



# The art of connecting global business

## International report from BT

The UK has been selected as the most desirable market in Europe, and second in the world, by companies looking to expand their business overseas, according to BT's international report, "The art of connecting global business".

Surveying 1150 business decision makers based in 13 regions around the globe, the report explores the reasons for international expansion, which markets are desirable and why, the effects of being a 'digital first' economy and barriers to expansion.

The report is being launched to mark the opening of the International Festival for Business, one of the biggest business events of 2014, of which BT is an official partner.

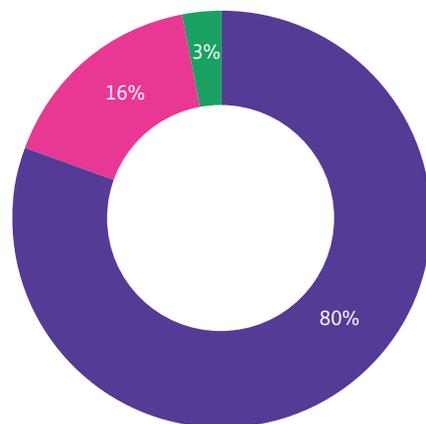
The companies interviewed each employ over 100 staff and are all in the process of, or are considering, international expansion. The regions surveyed are: UK, Benelux, France, Germany, South Africa, Spain, UAE, Brazil, China, Hong Kong, India, Singapore and USA.

### Reasons for international expansion

- An overwhelming majority of business decision makers believe that international expansion is highly essential for the success of their organisation (80 per cent).
- Three quarters of respondents said that growth opportunities are the main reason prompting them to look to expand overseas (75 per cent), while nearly half cited the current global economic climate as a reason for international expansion (44 per cent).

- The survey confirmed that technology plays an important role in the decision making process. 62 per cent of respondents highlighted the quality of IT infrastructure and services, 60 per cent the quality of digital and communications infrastructure and 52 per cent the IT skills of the workforce as being important in decision-making as reasons for international expansion.
- Over half of business decision makers feel the most crucial factor to the successful running of a global organisation is reliable communications amongst all branches/territories (52 per cent).

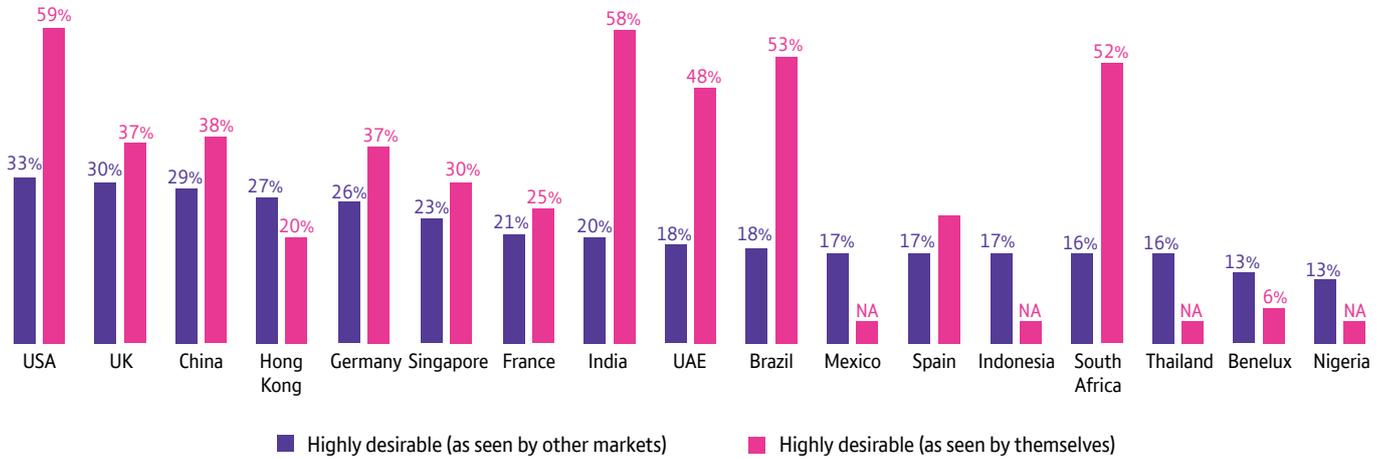
To what extent is expanding into other countries and setting up fully operational subsidiaries an essential requirement for your organisation's success? (BASE: all respondents)



- Highly essential to success
- Essential to some extent
- Not essential to success

## Desirable markets for expansion

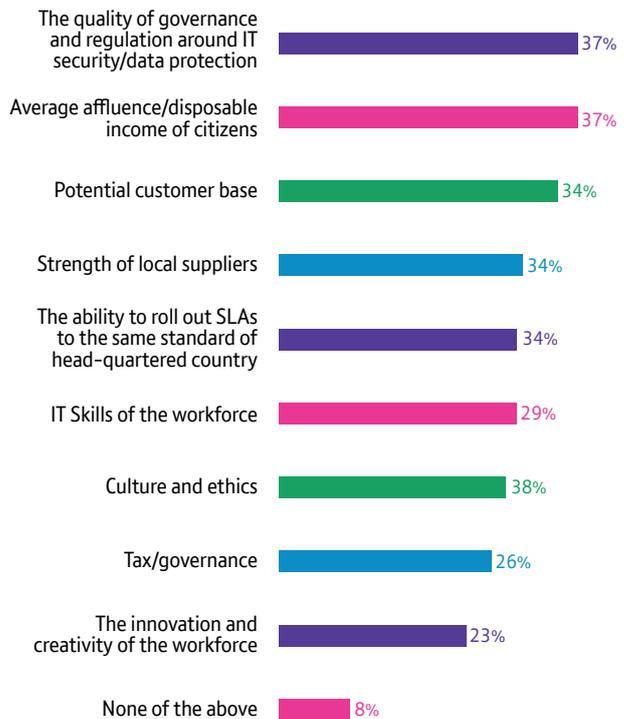
Analysis of those markets seen as highly desirable for expansion, both externally and internally from each of those markets (BASE: all respondents)



- The UK is the most desirable country in Europe, and second in the world, for companies looking to expand their business overseas.
- Business leaders identified the USA (33 per cent), UK (30 per cent), China (29 per cent), Hong Kong (27 per cent) and Germany (26 per cent) as the most highly desirable markets for business expansion.
- The top three countries were ranked highly based on their potential customer base and the average affluence and disposable income of their citizens.
- The UK is also appealing because of its IT security and governance (37 per cent), the USA for the ability to roll out service level agreements to the same standard as an organisation’s headquartered country (34 per cent), and China for the IT skills of its workforce (29 per cent).
- UK firms looking to grow internationally consider the USA (33 per cent), Germany (29 per cent) and China (28 per cent) as the most highly desirable markets to expand into.
- The strongest levels of interest in the UK come from the developing ‘BRICS’ (Brazil, India, China and South Africa) and ‘MINT’ (Mexico, Indonesia, Nigeria, and Turkey) economies. India identifies the UK as the most desirable country for business expansion (51 per cent) while Brazil puts it in second place (34 per cent).
- While the UK is the second most desirable country for business expansion overall (30 per cent), business leaders

within the country have a low view of the UK’s desirability with only 37 per cent believing it to be highly desirable. In comparison, 59 per cent of respondents in the USA stated that their country was highly desirable for business expansion.

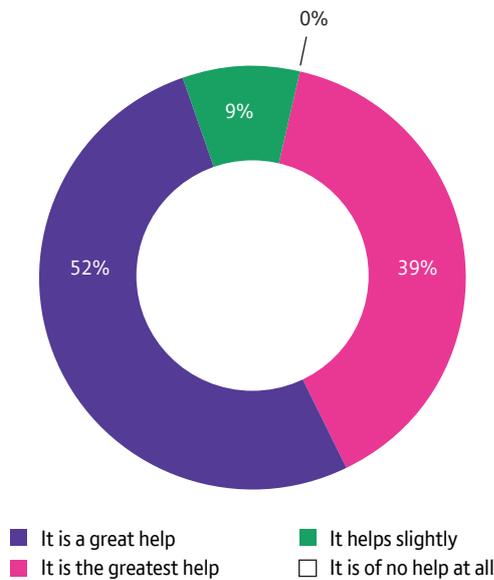
Analysis of the criteria seen as attractive for expansion into the UK – multiple choice (BASE: all respondents)



## Importance of a 'digital-first' economy

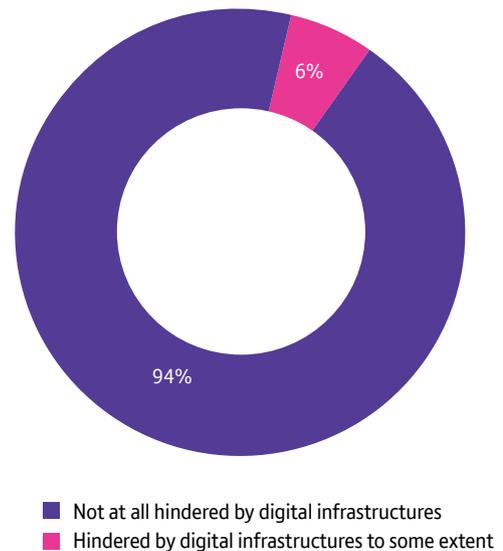
- Significantly, 91 per cent of businesses stated that if a country is a “digital-first” economy then this is a “great help” when expanding into it.
- “Digital-first” economies have a ubiquitous, nationwide, high speed internet connection.

To what extent does being a digital first economy (i.e. having a ubiquitous, nation-wide, high speed internet connection) help foster the sense of being a desirable place in which to do business? (BASE: all respondents)



- Globally, the various barriers to expansion have prevented nearly half of respondents from moving into their desired market (43 per cent). In the UK, the number of businesses unable to move increased to over 50 percent (54 per cent).
- Only 2 per cent of respondents identified a lack of finances as hindering their expansion.

To what extent have the digital infrastructures of your most desired markets hindered any expansion plans into said market? (BASE: all respondents)



## Barriers to expansion

- Government regulations are the biggest challenge faced by organisations expanding internationally (47 per cent), followed by established competition (45 per cent) and the cost of the initial investment (40 per cent).
- Despite being an accelerator for expansion, poor digital infrastructures are also a hindrance; the vast majority (94 per cent) of business decision makers claim the digital infrastructures of their most desired markets have hindered their plans to some extent.
- Thirty seven per cent feel that technology within their own organisation is hindering their expansion into other countries.
- Personnel issues (31 per cent), logistics (30 per cent) and regulation and tariffs (29 per cent) were also identified as internal challenges faced by organisations looking to expand internationally.

## How BT can help

We believe communications technology powers business and economic growth. In the connected world, we also see technology as increasingly an art as much as a science. When used creatively, technology can deliver stunning business outcomes, and with everything connected, distance no longer sets limits on what we can achieve.

BT operates a global network infrastructure with the ability to provide services for its customers in 198 countries and territories. We take a total network approach, global and local, integrating connectivity seamlessly to deliver improved business performance for our customers.

Our highly reliable international network is complemented with a comprehensive portfolio of services in the areas of security, unified communications and collaboration, customer relationship management and cloud solutions. These are all underpinned by BT Advise, a 4,000-strong global team of professional services specialists.



Offices worldwide

The telecommunications services described in this publication are subject to availability and may be modified from time to time. Services and equipment are provided subject to British Telecommunications plc's respective standard conditions of contract. Nothing in this publication forms any part of any contract.

© British Telecommunications plc 2014  
Registered office: 81 Newgate Street, London EC1A 7AJ  
Registered in England No: 1800000

[bt.com/globalservices](http://bt.com/globalservices)