

chalkboard

Insights, analysis and commentary for business leaders



Market entry ranked top priority for profitable growth
by UK CEOs and business leaders

Survey Summary of UK CEOs

FENRIX
STRATEGIC MARKET LEADERSHIP



Introducing Fenrix's Chalkboard Series

What do today's CEOs and leaders consider the most effective levers for growing their businesses? How does market expansion rate compared to other options?

Over the past 2 months Fenrix surveyed C-suite leaders from leading UK companies to find out what their priorities were. We were surprised by some of the findings which revealed:

- growing profits by expanding into new markets is a leading pre-occupation of UK CEOs, more so than better marketing or operational focus in existing markets
- where timelines were short for new market entry, the focus was for practical support
- Inversely, the majority of firms (60%), however preferred 12-24 month periods where they expressed a preference for more in-depth planning and preparation
- proven best practices perceived to have limited value only



WHAT ARE UK CEOs SEEKING WHEN IT COMES TO GROWTH?

RANKED MOST IMPORTANT:



MARKETS UK FIRMS ARE TARGETTING:



* OTHER INCLUDED SOUTH AMERICA AND MIDDLE EAST

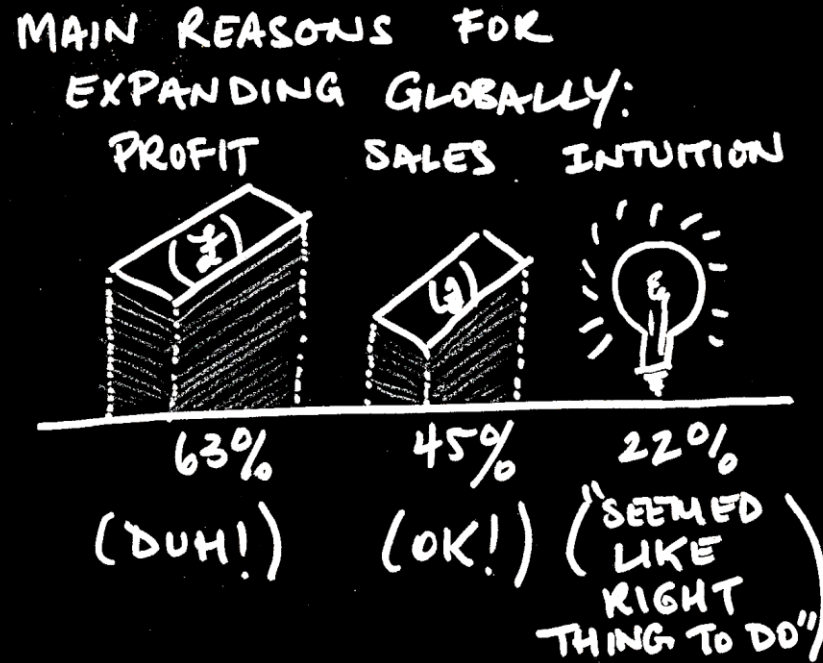
Key Insights:

- The leading growth lever for UK CEOs was expanding to new markets followed by better marketing and improved coverage of existing markets
- 37% rated mergers or acquisitions as the least desirable growth lever

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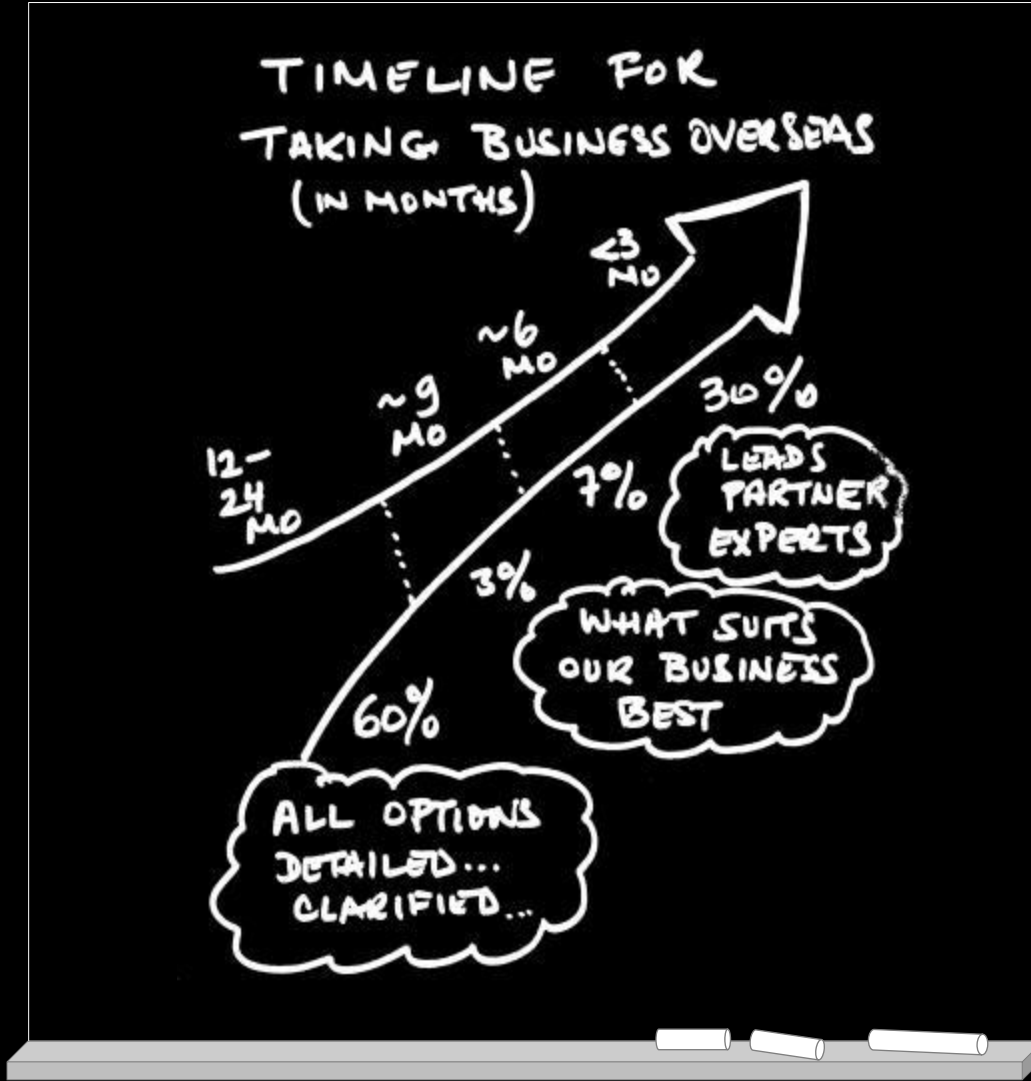
- The USA was by far the most desired market in spite of the saying, "the US is the graveyard for unsuccessful UK businesses... think of Tesco's Fresh n Easy"
- However from our research we have noted that EU markets are sometimes better options for UK companies than the US
- Australia was a favorite when it came to Far East as a choice too...

*Note that as this was an open question some participants distinguished France and Germany as priorities, where some simply stated the "EU" was a target



Key Insights:

- This one seems so obvious(!)
- However we were surprised that 22% chose “it seemed like the right thing to do” suggesting that some businesses simply enter new markets with little in-depth analysis or preparation
- If profit is the main driver, going abroad is not necessarily the fastest route but may be a surer one in the longer term



Key Insights:

- Those CEOs who were on a short time scale to take their businesses overseas emphasised a need for practical support in terms of leads, partners and experts
- Those companies with plans in the 6 or 9 month range seemed non-committal in terms of preparations or required insights
- The largest number of company leaders, 60% said they had long range plans and were planning to conduct a proper planning process, due diligence and assessment of the growth potential of overseas markets

TYPES OF SUPPORT FOR NEW MARKET ENTRY:



UK CEO'S LOOKING FOR EXPERT ADVICE TO GO ABROAD: [GLASS HALF FULL!]



Key Insights:

- The leading requirement for CEOs is market insight- they want to understand what the competitive landscape looks like before entering a market in order to assess the risks and potential
- Interestingly 30% were looking for practical advice in setting up a new business in the target market along with legal practicalities
- Best practices were not considered that important however from our experience we know that CEOs are often interested in what worked well for other companies and what mistakes they could learn from

Key Insights:

- Though only more than half the leaders surveyed said they needed expert advice, some were looking for ways to accelerate or ensure the success of an overseas project
- Several who answered, 'not yet' stated they were looking for partnerships or said they preferred to use their internal resources



Approach & Methodology

CEOs and leaders of prominent UK businesses were surveyed by Fenrix over the past 2 months. The purpose was to gain insight into how they see their growth priorities and options as they relate to market expansion and taking their business into new markets.

Questions relied on ranking or rating preferences. We chose to present those options that were ranked or rated top or bottom of their priorities to highlight their views. Consequently the percentages will not add up to 100% (or more than in some instances), as they relate to % of respondents ranking that item.

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UK CEO
Market Survey

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