

Q1 | 2026

Azets Barometer



AZETS BAROMETER Q1

Business Insights

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The Azets Barometer report is **your strategic guide** to the emerging threats and growth opportunities defining your industry and business in Europe

Through detailed metrics on turnover, industry trends, and leadership risks, the Azets Barometer provides quarterly insight into current and future business climate from the perspective of ambitious businesses and their leaders across the international markets we serve, including the UK, Ireland, and the Nordics. The report evaluates how organizations are navigating modern challenges such as AI integration, succession planning, and regulatory compliance.

About the Barometer

The Azets Barometer is conducted quarterly in partnership with independent research agency Reputation Leaders.

Wave 6 surveyed 1,768 senior business leaders across the UK, Ireland, Norway, Sweden, Denmark, and Finland in February–March 2026, combining Azets clients with externally recruited businesses with revenues of €10mn+.

We spoke to business leaders who were at management level and above.

Results are weighted by country and company turnover to ensure comparability across markets and over time.

The margin of error is $\pm 2.3\%$ for aggregate findings and ranges between $\pm 4.4\%$ – $\pm 6.8\%$ for country-specific results at a 95% confidence level.

NOTE: FIELDWORK WAS COMPLETED FEB-MAR 2026, PRIOR TO THE US-ISRAEL CONFLICT WITH IRAN.

In This Report

Focus & Foresight:

How mid-market leaders are navigating the now and planning for the opportunities of tomorrow

Quarterly
Insights

Hundreds of
Business Leaders

Trend Data &
Real-World Stories

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Azets Perspective

Navigating the now, watching the horizon

Business leaders across Northern Europe are increasingly optimistic, showing up with renewed focus on business agility and decision-making, and placing smart bets on the future despite an uncertain geopolitical landscape

For leading SMEs right now, the news of the last few months has been relentless. We know from talking to our customers that unwelcome tax burdens, rising labour costs, and trying to figure out exactly where AI fits into operations, have continued to put pressure on even the most determined leadership.

During uncertain times, it helps to know what peers are doing. That is why the **Azets Barometer** surveyed over 1,700 ambitious business leaders across the UK, Ireland, and the Nordics. We didn't just focus on their balance sheets; we asked them about their fears, their hopes, and the strategic bets they are placing for the future.

Highlights this quarter include:

- a contrast in mindset between expansion ambitions of the Nordics and Ireland vs more cautious optimism of the UK
- the definition of 'resilience' has fundamentally changed as leaders shift from battening down the hatches to prioritizing operational agility and leadership capability
- innovating the way to growth: some businesses are taking a "wait and see" approach to AI, while others are actively deploying it to protect their margins, offset talent shortages, and outpace competitors

We hope the Azets Barometer will allow you to compare your own experiences against the hundreds of leaders in these pages, understanding how others are focusing their energy to survive the now, and plan for what comes next.

"We're seeing some key metrics on the macroeconomic environment improving, and hopefully they will continue to improve, but that is compounded by all the wonderful work that SMEs do to ensure they're super resilient through these difficult periods."

Key Takeaways

Concerns remain but business leaders push onward

Confidence & optimism on the way up

- Economic optimism and financial performance levels are on the rise despite persistent geopolitical and economic headwinds
- Contrast in mindset between regions as Nordic and Irish leaders express higher levels of optimism and focus heavily on expansion while the UK remains more cautious



75%

ARE OPTIMISTIC ABOUT THE OVERALL ECONOMIC OUTLOOK OVER THE NEXT 12 MONTHS



81%

RATE THEIR BUSINESS'S FINANCIAL PERFORMANCE ABOVE AVERAGE

Agility & decision-making are the new pillars of resilience

- An evolving definition of resilience as international business leaders now rank operational agility and leadership & decision-making capability as more critical to resilience than cash reserves
- Yesterday: 'save your way to growth' Today: 'innovate and stay agile'



45%

SAY OPERATIONAL AGILITY IS MOST CRITICAL FACTOR FOR THEIR ORGANISATION'S RESILIENCE

Continued focus on technological adoption & talent retention

- Talent and labour at the heart of the mid-market struggle as UK sees higher labour costs present the biggest threat to margins while the Nordics have capacity concerns as severe skills shortages block companies from taking on new work and realizing growth ambitions
- AI divide is widening as AI has moved firmly from hype to operational reality, but adoption is uneven. Nordic businesses claim to be aggressively integrating AI into IT, operations, and HR but 1 in 5 UK businesses admit AI is still *not* a priority



66%

EXPECT TO INCREASE DIGITALISATION IN THE NEXT 12 MONTHS



65%

EXPECT TO INCREASE THEIR INVESTMENTS IN AI IN THE NEXT 12 MONTHS

Economic Outlook

Business leaders across Europe's northern economies head into 2026 with renewed positivity

Economic optimism is on the rise as three-quarters of senior leaders (75%) are optimistic about the overall economic outlook in their country over the next 12 months, vs just 16% who are pessimistic. This recovering sentiment suggests growing confidence and cautious optimism about economic conditions in 2026.

*NOTE: FIELDWORK WAS COMPLETED FEB-MAR 2026, PRIOR TO THE US-ISRAEL CONFLICT WITH IRAN.

"There's a lot of positivity and momentum. The Nordics are remarkably resilient, particularly SMEs, which are obviously 'business goes on' despite a lot of insecurity and uncertainty."

KRISTER AANESEN, CEO NORDICS, AZETS

At a Glance

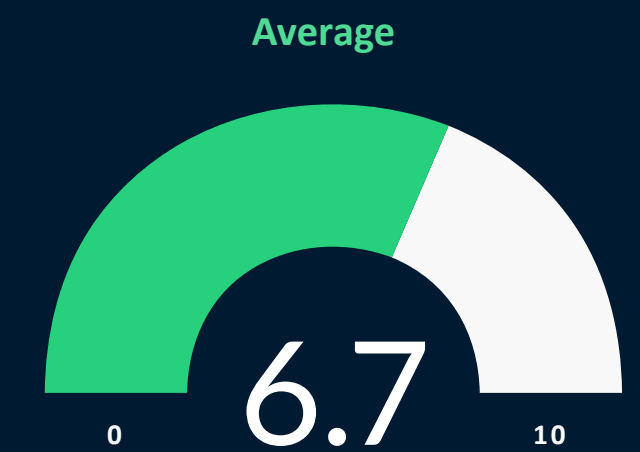
Most Optimistic	Sweden & Denmark	Finance, Technology, Construction	Bigger Corporations
Least Optimistic	United Kingdom	Hospitality, Public Services, Property	Smaller Businesses

How optimistic are you about the overall economic outlook in the next 12 months?

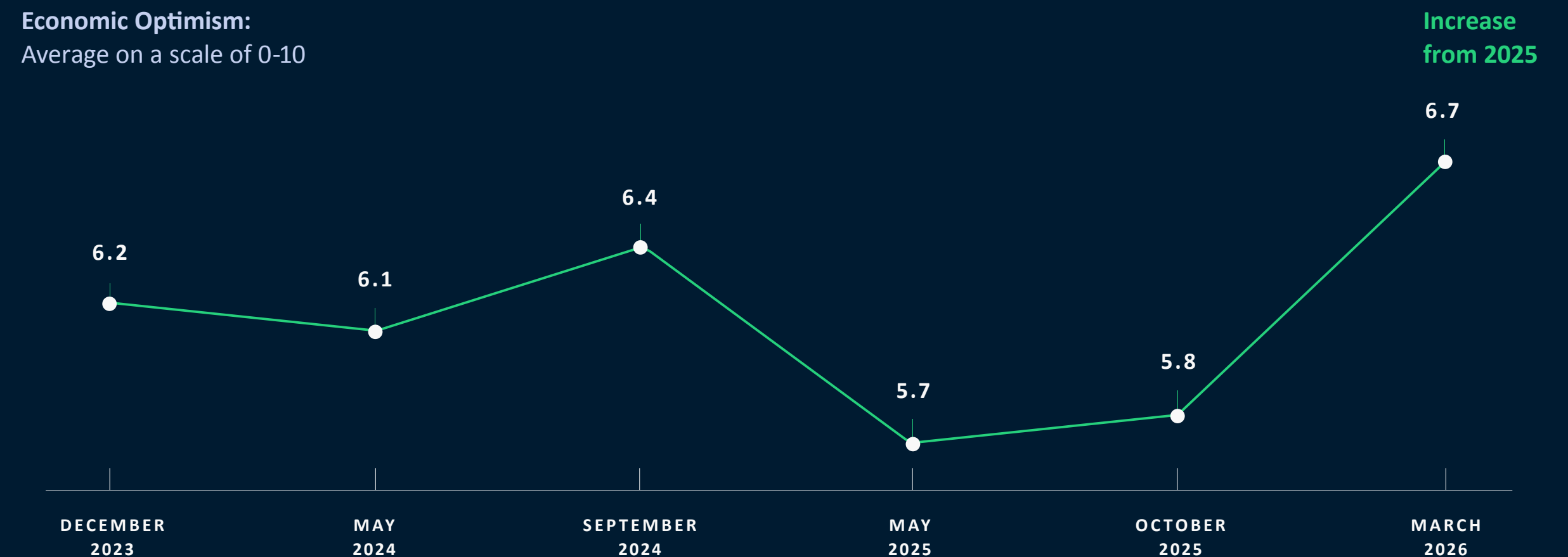


"We're seeing some key metrics on the macroeconomic environment improving, and hopefully they will continue to improve"

PETER GALLANAGH, CEO, AZETS UK



Economic Optimism: Average on a scale of 0-10



2025 confidence was low as businesses grappled with geopolitical instability and the lingering uncertainty of a difficult trading environment/tariffs

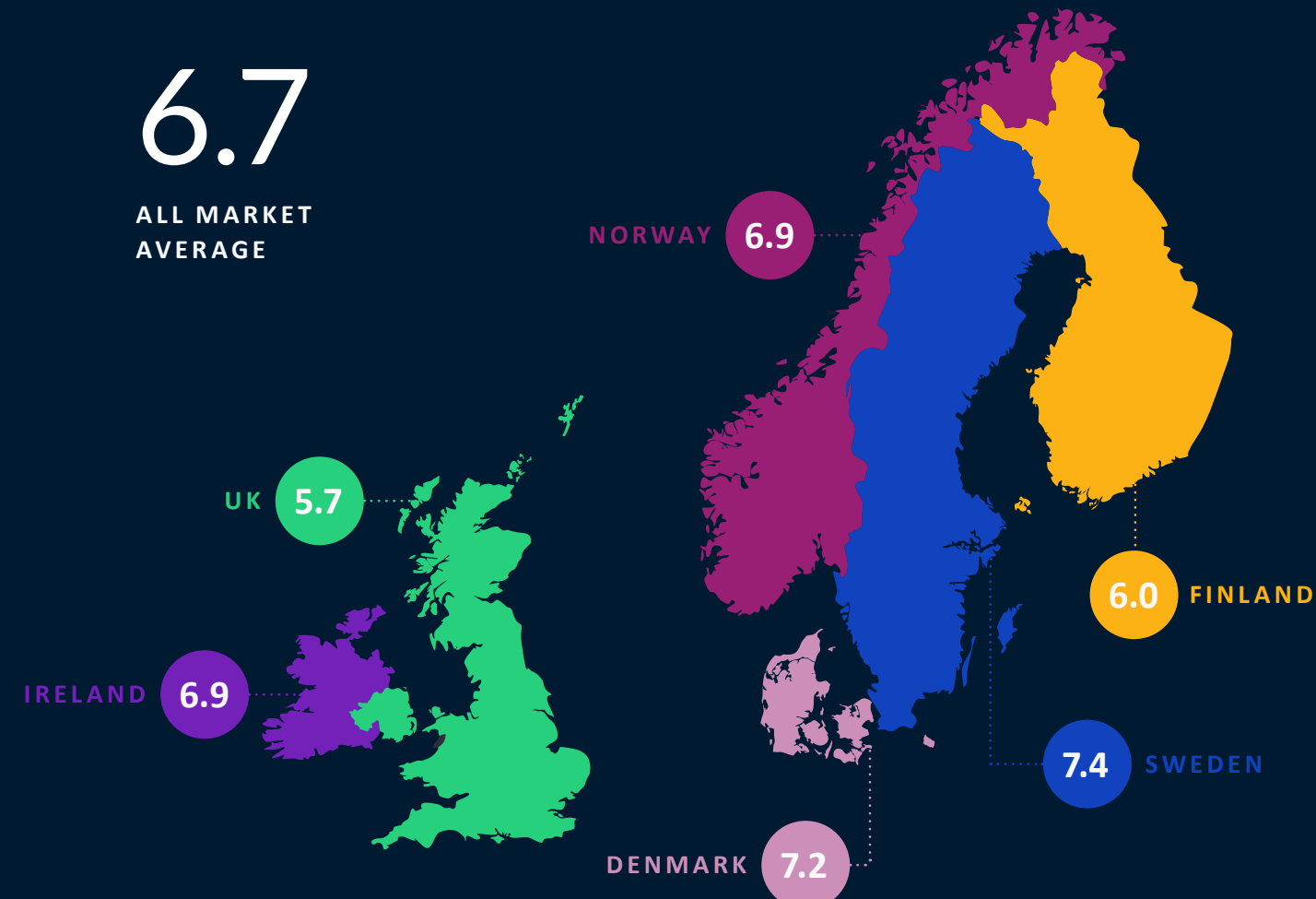
Azets Barometer - Q1 2026; How optimistic are you about the overall economic outlook in your country over the next 12 months?

Weight: Equal country weight + turnover; base n = 1768
Data from previous waves was weighted equally to wave 6

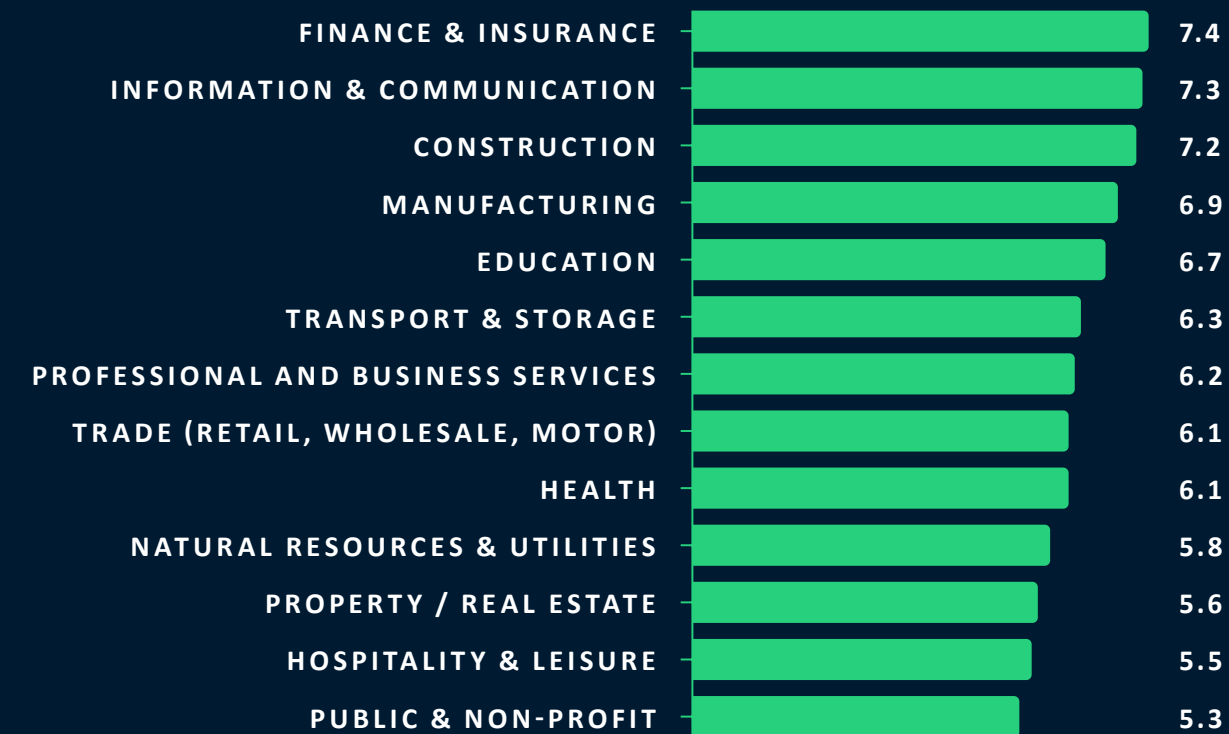
Economic Outlook

A view across markets, sectors, company size

Economic Optimism: Average on a scale of 0-10



Economic Optimism: Average on a scale of 0-10



Economic Optimism: Average on a scale of 0-10



Contrast in mindset between regions

Nordic & Irish leaders express higher levels of optimism. UK remains more cautious.

- Sweden (7.4) and Denmark (7.2) the most confident markets, perhaps reflecting the relative stability of their domestic economies and strong export positions
- UK (5.7) reports lowest (but still rising) optimism, as business continues to feel the pressure of rising costs, regulation, and an uncertain growth environment

Investment-driven sectors lead; consumer-facing sectors lag

- Finance, technology, and construction lead on optimism driven by active investment pipelines, digital demand, and infrastructure spending
- Hospitality, property, and public services trail significantly, with scores between 5.3 and 5.6, reflecting consumer caution, funding pressures, and limited pricing power

Bigger business = brighter outlook

Smaller businesses less optimistic on recovery

- Businesses with fewer than 50 employees score just 5.1 on economic outlook (little change from 5.0 in October 2025) compared to 7.1 for businesses with 500 or more staff (jump up from 5.9 in October 2025)
- Broader recovery in sentiment is experienced most strongly by larger organisations. Smaller businesses, typically carrying less financial buffer, less pricing power, and fewer resources to invest, are experiencing a more challenging economic reality than headline figures imply

Business Financial Performance

Confidence & business performance move in tandem

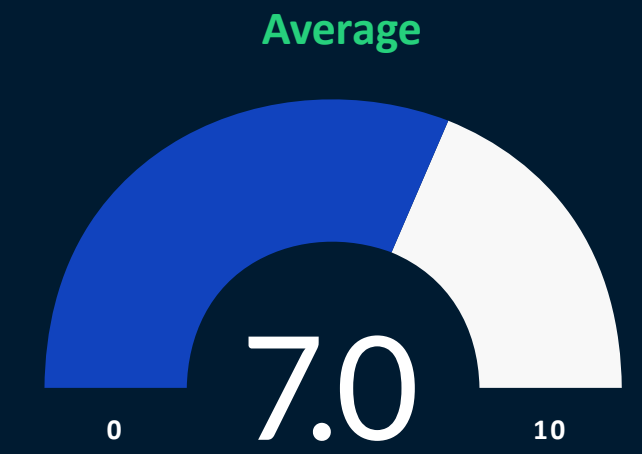
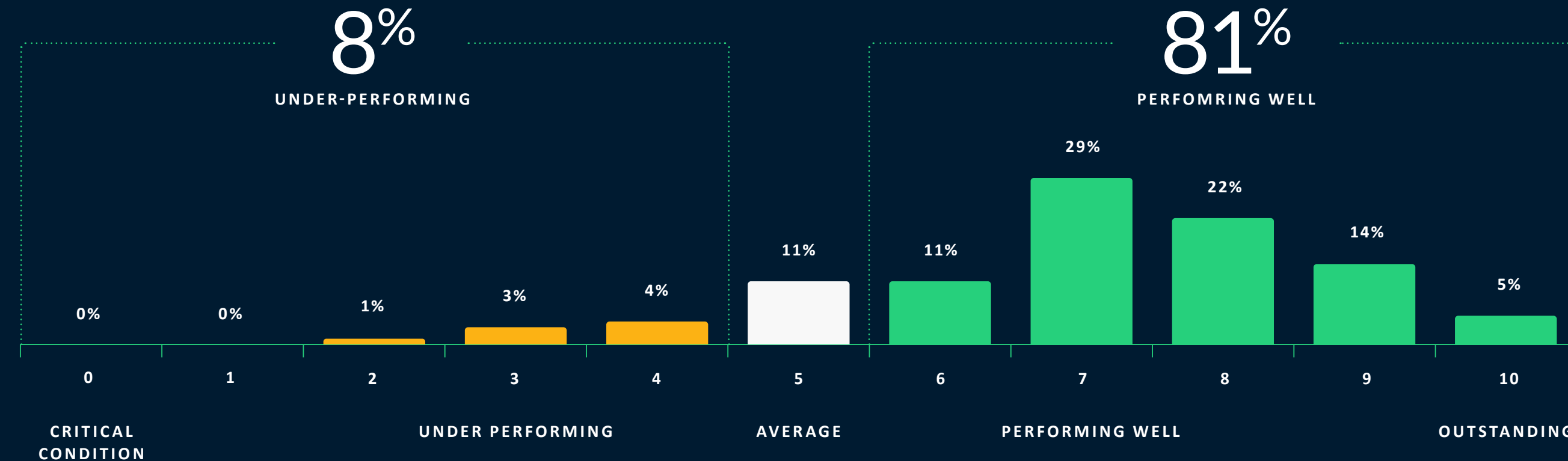
Leaders working at high-performing businesses more likely to feel good about where their economies are heading

Four in five senior leaders (81%) describe their financial performance as good. Just 8% say they are under performing.

“Our SMEs are always cautiously optimistic, and I think it’s that they back themselves and what they do. They know what to do.”

PETER GALLANAGH, CEO, AZETS UK

How would you describe your business’s financial performance?



Call out for smaller businesses

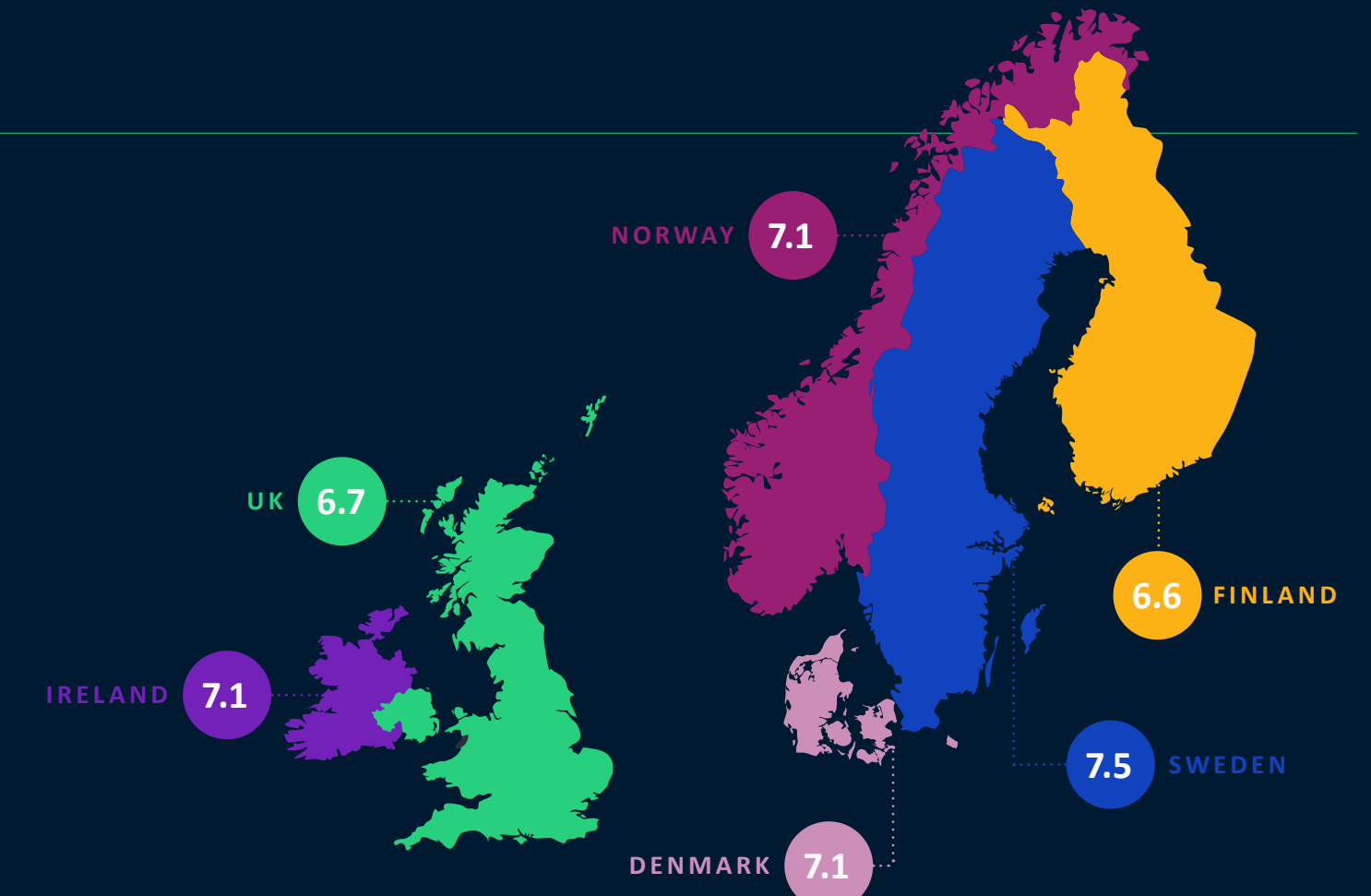
Scale shapes performance as much as strategy

Smaller firms still struggling with structural disadvantages such as less financial buffer, less pricing power, and more exposure to cost pressures they cannot easily pass on

“There is strength in scale. The smaller you are, the more vulnerable you might be to external shocks, and that’s just the way you feel.”

NEIL HUGHES, CEO, AZETS IRELAND

7.0 ALL MARKET AVERAGE



Sweden strong on performance; UK and Finland trail

- Sweden (7.5) tops the performance table, with Denmark, Ireland, and Norway all close behind at 7.1
- The UK (6.7) and Finland (6.6) sit below the all-market average, consistent with the more cautious outlook both markets report

Business Financial Performance

Business Leader Voices

What is driving a sense of economic optimism?
And why are some still feeling cautious?

75%
OPTIMISTIC

What's Driving It?

- Inflation easing and interest rates stabilising
- Resilient employment and growing consumer confidence
- Technology and AI creating new opportunities

"[I'm optimistic] because I see gradual economic stability, controlled inflation compared to recent peaks, and continued demand in key sectors like healthcare and financial services."

MANAGER, FINANCE & INSURANCE, 1000+ EMPLOYEES, UK.

16%
PESSIMISTIC

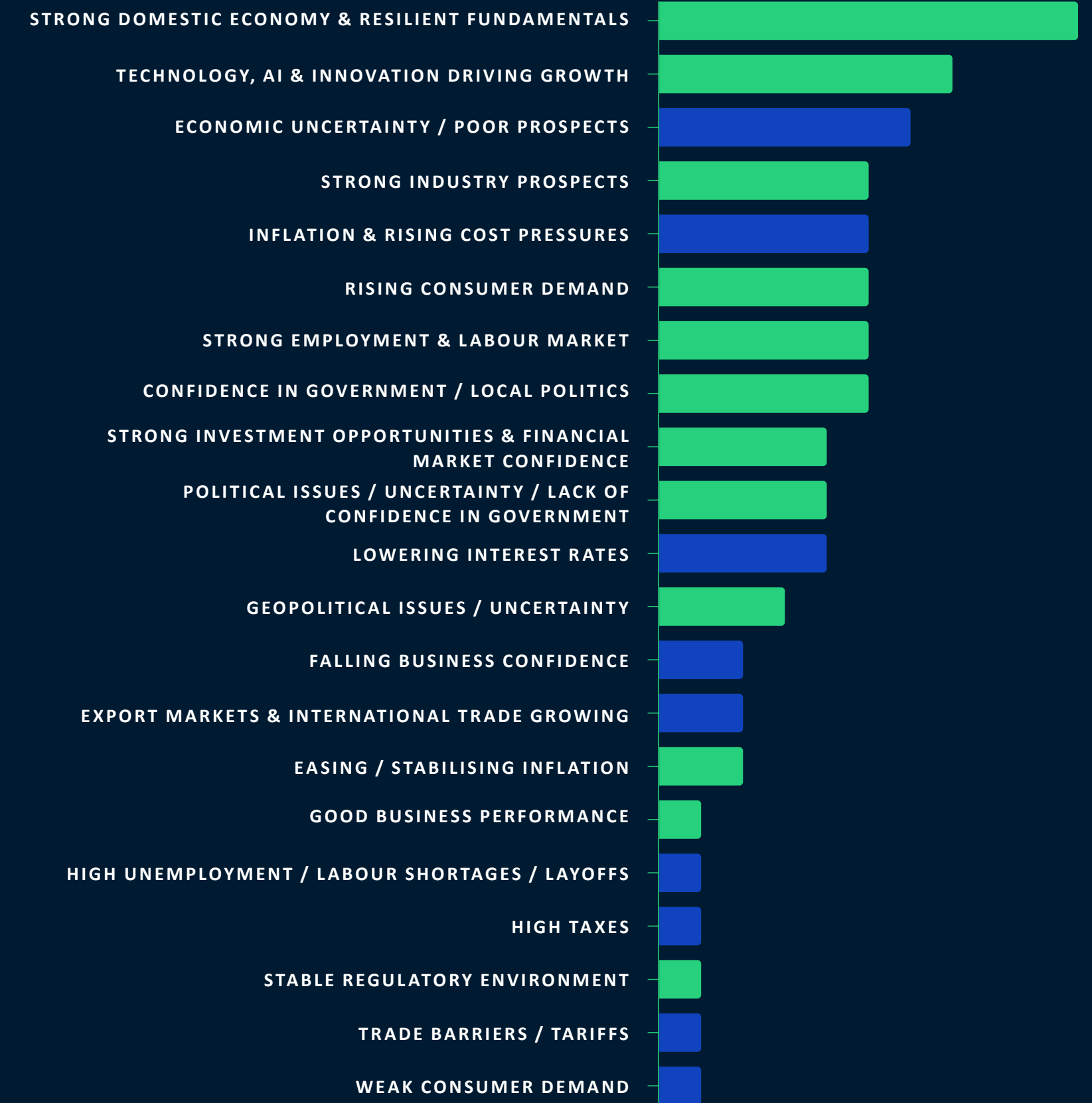
What's Driving It?

- Cost of living still rising, wages not keeping up
- Consumer spending constrained, demand subdued
- Governments seen as failing to support growth

"Political issues domestically, continued drag of Brexit, wider geopolitical issues, impact of taxation on business, high youth unemployment, impact of AI..."

MANAGING DIRECTOR, BUSINESS ADMINISTRATION, <50 EMPLOYEES, UK

You said that you are **optimistic/pessimistic** about the economic outlook in your country. Why do you say this?



Azets Barometer - Q1 2026; You said that you are [optimistic / neutral / pessimistic] about the economic outlook in your country. Why do you say this? Weight: Equal country weight + turnover; base n = 1768

Macro Concerns

Geopolitical uncertainty has been the top concern since 2023.

Leaders have grown more optimistic about their own businesses and domestic economies, but unease around an unstable and unpredictable global environment has remained.

Economic uncertainty ranks second followed by **competition** and **talent recruitment & retention**, highlighting the mix of external pressures and operational challenges facing businesses.

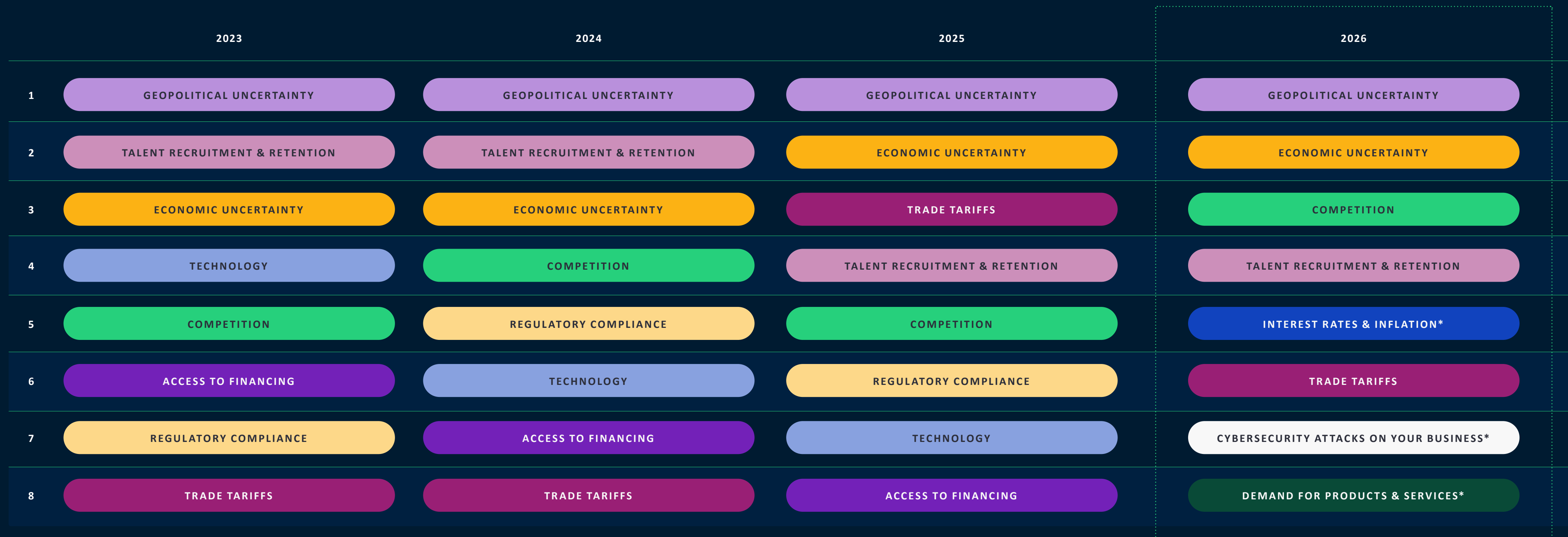
Tensions around **Trade tariffs** throughout 2025 have eased significantly but still linger (currently ranked 6th).

“There is a solid foundation, but the geopolitical situation poses a threat of market instability.”

DIRECTOR, INFORMATION & COMMUNICATION,
100 TO 249 EMPLOYEES, DENMARK

“Global economic uncertainty is putting pressure on overall financial stability.”

SENIOR MANAGER, FINANCE & INSURANCE,
100 TO 249 EMPLOYEES, NORWAY



For the following items, please rate your level of concern over the next 12 months: Concerned (7-10)

Azets Barometer - Q1 2026; For the following items, please rate your level of concern over the next 12 months. Weight: Equal country weight + turnover; base n = 1768 Data from previous waves was weighted equally to wave 6 * New options introduced Q1 2026

Spotlight On Norway

Navigating Complexity

‘Highly pragmatic’, businesses in the Nordics find creative ways to grow despite geopolitical uncertainty and the burden of EU regulation

- **Decisive Leadership:** strong, confident decision-making from leaders willing to choose a direction quickly rather than getting bogged down in universal consensus
- **Informal, Flat Culture:** even with a hierarchical organization chart, leveraging an ‘informal culture’ allows the CEO to bypass layers of management to speak directly with the employees executing the work
- **Extreme Pragmatism:** rooted in a ‘peasant culture’, Norwegian businesses frown upon formalistic vanity, empty titles, and unnecessarily complex structures
- **High Productivity:** in a small market with very high salary costs, businesses are forced to be cost-effective and ensure every employee is highly productive

Norwegian Pragmatists Guide to Navigating Complexity as an SME:

Don’t over-complicate it: read the manual, take it at face value - and get advice where you need it

Fix issues in real time: avoid over-engineering preventative processes. If an audit reveals a shortcoming, apologize, show documentation, and fix the issue as it arises

Go straight to the source: to solve complex problems, skip management layers and consult the frontline workers - people closest to the problem usually have the simplest, most effective solutions



“Norwegian business is informal culture meets decision-making and pragmatism. We focus on solving problems rather than getting caught up in process. The fact that a country of five million people sustains the breadth and scale of business activity that we do says everything about that mindset.”

MORTEN DANIELSEN, CEO, OSLO NEW UNIVERSITY COLLEGE

Morten Danielsen, CEO of the thriving Oslo New University College, gave us the inside track on the upward trajectory of the digital education industry, the Norwegian approach to business and what drives their optimistic mindset

Exploring The Q1 Barometer Data

On Norway’s above-average optimism and business performance

Unique macroeconomics mean global crises (rising oil price) enrich the Norwegian state and create trickle-down financial security – so despite high interest rates, the economy remains strong with low unemployment, high salaries and a strengthening currency—fuelled by optimistic local media

On Digitalisation (68%) and Automation/AI (65%) set to increase

“We have to do it as a business and we have to provide it as an educator. AI and cybersecurity are the most important key areas where we’re going to launch products and study programmes within the coming years.”

On half of Norway’s leaders worried about liquidity and access to financing

Norwegian investors are highly traditional, focusing primarily on oil, energy, and real estate, making it exceptionally difficult for startups and tech companies to secure domestic funding

On EU Regulatory Burden

“Setting aside the political debate, the cumulative weight of regulation is a real challenge, even for those of us who support the underlying intent. GDPR, the AI Act, data compliance, and in education the complexity around research funding and grant applications all add up to a significant and growing administrative burden.”

Leadership/ Capability Gaps

Business leaders highlight significant gaps that could hinder their organisations over the next two years.

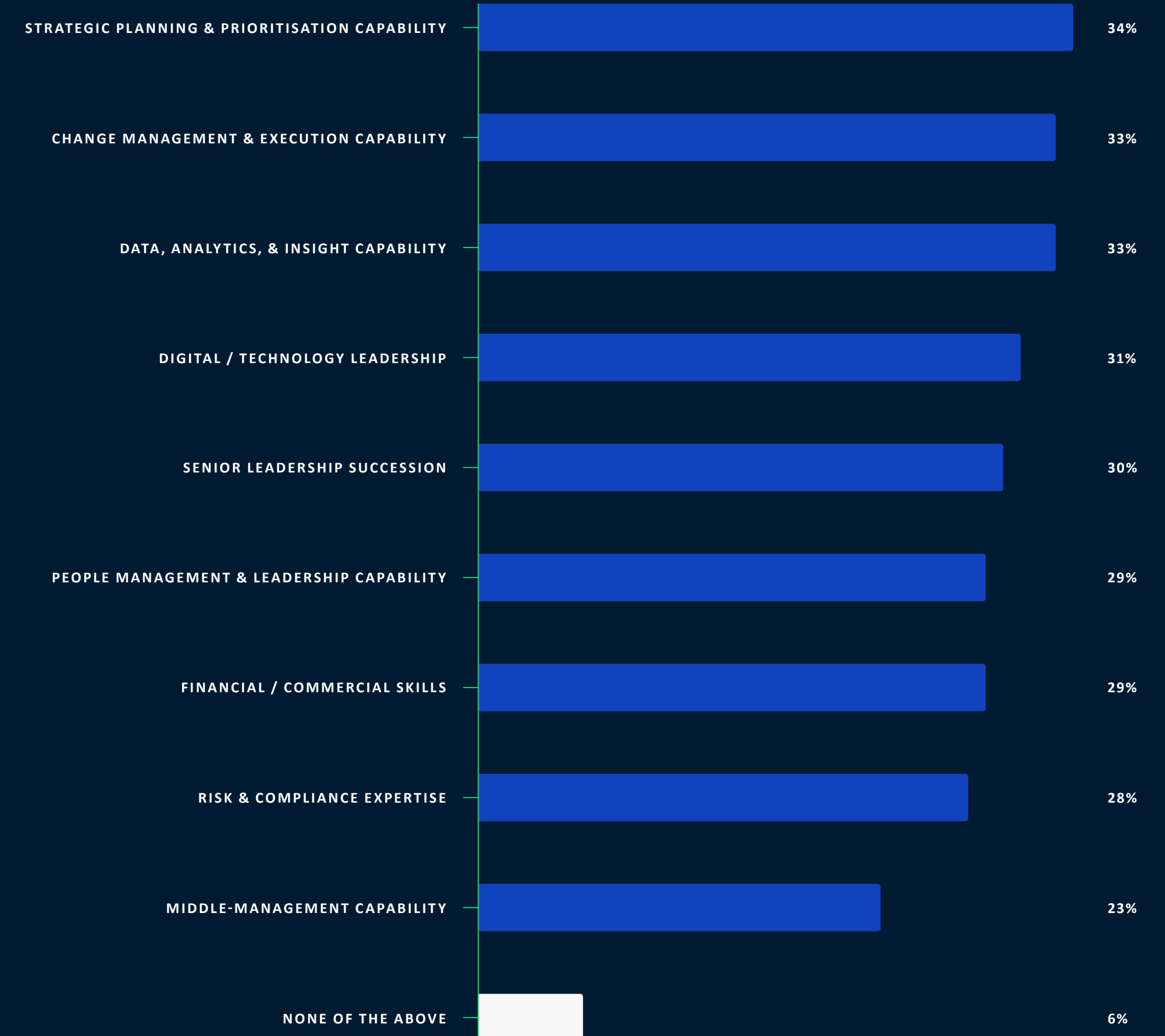
Strategy, change management, and data analytics are the three capabilities most needed to navigate transformation, and the top three risks reported.

Are we seeing a capability gap as businesses strive for growth without the resources to make it happen?

Digital and technology leadership is also a high capability gap, even as businesses plan to increase **AI investment**, pointing to a potential mismatch between **digital ambition and leadership capacity**.

Nearly a third of leaders also cite **senior leadership succession** as a risk, suggesting succession planning remains highly important but often overlooked.

Which leadership or capability gap(s) pose(s) the greatest risk to your organisation over the next two years?



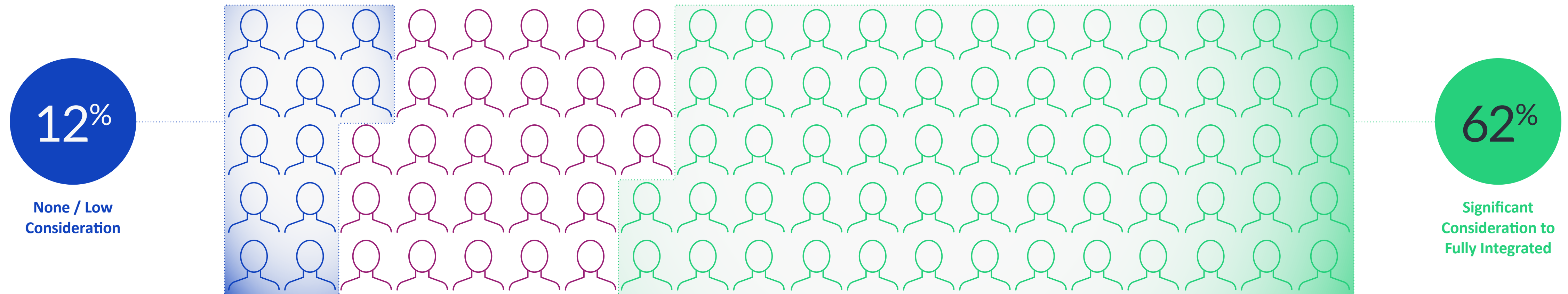
One In Ten Businesses Have Given No Or Minimal Thought To Succession Planning

The rest have at least considered it with almost two-thirds giving it significant consideration or more.

“Succession planning is an absolute necessity in my mind for any business, but particularly for a family business. In the short term, there are tensions around cost increases, margin pressures, and yet you can’t ignore the fact that inheritance planning, wealth planning, succession planning, are vital issues, which often get pushed off.”

PETER GALLANAGH, CEO, AZETS UK

How much thought is your organisation giving to succession planning?



Azets Barometer - Q1 2026; Q6. How much thought is your organisation giving to succession planning? Weight: Equal country weight + turnover; base n = 1768

Resilience Under Pressure

Behind the headline optimism, is a resilience gap quietly opening up?

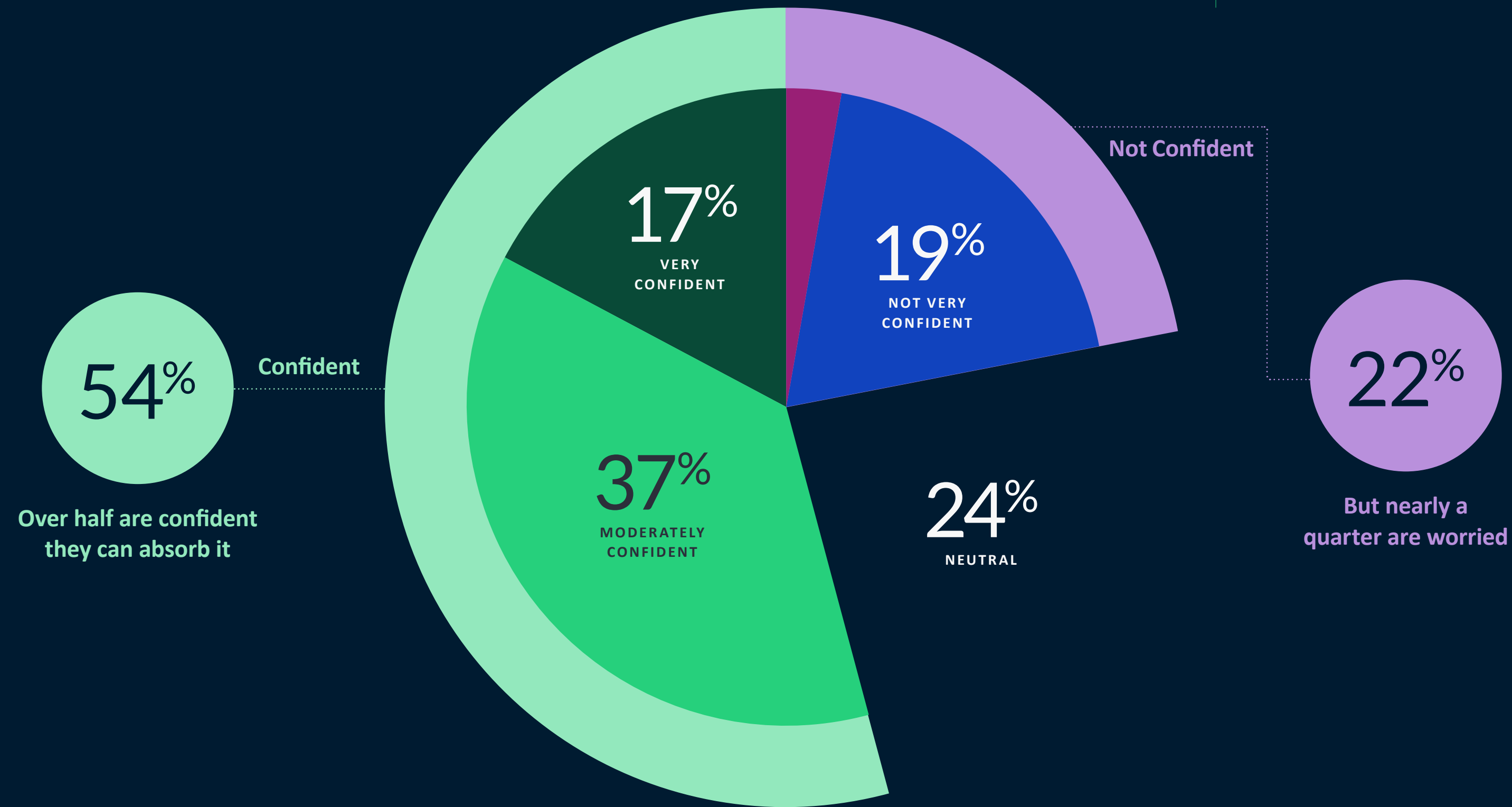
More than 200 businesses in our survey are projecting a fall in turnover or profit. Of those, just over half (54%) are confident they can absorb the impact, which leaves nearly half heading into a downturn without that conviction.

What should they be focusing on?

“Continuing to push for operational excellence in an era with a lot of new technology, being open to the opportunities that come with AI and having a strong external orientation. Then act on the things you believe in.”

KRISTER AANESEN, CEO NORDICS, AZETS

How confident are you in your organisation’s ability to absorb this impact?



“With better cost discipline, stronger cash flow management and smarter inventory planning our profitability and growth outlook is more stable.”

CFO, RETAIL, 250 TO 499 EMPLOYEES, UK

More than 200 business leaders in our survey say turnover and/or profit is projected to decline this year

Agility & Decision-Making Are The New Pillars Of Resilience

The ability to adapt quickly, and lead and make decisions are most critical to organizational resilience.

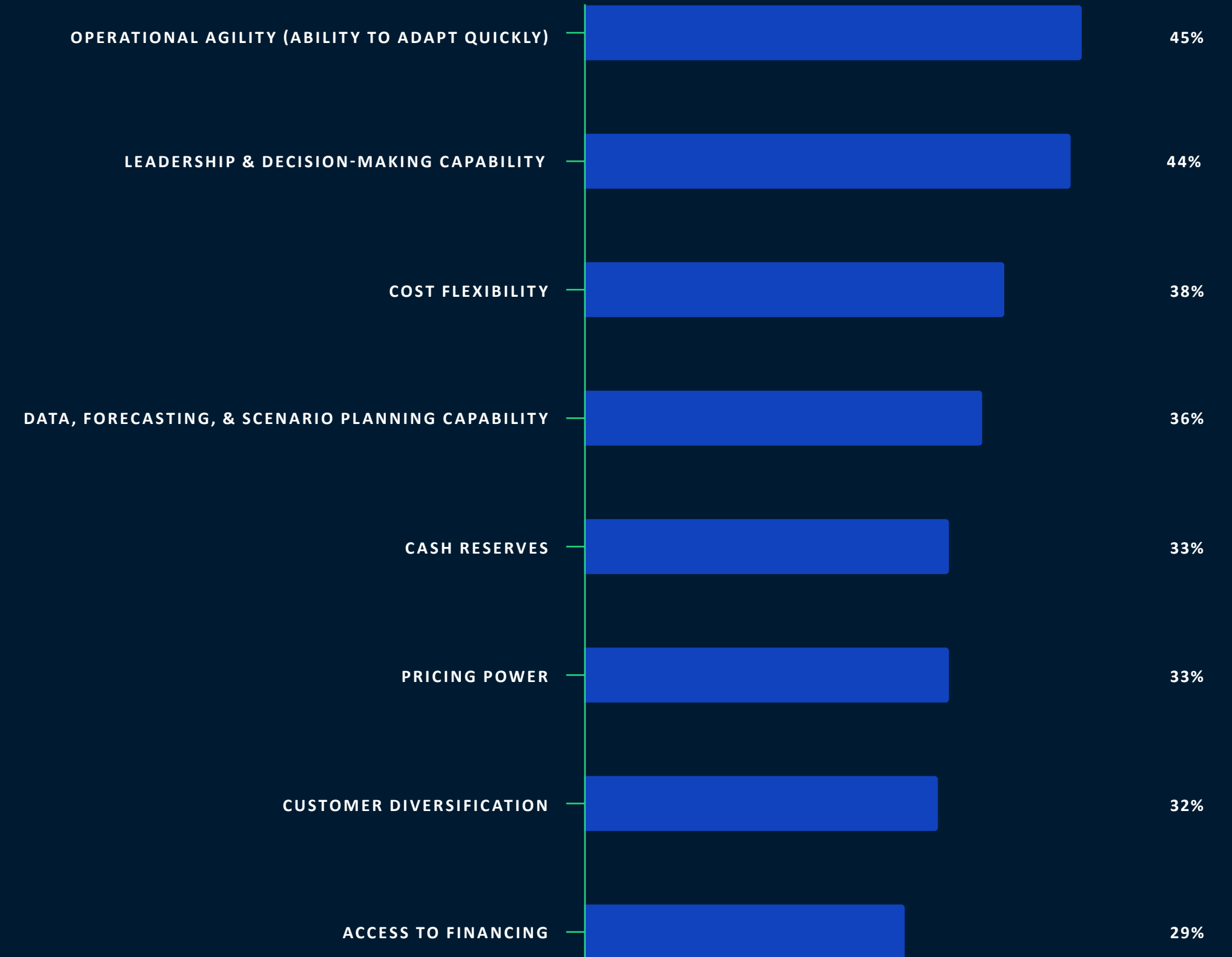
“It’s not wrong decisions that kill a business. It’s not making decisions at all. It’s leadership with the capacity to make those decisions, and quickly, that really sets them up well and gives them a much better ability to be more resilient and succeed through these difficult times.”

PETER GALLANAGH, CEO, AZETS UK

“Change is constant, and it’s just the new world we live in. COVID was an incredible learning experience for SMEs; people had to make unthinkable decisions, but they had no choice. We’re now seeing the benefit of that, with good resilience and adaptability. There’s greater confidence amongst SME owners to handle the changes. They’re better at navigating uncertainty, so they can move more quickly.”

NEIL HUGHES, CEO, AZETS IRELAND

Which factor(s) is/are most critical to your organisation’s resilience?



Azets Barometer - Q1 2026; Q5. Which factor(s) is/are most critical to your organisation’s resilience? Weight: Equal country weight + turnover; base n = 1768

SME Steps To Success

What are the winning characteristics in business today ?

- Flexibility
- Operational excellence
- Leaders with decision-making skills - to navigate well and pivot quickly
- Focusing on investing in technology, AI and automation
- Optimising operations through difficult times
- Strengthening balance sheets as much as possible
- Focusing on cash and on conserving cash
- No surprise that the more 'robust' larger businesses report higher levels of economic optimism and stronger business performance. But company size also influences an organization's primary concerns, perceived vulnerabilities, resilience strategies, and identified risk factors
- Lower confidence and weaker performance reported by smaller businesses align with specific structural constraints: they typically operate with smaller financial reserves, possess less pricing power, and are more immediately impacted by external economic shocks

"I think the other thing about SMEs, is many are owned and run by the same people, so they are highly nimble in the markets that they have. So, its that adaptability, that agility, that leadership, because the owner and the managing director, they tend to be one and the same people."

PETER GALLANAGH, CEO, AZETS UK

Which factor(s) is/are most critical to your organisation's resilience?

"Government policies are supporting economic growth, and small businesses are receiving more support."

CEO, MANUFACTURING, 250 TO 490 EMPLOYEES, IRELAND



Spotlight On Hospitality

As we enter 2026, the hospitality industry is feeling the squeeze of rising costs and shifting expectations. Often feeling that they are being ‘kicked in the teeth’ by economic policy with measures that erode their bottom line (e.g. lack of VAT relief, Statutory Sick Pay (SSP), increased rates following Government reform)

We spoke to Nigel Saunders, CFO of an independent chain of family run hotels in the UK, about his 39 years in the hospitality industry and the day-to-day challenge of delivering excellent customer service and retaining a loyal workforce despite a difficult trading climate. Nigel told us that increases to the minimum wage shrink pay differentials, making it harder to incentivize staff to take on supervisory roles. Finding recruits with a strong work ethic can also be an ‘upward battle’ as staff reward schemes can be penalized by tax and NI, discouraging small employers from going the extra mile. Meanwhile, customers spend less frequently, but demand more premium experiences when they do.

Insist On Quality, Build Relationships, Stay ‘People First’

- **Hospitality winners need agility**, strict financial control, and exceptional proactive service
- **Independence is an advantage** – for agile decision making and direct supplier relationships
- **Meticulous cashflow management is your friend** — balancing the cyclical cash influx, the need for rolling refurbishments, control of wages as a strict ratio to turnover
- **Success is not shareholder-driven**; it is deeply rooted in human connection and ethical choices
- **Valuing ‘human touch’ over AI**: tech has its place, but hospitality must remain people-first
- **Genuine care** creates the powerful word-of-mouth that sustains an independent business



“It’s all about relationships. The same relationship you have with a customer is what you should have with your supplier - and they should have the same values as yourself. It’s wanting to be proud of your product and proud of your business, not purely just making profit. Hospitality is a people industry... with the introduction of AI you still need somebody to speak to, you need employees that are friendly and with the right attitude. It’s a team business, and I’ve always said to staff that the person who washes the plates is as important as the chef who cooks the meal.”

NIGEL SAUNDERS, CFO, WEBB HOTEL GROUP, UK

Q1 Data: Hard Times For Hospitality

Subdued Optimism and Performance: economic outlook in retail & hospitality is below average and they are less likely than average to report great business performance

AI & Automation Barrier as hospitality has fewer opportunities to engage AI to drive productivity

Cyber Vulnerability: high-risk sector for cyberattacks as over half of businesses suffered at least one breach over the past year

Economic climate forces difficult pricing decisions as a significant 54% have increased their prices to pass higher operational costs directly onto the consumer

Expectations For The Year Ahead

Leader expectations for change over the next 12 months offer a clear view of shifting business priorities, moving from a period of caution and consolidation to one of active growth planning.

Business leaders expect the strongest increases in digitalisation, with automation and AI tools close second, reflecting the rapid shift toward AI-enabled operations. Cybersecurity remains firmly in the top three, highlighting the continued need to protect increasingly digital businesses.

Businesses also anticipate increases in capital investment, international trade, and expansion into new markets.



Please rate your expectation for change in the next 12 months. Increase: Top 4 out of 10

Azets Barometer - Q1 2026; For the following areas, please rate your expectations for change in the next 12 months. Weight: Equal country weight + turnover; base n = 1768 Data from previous waves was weighted equally to wave 6 * New items introduced this wave

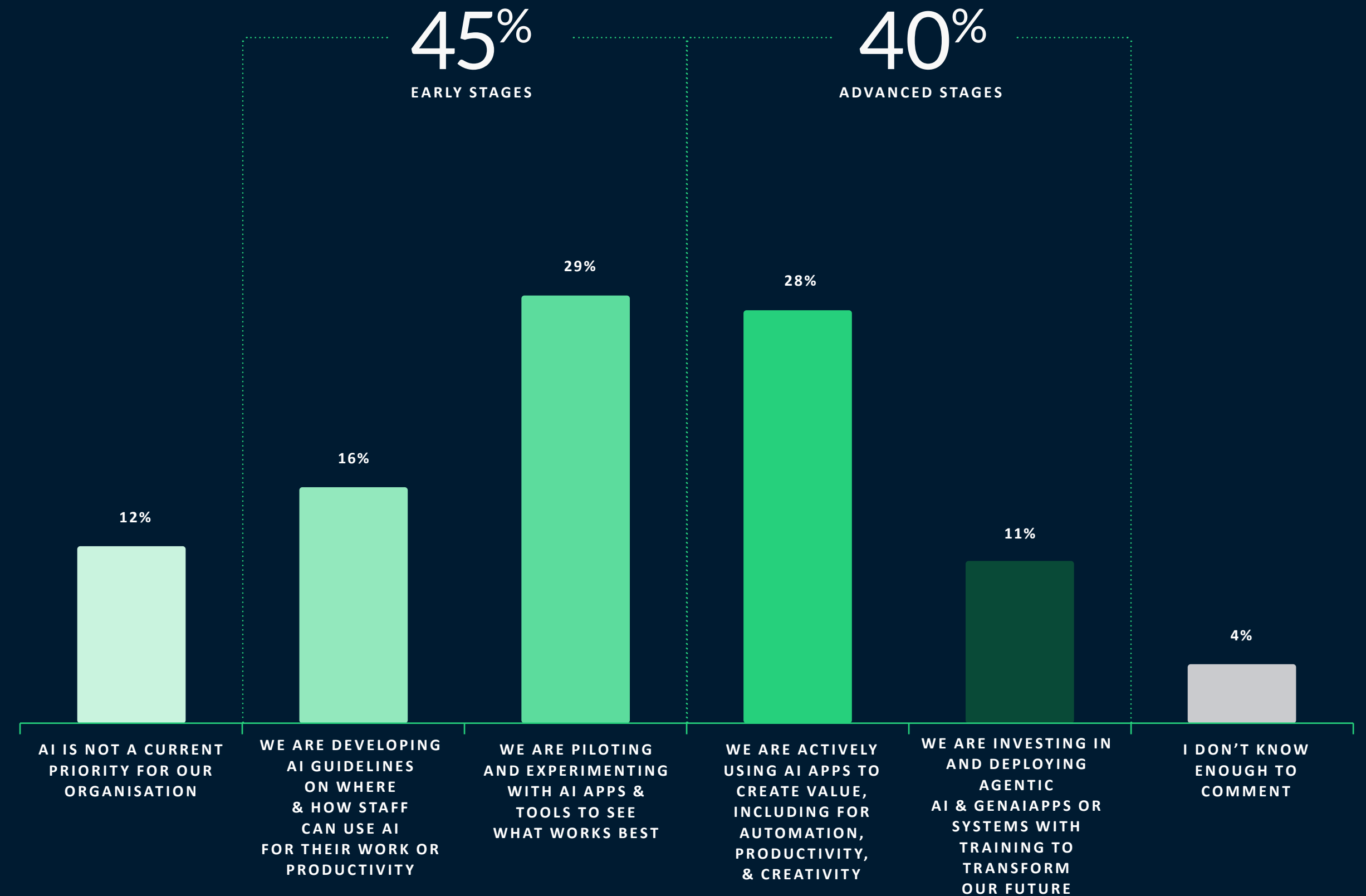
Looking Ahead

Most businesses still at the experimental/early active stage with AI; only a few going further with agentic

“SME businesses are probably lagging a little behind with AI, they’re jumping on board the obvious ChatGPT stuff, and they’re missing the huge opportunity. What people need to look into is the use of agentic AI or multi-agentic AI whereby they’re creating process improvements in their business. This is not just about getting away from email communication with clients, but about determining how to improve the business and utilize it to drive greater efficiency and profitability.”

NEIL HUGHES, CEO, AZETS IRELAND

Which statement best describes your organisation’s adoption and use of AI (artificial intelligence) today?



Azets Barometer - Q1 2026; Q8. Which statement best describes your organisation’s adoption and use of AI (artificial intelligence) today? Weight: Equal country weight + turnover; base n = 1768

Insights By Market



United Kingdom

Insights and Trends – Q1 2026

Outlook

Average



Performance

Average



Concerns

Higher labour costs dominate UK business concerns.

What are your main concerns regarding potential negative impacts on your business?

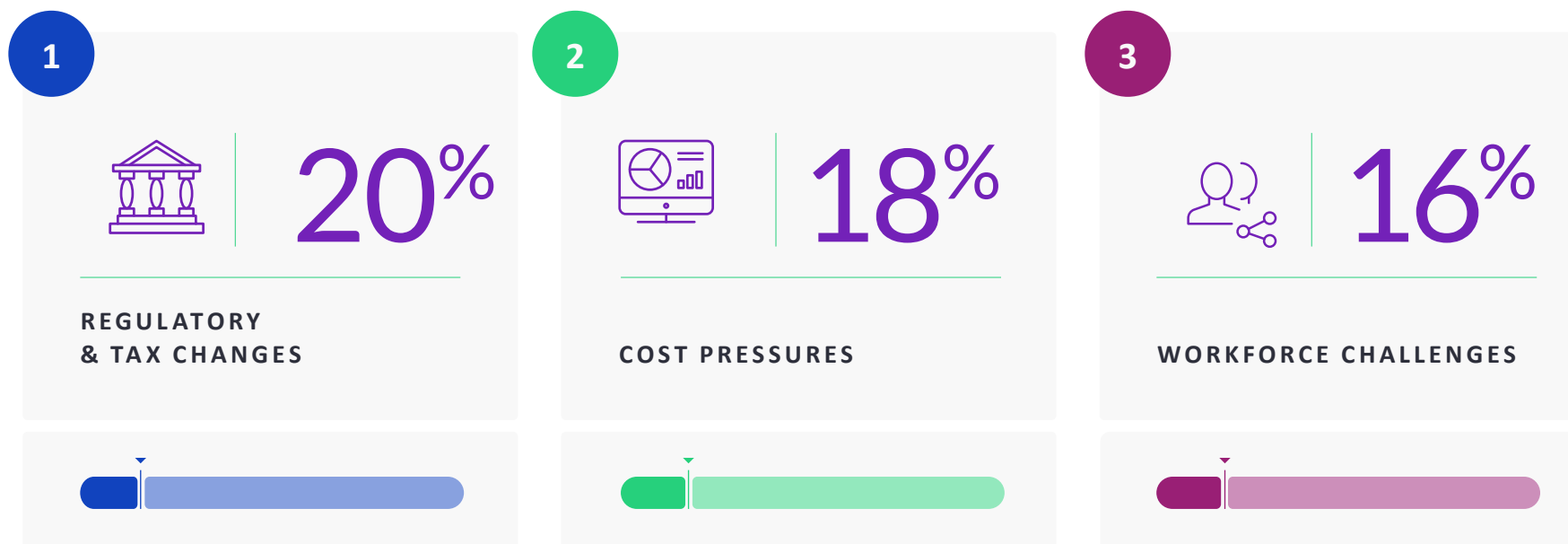


- Shift towards cautious optimism amongst UK SMEs
- More guarded approach to 2026 than other markets as UK leaders are feeling the immediate pinch of regulatory burdens and margin squeezes
- Average is 5.7 (up from last wave)
- UK business confidence remains at lowest level across all markets surveyed
- UK businesses also showing an uplift in their current financial performance
- But UK business performance (6.7) lags the rest of Europe (7.0 is the all-market average)

Impacts

Regulatory & tax changes having most impact on UK business

Which type of pressure is currently having the greatest impact on your business?



AZETS PERSPECTIVE

“That optimism is not based on a booming UK business, but what it points to is that the previous worst-case scenarios that were likely are now unlikely, and there are some key trends and indicators that are pointing us in the right direction. All changes depend on macro and geopolitical instability worldwide, but as we speak to clients right now, they have been cautiously optimistic.”

It comes as no surprise that people are looking to do more with less, as labour costs increase. Investment in automation, digitalization, and AI tools are all super important to be able to deliver and drive greater profitability through those investments.”

PETER GALLANAGH, CEO, AZETS UK



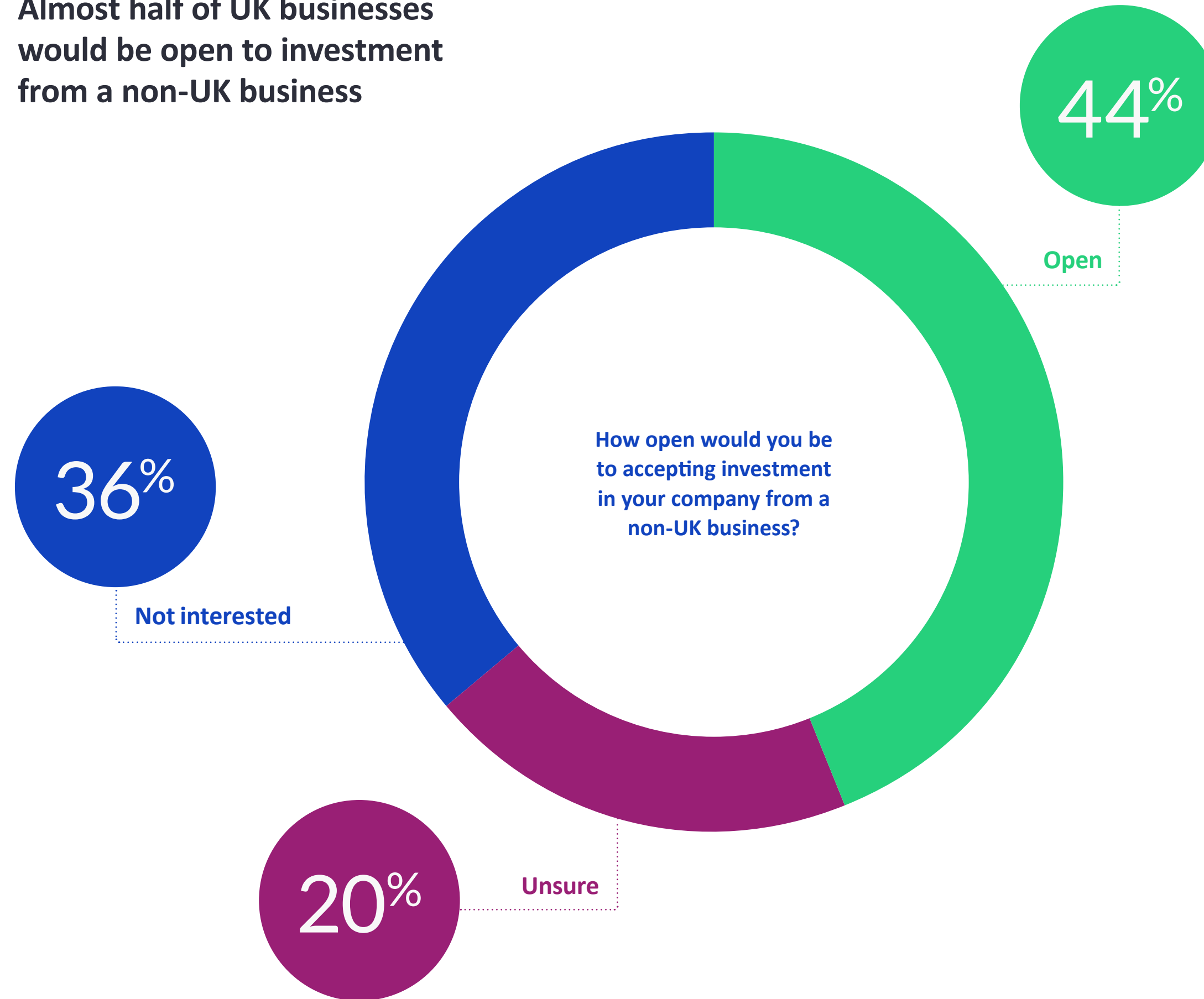
United Kingdom

Insights and Trends – Q1 2026

Key Insights

- Despite economic headwinds, there is a notable level of international openness, with a portion of UK business owners expressing willingness to accept investment from non-UK businesses to fuel growth.

Almost half of UK businesses would be open to investment from a non-UK business



AZETS PERSPECTIVE

“Competition is global and taking that inward investment allows them to compete... whether that is platform technology, entering new jurisdictions or markets, or just giving them M&A firepower. Foreign ownership or foreign investment is a route for UK businesses to accelerate growth. It’s not about the loss of identity; it’s about them driving growth and helping develop SMEs and their autonomy.”

There have been fires, floods, pandemics, and wars, but out of those, our SMEs always invest and they always grow. That resilience that they have is the backbone of the UK economy.”

PETER GALLANAGH, CEO, AZETS UK



Ireland

Insights and Trends – Q1 2026

Outlook

Average



Performance

Average



Concerns

Higher labour costs top Irish business concerns.

What are your main concerns regarding potential negative impacts on your business?



- High optimism and confidence in the Irish market
- Average optimism regarding the economic outlook over the next 12 months is at 6.9
- 63% of Irish businesses expect their profit or turnover / revenue to increase over the next year

- Despite a positive outlook, concerns around the workforce are prevalent with Higher Labour Costs the top concern at 36% and a labour skills shortage at 29%
- General cost pressures and workforce challenges are therefore top of mind for Irish businesses

Impacts

Cost pressures having most impact on Irish business

Which type of pressure is currently having the greatest impact on your business?



AZETS PERSPECTIVE

“The busy Christmas season turned out to be relatively strong for businesses and confidence at the start of the year is heavily influenced by how they got on up to the end of the year. That’s the nature of SME businesses.

Ireland is in a strong macroeconomic position; debt-to-GDP has continued to fall, the country is awash with corporation tax money. Businesspeople can see that’s happening, and they see that the government is likely to be in a position to support the economy. An increase in the minimum wage and auto-enrollment for pensions has increased the compliance burden and associated costs. It’s not possible anymore to hire cheaply. There’s no such thing as an early-career person or first job person. There are certain sectors, such as retail and hospitality, that it weighs quite heavily on; it’s a significant burden. It tends to hit SMEs more than larger companies that may have fewer minimum wage-type employees.”

NEIL HUGHES, CEO, AZETS IRELAND

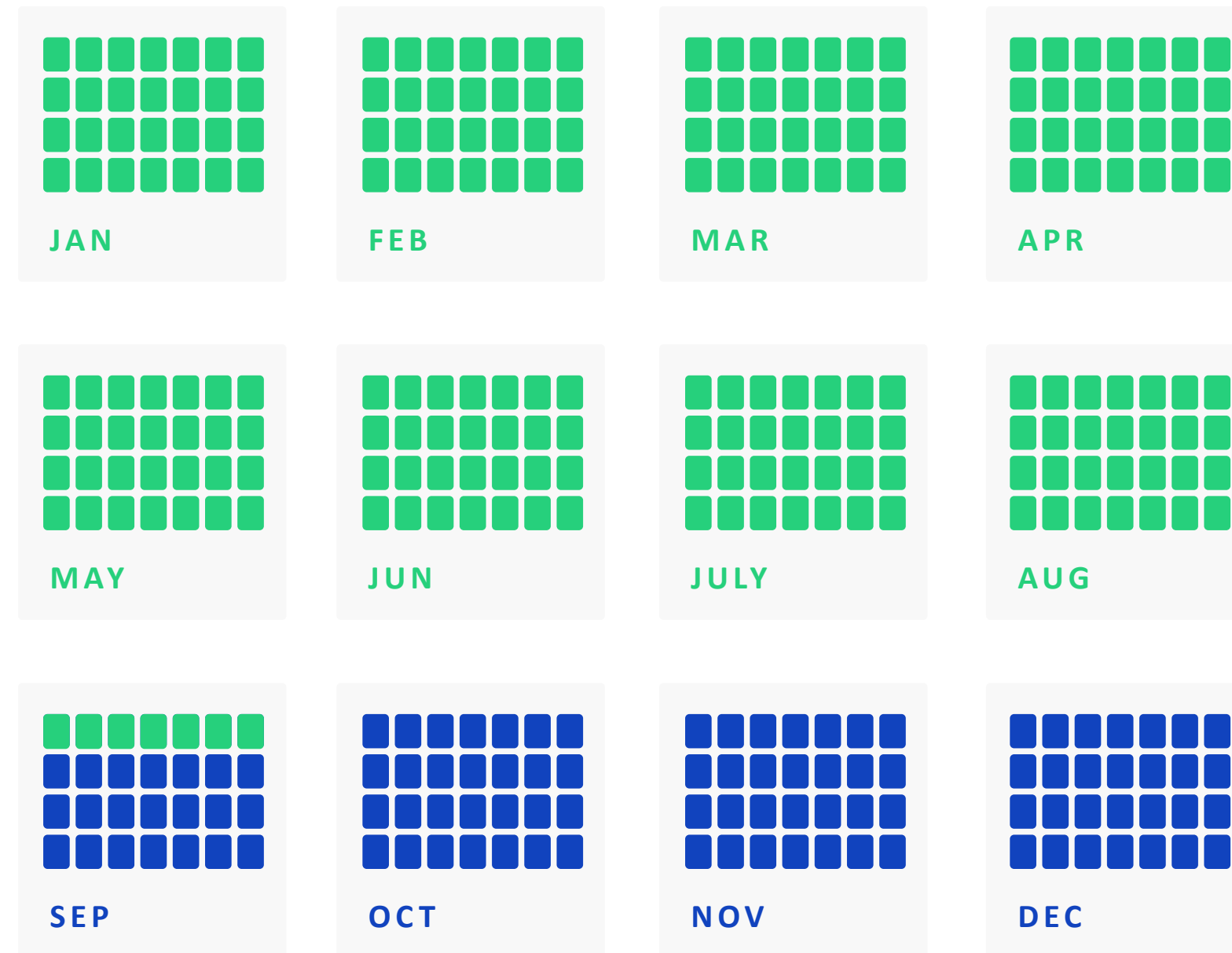


Ireland

Insights and Trends – Q1 2026

Key Insights

- **Capability Gaps in Succession and Risk Management**
- Irish leaders identified senior leadership succession (35%) and risk & compliance expertise (35%) as the greatest capability gaps posing a risk to their organizations
- Despite cashflow planning, nearly 1 in 3 Irish businesses are still stressed about long-term financial predictability
- Watch out as over half of Irish businesses only looking 1–6 months ahead



AZETS PERSPECTIVE

“You’ve got to plan; you’ve got to look at what you’re going to do if energy prices go up dramatically and stay elevated.”

You really have to be very careful with those projections you’re making. If you’re only projecting one or two months ahead, you just may not get away with that.”

NEIL HUGHES, CEO, AZETS IRELAND



Denmark

Insights and Trends – Q1 2026

Outlook

Average



Performance

Average



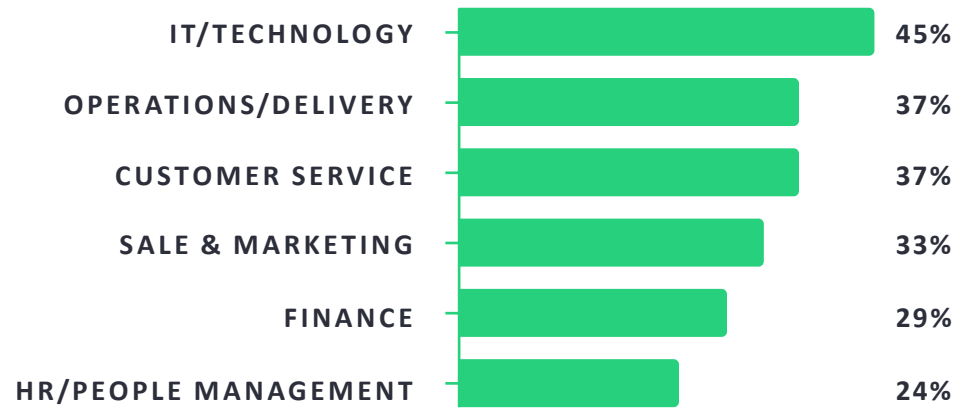
- Denmark stands out as the most optimistic market with an economic outlook average of 7.2
- Danish businesses also rate themselves slightly above average on business performance at 7.1

“Denmark has a stable welfare system, a strong green industry and export competitiveness, as well as employment and inflation under control.”

CIO, BUSINESS ADMINISTRATION & SUPPORT SERVICES, 500 TO 999 EMPLOYEES, DENMARK

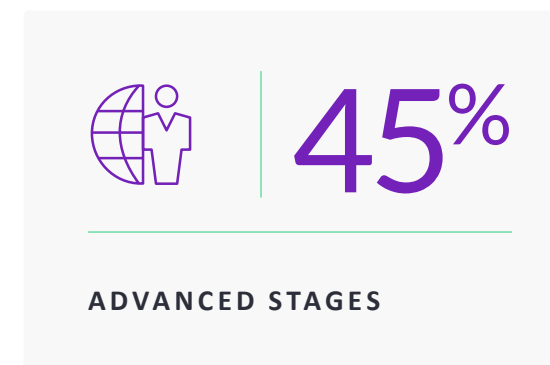
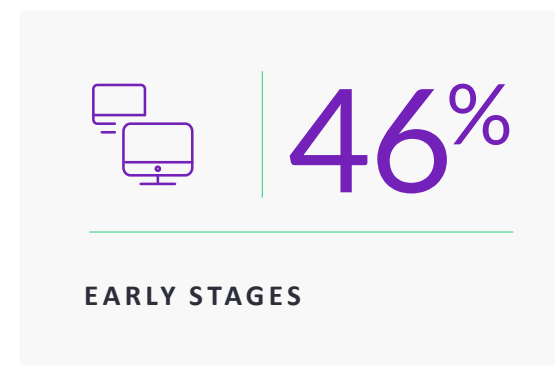
AI Integration

In which areas of your organisation is AI currently integrated into day-to-day processes?



Adoption and use of AI today?

Deep, Practical AI Integration



- Danish companies are integrating AI across their core business functions
- Utilizing tech as a fundamental driver of operational efficiency

AZETS PERSPECTIVE

“In Denmark you have a combination of large companies as well as a lot of entrepreneurial creative people who create products. They’re basically entrepreneurs looking for opportunities. They’re close to Europe and are harnessing that.”

KRISTER AANESEN, CEO NORDICS, AZETS



Denmark

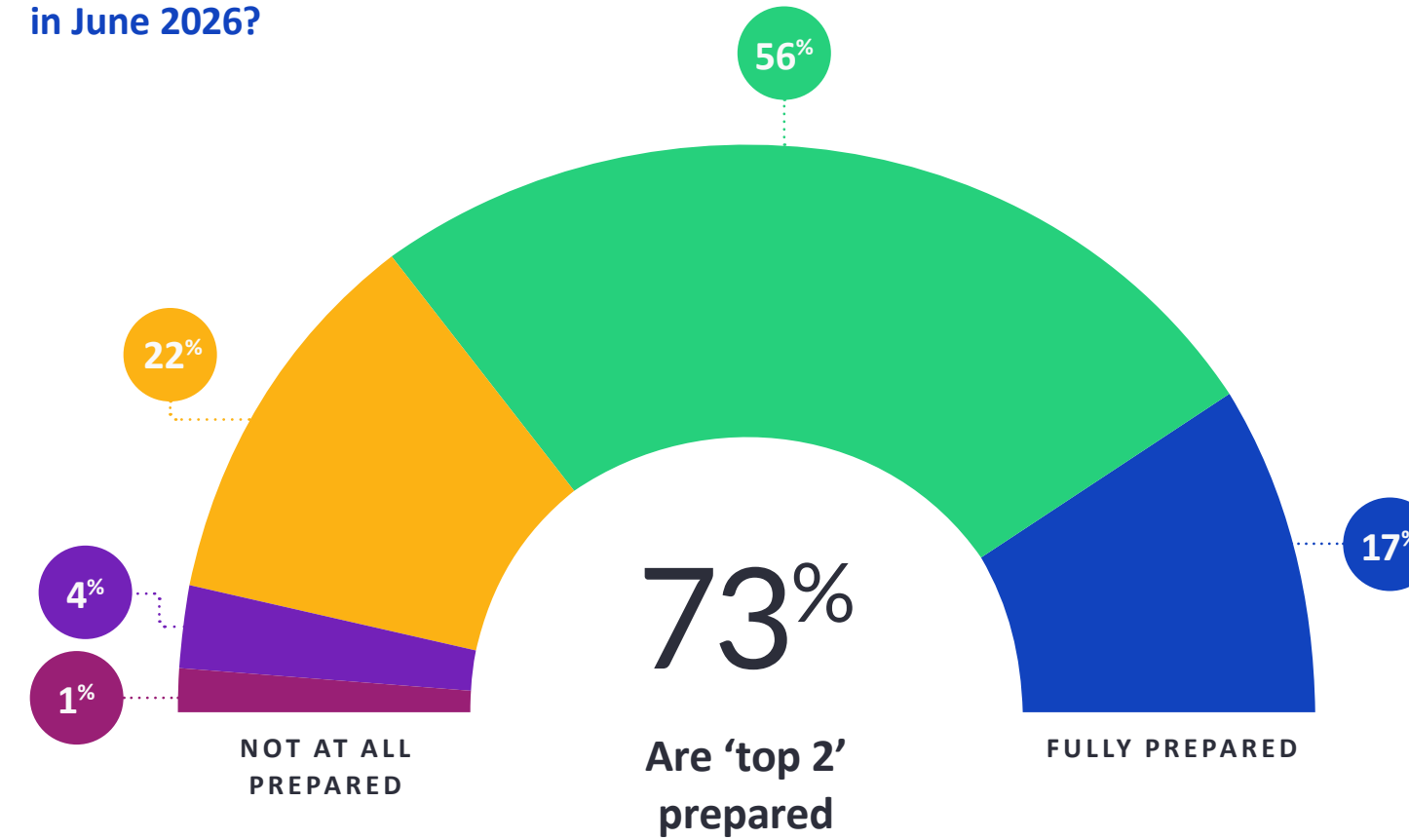
Insights and Trends – Q1 2026

Key Insights

Proactive Compliance and Talent Retention

- Danish leaders are tackling regulatory and workforce challenges head-on
- Organizations are preparing well for the **EU pay transparency requirements** effective June 2026, though only 17% currently describe themselves as “fully prepared”
- To combat the talent shortage, 66% are **actively planning to offer reduced hours or flexible working arrangements** specifically to retain older, highly experienced employees

How prepared is your company to comply with the EU’s pay transparency requirements, expected to take effect in June 2026?



To what extent do you plan to offer senior arrangements (e.g. reduced hours or flexible working) to retain experienced employees?



AZETS PERSPECTIVE

“When you have had a period of stronger growth and you have a shortage of talent, you have to differentiate on something. Work-life balance becomes an important factor that employees consider before deciding.”

KRISTER AANESEN, CEO NORDICS, AZETS



Sweden

Insights and Trends – Q1 2026

Outlook

Average



Performance

Average

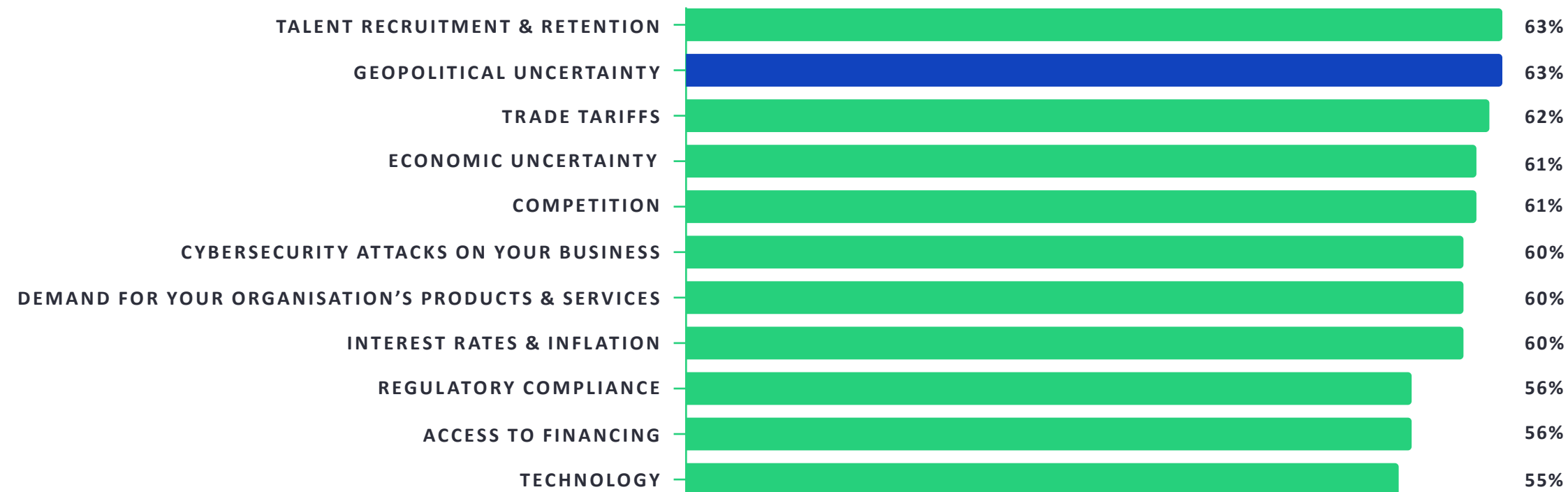


- Sweden is one of the most optimistic markets at 7.4
- Swedish businesses are also operating with a **high level of commercial confidence** with an above average business performance at 7.5

- Swedish businesses are **highly attuned to global risks**, with 63% ranking geopolitical uncertainty as a top threat over the next 12 months. However 67% of leaders feel “prepared” or “very prepared” to manage the impacts of geopolitical insecurity

Concerns

For the following items, please rate your level of concern over the next 12 months



Impacts



AZETS PERSPECTIVE

“Sweden is growing. It’s very well plugged into Europe, getting a more central place in European dynamics and really engaging in that. They’ve just joined NATO.

It’s a very strong industrial base in Sweden, which then directly translates into the momentum we see in Europe now with the defence and infrastructure investments that are coming. There are a lot of new opportunities arising.”

KRISTER AANESEN, CEO NORDICS, AZETS



Sweden

Insights and Trends – Q1 2026

Key Insights

- **Swedish optimism is translating into hiring plans** as over 60% of Swedish organizations are actively planning to expand their organization or recruit new roles in the next 12 months
- **The Swedish market shows highest levels of concern about potential cybersecurity attacks** (60%) and 78% plan to increase their cybersecurity measures
- But **Swedish executives also feel very well-protected** as 74% are fully confident that their current level of cybersecurity investment is sufficient to protect them

“I am optimistic because we have a strong economy with large energy resources and a stable government fund that provides security even in uncertain times. In addition, high employment and investments in the green transition contribute to good future prospects.”

BOARD MEMBER, INFORMATION & COMMUNICATION,
100 TO 249 EMPLOYEES, SWEDEN



60%

OF BUSINESSES
ARE PLANNING TO
ACTIVELY EXPAND (26%)
OR RECRUIT (34%)



74%

ARE CONFIDENT THEIR
COMPANY'S CURRENT
LEVEL OF CYBERSECURITY
INVESTMENT IS SUFFICIENT



AZETS PERSPECTIVE

“You can never be fully confident in the risks around cybersecurity. Mid-sized companies are quite aware of it now, and we've seen over the last few years a large degree of professionalisation emerging.”

We also see that IT service providers offer security services to a much larger extent than before, and that solutions increasingly have security-by-design integrated in them. But it's a big spectrum in terms of maturity.”

KRISTER AANESEN, CEO NORDICS, AZETS



Finland

Insights and Trends – Q1 2026

Outlook

Average



Performance

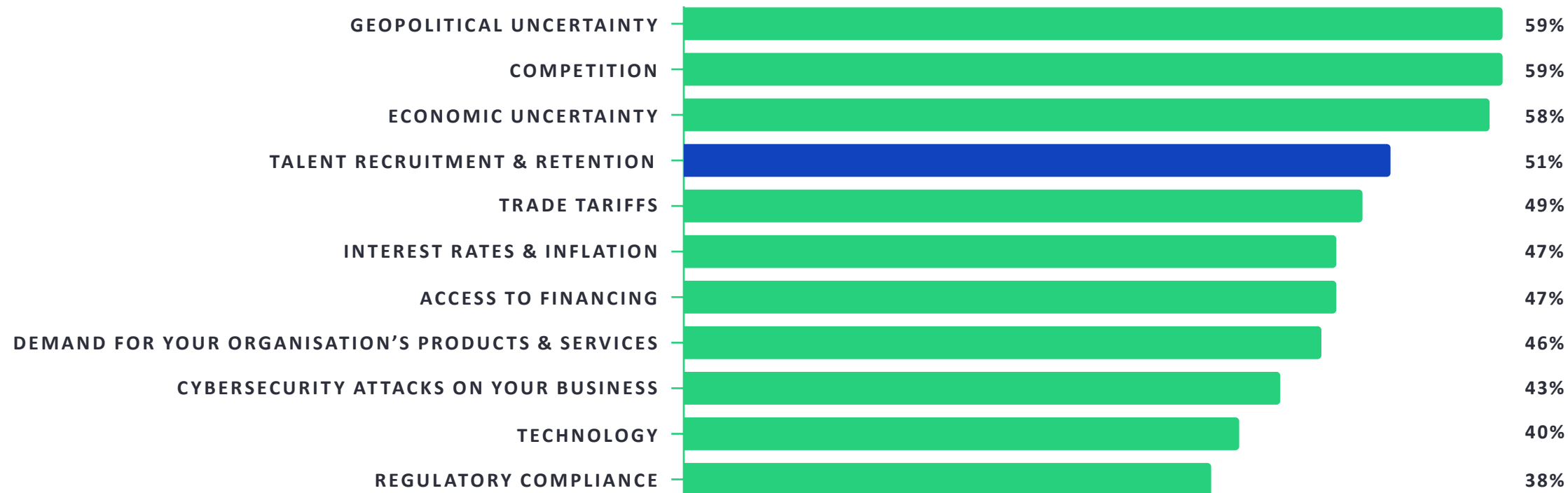
Average



- Finland enters 2026 as the **most cautious of the Nordic markets** with an economic outlook (below market) average of 6.0
- Finnish businesses also rate themselves below average on business performance at 6.6
- A highly pragmatic Finnish mid-market that is balancing its growth ambitions with a realistic view of regional geopolitical proximity?

Concerns

For the following items, please rate your level of concern over the next 12 months



People Risks



AZETS PERSPECTIVE

“Finland is closest to the Russian border, so they’re probably most affected by the Ukraine situation...with lower economic activity that translates into lower employment and low GDP growth.

The Finns are extremely prudent. They’re used to being cautious and well-prepared. But the downside is that investment levels and employment levels go down.”

KRISTER AANESEN, CEO NORDICS, AZETS



Finland

Insights and Trends – Q1 2026

Key Insights

Data-Driven Financial Forecasting

- 44% of Finnish leaders say automation and AI already support their company’s financial forecasting and scenario planning
- Rigorous scenario planning should allow Finnish businesses to remain highly resilient regardless of how the market shifts

Leveraging AI for Strategic HR

- Finnish businesses are also actively leveraging AI to support complex HR processes - using technology directly to fight the talent and capacity shortages being felt across the region
- However, only 36% say their company is currently doing this well. In a market where talent recruitment and retention is a top-four concern, and half of Finnish businesses acknowledge people risks are not well managed, this gap is worth noting

AI Adoption



EARLY STAGES



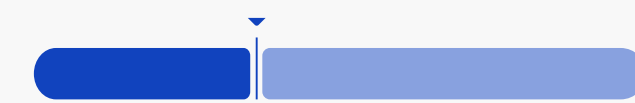
ADVANCED STAGES



SAY AUTOMATION AND AI SUPPORT THEIR COMPANY’S FINANCIAL FORECASTING AND SCENARIO PLANNING



SAY THEIR COMPANY LEVERAGES AI WELL TO SUPPORT HR PROCESSES



AZETS PERSPECTIVE

“AI is trending across forecasting...training efforts... core processes. It is increasingly moving its way into core salary processes, payroll and HR. Basically every area is affected by it one way or the other.”

KRISTER AANESEN, CEO NORDICS, AZETS



Norway

Insights and Trends – Q1 2026

Outlook

Average



Performance

Average



- Norway shows above average optimism at 6.9
- Norwegian businesses are also operating with a slightly above average level of commercial confidence at 7.1
- Despite performing well on average, 63% of Norway’s businesses say a lack of skills is limiting their ability to deliver and grow
- Economic uncertainty, interest rates, and competition are all tied as the top concerns
- Over half of Norwegian leaders are worried about liquidity and access to financing

Concerns

For the following items, please rate your level of concern over the next 12 months



Impacts



“[There is a] growing need for initiatives to enhance professional skills and provide retraining.”

VICE PRESIDENT, EDUCATION, 250 TO 499 EMPLOYEES, NORWAY

AZETS PERSPECTIVE

“Norway is always a little different than the rest of Europe. We have oil and gas income. And that sector has been helped by geopolitical uncertainty, and longer-term investments into sector development.”

The talent shortage isn’t across the board, it’s in pockets. We are seeing it in services, health, care, and technology. The deeper question is structural: are we educating the right number of people for the right sectors, and how are we repositioning for a demographic shift?”

KRISTER AANESEN, CEO NORDICS, AZETS

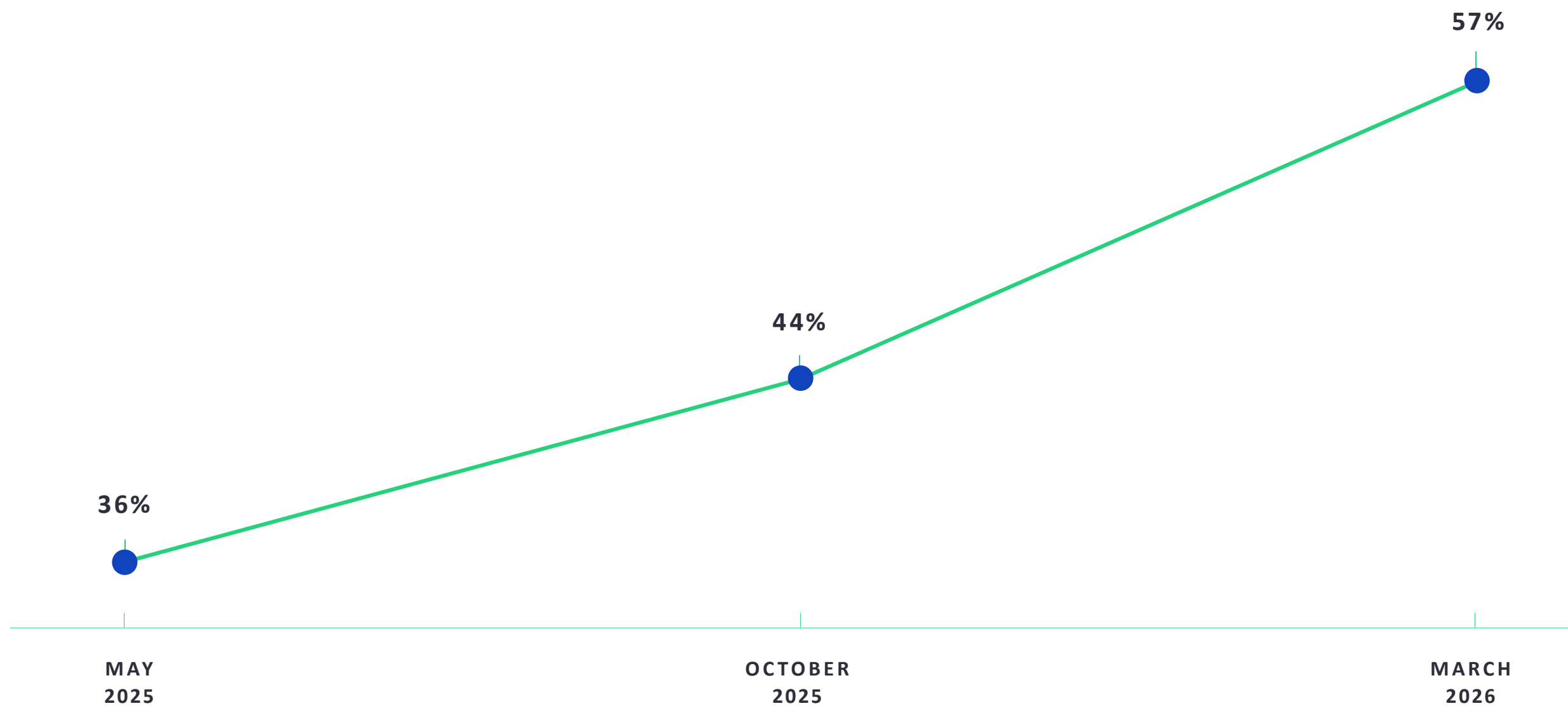


Norway

Insights and Trends – Q1 2026

Key Insights

- More than half of Norwegian business leaders (57%) say their company is feeling the weight of increased and more complex EU regulatory requirements, up sharply from 36% in May 2025 and 44% in October 2025
- Norway operates outside the EU but is bound by its rules through the EEA, meaning businesses must absorb an increasingly complex regulatory burden without any role in shaping it



57%

SAY THEIR COMPANY NOTICES INCREASED AND COMPLEX EU REGULATORY REQUIREMENTS

AZETS PERSPECTIVE

“It’s challenging. Norway is not part of the EU, so there are fewer people truly versed in EU regulation and fewer in close contact with Europe. We receive regulations when they’re finished, rather than being part of developing them, and that creates a lag.”

KRISTER AANESEN, CEO NORDICS, AZETS

Peer To Peer

Closing Thoughts

Advice to SMEs

“The one thing is to believe in yourself. If you’re doing it right, believe in yourself because you will get through it. If you’re not doing it right then you need to take advice. You need to come to someone who can guide you and help you. And whether that be Azets, a legal firm, or wherever it may be, you need to take advice to enable you to navigate these difficult periods. If you’re not doing those simple things, you’re putting your business at greater risk.”

PETER GALLANAGH, CEO, AZETS UK

Resilience through adversity

“One of the key lessons from COVID, which can be applied now to the geopolitical uncertainty we’ve got, was the need to act quickly, the time value of quick decision-making. We need the resilience; we need to be intentional about it. We need to be focused, not take things for granted. In difficult situations, the boldest measures tend to be the safest.”

NEIL HUGHES, CEO, AZETS IRELAND

Collaboration between countries

“Nordic countries recognise that we’re a big family and that we work well together. I think people carry the national flag but are still open for collaborating and recognise and respect each other for where they’re coming from. We’re small countries and we have to be externally oriented and relate to each other, despite our differences.”

KRISTER AANESEN, CEO NORDICS, AZETS

Methodology & Demographics

Research Methodology

The Azets Barometer is a quarterly survey tracking business confidence, financial performance, and strategic priorities across six European markets.

Wave 6 was conducted in Q1 2026 across the UK, Ireland, Norway, Sweden, Denmark, and Finland.

Qualitative Research

Reputation Leaders conducted five in-depth qualitative interviews with Azets executives and external opinion leaders to provide expert commentary and verbatim quotes within the report.

Q1 2026 participants:

- Neil Hughes, CEO, Azets Ireland
- Krister Aanesen, CEO, Azets Nordics
- Peter Gallanagh, CEO, Azets UK
- Nigel Saunders, CFO, Webb Hotel Group, UK
- Morten Danielsen, CEO, Oslo New University College

Total sample: 1,768 respondents

Combining an Azets client sample (n=410) and an externally recruited panel (n=1,358, revenues €10mn+).

	PANEL	CLIENT	TOTAL
TOTAL	1358	410	1768
UK	306	186	492
IRELAND	159	63	222
DENMARK	252	29	281
FINLAND	217	66	283
NORWAY	174	36	210
SWEDEN	250	30	280

Quantitative Research

Respondents are senior decision-makers at manager level and above, including finance executives, general B2B & tech leaders. Fieldwork was conducted in February–March 2026.

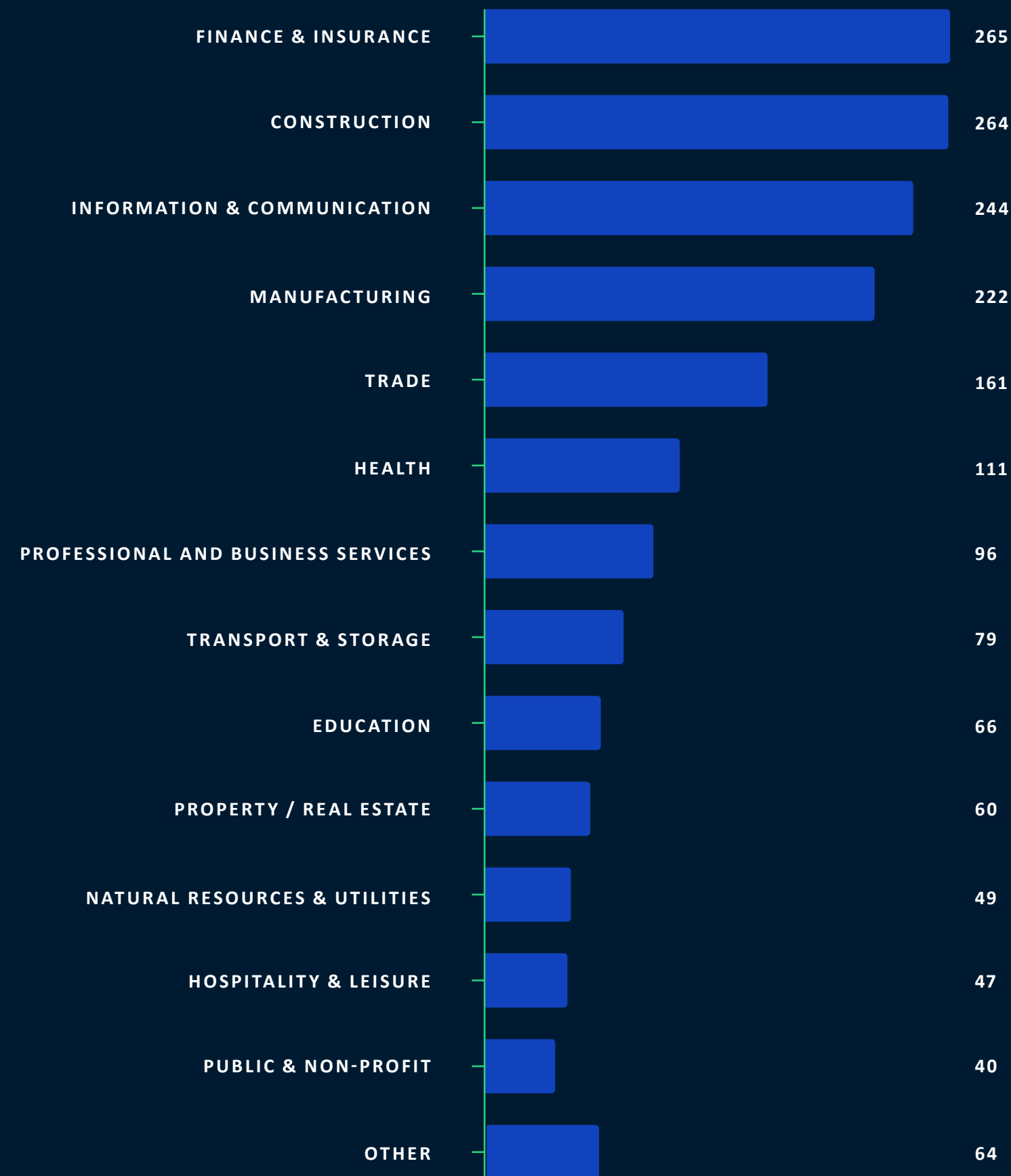
A note on weighting

Two adjustments have been applied to ensure the data is comparable across markets and over time.

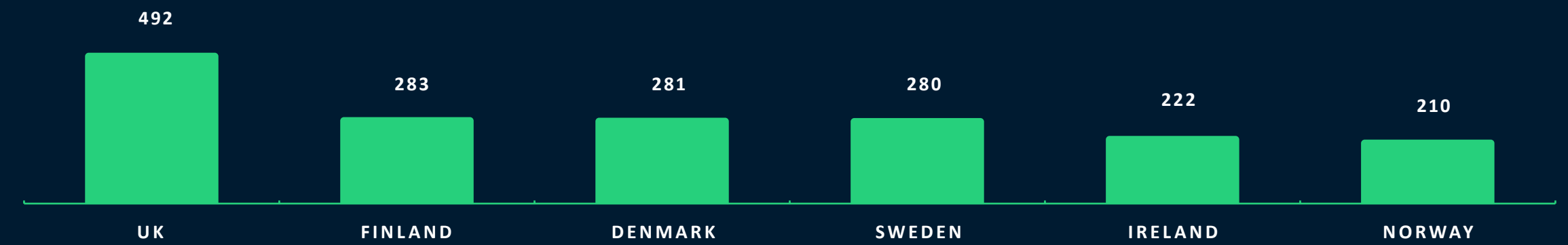
- **Country weighting:** Each of the six markets has been given equal weight in the total figures. This prevents overall results from being skewed towards markets with larger samples in any given wave.
- **Turnover weighting:** Earlier waves have been weighted to match the turnover profile of Q1 2026, which includes a higher proportion of larger businesses than previous waves. This ensures wave-on-wave movements reflect genuine shifts in sentiment rather than changes in sample composition.

Demographics

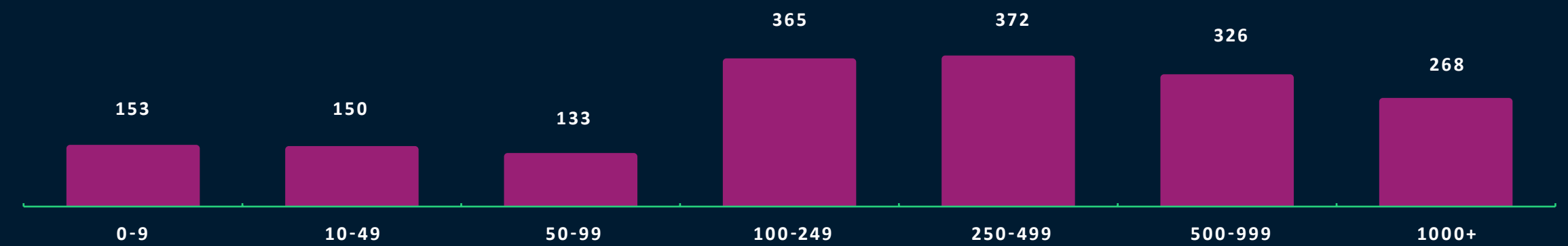
Industry



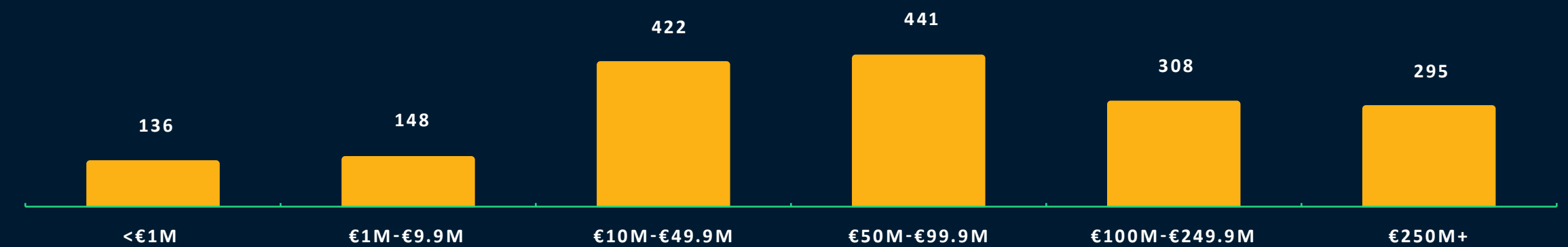
Country



Employee Size

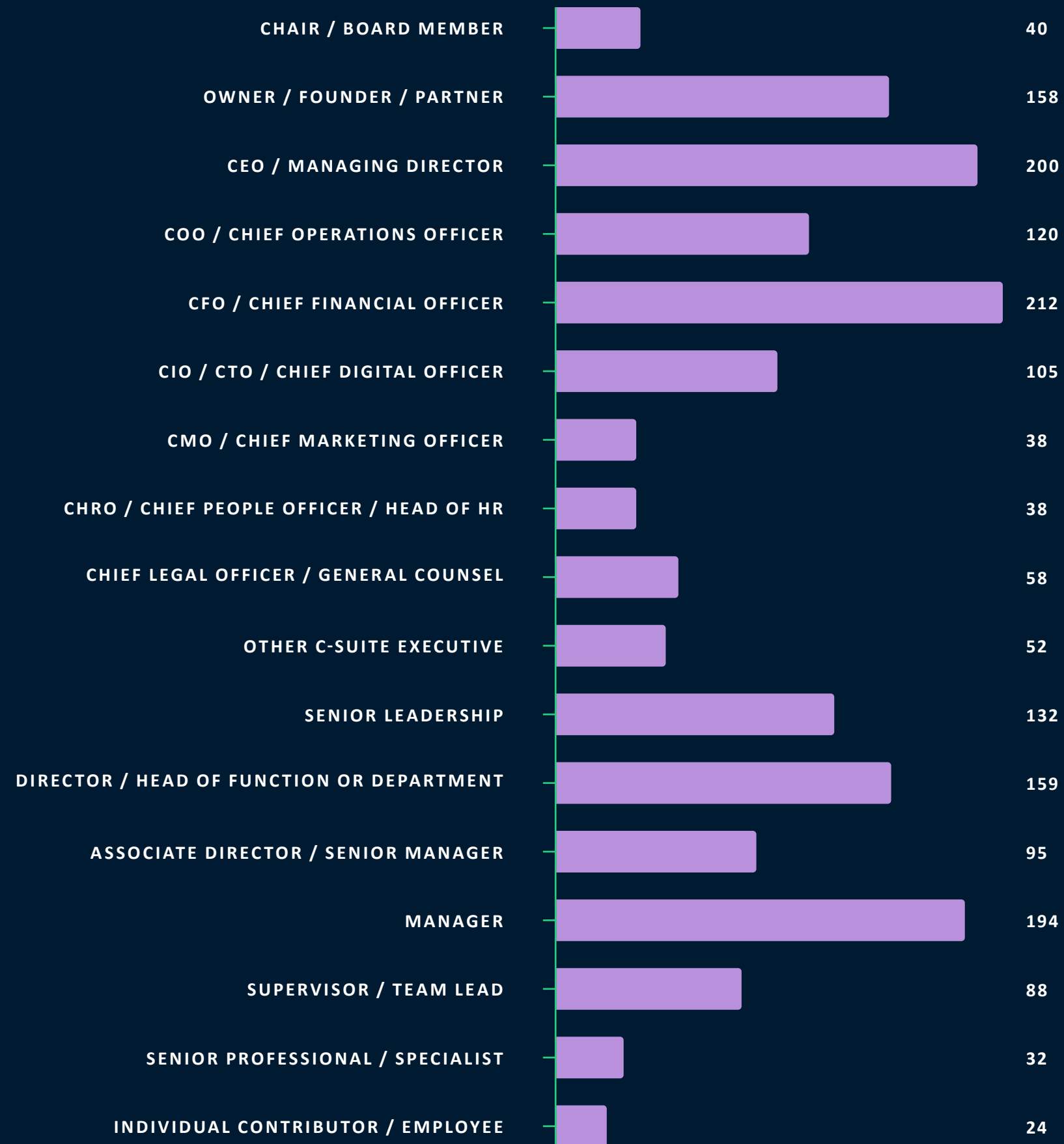


Turnover

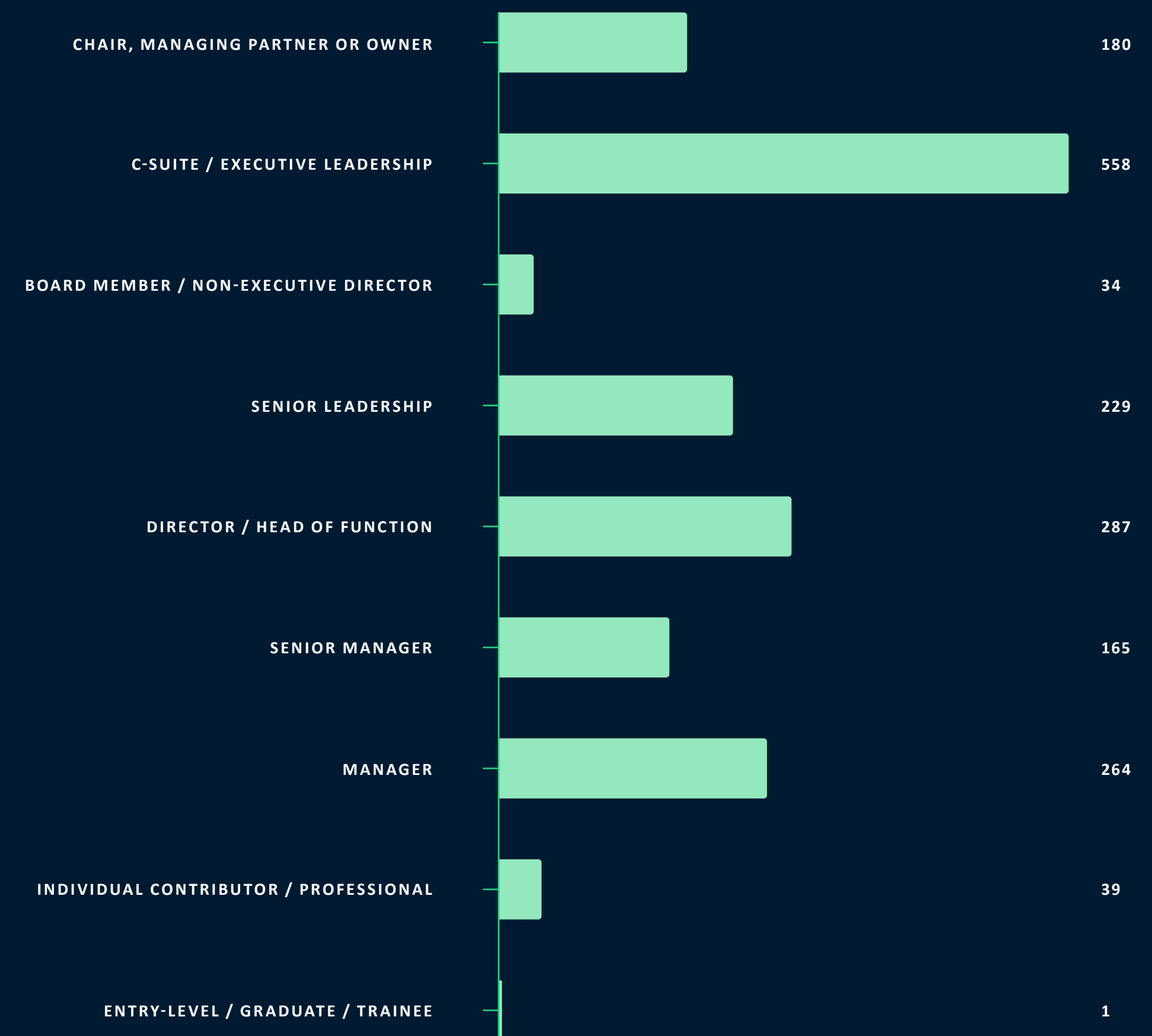


Respondent Profiles

Job/Role



Level of Seniority



At Azets, we combine human expertise, progressive technology and international scale to provide local services that deliver sustained outcomes. Your goals, our people, a fresh mindset - solving problems so you can confidently focus on what you do best.

Our 9,000 local experts are backed by international strength and progressive technology to deliver sustained outcomes for our clients. Your goals, our people, a fresh mindset – discover how you can move forward with confidence.



“Our outstanding SMEs, indigenous Irish businesses looking to move from being good to great, deserve the exact same level and breadth of services the larger corporates would typically enjoy. What you see is what you get. We are the specialists in their sector, giving common sense, down-to-earth advice. It’s a personal relationship, actually...it’s something we’re very proud of.”

NEIL HUGHES, CEO, AZETS IRELAND



“Azets is well-balanced across the Nordics. We have talented individuals, strong financial backing, expertise in various industries and service lines...and credibility with regulators and the market. The SMB segment, the main driver in all economies...is typically underserved in many ways, at least by the premium advisors. Azets is really plugged into this centre of value creation and shaking up the professional services sector.”

KRISTER AANESEN, CEO NORDICS, AZETS

Contact Us

Ready to discuss your business needs?

Contact Azets today for expert advice and support.

www.azets.com/en/contact-us

About Azets

Azets is an international business advisory group, with 9,000 local experts in 190 locations across eight countries, backed by progressive technology. We are united by one clear purpose: to improve the lives of our clients, colleagues and communities in a sustainable way.

100,000+ clients on unique journeys trust us to meet their immediate and evolving needs, remove barriers, and deliver sustained outcomes so they can move forward with confidence.

Move forward with confidence.



“We are in headwinds and turbulent times. Nevertheless, from a longer-term viewpoint in our SMEs, we’ll get through this, do well, and continue to grow. If SMEs are backed by the appropriate professionals; accountants, lawyers, bankers, to support them, then they will outperform. The historical evidence supports that our SMEs have been, and continue to be, the backbone of the UK economy.”

PETER GALLANAGH, CEO, AZETS UK



Want to read more?
Click to see the full data
in our online dashboard

[AZETS BAROMETER DASHBOARD](#)