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High Growth Firms and Demand for Business Support

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1. Executive Summary

Small and medium-sized enterprises (SMEs) play a central role in economic growth and job creation. Policy discussions often focus on so-called high-growth firms (HGFs) or "scale-ups", reflecting their disproportionate contribution to economic performance. However, recent Enterprise Research Centre (ERC) research has highlighted that business growth is rarely continuous (Hart et al. 2020). Most firms grow in episodes, with a growth spurt, then a plateau, a pause and then potentially another spurt. Furthermore, many business owners hold growth ambitions that are not yet reflected in their current performance (Hart, 2026). This raises important questions about whether business support reaches only firms already experiencing growth or also those with the potential to grow in the future.

This research paper examines patterns of business support use among UK SMEs, focusing on firms currently experiencing high growth and firms with strong growth ambitions. Using data from the UK Longitudinal Small Business Survey (LSBS), the research explores which firms access support, how support use varies within growth-oriented firms, and whether business support is associated with a greater likelihood of translating growth ambitions into realised business growth. The analysis combines evidence from more than 10,500 SMEs in the 2024 LSBS wave with longitudinal data tracking firms between 2021 and 2024. Findings should be interpreted as evidence of associations rather than causal effects.

The findings show that both high-growth and high-ambition firms are significantly more likely than other SMEs to receive business support. They are particularly likely to access formal advisory support from consultants and support relating to business growth, innovation, exporting, technology adoption, skills development and access to finance.

However, business support use is far from evenly distributed. Within both high-growth and high-ambition populations, support is concentrated among larger firms and businesses already engaged in growth-oriented activities such as exporting, innovation and seeking external finance. Smaller firms (up to 9 employees) and those less connected to these activities are considerably less likely to access support. These findings suggest that current support systems may be more successful at engaging firms that are already on a growth trajectory than firms whose growth ambitions remain unrealised. This echoes the concern raised in recent ERC work that policymakers often focus on firms already experiencing a growth episode rather than the much larger group seeking to achieve one (Hart, 2026).

The research also finds some evidence of geographic disparities. Among high-growth firms, those located in urban and more deprived areas are less likely to receive support than otherwise similar businesses. Although geography appears less important among high-ambition firms, the findings suggest that some potentially high-performing businesses may remain outside the reach of support programmes.

The longitudinal analysis indicates that both growth ambition and business support are positively associated with achieving high growth over time. Firms with ambitious growth expectations were more likely to achieve strong turnover growth between 2021 and 2024, while firms receiving support generally reported better growth outcomes. Although these relationships should not be interpreted as causal, they reinforce the importance of sustaining business ambition and engagement with support over time.

Overall, the findings suggest that business support is largely reaching growth-oriented firms, but that policy should look beyond businesses currently classified as high-growth firms. Consistent with recent ERC thinking, the evidence points towards a broader policy objective: helping ambitious firms convert ambition into performance. This requires identifying and engaging under-served SMEs, particularly smaller businesses and those not yet innovating, exporting or seeking external finance; improving support in under-served places; strengthening programme evaluation; and developing a better understanding of both supply-side and demand-side barriers to support uptake.

Key Findings at a Glance

1. High-growth and high-ambition SMEs are significantly more likely than other firms to receive business support, particularly formal advisory support and support related to innovation, exporting, skills, technology adoption and access to finance.
2. There is substantial variation in support uptake within high-growth and high-ambition firms.
3. Support use is generally concentrated among larger firms and those displaying growth-oriented characteristics, particularly exporting activity, innovation and engagement with external finance.
4. Among high-growth firms, being in urban areas or in the most deprived areas was significantly associated with a lower likelihood of receiving business support.
5. The longitudinal analysis indicates that growth ambition and business support each contribute positively to the likelihood of achieving high growth.

2. Introduction

2.1 Background and Context

In recent years, the academic literature has identified that there is a small minority of so-called high-growth firms (HGFs) which contribute disproportionately to employment and economic growth (Enterprise Research Centre, 2015; Felix et al, 2021; Haltiwanger et al, 2013, 2016).[1] The OECD defines HGFs as 'enterprises with average annualised growth in employees or turnover greater than 20% per annum over a three-year period, and with more than 10 employees in the beginning of the observation period'. Using the same definition, the Office for National Statistics (ONS) finds that 13,750 businesses (4.7%) were classified as HGFs in the UK in 2023.[2] Contrary to common belief, HGFs are not all young, small and high-tech (Brown et al, 2017).

The outsized contribution of HGFs makes them interesting from policy perspective (Nesta, 2013; OECD, 2021). Notably, growth of HGFs tends to be sporadic – takes place in 'episodes' rather than linear over time (Brown et al, 2017; Hart et al. 2020). This makes identification of HGFs and targeting of policy support more challenging (Coad et al 2014). However, there is still considerable interest in trying to understand constraints faced by HGFs and their demand for different kinds of business support, as enabling their growth could potentially boost economic growth.

Across many UK studies, firms that are growing rapidly or have ambitions to grow, report multiple constraints: i) access to external finance, including credit, equity and suitable finance for expansion; ii) skill gaps and difficulties attracting and retaining talent; iii) limitations in managerial capacity, growth planning skills, and strategic leadership; iv) cash flow and growth readiness (Enterprise Research Centre, 2025).

Our study aimed to address the following gaps in existing knowledge:

- First, HGFs' pattern of demand for business support is under-researched (Hamilton et al 2025) – and are not a uniform group in terms of support needs, timing, or engagement behaviour.
- Second, engagement with business support services often depends on prior network exposure which might have geographic implications that are not fully understood. For example, firms embedded in strong ecosystems (e.g., university-linked clusters) are more likely to combine finance and advisory services (Hart et al. 2020). As a result, firms outside major urban clusters might experience lower engagement even when reporting similar constraints. This needs to be confirmed empirically.
- Third, firm's stated ambition does not always translate into actual investment behaviour (Hamilton et al, 2025). The temporal link between growth ambition, the use of business support, other changes (e.g. attracting external finance, innovation) and subsequent business performance remains underexplored. The main reason for this is that majority of existing studies rely on cross-sectional data while disentangling the different effects requires longitudinal data linking firm trajectories, support demand, and subsequent performance outcomes.

We sought to address the above gaps by analysing the most recent 2024 annual survey as well as the 2021-2024 panel within the Longitudinal Small Business Survey (LSBS). The longitudinal data is interesting because it shows how the same businesses' attitudes, behaviours and performance changed over the four-year period.

2.2 Research Questions

In this study we address the following research questions (RQs):

[1] Similarly, there is also a very small group of firms in the UK, termed 'Productivity Heroes', which manage to grow both their revenues and headcount but their revenues at a faster rate – hence also increasing their productivity (Enterprise Research Centre, 2024).
[2] ONS Business Demography

RQ 1: What is the relationship between high growth performance and ambition (measured as high expected future sales growth) and demand for different types of business support?

RQ 2: How does the demand for business support vary across different types of high growth firms? In particular, what is the role of geographic location and distance from major urban centres?

RQ 3: What is the contributing role of business support use on the likelihood that growth ambition will be converted into actual high growth performance (while accounting for other factors)?

2.3 Structure of the Research Paper

The remainder of this paper is structured as follows:

- **Section 3** sets out the methodology, including the use of data, analytical methods and limitations.
- **Section 4** presents the study findings from the analysis relating to the three research questions.
- **Section 5** presents the key conclusions and recommendations.

3. Methodology

The research was conducted across three phases relating to each of the research questions. It is important to state that our analysis is not causal but it identifies interesting associations.

Phase 1: Characterising the demand for business support of high growth and ambitious firms

The first phase of analysis relied on the 2024 LSBS wave dataset. We started with a descriptive analysis of what kind of business support is demanded by high growth performance / ambition firms and compared this to the patterns for the general business population. We used questions from Section K of the LSBS questionnaire, focusing on the total use of business support; purpose of the advice sought (e.g. grow the business, improve productivity or skills, help with innovation); source of business support (e.g. consultant or business advisor, accountant, solicitor, friend); the form of delivery (e.g. in person, over the phone); and whether the advice was paid for.

Next, we isolated the role of high growth performance and growth ambition, accounting for the role of other factors, specifically business size, sector, age, seeking external finance, recent innovation activity, exporting and location of the business (region, urban vs rural, deprivation of the local area). This was done utilising logistic regression using three key binary outcomes of interest:

- **the firm received any business support**
- **the firm received support from a consultant or business adviser (formal business support)**
- **the firm received support from a consultant or business adviser on one of the growth-related topics.**

The binary regression analyses provide the effect of each factor on the likelihood of a given outcome e.g. the effect of being an HGF on the likelihood of obtaining formal business support. We were especially interested in the category of formal business support provided by consultants and business advisors and in those instances where the purpose of advice related to: business growth, improving productivity, access to finance, innovation or skills.

Phase 2: Exploring the heterogeneity in business support demand within the group of high growth and ambitious firms

The second phase of analysis also utilised the 2024 LSBS wave data and explored how the use for business support varied across different types of high growth and high growth ambition firms, in particular, the role of firms' geographic location. We explored the variability in business support use separately within the group of high growth and high growth ambition firms along the same set of characteristics as in phase 1. We employed binary regression analyses with the same three primary outcomes as above. In addition to providing the effect of each firm characteristics on the likelihood of utilising business support of a given kind, the logit regressions enabled us to produce 'probability profiles' i.e. certain combinations of firm characteristics that jointly predict that the firm is very likely or very unlikely to seek support which helped to quantify these gaps in likelihood of support.

Phase 3: The contributing role of business support in converting growth ambition into realised business performance

The focus of the third phase was on using longitudinal data to consider the issue of timing and links between growth ambitions, receiving business support and actual business performance. We used the LSBS 2021-2024 panel dataset to calculate firm business performance over the four-year period (in terms of sales and employment). In descriptive analysis we explored the relationship between growth ambitions at the beginning of the interval (in terms of expected sales increase over the next three years) and actual business performance over the period. We then investigated further the strength of this relationship for firms that received business support and those that did not. To accommodate the smaller sample size in the panel we included all firms in the analysis, not just HGFs. In logistic regression analysis, we estimated the relationship between business performance outcomes and the size of initial growth ambitions while controlling for other relevant factors and including an interaction term between growth ambition and receiving business support which was our main parameter of interest.

Data

The analysis primarily focused on the most recent 2024 (n=10,588) LSBS Wave where there was sufficient case data collected for cross-sectional analysis. 10,612 firms completed the 2024 survey, but we removed 24 firms that were not SMEs (more than 250 employees). In phase 2 we focused exclusively on high growth and high growth ambition firms (a subset of the data, 1,151 and 1,109 firms). Phase 3 involved longitudinal analysis of the 2021-2024 LSBS SME panel (n= 1,484) which contained firms that responded to the survey in all four years and had survey weights available. The appropriate weights were used in the analysis of each source of data, ensuring that the 2024 wave sample data was representative of the 2024 population of UK SMEs and that the LSBC panel data reflected the SME population in 2021 (but any changes in behaviour or performance observed are due to differences in businesses' responses rather than changes in weighting).[3]

To define a high growth ambition firm, we used the information on expected sales growth over the next three years. Similarly, to define a high growth firm, we used information on turnover growth performance – this is recorded for the last 12 months in the 2024 cross-sectional wave, and it is available for the full four years in the 2021-2024 panel dataset. The precise cutoff values for minimum growth percentages required were set to strike a balance between sticking close to the OECD definition set out in Section 2 and having a realistically large sample for analysis. We defined high growth ambition firm as one that intend to grow turnover over the next 3 years by 50% or more. We defined high growth firm in the cross-sectional analysis as one that grew its turnover over the last year by at least 20% and in longitudinal analysis as one that grew turnover by more than 50% over three years.

Methods

Analysis was carried out in R with an extensive use of core functionality and the following packages: *survey* package to incorporate LSBS sample weights into logistic regressions, *dplyr* for data manipulation and descriptive analysis, *haven* for importing SPSS data and using data labels and packages *tidyr, broom* and *openxlsx* for saving results.[4]

Limitations

The main limitation of the analysis is that it identifies associations and conditional relationships rather than causal effects. Firms are not randomly assigned to receive business support and participation is influenced by firms' own decisions as well as the targeting practices of support providers. Consequently, businesses receiving support may differ systematically from non-users in both observed and unobserved ways, including factors such as management capability, business networks, awareness of support provision and growth orientation. Although the regression models control for a range of firm characteristics, unobserved factors may continue to influence both support uptake and business outcomes. Furthermore, the cross-sectional analyses cannot fully establish the direction of causality, as business growth, ambition and business support use may influence one another. While the longitudinal analysis strengthens the temporal dimension of the study, it does not provide a quasi-experimental design capable of isolating the independent effect of business support. The findings should therefore be interpreted as evidence of statistically robust associations rather than causal impacts.

[3] We used LSBS 2024 cross-sectional weights in the analysis of the 2024 LSBS wave and longitudinal weights in the analysis of the 2021-2024 panel LSBS.

[4] T. Lumley (2024) "survey: analysis of complex survey samples". R package version 4.5.
Wickham H, François R, Henry L, Müller K, Vaughan D (2026). _dplyr: A Grammar of Data Manipulation
Wickham H, Miller E, Smith D (2025). _haven: Import and Export 'SPSS', 'Stata' and 'SAS' Files_
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Robinson D, Hayes A, Couch S, Hvitfeldt E (2026). _broom: Convert Statistical Objects into Tidy Tibbles_.
Schauberger P, Walker A (2025). _openxlsx: Read, Write and Edit xlsx Files_.

4. Findings

This chapter presents the findings from the analysis, organised thematically around the research questions.

4.1 Characterising the Demand for Business Support of High Growth and Ambitious Firms

Key Insight

High growth and high ambition firms are more likely to receive: business support from any source (e.g. from an accountant, lawyer, friend, website), business support from a consultant or business adviser (consulting support) and advise on topics related to business growth e.g. marketing, innovation, skills development, technology adoption, external finance, exporting. This difference is statistically significant, relatively large and robust to controlling for other relevant firm characteristics, although it does not establish a causal link.

In this section we explore the relationship between high growth performance and high expected future sales growth i.e. high ambition and the use of different types of business support. We utilise the 2024 wave of the UK Small Business Survey which is the most recent release, and it enables us to conduct cross-sectional analysis. We define high growth and high ambition firms as outlined in Table 1 below. The growth thresholds were set to balance consistency with the OECD definition and the need to retain a sufficiently large sample for analysis.[5]

Table 1: Definition of High Growth and High Ambition Firms

Type	Definition
High growth firm	Turnover over the last 12 months increased by more than 20%
High (growth) ambition firm	Intend to grow turnover over the next 3 years by 50% or more

In our dataset, there were 10,588 firms of which 1,151 and 1,109 were high growth and high ambition, respectively.[6] Using our definitions, high growth and high ambition firms represented 10.9% and 10.5% of the UK population of SMEs.[7]

Table 2: High growth and high ambition firms

Type	Unweighted Count	Weighted percentage
High growth	1,151	10.9%
High ambition	1,109	10.5%
All firms	10,588	100%

Descriptive analysis

Table 3 presents the share of firms that received any kind of business support over the last year of the UK-weighted surveyed SMEs in 2024. A higher share of high growth (29.2%) and high ambition (33.7%) SMEs received business support (of any kind) than for the UK SMEs in general (20%).[8] The

[5] The OECD defines high growth firms as 'enterprises with average annualised growth in employees or turnover greater than 20% per annum over a three-year period, and with more than 10 employees in the beginning of the observation period'.
[6] The overlap between the two categories is shown in Table A 1 and it represents about 2% of all firms.
[7] Using sample weights to adjust for the differences in the composition of our sample relative to the UK SME population.
[8] Table 4 and Table 5 illustrate the range of advice that is included in this definition.

differences between high-growth and non-high-growth and high-ambition and non-high-ambition firms were statistically significant at the 1% level.[9]

Table 3: Received any kind of business support in the last year

Type	Weighted Percentage	Unweighted Base (UB)
High growth	29.2%***	1,151
High ambition	33.7%***	1,109
All firms	20%	10,588

*Note: Weighted percentages are shown. Significance tests are based on unweighted sample counts and compare high-growth firms with firms that are not high growth, and high-ambition firms with firms that are not high ambition. Two-sided tests of proportions: * p < 0.1, ** p < 0.05, *** p < 0.01.*

Table 4 summarises the sources of business support (who provided advice or information) for those SMEs that did receive some business support in 2024. The information is presented separately for high growth, high ambition and all firms. The most common source of business support of UK SMEs were accountant (35.3%), consultant or general business adviser (27.8%), business networks and trade associations (22.4%), internet search (13.1%) and .GOV website (11.1%). The most substantial difference in the pattern of the source of business support between high growth and high ambition firms and general SME population is that receiving advise from a consultant or a business adviser is more common among both high growth and high ambition firms. The share of firms that were recipients of business support and received support from this source is 35.3% for high growth firms, 35.6% for high ambition firms and 27.8% for UK SMEs in general. The difference between high-growth and non-high-growth firms is statistically significant at the 1% level.

Table 4: Source of Business Support (weighted 2024 data)

Source of business support	**All firms (%)** UB=3,106	**High growth firms (%)** UB=403	**High ambition firms (%)** UB=464
Accountant	35.3%	31.2%	33.2%
Consultant/general business adviser	27.8%	35.3%***	35.6%
Business networks/trade associations	22.4%	29.2%	24.5%*
Internet search/google/other websites	13.1%	15.4%	14.7%**
.GOV website	11.1%	9.4%	17.4%*
Solicitor/Lawyer	10.2%	8.3%	10.1%
Friend or family member	8.9%	7.8%	11.2%**
Local Council/Authority	8.8%	6.0%	12.1%**
Bank	6.0%	4.5%	7.8%
Other	6.0%	4.7%	9.7%
Work colleagues	5.4%	4.8%	8.8%***
Financial adviser	5.1%	4.6%	4.3%
Chamber of Commerce	2.9%	7.9%*	6.9%**
Find business support website	2.8%	4.5%	2.7%
Local Enterprise Partnerships	2.6%	2.6%	3.1%

[9] Percentages are weighted to provide estimates representative of the UK SME population. Statistical significance tests are based on the unweighted sample sizes underlying the estimates. This approach assesses whether observed differences in responses are likely to reflect genuine differences in the sample rather than random variation. This reflects the convention in business and social survey reporting that weighting is used to produce population estimates, while statistical significance is assessed using the realised survey sample.

Universities/other education sector	2.6%	3.7%	3.1%*
Tax Agent	2.2%	2.0%	1.3%
The Pensions Regulator	1.0%	0.1%	0.2%
Invest NI	0.3%	0.1%	0.7%
Business Wales	0.3%	0.1%	0.4%
Inter-Trade Ireland	0.0%	0.0%	0.0%**
NI Business Info website	0.0%	0.0%	0.0%

*Note: Unweighted bases (UB) relate to firms that did receive some kind of business support. Weighted percentages are shown. Significance tests are based on unweighted sample counts and compare high-growth firms with firms that are not high growth, and high-ambition firms with firms that are not high ambition. Two-sided tests of proportions: * p < 0.1, ** p < 0.05, *** p < 0.01.*

Table 5 presents an overview of the purpose or goal of the support amongst firms that reported receiving some kind of business advise, separately for high growth, high ambition and all firms. A general pattern which emerges is that high growth and high ambition firms were more likely to receive advice on topics that are related to business expansion and productivity improvement than SMEs in general. The relevant categories are highlighted in the table and include: i) business growth, ii) marketing, iii) improving business efficiency and productivity, iv) e-commerce and technology, v) financial advice on how and where to get finance, vi) training and skills needs, vii) exporting, viii) innovation, ix) management and leadership development. This is particularly true for high growth firms where many differences in proportions relative to non-high-ambition firms are statistically significant at the 1% or 5% levels.

In contrast, for categories that are more linked to day-to-day running of the business there is no such difference. These include financial advice and accounting for general running of business, advise on tax matters, legal issues, regulations, health and safety, employment law, redundancies, and workplace pensions. This is intuitive and what we would expect.

Table 5: Purpose of Business Support (weighted 2024 data)

Purpose of business support	**All firms (%)** UB=3,106	**High growth firms (%)** UB=403	**High ambition firms (%)** UB=464
Business growth	30.1%	30.6%*	47.5%***
Financial advice e.g. accounting, for general running of business	22.3%	18.6%	19.1%
Marketing	17.7%	16.6%***	32.2%***
Tax/national insurance law and payments	14.9%	14.4%	13.3%
Legal issues	12.8%	8.6%	13.0%
Improving business efficiency/productivity	11.7%	16.8%**	12.6%*
E-commerce/technology	10.7%	9.8%	15.2%***
Financial advice e.g. how and where to get finance	9.7%	9.3%*	11.6%***
Regulations	8.4%	9.4%	7.8%
Other	7.6%	6.0%	8.1%
Training/skills needs	6.9%	5.1%	8.7%
Health and Safety	5.5%	4.5%	6.4%
Exporting	5.3%	16.6%***	13.2%***
Employment law/redundancies	5.2%	5.6%	6.3%**

Innovation	3.3%	7.4%**	5.8%***
Management/leadership development	2.8%	3.7%	4.6%**
Relocation	2.8%	4.7%	4.6%
Importing	2.0%	4.9%	6.2%***
Workplace pensions	1.8%	1.0%	2.2%
Trade mission attendance	1.5%	2.0%	1.6%
Business survival or operation through Coronavirus-19 pandemic and beyond	1.2%	0.0%*	1.1%

*Note: Unweighted bases (UB) relate to firms that did receive some kind of business support. Weighted percentages are shown. Significance tests are based on unweighted sample counts and compare high-growth firms with firms that are not high growth, and high-ambition firms with firms that are not high ambition. Two-sided tests of proportions: * p < 0.1, ** p < 0.05, *** p < 0.01.*

We also investigated the differences between high growth and high ambition firms and other firms in terms of the way the support was delivered (Table A 2) and whether the advice was paid for or not (Table A 3). The most common delivery method of delivery for SMEs in general was face to face (41.8%), on the phone (20.1%), by email (19.3%) and through a website (15.6%). There were no significant differences between high growth and ambition firms and other firms. 58.7% of firms that received business support did pay for it, but again there were no significant differences between the groups.

Based on the findings above, we defined three binary business support outcomes for regression analysis: i) received any business support, ii) received support from a consultant or a general business adviser (consulting support), iii) support from a consultant or a general business adviser which was on one of the growth-related topics highlighted in Table 5 (growth-focused consulting support). Definitions are shown in Table 6.

Table 6: Definitions of business support outcomes for regression analysis

Type	Definition
Any business support	Received any business support
Consulting support	Received support from a consultant or a general business adviser
Growth-focused consulting	Received support from a consultant or a general business adviser which was on one of the growth-related topics: • Business growth • Improving business efficiency • Marketing – related to expansion • Advice on how and where to get finance • E-commerce/technology • Training/skills needs • Management/leadership development • Exporting • Innovation

Next, we found that the share of firms that received consulting support and the share that received growth-related consulting support was higher for high growth and high ambition firms than for businesses in general. Table 7 shows that 10.3% of high growth firms and 12% of high ambition firms received consulting support, while only 5.6% of general UK SMEs received this kind of support. The differences with respect to non-high-growth and non-high ambition firms are statistically significant at the 1% level. The share that received growth-focused consulting support was 7.6% for high growth firms, 10.1% for high ambition firms, but only 4% for SMEs overall. The differences were again statistically significant at the 1% level. As we found above, high growth and high ambition firms were also more likely to receive business support of any kind.

In the next section, we investigate whether these differences in patterns of business support also hold when controlling for other relevant business characteristics.

Table 7: Business support outcomes (weighted 2024 data)

Outcome	**All firms (%)** UB=10,588	**High growth firms (%)** UB=1,151	**High ambition firms (%)** UB=1,109
Any business support	20%	29.2%***	33.7%***
Consulting support	5.6%	10.3%***	12%***
Growth-focused consulting	4%	7.6%***	10.1%***

*Note: Weighted percentages are shown. Significance tests are based on unweighted sample counts and compare high-growth firms with firms that are not high growth, and high-ambition firms with firms that are not high ambition. Two-sided tests of proportions: * p < 0.1, ** p < 0.05, *** p < 0.01.*

Regression analysis

In this section we aim to isolate the role of high growth performance and growth ambition in determining the likelihood of receiving business support, with particular focus on formal business support delivered by advisers and growth-oriented advice. We account for the role of other firm characteristics by incorporating them in logistic cross-sectional regressions.

Table 8 presents the characteristics of high-growth and high-ambition firms compared with the wider SME population. Both groups are significantly more likely to have sought external finance, introduced innovations that are new to the market and engaged in exporting activity.[10] The differences are particularly pronounced among high-ambition firms, where over one-quarter had sought external finance (26.2%) and exported (27.1%), compared with 12.5% and 16.2% respectively across all firms. High-ambition firms are also significantly more likely to be located in urban areas (79.5%) and in the most deprived 15% of areas (12.7%).[11] In terms of business demographics, both high-growth and high-ambition firms exhibit a younger age profile than the SME population as a whole. Firms aged 0-5 years account for around one-quarter of high-growth firms (24.7%) and nearly one-third of high-ambition firms (32.1%), compared with 17.4% of all firms, while firms established for more than 20 years are under-represented in both groups. Despite these differences, both groups remain dominated by very small businesses, with firms without employees accounting for 71.3% of high-growth firms and 78.3% of high-ambition firms. Overall, the evidence suggests that high-growth and high-ambition firms are more engaged in international trade, more innovative and younger than the wider SME population.

Table 8: Firm Characteristics (weighted 2024 data)

	All firms (%) UB=10,588	**High growth firms (%)** UB=1,151	**High ambition firms (%)** UB=1,109
Tried to obtain external finance	12.5%	18.0%***	26.2%***
Innovation new to the market	8.8%	17.6%***	22.7%***
Exporter	16.2%	22.0%**	27.1%***
Urban location	71.3%	74.5%	79.5%***
Most deprived 15% of areas	9.8%	9.3%	12.7%*
Firm size: Medium (50–249)	0.7%	0.8%	0.5%***
Firm size: Small (10–49)	4.0%	3.6%***	2.9%***
Firm size: Micro (1–9)	21.2%	24.2%*	18.4%

[10] All variables are measured over the last year (2024) with the exception of innovation which is measured over the last three years (2021-2024).
[11] Businesses located in the most deprived 15% of the country based on Index of Multiple Deprivation associated with the SME's postcode.

Firm size: No employees	74.1%	71.3%	78.3%***
Firm age: Over 20 years	38.1%	33.9%***	20.4%***
Firm age: 11–20 years	27.7%	24.7%	25.6%
Firm age: 6–10 years	16.7%	16.8%***	21.9%***
Firm age: 0–5 years	17.4%	24.7%***	32.1%***

*Note: Weighted percentages are shown. Significance tests are based on unweighted sample counts and compare high-growth firms with firms that are not high growth, and high-ambition firms with firms that are not high ambition. Two-sided tests of proportions: * p < 0.1, ** p < 0.05, *** p < 0.01.*

> High growth and high ambition firms were more likely to have received some type of business support over the last year, when controlling for other relevant firm characteristics.

Tables 9 to 11 below examine the characteristics associated with receipt of business support in general, consultancy support and growth-focused consultancy support. Across all specifications, both high-growth and high-ambition firms were more likely to access support than other firms and this effect is statistically significant at the 1% level. The estimated effects are consistently larger for high-ambition firms than for high-growth firms, suggesting that growth ambition is more strongly associated with concurrent support uptake than realised growth performance. This pattern holds across all three support measures and remains after controlling for other firm characteristics, such as innovation, finance-seeking behaviour, sector and geography. While the inclusion of controls reduces the magnitude of the coefficients, both high-growth and high-ambition effects remain statistically significant. With controls, the effect of being a high growth firm is 7.8 percentage point increase in the probability of receiving any business support, 5.5 percentage point increase in the probability of receiving consultancy support, and 3 percentage point increase in the probability of receiving growth-focused consultancy support, holding other factors constant.[12] For high ambition firms the effects are increases of 11.7, 9.1 and 5.8 percentage points respectively. For comparison, among all UK SMEs the shares of firms that received any business support was 20%, consulting support was 5.6% and growth-focused consulting was just 4%. Hence the estimated effects are quite large.

> The estimated effects on conditional probability are consistently larger for high-ambition firms than for high-growth firms, suggesting that growth ambition is more strongly associated with concurrent support uptake than realised growth performance

In terms of other SME characteristics that matter for likelihood of business support there is a consist pattern across the models. Firms that had sought external finance and introduced innovations that were new to the market were significantly more likely to receive all forms of support. Firm size is also strongly associated with support uptake, with larger firms significantly more likely to access support than firms without employees. By contrast, exporting activity is only significantly associated with receipt of any business support and is not significantly related to consultancy-based support.

There is limited evidence that firm location influences support use with no statistically significant differences in most specifications. The only exceptions are that firms in urban areas are marginally less likely to receive any business support, while firms located in the most deprived areas are significantly less likely to receive growth-focused consultancy support. Firm age is generally not associated with accessing business support.

Overall, the findings suggest that business support is disproportionately accessed by firms exhibiting characteristics associated with growth and development, particularly those with strong growth ambitions. The consistently larger effects for high-ambition firms across all three models indicate that growth aspirations may be a stronger driver of engagement with business support than observed growth outcomes.

[12] Predicted probabilities for both cases (high growth and non-high growth) were calculated while keeping all other variables at their actual observed values. The difference between the two conditional probabilities, the average marginal effect, is reported.

Table 9: Logit regression with receipt of any business support as the outcome

	(1)		(2)		(3)		(4)	
	coef.	m.e.	coef.	m.e.	coef.	m.e.	coef.	m.e.
High-growth firm	0.57***	0.102			0.41***	0.078		
	(0.13)				(0.14)			
High-ambition firm			0.84***	0.157			0.59***	0.117
			(0.12)				(0.14)	
Tried to obtain external finance					0.88***	0.178	0.82***	0.166
					(0.13)		(0.13)	
Innovation new to the market					0.79***	0.160	0.72***	0.145
					(0.15)		(0.15)	
Exporter					0.44***	0.084	0.43***	0.083
					(0.13)		(0.13)	
Urban location					-0.21*	-0.039	-0.22*	-0.040
					(0.11)		(0.12)	
Most deprived 15% of areas					-0.16	-0.028	-0.18	-0.032
					(0.18)		(0.18)	
Firm size: Medium (50–249)					1.33***	0.243	1.37***	0.249
					(0.12)		(0.11)	
Firm size: Small (10–49)					1.02***	0.067	1.03***	0.177
					(0.09)		(0.09)	
Firm size: Micro (1–9)					0.52***	0.175	0.53***	0.075
					(0.08)		(0.08)	
Firm age: 0–5 years					0.21	0.039	0.15	0.028
					(0.15)		(0.15)	
Firm age: 11–20 years					-0.16	-0.250	-0.18	-0.265
					(0.12)		(0.12)	
Firm age: 6–10 years					0.16	0.030	0.11	0.021
					(0.13)		(0.14)	
Constant	-1.45***		-1.51***		-2.21***		-2.16***	
	(0.05)		(0.05)		(0.22)		(0.22)	
Sector controls	No		No		Yes		Yes	

Region controls	No	No	Yes	Yes
Observations	10,588	10,588	10,364	10,364
Model p-value	0	0	<2e-16	<2e-16

Robust standard errors that account for the survey weighting in parentheses (Horvitz-Thompson-type 'model-robust' standard errors which are a generalisation of the model-robust 'sandwich' estimators); *** p < 0.01; ** p < 0.05; * p < 0.1, weights applied.

Table 10: Logit regression with receipt of consultancy business support as the outcome

	(1)		(2)		(3)		(4)	
	coef.	m.e.	coef.	m.e.	coef.	m.e.	coef.	m.e.
High-growth firm	0.78***	0.053			0.57***	0.056		
	(0.19)				(0.21)			
High-ambition firm			1.03***	0.074			0.87***	0.091
			(0.18)				(0.22)	
Tried to obtain external finance					0.58***	0.056	0.50***	0.047
					(0.17)		(0.17)	
Innovation new to the market					0.81***	0.083	0.68***	0.068
					(0.20)		(0.22)	
Exporter					0.10	0.008	0.10	0.008
					(0.20)		(0.20)	
Urban location					-0.04	-0.003	-0.05	-0.004
					(0.18)		(0.19)	
Most deprived 15% of areas					-0.50	-0.037	-0.53	-0.039
					(0.33)		(0.34)	
Firm size: Medium (50–249)					1.84***	0.150	1.91***	0.156
					(0.18)		(0.18)	
Firm size: Small (10–49)					1.51***	0.108	1.53***	0.108
					(0.16)		(0.16)	
Firm size: Micro (1–9)					0.69***	0.109	0.72***	0.116
					(0.15)		(0.15)	
Firm age: 0–5 years					0.28	0.027	0.17	0.016
					(0.24)		(0.24)	
Firm age: 11–20 years					-0.46**	-0.084	-0.51***	-0.098
					(0.19)		(0.19)	

Firm age: 6–10 years					0.03	0.003	-0.08	-0.007
					(0.20)		(0.21)	
Constant	-2.94***		-3.02***		-3.90***		-3.80***	
	(0.08)		(0.08)		(0.40)		(0.39)	
Sector controls	No		No		Yes		Yes	
Region controls	No		No		Yes		Yes	
Observations	10,588		10,588		10,364		10,364	
Model p-value	0		0		<2e-16		<2e-16	

Robust standard errors that account for the survey weighting in parentheses (Horvitz-Thompson-type 'model-robust' standard errors which are a generalisation of the model-robust 'sandwich' estimators); *** p < 0.01; ** p < 0.05; * p < 0.1, weights applied.

Table 11: Logit regression with receipt of growth-focused consulting support as the outcome

	(1)		(2)		(3)		(4)	
	coef.	m.e.	coef.	m.e.	coef.	m.e.	coef.	m.e.
High-growth firm	0.81***	0.041		0.070	0.52**	0.030		
	(0.21)				(0.23)			
High-ambition firm			1.26***				0.90***	0.058
			(0.20)				(0.25)	
Tried to obtain external finance					0.55***	0.032	0.45**	0.025
					(0.19)		(0.20)	
Innovation new to the market					1.01***	0.068	0.85***	0.055
					(0.22)		(0.25)	
Exporter					0.22	0.011	0.23	0.012
					(0.24)		(0.24)	
Urban location					0.06	0.003	0.06	0.003
					(0.22)		(0.22)	
Most deprived 15% of areas					-0.80**	-0.031	-0.86**	-0.033
					(0.39)		(0.39)	
Firm size: Medium (50–249)					1.23***	0.061	1.31***	0.065
					(0.22)		(0.22)	
Firm size: Small (10–49)					0.96***	0.042	0.99***	0.043
					(0.19)		(0.19)	

Firm size: Micro (1–9)			0.52***	0.030	0.55***	0.035
			(0.18)		(0.18)	
Firm age: 0–5 years			0.52*	0.032	0.40	0.024
			(0.27)		(0.28)	
Firm age: 11–20 years			-0.41*	-0.025	-0.45*	-0.035
			(0.24)		(0.24)	
Firm age: 6–10 years			0.26	0.014	0.14	0.008
			(0.24)		(0.25)	
Constant	-3.31***	-3.45***	-4.75***		-4.63***	
	(0.10)	(0.10)	(0.54)		(0.54)	
Sector controls	No	No	Yes		Yes	
Region controls	No	No	Yes		Yes	
Observations	10,588	10,588	10,364		10,364	
Model p-value	0	0	<2e-16		<2e-16	

Robust standard errors that account for the survey weighting in parentheses (Horvitz-Thompson-type 'model-robust' standard errors which are a generalisation of the model-robust 'sandwich' estimators); *** p < 0.01; ** p < 0.05; * p < 0.1, weights applied

4.2 Exploring the Heterogeneity in Business Support Demand Within the Group of High Growth and Ambitious Firms

Key Insight

There is substantial variation in the uptake of business support amongst high-growth and high-ambition firms. Support use is generally concentrated among larger firms and those displaying growth-oriented characteristics, particularly exporting activity, innovation and engagement with external finance.

In this section, we explore how the use of business support varies within the groups of high growth and high ambition firms, and which firm characteristics can predict a particularly high chance of receiving support.

Table 12 examines factors associated with support uptake amongst high-growth firms. The results indicate that different firm characteristics are associated with different forms of support. Firms that had sought external finance within the last year were significantly more likely to receive any business support (10.9 percentage point higher), consultancy support (6.6 pp higher) and growth-focused consultancy support (6.2 pp higher). Innovation that was new to the market[13] was positively associated with receipt of any business support (14.8 pp higher probability), but was not significantly related to consultancy-based support. Exporting activity was also positively associated with support uptake, being significantly related to both any business support and growth-focused consultancy support (18.5pp and 5.2pp higher probability).

> Among high-growth firms, being located in urban areas or in the most deprived areas was significantly associated with a lower likelihood of receiving business support.

Firm size was consistently associated with support use with larger firms much more likely to receive support. Medium-sized (50-249 employees) and small firms (10-49 employees) were significantly more likely than firms without employees to access all three forms of support. For example, medium-sized firms were 23pp, 18.7pp and 7pp more likely to receive the three types of support respectively. By contrast, there was little evidence that firm age influenced support uptake.

Location of high growth SMEs was shown to be an important factor. Urban high-growth firms were 17.7pp less likely to receive any business support and 9.5pp less likely to receive consultancy support. Furthermore, firms located in the most deprived 15% of areas were significantly less likely to access consultancy support, particularly growth-focused consultancy support (9.8pp and 9.9pp lower probability). In fact, among the factors considered, local area deprivation has the largest estimated effect on the likelihood of receiving growth-focused consultancy support.

Overall, the findings suggest that among high-growth firms, support uptake is most strongly associated with engagement in growth-oriented activities such as seeking external finance, innovation and exporting, the size of the firm but also local area deprivation.

Table 12: Firm characteristics accounting for heterogeneity in business support use among high growth firms (logit regression)

	Any business support		Consulting support		Growth-focused consulting support	
	coef.	m.e.	coef.	m.e.	coef.	m.e.
Tried to obtain external finance	0.60**	0.109	0.64*	0.066	0.84**	0.062
	(0.30)		(0.35)		(0.38)	
Innovation new to the market	0.79***	0.148	0.58	0.059	0.57	0.041
	(0.30)		(0.38)		(0.42)	
Exporter	0.98***	0.185	0.32	0.031	0.73*	0.052
	(0.28)		(0.33)		(0.37)	

[13] Innovation is measured over the last three years.

Urban location	-0.97*** (0.31)	-0.177	-0.92** (0.41)	-0.095	-0.52 (0.54)	-0.036
Most deprived 15% of areas	-0.50 (0.56)	-0.083	-1.40* (0.83)	-0.098	-3.20*** (0.98)	-0.091
Firm size: Medium (50–249)	1.28*** (0.35)	0.230	1.87*** (0.44)	0.187	1.09** (0.55)	0.070
Firm size: Small (10–49)	0.85*** (0.25)	0.147	1.42*** (0.34)	0.129	0.77* (0.43)	0.045
Firm size: Micro (1–9)	0.26 (0.22)	0.042	0.44 (0.34)	0.030	0.55 (0.43)	0.030
Firm age: 0–5 years	0.34 (0.32)	0.062	0.22 (0.45)	0.024	0.60 (0.53)	0.046
Firm age: 11–20 years	-0.28 (0.33)	-0.048	-0.66 (0.52)	-0.057	-0.52 (0.67)	-0.029
Firm age: 6–10 years	-0.21 (0.33)	-0.036	-0.15 (0.43)	-0.014	0.08 (0.51)	0.005
Constant	-1.74*** (0.57)		-4.19*** (0.83)		-4.51*** (0.91)	
Sector controls	Yes		Yes		Yes	
Region controls	Yes		Yes		Yes	
Observations	1,138		11,38		1,138	
Model p-value	0		<2e-16		0	

Robust standard errors that account for the survey weighting in parentheses (Horvitz-Thompson-type 'model-robust' standard errors which are a generalisation of the model-robust 'sandwich' estimators); *** p < 0.01; ** p < 0.05; * p < 0.1, weights applied.

Table 13 explores variation in support uptake among high-ambition firms. Compared with the results for high-growth firms, fewer characteristics are consistently associated with receipt of support. Exporting activity is the only variable that is significantly related to all three forms of support, with exporters 22.6 percentage points more likely to receive any business support, 10.2 pp more likely to receive consultancy support and 8.6 pp more likely to receive growth-focused consultancy support. Firms that had sought external finance and firms that introduced innovations new to the market were more likely to receive any business support (9.8pp and 13.5pp), although these characteristics were not significantly associated with consultancy-based support.

> Among high-ambition firms, there is no consistent relationship between location of the firm and the likelihood of business support use.

Firm size again plays an important role. Medium-sized (50-249 employees) and small (10-49 employees) firms were significantly more likely to receive any business support and consultancy support than firms without employees, while micro (1-9 employees) firms were more likely to access consultancy and growth-focused consultancy support. The effects were quite large, for example medium-sized firms were 23pp more likely to receive both business support and consultancy business support than firms with no employees, holding other characteristics constant.

There is no evidence that firm age or area deprivation influences support uptake among high-ambition firms. Urban firms were 10.8pp more likely to receive any support, although this relationship did not extend to consultancy-based support.

Taken together, the results suggest that the demand for support among high-ambition firms is primarily associated with export activity and firm size, while innovation and finance-seeking behaviour appear to influence access to support only at a more general level.

Table 13: Firm characteristics accounting for heterogeneity in business support use among high ambition firms (logit

regression)

	Any business support		Consulting support		Growth-focused consulting support	
	coef.	m.e.	coef.	m.e.	coef.	m.e.
Tried to obtain external finance	0.50* (0.27)	0.098	0.37 (0.33)	0.045	0.38 (0.36)	0.036
Innovation new to the market	0.68** (0.27)	0.135	0.14 (0.31)	0.017	0.16 (0.32)	0.015
Exporter	1.11*** (0.28)	0.226	0.82** (0.36)	0.102	0.87** (0.40)	0.086
Urban location	0.57* (0.33)	0.108	0.44 (0.44)	0.048	0.28 (0.50)	0.024
Most deprived 15% of areas	-0.47 (0.41)	-0.089	-0.70 (0.58)	-0.070	-0.89 (0.74)	-0.065
Firm size: Medium (50–249)	1.18*** (0.41)	0.229	1.77*** (0.43)	0.230	0.75 (0.51)	0.066
Firm size: Small (10–49)	0.72*** (0.25)	0.139	0.96*** (0.33)	0.102	0.54 (0.34)	0.045
Firm size: Micro (1–9)	0.34 (0.22)	-0.106	0.65** (0.28)	0.134	0.56* (0.30)	-0.018
Firm age: 0–5 years	0.30 (0.35)	0.058	0.33 (0.50)	0.043	0.59 (0.53)	0.060
Firm age: 11–20 years	-0.04 (0.37)	-0.335	-0.59 (0.52)	-0.133	-0.30 (0.56)	-0.050
Firm age: 6–10 years	0.25 (0.33)	0.048	-0.06 (0.41)	-0.007	0.15 (0.45)	0.014
Constant	-1.50 (0.96)		-2.12 (1.47)		-3.51*** (1.22)	
Sector controls	Yes		Yes		Yes	
Region controls	Yes		Yes		Yes	
Observations	1,068		1,068		1,068	
Model p-value	0		0		<2e-16	

Robust standard errors that account for the survey weighting in parentheses (Horvitz-Thompson-type 'model-robust' standard errors which are a generalisation of the model-robust 'sandwich' estimators); *** p < 0.01; ** p < 0.05; * p < 0.1, weights applied.

Next, the estimated logistic regressions enabled us to produce ‘probability profiles’ i.e. combinations of certain key firm characteristics that jointly predict that the firm is very likely or very unlikely to seek support. This allowed us to quantify the gaps in the likelihood of support. In the profiles we included variables that were individually statistically significant in the logistic regressions. We report the top and bottom four combinations and associated probabilities predicted by the models, i.e. the combinations of key characteristics associated with the highest and lowest likelihood of receiving support. Findings are presented in Tables 14-18.[14]

Tables 14-16 illustrate how combinations of firm characteristics are associated with markedly different probabilities of support uptake among high-growth firms. For receipt of any business support, predicted probabilities range from 13.8% for firms with no employees that exhibit none of the identified support-associated characteristics to 89.2% for medium-sized firms (the largest SME category) that innovate, seek external finance and export. Similar patterns are evident for

[14] In the regression model for high ambition firms with growth-focused consulting support as the outcome (Table 13 column 3), only the exporting variable is statistically significant and thus we do not report a separate table of predicted probability profiles for this specification. Predicted probability is 8.8% for on-exporters and 17.4% for exporters.

consultancy support, where predicted probabilities range from 5.3% to 44.9%, and for growth-focused consultancy support, where probabilities range from just 0.2% to 27.9%.

> Among high growth firms, predicted probability of receiving some kind of business support ranges from 13.8% for firms with no employees that exhibit none of the identified support-associated characteristics to 89.2% for the largest SMEs that innovate, seek external finance and export.

Across all three support measures, the highest predicted probabilities are observed among larger firms that display multiple characteristics linked to growth and external engagement, including exporting, innovation and finance-seeking behaviour. Conversely, the lowest probabilities are concentrated among firms with no employees or very small firms that lack these characteristics. The particularly low probabilities associated with growth-focused consultancy support suggest that this form of support is concentrated among a relatively narrow group of high-growth firms exhibiting several indicators of growth-oriented behaviour simultaneously.

Table 14: Key characteristics and predicted probabilities for high growth firms and any business support

Firm size	Innovation new to the market	Tried to obtain external finance	Exporter	Urban location	Predicted probability
Medium 50 - 249	Yes	Yes	Yes	No	89.2%
Small 10 - 49	Yes	Yes	Yes	No	85.1%
Medium 50 - 249	Yes	No	Yes	No	83.3%
Medium 50 - 249	No	Yes	Yes	No	80.8%
					…
No employees	Yes	No	No	Yes	24.7%
No employees	No	Yes	No	Yes	21.6%
Micro 1 - 9	No	No	No	Yes	16.9%
No employees	No	No	No	Yes	13.8%

Note: Probability profiles are combinations of firm characteristics that jointly predict that the firm is very likely or very unlikely to receive support.

Table 15: Key characteristics and predicted probabilities for high growth firms and consulting support

Firm size	Tried to obtain external finance	Urban location	Predicted probability
Medium 50 - 249	Yes	No	44.9%
Small 10 - 49	Yes	No	37.5%
Medium 50 - 249	No	No	34.3%
Medium 50 - 249	Yes	Yes	30.0%
			…
No employees	No	No	11.1%
No employees	Yes	Yes	9.0%
Micro 1 - 9	No	Yes	7.6%
No employees	No	Yes	5.3%

Note: Probability profiles are combinations of firm characteristics that jointly predict that the firm is very likely or very unlikely to receive support.

Table 16: Key characteristics and predicted probabilities for high growth firms and growth-focused consulting support

Firm size	Tried to obtain external finance	Exporter	Most deprived 15% of areas	Predicted probability
Medium 50 - 249	Yes	Yes	No	27.9%
Small 10 - 49	Yes	Yes	No	23.5%
Micro 1 - 9	Yes	Yes	No	20.7%
Medium 50 - 249	Yes	No	No	18.4%
				…
Small 10 - 49	No	No	Yes	0.4%
No employees	No	Yes	Yes	0.4%
Micro 1 - 9	No	No	Yes	0.3%
No employees	No	No	Yes	0.2%

Note: Probability profiles are combinations of firm characteristics that jointly predict that the firm is very likely or very unlikely to receive support.

Tables 17 and 18 show substantial variation in predicted support uptake among high-ambition firms. For any business support, predicted probabilities range from 14.8% among firms with no employees and none of the characteristics associated with support uptake to 85.0% among medium-sized firms that seek external finance, innovate, export and operate in urban areas. For consultancy support, predicted probabilities range from 7.5% to 42.7%. Firm size and exporting are again the key differentiating factor.

> Among high ambition firms, support uptake is again highly concentrated among larger SMEs that exhibit multiple characteristics associated with growth, i.e. seeking external finance, innovating and exporting.

Overall, the predicted probability analysis reinforces the regression findings by demonstrating that support uptake among high-growth and high-ambition SMEs is highly concentrated among larger businesses that exhibit multiple characteristics associated with growth, i.e. seeking external finance, innovating and exporting.

Table 17: Key characteristics and predicted probabilities for high ambition firms and any business support

Firm size	Tried to obtain external finance	Innovation new to the market	Exporter	Urban location	Predicted probability
Medium 50 - 249	Yes	Yes	Yes	Yes	85.0%
Small 10 - 49	Yes	Yes	Yes	Yes	79.6%
Medium 50 - 249	No	Yes	Yes	Yes	79.1%
Medium 50 - 249	Yes	Yes	Yes	No	78.2%
					…
No employees	No	No	No	Yes	22.7%
No employees	Yes	No	No	No	21.7%
Micro 1 - 9	No	No	No	No	19.3%
No employees	No	No	No	No	14.8%

Note: Probability profiles are combinations of firm characteristics that jointly predict that the firm is very likely or very unlikely to receive support.

Table 18: Key characteristics and predicted probabilities for high ambition firms and consulting support

Firm size	Exporter	Predicted probability
Medium 50 - 249	Yes	42.7%
Small 10 - 49	Yes	27.9%
Medium 50 - 249	No	27.9%
Micro 1 - 9	Yes	23.0%
Small 10 - 49	No	16.2%
No employees	Yes	14.6%
Micro 1 - 9	No	12.8%
No employees	No	7.5%

Note: Probability profiles are combinations of firm characteristics that jointly predict that the firm is very likely or very unlikely to receive support.

4.3 The Contributing Role of Business Support in Converting Growth Ambition into Realised Business Performance

Key Insight

Longitudinal analysis revealed that both higher initial growth ambitions and the use of business support were positively associated with the likelihood of achieving high growth over the period.

In this section, we explore the degree to which receipt of business support is associated with a higher chance of converting high ambition into subsequent growth of turnover and employment. We used the LSBS 2021-2024 panel dataset to calculate firm business performance over the four-year period (in terms of sales and employment). We explored the relationship between growth ambitions at the beginning of the interval (in terms of expected sales increase over the next three years) and actual business performance over the period. We further investigated the strength of this relationship for firms that received business support and those that did not.

Table 19 presents the share of firms that achieved high growth over the 2021-2024 period separately firms with high ambition in 2021, those without and all firms. High ambition firm is defined as a firm that in 2021 expected to grow its nominal turnover over the next three years by 50% or more. Achieving high growth means fulfilling that ambition, it is defined as growing nominal turnover by 50% or more between 2021 and 2024. We find that high ambition is significantly associated with a higher chance of achieving high growth. 41.5% of high ambition firms achieved high growth, while only 22.5% of non-high-ambition firms achieved it and only 23.5% of all firms in the panel. Similar result holds when we define high growth in terms of employment.[15]

Table 19: Relationship between growth ambition and actual growth performance (weighted 2021-24 longitudinal data)

'High ambition' in 2021	Weighted percentage that achieved 'high growth' over 2021-24	Unweighted base
Yes	41.1%***	171
No	22.5%	1,233
All firms	23.5%	1,404

Note: High ambition firm is defined as a firm that in 2021 expected to grow its nominal turnover over the next three years by 50% or more. Achieving high growth is defined as growing nominal turnover by 50% or more between 2021 and 2024.

[15] High growth outcome defined as growing employment by 50% or more over the three-year period, while high ambition is still defined in terms of expected turnover increase, given that there is no information on expected employment growth over the next three years in the LSBS.

We investigated the strength of the above relationship for firms that received business support and those that did not using regression analysis. Our business support measures indicate whether a firm received business support of a given type at least once during the 2021-2024 period. We estimated the relationship between business performance outcomes and the size of initial growth ambitions while controlling for business support use and including an interaction term between growth ambition and receiving business support which captures any additional effects of business support for high ambition firms.

We find that growth ambition is still a strong predictor of subsequent high growth (Table 20). Firms that expected to grow turnover by at least 50% in 2021 were significantly more likely to achieve high growth between 2021 and 2024 across all model specifications. Business support is also positively associated with high growth. Receipt of any business support is significantly associated with a greater likelihood of high growth, while consulting support shows a weaker positive relationship. Growth-focused consulting support is not statistically significant.[16] The interaction terms between growth ambition and each support measure are not statistically significant. This suggests that we cannot find evidence that support has a stronger effect on firms with high growth ambitions. However, it is important to note that the interaction effects rely on a small number of cases in the data and thus it is difficult to establish the true nature of the complementarities.[17] We repeated the regression analysis while also controlling for other firm characteristics (the set of control variables from Sections 4.1 and 4.2) and found that results were very similar, with the level of significance on business support measures being slightly higher.

Table 20: The role of growth ambition and use of business support in accounting for high growth performance (weighted 2021-24 longitudinal data)

	(1)	(2)	(3)	(4)
High ambition firm (2021)	0.88*** (0.23)	0.95*** (0.35)	0.99*** (0.26)	0.95*** (0.25)
Any business support (2021-2024)		0.41** (0.18)		
Interaction effect between high ambition and any business support		-0.18 (0.46)		
Consulting support (2021-2024)			0.36* (0.20)	
Interaction effect between high ambition and consulting support			-0.51 (0.51)	
Growth-focused consulting support (2021-2024)				0.38 (0.26)
Interaction effect between high ambition and growth-focused consulting				-0.54 (0.59)
Constant	-1.24*** (0.09)	-1.44*** (0.14)	-1.31*** (0.11)	-1.28*** (0.10)
Observations	1,404	1,404	1,404	1,404
Model p-value	0	0	0.001	0.001

Note: Dependent variable is a binary indicator whether firm achieved 'high growth' defined as growing nominal turnover by 50% or more between 2021 and 2024. High ambition firm is defined as a firm that in 2021 expected to grow its nominal turnover over the next three years by 50% or more. Business support outcomes measure whether a firm received business support of a given type at least once during the 2021-2024 period. Cross-sectional logit using the 2021-24 panel sample. Longitudinal weights used.

The predicted probabilities shown in Table 21 reinforce the regression results above. For any business support, the probability of achieving high growth was 43.7% among ambitious firms

[16] It is statistically significant at 5% level when we also control for the full set of firm characteristics.
[17] For example, only 37 firms in the sample were both high ambition in 2021 and receiving some growth-focused consulting support during 2021-24 period.

receiving support, compared with 38.1% for ambitious firms without support. Among non-ambitious firms, the corresponding probabilities were 26.4% and 19.2%. Thus, receipt of business support is associated with improved growth outcomes among both ambitious and less ambitious firms.

Table 21: The relationship between likelihood of high growth performance, growth ambition and business support

High ambition firm (2021)	Any business support (2021-2024)	Predicted probability
Yes	Yes	43.7%
Yes	No	38.1%
No	Yes	26.4%
No	No	19.2%

High ambition firm (2021)	Consulting support (2021-2024)	Predicted probability
Yes	No	42.1%
Yes	Yes	38.5%
No	Yes	27.9%
No	No	21.3%

High ambition firm (2021)	Growth-focused consulting support (2021-2024)	Predicted probability
Yes	No	42.1%
Yes	Yes	38.5%
No	Yes	27.9%
No	No	21.3%

5. Conclusions and Recommendations

5.1 Summary of Key Findings

Overall Conclusion

High-growth and high-ambition SMEs are significantly more likely than other firms to receive business support, particularly formal advisory support and support related to innovation, exporting, skills, technology adoption and access to finance. However, support uptake is very uneven within these groups and is the highest among larger firms and those already demonstrating growth-oriented behaviours such as innovation, exporting and seeking external finance. We do not find evidence that firms located further from urban centres are less likely to receive business support. Findings should be interpreted as evidence of associations rather than causal effects.

Overall, the findings show that high-growth and high-ambition SMEs are considerably more likely than other firms to engage with business support. They are more likely to: receive support of any kind, access formal advisory services, and obtain support in areas linked to business growth. This includes innovation, exporting, skills, technology adoption and access to finance. These relationships remain statistically significant after controlling for other firm characteristics (e.g. firm size, sector, age, region), suggesting that support provision is disproportionately concentrated among firms with strong growth orientations.

The analysis also reveals substantial heterogeneity within both the high-growth and high-ambition populations. Support uptake varies considerably according to firm characteristics, with larger firms and those engaged in exporting, innovation and external finance activity consistently more likely to receive support. This suggests that growth ambition or growth performance alone does not explain support demand. Instead, support use is concentrated among firms exhibiting a broader set of growth-oriented behaviours.

With respect to geography, the findings provide limited evidence that location acts as a major barrier to support use among high ambition firms. However, high growth firms located in urban and in the most deprived areas were less likely to receive support than otherwise similar firms. This suggests that geography may shape support engagement within the high-growth population, although these effects are not observed consistently across all growth-oriented firms.

Finally, the longitudinal analysis indicates that both growth ambition and business support contribute positively to the likelihood of achieving high growth.

5.2 Policy Recommendations

From a policy perspective, the results suggest that business support is largely reaching firms that display characteristics commonly associated with business growth and development. However, substantial variation in support uptake exists within both high-growth and high-ambition firms, suggesting that support is being targeted towards specific segments within these groups. This raises questions about whether some businesses with growth potential and ambition, particularly smaller firms and those with lesser focus on international markets, face barriers to accessing support.

Key policy recommendations:

1. **High-growth or high-ambition firms should not be treated as homogeneous groups**. Continued targeting of support within growth-oriented SMEs should be accompanied by efforts to identify and engage under-served firms, particularly smaller businesses and those not accessing finance, innovating, exporting, or participating in formal support programmes.

2. **Business support targeting should not rely solely on stated growth ambition.** While growth ambition is an important indicator, support use is associated with a broader range of growth-oriented behaviours, including innovation, exporting, skills development, technology

adoption, and access to finance. Programmes should therefore support ambitious firms that have yet to develop these capabilities.

3. **Improve support to under-supported high-growth firms in urban and deprived areas**. Lower uptake among high-growth firms in urban and deprived areas suggests a need for more proactive engagement, better awareness, signposting and local support in these places.

4. **Monitoring and evaluation should be central to the design of business support programmes to ensure strong additionality.** Quality evaluation evidence on users and non-users of business support should be collected.

5. **Further research is needed to understand both supply-side and demand-side barriers to business support uptake.** The LSBS data used in this study captures realised support use but does not distinguish between a lack of demand for support and limitations in support provision. Future research should combine business surveys with mapping of support provision to better understand business needs, awareness levels, capacity constraints, and the accessibility of different support providers. The uneven patterns of support uptake identified in this study may reflect a combination of these factors.

6. References

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Appendices

Appendix A: Additional Results

Table A 1: Cross-tabulation of high growth and high ambition firms

High growth	High ambition	Unweighted Count	Weighted Percentage
0	0	8,574	79.3%
1	0	905	8.1%
0	1	863	10.1%
1	1	246	2.5%

Table A 2: How support was delivered (weighted 2024 data)

Delivery method	**All firms (%)** UB=3,106	**High growth firms (%)** UB=403	**High ambition firms (%)** UB=464
Face to face	41.8%	41.3%	39.8%
Through a website	15.6%	17.3%	15.1%
By email	19.3%	21.6%	19.9%
On the phone	20.1%	18.6%	21.5%
Social media	1.3%	1.2%	2.1%**
Other	1.3%	0%**	1.7%*

*Note Unweighted bases (UB) relate to firms that did receive some kind of business support. Weighted percentages are shown. Significance tests are based on unweighted sample counts and compare high-growth firms with firms that are not high growth, and high-ambition firms with firms that are not high ambition. Two-sided tests of proportions: * p < 0.1, ** p < 0.05, *** p < 0.01.*

Table A 3: Was support or advice paid for (weighted 2024 data)

	All firms (%) UB=3,106	**High growth firms (%)** UB=403	**High ambition firms (%)** UB=464
Paid for advice	58.7%	63.2%	54.4%

*Note: Unweighted bases (UB) relate to firms that did receive some kind of business support. Weighted percentages are shown. Significance tests are based on unweighted sample counts and compare high-growth firms with firms that are not high growth, and high-ambition firms with firms that are not high ambition: * p < 0.1, ** p < 0.05, *** p < 0.01.*

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