

Enterprise Barometer 2024

Enterprise
NORTHERN IRELAND



Working with



**British
Business
Bank**

Current Business Conditions

Business Growth

Over the last year:

43% have been growing while 22% have contracted/are in difficulty

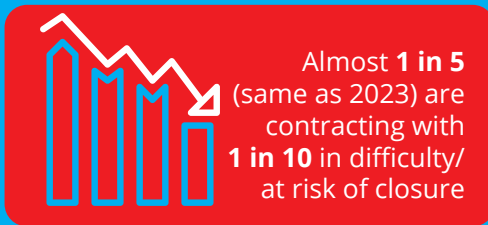
8% have been growing strongly

1 in 10 are in difficulty/
at risk of closure

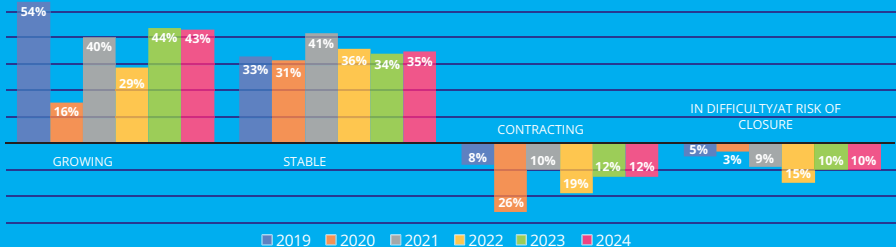


Significantly more businesses have seen turnover grow than contract, but the difference is less marked for profits, over the last year.

- **44%** (43% - 2023) have seen turnover increase against 18% decrease
- **34%** (33% - 2023) have seen profits increase against 28% decrease



6 YEAR BUSINESS PERFORMANCE



Cost of Doing Business

4 in 5 (78%) businesses are finding the cost of doing business an issue and for 1 in 4 (24%) it is a significant concern.

Cost Pressures



87%

state **utilities costs** have increased.



88%

state **cost of raw materials** have risen.

- **55%** state rise by more than **10%**.



85%

state **vehicle running costs** have increased.



55%

state **cost of borrowing** has increased.

Wage Inflation



- **3 in 4 businesses** have seen wages increase over the last year

For **38%** wage costs have increased by more than 10% and for 11% or over 1 in 10 wage costs have increased by 30%.



82%

concerned about increased costs of **goods and services**



76%

concerned about increased **energy costs**



73%

are concerned they will have to increase prices



35%

state cashflow position is weak/critical (30% 2023)

Current Business Finance Conditions



Seeking Additional Finance

- **45%** (38% - 2023) likely require additional finance next year.
- **48%** are looking for up to £10k, with 27% looking between £10k - £50k.
- **46%** (49% - 2023) are most likely looking for a loan.
- **45%** seeking grant support.
- **14%** (9% - 2023) seeking equity/external investment finance.

Those not accessing finance are more likely to be the smallest businesses (less than £90k turnover), pre-turnover, & sole traders. They are also more likely to have no employees, be female only businesses, and/or be younger businesses.

Reasons for new finance

- **53%** for working capital
- **52%** for capital investment
- **27%** to invest in research &/or process improvement
- **5%** for decarbonisation / transition to net zero

Accessing Additional Finance

- **61%** (51% in 2023) are confident they can access additional finance, if needed.
- **12%** are not at all confident they can access additional finance, if needed.
- Those requiring larger amounts of finance, £50k or more, are more confident that they will secure it (65%) than those requiring smaller amounts of finance, under £10k (53%)
- New starts (less than 2 years old) are slightly less likely to be confident around accessing finance – 42% compared to 39%.



Cashflow

- **10%** (16% - 2023) report strong cashflow.
- **54%** (55% - 2023) report stable cashflow.
- **29%** (26% - 2023) report cashflow is weak.
- **6%** (5% - 2023) report their cashflow position is critical.

People & Skills

Vacancies & Labour Market

32% (27% - 2023) of business have vacancies.



Access to Skills

- **55%** of businesses are finding it difficult to find the right skills for their business.
- For **1 in 5**, it is proving very difficult to find people.
- **51%** of businesses would consider taking on an **apprentice**.

Accessing Support for Skills

47% don't know where or how to access the right skills support (53% - 2023).



TOP 5 Skills Development Gaps

1. Marketing & Communications (**54%**)
2. Sales, Exporting & Business Development (**43%**)
3. Market / Customer Research (**31%**)
4. Managing Finances (**28%**)
5. Understanding & Embracing Artificial Intelligence (**27%**)

Skills Development

- Around 1 in 4 would like support in more innovation driven skills such as AI, new technologies and developing new products/services.
- Areas requiring limited support include supply chains, green/sustainable practices, cybersecurity and notably recruiting and managing people.
- 8% of businesses don't believe they require any skills development.

Business Performance & Planning for the Year Ahead



Businesses are hoping to expand outside of NI:

Most businesses (80%) are prioritising expansion within NI. Outside of NI, businesses are hoping to grow sales to:

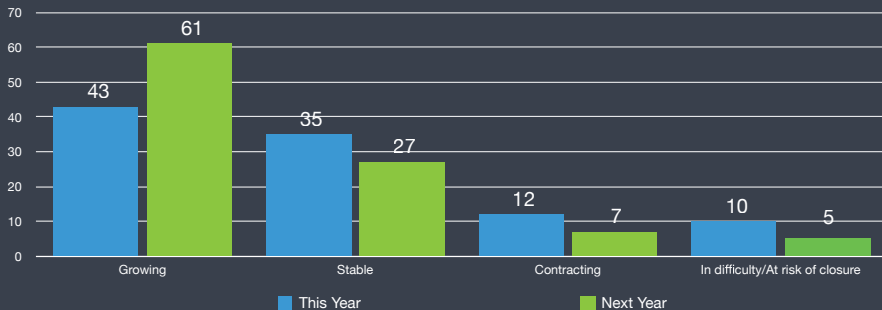
47% (45% - 2023) - Republic of Ireland

39% (39% - 2023) - Great Britain

22% (18% - 2023) - Rest of EU

20% (17% - 2023) - Other International Markets

Growth Performance this Year Compared to Growth Prospects Next Year



Growth prospects have continued to strengthen!



- **Three-fifths (61%) of businesses expect to grow over the next year (54% - 2023)**
- **12%** expect trading conditions to be difficult
- Businesses are **more optimistic** about growth prospects over the coming year than performance over the last year. **61% expect growth this year compared to 43% who experienced growth last year.**



Productivity

Businesses are positive about their productivity.

- **30%** rate it as very good/excellent.
- **24%** rate their business productivity as just satisfactory (22%) or poor (2%).

Managing Debt:

- Just over 2 in 5 businesses (44%) have no external finance.
- Of those with external finance, 28% (24% – 2023) have some form of COVID loan.
- 11% (10% - 2023) have some other form of loan finance.
- 18% (19% - 2023) use a credit card.
- 13% (14% - 2023) use an overdraft.
- Most businesses are finding debt repayments manageable (90%).
- 1 in 10 with debt are finding it unmanageable.



Businesses rate themselves highest on:



- The quality of their products/ services (78% rate as excellent/good)
- Staff skills (66% rate as excellent/good)
- Staff productivity (54% rate as excellent/good)

Businesses rate themselves lowest on:



- Operating efficiency (40% rate as satisfactory / poor)
- Around 3 in 10 rate technology adoption as just satisfactory / poor.

Survey Overview ~

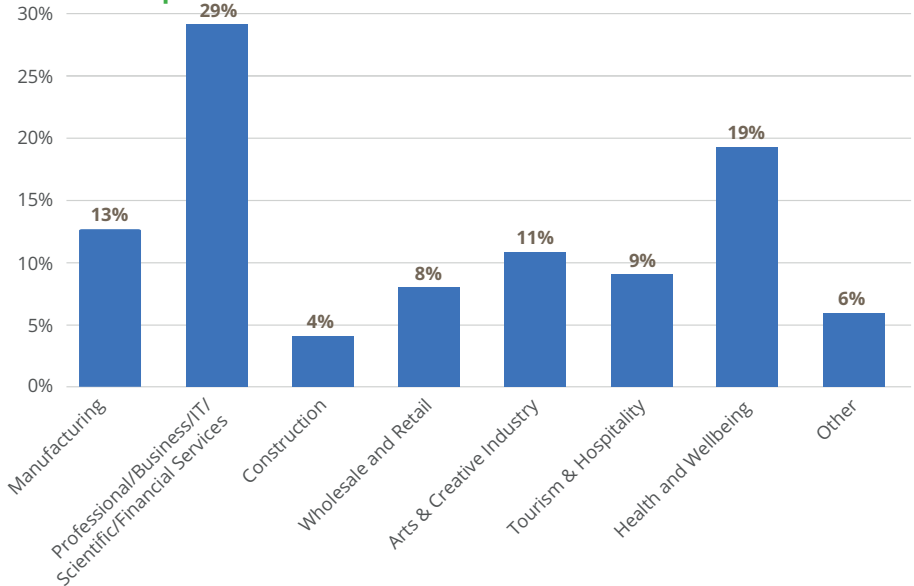
The largest annual survey of Northern Ireland enterprises

1,014
responses

All geographies, all sectors, covering largely micro, small and self-employed businesses – a significant representation from early stage businesses.

A longitudinal survey now spanning over 6 years.

Sector Response



Business Support

The right business support at the right time matters!

Support Approach

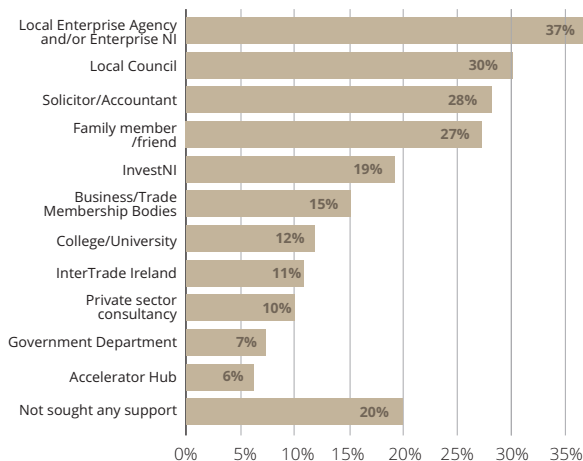
- **3 in 5** businesses value in-person support.
- **2 in 5** businesses want access to digital resources, support opportunities and guidance
- Businesses are least likely to value business information websites (19%)
- **2 in 5** businesses value networking and collaboration with other businesses.



Support that works best for entrepreneurs

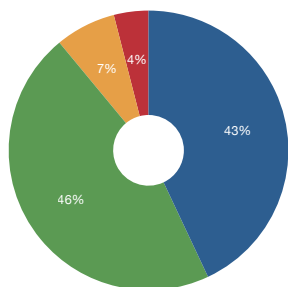
Face-to-face mentoring	60%
Networking & collaboration with other businesses	38%
Access to digital resources and support opportunities	36%
Specific subject masterclasses	34%
Bespoke digital notifications of resources/opportunities relevant to your business needs	25%
Business information websites	19%

Sources of Support – Last 12 months



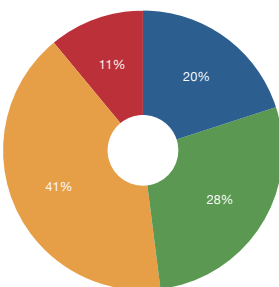
Some background to the businesses.

Business Structure



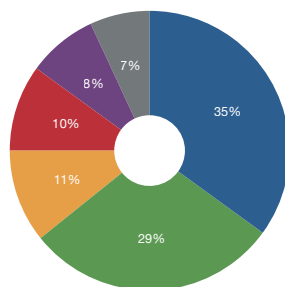
● Company Director ● Sole Trader
● Partnership ● Other

Business Location



● Rural ● City
● Town ● Village

Employment Size



● 1-4 ● 5-9
● 10-24 ● 25-49
● 50+ ● None

Turnover	(%)
Pre-Revenue Set-up	11%
Under £90k	47%
£90k - £200k	15%
£200k - £500k	10%
£500k - £1m	8%
£1m - £2m	4%
£2m - £5m	4%
More than £5m	2%

49% Family owned

5% Ethnic background

44% VAT registered

24% New businesses (less than 2 yrs)

14% Young business owners (under 35 yrs old)

69% Businesses with female owners

40% Female only ownership

31% Male only ownership

Commentary

The *Enterprise Barometer 2024*, now in its sixth year, remains the largest and most insightful assessment of Northern Ireland's small, micro, and self-employed businesses. It not only evaluates performance but also clarifies the supports needed to help these businesses thrive.

This year's findings reveal a moderately positive turnover performance over the past 12 months, with cautious optimism for the year ahead. However, significant challenges persist, including the cost of doing business, hard-to-fill vacancies, skills gaps, and slow adoption of new technologies—issues that could undermine growth and investment.

Since the survey's closure, the UK Spending Review and Budget have introduced further pressures, such as higher National Insurance contributions and an increased National Living Wage, adding to business fragility.

The Enterprise Barometer 2024 underscores the need for government and enterprise support agencies to act collaboratively and swiftly. By addressing these pressing challenges, we can help build a resilient and thriving small business community central to Northern Ireland's economic future.

Maureen O'Reilly
Independent Lead Economist

Michael McQuillan
Enterprise Northern Ireland

In their opinion *...the business voice.*

Accessing Finance

"Grant finance is highly competitive but is seen as the gateway to other financing in our sector."

"I find the information around funding and finance to be confusing with applications being difficult to understand."

"Lack of understanding of financial products"

"Don't know where to go to."

Timely Support

"Both online support and face to face is valuable."

"Find it hard to access /deal with government agencies."

Looking for support... "that encourages development and growth - not obstructs it."

Other concerns

"Childcare costs"

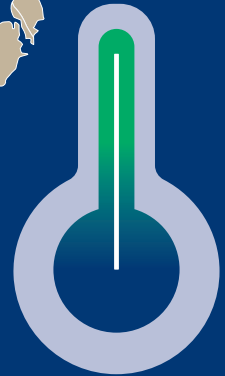
"...the NI Planning System is the biggest impediment to business."

"Importing goods to Northern Ireland is becoming increasingly difficult. Furthermore, the shipping costs charged are getting higher and higher."

"The marketplace in N Ireland is loaded in favour of the large companies - very difficult for small businesses to get support."

Locations

*Northern Ireland's
experienced enterprise
support network*




Enterprise
NORTHERN IRELAND



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