



PRESS RELEASE

PANDEMIC-LED INNOVATION HELPS UK BUSINESSES SURVIVE AND THRIVE

- Business across the UK (48%) report that the pandemic sparked a wave of creative thinking
- Manufacturing firms were the most likely to adapt through changes to their operating patterns (28%) and expanding the product offering (22%)
- London (63%) and North East (61%) were the most innovative regions, while half of businesses in the North West (52%) have not pivoted
- 51% of firms will retain changes in the long-term, with one-in-four benefiting from boosted revenues and profits as a result

Covid-19 prompted a wave of innovation as businesses pivoted their operations to survive, according to a Lloyds Bank survey.

Almost half (48%) of UK businesses said the pandemic forced them to be more creative and innovative in finding new areas of growth with nearly six-in-ten (56%) making changes to their operations as a result.

Operational changes included expanding their online offering (21%), adapting their ways of working (20%) and increasing the number of products or services they offer (17%) and growing the number of services or products they offer (25%).

With many of these changes likely to have been made in order to help businesses survive through the pandemic and in particular the lockdowns, it is positive to find that one quarter (25%) said that their operational changes have boosted revenues and profits. It also appears that the forced innovation will bring long-term benefits with 51% of businesses planning to keep their changes in the long term.

Sectors and Regions

Manufacturers were most likely to make changes to their operating patterns (28% vs 20% UK average) and to expand the products they offered (22% vs 17%). Retail was the top sector for expanding online offerings (25% vs 21% UK average), buoyed by the shift to online consumer spending.

Over 40% of businesses in all regions reported making pivots with those in London (63%) and the North East (61%) were most likely to innovate as a result. Both regions also reported that these changes had boosted their revenues and profits (32% and 43% respectively). The North West was the region where businesses were least likely to make changes during the pandemic, with over half (52%) not making adaptations to their operating patterns or products offering.

Paul Gordon, Managing Director for SME and Mid Corporates, Lloyds Bank Commercial Banking, said: “UK businesses have shown incredible resilience over the past 18 months. What’s interesting is that so many have made permanent changes to survive, with many growing revenue or finding new revenue streams from the pivots they have made to adapt to new trading conditions.

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“While this is great to see, we know that it’s not been easy for many. We’ll work by the side of businesses to ensure they can access the help and support they need to recover and ultimately to grow as we get back to more normal trading conditions.”

Case study – Eko Foods (London)

London-based food manufacturer Eko Foods changed its business model during the pandemic to survive. The business, which sells African cooking ingredients to retailers and consumers, bought the majority of its products from Nigeria. But when its supply chain was disrupted, the business looked to source stock closer to home, including ramping up production of its own.

Owner Christine, who founded the business in 2003 and now employs 10 permanent and a further 20 temporary staff, says it is benefiting from taking a new, exciting direction.

“The past 12 months have taught me never to miss the opportunity to take a fresh look at how you do things,” she says. “At first, the pandemic brought many challenges but, from finding ways to overcome them, we’re now operating on a larger scale and are in a position to keep expanding, and bringing a taste of Africa to more of the UK.

“The support we continue to receive from the team at Lloyds Bank, from their market insight to their lightning-fast response time, is fantastic.”

Case study – Bolts Care Hire (Scotland)

Shetland-based car hire firm Bolts Car Hire changed its business model during the pandemic. When Covid-19 hit and a stop was put to travel, Bolts Car Hire was left with 1,500 cancellations and 150 unused cars. To ensure sufficient cash flow, the business decided to tap into the rising demand for commercial vehicles from firms building new windfarms across Shetland.

The business approached Bank of Scotland for support, securing a £1million funding package to purchase 55 commercial vehicles including 20 vans and 31 4x4 pick-up trucks for wind farm constructors on the island.

John Garriock, managing director of Bolts Car Hire, said: “Tourism to Shetland had been on the rise for years, but the pandemic saw visitor numbers virtually stop overnight leaving our fleet of rental cars and taxis at a standstill.

“We saw an opportunity to diversify our operations and supply construction firms on the island with commercial vehicles for their work. Thanks to the support from Bank of Scotland, we were able to buy the new vehicles and reach a new customer base that we will continue to service as tourism starts to pick-up once again.”

Case study – AlphaGraphics (Stockton-on-Tees)

Stockton-on-Tees-based printing company AlphaGraphics pivoted its business during the pandemic. Previously, AlphaGraphics was solely focused on B2B clients and provided various marketing services as well as printing, display and mailing services. The success of this business model resulted in an average annual turnover of £8.5million.

When the pandemic struck, the business saw its operations stall as demand dropped. To secure the future of the business, AlphaGraphics launched a new e-commerce business on the Shopify platform, targeting commercial and corporate clients looking for tailored social distancing signs.

Andrew Dalton, managing director of AlphaGraphics, said: “With our traditional B2B offering on hold, we knew we had to diversify and so we launched our e-commerce offering within two weeks of lockdown being announced. Pivoting in this way allowed us to keep operating and enabled us to emerge from the pandemic in good shape and ready to start preparing for our future.

“The support from Lloyds Bank was invaluable. It meant our overheads were paid and allowed us to quickly pick-up operations again once restrictions allowed.”

ENDS



Notes to editors

About Lloyds Banking Group

- Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers
- We help businesses from all parts of the UK, and across all different sectors and sizes, giving them the funding and support they need to grow both at home and abroad
- We provided over £31bn of business lending in 2020, including £13bn of government-backed loans to support customers through the pandemic
- We remain committed to helping our customers with their lending needs and typically approve 9 out of 10 applications
- We are also helping British businesses grow back greener and have committed £5bn in green financing
- To see the latest factsheet setting out how we support UK businesses please visit: [Supporting British businesses - Lloyds Banking Group plc](#)

Our support for businesses

- We're there for all sizes of business, from small and mid-sized companies right up to multinational corporations
- Through a network of relationship teams based across the UK, as well as internationally, we deliver a mix of local understanding and global expertise necessary to provide long-term support to our clients to help them fulfil their growth aspirations
- We offer a broad range of finance beyond term lending and this spans import and export trade finance, structured and asset finance, securitisation facilities and capital market funding
- Our product specialists provide bespoke financial services and solutions, including tailored cash management, international trade, treasury and risk management services