

## **SMEs gearing up for growth in 2011: UK recovery plans revealed**

- 58% think a return to sustained growth will take 1-2 years
  - 28% delaying plans until after the general election
- 79% say the Internet is making the road to recovery easier this time round than in previous recessions

London, 22<sup>nd</sup> April 2010 – A new report released today by leading [business Internet service provider](#), Easynet Connect, outlines the strategies of UK SMEs for a return to sustained growth. With only marginal growth expected in the Q1 2010 GDP figures due out on Friday, today's report reveals that although 84% of businesses believe the economy will return to growth, 58% of them think it will take 12 months to 2 years to arrive.

The research highlights how the focus for SMEs over the next 12 months is to consolidate their positions internally, ready to take advantage of the market improvements expected in 2011. Over a third (38%) are investing in their IT infrastructure, 30% are looking at increasing staff training, and around 15% are looking at recruiting more people and improving staff retention. Meanwhile, lower down the list of priorities is launching new products and entering new markets (21%) and increasing marketing spend (14%). All of these measures suggest that businesses are concentrating on improving in-house processes, ensuring they are as efficient and productive as possible when growth returns.

Also included in the findings is the fact that the Internet is providing a lifeline to small businesses, with 79% of those questioned saying that it is making the road to recovery easier this time round than in previous recessions. The Internet has clearly become an integral part of most strategies, with 81% estimating that they could not cope any longer than a day without it, and of that group 48% unable to last longer than an hour, 29% no longer than 30 minutes, and 14% unable to cope at all without the Internet.

Chris Stening, managing director of Easynet Connect, said of the results: "The predominant sentiment among small to medium-sized firms seems to be one of 'cautious optimism' – businesses know that growth will come, but do not think it will be immediate. With the GDP results suggesting green shoots of recovery, it is interesting to hear that SMEs feel it will be a much longer road to sustained growth."

“Earlier this year we found that 2010 would be the year SMEs embraced [cloud computing](#). With most small-to-medium businesses not expecting growth this year, we can see that this spend on cloud computing, as with investment in other aspects of IT, training, and recruitment is all part of the strategy to future-proof their business in preparation for growth in 2011 and beyond. In contrast to previous downturns, the Internet increasingly lies at the core of small businesses’ operations – from marketing their products, conducting research, collaborating with colleagues or providing access to significantly better value cloud computing software and services. Since they are investing for scale, small businesses need to ensure their Internet capabilities – essentially the very heart of their business – can scale with them. For many, fibre connections, with their ability to scale far beyond their current 100 Mbps speeds in the future, are proving to be the cost-effective solution to this problem.”

### **Key Facts/Highlights**

- 84% of SMEs feel positive that a return to sustained growth is on the way
- 58% of UK SMEs think that a return to sustained growth will only be seen in between 12 months and 2 years time
- In planning for growth, 38% of SMEs are investing in IT, 30% are investing in staff training, 21% are looking at new products and markets, and 14% plan to increase marketing spend
- 79% of SMEs think the Internet will make the return to growth easier this time than in previous recessions
- Nearly a third (28%) of those asked stated that their business will not be making plans until after the General Election

### **Relevant Links**

- Download the new report, *Are UK SMEs gearing up for growth?* here: <http://www.easynetconnect.net/industry-insight/whitepapers-and-reports/gearing-up-for-growth.aspx>
- Download Easynet Connect’s report into cloud computing adoption among SMEs, *Could 2010 be the year SMEs fully embrace cloud computing?*: <http://www.easynetconnect.net/industry-insight/whitepapers-and-reports/cloud-computing-2010.aspx>

### **Media Links**

- Department for Business, Innovation & Skills. SMEs together account for 59.4% of private sector employment and 50.1% of private sector turnover: <http://stats.berr.gov.uk/ed/sme/smestats2008-ukspr.pdf>

## Tags

- SME, Easynet Connect, Fibre, broadband, Digital Britain, economy, economic growth, recession, GDP, inflation, election

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## About [Easynet Connect](#)

[Easynet Connect](#) is a leading provider of quality connectivity and internet access for small to medium size businesses.

Established in 1994 and part of BSkyB Group, Easynet Connect is one of the largest networks in the UK with 6030km of fibre and last mile access to more than 70% of UK businesses via a network of more than 1,200 unbundled exchanges.

Easynet Connect is the first ISP to launch a reliable fixed-rate 100 Mbps fibre service across London, as well as being the first in the UK to have provided DSL services over an unbundled local loop and has pioneered managed LLU services for business. Easynet Connect's services range from business class ADSL and SDSL through to high-quality, [leased line equivalent](#) and Ethernet based services. Our [SDSL coverage](#) is currently the most extensive in the UK.

We offer a range of uncontended symmetrical speeds up to 1Gbps, all backed by 24x7 UK-based network monitoring and customer support, 99.9% Service Level Guarantees and an enviable 95% First Time Fix rate.

Our 20-day installation pledge for some of our EtherStream and SureStream products is the shortest of the few installation pledges currently available on the market.

For more information visit [www.easynetconnect.net](http://www.easynetconnect.net) or call 0800 053 1777

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