

SMEs – a 12-month retrospective

Zurich 2014 SME Survey

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Table of contents

Introduction

- Methodology P. 03
- Sample structure P. 04

Results

- Management summary P. 08
- Findings by region P. 11
- Findings by country P. 16

Methodology

Method	Telephone Interviews (CATI)
Instrument	Structured questionnaire
Target group	<ul style="list-style-type: none">• Small and medium sized enterprises (SMEs) with 0 to 250 full-time employees• CEO/owner, general manager, CFO/treasurer, COO/head of operations
Countries	19 countries: Argentina, Australia, Austria, Brazil, Germany, Hong Kong, Ireland, Italy, Malaysia, Mexico, Morocco, Portugal, South Africa, Spain, Switzerland, Taiwan, Turkey, United Arab Emirates, the UK
Sample	3,800, i.e. 200 businesses in each country
Conducting agency	GfK
Area of research	Participants were asked to identify up to three out of a possible 15 activities and challenges in their business over the previous 12 months

Sample structure – country 1-10

Function and full-time employees

Distribution in % (n=200 per country)

	Argen- tina	Aust- ralia	Aust- ria	Brazil	Ger- many	Hong Kong	Ire- land	Italy	Malay- sia	Mexi- co
Function										
CEO/Owner	49.0	42.0	58.0	43.5	56.5	39.5	43.0	74.5	23.5	44.0
General Manager	15.0	12.5	12.0	16.5	16.0	20.5	16.5	10.5	24.5	17.0
COO/Head of operations	7.5	14.5	19.0	10.0	11.5	13.5	16.5	10.0	19.0	24.0
CFO/Treasurer	28.5	31.0	11.0	30.0	16.0	26.5	24.0	5.0	33.0	15.0
Full-time employees										
0 employees	11.0	2.0	3.5	3.0	9.0	2.0	0	14.5	0.5	5.0
1 to 9 employees	30.0	46.0	54.0	34.0	22.0	31.5	33.5	43.0	51.5	26.0
10 to 19 employees	27.0	12.0	20.0	22.5	22.5	19.0	20.0	18.5	17.0	14.0
20 to 49 employees	12.5	10.5	7.0	17.0	14.5	22.0	16.5	8.5	13.0	13.5
50 to 99 employees	12.0	21.5	9.5	17.5	21.5	14.5	15.5	8.5	9.0	29.0
100 to 249 employees	7.5	8.0	6.0	6.0	10.5	11.0	14.5	7.0	9.0	12.5

Sample structure – country 11-19

Function and full-time employees

Distribution in % (n=200 per country)

	Morocco	Portugal	South Africa	Spain	Switzerland	Taiwan	Turkey	UAE	UK
Function									
CEO/Owner	60.0	41.5	44.5	50.0	42.0	32.0	39.5	38.0	44.0
General Manager	13.0	16.0	11.5	16.0	25.0	16.5	11.5	14.5	12.5
COO/Head of operations	10.0	10.0	9.0	10.0	15.5	20.0	30.5	14.0	16.0
CFO/Treasurer	17.0	32.5	35.0	24.0	17.5	31.5	18.5	33.5	27.5
Full-time employees									
0 employees	0	5.0	1.0	14.0	7.0	1.0	0	3.5	6.0
1 to 9 employees	70.5	46.0	58.0	38.0	40.5	31.5	57.0	42.0	27.5
10 to 19 employees	10.5	16.5	15.5	16.5	14.0	22.5	19.0	16.5	21.0
20 to 49 employees	8.0	11.5	17.5	12.0	15.0	28.0	8.5	13.5	16.0
50 to 99 employees	6.0	16.5	5.5	13.0	17.5	13.5	6.5	13.0	16.5
100 to 249 employees	5.0	4.5	2.5	6.5	6.0	3.5	9.0	11.5	13.0

Sample structure – country 1-10

Industry and total revenue

Distribution in % (n=200 per country)

	Argentina	Australia	Austria	Brazil	Germany	Hong Kong	Ireland	Italy	Malaysia	Mexico
Industry										
Agriculture	12.0	10.5	1.5	11.0	5.5	0	4.5	4.5	2.0	7.0
Manufacturing and construction	10.0	12.5	8.5	7.0	14.0	10.5	11.5	6.5	6.0	11.5
Wholesale and retail trade	18.5	20.0	13.5	18.5	14.5	5.5	12.5	8.5	17.0	17.5
Information and communication	5.0	2.0	9.0	6.5	8.5	3.0	6.0	4.5	1.5	2.5
Financial (including insurance)	4.0	3.0	9.5	3.0	13.0	21.0	8.0	13.5	12.0	3.5
Administrative and support services	3.5	1.5	6.0	2.0	3.0	8.5	4.5	2.5	5.5	4.0
Public administration	0	4.5	4.0	1.5	3.5	11.0	2.0	3.0	4.5	2.0
Transport and storage	11.5	15.0	4.0	10.0	5.0	7.5	7.0	3.5	11.5	4.5
Accommodation and food services	16.5	12.0	27.0	16.0	9.5	9.5	19.0	23.5	20.5	25.5
Consumer services	10.5	12.0	8.5	12.0	7.0	1.5	15.5	15.0	8.0	18.0
Other services	8.5	7.0	8.5	12.5	16.5	22.0	9.5	15.0	11.5	4.0
Total revenue 2013										
Less than 2 million EUR	57.5	42.0	66.0	27.5	38.0	34.5	33.0	42.0	29.0	26.0
2 to 5 million EUR	5.5	7.0	6.0	22.5	10.0	22.5	14.0	13.0	24.0	14.0
5 to 10 million EUR	3.0	4.5	3.5	6.0	8.0	5.0	6.5	10.0	4.5	5.0
10 to 50 million EUR	0.5	4.0	3.0	1.0	4.5	6.0	7.0	4.0	4.5	8.5
More than 50 million EUR	0	0	2.5	0	1.0	0.5	2.0	3.5	0	2.5
Don't know / no answer	33.5	42.5	19.0	43.0	38.5	31.5	37.5	27.5	38.0	44.0

Sample structure – country 11-19

Industry and total revenue

Distribution in % (n=200 per country)

	Morocco	Portugal	South Africa	Spain	Switzerland	Taiwan	Turkey	UAE	UK
Industry									
Agriculture	1.5	4.5	4.5	9.5	2.5	1.0	3.5	2.5	3.0
Manufacturing and construction	19.0	8.5	17.0	10.5	10.0	19.0	10.0	4.5	15.0
Wholesale and retail trade	14.0	9.5	10.0	11.0	15.5	18.0	13.5	16.0	13.5
Information and communication	21.5	2.5	21.0	4.0	6.5	3.5	16.0	4.5	6.5
Financial (including insurance)	8.5	6.0	5.5	4.0	4.0	10.0	8.0	8.5	10.0
Administrative and support services	4.0	3.0	6.5	4.0	6.0	1.5	2.5	5.0	4.5
Public administration	2.5	1.0	3.5	4.0	5.5	2.5	1.5	2.0	1.5
Transport and storage	12.5	14.5	2.5	4.5	7.5	11.5	17.5	13.5	6.0
Accommodation and food services	8.5	17.5	17.5	12.0	9.5	22.0	21.5	27.0	18.0
Consumer services	4.5	8.0	1.0	24.5	22.0	9.0	2.5	12.0	10.0
Other services	3.5	25.0	11.0	12.0	11.0	2.0	3.5	4.5	12.0
Total revenue 2013									
Less than 2 million EUR	54.5	37.0	51.5	41.0	31.5	43.5	59.0	36.5	39.0
2 to 5 million EUR	5.5	8.0	8.5	16.0	11.5	23.0	6.5	11.0	15.5
5 to 10 million EUR	5.5	7.5	1.0	7.0	8.5	2.5	3.0	6.0	11.0
10 to 50 million EUR	2.5	6.0	1.0	4.5	6.0	2.0	0.5	3.0	7.0
More than 50 million EUR	2.0	1.5	0	0	1.0	0.5	5.0	0.5	0
Don't know / no answer	30.0	40.0	38.0	31.5	41.5	28.5	26.0	43.0	27.5

Management Summary

SMEs – a 12-month retrospective

SMEs in most countries were once again focused on **expanding activities to target new customers in their domestic market** (23%) and **diversifying their product ranges or services** (21%).

German and **Italian** SMEs were a noted exception, showing little appetite for growth in their home markets (14% and 11%). SMEs in **Germany** were primarily concerned with **investing in business assets and operations** while **increasing prices** and **staff numbers**. **Italian** SMEs **cut prices** and sought to **further diversify their products and services**.

Companies in Latin America, notably **Brazil and Mexico** (40% and 33%), and in **Australia** (38%) reported **strong wage increases** but only **modest increases in staffing**. By comparison, APAC countries such as **Hong Kong, Taiwan** and **Malaysia** saw **higher increases in staff numbers** and a **lower share of wage increases**.

Countries such as **Hong Kong, Morocco, Taiwan, Turkey** and **South Africa** (21% to 26%) sought to **expanding into new markets (exports)**.

Within Europe, **Germany** and **Austria** mostly **invested in business assets and operations** (27% and 34%) with simultaneous **increases in prices** (20% and 29%) and **staff numbers** (19% and 33%).

Only **a minority** of SMEs in all surveyed countries (between 0% and 10%) considered **reducing their business offering** or **closing down the business**. In **Taiwan**, **no** SME considered **closing its business** while in **Austria** and **Morocco** only 1.5 percent had considered such a step. However, in **Spain, Australia** and **Mexico** **almost one in ten** had done so.

Management Summary

Regions I

Europe

European SMEs were predominantly focused on **expanding activities to target new customers at home**. Germany, Austria and Italy were once again the exception in 2014. Companies in Europe were also focused on **diversifying their product range or services**.

SMEs in **Italy, Spain** and **Portugal** continued to focus on **cutting prices**. **Italy** and **Spain** were also an exception in that they were the only countries where SMEs were **very reluctant to hire** or **raise prices**.

Only a minority of SMEs in Europe considered **reducing their offering** or **closing the business**. In **Austria**, **only 1.5%** of businesses said they had considered closing their business, whereas in **Spain** almost **one in ten** had done so.

In the **United Kingdom, Switzerland** and **Germany** there was less emphasis on **wage increases** than in 2013.

Latin America

SMEs in **Brazil, Mexico** and **Argentina** were **increasing wages** and **expanding** their activities to **target new customers in the domestic market** while **diversifying their product range or services**.

Few businesses in the region were considering **cutting back** or **closing their doors**, though about **one in ten SMEs** in **Brazil** and **Mexico** were considering **cutting wages**. This was not an issue in Argentina. **One in five businesses** in **Brazil** **restructured** their business in the last 12 months.

Management Summary

Regions II

Middle East & Africa

SMEs in the Middle East & Africa were primarily focused on **expanding their activities to target new customers at home**. They were also eager to **diversify their products and services**.

In **South Africa**, however, **increases in wages, staff numbers and prices** took a higher share of the votes.

Few companies were considering **closing down** in any of these markets, especially in **Morocco**. Morocco was also an outlier in that there was almost no appetite for **obtaining additional financial investment or extended credit terms**.

Asia Pacific

SMEs in **Australia** were **increasing wages** while the peers in the **rest of Asia Pacific** were more focused on **hiring** and **expanding their activities to target new customers at home**.

Companies in **Taiwan** and **Australia** also highlighted the need to **diversify their products and services**.

For businesses in **Hong Kong** and **Taiwan** expanding into new markets (**export**) **is high on the agenda**.

Only a few SMEs in the region were considering **reducing their business offering**. In **Taiwan** **none** of the businesses surveyed said they had considered **closing their doors**, whereas in **Australia almost one in twelve had** done so.

Findings by region

- [Europe](#)
- [Latin America](#)
- [Middle East & Africa](#)
- [Asia Pacific](#)

SMEs – a 12-month retrospective – Europe

Countries summary

■ ≥ 20% ■ < 6%

Distribution in % (n=200 per country)

	Average	Austria	Germany	Ireland	Italy	Portugal	Spain	Switzer-land	UK
Expand activity to target new customers (domestic market)	19.9	17.5	14	21.5	11	21.5	28.5	24	21.5
Diversify product range or services	19.6	21.5	16	21	21.5	17.5	24	18.5	17
Increase wages	11.4	27.5	12	6.5	4.5	7.5	5.5	15.5	12.5
Increase staff numbers	14.6	32.5	18.5	17.5	4.5	11.5	6.5	9.5	16.5
Increase prices	13.1	29	20	8	4	13.5	5	7.5	17.5
Invest in business assets and operations	17.8	34	26.5	11.5	16	9	13.5	13	19
Expand activity to new markets (exports)	11.8	10	10.5	12	11.5	8.5	11.5	17.5	12.5
Reduce prices	14.1	6.5	7	13.5	19.5	19.5	25.5	8.5	12.5
Comprehensive restructuring of the business	10	12	11.5	8.5	6.5	9.5	11	10.5	10.5
Reduce staff numbers	11.1	7.5	7	11.5	12	16.5	11.5	13.5	9
Invest in risk analysis and risk assessment	8.9	13	7.5	8	8.5	7.5	5.5	8.5	13
Reduce wages	9.4	3	6.5	12	9	11	14.5	11.5	8
Obtain additional investment or extended credit terms	8.3	11.5	8	9	8.5	9.5	5.5	8	6.5
Reduce the business offering	5.3	3	5	4.5	5	7.5	5.5	5	7
Consider closing down the business	5.4	1.5	5.5	3.5	7.5	7.5	9	2.5	6

SMEs – a 12-month retrospective – Latam

Countries summary

■ ≥ 20% ■ < 6%

Distribution in % (n=200 per country)

	Average	Argentina	Brazil	Mexico
Expand activity to target new customers (domestic market)	23.2	23	27.5	19
Diversify product range or services	22.8	20.5	26.5	21.5
Increase wages	34.3	30	40	33
Increase staff numbers	8.5	7.5	7.5	10.5
Increase prices	14.8	27	5.5	12
Invest in business assets and operations	14.7	20.5	13.5	10
Expand activity to new markets (exports)	9.5	8.5	5.5	14.5
Reduce prices	12.5	14.5	9.5	13.5
Comprehensive restructuring of the business	15.8	10.5	21.5	15.5
Reduce staff numbers	9.5	10	7.5	11
Invest in risk analysis and risk assessment	7.5	7.5	7.5	7.5
Reduce wages	8.2	1.5	10	13
Obtain additional investment or extended credit terms	10.5	11.5	9.5	10.5
Reduce the business offering	8.7	10.5	7.5	8
Consider closing down the business	4.2	2	2.5	8

SMEs – a 12-month retrospective – MEA

Countries summary

■ ≥ 20% ■ < 6%

Distribution in % (n=200 per country)

	Average	Morocco	South Africa	Turkey	UAE
Expand activity to target new customers (domestic market)	27.1	32.5	25	25.5	25.5
Diversify product range or services	23.4	29.5	16.5	27.5	20
Increase wages	21.0	25.5	26.5	20	12
Increase staff numbers	20.0	19.5	23.5	20.5	16.5
Increase prices	16.1	21	20	8.5	15
Invest in business assets and operations	14.3	16.5	13.5	16	11
Expand activity to new markets (exports)	21.5	25.5	22.5	20.5	17.5
Reduce prices	9.5	8.5	7.5	10	12
Comprehensive restructuring of the business	11.4	13.5	12	12	8
Reduce staff numbers	8.5	11	5	10.5	7.5
Invest in risk analysis and risk assessment	10.9	12	7	16	8.5
Reduce wages	8.1	8.5	11	4	9
Obtain additional investment or extended credit terms	9.8	1	16.5	11.5	10
Shorten the business offering	5.1	6	2.5	6.5	5.5
Consider closing down the business	3.9	1.5	6.5	3.5	4

SMEs – a 12-month retrospective – APAC

Countries summary

■ ≥ 20% ■ < 6%

Distribution in % (n=200 per country)

	Average	Australia	Hong Kong	Malaysia	Taiwan
Expand activity to target new customers (domestic market)	23.9	20	30	23.5	22
Diversify product range or services	22.4	23.5	21	17.5	27.5
Increase wages	21.6	37.5	15.5	19	14.5
Increase staff numbers	25.4	12.5	27.5	25	36.5
Increase prices	17.9	14.5	23	16	18
Invest in business assets and operations	9.5	14.5	14	5.5	4
Expand activity to new markets (exports)	17.3	11.5	24.5	10	23
Reduce prices	7.3	12	5.5	6	5.5
Comprehensive restructuring of the business	10.4	13	14	4	10.5
Reduce staff numbers	9.4	14.5	6.5	9	7.5
Invest in risk analysis and risk assessment	6.5	11.5	8.5	3.5	2.5
Reduce wages	7.3	10.5	8.5	5	5
Obtain additional investment or extended credit terms	5.4	6.5	4.5	4.5	6
Shorten the business offering	3.1	3.5	5	1.5	2.5
Consider closing down the business	4.0	8.5	5.5	2	0

Findings by country

- [Argentina](#)
- [Australia](#)
- [Austria](#)
- [Brazil](#)
- [Germany](#)
- [Hong Kong](#)
- [Ireland](#)
- [Italy](#)
- [Malaysia](#)
- [Mexico](#)
- [Morocco](#)
- [Portugal](#)
- [South Africa](#)
- [Spain](#)
- [Switzerland](#)
- [Taiwan](#)
- [Turkey](#)
- [United Arab Emirates](#)
- [United Kingdom](#)

SMEs – a 12-month retrospective Argentina



Argentinian SMEs show large price and wage increases, accompanied by increased activities to target new customers in their domestic market.



SMEs – a 12-month retrospective Australia



Australian SMEs increased wages, but with reduced emphasis on adding new customers.



SMEs – a 12-month retrospective Austria



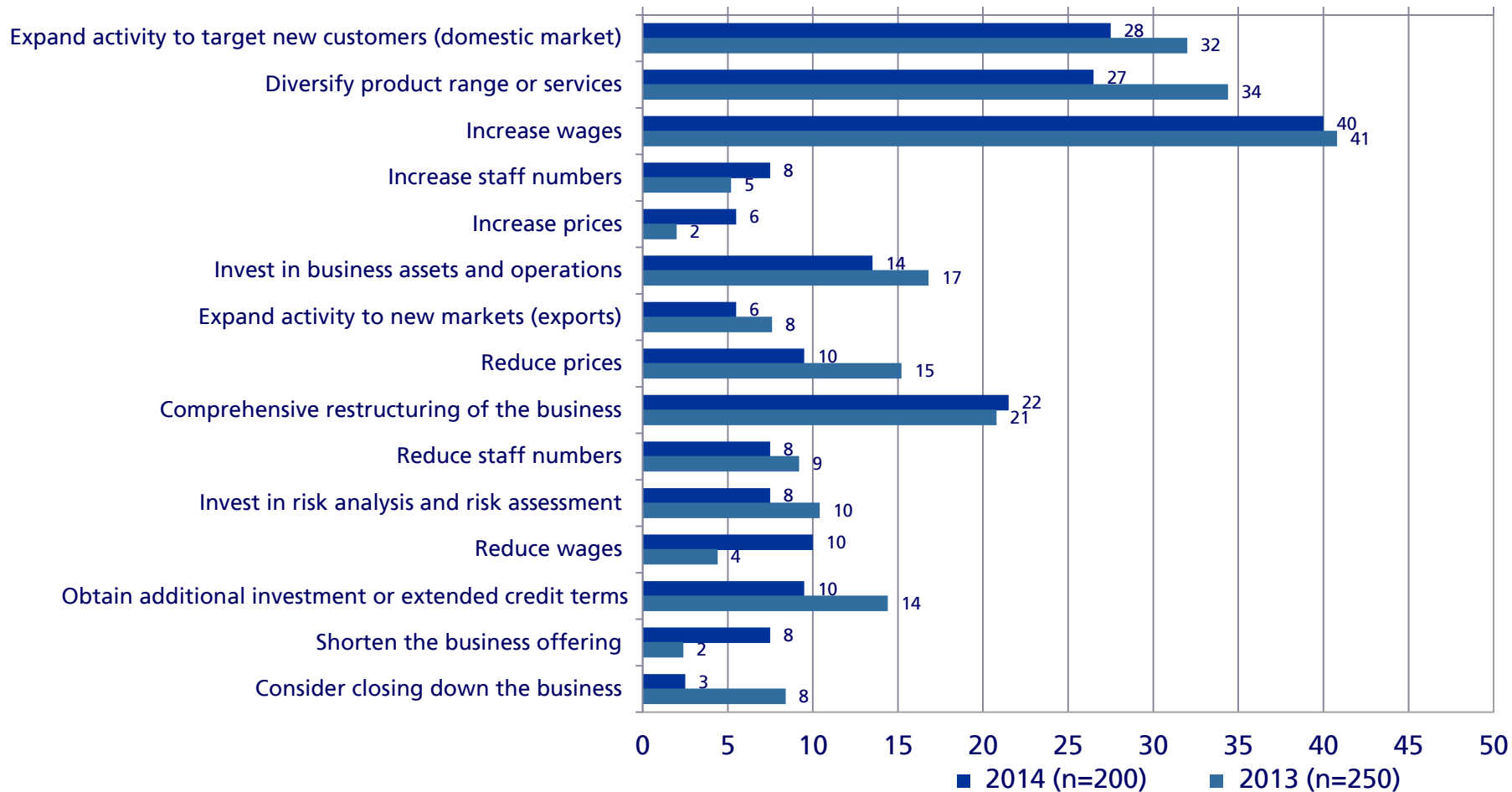
Austrian SMEs invested in business assets and operations, added staff and increased prices and wages.



SMEs – a 12-month retrospective Brazil



Brazilian SMEs are still raising wages while looking to grow in their domestic market and diversify their products and services.



SMEs – a 12-month retrospective Germany



German SMEs continued to invest in business assets and operations while boosting prices and diversifying their products and services.



SMEs – a 12-month retrospective Hong Kong



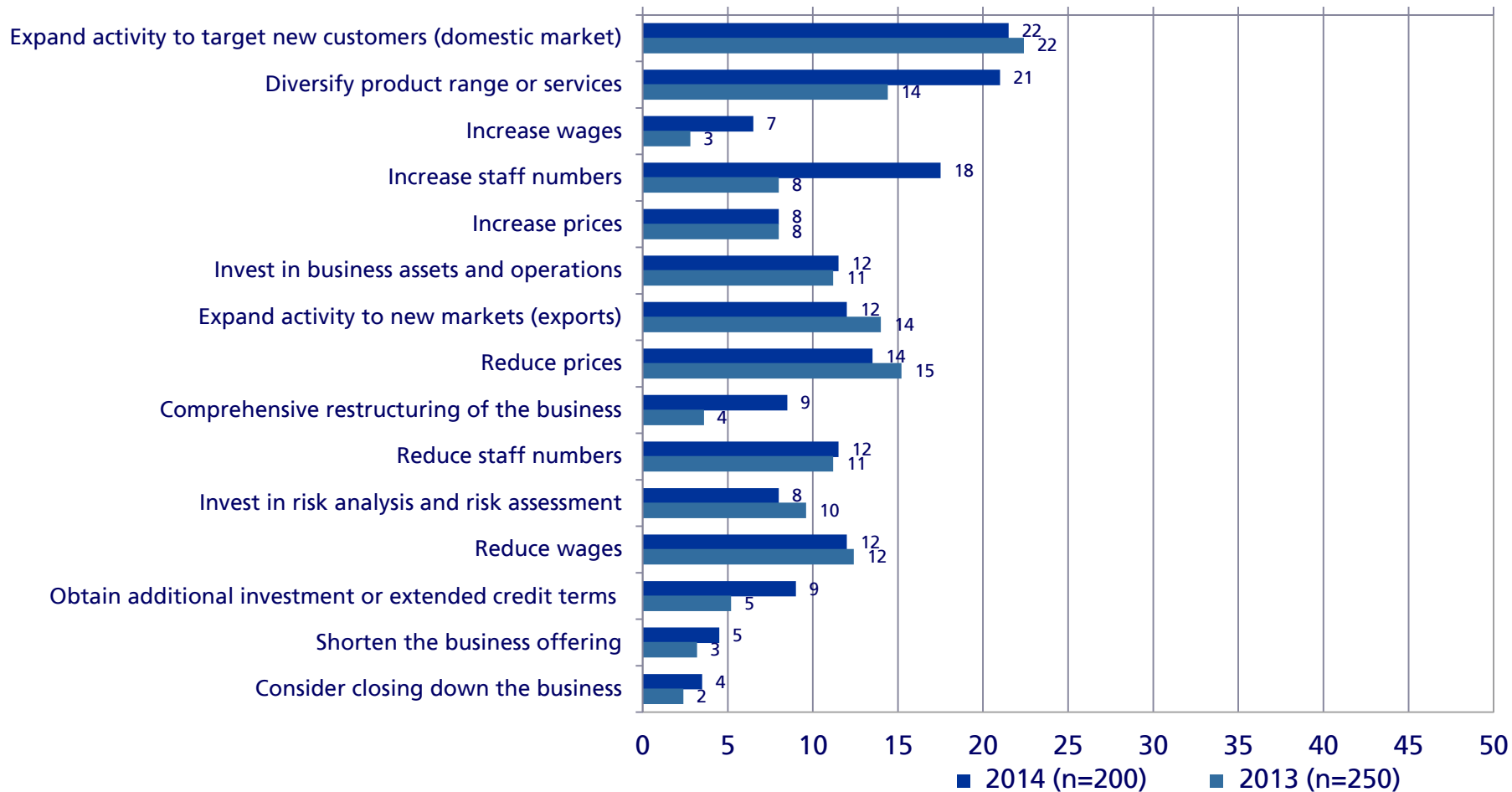
SMEs in Hong Kong were doing more to grow at home and abroad while adding staff and raising prices.



SMEs – a 12-month retrospective Ireland



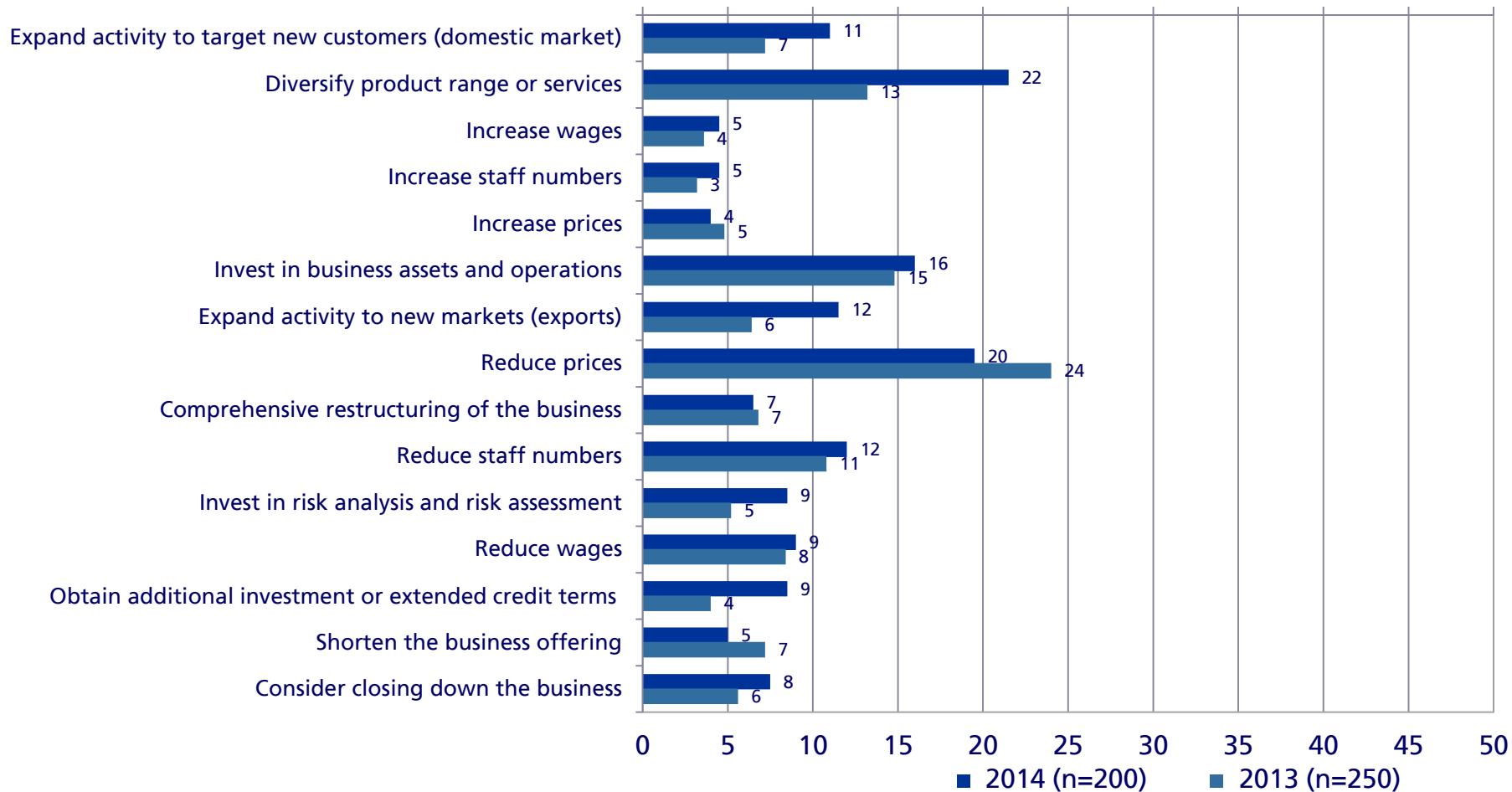
SMEs in Ireland continued expanding activities to target new customers and diversifying their products and services while hiring more aggressively than in 2013.



SMEs – a 12-month retrospective Italy



Italian SMEs were most concerned with product diversification, which increased notably from 2013, and cutting prices.



SMEs – a 12-month retrospective Malaysia



Malaysian SMEs were focused on hiring as they looked to add customers in their domestic market.



SMEs – a 12-month retrospective Mexico



Mexican SMEs increased wages while continuing to grow at home and diversify their products and services.



SMEs – a 12-month retrospective Morocco



SMEs in Morocco are focused on expanding domestically and abroad while diversifying products and services with a consequent increase in wages.



SMEs – a 12-month retrospective Portugal



Portuguese SMEs continued to target customers in their domestic market while diversifying their products and services with further cuts to prices and staff numbers.



SMEs – a 12-month retrospective South Africa



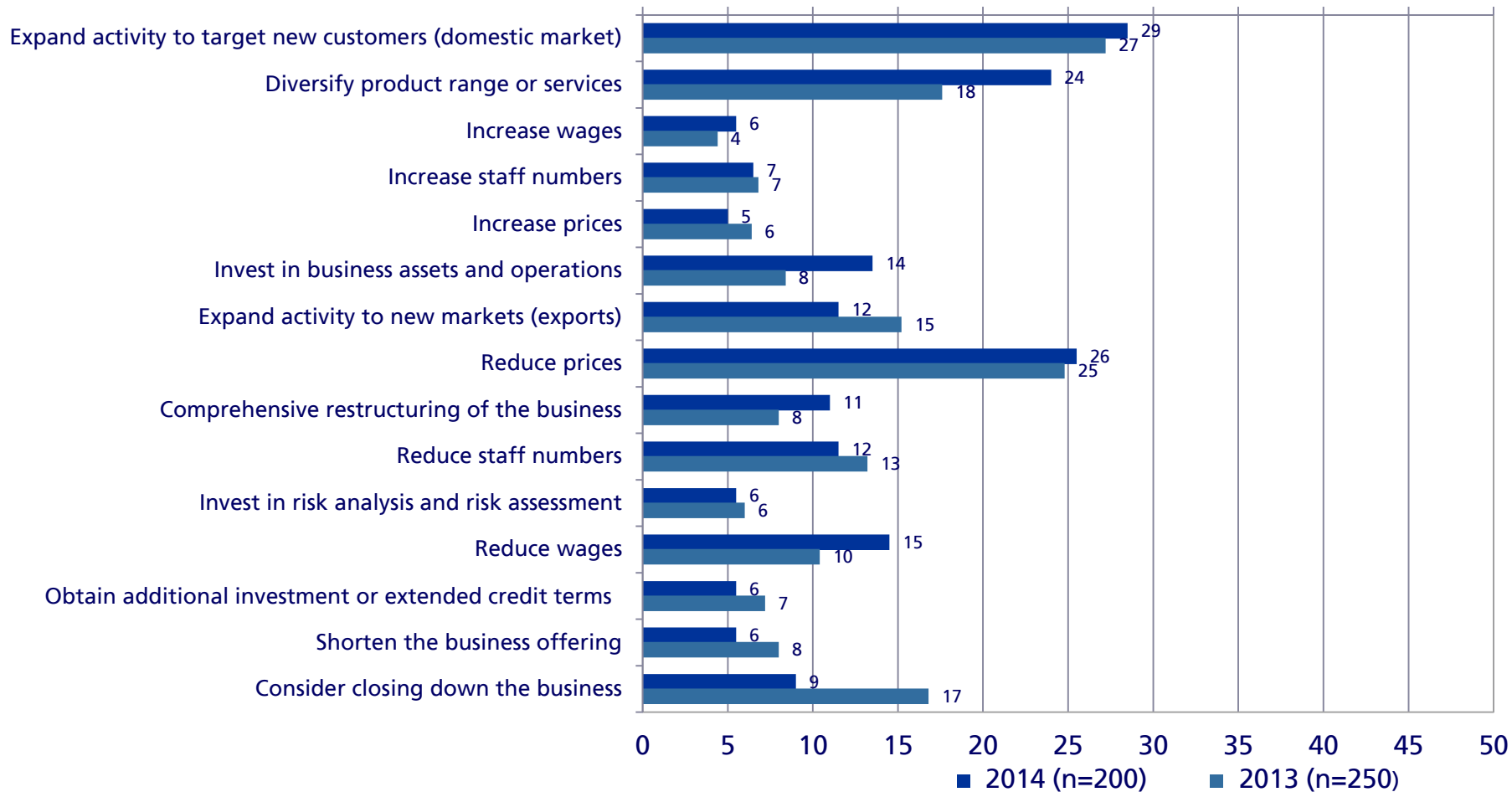
South African SMEs increased wages and added staff while looking to grow at home and abroad.



SMEs – a 12-month retrospective Spain



Spanish SMEs targeted new customers in their home market while diversifying their products and services and making further price cuts.



SMEs – a 12-month retrospective Switzerland



Swiss SMEs continued to focus on adding new customers, but are putting greater emphasis on cutting wages and staff numbers than in 2013.



SMEs – a 12-month retrospective Taiwan



SMEs in Taiwan increased staff numbers while looking to diversify and grow their activities.



SMEs – a 12-month retrospective Turkey



Turkish SMEs are focused on diversifying and expanding at home and abroad, with many adding staff and increasing wages.



SMEs – a 12-month retrospective UAE



SMEs in the UAE continue to focus on adding new customers, but fewer are looking to grow abroad or cut prices.



SMEs – a 12-month retrospective UK



UK SMEs report increased investment in risk analysis and risk assessment, but are less focused on targeting new customers than in 2013.



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