

SMEs leave room for optimism for the UK's economic recovery

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Huge growth in consumer confidence, help to grow schemes, and scaled corporate tax sets small businesses up to excel in 2021.

19% of UK workers who work at a small business have won previously inaccessible, large clients and grown as a business through Covid (3,687,000)

Two thirds (66%) of Brits say that their trust in small businesses and service providers has grown during the pandemic (29,607,000)

Chris Biggs, Partner at consultancy and accounting disruptor Theta Global Advisors, discusses the unprecedented success of small businesses during Covid-19, and why it leaves room for optimism for the UK's wider economic recovery.

This morning, the Federation of Small Businesses (FSB) have released data from their quarterly small business index showing that small business confidence is at its highest since 2014. 58% of small business owners expect business to improve in the next 3 months, with 53% hoping to grow their firms over the next 12 months. Throughout the pandemic, small businesses have had to be agile, adapting to working from home, the need for flexible working, and taking advantage of the opportunities the pandemic and our increasingly digital age have presented.

This confidence in and on the part of small businesses and firms is further supported by research from Theta Global Advisors, a consultancy and accounting disruptor showing small business success during Covid-19. Research from Theta shows that small businesses that were nimble enough to adapt throughout lockdown saw tangible success, with 19% of small businesses having won previously inaccessible large clients and growing exponentially as a result.

Furthermore, consumer confidence in small businesses and service providers has increased dramatically, and more than a fifth (22%) of decision makers in this sphere are now looking to hire more employees and consultants this year to keep up with and continue the business growth trajectory they have seen since the pandemic began. Thus, despite the initial setbacks we saw at the beginning of the pandemic, we can see not only that SMEs are confident as we go forward, but how they have excelled during Covid-19.

Their success has resulted in both consumer confidence and industry confidence, leaving room for optimism for the UK's economic recovery as we finally begin to see restrictions ease and businesses able to operate to their full, adapted potential.

Key stats:

- 66% of Brits say that their trust in small businesses and service providers has grown during the pandemic (29,607,000)
- More than a fifth (22%) of decision makers are looking to hire more employees or consultants this year in order to grow (2,561,000)

(nationally representative research carried out across a body of 2100 respondents, in full compliance with British Polling Council guidelines)

Chris Biggs, Partner at Theta Global Advisors – a consultancy and accounting disruptor – comments on the unprecedented success of small businesses in the last year and how 2021 is gearing up to see this continue on its current trajectory, supporting the UK's economic recovery markedly:

“With companies adopting new policies and a substantial number of SMEs planning to expand in 2021, as well as the Government’s support of these expansions with sliding corporate tax scales and Help to Grow schemes, it seems that as we saw over Covid-19, 2021 is an optimum time to be a small business.

To small businesses, this is great news, with increased public support and new, large clients allowing them to change the landscape and culture in their industries previously dictated by corporate giants. This unprecedented growth and influence comes at an opportune time for the UK economy, leaving room for optimism for our economic recovery as we return to a degree of normalcy. With SMEs accounting for three fifths of employment in the UK, their success is having ripple effects, employing more staff and giving our economy a much-needed boost.

In our concerns for what the future looks like for businesses with lockdowns, returning to offices, and economic recovery, we must not forget the success, innovation and resilience of small businesses in the UK. We need to continue to support these SMEs on their current growth trajectory, as the public have been doing more and more over lockdown. Our support of small businesses and their own confidence in their ability to grow is helping to see unemployment rates fall, and will be crucial in our return to a degree of normalcy and our economic recovery.”