

# Savanta: Recovery & resilience of UK businesses

The story 12 months on...

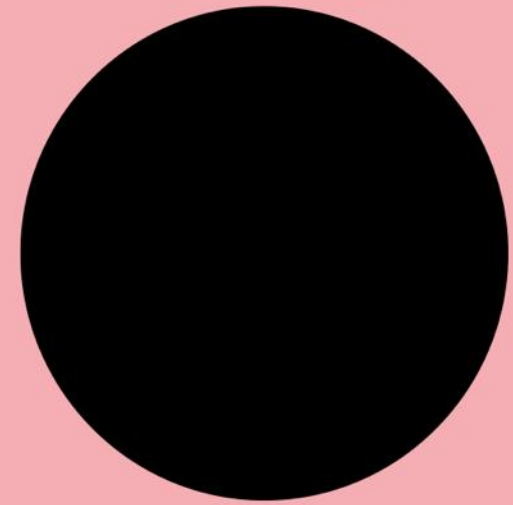
NOVEMBER 2021



## Section 1:

Winter is still here:

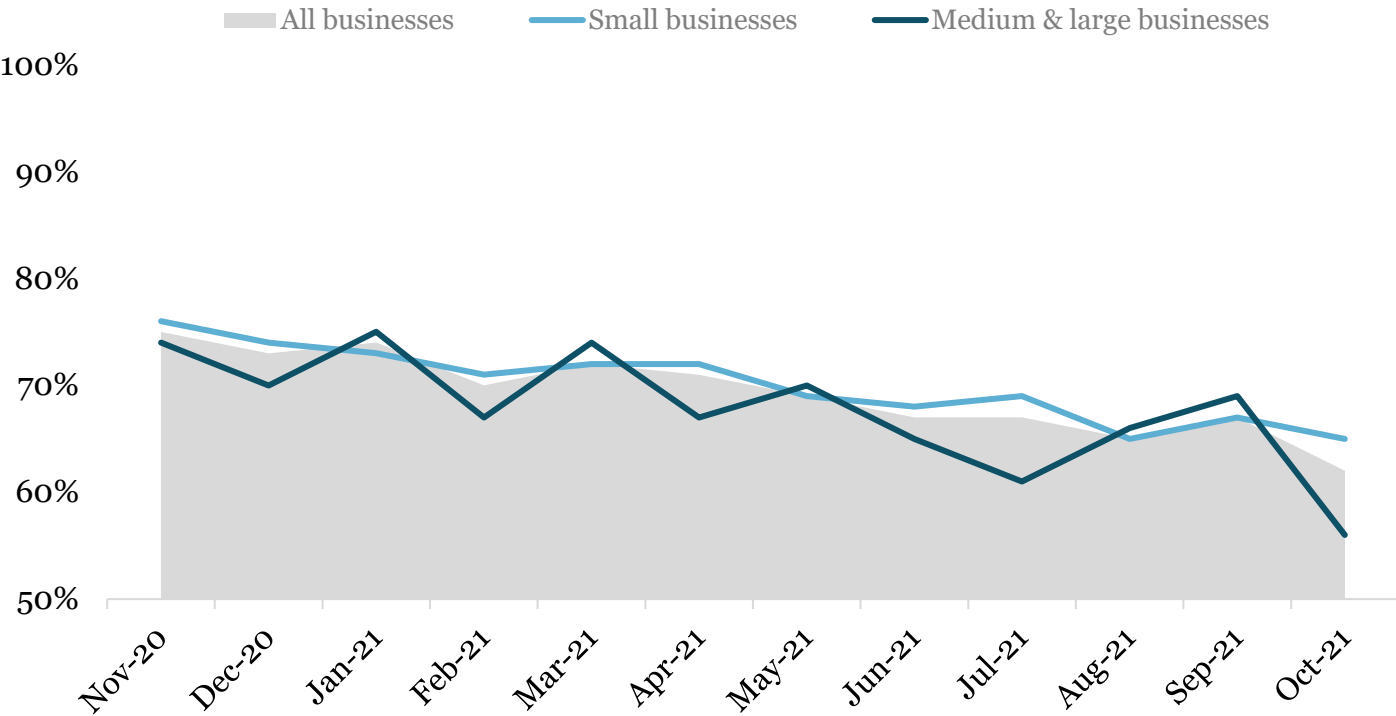
It remains a challenging business landscape (not helped by Brexit and the Government)



# The impacts of Covid-19 are declining but far from gone



## Negative impact of Covid-19 on businesses



Q. What impact would you say coronavirus (COVID-19) has had on your business so far?  
Base: Savanta Business Tracker – November 2020 to October 2021  
750+ small businesses, 250+ medium & large businesses per wave+; Industry sector analysis is based on a minimum size of 100 per wave

## Change in negative impact in past year (Oct 21 vs. Nov 20)

### BUSINESS SIZE

Small Business ↓ -11%

Medium & Large Business ↓ -18%

### INDUSTRY SECTOR

IT, Tech & Comms ↓ -19%

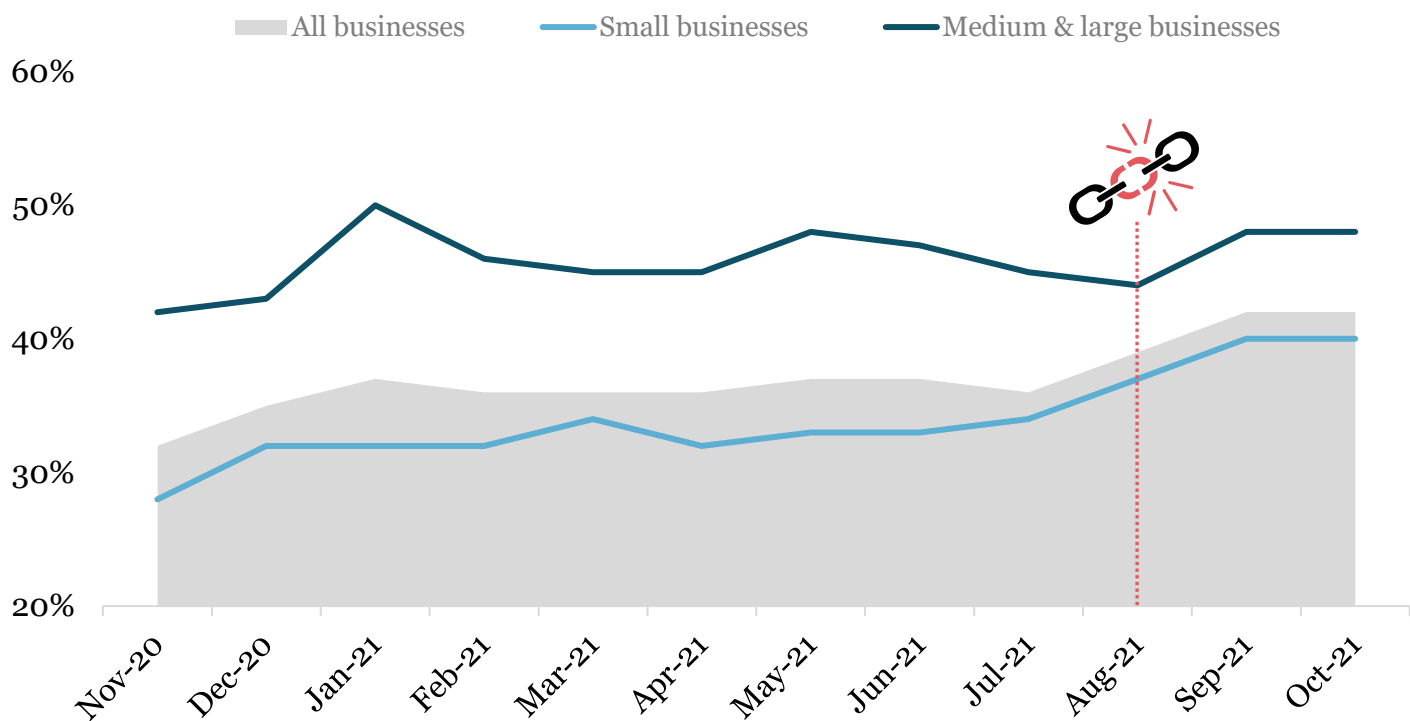
Retail & Wholesale ↓ -18%

Business & Financial Services ↓ -13%

# Whilst Covid-19 challenges fall, Brexit challenges are on the rise



## Negative impact of Brexit on businesses



Q. What impact would you say Brexit has had on your business so far?  
Base: Savanta Business Tracker – November 2020 to October 2021  
750+ small businesses, 250+ medium & large businesses per wave+; Industry sector analysis is based on a minimum size of 100 per wave

### Change in negative impact in past year (Oct 21 vs. Nov 20)

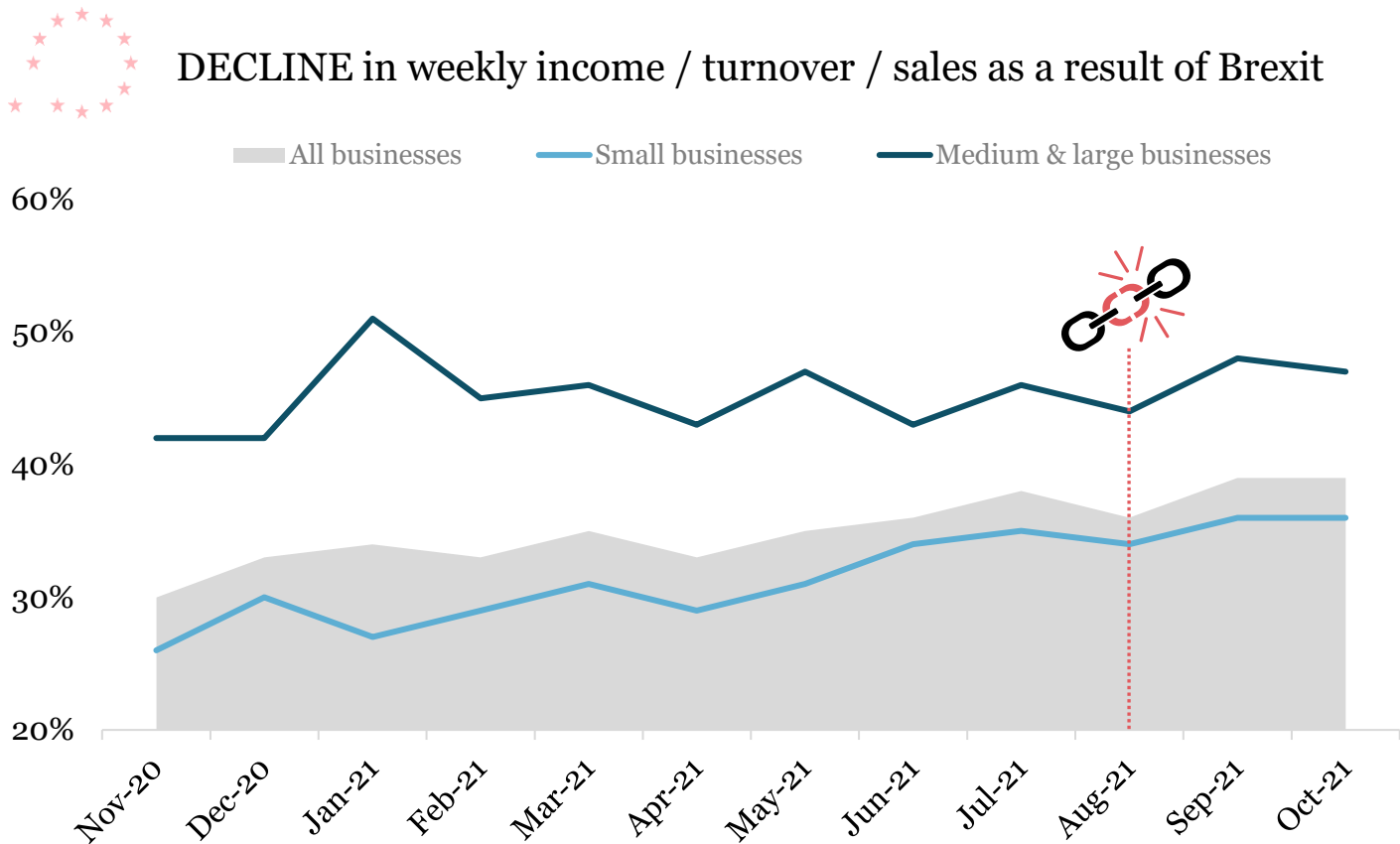
#### BUSINESS SIZE

Small Business	↑ +12%
Medium & Large Business	↑ +6%

#### INDUSTRY SECTOR

IT, Tech & Comms	↑ +11%
Retail & Wholesale	↑ +10%
Business & Financial Services	↑ +8%

# For small businesses, Brexit is increasingly hurting the bottom line




Q. And what impact, so far, has each of the following had on your business' weekly income / turnover / sales?  
Base: Savanta Business Tracker – November 2020 to October 2021  
750+ small businesses, 250+ medium & large businesses per wave+; Industry sector analysis is based on a minimum size of 100 per wave

Change in decline in weekly income / turnover/ sales as a result of Brexit (Oct 21 vs. Nov 20)

## BUSINESS SIZE


Small Business  +10%

Medium & Large Business  +5%

## INDUSTRY SECTOR

IT, Tech & Comms  +11%

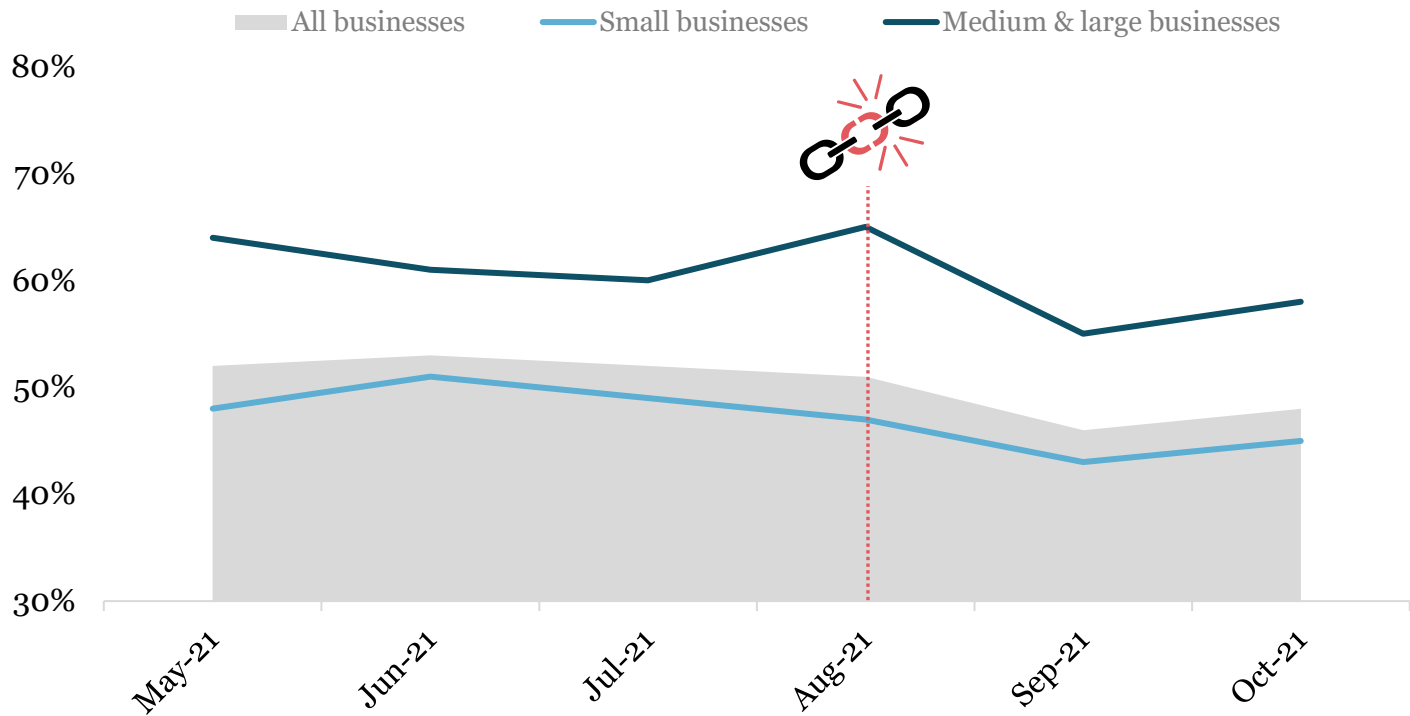
Retail & Wholesale  +8%

Business & Financial Services  +1%

# Confidence in the Government's handling of Brexit has fallen



Confidence in the Government's strategy for managing our future relationship with Europe



Q. How confident are you in...?  
Base: Savanta Business Tracker – May 2021 to October 2021  
750+ small businesses, 250+ medium & large businesses per wave+; Industry sector analysis is based on a minimum size of 100 per wave

## Change in confidence in Govt strategy (Oct 21 vs. May 21)

### BUSINESS SIZE

Small Business	↓	-3%
Medium & Large Business	↓	-6%

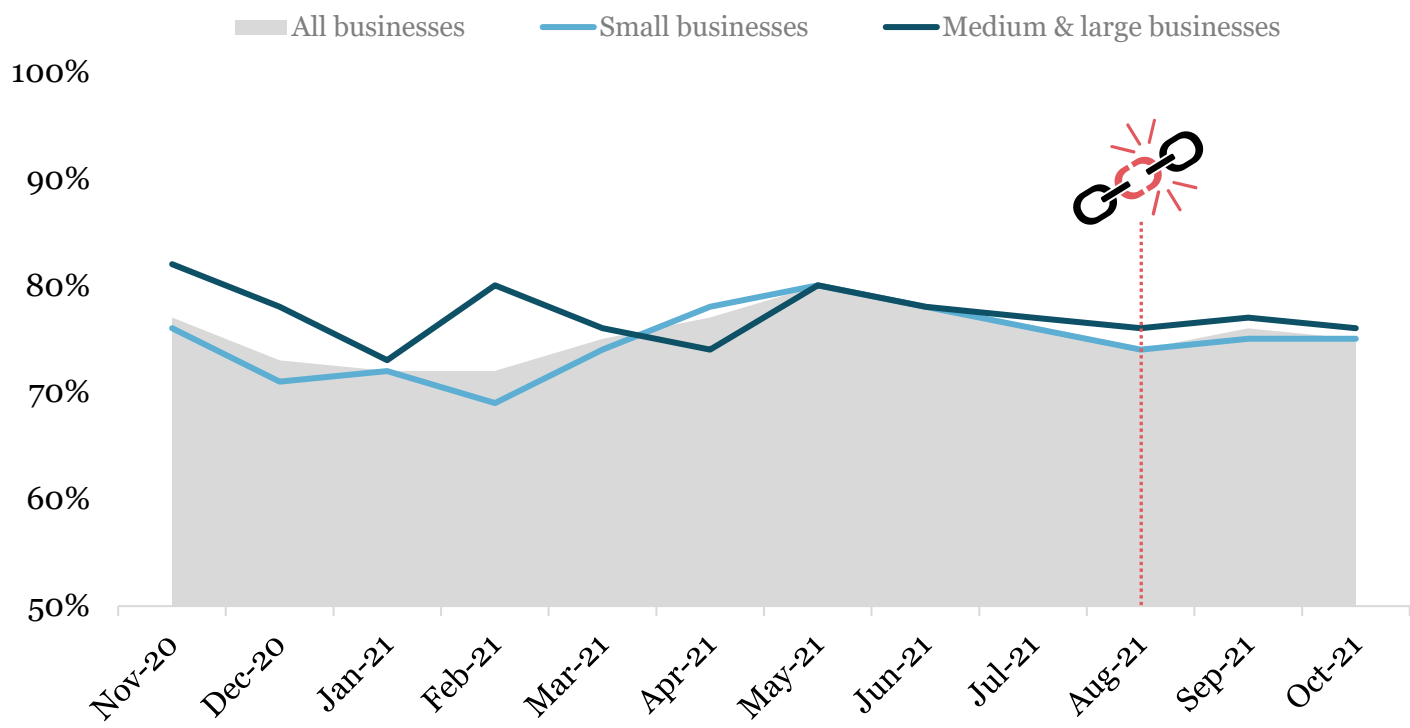
### INDUSTRY SECTOR

IT, Tech & Comms	↓	-7%
Retail & Wholesale	↓	-7%
Business & Financial Services	↓	-7%

# Covid-19 easing but Brexit tensions growing means business confidence is flat



Confidence in business still operating / trading by the end of the next 12 months



Q. How confident are you in...?  
Base: Savanta Business Tracker – November 2020 to October 2021  
750+ small businesses, 250+ medium & large businesses per wave+; Industry sector analysis is based on a minimum size of 100 per wave

Change in confidence in surviving  
(Oct 21 vs. Nov 20)

## BUSINESS SIZE

Small Business	↓	-1%
Medium & Large Business	↓	-6%

## INDUSTRY SECTOR

IT, Tech & Comms	↑	+2%
Retail & Wholesale	=	0%
Business & Financial Services	↓	-6%



# Savanta UK Business Tracker

## Programme aim

**To provide an accurate and up-to-date view of the recovery, resilience and adaptation of UK businesses**

**Group 1**

Small Business Owners & Directors (under 250 employees)

**Group 2**

Medium & Large Business Senior Managers & Directors (250 or more employees)

## Monthly tracking

**1,000 UK respondents every wave**

- 750 Small Businesses
- 250 Medium & Large Businesses

### Tracker topics



COVID-19, Brexit & other current business challenges



Future business challenges & strategy



Changing business landscape



Recruitment & retention of staff



Business innovation & development

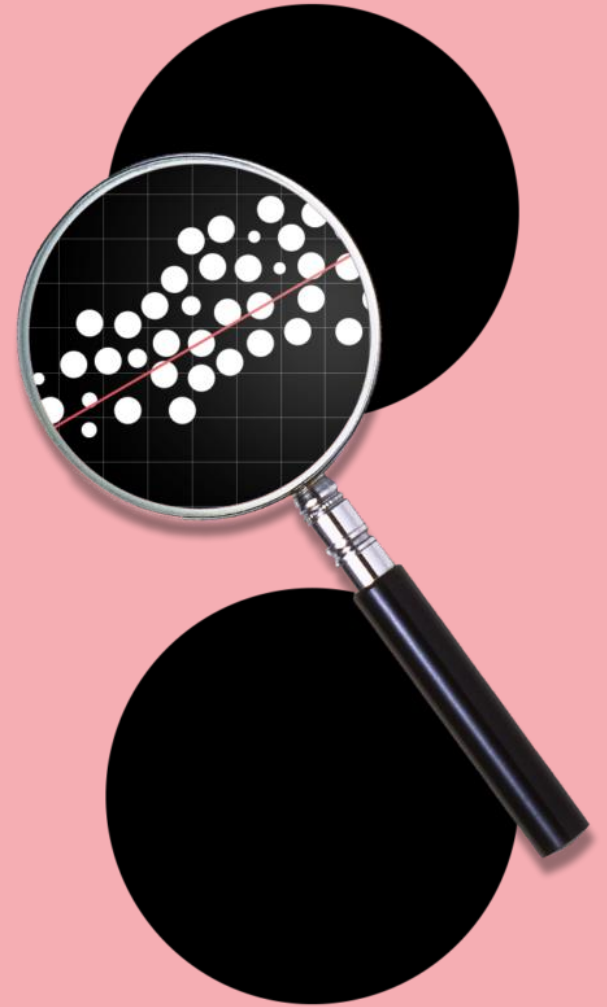


PLUS... Option to add bespoke questions



## Section 2:

Businesses are still grappling with what the 'new normal' of work looks like



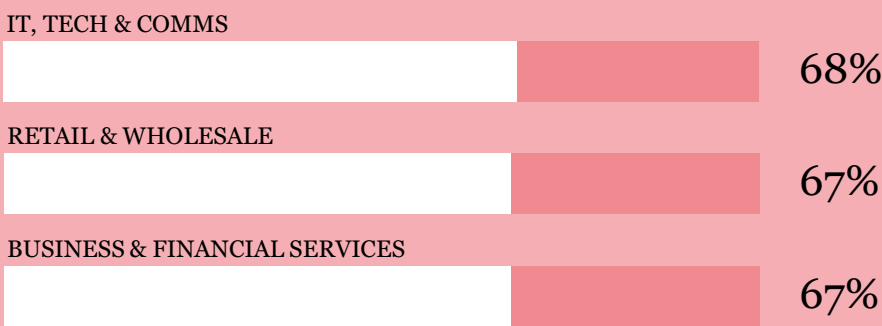
# Covid-19 has shown that remote business works

% agreeing  
The Coronavirus (COVID-19) crisis has shown that businesses can effectively function using video conferencing & wider technology (instead of face-to-face meetings)

## BUSINESS SIZE



## INDUSTRY SECTOR



Q. To what extent do you agree or disagree with the following statements?  
Base: Savanta Business Tracker – August 2021 to October 2021  
Displaying mean figure of past 3 waves; 750+ small businesses, 250+ medium & large businesses per wave  
Industry sector analysis is based on a minimum size of 100 per wave



Significant doubt remains surrounding the ‘bounce back’ of both **domestic** and **international** business travel

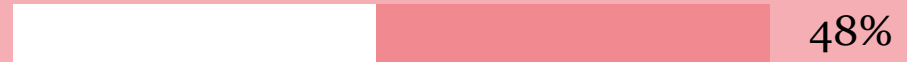


% agreeing

**Domestic** business travel will never return to the levels seen prior to the Coronavirus crisis

BUSINESS SIZE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



% agreeing

**International** business travel will never return to the levels seen prior to the Coronavirus crisis

BUSINESS SIZE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Q. To what extent do you agree or disagree with the following statements?

Base: Savanta Business Tracker – August 2021 to October 2021

Displaying mean figure of past 3 waves; 750+ small businesses, 250+ medium & large businesses per wave+



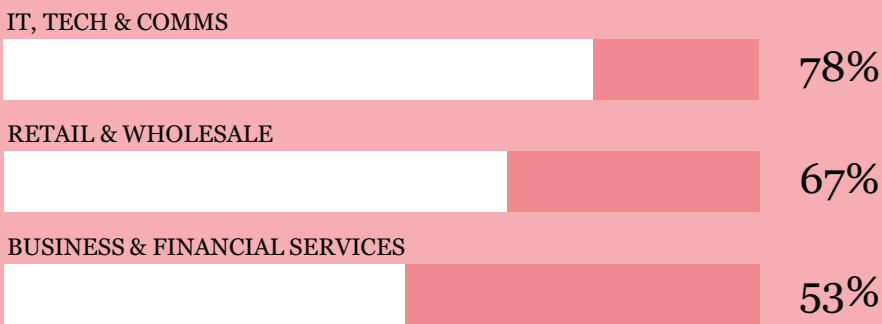
# It's an employees' market as businesses struggle to fill vacancies

% impacted  
Struggling to fill all or most job vacancies

## BUSINESS SIZE



## INDUSTRY SECTOR



Q. To what extent has your business been impacted by your ability to fill job vacancies?  
Base: Savanta Business Tracker – August 2021 to October 2021  
Displaying mean figure of past 3 waves; 450+ small businesses with employees, 250+ medium & large businesses with employees per wave+; Industry sector analysis is based on a minimum size of 80 per wave



# Businesses are pursuing extra ‘perks’ to attract talent

% offering extra benefits / perks to current and prospective employees

BUSINESS SIZE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Most common perks offered



Flexible working hours



Working from home solutions

But are these really perks anymore, or just the new norm?

Q. How is your business looking to respond to any challenges in terms of retaining and recruiting staff?  
Base: Savanta Business Tracker – August 2021 to October 2021  
Displaying mean figure of past 3 waves; 450+ small businesses with employees, 250+ medium & large businesses with employees per wave+





# Employers also see benefits from providing flexibility

% who see benefits to employers from increasing demand for flexible working

BUSINESS SIZE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Biggest benefit is attracting a wider talent pool

Q. How is your business looking to respond to any challenges in terms of retaining and recruiting staff?  
Base: Savanta Business Tracker – August 2021 to October 2021  
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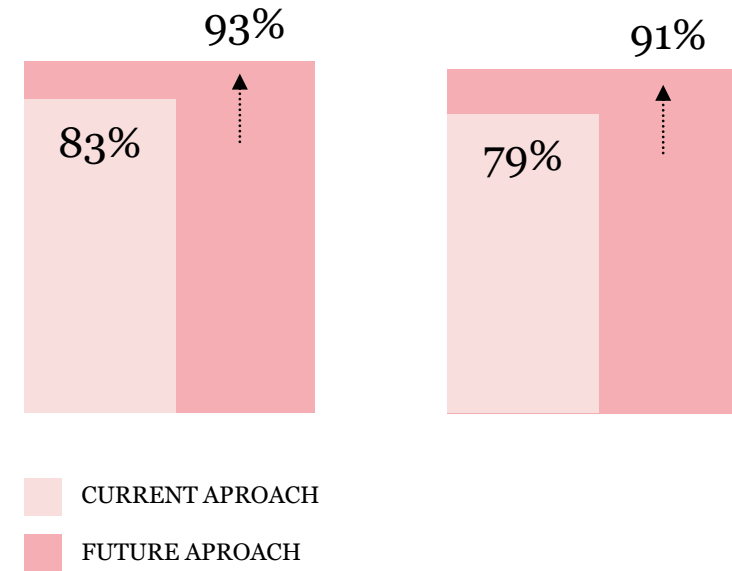


# Remote and flexible approaches are here to stay

Businesses with employees offering 100% work from home or a flexible approach (completely or partially)

SMALL  
BUSINESSES

MEDIUM & LARGE  
BUSINESSES



Q. Which of the following best explains your businesses' current and future approach to managing your employees and the ways they can work?

Base: Savanta Business Tracker – August 2021 to October 2021

Displaying mean figure of past 3 waves; 450+ small businesses with employees, 250+ medium & large businesses with employees per wave+



But nearly 1 in 2 recognise  
they don't yet have the  
solutions in place  
to properly enable  
hybrid working



55%

Have all or most solutions and  
technology in place to support  
hybrid ways of working

BUSINESS SIZE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



ALL MOST

Q. How would you describe your businesses' current set-up for enabling remote / hybrid working in the future?

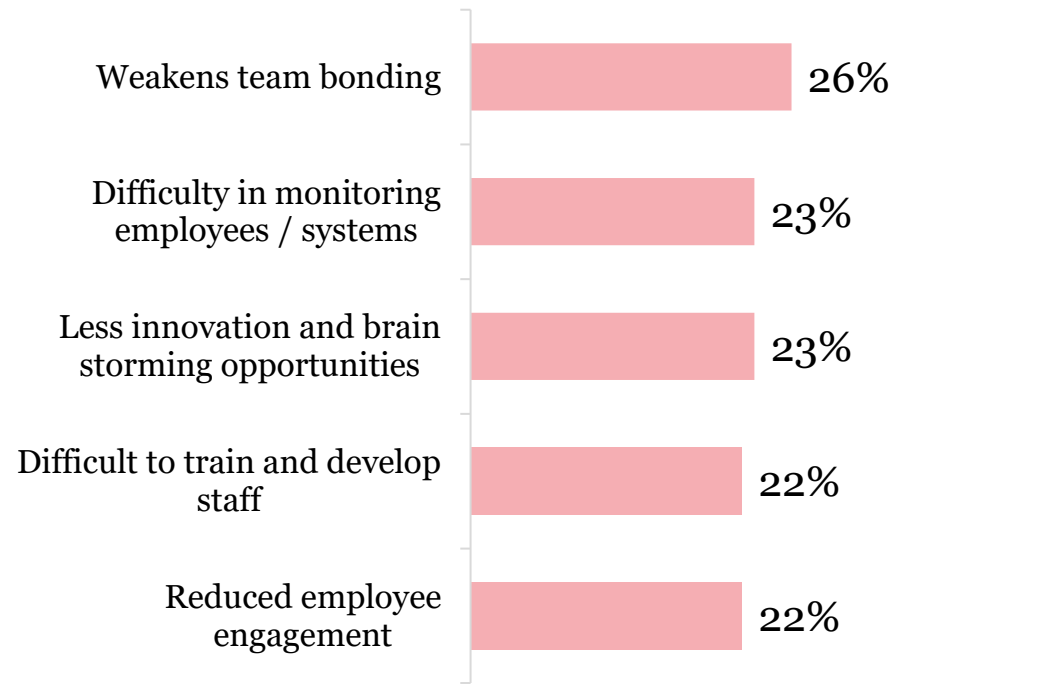
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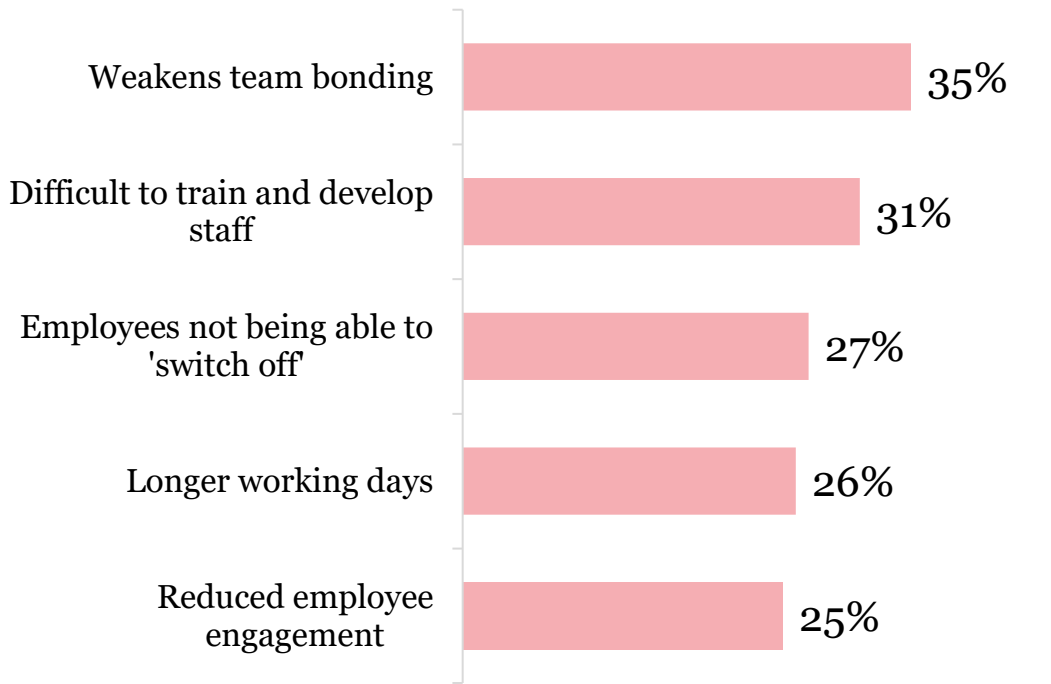
# Team bonding, L&D and burnout are the top concerns with remote working for medium and large businesses

## Top 5 disadvantages to working from home / flexible working

### Small businesses



### Medium & Large businesses



Q. And what do you think have been the disadvantages to working from home / flexible working?  
Base: Savanta Business Tracker – August 2021 to October 2021  
Displaying mean figure of past 3 waves; 450+ small businesses with employees, 250+ medium & large businesses with employees per wave+

# Whilst team bonding is the biggest challenge of remote working for all sectors, secondary challenges vary

## Top 3 disadvantages to working from home / flexible working - by sector

	Business & Financial services	IT, Tech & Comms	Retail & Wholesale
Weakens team bonding	1	1	1
Reduced employee engagement	3		2
Difficult to train and develop staff	2	3	
More information security risks		2	
Difficulty in monitoring employees / systems			3

Q. And what do you think have been the disadvantages to working from home / flexible working?

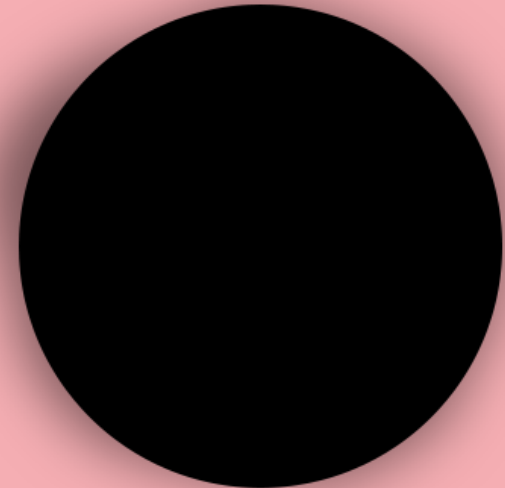
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Industry sector analysis is based on a minimum size of 80 per wave

## Section 3:

Businesses want support navigating the future, and are looking to futureproof their business for the next 'knowns' & 'unknowns'



# Diversification is high on the agenda for larger businesses...

% agreeing with each statement

	Small businesses	Medium & large businesses
We will look to develop new revenue streams	58%	68%
We will look to expand our product or service offering (i.e., launching new products and / or services)	54%	66%
We will invest in new technology solutions to take advantage of the opportunities arising from the 'new normal'	47%	69%

Q. As your business continues to adapt to a 'new normal' and what the future might entail, to what extent do you agree or disagree with the following statements?

Base: Savanta Business Tracker – August 2021 to October 2021

Displaying mean figure of past 3 waves; 750+ small businesses, 250+ medium & large businesses per wave

# ...and improving online / digital experiences is a priority

% priority (urgent, high or medium)

	Small businesses	Medium & large businesses
For our customers / clients	66%	83%
For our employees	60%	90%

Q. Thinking of the need for your business to improve your online / digital experience, how much of a priority would you say this remains for the next 18 months?

Base: Savanta Business Tracker – August 2021 to October 2021

Displaying mean figure of past 3 waves; 750+ small businesses, 250+ medium & large businesses per wave

# Cyber-threats are a notable issue, especially for larger businesses

% business is responding to cyber-security issues and / or crime

## BUSINESS SIZE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



## INDUSTRY SECTOR

IT, TECH & COMMS



RETAIL & WHOLESALE



BUSINESS & FINANCIAL SERVICES



Savanta:



Q. Many businesses are also facing increased cyber-security issues and / or crime (i.e., ransomware attacks, greater risks from employees working from home). How is your business responding to such security issues and crime?

Base: Savanta Business Tracker – August 2021 to October 2021  
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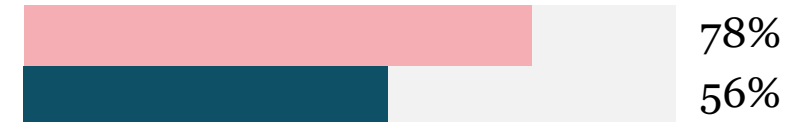
Covid-19 and Brexit are here to stay, and will continue to contribute to a challenging business environment

More than half of businesses, regardless of size, think both Covid-19 and Brexit will continue to be a challenge for them in the future



BUSINESS SIZE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Q. Which of the following best describes your business' views on the future impact of Coronavirus (COVID-19) and Brexit?

Base: Savanta Business Tracker – August 2021 to October 2021

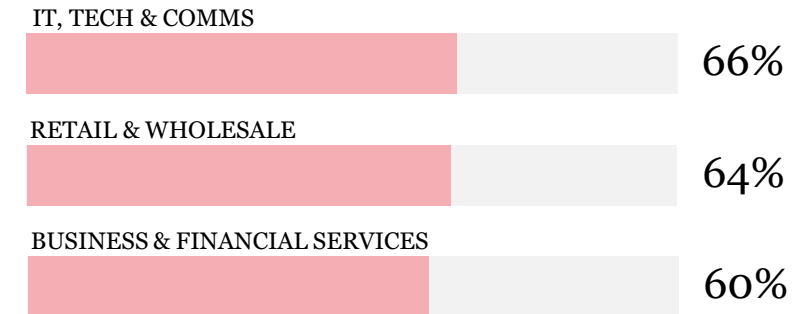
Displaying mean figure of past 3 waves; 750+ small businesses, 250+ medium & large businesses per wave

Therefore, businesses want more guidance & support from the Government on trading in a post Brexit environment

62%

of both small and medium & large businesses think that the **Government** should provide more guidance / support on trading in a post Brexit business environment

#### INDUSTRY SECTOR



Q. To what extent do you agree or disagree with the following statements?

Base: Savanta Business Tracker – August 2021 to October 2021

Displaying mean figure of past 3 waves; 750+ small businesses, 250+ medium & large businesses per wave

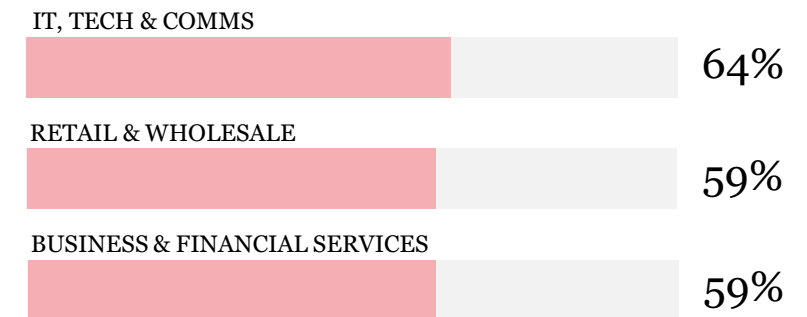
If the Government fails to provide this support, businesses will seek it wherever they can!

56%  
SMALL  
BUSINESSES

65%  
MEDIUM & LARGE  
BUSINESSES

think **other business-related institutions** (business banks, insurance providers, Think Tanks) should provide more guidance / support on trading in a post Brexit business environment

#### INDUSTRY SECTOR



Q. To what extent do you agree or disagree with the following statements?

Base: Savanta Business Tracker – August 2021 to October 2021

Displaying mean figure of past 3 waves; 750+ small businesses, 250+ medium & large businesses per wave

# Summary

## 01

### **Challenges continue**

The decline in the negative impacts of Covid-19 is being offset by the rising negative impacts of Brexit.

It's likely to be a challenging festive period for many businesses with recruitment and supply chain squeezes coupled with extra red tape.

Business confidence is also flat.

## 02

### **The future is hybrid**

Covid-19 has shown that businesses can effectively function remotely.

The job market is employee-led with flexibility seen as a key component of recruitment and retention strategies.

Investment in hybrid working solutions, team building and L&D in remote / hybrid worlds must be top of the agenda.

## 03

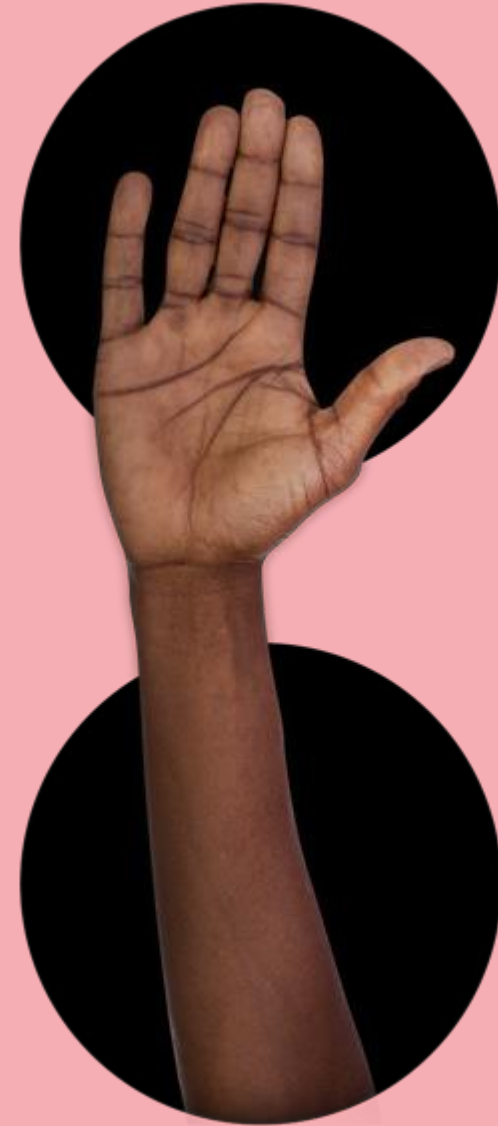
### **Help to diversify post-Brexit**

Businesses are planning diversification of their proposition and increases in digital offerings.

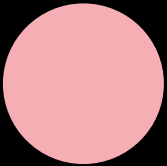
However, they need help understanding how to navigate, and win, in the post-Brexit trading environment.

This support should ideally come from Government but private institutions like Banks and Insurers can differentiate by helping businesses on this journey.

Any  
questions?



# Savanta: Make better decisions



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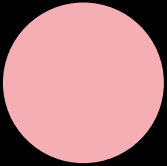
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