

Business Baseline Report

November 2024



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Executive Summary

The following report summarises findings from a recent survey of business owners in Scotland. The research was conducted by the Improvement Service (IS) on behalf of the Business Support Partnership which comprises of Business Gateway, Scottish Government, Scottish Enterprise (SE), Highlands and Island Enterprise (HIE), South of Scotland Enterprise (SOSE), Skills Development Scotland (SDS) and VisitScotland. It aimed to deliver a baseline understanding of how business owners view the prospects for their businesses, the goals and challenges they have, and what need there is for business and financial support.

A total of 616 responses were received from a wide range of businesses covering various sectors and areas across Scotland. Most of these businesses were well-established, with 51% having traded for more than five years. Additionally, a majority of the responses were self-employed individuals (52%). Among the various sectors represented, creative industries emerged as the most prominent, accounting for 17% of respondents.

Key Findings

Business Growth and Confidence:

- Over half of respondents (60%) anticipated growth in their business over the next 12 months, with an average expected growth rate of 37%. Respondents within the food and drink sector were the most optimistic, with 78% of these respondents anticipating growth.
- Confidence was high amongst respondents. Seventy four percent expressed confidence in their business prospects over the next 12 months. However, economic uncertainties, rising costs, and the cost-of-living crisis were noted as significant concerns.

Goals, Challenges, and Support Needs:

- Just over half of participants (53%) said that the goal for their business in the next 12 months was to increase sales. Improving profits (47%) and developing new products (31%) were also selected as goals by a large proportion of respondents.
- Respondents' businesses were commonly facing financial challenges, with 64% identifying rising costs and 38% selecting funding issues as major obstacles. Rising cost pressures were most prominent amongst respondents in the food and drink sector (83%) and retail and wholesale sector (82%).

- To overcome these challenges, businesses expressed the need for financial support, knowledge, and expertise. Thirty-seven percent of respondents said they anticipated needing financial support in the next year and over half (61%) of respondents anticipated needing business support.
- Support needs were more common in less established businesses. Amongst respondents who had not yet started their business, 70% anticipated needing financial support and 88% business support.
- Business Gateway emerged as the most likely to be used source of business support (82%) whilst grants were the most likely source of financial support to be sought (61%).
- Sixty percent of respondents said they expected to raise the price of their product or service in the coming year.

Environmental and Fair Work Practices:

- Over half (55%) of businesses had plans in place to reduce their environmental impact, with respondents from the tourism sector leading in this regard (73%).
- Nearly three-quarters (72%) of respondents whose businesses had employees had adopted fair work measures. These aim to promote secure employment, fair pay, and good working conditions.

Running a small business

- Survey respondents reported that running a small business, defined as a business with 10 employees or fewer, comes with major challenges and demands. Most of these respondents worked long hours, with 25% working more than 50 hours per week and 23% between 40 and 50. Sixty eight percent worked more than 30 hours per week.
- These respondents also reported challenges with their work-life balance. 11% rated their work-life balance as one out of five, or “extremely poor”, with 38% rating this as three out of five. In addition, 49% said they had cancelled a holiday due to the demands of running their small business.
- Finally, there were several challenges reported in running a small business. Fifty nine percent said they had worries about money, and 51% faced issues with operational costs.

1. Introduction and Methodology

Introduction and context

The Scottish Government's 2024/25 Programme for Government¹ identifies economic growth as one of its four key priorities for the upcoming year. The Programme recognises that “businesses, large and small, sustain communities and provide valuable employment” and sets the aim to “support the businesses that create jobs and wealth today”. Central to this initiative is the provision of targeted support and guidance to help businesses expand and achieve their objectives, thereby fostering overall economic development.

In Scotland, business support is delivered by many organisations including Business Gateway, SE, HIE, SOSE, SDS, VisitScotland, and other sector specific organisations. Advice can take a range of forms including online information and training events, one-to-one support, such as how to develop a business plan, or help to access funding opportunities. Business Gateway alone helps over 50,000 businesses a year to start or grow.

Aims of the research

The aim of this survey was to engage businesses to hear more about the opportunities and challenges facing them, and about the support they are likely to require. The overall goal was to inform and improve the advice provided to them.

This survey was undertaken by the Improvement Service, the national improvement body for local government in Scotland, on behalf of several advice and support providers including Business Gateway, Highlands and Islands Enterprise (HIE), Scottish Enterprise, Scottish Government, Skills Development Scotland (SDS), South of Scotland Enterprise (SOSE) and VisitScotland.

This is the first iteration of this survey, which is intended to be held annually. Future surveys will allow change over time to be tracked and will allow advice providers to further refine and improve their offer.

Methods

An online survey was distributed between the 22nd of August and the 10th of

¹ <https://www.gov.scot/publications/programme-government-25-2024-serving-scotland/pages/2/>

September 2024. The survey contained 36 questions, with some only asked to owners of small businesses, that is those with 10 employees or fewer. Responses were sought from owners and representatives of businesses operating across Scotland. The survey was distributed through the networks of Business Gateway and partners, including social media and newsletters.

The survey included questions covering business and respondent demographics, business growth and obstacles preventing this, confidence and goals, challenges and support, net zero plans, fair work practices, and questions specifically about running a small business.

2. Business Characteristics

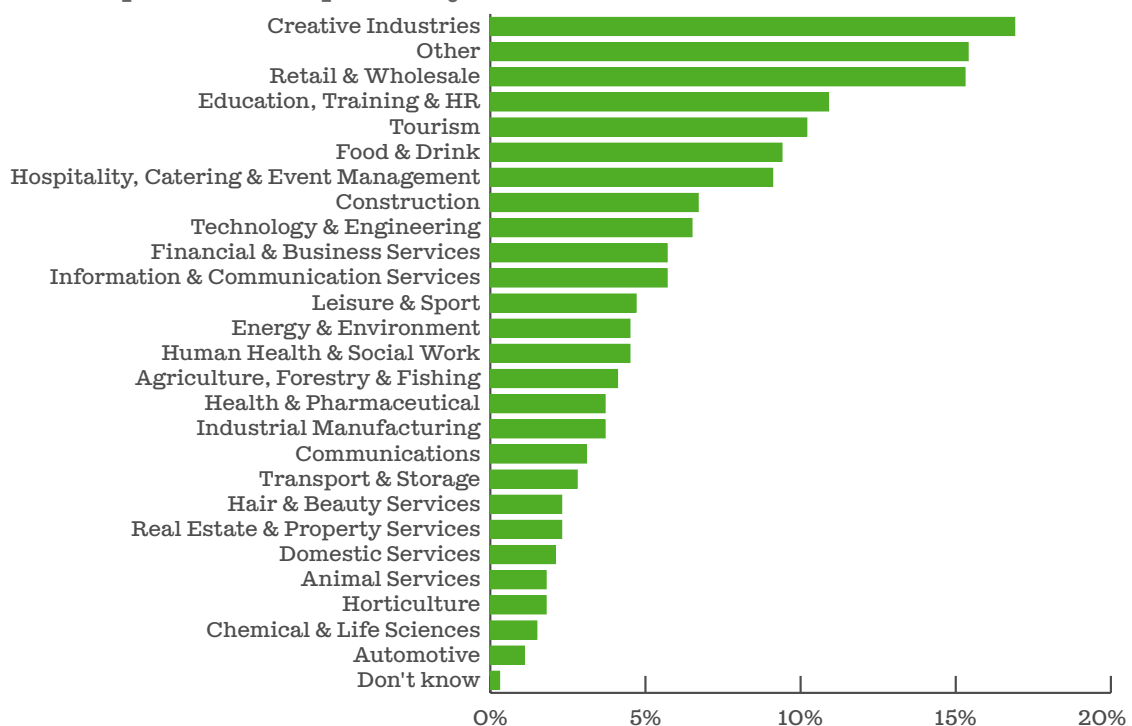
The survey received a total of 616 responses. Respondents were initially asked a series of questions to establish the different characteristics of their business, and a mix of sectors, locations, and sizes were represented. The largest proportion for each of these questions said they were:

- Within the creative industries sector (17% of respondents)
- Based in Glasgow City (9%)
- Had been trading for more than five years (51%)
- Were self-employed businesses (51%)

A detailed breakdown of these characteristics is outlined below.

Respondents' businesses operated in a range of different sectors. As shown in Figure 1, the most common sectors were creative industries (17%); retail and wholesale (15%); education, training and human resources (HR) (11%); and tourism (10%). The remaining sectors were all represented by less than 10% of respondents. Respondents were able to select more than one sector and individual respondents may therefore be represented in more than one group. A large proportion of respondents said their business was in an "other" sector (15%). Some of these respondents' businesses operated in one of the listed sectors but used the "other" option to specify more detail.

Figure 1 - Proportion of responses by sector



Responses were received from businesses based in all 32 local authority areas of Scotland. Figure 2 shows a breakdown of respondents by where their business is based, defined as their headquarters, head office, or main place of business. The largest proportions of businesses were based in the larger local authorities including Glasgow City (9%), City of Edinburgh (8%) and Highland (7%).

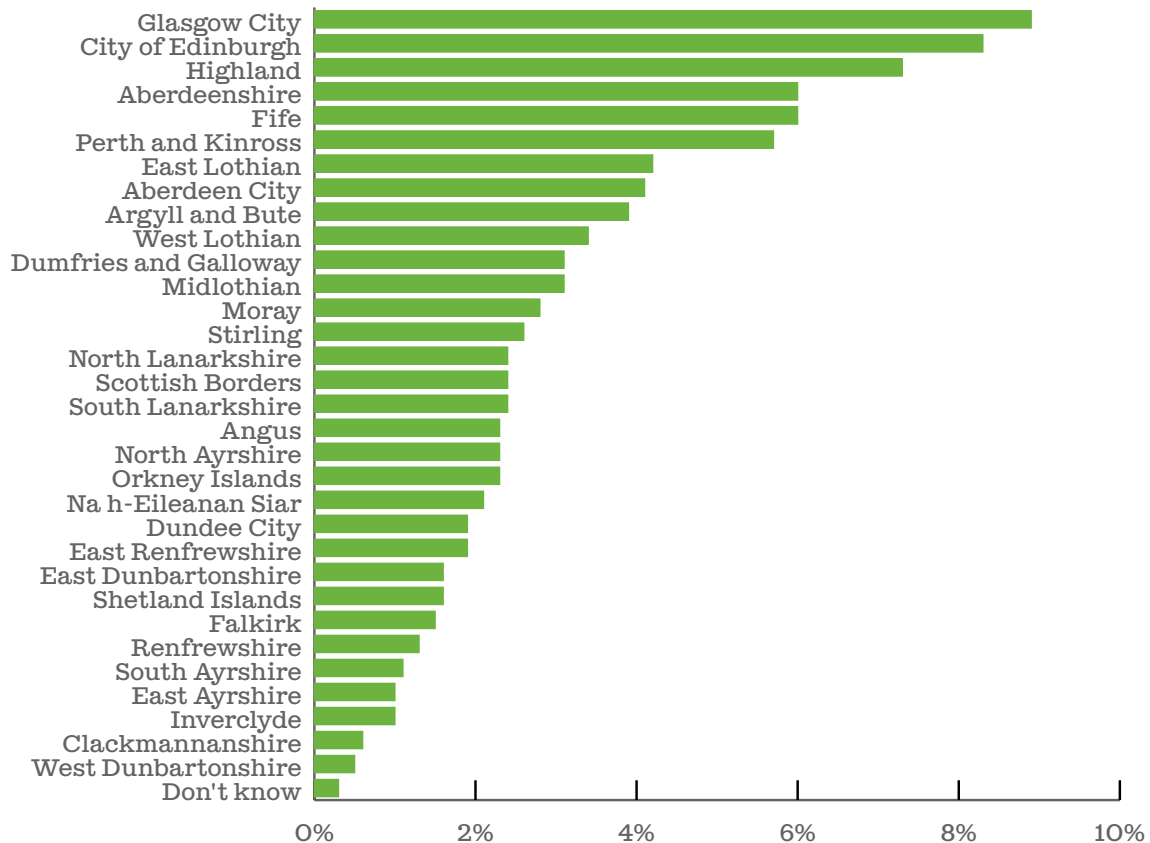


Figure 2 - Proportion of responses by business base region

Most respondents had well established businesses, with 79% of respondents stating their business has been trading for over a year, including 51% who had been trading for more than five years. Nine percent of respondents had not yet started trading. Figure 3 shows a breakdown of these responses.

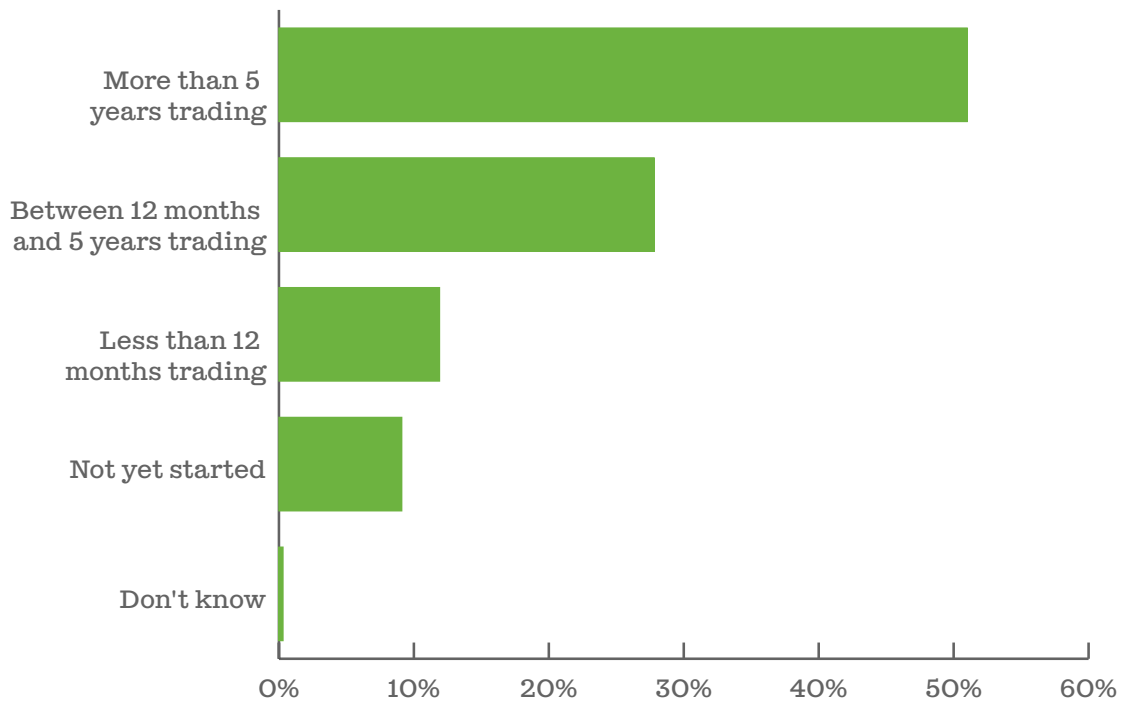


Figure 3 - Proportion of responses by business stage

Figure 4 highlights the proportion of responses by the size of the respondent's business. The majority of respondents were self-employed with no employees (52%). Most respondents came from smaller businesses with 10 or fewer employees. Just 11% of respondents were from businesses with 11 or more employees.

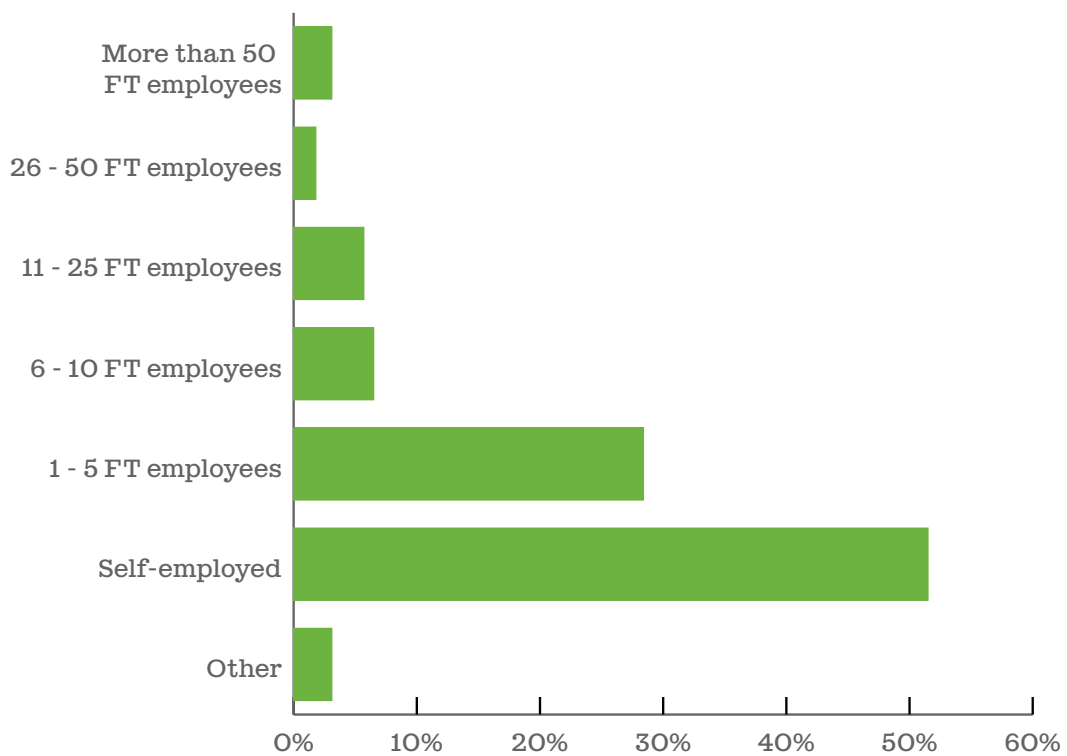


Figure 4 - Proportion of responses by business size

Respondents were then asked about their role within the business. The majority of respondents were the owner of their business (73%). A smaller number of respondents said they were a director (17%). Figure 5 shows a breakdown of responses by the respondent's role in the business.

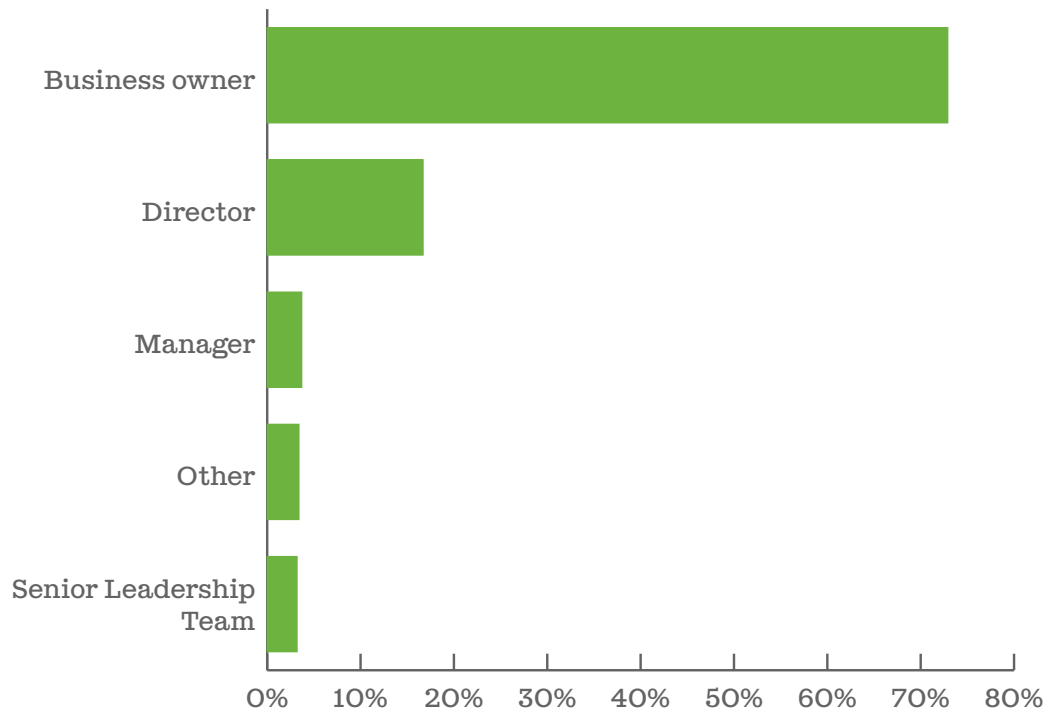


Figure 5 - Proportion of responses by role in the business

Figure 6 shows a breakdown of respondents by the regions their business trades in. The results showed that respondents' businesses trade in a variety of regions. Whilst 48% of respondents noted that their business trades in their local region or regions, there were also large proportions who trade Scotland-wide (40%) and UK-wide (45%). Respondents were able to select more than one option for this question and were asked to select all the regions they trade in. Only 32% of respondents selected more than one region, however it is possible some of those who operate in the wider areas, such as Scotland and UK wide, also operate within their local area. Around 41% of respondents had businesses that trade outside of the UK either in the EU (18%) or outwith the EU (23%).

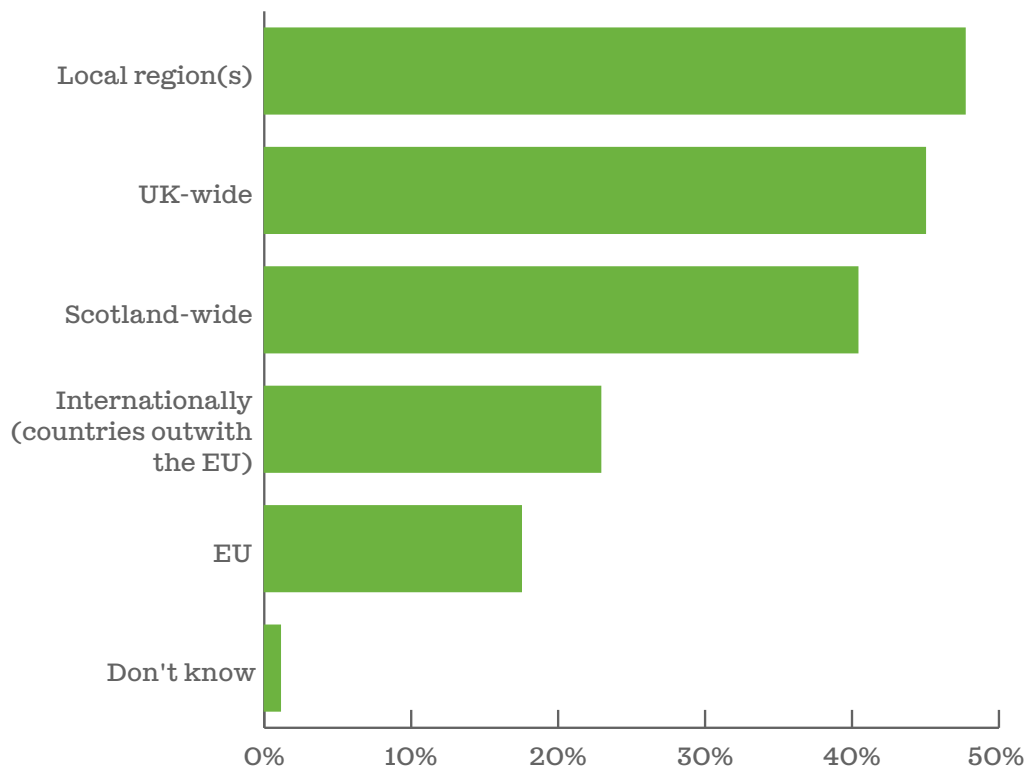


Figure 6 - Proportion of responses by trade region

3. Respondent Characteristics

Respondents were also asked a series of questions relating to their personal characteristics. These characteristics are outlined below.

Half of respondents were aged over 55. Figure 7 shows a full breakdown of respondents' age. Six percent of respondents were aged under 35, with less than 1% aged between 18 and 24 and none aged under 18.

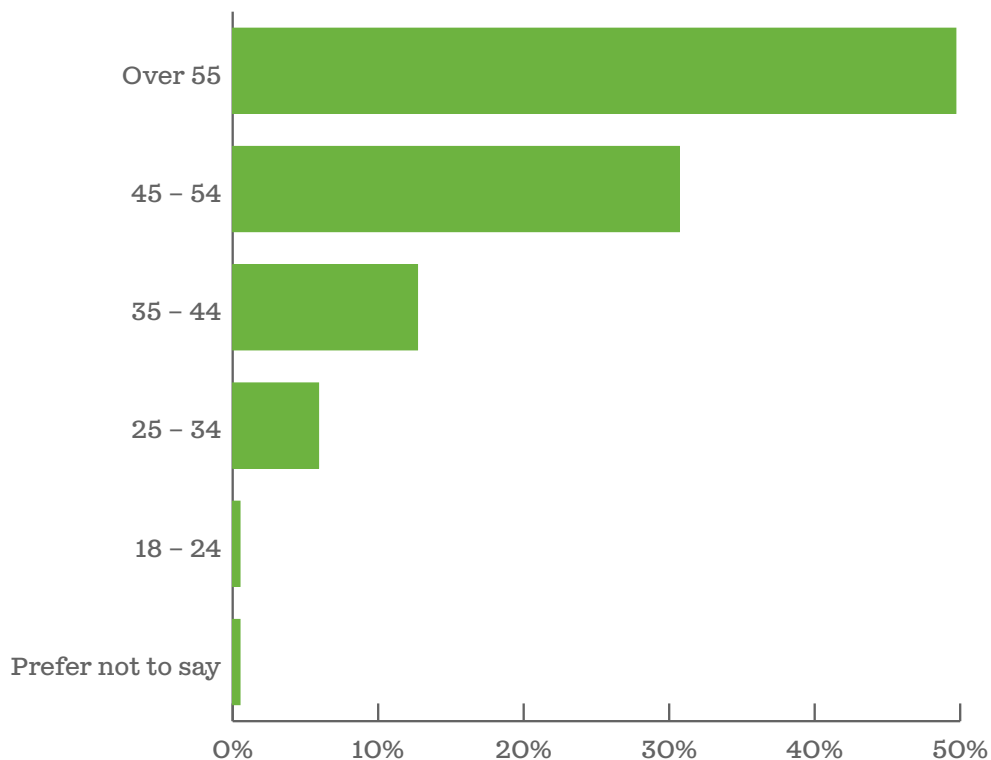


Figure 7 - Proportion of respondents by age

Respondents were predominantly female with 56% of respondents stating this as their sex. Figure 8 shows the full breakdown of respondents' sex. The survey asked whether respondents considered themselves to be trans. Less than 1% stated "Yes" to this question.

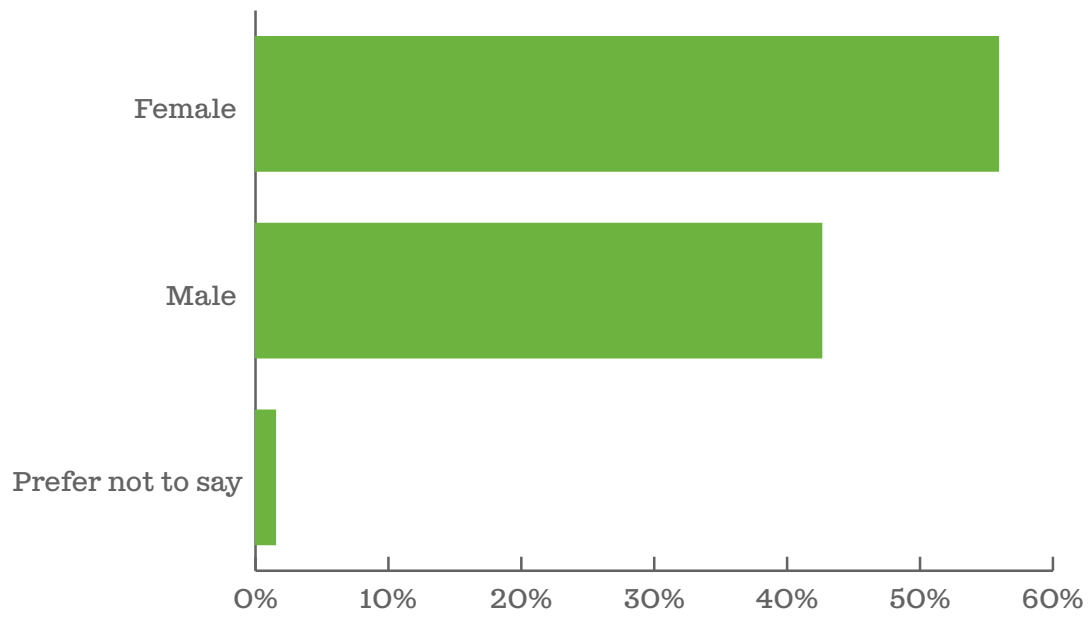


Figure 8 - Proportion of responses by sex

4. Business Growth

Respondents were asked whether they anticipated growth in their business in the next 12 months. Over half (60%) of respondents said that they did expect growth, whilst 22% said they did not know and a further 18% said they did not expect growth. A follow up question asked respondents to comment on roughly what percentage of growth they anticipated. On average, respondents anticipated their business to grow by 37%, with half of those who answered stating they anticipated growth between 10% and 50%.

Those respondents who said they anticipated growth were also asked what kind of growth they expected. Respondents could select domestic growth, international growth, or both. Domestic growth was selected by 85% of these respondents, and 28% said they anticipated international growth. Eleven percent of respondents selected both domestic and international growth. Respondents who anticipated international growth were also asked which public sector organisations, if any, they would seek support from to help achieve this. Table 1 shows the breakdown of respondents anticipating international growth who indicated they would seek support from each organisation. Business Gateway was most commonly selected, with 61% saying they would seek support from that organisation. This was followed by Scottish Enterprise at 37%.

Table 1 - Respondents who anticipated international growth by the public sector organisation they will seek support from

Support Provider	Response No.	Response %
Business Gateway	64	61%
Scottish Enterprise	39	37%
We will not seek support from a public sector organisation	18	17%
Skills Development Scotland	17	16%
VisitScotland	16	15%
Creative Scotland	15	14%
Don't know	15	14%
Scottish Government	14	13%
Other	10	10%

The proportion of respondents who anticipated their business to grow in the next 12 months varied by sector. Figure 9 shows the breakdown of the proportion of respondents by sector who said they anticipated growth. This figure only includes proportions for sectors that received at least 30 responses, excluding the “other” sector category. The percentages varied substantially between sector, which could reflect the challenges and circumstances facing each. Across the 10 sectors, in all but two, more than half of respondents anticipated business growth. The food and drink sector had the largest proportion of respondents who anticipated growth with 78% responding “yes” to this question. On the other hand, respondents in creative industries (50%), tourism (46%), and hospitality, catering, and event management (39%) were less likely than average to say they anticipated growth.

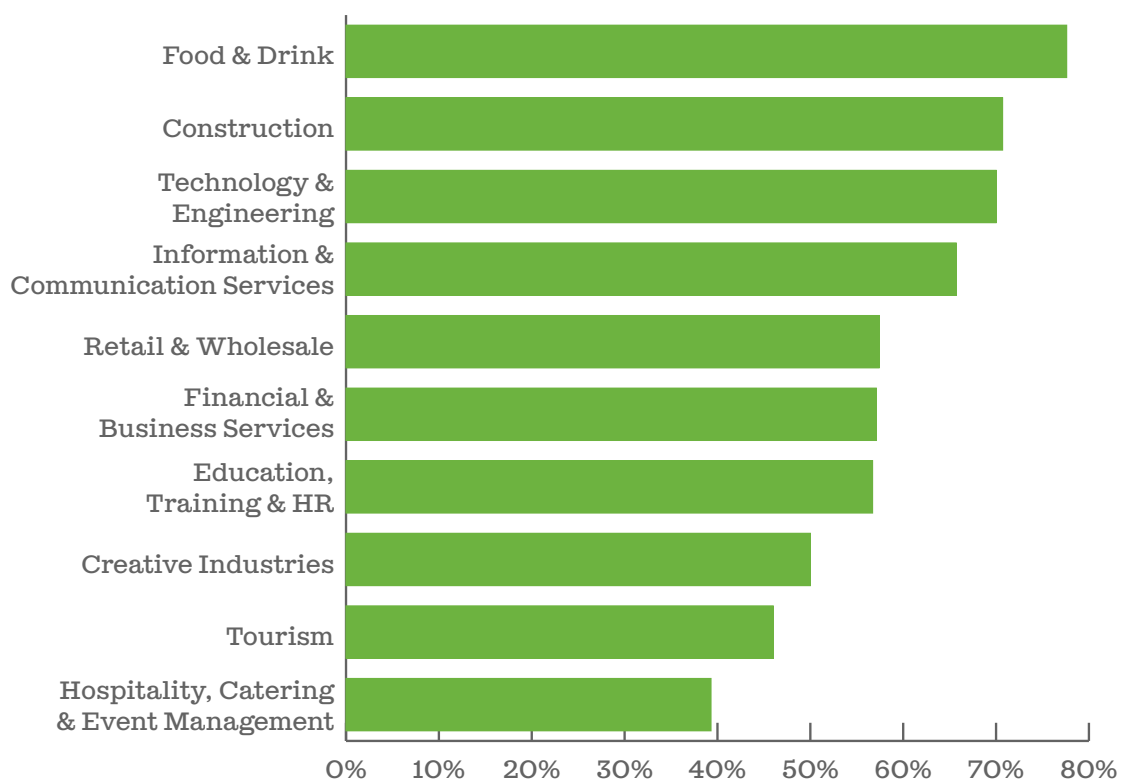



Figure 9 - Proportion of respondents, by sector, who anticipated growth

Respondents who did not anticipate growth were asked why they had said this and cited a range of challenges. Economic conditions and uncertainty was the most frequent theme. Within this, the cost-of-living crisis, which has impacted customers’ disposable incomes, and increased operational costs, such as energy costs and rates, were commonly cited. Brexit was also mentioned, with one respondent saying they had to stop trading in France as a result. There were also challenges specific to certain industries or local areas. For instance, this included limitations for those in the tourist industry, with tourist numbers providing a natural limit to growth. Some of the respondents also noted issues such as ferry availability.


Some respondents were already at maximum capacity and said they would find it difficult to grow their business. In many cases, this was due to difficulty in recruiting more staff. Available premises and finance, as well as oversaturated markets, were also noted as barriers to growth.

For many respondents, however, a personal decision had been made not to seek growth, rather than being imposed by external factors. Some respondents preferred to prioritise sustainability and their own work-life balance, for example. In other cases, respondents were approaching or at retirement age.


“Customer spend has decreased considerably whilst costs have increased.”




“Market is very stagnant at the moment; people don’t seem to be spending based on the economic outlook. Concerned about tourism tax and the negative impact it will have on the tourism economy in my area.”



“The absence of suitable talent to employ is a severe difficulty. I have trained people for over 10 years and each time they are trained they take their skills to the cities where they get wages I simply cannot compete with. Although people talk about a work life balance being more important, in reality it is wages which talk.”



“Not wanting growth. Work as a consultant for myself. No wish to change that.”



5. Confidence

Almost three quarters of respondents (74%) were confident in the prospects for their business in the next 12 months. Confidence levels were high across all business characteristics. As shown in Figure 10, over 70% of respondents within each business stage said they were confident in the prospects for their business. Respondents with a business at an earlier stage were, however, slightly more confident in the prospects for their business. Those with businesses that had been trading less than 12 months were most likely to say they were confident at 83%.

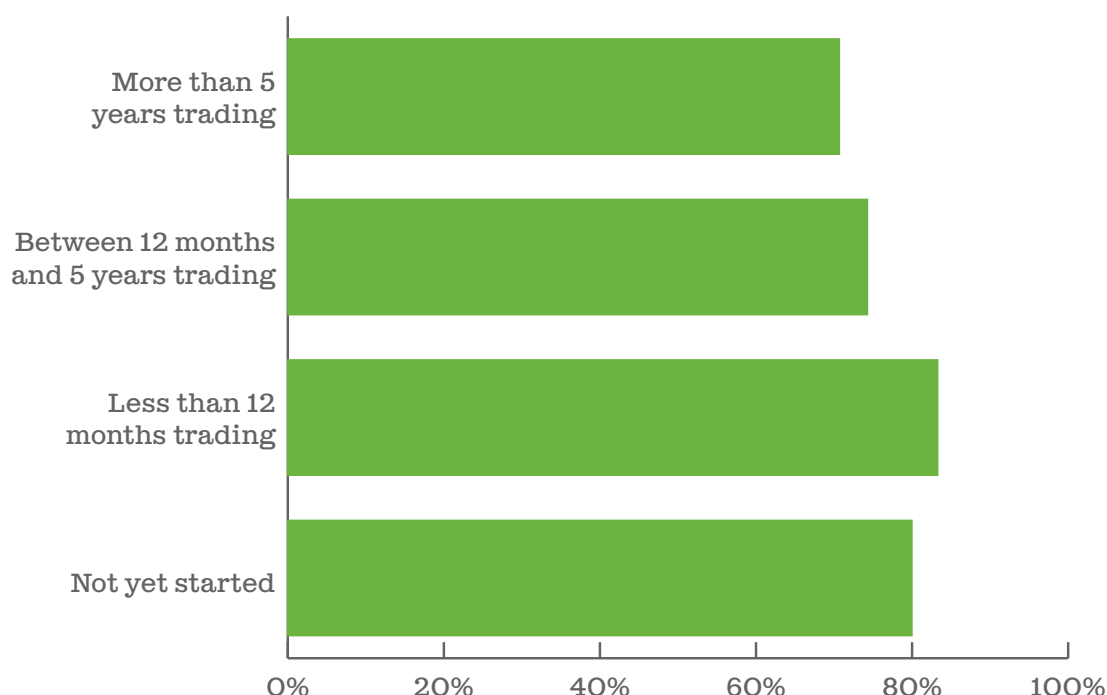


Figure 10 - Proportion of respondents, by business stage, who were confident in the business prospects

As a follow up to this question, respondents were also asked to explain why they said they were confident or not confident.


Amongst those who were confident, the reasons given were varied and often related to individual business circumstances. Many expressed confidence in the quality of their product or service, confidence in their ability to expand into new markets, and a confidence that new clients and customers could be attracted to their business. Respondents noted existing demand for their product or service and strong repeat customer bases.

Amongst those who said they were not confident, economic factors were again predominant, with rising business costs, the impact of inflation on customer


spending, and general economic uncertainty frequently mentioned. Some respondents were already seeing a negative impact on their sales and profitability as a result.

Responses also expressed concern about UK, Scottish, and local government policy, including regulation. Changes to funding for Creative Scotland was mentioned several times and described as a “hammer blow” for that sector. At a UK level, there was some uncertainty about the impact of the new government’s policies, such as taxation or policies related to the oil and gas sector.


“I don’t think that the economic panorama is going to improve.”



“Customers are tightening their spending and costs are going up too much.”



“So many unknowns
- energy prices,
equipment needing
replaced, wholesale
prices, staff
availability, government
policies that may
impact on the business
including new charges”



6. Goals

Respondents were asked to select the goals they had for their business in the next 12 months. Figure 11 shows the breakdown of the proportion of respondents who selected each goal. Business goals relating to profit and business growth were most frequently selected. Just over half of participants (53%) said that increasing sales was their goal, which was the most selected option. Improving profits (47%) and developing new products (31%) were also selected as business goals by a large proportion of respondents.

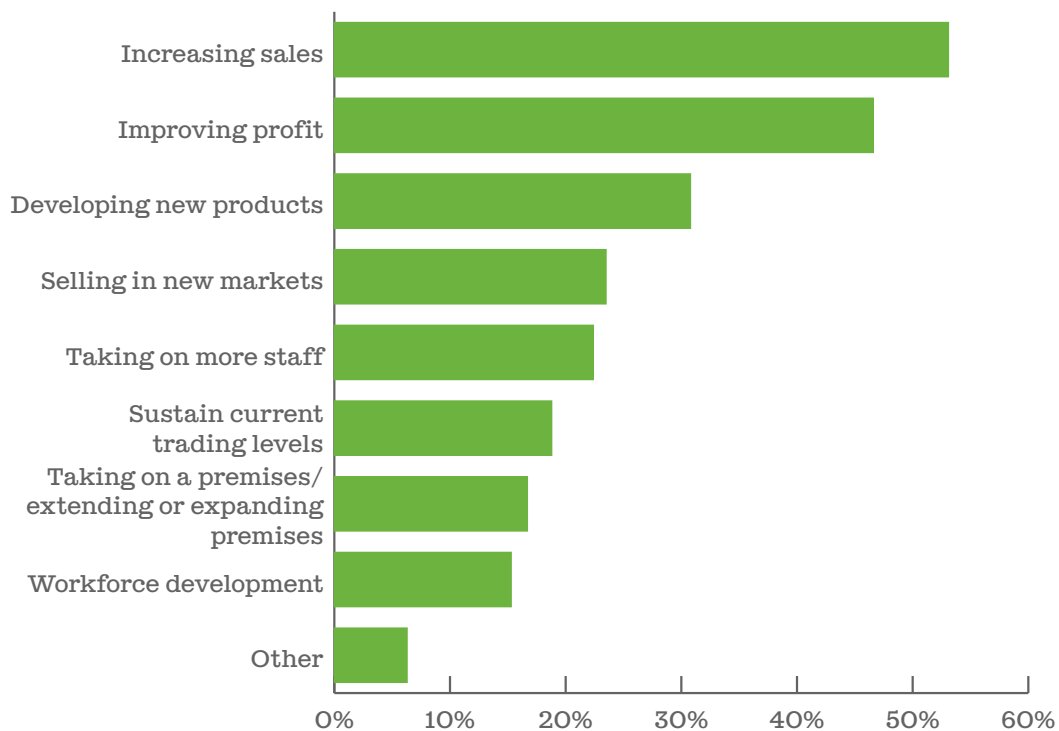


Figure 11 - Proportion of respondents by the goals they have for their business in the next 12 months

7. Challenges

Financial issues dominated amongst the challenges facing respondents' businesses in the next 12 months. Rising costs was selected by 64% of respondents and a further 38% said that issues with funding was one of their biggest challenges. A full breakdown of the challenges is show in Figure 12.

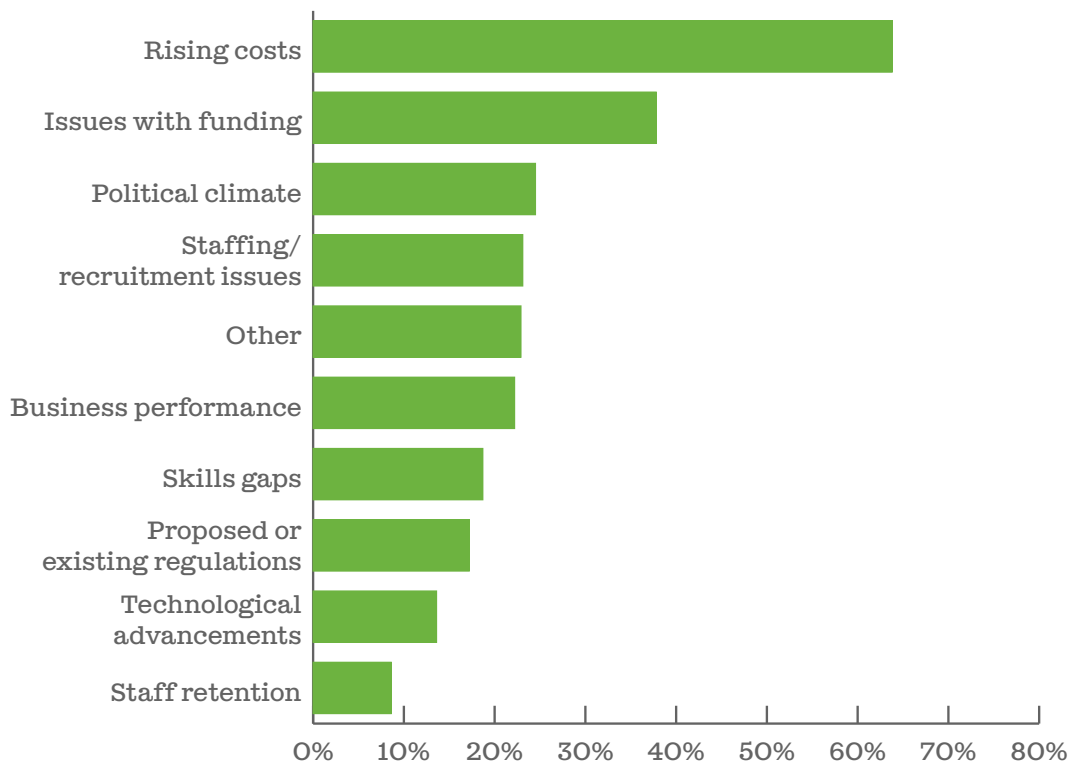


Figure 12 - Proportion of respondents by what they see as the biggest challenges facing their business in the next 12 months

Although rising costs was the most common challenge for businesses, this did not impact all sectors to the same extent, with some sectors more likely to say this was a challenge. Figure 13 shows the breakdown of the proportion of respondents by sector who selected rising costs as one of their biggest challenges. The figure only includes proportions for sectors that received at least 30 responses, excluding the “other” sector category. Respondents in five sectors were more likely than average to say rising costs were one of their biggest challenges. Businesses in the food and drink sector were most likely to identify this as a challenge at 83% of respondents, followed closely by 82% in retail and wholesale. By contrast, just 31% of respondents in the financial and business services sector said this was a main challenge.

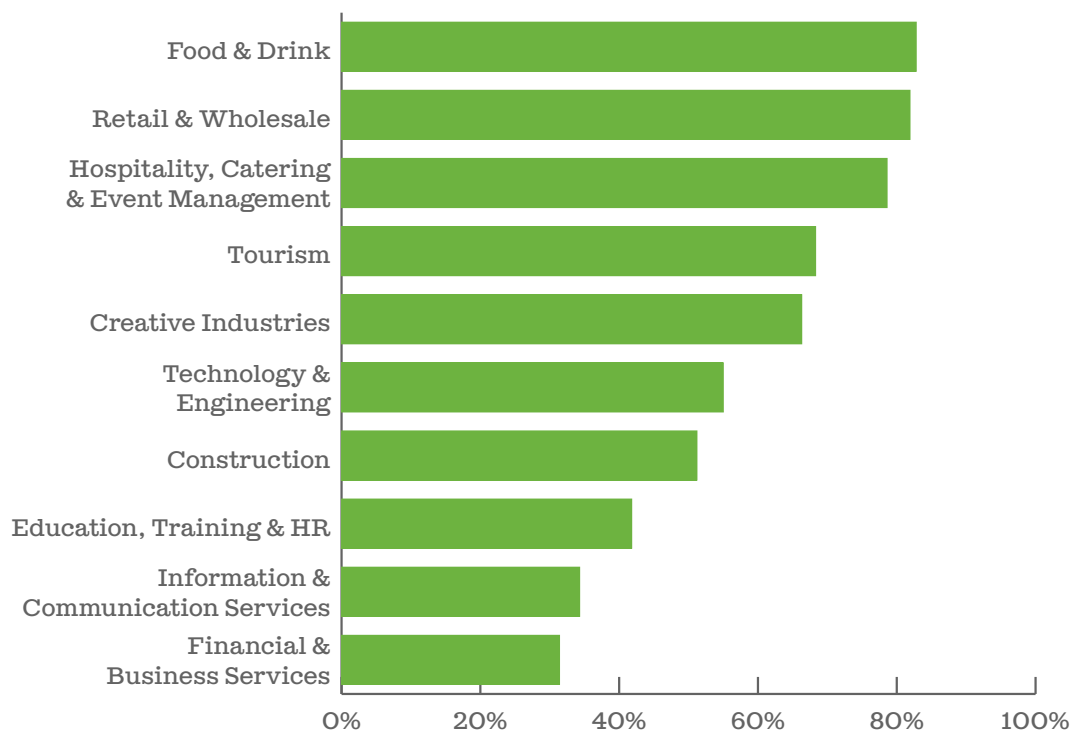


Figure 13 - Proportion of respondents, by sector, who selected rising costs as one of the biggest challenges facing their business

Issues with funding was the second most commonly identified challenge, but this varied by the business stage of the respondent. Businesses at an early stage were more likely to select issues with funding as one of the biggest challenges. Figure 14 shows a breakdown of these proportions. Issues with funding were selected by 66% of respondents with businesses that had not yet started, compared to 30% of those with more than five years of trading.

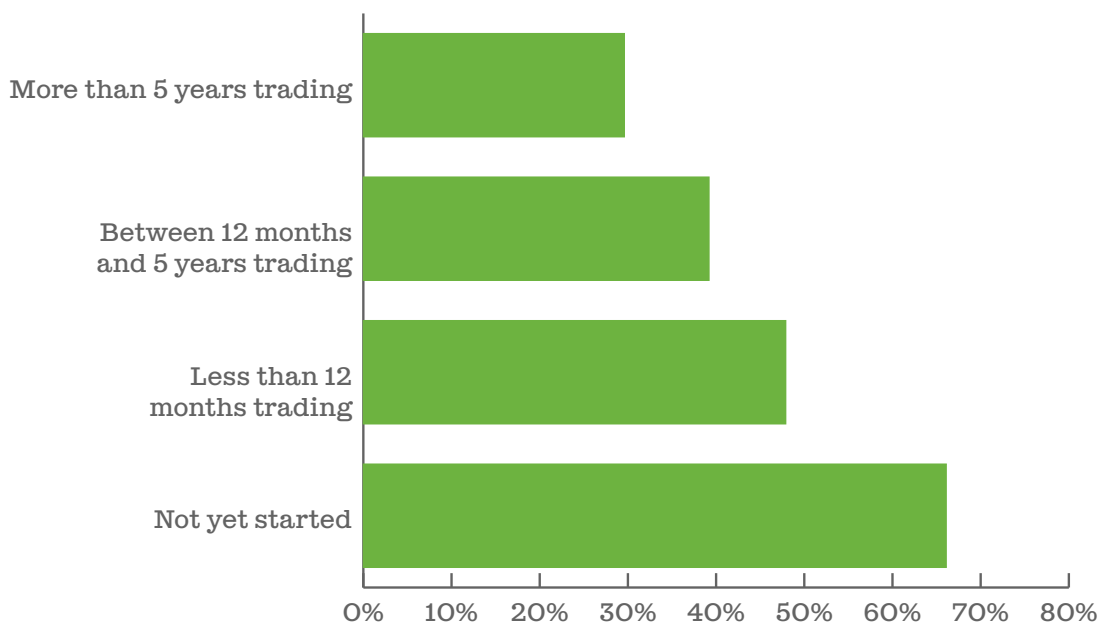


Figure 14 - Proportion of respondents, by business stage, who selected issues with funding as one of the biggest challenges facing their business

Respondents were asked to rate how prepared they felt for the challenges they had selected, rating on a scale from one to five, with one being completely unprepared and 5 completely prepared. Around half of respondents (53%) rated themselves as 3, or neither prepared nor unprepared. Only 6% of respondents felt completely prepared and 4% completely unprepared, although more respondents rated themselves as 4 or 5 (33.5%) than 1 or 2 (14%), indicating that they were more likely to feel prepared than unprepared.

The survey also asked what would help respondents feel more prepared for the challenges they selected. Knowledge and finances were the most common areas of support selected. As shown in Figure 15, 52% of respondents selected “general business support”, 41% selected “more capital investment/funding”, and 39% selected “access to experts or expertise”.

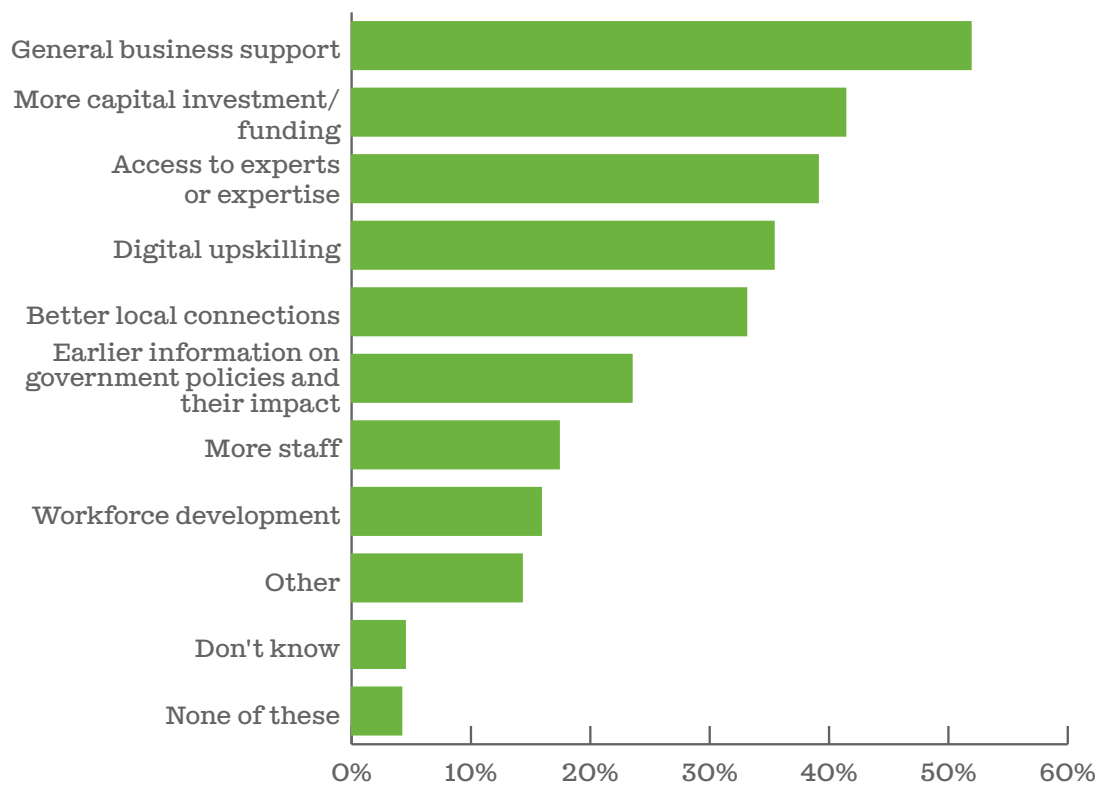


Figure 15 - Proportion of respondents by what would help them prepare for the biggest challenges facing their business

8. Financial Support

As highlighted, finances were commonly selected as one of the biggest challenges facing businesses. Relatedly, 37% of respondents said they anticipated needing financial support in the next 12 months. However, a higher proportion said they did not anticipate needing this support (39%) and a further 24% said they did not know.

Figure 16 shows how the proportion of respondents who anticipated needing financial support varies by sector. The figure only includes proportions for sectors that received at least 30 responses, excluding the “other” sector category. While less than half of respondents in most sectors said they anticipate needing financial support, the proportions were around 50% in the food and drink sector (57%), technology and engineering sector (48%), and tourism sector (47%).

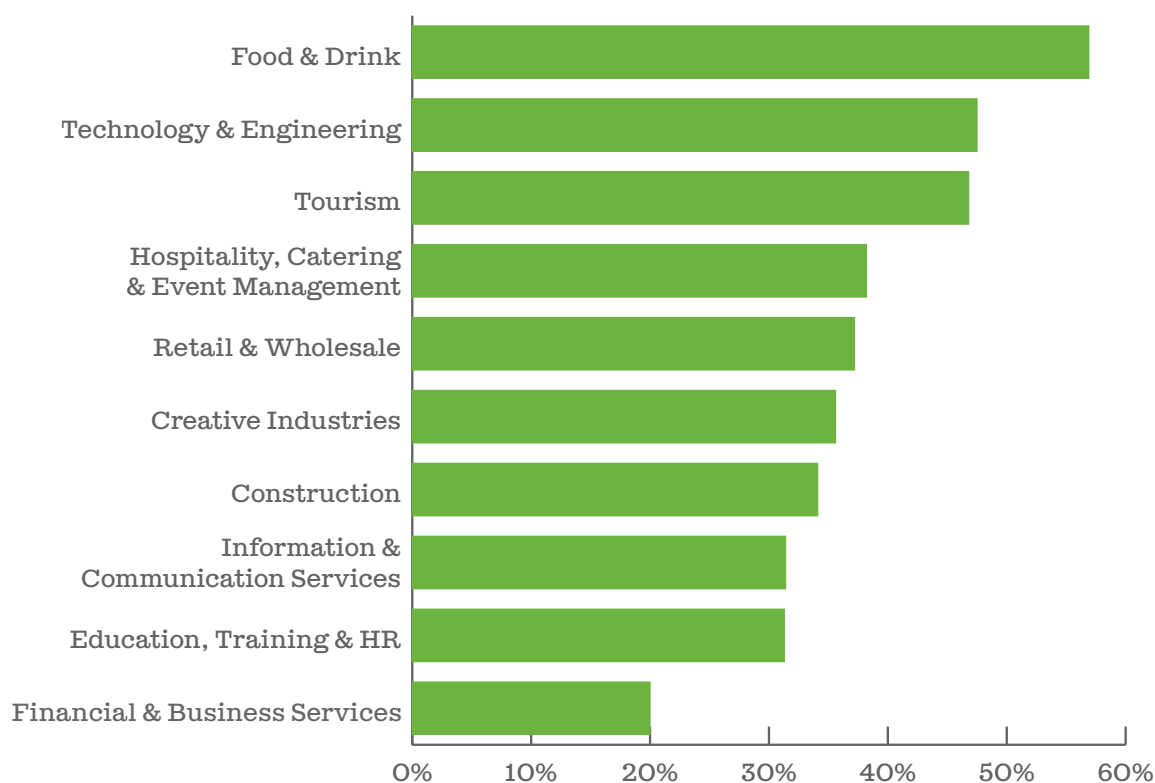


Figure 16 - Proportion of respondents by sector who anticipate needing financial support in the next 12 months

As shown in Figure 17, the proportion of those who anticipated needing financial support varied widely by the stage of the business. Amongst respondents who had not yet started their business, 70% anticipated needing financial support compared with 29% of respondents with businesses that had been trading for more than five years. This trend is reflective of the challenges

highlighted earlier in the survey where respondents with businesses at earlier stages were more likely to select issues with funding as one of the biggest challenges facing their business.

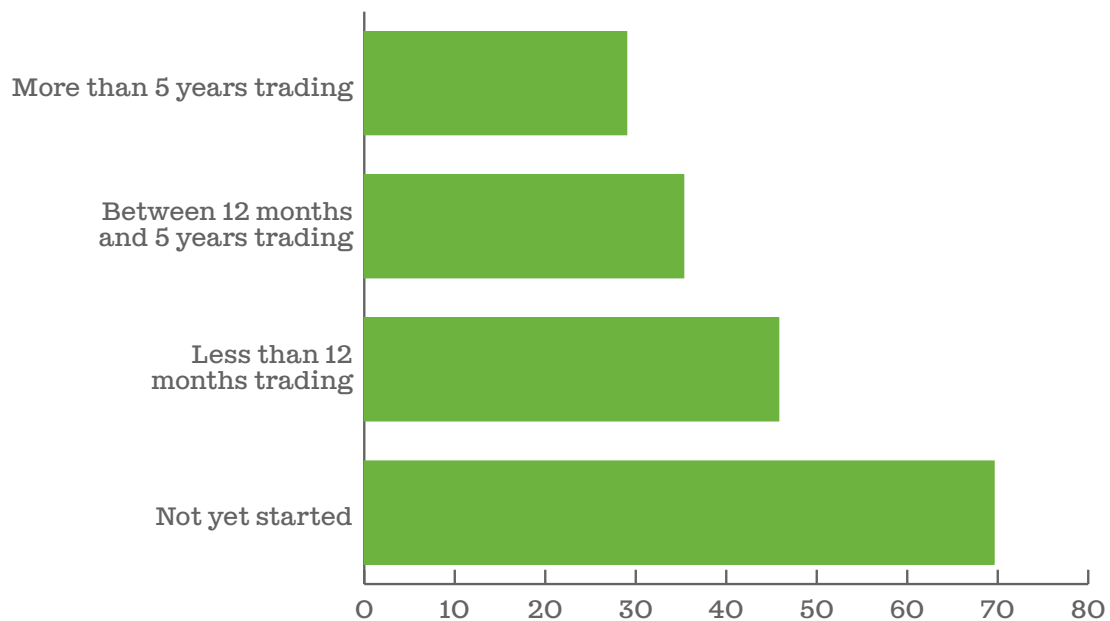


Figure 17 - Proportion of respondents by business stage who anticipate needing financial support in the next 12 months

Respondents who said they anticipate needing financial support in the next 12 months were asked to expand on where they would be likely to look for this support. The largest proportion of respondents said they would look for a grant (61%). Bank loans (32%) and investment (29%) were also commonly selected, whilst less formal support such as crowdfunding (12%) was less commonly selected. All responses are shown in Figure 18.

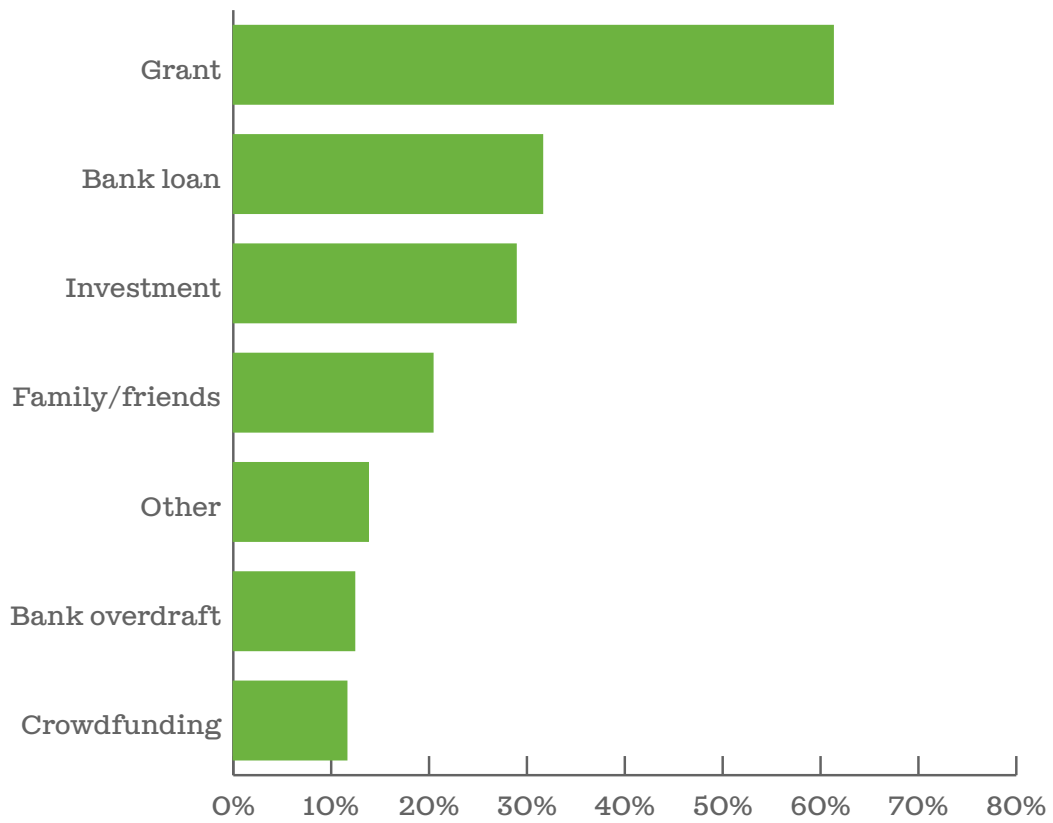


Figure 18 - Proportion of respondents who anticipated needing financial support by where they are likely to look for support

9. Business Support

Respondents were next asked whether they anticipate needing business support in the next 12 months. Business support could include advice and consultancy services, training, guidance, information and research, and direct financial support or signposting to funding sources. A greater proportion of respondents said they anticipated requiring business support rather than financial support in the next 12 months. Over half of respondents (61%) said they anticipated needing business support, 22% said they did not know, and only 17% said they did not anticipate needing this support.

As was the case with financial support, respondents from the food and drink sector (72%) were most likely to anticipate requiring business support. Figure 19 shows the breakdown of the respondents by sector who anticipated requiring business support. The figure only includes proportions for sectors that received at least 30 responses, excluding the “other” sector category.

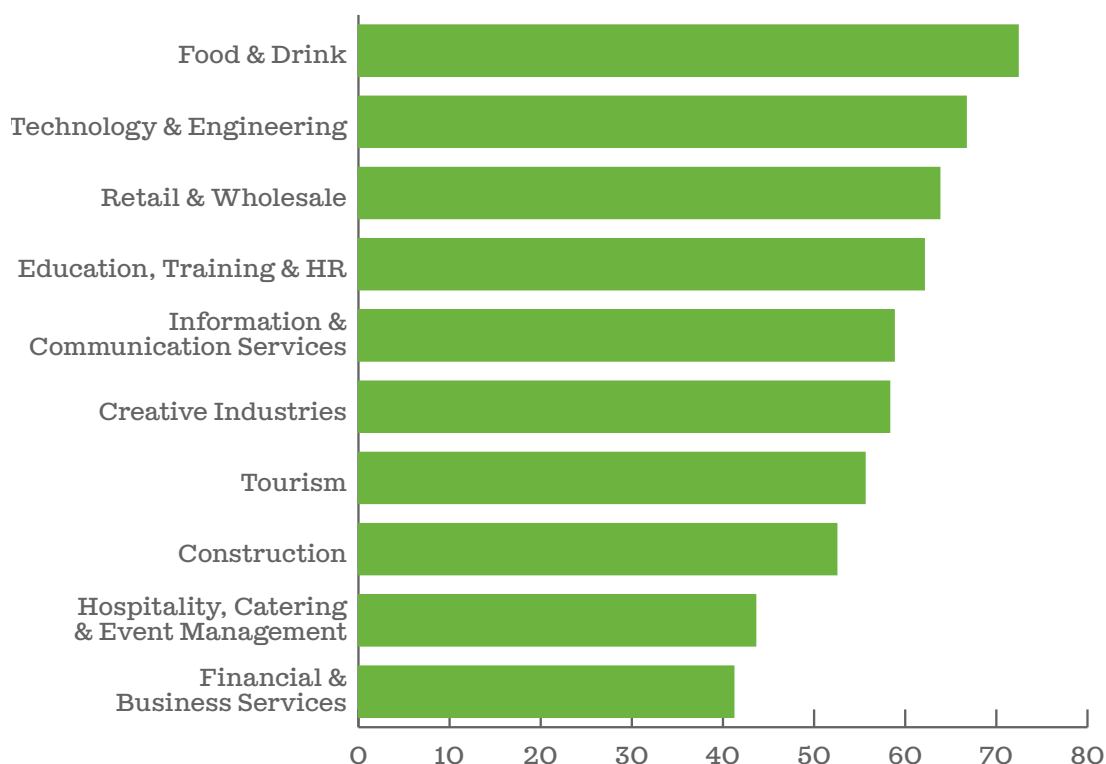


Figure 19 - Proportion of respondents by sector who anticipate requiring business support in the next 12 months

As highlighted in Figure 20, respondents from more mature businesses were less likely to say they anticipated needing business support. Eighty-eight percent of respondents whose business had not yet started said they anticipated requiring business support in the next 12 months. This compared

with 52% of respondents representing businesses with more than 5 years trading.

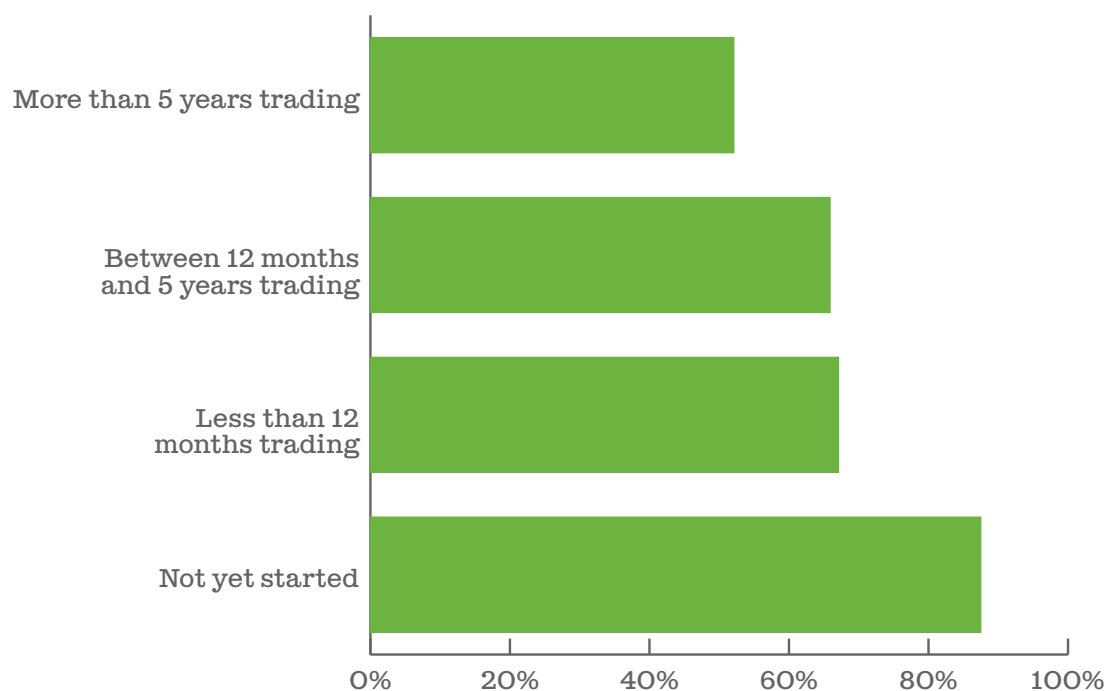


Figure 20 - Proportion of respondents who anticipated requiring business support by business stage

Respondents were also asked about where they were likely to look for and access support. Respondents who did not say they anticipated requiring business support, were asked if they have a clear sense of where to go for support if required. These responses were split equally by whether the respondent knew where to go or not.

For respondents who did anticipate requiring support or said they knew where they would go for this, the survey asked them to select the organisations they were most likely to seek support from. A breakdown of those responses is displayed in Table 2. Business Gateway was the most common response, with 82% of respondents selecting this.

Table 2 - Respondents who anticipated requiring business support in the next 12 months or knew where they would be likely to go by source

Support Provider	Response No.	Response %
Business Gateway	260	82%
Scottish Enterprise	82	26%
Federation of Small Businesses	58	18%
Chamber of Commerce	57	18%
Other	49	15%
Creative Scotland	46	15%
Professional service firm	45	14%
Skills Development Scotland	41	13%
Scottish Government	39	12%
Highlands and Islands Enterprise	29	9%
Don't Know	27	9%
VisitScotland	25	8%
Scottish Development International	19	6%
South of Scotland Enterprise	12	4%
None of these	6	2%

10. Prices

Most respondents anticipated the prices they charged for their product or service would increase (60%) in the next 12 months. Only a small proportion anticipated a decrease in price (1.3%). These responses are likely reflective of the financial challenges highlighted throughout the survey. Table 3 shows the breakdown of responses to this question.

Table 3 - Respondents by how they anticipated the price of their product to change in the next 12 months

Anticipated change in product price	Response No.	Response %
Increase	370	60%
Stay the same	182	30%
Don't know	55	9%
Decrease	8	1.3%

11. Environmental Plans

The following section of the survey asked respondents how their businesses were planning to respond to the climate crisis. Respondents were first asked whether their business had plans in place to reduce its environmental impact. Just over half of respondents (55%) said their business had a plan in place, 32% said they did not, and 13% said they did not know.

There was some variation in results by sector. Respondents from the tourism sector were most likely to have a plan in place to reduce their environmental impact, with 73% saying they had this. Figure 21 shows the proportion of businesses with plans in place by sector. The figure only includes proportions for sectors that received at least 30 responses, excluding the “other” sector category.

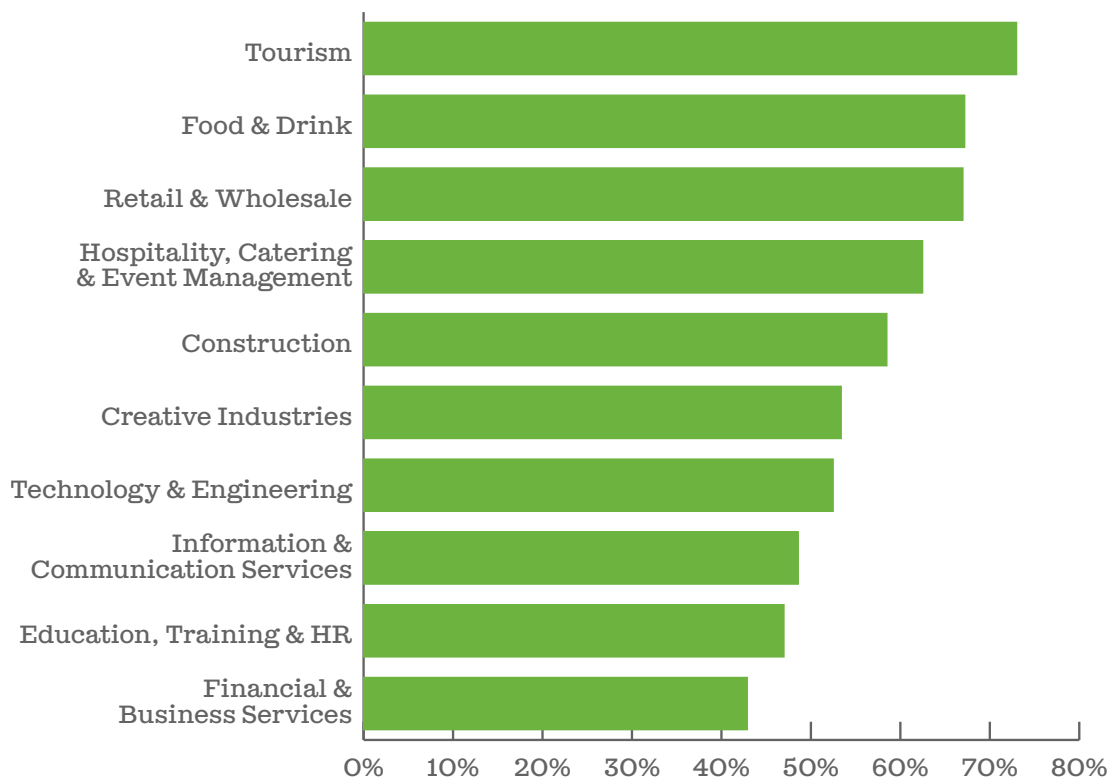


Figure 21 - Proportion of respondents by sector whose business had plans to reduce its environmental impact

Figure 22 shows how respondents rate their confidence that their business can become more energy efficient or sustainable. Respondents generally had high confidence, with 50% saying they were confident or very confident. Only 9% said they were not confident or not at all confident.

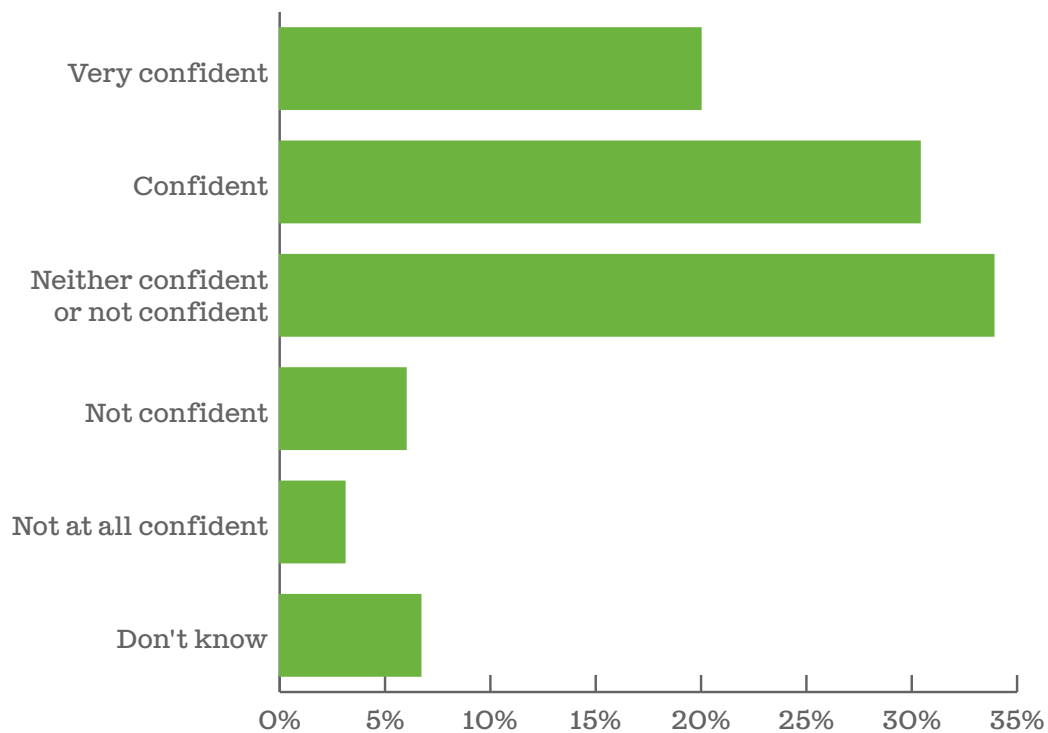


Figure 22 -Proportion of respondents, by how confident they were that their business can become more energy efficient/sustainable

The survey went on to ask what support could help increase confidence in becoming more energy efficient. Perhaps unsurprisingly, given the focus on financial challenges in earlier sections, financial support was the most common type of support required. This included grants, loans, or tax breaks specifically for renewable energy generation or energy efficiencies, such as solar panels or heat pumps, insulation, or electric vehicles. It was also noted that the current high operating costs made it difficult to invest in efficiencies if businesses are not generating profit.

Many respondents noted that they were unsure what else they could do. Many respondents said they were already as efficient as possible, and some suggested that they needed further guidance and advice about practical steps they could take. Respondents also suggested that any advice had to be specific both in terms of business size, as many respondents were from small businesses or sole traders, as well as individual industries. It was notable that respondents often felt there was little else they could do to reduce emissions, due to the industry they worked in or size of their business. It was also mentioned that any advice should be detailed and specific to them, with detailed step-by-step plans more useful than high level or broad strokes strategies.

There were also some asks for local and national government. These included improved infrastructure for charging of electric vehicles, retrofitting and improved efficiency in retail units and other premises provided by councils,

and improved recycling facilities, particularly for electronic waste. It was also noted that the government should be clear about the asks for businesses in reducing emissions and put support in place to achieve these. Others suggested that the government could help businesses to contribute towards carbon offsetting, especially where emissions reduction was difficult.

Respondents were then asked about the challenges to reducing carbon emissions for their business. Costs were the most common challenge for respondents at 43%. This was substantially higher than the next most selected option, with roughly a quarter (26%) selecting a lack of knowledge/understanding of what to do. The full breakdown is shown in Figure 23.

“The help is all advice based when it’s money and systems we really require.”

“A step by step actionable plan throughout the months, so it doesn’t feel overwhelming.”

“We have a very small environmental impact as it. That said, of course there is always room for improvement.”

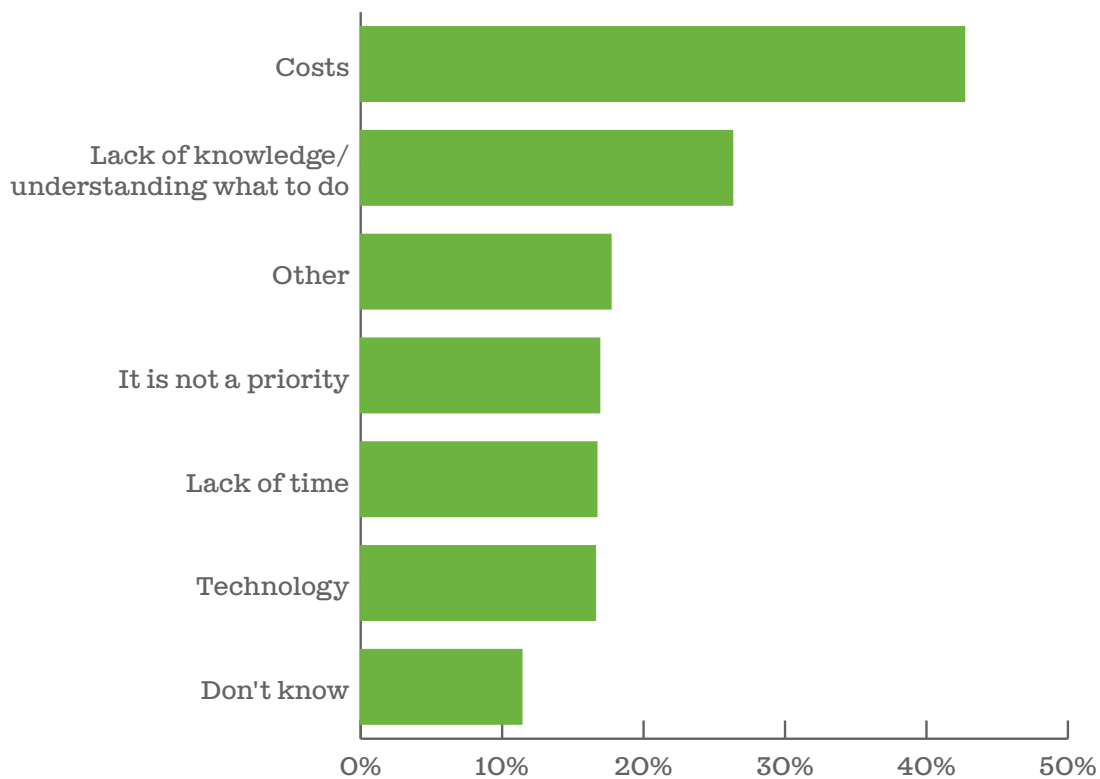


Figure 23 - Proportion of respondents by the main challenges their business faces in reducing carbon emissions

12. Fair Work

Respondents from businesses with at least one employee were asked whether they had adopted fair work measures within their businesses. Fair work means secure employment with fair pay and conditions, where workers are heard and represented, treated with respect, and have opportunities to progress. Almost three quarters of respondents (72%) said their business had adopted fair work measures. Those respondents who had not adopted fair work measures were asked whether they had plans to introduce this in future. Eighteen percent of respondents said they did plan to introduce this. Reasons why some respondents had not introduced these measures already included a lack of awareness and issues with affordability of such measures, reflecting the financial challenges raised throughout the survey.

13. Small Business

The final section of the survey asked about the experience of running a small business. Only respondents who stated they were self-employed or from a business with between one and ten employees were asked these questions. This was most survey respondents (86%). The first question asked about the average hours typically worked per week within the small business. Respondents said that they worked high numbers of hours, with many working more than the UK average weekly working hours of 31.8.² As highlighted in Figure 24, 68% of respondents stated they worked on average more than 30 hours per week, with 48% working more than 40 hours and a quarter working more than 50 hours.

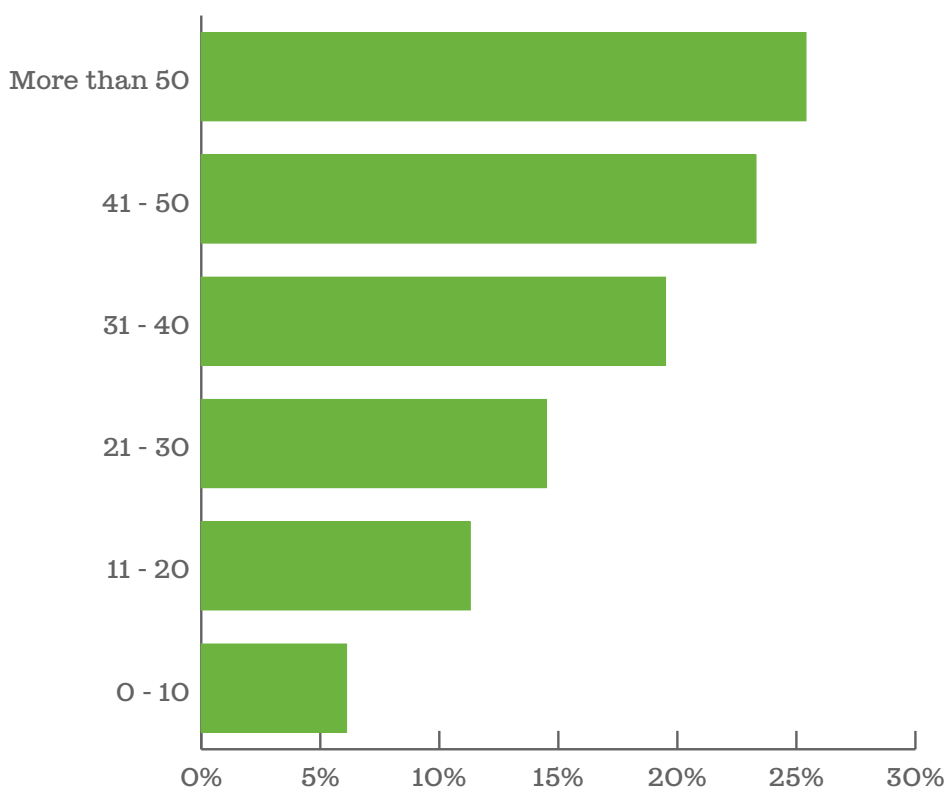


Figure 24 - The proportion of respondents from small businesses by the average hours typically worked in a week

As well as working long hours, a large proportion of respondents reported poor work-life balance. Almost half (49%) of respondents said they had missed or cancelled a holiday because of the pressure of running their small business. When asked to rate their work-life balance on a scale of one to five, with one being “extremely poor” and five being “excellent,” responses were similarly

“Being better organised with admin. Cannot afford admin support or accountant so do all of this myself. It is time consuming and does not pay any money.”

² <https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/averagehoursworkedandeconomicgrowth/#22-01-2024:::text=2.,before20%the20%pandemic20%in202019%>

split. The largest proportion of respondents (38%) rated their work-life balance as 3, with the remaining respondents almost equally split between the poor and excellent sides of the scale. Almost 11% of respondents rated their work-life balance as 1 or extremely poor.

Respondents were asked what would help improve their work-life balance. Hiring more staff was commonly noted with respondents expressing the need for additional staff to support with workload and free up more personal time. Financial support, additional funding, as well as greater profitability were also frequently mentioned. Respondents suggested this could enable them to hire more staff, improve their overall business operation or reduce the pressure to take on more work. Respondents also noted their desire to improve their time management, organisational skills, and efficiency to ensure they manage their workload effectively. It was suggested by some respondents that access to business support and advice could help with this, as well as potential mental health support or better childcare support.

Similar to the challenges raised elsewhere in the survey, finances were most commonly cited as the main pressures on respondents running their small business. Figure 25 shows the proportion of small business respondents who selected each type of pressure. Worries about money were selected by 59% of these respondents and operational costs were selected by 51%.

“Self-employment for my business is 24/7. I have to push for sales, invest in new products to keep the customers interested. This is to pay for overpriced premises, water charges that have doubled since Covid and the major repair costs on a building I don't own.”

“More efficient business practices, access to skilled advice, and access to recruitment support.”

“More consistent sales would enable me to have a more reliable income and therefore I would not feel pressured to work every waking hour of every day to try and make ends meet. If I was able to access financial support temporarily until my business was more established and sustainable that would help significantly, too.”

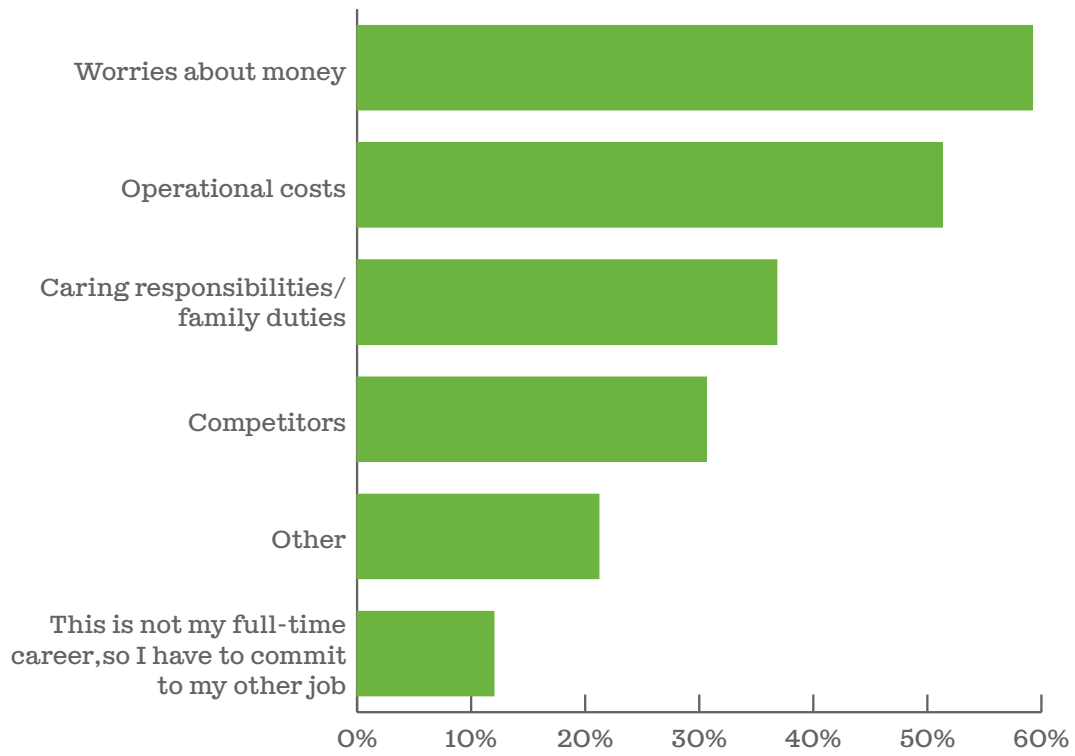


Figure 25 - The proportion of respondents from small businesses by what they see as the main pressures on them as they run their small business

14. Conclusion

The results of this survey show businesses in Scotland are confident in the prospects and opportunities facing them but are operating in challenging circumstances. Most businesses in the survey were confident about the future and expect to grow, with this confidence varying by sector and business age. However, rising costs and other financial issues present a challenge for many of the businesses surveyed. This was also especially true for younger businesses and in certain sectors.

Within the context of these challenges, business and financial support has a key role to play. Most survey respondents said that they were likely to require business support, again varying by sector and business age. Financial support was also likely to be required by a considerable proportion of respondents. Financial challenges featured prominently throughout the survey, including as the biggest barrier to becoming more energy efficient and in introducing fair work measures.

Businesses were already confident in becoming more sustainable and playing a role in achieving net zero, however around a third did not have any plans in place to reduce their emissions or become more sustainable. Often this was down to costs, but many also indicated they were unsure what to do. This was also true for fair work practices. While most had adopted fair work measures, some of those who had not yet done so suggested they were unaware of what it was and how to implement it. There may be a role for advice providers in both of these areas to help develop effective implementation plans and to promote their offer to do so.

Lastly, the survey demonstrated the considerable challenges and demands of running a small business. Long hours were frequent, and many respondents noted that their work-life balance could be improved. Once again, financial issues put pressure on these businesses. There was, however, a role for business support organisations in having an impact on the issues raised.

This survey has pinpointed key areas where targeted business support could help businesses overcome challenges and capitalise on emerging opportunities. These findings will be used to inform and enhance the services provided by business support organisations such as Business Gateway and others. Subsequent iterations of the survey will enable tracking of trends over time and refine support offerings to better meet evolving business needs.

