

65%

Contribution to Group revenue from recurring subscription revenues

A proven business model and diversified customer base

Our performance has been driven by the continued growth in subscription revenues. This recurring revenue accounts for 65% of our business and underpins our strong cash flow. We operate across diverse sectors and broad regions, meaning we are not overly exposed to one particular industry or geographic market. Moreover this positions us well to exploit opportunities for growth wherever they exist.

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Supporting customers through the downturn

Our business model has proved robust, allowing us to take appropriate action to continue to thrive, whilst at the same time giving us the agility to invest in the software and services most needed by our customers.

Anticipating customer needs

Access to credit and managing cash flow have been critical issues for SMEs over the past year. Our local presence meant we were uniquely placed to identify this at an early stage and quickly introduced a range of options tailored to help customers wherever they are. These included flexible payment and financing options such as quarterly and monthly payment plans and free offerings, for example free downloadable accounts and invoicing software, credit card processing modules and online invoicing services. On top of this our businesses conducted road shows to advise customers on business legislation and launched online business health check services. These initiatives have helped our customers through the downturn, maintained loyalty and enhanced our position as one of their trusted partners.

Investment for the future

The Sage brand has been refreshed and rolled out across the Group to bring greater consistency and meaning to what we offer locally; to help us stand out from our competitors; and to raise our profile. Our brand has been re-energised to reflect the commitment we have to our customers and that we aspire to a level of performance that is truly exceptional.

Our people are fundamental to our success and investment in them remains a priority. Learning and development initiatives are run at all levels of the business, including our senior leadership. We actively seek the involvement of our people, for example through employee forums and engagement surveys.

Experienced and responsible management

We made difficult but necessary decisions in the long-term interests of all of our stakeholders – our shareholders, our people, our partners and our customers. We successfully reduced cost to offset the decline in revenues as a consequence of the changing economic conditions, whilst at the same time maintaining prudent investment ensuring we are well positioned for the future. Additionally, we used the opportunity to restructure some parts of the business to improve our processes and become more streamlined and agile.