WINNING MOVES ®

HUMBER BUSINESS DIGITAL TECHNOLOGY RESEARCH›
INTERIM RESULTS

Prepared by Winning Moves for use within the #GrowMySME Digital Catalyst programme

#GrowMySME
ICT FOR GROWTH

Humber Business Growth Hub

In partnership with
NORTHERN POWERHOUSE

European Union
European Regional Development Fund

WINNING MOVES DELIVERS BETTER TOMORROWS THROUGH TECHNOLOGY, DATA AND INSIGHT.

By researching, gathering, analysing and interpreting data, we put ourselves in the best position to help businesses use technology to thrive and grow, and assist policy makers to look ahead of the curve and provide the right solutions, at the right time. If you'd like to know more about Winning Moves and how we will help you, visit www.winningmoves.com, email info@winningmoves.com or call us on 0121 285 3800.

CONTENTS

DIGITALISATION PLAYS A KEY ROLE IN EMPLOYEE PRODUCTIVITY, SATISFACTION AND RETENTION. DIGITAL IS CHANGING THE LOCATION, AND THE WAYS IN WHICH WORK AND TRAINING IS UNDERTAKEN AND HAS CREATED OPPORTUNITIES FOR FLEXIBLE WORKING, INCLUSIVE EMPLOYMENT AND FLATTER, MORE AGILE ORGANISATIONAL STRUCTURES.

Key findings

TECH TO SUPPORT OPERATIONS

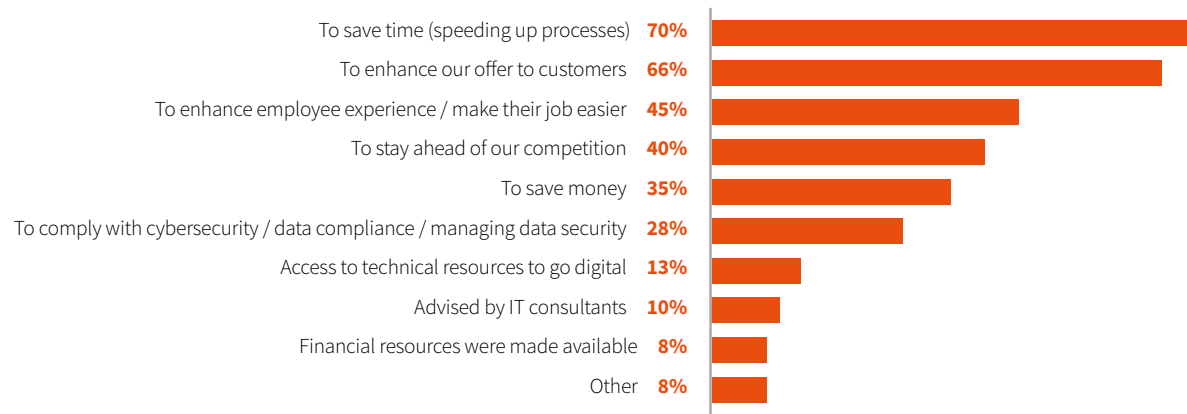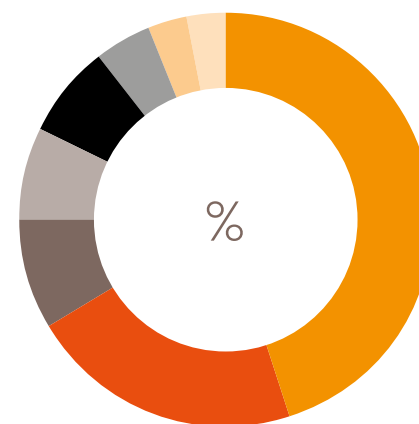| Category	%
Web based accounting	45%
Project management	19%
HR management	14%
ERP	5%
E-commerce	16%
CAD	16%
Data analytics tools	13%
Virtual/augmented reality	5%
Artificial intelligence	1%
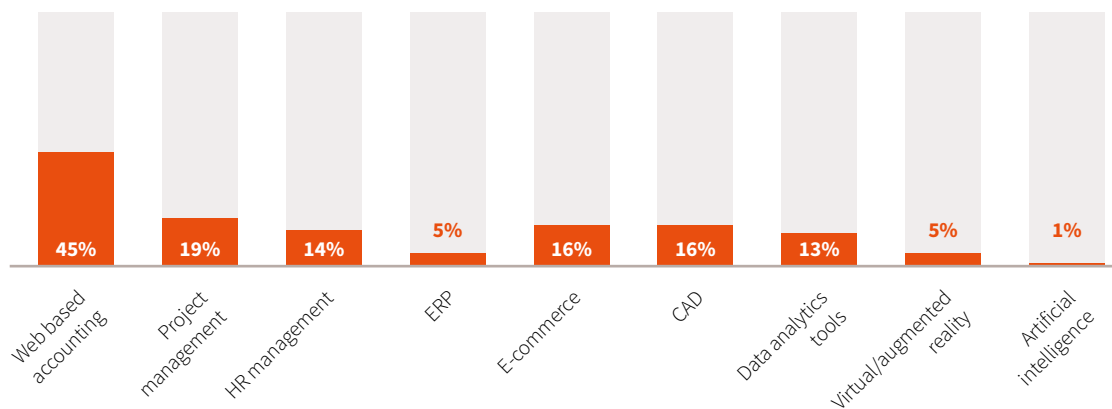
MOTIVATIONS FOR GOING DIGITAL

Motivation	%
To save time (speeding up processes)	70%
To enhance our offer to customers	66%
To enhance employee experience / make their job easier	45%
To stay ahead of our competition	40%
To save money	35%
To comply with cybersecurity / data compliance / managing data security	28%
Access to technical resources to go digital	13%
Advised by IT consultants	10%
Financial resources were made available	8%
Other	8%

RISK OF A CYBER BREACH

52% of SMEs reported a breach through one or more channels as follows:

%

Key	Response
Fraudulent emails/website	**74%**
People impersonating you or your organisation online	**35%**
Virus/spyware/malware	**14%**
DDOS attacks	**12%**
Hacking	**12%**
Other types of security breach	**7%**
Ransomware	**5%**
Unauthorised access by staff	**5%**

BENEFITS OF DIGITAL, AS REPORTED BY BUSINESSES

Increase in turnover
70%

Process efficiencies
67%

Attract new customers
51%

Reduced operating costs
38%

Competitive advantage
38%

Increased customer satisfaction
37%

Improved productivity
37%

Increased sales
35%

Improved profitability
17%

1. Introduction

This interim report provides an overview of emerging findings about the state of digital and technology adoption amongst businesses in the Humber LEP area.

Specifically, the objectives are to:

- Examine the current digital maturity levels of businesses in the area.

- Identify which technologies are being used in businesses.

- Determine barriers to the adoption of digital technology.

- Identify recent changes made by businesses and their future plans.

To gain insight on these areas, an online survey was devised. This was emailed to over 1,300 businesses[1] resulting in 86 responses (7% response rate).

Businesses who completed this survey belonged to a range of sectors, including retail, professional, scientific and technical activities, education, and information and communication.

Of the businesses that responded, over a third were located in Hull (35%), whilst approaching another third were based in East Riding (31%). This was followed by North East Lincolnshire (22%) and North Lincolnshire (12%).

The majority of businesses responding to the survey were micro businesses (67%). This is reflective of the wider business population of the four local authority areas making up the Humber LEP area (87%).

NOMIS data also shows that the majority of businesses within the region are micro businesses, employing between 1-9 employees (87%). Please see Annex 1 for a detailed overview of the business profile.

For reasons and pragmatism, we limited both the number and type of questions. This means we did not ask follow up questions.

In terms of emerging findings, there did not appear to be material differences in terms of business size, sector and age.

---

1   Businesses contacts were sourced from different databases, including the Humber Growth Hub, FAME, Duedil, Scale Up Institute and free find on the internet from local online business publications.

2. Digital Adoption: current state of play

Digitalisation…plays a key role in employee productivity, satisfaction and retention. Digital is changing the location, and the ways in which work and training is undertaken [and has] created opportunities for flexible working, inclusive employment and flatter, more agile organisational structures.

Digitalisation continues to transform workplaces. It plays a key role in employee productivity, satisfaction and retention, and offers opportunities for remote and flexible working, reducing operating costs, driving innovation and easing communication flows.[2]

It is positive that nearly all businesses surveyed had adopted at least one digital technology. Applications and technology to support marketing, remote working and business operations and functions were commonly cited amongst the businesses surveyed. Businesses who were using digital technologies to support marketing activities employ platforms such as:

• Social media (77%).

• Digital marketing (49%).

• Customer Relationship Management (48%)[3].

These findings indicate that social media platforms have become an integral part of business activity, as has digital marketing. Having an online presence and digital marketing is an ideal and cost effective way for businesses to reach potential customers. The Digital Marketing Institute comment that customers are highly likely to research businesses online. If they can't find details about a business there, they very often conclude that the business may not be legitimate.[4]

Our findings also showed that technologies supporting remote and flexible working were being used by a good proportion of businesses. Cloud

---

2   Deloitte (date unknown) *The Digital Workplace*

3   This is higher than the national average (40%) as reported in Enterprise Research Centre (2019) *State of Small Business Britain Report 2019*

4   Digital Marketing Institute (date unknown) *DMI Daily Digest: Why Digital Marketing is Important for Small Businesses*

computing is used by just under half (49%)[5]. This was followed by online learning (43%), video conferencing (41%) and web based collaboration apps (24%).

These results reflect wider trends on how digital is changing the location, and the ways in which work and training is undertaken. Evidence shows that there is a continual rise in the number of remote workers and companies are embracing agile, remote teams.[6] This is critical to help manage in the current Covid-19 crisis. Digital technology has enabled the transformation of work styles. It has created opportunities for flexible working (and the frequency of remote working), inclusive employment and *"flatter, more agile organisational structures that allow quick responses to changing dynamics."*[7]

It's encouraging that nearly half of businesses responding to this survey use cloud computing. With the rise of remote working, cloud computing facilitates internal collaboration through unified communications.[8] This, alongside online learning usage, video conferencing and web based collaboration apps show businesses are utilising products that will make them more efficient and productive. For example, with the cloud, *"remote*

and office-based workers are able to eliminate the time-consuming and often unsecure process of sending files back and forth over email with a more efficient collaboration system that enables employees to access files from one central location, improving productivity."[9]

There are benefits to remote and flexible working. A 2019 global survey of business leaders found that 85% of respondents said their business has become more productive due to flexible working, whilst 67% believed flexibility can improve productivity by at least a fifth.[10] However, 42% of UK business leaders cited technology requirements as one of the biggest barriers for companies wanting to switch to flexible working. This highlights the importance of digital adoption for growth.

---

5   *This is lower than the national average, which is 61% as reported in Enterprise Research Centre (2019)* State of Small Business Britain Report 2019

6   *Dorbin, V (2018)* How Technology is Reshaping the Remote Workforce*, TechRadar*

7   *Büchel, B (2019)* Digitalisation will leave an impact on the future of work*, Business Times*

8   *Birgelen, D (2019)* Remote Working for 2019*, Digitalisation World*

9   *Ibid*

10   *International Workplace Group (2019)* The IWG Global Workplace Survey

Our findings showed that businesses were using the following digital technologies to support operations and functions:

- Web based accounting (45%)[11]

- Web based project management apps (19%)

- HR management software (14%)

- Enterprise Resource Planning (ERP) (5%)

These initial findings are similar to the 2019 Business Basics study by BEIS, where SMEs viewed accountancy software and digital capabilities such as websites, digital marketing and social media presence, as more applicable to them compared with HR or CRM Software, which were perceived as being 'too big' for the size of their business.[12]

Other notable technologies / applications used by businesses include:

- E-commerce (16%)[13]

- Computer aided design (CAD) (16%)

- Data analytic tools (13%)

- Virtual or Augmented reality (5%)

- Artificial intelligence (1%)

These findings demonstrate that businesses are using a wide range of digital technologies. However, it also shows that only a small minority are taking advantage of newer technologies such as virtual or augmented reality and artificial intelligence. Although this study did not ask specifically when each of these technologies were adopted, research conducted on microbusinesses by the Enterprise Research Centre (ERC) in 2018 shows that some technologies have gained popularity. For example, cloud computing and web-based accounting software were cited as the most commonly used digital technologies by micro-businesses.[14]

---

11   This is lower than the national average of 59% as reported in Enterprise Research Centre (2019) State of Small Business Britain Report 2019

12   BEIS (2019) Business Basics: Attitude to Adoption – Understanding the barriers and enablers to the adoption of best practice technologies and management practice technologies and management practices by Small and Medium Sized Enterprises (SMEs)

13   This is lower than the national figure of 50% as reported in Enterprise Research Centre (2019) State of Small Business Britain Report 2019. It suggests that some businesses in our sample do not make use of this because it may not be part of their business activity or may not recognise the term e-commerce.

14   Enterprise Research Centre (2018) State of Small Business Britain Report 2018

Given that most businesses are using digital technologies to support remote working and business operations, it is probably no surprise that saving time was a key motivator in digital adoption. This was also cited as a key motivator from other businesses who adopted other types of digital technologies. Evidence on the benefits of digital technology also show digital tools help to improve efficiency[15,16,17] as well as enhancing the customer experience[18, 19, 20] which was the next commonly cited answer given by businesses.

Enhancing employee experience was also a key motivation. This is particularly important if employees are working remotely, i.e. smooth and quick access to documents or the ability to collaborate with colleagues. Working remotely can also help save operating costs, which was identified as another driver (35%), but less important than staying ahead of the competition (40%).

Saving time is a key motivator in business's digital adoption. Digital tools help to improve efficiency as well as enhance the customer experience.

15   DNV DL (2019) *Digitalization and the Future of Energy*
16   World Economic Forum (2019) *The Digital Skills Gap is Widening Fast. Here's how to bridge it*
17   CITB (2018) *Unlocking Constructions Digital Future: A skills plan for industry*
18   Digital Marketing Institute (date unknown) *DMI Daily Digest - What are the benefits of Digital Transformation?*
19   Deloitte (2019) *Tech Trends 2019: Beyond the Digital Frontier*
20   Digital Adoption (2019) *Advantages of Digital Adoption: How Successful Adoption Benefits Your Enterprise*

TABLE 1: DRIVERS IN ADOPTING DIGITAL TECHNOLOGIES AMONGST BUSINESSES

Motivations for adopting digital technologies	%
To save time (speeding up processes)	70
To enhance our offer to customers	66
To enhance employee experience / make their jobs easier	45
To stay ahead of our competition	40
To save money	35
To comply with cyber security / data compliance / managing data security	28
Access to technical resources to go digital	13
Advised by IT consultants	10
Financial resources were made available	8
Other	8

BENEFITS TO ADOPTING DIGITAL TECHNOLOGIES

81 businesses reported at least 1 benefit of adopting digital technologies.[21] Of those businesses who reported at least 1 benefit, almost 70% said their turnover had increased in the last 12 months. This shows a clear link between effective harnessing of technology and increased turnover.

Digital adoption brings numerous benefits including economic growth, improved corporate performance, new prosperity….along with innovation and new ways of working.

Speeding up the process was the most frequently cited benefit, with 67% of businesses reporting this. Of these businesses, 47 reported they had increased their turnover in the last 12 months. Most of these reporting an increased turnover were microbusinesses, i.e. those with 1 to 9 employees (31 businesses), followed by 16 businesses with 10 to 49 employees. This indicates that implementing digital technologies can lead to profitability and growth. Furthermore, 87% of businesses agreed / strongly agreed that IT is an enabler of business efficiency.

Just over half (51%) of businesses have been able to attract new customers. This is a positive given that most businesses were using digital technologies and applications to support marketing activities.

Other benefits reported by businesses include:

- Competitive advantage (38%)[22]

- Reduced operating costs (38%)

- Increased customer satisfaction (37%)

- Improved productivity (37%)

- Increased sales (35%)

- Improved wider profitability (17%)

These findings are similar to the wider evidence base. Publications in this area note that digital adoption brings numerous benefits, including economic growth, improved corporate performance, new prosperity, customer transaction benefits, efficiency savings along with innovating and new ways of working.[23,24,25]

---

21   2 businesses reported no benefits and 3 businesses did not answer this question.

22   Although competitive advantage was the third most frequently cited benefit, nearly three quarters (72%) of businesses agreed / strongly agreed that IT is a driver of competitive advantage or differentiation.

23   McKinsey Global Institute (2018) *Skill Shift: Automation and the Future of the Workforce*

24   Barnard, C, Hein Bakkers, J and Wunsche, S (2017) *The Road to the Digital Future of SMEs*

25   Good Things Foundation (2019) *Improving Digital Skills for Small and Micro Businesses*

3. Business digital maturity levels

Positively, 74% of businesses strongly agreed / agreed with the statement that they were confident about adopting new technologies and the opportunities it brings for their business.

Of these businesses:

- 24 keep on top of developments by signing up to e-newsletters, attending conferences / webinars or reading relevant trade press

- 19 said their staff keep themselves updated through self-learning

Just over half (53%) of businesses strongly agreed / agreed with the statement that it's part of their DNA to embrace and adopt digital technologies. Companies who agreed with this statement, were more likely to keep on top of developments and invest in upskilling existing employees, manage their systems internally and update technologies and applications as and when.

39% of businesses reported they strongly agreed / agreed with the statement that their staff receive regular training / keep up to date on the latest technologies that will enhance their day-to-day activities. 21 of these businesses said that they upskill existing employees who are able to perform existing tasks.
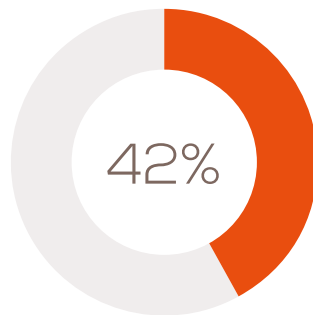
These findings suggest training and keeping abreast of latest developments is essential to fully integrating digital technologies and applications in the day-to-day running of businesses. These are important steps to take in achieving growth and making the most of different technologies.

42% of businesses said they struggle to know which technologies to adopt for their business.

Although nearly all businesses are have adopted some form of digital technology, most do not have their strategy for digital adoption formally written down in business plans[26]. This is probably an indication of the percentage of businesses (65%) reporting they update their technologies as and when / on a needs basis because of the fast paced evolution of digital technologies.

42%

"42% of businesses said they struggle to know which technologies to adopt for their business."

---

26   54% of businesses strongly disagreed / disagreed with this statement

CYBER SECURITY

Just over half (52%) of businesses reported at least one cyber security breach, whereas 48% reported none.

Of those that reported a breach, the following were cited in descending order:

• Staff receiving fraudulent emails or being directed to fraudulent websites (74%).

• People impersonating your organisation in emails or online (35%).

• Computers becoming infected with other viruses, spyware or malware (14%).

• Attacks that try to take down your website or online services (12%).

• Hacking or attempted hacking of online bank accounts (12%).

• Any other types of cyber security breaches or attacks (7%).

• Computers becoming infected with ransomware (5%).

• Unauthorised use of computers, networks or servers by staff, even if accidental (5%).

• Of those businesses who experienced a breach / an

attack were asked to indicate how much it cost their organisation financially. 31 business reported there was no cost. Other costs reported include:

• £25,000 (1 business)[27]

• £18,000 (1 business)

• £10,000 (2 businesses)[28]

• £6,000 (1 business)

• £250 or less (2 businesses)

Given that most businesses reported no costs and most said staff received fraudulent emails or were directed to fraudulent websites – this suggests some level of basic cyber security measures and/or training has taken place. A CBI survey undertaken in 2019 found one third of businesses categorise cyber and IT security as basic skills that employees need to keep their business secure, from spotting phishing emails to being GDPR aware. Interestingly, the 2019 DCMS Cyber Security Breaches survey reported that 77% of micro and small businesses believe that staff dealing with their cyber security have the necessary skills and knowledge, but only 26% of

1/3 of businesses categorise cyber and IT security as basic skills that employees need to keep their business secure

27 This business reported at least 4 types of cyber security breaches in the last 12 months

28 In both cases, these two businesses their computers had become infected with other viruses, spyware or malware and they had People impersonating your organisation in emails or online.

businesses sent staff on cyber security training or conferences.[29] These examples highlight the importance of training staff in the basics to protect digital assets.

Increased awareness of security breaches might have been a significant barrier of firms seeking to do more in terms of digitising their businesses and thereby hindering productivity and growth.[30] However, in recent times micro and small businesses report that cyber security is a high priority. The 2019 DCMS Cyber Security Breaches

survey showed 78% of micro and small businesses see this as a high priority. But this is still lower than medium (92%) and large firms (95%). Given our findings show businesses are using technologies for remote working, e.g. cloud computing and video conferencing, it is critical that businesses do more around protecting assets. Remote working can introduce new identity assurance problems and using personal devices should be discouraged as they do not have the same level of protection as devices provided by a business.[31]

---

29   DCMS (2019) _Cyber Security Breaches Survey 2019: Micro and Small Business Findings_
30   SQW (2016) _State of Digitalisation in UK Business_
31   Murphy, H (2019) _How Remote Working Increases Cyber Security Risks_, _Financial Times_

4. Barriers to adopting digital technology

71 businesses reported at least 1 barrier to adopting digital technology, whereas 15 did not.

Of the businesses that reported barriers, the most frequently cited one was a lack of financial resources (70%). This is interesting as 88% of businesses view IT as a necessary cost. In a study conducted by Barnards et al, the report authors believed UK SMEs could _"find themselves not well positioned to grow their business in a world shaped by increased competition, not only from SMEs that do embrace ICT as a growth driver,_

but also from non-UK companies both small and large in a world where technology shrinks physical distance and barriers to entry." [32] However, given the recent economic context along with understanding what digital technologies can do for businesses, it may be difficult to make business cases to secure finance.

The most frequently cited barrier to adoption is a lack of financial resources (70%). This is interesting as 88% of businesses view IT as a necessary cost.

---

32   Barnard, C, Hein Bakkers, J and Wunsche, S (2017) _The Road to the Digital Future of SMEs_

This was followed by:

- Lack of staff with necessary skills /knowledge (58%)

- Lack of technical resources (35%)

- IT solutions available / present to us are not compatible with our IT systems (17%)

- Lack of buy in from staff on the benefits of digital technology (14%)

- Other (3%)

These barriers are similar to those identified by BEIS in their Business Basics report:

- Limited understanding of technologies aimed to improve productivity

- Cost of adopting technology (time and money)

- Lack of confidence and capabilities to use new systems, or even how to choose the right system(s) for their business

- Cultural and attitudinal changes[33]

It appears from the wider evidence base, these barriers have been consistent over time. For example, financial, technical, managerial, information resources, internal and external expertise, market accessibility and in-house IT knowledge and experience can hinder or facilitate digital adoption.[34, 35,36,37]

Of those reporting no barriers, they tended to be micro and small businesses of varying ages. 5 businesses belonged to the Information and Communication sector, whilst 3 were classified as Business administration and support services, followed by Other (4), Retail (2) and Transport and storage (1).

---

33   BEIS (2019) *Business Basics: Attitude to Adoption – Understanding the barriers and enablers to the adoption of best practice technologies and management practice technologies and management practices by Small and Medium Sized Enterprises (SMEs)*

34   Ghobakloo, M, Sabouri, MS, Hong, TS, Zulkifli, N (2011) *Information Technology Adoption in Small and Medium-sized Enterprises An Appraisal of Two Decades Literature*

35   Nugroho, MA, Susilo, AZ, Fajar M and Rahmawati, D (2017) *Exploratory Study of SMEs Technology Adoption Readiness Factors*

36   Nguyen, Thuyuyen (2009) *Information Technology Adoption in SMEs: An Integrated Framework. International Journal of Entrepreneurial Behaviour & Research, 15 (2). pp. 162-186. ISSN1355-2554*

37   Good Things Foundation (2019) *Improving Digital Skills for Small and Micro Businesses*

5. Recent changes and future plans

73 businesses had made at least 1 change within the last 12 months related to digital technologies / applications, whereas 13 had not.

Of those that had made changes, 88% of businesses increased the amount of digital technology / applications used. Most of these businesses had increased their turnover and were from different sectors, age and business size.

This was followed by:

- Put plans in place to ensure cyber security, data compliance and manage data security (53%). Of the businesses who reported this change, 25 had identified a breach, whereas 13 did not.

- Set budget aside for digital technology / applications (37%). Of these businesses, 21 reported their turnover had increased in the same period. However, 16 businesses also reported the lack of finance can be a barrier.

- Now have designated staff to look at this (21%). Most businesses who had designated staff reported that their turnover had increased. This was true of micro and small businesses across different sectors. This could have been achieved by using contractors or upskilling existing staff.

- Outlined strategy formally in our business plan (21%).

- Stopped using some digital technology / applications (14%). Of the businesses who said they have done this, they were using a mix of different types of digital technologies, i.e. a mix of marketing, business operations and specialist applications. This was across varying sectors, business size and age. This could mean that they were trialing different systems or adopting applications that better met needs, given that many businesses review and update technology as and when.

Fewer than 25% of businesses have a digital adoption formally documented in their strategy, despite 88% of businesses viewing IT as a necessary cost and increasing the amount of technology/applications used. Businesses need to shift their focus so that technology accentuates activity and supports achievement of vision & goals, to avoid investing in unnecessary solutions.

FUTURE PLANS

77 businesses said they had plans for the future related to digital technologies, whereas 8 had no plans.

Of those that have plans, 84% said they will continue to invest in software and applications. This was followed by, in descending order:

- Looking to develop plans for using digital technologies in their business plans (40%).

- Start to investment more in digital technologies, software and applications, e.g. training / upskilling, update IT infrastructure (38%).

- Recruit those with specialist skills (10%)

These steps are being planned by businesses across different sectors, size and age. This is a positive move to enable growth in enterprises across the region. Evidence shows that more businesses are committing IT budget to supporting digital workplace strategies and this trend is only set to continue given the numerous benefits.[38]

---

38   Deloitte (date unknown) *The Digital Workplace*

6. Conclusions

An online survey was used to answer the following objectives:

- Examine the current digital maturity levels of businesses in the area.

- Identify which technologies Humber businesses are using in their business.

- Determine barriers to adoption of digital technology.

- Identify recent changes made by businesses / their future plans.

We can draw the following initial conclusions from the emerging findings:

- Nearly all businesses surveyed as part of this research had adopted at least one type of digital technology. These were largely to support marketing, remote working and business operations. However, many were not taking advantage of newer technologies such as virtual or augmented reality and artificial intelligence.

- Most businesses update their technologies as and when / on a needs basis and do not have their strategy for digital adoption formally included within their business plans. This is probably a reflection of the fast paced evolution of digital technologies.

- Saving time was a key driver in digital adoption, with efficiency being the main benefit (i.e. speeding up the process). Conversely, the lack of financial resources was seen as a barrier to digital adoption.

- Lack of staff with the necessary skills and knowledge was also seen as a major barrier in adopting digital technology. Continuous training of staff is key to keeping on top of latest developments, as well as playing a role in the digital maturity of an organisation. Doing this enables businesses to exploit technology to its fullest, enhancing the employee experience and thereby achieving productivity and growth. Moreover, training staff in cyber security also helps to protect the digital and more traditional assets of businesses.

- Our findings showed businesses who have made at least 1 change within the last 12 months, increased their turnover. Therefore, it is positive to see that most businesses will be continuing to invest in software and applications, as well as looking to develop plans for using digital technologies in their business plans. By taking these steps, businesses within the Humber LEP area will be able to realise multiple benefits, including finding new customers, developing new sales and being more efficient and better at what they do.

Annex 1: Profile of businesses

According to NOMIS data, there are approximately 29,970 businesses within the Humber LEP area. As displayed in the table below, most are based in East Riding, followed by Hull.

TABLE 2: BUSINESS POPULATION BY PERCENTAGE

Local authority area	N	Percentage of businesses
East Riding	13,935	46%
North Lincolnshire	5,385	18%
Hull	6,075	20%
North East Lincolnshire	4,575	15%

Of the businesses that were surveyed, over a third were located in Hull (35%), whilst approaching a third were based in East Riding (31%). This was followed by North East Lincolnshire (22%) and North Lincolnshire (12%).

NOMIS data also shows that the majority of businesses within the region are micro businesses, employing between 1-9 employees (87%). The majority of businesses responding to the survey also belonged to this category (67%), indicating some representation.

TABLE 3: BUSINESS SIZE

Business size	NOMIS data		Survey respondents	
	N	%	N	%
Micro (1-9)	26,205	87%	40	62%
Small (10-49)	3,085	10%	21	32%
Medium (50-249)	565	2%	4	6%
Large (250+)	115	0%	0	0%

Our survey also received 16 responses from businesses that do not have any employees, but are not included in the figures in the above table.

Most businesses responding to this survey belonged to retail, professional, scientific and technical activities, education and information and communication as shown in the table below.

TABLE 4: SECTOR OVERVIEW

Sector	%
Retail	13
Professional, scientific and technical activities	13
Education	12
Information and communication	12
Business administration and support services	10
Manufacturing	9
Transport and storage	6
Finance and insurance	3
Health	2
Arts, entertainment, recreation and other services	2
Accommodation and food services	1
Mining, quarrying and utilities	1
Property	1
Other	14

A third of businesses had been established for 20 years or more (33%). The table below outlines the age profile of businesses.

TABLE 5: NUMBER OF YEARS ESTABLISHED

Years established	%
Less than 1 year	8
1-2 years	14
2-5 years	15
5-10 years	22
11-20 years	8
20 years or more	33

50% of business employed 1-10 people, making them microbusinesses as shown in the table below.

TABLE 6: NUMBER OF FTE EMPLOYEES

Number of FTE	%
1 to 10	50
11 to 20	14
21 to 30	7
30 or more	9
None	16

32 businesses said they had increased the number of FTE in the last 12 months. 10 organisations said they have employed 1 additional person, whilst 6 organisations have employed 2 more additional members of staff. 5 organisations have employed 3 FTE, whilst 4 have employed 4 more FTE.

Almost a quarter of businesses had an annual turnover of £50,000 and between £1m to £5m (24% and 23% respectively). The table below provides an overview of responses.

TABLE 7: ANNUAL TURNOVER OF BUSINESSES

Turnover	%
Under £50k	24
£50k-£100k	8
Over £100k up to £200k	9
Over £200k up to £300k	7
Over £300k up to £500k	6
Over £500k up to £750k	6
Over £750k up to £1m	2
Over £1.0m up to £5m	23
Over £5m	6
Do not wish to disclose	8

Two thirds (67%) of businesses said their turnover had increased in the last 12 months. Of those who said it had grown, 29% said it had increased by 0-10% and 25% said it had increased between 11-20%. The table below showcases how much turnover has increased by.

TABLE 8: PERCENTAGE TURNOVER HAS INCREASED BY

Percentage turnover has increased by	%
0-10%	29
11-20%	25
21-30%	16
31-40%	11
41-50%	11
51-60%	5
61%-70%	0
71-80%	4
81-90%	0
91%-100%	0

For more information regarding the contents of this report please contact: