

Longitudinal Small Business Survey Scotland 2020: SME Employers – Key Findings

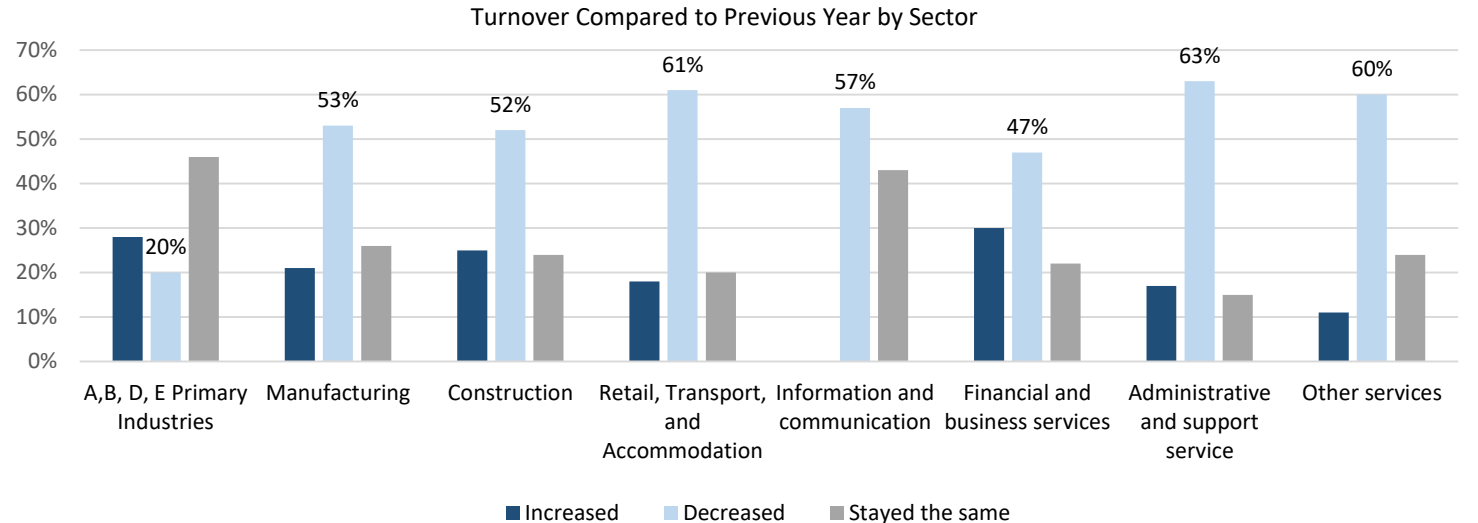
What you need to know about these statistics

- 7,636 UK small and medium-sized enterprises (SMEs)
- Run by Department for Business, Energy and Industrial Strategy (BEIS).
- Fieldwork September 2020 – April 2021.
- Sample of 663 SMEs in Scotland, weighted to the overall population.
- This summary and accompanying data tables focus on the results for businesses in Scotland with between 1 and 249 employees (SME Employers).
- Results for non-employers in Scotland are available from the [UK Small Business Survey data tables](#)
- The data tables provide results disaggregated by:
 - business size (micro: 1-9 employees, small: 10-49 employees and medium-sized: 50-249 employees)
 - sector (defined by Standard Industrial Classification (SIC) 2007) and
 - urban/rural location (based on the Scottish Government's Urban-Rural 2-fold classification).

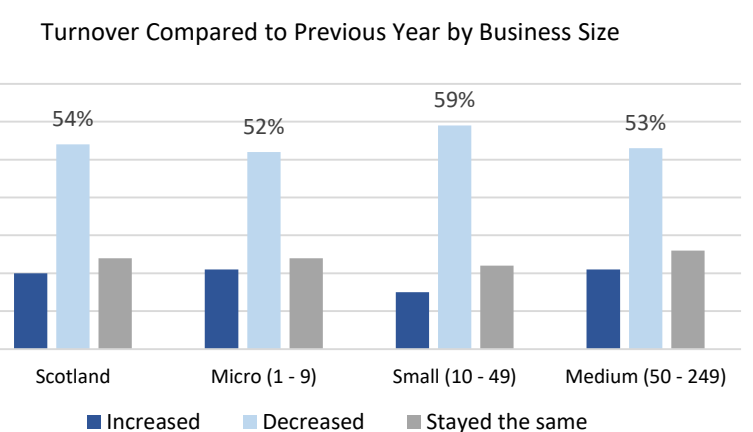
Data published: 20th April 2022. Next update: Autumn 2022
Experimental Statistics: data being developed. These statistics are currently being developed and have been published to involve users and stakeholders in their development and dissemination, and to build in quality and understanding.

We want your feedback: We welcome any feedback on any aspect of these statistics. Email: industrystatistics@gov.scot

Turnover Performance – Sector

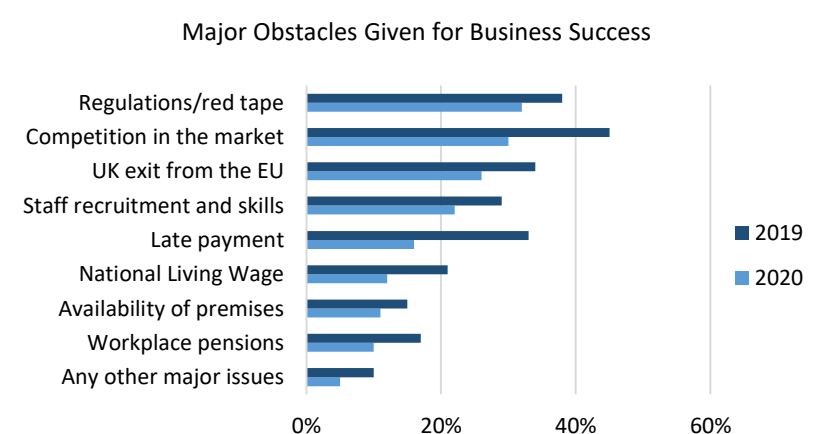


Turnover Performance – Business Size



A majority of firms across all SME sizes saw decreased turnover in 2020 compared to 2019. The sector with the largest fall in turnover was administrative support services with a 63% reported decline. Retail, Transport, and Accommodation saw a 61% decline amongst SME respondents.

Obstacles to Success



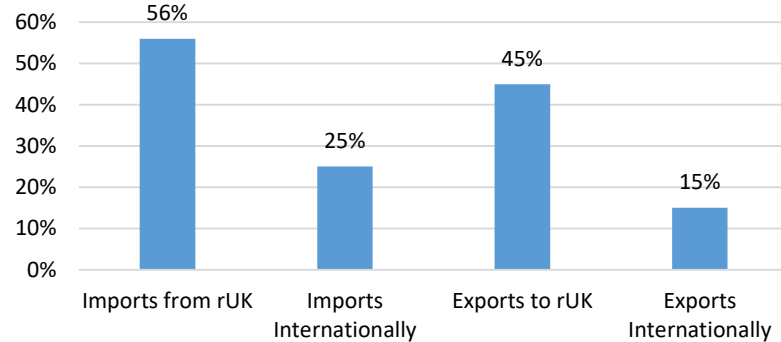
Almost a third (32%) of SME employers considered regulations and red tape to be a major obstacle to the success of the business. Also over a quarter (26%) of SME employers considered **UK exit from the EU** a major obstacle, down from 34% in 2019.



Small Business Survey Scotland 2020: SME Employers – Key Findings

Trade – Levels

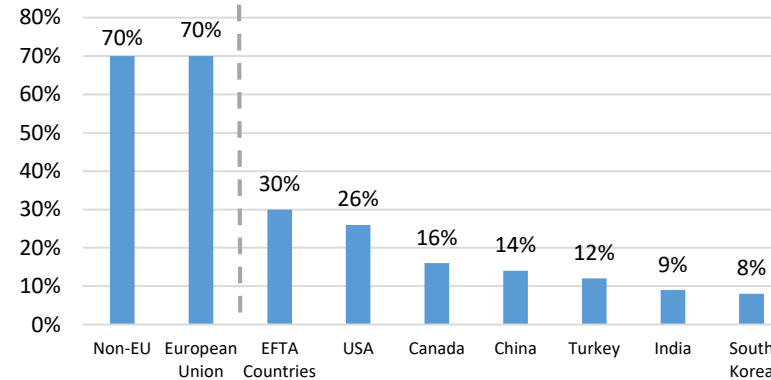
Domestic and International Imports and Exports



In 2020, fewer firms imported from rUK than in 2019, the share decreased from 63% to 56% over this period. Slightly more firms exported to rUK, up 3 percentage points from 42% in 2019. The number of firms exporting internationally saw a marginal increase of 1 percentage point from 2019.

Trade – Destinations

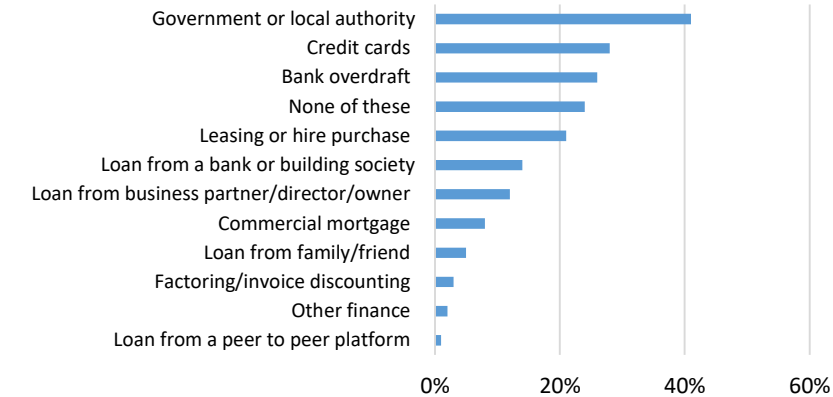
Destination of Exports



Among Scottish SMEs which export, the same percentage of SME respondents exports to the EU as well as non-EU countries at 70%. After European Free Trade Area countries, the USA was the most common export destination for Scottish SMEs.

Access to Finance

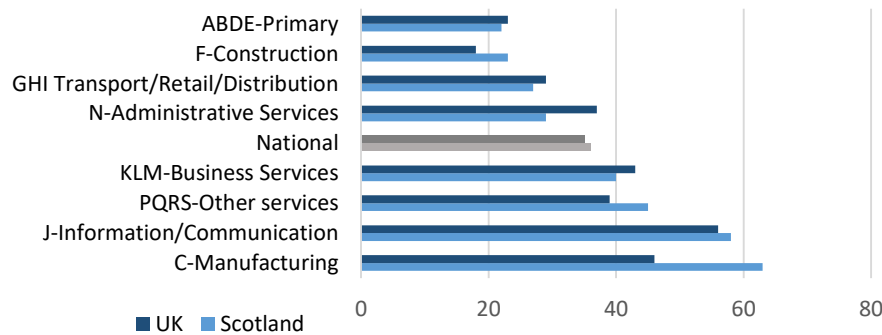
Type of Finance Accessed



The most common type of finance accessed by Scottish SMEs in 2020 was finance from Government or local authorities, at 41%. This is 31 percentage points higher than the same figure for 2019.

Innovation - Sectors

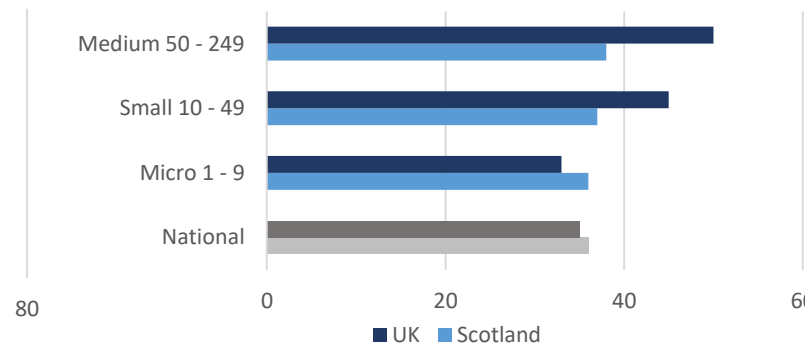
Whether Businesses Innovated 2020



36% of SME employers had **innovated** (i.e. introduced new or improved goods, services or processes) in 2020 compared to 35% of UK SMEs.

Innovation – Business Size*

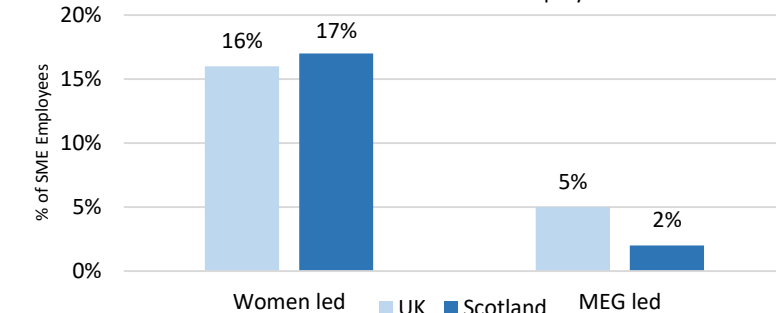
Whether Businesses Innovated 2020



Innovation was observed at similar rates across all SME business sizes in Scotland at between 36%-38%.

Business Demographics

Women-led and MEG-led SME employers



17% of SME employers were **women-led**, slightly higher than the prior year (14%) and the UK as a whole (16%).

2% of SME employers were led by minority ethnic groups, down from 4% in 2019.

Small Business Survey Scotland 2020: SME Employers – COVID-19 Impacts

Business Plans Affected*

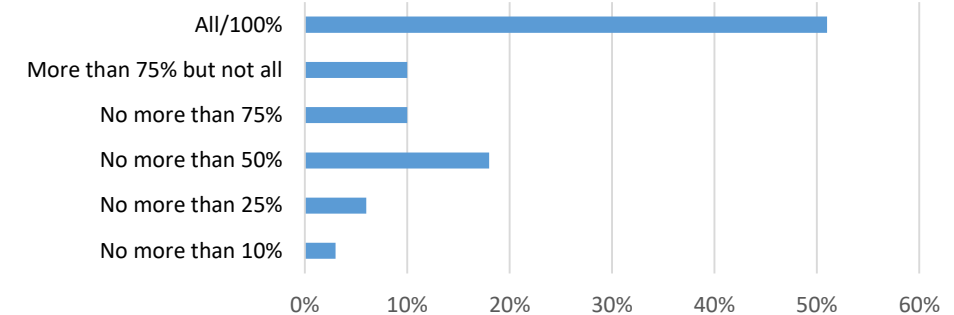
Whether plans over the next three years have been affected by Covid-19 pandemic



Of firms which saw the COVID-19 pandemic alter their plans over the next three years, a quarter (25%) responded that their plans to increase the skills of their workforce were changed. Almost a quarter (23%) had their plans to recruit new UK staff affected.

Furlough Levels (2020)

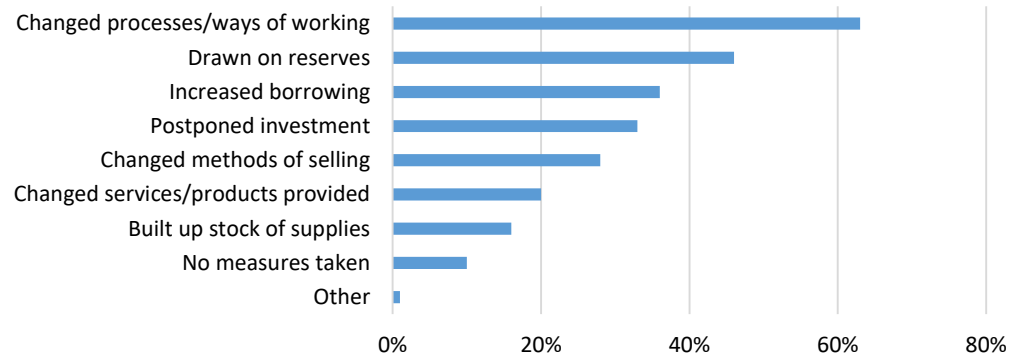
Percentage of Workforce Furloughed



Approximately 51% of SME employers that used the Covid-19 Job Retention Scheme reported that at its highest level, 100% of their workforce was furloughed. This question shows the highest level of furlough for SME respondents who used the CJRS.

Mitigation Measures

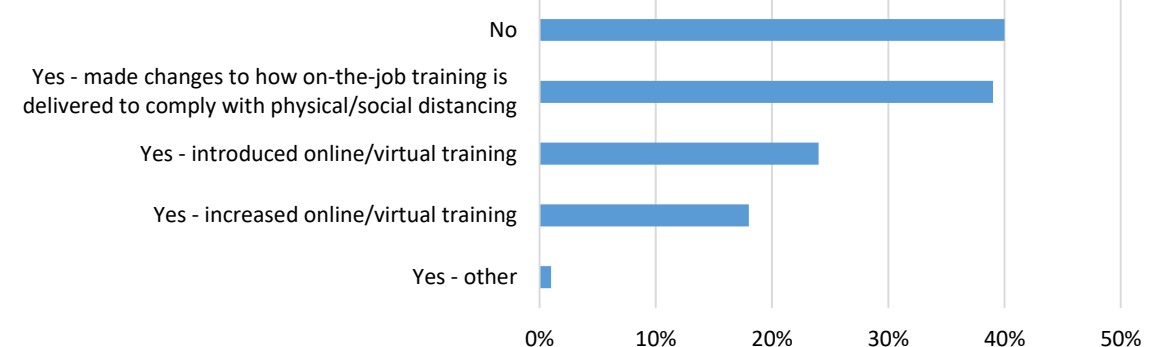
What Measures did your Business Undertake to Mitigate the Impacts of the Pandemic?



Almost two thirds of businesses changed their ways of working in response to the pandemic (63%) whilst almost half of respondents (46%) stated that they drew on financial reserves. Only 10% took no measures to adjust to the pandemic.

Changes to Workforce Training

Whether Changes were made to Training as a Result of the Pandemic



Of SME employers that provide training, 39% reported that they made changes to on-the-job training to comply with distancing measures, 24% introduced online/virtual training, and 18% increased online/virtual training.