

# Members Quarterly Pulse Survey

November 2023

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# A Note from Our CEO

Having delivered our Member Pulse Surveys for over a year now, I'd like to say thank you to those who take the time to share their experiences with us. These surveys serve as a compass for the Forum as they allow us to fully understand the opportunities and challenges which face our membership, and guide us towards tailored events and programmes that directly address your needs.

In the report that follows, you'll find a comprehensive reflection of the issues impacting North East entrepreneurs today. The results show not only the resilience of our members but also a deep sense of adaptability and forward-thinking. From emerging trends to common challenges, these insights help us in collectively shaping a brighter future for the North East and in helping us to achieve our goal in making the region a great place to be an entrepreneur.



A handwritten signature in black ink that reads "Elaine Stroud". The signature is fluid and cursive, with a long, sweeping underline.

**Elaine Stroud**  
CEO

## Respondent profile

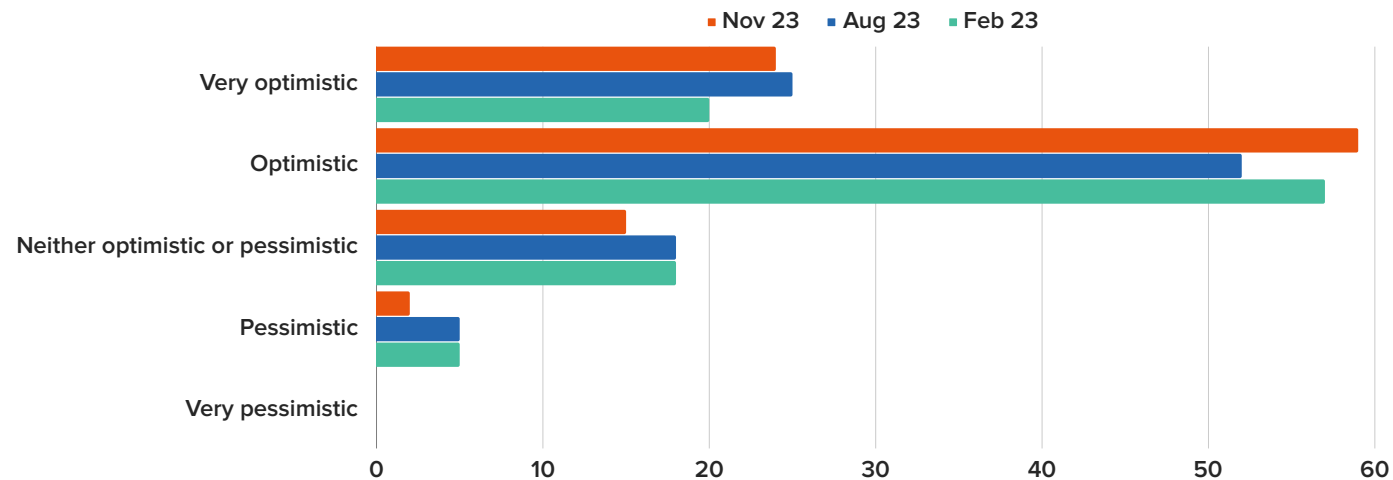
- 116 members of the Entrepreneurs' Forum took part in this survey which ran from 7th November to 21st November 2023 and was conducted by Explain Market Research.
- Forum members are business owners, based in the North East of England, who have been trading for at least 2 years and turnover at least £250,000.
- Respondents represented a broad range of sectors including consultancy (16%), technology (14%) and financial/insurance (11%).
- Most respondents are aged between 35 - 44 years of age (35%) or 45 - 55 years of age (34%).
- The majority of respondents were male (76% compared to 24% female).

# Business Confidence

Respondents were asked a series of questions relating to their feelings and expectations of their business for the next 12 months. To begin, the majority (84%) stated that they felt either very optimistic or optimistic about their business's prospects for the next 12 months.

In addition, only 2% of respondents felt pessimistic while no members are feeling very pessimistic about their business's prospects.

How are you feeling about your business prospects for the next 12 months?

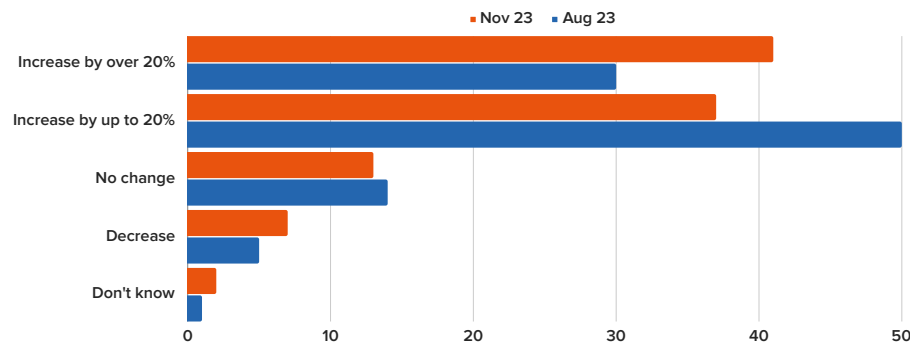


# Business Growth

Members' expectations for their business over the next 12 months remains strong, with most stating they expect to see their turnover increase by over 20% compared to the previous year (41%).

As well as this, a significant proportion expect their turnover to increase by up to 20% (37%), while only 7% expect turnover to decrease.

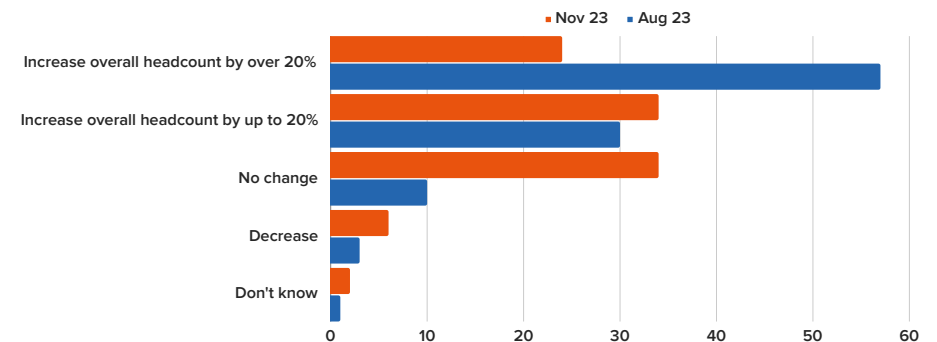
Compared to the previous 12 months, how do you expect your business turnover to change over the next 12 months?



To facilitate this growth, most members are expecting to increase their overall headcount by up to 20% or are planning for no change in staffing levels (34%).

Only 6% of members are expecting to see staff headcount reduce.

Looking at your staffing plans over the next 12 months, how do you expect to change your headcount over the next 12 months?

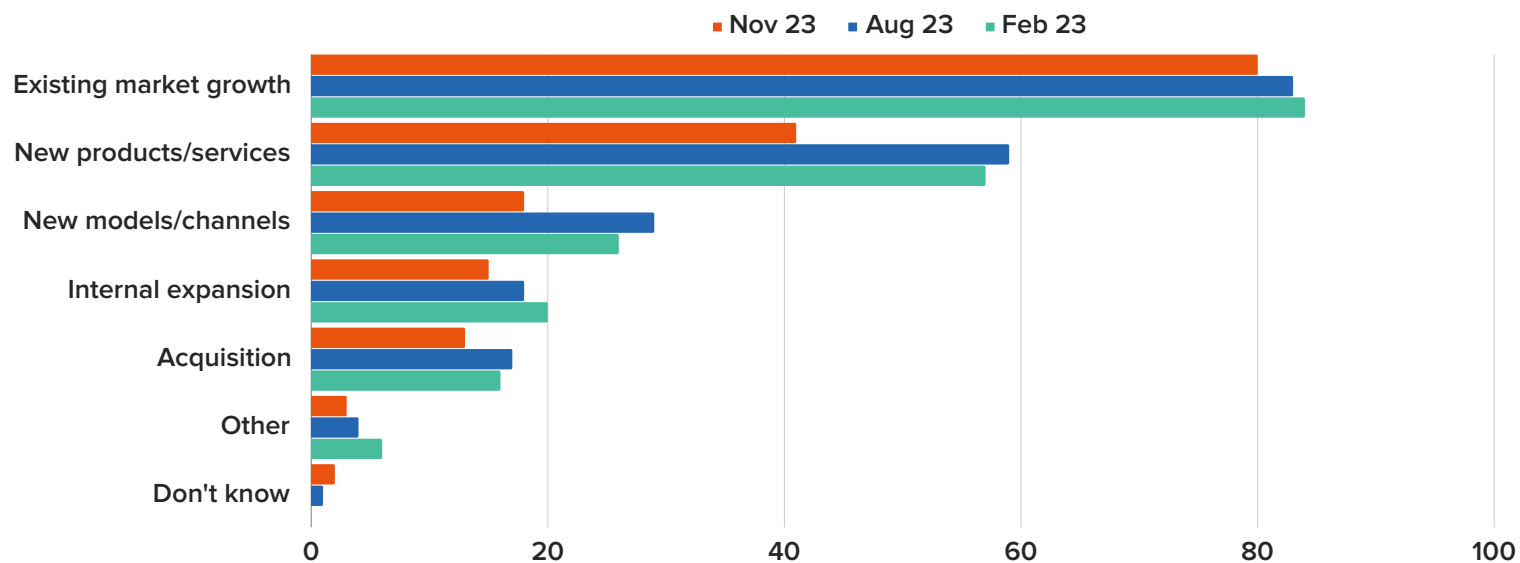


# Business Growth

Following on from this, most members are looking to facilitate their growth through 'existing market growth' (80%). Whilst innovation remains a high priority with 41% of respondents reporting intentions to develop new services or products, this is down from 59% in our last survey. This may indicate reduced confidence to invest in research and development (R&D).

Other responses included technology, new export markets and trainees becoming qualified.

How are you looking to grow over the next 12 months?

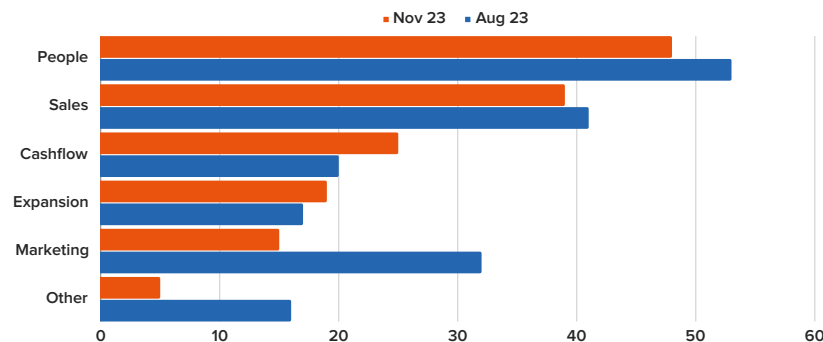


# Business Challenges

Members were then asked what the biggest challenges are which they are currently facing.

Here, most members stated that they are experiencing 'people' challenges (48%), followed by 'Sales' challenges (39%).

What are the biggest challenges you are currently facing?



Members who stated that they are experiencing sales or marketing challenges were made aware that, in our last survey, members commonly highlighted that they were experiencing challenges of closing sales with a longer than ideal time of converting leads into sales.

As such, we wanted to know if these same issues were affecting members now or whether they were experiencing different challenges.

Overall, most respondents stated that they are still experiencing the same challenges of converting leads into sales and marketing.

**“We work with large £100m+ corporates so it's always 90 days payment terms and often these are late beyond 90 days.”**

— Female entrepreneur in the technology sector

**“Longer leads times, nervousness amongst buyers and reduced budgets.”**

— Male entrepreneur in the marketing sector

# Business Challenges

Those who stated that they are having people challenges were made aware that in our last survey this was the greatest challenge affecting members, with respondents also referencing how pressures on recruitment are beginning to ease.

Within this, members were mixed with many stating that they are still experiencing recruitment challenges, but this is not linked to the number of applicants and is more to do with the calibre and experience of recruits.

As well as this, issues on retention were mentioned particularly the difficulty in retaining staff moving to competitors who are able to offer higher wages or the availability to work from home.

“Recruiting diligent, motivated people in shop floor manufacturing is extremely difficult. Motivation and attitudes toward work / workplace expectations seem to be becoming a systemic problem.”

— Male entrepreneur in the manufacturing sector

“We work with some extremely complex businesses, there's insufficient talent with existing skills, so it's a long lead in to recruit individuals with the right values then expose them to training and experience.”

— Male entrepreneur in the finance/insurance sector

“Wage demands for people without the necessary skills or relevant experience in my industry is at an all time high from what I can see. Coupled with the fact they want over the odds size wages, remote work, hybrid work etc. It is tough cutting through all that to find the right person and give them what they need to be successful in the role.”

— Male entrepreneur in the marketing sector

“People challenges are more concerned with the calibre of candidate than the actual number applying. We have positions in which we require a higher level of skill and mentality, however the candidates are not meeting that requirement.”

— Male entrepreneur in the manufacturing sector

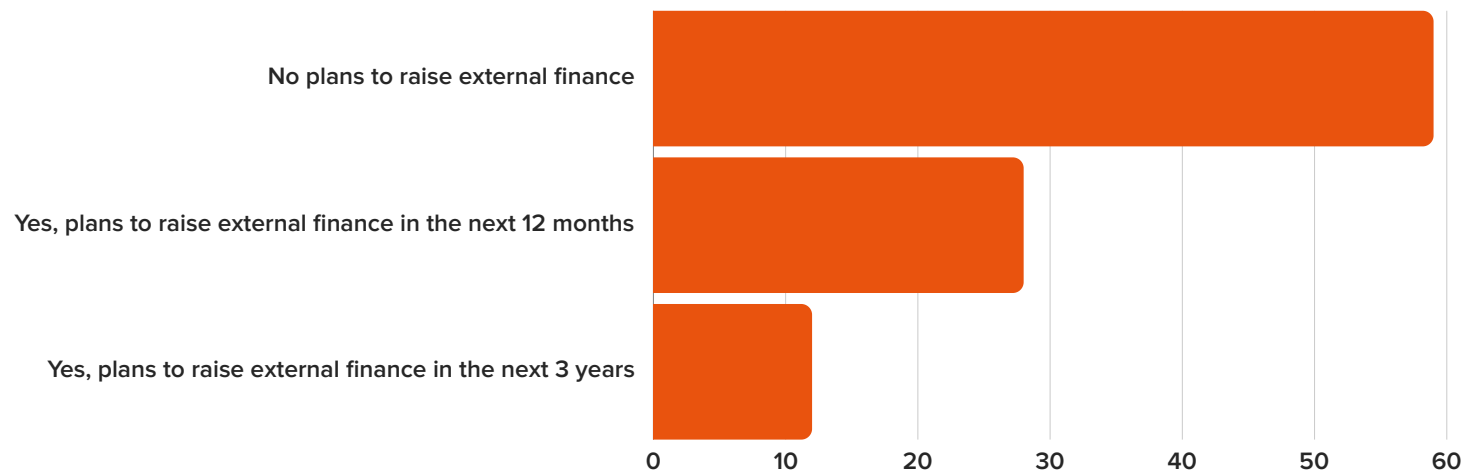
“There is still a distinct lack of skilled people and with this in mind our company is growing its own workforce by taking on up to 220 apprentices.”

— Male entrepreneur in the manufacturing sector

# Raising Finance

Finally, members were asked if they have any plans to raise external finance for their business for their business in the future. 40% of members have plans to raise external investment, of which 28% intend to do so in the next 12 months.

How are you looking to grow over the next 12 months?





# Summary of findings

Our November 2023 Member Pulse Survey found that:

- 83% of respondents are optimistic or very optimistic about their business prospects for the next 12 months. This is up from 77% reported last quarter and 73% reported in November 2022. This gives confidence in the regional economy to navigate challenges by political and economic uncertainty.
- Optimism is backed up with expected growth in revenue for the next 12 months with 41% reporting they expect to grow by more than 20% - this is up from 30% in the last quarter and therefore evidences optimism. Overall 78% of our respondents said they were anticipating to grow in the next 12 months.
- Members are hiring staff with 58% saying they have plans to hire in the next 12 months, and nearly a quarter (24%) saying they will increase their overall headcount by more than 20%. These are broadly in line with our findings last quarter.
- In this survey we asked about members plans to raise external finance to fund their growth plans and found that 40% of respondents said they were planning to raise finance – of which 28% will do so in the next 12 months.

