



Belfast City Council

Report to:	Development Committee
Subject:	Belfast Business Survey – Key Findings
Date:	13 May 2009
Reporting Officer:	Marie-Thérèse McGivern, Director of Development, ext 3470
Contact Officer:	Shirley McCay, Head of Economic Initiatives, ext 3459

Relevant Background Information

In January 2009, a survey of 500 businesses in Belfast was commissioned by Belfast City Council. The aim of this survey was to gather information on the companies (number of people employed, turnover, key markets etc.), to identify their key growth challenges for the coming year and to identify the particular support that they may need and that may be provided by Belfast City Council or other business development support agencies.

The survey sample was representative of the geographical location of the City's business community as well as the company size structure.

It is anticipated that this survey will be undertaken on an annual basis. The next survey will be undertaken in January 2010.

Key Issues

The key findings of the survey were:

- More than half (54%) of the companies surveyed told us that they did not have a formal, written business plan. While economic growth was almost a given over the last few years, the current times make it much more challenging for companies to survive and make a profit. It is therefore all the more important that they spend some time refining their product, identifying their markets, considering their marketing plan and identifying where their finances will come from.
- Only 45% of the companies interviewed told us that they were selling into the public sector. Given the disproportionately large size of the public sector in the north of Ireland, this could be construed as a missed opportunity. One of the key actions in the economic downturn response was to increase the number of small businesses accessing Council procurement opportunities. In

partnership with the Northern Ireland Chamber of Commerce, we have organised an event on 'Sustainable Procurement Opportunities' as part of Waste Week on 4 June 2009.

- One third of the companies that we spoke to do not expect their business levels to change in the coming year, while equal percentages expressed themselves as optimistic about growth prospects as those who did not expect to see any growth in the coming year.
- The same is true for anticipated profit margins - while 40% of companies expected that these would remain the same as last year, 27% felt that they would increase while 30% thought that they would decrease.
- 48% of Belfast businesses suggested that they expected to invest in their company in the coming year. This suggests that they want to proactively pursue growth for the business. However with more than 50% suggesting that there will be no investment in the business, it does give some cause for concern that the adverse conditions may hit them all the harder if they are not prepared to meet the challenge.
- Companies that were exporting were more optimistic about sales prospects in international than local markets. Given the rising value of the Pound to the Dollar and the Euro, there is some opportunity for local companies to present a cost-effective supply options to businesses trading in these currencies.
- 72% of Belfast companies expect to maintain their 2008 employment levels in 2009 - 20% expect to recruit more employees while 8% of businesses expect to have to make redundancies. However more than half of companies told us that they did not recruit in 2008 and therefore it is unlikely that there will be any major employment growth in the coming year.

Key challenges for 2009

- Companies identified two key challenges for the coming year: the prevailing global economic environment and the potential rise in overheads, supplier costs and rates. It is clear that many of these matters are largely outside of their control. However by taking a more planned and strategic approach to their growth, they can minimise the impact of these issues on their future development.

Support required

- Almost 80% of the companies participating in the survey suggested that they were not accessing any government support at present. There is a raft of initiatives available from local and central government as well as private providers to help companies grow. We will work with the business support network to make companies aware of the support available and to help them access that support.
- When asked what specific areas they needed further support on, the companies suggested that these were sales development, strategic planning, financial management and access to public sector procurement. The Economic Development Unit activity as part of the Departmental Plan demonstrates that we will endeavour to re-shape our business support services in the coming year to address these areas and will work with our

other partners in the enterprise arena to encourage them to do the same.

- Over 75% of businesses surveyed told us that Belfast was a good place to do business in. Those less positive about the city said that their main concerns were regarding transport infrastructure and government regulation.

Recommendations

It is recommended that members note the content of this report.

Decision Tracking

An further survey will be undertaken in early 2010 and the its findings will be presented to the Development Committee in due course.

Timeframe: April 2010

Reporting Officer: Shirley McCay

BLANK PAGE