

Supporting the global growth of SMEs

Covid-19 has had a huge impact on society. Most industries, across the globe have felt the impact. But out of the worst times, a wave of pandemic-inspired entrepreneurs has taken form and the small business market is seeing a boom in growth and support.

Almost every corner of the globe has seen a boom in business registrations

The number of small businesses exploded during the pandemic as people found themselves out of work or had more time on their hands to pursue their passions.



830,000+

new businesses were registered in the **UK** in 2020, up **41%** from 2019.



488,000

new business applications were made in April 2021 in the **US**, compared to just 232,000 in April 2020.



84,000

new businesses registered in **France** in October 2020, up **20%** on the same month in 2019, and the highest ever recorded.



15,600

estimated new active businesses logged in **Canada** between March 2020-21.



3,400,000

new businesses opened in **Brazil** in 2020 – a record-breaking number for the country.



+10,000

more businesses were created in **Australia** in June 2021 than the same month in 2019.

Local lockdowns may have ignited consumers' passion to support SMEs

Small businesses today have a bigger place in consumers' hearts. Consumers are more keen now than before the pandemic to support their local businesses.

44%

of all consumers believe it is **"extremely"** important to shop locally. According to 2021 Pollinate research, 53% of consumers across the four markets below, believe it is more important to shop with local businesses now than it was before.



BRAZIL

52% say it is **"extremely"** important to shop with local businesses. **65%** say it is more important to do so now than it was before the pandemic.



UK

39% say it is **"extremely"** important to shop with local businesses. **46%** say it is more important to do so now than it was before the pandemic.



USA

39% say it is **"extremely"** important to shop with local businesses. **47%** say it is more important to do so now than it was before the pandemic.



AUSTRALIA

38% say it is **"extremely"** important to shop with local businesses. **51%** say it is more important to do so now than it was before the pandemic.

SMEs have been resilient but still need support

Covid-19 brought about a decade of digital transformation in just one year, and both existing and new SMEs were not immune to this change. Though they are resilient and able to adapt quickly, SMEs around the world have ever-changing needs to be met.



70%

of European SMEs said their revenues had declined due to the pandemic, with severe knock-on effects. **28%** feared they would have to cancel growth projects.



£50bn

Estimated value of late payments in which UK SMEs are chasing vendors.



50%

Almost **half** of UK SMEs are withholding payments to suppliers themselves because of cash flow fears.



Many businesses have changed their approach to digital tools and online trading



63%

of UK SMEs have shifted more of their trading and operations online and **60%** have increased their investment in digital infrastructure.

4/5

running a small business now say they would use digital tools such as fintech apps, digital banks and alternative finance.



33%

of small businesses in South Africa say they are being left behind due to latest technologies and **41%** reported that they're barely keeping up with technology.



Banks could be the solution SMEs need

For many SMEs, managing the challenges of cash flow and utilising the right services might be the difference between survival and failure. Small businesses are vital to economies, employment and communities and, as such, should be supported through these turbulent times.

Banks have a strong history of helping businesses to overcome the key challenges SMEs are currently facing, and have an opportunity to lead the way in terms of support through capital and expertise. There is still a vital role for them to play if they are able to compete with digital and tech-first innovators.

pollinate.co.uk

Pollinate works with banks to leverage the value of data and provide essential services and easy-to-use digital tools for their merchants. This allows banks to bring their products, services and expertise to merchants through powerful digital experiences.



SOURCES:

Pollinate – Making loyalty work for small businesses

TechRound – Time for UK to unleash its innovation potential

US Census

Financial Times – French start-up boom points to entrepreneurial resurgence

Statistics Canada 2021

Financial Post – Record 3.4m new businesses open in Brazil

Australian Securities and Investments Commission

City A.M. – Covid: London SMEs lost around £100k more than businesses elsewhere in the UK

Tide – UK businesses chasing £50bn in late payments

McKinsey – COVID-19 and how SMEs are weathering the storm

Close Brothers Asset Finance – SMEs increasing digital investment during pandemic

Forbes – Covid-19 has put many British businesses on life support

Xero – The state of South African SMEs