Economist Intelligence Unit

The Economist

US middle market firms and the global marketplace

Should I stay or should I go?

A report from the Economist Intelligence Unit

Sponsored by NATIONAL CENTER FOR THE MIDDLE MARKET

In Collaboration With The Ohio State University FISHER COLLEGE OF BUSINESS, GE Capital

Contents

About the report

US middle market firms and the global marketplace: should I stay or should I go? is an Economist Intelligence Unit report, sponsored by the National Center for the Middle Market, a collaboration between The Ohio State University's Fisher College of Business and GE Capital.

The Economist Intelligence Unit bears sole responsibility for the content of this report. The findings do not necessarily reflect the views of the sponsor.

The paper draws on two main sources for its research and findings:

- A survey—conducted in September 2012—of 356 executives at US middle market firms—defined in this report as companies with revenue of US$10m-1bn. Fifteen industry sectors are represented, as are 45 states. The latter account collectively for 97% of the US population and GDP.
- A series of in-depth interviews with chief executive officers (CEOs) of middle market companies, listed below.

John Burke, CEO, Trek Bicycle Corp

Tony DiBenedetto, CEO, Tribridge

Bob Duncan, CEO, American Leather

We would like to thank all interviewees and survey respondents for their time and insight.

Executive summary

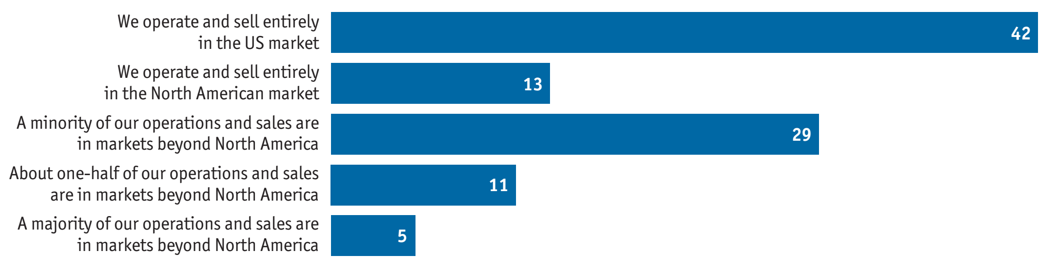
The US middle market is in equal parts ill defined and highly important. This critical segment comprises companies that have grown beyond small businesses, but have yet to become major corporations. Their exact size varies, depending on the source. For example, the National Center for the Middle Market sets the lower and upper revenue limits of middle market firms at US$10m and US$1bn, respectively, a definition this study uses. Deloitte's Growth Enterprise Services, however, defines the segment as companies with revenue ranging from US$50m to US$1bn and others range more widely.

However defined, middle market companies constitute a substantial portion of the US economy. According to the 2007 US Economic Census, they account for 34% of US employment and generate 31% of all the revenue earned by businesses covered in the census.

In September 2012 the Economist Intelligence Unit conducted a survey of 356 senior executives at US middle market companies. The research was sponsored by the National Center for the Middle Market, a collaboration between The Ohio State University's Fisher College of Business and GE Capital. Fifty-five percent of survey respondents sell and operate solely within North America; henceforth, we refer to these as *domestic*. About three-quarters of *domestics*—or 42% of the total number of respondents—are active only in the US. Change here has been slow: a 2007 Economist Intelligence Unit study found that the same proportion of middle market firms was active only in the US that year.[1]

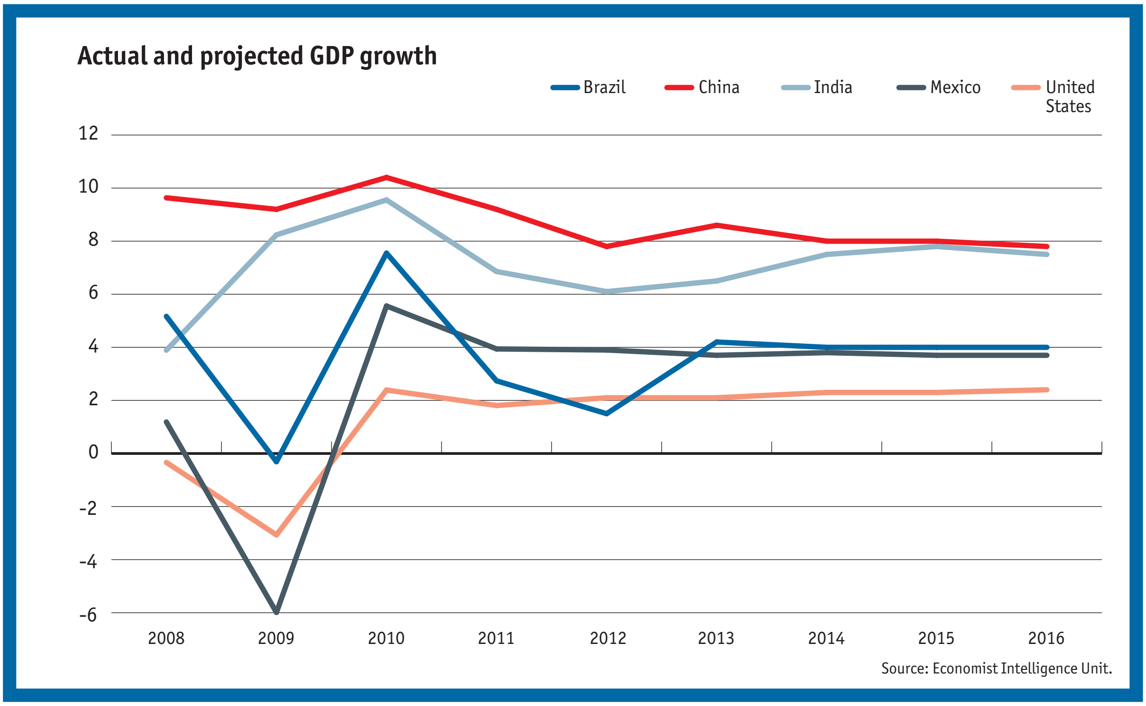
Our current survey reveals that some middle market firms intend to expand their horizons: 15% of all respondents are currently *domestic* but plan to become active beyond North America in the next

Q Which of the following statements best describes your company?
(% respondents)



Source: Economist Intelligence Unit survey, September 2012.

1. *Perspectives from America's economic engine: US middle market outlook 2007*



three years. However, as only 4% are currently expanding overseas, it is unclear whether these intentions will materialise.

Meanwhile, even companies that engage in sales or operations beyond the continent—including everything from simple exports through engaging in manufacturing on foreign shores—still focus primarily on the US market. Sixty-four percent of this segment—henceforth labelled *international*—note that only a minority of their activities are conducted outside of North America, and just 11%—or 5% of all survey respondents—say that a majority are.

With rapid economic globalisation already old news, such ongoing domesticity is surprising. It may also prove to be a disadvantage over time. Growth in major emerging markets has been—and is projected to be—markedly higher than that in the US. As a result, while the US economy is growing, its share of global GDP in real terms is steadily declining—falling from 28.1% a decade ago to a projected 25.5% this year. The Economist Intelligence Unit forecasts that by 2016 it will fall further to 24.8%.

US middle market firms and the global marketplace: should I stay or should I go? explores why some US mid-market companies are keener than others to go abroad. The main findings of the report include the following:

- *International* and *domestic* companies form two distinct groups, with surprisingly few of the latter internationalising.
- *International* businesses believe that expansion beyond North America is more than a simple opportunity: it is a strategic necessity driven by globalisation. Accordingly, they have expanded overseas in search of long-term growth rather than immediate profits. *Domestic* firms consider overseas expansion a potentially dangerous distraction, but often spend too little time examining the issue in depth.
- As *domestic* companies benchmark themselves on financial performance as highly as *international* firms, many of the former are not currently facing economic pressure to consider potential benefits of international growth.
- *Domestic* companies tend to be smaller and privately held. They also face less competition from foreign companies and tend to grow in the home market before expanding internationally.
- For *domestic* companies, contending with foreign competition in their home market has

been a key driver of internationalisation. Firms less affected by the outside world seem more capable of, or content to, ignore it. However, proceeding under the assumption that such foreign competition will remain muted is a substantial risk.

- *International* companies are finding success abroad through a combination of long-term planning, understanding local markets, hard work and patience. As economic power shifts towards emerging markets, *international* companies are exhibiting less interest in investing in major European states and more interest in Latin American nations. ■

1 *International* and *domestic* mid-market firms: attitude is everything

> “If you could shrink the world to 100 people, only five would be from the US. In the future, economies in the rest of the world will become more important. That is the main reason we focus internationally”
>
> John Burke, CEO, Trek

One striking survey finding is that *domestic* companies are not *international* firms in waiting. Seventy-three percent of *domestic* firms do not intend to expand beyond North America in the next three years and only 7% are currently engaged in such activities. *International* firms, though, almost invariably seek to become more so: 64% are executing plans to grow beyond North America and nearly all (94%) intend to expand in the next three years.

Unsurprisingly, smaller firms are more likely to be *domestic* and privately owned. For example, 65% of those earning less than US$50m annually operate entirely within North America, compared with 43% of those earning more than US$500m per year. The survey data indicate a significant correlation between lower annual revenue, fewer employees and a corporate structure involving private, unincorporated businesses or family-owned, private corporations. Similarly, higher revenue and employment levels tend to go together within publically held companies, and these are more *international*.

One should not, however, overestimate the impact of size. The only revenue band for which a majority of firms are *international* is those earning more than US$500m and, as noted above, 43% of these firms remain *domestic*. Moreover, 34% of those earning over US$500m do not intend to expand beyond North America.

US regional differences play little role in setting apart *domestic* and *international* businesses. The relative proportion of companies in each group in the North-east, Mid-west, South and West is almost identical; regional differences in the proportion planning to expand internationally are also insignificant.

Two distinct philosophies

The greatest differentiator between these segments is not size or ownership structure, but attitude. *International* companies have largely come to believe that global markets represent the future, hence their commitment to further expansion abroad. They are much more likely to say that globalisation will require firms of their size to operate internationally, and long-term growth prospects are by far the greatest driver of their efforts (cited by 77% of *international* respondents). John Burke, CEO of Trek, a manufacturer of bicycles that sells into numerous countries, calls being global “one of our values”. He adds, “If you could shrink the world to 100 people, only five would be from the US. In the future, economies in the rest of the world will become more important. That is the main reason we focus internationally.”

Domestic companies—while facing many of the same market conditions—think differently. Eighty-two percent say that their focus on the home market arises from a strategic choice; only 3% say it results from a failure to consider the opportunities. These businesses see international markets as an expensive, possibly risky, diversion. Fifty-nine percent believe that the costs of

Q “The implication of globalisation is that eventually all businesses our size will need to operate on an international level”
(% respondents)

Figures do not total 100% because “don’t knows” and NA are not listed.
Source: Economist Intelligence Unit survey, September 2012.

expanding abroad would outweigh the benefits. Moreover, roughly twice as many agree as disagree that “expansion into foreign markets would distract us from focusing on the high quality and service levels to customers that underpin our success.”

At the same time, these *domestic* companies maintain that the US market is more than large enough. Tony DiBenedetto, CEO of Tribridge, an information technology (IT) consultancy focused entirely on domestic clients, says, “The US market is vast and the number of companies we want to do business with is pretty large. We see it as such a great opportunity that we don’t want to focus on something that might dilute our chance of being a market leader.” Expansion would dilute senior management focus, he believes, while servicing purely domestic customers lets the team do what it understands well and “gives us greater control over quality. We know how the US market works.” Tribridge has considered international expansion annually for the last few years and, although this may change in future, Mr DiBenedetto is convinced the company is following the right course.

When asked about barriers to global expansion, two *domestic* survey respondents echo Mr DiBenedetto’s assessment: “North America has better opportunities that need to be tapped first,” says one. “We can sell everything in the US,” adds another.

> “The US market is vast and the number of companies we want to do business with is pretty large. We see it as such a great opportunity that we don’t want to focus on something that might dilute our chance of being a market leader”
>
> Tony DiBenedetto, CEO, Tribridge

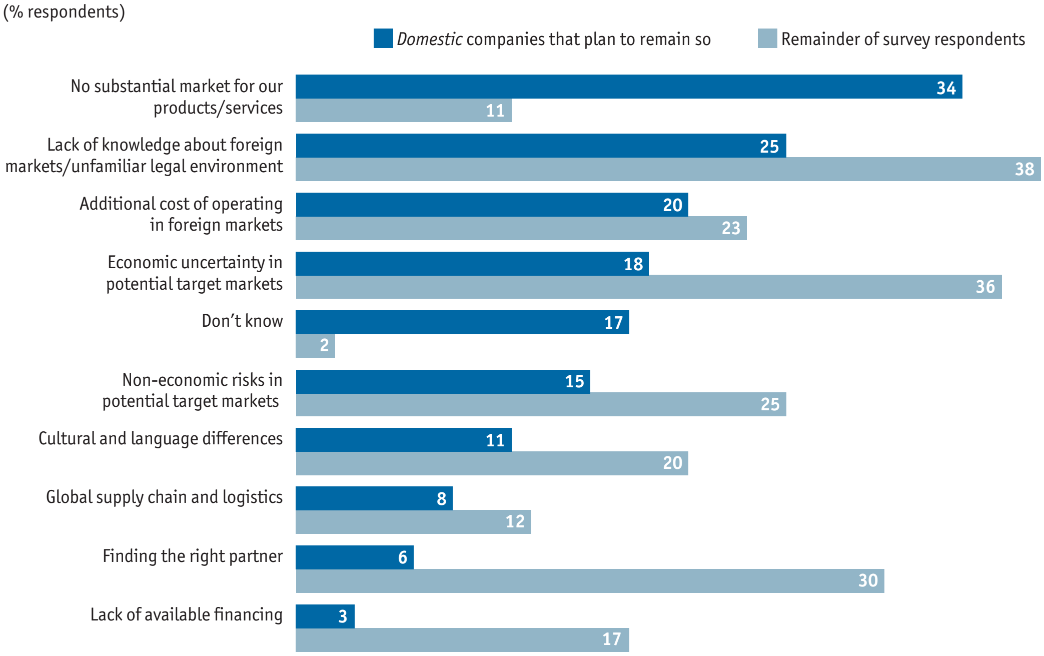
2 Barriers to expansion: focused on the US or ignoring the world?

An exclusive focus on the US market may make strategic sense for some middle market firms, such as Tribridge. Others are kept inherently local in part by intensive regulation and the nature of the industry, such as healthcare provision.

The survey indicates, though, that many *domestic* companies give too little thought to international opportunities. Thirty-four percent of respondents from *domestic* companies that do not intend to expand beyond North America could not say what might lead them to change course. Indeed, only 3% of *domestic* companies review the possibility of expansion regularly and 77% do so rarely or never. For those operating entirely in the US, the figure rises to 88%.

The leading reason given by *domestic* firms that intend to "stay at home" is a conviction that there is no market for their goods or services. The next most common response is a lack of knowledge about foreign markets. Similarly, 17% of *domestic* firms say

Q Perceived barriers to international expansion
(% respondents)



Source: Economist Intelligence Unit survey, September 2012.

they do not know what the barriers to foreign expansion are compared with just 2% of all other respondents. Cost is certainly cited as an issue, yet other tactical elements of going abroad, such as finding the right partner, are well down the list.

That such a large segment of middle market firms holds such a strong—if unexamined—attachment to purely domestic commerce may be unwise. Says Mr DiBenedetto: "A lot of people don't pay attention to markets they are not in on purpose. That is dangerous. If you are a CEO, you must pay attention to these issues even if you decide not to enter these markets." After all, Germany's Mittelstand companies—typically defined as those with revenue of less than €50m annually and fewer than 500 employees—are well known for their international focus. They ship, on average, to 16 different foreign markets.[2]

"A lot of people don't pay attention to markets they are not in on purpose. That is dangerous. If you are a CEO, you must pay attention to these issues even if you decide not to enter these markets"

Tony DiBenedetto, CEO, Tribridge

2. "The Engines of Growth", *Wall Street Journal Europe*, 26 June 2011, http://online.wsj.com/article/SB10001424052748703509104576329643153915516.html.

3 What is different about the US?

Put simply, many middle market firms have yet to experience a pressing need to look beyond the US market. Although *international* companies tend to be larger than *domestic* firms, it does not follow that their overseas activity made them so. An examination of the currently *domestic* companies that plan to become *international* in the next three years points to something quite different.

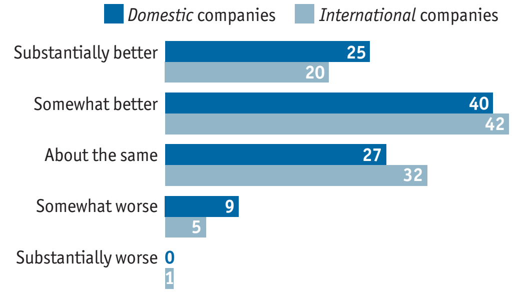
Current annual revenue	*Domestic* and remaining so	Internation-alising	*International*
Less than US$50m	54%	37%	33%
US$50m-200m	26%	31%	33%
Over US$200m	20%	31%	34%

The chart above segments respondents by those that are *domestic* and intend to remain so, those that are currently *domestic* but intend to become *international* and those that are already *international*. It also divides each group by annual revenue. The chart shows that companies shifting towards international markets already reflect the size distribution that one would expect from *international* companies much more than from *domestic* firms. Thus, the link between size and presence beyond North America arises more often from companies growing big and then venturing out than from those with foreign operations outgrowing *domestic* competitors.

Similarly, when benchmarking themselves against peer firms, *international* and *domestic* businesses assess their financial performance almost identically.

Hence, members of both groups are just as likely to perceive themselves as doing well financially and, presumably, to actually be doing so at the moment. On the one hand, this helps explain why some companies that consider foreign expansion might conclude that they can grow just as well by focusing on the US. On the other hand, it has the unfortunate effect of allowing those that give the issue little thought to ignore the longer-term risks of staying *domestic* and opportunities of going abroad. In seeking to explain such behaviour, Mr DiBenedetto says that it does not stem from arrogance but because "they are just so focused on their businesses."

Q Compared with peer companies, how would you rate your company on financial performance?
(% respondents)



Source: Economist Intelligence Unit survey, September 2012.

American Leather: US company on a global journey

American Leather is a Dallas-based producer of high-end furniture with annual revenue of around US$90m. Bob Duncan, CEO, explains that the company was initially reluctant to test foreign waters largely because "the US market is so substantial that you don't have to expand [overseas] to have a significant business. There was always enough opportunity and no need to go to the expense and trouble [of working internationally] when in the US you know the market and know the regulations."

As the company grew, it needed other avenues for expansion. "Portions of the US market were getting close to saturation. 'International' is a place where we can grow our business," says Mr Duncan. He adds that American Leather had also matured and was able to handle the risks of expansion.

Mr Duncan expects that eventually 10–15% of sales (less than 3% currently) will come from abroad: "We don't see it driving the business because the US market is so big, but it is worth the time and money." Immediate returns are not the objective, however. Mr Duncan believes that tapping into foreign markets "has to be viewed as a long-term effort that will not pay immediate dividends".

Mr Duncan conveys three main lessons from American Leather's international experience:

- **Understand the different risks involved.** He recalls how a downturn in Russia rapidly undermined a growing market there in the same way as a peso devaluation wiped out crossborder sales to Mexico, which had shown promise in the 1990s.
- **Have patience.** "We knew that going in," he says, "but it has been re-enforced. You have to be able to make the investment and wait."
- **Devise local strategies.** Because every market is different, "strategically you are going to have a different solution in each one. It may mean you are not able to hit as many markets. It may force you to pick and choose." ■

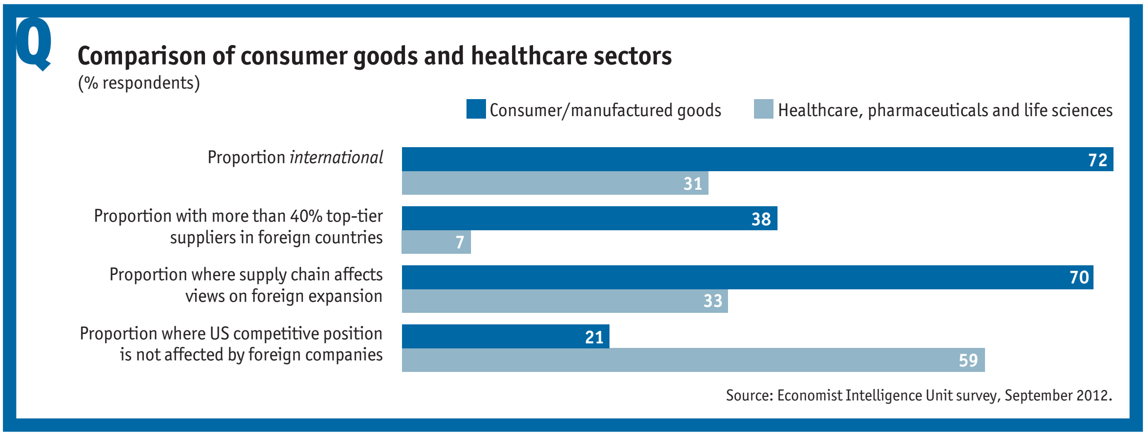
> "Portions of the US market were getting close to saturation. 'International' is a place where we can grow our business"
>
> Bob Duncan, CEO, American Leather

Wake-up calls from foreign companies

A final differentiator of *international* and *domestic* firms is experience. Those domestic firms that face increased competition because of foreign companies entering their market are more likely to go abroad themselves. Of companies that have experienced no impact from foreign competitors in the US market, 76% currently sell only in North America and 69% have no intention of expanding beyond. Mr DiBenedetto notes that the vast majority of Tribridge's competitors are other domestic companies, but "it would have an impact if they [foreign competitors] came in. That really would change our thinking." For *domestic* companies that are internationalising, such competition is commonplace. Only 19% say it has had no impact on them, compared with 52% of domestic companies that do not intend to expand. This helps explain why smaller firms are more often *domestic*. Once companies reach a certain size, they are more likely to come into contact with competitors from other countries, which prompts them to think more about overseas expansion.

Industry data support the idea that internationalisation and the presence of foreign competitors in the US market go together. Consumer and manufacturing goods companies are much more likely to be *international* and to report that foreign competitors have had an important effect on the domestic market. Healthcare companies, which are part of a more regulated, protected industry, report the opposite.

Levels of competition, however, are never static. Although many *domestic* companies are not facing intense competition from abroad, businesses in other countries are exploring new business models



that could present a threat to comfortable local niches. Some healthcare provision, such as emergency treatment, is inherently local. Other services, such as radiological ones, are now routinely sourced overseas, and large Indian hospital firms have already expanded well beyond their national boundaries. Even if a local focus makes sense now, conditions can change quickly and must be regularly reviewed. ■

4 *International* firms take the long road to foreign growth

> “The most important thing we have done [in preparing to enter countries] is getting our boots on and visiting the market. The second is spending the time to make sure we hire the right people in the market”
>
> John Burke, Trek

Whether going abroad because of competition or by choice, *international* companies report positive results from their efforts outside North America: 57% say that sales have met or exceeded expectations and a further 24% believe that, though below expectations, revenue has been substantial. Only 13% say they have not met expectations.

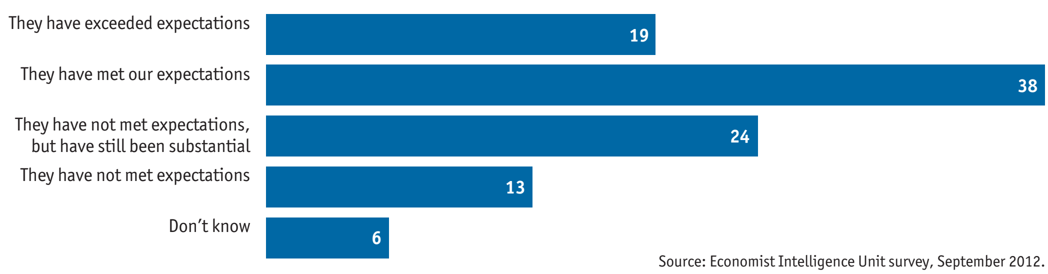
International activity often helps the business in other ways: 41% of respondents say it has made them better competitors domestically, compared with just 14% who disagree. Mr Burke cites as an example research and development costs on high-end road bikes: “If I bring out that product just in the US, I can leverage the cost over only x number of units. But if I’m selling that product globally, I can leverage over global markets.” Given the need to focus on the distinct wishes of customers in different countries, such savings are not always possible. Mr Burke adds, “In an international market you don’t want to focus on what you can’t leverage. That gets complicated.”

The benefits of overseas expansion are driving further international activity. Overall, more than nine in ten *international* businesses plan to expand further and only one of the more than 150 such companies surveyed intends to reduce foreign sales efforts. Mr Burke speaks for many when he says that, although his company has made mistakes, “I have never regretted opening a market.”

The key to success is securing the necessary local knowledge. Mr Burke says, “The most important thing we have done [in preparing to enter countries] is getting our boots on and visiting the market. The second is spending the time to make sure we hire the right people in the market.”

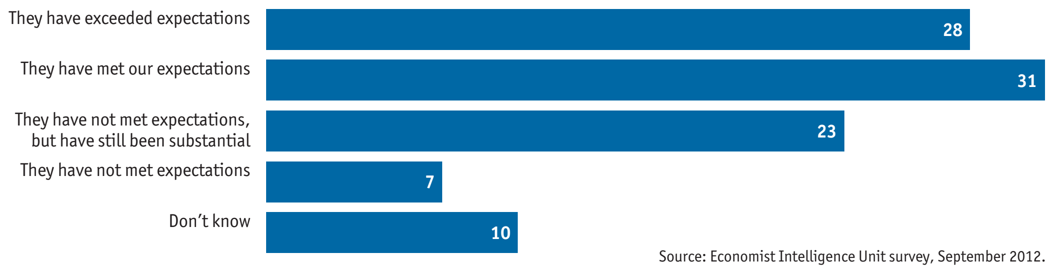
Similarly, for *international* survey respondents, the leading factor contributing to international success is knowledge of—and responsiveness to—market demand (42%). Moreover, after economic uncertainty in some potential target markets

Q To what extent have your sales in foreign markets met your expectations?
(% respondents)



Source: Economist Intelligence Unit survey, September 2012.

Q To what extent have the challenges you faced while operating in foreign markets met your expectations?
(% respondents)



Source: Economist Intelligence Unit survey, September 2012.

(37%), the leading barriers to expansion are lack of knowledge about foreign markets and difficulties in finding the right local partners (33% in each case).

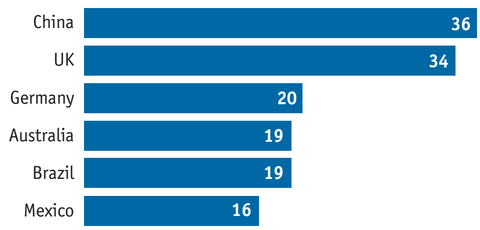
Finding partners and hiring the right people are particularly important because partnerships and direct exports have so far been the leading modes of entry into foreign market for *international* companies. This will likely continue, although as these firms gain experience, they are more likely to be willing to look to investing more equity abroad in joint ventures or even mergers and acquisitions.

On average, even before entering new markets, *international* companies spend one year and three months in preparation. Fifty-nine percent say that the challenges of going abroad have exceeded or met expectations, and a further 23% report that, although below expectations, they have still been substantial. Mr Duncan notes, “You are not going to move the meter in 12 months.”

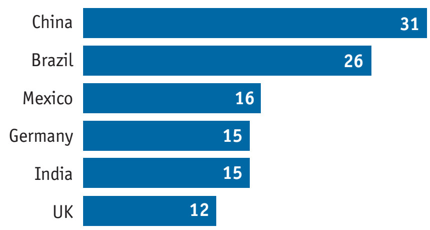
Although *international* companies are not looking for quick returns, they expect that 25% of their growth revenue will come from foreign sources this year and believe this will rise to 30% over the next three years.

China remains the primary country of interest for expansion for *international* firms, but the major emerging markets, in particular Brazil and Mexico, have eclipsed developed-market locations. This is consistent with a long-term vision and worries about the prospects for European economies. China was already the leading destination, but until recently developed markets with easily comprehensible and low-risk business environments, such as the UK, Germany and Australia, were close behind. ■

Q In which markets is your company most active currently outside North America?
(Top 6)
(% respondents)



Into which markets outside North America is your company most likely to expand?
(Top 6)
(% respondents)



Source: Economist Intelligence Unit survey, September 2012.

5 Conclusion: lessons for the middle market

This report identifies important considerations for *domestic* and *international* middle market companies.

- ***Domestic* companies need to periodically revisit the long-term opportunities afforded by foreign markets against the risks of staying at home.** Internationalisation is not a universal recipe for success: for some businesses, retaining a laser focus on serving customers in a large single market can be strategically sound for the moment. Many middle market companies are, however, profiting from going abroad, and there is no reason that more would not.

  Moreover, far too many *domestic* middle market companies have given this matter too little thought. Given the rapid changes in the world economy, a company's international strategy needs to be part of its regular strategic review.

- ***Domestic* companies in particular should avoid complacency.** Many seem to remain *domestic* until confronted by foreign competitors in their own backyard. *Domestic* companies therefore need to decide, at the very least, when foreign market expansion on their own terms—rather than when driven by competitors—makes sense. A US-only strategy needs to be a well-considered choice, not a weakly defended default.

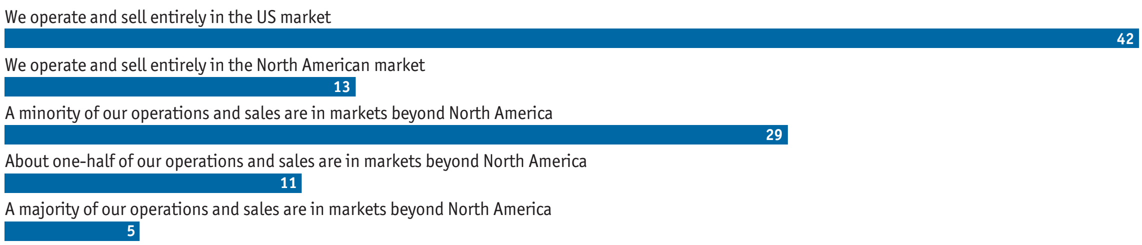
- **For *international* businesses, and those that plan to become so, the factors for success are more operational than strategic.**
  - *Adopt a long-term view*. Not only does it take time to build a presence in any country, but some markets that seem relatively small now have the potential to become huge. Early entry should pay handsome dividends.
  - *Develop a thorough understanding of the needs and preferences of each local market*. The customer is always right: finding out what he or she actually thinks, and acting upon it, is key to success.
  - *Obtain this understanding through every means available, including "hiring it in"*. Companies need to get boots on the ground and to hire experienced local executives who understand their markets. They also should find appropriate partners.
  - *Adjust strategy accordingly*. Knowledge of these markets will help you make key decisions such as selecting the appropriate mode of entry, which will vary by company and by market.
  - *Beware of overreach*. Every market is different. Your company will likely need to pick and choose where you go rather than trying to take on the world at one time.
  - *Do not ignore the domestic market*. US middle market firms are still based in the world's largest economy and need to service customers there while looking overseas. It should not be a zero-sum game. Instead, integrate international operations into the business. International activity can improve domestic operations, but complex planning may be required.

There are no shortcuts. *Domestic* and *international* companies tend to agree that international ventures are inevitably riskier than domestic ones. As *international* companies are finding, however, with that risk can come substantial reward. ■

Appendix: survey results

Percentages may not add to 100% owing to rounding or the ability of respondents to choose multiple responses.

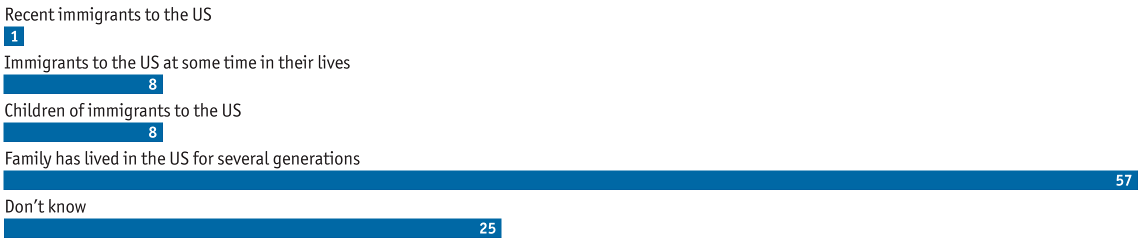
Which of the following statements best describes your company?
(% respondents)



Which of the following ownership structures best describes your company?
(% respondents)

What proportion, if any, of your company is owned by a private equity firm?
(% respondents)

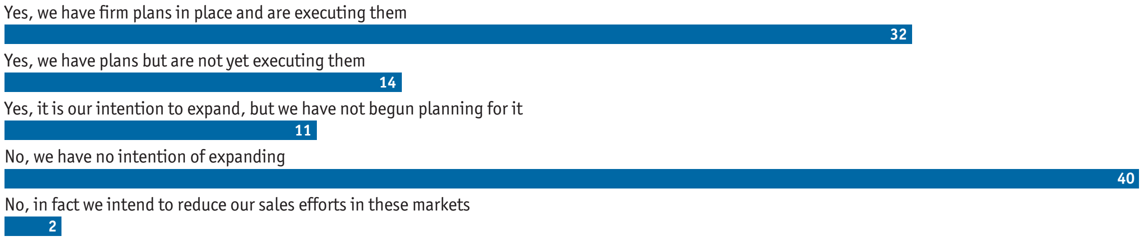
Which of the following best describes the majority of owners/shareholders at your company?
(% respondents)



Please indicate the last time you travelled outside of the US for business.
(% respondents)

Please indicate the last time you travelled outside of the US for leisure.
(% respondents)

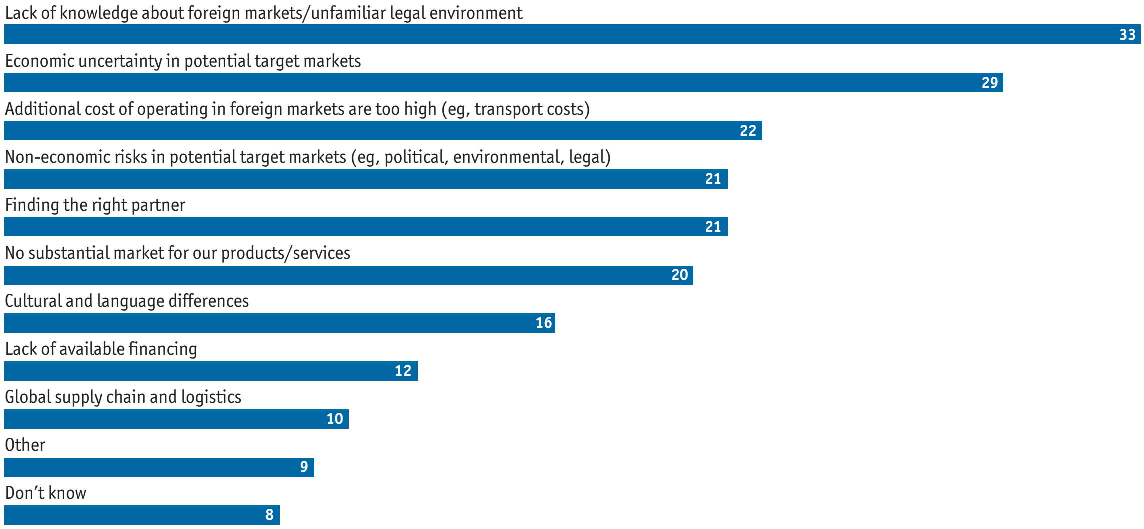
Does your company intend to expand its operations and/or sales efforts in markets beyond North America in the next three years?
(% respondents)



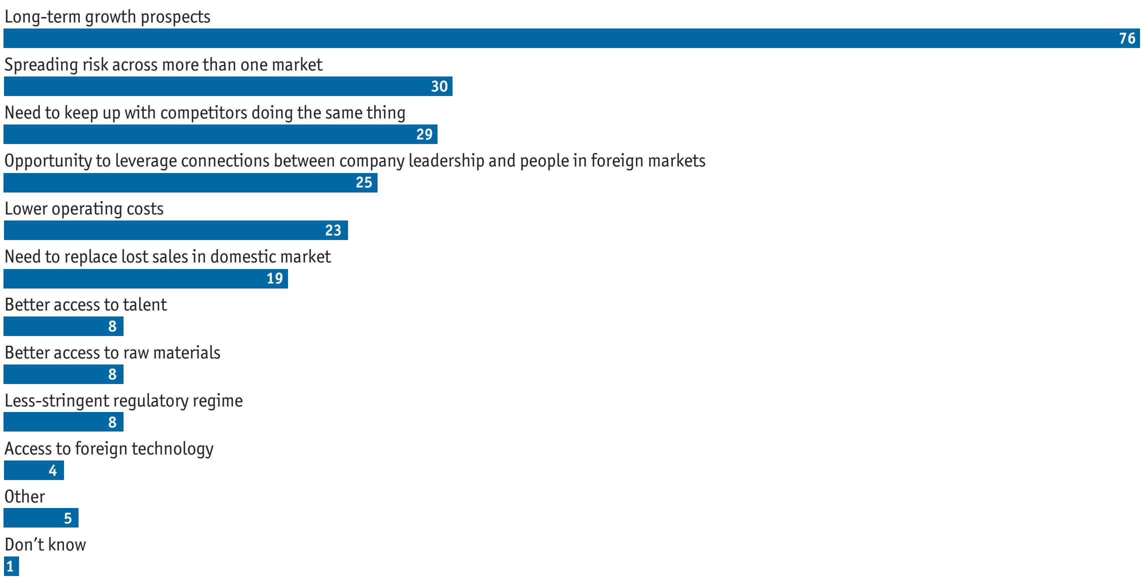
How high a strategic priority is it for your company to expand its operations beyond North America?
(% respondents)

How often do you consider expanding into foreign markets?
(% respondents)

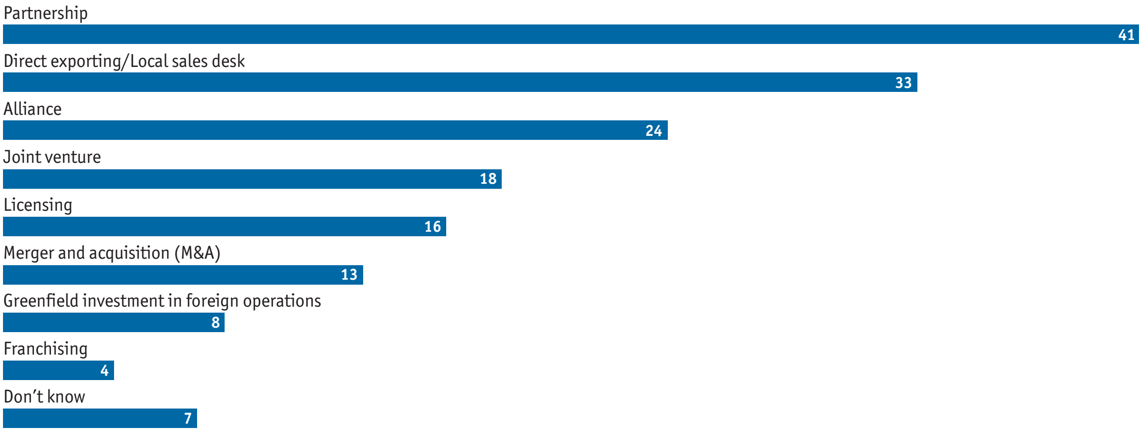
What are the greatest barriers to increased activity by your company in foreign markets?
Please select the top three.
(% respondents)



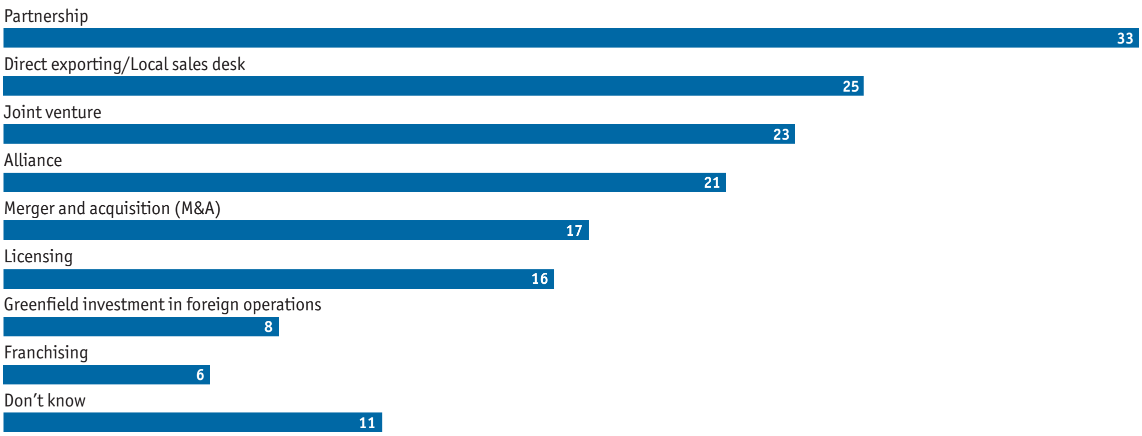
Which have been the greatest drivers for increased activity by your company in foreign markets?
Please select the top three.
(% respondents)



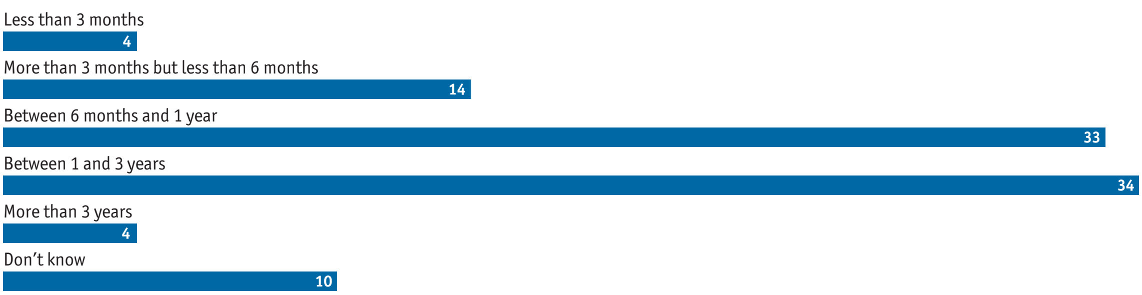
What has been your most common mode of entry into foreign markets?
Please select up to three.
(% respondents)



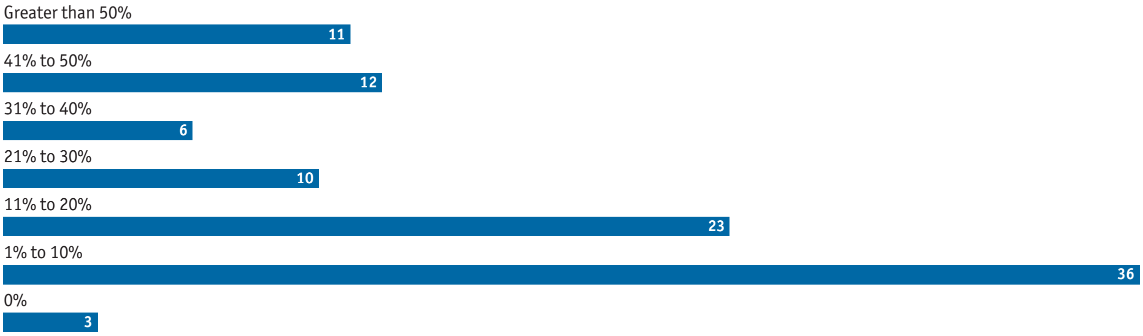
What will your most common mode of entry into foreign markets likely be in future?
Please select up to three.
(% respondents)



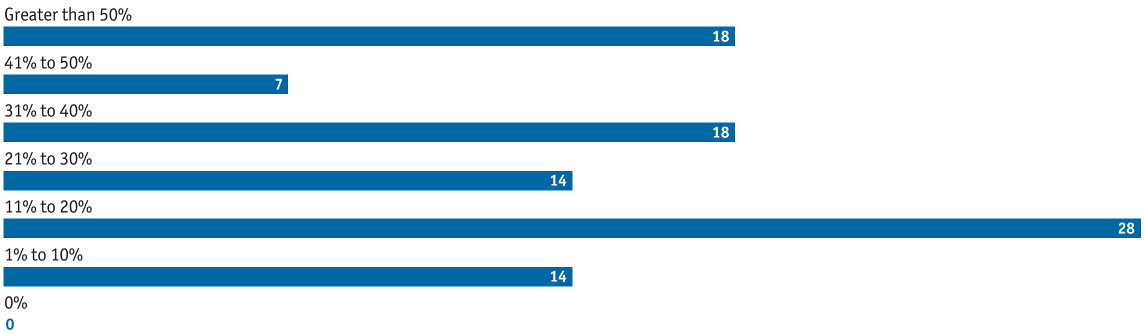
How much time do you typically spend preparing to enter a foreign market, including considering entry and all subsequent related planning?
(% respondents)



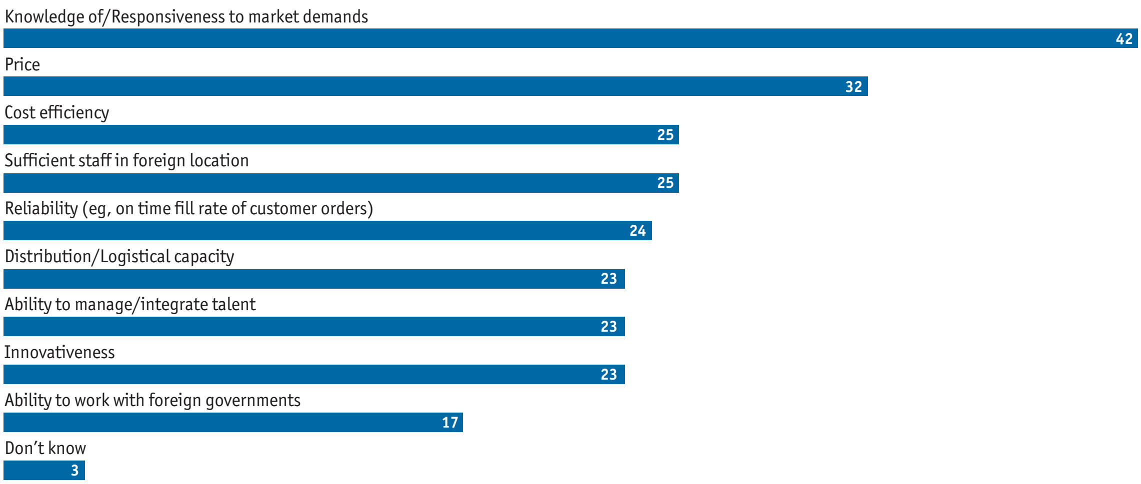
What proportion of your overall sales growth do you expect to come from foreign markets today?
(% respondents)



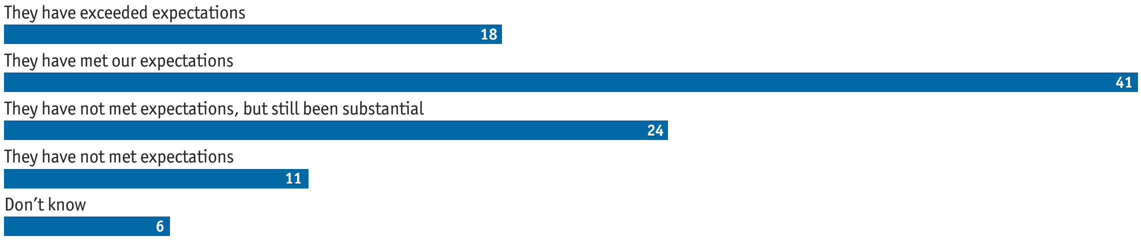
What proportion of your overall sales growth do you expect to come from foreign markets for the next 3 years?
(% respondents)



What are the key factors in your company's success—or lack thereof—in the foreign markets where it operates?
Please select up to three answers.
(% respondents)

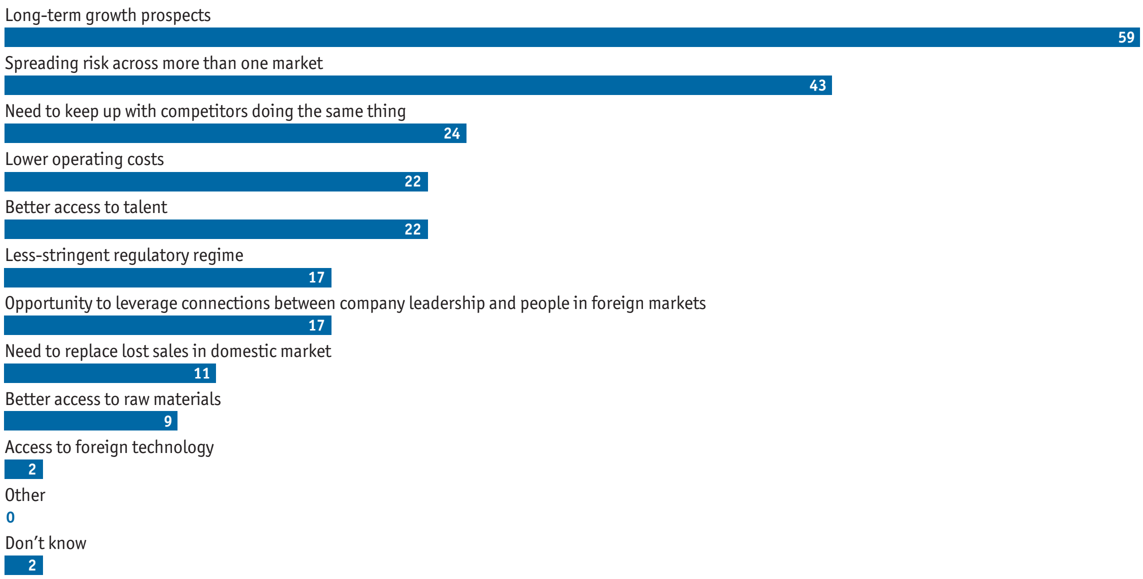


To what extent have your sales in foreign markets met your expectations?
(% respondents)

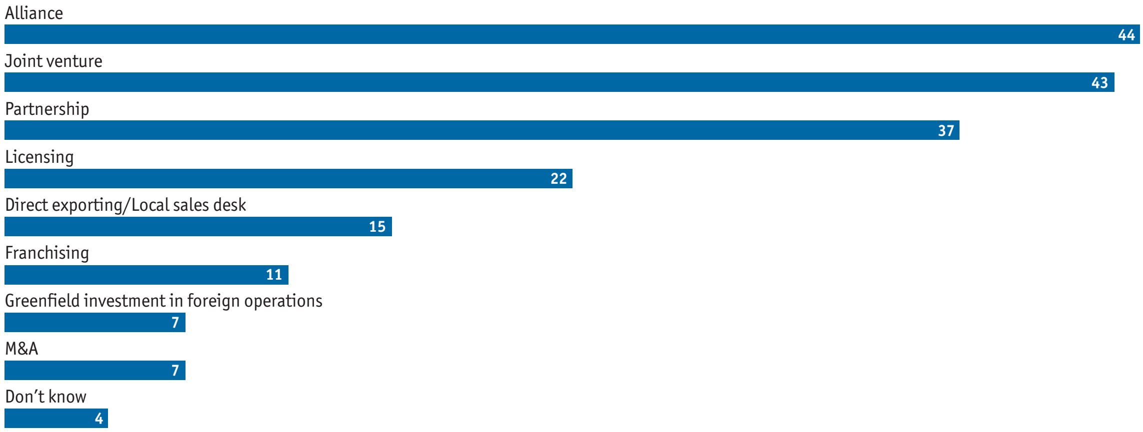


To what extent have the challenges you faced while operating in foreign markets met your expectations?
(% respondents)

Which have been the greatest drivers for your company to plan activity in foreign markets?
Please select the top three.
(% respondents)

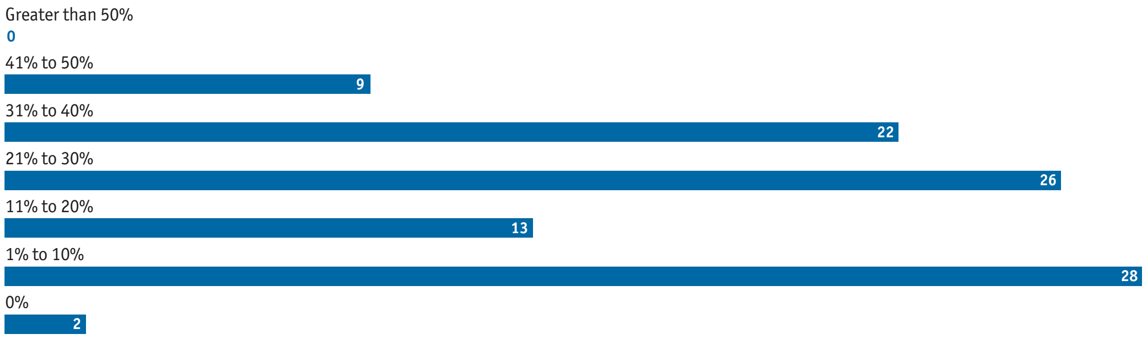


If you were to expand into a foreign market, what would be your preferred mode of entry?
Please select top three.
(% respondents)

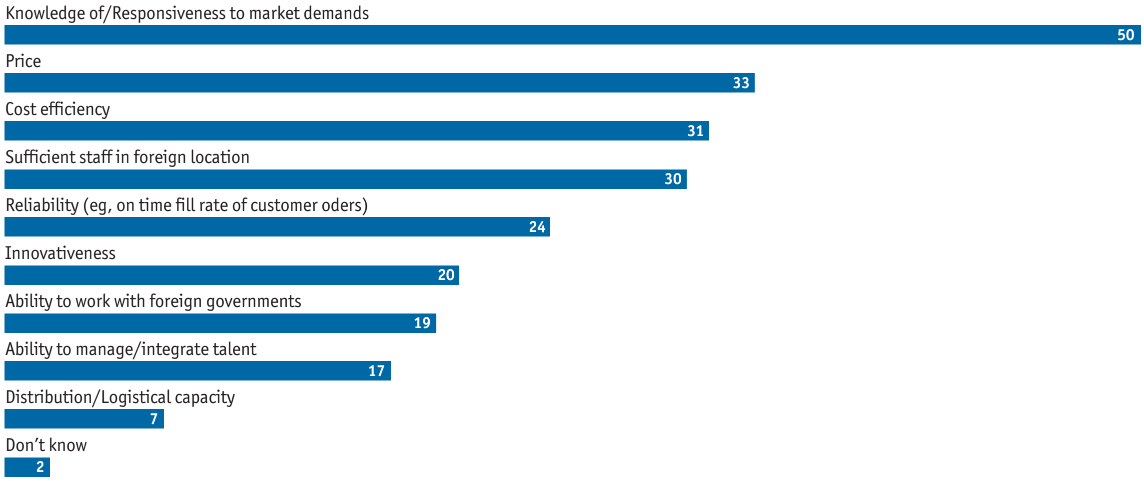


If you were to expand into a foreign market, how much time would you spend preparing for entry, including considering whether to enter and all subsequent related planning?
(% respondents)

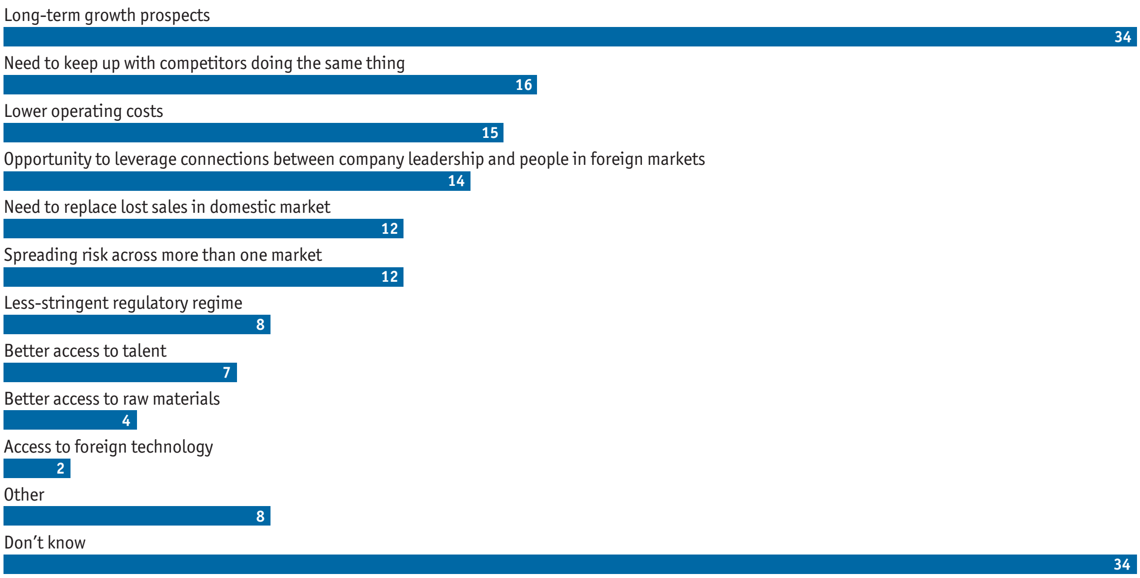
What proportion of your overall sales growth do you expect to come from foreign markets in the next three years?
(% respondents)



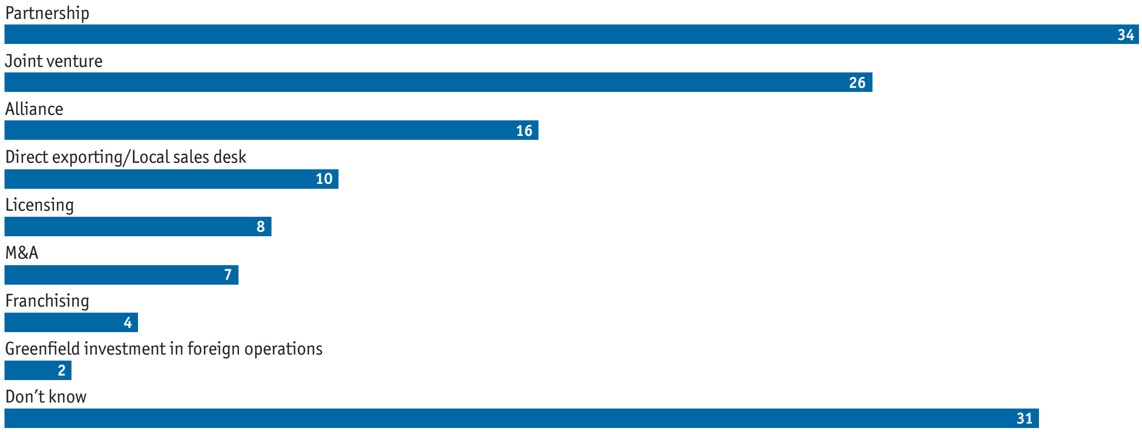
What do you see as the key factors in how successful your company is likely to be in its efforts in foreign markets?
Please select up to three.
(% respondents)



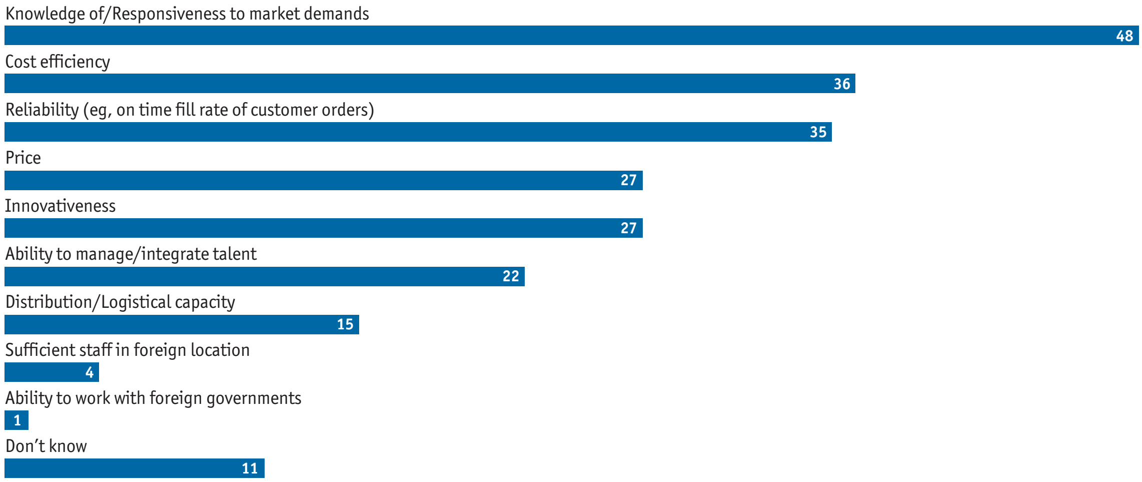
Which of the following drivers would be most likely to convince your company to enter foreign markets?
Please select the top three.
(% respondents)



If you were to expand into a foreign market, what would be your preferred mode of entry?
Please select top three.
(% respondents)

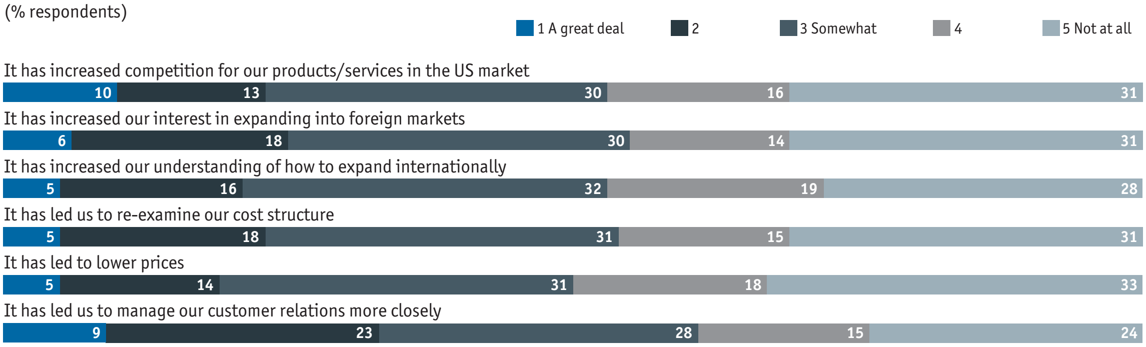


What are the key factors that have determined how successful your company has been in domestic markets?
Please select up to three answers.
(% respondents)

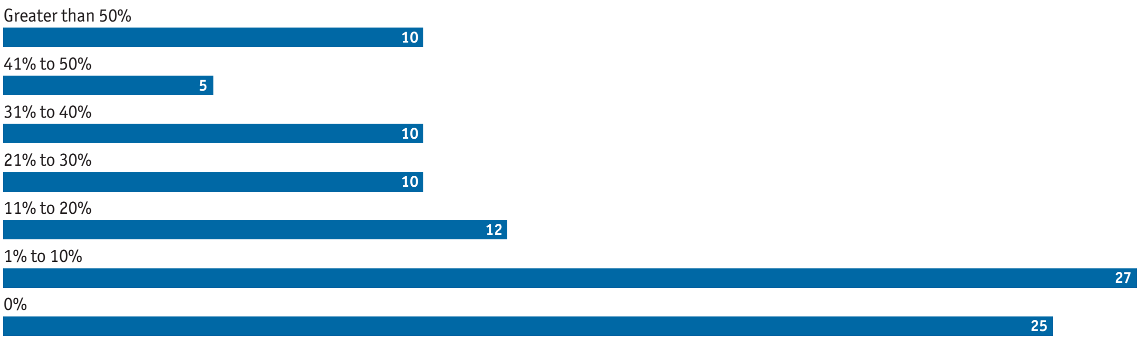


Do you agree or disagree with the following statements?
(% respondents)

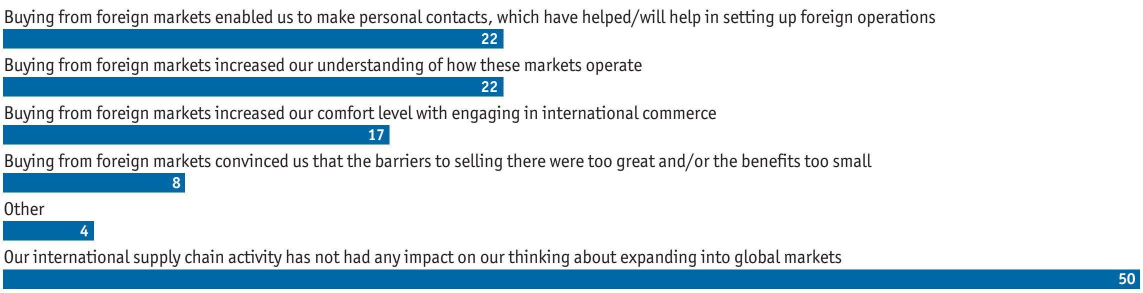
To what extent has competition from companies based in foreign markets affected your business?
Please answer on a scale of 1 to 5, where 1=A great deal, 3=Somewhat, and 5=Not at all.
(% respondents)



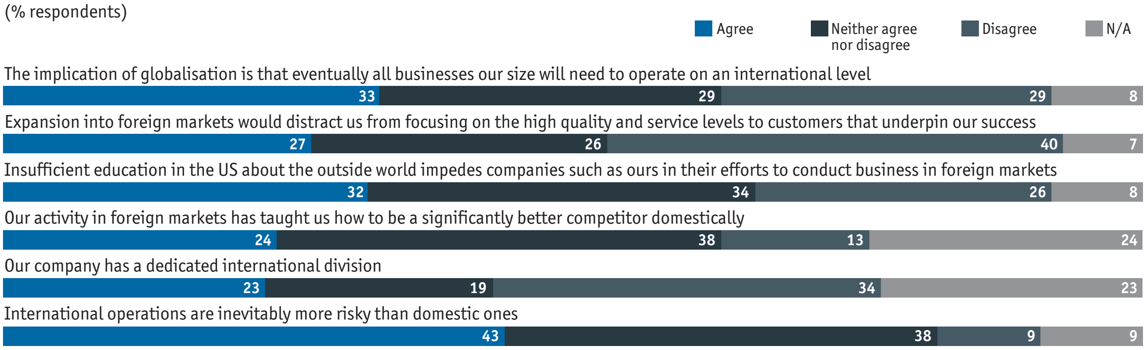
What proportion of your top-tier suppliers is from outside North America?
(% respondents)



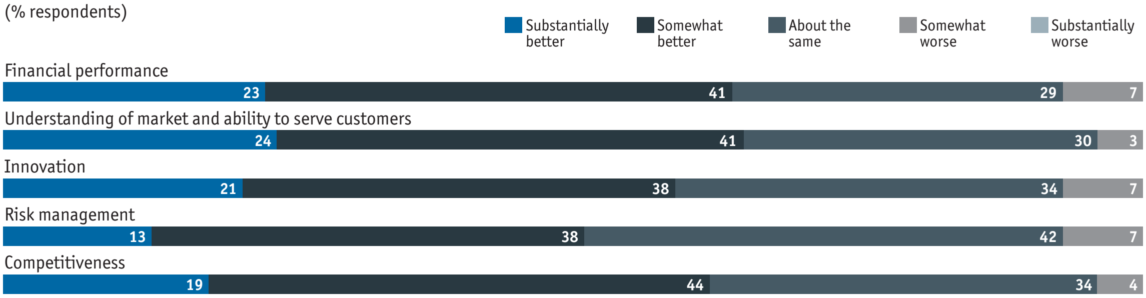
In what ways has an international supply chain affected your company's views on expansion into foreign markets?
Please select all that apply.
(% respondents)



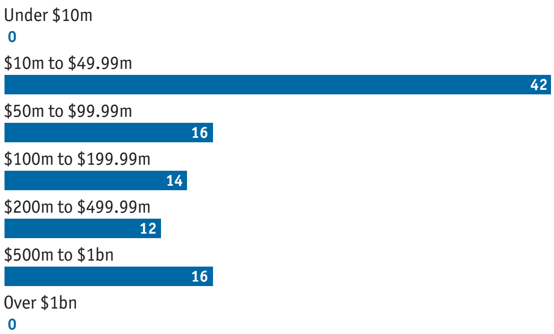
Do you agree or disagree with the following statements?
(% respondents)



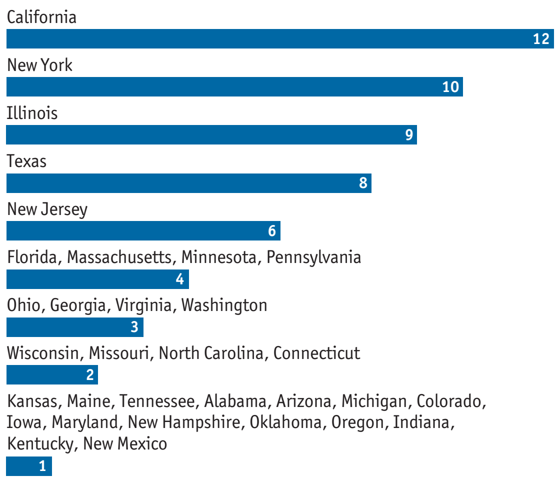
Compared with peer companies, how would you rate your company in the following areas?
Please answer on a scale from Substantially better to Substantially worse.
(% respondents)



What are your organisation's global annual revenues in US dollars?
(% respondents)

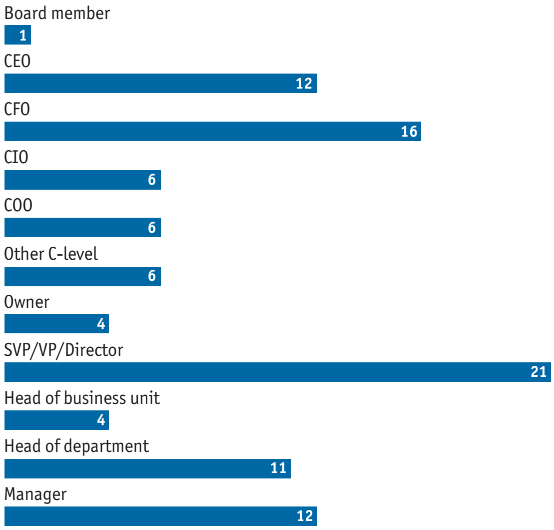


In which country are you personally located?
(% respondents)

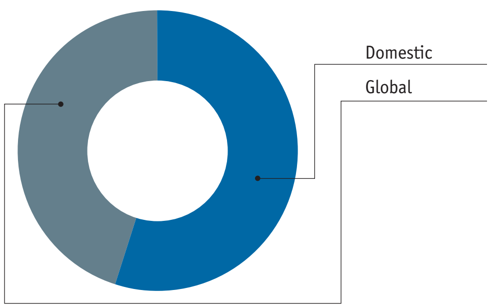


In which region is your company based?
(% respondents)

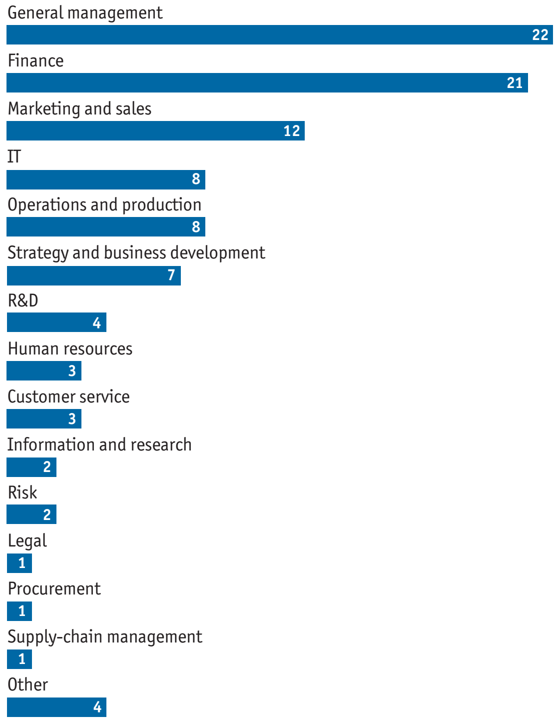
Which of the following best describes your title?
(% respondents)



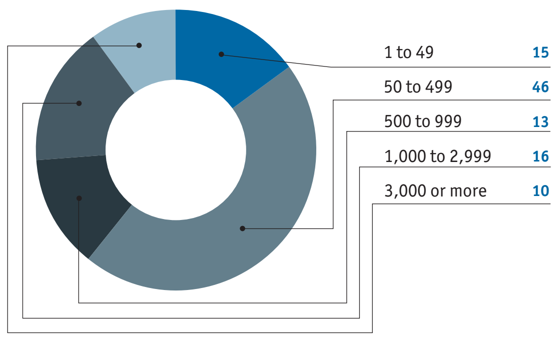
Domestic vs Global
(% respondents)



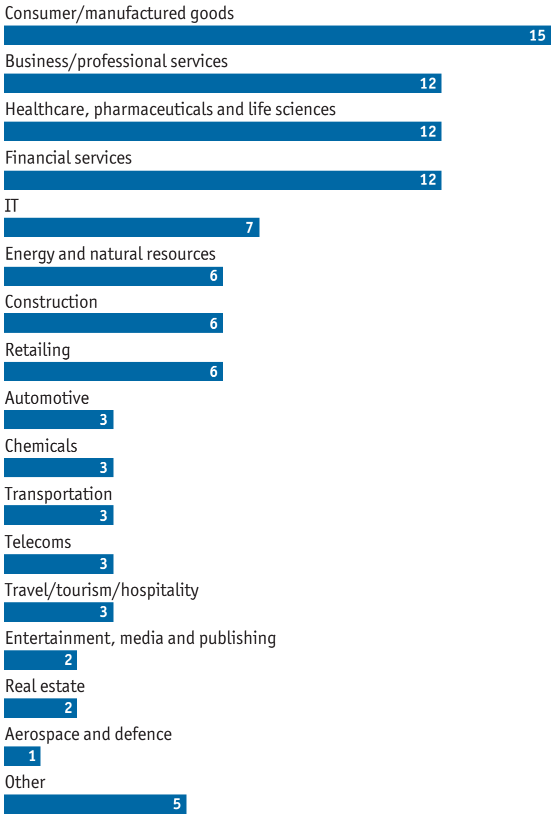
What is your main functional role?
(% respondents)



How many people does your company employ globally?
(% respondents)



In which sector does your company belong?
(% respondents)



Cover: Shutterstock

London
26 Red Lion Square
London
WC1R 4HQ
United Kingdom
Tel: (44.20) 7576 8000
Fax: (44.20) 7576 8476
E-mail: london@eiu.com

New York
750 Third Avenue
5th Floor
New York, NY 10017
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 0248
E-mail: newyork@eiu.com

Hong Kong
6001, Central Plaza
18 Harbour Road
Wanchai
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
E-mail: hongkong@eiu.com

Geneva
Boulevard des
Tranchées 16
1206 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
E-mail: geneva@eiu.com