

Brighter days for Britain: two thirds of small business owners predict a better 2024

Virgin StartUp unveils its Founder Barometer, with British founders calling for more to be done to create an environment where start-up businesses can thrive.

Temps de lecture : minute

26 December 2023

How could one describe Britishness?

Britain is an island constituted of diverse nations, with various past, presents and future. From the Scottish Highlands to Brighton's beach, by the ways of the Welsh cliffs, Britain is a diverse and unique territory, a canvas filled with historical painting but with so much room for new painting.

Resilience and constant change might be the values of the UK. Every passing day in Britain equals a century anywhere else: this overdriven island feels like it's moving, for it's constantly reinventing itself.

Boosting British Businesses

Britain's entrepreneurial spirit endures according to new research, which today revealed two thirds of small business founders are confident their businesses will be in a stronger financial position in six months' time – but to get there, the government needs to step up. Nearly a quarter of the more than 450 new business founders polled said government policy hasn't created an environment for their businesses to thrive.

The bi-annual *Founder Barometer* by *Virgin StartUp* also revealed a strong sense of inequality, with fewer than one in five male founders saying that government policy hasn't created an environment where their business can thrive - with more than a third of female entrepreneurs feeling the same. The inequality also spreads to geography, with a shocking 49% of founders from the North feeling the political landscape and policy changes hasn't created a positive environment, compared with just 21% in the South.

When asked how their business could be better supported, extending the SEIS and EIS schemes and business tax reductions featured high on founders' wish lists - areas that were both addressed in the government's most recent Autumn Statement. Founders also called out the need for greater support for underrepresented founders - female, Black, Asian and minority ethnic, and disabled founders, as well as better access to Start Up Loans and greater access to mentorship programmes and schemes.

In adversity, strong mindset shall prevail

Yet optimism is high, with the majority (96%) of new business founders saying they are planning to hire at least one full-time member of staff, with more than half (51%) planning to hire at least four members of staff in the next year.

"It's important to hear directly from small business owners and start-ups which is why we decided to launch our bi-annual Founder Barometer survey. Despite a testing year, it's encouraging to hear that many business founders are invigorated and are heading into the new year with a positive

outlook.” commented Andy Fishburn, Managing Director, Virgin StartUp.

Being mindful of the environment and building a greener business was also a key priority for many. More than half believe their customers care about sustainability, leading to an overwhelming number of founders exploring ways to make their operations more sustainable in the next 12 months.

UK founders continue to list the cost-of-living crisis and the risk of another recession amongst the biggest challenges facing their businesses.

The Founder Barometer also revealed how a lack of economic stability is impacting the stress levels of founders. When asked about the state of their mental health, Britain's founders rated this just 5/10 on average.

Virgin StartUp, figurehead of British VCs

To support underrepresented founders, many in the sector believe better access to VCs and investors, and creating more diverse business networks with like-minded founders will help propel the sector forward.

Virgin StartUp launched its *Empower100 programme* this year, thanks to funding received from the *UK' Shared Prosperity Fund*. Empower100 provides free investment readiness training and mentorship for underrepresented founders in Greater London, to help them unlock the next stage of growth in their business. The Founder Barometer also asked start-ups about how they have funded their businesses in the past 12 months. The most common option was to use personal savings, with 40% of founders using their own money to finance their business. Nearly 24% used a Start Up Loan.

“Virgin StartUp has always been proud to offer a voice for the start-up community and particularly those from underrepresented backgrounds. We know that more support, including funding, is always required, and we have committed to helping many more exciting and brave founders reach their potential. adds Andy Fishburn

As a not-for-profit organisation, Virgin StartUp is a national Business Support Partner for the British Business Bank’s Start Up Loan programme and has distributed 5,500 Start Up Loans - £75M in funding - to early-stage business founders since 2013, helping these founders to start, scale, and succeed. Virgin StartUp is also committed to leveling the playing field for women who are starting and scaling businesses, through the 50/50 funding pledge and by working to proactively address the barriers faced by women starting up their own business.

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