



# MYOB Business Monitor

The voice of New Zealand's business owners

> August 2010

[myob.co.nz](http://myob.co.nz)

## MYOB Business Monitor August 2010 – New Zealand - Highlights

### **First major resurgence in New Zealand business revenue since the GFC**

*For the first time since the Global Financial Crisis, more business owners in New Zealand report revenue increases (31%) than report revenue decreases over the last 12 months (26%). (The average size of all of the revenue increases reported is + 22%) This is a step in a more positive direction following the previous two Monitors.*

*Bigger revenue increases are reported by bigger businesses. 52% of owners of medium businesses (20-199 employees) report revenue increases, whereas only 29% of sole traders report revenue increases.*

*Having a website has a positive effect for the business owners surveyed. Businesses with a website are more likely to report a revenue increase (37%) than those who don't have a website (28%).*

*Revenue decreases are more pronounced amongst more mature (>10 years established) businesses (34%) than they are amongst start-up (<2 years established) businesses (10%).*

*Wellington business owners are slightly more likely to have enjoyed revenue increases (34%) and slightly less likely to have suffered revenue decreases (25%) than business owners in other New Zealand locations.*

*For the first time in over a year, more business owners across all industry sectors are reporting revenue increases than reporting revenue decreases, with the most positive reports of increases coming from business owners in Retail & Hospitality (34%), Agriculture, Forestry & Fishing (33%), Professional & Business Services (32%) and Finance & Insurance (32%).*

### **As continuation of business revenue increases, one third of business owners report more than usual work or sales in next 3 months pipeline**

*Sales/work in the pipeline continues to strengthen. In a positive sign, 34% of business owners surveyed report more sales or work in the pipeline than usual, 42% report the same and only 20% report less pipeline work or sales than normal.*

*Bigger businesses are more likely to report more work or sales in the pipeline than usual (49% of medium business owners vs. 32% of sole traders), and less likely to report less than normal in the pipeline (10% of medium business owners vs. 21% of sole traders).*

*The most positive reports about more work or sales than usual in the pipeline are from business owners in Manufacturing & Wholesale (42%) and business owners in Christchurch (40%).*

### **Four times as many business owners expect business revenue to increase than expect it to decrease in next 12 months**

*More positive news, with two-fifths (43%) of all business owners surveyed expect their business revenue to increase over the next 12 months, 41% expect it to stay the same and only 10% of business owners expect revenue to decrease. It would seem that business owners are both optimistic and realistic.*

As might be expected, there is a direct relationship in New Zealand between business owners more likely to report more sales/work in the pipeline for the next 3 months and business owners who expect revenue increases in the next 12 months.

Medium business owners (71%) are by far the most positive about future revenue, followed by business owners in Manufacturing & Wholesale (57%), in Finance & Insurance (47%) and in Christchurch (49%).

### **Cash flow is expected to put the most pressure on New Zealand business owners in the next year**

When rating the potential pressure on their business, 32% of business owners report that (ahead of other pressure points) cash flow will put pressure on their business in the next 12 months. Cash flow is expected to put pressure most on business owners in Agriculture, Forestry & Fishing (44%) and Construction & Trades (40%).

One quarter (25%) of business owners expect timing of customer payments to put pressure on their business in the months ahead, which could be related to their concerns about cash flow over the next year.

### **Price margins and profitability remain a concern, especially in Retail & Hospitality sector**

Just over a quarter (29%) of business owners surveyed expect Price margins and profitability to put pressure on their business in the next year. This pressure point is most expected by owners of small businesses (51%) and medium businesses (49%), and by owners of businesses in the Retail & Hospitality sector (44%).

### **Fuel prices expected to continue to put extreme pressure on certain business sectors**

As to be expected, business owners in the Transport (42%) and Construction & Trades (40%) industries continue to be the most concerned about the likely pressure that fuel prices will place on their businesses in the next 12 months.

### **Competitive activity expected to be a pressure in the coming year**

A quarter (24%) of business owners surveyed expect a fair degree of pressure from competitive activity in the coming year; none more so than owners of medium businesses, where half (50%) expect this particular pressure. Consequently, one-third of business owners in Finance & Insurance (33%) and in medium businesses (36%) believe that there will be considerable pressure on them to maintain the present level of their business sales or projects in the next 12 months.

### **Less concern about pressure of interest or exchange rates since last survey**

One-fifth (21%) of business owners surveyed expect their business to be pressured by interest rates, compared with over one quarter (28%) who expected this pressure in April 2010. And only one sixth (15%) of business owners now expect to be pressured by exchange rates, compared with over one quarter (26%) who expected this upcoming pressure in April 2010.

**Only two main sources of information or help to assist them run their business better**

When asked who they source information/assistance from to help them run a better business 55% of business owners nominate their accountant, and 34% nominate business associates and other business people. The only other source to be used by one-fifth or more (21%) of business owners is a bank manager or adviser. 16% of business owners surveyed don't get any help or information on how to run their business better.

**Three major impediments to the achievement of business goals**

Five factors were researched to measure their impact on the ability of business owners to achieve their business goals. A majority of business owners surveyed consider that three of those factors will have a 'medium' or 'high' impact on their ability to achieve their business goals.

'Understanding how new Government legislation impacts your business' impacts the ability of 58% of business owners to achieve their goals. 'Getting a better understanding of the changing needs of your customers and prospects' has an impact on 54%, in terms of meeting their business targets. And 'Having to deal with Government red tape' presently affects how 52% of business owners achieve their business goals.

Two of the factors researched are considered by a minority of business owners surveyed to have medium or high impact on business goal achievement: they are 'Working extra hours to do your bookkeeping or accounts' (42% say that this will have a medium or high impact), and 'Getting access to affordable and reliable business advice when you need it' (41% say that this will have a medium or high impact).

**Almost all business owners surveyed have heard of the GST increase on October 1<sup>st</sup>**

Only 1% of business owners surveyed say that they definitely have not heard of the upcoming GST increase to 15%, and while 3% are pretty sure they have heard about it, 96% are definite that they have heard about it.

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## 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 **1,001** business proprietors and directors, conducted in July 2010. The businesses participating in the online survey are defined as both non-employing and employing businesses with 0 employees ('sole traders'), 1-4 employees ('micro businesses'), 5-19 employees ('small businesses') and 20-199 employees ('medium businesses'). Industries have been grouped (see next page) for the purposes of providing meaningful results based upon sample segments of reasonable size, and with a lower margin of error.

This research report was prepared by *The Financial Research Company* and fieldwork was completed by *Colmar Brunton* (a Millward Brown Company) for:

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The key indicators presented in this report include:

### Business Issues:

- Business revenue compared with 12 months ago
- Projected work or sales for next 3 months compared to usual
- Expectations of business revenue in 12 months' time
- Main pressures on doing business in New Zealand in next 12 months
- Sources of information to help run business better
- Impact of certain factors on ability to achieve business goals
- Awareness of GST increase on October 1<sup>st</sup>, 2010



## Reporting by Industry, State and Business Size

The findings of this research are reported by industry type:

(Industries have been grouped as follows for the purposes of providing meaningful results based upon sample segments of reasonable size, and with a lower margin of error. Occasionally in this report, industries have been de-grouped where there are very different results between those in an industry grouping.)

Industry	Sample
Agriculture, Manufacturing & Wholesale	146
Construction & Trades & Transport	167
Finance & Insurance	41
Professional & Business Services	324
Retail & Hospitality	141
Other Industries (not included above, but included in total results)	182
<b>Total</b>	<b>1,001</b>

The findings of this research are also reported by Auckland, Wellington, Christchurch and Rest of New Zealand for some questions, and the sample size in each of these segments is as follows:

Location	Sample
AUCKLAND	329
WELLINGTON	157
CHRISTCHURCH	127
REST OF NEW ZEALAND	388
<b>Total</b>	<b>1,001</b>

The findings of this research are also reported by City/Metro, Regional and Rural for some of the questions, and the sample size in each of these segments is as follows:

Location	Sample
CITY/METRO	392
REGIONAL NEW ZEALAND	448
RURAL NEW ZEALAND	161
<b>Total</b>	<b>1,001</b>

The findings of this research are also reported by the number of employees in each of the businesses surveyed and was limited to companies with less than 200 employees. The proportions of sole, micro, small and medium businesses are broadly in line with their proportions of all businesses in New Zealand, which explains the smaller sizes of the Small Business and Medium Business segments:

Number of Employees/Business Type	Sample
0 Employees/Sole Traders	608
1-4 Employees/Micro Business	246
5-19 Employees/Small Business	101
20-199 Employees/Medium Business	46
<b>0-199 Employees/ Sole, Micro, Small, Medium Businesses</b>	<b>1,001</b>

## Business revenue in New Zealand compared with a year ago

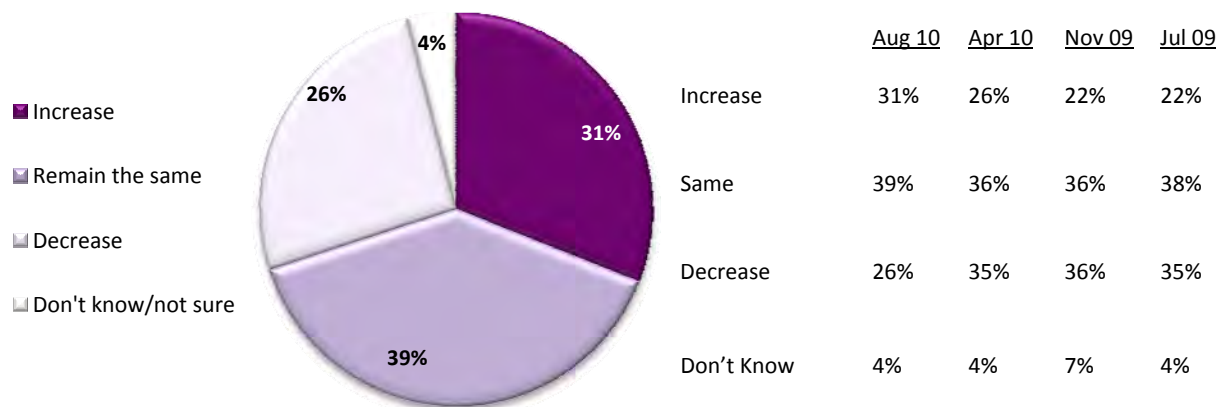
**For first time since Global Financial Crisis, more New Zealand business owners report positive reversal of fortune over the last year**

Base: Business owners and directors (n = 1,001)

Q. At the present time, is your business revenue (i.e. your gross from sales) up or down on a year ago, or about the same? Please indicate how much your business revenue (i.e. your gross from sales) is up or down on a year ago? (Please type in the percentage in the box below)

Just under a third (31%) of business owners surveyed in New Zealand report revenue increases over the last 12 months, and 26% report revenue decreases over that period. This is the first time since the Global Financial Crisis that more business owners have been more positive than negative about their past year's revenue. (See Figure 1)

Figure 1: Revenue increases vs. decreases last 12 months, as reported by total sample (% of n=1,001)



### Revenue increases of between 1-19% and decreases of 10-29% most often reported

Of the 31% of business owners reporting a revenue increase over the last 12 months, over half (56%) report an increase of between 1-19%, while 33% report a revenue increase of 20-49%. (The average of all revenue increases reported in August 2010 is 21.7%.) Of the 26% of business owners reporting a revenue decrease in the last 12 months, 42% reported a decrease of 1-19%, while 46% reported a decrease of 20-49%. (See Figure 1.1 and Figure 1.2)



Figure 1.1: Revenue **increase** percentages in last 12 months, as reported by 31% of the total sample (% of n = 309)

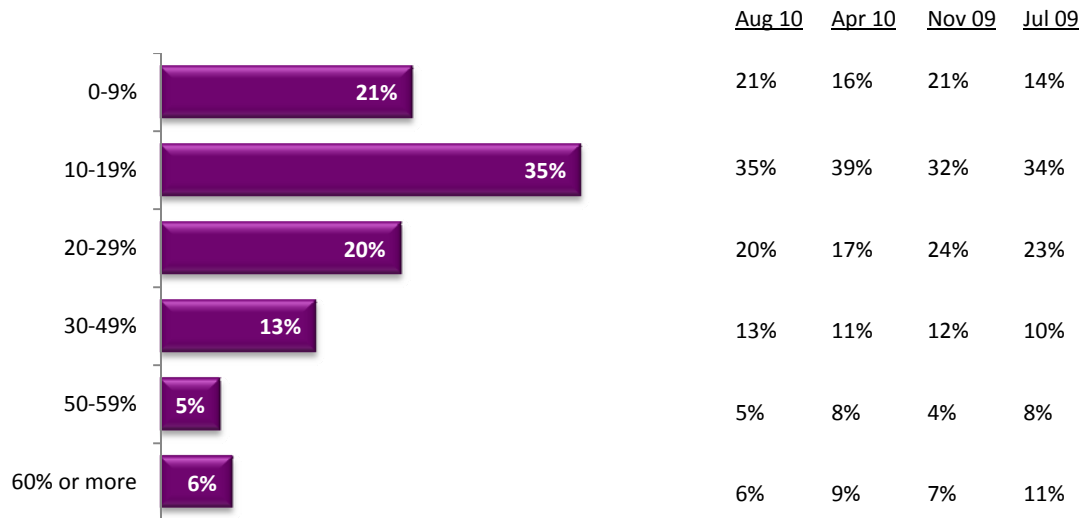
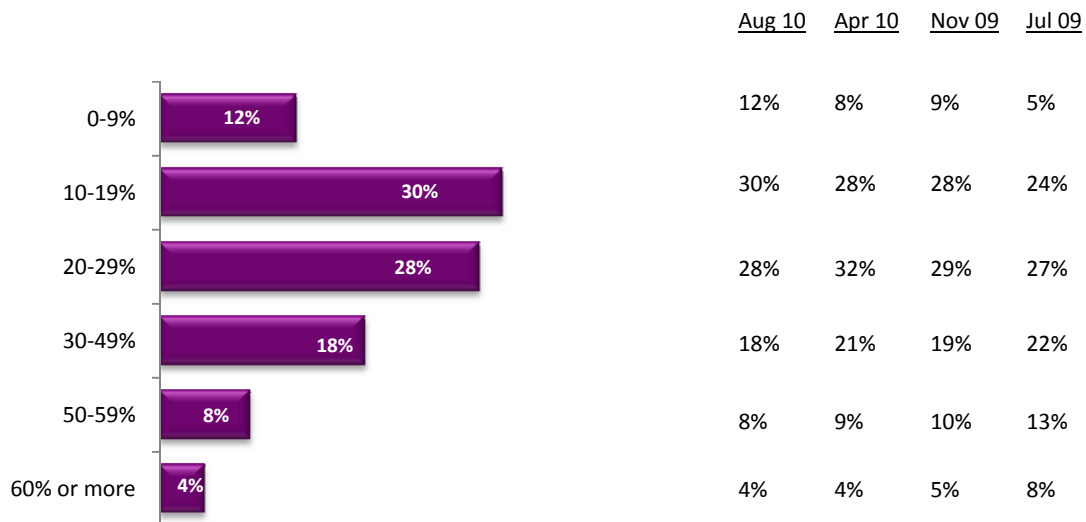


Figure 1.2: Revenue **decrease** percentages in last 12 months, as reported by 26% of the total sample (% of n = 264)



**Bigger businesses report greater revenue increases**

Over half (52%) of medium business (20-199 employees) owners report business revenue increases, compared to 39% of small business (5-19 employees) owners, 32% of micro business (1-4 employees) owners, and 29% of sole traders (0 employees). Medium business owners (15%) are also least likely to report a decrease in their business revenue over the last 12 months. (See Figure 1.3)

**Business owners with a business website report a more successful year**

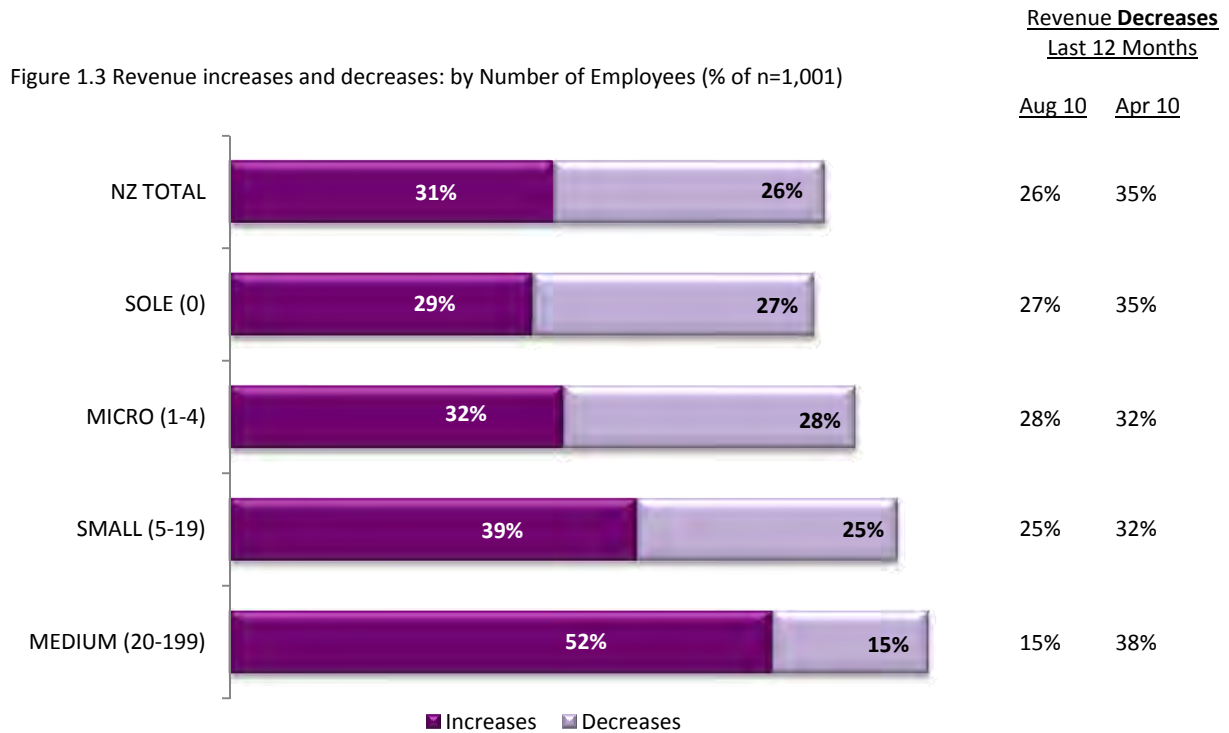
As in previous surveys, those business owners who have a business website are more likely to have had a revenue increase in the last year (37%), compared with business owners who don't have a website promoting their business (28%).

**Lower revenue businesses and ‘Technology Early Adopters’ fare much better over last year**

Over two in five (41%) of owners of businesses with annual revenue of \$200K-\$999K report revenue increases over the last 12 months, as do 40% of those business owners who identify themselves as ‘Technology Early Adopters’.

**As in last two surveys, more mature businesses more likely to have lost revenue in last 12 months**

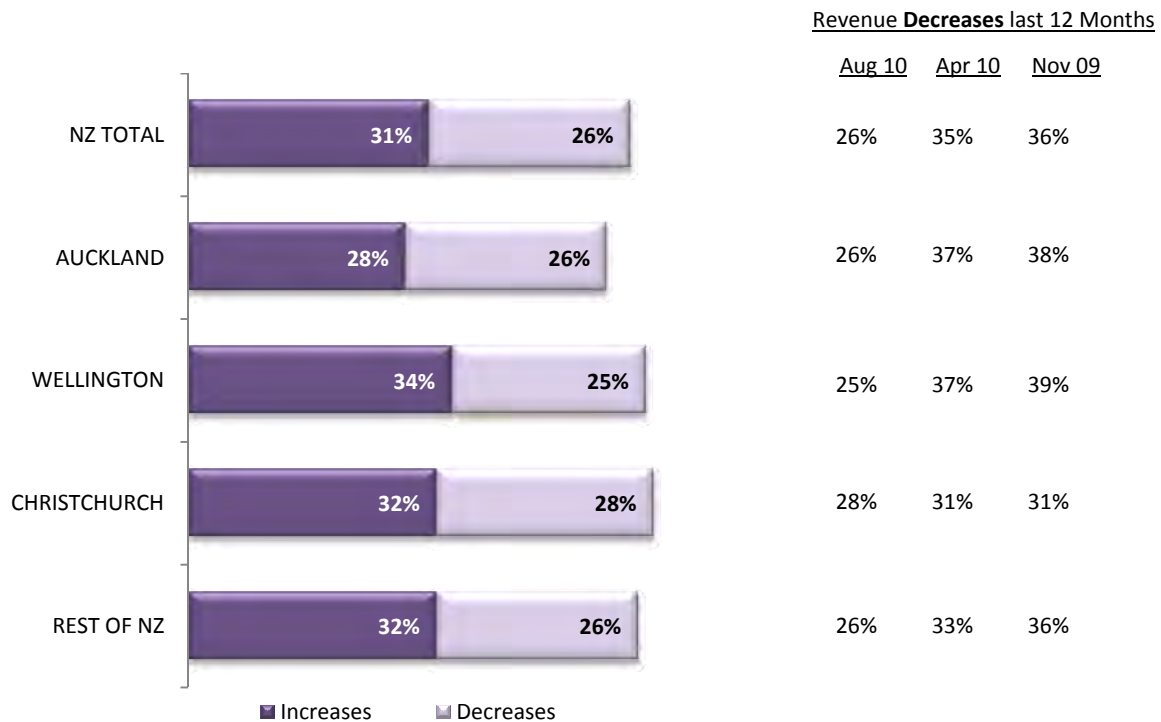
Just one one-third (34%) of owners of mature businesses (>10 years) report revenue decreases in the last 12 months, contrasting with start-up business (<2 years) owners, only 10% of whom report a fall in revenue.



**Business revenue gains similar by location across New Zealand**

Slightly more business owners in Wellington (34%) report business revenue increases, when compared with the reports of business owners in Auckland, Christchurch and the Rest of New Zealand. (See Figure 2.4)

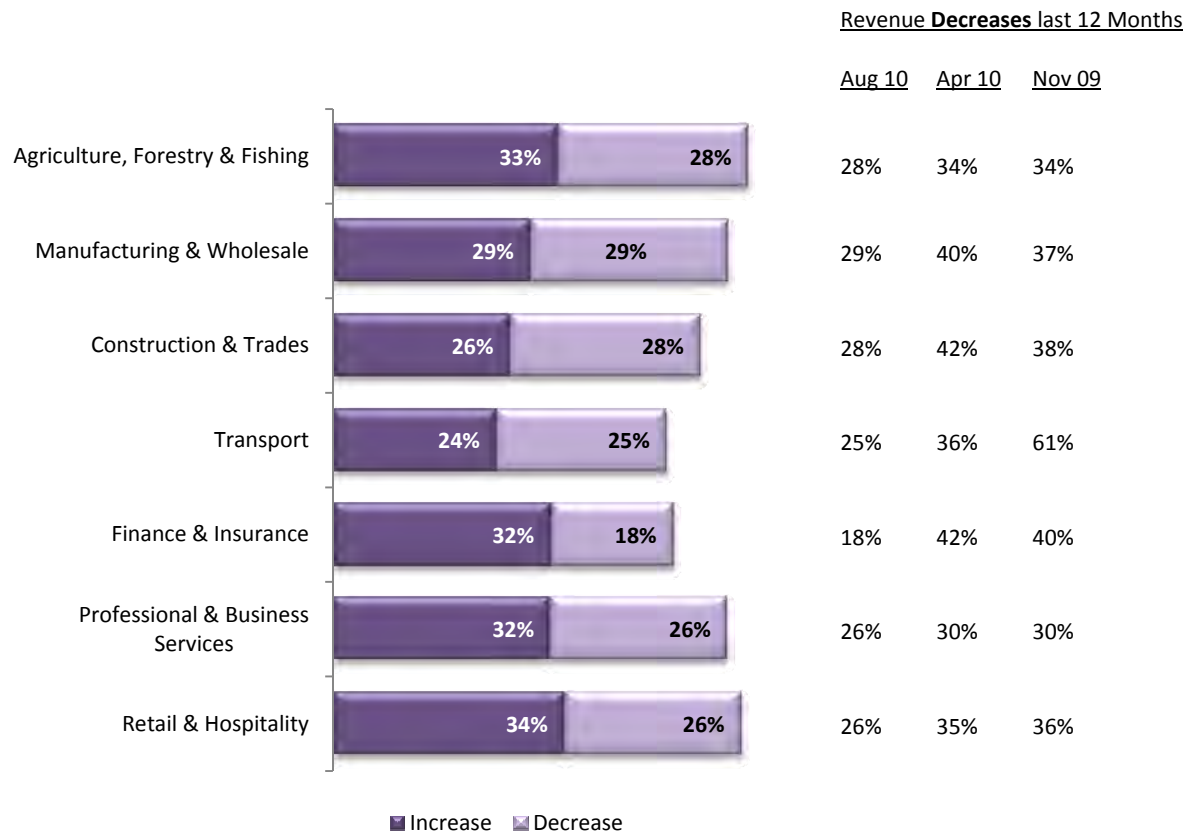
Figure 1.4 Revenue increase and decrease percentages reported over last 12 months: by Location (% of n = 1,001)



**While business revenue reports are far more positive than before, slightly more business owners in three industry categories still report revenue decreases than report revenue increases**

For the first time in over a year, more business owners across all industry categories are presently able to report revenue increases rather than decreases over the 12 months, with increases reported by around a third of business owners in Retail & Hospitality (34%), Agriculture, Forestry & Fishing (33%), Professional & Business Services (32%), Finance & Insurance (32%) and Manufacturing & Wholesale (29%). And while business revenue decreases are reported by far fewer business owners than were reported in the April 2010 and November 2009 surveys, close to one third of business owners in Manufacturing & Wholesale (29%), Agriculture, Forestry & Fishing (28%), Construction & Trades (28%) still report business revenue decreases over the last 12 months, and around a quarter of business owners in Retail & Hospitality (26%), Professional & Business Services (26%) and Transport (25%) report the same. Since November 2009, the percentage of business owners claiming revenue decreases in Transport businesses (61% down to 25%) and Finance & Insurance businesses (40% to 18%) have more than halved. (See Figure 1.5)

Figure 1.5 Revenue **increase** and **decrease** percentages reported over last 12 months: by Industry (% of n = 1,001)



## Work or sales in the pipeline for next three months

**In a positive move upward since the last survey, one-third of business owners report work in the pipeline is higher than usual**

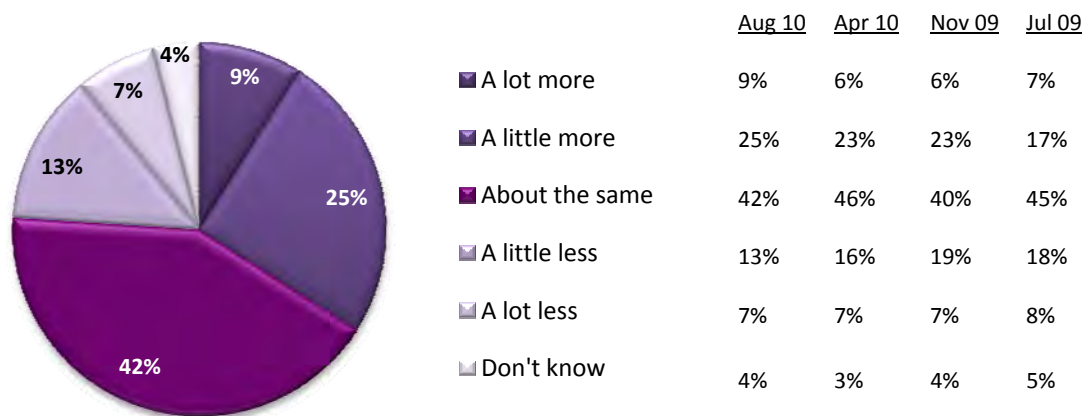
Base: Business owners and directors (n = 1,001)

Q. Please indicate how much work you have got on in the next 3 months, compared to what you would usually expect or normally have. (Please select one only)

**One third of business owners report more sales/work in the pipeline than usual, only one fifth report less**

In a positive sign, 34% of business owners surveyed report that they have more work/sales in the pipeline than normal or usual, 42 % report work/sales are about the same and only 20% report that there is less than normal. (See Figure 2)

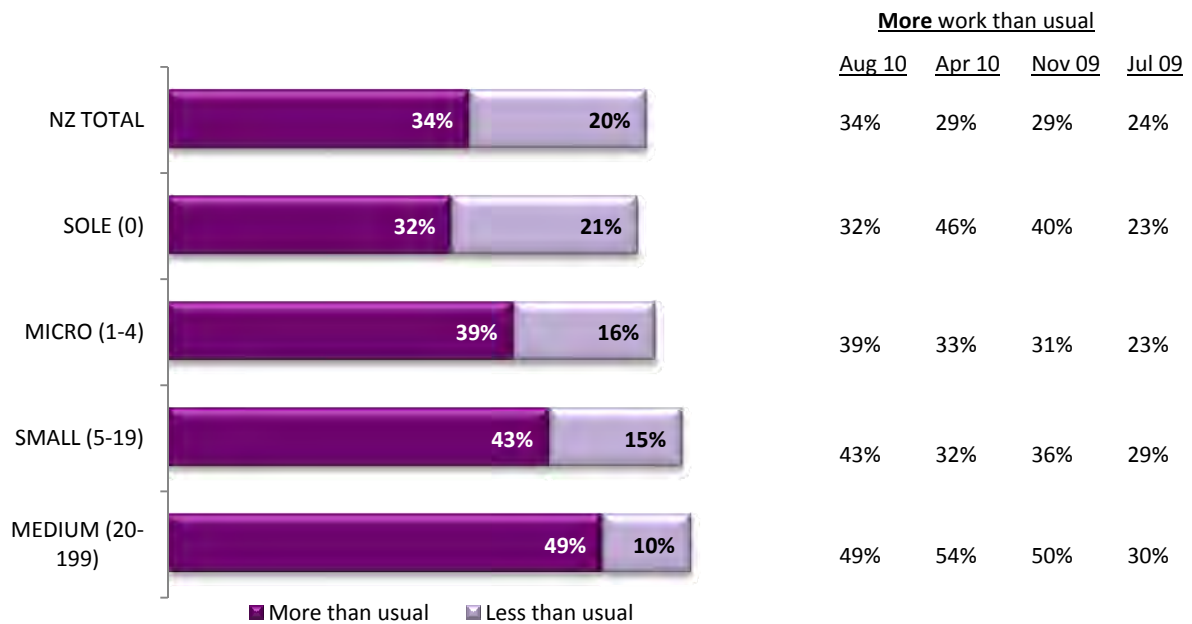
Figure 2: Work or sales in pipeline compared with usual: by Total Sample (% of n = 1,001)



### Medium business owners seeing more work or sales in the pipeline than others

Almost one half (49%) of medium sized business owners say that they have more work/sales in the pipeline than expected, which contrasts with only 32% of sole traders who report the same (although 6% more sole traders are now reporting more pipeline sales than usual than reported the same in April 2010). Small business owners are the second most positive about work in hand, with 43% of them saying that they have more work than usual ahead over the next 3 months. (See Figure 2.1)

Figure 2.1: Work or sales in pipeline compared with usual: by Number of Employees (% of n = 1,001)



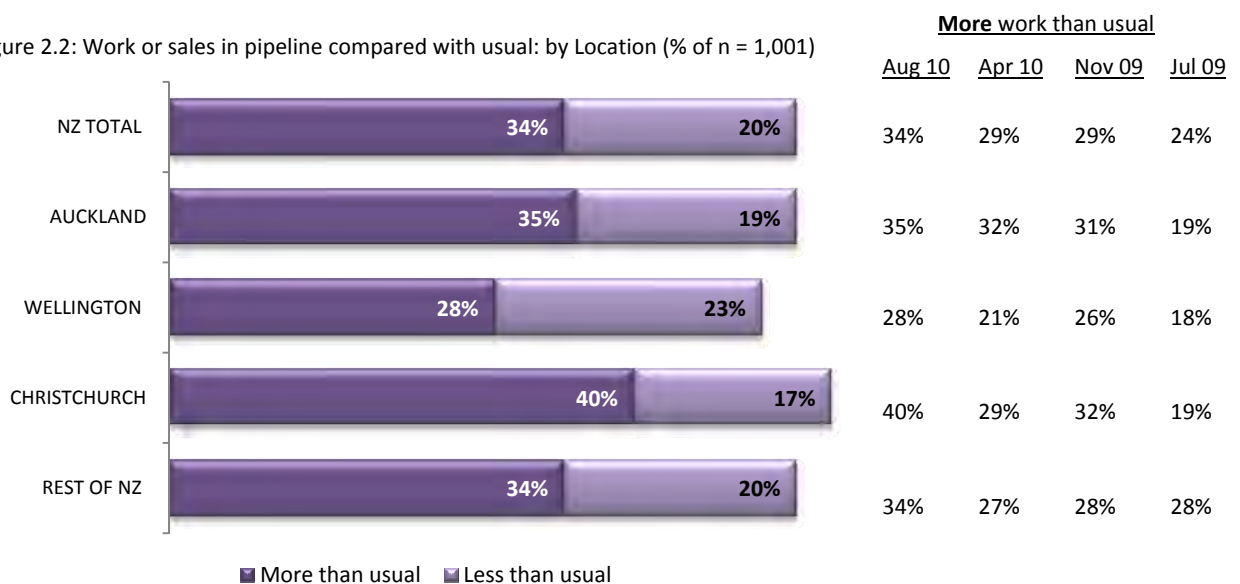
**Christchurch business owners now report better pipeline sales**

Two in five (40%) of business owners in Christchurch report more pipeline sales than usual, compared to only 29% who did so in April 2010. Wellington remains the location where fewer business owners (28%) report more work than usual in the pipeline. (See Figure 2.2)

**Those with more revenue in last year most likely have more in pipeline**

Over half (57%) of business owners who report increased business revenue in the last 12 months report more work or sales in the pipeline than usual, compared with only 22% of those who report decreased business revenue in the last year. Compared with the New Zealand business owners' average of 34% saying that they have more work than usual, 47% of those with an annual business revenue of \$1-5m, 44% of those who have a business website (vs. 30% of those who don't have a business website) and 43% of start-up business owners indicate they do have more.

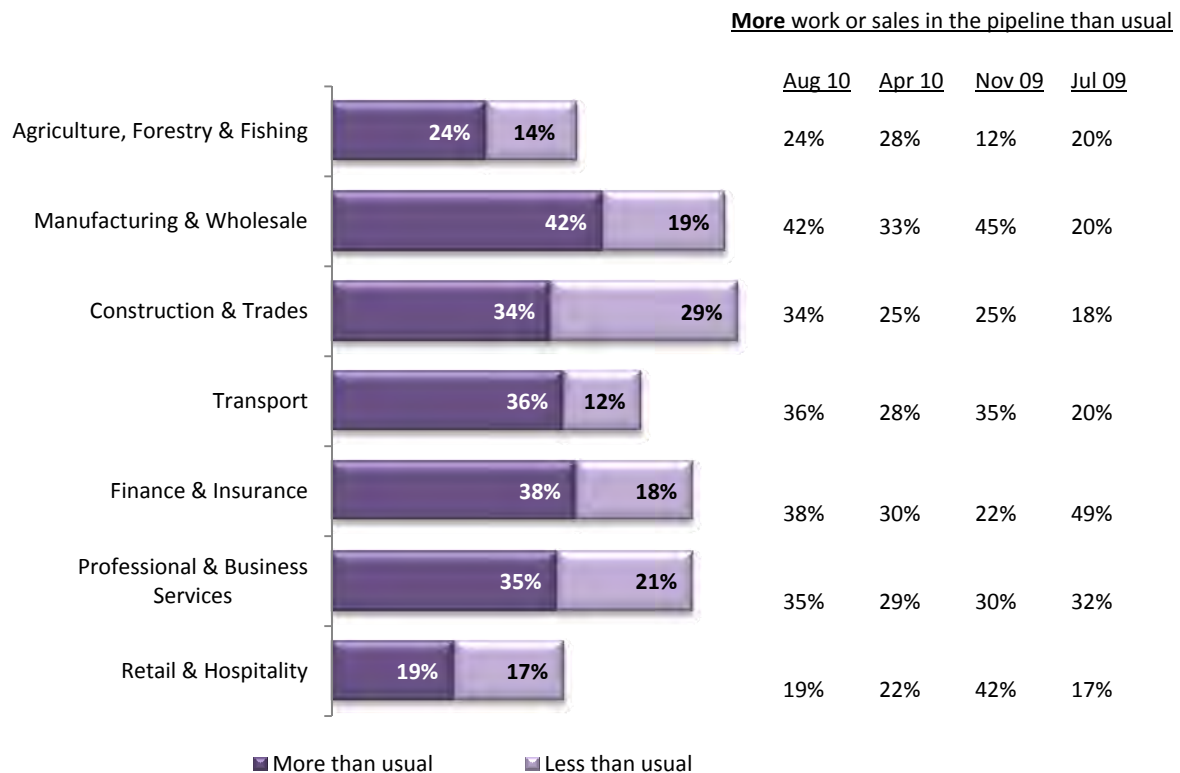
Figure 2.2: Work or sales in pipeline compared with usual: by Location (% of n = 1,001)



**Business owners in Manufacturing & Wholesale, Finance & Insurance report more work in pipeline**

More than two in five (42%) business owners in the Manufacturing & Wholesale industry report more pipeline sales than usual, a similar result to the November 2009 survey. Almost two in five (38%) business owners in the Finance & Insurance sector report more work in the pipeline, their best result since a high of 49% in July 2009. Others to report even more sales in the pipeline than before are business owners in Construction & Trades (34%), Transport (36%) and Professional & Business Services (35%). The two sectors where fewer business owners report more work than in April 2010 are Agriculture, Forestry & Fishing (24% vs. 28%) and Retail & Hospitality (19% vs. 22%, and way below the 42% reported in November 2009). (See Figure 2.3)

Figure 2.3 Work or sales in pipeline compared with usual: by Industry (% of n = 1,001)





## Expectations of business revenue growth over next 12 months

### Positive signs - four times as many expect revenue increases than expect revenue decreases over the coming year

Base: Business owners and directors (n = 1,006)

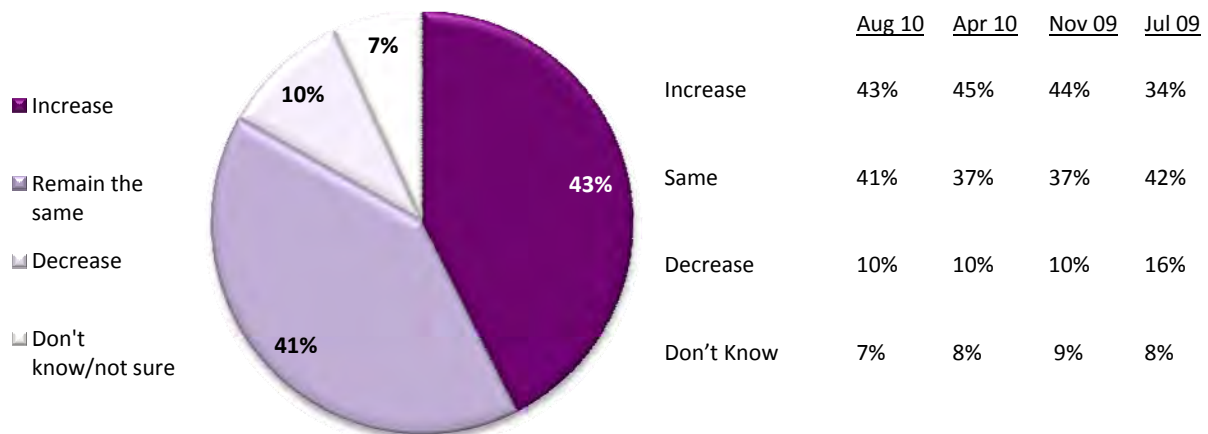
Q. And how do you expect your business revenue (your gross turnover or sales) in 12 months' time to compare with your business revenue at the present time?

#### Future revenue expectations are bright

While 31% of business owners surveyed report improvements in revenue in the last 12 months, 43% expect to increase their business revenue over the next 12 months. In more positive signs, just on two in five (41%) business owners believe that their revenue will remain the same, and only 10% expect that their business revenue will decline in the next 12 months. (See Figure 3)

In New Zealand, there is a direct relationship between those who presently have more sales than usual in the pipeline (e.g. medium business owners and business owners in Christchurch) and those who are more likely to expect business revenue increases over the next year. Also, as might be expected, those who have experienced revenue growth over the last year in New Zealand are the most positive (64%) about their revenue increasing over the year ahead. Those who identify themselves as 'Business Builders' are next most positive (54%) about future revenue, followed by owners of start-up businesses (51%), then business owners who have a business website (50% vs. 39% of business owners without a business website).

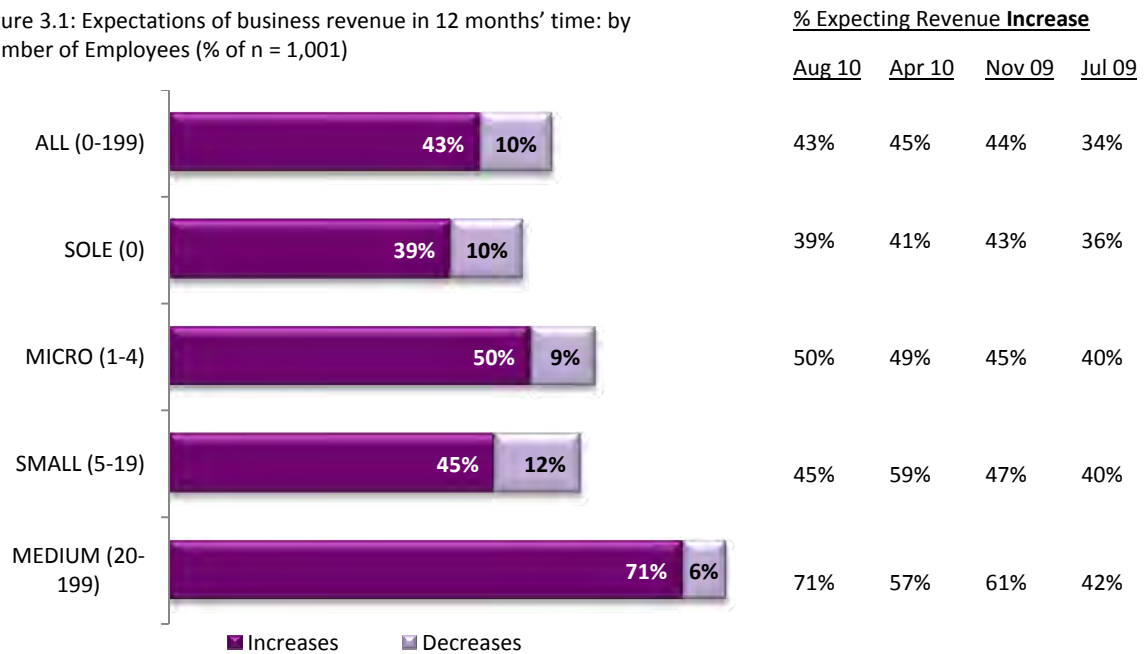
Figure 3: Expectations of business revenue in 12 months' time (% of n = 1,001)



### Medium business owners most optimistic about growing revenue

Almost three quarters (71%) of medium sized business owners expect revenue increases in the next 12 months, while only 6% anticipate a business revenue decline. Next most positive are micro business owners (50%), while optimism of small business owners has decreased (45%) since April 2010 (59%). (See Figure 3.1)

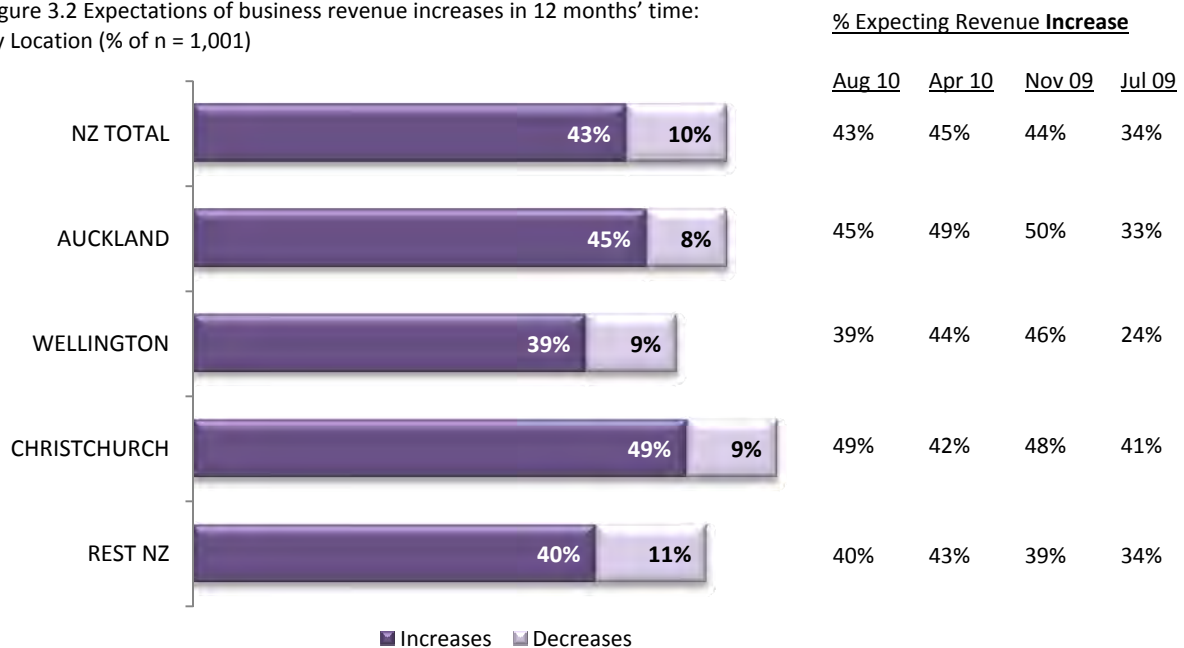
Figure 3.1: Expectations of business revenue in 12 months' time: by Number of Employees (% of n = 1,001)



### Business owners in Christchurch are the most optimistic

Almost half (49%) of business owners in Christchurch expect business revenue to increase over the next year, compared with 45% of business owners in Auckland, 40% in the Rest of New Zealand and 39% in Wellington. (See Figure 3.2)

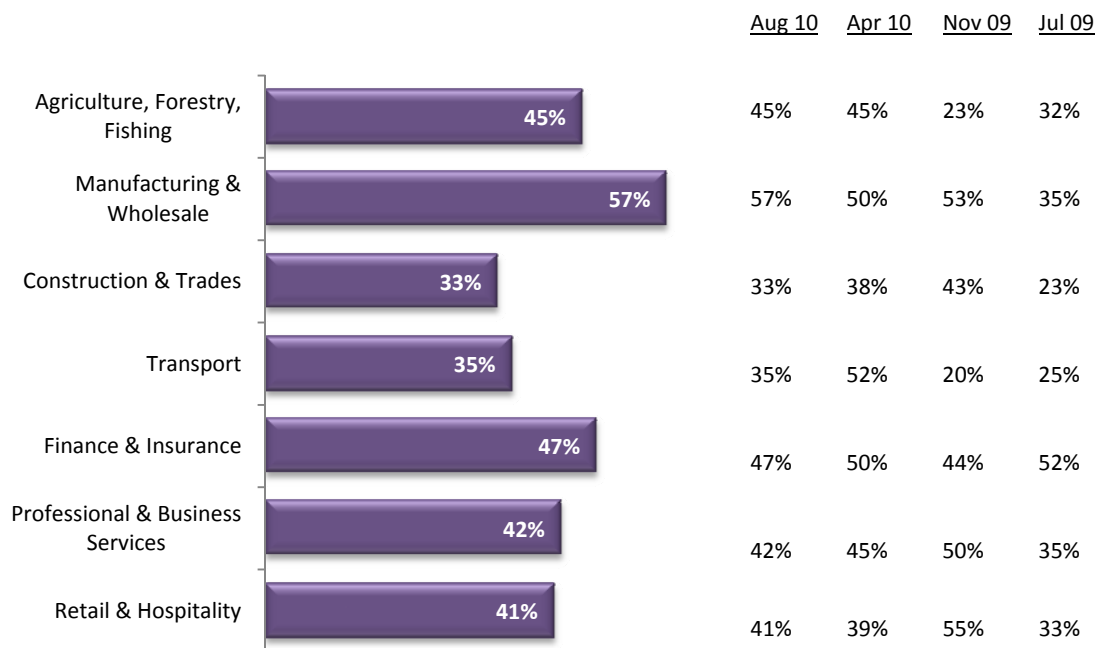
Figure 3.2 Expectations of business revenue increases in 12 months' time: by Location (% of n = 1,001)



**Business owners in Manufacturing & Wholesale industries now clearly most optimistic of any sector**

Over half (57%) of business owners in the Manufacturing & Wholesale sector now expect revenue increases over the next year. Next most optimistic are business owners in Finance & Insurance (47%) and in Agriculture, Forestry & Fishing (45%). Least optimistic of business revenue increases in the next 12 months are business owners in Construction & Trades (33%) and business owners in Transport (35%). (See Figure 3.3)

Figure 3.3 Expectations of business revenue **increases** in 12 months time: by Industry (% of n = 1,001)



## The main pressures on doing business in New Zealand in next 12 months

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### Cash flow, price margins, profitability expected to put most pressure on business

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Base: Business owners and directors (n = 1,001)

Q. Please rate each of the following on how much pressure they will put on your business in the next 12 months?  
(Please select one answer only for each statement)

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#### Cash flow expected to put most pressure on businesses

One-third (32%) of the business owners surveyed report that cash flow will put quite a lot of pressure (24%) or extreme pressure (8%) on their business in the next 12 months. In contrast, in the April 2010 survey, fuel prices (34%) were expected to put pressure on more businesses than any other factors were; and in the November 2009 survey, price margins and profitability (28%) were expected to exert the most pressure on businesses in New Zealand. (See Figure 4) The business owners who expect to feel the most pressure on their business from cash flow are those in Agriculture, Forestry & Fishing (44%), medium business (44%), small business (43%), Construction & Trades (40%), Rural New Zealand (39%) and those with an annual revenue of \$200-999K (41%).

#### Related to cash flow, now much more concern about timeliness of customer payments

One quarter (25%) of business owners surveyed expect the timing of customer payments to put pressure on their business over the next 12 months (compared with 14%-19% who were concerned about this factor in the previous three surveys). (See Figure 4) The business owners more likely to be concerned about late or delayed customer payments are 18-39 years of age (40%) and are in Manufacturing & Wholesale (36%).

#### Price margins, profitability still expected to exert a good deal of pressure on business

Around three in ten (29%) business owners surveyed expect price margins and profitability to put pressure on their business in the coming year (just as 28% of business owners did in the November 2009 survey, when this same factor was expected to put pressure on their business more than any other factor was). (See Figure 4) Business owners expecting this factor to place more pressure on their business than others include those who own a small business (51%) or a medium business (49%), have an annual revenue of \$1-5m (51%), or are in Retail & Hospitality (44%).

#### Fuel prices still expected to put extreme pressure on certain sectors

Eight percent of business owners surveyed expect fuel prices will put extreme pressure on their business in the next year (cash flow is the only other factor that is expected by as many as 8% to put extreme pressure on their business), and a further 18% expect fuel prices to put a lot of pressure on their business in the year ahead. So while fuel prices was the #1 pressure on business in the April 2010 and July 2009 surveys, it is now the #3 pressure after cash flow and price margins and profitability, but is still at a fairly high level of expectation. (See Figure 4) To be expected, business owners in Transport (42%) and Construction & Trades (40%) are by far the most concerned about the likely upcoming pressure of fuel prices on their business.

**Competitive activity remains major anticipated pressure**

Almost one quarter (24%) of business owners expect that competitive activity will place quite a lot of pressure (20%) or extreme pressure (4%) on their business in the next 12 months. (See Figure 4) Those who expect to feel this pressure the most are in a medium business (50%), a small business (38%), a business with annual revenue of \$1-5m (40%) or in Manufacturing & Wholesale (36%). Those who least expect this kind of pressure on their business are in Finance & Insurance (16%) or in Agriculture, Forestry & Fishing (19%).

**Lack of volume of business sales or projects now expected by twice as many to exert pressure on their business**

One quarter (24%) of business owners surveyed expect the volume of business sales or projects to put pressure on their business in the next year, which compares with only 12% who saw this as a potential pressure in the April 2010 survey. (See Figure 4) Owners of medium businesses (36%) expect more pressure from this factor, as do business owners in Finance & Insurance (33%).

**Less concern about interest rates, much less concern about exchange rates, since last survey**

Just on two in five (21%) business owners expect interest rates to put pressure on their business, compared with 28% who did so in the April 2010 survey. This is still well above the level of concern (14%) measured in the July 2009 survey. And having been nominated as an upcoming pressure by 26% in April 2010, only 15% of business owners in the current survey are expressing this kind of concern about exchange rates. (See Figure 4)

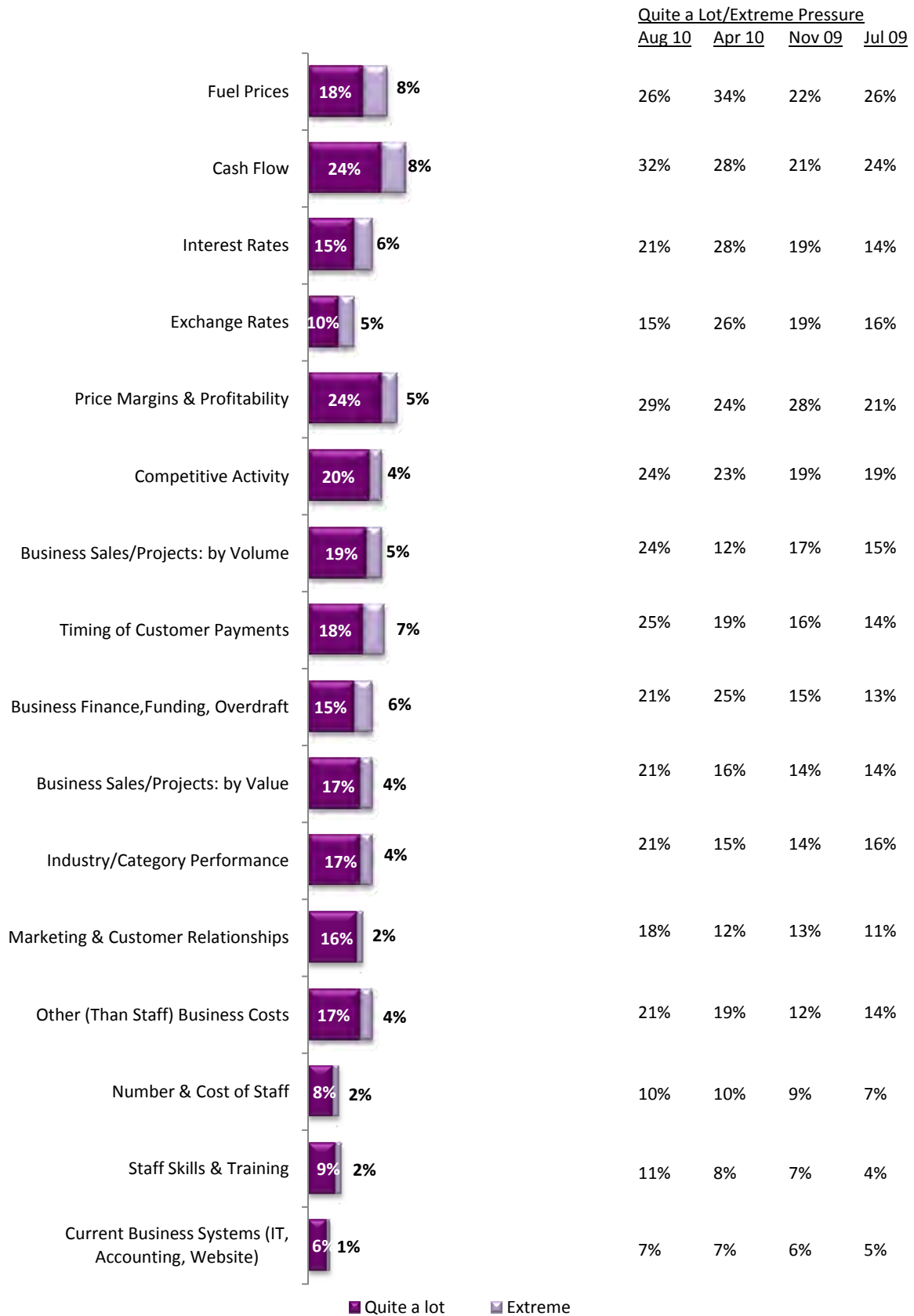
**Business finance/funding/overdraft remains likely business pressure point**

Like interest rates, the same proportion (21%) of business owners surveyed expect their business to be pressured by business finance or overdraft, which compares with a high of 25% expecting this as a pressure in April 2010, and a low of 13% expecting this as a pressure in July 2009. (See Figure 4)

**Business owners appear well-served by their current IT and accounting business systems**

The least pressure of all on business owners will be felt from current business systems including IT, accounting, and their website (only 6% expect pressure from this). Most business owners are also likely to feel little or no pressure from their number and cost of staff (10% expect pressure from this) or from staff skills and training (11% expect pressure from this). (See Figure 4)

Figure 4. The specific pressures on business in the next 12 months: By total sample (% of n=1,001)



## Sources of information to help them run business better

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### Most business owners get outside help or information to run their business better

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Base: Business owners and directors (n = 1,001)

Q. And who, if anyone, do you ask for help or information to help you run the business better, and so enjoy your work more too? (Previously, in April 2010: Q. And who do you ask for information about improving business performance?)

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### More than half of business owners get an accountant to help them run their business better

Over four in five (84%) business owners surveyed get some form of *help or information to help them run their business better*, compared with 63% of business owners surveyed in April 2010 who nominated their *sources of information or help to help them improve their business performance* (which was the form of the question in April 2010 – see above). Likewise, 55% of all business owners report that they get help or information from their accountant to help them run their business better, compared with 36% of business owners surveyed in April 2010 who said that they use their accountant to help them improve the performance of their business. (See Figure 5) Those most likely to use their accountant to help them run their business are in Agriculture, Forestry & Fishing businesses (68%), mature (>10 years) businesses (63%), medium businesses (62%), Rural New Zealand (61%) or businesses with a low annual revenue of \$75-199K (60%).

### Business associates or others in business, bank managers or advisers are only other major sources of help or information on running business

Just on one-third (34%) of business owners surveyed report that they get information or help from business associates or other business people when they want assistance in how they should run their business. A higher than expected 21% of business owners say that they use a bank manager or adviser for this purpose, and a further 16% of business owners say that they use a business mentor, adviser or coach for this purpose. (See Figure 5) The most collaborative with business or banking associates in this regard are business owners in Finance & Insurance (48%), business owners with an annual revenue of \$1-5m (45%), business owners with a business website (44%), and owners of a small business (42%).

### Business owners in three industry sectors somewhat less likely to seek help running their business

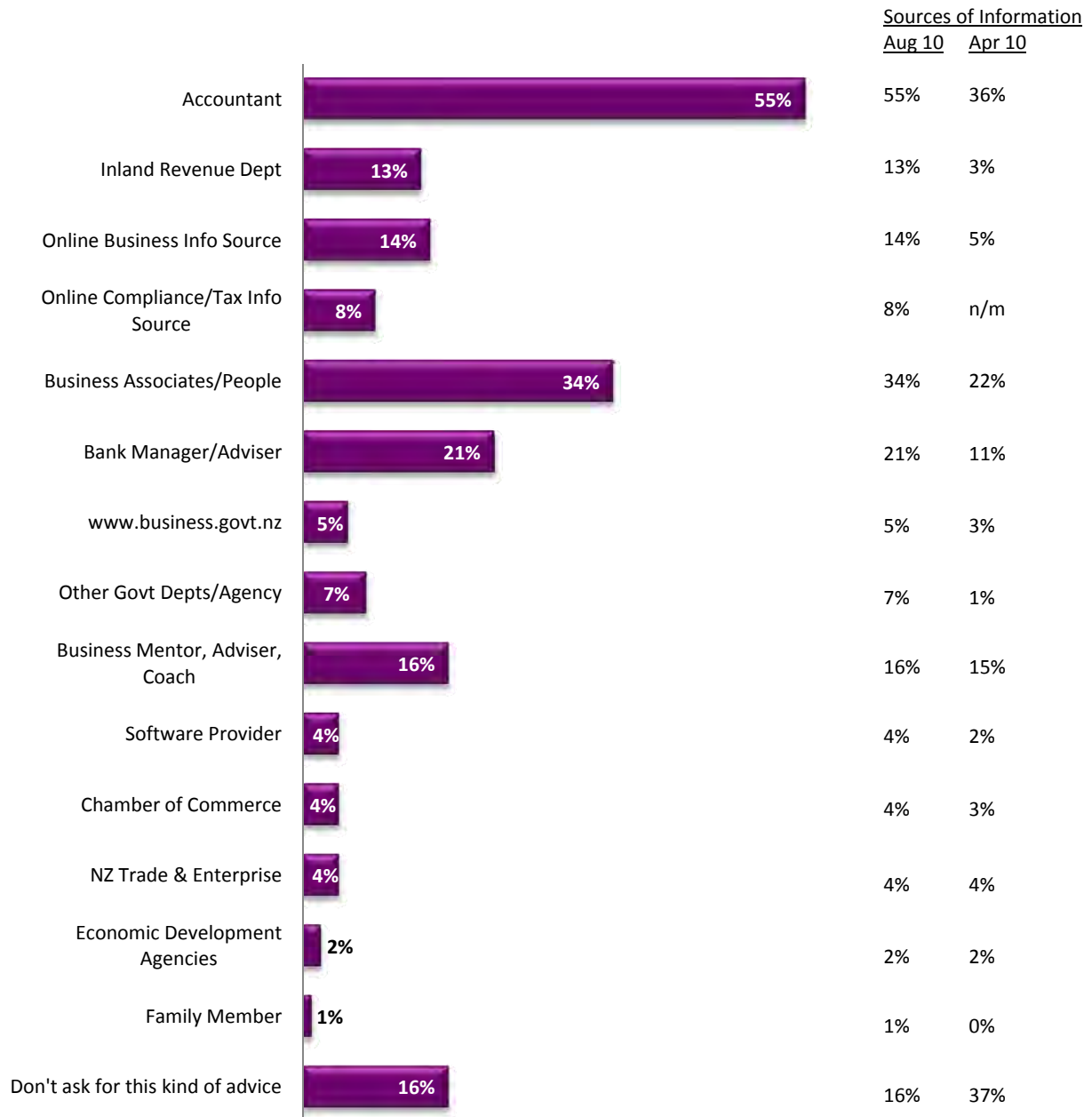
While only 16% of business owners never seek this kind of business information (See Figure 5) and 84% of business owners surveyed will get help or information to help them run their business, only 71% in Transport, 72% in Construction & Trades and 76% in Manufacturing and Wholesale will do so. This compares with 93% in Agriculture, Forestry & Fishing and 91% in Retail & Hospitality who will seek information or help related to running their business.

### Very few business owners use Internet to source business help

Only 14% of business owners surveyed report that they go online to source information to help them run their business, and only 8% indicate that they go online for compliance or tax information.



Figure 5: Sources of Information to help to run their business better: (% of n = 1,001)



## Impact of certain factors on ability to achieve business goals

### Understanding how new Government legislation impacts their business has the highest level of impact on ability to achieve business goals

Base: Business owners and directors (n = 1,001)

Q. What level of impact does each of the following have on your ability to achieve your business goals?

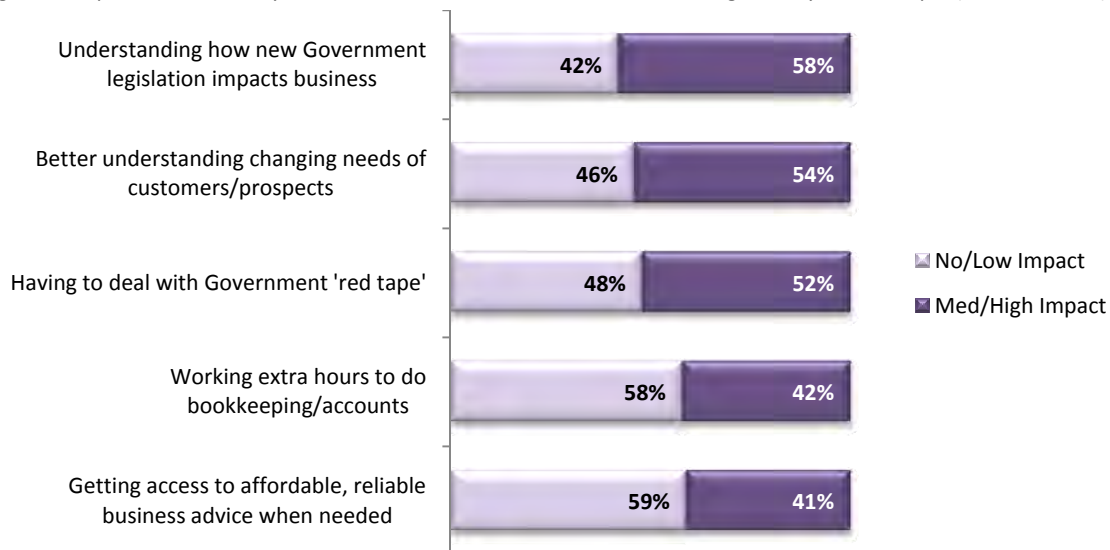
Of the five factors researched for their impact on the ability to achieve business goals, 58% of business owners surveyed report that **understanding how new Government legislation impacts your business** has a medium or high impact on their ability to achieve their goals. (See Figure 6) Business owners that feel the most medium-high pressure here are in medium businesses (73%), small businesses (71%), Finance & Insurance (73%) and Agriculture, Forestry & Fishing (68%).

Next, with 54% saying that this has a medium or high impact on the achievement of business goals, is **getting a better understanding of the changing needs of your customers and prospects**. (See Figure 6) Business owners likely to feel the most medium-high pressure here are in medium businesses (74%), start-up businesses (65%) and Finance & Insurance (65%).

The third highest or heaviest impact is (for 52% who say medium or high impact) **having to deal with Government 'red tape'**. (See Figure 6) Business owners who most want to cut red tape to relieve the medium-high impact are small business owners (66%), owners of businesses with annual revenue of \$200-999K (61%), and business owners in Rural New Zealand (59%).

Somewhat lower impact is attributed (by 42% who say medium or high impact) to **working extra hours to do your bookkeeping or accounts**, and (by 41% who say medium or high impact) to **getting access to affordable and reliable business advice when you need it**. (See Figure 6) Business owners who feel medium-high impact on their ability to achieve business goals from working extra hours on 'their books' are business owners of start-ups (57%), of Retail & Hospitality (55%) and of small businesses (52%). Those who will feel medium-high pressure on getting affordable and reliable advice when they need it are more likely to be in a small business (58%), a start-up business (56%), Finance & Insurance (54%) and Retail & Hospitality (53%).

Figure 6: Impacts on the ability of business owners to achieve their business goals. By Total Sample (% of n = 1,001)



## Awareness of the GST increase on October 1<sup>st</sup>, 2010

### 96% of business owners have definitely heard of the GST increase (to 15%) on October 1<sup>st</sup>, 2010

Base: Business owners and directors (n = 1,001)

Q. Before today, had you heard that the GST is scheduled to increase on October 1<sup>st</sup>, 2010?

Almost all (96%) business owners surveyed report that they have definitely heard of the GST increase, a further 3% are pretty sure they have heard of the change, and only 1% of all the business owners surveyed say that they definitely haven't heard anything about it. (See Figure 7)

Figure 7: Whether or not they have heard about GST increase on October 1<sup>st</sup>, 2010. By Total Sample (% of n = 1,001).

