



FOR IMMEDIATE RELEASE

Contact: Evan Rudowski

+44 (0) 845 222-0202

## **UK Entrepreneurs Show Pessimism**

*Profits and Funding to Remain Difficult, Major Global Survey Finds*

**London, United Kingdom (10th January 2012)** – Britain's entrepreneurs are more pessimistic than their counterparts worldwide about prospects for business growth and fundraising, according to the latest edition of a major survey from the global Entrepreneurs' Organization.

In the UK, only four per cent of entrepreneurs expect the economic climate to improve in the next six months, the survey found, while 63 per cent expect it to deteriorate. Only 33 per cent say they would want to start another business in the UK, according to the survey, which was conducted in November last year.

Globally, more entrepreneurs than not -- 41 per cent versus 38 per cent -- expect the economic climate in their own country to improve. Nearly twice as many -- 63 per cent -- would start another business in their home country, compared with their counterparts in Britain.

"These results illustrate vividly that there remains much to be done to incentivise entrepreneurs to invest in Britain, to build confidence in Britain," said Keiron Sparrowhawk, president of the Entrepreneurs' Organization UK chapter and co-founder of PriceSpective, an international management consulting firm in the biopharmaceutical arena. "Entrepreneurs understand better than anyone how to triumph over long odds, but clearly there are additional steps that need to be taken to ensure that the UK is seen to offer a more favourable environment for business creation and growth."

The negative sentiment expressed in the survey by British entrepreneurs translates into a lower level of economic activity. In comparison with the global average, fewer British entrepreneurs expect to increase full-time headcount (48 per cent versus 66 per cent globally). Fewer saw an increase in net profit over the previous six months (52 per cent versus 62 per cent globally). The gap widens further when projecting forward -- only 59 per cent of British entrepreneurs expect net profits to increase in the six months ahead, versus 74 per cent of their global peers.

Access to funding may be a factor driving this pessimistic outlook. Only 15 per cent of the UK entrepreneurs surveyed said they had increased their debt load in the preceding six months -- less than half the percentage (36 per cent) globally. Although a greater number -- 26 per cent -- expected to increase their debt in the subsequent six-month period, this still lagged the global average of 39 per cent. Only 22 per cent of UK entrepreneurs expected their access to capital to increase in the coming six months, nearly half the global average of 43 per cent who expected an increase.

"These results point the way toward some areas for potential action," Sparrowhawk said. "The government must do more to ensure entrepreneurs' have access to credit and other sources of funding for growth. It has gone some way with the Enterprise Investment Scheme and R&D tax credits, but it could do more to make use of the outstanding entrepreneurial talent that exists in the UK. It can create incentives for job creation and eliminate barriers -- such as excessive regulation -- that make British entrepreneurs reluctant to increase headcount.

"If more is not done," Sparrowhawk warned, "then entrepreneurs will look overseas for opportunities where the environment for entrepreneurship is seen as being more favourable, and the UK will lose out."

The Global Entrepreneur Indicator is a semi-annual survey of the membership of the Entrepreneurs' Organization, a membership-based non-profit with more 8,000 entrepreneurs across 40 countries.

▲

Each of these business owners has successfully founded a business with over US\$1 million in revenue, with an average annual revenue of US\$17.3 million. Collectively, these entrepreneurs employ more than 1.5 million workers and represent more than US\$138 billion in global economic activity

The Global Entrepreneur indicator is presented by the Entrepreneurs' Organization and Standard Chartered Bank.

### About the Entrepreneurs' Organization

**The Entrepreneurs' Organization (EO)** is a dynamic, global network of more than 8,000 business owners in 40 countries. Founded in 1987 by a group of young entrepreneurs, EO is the catalyst that enables entrepreneurs to learn and grow from each other, leading to greater business success and an enriched personal life. Membership in one of EO's 120 chapters is by invitation only; the average member is 41 years old with annual revenues of US\$17.3 million. For more information on the Entrepreneurs' Organization, visit [www.eonetwork.org](http://www.eonetwork.org) or call +44 845 222 0202.

###

The Entrepreneurs' Organization | 500 Montgomery Street, Suite 500 | Alexandria, Virginia, USA 22314