

Exporting: the view from UK businesses

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Introduction

Exporting brings real growth opportunities for businesses of all sizes but it does take time, commitment and perseverance as we heard in our survey of over 2,000 companies across the UK.

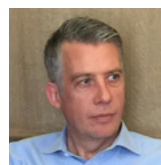
It is fascinating to hear the views of so many British businesses that are successfully selling their goods and services overseas. What inspired them to take the plunge? What lessons have they learned? What have they had to change to be successful in overseas markets? And what characteristics do they think are needed to lead a successful export business?

Whatever their answers to these questions, these intrepid exporters are continuing to find growth by being flexible, reacting to opportunities and building partnerships in markets around the world.

It's not always straight forward and businesses in the survey told us that they need to spend more on headcount and new office or storage space, as well as sometimes sacrificing time with friends and family, in order to succeed.

UK businesses are operating in a challenging environment but there remains a huge opportunity for firms to export into new markets and grow their customer bases.

In a recent survey by the Department for International Trade, around one in eight businesses (13%) said they had never exported but self-identified as having goods or services that were suitable for export or which could be developed for export. The opportunities for finding growth through exporting are huge and we want to help more British businesses to start taking their goods and services to the world.



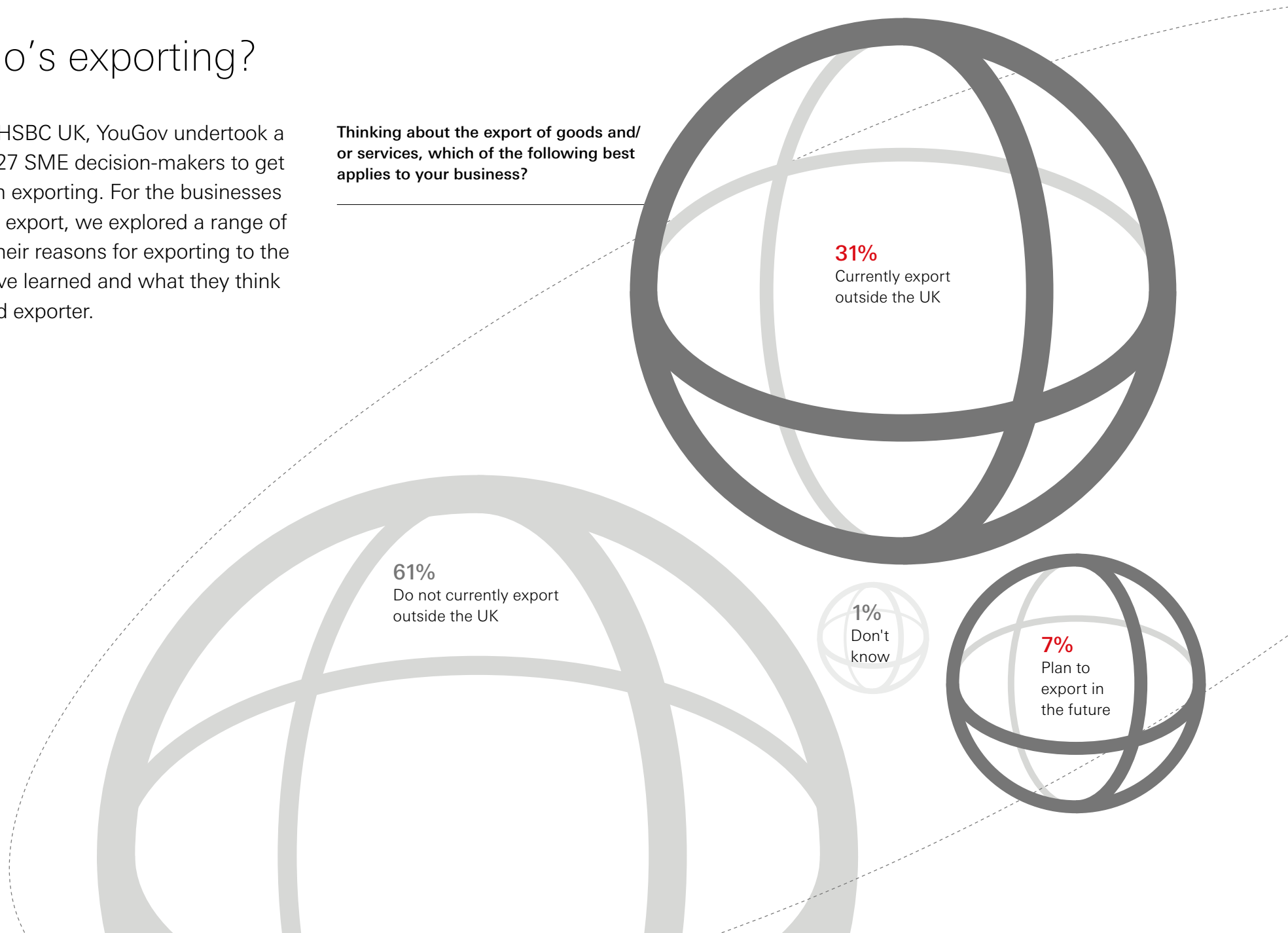
Ian Tandy

Managing Director, Global Trade and Receivables Finance
HSBC UK

So, who's exporting?

On behalf of HSBC UK, YouGov undertook a survey of 2,027 SME decision-makers to get their views on exporting. For the businesses that currently export, we explored a range of topics from their reasons for exporting to the lessons they've learned and what they think makes a good exporter.

Thinking about the export of goods and/or services, which of the following best applies to your business?



Why do businesses start exporting?

For any business, making the move into exporting can be a big step and the decision to explore overseas markets can be driven by a number of different factors. Equally, where businesses have decided not to export, there’s a range of reasons for that decision.

Not surprisingly, for many businesses the decision to start exporting **is driven by opportunity**, whether that is having a superior quality product or service than that available in overseas markets (35%), changing consumer demand (17%), or lack of competition (16%). And for some businesses, the move into exporting isn’t necessarily a deliberate decision with 24% citing unexpected orders from overseas.

Access to markets is also a big driver, whether that’s availability of partners (26%), new or easier routes to overseas markets (20%) or the ease and low cost of logistics and distribution (18%).

Interestingly only a small number of businesses are driven to export by **negative factors** such as a saturated existing market in the UK (10%).

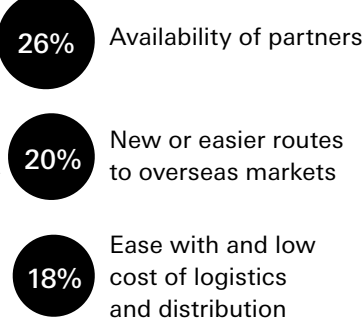
What are the reasons that your business decided to start exporting?

Driven by opportunity



Other reasons cited included:
16% Lack of competition
9% Compelling market studies or research reports

Access to markets



Other reasons cited included:
9% New trade agreements/reduction in barriers for overseas trading
6% Conversations with or advice taken from banks/professional advisers

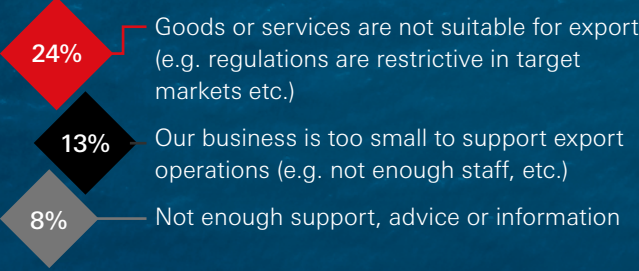


So, what’s stopping businesses from exporting?

For businesses that have considered exporting but decided to focus on the domestic market, the main drivers are their products or services **not being suitable** (24%), or their **business being too small** to support export operations (13%).

Beyond that, lack of knowledge seems to be a key factor, whether that is finding the support, knowing where the opportunities are, or getting advice on exporting.

What are the reasons that made your business decide not to export?



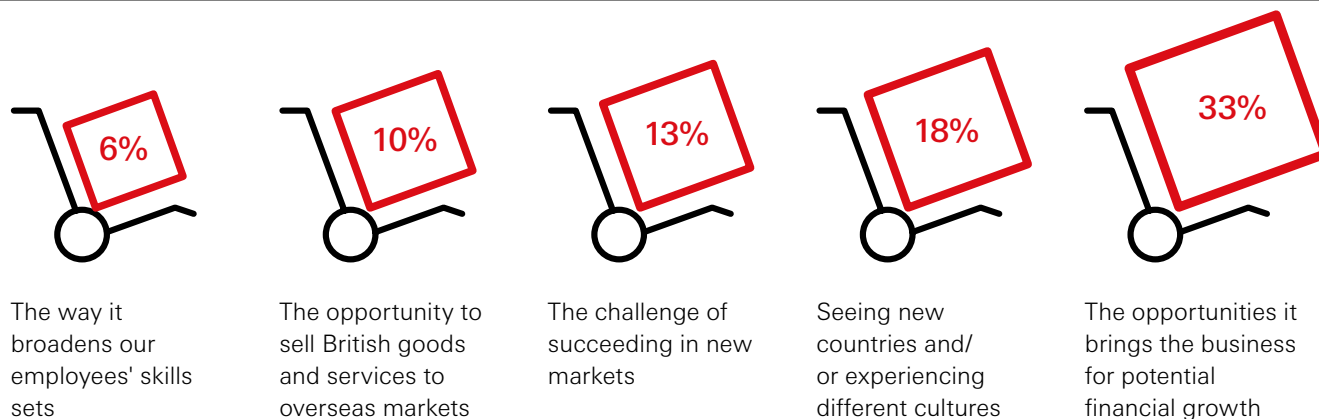
Other reasons cited included:
6% Not having access to the relevant contacts in overseas markets
5% Lack of certainty on the UK’s future trading arrangements
4% Complicated regulation in potential markets
Lack of access to the right finance or capital

What do businesses like about exporting?

Exporting offers obvious growth opportunities for businesses of all sizes, along with an exposure to new cultures and ideas. But what do business leaders find most enjoyable about exporting?

Not surprisingly, the **benefits to the business** itself lead the way, with many respondents highlighting the opportunities for **potential financial growth** (33%). They're also interested in experiencing different countries and cultures (18%) and tackling the challenge of new markets (13%). Some respondents also appear to take pride in 'Brand Britain', with 10% enjoying the opportunity to sell British goods and services to overseas markets.

What would you say is the most enjoyable aspect of working in a business that exports goods and/or services?



How are businesses changing to ensure exporting success?

The growth opportunities that exporting offers are undeniable but it seems business leaders definitely have to make changes on a professional and personal level to achieve export success.

There's no doubt that exporting is driving **growth for businesses**, with many respondents hiring more employees (28%) to support their export operations. They're also investing in new premises and/or offices (16%) as well as new machinery and equipment (14%).

A small number of businesses cited a personal impact, highlighting the commitment that can be necessary to make

a real **success of exporting**. Respondents cited having to reduce time spent with friends or family (19%), putting business before key relationships (15%) and missing key family events (14%).

Although the potential personal impact is worth considering, it shouldn't put businesses off the opportunities that exporting can bring.

What changes have you had to make to help your export operations grow?

Business



28%

Our business has had to invest in hiring more employees



16%

Our business has had to acquire new premises and offices



14%

Our business has had to invest in new machinery and/or equipment



7%

Our business has had to reduce the amount of focus on domestic business opportunities/home markets

Personal



19%

Reduced the time spent with friends and family for work-related reasons



16%

Reduced the number of personal holidays taken



14%

Missed key family events for work-related reasons



10%

Deferred major personal purchases in order to have more time to focus on the business



28%

of businesses hiring more employees



19%

reduced the time spent with family or friends



What makes a good exporter?

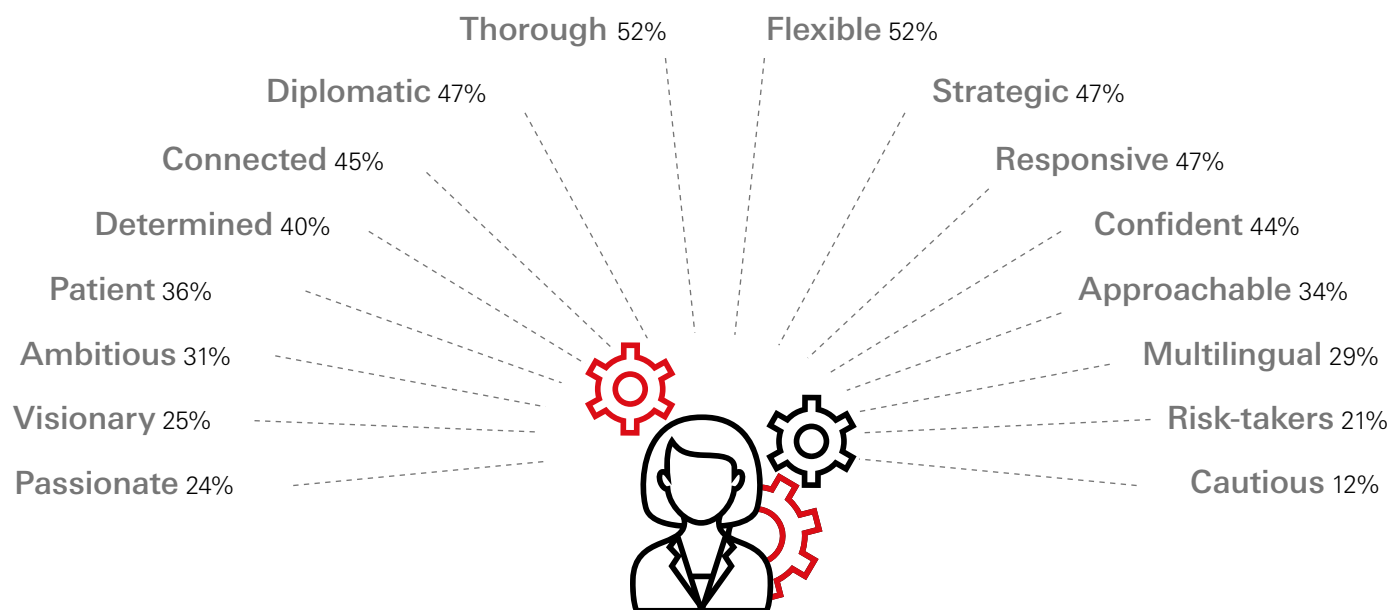
Exporting requires many factors working together to ensure success.

One of those factors is the person – or team – leading the charge. So while **having connections helps** (45%), respondents cited certain characteristics that are important for successful exporters.

Aside from strong leadership skills, **thoroughness** (52%) and **flexibility** (52%) came out on top as the most important skills to have in a leader. Yet the unique challenges that exporting brings are reflected in the number of different qualities that respondents deemed to be important for management.

Responsive (47%), diplomatic (47%) and strategic (47%) were popular answers but strong-minded characteristics were also at the forefront as respondents agreed that confidence (44%) and determination (40%) were also important. Balance is also crucial for a leader it seems with patience (40%) cited as a key characteristic.

Which do you think are important characteristics business leaders need to have in order to be successful at exporting?



Exporting lessons

For any business starting their export journey, there are inevitably lessons to be learned as they explore new markets, cultures and processes.

It seems that the **cultural/people** aspect of new markets was a **particular learning point** with respondents saying they'd spend more time understanding the business culture of their target market (19%) and tailor goods/services to better suit markets/audiences (19%).

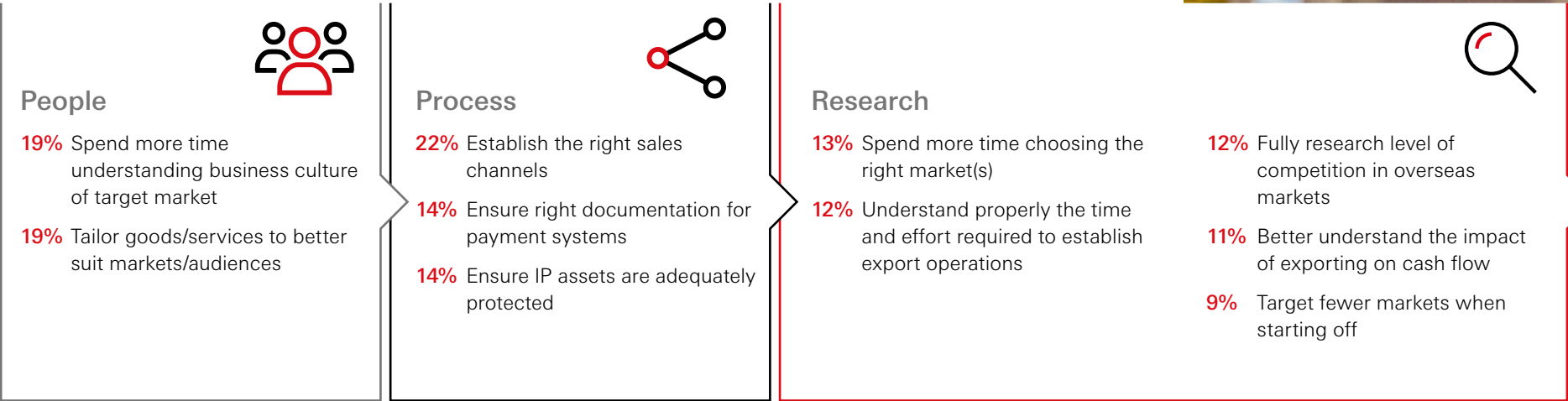
The **different processes** that come with exporting was also something that respondents said they'd consider in more detail, saying they would establish the right sales channels in overseas markets (22%) and ensure they have the right documentation to make sure correct payment systems are set up (14%).

The legal aspect of exporting was also a key area for improvement with respondents saying that in future, they would ensure IP assets are adequately protected (14%).

Research was a big focus with respondents saying they would spend more time choosing the right markets (13%) and fully research the level of competition in overseas markets (12%).



If you could re-launch your current operations, what would your business do differently?



Whether you are an established exporter or are looking to take your first steps overseas, we have a range of tools and resources and a global network of export experts to support your ambitions.

Visit our **Export Hub** to find out more

