

Longitudinal Small Business Survey Scotland 2019: SME Employers – Key Findings

What you need to know about these statistics

- 11,001 UK small and medium-sized enterprises (SMEs)
- Run by Department for Business, Energy and Industrial Strategy (BEIS).
- Fieldwork pre-Covid-19 (Jul '19 - Feb '20)
- Sample of 849 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).

Survey respondents were each randomly assigned to one of three cohorts and some questions were only asked of one cohort (though most questions went to all three cohorts). The [data tables](#) make clear when they are covering cohort questions.

Data published: 21 August 2020. Next update: Autumn 2021
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.

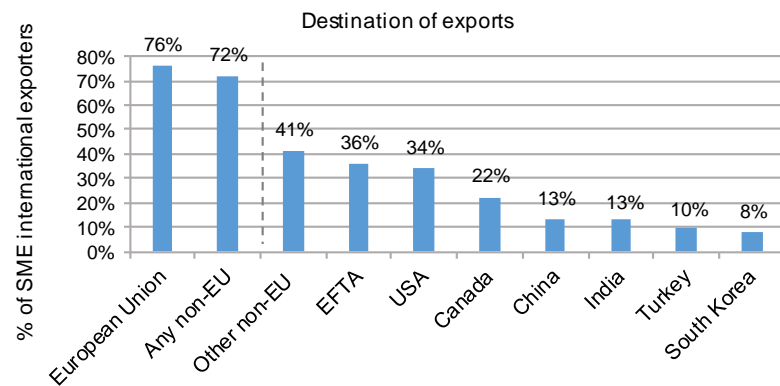
We want your feedback: We welcome any feedback on any aspect of these statistics. Email: industrystatistics@gov.scot

Trade



A lower proportion of SME employers in Scotland (14%) reported that they **exported goods or services** internationally in the last 12 months compared to UK SMEs (20%).

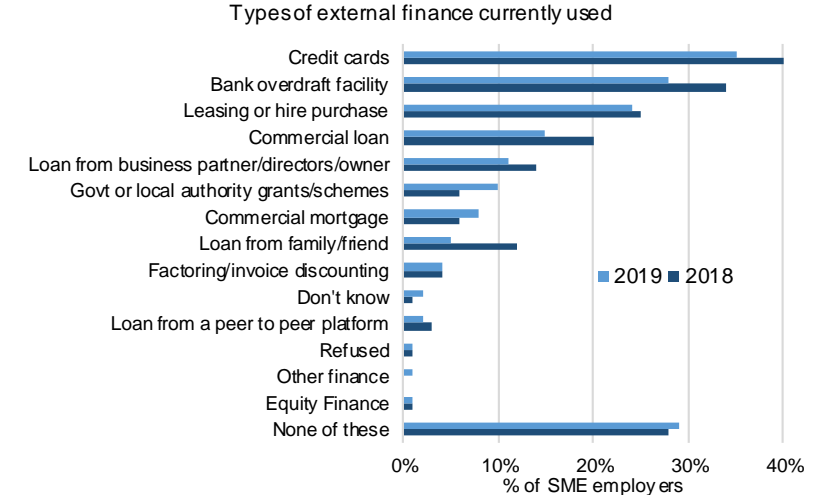
20% of SME employers had directly **imported goods or services** from countries outside the UK in the last 12 months.



The proportion of SME exporters **exporting to EU countries** (76% of SME exporters) and **non-EU countries** (72%) was broadly similar.

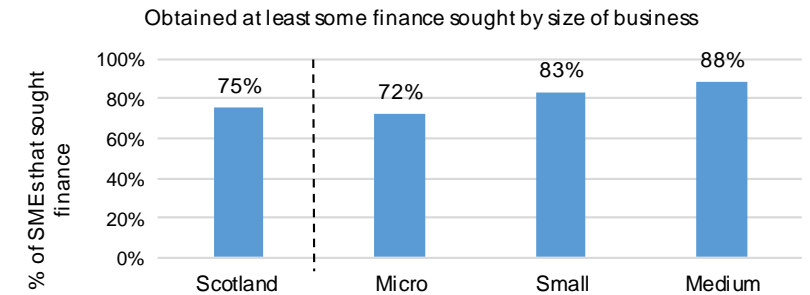
A higher proportion of SME employers **imported from EU countries** (17%) than **non-EU countries** (9%).

Access to Finance



68% of SME employers in Scotland were **currently using external finance**, higher than the UK as a whole (63%).

The most common forms of external finance used were **credit cards** (35% of SME employers) and **overdrafts** (28%), both down from the proportions in 2018 (40% and 34% respectively).



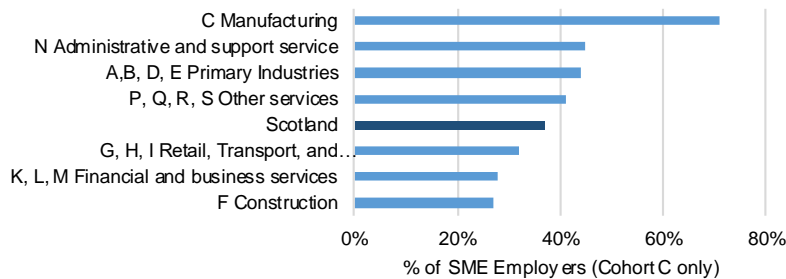
14% of SME employers in Scotland had **sought external finance** in the 12 months preceding the survey.

75% of SME employers that applied for external finance were **successful in obtaining** at least some of the finance sought. 10% had had an application for finance **rejected** in the past 10 years.

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Innovation

Innovated at all in the last three years by sector

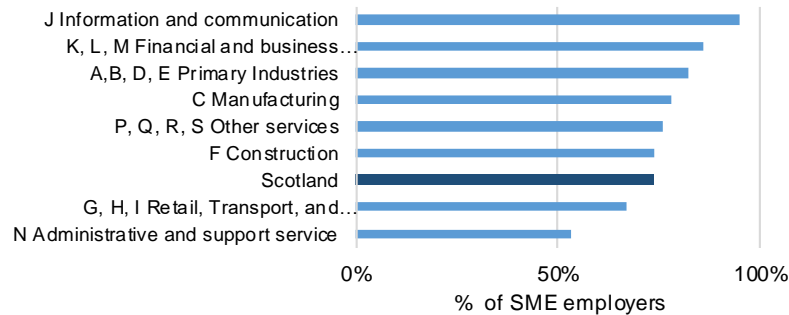


37% of SME employers had **innovated*** (i.e. introduced new or improved goods, services or processes) in the last three years compared to 39% of UK SMEs. 21% had invested in R&D*.

16% of SME employers had engaged in **process innovation** (i.e. introduced new or improved processes) in the last three years, down from 21% in 2018*. 24% of SME employers had engaged in **services innovation** and 16% in **goods innovation**.

Living wage

Employees paid the Real Living Wage or above by sector



74% of SME employers paid their employees the real **Living Wage** (£8.75 or above at time of interview).

Social Engagement

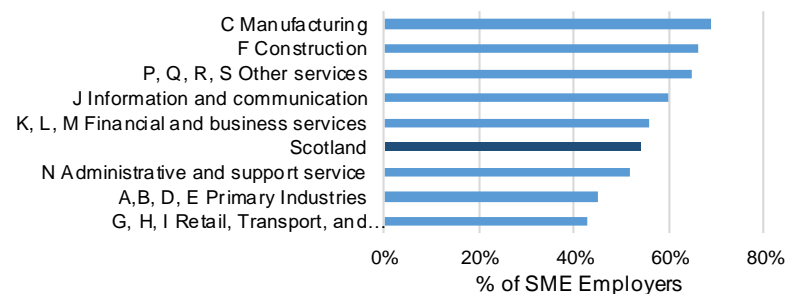
Company goals of high importance to the business



A third (33%) of SME employers said offering **solutions to environmental problems** was of **high importance** to them, higher than the UK as a whole (24%).

Training

Offer any training (off the job or on the job) by sector

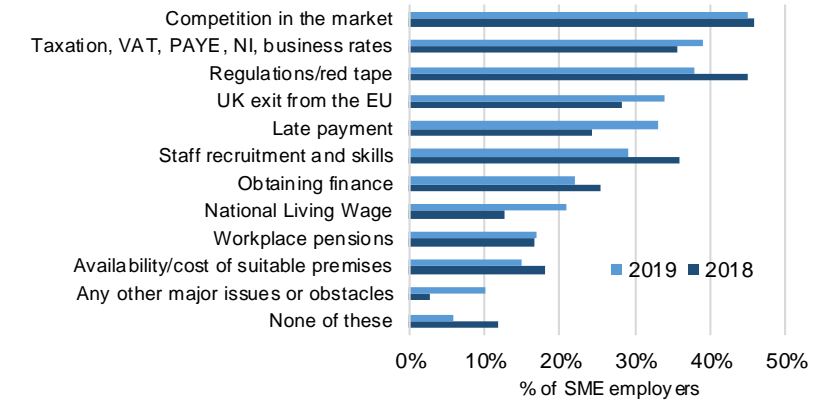


54% of SME employers had offered **training** (off or on the job) in the past 12 months, an increase from the prior year (48%).

16% of SME employers offered **formal apprenticeships** in the past 12 months, twice as many as the prior year (8%).

Obstacles to Success

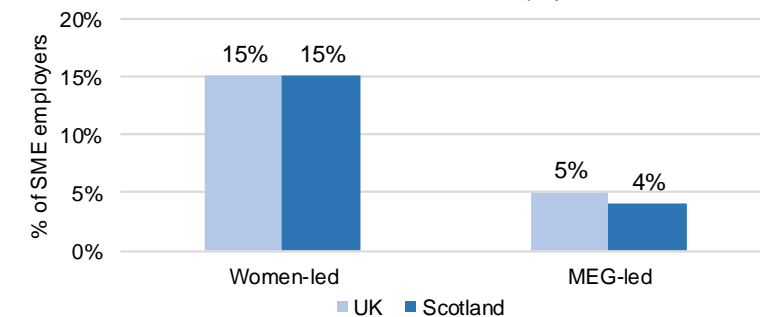
Major obstacles to the success of the business



A third (34%) of SME employers considered **UK exit from the EU** a major obstacle to the success of the business, higher than the UK as a whole (26%). The main reason given was the increasing cost of imports from the EU (58%).

Business Demographics

Women-led and MEG-led SME employers



14% of SME employers were **women-led**, broadly in line with the prior year (15%) and the UK as a whole (15%).

4% of SME employers were led by teams at least half of which were from minority ethnic groups (**MEG**), up from 2% in 2018.