

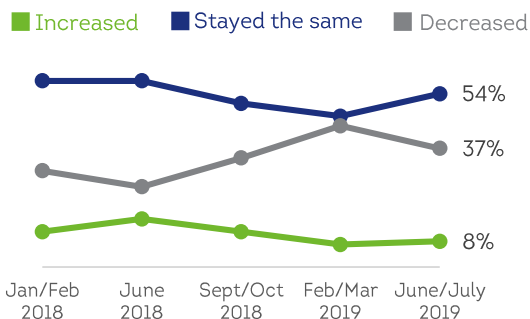
HIE BUSINESS PANEL SURVEY

PLANNING FOR THE FUTURE

OPTIMISM, PROSPECTS AND PERFORMANCE

Confidence in the Scottish economy remained low, with net confidence* at -29. Views on business performance and optimism about future prospects remained high.

Economic confidence in last 6 months



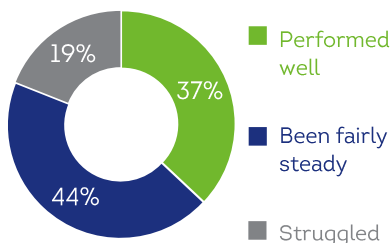
Higher than average confidence

- Tourism sector

Lower than average confidence

- Food & drink sector
- Non-HIE account managed
- Those who had struggled
- Those not optimistic about their prospects

Performance in last 12 months



More positive

- Businesses with 11-24 & 25+ staff
- HIE account managed

Less positive

- Small businesses (0-4 staff)
- Non-HIE account managed

73% 
very/fairly optimistic about their future prospects

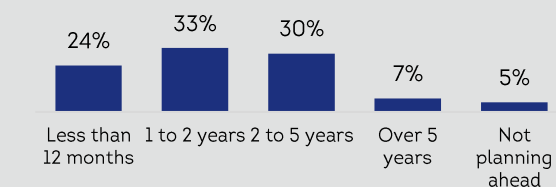
45% 
expected growth in the next year or two

53% 
aspired to future growth

PLANNING AHEAD

24% were planning less than 12 months ahead, and 57% less than 2 years ahead

How far ahead businesses were planning



Planning furthest ahead

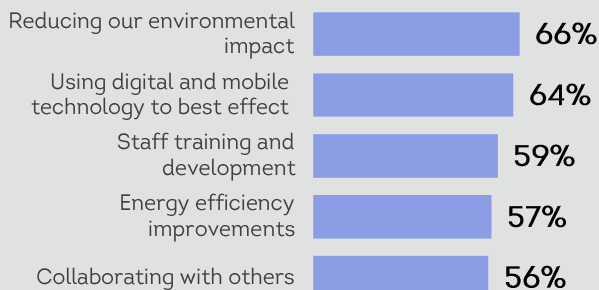
- Large businesses (25+ staff)
- Food & drink sector
- HIE account managed
- Those aspiring for growth

Planning least far ahead

- Small businesses (0-4 staff)
- Non-HIE account managed

66% took environmental impacts into consideration when planning ahead

Factors considered when planning ahead (Top 5)

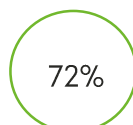


CHANGE IN APPROACH TO FORWARD PLANNING

Around a quarter (27%) of businesses had changed the length of time they were planning ahead for.

Compared to our typical approach, we are planning...

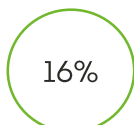
About the same as usual



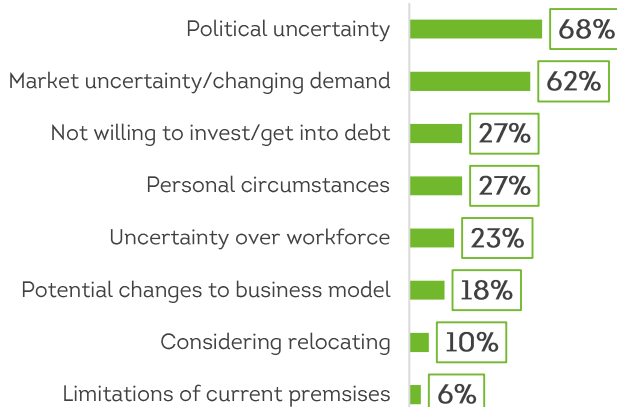
Less far ahead



Further ahead



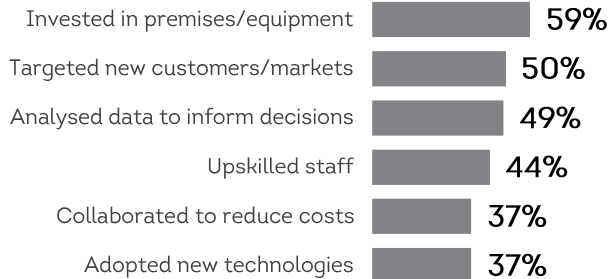
Reasons for planning less far ahead than usual:



COMPETITIVE ADVANTAGE

88% had taken action in the last 12 months to enhance their competitive position

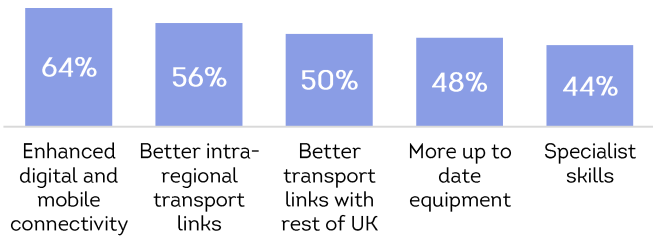
Actions taken to enhance competitive position in last 12 months (top 6)



ACHIEVING FUTURE PLANS

Digital and mobile connectivity and improved transport connections were the most important factors needed to help achieve future plans

Factors needed to achieve future plans (top 5)

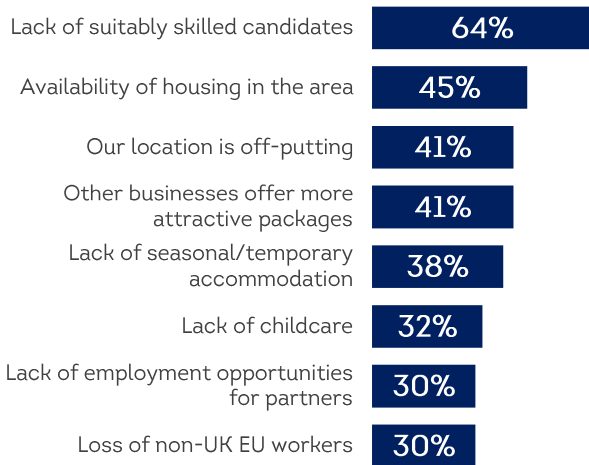


STAFF RECRUITMENT & RETENTION

65% were confident they could access staff they needed in the next 12 months, while 34% were not

64% anticipated challenges when either recruiting or retaining staff

Challenges anticipated in recruiting and retaining staff



FAIR WORK PRACTICES

89% of businesses had used fair work practices to help them attract and retain staff.

Fair work practices used (top 5)



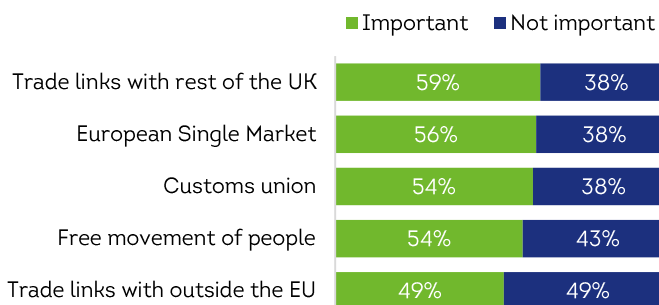
25% of tourism business used zero hours contracts, compared with 13% overall

Top 4 reasons for offering zero hours or other flexible contracts



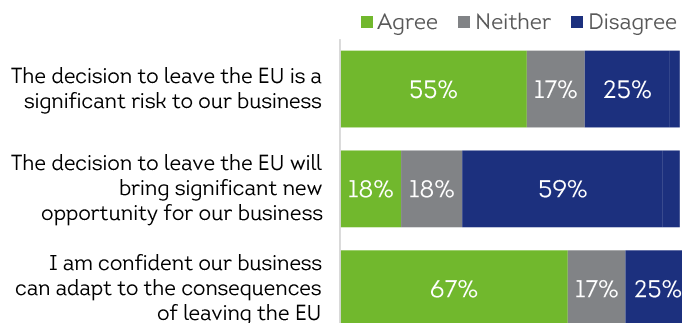
RELATIONSHIP WITH OTHER MARKETS

Importance of relationships with other markets



IMPACT OF BREXIT

Brexit was seen as more of a risk than an opportunity, but businesses were confident they could adapt.



NOTES: Survey fieldwork was conducted between 10th June and 8th July 2019 using telephone interviewing. In total 1,001 businesses and social enterprises participated. For more detail visit www.hie.co.uk/business-panel. Findings are weighted to ensure a representative sample of the regional business base.