

Biggest opportunities for small and medium enterprises (SMEs) in 2016

Global survey report

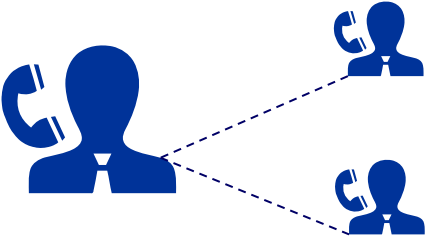



September, 2016



● Project design	P. 3
● Results	
● Summary	P. 5
● Global results	P. 8
● Regional results	P. 13
● Country results	P. 31
● Sample composition	P. 45

Biggest opportunities for small and medium enterprises in 2016

Global Survey
Report

Method	Target Group
 <p>Telephone Interviews (CATI) Average length: 6 minutes</p>	<p>Small and Medium Enterprises (up to 250 full-time employees)</p>  <p>CEO/Owner, GM, CFO/Treasurer, COO/Head of Operations</p> 
Sample structure	Indication of a trend in 2016
 <p>200 interviews per country, representative for SMEs relating to enterprise size (in terms of full-time employees) and industry.</p>	<ul style="list-style-type: none"> ■ 2016 score is significantly higher vs. 2013 and NOT significantly lower vs 2014 and 2015 ■ 2016 score is significantly lower vs. 2013 and NOT significantly higher vs 2014 and 2015

Biggest opportunities for small and medium enterprises in 2016

Global Survey Report


Europe

							
Switzerland (2013-2016)	Austria (2014-2016)	Germany (2013-2016)	Ireland (2013-2016)	Italy (2013-2016)	Portugal (2013-2016)	Spain (2013-2016)	Turkey (2014-2016)

North America


USA (2015-2016)

Latin America

	
Brazil (2013-2016)	Mexico (2013-2016)

APAC

	
Hong Kong (2014-2016)	Australia (2013; 2014; 2016)

Summary

Biggest opportunities for small and medium enterprises in 2016



Outstanding relevance of “Cost and expense reductions” in all regions, especially in Europe and USA

Biggest opportunities for small and medium enterprises in 2016

Results: Summary – global picture

Global Survey
Report

- On a global level, “Cost and expense reduction” (32.8%) perceived as increasingly important key opportunity
 - “Diversification of product range” (21.2%) and “New sales channels” (19.3%) ranked 2nd to 4th across all regions and increasingly important over time
-
- The share of SMEs not foreseeing any business opportunity is significantly decreasing (8%)
 - “New customer segments” most promising opportunity in APAC and in Latin America, respectively “Cost and expense reduction” in the US and in Europe

Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers.

SMEs in Latin America and APAC evaluate “New customer segments” as most promising opportunity

Biggest opportunities for small and medium enterprises in 2016

Results: Summary – regional picture

Global Survey
Report

- Opening up for development of new customer segments is the most promising opportunity in Latin America and APAC
 - “Expansion to foreign markets” (10.2%) has become less relevant, being a top 5 chance only in the USA
-
- Europe: “Cost and expense reduction” (32.7%) and “New customer segments” (32.1%) perceived as continuously growing opportunities
 - Latin America: “Acquisition of competitors” (10.5%) perceived as moderate, but increasingly important business opportunity
 - APAC: “New business technologies” (15.5%) and “Acquisition of competitors” (14%) are not in the top 3 perceived chances but continuously increasing
 - North America (USA): “Cost and expense reduction” (43.5%) by far the most crucial business opportunity

Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers.

Global results

Biggest opportunities for small and medium enterprises in 2016



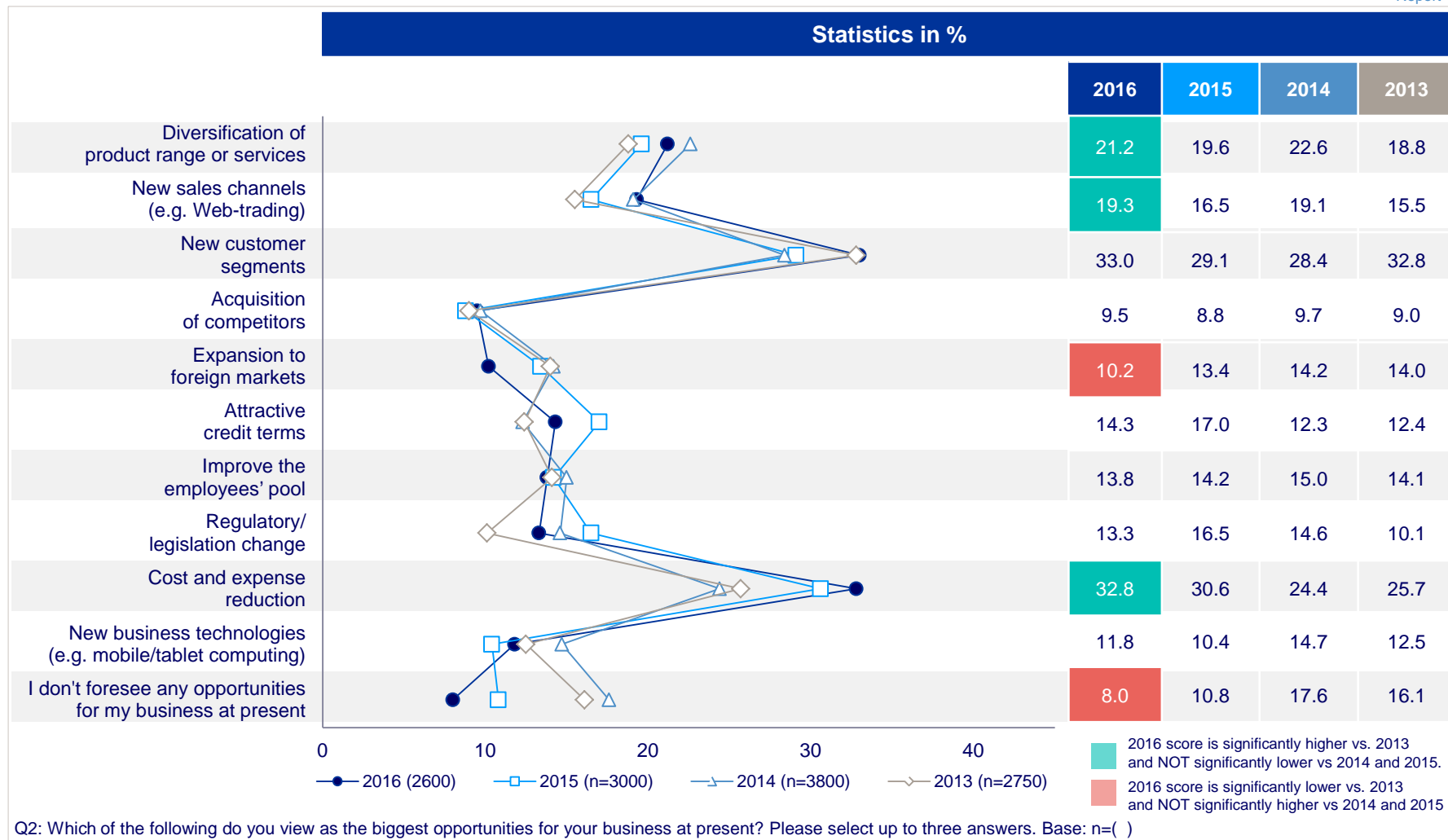
Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers.

“Cost and expense reduction” is the major business opportunity with increasing importance

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison – all countries

Global Survey Report



“New customer segments” perceived as key opportunity across all regions, ranked 1st in Latin America and APAC

Biggest opportunities for small and medium enterprises in 2016

Results: Regional comparison

Global Survey Report

	Statistics in %				Ranks			
	Europe	Latin America	USA	APAC	EU (1600)	LATAM (400)	USA (200)	APAC (400)
Diversification of product range or services	20	22	13	29	3	3	4	2
New sales channels (e.g. Web-trading)	18	19	33	17	4	4	3	4
New customer segments	32	37	36	31	2	1	2	1
Acquisition of competitors	8	11	11	14	10	10	8	6
Expansion to foreign markets	9	11	13	13	9	9	5	7
Attractive credit terms	17	13	7	9	5	8	9	11
Improve the employees' pool	14	18	6	11	6	5	10	9
Regulatory / legislation change	14	13	13	10	7	7	6	10
Cost and expense reduction	33	36	44	25	1	2	1	3
New business technologies (eg mobile / tablet computing)	10	14	13	16	8	6	7	5
I don't foresee any opportunities for my business at present	8	7	3	13	11	11	11	8



Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=()

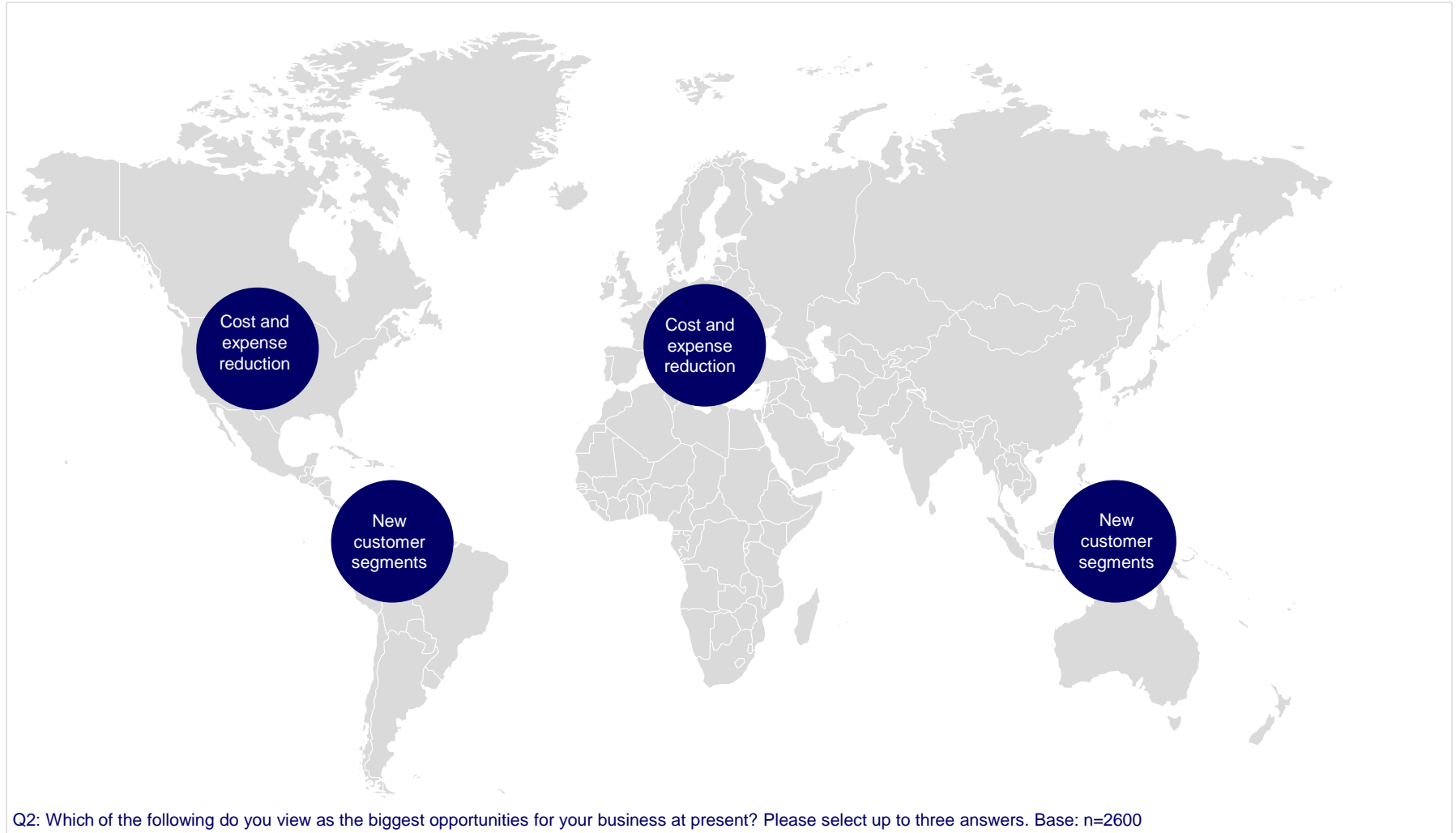
“Cost and expense reduction” ranked 1st in the US and in Europe, “New customer segments” in APAC and Latin America



ZURICH®

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in regions



“New sales channels” is the number one chance for companies employing more than 50 people

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in SME segments

Global Survey Report

Rank One Opportunity				
 Revenue	Europe	Latin America	North America	APAC
Up to 2 Million EUR	New customer segments	Cost and expense reduction	Cost and expense reduction / New customer segments	New customer segments
More than 2 Million EUR	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	New customer segments
 Employees				
0 - 9	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	New customer segments
10 - 49	New customer segments	Cost and expense reduction / New customer segments	Cost and expense reduction	Cost and expense reduction
50 - 250	Cost and expense reduction	New customer segments	New sales channels (e.g. Web-trading)	New customer segments

Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=2600

Regional results

Biggest opportunities for small and medium enterprises in 2016



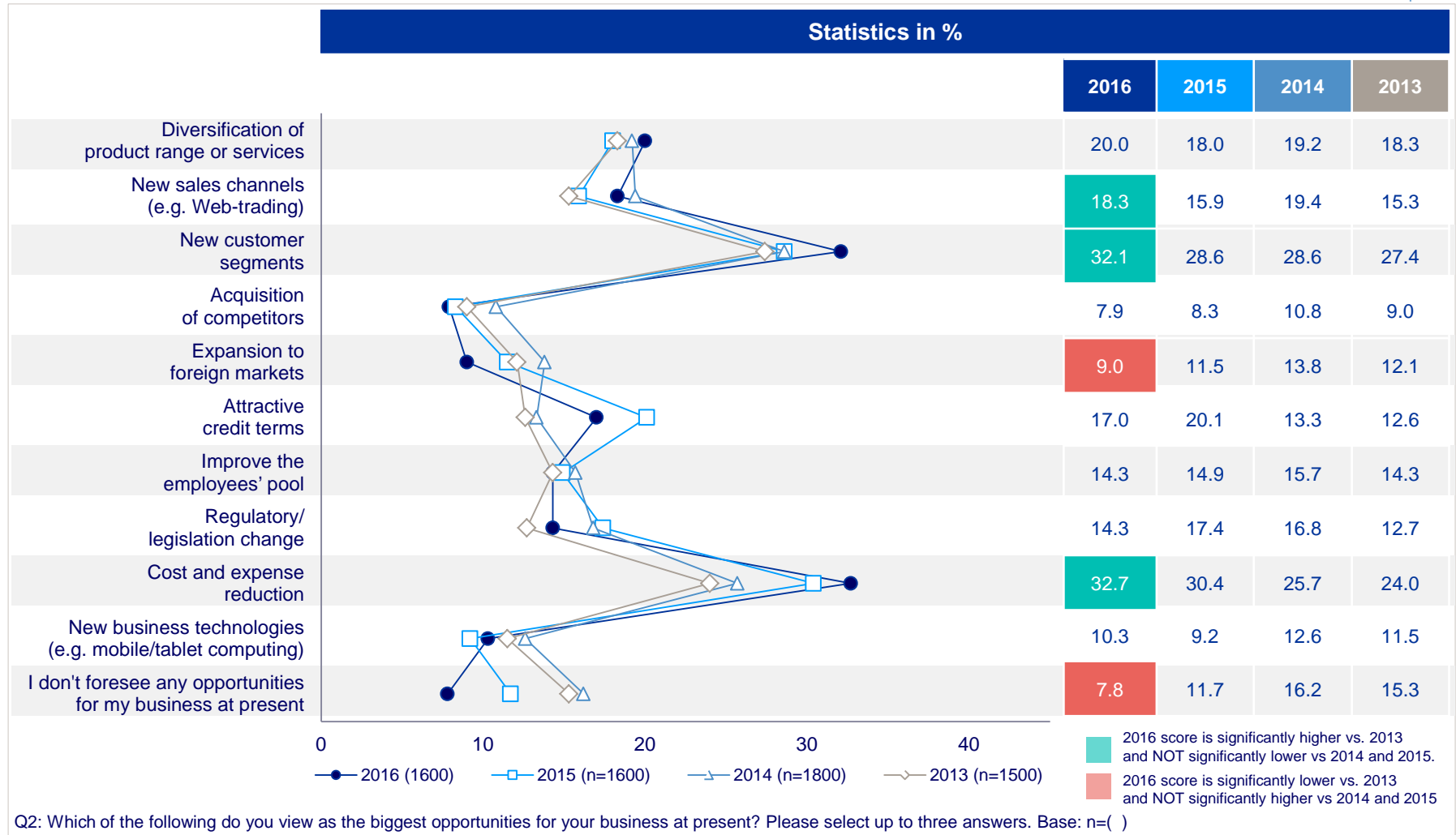
Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers.

“Cost and expense reduction” and “New customer segments” perceived as continuously growing opportunities in Europe

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison – Europe

Global Survey Report



“Cost and expense reduction” estimated as a very promising opportunity, especially in Portugal and Spain

Biggest opportunities for small and medium enterprises in 2016

Results: Comparison of countries in Europe

Global Survey Report

Note: A fair country comparison requires to consider both, the chart on the left (bubbles) and the chart on the right (ranks).



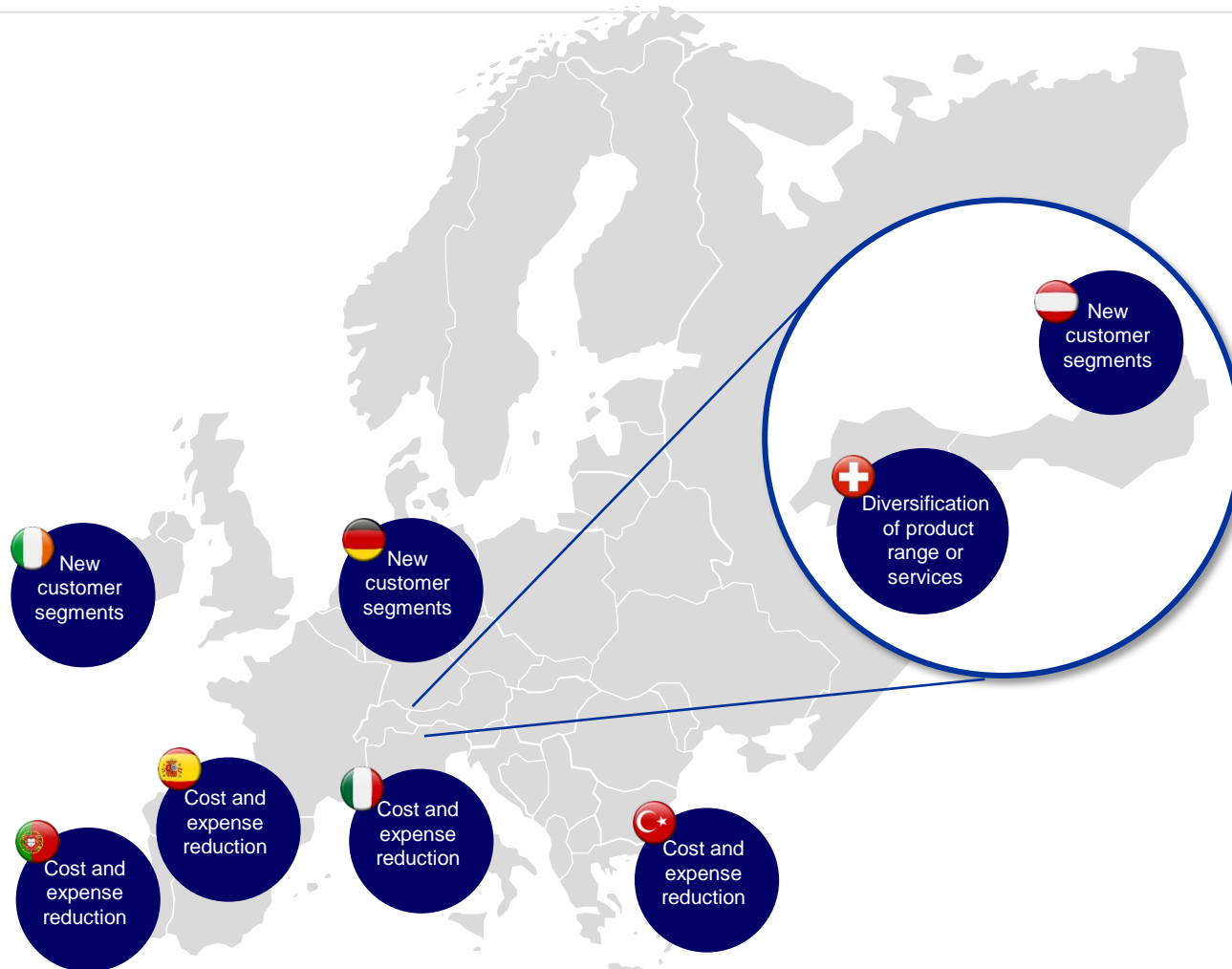
● 0–15% ● 16–30% ● 31%+

Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

As an exception in Europe, Swiss SMEs consider “Diversification of product range” as number one opportunity

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in European countries



Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

Medium-sized SMEs evaluate “New customer segments” as more essential than small and large SMEs

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in SME segments of European countries

Global Survey Report

Rank One Opportunity						
	Europe	Switzerland	Austria	Germany	Ireland	
 Revenue						
		Europe	Switzerland	Austria	Germany	Ireland
Up to 2 Million EUR	New customer segments	Diversification of product range or services	New customer segments	New customer segments	New customer segments	New customer segments
More than 2 Million EUR	Cost and expense reduction	Attractive credit terms	New customer segments	New customer segments	Cost and expense reduction	Cost and expense reduction
 Employees						
	0 - 9	Cost and expense reduction	Cost and expense reduction	New customer segments	New customer segments	New customer segments
	10 - 49	New customer segments	New customer segments	New sales channels (e.g. Web-trading)	New customer segments	New customer segments
	50 - 250	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	New customer segments	Cost and expense reduction

Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

“Cost and expense reduction” most promising opportunity for SMEs with more than 2m revenue across Southern Europe

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in SME segments of European countries

Global Survey Report

Rank One Opportunity					
Revenue	Europe	Italy	Portugal	Spain	Turkey
Up to 2 Million EUR	New customer segments	Cost and expense reduction	New customer segments	Cost and expense reduction	Cost and expense reduction
More than 2 Million EUR	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction
Employees					
0 - 9	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	New customer segments
10 - 49	New customer segments	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction
50 - 250	Cost and expense reduction	Cost and expense reduction	Cost and expense reduction	New customer segments	Regulatory/legislation change

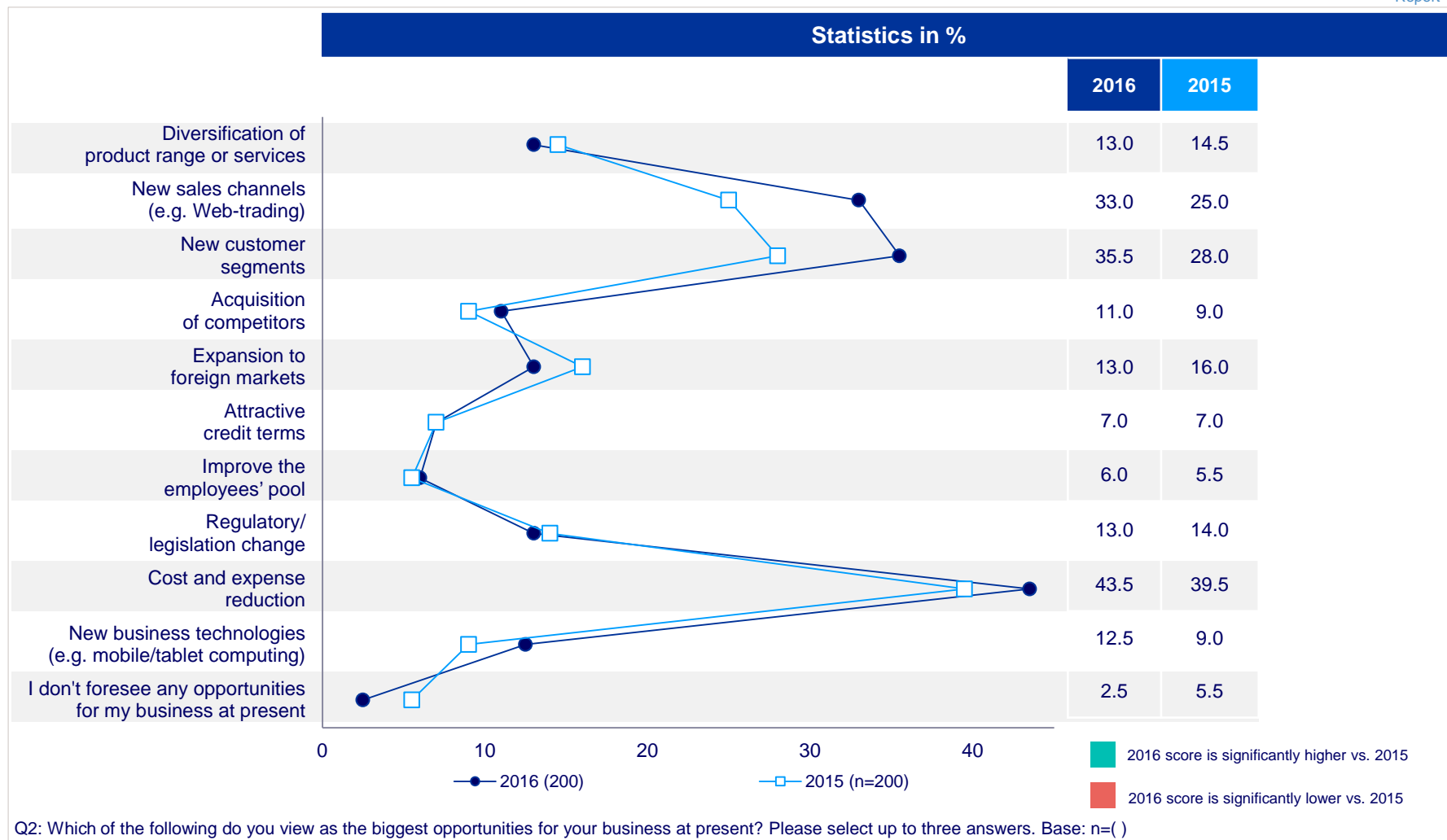
Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

“Cost and expense reduction” still most crucial business opportunity in the USA

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison – North America

Global Survey Report



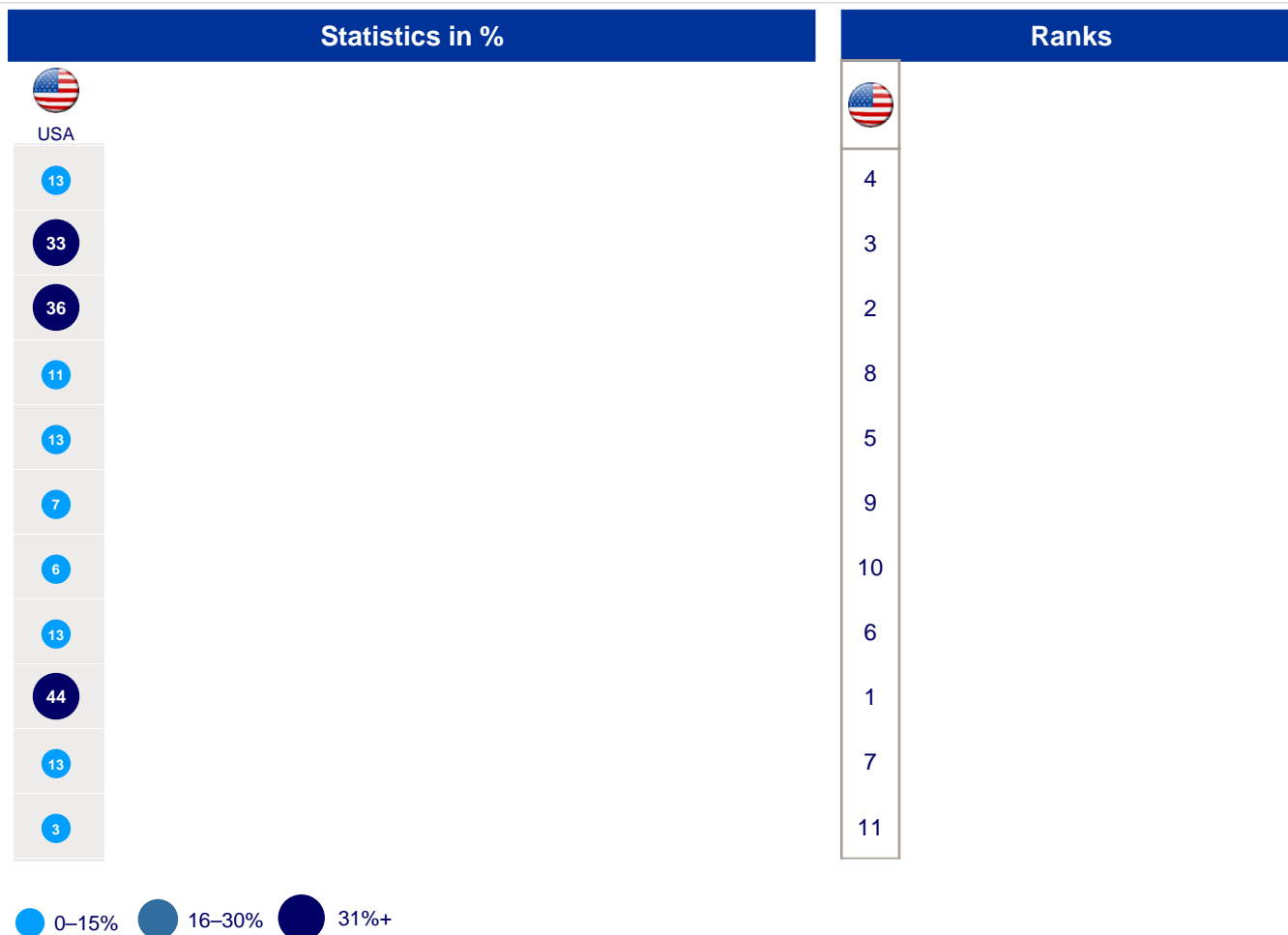
“Cost and expense reduction”, “New customer segments” and “New sales channels” are most promising opportunities

Biggest opportunities for small and medium enterprises in 2016

Results: Comparison of countries in North America

Global Survey Report

Note: A fair country comparison requires to consider both, the chart on the left (bubbles) and the chart on the right (ranks).



Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200

“Cost and expense reduction” ranked as number one opportunity in the USA

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in North America



Companies with 50-250 employees see “New sales channels” as more promising than “Cost and expense reduction”

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in SME segments of North America

Global Survey Report

Rank One Opportunity		
Revenue	North America	USA
Up to 2 Million EUR	Cost and expense reduction / New customer segments	Cost and expense reduction / New customer segments
More than 2 Million EUR	Cost and expense reduction	Cost and expense reduction
Employees		
0 - 9	Cost and expense reduction	Cost and expense reduction
10 - 49	Cost and expense reduction	Cost and expense reduction
50 - 250	New sales channels (e.g. Web-trading)	New sales channels (e.g. Web-trading)

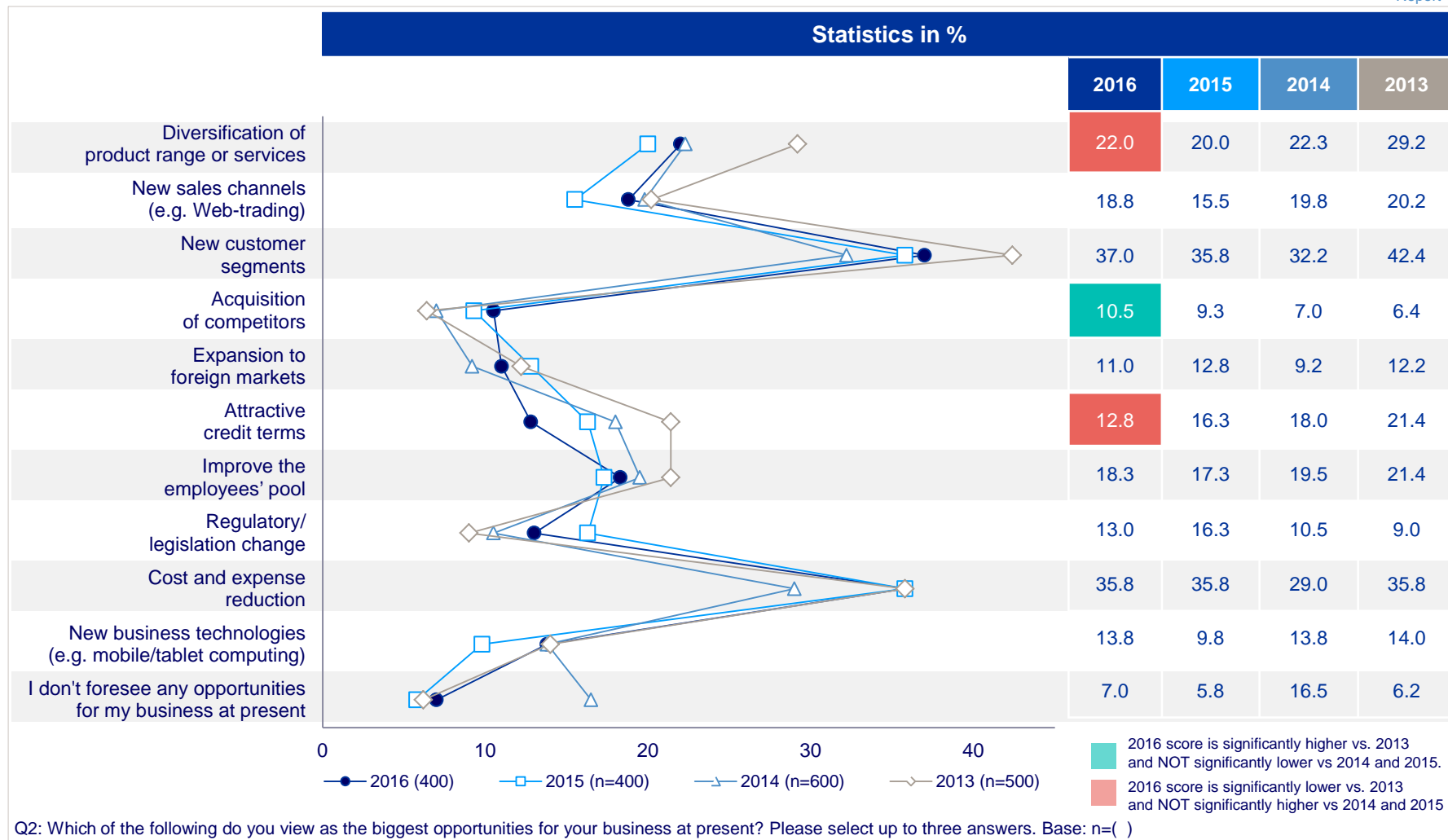
Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200

Relevance of “Attractive credit terms” as business opportunity has continuously declined over the years

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison – Latin America

Global Survey Report



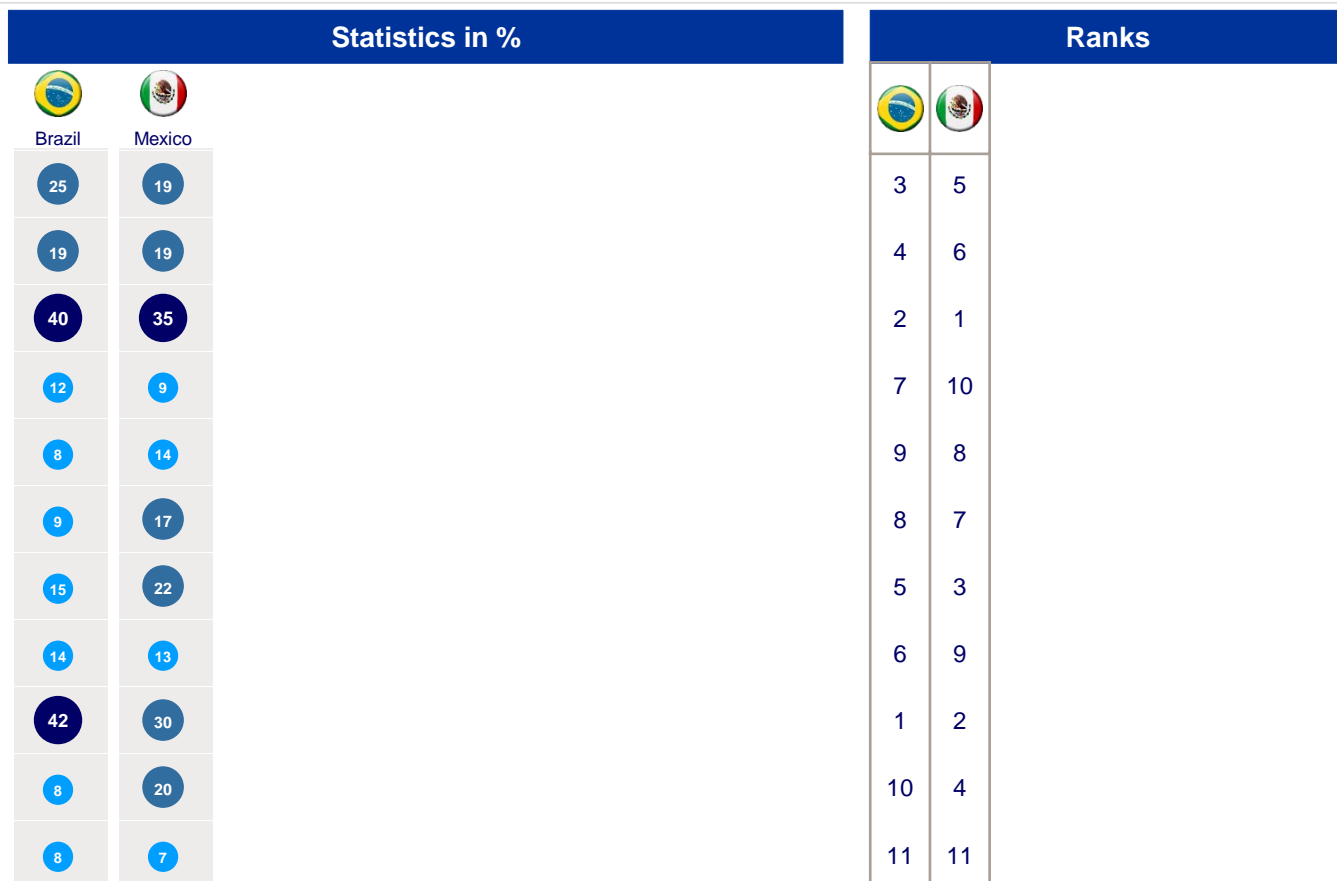
Mexican SMEs consider “New business technologies” as a more decisive business opportunity than Brazilian SMEs

Biggest opportunities for small and medium enterprises in 2016

Results: Comparison of countries in Latin America

Global Survey Report

Note: A fair country comparison requires to consider both, the chart on the left (bubbles) and the chart on the right (ranks).

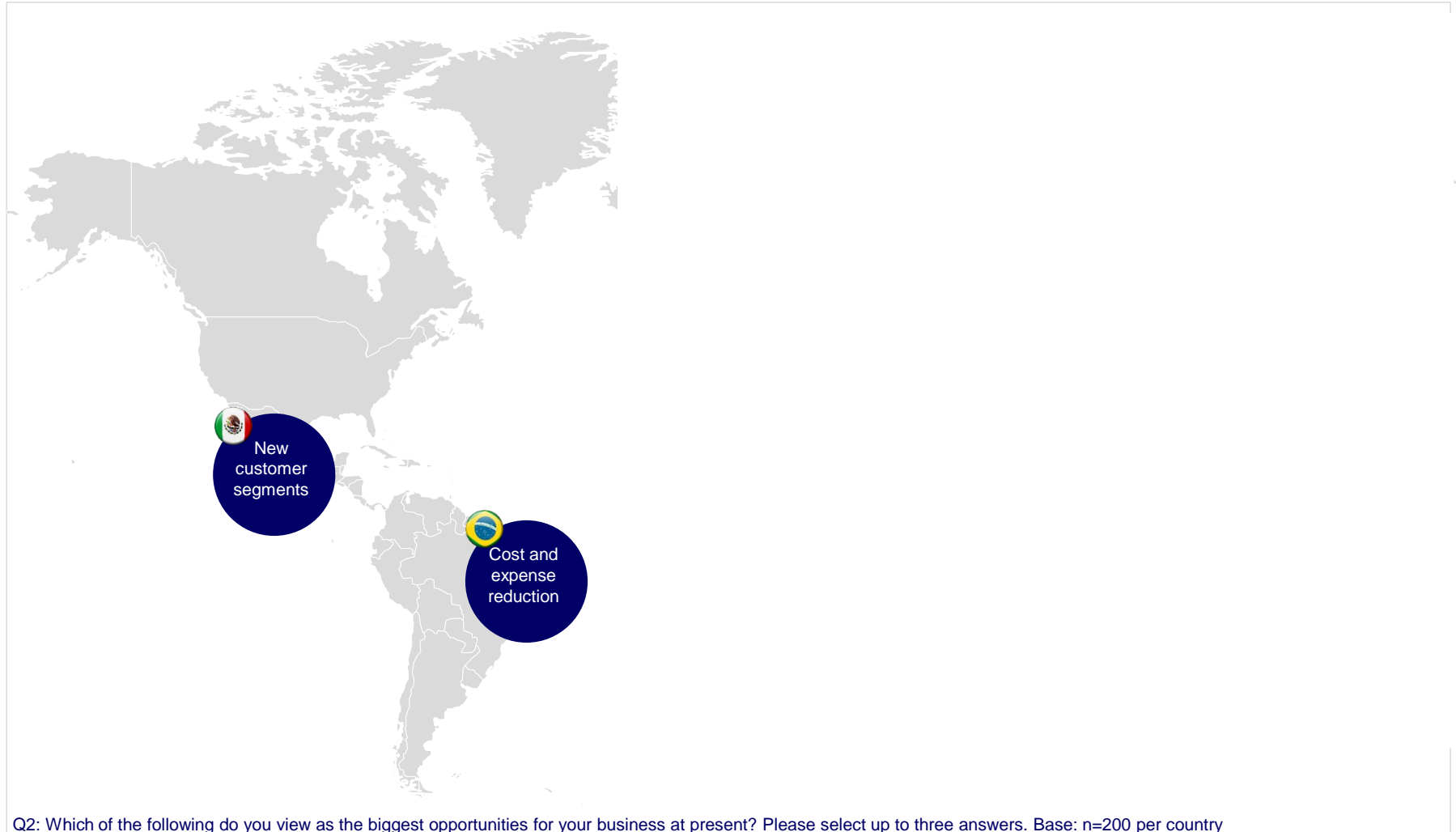


Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

“New customer segments” is the major opportunity in Mexico, “Cost and expense reduction” in Brazil

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in Latin America



Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

SMEs with 50-250 employees evaluate “New customer segments” as most promising opportunity in both countries

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in SME segments of Latin America

Global Survey Report

Rank One Opportunity			
Revenue	Latin America	Brazil	Mexico
Up to 2 Million EUR	Cost and expense reduction	New customer segments	Cost and expense reduction
More than 2 Million EUR	Cost and expense reduction	Cost and expense reduction	New customer segments
Employees			
0 - 9	Cost and expense reduction	Cost and expense reduction	New business technologies (e.g. mobile / tablet computing)
10 - 49	Cost and expense reduction / New customer segments	New customer segments	Cost and expense reduction
50 - 250	New customer segments	New customer segments	New customer segments

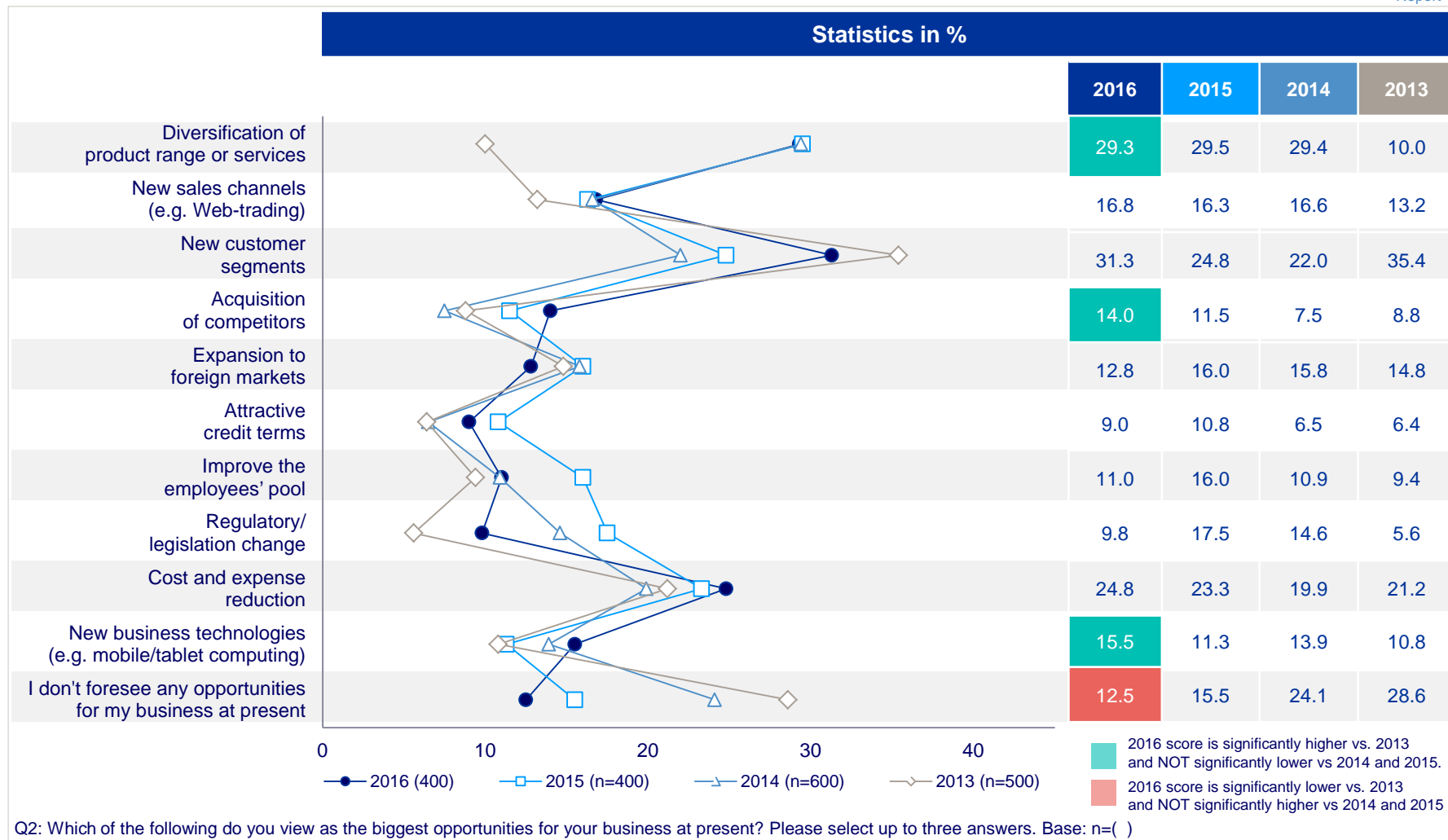
Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

The share of SMEs not foreseeing any business opportunity is significantly decreasing

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison – APAC

Global Survey Report



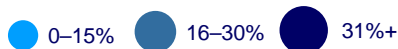
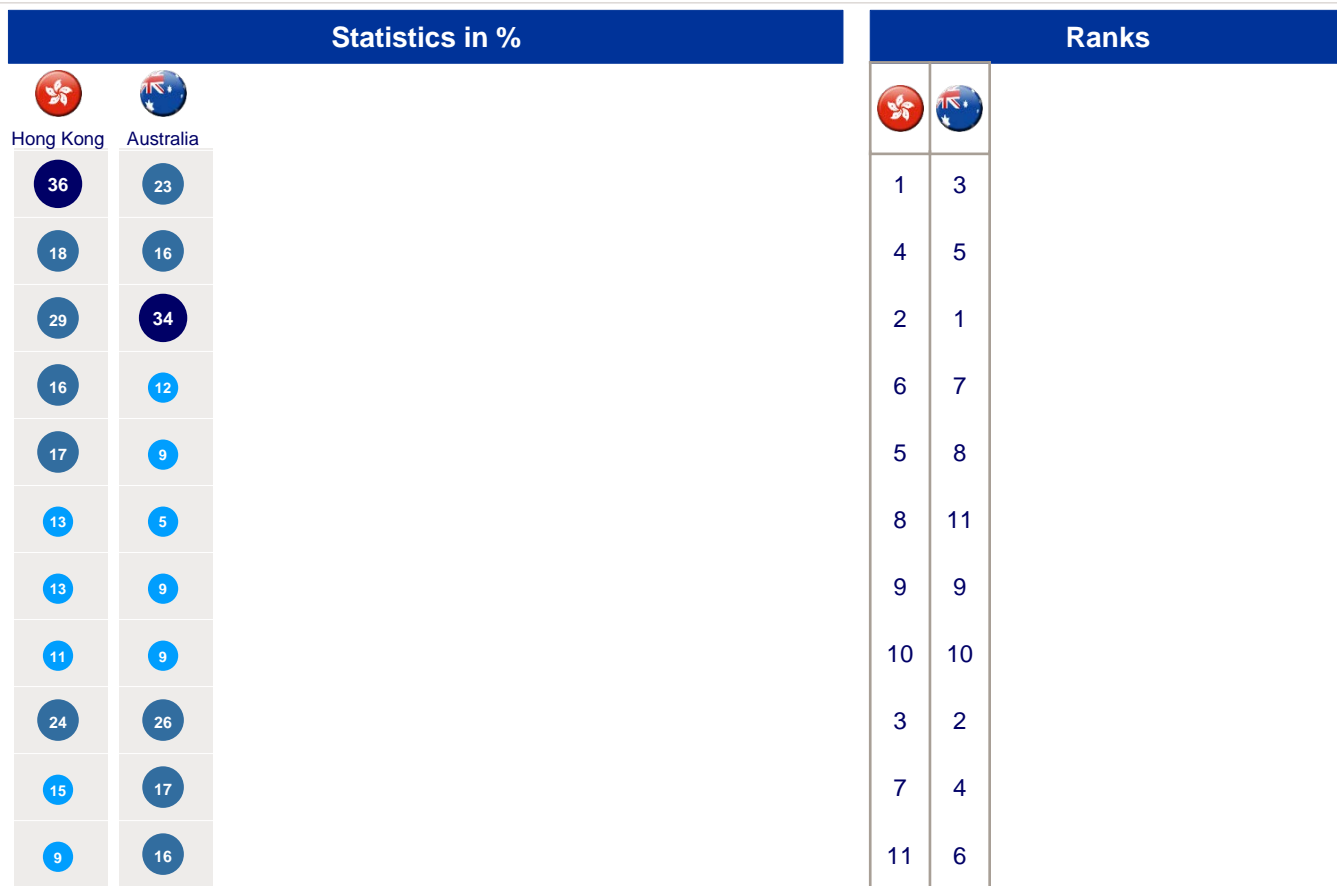
Regional unanimity in ranking the most promising top three business opportunities

Biggest opportunities for small and medium enterprises in 2016

Results: Comparison of countries in APAC

Global Survey Report

Note: A fair country comparison requires to consider both, the chart on the left (bubbles) and the chart on the right (ranks).



Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

“New customer segments” the major opportunity in Australia, “Diversification of products and services” in Hong Kong

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in APAC



Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

Bigger SMEs perceive “New customer segments” as the most essential opportunity in both countries

Biggest opportunities for small and medium enterprises in 2016

Results: Rank one opportunity in SME segments of APAC

Global Survey Report

Rank One Opportunity			
Revenue	APAC	Hong Kong	Australia
Up to 2 Million EUR	New customer segments	Diversification of product range or services	New customer segments
More than 2 Million EUR	New customer segments	New customer segments	New customer segments
Employees			
0 - 9	New customer segments	Diversification of product range or services	New customer segments
10 - 49	Cost and expense reduction	Diversification of product range or services	New customer segments
50 - 250	New customer segments	New customer segments	New customer segments

Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n=200 per country

Results by country

Biggest opportunities for small and medium enterprises in 2016

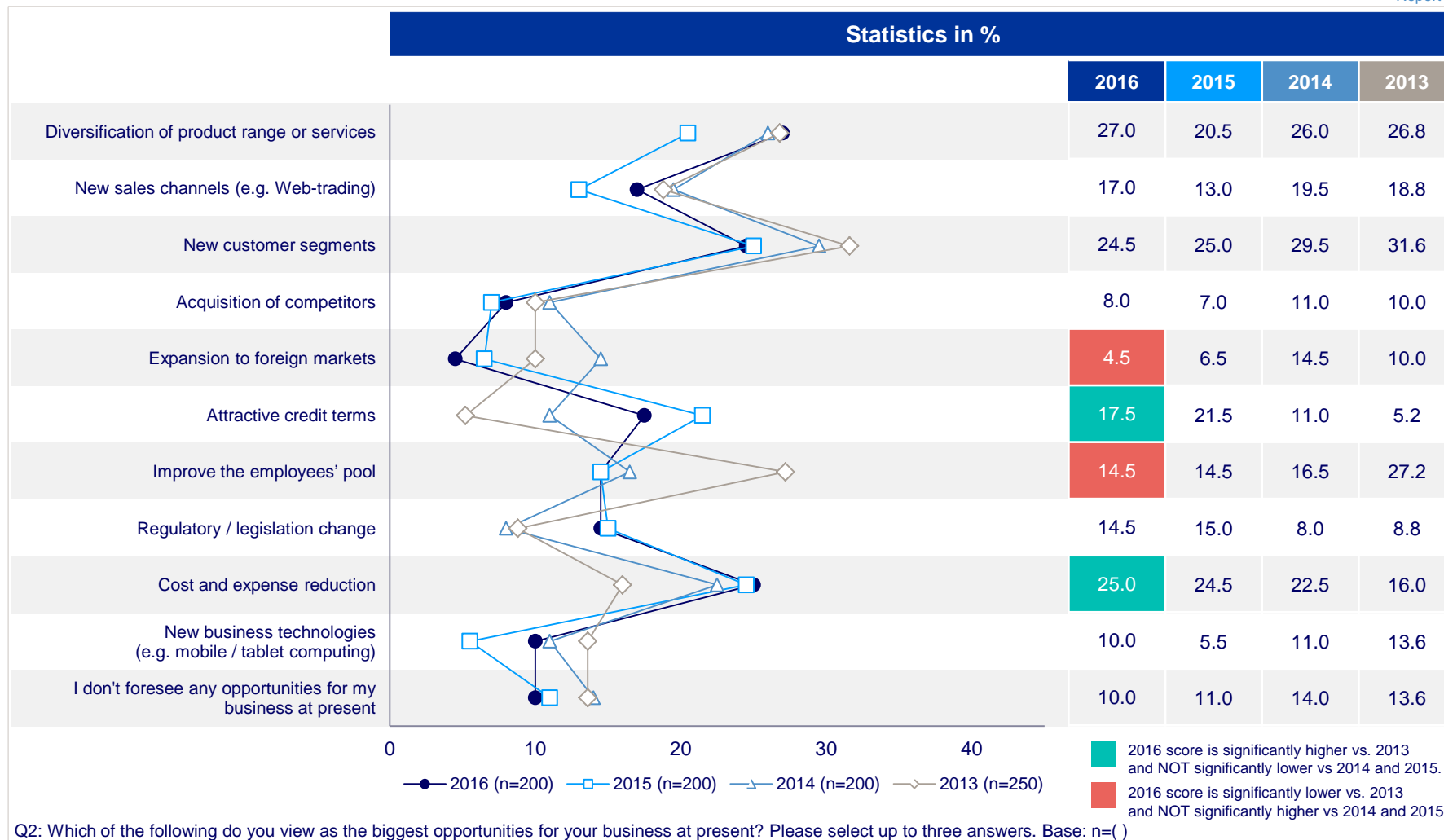


Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers.

“Cost and expense reductions” considered as increasingly essential business opportunity

Biggest opportunities for small and medium enterprises in 2016

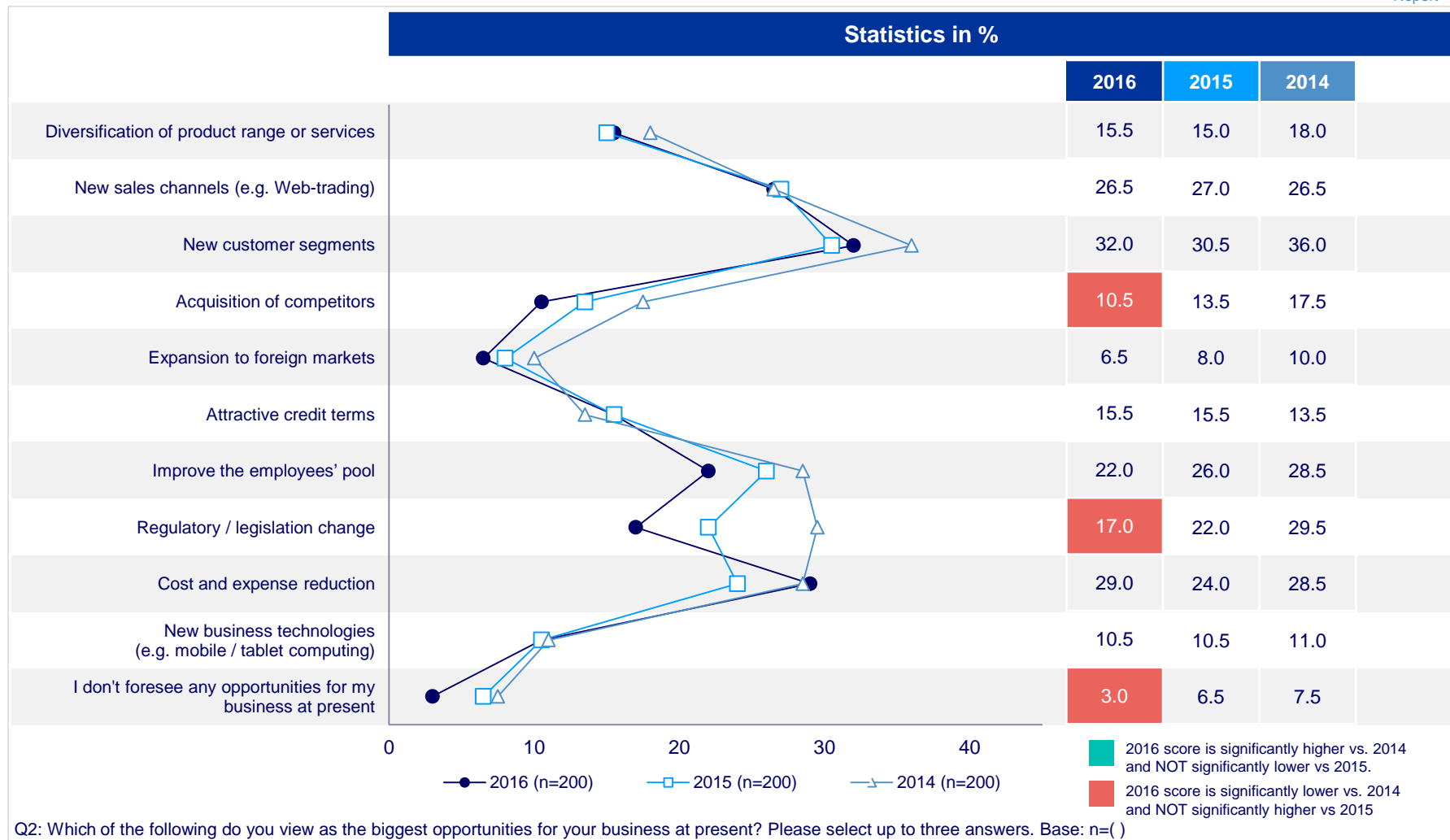
Results: Year-on-year comparison



Business opportunities due to “Acquisition of competitors” and “Regulatory / legislation change” decreased in perception

Biggest opportunities for small and medium enterprises in 2016

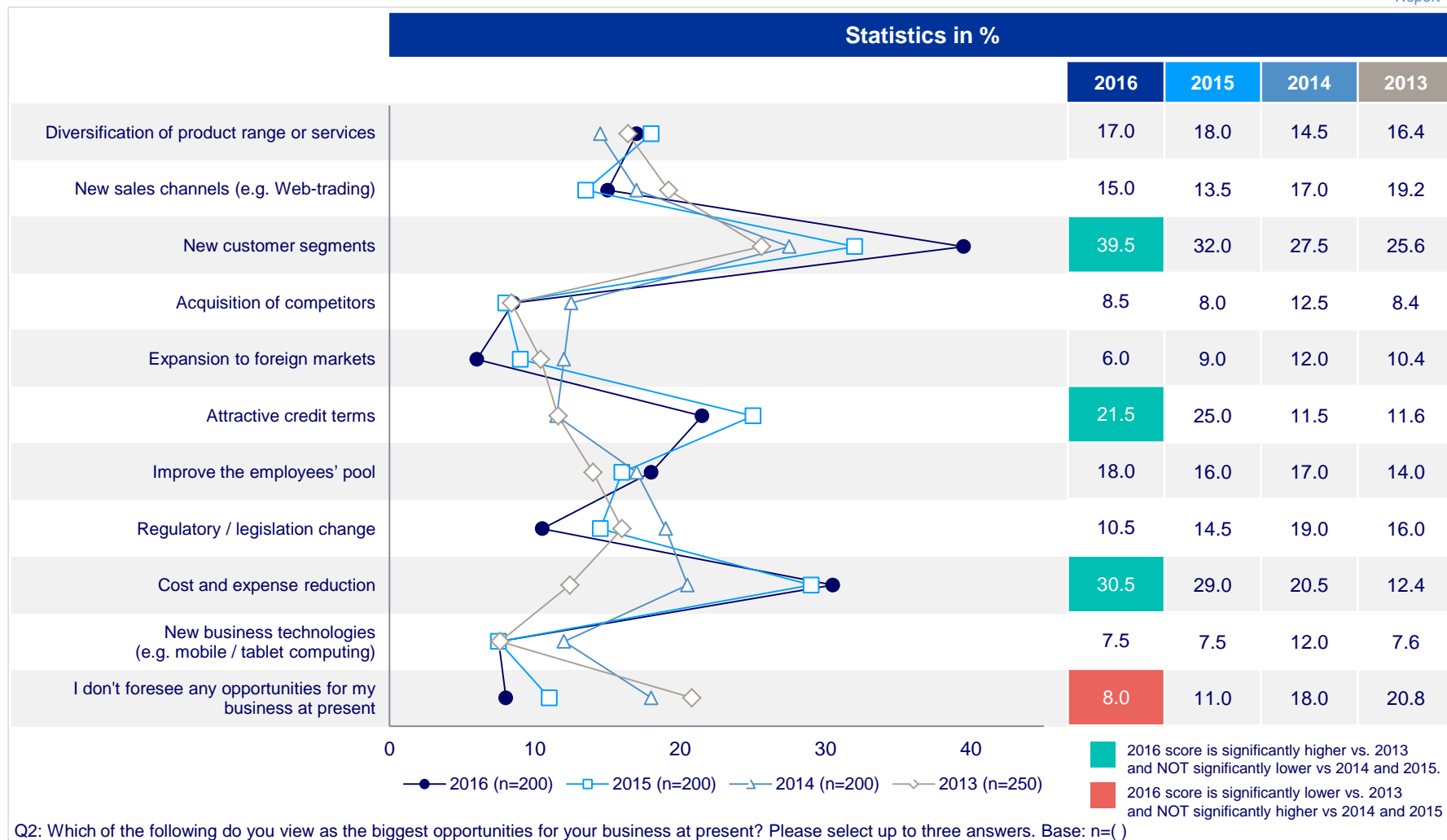
Results: Year-on-year comparison



“New customer segments” perceived as by far the biggest business opportunity

Biggest opportunities for small and medium enterprises in 2016

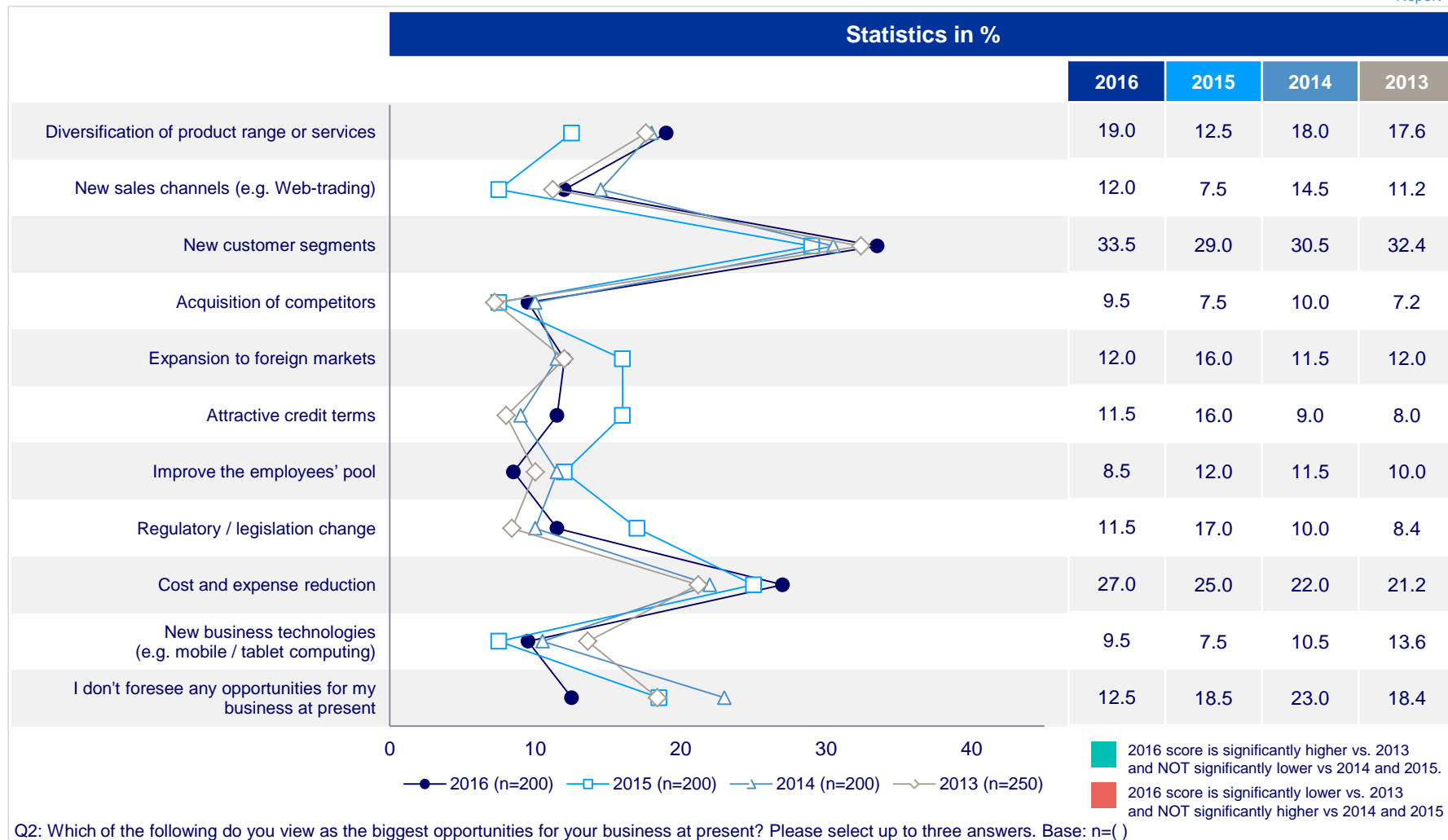
Results: Year-on-year comparison



“New customer segments” still perceived as the biggest key opportunity

Biggest opportunities for small and medium enterprises in 2016

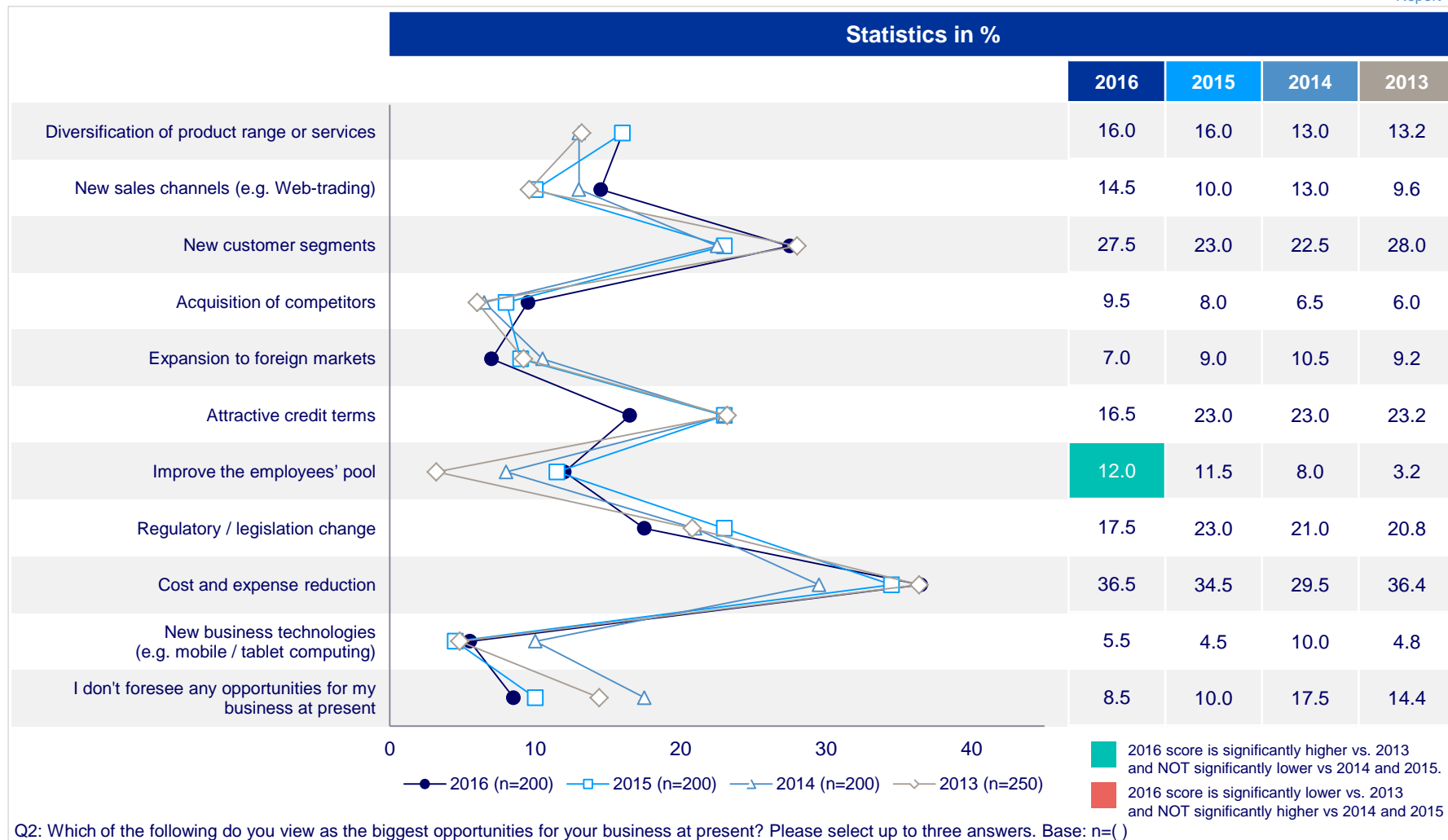
Results: Year-on-year comparison



“Improve the employees’ pool” is perceived as significantly bigger business opportunity than in the past

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison



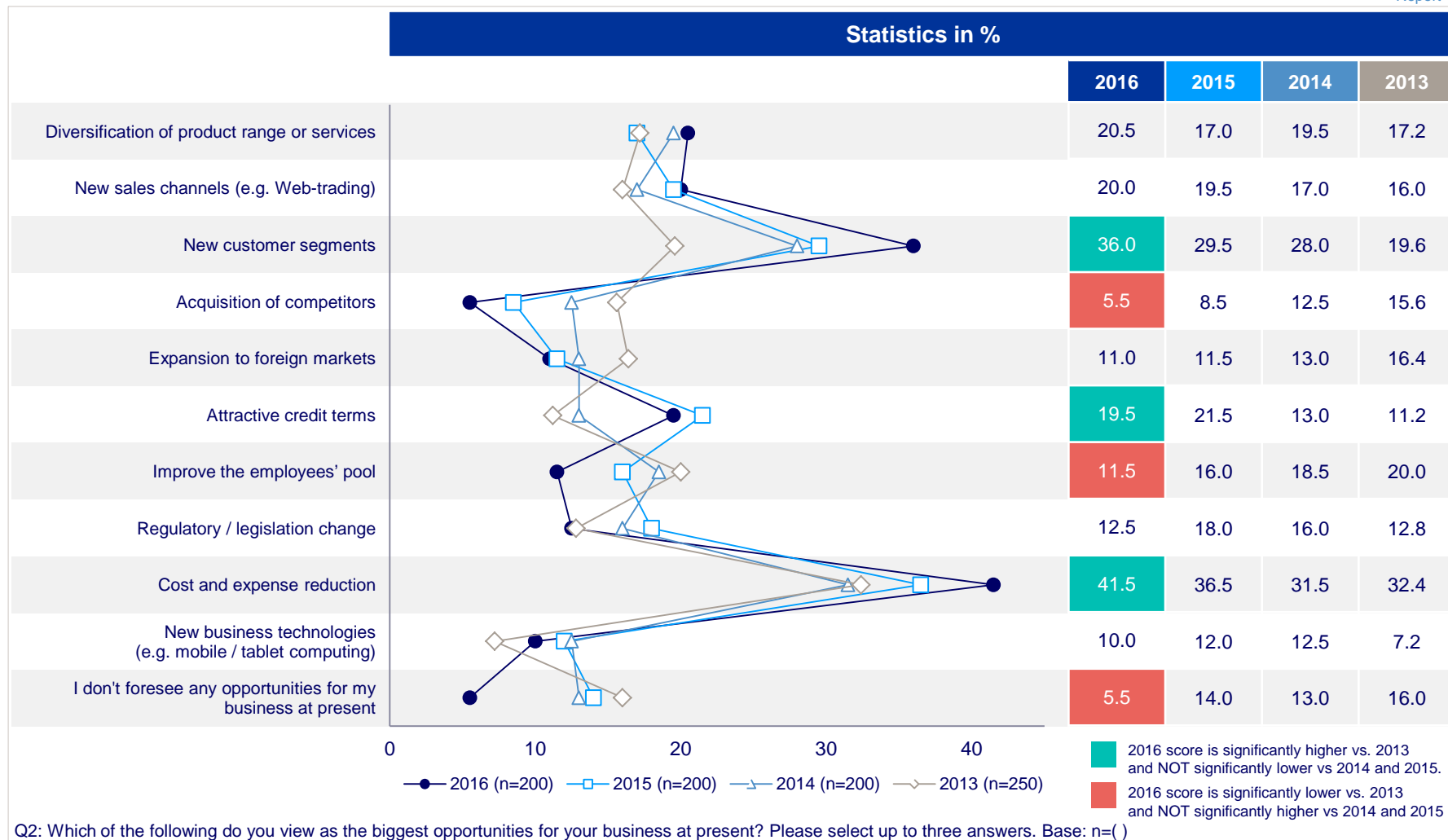
“Cost and expense reduction” perceived as increasingly significant business opportunity

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison



Global Survey Report



Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n()

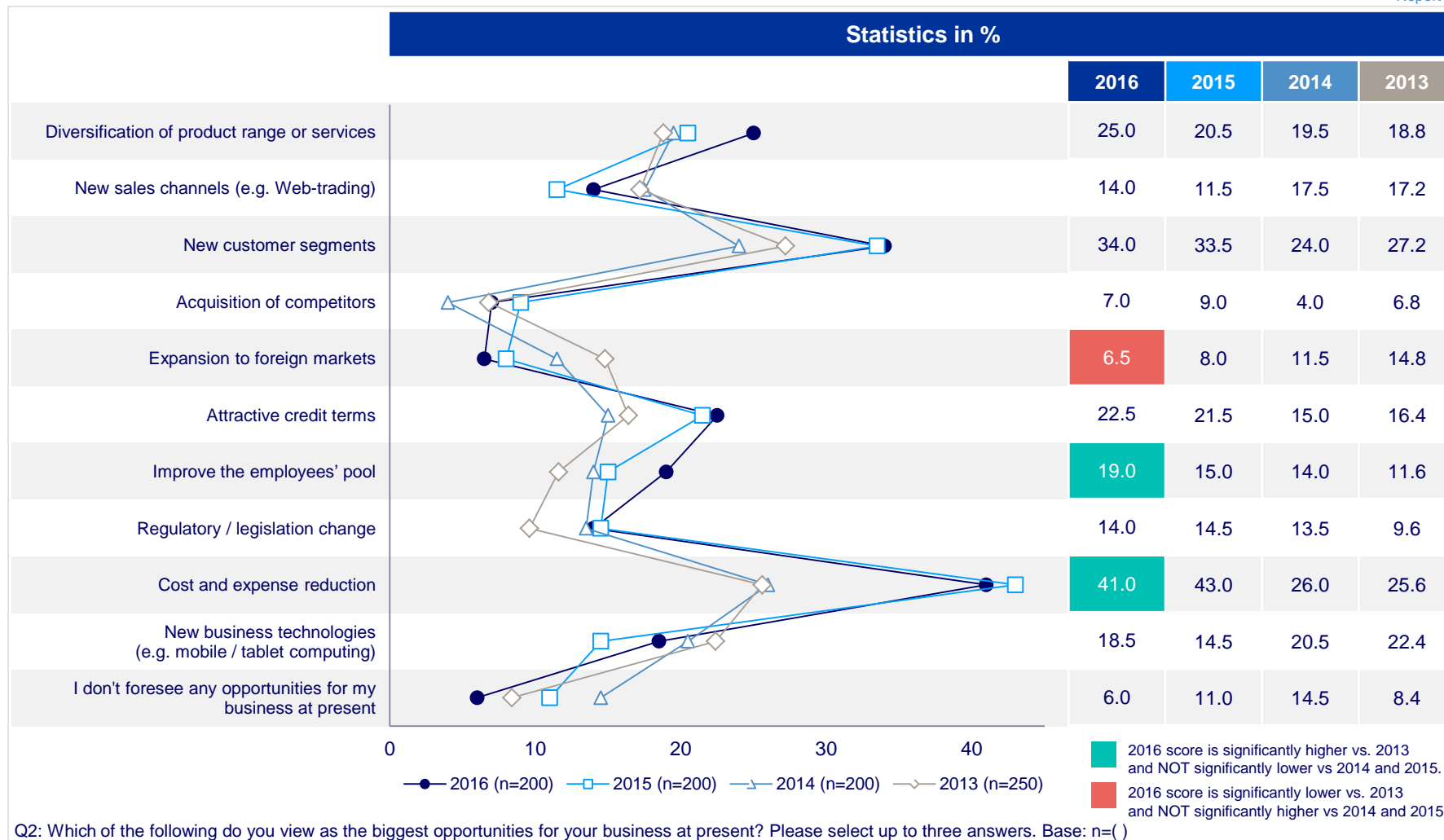
“Cost and expense reduction” and “Improve the employees’ pool” considerably more important than in the past

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison



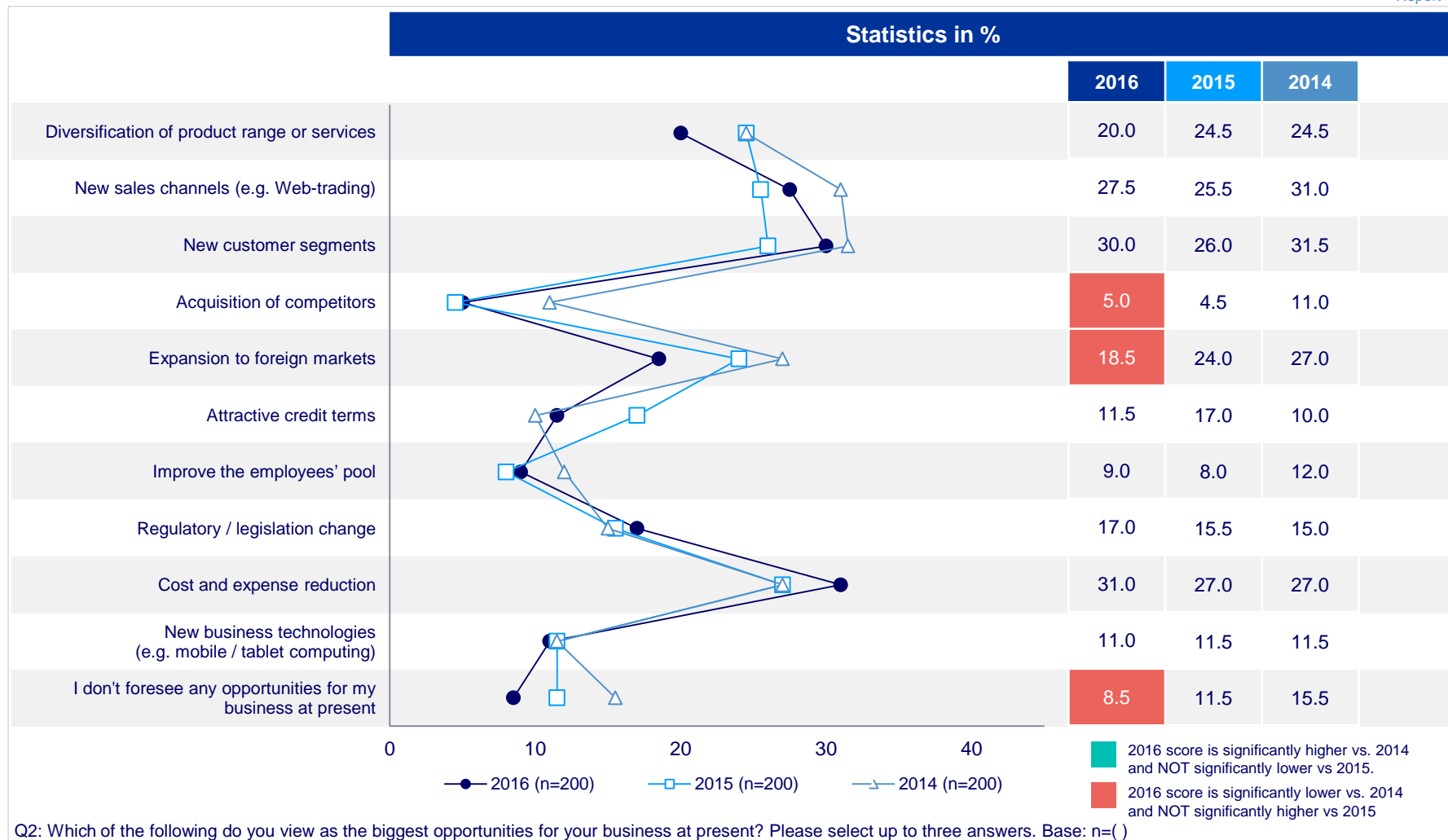
Global Survey Report



“Expansion to foreign markets” has significantly lost relevance as key business opportunity

Biggest opportunities for small and medium enterprises in 2016

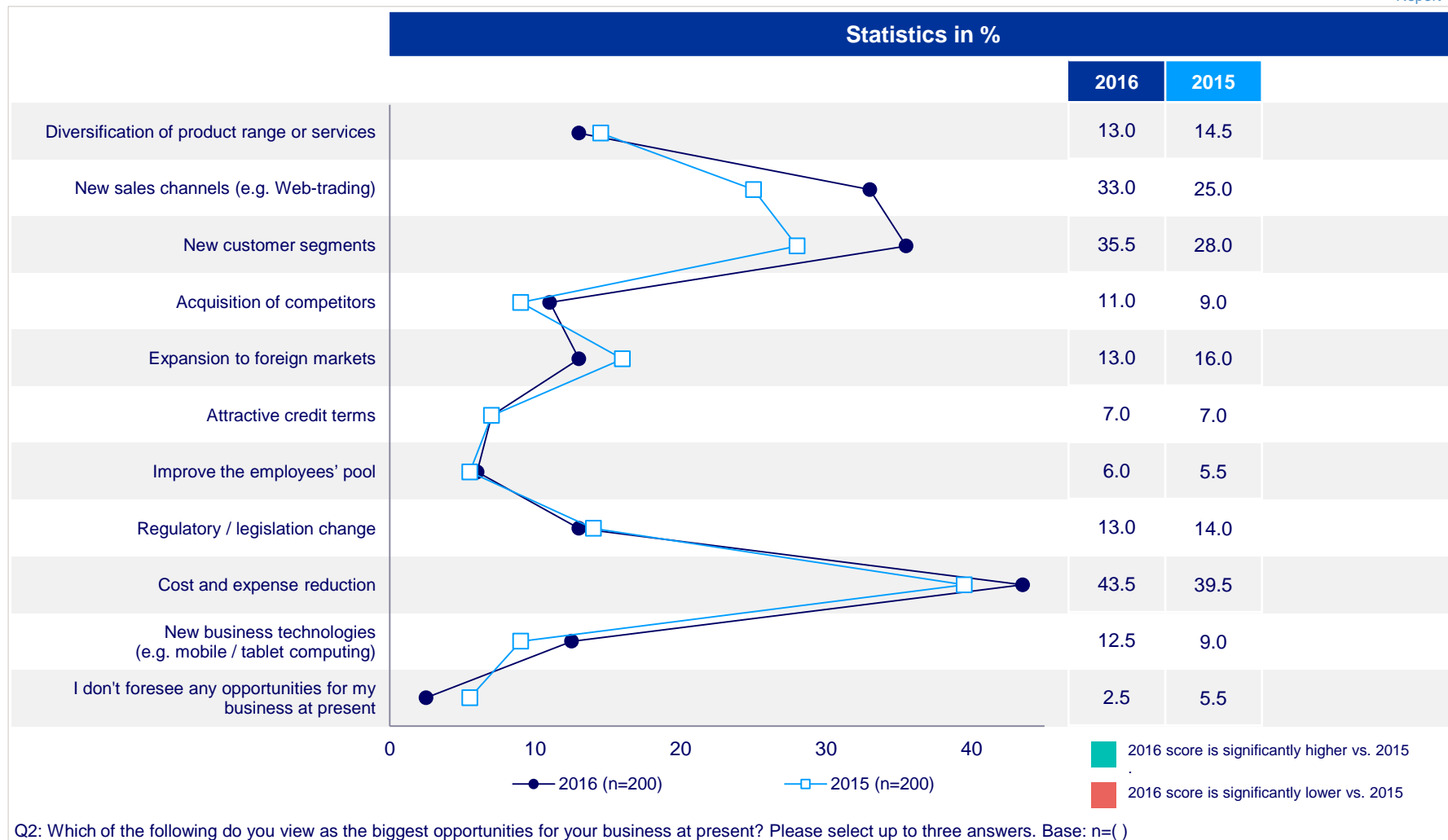
Results: Year-on-year comparison



“Cost and expense reduction” perceived as most decisive business opportunity

Biggest opportunities for small and medium enterprises in 2016

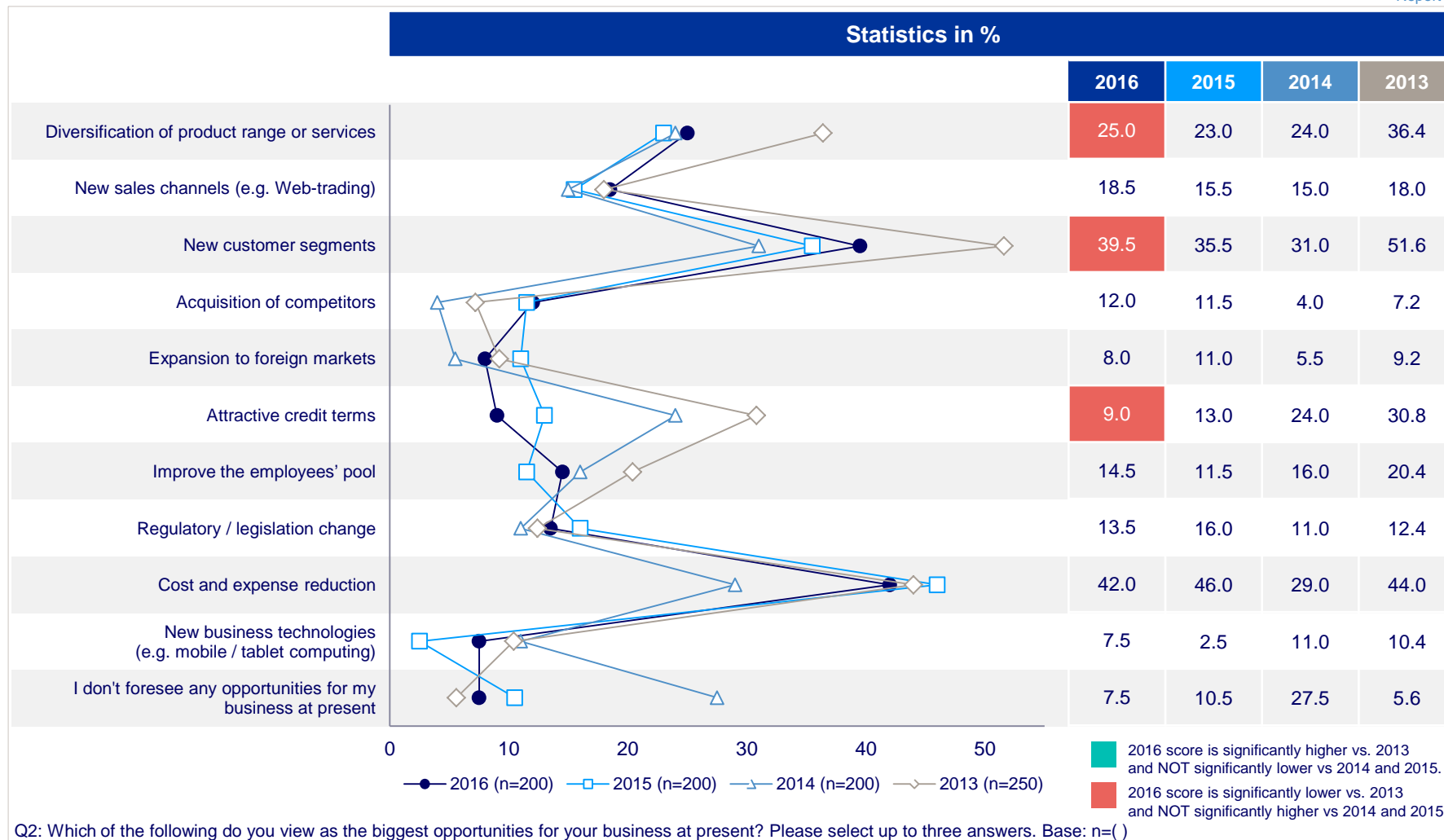
Results: Year-on-year comparison



Relevance of “Attractive credit terms” as business opportunity has continuously declined over the years

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison



Q2: Which of the following do you view as the biggest opportunities for your business at present? Please select up to three answers. Base: n()

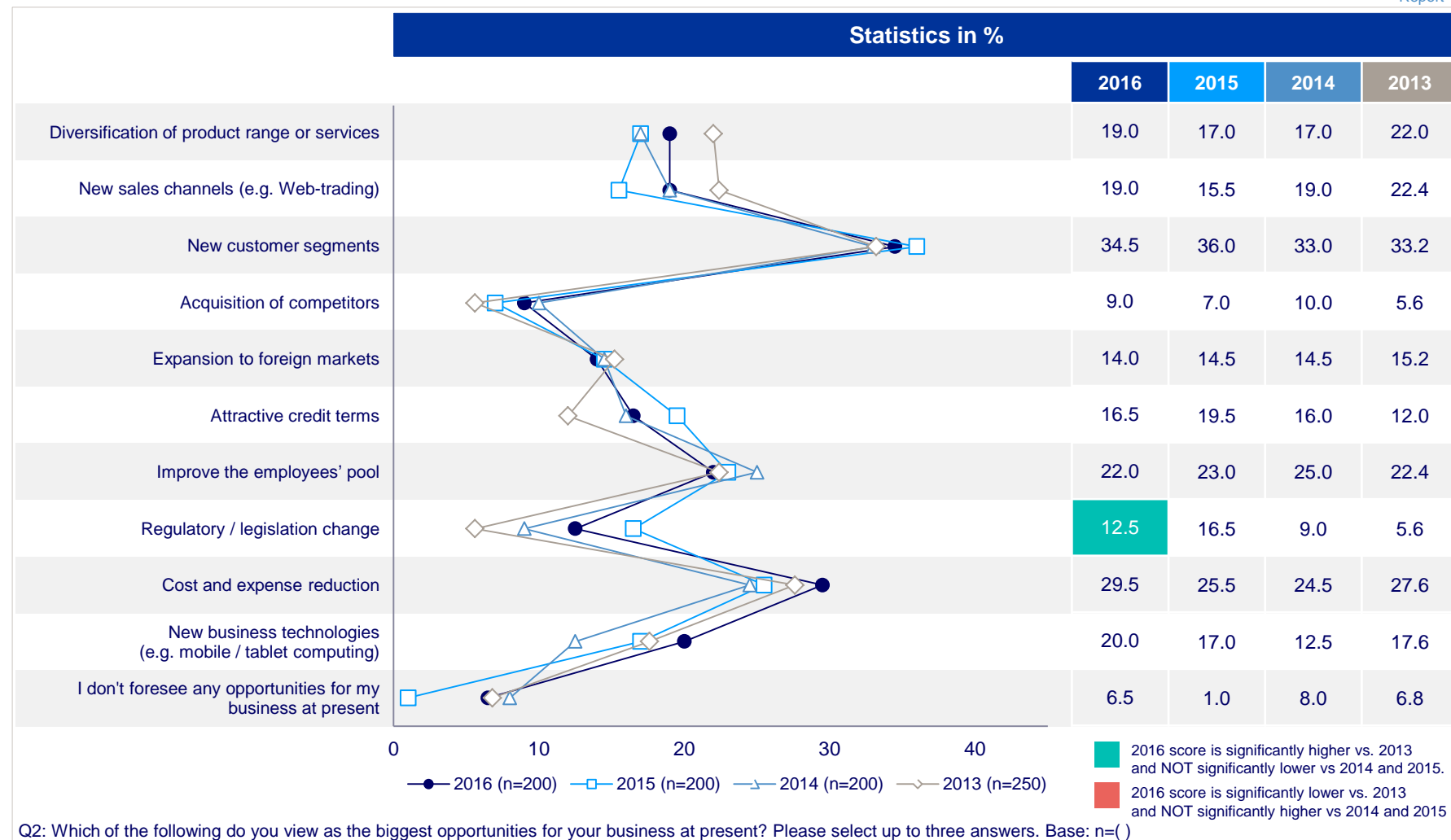
“Regulatory / legislation change” rated as more important opportunity than in the past

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison



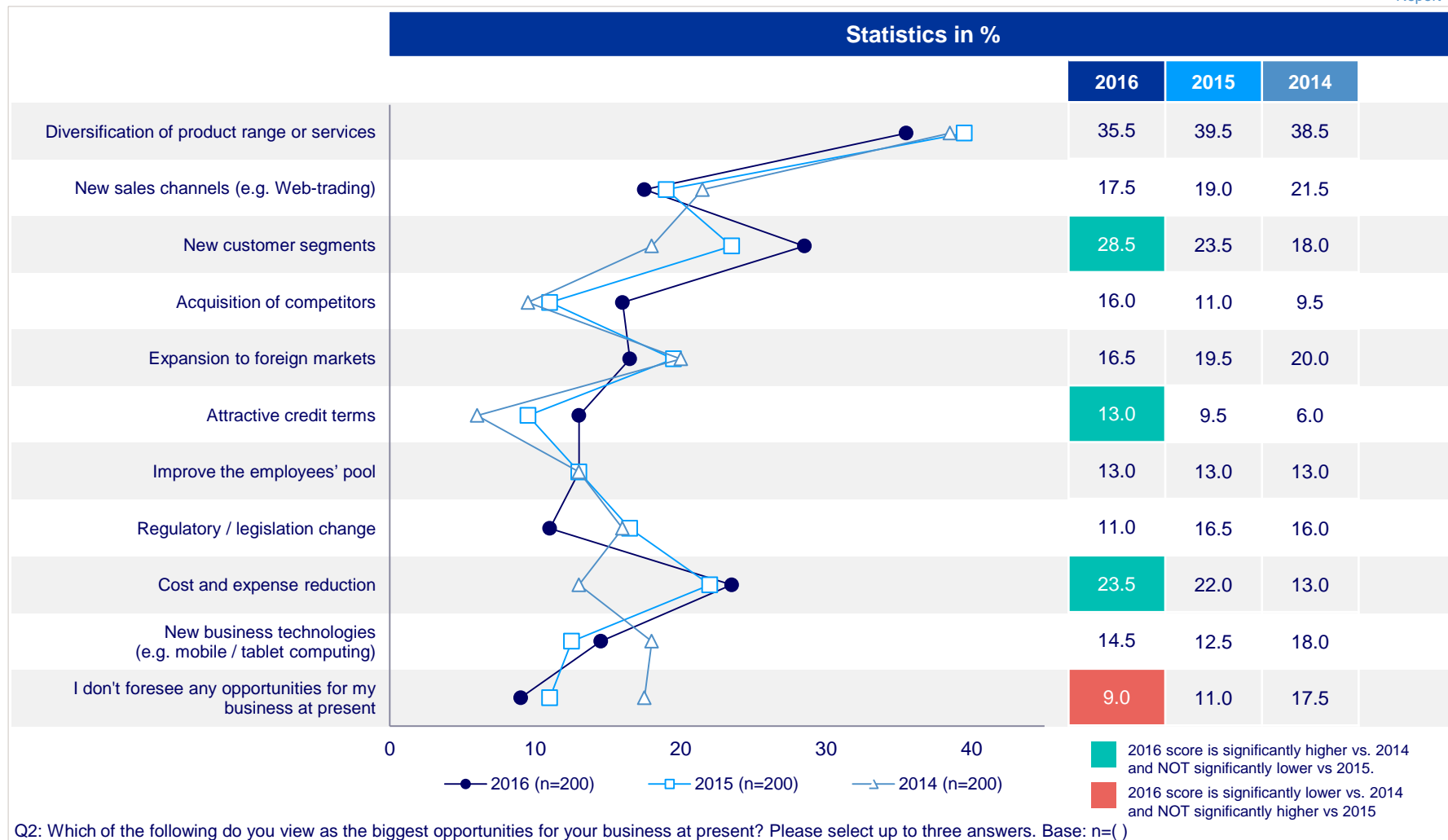
Global Survey Report



“New customer segments” and “Attractive credit terms” rated as increasingly bigger business opportunities

Biggest opportunities for small and medium enterprises in 2016

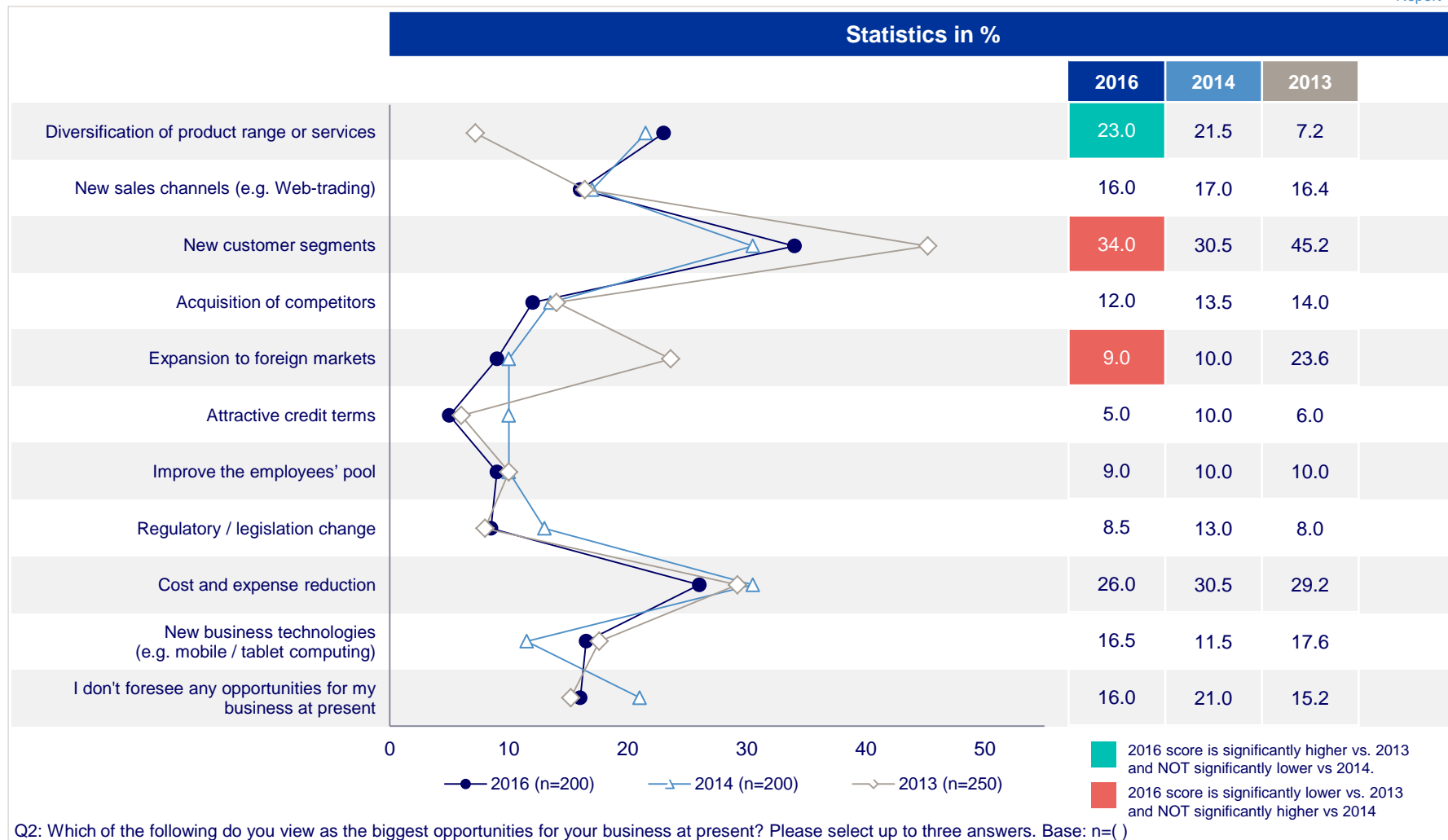
Results: Year-on-year comparison



“Diversification of product range or services” perceived as more relevant than in the past

Biggest opportunities for small and medium enterprises in 2016

Results: Year-on-year comparison



Sample composition

Key risks for small and medium enterprises in 2016











Q1: Which of the following do you think are the key risks for your business in 2016? Please select up to three answers. Base: n=()

Sample Composition 1/2

Key risks for small and medium enterprises in 2016

Function and full-time employees

Survey Report
Switzerland

	Statistics in %							
	Europe							
								
Function	Switzerland	Austria	Germany	Ireland	Italy	Portugal	Spain	Turkey
CEO/Owner	47.0	60.5	59.0	42.0	60.0	43.5	52.0	44.0
CFO/Treasurer	20.5	13.5	16.5	14.0	14.5	15.5	16.0	15.5
COO/Head of operations	18.5	16.0	16.0	13.0	16.0	22.0	15.5	24.5
General Manager	14.0	10.0	8.5	31.0	9.5	19.0	16.5	16.0
Full-time employees								
0 employees	4.5	3.5	3.0	2.0	7.0	1.0	8.0	0.5
1 to 9 employees	45.5	56.5	27.0	33.0	48.0	49.0	41.5	59.5
10 to 19 employees	22.5	17.0	25.5	28.0	22.5	20.5	23.5	17.0
20 to 49 employees	7.5	8.0	14.5	7.0	7.5	9.5	7.0	13.0
50 to 99 employees	15.0	10.0	23.0	24.0	13.5	16.5	15.5	7.5
100 to 250 employees	5.0	5.0	7.0	6.0	1.5	3.5	4.5	2.5









Sample Composition 2/2

Key risks for small and medium enterprises in 2016

Revenue and Industry



Survey Report
Switzerland

	Statistics in %							
	Europe							
								
Revenue*	Switzerland	Austria	Germany	Ireland	Italy	Portugal	Spain	Turkey
Up to 2 Million EUR	32.5	60.5	35.0	38.0	45.0	29.0	48.5	52.0
More than 2 to 5 Million EUR	17.0	13.0	21.0	14.5	17.5	10.0	14.0	8.5
More than 5 to 10 Million EUR	10.0	6.0	9.0	9.5	9.0	9.5	3.5	3.5
More than 10 to 50 Million EUR	9.5	4.0	7.0	6.0	1.0	4.0	1.0	2.0
More than 50 Million EUR	0.0	0.0	2.0	0.0	1.5	1.0	0.0	1.5
Industry								
Agriculture	2.5	1.5	5.5	4.5	4.5	4.5	9.5	3.5
Manufacturing and construction	10.0	8.5	14.0	11.5	6.5	8.5	10.5	10.0
Wholesale and retail trade	15.5	13.5	14.5	12.5	8.5	9.5	11.0	13.5
Information and communication	6.5	9.0	8.5	6.0	4.5	2.5	4.0	16.0
Financial activities (including insurance)	4.0	9.5	13.0	8.0	13.5	6.0	4.0	8.0
Administrative and support service	6.0	6.0	3.0	4.5	2.5	3.0	4.0	2.5
Public administration	5.5	4.0	3.5	2.0	3.0	1.0	4.0	1.5
Transport and storage	7.5	4.0	5.0	7.0	3.5	14.5	4.5	17.5
Accommodation and food service	9.5	27.0	9.5	19.0	23.5	17.5	12.0	21.5
Consumer services	22.0	8.5	7.0	15.5	15.0	8.0	24.5	2.5
Other service activities	11.0	8.5	16.5	9.5	15.0	25.0	12.0	3.5

*Figures don't sum up to 100% due to "DK / No Answer"

Sample Composition

Biggest opportunities for small and medium enterprises in 2016

Function and full-time employees

	Statistics in %				
	North America	Latin America		APAC	
					
Function	USA	Brazil	Mexico	Hong Kong	Australia
CEO/Owner	39.0	43.5	36.0	47.0	39.0
CFO/Treasurer	11.0	25.5	18.0	15.0	12.0
COO/Head of operations	12.0	12.5	26.0	20.0	16.0
General Manager	38.0	18.5	20.0	18.0	33.0
Full-time employees					
0 employees	1.5	2.5	0.0	0.5	4.0
1 to 9 employees	33.5	32.5	30.0	34.5	44.0
10 to 19 employees	28.0	31.0	18.0	26.0	13.5
20 to 49 employees	12.0	9.0	12.0	14.0	8.5
50 to 99 employees	11.0	22.0	26.5	16.5	22.0
100 to 250 employees	14.0	3.0	13.5	8.5	8.0

Sample Composition

Key risks for small and medium enterprises in 2016 Revenue and Industry

	Statistics in %				
	North America	Latin America		APAC	
					
Revenue*	USA	Brazil	Mexico	Hong Kong	Australia
Up to 2 Million EUR	28.0	29.5	40.0	30.5	39.5
More than 2 to 5 Million EUR	19.0	15.0	13.0	25.0	9.0
More than 5 to 10 Million EUR	8.5	9.0	5.5	7.5	8.5
More than 10 to 50 Million EUR	6.5	4.0	7.0	1.5	4.5
More than 50 Million EUR	1.0	0.0	0.0	1.0	0.0
Industry					
Agriculture	3.0	11.0	7.0	0.0	10.5
Manufacturing and construction	18.0	7.0	11.5	10.5	12.5
Wholesale and retail trade	20.0	18.5	17.5	5.5	20.0
Information and communication	8.0	6.5	2.5	3.0	2.0
Financial activities (including insurance)	12.0	3.0	3.5	21.0	3.5
Administrative and support service	2.0	2.0	4.0	8.5	2.0
Public administration	2.0	1.5	2.0	11.0	4.5
Transport and storage	10.0	10.0	4.5	7.5	15.0
Accommodation and food service	11.0	16.0	25.5	9.5	11.5
Consumer services	5.0	12.0	18.0	1.5	11.5
Other service activities	9.0	12.5	4.0	22.0	7.0

*Figures don't sum up to 100% due to "DK / No Answer"