

Bva BDRC

ClearSight™

On

Businesses and Brexit

January 2021

ClearSight™ on Businesses and Brexit - Introduction

Happy New Year!

Just as we thought we had reached a point where the phrase ‘unprecedented times’ might be retired, 2021 has continued to surprise and challenge. In a week that has brought us further Government U-turns, a third lockdown and spiralling infection rates (not to mention events in the USA) it is now almost unimaginable that just a few weeks ago we were raising a glass to Christmas, non-essential retail was open in some areas and we were *still* awaiting the outcome of Brexit negotiations.

This is an unsteady landscape by any estimation, but for British business it is a truly a tumultuous time. Through **ClearSight™**, our goal is to help organisations make sense of this rapidly changing world and to ‘join the dots’ between how their target audiences live, work, spend and play. Over the course of 2021 we will continue to provide insight on COVID related sentiment and a host of other relevant topics, including Brexit.

Our first dip into business sentiment on Brexit took place in December 2020 when the message to ‘get ready’ was loud, if not particularly clear. These results are provided in this report, which serves as a ‘warm-up act’ to findings that will be published in the next few weeks with a ‘before and after deal’ view, including January feedback as businesses get their heads around the deal and its consequences.

In the countdown to the Brexit deadline, the larger businesses were faring better than their smaller peers: a greater impact was anticipated but they were more prepared and in control. Meanwhile smaller businesses had been facing a more immediate battle on their doorstep from COVID-19. The question will be whether this is still the case once the details of the deal become a reality, particularly for large businesses and those trading internationally where life is about to get more complicated.

If you’ve not already done so, sign-up to **ClearSight™** via this link to get our latest insights straight into your inbox: <https://hcontent.bva-bdrc.com/clearsight>



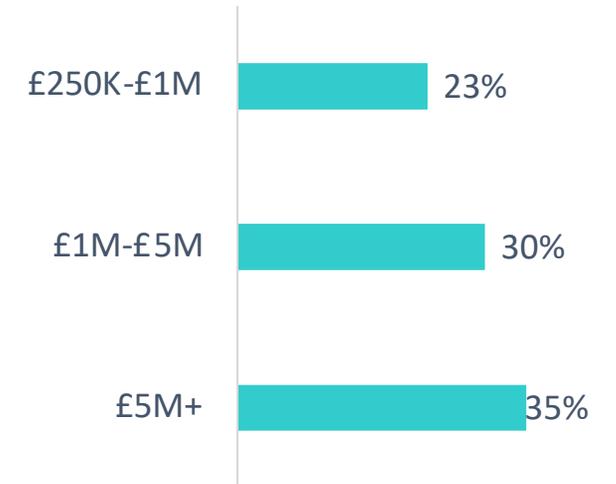
68%

of businesses felt at least one of the following about Brexit in December:

- **Well prepared**
- **Relaxed**
- **In control**

29%

of businesses felt all three, increasing by size of business (turnover)



Larger businesses were more likely to think they will be affected by Brexit, and to have a clear idea of what that impact would be

This appears to have spurred them on to spend time on preparations and, as a result, they are more likely to feel in control than their smaller peers (although it is noteworthy that still only around half felt this way as the deadline approached).

% in agreement about Brexit	All businesses*	Turnover £250K-£1M	Turnover £1M-£5M	Turnover £5M+
The changes will really affect us	32	21	32	47
We are well prepared	47	40	50	54
We are as ready as we can be	51	49	50	57
We are feeling very relaxed about the whole thing	50	47	50	52
We have given this all the time and focus it needs	36	25	40	46
We have a clear idea what the impact will be for us	43	39	42	50
We are in control	49	46	46	56
Brexit is very good news for us	32	30	32	37

*Turnover at least £250k

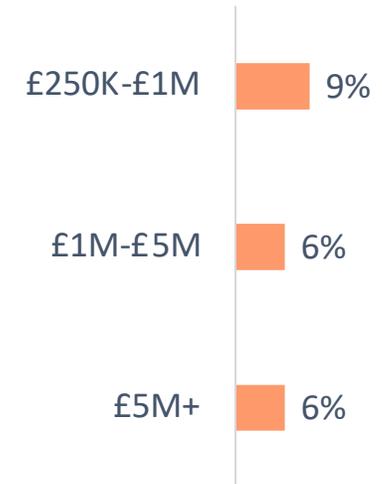
35%

of businesses felt at least one of the following about Brexit in December:

- **Unprepared**
- **Very stressed**
- **Winging it**

8%

of businesses felt all three, with little difference by size of business



Smaller businesses are twice as likely to feel immune to Brexit

However, this could well be a case of 'ignorance is bliss' in some cases - they are more likely to be in the dark about what any impact might be and have also had more pressing matters to worry about. As a consequence, they are feeling no more stressed or unprepared (at least not significantly so) than larger businesses.

% in agreement about Brexit	All businesses*	Turnover £250K-£1M	Turnover £1M-£5M	Turnover £5M+
The changes will not affect us	40	56	37	24
We are unprepared	16	18	16	15
We are not ready	16	14	17	17
We are feeling very stressed about the whole thing	20	23	20	18
We have had more important things to spend time on	33	44	30	22
We have no idea what the impact is going to be for us	25	30	25	16
We are winging it	20	24	20	15
Brexit is very bad news for us	25	25	25	25

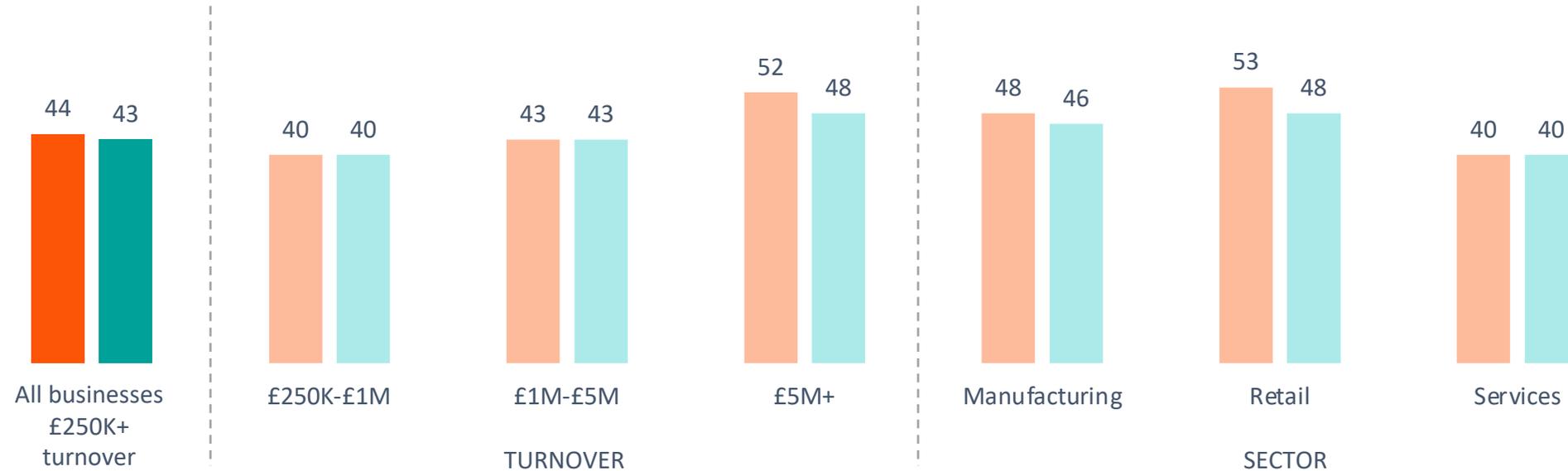
*Turnover at least £250k

Strikingly similar levels of confidence in Government handling of Brexit and Covid-19

Perceptions of the Government, whether for Covid-19 or Brexit, may therefore be more heavily linked to political persuasion than the actual handling of these issues. Alternatively, it may also be difficult to disentangle these issues, particularly for those businesses dealing with challenges in the here and now.

% Confident in the Government's handling of...

■ Covid-19 ■ Brexit

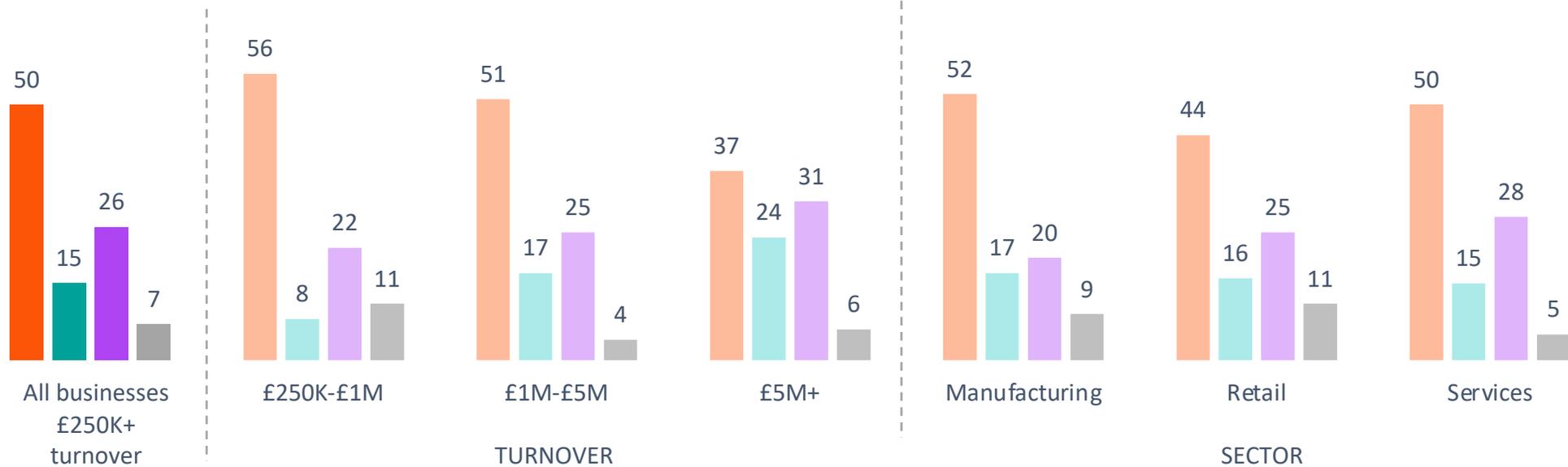


Covid-19 is perceived to be the bigger threat to all businesses right now

This is especially the case for the smaller businesses that lack certainty about the impact of Brexit and that have been distracted by more immediate issues relating to Covid-19. In contrast, the gap is much narrower for larger businesses, who are more likely to be trading internationally and report being affected by Brexit. However, overall a quarter of businesses find themselves in a stark situation with both Covid-19 and Brexit posing a threat. We will continue to report on both subjects in the coming weeks, including any shifts in views during the latest lockdown and as the reality of the Brexit deal sets in.

% Greatest threat to business

■ Covid-19
 ■ Brexit
 ■ Equal
 ■ Neither



Methodology

Data collected via BVA BDRC's Business Opinion Omnibus – an online survey amongst financial decision makers in businesses with a turnover of £250,000 or more

- Sample drawn from a business panel
- Quotas set by turnover, region and broad sector
- Robust sample sizes in Manufacturing, Construction, Retail and Services, and a good spread by business size and UK standard regions
- Data weighted to be nationally representative by these key criteria

The questions were answered by 1200. Unweighted base sizes are below.

Remember that this is also an opportunity for you and your organisation to add specific questions. To do so, please get it touch!

Sample sizes by turnover

£250K-£1M turnover	251
£1M-£5M turnover	353
£5M+ turnover	597

Sample sizes by sector

Manufacturing	374
Retail Distribution	330
Services	497

Get in touch



Shiona Davies

Director

 0750 721 6574

 Shiona.davies@bva-bdrc.com



Caroline Ahmed

Director

 07919 383728

 Caroline.ahmed@bva-bdrc.com



Annette White

Associate Director

 020 7400 1007

 Annette.white@bva-bdrc.com



ClearSight™ BVA BDRC

www.bva-bdrc.com