

# SME growth forecast 2017-18

## Top 5 insights

SMEs with international ambitions are turning a corner after the most challenging years of the economic crisis. The Enterprise Europe Network's survey data shows a confident SME community across Europe with a thirst to innovate and a positive outlook for jobs and growth.



### 1. Confidence

65% of SMEs who internationalise expect to increase their turnover in the next 12 months.

Small businesses are willing to take the risk to expand their business beyond their home countries and confident that it will pay off. Innovative companies are driving this confident mood: over half of the companies who expected their turnover to increase were innovative SMEs.

Slovakian SMEs (88%) were most confident about increasing their turnover while small businesses in Italy (52%) had the lowest expectations.



### 2. Growth

54% of SMEs expect to increase their market share in the next 12 months.

Small businesses are now bullish about their growth prospects with a majority expecting to increase their market share. Innovation is one of the factors driving this competitiveness – over half of the companies expecting to increase market share also expected to deliver enhanced innovation in their products or services.

We found the most optimistic SMEs in Slovakia (78%). SMEs in Lithuania (38%) were the most cautious about their near-term growth prospects.



### 3. Jobs

85% of SMEs expect to create or preserve jobs in the next year.

Levels of employment have been gradually improving in the EU over the past 4 years<sup>(1)</sup>. This positive outlook is also reflected among Europe's internationally-focussed SMEs whereby 32% expect to create jobs and 53% expect to preserve jobs. The profile of these companies is evenly balanced between more traditional and more innovation-focussed businesses.

Estonian SMEs (53%) had the highest expectations for job creation while SMEs in Lithuania (15%) were the least optimistic.



### 4. Engagement

Every year around 230,000 SMEs benefit from key Enterprise Europe.

Network services SMEs are choosing to invest their time and effort strategically to stay ahead of the game. While companies want the best advice to grow their business, they are also seeking out practical support and guidance that will help them to innovate and improve in the medium-term. And while companies want to meet potential business partners, they are also investing the time beforehand to improve their pitching skills.



### 5. Trust

86% of clients are satisfied with the Network's services and 93% would recommend its services to others.

Since it was launched in 2008 the Network has remained a trusted source of support and advice for SMEs wishing to expand their businesses internationally. Its solid performance is supported by evidence that SMEs who use the Network's services grow on average three percentage points more than those who do not<sup>(2)</sup>.

1 According to the European Commission's Spring 2017 Economic Forecast.

2 According to the Final evaluation of the impact of the Enterprise Europe Network 2008-2014, European Commission (2015).