

TECH

SOCIAL  
IMPACT

WORK  
FORCE

SUSTAINABILITY

*The Future of Business...*

# BUSINESS 2030

Goldman  
Sachs

10,000  
small  
businesses

# OVERVIEW

Small businesses are pioneers. They are at the forefront of societal and economic change, pushing boundaries and challenging the status quo.

Sitting at the heart of their communities, they are the connection between the national economy and the lives of people up and down the country.

In an ever-changing world, these entrepreneurs recognize the opportunities the next decade presents; a focus on sustainability and impact, the changing dynamic of the workplace, and advances brought on by technology.

The 1,600 graduates of *10,000 Small Businesses* (10KSB) UK – a business education program for the UK's high-growth small businesses - are especially representative of these traits.

They are embracing technology and artificial intelligence, and are re-training their employees. They are climate-conscious and thinking green. They believe that business must make a profit, but should serve a purpose too.

However, as our latest survey shows, 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.

Collectively, we need to appreciate the role small businesses play in their communities and to support them as they continue to thrive.

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*“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.”*

Richard Gnodde,  
CEO of Goldman Sachs International



10KSB UK is a fully-funded business education program providing high-growth small businesses across the UK with management training and helping them reach their full potential.



More than  
**1,600**

entrepreneurs  
have participated  
since 2010



**2x**

revenues within  
two years of graduating,  
on average



**54%**

more jobs created  
within two years of  
graduating, on average



**92%**

expect to experience  
growth in turnover over  
the next 12 months



**94%**

feel more prepared as business  
leaders to deal with uncertainty  
and change since completing  
the 10KSB UK program

*"Small, entrepreneurial businesses are the vanguard of the impact revolution. They are nimble and can pivot rapidly – meaning they are typically the first-movers in sensing and driving societal trends. However, these businesses need support to maintain their ambitious trajectory. Programs like Goldman Sachs 10,000 Small Businesses UK are critical for the sustained growth and development of Britain's pioneering small businesses."*

Sir Ronald Cohen, Chairman of the Global Steering Group for Impact Investment

## IMPACTING COMMUNITIES

Entrepreneurs are increasingly asked: 'What is the purpose of business?' In the past, many people would have assumed that businesses exist purely to generate profit and drive shareholder returns. Now, more and more businesses are expected to define and demonstrate their social purpose and values.

Despite having much less capital and fewer resources than large corporates, 10KSB UK graduates are increasingly looking towards the impact they are having in the world.



**93%**

feel that their business has an obligation to do good in their community



**91%**

actively engage with their community through a range of activities including hiring locally and engaging with schools



**63%**

have a stated set of social principles or values

# THINKING GREEN

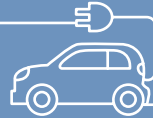
10KSB UK graduates are focused on the environment, and the need to operate their businesses in a more environmentally sustainable manner.

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



**79%**

have become more concerned about the environment over the last two years



**86%**

plan to implement new or additional strategies and processes to reduce the environmental footprint of their business



**92%**

have already implemented new strategies and processes to reduce the environmental footprint of their business – such as replacing single-use plastics with reusable/ biodegradable alternatives, supporting remote working and the use of alternative sources of energy

# SUSTAINABILITY

# EMBRACING TECHNOLOGY

# TECH

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



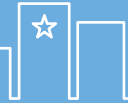
**83%**

are investing in training their employees to harness the potential of technological innovations over the next 10 years



**77%**

say that technological proficiency is a core recruiting priority



**70%**

feel better placed since completing 10KSB UK to capitalize on new opportunities brought about by technological innovation

## AI AND AUTOMATION:

Artificial Intelligence (AI) is not just the preserve of technology companies and large corporates. Instead, our research shows that 75% of 10KSB UK graduates think that AI will provide opportunities to optimize performance and/or improve efficiency in their 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 that previously required human labor. However, only 7% have had to lay off employees as a result of this, and 60% of our 10KSB UK graduates have re-trained their employees whose primary role has been displaced by AI or automation, rather than let them go.

## FUTURE OF THE WORKFORCE

Small business owners are confident in the skills and qualities of the next generation of the workforce. They feel the majority of individuals who will be entering the workforce for the first time demonstrate the attributes needed to be successful in their businesses over the next 10 years.



**76%**

think they have  
the necessary  
positive attitude



**76%**

think they have  
the necessary  
willingness to learn



**72%**

think they have  
the necessary  
integrity

With the UK's aging population, the generational dynamics of the workforce are changing. All businesses – small and large – are trying to navigate this shift in 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.



# LOOKING FORWARD

Small businesses are critical to national prosperity, and they are at the heart of our communities.

These businesses are optimistic about the opportunities they face over the next decade, and are confident of 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%** feel that the small business community is valued or appreciated by society



Less than **25%** feel that national or local government, or big business provides sufficient non-legislative support to allow them to succeed and grow over the next 10 years

These businesses have done, and are continuing to do, their hard work. It is the responsibility of the broader ecosystem to empower the small business community to not only survive, but thrive. 10KSB UK is providing small business leaders with the tools to adapt and grow.

Goldman  
Sachs

**10,000**  
small  
businesses

#10KSBUK  
#MakeSmallBig  
@GS10KSmallBiz  
[gs.com/10ksb-uk](https://gs.com/10ksb-uk)

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The survey data for this factsheet was gathered from 400 10KSB UK graduates in Q3 2019 by the Aston Centre for Growth, Aston Business School.