

5 What promotes growth and productivity?

Effective leadership

Access to finance

Strategic management practices

Innovation (products, services, process)

Digital technology adoption

Exporting

Business support

...usually in combination

6 Current challenges

Innovation - the likelihood that a UK SME will innovate decreased from 48% in 2017 to 35% in 2021.²

Net zero adoption - Just over a third of UK SMEs are not engaged in undertaking any active steps to reduce their business's carbon footprint

Current net zero support schemes are only reaching 1% of the SME population.

1%

Workplace wellbeing - 37% of firms surveyed in 2023 said that they had experienced 'presenteeism', compared to 21 per cent in 2022

Spatial variation in innovation - firms reporting the highest innovation are concentrated in an 'arc of innovation' stretching across the SE Midlands and along the M4 corridor³

ERC research has showed that left unaddressed, poor mental health can cut productivity by a quarter

7 Areas for action



Improve support on net zero adoption



Increase digital technology adoption



Challenge management mindsets



Support exporting



Invest in the business support system



Improve knowledge and access to finance



Encourage and enable more innovation