

Small Business Overview - UK - December 2017

Report Price: £995.00 | \$1321.06 | €1134.00

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“SMEs are not only a highly important aspect of the UK economy, representing more than 49% of all economic activity, but have also outperformed the enterprise sector over the past five years, recording growth of 21% while enterprise growth has been restricted to just 8%.
– Terry Leggett, Senior Industrial Analyst

This report looks at the following areas:

- How important are SMEs to the UK economy?
- Are there major regional differences in the importance of SMEs?
- How does the importance of SMEs alter by industry and business sector?
- How are SMEs performing compared to large enterprises?
- What are the obstacles and opportunities in marketing to SMEs?

Definition

Small and medium-sized enterprises (SMEs) represent 99% of all businesses in the EU. The definition of an SME is important for accessing finance and EU support programmes targeted specifically at these enterprises, and so the EU has defined specific criteria for the sector.

The main factors determining whether an enterprise is an SME are:

- **staff headcount**
- **either turnover or balance sheet total**

Figure 9 Definition of an SME (Number of staff and millions of Euros for turnover or balance sheet)

Company category	Staff headcount	Turnover	Balance sheet total
Micro	<10	2	2
Small	<50	10	10
Medium-sized	<250	50	43

Note: turnover and balance sheet totals are in millions and numbers represent the highest amount allowed Source: EU

These ceilings apply to figures for individual firms only. A firm that is part of a larger group may need to include staff headcount/turnover/balance sheet data from that group too.

In addition to these categories, MBD has included sole trader status, representing businesses with zero or one employee, comprising sole proprietorships and partnerships with only the self-employed owner-manager(s) with no or one employee, and companies comprising an employee director with no or one further employee.

Turnover figures exclude financial and insurance activities, where turnover is not available on a comparable level.

All values quoted in this report are at current prices unless otherwise specified.

Some numbers in tables do not add exactly due to rounding.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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