
Why UK SMEs Spend More on Marketing Than Operations

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Why UK SMEs spend more on marketing than operations — and why that is the wrong order

You ran the campaign, and it worked. Five new clients signed in the same month, more than you would normally win in a quarter. For about a week it felt like proof you had finally cracked growth. Then delivery started, and you realised nobody had actually agreed who was managing which client, work was slipping because the same three people were doing everything, and you were fielding calls that should never have reached you. The marketing did exactly what it was supposed to do. The business behind it was not ready for what it produced.

The marketing-first trap

Marketing spend feels like the obvious lever because it comes with a visible, immediate return: a campaign, a lead, a signed client. Operational work has no equivalent moment. Nobody signs a contract because you tidied up a handover process. That asymmetry is why founders at the 30 to 100 employee stage, still close enough to the work to feel every win personally, keep reaching for demand generation before confirming the business can absorb what it generates. It is not an unreasonable instinct. Growth genuinely does start with demand. But demand without delivery capacity does not compound, it just moves the same problem downstream, from winning clients to keeping them.

What operational readiness actually looks like

Readiness is not about having everything documented or a mature operations function. It is a small number of things being true. Someone owns each client relationship by name, not by team. The steps involved in delivering your core service are repeatable enough that two different people would do them roughly the same way. When someone is unavailable, there is a real handover rather than a scramble. You can see, at a glance, how much capacity is currently committed and how much is genuinely free. And someone, usually the founder in a smaller business, is looking at basic delivery performance often enough to catch a problem before a client does. None of this requires new systems bought in a hurry. It requires deciding, in advance, who is responsible for what.

Whether you are actually ready

Three questions are worth asking honestly before the next marketing push. Can you consistently deliver what you already sell, to every current client, without depending on any one person's memory of what was promised. Founder-level financial clarity is a useful proxy here: 38 percent of UK small business owners could not say whether their business had made a profit the previous month, a sign of how easily visibility slips even before new demand arrives (Xero, 2025). Second, who owns additional demand when it lands, by name, not by good intentions. Third, can your current processes absorb another wave of clients without routing everything back through you.

The answers tend to sit downstream of basic operational visibility, which is exactly where many UK SMEs are thin. The government's SME Digital Adoption Taskforce final report notes that 43 percent of SMEs surveyed by the British Chambers of Commerce in 2024 had no plans to adopt AI at all (GOV.UK, SME Digital Adoption Taskforce Final Report, 2025). The same report cites research from Be the Business estimating that a one percent productivity uplift across UK SMEs could add £94 billion annually to GDP (GOV.UK, SME Digital Adoption Taskforce Final Report, 2025). Neither figure proves that any individual business is unready. Together, they point to a wider problem: many SMEs still face gaps in the time, expertise and capability needed to turn better tools and processes into better productivity.

Before you spend the next pound on acquisition, ask the less comfortable question. If the campaign worked exactly as well as you hoped, would your business be relieved or overwhelmed. Marketing is not the mistake. Scaling it before you know the answer is.

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