

SOUTH WEST BUSINESSES BUCKING THE TREND  
NEW SURVEY TAKES THE ECONOMIC TEMPERATURE OF BUSINESSES IN THE REGION

**34% of businesses in the South West say profits are up on previous years**

The South West's reputation as a home for enterprising businesses is confirmed today with the release of new figures which highlight how such companies in the region are bucking the current recessionary trend.

Leading business forum **Beacon South West** surveyed\* more than 60 managing directors of the region's top businesses and found that, rather than suffering at the hands of the continued recession, a third (34 per cent) say this year's profits are actually up on previous years'.

In addition, 17 per cent of managing directors say their businesses are performing well and they are working hard to maintain turnover, and eight per cent consider their business is leaner and more efficient than ever before. One in 10 are faring okay and are hopeful for the future.

**Sue Baker**, project director for Beacon South West, said: "The proof is clearly in the pudding for those South West business leaders who are managing their business' survival by relying on solid entrepreneurial skills. Those interviewed describe how they have taken a proactive and multi-faceted approach to steering their businesses through these uncertain times - they are putting as much effort into innovation and ensuring quality as on looking for reduction in costs."

However, not all South West business leaders are winning through. 14 per cent say trading is difficult and times are tough, and a further one in 20 (four per cent) say trading is so difficult they are in cost-cutting mode.

Business directors were also asked what strategies they are currently employing to improve business. The most popular tactic, for 66 per cent of those polled, is to seek out further efficiencies. Other strategies, in order of preference, are:

- Looking for new avenues to market / improving quality, service and delivery / innovating their products or service (all 58 per cent)
- Renegotiating with suppliers (45 per cent)
- Asking staff to be flexible (in terms of working hours and pay etc) / cutting overheads / seeking out best value in the supply chain (all 37 per cent)
- Building alliances and partnerships with other businesses (32 per cent)
- Growing business outside of the South West (25 per cent)
- Going local and keeping business within the South West (13 per cent)

Sue Baker added: "Beacon South West is all about bringing the region's leading directors together to share their experiences of all aspects of doing business, whether current trading conditions are benevolent or hostile. At a monthly Boardroom meeting we 'take the temperature' of the region's businesses by asking directors to give their views on the current economic environment."

The Beacon South West economic intelligence survey is based on initial anonymous feedback captured at monthly Boardrooms between May and July. This is tracked and compared every quarter. The overriding themes of quarter two's Boardroom intelligence indicated:

- Beacon companies on the whole are performing well and working hard to maintain their turnover and profits. Businesses have consolidated and now operate on a leaner and more efficient basis
- Companies are proactive and have adopted a range of strategies to improve margins - as a result many reported profits up on previous years
- The manufacturing and engineering market remains steady with many businesses reporting growth on previous years
- General and professional services firms are operating in a difficult trading environment
- The picture is mixed in the food and drink sector, with firms at the luxury end finding it harder than retail
- Fluctuating Sterling exchange rates have worked in favour of some sectors

Sue Baker concluded: "As well as sharing experiences and best practice with peers, Beacon Boardrooms encourage peer-group Beacons to develop partnerships and stimulate regional growth by coming together to develop new products. For example, Chalky's Bite beer produced by Sharp's Brewery is the result of a partnership with Rick Stein's Seafood Restaurant and in fact is named after Stein's dog Chalky!"

Only the region's foremost businesses can gain Beacon status. There are currently 220 dynamic, high-growth Beacon-accredited companies, all of which have gone through a rigorous validation process.

Beacon South West is a key business initiative of the South West of England Regional Development Agency (SWRDA) which aims to put the regions' leading businesses at the forefront of economic growth. Beacon Boardrooms offer a unique environment which brings together companies from a diverse range of industries, and with a proven track record of success, to promote good practice, share ideas and exchange experience.

To find out more about Beacon South West, including joining the initiative, visit:  
**[www.beaconsw.org](http://www.beaconsw.org)**

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Note: Beacon surveyed 62 owners and managers from its membership of 220 Beacon company, between 7th and 16th September 2009.

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Beacon South West brings together some of the South West's most forward thinking and ambitious companies to promote success and spearhead the growth of the region. A key business initiative of the South West of England Regional Development Agency, Beacon South West is an award given to those companies who can demonstrate outstanding achievement across a range of criteria, including significant improvements in productivity and performance, profitability, work culture and innovation. Beacon South West members play an important role in cultivating enterprise excellence in the region.  
**<http://www.beaconsw.org>**