

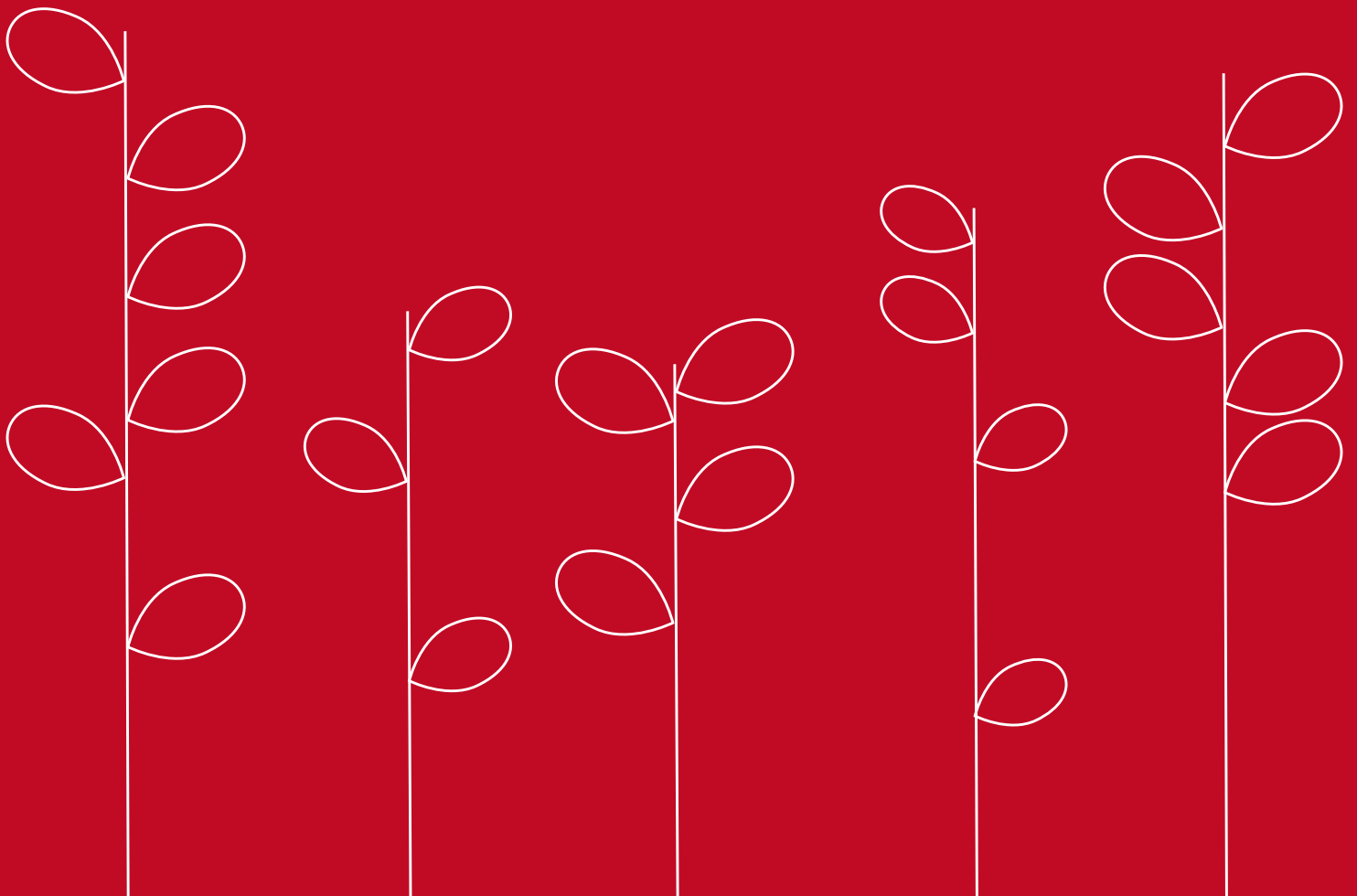
# THE HM HOMEGROWN

## ONE HUNDRED

Shining a Light on Mighty Mid-Sized Businesses  
Rooted in Northern Ireland



Brought to you by Harbinson Mulholland in partnership  
with Ulster University Business School





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# THE MIGHTY MIDDLE - HIGHLIGHTING THE STRENGTH OF MID-SIZED BUSINESSES

**Darren McDowell,**  
Senior Partner, Harbinson Mulholland

**Through a difficult period in world history, the “just getting on with it attitude” of our Mid-Sized Businesses never ceases to amaze me.**

Those businesses who employ up to 250 people. Those businesses who are supporting careers, families, and homes. Those businesses who contribute greatly to the communities that they are present in.

Agile and resilient by their very nature, hard work, entrepreneurship, and knowledge has helped these businesses grow into respected local and internationally acclaimed companies. They are often Homegrown by nature with ambitions stretching into other markets.

This mighty middle is a very clear and understated strand that runs through the economic foundation of NI, fuelled by often unheard of success stories with many often in a phase of high growth.

The sector is a critical provider of growth and employment opportunities across the country and Harbinson Mulholland intend to celebrate these companies over the next 12 months with our Homegrown One Hundred Campaign

Throughout my 25-year career, I've been working largely across this part of our economy, and I've often thought about how much more successful our mid-size businesses could be if they had access to the right support.

The mighty middle is significantly underserved - they simply don't enjoy the same level of government support or indeed public interest as startups and FDIs. There is a failing to recognise their economic contribution and a key advantage that many of these businesses have, in their ability to take a long-term view.

The good news is that they will and indeed have reached high levels of success by themselves and although understandable, it's a real shame to see support going to the top end of the business scale when Mid-Sized Businesses are being left largely to their own devices. A key question for us all at the minute is how you grow and develop an economy and in my experience one of the most effective ways is to get hands on, work alongside these businesses and help them fuel their growth.

As an owner managed firm ourselves, Harbinson Mulholland support entrepreneurs in making key decisions across their entire business life cycle and I believe celebrating the breadth of talent and innovation across our private sector is something we should all embrace.



# SHINING A LIGHT ON THE LEADING LIGHTS OF THE NI ECONOMY

Dr. Ian Smyth and  
Dr. Judith Woods

**Ulster University Business School (UUBS) is delighted to once again partner with Harbinson Mulholland on the 'Homegrown' campaign for 2023.**

We love our local success stories in Northern Ireland, from our international sporting stars to our triumph in the Oscars. So too, the success stories that come from our local businesses - from indigenous firms that have grown to become truly multinational and are cornerstones of our private sector, through to the most innovative of start-ups in the areas of tech, food and health. Yet we steadfastly and proudly remain a predominately SME economy, with SMEs accounting for over 99% of all private sector enterprises, and it is these firms that are our real homegrown heroes.

When we began the Homegrown initiative in 2019, our intention was to shine a light on the top 50 performing SMEs in Northern Ireland. This initial list acknowledged the importance of traditional businesses and industries in our local economy. Upon reflection we realised that despite their success, medium sized enterprises (typically defined as 50-250 employees and less than £50m turnover) tend to escape the headlines and often go unnoticed. It is in the spirit of shining a light on the medium sized 'leading lights' of our economy that drives this year's campaign. This time around, we chose to diversify the list to pay homage to the breadth and richness of the top 10 medium sized organisations across 10 different sectors: from construction, engineering and manufacturing to service stations, retail and hotels, alongside food manufacturing, distribution, services and, finally, third sector organisations.

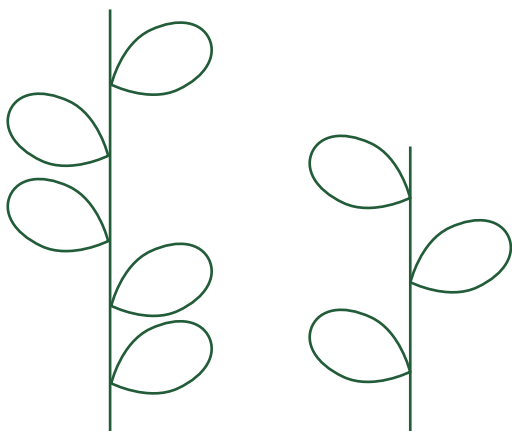
Collectively, these 100 firms represent the 'mighty middle' of our economy. They earned just over £119 million in operating profit in their last reporting year on a collective turnover of over £1.7 billion. Importantly, this represents nearly 17,000 employees with just over £400 million paid out in salaries and wages in the same period.

Research shows that medium-sized businesses can have a higher growth potential than small businesses due to their greater resources and ability to access financing. As with any economic and contextual challenges, the resilience evident in such firms is a continued source of encouragement - even despite significant global and more regional risks to growth (UUEPC, 2022). The impact of geopolitical fragility continues to be felt in the form of higher energy prices for industry as well as continued supply chain uncertainty. Closer to home, these firms continue to report challenges around access to talent, with pressure on certain sectors as the tightening of the labour market continues apace, increased market competition and shifting regulatory compliance.


When you dive under the numbers, however, the stories of resilience in action are what continues to provide hope and optimism as we establish a post-pandemic 'new' normal. Whilst a lot of focus in our economy has been in high growth sectors such as fintech and professional service firms, as we engage with the 'mighty middle' firms, we see stories of resilience, innovation, and adaptation right across the board.

This is why UUBS is so passionate and proud of our track record of over 40 years working closely with Northern Ireland's business sector, offering world-class, industry-focused programmes in a range of subjects – all informed by leading-edge business research. In recognition of its commitment to supporting the small business community and local economy, the Business School received the prestigious Small Business Charter Award in 2022. From involvement in initiatives like the Northern Ireland Family Business Forum, to delivering practical management and leadership development programmes like Help to Grow: Management, our commitment to partnership to enable a growing and more resilient economy has never been stronger.


Given the findings that form the basis of this year's Homegrown campaign, it is vital that we continue to seek economic transformation in partnership across the range of sectors highlighted here. A renewed focus on encouraging growth across low, mid and high-tech sectors is vital for a balanced and sustainable economy with the foundation, skills and capabilities of our 'mighty middle' firms cause for optimism going forward.




# SECTORS ANALYSED


- 


**MANUFACTURING**




**HOTELS**
- 

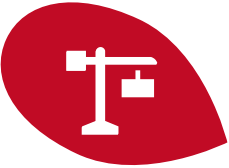
**RETAIL**




**SERVICE STATIONS**
- 


**SERVICE AND DISTRIBUTION**




**ENGINEERING**
- 

**CONSTRUCTION**



**FOOD MANUFACTURING**
- 

**PROFESSIONAL AND TECHNICAL**



**THIRD SECTOR**



**TOTAL TURNOVER 2023**  
**1.75 BILLION**

**TOTAL TURNOVER 2017**  
**1.33 BILLION**



**TOTAL PROFIT**  
**134 MILLION**

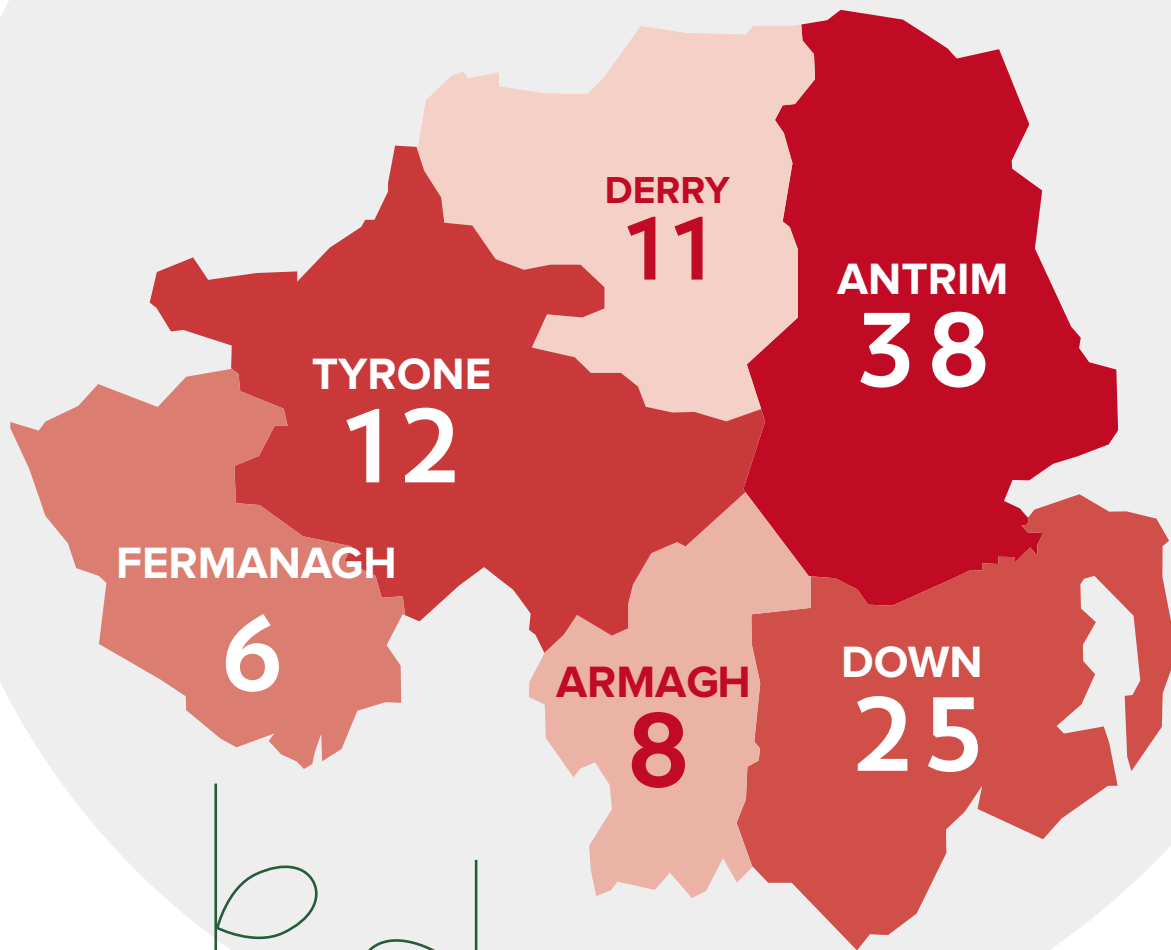


**TOTAL WAGES AND SALARIES**  
**400 MILLION**



<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>54</b>	<b>46</b>

## LOCATIONS BY COUNTY



# HOMEGROWN: MEDIUM-SIZED BUSINESSES IN NORTHERN IRELAND

By Dr Karen Bonner and Gillian Martin,  
Ulster University Economic Policy Centre



## RESEARCH SUMMARY

- Northern Ireland's (NI) economic output, and consequently productivity, were negatively impacted by the pandemic with Gross Value Added (GVA) falling 8% between 2019-20, while the UK experienced an 11% decrease. Despite the economic and social turbulence in recent years, unemployment has been decreasing in NI reaching 3% in March 2023, below the UK average of 3.6% resulting in a tight and competitive labour market. To overcome this, there is a need to encourage and support economically inactive individuals to join the labour market. This will be no easy task, NI has historically had high levels of inactivity compared with the rest of the UK but it is essential to ensure businesses can access skilled labour for growth.
- Self-employment was also affected by the pandemic however as it rebuilds, Construction remains the largest sector with over 19,000 self-employments, 20% of the NI total, followed by Agriculture at 14,000. The sector to experience the largest increase since 2012 was Other Services, highlighting the diversity within self-employment and the wider economy.
- More widely, Wholesale and Retail is one of NI's prominent sectors across all indicators, accounting for 15% of GVA<sup>1</sup>, 16% of employee jobs and 12% of registered businesses<sup>2</sup>. Health and Social Care, meanwhile, is NI's largest employer accounting for 17% of employee jobs.
- The business population proved to be resilient during this turbulent period, including withstanding historically high inflation with the number of registered businesses increasing by 4% from 2019-22 to stand at 79,000.
- Breaking down these businesses by size indicates that 9 in 10 are micro-businesses (in terms of employment) showing their significance to the economy overall. There are 1,300 medium-sized businesses, 1.6% of the total. Their position within NI is growing as numbers rose by 18% between 2013 and 2020. At 17% Production accounts for the largest share of medium-sized businesses, followed by Health and Retail at 13% each - again highlighting the importance of these sectors to NI.
- One third of all medium-sized businesses are in Belfast, which also has the highest number of registered businesses in NI at 14% of the total. Derry and Strabane and Newry, Mourne and Down have both experienced a 21% increase in the number of registered businesses since 2013, the largest in NI.
- The key sectors identified within the Homegrown business population prove to be an essential component of the medium-sized class, accounting for half of all medium sized businesses<sup>3</sup> in NI. The figures show diversity within the Homegrown and medium-sized group as the number of medium-sized businesses as a share of total businesses in each sector ranges from less than 1% in Construction and Professional, Scientific and Technical to 13% in the Hotels sector. NI has particular strengths compared to the UK with a higher share of medium-sized businesses in the Hotels sector (13% NI versus 6% UK); Retail (NI 2% versus UK 0.8%) and Food Manufacturing (8% NI versus 7% UK).

<sup>1</sup> 2020

<sup>2</sup> Wholesale and Retail combined, within the VAT/PAYE data the two are listed separately.

<sup>3</sup> Measured as 50-249 employees

## ECONOMIC OVERVIEW

**Northern Ireland is a small regional economy with a population of 1.92million and a total registered business population of 79,000 in 2022. The total value of output from the economy, measured as GVA stood at £40.5bn in 2020<sup>4</sup>.**

GVA in NI fell by 8% between 2019 and 2020 due to the pandemic, however the decline was lower than in the UK where GVA fell by 11%. Pre-Covid NI's output had been rising, increasing by 20% between 2010 and 2019, a similar increase as the UK.

Productivity is a further measure of economic performance showing the efficiency of production. Measured as output per job (GVA per employee) NI's productivity stood at £45,200 in 2020, down from £48,400 in 2019. NI has a longstanding productivity gap with the UK although this narrowed slightly during the pandemic when UK productivity fell from £56,200 to £51,100.

NI has also historically had higher unemployment than the UK. Just over a decade ago in 2012, NI's claimant count rate was 5.4% and the UK's was 3.9%. Since April 2019 NI's monthly claimant count has been below the UK average. In March 2023, the rate in NI stood at 3%, below the UK at 3.6%.

*Since April 2019 NI's monthly claimant count has been below the UK average. In March 2023, the rate in NI stood at 3%, below the UK at 3.6%.*

The improving picture in terms of unemployment is obviously a positive although an outcome is the lack of spare capacity in the labour market currently. This is leading to recruitment issues amongst businesses. It is further compounded by economic inactivity which has been a longstanding problem in NI. The economically inactive are those of working age (16-64) who are not in either employment or unemployment in that they are not seeking work nor are they available for work.

Economic inactivity in NI reached 315,000 in Q4 2022 an increase of 4,500, or 1.5%, on the same quarter in 2021. Currently 26% of the NI population are economically inactive compared to 21% in the UK. Sickness as a reason for inactivity is a particular issue in NI and has increased from 104,000 in Q1 2020 to 125,000 in Q4 2022. Compared to other UK regions, NI has the largest percentage of the population who are inactive due to sickness at 11%, well above the UK average of 6%.

In addition to a tight labour market, inflation is also a current challenge for businesses resulting in increased costs across a number of factors. In March 2023 UK inflation was 10.1%, a slight decrease from the previous month of 10.4%. The equivalent figure pre-Covid, in March 2019, was 1.9% highlighting the extent of recent increases. UK inflation reached a record high of 11.1% in October 2022 and although the UK is not in isolation with regards to high inflation its rate remains higher than comparator countries.

<sup>4</sup> 2020 is the latest available data for regional GVA.





## NI KEY SECTORS

NI's largest sector in terms of output is Wholesale and Retail, accounting for 15% of GVA in 2020. This is followed by Manufacturing at 14%. In terms of employee jobs, however, the Health and Social Work sector is the largest with 135,000 employee jobs, 17% of the total. Wholesale and Retail is second with 129,000 jobs and Manufacturing third with 89,000 jobs.

Compared to the UK, Health and Social Work account for a higher share of jobs in NI, at 17% compared to just under 14% in the UK. The largest employing sector there is Wholesale and Retail accounting for 14% of jobs. The largest difference, in percentage terms between NI and the UK is in the Professional, Scientific and Technical sector which accounts for 9% of jobs in the UK but just 5% in NI.

In terms of self-employment Construction is the largest sector with 19,200 self-employed, 20% of the total. This is followed by Agriculture with 14,000 self-employed. Over the decade from 2012-22 the largest increase in the self-employed has been in the Other Services sector which comprises industries such as hairdressing and beauty, repair of goods such as electronics, and activities of membership organisations.

In relation to productivity two of NI's largest employing sectors, Health, and Wholesale and Retail, have productivity levels below the NI average, at £32,000 and £43,000 respectively in 2020. The NI average is £45,000. In fact, the highest productivity sector in NI is Water Supply and Waste with a productivity level of £88,000 in 2020, followed by Finance and Insurance at £78,000. Both these sectors account for relatively few jobs at 1% and 2% of employee jobs respectively.

## NI BUSINESS STRUCTURE

The business population is typically measured through the number of registered businesses i.e. those registered for VAT and/or PAYE. The number of registered businesses in NI has increased by 15% between 2012-22 to stand at 79,000.

Belfast accounts for the largest share of registered businesses at 14% of the total followed by Mid-Ulster at 11%. Since 2013 the largest increase in the number of businesses has been in the Newry, Mourne and Down, and Derry City and Strabane Local Government Districts (LGDs), with numbers in both rising by 21%.

Sectorally, almost a quarter of all businesses are in the Agriculture, Forestry and Fishing sector, this sector has also had the largest increase in numbers since 2012. Construction comprises a further 14% of businesses followed by the Professional, Scientific and Technical and Retail sectors at 8% equally. The latter is one of NI's largest employing sectors but the number of businesses in the sector has dropped by 6% since 2012.

*Sectorally, almost a quarter of all businesses are in the Agriculture, Forestry and Fishing sector, this sector has also had the largest increase in numbers since 2012.*

Compared to the UK and other constituent countries NI, at 23%, has a much higher share of businesses in Agriculture. In the UK the equivalent share is just 5%, with the shares standing at 10% in Scotland and 13% in Wales.



## MEDIUM-SIZED BUSINESSES

**In NI 9 in 10 businesses are micro-businesses i.e. have been 0-9 employees. Medium-sized businesses, in terms of employment, are regarded as those with between 50-249 employees.**

In NI there are 1,300 medium-sized businesses or 1.6% of the total. Although NI previously had a higher share of smaller firms than the UK, in 2022 the shares are identical with medium-sized businesses also accounting for less than 2% of the total in both.

The number of medium-sized business in NI rose by 18% between 2013 and 2020. In comparison, the number increased by 31% in the Republic of Ireland (RoI). Pre-pandemic, in 2019, there were 3,600 medium-sized businesses in the RoI accounting for 1.3% of the total. NI had less than half as many medium-sized businesses (1,400) but they accounted for a slightly larger share of the business population at 1.8%.

In terms of turnover, less than 5% of businesses in NI have a turnover of £5m or more which is similar to the UK. Just 1% of businesses in NI have a turnover of between £10-49.9m (a rough approximation for medium-sized) although this is also the case across the other UK constituent countries. In the RoI the largest businesses (with 250+ employees) account for 58% of total turnover, medium-sized business account for 13% of the total.

Of the 1,300 medium-sized businesses in NI the largest share is in Production at 17% of the total. This is followed by Health and Retail at 13% each. Location-wise one third of medium-sized businesses in NI are in the Belfast City LGD area. Medium-sized businesses account for 3% of total businesses within Belfast in 2022. The highest proportion of medium-sized businesses as a share of all businesses is in Antrim and Newtownabbey, with 115 medium sized business, 4% of the total.

## HOMEGROWN SECTORS

**The top medium-sized Homegrown businesses in NI were categorised into 10 key sectors<sup>5</sup>, namely:**

Construction	Engineering	Food Manufacturing	Hotels
Manufacturing	Retail	Retail – service stations	Supply and Distribution
	Third Sector	Professional, Scientific and Technical	

Within the wider business population there are approximately 600 medium-sized businesses (measured as 50-249 employees) in these sectors, around half of the total<sup>6</sup>. Manufacturing has the largest number of medium-sized businesses at 190, followed by Retail at 125. The number of medium-sized businesses as a share of total businesses in each sector ranges from less than 1% in Construction and Professional, Scientific and Technical to 13% in the Hotels sector.

<sup>5</sup> This was undertaken via analysis of the FAME dataset.

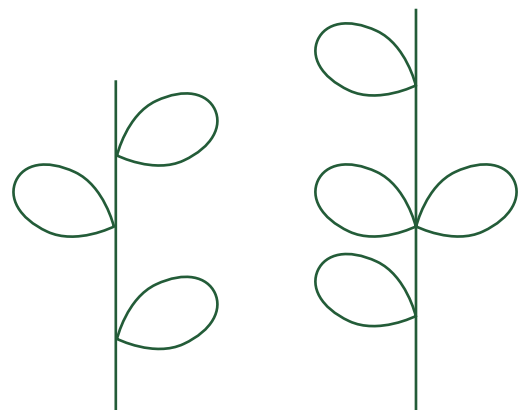
<sup>6</sup> Note that separate numbers could not be obtained for the third sector or service stations, although the latter are included within wider Retail.



Compared to the UK, NI has a higher share of medium-sized businesses in the Hotels sector (13% NI versus 6% UK); Retail (NI 2% versus UK 0.8%) and Food Manufacturing (8% NI versus 7% UK).

In fact, in NI and England the highest share of medium-sized businesses as a share of all businesses is in the Hotels sector at 13% and 7% respectively. In Scotland and Wales, and for the UK as a whole, the highest share of medium-sized businesses is in the Food Manufacturing sector at 11%, 8% and 7% respectively.

It is difficult to measure numbers of businesses in the third sector as they typically span all other industrial sectors. Using numbers for social enterprises, it is clear that medium-sized businesses have a greater presence, accounting for 12% of the total (in 2019) compared to just 1.6% of the registered business population.





# CONSTRUCTION



**TOTAL WAGES AND SALARIES**  
**53 MILLION**



**TOTAL TURNOVER**  
**284 MILLION**

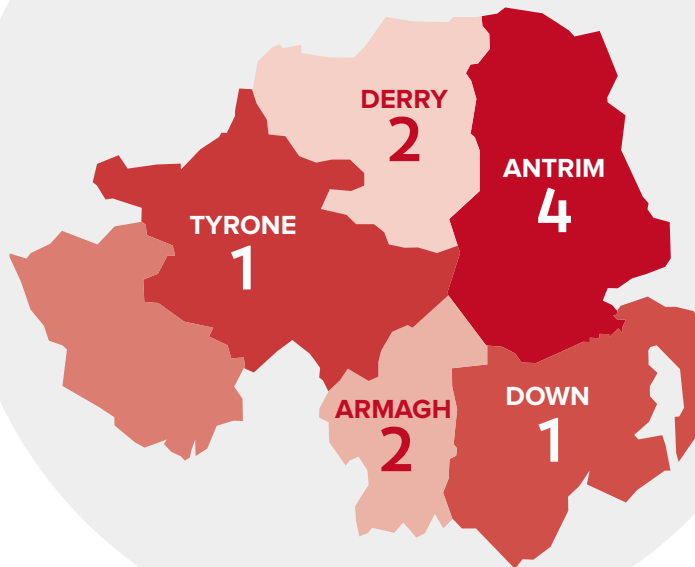


<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>6</b>	<b>4</b>



**TOTAL PROFIT**  
**19.5 MILLION**

## LOCATION BY COUNTY





# ENGINEERING



**TOTAL WAGES AND SALARIES**  
**54.8 MILLION**



**TOTAL TURNOVER**  
**217.4 MILLION**

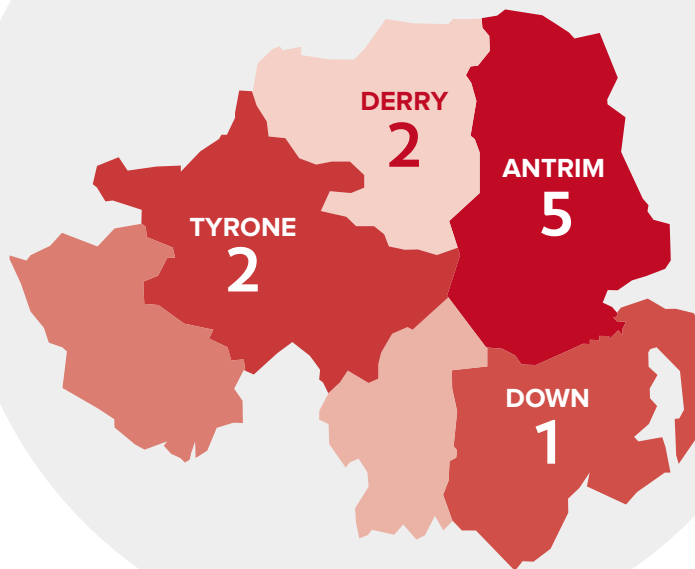


<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>4</b>	<b>6</b>



**TOTAL PROFIT**  
**14.7 MILLION**

## LOCATION BY COUNTY





# FOOD MANUFACTURING



**TOTAL WAGES AND SALARIES**  
**34.7 MILLION**



**TOTAL TURNOVER**  
**175 MILLION**

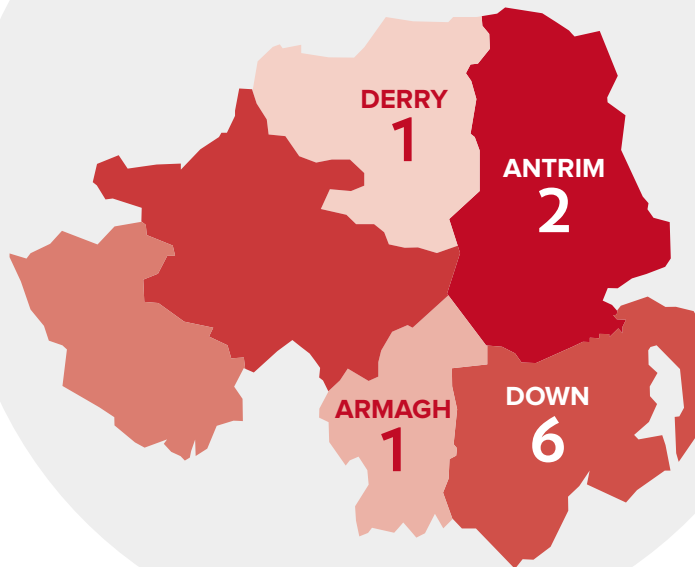


<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>8</b>	<b>2</b>



**TOTAL PROFIT**  
**9.4 MILLION**

## LOCATION BY COUNTY





# HOTELS



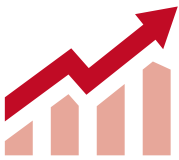
**TOTAL WAGES AND SALARIES**  
**18.5 MILLION**



**TOTAL TURNOVER**  
**30.5 MILLION**

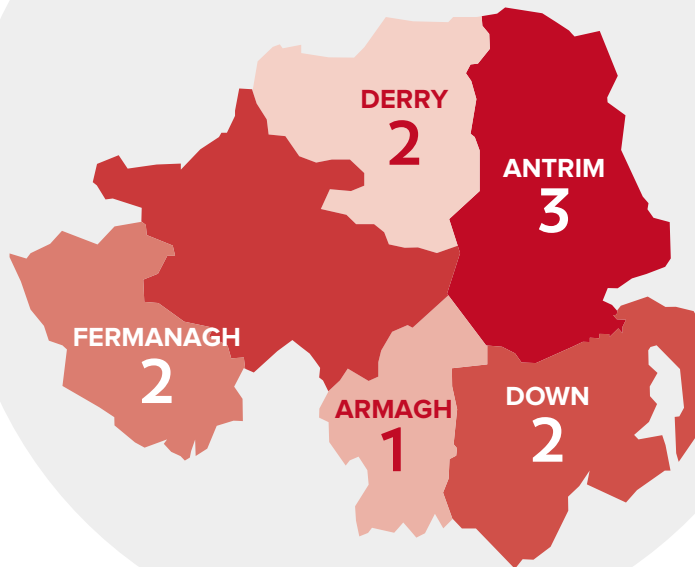


<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>9</b>	<b>1</b>



**TOTAL PROFIT**  
**2.6 MILLION**

## LOCATION BY COUNTY





# MANUFACTURING



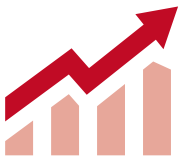
**TOTAL WAGES AND SALARIES**  
**59 MILLION**



**TOTAL TURNOVER**  
**270 MILLION**

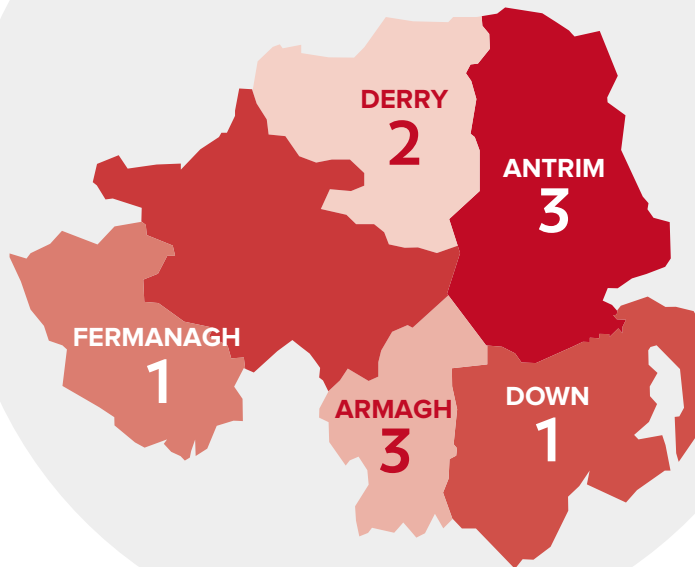


<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>3</b>	<b>7</b>



**TOTAL PROFIT**  
**22.4 MILLION**

## LOCATION BY COUNTY





# PROFESSIONAL AND TECHNICAL



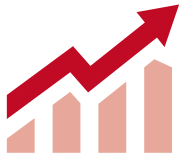
**TOTAL WAGES AND SALARIES**  
**50.3 MILLION**



**TOTAL TURNOVER**  
**168 MILLION**

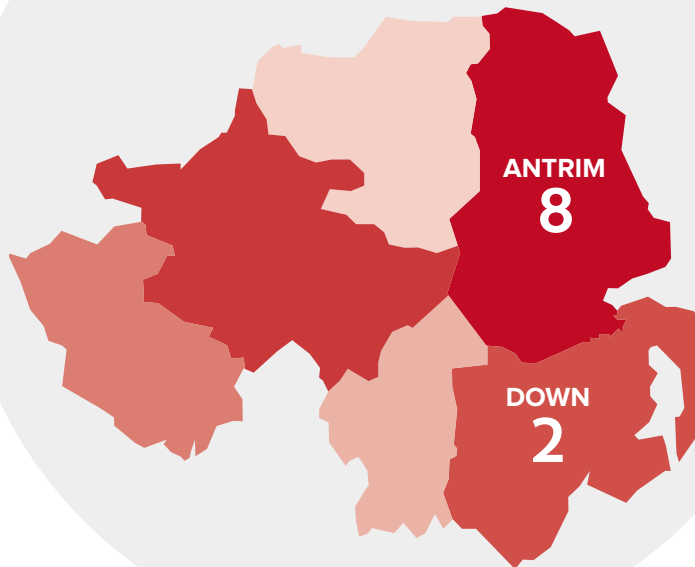


<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>2</b>	<b>8</b>



**TOTAL PROFIT**  
**26.85 MILLION**

## LOCATION BY COUNTY







# RETAIL



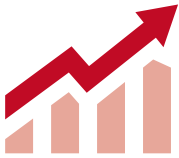
**TOTAL WAGES AND SALARIES**  
**28.3 MILLION**



**TOTAL TURNOVER**  
**138.6 MILLION**

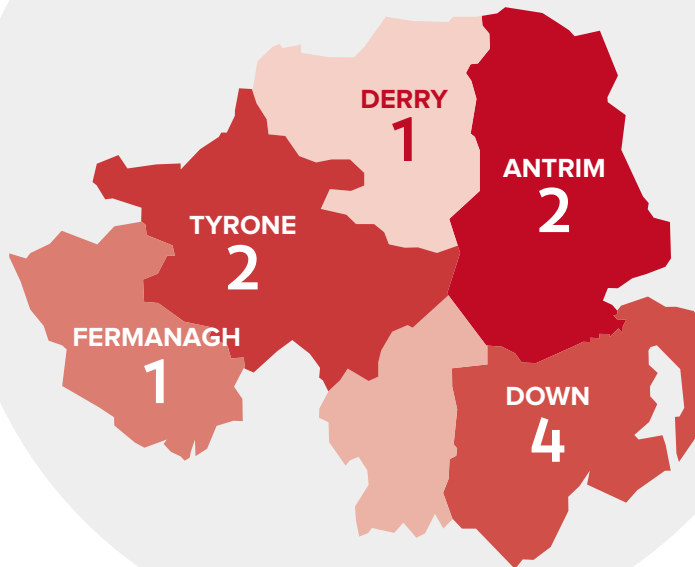


<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>6</b>	<b>4</b>



**TOTAL PROFIT**  
**10.6 MILLION**

## LOCATION BY COUNTY





# SERVICE STATION RETAIL



**TOTAL WAGES AND SALARIES**  
**10.6 MILLION**



**TOTAL TURNOVER**  
**194.8 MILLION**

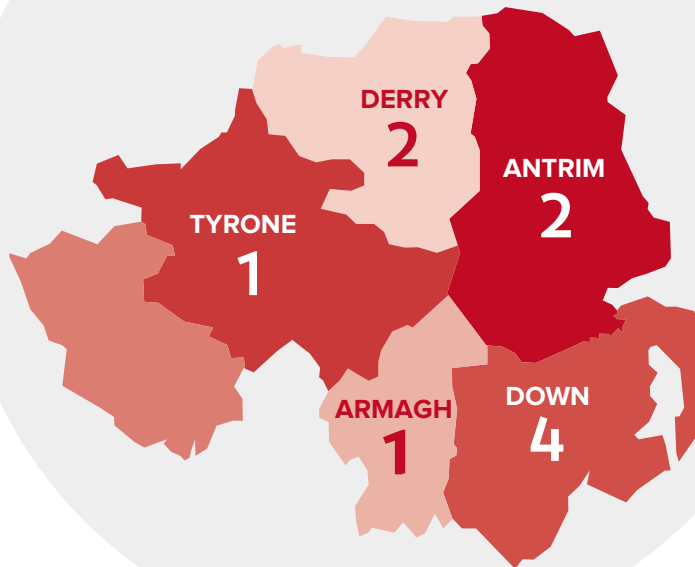


**FAMILY BUSINESS** **10**  
**NON-FAMILY BUSINESS** **0**



**TOTAL PROFIT**  
**19.36 MILLION**

## LOCATION BY COUNTY





# SUPPLY AND DISTRIBUTION



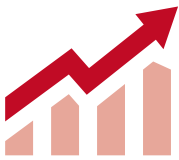
**TOTAL WAGES AND SALARIES**  
**54.8 MILLION**



**TOTAL TURNOVER**  
**226 MILLION**

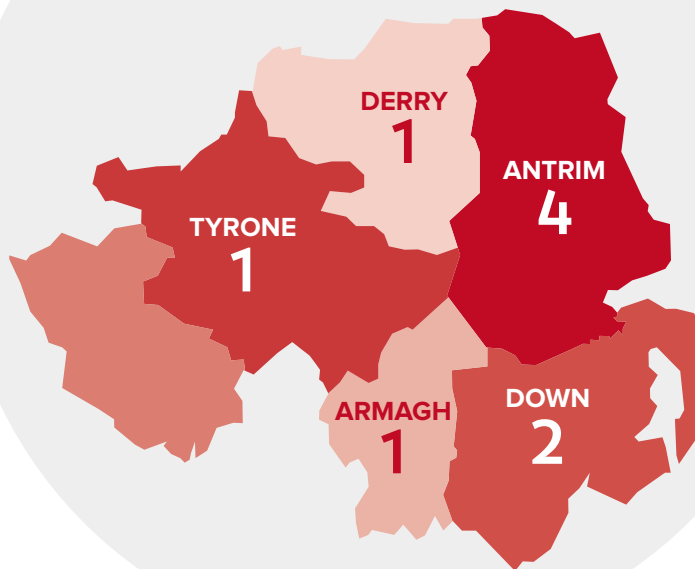


<b>FAMILY BUSINESS</b>	<b>NON-FAMILY BUSINESS</b>
<b>6</b>	<b>4</b>



**TOTAL PROFIT**  
**15.5 MILLION**

## LOCATION BY COUNTY





## THIRD SECTOR



TOTAL PROFIT  
**1.9 MILLION**

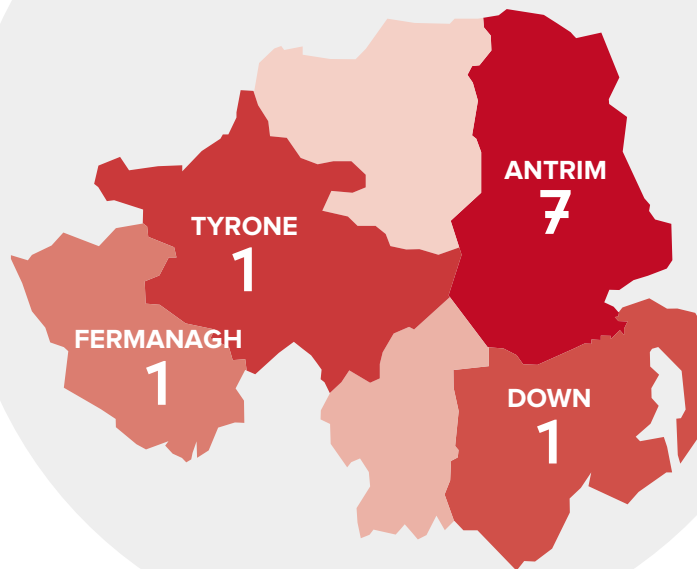


TOTAL TURNOVER  
**46 MILLION**



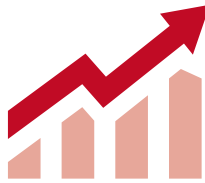
TOTAL WAGES AND SALARIES  
**28.3 MILLION**

### LOCATION BY COUNTY





HIGHEST WAGES BILL  
BY SECTOR  
**MANUFACTURING**



HIGHEST PROFIT  
BY SECTOR  
**RETAIL**



HIGHEST TURNOVER BY SECTOR  
**MANUFACTURING**

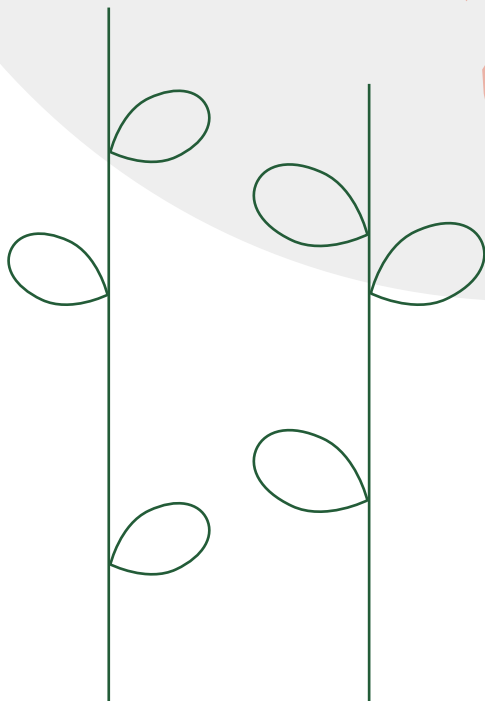
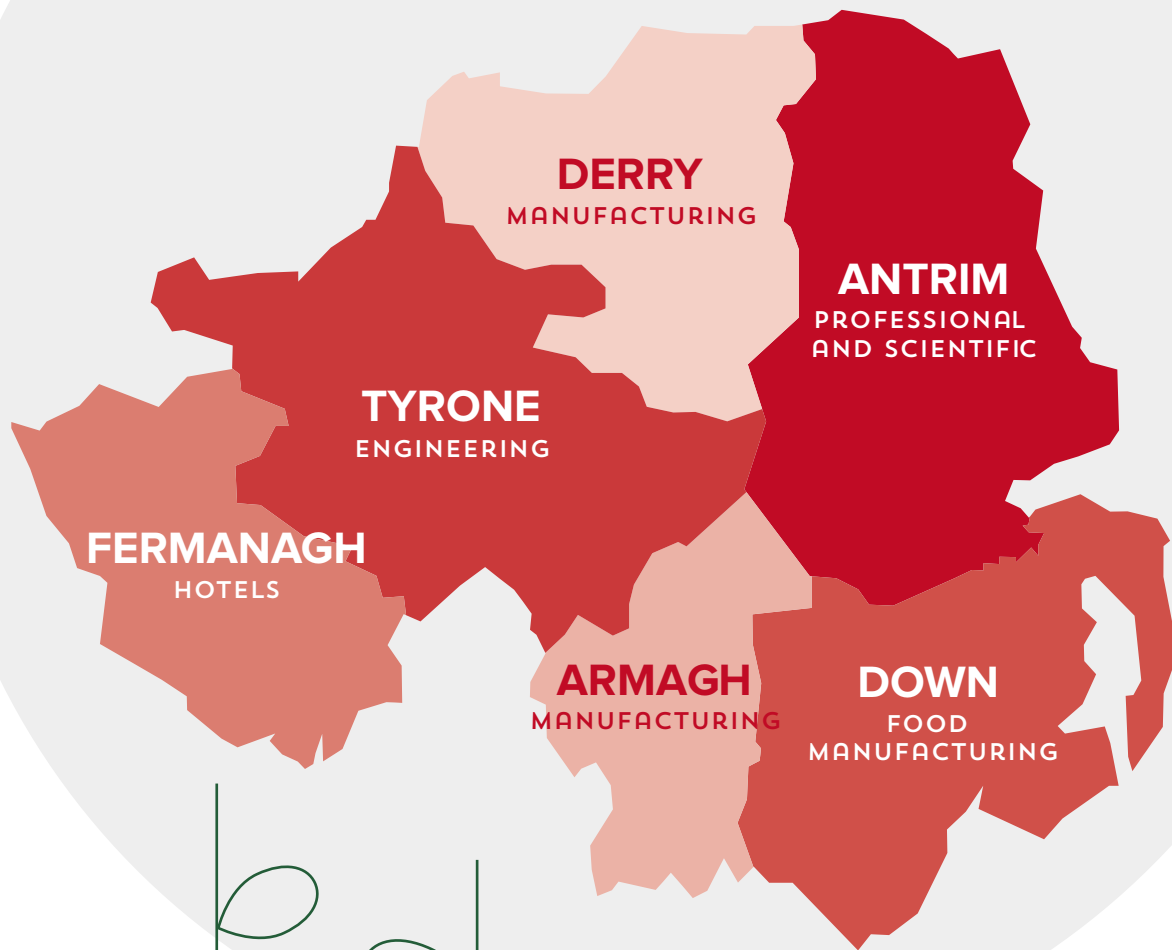


HIGHEST NUMBER  
OF FAMILY BUSINESSES  
BY SECTOR  
**SERVICE STATION RETAIL**



HIGHEST NUMBER  
OF NON FAMILY BUSINESSES  
BY SECTOR  
**PROFESSIONAL  
AND TECHNICAL**

## LARGEST SECTOR BY COUNTY





## HELPING HOMEGROWN BUSINESSES GROW FOR OVER 20 YEARS

At Harbinson Mulholland we have cultivated the Homegrown initiative as it encapsulates all we stand for as a firm.

For 20 years we have been at the root of NI business, providing sound and beneficial accounting and business advice to SMEs across Northern Ireland, helping them grow in all conditions.

Homegrown – it's where we work best.

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