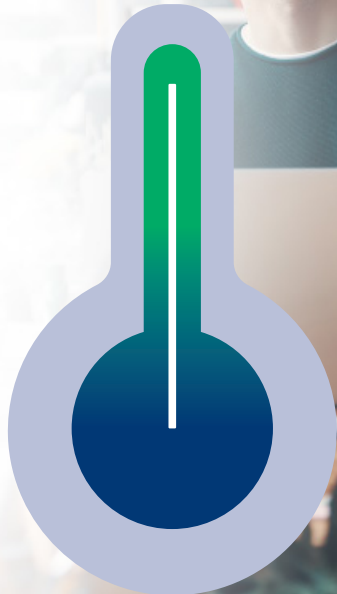


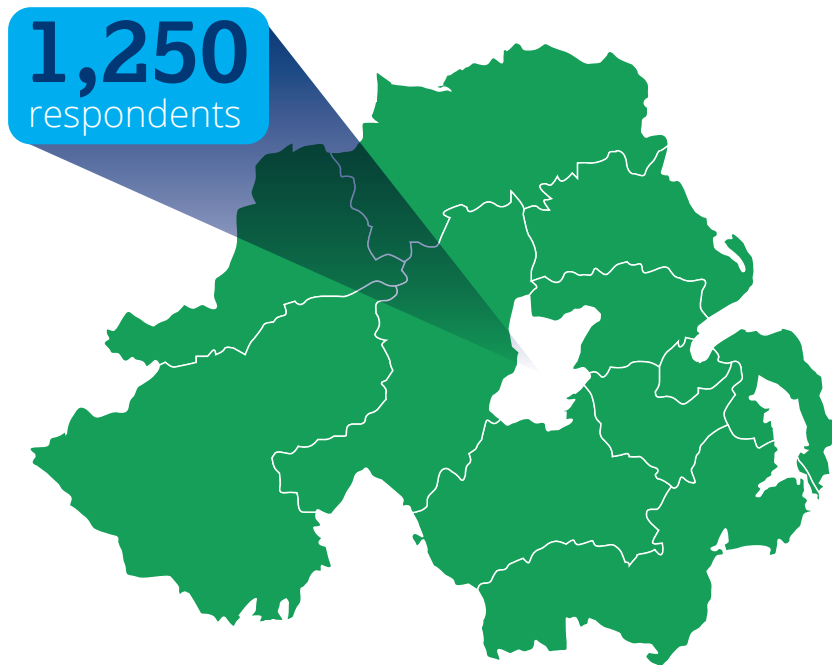
Enterprise Barometer 2019

Enterprise
NORTHERN IRELAND



The Northern Ireland Enterprise Barometer provides a rich insight and analysis of the performance, attitudes and ambition of Northern Ireland's small, micro and sole-proprietor businesses (99.2% of our economy). The aim is for this inaugural survey to become an annual barometer that will inform strategic policy and help shape practical interventions throughout the enterprise support ecosystem.

The largest survey of Northern Ireland enterprises in existence



Covering largely micro enterprises (less than 10 employees), small business (less than 49 employees) and the self employed.

How businesses are doing.



51%

of businesses are growing with **1 in 10** growing strongly
Turnover growing for **38%**
Profitability growing for **34%**

General sense of growth in the economy among these enterprises.



Around **1 in 10** are contracting with **1 in 20** 'in difficulty'

If this were to be multiplied up for Northern Ireland 'plc' it might suggest that **6.2k** businesses are currently in difficulty...

In the last year

- 18% increased Republic of Ireland sales;
- 13% increased Great Britain sales; and
- 10% increased sales elsewhere.



- **23%** currently have job vacancies.
- **43%** currently have skills gaps – they cannot get the right people for the job.



Profitability is falling for 15% of respondents

Reasons:

Operating costs	54%
Property costs	33%
Wage pressure	27%

Hopes and plans for the coming year.



of businesses want to attract more customers/clients over the coming year.

However, around **1 in 5** want to stay largely the same size

What markets are they hoping to expand in to?

Locally & NI	79%
Great Britain	33%
Republic of Ireland	41%
Rest of EU	18%
Other Markets	15%

Investing in growth

Just 1 in 4 expect to increase investment in training (25%) and 17% to increase investment in research & development/innovation.

Measuring success

Business growth is the key measure of success for respondents but personal/business reputation ranks a close second.

Maintaining business existence and performance at present levels is the key measure of success for **1 in 4** businesses.

Embracing technology.

Using

Social media	69%
Web-site	55%
On-line book keeping	38%
Virtual Reality and/ or automated intelligence	2-4%

Planning to Use

27%
37%
56%
10%

Barriers

Perceived costs

27%

Time to learn/
implement

23%

Lack of
knowledge

18%



Access to Finance.

Access to finance is, for the most part, challenging

Around half of businesses find it difficult to access working capital/cashflow (**51%**) and investment/capex funding (**50%**).

In fact, **24%** find it very challenging to access investment/capex funding and **21%** find it very challenging to access working capital.



48%

of businesses are not confident or only slightly confident around awareness of how and where to access finance.

People & skills.

Capability of Business Owners/leaders

Business owners see their key strengths as managing people, managing finance and being strategic.

Their key weaknesses include market/customer research, sales, marketing and communications and using new technologies.

58% **35%**

selling/sales skills are just adequate or weak

market research capability is weak

Employee Skills

Key employee strengths include working well with people, customer service and having strong technical and practical skills.

Skills considered weakest include ICT/Digital, embracing new technologies and financial awareness.



Vacancies and Labour Market

1 in 5 businesses have vacancies!

Just 1 in 4 (**26%**) believes that college leavers and graduates currently have the knowledge and skills they will need to be future employees and potential employers.

Brexit.

Impact

Most (**77%**) businesses expect an impact from Brexit on the business going forward

For **40%** that impact is likely to be major/severe.

Around **1 in 10** do not see Brexit as having any impact on the business.

Concerns

key concerns include the impact of tariffs and/or regulations

56%

Increasing administration costs (**46%**) and reduction in consumer confidence (**46%**)

Biggest
Concern

52%

of Businesses are most concerned about the impact of a 'No Deal' Brexit.



Only around
1 in 4 (24%)
have implemented
any Brexit related
preparation

Accessing enterprise support & advice.

The majority had sought some form of support for their business

That support is most likely to have come from:	
Local Enterprise Centre	51%
Local Council	32%
Invest NI/Intertrade Ireland	37%
Business/Trade Membership orgs	15%
Gov Dept	10%
Bank	25%
Solicitor/Accountant	16%
Consultant	13%
College/University	14%
Family member	24%

Mentoring is the most popular form of support (**47%**).



Other forms of support have included development programmes, workshops, accessing finance support and signposting towards other advice services.

Key areas for support being sought going forward include:

Digital Marketing and Social Media (**61%**);

Accessing Funding (where to and how to) (**55%**); and

Sales/Business Development/Exporting (**44%**).

IN THEIR OPINION....

Only **29%** of micro and small business feel they have a voice.

90% AGREE that young people in school should learn about enterprise.

46% AGREE that there is clarity around where to go for business support.

Some background to the businesses.

Half of the businesses are VAT registered (**46%**).

5 in 10 businesses are family owned.

Around **16%** of business owners are making succession plans for their business in the next 5 years and 8% are making plans to exit their business within the same period.

Males in ownership/shareholding of **67%** of businesses.

Females in ownership/shareholding of **54%** of businesses.

AN INSIGHT INTO OUR NETWORK OF ONE-MAN/WOMAN BANDS.

- Almost 1 in 5 are VAT registered
- Around 5%+ earn more than £85k
- Most want to grow (80%+) but not necessarily take on employees (17%), at least in the short term
- Almost 40% trade internationally (outside the UK) largely to the Republic of Ireland. Around 12% trade outside the EU

Turnover	
Pre-Revenue – set-up	15%
<£85k	43%
£85k-£500k	27%
£500k-£1m	6%
£1m- £2m	4%
£2m-£10m	3.5%
>£10m	1.5%

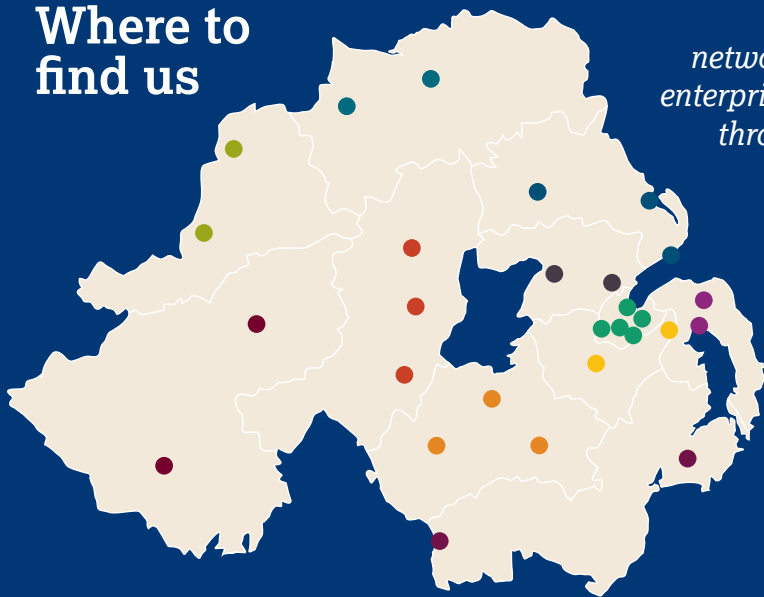
Every sector of the economy is represented including:

Professional services	29%
Retail/Wholesale	15%
Hospitality/Tourism/Leisure	11%
Manufacturing	10%

Business ownership across all age groups! Biggest ownership between 30 to 60 years.

92%

Where to
find us



*a strong
network of local
enterprise support
throughout NI*


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