



EAST MIDLANDS

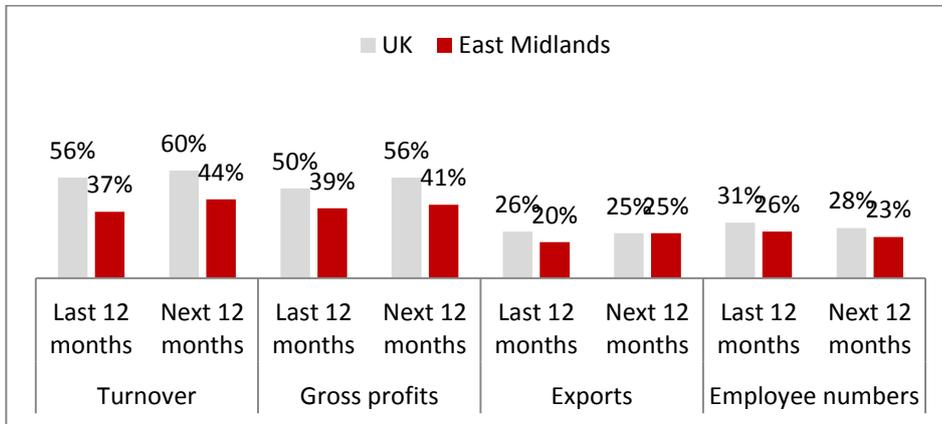
Background

1,010 members in UK businesses were interviewed by phone for the *ICAEW UK Enterprise Survey 2011* between June and Sept 2011 by Kudos Research; 70 of them in the East Midlands region. The survey forms our 15th annual UK Enterprise Report which, along with our Global Enterprise report, can be seen at icaew.com/SMEResearch. The 2011 survey was sponsored by SAP.

Summary

East Midlands businesses underperform the UK average in terms of growth. They are more internationally engaged than any other part of the UK with the exception of Scotland.

Growth – % reporting growth in last 12 months and expecting in next 12 months



Growth in turnover and profits is less widespread in the East Midlands than in other UK regions.

About four in ten businesses expect growth next year – not very different from the last 12 months. 25% expect to increase their headcount; that is slightly below the UK average.

Challenges and opportunities

- The greatest anticipated business opportunities for East Midlands businesses are seen to be finding new customers / markets and increasing market share.
- Competitive pressure and customer demand are expected by about four in ten to become more of a challenge in the coming 12 months. Customer demand is seen as a more widespread challenge here than in many other regions.
- Key objectives for businesses here and across the UK are to increase profitability – the single main objective for 36% and increase turnover (20%).
- East Midlands businesses are equally divided in opinion over whether the UK tax and regulatory environment is business-friendly (49%) or not (49%).

Globalisation

- Increasing globalisation is expected to have a positive impact for 60% of East Midlands businesses – noticeably higher than the UK average - while 30% believe it does not affect them, compared with 40% in the UK overall.
- Three quarters of the region's businesses have international activities – higher than other regions; 49% in East Midlands export (average 44%) and 43% import.
- Those interested in exporting would benefit from country and sector intelligence, and information on commercial and product regulations.