

The Sponsors' Alliance survey of SMEs' who have used TAP – March 2014

Summary

The results of the survey shows that over the last three years and in particular the last year (where there was a 26% rise), we have seen a significant increase in UK SMEs' exhibiting at exhibitions overseas as part of an ATO organised UK group. Many of these companies are attending shows they had previously not considered doing and that the UKTI TAP support scheme has been the key driver to them attending.

Attending these overseas exhibitions has generated additional turnover (on average nearly £300,000 per company) and has created or safeguarded jobs for the companies involved (on average nearly 8 jobs per company).

In the survey, the 582 companies told us they had taken part in 2090 exhibitions (just under 4 per company) in the last 3 years. They told us this generated around £172m of business.

The average UKTI grant given out over the period is approximately £2500. At that level the ROI on supporting 582 companies with 2090 grants (total cost £5.225m) is approximately 33 to 1.

If this is scaled up to include all the companies UKTI has supported in the last 3 years (approximately 12,300 grants), then the supported companies will have generated just over £1bn in extra turnover for a £31m investment.

Long term it is known that these exporters will generally continue to outstrip non-exports in terms of growth, leaving only the question of why doesn't every government support exporters in this way?

Background

UKTI (and before them the DTI) have for many years operated a scheme to help SMEs exhibit at overseas trade shows. This scheme has changed names a few times and today is called the Tradeshow Access Programme (TAP).

Over the years the funding support that this scheme provides to SMEs (and to a smaller extent the organisers of UK groups of companies at overseas shows – Accredited Trade Organisations –ATOs) to help with the costs of exhibiting overseas has seen many fluctuations with a major decrease in annual funding from 2004 to 2010 when the funding fell from around £20m to approximately £6m.

In 2011 the then Trade Minister, Lord Green, commented that perhaps the TAP scheme funding had been retrenched too far. The following year the schemes budget was increased by just over £1m and in the 2012 autumn statement the Chancellor, George Osborne, announced an increase in funding to UKTI to help exporters. Some of this extra resource was put into the TAP scheme and in 2013/14 financial year approximately £16m was put in to supporting the scheme.

The reason for carrying out this survey was to establish whether the increase in the TAP budget over the last year (but also the smaller increase the year before) has had any influence in driving the behaviour of SMEs towards exploring export markets.

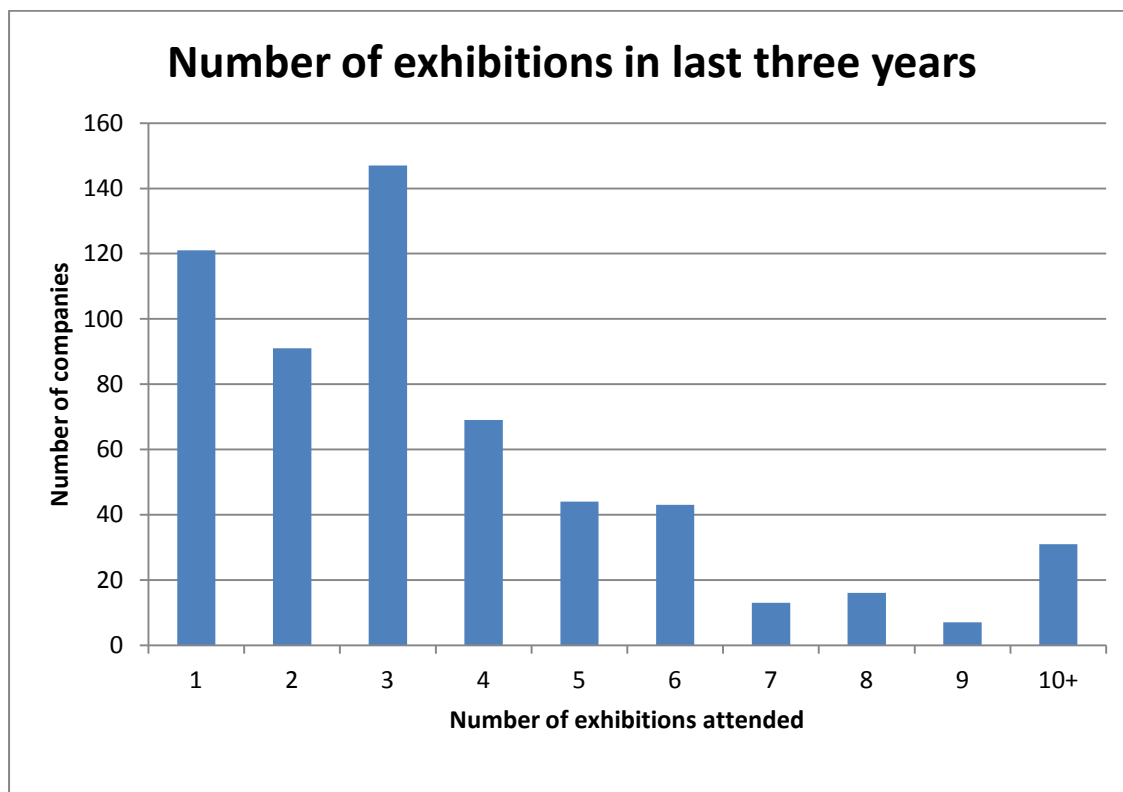
The survey was undertaken by the Sponsors Alliance ^(note 1). SA members emailed their member companies asking them to take a 9 question survey on-line during the period 25th February to 8th March 2014.

Results

In total 582 companies took the survey and, of the 9 questions asked, one (question 7) was for the company name, so replies could be verified if necessary.

Q1 – We asked companies to tell us how many exhibitions they had exhibited at, as part of an ATO organised UK group, in the last three years.

The graph below shows most companies have exhibited at only a few exhibitions, with 61.7% attending between 1 and 3 shows. In total the 582 companies exhibited at over 2,090 exhibitions.



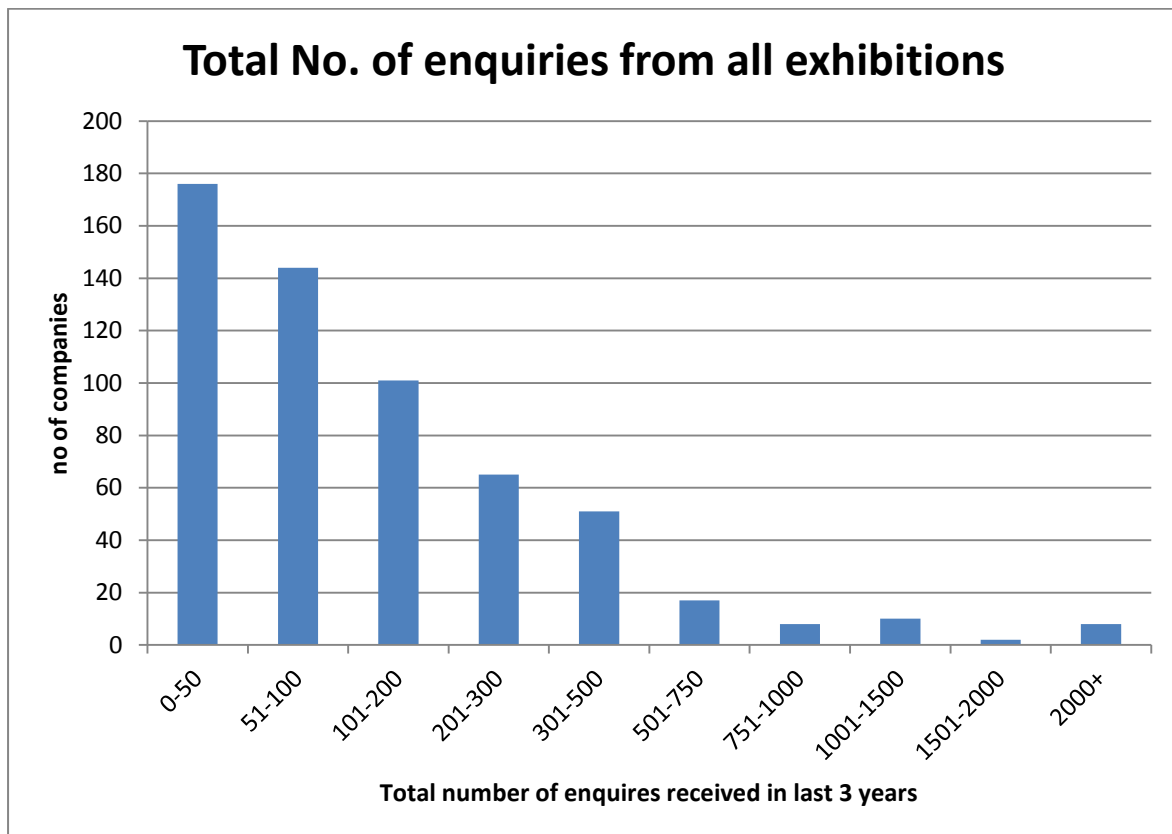
Within the group of companies with 10 or less employees, there has been an increase in the number of times they had attended an exhibition overseas with a UK group from 219 in 2011 to 256 in 2012 (an increase of 17%). This has risen to 344 in 2013 (a 34% increase on the previous year). Overall an increase of 57% from 2011.

For companies with 10-25 employees the number attending UK exhibition groups in 2011 to 2012 was flat at 150. From 2012 to 2013 it rose to 171 a 14% increase. For those in the 25-50 category there were rises of 16% and 27% over the same two years.

Even in the category of companies with 100 to 150 employees there was an increase in the number of exhibitions attended with a UK group. This was up from 12 in 2011 to 16 in 2012 and up to 25 in 2012 to 2013, rises of 30% and 56%.

Q2 – We asked companies to indicate the number of enquiries they had received from the overseas exhibitions where they were part of a UK group in the last 3 years.

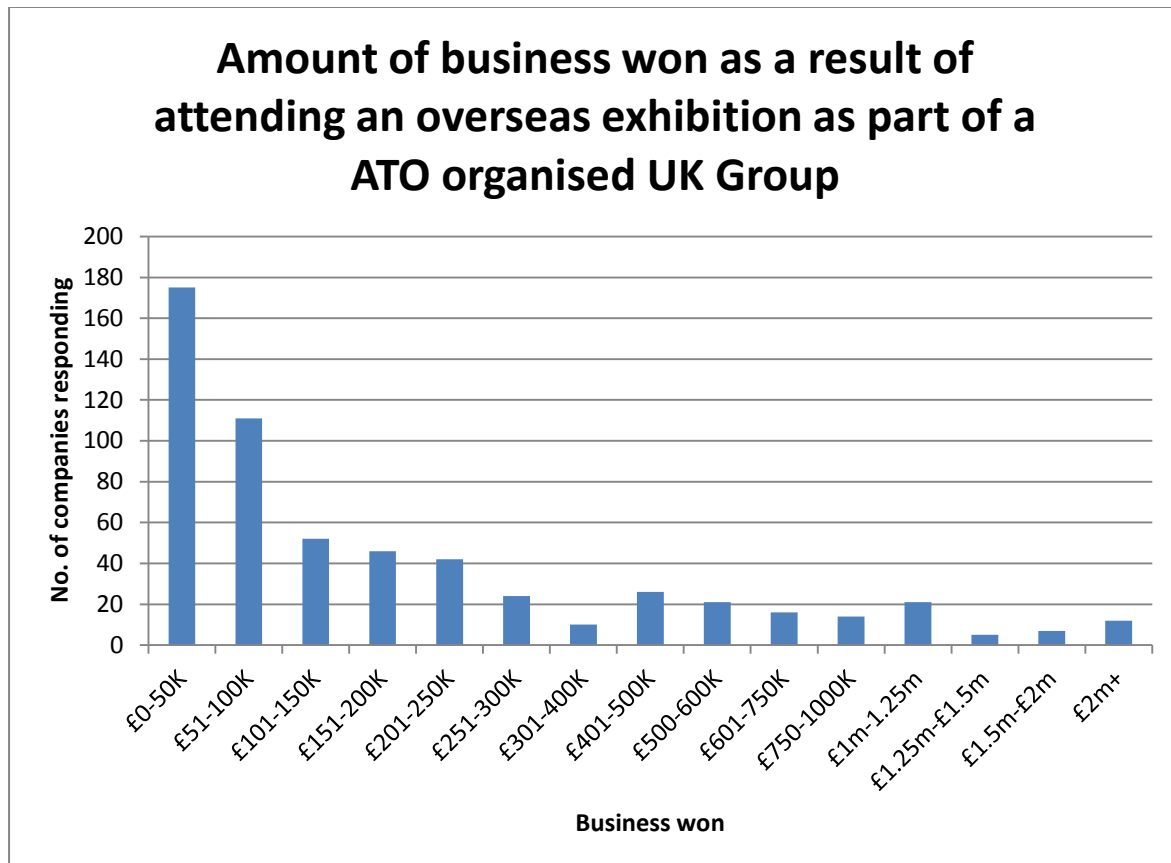
As can be seen in the table below the majority of companies, approximately 72%, received up to 200 enquiries, reflecting the fact that many companies have only exhibited at a limited number of exhibitions.



In total an estimated 114,000 enquiries have been received by the 582 companies surveyed, approximately 195 per company

Q3- We asked companies about the amount of business their company had won in the last 3 years, that originally came as a result of attending an overseas exhibition as part of a UK group.

The graph below shows that most companies have won up to £100,000 of business, perhaps reflecting the fact that many have only been to a few exhibitions so far.



In total an estimated £176m plus worth of business has been generated by these 582 companies by exhibiting at overseas trade shows in the last 3 years. The companies in the up to 10 employees band, generated over £48m of turnover, while the 128 in the company size 10-15 had generated £25m.

The group of companies (18) in the 100-150 employee category generated £5.5m in turnover despite only appearing at an overseas exhibition as part of a UK group on 51 occasions during the three years.

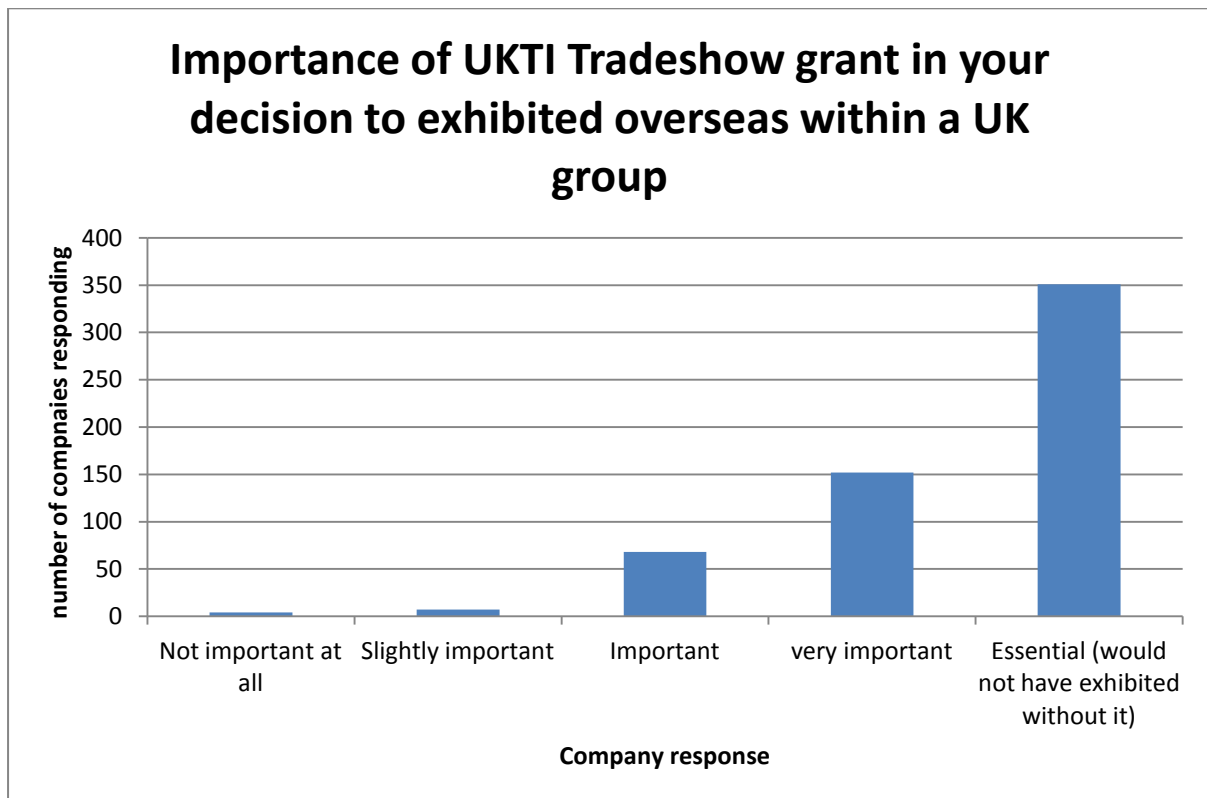
Q4 – We asked companies to indicate how many jobs exporting has created or safeguarded in your company in the last 3 years. They responded that nearly 4500 jobs had been created or safeguarded.

Of the 582 respondents 294 were from companies employing 10 or fewer employees (approximately 50% of the replies). Within that sector, these companies had generated or safeguarded around 950 jobs.

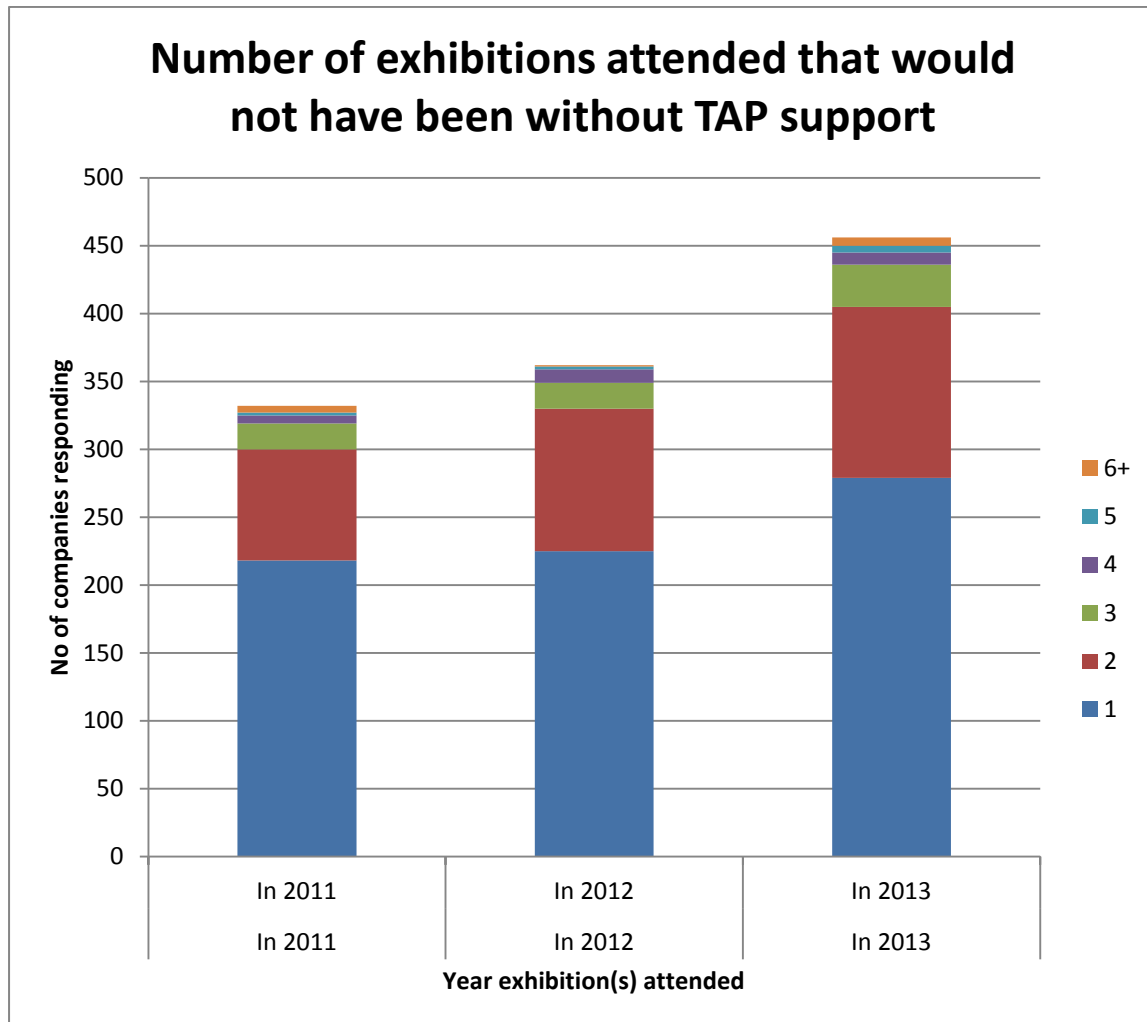
Of those employing 10-25 people (128 companies) they had created or safeguarded 900 jobs.

Although there were only 18 companies in the 100 to 150 employee category they stated that exporting had created or safeguarded 440 jobs.

Q5 - We asked companies to tell us how important the trade show grant(s) from UKTI had been in their decision to exhibit with a UK group at an overseas exhibition. Over 60% said it had been essential (and that they would not have attended without it). A further 26% said it was very important and another 12% said it was important. The results are in the table below with the number of companies replying indicated on the y-axis.

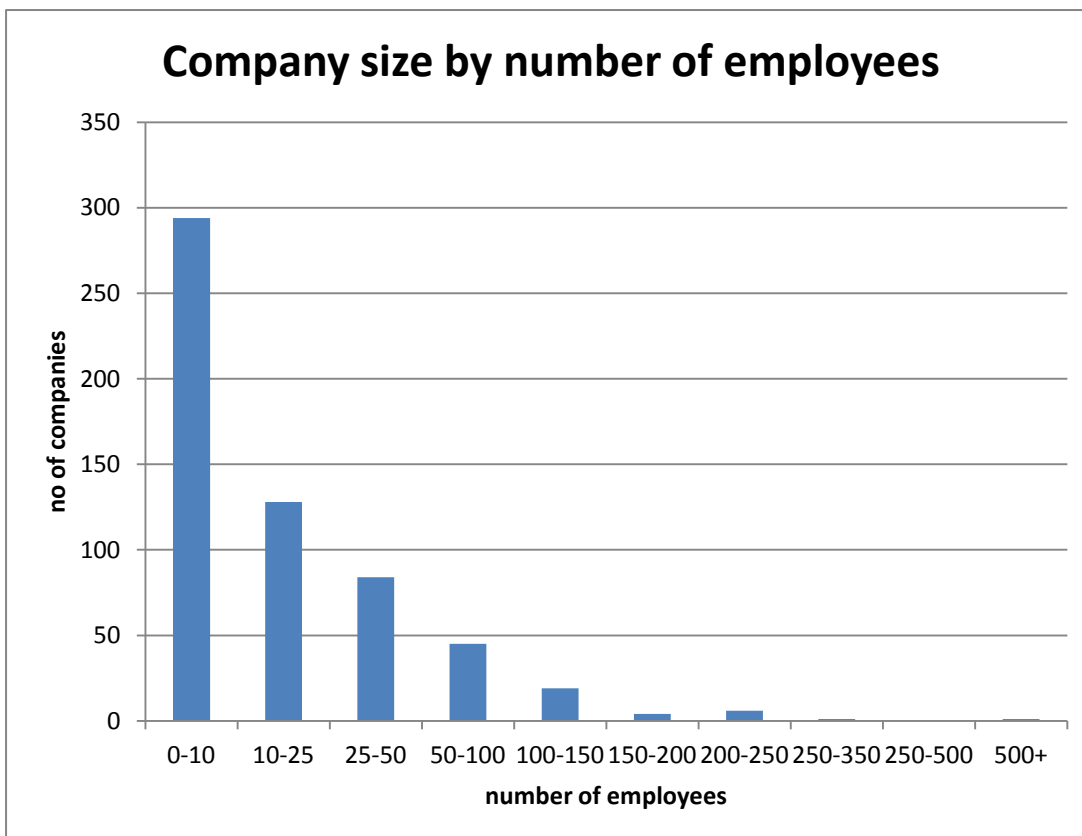
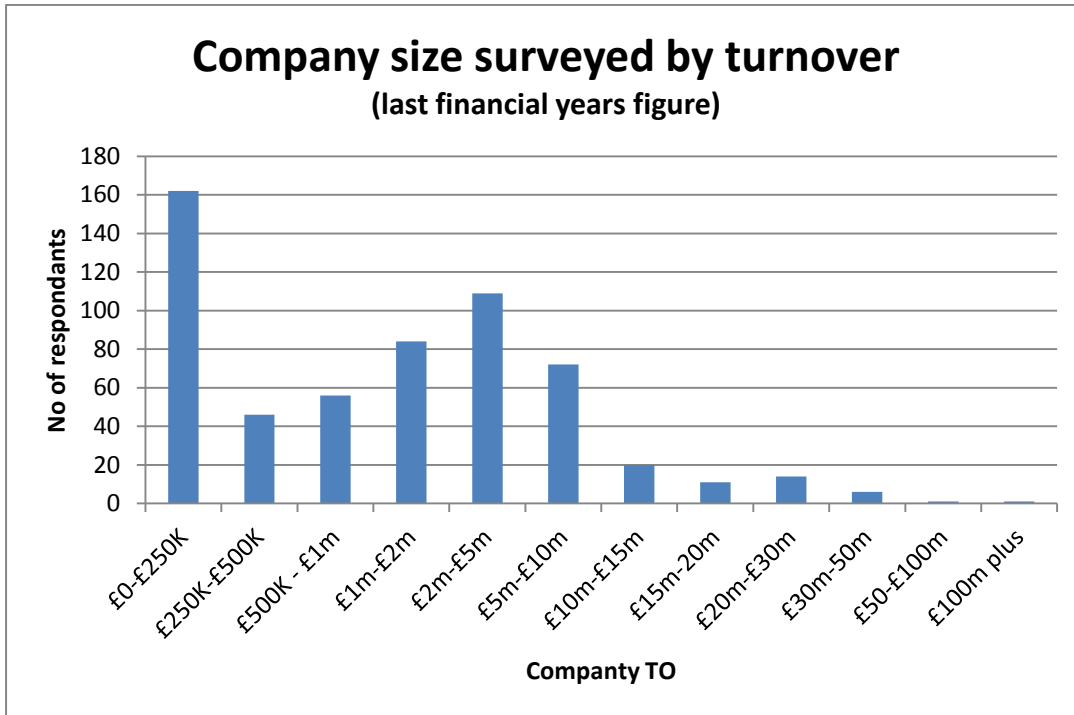


Q6 – We asked, “In the last three years, how many exhibitions have you attended that you would not have gone to, if TAP support had not been available?”



As the table shows there has been a significant increase in the number of events companies are going to with a 24% rise in companies attending one exhibition from 2012 to 2013 and a 20% rise in companies attending two exhibitions.

“Lastly we are asked companies about their size – in terms of turnover and number of employees”. The results are graphically presented below.



Note 1. The Sponsors Alliance is an organisation made up of approximately 40 Accredited Trade Organisers (as accredited by UKTI) that organise UK pavilions at trade shows in overseas markets. Primarily they are Trade Associations and Chambers of Commerce and are not-for-profit, national, independent, cross-sectorial and membership based.