

BUSINESS MANIFESTO

2024-2025



Herefordshire
& Worcestershire
Chamber of Commerce

 PATRON

 MEMBERS



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Sharon Smith
Chief Executive

Herefordshire & Worcestershire Chamber of Commerce

Once again, and it doesn't feel like a year has passed, I am delighted to launch Herefordshire & Worcestershire Chamber of Commerce's Business Manifesto for 2024. I'd like to thank everyone who has contributed to this document, but most importantly all those who have completed nearly 1700 quarterly economic surveys over the last 12 months, providing valuable insight and enabling us to form our priorities.

At the heart of our mission at Herefordshire & Worcestershire Chamber of Commerce is a commitment to supporting the growth and prosperity of businesses across all sectors and both counties.

This document encapsulates our collective efforts to address the most pressing challenges and opportunities facing our business community.

Business Growth Support:

Our analysis reveals a clear imperative for tailored support mechanisms to fuel business growth. Through targeted initiatives and resources, we aim to empower businesses to unlock their full potential and achieve sustainable expansion.

Analysis of Business Costs:

Understanding the intricacies of business costs is essential for informed decision-making. Our analysis sheds light on cost drivers and offers practical strategies to optimise expenditure and enhance profitability.

People and Skills:

The cornerstone of any successful enterprise lies in its people. We recognise the importance of nurturing talent and fostering a skilled workforce equipped for the demands of the future economy.

International Trade:

In an increasingly interconnected world, international trade presents both opportunities and challenges. Our insights into global market trends and trade dynamics aim to equip businesses with the

knowledge and tools to succeed on the international stage.

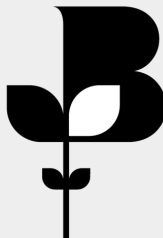
Cybersecurity and Technology:

In today's digital age, cybersecurity and technology are paramount concerns. We provide guidance on fortifying defences against cyber threats and harnessing technology to drive innovation and efficiency.

Sustainability:

As stewards of the environment, we are committed to promoting sustainable business practices. Our strategies for sustainability not only mitigate environmental impact but also enhance brand reputation and long-term viability.

In closing, I cannot stress enough that we are a membership organisation with our Members being at the centre of everything we do. This Manifesto sets out priorities. At no stage is it fixed in its content and we will continue to monitor activity and be responsive to new challenges. Together, let us embrace the opportunities that lie ahead and continue to build a resilient and prosperous business community.



Mark Smith
President

Herefordshire & Worcestershire Chamber of Commerce

Time flies... and can it really be 12 months since we launched our 2023 Manifesto? But it does fly, and so now is the time for our 2024 launch.

For some of our Members they may readily identify with this quotation... "I have always been delighted at the prospect of a new day, a fresh try, one more start, with perhaps a bit of magic waiting somewhere behind the morning." For others it may feel more like... "We plan, we toil, we suffer...in the hope of what?" 2023 might have been a triumph or a trial, but whatever the past holds, it occurs to me that never before has it been more imperative for the business community in our two counties to work even more closely together.

During the past 11 years, as I've sat on Chamber Councils and latterly on the Board, I've witnessed a deepening and essential relevance in the Chamber's role during what have been turbulent times. With the widest breath of membership, from sole-traders and start-ups, through to multi-national corporations, the Chamber team are both enthused and dedicated to support you in your 2024 ambitions, and beyond.

I'm delighted to have witnessed that 'relevance' in the growing number of Members who elect to partner with us through our Strategic and Patron membership services. The richness and close engagement that the Chamber team bring to these relationships is a real testament to collaborative working.

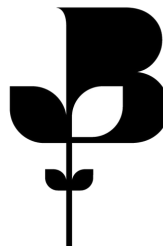
That word 'elect' is likely to be heard on many occasions this year; the coming months will inevitably bring the usual round of political uncertainty, perhaps even more so this time. Whatever the outcome, the Chamber's role is to work closely with both elected MPs and local councils, supporting our membership, bringing to life the issues that matter to you and your business. I encourage you to 'have your say' and ensure the Chamber truly appreciate the issues which are impacting on your business ambitions as this year unfolds. Despite the domestic and global geo-political challenges, our two counties

continue to showpiece the very best of UK enterprise and I'm looking forward to witnessing the best-of-the-best at this year's Chamber Business Awards. Whilst it takes some real focus, the benefits of your time investment, in applying for one of the award categories, can reap a real reward in terms of staff engagement and morale, inspiring even greater innovation and change, as well as reflecting on how far your business has come over time...so, if you've not entered this year, what's stopping you in 2025...it will come round sooner than you think!

You'll have noticed the thread of 'time' and 'collaboration' running through these paragraphs, conscious that my Chamber Presidency comes to an end, all too quickly, in the autumn. It will be a pleasure to serve the Chamber team in the coming six months, confident that the incoming President will bring a wealth of experience to support the Board in the coming two years.

So, to sign off, the quotes at the start, and the one that follows are from a distant relative, JB Priestley.

"We don't live alone. We are Members of one body. We are responsible for each other." Feels right to me!



ABOUT US



Our Vision:
“Working with the whole business community, to build sustainable economic growth in Herefordshire and Worcestershire”.

Our Mission:
“To provide access to solutions that local businesses need in order to achieve their goals, through engaging, influencing and connecting. To be responsive to the external environment, offering responsive and relevant approaches.”

Our Values:



We are here for you.

NURTURE



We are courageous and proud.

PASSIONATE



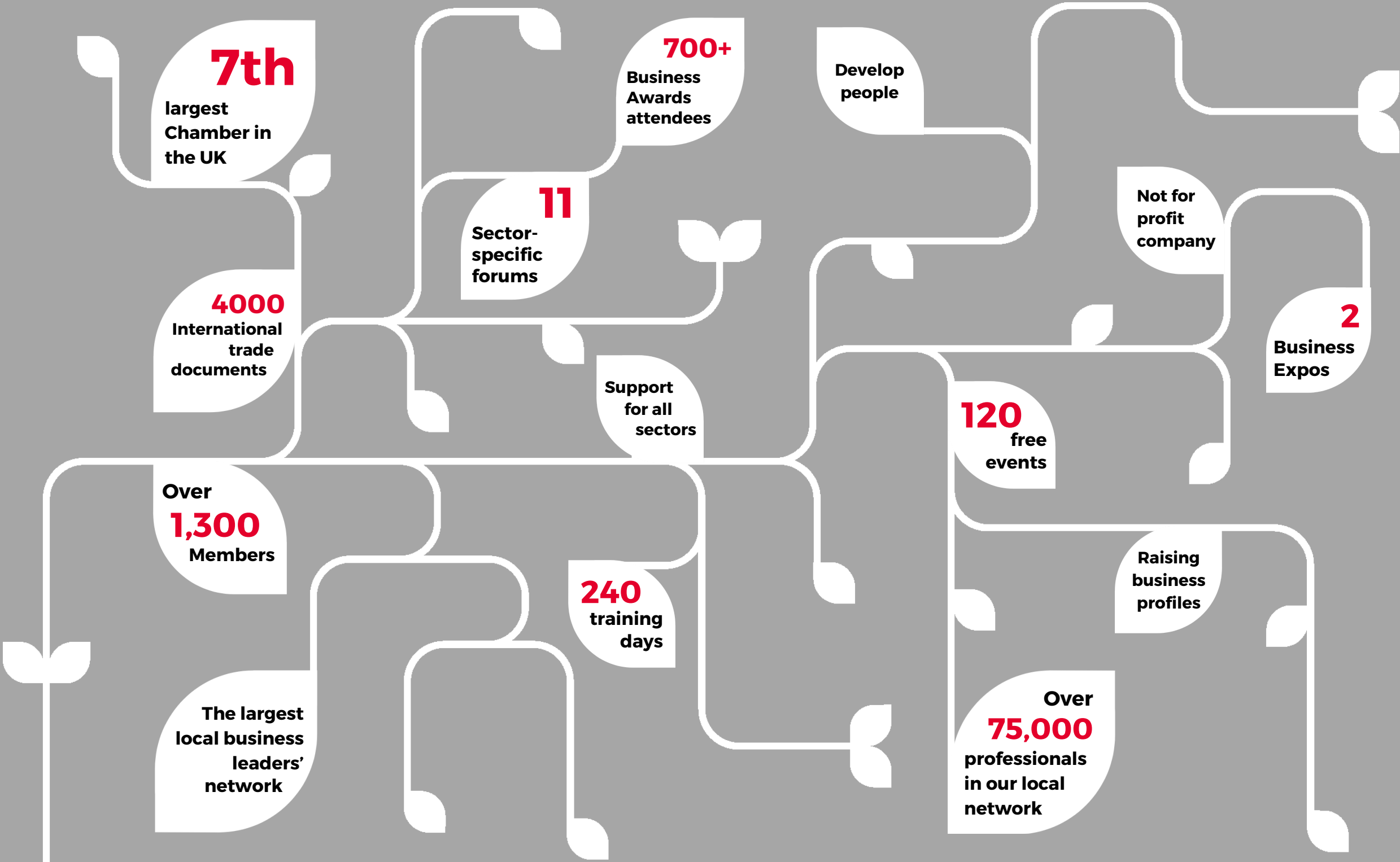
We are inclusive and fun.

COLOURFUL



We work together.

UNITY

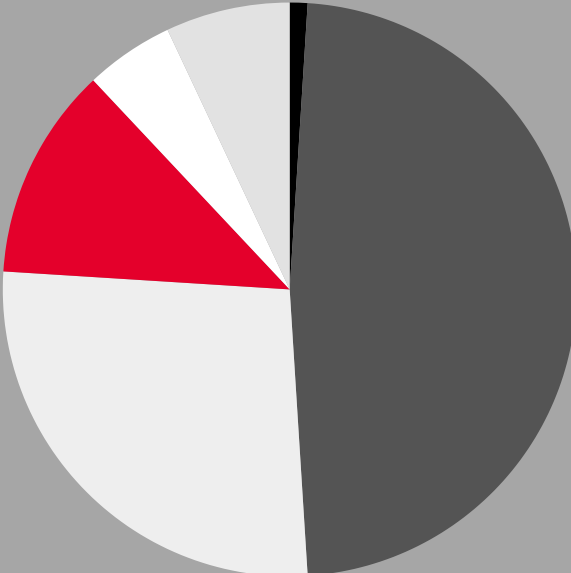


2024-2025 BUSINESS PRIORITIES



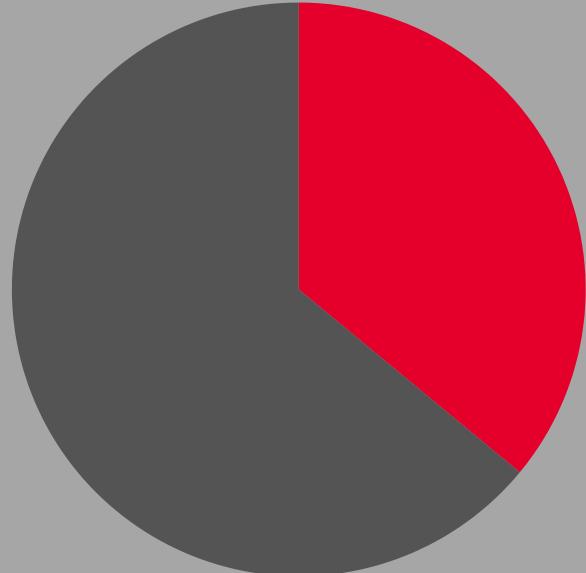
Throughout the year our Policy team, through the Quarterly Economic Survey, collects data from local businesses. More than 450 individual businesses have identified the most important challenges to their organisations. These are illustrated on the next page.

■ Sole Trader ■ 1-10 ■ 11-49 ■ 50-100
■ 101-249 ■ 250+



Responses by size

■ Manufacturing ■ Services



Responses by sector



40.54%
Energy costs

31.53%
Increasing sales

30.63%
Inflationary pressures

27.93%
Access to new markets

26.13%
Red tape and regulation

Recruitment & Retention of employees
31.53%

Wage costs
39.64%

Maintaining cash flow
29.73%



Health, mental health & wellbeing in the workplace
24.32%

Access to finance, funding and grants
24.32%



25.23%
Increasing profits

19.82%
Business taxes and rates

19.82%
Sustainability Goals, Training and Grants



19.82%
Cyber security and AI

16.22%
Flexible working policies

16.22%
Local skills and working with schools/colleges

12.61%
Process of taking on an apprentice and other employment schemes

Supply chain delays & access to raw materials
10.81%



Import/Export docs and regulations
11.71%

R&D Tax relief
11.71%



12.61%
Diversity and Inclusion in the workplace



Availability of business premises
9.91%

International trade challenges and advice
10.81%

BUSINESS GROWTH

Business growth is crucial for sustainability, competitiveness, increased revenue, market expansion, attracting talent, innovation, and fulfilling stakeholders' expectations, fostering long-term success.

This is in an environment where concerns are highlighted towards inflationary pressure, energy prices and labour shortages are balanced with opportunities for growth through sharing best practice, access to training, and highlighting any financial support that may become available.

Our Policy Commitment:

Through the national Chamber network and the British Chambers of Commerce, we will commit to lobby and work with the government and the Bank of England to implement greater financial investment, business support and ultimately plans for business growth.

Your challenges:

The Quarterly Economic Survey measures business confidence in terms of turnover and profitability.

Over the course of 2023, projections of turnover improving have largely ended where they started. 54% of businesses anticipated improvement in quarter 1, this rose to 58% in quarter 2 before ending the year at 55% anticipating improvement.

Profitability projections are encouraging, however. Whilst those projecting improvement has remained the same throughout the year (47%), there is a marked positive change in anticipated profitability. In quarter 1 of 2023, when inflationary pressure and the supply chain pressures were at their height, 29% of businesses anticipated their profits would worsen. By November 2023 this had changed to just 14% of businesses expecting their profits to worsen.

WHAT THE CHAMBER WILL DELIVER IN 2024/2025:

- Deliver a series of industry specific, county specific and regular networking events and informative webinars for Members and help raise the profile of organisations across the region and nationally.
- Deliver the Herefordshire and Worcestershire Chamber of Commerce Expo in October 2024 and March 2025 enabling businesses to help raise the profile of their brand, grow sales through purchasing stands and be able to engage with industry experts on key topical issues.
- Use of Chamber communications, e-shots, Policy Newsletter and Business Direction magazine to highlight projects that may benefit all such as training and funding opportunities.
- Continue the development of the Growth Forum designed for businesses of all sizes to learn of best practice, overcoming of challenges and developing relationships that will provide a platform to grow their business in the short and medium term, and sustain growth over a longer period.
- Carry out Quarterly Economic Survey research four times a year, writing a report for each survey highlighting business confidence and concerns for that quarter.
- Continue research into, and signposting of, local and national government funding schemes through the Cost-hub on the Chamber website highlighting funding, grants, and business support.
- Chamber to facilitate regular Bank of England briefings with national economy updates from different businesses.

“ Case Study

Whilst we've been around for just 12 years the technological advancements in that time have been incredible, but nothing will compare with what we see over the next 12 months and the advancements being made in AI and machine learning. For us it's already starting to support decision making, back up customer services, support marketing and make processes simpler in product development – and we are still in its early stages. Creating growth and saving costs over the next 12 months will go hand in hand with how much this new technology is embraced.

I see it there to support existing jobs, make some roles more diverse and to increase staff numbers through business growth. 2024 will be the year that AI really makes a grip on consumers' everyday lives. For us having our customers questions answered day or night on any campsite or their issues resolved quickly will support our mission to be second to none in customer services, but all of that support will be instigated by real people with real knowledge. AI and what the machine learns will, however, support the customer when they need it and that answers a real issue for us and the consumer. 2024 will also be the year that Sustainability becomes a must for the majority of customers. It will no longer be a nice to have but a must have. Consumers are increasingly choosing brands that demonstrate environmental care and social responsibility. This shift necessitates businesses to not only adopt sustainable practices in their operations but also to ensure they are part of their product offerings.

For us it's the year we launch our entire range in recycled fabrics and increase our tree planting programs as well as driving other sustainable practices. The rise of the circular economy, where products are designed to be reused, recycled, or repurposed, is reshaping industries, offering new avenues for growth while mitigating environmental impact.

It's certainly the case that technology can keep us on track with consumer expectations and by embracing sustainability we can further support what customers are looking for, both driving growth.

DANIEL WALTON - OLPRO



BUSINESS COSTS

Increasing costs significantly impact businesses, leading to reduced profitability, constrained cash flow, potential layoffs, diminished investment in innovation, and constrained expansion opportunities. Rising costs of labour, materials, and overheads can disrupt supply chains, affecting product availability and pricing. Businesses may struggle to remain competitive, facing pressure to increase prices, risking customer dissatisfaction and market share loss. Managing costs efficiently becomes paramount, necessitating strategic planning, operational optimisation, and sometimes, restructuring to maintain viability.

Being aware of cost challenges and how they fluctuate over the course of the business year is essential. The Quarterly Economic Survey (QES) is the tool we use to monitor these changes. We will continue to concentrate on this valuable resource and commit to publish and make results available to our membership.

QES's conducted in 2023 showed the variation in these challenges. In quarter 1, 67% of businesses expressed inflation as a concern. This reduced to 39% by November 2023. Equally in Q1 64% of businesses expressed energy costs as a concern. This, like inflation, fell to 35% in Q4. A positive picture, but as challenges below indicate, there are significant cost pressures elsewhere. As a Chamber, we belong to the British Chambers of Commerce network. This is a resource that we will seek to maximise in the year ahead, sharing news and initiatives from across the UK that will help business.

Your challenges:

Concern remains for businesses working overseas, and for all businesses with premises.

14% of Businesses expressed in February 2023 that exchange rates were challenging. This continued and in fact worsened by November, when almost one fifth cited exchange rates.

Business rates, whether county or district controlled have become a significant challenge for businesses and could remain so in the year ahead. Concerns over their effect on a business has increased from 19% to 23% in the last year.

WHAT THE CHAMBER WILL DELIVER IN 2024/2025:

- Actively seek feedback from members as they experience new cost pressures.
- Continue to share best practice displayed by member businesses to establish if application of such practice can help businesses reduce costs.
- Continue to advise Members on policy changes and trends that arise in various sectors through press releases and the QES reports.
- Continue to hold events and webinars such as the Manufacturing Forum.
- Work closely with County and District councils to ensure all grant opportunities are made available to our members and highlighted in our Cost Hub launched in 2023.
- Highlight the 2024 Salary and Benefits Report as a tool to ensure wage pressures are accurate and recruitment and retention of staff can be maximised.
- Continue to update the Sustainability hub on the Chamber website highlighting support for businesses in the form of cost-saving, highlighting events and projects and funding.
- Work with our partners (Herefordshire Council, Worcestershire County Council, District councils, and the Worcestershire LEP) in providing information and support to businesses.

Our Policy Commitment:

Through the national Chamber network and the British Chambers of Commerce, we will continue to lobby government to ensure businesses are supported with cost increases, and any support in the form of funding, training, events etc are highlighted via the various forms of Chamber comms.



WORKFORCE PLANNING

People and skills are the cornerstone of organisational success. A skilled and motivated workforce drives innovation, productivity, and customer satisfaction. Investing in employee development not only enhances individual capabilities but also fosters loyalty, engagement, and a sense of ownership. Moreover, a diverse workforce brings different perspectives, enriching problem-solving and creativity.

Skill gaps, however, can impede progress and competitiveness. It's crucial for businesses to identify these gaps and provide training and development opportunities to bridge them. Effective leadership plays a pivotal role in nurturing a culture of continuous learning and collaboration, empowering employees to adapt to evolving challenges.

In today's rapidly changing landscape, where technological advancements and market dynamics constantly evolve, businesses must prioritise people and skills development. By doing so, they ensure resilience, agility, and the ability to navigate uncertainties. Ultimately, organisations that invest in their people not only secure their own future but also contribute to building a sustainable and thriving economy.

Company social values reflect commitment to ethical, responsible, and sustainable practices. They guide decision-making, shaping interactions with stakeholders and the community. Upholding social values builds trust, enhances reputation, and attracts socially conscious customers and employees. It aligns business goals with societal needs, fostering long-term success and positive impact.

Your challenges:

The number of businesses attempting to recruit increased gradually throughout 2023. 58% in November compared to 52% in February. It is significant that in the top four business priorities outlined at the end of 2023 were Wage costs (39.64%) and Recruitment and Retention (31.53%).

Equally challenging is maintaining the correct balance of employees working at home, or in the office, or on flexible working hour patterns. This Covid working change will become even more relevant in 2024 as some businesses re-address their policies, many due to the product or service they create.

Health and wellbeing, particularly mental health wellbeing, was identified by 24.32% of businesses (23% 2023) as a key priority for the year ahead. This is significant as it is often seen as a retention tool as employees are now seeking the best possible overall work experience. Training spend fluctuated throughout 2023 indicating that expenditure on training plans can reflect overall business performance when costs are re-assessed.

WHAT THE CHAMBER WILL DELIVER IN 2024/2025:

- Continue to maintain the Skills Hub on the Chamber website.
- Develop the chamber training offer to help Members develop people in their organisations and provide targeted and bespoke training for current and future business needs.
- Continue to promote equality and diversity in the workplace through case studies, forums, and training to maximise our impact on society and local communities.
- Continue to be represented on the Skills Boards and embrace the activities of Worcestershire Skills team.
- Build on excellent work in 2023 with Universities, Further Education establishments and training providers in order to work with partners on local support schemes.
- Continue delivering Young Professional events aimed at helping young professionals develop their networking skills.
- Continue to provide forums and opportunities for HR professionals to share best practice and grow their knowledge.

Our Policy Commitment:
As a Chamber, we will continue to develop the Local Skills Improvement Plan (LSIP), whilst championing local apprenticeship offers, work-based experience and ensuring businesses are given every opportunity to work with local universities, schools, and colleges.

- Build on the successful launch in 2023 of the Health and Wellbeing Forum.
- Continue to develop the Worcestershire LSIP through collaboration with employers and providers, articulating the skills needs of businesses within the county and enhancing the mechanism which unites these two groups.
- Continue to work with Herefordshire Council and Growth Hub, local employers and further education providers to understand the skills needs of businesses within the county and ensure employee access to training in order to gain these skills.

“ Case Study

The heartbeat of economic growth lies in its people and their diverse skill sets. With challenges in the labour market persisting, it is clear that nurturing local talent is paramount for sustainable growth and innovation. There is a rich tapestry of expertise across various sectors within Herefordshire & Worcestershire, from agriculture to advanced manufacturing, healthcare to hospitality. However, to fully harness this potential, bridging the gap between the demand for skills and the available workforce is essential. Collaborative efforts between businesses, educational institutions, and policymakers must be prioritised to cultivate a robust talent pipeline.

Investing in lifelong learning initiatives and apprenticeship programs can equip individuals with the skills needed to thrive in the evolving job market. By fostering a culture of continuous upskilling and reskilling, we empower our workforce to adapt to technological advancements and emerging trends, driving innovation and competitiveness.

Furthermore, championing diversity and inclusion is not just a moral imperative but also a strategic advantage. Embracing individuals from all backgrounds, abilities, and perspectives fosters creativity, enhances problem-solving capabilities, and fuels productivity. Initiatives promoting gender equality, ethnic diversity, and accessibility in the workplace must be championed to unlock the full potential of our local talent pool. Collaboration between businesses, educational institutions, and local authorities is fundamental in addressing the unique challenges and opportunities within our local labour market. By developing strong partnerships, we can identify emerging skill gaps, tailor training programs to meet industry demands, and ensure a seamless transition from education to employment.

People and skills are the lifeblood of our local economy. By investing in talent development, fostering diversity, and nurturing collaborative partnerships, we can build a thriving ecosystem where individuals flourish and businesses prosper.

Ben Mannion - Hewett Recruitment



INTERNATIONAL TRADE

International trade is critical not only for business performance and growth, but also for overall economic growth. International trade enables businesses to expand their markets beyond their own country, resulting in enhanced economies of scale and employment. As a result, it is critical that international trade is regarded as a strong characteristic for both the economy and businesses, with a growth in the number of business communities in the UK exporting.

Herefordshire and Worcestershire businesses import and export all over the world. Our Quarterly Economic Surveys in 2023 reported that two-thirds of businesses that answered the survey were importers/exporters in some way. There are several elements to international trade. Making the sale, delivery, and receiving the goods and then looking for new markets. Brexit remains a hugely challenging factor. Prices and paperwork leading in many cases to a change in volumes. Uncertainty can lead to a loss in confidence and resulting loss of sales. Businesses cited constant changes in shipping and transportation prices, unexpected customs charges, exchange rate volatility, delays at borders and fluctuating fuel costs for the uncertainty. The Herefordshire & Worcestershire Chamber remain committed to working with local, national, and regional government to ensure UK businesses in the two counties are able to effectively trade with EU and non-EU states to help the economy and drive growth.

Your challenges:

Global events and conflicts mean businesses are reporting supply chain delays and upwards cost pressures. 26.13% of importers and exporters reported red tape and regulation as a key issue to their business.

WHAT THE CHAMBER WILL DELIVER IN 2024/2025:

- The Chamber's International Trade and Membership teams will continue to deliver international business support and advice and maintain a global network through the International Chamber of Commerce, 120 Embassies and High Commissions around the world.
- Launch of new International Trade Forum.
- The Chamber will continue to supply Export Documentation services for companies and deliver an Import and Export Customs Declarations service via the Chamber Customs Service.
- The Chamber will continue to develop and expand its international trade training courses for businesses looking to upskill on a wide range of relevant international trade topics for new and experienced exporters, as well as small and larger corporates across multiple sectors.
- The Chamber will continue to support international trade with a full translation service, ATA Carnet service, and Declarations Service.
- The Chamber will continue to promote the latest international trade news and updates.
- The Chamber will share news of new contracts, examples of best practice and new trade initiatives through regular communications.

Our Policy Commitment:

Through the Chamber network and the British Chambers of Commerce, we will continue to provide expert advice to businesses on how to navigate the ever-changing world of international trade.

“ Case Study

BDL is an International freight forwarder and logistics provider based in the heart of Worcester which offers a full range of products including road, sea & air freight, warehousing, documentation, insurance, packing & many other add ons. Moving up to 600 shipments a month it specialises in 'Just in Time' movements for the automotive sector that can be required to avoid potential production line stoppage. OEM's such as JLR, BMW & Bentley can often require 24/7 tracking for their shipments and BDL provide this service which goes above and beyond the customer's expectations. With our extensive network of partners we are able to obtain vehicles at very short notice and have them positioned at the collection point within the hour anywhere within the UK and EU.

"1st Tier supplier contacts BDL and requires 5 sprinter vans & 1 full trailer load to collect automotive parts immediately and deliver to Slovakia within 28-32 hours to avoid production line stoppage. Our team contact our partner base and has all 6 vehicles secured within 20 mins. Loading slots are agreed with 1st Tier supplier and vehicles are booked accordingly. A dedicated member of the BDL team then tracks all 6 vehicles from loading point all the way through to them being offloaded in Slovakia. Even the slightest of delays are monitored and communicated to the client. BDL team also plan ahead and check for any potential delays enroute with a view of changing route to save time if necessary, but always have a contingency plan in place, in case of any unplanned eventuality. We are also in close contact with the OEM, in this particular case, Jaguar Land Rover, to ensure that once vehicles arrive, they are offloaded in a timely manner. During out of office hours BDL continue to track the vehicles and the team make sure this also applies through the night to cover all eventualities.

Since joining the Chamber of Commerce as a Strategic Member we have worked closely with the International Trade team and found them not only helpful but very informative, which given how quickly the markets are changing, enables BDL to keep our clients ahead of the curve when it comes to rules & regulations. On International shipments the Trade team has made sure all our documentation requirements are met and are always on hand to discuss and assist when needed."

TONY SEIFAS - BDL



CYBER SECURITY AND TECHNOLOGY

In today's digital era, cybersecurity threats pose grave dangers to businesses. Cyberattacks, including data breaches, ransomware, and phishing, can result in significant financial losses, reputational damage, and legal liabilities. Moreover, as technology rapidly evolves, emerging trends such as cloud computing, IoT, and Artificial Intelligence (AI) introduce new vulnerabilities that cybercriminals exploit. Businesses must adapt their cybersecurity strategies to address these evolving threats and protect sensitive data effectively.

Furthermore, the interconnected nature of modern technology amplifies the impact of breaches, with potential ripple effects across supply chains and business ecosystems. Regulatory requirements around data protection, such as GDPR and CCPA, add further complexity, necessitating stringent compliance measures. Neglecting cybersecurity exposes businesses to severe consequences, including disruption of operations, loss of customer trust, and even business failure. Therefore, investing in robust cybersecurity defences, employee training, and staying ahead of technological advancements are critical for safeguarding business continuity and maintaining resilience in the face of cyber threats.

Embracing AI in businesses enhances efficiency, innovation, and decision-making. AI-driven automation streamlines processes, reducing costs and time. Predictive analytics offers valuable insights for strategic planning. Personalised customer experiences improve satisfaction and loyalty. Ultimately, integrating AI empowers businesses to stay competitive, agile, and responsive in today's dynamic marketplace.

Your challenges:

According to HM Government surveys 32% of businesses and 24% of charities have experienced data breaches or attacks during the last 12 months. This is much higher for medium businesses (59%), large businesses (69%) and high-income charities with £500,000 or more in annual income (56%). The proportion of micro businesses saying cyber security is a high priority has decreased from 80% in 2022 to 68% this year. Qualitative evidence suggests that cyber security has dropped down the priority lists for these smaller organisations, relative to wider economic concerns like inflation and uncertainty. 24% of businesses in Herefordshire and Worcestershire stated that Cyber Security was a challenge to their business in 2023/2024.

“ Case Studies

Cybersecurity is no longer just an option; it is an imperative. The importance of technology in business operations has been meteoric, and with it, the threat landscape has evolved at an equally staggering pace. This reality has placed an unprecedented emphasis on cybersecurity as a critical pillar of modern business strategy. The proliferation of hybrid work models has further magnified the need for robust cyber defences. As organisational perimeters dissolve, the challenge to safeguard sensitive data against cyber threats expands. It is a challenge that calls for unwavering vigilance and a comprehensive understanding of the cyber risks that businesses face. Cyber attacks are no longer a question of if, but when, and their impact transcends the immediate financial losses. They strike at the very trust that clients place in businesses, with potential long-term repercussions on reputation and brand value. The rise of sophisticated cybercriminal techniques, such as advanced phishing, ransomware, and AI, should serve as a call for businesses to reassess and fortify their cyber resilience. A focus on cybersecurity is also a focus on business continuity. Robust cybersecurity measures ensure that businesses are not only equipped to respond to incidents but also to recover with minimal disruption.

This resilience, often found with Data Backup and Recovery Solutions, is vital in an interconnected world where the ripple effects of a breach can be far-reaching. As we look to the future, the trajectory is clear – cybersecurity will continue to be a central concern for businesses, growing in complexity and importance. The digital era demands a paradigm shift in how we perceive and prioritise cybersecurity; it is an investment in the sustainability and success of our businesses and the protection of the global digital ecosystem we all rely on.

MIKE COOK - EBC GROUP

The increased use of Artificial Intelligence (AI) is revolutionising businesses and society at large, offering a multitude of benefits across various domains. In the realm of business, AI facilitates streamlined operations, enhanced decision-making processes, and improved customer experiences. Through data analysis, AI algorithms extract valuable insights, enabling businesses to make data-driven decisions with greater accuracy and efficiency. This not only optimises internal processes but also enhances the overall competitiveness of enterprises.

Moreover, AI-powered automation reduces manual labour, saving time and resources while increasing productivity. Tasks ranging from mundane administrative duties to complex analytical tasks can be delegated to AI systems, freeing up human capital to focus on higher-value activities such as innovation and creativity. Additionally, AI-driven predictive analytics enable businesses to anticipate market trends, customer preferences, and potential risks, empowering them to adapt proactively to changing environments and stay ahead of the curve.

Beyond business, the widespread adoption of AI is fostering positive societal impacts. In healthcare, AI assists in early disease detection, personalised treatment recommendations, and drug discovery, ultimately improving patient outcomes and reducing healthcare costs. In education, AI-powered personalised learning platforms cater to individual student needs, enhancing learning outcomes and promoting inclusivity. Furthermore, AI technologies contribute to environmental sustainability through optimisation of energy usage, waste management, and conservation efforts.

However, it's essential to address potential challenges such as job displacement, ethical considerations, and biases in AI algorithms to ensure that the benefits of AI are equitably distributed across society. Overall, the increased use of Artificial Intelligence holds tremendous promise in driving innovation, efficiency, and societal progress.

SCOTT ANDREWS - UNIVERSITY OF WORCESTER

WHAT THE CHAMBER WILL DELIVER IN 2024/2025:

- Work with members of the tech sector to highlight benefits of technology to wider Chamber Members.
- Highlight risks of Cyber security and provide solutions.
- Continue training courses to allow employees to maintain competency and develop new skills.
- Continue to work with local universities, including the University of Worcester, NMiTE and the University of Wolverhampton to ensure learning matches industry needs and developments.
- Continue to promote Midlands Centre for Cyber Security via marketing and events.
- Promote and highlight Technology and Innovation funding opportunities via the Chamber Cost hub.

Our Policy Commitment:

To continue to lobby government to provide funding and incentives to encourage innovation for businesses that want to introduce new technologies to enable business growth.

To continue to highlight the risks of Cyber security and provide information to businesses to protect them from Cyber-crime.



SUSTAINABILITY

Businesses are increasingly recognising the importance of sustainability as they strive to minimise environmental impact and address social responsibility. Adopting sustainable practices entails implementing measures to reduce carbon emissions, conserve natural resources, and minimise waste. This commitment to sustainability not only contributes to mitigating climate change but also aligns with evolving consumer preferences and regulatory requirements. Moreover, embracing sustainability offers numerous benefits to businesses. It can lead to significant cost savings through improved efficiency, reduced energy consumption, and optimised resource utilisation. Additionally, sustainability initiatives enhance brand reputation, attracting environmentally conscious consumers and investors while fostering trust and loyalty. Furthermore, promoting sustainability drives innovation, inspiring the development of eco-friendly products, services, and business models. It also encourages collaboration across industries and stakeholders to tackle global challenges collectively. By prioritising sustainability, businesses can future-proof their operations, remain competitive in a rapidly changing market, and contribute to building a more resilient and equitable society for future generations. Support can also be found on the Herefordshire and Worcestershire Chamber of Commerce Sustainability Hub on the Chamber website and the Net Zero Hub on the British Chambers of Commerce website.

Your challenges:

19.82% of businesses expressed the importance of developing and maintaining sustainability plans.
18.92% of businesses were seeking more information on availability of sustainability grants.
14.41% of businesses expressed that their employees were seeking more sustainable practices.
11.71% of businesses stated that their customers were more focused on how sustainable their supply chain is.

Our Policy Commitment:

Lobby government to ensure advice and funding are provided to businesses to increase every opportunity for them to become more sustainable.

Ensure support in the form of funding, grants, events, and networking are promoted to businesses to reduce the impact of rising inflation and energy costs.

WHAT THE CHAMBER WILL DELIVER IN 2024/2025:

- Deliver sustainability forums with companies and industry experts on the challenges of climate change and how organisations can become greener and more sustainable.
- Following end of European funding Chamber will ensure that members are informed of grant opportunities in Herefordshire.
- Challenge our own costs and activities towards a more sustainable business.
- Promote more case studies of best practice, so businesses can see the practical steps they can take to contribute to this agenda.
- Maintain Sustainability Hub on Chamber website.

“ Case Study

At Worcester Bosch, we are committed to sustainability. In 2023, as part of our sustainability strategy to reduce Scope 1 emissions, we introduced two biomethane-powered HCVs, saving 60 tCO2e within two months, signifying an 85.7% reduction in greenhouse gas emissions. Additionally, we are trialling electric vans in our service fleet; 5 vans have been introduced with further expansion planned for 2024. Collaborating with suppliers and distributors, we're embedding sustainability into logistics operations by minimising packaging and optimising routes continuously. Last year we installed Solar PV on the roof of our Worcester head office and manufacturing plant, estimated to provide 12% of our electricity demand. From installation to now, 206MWh electricity was generated, with an approximate saving of 83 tCO2e. We launched a take back program with a key supplier for our product end-of-life strategy, backed by a third-party lifecycle assessment (LCA) indicating potential savings of 10% of CO2e and 15% of water compared to conventional recycling. We are also conducting a comprehensive LCA of our products to understand environmental impacts from raw material extraction to end-of-life, to make informed sustainable changes to our product ranges. We engaged our employees by holding quarterly sustainability Open Days last year across three sites to raise awareness and encourage discussion on sustainability topics. We also offer every employee a day to volunteer at local charities each year. We also have new plans for 2024 for litter-picking events, promoting health and wellbeing, community involvement and shared responsibility. We support the environmental charity Groundwork's energy efficiency experts who help vulnerable households across the UK to help them be more energy efficient to save money and stay warm as well.

WORCESTER BOSCH

“ Case Study

Sustainability is a massive hot topic in business, however would you go as far as saying sustainability is business critical? At DRPG this is a question we asked ourselves many years ago, following a presentation I attended where the speaker Sam Wilson posed that question to a room of business leaders. I got talking to Sam afterwards and she explained how in the future she predicted businesses would not be invited to tender, or would be removed as suppliers if they didn't have a robust sustainability policy and demonstrate positive change.

Sam is a leading sustainability specialist, she consulted on the 2012 London Olympics and has been our sustainability consultant for over 16 years. Today we are now seeing her predictions coming true. We have had several large clients give ultimatums to clients to demonstrate their commitment to sustainability or be removed from the supply chain and other new clients who won't even consider using us without that commitment. For DRPG, all the years of putting in systems and gaining accreditations is now paying off.

The key to making a positive change is measurement. We cannot let emotion get in the way of the facts. We need hard data allowing us to make the Best Overall Sustainable Solution (The BOSS) as we have named it at DRPG. We have to accept we won't get everything right when it comes to sustainability, but we can effectively balance the triple bottom line of People, Planet and Profit. The data we produce allows us to focus on continuous improvement and how we make a positive change for our team, our clients, our supply chain and our community.

We were delighted to be awarded with B Corp last year, it took two years to gain, and a lot of evidence based reporting demonstrating our commitment and tangible outcomes. B Corp along with all our other accreditations has helped us focus and give the team direction and clarity from a business point of view and helps give us the competitive edge.

DALE PARMENTER - DRPG



HEREFORDSHIRE BUSINESS OPPORTUNITIES



“ Case Study

The challenges keep coming, don't they? Inflation has improved although still twice the government target. Interest base rate has plateaued but still the highest it has been since 2001. There is a long-standing drought in the talent pool. The availability of suitable business premises to allow growth is at an all-time low. Exports have shrunk. The UK is officially, although only just, in recession. From a macro perspective the Global Peace Index has deteriorated nine out of the past thirteen years and there is great uncertainty around the planet. Ships are taking up to twelve days longer to get to Europe. Not only adding costs to importers, but there is also an impact on the availability of containers and vessels. And don't get me started on potholes!

So, how do we stay positive?

Herefordshire County Council has published its 54-page 2050 Economic Plan. I recommend you give it a read. Included are 5-year actions, including maximising the impact of the Midlands Centre for Cyber Security, delivering the Hereford Museum and Art Gallery, tourism marketing, support for start-ups and an incubation space. Midland Connect are championing rail improvements to Hereford to increase frequency and reliability.

Then, of course, we have our wonderful business community and networks. Many of the business leaders I meet have a policy of supporting local businesses wherever possible, which is great. If these challenges feel too great sometimes and the stresses are rising, remember that you can always contact one of the Chamber of Commerce team, council or board. We might not have solutions but we're good listeners. Good luck with the next twelve months.

CLIVE BROOKS - ABE LEDBURY



One of Herefordshire Council's key priorities is sustainability. Taking pride in Herefordshire's unique and beautiful environment and rural heritage and tackling the climate challenge through new approaches to sustainability.

With business costs rising, businesses in Herefordshire can receive support from the Marches Growth Hub, in particular their guide to building business resilience, which includes topics such as managing business costs, securing funds and controlling debt to optimising your supply chain. The guide can be found on the **Marches website**.



Looking to run your own business?

UK Shared Prosperity funding is available to provide 1-2-1 start-up advice programmes for

Herefordshire entrepreneurs and pre starts. Each start-up will be able to access

up to 20 hours of support, which will cover all aspects of setting up and running a business. Topics will include; choosing the right business structure, business planning, marketing, registering your business, understanding VAT, financial record keeping, employing staff and PAYE as well as many other topics, which can be tailored to you and your new business venture.



The Growth Hub offering series of business surgeries throughout the county providing meetings with Growth Hub advisors. These surgeries can be booked through the Growth Hub by emailing **business@herefordshire.gov.uk**



£9.2m of UK Shared Prosperity and Rural England Prosperity Funding available in 24/25 to support local communities and businesses over the next two years. Businesses wanting advice and guidance on potential projects or with project ideas can contact the Growth Hub to discuss. Telephone - 01432 383433 or email **business@herefordshire.gov.uk**.

Marches Local Skills Improvement Plan (LSIP) is part of a national Government project to put employers at the very centre of the skills agenda. Herefordshire businesses have been consulted. Additional skills training now being funded to address needs. More businesses are needed to express their requirements and support the delivery of skills experiences.



WORCESTERSHIRE BUSINESS OPPORTUNITIES



Net Zero Worcestershire - businesses can receive free assessment and grant funding to help businesses save energy, reduce greenhouse gas emissions and develop low carbon technologies.



Worcestershire Growth Hub helping local businesses develop and thrive. From pre-start guidance and support through to business coaching and a growth programme.



Workforce Planning has been identified as major challenge for businesses. Worcestershire County Council and Growth Hub are offering training to help businesses have a succession plan and clear skills strategy – www.worcestershiregrowthhub.co.uk/skills-training

Worcestershire’s Corporate Plan provides a blueprint to how businesses can receive support from multiple agencies across the county – **Our Plan for Worcestershire | Worcestershire County Council.**

The Elevate Growth programme is an exclusive and unique offer for established Small to Medium-sized Enterprises (SMEs) with growth ambitions to gain high quality, specialist support to reshape and grow their business, taking it to the next level.
Elevate Worcestershire: Growth programme | Worcestershire County Council



BRITISH CHAMBERS OF COMMERCE

People and Skills

The British Chambers of Commerce People and Work report outlines a 10-point plan to boost workforce skills, by supporting people at every stage of their journey through education and employment. Among the recommendations to politicians are:

- An industrial strategy that is fit for purpose
- Funding a business support service to help employers identify, plan and invest in workforce skills
- More investment to make Careers Information, Education and Guidance a mainstream priority for school leaders
- Recognition of employers who invest in workplace training, through the tax and procurement systems, and a new skills investment kitemark
- Boost in-work progression through better access to apprenticeships and learning pathways and by reducing barriers to work
- Reduce the burden and costs on employers who need to access the immigration system for global talent

International Trade

HM Government recently published their Critical Imports and Supply Chain Strategy. This strategy provides a substantial and compelling picture of the reliance an open trading economy, like the UK's, has on these imports. We welcome its publication and its 18 recommendations, particularly the establishment of a Critical Imports Council, offering a focus on how the strategy is being delivered.

We believe there is a role that trade policy can play, alongside inward investment strategy and industrial policy, to increase supply chain security. We would encourage Government to consider using free trade agreements and other mutual recognition deals with like-minded partners to broaden the UK's supply sources.

In particular, we hope the UK can develop deeper relationships with key critical material countries like Chile, and successfully conclude a Critical Minerals Agreement with the US. The pandemic, the war in Ukraine, and geopolitical tensions in the Middle East show the UK's deep connectivity with the rest of the world for key medicines, communications technology and components for manufacturing.

We believe the Strategy sets out the right approach and look forward to engaging on how it can be delivered in the interests of growth in trade and inward investment.

Cyber Security and Technology

The BCC's new Digital Revolution Challenge has conducted ground-breaking research on how businesses are using AI. The survey found that almost half of all firms (48%) have no plans to use AI technology. Customer facing businesses (B2C) are even less likely to use AI, with 58% stating they have no plans to use it. One in four respondents (26%) think AI is going to lead to fewer jobs in their sector, with more B2B firms (29%) predicting a negative impact. Alongside the 48% that have no plans to use AI, the survey found a further 22% were not currently using it but planned to in the future. Businesses were also asked what types of AI they are currently using, with chatbots, such as ChatGPT, being the most popular application (18% of all respondents). Other technologies cited included:

- Machine learning data analysis (6%)
- Speech recognition (6%)
- Virtual agents for customer service (3%)
- Robotic process automation (3%)
- Natural language generation (3%)
- Deep learning or neural networks (1%)

The data also showed that companies with more than 50 employees were more likely to be currently investigating the use of AI in their operations than smaller ones, with 24% using chatbots, and only 37% stating they had no plans to use it at all. Why firms are, or are not, using AI of the respondents who are currently using AI, common uses cited included coding, data analysis, language translation, content creation, and as a sounding board for ideas. By contrast, of the respondents who have no plans to use cited the following barriers: lack of relevance, investment cost, reliability, lack of understanding, and risks around scams or privacy.

The research also found that 36% of businesses thought it was still too early to predict the impact of AI on jobs, while just one in 8 firms (12%) thought it would lead to an overall net increase in jobs in their sector.

Sustainability

The British Chambers of Commerce 'Green Innovation Challenge' report has outlined a series of proposals for policymakers, to help accelerate the UK's transition to net-zero.

Among the recommendations in the report are:

- A new public body to oversee delivery of core climate policies
- Strengthened resources for independent Climate Change Committee (CCC)
- A robust Green Industrial Strategy from Government

- A permanent cross-sector approach to green jobs from policymakers
- Quicker Government action on financing the transition to net-zero through the tax system

The report acknowledges that the UK has one of the most substantial legal frameworks for climate change anywhere in the world. However, it also makes clear that there are significant challenges ahead and policy gaps remain. Establishing a new public body focused on climate delivery, the report says, would ensure genuine cross party working to agree long-term commitments. Strengthened resources for the CCC would give it the capacity to provide deeper analysis of specific sectors. The report highlights the clear call from investors that current green industrial policies need to be brought together into a long-term, cross cutting strategy. In order to maintain the country's progress on climate change, the report also recommends linking the UK and EU emissions trading schemes, implementing energy grid upgrades and establishing deeper business and Government partnerships.

POLICY

CONTACTS

Upcoming research and report dates

Q2 2024

Fieldwork: 13 May to 3 June

Publication: July 2024

Q3 2024

Fieldwork: 19 August to 9 September

Publication: October 2024

Q4 2024

Fieldwork: 11 November to 2 December

Publication: January 2024

Salary & Benefits 2025

Fieldwork: October 2024

Publication: January 2025

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