



E-COMMERCE PITCH TRENDS SALES  
 FINANCE PITCH ADVERTISING PERFORMANCE INDEX PROFIT INVESTMENT COMPLIANCE PRODUCTS  
 \$ MARKETING MANAGEMENT SECURITY POLICY WEBSITE ACCOUNT REPORT  
 ENTREPRENEURSHIP

# MYOB BUSINESS MONITOR: THE VOICE OF NZ BUSINESS OWNERS & MANAGERS

March 2013 report

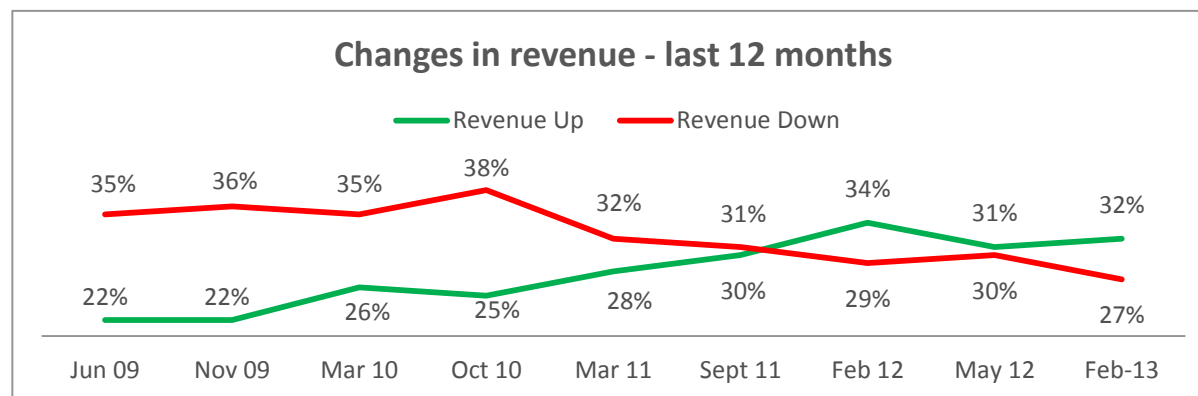
# ECONOMIC PERFORMANCE

## Business conditions remain steady

In the February 2013 Business Monitor survey on which this report has been based, New Zealand business owners and managers (herein known as ‘operators’) recorded similar levels of revenue performance over the previous 12 months as they did in the May 2012 survey.

While almost one third (32%) of businesses reported a rise in their revenue over the prior 12 months, just over one quarter (27%) reported a decline. The changes from the previous quarter are not statistically significant, though the graph on the right does appear to show a potentially positive trend.

Christchurch business operators were much more likely to report an increase in revenue over the past 12 months (45%), while rural based businesses continued to lag.



The table below shows the proportion of business operators reporting an increase in revenue over the previous 12 months by location.

	March 2011	September 2011	March 2012	May 2012	February 2013
<b>Total New Zealand</b>	36%	30%	34%	31%	32%
<b>Auckland</b>	39%	30%	34%	35%	32%
<b>Wellington</b>	37%	27%	31%	40%	33%
<b>Christchurch</b>	<i>Not asked</i>	29%	40%	28%	45%
<b>Rest of NZ</b>	33%	31%	32%	26%	27%
<b>City/Metro</b>	36%	30%	37%	29%	38%
<b>Regional/Town</b>	38%	27%	30%	33%	30%
<b>Rural</b>	30%	35%	35%	27%	24%

*Green = Significantly higher than total*

*Red = Significantly lower than total*

## Rising expectations of near-term economic improvement

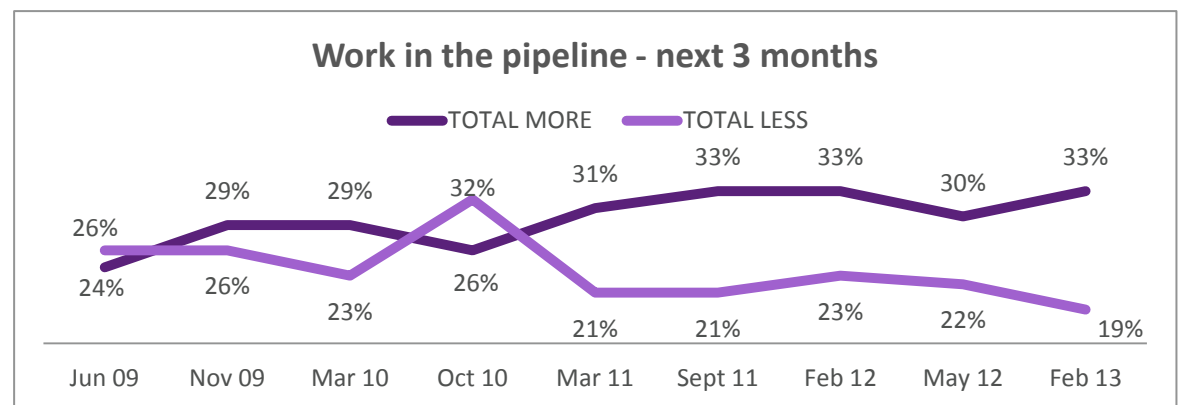
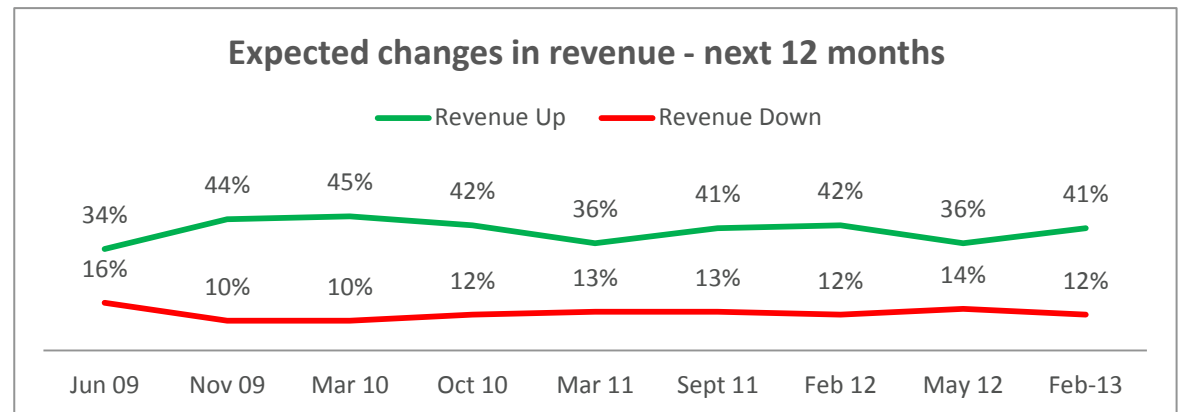
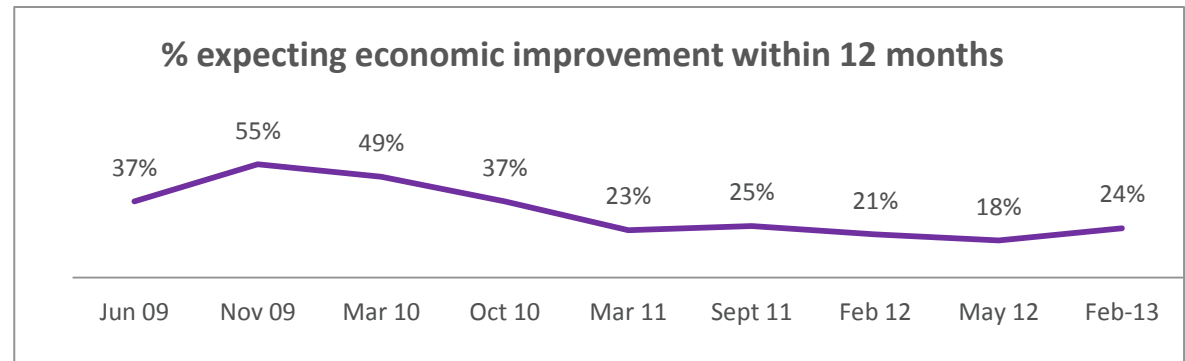
After a series of declines in business operators' expectations of the economy improving in the short-term, this survey showed almost one quarter of businesses (24%) expected an economic improvement over the following 12 months (up from 18% in May 2012).

This optimism was reflected in the proportion of business operators expecting their revenue to rise in the 12 months from February, with 41% now expecting it. This compared to 36% in the previous survey. A similar proportion (42%) expected their revenue to remain steady.

While one-third (33%) of business operators were reporting more work than usual in their pipeline for the following three months, this figure is not statistically different from the previous wave. However, this proportion was much higher than the 19% of operators who had noted less work than usual in their pipeline for the next three months.

As shown in the tables on the following page, business operators in Wellington were more pessimistic than those in other regions about an economic recovery, a rise in revenue (excluding Taranaki) and an improved pipeline. Christchurch operators were the most positive about an economic recovery and a rise in revenue.

Agribusiness operators were less likely than those in other sectors to see more work than usual in their pipeline for the next three months, while those in construction and trades were the most likely. Business operators in finance and insurance were the most likely to expect an increase in revenue over the next 12 months, while those in transport, postal and warehousing were the least likely.



### Expectations by location

	% Expecting Economic Improvement in next 12 months	% Expecting Increase in Revenue in next 12 months	% Reporting More in Pipeline in next 3 Months
Total NZ	24%	41%	33%
Northland	21%	39%	35%
Auckland	30%	45%	34%
Waikato	20%	32%	29%
Bay of Plenty	12%	39%	35%
Gisborne/Hawkes Bay	26%	40%	38%
Taranaki	15%	27%	36%
Manawatu-Wanganui	17%	31%	37%
Wellington	15%	31%	18%
Christchurch	34%	57%	35%
Otago & Southland	21%	36%	39%

*Green = Significantly higher than total*

*Red = Significantly lower than total*

### Expectations by industry type

	% Expecting Economic Improvement in next 12 months	% Expecting Increase in Revenue in next 12 months	% Reporting More in Pipeline in next 3 Months
Business, Professional & Property Services	24%	46%	32%
Manufacturing & Wholesale	26%	39%	43%
Finance & Insurance	35%	59%	44%
Transport, Postal & Warehousing	20%	37%	30%
Retail & Hospitality	23%	35%	29%
Construction & Trades	26%	42%	45%
Agriculture, Forestry & Fishing	15%	32%	21%

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## Investment intentions show emphasis on customer base

The focus for New Zealand businesses in this latest wave of research was on customer retention strategies, with 36% of business operators planning to invest more in customer retention. 51% planned to keep their spend on this steady, while only 3% planned to decrease their spend and 11% were unsure.

While customer retention remained the top priority, customer acquisition strategies are becoming increasingly important with 33% of business operators planning to invest more in this area. This was up four percentage points on the May 2012 survey. 47% planned to keep their spend steady.

Compared to the May 2012 survey, fewer business operators were planning to employ part time staff (11% compared to 17%) or increase spend on online marketing activities (17% compared to 22%). However, there was a slight increase in business operators planning to spend on IT systems and processes (20% compared to 17%) and on business advisers (16% compared to 13%).

### Key differences

Across almost all areas, those more likely to be increasing investments included:

- Generation Y business operators, particularly compared to Traditionalists
- Businesses employing staff, compared to non-employing businesses
- Businesses with a website
- Auckland based business, particularly compared to Wellington based and rural businesses
- Manufacturing & Wholesale and Retail & Hospitality businesses

Industry sector and location differences are shown on the tables overleaf.

## Plans for increased investment



Investment by location








	TOTAL NZ	Auckland	Wellington	Christchurch	Rest of NZ
No. of full time employees	8%	14%	4%	10%	5%
No. of part time/casual staff	11%	13%	3%	13%	12%
Amount paid employees	18%	22%	9%	25%	15%
No. or variety of products offered	25%	32%	21%	27%	21%
Working with business advisors	16%	19%	11%	13%	15%
Sale of products/services online	20%	24%	14%	14%	19%
Sale of products/services offline	20%	27%	14%	27%	16%
Prices/margin on products/services	24%	23%	29%	35%	21%
Customer retention strategies	36%	44%	33%	32%	32%
Customer acquisition strategies	33%	44%	32%	31%	27%
Investment in IT systems & processes	20%	26%	12%	20%	17%
Value of online marketing	17%	22%	19%	14%	14%
Value of offline marketing	14%	18%	10%	11%	12%

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*Red = Significantly lower than total*



Investment by industry type

	 Business, Professional & Property Services	 Manufacturing & Wholesale	 Finance & Insurance	 Transport, Postal & Warehousing	 Retail & Hospitality	 Construction & Trades	 Agriculture, Forestry & Fishing
<b>No. of full time employees</b>	5%	7%	16%	12%	12%	15%	7%
<b>No. of part time/casual staff</b>	7%	20%	13%	8%	17%	12%	13%
<b>Amount paid employees</b>	12%	25%	23%	17%	27%	21%	22%
<b>No. or variety of products offered</b>	17%	57%	34%	20%	38%	24%	11%
<b>Working with business advisors</b>	15%	27%	35%	13%	12%	10%	13%
<b>Sale of products/services online</b>	17%	36%	31%	16%	29%	10%	8%
<b>Sale of products/services offline</b>	14%	33%	36%	19%	27%	20%	13%
<b>Prices/margin on products/services</b>	25%	33%	0%	31%	30%	30%	19%
<b>Customer retention strategies</b>	32%	53%	63%	52%	47%	31%	12%
<b>Customer acquisition strategies</b>	31%	48%	62%	37%	50%	32%	9%
<b>Investment in IT systems &amp; processes</b>	20%	33%	44%	12%	15%	17%	12%
<b>Value of online marketing</b>	17%	15%	35%	5%	23%	17%	5%
<b>Value of offline marketing</b>	15%	11%	21%	2%	20%	13%	7%

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## Similar business pressures expected

When respondents were asked what elements of the business environment they expected to cause an extreme amount or quite a lot of pressure on their business in the next 12 months, fuel prices again came out on top. However, while this was the equal topmost pressure point at 27% – along with cashflow, its impact has significantly dropped since the last survey to levels not seen since November 2010.

There was no significant change in the percentage of operators seeing cashflow as a significant pressure, however, this was its first time ranked at (tied) number one.

Price margins and profitability followed (24%), and attracting new customers (24%), then competitive activity (23%).

### Fuel prices

Looking at categories of businesses, fuel prices were a greater pressure for:

- Gen Y, particularly compared to Traditionalists
- Transport, postal and warehousing, and agriculture, forestry and fishing

### Cash flow

Cash flow was a greater pressure for:

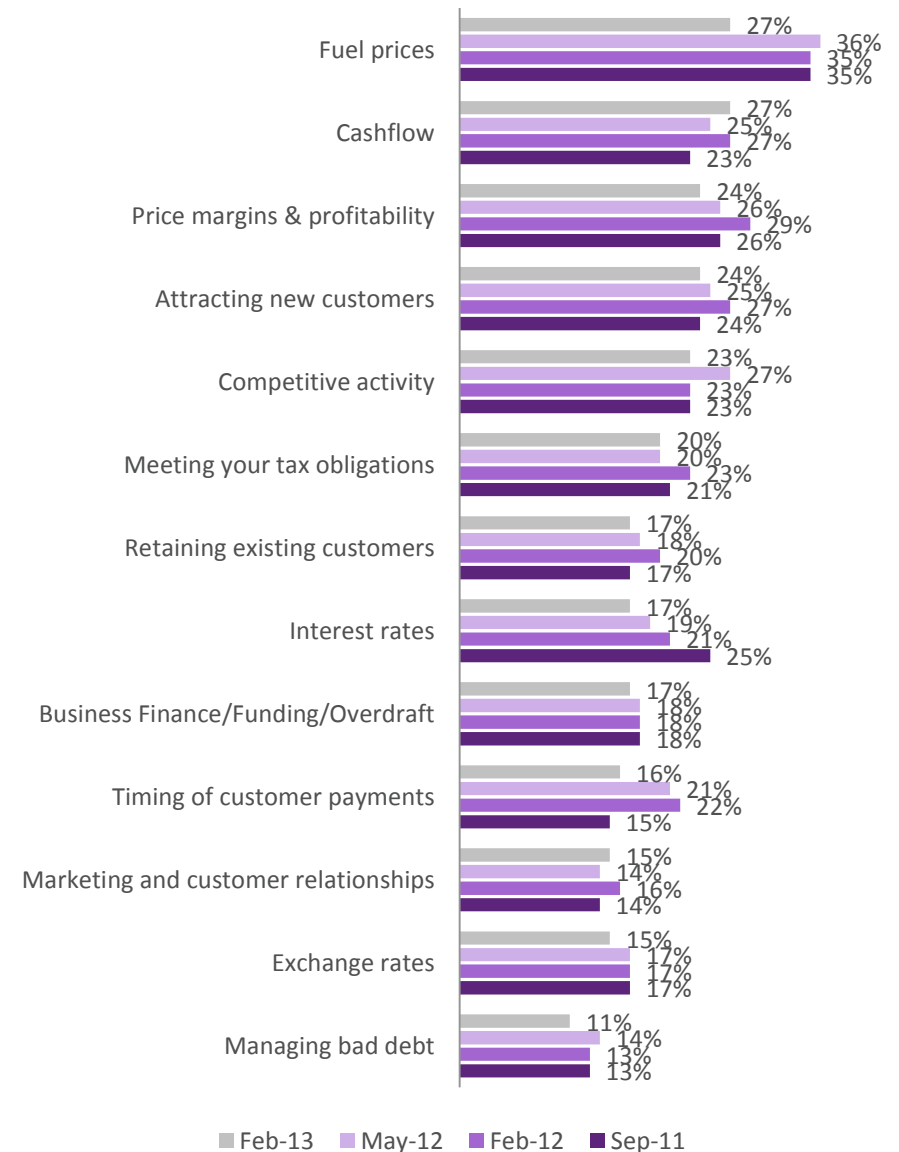
- Gen Y, particularly compared to Traditionalists
- Establishing businesses
- Businesses who reported a revenue fall in the previous 12 months

### Price margins and profitability

Price margins and profitability was a greater pressure to:

- Businesses with revenue of \$1 – 5 million
- Businesses with 20 – 199 employees
- Businesses who reported a revenue fall in the previous 12 months

## Pressure points - next 12 months





### Attracting new customers

Attracting new customers was a greater pressure for:








- Businesses with more than 5 employees
- Businesses based in Auckland
- Businesses with lower revenue in the previous 12 months

### Competitive activity

Competitive activity was a greater pressure for:

- Businesses with more than 5 employees
- Metropolitan based businesses
- Businesses with a website

### Pressure points by industry

	 Business, Professional & Property Services	 Manufacturing & Wholesale	 Finance & Insurance	 Transport, Postal & Warehousing	 Retail & Hospitality	 Construction & Trades	 Agriculture, Forestry & Fishing
Fuel prices	18%	36%	10%	54%	26%	37%	40%
Cashflow	24%	31%	24%	15%	33%	31%	29%
Price margins & profitability	21%	24%	13%	24%	32%	24%	34%
Attracting new customers	28%	34%	25%	34%	29%	19%	4%
Competitive activity	21%	28%	32%	26%	28%	22%	17%
Meeting your tax obligations	18%	18%	11%	18%	22%	24%	21%
Retaining existing customers	21%	18%	15%	22%	21%	14%	5%
Interest rates	16%	23%	27%	14%	18%	16%	23%
Business Finance/Funding/ Overdraft	16%	14%	19%	16%	19%	17%	20%
Timing of customer payments	14%	21%	16%	12%	11%	27%	13%
Marketing and customer relationships	18%	12%	16%	15%	21%	10%	6%
Exchange rates	8%	14%	13%	9%	18%	6%	41%
Managing bad debt	8%	20%	13%	13%	8%	17%	10%

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## Personal & business sacrifices are common

Just under three quarters of the business operators surveyed (73%) had made some kind of sacrifice to support the business since starting it. The most common was taking on another job or work outside the business, with over half (57%) stating they had. Sacrificing holidays was also frequently mentioned, with 44% stating they had not had any holidays at all.

Delaying the purchase or updating of equipment and other technology ranked third, at 39%. The larger the business, the less likely they were to delay technology updates. Businesses employing 0-19 employees were more than twice as likely to state they sacrificed technology purchases and updates than larger businesses.

Generational differences were also evident. Gen Y business operators were more likely to have worked extra hours (35%) and postponed sustainability measures (45%). Traditionalists were more likely to have taken fewer holidays (35%), while Gen X business operators were more likely to have worked extra hours (25%) or taken a job outside the business (64%).

## Sacrifices made to support the business

<b>Taken on another job or work outside the business</b>	57%
<b>Not taken any holidays at all</b>	44%
<b>Delayed investment in new equipment or technology</b>	39%
<b>Postponed or cancelled sustainability measures in the business</b>	30%
<b>Sold a property or other assets to put more cash into the business</b>	25%
<b>Taken fewer holidays</b>	18%
<b>Worked extra hours in the business</b>	18%
<b>Retrenched one or more full-time employees</b>	17%
<b>Cut back on family/household expenses</b>	13%
<b>Moved child/children from private to public school</b>	9%
<b>Cut full time employee working hours back to part-time</b>	8%
<b>Cut back on/not used contractors/casuals/part-time employees</b>	6%
<b>Missed an important family occasion to work in the business</b>	1%
<b>Have not needed to make any sacrifices to help business</b>	27%

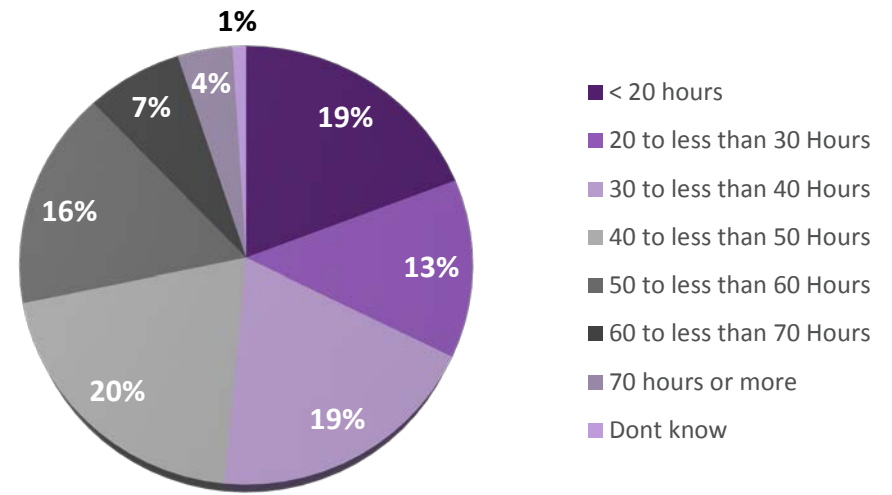
## Hours worked in the business

While on average business operators worked 38 hours a week in the business, over one quarter (27%) worked more than 50 hours.

### Key differences in hours worked – who worked most

- Females worked on average 36.1 hours compared to the 40.6 hours of their male counterparts.
- Traditionalists were more likely to work part-time, and worked 30.3 hours compared to 39.5 hours for business operators aged under 65 years.
- As the number of employees increased, so did the average hours worked (see chart opposite).
- Christchurch business operators worked 42.2 hours, more than their Auckland counterparts, who worked 35.6 hours
- Rural business operators worked 43.8 hours.
- Business operators with a website worked 7.5 hours more per week than those without a website (43.5 hours compared to 36 hours).
- Transport, postal and warehousing business operators worked 50.7 hours, retail and hospitality operators worked 46.5 hours and agriculture, forestry and fishing operators worked 44.3 hours. This compared to only 31.9 hours for those in business, professional and property services.

## Average hours worked per week



## Average hours worked by no. of employees



# ONLINE ECONOMY & CLOUD COMPUTING

## Cloud computing take-up still low

This survey, 16% of business operators stated they were using cloud computing (compared to 14% in the previous wave). Again there were some significant differences within business categories, such as:

- Businesses with a website were more likely to be using cloud computing (25%, compared to only 12% of businesses without)
- Metropolitan based businesses were much more likely to be using cloud too (23% compared to 8% of rural businesses)

The most common reason why businesses used cloud was the ability to access data from whatever location they wanted (68%).

Interestingly, the proportion citing better security online has increased since the previous survey, with almost half (49%, up on 34%) indicating this as a reason for using cloud. The ability for team members to work remotely was the third most stated reason at 42%.

Business operators were asked what business tasks they used cloud computing for. The most frequently mentioned tasks were:

- Email (59%)
- File back-up (49%)
- File storage (46%)
- Online banking (45%)
- File sharing (39%)
- Accounting (39%)

Reasons for using cloud computing	May 2012 (n=150)	Feb 2013 (n=189)
<b>It gives us the ability to work on our data from whatever locations we want, or need, to work from</b>	59%	68%
<b>Our data is better protected and safer online via one or more servers rather than via my own server</b>	34%	49%
<b>It enables one or more of our team members to work remotely at times when they want to or need to</b>	43%	42%
<b>It enables my accounting software to receive a direct feed of my bank account transactions</b>	21%	36%
<b>So I don't have to install software on my computer</b>	28%	29%
<b>It enables our employees and me to be more productive</b>	N/A	29%
<b>It enables us to reduce the number/range of IT issues we have to deal with personally</b>	31%	27%
<b>The cost of our IT software and service is more affordable</b>	24%	27%
<b>It's faster than our previous networking and servers or computers were</b>	13%	24%
<b>The cost of our IT software and services is more flexible</b>	22%	21%

Business operators who were not currently using cloud computing were asked the reasons for not doing so. Overall, the key issue (mentioned by one third of business operators) was lack of knowledge.

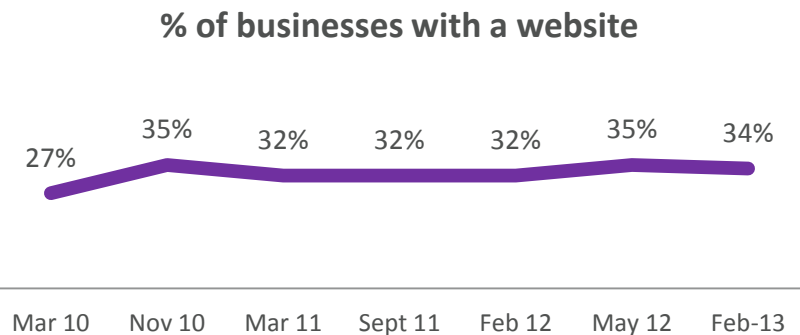
Agriculture, forestry and fishing businesses were the only industry group not to place this issue first, more frequently mentioning not being tech savvy as the reason for not using cloud computing. These businesses tended to be in rural rather than metropolitan locations.

### Business website ownership steady but low








The proportion of businesses with a website has remained statistically constant since November 2010. The survey found 34% of businesses had a website, but size of business was a significant factor. Sole operators (26%) were less likely to have a website than businesses with more than five employees (74%).

Traditionalists were less likely to have a website (16% compared to 36% of remaining business operators). Auckland business operators on the other hand were much more likely to have a website (43% compared to 27% of businesses outside the three main cities). Businesses using cloud computing were also more likely to have a website (52% compared to 30% who were not in the cloud).

Reasons for not yet taking up cloud computing	May 2012 (n=773)	Feb 2013 (n=804)
I don't know enough about all of the issues around it to make the right business decisions about it	31%	33%
I am not very tech-savvy and don't feel confident about even starting to look at it for my business	19%	22%
I'm unsure of the safety of storing my data in one or more servers or computers overseas	19%	19%
It is of interest, but there are many more important other business priorities to take care of first	18%	18%
I'm unsure our business data would be as secure in the cloud as it is on our own server(s) or computer/s	17%	18%
I'm unsure who actually has ownership of our business data in the cloud	12%	15%
I think it is a passing phase in which the business doesn't need to get involved	4%	5%
Some Other Reason	16%	17%
Don't know	12%	12%



Key industry differences with website ownership are shown in the table below. While manufacturing and wholesale, and retail and hospitality, business operators were much more likely to have a website, agriculture, forestry and fishing lagged, as did construction and trades businesses.

All Respondents	 Business, Professional & Property Services	 Manufacturing & Wholesale	 Finance & Insurance	 Transport, Postal & Warehousing	 Retail & Hospitality	 Construction & Trades	 Agriculture, Forestry & Fishing
34%	32%	56%	40%	30%	54%	24%	9%

When asked which of a number of business changes had occurred through having a business website or using other promotional media, New Zealand business operators said a web presence alone had:

- Increased their customer leads – 44%
- Increased their revenue – 36%
- Made them more able to vie with competitors – 36%
- Resulted in a better conversion rate for sales leads – 32%
- Resulted in an increase in customer interaction – 31%
- Enabled them to enter new business locations – 21%

When worked alongside other promotional media, the business website had:

- Increased their customer leads – 23%
- Increased their revenue – 23%
- Made them more able to vie with competitors – 18%
- Resulted in a better conversion rate for sales leads – 17%
- Resulted in an increase in customer interaction – 21%
- Enabled them to enter new business locations – 16%

Business operators were also asked about the online business tools they used.

60% were accepting online payments from customers via internet banking, while a further 40% were buying products and services online. Other online payment formats (shopping cart: 7%; mobile app: 8%) were a small minority. As highlighted in the table on the following page, construction and trades businesses were much more likely to use internet banking for payments, while manufacturing and wholesale, and retail and hospitality, businesses were more likely to use their own shopping cart.

Almost half of the business operators (46%) reported using one or more smartphones in the business, and just over a quarter (26%) use tablets. Usage was similar across all industries except agriculture, forestry and fishing businesses, which were much less likely to utilise these technologies.

Marketing tools were also popular, with around one quarter of business operators stating they were used in their business. Retail and hospitality businesses were more likely to use internet marketing, while finance and insurance businesses were more likely to use email marketing.








Other businesses operators most likely to use online tools included:

- Businesses with more than five employees
- Business operators under 65 years of age
- Non-rural businesses
- Businesses with a website
- Businesses using cloud computing
- Businesses with flexible workplaces (both office and home)

Online tools being used by businesses	Feb 13 (n=1047)
<b>TECHNOLOGY</b>	
Use one or more smartphones	46%
Use one or more tablets (eg iPad)	26%
<b>INTERNET/EMAIL MARKETING</b>	
Use internet search engines to promote business	25%
Conduct email marketing to customers	24%
<b>BUYING/SELLING ONLINE</b>	
Accept online payment from customers via internet banking	60%
Accept online payment from customers via a mobile app	8%
Accept online payment from customers via a shopping cart	7%
Sell products/services online (eg. eBay, Trading Post, Trade Me)	19%
Sell products/services online directly using own website	13%
Buy products/services online	40%
<b>SOCIAL MEDIA</b>	
Use any form of social media for business purposes	19%
Connect with customers and fans via a business page on Facebook, YouTube or Google+	18%
Share news and updates via a company blog	10%
Communicate via micro-blogging sites such as Twitter	6%
<b>BUSINESS NETWORKING</b>	
Network with business colleagues and/or clients on LinkedIn	22%
Share business knowledge with others eg. an online business network	15%
<b>OTHER</b>	
Use Skype or VOIP to make free business phone calls	21%
Have internet access but do not do any / not interested in any of above activities	15%



## Tools by business type

	 Business, Professional & Property Services	 Manufacturing & Wholesale	 Finance & Insurance	 Transport, Postal & Warehousing	 Retail & Hospitality	 Construction & Trades	 Agriculture, Forestry & Fishing
Use one or more smartphones	52%	51%	55%	46%	44%	52%	21%
Use on or more tablets (eg iPad)	30%	28%	33%	18%	30%	24%	14%
Use internet search engines to promote business	26%	30%	35%	17%	38%	23%	11%
Conduct email marketing to customers	27%	29%	43%	19%	28%	13%	9%
Accept online payment via internet banking	57%	74%	41%	48%	59%	77%	53%
Accept online payment via a mobile app	5%	14%	7%	4%	9%	11%	8%
Accept online payment via a shopping cart	4%	21%	6%	2%	19%	3%	2%
Sell products /services online (eg Trade Me)	21%	33%	10%	10%	36%	9%	15%
Sell products/services online directly to customers using own website	9%	28%	21%	10%	30%	2%	4%
Buy products/services online	39%	51%	20%	16%	51%	41%	40%
Use any form of social media for business purposes	20%	20%	18%	7%	32%	14%	4%
Connect with customers and fans via a business page on Facebook, YouTube or Google+	16%	28%	26%	7%	37%	6%	4%
Share news and updates via a company blog	10%	11%	23%	5%	12%	2%	4%
Communicate via micro-blogging sites eg Twitter	9%	8%	9%	0%	7%	1%	2%
Network with business colleagues and/or clients on LinkedIn	30%	28%	40%	9%	11%	11%	2%
Share business knowledge with other operators (e.g. online business networks)	15%	16%	22%	9%	17%	12%	8%
Use Skype or VOIP to make free business calls	26%	28%	29%	11%	18%	10%	10%
Have internet access but do not do any / not interested in any of above activities	14%	17%	7%	27%	8%	13%	28%

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Red = Significantly lower than total

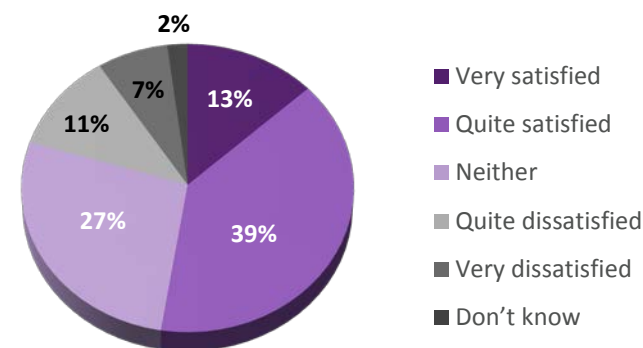
## Only half were satisfied with internet access

Just over half of New Zealand's business operators (53%) were either very satisfied (13%) or quite satisfied (39%) with their internet access (i.e. speed, reliability,) in terms of it enabling their business' health and its ability to grow.

However, there were some significant differences:

- Wellington based businesses were much more satisfied (65%), particularly when compared to rural businesses (45%)
- Medium-sized businesses were more satisfied (72%), particularly when compared to sole traders (51%)

Satisfaction with internet access

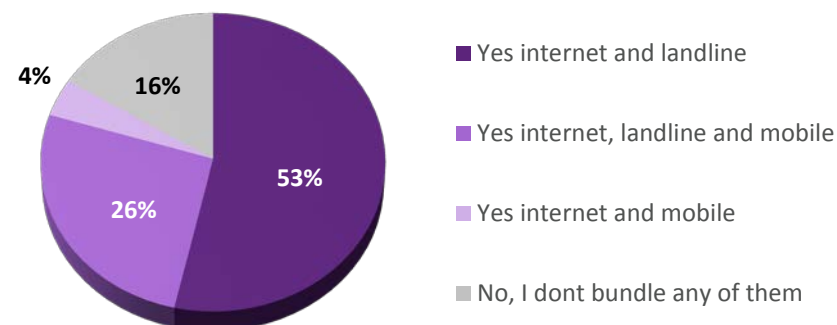


## Telephony bundling more common than not

Just over half (53%) bundled internet and landline, while a further 26% also included mobile services. 16% of did not currently bundle any of their telephony services.

When compared to the overall results, Gen Y business operators were much more likely to they bundle internet and mobile only (21%), while medium-sized businesses were more likely to bundle all three (60%).

Telephony bundling



## Professionally branded email the way to go

The majority (85%) had a professionally branded website (e.g. [john.smith@businessname.co.nz](mailto:john.smith@businessname.co.nz) rather than [john.smith@hotmail.com](mailto:john.smith@hotmail.com)). Auckland operators were the most likely to have a professionally branded email address (92% compared to 77% of those outside the three largest cities).

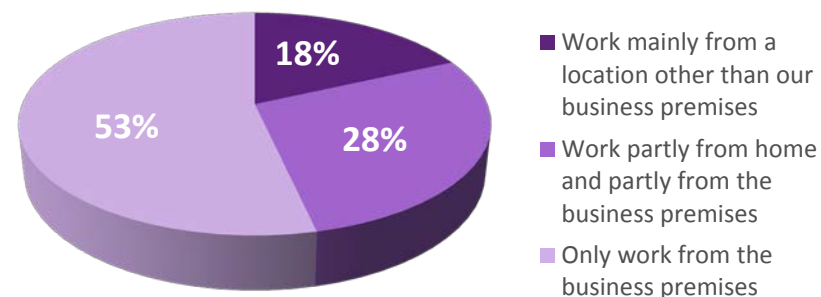
# TELEWORKING

Just under half of the business operators interviewed utilised some form of teleworking within their business, while 53% had employees working only from their business premises.

Teleworking was more likely to be used by:

- Medium sized businesses (76%)
- Auckland business operators (53%, compared to 29% in rural locations)
- Business, professional and property services (57%) and construction and trades (57%). This compared to 34% of those in retail and hospitality and 24% of those in agriculture, forestry and fishing.

Incidence of teleworking



All Respondents	Business, Professional & Property Services	Manufacturing & Wholesale	Finance & Insurance	Transport, Postal & Warehousing	Retail & Hospitality	Construction & Trades	Agriculture, Forestry & Fishing
Work mainly from another location	21%	11%	12%	13%	12%	35%	12%
Work partly from home/ partly from another location	36%	30%	30%	21%	21%	22%	21%
Only work from the business premises	43%	60%	58%	65%	66%	43%	66%

Green = Significantly higher than total

Red = Significantly lower than total

To assist with teleworking, business operators were most likely to use email (74%), a laptop/computer (61%) and a smartphone (51%). Instant messaging was utilised by almost a quarter of business operators (23%).

Teleworking was seen to provide a number of business benefits, with the top three being

- Greater employee productivity (27%)
- Reduced travel costs (26%)
- Happier employees (24%)

<b>How have these technologies benefitted the business</b>	<b>Total (n=487)</b>
Employees are more productive	27%
Travel costs have been reduced	26%
Employees are happier	24%
Overall IT performance has been improved	19%
My business's carbon footprint has been reduced	16%
IT issues have been reduced	14%
Happier business manager/s	14%
I can hire employees living in any location/s	13%
IT costs have been reduced	13%
Premises rental costs have been reduced	9%
The number of employee sick days has dropped	5%
I can attract higher quality staff	5%
Other	15%

<b>Technologies used to assist teleworking</b>	<b>Total (n=487)</b>
Email	74%
Laptop/computer	61%
Smart phone	51%
Instant messaging	23%
Cloud computing services	17%
Security software / firewall	17%
Telephone conferencing	13%
VOIP	10%
VPN (virtual private network)	8%
Router at the teleworker's premises	8%
Videoconferencing	7%
Other	8%

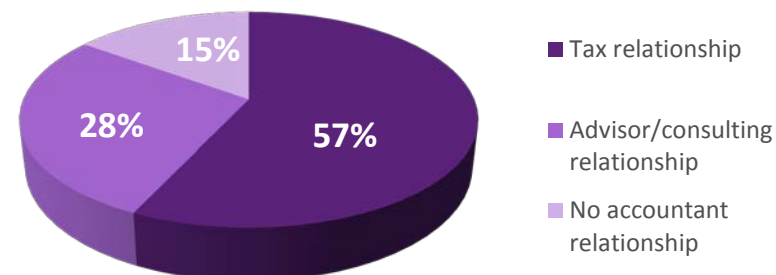
# ACCOUNTANCY SERVICES

This wave, business operators were asked questions relating to the type of services provided by accountants and the value obtained from these services. The majority (57%) indicated they had a tax relationship only with their accountant, and a further 15% had no accountant relationship.

The 28% of operators that cited an advisor/consulting relationship were asked what services were the most valuable. As indicated below, compliance was still perceived to be the most valuable service (cited by 91% of these operators). This was followed by advice on managing money then advice on growth strategies.

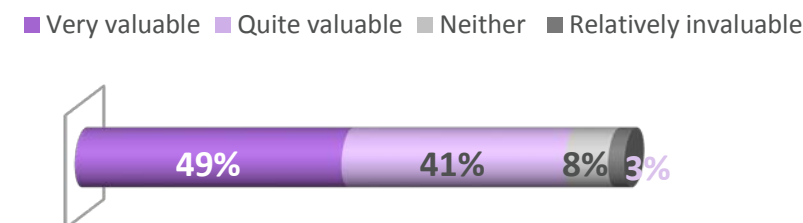
Top three most valuable services provided by accountant	Total (n=297)
Keeping my business compliant with tax, payroll and other regulations	91%
Advice on how to best manage the money that flows through my business	43%
Advice on strategies that will help me grow my business	33%
Providing me with the right advice and documentation for obtaining funds to grow the business	25%
Advice on what operational business moves to make e.g. setting pricing	17%
Benchmarking my business results against others	9%
Helping me create a business plan	9%
Restructuring my business for resale	6%

## Relationship with accountant



The majority of operators who maintained an advisor/consulting relationship with their accountant were very satisfied with the services provided. Almost nine in ten (89%) found the services valuable (49% very valuable; 41% quite valuable).

## Value of accountant's services



# GOVERNMENT

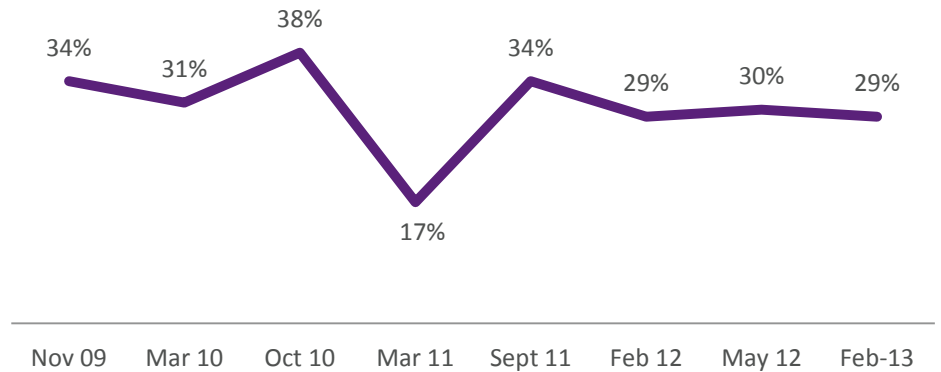
More than one quarter of business operators (29%) expressed dissatisfaction with the level of government support for businesses such as theirs.

Dissatisfaction remained constant from the May 2012 survey, which was well above the level of dissatisfaction recorded in March 2011.

Dissatisfaction levels were fairly consistent across all the various business categories within the research. However, the following differences were noted:

- Businesses that reported a revenue rise in the last 12 months were less dissatisfied (22% compared to 39% of those whose revenue fell), and
- Businesses in the Bay of Plenty were more dissatisfied (44% compared to 23% of Christchurch businesses)

**Dissatisfaction with Government support**



Business operators were also asked about policies that might influence their voting intentions for or against the party promoting them. As can be seen on the table following, the most popular initiatives were simplification of provision tax rules and processes (78%), increased Government funding for skills, training and apprenticeship programmes (71%) and moves to make it easier to meet health and safety compliance obligations (63%).

At the other end of the scale, the sale of State assets and extension of the paid parental leave program were more likely to cause business operators to vote against the party offering them (43% and 45% respectively).

	<b>For</b>	<b>Against</b>
<b>Simplification of provisional tax rules and processes to make it easier for businesses to accurately determine and meet their tax obligations</b>	78%	3%
<b>Increased Government funding for skills, training and apprenticeship programmes</b>	71%	3%
<b>Moves to make it easier to meet your health and safety compliance obligations</b>	63%	3%
<b>Simplification of PAYE rules and processes to make it easier for businesses to accurately pay employees</b>	57%	2%
<b>Further cutting Government expenditure to balance the budget and return to surplus faster</b>	55%	14%
<b>Requiring businesses to give a “first look” to unemployed New Zealanders before approving the use of temporary migrant workers</b>	52%	14%
<b>Simplification of the Holidays Act to make it easier for businesses to determine and manage all types of leave for employees</b>	51%	5%
<b>The introduction of a ‘Starting Out’ wage for Young People</b>	50%	14%
<b>The re-introduction of Research &amp; Development tax credits for businesses</b>	50%	6%
<b>Limiting the scope of City and Regional Council’s responsibilities to the core services of local infrastructure, public services and regulatory functions</b>	48%	14%
<b>The sale of State Assets</b>	27%	43%
<b>The expansion of Paid Parental Leave Period from 14 weeks to 26 weeks</b>	22%	45%



## About the study

The MYOB Business Monitor is designed to research key areas of business performance, including profitability, cash flow and pipeline work, as well as business confidence and satisfaction in the support of Government. This report presents the summary findings for key indicators from the MYOB Business Monitor comprising a national sample of **1,047** business owners, managers and directors (operators), and was conducted in February 2013. The businesses participating in the online survey are defined as both non-employing and employing businesses. All data has been weighted by industry type, location and number of employees, which are in line with Statistics New Zealand (New Zealand Business Demography Statistics: At February 2010: ISSN 1174-1988.)

Industry	Weighting	No.
Agriculture	15%	101
Manufacturing and Wholesale	8%	50
Construction & trades	11%	146
Transport and Warehousing* <sup>1</sup>	3%	42
Finance and insurance* <sup>1</sup>	6%	33
Professional and Business Services	34%	313
Retail and Hospitality	9%	125
Other Industries** <sup>2</sup> (incl. in total results)	14%	236
Total	100%	1047

Location	Weighting	No.
Auckland	31%	342
Wellington	10%	131
Canterbury	13%	114
Rest of New Zealand	46%	459
Total	100%	1047

This research report was prepared by *Gundabluey Research* and fieldwork was completed by *Colmar Brunton* (a Millward Brown Company) for Kristy Sheppard, Public Relations & Corporate Affairs Manager – New Zealand, MYOB NZ Limited ([kristy.sheppard@myob.com](mailto:kristy.sheppard@myob.com), [www.myob.co.nz](http://www.myob.co.nz))

The generations were categorised as follows: Generation Y: 18 – 29 years of age, Generation X: 30 – 49 years of age, Baby Boomers: 50 – 64 years of age, Traditionalists: 65+ years of age.

Length of time in business was categorised as follows: Start-up: in business fewer than 2 years, Establishing: 2 to 5 years, Maturing: 5 to 10 years, Established: 10+ years.

Number of Employees/Business Type	Weighting	No.
0 Employees/Sole Traders	69%	685
1-4 Employees/Micro Business	21%	242
5-19 Employees/Small Business	7%	83
20-199 Employees/Medium Business	3%	36
Total	100%	1047

<sup>1</sup> Caveat: There is high margin of error of +/-15% @ 20% on this small base

<sup>2</sup> Other Industries, which have been combined to minimise their margin of error, include these sectors: Communication Services; Cultural & Recreational Services; Education; Electricity, Gas & Water Supply Services; Health & Community Services; Mining; and Personal & Other Services