telemarketing Data Summary 11/11/2020



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Summary

- 441 businesses were surveyed between the 14th July and 1st October 2020.
- Of the 441 businesses, 135 (30.6%) had previously heard of growth hubs and 52 (11.8%) had previously been in contact with one.
- The issue that had the highest number of businesses report some concern was lack of sales, with 199 (45.1%). This was followed by taxation with 178 (40.4%) and cashflow 177 (40.1%).
- 130 (29.5%) businesses expected their turnover figures to decline over the next 12 months, the highest number for all areas, followed by profitability with 123 (27.9%), cash reserves with 114 (25.9%) and then sales bookings with 112 (25.4%).
- 69.4% (306) of businesses surveyed would like to receive the weekly growth hub newsletter.
- 68.9% (304) of businesses are happy to be contacted by their local growth hub to discuss ways in which they can help their business.
- 56.0% (247) are happy to allow the LEP growth hubs to divulge their contact details to local authority stakeholders for purposes of intelligence gathering and providing support to local businesses.
- 48.1% (212) of businesses would like to find out more about B2B opportunities in their area for connecting businesses to local procurement opportunities, major projects, recruitment, business support, events and workshops.

Introduction

- 441 businesses were surveyed between the 14th July and 1st October 2020.
- Of the 441 businesses, 135 (30.6%) had previously heard of growth hubs and 52 (11.8%) had previously been in contact with one.
- The businesses surveyed varied in size, with businesses ranging from having 500 employees and £100million annual turnover, to start-ups with no turnover and no employees.
- The businesses surveyed came from a wide range of local authorities across the West Midlands. Birmingham had the greatest number of respondents with 42 (9.5%), followed by Dudley with 39 (8.8%) and Coventry with 34 (7.7%).

Table 1 – Location of the businesses surveyed

Local Authority	Count of Local Authority	% of total
Birmingham	42	9.5%
Dudley	39	8.8%
Coventry	34	7.7%
Sandwell	28	6.3%
Shropshire	25	5.7%
Redditch	23	5.2%
Herefordshire	20	4.5%
Wolverhampton	18	4.1%
Warwick	17	3.9%
Walsall	15	3.4%
Stratford-on-Avon	15	3.4%
Malvern Hills	14	3.2%
Telford and Wrekin	14	3.2%
Bromsgrove	12	2.7%

Local Authority	Count of Local Authority	% of total
East Staffordshire	12	2.7%
Wychavon	12	2.7%
Wyre Forest	12	2.7%
Rugby	11	2.5%
Worcester	9	2.0%
South Staffordshire	8	1.8%
Newcastle-under-Lyme	7	1.6%
Stoke-on-Trent	7	1.6%
Nuneaton and Bedworth	6	1.4%
Stafford	6	1.4%
Solihull	5	1.1%
Staffordshire Moorlands	5	1.1%
Tamworth	5	1.1%
Cannock Chase	3	0.7%
North Warwickshire	3	0.7%
Lichfield	2	0.5%
N/A	12	2.7%
Total	441	

- The table below shows a more detailed breakdown of the sectors of the businesses who completed the survey. Over half of the businesses who completed the survey were from the advanced manufacturing & engineering sector, with 227 (51.5%).

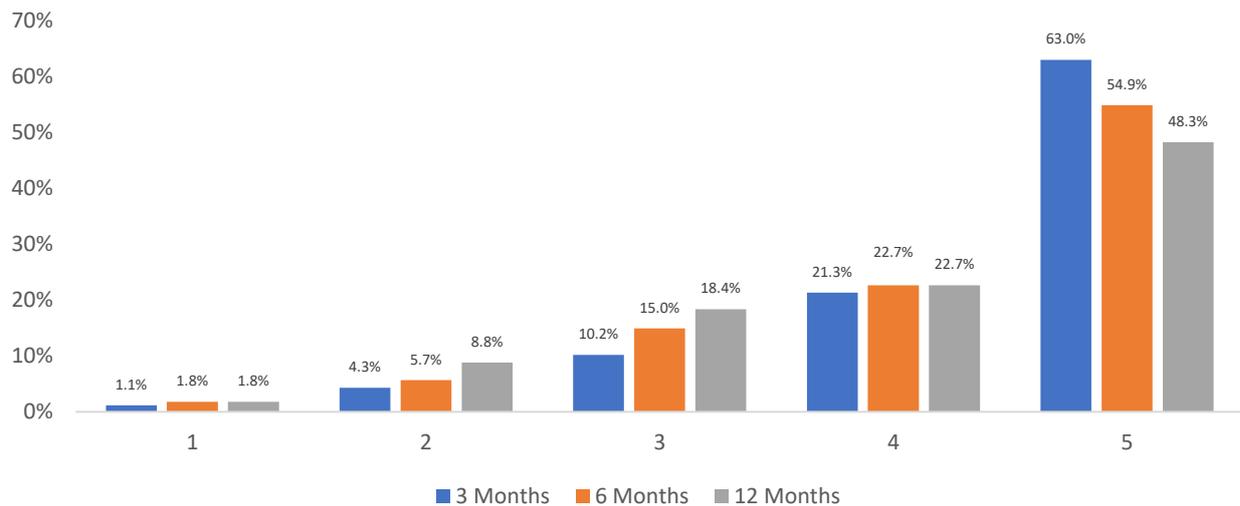
Table 2 – Businesses surveyed by sector

Sector	Businesses Surveyed	% of Total
Advanced Manufacturing & Engineering	227	51.5%
Life Sciences & Healthcare	49	11.1%
Business, Professional & Financial Services	46	10.4%
Retail	33	7.5%
Construction	23	5.2%
Cultural Economy inc Sports	21	4.8%
Low Carbon & Environmental Technology	14	3.2%
Digital & Creative	13	2.9%
Transport Technologies	10	2.3%
Public Sector inc Education	5	1.1%
Total	441	

Survival

- As part of the questionnaire, businesses were asked to rate their chances of survival on a scale of 1-5 (with 1 very unconfident and 5 being very confident) over the next 3, 6 and 12 months.
- In general, the businesses surveyed were less optimistic about their survival chances in the longer term, with 278 (63.0%) of businesses being very confident of survival over the next 3 months, compared with 242 (54.9%) over the next 6 months, and 213 (48.3%) over the next 12 months.

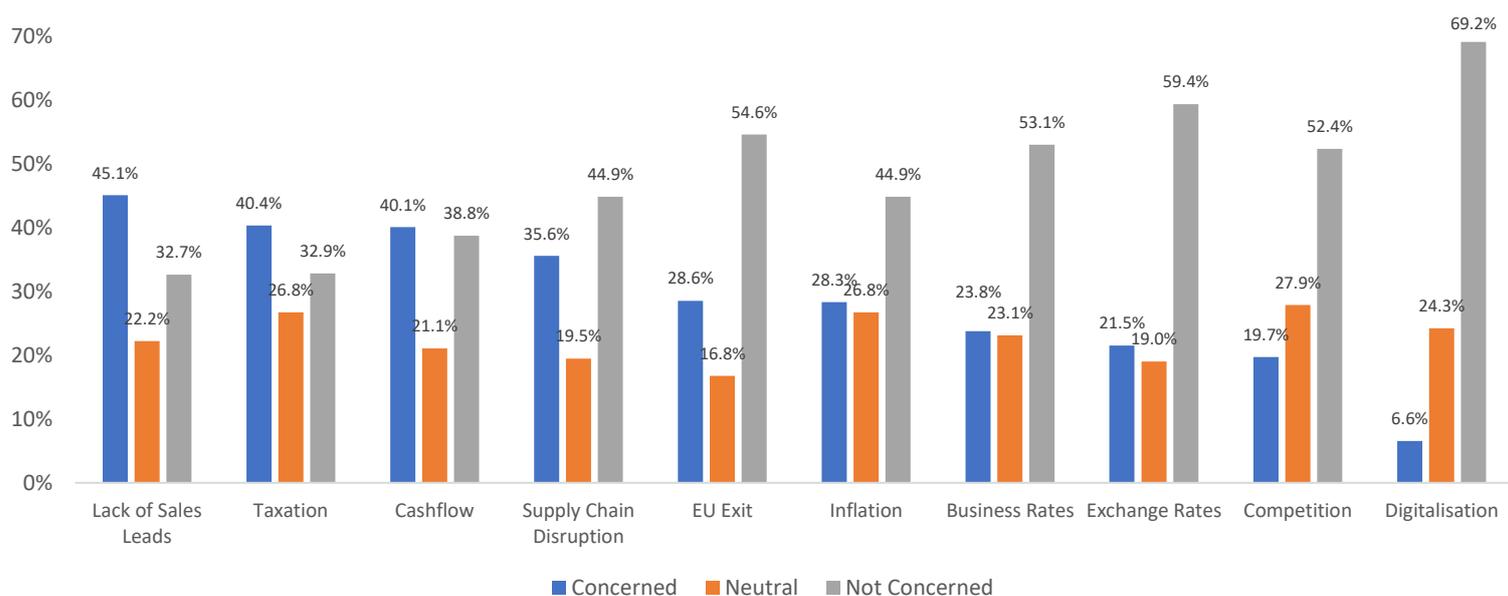
Figure 1 – Business survival chances (1 = very unconfident, 5 = very confident)



Concerns

- Businesses were also asked to rate how concerned they were about certain things on a scale of: Concerned, Neutral and Not Concerned.
- The issue that had the highest number of businesses report some concern was lack of sales, with 199 (45.1%). This was followed by taxation with 178 (40.4%) and cashflow 177 (40.1%).
- Digitalisation had the least businesses report concern, with 29 (6.6%). This was followed by competition with 87 (19.7%) and exchange rates with 95 (21.5%)

Figure 2 – Business concerns



- The sector that was most concerned about the EU exit was low carbon & environmental technology, which had 42.9% of businesses reporting they were concerned.
- For Advanced Manufacturing & Engineering, the sector with the most respondents, lack of sales leads was the area they were most concerned about, with 50.7% (115) of businesses reporting they were concerned here. This was followed by cashflow with 43.2% (98), and then taxation with 39.6% (90).

Table 3 – Percentage of businesses who are “Concerned” about various areas

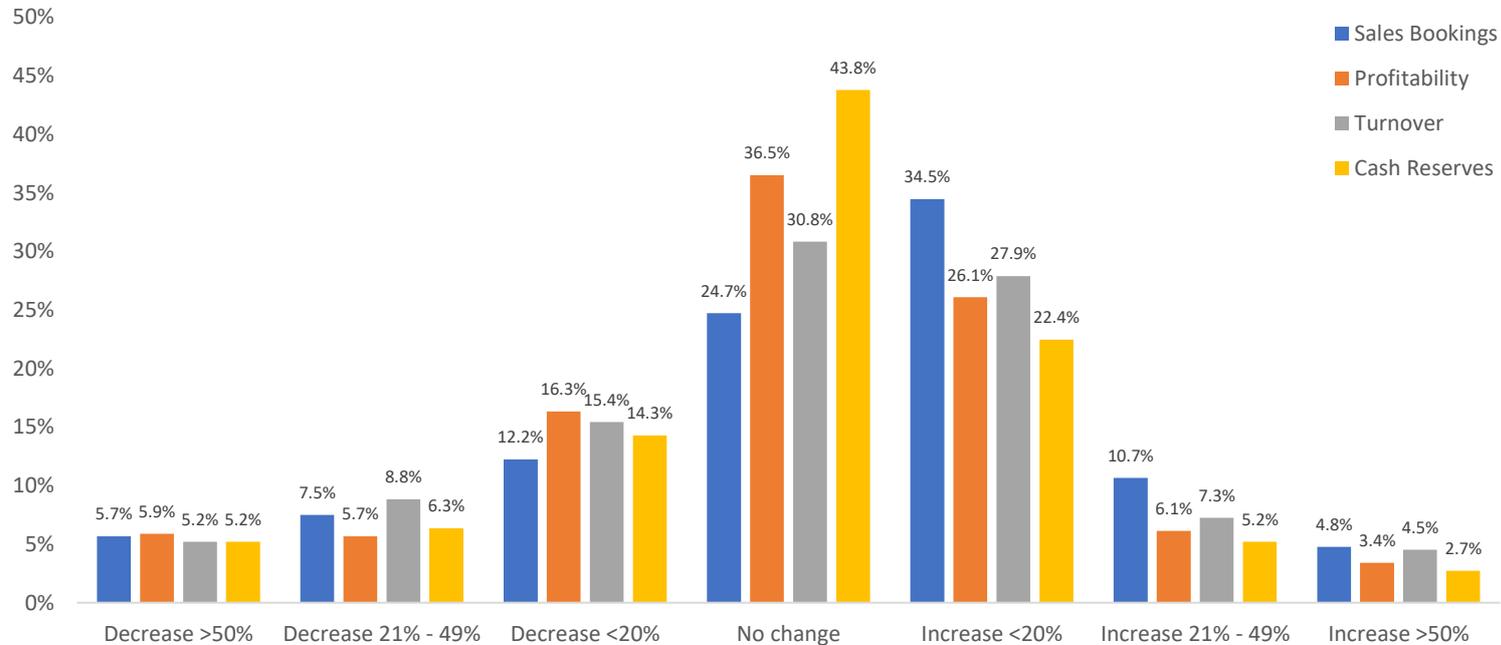
Sector	EU Exit	Cashflow	Lack of Sales Leads	Business Rates	Inflation	Exchange Rates	Taxation	Competition	Digitalisation
Advanced Manufacturing & Engineering	33.9%	43.2%	50.7%	29.1%	26.0%	26.9%	39.6%	18.1%	4.8%
Business, Professional & Financial Services	28.3%	41.3%	34.8%	13.0%	26.1%	10.9%	41.3%	19.6%	6.5%
Construction	21.7%	47.8%	56.5%	21.7%	52.2%	13.0%	56.5%	30.4%	8.7%
Cultural Economy inc Sports	23.8%	47.6%	61.9%	28.6%	33.3%	0.0%	33.3%	14.3%	4.8%
Digital & Creative	7.7%	46.2%	46.2%	15.4%	23.1%	30.8%	53.8%	30.8%	7.7%
Life Sciences & Healthcare	14.3%	20.4%	20.4%	12.2%	26.5%	8.2%	26.5%	12.2%	6.1%

Sector	EU Exit	Cashflow	Lack of Sales Leads	Business Rates	Inflation	Exchange Rates	Taxation	Competition	Digitalisation
Low Carbon & Environmental Technology	42.9%	21.4%	35.7%	14.3%	14.3%	28.6%	21.4%	28.6%	14.3%
Public Sector inc Education	20.0%	20.0%	20.0%	20.0%	40.0%	20.0%	80.0%	40.0%	0.0%
Retail	24.2%	39.4%	42.4%	24.2%	33.3%	27.3%	42.4%	27.3%	15.2%
Transport Technologies	30.0%	60.0%	60.0%	30.0%	40.0%	40.0%	80.0%	20.0%	10.0%
Total	28.6%	40.1%	45.1%	23.8%	28.3%	21.5%	40.4%	19.7%	6.6%

Expectations Over the Next 12 Months

- Businesses were asked how they anticipate various parts of their business to change over the next 12 months.
- The most optimistic area for businesses was sales bookings, with 220 (49.9%) businesses expecting an increase over the next 12 months. This was followed by turnover with 175 (39.7%), profitability with 157 (35.6%), and cash reserves with 134 (30.4%).
- 130 (29.5%) businesses expected their turnover figures to decline over the next 12 months, the highest number for all areas, followed by profitability with 123 (27.9%), cash reserves with 114 (25.9%) and then sales bookings with 112 (25.4%).
- A more detailed breakdown of responses is shown in the figure below.

Figure 3 – Business expectations over the next 12 months



- There were few major differences across the different sectors. One of the most notable standouts was in the life sciences & healthcare sector, where 63.3% (31) of businesses reported that they anticipate an increase in sales bookings over the next 12 months.

Table 4 - Percentage of businesses who expect an increase in various areas over the next 12 months

	Sales Bookings	Profitability	Turnover	Cash Reserves
Advanced Manufacturing & Engineering	48.0%	34.4%	38.3%	29.5%
Business, Professional & Financial Services	47.8%	41.3%	41.3%	37.0%
Construction	52.2%	47.8%	52.2%	34.8%
Cultural Economy inc Sports	42.9%	28.6%	28.6%	33.3%
Digital & Creative	46.2%	53.8%	38.5%	38.5%
Life Sciences & Healthcare	63.3%	36.7%	49.0%	32.7%
Low Carbon & Environmental Technology	42.9%	28.6%	28.6%	28.6%
Public Sector inc Education	80.0%	80.0%	80.0%	40.0%
Retail	54.5%	30.3%	36.4%	21.2%
Transport Technologies	30.0%	0.0%	20.0%	10.0%
Total	49.9%	35.6%	39.7%	30.4%

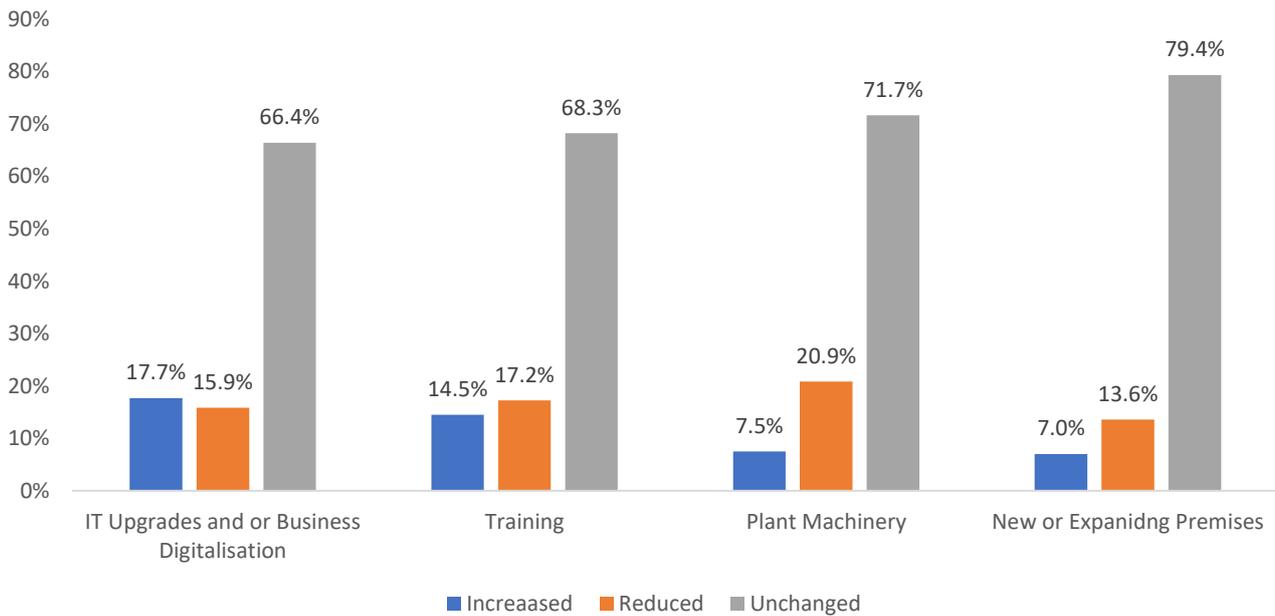
Prices

- 88.9% (392) of businesses surveyed reported they had hadn't had to increase prices over the 3 months prior to being surveyed.
- 85.9% (62) of businesses do not expect to have to increase their prices over the next 3 months.
- Of those who have increased / expect to increase prices, common reasons include:
 - Increased tariffs
 - Price increases from suppliers
 - Exchange rates
 - Raw materials price increases
 - Employer contribution increased
 - PPE

Investment

- Businesses were asked whether their investment or plans for investments had changed in the 3 months prior to completing the survey.
- 17.7% (78) of businesses reported that they had increased investment in IT Upgrades and/or Business Digitalisation. This was the only area where more businesses had increased investment than decreased, (78 vs 70).
- For training, plant machinery and new or expanding premises, more businesses reported that they had reduced investment than increased.
- The majority of businesses reported that their investment plans remained unchanged across all the areas, with 79.4% (350) of businesses saying this was the case for new or expanding premises.

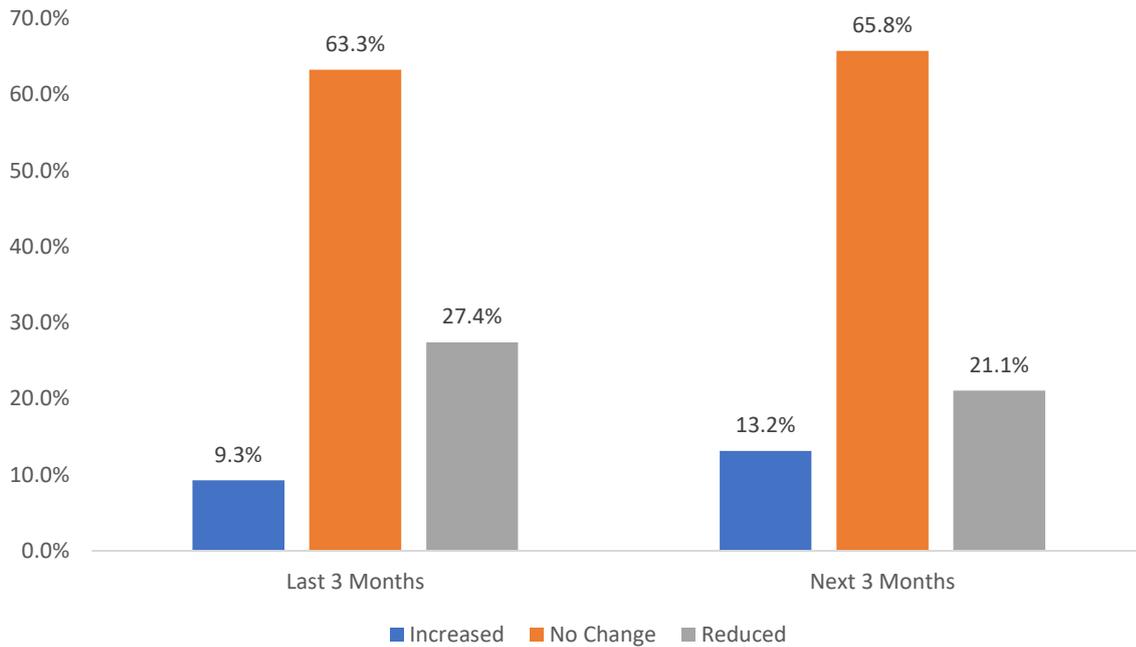
Figure 4 – Business investment in various areas



Employee Numbers

- Businesses were asked about whether their employee numbers had changed in the previous 3 months, and their expectations about the next 3 months.
- In general, businesses were more optimistic about the next 3 months. A total of 58 (13.2%) businesses expected employee numbers to increase in the 3 months after completing the survey, compared to only 41 (9.3%) businesses who saw employee numbers increase in the 3 months prior to the survey.
- Most businesses reported that there was no change in employee numbers in the 3 months prior to completing the survey, 279 (63.3%), and this was also the same in their expectations for the next 3 months, 290 (65.8%).
- Of those who reported an increase in employee numbers, or future employee numbers, the common categories that the new employees fall into is as follows:
 - Skilled manual or technical
 - Professional or managerial
 - Apprenticeship
 - Semi/unskilled
- Of those who reported they had reduced, or were expecting to reduce their employee numbers, common reasons were:
 - Redundancy
 - Insufficient work for staff
 - EU citizen employee leaving the UK
 - Retirement

Figure 5 – Changes in employee numbers in the last 3 months and the next 3 months



- The sector with the highest percentage of businesses who reported that they had reduced their employee numbers in the 3 months prior to completing the survey was transport technologies with 50.0% (5). This was followed by business, professional and financial services with 32.6% (15), and advanced manufacturing & engineering with 30.8% (70).
- Public sector inc education were the sector who had the highest percentage of businesses reporting an increase in employee numbers in the 3 months prior to completing the survey with 40.0% (2). This was followed by construction with 21.7% (5), and then life sciences & healthcare with 18.4% (9).

Table 5 – Employee numbers in the last 3 months by sector

Sector	Increased	No change	Reduced
Advanced Manufacturing & Engineering	6.2%	63.0%	30.8%
Business, Professional & Financial Services	10.9%	56.5%	32.6%
Construction	21.7%	60.9%	17.4%
Cultural Economy inc. Sports	14.3%	57.1%	28.6%
Digital & Creative	0.0%	76.9%	23.1%
Life Sciences & Healthcare	18.4%	73.5%	8.2%
Low Carbon & Environmental Technology	0.0%	71.4%	28.6%
Public Sector inc Education	40.0%	40.0%	20.0%
Retail	9.1%	63.6%	27.3%
Transport Technologies	0.0%	50.0%	50.0%
Total	9.3%	63.3%	27.4%

- Cultural economy including sports was the sector who had the highest percentage of businesses who expect to see a decline in employee numbers in the 3 months following the completion of the survey with 33.3% (7). This was followed by advanced manufacturing & engineering with 28.6% (65).

- Life sciences & healthcare was the sector who had the highest percentage of businesses who thought they may increase employee numbers, with 22.4% (11).

Table 6 – Employee numbers in the next 3 months by sector

Sector	Increase	No change	Reduce
Advanced Manufacturing & Engineering	9.3%	62.1%	28.6%
Business, Professional & Financial Services	21.7%	71.7%	6.5%
Construction	8.7%	69.6%	21.7%
Cultural Economy inc Sports	19.0%	47.6%	33.3%
Digital & Creative	15.4%	69.2%	15.4%
Life Sciences & Healthcare	22.4%	73.5%	4.1%
Low Carbon & Environmental Technology	7.1%	85.7%	7.1%
Public Sector inc Education	20.0%	60.0%	20.0%
Retail	12.1%	72.7%	15.2%
Transport Technologies	20.0%	60.0%	20.0%
Total	13.2%	65.8%	21.1%

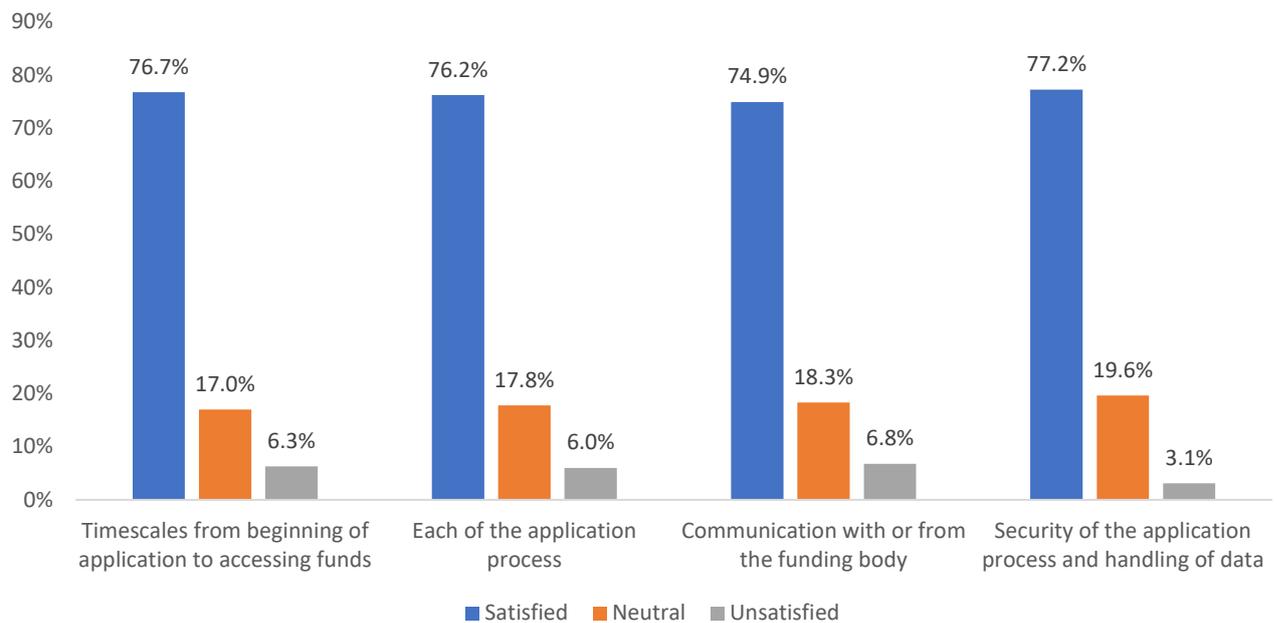
Recruitment

- Businesses were asked if they experienced difficulties in recruiting suitable staff.
- The majority of businesses surveyed, 390 (88.4%), reported that they had not experienced difficulties in recruiting staff.
- Of the 51 (11.6%) that did experience difficulties, the most common category of employee that was found to be difficult to recruit was skilled manual or technical labour.

Financial Support Schemes

- A total of 364 (82.5%) of the respondents reported that they had taken advantage of any COVID-19 financial support schemes.
- Of the 441 businesses surveyed, 382 answered questions related to the process around the financial support schemes.
- In each category, over 70% of businesses reported that they were satisfied with the process. The greatest approval came with regards to the security of the application process and handling of data, where 77.2% (295) of businesses were satisfied, 19.6% (75) neutral, and 3.1% (12) unsatisfied.
- When asked where they heard about the financial support schemes from, common answers were:
 - Accountant
 - Bank manager
 - Local authority
 - Media
 - E-mail
 - Government website

Figure 6 – Businesses views on the financial support process



Useful Support Suggestions

- When asked what support would help their business through recovery, some of the most common responses included:
 - Advice, including marketing, international trade, e-commerce, sales, technology, cyber security, resource efficiency, renewable energy, etc (144 businesses mentioned this).
 - Recruitment, apprenticeships, skills & training (67).
 - Business diversification / innovation (64).
 - HR support and advice on compliance with Covid-19 regulations (54).
 - Supply chain development, procurement, accreditations & bid writing (44).
 - Leadership and/or peer to peer network support (35).
 - Financial Support (12).
- 56.5% (249) feel like they're getting the guidance and advice they need in their efforts to build recovery. The remaining 43.5% (192) do not.

Contact Preferences

- 69.4% (306) of businesses surveyed would like to receive the weekly growth hub newsletter.
- 68.9% (304) of businesses are happy to be contacted by their local growth hub to discuss ways in which they can help their business.
- 56.0% (247) are happy to allow the LEP growth hubs to divulge their contact details to local authority stakeholders for purposes of intelligence gathering and providing support to local businesses.
- 48.1% (212) of businesses would like to find out more about B2B opportunities in their area for connecting businesses to local procurement opportunities, major projects, recruitment, business support, events and workshops.

Figure 7 – Future contact preferences

