

Profit Through Research



South East Business Confidence Study May 2009

Executive Summary

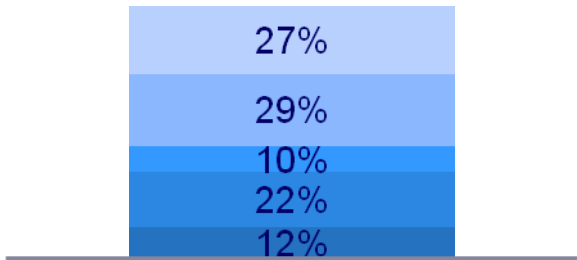
www.marketdynamics.ie

Study Background

- Third iteration of survey – previously May 2008 & October 2009
- 357 respondents completed online survey
- Top 300 companies in South East database and co-operation with Chambers of Commerce, Enterprise Boards etc
- Garmin Sat-Nav draw for participants along with Executive Summary of Results

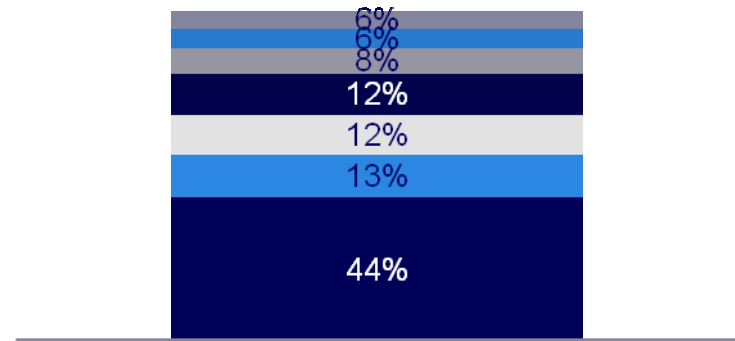
Demographics (1)

- Good spread of businesses across SE region responded in range of industries



Location

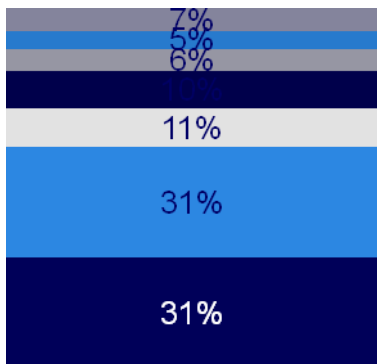
- Carlow (44)
- Kilkenny (78)
- South Tipperary (36)
- Waterford (103)
- Wexford (96)



Industry

- Business Services
- Financial Services
- Manufacturing
- Retail / Wholesale
- Construction
- Hotels / Restaurants
- Other

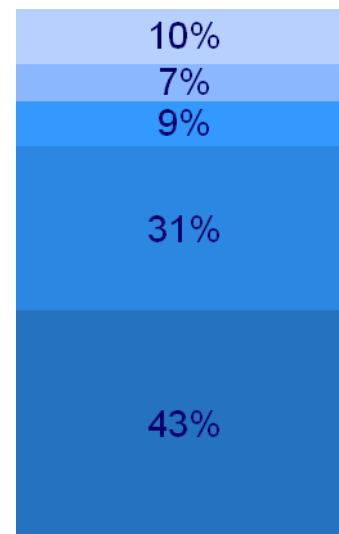
Demographics (2)



Job Function

- MD
- Owner / Proprietor
- Ops Manager / Director
- Sales / Marketing Manager / Director
- Finance Manager/Director
- HR Manager/Director
- Other

- All respondents qualified to speak authoritatively about their businesses
- Survey includes 37 businesses with over 100 employees in South East



No. Of Employees

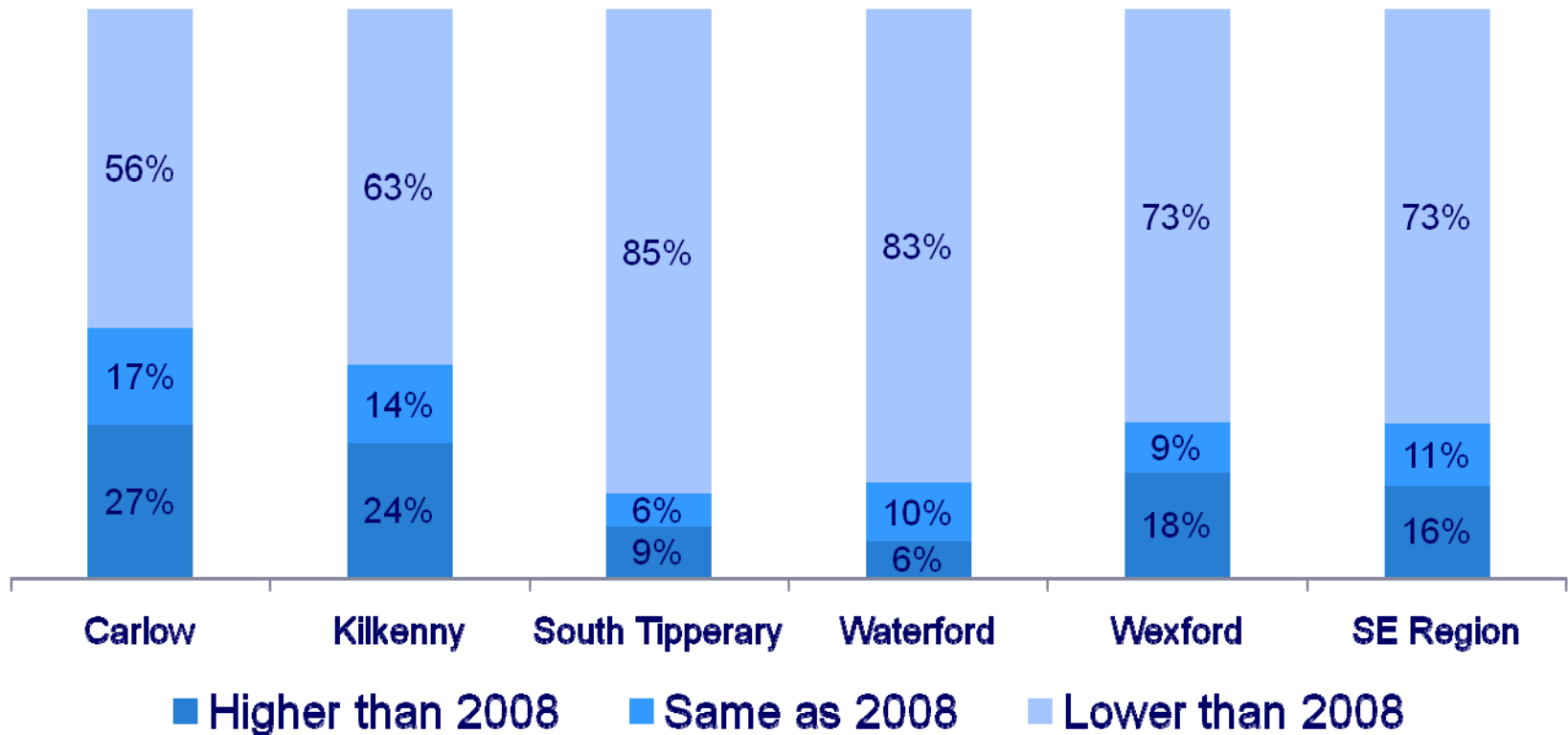
- 1-4
- 5-24
- 25-49
- 50-99
- 100+



Detailed Findings

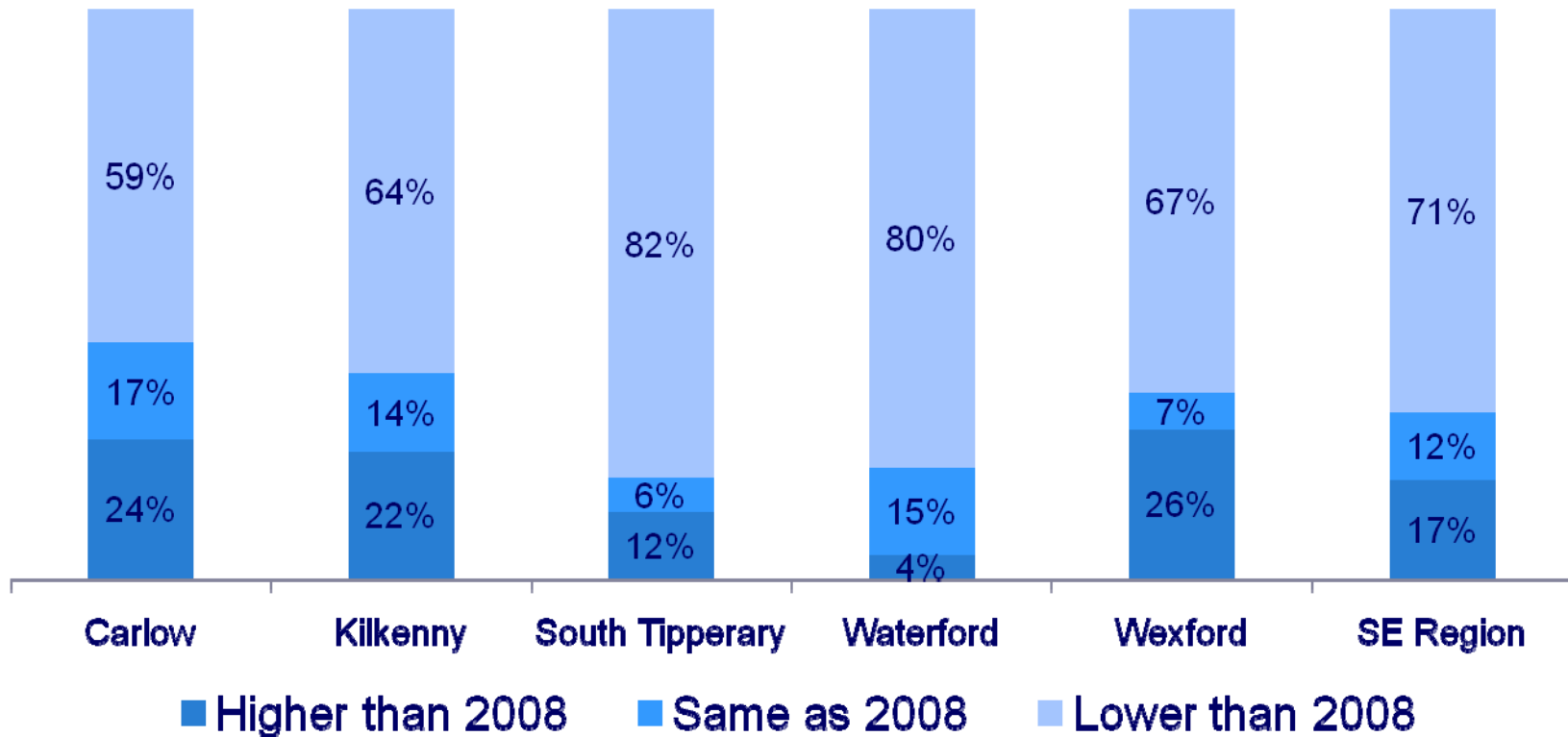
Profit through research

Sales / Turnover 2009 - Expectations



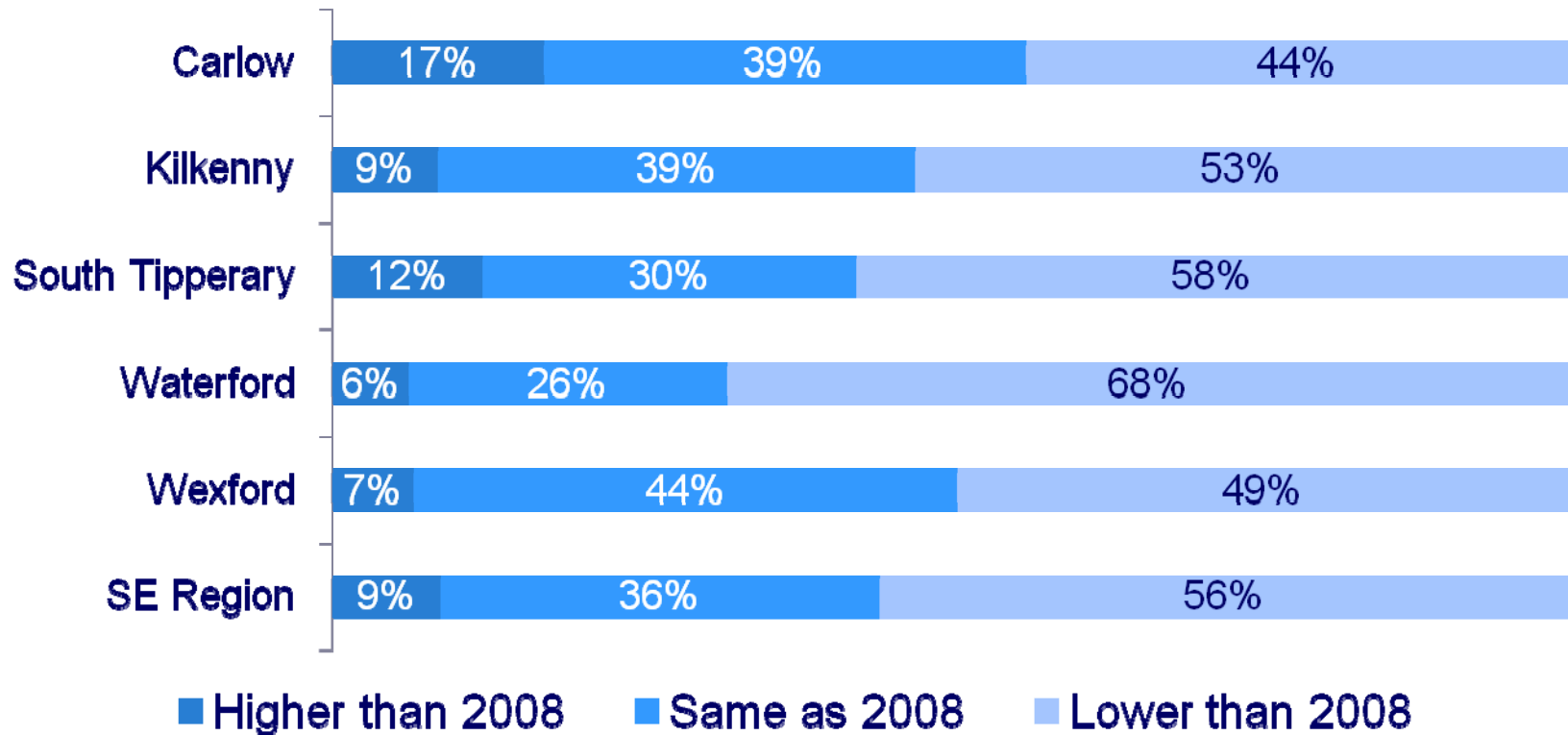
- Majority expect lower sales this year
- Carlow and Kilkenny most optimistic – Waterford and South Tipp most negative

Profitability 2009 - Expectations



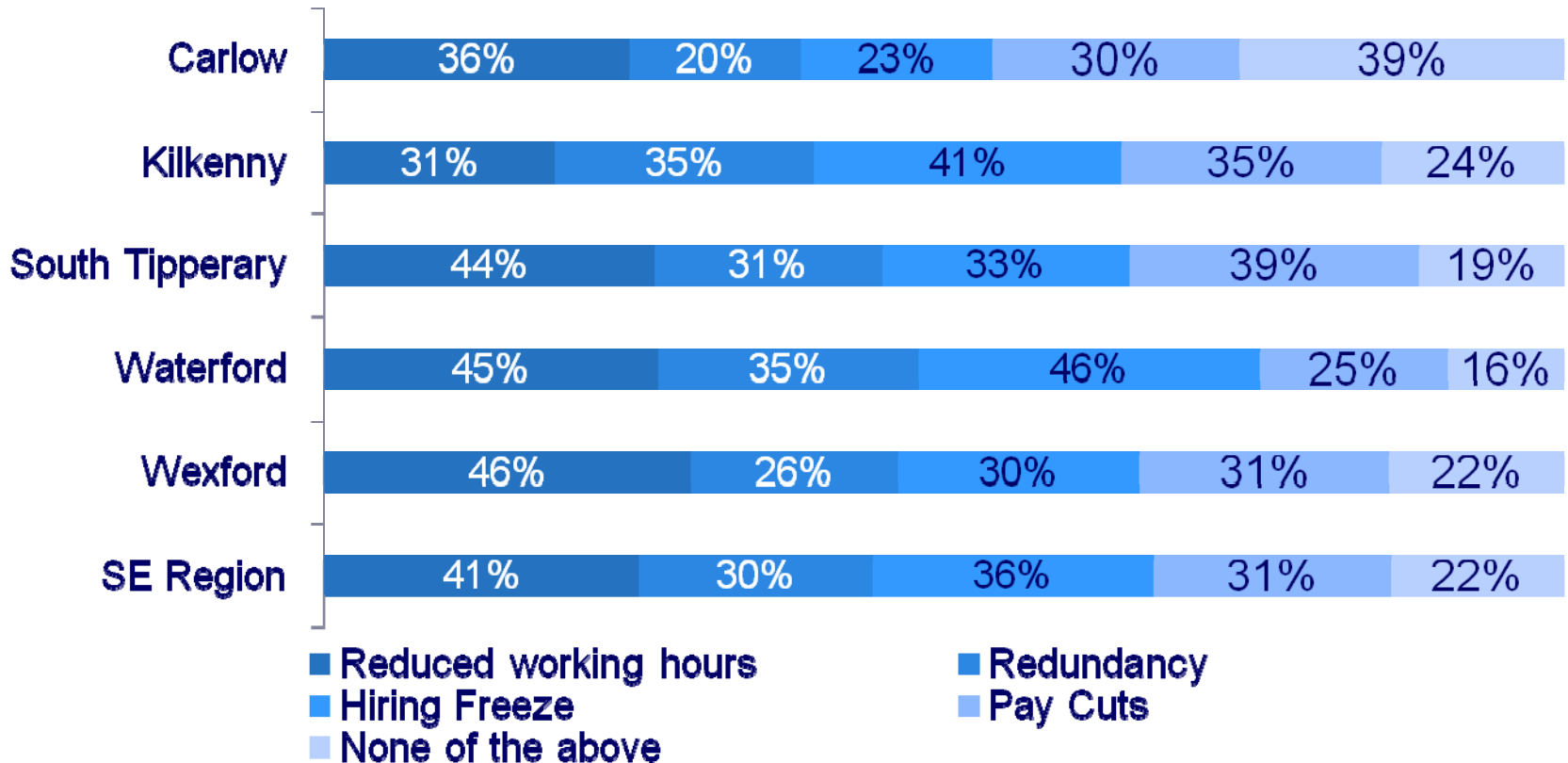
• Profitability expectations track sales / turnover expectations

Workforce 2009 - Expectations



- While 73% expect lower sales just 56% will employ fewer people
- One in three businesses expect to maintain their workforce at the same levels as 2008

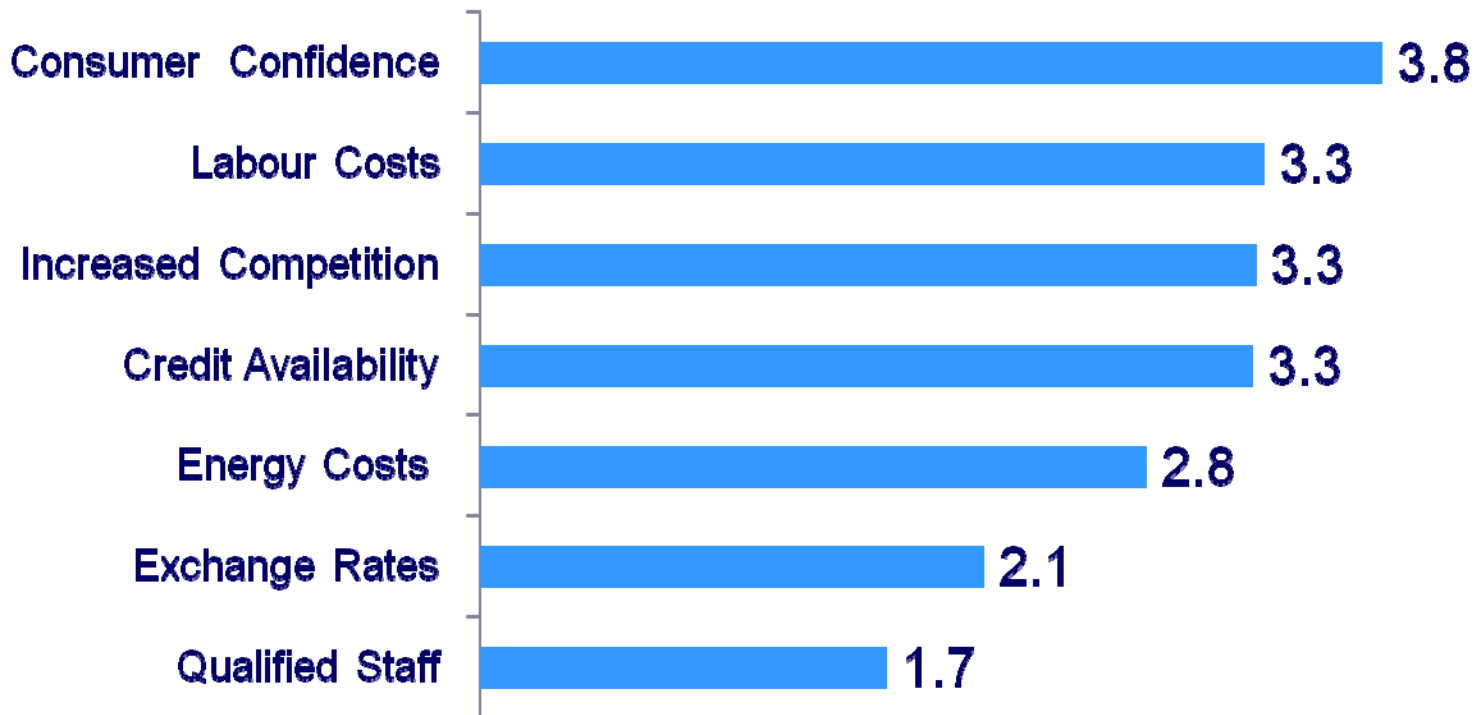
Measures Taken Regarding Employees



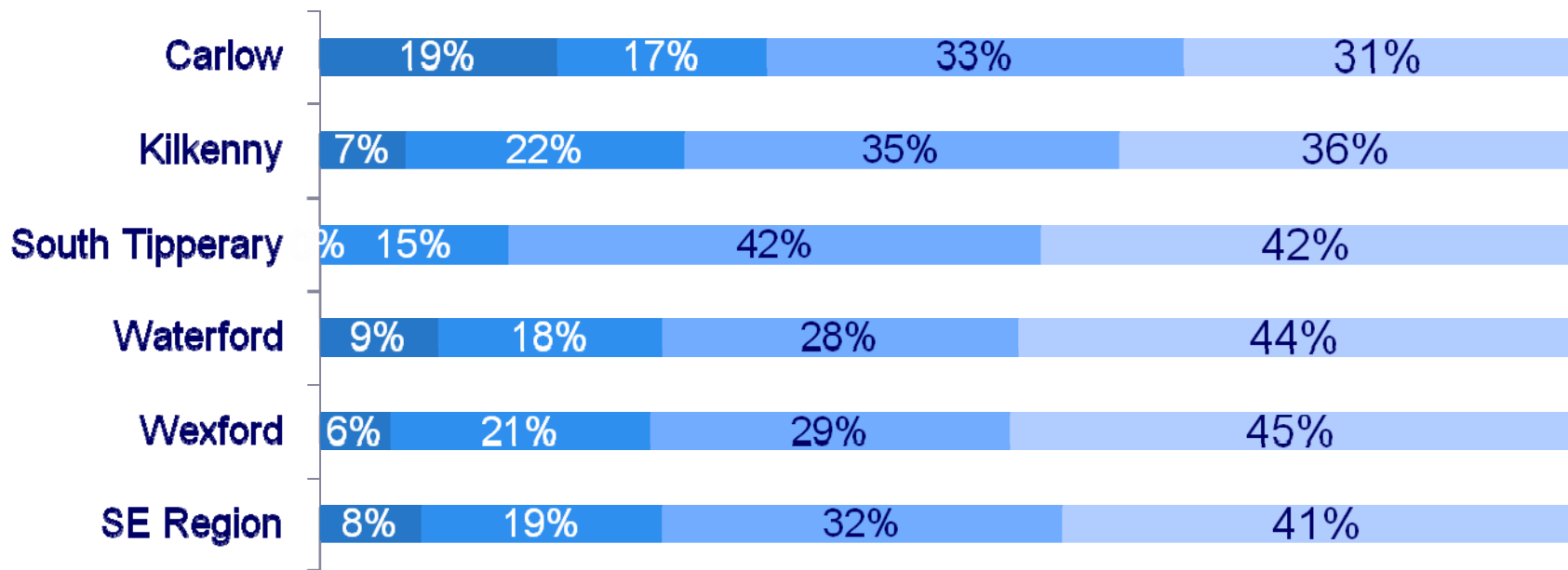
- Carlow has highest proportion who have not introduced any such measures
- Lowest incidence of pay cuts in Waterford

How Big Are Following Challenges (1=low, 5=high)

Mean Score



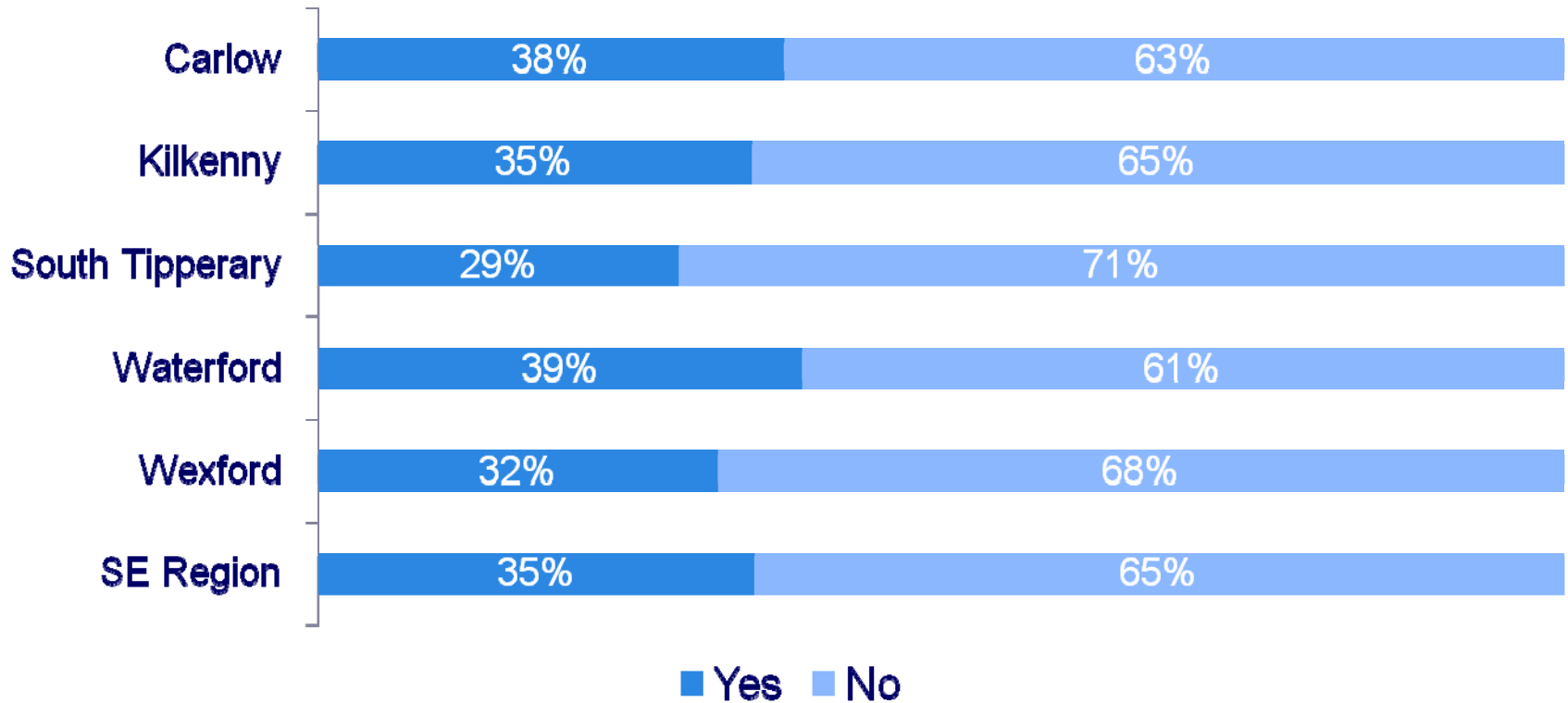
Economic Upturn - Expectations



- Already experienced upturn
- Second half of 2009
- First half 2010
- Later than first half 2010

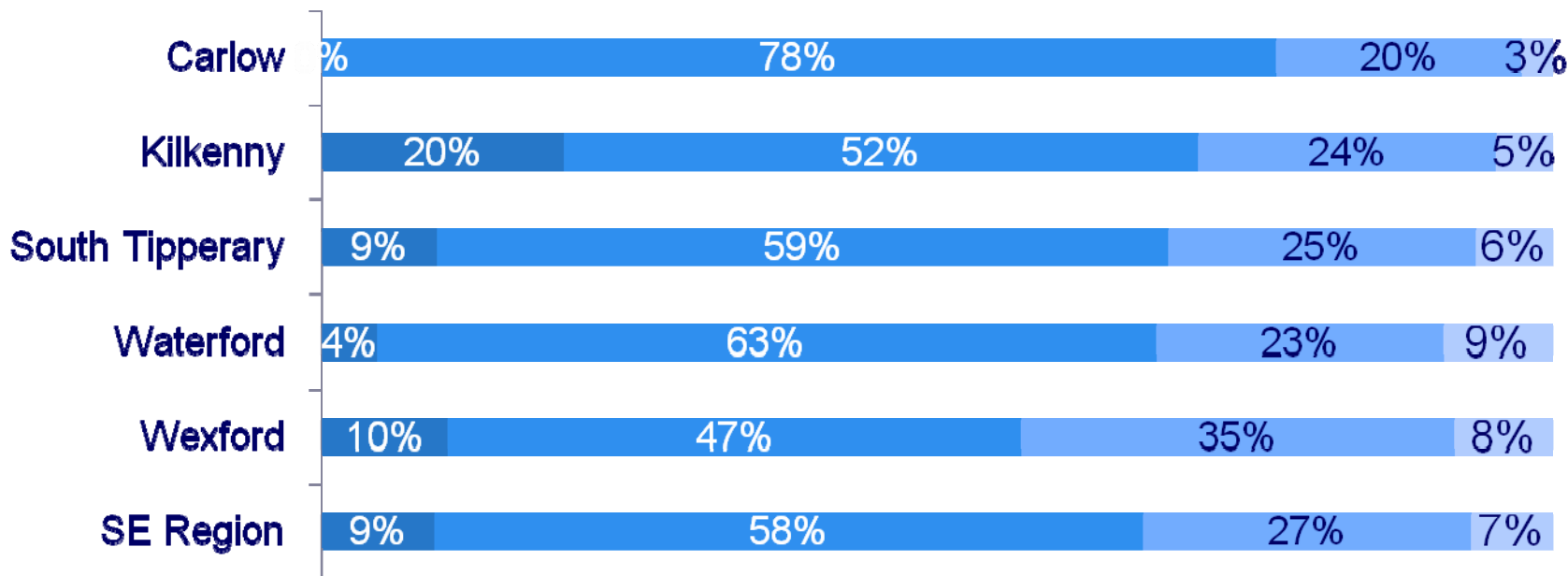
- 41% think the upturn is over a year away
- Carlow respondents by far the most positive

Downturn Had Any Positive Effect on Your Business?



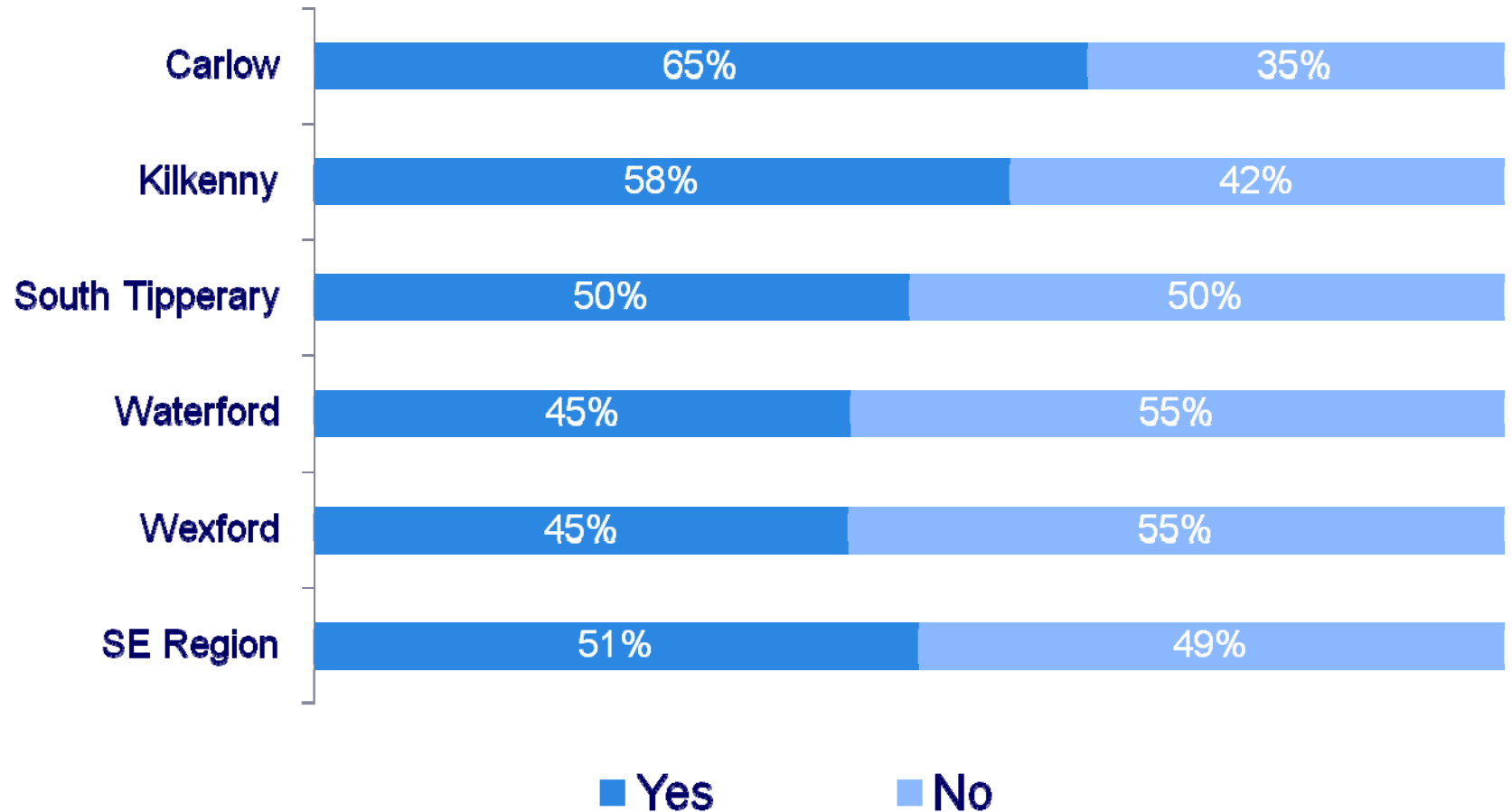
- A third have seen some positive effects

Views on Government Actions to Date



- Have done what they can in the circumstances
- Have lost credibility and change is needed
- Haven't done enough and need to do more
- Other response

Do You Expect an Improvement in Business Levels in the Next 12 Months?



Has Recession Had Any Positive Impact on Your Business? (comments)

- “Forced us to review the business model and look for new ways to market”
- “Examine costs further and more drive to succeed”
- “Hopefully it acts as a reality check for staff in relation to wages”
- “Some prospects will need our services more in their efforts to decide what courses of action to forge ahead with”
- “Competitors are closing down their businesses”

If You Were Taoiseach For A Day – What Would You Do? (comments)

- “Change VAT rate to stimulate growth in the retail sector”
- “Incentivise employers with a PRSI scheme and assist in cash-flow by instructing Revenue to be lenient with SMEs”
- “Make the banks work with their business customers to help them through this difficult period”
- “Nationalise banks, invest in infrastructure, hospitals and schools to generate employment”
- “Reduce waste/inefficiency in public service. Increase rate of spend on infrastructure.
- “Talk to current employers about their issues. Companies are paralyzed by not having been here before”