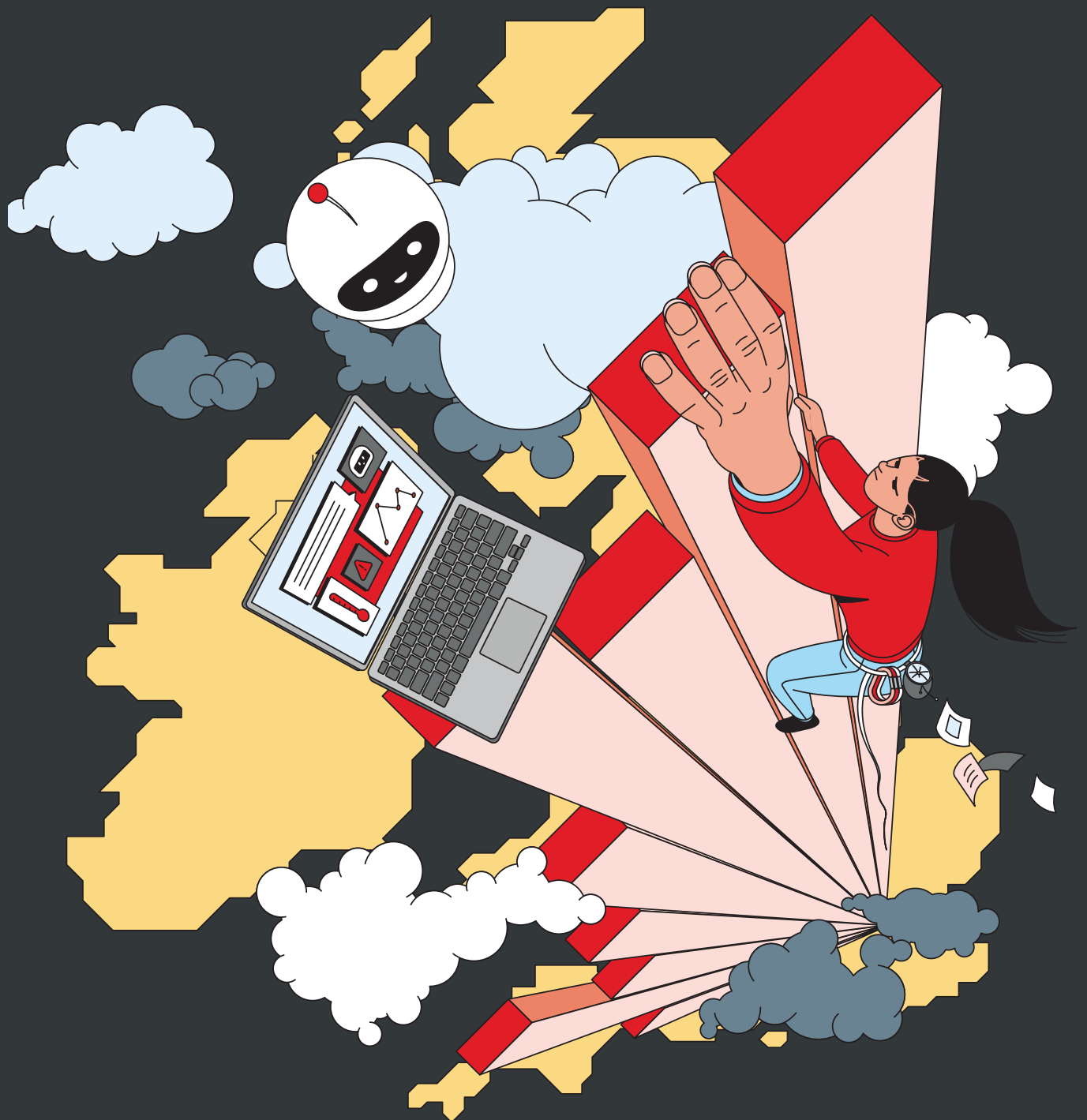




HSBC UK

Raconteur

Growth experience



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HSBC UK has partnered with Raconteur to deliver a research program and accompanying advertorial content to look at what's driving UK businesses with ambitions to grow

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Growth experience: putting UK businesses under the microscope

New research from HSBC UK shows a buoyant mood about growth, despite a litany of challenges facing businesses

Times may be challenging for many businesses at present but despite this UK businesses are showing remarkable resilience and ambition, according to a new research survey commissioned by HSBC UK and Raconteur.

The *Growth Experience* research, which polled more than 500 decision makers at a wide range of UK-based companies, reveals a strong appetite for growth, particularly among those looking to expand internationally. However, it also highlights significant challenges in leadership and innovation that could potentially hamper these growth aspirations.

“What we’re seeing is a clear indication that UK businesses are not just surviving, but actively planning for growth,” says Stuart Tait, HSBC UK’s head of commercial banking. “This optimism is particularly encouraging given the economic headwinds we’ve faced in recent years.”

Gaining confidence to grow

The *Growth Experience* research paints a picture of a business landscape brimming with confidence as the economy starts to turn in businesses’ favour. A striking 85% of respondents who are already trading internationally and planning further expansion expect significant growth in the next 12-24 months, according to the research.

This optimism is even more pronounced among larger companies, with around 9-in-10 respondents from firms with an annual turnover in excess of £15m expecting steady or significant growth in the next two years. The findings also highlight that positive aspirations are strongest at the top of businesses with more than half of all surveyed CEOs (53%) and CFOs (51%) anticipating substantial growth in the next two years.

“Fundamentally there’s a lot of positivity and ambition out there,” says Stephanie Betant, HSBC UK’s head of global trade solutions. “What we find is that UK businesses are ambitious, and they see international growth as integral to the success of their business.”

However, growth isn’t being pursued at any cost. Profitability remains the top priority for businesses, with respondents citing it as their primary goal both domestically (43%) and internationally (53%). Other key objectives include improving productivity and efficiency and operating more sustainably.

What’s fuelling growth?

While growth may sometimes require the stars to align, it is much more reliant on the intelligent running of a business. Among those surveyed, the research identifies access to capital as the most crucial kick-starter of growth, with almost a third (30%) of respondents highlighting funding as the

What is your business’ growth ambition in the next 12-24 months?

● Significant ● Steady ● Maintain / Rationalise business

AVERAGE

All respondents



COMPANY TURNOVER

£0-£2m



£2-£15m



£15-£350m



£350m+



BUSINESS’ TRADING MARKET

Trade internationally and hoping to expand further into new markets



Trade internationally but not planning to expand further



Don’t trade internationally and not planning to



Don’t trade internationally but planning to



most important enabler of growth - jumping to 38% among respondents expecting significant growth (compared to just 8% of respondents expecting to maintain/rationalise business growth).

“Access to capital is critical for companies who are looking to supercharge their growth,” Betant explains. “When a company starts expanding internationally, its working capital cycle will lengthen: managing new buyers and suppliers, building inventory and investing will require financing. Mitigating the risk that comes with new counterparts is another key consideration. HSBC UK has deep experience guiding companies in this space. As the world’s largest trade bank, we have access to 90% of global trade flows, with deep experts talking to customers in over 60 markets, this gives us a unique perspective.”

While capital is undoubtedly an integral driver of growth, the research findings highlight how other enablers are important too - and how they vary across different business situations. For example, firms that only trade domestically place a much higher importance on access to technology than those trading internationally, for whom access to talent is an important factor. Step back from specifics though and a macro

view emerges that after capital, it is access to third-party experts and effective strategic planning that are the two most significant factors underpinning any prospective business growth.

However, businesses also face significant barriers that can hinder their growth. The most prominent challenges include market-place demand (41%), resource availability (40%), and supply chain issues (35%). All can be navigated with support from experts who know the nuances of local markets, how to access resources, and who can help navigate supply chain challenges as needed.

“In today’s complex business environment, having the right partners can make all the difference,” says Tait. “At HSBC UK, we’re committed to providing not just the capital, but also the expertise and global network that businesses need to navigate these challenges.”

Leading from the front

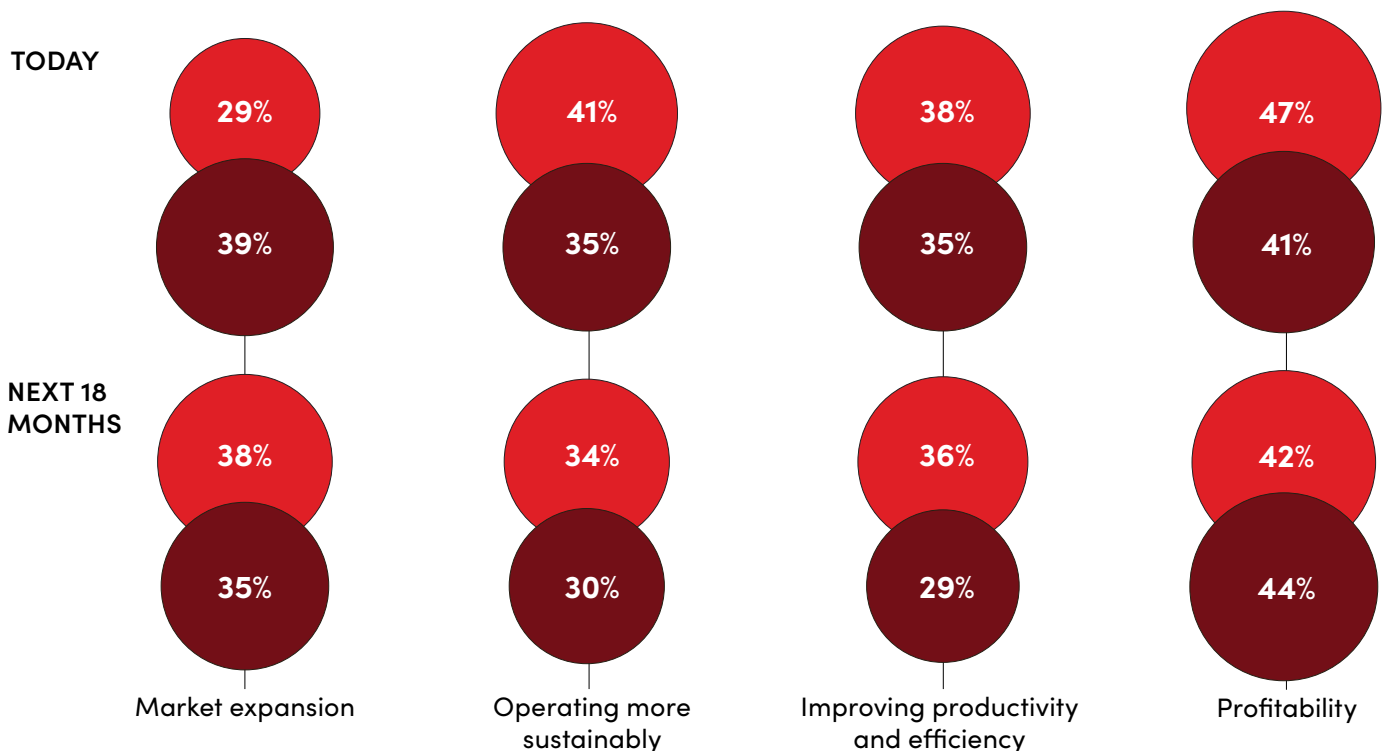
The *Growth Experience* research also uncovers a strong link between effective decision-making and growth, with 98% of respondents identifying this connection and naming it as fundamental, very important or important to a business’ growth.

Business leaders generally share similar priorities when it comes to domestic and international growth both today and tomorrow - though the emphasis on these goals can vary over time

What are your top three growth priorities today and in the next 18 months?

● Domestic growth priorities

● International growth priorities



However, the findings also expose a paradox in the leadership skills required to unlock growth and whether these are being put into practice.

While leaders recognize the importance of strategic thinking (51%), conflict handling (48%), and being innovative (47%), many admit they lack proficiency in these crucial areas. For instance, only around one-in-ten leaders (12%) feel they excel at conflict handling, despite its perceived importance as a soft skill essential for growth. Similar gulfs between the skills leaders think they need, and the skills they believe they have, can be seen elsewhere.

Balancing an organisation's long-term vision versus its short-term focus – at its heart the ability to think strategically – is a skill that just 34% of respondents believe they're exhibiting clearly, despite more than half thinking it's vital.

And when it comes to innovative thinking, there's a 14-percentage point gap between those who think they need it, and those who think they have it. Clearly there is a gap that needs addressing if UK businesses are to fully realise their growth potential.

"Leadership and decision making is a critical component of success," Betant says. "Having that combination of business acumen, tech capability, insightful data and execution ability is critical to make that growth strategy successful. Yet what we see in the findings is not only a recognition of the skills that leaders need to help foster growth but an acknowledgement that perhaps leaders have an opportunity to better demonstrate these skills."

Why these gaps exist may be explained through wider findings in the research, which highlights significant barriers to effective decision-making. These include too many competing voices challenging decisions made within a firm (which 57% of respondents say is an issue), over-deliberating on key decisions (57%), and an overwhelming amount of data (which 59% of respondents said they encountered).

"The value of third parties and consultants cannot be overstated in this sense," says Tait. "Both can play a key role in not only developing the soft skills of business leaders but also acting as an impartial, objective voice that can cut through otherwise crowded decision-making committees."

Despite this, trusted voices are important in other places. The most popular method for developing leadership skills is working with consultative partners, with 55% of leaders saying it's one of their top three ways of improving, followed by ongoing professional development (43%) and completing leadership courses (39%). The value

of third parties and consultants cannot be overstated in this sense, playing a key role in not only developing the soft skills of business leaders but also acting as an impartial, objective voice that can cut through otherwise crowded decision-making committees.

Unlocking innovation

Innovation is also seen as a key driver of growth in the research, with 81% of respondents believing there's a strong link between the two. But what innovation means is up for debate.

"Innovation, when it comes to growth, is many different things," Betant explains. "It's problem-solving, it's differentiating yourself through people, through process, through solutions, and tech plays a pivotal role."

However, combined, all those are seen as crucial components for growth. Companies are more likely to have innovated and implemented new thinking in their processes (55%) and approach to technology (60%) compared to their products and people. This focus on operational innovation

Leaders must display certain soft skills if they are to help unlock growth in a business. Individuals who are adaptable, innovative, and strategic thinkers more likely to be valued highly

Which five of the following skills/qualities are important in a leader looking to grow a business?



suggests businesses are prioritising efficiency and adaptability in response to external pressures - and chimes with findings that highlight how innovation is seen as crucial for meeting customer needs and solving organizational problems, according to a quarter of respondents.

Yet businesses still face significant barriers to innovation, including a lack of access to technology, the need for more strategic thinking, and insufficient experienced talent that can drive change. The gap between having potentially business-altering data available to hand and being able to actually interpret that data gives Betant pause. “Data is everything,” she says, “but data without the right skills to understand it is a potential pitfall.”

Going global

What is clear from the research is the strong relationship between international expansion and innovation. Businesses not planning to trade internationally are more focused on innovative technologies - which suggests international expansion itself is a form of innovation.

“If you’re not expanding internationally, you’ve got more room in your business to focus on innovation, and develop technologies,” says Betant. “Whereas if you are driven by international growth, innovation remains important, but businesses will need to prioritise and strike the right balance.”

That insight highlights the complicated nature of growth and innovation in today’s global economy. For many businesses, entering new markets is as much about innovation as it is about geographical expansion.

“International expansion requires a unique blend of skills and resources,” says Tait. “It’s not just about having the right product or service; it’s about understanding new markets, cultures, and regulatory environments. That’s where having a globally literate partner like HSBC can make a real difference.”

The growth experience

The *Growth Experience* research by Raconteur and HSBC UK depicts a UK business landscape that is increasingly ambitious and growth-oriented, particularly when it comes to international expansion. However, it also reveals large perceived challenges in leadership and innovation that must be addressed to fully realise a company’s growth potential.

Accessing capital, third-party expertise, and enabling effective decision-making through both

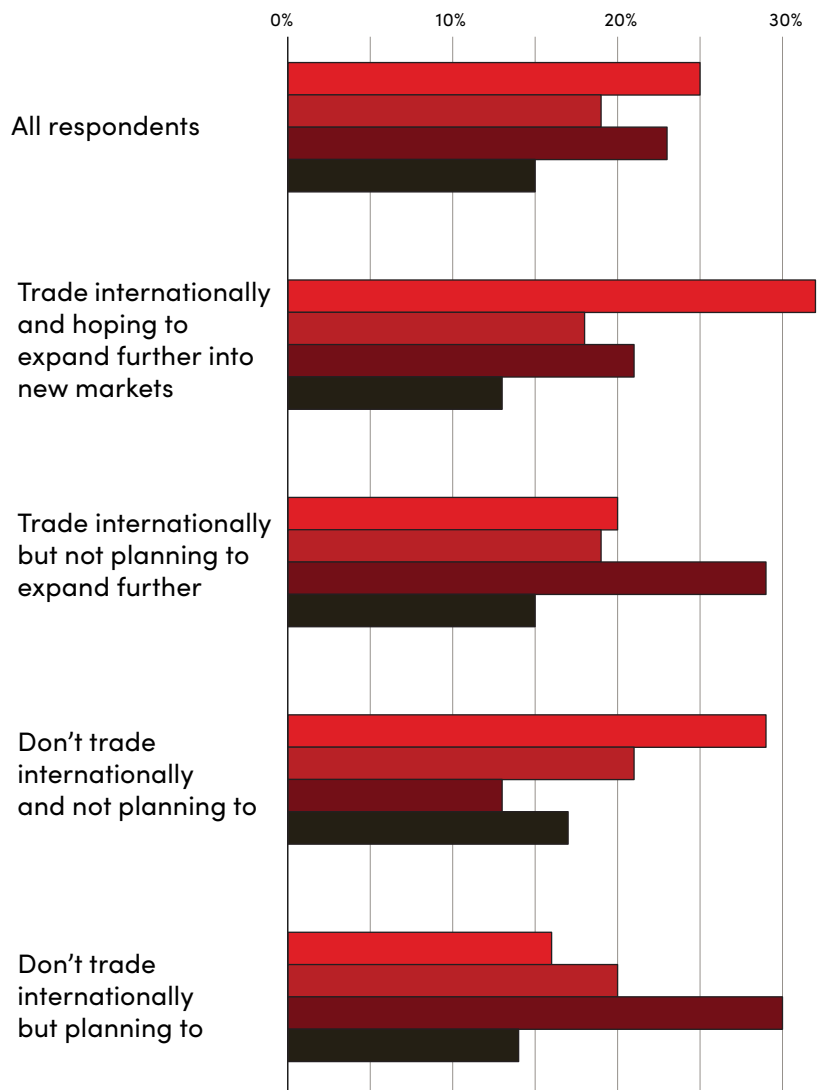
are clear, common threads throughout all the findings. And in an increasingly complex global economy, the ability to leverage these resources effectively will be the key differentiator between those that thrive - and those that simply survive.

“What’s clear from this research is that UK businesses have the appetite for growth,” explains Tait. “Our role at HSBC UK is to provide the fuel for that growth - whether it’s capital, expertise, or connections to new markets. We’re committed to helping UK businesses not just reach their growth ambitions but exceed them.” ●

Innovation can unlock myriad benefits for businesses pursuing growth - from helping to resolve operational problems through to better meeting customer needs

Which of the following growth drivers is most positively impacted by innovation?

- Meeting customer needs
- Decision-making
- Problem-solving across the organisation
- New ideas and thinking





Secret sauce: how the right partner can unlock business growth

Findings from the *Growth Experience* research from HSBC UK suggests that alongside what you know, who you know is also important in the world of business – and that seeking outside support is essential for growth

Growth is something all business leaders seek – but it is not something that needs to be achieved alone. The *Growth Experience*, a new research study by Raconteur and HSBC UK that surveyed more than 500 UK business decision-makers, reveals the positive impact that partnering with the right consultative partners can have in unlocking both business and professional growth.

Not everyone recognises that bringing in outside voices and eyes can help unlock that growth, however.

“We see it day in, day out: businesses feel they have to self-solve everything and it’s a sign of weakness if you put your hand up or hire consultants or strategic partners,” says Doug Baikie, managing director and head of corporate banking for North, Scotland & Northern Ireland at HSBC UK. “Often, it is the businesses that adopt this mindset that tend to be more challenged in their growth trajectory compared with those that reach out and collaborate with others.”

Collaboration for personal growth

Effective leadership plays a critical role in fostering business growth. Yet leaders can be reticent when it comes to bringing in outside voices owing to ingrained notions that, as the people in charge, they should be able to do everything themselves. The recognition that they can't is often transformative.

“Business leaders can be so busy doing their day job and fighting the many fires in front of them that investing in their own development as a leader is something they find really difficult,” says Baikie.

As previously outlined in this article series, there is a recognition that strategic thinking,

conflict-handling and innovation are among the most important traits in leaders looking to make better decisions and unlock growth.

However, there is a notable mismatch between the skills leaders believe are most valuable and those they feel they excel at. For instance, while more than half (51%) of senior decision-makers identify strategic-thinking as a critical leadership skill, fewer than a third (29%) believe they demonstrate this skill. Similarly, being able to navigate conflict is deemed important by 48% of respondents. Yet only around one-in-10 (12%) consider themselves proficient in it.

These are alarming gaps that could negatively impact the performance and growth prospects of businesses. It's little wonder that leaders are looking outside their organisation for ways to develop these skills.

More than half of respondents (55%) highlighted the importance of outside voices, which offer external perspectives and expertise, in helping them to develop essential soft skills.

“The biggest challenge for all businesses is the scarcity of time and, for business leaders, it's the ability to invest in themselves and their development. An external perspective can challenge existing assumptions and inspire new ways of thinking, which can be invaluable for leaders who often struggle with time constraints,” says Baikie. “A partner that shows curiosity in what you're doing as an individual and who asks probing questions, can make you stop and think differently.”

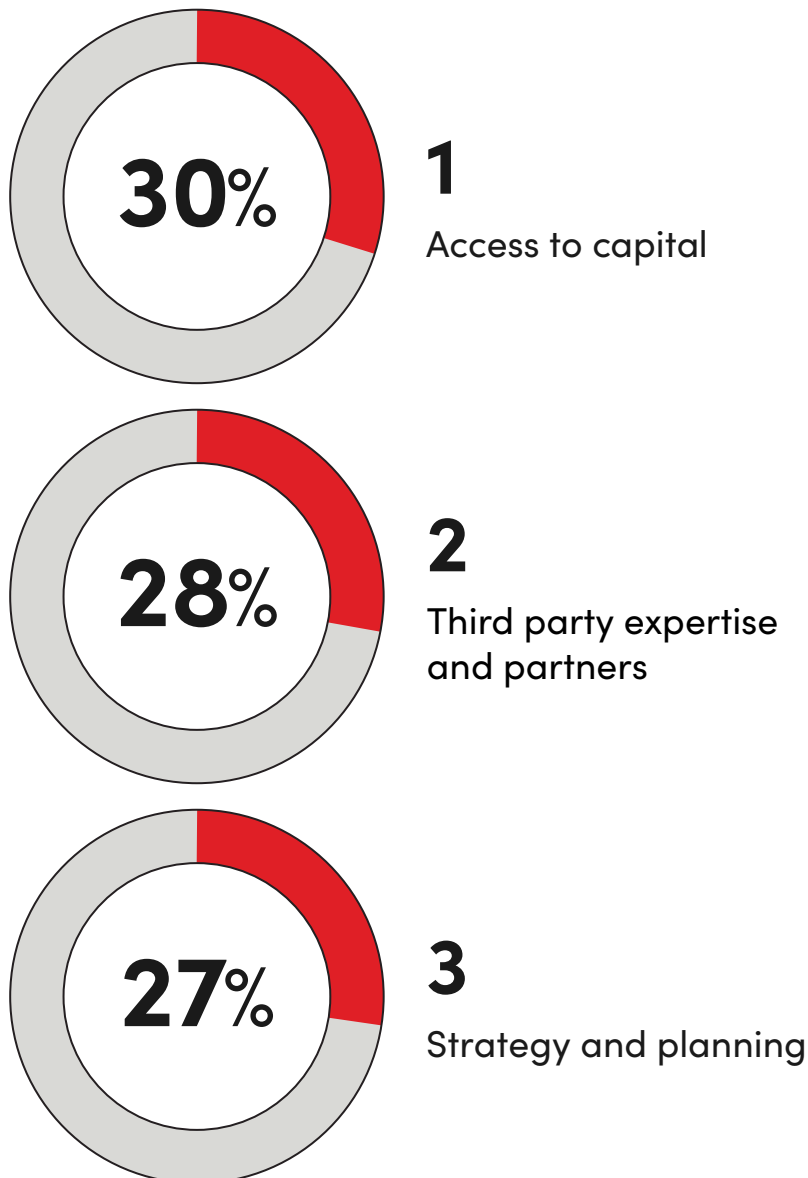
Leaders at high-growth firms exemplify the benefits of such partnerships, with more than half (54%) saying they spend a lot of time developing their skills with external partners. These are leaders that recognise that personal growth is not achieved in isolation but through a network of supportive relationships. This is a lesson that leaders in lower-growth firms can learn, given only 29% say they spend significant self-development time with external parties.

Working with external partners that can challenge leaders' thinking appears to be a more common practice in higher-revenue businesses too, with 48% of leaders at £2m+ revenue firms spending a lot of time with consultants compared with 37% of leaders at sub-£2m firms.

This suggests there are opportunities being left on the table – especially among leaders of smaller firms and businesses with lower growth aspirations – to make better use of third parties and consultants to sense-check thinking and enhance their leadership skills.

Business leaders say that access to third party expertise is one of the most important enablers of company growth

What are the three most important enablers of growth to your business?



The importance of leveraging third parties in personal development should not be overlooked by business leaders who, despite being busy with day-to-day responsibilities, should carve out the time to explore development opportunities. This fact is reinforced not only by our Growth Experience research, but by wider studies too that also link the continuous learning and development of leaders to more innovative business cultures, higher employee productivity and higher profit margins.

HOW CAN THIRD PARTIES ENHANCE LEADERSHIP DEVELOPMENT?

The *Growth Experience* research reflects the positive impact that third parties and consultants can have on the self-development of leaders. Here's how your leaders could benefit too...

1. A fresh perspective

Coaches and consultants can challenge existing assumptions and inspire new ways of thinking to improve conflict-handling as well as both creative and strategic thinking.

2. Support for strategic change

Third parties can be a valuable sounding board and source of expertise when leaders need to navigate people challenges when implementing new strategies or when the business is going through significant change such as a merger or team integration.

3. Role modelling leadership

A neutral party who has your best interests in mind can help leaders to better understand and embody the essential behaviours and values for business success by demonstrating them or highlighting examples in practice.

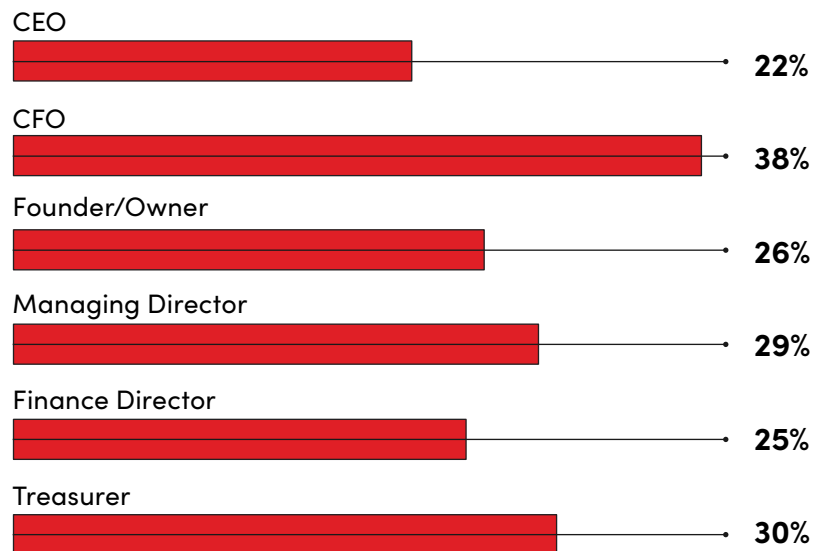
4. A problem-solving partner

Third parties can also provide value by helping to resolve internal frictions that may otherwise suck up time and resources, in turn helping leaders to better align individual performance with team success.

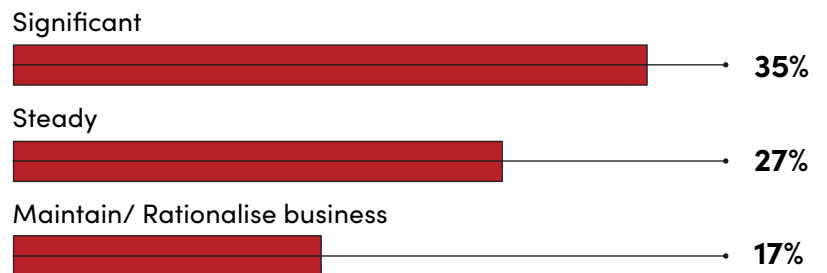
Third party expertise is more likely to be seen as an important enabler of growth by finance leaders, the highest revenue businesses and those with the strongest growth ambitions

'Third party expertise and partners' as top three enabler of growth to your business?

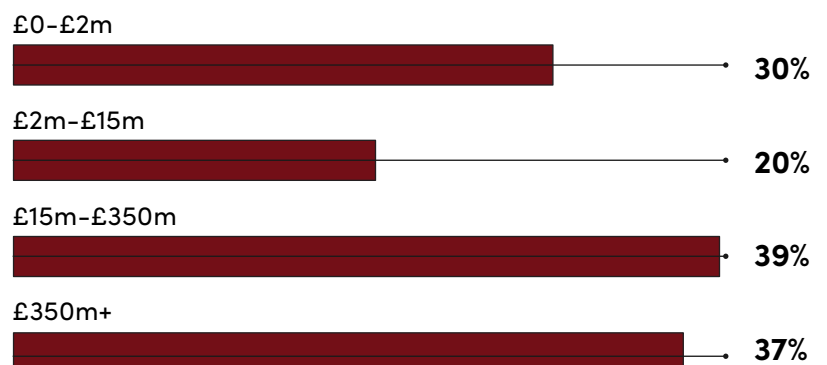
JOB ROLE



BUSINESS' GROWTH AMBITION

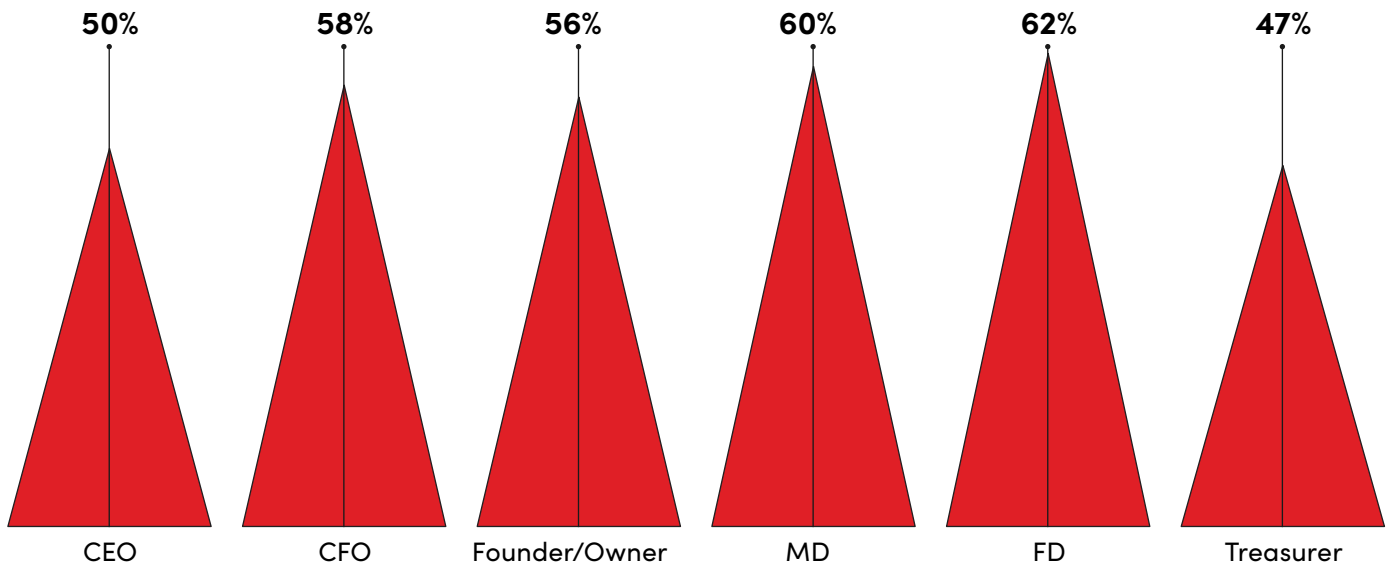


COMPANY TURNOVER



Third parties are not only important for business growth – but personal growth too. The consensus across respondents is that working with consultative partners is the most valuable way of developing leadership skills

'Working with consultative partners' as a top three way of developing your leadership skills



Partnering for growth

The impact of third parties and external experts goes beyond the performance of individuals. Our findings indicate that behind access to capital (30%), access to third parties (28%) is deemed the next most important enabler of business growth – even nudging in slightly ahead of strategy and planning (27%). But why?

One reason may be that external expertise can play a crucial role in helping businesses to overcome inhibitors to growth. The *Growth Experience* research highlights marketplace demand, resource availability and supply chain challenges as the three greatest inhibitors to both international and domestic growth (albeit to slightly different degrees) – and these are all areas that those with more specialist knowledge can feed into.

Baikie notes that partners with specific sector expertise can provide valuable insights into market dynamics, supply chain management and regulatory environments.

“The real-time insights and data points that we can provide to our customers plays an important role in helping them make confident decisions and navigate around potential problems,” says Baikie.

“HSBC UK’s extensive knowledge of international trade, geopolitical landscapes and supply chain logistics means we can provide

wide-ranging support to businesses in complex environments, providing localised insights that can help firms to be more proactive and navigate disruption more effectively.”

This can have a significant real-world impact, such as at 3TOP Aviation Services, where consultative support and industry knowledge-sharing by experts within HSBC UK has resulted in huge growth and helped the firm to jump from nothing to a £60m business, growing revenue 100% to 200% year-on-year.

“HSBC UK is a fantastic partner of ours and the proactive support we get from them makes it clear we’re all pulling in the same direction,” says Chris Emechete, owner of 3TOP Aviation Services. He adds that more businesses should be willing to learn from high-growth peers who have effectively leveraged external support.

“I believe the most successful businesses are those that are willing to seek external advice and collaborate with experts, so I try to listen to and follow the right people wherever I can find them,” says Emechete.

“Shared thinking is an amazing approach to navigate problems quickly. Having a partner who understands the specific challenges and opportunities in your sector can provide valuable reference points and content, enabling you to make more informed decisions,” adds Baikie.

“They can separate what you need to look at from what you don’t. This strategic support can

help leaders navigate complex environments and seize growth opportunities more effectively.”

Increasingly, this approach is being adopted by businesses across all stages of growth, demonstrating a shift towards a more collaborative environment, especially post-pandemic. Third parties can offer a crucial source of objective viewpoints and fresh solutions for a business. Our findings make a strong case for smaller businesses and lower-growth firms to make better use of such expertise to power up the performance of their individuals and the business.

HOW CAN THIRD PARTIES HELP TO UNLOCK BUSINESS GROWTH?

The *Growth Experience* research highlights the wide-ranging expertise and support that third parties can offer to businesses looking to unlock growth. Here’s how your business could benefit too...

1. A strategic sounding board

Third parties can play an important role as a sounding board for strategies and offer invaluable and objective perspectives on how to achieve business goals free from internal distractions. This extends to elements such as how to enact, how to implement, navigating the adoption journey and how to bring people on the journey with the business.

2. Insights on innovation

Specialist firms can propose or outline more innovative solutions to business challenges that are inspired by experiences from working with other businesses.

3. Inch wide, mile deep knowledge

Those with niche expertise and industry knowledge can play an important role in keeping firms aware and ahead of market trends and developments, and how to implement them in a business.

4. Industry best practice

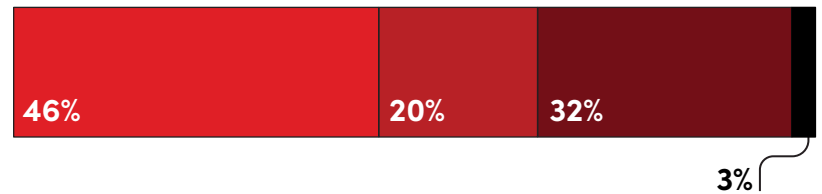
Insights into industry best practice can inspire leaders and help to improve, transform and scale business processes, operations and strategies.

The value of working with third party partners to develop leadership skills is evident from the amount of time business leaders spend with them compared to wider professional development options

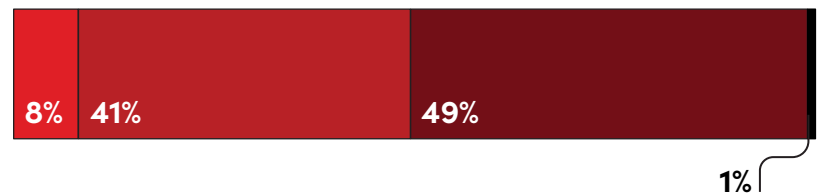
How much time do you spend developing yourself?

● A lot ● A little ● Occasionally ● Rarely

Working with consultative partners



Ongoing professional development



Completing leadership courses



Friends and acquaintances

“It’s about having a small number of close friends rather than many acquaintances,” concludes Baikie. “Real trusted partners that understand your business and you invest in that partnership.”

This deeper level of engagement – something HSBC UK strives to offer its clients – allows businesses to leverage the full potential of their partnerships. The takeaway from our research is clear – self-sufficiency can be a limiting factor for both leaders and the businesses they run. Opening the door to external experts and objective thinking can pay dividends in the long run, exposing businesses to new ways of working and resources that can push their performance further than they could do alone.

Get it right and consultative partners can be the secret sauce to unlocking business growth, bolstering the performance and skills of leadership teams, adding external expertise and helping to foster wider cultural change in the business. ●



Innovation? It's a people problem

While innovation is a key lever of growth it's not something that businesses can magic into existence. The *Growth Experience* research suggests technology will only get you so far – for many, innovation is in fact a people problem

There's little doubt that the way business has changed in the last decade or more has been affected by the rise of innovative technology products. In fact, many huge strides forward have been down to devices and products.

The result is that business leaders can end up linking the two directly. In their pursuit of innovation businesses are increasingly looking to tech solutions. However, despite tech's importance in bringing about change, many businesses struggle to innovate effectively.

The *Growth Experience* survey of more than 500 decision makers across UK businesses highlights that while a lack of tech can inhibit innovation (36%) the biggest challenge facing businesses is a lack of the right people, with 38% of leaders saying this is their biggest barrier to innovation.

And why wouldn't business leaders want to overcome such hurdles to unlock innovation? The benefits on offer are myriad, with 1-in-4 business leaders saying innovation helps their business to better meet customer needs, while more than a fifth claimed that enabling better organisational problem-solving was another key driver of innovation.

“There are many new, innovative solutions out there that could help a business,” says Tom Wood, managing director of global payments solutions at HSBC UK commercial banking. “But it’s being able to connect those tech opportunities to the business and the knowledge of how that business operates that makes a difference.”

Linking innovation and growth

Innovation isn’t just a buzzword in the world of business; it is a crucial driver of growth for businesses of all sizes. According to the *Growth Experience* survey by Raconteur and HSBC UK, 81% of respondents believe there is a strong or very strong link between innovation and growth, with 92% feeling this link is stronger within their own businesses than generally in the market.

“It’s clear to me that innovation is a key source of value for businesses of all sizes, from SMEs through to the largest customers that we have,” says Wood. “Successful innovation helps our customers create opportunities to attract new customers; it creates opportunities to deliver new products. It creates cost efficiency; it creates lower operating costs, which allows for better business performance.”

But innovation doesn’t come from anywhere. And despite the tech sector’s best attempts to convince people otherwise, it doesn’t come from their products alone.

People power

People are the backbone of any innovative endeavour – and they’re the ones innovating within businesses. HSBC UK’s survey reveals that having the right people (63%), the right technology (68%), and innovative leadership (66%) are seen as the biggest enablers of an innovative culture by business leaders.

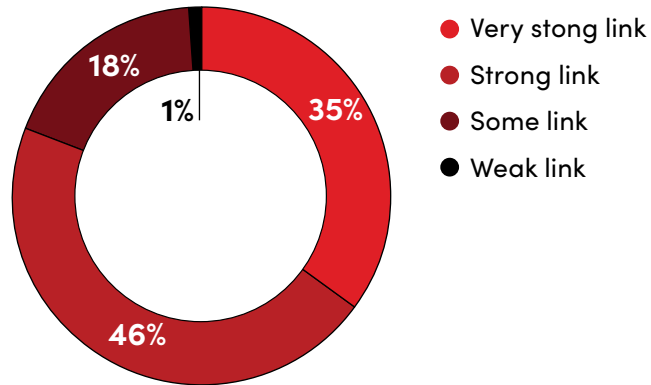
“Tech can’t do it alone; the connection between emerging technology and the needs of customers is where people come in,” says Wood. “Tech provides the tools, but people are the ones who wield the tools to drive innovation within their businesses.”

The research found that while businesses were most likely to have implemented innovative thinking around technology and processes – they were less likely to have done this with their thinking around people strategies.

It seems people are the overlooked resource in the innovation value chain, with 56% of respondents having ‘new ideas’ around people but progressing little further on the innovation maturity curve. This suggests that a reframing of the value of people in a tech-enabled world could lead to stronger growth among UK businesses.

Business leaders say there is a clear link between innovation and business growth

How strong do you think the link between innovation and business growth is?



Yoti, the company that has developed digital identity solutions to check the age and/or identity of users visiting websites, among other use cases, exemplifies the approach of blending people and product to unlock innovation. Robin Tombs, co-founder and CEO of Yoti, says his company’s success is down to fostering a culture that encourages all employees, not just those in R&D, to innovate.

“You can’t make innovation happen, but you can create the climate to encourage as much opportunity for innovation as possible,” says Tombs. “If you close people down, if you don’t listen to your junior people who might come up with a wonderful idea, you’re effectively closing off most of the ways that innovation thrives and flourishes.”

Where innovation stalls

Yoti is a business that has got it right, empowering its people to speak up and find new solutions. But not every company fares so well. Despite the clear benefits, several barriers hinder innovation within businesses. The *Growth Experience* survey data identifies a lack of the right people and a lack of strategic thinking as significant inhibitors to innovation, with 38% of leaders citing both. Those barriers could stem from a failure to invest in talent and a reluctance to embrace change.

Changing that is a top-down decision. “If leaders are unable to explain why a business needs to evolve as new tech and competitors emerge – and the potential risks if they don’t – then you end up with a culture of iteration that fails to really change the current business model,” says Wood.

Yet it’s easier said than done. One of the major challenges that businesses face is balancing the

The majority of businesses have developed new thinking and looked to implement it – however few have iterated to refine and improve this thinking

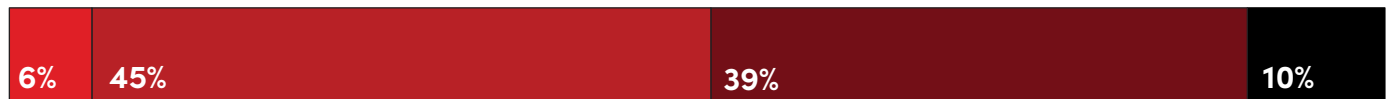
How much have you innovated over the last 12 months in the following areas: people, process, product and technology?

● No change ● We’ve had new ideas ● We’ve implemented new ideas ● We’ve implemented and iterated on new ideas

Technology



Product



Process



People



need for operational efficiency with the need for innovation. As companies grow bigger, the focus dictated by business leaders often shifts towards maintaining existing products and processes, rather than exploring new ideas.

“You must have enough confidence to say, ‘Well look, we’re going to make some room for that. We can’t do too much but we’re going to make some room for it and see where you get to in two or three months,’” explains Tombs. The ability to create time and space for innovation is easier for larger organisations, where there is more capacity, than in smaller ones – but nevertheless requires a deliberate effort to prioritise and support innovative projects, even if it means deviating from established plans.

Planning for success

However, a sea change in how businesses approach the idea of innovation can mean plans needn’t be overhauled if the ability to innovate is baked into them at an early stage. Business leaders could choose to recruit a diverse workforce that imbues the business with a broader range of perspectives and experiences from which innovation can spark. Hiring from different industries and backgrounds, as well as

focusing on skills that are not traditionally associated with the business can bring new perspectives.

Empowering those already within a business to learn new skills can also bring new ideas to the table. Investing in ongoing professional development ensures employees are up to date with the latest knowledge and skills in their sector – improving their ability to innovate and boosting confidence, which can lead to more experimentation.

Actively encouraging employees to experiment and take risks without fear of failure is crucial to innovation in a business. As Wood notes, this requires providing necessary resources and time for employees to explore new ideas – but can reap dividends.

Freeing up that time isn’t solely a job for those lower down the organisational chart, either, says Wood. Innovation must be championed from the top. Senior leaders should actively participate in ideation sessions, showcase their own innovative efforts, and recognise and reward contributions from employees at all levels.

“Senior leaders need to carve out sufficient time in their own working week for that ideation, that learning, that showcasing of your

own development and then showcasing it to the team,” says Wood.

Outside perspectives are also important. Engaging with consultative partners like HSBC UK can provide valuable insights and support. Those partnerships can help businesses navigate the complexities of innovation, from accessing advanced technologies to connecting with other industry innovators.

“HSBC UK’s role in this for our customers is about how we work with innovative businesses alongside ourselves to create a more compelling customer proposition,” says Wood. “We’re partnering with the progressive tech companies to access new technology and develop our understanding and capabilities. We can then share these insights with our customers to help them build their own industry knowledge and strengths.”

How small businesses can unlock innovation

From its inception, Yoti has championed a culture of openness and collaboration along the lines outlined above.

“A lot of innovation comes from product and services,” admits Paco Garcia, chief technology officer of Yoti. “But beyond that, it’s about creating a framework for new and innovative ideas that helps them to see the light of day quickly.”

Yoti encourages all its employees to suggest innovative solutions to their work, regardless of their role. Doing so has led to the application of AI to improve customer service and the development of secure biometric capture systems to combat fraud – key parts of what separates the company from the competition.

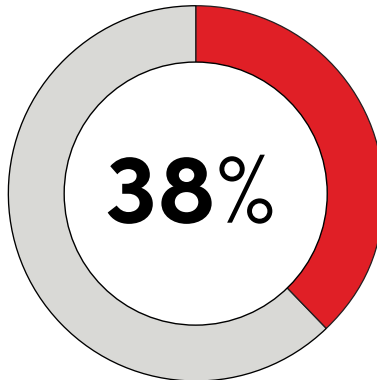
Yoti’s flat organisational structure allows ideas to flow freely, enabling rapid implementation of innovative projects, says Garcia. That bottom-up approach, which allows new ideas to come from anywhere, ensures that innovation is not confined to specific departments but is a company-wide effort.

That internal innovation is bolstered by support from partners like HSBC UK, who play a critical role in supporting business innovation.

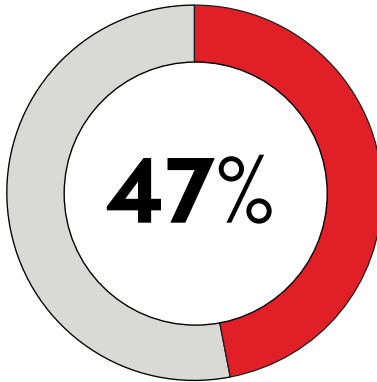
“We engage quite a lot with HSBC UK on the technology side,” says Tombs. “They’ve been our bankers for a long time, but since they put the funding into us, we’ve engaged more with them on the technology side.”

That has reaped benefits, he says. As with everything, innovation can often come down to clear communication and productive conversations – and so it may be time for smaller and mid-sized firms to lean into their people if they want to truly unlock tech-enabled innovation in their business. ●

While innovation may be linked to technology, for many businesses the limiting factor is access to the right people with the right skills



of all respondents say 'lacking the right people' is a top three barrier to innovation in their business



of CEOs say 'lacking the right people' is a top three barrier to innovation in their business

The right technology, the right people and the right leadership are all deemed essential for a business to foster a culture of innovation

Rank the top five factors in terms of importance when it comes to fostering an innovative culture in your business



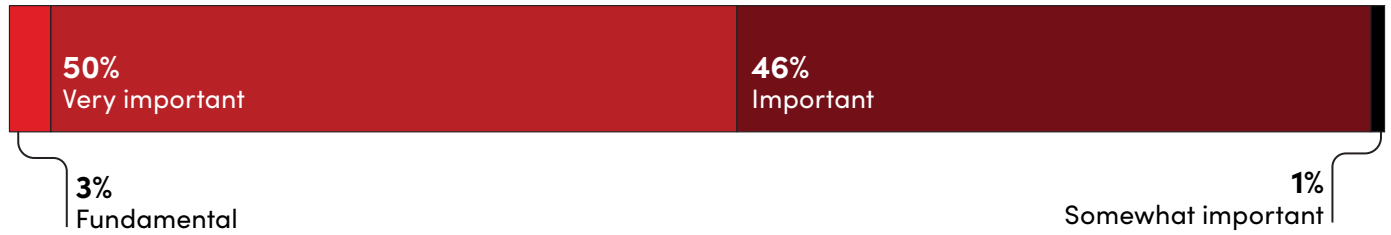


The decision-making matrix (or how to make better business decisions)

Unsurprisingly, business leaders are adamant that there is a clear link between effective decision-making and growth. But what enables decision-making and what hinders it? Here we shine a light on how firms can make better business decisions

The ability to make effective decisions is considered to be very important to enabling business growth

How important do you think the link between your ability to make effective decisions and business growth is?



However, decision-making isn't always straightforward and inhibitors can vary by business. Our findings suggest that companies with higher growth ambitions often face different decision-making challenges compared to those companies looking to maintain or rationalise their growth

What are the three biggest barriers to decision-making in your business?

Overwhelming amount of data/information



Too many people challenging decisions

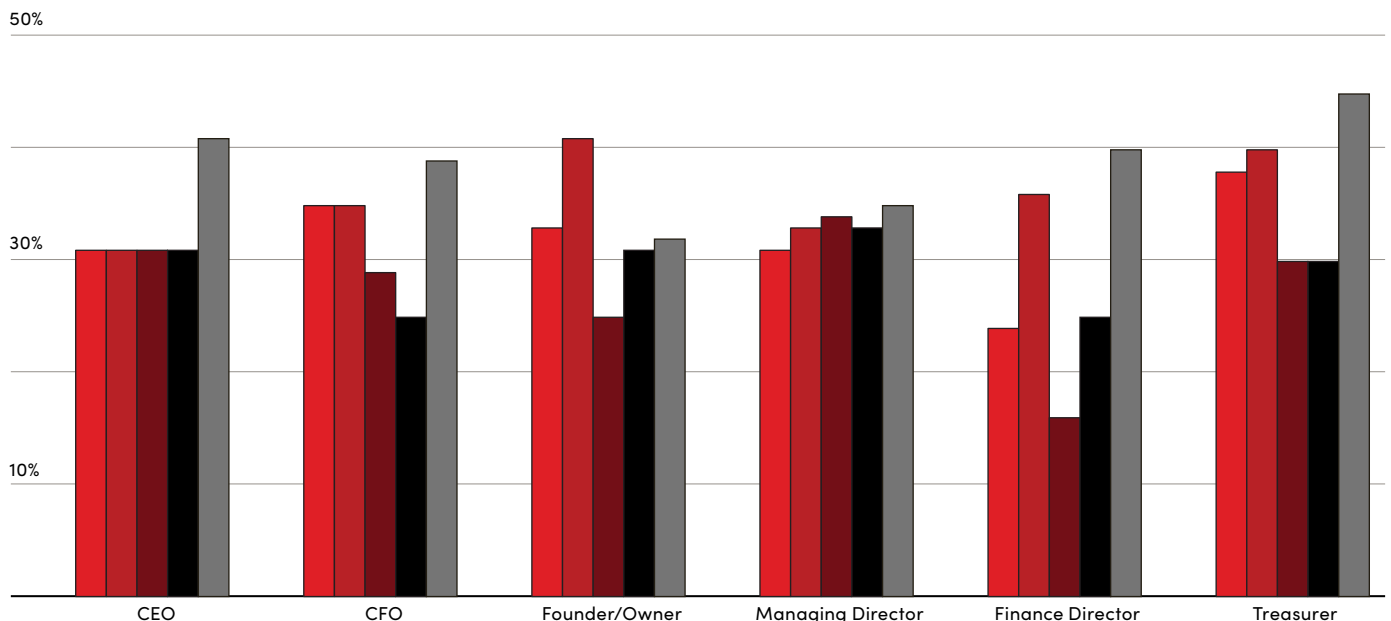


Over deliberation



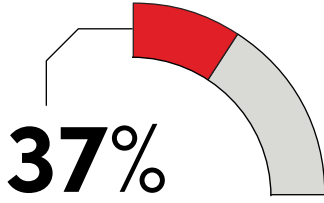
With major hurdles to overcome, how can business leaders make better decisions and help foster business growth? Technology is a pivotal ally, equipping leaders with tools that process data, extract insights, and help inform thinking to enable quicker and more effective decisions to be made

- Speed of decision-making
- Having the right data to inform decisions
- Balancing long-term vision vs. short-term gains
- Using innovative technology
- Prioritisation of the most strategically valuable decisions



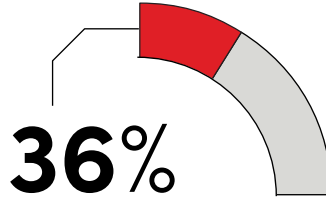
So, what can business leaders learn from the top three enablers of decision making?

USING INNOVATIVE TECHNOLOGY



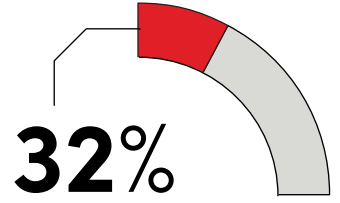
Leaders should look to technology like AI and ML to access real-time data, better understand customer needs, and help streamline decision-making

HAVING THE RIGHT DATA TO INFORM DECISIONS



Access to data and analytics is crucial to make strategic decisions driven by evidence-based insights. Having the right data also reduces reliance on intuition in the boardroom and can help proactively identify and mitigate possible risks

SPEED OF DECISION-MAKING



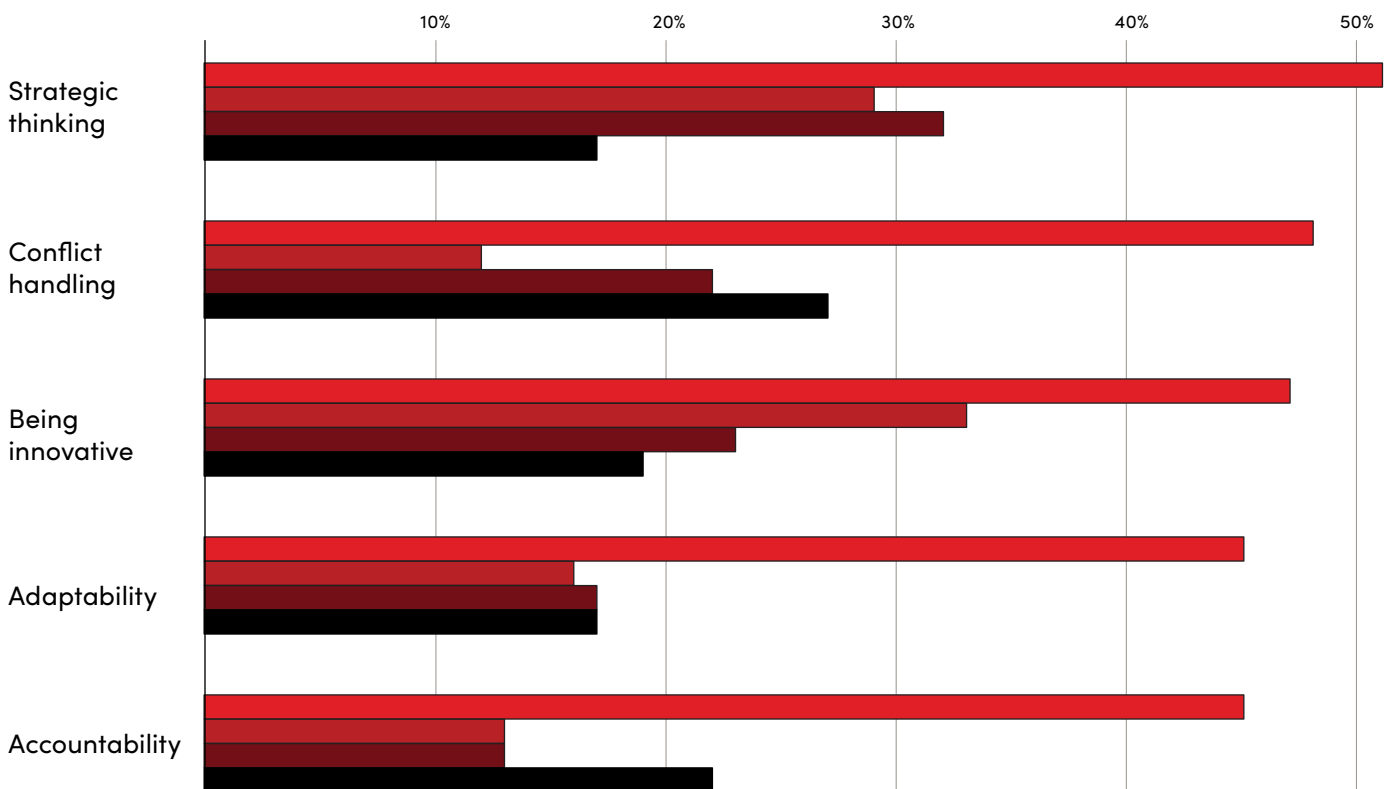
Data and technology can combine to enable faster decisions to be made, but leaders must be careful to ensure that forecasts are both timely and accurate or any decisions made may negatively impact business performance

But it is not only technology and data that powers good decision-making in a business. Leaders must also have the right soft skills if they are to make, implement and follow through on decisions.

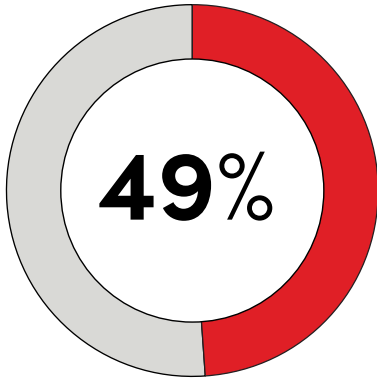
Good decision-makers are considered to be strategic and innovative thinkers who can adapt to a situation, hold people to account and handle conflicts if they arise.

However, while leaders recognise the soft skills they need, these skills may not be as abundant as might be hoped with leaders perhaps needing to work on their conflict handling, adaptability and accountability skills

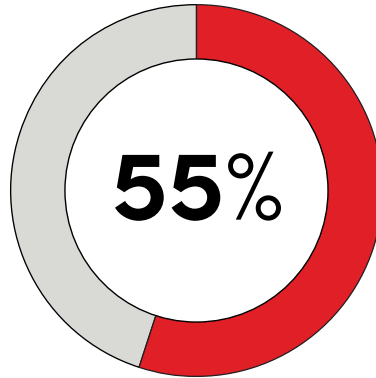
- Top five most important leadership skills
- This is my most exhibited skill
- This is my 2nd most exhibited skill
- This is my 3rd most exhibited skill



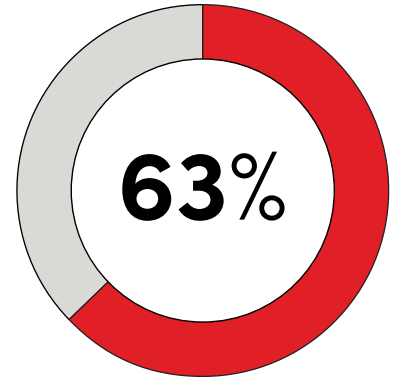
The soft skills that power decision-making can vary depending on the company need - and reflect the unique challenges faced by leaders in vastly different firms. For example, leaders in the smallest firms prize innovative thinking more highly than their peers in bigger companies who say conflict handling is most important, while firms trading internationally and looking to expand further are more likely to prize risk-taking and integrity



of business leaders in companies trading internationally and looking to expand further say 'risk-taking' is the most important soft skill in a leader looking to grow a business



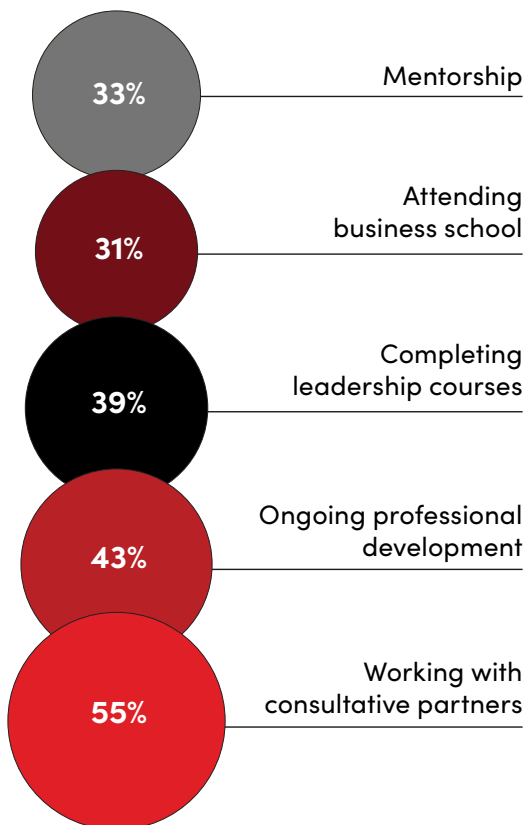
of business leaders in companies making less than £2m in annual revenue say 'innovative thinking' is the most important soft skill in a leader looking to grow a business



of business leaders in companies making £15m+ in annual revenue say 'conflict handling' is the most important soft skill in a leader looking to grow a business

Business leaders can improve their soft skills to make better decisions via multiple avenues, from completing courses at business schools to in-person mentorship and working with consultative partners

What do you think are the three most valuable ways of developing your leadership skills?



Making better decisions undoubtedly plays a critical role in the growth of a business - so what can leaders focus on to better equip themselves going forward?

1 Use technology like AI and ML to enable faster and more real-time decision-making

2 Focus on how to navigate conflicts that may prevent decisions being made

3 Be bold and embrace the right risks for the business (acting on insight rather than intuition)

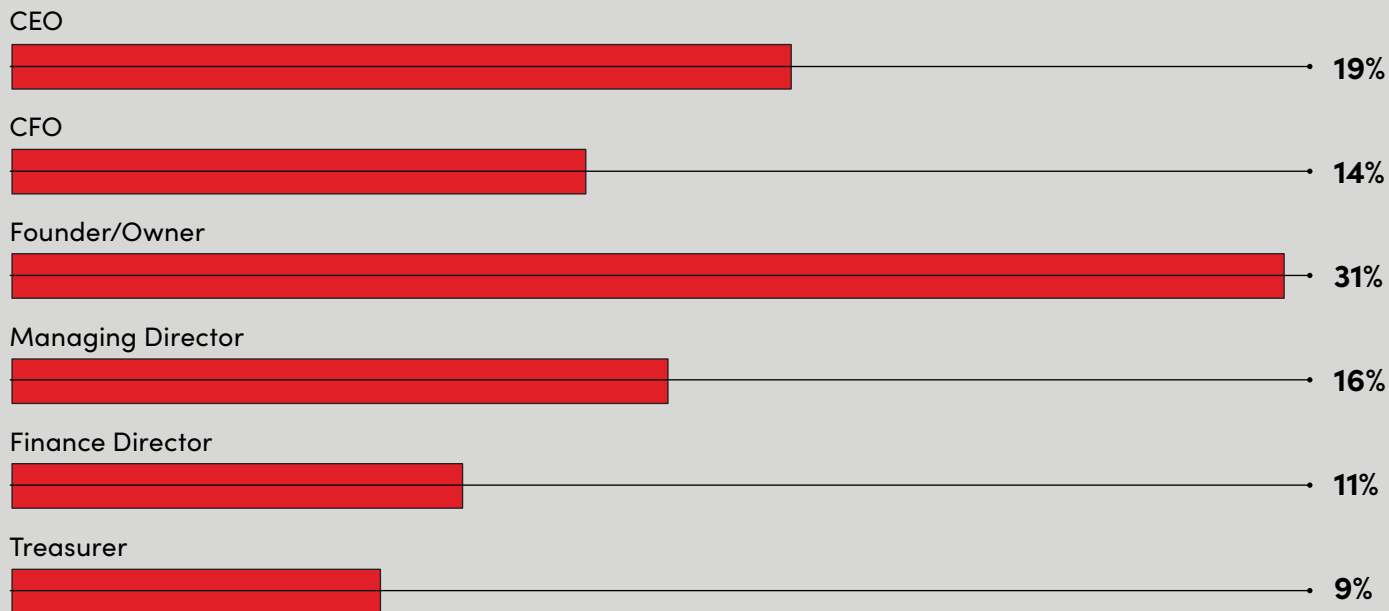
4 Ensure access to the right data at the right time

5 Clearly identify who needs to make specific decisions - and stick to this to avoid to over-deliberation and challenges

Research demographics overview

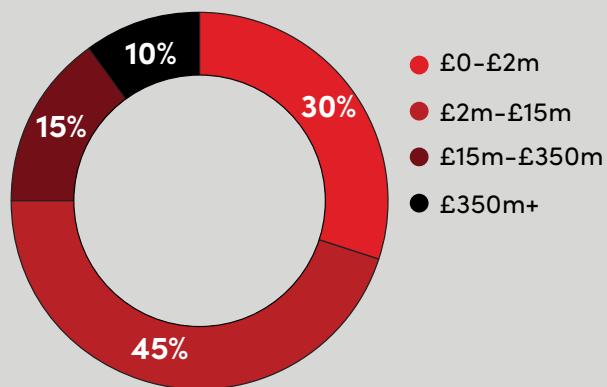
Raconteur partnered with HSBC UK to conduct a UK-based, quantitative survey of 500 decision makers.

JOB ROLE

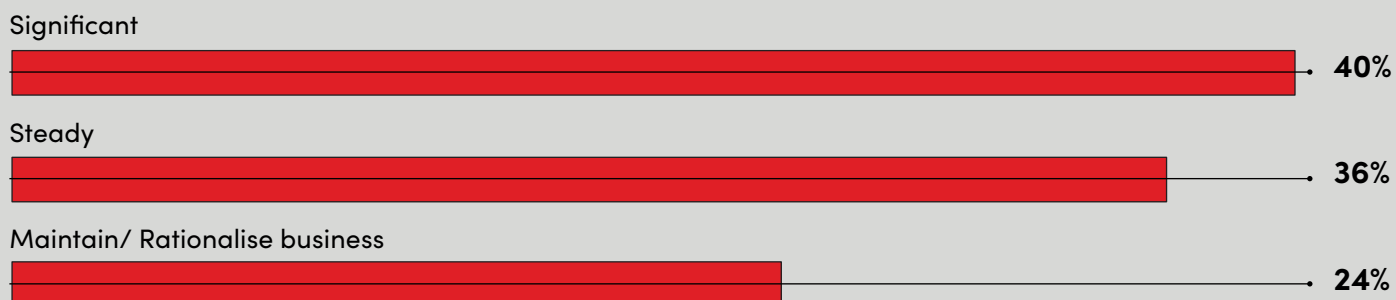


ANNUAL COMPANY TURNOVER

INTERNATIONAL TRADING PROFILE



COMPANY GROWTH ASPIRATION (NEXT 12-24 MONTHS)



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