

## First Wealden Business Barometer reveals confidence with caution

Business confidence, profitability, investment and employment plans are all on the up, according to members of the Wealden Business Group (WBG). But as the recession begins to diminish, a mood of caution remains.

These are the headline findings from a new research initiative – the Wealden Business Barometer – which will regularly survey members' views on current business trends and the state of the market.

The Group, which meets for weekly networking breakfasts at The Little Silver Country Hotel, Tenterden, comprises 34 owner-managers of a diverse range of companies across the Weald, from accountancy to commercial property, creative services to painting and decorating, car sales to carpentry.

### Main findings

The first Business Barometer, published today (26 March), showed that.....

- 82% of members are more confident about the business climate now than this time a year ago.
- 64% report that their profitability is improving.
- Although 36% forecast that sales growth in the coming year will be relatively modest, almost one in five respondents are looking forward to a turnover boost of up to 25%.
- More than half of the respondents are planning to invest in their businesses this year, in particular on capital equipment and computers.
- More than 40% are planning to improve staffing levels, although the majority favour part-time, freelance or sub-contract options.

Comments made by respondents reflected a largely confident mood, although some remain cautious.....

### The Confident

“Good start to the year, with confirmed orders compared with the last five years. Enquiries well into the future.”

“Most businesses that we deal with locally are starting to report gradual improvement in all sectors, except retail”.

“People have more disposable income – (there is an) increase in non-essential spending.”

“As businesses get busier, they are beginning to ‘sub out’ work they might previously have done themselves”.

“This time of year is generally a fairly slow period for picking up new customers, but this year it seems that homeowners are a lot more confident about the foreseeable future.....”

## The Cautious

“Only my successful clients are prepared to invest in growing their business for the long term.....the rest.....are only looking for a short-term profit”.

“...red tape...has a cost and time impact on the business. If there were less.....this cost and time would be used to focus on new business, which would generate more employment, profit and tax”.

“There is definitely more talk of activity, but people are still suffering from short hands and long pockets.”

“...the outlook for the year is encouraging. However clients have found trading tough over the past few years, and this has put cashflow under pressure, which has a knock-on effect on our business”.

Commenting on the overall results of the first WBG Business Barometer, the Group’s chairman, David Meredith said: “While many businesses are still cautious, there are clearly some healthy green shoots in some sectors, and hopefully this will spill over to benefit all Wealden businesses in the near future.

“This survey helps to confirm what real businesses feel, and what they are seeing on the ground.”

- *Note: all percentages are rounded up or down to the nearest whole number.*

26th March, 2014