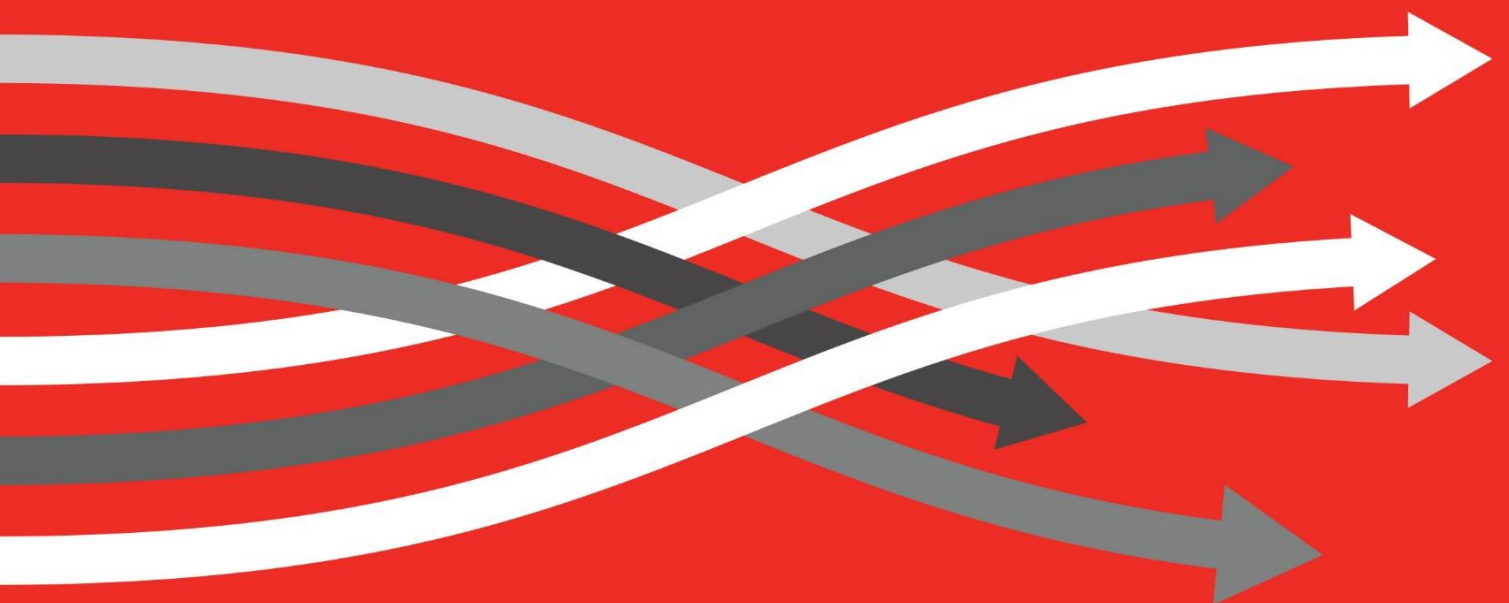


## Business Census 2019 | Creditsafe



## Business Census 2019

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## Chairman's Note

I'm always interested in surveys that explore the sentiment behind the facts, and the Business Census is no different. Business, as the old adage goes, is done by people. And while facts and figures give us some insight, we wanted to understand how business leaders in the UK are experiencing business at this time, by asking them about what's challenged them, how they feel about the coming year and what's likely to be an area of focus as we continue through 2019.

The finding, then, that the economy represents the biggest expected challenge won't come as too much of a surprise. Economic turbulence has been well documented and any business leader worth their salt will be keeping a close eye on changes, especially in their own industries and regions.

Recruitment is a challenge we've seen come up time and again. As a CEO myself, I know as well as the business owners in our Census how integral the right team is to the success of a company, so I absolutely empathise here. For us, cross border collaboration has been a huge support to our growth aspirations, giving us access to much larger pools of candidates that we might have if we restricted ourselves to one location. I do wonder if we'll see an increase in the number of businesses investing in cloud technology and facilitating flexible working in the years to come as a response to recruitment issues.

While the Census does of course discuss challenges, we also drew some positive conclusions; 90% of businesses in the UK expect to grow their turnover in 2019, for example, while a further 56% will be seeking to grow their teams.

As a global leader in business reports, we at Creditsafe have seen an increase in the number of reports being requested as companies across the UK and Europe seek to arm themselves with more insight and knowledge to make better decisions in the months to come. In particular, the number of credit reports we've seen requested has grown, indicating caution, especially amongst larger businesses whose interactions with Europe are most likely to be affected.

Whatever the future holds for UK businesses, one thing's for sure; it is the business leaders and their teams, represented here in the Business Census, who will drive it forward. Here's to as prosperous a 2019 as possible for all.



A stylized, handwritten signature in cursive script that reads "C Robertson".

Chris Robertson

**UK CEO Creditsafe**

## Executive Summary

In the midst of uncertain political and economic times, 2018 has seen an array of coverage pertaining to the state of business in the UK. From the positive to the negative to the downright absurd, media documentation of the British business landscape has been varied to say the least.

But while the statistics provide interesting insight, it is only through real life experiences of business people and entrepreneurs that we can gain a true picture of the business climate.

We asked our audience of business professionals to complete a short survey which explored their experiences of business in 2018 and expectations for 2019. The survey was completed during December 2018 by 755 participants, who range from sole traders to large companies with 500+ employees across a plethora of business sectors and locations.

The responses have revealed a number of key insights which shape the British economy today. Overall, growth has been strong, with **more than two thirds** of participants reporting turnover growth. Of course, that also means around a **third of businesses** failed to experience turnover growth - leading to queries around the fluctuations in business success, which are described in more detail within this report.

On a less positive but likely predictable note, concerns around Brexit remain rife, with **35% of businesses** saying that leaving the European Union has already had a negative impact for them. Meanwhile, **60% state no impact** so far and **7% are unsure about what to expect** and how it will affect them in the future.

**Recruitment and the economy** continue to be big challenges for British businesses. The topic of flexible working (which has itself been a popular discussion point in 2018) led to a split almost down the middle amongst participants, with **48% stating they do allow flexible working and 52% stating they do not**.

Looking ahead to 2019, sentiment is overall positive, with **90% of businesses expecting to grow in the coming year**. **10% were unsure of whether they would grow**, likely a result of ongoing uncertainty around our place in the EU.

When asked how optimistic they are about the UK economy in 2019, votes were split almost three ways, with **30% saying they were optimistic, 30% saying they were not and 40% unsure either way**. Expectations for the New Year are unclear, to say the least.

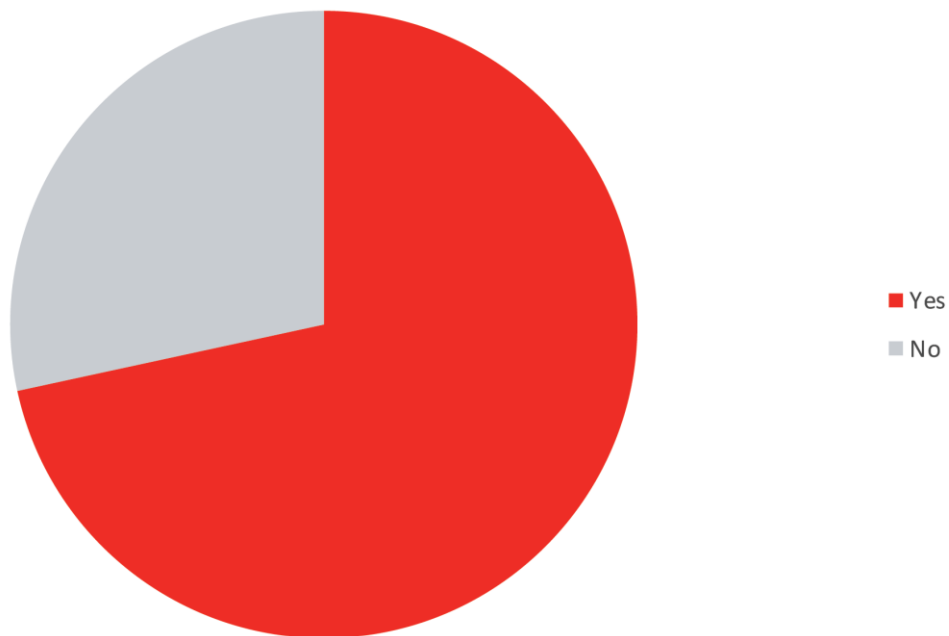
## UK Business Growth in 2018

Business growth underpins the success of the British economy. In their most recent report, the Office for National Statistics (ONS) reported economic growth of 0.4% in the three months to October, slower than the 0.6% in the three months to September.

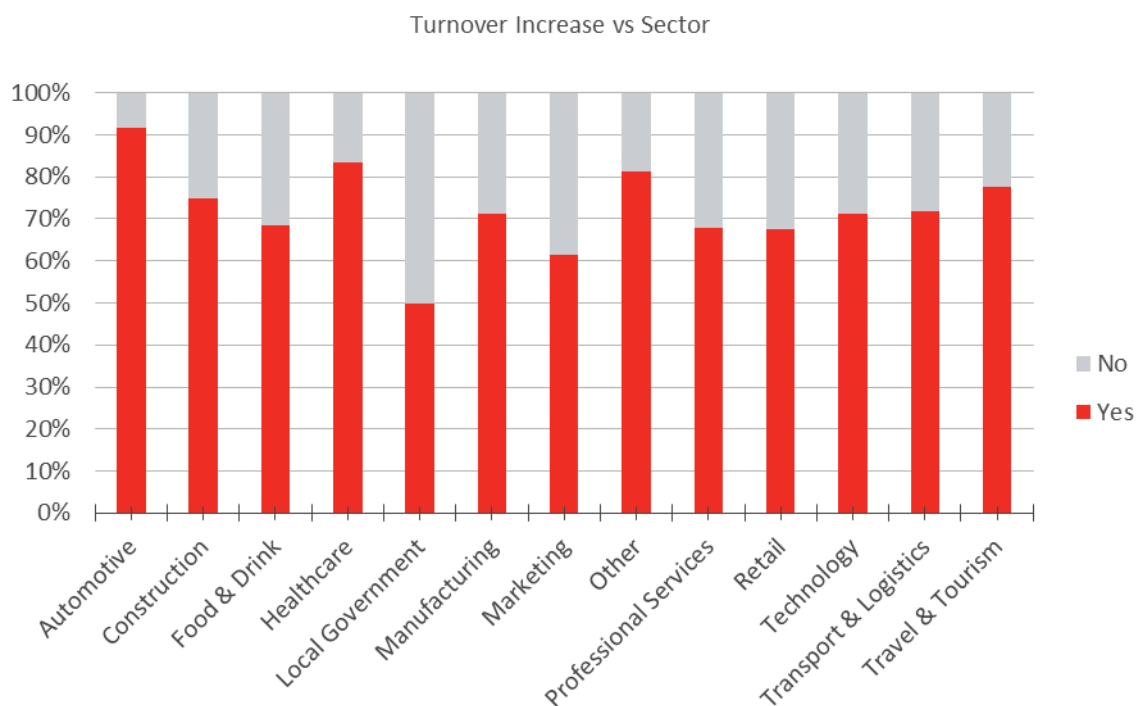
"GDP growth slowed going into the autumn after a strong summer, with a softening in the services sector growth mainly due to a fall in car sales," said Rob Kent-Smith, Head of National Accounts at the ONS [in an interview with the BBC](#). "This was offset by a strong showing from IT and accountancy."

The British economy may have faced some challenging times in 2018 but in spite of this, the majority (71%) of our respondents were optimistic, reporting turnover growth, with a further **46% having increased their headcount too**.

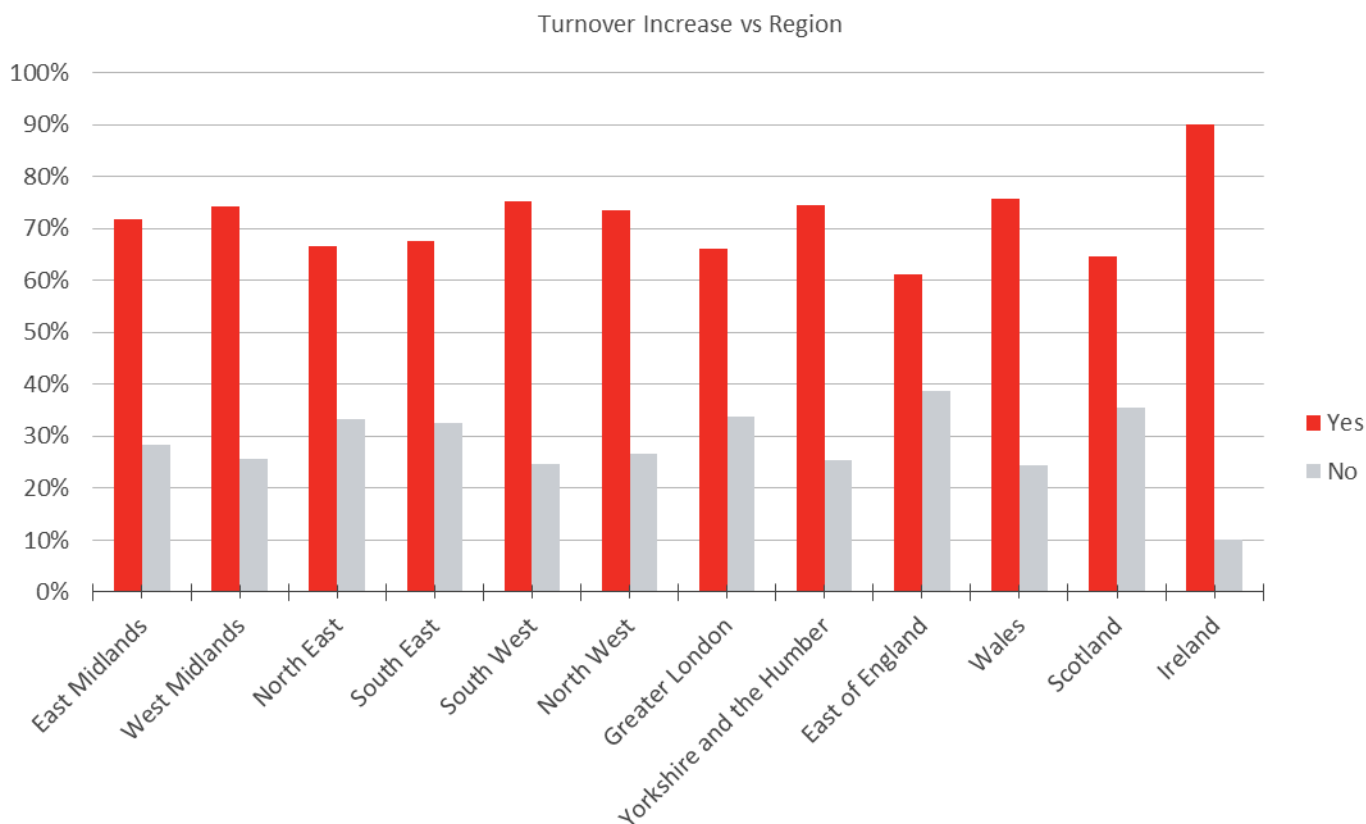
Did your business grow in terms of turnover in 2018?



The chart below shows the percentage of respondents within each sector who noted positive (yes) or no/flat growth (no) in 2018:

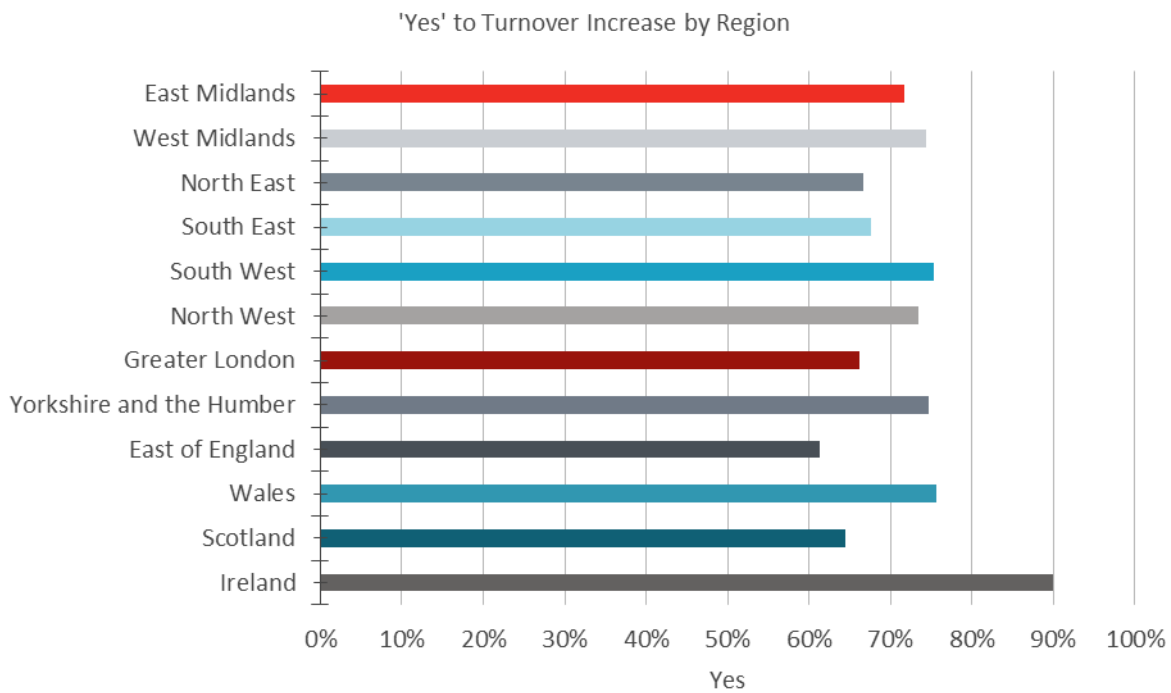


The following chart shows how business growth is broken down by region in the UK:



Here, we see that the highest percentage of businesses reporting turnover growth in 2018 were in Ireland (90% reported growth) followed by Wales (76% reported growth) and in the South West (75% reported growth). The highest percentage of businesses reporting growth in England alone were South West (75%), Yorkshire and the Humber (75%) and the North West (73%).

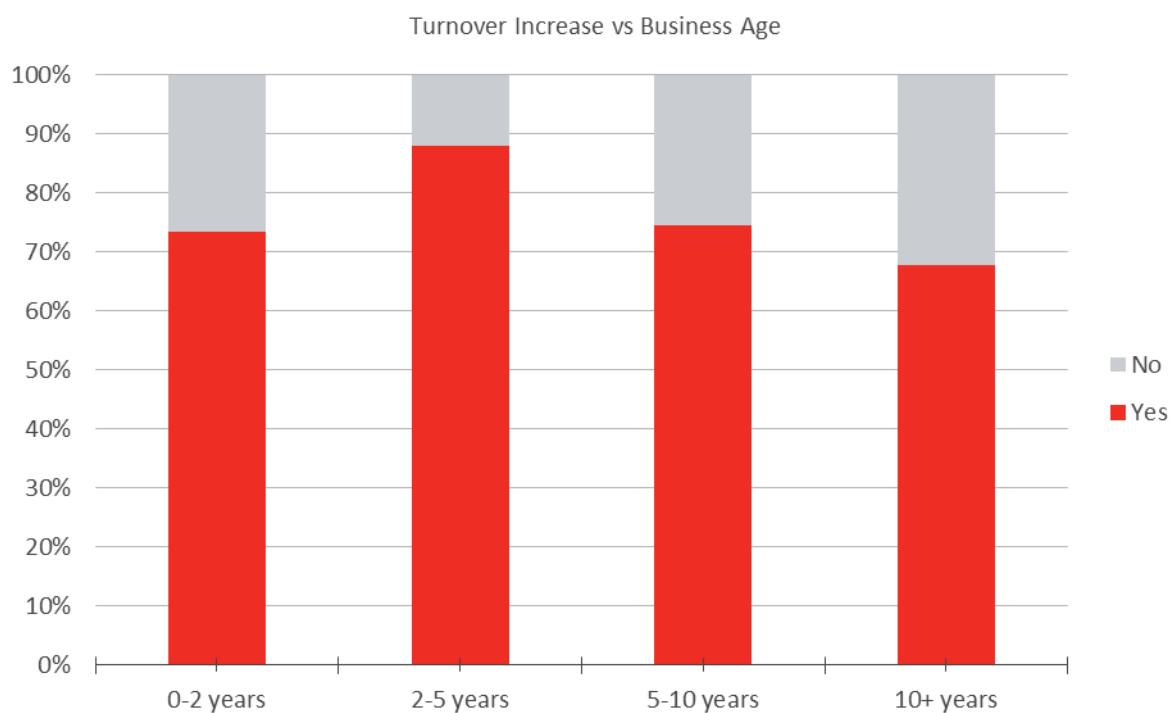
The graph below shows the difference between regions with just the 'yes' answers plotted:



This shows that the lowest percentage of businesses to report growth were in the East of England, where just 61% of respondents told us their business had grown.

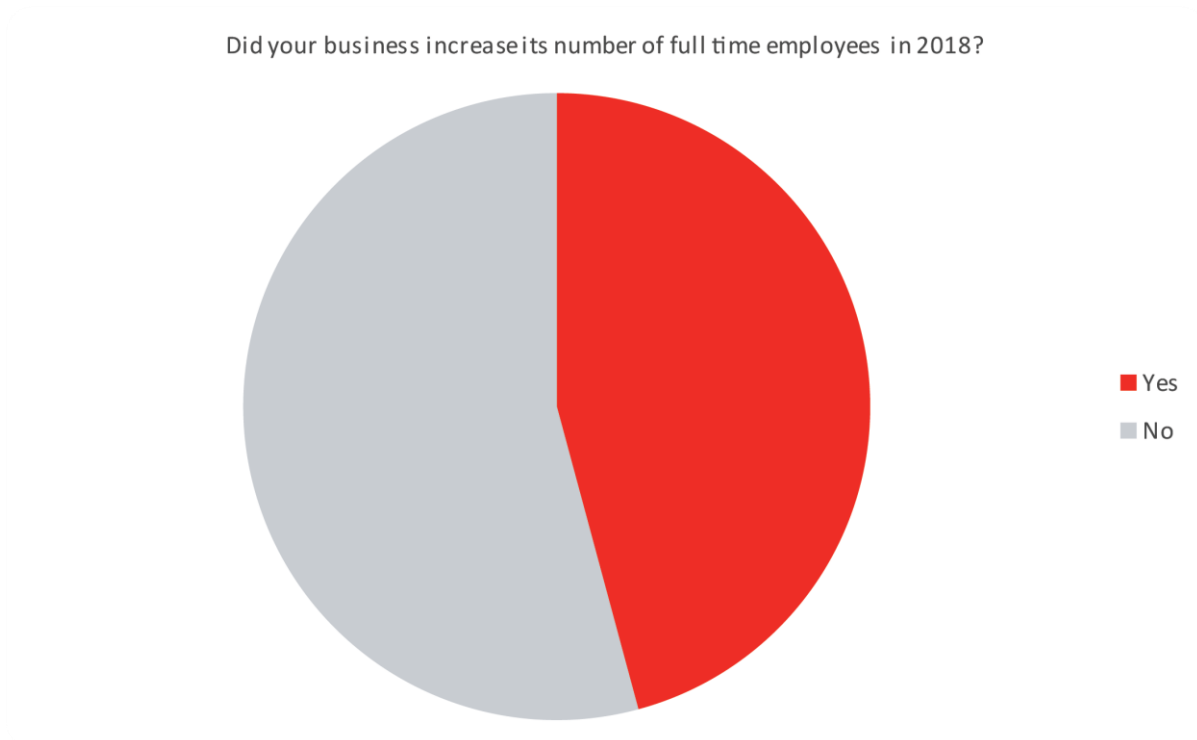


The following chart shows the percentage of 'yes' and 'no' answers segmented by age of business:



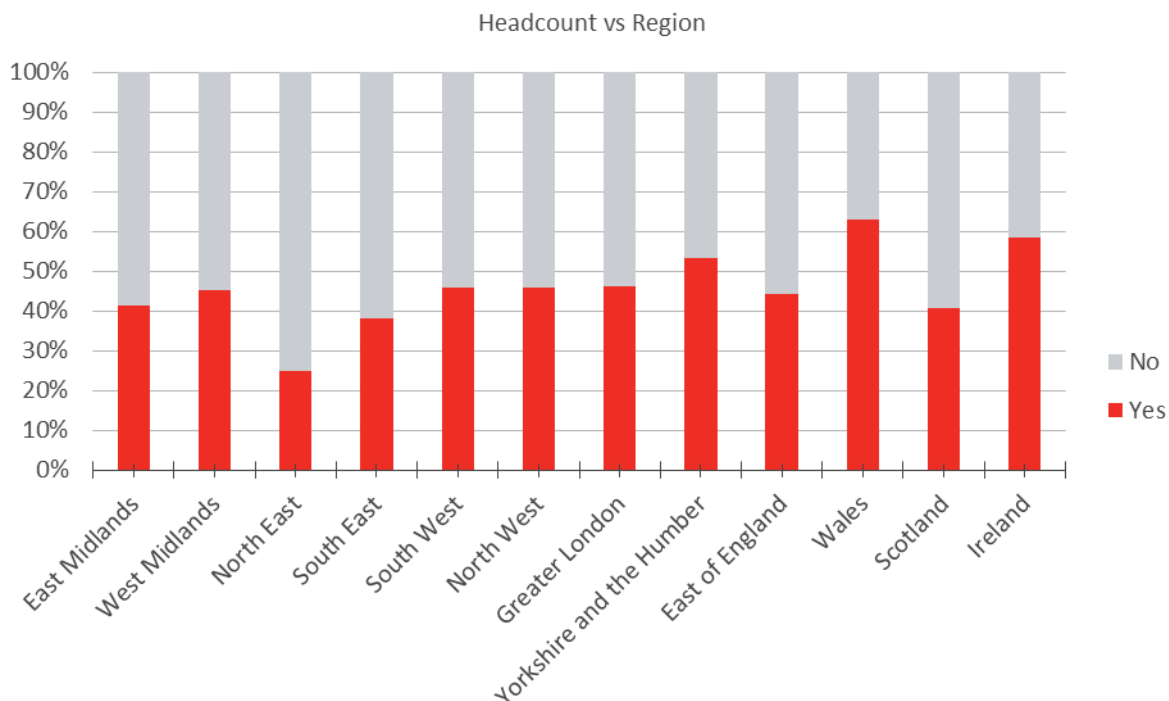
Here, we see that of the businesses surveyed, it was those in the 2-5 year age bracket that had fared best, with 88% reporting turnover growth.

When asked if their business increased its number of full time employees, responses were more split, with the majority (54%) saying 'no' compared to 46% saying 'yes':

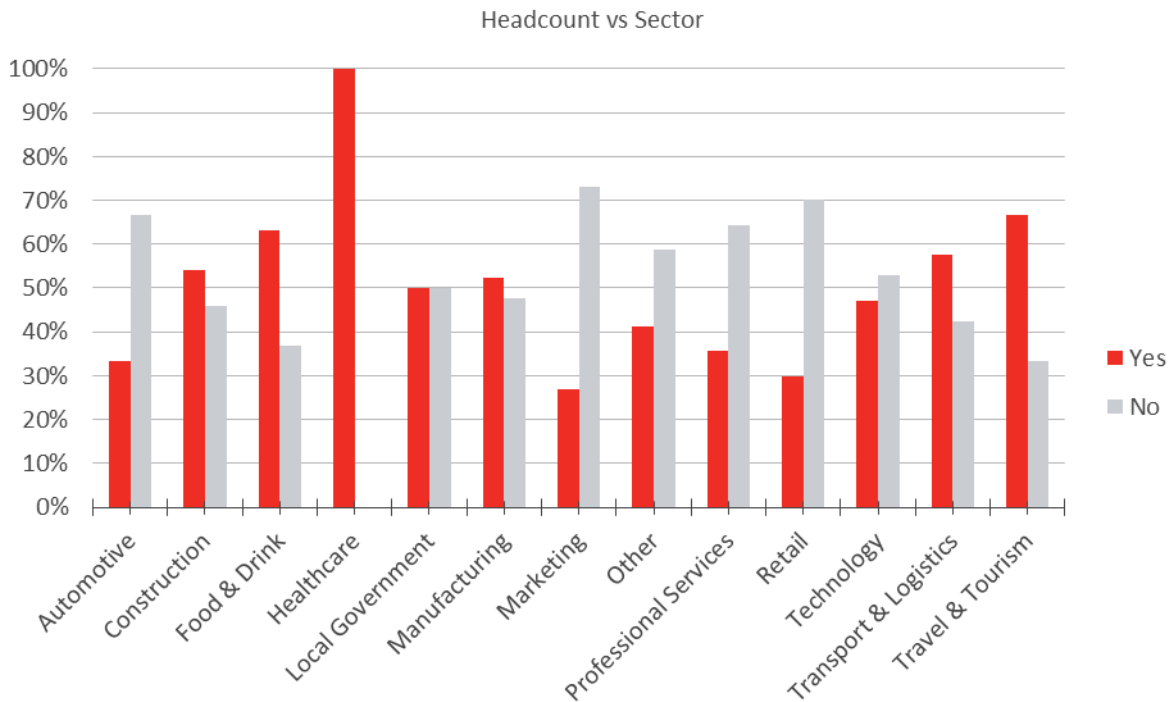


Here, we see that, in spite of the majority of businesses having grown in terms of *turnover*, a far smaller majority had not increased their headcount.

We can split this down by region to see where headcount gains have been made around the country, and where they have not:



The data shows that the region where most respondents claimed to have taken on more full time employees is Wales, with 62% answering 'yes', followed by Ireland at 58% and Yorkshire and the Humber (the highest English region) at 53%.

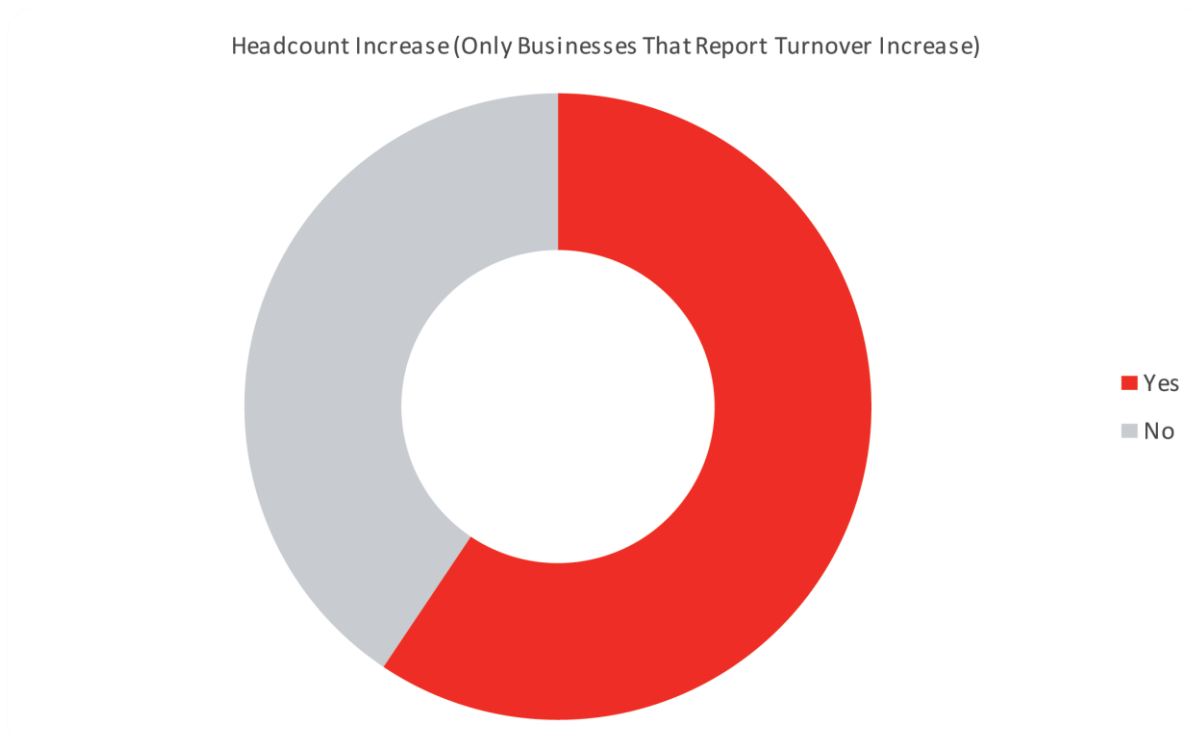


The same data broken down by sector shows an interesting picture, where the only sectors to report headcount increases are construction, healthcare, food & drink, manufacturing, transport & logistics and travel & tourism.

The following chart shows the percentage of respondents answering 'yes' and 'no' to headcount growth as split by age of business (years since incorporation):



The interplay between turnover growth and headcount growth can be seen below, where only those businesses to have reported turnover growth have been analysed:



Just under 60% of businesses who had reported a turnover increase also reported a headcount increase. Of those businesses with turnover increases, 40% had not increased their number of full time employees, suggesting that turnover growth and headcount growth do not necessarily go hand in hand.

## Challenges in 2018

This year, businesses in the UK faced a number of high profile challenges. Brexit has continued to dominate news coverage as uncertainty around the final deal grew and the future for those businesses looking to export in particular fell into question. Meanwhile, high street brands faced turbulence, with shopping behaviours evolving in a technologically driven landscape<sup>1</sup>.

In spite of George Osborne's "Northern Powerhouse" initiative, some sources have suggested access to finance is still limited north of the M25<sup>2</sup>.

Ten years on from the recession of 2008, the Trades Union Congress has found that real wages are still far below the pre-slump averages, meaning today's worker is much worse off than they would have been in the early 2000s<sup>3</sup>.

In more positive news, the British space industry had a boost in 2018 thanks to investment from Airbus and Eutelsat<sup>4</sup>; boosting confidence in this sector. The government's updated UK Investment Support Directory was set up to support international business growth into the country<sup>5</sup>.

---

<sup>1</sup> Guardian, December 2018, ASOS profit announcement <https://www.theguardian.com/business/2018/dec/18/asos-shock-shows-uks-economic-problems-extend-beyond-high-street>

<sup>2</sup> Independent, December 2018, North/south divide <https://www.independent.co.uk/news/uk/home-news/north-south-divide-tory-austerity-conservatives-government-cameron-recession-a8667666.html>

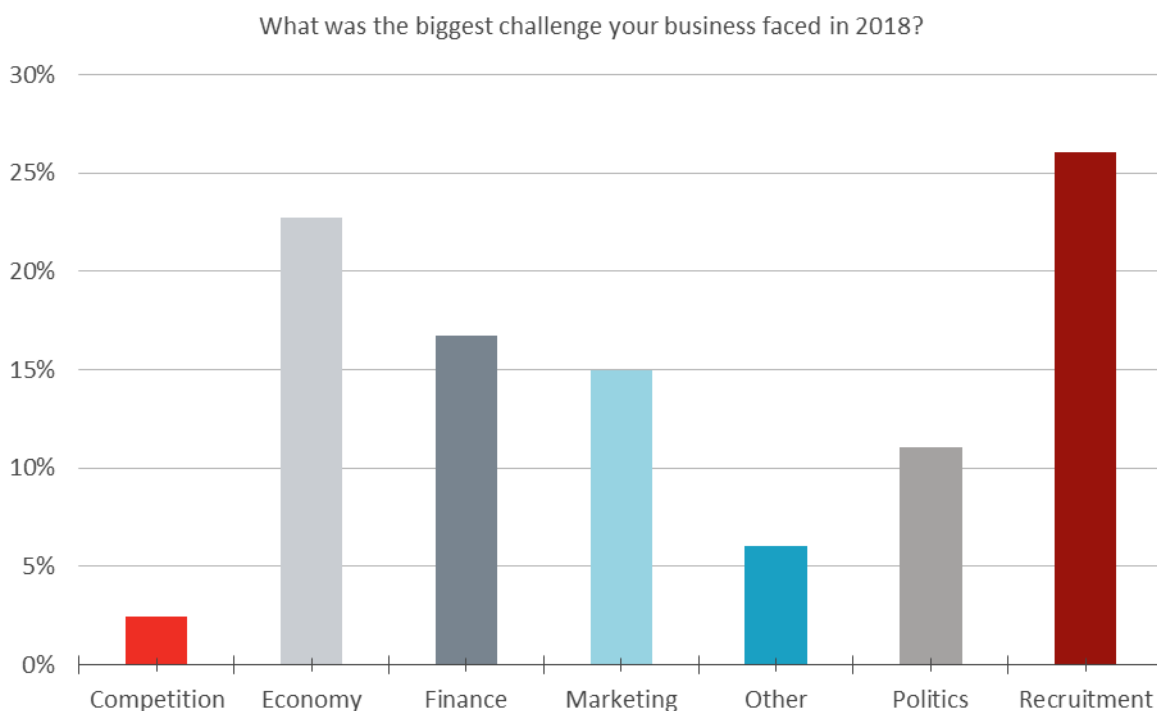
<sup>3</sup> TUC, May 2018, real wages <https://www.tuc.org.uk/blogs/real-wages-far-below-where-they-were-recession>

<sup>4</sup> Telegraph, November 2018, British space investment [https://www.telegraph.co.uk/business/2018/11/19/satellite-deal-cements-uk-space-industry-success/?\\_ga=2.165046911.1762265547.1542639543-1189647450.1518436376](https://www.telegraph.co.uk/business/2018/11/19/satellite-deal-cements-uk-space-industry-success/?_ga=2.165046911.1762265547.1542639543-1189647450.1518436376)

<sup>5</sup> Gov.uk, November 2018, UK Investment Support Directory <https://www.gov.uk/government/news/opening-of-business-applications-for-the-new-uk-investment-support-directory>

## UK Challenges

For respondents in the Business Census, the biggest challenges of 2018 came from two areas; **recruitment and the economy**, reported by **26% and 23% of** respondents respectively.



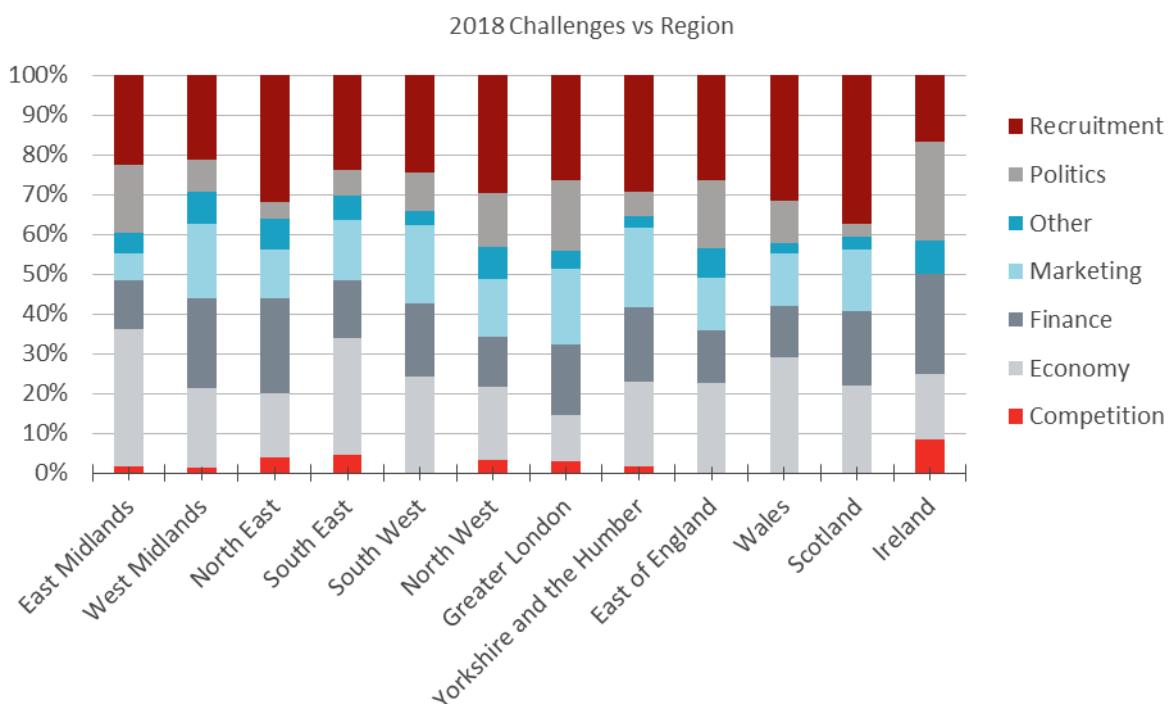
*Recruitment of the best talent remains and will always remain one of the biggest challenges for businesses. Businesses who take a proactive approach to recruitment, who network with potential target candidates when not recruiting, building pipelines of talent relevant for their business will more often than not find themselves ahead of their competition when it comes to securing the best talent. Be open minded to meeting candidates when you don't have a vacancy, and tell them more about the culture of the business, the team ethos and the future opportunities for development. Don't focus on an immediate need.*

**James Calder, Managing Director, Distinct Recruitment**



## Regional Challenges

The challenges faced by businesses did differ by region, as shown in the chart below:

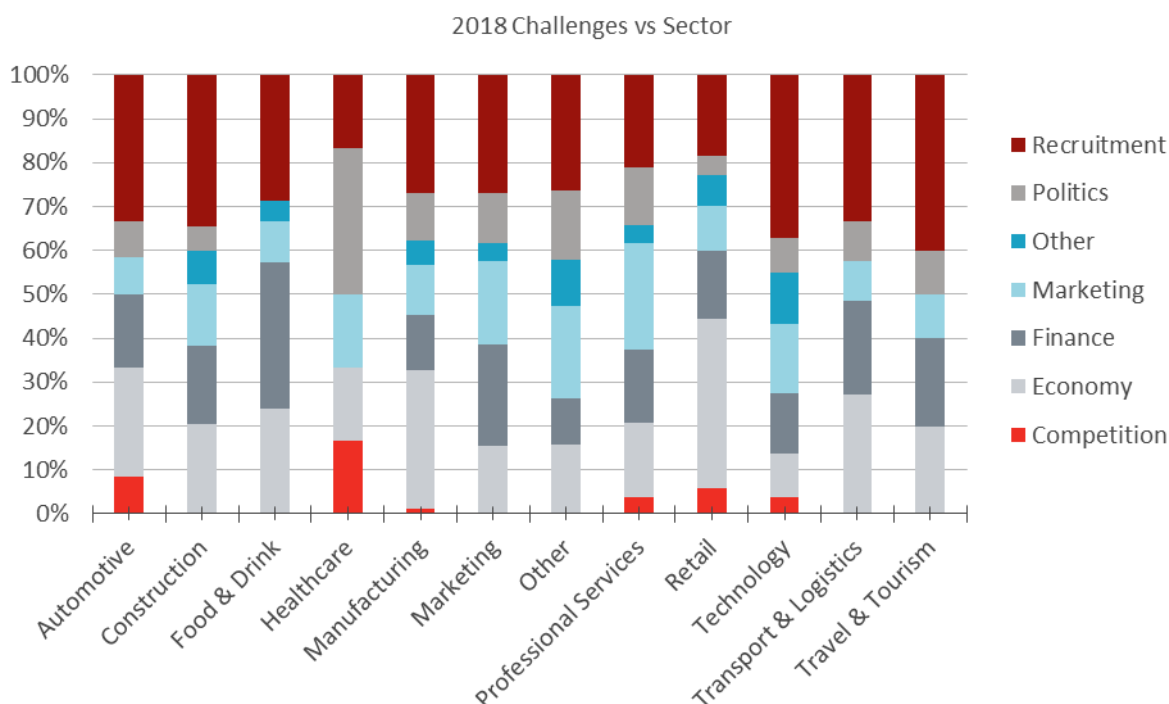


Recruitment was a common challenge across all regions, and most so in Scotland, Wales and North East England, as reported by 38%, 32% and 32% of respondents respectively. In England alone, recruitment was the greatest challenge for the North East, the North West and Yorkshire and the Humber, reported by 32%, 30% and 29% of respondents respectively.

The economy was frequently cited as a challenge across the UK, most so in the East Midlands (34%), South East (30%) and Wales (29%). The widest spread concern around finance was found in Ireland (24%), North East (24%) and West Midlands (23%). Concerns around politics were most prevalent in Ireland (25%), Greater London (18%) and East Midlands (17%).

## Sector Challenges

The following shows the breakdown of business challenges by sector:



The challenge of recruitment was felt most by those in travel & tourism (where 40% gave this as their greatest challenge), followed by technology (37%) and construction (35%). The economy was considered a challenge mostly by those in retail (reported by 39% as the greatest challenge) followed by transport & logistics (37%) and automotive (25%).

Meanwhile, marketing represented the top challenge most frequently amongst professional services businesses (24% reported this as their greatest challenge) with politics the most commonly reported top challenge amongst healthcare businesses (33%).

*The main challenge we see with marketing service based businesses lies in communicating the value. When you're selling a physical product, you can show customers what they're getting while a service has to be bought before it can be experienced. My advice to service based businesses is to not be afraid to give away some of your knowledge through something like a blog or contribution to trade media; this gives people a taster of your product so they're more inclined to buy.*

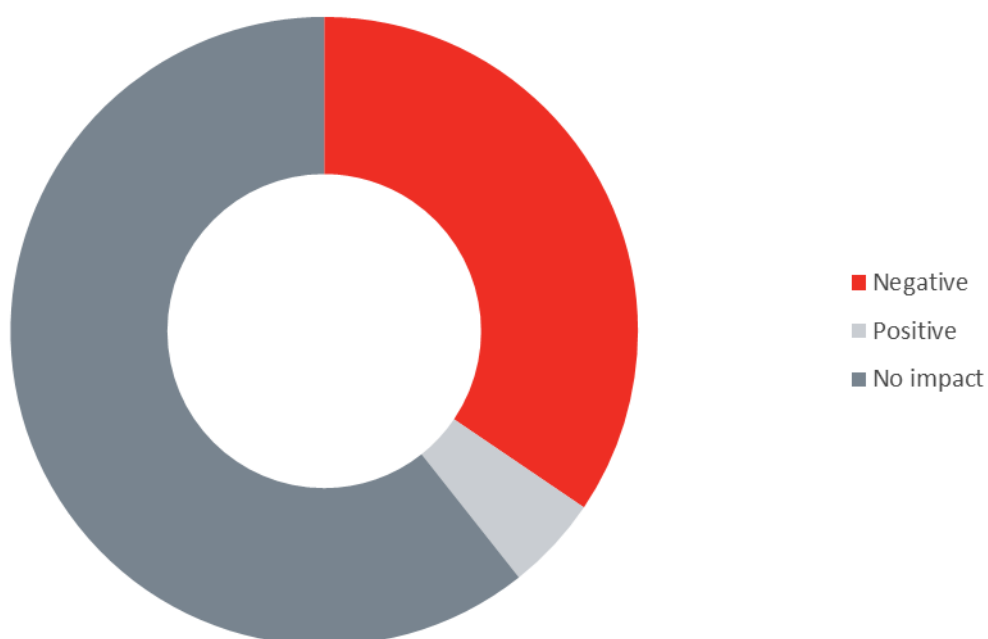
**Tom Craig, Founder, Impression**

## Brexit

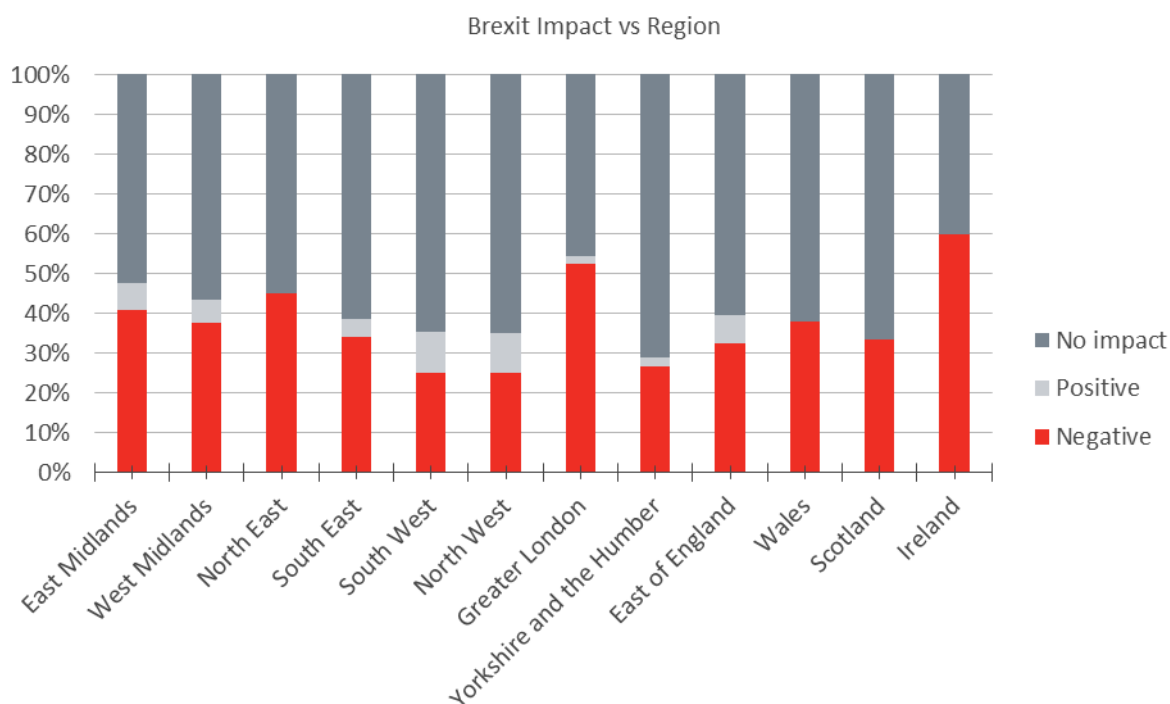
One of the biggest topics of 2018 has been Brexit and the uncertainty around what leaving the EU would look like for Britain.

**More than 1 in 3 (35%) of respondents** stated that Brexit has had a negative effect on their business so far. **60% cited no impact** as yet, with only **5%** having seen a positive impact this year:

What impact has Brexit had on your business so far?



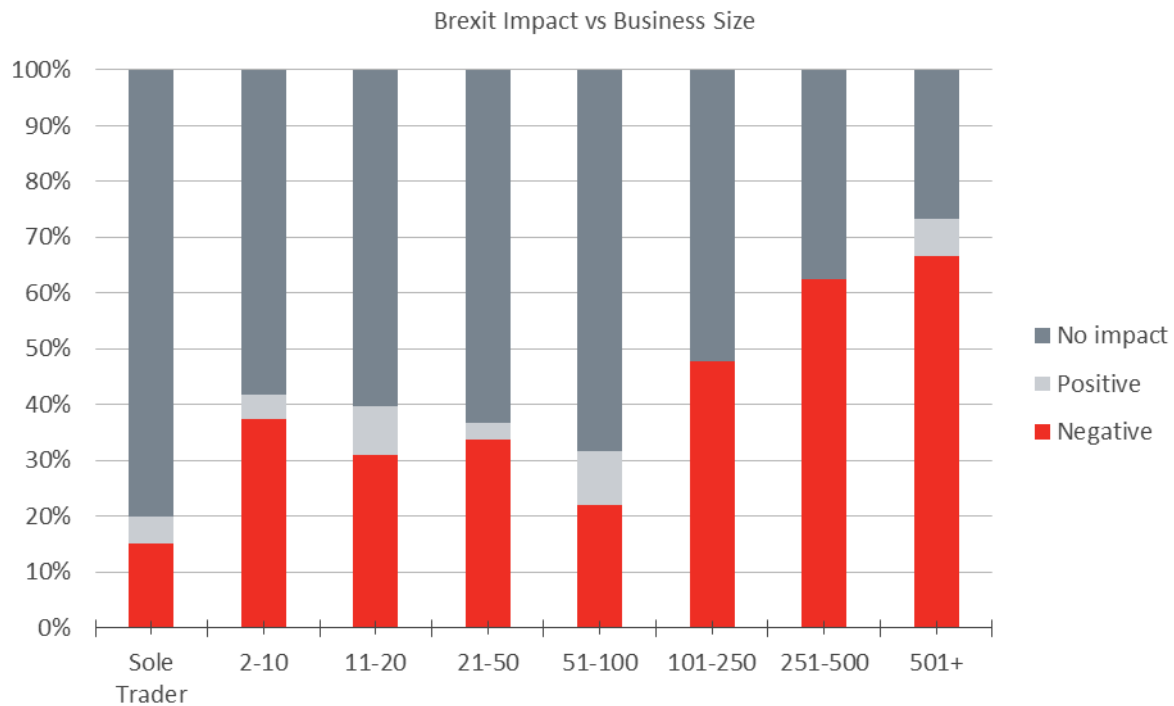
The impact of Brexit has been felt differently across the UK, as shown here:



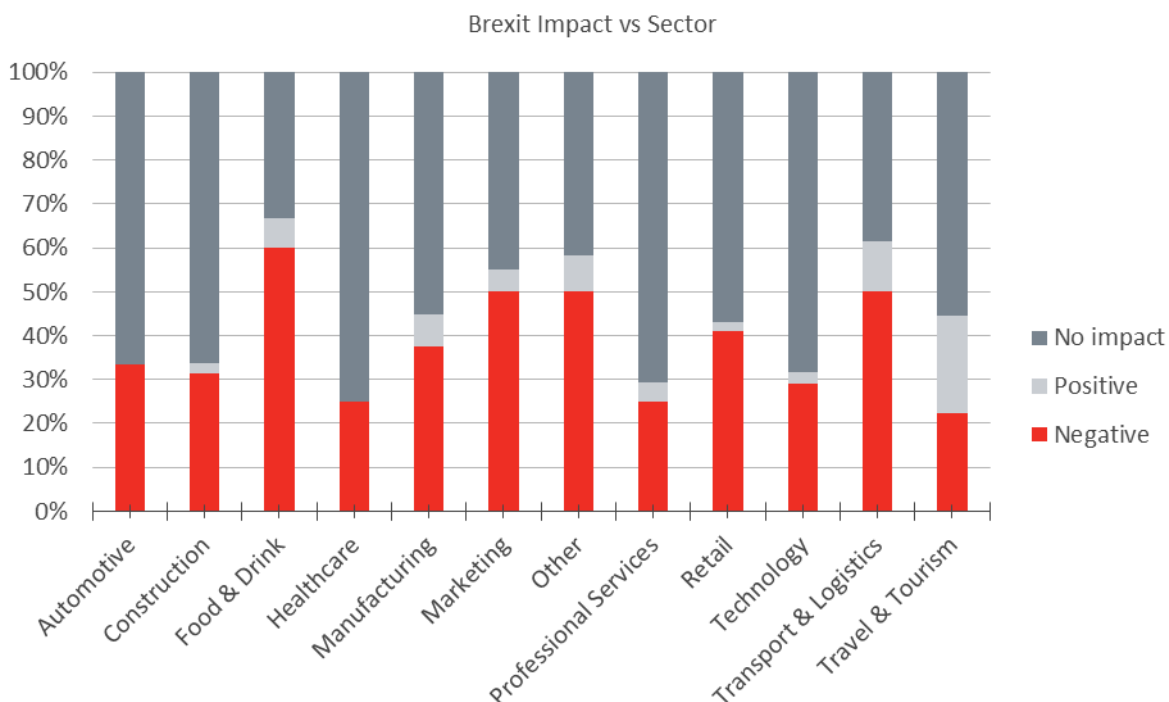
Ireland has been the most negatively hit so far, with 60% reporting a negative impact and none at all reporting positive. Of the English regions, Greater London had the highest instance of negative reports at 53%, followed by the North East (45%) and the East Midlands (41%).

The most positive regions were the South West and North West, where 10% of respondents had felt a positive impact so far. The most ambivalent region was Yorkshire and the Humber, where 71% reported no impact to date.

If we consider this data in terms of size of business (number of employees), we see that the hardest hit so far are the larger businesses with **two out of three businesses** sized over 501 employees reporting a negative impact:

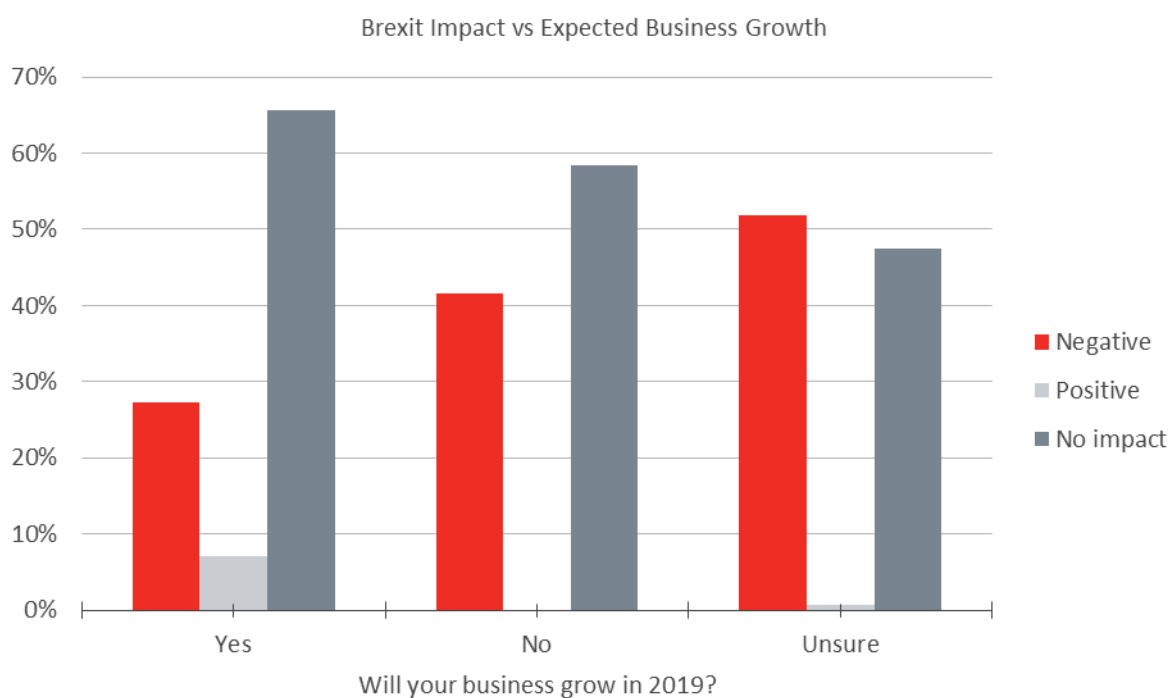


Business sectors have felt the Brexit challenge differently, too:

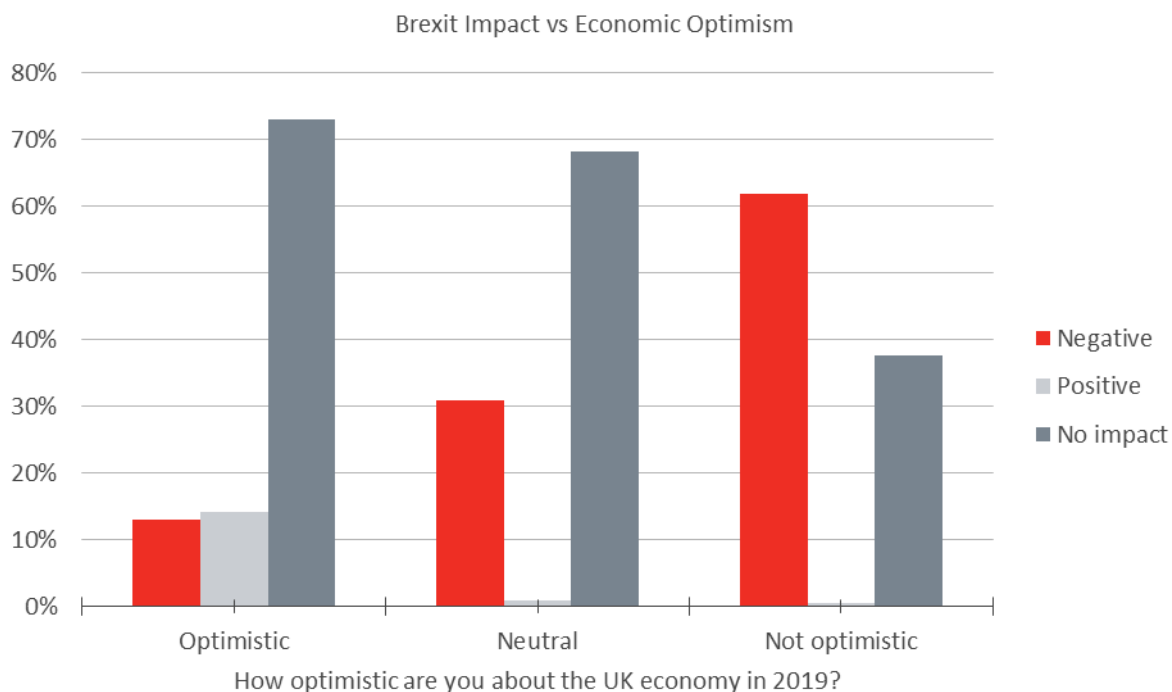


Amongst travel & tourism businesses, over three quarters of businesses reported positive or no impact, with 22% reporting positive effects so far. The next most positive sectors were transport & logistics (12% reported positive effects) and 'other' which included education and IT based roles (8% positive). No impact was reported mostly by healthcare (75%), professional services (71%) and technology (68%).

When it comes to looking ahead to 2019, those businesses who reported a negative impact of Brexit so far were also less optimistic about their own prospects for growth, with more of those who had reported a negative impact expecting not to grow in terms of turnover in the coming year. Meanwhile, of those businesses who said 'yes' to expected growth, 7% had also reported a positive impact from Brexit, suggesting a correlation between the two:



In the following chart, we see the interplay between Brexit impact and optimism for the UK economy in 2019:



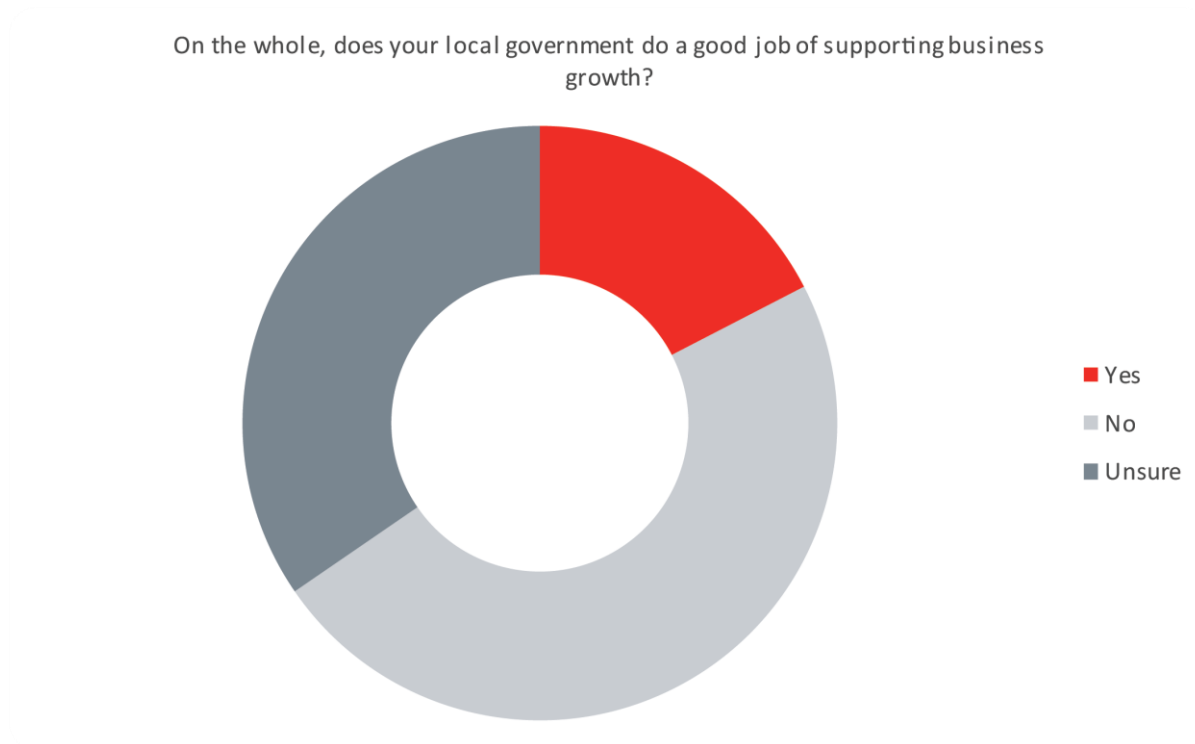
Of those reporting optimism for the year ahead, the majority had experienced no impact from Brexit so far, with a further 14% having reported a positive effect.

The least optimistic about the economy are those respondents who also reported a negative impact from Brexit, again suggesting a correlation between the two.



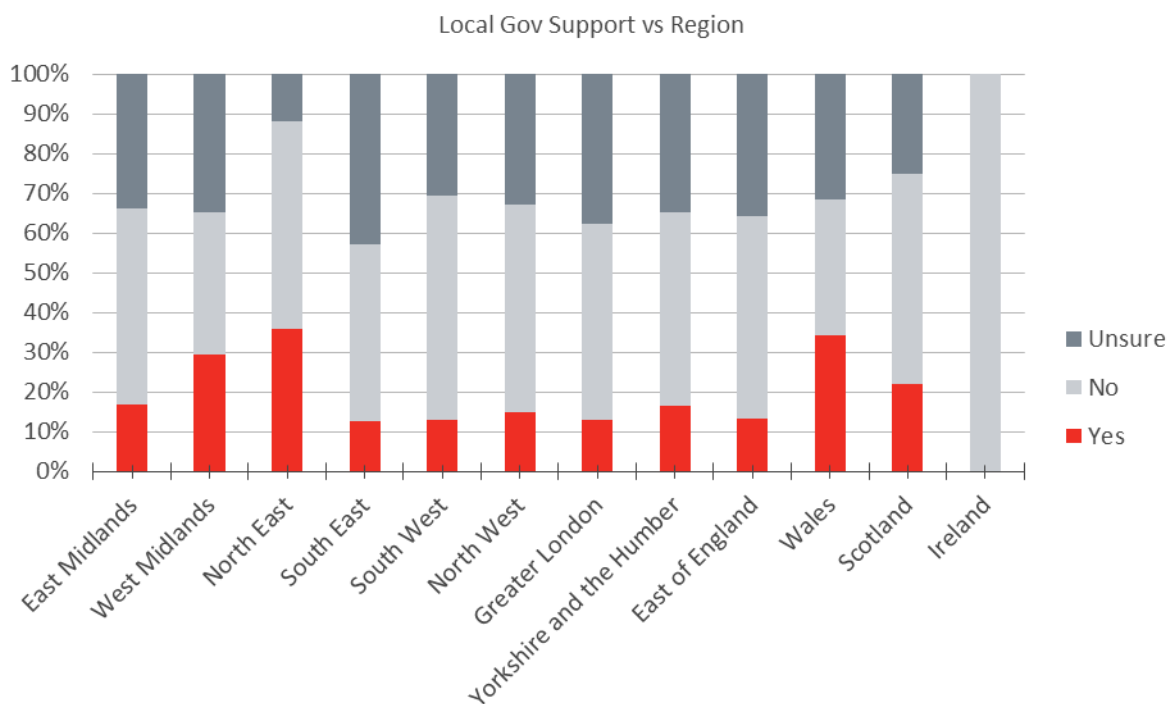
## Local Government Business Support

With the decentralisation of government leading to changes in the way local governments operate, we asked Business Census respondents to tell us about their experience with local government support for their business.



Just under **half of all respondents (48%)** do not believe that their local government does a good job of **supporting them**. A further 35% were unsure, while just 17% felt they had been well supported by local government.

We then split their answers by region:



Here, we see that 100% of respondents in Ireland felt their local government was not doing a good job. This was followed by the South West (56%) and Scotland (53%). Of English regions, the ones that responded 'no' to the question of whether local government supported them well were the South West (56%), the North West (52%) and North East (52%).

## Resourcing in 2018

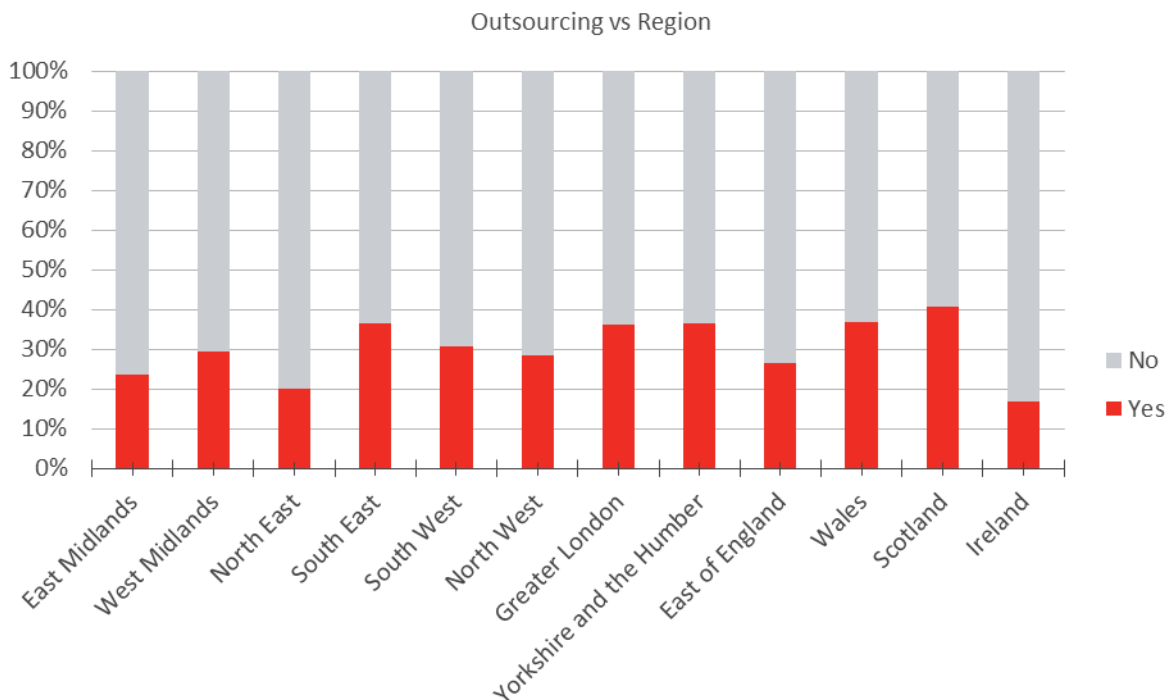
With recruitment a challenge for businesses across the UK, the Business Census has been exploring resource practices in the last 12 months.

## Outsourcing

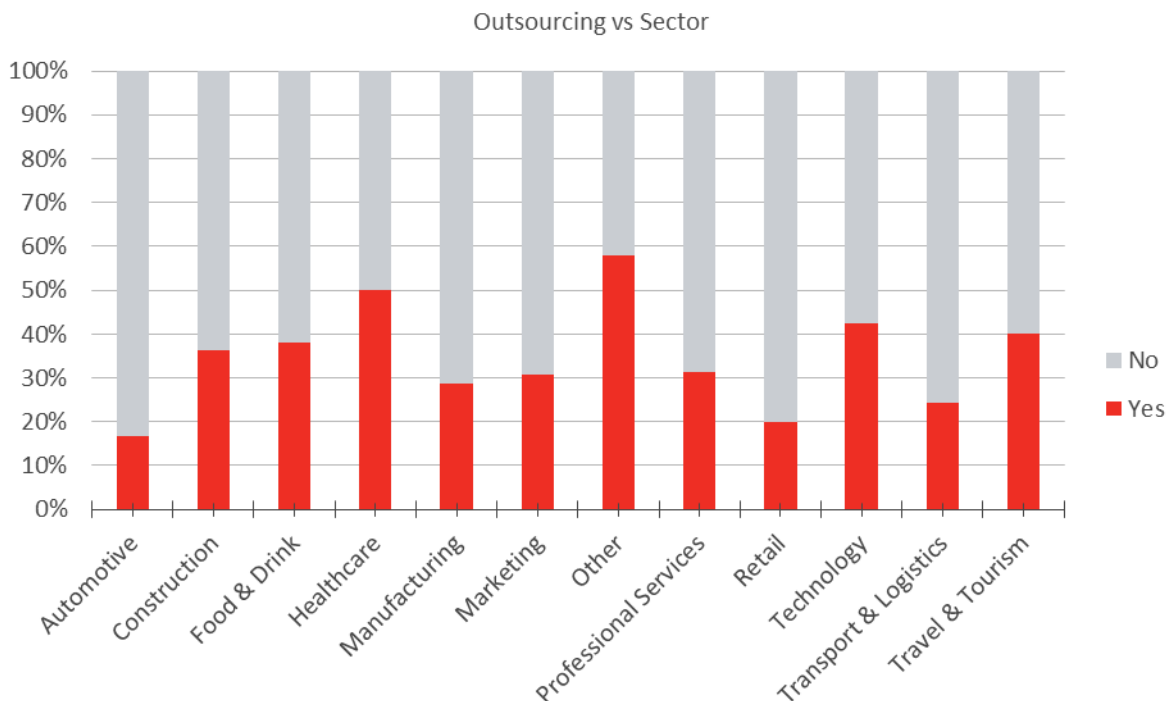
**A third of businesses (31%)** chose to outsource functions of their business in 2018, including HR, marketing, IT, advertising, accountancy and legal support.

Did your business outsource any of its functions in 2018?



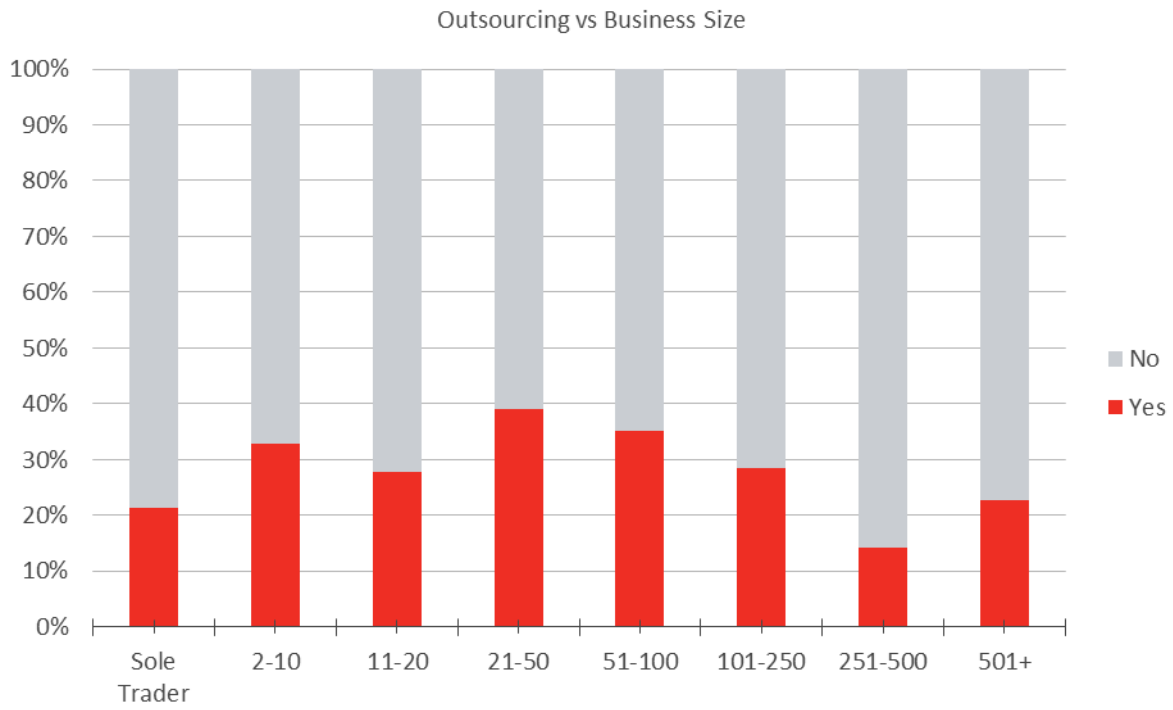


The region with the highest percentage of businesses reporting outsourcing was Scotland (41%) followed by Wales (37%) and the South East (36%). Of the England regions, the top outsourcers were the South East, Yorkshire and the Humber and Greater London (all 36%).



Of the sectors which outsourced most, the majority were doing so for the purposes of finance (including accountancy, payroll and bookkeeping), HR and IT. A number were outsourcing their marketing function.







The size of business bore little relation to the outsourcing behaviours reported by businesses, with all sizes having reported outsourcing to an extent.



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## Flexible Working

Flexible working has been growing in popularity, with traditional working hours now only the norm for 6% of workers<sup>6</sup>. In spite of this, actual practice of flexible working was split, with **52% of businesses stating they did not offer flexible working, to 48% who did:**

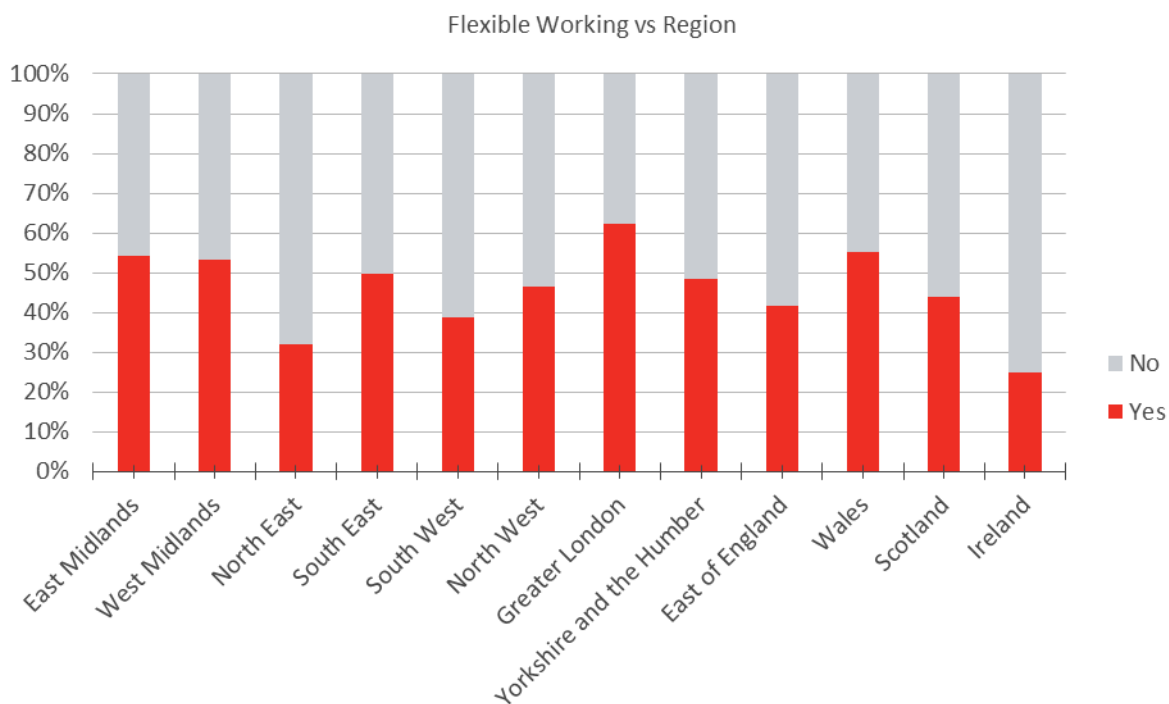
Did you allow flexible working for the majority of your staff in 2018?



<sup>6</sup> BBC, August 2018, flexible working <https://www.bbc.co.uk/news/business-45253060>

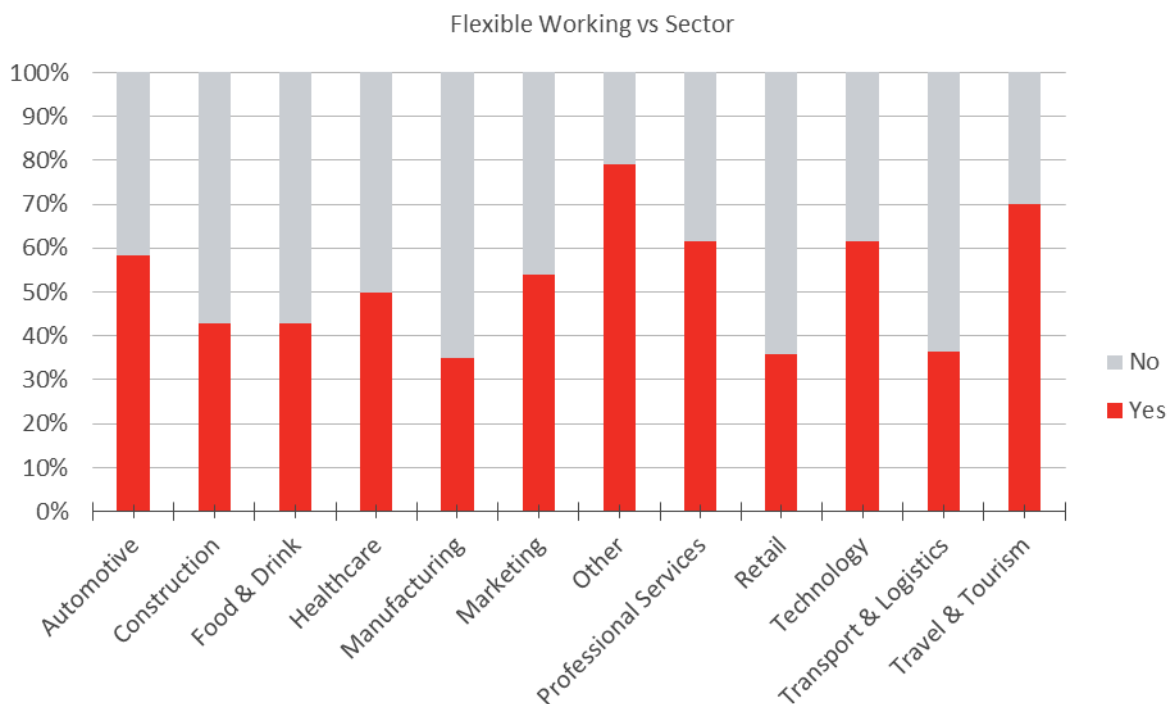


We then split this down by region:

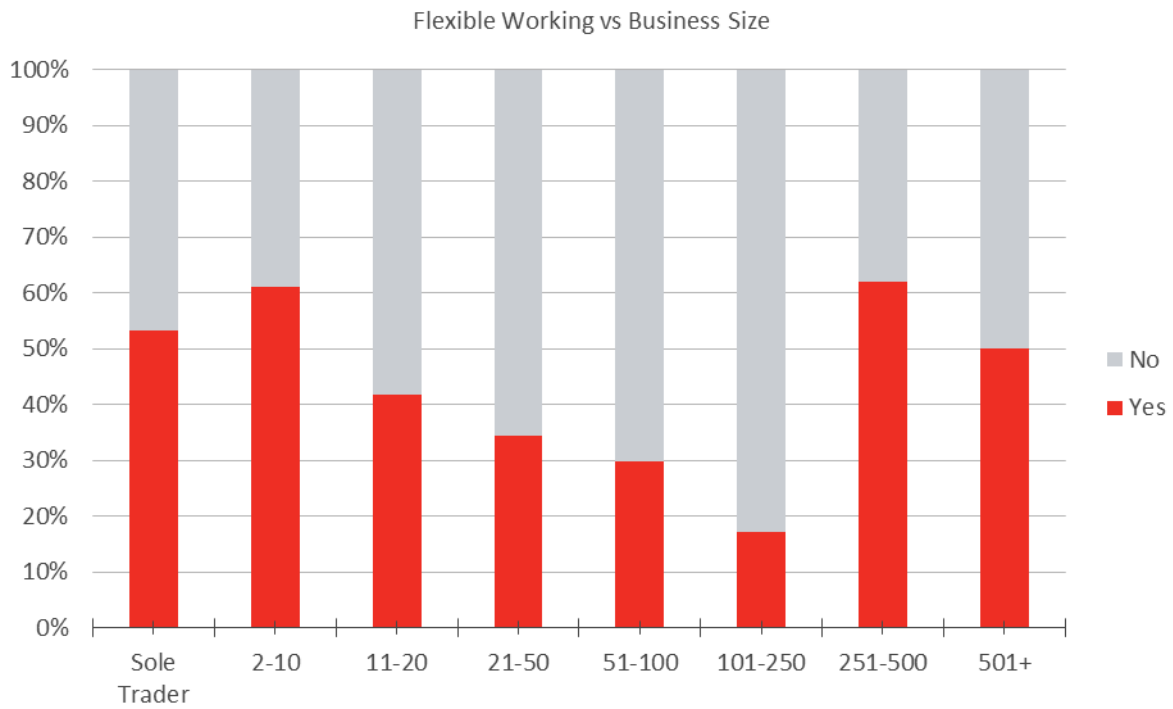


When split by region, the data shows that the area most open to flexible working was Greater London, where 62% of businesses reported allowing flexible working in 2018. This was followed by Wales (55%) and the East Midlands (54%).

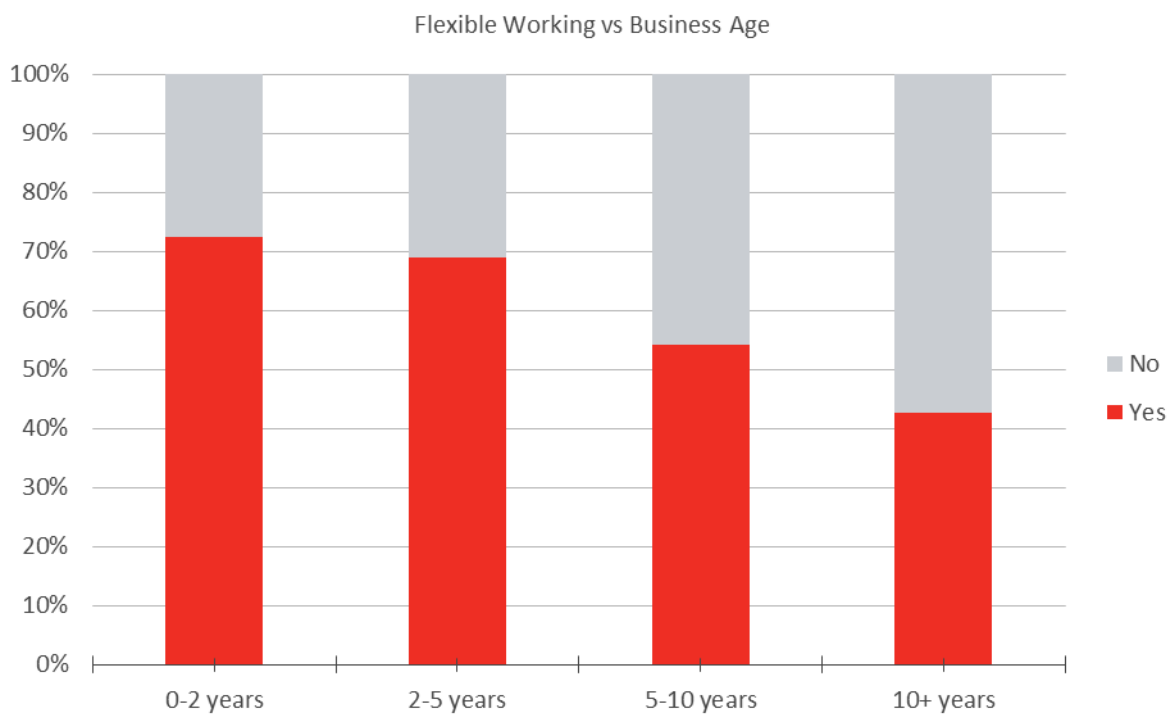
Of the sectors featured in the report, the one that reported the highest instance of flexible working was travel & tourism (where 70% said they allowed flexible working) followed by technology and professional services at 61%.



According to responses in the Business Census, the propensity to offer flexible working decreases with business size, where the businesses employing 2-10 employees reported offering flexible working in 61% of cases. This decreased up to the 101-250 bracket, then increased again to 62% at 251-500.



The age of the business also appeared to have a bearing on the propensity to offer flexible working, with younger businesses reporting having done so more frequently than their older counterparts:



Here, we see that businesses aged 0-2 years offered flexible working in 72% of cases, followed by 2-5 years in 69%, 5-10 years in 54% and 10+ years in 43% of responses.

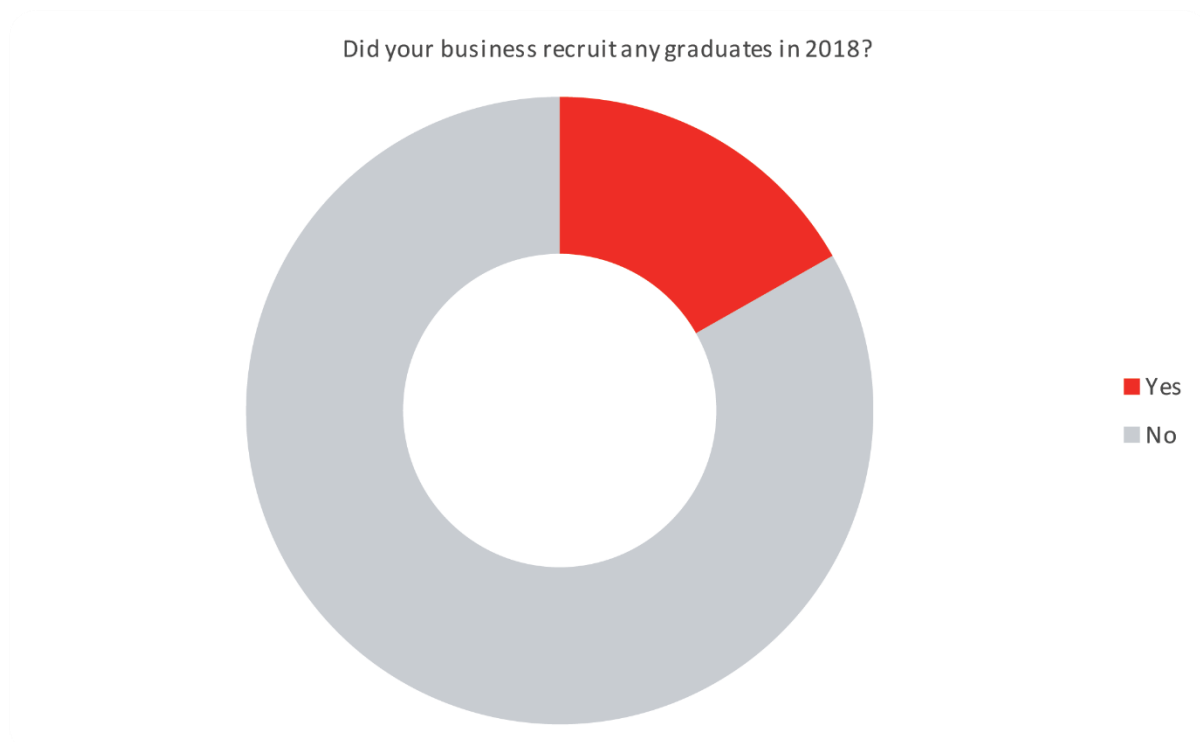
*As technology continues to grow, workplace practises have evolved to make it easier than ever to keep in contact with colleagues. This includes working remotely which means flexible working is not only possible but can be even more productive than traditional ways of working. Additionally, it allows for increased talent as a workforce is no longer constrained by geographical location, allowing adaptability around employees lifestyles. In fact, any business that does not adapt to these new flexible practises, such as allowing remote working, integrated communications and unified solutions, risks being left behind in an increasing flexible working environment.*

**Alex Tebbs, Founder, VIA**

## Graduate Recruitment

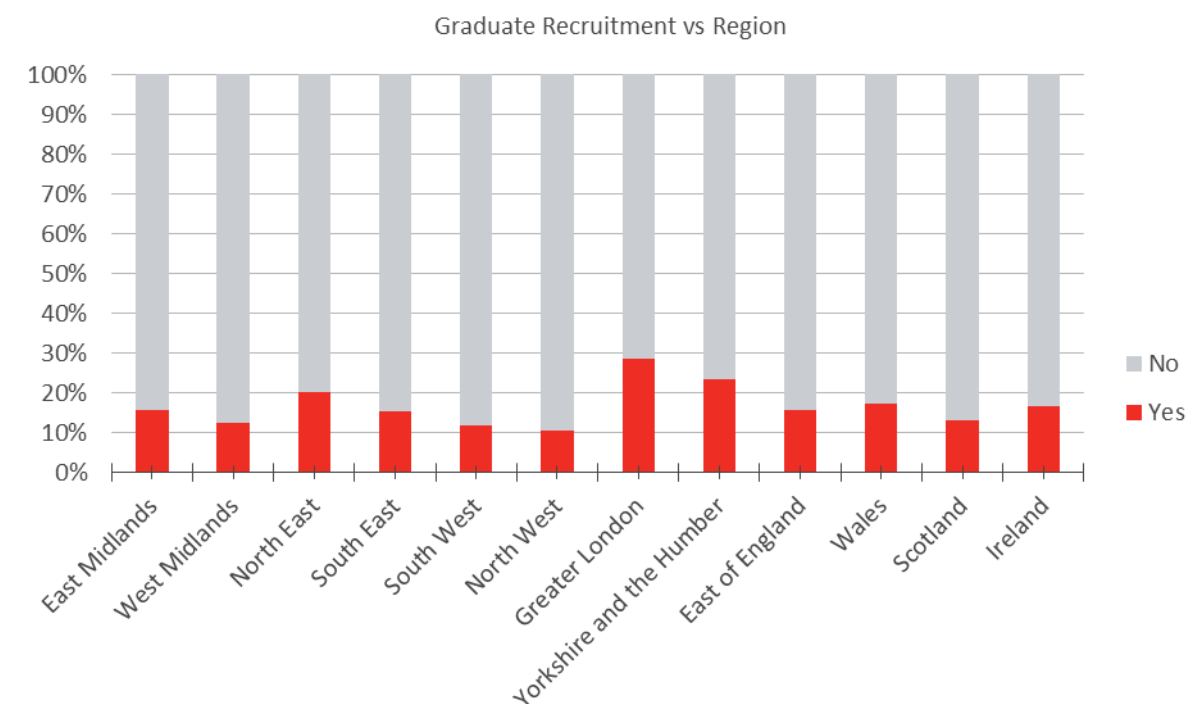
Millennials account for around 40% of the British workforce today, but studies suggest they could be outnumbered by generation Z as early as 2019. Meanwhile, studies have suggested that businesses are failing to engage the younger generation, making gen Z recruitment even tougher<sup>7</sup>.

Whether through choice or necessity, an overwhelming majority (**83%**) of businesses in the Census had not recruited a graduate in 2018.



<sup>7</sup> Global Recruiter, December 2018, graduate recruitment <https://www.theglobalrecruiter.com/report-finds-generation-z-disengaging-with-recruitment-process/>

The following chart shows where in the UK graduates were recruited, as reported by Census respondents:

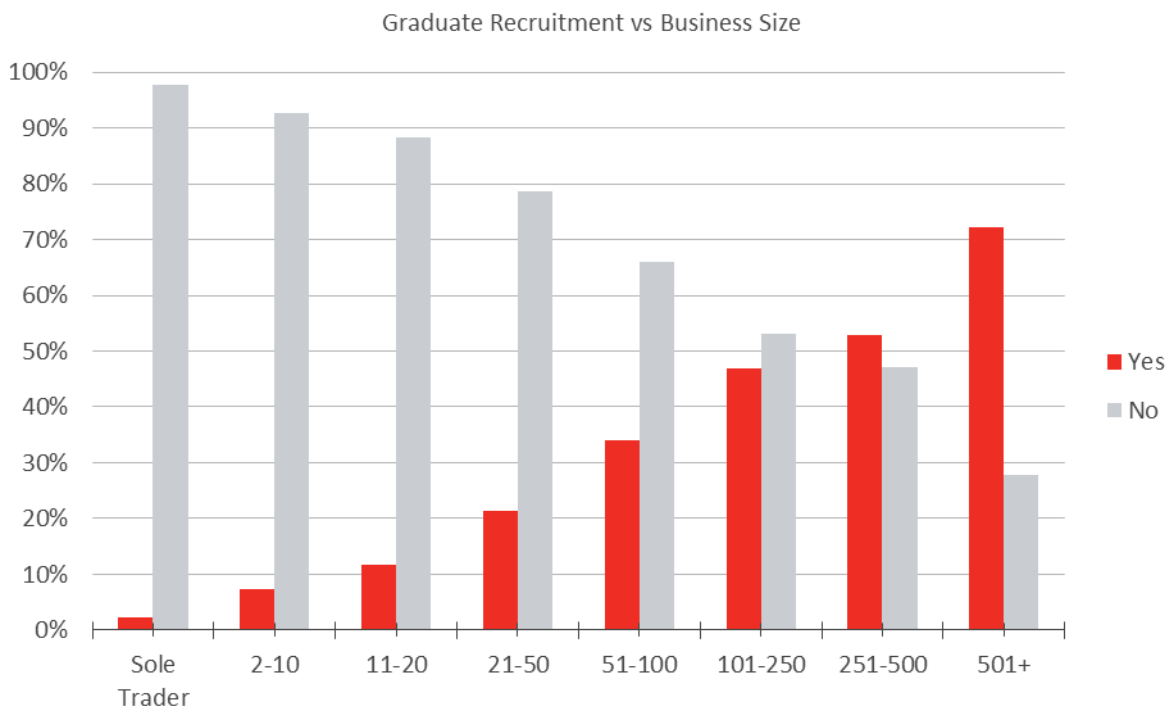


The area where the greatest proportion of respondents reported graduate recruitment was Greater London, at 29%, followed by Yorkshire and the Humber (23%) and the North East (20%). The region where the smallest percentage of businesses reported graduate recruitment was the North West (89%).

According to our respondents, the sector with the greatest propensity for graduate recruitment was travel & tourism (**38%**) followed by healthcare (**33%**) and food & drink (**25%**). The sector least likely to recruit a graduate (according to Census respondents) was automotive, where **92%** of businesses said they had not recruited a graduate in 2018.



Interestingly, the reports of graduate recruitment increase with the size of the business, suggesting larger businesses recruited more graduates in 2018:

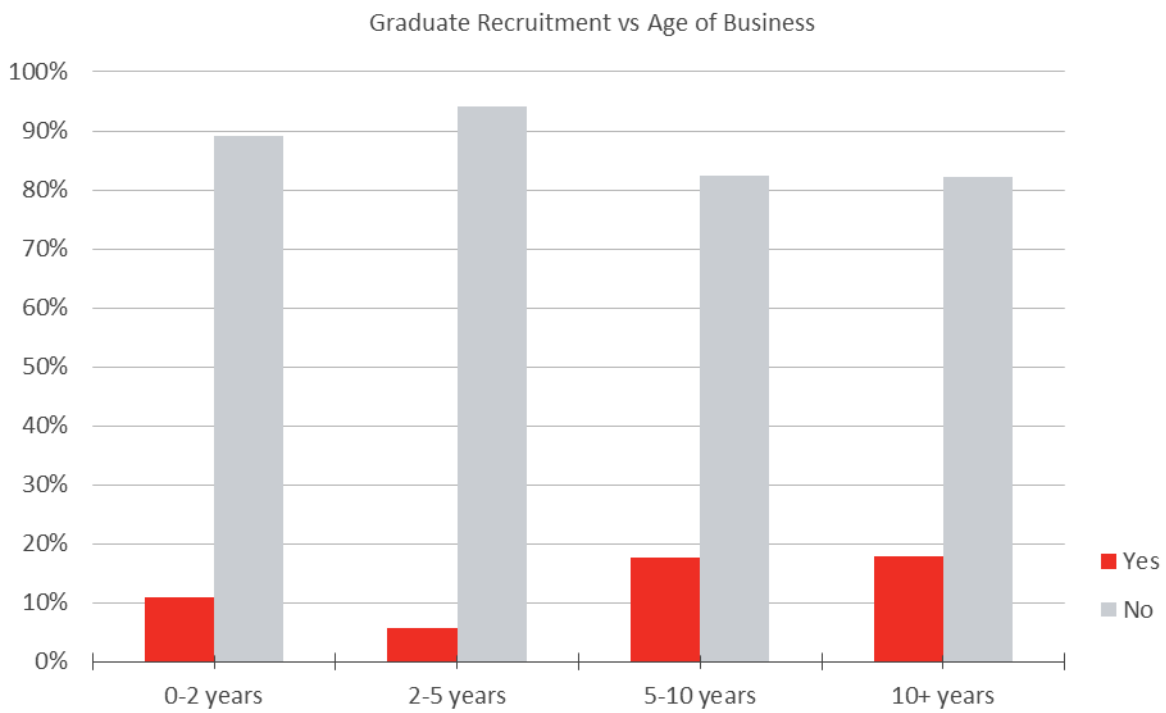


*There's loads that graduates can learn from both large & small businesses. Where the majority of smaller businesses struggle (or perceive they'll have a struggle) is promoting their business as a potential destination for graduates. Small businesses should be active on social media and build relationships with local Universities & Colleges to be putting themselves in the frame to be more known by the graduate population. As someone who grew up after graduating working in smaller businesses I know for a fact that there's SO MUCH you can learn from having a direct line of sight into the CEO/owner of a business and really see the impact of your efforts.*

**James Calder, Managing Director, Distinct Recruitment**



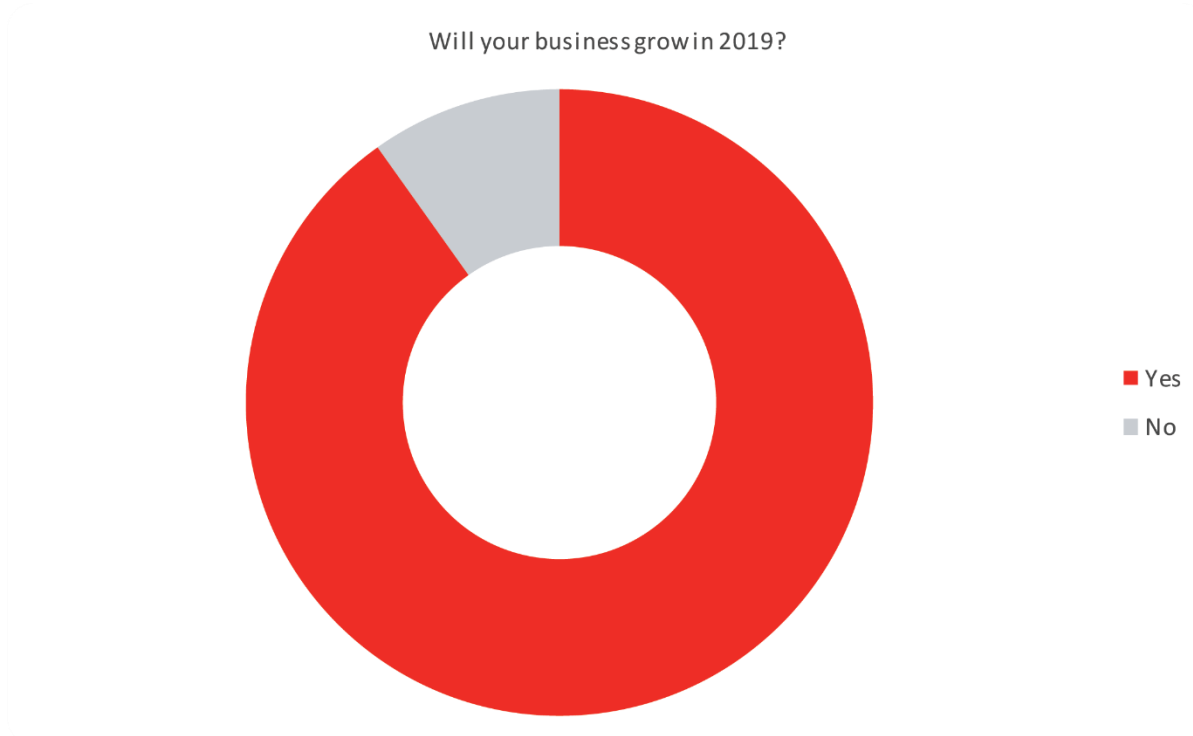
Overall, the older businesses reported more graduate recruitment than their younger counterparts:



## UK Business Growth in 2019

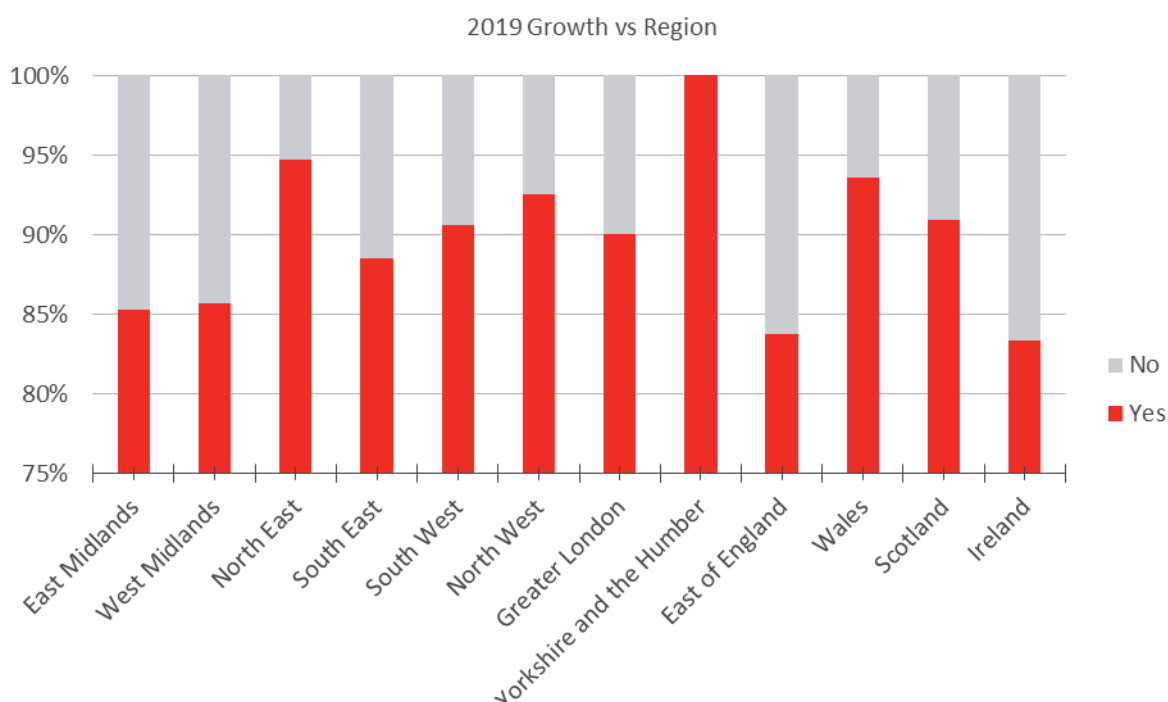
A lack of clarity amongst businesses around the future of the UK's economy prevails. Yet in spite of this, the outlook is positive according to Business Census respondents, with **90%** expecting their businesses to grow in the coming year.

When asked 'will your business grow in 2019?', the majority answered 'yes', suggesting that the outlook might not be as bleak as some sources have suggested. Interestingly, this finding does reflect Forbes' analysis, which positioned the UK amongst the top countries in which to do business<sup>8</sup>.



<sup>8</sup> Forbes, December 2018, business forecast <https://www.forbes.com/sites/kurtbadenhausen/2018/12/19/the-best-countries-for-business-2019-u-s-down-u-k-on-top/#3a3728d552d5>

Split by region, the UK looks optimistic again, with Yorkshire and the Humber expecting growth in 100% of cases:

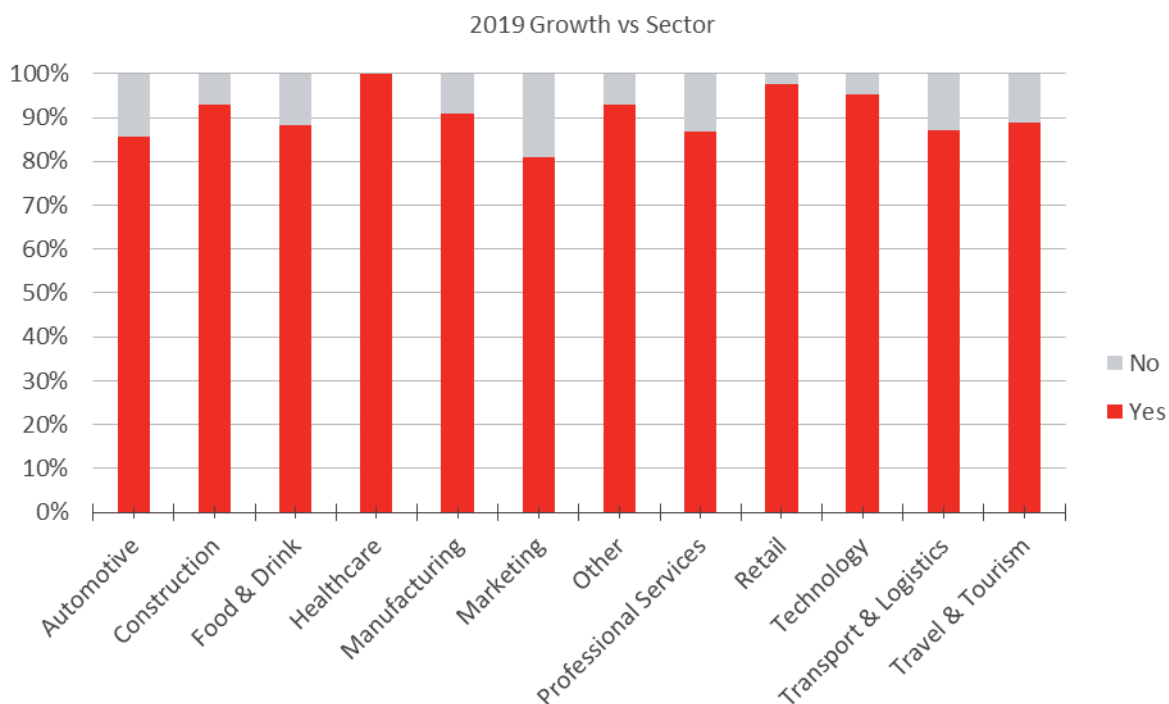


The next highest proportion of 'yes' votes came from Yorkshire and the Humber, where 100% of businesses expected to grow, followed by the North East (95%) and Wales (94%). The areas with the lowest proportion of positive predictions were the East of England and Ireland, each with 83% of businesses expecting to grow (this still being a high proportion and representing high hopes across the UK).

*As terms of the country's exit from the European Union are mapped out, Britain's future is murky. Yet the foundation of its business climate remains attractive, leading the U.K. to the top spot in Forbes' 13th annual look at the Best Countries for Business, which measures countries that are most hospitable to capital investment. It is the second straight year with the U.K. in the lead.*

**Kurt Badenhausen, Forbes article**

Sector based growth predictions also paint a positive picture:



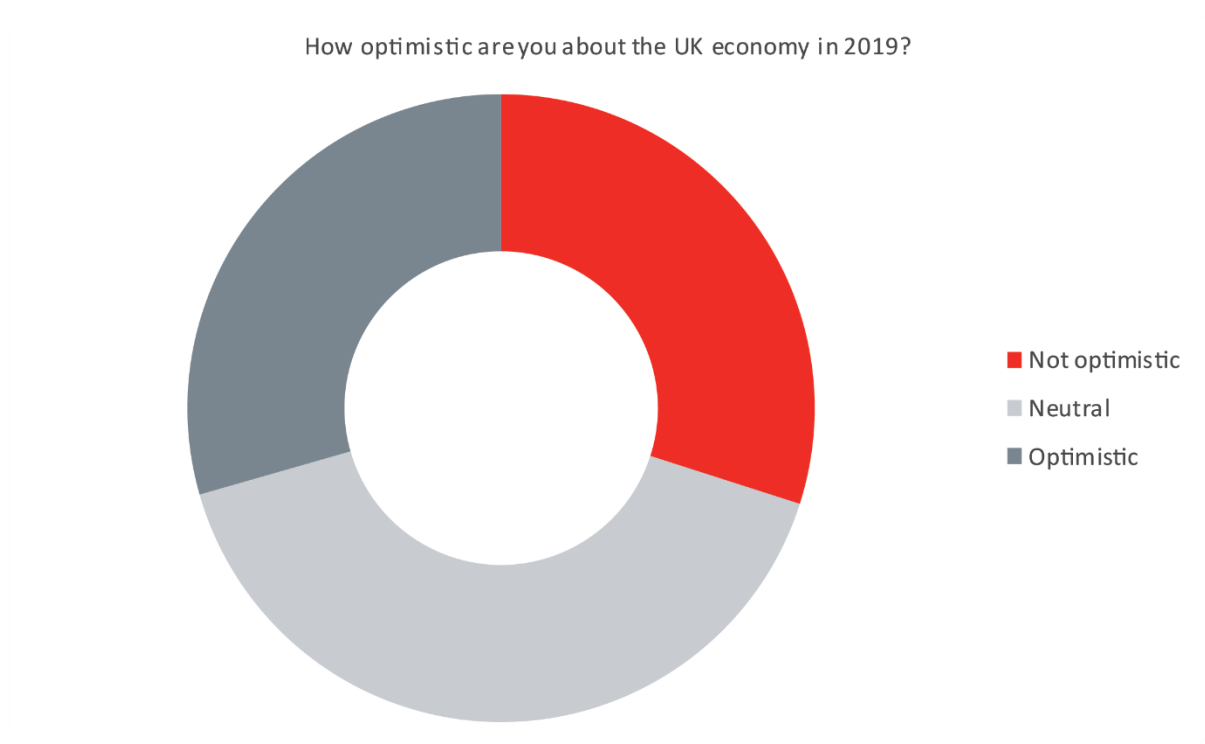
The sectors with the highest proportion of respondents predicting growth were healthcare<sup>9</sup> (100%), retail (98%) and technology (96%).

<sup>9</sup> The number of healthcare responses was only 5 so this is a small sample.

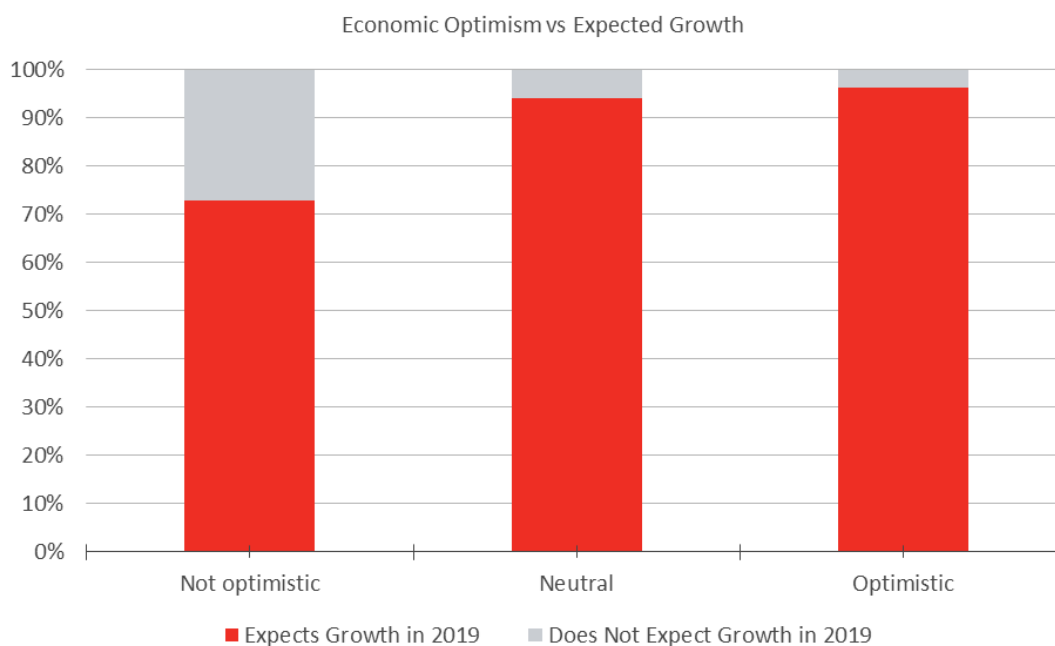
## Economic Optimism

Following on from some relatively positive predictions from Census respondents comes a very split opinion when it comes to optimism around the UK economy for 2019.

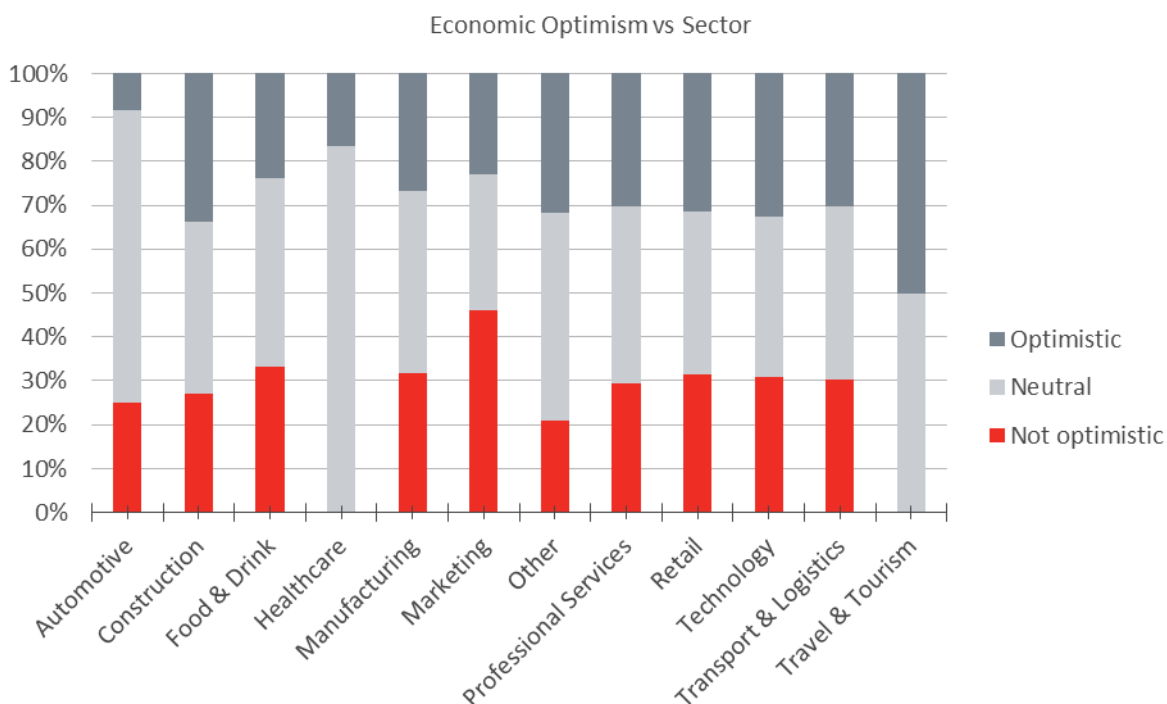
**41% of businesses are neither optimistic nor not optimistic, stating a neutral stance. 29% are optimistic for the coming year, while 30% - just under a third - are not optimistic.**



Overlay this with the data about business growth expectations for 2019, and we see that, unsurprisingly, those who expect growth for their own business in 2019 are more positive about the overall outlook, while those not expecting growth for themselves reported the highest proportion of negative responses to this question:

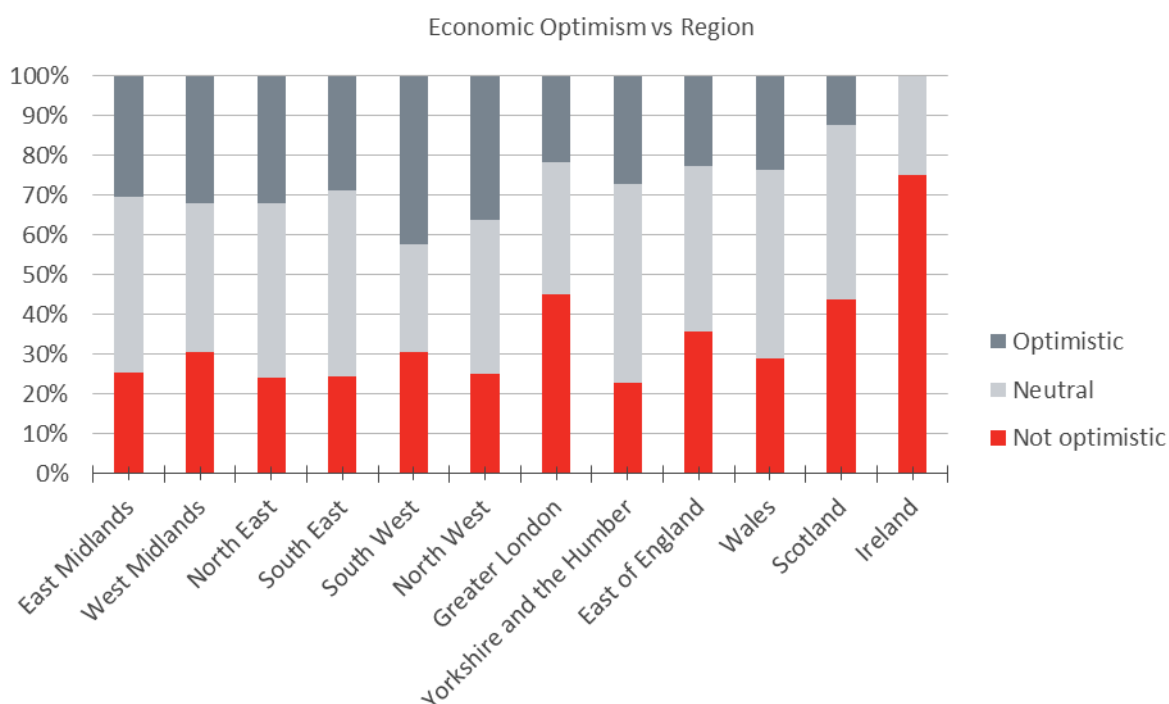


When we look at this on a sector level, we see that the sector most optimistic for 2019 was travel and tourism, where 50% of respondents answered positively. This was followed by construction (34%) and technology (33%). The sectors that answered 'not optimistic' most when asked how they felt about the UK economy in 2019 were marketing (46%), food & drink (33%) and retail (31%).



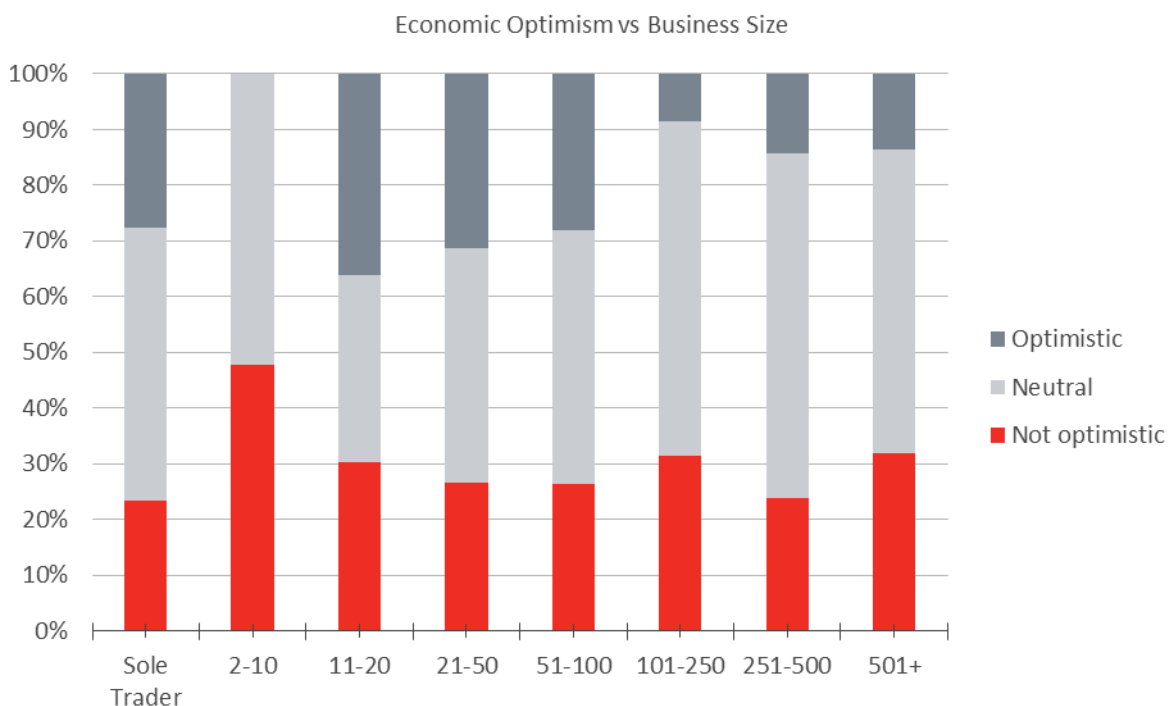
The regional split shows that the region least optimistic for the UK economy in 2019 was Ireland, where 75% said they were not optimistic. This was followed by Greater London (45% not optimistic) and Scotland (43% not optimistic). The least optimistic English regions were Greater London (45% not optimistic), East of England (36% not optimistic) and West Midlands (31% not optimistic).

The most optimistic regions were the South West (where 42% said they were optimistic for the economy) followed by the North West (36% positive) and the West Midlands and North East (both 32% positive).



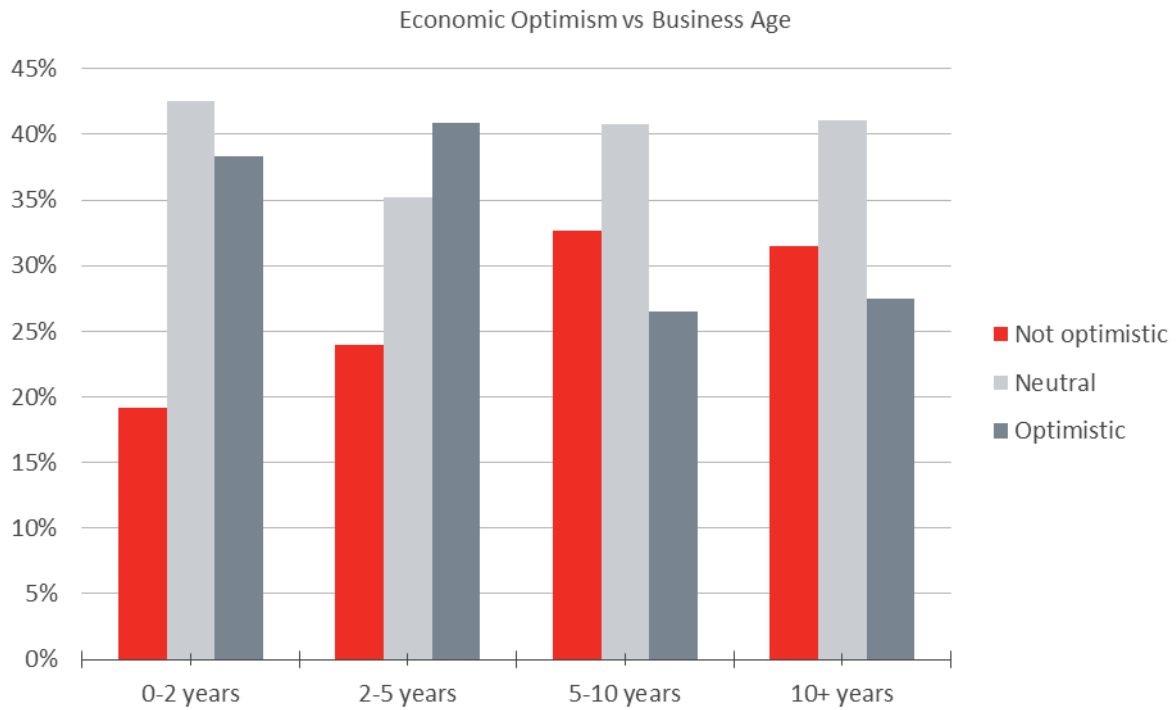


The economic optimism of the country can be seen as split by business size in the chart below.



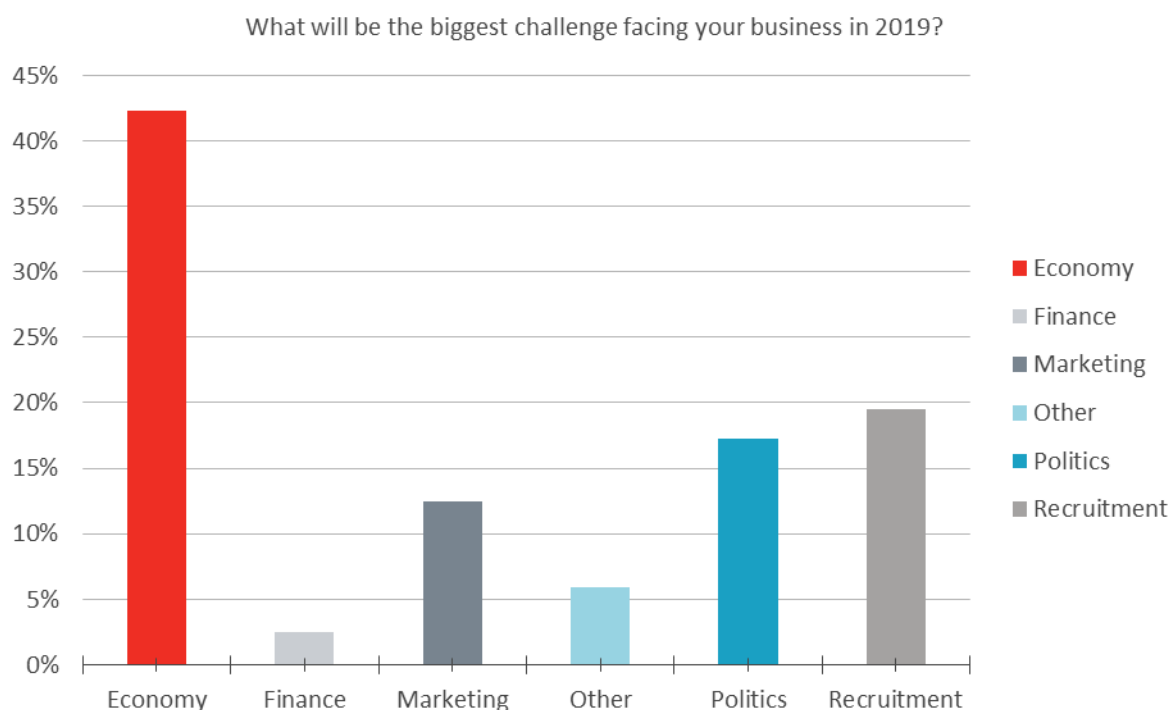
We see here that the least optimistic business size is 2-10, where **33% reported not being optimistic** about the economy in 2019. The most optimistic was the 11-20 group, where **36% reported optimism for 2019**. The three largest categories of business were the most ambivalent, with an average of **59% of businesses sized between 101-501+ people reporting a neutral stance**.

The age of the business also had an influence over optimism for the economy, with younger businesses reporting highest optimism levels and lower lack of optimism levels than their older counterparts:



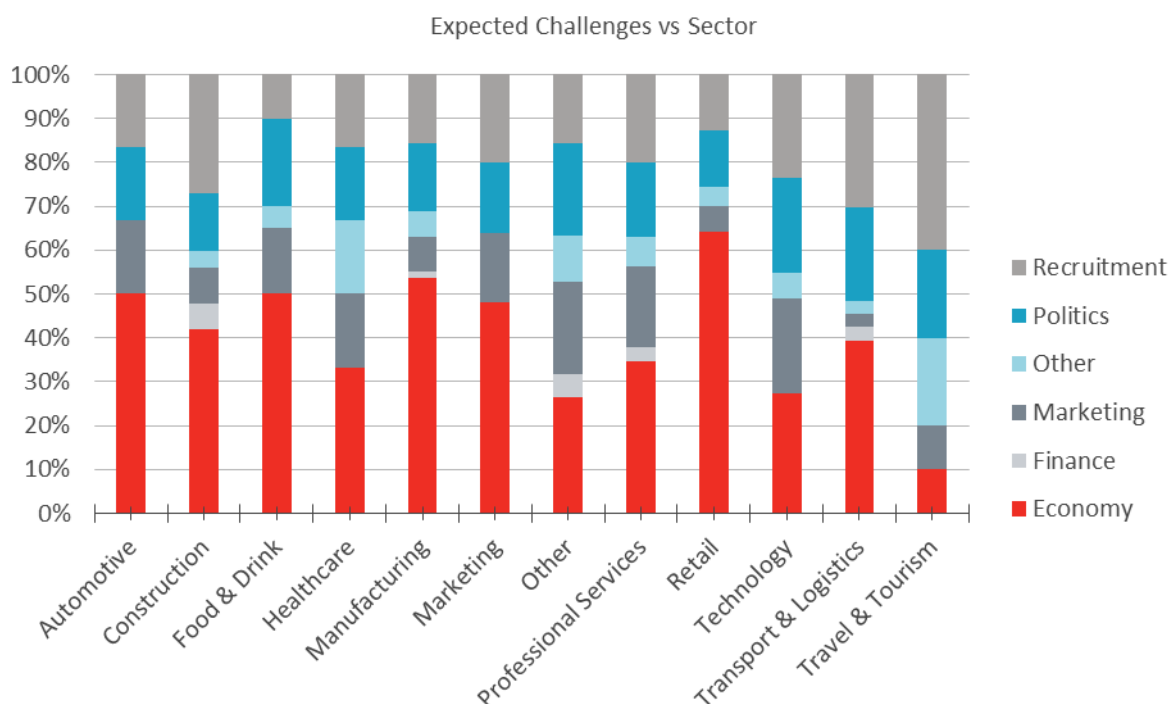
## Challenges to UK Business Growth in 2019

The economy and recruitment both presented challenges for UK businesses in 2018. Looking ahead to 2019, this is expected to continue, but with a much larger proportion of businesses (**43% in total**) expecting the **economy** to be their biggest challenge overall.



The challenge most commonly cited by respondents was the **economy, as stated by 42%**. The next biggest challenge was **recruitment, with 20%** of votes, followed by **politics with 17%**.

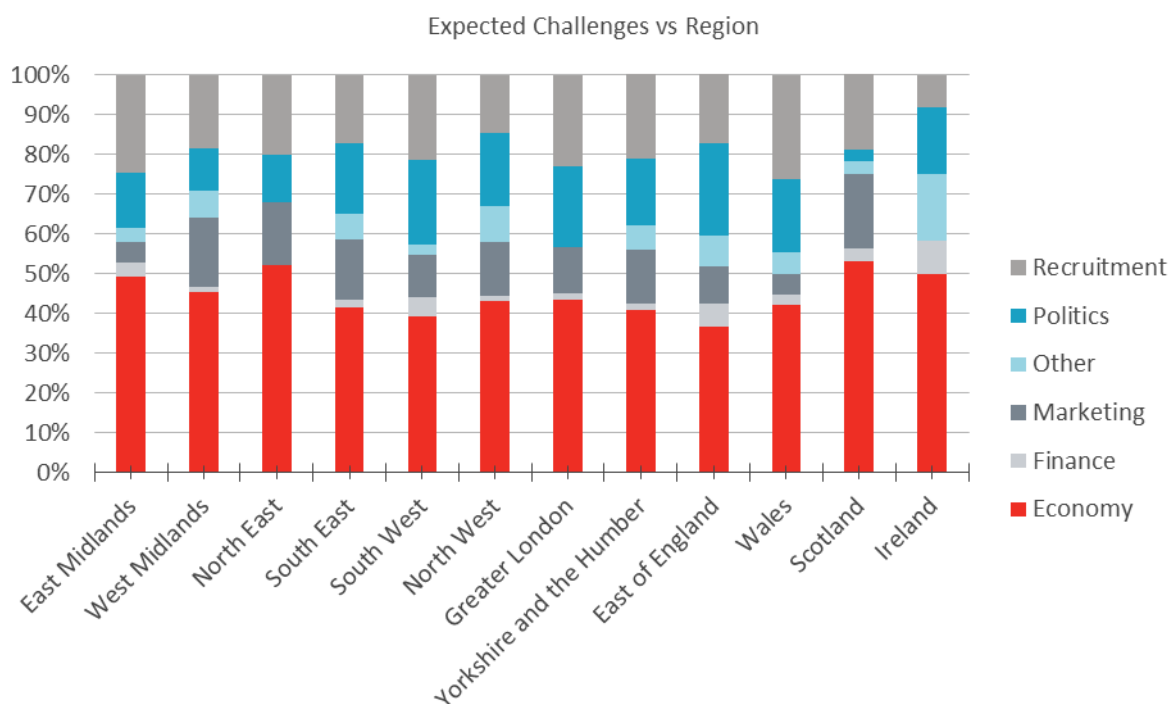
The expected challenges varied by sector, according to respondents:



Recruitment was expected to be the biggest challenge amongst travel & tourism businesses, as cited by 40% of those businesses. This was followed by transport & logistics (30%) and construction (27%).

The economy was the most expected challenge amongst the retail sector, where 64% gave that as their answer. The economy was also a big expected challenge for manufacturing (54%) and automotive and food & drink (both 50%).

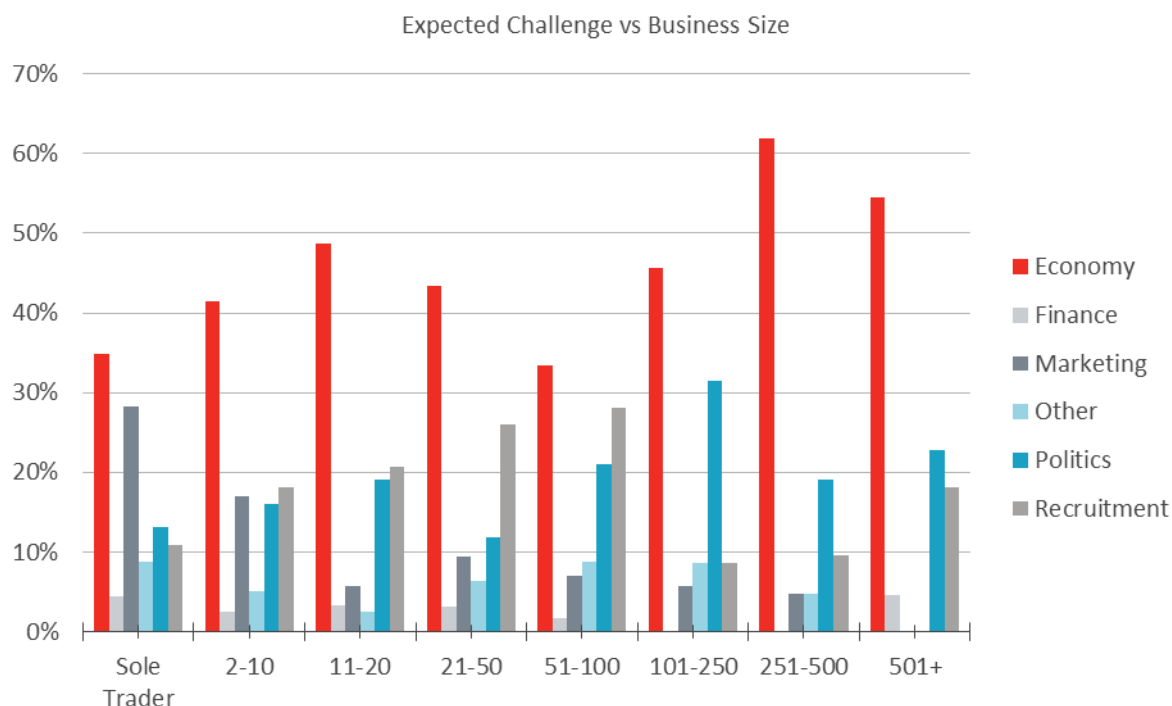
When split by region, the greatest expected challenges were as follows:



The regions where recruitment is expected to be the biggest challenge are Wales (where 26% of respondents stated it), the East Midlands (25%) and Greater London (24%).

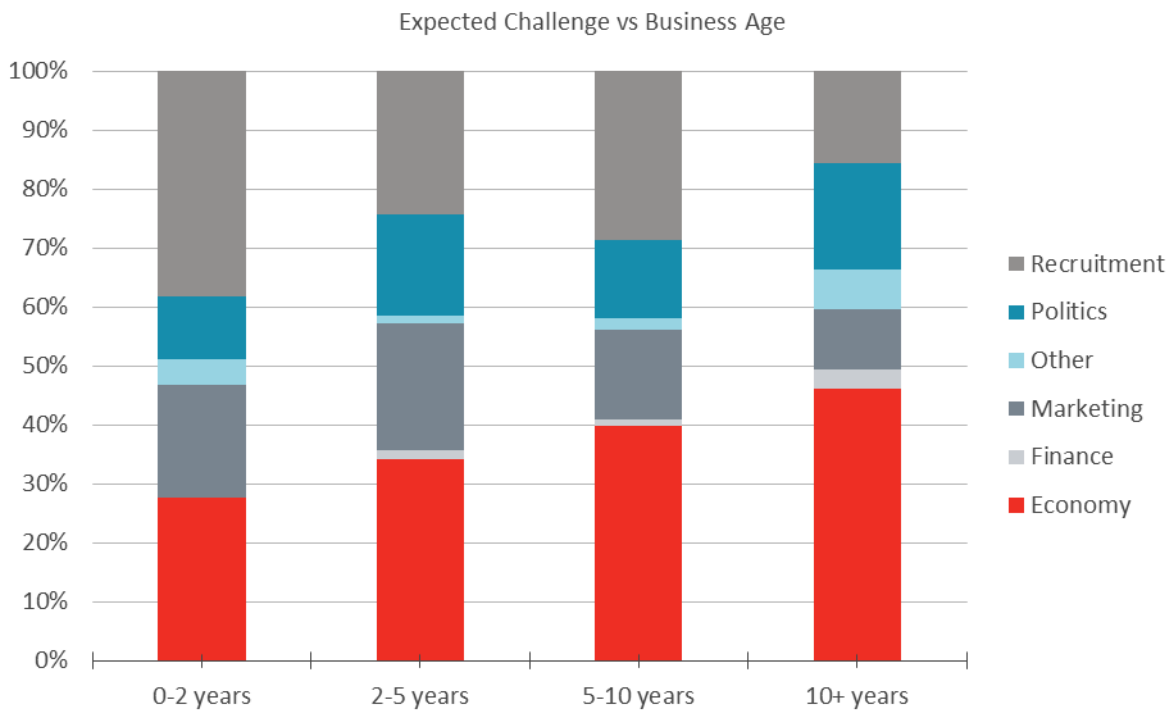
The economy is expected to be a challenge for the highest proportion of respondents in Scotland, where 53% responded this way, followed by the North East at 52% and Ireland at 50%.

Politics received the highest proportion of responses in the East of England, where 23% of businesses expect it to be their biggest challenge. Marketing is expected to be the biggest challenge amongst 19% of businesses in Scotland, followed by 17% in the West Midlands.



The most common answers to the question of 2019 challenges given by sole traders were ‘economy’ and ‘marketing’, with 35% stating the former and 28% the latter.

Politics was cited as the biggest challenge most frequently by businesses in the 101-250 employees bracket. Recruitment was stated most by those in the 21-100 brackets, with the recruitment challenge steadily increasing in proportion from sole trader to 100 employees, then dropping down again for larger businesses, suggesting it to be less of an issue for bigger companies.

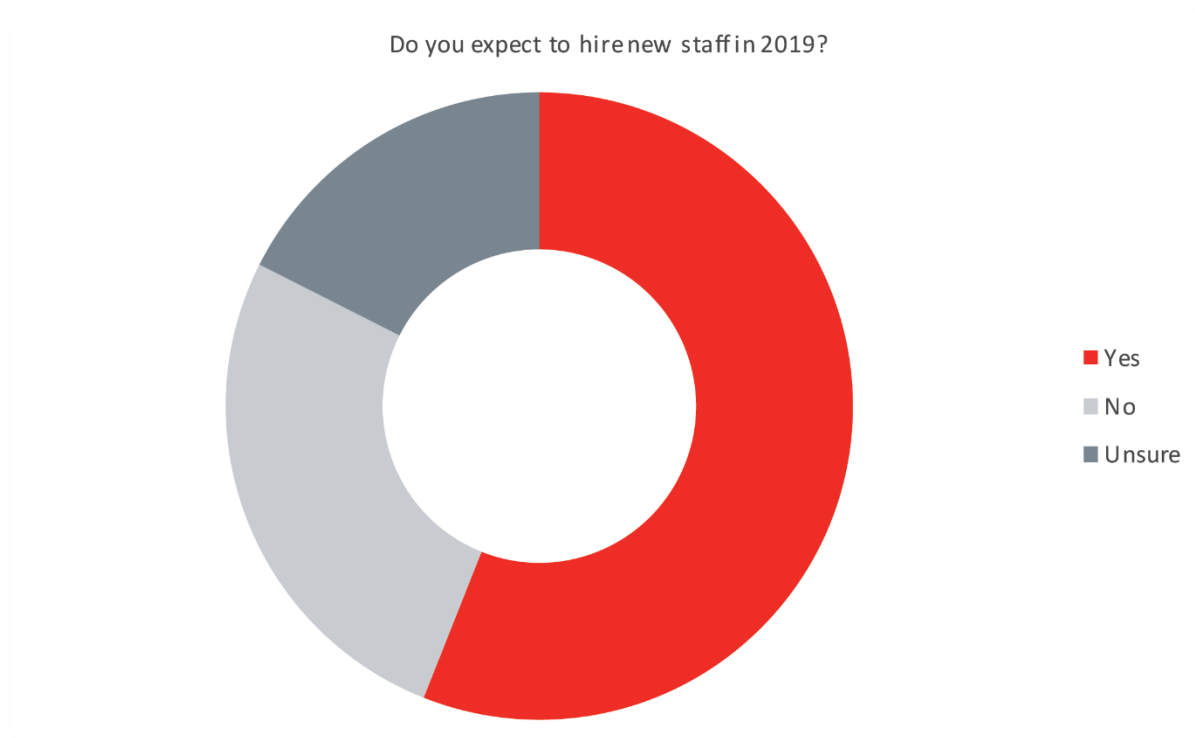


Recruitment, according to Business Census respondents, becomes less of a challenge the older a business becomes, with 38% of 0-2 year old businesses citing it as their biggest expected challenge, vs just 15% amongst the 10 years + bracket.

Conversely, the economy is less of a concern amongst younger businesses, having been cited by just 28%, growing up to 46% of businesses fearing it most amongst the 10 years plus age bracket. Marketing and politics remain fairly consistent throughout business ages, with finance growing slightly more of a concern amongst older companies.

## Workforce

The outlook is mainly positive for job seekers in the New Year too, with **56%** of businesses expecting to hire new staff during 2019:



However, just over a quarter (**26%**) do not expect to hire, with a further **18%** unsure of their headcount growth plans.



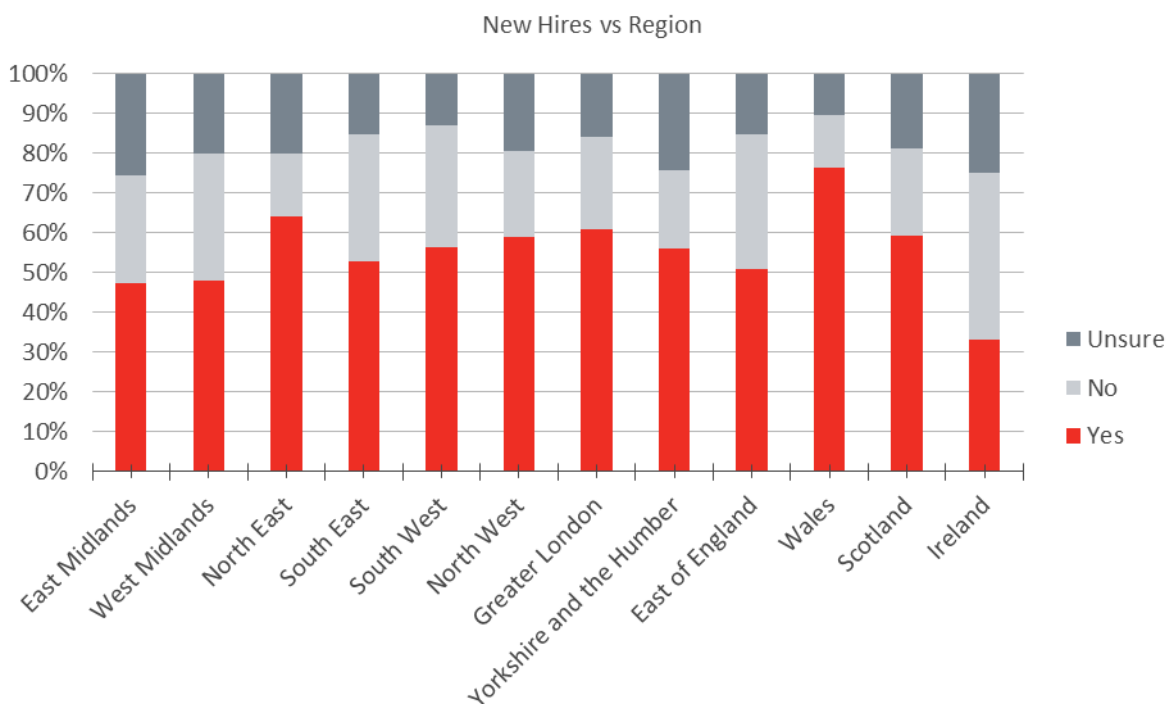


When split by sector, respondents to the Business Census show that the sector most optimistic about hiring new staff in 2019 was technology, where 71% of businesses expect to increase their headcount, followed by travel & tourism (70%) and transport & logistics (64%).

*This sounds unrealistic given the potential uncertainty surrounding the “B” word (end’s in “rexit”). There’s a wealth of talent out there for businesses willing to be open minded, think about part time, flexible working arrangements if possible and explore whether a hungry junior level candidate starting out in their career could bring a fresh approach to an existing stable team. But to be clear, “not increasing headcount” doesn’t mean businesses are unable to adjust & improve the outputs from a particular team. If you have 5 people in a team, it’s often a proven route to adjust 2 of the roles in the team whereby headcount doesn’t increase but the capacity of the team does.*

**James Calder, Managing Director, Distinct Recruitment**

Regionally, the area where the most businesses stated they would hire new staff in 2019 was Wales at 76%, followed by the North East at 64% and Greater London at 60%. The areas where the highest proportion of businesses did not expect to hire were Ireland (42%), East of England (34%) and the South East (32%).

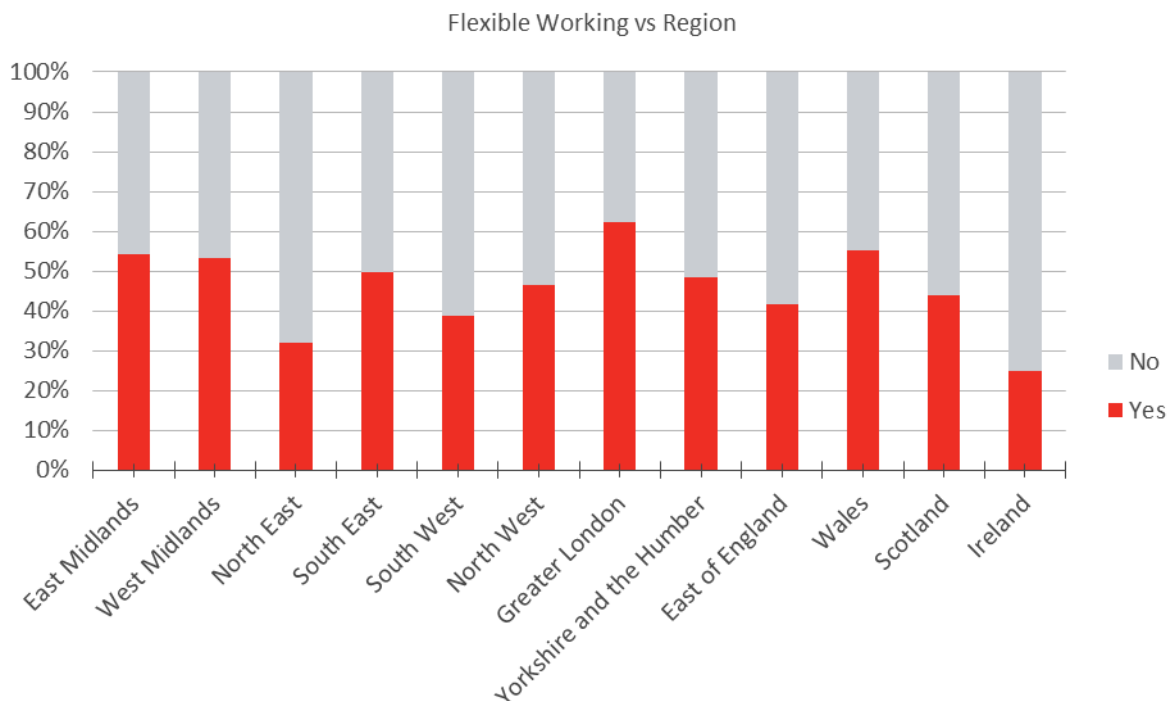


When asked if they expect to allow flexible working in 2019, **46%** of respondents said 'yes'. **39%** said 'no' and **15%** remain unsure.

Will you allow flexible working for the majority of your staff in 2019?



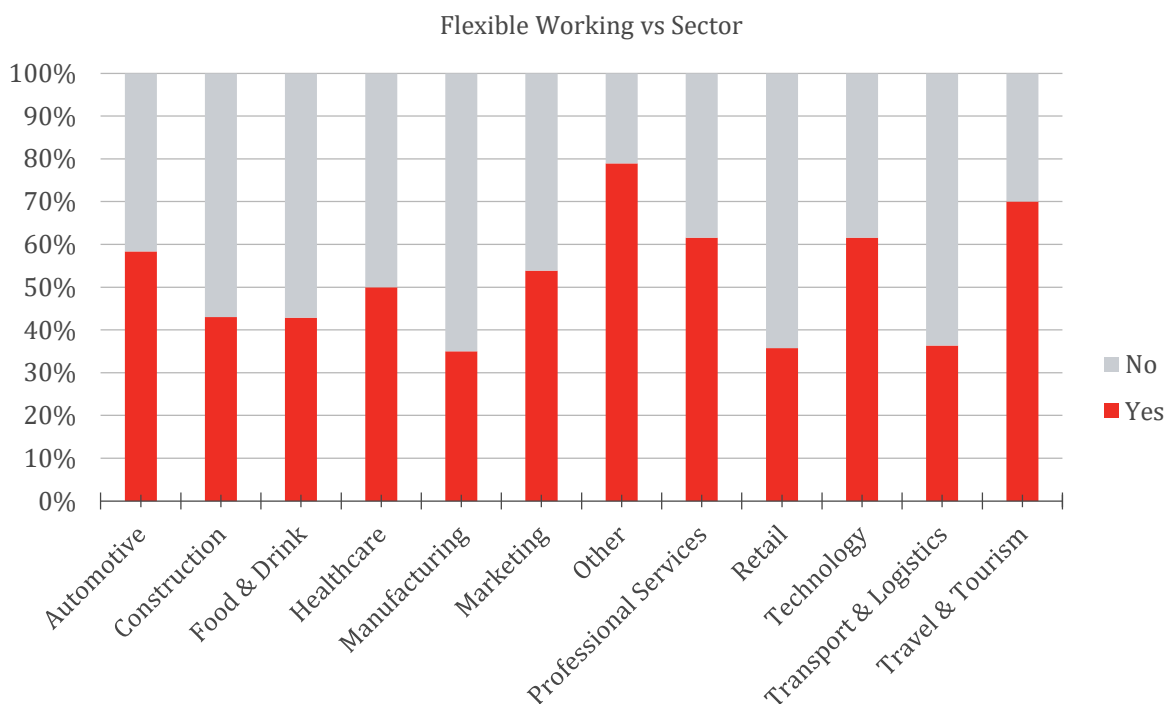
The region most likely to allow flexible working in 2019 is Greater London, where 55% of respondents said they would, compared to just 36% in the North East and 25% in Ireland:



*Technology has made flexible working so much more accessible to businesses. Investment in cloud based technology like Google Drive means collaborative working is possible even from remote locations, while online chat platforms and video conferencing like Skype gives you access to colleagues in a way that emulates face to face.*

**Tom Craig, Founder, Impression**

The sector where flexible working is most likely to be allowed, according to Business Census respondents, is marketing, where 61% stated they would allow flexible working for the majority of their staff in 2019. The sector least likely to allow it is manufacturing, where 53% responded 'no':

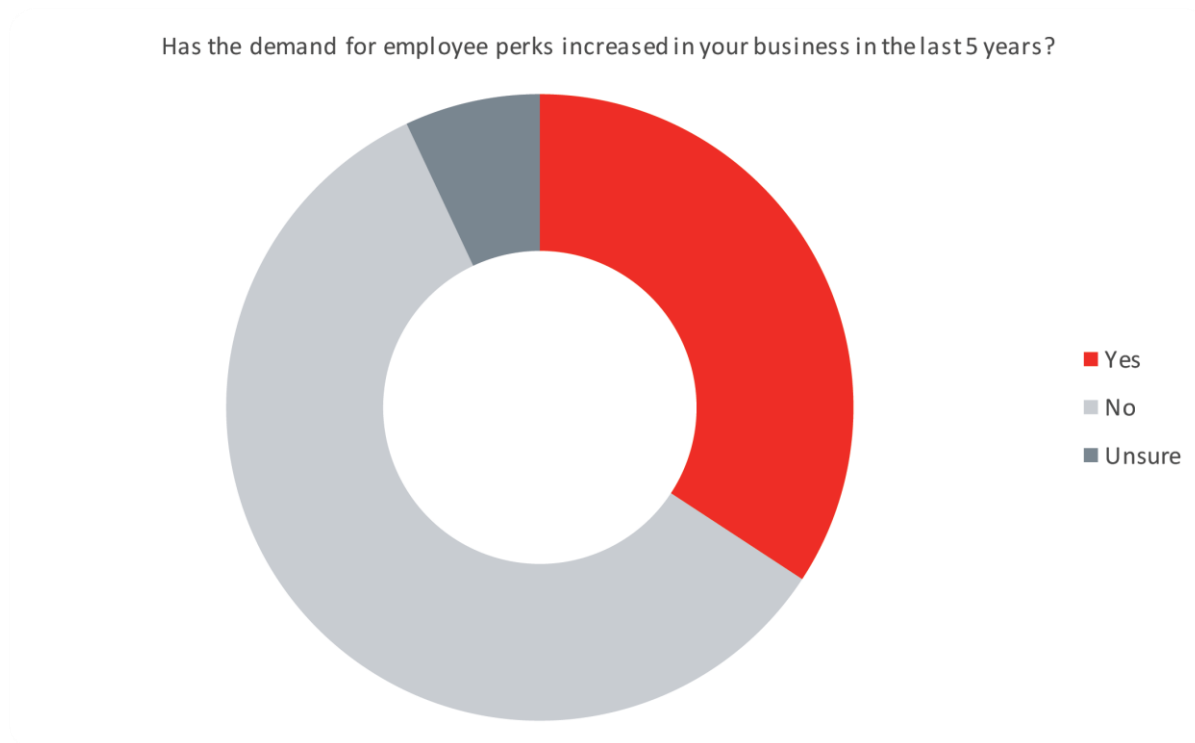


## Business Climate

In this section of the report, Census respondents explore business topics more generally, providing a snapshot of sentiment around some key themes.

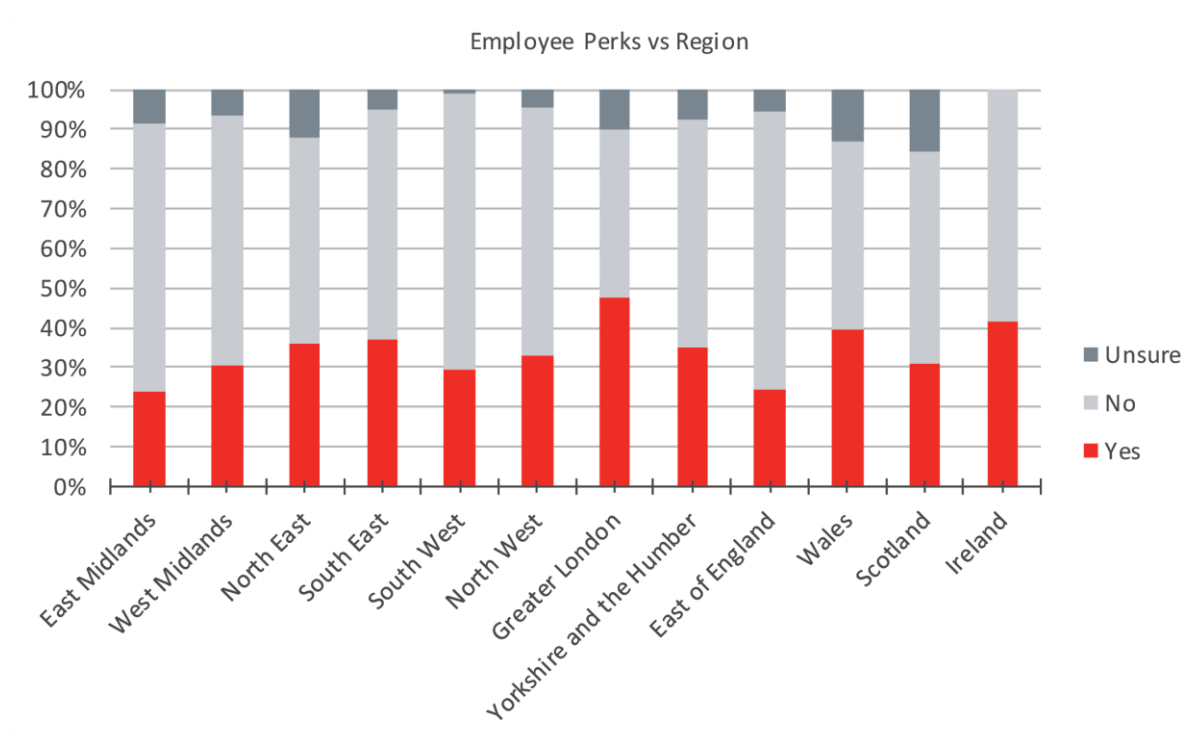
### Demand for Employee Perks

Topics such as flexible working and other employee benefits have been popular in recent years, as business managers seek to attract a younger workforce. We asked Business Census respondents how demand for perks such as flexible working, free fruit and employee discounts has changed in the past 5 years, in their experience:

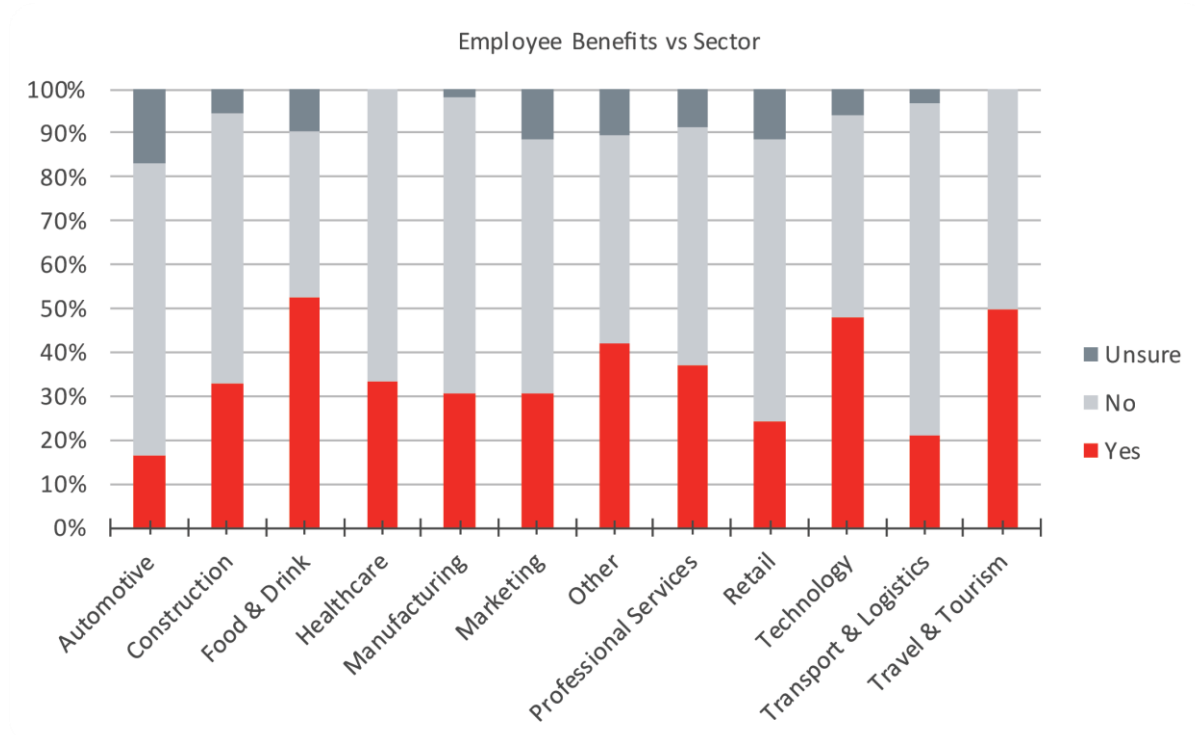


58% of respondents told us that demand for perks had not increased. Just over a third (34%) said it had.

Regional data shows that Greater London is the area where demand has increased the most, with 48% of businesses there reporting an increase:



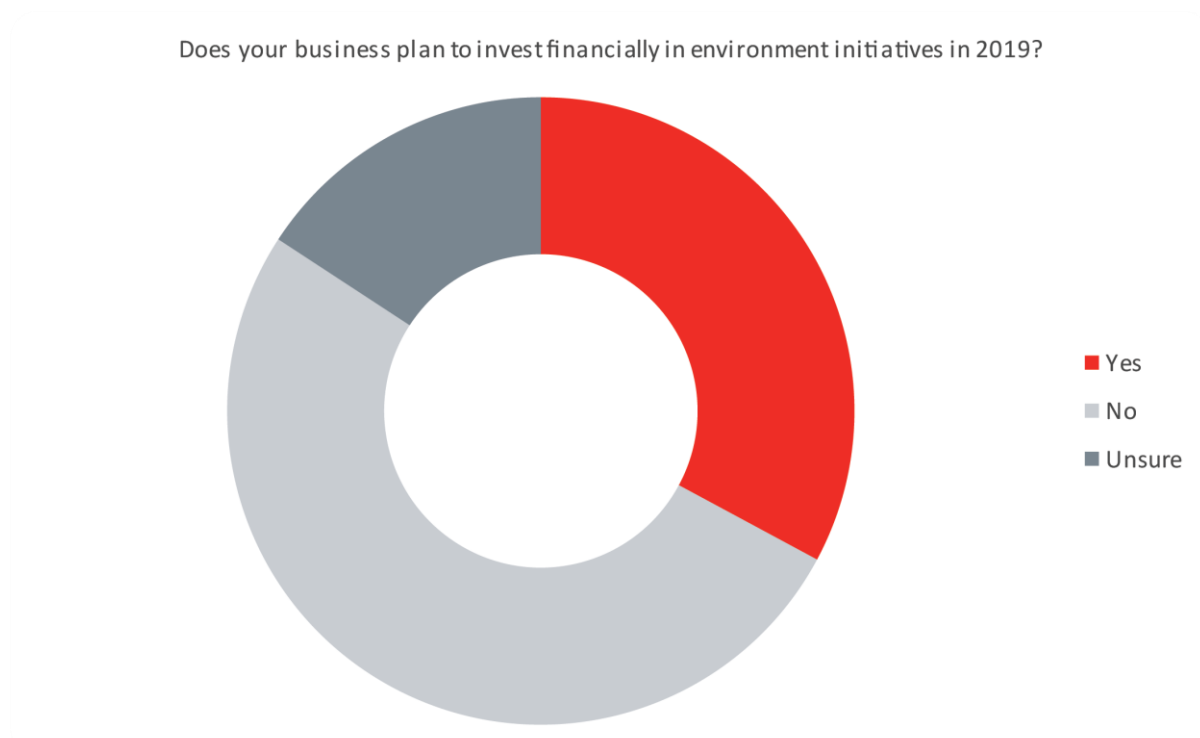
The sector where demand for benefits was reported to have grown the most is food & drink, where 52% of respondents reported an increase, followed by 50% in travel & tourism and 48% in technology:





## Environmental Initiatives

When asked if they planned to invest financially in environmental schemes like cycle to work or recycling in 2019, the majority (51%) said they did not:

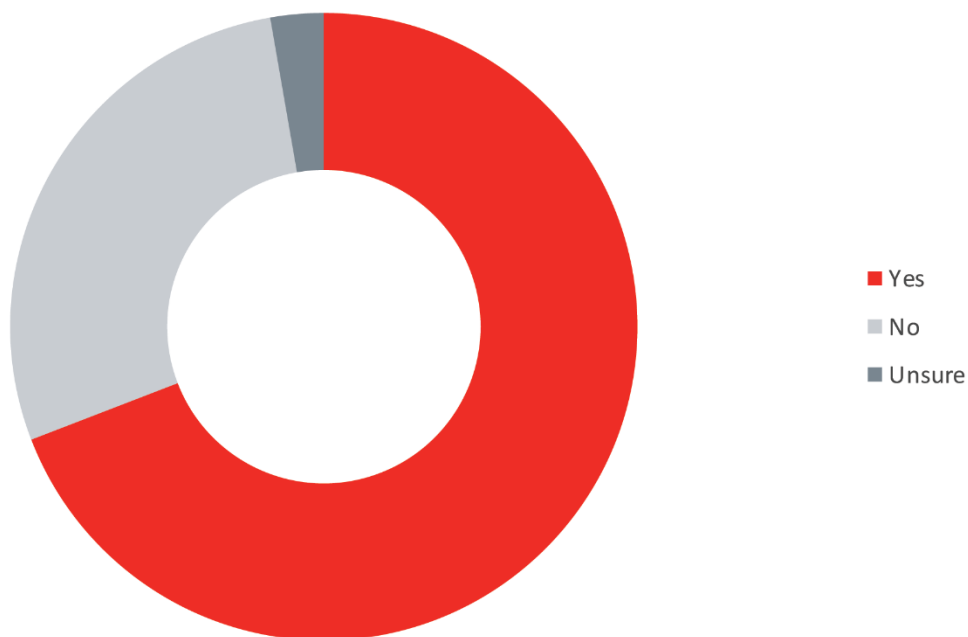


Just under one third of businesses did plan to invest.

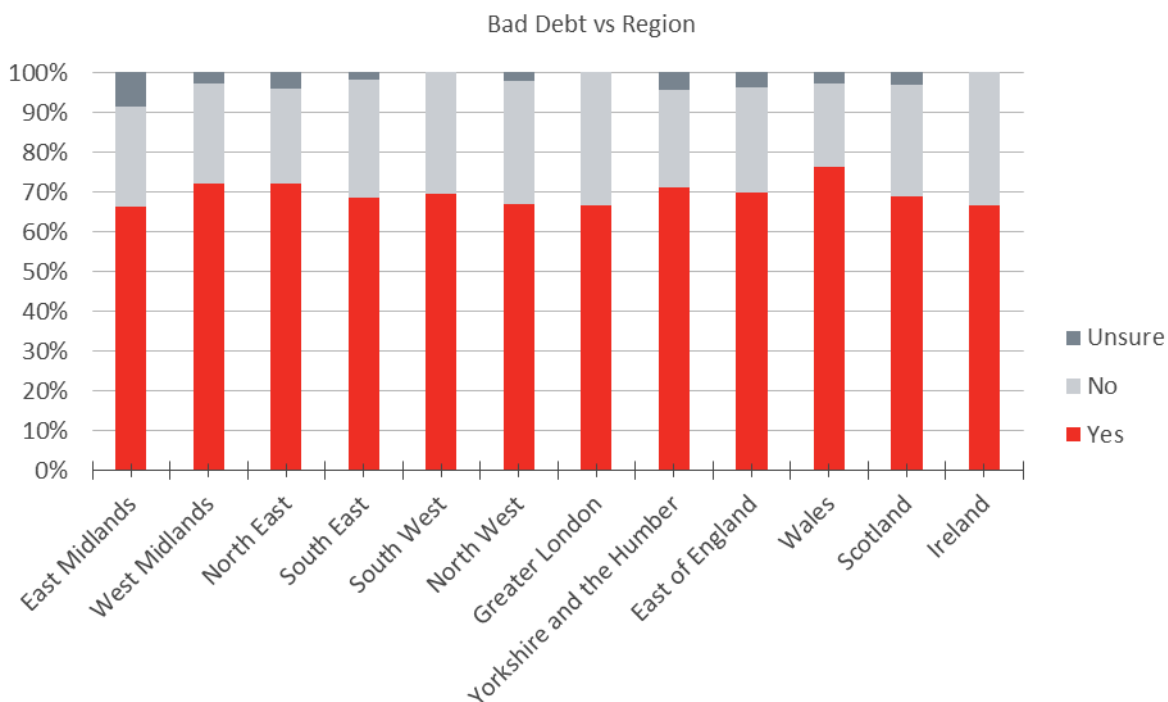
## Bad Debt

We asked Business Census respondents if their business had ever been affected by bad debt:

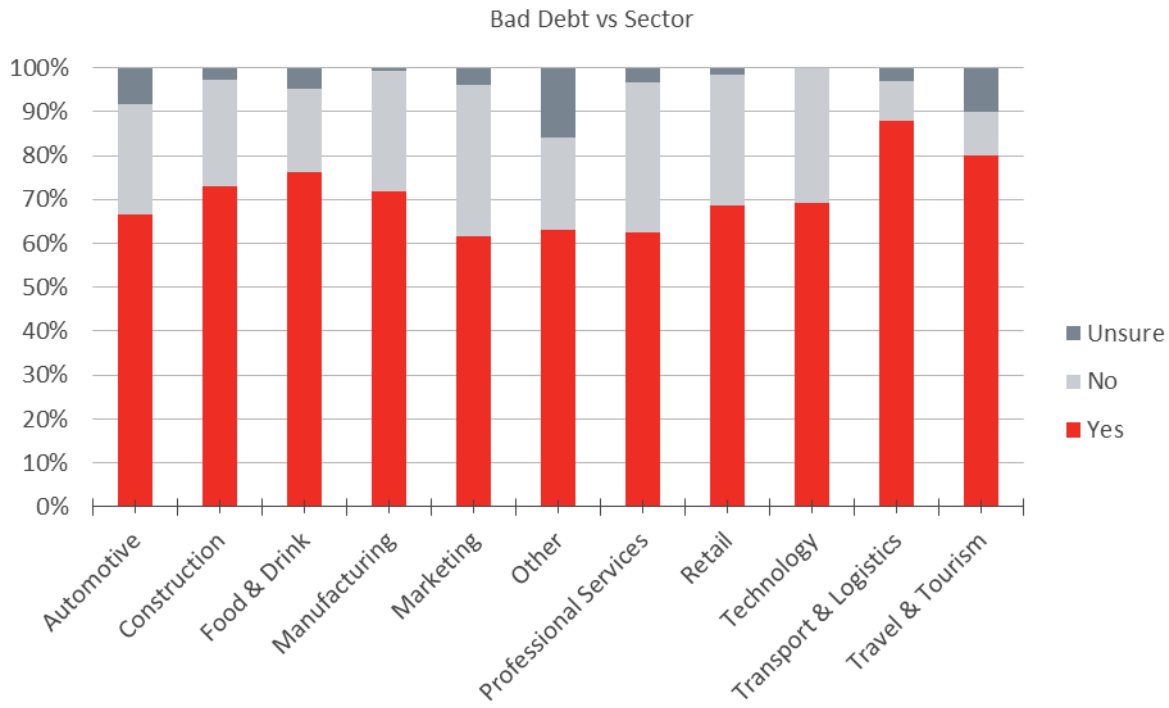
Has your business impacted by a bad debt?



A startling 69% - more than two out of three businesses - had been affected by bad debt. The region most affected was Wales, where 76% of respondents reported having been affected, followed by West Midlands and the North East at 72% each.

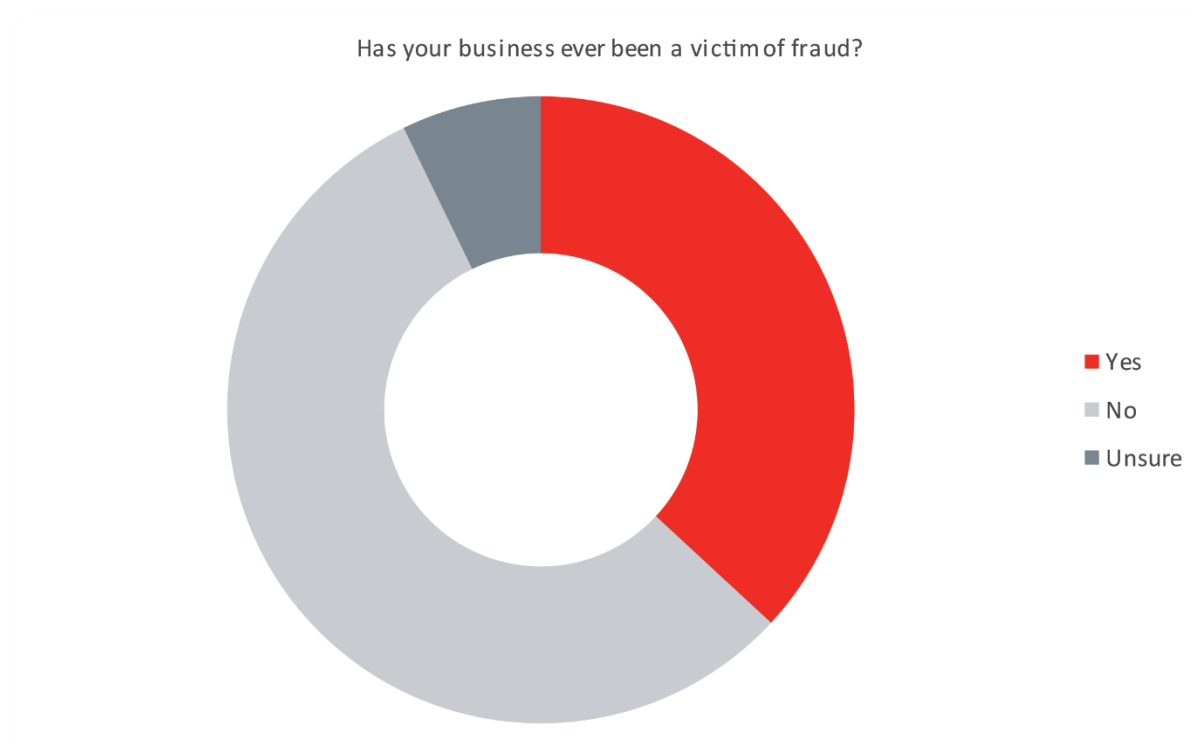


The sector where bad debt was reported by respondents most was transport & logistics, with 89% of respondents having been victims. This was followed by travel & tourism (80%) and food & drink (76%):



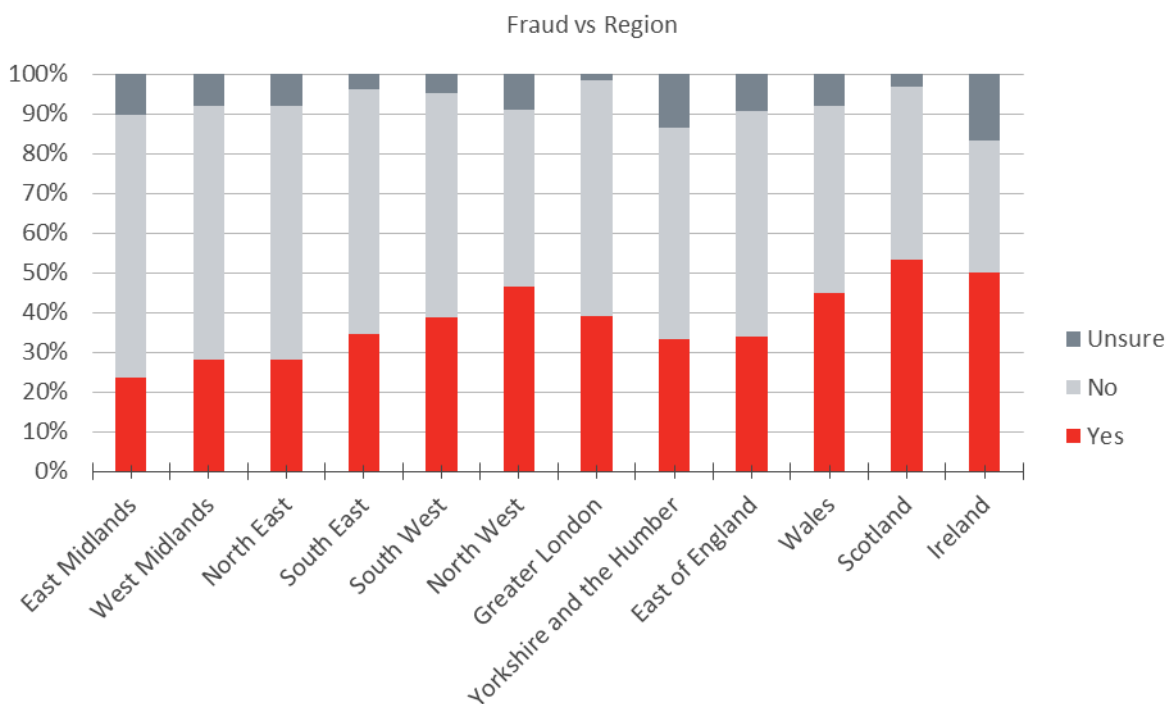
## Fraud

We asked respondents if their business had ever been a victim of fraud:



Over half (55%) had not, with a further 7% unsure. Perhaps surprisingly, **over a third of businesses (37%) had been victims of fraud.**

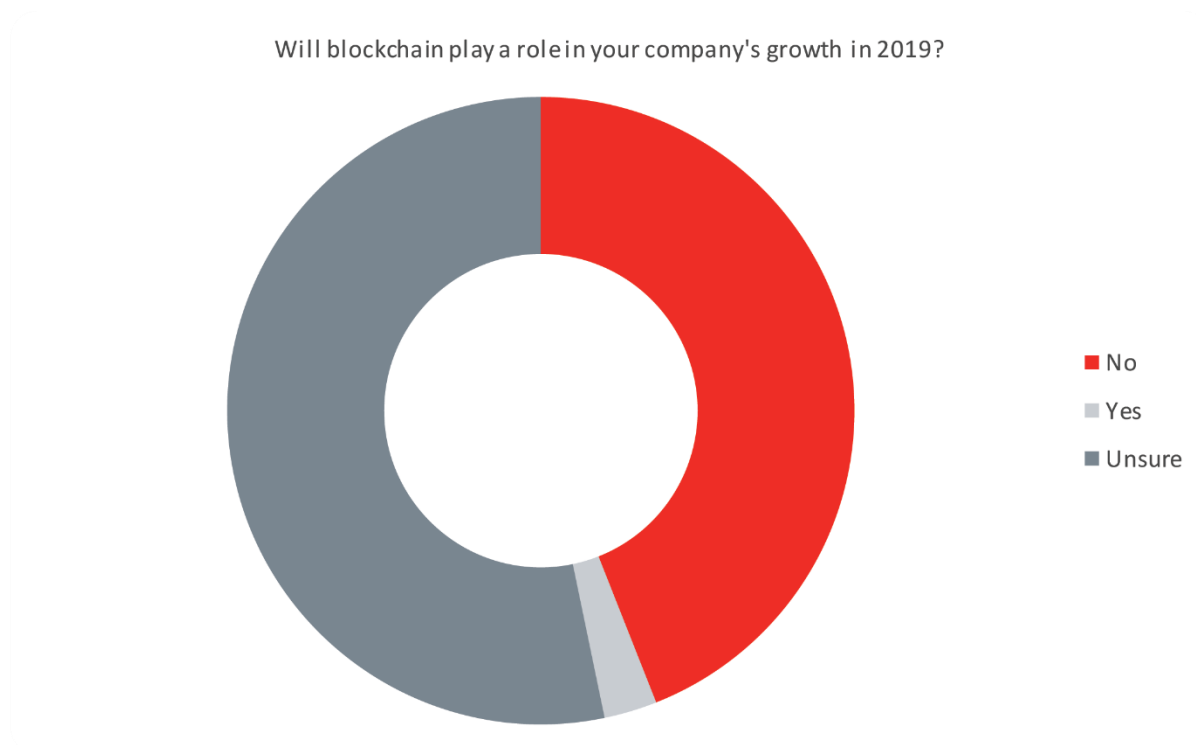
Split by region, the data looks like this:



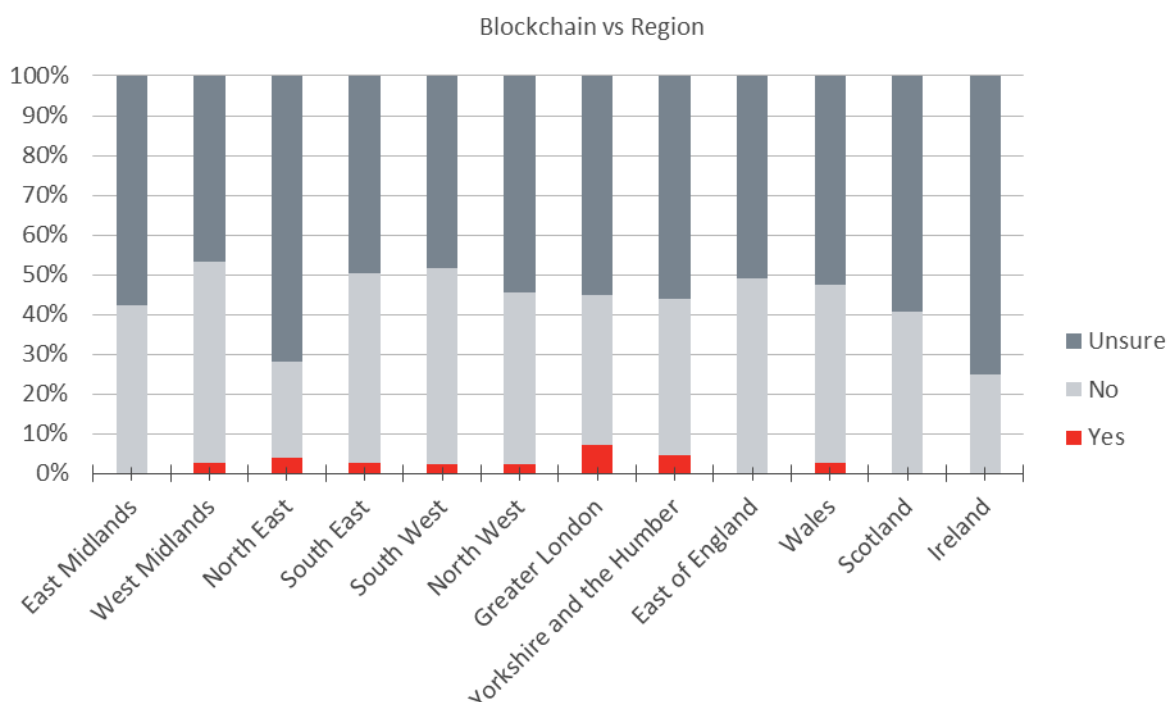
Here, we see that the regions reporting the fraud the most were Scotland (where 53% of respondents reported experiencing fraud), Ireland (50%) and the North West (47%). In England, the regions with the highest percentage reports of fraud were North West (47%), Greater London (39%) and the South East (35%).

## Blockchain

With bitcoin a trend from 2018, we asked respondents if they felt blockchain would play a role in their company's growth in 2019:



The majority of respondents (53%) were unsure if blockchain would play a role, with a further 44% saying it would not. **Just 3% of respondents said they expect blockchain to play a part.**



The region where respondents most expect blockchain to play a role in their business in 2019 is Greater London, where 7% of respondents answered positively. This is followed by Yorkshire & the Humber (5%) and the North East (4%). In the East Midlands, East of England, Scotland and Ireland, none of our respondents expect blockchain to play a part.

In her predictions for 2019<sup>10</sup>, Martha Bennett, Principal Analyst at Forrester, declared that “There’s a real risk that we’ll experience the beginning of a “blockchain winter,” as the continued absence of miracles and revolutionary developments leads decision makers to throw out the proverbial baby with the bath water and stop distributed ledger technology related investments completely.”

She added: “While this wouldn’t have a major immediate impact on innovation in the wider ecosystem of public blockchains and ambitious startups, it would be a serious setback for the development of enterprise-grade solutions and networks.”

With so few businesses expecting to utilise blockchain, winter could, indeed, be coming.

<sup>10</sup> Predictions 2019: Steady Evolution in Blockchain Will Continue, Unless Disillusionment Causes a Winter - Martha Bennett, Forrester, <https://go.forrester.com/blogs/predictions-2019-blockchain-distributed-ledger-technology/>

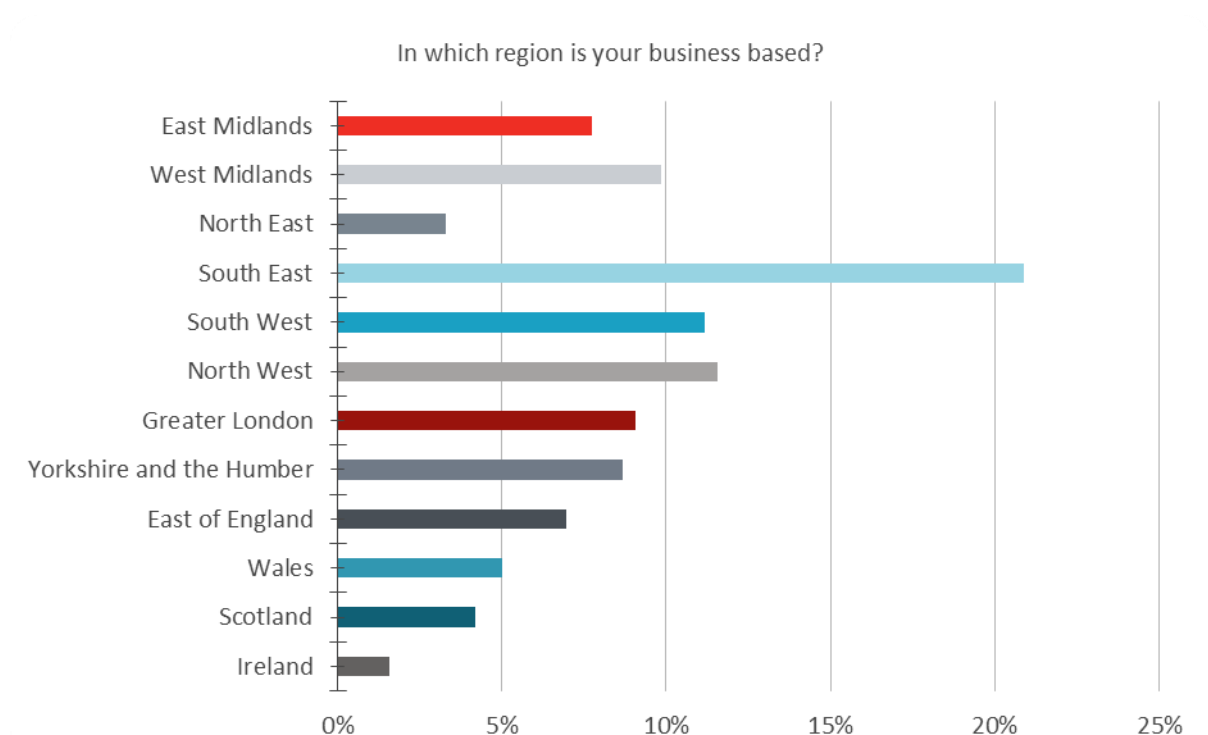


## Respondents and Methodology

The Business Census was carried out by Creditsafe in December 2018 using an online survey platform and promoted through the Creditsafe website and social media channels. A total of 842 respondents started the survey, with 755 completing all 23 questions.

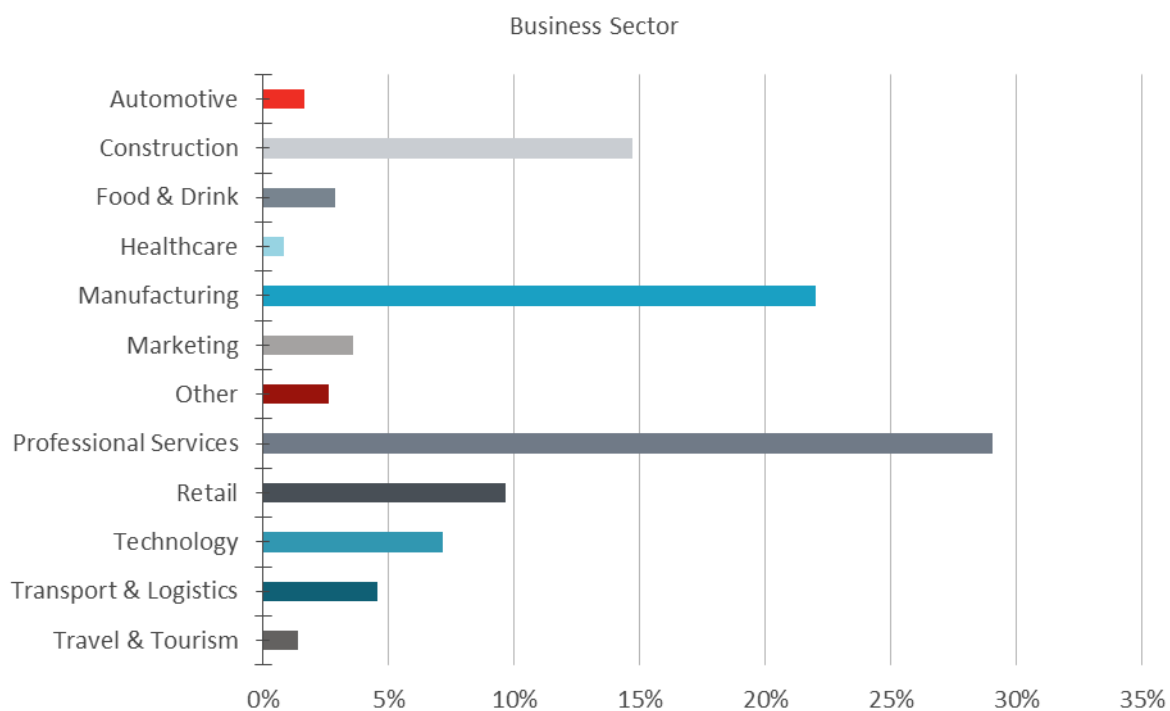
### Region

Respondents were asked in which region their business was based:



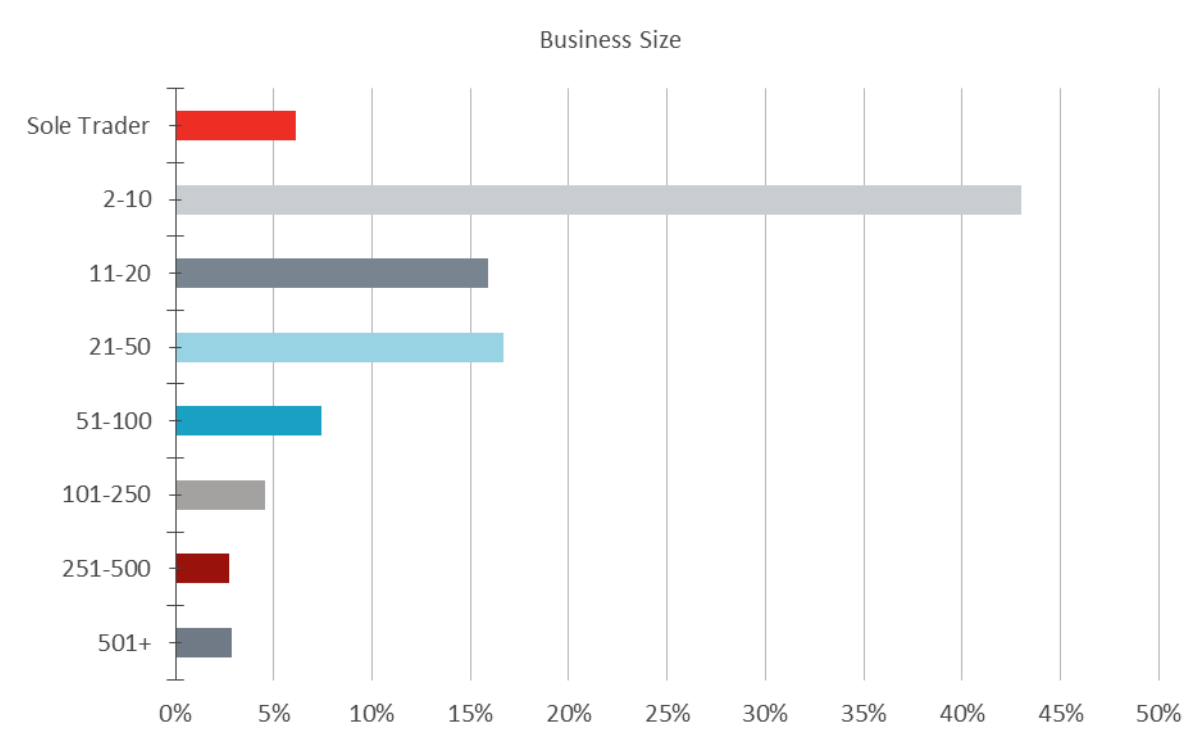
## Sector

Respondents were asked which sector best described their business' main activity:



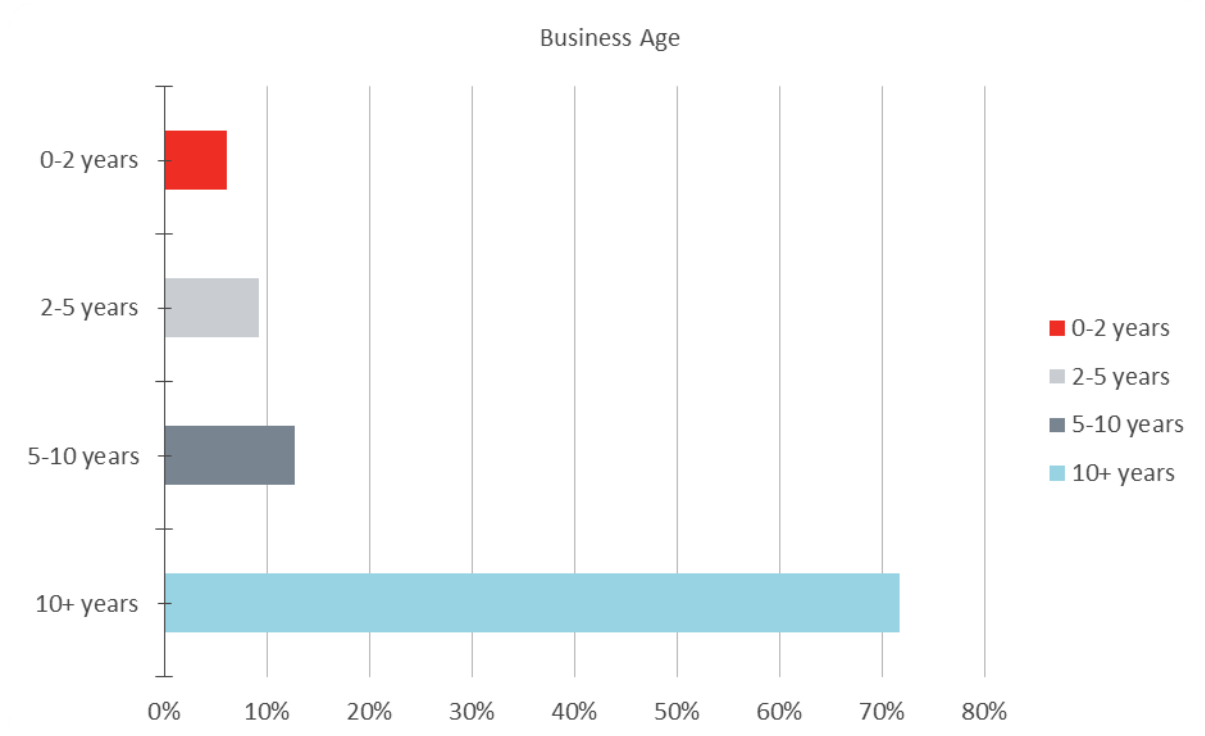
## Business Size

Respondents were asked the size of their business by headcount:



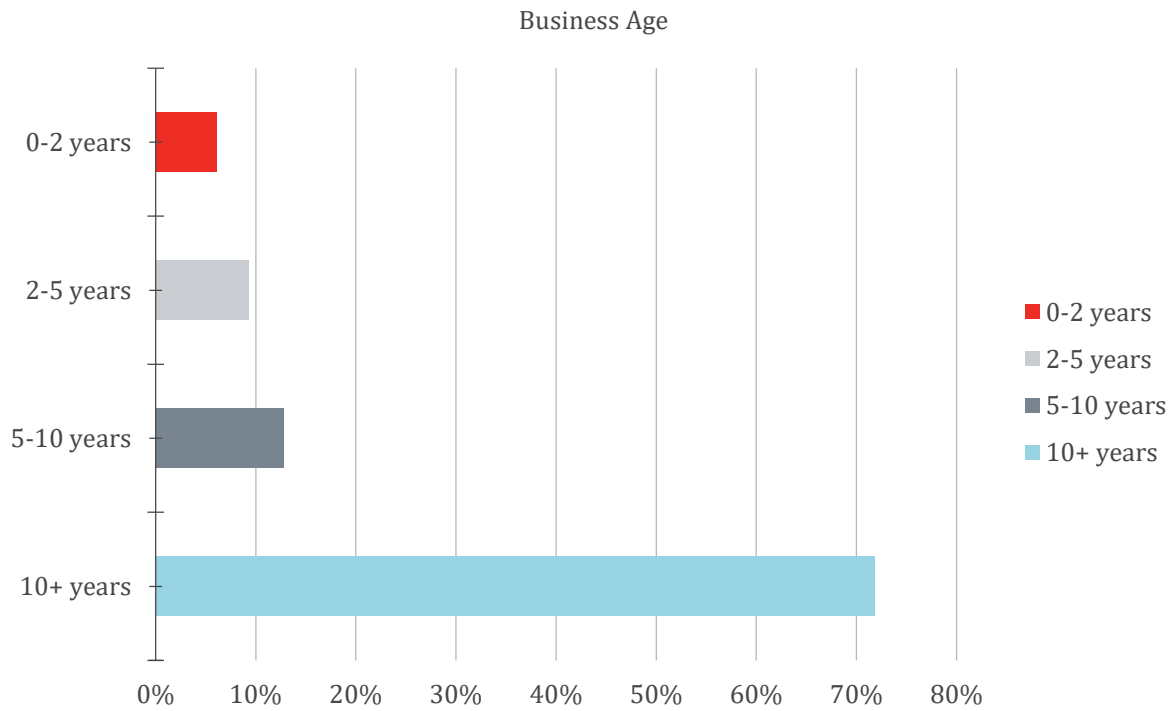
## Business Age

Respondents were asked the age of their business (years since incorporation):



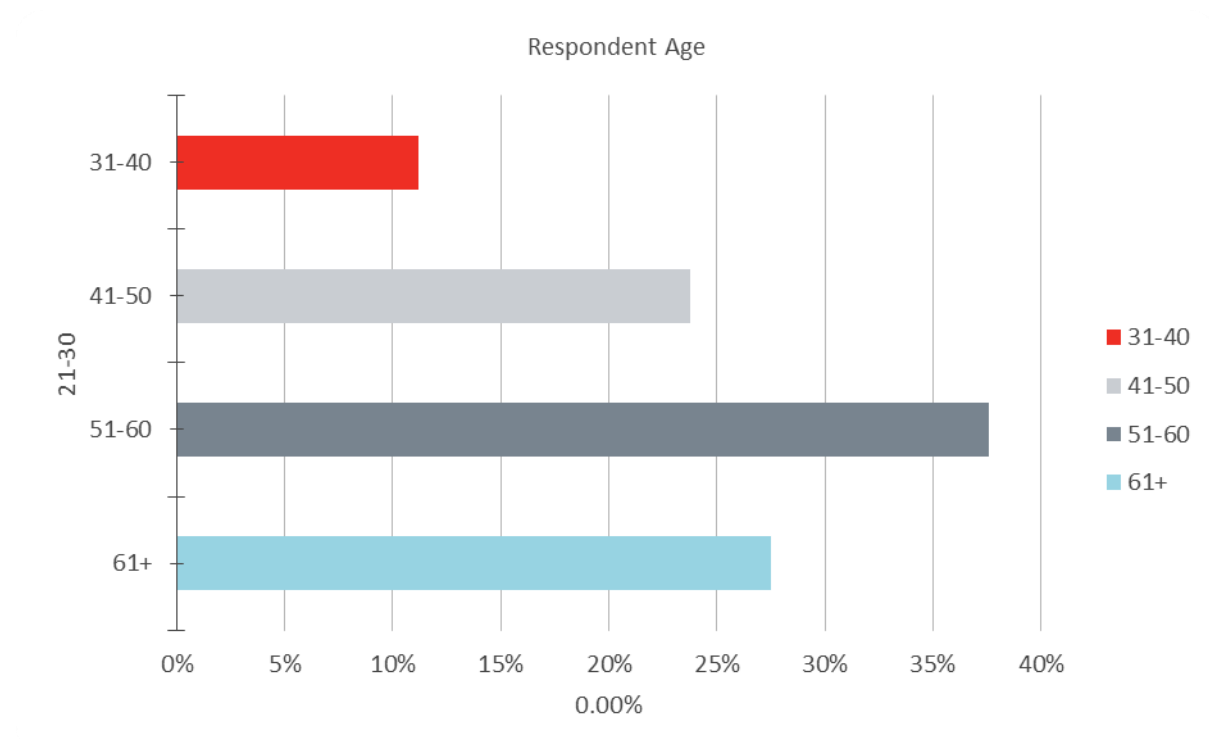
## Respondent Position

Respondents were asked which best described their current role at their company:



## Respondent Age

Respondents were asked into which age bracket they fell:



## Press

The information for this report was gathered from a survey conducted by Creditsafe, the Global Business Intelligence Experts.

We welcome requests from the media. For further information, please contact Laura Hampton at Impression.

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E: [laura.hampton@impression.co.uk](mailto:laura.hampton@impression.co.uk)