



**UK Trade  
& Investment**



**UK Trade & Investment**

**Performance & Impact Monitoring Survey (PIMS)**

**PIMS 32-35 Report (Part 1)**

**September 2014**

**JN: 4399**

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## 1. Executive Summary

### 1.1 What Is PIMS?

UKTI's Performance & Impact Monitoring Survey (PIMS) is an independent and on-going survey of firms accessing UKTI export support services. It has been in operation since January 2006 and provides consistent and robust evidence on the quality, impact and effectiveness of UKTI support. PIMS involves c.1000 interviews per quarter and is conducted to strict market research guidelines covering confidentiality, best practice and quality assurance.

### 1.2 How Is UKTI Performing?

The table below provides details of UKTI's performance against its trade targets, based on services delivered in the 2013 calendar year (PIMS waves 32-35). Please note that this differs from the latest UKTI annual report which shows results for services delivered in the 12 months to September 2013 (PIMS waves 31-34).

Figure 1.2.1 UKTI Headline Results

Services delivered January-December 2013	PIMS 32-35
<b><u>Annual number of businesses supported</u></b>	
Number of individual businesses assisted (target 50,000 annually by FY 2014/15)	36,900
<b><u>Impact of UKTI support<sup>1</sup></u></b>	
% of assisted businesses improving performance	53%
% of assisted businesses reporting significant business benefit (target 70%)	72%
<b><u>Support quality &amp; satisfaction</u></b>	
Quality rating (80% target)	79%
Satisfaction rating (80% target)	76%
<b><u>Quality of client records (latest quarter)</u></b>	
100% of records provided for PIMS are complete	96%
...of which contact details are incorrect	16%

UKTI provided export support to 36,900 firms in the 2013 calendar year. This compares to an equivalent figure of 31,310 in 2012, demonstrating that the organisation is making progress towards its target of supporting 50,000 firms per year by the 2014/15 financial year.

It should be noted that this figure relates to the number of *individual businesses* assisted, so firms that have received support through a number of different services or on a number of different occasions have only been counted once. The number of 'service deliveries' during the last year is considerably higher at 144,310.

<sup>1</sup> The results for 'Impact of UKTI support' & 'Support quality & satisfaction' exclude light support (defined as the Website Business Opportunities service, Webinars and English Regions' Event of <½ day duration).

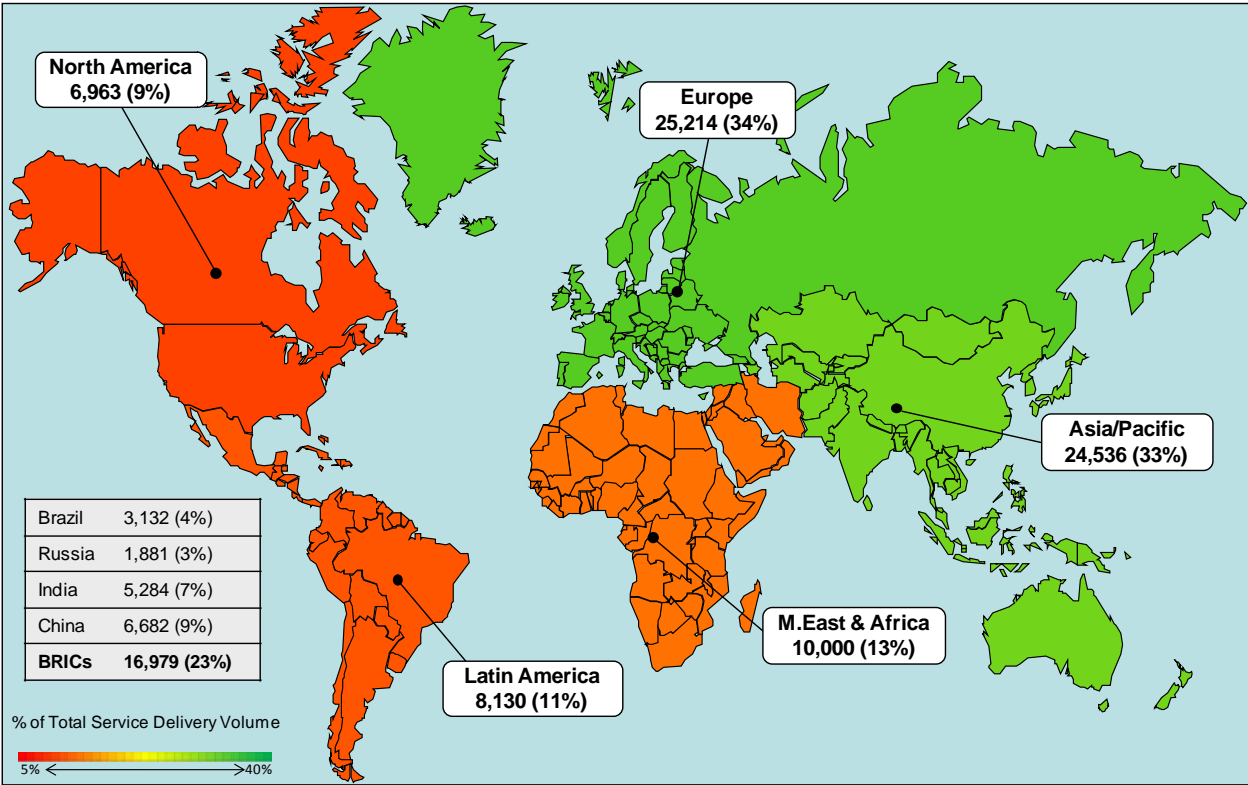
Over half (53%) of the firms assisted by UKTI in 2013 indicated that they had improved their performance as a direct result of the support received. This relates to 'hard' business performance and firms only score against this measure if the UKTI support results in increased profits and increased productivity and additional revenues.

It is also the case that the majority of clients (72%) report one or more significant business benefits, and these include less tangible impacts such as increasing skills/capabilities, increasing innovation levels, etc. This exceeds the target of 70%.

The mean Quality Rating for UKTI support is 79%, and 76% of all clients score against the Satisfaction Measure. However, some (modest) improvement is still required if the 80% target for these measures is to be met.

The map below shows how UKTI service deliveries were distributed geographically in 2013 (the PIMS 32-35 period). The data in this map relates to services that were delivered/supported by the overseas network or that took place overseas<sup>2</sup>.

Figure 1.2.2 Service Delivery Distribution – Overseas Regions

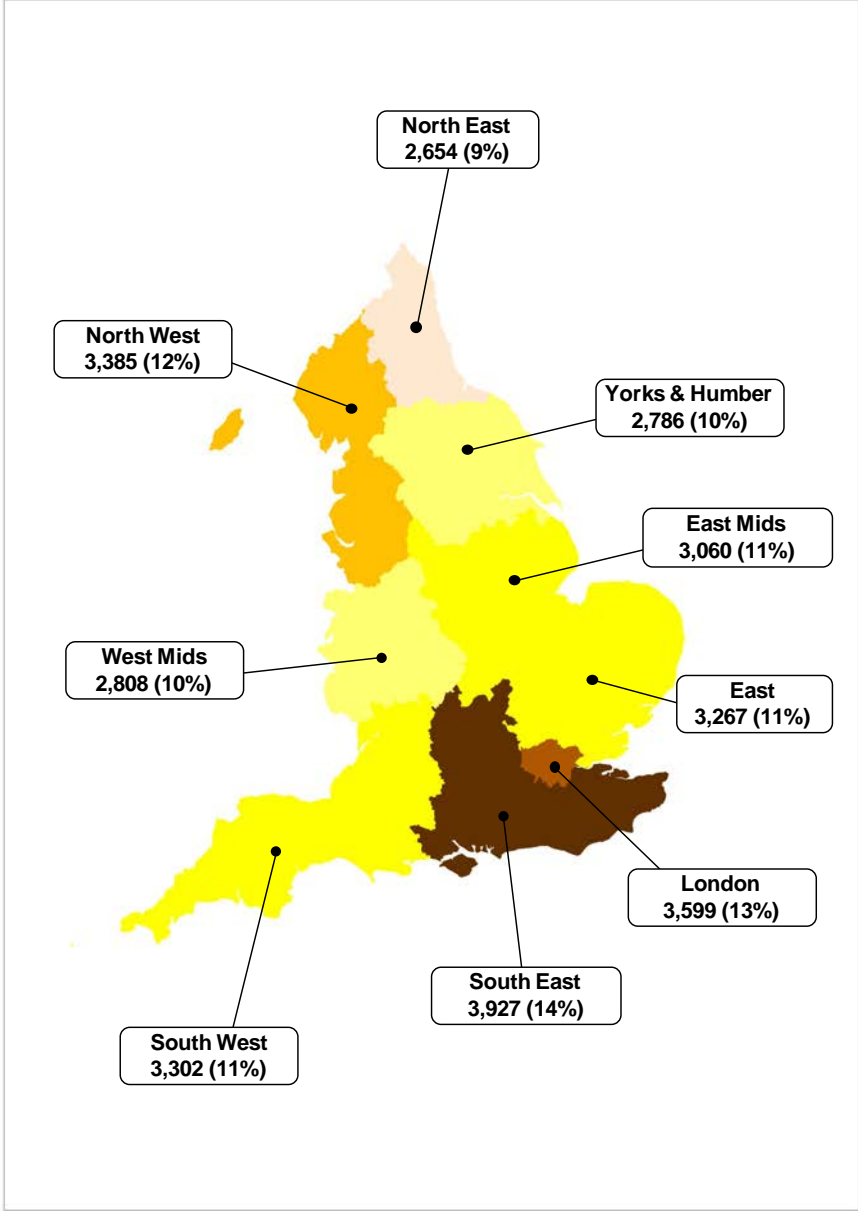


Demand for UKTI support is global in nature, and although Europe is the most popular region it still only accounts for 34% of all service deliveries (marginally ahead of Asia Pacific). Between them the BRIC markets account for 23% of all service deliveries, with this largely driven by China and India.

<sup>2</sup> OMIS, Posts Significant Assists, Posts Events, MVS, TAP, Outward Missions, Sector Events Abroad, EMRS, CBBC Significant Assists, CBBC Events, UKIBC Significant Assists, UKIBC Events.

The map below shows the distribution of service deliveries across UKTI's regional network in England. The data in this map relates to services that are delivered directly by the regional teams<sup>3</sup>.

Figure 1.2.3 Service Delivery Distribution – English Regions



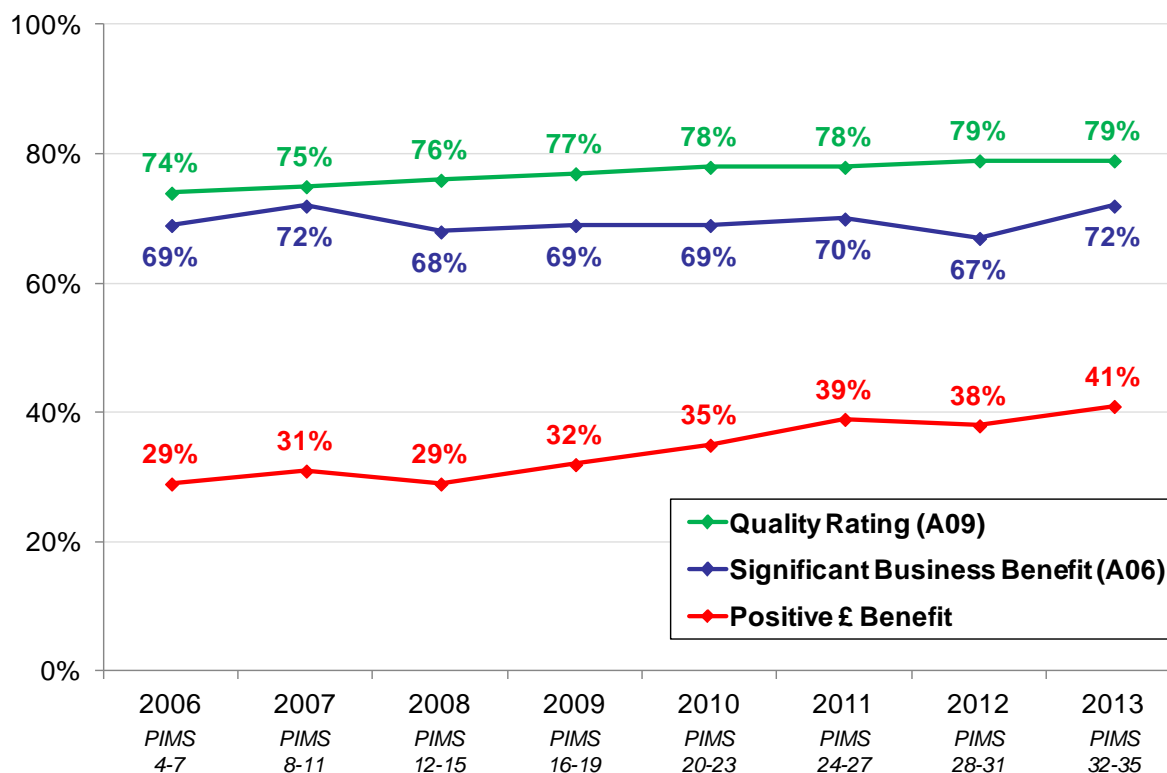
UKTI's regional teams provide assistance to businesses throughout England. London and the South East are the most important regions in volume terms, followed by the North West.

<sup>3</sup> Passport, GGG, ERTA Significant Assists, ECR, EMRS, ER Events, MVS.

### 1.3 How Has Performance Changed Over Time?

The chart below summarises UKTI's performance over time for a number of key survey measures relating to the quality and impact of the support it provides.

Figure 1.3.1 Support Quality & Impact Over Time



Base: All exc. lightsupport – P4-7 (2641), P8-11 (3219), P12-15 (3944), P16-19 (4039), P20-23 (4000), P24-27 (3817), P28-31 (3823), P32-35 (3714)

There has been a gradual but steady rise in the perceived quality of UKTI support, with the mean Quality Rating increasing from 74% back in 2006 up to 79% currently. However, results have remained static over the last year.

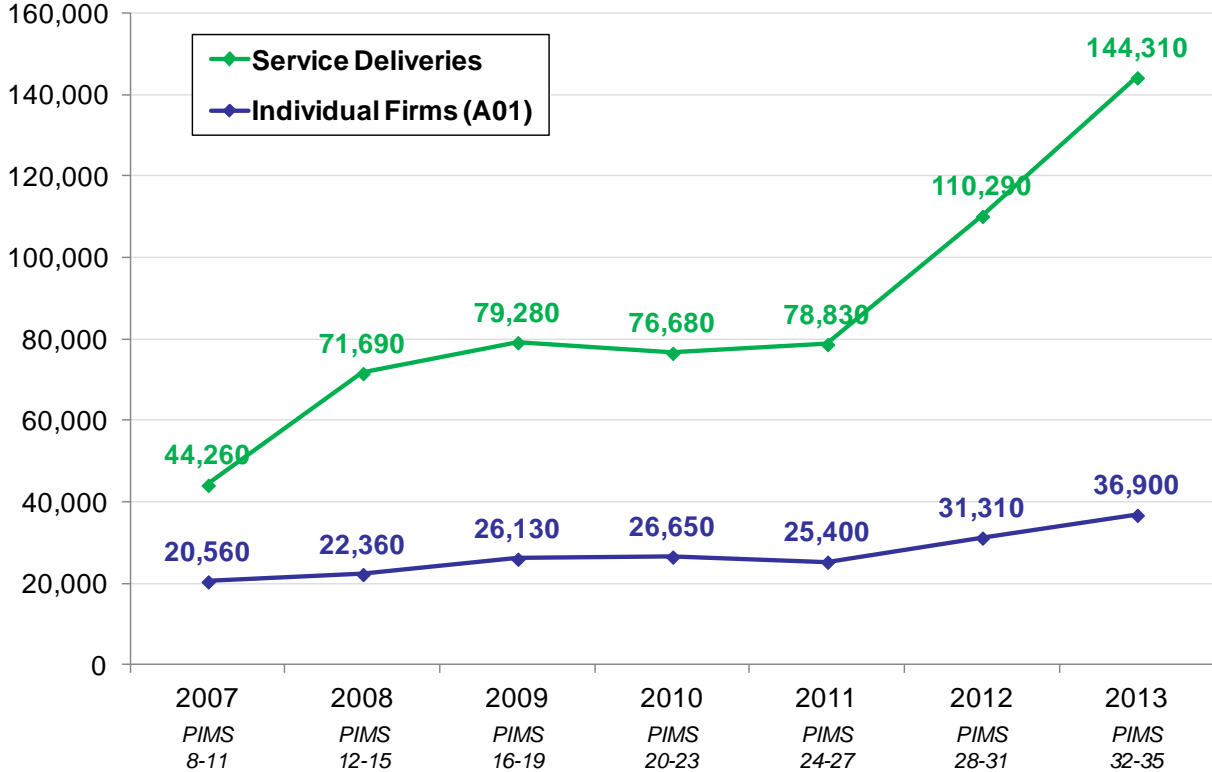
There has also been a corresponding rise in the proportion of firms seeing a direct financial benefit (in terms of either additional sales or profits) as a result of the UKTI assistance. This has increased significantly from 29% in 2006 to 41% currently. It should be noted that although only a minority of firms reported a positive financial impact, a significant proportion (17%) were unable/unwilling to judge whether there would be a financial benefit or to quantify this (meaning that 43% reported zero benefit).

There has no clear trend over time when it comes to the proportion of UKTI clients experiencing significant business benefits. However, the situation has recovered after a dip in 2012 and results for this measure are now at the highest level since 2007.



The following chart tracks the volume of assistance provided by UKTI, in terms of the total number of service deliveries and the number of individual firms supported. Please note that this data is not available before 2007.

Figure 1.3.2 Support Volume Over Time



The number of UKTI service deliveries has risen dramatically over the past 2 years, with a 31% increase on 2012 and an 83% increase on 2011. However, although the A01 data follows a similar pattern to the service delivery data, the extent of the change is much less pronounced. The proportionate increase in the number of *individual* firms supported over the last year is smaller than that seen for service deliveries, with a rise of 18% in the A01 figure from 2012 (and a 45% increase from 2011).

The above chart suggests that it requires approximately 30,000 additional service deliveries to reach 5,000 more individual firms (as many firms access support on multiple occasions and through a variety of channels). Based on this crude calculation, UKTI will need to increase its annual service deliveries to c.220,000 if it is to meet the target of supporting 50,000 firms by the 2014/15 financial year.

However, specific targeting of new exporters and/or exporters that do not currently use UKTI support may mean that an increase in service delivery volumes of this scale is not required. The recently launched Webinar platform may help in this respect as it represents an accessible (and free) route into UKTI.

## 1.4 Who Are UKTI's Clients?

The table below provides a summary of the profile of UKTI clients, including analysis of how this differs across the main categories of UKTI support<sup>4</sup>.

Figure 1.4.1 Business Profile

Business Profile		Total	UK-based advisory services	Overseas network services	Events	Trade-shows & missions
Base		<b>4248</b>	1187	1077	1158	418
Employees	0-9	<b>43%</b>	53%	38%	43%	47%
	10-49	<b>28%</b>	28%	29%	26%	31%
	50-249	<b>17%</b>	12%	18%	17%	18%
	250+	<b>7%</b>	4%	8%	9%	3%
Age	Up to 5 yrs	<b>27%</b>	32%	23%	27%	25%
	6-10 yrs	<b>17%</b>	16%	17%	17%	16%
	Over 10 yrs	<b>57%</b>	52%	59%	57%	58%
Sector	Production	<b>36%</b>	38%	40%	29%	50%
	Services	<b>62%</b>	61%	58%	69%	49%
	Other	<b>2%</b>	2%	2%	2%	1%
Innovation	Innovative	<b>85%</b>	86%	85%	83%	92%
	IP active	<b>39%</b>	39%	40%	38%	47%
Years exporting	Not yet exporting	<b>11%</b>	16%	9%	12%	3%
	Up to 1 yr	<b>7%</b>	10%	7%	7%	6%
	1-2 yrs	<b>7%</b>	8%	6%	7%	5%
	2-10 yrs	<b>35%</b>	35%	34%	32%	44%
	Over 10 yrs	<b>40%</b>	30%	42%	41%	41%
Export sales (proportion of turnover)	Not yet exporting	<b>11%</b>	16%	9%	12%	3%
	Up to 10%	<b>23%</b>	29%	23%	22%	19%
	11-25%	<b>13%</b>	14%	13%	13%	16%
	26-50%	<b>17%</b>	14%	19%	16%	24%
	Over 50%	<b>30%</b>	25%	30%	29%	35%

The vast majority of UKTI clients are SMEs, and 72% have fewer than 50 employees. Firms using overseas network services tend to be larger than those accessing other UKTI services.

UKTI supports a broad spectrum of businesses in terms of age, with a quarter established within the last 5 years but over half having been trading for more than 10 years. Almost two-thirds of clients operate in the service sector, although the proportion of production sector firms increases among those accessing UKTI support to attend overseas tradeshows and missions.

<sup>4</sup> This analysis does not include all UKTI services (e.g. DSO support, the Web Business Opportunities service). Results for these services can be found in the main body of the report.

The majority of assisted firms are classified as ‘innovative’ (i.e. they are engaged in R&D or new product/service development activity), and over a third hold some form of IP protection.

UKTI also reaches significant numbers of very new or ‘first time’ exporters, with 18% of clients (6,620 firms) having less than a year’s overseas experience by the time of the PIMS interview and therefore classified as being ‘new to export’<sup>5</sup>. Those firms accessing UK-based advisory services tend to have the least export experience, both in terms of the time they have been selling overseas and its contribution towards their total turnover.

The table below provides details of the growth trajectory of supported firms, along with the anticipated change in the proportion of turnover accounted for by exports sales and whether or not they have a business plan.

Figure 1.4.2 Growth & Strategy

Growth & Strategy		Total	UK-based advisory services	Overseas network services	Events	Trade-shows & missions
Base		<b>4248</b>	1187	1077	1158	418
Past growth (last 5 years) <sup>6</sup>	Substantial	<b>27%</b>	29%	30%	26%	26%
	Moderate	<b>48%</b>	48%	43%	46%	57%
	No growth	<b>23%</b>	23%	22%	25%	17%
Planned growth (next 5 years)	Substantial	<b>45%</b>	44%	48%	44%	41%
	Moderate	<b>44%</b>	48%	41%	44%	54%
	No growth	<b>6%</b>	5%	4%	5%	5%
Exports as % of turnover (next 3 years)	Higher	<b>72%</b>	75%	72%	70%	77%
	Same	<b>22%</b>	19%	22%	24%	20%
	Lower	<b>3%</b>	3%	4%	3%	2%
Business planning	Business plan	<b>72%</b>	72%	72%	72%	70%
	With overseas targets	<b>55%</b>	53%	54%	54%	59%

Three-quarter of UKTI clients have grown over the past 5 years and 89% anticipate further growth over the next 5 years (45% substantially). In comparison, the most recent PIMS Non-User survey shows that just 59% of exporters that have not accessed UKTI support have grown over the last 5 years and 77% expect to grow over the next 5 years (with only 22% predicting substantial growth). This clearly demonstrates that UKTI clients are on a more dynamic growth trajectory.

There is clear evidence that overseas markets play a significant role in helping firms achieve their growth objectives, with most firms expecting the proportion of their turnover accounted for by overseas sales to increase over the next 3 years.

<sup>5</sup> Firms exporting for up to 1 year are included in the ‘new to export’ category on the basis that they were probably not doing business overseas when they received the UKTI support (c.6 months prior to the PIMS interview).

<sup>6</sup> The past growth analysis excludes firms established for less than a year (or not yet trading).

UKTI clients appear to be relatively strategic in their approach, with 72% indicating that they have a written business plan. However, only 55% specifically include overseas targets within their business plan.

### 1.5 What Kind of Clients Are Most Likely to Benefit?

The table below demonstrates that firms planning to grow over the next 5 years are more likely to report a direct financial benefit from the UKTI support, and the scale of the additional profit generated increases among more ambitious firms who plan to grow ‘substantially’. While it appears that growing firms are also more likely to experience significant business benefits as a result of the UKTI support, this difference is not statistically significant.

Figure 1.5.1 Impact of Support – By Growth Objectives

Growth & Strategy	Total	Planned Growth (Next 5 Years)		
		Substantial growth	Moderate growth	No growth
<i>Base: Excluding light support</i>	<b>3714</b>	1669	1692	174
Significant Business Benefit (A06)	<b>72%</b>	73%	72%	67%
% reporting a positive £ benefit	<b>38%</b>	43%	42%	31%
Mean additional profit (A49)	<b>£151k</b>	£350k	£86k	£49k

Similar analysis by export experience shows that UKTI support can generate significant benefits for all types of firm, including both ‘new to export’ firms and companies that have been trading overseas for over 10 years. Businesses with less than 2 years export experience are in fact most likely to report significant business benefits from the support (as defined by Measure A06).

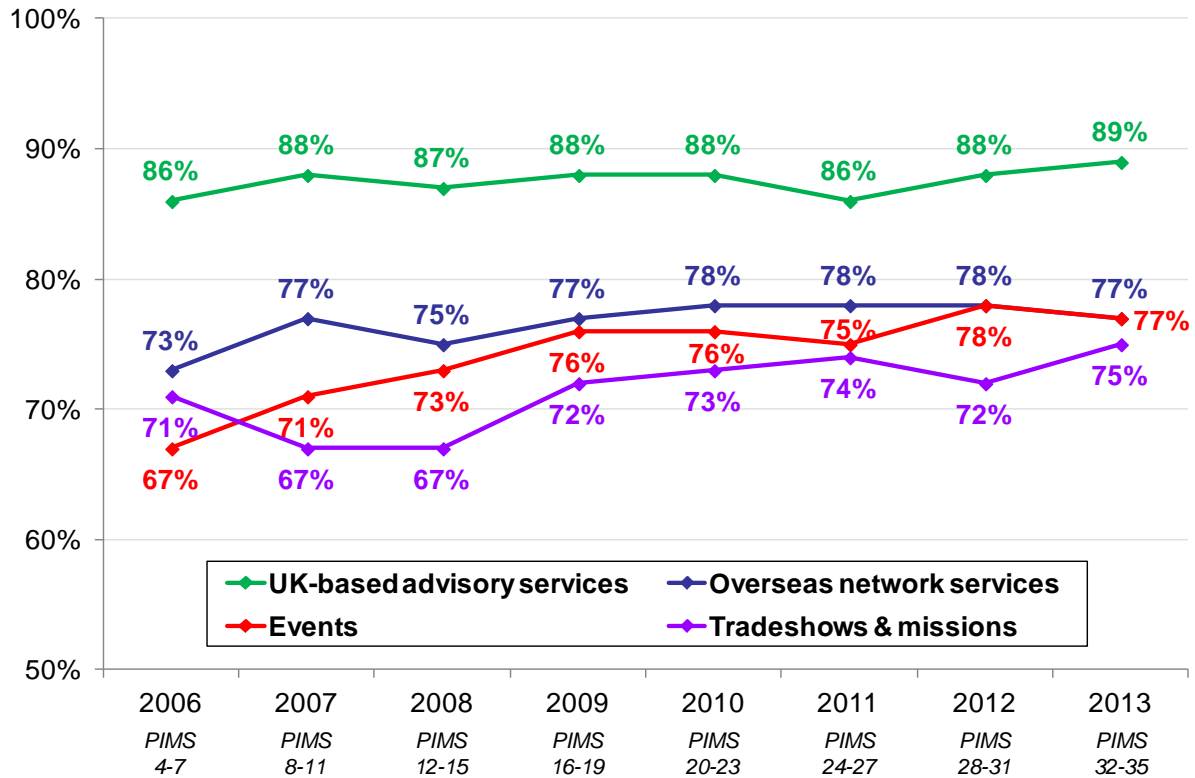
Figure 1.5.2 Impact of Support – By Years Exporting

Growth & Strategy	Total	When Started Exporting		
		<2 years	2-10 years	>10 years
<i>Base: Excluding light support</i>	<b>3714</b>	923	1333	1432
Significant Business Benefit (A06)	<b>72%</b>	76	71	70
% reporting a positive £ benefit	<b>38%</b>	42%	44%	38%
Mean additional profit (A49)	<b>£151k</b>	£199k	£192k	£219k

## 1.6 How Does Quality Differ by Service?

The chart below shows the Quality Rating for each broad type of UKTI service, and how this has changed over time<sup>7</sup>.

Figure 1.6.1 Quality Rating (A09) Over Time - By Service Type



UK-based advisory services set the standard when it comes to service quality and have consistently been the highest performing UKTI services in each annual period.

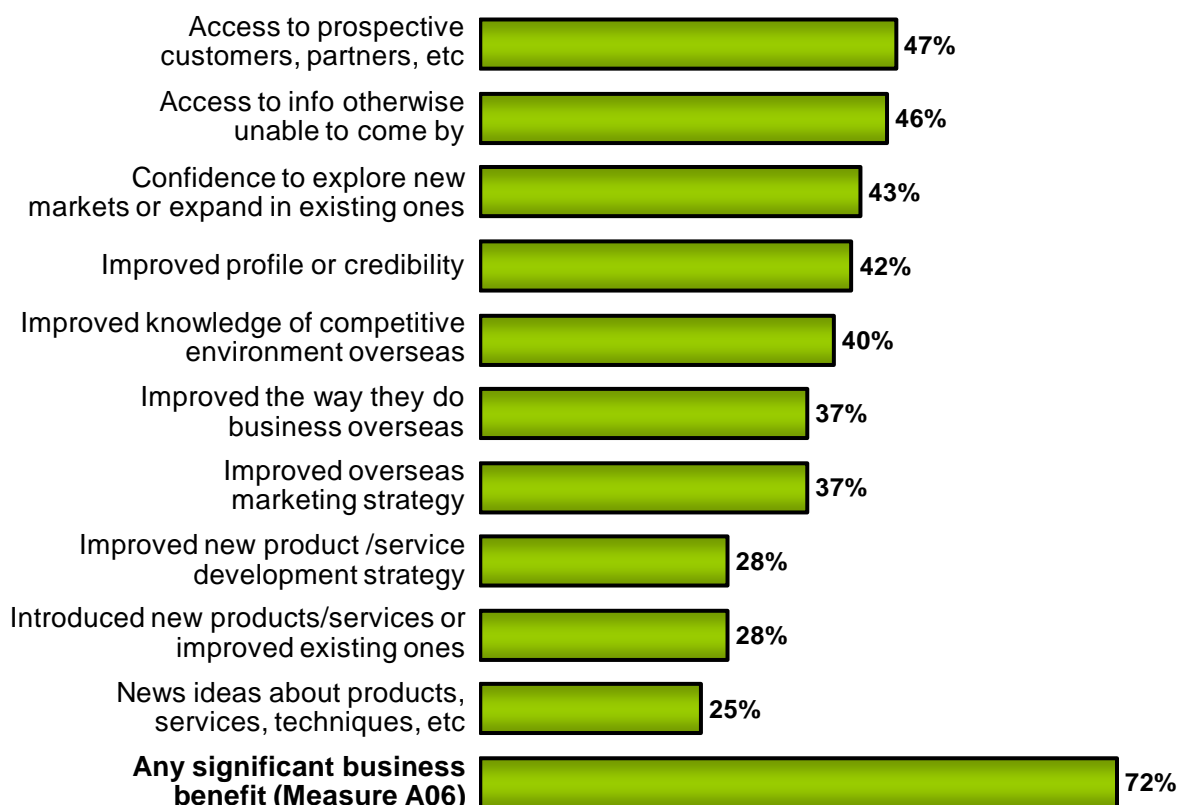
UKTI's overseas network, events and tradeshows/missions currently receive similar quality ratings (between 75% and 77%). There has been a notable improvement over time for events (from 67% back in 2006), and the perceived quality of the tradeshows and missions has also improved over the last 5 years.

<sup>7</sup> This analysis does not include all UKTI services (e.g. DSO support, the Web Business Opportunities service). Results for these services can be found in the main body of the report.

## 1.7 How Does UKTI Make a Difference?

PIMS captures data on a range of individual impacts resulting from UKTI support, which together make up the Significant Business Benefit measure. The chart below shows the proportion of firms benefiting to a 'significant extent' in each of these ways.

Figure 1.7.1 Top Impacts of UKTI Support



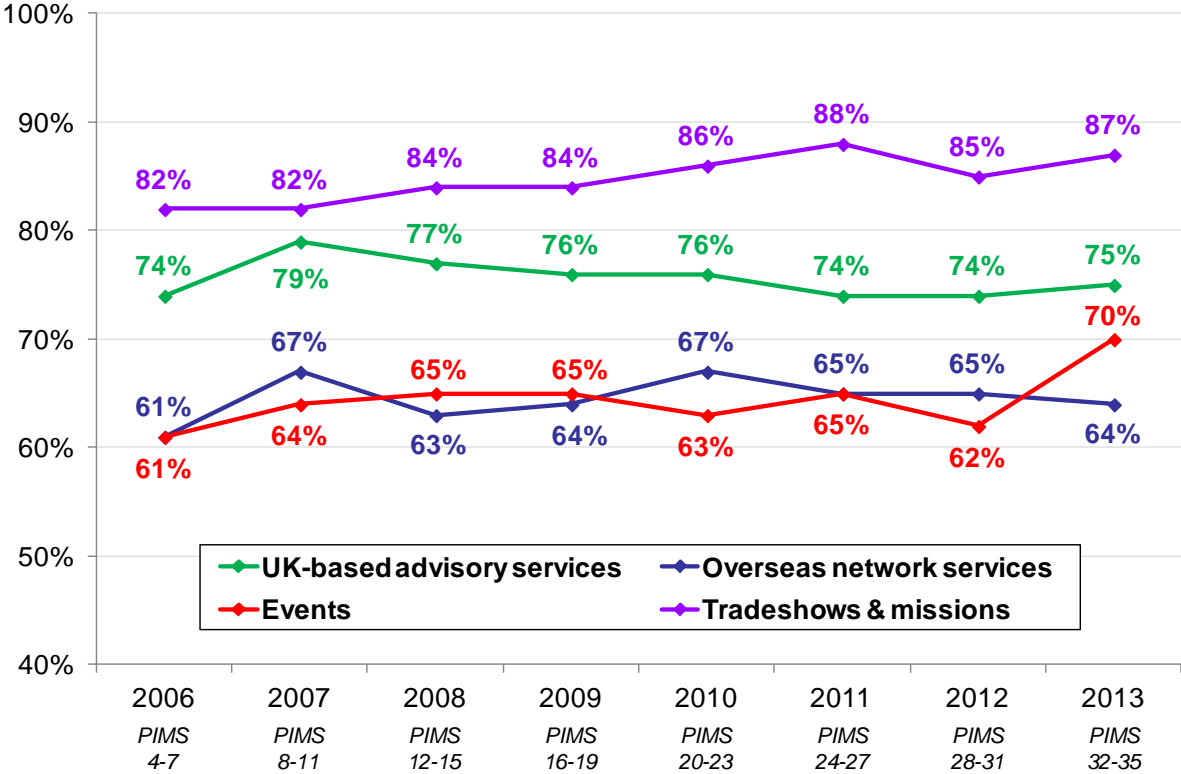
The table below demonstrates that, although there is obviously some common ground, different aspect of UKTI support can deliver very different types of benefit. For example, UK advisory services primarily assist firms by giving them the information and confidence to operate overseas, whereas tradeshows and missions are most effective at delivering contacts and enhancing firms' profile/credibility.

Figure 1.7.2 Top Impacts – By Service Type

Service Type	Top impact	2 <sup>nd</sup> impact	3 <sup>rd</sup> impact
<b>UK-based advisory services</b>	Access to info otherwise unable to come by (53%)	Confidence to explore new/expand in existing mkts (51%)	Improved the way they do business overseas (47%)
<b>Overseas network services</b>	Access to info otherwise unable to come by (40%)	Access to prospective customers, partners, etc (39%)	Confidence to explore new/expand in existing mkts (38%)
<b>Events</b>	Access to info otherwise unable to come by (43%)	Access to prospective customers, partners, etc (42%)	Improved knowledge of competitive environment overseas (38%)
<b>Tradeshows &amp; missions</b>	Access to prospective customers, partners, etc (77%)	Improved profile or credibility (69%)	Improved knowledge of competitive environment overseas (58%)

The following chart shows results for the Significant Business Benefit measure for each broad type of UKTI service, and how this has changed over time<sup>8</sup>.

Figure 1.7.3 Significant Business Benefit (A06) Over Time - By Service Type



Tradeshows and missions are clearly extremely valuable to participating firms and are most likely to lead to significant business benefits.

UK-based advisory services also deliver significant business benefits in the majority of cases. However, there is some evidence that the impact of these services has declined slightly over time.

Prior to this year, performance for the overseas network and events had been relatively consistent over time and results for the two services had been broadly similar. However, there has been a sharp rise in the proportion of event attendees reporting significant business benefits (from 62% in 2012 to 70% in 2013).

<sup>8</sup> This analysis does not include all UKTI services (e.g. DSO support, the Web Business Opportunities service). Results for these services can be found in the main body of the report.

## 2. Introduction

The Performance & Impact Monitoring Survey (PIMS) was developed to help UKTI improve its own performance and the value for money it provides, and to provide consistent monitoring data across all the key UKTI services. The PIMS results are used in conjunction with other sources of information to inform trade development policy and drive performance improvement.

There are 6 broad types of UKTI trade support, and this report covers a number of different services within these areas, as detailed below.

- UK-based Advisory Services
  - Passport to Export
  - Gateway to Global Growth (GGG)
  - English Regions' Trade Advisors (ERTA) Significant Assists
  - Export Marketing Research Scheme (EMRS)
  - Export Communications Review (ECR)
  - High Value Opportunities (HVO) Significant Assists
- Overseas Network Services
  - Overseas Market Introduction Service (OMIS)
  - Posts Significant Assists
  - China Britain Business Council (CBBC) Significant Assists
  - UK India Business Council (UKIBC) Significant Assists
- Events
  - English Regions (ER) Events
  - HQ Events
  - Inward Missions
  - Sector Events UK
  - Sector Events Abroad
  - Posts Events
  - Webinars
  - China Britain Business Council (CBBC) Events
  - UK India Business Council (UKIBC) Events
  - High Value Opportunities (HVO) Events
- Tradeshows & Missions
  - Market Visit Support (MVS)
  - Tradeshaw Access Programme (TAP) Solo
  - Tradeshaw Access Programme (TAP) Group
  - Tradeshaw Access Programme (TAP) Non-Funded
  - Outward Missions
- Web Business Opportunities
  - Website Business Opportunities Service
- Defence & Security Organisation (DSO) Support
  - DSO Significant Assists
  - DSO Events



Please note that results for CBBC, UKIBC and HVO support have not been shown separately in the main body of this report, although these services have been included in all 'total level' analysis. Detailed results for these services can be found in Annexes B, C and D.

The PIMS research is conducted on a quarterly basis although when results are reported they are aggregated for the previous year (so this report covers the results from PIMS 32-35). Firms are typically interviewed around 6 months after receiving support, but the interval is longer for Passport and GGG due to the on-going and longer term nature of the support delivered through these schemes. GGG participants are interviewed around 12 months after signing up to the programme, and Passport participants are interviewed around 15 months after signing up.

Figure 2.1 Support & Interview Timelines

	Support Date			Interview Date
	All except Passport & GGG	Passport	GGG	
PIMS 32	Jan - Mar 2013	Apr - Jun 2012	Jul - Sep 2012	Jul - Aug 2013
PIMS 33	Apr - Jun 2013	Jul - Sep 2012	Oct - Dec 2012	Oct - Nov 2013
PIMS 34	Jul - Sep 2013	Oct - Dec 2012	Jan - Mar 2013	Jan - Feb 2014
PIMS 35	Oct - Dec 2013	Jan - Mar 2013	Apr - Jun 2013	Apr - May 2014

### **3. Research Objectives**

The overarching objective of PIMS is to provide consistent monitoring data across all UKTI trade development services in order to inform UKTI policy and the development of individual services, to drive performance improvement and also to fulfil UKTI's reporting requirements under the 2010 Spending Review Performance Management Framework. In particular, it seeks to:

- Provide evidence about the impact and effectiveness of UKTI programmes, in a consistent and comparable form;
- Provide data for a number of key survey-based measures, including customer satisfaction, service quality, impact on business performance, and other measures including those used to report performance against UKTI's Spending Review Targets and other corporate targets;
- Provide client profile data, to help UKTI understand the characteristics of businesses reached by the different services and which types of business benefit most from different types of intervention;
- Provide evidence about the business context including the factors which prompt businesses to take up the support and whether they have any alternatives available to them;
- Provide robust and reliable comparisons with results from previous surveys and research (particularly previous PIMS results).

The numerous individual services currently covered by PIMS represent an enormous range of activities and support intensities, and they are accessed by a wide variety of business types, from large global organisations to SMEs completely new to internationalisation. The PIMS system has been carefully developed with this diversity in mind, and aims to collect data that is comparable across products and services and yet relevant to each individual channel of support.

## **4. Methodology**

### **4.1 Methodological Approach**

The PIMS surveys are conducted via telephone interviews with UK businesses that have received support through UKTI's trade development services. All interviews are administered using CATI (Computer Assisted Telephone Interviewing). The telephone interviewing is conducted by OMB Research's fieldwork partner (BMG Research) at their Birmingham telephone centre, using a team of experienced business-to-business interviewers.

The average interview duration during PIMS 32-35 was c.23 minutes. In order to monitor this and help keep the interview duration to a minimum, time markers have been inserted at key points in the questionnaire to identify which sections are accounting for the greatest amount of interview time. A copy of the final questionnaire is appended to this report.

While the questionnaire includes a significant amount of text substitution and routing to ensure that questions are relevant to the specific type of support that each business has received, the core of the questionnaire is kept consistent across all services in order that comparable data is collected. The questionnaire undergoes rigorous quantitative piloting on a 6 monthly basis. These pilot sessions take place over the course of 2 days, are attended by OMB and UKTI representatives and typically involve listening in to c.20 live CATI interviews. The purpose of the pilots is to monitor the flow, clarity, relevance and length of the questionnaire, with a particular focus on any new questions introduced in that particular wave.

Furthermore, when the PIMS survey is extended to include a new service that is significantly different from the other services covered by the research then a small number of in-depth qualitative pilot interviews are conducted prior to the main CATI pilot. These qualitative pilots are conducted by OMB executives over the phone, and last in the region of 30-45 minutes. They are designed to test the appropriateness and wording of any new questions and their suitability to users of the service in question, as well as providing an opportunity to develop the questionnaire (e.g. by asking questions in an open-ended way to help generate the pre-codes for the quantitative survey).

The sample databases provided by UKTI include a named contact for the person within the firm who was involved in the UKTI support. At the start of the interview this individual is asked for, but if they feel that someone else in their company is better placed to talk about their company's experience of the specific UKTI support received, this referral is accepted. Where a full postal address is available, potential respondents are sent a pre-contact letter prior to being telephoned to explain the purpose of the research and reassure them of its bona fide and confidential nature. The research is introduced as a survey on behalf of UK Trade & Investment and the Department for Business, Innovation & Skills to evaluate the effectiveness of the services and assistance provided (or supported) by UKTI.

To ensure that there are no misunderstandings as to the support on which the respondent is to focus, details of the nature of the support and the date on which it took place are read out at the start of the interview. Respondents are instructed to

focus just on the support they had received through the service in question on this specific occasion and to exclude any other UKTI assistance they may have received.

### *Sampling Approach*

For most services, a random selection of all the available records is loaded onto the CATI system. However, there are a number of exceptions:

- *OMIS*: Firms using the OMIS service in relation to China are over-sampled to ensure adequate coverage of the support provide by the China Britain Business Council (CBBC);
- *Passport, GGG, ERTA Significant Assists, ER Events, MVS*: The samples for these services are stratified by English region to try and achieve an equal number of interviews for each of the 9 regions;
- *ERTA Significant Assists*: Any firm also signing up to Passport or GGG in the previous 18 months is excluded from PIMS (and therefore does not count against UKTI's target for the number of firms supported per year);
- *Webinars*: Any firm that attended less than 50% of the webinar session is excluded from PIMS (and therefore does not count against UKTI's target for the number of firms supported per year).

The number of records selected for each service is dictated by the interview targets for that quarter and the 50% response rate requirement, but also take account of the typical proportion of 'unusable' records (e.g. wrong numbers, named contact left company, etc) based on analysis of the call outcomes from previous waves.

### *Weighting*

All the data from this survey has been weighted to reflect the actual numbers of firms receiving support through each service in each quarter. Throughout this report all the results show the weighted figures. However, the bases displayed in each chart/table are unweighted. Further discussion of the weighting approach is provided in Annex H.

### *Statistical Significance*

Throughout this report, **any differences referred to in the commentary are statistically significant at the 95% level of confidence unless otherwise stated.** Confidence intervals (calculated at the 95% level) have been shown for all of the key survey measures.

### *Rounding*

Throughout this report results are typically presented to the nearest whole number (e.g. 24.7% will be rounded up and displayed as 25%). For this reason there can be apparent discrepancies between the charts/tables and the commentary when several figures are combined. For example, values of 8.4% and 15.3% would be shown as 8% and 15% respectively in a chart, but the combined value if referred to in the commentary would be 23.7% and hence displayed as 24% (rather than the 23% implied by summing together the two rounded figures).

### Light Support

At various points in this report (e.g. when reporting the key impact measures) the analysis excludes firms that received 'light' support from UKTI. In this context, 'light' support is defined as the Website Business Opportunities service, Webinars and English Regions' Events of less than half a day duration. The rationale for this is that this type of light touch assistance is less likely to result in some of the hard business impacts and it would be too onerous to put these clients through the full interview (and disproportionate to the amount of assistance received). Where the analysis excludes 'light' support this is clearly identified in the base description.

### Signposted Only

A very small number of firms within the ERTA Significant Assists, Posts Significant Assists and DSO Significant Assists sample groups did not receive any direct support, and instead were only referred elsewhere (either elsewhere within UKTI or to an external organisation). These firms were not asked the survey questions that related to the impact of the UKTI support although they are still included in the overall analysis base (and, where applicable, are shown separately as 'signposted only').

### Interviews Achieved

The following table provides details of the total number of interviews conducted with users of each service over the PIMS 32-35 period.

Figure 4.1.1 Interviews Achieved

	Total	Pass-port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR	HQ Events	OMIS
PIMS 32	1,042	90	90	10	89	55	10	21	100
PIMS 33	1,086	90	90	10	90	90	10	20	100
PIMS 34	1,071	90	92	10	91	70	11	15	90
PIMS 35	1,049	90	90	10	90	90	10	15	90
<b>Total</b>	<b>4,248</b>	<b>360</b>	<b>362</b>	<b>40</b>	<b>360</b>	<b>305</b>	<b>41</b>	<b>71</b>	<b>380</b>

	MVS	TAP Solo	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps
PIMS 32	41	8	45	40	11	0	55	160	46	71
PIMS 33	25	10	30	24	10	10	85	160	50	60
PIMS 34	15	10	40	17	1	0	97	152	50	90
PIMS 35	15	10	35	21	10	0	60	145	55	68
<b>Total</b>	<b>96</b>	<b>38</b>	<b>150</b>	<b>102</b>	<b>32</b>	<b>10</b>	<b>297</b>	<b>617</b>	<b>201</b>	<b>289</b>

	Sector Events Abroad	DSO Events	DSO Sig. Assists	Webinars	HVO Events	HVO Sig. Assists	CBBC Events	CBBC Sig. Assists	UKIBC Events	UKIBC Sig. Assists
PIMS 32	20	15	15	-	0	10	10	10	9	10
PIMS 33	40	15	15	-	0	2	15	15	10	10
PIMS 34	15	15	15	40	0	5	15	15	10	0
PIMS 35	29	14	15	40	0	7	10	10	10	10
<b>Total</b>	<b>104</b>	<b>59</b>	<b>60</b>	<b>80</b>	<b>0</b>	<b>24</b>	<b>50</b>	<b>50</b>	<b>39</b>	<b>30</b>

## Sample Analysis

The tables below show the number of sample records available, the approximate number of records lost due to sample cleaning (no contact details, duplicate records, etc.) and the number of interviews completed with users of each service, along with the associated response and refusal rates. Response rates have been calculated by dividing the number of completed interviews by the total number of useable contacts loaded onto CATI.

Figure 4.1.2 Sample Analysis – PIMS 32-35

	Total	Passport	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR	HQ Events	OMIS
<b>Sample Cleaning</b>									
Total provided <sup>9</sup>	<b>144,310</b>	1,188	1,677	174	8,439	13,647	654	2,634	5,835
Incomplete records <sup>10</sup>	<b>5,356</b>	26	37	7	263	310	21	169	224
Duplicate records - within service <sup>11</sup>	<b>50,902</b>	4	18	3	341	4,296	7	592	1,099
Duplicate records - across services <sup>12</sup>	<b>28,646</b>	17	180	7	2,132	2,898	192	847	1,937
Interviewed in recent PIMS waves <sup>13</sup>	<b>5,649</b>	71	121	27	411	643	64	99	433
On Passport/GGG <sup>14</sup>	<b>418</b>	-	-	-	418	-	-	-	-
<b>CATI Screening</b>									
Random selection	<b>12,579</b>	827	892	95	1,066	823	94	204	939
Unusable – ineligible <sup>15</sup>	<b>2,109</b>	17	40	4	217	133	3	40	76
Unusable – contact details incorrect <sup>16</sup>	<b>1,962</b>	107	124	18	139	122	14	24	131
Unusable – other UKTI research <sup>17</sup>	<b>97</b>	14	11	0	5	5	0	0	16
<b>Achieved Interviews / Response Rate</b>									
Useable sample	<b>8,411</b>	689	717	73	705	563	77	140	716
Interviews achieved	<b>4,248</b>	360	362	40	360	305	41	71	380
Response rate (%)	<b>51%</b>	52%	50%	55%	51%	54%	53%	51%	53%
Refusal rate (%)	<b>19%</b>	12%	19%	5%	17%	21%	17%	16%	17%

<sup>9</sup> All 'in scope' records (e.g. within the specified dates of intervention for that PIMS wave, etc).

<sup>10</sup> Records where insufficient contact details have been provided (e.g. no contact name or telephone number, etc) or where key information required for the interview has not been supplied (e.g. no event name, no market, etc).

<sup>11</sup> Where the same company appears several times in that quarter's sample for the same service.

<sup>12</sup> Where the same company appears on the sample lists for more than one service in that quarter.

<sup>13</sup> Firms cannot be interviewed in consecutive PIMS waves, and can only be interviewed a maximum of once per year about any individual service.

<sup>14</sup> Any ERTA Significant Assists appearing on the Passport & GGG sample lists in the last 18 months are excluded, on the basis that the 'significant assist' is likely to have been Passport/GGG support.

<sup>15</sup> This includes public sector organisations, those not actually receiving the support in question, etc.

<sup>16</sup> This includes wrong number, relevant person left the company, etc.

<sup>17</sup> This consists of firms who claim to have recently participated in another/the same UKTI survey.

Figure 4.1.2 Sample Analysis – PIMS 32-35 (Cont'd)

	MVS	TAP Solo	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps
<b>Sample Cleaning</b>										
Total provided	3,030	944	4,806	3,679	485	117	11,197	36,714	11,132	24,234
Incomplete records	154	14	174	178	29	7	735	832	352	880
Duplicate records - within scheme	291	58	336	429	70	26	2,218	16,745	5,252	15,375
Duplicate records - across schemes	1,077	256	1,167	857	143	4	2,263	6,564	2,197	2,468
Interviewed in recent PIMS waves	219	69	244	181	29	4	392	1,314	283	467
<b>CATI Screening</b>										
Random selection	236	83	351	513	82	40	1,084	2,226	699	953
Unusable – ineligible	14	4	12	155	3	5	266	551	133	262
Unusable – contact details incorrect	33	10	39	85	17	7	203	412	147	127
Unusable – other UKTI research	3	1	3	3	0	0	2	17	1	7
<b>Achieved Interviews / Response Rate</b>										
Useable sample	186	68	297	270	62	28	613	1,246	418	557
Interviews achieved	96	38	150	102	32	10	297	617	201	289
Response rate (%)	52%	56%	51%	38%	52%	36%	48%	50%	48%	52%
Refusal rate (%)	10%	3%	11%	30%	10%	39%	26%	21%	19%	26%

	Sector Events Abroad	DSO Events	DSO Sig. Assists	Web-inars	HVO Events	HVO Sig. Assists	CBBC Events	CBBC Sig. Assists	UKIBC Events	UKIBC Sig. Assists
<b>Sample Cleaning</b>										
Total provided	3,922	2,221	764	2,491	0	70	1,617	1,155	1,100	384
Incomplete records	315	45	12	317	0	6	111	49	75	14
Duplicate records - within scheme	964	1,131	366	552	0	3	372	194	117	43
Duplicate records - across schemes	1,236	390	78	620	0	0	379	330	311	96
Interviewed in recent PIMS waves	163	73	59	79	0	4	67	55	55	23
<b>CATI Screening</b>										
Random selection	313	168	171	185	0	57	143	130	117	88
Unusable – ineligible	37	23	29	15	0	5	22	15	15	13
Unusable – contact details incorrect	66	19	29	22	0	7	13	14	20	13
Unusable – other UKTI research	3	1	0	0	0	0	2	0	2	1
<b>Achieved Interviews / Response Rate</b>										
Useable sample	207	125	113	148	0	45	106	101	80	61
Interviews achieved	104	59	60	80	0	24	50	50	40	30
Response rate (%)	50%	47%	53%	54%	-	53%	47%	50%	50%	49%
Refusal rate (%)	16%	18%	19%	14%	-	9%	18%	15%	24%	13%

## 4.2 Completeness & Accuracy of Records

UKTI's target is that 100% of all records are complete and have correct contact details. The table below provides details of the completeness of the records of supported businesses provided for use in the PIMS research, which has been calculated as follows:

- *% of records complete*: This is the proportion of supported firms where sufficient details are provided to enable them to be contacted for interview and be sent an initial pre-contact letter explaining the nature of the research (i.e. the proportion that contain an address, telephone number and a named contact).
- *% with contact details incorrect*: This is the proportion of the complete records that are subsequently found to be unusable during the course of fieldwork (e.g. wrong number, named contact not known/left firm, did not attend event, etc).

Figure 4.2.1 Completeness & Accuracy of Records

	Total <sup>18</sup>	Pass-port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR	HQ Events	OMIS
<b>% of records complete</b>									
PIMS 32	<b>98%</b>	100%	99%	100%	98%	99%	99%	98%	98%
PIMS 33	<b>98%</b>	100%	99%	100%	98%	99%	99%	98%	98%
PIMS 34	<b>97%</b>	99%	98%	94%	98%	98%	98%	96%	98%
PIMS 35	<b>96%</b>	97%	99%	98%	98%	99%	96%	98%	98%
<b>% with details incorrect</b>									
PIMS 32	<b>12%</b>	10%	10%	22%	13%	15%	14%	7%	8%
PIMS 33	<b>17%</b>	14%	13%	18%	11%	17%	23%	18%	16%
PIMS 34	<b>18%</b>	10%	21%	22%	13%	16%	11%	5%	16%
PIMS 35	<b>16%</b>	18%	10%	13%	15%	13%	13%	15%	15%

	MVS	TAP Solo	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps
<b>% of records complete</b>										
PIMS 32	95%	99%	100%	98%	98%	-	97%	99%	98%	36%
PIMS 33	95%	99%	100%	98%	98%	100%	97%	99%	98%	36%
PIMS 34	95%	100%	98%	95%	91%	-	91%	97%	97%	22%
PIMS 35	98%	98%	90%	91%	100%	-	92%	95%	98%	18%
<b>% with details incorrect</b>										
PIMS 32	13%	0%	10%	13%	15%	-	12%	13%	19%	12%
PIMS 33	16%	14%	13%	9%	10%	18%	19%	21%	25%	16%
PIMS 34	14%	9%	10%	20%	33%	-	22%	23%	23%	11%
PIMS 35	14%	23%	12%	23%	31%	-	18%	17%	18%	15%

<sup>18</sup> The total column excludes the Website Business Opportunities service and Webinars as contact details for these services are recorded by the firms themselves rather than by UKTI staff.



Figure 4.2.1 Completeness & Accuracy of Records (Cont'd)

	Sector Events Abroad	DSO Events	DSO Sig. Assists	Webinars	HVO Events	HVO Sig. Assists	CBBC Events	CBBC Sig. Assists	UKIBC Events	UKIBC Sig. Assists
<b>% of records complete</b>										
PIMS 32	99%	99%	99%	-	-	100%	100%	99%	100%	100%
PIMS 33	99%	99%	99%	-	-	100%	99%	100%	97%	100%
PIMS 34	97%	98%	99%	97%	-	93%	99%	97%	99%	-
PIMS 35	98%	98%	97%	97%	-	100%	100%	100%	100%	99%
<b>% with details incorrect</b>										
PIMS 32	6%	10%	13%	-	-	12%	8%	23%	14%	8%
PIMS 33	27%	8%	18%	-	-	0%	15%	3%	11%	19%
PIMS 34	32%	13%	19%	7%	-	17%	5%	8%	15%	-
PIMS 35	15%	14%	19%	16%	-	14%	9%	24%	26%	16%

Encouragingly, the vast majority of the records provided for PIMS were complete in each of the last four waves, although this proportion did drop to 96% in the latest quarter (compared to 98% earlier in the year).

However, of more concern is the significant proportion of sample records were subsequently found to be incorrect when an attempt was made to contact them for interview (16% in the latest quarter).

There is relatively little difference in the completeness of records across the various UKTI services, with the exception of the Website Business Opportunities service where the majority of the records were incomplete. However, this is because firms input their own contact details rather than this being recorded by UKTI staff, and in most cases where records were judged to be incomplete this was because they did not have a full postal address. They generally still included a contact name and phone number so were able to be contacted for the PIMS research.

It is also worth noting that the completeness of the sample data provided for TAP Group, TAP Non-Funded and Sector Events UK has deteriorated in the most recent quarter (the PIMS 35 period).

The accuracy of the sample data varies from service to service, and from quarter to quarter within each service. However, looking at the last four waves as a whole Outward Missions, Posts Events and Sector Events Abroad performed worst in this respect, with at least 20% of the records called being incorrect (averaged over the past 4 quarters). For a number of other services more than 15% of the records contacted over the past year were incorrect, and these were: EMRS, Posts Significant Assists, Inward Missions, Sector Events UK, DSO Significant Assists, UKIBC Events and TAP Non-Funded.

Further analysis of the completeness and accuracy of records by English region and overseas region can be found in Annex A of this report.

### 4.3 Acronyms

Throughout this report a number of acronyms have been used, as follows:

Acronym	Full Name
CBBC	China Britain Business Council
DSO	Defence & Security Organisation
ECR	Export Communications Review
EMRS	Export Marketing Research Scheme
ER Events	English Regions' Events
ERTA Sig. Assists	English Regions' Trade Advisors Significant Assists
GGG	Gateway to Global Growth
HVO	High Value Opportunities Programme
MVS	Market Visit Support
OMIS	Overseas Market Introduction Service
SME	Small & Medium Sized Enterprise (<250 employees)
TAP	Tradeshow Access Programme
UKIBC	UK India Business Council
UKTI	UK Trade & Investment

## 4.4 Analysis Definitions

Throughout this report, sub-analysis has been provided by a number of key breakdowns relating to the type of support received or the characteristics of the firm. While some of these are self-explanatory (e.g. number of years exporting), others are more complex and explanations of these definitions are set out below.

### Service Type

The various UKTI trade services have been summarised into 6 broad service types:

- UK-based Advisory Services: *Passport, GGG, ERTA Sig Assists, EMRS, ECR & HVO Sig Assists*
- Overseas Network Services: *OMIS, Posts Sig Assists, CBBC Sig Assists & UKIBC Sig Assists*
- Events: *ER Events, HQ Events, Inward Missions, Sector Events UK, Sector Events Abroad, Posts Events, Webinars, HVO Events, CBBC Events & UKIBC Events*
- Tradeshows & Missions: *MVS, TAP SOLO, TAP Group, TAP Non-Funded & Outward Missions*
- Web Business Opportunities: *Website Business Opportunities service*
- DSO Support: *DSO Events & DSO Sig Assists*

### Innovative Firms (Standard Definition)

Firms are classified as 'Innovative' if they...

- Have more than one employee engaged in R&D or new product/service development activity
- Or have employed someone external to the business to conduct R&D or new product/service development in the last year
- Or derive at least some of their turnover from products & services introduced in the last 3 years (*excluding firms established in the last 2 years*)

### Innovative Firms (Alternative, Tighter Definition)

Firms are classified as 'Innovative' via this alternative definition if they...

- Have more than one employee engaged in R&D or new product/service development activity and at least one employee is involved in 'the development of scientific or technical knowledge that is not commonly available'
- Or have employed someone external to the business to conduct R&D or new product/service development activity in the last year
- Or derive at least some of their turnover from products & services introduced in the last 3 years and these products & services are either 'new to the world' or 'new to the industry/sector' (*excluding firms established in the last 2 years*)

### **Born Global Firms (Standard Definition)**

Firms are classified as having been 'Born Global' if they...

- Have been established for 5 years or less
- And they are currently exporting
- And have been selling overseas for as long as they have been established

### **Born Global Firms (Alternative, Tighter Definition)**

Firms are classified as having been 'Born Global' if they...

- Have been established for 5 years or less
- And they are currently exporting
- And have been selling overseas for as long as they have been established
- And at least 25% of their turnover is accounted for by overseas sales

### **Markets to Which Support Referred**

Firms are classified as having received UKTI support about 'High Growth' markets if the assistance related to...

- Brazil, China, Colombia, Egypt, Hong Kong, India, Indonesia, Malaysia, Mexico, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Taiwan, Thailand, Turkey, UAE or Vietnam

Firms are classified as having received UKTI support about 'Established' markets if the assistance related to...

- Australia, Canada, Japan, New Zealand, the USA and all EU countries (plus Norway & Switzerland)

It should be noted that some firms received support relating to a market that is not classified as either 'established' or 'high growth' (and therefore appear in neither category), and some firms received support relating to both of these market types (and therefore appear in both categories)

## 5. Number of UKTI Clients

### 5.1 Number of Firms Supported – Measure A01

#### 5.1.1 Number of Firms Supported Per Quarter

The number of businesses receiving support from UKTI forms one of the key survey measures, namely ‘Quarterly A01 – Number of firms supported’. This refers to the number of firms supported through each service within each wave’s sampling period. The calculation for this measure is as follows:

<b>Quarterly A01 – Number of Firms Supported</b>	
<b>The number of firms supported measure is...</b>	
•	The total number of in-scope records provided by UKTI for each service in that quarter
•	<u>Minus</u> any duplicate records within each service (i.e. where the same firms appears more than once in the quarterly sample list for that service)

The table below provides details of the number of unique firms supported through each service in each quarter of 2013 (the PIMS 32-35 period).

Figure 5.1.1.1 Number of Firms Supported Per Quarter (A01) - By Individual Service

Wave	Passport	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR	HQ Events	OMIS	MVS	TAP Solo
PIMS 32	341	330	39	2,158	1,627	107	611	1,328	1,233	161
PIMS 33	265	363	53	1,703	2,415	132	499	1,178	575	241
PIMS 34	263	560	34	2,058	1,976	207	349	929	420	229
PIMS 35	315	406	45	2,179	3,333	201	583	1,301	511	255

Wave	TAP Group	TAP Non Fund	Outward Missions	Inward Missions	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad
PIMS 32	1,351	1,278	312	0	1,639	4,505	1,407	2,131	553
PIMS 33	771	646	27	91	2,183	4,872	1,278	1,557	1,040
PIMS 34	1078	539	11	0	2,983	4,877	1,192	2,676	297
PIMS 35	1270	787	65	0	2,174	5,715	2,003	2,495	1,068

Wave	DSO Events	DSO Sig. Assists	Webinars	HVO Events	HVO Sig. Assists	CBBC Events	CBBC Sig. Assists	UKIBC Events	UKIBC Sig. Assists
PIMS 32	421	134	-	0	32	230	218	251	182
PIMS 33	293	98	-	0	6	359	351	146	56
PIMS 34	203	103	866	0	14	437	257	277	0
PIMS 35	173	63	1,073	0	15	219	135	309	103

Please note that webinar attendees are only counted against the A01 measure if they stayed online for at least 50% of the session.

For ERTA Significant Assists and Posts Significant Assists an alternative A01 figure (Version 2) has been calculated, as follows:

	ERTA Significant Assists	Posts Significant Assists
Version 1	All firms indicated as 'significantly assisted' by the English Regions Trade Advisors during the sampling period	All firms indicated as 'significantly assisted' by the overseas network during the sampling period
Version 2	All firms indicated as 'significantly assisted' by the English Regions Trade Advisors during the sampling period and <b>NOT receiving support under the Passport or GGG schemes</b> during this time	An adjusted figure to account for the number of firms contacted that claim to have <b>received no/minimal support</b> (i.e. non-significant assists)

The table below provides details of the original A01 (version 1), the adjusted A01 (version 2) and the percentage downward adjustment that has been made.

Figure 5.1.1.2 Adjusted Number of Firms Supported Per Quarter (A01 Version 2)  
- ERTA Significant Assists & Posts Significant Assists

Wave	ERTA Sig. Assists			Posts Sig. Assists		
	Version 1 A01	Version 2 A01	Downward adjustment	Version 1 A01	Version 2 A01	Downward adjustment
PIMS 32	2,158	2,019	6.4%	4,505	3,704	17.8%
PIMS 33	1,703	1,580	7.2%	4,872	4,580	6.0%
PIMS 34	2,058	1,873	9.0%	4,877	4,114	15.6%
PIMS 35	2,179	1,988	8.8%	5,715	4,800	16.0%

As detailed above, on average these adjustments reduce the A01 figures for ERTA Significant Assists by around 8% and Posts Significant Assists by around 14%.

The results by individual service shown in the previous tables take account of any duplicate records within each service (i.e. where the same firm appeared multiple times on the sample list for the *same* service in the same quarter, either because they used the service on several occasions or because several people from the same firm attended a particular event).

However, there were also a large number of duplicates across services (i.e. where the same firm used a number of *different* UKTI services within the same quarter). In the above analysis firms can therefore be included in the figures for a number of different services (e.g. if they had used OMIS, attended an HQ Event and been recorded as an ERTA Significant Assist in the same quarter then they will be counted against the A01 numbers for each of these services).

By taking account of the level of duplication across services, it is possible to calculate an overall A01 figure for each quarterly period, which gives the number of individual firms supported by UKTI in that quarter (i.e. no firm is counted more than once per quarter, irrespective of how many services they have accessed).

The table below provides details of the number of individual firms supported each quarter, along with further estimates of number of ‘innovative’ and ‘born global’ firms supported and the numbers assisted in relation to high growth and established markets<sup>19</sup>. Please note the figures for innovative, born global and support market are estimates based on applying the survey percentages to the overall A01 figure (as it is only possible to classify firms as innovative, etc during the survey itself).

Figure 5.1.1.3 Total Number of Firms Supported Per Quarter (A01)

Wave	Total	Innovative		Born Global (5 years)			Support Market	
		Innovative	Non-Innovative	Born Global	Not born global	Over 5 years old	High Growth	Established
PIMS 32	15,727	13,642	2,085	1,704	2,262	11,450	6,682	7,157
PIMS 33	14,764	12,639	2,125	1,612	2,001	10,882	6,040	6,447
PIMS 34	15,993	13,475	2,518	1,731	2,249	11,736	5,867	7,437
PIMS 35	18,277	15,523	2,754	2,072	2,342	13,369	6,959	7,980

An alternative version of these quarterly figures is shown below, taking account of the adjustments made to the A01 figures for ERTA and Posts Significant Assists (as detailed earlier in this section of the report).

Figure 5.1.1.4 Adjusted Total Number of Firms Supported Per Quarter (A01 Version 2)

Wave	Total	Innovative		Born Global (5 years)			Support Market	
		Innovative	Non-Innovative	Born Global	Not born global	Over 5 years old	High Growth	Established
PIMS 32	15,077	13,078	1,999	1,633	2,169	10,977	6,405	6,861
PIMS 33	14,472	12,389	2,083	1,580	1,961	10,667	5,921	6,288
PIMS 34	15,338	12,923	2,415	1,660	2,157	11,255	5,627	7,132
PIMS 35	17,552	14,907	2,645	1,989	2,249	12,839	6,683	7,664

For those services delivered by UKTI’s teams in the English regions, further details of the quarterly number of firms supported in each region can be found in Annex A of this report.

<sup>19</sup> Please note that some firms received support relating to a market that is not classified as either ‘high growth’ or ‘established’ (and therefore appear in neither category), and some firms received support relating to both of these market types (and therefore appear in both categories). Full details of how ‘high growth’ and ‘established’ markets have been defined can be found in Section 4.6 of this report.

5.1.2 Annual Number of Firms Supported

The A01 figures in the previous section give the number of individual firms supported in each PIMS wave. However, there are a significant proportion of firms that received support on a number of different occasions throughout the PIMS 32-35 sampling period (i.e. they appear in the A01 numbers for more than one quarter).

As a result, further de-duplication has been carried out to calculate the total number of individual firms supported in 2013 (the PIMS 32-35 period). This has been calculated as follows:

**Annual A01 – Total Number of Firms Supported**

**The total annual number of firms supported measure is...**

- The total number of (in-scope) records provided by UKTI across the last 4 quarters
- Minus any duplicate records (i.e. firms that appear in more than one service or more than one PIMS wave)
- Further adjustments are then made to account for ERTA Significant Assists that were also on the Passport/GGG schemes and Posts Significant Assists that received no/minimal support

**This measure therefore represents the total number of individual firms supported by UKTI during the previous 12 months**

The table below provides details of the number of individual firms supported by UKTI in the 2013 calendar year. All numbers are rounded to the nearest 10 firms.

Figure 5.1.2.1 Number of Firms Supported Per Year (Annual A01)

	Annual number of firms supported
Total	36,900
Total exc. light support	31,470

UKTI supported 36,900 individual firms in 2013 (the PIMS 32-35 period). This represents an 18% increase on the number of firms supported in the previous year (31,310) and demonstrates that significant progress is being made towards meeting the target of supporting 50,000 firms per year by the 2014/15 financial year.



The annual number of firms supported through each of the broad categories of UKTI support has also been calculated, as detailed below.

**Annual A01 – By Service Type**

**The annual number of individual firms supported through each service type is calculated as follows:**

- The total number of (in-scope) records provided by UKTI across the previous 4 quarters for each service type, minus any duplicate records within each service type (i.e. firms that appear more than once in that particular group over the previous 4 quarters)
- Further adjustments are then made to account for ERTA Significant Assists that were also on the Passport/GGG schemes and Posts Significant Assists that received no/minimal support

**Details of which individual trade services have been allocated to each of the six service types can be found in Section 4.4 of this report.**

The table below provides details of the number of firms supported through each service type in 2013. All numbers are rounded to the nearest 10 firms.

Figure 5.1.2.2 Number of Firms Supported Per Year (Annual A01)  
– By Service Type

Service Type	Annual number of firms supported
UK-based Advisory Services	9,400
Overseas Network Services	14,570
Events	20,480
Tradeshows & Missions	8,510
Website Business Opportunities	6,050
DSO Support	940

As detailed above, events account for the greatest volume of UKTI clients, followed by overseas network services (which primarily consist of Posts Significant Assists).

Please note that the same firm can appear in more than one service type if they have received assistance through a number of different services over the past year (e.g. a firm that had used Passport, commissioned an OMIS report and attended an event through TAP would be included in UK-based Advisory Services, Overseas Network Services and Tradeshows & Missions). As a result, the sum of the above service categories is greater than the overall Annual A01 figure shown earlier, which only counts each firm once irrespective of the number of services used.

The table tracks the number of individual firms supported over the last 5 years. Results are shown for all UKTI services, along with alternative figures that exclude 'light' support<sup>20</sup>.

Figure 5.1.2.3 Number of Firms Supported Per Year (Annual A01)  
– Over Time

PIMS period	UKTI total		Exc. light support	
	Annual no. of firms supported	% change from previous year	Annual no. of firms supported	% change from previous year
2009 (PIMS 16-19)	26,130	+17%	23,690	+16%
2010 (PIMS 20-23)	26,650	+2%	24,350	+3%
2011 (PIMS 24-27)	25,400	-5%	21,450	-12%
2012 (PIMS 28-31)	31,310	+23%	26,920	+26%
2013 (PIMS 32-35)	36,900	+18%	31,470	+17%

Support volumes were fairly consistent between 2009 and 2011, but have subsequently increased significantly as UKTI works towards the target of supporting 50,000 firms a year by the 2014/15 financial year.

If the current annual increase in client numbers of 18% is maintained over the next 2 years then UKTI will just achieve this target.

<sup>20</sup> Light support is defined as the Website Business Opportunities service, Webinars and ER Events of < ½ day duration.

## 5.2 Patterns in Take-Up of UKTI Services

### 5.2.1 Background, Objectives & Approach

To complement the PIMS survey data and increase understanding of how UKTI clients interact with the organisation, London Economics (policy and economics consultants) were commissioned to undertake a project examining the patterns in take-up of UKTI services. This section of the PIMS report provides the key findings from this project. All the analysis and charts in this section have been produced by London Economics.

The work undertaken by London Economics had two core elements:

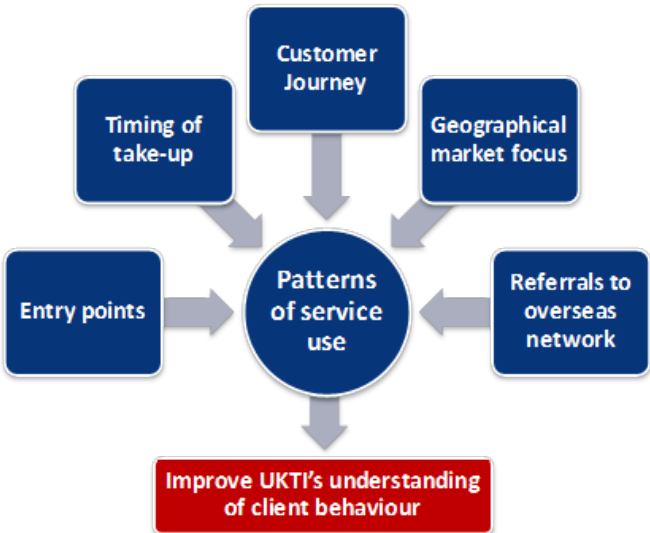
- Creation of a database that tracks individual firm usage of UKTI services.
- Analysis of the database to identify patterns in service take-up.

London Economics were provided with 456,482 records of client interactions<sup>21</sup> covering support delivered between October 2005 and December 2013 (PIMS waves 3-35). These records came from UKTI's CDMS database and were originally provided to OMB Research for use in the quarterly PIMS surveys<sup>22</sup>. They represent the full PIMS sample, rather than just those firms that completed an interview.

Using a fully automated matching procedure, London Economics mapped these 456,482 records of client interactions to **126,769 unique companies**.

Information on repeated or multiple service use can yield valuable insights on client needs and preferences of service take-up. The project objectives are summarised below.

Figure 5.2.1.1 Objectives



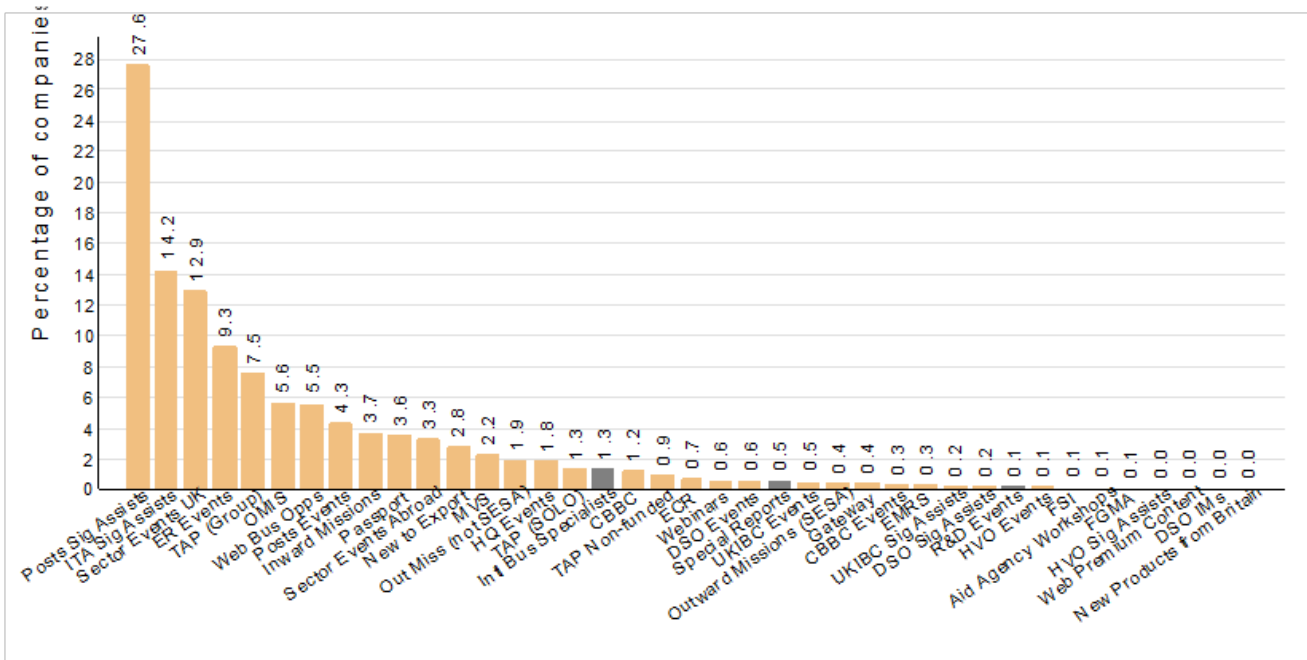
<sup>21</sup> The unit of observation in the PIMS data is a service delivery – an interaction between UKTI and a client that is classed as a service (i.e. takes place either as part of a specific, named UKTI programme or is deemed by UKTI to be significant).

<sup>22</sup> The records provided were the 'quarterly A01' records, meaning that duplicate entries had been removed if the same firm appeared on multiple occasions in the same service and the same quarter.

## 5.2.2 Entry Points

The chart below illustrates the *first* UKTI service used by all clients served in 2005-2013 (i.e. PIMS 3-35). For each UKTI service, it shows the proportion of companies for which that service was the starting point of its relationship with UKTI. Please note that the grey-shaded services are ones that have been discontinued at some point between 2005 and 2013.

Figure 5.2.2.1 First Service Used



Source: London Economics

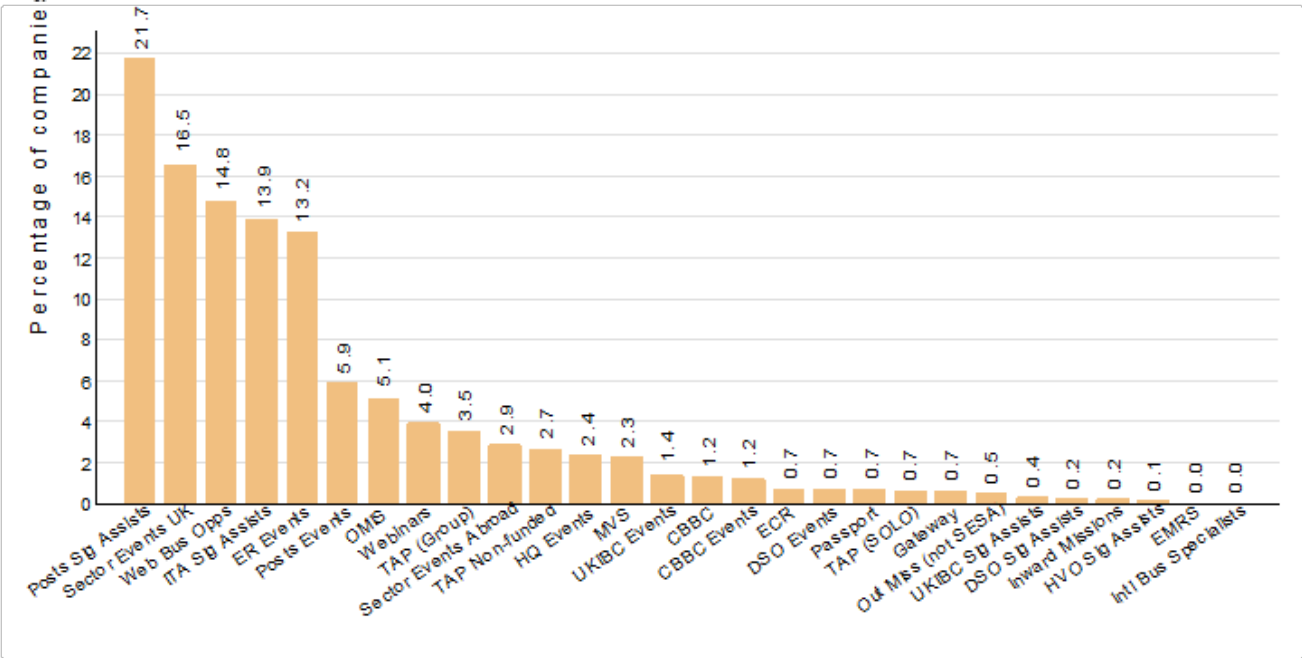
Posts Significant Assists are the most common entry point, with 27.6% of all UKTI clients using this service first.

Together, the three most common entry points account for over 50% of all UKTI clients. These are:

- 1) Posts Significant Assists (27.6%);
- 2) ITA Significant Assists (14.2%);
- 3) Sector Events UK (12.9%).

The chart below shows a similar analysis, but this time focussing only on *recent* new clients that first used UKTI in 2013 (the PIMS 32-35 period).

Figure 5.2.2.2 First Service Used – Last Year (PIMS 32-35 only)



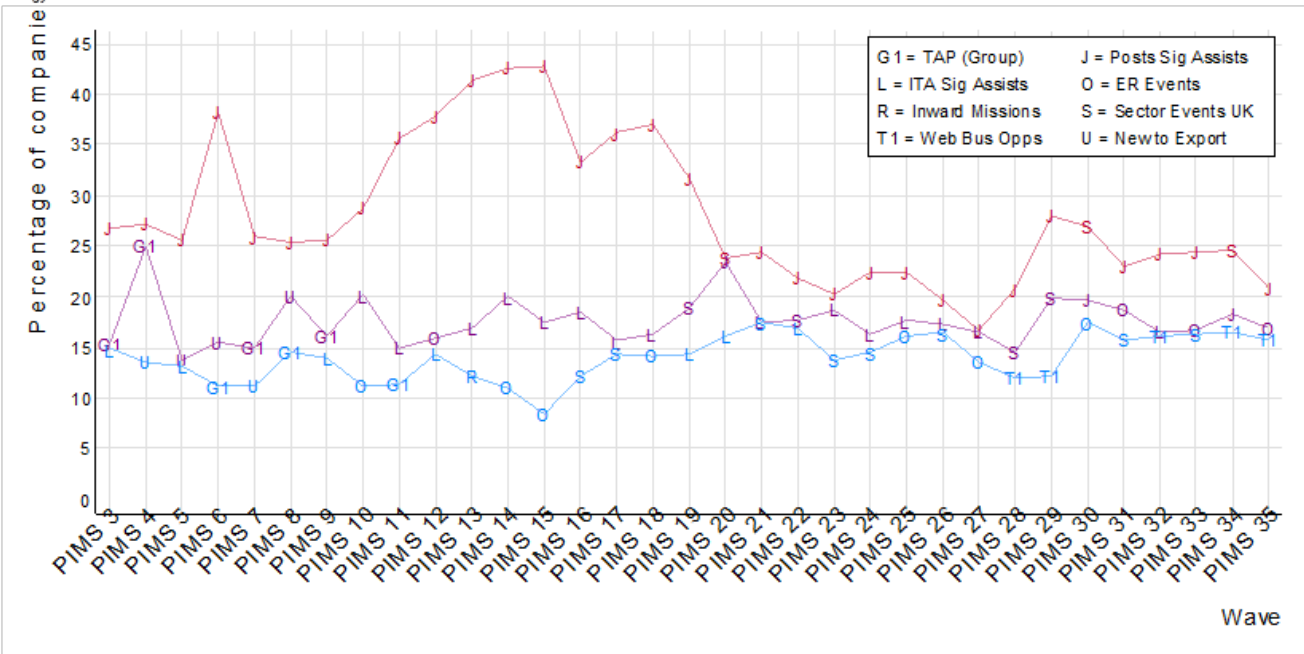
Source: London Economics

Compared to the results for the full sample (detailed on the previous page), the Website Business Opportunities service is a significantly more important entry point for new clients that used UKTI for the first time in the last year (14.8% of these companies, compared to 5.5% overall).

Sector Events UK and ER Events have also increased in importance, while TAP Group has become significantly less common as an entry point (3.5% compared to 7.5% overall).

The chart below shows the three most popular entry points (i.e. those used by the largest proportion of companies as their first UKTI service) in each PIMS wave.

Figure 5.2.2.3 Top 3 Entry Points by Wave



Source: London Economics

Again, the above analysis confirms that the Website Business Opportunities Services gained importance as an entry point over the last 8 quarters, while TAP and ITA Significant Assists have lost ground.

Posts Significant Assists tend to be the most common entry point for new clients, although this is now less likely to be the case than was seen 4-5 years ago.

### 5.2.3 Total Service Take-Up

The charts below detail the distribution of UKTI clients in terms of the number of occasions in which they have accessed UKTI support. The first chart looks at all UKTI services and shows that two-thirds of clients have obtained support on two or more separate occasions. The second chart focuses solely on overseas network services<sup>23</sup> and indicates that almost half of all UKTI clients have accessed support from the overseas network at least once.

Figure 5.2.3.1 Total Service Take-Up – All UKTI Services

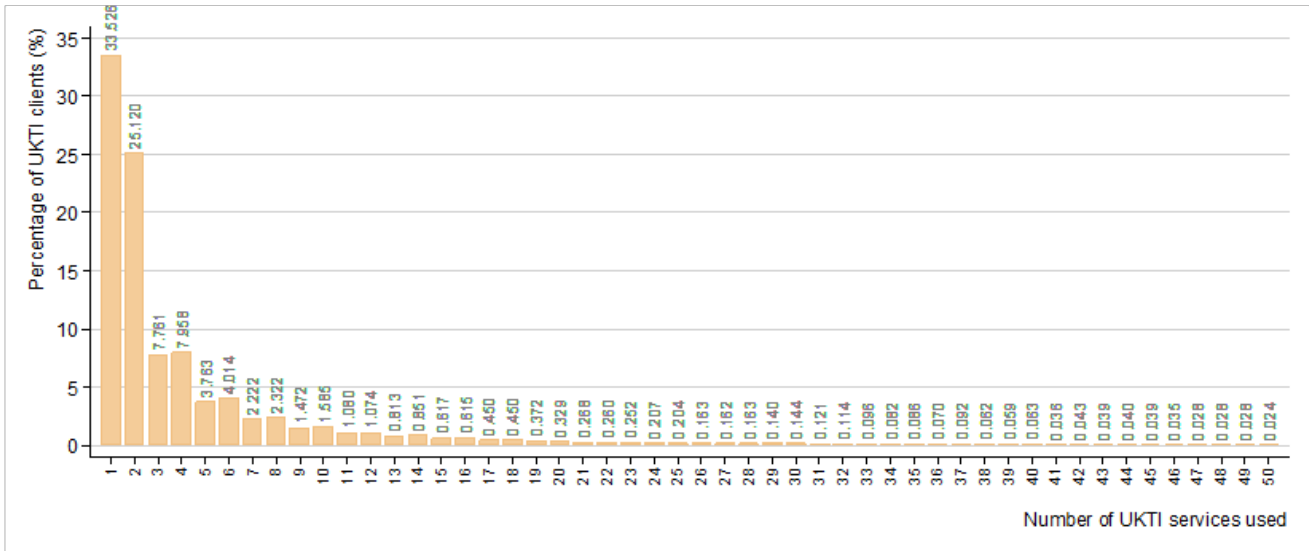
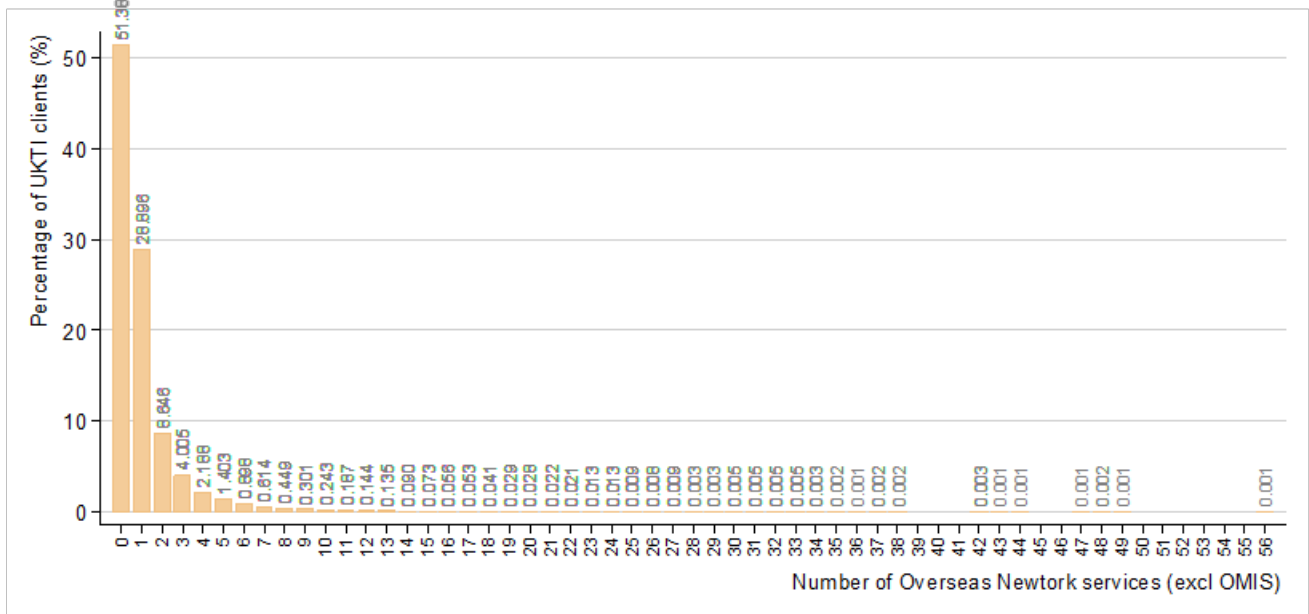


Figure 5.2.3.2 Total Service Take-Up – Overseas Network Services



Source: London Economics

<sup>23</sup> In contrast with the remainder of the PIMS report, in this analysis the ‘Overseas Network’ consists of Posts Events and Significant Assists, CBBC Events and Significant Assists, and UKIBC Events and Significant Assists. OMIS is considered separately.

As detailed below, 87% of UKTI clients have never commissioned an OMIS. However, 39% have accessed support from UKTI’s teams in the English regions<sup>24</sup>.

Figure 5.2.3.3 Total Service Take-Up – OMIS

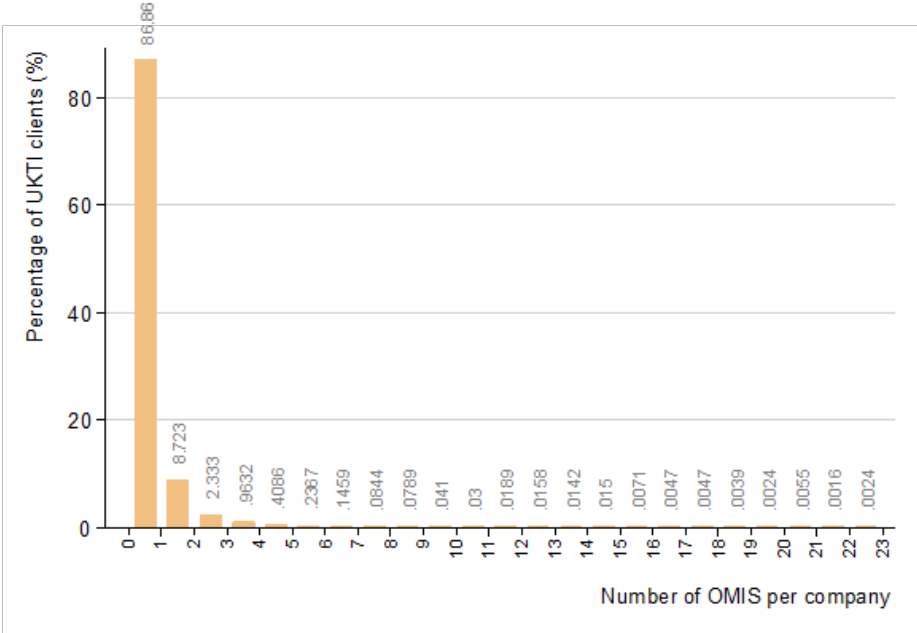
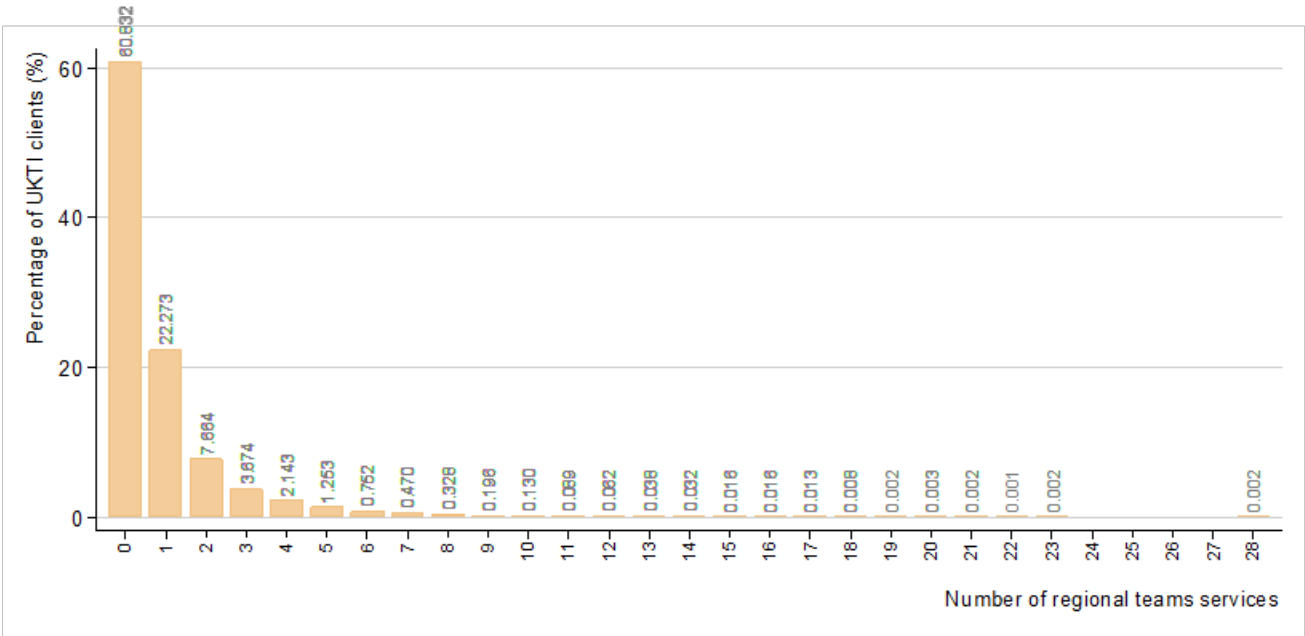


Figure 5.2.3.4 Total Service Take-Up – Regional Services



Source: London Economics

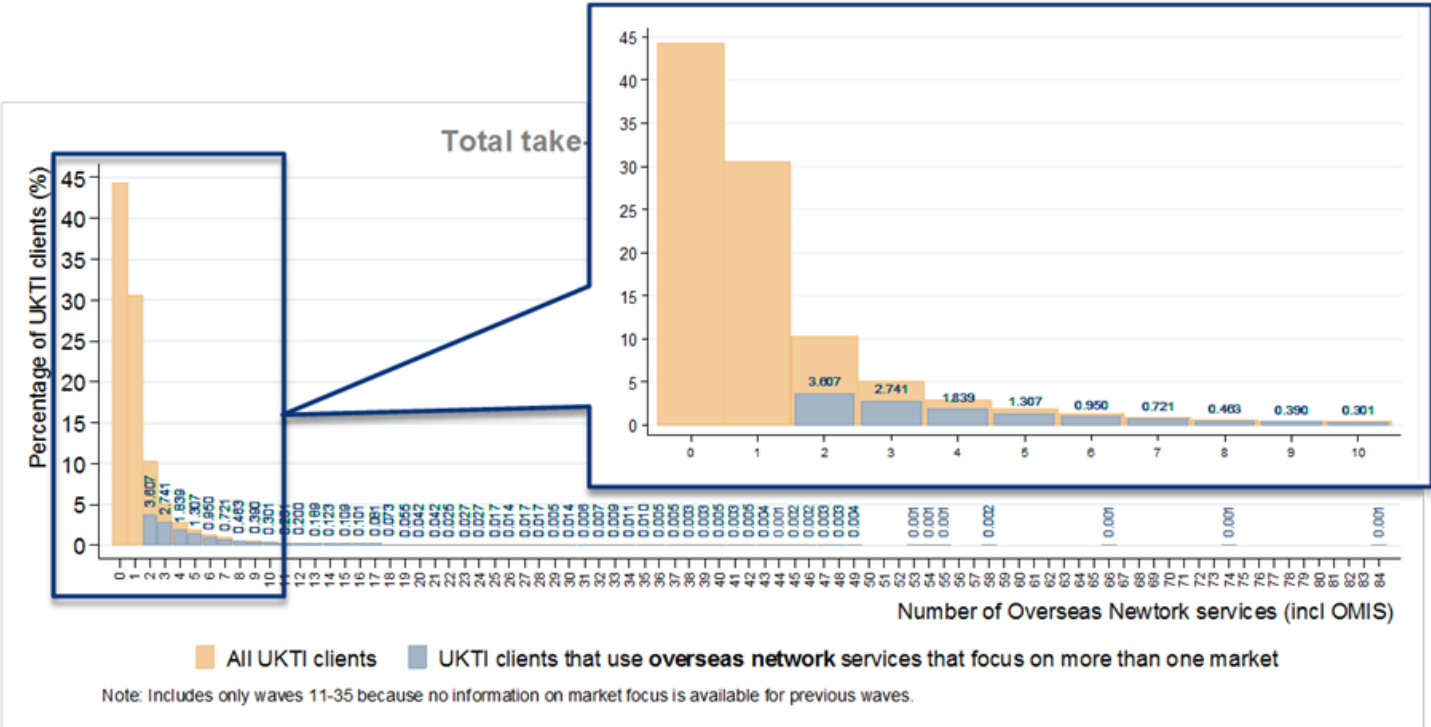
<sup>24</sup> For this analysis, ‘Regional Services’ consist of Passport, GGG, ERTA/ITA Significant Assists and ER Events



The figure below provides additional detail on the repeat use of Overseas Network services, looking at whether firms that access these service on multiple occasions do so about the same or different markets. The orange bar shows the number of Overseas Network services (including OMIS) used by UKTI clients. The blue bar represents the proportion of clients that used an Overseas Network service on more than one occasion and where these instances of support focussed on more than one geographic market<sup>25</sup>.

Please note that this analysis is only based on the PIMS 11-35 period (covering support delivered between October 2007 and December 2013) because details of market focus were not available prior to this point. It also includes the OMIS service, unlike the data shown in Figure 5.2.3.2.

Figure 5.2.3.5 Overseas Network Use & Market Focus



Source: London Economics

A significant proportion of those UKTI clients that accessed Overseas Network services on multiple occasions used these about different geographic regions. For instance, 10% of all clients have used Overseas Network services on two occasions and 3.6% have used these services on two occasions *about different markets* (i.e. a third of those using overseas network services on two occasions have focussed on a different market each time).

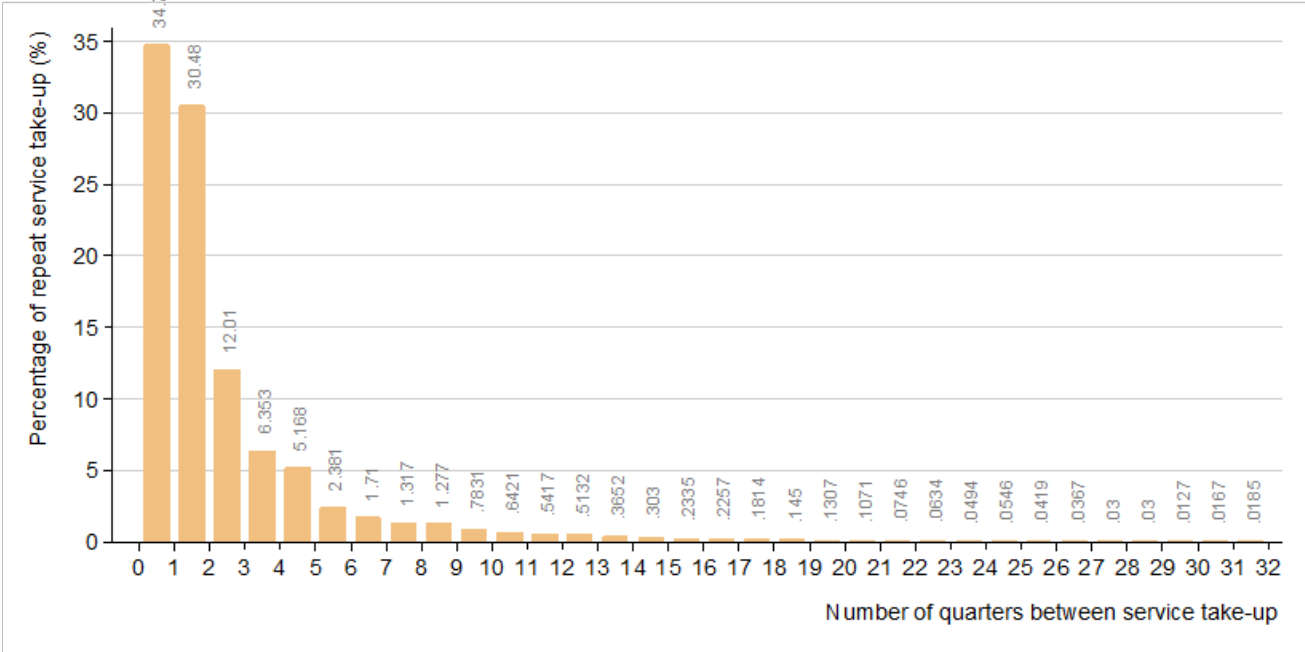
Unsurprisingly, the more occasions that a firm has used Overseas Network services, the more likely it is that this support related to multiple markets.

<sup>25</sup> Markets are defined as eight broad geographic regions: Africa, Asia (inc. Russia and the Middle East), Europe (exc. Russia), Central America, North America, South America, Oceania (inc. Australia, New Zealand and Pacific Islands) and Multi-Country (i.e. where a single service delivery focussed on multiple countries).

### 5.2.4 Timing of Repeat Use

The chart below shows the average number of quarters that pass between consecutive instances of service take-up (i.e. the gap between repeat use of UKTI).

Figure 5.2.4.1 Number of Quarters between Service Take-Up



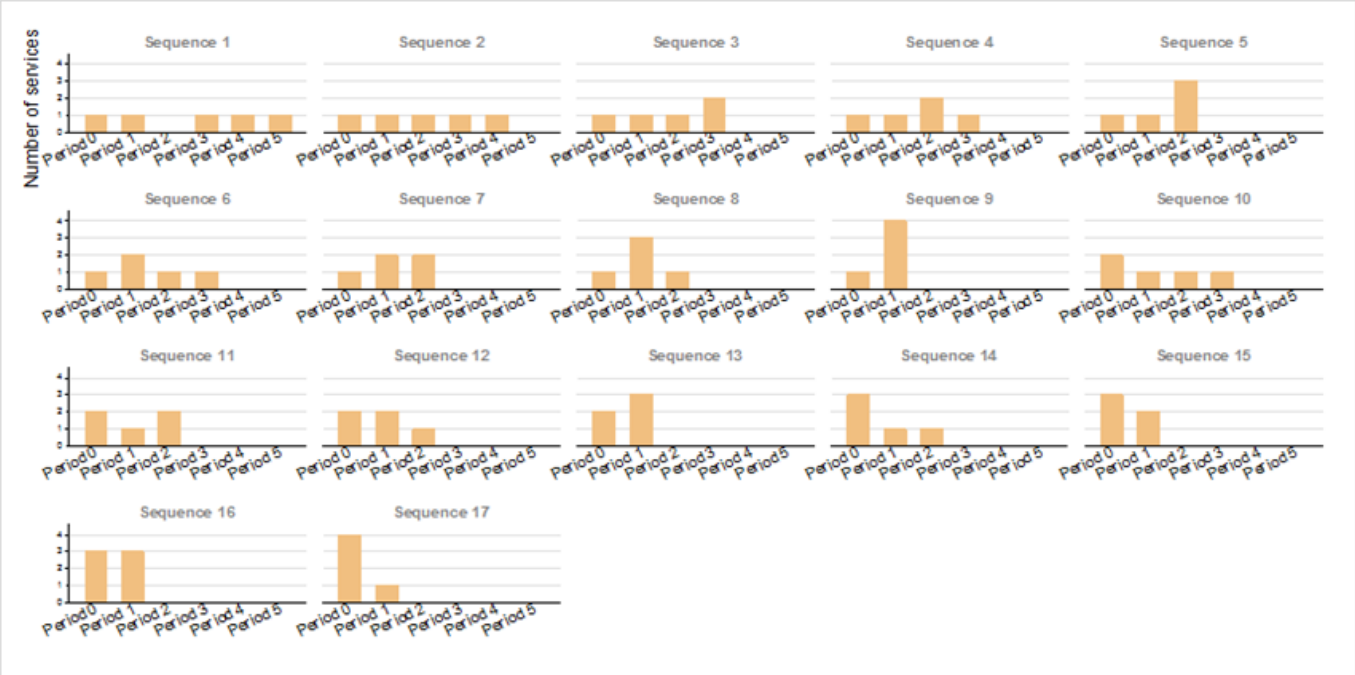
Source: London Economics

Most instances of repeat use occur within the 6 quarters (18 months) following the initial service take-up. This applies in over 90% of cases.

In around a third of cases there is effectively no gap between consecutive instances of service use (i.e. the next service is used in the same quarter as the first one).

On average, companies have used UKTI services on 4.7 occasions, and a third (33%) have accessed support on at least four occasions. The figure below sets out the most common timing patterns for those firms accessing support on 4 or more occasions<sup>26</sup>.

Figure 5.2.4.2 Most Common Patterns in Timing of Repeat Use



Source: London Economics

In all of the most common scenarios detailed above, every instance of service use occurs within five quarters of the service delivery at the start of the sequence. In other words, **service use is typically clustered** and there are only rare instances of companies returning to UKTI after a prolonged absence.

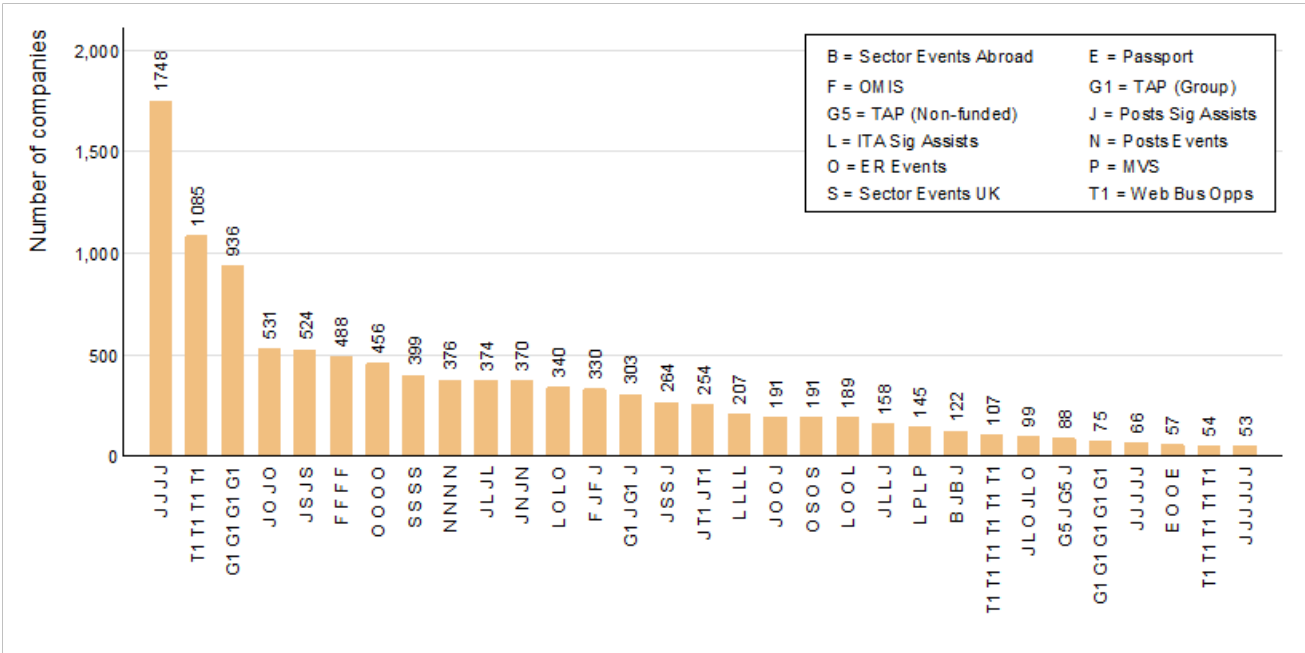
<sup>26</sup> Patterns that apply to 20 or more companies have been shown.

### 5.2.5 Typical Sequence of Repeat Use

The chart below shows the most common sequences of service take-up. The letter codes identify the specific services according to their PIMS categorisation (e.g. J refers to Posts Significant Assists, T1 refers to the Website Business Opportunities service, etc).

This analysis is based just on those companies that have accessed UKTI support on 4 or more occasions (33% of all clients).

Figure 5.2.5.1 Most Frequent Patterns



Source: London Economics

This analysis demonstrates that UKTI clients often re-use the same services. For example, the most common sequences are four consecutive Posts Significant Assists (1,748 firms), four consecutive uses of the Web Business Opportunities service (1,085 firms) and four consecutive uses of TAP Group (936 firms).

The most common sequences that involve *different* UKTI services relate to combinations of Posts Significant Assists and ER Events, and combinations of Posts Significant Assists and Sector Events UK.

The above chart shows the most common usage sequences (those that apply to over 50 clients). However, in total there were 3,466 different sequences that applied to multiple companies. There were a further 31,983 companies that followed a unique sequence (i.e. one that did not apply to any other firms). This implies a total of 35,449 unique customer journeys.

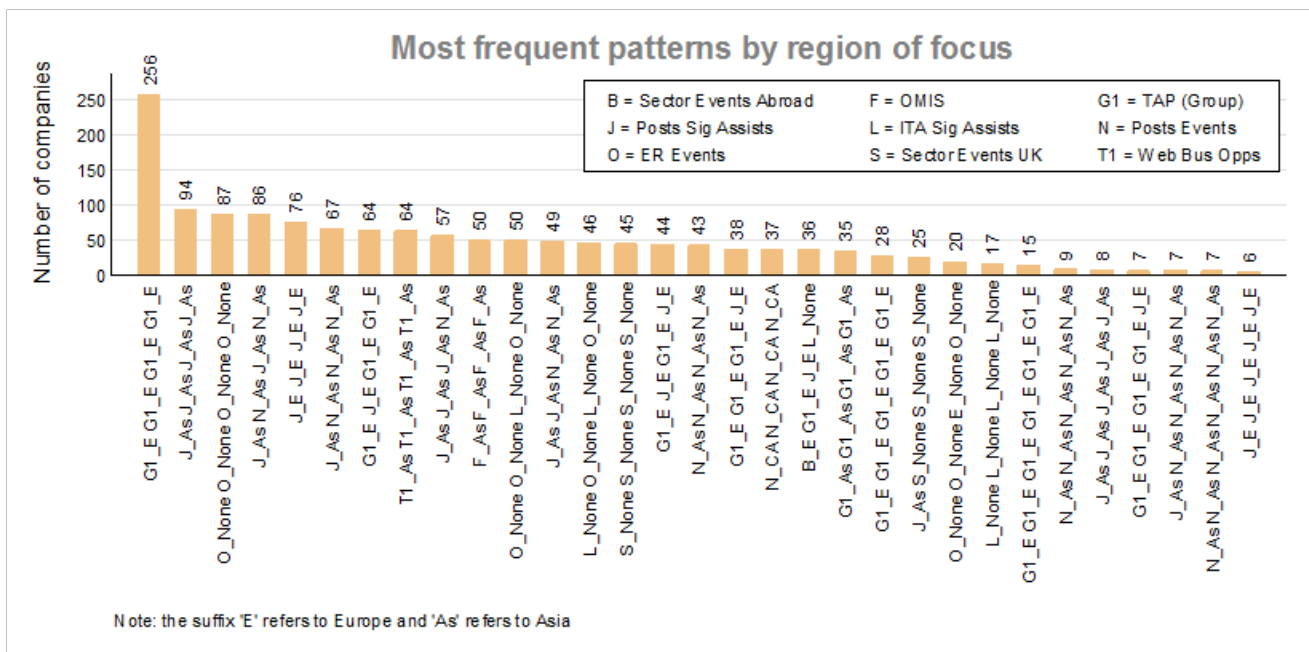
## 5.2.6 Repeat Use & Market Focus

The chart below shows a similar analysis, but incorporates the market focus of each service used. In this analysis, a particular sequence is judged to be common to more than one client if the services are the same, the order is the same **and** the market focus is the same on each occasion.

The market which the support focussed on is identified by the suffix after the service code. For example 'G1\_E' means TAP Group Europe, 'J\_As' means Posts Significant Assist Asia, and so on. Some support does not relate to a specific market and hence is referred to by the suffix 'none'.

Again, this analysis is based just on those companies that have accessed UKTI support on 4 or more occasions (33% of all clients).

Figure 5.2.6.1 Most Frequent Patterns by Region

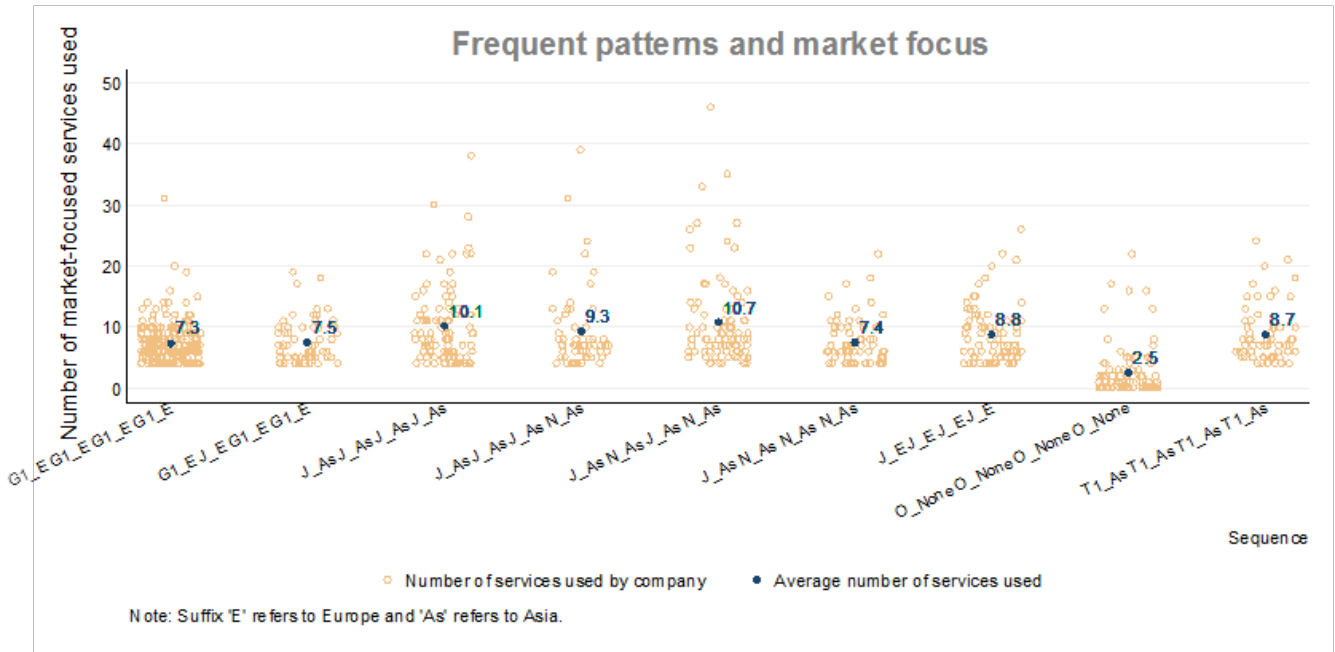


Source: London Economics

When we constrain the analysis to take into account market focus, the number of firms that follow a common sequence falls substantially. The most widely observed sequences are associated with only one geographic area (either Europe or Asia) and typically include repeat use of the *same* service in connection with this market. For example, the most common pattern is four consecutive uses of TAP Group about European markets (although this only applies to 256 firms).

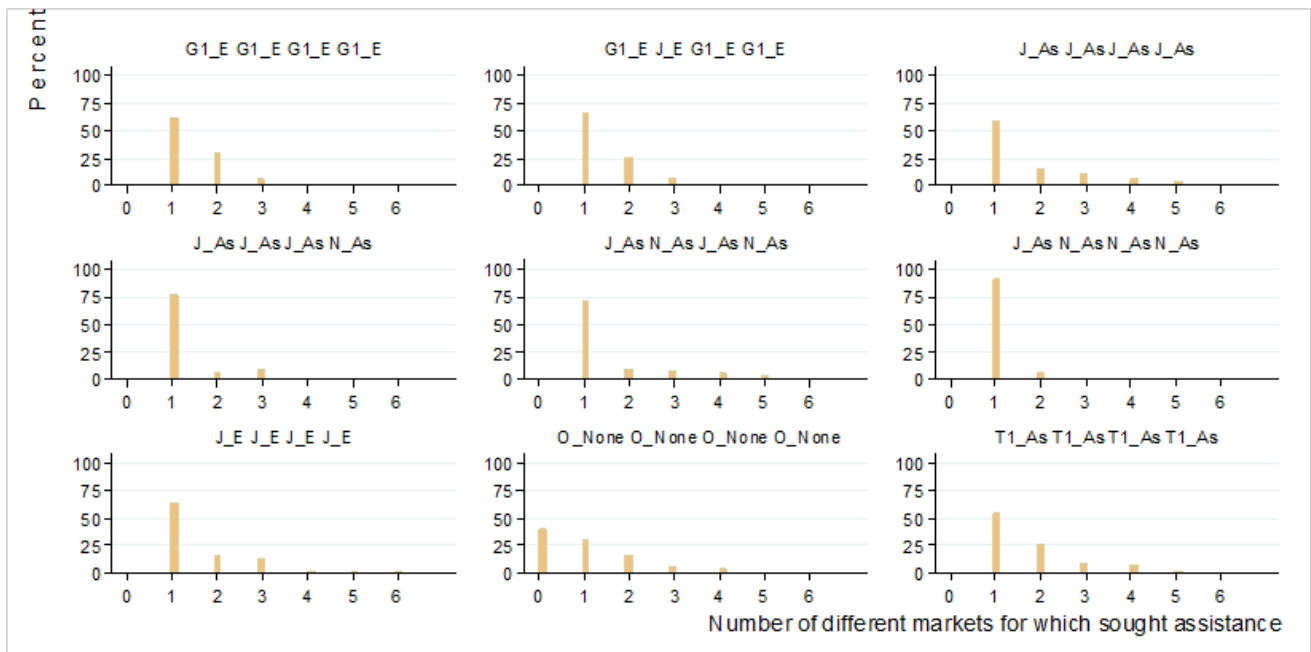
However, the most frequent usage patterns are often associated with use of *additional* services beyond the common sequence (potentially in different geographic areas). In the figure below, each orange circle represents a company and the height of the circle on the y-axis reflects how many services the company used, while the x-axis indicates the particular service/market sequence it followed.

Figure 5.2.6.2 Frequent Patterns & Total Services Used



The following figure shows the number of broad markets that firms have accessed support about, shown separately for companies that follow each of the common sequences. This analysis suggests that the most frequent usage patterns may be associated with use of additional services that focus on different macro regions.

Figure 5.2.6.3 Number of Different Markets for Which Sought Assistance

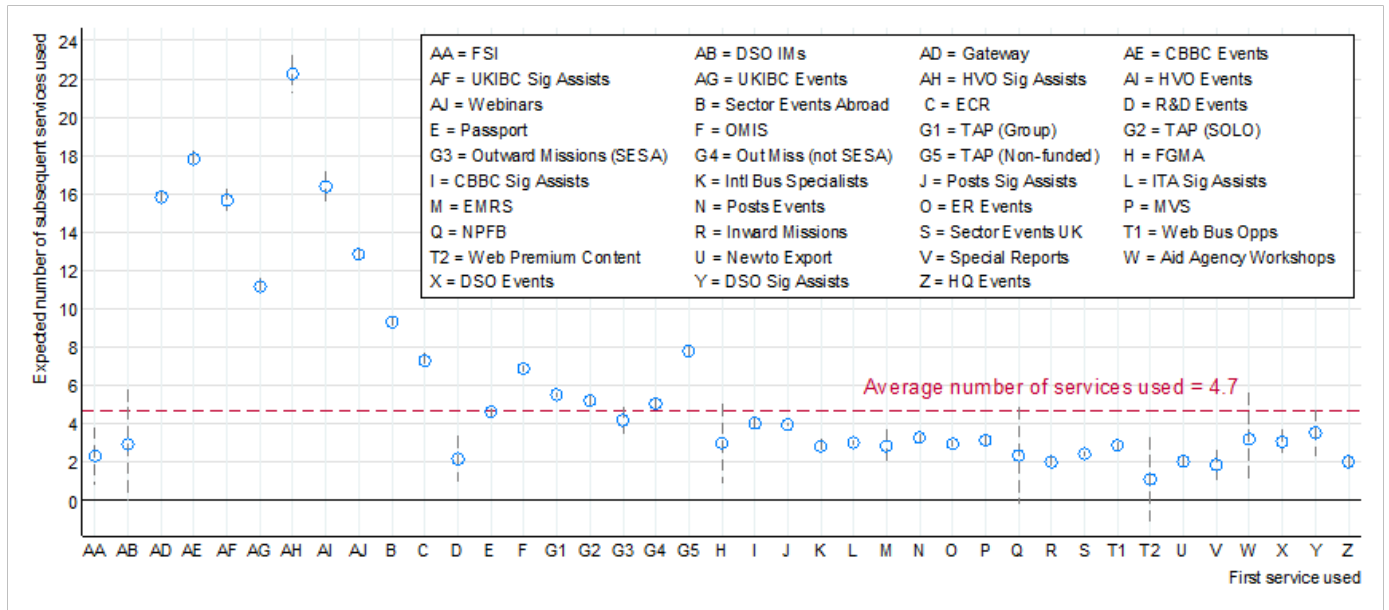


Source: London Economics

## 5.2.7 Entry Points & Future Use

This subsection explores the relationship between the first UKTI service used and total future use of UKTI. The chart below segregates companies by the first UKTI service they used and then, for each group, shows the average number of subsequent occasions on which these firms accessed UKTI support (through any service).

Figure 5.2.7.1 Expected Number of Uses of UKTI Support - by Entry Point



Source: London Economics

From the above analysis it is possible to identify entry points with above or below average subsequent service take-up.

Entry points with significantly *above* average subsequent service take-up include:

- Gateway to Global Growth
- CBBC Events, UKIBC Events, HVO Events and Sector Events Abroad
- UKIBC Significant Assists and HVO Significant Assists
- TAP (Non-funded)
- OMIS

Entry points with significantly *below* average subsequent service take-up include<sup>27</sup>:

- Inward Missions, ER Events, HQ Events, DSO Events, Posts Events and Sector Events UK
- ITA Significant Assists and Posts Significant Assists

<sup>27</sup> A number of other services are also associated with below average take-up but this is connected to the fact that they are no longer provided by UKTI/covered in PIMS.

The chart below provides similar analysis, but showing the number of times firms then used UKTI's Overseas Network<sup>28</sup> and Regional Services<sup>29</sup>

Figure 5.2.7.2 Expected Number of Uses of Overseas Network - by Entry Point

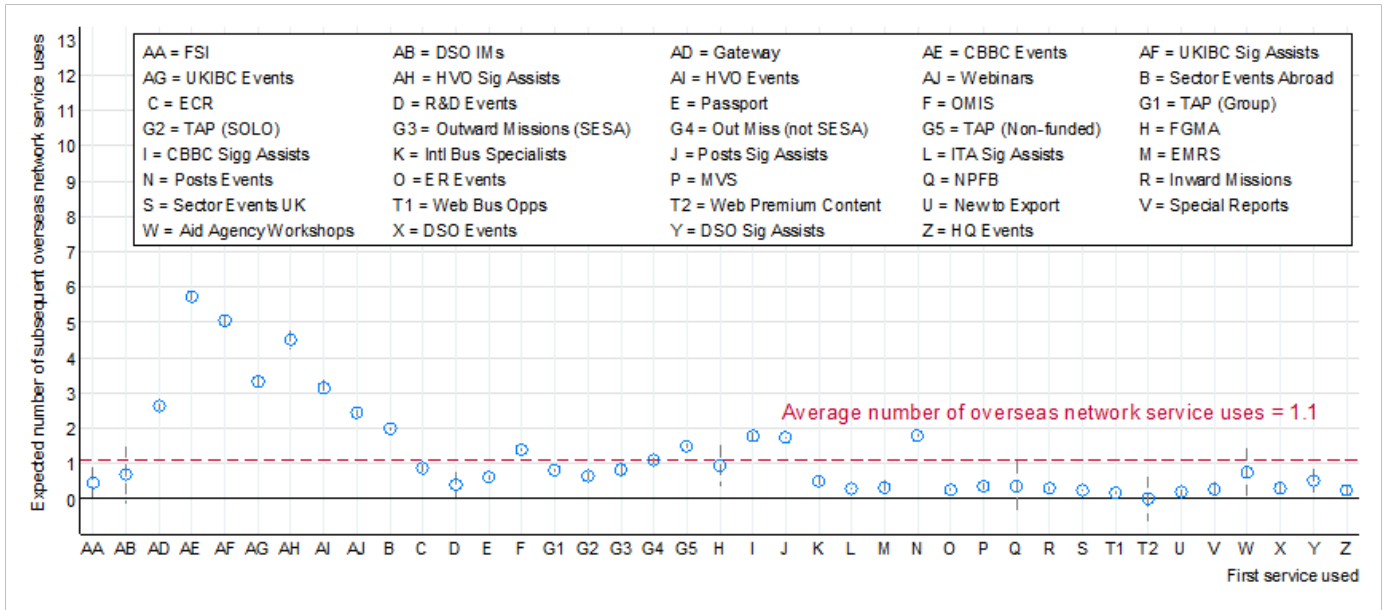
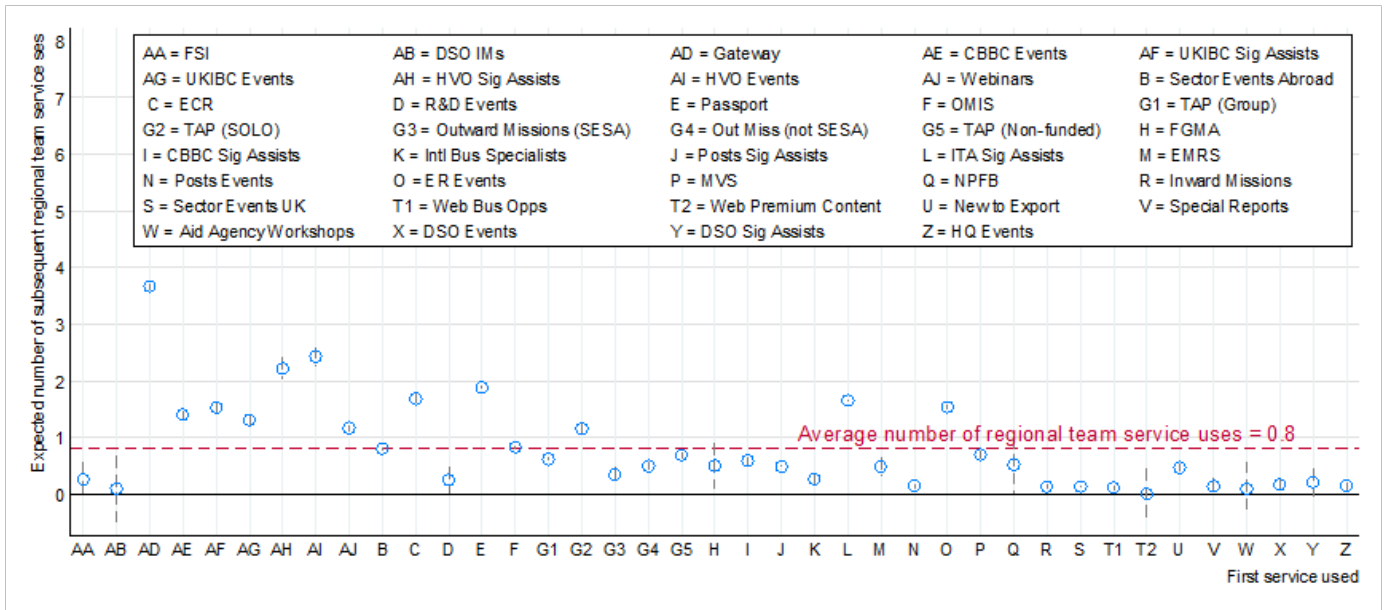


Figure 5.2.7.3 Expected Number of Uses of Regional Services - by Entry Point



Source: London Economics

Companies who first come into contact with UKTI through its Overseas Network, HVO services or GGG programme tend to make above average subsequent use of the Overseas Network. The greatest use of Regional Services is by firms whose entry point to UKTI was the Gateway to Global Growth (GGG) programme.

<sup>28</sup> In this analysis Overseas Network Services consist of Posts Significant Assists/Events, CBBC Significant Assists/Events & UKIBC Significant Assists/Events. It does not include OMIS.

<sup>29</sup> In this analysis Regional Services consist of Passport, GGG, ERTA Significant Assists & ER Events.

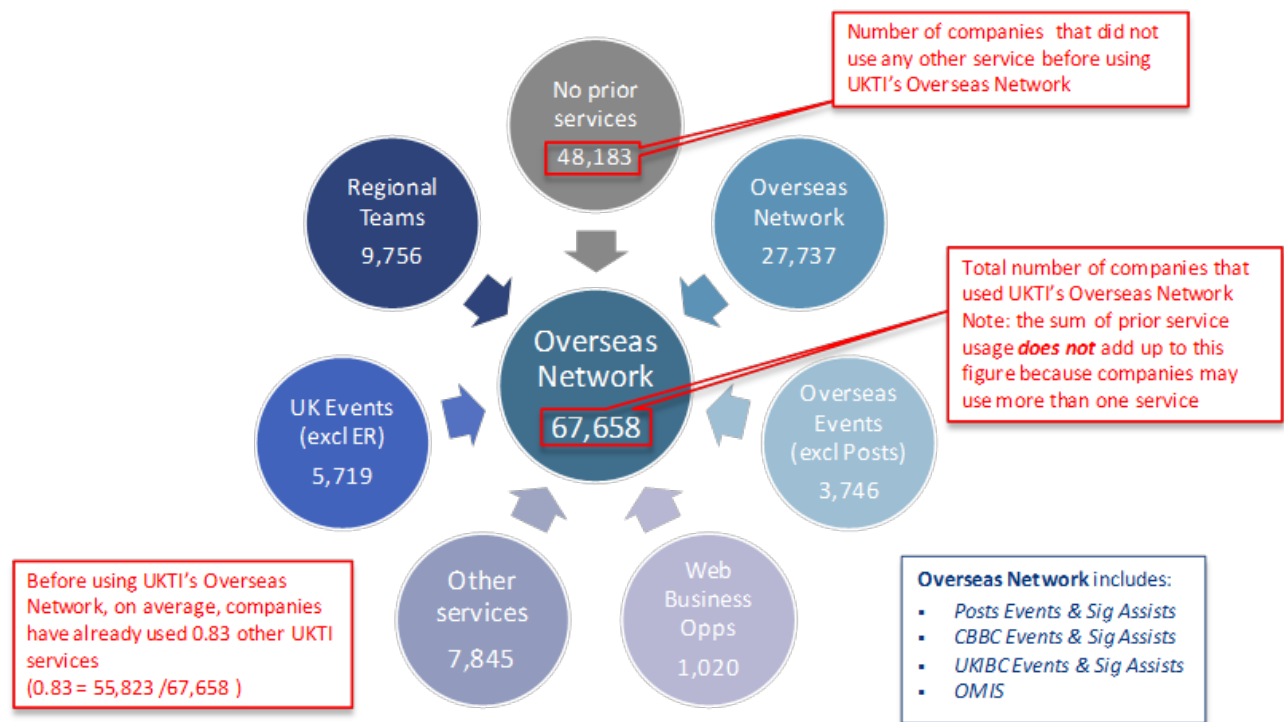


## 5.2.8 Client Referrals

This section attempts to shed light on the pipeline of service deliveries, with particular attention to Overseas Network services (including OMIS) and Regional Teams services.

The chart below is based on all companies that have accessed support from UKTI's Overseas Network, and details which (if any) services they had used prior to this point.

Figure 5.2.8.1 Client Referrals to Overseas Network



Source: London Economics

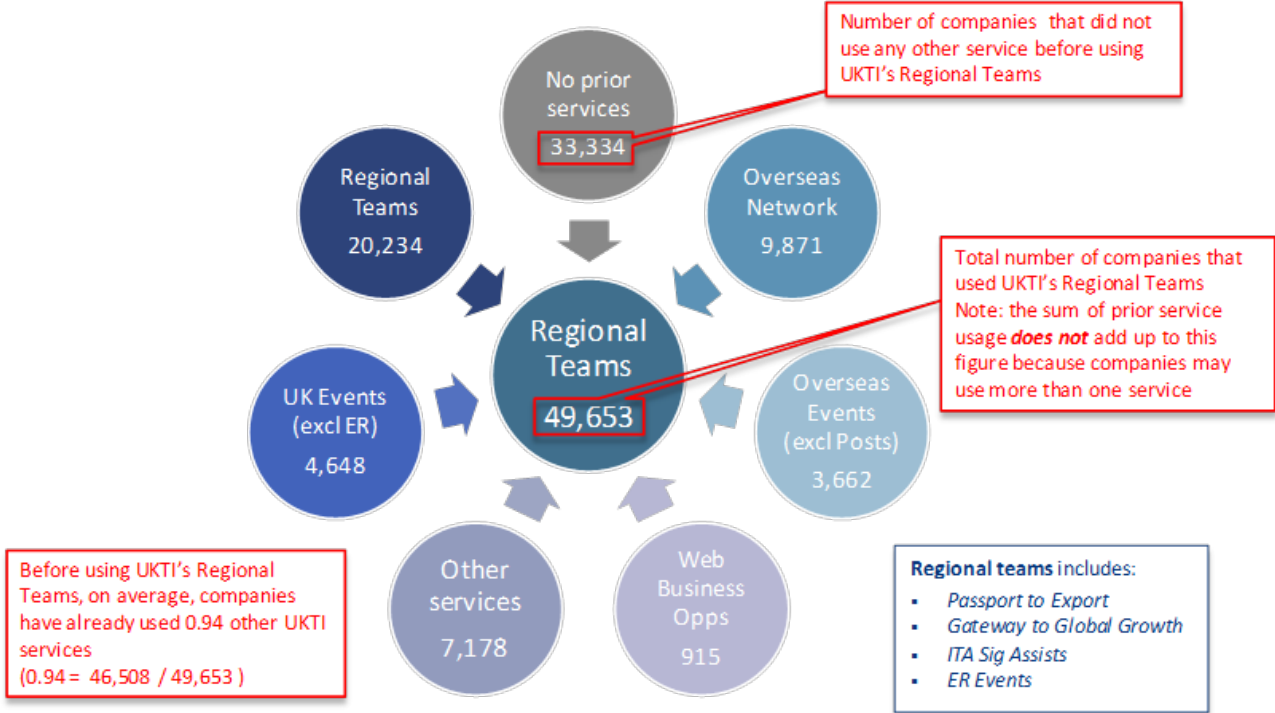
Most Overseas Network clients are first-time users of UKTI. Overall, 48,183 of the 67,658 Overseas Network users (71%) had not obtained any other UKTI support prior to this point.

The largest instance of repeat use comes from clients that have already used the Overseas Network (27,737 prior Overseas Network service deliveries). A smaller, but still significant, number of referrals come from the Regional Teams (9,756 ITA service deliveries).

It should be noted that the numbers for the various other services sum to more than the total of all Overseas Network users, because these firms have often accessed multiple different services prior to this point.

The chart below is based on all companies that have accessed support from UKTI's teams in the English regions, and details which (if any) services they had used prior to this point.

Figure 5.2.8.2 Client Referrals to Regional Services



Source: London Economics

As with the Overseas Network, most firms accessing support from UKTI's regional teams are first-time users. Overall 33,334 of the 49,653 users (67%) had not obtained any other UKTI support prior to this point.

Most repeat users had already used ITA services in the past. This provides additional evidence that UKTI clients tend to re-use the same or similar combinations of services throughout their relationship with UKTI.

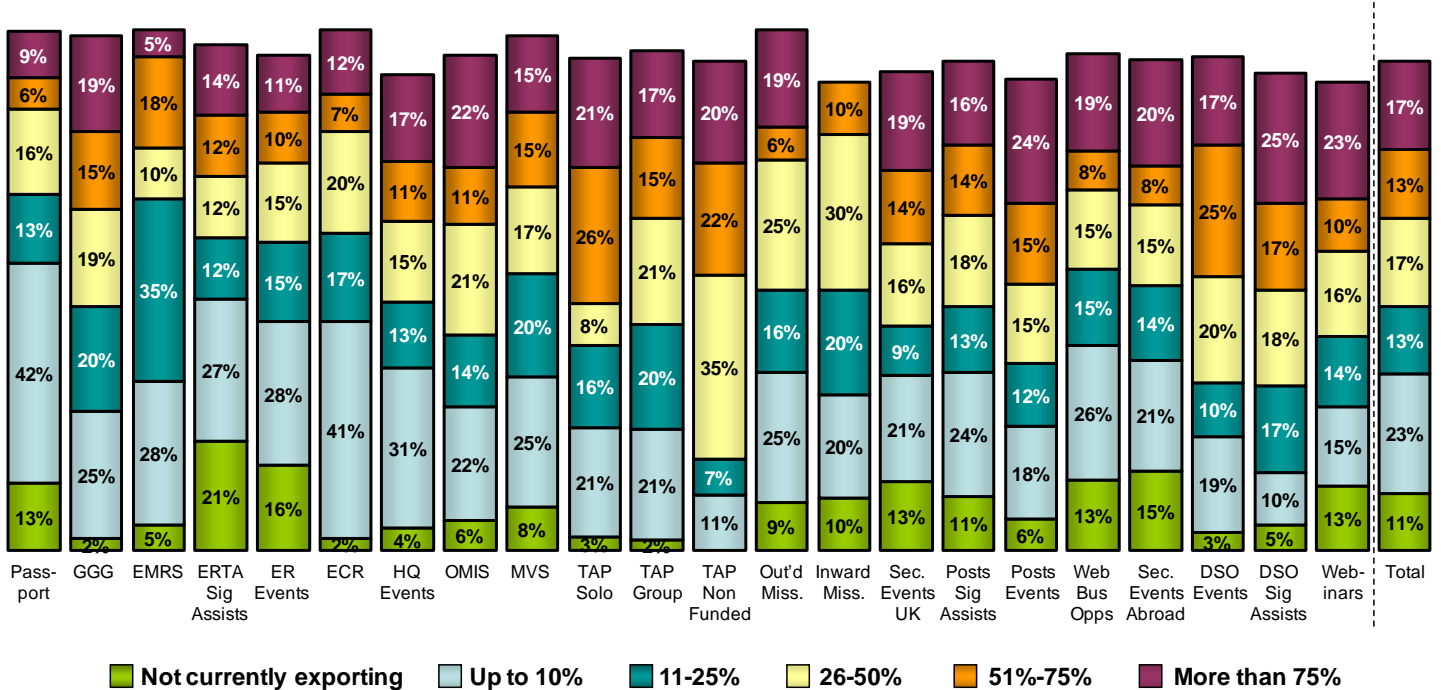
## 6. Business Profile

### 6.1 Export Experience

#### 6.1.1 Export Volume

The chart below shows the profile of UKTI clients in terms of the proportion of their turnover that is accounted for by overseas sales.

Figure 6.1.1.1 Proportion of Turnover Accounted for by Overseas Sales



Base: All respondents (Base, Don't know/Refused) - Passport (360, 0%), GGG (362, 1%), EMRS (40, 0%), ERTA (360, 3%), ER Events (305, 5%), ECR (41, 0%), HQ Events (71, 8%), OMIS (380, 5%), MVS (96, 1%), TAP Solo (38, 5%), TAP Group (150, 4%), TAP Non Funded (102, 6%), Outward Missions (32, 0%), Inward Missions (10, 10%), Sector Events UK (297, 8%), Posts Sig Assists (617, 6%), Posts Events (201, 9%), Website Bus Opps (289, 4%), Sector Events Abroad (104, 6%), DSO Events (59, 5%), DSO Sig Assists (60, 8%), Webinars (80, 10%), Total (4248, 5%)

UKTI clients vary widely in terms of the proportion of their turnover that is accounted for by overseas sales. A third (34%) indicate that exports account for no more than 10% of their turnover, including 11% that are not currently doing any business overseas. However, a similar proportion (30%) report that more than half of all their sales are to overseas customers.

Passport users report the lowest overseas sales (in terms of their contribution to turnover), with over half of these firms indicating that exports account for no more than 10% of their total sales.

The following table provides further analysis by the broad type of UKTI service used. For full details of how these categories have been defined please refer to Section 4.4 of this report. As detailed below, firms accessing UK-based advisory services and the Website Business Opportunities service tend to be slightly less intensive exporters than those using other UKTI services.

Figure 6.1.1.2 Proportion of Turnover Accounted for by Overseas Sales  
– By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
More than 75%	14%	17%	17%	17%	19%	18%
51-75%	11%	13%	12%	17%	8%	23%
26-50%	14%	19%	16%	24%	15%	23%
11-25%	14%	13%	13%	16%	15%	11%
Up to 10%	29%	23%	22%	19%	26%	16%
Not exporting	16%	9%	12%	3%	14%	3%
Don't know/refused	2%	6%	7%	4%	4%	7%

As might be expected, there is a clear relationship between the number of years firms have been doing business overseas and the proportion of turnover accounted for by overseas sales, with exports comparatively more important to more experienced firms. However, a significant minority of firms that have been exporting for less than 2 years (11%) still report that over half of their sales now come from overseas.

Figure 6.1.1.3 Proportion of Turnover Accounted for by Overseas Sales  
– By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
More than 75%	7%	19%	22%
51-75%	4%	12%	18%
26-50%	7%	20%	22%
11-25%	8%	17%	14%
Up to 10%	28%	28%	16%
Not exporting	43%	0%	0%
Don't know/refused	2%	4%	8%

The table below indicates that innovative firms are more heavily involved in overseas business than their non-innovative counterparts, in the sense that exports contribute a greater proportion of their overall turnover. However, it should be noted that this difference is partly due to a much higher proportion of non-innovative firms having not yet started exporting (which in itself suggests that exporting can lead to increased innovation levels). For full details of the definitions of innovative firms please refer to Section 4.4 of this report.

Figure 6.1.1.4 Proportion of Turnover Accounted for by Overseas Sales – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
More than 75%	18%	12%	17%	16%
51-75%	13%	8%	15%	9%
26-50%	18%	15%	18%	16%
11-25%	14%	11%	14%	13%
Up to 10%	24%	20%	23%	24%
Not exporting	8%	25%	8%	15%
Don't know/refused	5%	9%	5%	7%

As seen below, firms with greater growth ambitions report a slightly higher proportion of their turnover being accounted for by overseas sales; 32% of firms that intend to grow substantially report at least 50% of their turnover being accounted for by overseas sales, compared to 29% of those intending to grow moderately, and 26% of firms planning to remain the same or become smaller.

Figure 6.1.1.5 Proportion of Turnover Accounted for by Overseas Sales – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
More than 75%	18%	16%	19%
51-75%	8%	13%	13%
26-50%	19%	19%	17%
11-25%	17%	13%	14%
Up to 10%	21%	25%	24%
Not exporting	12%	9%	10%
Don't know/refused	5%	5%	3%

As seen below, export sales account for a much greater proportion of turnover for firms that were 'born global' (i.e. they have been exporting since the outset) than for other young firms that started doing business overseas at some point after they were established. However, this is partly due to the fact that, by definition, all 'born global' firms are currently exporting whereas over a third (35%) of other young firms in the sample have not yet started doing business overseas. Similarly, although firms defined as 'born global' under the tighter definition report higher export sales, this is because the firms can only fall into this group if over 25% of their sales are accounted for by exports. For full details of the definitions of 'born global' firms please refer to Section 4.4 of this report.

Figure 6.1.1.6 Proportion of Turnover Accounted for by Overseas Sales – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All respondents</i>	305	456	596	1054	3119
More than 75%	44%	30%	7%	17%	17%
51-75%	27%	18%	5%	11%	13%
26-50%	29%	19%	12%	15%	19%
11-25%	0%	11%	11%	11%	15%
Up to 10%	0%	19%	28%	24%	24%
Not exporting	0%	0%	35%	19%	6%
Don't know/refused	0%	4%	1%	2%	7%

The table below demonstrates that smaller firms are more likely to obtain UKTI support to help them *start* doing business overseas; 15% of firms with less than 10 employees had not yet started exporting at the time of the PIMS interview (conducted 4-6 months after they received the UKTI support), compared to only 3% of firms with 250 or more employees. However, it is interesting to note that among those small firms that are already exporting, many report quite significant overseas sales, with almost a fifth of micro SMEs reporting that exports account for over 75% of their turnover.

Figure 6.1.1.7 Proportion of Turnover Accounted for by Overseas Sales – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
More than 75%	19%	18%	10%	15%
51-75%	10%	15%	13%	14%
26-50%	15%	20%	22%	20%
11-25%	13%	14%	14%	13%
Up to 10%	25%	23%	26%	20%
Not exporting	15%	5%	4%	3%
Don't know/refused	2%	5%	10%	15%

The table below demonstrates that the firms with very large turnovers tend to have a higher proportion of their turnover accounted for by overseas sales. Over half (51%) of the firms with a turnover of more than £500million report that exports account for over 50% of their total sales, compared to around a quarter of firms with an annual turnover of less than £500,000.

Figure 6.1.1.8 Proportion of Turnover Accounted for by Overseas Sales  
– By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
More than 75%	17%	20%	17%	16%	29%
51-75%	10%	12%	17%	16%	22%
26-50%	14%	18%	22%	22%	26%
11-25%	13%	16%	15%	10%	8%
Up to 10%	27%	25%	25%	28%	6%
Not exporting	18%	7%	2%	3%	1%
Don't know/refused	1%	1%	3%	4%	7%

The following table provides further analysis by whether the UKTI support related to an 'established' market or a 'high growth' market (and for details of which markets fall into these categories please refer to Section 4.4 of this report). Firms accessing assistance about high growth markets tend to be slightly more intensive exporters, suggesting that businesses may target these markets once they are a little more experienced overseas.

Figure 6.1.1.9 Proportion of Turnover Accounted for by Overseas Sales  
– By Markets to Which Support Referred

	High Growth	Established
<i>Base: All respondents</i>	1782	2000
More than 75%	19%	14%
51-75%	12%	13%
26-50%	18%	18%
11-25%	12%	14%
Up to 10%	23%	25%
Not exporting	9%	11%
Don't know/refused	5%	5%

Firms with a business plan containing overseas targets and those with degree-level educated members of their senior management team tend to be slightly more export intensive.

Figure 6.1.1.10 Proportion of Turnover Accounted for by Overseas Sales  
– By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All respondents</i>	2340	677	918	3084	583
More than 75%	19%	8%	18%	18%	15%
51-75%	15%	8%	11%	13%	10%
26-50%	19%	14%	18%	18%	18%
11-25%	15%	12%	12%	14%	13%
Up to 10%	21%	32%	27%	24%	31%
Not exporting	8%	21%	12%	10%	9%
Don't know/refused	4%	5%	3%	3%	3%

The table below provides further analysis by market sector, and demonstrates that there is little difference in export intensity between production and service sector firms.

Figure 6.1.1.11 Proportion of Turnover Accounted for by Overseas Sales  
– By Sector

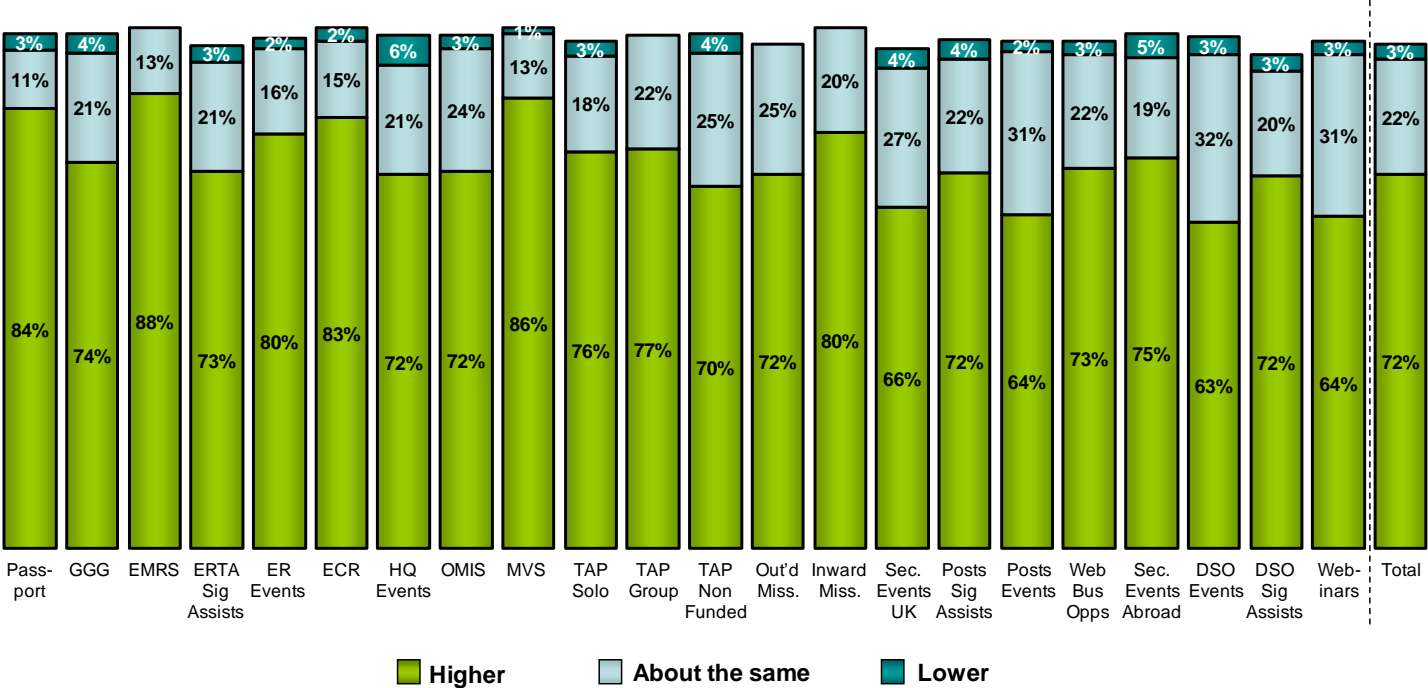
	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
More than 75%	16%	18%	8%
51-75%	16%	11%	7%
26-50%	20%	16%	21%
11-25%	13%	14%	13%
Up to 10%	24%	23%	30%
Not exporting	7%	13%	15%
Don't know/refused	4%	6%	6%



### 6.1.2 Anticipated Export Volume in 3 Year's Time

In addition to being asked about their current export volume, firms were also asked whether they expected the proportion of their turnover accounted for by overseas sales to increase, decrease or remain at the same level over the next 3 years.

Figure 6.1.2.1 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales



Base: All respondents (Base, Don't know/Refused) - Passport (360, 1%), GGG (362, 1%), EMRS (40, 0%), ERTA (360, 3%), ER Events (305, 2%), ECR (41, 0%), HQ Events (71, 1%), OMIS (380, 1%), MVS (96, 0%), TAP Solo (38, 3%), TAP Group (150, 1%), TAP Non-Funded (102, 1%), Outward Missions (32, 3%), Inward Missions (10, 0%), Sector Events UK (297, 4%), Posts Significant Assists (617, 2%), Posts Events (201, 2%), Website Bus Opps (289, 2%), Sector Events Abroad (104, 1%), DSO Events (59, 2%), DSO Significant Assists (60, 5%), Webinars (80, 3%), Total (4248, 2%)

Encouragingly, the majority of UKTI clients (72%) expect the proportion of their turnover accounted for by exports to increase over the next 3 years, with only a very small minority (3%) anticipating a decrease.

There is some indication that EMRS, MVS, Passport and ECR users are most likely to anticipate growth in overseas sales, with over 80% of firms supported through these services indicating that this is the case. The Passport results reflect the fact that the scheme is designed to build the international trade capacity of new/inexperienced exporters.

Firms supported through tradeshows/missions and UK-based advisory services are most likely to anticipate an increase in the proportion of turnover accounted for by overseas sales. Although firms supported through DSO are least likely to expect an increase, last year they were in fact most likely to do so (74% in PIMS 28-31, compared to 64% in PIMS 32-35).

Figure 6.1.2.2 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
Higher	75%	72%	70%	77%	73%	64%
Stay the same	19%	22%	24%	20%	22%	29%
Lower	3%	4%	3%	2%	3%	4%
Don't know/refused	2%	2%	3%	1%	2%	3%

The less time a firm has been doing business overseas, the more likely it is to anticipate growth in the proportion of turnover accounted for by export sales over the next 3 years.

Figure 6.1.2.3 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
Higher	83%	71%	67%
Stay the same	11%	24%	28%
Lower	3%	4%	2%
Don't know/refused	3%	1%	2%

It is also the case that innovative firms are more dynamic in terms of export growth in the sense that they are more likely to envisage that overseas sales will increase over the next 3 years.

Figure 6.1.2.4 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
Higher	73%	69%	75%	68%
Stay the same	22%	24%	21%	25%
Lower	3%	4%	3%	3%
Don't know/refused	2%	4%	1%	4%

Firms that plan to grow over the next 5 years are considerably more likely to predict that exports will account for a greater proportion of their total turnover in future, with this particularly true of those anticipating ‘substantial’ growth. This suggests that much of this anticipated growth will be driven by overseas markets.

Figure 6.1.2.5 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
Higher	46%	70%	78%
Stay the same	43%	26%	18%
Lower	7%	2%	3%
Don't know/refused	5%	2%	1%

As seen below, firms that were ‘born global’ are significantly less likely to forecast that the proportion of their turnover accounted for by exports will rise over the next 3 years than is the case for other young firms. This might be because ‘born global’ firms are more developed internationally and hence have less scope for significant growth in this area. However, it is also due to the fact that 35% of the young firms that were not ‘born global’ have yet to start exporting, and the vast majority of this group are planning to do so within the next 3 years (and are therefore expecting an increase in export turnover).

Figure 6.1.2.6 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All respondents</i>	305	456	596	1054	3119
Higher	48%	60%	86%	74%	71%
Stay the same	42%	31%	11%	20%	24%
Lower	10%	7%	2%	4%	3%
Don't know/refused	0%	1%	2%	2%	2%

There are no major or consistent differences in this respect by size of firm.

Figure 6.1.2.7 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
Higher	71%	72%	76%	73%
Stay the same	23%	24%	20%	21%
Lower	4%	2%	1%	1%
Don't know/refused	2%	2%	3%	5%

There are also no significant differences by annual turnover in this respect.

Figure 6.1.2.8 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
Higher	74%	71%	72%	70%	77%
Stay the same	20%	25%	24%	29%	18%
Lower	4%	3%	2%	1%	3%
Don't know/refused	2%	1%	1%	1%	3%

There is no difference in the export growth predictions of firms accessing UKTI support about established markets and those assisted about high growth markets.

Figure 6.1.2.9 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All respondents</i>	1782	2000
Higher	73%	75%
Stay the same	22%	20%
Lower	3%	3%
Don't know/refused	2%	2%

As detailed below, firms with a business plan are significantly more likely to anticipate an increase in the proportion of their turnover accounted for any overseas sales.

6.1.2.10 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All respondents</i>	2340	677	918	3084	583
Higher	76%	74%	68%	73%	73%
Stay the same	21%	20%	26%	22%	22%
Lower	3%	2%	4%	3%	3%
Don't know/refused	1%	3%	2%	1%	2%

Firms in the production sector are more likely to forecast an increased contribution from overseas sales to their total turnover than those operating in the service sector.

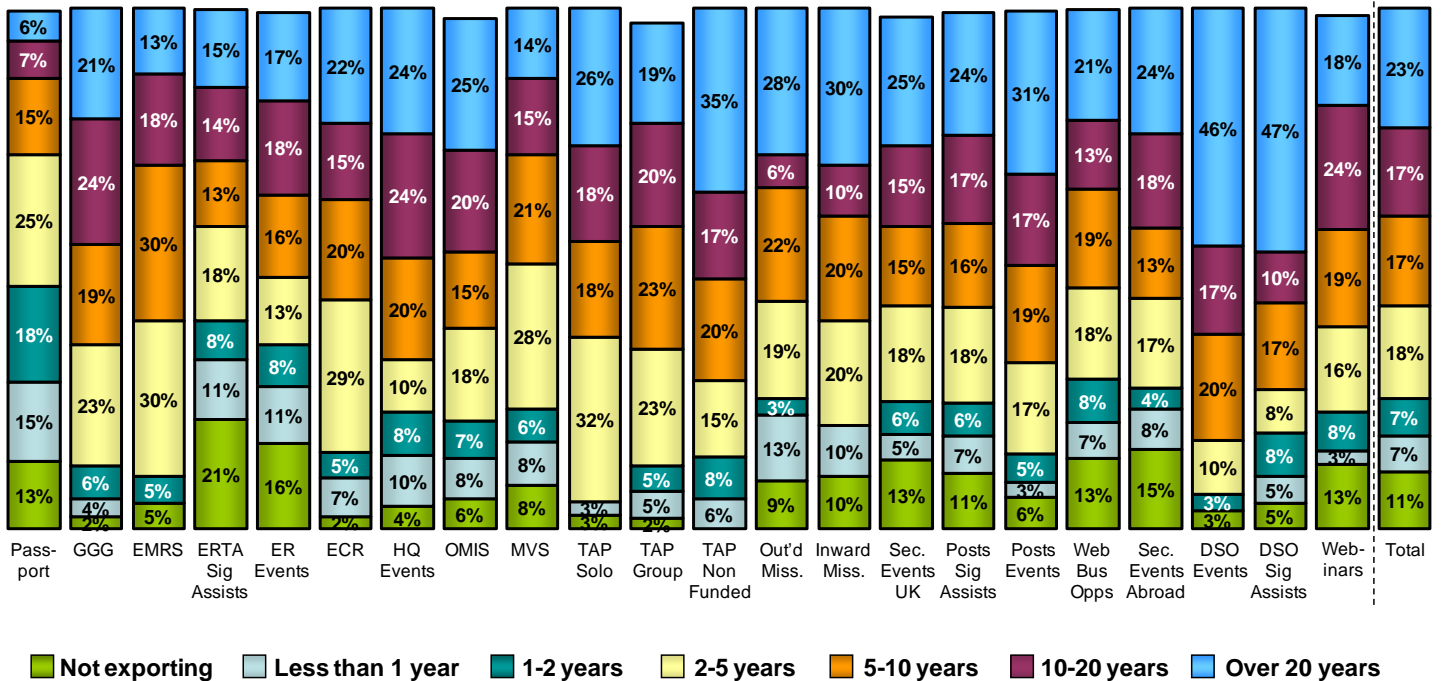
Figure 6.1.2.11 Anticipated Change in Proportion of Turnover Accounted for by Overseas Sales – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
Higher	76%	70%	74%
Stay the same	19%	25%	23%
Lower	3%	3%	3%
Don't know/refused	2%	2%	0%

### 6.1.3 When Started Exporting

As an alternative indication of export experience, the chart below shows the profile of UKTI clients in terms of when they first started to conduct business overseas.

Figure 6.1.3.1 When Started Conducting Business Overseas



Base: All respondents (Base, Don't know/Refused) - Passport (360, 1%), GGG (362, 0%), EMRS (40, 0%), ERTA (360, 0%), ER Events (305, 1%), ECR (41, 0%), HQ Events (71, 0%), OMIS (380, 2%), MVS (96, 0%), TAP Solo (38, 0%), TAP Group (150, 3%), TAP Non Funded (102, 0%), Outward Missions (32, 0%), Inward Missions (10, 0%), Sector Events UK (297, 2%), Posts Sig Assists (617, 1%), Posts Events (201, 0%), Website Bus Opps (289, 0%), Sector Events Abroad (104, 0%), DSO Events (59, 0%), DSO Sig Assists (60, 0%), Webinars (80, 1%), Total (4248, 1%)

UKTI supports a wide range of firms in terms of their overseas experience, with a quarter having exported for less than 2 years (or not yet made any overseas sales), but a similar proportion having been operating overseas for more than 20 years.

Passport users and ERTA Significant Assists have the least overseas experience, with 47% and 40% respectively indicating that they have been doing business overseas for less than 2 years (or not yet started exporting). In comparison, firms receiving assistance through DSO are typically much more experienced, with nearly half exporting for more than 20 years.

Reflecting the lower proportion of their turnover accounted for by overseas sales (as seen in Section 6.1.1), firms receiving support through the UK-based advisory services tend to have been exporting for less time than users of other services. As mentioned previously, DSO clients are significantly more likely to have been exporting for more than 20 years.

Figure 6.1.3.2 When Started Conducting Business Overseas – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
More than 20 years ago	15%	24%	23%	23%	21%	47%
10-20 years	15%	18%	18%	17%	13%	15%
5-10 years	14%	16%	16%	21%	19%	21%
2-5 years	20%	18%	16%	22%	18%	7%
1-2 years	8%	6%	7%	5%	8%	5%
Less than 1 year ago	10%	7%	7%	6%	7%	2%
Not exporting	16%	9%	12%	3%	14%	3%
Don't know/refused	0%	1%	1%	1%	0%	0%

As seen below, innovative firms have generally been exporting for longer than their non-innovative counterparts, suggesting that engagement in overseas business can result in higher innovation levels.

Figure 6.1.3.3 When Started Conducting Business Overseas – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
More than 20 years ago	24%	17%	24%	22%
10-20 years	17%	13%	17%	15%
5-10 years	18%	12%	18%	16%
2-5 years	19%	12%	19%	15%
1-2 years	7%	9%	7%	7%
Less than 1 year ago	7%	11%	7%	8%
Not exporting	8%	25%	8%	15%
Don't know/refused	1%	1%	1%	1%

Interestingly, those firms anticipating substantial growth over the next 5 years tend to have been doing business overseas for less time than those with less ambitious growth aspirations.

Figure 6.1.3.4 When Started Conducting Business Overseas  
– By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
More than 20 years ago	33%	27%	17%
10-20 years	18%	19%	15%
5-10 years	17%	18%	17%
2-5 years	10%	16%	22%
1-2 years	4%	6%	9%
Less than 1 year ago	6%	5%	10%
Not exporting	12%	9%	10%
Don't know/refused	0%	1%	0%

Smaller firms tend to have been engaged in overseas business for less time than larger firms. This is to be expected, given that smaller firms are generally younger. However, it is worth noting that a significant minority of firms with less than 10 staff still have considerable export experience, with 19% having been engaged in overseas business for at least 10 years.

Figure 6.1.3.5 When Started Conducting Business Overseas  
– By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
More than 20 years ago	7%	27%	45%	67%
10-20 years	12%	23%	24%	14%
5-10 years	17%	21%	14%	9%
2-5 years	26%	15%	8%	3%
1-2 years	11%	5%	2%	2%
Less than 1 year ago	12%	4%	2%	1%
Not exporting	15%	5%	4%	3%
Don't know/refused	0%	1%	2%	1%



There is also a clear relationship between annual turnover and export experience. Three-quarters of firms with a turnover over £500million have been exporting for over 20 years, compared to just 4% of firms with a turnover of less than £500,000.

Figure 6.1.3.6 When Started Conducting Business Overseas – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
More than 20 years ago	4%	13%	37%	55%	76%
10-20 years	10%	19%	25%	17%	16%
5-10 years	15%	24%	18%	14%	6%
2-5 years	26%	21%	11%	8%	1%
1-2 years	12%	6%	4%	2%	0%
Less than 1 year ago	14%	8%	3%	1%	0%
Not exporting	18%	7%	2%	3%	1%
Don't know/refused	0%	0%	1%	0%	0%

As seen below, firms seeking support in relation to high growth markets tend to be more experienced overseas than those receiving assistance in connection with established markets. However, it is still the case that a significant proportion of those targeting high growth markets are relatively inexperienced, with 9% having not actually started exporting yet (so potentially their first overseas market will be a high growth one) and a further 13% having less than 2 years overseas experience.

Figure 6.1.3.7 When Started Conducting Business Overseas – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All respondents</i>	1782	2000
More than 20 years ago	24%	19%
10-20 years	18%	17%
5-10 years	17%	16%
2-5 years	17%	20%
1-2 years	6%	8%
Less than 1 year ago	7%	8%
Not exporting	9%	11%
Don't know/refused	1%	1%

Firms in the production sector generally have more overseas experience than service sector firms, with almost half of the former (49%) having been exporting for at least 10 years compared to around a third of the latter (34%).

Figure 6.1.3.8 When Started Conducting Business Overseas – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
More than 20 years ago	30%	18%	25%
10-20 years	18%	16%	16%
5-10 years	16%	18%	13%
2-5 years	15%	19%	21%
1-2 years	5%	8%	7%
Less than 1 year ago	7%	8%	3%
Not exporting	7%	13%	15%
Don't know/refused	1%	1%	0%

A significant minority (11%) of UKTI trade clients are not yet exporting. All of these firms (other than those where the business had not yet started trading) were asked whether they had attempted to win any overseas business in the previous 2 years. As seen below, just over half of this group (55%) had accessed export-related support from UKTI before they had actually attempted to win any overseas business.

Figure 6.1.3.9 Whether Attempted to Win Overseas Business in Last 2 Years (Not Yet Exporting Firms)

	Total
<i>Base: All trading but not yet exporting</i>	360
Yes	45%
No	55%

As detailed below, the vast majority of firms that were not exporting at the time of the PIMS interview expected to do so within the next 3 years, with almost half anticipating that this would take place in the next 12 months.

Figure 6.1.3.10 Whether Expect to Do Business Overseas in Next 3 Years (Not Yet Exporting Firms)

	Total
<i>Base: All not yet exporting</i>	430
Yes	86%
- In next year	45%
- In next 1-2 years	25%
- In next 2-3 years	16%
No	8%
Don't know	5%

Throughout this report, analysis has been provided by whether firms were ‘born global’ or started exporting at a later date. This analysis is only based on firms that had been established for 5 years or less. The panel below provides details of how ‘born global’ firms have been defined for the purposes of this analysis (please note that the reference in brackets refers to the question number, with the questionnaire appended to this report).

**‘Born Global’ Firms**

Firms are classified as having been ‘Born Global’ if they...

- Have been established for 5 years or less (S4)
- And, are currently selling overseas (S5a)
- And, have been selling overseas for as long as they have been established (S4/S5a)

**‘Born Global’ Firms – Alternative, Tighter Definition**

Firms are classified as having been ‘Born Global’ under the tighter definition if they...

- Have been established for 5 years or less (S4)
- And, they are currently exporting (S5a)
- And, have been selling overseas for as long as they have been established (S4/S5a)
- And, at least 25% of their turnover is accounted for by overseas sales (X1)

The table below summarises the proportion of firms classified as being ‘born global’ by each of the above definitions. As it is only feasible to classify young firms in this way, analysis has been provided based on all firms and based just on those established in the last 5 years.

Figure 6.1.3.11 Born Global Firms

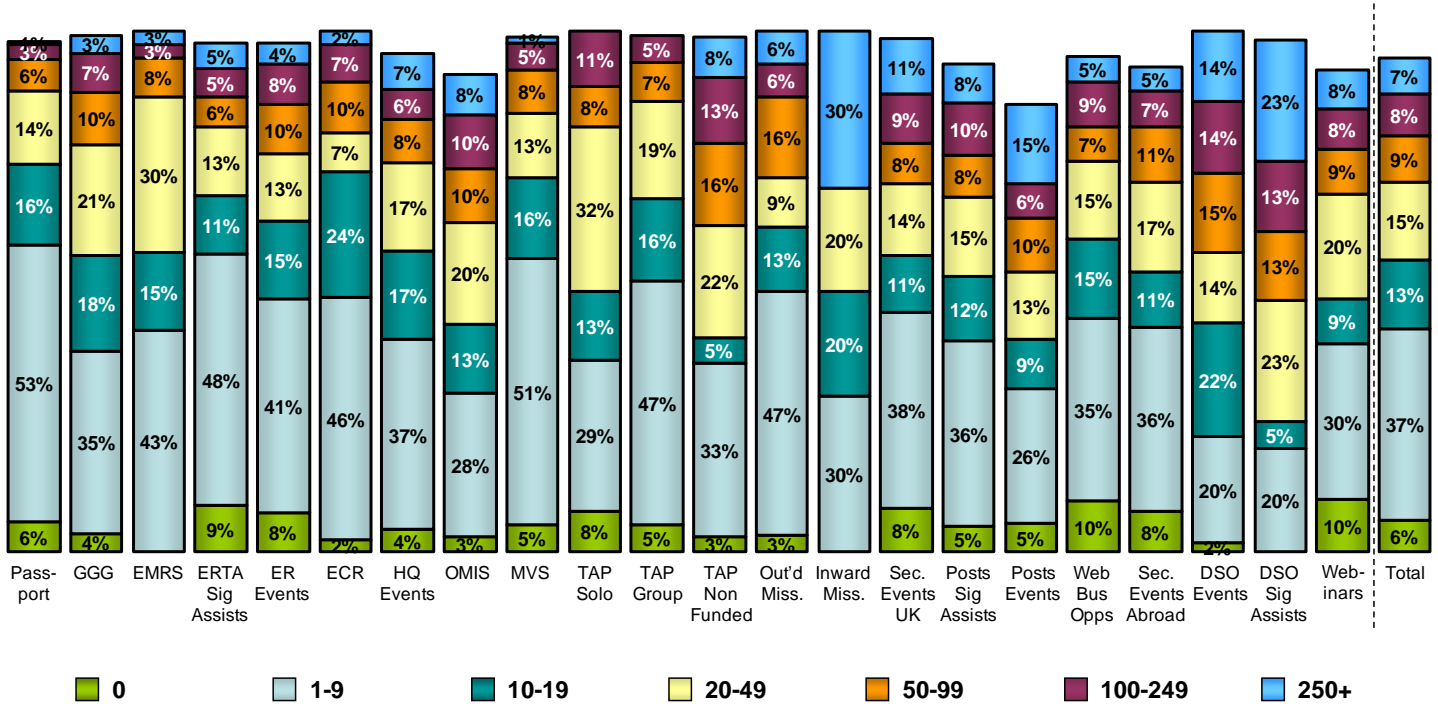
	All firms	Firms established in last 5 years
<i>Base: All respondents</i>	4248	1054
Born global (tighter definition)	7%	30%
Born global (standard definition)	11%	44%
Not born global (& established in last 5 years)	14%	55%
Over 5 years old	73%	-
Not yet trading	2%	0%

Overall, 44% of young firms are classified as ‘born global’, although this drops to 30% when the tighter definition is employed. This equates to 11% and 7% respectively of all UKTI supported firms.

## 6.2 Size of Business

The chart below shows the profile of UKTI clients in terms of the number of employees they have within the UK.

Figure 6.2.1 Size of Business



Base: All respondents (Base, Don't know/Refused, Not yet trading) - Passport (360, 0%, 2%), GGG (362, 0%, 1%), EMRS (40, 0%, 0%), ERTA (360, 0%, 2%), ER Events (305, 0%, 2%), ECR (41, 0%, 0%), HQ Events (71, 1%, 3%), OMIS (380, 8%, 1%), MVS (96, 1%, 0%), TAP Solo (38, 0%, 0%), TAP Group (150, 1%, 0%), TAP Non Funded (102, 1%, 0%), Outward Missions (32, 0%, 0%), Inward Missions (10, 0%, 0%), Sector Events UK (297, 0%, 1%), Posts Sig Assists (617, 4%, 2%), Posts Events (201, 12%, 1%), Website Bus Opps (289, 1%, 4%), Sector Events Abroad (104, 2%, 5%), DSO Events (59, 0%, 0%), DSO Sig Assists (60, 2%, 0%), Webinars (80, 1%, 6%), Total (4248, 2%, 2%)

The vast majority (89%) of UKTI clients are SMEs with less than 250 employees. Many are micro SMEs, with 43% having less than 10 staff.

There is some difference in the size profile of supported firms across the various UKTI services. Over half of Passport, ERTA, MVS, TAP Group, and Outward Mission users have less than 10 staff. In contrast, approaching a third of Inward Mission participants and a quarter of DSO Significant Assists have 250 or more employees (and are therefore not SMEs).

As seen below, DSO clients tend to be significantly larger than firms using other services.

Figure 6.2.2 Size of Business – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
250+	4%	8%	9%	3%	5%	15%
100-249	6%	10%	7%	8%	9%	15%
50-99	7%	9%	9%	10%	7%	13%
20-49	14%	16%	14%	19%	15%	16%
10-19	14%	13%	12%	13%	15%	17%
1-9	46%	34%	36%	42%	35%	21%
0	7%	4%	7%	5%	10%	1%
Not yet trading	2%	1%	2%	0%	4%	0%
Don't know/refused	0%	5%	3%	1%	1%	0%

As is to be expected, firms that have been doing business overseas for longer are also larger in terms of employee numbers. However, it is still the case that a significant proportion of 'long-term' exporters who have been doing business overseas for in excess of 10 years are still relatively small, with 21% having less than 10 staff.

Figure 6.2.3 Size of Business – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
250+	2%	2%	14%
100-249	2%	5%	14%
50-99	3%	7%	14%
20-49	7%	16%	20%
10-19	11%	15%	12%
1-9	55%	46%	19%
0	13%	7%	2%
Not yet trading	7%	0%	0%
Don't know/refused	1%	2%	4%

Innovative firms tend to be larger than their non-innovative counterparts.

Figure 6.2.4 Size of Business – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
250+	8%	3%	8%	5%
100-249	9%	3%	9%	7%
50-99	9%	4%	10%	7%
20-49	17%	5%	18%	11%
10-19	13%	10%	13%	13%
1-9	38%	33%	39%	35%
0	4%	18%	3%	11%
Not yet trading	0%	12%	0%	5%
Don't know/refused	1%	13%	1%	6%

There is little difference in the size profile of firms by the extent of their growth aspirations.

Figure 6.2.5 Size of Business – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
250+	9%	8%	6%
100-249	7%	10%	7%
50-99	13%	10%	8%
20-49	11%	16%	17%
10-19	5%	13%	14%
1-9	38%	36%	41%
0	15%	7%	6%
Not yet trading	0%	0%	0%
Don't know/refused	2%	0%	1%

Unsurprisingly, firms that have been established for more than 5 years are much larger than younger firms. Amongst the latter group, there is no difference between those that were 'born global' and those that started exporting at some point after they were established.

Figure 6.2.6 Size of Business – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All respondents</i>	305	456	596	1054	3119
250+	0%	0%	0%	0%	10%
100-249	0%	1%	1%	1%	11%
50-99	3%	2%	1%	1%	11%
20-49	5%	5%	6%	6%	19%
10-19	12%	11%	11%	11%	14%
1-9	67%	66%	66%	66%	28%
0	10%	12%	15%	14%	4%
Not yet trading	0%	0%	0%	0%	0%
Don't know/refused	2%	2%	0%	1%	3%

As is to be expected, there is a strong correlation between annual turnover and employee numbers.

Figure 6.2.7 Size of Business – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
250+	0%	0%	3%	54%	95%
100-249	0%	1%	18%	28%	3%
50-99	0%	2%	24%	10%	2%
20-49	1%	20%	35%	5%	0%
10-19	5%	35%	11%	2%	0%
1-9	76%	42%	8%	0%	0%
0	17%	1%	0%	0%	0%
Not yet trading	0%	0%	0%	0%	0%
Don't know/refused	0%	0%	0%	0%	0%

Those firms accessing support relating to high growth markets tend to be larger than those focussing on established markets, with 28% of the former having at least 50 employees compared to only a fifth (20%) of the latter.

Figure 6.2.8 Size of Business – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All respondents</i>	1782	2000
250+	9%	5%
100-249	10%	7%
50-99	9%	8%
20-49	16%	15%
10-19	13%	13%
1-9	33%	41%
0	5%	7%
Not yet trading	2%	2%
Don't know/refused	3%	2%

As seen below, service sector firms tend to be smaller than those in the production sector or other sectors (i.e. primary and construction).

Figure 6.2.9 Size of Business – By Sector

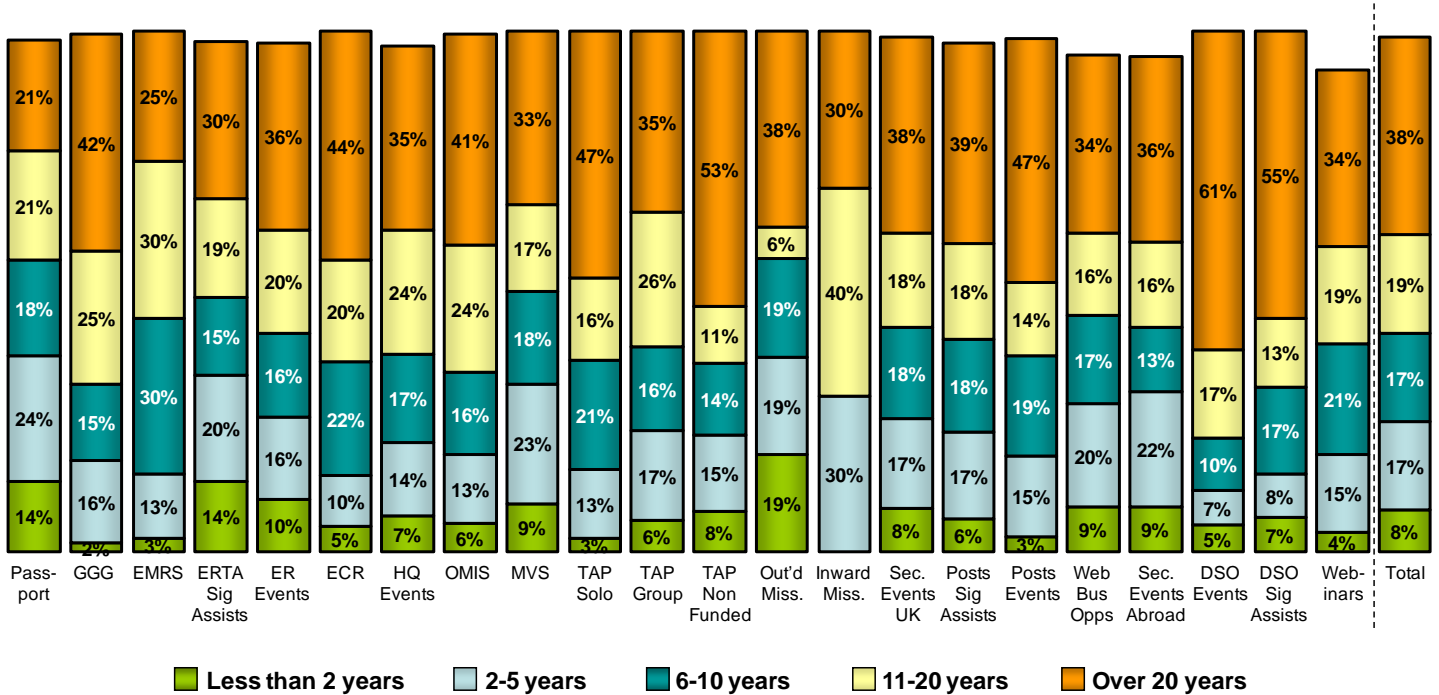
	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
250+	6%	8%	7%
100-249	13%	5%	13%
50-99	12%	6%	23%
20-49	20%	13%	13%
10-19	13%	13%	9%
1-9	29%	42%	30%
0	4%	8%	2%
Not yet trading	1%	2%	2%
Don't know/refused	2%	3%	1%



### 6.3 Age of Business

The chart below shows the profile of UKTI clients in terms of the length of time they have been established.

Figure 6.3.1 Age of Business



Base: All respondents (Base, Don't know/Refused, Not yet trading) - Passport (360, 0%, 2%), GGG (362, 0%, 1%), EMRS (40, 0%, 0%), ERTA (360, 0%, 2%), ER Events (305, 0%, 2%), ECR (41, 0%, 0%), HQ Events (71, 0%, 3%), OMIS (380, 0%, 1%), MVS (96, 0%, 0%), TAP Solo (38, 0%, 0%), TAP Group (150, 0%, 0%), TAP Non-Funded (102, 0%, 0%), Outward Missions (32, 0%, 0%), Inward Missions (10, 0%, 0%), Sector Events UK (297, 0%, 1%), Posts Significant Assists (617, 0%, 2%), Posts Events (201, 0%, 1%), Website Bus Opps (289, 0%, 4%), Sector Events Abroad (104, 0%, 5%), DSO Events (59, 0%, 0%), DSO Significant Assists (60, 0%, 0%), Webinars (80, 1%, 6%), Total (4248, 0%, 2%)

Over half (57%) of firms supported by UKTI have been trading for at least 10 years. As seen below, firms accessing DSO support have a significantly older profile than users of other UKTI services.

Figure 6.3.2 Age of Business – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
More than 20 years	32%	39%	39%	41%	34%	59%
10-20 years	20%	20%	18%	18%	16%	18%
5-10 years	16%	17%	17%	16%	17%	12%
2-5 years	19%	16%	17%	18%	20%	6%
Less than 2 years	11%	6%	8%	7%	9%	5%
Not yet trading	2%	2%	2%	0%	4%	0%

As is to be expected, firms that have been exporting longer tend to be older than more recent exporters. However, a significant minority of firms that have only recently started doing business overseas have been established for more than 10 years.

Figure 6.3.3 Age of Business – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
More than 20 years	9%	16%	75%
10-20 years	8%	19%	24%
5-10 years	15%	37%	0%
2-5 years	29%	28%	0%
Less than 2 years	31%	0%	0%
Not yet trading	7%	0%	0%

Innovative firms are considerably older than their non-innovative counterparts, with only 5% of innovative firms established for less than 2 years (or are not yet trading) compared to 33% of non-innovative firms. This suggests that firms typically only start to innovate once they have several years of trading behind them, perhaps because the business is then in a sufficiently secure position to allow investment in R&D and new product/service development.

Figure 6.3.4 Age of Business – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
More than 20 years	40%	28%	39%	37%
10-20 years	19%	14%	19%	18%
5-10 years	17%	11%	18%	14%
2-5 years	18%	13%	19%	15%
Less than 2 years	5%	21%	6%	11%
Not yet trading	0%	12%	0%	5%

Those firms anticipating substantial growth over the next 5 years have a younger profile than those with more modest (or no) growth aspirations.

Figure 6.3.5 Age of Business – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
More than 20 years	46%	45%	30%
10-20 years	21%	21%	18%
5-10 years	19%	15%	19%
2-5 years	12%	13%	23%
Less than 2 years	3%	6%	11%
Not yet trading	0%	0%	0%

Unsurprisingly, size and age are closely correlated, with larger firms having a much older profile than younger ones.

Figure 6.3.6 Age of Business – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
More than 20 years	13%	48%	79%	92%
10-20 years	18%	25%	11%	6%
5-10 years	23%	15%	5%	2%
2-5 years	30%	10%	4%	0%
Less than 2 years	16%	2%	0%	0%
Not yet trading	0%	0%	0%	0%

Turnover is also highly correlated with age of business.

Figure 6.3.7 Age of Business – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
More than 20 years	10%	28%	63%	80%	91%
10-20 years	17%	27%	20%	13%	5%
5-10 years	23%	25%	10%	6%	4%
2-5 years	33%	15%	6%	2%	0%
Less than 2 years	18%	5%	1%	0%	0%
Not yet trading	0%	0%	0%	0%	0%

Firms accessing support relating to high growth markets tend to be older than those seeking assistance with established markets, suggesting that businesses are more likely to target high growth markets later in their life-cycle. That said, it is still the case that almost a quarter (24%) of those looking at high growth markets have been trading for no more than 5 years.

Figure 6.3.8 Age of Business – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All respondents</i>	1782	2000
More than 20 years	41%	34%
10-20 years	19%	19%
5-10 years	16%	17%
2-5 years	15%	19%
Less than 2 years	6%	9%
Not yet trading	2%	2%

Service sector firms have a much younger profile than those operating in other market sectors.

Figure 6.3.9 Age of Business – By Sector

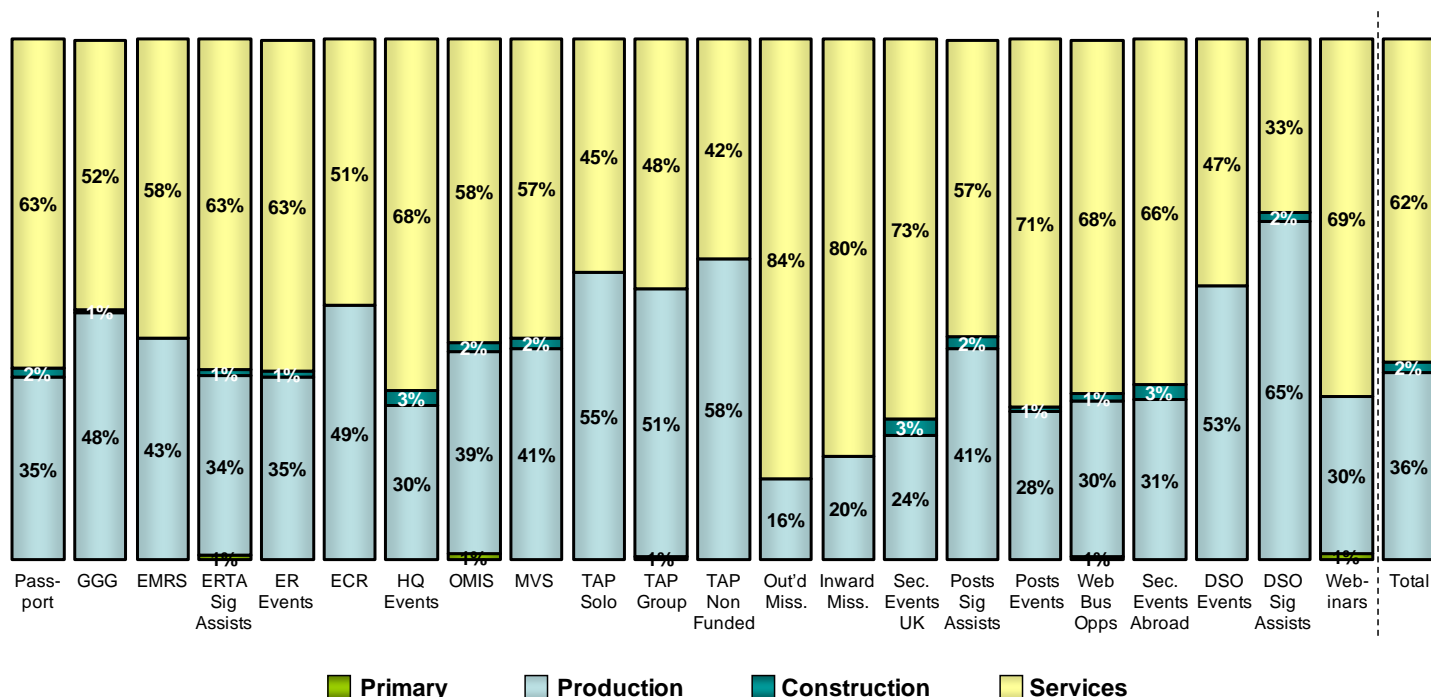
	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
More than 20 years	50%	31%	53%
10-20 years	16%	20%	14%
5-10 years	14%	18%	11%
2-5 years	14%	19%	14%
Less than 2 years	6%	9%	7%
Not yet trading	1%	2%	2%

## 6.4 Industry Sector

### 6.4.1 Summary

The chart below shows the profile of UKTI clients in terms of their broad industry sector.

Figure 6.4.1.1 Industry Sector



Base: All respondents (Base) - Passport (360), GGG (362), EMRS (40), ERTA (360), ER Events (305), ECR (41), HQ Events (71), OMIS (380), MVS (96), TAP Solo (38), TAP Group (150), TAP Non-Funded (102), Outward Missions (32), Inward Missions (10), Sector Events UK (297), Posts Significant Assists (617), Posts Events (201), Website Bus Opps (289), Sector Events Abroad (104), DSO Events (59), DSO Significant Assists (60), Webinars (80), Total (4248)

The majority of supported firms operate in the services sector (62%), with almost all of the remainder in the production sector (36%).

As seen below, DSO support and tradeshows/missions attract the greatest proportion of production sector firms.

Figure 6.4.1.2 Industry Sector – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
Services	61%	58%	69%	49%	68%	43%
Construction	1%	2%	2%	0%	1%	0%
Production	38%	40%	29%	50%	30%	57%
Primary	1%	0%	0%	0%	1%	0%

Firms that have only recently started doing business overseas are considerably more likely to operate in the service sector. One interpretation of this data is that service sector firms are more inclined to seek support early in their export journey, but production sector firms have more need of assistance in the longer-term (e.g. as they expand into new markets). However, the increased incidence of service sector firms amongst less experienced exporters may also indicate that the UK service sector has been expanding or that service sector firms are increasingly likely to export.

Figure 6.4.1.3 Industry Sector – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
Services	70%	66%	54%
Construction	2%	2%	2%
Production	28%	32%	44%
Primary	0%	0%	0%

As seen below, innovative firms are comparatively more likely to be found in the production sector than is the case for non-innovative firms.

Figure 6.4.1.4 Industry Sector – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
Services	60%	74%	57%	70%
Construction	2%	2%	1%	2%
Production	38%	23%	41%	28%
Primary	0%	0%	0%	0%

Firms that are planning to grow over the next 5 years are also comparatively more likely to be operating in the production sector (with those not anticipating growth more likely to be in the service sector). This might suggest that the production sector is more buoyant, or at least that production sector exporters are more optimistic about their medium term growth prospects.

Figure 6.4.1.5 Industry Sector – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
Services	75%	63%	59%
Construction	1%	2%	1%
Production	24%	35%	40%
Primary	0%	0%	0%

Firms at both ends of the size spectrum (i.e. micro SMEs and large firms) are comparatively more likely to operate in the service sector than medium sized firms.

Figure 6.4.1.6 Industry Sector – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
Services	71%	54%	38%	67%
Construction	1%	2%	2%	1%
Production	27%	43%	59%	31%
Primary	0%	0%	1%	1%

A similar pattern is seen when it comes to turnover. Firms with an annual turnover of less than £500,000 or more than £500million are comparatively more likely to be in the service sector.

Figure 6.4.1.6 Industry Sector – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
Services	73%	61%	47%	52%	70%
Construction	1%	2%	3%	2%	3%
Production	26%	37%	50%	44%	27%
Primary	0%	0%	0%	1%	0%

As seen below, firms accessing support about high growth markets are slightly more likely to be in the services sector than those targeting established markets.

Figure 6.4.1.8 Industry Sector – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All respondents</i>	1782	2000
Services	63%	59%
Construction	1%	2%
Production	35%	39%
Primary	0%	0%

## 6.4.2 Detailed Sector

The table below provides a more detailed analysis of the specific sectors that UKTI clients operate in. This data was collected via an open-ended question and has been coded to one level SIC.

Figure 6.4.2.1 Detailed Industry Sector – All UKTI Clients

	Total
<i>Base: All respondents</i>	<b>4248</b>
A - Agriculture, forestry & fishing	0%
B - Mining & quarrying	0%
C - Manufacturing	35%
D - Electricity, gas, steam & air conditioning supply	0%
E - Water supply, sewerage, waste management & remediation activities	1%
F - Construction	2%
G – Wholesale, retail trade & certain repairs	13%
H - Transport & storage	1%
I - Accommodation & food service activities	1%
J - Information & communication	12%
K - Financial & insurance activities	1%
L - Real estate activities	0%
M - Professional, scientific & technical activities	22%
N - Administrative & support service activities	3%
O - Public administration & defence; Compulsory social security	0%
P - Education	6%
Q - Human health & social work activities	1%
R - Arts, entertainment & recreation	1%
S - Other service activities	0%

Over a third of clients operate in the manufacturing sector. Other common business areas are professional, scientific and technical activities (22%), wholesale and retail (13%) and information and communication (12%).



6.4.3 Low Carbon Sector Activity

Firms were also asked whether they or any of their customers operated in the environmental, renewable energy or low carbon sectors (so including activities such as recycling, environmental consultancy, alternative energy technologies or fuels, carbon finance, low carbon building technologies, etc). Please note that this question was only asked to respondents in PIMS 33.

As seen below, there is some indication that firms accessing UK advisory services are least likely to be operating in the low carbon or environmental sectors, and also least likely to have customers in these areas.

Figure 6.4.3.1 Low Carbon Sector Activity – By Service Type

	Total	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All PIMS 33 respondents</i>	<b>1086</b>	292	285	320	99	60	30
Business operates in low carbon sector	<b>23%</b>	16%	25%	22%	22%	30%	27%
Customers operate in low carbon sector	<b>29%</b>	19%	31%	29%	34%	30%	22%
Neither	<b>64%</b>	73%	61%	65%	59%	58%	67%
Don't know	<b>1%</b>	2%	2%	0%	4%	0%	0%

There is little difference in this respect between innovative and non-innovative firms.

Figure 6.4.3.2 Low Carbon Sector Activity – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All PIMS 33 respondents</i>	938	148	689	397
Business operates in low carbon sector	23%	22%	25%	19%
Customers operate in low carbon sector	28%	33%	31%	26%
Neither	64%	60%	62%	66%
Don't know	1%	1%	1%	2%

Interestingly, the larger a firm is the more likely it is to be operating in the low carbon or environmental sectors, and to have customers in these areas. However, it should be noted that this does not necessarily mean that low carbon activities are the main focus of the business, just that the business is involved in these areas to some degree.

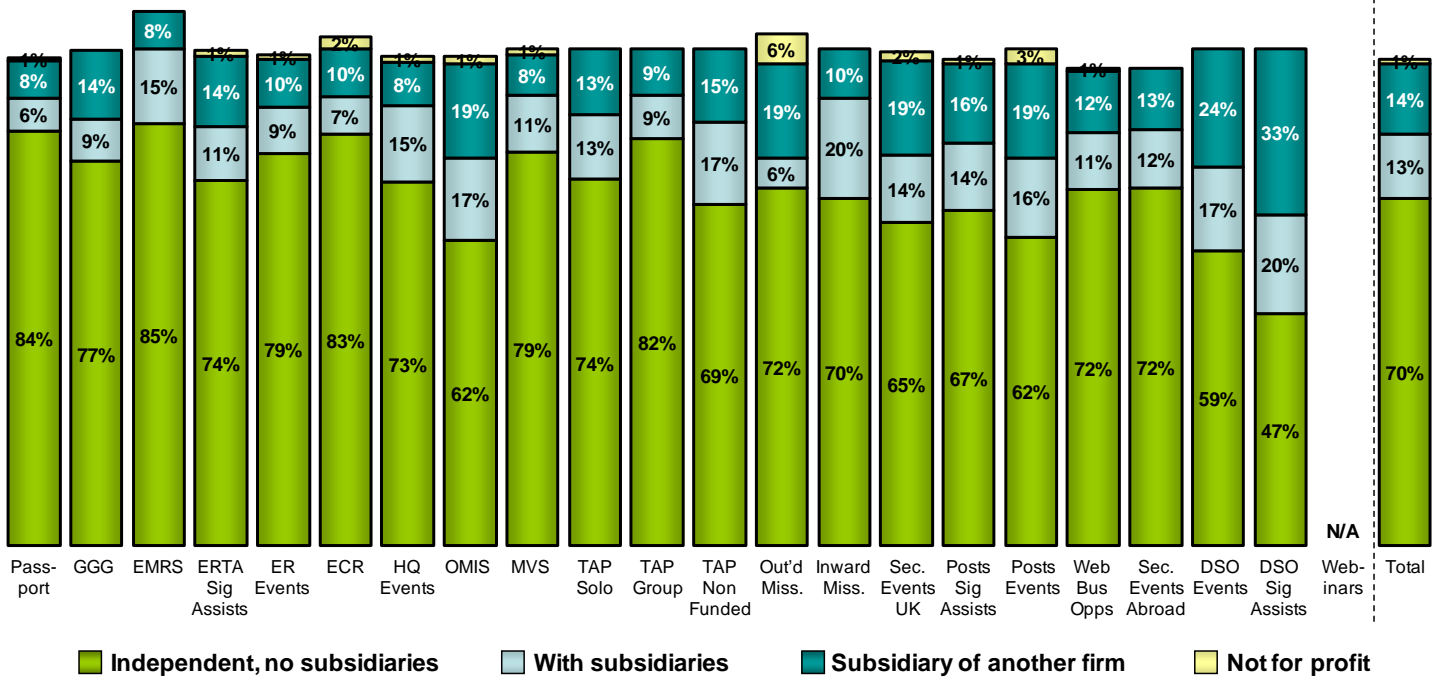
Figure 6.4.3.3 Low Carbon Sector Activity – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All PIMS 33 respondents</i>	485	408	74	76
Business operates in low carbon sector	19%	22%	30%	42%
Customers operate in low carbon sector	22%	32%	38%	41%
Neither	70%	63%	53%	47%
Don't know	1%	1%	4%	0%

## 6.5 Company Status

The chart below shows the company status of UKTI supported firms. Please note that this question was not asked to Webinar attendees in the interests of reducing interview length.

Figure 6.5.1 Company Status



Base: All except Webinar attendees (Base, Other, Don't know/Refused, Not yet trading) - Passport (360, 1%, 0%, 2%), GGG (362, 1%, 0%, 1%), EMRS (40, 0%, 0%, 0%), ERTA (360, 0%, 0%, 2%), ER Events (305, 1%, 0%, 2%), ECR (41, 0%, 0%, 0%), HQ Events (71, 0%, 0%, 3%), OMIS (380, 1%, 1%, 1%), MVS (96, 1%, 1%, 0%), TAP Solo (38, 0%, 0%, 0%), TAP Group (150, 1%, 1%, 0%), TAP Non-Funded (102, 2%, 1%, 0%), Outward Missions (32, 0%, 0%, 0%), Inward Missions (10, 0%, 0%, 0%), Sector Events UK (297, 1%, 1%, 1%), Posts Significant Assists (617, 1%, 0%, 2%), Posts Events (201, 2%, 0%, 1%), Website Bus Opps (289, 0%, 0%, 4%), Sector Events Abroad (104, 0%, 1%, 5%), DSO Events (59, 0%, 0%, 0%), DSO Significant Assists (60, 0%, 2%, 0%), Total (4168, 1%, 1%, 2%)

Over two thirds (70%) of supported firms are independent with no subsidiaries. A further 14% are subsidiaries of another firm (which can refer to either UK or overseas parent companies) and 13% have their own subsidiaries (which again can include both UK and overseas subsidiaries).

In comparison to other areas of UKTI, DSO clients are most likely to be subsidiaries of larger businesses or have their own subsidiaries.

Figure 6.5.2 Company Status – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: Exc. webinars</i>	1187	1077	1078	418	289	119
Independent, no subsidiaries	76%	66%	70%	76%	72%	55%
With subsidiaries	10%	15%	12%	12%	11%	19%
Subsidiary of another firm	13%	16%	15%	11%	12%	26%
Not for profit	1%	1%	1%	1%	1%	0%
Other	0%	1%	1%	1%	0%	0%
Don't know/refused	0%	1%	0%	1%	0%	0%
Not yet trading	2%	2%	2%	0%	4%	0%

The table below clearly illustrates that the smaller a firm is, the more likely it is to be an independent business with no subsidiaries.

Figure 6.5.3 Company Status – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: Exc. webinars</i>	1814	1590	326	276
Independent, no subsidiaries	87%	68%	49%	31%
With subsidiaries	5%	13%	24%	41%
Subsidiary of another firm	7%	18%	28%	21%
Not for profit	1%	1%	1%	5%
Other	0%	1%	0%	5%
Don't know/refused	0%	0%	0%	1%
Not yet trading	0%	0%	0%	0%

Production sector firms and those in 'other' sectors (i.e. primary or construction) are also more likely to be subsidiaries of a larger company than is the case for service sector firms.

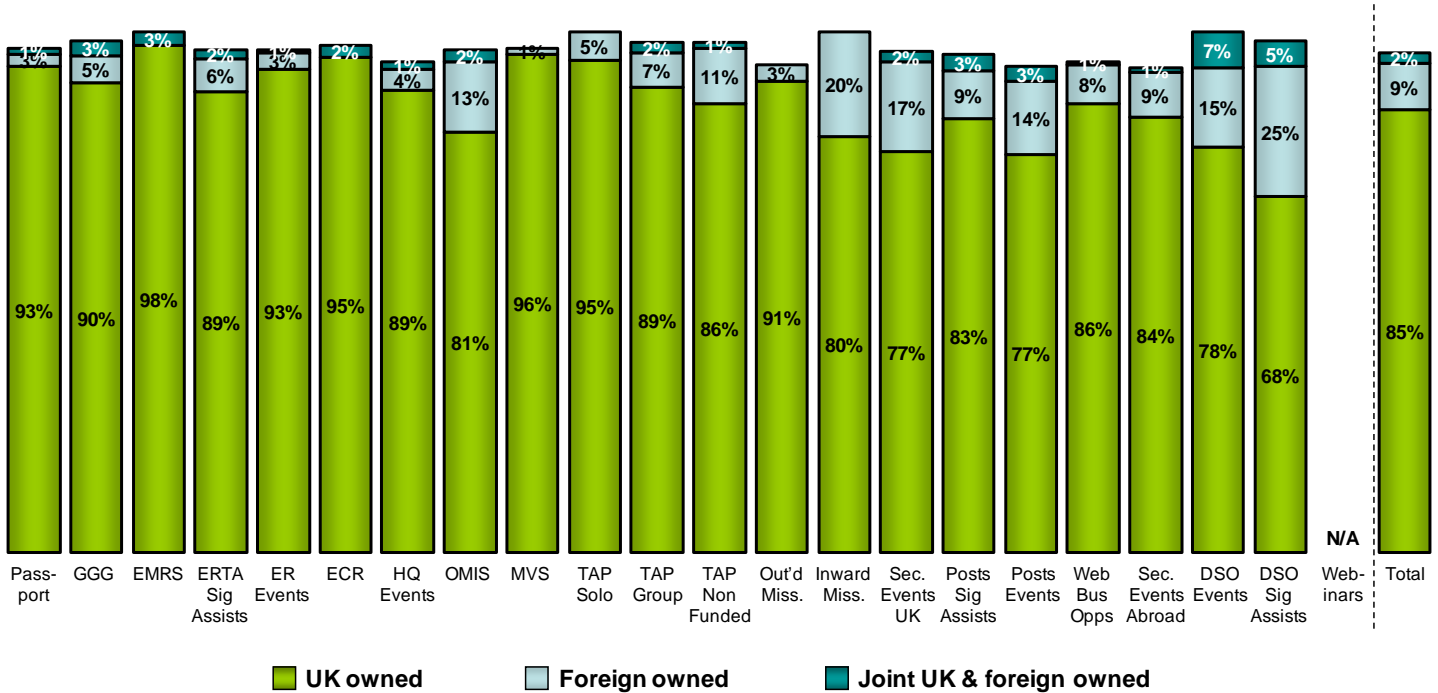
Figure 6.5.4 Company Status – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: Exc. webinars</i>	1557	2532	78
Independent, no subsidiaries	67%	73%	58%
With subsidiaries	13%	12%	15%
Subsidiary of another firm	19%	11%	24%
Not for profit	0%	2%	0%
Other	0%	1%	2%
Don't know/refused	1%	1%	0%
Not yet trading	1%	2%	2%

## 6.6 Foreign Ownership

The chart below shows the proportion of supported firms that are UK or foreign owned. Please note that this question was not asked to Webinar attendees in the interests of reducing interview length.

Figure 6.6.1 Foreign Ownership



Base: All except Webinar attendees (Base, Not for profit/other business type, Don't know/Refused, Not yet trading) - Passport (360, 1%, 0%, 2%), GGG (362, 1%, 0%, 1%), EMRS (40, 0%, 0%, 0%), ERTA (360, 1%, 0%, 2%), ER Events (305, 1%, 0%, 2%), ECR (41, 2%, 0%, 0%), HQ Events (71, 1%, 1%, 3%), OMIS (380, 3%, 0%, 1%), MVS (96, 3%, 0%, 0%), TAP Solo (38, 0%, 0%, 0%), TAP Group (150, 2%, 0%, 0%), TAP Non-Funded (102, 2%, 0%, 0%), Outward Missions (32, 6%, 0%, 0%), Inward Missions (10, 0%, 0%, 0%), Sector Events UK (297, 3%, 0%, 1%), Posts Significant Assists (617, 2%, 0%, 2%), Posts Events (201, 5%, 0%, 1%), Website Bus Opps (289, 1%, 0%, 4%), Sector Events Abroad (104, 1%, 1%, 5%), DSO Events (59, 0%, 0%, 0%), DSO Significant Assists (60, 2%, 0%, 0%), Total (4168, 2%, 0%, 2%)

The vast majority of UKTI clients are UK-owned, with only 11% foreign-owned (either solely or jointly). As seen below, firms accessing UK-based advisory services or attending tradeshow & missions are most likely to be UK-owned, and DSO clients are most likely to be foreign-owned.

Figure 6.6.2 Foreign Ownership – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: Exc. webinars</i>	1187	1077	1078	418	289	119
UK owned	90%	83%	83%	90%	86%	75%
Foreign owned	6%	10%	10%	6%	8%	17%
Joint UK & foreign owned	2%	3%	2%	1%	1%	7%
Not for profit/other business type	1%	2%	3%	2%	1%	0%
Don't know/refused	0%	0%	0%	0%	0%	0%
Not yet trading	2%	2%	2%	0%	4%	0%

Larger businesses are much more likely to be foreign-owned than smaller firms. Almost a third of the large firms (250+ employees) that UKTI supports are wholly or partly foreign-owned.

Figure 6.6.3 Foreign Ownership – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: Exc. webinars</i>	1814	1590	326	276
UK owned	94%	87%	76%	59%
Foreign owned	4%	9%	21%	24%
Joint UK & foreign owned	1%	2%	1%	6%
Not for profit/other business type	1%	2%	1%	10%
Don't know/refused	0%	0%	0%	1%
Not yet trading	0%	0%	0%	0%

Firms in the production sector are also significantly more likely to be foreign owned than those operating in the service sector.

Figure 6.6.4 Foreign Ownership – By Sector

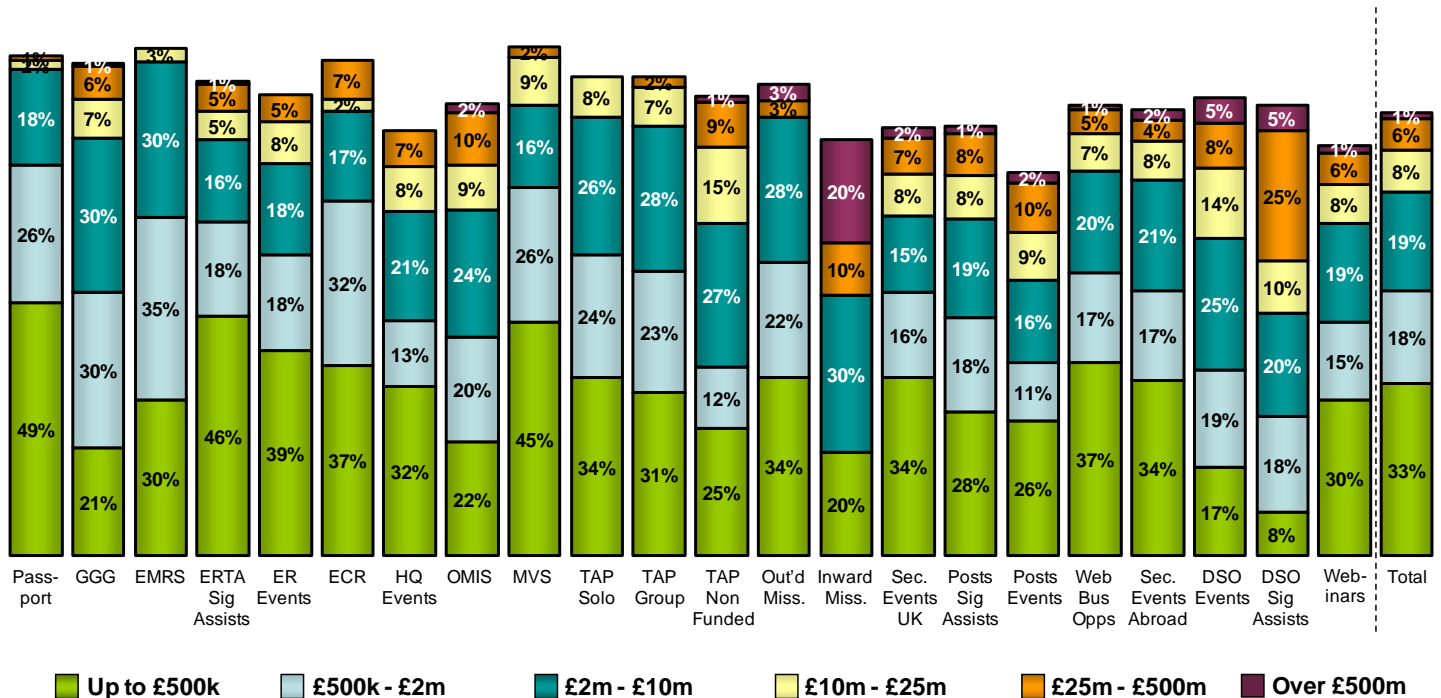
	Market Sector		
	Production	Services	Other
<i>Base: Exc. webinars</i>	1557	2532	78
UK owned	84%	86%	88%
Foreign owned	13%	7%	5%
Joint UK & foreign owned	2%	2%	3%
Not for profit/other business type	1%	3%	2%
Don't know/refused	0%	0%	0%
Not yet trading	1%	2%	2%

## 6.7 Turnover & Profitability

### 6.7.1 Turnover

The chart below shows the profile of supported businesses in respect of their current annual turnover.

Figure 6.7.1.1 Annual Turnover



Base: All respondents (Base, Don't know/Refused, Not yet trading) - Passport (360, 2%, 2%), GGG (362, 5%, 1%), EMRS (40, 3%, 0%), ERTA (360, 7%, 2%), ER Events (305, 9%, 2%), ECR (41, 5%, 0%), HQ Events (71, 15%, 3%), OMIS (380, 13%, 1%), MVS (96, 2%, 0%), TAP Solo (38, 8%, 0%), TAP Group (150, 8%, 0%), TAP Non Funded (102, 12%, 0%), Outward Missions (32, 9%, 0%), Inward Missions (10, 20%, 0%), Sector Events UK (297, 17%, 1%), Posts Sig Assists (617, 16%, 2%), Posts Events (201, 24%, 1%), Website Bus Opps (289, 9%, 4%), Sector Events Abroad (104, 10%, 5%), DSO Events (59, 12%, 0%), DSO Sig Assists (60, 13%, 0%), Webinars (80, 15%, 6%), Total (4248, 12%, 2%)

As is the case with employee numbers, the annual turnover of supported firms varies widely. While a third of firms (33%) have a relatively modest turnover of less than £500,000, a substantial minority (16%) report sales in excess of £10 million. Overall, 6% of UKTI clients fall into the Medium Sized Business (MSB) category on the basis that they have a turnover of between £25million and £500million.

Firms receiving support through Passport, ERTA and MVS tend to be the smallest (in financial terms), with around half reporting annual sales of less than £500,000. In contrast, nearly a third of DSO Significant Assists have a turnover in excess of £25 million. The same is true of Inward Mission participants, but the extremely low base size (10 respondents) should be taken into account when interpreting this data.

As seen below, firms receiving support through DSO tend to be significantly larger in terms of their annual sales.

Figure 6.7.1.2 Annual Turnover – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
More than £500million	1%	2%	1%	1%	1%	6%
£25million - £500million	5%	8%	7%	4%	5%	11%
£10million - £25million	5%	8%	8%	10%	7%	14%
£2million - £10million	19%	20%	17%	25%	20%	23%
£500,000 - £2million	22%	19%	16%	21%	17%	19%
Up to £500,000	41%	26%	34%	32%	37%	14%
Not yet trading	2%	1%	2%	0%	4%	0%
Don't know/refused	6%	15%	15%	8%	9%	12%

There is a clear relationship between financial performance and the length of time a firm has been doing business overseas, with more experienced exporters reporting significantly larger turnovers (although this is of course related to the fact that more experienced exporters tend to be older and have more employees). Well over half of all firms that have been exporting for less than 2 years have annual sales of no more than £500,000, whereas only 12% of firms that have been exporting more than 10 years report a turnover of this level.

Figure 6.7.1.3 Annual Turnover – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
More than £500million	0%	0%	3%
£25million - £500million	2%	4%	12%
£10million - £25million	2%	5%	14%
£2million - £10million	7%	18%	29%
£500,000 - £2million	16%	24%	15%
Up to £500,000	58%	38%	12%
Not yet trading	7%	0%	0%
Don't know/refused	8%	11%	15%



There is also some evidence that innovative firms typically have larger turnovers than non-innovative ones.

Figure 6.7.1.4 Annual Turnover – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
More than £500million	1%	1%	2%	1%
£25million - £500million	7%	1%	7%	5%
£10million - £25million	9%	3%	9%	7%
£2million - £10million	22%	7%	22%	16%
£500,000 - £2million	19%	12%	20%	16%
Up to £500,000	31%	41%	32%	34%
Not yet trading	0%	12%	0%	5%
Don't know/refused	10%	24%	9%	18%

As seen below, there is no link between firms' growth aspirations and their current annual turnover.

Figure 6.7.1.5 Annual Turnover – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
More than £500million	2%	1%	2%
£25million - £500million	7%	8%	6%
£10million - £25million	8%	9%	8%
£2million - £10million	12%	22%	19%
£500,000 - £2million	14%	19%	20%
Up to £500,000	38%	31%	36%
Not yet trading	0%	0%	0%
Don't know/refused	19%	11%	9%

As expected, firms that have been trading for more than 5 years report significantly higher annual turnovers than younger firms. Among the latter group, there is some evidence that ‘born global’ firms have slightly higher turnovers than those that started exporting at a later date.

Figure 6.7.1.6 Annual Turnover – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All respondents</i>	305	456	596	1054	3119
More than £500million	0%	0%	0%	0%	2%
£25million - £500million	1%	1%	0%	0%	9%
£10million - £25million	1%	1%	1%	1%	11%
£2million - £10million	10%	8%	6%	7%	24%
£500,000 - £2million	18%	16%	14%	15%	20%
Up to £500,000	61%	63%	70%	67%	22%
Not yet trading	0%	0%	0%	0%	0%
Don't know/refused	10%	11%	8%	10%	13%

Turnover and staff numbers are closely correlated, with those firms with the greatest number of employees reporting the largest turnovers. Just over two-thirds of firms with less than 10 employees are also relatively small in financial terms and have an annual turnover of less than £500,000.

Figure 6.7.1.7 Annual Turnover – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
More than £500million	0%	0%	0%	17%
£25million - £500million	0%	3%	23%	50%
£10million - £25million	0%	9%	43%	10%
£2million - £10million	4%	43%	18%	3%
£500,000 - £2million	18%	28%	2%	0%
Up to £500,000	69%	6%	0%	0%
Not yet trading	0%	0%	0%	0%
Don't know/refused	8%	11%	13%	20%

Those firms that accessed UKTI support in relation to high growth markets tend to be a little larger (in financial terms) than those focussing on established markets. This may suggest that high growth markets are more attractive to businesses with greater financial resources, perhaps because they are better able to deal with the costs and risks associated with entering these markets. That said, it should be noted that over a quarter of firms targeting high growth markets still reported an annual turnover of less than £500,000.

Figure 6.7.1.8 Annual Turnover – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All respondents</i>	1782	2000
More than £500million	2%	1%
£25million - £500million	8%	5%
£10million - £25million	9%	7%
£2million - £10million	21%	19%
£500,000 - £2million	18%	19%
Up to £500,000	28%	37%
Not yet trading	2%	2%
Don't know/refused	13%	10%

As detailed below, production sector firms have significantly higher turnovers than those in the service sector, with 47% and 27% respectively reporting annual sales of more than £2million.

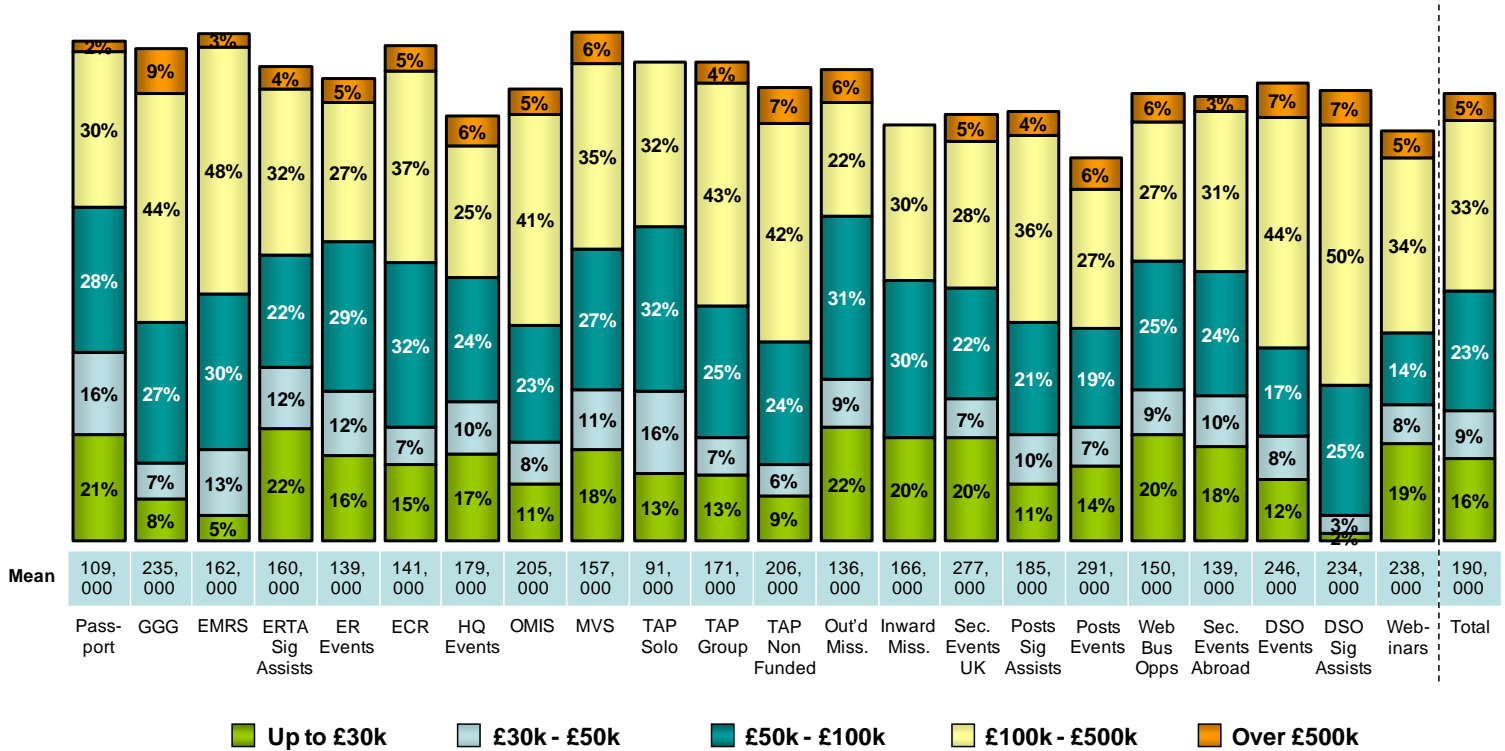
Figure 6.7.1.9 Annual Turnover – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
More than £500million	1%	1%	2%
£25million - £500million	8%	5%	11%
£10million - £25million	12%	5%	15%
£2million - £10million	26%	15%	29%
£500,000 - £2million	19%	18%	20%
Up to £500,000	23%	38%	15%
Not yet trading	1%	2%	2%
Don't know/refused	10%	14%	7%

## 6.7.2 Sales per Employee

The chart below shows the profile of supported businesses in terms of their productivity, measured as sales per employee. This has been calculated by combining current annual turnover with the figures provided for number of employees.

Figure 6.7.2.1 Productivity Measured as Turnover per Employee



Base: All respondents (Base, Don't know/Refused employees or turnover) - Passport (360, 4%), GGG (362, 5%), EMRS (40, 3%), ERTA (360, 9%), ER Events (305, 11%), ECR (41, 5%), HQ Events (71, 18%), OMIS (380, 13%), MVS (96, 2%), TAP Solo (38, 8%), TAP Group (150, 8%), TAP Non-Funded (102, 13%), Outward Missions (32, 9%), Inward Missions (10, 20%), Sector Events UK (297, 18%), Posts Significant Assists (617, 18%), Posts Events (201, 26%), Website Bus Opps (289, 14%), Sector Events Abroad (104, 14%), DSO Events (59, 12%), DSO Significant Assists (60, 13%), Webinars (80, 21%), Total (4248, 14%)

Over a third of supported firms (38%) have sales per employee in excess of £100,000. However, a significant minority (16%) report sales per employee of less than £30,000 per annum. The overall mean sales per employee figure is £190,000 although it should be noted that there are a small number of firms reporting very high sales per employee of over £500,000 and these have a disproportionate impact on the mean figures.

Please note that where an initial review of the data revealed a particularly high or low sales per employee, firms were re-contacted shortly after their interview to confirm that the turnover and employee number figures were indeed correct (with the data amended as necessary depending on their response).

As seen below, the mean sales per employee is highest for firms accessing DSO support and attending UKTI events. However, the impact of ‘outliers’ (i.e. firms with very high sales per employee) on these figures can be significant. When looking at the distribution of these values, DSO clients still emerge as having the highest sales per employee (with 52% having sales per employee of more than £100,000), followed by tradeshows and missions (45% in the over £100,000 bracket). Events attendees are among the least likely to report sales per employee of over £100,000 even though they have the second highest *mean* sales per employee.

Figure 6.7.2.2 Productivity Measured as Turnover per Employee – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
Over £500k	5%	4%	5%	5%	6%	6%
£100k - £500k	35%	37%	28%	40%	27%	46%
£50k - £100k	23%	21%	22%	26%	25%	19%
£30k - £50k	11%	9%	10%	9%	9%	8%
Up to £30k	19%	11%	17%	13%	20%	9%
Don't know/refused	7%	17%	17%	8%	14%	12%
<i>Mean</i>	168,000	189,000	216,000	170,000	150,000	236,000

There is also evidence that productivity (as defined by sales per employee) increases amongst firms that have been doing business overseas for longer. Almost half (48%) of firms that have been exporting for more than 10 years report annual sales per employee in excess of £100,000 compared to 40% of those with 2-10 years export experience and just 20% of those with under 2 years experience. A similar picture has been seen in all previous waves of the PIMS research, and this finding is also consistent with academic research in this area that demonstrates that exporters tend to have higher productivity and achieve faster productivity growth<sup>30</sup>.

Figure 6.7.2.3 Productivity Measured as Turnover per Employee – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
Over £500k	2%	5%	7%
£100k - £500k	18%	35%	41%
£50k - £100k	21%	24%	24%
£30k - £50k	11%	12%	7%
Up to £30k	33%	14%	6%
Don't know/refused	16%	11%	15%
<i>Mean</i>	108,000	187,000	246,000

<sup>30</sup> Harris and Li (2007), *Firm Level Empirical Study of the Contribution of Exporting to UK Productivity Growth*.

Looking at the banded distributions, innovative firms demonstrate higher productivity than non-innovative ones, with 41% and 18% respectively reporting sales per employee of over £100,000 (when the standard definition of innovation is used).

Figure 6.7.2.4 Productivity Measured as Turnover per Employee – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
Over £500k	5%	4%	5%	5%
£100k - £500k	36%	14%	37%	26%
£50k - £100k	25%	12%	25%	20%
£30k - £50k	10%	7%	10%	8%
Up to £30k	13%	28%	14%	19%
Don't know/refused	11%	35%	9%	22%
<i>Mean</i>	193,000	160,000	193,000	182,000

Similarly, when it comes to growth objectives the banded distributions suggest that firms who intend to grow have higher productivity than firms who have no intention of growing. However, there is no difference in the mean values.

Figure 6.7.2.5 Productivity Measured as Turnover per Employee – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
Over £500k	5%	5%	5%
£100k - £500k	25%	34%	36%
£50k - £100k	19%	25%	24%
£30k - £50k	8%	11%	9%
Up to £30k	22%	14%	17%
Don't know/refused	20%	11%	9%
<i>Mean</i>	190,000	193,000	187,000

Firms that were born global have considerably higher sales per employee than other young firms that started exporting at some point after they were established, which again points to exporting being associated with higher productivity and faster productivity growth. Older firms established for more than 5 years demonstrate greater productivity than younger firms as a whole.

Figure 6.7.2.6 Productivity Measured as Turnover per Employee – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All respondents</i>	305	456	596	1054	3119
Over £500k	5%	4%	3%	3%	6%
£100k - £500k	26%	24%	16%	19%	38%
£50k - £100k	19%	18%	20%	19%	25%
£30k - £50k	16%	15%	12%	13%	8%
Up to £30k	25%	28%	41%	35%	9%
Don't know/refused	10%	11%	8%	10%	14%
<i>Mean</i>	<i>155,000</i>	<i>135,000</i>	<i>97,000</i>	<i>114,000</i>	<i>218,000</i>

As seen below, there is a marked difference in sales per employee between micro SMEs and those with 10 or more staff. Whereas only 29% of the former have sales per employee of over £100,000m, this rises to almost 50% in the case of larger firms.

Figure 6.7.2.7 Productivity Measured as Turnover per Employee – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
Over £500k	4%	6%	5%	9%
£100k - £500k	25%	43%	44%	38%
£50k - £100k	20%	28%	29%	21%
£30k - £50k	14%	7%	6%	6%
Up to £30k	29%	6%	4%	7%
Don't know/refused	8%	11%	13%	20%
<i>Mean</i>	<i>160,000</i>	<i>208,000</i>	<i>198,000</i>	<i>296,000</i>

Productivity (as measured by sales per employee) also increases as firms become larger in financial terms, with a clear correlation between annual turnover and mean sales per employee.

Figure 6.7.2.8 Productivity Measured as Turnover per Employee  
– By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
Over £500k	0%	2%	10%	23%	41%
£100k - £500k	11%	48%	59%	59%	40%
£50k - £100k	25%	36%	27%	13%	14%
£30k - £50k	20%	10%	3%	3%	0%
Up to £30k	43%	4%	2%	2%	5%
Don't know/refused	0%	0%	0%	0%	0%
<i>Mean</i>	<i>53,000</i>	<i>145,000</i>	<i>287,000</i>	<i>438,000</i>	<i>1,087,000</i>

There is also evidence that firms with a business plan containing overseas targets demonstrate higher productivity than those without a plan and than those with a plan that has no overseas targets. Although it seems odd that firms with a business plan (with no overseas targets) have lower productivity than those without any sort of formal plan, this apparent difference is primarily caused by a small number of outliers and the banded distributions are very similar for these two groups.

There is little difference between firms with degree-level members of their senior management team and those without (when looking at the banded distribution).

Figure 6.7.2.9 Productivity Measured as Turnover per Employee  
– By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All respondents</i>	2340	677	918	3084	583
Over £500k	6%	3%	5%	5%	4%
£100k - £500k	37%	28%	29%	34%	37%
£50k - £100k	24%	24%	24%	25%	27%
£30k - £50k	9%	11%	10%	11%	9%
Up to £30k	13%	20%	20%	18%	17%
Don't know/refused	10%	15%	11%	8%	6%
<i>Mean</i>	<i>202,000</i>	<i>134,000</i>	<i>184,000</i>	<i>174,000</i>	<i>146,000</i>



The distributions below suggest that production sector firms and those in 'other' sectors (i.e. primary and construction) have higher sales per employee than those in the services sector

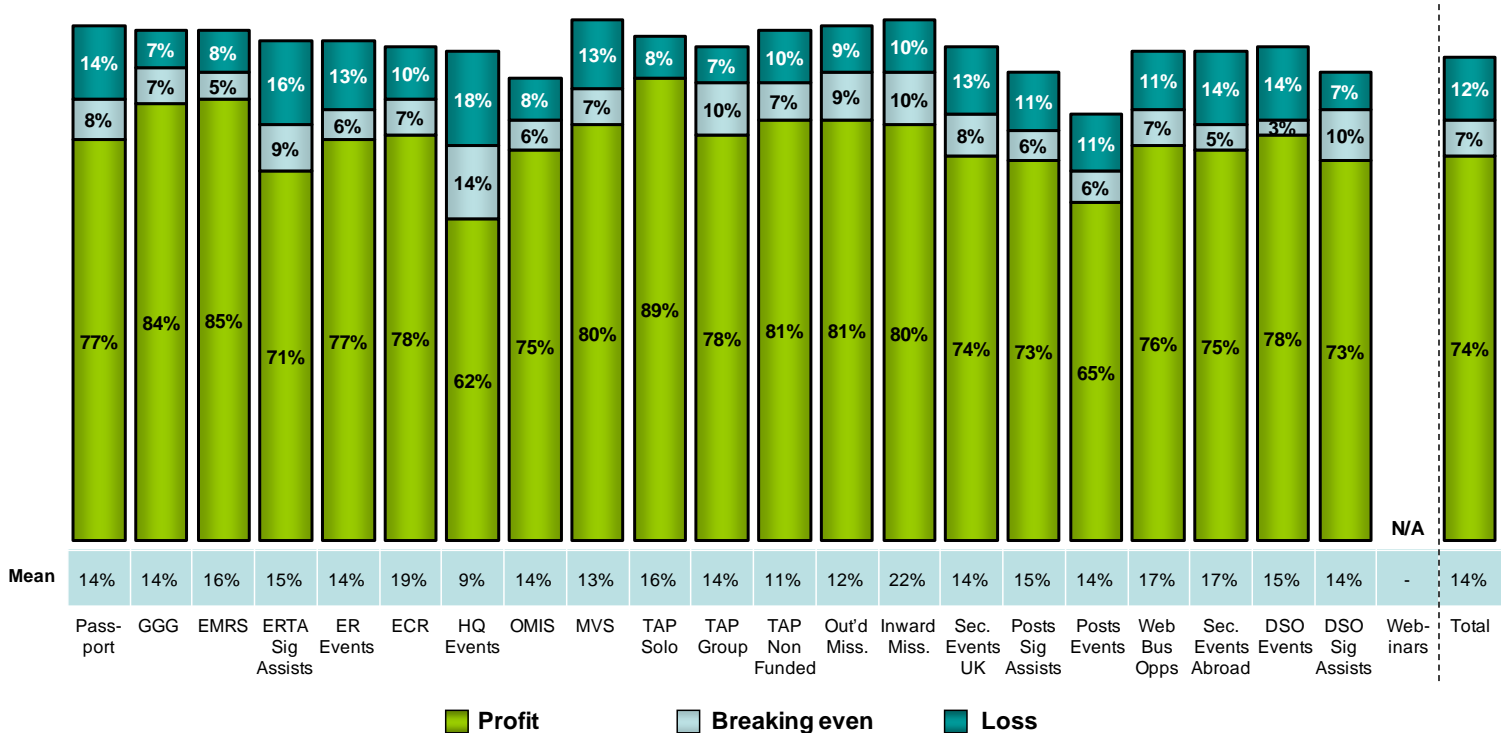
Figure 6.7.2.10 Productivity Measured as Turnover per Employee – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
Over £500k	4%	5%	8%
£100k - £500k	42%	27%	55%
£50k - £100k	25%	22%	18%
£30k - £50k	7%	11%	3%
Up to £30k	11%	19%	7%
Don't know/refused	11%	16%	9%
<i>Mean</i>	186,000	190,000	286,000

### 6.7.3 Profitability

The chart below shows the profile of supported businesses in terms of whether they are making an annual profit or loss. The mean profit margin has also been shown (i.e. the proportion of their turnover accounted for by bottom line profits). Please note that firms making a loss or breaking even have been treated as 0% profit for the purposes of calculating the mean profit margin. These questions were not asked to Webinar attendees in the interests of reducing interview length.

Figure 6.7.3.1 Annual Profit or Loss



Base: All except Webinar attendees (Base, Don't know/Refused) - Passport (360, 1%), GGG (362, 2%), EMRS (40, 3%), ERTA (360, 4%), ER Events (305, 4%), ECR (41, 5%), HQ Events (71, 6%), OMIS (380, 11%), MVS (96, 0%), TAP Solo (38, 3%), TAP Group (150, 5%), TAP Non-Funded (102, 2%), Outward Missions (32, 0%), Inward Missions (10, 0%), Sector Events UK (297, 5%), Posts Significant Assists (617, 10%), Posts Events (201, 18%), Website Bus Opps (289, 6%), Sector Events Abroad (104, 6%), DSO Events (59, 5%), DSO Significant Assists (60, 10%), Total (4168, 7%)

The majority of UKTI clients are currently making an annual profit, and the mean profit margin is 14% (although this is being pulled down by the 19% of firms that are currently breaking even or making a loss).

As seen below, profit margins have remained fairly consistent over the last 5 years of the PIMS research.

Figure 6.7.3.2 Average Profit Margin – Over Time

PIMS Wave (and support date)	Profit Margin (mean)
PIMS 16 (Jan-Mar 2009)	14%
PIMS 17 (Apr-Jun 2009)	13%
PIMS 18 (Jul-Sep 2009)	13%
PIMS 19 (Oct-Dec 2009)	14%
PIMS 20 (Jan-Mar 2010)	14%
PIMS 21 (Apr-Jun 2010)	15%
PIMS 22 (Jul-Sep 2010)	14%
PIMS 23 (Oct-Dec 2010)	15%
PIMS 24 (Jan-Mar 2011)	14%
PIMS 25 (Apr-Jun 2011)	16%
PIMS 26 (Jul-Sep 2011)	16%
PIMS 27 (Oct-Dec 2011)	14%
PIMS 28 (Jan-Mar 2012)	16%
PIMS 29 (Apr-Jun 2012)	16%
PIMS 30 (Jul-Sep 2012)	15%
PIMS 31 (Oct-Dec 2012)	16%
PIMS 32 (Jan-Mar 2013)	14%
PIMS 33 (Apr-Jun 2013)	14%
PIMS 34 (Jul-Sep 2013)	15%
PIMS 35 (Oct-Dec 2013)	14%

As might be expected, recently established firms are significantly more likely to be making a loss or only breaking even, with 45% of firms aged less than 2 years not currently profitable, compared to only 7% of those that have been trading for more than 20 years.

Figure 6.7.3.3 Annual Profit or Loss – By Age of Firm

	When Business Established			
	Less than 2 years	2-5 years	5-20 years	More than 20 years
<i>Base: Exc. webinars</i>	322	717	1498	1562
Profit	50%	64%	76%	83%
Breaking even	16%	11%	7%	3%
Loss	29%	20%	11%	4%
Don't know/refused	6%	5%	6%	9%
<i>Mean profit margin</i>	14%	14%	15%	14%

As seen below, there is little difference in the profitability of firms by the type of UKTI support they received. There is some evidence that firms who attended UKTI tradeshows or missions are more likely to be making a profit (80%), although this difference is not apparent in the mean profit margins.

Figure 6.7.3.4 Annual Profit or Loss – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: Exc. webinars</i>	1187	1077	1078	418	289	119
Profit	74%	73%	72%	80%	76%	75%
Breaking even	8%	6%	7%	8%	7%	6%
Loss	14%	11%	13%	9%	11%	12%
Don't know/refused	4%	10%	8%	2%	6%	7%
<i>Mean profit margin</i>	15%	14%	14%	13%	17%	15%

The likelihood of making a profit increases in line with the number of years firms have been exporting. While this is undoubtedly connected to the fact that older firms are more likely to be profitable (as seen earlier in this section), it also suggests that exporting is associated with stronger and more stable financial performance.

Figure 6.7.3.5 Annual Profit or Loss – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: Exc. webinars</i>	1057	1485	1598
Profit	58%	75%	84%
Breaking even	12%	8%	3%
Loss	25%	12%	4%
Don't know/refused	6%	5%	8%
<i>Mean profit margin</i>	13%	15%	15%

There is also evidence that innovative firms are more likely to be making a profit than non-innovative ones (although they do not report higher profit margins).

Figure 6.7.3.6 Annual Profit or Loss – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: Exc. webinars</i>	3587	581	2687	1481
Profit	77%	56%	76%	70%
Breaking even	7%	9%	7%	8%
Loss	12%	15%	13%	10%
Don't know/refused	5%	19%	4%	12%
<i>Mean profit margin</i>	14%	16%	14%	15%

As detailed below, firms that are anticipating growth over the next 5 years are more likely to be making a profit than those that simply expect to stay the same size or become smaller. However, it is interesting to note that a significant proportion of firms anticipating ‘substantial’ growth are currently making a loss, indicating that many loss-making firms still have very ambitious plans for the future. There are no consistent differences in profit levels (mean value) by the extent of firms’ grow objectives.

Figure 6.7.3.7 Annual Profit or Loss – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: Exc. webinars</i>	198	1887	1878
Profit	66%	81%	73%
Breaking even	13%	6%	7%
Loss	15%	8%	15%
Don't know/refused	6%	5%	4%
<i>Mean profit margin</i>	14%	15%	14%

Firms that were defined as ‘born global’ are more likely to be operating at a profit than other young firms. However, as a whole, firms established in the last 5 years are much less likely to be profitable than older firms.

Figure 6.7.3.8 Annual Profit or Loss – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: Exc. webinars</i>	299	448	589	1039	3060
Profit	68%	64%	56%	60%	80%
Breaking even	11%	13%	12%	12%	5%
Loss	18%	17%	27%	23%	8%
Don't know/refused	3%	5%	5%	5%	7%
<i>Mean profit margin</i>	15%	14%	14%	14%	15%

Overall, micro SMEs with less than 10 staff appear to be less financially secure than larger firms, with almost a third making a loss or only breaking even. However, this is at least in part due to the younger age profile of this group, with 16% established for less than 2 years compared to just 2% of those with 10 or more employees. It is also interesting to note that the mean profit margin is actually slightly higher for micro SMEs, suggesting that when these firms do become profitable they are able to achieve considerably greater margins than larger businesses.

Figure 6.7.3.9 Annual Profit or Loss – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: Exc. webinars</i>	1814	1590	326	276
Profit	66%	85%	88%	86%
Breaking even	11%	4%	3%	3%
Loss	19%	7%	4%	2%
Don't know/refused	5%	5%	4%	9%
<i>Mean profit margin</i>	15%	14%	11%	14%

As is to be expected, smaller firms with an annual turnover of less than £500,000 are least likely to be making a profit. However, as seen with the above analysis by employee numbers, the mean profit margin among smaller firms is still relatively high.

Figure 6.7.3.10 Annual Profit or Loss – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: Exc. webinars</i>	1345	829	1157	273	52
Profit	62%	83%	89%	93%	94%
Breaking even	12%	5%	4%	2%	0%
Loss	23%	9%	5%	2%	3%
Don't know/refused	3%	3%	2%	2%	3%
<i>Mean profit margin</i>	16%	15%	13%	11%	16%

As seen below, firms with a business plan containing overseas targets are significantly more likely to be profitable than those who have a plan that does not include overseas targets. However, the presence of a business plan itself is not associated with an increased likelihood of making a profit, as firms that do not have a written business plan are in fact slightly more likely to be profitable than those with a formal plan.

Firms with no degree-level members of the senior management team are also slightly more likely to be making a profit than those with degree-level management. However, the mean profit margin is similar for both groups.

Figure 6.7.3.11 Annual Profit or Loss – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: Exc. webinars</i>	2340	677	918	3084	583
Profit	76%	71%	79%	76%	80%
Breaking even	7%	7%	8%	8%	7%
Loss	13%	16%	10%	13%	10%
Don't know/refused	4%	6%	3%	4%	3%
<i>Mean profit margin</i>	14%	14%	16%	15%	14%

Firms that operate in the production sector are slightly more likely to be making a profit than those in the services sector, but the mean profit margin is actually higher for the latter group.

Figure 6.7.3.12 Annual Profit or Loss – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: Exc. webinars</i>	1557	2532	78
Profit	76%	72%	82%
Breaking even	6%	8%	9%
Loss	12%	12%	8%
Don't know/refused	6%	8%	1%
<i>Mean profit margin</i>	13%	15%	13%

## 6.8 Management Profile

### 6.8.1 Skilled Owners, Partners & Directors

The table below examines the senior management profile of UKTI clients, in terms of the proportion that have owners, partners or directors with a degree or equivalent qualification.

Please note that a number of respondents did not know whether any of the senior management team had degree-level qualifications. This was more likely to be the case amongst larger firms so, to avoid this skewing the results, all data has been shown based only on those able to provide an answer.

Figure 6.8.1.1 Management Profile: Degree Level or Equivalent Qualifications

	Total	Pass-port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: All able to answer (exc. webinars)</i>	<b>3667</b>	346	341	38	329	274	40
Any degree-educated	<b>85%</b>	80%	79%	95%	78%	85%	75%
Majority led (51%+)	<b>70%</b>	62%	60%	76%	64%	69%	68%
Equally led (50%/50%)	<b>10%</b>	13%	13%	8%	10%	11%	5%
Majority or equally led (50%+)	<b>80%</b>	75%	73%	84%	74%	80%	73%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: All able to answer (exc. webinars)</i>	60	322	94	36	142	86	30	7
Any degree-educated	85%	87%	87%	86%	76%	83%	100%	100%
Majority led (51%+)	75%	69%	69%	72%	54%	65%	87%	100%
Equally led (50%/50%)	5%	12%	14%	8%	15%	8%	10%	0%
Majority or equally led (50%+)	80%	81%	83%	81%	70%	73%	97%	100%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Web-inars
<i>Base: All able to answer (exc. webinars)</i>	247	513	155	251	93	51	48	-
Any degree-educated	86%	85%	91%	86%	90%	86%	92%	-
Majority led (51%+)	77%	70%	77%	74%	78%	73%	77%	-
Equally led (50%/50%)	6%	11%	10%	10%	12%	6%	13%	-
Majority or equally led (50%+)	83%	80%	87%	83%	90%	78%	90%	-

The vast majority of UKTI supported firms (85%) have at least one owner, partner or director with degree level qualifications, with most (70%) being majority led by degree-level qualified senior management.



As seen below, firms accessing UK-based advisory services are least likely to have degree-level management.

Figure 6.8.1.2 Management Profile: Degree Level or Equivalent Qualifications – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All able to answer (exc. webinars)</i>	1115	902	912	388	251	99
Any degree-educated	78%	85%	87%	82%	87%	89%
Majority led (51%+)	63%	69%	75%	62%	74%	73%
Equally led (50%/50%)	11%	11%	9%	13%	10%	9%
Majority or equally led (50%+)	74%	80%	84%	75%	83%	82%

There is little difference in this respect by whether or not firms are classified as being innovative.

Figure 6.8.1.3 Management Profile: Degree Level or Equivalent Qualifications – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All able to answer (exc. webinars)</i>	3258	409	2457	1210
Any degree-educated	85%	83%	86%	83%
Majority led (51%+)	70%	73%	71%	67%
Equally led (50%/50%)	11%	7%	10%	12%
Majority or equally led (50%+)	80%	80%	81%	79%

However, there is clear evidence that businesses with 100+ employees are more likely to have at least one degree-level owner, partner or director. Large firms with 250+ staff are significantly more likely to be majority-led by highly qualified management.

Figure 6.8.1.4 Management Profile: Degree Level or Equivalent Qualifications – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All able to answer (exc. webinars)</i>	1774	1449	260	174
Any degree-educated	84%	83%	92%	94%
Majority led (51%+)	71%	66%	75%	83%
Equally led (50%/50%)	11%	11%	7%	6%
Majority or equally led (50%+)	82%	76%	82%	89%

The table below demonstrates that businesses in the service sector are statistically more likely to have at least one degree-level member of the senior management team and to be majority-led by degree-educated owners, partners or directors.

Figure 6.8.1.5 Management Profile: Degree Level or Equivalent Qualifications – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All able to answer (exc. webinars)</i>	1376	2223	67
Any degree-educated	80%	87%	80%
Majority led (51%+)	62%	75%	55%
Equally led (50%/50%)	11%	9%	17%
Majority or equally led (50%+)	74%	84%	72%

## 6.8.2 Ethnic Minority Owners, Partners & Directors

The table below examines the senior management profile of UKTI clients, in terms of the proportion that have owners, partners or directors from an ethnic minority background. This question was only asked in PIMS 33.

Please note that a number of respondents did not know whether any of the senior management team were from an ethnic minority background. This was more likely to be the case amongst larger firms so, to avoid this skewing the results, all data has been shown based only on those able to provide an answer.

Figure 6.8.2.1 Management Profile: Ethnic Minorities (PIMS 33 only)

	Total	Pass-port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: All able to answer (PIMS 33)</i>	<b>978</b>	89	89	9	83	84	9
Any ethnic minorities	<b>17%</b>	13%	11%	0%	12%	17%	0%
Majority led (51%+)	<b>9%</b>	6%	6%	0%	11%	10%	0%
Equally led (50%/50%)	<b>3%</b>	3%	4%	0%	1%	6%	0%
Majority or equally led (50%+)	<b>12%</b>	9%	10%	0%	12%	15%	0%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: All able to answer (PIMS 33)</i>	16	83	25	10	30	22	9	7
Any ethnic minorities	25%	13%	8%	20%	23%	9%	22%	57%
Majority led (51%+)	19%	7%	4%	10%	10%	0%	0%	57%
Equally led (50%/50%)	0%	4%	0%	10%	7%	0%	22%	0%
Majority or equally led (50%+)	19%	11%	4%	20%	17%	0%	22%	57%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Web-inars
<i>Base: All able to answer (PIMS 33)</i>	72	134	44	55	35	15	14	-
Any ethnic minorities	17%	16%	23%	25%	23%	13%	0%	-
Majority led (51%+)	7%	8%	9%	18%	9%	0%	0%	-
Equally led (50%/50%)	4%	2%	2%	0%	3%	0%	0%	-
Majority or equally led (50%+)	11%	10%	11%	18%	11%	0%	0%	-

Overall, 17% of supported firms have at least one owner, partner or director from an ethnic minority group, and 9% are majority led.

Firms using UK-based advisory services and DSO support are least likely to have any owners, partners or directors from an ethnic minority background, while those accessing the website business opportunities service are most likely to.

Figure 6.8.2.2 Management Profile: Ethnic Minorities (PIMS 33 only)  
– By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All able to answer (PIMS 33)</i>	281	237	280	96	55	29
Any ethnic minorities	11%	16%	20%	15%	25%	10%
Majority led (51%+)	9%	8%	10%	6%	18%	0%
Equally led (50%/50%)	2%	3%	4%	4%	0%	0%
Majority or equally led (50%+)	10%	10%	14%	9%	18%	0%

Firms with 250+ employees are most likely to have *any* owners, partners or directors from an ethnic minority background. However, this is likely to be a function of the larger size of the senior manage team in these companies and micro SMEs are in fact most likely to be *majority-led* by ethnic minority senior management.

Figure 6.8.2.3 Management Profile: Ethnic Minorities (PIMS 33 only)  
– By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All able to answer (PIMS 33)</i>	473	390	66	44
Any ethnic minorities	17%	15%	18%	32%
Majority led (51%+)	12%	7%	7%	3%
Equally led (50%/50%)	4%	2%	0%	0%
Majority or equally led (50%+)	15%	9%	8%	3%

As seen below, businesses in the service industry are significantly more likely than those in the production sector to have at least one ethnic minority owner, partner or director and to be majority-led by this group.

Figure 6.8.2.4 Management Profile: Ethnic Minorities (PIMS 33 only)  
– By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All able to answer (PIMS 33)</i>	372	590	16
Any ethnic minorities	11%	21%	9%
Majority led (51%+)	5%	11%	9%
Equally led (50%/50%)	2%	3%	0%
Majority or equally led (50%+)	8%	14%	9%

### 6.8.3 Female Owners, Partners & Directors

The table below examines the senior management profile of UKTI clients, in terms of the proportion that have female owners, partners or directors. This question was only asked in PIMS 33.

Please note that a number of respondents did not know whether any members of the senior management team were female. This was more likely to be the case amongst larger firms so, to avoid this skewing the results, all data has been shown based only on those able to provide an answer.

Figure 6.8.3.1 Management Profile: Female (PIMS 33 only)

	Total	Pass-port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: All able to answer (PIMS 33)</i>	<b>990</b>	89	89	10	86	84	10
Any females	<b>41%</b>	44%	31%	40%	44%	37%	50%
Majority led (51%+)	<b>12%</b>	12%	6%	20%	14%	12%	10%
Equally led (50%/50%)	<b>15%</b>	19%	13%	20%	21%	14%	10%
Majority or equally led (50%+)	<b>27%</b>	31%	19%	40%	35%	26%	20%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: All able to answer (PIMS 33)</i>	16	84	25	10	30	22	9	8
Any females	44%	39%	28%	20%	47%	36%	44%	50%
Majority led (51%+)	6%	10%	8%	10%	10%	9%	11%	0%
Equally led (50%/50%)	25%	17%	8%	10%	13%	5%	33%	38%
Majority or equally led (50%+)	31%	26%	16%	20%	23%	14%	44%	38%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Web-inars
<i>Base: All able to answer (PIMS 33)</i>	71	137	44	56	35	15	14	-
Any females	41%	37%	57%	43%	46%	33%	7%	-
Majority led (51%+)	15%	8%	27%	11%	11%	0%	0%	-
Equally led (50%/50%)	13%	16%	20%	13%	14%	20%	7%	-
Majority or equally led (50%+)	28%	24%	48%	23%	26%	20%	7%	-

Two-fifths of supported firms (41%) have at least one female owner, partner or director although only 12% are majority-led by women.

It appears that firms supported through DSO are least likely to have female members of the senior management team and to be female-led.

Figure 6.8.3.2 Management Profile: Female (PIMS 33 only) – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All able to answer (PIMS 33)</i>	286	242	281	96	56	29
Any females	42%	38%	44%	36%	43%	27%
Majority led (51%+)	12%	9%	15%	9%	11%	0%
Equally led (50%/50%)	19%	17%	16%	9%	13%	17%
Majority or equally led (50%+)	31%	25%	31%	19%	23%	17%

Whilst non-SMEs are more likely to have at least one female owner, partner or director, they are least likely to be majority led by women. A third of all micro SMEs indicate that at least 50% of their senior management are female.

Figure 6.8.3.3 Management Profile: Female (PIMS 33 only) – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All able to answer (PIMS 33)</i>	478	394	66	47
Any females	38%	42%	38%	55%
Majority led (51%+)	14%	10%	5%	5%
Equally led (50%/50%)	19%	14%	5%	7%
Majority or equally led (50%+)	33%	24%	10%	13%

It is clear from the table below that service sector firms are much more likely to have at least one female owner, partner or director and to be female-led.

Figure 6.8.3.4 Management Profile: Female (PIMS 33 only) – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All able to answer (PIMS 33)</i>	378	596	16
Any females	34%	45%	23%
Majority led (51%+)	8%	14%	0%
Equally led (50%/50%)	10%	19%	6%
Majority or equally led (50%+)	18%	32%	6%

#### 6.8.4 Disabled/Infirm Owners, Partners & Directors

The table below examines the senior management profile of UKTI clients, in terms of the proportion that have owners, partners or directors with a long-standing illness, disability or infirmity. This question was only asked in PIMS 33.

Please note that a number of respondents did not know whether any members of the senior management had a disability. This was more likely to be the case amongst larger firms so, to avoid this skewing the results, all data has been shown based only on those able to provide an answer.

Figure 6.8.4.1 Management Profile: Long-Standing Illness, Disability or Infirmity (PIMS 33 only)

	Total	Passport	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: All able to answer (PIMS 33)</i>	<b>960</b>	87	87	9	86	84	9
Any disabled/infirm	<b>6%</b>	3%	7%	0%	5%	10%	11%
Majority led (51%+)	<b>2%</b>	0%	1%	0%	1%	4%	11%
Equally led (50%/50%)	<b>2%</b>	3%	4%	0%	1%	6%	0%
Majority or equally led (50%+)	<b>4%</b>	0%	5%	0%	2%	10%	11%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: All able to answer (PIMS 33)</i>	13	80	25	9	29	20	9	6
Any disabled/infirm	0%	6%	8%	0%	7%	5%	0%	0%
Majority led (51%+)	0%	1%	4%	0%	3%	5%	0%	0%
Equally led (50%/50%)	0%	3%	0%	0%	0%	0%	0%	0%
Majority or equally led (50%+)	0%	4%	4%	0%	3%	5%	0%	0%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Webinars
<i>Base: All able to answer (PIMS 33)</i>	70	134	41	55	35	15	14	-
Any disabled/infirm	10%	4%	5%	2%	3%	13%	0%	-
Majority led (51%+)	6%	1%	5%	0%	0%	0%	0%	-
Equally led (50%/50%)	1%	0%	0%	2%	3%	7%	0%	-
Majority or equally led (50%+)	7%	1%	5%	2%	3%	7%	0%	-

Only a small minority of supported firms (6%) have any owners, partners or directors with a long-term illness, disability or infirmity.

As shown below, firms using DSO support are most likely to have at least one owner, partner or director with a long-term illness, disability or infirmity.

Figure 6.8.4.2 Management Profile: Long-Standing Illness, Disability or Infirmity (PIMS 33 only) – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All able to answer (PIMS 33)</i>	280	233	271	92	55	29
Any disabled/infirm	5%	4%	7%	6%	2%	10%
Majority led (51%+)	2%	1%	4%	4%	0%	0%
Equally led (50%/50%)	1%	0%	3%	0%	2%	5%
Majority or equally led (50%+)	3%	1%	6%	4%	2%	5%

Smaller firms with fewer than 100 employees are most likely to be majority or equally led by owners, partners or directors with a long standing illness, disability or infirmity.

Figure 6.8.4.3 Management Profile: Long-Standing Illness, Disability or Infirmity (PIMS 33 only) – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All able to answer (PIMS 33)</i>	470	384	63	39
Any disabled/infirm	6%	4%	9%	1%
Majority led (51%+)	3%	1%	2%	0%
Equally led (50%/50%)	2%	2%	0%	1%
Majority or equally led (50%+)	5%	3%	2%	1%

There are no statistically significant differences in this respect by market sector.

Figure 6.8.4.4 Management Profile: Long-Standing Illness, Disability or Infirmity (PIMS 33 only) – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All able to answer (PIMS 33)</i>	366	578	16
Any disabled/infirm	7%	5%	4%
Majority led (51%+)	3%	2%	4%
Equally led (50%/50%)	2%	2%	0%
Majority or equally led (50%+)	4%	3%	4%



### 6.8.5 Age of Owners, Partners & Directors

The table below shows the proportion of UKTI clients that have any owners, partners or directors aged 18-34, 35-54 and over 55. This question was only asked in PIMS 33.

Please note that a number of respondents did not know the age of the members of their senior management team. This was more likely to be the case amongst larger firms so, to avoid this skewing the results, all data has been shown based only on those able to provide an answer.

Figure 6.8.5.1 Management Profile: Age (PIMS 33 only)

	Total	Pass-port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: All able to answer (PIMS 33)</i>	<b>976</b>	89	88	9	84	83	9
18-34	<b>12%</b>	11%	13%	0%	14%	8%	11%
35-54	<b>75%</b>	81%	68%	100%	69%	75%	67%
55+	<b>45%</b>	47%	61%	22%	45%	39%	56%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: All able to answer (PIMS 33)</i>	15	84	25	9	30	21	9	8
18-34	13%	19%	12%	0%	3%	5%	56%	13%
35-54	80%	70%	60%	89%	73%	86%	56%	75%
55+	27%	46%	56%	56%	43%	62%	33%	50%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Web-inars
<i>Base: All able to answer (PIMS 33)</i>	72	134	44	55	35	15	14	-
18-34	14%	9%	7%	25%	20%	13%	7%	-
35-54	72%	78%	80%	65%	89%	80%	79%	-
55+	44%	41%	43%	42%	40%	60%	64%	-

Whilst three-quarters of firms have members of the senior management team aged 35-54 and approaching half have senior management aged 55 or older, only a minority (12%) have any owners, partners or directors who are under 35.

As seen below, there is some evidence that firms accessing DSO support tend to have an older senior management team than firms accessing other types of support from UKTI. In contrast, users of the website business opportunities service are most likely to have owners, partners or directors aged under 35.

Figure 6.8.5.2 Management Profile: Age (PIMS 33 only) – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All able to answer (PIMS 33)</i>	281	237	280	94	55	29
18-34	13%	11%	12%	6%	25%	12%
35-54	71%	76%	76%	74%	65%	80%
55+	48%	43%	42%	53%	42%	61%

Small firms with fewer than 10 staff are least likely to have owners, partners or directors aged 55 or over.

Figure 6.8.5.3 Management Profile: Age (PIMS 33 only) – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All able to answer (PIMS 33)</i>	472	389	65	47
18-34	15%	8%	10%	14%
35-54	66%	81%	87%	89%
55+	36%	50%	58%	69%

There is also some evidence that service sector firms have a younger management profile.

Figure 6.8.5.4 Management Profile: Age (PIMS 33 only) – By Sector

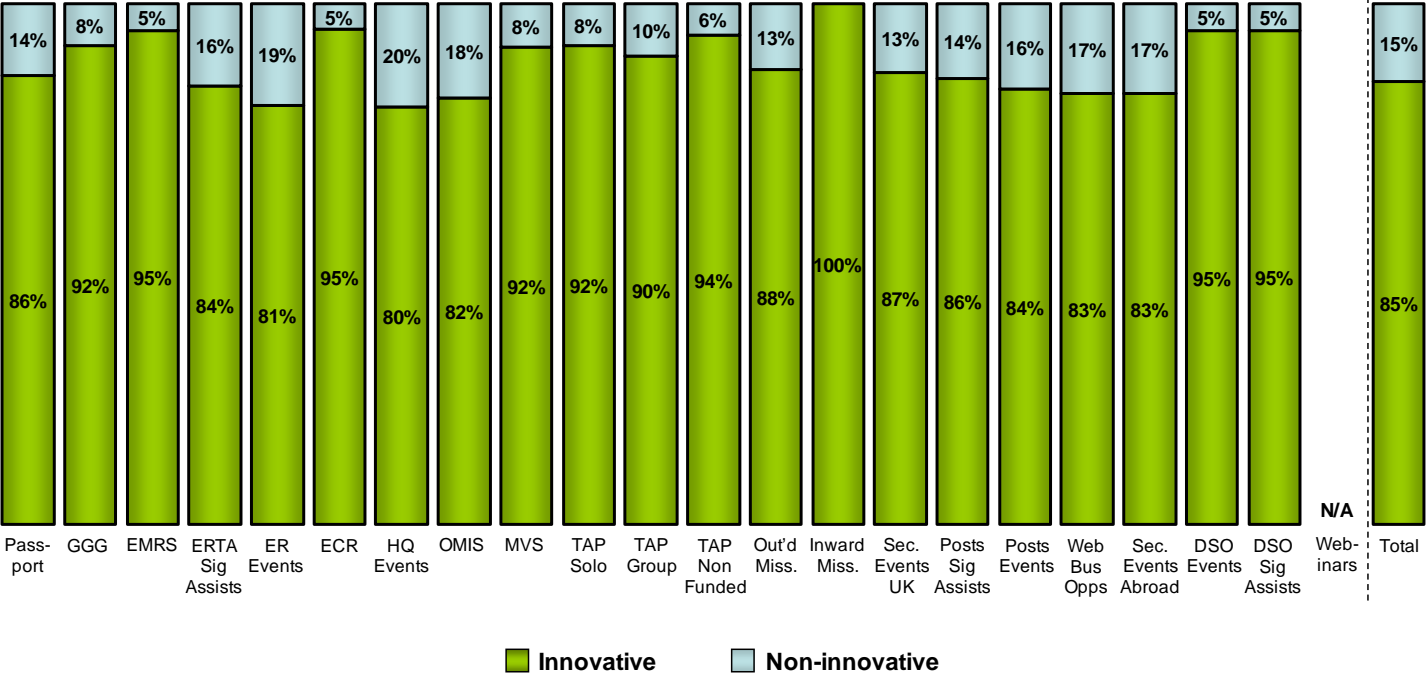
	Market Sector		
	Production	Services	Other
<i>Base: All able to answer (PIMS 33)</i>	372	588	16
18-34	9%	14%	12%
35-54	80%	72%	78%
55+	48%	43%	48%

## 6.9 Innovation

### 6.9.1 Innovative Firms

The chart below shows the proportions of supported businesses that have been classified as being ‘innovative’. Please note that Webinar attendees were not asked the questions relating to innovation, in the interests of reducing interview length.

Figure 6.9.1.1 Innovative Firms



Base: All except Webinar attendees (Base) - Passport (360), GGG (362), EMRS (40), ERTA (360), ER Events (305), ECR (41), HQ Events (71), OMIS (380), MVS (96), TAP Solo (38), TAP Group (150), TAP Non Funded (102), Outward Missions (32), Inward Missions (10), Sector Events UK (297), Posts Sig Assists (617), Posts Events (201), Website Bus Opps (289), Sector Events Abroad (104), DSO Events (59), DSO Sig Assists (60), Total (4168)

Overall, 85% of firms are classified as being innovative. This proportion is broadly consistent across all of UKTI’s trade development services (with the lowest proportion being 80% amongst HQ Events participants).

The panel below provides details of how ‘innovative’ firms have been defined for the purposes of this analysis (please note that the references in brackets refer to the question number, with the questionnaire appended to this report).

**Innovative firms**

‘Innovative’ firms are those that...

- Have more than one employee engaged in R&D activity or new product/service development (F3)
- Or, have employed someone external to the business to conduct R&D or new product/service development activity in the last year (F4)
- Or, have introduced new products or services in the last 3 years (E1c) *except firms established in the last 2 years*

As detailed in the previous panel, the 'introduced new products or services in the last 3 years' element is not included as an indicator of innovation for firms that were established within the last 2 years (on the basis that all products/services sold by newly established firms could be classed as being 'new'). However, it should be noted that the omission of this element for new firms seems to be pulling down the innovation results. As detailed below, if firms established in the last 2 years are completely excluded from the analysis, then the proportion of firms defined as 'innovative' increases from 85% to 89%.

Figure 6.9.1.2 Innovative Firms

	Total
<i>Base: All exc. webinars</i>	4168
Innovative firms	85%
<i>Base: Established &gt; 2 years only</i>	3781
Innovative firms (Over 2 yrs old)	89%

While the impact on the overall innovation figure is relatively modest, the effect is more pronounced for any sub-analysis groups that contain a large proportion of recently established firms (e.g. firms with 0-9 employees, firms with less than 2 years export experience, etc). For this reason, in all the sub-analysis in this section, alternative figures have also been shown that exclude firms established in the last 2 years.

The analysis below suggests that innovation levels are highest amongst firms accessing DSO support and attending tradeshows and missions.

Figure 6.9.1.3 Innovative Firms – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Innovative firms	86%	85%	83%	92%	83%	93%
<i>Base: Est. &gt;2 years</i>	1063	996	973	385	252	112
Innovative firms (Over 2 yrs old)	92%	88%	87%	94%	89%	95%

Firms that have been selling overseas for over 2 years are significantly more likely to be classed as innovative than more recent exporters (or those not yet exporting), suggesting that doing business overseas can lead to increased innovation levels. However, once very young firms who were not asked about any new products/services introduced in the last 3 years (and hence having less opportunity to be classified as innovative) are excluded, there is no difference when comparing results by export experience.

Figure 6.9.1.4 Innovative Firms – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Innovative firms	74%	90%	89%
<i>Base: Est. &gt;2 years</i>	670	1485	1598
Innovative firms (Over 2 yrs old)	89%	90%	89%

As seen below, those firms with aspirations to grow over the next 5 years display considerably higher innovation levels.

Figure 6.9.1.5 Innovative Firms – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All exc. webinars</i>	198	1887	1878
Innovative firms	77%	88%	91%
<i>Base: Est. &gt;2 years</i>	190	1785	1671
Innovative firms (Over 2 yrs old)	79%	90%	94%

Overall, there is no statistically significant difference in innovation levels between firms that were born global and those that started exporting at a later date. While older firms are more likely to be innovative than those established in the last 5 years, once very recently established firms are excluded this difference disappears.

Figure 6.9.1.6 Innovative Firms – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Innovative firms	82%	78%	82%	80%	89%
<i>Base: Est. &gt;2 years</i>	207	294	421	717	3060
Innovative firms (Over 2 yrs old)	91%	88%	90%	89%	89%

Firms with 10 or more employees are significantly more likely to be innovative than micro SMEs (i.e. 0-9 employees), and this is still the case when firms established in the last 2 years are excluded from the analysis.

Figure 6.9.1.7 Innovative Firms – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Innovative firms	83%	93%	95%	94%
<i>Base: Est. &gt;2 years</i>	1531	1552	326	276
Innovative firms (Over 2 yrs old)	88%	93%	95%	94%

As seen above, small firms with fewer than 10 employees are less likely to be classified as innovative, and the same is true for firms with a turnover of less than £500,000. Although less pronounced, this difference is still apparent (and statistically significant) when firms established within the last 2 years are excluded from the analysis.

Figure 6.9.1.8 Innovative Firms – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All exc. webinars</i>	1345	829	1157	273	52
Innovative firms	82%	91%	95%	97%	94%
<i>Base: Est. &gt;2 years</i>	1106	783	1143	273	52
Innovative firms (Over 2 yrs old)	87%	92%	95%	97%	94%

There is no difference in the proportion of firms that are classified as ‘innovative’ when comparing those that accessed support about established markets and those assisted with high growth markets.

Figure 6.9.1.9 Innovative Firms – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All exc. webinars</i>	1759	1962
Innovative firms	86%	87%
<i>Base: Est. &gt;2 years</i>	1611	1760
Innovative firms (Over 2 yrs old)	89%	91%

Firms that have a business plan with overseas targets are more likely to be innovative.

Figure 6.9.1.10 Innovative Firms – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All exc. webinars</i>	2340	677	918	3084	583
Innovative firms	91%	82%	81%	89%	87%
<i>Base: Est. &gt;2 years</i>	2128	578	846	2813	539
Innovative firms (Over 2 yrs old)	95%	89%	85%	92%	89%

As seen below, firms operating in the production sector are significantly more likely to be classed as innovative than those in the service sector or other sectors.

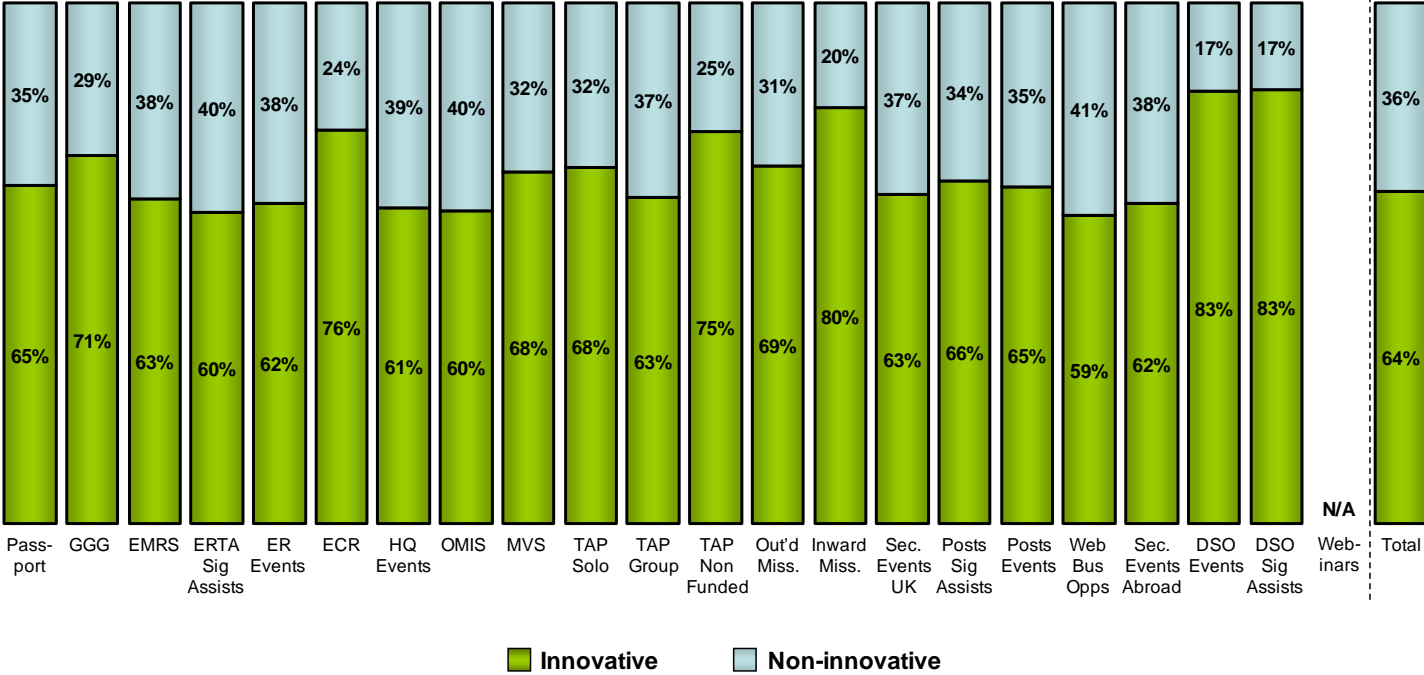
Figure 6.9.1.11 Innovative Firms – By Market Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1557	2532	78
Innovative firms	91%	82%	81%
<i>Base: Est. &gt;2 years</i>	1454	2256	70
Innovative firms (Over 2 yrs old)	94%	87%	83%

### 6.9.2 Innovative Firms (Tighter Definition)

A further, tighter definition of innovation has also been calculated, and the chart below shows the proportions of supported businesses that have been classified as being ‘innovative’ via this alternative definition.

Figure 6.9.2.1 Innovative Firms – Alternative (Tighter) Definition



Base: All except Webinar attendees (Base) - Passport (360), GGG (362), EMRS (40), ERTA (360), ER Events (305), ECR (41), HQ Events (71), OMIS (380), MVS (96), TAP Solo (38), TAP Group (150), TAP Non Funded (102), Outward Missions (32), Inward Missions (10), Sector Events UK (297), Posts Sig Assists (617), Posts Events (201), Website Bus Opps (289), Sector Events Abroad (104), DSO Events (59), DSO Sig Assists (60), Total (4168)

When this more restrictive definition is employed, the proportion of firms classed as being innovative falls to 64% (compared to 85% with the main definition).

The panel below provides details of how this alternative measure has been defined (the references in brackets refer to the question number, with the questionnaire appended to this report)

**Innovative firms – Alternative, Tighter Definition**

Firms categorised as ‘Innovative’ via this alternative definition are those that...

- Have more than one employee engaged in R&D activity or new product/service development (F3) and any employees are engaged in the ‘development of scientific or technical knowledge that is not commonly available’ (F3x)
- Or, have employed someone external to conduct R&D or new product/service development in the last year (F4)
- Or, introduced new products or services in the last 3 years (E1c) *except firms established in the last 2 years* and these products & services are either ‘new to the world’ or ‘new to the industry/sector’ (F5)



As with the main measure of innovation, firms established in the last 2 years cannot count against the alternative measure through the ‘introduced new products or services in the last 3 years’ element. As seen below, if these firms are completely excluded from the analysis, then the proportion of firms defined as ‘innovative’ via the tighter, alternative definition increases marginally to 66%.

Figure 6.9.2.2 Innovative Firms – Alternative (Tighter) Definition

	Total
<i>Base: All exc. webinars</i>	4168
Innovative Alternative	64%
<i>Base: Established &gt; 2 years only</i>	3781
Innovative Alternative (Over 2 yrs old)	66%

Firms supported by DSO are most likely to be classified as innovative via this tighter measure.

Figure 6.9.2.3 Innovative Firms – Alternative (Tighter) Definition – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Innovative Alternative	63%	65%	62%	68%	59%	80%
<i>Base: Est. &gt;2 years</i>	1063	996	973	385	252	112
Innovative Alternative (Over 2 yrs old)	67%	66%	65%	70%	65%	83%

When the alternative definition of innovation is used, it is still the case that inexperienced exporters are least likely to be classed as innovative. However, when very recently established firms are excluded from the analysis there is no difference by export experience.

Figure 6.9.2.4 Innovative Firms – Alternative (Tighter) Definition – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Innovative Alternative	55%	68%	66%
<i>Base: Est. &gt;2 years</i>	670	1485	1598
Innovative Alternative (Over 2 yrs old)	65%	68%	66%

Firms with aspirations to grow over the next 5 years display considerably higher innovation levels than those planning to remain the same size (or become smaller). This is particularly true of those companies that are planning to grow substantially.

Figure 6.9.2.5 Innovative Firms – Alternative (Tighter) Definition  
– By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All exc. webinars</i>	198	1887	1878
Innovative Alternative	52%	61%	74%
<i>Base: Est. &gt;2 years</i>	190	1785	1671
Innovative Alternative (Over 2 yrs old)	53%	62%	76%

There is no statistically significant difference in innovation levels between firms that were born global and those that started exporting at a later date, when applying the tighter definition of innovation.

Figure 6.9.2.6 Innovative Firms – Alternative (Tighter) Definition  
– By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Innovative Alternative	65%	60%	64%	62%	66%
<i>Base: Est. &gt;2 years</i>	207	294	421	717	3060
Innovative Alternative (Over 2 yrs old)	72%	68%	70%	69%	66%

There is a clear link between innovation and business size when the tighter definition of innovation is used, with micro SMEs least likely to be classified as innovative. This difference is still apparent even when firms established in the last 2 years are excluded.

Figure 6.9.2.7 Innovative Firms – Alternative (Tighter) Definition  
– By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Innovative Alternative	62%	70%	68%	73%
<i>Base: Est. &gt;2 years</i>	1531	1552	326	276
Innovative Alternative (Over 2 yrs old)	64%	70%	68%	73%

Firms with a higher turnover are also more likely to be classified as innovative when applying the alternative tighter definition, with a particularly notable increase seen when firms' turnover exceeds £500million.

Figure 6.9.2.8 Innovative Firms – Alternative (Tighter) Definition – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All exc. webinars</i>	1345	829	1157	273	52
Innovative Alternative	62%	69%	71%	72%	85%
<i>Base: Est. &gt;2 years</i>	1106	783	1143	273	52
Innovative Alternative (Over 2 yrs old)	66%	70%	71%	72%	85%

There are no significant differences in this respect when looking at the type of market firms accessed support about.

Figure 6.9.2.9 Innovative Firms – Alternative (Tighter) Definition – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All exc. webinars</i>	1759	1962
Innovative Alternative	64%	65%
<i>Base: Est. &gt;2 years</i>	1611	1760
Innovative Alternative (Over 2 yrs old)	66%	68%

Firms with a current business plan (and particularly one that includes overseas targets) and those with degree-educated members of the senior management team are considerably more likely to be defined as innovative under the tighter definition.

Figure 6.9.2.10 Innovative Firms – Alternative (Tighter) Definition – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All exc. webinars</i>	2340	677	918	3084	583
Innovative Alternative	73%	57%	53%	67%	62%
<i>Base: Est. &gt;2 years</i>	2128	578	846	2813	539
Innovative Alternative (Over 2 yrs old)	76%	62%	55%	69%	64%

It is also the case that production sector firms display higher levels of innovation than those in the service sector or other sectors (i.e. primary or construction).

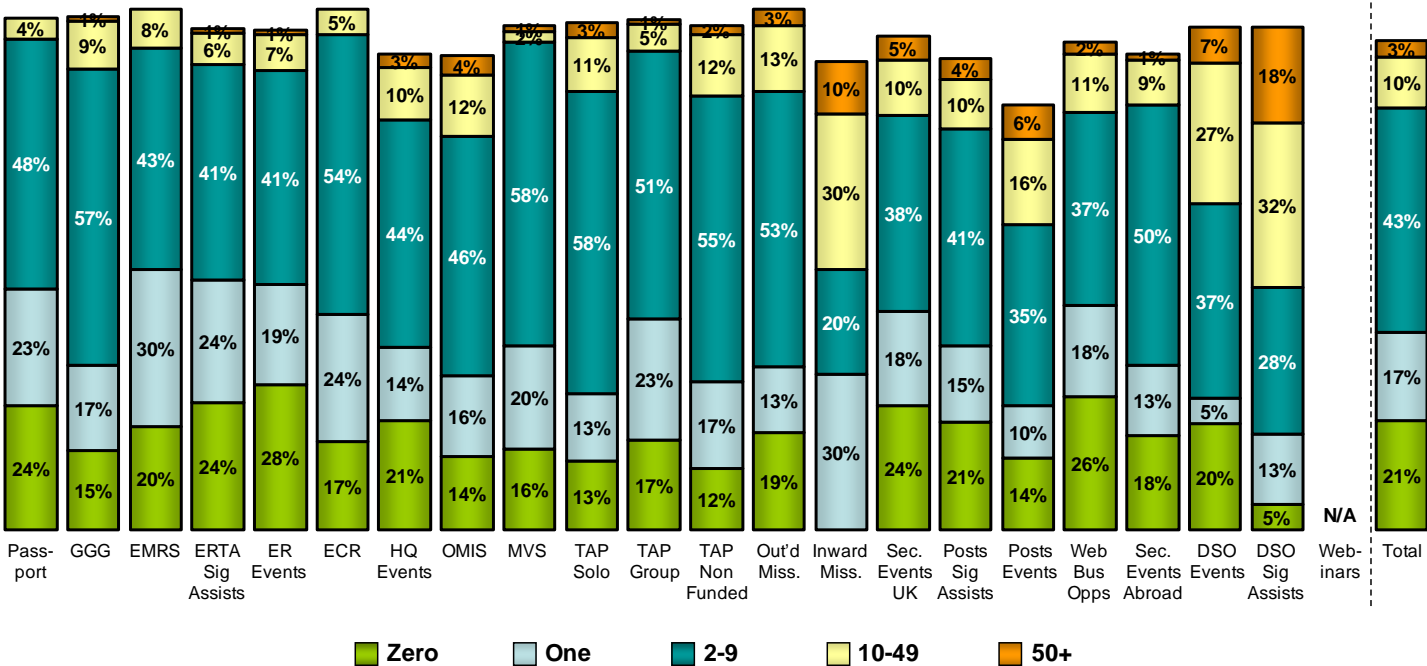
Figure 6.9.2.11 Innovative Firms – Alternative (Tighter) Definition – By Market Sector

	Market Sector		
	Production	Services	Other
Base: All exc. webinars	1557	2532	78
Innovative Alternative	72%	59%	58%
Base: Est. >2 years	1454	2256	70
Innovative Alternative (Over 2 yrs old)	75%	62%	59%

6.9.3 Employees Engaged in R&D or NPD Activity

The chart below shows the number of employees involved either wholly or partially in R&D and/or new product and service development activity.

Figure 6.9.3.1 Number of Employees Engaged in R&D/NPD Activity



Base: All except Webinar attendees (Base, Don't know/Refused, Not yet trading) - Passport (360, 0%, 2%), GGG (362, 1%, 1%), EMRS (40, 0%, 0%), ERTA (360, 2%, 2%), ER Events (305, 2%, 2%), ECR (41, 0%, 0%), HQ Events (71, 6%, 3%), OMIS (380, 8%, 1%), MVS (96, 3%, 0%), TAP Solo (38, 3%, 0%), TAP Group (150, 2%, 0%), TAP Non-Funded (102, 3%, 0%), Outward Missions (32, 0%, 0%), Inward Missions (10, 10%, 0%), Sector Events UK (297, 4%, 1%), Posts Significant Assists (617, 8%, 2%), Posts Events (201, 17%, 1%), Website Bus Opps (289, 2%, 4%), Sector Events Abroad (104, 4%, 5%), DSO Events (59, 3%, 0%), DSO Significant Assists (60, 3%, 0%), Total (4168, 5%, 2%)

Almost three-quarters of firms (72%) have at least one employee involved in research and development or new product or service development, with half (55%) having more than one employee engaged in these activities.

As seen below, firms accessing DSO support tend to employ the greatest number of staff in these roles, with 70% having 2 or more employees engaged in R&D or new product/service development roles.

Figure 6.9.3.2 Number of Employees Engaged in R&D/NPD Activity  
– By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Zero	22%	20%	23%	15%	26%	18%
1	23%	15%	16%	19%	18%	8%
2-9	45%	42%	40%	55%	37%	33%
10-49	7%	10%	10%	7%	11%	26%
50+	1%	4%	3%	1%	2%	11%
Don't know/refused	1%	8%	6%	3%	2%	4%
Not yet trading	2%	1%	2%	0%	4%	0%

Firms that have been doing business overseas for more than 10 years tend to have a greater number of staff engaged in R&D or NPD, although this is at least partly down to the fact that they tend to be larger businesses.

Figure 6.9.3.3 Number of Employees Engaged in R&D/NPD Activity  
– By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Zero	25%	22%	18%
1	23%	21%	10%
2-9	39%	45%	43%
10-49	4%	8%	15%
50+	0%	1%	6%
Don't know/refused	1%	3%	8%
Not yet trading	7%	0%	0%

There is relatively little difference between young firms that were ‘born global’ and those that started exporting at a later date. However, younger firms as a whole tend to have less R&D or NPD employees than those established for more than 5 years (which is again a reflection of their typically smaller size).

Figure 6.9.3.4 Number of Employees Engaged in R&D/NPD Activity – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Zero	26%	29%	27%	28%	19%
1	31%	29%	23%	26%	15%
2-9	36%	36%	45%	41%	44%
10-49	5%	3%	3%	3%	12%
50+	0%	0%	0%	0%	4%
Don't know/refused	2%	2%	1%	1%	6%
Not yet trading	0%	0%	0%	0%	0%

Unsurprisingly, the larger a firm is the more employees they have engaged in R&D or NPD activity. A third (33%) of micro SMEs indicate that no one in the organisation is involved in these activities, compared to just 7% of firms with 250 or more employees.

Figure 6.9.3.5 Number of Employees Engaged in R&D/NPD Activity – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Zero	33%	14%	11%	7%
1	29%	10%	5%	0%
2-9	37%	59%	44%	20%
10-49	0%	14%	29%	26%
50+	0%	1%	6%	31%
Don't know/refused	1%	2%	4%	15%
Not yet trading	0%	0%	0%	0%

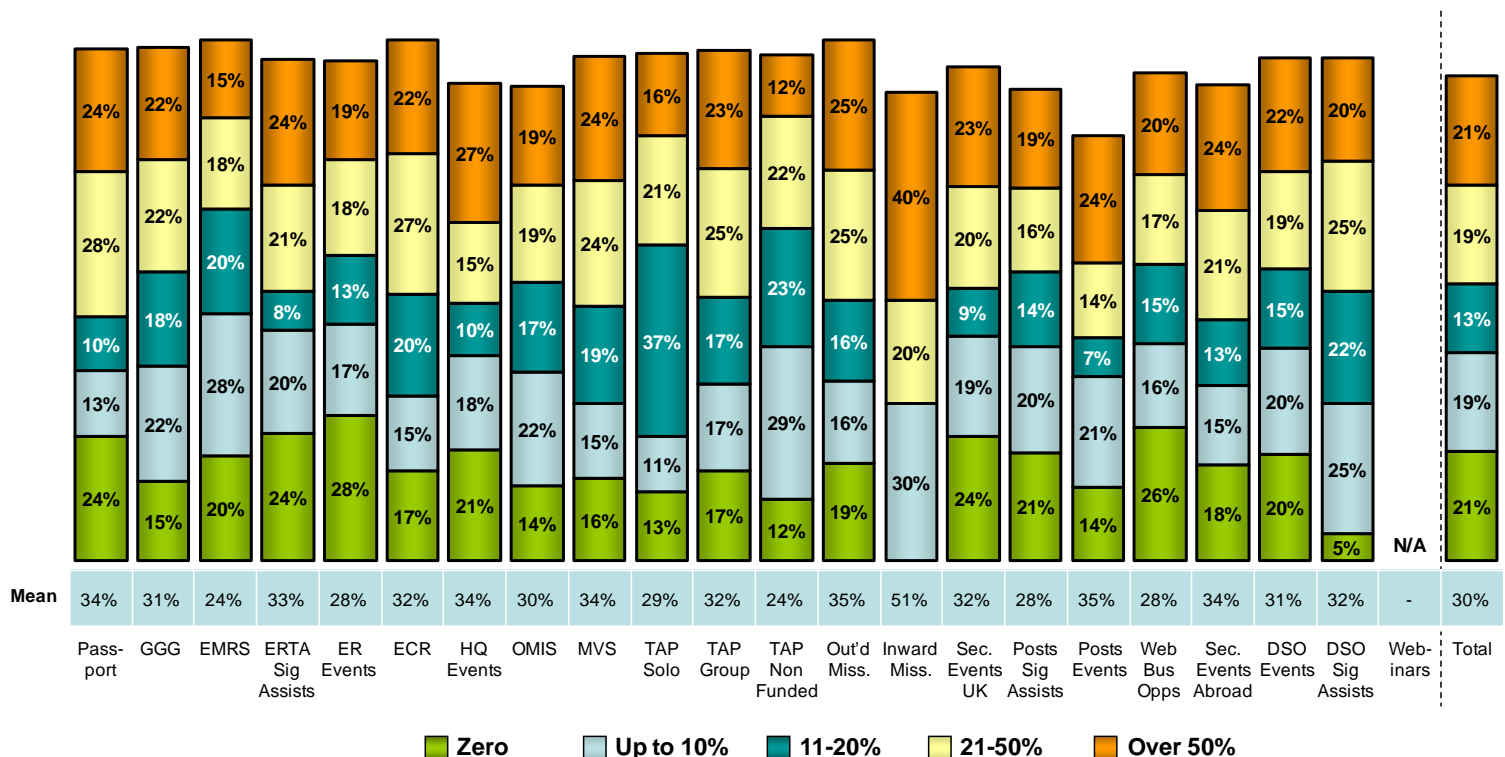
Firms in the production sector are significantly more likely than those in the service sector to have at least some employees engaged in R&D or NPD.

Figure 6.9.3.6 Number of Employees Engaged in R&D/NPD Activity – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1557	2532	78
Zero	13%	25%	24%
1	16%	17%	22%
2-9	51%	38%	38%
10-49	12%	8%	9%
50+	2%	3%	2%
Don't know/refused	4%	5%	3%
Not yet trading	1%	2%	2%

The chart below gives the same results, but this time displaying the R&D/NPD employees as a proportion of all staff at the firm.

Figure 6.9.3.7 Proportion of Employees Engaged in R&D/NPD Activity



Base: All except Webinar attendees (Base, Don't know/Refused, Not yet trading) - Passport (360, 0%, 2%), GGG (362, 1%, 1%), EMRS (40, 0%, 0%), ERTA (360, 2%, 2%), ER Events (305, 2%, 2%), ECR (41, 0%, 0%), HQ Events (71, 6%, 3%), OMIS (380, 8%, 1%), MVS (96, 3%, 0%), TAP Solo (38, 3%, 0%), TAP Group (150, 2%, 0%), TAP Non-Funded (102, 3%, 0%), Outward Missions (32, 0%, 0%), Inward Missions (10, 10%, 0%), Sector Events UK (297, 4%, 1%), Posts Significant Assists (617, 8%, 2%), Posts Events (201, 17%, 1%), Website Bus Opps (289, 2%, 4%), Sector Events Abroad (104, 4%, 5%), DSO Events (59, 3%, 0%), DSO Significant Assists (60, 3%, 0%), Total (4168, 5%, 2%)

As seen in the above chart, a fifth (21%) of UKTI clients do not have any staff engaged in R&D or product/service development. However, a similar proportion indicate that more than half of their staff are involved in these activities. On average, UKTI clients have 30% of their employees engaged wholly or partly in R&D or new product or service development.

As seen below, there are no consistent differences in this respect between users of the different types of UKTI support.

Figure 6.9.3.8 Proportion of Employees Engaged in R&D/NPD Activity – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Zero	22%	20%	23%	15%	26%	18%
Up to 10%	19%	21%	19%	20%	16%	21%
11%-20%	10%	14%	10%	20%	15%	17%
21%-50%	22%	17%	18%	23%	17%	21%
More than 50%	23%	19%	22%	20%	20%	20%
Don't know/refused	1%	8%	6%	2%	2%	4%
Not yet trading	2%	1%	2%	0%	4%	0%
<i>Mean</i>	33%	29%	31%	30%	28%	30%

While firms with more than 10 years overseas experience have a greater *number* of staff engaged in R&D or product/service development, when analysed as a proportion of all employees it becomes clear that less experienced exporters have a significantly higher *percentage* of their workforce engaged in these activities.

Figure 6.9.3.9 Proportion of Employees Engaged in R&D/NPD Activity – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Zero	25%	22%	18%
Up to 10%	7%	14%	32%
11%-20%	8%	14%	16%
21%-50%	19%	23%	15%
More than 50%	32%	24%	11%
Don't know/refused	1%	3%	8%
Not yet trading	7%	0%	0%
<i>Mean</i>	41%	33%	21%



As a whole, younger firms tend to have a greater proportion of their employees involved in innovation activities than older firms. Among firms established in the last 5 years, there are no major or consistent differences between firms that were born global and those that started exporting at a later date.

Figure 6.9.3.10 Proportion of Employees Engaged in R&D/NPD Activity – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Zero	26%	29%	27%	28%	19%
Up to 10%	4%	5%	3%	4%	25%
11%-20%	8%	8%	8%	8%	16%
21%-50%	26%	24%	18%	20%	18%
More than 50%	34%	32%	43%	38%	16%
Don't know/refused	2%	2%	1%	1%	6%
Not yet trading	0%	0%	0%	0%	0%
<i>Mean</i>	43%	41%	47%	44%	25%

Generally speaking, the smaller the firm the greater the proportion of their employees engaged in R&D/NPD (although they are also more likely to have no employees engaged in these activities).

Figure 6.9.3.11 Proportion of Employees Engaged in R&D/NPD Activity – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Zero	33%	14%	11%	7%
Up to 10%	0%	29%	49%	65%
11%-20%	9%	21%	16%	10%
21%-50%	22%	20%	16%	3%
More than 50%	36%	14%	2%	0%
Don't know/refused	1%	2%	4%	15%
Not yet trading	0%	0%	0%	0%
<i>Mean</i>	43%	23%	11%	5%

Although firms operating in the production sector are more likely to have at least some of their employees engaged in R&D/NPD, in many cases (28%) this involves less than 10% of their workforce. There is some evidence that, when they are engaged in R&D or NPD, service sector firms tend to involve a greater proportion of their staff in these activities.

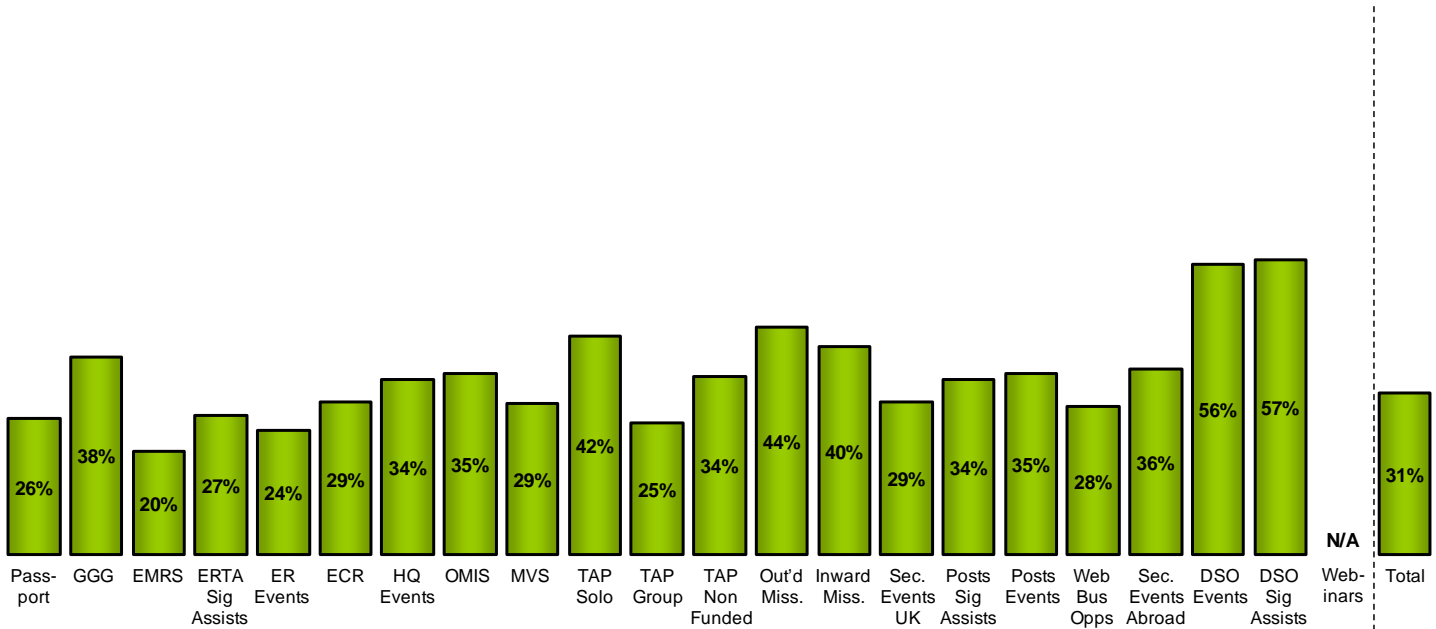
Figure 6.9.3.12 Proportion of Employees Engaged in R&D/NPD Activity – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1556	2532	78
Zero	13%	25%	24%
Up to 10%	28%	14%	37%
11%-20%	18%	10%	16%
21%-50%	20%	18%	9%
More than 50%	16%	25%	9%
Don't know/refused	4%	5%	3%
Not yet trading	1%	2%	2%
<i>Mean</i>	26%	33%	18%

### 6.9.4 Development of Scientific or Technical Knowledge

The chart below shows the proportion of firms that have any employees engaged in the 'development of scientific or technical knowledge not commonly available'.

Figure 6.9.4.1 Any Employees Engaged in the Development of Scientific or Technical Knowledge Not Commonly Available



Base: All except Webinar attendees (Base) - Passport (360), GGG (362), EMRS (40), ERTA (360), ER Events (305), ECR (41), HQ Events (71), OMIS (380), MVS (96), TAP Solo (38), TAP Group (150), TAP Non-Funded (102), Outward Missions (32), Inward Missions (10), Sector Events UK (297), Posts Significant Assists (617), Posts Events (201), Website Bus Opps (289), Sector Events Abroad (104), DSO Events (59), DSO Significant Assists (60), Total (4168)

Nearly a third of all supported firms (31%) have at least some employees engaged in the development of scientific or technical knowledge not commonly available.

As seen below, firms supported by DSO are significantly more likely to indicate that this is the case.

Figure 6.9.4.2 Any Employees Engaged in the Development of Scientific or Technical Knowledge Not Commonly Available – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Any employees engaged in the development of scientific or technical knowledge	29%	33%	29%	31%	28%	54%

Experienced exporters are more likely to be engaged in the development of scientific or technical knowledge not commonly available, which again points to a link between overseas activity and increased innovation levels.

Figure 6.9.4.3 Any Employees Engaged in the Development of Scientific or Technical Knowledge Not Commonly Available – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Any employees engaged in the development of scientific or technical knowledge	23%	31%	36%

Older firms are more likely than those established in the last 5 years to have staff engaged in this type of R&D. Interestingly, firms that were born global are less likely to have employees engaged in these activities than those that started exporting at a later date.

Figure 6.9.4.4 Any Employees Engaged in the Development of Scientific or Technical Knowledge Not Commonly Available – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Any employees engaged in the development of scientific or technical knowledge	24%	22%	29%	26%	33%

As seen below, smaller firms with less than 10 staff are least likely to have employees engaged in the development of scientific or technical knowledge not commonly available.

Figure 6.9.4.5 Any Employees Engaged in the Development of Scientific or Technical Knowledge Not Commonly Available – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Any employees engaged in the development of scientific or technical knowledge	20%	42%	40%	49%

Firms operating in the production sector are significantly more likely to have firms engaged in this type of activity than those in the services sector or 'other' sectors.

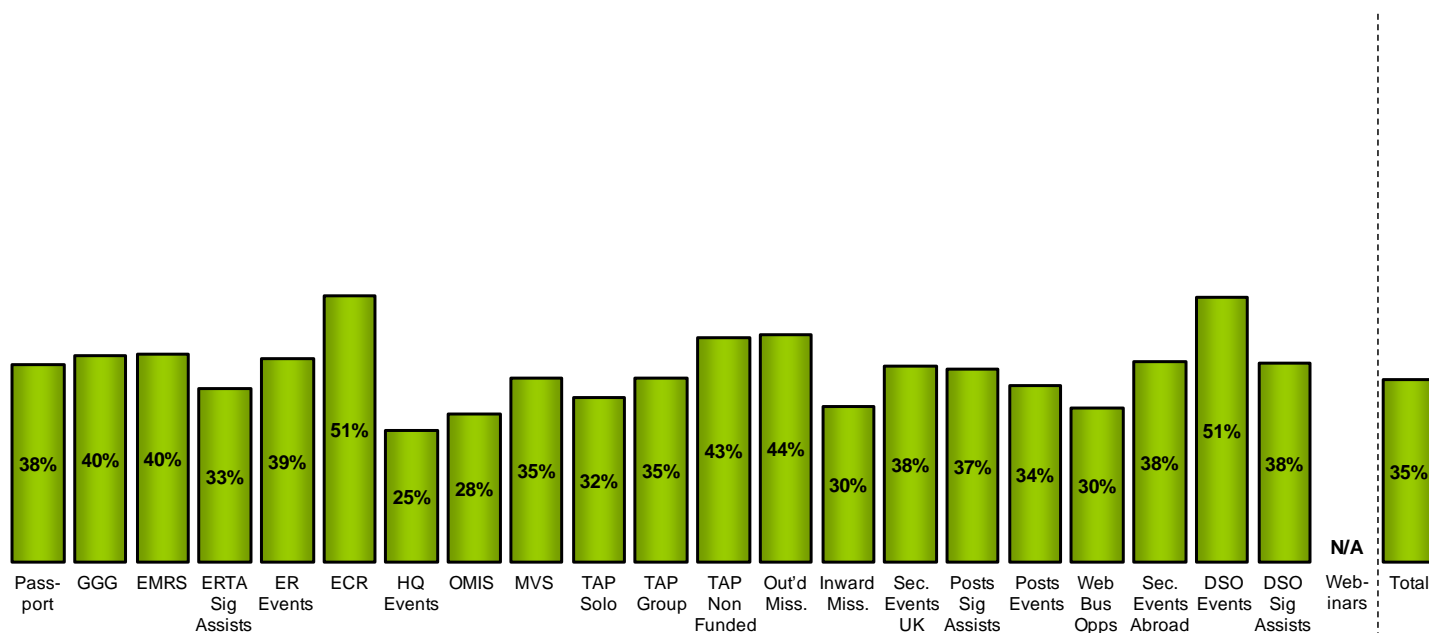
Figure 6.9.4.6 Any Employees Engaged in the Development of Scientific or Technical Knowledge Not Commonly Available – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1557	2532	78
Any employees engaged in the development of scientific or technical knowledge	42%	25%	24%

### 6.9.5 External R&D or NPД

As a further aspect of classifying businesses as innovative, supported firms were also asked whether they had commissioned anyone external to their business to conduct any R&D or new product /service development activity in the last year.

Figure 6.9.5.1 Commissioned Any External R&D or NPД



Base: All except Webinar attendees (Base, Don't know/Refused, Not yet trading) - Passport (360, 1%, 2%), GGG (362, 0%, 1%), EMRS (40, 5%, 0%), ERTA (360, 1%, 2%), ER Events (305, 3%, 2%), ECR (41, 0%, 0%), HQ Events (71, 7%, 3%), OMIS (380, 10%, 1%), MVS (96, 1%, 0%), TAP Solo (38, 0%, 0%), TAP Group (150, 1%, 0%), TAP Non-Funded (102, 3%, 0%), Outward Missions (32, 0%, 0%), Inward Missions (10, 20%, 0%), Sector Events UK (297, 3%, 1%), Posts Significant Assists (617, 6%, 2%), Posts Events (201, 15%, 1%), Website Bus Opps (289, 1%, 4%), Sector Events Abroad (104, 2%, 5%), DSO Events (59, 0%, 0%), DSO Significant Assists (60, 10%, 0%), Total (4168, 4%, 2%)

Just over a third (35%) of all supported firms have bought in external new product or service development services in the last year.

As with in-house R&D/NPD, firms supported by DSO are significantly more likely to have bought in external services of this nature.

Figure 6.9.5.2 Commissioned Any External R&D or NPD  
– By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Yes	36%	35%	35%	38%	30%	48%
No	62%	57%	57%	60%	65%	49%
Don't know/refused	1%	7%	5%	2%	1%	3%
Not yet trading	2%	1%	2%	0%	4%	0%

There does not appear to be any relationship between the length of time exporting and the likelihood of firms commissioning external R&D or NPD.

Figure 6.9.5.3 Commissioned Any External R&D or NPD  
– By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Yes	33%	38%	34%
No	59%	59%	59%
Don't know/refused	1%	3%	7%
Not yet trading	7%	0%	0%

There is no notable difference in this respect between young firms that were 'born global' and those that started exporting at a later date, nor by age of firm.

Figure 6.9.5.4 Commissioned Any External R&D or NPD  
– By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Yes	42%	36%	38%	37%	36%
No	57%	62%	62%	62%	59%
Don't know/refused	2%	2%	0%	1%	5%
Not yet trading	0%	0%	0%	0%	0%

The likelihood of commissioning external R&D or product/service development appears to increase among larger firms of 250+ employees.

Figure 6.9.5.5 Commissioned Any External R&D or NPD – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Yes	37%	36%	34%	44%
No	63%	63%	61%	41%
Don't know/refused	1%	1%	5%	15%
Not yet trading	0%	0%	0%	0%

Firms in the production sector and in 'other' sectors are also more likely to commission external R&D or NPD than those operating in the service sector.

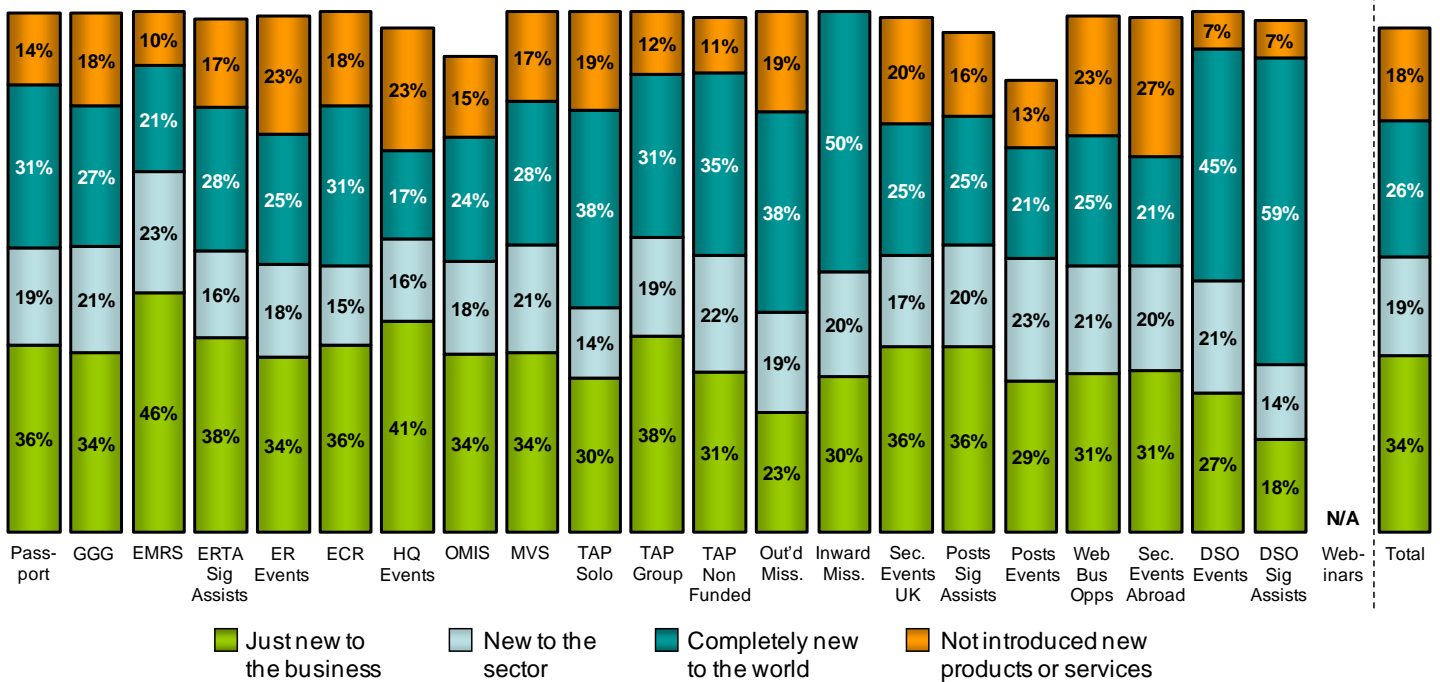
Figure 6.9.5.6 Commissioned Any External R&D or NPD – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1557	2532	78
Yes	39%	33%	41%
No	56%	61%	56%
Don't know/refused	4%	4%	1%
Not yet trading	1%	2%	2%

### 6.9.6 New Products & Services

Supported firms were asked whether they had introduced any new products or services in the last 3 years and, if so, whether these were new to the world, new to the industry/sector or just new to their business. Please note that firms established in the previous 2 years (or not yet trading) were not asked these questions and have been excluded from the analysis.

Figure 6.9.6.1 Products or Services Introduced in Last 3 Years



Base: All established 2 years or more except Webinar attendees (Base, Don't know/Refused) - Passport (305, 0%), GGG (354, 0%), EMRS (39, 0%), ERTA (304, 1%), ER Events (268, 1%), ECR (39, 0%), HQ Events (64, 3%), OMIS (357, 9%), MVS (87, 0%), TAP Solo (37, 0%), TAP Group (141, 0%), TAP Non-Funded (94, 1%), Outward Missions (26, 0%), Inward Missions (10, 0%), Sector Events UK (269, 1%), Posts Significant Assists (567, 4%), Posts Events (192, 13%), Website Bus Opps (252, 1%), Sector Events Abroad (90, 1%), DSO Events (56, 0%), DSO Significant Assists (56, 2%), Total (3781, 3%)

Over three-quarters of firms (80%) have introduced new products or services in the last 3 years. In 26% of cases at least some of these products or services were seen as being new to the world (i.e. no one else is providing them), with a further 19% introducing products or services that they believed were new to their sector or industry.



DSO clients are most likely to have introduced new products/services, and are also most likely to indicate that at least some of these are completely new to the world.

Figure 6.9.6.2 Products or Services Introduced in Last 3 Years – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	1063	996	973	385	252	112
Just new to the business	36%	35%	34%	34%	31%	23%
New to the sector	17%	19%	19%	20%	21%	20%
New to the world	28%	24%	23%	32%	25%	49%
Not introduced new products or services	17%	16%	21%	14%	23%	8%
Don't know/refused	1%	5%	4%	0%	1%	1%

As seen below, the majority of firms have introduced new products or services within the last three years regardless of export experience.

Figure 6.9.6.3 Products or Services Introduced in Last 3 Years – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	670	1485	1598
Just new to the business	33%	34%	35%
New to the sector	17%	18%	21%
New to the world	29%	27%	24%
Not introduced new products or services	20%	19%	17%
Don't know/refused	0%	2%	4%

Firms with substantial growth aspirations are most likely to have introduced new products/services, and to indicate that these are completely new to the world. This suggests that these firms are innovating to help achieve their growth objectives, or that the success of their innovation activity has led them to be more ambitious.

Figure 6.9.6.4 Products or Services Introduced in Last 3 Years – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	190	1785	1671
Just new to the business	35%	38%	31%
New to the sector	12%	19%	22%
New to the world	15%	23%	32%
Not introduced new products or services	37%	21%	13%
Don't know/refused	1%	1%	1%

There is little difference in this respect between ‘born global’ firms and other young firms that started exporting at some point after they were established. However, young firms as a whole are more likely to have introduced new to the world products or services than companies have been established more than 5 years.

Figure 6.9.6.5 Products or Services Introduced in Last 3 Years – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	207	294	421	717	3060
Just new to the business	32%	32%	27%	29%	35%
New to the sector	18%	18%	18%	18%	20%
New to the world	29%	28%	33%	31%	25%
Not introduced new products or services	20%	22%	21%	21%	17%
Don't know/refused	1%	1%	0%	0%	3%

Firms with more than 10 employees are slightly more likely to have introduced new products or services in the last 3 years.

Figure 6.9.6.6 Products or Services Introduced in Last 3 Years – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	1531	1552	326	276
Just new to the business	34%	35%	40%	33%
New to the sector	16%	22%	24%	23%
New to the world	27%	27%	22%	25%
Not introduced new products or services	22%	16%	13%	17%
Don't know/refused	1%	1%	1%	3%

Firms with an annual turnover of over £2million are also more likely to have introduced new products or services in the last three years.

Figure 6.9.6.7 Products or Services Introduced in Last 3 Years  
– By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	1106	783	1143	273	52
Just new to the business	32%	34%	38%	38%	12%
New to the sector	16%	19%	23%	23%	43%
New to the world	29%	28%	24%	25%	32%
Not introduced new products or services	23%	19%	14%	12%	13%
Don't know/refused	0%	0%	0%	2%	0%

There is no different in this respect by the broad type of market that firms obtained UKTI assistance about.

Figure 6.9.6.8 Products or Services Introduced in Last 3 Years  
– By Markets to Which Support Referred

	High Growth	Established
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	1611	1760
Just new to the business	34%	34%
New to the sector	21%	19%
New to the world	24%	29%
Not introduced new products or services	18%	17%
Don't know/refused	3%	2%

Firms with a business plan containing overseas targets are more likely to have introduced new products/services than other firms.

Figure 6.9.6.9 Products or Services Introduced in Last 3 Years  
– By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	2128	578	846	2813	539
Just new to the business	33%	35%	38%	35%	35%
New to the sector	23%	20%	14%	20%	18%
New to the world	30%	23%	21%	27%	26%
Not introduced new products or services	13%	22%	26%	18%	21%
Don't know/refused	1%	1%	0%	0%	0%

Firms in the production sector are most likely to have introduced new products or services and are also more likely to describe them as being new to the world.

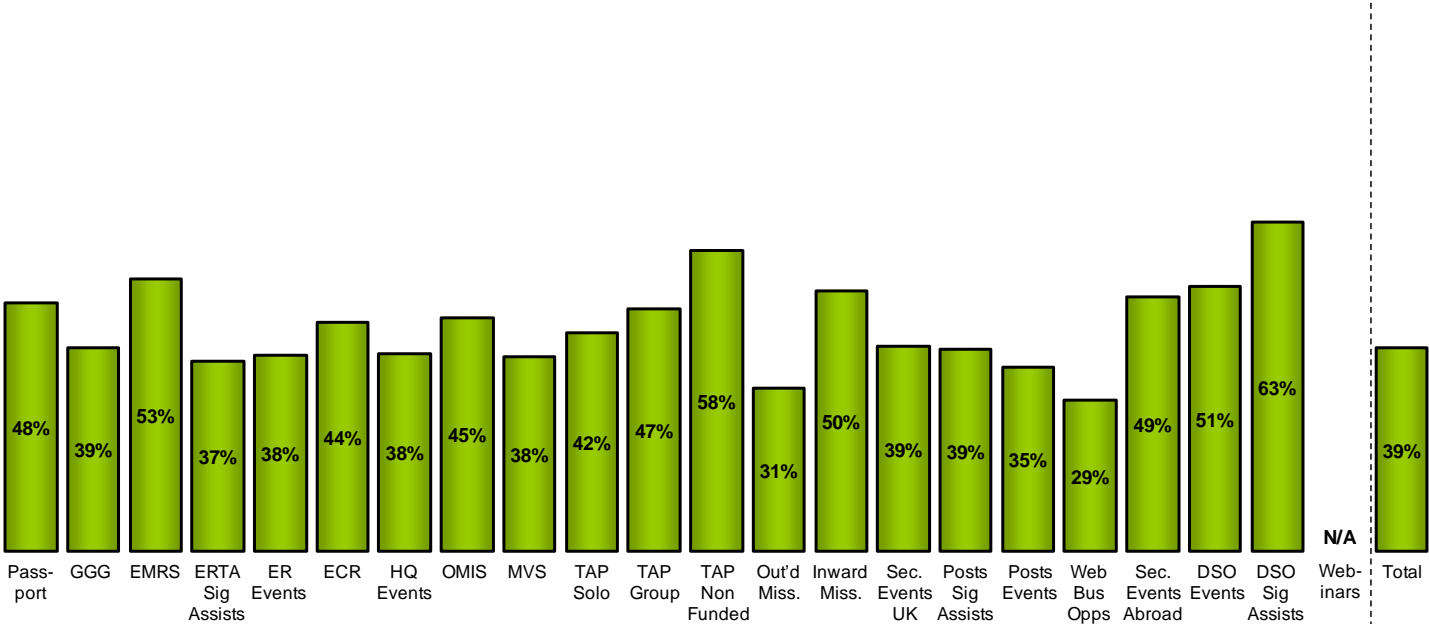
Figure 6.9.6.10 Products or Services Introduced in Last 3 Years – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All est. 2 yrs or more (exc. webinars)</i>	1454	2256	70
Just new to the business	33%	34%	37%
New to the sector	20%	19%	18%
New to the world	33%	22%	17%
Not introduced new products or services	12%	22%	26%
Don't know/refused	2%	3%	2%

6.9.7 Intellectual Property Protection

Supported firms were asked whether they had either applied for or obtained any patents, trademarks or other legal protection, either in the UK or overseas, for any of their products or services.

Figure 6.9.7.1 IP Active Firms (Applied For/Obtained Patents, Trademarks or Other Legal Protection for Products/Services)



Base: All except Webinar attendees (Base, Don't know/Refused) - Passport (360, 0%), GGG (362, 1%), EMRS (40, 3%), ERTA (360, 1%), ER Events (305, 5%), ECR (41, 0%), HQ Events (71, 3%), OMIS (380, 11%), MVS (96, 1%), TAP Solo (38, 0%), TAP Group (150, 2%), TAP Non-Funded (102, 7%), Outward Missions (32, 0%), Inward Missions (10, 10%), Sector Events UK (297, 6%), Posts Significant Assists (617, 8%), Posts Events (201, 16%), Website Bus Opps (289, 2%), Sector Events Abroad (104, 3%), DSO Events (59, 3%), DSO Significant Assists (60, 5%), Total (4168, 6%)

Over a third (39%) of supported firms have either applied for or obtained some form of legal protection for any of their products or services, and are therefore defined as being 'IP Active'.

As detailed below, firms supported by DSO and those attending tradeshows/missions are most likely to be IP Active, and those using the website business opportunities service are least likely to be so.

Figure 6.9.7.2 IP Active Firms – By Service Type

	UK-based advisory	Overseas network	Events	Tradeshows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Yes	39%	40%	38%	47%	29%	53%
No	60%	52%	55%	51%	69%	44%
Don't know	1%	8%	7%	3%	2%	3%

There does not appear to be any relationship between the length of time a firm has been exporting and the likelihood of them holding some form of intellectual property protection.

Figure 6.9.7.3 IP Active Firms – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Yes	37%	40%	40%
No	62%	56%	51%
Don't know	2%	4%	9%

Unsurprisingly, given that they are likely to be dealing with more technologically advanced products or services, innovative firms are much more likely than their non-innovative counterparts to be IP active.

Figure 6.9.7.4 IP Active Firms – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All exc. webinars</i>	3587	581	2687	1481
Yes	43%	16%	50%	20%
No	53%	69%	47%	71%
Don't know	4%	15%	4%	9%

It is also notable that firms with substantial growth aspirations are significantly more likely to have taken measures to protect their intellectual property.

Figure 6.9.7.5 IP Active Firms – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All exc. webinars</i>	198	1887	1878
Yes	28%	34%	48%
No	70%	63%	48%
Don't know	3%	3%	3%

There is no statistically significant difference in this respect between young firms that were 'born global' and those that started exporting at a later date, nor by age of firm.

Figure 6.9.7.6 IP Active Firms – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Yes	37%	36%	41%	39%	39%
No	61%	63%	58%	60%	53%
Don't know	1%	2%	1%	1%	7%

As seen below, small firms with less than 10 employees are least likely to have applied for or obtained any legal protection for their products or services.

Figure 6.9.7.7 IP Active Firms – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Yes	36%	42%	48%	47%
No	63%	54%	46%	37%
Don't know	1%	4%	6%	16%

There is also a similar relationship between firms' turnover and their engagement in IP activity.

Figure 6.9.7.8 IP Active Firms – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All exc. webinars</i>	1345	829	1157	273	52
Yes	36%	40%	44%	51%	63%
No	63%	59%	52%	39%	27%
Don't know	1%	1%	3%	10%	10%

It might be expected that firms targeting high growth markets would be more inclined to adopt some form of legal protection for their products or services due to the perceived risks in some of these countries. However, as seen below, firms seeking UKTI assistance about these markets are no more likely to have formal measures in place to protect their intellectual property than those investing in established markets.

Previous qualitative research undertaken for UKTI found that firms can often adopt a fairly informal approach to assessing the risk of IP theft and protecting their IP. Firms sometimes felt that there was not a great deal that they could (or should) do to overcome this risk beyond putting prominent terms and conditions in their contracts, and this was often the view in relation to high growth markets such as China<sup>31</sup>.

Figure 6.9.7.9 IP Active Firms – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All exc. webinars</i>	1759	1962
Yes	40%	42%
No	54%	54%
Don't know	6%	4%

Firms operating in the production sector are significantly more likely to hold legal protection for their products or services than those operating in the services sector or other sectors.

Figure 6.9.7.10 IP Active Firms – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1557	2532	78
Yes	54%	30%	31%
No	40%	64%	63%
Don't know	5%	6%	6%

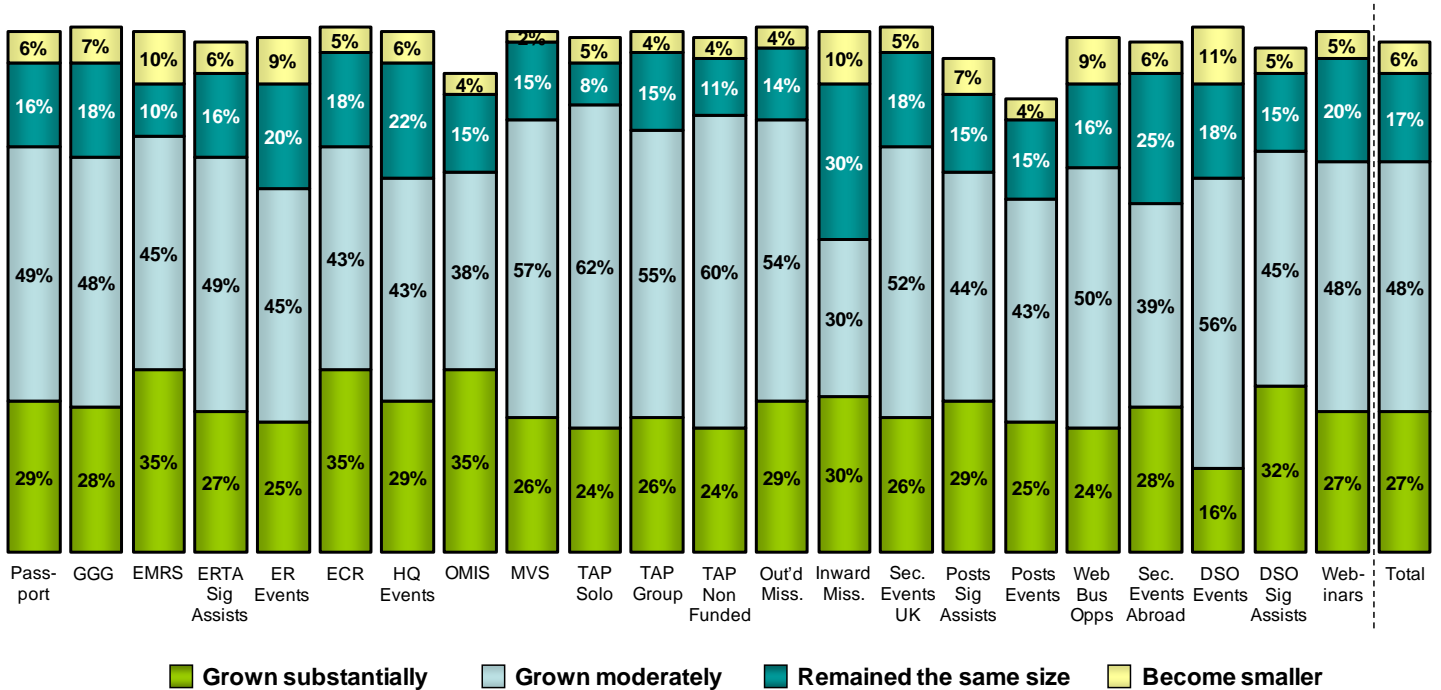
<sup>31</sup> The Risks Faced When Entering Overseas Markets And The Relationship Between Risks And Choice Of Mode (OMB Research, November 2011)

## 6.10 Growth

### 6.10.1 Recent Growth

Supported businesses were asked whether, over the last 5 years, their business had grown substantially, grown moderately, remained the same size or become smaller. Please note that firms established for 1 year or less were not asked this question and have been excluded from the analysis.

Figure 6.10.1.1 Growth Over Last 5 Years



Base: All respondents established more than 1 year (Base, Don't know/Refused) - Passport (350, 0%), GGG (359, 0%), EMRS (40, 0%), ERTA (332, 1%), ER Events (288, 0%), ECR (40, 0%), HQ Events (68, 0%), OMIS (371, 8%), MVS (92, 0%), TAP Solo (37, 0%), TAP Group (148, 0%), TAP Non-Funded (98, 0%), Outward Missions (28, 0%), Inward Missions (10, 0%), Sector Events UK (281, 0%), Posts Significant Assists (599, 4%), Posts Events (198, 12%), Website Bus Opps (270, 1%), Sector Events Abroad (95, 1%), DSO Events (57, 0%), DSO Significant Assists (60, 3%), Webinars (75, 0%), Total (4081, 2%)

Three-quarters of UKTI clients (75%) indicate that they have grown over the last 5 years, with 27% reporting substantial growth. As seen below, there is relatively little difference in this respect by the broad type of UKTI support received, although DSO clients are least likely to report substantial growth.

Figure 6.10.1.2 Growth Over Last 5 Years – By Service Type

	UK-based advisory	Overseas network	Events	Tradeshows & Missions	Web Bus Opps	DSO
<i>Base: Established &gt; 1 year</i>	1144	1046	1101	403	270	117
Grown substantially	29%	30%	26%	26%	24%	21%
Grown moderately	48%	43%	46%	57%	50%	53%
Remained same size	16%	15%	19%	13%	15%	16%
Become smaller	6%	7%	6%	4%	9%	9%
Don't know/refused	0%	5%	3%	0%	1%	1%



Firms that have been exporting for between 2-10 years are most likely to have grown over the last 5 years.

Figure 6.10.1.3 Growth Over Last 5 Years – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: Established &gt; 1 year</i>	908	1513	1631
Grown substantially	25%	30%	25%
Grown moderately	47%	48%	47%
Remained the same size	22%	15%	16%
Become smaller	5%	5%	8%
Don't know/refused	1%	1%	4%

It is clear from the analysis below that innovative firms are significantly more likely to have grown over the last 5 years than their non-innovative counterparts (and in particular are more likely to have seen 'substantial' growth').

Figure 6.10.1.4 Growth Over Last 5 Years – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: Established &gt; 1 year</i>	3537	469	2645	1361
Grown substantially	29%	13%	31%	19%
Grown moderately	49%	39%	48%	47%
Remained the same size	16%	24%	15%	19%
Become smaller	6%	8%	6%	8%
Don't know/refused	1%	16%	0%	6%

Young firms as a whole are more likely than older firms to have grown over the last 5 years. However, there are no significant differences between 'born global' firms and other young firms that started exporting at a later date.

Figure 6.10.1.5 Growth Over Last 5 Years – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: Established &gt; 1 year</i>	269	395	560	957	3119
Grown substantially	29%	27%	29%	28%	27%
Grown moderately	55%	52%	52%	52%	46%
Remained the same size	16%	18%	18%	18%	16%
Become smaller	0%	2%	1%	1%	8%
Don't know/refused	1%	0%	1%	1%	3%

Small firms with less than 10 staff are significantly less likely to report growth over the last 5 years, with a quarter indicating that they have remained the same size over this period and only 19% reporting substantial growth.

Figure 6.10.1.6 Growth Over Last 5 Years – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: Established &gt; 1 year</i>	1753	1617	332	282
Grown substantially	19%	33%	38%	36%
Grown moderately	50%	48%	44%	45%
Remained the same size	23%	13%	12%	11%
Become smaller	7%	6%	5%	8%
Don't know/refused	0%	0%	1%	1%

Connected to the above, firms with smaller turnovers are also less likely to have grown substantially over the last five years.

Figure 6.10.1.7 Growth Over Last 5 Years – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: Established &gt; 1 year</i>	1295	825	1178	278	53
Grown substantially	18%	29%	35%	39%	37%
Grown moderately	51%	51%	46%	44%	41%
Remained the same size	23%	14%	14%	10%	8%
Become smaller	7%	7%	6%	5%	13%
Don't know/refused	0%	0%	0%	1%	0%

There is no difference in the recent growth performance of firms accessing support about high growth markets and those targeting more established export markets.

Figure 6.10.1.8 Growth Over Last 5 Years – By Markets to Which Support Referred

	High Growth	Established
<i>Base: Established &gt; 1 year</i>	1716	1916
Grown substantially	27%	28%
Grown moderately	46%	49%
Remained the same size	17%	16%
Become smaller	7%	6%
Don't know/refused	3%	2%

Firms with a current business plan containing overseas targets are significantly more likely to report substantial growth over the past 5 years. However, there is no difference in this respect between firms that have degree-educated senior management and those that do not.

Figure 6.10.1.9 Growth Over Last 5 Years – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: Established &gt; 1 year</i>	2257	634	884	3005	567
Grown substantially	30%	26%	22%	27%	28%
Grown moderately	50%	46%	48%	49%	44%
Remained the same size	13%	21%	23%	17%	20%
Become smaller	6%	6%	8%	7%	8%
Don't know/refused	0%	1%	0%	0%	0%

Production sector firms are significantly more likely to have seen some degree of growth over the last 5 years than those in the service sector.

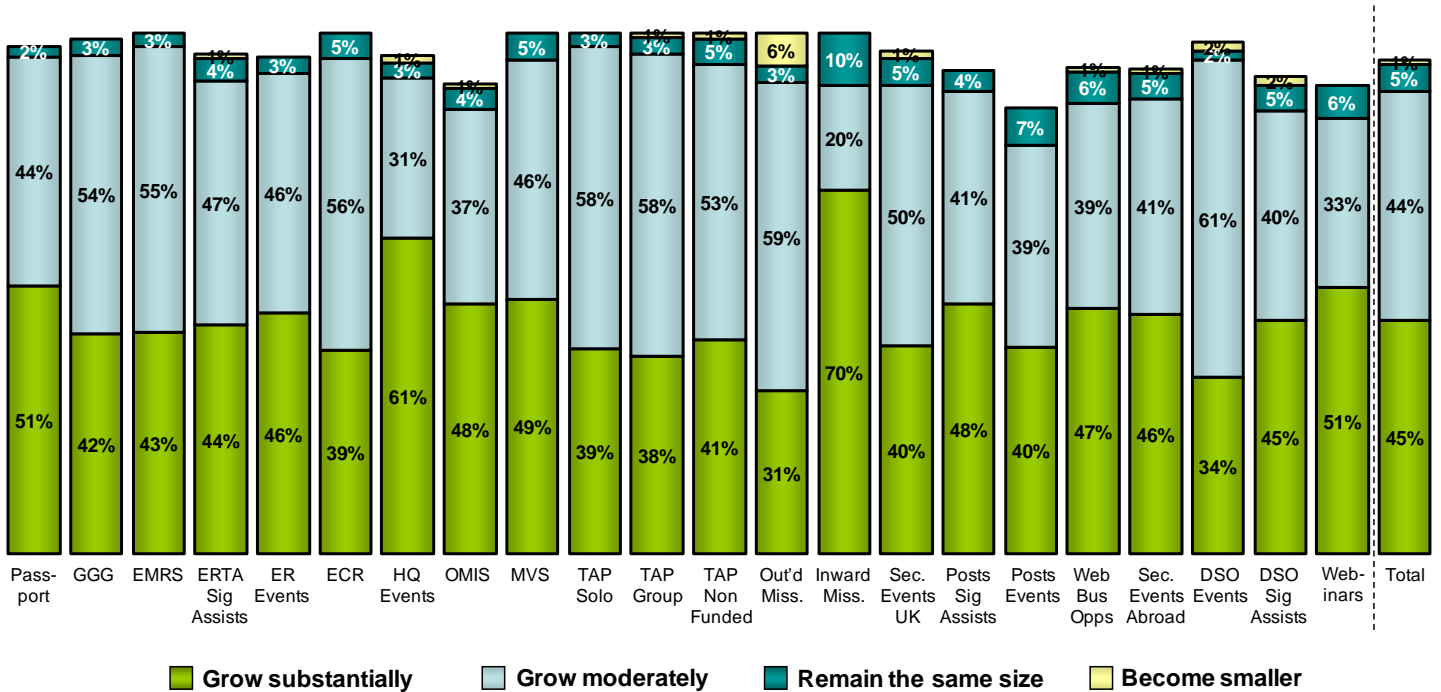
Figure 6.10.1.10 Growth Over Last 5 Years – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: Established &gt; 1 year</i>	1550	2455	75
Grown substantially	29%	25%	33%
Grown moderately	49%	47%	34%
Remained the same size	14%	18%	20%
Become smaller	5%	7%	10%
Don't know/refused	2%	3%	2%

## 6.10.2 Current Growth Objectives

Supported businesses were also asked what growth objectives they had for their business over the next 5 years.

Figure 6.10.2.1 Growth Objectives Over Next 5 Years



Base: All respondents (Base, Don't know/Refused, Not yet trading) - Passport (360, 1%, 2%), GGG (362, 1%, 1%), EMRS (40, 0%, 0%), ERTA (360, 2%, 2%), ER Events (305, 3%, 2%), ECR (41, 0%, 0%), HQ Events (71, 1%, 3%), OMIS (380, 9%, 1%), MVS (96, 0%, 0%), TAP Solo (38, 0%, 0%), TAP Group (150, 0%, 0%), TAP Non Funded (102, 0%, 0%), Outward Missions (32, 0%, 0%), Inward Missions (10, 0%, 0%), Sector Events UK (297, 2%, 1%), Posts Sig Assists (617, 5%, 2%), Posts Events (201, 13%, 1%), Website Bus Opps (289, 2%, 4%), Sector Events Abroad (104, 2%, 5%), DSO Events (59, 2%, 0%), DSO Sig Assists (60, 8%, 0%), Webinars (80, 4%, 6%), Total (4248, 4%, 2%)

The vast majority of UKTI clients (89%) expect to grow over the next 5 years, with 45% planning 'substantial' growth.

The overall proportion of firms anticipating some level of growth is similar across the various types of UKTI support.

Figure 6.10.2.2 Growth Objectives Over Next 5 Years – By Service Type

	UK-based advisory	Overseas network	Events	Tradeshows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
Grow substantially	44%	48%	44%	41%	47%	39%
Grow moderately	48%	41%	44%	54%	39%	53%
Remain the same size	4%	4%	5%	4%	6%	3%
Become smaller	1%	0%	1%	1%	1%	2%
Don't know/refused	1%	6%	4%	0%	2%	4%
Not yet trading	2%	1%	2%	0%	4%	0%

It is clear from the analysis below that established exporters who have been trading overseas for at least 10 years are least likely to be planning for 'substantial' growth over the next 5 years.

Figure 6.10.2.3 Growth Objectives Over Next 5 Years  
– By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
Grow substantially	52%	50%	36%
Grow moderately	35%	43%	52%
Remain the same size	4%	4%	6%
Become smaller	1%	0%	1%
Don't know/refused	1%	3%	5%
Not yet trading	7%	0%	0%

In addition to reporting more significant growth over the last 5 years, innovative firms also have considerably more ambitious growth aspirations for the future.

Figure 6.10.2.4 Growth Objectives Over Next 5 Years – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
Grow substantially	48%	28%	52%	32%
Grow moderately	46%	36%	43%	48%
Remain the same size	4%	7%	4%	6%
Become smaller	0%	2%	0%	1%
Don't know/refused	2%	15%	1%	8%
Not yet trading	0%	12%	0%	5%

Whilst there is no real difference in the growth objectives of 'born global' firms and other young firms, younger firms as a whole are more likely than older firms to be planning for 'substantial' growth.

Figure 6.10.2.5 Growth Objectives Over Next 5 Years  
– By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All respondents</i>	305	456	596	1054	3119
Grow substantially	62%	60%	64%	62%	40%
Grow moderately	35%	36%	33%	34%	49%
Remain the same size	2%	3%	2%	3%	5%
Become smaller	0%	1%	1%	1%	1%
Don't know/refused	1%	1%	1%	1%	5%
Not yet trading	0%	0%	0%	0%	0%

As seen below, there is little difference in overall growth aspirations by size of firm, although firms with less than 100 staff are more likely to be expecting 'substantial' growth.

Figure 6.10.2.6 Growth Objectives Over Next 5 Years – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
Grow substantially	49%	47%	41%	40%
Grow moderately	44%	47%	52%	49%
Remain the same size	5%	4%	4%	6%
Become smaller	1%	0%	0%	1%
Don't know/refused	1%	2%	3%	5%
Not yet trading	0%	0%	0%	0%

There are no consistent differences in growth aspirations by turnover.

Figure 6.10.2.7 Growth Objectives Over Next 5 Years – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
Grow substantially	50%	50%	45%	41%	54%
Grow moderately	43%	46%	50%	52%	38%
Remain the same size	5%	4%	4%	5%	3%
Become smaller	1%	0%	0%	1%	4%
Don't know/refused	1%	0%	1%	2%	1%
Not yet trading	0%	0%	0%	0%	0%

There is also little difference between firms accessing support about high growth markets and those targeting more established export markets.

Figure 6.10.2.8 Growth Objectives Over Next 5 Years – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All respondents</i>	1782	2000
Grow substantially	45%	46%
Grow moderately	44%	44%
Remain the same size	5%	5%
Become smaller	1%	1%
Don't know/refused	4%	3%
Not yet trading	2%	2%

Firms with a current business plan, and particularly those where the plan contains overseas targets, are significantly more likely to predict substantial growth. Firms that have degree-educated senior management are also more likely to be anticipating substantial growth.

Figure 6.10.2.9 Growth Objectives Over Next 5 Years – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All respondents</i>	2340	677	918	3084	583
Grow substantially	55%	41%	32%	48%	43%
Grow moderately	41%	45%	57%	46%	49%
Remain the same size	3%	7%	7%	4%	5%
Become smaller	0%	0%	2%	1%	1%
Don't know/refused	1%	3%	1%	1%	1%
Not yet trading	1%	4%	2%	0%	0%

Production sector firms are statistically more likely to anticipate growth over the next 5 years than service sector firms, although the difference is not particularly large.

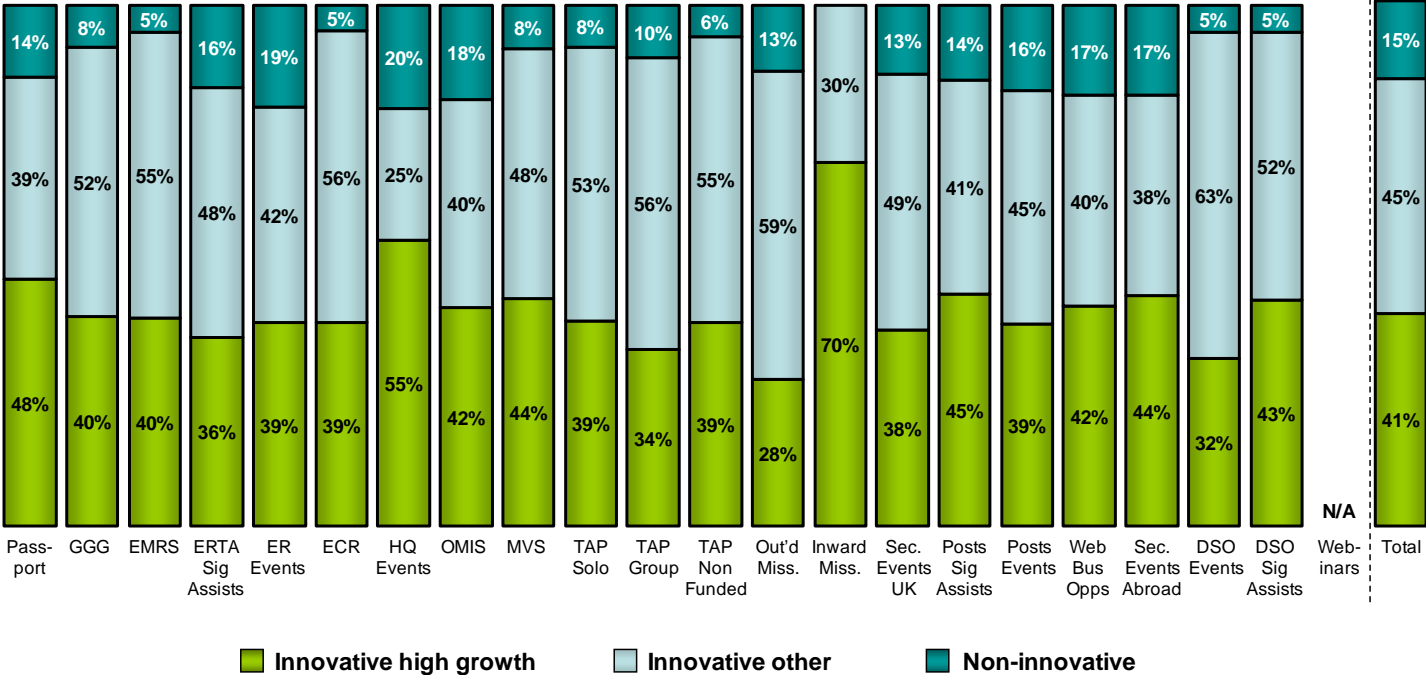
Figure 6.10.2.10 Growth Objectives Over Next 5 Years – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
Grow substantially	49%	42%	45%
Grow moderately	43%	45%	48%
Remain the same size	3%	5%	3%
Become smaller	0%	1%	0%
Don't know/refused	4%	4%	3%
Not yet trading	1%	2%	2%

### 6.10.3 'Innovative High Growth' Firms

The survey data on innovation activity and growth objectives has been combined to identify 'innovative high growth firms', as this is a key group for UKTI to target. The chart below shows the proportions of supported businesses that are classified as being 'innovative high growth'. Please note that Webinar participants are excluded from this analysis as they were not asked the questions relating to innovation (in the interests of shorter interview).

Figure 6.10.3.1 Innovative High Growth Firms



Base: All except Webinar attendees (Base) - Passport (360), GGG (362), EMRS (40), ERTA (360), ER Events (305), ECR (41), HQ Events (71), OMIS (380), MVS (96), TAP Solo (38), TAP Group (150), TAP Non-Funded (102), Outward Missions (32), Inward Missions (10), Sector Events UK (297), Posts Significant Assists (617), Posts Events (201), Website Bus Opps (289), Sector Events Abroad (104), DSO Events (59), DSO Significant Assists (60), Total (4168)

Encouragingly, 41% of all UKTI clients can be classified as 'innovative high growth'. Over half of firms supported through HQ Events and Inward Missions fall into this category (although the extremely low base size for the former should be taken in to account when interpreting this data).

The panel below provides details of how 'innovative high growth' firms have been defined for the purposes of this analysis.

**Innovative High Growth Firms**

Firms are classified as being 'Innovative High Growth' if they...

- Are classified as 'innovative' (using the standard definition)
- And, they plan to 'grow substantially' over the next 5 years



As seen below, firms accessing support from UKTI's overseas network are most likely to be classified as 'innovative high growth'.

Figure 6.10.3.2 Innovative High Growth Firms – By Service Type

	UK-based advisory	Overseas network	Events	Tradeshows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Innovative high growth	38%	44%	40%	38%	42%	36%
Innovative other	48%	41%	44%	54%	40%	57%
Non-innovative	14%	15%	17%	8%	17%	7%

There is also evidence that firms with over 10 years export experience are less likely to fall into this key group.

Figure 6.10.3.3 Innovative High Growth Firms – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Innovative high growth	43%	47%	34%
Innovative other	31%	43%	55%
Non-innovative	26%	10%	11%

There is no statistically significant difference in this measure between firms that were 'born global' and those that started exporting at some point after they were established. However, as a whole, young firms are more likely to be classified as 'innovative high growth' than those that have been established for more than 5 years.

Figure 6.10.3.4 Innovative High Growth Firms – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Innovative high growth	51%	49%	54%	51%	38%
Innovative other	31%	29%	28%	29%	51%
Non-innovative	18%	22%	18%	20%	11%

As seen below, there are no consistent differences in this respect by size of firm.

Figure 6.10.3.5 Innovative High Growth Firms – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Innovative high growth	42%	44%	40%	38%
Innovative other	41%	49%	56%	57%
Non-innovative	17%	7%	5%	6%

There are also no consistent differences in this respect by turnover.

Figure 6.10.3.6 Innovative High Growth Firms – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All exc. webinars</i>	1345	829	1157	273	52
Innovative high growth	43%	46%	42%	39%	52%
Innovative other	39%	45%	53%	58%	42%
Non-innovative	18%	9%	5%	3%	6%

As seen below, firms accessing support about high growth and established markets are equally likely to be classified as ‘innovative high growth’.

Figure 6.10.3.7 Innovative High Growth Firms – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All exc. webinars</i>	1759	1962
Innovative high growth	41%	42%
Innovative other	45%	45%
Non-innovative	14%	13%

It is clear that firms that have a current business plan containing specific targets for overseas revenues are more likely to be ‘innovative high growth’. Firms with degree-level senior management are also slightly more likely to be ‘innovative high growth’.

Figure 6.10.3.8 Innovative High Growth Firms – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All exc. webinars</i>	2340	677	918	3084	583
Innovative high growth	50%	35%	27%	44%	39%
Innovative other	41%	46%	53%	45%	48%
Non-innovative	9%	18%	19%	11%	13%

Production sector firms are also more likely to be ‘innovative high growth’.

Figure 6.10.3.9 Innovative High Growth Firms – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1557	2532	78
Innovative high growth	46%	38%	39%
Innovative other	45%	45%	42%
Non-innovative	9%	18%	19%

## 6.11 Business Planning

The chart below shows the proportion of supported businesses that have a current written business plan (or are in the process of writing one), and whether this plan contains targets relating to revenues from overseas sales. Please note that Webinar participants were not asked about their business planning, in the interests of reducing the interview length.

Figure 6.11.1 Current Written Business Plan

	Total	Pass-port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: All exc. webinars</i>	<b>4168</b>	360	362	40	360	305	41
Yes (or in progress)	<b>72%</b>	75%	73%	73%	71%	75%	68%
- Overseas targets	<b>55%</b>	61%	61%	70%	49%	53%	59%
No	<b>22%</b>	24%	25%	23%	26%	21%	32%
Don't know/refused	<b>6%</b>	1%	2%	5%	3%	4%	0%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: All exc. webinars</i>	71	380	96	38	150	102	32	10
Yes (or in progress)	80%	70%	77%	66%	61%	77%	84%	100%
- Overseas targets	63%	55%	65%	55%	51%	69%	59%	80%
No	14%	19%	21%	32%	33%	19%	13%	0%
Don't know/refused	6%	11%	2%	3%	5%	4%	3%	0%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Web-inars
<i>Base: All exc. webinars</i>	297	617	201	289	104	59	60	-
Yes (or in progress)	68%	73%	66%	73%	77%	71%	82%	-
- Overseas targets	48%	54%	54%	56%	63%	58%	67%	-
No	25%	19%	17%	23%	17%	24%	7%	-
Don't know/refused	7%	8%	17%	4%	6%	5%	12%	-

Approaching three-quarters of UKTI supported firms (72%) have a current business plan or are in the process of producing one, and over half (55%) indicated that this plan contained targets relating to revenues from overseas sales.

The proportion of firms with a current business plan is broadly consistent across the various UKTI services.

Figure 6.11.2 Current Written Business Plan – By Service Type

	UK-based advisory	Overseas network	Events	Tradeshows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Yes (or in progress)	72%	72%	72%	70%	73%	75%
- Overseas targets	53%	54%	54%	59%	56%	59%
No	26%	19%	21%	26%	23%	17%
Don't know/refused	3%	8%	7%	4%	4%	7%

Although firms with less than two years export experience are more likely to have a current business plan, the longer a firm has been doing business overseas the more likely they are to include specific targets for overseas revenues in their plan.

Figure 6.11.3 Current Written Business Plan – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Yes (or in progress)	77%	71%	70%
- Overseas targets	50%	55%	58%
No	22%	25%	20%
Don't know/refused	2%	4%	10%

There is also a very clear distinction between innovative and non-innovative firms in this respect, with the former considerably more likely to have a business plan and to have specific targets for overseas sales.

Figure 6.11.4 Current Written Business Plan – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All exc. webinars</i>	3587	581	2687	1481
Yes (or in progress)	75%	54%	78%	61%
- Overseas targets	59%	32%	63%	40%
No	21%	29%	18%	29%
Don't know/refused	4%	17%	4%	11%

Encouragingly, the more ambitious a firm's growth objectives, the more likely they are to have a formal business plan in place in order to help them achieve this growth.

Figure 6.11.5 Current Written Business Plan – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All exc. webinars</i>	198	1887	1878
Yes (or in progress)	53%	67%	82%
- Overseas targets	30%	50%	67%
No	39%	28%	15%
Don't know/refused	8%	5%	2%

Firms that were 'born global' are less likely to have a business plan than other young firms who took longer to begin exporting.

Figure 6.11.6 Current Written Business Plan – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exc. webinars</i>	299	448	589	1039	3060
Yes (or in progress)	69%	70%	79%	75%	71%
- Overseas targets	59%	56%	55%	55%	55%
No	28%	27%	20%	23%	22%
Don't know/refused	2%	2%	1%	2%	8%

There is a clear correlation between company size and business planning, with the proportion of firms with a business plan rising among larger firms. Larger firms are also more likely to have a plan that contains specific targets relating to overseas sales.

Figure 6.11.7 Current Written Business Plan – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Yes (or in progress)	66%	76%	84%	87%
- Overseas targets	49%	60%	64%	72%
No	32%	18%	7%	4%
Don't know/refused	2%	6%	9%	9%

As seen with the analysis by number of employees, there is also a clear correlation between turnover and business planning.

Figure 6.11.8 Current Written Business Plan – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All exc. webinars</i>	1345	829	1157	273	52
Yes (or in progress)	68%	72%	79%	90%	88%
- Overseas targets	49%	55%	64%	74%	72%
No	31%	24%	16%	4%	8%
Don't know/refused	1%	4%	4%	6%	4%

There is no difference in this respect between firms accessing UKTI support in relation to high growth markets and those targeting established markets.

Figure 6.11.9 Current Written Business Plan – By Markets to Which Support Referred

	High Growth	Established
<i>Base: All exc. webinars</i>	1759	1962
Yes (or in progress)	73%	71%
- Overseas targets	57%	54%
No	20%	24%
Don't know/refused	7%	5%

Firms that have degree-level educated senior management are significantly more likely to have a current business plan, and for this plan to contain overseas targets.

Figure 6.11.10 Current Written Business Plan – By Skilled Owners

	Degree level owners, partners or directors	
	Yes	No
<i>Base: All exc. webinars</i>	3084	583
Yes (or in progress)	75%	64%
- Overseas targets	58%	48%
No	22%	34%
Don't know/refused	3%	2%

Firms operating in the service sector are least likely to have a current business plan.

Figure 6.11.11 Current Written Business Plan – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1557	2532	78
Yes (or in progress)	76%	70%	77%
- Overseas targets	62%	51%	43%
No	19%	24%	16%
Don't know/refused	6%	6%	7%

## 6.12 Membership of Business Bodies

The table below shows the proportion of supported businesses that are members of the Chamber of Commerce, trade associations/sector bodies, or any other organisations representing business (such as the CBI or the Federation of Small Businesses).

Figure 6.12.1 Membership of Business Bodies

	Total	Pass- port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: All exc. webinars</i>	<b>4168</b>	360	362	40	360	305	41
Chamber of Commerce	<b>29%</b>	28%	39%	28%	30%	34%	37%
Trade associations/ sector bodies	<b>53%</b>	46%	55%	60%	45%	51%	61%
Other organisations representing business	<b>21%</b>	23%	25%	18%	21%	24%	37%
None of these	<b>30%</b>	36%	25%	23%	37%	30%	24%
Don't know	<b>5%</b>	1%	2%	0%	1%	3%	2%
<i>Member of at least one</i>	<b>65%</b>	62%	73%	78%	62%	68%	73%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: All exc. webinars</i>	71	380	96	38	150	102	32	10
Chamber of Commerce	27%	31%	32%	37%	24%	25%	38%	40%
Trade associations/ sector bodies	51%	51%	50%	53%	58%	64%	69%	60%
Other organisations representing business	21%	21%	16%	21%	21%	19%	19%	30%
None of these	31%	27%	35%	32%	31%	25%	19%	30%
Don't know	7%	10%	1%	3%	1%	5%	0%	0%
<i>Member of at least one</i>	62%	63%	64%	66%	68%	70%	81%	70%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Web- inars
<i>Base: All exc. webinars</i>	297	617	201	289	104	59	60	-
Chamber of Commerce	19%	29%	21%	30%	30%	46%	30%	-
Trade associations/ sector bodies	58%	53%	51%	49%	53%	76%	78%	-
Other organisations representing business	19%	20%	18%	21%	21%	41%	22%	-
None of these	33%	29%	26%	33%	34%	19%	12%	-
Don't know	2%	6%	15%	2%	2%	0%	3%	-
<i>Member of at least one</i>	65%	65%	58%	64%	64%	81%	85%	-

Two-thirds of UKTI clients (65%) are members of at least one type of business body, with over half being members of a trade association or sector body, approaching a third members of the Chamber of Commerce, and a fifth members of other organisations that represent business.

Firms receiving support through DSO services are most likely to be members of business bodies, with a particularly high proportion belonging to trade associations or sector bodies (76%).

Figure 6.12.2 Membership of Business Bodies – By Service Type

	UK-based advisory	Overseas network	Events	Tradeshows & Missions	Web Bus Opps	DSO
<i>Base: All exc. webinars</i>	1187	1077	1078	418	289	119
Chamber of Commerce	31%	30%	27%	28%	30%	42%
Trade associations/ sector bodies	48%	52%	53%	58%	49%	76%
Other organisations representing business	23%	21%	21%	19%	21%	36%
None of these	34%	29%	30%	30%	33%	17%
Don't know	2%	7%	5%	2%	2%	1%
<i>Member of at least one</i>	65%	64%	64%	68%	64%	82%

It is clear from the table below that the greater a firm's overseas experience, the more inclined they are to become members of these business bodies.

Figure 6.12.3 Membership of Business Bodies – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exc. webinars</i>	1057	1485	1598
Chamber of Commerce	18%	26%	39%
Trade associations/ sector bodies	38%	51%	64%
Other organisations representing business	15%	19%	27%
None of these	47%	34%	17%
Don't know	2%	3%	7%
<i>Member of at least one</i>	51%	63%	76%

It is also the case that innovative firms are considerably more likely to be members of organisations representing business.

Figure 6.12.4 Membership of Business Bodies – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All exc. webinars</i>	3587	581	2687	1481
Chamber of Commerce	31%	18%	31%	25%
Trade associations/ sector bodies	56%	33%	57%	44%
Other organisations representing business	23%	10%	24%	16%
None of these	29%	39%	28%	35%
Don't know	3%	15%	3%	8%
<i>Member of at least one</i>	68%	46%	70%	57%



There are no clear differences in this respect by firms' growth objectives.

Figure 6.12.5 Membership of Business Bodies – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All exc. webinars</i>	198	1887	1878
Chamber of Commerce	24%	30%	30%
Trade associations/ sector bodies	55%	55%	54%
Other organisations representing business	18%	21%	23%
None of these	35%	30%	30%
Don't know	2%	2%	2%
<i>Member of at least one</i>	63%	67%	68%

As seen below, micro SMEs are least likely to become members of business bodies, with only 56% indicating that they are a member of one or more of these organisations, compared to more than 80% of larger firms with 100+ employees.

Figure 6.12.6 Membership of Business Bodies – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exc. webinars</i>	1814	1590	326	276
Chamber of Commerce	19%	37%	41%	46%
Trade associations/ sector bodies	41%	61%	75%	77%
Other organisations representing business	19%	21%	29%	36%
None of these	44%	23%	13%	8%
Don't know	1%	3%	6%	8%
<i>Member of at least one</i>	56%	74%	81%	84%

As turnover increases, so does the likelihood of the firm being a member of a business body.

Figure 6.12.7 Membership of Business Bodies – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All exc. webinars</i>	1345	829	1157	273	52
Chamber of Commerce	17%	32%	41%	50%	40%
Trade associations/ sector bodies	39%	55%	69%	78%	87%
Other organisations representing business	18%	24%	22%	36%	45%
None of these	45%	28%	19%	13%	8%
Don't know	1%	1%	2%	2%	0%
<i>Member of at least one</i>	54%	70%	79%	85%	92%

Firms with a current business plan are more likely to be members of business bodies. However, having degree-level qualified members of their senior management team does not increase the likelihood of firms being members.

Figure 6.12.8 Membership of Business Bodies – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All exc. webinars</i>	2340	677	918	3084	583
Chamber of Commerce	33%	29%	21%	29%	29%
Trade associations/ sector bodies	59%	54%	44%	55%	49%
Other organisations representing business	24%	21%	17%	21%	25%
None of these	27%	31%	41%	31%	33%
Don't know	3%	2%	1%	2%	1%
<i>Member of at least one</i>	70%	67%	58%	67%	67%

As seen below, firms operating in the production sector are significantly more likely to be members of the Chamber of Commerce, a trade association/sector body or other organisation representing businesses than firms in the service sector.

Figure 6.12.9 Membership of Business Bodies – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All exc. webinars</i>	1557	2532	78
Chamber of Commerce	34%	26%	32%
Trade associations/ sector bodies	58%	49%	74%
Other organisations representing business	25%	19%	23%
None of these	25%	34%	16%
Don't know	4%	5%	1%
<i>Member of at least one</i>	70%	62%	83%

## 7. Export Motivations

Firms were read out a list of possible reasons for doing business overseas and asked to indicate the extent that each one applied to them, using a 5-point scale where 5 meant 'agree strongly' and 1 meant 'disagree strongly'. This question was asked slightly differently depending on the firms' current export experience and ambitions, as follows:

- Firms exporting for up to 2 years (or not yet exporting) were asked about reasons for *starting to sell overseas*
- Firms exporting for over 2 years and expecting their overseas sales to grow were asked about reasons for *seeking to increase their overseas sales*
- Firms exporting for over 2 years and not expecting their overseas sales to grow were asked about reasons for *doing business overseas*

The following table summarises the proportion of firms in each of these groups agreeing (i.e. scoring 4-5 on the 5-point scale) that they do business overseas for each of the reasons tested. Please note that the base shown in brackets in the total column refers to the number of firms exporting for less than 2 years (as this was the only group asked about personal connections/desire to travel).

Table 7.1 Export Motivations – By Group

Proportion agreeing (4-5 out of 5) that they export for the following reasons...	Total	Motivations for...		
		Starting selling overseas	Increasing overseas sales	Doing business overseas
<i>Base: All exporting/planning to export</i>	<b>4134 (1023)</b>	1023	2189	922
To enable you to achieve a level of growth otherwise not possible	<b>83%</b>	79%	85%	81%
To improve your firm's profile or credibility	<b>68%</b>	63%	73%	63%
You received/keep getting orders or enquiries from overseas customers	<b>67%</b>	54%	68%	81%
To allow you to more fully utilise your existing capacity	<b>66%</b>	58%	69%	68%
<i>If exporting &lt;2 years: You had personal connections overseas or a desire to travel abroad</i>	<b>39%</b>	39%	-	-

The most widespread reason for exporting is to achieve a level of growth otherwise not possible. However, there are also other factors that drive firms to expand overseas and in most cases firms highlight a number of different influences. While many firms are at least partially driven by strategic or proactive factors (e.g. improving their profile/credibility, occupying spare capacity, reducing dependence on the UK market), most are also influenced by more reactive/circumstantial factors (i.e. enquiries from potential customers based overseas).

Among established exporters, those firms that were anticipating an increase in their overseas sales were comparatively more likely to identify growth and improving their profile/credibility as key motivations. In contrast, those firms that were not expecting export sales to increase were significantly more likely to be acting in response to orders or enquiries from overseas customers.

Interestingly, firms that had only recently started doing business overseas (or were not yet exporting) were the least likely to be acting in response to enquiries from overseas customers. This suggests that many firms take the initial decision to enter overseas markets based on more strategic reasons rather than in direct response to confirmed interest in their products/services. Although it is the least widespread motivation, over a third of new exporters were also influenced by personal connections overseas or a desire to travel abroad.

As seen below, there are few consistent differences in export motivations by the broad type of UKTI support accessed. However, firms attending tradeshows and missions are more likely to highlight each of the reasons, suggesting that they have stronger (or at least wider) motivations for doing business overseas.

Table 7.2 Export Motivations – By Service Type

Proportion exporting in order to...	UK-based advisory	Overseas network	Events	Tradeshows & Missions	Web Bus Opps	DSO
<i>Base: All exporting/ planning to export</i>	1178 (363)	1068 (235)	1064 (265)	418 (64)	287 (81)	119 (15)
Achieve growth otherwise not possible	81%	85%	81%	90%	76%	86%
Improve profile / credibility	62%	67%	70%	73%	69%	61%
Response to orders/ enquiries	67%	66%	65%	75%	68%	83%
More fully utilise capacity	63%	65%	65%	74%	67%	69%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	28%	34%	46%	38%	45%	35%

Firms that have been doing business overseas for at least 2 years tend to report a slightly wider range of motivations than more recent exporters. Interestingly, this difference is largest for the more reactive motivation of responding to orders/enquiries from overseas customers, suggesting that many firms are prompted to *start* exporting for more strategic/planned reasons and are not simply responding to interest from potential overseas customers (although this obviously plays a part in the decision).

Table 7.3 Export Motivations – By Number of Years Exporting

Proportion exporting in order to...	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All exporting/planning to export</i>	1023	1485	1598
Achieve growth otherwise not possible	79%	83%	85%
Improve profile / credibility	63%	70%	70%
Response to orders/ enquiries	54%	69%	74%
More fully utilise capacity	58%	65%	72%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	39%	-	-

Innovative firms are comparatively more likely to be motivated by orders/enquiries from overseas customers. However, they are less inclined to do business overseas because of personal connections abroad or a desire to travel.

Table 7.4 Export Motivations – By Innovation

Proportion exporting in order to...	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All exporting/planning to export</i>	3568 (774)	566 (249)	2675 (580)	1459 (443)
Achieve growth otherwise not possible	83%	79%	84%	80%
Improve profile / credibility	69%	67%	69%	68%
Response to orders/ enquiries	69%	59%	70%	63%
More fully utilise capacity	66%	65%	67%	65%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	37%	46%	36%	43%

Unsurprisingly, the greater a firm's growth aspirations, the more likely they are to export because it enables them to achieve a level of growth otherwise not possible. Firms that plan to grow over the next 5 years are also more likely to be motivated by a desire to improve their profile and credibility.

Table 7.5 Export Motivations – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All exporting/planning to export</i>	192 (38)	1871 (352)	1870 (558)
Achieve growth otherwise not possible	73%	81%	86%
Improve profile / credibility	63%	69%	69%
Response to orders/ enquiries	70%	67%	69%
More fully utilise capacity	63%	66%	66%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	36%	35%	39%

Young firms that were 'born global' are more likely to export in response to enquiries from potential customers, to make better use of their capacity and because they have personal connections or a desire to travel overseas.

Table 7.6 Export Motivations – By Whether or Not Born Global

Proportion exporting in order to...	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All exporting/planning to export</i>	299 (92)	448 (154)	580 (467)	1030 (621)	3040 (340)
Achieve growth otherwise not possible	89%	84%	82%	83%	83%
Improve profile / credibility	65%	68%	68%	68%	68%
Response to orders/ enquiries	82%	77%	58%	67%	68%
More fully utilise capacity	67%	67%	60%	63%	67%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	47%	48%	39%	41%	30%

There are generally no significant or consistent differences in motivations by size of firm, although micro SMEs are more likely to identify personal connections overseas or a desire to travel abroad as a reason for exporting and less likely to highlight use of their existing capacity.

Table 7.7 Export Motivations – By Employee Numbers

Proportion exporting in order to...	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All exporting/planning to export</i>	1796 (694)	1583 (222)	322 (24)	275 (16)
Achieve growth otherwise not possible	82%	83%	85%	81%
Improve profile / credibility	67%	68%	74%	69%
Response to orders/ enquiries	66%	69%	71%	68%
More fully utilise capacity	63%	67%	72%	71%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	41%	32%	25%	6%

There are also relatively few differences by annual turnover. However, firms with sales of less than £500,000 per year are least likely to export in response to customer enquiries/orders.

Table 7.8 Export Motivations – By Turnover

Proportion exporting in order to...	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All exporting/planning to export</i>	1331 (582)	824 (193)	1152 (97)	271 (13)	52 (1)
Achieve growth otherwise not possible	82%	84%	84%	83%	87%
Improve profile / credibility	67%	68%	69%	68%	61%
Response to orders/ enquiries	63%	71%	70%	71%	72%
More fully utilise capacity	63%	66%	68%	75%	69%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	41%	35%	17%	17%	0%

Those firms with a current business plan that contains targets relating to overseas revenues are more likely to be influenced by most of the individual motivations tested. However, there is no difference in export motivations between firms with degree-level senior management and those without.

Table 7.9 Export Motivations – By Business Planning & Skilled Owners

Proportion exporting in order to...	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: All exporting/planning to export</i>	2333 (557)	661 (241)	907 (207)	3063 (790)	576 (139)
Achieve growth otherwise not possible	88%	70%	80%	83%	84%
Improve profile / credibility	72%	64%	61%	68%	69%
Response to orders/ enquiries	71%	58%	65%	68%	68%
More fully utilise capacity	69%	59%	64%	66%	66%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	38%	43%	39%	38%	36%

Firms that operate in the production sector are more likely to be motivated by growth, using spare capacity and interest from overseas customers. However, service sector firms are more inclined to do business overseas because of personal connections or a desire to travel and in order to improve their profile or credibility.

Table 7.10 Export Motivations – By Sector

Proportion exporting in order to...	Market Sector		
	Production	Services	Other
<i>Base: All exporting/planning to export</i>	1550 (299)	2509 (703)	75 (21)
Achieve growth otherwise not possible	86%	81%	80%
Improve profile / credibility	67%	70%	65%
Response to orders/ enquiries	72%	65%	68%
More fully utilise capacity	69%	64%	65%
<i>If exporting &lt;2 years: Personal connections / desire to travel</i>	29%	43%	35%

## 8. Support Details

### 8.1 Focus of Support

Businesses were asked to give details of the broad area(s) that the UKTI support related to. Please note that firms using the Website Business Opportunities service and those attending Webinars were not asked this question.

Figure 8.1.1 Focus of Support

	Total	Passport	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	<b>3854</b>	360	362	40	360	305	41
Selling or exporting overseas	<b>88%</b>	98%	97%	95%	94%	93%	98%
Joint venturing, partnering or franchising	<b>34%</b>	46%	30%	23%	31%	43%	15%
Setting up an office or site overseas	<b>21%</b>	31%	23%	20%	21%	30%	2%
Sourcing raw materials or other goods overseas	<b>10%</b>	8%	8%	5%	9%	12%	10%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	71	380	96	38	150	102	32	10
Selling or exporting overseas	92%	83%	90%	97%	89%	88%	94%	70%
Joint venturing, partnering or franchising	37%	30%	27%	21%	19%	17%	53%	50%
Setting up an office or site overseas	28%	15%	20%	8%	7%	10%	28%	10%
Sourcing raw materials or other goods overseas	7%	5%	11%	5%	9%	13%	0%	0%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Webinars
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	297	617	186	-	94	59	60	-
Selling or exporting overseas	82%	86%	77%	-	86%	90%	88%	-
Joint venturing, partnering or franchising	45%	29%	42%	-	35%	36%	27%	-
Setting up an office or site overseas	25%	20%	23%	-	19%	8%	17%	-
Sourcing raw materials or other goods overseas	14%	6%	11%	-	12%	14%	3%	-

As might be expected, the vast majority of UKTI clients (88%) received support in relation to selling or exporting overseas.



However, a third (34%) were looking into joint venturing, partnering or franchising and a fifth (21%) accessed support in relation to setting up an overseas site.

For each broad type of UKTI service, the vast majority of firms indicated that they accessed the support to help sell overseas. However, those attending events were comparatively more likely to have been looking at joint venturing/partnering/franchising and setting up sites overseas.

Figure 8.1.2 Focus of Support – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	1187	1077	1053	418	-	119
Selling or exporting overseas	95%	85%	86%	90%	-	91%
Joint venturing, partnering, etc	31%	29%	43%	22%	-	33%
Setting up overseas site	22%	19%	27%	11%	-	12%
Sourcing raw materials etc	9%	6%	12%	10%	-	12%

Interestingly, even though it might be expected that new exporters will tend to use more traditional internationalisation modes (e.g. selling direct to overseas customers), this group are in fact more likely than experienced exporters to have obtained help with joint venturing/franchising and setting up sites overseas.

Figure 8.1.3 Focus of Support – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	970	1368	1489
Selling or exporting overseas	89%	88%	86%
Joint venturing, partnering, etc	38%	34%	31%
Setting up overseas site	25%	21%	19%
Sourcing raw materials etc	11%	9%	9%

In comparison to their non-innovative counterparts, innovative firms are a little more likely to access support about selling overseas, joint venturing/partnering and setting up overseas sites.

Figure 8.1.4 Focus of Support – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	3329	525	2499	1355
Selling or exporting overseas	88%	82%	89%	86%
Joint venturing, partnering, etc	35%	30%	37%	29%
Setting up overseas site	22%	17%	24%	17%
Sourcing raw materials etc	9%	11%	9%	10%

The more ambitious a firm's growth objectives, the more likely they are to have focussed on each of the broad areas, suggesting that more dynamic firms tend to explore a greater variety of options for how to expand overseas.

Figure 8.1.5 Focus of Support – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	175	1761	1738
Selling or exporting overseas	82%	86%	90%
Joint venturing, partnering, etc	29%	33%	36%
Setting up overseas site	14%	17%	26%
Sourcing raw materials etc	8%	9%	10%

As seen below, the focus of support is similar for 'born global' firms and other young firms that started exporting at a later date, and there are also no major differences between firms established in the last 5 years (as a whole) and older firms.

Figure 8.1.6 Focus of Support – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	274	408	543	952	2847
Selling or exporting overseas	90%	90%	91%	90%	87%
Joint venturing, partnering, etc	35%	35%	37%	36%	33%
Setting up overseas site	19%	20%	26%	23%	21%
Sourcing raw materials etc	10%	10%	11%	10%	9%

In the main, there is little difference in the focus of the UKTI support provided to large firms and small firms. However, firms with 250+ employees are significantly less inclined to seek assistance with simply selling or exporting overseas.

Figure 8.1.7 Focus of Support – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	1674	1477	301	259
Selling or exporting overseas	89%	89%	88%	77%
Joint venturing, partnering, etc	33%	35%	32%	39%
Setting up overseas site	18%	24%	21%	25%
Sourcing raw materials etc	10%	10%	7%	9%

Reflecting the above analysis by employee numbers, firms with larger turnovers (£25m+) are comparatively less likely to obtain UKTI support about selling or exporting overseas. Those with annual sales in excess of £500million are particularly likely to approach UKTI for assistance with setting up overseas sites.

Figure 8.1.8 Focus of Support – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	1228	776	1077	258	49
Selling or exporting overseas	91%	90%	90%	81%	75%
Joint venturing, partnering, etc	35%	32%	33%	35%	41%
Setting up overseas site	19%	22%	23%	21%	37%
Sourcing raw materials etc	9%	9%	10%	8%	12%

Firms that have a current business plan and those with degree-level senior management are much more inclined to access UKTI support in relation to setting up an overseas site.

Figure 8.1.9 Focus of Support – By Business Planning & Skilled Owners

	Current written business plan			Degree level owners, partners or directors	
	Yes (overseas targets)	Yes (no overseas targets)	No	Yes	No
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	2167	624	848	2850	547
Selling or exporting overseas	89%	85%	90%	89%	88%
Joint venturing, partnering, etc	36%	35%	30%	36%	29%
Setting up overseas site	25%	22%	13%	23%	16%
Sourcing raw materials etc	10%	8%	10%	10%	10%

It appears that service sector firms are more likely to access support about ‘non-traditional’ approaches to internationalisation (e.g. joint venturing or partnering overseas and establishing overseas offices/sites).

Figure 8.1.10 Focus of Support – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	1467	2316	71
Selling or exporting overseas	90%	87%	80%
Joint venturing, partnering, etc	29%	36%	45%
Setting up overseas site	18%	23%	33%
Sourcing raw materials etc	7%	11%	10%

Firms targeting high growth markets are also considerably more likely to be looking into ‘non-traditional’ export routes, suggesting that to be successful in some of these markets firms need to do more than simply sell direct to customers.

Figure 8.1.11 Focus of Support – By Markets to Which Support Referred

	High Growth	Established
<i>Base: Exc. Web Bus Opps &amp; Webinars</i>	1621	1851
Selling or exporting overseas	89%	88%
Joint venturing, partnering, etc	40%	29%
Setting up overseas site	27%	17%
Sourcing raw materials etc	10%	8%

The table below provides a more detailed analysis by the broad geographic area that the support referred to<sup>32</sup>. This demonstrates that firms accessing support about European markets are least inclined to be focussing on joint venturing/partnering or setting up overseas sites in these countries.

Figure 8.1.12 Focus of Support – By Geographic Area to Which Support Referred

	Geographic Area				
	Europe	North America	Latin America	Asia Pacific	M.East & Africa
<i>Base: All market-specific services</i>	649	272	155	587	234
Selling or exporting overseas	87%	87%	83%	84%	85%
Joint venturing, partnering, etc	21%	30%	38%	38%	33%
Setting up overseas site	10%	24%	19%	25%	24%
Sourcing raw materials etc	8%	6%	7%	11%	7%

<sup>32</sup> This analysis is just based on those UKTI services that consistently relate to a specific market (and where this market is identified on the sample data provided).

Similar analysis has been conducted for firms accessing UKTI support about the BRIC markets. In comparison to the other BRIC markets, firms targeting Russia are significantly less inclined to obtain support about setting up a site there or about joint venturing/partnering with Russian firms. However, firms focussing on India are most likely to have approached UKTI for assistance with these areas.

Figure 8.1.13 Focus of Support – By BRIC markets

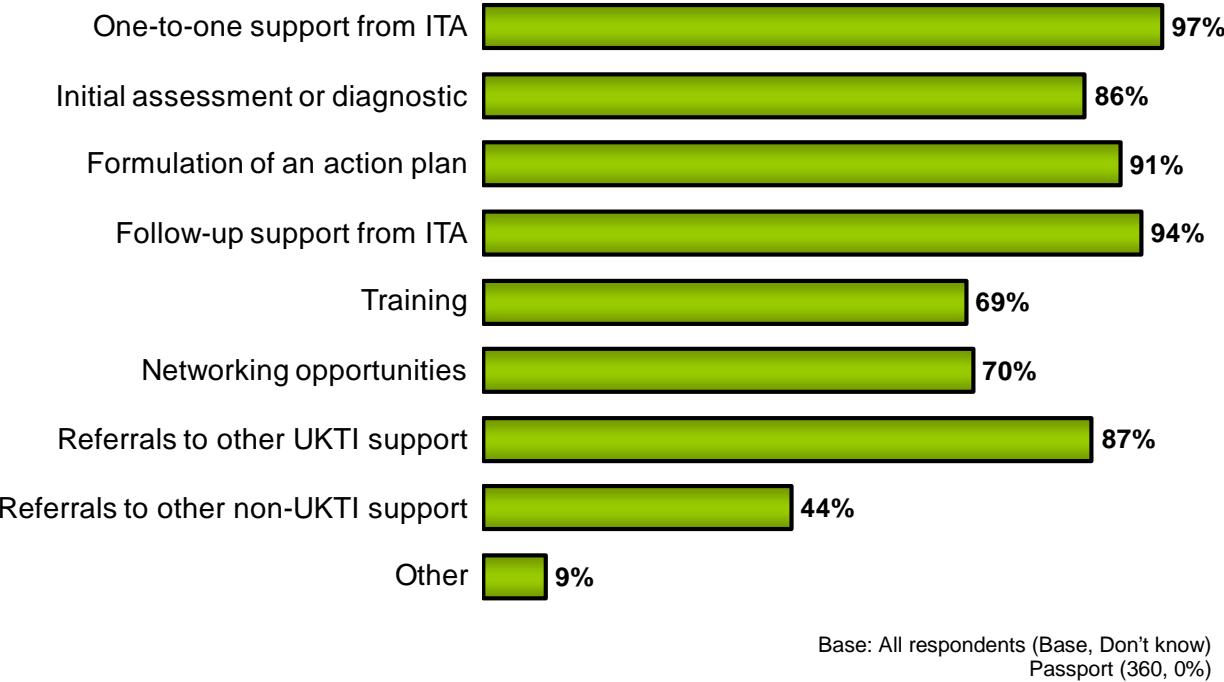
	BRIC Markets			
	Brazil	Russia	India	China
<i>Base: All market-specific services</i>	65	46	153	191
Selling or exporting overseas	91%	87%	81%	84%
Joint venturing, partnering, etc	39%	19%	48%	35%
Setting up overseas site	25%	8%	37%	21%
Sourcing raw materials etc	9%	15%	12%	12%

## 8.2 Support Received

### 8.2.1 Passport

The following chart provides a more detailed analysis of the support received through the Passport scheme.

Figure 8.2.1.1 Support Received Through the Passport Scheme



Almost all Passport participants had received one-to-one support from their ITA, and the vast majority had also gone through an initial assessment, formulated an action plan and obtained follow-up support.

The Passport scheme also provides networking opportunities to participants, with over two-thirds indicating that this applied to them. A similar proportion had received training through the scheme and, when asked who had provided this, almost all of these firms (94%) indicated that it was delivered by UKTI directly.

The overwhelming majority of firms had been referred to other UKTI services by their ITA, but referrals outside of the organisation are much less prevalent.

Passport participants were also asked whether their International Trade Advisor spoke to them at any point about intellectual property protection issues and, as seen below, this happened in two-thirds of cases.

Figure 8.2.1.2 Discussion of IP Protection Issues

	Passport
<i>Base</i>	360
Yes	67%
No	31%
Don't know	2%

Encouragingly, 90% of Passport users indicated that their ITA had discussed the potential financial impacts of exporting (or increasing their overseas activity) with the firm. This is a significant increase on the 79% recorded a year ago.

Figure 8.2.1.3 Discussion of Financial Impacts of Exporting

	Passport
<i>Base</i>	360
Yes	90%
No	10%
Don't know	0%

There is clear evidence that ITAs are also helping to prepare firms for the language and cultural barriers they may encounter when doing business overseas, with 84% of Passport participants reporting that they had either discussed this with their ITA or had been referred to an event or seminar that addressed this issue.

Figure 8.2.1.4 Discussion of Language & Cultural Issues

	Passport
<i>Base</i>	360
Yes	84%
No	16%
Don't know	1%

Passport is also acting as a route into the OMIS service, with almost all participants having been offered the service by their ITA and around half having already used it.

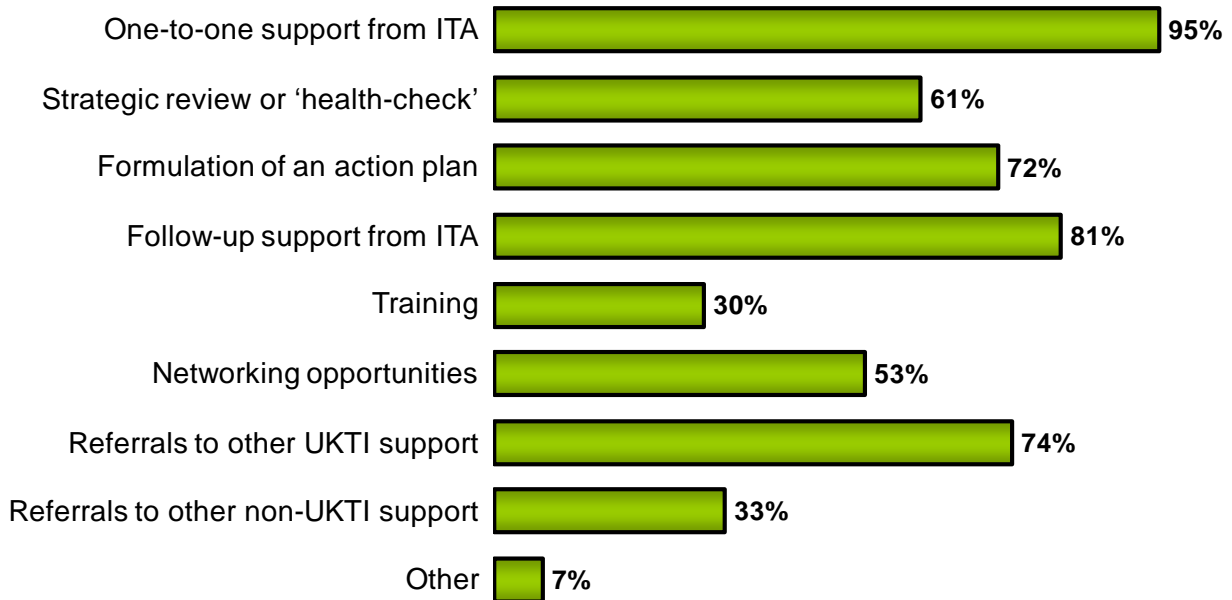
Figure 8.2.1.5 Support Received Through OMIS

	Passport
<i>Base</i>	224
Offered the OMIS service	93%
- <i>Used it</i>	47%
- <i>Planning to use it</i>	23%
- <i>Not planning to use it</i>	21%
- <i>Don't know</i>	3%
Not offered the OMIS service	5%
Don't know if offered the OMIS service	2%

## 8.2.2 GGG

The following chart provides a more detailed analysis of the support received through the Gateway to Global Growth Programme.

Figure 8.2.2.1 Support Received Through the Gateway to Global Growth Programme



Base: All respondents (Base, Don't know)  
GGG (362, 0%)

As might be expected, the vast majority of firms had received one-to-one support from their ITA and most had also received follow-up assistance. However, in comparison to Passport, GGG appears to be less effective when it comes to helping firms with their overseas strategies and plans. Just 61% of participants had received a strategic review/health-check to assess their current overseas activities and plans, and only 72% had worked with their ITA to formulate an action plan (compared to 86% and 91% respectively for Passport).

Referrals to other support are fairly common (typically to other UKTI services rather than different providers), and half of all firms had been presented with networking opportunities through the programme.

Less than a third of all GGG participants had received training under the programme. When asked for details of who had provided this training, the majority of these firms (72%) indicated that it had been delivered by UKTI rather than external partners/organisations.



As seen below, just under half of GGG participants had a discussion with their ITA about intellectual property protection issues.

Figure 8.2.2.2 Discussion of IP Protection Issues

	GGG
<i>Base</i>	362
Yes	45%
No	51%
Don't know	4%

In most cases ITAs are taking the time to discuss the potential financial impacts of exporting (or increasing overseas activity) with their clients, with three-quarters of firms reporting that this had occurred (the same level as that seen a year ago).

Figure 8.2.2.3 Discussion of Financial Impacts of Exporting

	GGG
<i>Base</i>	362
Yes	75%
No	24%
Don't know	1%

GGG participants were also asked whether their ITA had either talked with them about dealing with language and cultural issues overseas or referred them to any seminars or events that focussed on this. Encouragingly, this issue is being directly addressed in almost three-quarters of cases.

Figure 8.2.2.4 Discussion of Language & Cultural Issues

	GGG
<i>Base</i>	362
Yes	72%
No	27%
Don't know	1%

As with Passport, GGG is acting as an effective referral source for OMIS. A third of firms had gone on to use OMIS after it was recommended by their ITA and a further 20% intended to do so in future.

Figure 8.2.2.5 Support Received Through OMIS

	GGG
<i>Base</i>	362
Offered the OMIS service	86%
- <i>Used it</i>	34%
- <i>Planning to use it</i>	20%
- <i>Not planning to use it</i>	27%
- <i>Don't know</i>	5%
Not offered the OMIS service	10%
Don't know if offered the OMIS service	4%

GGG participants were asked whether they had also participated in the Passport to Export scheme. As shown below, Passport appears to provide a common route into GGG, with half of GGG users previously receiving support through Passport (although this is marginally down on the 56% recorded last year).

Figure 8.2.2.6 Whether Participated in Passport & When Finished

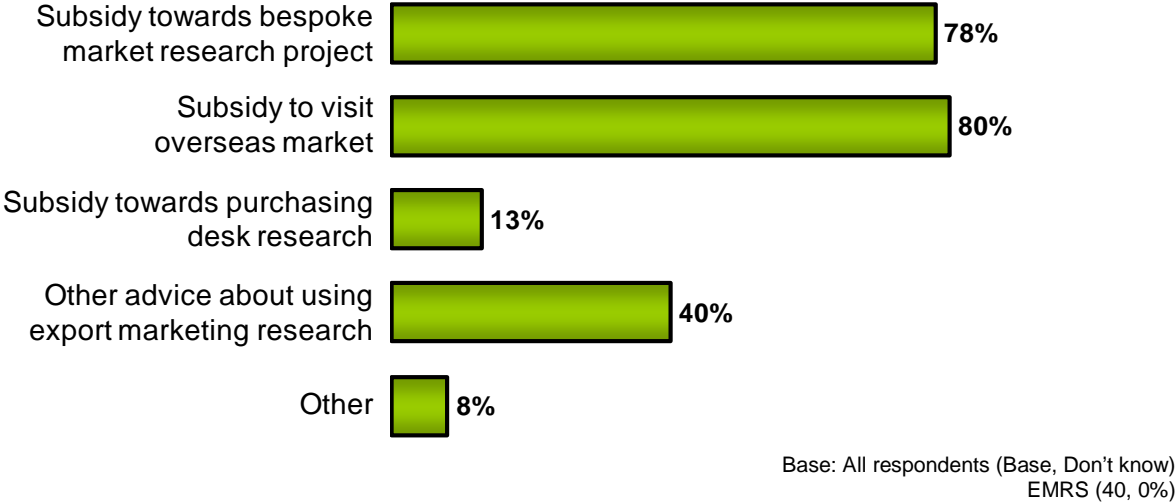
	GGG
<i>Base</i>	362
Yes	50%
- Still on Passport	2%
- In last year	9%
- 1-2 years ago	20%
- 3 or more years ago	14%
- Don't know	4%
No	43%
Don't know	7%

In some cases there is little (or no) break between finishing Passport and starting GGG, with 2% of current GGG participants claiming that they were still on Passport and 9% indicating that they had only finished it in the previous 12 months (even though firms are interviewed in PIMS around 12-15 months after signing up for GGG). This echoes an issue identified in recent qualitative research, with some firms confused about the migration from Passport to GGG and sometimes unsure why they are on GGG or even unaware that they are on it at all<sup>33</sup>.

8.2.3 EMRS

The following chart provides a more detailed analysis of the support received through the Export Marketing Research Scheme.

Figure 8.2.3.1 Support Received Through EMRS



<sup>33</sup> UKTI Regional Network Advisory Services – Understanding Service Quality & Impact, and What Makes a Successful Intervention (OMB Research, May 2013).

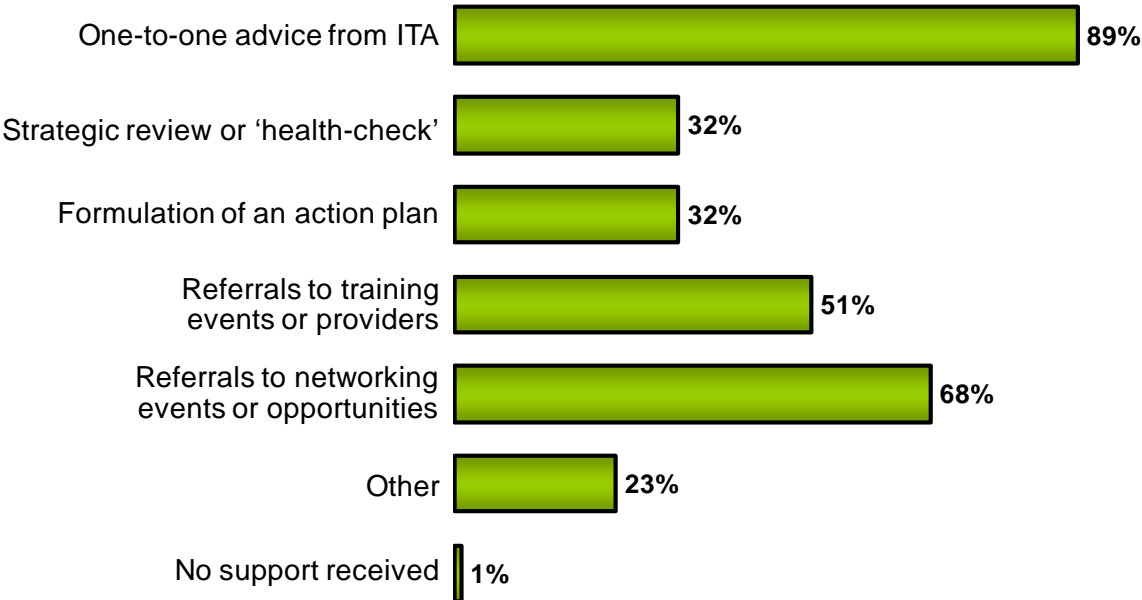
It is clear that the balance of the EMRS support is very much towards bespoke research projects rather than desk research, with over three-quarters receiving a subsidy towards a bespoke project and just 13% obtaining financial assistance to put towards purchasing desk research.

The vast majority of EMRS users went on a subsidised visit to an overseas market, and 40% received other general advice about using marketing research.

8.2.4 ERTA Significant Assists

All firms recorded as ERTA Significant Assists were asked to provide details of the support they received through their ITA.

Figure 8.2.4.1 Support Received From ITA



Base: All respondents (Base, Don't know)  
 ERTA Sig Assists (360, 0%)

ERTA Significant Assists cover a diverse range of support, with two-thirds of firms being exposed to networking opportunities, half being referred to training opportunities and a third having some form of review or 'health-check' of their overseas activities and receiving assistance with developing an action plan. As expected, almost all ERTA users indicated that they received one-to-one support from their ITA.

ERTA users were also specifically asked whether their International Trade Advisor spoke to them at any point about intellectual property protection issues and, as seen below, this happened in almost a third of cases.

Figure 8.2.4.2 Discussion of IP Protection Issues

	ERTA Sig Assists
<i>Base</i>	360
Yes	31%
No	65%
Don't know	4%

Encouragingly, in the majority of cases ITAs are discussing the potential financial impacts of exporting (or increasing overseas activity) with firms.

Figure 8.2.4.3 Discussion of Financial Impacts of Exporting

	ERTA Sig Assists
<i>Base</i>	360
Yes	63%
No	36%
Don't know	1%

ITAs are often raising firms' awareness and understanding of the possible language and cultural barriers they may encounter when doing business overseas, with over half of companies reporting that they had either discussed this with their ITA or had been referred to an event or seminar that specifically focussed on this issue.

Figure 8.2.1.4 Discussion of Language & Cultural Issues

	ERTA Sig Assists
<i>Base</i>	360
Yes	56%
No	43%
Don't know	1%

Firms were also asked to estimate how much time the ITA had spent providing the information or advice. Over half (54%) felt that their trade advisor spent at least a day delivering the support, and only a small minority (8%) claimed to have received less than an hour's worth of assistance (with a further 3% not provided with any direct support and instead were simply signposted to other services/providers). It should be noted that this data relates to firms' *perceptions* of the time involved and therefore may not be an accurate depiction of the actual time spent by the ITA.

Figure 8.2.4.4 Time Spent by UKTI

	ERTA Sig Assists
<i>Base</i>	360
More than a week of their time	10%
3-5 days work	16%
1-2 days work	28%
More than an hour's work (but less than 1 day)	33%
Less than an hour's work	8%
Don't know	2%
No direct support (i.e. signposted only)	3%

All ERTA users were asked whether they had been offered the OMIS service by their ITA. Although almost two-thirds had been offered OMIS, only 15% had actually used this service (with a further 18% planning to do so in future).

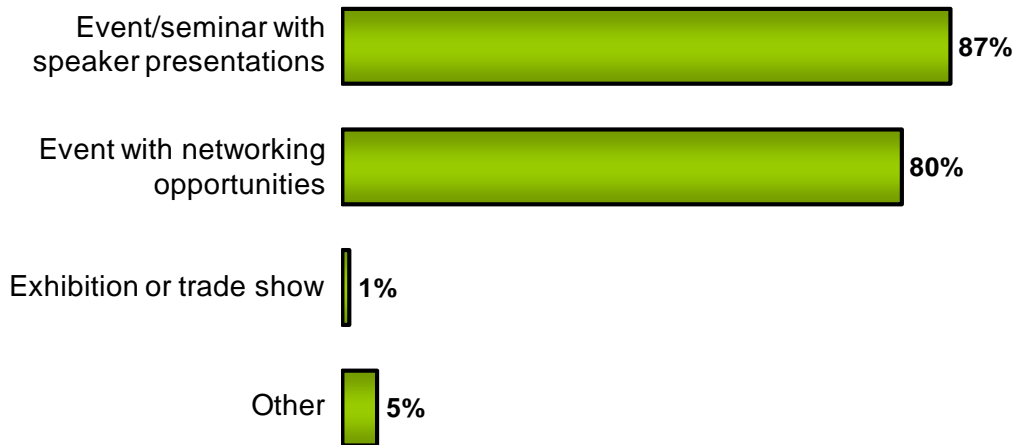
Figure 8.2.4.5 Support Received Through OMIS

	ERTA Sig Assists
<i>Base</i>	313
Offered the OMIS service	64%
- <i>Used it</i>	15%
- <i>Planning to use it</i>	18%
- <i>Not planning to use it</i>	26%
- <i>Don't know</i>	5%
Not offered the OMIS service	29%
Don't know if offered the OMIS service	7%

## 8.2.5 ER Events

All English Regions' Events participants were asked to provide details of the type of event they had attended.

Figure 8.2.5.1 Event Type



Base: All respondents (Base, Don't know)  
ER Events (305, 0%)

Most of these events included speaker presentations and also provided networking opportunities.

As seen below, where these events included presentations these tended to involve speakers who were from the country that they were talking about (e.g. UKTI representatives from the relevant overseas embassy/consulate).

Figure 8.2.5.2 Type of Speakers

	ER Events
<i>Base</i>	305
Based in country they were talking about	45%
Based elsewhere	36%
Don't know	6%
No speaker presentations	13%

In most cases the event or function attended was solely organised by UKTI, with only 17% of firms indicating that it was part of a wider event (e.g. a larger conference or tradeshow).

Figure 8.2.5.3 Wider Event

	ER Events
<i>Base</i>	305
Part of a wider event	17%
Solely a UKTI event	78%
Don't know	5%

As seen below, over half of these ER Events were relatively short in duration, lasting no more than half a day. Please note that ER Events of less than half a day are categorised as 'light' support for the purposes of the analysis of the impact measures later in this report.

Figure 8.2.5.4 Event Duration

	ER Events
<i>Base</i>	305
Up to half a day	54%
Up to 1 day	33%
More than 1 day	12%
Don't know	1%

Encouragingly, 92% of ER Event attendees had an opportunity to meet with UKTI International Trade Advisors at the event if they wished.

Figure 8.2.5.5 Exposure to ITAs

	ER Events
<i>Base</i>	305
Opportunity to meet an ITA at the event	92%
No opportunity to meet an ITA	7%
Don't know	2%

Firms were also asked about the purpose of their attendance at the event and it is interesting to note that 18% were seeking to *develop their UK business* as a result of attending (although this was normally in conjunction with developing their overseas business). This illustrates that these sorts of events can provide wider benefits for participants' overall business through the provision of networking opportunities, etc. Please note that although 2% stated that the sole reason for attending was to develop their UK business, all of these firms indicated that the event ultimately did have some impact on their overseas business<sup>34</sup>.

Figure 8.2.5.6 Purpose of Attending

	ER Events
<i>Base</i>	305
Develop overseas business	82%
Develop UK business	2%
Both	16%

<sup>34</sup> Any firms that indicated they solely attended to develop their UK business and did not see any benefit to their overseas activities were screened out of the interview at this stage. Overall, 4% of the ER Event sample across PIMS 32-35 screened out for this reason.

Firms attending ER Events were asked whether the event had focussed on any specific contracts or opportunities overseas and, if so, whether they were already aware of these opportunities before attending. As seen below, it is quite rare for ER Events to cover specific contracts or sales opportunities overseas. However, when these events did provide information about specific contracts, most firms had previously been unaware of at least some of these opportunities

Figure 8.2.5.7 Whether Event Focussed on Specific Contracts/Opportunities

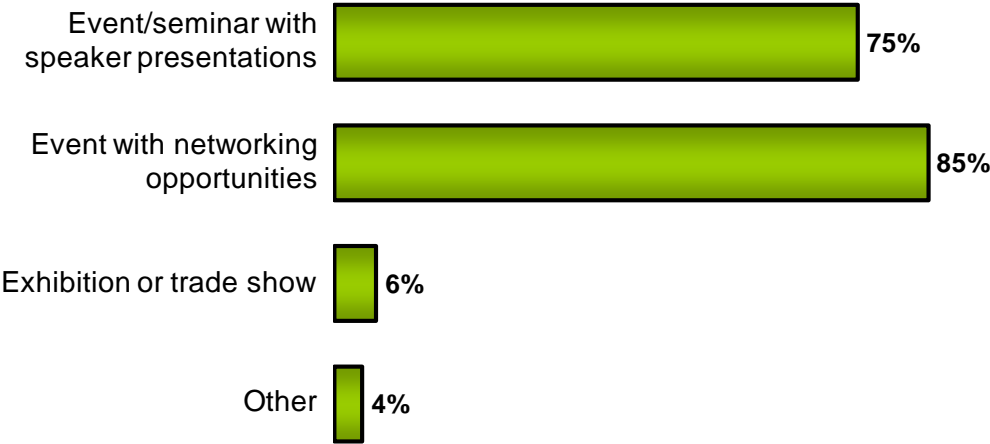
	ER Events
<i>Base</i>	305
Yes	15%
- <i>Aware of all of these previously</i>	1%
- <i>Aware of some of these previously</i>	6%
- <i>Not aware of these previously</i>	8%
No	85%
Don't know	0%

Firms were also asked whether they had *expected* the event to provide information about specific contracts/opportunities, and 18% indicated that they had been anticipating this (slightly higher than the proportion reporting that the event actually did cover this).

8.2.6 HQ Events

All HQ Events participants were asked to provide details of the type of event they had attended. As seen below, the majority of these events included speaker presentations and also offered networking opportunities for attendees.

Figure 8.2.6.1 Event Type



Base: All respondents (Base, Don't know)  
HQ Events (71, 1%)



In around a third of cases these HQ Events were put on alongside a larger event that was not solely organised by UKTI.

Figure 8.2.6.2 Wider Event

	HQ Events
<i>Base</i>	71
Part of a wider event	31%
Solely a UKTI event	63%
Don't know	6%

Over half of these events were relatively brief and lasted no more than half a day.

Figure 8.2.6.3 Event Duration

	HQ Events
<i>Base</i>	71
Up to half a day	56%
Up to 1 day	25%
More than 1 day	18%
Don't know	0%

Firms were asked about the purpose of their attendance at the event and, as seen below, 99% of participants were focussing on developing their overseas business (although this was sometimes in conjunction with developing their UK business). There was one firm who indicated that the sole reason for attending was to develop their UK business, but this company qualified for the PIMS interview because the event ultimately did have some impact on their overseas business<sup>35</sup>.

Figure 8.2.6.4 Purpose of Attending

	HQ Events
<i>Base</i>	71
Develop overseas business	82%
Develop UK business	1%
Both	17%

As seen below, the majority of these events provided attendees with an opportunity to meet up with one of UKTI's International Trade Advisors.

Figure 8.2.6.5 Exposure to ITAs

	HQ Events
<i>Base:</i>	71
Opportunity to meet an ITA at the event	83%
No opportunity to meet an ITA	14%
Don't know	3%

<sup>35</sup> Any firms that indicated they solely attended to develop their UK business and did not see any benefit to their overseas activities were screened out of the interview at this stage. Overall, 1% of the HQ Event sample across PIMS 32-35 screened out for this reason.

Firms attending HQ Events were also asked whether the event had focussed on any specific contracts or opportunities overseas and, if so, whether they were already aware of these opportunities before attending.

Figure 8.2.6.6 Whether Event Focussed on Specific Contracts/Opportunities

	HQ Events
<i>Base</i>	71
Yes	27%
- <i>Aware of all of these previously</i>	6%
- <i>Aware of some of these previously</i>	7%
- <i>Not aware of these previously</i>	14%
No	72%
Don't know	1%

As detailed above, around a quarter of HQ Event attendees indicated that the event had provided information about specific contracts or sales opportunities overseas. In around half of these cases, firms were previously not aware of any of these opportunities.

Firms were also asked whether they had *expected* the event to provide information about specific contracts/opportunities, and 35% indicated that they had been anticipating this.

8.2.7 OMIS

OMIS clients were asked whether they had used the service to help break into a new market or whether the support was to help develop their existing business in a market where they already had a presence. As seen below, there was a fairly even split in this respect.

Figure 8.2.7.1 New or Existing Market

	OMIS
<i>Base</i>	380
Entry into this market	53%
Already established there	46%
Don't know/refused	1%

Firms were also asked whether they had received a written report as part of the service, and almost three-quarters (72%) indicated that this was the case (with the others receiving more ad hoc charged support from the embassy or consulate).

The chart below provides details of the specific types of assistance received through OMIS.

Figure 8.2.7.2 Support Received Through OMIS



The OMIS service is primarily used for contact facilitation, with three-quarters of clients receiving lists of contacts and half having appointments with potential customers or partners arranged on their behalf. Around half used OMIS to obtain an analysis of the market, and two-thirds received one-to-one advice.

However, OMIS is not solely used to provide potential contacts and/or market intelligence. A third of firms had used the service to organise an event in an overseas market (and this can include receptions at official premises such as the ambassador’s residence, as well as more formal events).

Those OMIS users indicating that the support involved assistance putting on an event overseas were asked to provide details. As seen below, in almost all cases this involved dealing with the practical arrangements of putting on the event. Typically the embassy staff also contributed to the guest list, hosted the event at official premises and helped arrange a key speaker.

Figure 8.2.7.3 Type of Event Organisation Assistance

	OMIS
<i>Base: All getting help organising event</i>	133
Undertaking some/all of the practical arrangements	92%
Providing or helping compile the guest list	77%
Hosting the event at official premises (e.g. the embassy)	67%
Providing or helping obtain a key speaker (e.g. ambassador)	65%
Other	5%
None of these	5%

Two-thirds of OMIS users initially accessed the service through an ITA in the UK rather than directly with the overseas embassy/consulate. Although a significant proportion of these firms received guidance from their ITA in deciding the markets to cover and drawing up the specification, it is interesting to note that almost half did not receive help with either of these elements. This is consistent with the findings of qualitative research into OMIS, which found that although ITAs typically act as a 'broker' for OMIS by referring the client to the relevant overseas post they often have very limited input into the project itself<sup>36</sup>.

Figure 8.2.7.4 Support Channels

	OMIS
<i>Base</i>	380
Accessed through ITA in the UK	66%
- <i>Helped decide which markets to cover</i>	21%
- <i>Helped draw up other details of specification sent to embassy or consulate</i>	35%
- <i>Neither of these</i>	28%
Arranged with embassy/consulate directly	27%
- <i>Through meeting embassy staff in the UK</i>	4%
- <i>Some other way (e.g. contacting the overseas post)</i>	23%
Other	5%
Don't know who accessed OMIS through	2%

OMIS users were also asked whether they had any direct contact with the embassy or consulate staff during the process, and whether they had been contacted by them at the outset (to discuss requirements) or during the process (to provide a progress update). This analysis has been provided separately for firms that arranged the OMIS directly with the overseas post and those that accessed it through their ITA in the UK (or through a different channel).

Figure 8.2.7.5 Overseas Posts Involvement

	Accessed through the post	Accessed through ITA/ other channel	Total
<i>Base</i>	104	276	380
Any direct contact with embassy staff during the OMIS process	100%	85%	89%
Contacted by embassy staff when commissioned OMIS to discuss requirements	100%	76%	83%
Contacted by embassy staff during OMIS process to update on progress	91%	72%	78%

Encouragingly, even where firms initially access the OMIS service through their ITA, staff at the overseas post tended to be directly involved in the process, with 85% of this group indicating that they had some direct contact with the embassy staff during the process. This is identical to the proportion seen in the previous 2 years (i.e. the PIMS 24-27 and PIMS 28-31 periods).

<sup>36</sup> Understanding dissatisfaction with UKTI's Overseas Market Introduction Service and exploring ideas for improvement (OMB Research, July 2012).

Around three-quarters (76%) of those accessing OMIS through their ITA were contacted by the embassy staff *at the outset* to discuss or confirm their requirements, with a slightly lower proportion (72%) being contacted by the post staff *during* the OMIS process to provide a progress update.

While it may be that not all types of OMIS support require this level of interaction with the post, the qualitative research referenced previously did point to a correlation between direct contact with the post staff and satisfaction with the service. This is partly because communication with the staff ‘on the ground’ is more likely to ensure that firms get exactly what they need from the service, but also means that firms’ expectations can be better managed and they can be forewarned if there are any problems or issues in delivering against the specification.

As might be expected, those firms that arranged their OMIS directly with the overseas post were more likely to be contacted during the process to update them on progress (91%).

As seen below, most OMIS users proactively sought out the service and contacted UKTI about it.

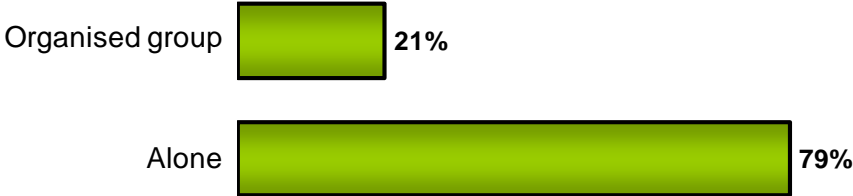
Figure 8.2.7.6 Initial Contact

	OMIS
<i>Base</i>	380
UKTI contacted the firm	34%
The firm contacted UKTI	56%
Other	8%
Don't know/can't remember	2%

8.2.8 MVS

As detailed below, over three-quarters of Market Visit Support clients made the trip alone rather than as part of an organised group or delegation of businesses.

Figure 8.2.8.1 Visit Type



Base: All respondents (Base, Don't know)  
MVS (96, 0%)

MVS users were also asked whether, before they went on the visit, they had a conversation with one of UKTI's International Trade Advisors about the potential impact of the visit on their business. Encouragingly, this type of discussion took place in the vast majority of cases

Figure 8.2.8.2 Whether Discussed Potential Impact of Visit Beforehand

	MVS
<i>Base</i>	96
Yes	91%
No	7%
Don't know/can't remember	2%

Firms were asked whether they had been invited to commission any tailored information from the embassy or consulate in the market they visited and, if so, whether they had actually done so. Over a third of MVS participants were invited to commission some information by the overseas post, although only 1 in 10 actually did so.

Figure 8.2.8.3 Information Commissioned from Overseas Post

	MVS
<i>Base</i>	96
Invited to commission info & did so	10%
Invited to commission info but did not do so	25%
Not invited to commission any info	60%
Don't know/can't remember	4%

8.2.9 TAP Solo

TAP Solo users were asked whether, before they went to the tradeshow, they had a conversation with one of UKTI's International Trade Advisors about the potential impact of the event on their business. As seen below, this happened in almost all cases.

Figure 8.2.9.1 Whether Discussed Potential Impact of Visit Beforehand

	TAP Solo
<i>Base</i>	38
Yes	87%
No	13%

TAP Solo participants were also asked whether they had been invited to commission any tailored information from the overseas embassy or consulate in the market they visited and, if so, whether they had actually commissioned it. Around 1 in 5 firms were invited to commission information from the overseas post, but less than half of this group did so.

Figure 8.2.9.2 Information Commissioned from Overseas Post

	TAP Solo
<i>Base</i>	38
Invited to commission info & did so	8%
Invited to commission info but did not do so	11%
Not invited to commission any info	76%
Don't know/can't remember	5%

As seen below, half of TAP Solo participants had not attended this particular tradeshow before, suggesting that the TAP programme plays an important role in opening up new opportunities for exporters.

Figure 8.2.9.3 Number of Times Exhibited at Show

	TAP Solo
<i>Base</i>	38
Once (i.e. first time)	47%
Twice	24%
Three times	21%
Four times	3%
Five times	0%
More than five times	5%

Firms were also asked whether they felt that the tradeshow they attended was ‘the single most important international event’ for firms in their sector and, as seen below, almost half agreed that this was the case. Given that 47% had not attended the show before, this demonstrates that the TAP programme is helping UK firms access events that are critical to their business and that they might otherwise have been unable to attend (due to financial constraints, etc).

Figure 8.2.9.4 Whether Single Most Important Event for the Sector

	TAP Solo
<i>Base</i>	38
Agree	45%
Disagree	50%
Don't know	5%

### 8.2.10 TAP Group

All TAP Group participants were asked whether, in addition to their involvement in the practical arrangements, their Trade Association (or accredited trade organisation) had provided them with any other support in relation to their visit. If so, they were asked whether this had included a written report or briefing about the market and whether any of the support included material provided by the post in that market.

Figure 8.2.10.1 Other Support Provided by ATO

	TAP Group
<i>Base</i>	150
Trade Association/ATO provided additional support	49%
- <i>Provided written briefing/report about market</i>	22%
- <i>Included material provided by overseas post</i>	13%
Trade Association/ATO did not provide additional support	48%
Don't know/can't remember	3%

Half of all TAP Group participants received support from their Trade Association (or similar organisation) over and above dealing with the practical arrangements for the visit. Approaching a quarter received a written briefing/report about the market and 13% were given some information or material produced by the overseas post.

As detailed below, only 3% of TAP Group participants commissioned tailored information from the overseas post in the market they were visiting, although a further 11% were invited to do so but declined.

Figure 8.2.10.2 Information Commissioned from Overseas Post

	TAP Group
<i>Base</i>	150
Invited to commission info & did so	3%
Invited to commission info but did not do so	11%
Not invited to commission any info	77%
Don't know/can't remember	10%

Firms were also asked whether they had any contact with their local UKTI international trade team in connection with their visit and, if so, whether they discussed the role of the event in terms of its usefulness to their business prior to attending. As detailed below, over a quarter of TAP Group participants discussed the event's usefulness with their trade team prior to attending.

Figure 8.2.10.3 Support from UKTI International Trade Team

	TAP Group
<i>Base</i>	150
Contact with ITT and discussed usefulness of event	28%
Contact with ITT but did not discuss usefulness of event	21%
No contact with ITT	47%
Don't know/can't remember	2%



As seen below, two-fifths of TAP Group participants indicated that this was the first occasion that they had visited this particular tradeshow, although 17% had attended on more than five occasions in the past.

Figure 8.2.10.4 Number of Times Exhibited at Show

	TAP Group
<i>Base</i>	150
Once (i.e. first time)	40%
Twice	14%
Three times	9%
Four times	5%
Five times	9%
More than five times	17%
Don't know/can't remember	5%

Perhaps unsurprisingly given the high levels of repeat attendance detailed above, over half of TAP Group participants felt that the tradeshow they attended was 'the single most important international event' for firms in their sector.

Figure 8.2.10.5 Whether Single Most Important Event for the Sector

	TAP Group
<i>Base</i>	150
Agree	57%
Disagree	39%
Don't know	4%

8.2.11 TAP Non-Funded

A significant number of the TAP Non-Funded participants contacted were unaware of any involvement from UKTI in their visit, largely because UKTI often works with Trade Associations or other accredited trade organisations behind the scenes to help UK firms attend these events (with no direct contact between UKTI and the companies themselves). As of PIMS 34, to be eligible for the PIMS interview TAP Non-Funded participants had to either indicate that their trip had been organised by a Trade Association/similar accredited trade organisation or that they had taken part in any activities or events supported by UKTI while they were at the tradeshow.

Figure 8.2.11.1 UKTI & Trade Association Involvement

	TAP Non-Funded
<i>Base (PIMS 34-35 only)</i>	38
Trip organised by trade association or ATO	32%
Took part in UKTI supported activities/events	32%
Both	37%
<i>Net: Trip organised by trade association or ATO</i>	68%
<i>Net: Took part in UKTI supported activities/events</i>	68%

As detailed above, two-thirds of participants confirmed that their attendance at the tradeshow was organised by a trade association or similar organisation, and the same proportion had some contact with UKTI while at the show. However, it should be noted that a significant proportion of the TAP Non-Funded firms contacted for PIMS were ineligible for interview because they did not meet any of these criteria<sup>37</sup>.

Where the trip had been organised by a Trade Association (or similar), firms were asked whether the Trade Association had provided them with any other support in relation to their visit (in addition dealing with the practical arrangements).

Figure 8.2.11.2 Other Support Provided by ATO

	TAP Non-Funded
<i>Base</i>	102
Trade Association/ATO provided additional support	46%
- <i>Provided written briefing/report about market</i>	17%
- <i>Included material provided by overseas post</i>	12%
Trade Association/ATO did not provide additional support (or was not involved in trip)	52%
Don't know	2%

Approaching half of TAP Non-Funded participants received additional support from their Trade Association. In 17% of cases they received a written briefing or report on the market and in 12% of cases the information included material provided by the overseas embassy or consulate.

Firms were also asked whether they had been invited to commission any tailored information from the overseas embassy or consulate in the market they visited and, if so, whether they had actually commissioned it. As seen below, 17% of TAP Non-Funded participants were offered this type of information, with 7% actually commissioning something from the post.

Figure 8.2.11.3 Information Commissioned from Overseas Post

	TAP Non-Funded
<i>Base</i>	102
Invited to commission info & did so	7%
Invited to commission info but did not do so	10%
Not invited to commission any info	79%
Don't know/can't remember	4%

<sup>37</sup> 14% of the TAP Non-Funded firms contacted in PIMS 34-35 screened out for this reason. Furthermore, an additional 18% claimed that they either did not attend the tradeshow or received no support to do so.

It is clear from the analysis below that many TAP Non-Funded participants attend the specific tradeshow in question on a regular basis. Approaching three-quarters had attended the same tradeshow previously, with a third visiting more than five times.

It is therefore likely that many of these firms would have attended anyway in the absence of TAP assistance. This is confirmed by the results of the activity additionality questions (see Section 10.2) which show that 71% would definitely or probably have gone anyway even if their Trade Association or UKTI had not been involved. This suggests that the value of the TAP Non-Funded programme lies in helping businesses get more out of the show (e.g. through being part of a higher profile delegation, enhanced networking opportunities, etc) rather than in enabling them to attend per se.

Figure 8.2.11.4 Number of Times Exhibited at Show

	TAP Non-Funded
<i>Base</i>	102
Once (i.e. first time)	26%
Twice	15%
Three times	6%
Four times	12%
Five times	5%
More than five times	34%
Don't know/can't remember	2%

TAP Non-Funded participants were also asked whether they felt that the tradeshow they attended was 'the single most important international event' for firms in their sector. Reflecting the fact that most of these firms have attended the same show on multiple occasions in the past, half agreed that it was the most important event for their sector.

Figure 8.2.11.5 Whether Single Most Important Event for the Sector

	TAP Non-Funded
<i>Base</i>	102
Agree	51%
Disagree	48%
Don't know	1%

### 8.2.12 Outward Missions

Outward Mission participants were asked whether they had been invited to commission any tailored information from the overseas embassy or consulate in the market they visited and, if so, whether they had actually commissioned it.

Figure 8.2.12.1 Information Commissioned from Overseas Post

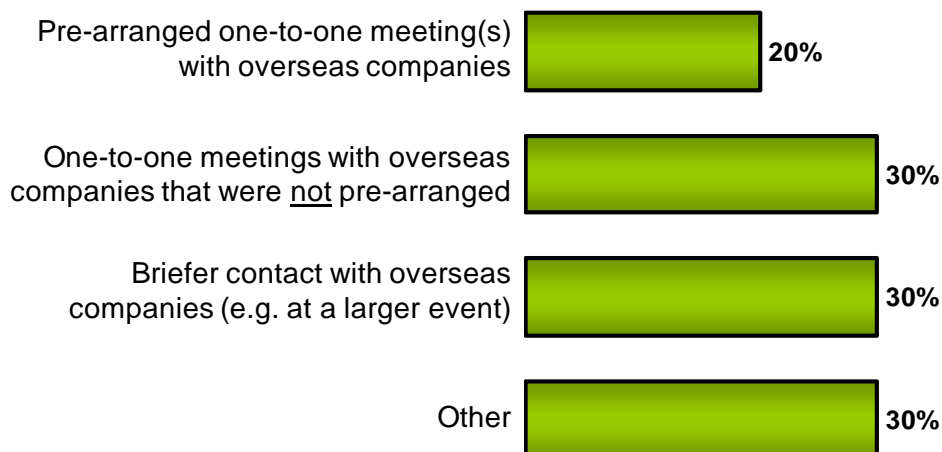
	Outward Mission
<i>Base</i>	32
Invited to commission info & did so	6%
Invited to commission info but did not do so	19%
Not invited to commission any info	69%
Don't know/can't remember	6%

A quarter of firms had been invited to commission information from the overseas post, although only a small minority (6%) had actually done so.

### 8.2.13 Inward Missions

All Inward Mission participants were asked what form the meeting with overseas companies took. Please note that the analysis base is extremely low (just 10 respondents) because there were so few Inward Missions recorded by UKTI during 2013.

Figure 8.2.13.1 Meeting Type



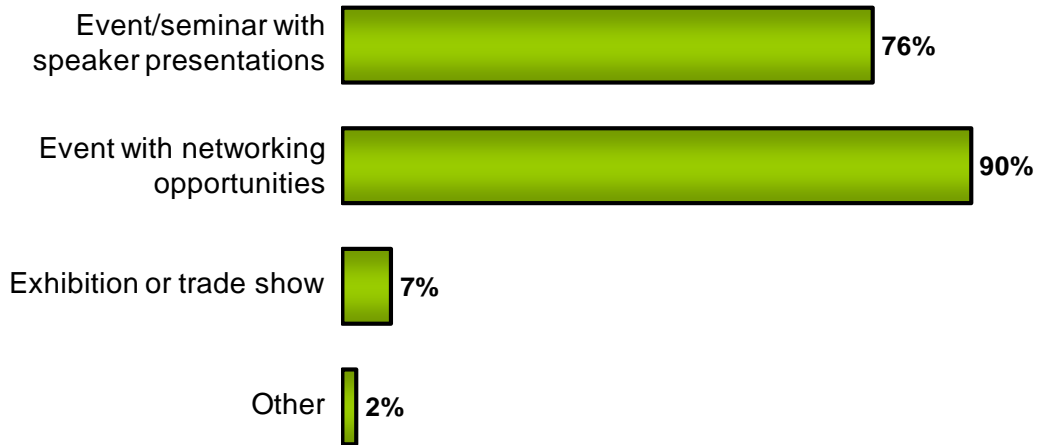
Base: All respondents (Base, Don't know)  
Inward Missions (10, 0%)

Just half of the 10 inward mission participants had one-to-one meetings with overseas companies, and only 2 of these firms indicated that the meetings had been pre-arranged.

### 8.2.14 Sector Events UK

All Sector Events UK participants were asked to provide details of the type of event they had attended and, as seen below, the majority of these involved speaker presentations and networking opportunities.

Figure 8.2.14.1 Event Type



Base: All respondents (Base, Don't know)  
Sector Events UK (297, 0%)

As seen below, the majority of the events that included presentations involved speakers who were based in the country that they were talking about (e.g. UKTI representatives from the relevant overseas embassy/consulate).

Figure 8.2.14.2 Type of Speakers

	Sector Events UK
<i>Base</i>	297
Based in country they were talking about	58%
Based elsewhere	11%
Don't know	7%
No speaker presentations	24%

In almost half of cases the UKTI event or function coincided with a larger event (e.g. a tradeshow, conference, etc) that was not solely organised by UKTI.

Figure 8.2.14.3 Wider Event

	Sector Events UK
<i>Base</i>	297
Part of a wider event	46%
Solely a UKTI event	43%
Don't know	11%

The majority of these sector events (61%) were fairly substantial affairs that lasted for more than half a day.

Figure 8.2.14.4 Event Duration

	Sector Events UK
<i>Base</i>	297
Up to half a day	38%
Up to 1 day	23%
More than 1 day	37%
Don't know	2%

Firms were also asked about the purpose of their attendance at the event. As might be expected, the vast majority of firms attended to develop their overseas business. However, it is interesting to note that almost half were also hoping to see some benefit to their UK operations (normally as well as a benefit to their overseas business). Please note that the 6% of firms who were solely seeking to develop their UK business all indicated that the event ultimately had some impact on their overseas business (although this wasn't their initial objective for attending)<sup>38</sup>.

Figure 8.2.14.5 Purpose of Attending

	Sector Events UK
<i>Base</i>	297
Develop overseas business	46%
Develop UK business	6%
Both	48%

As seen below, in three-quarters of cases the event offered participants an opportunity to meet with one of UKTI's international trade advisors.

Figure 8.2.14.6 Exposure to ITAs

	Sector Events UK
<i>Base</i>	297
Opportunity to meet an ITA at the event	75%
No opportunity to meet an ITA	12%
Don't know/can't remember	13%

<sup>38</sup> Any firms that indicated they solely attended to develop their UK business and did not see any benefit to their overseas activities were screened out of the interview at this stage. Overall, 6% of the Sector Events UK sample across PIMS 32-35 screened out for this reason.

Attendees were also asked whether the event had focussed on any specific contracts or opportunities overseas and, if so, whether they were already aware of these opportunities before attending.

Figure 8.2.14.7 Whether Event Focussed on Specific Contracts/Opportunities

	Sector Events UK
<i>Base</i>	297
Yes	35%
- <i>Aware of all of these previously</i>	5%
- <i>Aware of some of these previously</i>	15%
- <i>Not aware of these previously</i>	14%
No	62%
Don't know	4%

As detailed above, around a third of attendees reported that the event provided information about specific contracts or sales opportunities overseas. However, in most cases firms were already aware of at least some of these opportunities before attending.

Firms were also asked whether they had *expected* the event to provide information about specific contracts/opportunities, and 39% indicated that they had been anticipating this.

8.2.15 Posts Significant Assists

All Posts Significant Assists were asked whether this assistance was delivered solely by the embassy/consulate or whether they were referred elsewhere for some or all of it. As detailed below, only a minority (16%) were referred elsewhere for any of the support they received, and these firms were more likely to be directed to external organisations rather than to other UKTI services.

Figure 8.2.15.1 Referrals

	Posts Sig Assists
<i>Base</i>	617
Referred for some or all of the support received	16%
- <i>Within UKTI</i>	7%
- <i>Outside of UKTI</i>	10%
Not referred for any of the support received	81%
Don't know/can't remember	3%

Those firms that had been referred outside of UKTI were asked whether the embassy staff had followed-up with them afterwards to see how the referral went and if it was helpful. Encouragingly, approaching two-thirds of this group reported that the post staff had been in touch to check how the referral had gone.

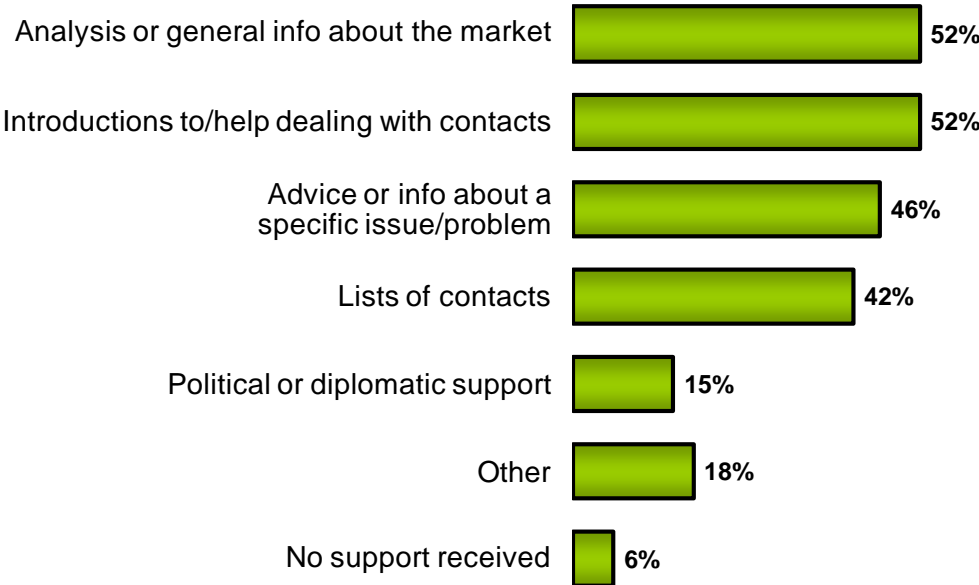
Posts Significant Assists were also asked whether they had been offered the OMIS service by the embassy staff. As seen below, staff at the posts are offering OMIS on around half of the occasions that they provide less formal (and typically uncharged) assistance to firms. However, only 14% of firms had taken up the offer and commissioned an OMIS, although a further 12% indicated that they were planning to do so in future.

Figure 8.2.15.2 Support Received Through OMIS

	Posts Sig Assists
<i>Base</i>	617
Offered the OMIS service	51%
- <i>Used it</i>	14%
- <i>Planning to use it</i>	12%
- <i>Not planning to use it</i>	21%
- <i>Don't know</i>	3%
Not offered the OMIS service	44%
Don't know if offered the OMIS service	5%

All Posts Significant Assists were then asked to focus solely on the support received directly through the embassy/consulate, and provide details of the specific type of assistance they received.

Figure 8.2.15.3 Support Received Directly From the Post



Base: All respondents (Base, Don't know)  
Overseas Posts (617, 0%)

Posts Significant Assists cover a broad range of different support, with around half involving analysis or general information about an overseas market, contact facilitation and help with a specific issue or problem.



Although this is a service that could potentially have been provided (and charged for) through OMIS, two-fifths of firms had also been supplied with lists of contacts.

Firms recorded as Posts Significant Assists were also asked whether any of the support they received had specifically related to doing business with aid agencies, such as the World Bank or the World Health Organisation. In total, just 3% had received aid agency related support.

Half of all clients (53%) believed that the staff at the post had spent less than a day providing the support, which reflects the fact that the Posts Significant Assists category should capture support that is not substantial enough to charge for through OMIS, or where it would not be appropriate to do so. That said, a fifth of firms felt that UKTI had devoted at least 3 days to providing the assistance. It should be noted that this data relates to firms' *perceptions* of the time involved and therefore may not be an accurate depiction of the actual time spent by the embassy staff.

Figure 8.2.15.4 Time Spent by UKTI

	Posts Sig Assists
<i>Base</i>	617
More than a week of their time	9%
3-5 days work	12%
1-2 days work	18%
More than an hour's work (but less than 1 day)	33%
Less than an hour's work	20%
Don't know	7%
No direct support received (i.e. signposted only)	2%

As seen below, firms were more likely to have initiated the contact with the post rather than the other way round.

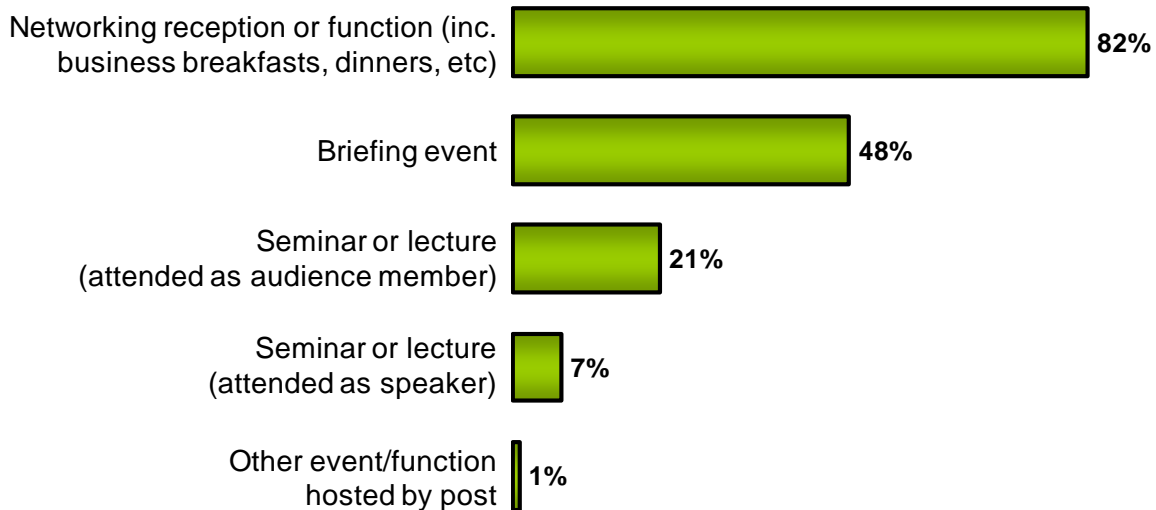
Figure 8.2.15.5 Initial Contact

	Posts Sig Assists
<i>Base</i>	617
The post contacted the firm	29%
The firm contacted the post	53%
Other	14%
Don't know/can't remember	3%

## 8.2.16 Posts Events

All Posts Events participants were asked to provide details of the type of event they had attended.

Figure 8.2.16.1 Event Type



Base: All respondents (Base)  
Posts Events (201)

The majority of these events are networking receptions or functions, although half of the attendees indicated that the event was (or included) a market briefing. Over a quarter of firms described the event as a seminar or lecture, with most attending these as an audience member rather than a speaker.

Firms attending networking receptions/functions were asked whether they were a guest at this event or whether it had actually been organised on their behalf by the post (i.e. they were the host). However, none of the Post Events attendees indicated that they had hosted the event in question. When taken in conjunction with the fact that 35% of OMIS users reported that this had involved event organisation (as seen in Section 8.2.7), it suggests that when UKTI organise events on behalf of clients this is always charged for through the OMIS service.

Consistent with most Posts Events being networking receptions/functions, over three-quarters of them were relatively brief and lasted for no more than half a day.

Figure 8.2.16.2 Event Duration

	Posts Events
<i>Base (exc. speakers)</i>	201
Up to half a day	79%
Up to 1 day	10%
More than 1 day	10%
Don't know/can't remember	1%

In the majority of cases firms indicated that the Overseas Post Event they attended was associated with or timed to coincide with a larger event such as an exhibition, trade fair or overseas mission.

Figure 8.2.16.3 Wider Event

	Posts Events
<i>Base</i>	201
Part of a wider event	82%
Not part of a wider event	15%
Don't know	3%

As seen below, most Posts Events attendees initially found out about the event as a result of being contacted by UKTI or the overseas embassy/consulate.

Figure 8.2.16.4 Initial Contact

	Posts Events
<i>Base</i>	201
UKTI/the post contacted the firm	57%
The firm contacted UKTI/the post	20%
Other	18%
Don't know/can't remember	4%

8.2.17 Website Business Opportunities

Those firms that had used the Business Opportunities service on the UKTI website were first asked how they found out about opportunities that might be relevant to their business.

Figure 8.2.17.1 How Opportunities Are Accessed

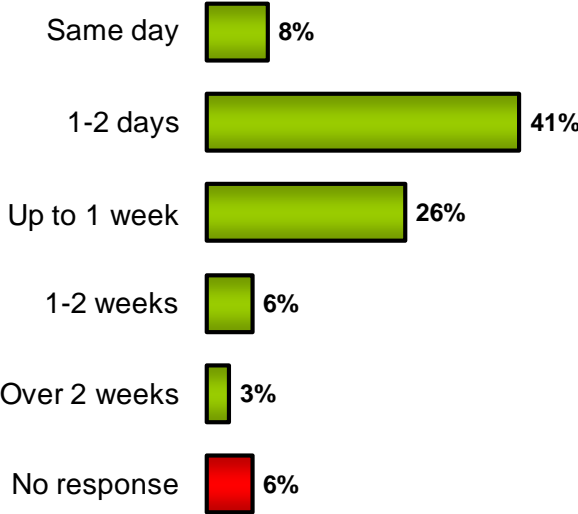
	Web Business Opportunities
<i>Base</i>	289
Receive email alerts	51%
Search on the UKTI website directly	14%
Both	33%
Neither/do not actively look for opportunities	1%

The most widely used way of accessing the business opportunities is through the email alerts. Overall, 84% of firms adopt this approach, either exclusively or in conjunction with searching on the website.

The fact that 34% of firms receive email alerts but then supplement this with direct web searches might suggest that the emails are not sufficiently tailored and firms therefore feel the need to check the site in case they have missed anything. This was echoed in previous qualitative research, where some firms found that the email alerts weren't always relevant and that it was difficult to narrow down their preferences<sup>39</sup>.

The initial part of the PIMS interview focussed on one specific opportunity that the firm had responded to. They were initially asked how long it had taken to receive a reply from the embassy/consulate staff once they had registered their interest in this opportunity.

Figure 8.2.17.2 Response from Post



Base: All respondents (Base, Don't know)  
Web Bus Opps (289, 10%)

In three-quarters of cases the staff at the overseas post responded to firms within a week. While it is concerning that 6% claim not to have heard anything from the staff at the post after they initially registered their interest in the opportunity, this does represent a significant improvement on the 13% recorded last year. It should be noted that all the firms not receiving a response from the post indicated that they did something else to try and pursue the opportunity, as the survey closed if firms did not receive a response and took no further action<sup>40</sup>.

<sup>39</sup> Understanding dissatisfaction with the Website Business Opportunities service and exploring ideas for improvement (OMB Research, March 2012).

<sup>40</sup> Across the PIMS 32-35 period, 12% of all the firms contacted about the Website Business Opportunities service screened out for this reason.

As seen below, following the initial response from the post, a quarter of firms subsequently received some further information or assistance in relation to the business opportunity. In all cases this additional assistance was provided by the post free of charge.

Figure 8.2.17.3 Further Assistance from Post

	Web Business Opportunities
<i>Base</i>	289
Yes	25%
- <i>Had to pay for this additional info/assistance</i>	0%
No	65%
Don't know	5%
No response from post	6%

All firms were asked whether they ultimately decided to try and win the opportunity in question and, if so, whether they were successful. In almost three-quarters of cases, firms ultimately decided not to pursue the opportunity. Only 2% had actually won the contract by the time of the PIMS interview (conducted 4-7 months after firms registered their initial interest in the opportunity), although a further 10% indicated that a decision was still pending or they had not yet heard whether they had been successful.

Figure 8.2.17.4 Whether Attempted to Win Opportunity

	Web Business Opportunities
<i>Base</i>	289
Yes	27%
- <i>Successful</i>	2%
- <i>Not heard yet/pending</i>	10%
- <i>Unsuccessful</i>	14%
- <i>Don't know</i>	1%
No	71%
Don't know	1%
Alert did not relate to a specific contract	1%

Those firms that attempted to win the opportunity but had not heard whether or not they had been successful by the time of the PIMS interview were asked whether they would have *expected* to have heard by that point.

Figure 8.2.17.5 Whether Would Expect to Have Heard Back

	Web Business Opportunities
<i>Base: All not hearing outcome</i>	40
Yes	68%
No	28%
Don't know	5%

As detailed above, two-thirds of the firms that had not been informed of the outcome of their tender would have expected to have heard by the time of the PIMS interview. This is consistent with the qualitative research, which found that some firms believed that UKTI had a responsibility to provide follow-up on the progress of an enquiry, with this particularly important in cases where firms had not been provided with specific client details and were therefore unable to chase up the opportunity themselves. It is worth noting that this expectation of follow-up does not just relate to the final outcome, and some firms were unsure whether their expression of interest had even been received by the potential client. Whilst it may be outside the remit (or ability) of staff in posts to provide this type of update, it is clearly important that firms' expectations are better managed and they are told exactly what information they will be provided with.

Although the data earlier in this section of the report relates to firms' experiences of responding to one particular opportunity, they were also asked how many such opportunities they had responded to on the UKTI website in the previous year.

Figure 8.2.17.6 Number of Opportunities Responded to in Last Year

	Web Bus Opps
<i>Base</i>	289
1 (i.e. first time)	29%
2	15%
3-5	31%
6-10	16%
More than 10	9%
Don't know/can't remember	1%

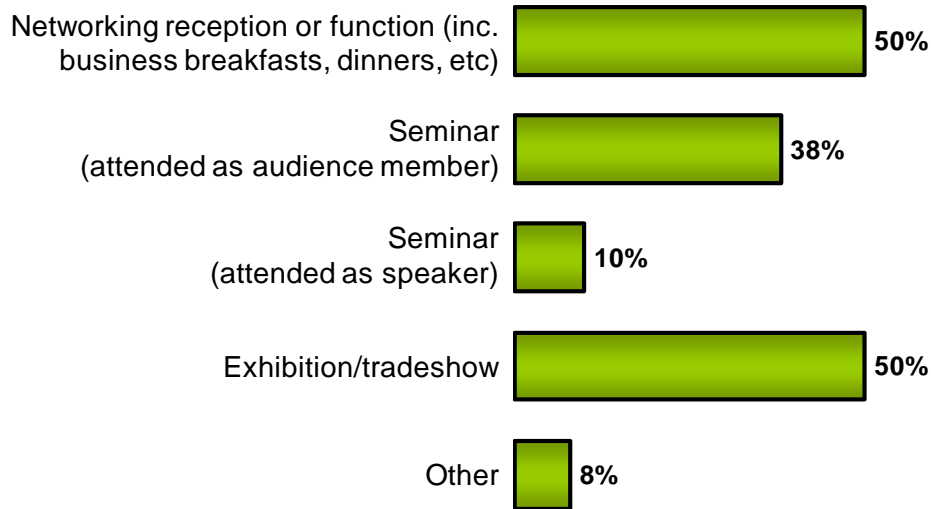
The majority (70%) of Web Business Opportunities users had used the service on more than one occasion in the last year, with a quarter responding to 6 or more individual opportunities.

It should be noted that when firms assessed the impact of the Web Business Opportunities service on their business (as reported in Section 11 of this report), they were asked to focus on their total use of the service over the past year (rather than focussing on just the single opportunity that was the focus of the earlier part of the interview).

## 8.2.18 Sector Events Abroad

All Sector Events Abroad participants were asked to provide details of the type of event they had attended.

Figure 8.2.18.1 Event Type



Base: All respondents (Base, Don't know)  
Sector Events Abroad (104, 0%)

Half of these firms indicated that the event was a networking reception/function, half described it as an exhibition or tradeshow and half reported that it was a seminar (and in most of these cases they attended as an audience member rather than a speaker). Please note that firms could put the event into more than one category, for example if it was a seminar that was followed by a networking reception.

Those firms indicating that the event was an exhibition or tradeshow were asked whether they had been invited to attend a separate event/function or had just gone to the main event, and a third of this group had been invited to a separate function. Firms attending a networking reception or function were asked whether they had expected to be introduced to potential clients/customers or were just anticipating a more general event, and half had expected to be introduced to contacts.

As seen below the majority of these Sector Events last for more than 1 day, which is perhaps not surprising given that many were exhibitions/tradeshows.

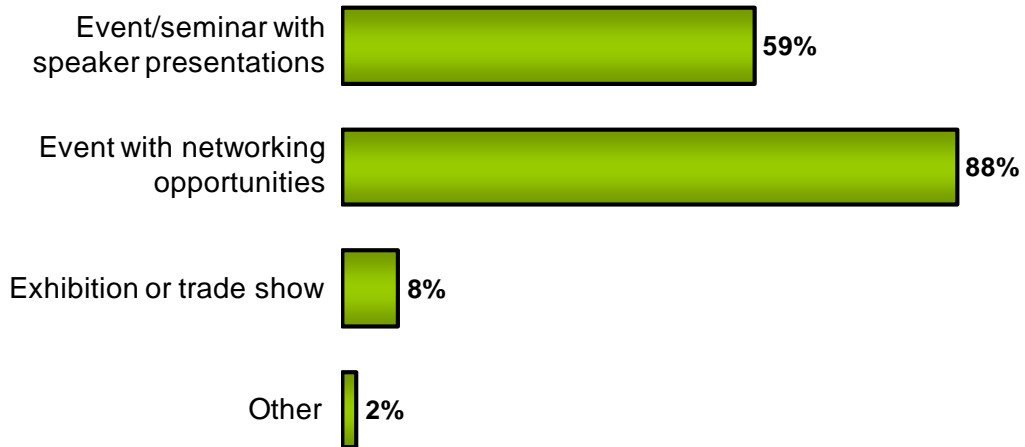
Figure 8.2.18.2 Event Duration

	Sector Events Abroad
<i>Base (exc. speakers)</i>	104
Up to half a day	25%
Up to 1 day	10%
More than 1 day	65%

### 8.2.19 DSO Events

All DSO Events participants were asked to provide details of the type of event they had attended. As seen below, the vast majority of these events provided networking opportunities for attendees and over half included speaker presentations.

Figure 8.2.19.1 Event Type



Base: All respondents (Base, Don't know)  
DSO Events (59, 0%)

Approximately two-thirds of these events were solely organised by UKTI/DSO rather than being part of a wider event (e.g. a tradeshow or conference).

Figure 8.2.19.2 Wider Event

	DSO Events
<i>Base</i>	59
Part of a wider event	31%
Solely a UKTI/DSO event	64%
Don't know	5%

DSO events vary considerably when it comes to duration, with a third lasting less than half a day but a similar proportion taking place over the course of several days.

Figure 8.2.19.3 Event Duration

	DSO Events
<i>Base</i>	59
Up to half a day	32%
Up to 1 day	34%
More than 1 day	34%



Firms were asked about the purpose of their attendance at the event and, as seen below, 97% were focussing on developing their overseas business (often as well as developing their UK business). Although 3% stated that the sole reason for attending was to develop their UK business, all of these firms indicated that the event ultimately did have some impact on their overseas business (even though this wasn't their initial objective for attending) <sup>41</sup>.

Figure 8.2.19.4 Purpose of Attending

	DSO Events
<i>Base</i>	59
Develop overseas business	49%
Develop UK business	3%
Both	47%

As seen below, three-quarters of attendees had contact with someone from DSO while at the event.

Figure 8.2.19.5 Contact with DSO

	DSO Events
<i>Base</i>	59
Yes	73%
No	19%
Don't know	8%

Firms were also asked whether the event had focussed on any specific contracts or opportunities overseas and, if so, whether they were already aware of these opportunities before attending. As detailed below, a third reported that the event provided information about specific contracts overseas, and these firms tended to already be aware of at least some of the opportunities covered.

Figure 8.2.19.6 Whether Event Focussed on Specific Contracts/Opportunities

	DSO Events
<i>Base</i>	59
Yes	32%
- <i>Aware of all of these previously</i>	10%
- <i>Aware of some of these previously</i>	12%
- <i>Not aware of these previously</i>	10%
No	68%

Firms were also asked whether they had *expected* the event to provide information about specific contracts/opportunities, and 42% claimed that they had been anticipating this (significantly more than the proportion indicating that the event actually provided information about specific overseas opportunities).

<sup>41</sup> Any firms that indicated they solely attended to develop their UK business and did not see any benefit to their overseas activities were screened out of the interview at this stage. Overall, 11% of the DSO Events sample across PIMS 32-35 screened out for this reason.

8.2.20 DSO Significant Assists

Those firms receiving support from a DSO trade advisor were asked whether this assistance was delivered solely by their advisor or whether they were referred elsewhere for some or all of it. As detailed below, a third of DSO Significant Assists were referred elsewhere for at least some of the support they received, and in most cases this was to other UKTI/DSO services.

Figure 8.2.20.1 Referrals

	DSO Sig Assists
<i>Base</i>	60
Referred for some or all of the support received	35%
- <i>Within UKTI/DSO</i>	32%
- <i>Outside of UKTI/DSO</i>	5%
Not referred for any of the support received	63%
Don't know/can't remember	2%

The small number of firms that had been referred outside of UKTI (5%) were asked whether the DSO staff had followed-up with them afterwards to see how the referral went and if it was helpful. Encouragingly, all of this group reported that DSO had been in touch to check how the referral had gone.

Irrespective of whether or not they initially indicated that they had been referred elsewhere within UKTI, DSO Significant Assists were asked whether they had been offered the OMIS service by their trade advisor.

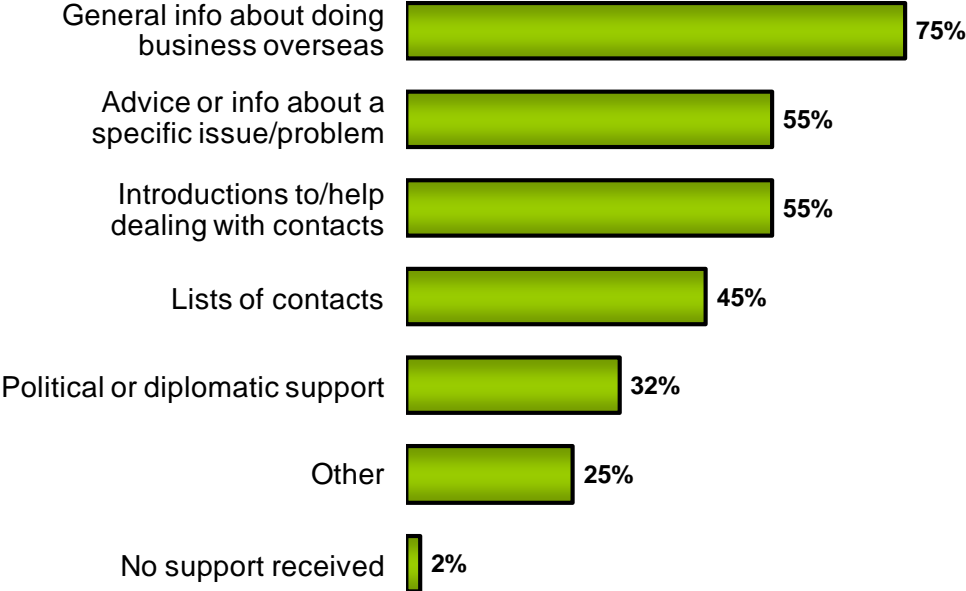
Figure 8.2.20.2 Support Received Through OMIS

	DSO Sig Assists
<i>Base</i>	60
Offered the OMIS service	62%
- <i>Used it</i>	17%
- <i>Planning to use it</i>	18%
- <i>Not planning to use it</i>	25%
- <i>Don't know</i>	2%
Not offered the OMIS service	38%

Almost two-thirds of these firms had been offered the OMIS service, and over half of this group had either already commissioned an OMIS or were planning to do so.

All DSO Significant Assists were then asked to focus solely on the support received directly through their advisor, and provide details of the specific type of assistance they received.

Figure 8.2.20.3 Support Received Directly Through the DSO Advisor



Base: All respondents (Base, Don't know)  
DSO Significant Assists (60, 0%)

Three-quarters of supported firms received general information about doing business overseas, and over half were assisted with a specific issue or problem. Contact facilitation appears to be a major aspect of the DSO support, with around half of clients receiving introductions or help dealing with potential customers/partners and getting lists of contacts. Around a third also received political or diplomatic support from their DSO trade advisor.

DSO Significant Assists were also asked whether their advisor spoke to them at any point about intellectual property protection issues but, as seen below, this happened in less than a quarter of cases.

Figure 8.2.20.4 Discussion of IP Protection Issues

	DSO Sig Assists
<i>Base</i>	60
Yes	22%
No	77%
Don't know/can't remember	2%

Firms were also asked to estimate how much time the advisor had spent providing the information or advice, and in a quarter of cases this was felt to be less than a day (with 7% estimating it to be less than an hour). However, it should be noted that this data relates to firms' *perceptions* of the DSO time involved.

Figure 8.2.20.5 Time Spent by DSO

	DSO Sig Assists
<i>Base</i>	60
More than a week of their time	25%
3-5 days work	25%
1-2 days work	23%
More than an hour's work (but less than 1 day)	18%
Less than an hour's work	7%
No direct support received (i.e. signposted only)	2%

8.2.21 Webinars

Webinar attendees were only included in PIMS (and counted against UKTI's target for number of firms supported) if they attended 50% or more of the webinar session. This was calculated from the sample data provided by UKTI, which included details of the webinar duration and the length of time each registrant remained online.

The table below shows the amount of the webinar attended by those firms eligible for PIMS (i.e. attending at least 50%). This analysis suggests that the webinars are successfully holding firms' interest, with three-quarters attending the entire session.

Figure 8.2.21.1 Amount of Webinar Attended

	Webinars
<i>Base</i>	80
All of it	75%
Most of it	20%
About half of it	5%

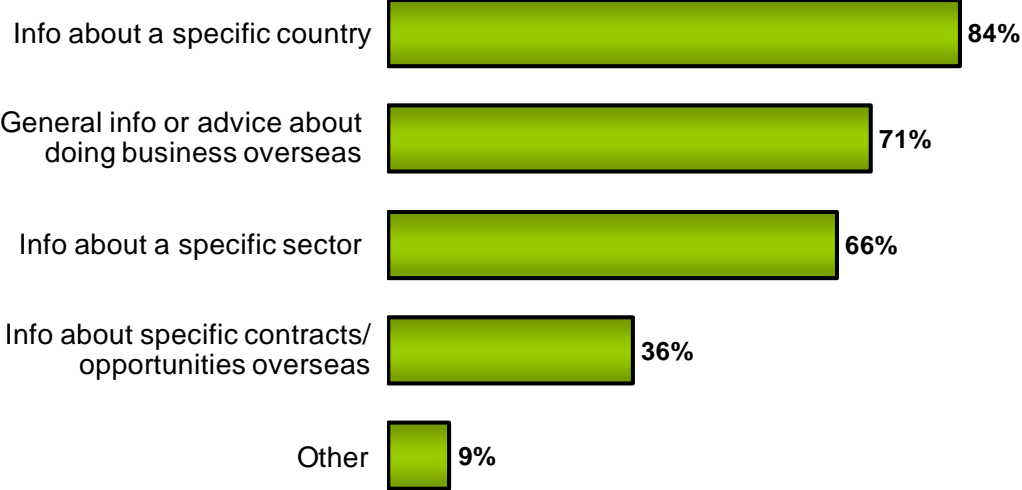
As seen below, the majority of webinar attendees remained on-line for the Q&A session after the main presentations.

Figure 8.2.21.2 Whether Attended the Q&A Session

	Webinars
<i>Base</i>	80
Yes - all of it	63%
Yes – some of it	18%
No	15%
Don't know/can't remember	4%
No Q&A after webinar	1%

Firms were also asked to provide details of the broad areas covered by the webinar they attended. The vast majority of these sessions were country-specific and most also provided more general advice about exporting and sector-specific information.

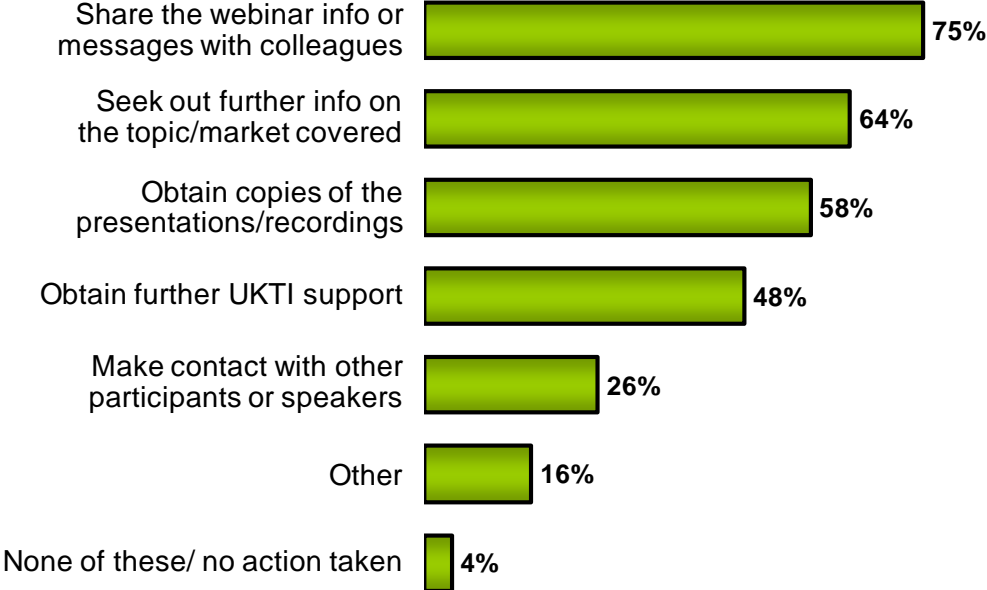
Figure 8.2.21.3 Webinar Coverage



Base: All respondents (Base, Don't know) Webinars (80, 0%)

As seen below, these webinars generally prompt firms to either disseminate the information more widely within their organisation or to investigate the topic or market in more detail. They also appear to act as a gateway to other UKTI services, with half of attendees going on to obtain further UKTI support as a result.

Figure 8.2.21.4 Action Taken



Base: All respondents (Base, Don't know) Webinars (80, 0%)

### 8.3 Markets to Which Support Referred

The market data has been used to categorise firms by whether they received support in relation to ‘established’ markets or ‘high growth’ markets. The details of the classification adopted for this analysis are provided in the panel below.

<p><b>‘Established’ markets are...</b></p> <ul style="list-style-type: none"> <li>• Australia, Canada, Japan, New Zealand, the USA and all EU countries (plus Norway &amp; Switzerland)</li> </ul> <p><b>‘High Growth’ markets are...</b></p> <ul style="list-style-type: none"> <li>• Brazil, China, Colombia, Egypt, Hong Kong, India, Indonesia, Malaysia, Mexico, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Taiwan, Thailand, Turkey, UAE and Vietnam</li> </ul> <p><b>Please note that...</b></p> <ul style="list-style-type: none"> <li>• The market(s) supported data is taken from either the sample lists provided by UKTI or collected during the PIMS interview, depending on the particular service.</li> <li>• Some firms received support relating to a market that is <u>not</u> classified as either ‘established’ or ‘high growth’ (and therefore appear in neither category), and some firms received support relating to <u>both</u> of these market types (and therefore appear in both categories).</li> </ul>
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It should be noted that in the case of overseas events (e.g. TAP, Outward Missions, etc) the market refers to the location where the event was held, and it therefore cannot necessarily be assumed that this always equates to the export market(s) that the firm was looking to develop their business in.

The table below provides details of the proportions of firms receiving support relating to established and high growth markets.

Figure 8.3.1 Markets to Which Support Referred

	Total	Pass-port	GGG	EMRS	ERTA Sig. Assists	ER Events	ECR
<i>Base: All respondents</i>	<b>4248</b>	360	362	40	360	305	41
High growth markets	<b>40%</b>	43%	54%	53%	45%	33%	29%
Established markets	<b>45%</b>	71%	57%	38%	53%	25%	51%

	HQ Events	OMIS	MVS	TAP SOLO	TAP Group	TAP Non Fund	Out'd Miss.	In'd Miss.
<i>Base: All respondents</i>	71	380	96	38	150	102	32	10
High growth markets	69%	39%	40%	24%	27%	25%	56%	20%
Established markets	27%	45%	48%	71%	72%	75%	41%	100%

	Sector Events UK	Posts Sig. Assists	Posts Events	Web Bus Opps	Sector Events Abroad	DSO Events	DSO Sig. Assists	Web-inars
<i>Base: All respondents</i>	297	617	201	289	104	59	60	80
High growth markets	39%	31%	46%	42%	26%	24%	53%	29%
Established markets	33%	53%	43%	36%	68%	32%	32%	48%

Two-fifths of supported firms (40%) received assistance in relation to high growth markets, with a slightly higher proportion obtaining support about established markets (45%). It should be noted that some firms received support that was not specific to a particular market or that related to a market that was not classified as either ‘established’ or ‘high growth’, and hence appear in neither of these categories.

Over half of firms accessing support through GGG, EMRS, HQ Events, Outward Missions and DSO Significant Assists indicated that this related to a high growth market.

In comparison Passport, TAP, Inward Missions and Sector Events Abroad participants tended to be focussing on established markets.

When looking at results by the broad categories of UKTI support, it appears that the balance of support provided through UK-based advisory services, overseas network and tradeshows/missions is towards established markets. In contrast, events (and to a lesser extent the Web Business Opportunities service) are more likely to relate to high growth markets.

Figure 8.3.2 Markets to Which Support Referred – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1158	418	289	119
High growth markets	46%	36%	43%	30%	42%	29%
Established markets	55%	49%	34%	66%	36%	32%

The likelihood of accessing support about high growth markets increases in line with export experience and, conversely, less experienced exporters are more inclined to obtain assistance with established markets. The increased focus on high growth markets among more established exporters may be because their greater experience gives them the confidence to target these often more challenging countries. However, it should be noted that a third of very recent exporters are also accessing UKTI support about high growth markets.

Figure 8.3.3 Markets to Which Support Referred – By Number of Years Exporting

	When Started Exporting		
	Less than 2 years	2-10 years	More than 10 years
<i>Base: All respondents</i>	1075	1513	1631
High growth markets	36%	39%	42%
Established markets	49%	46%	41%

There is little difference in the type of markets targeted by innovative and non-innovative firms.

Figure 8.3.4 Markets to Which Support Referred – By Innovation

	Innovative		Innovative Alternative (Tighter Definition)	
	Yes	No	Yes	No
<i>Base: All respondents</i>	3587	581	2687	1481
High growth markets	40%	39%	40%	40%
Established markets	45%	41%	46%	43%

There are also no significant differences in this respect by the extent of firms’ growth objectives.

Figure 8.3.5 Markets to Which Support Referred – By Growth

	Growth Objectives		
	Same/smaller	Moderate growth	Substantial growth
<i>Base: All respondents</i>	203	1913	1919
High growth markets	40%	39%	39%
Established markets	45%	44%	46%

As a whole, older firms are more inclined than younger ones to access UKTI support about high growth markets, and younger firms are more likely to obtain assistance with established markets. There is no difference between young firms that were ‘born global’ and those that started exporting at some point after they were established.

Figure 8.3.6 Markets to Which Support Referred – By Whether or Not Born Global

	Up to 5 Years Old				Over 5 Years Old
	Born global (tighter)	Born global	Other	Total	
<i>Base: All respondents</i>	305	456	596	1054	3119
High growth markets	35%	34%	35%	35%	41%
Established markets	51%	50%	51%	50%	43%



There is clear evidence that the likelihood of firms obtaining support about high growth markets increases as they become larger, and there is a corresponding decrease in the proportions targeting established markets. This may be because some small firms do not feel they have the resources to tackle markets which are perceived to be more challenging, although it is still the case that a third of micro SMEs accessed UKTI support in relation to high growth markets.

Figure 8.3.7 Markets to Which Support Referred – By Employee Numbers

	Number of Employees			
	0-9	10-99	100-249	250+
<i>Base: All respondents</i>	1846	1620	332	282
High growth markets	35%	41%	48%	50%
Established markets	49%	44%	38%	30%

As seen below, a similar pattern is observed when analysing these results by annual turnover.

Figure 8.3.8 Markets to Which Support Referred – By Turnover

	Annual Turnover				
	Up to £500k	£500k-£2m	£2m-£25m	£25m-£500m	Over £500m
<i>Base: All respondents</i>	1369	841	1178	278	53
High growth markets	34%	39%	43%	48%	51%
Established markets	51%	47%	43%	33%	32%

There is no difference in the proportion of production and service sector firms targeting high growth markets. However, the former are slightly more likely to access support in relation to established markets.

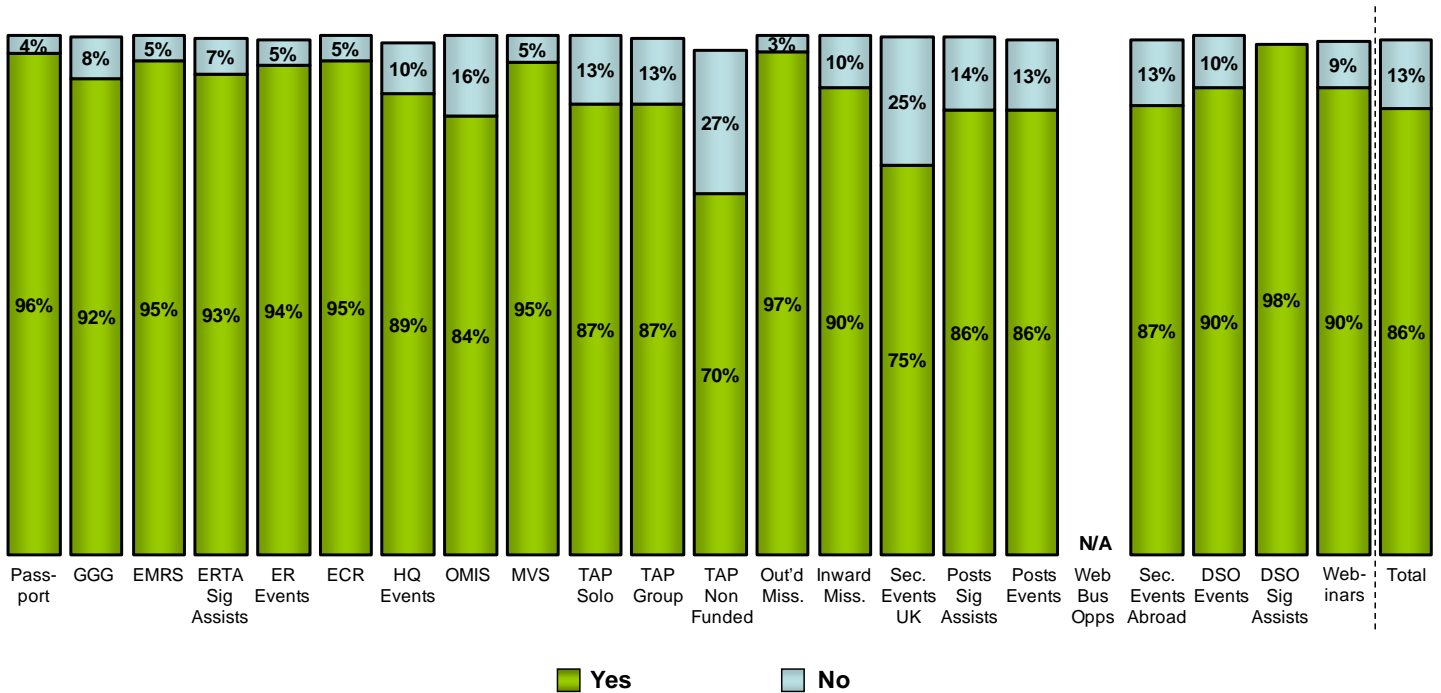
Figure 8.3.9 Markets to Which Support Referred – By Sector

	Market Sector		
	Production	Services	Other
<i>Base: All respondents</i>	1581	2587	79
High growth markets	39%	40%	40%
Established markets	49%	43%	42%

## 8.4 Awareness of UKTI Involvement

Supported businesses were asked whether they were aware that the support they received had been provided or supported by UK Trade & Investment. Please note that this question was not asked to Website Business Opportunities users as UKTI's involvement is obvious in this case (as firms access the service through the UKTI website).

Figure 8.4.1 Awareness of UKTI Involvement



Base: All respondents except Web Bus Opps (Base, Don't know/Refused) - Passport (360, 0%), GGG (362, 0%), EMRS (40, 0%), ERTA (360, 1%), ER Events (305, 1%), ECR (41, 0%), HQ Events (71, 1%), OMIS (380, 0%), MVS (96, 0%), TAP Solo (38, 0%), TAP Group (150, 1%), TAP Non Funded (102, 3%), Outward Missions (32, 0%), Inward Missions (10, 0%), Sector Events UK (297, 0%), Posts Sig Assists (617, 0%), Posts Events (201, 1%), Sector Events Abroad (104, 1%), DSO Events (59, 0%), DSO Sig Assists (60, 2%), Webinars (80, 1%), Total (3959, 1%)

Overall, 13% of firms did not realise that the support they received was provided by UKTI, slightly down on the 16% seen in 2012 (i.e. the PIMS 28-31 period).

Awareness of UKTI involvement is lowest for Sector Events UK and TAP Non-Funded, where around a quarter of firms did not associate the support with UKTI. In the case of Sector Events UK, this is likely to be because these events are often delivered by external partners with UKTI playing a supporting role. In the case of TAP Non-Funded, the visits are typically organised by a trade association with UKTI supporting them in the background – and, unlike TAP Group and Solo, firms do not receive financial support from UKTI so often have no direct contact with the organisation/

When assessing awareness by the broad type of UKTI support received, users of UK-based Advisory Services and DSO are most likely to be aware that the support was provided by UKTI.

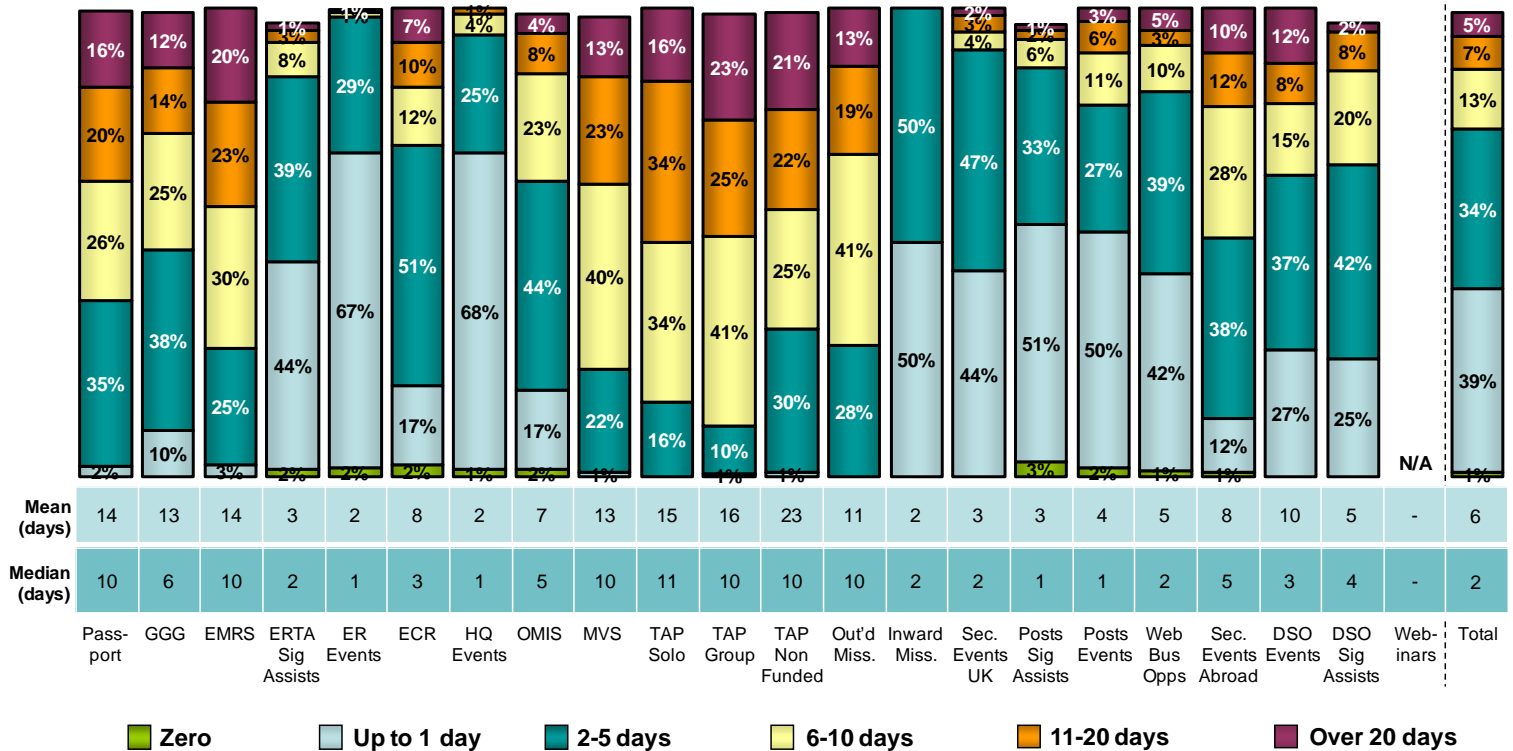
Figure 8.4.2 Awareness of UKTI Involvement – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: Exc. Web Bus Opps</i>	1187	1077	1158	418	-	119
Yes	93%	85%	86%	84%	-	93%
No	7%	15%	13%	15%	-	7%
Don't know	0%	1%	1%	1%	-	0%

## 8.5 Staff Time

Firms were also asked to estimate the amount of staff time that had been involved in accessing the support (excluding any subsequent action taken).

Figure 8.5.1 Staff Time (In Days)



Base: All except Webinar attendees (Base, Don't know/Refused, Signposted only) - Passport (360, 1%, 0%), GGG (362, 1%, 0%), EMRS (40, 0%, 0%), ERTA (360, 1%, 3%), ER Events (305, 0%, 0%), ECR (41, 0%, 0%), HQ Events (71, 0%, 0%), OMIS (380, 1%, 0%), MVS (96, 2%, 0%), TAP Solo (38, 0%, 0%), TAP Group (150, 1%, 0%), TAP Non-Funded (102, 1%, 0%), Outward Missions (32, 0%, 0%), Inward Missions (10, 0%, 0%), Sector Events UK (297, 0%, 0%), Posts Significant Assists (617, 1%, 3%), Posts Events (201, 0%, 0%), Website Bus Opps (289, 0%, 0%), Sector Events Abroad (104, 0%, 0%), DSO Events (59, 0%, 0%), DSO Significant Assists (60, 2%, 2%), Total (4168, 1%, 1%)

On average, firms devoted 6 days of staff time to the support/assistance they received. However, the mean is skewed to some degree by a small number of firms that report a very high level of staff involvement (5% indicate that it was over 20 days), and the median value is 2 days.

There is some variation in this respect across the different UKTI services. Passport and GGG participants report a high investment in staff time, which is not surprising given that these are longer-term programmes (typically lasting 12-18 months). Similarly, services that involve overseas visits (e.g. MVS, TAP and Outward Missions) also incur a higher than average amount of staff time.

The analysis below by broad service type clearly demonstrates that tradeshows and missions require a significantly higher time investment from firms than the other types of UKTI support.

Figure 8.5.2 Staff Time (In Days) – By Service Type

	UK-based advisory	Overseas network	Events	Trade-shows & Missions	Web Bus Opps	DSO
<i>Base: All respondents</i>	1187	1077	1078	418	289	119
Zero	1%	3%	1%	0%	1%	0%
Up to 1 day	32%	43%	52%	1%	42%	27%
2-5 days	40%	36%	34%	19%	39%	39%
6-10 days	13%	10%	7%	36%	10%	17%
11-20 days	7%	3%	4%	24%	3%	9%
Over 20 days	5%	2%	2%	19%	5%	7%
Don't know/refused	1%	1%	0%	1%	0%	0%
Signposted only	2%	2%	0%	0%	0%	0%
<i>Mean (days)</i>	6	4	3	17	5	8
<i>Median (days)</i>	3	2	1	10	2	4