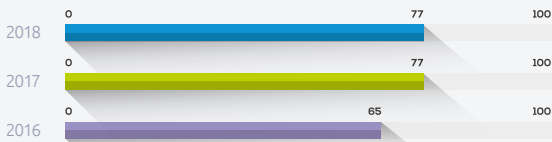


SME confidence in the face of Brexit

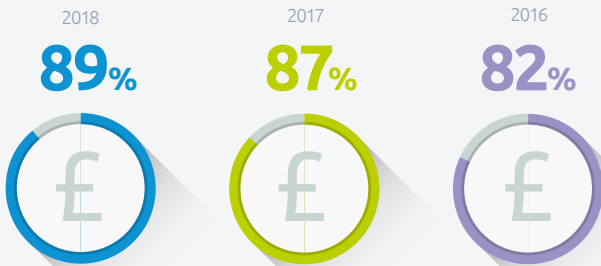
We've tracked the confidence and health of SMEs over the past six years, charting their journey from tougher economic times into some of the biggest changes to the UK business and political landscape.

As negotiations for the UK's withdrawal from the EU accelerate, this year's survey of over 1,000 UK SME decision makers shows that small businesses remain ambitious, despite this uncertainty. Business confidence has remained consistent over the last 12 months and the steady year on year increase in confidence since 2016 shows that SMEs are still very much focused on growth - with smaller and younger businesses more confident than their more established peers.

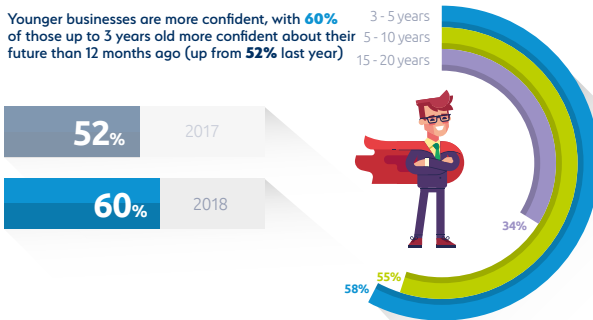
BUSINESS CONFIDENCE



77% of UK SMEs are as confident or more confident about the future compared to a year ago **matching** the level of confidence last year and up from just 65% in 2016



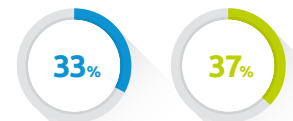
89% of SMEs are in the same or better financial shape compared to 12 months ago, compared to 87% last year, and 82% in 2016



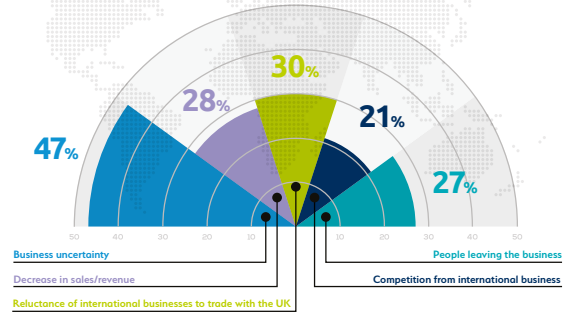
BREXIT



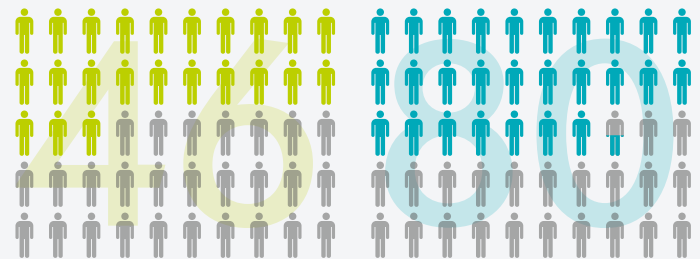
33% of SMEs say Brexit is having a negative impact on their business, but surprisingly 37% think it's having a positive impact on their business



For those who say Brexit is having a negative impact, the biggest factors are:



Almost half of businesses (46%) have done nothing to prepare for Brexit, with 55% of businesses with £100,000 - £999,999 turnover also making no plans



REGIONAL SNAPSHOT

The West Midlands is the most confident region, with 65% of businesses more confident about the future compared with 12 months ago, followed by 60% of businesses in London



Companies with their head office in London are the most prepared for Brexit, with 61% having plans in place, while those in Scotland are least prepared, with 62% admitting they have no plans in place yet



33% of Scottish SMEs are feeling less confident about the future compared with 12 months ago



47% of businesses with their head office in Northern Ireland don't trade internationally and have no plan to



But Brexit hasn't hampered ambition, 41% of businesses want to grow their customer base/ increase trade in Europe over the next 12 months, 25% in North America, 20% in Asia

Methodology

The Collaborate UK findings are based on a survey of 1,019 UK business owners and senior decision makers in small and medium sized businesses (<250 employees). The research was conducted by Censuswide, on behalf of CitySprint, in July 2018.

Top tips for SMEs to collaborate

1. Steer clear of complacency

Avoiding complacency is essential to any business's long-term success. Consider working with new partners, both individuals and businesses, as they will bring new approaches and fresh insights. Form alliances that support your goals as a business in order to keep both customers and employees continuously interested and excited for your future.



2. Build partnerships

In order to achieve success as a small business, leaders must be open to collaboration with other companies. Building partnerships with like-minded SMEs is vital to business success — not only does it increase your customer base, it can also significantly diversify your current revenue stream.

3. Listen to what your customers say

Every company prides itself on giving customers what they ask for, however not all businesses are listening to what they have to say. Your customers' opinions are an invaluable resource for improving customer experience and adjusting your actions to their needs ensures you're providing the best possible service you can.

4. Don't ignore Brexit

While the full effects of Brexit on SMEs may be largely unknown, that doesn't mean you can't start preparing from now. For instance:

- ⇒ Carry out a 'Brexit audit' to gain insight into how much of your workforce is from the EU
- ⇒ Look at contracts with EU companies and how they could be impacted by Brexit
- ⇒ Look at your supply chain and analyse whether that will need to change once the UK leaves the EU
- ⇒ Explore the possible effects on VAT



5. Be ambitious in your expansion plans

Expansion can provide several advantages outside of increasing revenue, including: greater opportunities for market growth and diversification, and access to untapped talent and foreign investment opportunities. More importantly however, it allows you to gain a competitive advantage by providing the opportunity to tap into an international market that your competitors aren't servicing.



Want to learn more about CitySprint, the services we offer or our Collaborate UK research?

Email deliver@citysprint.co.uk