



NATIONAL CENTER FOR  
THE MIDDLE MARKET

# BUSINESS SERVICES

MIDDLE MARKET INDICATOR

## Mid-Year | 2023



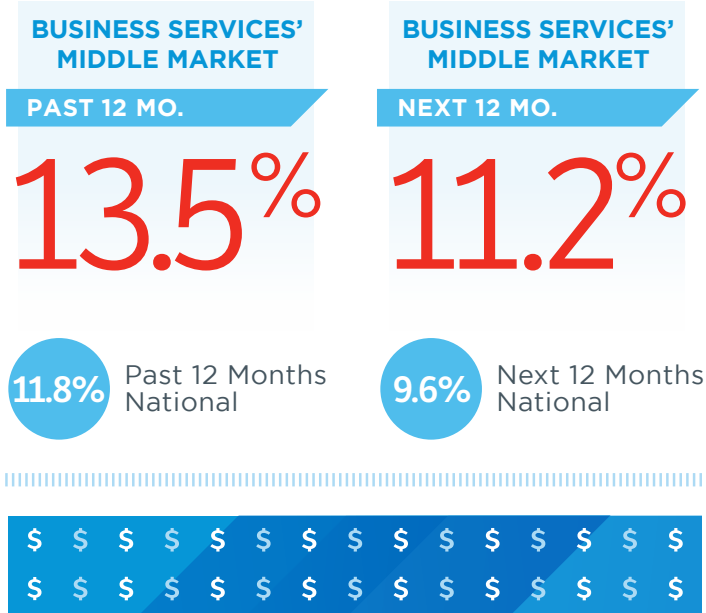
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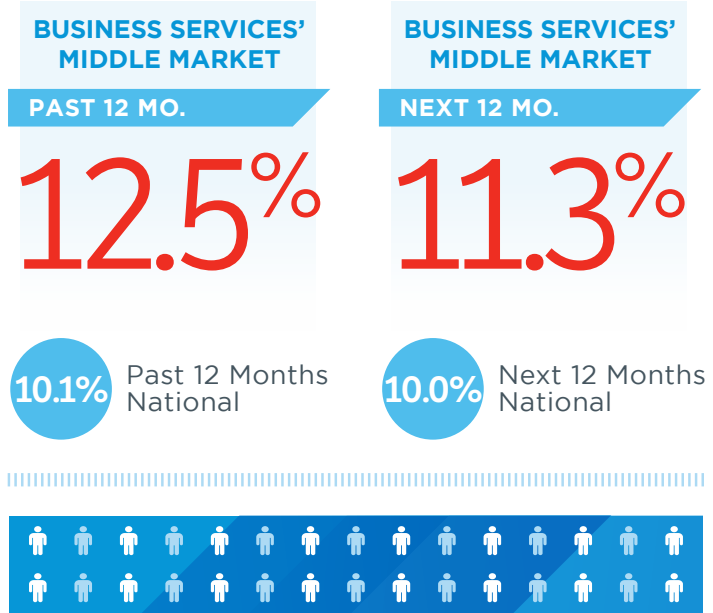
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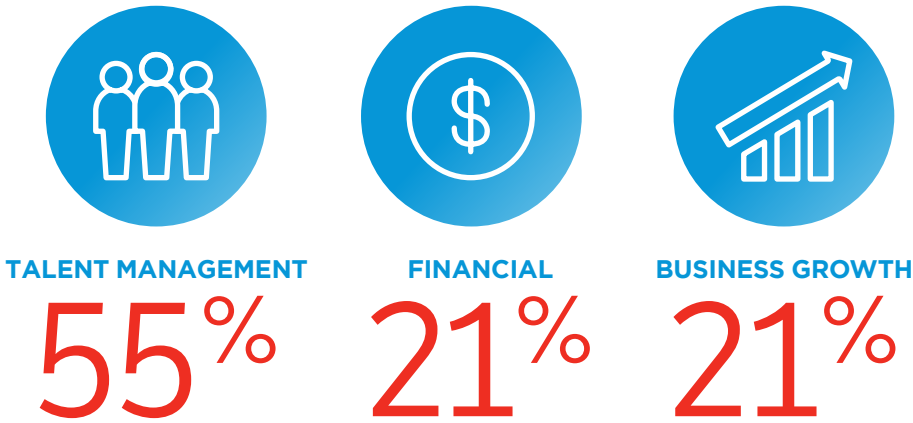
### Business Services' Revenue Growth vs. National



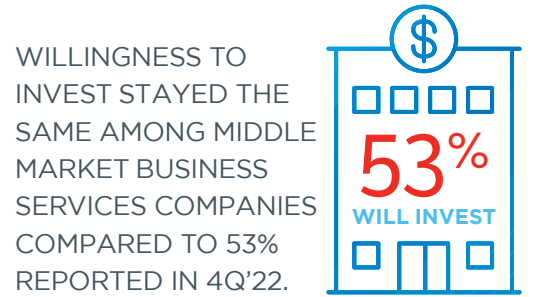
### Business Services' Employment Growth vs. National



### Business Services' Top Internal Challenges Over The Next 12 Months



### Preparing For Growth Through Capital Investment



#### VS. NATIONAL MIDDLE MARKET

Talent Management	Financial	Business Growth
54%	20%	20%

## Most Difficult Aspects of Running a Business in the Current Environment

	ALL MIDDLE MARKET COMPANIES	BUSINESS SERVICES	MANUFACTURING	RETAIL TRADE	CONSTRUCTION	FINANCIAL SERVICES	HEALTHCARE	TECHNOLOGY*
CONTINUITY OF OPERATIONS	22%	20%	28%	18%	17%	23%	23%	25%
ONGOING UNCERTAINTY	24%	21%	21%	27%	20%	17%	25%	30%
EMPLOYEE COMMUNICATION, ENGAGEMENT, AND PRODUCTIVITY	30%	31%	30%	26%	22%	34%	40%	28%
MAINTAINING CUSTOMER RELATIONSHIPS AND ENGAGEMENT	26%	27%	23%	24%	38%	27%	25%	25%
WORKING CAPITAL MANAGEMENT/CASH	22%	22%	23%	18%	26%	28%	17%	20%
FOSTERING COMPANY CULTURE	16%	17%	17%	16%	9%	12%	15%	18%
TRANSFORMING TO BE A MORE DIGITALIZED COMPANY	22%	24%	23%	19%	21%	27%	25%	20%
STAYING CURRENT WITH TECH AND DIGITAL SOLUTIONS	29%	28%	33%	32%	27%	31%	19%	26%
INCREASED RISKS (E.G. CYBER, CLIMATE/WEATHER)	23%	29%	20%	32%	25%	28%	23%	15%
AVOIDING LAYOFFS	21%	21%	18%	22%	21%	16%	28%	22%
MAINTAINING SALES/REVENUE LEVELS	32%	30%	29%	34%	34%	30%	30%	31%
SKILLS GAP OR WORKFORCE CONSTRAINTS	29%	25%	33%	29%	32%	25%	25%	30%

Percent of respondents ranking these as first, second, or third most difficult

\*Includes companies also represented in other industries, e.g., computer manufacturers, IT services, healthtech, fintech.

## Business Services' Middle Market Defined

ANNUAL REVENUE  
**\$10 MM-\$1B**



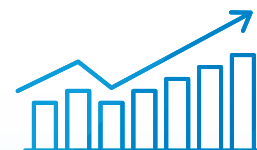
REPRESENTS  
**0.4%**  
OF ALL BUSINESS SERVICES COMPANIES

MORE THAN  
**10,600**  
BUSINESSES



EMPLOYS  
**22.6%**  
OF THE BUSINESS SERVICES WORKFORCE

GENERATING  
**\$414B**  
IN ANNUAL REVENUE



GENERATES  
**27.1%**  
OF ALL BUSINESS SERVICES BUSINESS REVENUE

Source: 2014 D&B Data

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