

Profit Through Research



# South East Business Confidence Study

## Executive Summary

May 2011

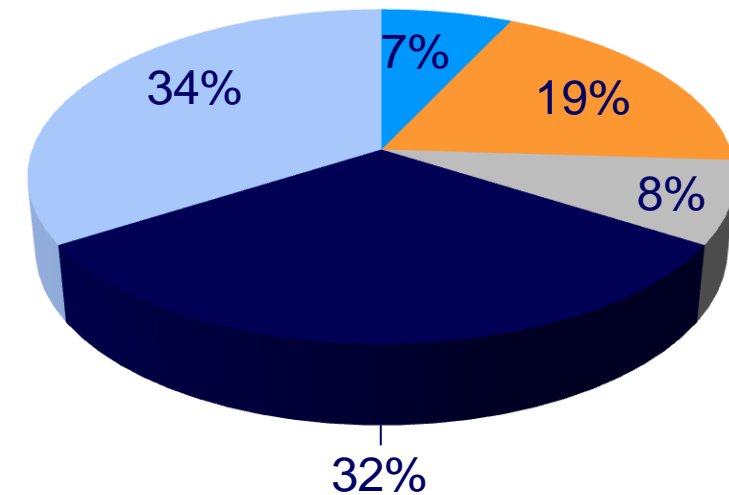
[www.marketdynamics.ie](http://www.marketdynamics.ie)

# Background

- Seventh iteration of survey – previously
  - May and Oct 2008, May and Oct 2009, May and Oct 2010
- 352 respondents completed online survey
- Distributed to over 2000 businesses including the top 300 companies in South East
  - in co-operation with business organisations e.g. Chambers of Commerce, Enterprise Boards, etc
- Incentive: Garmin Sat-Nav & Executive Summary of Results

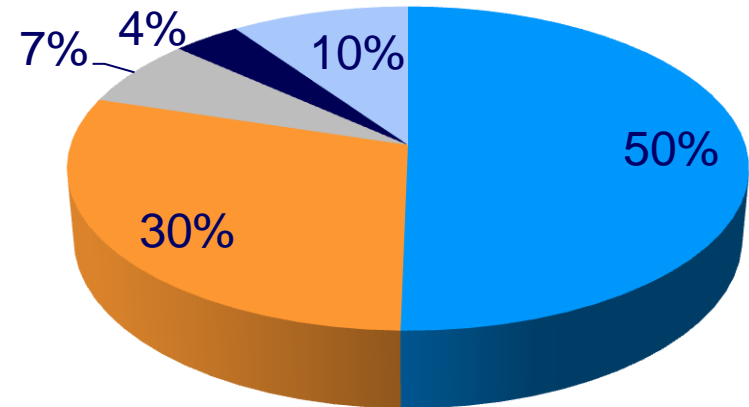
# Location and Company Size

## County



- Carlow
- Kilkenny
- South Tipperary
- Waterford
- Wexford

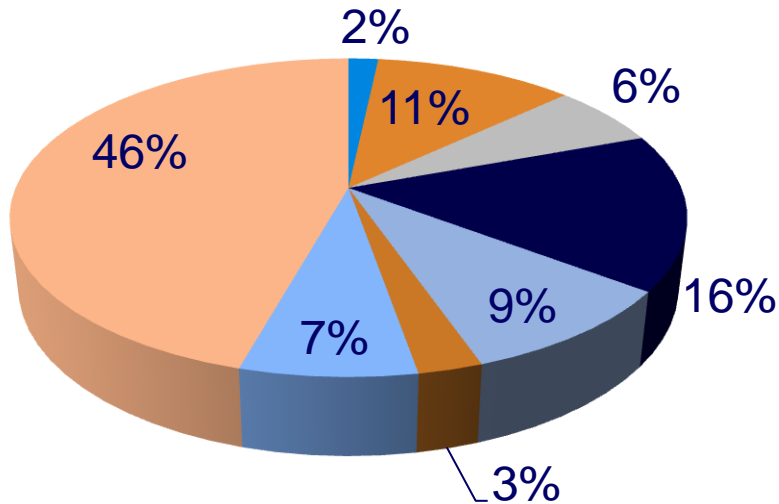
## Company Size



- 1-4
- 5-24
- 25-49
- 50-99
- 100+

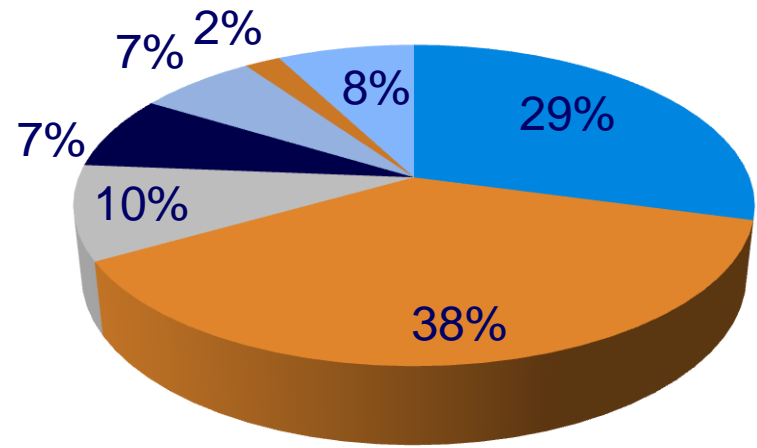
# Business Sector / Respondent Profile

## Industry



- Agriculture
- Manufacturing
- Construction
- Retail / Wholesale
- Hotels / Restaurants / Tourism
- Transport / Distribution / Telecoms
- Financial Services
- Business Services / Real Estate / Other Services

## Respondent Profile



- Managing Director/CEO
- Owner/Proprietor
- Operations Manager/Director
- Sales and/or Marketing Manager/Director
- Finance Manager/Director
- HR Manager/Director
- Other

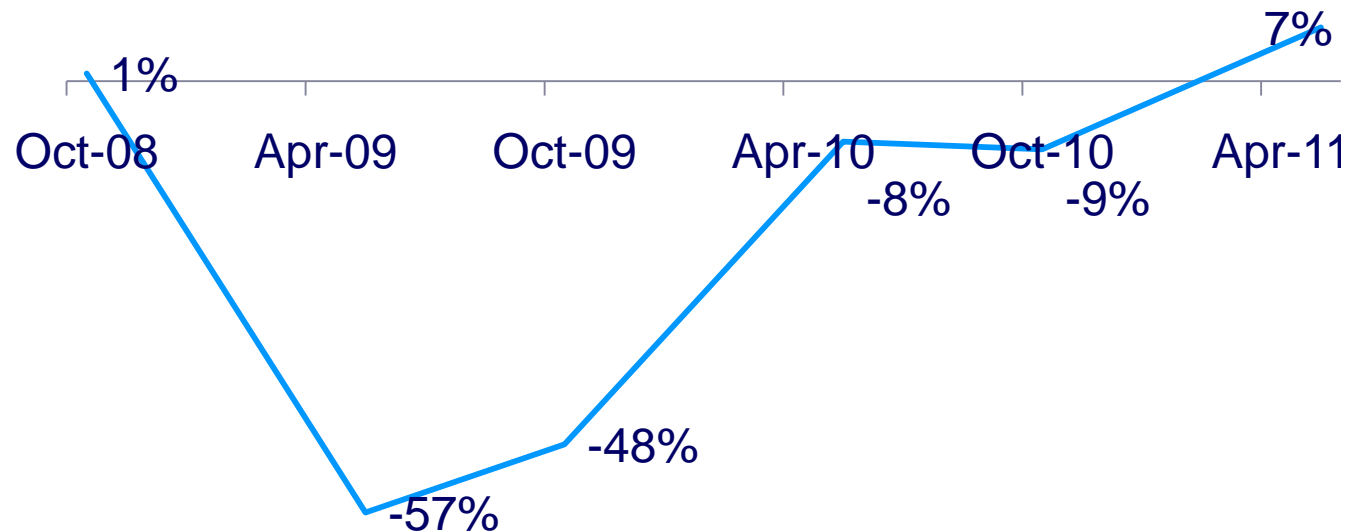


# Detailed Findings

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# Sales / Turnover Index – Do you expect sales in the coming year to be higher, lower, same as this year?

## Index

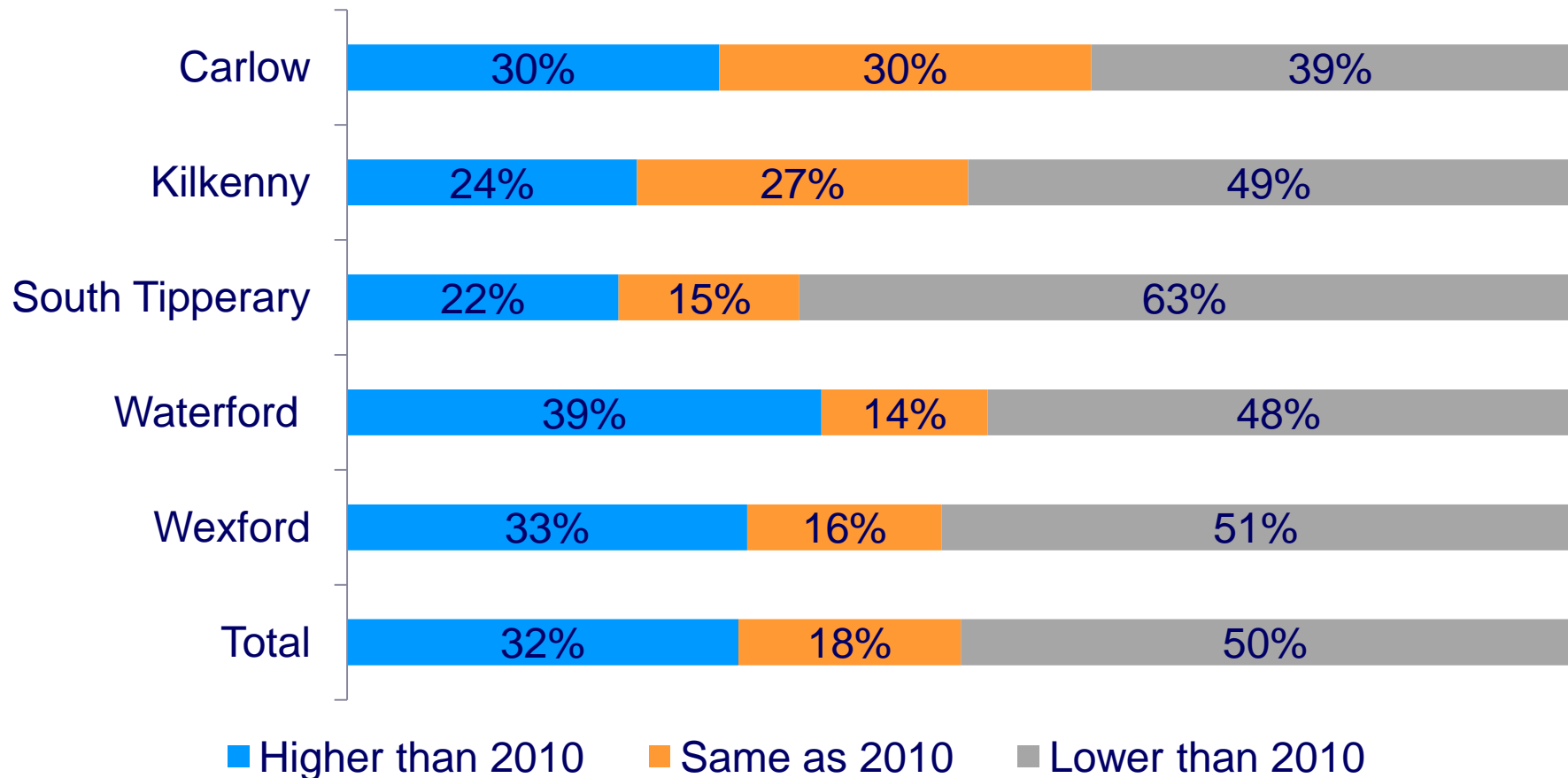


Index calculated as % of businesses expecting sales to increase in the coming year minus % who expect sales to fall

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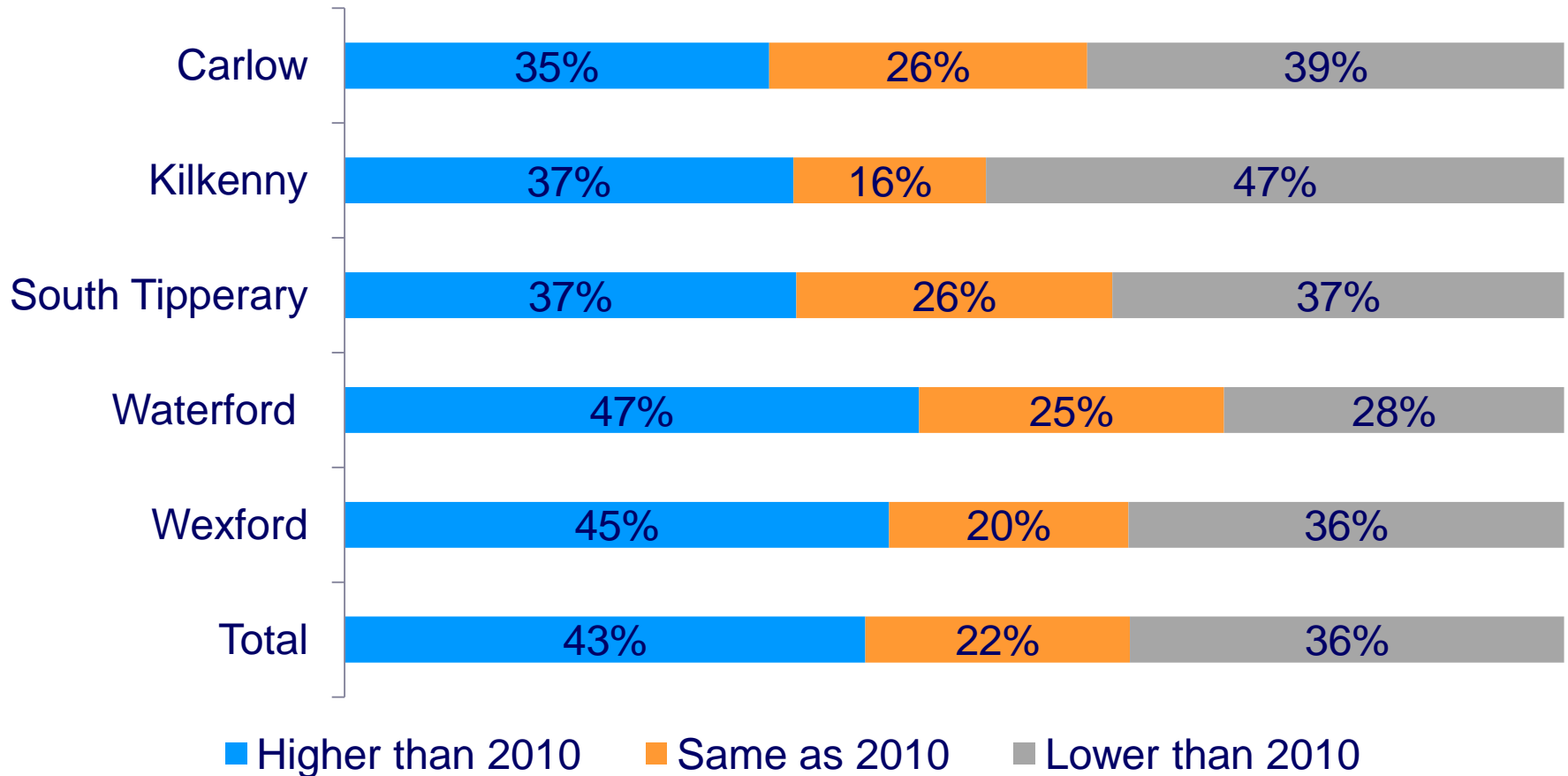
# Sales / Turnover 2010 – Outcome

- Was your turnover in 2010 higher, lower or the same as 2009?



# Turnover Expectations 2011

Do you expect your turnover in 2011 to be higher, lower or the same as 2010?

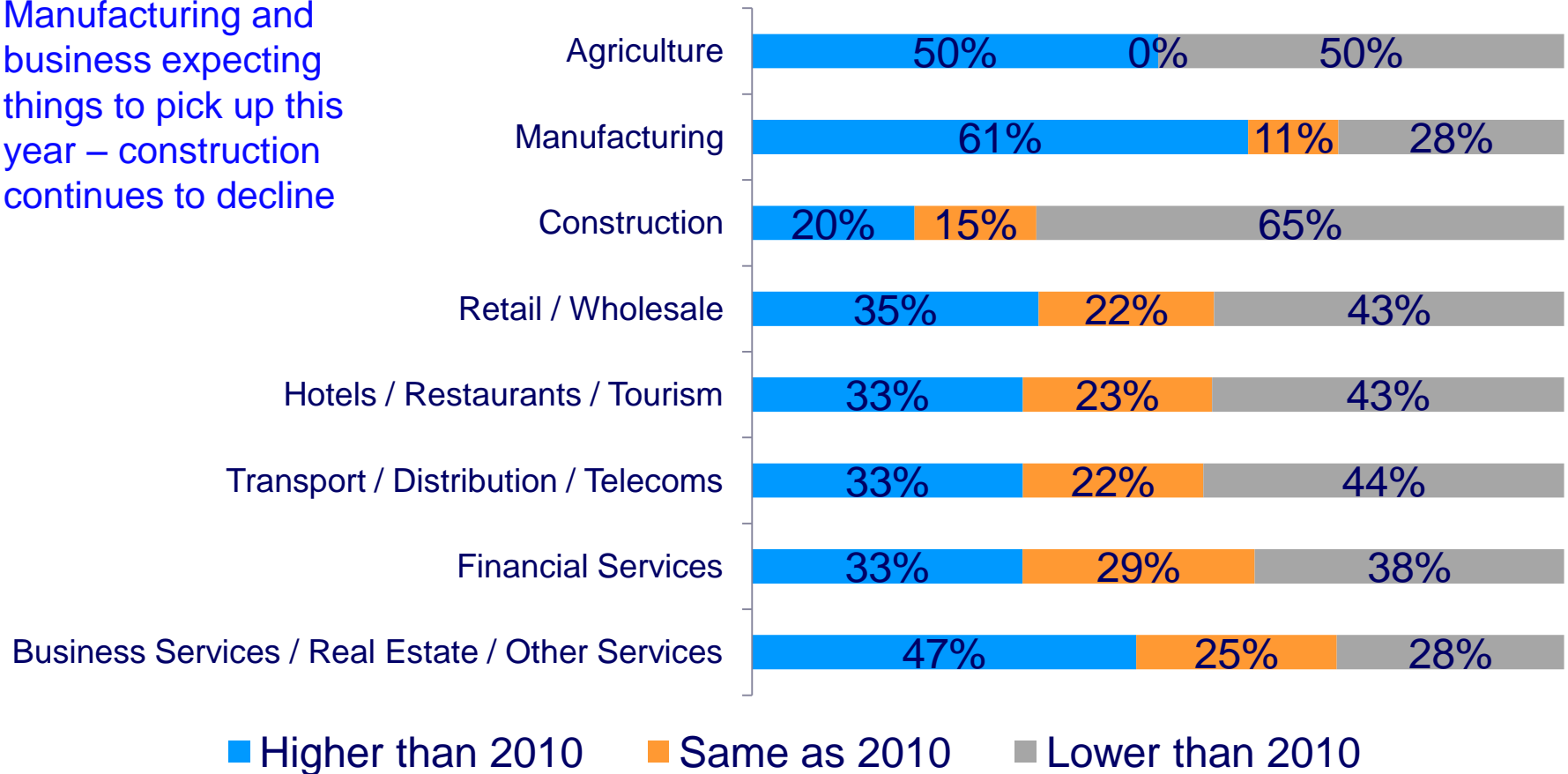


Relatively positive expectations for 2011

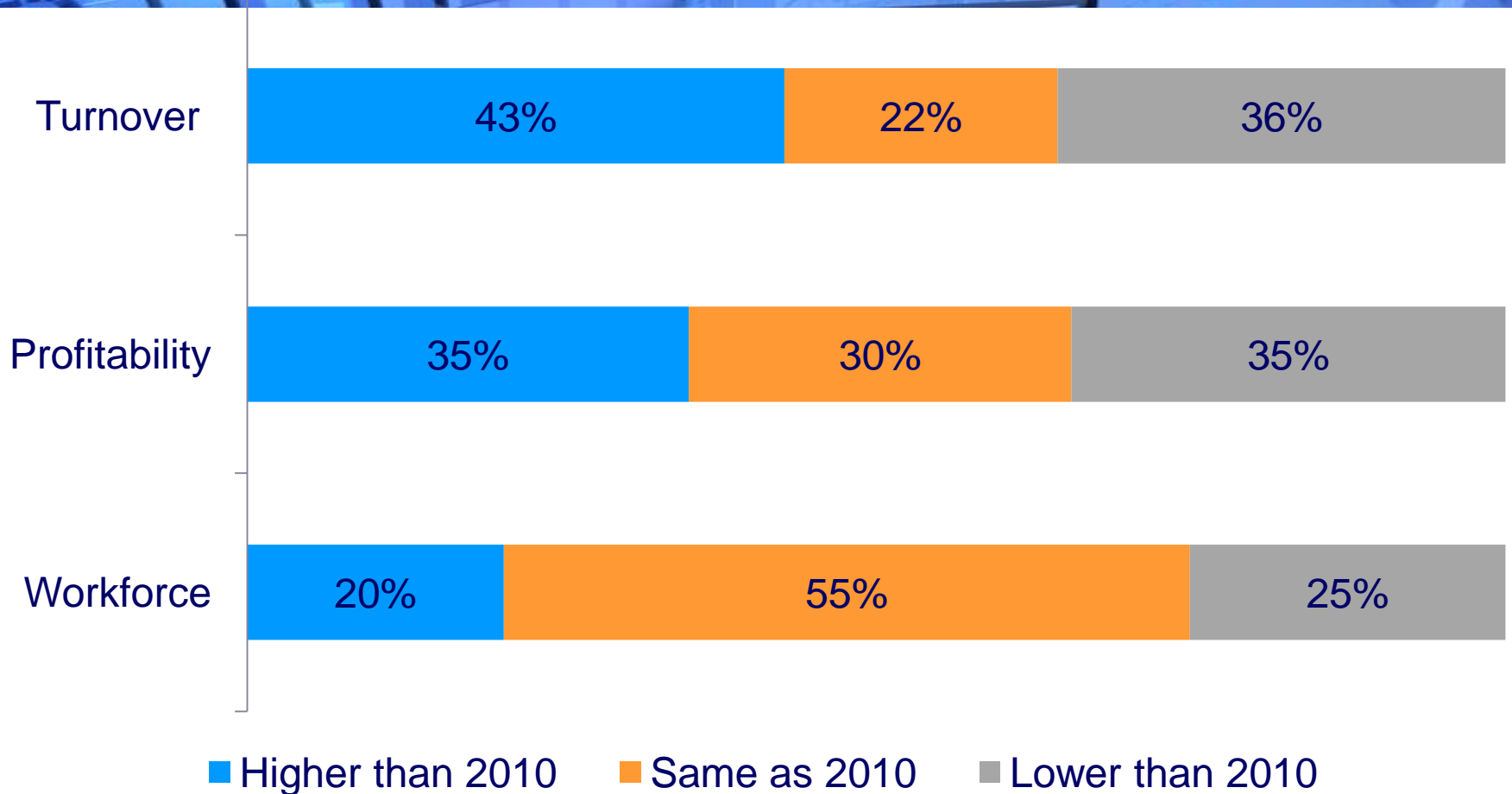
# Turnover Expectations 2011

Do you expect your turnover in 2011 to be higher, lower or the same as 2010?

Manufacturing and business expecting things to pick up this year – construction continues to decline

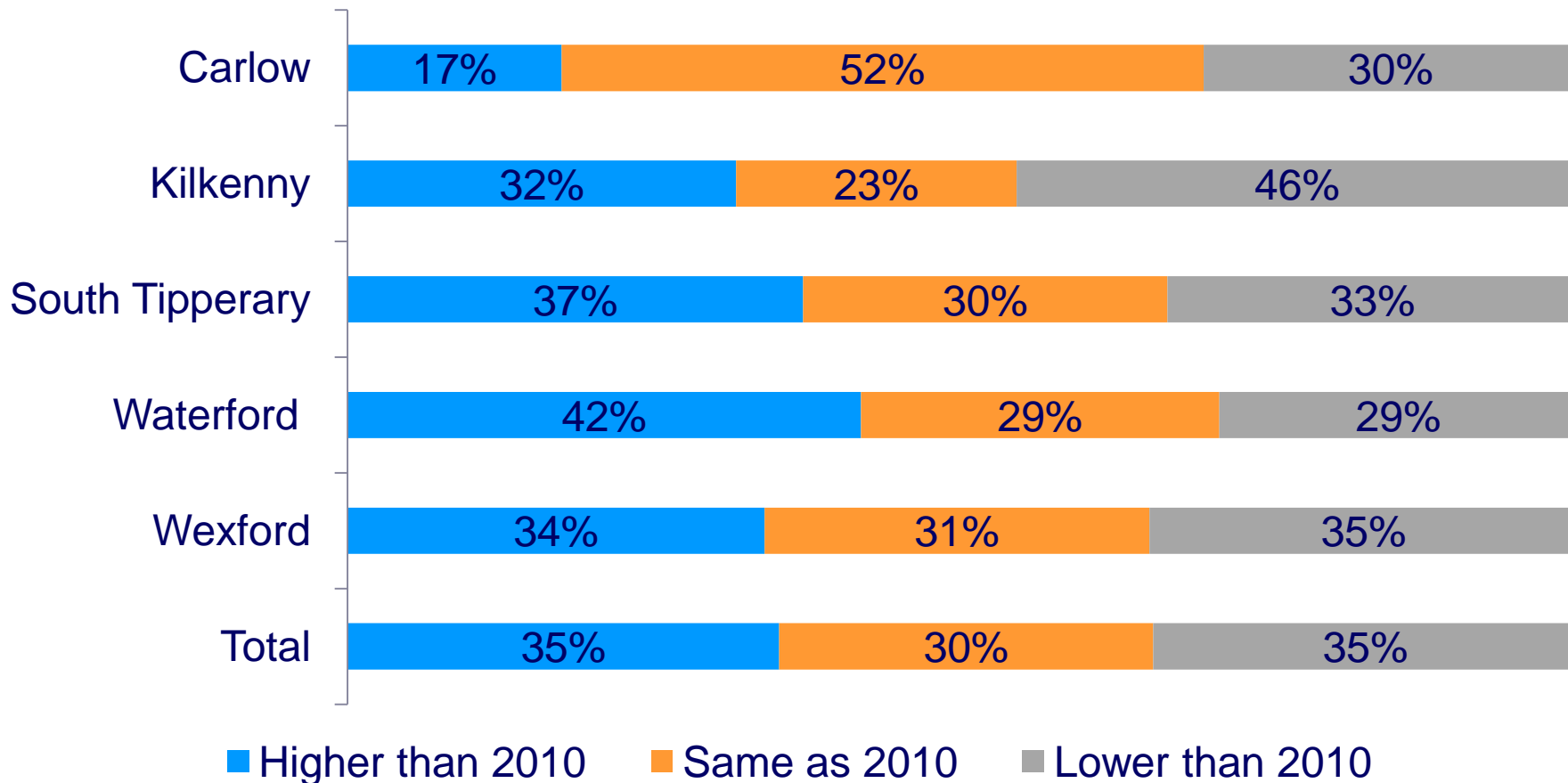


# Expectations 2011 — Do you expect turnover / profitability / workforce to be higher, lower same as 2010?



This suggests the South East will experience a net loss of jobs this year

# Profitability 2011 — Do you expect profitability in 2011 to be higher, lower, same as 2010?

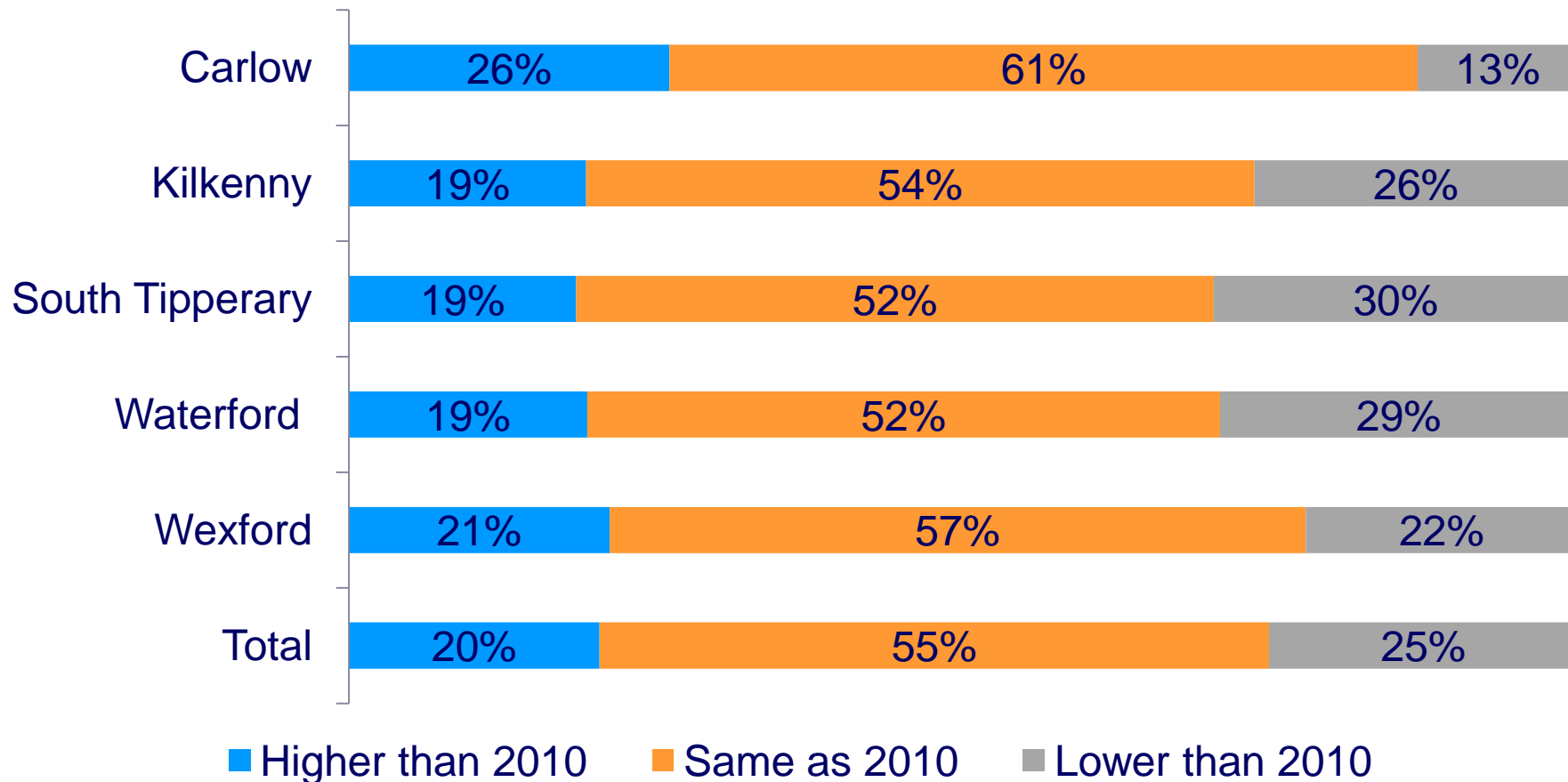


Balanced picture

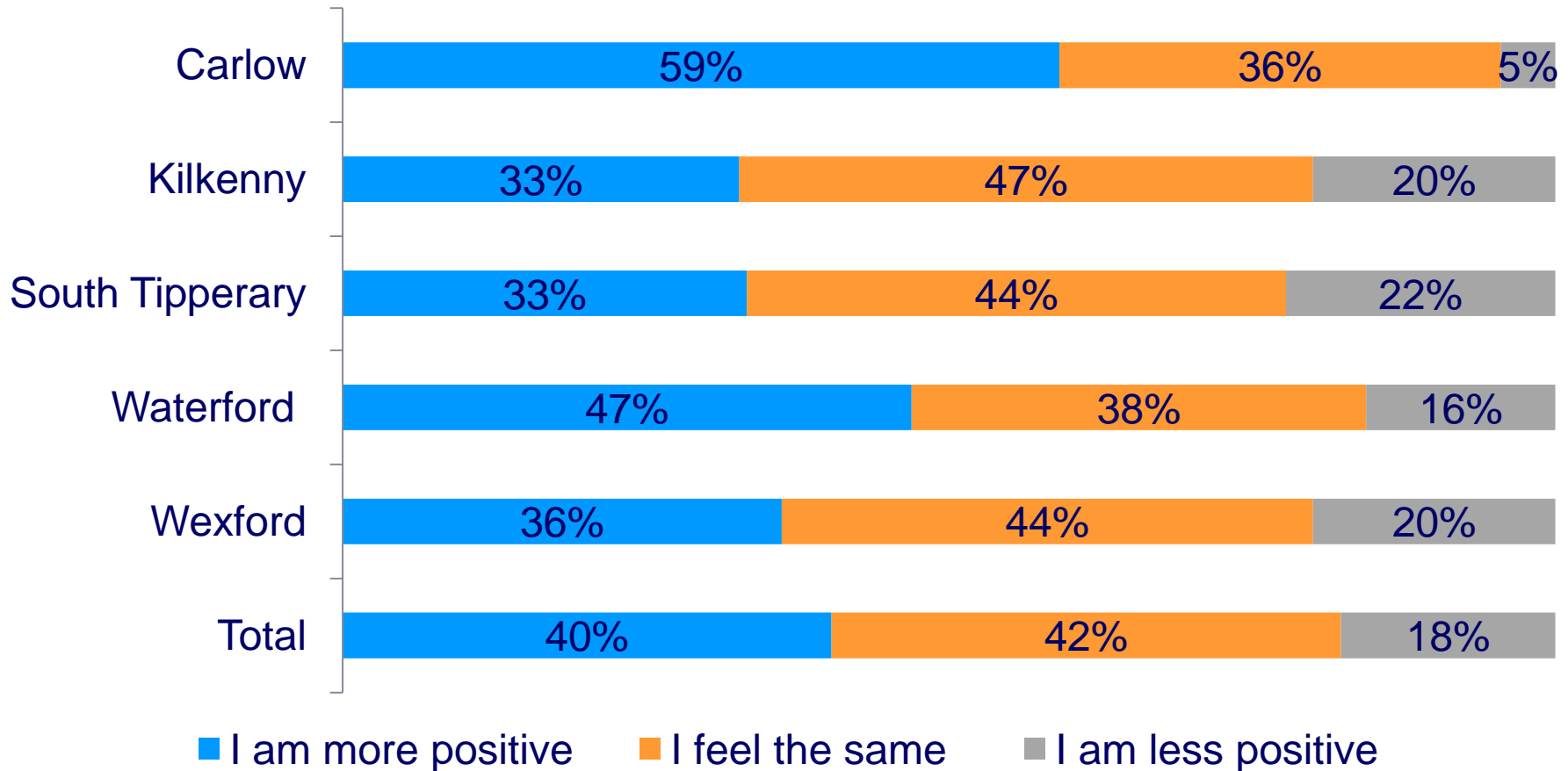
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# Workforce 2011 – Expectations

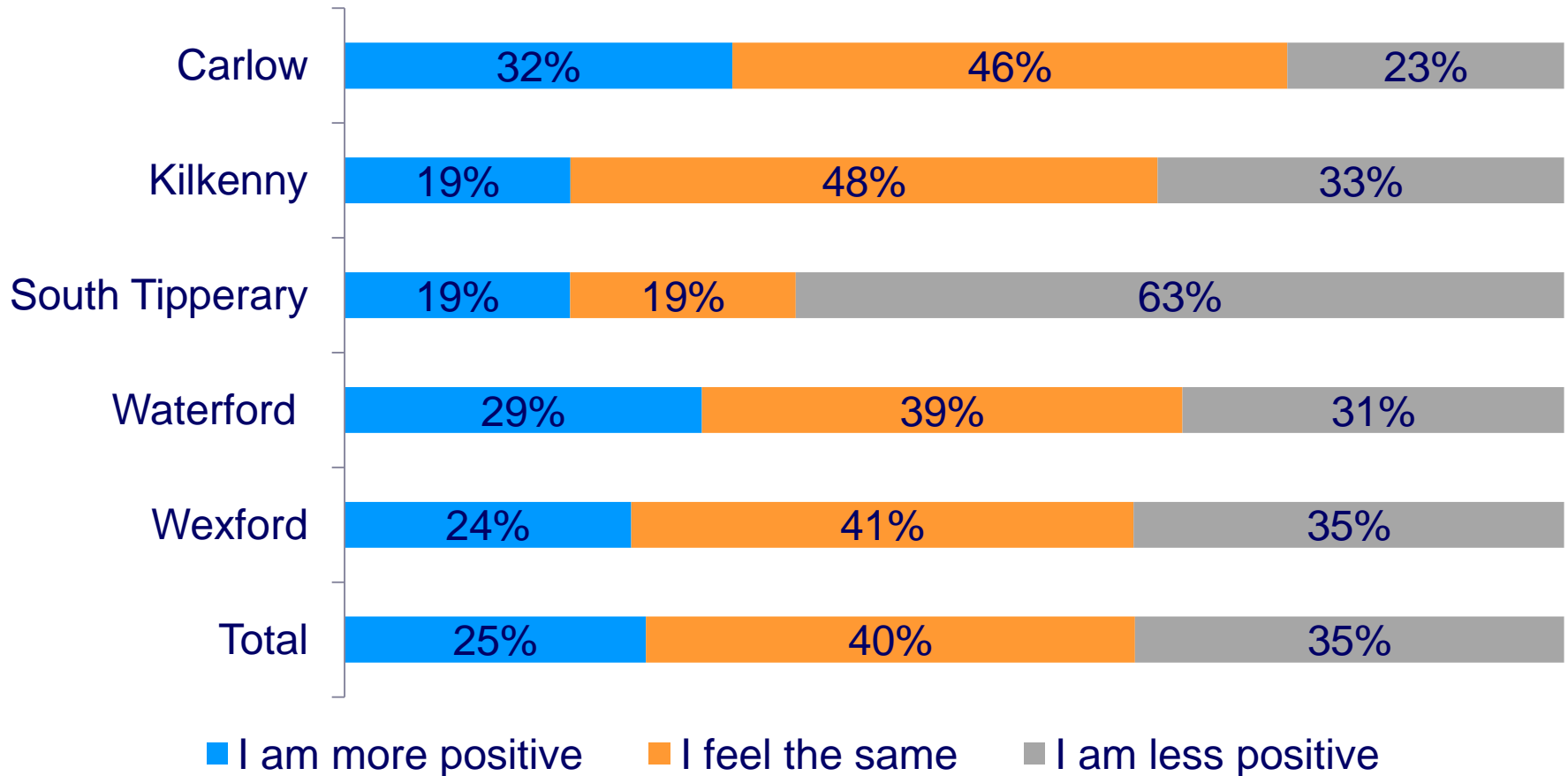
- Do you expect your workforce at the end of 2011 to be higher, lower or the same as at the end of 2010?



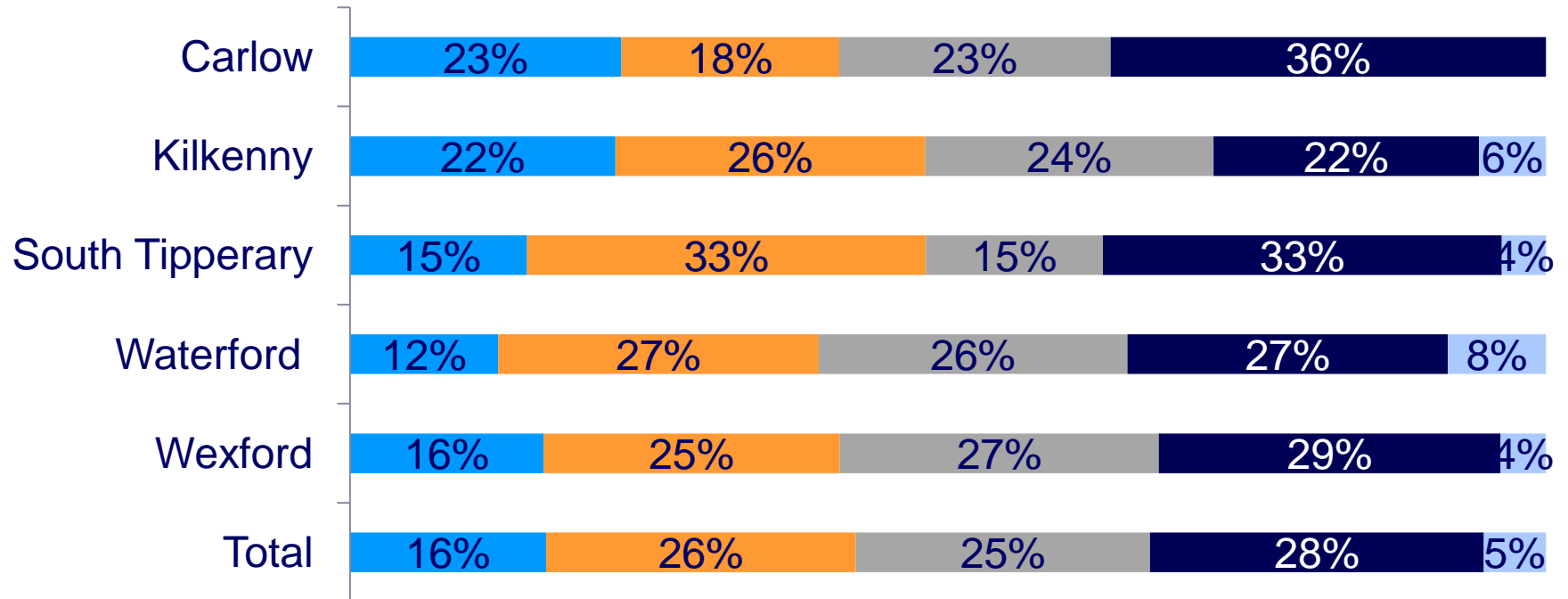
# Do you consider yourself more or less positive about the prospects for YOUR BUSINESS compared to 6 months ago?



# Do you consider yourself more or less positive about the prospects for the IRISH ECONOMY compared to 6 months ago?



# Customer Activity - Has there been any change in the level of your customers' activity compared with 6 months ago? (change is measured by sales, orders, enquiries, etc.)

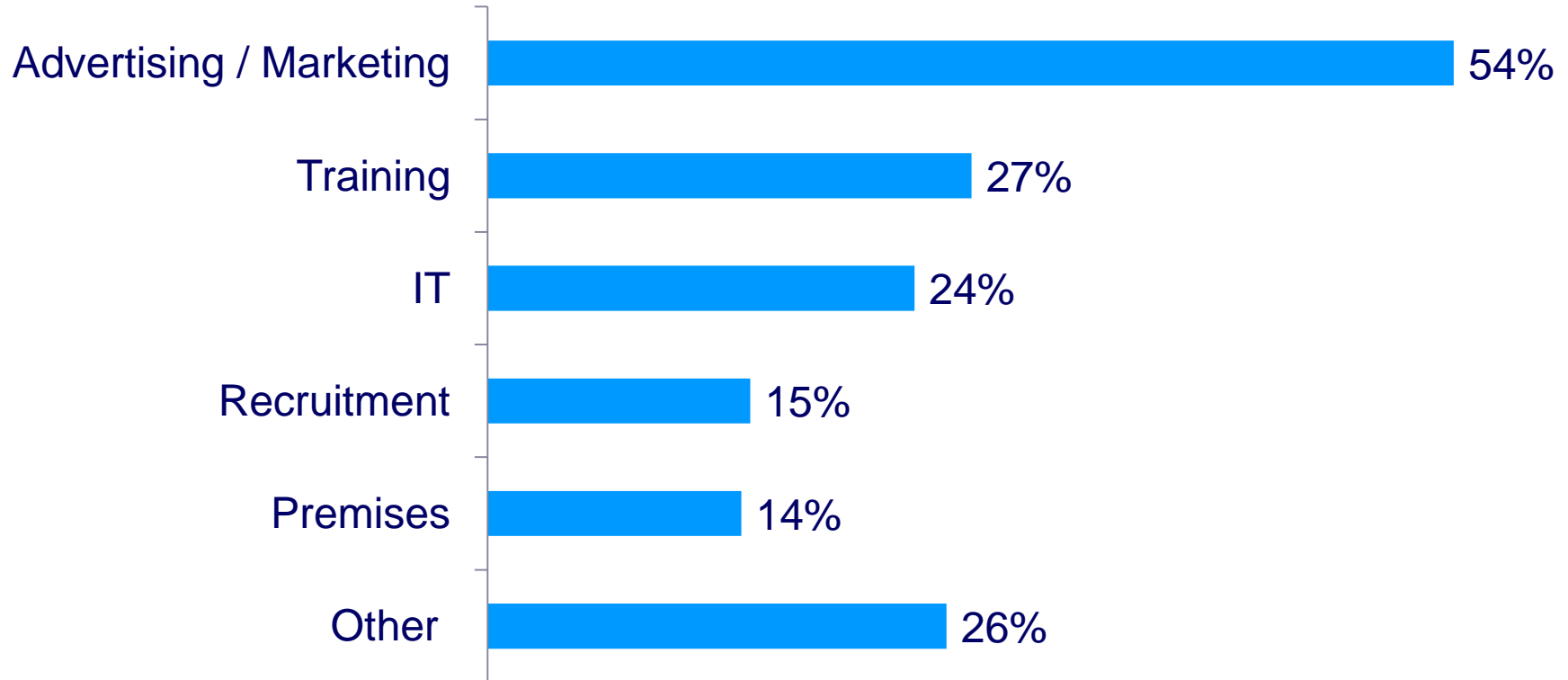


■ Much LESS ■ Slightly LESS ■ Same as 6 months ago ■ Slightly MORE ■ Much MORE

Overall net fall in customer activity – most pronounced in Kilkenny and South Tipperary

# Investment Plans

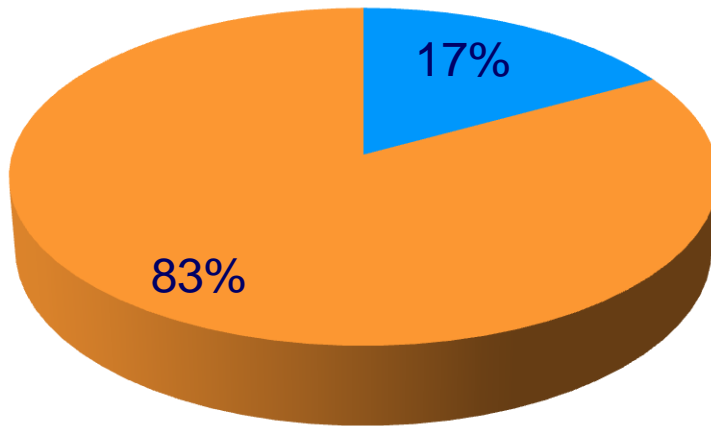
- In order to prepare your business for the future, do you plan to make a **SIGNIFICANT** investment in any of the following in the next 6 months?



Some positive indications of investment plans

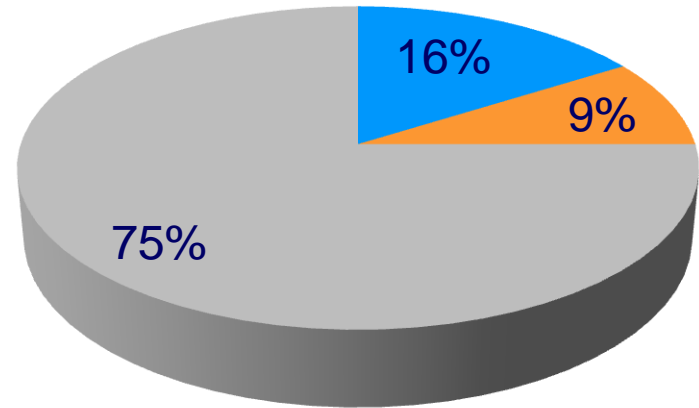
# Exports

## Export



■ Yes ■ No

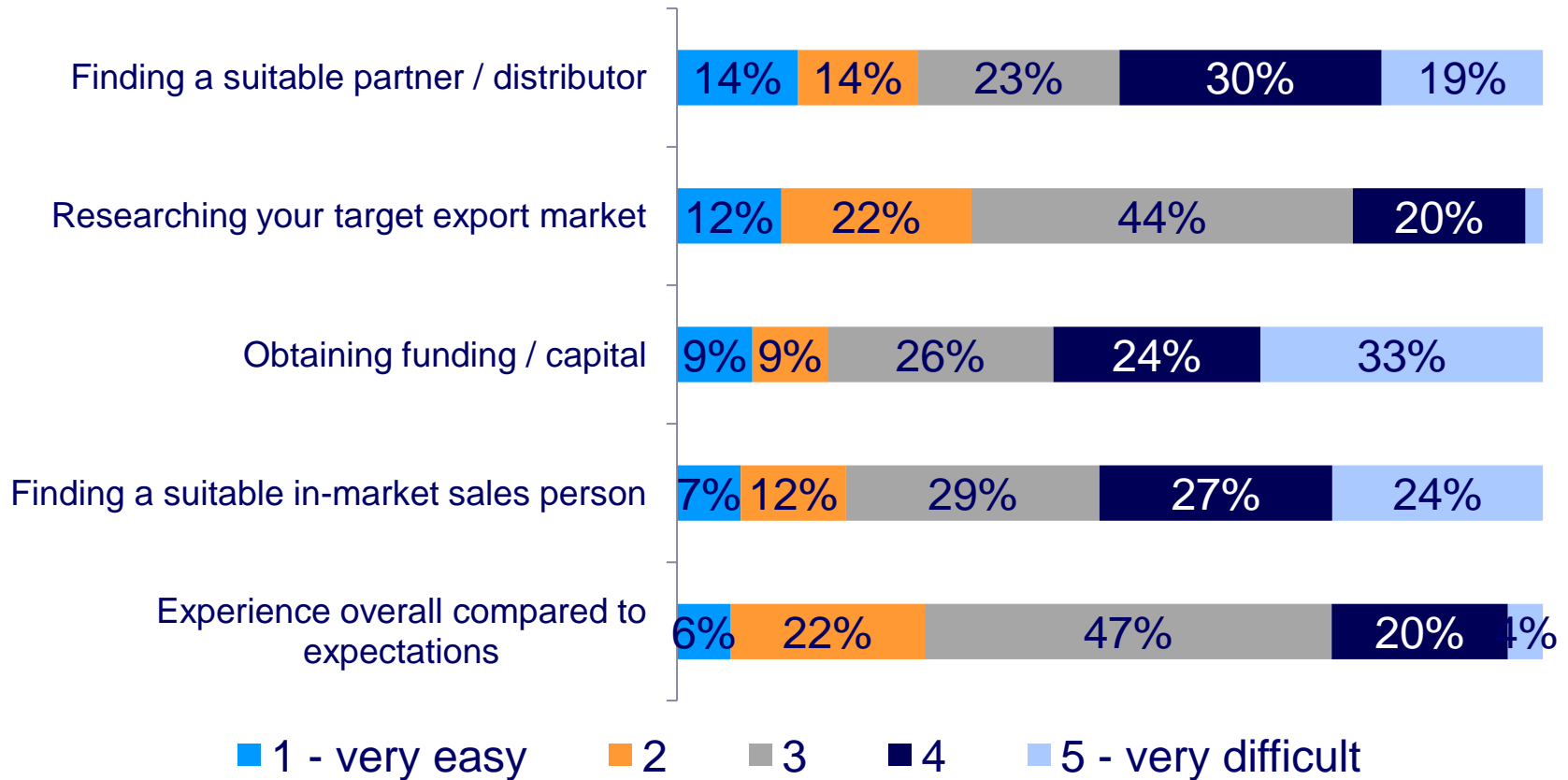
## How Long Exporting



■ Less than a year  
■ 1-2 years  
■ More than 2 years

Majority of exporters have been doing so for a few years

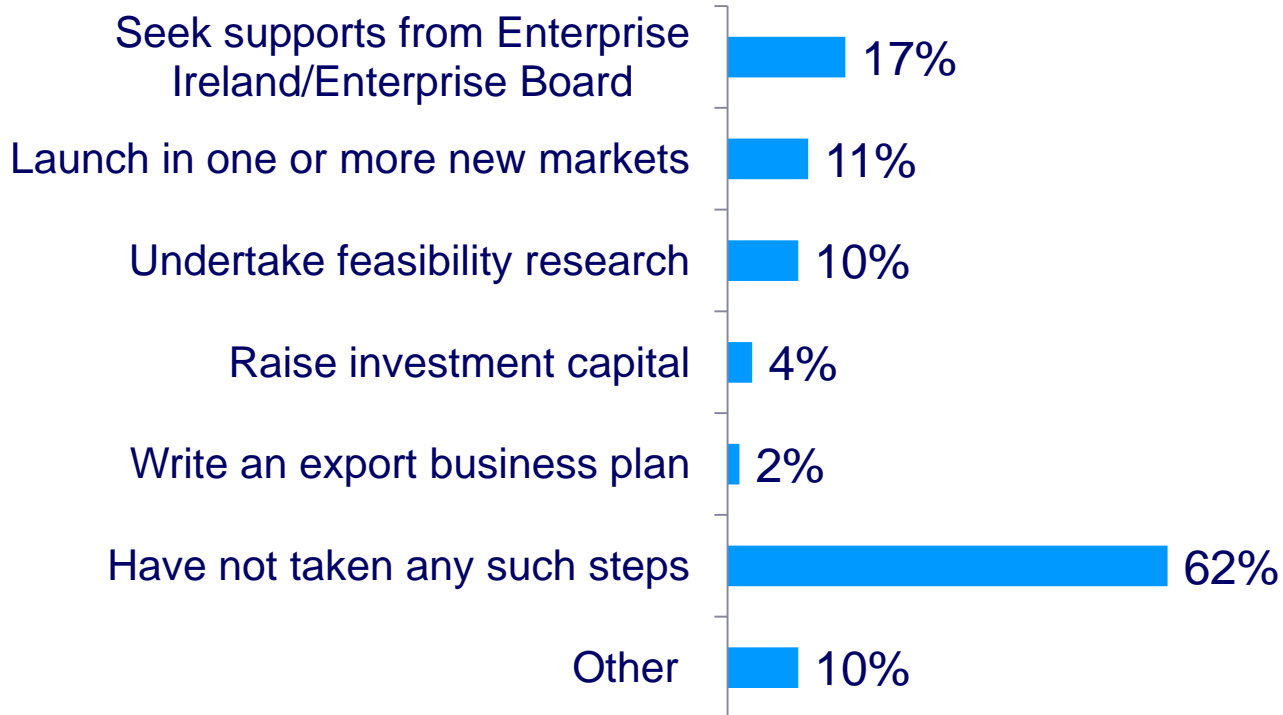
# Exporters - Please rate your experience of the following issues in relation to exporting on a scale of 1-5 where 1 is very easy and 5 is very difficult -



Finding suitable distributors / sales people and obtaining funding are most difficult aspects of exporting

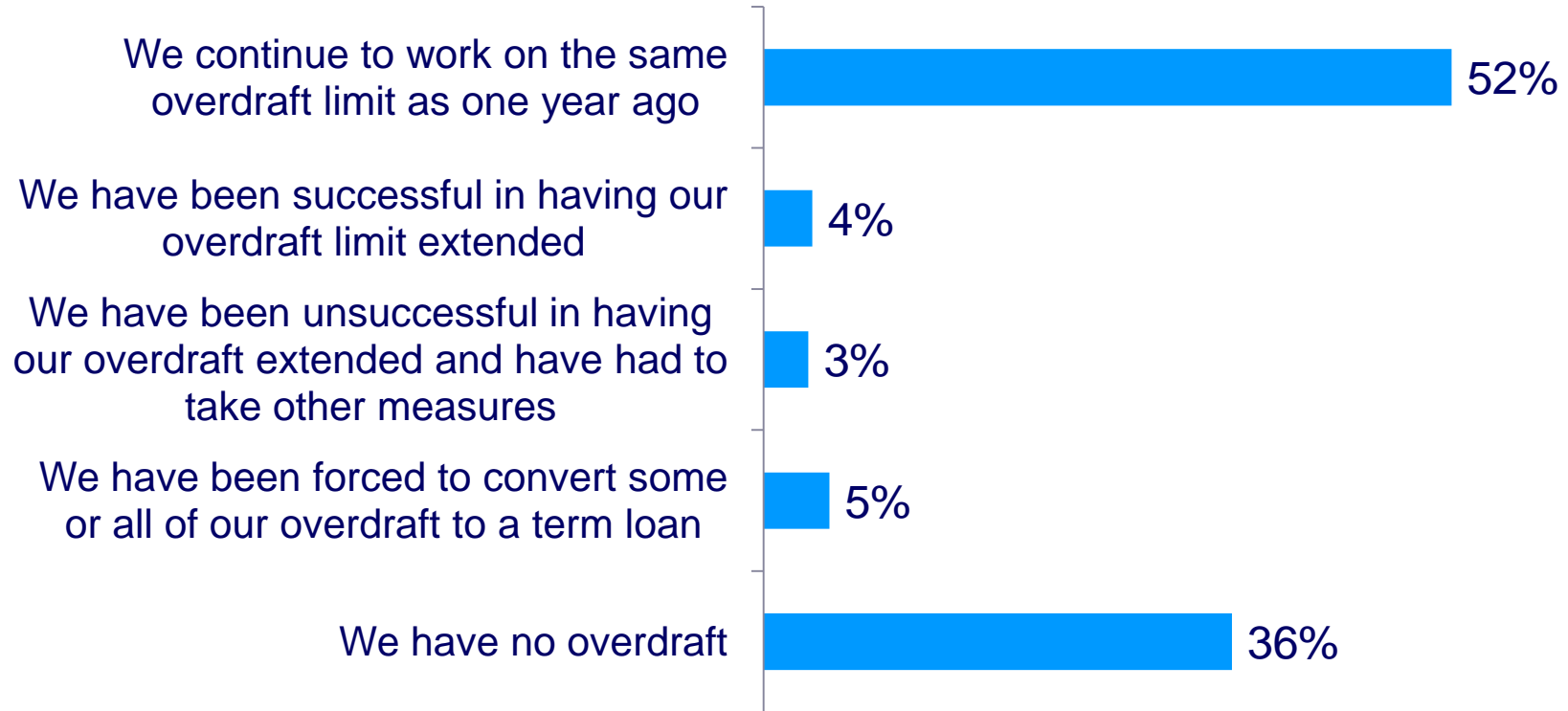
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# Planning to Export — Although you do not currently export have you taken any of the following steps in the past year to do so? (non-exporters only)



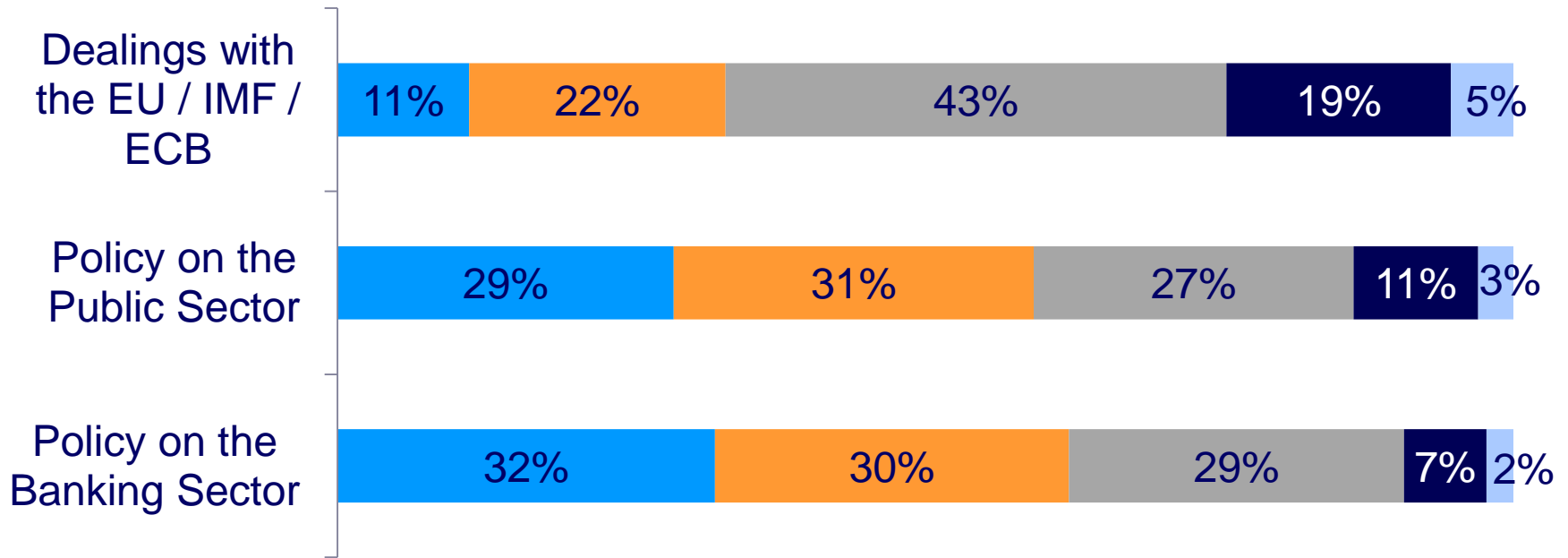
Nearly 40% of non-exporting businesses have taken steps to being exporting in the past year

# Bank Overdraft — Which of the following most accurately reflects the situation with regard to your bank overdraft facility compared to one year ago?



Quite a few businesses have had to convert overdrafts to term-loans (5% represents 18 businesses)

# Government Effectiveness - The new government has now been in place for nearly two months. How satisfied are you to date with its performance on the following issues?



■ 1 - Very Dissatisfied ■ Dissatisfied ■ Neither ■ Satisfied ■ 5 - Very Satisfied

Majority of South East businesses already dissatisfied with government performance on public sector and banking issues

# Summary of Findings

- Some positive sentiment for the coming year – but also a sense that things aren't improving yet
- Sales fell again in 2010 for nearly half of businesses
- Likely small net decrease in employment in 2011
- Net fall in customer activity – more businesses seeing a fall than an increase in past 6 months
- However, 43% expect higher sales this year / 36% lower
- Positive sectors - Manufacturing (++), Business Services
- Negative sectors - Construction (- -), Financial Services, Retail / Wholesale, Transport / Distribution / Telecoms, Hotels / Restaurants / Tourism,

# Summary of Findings

- 40% of respondents are more positive about the future for their business than 6 months ago (18% less so)
- Respondents continue to be more positive about their own business prospects than about economy overall
- Positive indications about expenditure on advertising / marketing, training and IT
- 38% of businesses who are not currently exporting have been exploring this option in the past year
- Finding suitable distributors / sales people and obtaining funding have been most difficult parts of export effort
- South East businesses dissatisfied with government on performance on public sector and banking