

# **Is it still possible to grow a business?**

## **Results of the COGS 2009 survey**

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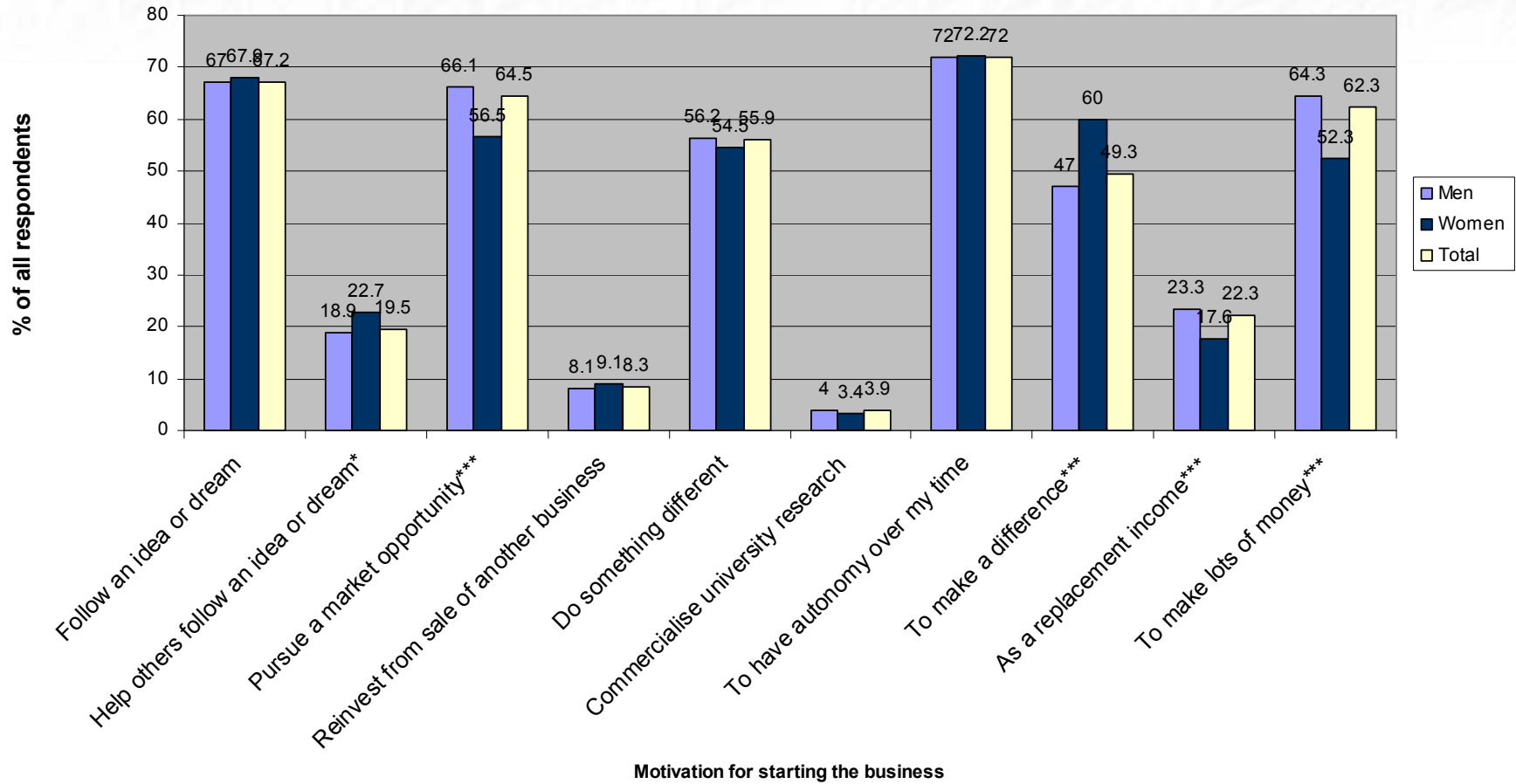
## Overview

- Survey of 2120 growth oriented entrepreneurs conducted between end August 2009 and mid October 2009:
  - Turnovers above £200,000
  - All ran companies that were older than 2 years but younger than ten years
  - 40% of the sample in 2009 were also interviewed as part of the identical survey of 1800 entrepreneurs conducted in August-October 2008

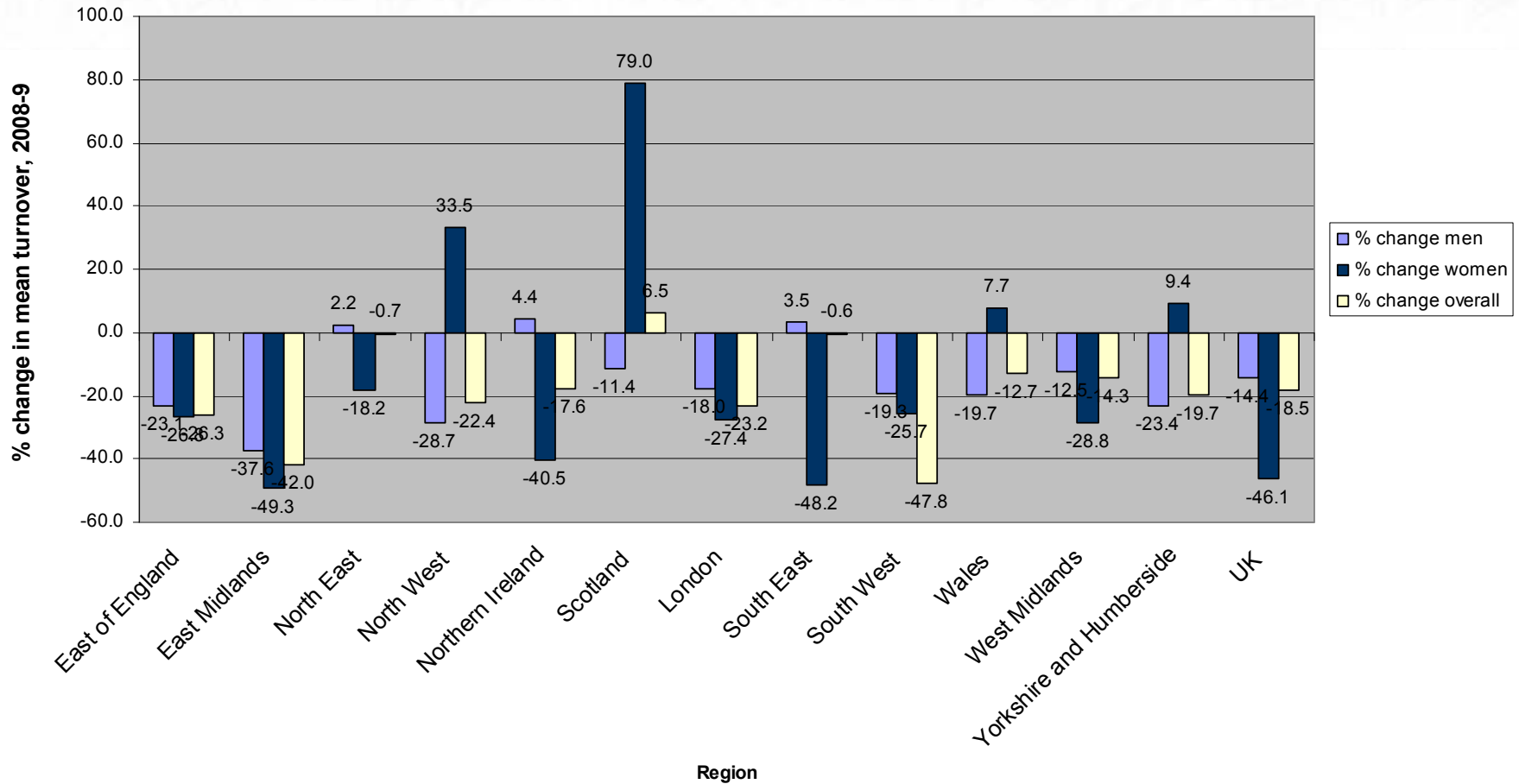
## Key facts

- 2009: 2120 growth-oriented entrepreneurs – turnovers > £250k; older than 2 years but less than 10 years
- Average entrepreneur needs £105,000 in start-up investment and put in 71% themselves
- Average turnover = £1.23m
- Cost of turnover: on average 63%
- Number of jobs created: 6
- Predominantly business and consumer services
- 16.5% are women
- They are growing overall even if not at the moment

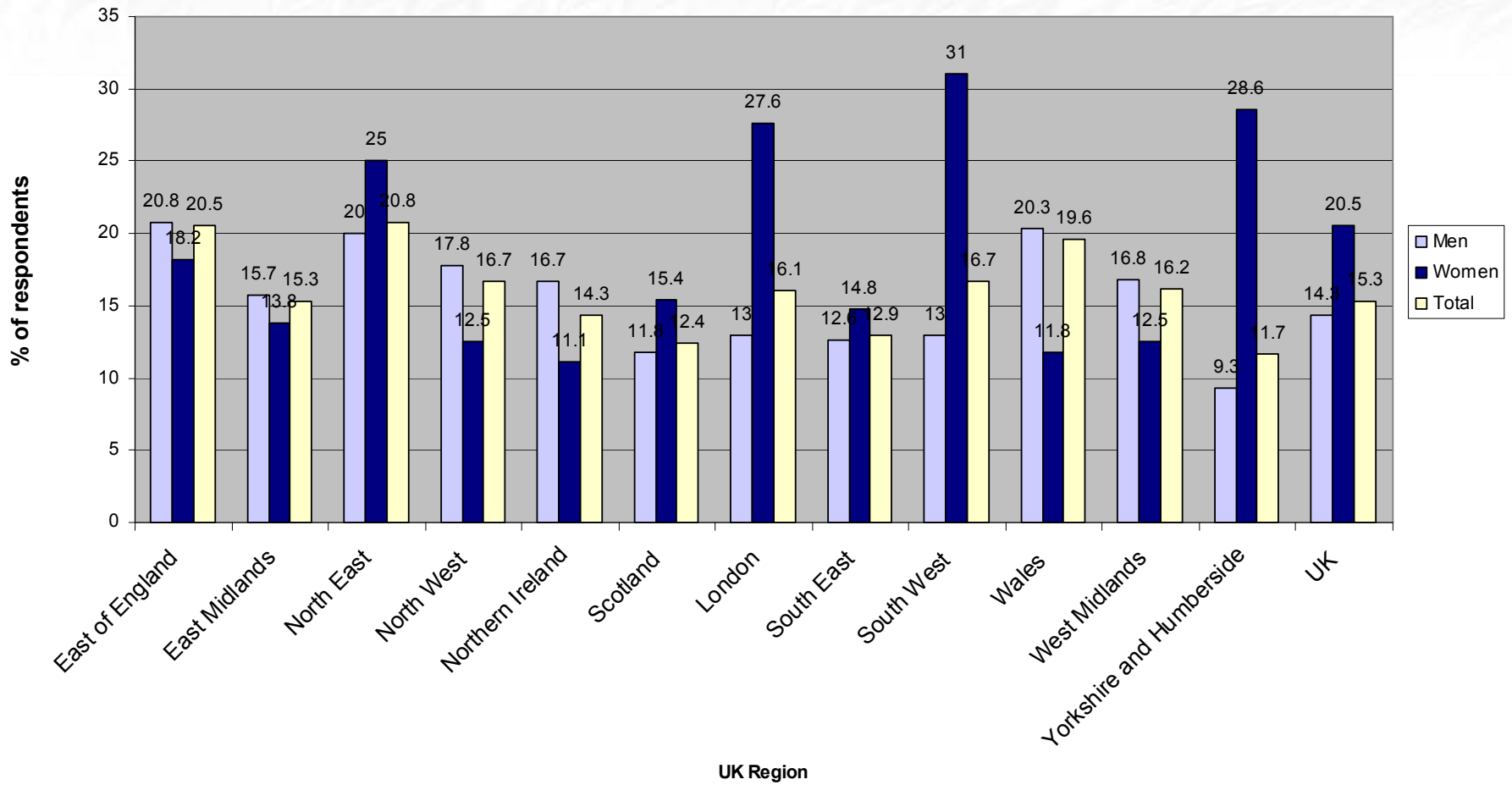
# Motivations



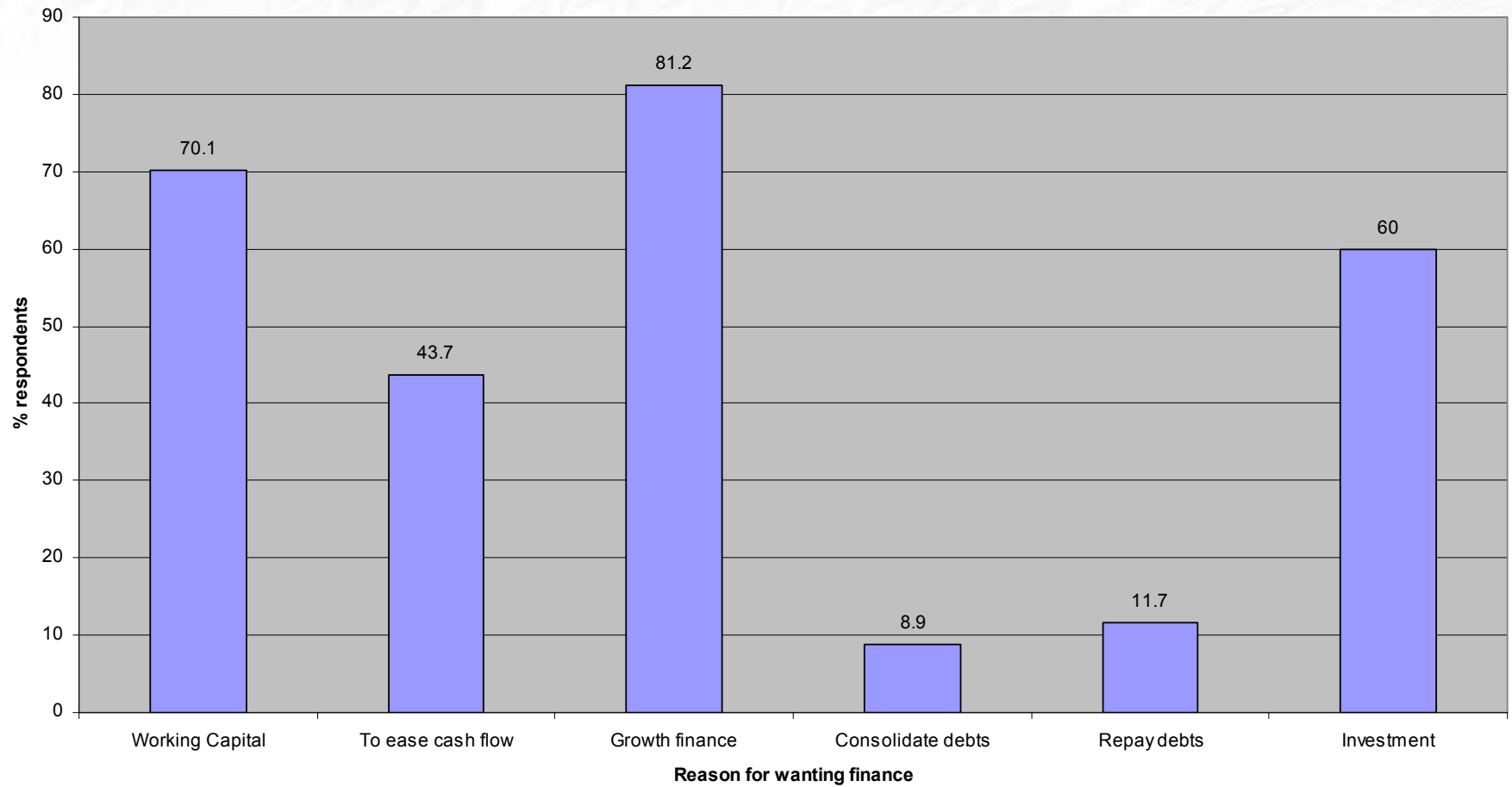
# The impact of the recession cannot be ignored and has hit women hardest



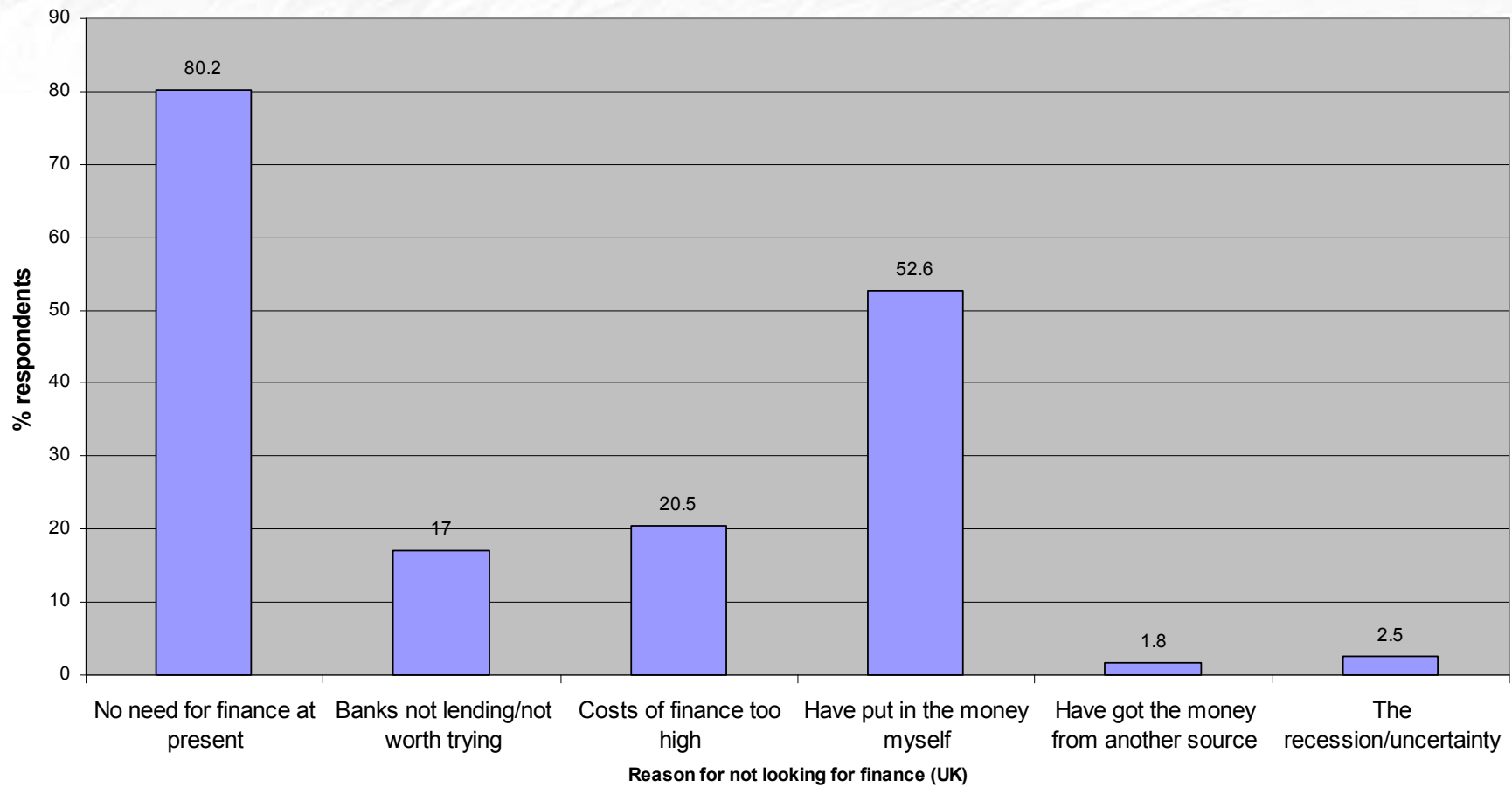
# Demand for finance is slack



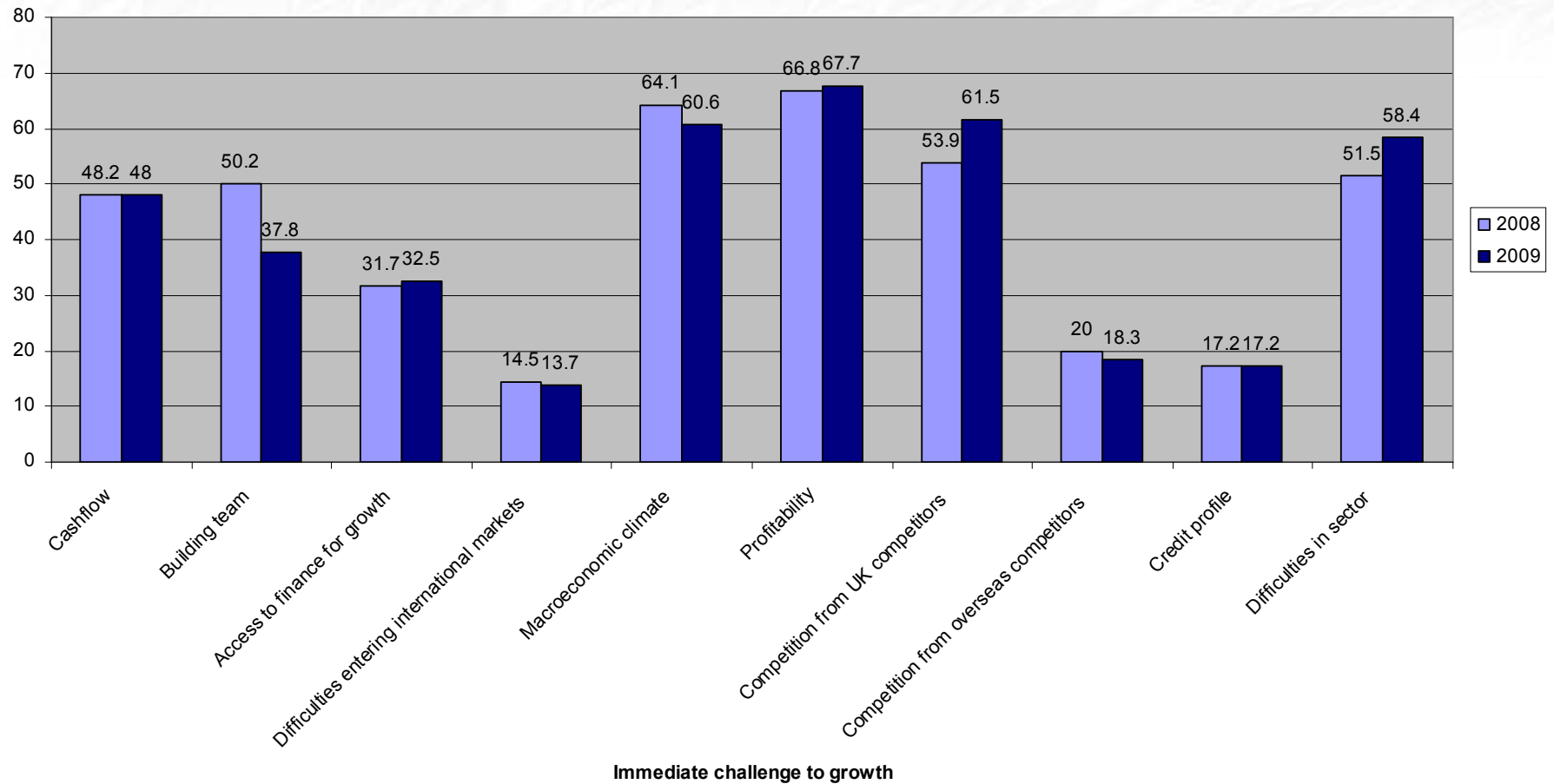
But where there is demand, it is for growth



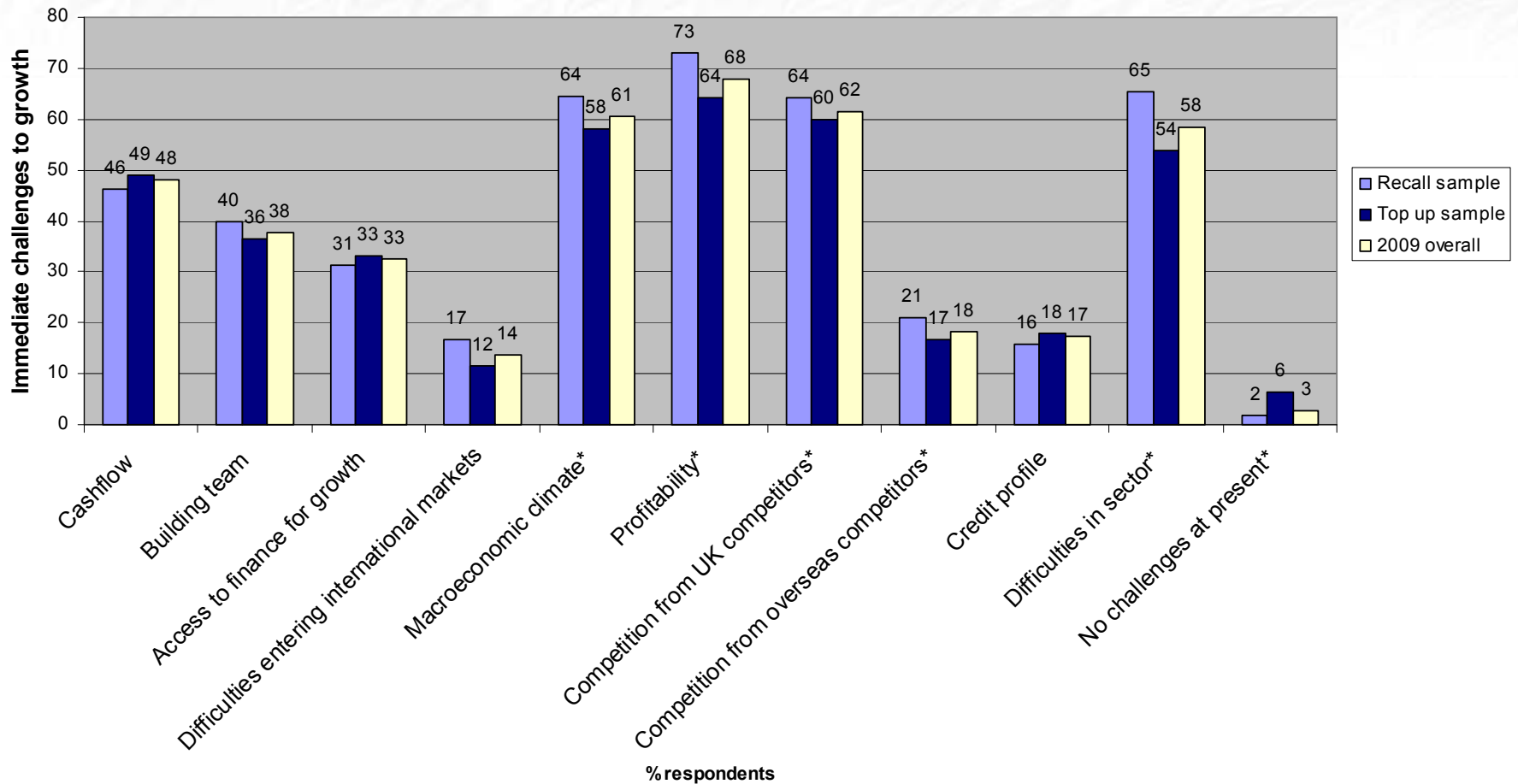
And where there isn't demand for finance it's because they don't need it



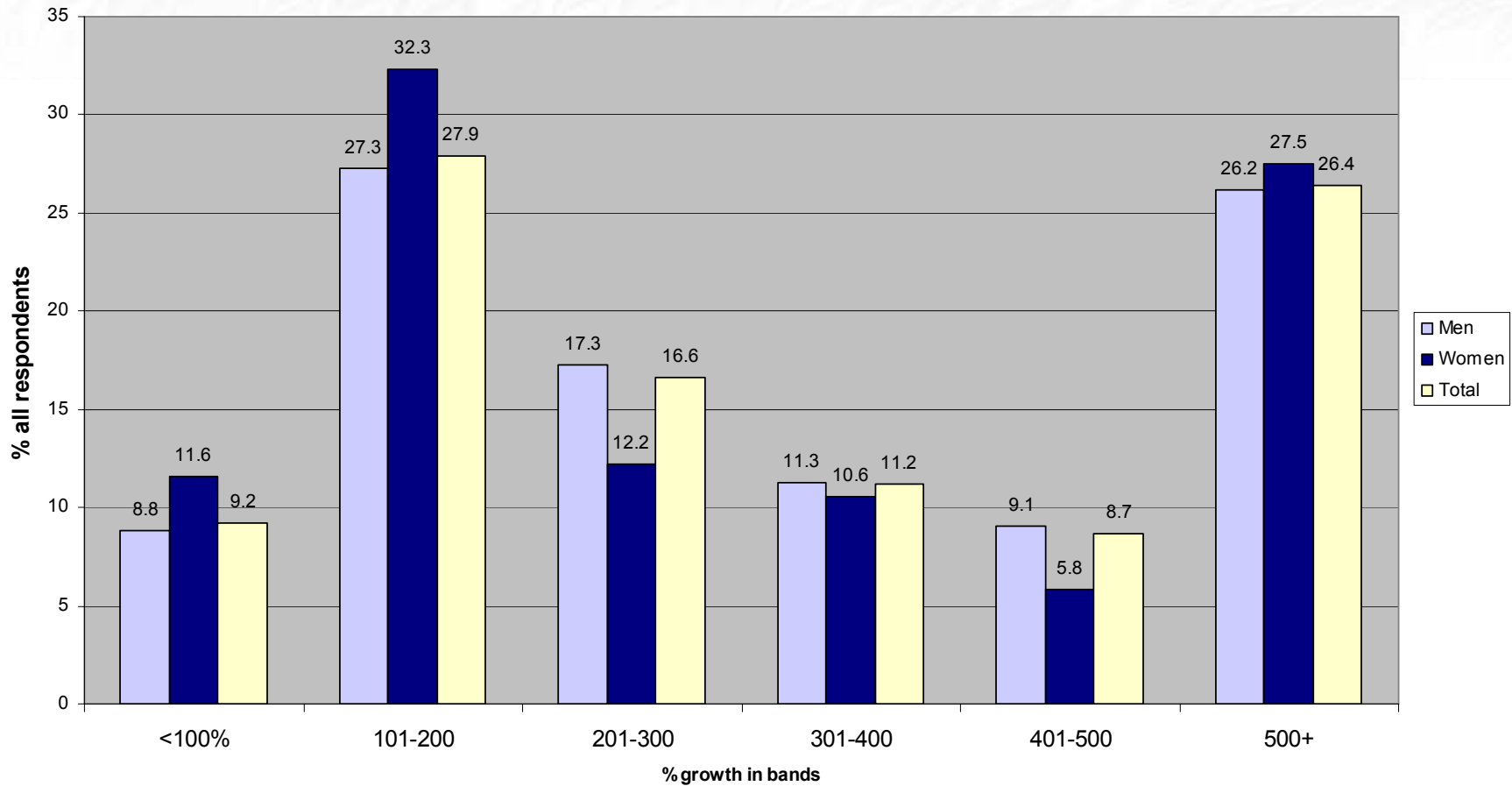
# But not especially more negative overall than last year



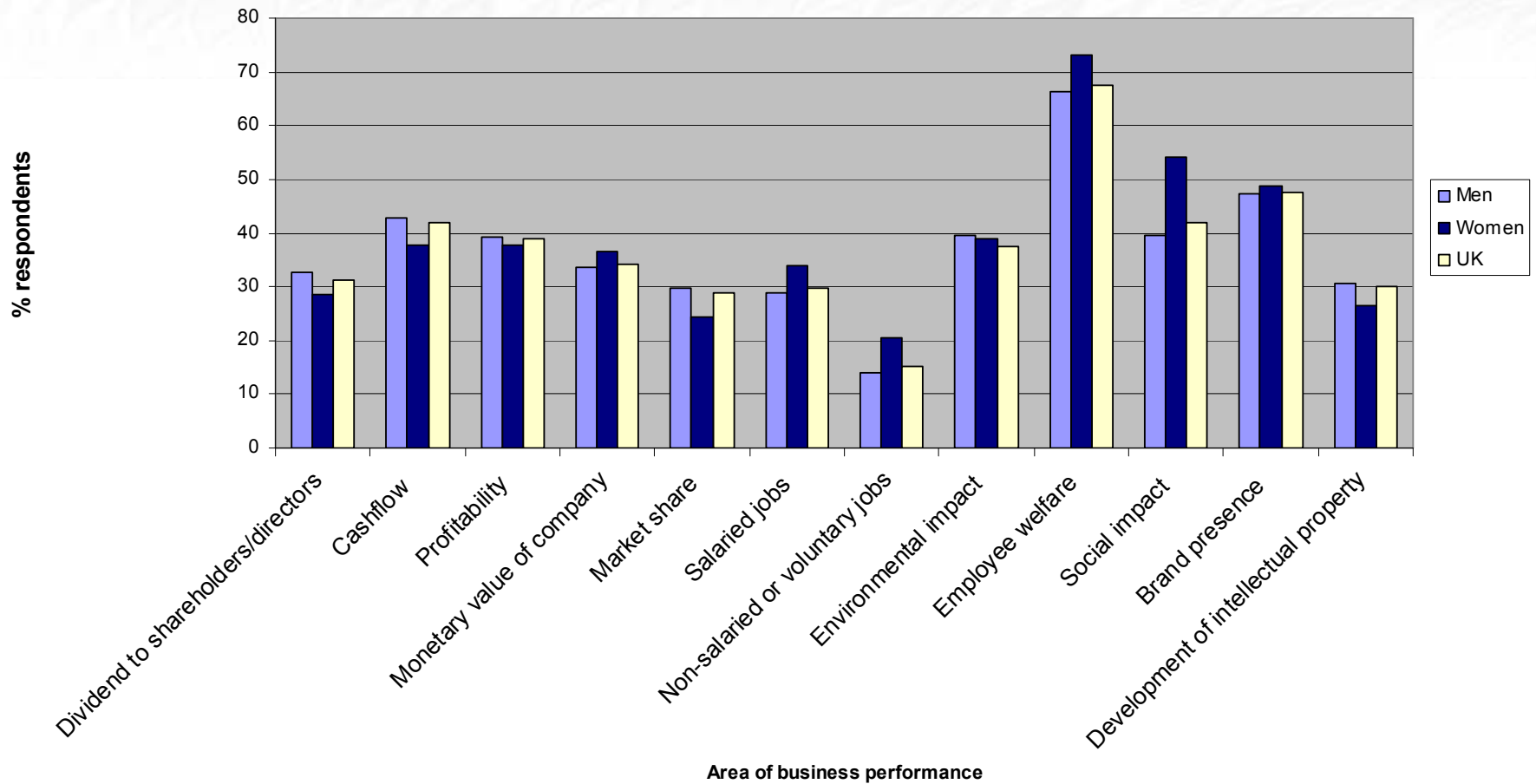
But those surveyed in 2008 are more negative than those surveyed for the first time in 2009



But while the last year has been bleak, overall, turnovers are growing: > 500% since start is gazelle growth for this age of company



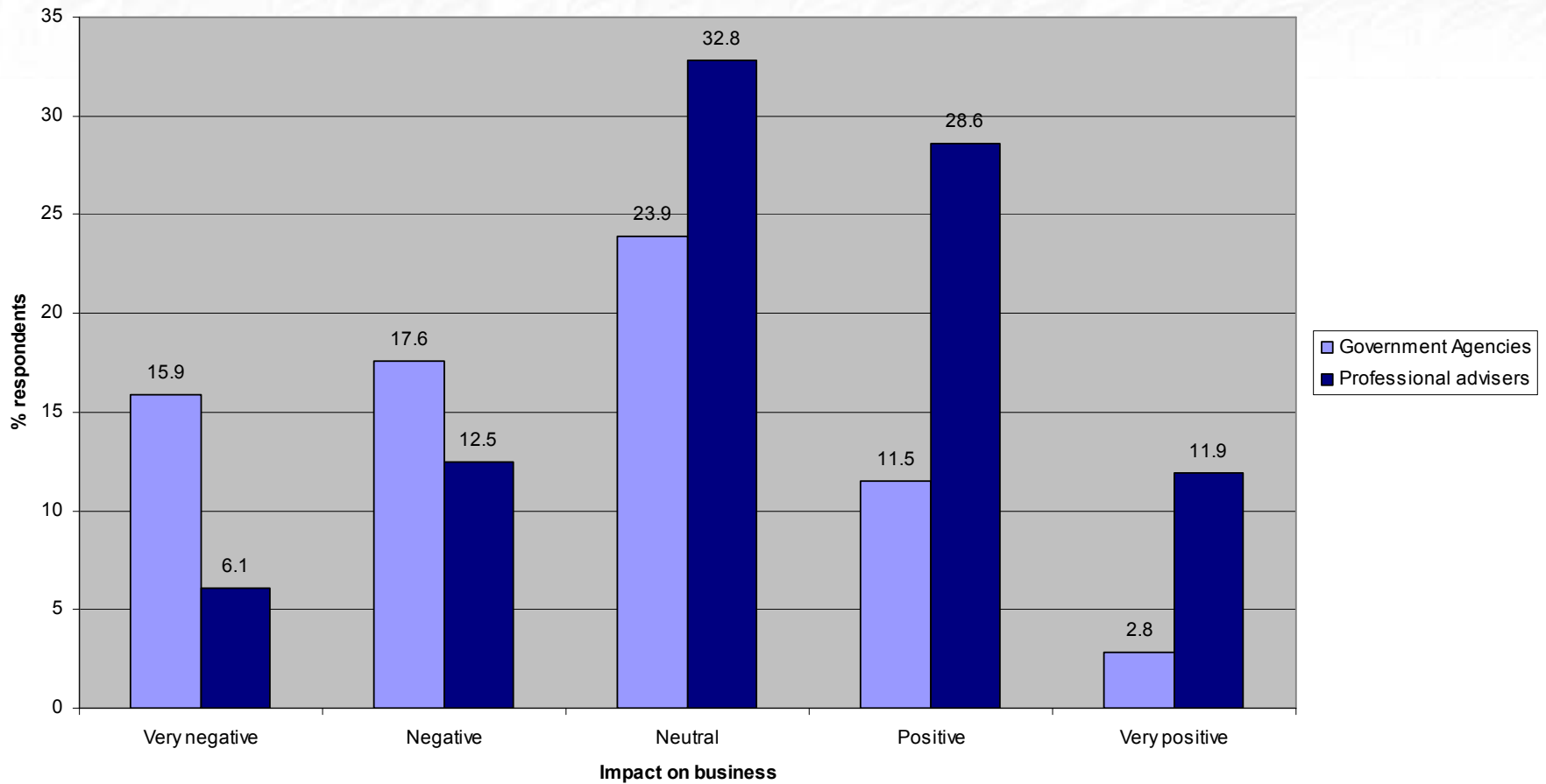
# Entrepreneurs are ever-confident about performance



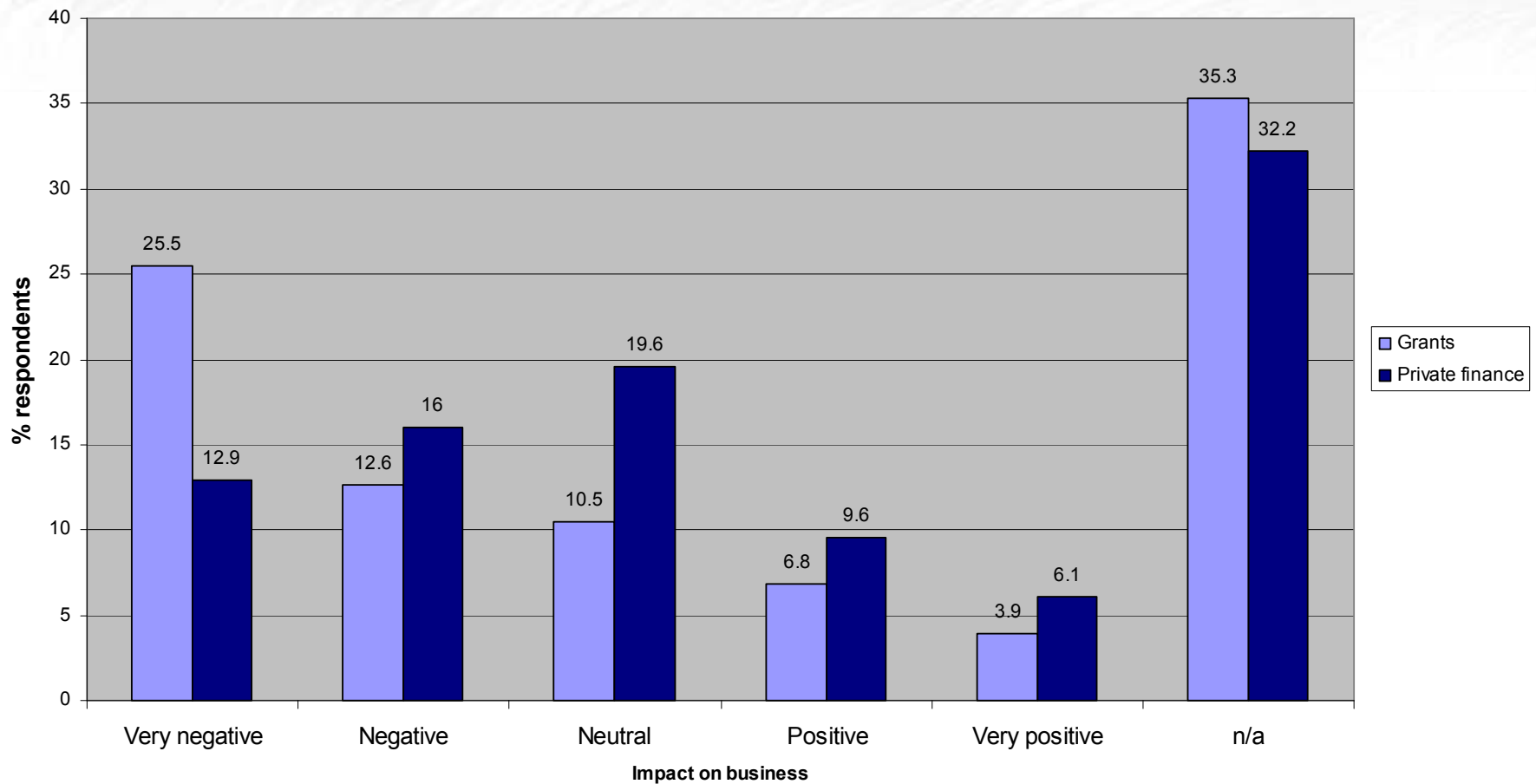
## So where do they go for help?

	Start	Now	Usefulness
<b>Personal friend</b>	30.1	29.2	60.1
<b>Mentor or coach</b>	12.2	14.4	78.3
<b>Another entrepreneur</b>	22.2	25.3	73.9
<b>Business entrepreneur support network</b>	8.7	14.2	49.6
<b>Bank</b>	31.4	27.2	43.4
<b>Potential investors</b>	8.1	8.5	51.8
<b>Work colleagues</b>	26.2	42.4	51.9
<b>Professional</b>	47.2	64.9	64.8
<b>Family member</b>	29.2	25.5	69.7
<b>Business link/government</b>	22.6	22.4	43.1
<b>Nobody</b>	7.2	4.3	-

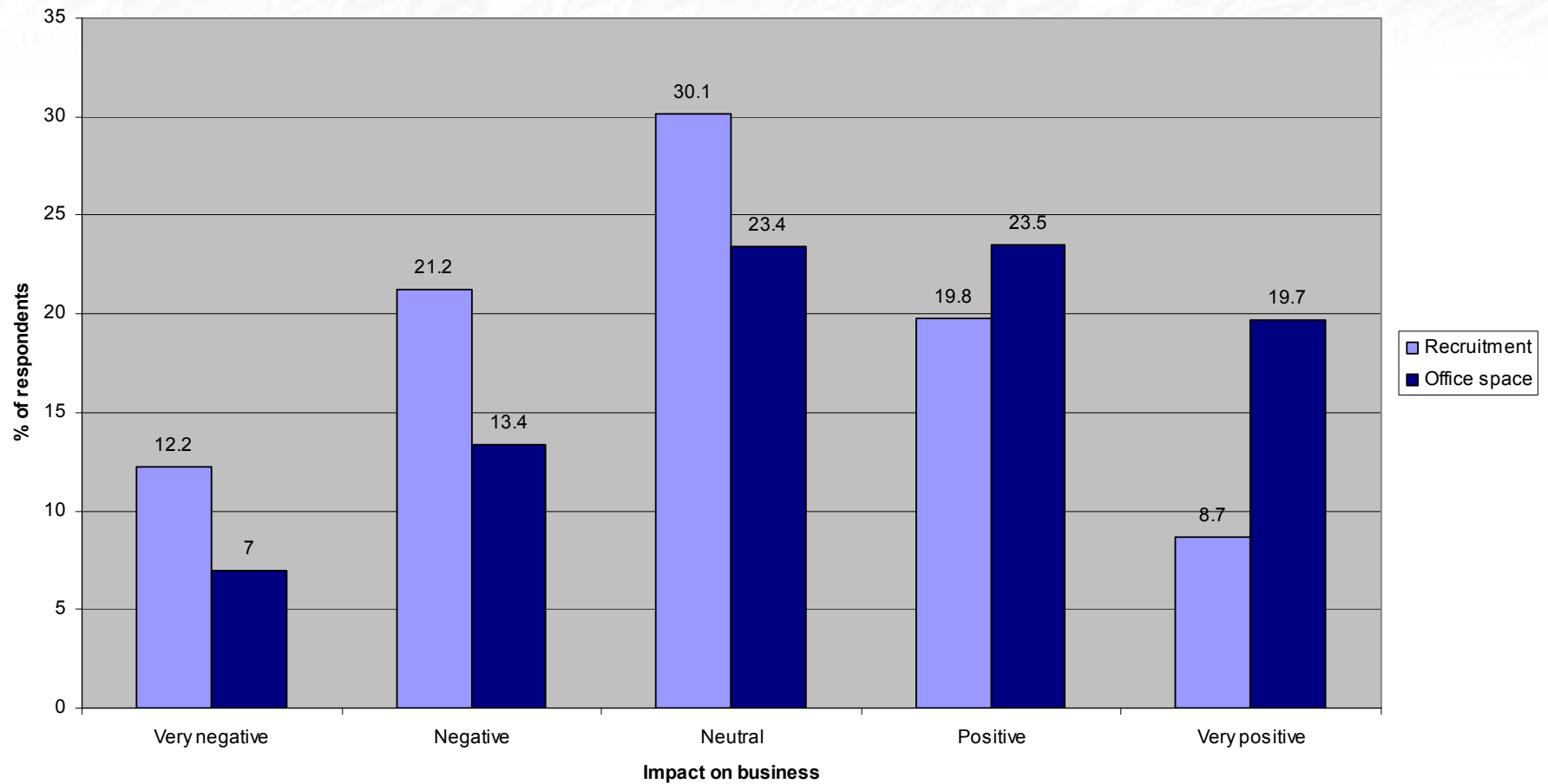
The process of accessing broad advice is less directly helpful than the process of accessing professional support, probably because professional advice is targeted at key business issues



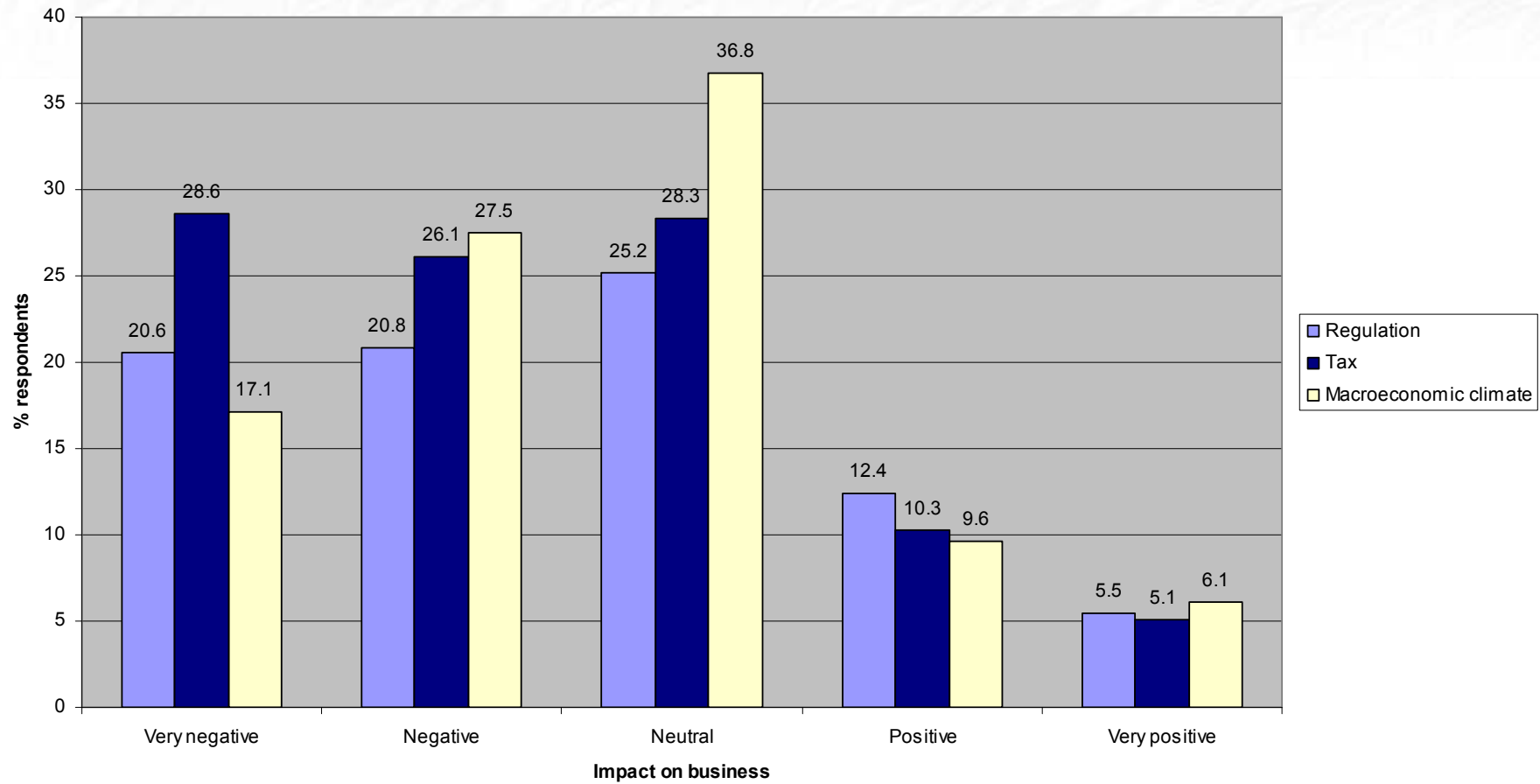
# The process of accessing finance does not always have a positive impact on the business



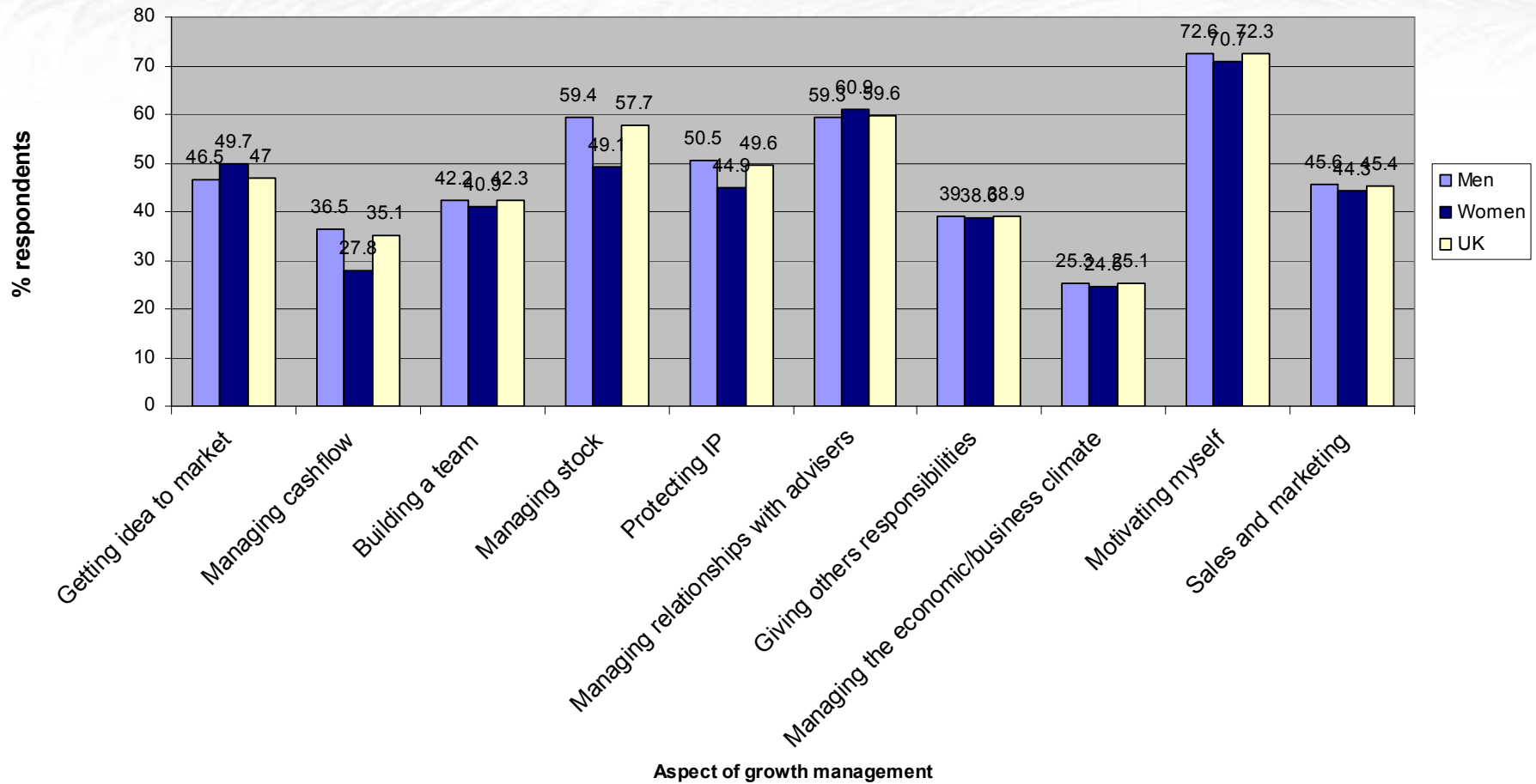
Recruiting the right people can be tough and have negative effects on the business but the process of accessing office space has had more positive effects on the entrepreneurs surveyed



# Regulation, tax and the economy don't help



# Management experience - % finding easy or very easy



## So what does all this mean?

- Entrepreneurs invest a huge amount themselves up front for a whole variety of reasons, not just making money
- They have been affected by the downturn and it has made them risk averse and change their business models
- Advice around cash flow and economic environment seem to be needed
- Tax, regulation and the macroeconomic operating environment impact negatively
- Advice is helpful but:
  - Targeted professional advice impacts more positively and directly on the business
  - The process of accessing finance can be difficult and impact negatively and choosing the right source of finance and planning of growth is key
- Managing the relationship well with professional advisers can really add value