



## THE CSD DESIGN BUSINESS SURVEY

### **Q4 2016**

The Chartered Society of Designers conducts its quarterly Design Business Surveys to help inform the profession and interested stakeholders as to the trends across a range of issues concerning design businesses. The surveys provide key findings from indicators such as investment, employment, growth and turnover showing changes, current attitudes and future considerations.

The quarterly surveys provide feedback on important issues concerning the design industry today. The findings of each survey will be published in TheDesigner and on the CSD website with comparative data showing the latest trends. The results will also feed into our regular business meetings with The Bank of England where CSD represents the interests of the design sector.

Links to the current survey can be found on the Society's social media pages and you can contribute to the Q1 2017 survey via this link:

### **GENERAL INFO**

#### ***What is the main activity of your business?***

The greatest response came from those practicing Graphic Design **21.7%**, followed by Architecture/Building **15%** and Interiors **11.7%**. These disciplines consistently produce the highest response.

#### ***If you are currently based in the UK please specify the region.***

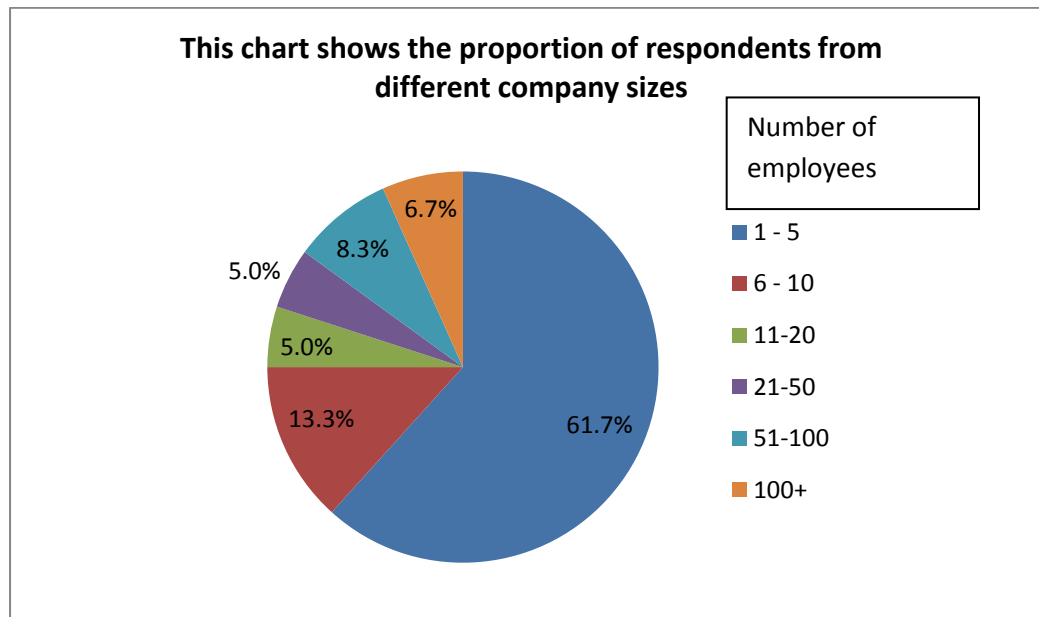
**21.7%** of respondents were from London and **20%** from the South East. The lowest response rate was from Scotland and Northern England.

#### ***What is your annual turnover?***

**40%** of respondents indicated an annual turnover of under £100k and **16.7%** stated an annual turnover of more than 1.5m.

## HUMAN RESOURCES

*How many people does your company currently employ?*



This is a similar response to **Q4 2015**, when **66%** of respondents came from micro businesses with only 1-5 employees.

***Within your company, over the next 12 months how do you expect fulltime employment numbers to change?***

The overriding expectation, across all levels of seniority, is that fulltime employment numbers will remain the same over the next year. Out of all of the employments levels graduates have the most cause to be optimistic, with **27%** of employers indicating that they will be recruiting within this sector of the workforce in the next 12 months. Less than 10% of employers considered that they would be cutting their workforce over the next 12 months.

***What are your expectations for average employee pay over the next quarter?***

Once again the general expectation is that employee pay will remain static over the next quarter, with **53%** of the respondents reporting as such. **20%** of employers expect pay to rise with only **5%** expecting pay to decrease. Whilst there appears not to be a prevailing sense of pessimism neither do respondents appear to anticipate much change in pay, suggesting stability as opposed to growth.

***If recruiting do you consider any of these factors (skills, salary, shortage of applicants) to be a concern?***

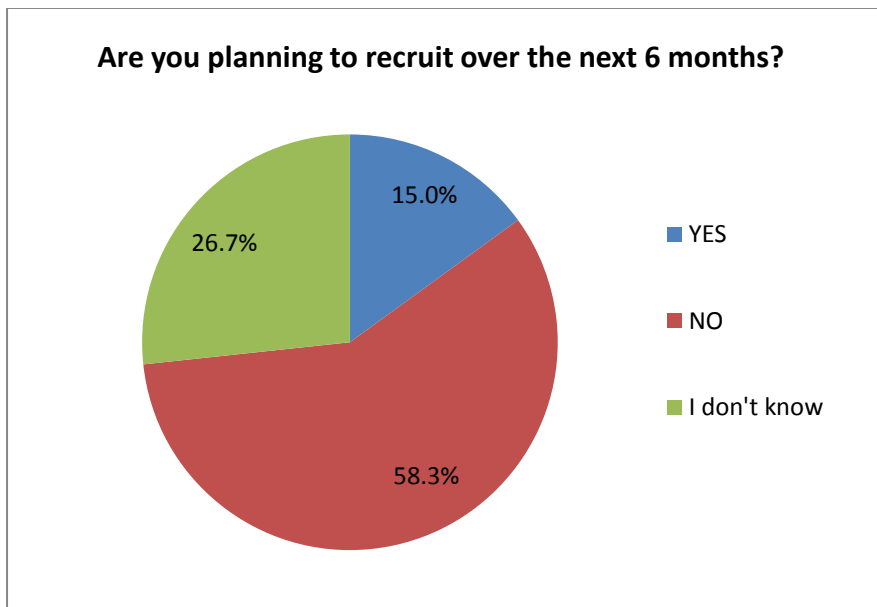
The biggest concern for the respondents looking to recruit was once again Skills, **33.3%** of respondents reported skills as a main concern.

***Do you consider there to be a skills shortage within these groups of designer (graduates, designers with up to 5 years' experience, and designers with more than 5 years' experience)?***

Predictably there is some concern of a skills shortage amongst graduates, whilst there is very little concern of skills shortages amongst designers with up to and more than 5 years' experience. This is likely to be because within the design industry skills and knowledge are largely developed on the job, especially as technology and design trends are constantly advancing.

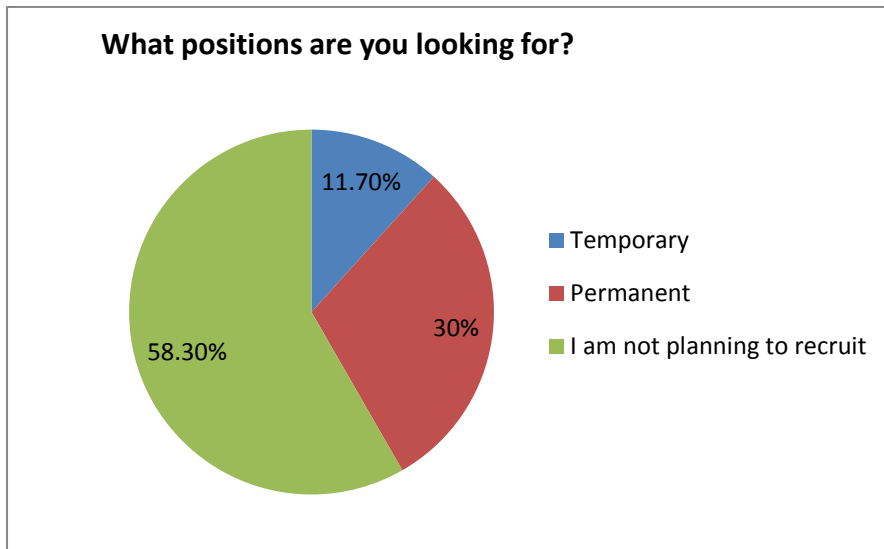
**42.3%** stated that there is a skills shortage amongst graduates and **17.5%** stated that there is a skills shortage amongst experienced designers (over 5years experience). The figures in 2015 show a similar story, although it is encouraging to see that the concern over a skills shortage has decreased across the board. In **Q4 2015 59%** of respondents identified a skills shortage amongst graduates and **29%** identified a skills shortage amongst senior designers.

***Are you planning to recruit over the next 6 months?***



In keeping with responses to other questions in the survey only **15%** of employers said they would be recruiting in the next 6 months, suggesting that the sector is being cautious.

***If recruiting what kind of positions are you looking for?***



Although it is evident that our respondents are predominantly not recruiting it is interesting that **30%** are looking for permanent positions and only **11.7%** for temporary employees. In 2015 Campaign Live wrote an article about how the design industry was 'embracing the freelance economy' and this time last year it was reported in Forbes that there had been a considerable rise in freelancing in the US and that it was predicted to be a continuing trend. However, our respondents, at this point in time, would suggest otherwise.

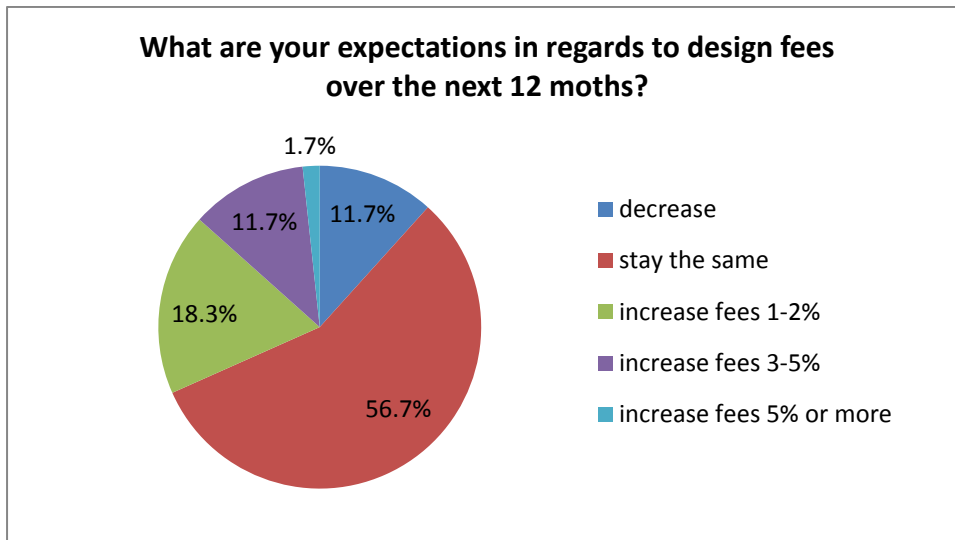
**FINANCE**

***Will you be investing in the following areas of your business over the next 12 months?***

***(Equipment, premises, promotion, staff, training)***

Following the trend of this survey, answers showed that just above half of the respondents intend to invest the same amount over the next 12 months as they currently do, across all areas. The answers also showed that only a handful expect to invest less in equipment, premises, promotion and training. No respondents indicated investing less in their staff, perhaps a further sign of remaining confident but cautious.

***What are your expectations in regards to design fees over the next 12 months?***



Surprisingly just over **88%** of respondents expect design fees to remain the same or increase over the next 12 months. Together with the responses in respect of investment and recruitment could it be that design businesses are looking to maximise and increase their return on investment (ROI)?

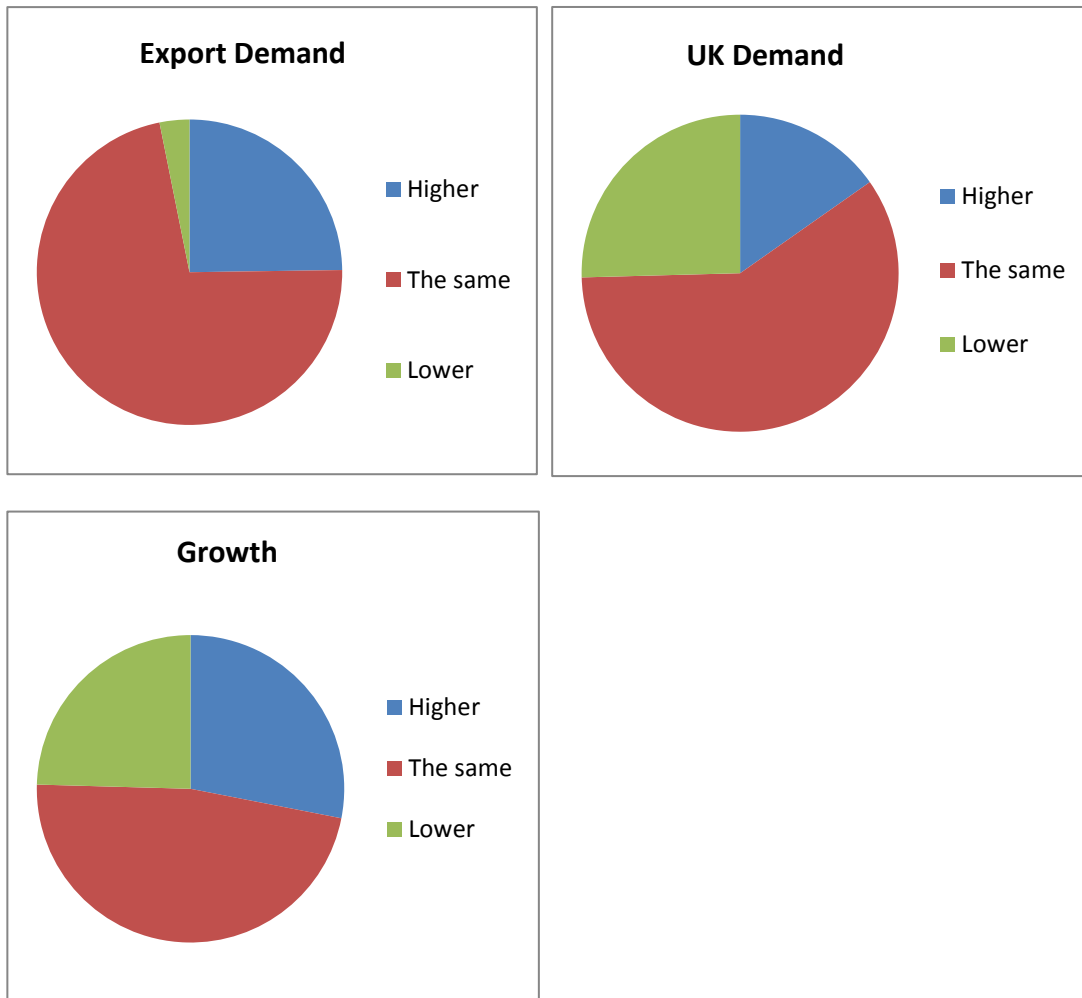
**CONFIDENCE**

***Compared to the previous quarter how is your overall business confidence?***

Whilst a solid **43.3%** have said that their business confidence remains the same as the previous quarter, **31.7%** have lower confidence and only **25%** reported higher confidence. This is a decline from **Q4 2015** where **47%** of our respondents reported that their business confidence was higher compared to the previous quarter and only **20%** stated a lower business confidence.

This decrease in confidence over the last year supports our belief that businesses are perhaps behaving more cautiously and playing it safe, with less expectation of change and growth as a result of the Brexit vote

***How do you expect these factors to change over the next 12 months?***



Whilst it is comforting that our respondents have indicated that export growth will not decrease over the next 12 months the trend continues to show little expectation of major change across all three factors.