



Press Release: Small businesses are leading on sustainable growth

- Survey of 1,600+ companies on Goldman Sachs' *10,000 Small Businesses (10KSB)* programme finds 93% of respondents feel an obligation to “do good” in their community and over half (63%) have a stated set of social principles
- 86% plan to implement new strategies and procedures to reduce the environmental footprint of their business
- 83% are investing in training for employees to prepare for technological innovations in the next 10 years
- Artificial Intelligence (AI), often associated with larger companies, is gradually being adopted by small businesses, but they are not cutting jobs as a result of it

1st October 2019 – UK small businesses are embracing new technologies and committing to sustainable growth, a new survey by Goldman Sachs has found.

1,600+ Participants on the Goldman Sachs *10KSB* programme, which provides training and support to high-growth entrepreneurs, were surveyed on the future of business ahead of an event this week that will convene over 400 small business owners from across the UK.

The study found that these entrepreneurs recognize the opportunities the next decade presents – a focus on sustainability and social impact, the changing dynamic of the workplace, and advances brought on by technology – and where possible, are already embracing them.

However, the results also show they need more support to adapt to the global challenges that we all face – the rapid advance of climate change and the uncertainty of geopolitical trends.

Richard Gnodde, CEO of Goldman Sachs International, said:

“Small businesses are responsible for the majority of all private sector turnover and employment in the UK. Not only are they critical to national prosperity, they are at the heart of our communities. They are dynamic and agile innovators, who most frequently see opportunity in uncertainty. Goldman Sachs *10,000 Small Businesses* graduates are optimistic about the future, and collectively we need to continue to support their growth.”

Andrew Stephen, CEO of the Sustainable Restaurant Association and 10KSB UK graduate said:

“Businesses and entrepreneurs can drive social change faster than anything else. I am passionate about making business fit for the biggest challenges of our time. 10KSB UK has helped me to prepare for uncertainty, and to seize opportunities to grow our impact.”



Detailed Survey Results

Social Impact and Thinking Green

10KSB UK graduates are fully aware of their place in the broader ecosystem, and the need to operate their businesses in a more environmentally sustainable manner.

- 79% have become more concerned about the state of the environment over the last 2 years
- 65% have become more concerned about the impact that their business may have upon the environment

These small businesses are actively seeking to minimise the environmental impact of their operations and are thinking of new and innovative ways in which they can continue to do so.

- Over the last 10 years, 92% have implemented new strategies and procedures to reduce the environmental footprint of their business - such as replacing single use plastics with reusable/biodegradable alternatives, supporting remote working and using alternative sources of energy
- 86% plan to implement new strategies and procedures to reduce the environmental footprint of their business over the next 10 years

Embracing Technology, AI and Automation

Artificial Intelligence (AI) is often associated with tech companies and large corporations - but our research shows that 75% of 10KSB UK graduates think that AI will provide opportunities to optimise performance and/or improve efficiency in their own business over the next 10 years.

AI and automation are widely predicted to replace humans in a multitude of professions - this is already happening in small businesses, with 49% of 10KSB UK graduates saying that automation or AI has replaced processes which previously required human labour. However, only 7% have had to lay off employees as a result of this – 60% of 10KSB UK graduates have re-trained their employees displaced by AI or automation, rather than let them go.

More broadly, 10KSB UK graduates are quick to adopt digital developments to advance their businesses:

- 88% feel that technological innovation has simplified and added value to their business model over the last 10 years
- 83% invest in training for their employees to ensure they can harness the potential efficiency and/or productivity gains from technological innovations over the next 10 years
- 77% say that technological proficiency is a core priority when recruiting new employees

After completing 10KSB UK, 70% of our small business leaders feel better placed to capitalise on the new opportunities brought about by technological innovations.



Future of the Workforce

The 10KSB UK graduates that we surveyed are confident in the skills and personal qualities of those who will be responsible for driving these changes: the next generation. They feel that the majority of new employees entering the workforce for the first time demonstrate the characteristics that they are most looking for:

- 76% think they have the positive attitude necessary to succeed in their business over the next 10 years
- 76% think they have the willingness to learn/curiosity necessary to succeed in their business over the next 10 years
- 72% think they have the integrity necessary to succeed in their business over the next 10 years

In our ageing population, the generational dynamics of the workforce are changing. All businesses – small and large – are trying to navigate the shifting demographics. While more than half of our small businesses foresee challenges as the workforce begins to span a greater generational range, 65% of them feel adequately prepared to balance the different priorities of their employees as this happens.

A Call to Action

These businesses are optimistic about the opportunities they will be presented with over the next decade, while finding innovative solutions to challenges that arise. They are a force for disruption, propelling our economy forwards.

However, there is untapped potential within our small business community. The latent talent, knowledge and creativity should be leveraged to achieve even greater progress. To do this, UK small businesses need our support:

- Less than 50% of small business owners feel that the small business community is valued or appreciated by society (national and local government, big businesses, the general public or the media)
- Less than 25% of small businesses feel that national government, local government or big businesses provide sufficient non-legislative support to allow them to succeed within the changing operating environment over the next 10 years

About Goldman Sachs 10,000 Small Businesses

Goldman Sachs 10,000 Small Businesses UK is an investment to help entrepreneurs create jobs and economic opportunity by providing business and management training to high-growth small businesses in the UK. Founded in 2010, the program is fully funded by Goldman Sachs and the Goldman Sachs Foundation, is free for all participants, and to-date has reached over 1,600 participants in the UK

Contacts

Joseph Stein / Lizzy Walker: +44 207 774 4080