



Delivering the goods: The Global Ambition of the UK's Entrepreneurs

In partnership with



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GS1 UK Foreword



Sarah Atkins
Chief marketing officer
and membership director
GS1 UK

SMEs are ready to go global

This joint report delivered by GS1 UK and Enterprise Nation explores the current exporting environment for UK small and medium sized enterprises (SMEs) within the current context of an ongoing global pandemic, considering the impacts of Brexit and the EU free trade agreement and subsequent government trade negotiations with global nations.

The research, conducted with nearly 1000 SMEs from across the UK, shows that the top line sentiment is positive. SMEs in the UK have recognised the opportunity to sell to international customers who are searching for the inspirational, unique, high-quality products our UK brands are known for.

Many SMEs are already exporting but the experience, as we have discovered, is not always smooth or easy.

With the increasing emergence of 'social selling' on platforms such as Instagram and others, and a developing landscape of online marketplaces beyond Amazon, innovative and highly customer-centric SMEs are finding it easier than ever before to find customers for their products beyond the EU and all over the world.

The problems they experience, in a shift from the past, are not related to finding foreign shoppers. The most frequently cited pain points relate to delivery, fulfilment and logistics. There are headaches when it comes to delivering the goods.

There are also some Brexit related wrinkles that exporting SMEs would like to see resolved but 42% of those surveyed say that Brexit has no impact on their overseas sales. Unexpected duties, and some aspects of the Northern Ireland Protocol, are causing friction for UK to EU SME sales.

The potential for SME for exporting is a multi-billion pound opportunity for the UK economy and is worthy of industry coming together to address some of the barriers to success.

This report also makes recommendations to businesses serving the small business economy as well as policy suggestions to the UK government. Trade deals with the USA and countries in Asia to grease the export wheel are sought urgently. More useful advice from government honed to SMEs, specifically one and two person operations turning over up to £250k, fledging exporters and start-ups, will also help small businesses make an even bigger contribution to the government's ambition of building a truly 'Global Britain'.

87% of our GS1 UK members are SMEs so we are well versed in helping them understand the importance of product data to trade online or in-store. The ability to identify, capture and share product information is even more critical to their export success. Quality data helps them get listed, complete the paperwork to ensure efficient logistics as well as providing the much-needed consumer trust in their product.

Enterprise Nation Foreword



Emma Jones CBE
Founder
Enterprise Nation

SMEs need a little help to export more

The message has been received loud and clear: the UK's SMEs want to export more and expand their businesses with sales to millions of customers globally. They are ready and willing to sell and ship to an increasingly wide range of countries but they would just like a little help.

They want the UK government to offer more country specific exporting information that has an explicit focus on SMEs with a multi-thousand pound focus rather than revenues that are counted in millions. It's also obvious that service providers in the international shipping, logistics and returns sector could be doing more to help smaller enterprises concentrate on what they do best: create fabulous British products – food and drink, home and garden, fashion and health and wellbeing, in particular – and keep their customers satisfied.

The SMEs responding to our survey would also value more expert export advice from specialists to help grow and streamline their operations.

I'll be taking this report and its recommendations to government so politicians and civil servants can understand how big the SME exporting potential truly is and, hopefully, work towards eliminating some of the challenges the report highlights. I'd also like to thank all the founders and entrepreneurs who took the time to take our survey and inform this report with their insights and experiences.

Research findings



SMEs are Exporters

76%
of SMEs are willing to export. Or want to export more.

53%
already export. (But 33% expect margins to decrease)



Confidence

60%
of SMEs expect their exports to grow or stay the same in the next year.

28%
predict they will sell less overseas.



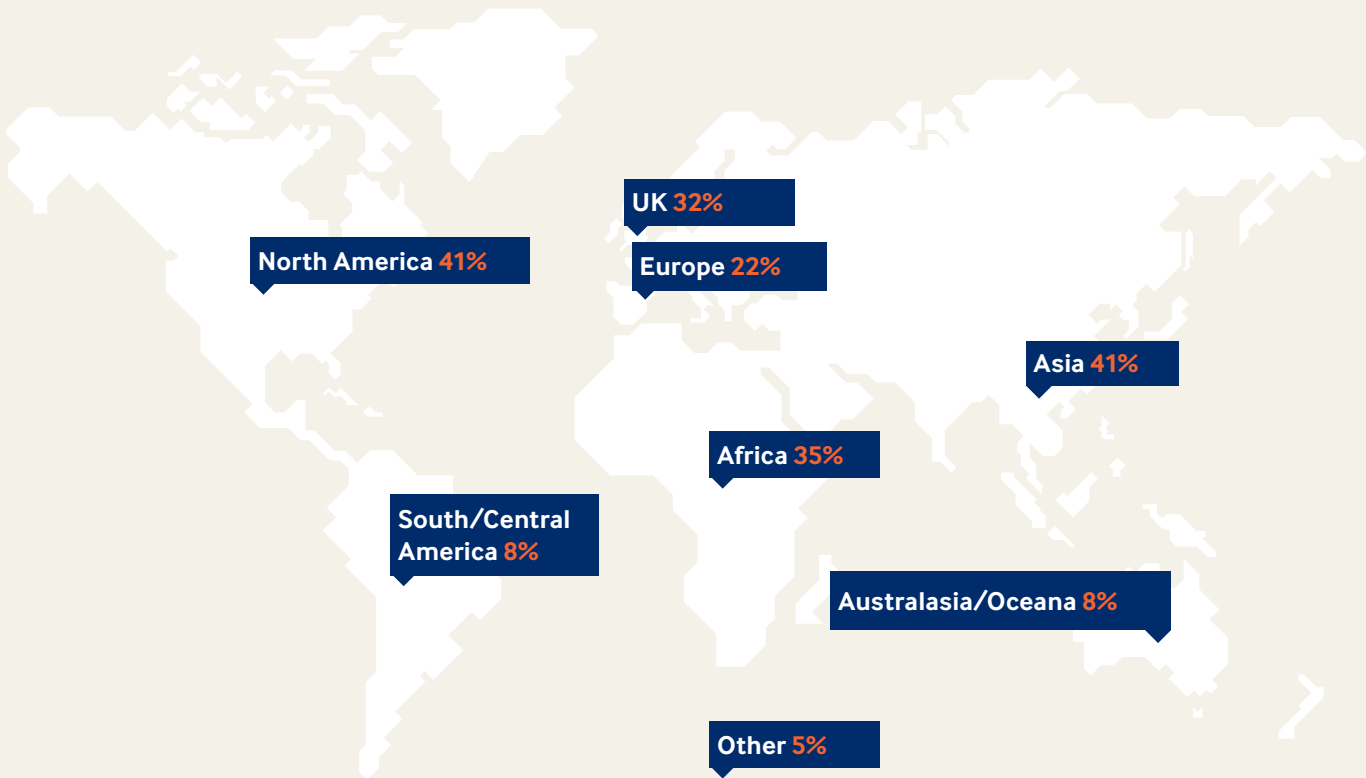
Size doesn't matter

70%
of SMEs surveyed turnover less than £500k per annum

36%
turnover less than £50k

Broad Horizons

SMEs will ship worldwide.



Logistics challenges

31%
want cheaper, tracked shipping and returns options

41%
have experienced problems with slow or expensive shipping services

39%
say paperwork and customs processes have caused headaches

33%
of SMEs have had consignments lost or damaged in transit

33%
report unexpected charges or duties passed on to overseas customers

32%
have had a problem dealing with international sales taxes.



Local support

46%
engage export agents to help them

45%
use export trading companies

37%
work with a local distribution agency

31%
use an in-country marketing agency to promote their products



UK Government support

60%
want tools to streamline duties and customs

44%
would like more country specific market information

35%
want more export support from the government

26%
want more financial support



Exports are social

45%
use social media to market their products overseas

34%
use a global platform to find customers

32%
use Amazon. 29% use Etsy. 28% use another global platform



Brexit Impact

42%
say Brexit has had no impact on their exports

63%
of SMEs are selling more outside the EU

42%
say Brexit means they are exporting less

59%
seek clarification of export rules related to Brexit and the Northern Ireland protocol



Export Expertise

50%
would welcome more SME exporting advice from export professionals

69%
have already taken professional export advice to boost sales



Brexit Fund

58%
are aware of the UK government Brexit Fund

77%
of those aware of the fund and applied have received a grant

Recommendations

Based on the survey results, Enterprise Nation and GS1 UK are making these recommendations to business leaders and government:



Honed, country-specific export guidance from Government

- SMEs want more honed, country specific export advice to help them diversify the destinations they send to and increase exports. SMEs are keen to ship products to more international destinations but different countries have different requirements and regulations and government is best placed to offer this.
- Crucially, such information must consider the needs of SMEs, rather than multi-million pound operations, because their needs are different and specific. The exporting SMEs we surveyed typically turn over less than £250k per annum and have small teams or are one or two person companies. Government information needs to be accessible to SMEs who are customer centric but not typically logistics experts.
- An exports portal, perhaps similar to the IOSS (Import One Stop Shop), to help SMEs deal with export duties and tax would also help small businesses manage exports.

Access to expert professional advice

- Beyond government information 50% would welcome more SME exporting advice from expert, specialist professionals. 69% have already taken professional export advice to boost export sales and are hungry to discover more.
- An SME Export Support Fund, similar to the SME Brexit Support Fund, could be established to offer entry-level exports advice to SMEs that is offered as a journey depending on the stage of export and business size. We believe that such government expenditure would offer a real terms return on investment for the British economy.

SMEs want trade deals with the United States and Asia

- Since Brexit, the UK has concluded Trade Deals with almost 100 countries including Australia and all the member states of the EU. Trade with as little friction as possible is vital for SMEs who don't always have the expertise and resource to deal with complex processes and problems, should they occur, with overseas shoppers.
- One key aspect of streamlining the exports process for SMEs is through free trade deals with unambiguous guidance. SMEs seek effective deals with the USA and countries in Asia, particularly China, as a matter of urgency. We urge government to consider the needs of SMEs when negotiating future trade deals too, which has not always been a central concern in the past.

Shipping, returns and exports logistics management services

- We urge shipping, courier and returns services to review and reform their services to help SME exporters sell more. The biggest barriers to growing SME exports lie with delivering the goods to countries all over the world. Cheaper, faster, reliable tracked B2C international services are required so that SMEs can provide the high level of customer delight they want to provide.
- Often carriers have developed services suited to exporters of scale selling hundreds or thousands of packets a day but SMEs are often not selling at this level. The business opportunity to serve exporting SMEs selling more modest levels of consignments represents a multi-million pound opportunity but this sector is not currently well served. We feel there is potential for a central hub where SMEs can connect and group together to 'bulk buy' and reduce shipping costs.

Reinstate and revamp the SME Brexit Support Fund

- The SME Brexit Support Fund of £20m was allocated to help small businesses adapt to the export changes resulting from Brexit. 77% of those aware of the fund and applied have received a government grant, according to our survey. The money could be used for staff training or to pay for professional exporting advice.
- However, the fund has been wound down and all the monies were not allocated. The complexity of the application process is cited as a key barrier. There is a case to expand the scope of the fund beyond Brexit and make it global. We encourage the government to revisit the concept and develop a similar grant scheme for SMEs to develop their global exports.



SMEs are exporters

UK SMEs are already exporting and are ambitious to do more

76% of SMEs in the survey consider exporting to be a viable business opportunity. 53% of UK SME retailers already export to destinations overseas and 75% want to start exporting or export more. They are familiar with the benefits and opportunities of exporting demonstrating an untapped potential and economic opportunity. 60% expect that they will export more, or the same amount, in the next year.

Exporting SMEs aren't afraid to ask for help and state they want more expertise and information from government, service providers and experts. There is significant engagement between UK businesses and on-the ground assistance with local knowledge. It's striking how many make use of export trading companies, local distribution and in-country stockists. SMEs understand the exporting opportunity but not the brass tacks of exporting itself.

GS1 UK's Sarah Atkins says that SMEs are talented inventors, producers and artisans that can effectively market and promote themselves within the UK Market. By drawing upon the help of experts and third-party logistics companies they can expand their horizons and grow more quickly.

“It’s clear that SMEs know what they do best and have to find expertise and support to complement their skillset. Exporting can be seen as tricky, so they need to build a collaborative support network to help them succeed overseas. As small businesses it doesn’t make sense to have such specialist functions in-house, but there is some great advice at hand if they know where to look.”

Sarah Atkins
GS1 UK

Figure 1 Do you consider exporting as a viable opportunity?

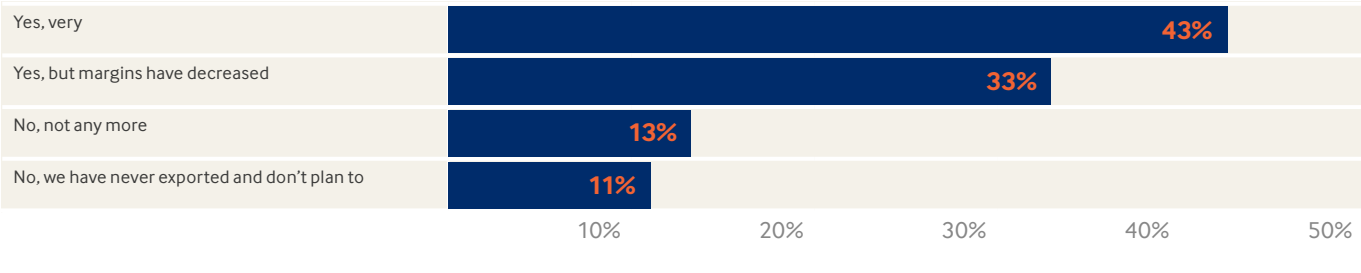


Figure 2 Do you currently export?



Figure 3 Where does your business currently sell its products or services?

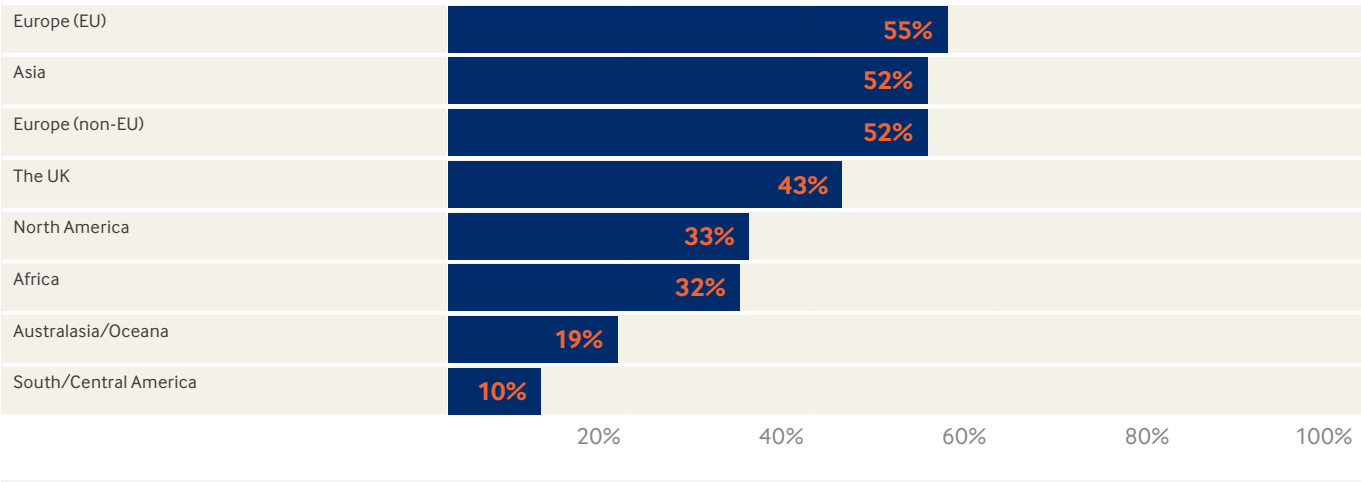


Figure 4 What are the top three channels you use to export?

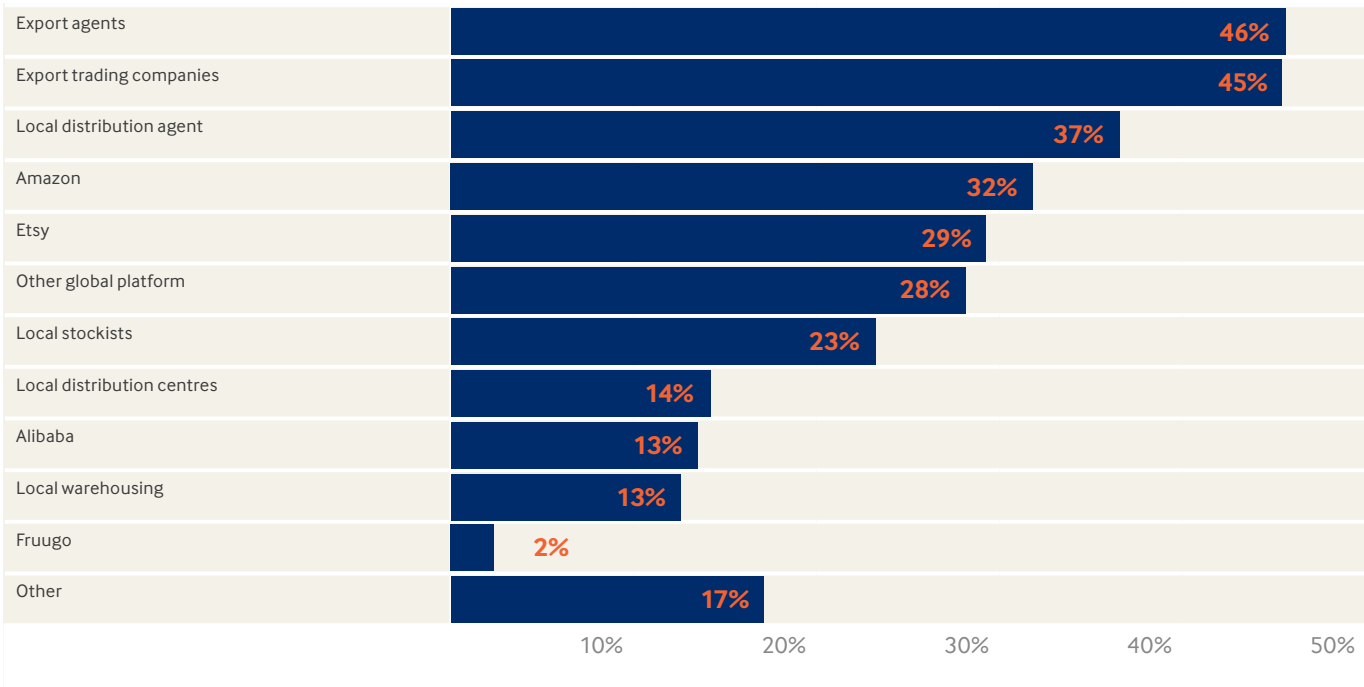


Figure 5 How do you find/communicate key marketing messages with overseas customers?

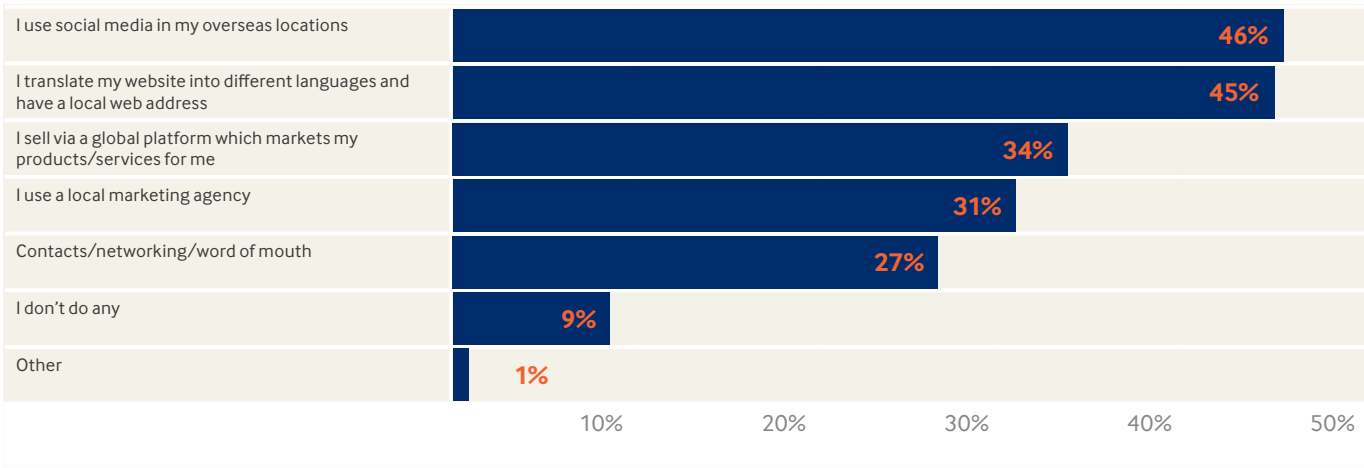


Figure 6 When exporting have you ever experienced problems with any of the following?

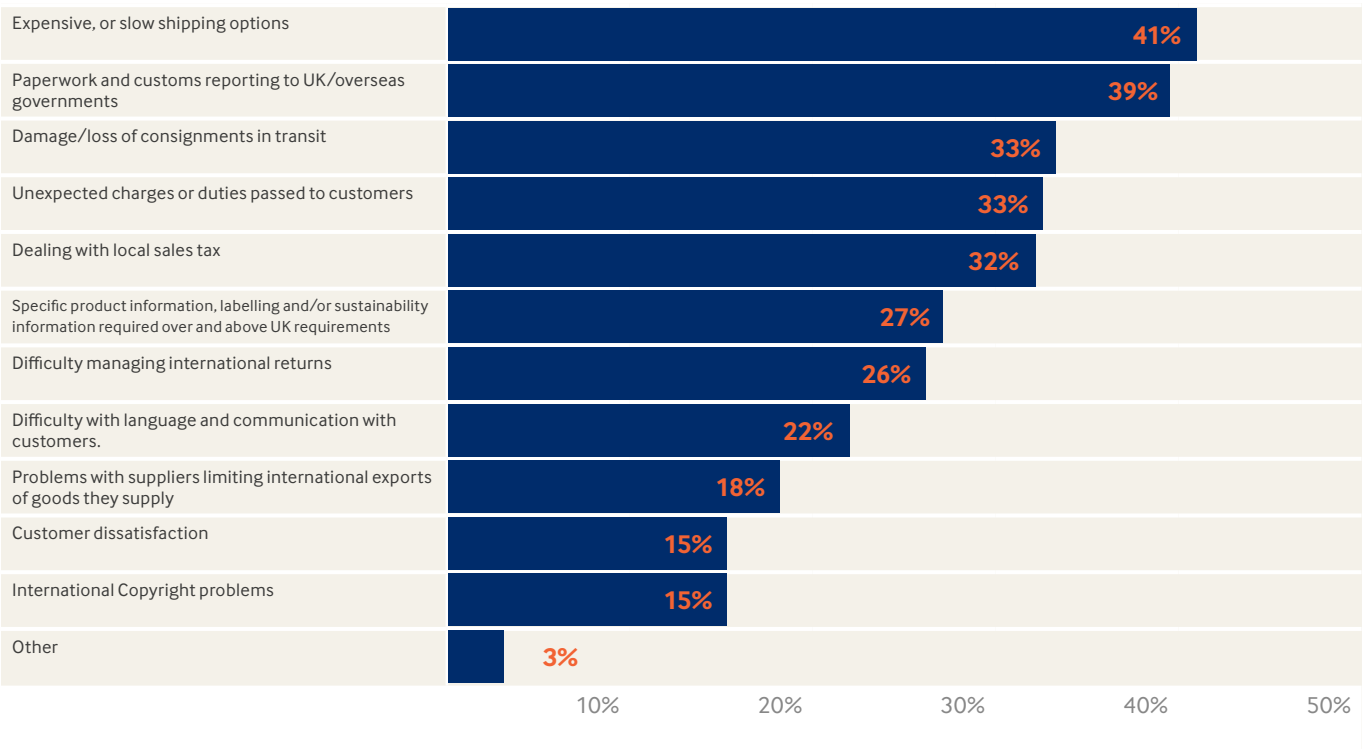


Figure 7 What could the Government do to support you to sell more?

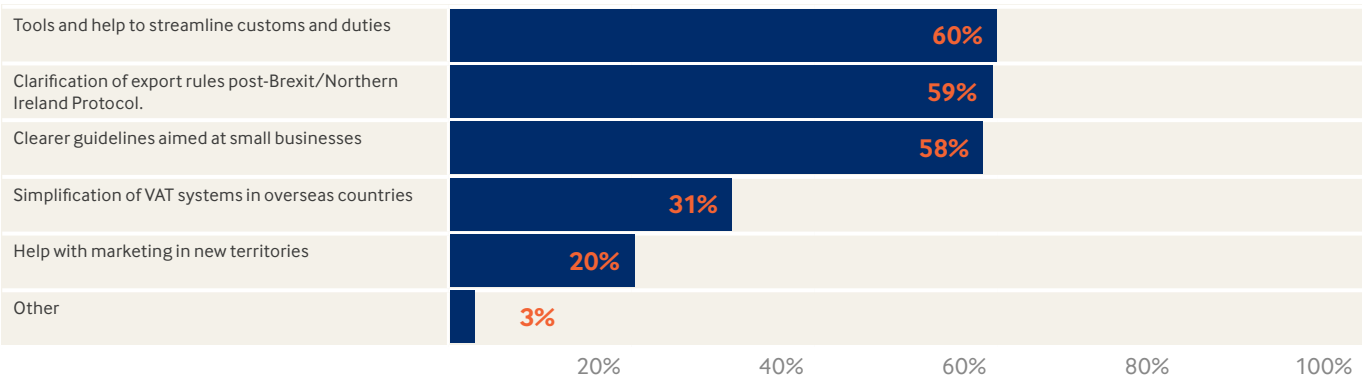


Figure 8 Considering your sales overseas in the next year, do you expect them to:

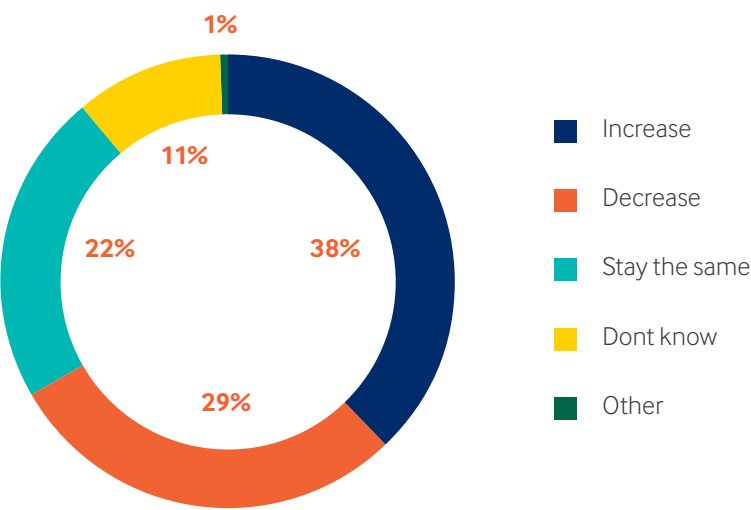


Figure 9 What would enable you to export more?

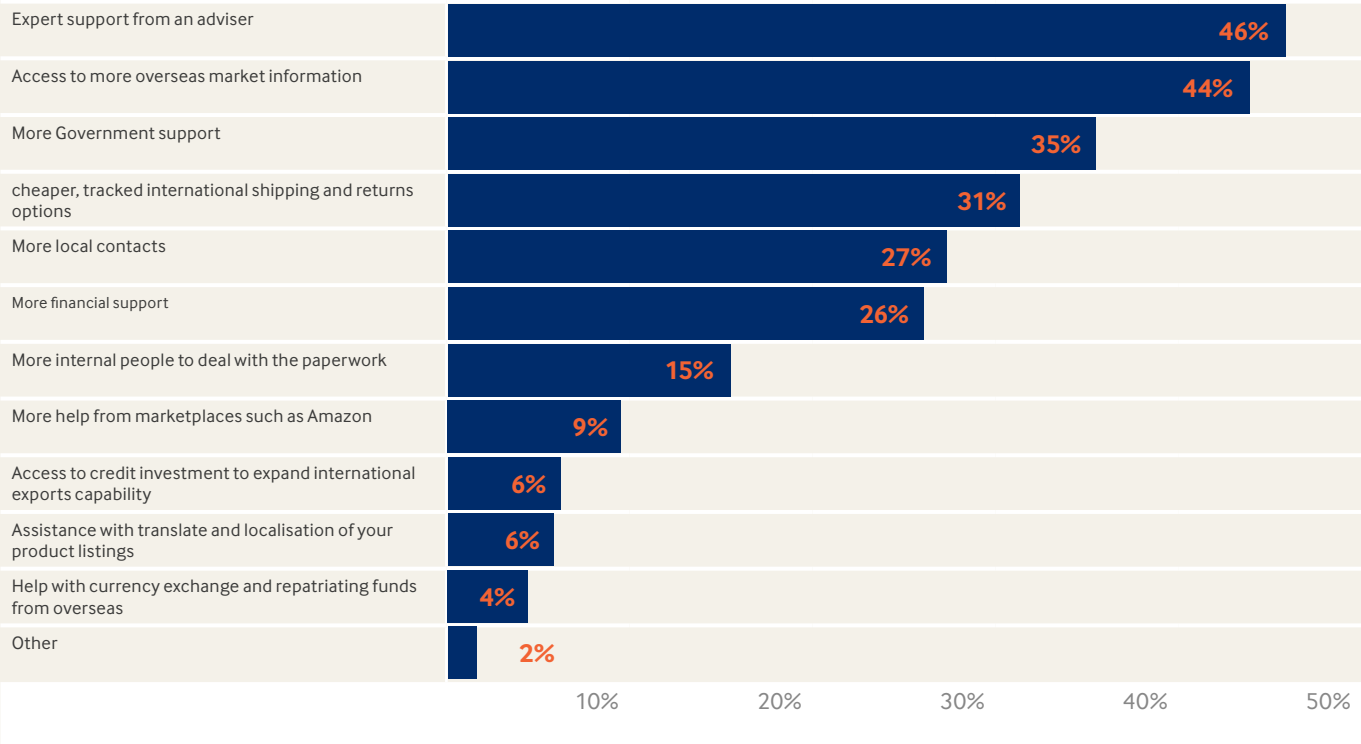
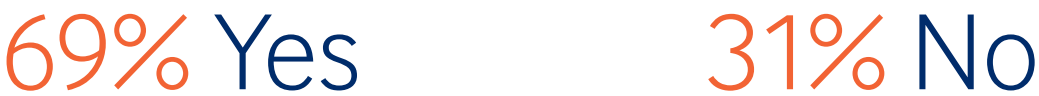


Figure 10 Have you taken professional advice?



Case Study

Exporting isn't scary

Two Brooks

Two Brooks have created a range of refreshing alcoholic sparkling water drinks and are already exporting to the Middle East. By striking one deal to one country they have discovered that exporting isn't scary and once you have a foothold in one country it's easier to branch out by utilising local experts.

"Export isn't as scary as you might think," says Two Brooks head of sales and marketing Paolo Bruni. "We knew our product would appeal to customers in the Middle East, but we don't know about the legislation in the different countries, frameworks, documents to fill in and how to go about it. What we found reassuring is that identifying the right export partner wasn't the hard part as there are so many tools to use to help you do this. Once you've identified them, completed your pitch and are in contact, they join you on your exporting journey and become your partners."

Last month, we secured a distribution deal with one of the biggest distributors in Bahrain who have been extremely helpful over the past few months answering questions as it is of benefit to us all to get it right first time," says Bruni. "We have a container on its way to Bahrain. Once you have been through the process, it forms a template for other countries and things get slicker."



Broadening horizons

SMEs are global exporters with a willingness to sell to customers all over the world

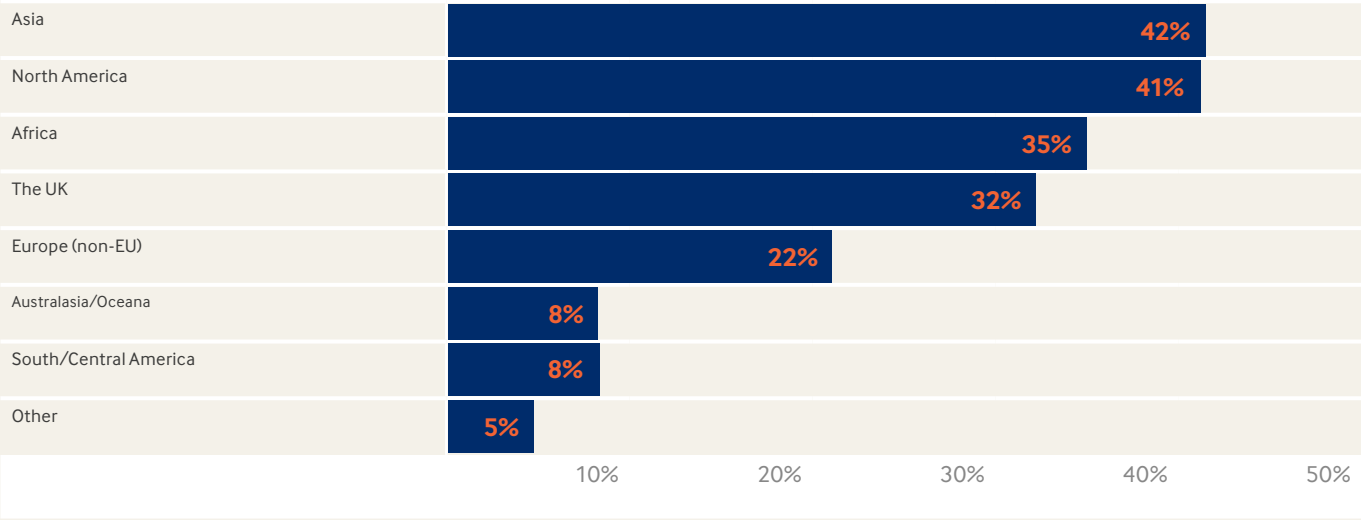
Exporting SMEs have a global vision and are willing to sell to an increasingly diverse variety of worldwide destinations. Global platforms and social media mean that SMEs are 'location agnostic' when it comes to finding their customers. 63% say they are selling more products to customers beyond the EU since Brexit.

Willingness to sell to just about anywhere in the world does, however, present its own challenges as reported but this is mitigated by the popularity of UK goods from connected shoppers all over the world. Outside the European Union, SMEs say they are already selling more to Asia, North America, Africa and the Middle East.

There is a high global demand for British goods and UK SMEs stand ready and willing to export. According to a report from Barclays: "There are many reasons why British-made products are in such high demand across emerging markets. Many consumers in those markets see British brands as having great integrity, and the quality and standard of British-made products is trusted and sought after. Furthermore, Britain has a strong reputation for innovation, built on tradition and longevity."¹

It is estimated that 34% of overseas shoppers are willing to pay a premium for UK products with shoppers in China, India and the UAE showing the greatest confidence in British made goods. SMEs specialising in 'lifestyle' products related to fashion, apparel and food and drink which are well suited to social platforms and visual selling are well positioned to further exploit this significant sales opportunity.

Figure 11 Which areas outside the EU are you now doing more business with?



1. <https://www.barclayscorporate.com/content/dam/barclayscorporate-com/documents/insights/trade/made-in-britain.pdf>

Case Study

Size doesn't matter

The Saviourists

Since launch in 2019, The Saviourists have developed a range of umami low sugar, gluten free snack bars made solely from plant-based protein and fibre. The products can be found in Planet Organic, Wholefoods, Sainsbury's, Amazon and other marketplaces and they also export to Coop in Switzerland.



In 2020 the company started to export. Founder Harry Turpin says the pandemic spurred the company on to start selling overseas earlier than anticipated although international markets had always been part of the longer term strategy.

The Saviourists created an account and set up a business page on the Department for International Trade's (DIT) site for exporting opportunities. This free service acted like a speed-dating site and promoted his products to overseas buyers. It's available to any business no matter how big or small.

Turpin says that size doesn't matter: "A lot of people don't know this, but exporting is possible even if you only have one or two products and you don't need to be a larger corporation to do so."

"Only 10% of UK businesses export, but realistically it should be so much more given the help that's available. The government genuinely do want help, and to gain insight, improve opportunities and support small businesses for export."



SME exporters are social

The internet and ecommerce has transformed how SMEs access customers across the globe.

The internet has dramatically changed how SME exporters in the UK discover and sell to customers all over the world. The pandemic saw ecommerce soar and it becomes an ever more present aspect of business life. But it's not just online marketplaces that are central to the SME exporting. They are also investing in translation and localising their own ecommerce websites and social networks such as Instagram are vital channels too.

Amazon is the predominant platform for exporters and its various services to assist merchants, such as Fulfilment By Amazon (FBA), make the everyday experience of managing sales easier. However adoption of other marketplaces is also showing encouraging growth. Crafts and vintage marketplace Etsy is popular, Alibaba is powering exports to China and other destinations in Asia, and Fruugo is also proving an effective, emerging platform for exporters.

This trend is expected to develop with social platforms such as Pinterest seeking to further monetise ecommerce within an online social context. Facebook and Instagram are also enhancing their in-app shopping facilities.

SMEs are exceptionally well placed to make connections and develop on social platforms. With engaging and original visual content and personal engagements it's clear that they can take their credible personal skills online in a way that's more difficult for bigger companies.

Case Study

Platforms to the world

Plant Pops

Plant Pops founder Anushi Desai grew up in Mumbai and her favourite childhood snack were popped lotus seeds. She wanted to share the snack and soon started producing them, and experimenting with flavours, in small batches in her kitchen at home. Previously unavailable in the UK the vegan, gluten free, sustainably grown, low calorie snacks were soon a firm favourite with friends and she started selling Plant Pops to wholesalers.

As a result of the pandemic, she also started selling direct to consumers (D2C) using Amazon and other online marketplaces as well her own Shopify ecommerce store. The D2C online approach immediately saw an increase in exporting.

Importing stock from India has been unaffected by Brexit but exporting to Europe has reduced as a result but Desai says Plant Pops is gradually building those orders back. Freight costs have increased recently because shipping container costs have nearly tripled in price since 2020 and that has had a direct impact on pricing.

"We get a lot of inbound enquiries for export and currently export to the Middle East and Europe. Typically the US, UK and Australia are sought after and known for their innovative products and are packaged well. There is a huge opportunity for small brands doing something different"

Anushi Desai
Planet Pops

www.plantpopssnacks.com

Plant
POPS

The logistics challenge

SMEs are customer experts but delivering the goods can be a problem.

The innovative SMEs adopting social networks and online marketplaces are adept at embracing new technology. They are also expert marketers and not afraid to surf emerging trends. Social selling using a variety of platforms is increasingly important. Previously finding overseas customers was the predominant challenge for exporters but online commerce has significantly reduced that barrier. However, suppliers and carriers enabling international trends don't appear to be as nimble.

The logistics challenges means that 31% want to see cheaper, tracked international shipping and returns options so they can serve their customers with a seamless fulfilment experience. Delivery and returns also represent the biggest source of problems with the 4 most significant problems with exporting all related to delivering the goods. Expensive, or slow shipping options, customs and paperwork at home or abroad, damage or loss of consignments in transit and unexpected charges or duties for customers are all pain points.

The survey also reveals a significant level of reliance on in-country support services. Many exporting SMEs are using local export agents and export trading companies as well as marketing agencies on the ground. Some also use warehousing. These partnerships give UK SMEs local expertise on the ground and provide nation specific knowledge that might not be available elsewhere.

The cost of shipping has increased since 2020. Industry bodies are already pushing for change claiming that shipping container hire costs have increased 700% in the past year. The British Chambers of Commerce and the Chambers Network have written a joint letter to Andrea Coscelli, chief executive of the Competition and Markets Authority, asking the regulator to examine "the operation of the international shipping and sea freight container hire market as it impacts upon businesses in the UK²".

This has been an issue for Gareth Jones, co-founder of CocoRose London, a fashion business selling stylish footwear to multiple international territories.

2. <https://www.thetimes.co.uk/article/competition-and-markets-authority-is-urged-to-look-into-shipping-container-costs-hvklxrmw9>

Case Study

Experience with import one stop shop Cocorose London

Pretty much all our EU trade stopped on 1st January 2021 as we waited for logistics companies to offer clarity with pricing and service. We started looking at all available options to keep trade flowing and be able to clearly communicate to EU customers what transport service we were offering and what it would cost them.

We found a logistics business that were exporting everything to the EU through France and tapping into a tracked service to all EU countries. In addition to the transport costs there was a simple charge of 1.5 euros per order and 3% on import tax and duty. Once we switched to them we had transparency of costs and were able to offer a tracked DDP service to all our EU customers. Margins were less but there was clarity for the customer, the only charges were those at check out.

From 1st July our new Carrier insisted that all clients were registered for Import One Stop Shop (IOSS) so we looked again at our options. Most solutions were offering API's integrations to shopping carts, Registration fees of £150 to £800, and month filing charges of £150 - £300 a month. We were unable to find a suitable solution by 1st July and again 'shut down' EU market for couple of weeks. We found and engaged CrossborderIT to get us registered for IOSS (there was no charge and it took just 24 hours) and were delivering to the EU again, with our chosen Carrier, by mid July.

Gareth does a daily upload of the company's EU transactions to CrossborderIT and is charged 19.99 euros a month and 1 euro per transaction for CrossborderIT, who file through Swedish Revenue & Customs.

'Effectively having IOSS registration means that going forward we are free to look at the best delivery options. CrossborderIT have now launched an App in Shopify and working on Apps and Plug-ins for the likes for Big Commerce, Magento and so forth. This Automates the process and removes the need to upload any files manually. Of course this is all very much focused on the order value under 150 euros. Those over don't quality and either customers are asked to pay the import taxes and potentially duty too, or brands separate the orders and send on a very expensive DDP service.

Gareth believes more technology solutions will come to market, possibly to reduce the costs of IOSS charges, but hopefully to help automate cost effective solutions for orders over 150 euros. Perhaps also we could hope for the EU to raise the 150 euro IOSS threshold, that will certainly help many small businesses ... Until then, this founder will keep looking at ways to ensure products are getting into the right hands – and on the right feet.

Cocorose
L o n d o n

www.cocoroselondon.com

The Brexit impact

Brexit has had a limited impact on SMEs and more are selling beyond the EU

43% of SMEs report that Brexit has had no impact on their exporting activities so far. However, 60% say they would like greater clarification regarding new Brexit export rules and the Northern Ireland protocol.

This is contrary to other reported research and evidence which suggests that most businesses have experienced a great deal of export disruption attributable to Brexit. GS1 UK's own research suggest that 3 out of 5 UK businesses have experienced difficulties. James Rambotham, Chief Executive of the North East England Chamber of Commerce says that 75% of companies are finding Brexit is having a negative impact and these problems can no longer be dismissed as "teething troubles".³

Our findings reflect the cohort of SMEs we surveyed. SMEs selling via the internet, social media, and trading platforms will be typically exporting single consignments direct to consumers rather than containers or mixed pallets which are reportedly causing the greatest problems.

But Brexit did not only affect export, it also impacted businesses importing materials for their products, as felt by The Copper Crew.

3. <https://www.thetimes.co.uk/article/brexit-troubles-can-no-longer-be-dismissed-as-teething-problems-w0gpk6q39>

Case Study

The logistics challenge

The Copper Crew

The Copper Crew sells quality canned wines from South Africa and was founded by Oli Purnell. The pandemic and lockdown have compounded the various logistics challenges his company faces with imports and exports. Lack of expertise and inexperience mean that he feels he is "flying blind" when it comes to exporting his products.

"I am sure there are tools out there" says Purnell, "but I don't know what they are or where to find them. It is difficult to get the knowledge required as it's hard to find and complex. The challenges are a combination of the admin and regulation constraints. Even just finding out what the constraints are is often difficult."

"The significant rise in the cost of shipping was initially caused by a worldwide container shortage due to the fallout of lockdowns, and then the Suez canal closure amplified many of these effects and created significant delivery delays in getting our wine to the UK.

One of the biggest issues overall with export to the EU is the amount of admin and paperwork it has created. It is essentially a whole new job within a small business but there's no-one to do it - Directors don't have the time and we can't afford to hire someone. Therefore, while things like the Brexit Fund are a nice idea in practice, they simply don't make up for the amount of time that now has to go into getting paperwork in order. We've lost out on multiple export deals because of the cost of shipping to the EU, the length of time for orders to arrive and because we now have different labelling requirements for export. Brexit means that exporting to the EU is now so expensive and time consuming that it doesn't make commercial sense.'



www.coppercrew.co.uk

THE
**Copper
Crew**

The SME Brexit support fund

The £20 million SME Brexit Support Fund was launched in February 2021 to help small businesses adapt to trade rule changes with the EU after Brexit. Eligible SMEs could claim up to £2,000 to pay for practical support with importing and exporting and prepare for the implementation of import and export controls coming in to force in April and July 2021. It has been successful according to our survey but not unreservedly.

There is high awareness of the fund and of those who applied for a grant most received one. However, as has been reported in the press, not all of the fund was allocated and many SMEs reported the complex application process was a barrier, especially at a time when many businesses were also dealing with other pandemic related government support schemes.

The recommendation of this report is to revise the scheme and Emma Jones, the founder of Enterprise Nation, recommends a review and reinstatement:

Brexit and the rules of origin

From quantitative research and reports from Enterprise Nation members, the Rules of Origin (ROO) component of the Brexit deal is proving problematic for a significant number of UK SME exporters. It's an aspect of the deal that means that free trade between the EU and UK comes with some caveats. If a merchant imports products from outside the EU they can then attract tariffs unless they have been "sufficiently worked or processed". This is likely a significant cause of the unexpected duties charges some EU customers are experiencing when buying from the UK.

"A fund to encourage exports worldwide similar to the Brexit Fund could be a game changer for SMEs and potentially represent a significant return on investment if it helps founders and start-ups turbocharge their exporting. A less cumbersome application process would be welcome too."

Emma Jones
Enterprise Nation



Conclusions

UK SMEs recognise the exporting opportunity

Potential exporting growth represents a £3.5bn growth opportunity⁴ and UK SMEs recognise the value of growing exports with 76% willing to sell British goods to customers overseas. Brexit has not dramatically dented that enthusiasm but has presented some new operational challenges.

60% of SMEs expect that their exports will grow or stay the same in the next year and only 29% expect to see them decrease over the same period.

And UK exporting SMEs are increasingly looking beyond the European Union for customers. 42% say they are doing more business with North America. 42% are enjoying a trade boost with 35% a selling more to Africa and the Middle East. 39% would like to see effective trade deals with countries in Africa to help them grow. For SMEs, more UK trade deals and expedited international shipping services will make a huge difference to trading with an ever more varied list of destinations.

The pandemic has been a catalyst for shifting perceptions among SMEs. 2020 saw a dramatic increase in online shopping made necessary by lockdown restrictions in many countries. Online shops never closed. And when the High Street is shuttered there is no distinction between shopping or selling locally or globally.

Ecommerce, online marketplaces and social selling on platforms such as Instagram have also solved the biggest problems for SMEs, especially micro-businesses and sole traders, when it comes to exporting. Previously it was difficult to identify, locate and sell to overseas customers and often physical overseas travel was essential but this no longer seems to be the primary challenge.

The numerous online selling platforms, including online shop services such as Shopify that offer brand able transactional web shops, mean that SMEs can now find a global shopping audience of many millions cheaply and easily. Online services and communications became the only option at a time when international travel has been banned for all but essential purposes. Has COVID-19 killed the trade mission?

46% of SMEs are using social media to interact and sell to overseas customers. The survey results display a new confidence from SMEs who want to export. They understand the opportunity, they have a readiness and willingness to export and they can also find new customers in a way unimaginable at the turn of the millennium. The online platforms also offer ways for SMEs to connect with, understand and communicate with customers in a vibrant, personal and creative way. SMEs have a deep passion and understanding of their audience.

The logistics challenge

The SMEs we surveyed have a high reliance on third party suppliers to help them export. 45% use export agents or export trading companies. 37% engage a local distribution agent. But 31% say that cheaper, tracked international shipping and returns options would enable them to sell more competitively. Other services widely used include translation services and local warehousing.

This is an opportunity for suppliers working with exporting SMEs to work more closely with SMEs hungry to grow their exports. Small businesses represent a significant growth opportunity for service providers.

The top 4 problems with exporting are all related to delivering the goods. Expensive, or slow shipping options, customs and paperwork at home or abroad, damage or loss of consignments in transit and unexpected charges or duties for customers are pain points. Brexit has not proved to be a smooth ride but also certainly hasn't dented SME enthusiasm for overseas sales.

We believe that SMEs are laying down a challenge to mail carriers and couriers, logistics and returns providers, and all of the numerous suppliers they use to get their retail goods to customers overseas, to improve and fine tune their offerings for smaller customers.

Delivering the goods

There is also a challenge to the UK government from existing and aspiring SME exporters: "We need a little help." The Brexit Fund success highlighted in this report shows that a government programme developed and honed to help small businesses can be effective. Concerted effort and spending from the various relevant government departments could turbo-charge SME exports.

There are three key recommendations for government: deals, advice and information. SMEs are calling for trade deals to enable frictionless trade with territories further afield in North America, Asia and Africa. 69% have already taken professional advice about exporting. And 46% say that access to relevant expert advice and support would help them export more. 31% want more government support, specifically country specific exporting information specifically directed at SMEs.

Much government advice and support related to exports is currently produced for much bigger companies. Respondents want something much more focused on smaller concerns.

It is evident that there is a huge untapped SME exporting opportunity that is ready to be unleashed. Just a little extra support from government and businesses in the supply chain means that UK SMEs can continue to deliver the goods and delight customers all over the world and deliver an export boost to the UK economy.

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About GS1 UK

GS1 UK is one of 115 neutral and independent GS1 organisations operating worldwide.

Whether online, in store or in a hospital, the common language of GS1 standards is helping our community of over 54,000 organisations to uniquely identify, describe and track anything, creating greater trust in data for everyone.

Our standards have the power to deliver change now and in the future by driving efficiency in the supply chain, and transparency in the wider society, through initiatives such as patient safety programmes and deposit return schemes.

From product barcodes to patient wristbands, we harness the power of GS1 standards to transform the way people work and live.

www.gs1uk.org



About Enterprise Nation

Enterprise Nation is the UK's leading small business network and business support provider delivering support to more than 50,000 small businesses every month. Its aim is to help people turn their good ideas into great businesses – through expert advice (including a comprehensive resources library), events, acceleration support and networking. The company also delivers corporate and government backed business support programmes including the Amazon Small Business Accelerator and the government's Restart programme, supporting unemployed people to become their own boss.

Enterprise Nation's small business active membership has grown by 41 per cent in 2021. It now has more than 120,000 members and subscribers, ten per cent of which are professional advisers from a range of sectors offering strategic support to small firms. The adviser platform sees hundreds of connections every week with small firms reaching out for advice.

Enterprise Nation was founded in 2005 by British entrepreneur Emma Jones CBE, also co-founder of national enterprise campaign StartUp Britain. She is author of best-selling business books including Spare Room Startup, Working 5 to 9, Go Global, Start a Business for £99 and the StartUp Kit. She is a frequently called-on and regular media commentator on a range of issues which affect the UK's growing number of SMEs. In 2018 FTSE 100 entrepreneur and HomeServe founder Richard Harpin invested in Enterprise Nation with the aim of creating a 'more entrepreneurial Britain'.

www.enterprisenation.com

Delivering the goods: The Global Ambition of the UK's Entrepreneurs

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and Enterprise Nation

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In partnership with

