

Greater Manchester Business Survey 2017 – Report

November 2017

Prepared for;

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1. Executive Summary

The 2017 Greater Manchester Business Survey is the fifth large-scale business survey that has been coordinated across Greater Manchester (similar surveys were undertaken in 2012, 2013, 2014 and 2016¹). There is now a highly valuable, growing time-series of data to inform policy design and implementation and by which to monitor development of and sentiment in the local economy.

The sample frame was selected to make it representative of the business base, in terms of size (number of employees), sector and location. The 2017 survey saw 1,500 firms complete a telephone survey. The Greater Manchester Business Survey is one of a number of surveys that provide information at a Greater Manchester (GM) level – including the Chamber of Commerce Quarterly Economic Survey; the UK Commission for Employment & Skills Employer Skills Survey; and the Business Register Employment Survey. GM business sentiment following on from the decision to leave the EU has also been monitored via a monthly MGC Post-Referendum Survey of over 500 clients.

Alongside core partner Manchester City Council other GM local authorities were given the chance to fund boosted samples in their districts and two local authorities (Stockport and Oldham) did so this year. As well as providing local authorities with consistent and robust business survey findings, this coordination ensured that businesses in GM were not asked to do very similar surveys at similar times by partner organisations.

In addition to providing the detailed survey results, this year's business survey follows on from the 2016 edition by including additional business profiling. This has been undertaken to explore the key components of growth – with profiles of skills active businesses, innovative firms, exporters and business support users to enable greater understanding of those businesses that engage in these activities as distinct from those that do not. Differences between data values described as indicating a greater/lesser likelihood or as significant are all statistically significant at a confidence level of 95%. The details of this analysis are included within section 1.1 below and in the main report in section 4.

1.1 Survey Results

1.1.1 Business Outlook

Just over a fifth of firms (21%) reported an increase in employment in the previous year, down from 31% in 2016. A majority of firms (66%) reporting that employment had remained stable. Just over one in ten businesses (12%) reported a decrease in employment in the last year. The sectors with the highest proportion of firms reporting employment growth in the past year were *Creative and Digital* (29%) and *Health and Social Care and Health Innovation* (31%). The *Retail and Wholesale* sector had the highest proportion of firms reporting a decrease in the past 12 months (17%). Just over one-third (36%) of firms reported an increase in turnover in the previous year (down from a peak of 50% in 2016) with a similar proportion (37%) indicating that turnover had remained the same. Around one-fifth of respondents (22%) indicated that turnover had declined in the previous year.

Respondents were also asked about the outlook for their business over the next twelve months. Almost one quarter of firms (24%) are anticipating an increase in employment though this is also down from the 2016 result (35%). Amongst those anticipating growth, 4% are anticipating that employment will decline in the next 12 months. The *Business, Financial and Professional Services* sector had the highest proportion of firms planning to increase employment (32%). Almost half of firms (45%) are anticipating an increase in turnover over the next 12 months and 40% expect turnover to remain the same. Only 8% of firms are expecting turnover to decline in the next 12 months.

¹ Note that the fieldwork for the 2016 survey was undertaken during late 2015 and early 2016

As seen in previous surveys, the results show that businesses are generally more optimistic about the future compared with what they experienced in the previous year. However, whilst the period 2012 to 2016 indicated a general upward trend both in actual performance and optimism about future years, that trend has been halted in the 2017 survey, where the four key indicators of growth and optimism have decreased since 2016: the proportion of firms reporting turnover growth, employment growth, anticipating future turnover growth and anticipating future employment growth.

High performing businesses were defined as these which had reported a turnover or employment growth of at least 20% in the previous year. Overall, 13% of businesses can be classified as recent high performing businesses in the 2017 survey, down from 20% in 2016.

Key characteristics: High performing businesses

- Include businesses from all sectors, but were more likely to be found in *Business Financial and Professional Services, Creative and Digital, Manufacturing and Construction*.
- More likely to be young (between 1 and 10 years old).
- More likely to have provided training to staff (76% against 66% for non-high performing businesses) and hold Investors in People status (14% against 7% for non-high performing businesses).
- More likely to have a business continuity plan in place though no more likely to have suffered a recent disruption.
- High performing businesses are more likely to cite access to markets and sales opportunities as a key driver of growth and also to recognise this as one of the three main barriers to growth.
- More likely to be considering relocation (23% against 12% for non-high performing businesses) though this is primarily driven by a need for larger premises.
- High performing businesses are more likely to have sought finance in the last 12 months (23% against 14%) and to have experienced difficulties in doing so.
- They are more likely to be aware of the Business Growth Hub (46% against 25% of non-high performing businesses) and to have sought business support (28% against 13%).
- More likely to be exporting (24% against 15%) and to have faced barriers in doing so.
- More likely to have innovated generally within the last three years (89% against 78% for non-high performing businesses) and more likely to have undertaken every one of the six innovation-related activities identified in the survey (products, services, processes, models, knowledge exchange and engagement with Universities).
- Distributed across GM with no statistically significant concentrations in any location.

1.1.2 Drivers of, and barriers to, growth

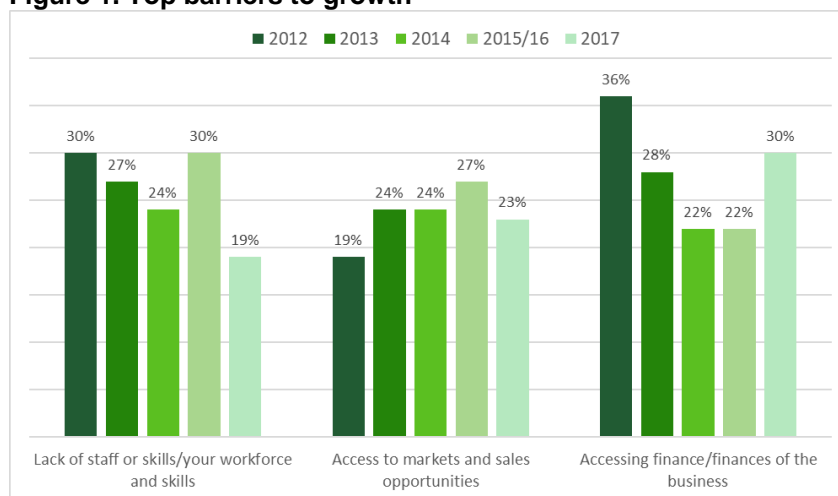
The survey asked firms to identify their top drivers of, and barriers to, growth. Note that the question wording and structure was changed in 2017 to improve the flow and efficiency of the questionnaire. Businesses were asked about the main driver of growth whereas in the past they have identified the three main drivers. This means that the time-series data for drivers of growth is not consistent and therefore not commented on here. Businesses were asked to identify three barriers to growth as in previous years.

By some distance the main driver of growth is seen to be businesses' workforce and skills (identified by 32% of firms), ahead of *access to markets and sales opportunities* (15%) and *developing new products and services* (14%). Over the series of surveys run since 2012, the main barriers (in Figure 1) to growth have been *access to finance* (up to 30% in 2017 from 22% in 2016), *a lack of staff or skills* (19%, significantly down from the 2016 figure of 30%²) and *access to markets/sales opportunities* (23%, down from 27%). Note that in the 2017 survey, these factors

² Note, however, that the question wording in 2017 was changed from 'lack of staff skills' to 'your workforce and skills' (to create consistency with the wording of the question around drivers of growth). This will influence the findings and may explain the drop from 30% to 19%.

are joined by *business location and premises* (21% in 2017, an increase from 10% in 2016) which is the third most significant factor ahead of *workforce and skills* in fourth.

Figure 1. Top barriers to growth



1.1.3 Business finance, costs and continuity planning

On the issue of business finance and costs, the survey's key findings were:

- Rising costs:** The survey found that 85% of firms were experiencing rising business costs, up from 77% in 2016. More than half of firms (54%, up from 32% in 2016) indicated that raw material prices were rising. Just over half of firms (53%, up from 42% in 2016) said that they were experiencing rising energy costs and one half of businesses (50%, up from 47% in 2016) indicated that staff costs were rising. The number of respondents citing rising finance costs increased significantly in 2017 (31%) when compared with recent years (20% in 2014 and 21% in 2016).
- Seeking finance:** The survey found that 15% of firms had sought business finance in the last 12 months, down from 17% in 2016. More than one third of firms (36%) stated that the reason for seeking finance was to improve cash flow to support growth and this is up from 27% in 2016. Just over one quarter of firms (27%) sought finance in order to fund capital equipment or vehicles (against 26% in 2016) whilst 16% did so to improve buildings (up from 10% in 2016). There has been a significant decrease in those seeking finance for buying land and building, from 17% in 2016 to 8% in 2017. When asked about seeking finance in the future, one third of firms indicated that they had no plans to do so. For those firms that may seek finance in the future, they are most likely to turn to bank or debt finance (32%), use internal capital (26%) or apply for local and central government grants, loans or other funding schemes (22%). Firms from the *Creative and Digital* sector were most likely to consider crowdfunding (14%) and venture capital (11%) as sources of finance in the future whilst *Retail and Wholesale* firms were most likely to consider finance from friends and family (20%). *Manufacturers* were most likely to consider internal capital to finance business growth (38%).
- Continuity planning:** Effective business continuity planning is an area which is lacking across many GM firms. Almost a fifth of firms (19%) had experienced a major disruption to their business in the last 12 months, down from 28% in 2016. Whilst 54% of firms have business continuity plans in place, a third of firms (33%) have no such plans in place and an additional 8% indicated that they have not considered this type of planning for their business.

1.1.4 Workforce and Skills

The main findings of the survey in terms of workforce and skills are:

- Skills continue to be a key driver of growth:** Workforce skills are the largest driver of business growth (identified by 32% of firms) and those firms that employ between 11 and

49 people were significantly more likely to identify 'workforce and skills' as a driver of business growth (39%).

- **Hard-to-fill vacancies:** Around 15% of firms have hard-to-fill vacancies, which was similar to previous years. Firms from the *Health and Social Care and Health Innovation* sector reported the highest levels of hard-to-fill vacancies (27%) and the *Creative and Digital* sector had the least (7%).
- **Investing in the future workforce:** The majority of GM businesses (68%) reported having provided some form of training to staff (either internal or external in the last 12 months), down from 73% in 2016. Almost all firms in the *Health and Social Care and Health Innovation* sector (96%) and *Hospitality, Tourism and Sport* sector (92%) had provided training in the last 12 months. The survey does indicate that there has been a significant increase in respondents who haven't provided any training in the past 12 months and do not have a training plan or budget, from 15% of respondents in 2013 to 27% in 2017. The majority of businesses do not offer any placement or internship opportunities (66%). Unpaid placement or internships are offered by just over a quarter of respondents (27%) and only a small proportion (14%) of respondents offered paid placements or internships. Almost a fifth (19%) of firms either hold Investors in People accreditation or are working towards it. The apprenticeship penetration rate into businesses has decreased by 4% (from 22% in 2016 to 18% in 2017) and represents a reversal of the growth trend seen in the survey data from 2014. The figures indicate that this decline in the proportion of firms currently employing apprentices is reflected in each of the three age groups (aged 16-18, 19-24 and aged 25 and over). This does not necessarily indicate that the overall number of apprentices is down, however, as this simply addresses the proportion of firms employing apprentices and not the overall number. Looking forward, the proportion of firms that are likely to employ apprentices in the future is lower in 2017 than in 2016 for all age groups.
- **Analysis by sector** indicates the *Hospitality, Tourism and Sport* sector had the largest proportion of firms that employ apprentices (32%) and the *Construction* sector had the largest proportion of firms that didn't employ apprentices (76%).

Further profiling analysis has been undertaken to explore the characteristics of the most skills active firms. Skills active businesses were defined as having provided staff training, either internally or externally within the past twelve months; having a staff training plan/budget and currently offering work placements or internships (either paid or unpaid). They comprise 29% of the businesses interviewed.

Key characteristics: Skills active businesses

- Include businesses from all sectors, but were more likely to be found in *Health and Social Care and Health Innovation* and *Hospitality and Tourism and Sport*.
- Age of business did not have a significant impact on its likelihood of being skills active.
- Microbusinesses were less likely to be skills active and this may reflect capacity to undertake training and other skills based activities.
- Significantly more likely to have reported an increase in employment in the last 12 months (34%) compared to non-skills active businesses (16%).
- More likely to hold Investors in People status (16% against 8% for non-skills active businesses) and to actively offer opportunities through apprenticeships (39% vs. 9%).
- Despite this approach, skills active businesses were more likely to report hard-to-fill vacancies (25% vs. 11%) and see their workforce and skills as a barrier to business growth (24% vs. 17%).
- More likely to have innovated within the last three years (92% against 74% for non-skills active businesses).
- Skills active businesses were also more likely to be aware of the Business Growth Hub (32% against 26% for non-skills active businesses) and have accessed business support services in the last 12 months (23% against 12%).
- More concentrated in Trafford (17%) and Salford (12%) than GM firms overall (12% and 9% respectively).

1.1.5 Innovation

The key findings from the survey relating to innovation were:

- **Innovation Activities:** The majority of firms surveyed are involved in at least one specific innovation activity over the last three years. When businesses were asked about the four pillars of innovation, the 2017 survey found that:
 - Products - just over one third of firms (37%) report making significant improvements to the products that their company produces.
 - Services - over half of firms (55%) report making significant improvements to the services that the business provides (e.g. customer support).
 - Processes - the same proportion (55%) indicate that their firm is significantly improving internal processes (e.g. to reduce costs).
 - Business models - the survey also found that 37% of firms reported having transformed business models to develop new ways of doing business.
- **Innovation-intensive sectors:** The sectors with the highest level of innovation in the last three years were *Health and Social Care and Health Innovation* (91%) and *Creative and Digital* (89%).
- **Barriers to Innovation:** Almost one in five (18%) of firms report that they have experienced barriers to innovation. Lack of finance (8%) is a prominent barrier, along with the cost of new product or service development (6%).

Further profiling analysis has been undertaken for two of the more highly innovative activities accessing knowledge from universities and implementing major changes in business structure or processes to identify the characteristics of the most innovative firms and it is detailed below.

Key characteristics: Innovative firms

- Significantly more likely to employ between 11 and 199 staff.
- Strong turnover performance compared to non-innovative firms; 44% report turnover growth in the last year against 31% of non-innovative firms, and 57% expect turnover to increase in the next 12 months (against 37%). Similarly strong employment performance also.
- Committed to workforce development; more likely to be training staff (83% against 59%), providing internship and work placement opportunities (49% against 23%) and employ apprenticeships (25% against 13%).
- More likely to currently report hard-to-fill vacancies potentially exacerbated by employment growth (18% against 14%).
- More likely to be considering relocation (17% against 11%) and to recognise finances and workforce skills as barriers to growth.
- Overall, not more likely to be reporting increased costs though IT, staff and finance costs are concerns.
- More likely to export (21% against 13% of non-innovative firms). As well as the common locations for trade links (EU, North America, non-EU Europe) they are more likely to have links with Latin America.
- Highly active in seeking business support (97% of innovative firms have done so in the last year compared to 81% of non-innovative firms) with particular focus on support for *training, leadership and management* and *access to finance*.
- Significantly more likely to be in Bolton (11% of innovative firms compared to 9% of all businesses) and Manchester (29% against 21% of all businesses).

1.1.6 Exporting

The main findings around international markets and exporting by GM companies can be summarised as follows:

- **Propensity to export:** The survey has revealed that 16% of firms in Greater Manchester are engaged in some form of international trade, with 14% involved in exporting and 9% involved in importing. Whilst exporting rates remained steady at around 20% between 2012

and 2014, the 2016 survey reported a rate of 24%, significantly higher than the 16% reported in 2017.

- **Sectors and markets:** The Creative and Digital sector and the Manufacturing sector are the most export intensive sectors in Greater Manchester (35% and 34% respectively). The vast majority of businesses involved in international trade have links with EU States (87% in 2017, up from 75% in 2016), as shown in Figure 56. Almost half of businesses involved in international trade (47%) have links with North America and a similar proportion (45%) have links with non-EU European states.
- **Future export growth:** Only 3% of GM businesses plan to trade internationally in the future, with this figure broadly similar to previous survey results (5% in 2016 and 4% in 2013).

Further profiling analysis has been undertaken on the key characteristics of firms that have a propensity to export.

Key characteristics: Exporters

- The manufacturing sector has the highest proportion of businesses that export (43%).
- More likely to report turnover and employment growth in the past year. This is a trend that exporters expect to continue. Turnover growth was particularly strong, with exporters significantly more likely both to report previous (48% against 34% for non-exporters) and to expect future (52% against 43% for non-exporters) turnover growth.
- Significantly more likely to be considering relocation (28% against 11% for non-exporting businesses), perceive barriers to growth around market access (38% against 21%) and experience rising costs (90% against 84%).
- Significantly more likely to be involved in innovation activities (89% against 78% of non-exporting businesses).
- More likely to be aware of the Business Growth Hub (34% against 27%) and to have sought business support in the last year (21% against 14%). Key areas include marketing, digital technology and export advice.
- More concentrated in Salford (16% of exporters compared to 9% of all firms).

1.1.7 Business Support

The key findings from the survey relating to business support were:

- **Awareness of the Business Growth Hub:** The survey found that just over one quarter (28%) of businesses in Greater Manchester were aware of the Business Growth Hub and the services it offers. Awareness of the Business Growth Hub was highest amongst the *Creative and Digital* sector (42%) and the *Hospitality, Tourism and Sport* sector (38%).
- **Use of Business Support:** 15% of businesses in Greater Manchester had sought some form of information, support or advice over the last twelve months³. The *Creative and Digital* sector had the highest proportion of firms that had sought support or advice in the last year (26%). The most common challenge faced by firms when seeking information, support or advice is finding where to obtain the right support or advice with almost two thirds (64%) of firms that sought advice reporting this obstacle. The main reasons for accessing support services were for assistance with *marketing* (last 12 months: 43%, future: 33%) and *training, improved efficiency and communications* (last 12 months: 44%, future: 35%). Help with *recruitment, including recruitment of apprentices* is also important (last 12 months: 35%, future: 31%) as well as advice and support with *digital services and digital technologies* (last 12 months: 34%, future: 39%). When looking specifically at type of advice likely to be accessed over the next 12 months there has been a significant fall in almost all areas. For example, respondents indicating they would be seeking advice on the

³ Time-series comparisons are not available for this indicator due to the implementation of fundamental changes to the question structure, wording, interviewing techniques and sampling over the five surveys.

top two issues identified above (marketing and training) decreased from 44% in 2016 to 33% in 2017 for marketing and from 42% in 2016 to 35% in 2017 for training.

Further profiling analysis has been undertaken to profile the distinct characteristics of business support users when compared to firms that are not business support users.

Key characteristics: Business support users

- More likely to be between 1 and 10 years old.
- Significantly overrepresented in the Creative & Digital sector (15%).
- More likely to report growth in turnover, both in the past twelve months (43% against 34% for non-business support users) and anticipated in the next twelve months (58% vs. 42% for non-business support users).
- More likely to report growth in employment in the last year (40% against 18% for non-business support users) and reported very high growth of over 50% (17% against 6%).
- More likely to provide staff training (77% vs. 66% of non-business support users), offer internships/work experience (50% against 30%) and employ apprentices (26% against 16%).
- More likely to be considering relocation (18% against 13% for non-business support users), see finances (49% against 27%) and workforce/skills (32% against 17%) as a barrier to growth and experience rising costs (95% against 83%).
- Business support users were more likely to trade internationally than non-business support users (21% vs. 15%) and to engage in innovation activities (85% against 77%).
- More concentrated in Trafford than businesses overall (18% of business support users against 12% of all businesses).

2. Introduction, Objectives and Methodology

2.1 Introduction

The Business Growth Hub supports growing and ambitious businesses by offering access to a wide range of business support services.

Since 2012 the Business Growth Hub and Manchester City Council have worked together with other partners to deliver a Greater Manchester-wide (GM) business survey to build up a picture of GM's business base, to understand how it is changing, and how business support can help firms to grow. This year, Stockport Council and Oldham Council made a significant contribution and funded a sample boost in their areas.

The project is part-funded by the European Regional Development Fund (ERDF).

Qa Research (Qa) and economic development and research consultancy Ortus Economic Research Ltd (Ortus) were jointly commissioned to deliver the 2017 survey.

This report outlines findings from the latest business survey amongst the full Greater Manchester sample. The report covers the following key chapters:

Chapter 2.3: Methodology and sampling: outlining the methodological approach

Chapter 3: Analysis of the data: details the method used to analyse the data

Chapter 4: Key Growth Themes: profiles businesses based on key growth themes

Chapter 5: Detailed findings: presents findings across the range of survey questions with time series comparisons (where possible)

Appendix A – Questionnaire

2.2 Aims and objectives

The aim of the GM-wide survey is to provide data on current and future economic performance and practices especially for growth businesses, across a range of themes, including:

- Enterprise demographics and performance
- Local trading environment
- Drivers and barriers to growth including access to finance
- Views on existing and potential support services for enterprise
- International trade and connectivity
- Innovation and digital
- Recruitment & skills
- Inclusive growth

2.3 Methodology

This is the fifth time this survey has been carried out and a similar approach to that used in previous years was also applied, with interviewing completed by telephone.

In total, 1,500 telephone interviews were completed with businesses across Greater Manchester by Qa Research from its contact centre based in York. Interviewing was completed by early August 2017.

To ensure that comparisons could be made with data from previous years, the same questionnaire was used, although some revisions were included to ensure questions continued to cover the main areas of interest and that they remained relevant.

Interviewing was restricted to private sector businesses and voluntary/non-profit-making organisations that generate at least 50% of income from trading. Additionally, all businesses had to have at least one employee.

2.4 Sampling

Contacts for the survey were provided by Ortus from its in-house longitudinal business database and all respondents were screened to ensure the survey was completed with a key decision maker within each business, who was capable of talking about the business at that site as a whole.

To ensure the final achieved sample was representative, quotas were set on recruitment based on local authority, business size (employee number) and sector (2007 SIC) and based on data from the Inter Departmental Business Register (IDBR). Quotas were set as follows;

- **Local Authority** – Manchester, Stockport and Oldham were oversampled to ensure suitably sized samples of businesses in these local authority areas to enable stand-alone analysis. A similar target was set for all other local authorities.
- **Size (Number of Employees)** – overall quota targets were set based on number of employees and this was determined during the interview. Small businesses (1-10 employees) were under-sampled, while those with 11 or more employees were over-sampled.
- **Sector (2007 SIC)** – generally, 2007 SIC codes A, B, O, T & U were completely excluded, In addition, analysis was undertaken to remove public sector organisations from the other qualifying SIC codes (e.g. schools) as far as this was possible – otherwise they were excluded from the survey at the interview screening stage.

2.5 Sample Profile

The table below summarises the profile of the sample. It shows the profile of businesses in Greater Manchester (based on businesses that qualify for this research), along with the unweighted sample and the weighted sample.

Figure 2. Sample profile

Figure 2: Sample profile

Population Count (2014 IDBR)				Achieved Sample			
				Unweighted sample		Weighted sample	
Local Authority							
Manchester	16,003	21%		500	33%	311	21%
Bolton	7,329	9%		72	5%	140	9%
Bury	5,259	7%		71	5%	105	7%
Oldham	5,309	7%		250	17%	103	7%
Rochdale	5,068	7%		71	5%	98	7%
Salford	6,910	9%		71	5%	132	9%
Stockport	9,394	12%		250	17%	183	12%
Tameside	5,161	7%		71	5%	99	7%
Trafford	9,492	12%		72	5%	183	12%
Wigan	7,467	10%		72	5%	146	10%
SIC (2017)							
C - Manufacturing	4,812	6%		104	7%	95	6%
DE - Utilities	348	<1%		7	0%	6	<1%
F - Construction	6,473	8%		114	8%	128	9%
G - Wholesale and retail trade	13,018	17%		262	17%	257	17%
H - Transport and storage	2,026	3%		44	3%	40	3%
I - Accommodation and food services	4,857	6%		104	7%	93	6%
J - Information and communication	3,429	4%		54	4%	68	5%
KL - Finance and insurance	3,861	5%		81	5%	76	5%
M - Professional, scientific and technical activities	12,297	16%		199	13%	235	16%
NPQRS - Adminstrative, education, human health, arts and other activities	26,271	34%		531	35%	502	33%
Size (number of employees)							
1-10	60,398	78%		969	65%	1169	78%
11-49	13,209	17%		383	26%	257	17%
50-199	3,072	4%		125	8%	59	4%
200+	713	1%		23	1%	14	1%
Total	77,392			1,500		1,500	

3. Analysis of the Data

3.1 Data Preparation

On completion of the CATI surveys all data were processed by Qa Research using Askia software, a software package specifically designed for the market research industry. Verbatim responses to open questions were coded into similar themes (over-codes) to enable analysis and within this report responses to open questions have been reported based on these over-codes.

Once coding had been completed, data tables were produced in Askia and these included cross-breaks and significance testing (student T-Test) to enable detailed analysis between sub-groups such as businesses in the different local authority areas, businesses operating in different sectors and businesses of different sizes.

Corrective weighting was applied to the data ahead of the report writing for the following purposes;

- As businesses in Manchester, Stockport and Oldham were over-sampled, it was necessary to weight the sample to bring the profile of businesses in each local authority into line with the actual proportion (based on the IDBR).
- Weighting was required to correct for variation in the sector and size profile of the achieved sample and businesses in Greater Manchester as a whole. This applied particularly to the over-sampling of larger businesses which was carried out to ensure that sufficient larger businesses were included for analysis purposes.

Analysis within this report is based on the final, weighted data tables.

3.2 Profiling businesses

Sections 5 and 6 of the report have profiled businesses based on key characteristics and details of these are summarised below;

- **Skills Active businesses** – businesses that were skills active must have: provided staff training, either internally or externally, within the past twelve months; have a staff training plan/budget, currently offer work placements or internships (either paid or unpaid).
- **Innovative firms** – businesses indicating that, in the last three years, they have either 'transformed their business models, which means an entirely new way of doing business that results in major competitive advantage for the business' or have 'actively engaged with Universities or other Higher Education Institutes to transfer knowledge'.
- **Exporters** – when asked if they export, businesses that said that they do by responding that they are involved in the 'export and import trade' or 'export trade only' have been classified as *Exporters*.
- **Business support users** – businesses that indicated that they had used any organisations to get information or advice for their business (other than for accounting or regulatory purposes) in the last 12 months were classified as *Business Support Users*.

Additional sub-groups have been added to the data tables as cross-breaks and analysis of these is covered in Section 4.



3.3 How to Read This Report

Please note the following when reading this report;

- All quoted sample sizes are unweighted
- All quoted figures (percentages) are based on weighted data
- Throughout the report, including the executive summary, where the text refers to a 'significant difference' or *greater/lesser likelihood*, this indicates a statistically significant difference within the data at a confidence level of 95%. For example, the difference

between two observed data values is sufficient that we can be (at least) 95% confident that this difference is greater than the associated confidence intervals.

- At appropriate points, the report contains comparisons to data from the previous four surveys (2012, 2013, 2014, 2016⁴) to identify trends over-time. This data is presented as tables and within these tables arrows indicate the '*direction of travel*' to highlight how these measures have changed over-time, as follows;

	Statistically significant increase over-time
	Statistically significant decrease over-time
-	No significant difference over-time

⁴ Note that the fieldwork for the 2016 survey was undertaken during late 2015 and early 2016

4. Key growth themes

This section explores key themes that have been identified as critical to high performance. It develops profiles for each of the key growth characteristics below:

- Skills active businesses
- Innovative firms
- Exporters
- Business support users

Survey respondents were separated by a binary classification for each theme so that, for example, each respondent would be classified as skills active, distinct from non-skills active. Details explaining these definitions can be found in Section 3.2 and at the beginning of each respective section.

Significant differences between the classifications in each of the four themes have been collated and analysed to generate insight into the **characteristics** of each. Characteristics include observations linked to location, sector, age and size of the businesses, but extend into a more analytical assessment of where the classifications display difference.

The findings from this section enable a greater understanding of the distinct make-up of firms that exhibit the growth characteristics above.

The reader should note that throughout this section, differences in the data that are statistically significant (for the specific growth theme being reviewed) have been highlighted with dark green column shading, as in the example to the right.



4.1 High performing businesses

Before reporting on the four key growth themes, this section highlights some key characteristics of high growth businesses. These are defined as any business which has grown by at least 20% in terms of employment or turnover in the last twelve months. Overall, 13% of businesses can be classified as recent high performing businesses in the 2017 survey, down from 20% in 2016.

Key characteristics: High performing businesses

- Include businesses from all sectors, but were more likely to be found in *Business Financial and Professional Services, Creative and Digital, Manufacturing and Construction*.
- More likely to be young (between 1 and 10 years old).
- More likely to have provided training to staff (76% against 66% for non-high performing businesses) and hold Investors in People status (14% against 7%).
- More likely to have a business continuity plan in place though no more likely to have suffered a recent disruption.
- High performing businesses are more likely to cite access to markets and sales opportunities as a key driver of growth and also to recognise this as one of the three main barriers to growth.
- More likely to be considering relocation (23% against 12% for non-high performing businesses) though this is primarily driven by a need for larger premises.
- High performing businesses are more likely to have sought finance in the last 12 months (23% against 14%) and to have experienced difficulties in doing so.
- They are more likely to be aware of the Business Growth Hub (46% against 25% of non-high performing businesses) and to have sought business support (28% against 13%).
- More likely to be exporting (24% against 15%) and to have faced barriers in doing so.
- More likely to have innovated generally within the last three years (89% against 78% for non-high performing businesses) and more likely to have undertaken every one of the six innovation-related activities identified in the survey (products, services, processes, models, knowledge exchange and engagement with Universities).
- Distributed across GM with no statistically significant concentrations in any location.

4.2 Skills active businesses

Skills acquisition, development and retention are crucial to business success and driving productivity growth within the economy. The survey indicates that 68% of businesses have provided training to their staff in the last 12 months, down from 73% in 2016 and representing the continuation of a decreasing trend.

This sub-section explores the characteristics of businesses that are actively engaged in workforce development (i.e. that are skills active) compared to those that are not.

Key characteristics: Skills active businesses

- Include businesses from all sectors, but were more likely to be found in *Health and Social Care and Health Innovation* and *Hospitality and Tourism and Sport*.
- Age of business did not have a significant impact on its likelihood of being skills active.
- Microbusinesses were less likely to be skills active and this may reflect capacity to undertake training and other skills based activities.
- Significantly more likely to have reported an increase in employment in the last 12 months (34%) compared to non-skills active businesses (16%).
- More likely to hold Investors in People status (16% against 8% for non-skills active businesses) and to actively offer opportunities through apprenticeships (39% vs. 9%).
- Despite this approach, skills active businesses were more likely to report hard-to-fill vacancies (25% vs. 11%) and see their workforce and skills as a barrier to business growth (24% vs. 17%).
- More likely to have innovated within the last three years (92% against 74% for non-skills active businesses).
- Skills active businesses were also more likely to be aware of the Business Growth Hub (32% against 26% for non-skills active businesses) and have accessed business support services in the last 12 months (23% against 12%).
- More concentrated in Trafford (17%) and Salford (12%) than GM firms overall (12% and 9% respectively).

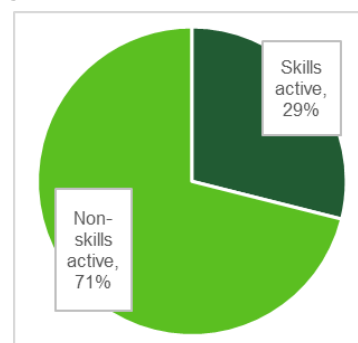
4.2.1 Definition

A series of questions were used to categorise skills active businesses and form the analysis. Respondents were asked if they:

- Had provided staff training, either internally or externally, within the past twelve months;
- If they had a staff training plan/budget
- If they currently offer work placements or internships (either paid or unpaid).

In total, 29% of businesses met these criteria, down 1% from 2016: these were classified as skills active, whilst the remaining 71% that did not meet all of the above criteria were classified as non-skills active.

Figure 3. Skills active businesses



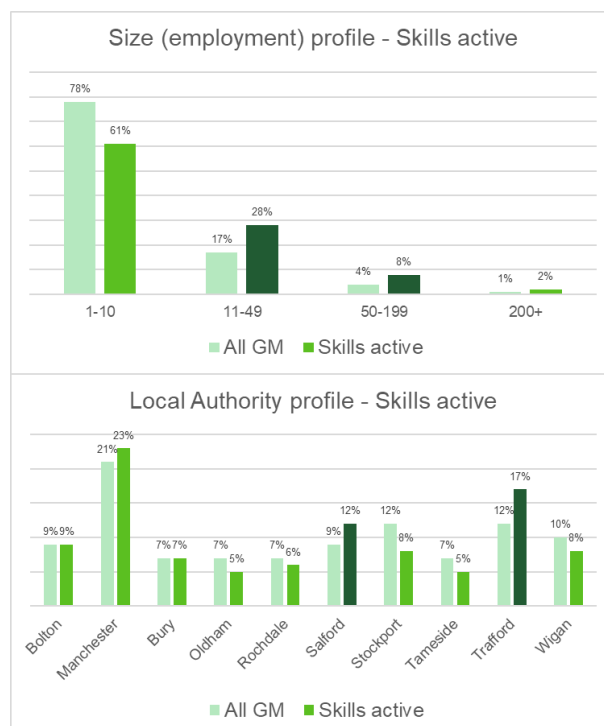
4.2.2 Business characteristics and growth

Skills active businesses are over represented in the *Health and Social Care and Health Innovation* and *Hospitality, Tourism and Sport* sectors.

Business size appears to influence the likelihood of a firm business skills active. Micro-businesses are less likely to be skills active; 61% of firms of this size meet the criteria whilst they represent 78% of all firms in the Greater Manchester area. The number of years that a business has been trading does not have a significant impact on their likelihood of being skills active.

Skills active businesses were more likely to have seen turnover increases in the last 12 months (40% compared to 34% of non-skills active businesses). They are also more optimistic about the coming year; they are more likely to indicate that they expect turnover to increase in the next 12 months (54% compared to 41%). These performance characteristics are mirrored when it comes to employment. Skills active businesses are significantly more likely to have reported an increase in employment in the last 12 months (34%) compared to non-skills active businesses (16%).

Figure 4. Profile of Skills active businesses

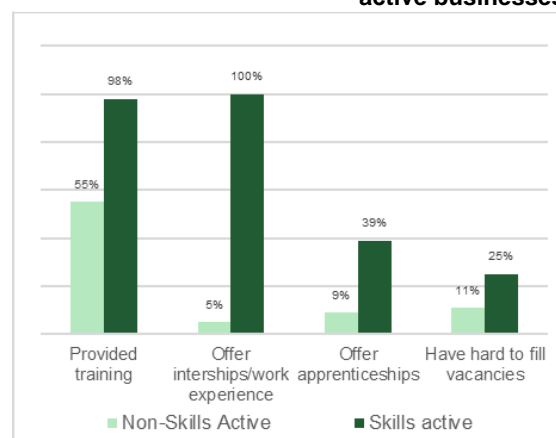


Skills active businesses are most likely to be located in Manchester (23%) and Trafford (17%). They are also highly represented in Salford, which contains 12% of skills active businesses compared to 9% of all businesses⁵.

4.2.3 Workforce development

A significant proportion of skills active businesses hold the Investors in People award (16% against 8% for non-skills active businesses), demonstrating their commitment to people development. The apprenticeship penetration rate into businesses has decreased by 4% from 22% in 2016 to 18% in 2017. However, apprentices are significantly more likely to find opportunities in skills active businesses than others. In the 16-18 age group, 24% of skills active businesses currently employ apprentices (against 4% in non-skills active firms); in the 19-24 age group 24% of skills active businesses currently employ apprentices (against 6%) and in the 25 and over age group the proportion is 5% (against 2%).

Figure 5. Workforce development in Skills active businesses



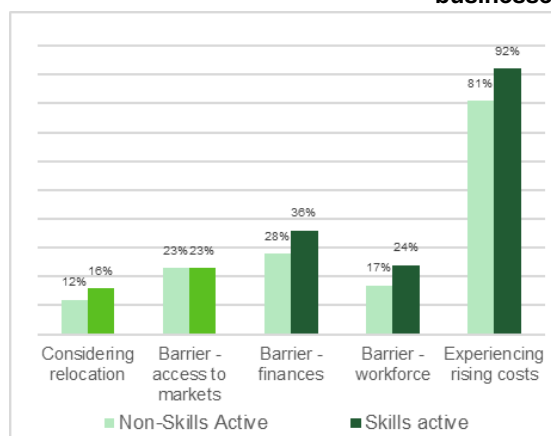
However, skills active businesses are also more likely to experience the challenge associated with hard-to-fill vacancies (i.e. vacancies that are difficult to fill because of skills lacking in candidates for those vacancies). One quarter of skills active businesses (25%) report that they currently have such vacancies compared to just over one in ten non-skills active businesses (11%).

⁵ Reminder – statistically significant differences are highlighted with dark green shading in the charts

4.2.4 Trading conditions

Although skills active businesses are slightly more likely to be considering relocation, the difference is marginal and not statistically significant (16% compared to 12% of non-skills active businesses and 13% across all firms in Greater Manchester). They are more likely to identify barriers to growth as being around the finances of their business (36% compared to 28% of non-skills active businesses) and workforce (24% compared to 17%). Furthermore, skills active businesses are more likely to report that they are suffering from increasing costs (92% compared to 81%). Specifically, almost three quarters of skills active businesses (74%) report that they are experiencing rising staff costs, which is significantly higher than for non-skills active businesses (40%).

Figure 6. Trading conditions in Skills active businesses



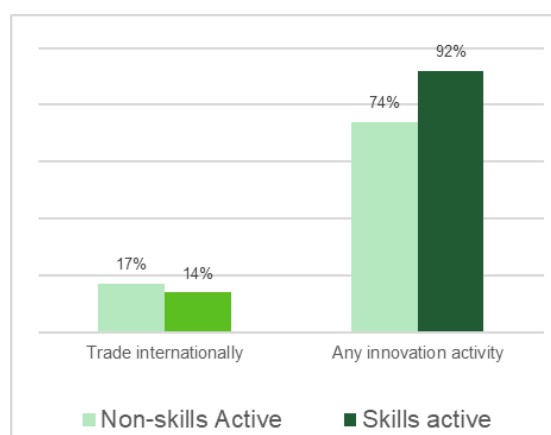
4.2.5 Innovation

The results show that skills active business have a higher likelihood of engaging with innovative activities in the last three years, with 92% of skills active businesses doing so.

4.2.6 Business support

The evidence indicates that skills active businesses are both more likely to be aware of the Business Growth Hub (32% compared to 26% of non-skills active businesses) and more likely to have sought information, support or advice for their business (23% have sought any business support, compared to 12% of non-skills active businesses). The support services sought include *training, improved efficiency and communications* (61% of skills active businesses compared to 32% of non-skills active businesses), *marketing* (54% of skills active businesses compared to 36%), *recruitment* (45% against 27%), *leadership and management* (44% against 15%), and *business growth advice* (43% against 26%). Skills active businesses were significantly more likely to indicate that they were likely to seek business support in the future (81% against 61% for non-skills active businesses) with *training, improved efficiency and communications* being the most frequently selected service (by 49% of skills active businesses).

Figure 7. Innovation and trade in Skills active businesses



4.3 Innovative firms

To achieve the growth ambitions outlined in the Greater Manchester Strategy there is a need to boost productivity. Innovation alongside raising skills levels has a critical role to play in this. Innovation can be defined in a number of ways – primarily in terms of product innovation, service innovation or developing new or different internal processes or business models (which we refer to as the ‘four pillars’ of innovation). It is also important to consider knowledge share as a key component of innovation and this can be between businesses or with other institutions such as universities or other education institutions.

When asked about the four pillars of innovation, the 2017 survey found the following:

- Product innovation - just over one third of firms (37%) report making significant improvements to the products that their company produces.
- Service innovation - over half of firms (55%) report making significant improvements to the services that the business provides (e.g. customer support).

- Process innovation - the same proportion (55%) indicate that their firm is significantly improving internal processes (e.g. to reduce costs).
- Business model innovation - the survey also found that 37% of firms reported having transformed business models to develop new ways of doing business.

In order to isolate those businesses that are undertaking the most transformational innovation activities, it was decided that the definition should focus on businesses that are transforming business models or engaging with higher education institutions to exchange knowledge and ideas, as explained below.

Key characteristics: Innovative firms

- Significantly more likely to employ between 11 and 199 staff.
- Strong turnover performance compared to non-innovative firms; 44% report turnover growth in the last year against 31% of non-innovative firms, and 57% expect turnover to increase in the next 12 months (against 37%). Similarly strong employment performance also.
- Committed to workforce development; more likely to be training staff (83% against 59%), providing internship and work placement opportunities (49% against 23%) and employ apprenticeships (25% against 13%).
- More likely to currently report hard-to-fill vacancies potentially exacerbated by employment growth (18% against 14%).
- More likely to be considering relocation (17% against 11%) and to recognise finances and workforce skills as barriers to growth.
- Overall, not more likely to be reporting increased costs though IT, staff and finance costs are concerns.
- More likely to export (21% against 13% of non-innovative firms). As well as the common locations for trade links (EU, North America, non-EU Europe) they are more likely to have links with Latin America.
- Highly active in seeking business support (97% of innovative firms have done so in the last year compared to 81%) with particular focus on support for *training, leadership and management* and *access to finance*.
- Significantly more likely to be in Bolton (11% of innovative firms compared to 9% of all businesses) and Manchester (27% against 21% of all businesses).

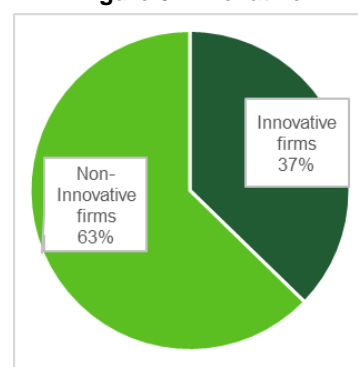
4.3.1 Definition

The definition of innovative firms focuses in on businesses that indicate that they undertake at least one of the following innovation activities:

1. Transformation of business models, which means developing an entirely new way of doing business that results in major competitive advantage for the business
2. Actively engaged with Universities or other Higher Education Institutions to transfer knowledge

Almost two-fifths of GM businesses (37%) are innovative. Looking at the two activities which contribute to the definition, in the last three years 27% of GM businesses have undertaken activities which transformed their business models and 19% of businesses had actively engaged with Universities or other higher education institutions to transfer knowledge.

Figure 8. Innovative firms



4.3.2 Business characteristics and growth

Innovative firms are significantly more likely to be found in the 11-49 and 50-199 size bands; 21% of innovative firms employ between 11 and 49 compared to 17% of firms in the GM business base being of this size, whilst 6% of innovative firms employ between 50 and 199 compared to 4% across GM.

Age also influences the profile of innovative firms, where they are significantly more likely to be young (between 1 and 3 years trading – 18%) compared to the GM business base in general (13%).

Innovative firms are over-represented in the *Creative and Digital* and *Health and Social Care and Health Innovation* sectors.

Business performance amongst innovative firms is better than non-innovative firms. They are more likely to report turnover growth in the last year (44% against 31%) and also that growth was greater than 50% (10% against 4%). Optimism is also better amongst innovative firms, where 57% indicate that they expect turnover to increase in the next 12 months compared to 37% in the non-innovative cohort.

A similar pattern is found when it comes to employment levels; innovative firms are more likely to report employment growth in the last year (30% against 16%) and are more likely to predict employment growth in the next year (33% against 19%).

Relative to the distribution of all GM firms, innovative firms are over-represented in Manchester (27% against 21% of all GM businesses) and Bolton (11% against 9% of all GM businesses)⁶.

4.3.3 Workforce development

Innovative firms show a strong commitment to activities which promote workforce development. They are more likely to provide training than non-innovative firms (83% against 59%), including both internal training (69% of innovative firms compared to 47% of non-innovative firms) and external training (56% against 38%).

There are also significant differences in their approach to recruitment and staffing. Almost half offer internships or work experience (49%) compared to just under a quarter of non-innovative firms (23%) and one-quarter employ apprentices compared to 13% of non-innovative firms.

However, employment growth drives recruitment

Figure 9. Profile of innovative firms

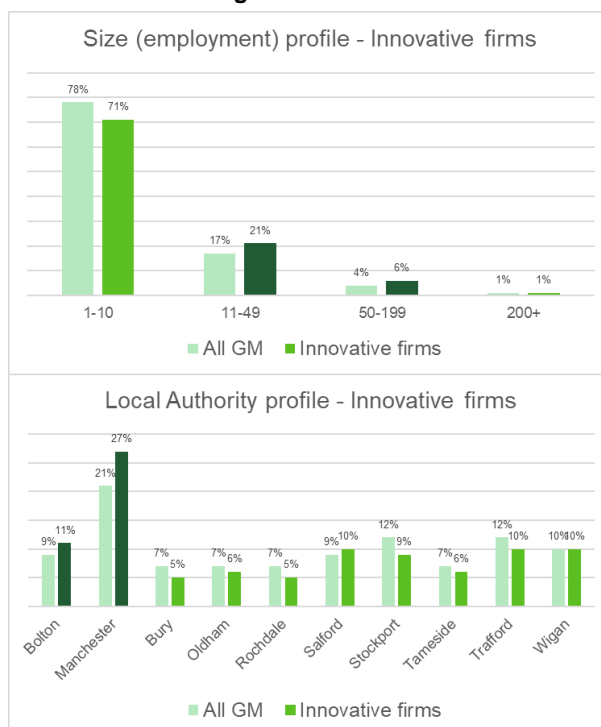
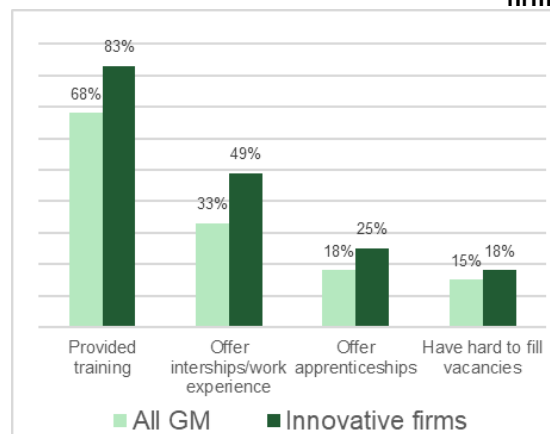


Figure 10. Workforce development in innovative firms



⁶ Note sample sizes are small across all local authority areas so this result should be viewed as indicative only.

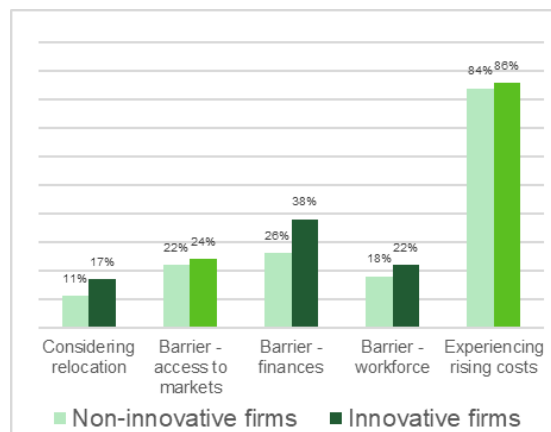
and innovative firms are significantly more likely than non-innovative firms to report that they currently have hard-to-fill vacancies (18% against 14%).

4.3.4 Trading conditions

When it comes to trading conditions, there are some notable differences between innovative firms and those not engaged in innovation. Innovative firms are significantly more likely to be considering relocation (17% against 11%) and to cite key barriers to growth as *business finances* (38% against 26%) and *workforce and skills* (22% compared to 18%). However, they are no more likely to be experiencing rising costs overall though staff, finance and IT costs are rising.

The findings also indicate that innovative firms are significantly more likely to have experienced major business disruptions in the last year (24% against 16%), including such problems as *unexpected/prolonged absence of key staff* (5% against 3%), *supplier failure* (3% against 1%) and *transport congestion* (4% against 2%). However, they are responding through the development of business continuity plans, which they are significantly more likely to have (66% against 47%).

Figure 11. Trading conditions for innovative firms



4.3.5 International outlook

Innovative firms are outward looking and significantly more likely to have international trading relationships than non-innovative firms (21% against 13%). They are also more likely to indicate that they intend to develop export trade links in the next 1-2 years (5% against 2%). Key links for such firms mirror those which are important for the wider GM exporting base (EU, North America, Non-EU Europe) but innovative firms are significantly more likely to have trade links with Latin America (29% of those trading internationally within the innovative firms group, compared to 15% in the non-innovative group).

4.3.6 Business support

Accessing business support is important for innovative firms; 97% of innovative firms have sought business support in the last year compared to 81% amongst non-innovative firms. Key areas of advice which such firms are significantly more likely to seek include *training, improved efficiency and communications* (59% against 29%), *leadership and management* (42% against 13%) and *access to finance* (38% against 13%). Innovative firms are also more likely to seek advice in the next year (78% against 66%) and this applies to all key areas of advice (from exporting to training, finance to marketing, leadership to premises).

4.4 Exporters

International trade has for some time been identified by the UK Government as a key contributor to future economic vitality and the ongoing uncertainty regarding the UK's future trading relationships with the European Union as a result of the UK's decision to leave the European Union further elevates the importance of developing global trade networks. This is recognised in Greater Manchester's Internationalisation Strategy, which articulates the assets, sector strengths and ambition that exist within GM to elevate the city region's global status and profile.

Around one in seven GM businesses (14%) reported that they exported. This figure is higher than the 2014 figure of 12% but lower than the 2016 figure of 20%; this could be reflective of small changes to the question asked of interviewees and a bias towards firms that had utilised or enquired about Business Growth Hub services in the 2016 survey. Therefore, caution should be applied in interpreting the apparent decrease as reflective of a true trend. This sub-section explores the characteristics of businesses interviewed that export, providing greater detail on those businesses that have the highest propensity to export.

Key characteristics: Exporters

- The manufacturing sector has the highest proportion of businesses that export (43%).
- More likely to report turnover and employment growth in the past year. This is a trend that exporters expect to continue. Turnover growth was particularly strong, with exporters significantly more likely both to report previous (48% against 34% for non-exporters) and to expect future (52% against 43% for non-exporters) turnover growth.
- Significantly more likely to be considering relocation (28% against 11% for non-exporting businesses), perceive barriers to growth around market access (38% against 21%) and experience rising costs (90% against 84%).
- Significantly more likely to be involved in innovation activities (89% against 78% of non-exporting businesses).
- More likely to be aware of the Business Growth Hub (34% against 27%) and to have sought business support in the last year (21% against 14%). Key areas include marketing, digital technology and export advice.
- More concentrated in Salford (16% of exporters compared to 9% of all firms).

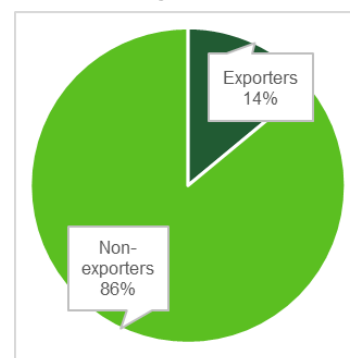
4.4.1 Definition

Respondents were asked about the trading behaviour of their business. Specifically, they were asked if their business exports, both imports and exports, imports only or does neither. Their responses were used to classify businesses into those that export and those that do not export. In total, 14% of respondents reported having exported; these businesses are classified in this section as exporters. The 86% of businesses that did not report having exported are classified as non-exporters.

Key export locations include the EU (87% of exporters), North America (47%) and Non-EU Europe (45%).

Of non-exporting businesses, 3% have plans to develop export trade links in the next 1-2 years.

Figure 12. Exporters



4.4.2 Business characteristics and growth

Key industries for exports are *Manufacturing*, *Creative and Digital* and *Logistics*.

The findings show that whilst across most size bands, size does not influence the likelihood that a business will be exporting except for the 11-49 employees size band, where the likelihood is lower; 13% of exporters in this size band are exporters compared to 17% in the GM business population.

Exporters are also more likely to have been trading longer than non-exporters. Businesses that have been trading for 11 years or more are significantly more likely to be exporting (70% compared to 62% across the population).

Exporters were more likely to report increased turnover in the past 12 months (48% against 34% for non-exporters) and growth was more likely to have been by 50% or more (16% of exporters that had grown compared to 5% of non-exporters). Exporters are also more likely to expect this trend to continue and turnover to increase in the next twelve months (52% against 43% for non-exporters).

Similarly, exporters were significantly more likely to report having grown their workforce in the past 12 months (27% against 20% for non-exporters), and expected this to continue in the next twelve months (30% vs. 23%).

Exporters are more highly concentrated in Salford than its share of all GM businesses would suggest: 16% of exporters are based there compared to 9% of all GM businesses⁷.

4.4.3 Workforce development

Exporters are no more likely to be training their staff, offering internships or work experience or to employ apprenticeships than non-exporters. They are, however, more likely to report that they have hard-to-fill vacancies (21% of exporters against 14% for non-exporters). This is likely to be in part driven by the growth in employment experienced by exporters.

4.4.4 Trading conditions

Exporters are significantly more likely to be considering relocating their business than non-exporters (28% against 11% for non-exporters). They are also significantly more likely to be facing barriers to growth associated with access to markets (38% against 21%) and to report rising costs (90% against 84%).

4.4.5 Innovation

Exporters are significantly more likely to be involved in innovation, with 89% of these firms engaged in some form of innovation compared to 78% of non-exporters.

Figure 13. Profile of Exporters

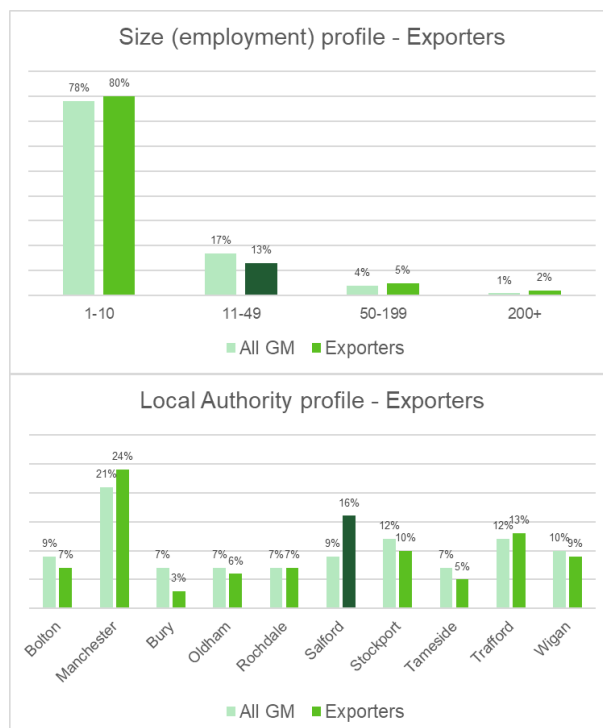


Figure 14. Workforce development in Exporters

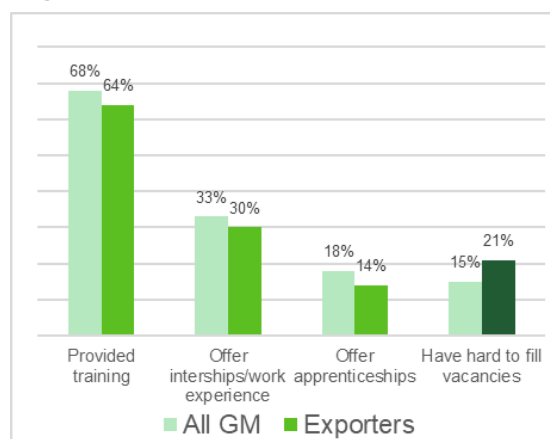
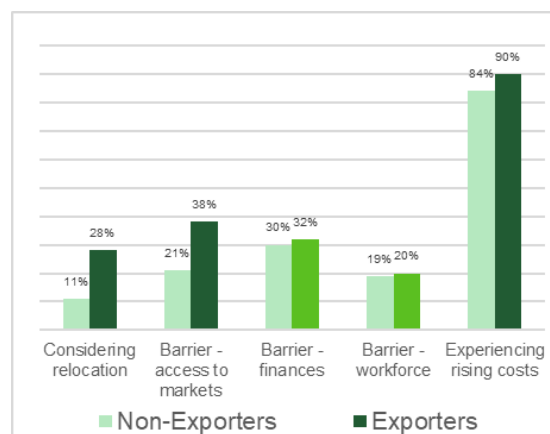


Figure 15. Trading conditions in Exporters



⁷ Note sample sizes are small across all local authority areas so this result should be viewed as indicative only.

4.4.6 Business support

The evidence indicates that exporters are both more likely to have heard of the Business Growth Hub (34% compared to 27% of non-exporters) and more likely to have sought information, support or advice for their business (21% have sought any business support, compared to 14% of non-exporters). The support services sought include *marketing* (49%), *digital services and digital technology* (40%) and *exporting* (36%). Exporters were significantly more likely to indicate that they were likely to seek business support in the future (77% against 69% for non-exporters) with *marketing* (33%), *digital services and digital technology* (29%) and *exporting* (29%).

4.5 Business support users

The provision of high quality business support services is important to growth and development of local businesses. There is a wide a range of support services available to businesses through professional services and other commercial firms as well as public bodies and agencies. This subsection explores the distinct characteristics of those businesses interviewed that are most likely to engage in business support.

Key characteristics: Business support users

- More likely to be between 1 and 10 years old.
- Significantly overrepresented in the Creative & Digital sector (15%).
- More likely to report growth in turnover, both in the past twelve months (43% against 34% for non-business support users) and anticipated in the next twelve months (58% vs. 42% for non-business support users).
- More likely to report growth in employment in the last year (40% against 18% for non-business support users) and reported very high growth of over 50% (17% against 6%).
- More likely to provide staff training (77% vs. 66% of non-business support users), offer internships/work experience (50% against 30%) and employ apprentices (26% against 16%).
- More likely to be considering relocation (18% against 13% for non-business support users), see finances (49% against 27%) and workforce/skills (32% against 17%) as a barrier to growth and experience rising costs (95% against 83%).
- Business support users were more likely to trade internationally than non-business support users (21% vs. 15%) and to engage in innovation activities (85% against 77%).
- More concentrated in Trafford than businesses overall (18% of business support users against 12% of all businesses).

4.5.1 Definition

Respondents were asked if they had sought information, support or advice in the 12 months. Those who had were presented with a list of business support services and asked to indicate which they had used. Around one in seven respondents (15%) reported having used one or more business support services; these businesses are classified in this section as business support users. The 85% of businesses that did not report having used any business support services are classified as non-business support users. The figure below provides an outline of the proportion of business support users that have used specific support services in the last year.

Figure 16. Business support users

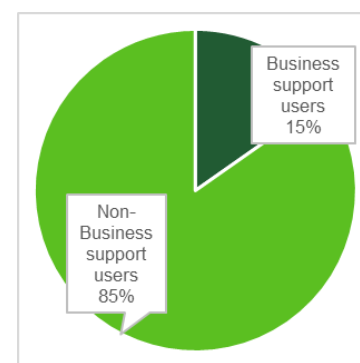


Table 1. Access to business support services – full sample

Business support service used	% total sample
Has used at least one business support service	15%
Accountants/solicitors [over/beyond bookkeeping/auditing/statutory/regulatory work]	8%
Local Authority	5%
Business Consultancy / Consultants	4%
Bank	4%
Business Growth Hub	4%
None/Don't know	85%

Source: Qa Research 2017

4.5.2 Business characteristics and growth

Business support users are significantly more likely to be young either under 3 years old (20% against 13% for non-business support users) or between 3 and 10 years old (32% against 24%).

Business support users are significantly overrepresented in the Creative & Digital sector (16%).

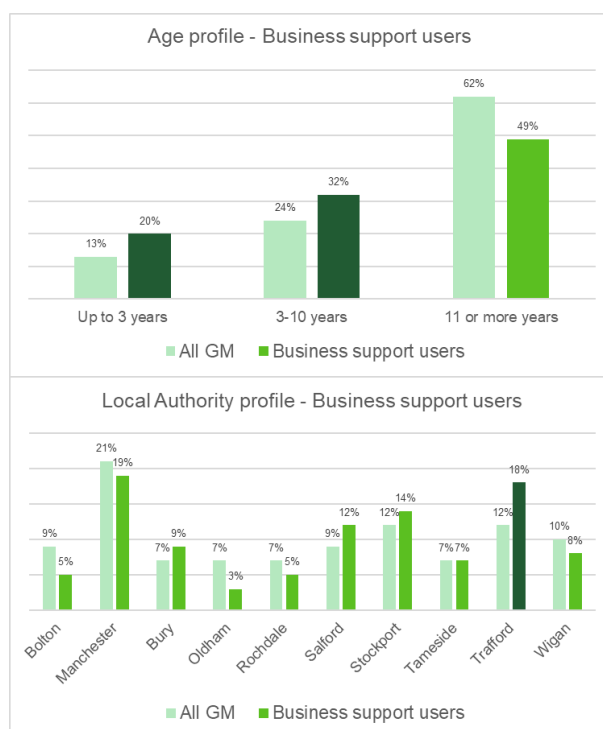
They are significantly less likely to be small (employing between 1 and 10 people).

Growth in turnover was more likely to be reported by business support users, both in the past twelve months (43% against 34% for non-business support users) and anticipated in the next twelve months (58% vs. 42% non-business support users).

Similarly, a significantly greater proportion of business support users reported increased employment in the past twelve months (40% against 18% for non-business support users) and reported very high growth of over 50% (17% against 6%). A significantly greater proportion of business support users also expect this to continue in the next twelve months (42% against 21% for non-business support users).

Whilst the largest proportion of business support users are located in Manchester (19%) this is lower than the proportion of GM firms that are located in Manchester, indicating that businesses in Manchester are less likely to use support services than those in other areas. The concentration of business support users in Trafford is higher than would be expected given the proportion of GM firms located there (18% of business support users against 12% of all GM firms).

Figure 17. Profile of business support users



4.5.3 Workforce development

The findings indicate that business support users are heavily engaged in workforce development and embrace both the activities associated with it and the benefits. The most regularly cited main driver of growth for this group was workforce and skills (33% of business support users).

The proportion of business support users providing training for their staff in the last 12 months is significantly higher than for non-business support users (77% against 66%). This was driven by both internal training (68% of business support users against 53% of non-business support users) and external training (55% against 43%).

Business support users are significantly more likely to offer internships and work experience (50%) and to be employing apprentices (26%) than non-business support users (30% and 16% respectively).

4.5.4 Trading conditions

A significantly higher proportion of business support users are considering relocating their business (18%) compared to non-business support users (13%).

Key barriers to growth that being faced by business support users include *business finances* (49% compared to 27% for non-business support users), *workforce and skills* (32% against 17%) and *adopting digital technology* (18% against 10%).

Almost all businesses in this group are experiencing rising costs (95%) and this is significantly higher than for non-business support users (83%). Furthermore, business support users are more likely to experience cost increases across all the categories covered by the survey than businesses that do not engage with business support.

4.5.5 International trade

Business support users were significantly more likely to trade internationally (21% compared to 15% of non-business support users). Key locations for business support users include EU states (89% of international traders), non-EU European states (57%), North America (51%) and China (47%).

4.5.6 Innovation

They are also significantly more likely to engage in innovation activities (85% against 77% of non-business support users). Nonetheless, business support users are significantly more likely than non-business support users to identify at least one barrier to innovation (32% against 16%). The most critical barriers for business support users are *a lack of finance* (18%), *the cost of new product or service development* (13%) and *in-house knowledge, skills or structure for identifying and managing innovation* (13%).

Figure 18. Workforce development in business support users

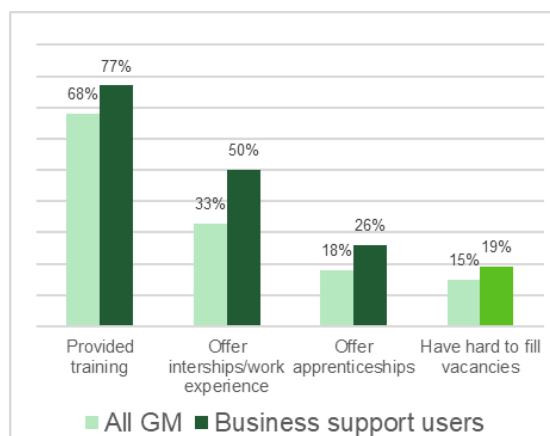


Figure 19. Trading conditions in business support users

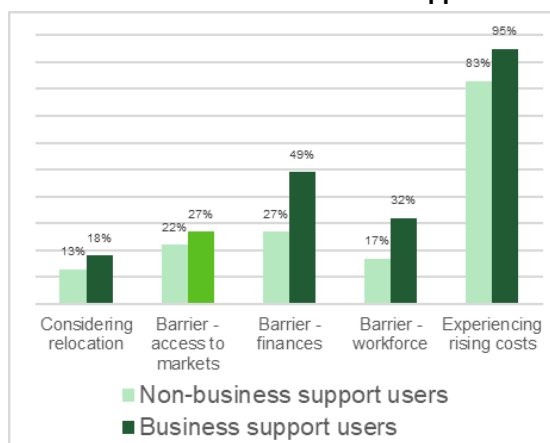
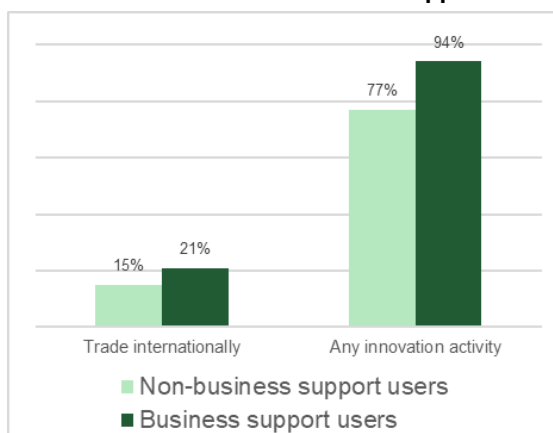


Figure 20. Innovation and internationalisation in business support users



5. Detailed Findings

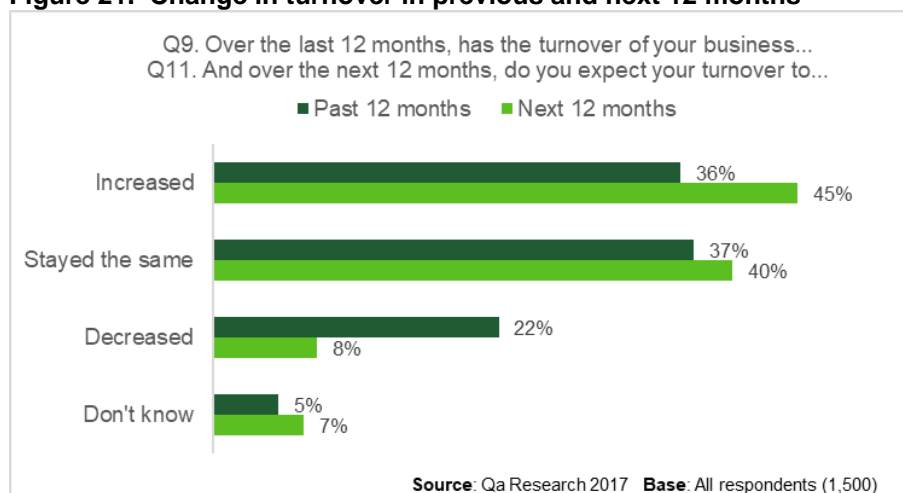
Following on from Section 4, which profiles the characteristics of businesses against key growth themes (skills, innovation international trade and business support), Section 5 now takes a more simple approach to reporting the key findings from the business survey across the range of questions asked. It assesses each question from the 2017 business survey in turn presenting the findings and where possible comparing to previous years' results to assess the major trends within the business base. The reporting style for the 2017 survey has been modified from previous years to focus on key messages and major difference by year, business age, size, sector and location (where possible).

5.1 Business Growth

5.1.1 Changes in turnover in the previous and next 12 months

All respondents were asked to indicate how their business's turnover had changed in the previous 12 months and also how they felt it would change over the next 12 months and responses are summarised below.

Figure 21. Change in turnover in previous and next 12 months



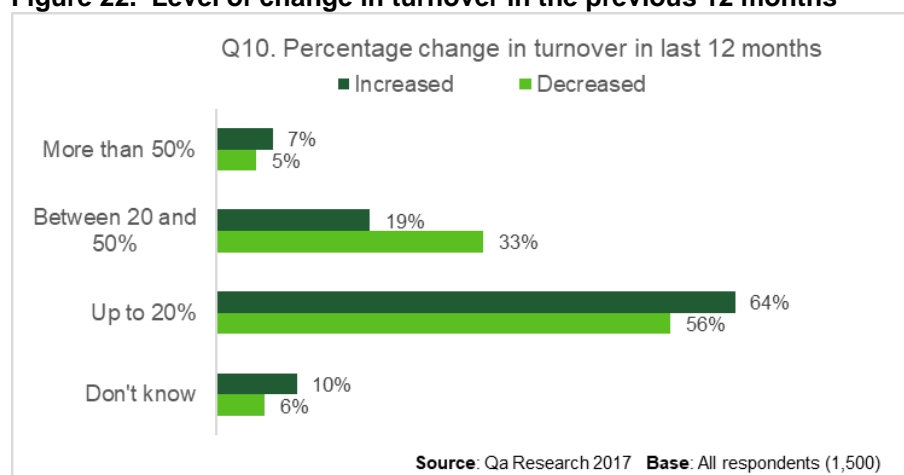
We found:

- Just over one-third (36%) of respondents report that turnover increased in the previous 12 months, whilst a higher proportion (45%) are anticipating an increase in the next 12 months.
- 37% for business indicated that turnover remained the same and 40% expect it to do so in the next year.
- Just over one in five firms (22%) indicated that turnover had declined in the previous year though only 8% are expecting turnover to decline in the next 12 months.
- As last year, these results indicate that businesses are generally more optimistic about the future compared with what they experienced in the previous year.

Respondents that indicated that turnover had either increased or decreased over the previous 12 months were asked to indicate by how much. The findings, shown in Figure 22, indicate the following:

- 7% of firms that increased turnover in the last year did so by over 50% whilst a further 19% increased turnover by between 20% and 50%.
- The majority of firms (64%) that increased turnover did so by up to 20%.
- A similar pattern is observed for firms that experienced a reduced turnover in the last 12 months, though the proportion experiencing a decrease of between 20% and 50% was higher than amongst firms that have grown.

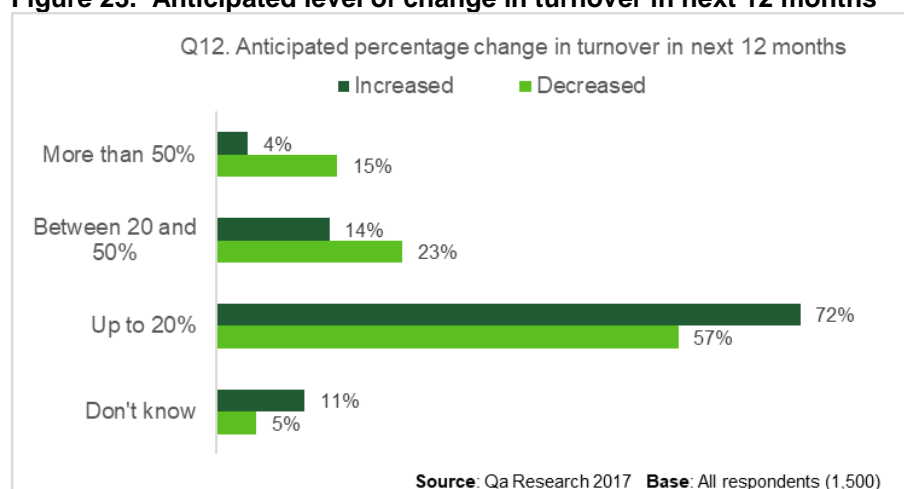
Figure 22. Level of change in turnover in the previous 12 months



Similarly, those respondents that indicated that they expect turnover to either increase or decrease over the next 12 months were asked to indicate by how much. The findings, presented in Figure 23, indicate the following:

- Very few firms (4%) anticipate increases in turnover about 50% whilst a larger proportion of those anticipating a decrease (15%) believe that this decrease will be above 50%.
- 14% of firms anticipating an increase believe this will be growth between 20% and 50%.
- The vast majority of firms anticipating growth (72%) expect it to be up to 20% on this year's turnover.
- There is a concerning level of pessimism amongst firms that anticipate a decrease in turnover, with 15% expecting this to be at least 50% of turnover and a further 23% expecting a decline of between 20% and 50%.

Figure 23. Anticipated level of change in turnover in next 12 months



5.1.1.1 Variations within the data






This section presents variations in the data through time and by four key characteristics: sector, size, age and location. Some of the results are presented in the figures below, which along with other analysis support the following key findings:

- Time-series: Whilst the period 2012 to 2016 indicated a general upward trend both in actual performance and optimism about future years, that trend has been halted in the 2017 survey, where the four key indicators of growth and optimism have decreased since 2016: the proportion of firms reporting turnover growth, the proportion reporting

employment growth, the proportion anticipating future turnover growth and the proportion anticipating future employment growth (see Figure 24).

- **Sector:** The Business, Financial and Professional Services sector had the largest proportion of respondents reporting an increase in turnover in the last 12 months (46%) and a third of the Construction sector (33%) reported a decrease in turnover. When comparing responses from firms in the two sub-sectors, there is a significant difference in the proportion of respondents reporting a decrease in turnover with 37% of the Advanced Engineering sector compared to 17% of Digital firms.
- **Size:** Almost half of firms employing between 11 and 49 reported an increase in turnover in the last year (48%), followed by those employing 50 and above (40%) with a third of small firms employing between 1 and 10 reporting an increase. Small firms are also more likely to report a decrease in turnover in the last year (25%) than either of the other two size bands. The largest firms are most likely to have reported that turnover stayed the same (44%), but these are also the most optimistic about the future, with 55% expecting turnover to increase in the next year.
- **Age:** The youngest firms (up to 3 years old) have performed better in turnover terms than older firms; almost one half (49%) report an increase in turnover. They are also the most optimistic, with 67% of firms expecting turnover to increase in the next 12 months. The oldest firms perform least well with 39% of firms reporting an increase.
- **Location:** The profile of past turnover performance is relatively consistent across all ten Greater Manchester (GM) districts, although businesses in Salford were significantly more likely to report an increase and businesses in Wigan and Bolton were significantly more likely to report that turnover had remained unchanged. Minor differences in the proportion of businesses reporting a decrease can also be seen across the locations, with Rochdale reporting the highest proportion (25%). Businesses in Bury are most optimistic about the coming year, with 53% of firms anticipating that turnover will increase.

Figure 24. Time-Series: Change in turnover in next 12 months and anticipated change in next 12 months

Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Change in turnover in last 12 months (Q9)						
Increased	35%	35%	43%	50%	36%	
Stayed the same	34%	32%	34%	26%	37%	
Decreased	26%	23%	18%	19%	22%	-
Don't know	5%	9%	5%	4%	5%	-
Change in turnover in next 12 months (Q11)						
Increase	43%	50%	53%	57%	45%	
Stay the same	39%	33%	34%	30%	40%	
Decrease	11%	7%	7%	6%	8%	
Don't know	6%	10%	6%	7%	7%	-
Base: All respondents	2,425	1,224	2,161	1,403	1,500	

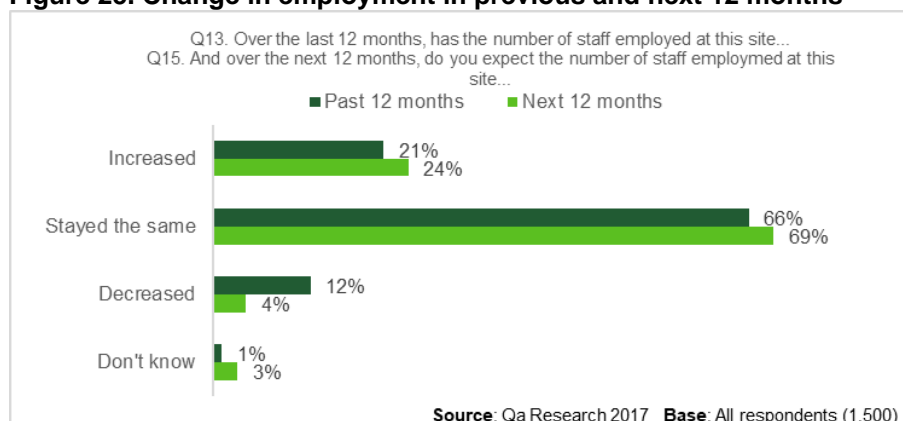
Source: Qa Research 2017

5.1.2 Changes in employment in the previous and next 12 months

A similar analysis of past and potential future trends in employment has been undertaken, as shown in Figure 25 below. This indicates that:

- Just over one fifth of firms (21%) report an increase in employment in the previous 12 months, whilst almost one quarter (24%) are anticipating increasing employment in the coming year.
- The majority of firms (66%) reported that employment had remained stable in the last year.
- Just over one in ten businesses (12%) reported a decrease in employment whilst 4% are anticipating that employment will decline in the next 12 months.

Figure 25. Change in employment in previous and next 12 months



Other key findings are as follows:

- 9% of firms that had reported an increase in employment indicated that it had increased by more than 50% in the last year, though 19% of firms who had expressed a decrease indicated that it was of this scale.
- 70% of firms had experienced an increase in employment stated that the growth had been up to 20%, compared to 57% of firms that indicated a decrease in employment.
- When looking forward businesses that anticipate an increase in employment are most likely to expect it to grow by up to 20% (60%), whilst 21% expect it to grow between 20 and 50% and a further 17% expected to grow by more than 50%. Firms are anticipating a decrease in the next 12 months are more pessimistic, with 26% of such firms expecting that the decrease will be by more than 50%.

5.1.2.1 Variations within the data

This section presents variations in the data through time and by four key characteristics: sector, size, age and location. The main findings are as follows:

- Time-series: There had been a significant fall in respondents who have increased employment in the last 12 months from 31% in 2016 to 21% in 2017. This trend looks set to continue as there has also been a significant fall in those who are planning to increase staff levels in the next 12 months from 35% in 2016 to 24% in 2017.
- Sector: The sectors with the highest proportion of firms reporting employment growth in the past year were Creative and Digital (29%) and Health and Social Care and Health Innovation (31%). The Retail and Wholesale sector had the highest proportion of firms reporting a decrease in the past 12 months (17%). In terms of plans for the next 12 months, the Business, Financial and Professional Services sector had the highest proportion of firms planning to increase employment (32%) as well as decrease employment (7%).
- Size: The smallest firms (employing up to 10 people) are least likely to have reported an increase in employment in the last 12 months (16%) when compared to those employing 11 to 49 (41%) and 50 or more people (40%). This trend is maintained when looking at plans for the next 12 months with only 20% of the smallest firms planning to increase employment compared to those employing 11 to 49 (36%) and 50 or more people (40%).
- Age: The oldest firms (aged 11 or more years) are least likely to have experienced employment growth in the last year (17%) compared to firms aged up to 3 years (31%) and 3 to 10 years (27%). The youngest firms (aged up to 3 years) are least likely to have seen a fall in employment (1%). These new firms are also most likely to be planning an increase in employment in the next 12 months (39%).
- Location: Firms in Salford were significantly more likely to have increased employment in the last 12 months (37%). The areas with the highest level of falls in employment were Wigan where nearly one in five firms (19%) said they had decreased employment and Bolton (17%). In terms of future employment growth, Salford was the local authority area that was significantly most likely to be planning to increase jobs (32% of firms).

Figure 26. Time-Series: Change in employment in next 12 months and anticipated change in next 12 months

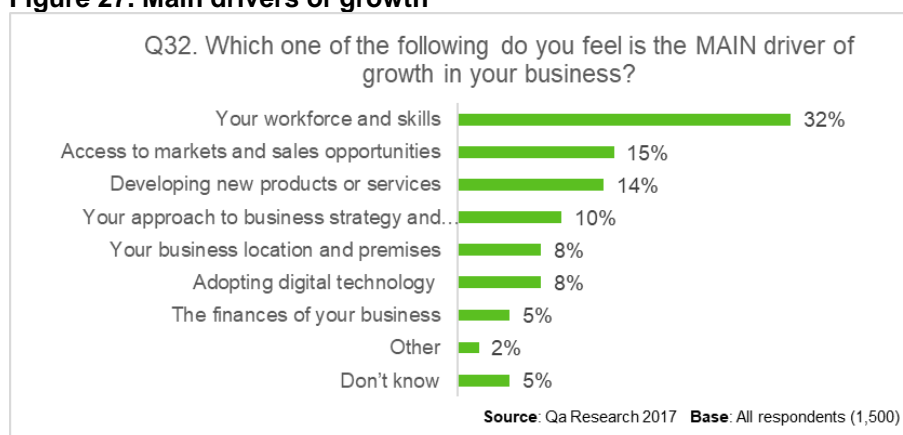
Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Changes in number of staff employed at site in last 12 months (Q13)						
Increased	17%	22%	26%	31%	21%	↓
Stayed the same	68%	63%	62%	57%	66%	↑
Decreased	15%	15%	11%	11%	12%	-
Don't know	<1%	1%	<1%	1%	1%	-
Changes in number of staff employed at site in next 12 months (Q15)						
Increased	21%	25%	30%	35%	24%	↓
Stayed the same	69%	66%	64%	58%	69%	↑
Decreased	6%	5%	4%	3%	4%	-
Don't know	3%	3%	2%	4%	3%	-
Base: All respondents	2,425	1,224	2,161	1,403	1,500	

5.1.3 Drivers of growth

The survey asked firms to identify their top drivers of, and barriers to, growth. The question wording and structure was changed in 2017 to improve the flow and efficiency of the questionnaire. Businesses were asked about the main driver of growth whereas in the past they have identified the three main barriers. This means that the time-series data for drivers of growth is not consistent and therefore not commented on here.

Figure 27 indicates that, generally, the main drivers identified were a mix of both internal (i.e. operational or strategic) elements of the business and external factors. The key driver identified was their company's *workforce and skills* (32%). This driver is significantly more likely to be cited than any other driver. The second and third most important drivers are *access to markets and sales opportunities* (15%) and *developing new products and services* (14%).

Figure 27. Main drivers of growth



5.1.3.1 Variations within the data

Not time-series data for drivers for growth exists as the question has been fundamentally changed. This section therefore presents variations in the data across four business characteristics of sector, size, age and location. The key messages are as follows;

- Sector: Businesses in the creative and digital sector (26% against an average of 15%), logistics (26%) and construction (22%) were significantly more likely to identify *access to markets and sales opportunities* as the main driver of growth. *Developing new products and services* is significantly more a driver of growth in manufacturing (26% against 14%).
- Size: *Workforce and skills* is a significantly more important driver of growth for firms employing between 11 and 49 staff (39% against 32% on average). Large firms employing

50 or more are significantly more likely to identify their *approach to business strategy and planning* as the key driver (20% against 10%).

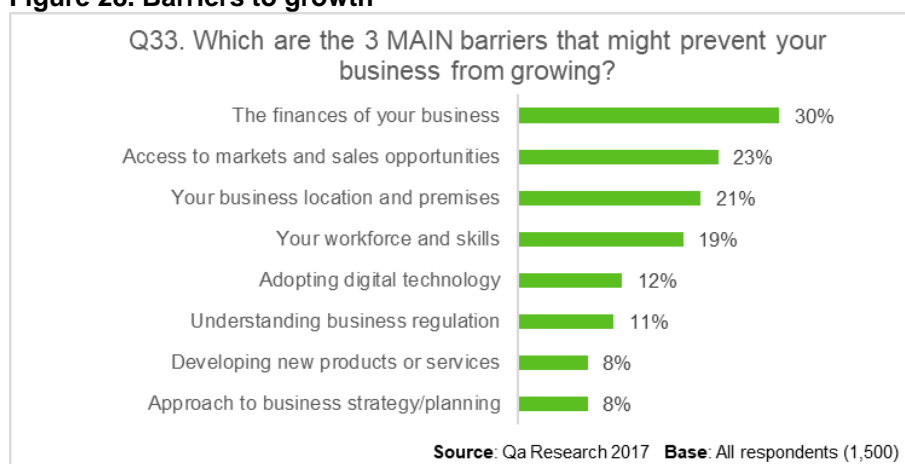
- Age: The youngest firms, which have been trading up to 3 years (19%) and those that have been trading between 3 and 10 years (19%) are significantly more likely to identify access to markets and sales opportunities as their key driver of growth compared to firms that have been trading for more than 10 years (13%).
- Location: Firms in Trafford were significantly more likely to identify their *workforce and skills* as the main driver of growth for their business 40% against an average of 32%). Firms in Manchester (14% against an average of 8%), Salford (13%) and Bolton were significantly more likely to identify their firms' *location and premises* as the key driver of growth.

5.1.4 Barriers to growth

Businesses were also asked to identify the three main barriers to growth for their business. The key findings are set out in Figure 28 as follows:

- The most commonly identified barrier to growth is the finances of the business (cited by 30% of firms).
- Almost one quarter of firms (23%) identify access to markets and sales opportunities as a barrier to growth.
- Around one fifth of firms (21%) identify their business location and premises as a barrier.
- Around one fifth (19%) state that their workforce and skills within it are a barrier to growth.

Figure 28. Barriers to growth



5.1.4.1 Variations within the data

This section presents variations in the data relating to barriers to growth through time and across the four key characteristics of sector, size, age and location. The results for the time series are presented in the Figure 29 below.

- Time-series: Over the last 12 months two of the main barriers to growth reported by respondents have increased significantly, specifically poor business location (cited by 21% in 2017, an increase from 10% in 2016) and the finances of the business (identified by 30% in 2017, up from 22% in 2016). The number of respondents identifying lack of staff or skills as a main barrier to growth decreased significantly from 30% in 2016 to 19% in 2017.
- Sector: Business finances were significantly more of a barrier in manufacturing (37% of businesses against 30% on average). Access to sales opportunities were significantly more of a barrier for logistics (41% against an average for GM of 23%), *manufacturing* (37%) and *business finance and professional services* (33%). Location and business premises was a significantly more important barrier for businesses in *hospitality, tourism and sport* (34% against 21%).

- Size: Firms in the 11-49 (38%) and 50+ (35%) size bands are significantly more likely than micro firms (16%) to identify *their workforce and skills* as one of the three main barriers to growth.
- Age: The youngest firms, which have been trading up to 3 years, are significantly more likely to identify *access to markets and sales opportunities* as a barrier to growth 32% against an average of 23%). They are also significantly more likely to identify the *finances of their business* (37% against 30%).
- Location: There are a number of minor variations in the data across the local areas but no truly significant differences in the main barriers to growth.

Figure 29. Time-Series – Main barriers to growth

Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Three main barriers to growth (Q33)						
Access to markets and sales opportunities	N/A	27%	24%	27%	23%	↓
The products and services your company provides	N/A	12%	10%	11%	8%	↓
Accessing finance (2015) / Need for finance in your business (2013-14)	N/A	28%	22%	22%	30%	↑
Low levels of productivity	N/A	14%	10%	8%	N/A	-
Inadequate business strategy or planning	N/A	14%	11%	12%	8%	↓
Lack of staff or skills	N/A	24%	24%	30%	19%	↓
Poor business location and premises	N/A	14%	13%	10%	21%	↑
Access to transport	N/A	14%	9%	9%	N/A	-
Access to superfast broadband	N/A	N/A	11%	14%	N/A	-
Lack of a strong local supply chain	N/A	N/A	7%	8%	N/A	-
Base: All respondents	2,425	1,224	2,161	1,403	1,500	

Source: Qa Research 2017

5.2 Training and apprenticeships

This section explores businesses' approach to providing training and offering apprenticeships.

5.2.1 Training

All businesses were asked if they had provided their staff with any training in the past year, either delivered by their own staff or by an external training provider. The responses received are summarised below (see Figure 30) and this indicates that:

- The majority of respondents (68%) had provided some staff training, with just over half using their own staff to deliver that training.
- Almost a third of respondents had not provided any training in the last 12 months and a large majority of these had no training plan or budget.

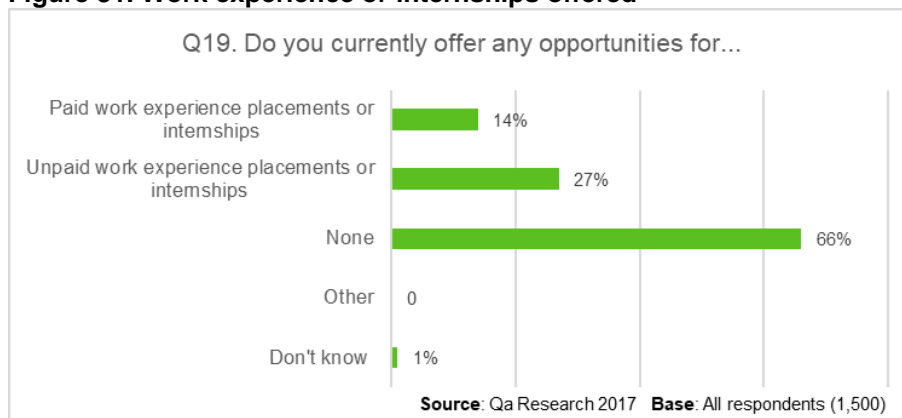
Figure 30. Training provision in the last 12 months



Respondents were also asked about placement or internship opportunities offered by their business, either paid or unpaid. Figure 31 indicates that:

- Unpaid placement or internships are offered by just over a quarter of respondents (27%) and only a small proportion (14%) of respondents offered paid placements or internships.
- The majority of businesses do not offer any placement or internship opportunities (66%).

Figure 31. Work experience or internships offered



5.2.1.1 Variations within the data

This section identifies variations in the data regarding work experience and internships through time and by four key characteristics: sector, size, age and location. The main findings are as follows:

- **Time-series:** There has been a significant increase in respondents who haven't provided any training in the past 12 months and do not have a training plan or budget, from 15% of respondents in 2013 to 27% in 2017.
- **Sector:** Almost all firms in the Health and Social Care and Health Innovation sector (96%) and Hospitality, Tourism and Sport sector (92%) had provided training in the last 12 months. Construction had the highest proportion of respondents reporting that they hadn't provided any training and had no training plan or budget (45%). The Health and Social Care and Health Innovation sector also had the highest proportion of respondents that offered work experience placements and internships (47%). Almost all of the Logistic sector stated that they did not offer work experience placements and internships (93%).
- **Size:** Almost all employers with 11 or more employees had provided training in the last 12 months with 97% and 98% of employers in the 11-49 and 50+ bands having done so. This compares to a smaller proportion of smaller employers (59%) who employ 1 to 10 people that had provided training in the last 12 months. Larger employers were also much more likely to offer placements or internships than those employing 1 to 10 staff.
- **Age:** Respondents from newer firms (aged up to 3 years) were significantly more likely to have provided no training and have no training plan or budget (36%) than older firms.
- **Location:** Across the local authorities covered by this survey, respondents based in Trafford were significantly more likely to have provided training in the last 12 months with 83% having done so. Conversely, Bury was the local authority with the most respondents that had provided no training in the last year and had no training plan or budget (53%).

Figure 32. Time-Series: Training and work experience

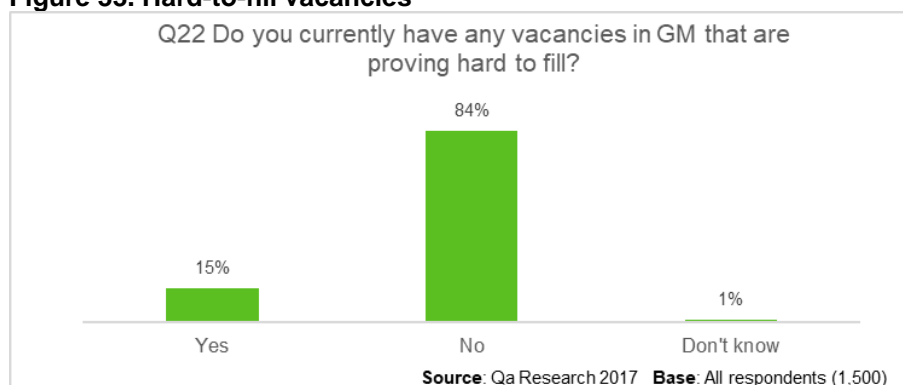
Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Provided staff training in the last 12 months (Q17)						
Yes, provided internally by own staff (Internal Training)	44%	71%	64%	56%	55%	-
Yes, by an external training provider (External Training)	41%	39%	46%	51%	45%	-
No training provided, but do have a training plan/budget	40% - answering 'None'	6%	8%	5%	4%	-
No training provided, and do not have a training plan/budget in place		15%	14%	20%	27%	↑
Don't know/refused	-	<1%	1%	2%	1%	-
Currently offer any opportunities for... (Q19)						
Paid work experience placements or internships	N/A	N/A	17%	17%	14%	-
Unpaid work experience placements or internships	N/A	N/A	25%	25%	27%	-
Other	N/A	N/A	N/A	1%	-	-
None	N/A	N/A	41%	66%	66%	-
Don't know	N/A	N/A	27%	1%	1%	-
Base: All respondents	2,425	1,224	2,161	1,403	1,500	

Source: Qa Research 2017

5.2.2 Hard-to-fill vacancies

The survey found that 15% of respondents had vacancies that were proving to be hard to fill.

Figure 33. Hard-to-fill vacancies



5.2.2.1 Variations in the data

This section presents variations in the data in terms of hard-to-fill vacancies through time and by four key characteristics: sector, size, age and location. The key findings are as follows:

- Time-series: There has been a small increase in the proportion of firms that state they have vacancies that are hard to fill, up from 14% in 2016 to 15% in 2017.
- Sector: The Health and Social Care and Health Innovation sector had the highest proportion of respondents that reported that they have hard-to-fill vacancies (27%) and the Creative and Digital sector had the least (7%). Of the two subsectors, Advanced Manufacturing reported significantly more hard-to-fill vacancies than Digital with 17% compared to 5%.
- Size: The proportion of firms indicating that they have hard-to-fill vacancies increases with size: 11% of small firms (1 to 10 employees) indicate they face this challenge, as do 25% of firms employing between 11 and 49 staff and 40% of firms employing 50 or more.
- Age: The proportion of firms that report hard-to-fill vacancies is significantly higher for firms that have been in existence for 11 years or more (16%) than for those firms that have been trading for between 3 and 10 years (11%). In addition, 17% of the youngest firms report this challenge.
- Location: Hard-to-fill vacancies are more prevalent in Wigan (25% of respondents) and Manchester (17%), whilst they are least prevalent in Bury (9%) and Salford (10%).

5.2.3 Apprenticeships

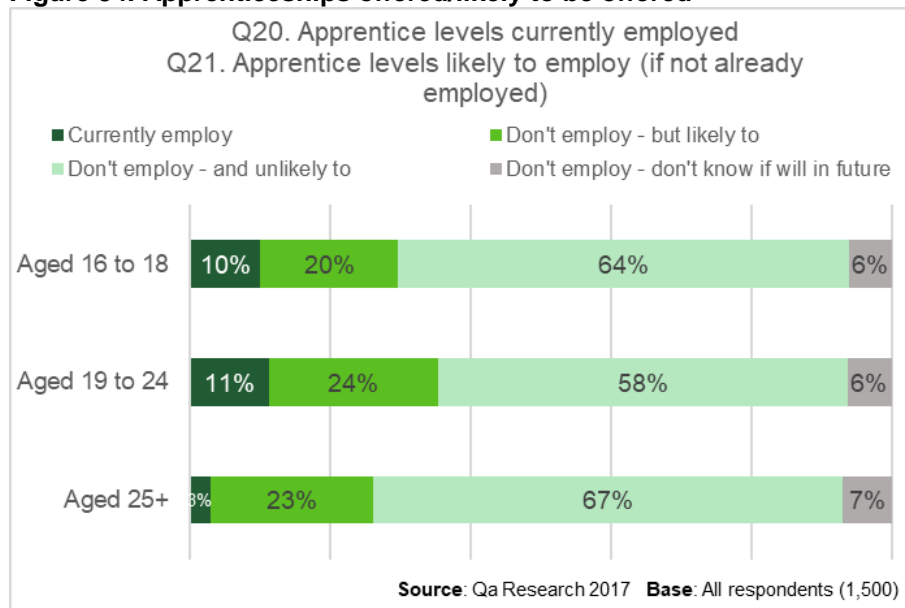
The survey asked a series of questions regarding current provision of apprenticeships and future plans, structured by apprentice age. Overall, 18% of businesses in Greater Manchester provide apprenticeships; this figure has declined from 22% in 2016 and represents a reversal of the growth trend seen in the survey data from 2014.

Investigating this subject in more detail,

Figure 34 indicates that:

- 10% of firms currently employ apprentices aged 16 to 18, whilst 11% employ apprentices aged 19 to 24. The proportion of firms employing older apprentices (25 and over) is considerably lower, at 3%.
- The proportion of firms likely to employ apprentices in the future is higher than the proportion currently doing so in each age category.
- The proportion of firms planning to offer apprentices is highest for the 19 to 24 age group (24%), suggesting that apprenticeship opportunities may be more readily available for candidates in this age bracket in the future.
- Interest in providing apprenticeships for those aged 25+ is high especially given that the proportion of firms actually providing such opportunities currently is relatively low (3%).

Figure 34. Apprenticeships offered/likely to be offered



5.2.3.1 Variations within the data

This section presents variations in the data regarding the current and planned provision of apprenticeships through time and by four key characteristics: sector, size, age and location. The key findings are as follows:

- Time-series: Figure 35 indicates that there has been a decline in the proportion of firms currently employing apprentices in each of the three age groups. This does not necessarily indicate that the overall number of apprentices is down, however, as this simply addresses the proportion of firms employing apprentices and not the overall number. Looking forward, we also see that the proportion of firms that are likely to employ apprentices in the future is lower in 2017 than in 2016 for all age groups.
- Sector: There are variations across the sectors in terms of the provision of apprenticeships. The Hospitality, Tourism and Sport sector had the largest proportion of respondents that do employ apprentices (32%) and the Construction sector had the largest proportion of firms that didn't employ apprentices (76%). The provision of apprenticeships differs within the sub-sectors as the Digital sector has a significantly larger proportion of firms that employ apprentices (40%) than those in the Advanced Manufacturing sector (22%).
- Size: Large firms are most likely to employ apprentices with 44% of those employing more than 50 doing so, with a further 33% of firms employing between 11 and 49 employees currently employing apprentices. The proportion of firms employing apprentices is lowest in small firms employing between 1 and 10 staff (13%).
- Age: The proportion of firms employing apprentices is consistent across the age groups.
- Location: the proportion of firms employing apprentices is highest in Trafford (24%), Wigan (24%) and Bolton (21%). It is lowest in Manchester (14%) and Salford (15%).

Figure 35. Time-Series: Apprenticeships

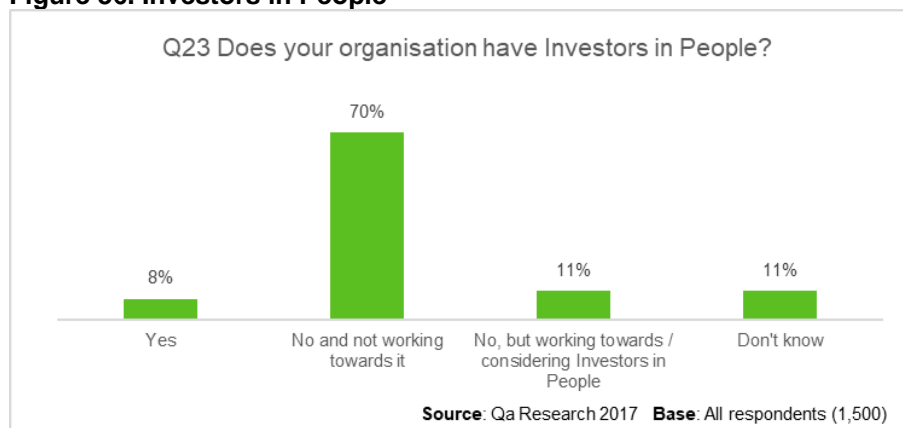
Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Employ apprentices (Q20/Q21)						
Aged 16-18						
Currently employ	9%	9%	10%	11%	10%	-
Don't employ but likely to	28%	Unavailable	27%	23%	20%	↓
Don't employ and unlikely to	58%	Unavailable	58%	58%	64%	↑
Don't employ and don't know if will in future	6%	Unavailable	5%	9%	6%	↓
Aged 19-24						
Currently employ	12%	11%	12%	14%	11%	↓
Don't employ but likely to	32%	Unavailable	29%	28%	24%	↓
Don't employ and unlikely to	50%	Unavailable	54%	49%	58%	↑
Don't employ and don't know if will in future	6%	Unavailable	5%	9%	6%	↓
Aged 25+						
Currently employ	6%	3%	4%	4%	3%	-
Don't employ but likely to	33%	Unavailable	29%	24%	23%	-
Don't employ and unlikely to	55%	Unavailable	61%	62%	67%	↑
Don't employ and don't know if will in future	6%	Unavailable	6%	10%	7%	↓
Base: All respondents	2,425	1,224	2,161	1,403	1,500	

Source: Qa Research 2017

5.2.4 Investors in People

The 2017 survey found that 8% of firms in Greater Manchester hold Investors in People (IiP) status, with a further 11% working towards achieving this status.

Figure 36. Investors in People



5.2.4.1 Variations in the data

When we examine the responses regarding investors in people in more detail and in particular through time and by key characteristics, we find:

- Time-series: the proportion of firms holding IiP status appears to have declined from 13% in 2016 to 8% in 2017. However, the 2016 results may have been influenced (and potentially inflated) by the structure of the sample, in that a higher proportion of Business Growth Hub customers were interviewed to overcome challenges in acquiring the necessary responses.
- Sector: Firms in the Health and Social Care and Health Innovation sector were most likely to hold IiP status (25%) and those in the Construction sector were most likely to report that they did not have IiP and were not working towards it (84%).

- **Size:** The proportion of firms holding liP status increases with size; 30% of firms employing 50 or more hold liP compared to 20% of those employing between 11 and 49 and 4% of small firms (1 to 10 employees).
- **Age:** The proportion of firms aged over 3 years that hold liP (8% of those that have been trading between 3 and 10 years and 9% of those that have been trading 11 or more years) is significantly higher than the proportion of young firms (4% of those that have been trading up to 3 years).
- **Location:** The proportion of firms holding liP status is highest in Trafford (13%) and Bolton (12%).

5.3 Local area and community

Questions were asked to understand whether respondents had suffered business disruptions, were predicting impacts arising from the recent small business rates revaluation and whether they were considering relocating their business. Whilst community engagement has been a subject of the GM business survey in previous years, a newly worded question was added in 2017 which investigated policies operated by firms in relation to the relationships between businesses and the communities in which they exist as well as inclusive growth.

5.3.1 Business disruptions & continuity

The survey found that 19% of all businesses in Greater Manchester had suffered some form of business disruption in the last 12 months. Disruptions included utilities interruption (3%), absence of key staff (3%), transport and congestion issues (3%), departure of key staff (2%) and supplier failure (2%). It also showed that 2% of firms had suffered disruption related to severe weather.

5.3.1.1 Variations within the data

Examining the responses on business disruption in more detail including through time and by four key characteristics, we find:

- **Time-series:** There has been a marked and statistically significant decrease in the proportion of firms indicating that they suffered a business disruption in the last 12 months, down from 28% in 2016 to 19% in 2017.
- **Sector:** The two sectors that were most likely to have reported a business disruption in the last 12 months are Hospitality, Tourism and Sport (30%) and Retail and Wholesale (26%).
- **Size:** The proportion of firms offering a business disruption was highest amongst firms employing 50 or more staff (24%); 19% of firms employing both between 1 and 10 and those employing between 11 and 49 had suffered a disruption. Large firms are also most likely to have suffered a utilities interruption (6%), a security breach/cyber attack (4%), loss of ICT (4%) and key members of staff leaving (4%).
- **Age:** Business disruptions were more likely to be experienced by firms that have been trading for between 3 and 10 years (22%) and 11 or more years (20%) than firms up to 3 years old (12%).
- **Location:** Firms in Manchester were most likely to have experienced a business disruption (25% of firms), followed by those in Stockport (22%) and Bolton (20%).

5.3.2 Business continuity planning

We saw above that business disruptions are not uncommon, affecting 19% of all firms in the Greater Manchester area in the last year. The survey asked respondents to indicate whether they had in place plans to ensure key business functions continued in the event of a serious disruption (i.e. whether business continuity planning took place in their business). Figure 37 indicates that 54% of all firms in Greater Manchester have a business continuity plan in place.

Figure 37. Business continuity plans



Within this just over half have tested these plans whilst the other half have not. Furthermore, whilst 33% have no plans in place an additional 8% indicated that they have not considered this type of planning for their business.

5.3.2.1 Variations within the data

Examining variations in the data over time and by location, sector size and age, the survey has found:

- Time-series: As shown in Figure 38, the proportion of businesses with plans in place and tested has decreased marginally from 31% in 2016 to 28% in 2017. The proportion of firms with untested plans in place has also decreased, whilst the proportion of firms with no plan in place has increased from 29% to 33%.
- Sector: The sector with the highest proportion of firms with business continuity plans in place is Health and Social Care and Health Innovation (84%). The Construction sector had the highest proportion of firms who reported having no plans in place (56%).
- Size: Business continuity planning is significantly more prevalent in both large firms employing more than 50 (81%) and mid-size firms employing between 11 and 49 (74%) than in small firms employing between 1 and 10 (48%). Perhaps unsurprisingly it is amongst small firms that we find the highest proportion that have not considered business continuity planning (9%).
- Age: The age group with the lowest proportion of firms having business continuity plans in place is the youngest group (those trading less than three years, 48%).
- Location: Businesses located in Salford (72%), Bury (61%) and Manchester (59%) are significantly more likely to have business continuity plans in place than other locations across Greater Manchester. By contrast, the locations with the lowest proportion of firms having a business continuity plan in place are Bolton (33%) and Wigan (44%).

Figure 38. Time-Series - Business continuity planning

Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Plans in place to ensure key business functions can continue despite serious disruptions (Q28)						
Plans in place and tested	N/A	36%	39%	31%	28%	-
Plans in place but not tested	N/A	25%	25%	30%	26%	↓
No plans in place	N/A	31%	29%	29%	33%	↑
Have not considered this type of planning	N/A	3%	5%	6%	8%	↑
Don't know	N/A	6%	3%	4%	5%	-
Base: All respondents	2,425	1,224	2,161	1,403	1,500	

Source: Qa Research 2017

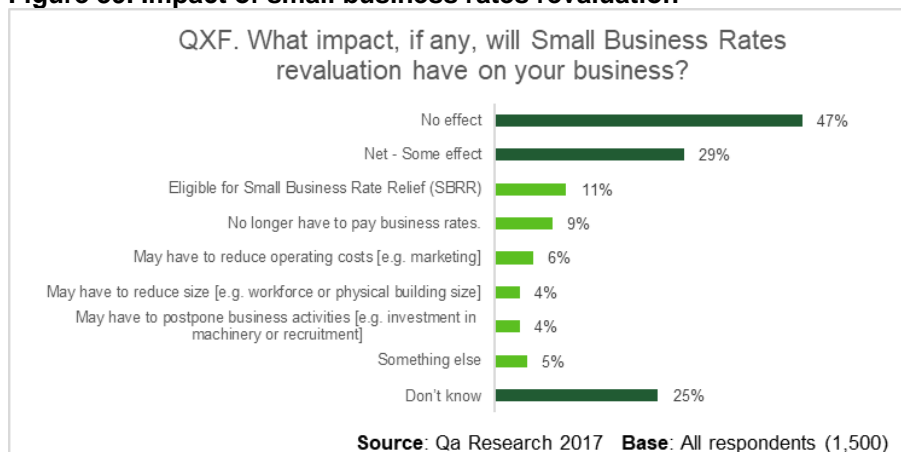
5.3.3 Impact of business rates changes

Earlier in 2017 the government announced the revaluation of Small Business Rates and the survey asked respondents to comment on the impact that this will have on their business.

Figure 39 indicates that just under half (47%) of firms indicated that the revaluation of small business rates would have no effect on their business whilst almost one third (29%) indicated that an impact would be felt. To demonstrate how uncertain the potential impacts arising from this change will be, a further one quarter (25%) of businesses in Greater Manchester do not know whether the revaluation of small business rates will have an effect on their business.

The survey also indicated range of impacts that may arise. For example, 11% of respondents indicated that they would be eligible for small business rate relief, whilst a further 9% indicated that they would no longer have to pay business rates. However, some are predicting negative impacts such as reduction in operating costs (6% of firms), the possibility of having to reduce workforce or premises size (4%) or postponing business activity such as investment (4%).

Figure 39. Impact of small business rates revaluation



5.3.3.1 Variations within the data

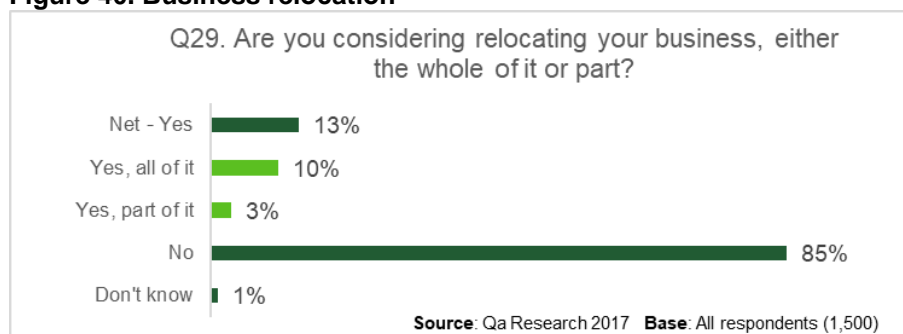
The question regarding small business rates was asked for the first time in the 2017 survey and therefore there is no timeseries to comment on. However, we can investigate differences in the perspective amongst businesses regarding small business rate revaluation by sector, size, age and location. The key findings are:

- **Sector:** The Retail and Wholesale sector had the highest proportion of firms anticipating an impact from the changes to business rates (44%). Nearly three quarters of Logistics firms (72%) expected that there would be no impact on their business from the Small Business Rates revaluation. Nearly half (44%) of firms in the Hospitality, Tourism and Sport did not know what impact the business rates changes would have on their business.
- **Size:** Given the nature of the changes to business rates, it is no surprise to see that small businesses (those employing between one and 10) the highest proportion of firms indicating that they anticipate an impact from the revaluation (31%). However, they are also more likely to be eligible for small business rate relief and to no longer have to pay business rates (13% and 11% respectively).
- **Age:** There are no major differences between firms of different ages in the response to this question.
- **Location:** A higher proportion of firms in Trafford (35%), Stockport (34%), Manchester (29%) and Rochdale (29%) are anticipating an impact on their business arising from the revaluation of small business rates. For example, businesses in Trafford are more likely to be anticipating having to reduce their operating costs and reduce their size (workforce or building) as a result.

5.3.4 Business relocation

Maintaining an environment which is attractive to businesses and that drives high business retention is clearly an important goal of policy makers. The survey enquired of businesses whether they were considering relocating their business either in part or as a whole. It found that 13% of businesses are considering relocation, and within this that 10% are considering relocating the whole of their business.

Figure 40. Business relocation



When asked to identify the reasons that relocation is being considered, the top four responses suggest a mix of positive (i.e. growth-driven) and negative (i.e. cost-cutting or scale-back) reasons:

- That current premises were too small (40% of those considering relocation)
- The cost of current premises is too high (18%)
- To gain access to new markets (7%)
- To expand their business (7%)

5.3.4.1 Variations within the data

Investigating the variations in the data regarding business relocation by time and by four key characteristics of sector, size, age and location, we have found the following:

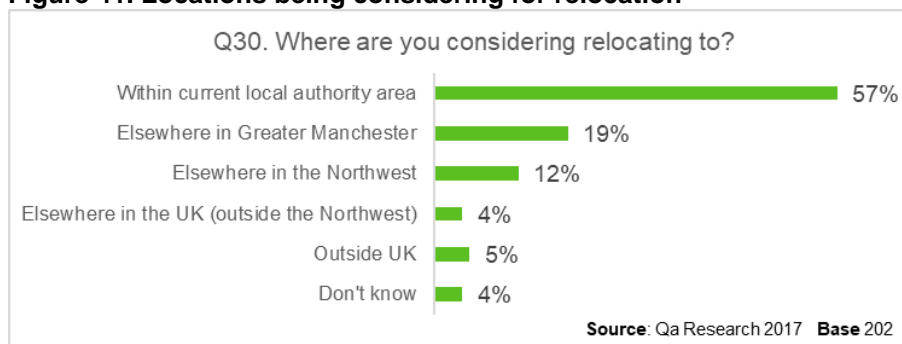
- Time-series: The number of respondents planning to relocate their business decreased significantly from 17% in 2016 to 13% in 2017.
- Sector: Firms in the Business, Financial and Professional Services sector were most likely to be planning to relocate (19%) and those in Hospitality, Tourism and Sport were least likely with 95% having no plans to relocate.
- Size: Those firms employing 11 to 49 people and 50 people or more were most likely to not have relocation plans (90% and 91% respectively) than the smallest firms employing 1 to 10 people (84%).
- Age: The main variation in relocation plans by the age of the business is demonstrated by those firms aged up to 3 years with 22% of these younger firms planning to relocate.
- Location: Respondents in Bury were the most likely to not have relocation plans (94%) and Salford was the local authority where most respondents were planning on relocating their business (21%).

5.3.5 Alternative locations being considered

Businesses considered relocating were asked to identify the locations being considered.

Figure 41 indicates that the majority of respondents (57%) indicated that they are considering remaining in the local authority area in which they are currently located. A further 19% said they were considering locations elsewhere in Greater Manchester. However, around one fifth (21%) of those considering relocating are looking at locations outside of Greater Manchester.

Figure 41. Locations being considering for relocation



5.3.5.1 Variations within the data

This section investigates the variations in the data in terms of those locations being considered for relocation by time and by four key characteristics: sector, size, age and location. The key findings are outlined as follows:

- Time-series: The main variations in where respondents were considering relocating to were a significant reduction in those considering relocation to elsewhere in Greater Manchester (33% in 2016, down to 19% in 2017) and an increase in those considering a move to elsewhere in the Northwest (5% in 2016, up to 12% in 2017).
- Sector: There were no significant variations in the data in terms of where firms were considering relocation to by sector.
- Size: Firms employing 11 to 49 people were most likely to be considering their current local authority area for relocation (70%) and firms employing over 50 people were most likely to be considering elsewhere in Greater Manchester (40%).
- Age: The youngest firms (aged up to 3 years) were most likely to be looking to relocate outside the UK with 12% considering this option.
- Location: There are no major differences between firms across the different local authorities in the response to this question.

5.3.6 Community engagement

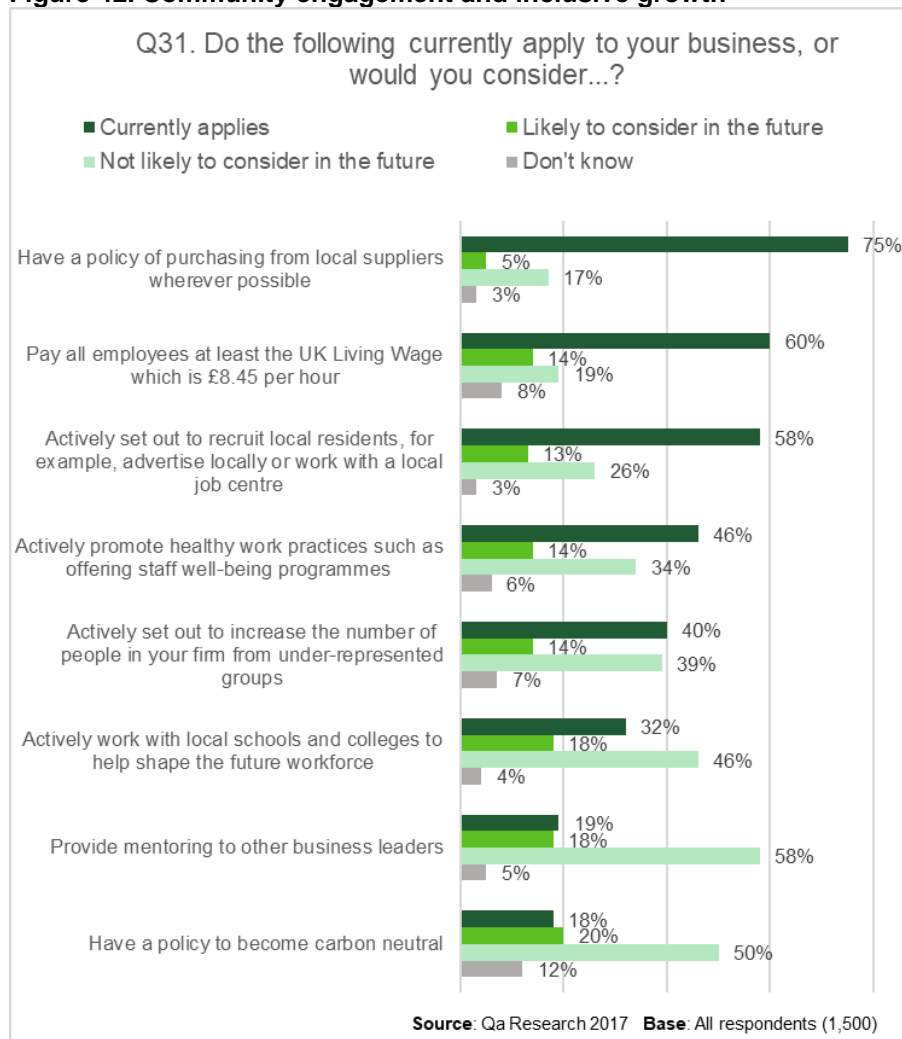
The subject of inclusive growth is becoming increasingly prominent within economic policy, with policymakers becoming increasingly aware of the disparity of opportunity that sometimes arises from growth. The role of businesses in the communities in which they reside is also a subject of increasing interest. It should be acknowledged that many GM employers are already very active and successful in delivering inclusive growth and executing their corporate social responsibilities. In order to investigate these issues, a newly worded question for the 2017 survey was devised to investigate a number of aspects of community engagement and inclusivity of growth and opportunity. The results, set out in Figure 42 below, indicate that:

- Three quarters of firms have a policy to source from local suppliers where possible (75%) and a further 5% will consider implementing such a policy in the future.
- 6 in 10 firms (60%) pay all employees at least the UK living wage and a further 14% are likely to consider doing so in the future.
- Almost 6 in 10 firms (58%) actively set out to recruit local residents and a further 13% are likely to consider doing so in future. However, notably, more than one quarter (26%) are not likely to consider this in the future. This may be driven by the nature of their workforce and the need to recruit from a wider labour market.
- 40% of businesses self-reported that they actively look to increase the number of individuals from under-represented groups in their firms with Accommodation and Food Services and Administrative, human health, arts and other activities more likely to do so (52% and 55% respectively).
- 46% of businesses self-reported that they actively promote healthy work practices such as offering staff well-being programmes with medium sized businesses (11-49 employees)

and larger firms (50+ employees) substantially more likely to offer these types of schemes (60% and 68% respectively).

- The policy which businesses are least likely to be in promoting in the future is to provide mentoring to other business leaders (58%) whilst only 19% of businesses currently implement such an approach.
- One half of all businesses (50%) are not likely to consider implementing a policy to become carbon neutral in the future.
- 32% of businesses self-reported that they actively work with schools and colleges to help shape the future workforce.

Figure 42. Community engagement and inclusive growth



When we examine these practices in combination, specifically identifying firms which pay the living wage **and undertake at least one** additional employment practice covered by this question, we find that half of firms fall into this category (50%).

5.3.6.1 Variations within the data

The underlying question was rephrased for the 2017 survey, so there is no consistent historic data against which to draw comparisons. However, when the data is examined by the four key characteristics, the following key findings emerge:

- Sector: Construction firms are most likely to have or likely to consider a policy for purchasing from local suppliers (94%). The Business, Financial and Professional Services sector had the largest proportion of firms that currently pay staff at least the Living Wage (69%). Comparing the two sectors, Digital firms are significantly more likely to mentor other business leaders (55%) than those in Advance Manufacturing (22%).

- Size: The largest firms are most likely to recruit locally with 91% of those with 50 or more staff doing so. These largest firms are also more likely to be working with local schools and colleges (61%).
- Age: The youngest firms, aged up to 3 years, are most likely to currently have a policy to become carbon neutral (29%).
- Location: Respondents based in Wigan are most likely to have a policy for purchasing from local suppliers (85%) and those based in Trafford are most likely to actively recruit local residents (67%).

Note that there is no significant variation by sector or size in the profile of businesses that pay the living wage **and undertake at least one** additional inclusive employment practice.

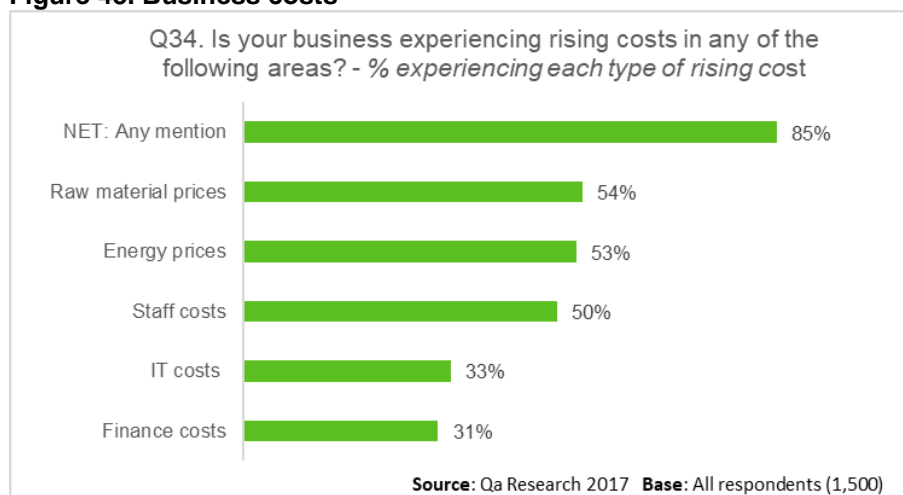
5.4 Business costs and finance

In this section we examine the subjects of business costs and finance.

5.4.1 Business costs

The survey found that 85% of firms indicated that they are experiencing rising business costs, as shown in Figure 43 below. More than one half of firms (54%) indicated that they were suffering increases in raw material prices. Just over half of firms (53%) said that they were experiencing rising energy costs and exactly one half of businesses (50%) indicated that staff costs were rising.

Figure 43. Business costs



5.4.1.1 Variations within the data

This section presents variations in the data regarding business costs by time and by four key characteristics: sector, size, age and location. The key findings are as follows:

- **Time-series:** The biggest increase in respondents experiencing rising costs was in prices for raw materials which increased from 32% in 2016 to 54% in 2017. The number of respondents citing rising finance costs increased significantly in 2017 (31%) when compared with recent years (20% in 2014 and 21% in 2016).
- **Sector:** The two sectors with the largest proportion of respondents experiencing rising costs were Retail and Wholesale (92%) and Hospitality, Tourism and Sport (91%). Firms in the Construction sector were most likely to report increases in raw material costs (81%) and almost half (47%) of Logistics firms reported increases in finance costs. The two sectors with the highest proportion citing increasing staff costs were Health and Social Care and Health Innovation (67%) and Hospitality, Tourism and Sport (67%).
- **Size:** Larger firms were more likely to report rising staff costs with 80% of those employing 11 to 49 staff and 73% that employ more than 50 people citing an increase. This compares to 42% of those employing between 1 and 10.
- **Age:** In terms of age of business the only significant variation in terms of rising business costs related to finance costs with 41% firms up to 3 years old reporting an increase in these costs compared to around a third of those that are 11 years or older.
- **Location:** Respondents in Trafford had the highest proportion experiencing rising costs (91%) and had the highest level of increasing staff costs (63%). Firms in Manchester had the highest proportion experiencing rising IT costs (38%).

Figure 44. Time-Series – Business Costs

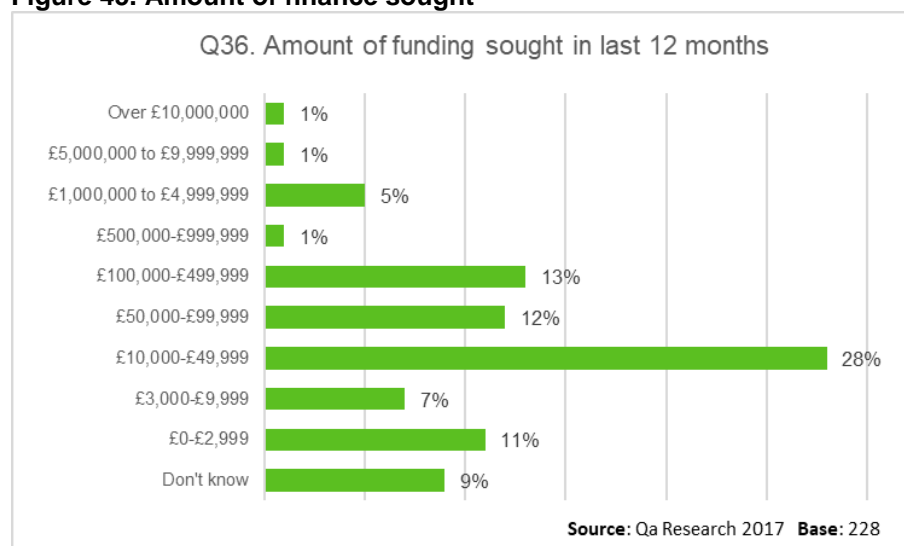
Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Is your business experiencing rising costs in any of the following? (Q34)						
Pay settlements	19%	N/A	10%	15%	N/A	-
Finance costs	37%	N/A	20%	21%	31%	↑
Raw material prices	51%	N/A	27%	32%	54%	↑
Energy prices	65%	N/A	40%	42%	53%	↑
Staff costs	41%	N/A	35%	47%	50%	-
IT costs	29%	N/A	18%	28%	33%	↑
Base: All respondents	2,425	1,224	2,161	1,403	1,500	

Source: Qa Research 2017

5.4.2 Seeking finance

When looking at barriers to growth earlier in this report, we saw that 30% of businesses identified the finances of their business to be a barrier and this was the most commonly cited barrier. The survey found that 15% of firms had sought business finance in the last 12 months, down from 17% in 2016. The survey asked firms to identify the amount of finance sought with the most common response being between £10,000 and £49,999 (28%) as shown in Figure 45 below. A total of 7% of firms that have sought finance to the value of over £1 million in the last year, higher than the proportion seeking this level of finance in 2016 (3%).

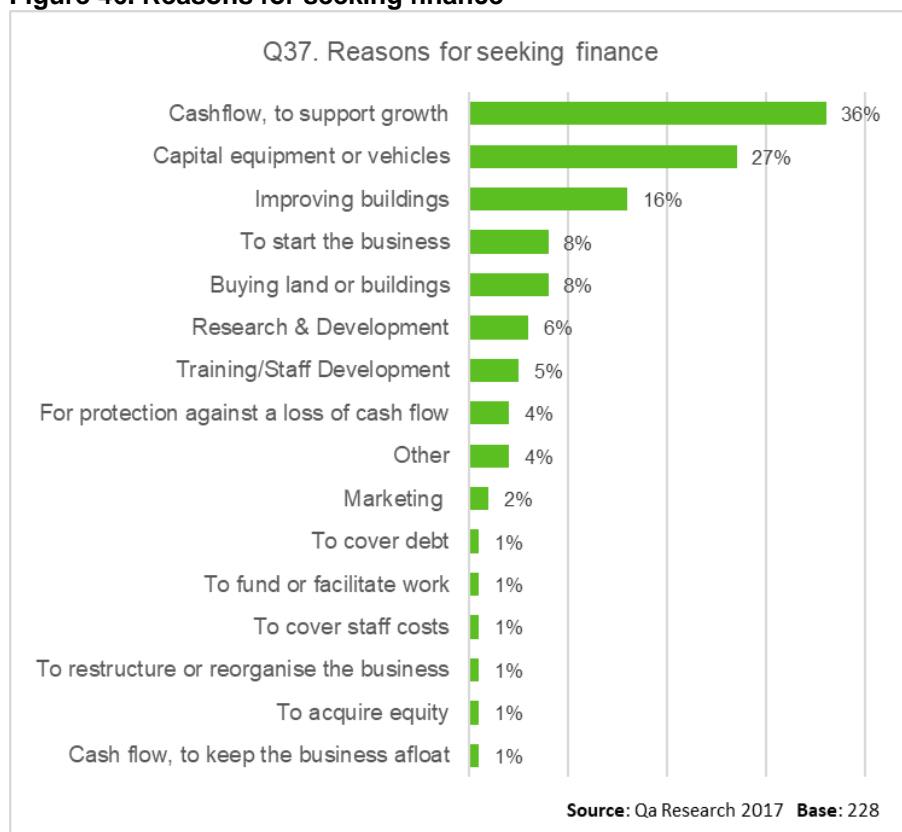
Figure 45. Amount of finance sought



5.4.3 Reasons for seeking finance

More than one third of firms (36%) stated that the reason for seeking finance was to improve cash flow to support growth. Just over one quarter of firms (27%) raised finance in order to fund capital equipment or vehicles whilst 16% did so to improve buildings.

Figure 46. Reasons for seeking finance



When asked about the difficulties experienced in arranging finance, we found that:

- One fifth of firms (21%) stated that the process was slow or long,
- 10% stated that they found the silence to be unavailable
- 9% indicated that they were unaware of where to find finance, and
- 8% found that they did not meet the funding criteria.

5.4.3.1 Variations within the data

This section identifies variations in the data relating to the reasons for seeking finance by time and by four key characteristics: sector, size, age and location. The following key findings have been observed:

- Time-series: The proportion of respondents that had sought finance for their business has not changed significantly over the last five years. In terms of the reasons finance was sought, there has been a significant decrease in those seeking finance for buying land and building, from 17% in 2016 to 8% in 2017. Significantly more respondents were seeking finance to assist cashflow in 2017 (36%) than in 2016 (27%), though not as many as in 2012 (48%).
- Sector: There are no significant differences across the sectors in relation to reasons for seeking finance.
- Size: There are no major differences between different sized firms in the response to this question.
- Age: The main significant difference in reasons for seeking finance in terms of the age of the business was in the proportion of respondents seeking it for cashflow to support growth. Over half (54%) of firms that were aged between 3 and 10 years had sought finance for cashflow to support growth compared to just under a third of firms in the less than 3 years old and 11 years or older categories.
- Location: There are no major differences between firms across the different local authorities in the response to this question.

Figure 47. Time-Series – Business Costs

Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Sought finance for business in last 12 months (Q35)						
Yes	18%	15%	15%	17%	15%	-
Base: All respondents	2,425	1,224	2,161	1,403	1,500	
Reasons for seeking finance in last 12 months (Q37)						
Cashflow, to support growth (2015/16) / Working capital, cashflow (2012-2014)	49%	37%	24%	27%	36%	↑
Capital equipment or vehicles	18%	17%	20%	26%	27%	-
Buying land or buildings	5%	2%	7%	17%	8%	↓
Improving buildings	6%	9%	9%	10%	16%	-
Research & Development	2%	3%	1%	5%	6%	-
To start the business	N/A	4%	4%	3%	8%	↑
Marketing	1%	<1%	3%	3%	2%	-
Training/Staff Development	3%	2%	2%	<1%	5%	↑
Base: All respondents who've sought finance	469	192	328	236	228	

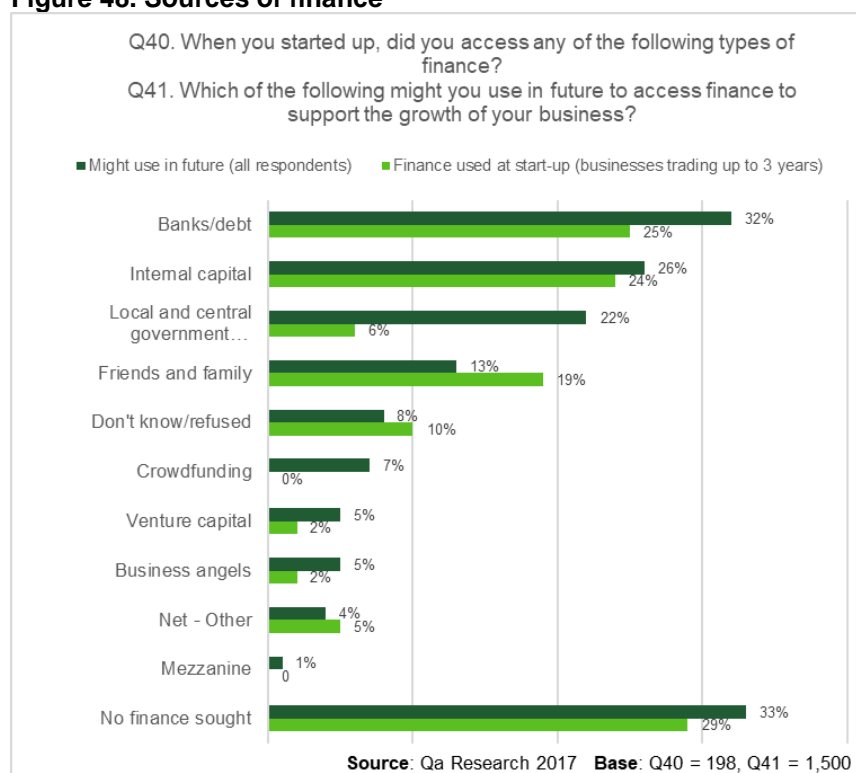
Source: Qa Research 2017

5.4.4 Sources of finance

When asked about seeking finance in the future, one third of firms indicated that they had no plans to do so (33%, the same proportion as in 2016). For those firms that may seek finance in the future, they are most likely to turn to bank or debt finance (32%, down from 36%), to use internal capital (26%, down from 34%) or to source finance from local and central government grants, loans or other funding schemes (22%, down from 28%).

Just under one third of firms (25%) sought no finance when starting up their business, whilst one quarter (25%) used bank or debt finance, (up from 16% in 2016), similar to the proportion that used internal capital (24%, down from 37%). Friends and family were a source of finance for almost one in five firms when starting their business (19%, up from 17%).

Figure 48. Sources of finance



5.4.4.1 Variations within the data

This section investigates if there are any variations in the data relating to sources of finance by four key characteristics: sector, size, age and location. The key findings are as follows:

- **Sector:** There were no real significant differences by sector in terms of sources of funding used to start the business. When looking at sources of finance that would be considered in the future, the Creative and Digital sector were most likely to consider crowdfunding (14%) and venture capital (11%) whilst Retail and Wholesale firms were most likely to consider finance from friends and family (20%). Manufacturers were most likely to consider internal capital to finance business growth (38%).
- **Size:** Larger firms with 50 or more employees (42%) were most likely to consider using banks/debt to finance business growth.
- **Age:** There are no major differences between firms of different ages in the response to this question.
- **Location:** Respondents based in Tameside were most likely to consider using banks/debt (46%) as well as local/central government grants and loan schemes (37%) to finance business growth.

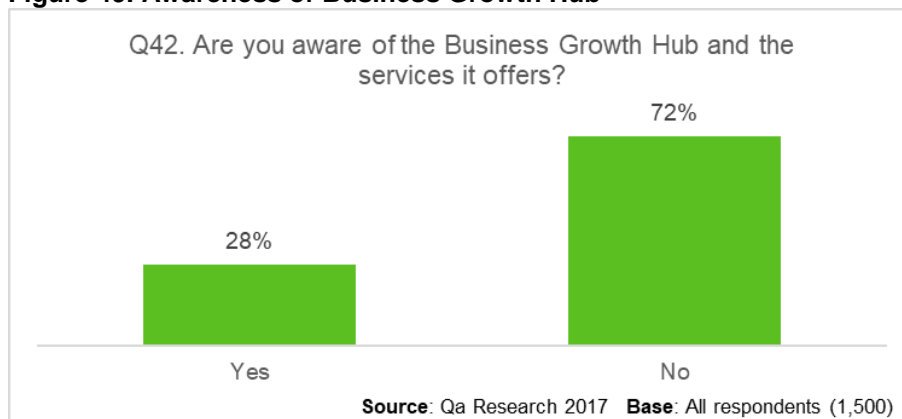
5.5 Business support

In this section we examine the awareness and use of business support and advice services amongst firms in the Greater Manchester economy.

5.5.1 Awareness of Business Growth Hub

The 2017 survey found that just over one quarter (28%) of businesses in Greater Manchester were aware of the Business Growth Hub and the services it offers.

Figure 49. Awareness of Business Growth Hub



5.5.1.1 Variations within the data

This section presents variations in the data relating to the awareness of the Business Growth Hub by four important characteristics: sector, size, age and location⁸. The key findings are as follows:

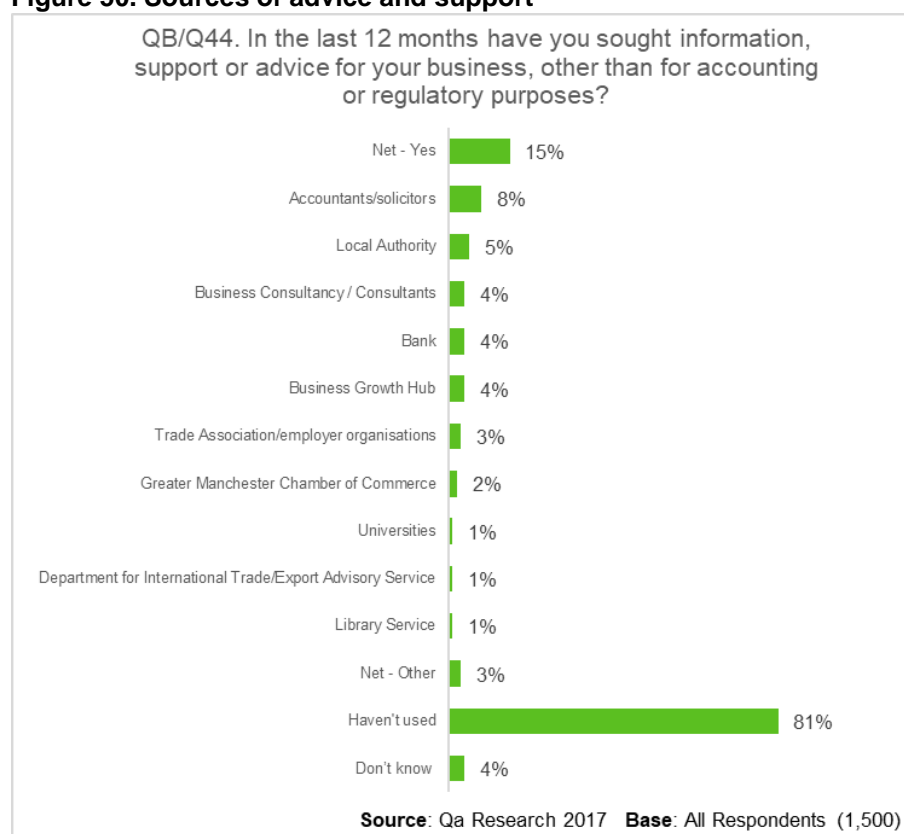
- Sector: Awareness of the Business Growth Hub was highest amongst the Creative and Digital sector (42%) and the Hospitality, Tourism and Sport sector (38%). The sectors with the lowest level of awareness are Logistics (11%) and Health and Social Care and Health Innovation (16%).
- Size: The lowest level of awareness of the Business Growth Hub was in the smallest firms that employ 1 to 10 people (25%), significantly lower than those firms employing between 11 and 49 (37%) and 50 or more (36%).
- Age: Firms that had been up and running for between 3 and 10 years had the highest awareness of the Business Growth Hub (36%) and the oldest firms that had been running for 11 or more years had the lowest (25%).
- Location: The lowest level of awareness of the Business Growth Hub is in Bolton and Salford where 81% of respondents were not aware of the Business Growth Hub. Rochdale had the highest level of awareness of the Business Growth Hub with 34% of respondents aware of its services.

5.5.2 Accessing support in the last 12 months

The survey also found that in last 12 months, 15% of businesses in Greater Manchester had sought some form of information, support or advice. Figure 50 indicates that the key sources of such information support and advice include accountants or solicitors (8%), the local authority (5%), business consultants (4%), the bank (4%) or the Business Growth Hub (4%).

⁸ Comparisons over time are not possible given changes in the sampling strategy between 2016 and 2017.

Figure 50. Sources of advice and support



5.5.2.1 Variations within the data

This section identifies variations in the data relating to accessing business support by time and by four key characteristics: sector, size, age and location. The main findings are as follows:

- Time-series: the time-series data is not consistent enough over the five surveys to be considered comparable⁹.
- Sector: The Creative and Digital sector had the highest proportion of respondents who had sought support or advice (26%). Almost all respondents in the Logistics sector (97%) stated that they hadn't accessed business support in the previous year.
- Size: There were no significant differences in accessing business support by size of business.
- Age: The proportion of respondents who have sought support appears to reduce by age of the business. Almost a quarter (23%) of firms aged up to 3 years indicated that they had sought advice or support in the last year compared to 20% of firms aged between 3 and 10 years and 12% of firms aged 11 years or more.
- Location: Respondents based in Trafford and Wigan were most likely to have sought business support, information or advice in the last year with 22% of respondents in each of these local authority areas having done so.

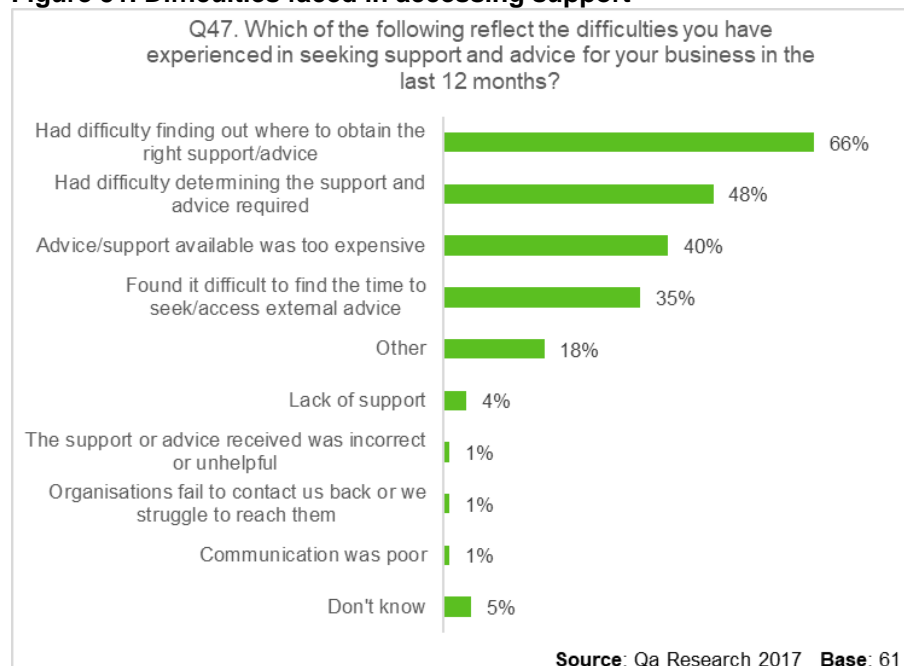
5.5.3 Challenges in seeking business support

The most common challenge faced by businesses when seeking information, support or advice is finding where to obtain the right support or advice. The survey found that almost two thirds (64%) of firms that sought advice faced this challenge, as shown in Figure 51 below. Just under one half

⁹ Due to the implementation of fundamental changes to the question structure, wording, interviewing techniques and sampling over the five surveys.

of firms (48%) stated that they had difficulty determining the type of support and advice required, whilst 40% indicated that the support/advice was too expensive.

Figure 51. Difficulties faced in accessing support



5.5.3.1 Variations within the data

This section presents variations in the data relating to difficulties in accessing business support by time and by four important characteristics: sector, size, age and location. The key findings are as follows:

- Time-series: There are no major differences in responses over time to this question.
- Sector: There were no significant differences to report by sector relating to difficulties in accessing business support.
- Size: There are no major differences in responses by size of business to this question.
- Age: The youngest firms (aged up to 3 years) were significantly more likely to experience difficulties in finding out where to obtain the right support/advice (95%).
- Location: Whilst there are some variations in the percentages with regards to where respondents are based and the difficulties they experienced in accessing business support, none of these differences are statistically significant.

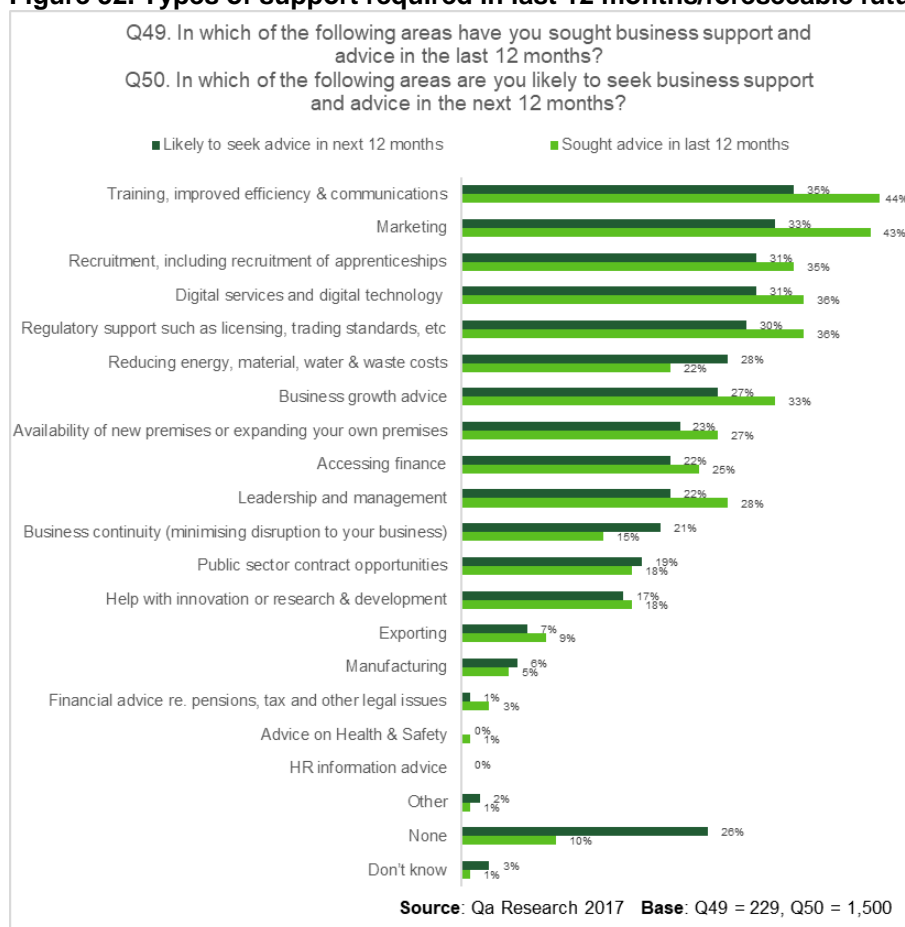
5.5.4 Types of support and advice sought

When asked about the types of business support and advice sought in the last 12 months, businesses indicated that the key areas were:

- Training, improved efficiency & communications (44% of businesses that sought advice)
- Marketing (43%)
- Recruitment, including recruitment of apprenticeships (35%)
- Digital services and digital technology (36%)
- Regulatory support such as licensing, trading standards, etc (36%)

The findings, set out in Figure 52, also indicate that these themes are also those most likely to be in demand in the coming 12 months.

Figure 52. Types of support required in last 12 months/foreseeable future



5.5.4.1 Variations within the data

This section reports on variations in the data relating to type of business support required by time and by four key characteristics: sector, size, age and location. The main findings are as follows:

- **Time-series:** Over the last 12 months the only significant change in type of business support accessed is an increase in advice on new premises or expanding current premises from 19% of respondents in 2016 to 27% in 2017. When looking at type of advice likely to be accessed over the next 12 months there has been a significant fall in almost all areas of support requirements. For example, respondents indicating they would be seeking advice on the top two issues identified above (marketing and training) decreased from 44% in 2016 to 33% in 2017 (marketing) and from 42% in 2016 to 35% in 2017 (training).
- **Location:** The support requirements by local authority do vary significantly in terms of support already accessed and likely to be sought. For example, respondents in Wigan were most likely to have accessed support for training, improved efficiency and communications in the last 12 months (72%) and those in Stockport were more likely to have accessed support on digital services and digital technology (38%).
- **Sector:** In terms of support already received, respondents in the Business, Financial and Professional Services sector were most likely to have had support relating to accessing finance (46%). Creative and Digital were more likely to have had marketing support (76%). When analysing future support requirements, these also differ by sector. Manufacturers were more likely to state they are likely to seek advice and support with exporting (18%) and innovation, research and development (29%) whilst respondents in the Retail and Wholesale sector were most likely to require support relating to reducing energy, water and waste related costs. The Creative and Digital sector had the largest proportion of firms likely to seek advice on business growth (27%).

- **Size:** The support requirements and plans by size of firm also vary. For example, mid-size firms (11 to 49 employees) are more likely than smaller firms to have accessed advice on training in the last 12 months (59% compared to 39%). Mid-size firms are also more likely to be planning to access marketing support in the next 12 months than larger firms (37% compared to 24%).
- **Age:** The youngest firms (aged up to 3 years) were most likely to have accessed support with recruitment in the last 12 months (51%) and firms aged between 3 and 10 years were most likely to have accessed support on leadership and management (43%) and business growth (49%).
- **Location:** The support requirements by local authority do vary significantly in terms of support already accessed and likely to be sought. For example, respondents in Wigan were most likely to have accessed support for training, improved efficiency and communications in the last 12 months (72%) and those in Stockport were more likely to have accessed support on digital services and digital technology (38%).

5.5.5 Regulatory advice

Businesses use a wide variety of sources for advice on regulatory matters, as demonstrated by Figure 53. The three most commonly accessed are:

- Trade Associations/Federation of Small Businesses/ Chamber (16% of all firms)
- Government Department website (e.g. Food Standards Agency, HSE) (11%)
- Telephone or email to a Council officer (e.g. Trading Standards) (10%)

Figure 53. Sources of regulatory advice



5.5.5.1 Variations within the data

This section identifies any variations in the data relating to sources of regulatory advice required by four important characteristics: sector, size, age and location. This was the first year respondents were asked this question so there is no time series data available. The key findings are as follows:

- **Sector:** The sources of advice referred to did vary by sector. For example, firms in the Health and Social care and Health Innovation sector were most likely to have referred to a trade association, Federation of Small Businesses or Chamber of Commerce (27%) and Manufacturers were most likely to have used a Government department website for regulatory advice (17%).
- **Size:** There were significant differences in where respondents went for regulatory advice in terms of size of business. Those firms that employ between 1 and 10 people were most likely to use Google (8%) and the largest firms employing 50 or more were the least likely to call or e-mail the council (3%).
- **Age:** The main significant difference in terms of age of the business and where they went to for regulatory advice was that the youngest firms (aged up to 3 years) were more likely to call or e-mail the council (16%).
- **Location:** There are distinctive differences between the sources of advice referred to by respondents in the different local authorities. For example, respondents in Trafford were most likely to telephone or e-mail the council (24%) and those in Tameside were most likely to contact a trade association, Federation of Small Businesses or Chamber of Commerce (29%).

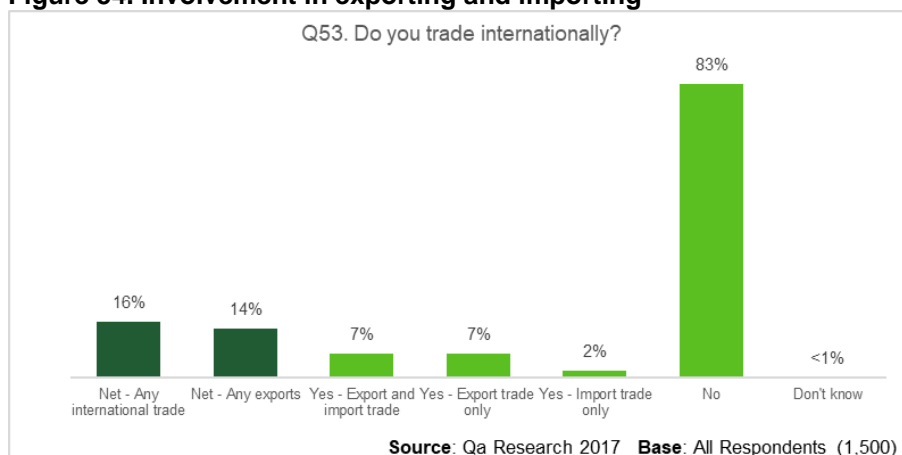
5.6 International trade

This section examines the levels and characteristics of international trade amongst the Greater Manchester business population.

5.6.1 Current levels of international trade

Figure 54 summarises the proportion of businesses involved in international trade. It shows that 16% of firms in Greater Manchester are engaged in some form of international trade, with 14% involved in exporting and 9% involved in importing.

Figure 54. Involvement in exporting and importing



The survey also found that 3% of non-exporting businesses have plans to develop export trade links in the next 1-2 years.

5.6.1.1 Variations within the data

This section presents variations in the data relating to international trade by time and by four key characteristics: sector, size, age and location. The main findings are outlined as follows:

- **Time-series:** The proportion of respondents that trade internationally over recent years had increased from 20% in 2012 to 24% in 2016 but this has now fallen to 16% in 2017.
- **Sector:** The Creative and Digital sector and the Manufacturing sector had the largest proportion of firms that trade internationally (35% and 34% respectively). When we analyse the response from the sub-sectors, firms in the Advanced Manufacturing sub-sector were significantly more likely to trade internationally (37%) than firms in the digital sub-sector (21%).
- **Size:** Firms employing 50 or more staff were more likely to be exporters (25%) than those employing between 11 and 49 (12%).
- **Age:** The oldest firms (aged 11 years or more) were the most likely to be trading internationally (18%).
- **Location:** Bury is the local authority with the highest proportion of respondents that do not trade internationally (93%) and Salford has the highest proportion that do (28%).

Figure 55. Time-Series – International trade

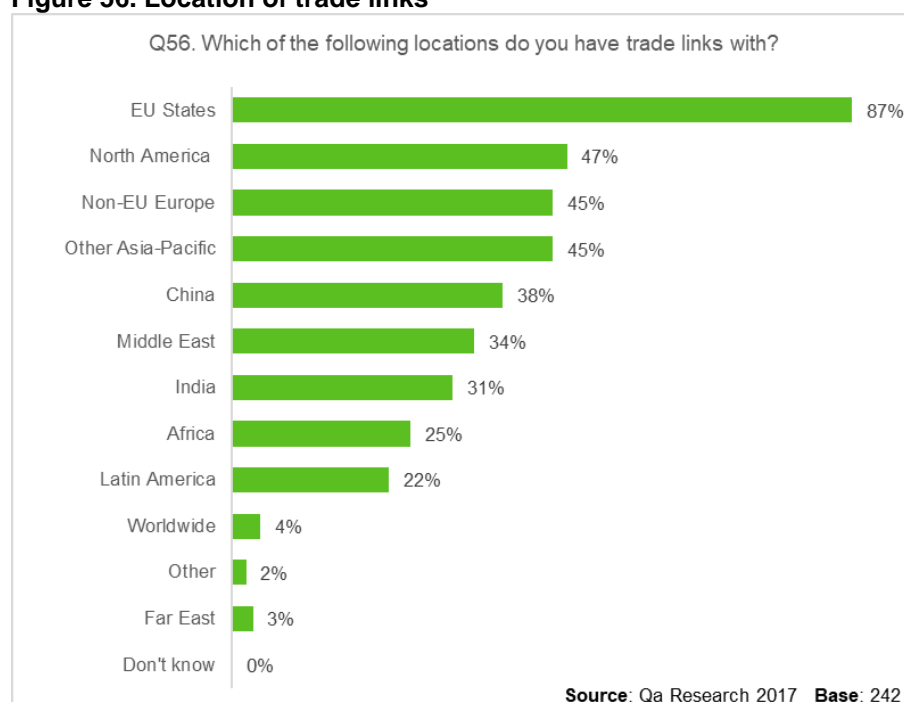
Key Measure and Question Number (2017 survey)	2012	2013	2014	2015/16	2017	Direction of travel
Whether trade internationally (Q53)						
Yes	20%	19%	19%	24%	16%	↓
- Yes - Export and import trade	7%	6%	6%	9%	7%	-
- Yes - Export trade only	6%	5%	6%	11%	7%	↓
- Yes - Import trade only	3%	2%	2%	4%	2%	↓
No	78%	78%	79%	75%	83%	↑
Don't know	2%	3%	1%	1%	<1%	-
Base: All respondents	2,425	1,224	2,161	1,403	1,500	

Source: Qa Research 2017

5.6.2 Location of trade links

The vast majority of businesses involved in international trade have links with EU States (87%), as shown in Figure 56. Almost half of businesses involved in international trade (47%) have links with North America and a similar proportion (45%) have links with non-EU European states.

Figure 56. Location of trade links



5.6.2.1 Variations within the data

This section identifies variations in the data relating to the location of trade links by time and by four important characteristics: sector, size, age and location. The main findings are as follows:

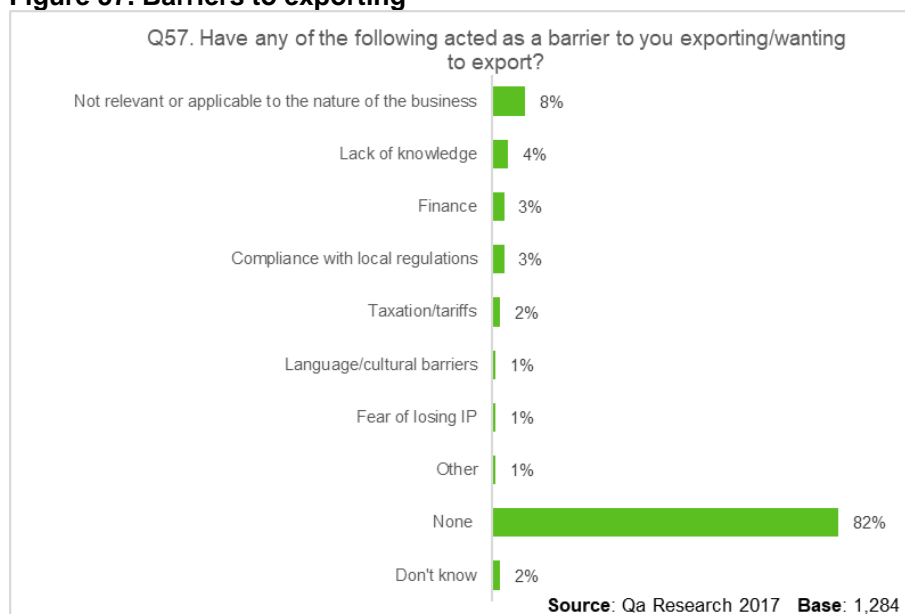
- **Time-series:** Over the last 12 months the proportion of firms that had trade links to EU states has increased significantly from 75% in 2016 to 87% in 2017.
- **Sector:** In terms of significant variations in the data with regards to trade links by sector, all the respondents in the Logistics sector had trade links with the EU. The Advance Manufacturing sub-sector was significantly more likely to have trade links with China, India and other Asia Pacific countries than the Digital sub-sector.
- **Size:** There is no significant difference in trade links with the EU by size of firm. Mid-size firms (11-49 employees) and large firms (50 or more employees) are most likely to have trade links with non-EU Europe (63% and 74% respectively).

- Age: Similarly, there is no significant difference in trade links with the EU by age of firm. The youngest firms (aged up to 3 years) were least likely to have trade links with North America (14%) which compares to around half of older firms. The oldest firms (11 years or older) were significantly more likely to have links with India, the Middle East and Africa than younger firms.
- Location: Respondents in Bolton, Bury, Trafford and Wigan had the highest proportion of trade links with the EU whilst Trafford had significantly more trade links with those countries outside of the EU than most other local authority areas.

5.6.3 Barriers to exporting

Non-exporters are most likely to indicate that they face no barriers to exporting (82%) though it is reasonable to assume that many non-exporters have not attempted to export nor considered it as a key part of a growth strategy. However, 8% of non-exporters indicate that exporting is not relevant or applicable to the nature of their business, whilst 4% cite a lack of knowledge. A lack of finance to support exporting (3%) and concerns about compliance with local regulations (3%) are also important barriers.

Figure 57. Barriers to exporting



5.6.3.1 Variations within the data

This section presents variations in the data relating to barriers to exporting by time and by four key characteristics: sector, size, age and location. The key findings are as follows:

- Time-series: There has been a significant reduction in the number of respondents citing several barriers since 2016 including lack of knowledge, taxation/tariffs and compliance with local regulations.
- Sector: Firms in the Construction sector were most likely to state that they had experienced no barriers to exporting (91%) and those firms in the Manufacturing sector were significantly more likely to report experiencing barriers to exporting (26%).
- Size: Respondents employing 1 to 10 staff were significantly more likely to identify lack of knowledge, finance and compliance with local regulations as barriers to exporting than mid-size firms (11 to 49).
- Age: The youngest firms (aged up to 3 years) were significantly more likely to consider lack of knowledge as a barrier to exporting (9%) than larger firms.
- Location: There are no significant differences in the barriers to exporting reported by respondents from different local authority areas.

5.7 Innovation and technology

The final section of the key findings chapter looks at innovation activities amongst Greater Manchester businesses. The line of questioning covers the four pillars of innovation, namely products, services, processes and business models.

5.7.1 Innovation activities

The survey asked about a broad range of activities related to innovation. Figure 58 indicates that 79% of businesses are involved in at least one of these innovation activities. The survey provides the following findings with regards to the four innovation pillars:

- Products - making significant improvements to the products that the business produces (either digital or physical) (37%)
- Services - making significant improvements to the services that the business provides (e.g. customer support) (55% of firms)
- Processes - significantly improving internal processes (e.g. to reduce costs) (55%)
- Business Models – transformed business models meaning entirely new ways of doing business that results in major competitive advantage for the business (27%)

Beyond these four pillars, the survey also found that businesses also engage in actively sharing knowledge with other businesses to support innovation (36% of firms) and actively engaging with Universities or other Higher Education Institutions to transfer knowledge (19%).

Figure 58. Innovation activities undertaken



5.7.1.1 Variations within the data

This section reports on any variations in the data relating to innovation activities by time and by four important characteristics: sector, size, age and location. The key findings are as follows:

- Time-series: Changes to the question structure and wording means that comparison with past years is not possible.
- Sector: The sectors with the highest level of innovation in the last three years were Health and Social Care and Health Innovation (91%) and Creative and Digital (89%). The Health and Social Care and Health Innovation sector had the highest proportion of firms that had transformed their business models (39%) and the Creative and Digital sector had the

highest proportion of respondents that had made significant improvements to their products (59%). The Construction sector had the highest proportion of firms that had not carried out any of the innovation activities (34%).

- Size: The smallest firms (employing between 1 and 10 people) were the most likely to have not participated in any innovation activities (23%) compared to only 10% of mid-sized firms (11 to 49 employees) and 6% of the largest firms (50 or more employees).
- Age: There is no significant difference in whether or not a firm has participated in innovation activities by the age of the business.
- Location: The local authority areas with the highest proportion of respondents that had undertaken innovation activities were Bolton (84%) and Manchester (84%). The local authority with the lowest level of innovation activities was Rochdale where 33% of respondents had not participated in any such activities in the last three years.

5.7.2 Engagement with Universities

Encouraging the commercial exploitation of knowledge within the higher education sector has long been a key aspect of innovation policy. The 2017 survey indicates that almost one in five firms across Greater Manchester (19%) have actively engaged with Universities or other HEIs to transfer knowledge in the last three years.

5.7.2.1 Variations within the data

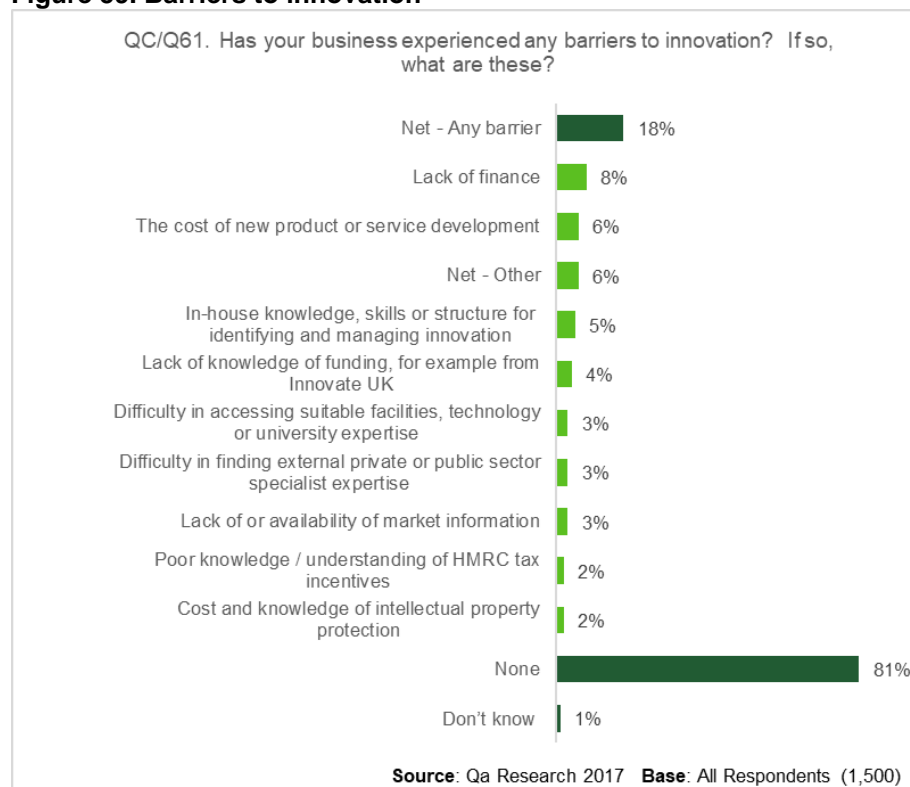
Time-series data for this question is not available due to fundamental changes to question structure and wording. However, examining engagement with Universities across the four key characteristics, we find the following:

- Sector: Sector with the highest levels of engagement with Universities to transfer knowledge are Health & Social Care & Health Innovation (31% of firms), Creative & Digital (24%) and Business Financial and Professional Services (22%).
- Size: The largest firms (employing 50 or more) have the highest level of engagement with Universities (39% of firms).
- Age: There is no statistically significant difference in whether or not a firm has engaged with Universities according to the age of the business.
- Location: The local authority areas with the highest proportion of businesses that have engaged with Universities to transfer knowledge are Manchester (27%) and Salford (26%).

5.7.3 Barriers to Innovation

As Figure 59 shows, 18% of firms report that they have experienced barriers to innovation. Similar to the findings above regarding exporting, a lack of finance (8%) is a prominent barrier, along with the cost of new product or service development (6%).

Figure 59. Barriers to innovation



5.7.3.1 Variations within the data

This section identifies variations in the data relating to innovation activities by time and by four key characteristics: sector, size, age and location. The main findings are as follows:

- Time-series: The proportion respondents that identified no barriers to innovation increased significantly from 71% in 2016 to 81% in 2017.
- Sector: Respondents from the Retail and Wholesale sector were most likely to cite lack of in house knowledge and skills as a barrier to innovation (10%). The cost of new product or service development was mostly reported as a barrier to innovation by firms from the Health and Social Care and Health Innovation sector (10%) and the Retail and Wholesale sector (9%).
- Size: There are no significant variations in the data relating to barriers to innovation by size of firm.
- Age: There are no significant differences in whether or not a firm has experienced barriers to innovation by the age of the business.
- Location: Respondents in Bolton were most likely to have experienced barriers to innovation (30%) and respondents in Salford most likely to have not experienced barriers to innovation (89%).

Appendix A: Questionnaire

Good morning/afternoon. My name is xxxx and I'm calling from Qa Research. We have been commissioned to carry out the Greater Manchester 2017 Business survey on behalf of [*import Council name from database*] and The Business Growth Hub.

It is designed to help the Hub, and other organisations responsible for the area, to continue to support businesses in future, in terms of growth, skills, productivity, innovation & marketing.

May I speak to a senior person based at this site, such as an owner, director, or manager?

INTERVIEWER INSTRUCTION (IF REQUIRED): The Business Growth Hub is for businesses in Manchester and the wider North West that have the potential, ambition and commitment to grow. The Hub can help, whether you need access to finance, want to expand your markets, develop new products and services, build a new business network, develop leadership skills, explore marketing opportunities, improve productivity or invent the next life-changing product or service.

IF THE PERSON WANTS TO KNOW MORE ABOUT THE TYPE OF QUESTIONS WE WANT THEM TO ANSWER, WE CAN REFER THEM TO 2016 Report...
<http://www.neweconomymanchester.com/publications/greater-manchester-business-survey-2016>

WHEN PUT THROUGH TO A POTENTIAL RESPONDENT

Repeat first two sentences of the intro.

Can I just check that you are an appropriate senior person at this site to discuss overall issues about your organisation?

INTERVIEWER INSTRUCTION (IF REQUIRED): You should be able to answer detailed questions about the organisation and its operations, and provide information on recent and future trends in employment and trading activity.

We would really appreciate it if you would be able to spare some time to participate in this research.

The interview should take no more than 20 minutes, depending on your answers. Would it be convenient to conduct the interview now?

IF BUSY, CREATE AN APPOINTMENT OR OFFER TO DO SURVEY IN TWO PARTS OR OFFER THE HOTLINE FOR THEM TO CALL BACK AT THEIR CONVENIENCE, WHICHEVER WORKS FOR THEM..

Just to reassure you, this interview will be carried out in accordance with the Market Research Society's code of conduct. That means your responses will be confidential and the call will be recorded for quality purposes. Is that ok?

S1. RECORD RESPONDENT NAME
CODES OPEN

THERE IS NO S2

SECTION 1: ABOUT YOUR BUSINESS

ASK ALL

Q1. Can I just check, are you a private business, a public sector organisation or a voluntary/non profit-making business?

SINGLECODE

A private business – **GOTO Q4**

A public sector organisation – **THANK & CLOSE**

A social enterprise – **GOTO Q4**

A voluntary or community organisation – **GOTO Q2**

IF THANK AND CLOSE SAY: *Thank you for your help but we are only interviewing private businesses*

ASK Q2 IF 'A voluntary or community organisation' AT Q1, OTHERS GOTO Q4

Q2. Approximately what proportion of your turnover is income generated from trading? ADD IF NECESSARY: i.e. not from grants or donations?

NUMERICAL RESPONSE (1-100%)

THANK AND CLOSE IF NOT 50% OR GREATER

None

Don't know

Refused

IF 'None/Don't know/Refused' THEN THANK AND CLOSE SAYING: *Thank you for your help but we are only interviewing charities that generate income from trading*

THERE IS NO Q3

Q4. How many people does your business employ at this site? Please exclude proprietors, partners, volunteers and anyone who does not receive a salary direct from the payroll. PROBE FOR BEST ESTIMATE. WRITE IN AND CODE BELOW

**INCLUDE FULL AND PART TIME
INCLUDE TEMPORARIES/CASUALS, BUT NOT AGENCY STAFF
EXCLUDE SELF-EMPLOYED
EXCLUDE OWNERS/PARTNERS AND OTHER DIRECTORS
NUMERICAL RESPONSE**

IF NECESSARY CODE TO BANDS BELOW

1–10
11–49
50–199
200–249
250+
Don't know

IF 'Don't know' AT Q4, GOTO Q6

Q5. What percentage of your workforce at this site is...? PROMPT FOR APPROXIMATE FIGURE AND WRITE IN

Full-time

NUMERICAL RESPONSE

Part-time

NUMERICAL RESPONSE

Temporary/Casual

NUMERICAL RESPONSE

Don't know

Refused

ASK ALL

Q6. I have [IMPORT 'Primary UK SIC (2007)' FIELD FROM SAMPLE] as a general classification for your business. Does this sound right?

SINGLECODE

Yes

No

ASK Q7 IF 'No' AT QA.

Q7. What is your main business activity at this site?

PROMPT: What is the main product or service of this organisation?

CODES OPEN

CODE TO SIC 2007

ASK ALL

QXA. Does your business operate in any of the following sectors?

READ OUT

MULTICODE

Low carbon and renewable energy (known as LCRE)
Environmental goods and services sector (known as EGSS)
None
Don't know

ASK ALL

Q8. How many years has your business been trading overall? PROBE FOR AN ANSWER

SINGLECODE

Less than 12 months
1 up to 2 years
Over 2 up to 3 years
Over 3 up to 5 years
6 to 10 years
11 to 20 years
Over 20 years
Don't know

IF 'Less than 12 months' AT Q8, GOTO Q11

Q9. Over the last 12 months, has the turnover of your business...? READ OUT

SINGLECODE

Increased
Decreased
Stayed the same
Don't know

ASK Q10 IF 'Increased' OR 'Decreased' AT Q9, OTHERS GOTO Q11

Q10. By approximately what percentage? PROMPT FOR AN APPROXIMATION

SINGLECODE

Up to 20%
Between 20 and 50%
More than 50%
Don't know

ASK ALL

Q11. And over the next 12 months, do you expect your turnover to...? READ OUT

SINGLECODE

Increase
Decrease
Stay the same
Don't know

ASK Q12 IF 'Increased' OR 'Decreased' AT Q11, OTHERS GOTO Q13

Q12. By approximately what percentage? PROMPT FOR AN APPROXIMATION

SINGLECODE

Up to 20%
Between 20 and 50%
More than 50%
Don't know

IF 'Less than 12 months' AT Q8, GOTO Q15

Q13. Over the last 12 months has the number of staff employed at that site...? READ OUT

SINGLECODE

Increased
Decreased
Stayed the same
Don't know

ASK Q14 IF 'Increased' OR 'Decreased' AT Q13, OTHERS GOTO Q15

Q14. By approximately what percentage? PROMPT FOR AN APPROXIMATION

SINGLECODE

Up to 20%
Between 20 and 50%
More than 50%
Don't know

ASK ALL

Q15. And over the next 12 months, do you expect the number of staff employed at that site to...? READ OUT

SINGLECODE

Increase
Decrease
Stay the same
Don't know

ASK Q16 IF 'Increased' OR 'Decreased' AT Q15, OTHERS GOTO Q17

Q16. By approximately what percentage? PROMPT FOR AN APPROXIMATION

SINGLECODE

Up to 20%
Between 20 and 50%
More than 50%
Don't know

SECTION 2: RECRUITMENT & SKILLS

Q17. Have you provided staff training in the last 12 months? PROMPT AS REQUIRED

MULTICODE FIRST TWO ONLY

Yes, provided internally by own staff (Internal Training)
Yes, by an external training provider (External Training)
No training provided, but do have a training plan/budget
No training provided, and do not have a training plan/budget in place
Don't know/refused

THERE IS NO Q18

**Q19. Do you currently offer any opportunities for...? READ OUT
SINGLECODE**

Paid work experience placements or internships
Unpaid work experience placements or internships
None
Don't know

**Q20. Do you currently employ any Apprentices? READ OUT
SINGLECODE**

Yes
No
Don't know

LOOP – DO NOT RANDOMISE

Apprentices aged 16 to 18
Apprentices aged 19 to 24
Apprentices aged 25+

ASK Q21 FOR ALL DO NOT CURRENTLY EMPLOY, OTHERS GOTO Q22

Q21. Are you likely to employ any Apprentices (TEXT SUB FROM Q20) in the future?

SINGLECODE

Yes

No

Don't know

LOOP – DO NOT RANDOMISE

Apprentices aged 16 to 18

Apprentices aged 19 to 24

Apprentices aged 25+

ASK ALL

Q22. Do you currently have any vacancies in Greater Manchester that are proving hard to fill?

SINGLECODE

Yes

No

Don't know

Refused

ASK QXE IF 'Yes' AT Q22, OTHERS GOTO Q23

QXE. What percentage of these vacancies are at the following qualification levels? READ OUT AND PROMPT FOR APPROXIMATION

ENSURE PERCENTAGES ADD TO 100%

No qualifications, also known as unskilled

NUMERICAL RESPONSE - %

Up to GCSE or Level 2 which is around school leaver level

NUMERICAL RESPONSE - %

Up to A Level or Level 3 which is around 6th form college leaver level

NUMERICAL RESPONSE - %

Degree of Level 4 which is around graduates level

NUMERICAL RESPONSE - %

Don't know

Refused

Q23. Does your organisation have Investors in People status?

SINGLECODE

Yes

No and not working towards it

No, but Working towards / considering Investors in People

Don't know

Refused

SECTION 3: LOCAL AREA

THERE IS NO Q24-26

ASK ALL

QA. Has your business suffered any major business disruptions in the last 12 months?

SINGLECODE

Yes

No

Don't know

ASK Q27 IF 'Yes' AT QA, OTHERS GOTO Q28

Q27. Were those disruptions caused by one or more of the following issues? READ OUT

MULTICODE - RANDOMISE

Utilities interruption

Loss of ICT

Security breach/cyber attack

Key members of staff leaving

Unexpected & prolonged absence of key staff

Unforeseen closure of your premises, such as the evacuation of your main trading area

Supplier failure

Severe weather – flooding, storms, snow etc.

Transport & congestion

Other (write in)

Don't know/refused

Q28. Do you have plans in place to ensure key business functions can continue despite serious disruptions, sometimes called a Business Continuity Plan? READ OUT

SINGLECODE

Plans in place and tested

Plans in place but not tested

No plans in place

Have not considered this type of planning

Don't know

ASK ALL

QXF. The Government recently announced the revaluation of Small Business Rates. What, if any, impact is this likely to have on your business?

READ OUT

MULTICODE

No effect

You'll be eligible for Small Business Rate Relief (SBRR)

You'll no longer have to pay business rates.

You may have to reduce operating costs [e.g. marketing]

You may have to reduce size [e.g. workforce or physical building size]

You may have to postpone business activities [e.g. investment in machinery or recruitment]

Something else

Don't know

Q29. Are you considering relocating your business, either the whole of it or in part?

SINGLECODE

Yes, all of it

Yes, part of it

No

Don't know

ASK QXG & Q30 IF 'Yes...' AT Q29, OTHERS GOTO Q31

QXG. What are your main reasons for considering relocating?

DO NOT READ OUT

MULTICODE

Current premises too small

Current premises too big

Cost of current premises too high

Gain access to new markets

Gain access to skilled and affordable labour

To be closer to suppliers

To be closer to existing customers

To be closer to companies in my industry/sector

To benefit from better transport links

Reduce impact of crime and anti-social behaviour

Lifestyle/personal reasons

Other (write in)

Don't know

**Q30. Where are you considering moving to? PROMPT AS NECESSARY.
SINGLECODE**

Within current local authority area
Elsewhere in Greater Manchester (Write in)
Elsewhere in the Northwest (Write in)
Elsewhere in the UK (outside the Northwest) (Write in)
Outside UK (Write in)
Don't know

ASK ALL

Q31. For each of the following statements can you tell me it currently applies to your business, it is something you are likely to consider doing in future, or it is not something you are not likely to consider in the future?

Does your business... READ OUT

SINGLECODE

Currently applies
Likely to consider in the future
Not likely to consider in the future
Don't know

LOOP – RANDOMISE ORDER

- Actively set out to recruit local residents, for example, advertise locally or work with a local job centre
- Actively set out to increase the number of people in your firm from under-represented groups such as older people, women in senior positions or ethnic minority groups
- Pay all employees at least the UK Living Wage which is £8.45 per hour
- Have a policy of purchasing from local suppliers wherever possible
- Have a policy to become carbon neutral
- Actively promote healthy work practices such as offering staff well-being programmes
- Actively work with local schools and colleges to help shape the future workforce
- Provide mentoring to other business leaders

SECTION 4: IDENTIFYING DRIVERS & BARRIERS TO GROWTH

ASK ALL

Q32. Which ONE of the following do you feel is the MAIN driver of growth in your business? READ OUT

SINGLECODE

- Access to markets and sales opportunities
- Developing new products or services
- The finances of your business
- Your approach to business strategy and planning
- Your workforce and skills
- Your business location and premises
- Adopting digital technology
- Something else (Write in)
- Don't know

Q33. Which are the 3 MAIN barriers that might prevent your business from growing? READ OUT

SINGLECODE

- Access to markets and sales opportunities
- Developing new products or services
- The finances of your business
- Your approach to business strategy and planning
- Your workforce and skills
- Your business location and premises
- Adopting digital technology
- Understanding business regulation (such as trading standards; licensing; environmental health; food hygiene; health and safety)
- Something else (Write in)
- Don't know

Q34. Is your business experiencing rising costs in any of the following areas? READ OUT AND CODE ONE FOR EACH. ROTATE

SINGLECODE

- Yes
- No
- Not applicable
- Don't know

LOOP - RANDOMISE ORDER OF ASKING

- Finance costs
- Raw material prices
- Energy prices
- Staff costs
- IT costs

Q35. Have you sought finance for your business in the last 12 months?

SINGLECODE

- Yes

No
Don't know

ASK Q36-Q39 IF 'Yes' AT Q35, OTHERS GOTO Q40

**Q36. How much funding was required? PROMPT FOR AN APPROXIMATION
AND WRITE IN AMOUNT.**

NUMERICAL RESPONSE

Don't know
Refused

IF UNSURE PROMPT WITH BANDS BELOW AND CODE

£0–£2,999
£3,000–9,999
£10,000–£49,999
£50,000–£99,999
£100,000–£499,999
£500,000–£999,999
£1–£4.99M
£5M–£9.99M
£10M+

Q37. Why did you apply for finance? DO NOT READ OUT - PROBE FULLY.

MULTICODE

To start the business
Cashflow, to support growth
Cashflow, as a result of changed payment terms
Capital equipment or vehicles
Improving buildings
Buying land or buildings
Marketing
Research & Development
Training/Staff Development
Other (Write in)
Don't know/refused

Q38. Did you experience any difficulty arranging finance?

SINGLECODE

Yes
No
Don't know

ASK Q39 IF 'Yes' AT Q38, OTHERS GOTO Q40

**Q39. What difficulties did you experience in trying to arrange this finance?
DO NOT READ OUT - PROBE FULLY**

MULTICODE

Did not meet criteria
Inadequate business plans

Business sector too risky for investment
Unaware of where to get finance
Not sure which products/funders are right for the business
Poor business credit history
Insufficient/no security
No credit history/not been in business long enough
Applied for too much
Business too small/too new
Company has rejected the terms of finance offered
Finance unavailable
Other (Write in)
Don't know/refused

**ASK Q40 IF BUSINESS TRADING UPTO 3 YEARS (CODES 1-3) AT Q8,
OTHERS GOTO Q41**

**Q40. Thinking back to when the business started up, did you access any of
the following types of finance to support the business? READ OUT**

MULTICODE – RANDOMISE ORDER

Banks/debt
Internal capital
Venture capital
Mezzanine
Business angels
Friends and family
Local and central government grants/loans/funding schemes
Crowdfunding
Other (Write in)
No finance sought
Don't know/refused

ASK ALL

Q41. Which of these might you use in the future to access finance to support the growth of your business? READ OUT

MULTICODE – RAMDOMISE ORDER

Banks/debt
Internal capital
Venture capital
Mezzanine
Business angels
Friends and family
Local and central government grants/loans/funding schemes
Crowdfunding
Other (Write in)
None
Don't know/refused

SECTION 5: BUSINESS SUPPORT

Q42. Are you aware of the Business Growth Hub and the services it offers?

SINGLECODE

Yes
No

QB. In the last 12 months, have you sought information, support or advice for your business, other than for accounting or regulatory purposes?

SINGLECODE

Yes
No
Don't know

THERE IS NO Q43

ASK Q44 IF 'Yes' AT QB, OTHERS GOTO Q48

Q44. Which of the following have you used? READ OUT

MULTICODE

Accountants/solicitors [over & beyond for bookkeeping/auditing or statutory/regulatory purposes]
Business Consultancy / Consultants
Bank
Business Growth Hub
Business Finance Solutions
Trade Association/employer organisations
(**TEXT SUB FROM DATABASE: name of local authority**)
Universities
Innovate UK
Department for International Trade/ Export Advisory Service
Library Service
MIDAS – Invest in Manchester
Greater Manchester Chamber of Commerce
Other (Write in)

Don't know

ASK QXH CODES 1-14 AT Q44, OTHERS GOTO Q49

QXH. How easy or difficult was it to find the support and advice you were looking for? READ OUT

SINGLECODE - INVERT

Very easy

Easy

Quite easy

Quite difficult

Difficult

Very difficult

Don't know

THERE IS NO Q45-46

ASK Q47 IF 'Quite difficult', 'Difficult' or 'Very difficult' AT QXH, OTHERS GOTO Q49

Q47. Which of the following reflect the difficulties you have experienced in seeking support and advice for your business in the last 12 months? READ OUT

MULTICODE

Had difficulty finding out where to obtain the right support/advice

Had difficulty determining the support and advice required

Advice/support available was too expensive

Found it difficult to find the time to seek/access external advice

Something else (Write in)

Don't know

THERE IS NO Q48

ASK Q49 IF 'Yes' AT QB, OTHERS GOTO Q50

Q49. In which of the following areas have you sought business support and advice in the last 12 months? READ OUT

INVERT ORDER – MULTICODE

Accessing finance

Marketing

Leadership and management

Recruitment, including recruitment of apprenticeships

Digital services and digital technology

Exporting

Training, improved efficiency & communications

Availability of new premises or expanding your own premises

Help with innovation or research & development

Business growth advice

Manufacturing

Reducing energy, material, water & waste costs

Business continuity (minimising disruption to your business)

Public sector contract opportunities

Regulatory support such as licensing, trading standards, environmental health and safety or planning
Other (Write in)
None
Don't know

ASK ALL

Q50. In which of these areas are you likely to look for support and advice in the foreseeable future? READ OUT

RANDOMISE – MULTICODE

Accessing finance
Marketing
Leadership and management
Recruitment, including recruitment of apprenticeships
Digital services and digital technology
Exporting
Training, improved efficiency & communications
Availability of new premises or expanding your own premises
Help with innovation or research & development
Business growth advice
Manufacturing
Reducing energy, material, water & waste costs
Business continuity (minimising disruption to your business)
Public sector contract opportunities
Regulatory support such as licensing, trading standards, environmental health and safety or planning
Other (Write in)
None
Don't know

QXI. Where would you go for advice on regulatory matters?

DO NOT READ OUT

MULTICODE

Telephone or email to a Council officer (e.g. Trading Standards; licensing; environmental health; Health & Safety)
Telephone or email to a Fire Service officer (e.g. fire safety officer)
Council website
Fire Service website
Government Department website (e.g. Food Standards Agency, HSE)
Business Growth Hub website
Trade Associations/Federation of Small Businesses/ Chamber of Commerce
Primary Authority Officer
External Consultant
Private legal advice
Other (write in)
Never need advice on regulatory matters
Don't know

SECTION 6: EXPORT, TRADE AND CONNECTIVITY

THERE IS NO Q51-52

ASK ALL

Q53. Do you trade internationally? READ OUT

SINGLECODE

Yes - Export and import trade
Yes - Export trade only
Yes - Import trade only
No
Don't know

THERE IS NO Q54

ASK Q55 IF 'Yes - Import trade only', 'No' OR 'Don't know' AT Q53, OTHERS GOTO Q56

Q55. Do you have any plans to develop export trade links in the next 1-2 years?

SINGLECODE

Yes
No
Don't know

ASK Q56-57 IF 'Yes - Export and import trade', 'Yes - Export trade only' OR 'Yes - Import trade only' AT Q53, OTHERS GOTO Q58

Q56. Which of the following locations do you have trade links with?

READ OUT

MULTICODE

EU States

Non-EU Europe

North America

China

India

Other Asia-Pacific

Latin America

Middle East

Africa

Other (Write in)

Don't know

ASK Q57 IF 'Import trade only' OR 'No' AT Q53, OTHERS GOTO SECTION 7

Q57. Have any of the following acted as a barrier to you exporting/wanting to export? READ OUT

MULTICODE

Lack of knowledge

Language/cultural barriers

Taxation/tariffs

Finance

Fear of losing IP

Compliance with local regulations

Other (Write in)

None

Don't know

THERE IS NO Q58-59

SECTION 7: INNOVATION & TECHNOLOGY

The next set of questions is about innovation.

ONLY READ OUT IF RESPONDENT UNSURE WHAT INNOVATION MEANS:

Innovation can mean developing new ideas inside your business, or with external support, it can mean new services, processes or products. These don't have to be entirely new to be considered as innovation.

ASK ALL

Q60. Which of the following innovation activities has your business undertaken during the last three years? READ OUT - GIVE EXAMPLES IF REQUIRED

MULTICODE - RANDOMISE ORDER OF ASKING

Made significant improvements to the products that your company produces (for example new products, either digital or physical)

Made significant improvements to the services that your company provides (for example new forms of customer support)

Significantly improved internal processes (for example, new methods or changes that improve efficiency, reduce costs or result in new added value).

Transformed your business models, which means an entirely new way of doing business that results in major competitive advantage for the business.

Actively engaged with Universities or other Higher Education Institutes to transfer knowledge

Actively shared knowledge with other businesses to support innovation known as peer-to-peer knowledge transfer

None of the above

Don't know

ASK ALL

QC. Has your business experienced any barriers to innovation?

SINGLECODE

Yes

No

Don't know

ASK Q61 IF 'Yes' AT QC, OTHERS GOTO Q62

Q61. Have any of the following factors been a barrier to innovation in your business? READ OUT

INVERT ANSWERS - MULTICODE

In-house knowledge, skills or structure for identifying and managing innovation

The cost of new product or service development

Difficulty in accessing suitable facilities, technology or university expertise

Difficulty in finding external private or public sector specialist expertise

Lack of finance

Poor knowledge / understanding of HMRC tax incentives

Lack of knowledge of funding, for example from Innovate UK

Lack of or availability of market information

Cost and knowledge of intellectual property protection

Other (Write in)

Don't know

THERE IS NO Q62-66

ASK ALL

I have a few final questions that will help us classify your business.

Q67. Approximately what was the turnover of your business in Greater Manchester over the past year? PROMPT FOR AN APPROXIMATION

SINGLECODE

Less than £82,000 [VAT threshold]

£82,000–£250,000

£250,000–£0.5M

£0.5M–£1M

£1M–£5M

£5M–£10M

£10M–£25M

£25M+

Don't know

Unwilling to answer

QXJ. Finally, the Business Growth Hub and ten Greater Manchester local authorities are looking to carry out future research with businesses in Greater Manchester to help support and improve the services they provide. Would you be willing to be contacted to take part in future research such as short surveys or focus groups?

You will only be contacted to be invited to take part in further research and for no other reason.

SINGLECODE

Yes

No

ASK QXK & QXL IF 'Yes' AT QXJ, OTHERS THANK AND CLOSE

QXK. That's great, thanks. To help the Business Growth Hub and the ten Greater Manchester local authorities identify the right businesses to invite to take part in the future research they would like to be able to match your survey answers to your contact details. So, would you also be happy for us to tell them what answers you gave to the questions in this survey?

INTERVIEWER (IF REQUIRED): Just to stress, you will only be contacted to be invited to take part in further research and for no other reason.

Yes

No

QXL. Please may I collect some details so I can pass these onto the Business Growth Hub and (TEXT SUB FROM DATABASE: name of booster local authority)

Full name

Contact number

Full address

Email address

THANK AND CLOSE