

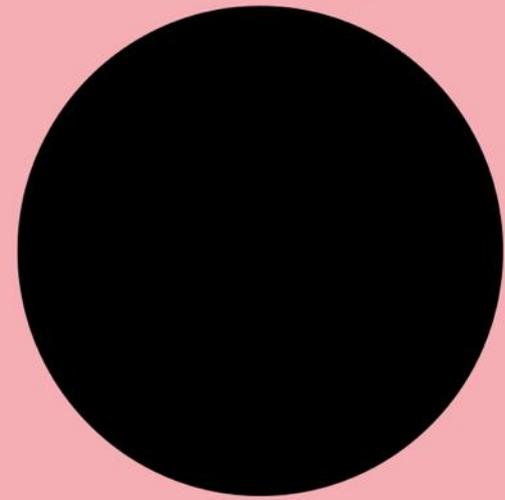
Savanta: Recovery & resilience of UK businesses

WINTER IS COMING HERE
SURVIVAL & RECOVERY
FUTURE OF THE WORKPLACE

NOVEMBER 2020



Section 1:
Winter is ~~coming~~ here...



Covid-19's negative impact on businesses remains high

⊕ Current 'NEGATIVE' impact of Covid-19

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



INDUSTRY SECTOR

BUSINESS & FINANCIAL SERVICES



IT, TECH & COMMS



PUBLIC SERVICES

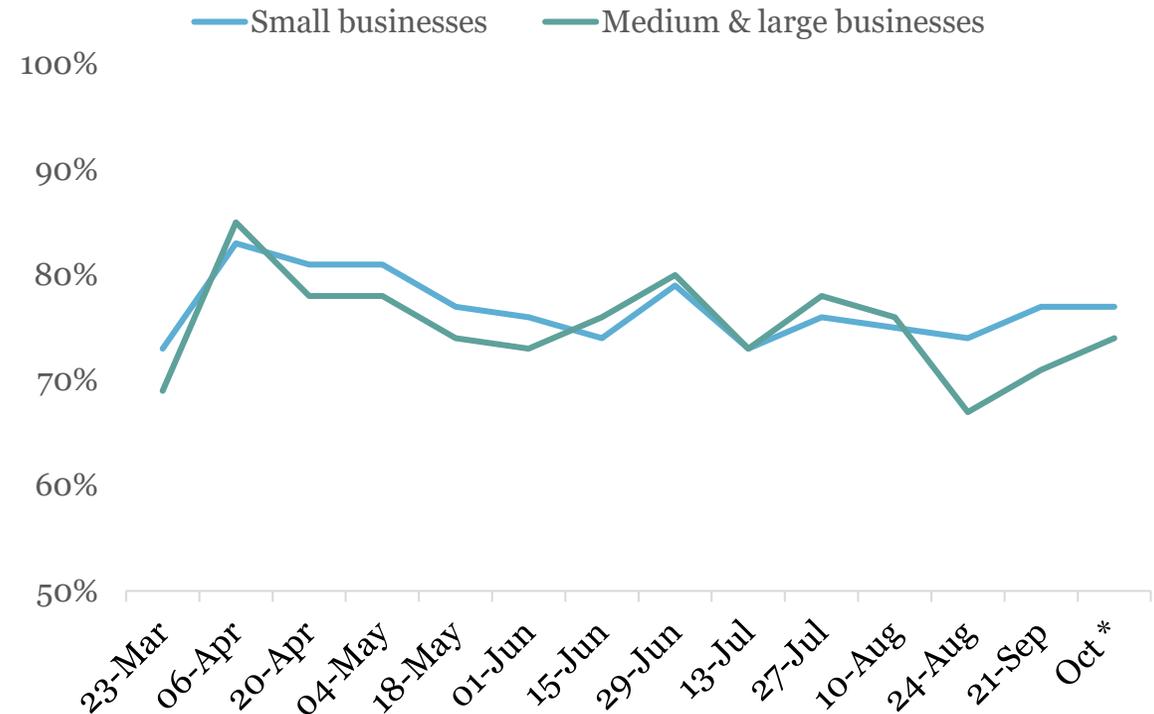


RETAIL & WHOLESALE



Q. What impact would you say coronavirus (COVID-19) has had on your business so far?
 Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

Following the trends seen since the beginning of Covid-19



Q. What impact would you say coronavirus (COVID-19) has had on your business so far?
 Savanta Covid-19 B2B Tracker (bi-weekly) – Waves 1 to 13 – 400+ small businesses,
 250+ medium & large businesses per wave
 *NB. October data from new Savanta Business Tracker

Brexit is having the greatest negative impact on medium & large businesses and the 'professional service' sectors



Current 'NEGATIVE' impact of Brexit

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



INDUSTRY SECTOR

BUSINESS & FINANCIAL SERVICES



IT, TECH & COMMS



PUBLIC SERVICES



RETAIL & WHOLESALE



Q. What impact would you say Brexit has had on your business so far?
Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

Whilst Covid-19 is impacting the large majority, a sizeable minority have also seen a negative impact of Brexit on their businesses



'DECLINE' in weekly income / turnover / sales as a result of Covid-19

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



INDUSTRY SECTOR

BUSINESS & FINANCIAL SERVICES



IT, TECH & COMMS



PUBLIC SERVICES



RETAIL & WHOLESALE



'DECLINE' in weekly income / turnover / sales as a result of Brexit

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



INDUSTRY SECTOR

BUSINESS & FINANCIAL SERVICES



IT, TECH & COMMS



PUBLIC SERVICES



RETAIL & WHOLESALE



Q. And what impact, so far, has each of the following had on your business' weekly income / turnover / sales?
Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

Businesses are more confident in their preparations for a Soft Brexit



Being 'PREPARED' for a Soft Brexit

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Being 'PREPARED' for a Hard Brexit

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Q. How confident are you in...?

Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

Redundancies are more likely in medium & large businesses

'INCREASE' in redundancies as result of Covid-19

BUSINESS TYPE

SMALL BUSINESSES (EXCL. SOLE TRADERS)



MEDIUM & LARGE BUSINESSES



'INCREASE' in redundancies as result of Brexit

BUSINESS TYPE

SMALL BUSINESSES (EXCL. SOLE TRADERS)



MEDIUM & LARGE BUSINESSES



Confidence in the Government's Covid-19 strategy remains low

⊕ 'CONFIDENCE' in Government strategy for Covid-19

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



INDUSTRY SECTOR

BUSINESS & FINANCIAL SERVICES



IT, TECH & COMMS



PUBLIC SERVICES

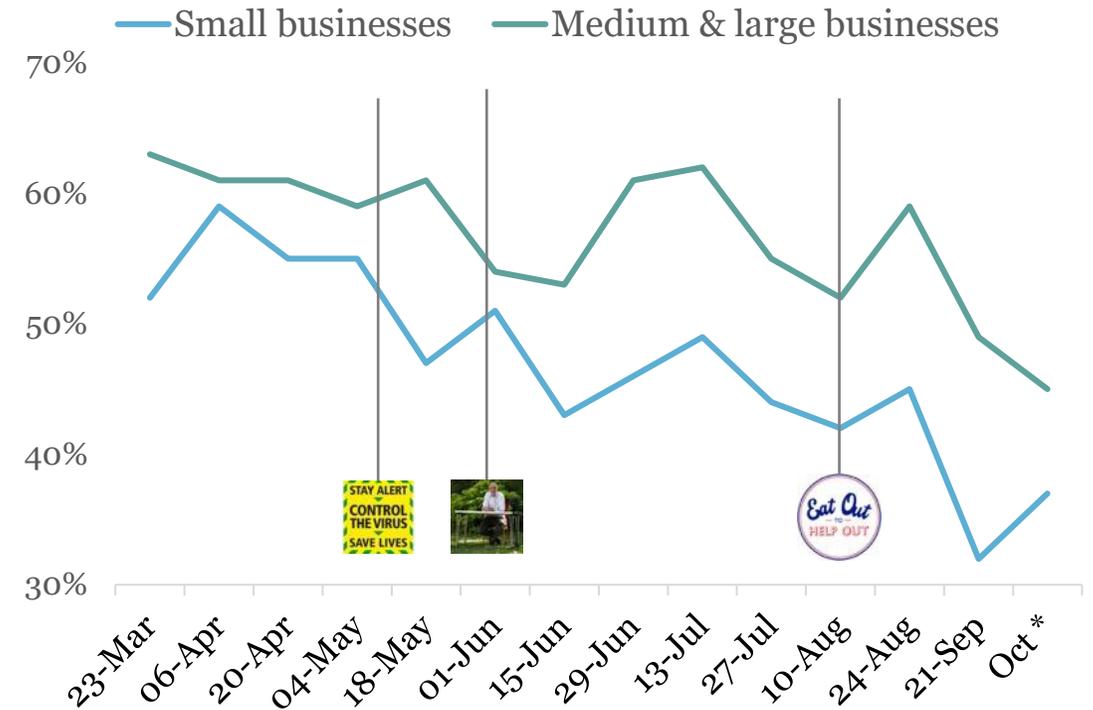


RETAIL & WHOLESALE



Q. How confident are you in...?
Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

A consistent downward trend seen since March



Q. How confident are you in...?
Base: Savanta Covid-19 B2B Tracker (bi-weekly) – Waves 1 to 13 – 400+ small businesses, 250+ medium & large businesses per wave
*NB. October data from new Savanta Business Tracker

Section 2:
Survival & recovery...





✔ 73%

of business are feeling confident that they will still be operating by the end of 2021

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Projections across sectors are broadly negative for next year, with only IT, Tech & Comms anticipating some stability

NET projections
(i.e. grow vs. decline)

	Industry sector	Individual business
IT, Tech & Comms	▬ +1%	▬ -3%
Retail & Wholesale	↓ -9%	↓ -16%
Industry	↓ -13%	↓ -22%
Business & FS	↓ -24%	↓ -22%
Public Services	↓ -31%	↓ -23%
Arts & Entertainment	↓ -32%	↓ -23%

Q. In the next 12 months onwards (i.e. into 2021), overall, how do you expect your business and industry sector(s) to change?

Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

NB. All audiences have a base size of 80+ respondents

There's a marked difference in the support that small businesses are feeling they've had from financial service providers

% saying our BUSINESS BANK hasn't offered any support

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



% saying our INSURANCE PROVIDER hasn't offered any support

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Q. How well supported is your business by each of the following?
Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

27%

of SMALL business said that they have, or are considering, claiming business interruption insurance

56%

of SMALL business are aware of the recent FCA test case ruling about small businesses claims on business interruption insurance

Q. Have you claimed, or are you considering claiming, on your insurance for business interruption caused by Coronavirus?
Q. Are you aware of the recent FCA (Financial Conduct Authority) test case ruling about small businesses being able to claim compensation from insurers on business interruption during the Coronavirus (COVID-19) lockdown?
Base: Savanta Business Tracker – Wave 1 (October) – 751 small businesses

Home working is driving longer hours yet lower productivity – More pronounced challenge amongst medium & large firms

% AGREE: Our employees have been working longer hours over the last 6 months

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



% AGREE: Our business has seen a decrease in levels of employee productivity over the last 6 months

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Q. To what extent do you agree or disagree with the following statements surrounding employees working from home?
Base: Savanta Business Tracker – Wave 1 (October) – 833 business with employees working from home



Meaning that whilst small businesses focus on survival, medium & large businesses are looking to enhance ways of working

	Small businesses				Medium & large businesses			
#3 current challenges	1	Drop in customer demand	38%	▲	1	Cyber security	34%	▲
	2	Remaining profitable	34%		2	Employee wellbeing	32%	▲
	3	Cashflow / Working capital	30%		=3	Remaining profitable & Cashflow / Working capital	=28%	
#3 future challenge	1	Drop in customer demand	37%	▲	1	Employee wellbeing	31%	▲
	2	Remaining profitable	33%		2	Remaining profitable	29%	
	3	Cashflow / Working capital	28%	▲	3	Cyber security	24%	

Q. Which of the following would you say are significant challenges facing your business at the moment?
 Q. Thinking of the year ahead (i.e. 2021), which of the following would you say will be significant challenges facing your business?
 Base: Savanta Business Tracker – Wave 1 (October) – Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

Savanta UK Business Tracker

Programme aim:

- To provide an accurate and up-to-date view of the recovery, resilience and adaptation of UK businesses
 - **Group 1** = Small Business Owners & Directors (under 250 employees)
 - **Group 2** = Medium & Large Business Senior Managers & Directors (250 or more employees)

Monthly tracking:

- 1,000 UK respondents every wave
 - 750 Small Businesses
 - 250 Medium & Large Businesses

Tracker topics



COVID-19, Brexit & other current business challenges



Changing technology needs & expectations



Future of work & the office



Future business challenges & strategy



Employee well-being



Business service providers

Section 3:
Future of the workplace...



At the start of October,
the majority of
businesses had plans to
re-start both domestic
and international
business travel



% already / looking to permit non-essential
domestic business travel in the future

BUSINESS TYPE

SMALL BUSINESSES



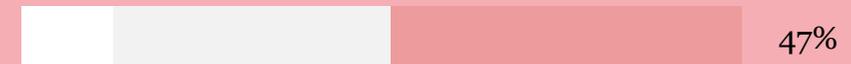
MEDIUM & LARGE BUSINESSES



% already / looking to permit non-essential
international business travel in the future

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES

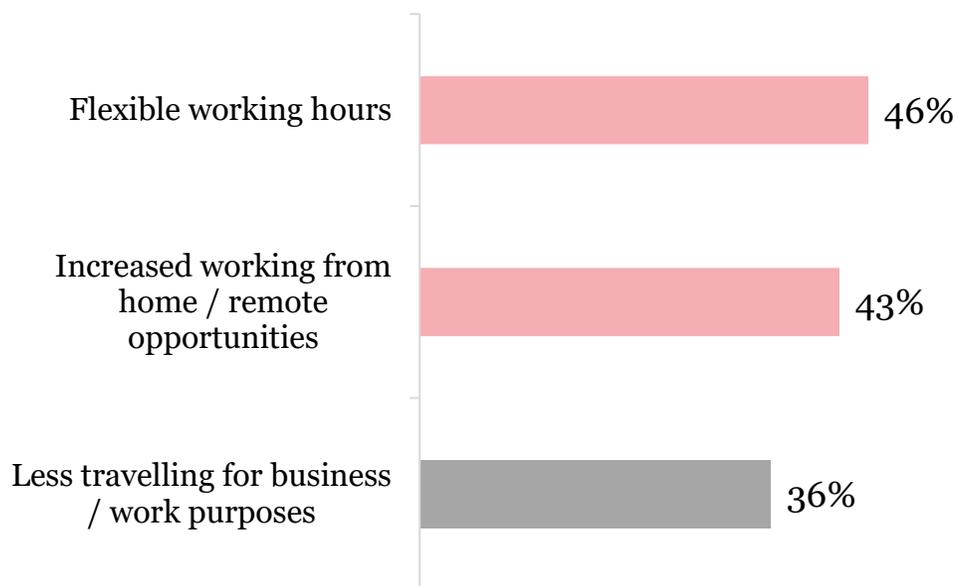


Q. Which of the following best describes your business' guidelines and / or policy on business travel?
Base: Savanta Business Tracker – Wave 1 (October) – Savanta Business Tracker – Wave 1 (October) –
1,001 businesses

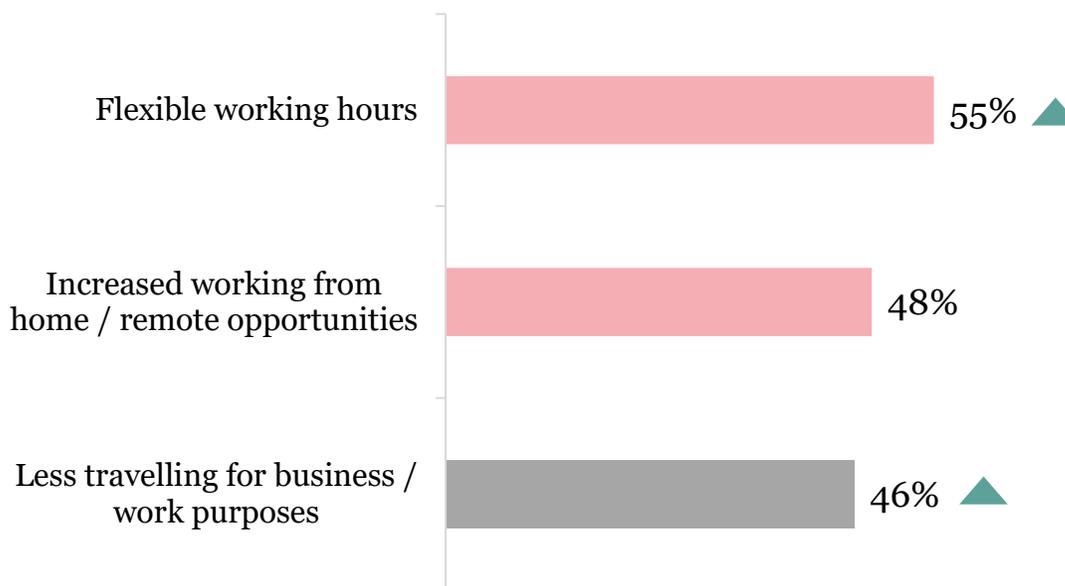
But travel demand is likely to remain muted as business seek to retain flexible and remote working options

Top 3 workplace changes businesses would like to see continued in the future

Small businesses



Medium & large businesses



Q. Which of the following workplace changes would you like to see continued in the future?
Base: Savanta Business Tracker – Wave 1 (October) – Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

Flexible and remote working options will remain in demand across nearly all sectors

Top 3 workplace changes businesses would like to see continued in the future – by sector

	IT / Tech & Comms	Retail & Wholesale	Business & Financial services	Industry	Arts & entertainment	Public services
Flexible working hours	2	1	2	1	1	1
Increased WFH / remote opportunities	1	2	1		2	3
Less travelling for business / work purposes	3	3	3	2		2

Q. Thinking of the year ahead (i.e. 2021), which of the following would you say will be significant challenges facing your business?

Base: Savanta Business Tracker – Wave 1 (October) – Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

NB. All audiences have a base size of 80+ respondents

With the continuation of remote working, medium & large businesses are highly likely to reduce their physical premises

% plan to close or reduce floor space of business premises

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



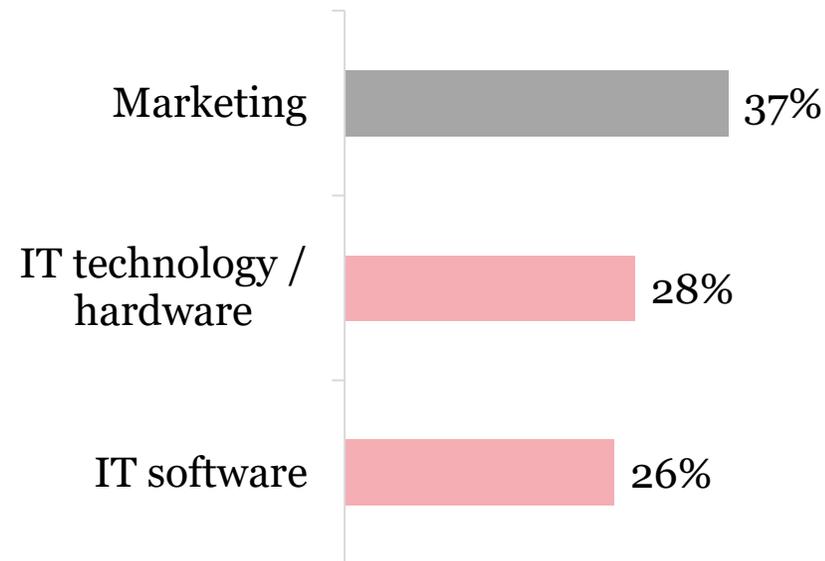
Q. Over the next year (i.e. 2021), which of the following best describes your businesses anticipated future use of your premises (i.e. offices, warehouses, stores)?
Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses



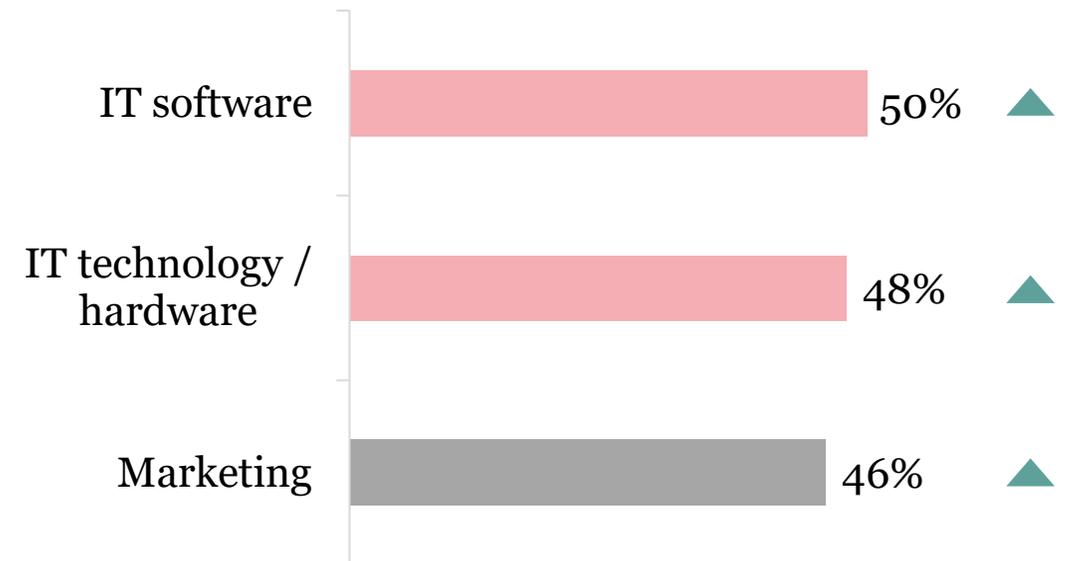
All of which means that IT spend is firmly on the table

Top 3 areas businesses are planning to increase spending on in 2021

Small businesses



Medium & large businesses



Q. How do you expect your business' spend in each of these areas next year (2021) to compare to the levels at the beginning of this year (2020)?
Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

All sectors apart from Industry and Arts & Entertainment are set to see sizeable IT investments

NET investment in IT tech / hardware
(i.e. increase vs. decrease)

IT, TECH & COMMS		31%
PUBLIC SERVICES		26%
BUSINESS & FINANCIAL SERVICES		19%
RETAIL & WHOLESALE		14%
INDUSTRY		3%
ARTS & ENTERTAINMENT		-5%

NET investment in IT software
(i.e. increase vs. decrease)

IT, TECH & COMMS		28%
PUBLIC SERVICES		23%
BUSINESS & FINANCIAL SERVICES		22%
RETAIL & WHOLESALE		18%
INDUSTRY		7%
ARTS & ENTERTAINMENT		3%

Q. How do you expect your business' spend in each of these areas next year (2021) to compare to the levels at the beginning of this year (2020)?

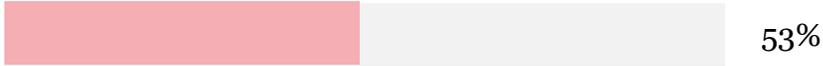
Base: Savanta Business Tracker – Wave 1 (October) – 1,001 businesses

For those who plan software investment, improving digital security is high on the shopping list

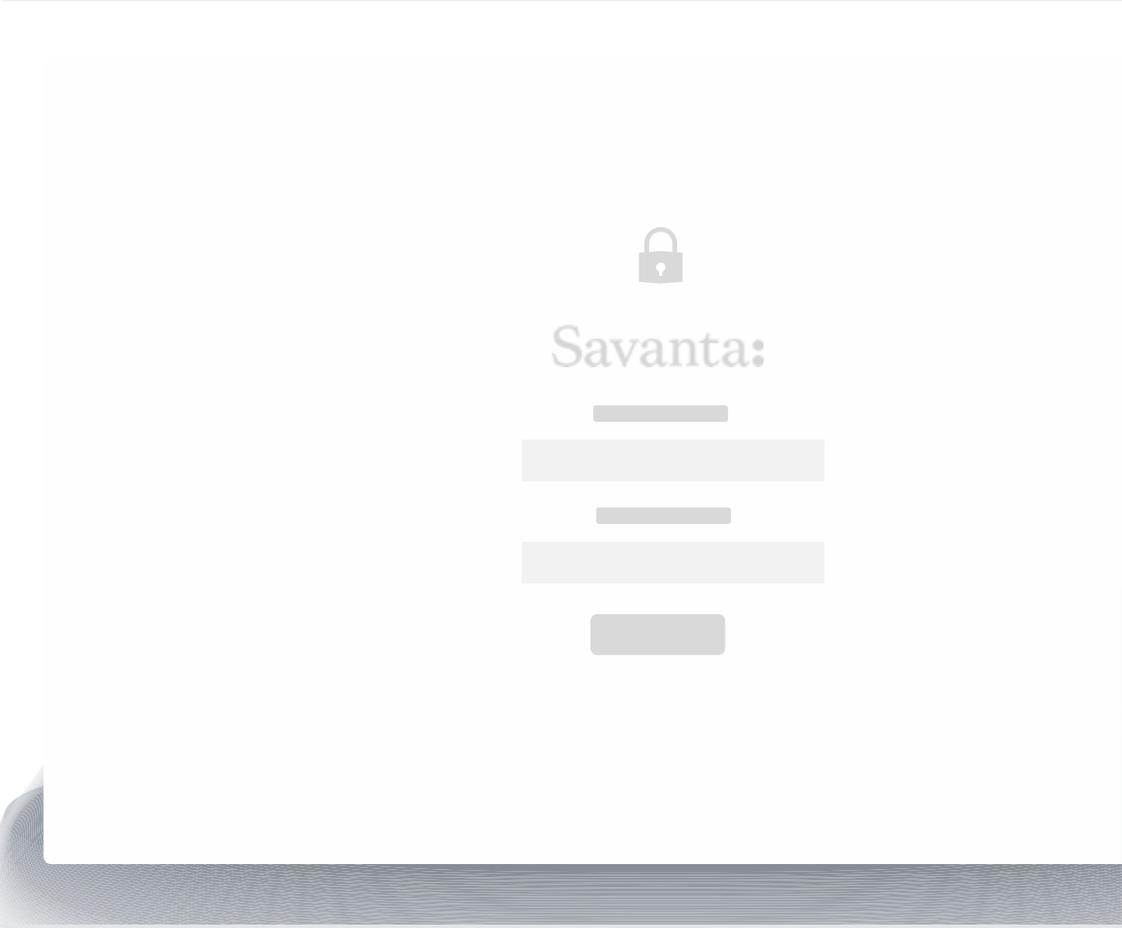
% planning spend on in digital security (of those who plan software investment)

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



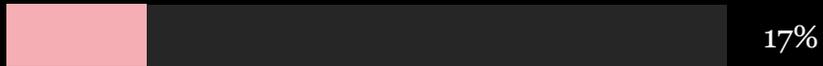
Q. In which of the following IT software areas do you anticipating spending more on next year (i.e. 2021) ?
Base: Savanta Business Tracker – Wave 1 (October) – 323 businesses who plan to increase spending on IT software

The 5G revolution will be led by medium & large businesses as smaller counterparts remain unconvinced

% planning to invest in 5G in the next 12 months (phone and / or IoT solutions)

BUSINESS TYPE

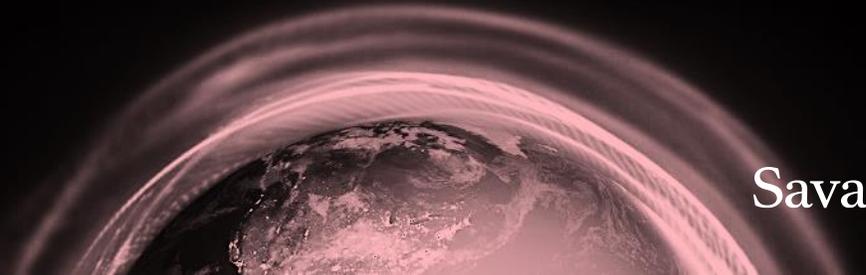
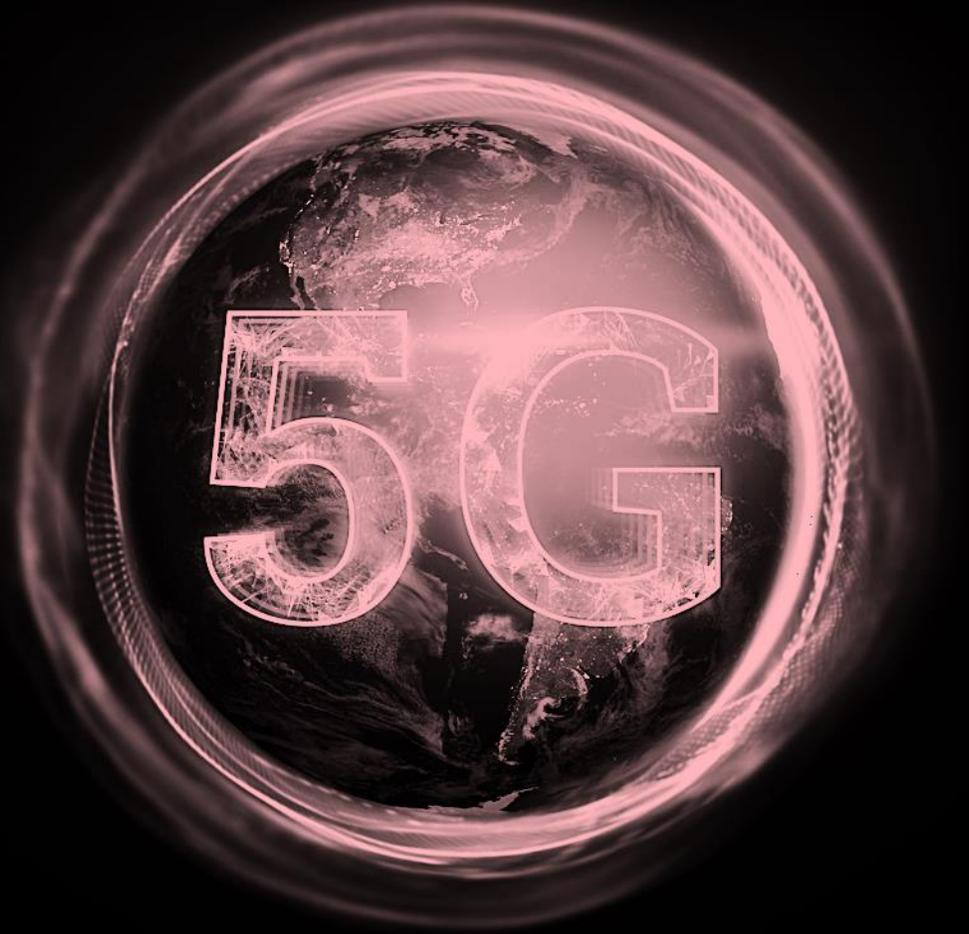
SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Q. Does your business plan to invest in 5G in the next 12 months?
Base: Savanta Business Tracker – Wave 1 (October) – 754 businesses with involvement in IT & Tech in their role





And alongside tech, businesses recognize the need to support the wellbeing of employees working from home

% looking to support employee wellbeing

BUSINESS TYPE

SMALL BUSINESSES



MEDIUM & LARGE BUSINESSES



Q. How, if at all, is your organisation looking to support employee wellbeing for those working from home?
Base: Savanta Business Tracker – Wave 1 (October) – 833 businesses with employees working from home

Summary – 3 key themes from the study so far

01

The next few months will be very tough. Covid-19 is the top of mind concern, and even if that fades, Brexit is lurking around the corner with predicted negative impacts on the already struggling business population.

Challenging times are predicted to continue through 2021, leading to continued redundancies. One in four businesses doubt their survival.

Perhaps even more concerningly, the Government has lost the trust of the business community.

02

But businesses and the economy will continue.

And it's not all just about survival. As businesses recognise the creativity drains of remote working, employee wellbeing and productivity will start taking centre stage, especially for larger companies.

As initial 'head down and power through' momentum fades, supporting and engaging the workforce in a virtual world becomes critical.

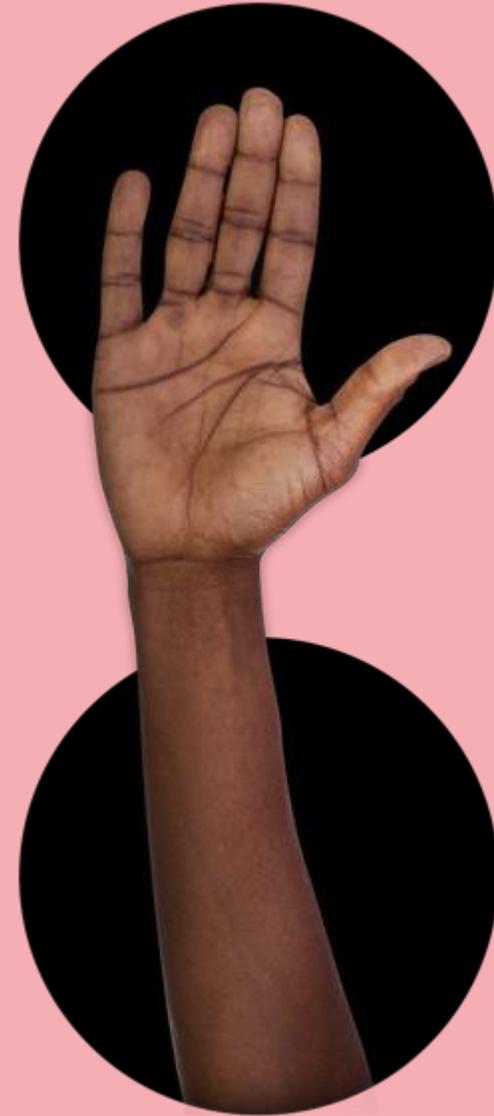
03

The impact of Covid-19 on the workplace isn't going away quickly. And indeed, there are some changes that businesses want to keep.

Working from home and flexibility are seen as fundamentally good. And also cheaper, as medium & large businesses look to consolidate space.

But if this trend is to continue, businesses recognise the need for investment in IT systems, especially security and connectivity.

Any
questions?



Savanta: Make better decisions



Graeme Cade
EVP, Business
Graeme.cade@savanta.com

Stephen Palmer
EVP, Financial Services
Stephen.palmer@savanta.com

Meghan Oliver
Director, Business
Meghan.oliver@savanta.com



Ross Connell
Director of Client Development
Ross.Connell@savanta.com

London
New York
Singapore