



## Hearing the voice of small business

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BusinessNZ surveys reveal useful insights into how well business is doing in New Zealand – our monthly surveys of manufacturing (PMI) and services (PSI) and other surveys of companies deliver much data for analysis and decision making.

A recent survey, Mood of the Boardroom, has given a good insight into small business sentiment.

This survey, run annually in partnership with the NZ Herald, surveys both large and small businesses.

This year's survey showed large businesses to be in a positive frame of mind. Business leaders surveyed reported feeling more upbeat about their prospects than a year ago – 'serious optimism breaking out,' the Herald reported.

Interestingly, this confidence was also reflected in the small business responses.

Most SMEs reported that they expected to increase capital spending and spend more on IT this year, and their highest reported priority was related to growth.

The 'comments' part of the survey revealed the most positive results, especially the question which asked: "*What was your best achievement in the last 12 months?*"

This is a question that is included in the Mood of the Boardroom survey every year, and most years elicits a range of replies including a fair balance of negative and positive answers.

This year however the answers were more positive than negative, including:

*'Significant profitable growth'*

*'Maintaining revenue at budgeted level despite increased competition'*

*'Record financial result'*

*'Best ever financial results'*

*'Kaizen achievements and R&D innovations'*

*'Surviving the dairy downturn'*

*'New product launch'*

*'Two new facilities commissioned and progress offshore'*

*'Survival'*

*'Developing a USP'*

*'Merger with Australian company, opened new outlets'*

*'Getting rid of a bad apple, finding new clients'*

*'Successful acquisition of another manufacturing business'*

*'Improving profitability'*

*'Revamping web presence'*

*'Record number of sales'*

*'Opened new export market'*

*'10% growth in sales'*

*'Business transformation program resulting in a significant turnaround'*

When asked about future prospects with the question: *"What are your top business priorities for the next 12 months?"* - the responses were similarly positive, including:

*'Find more good people, find more good clients, stay sane'*

*'Increase business through website, improve website and upgrade business software'*

*'Cashflow, acquisitions, exports'*

*'Get back under control after unprecedented growth, take advantage of opportunities offered by the growth in NZ, increase profitability'*

*'Improve productivity, grow export markets, product innovation'*

*'New warehousing in Auckland, update web presence, open 5 or 6 new outlets'*

*'Commercialise new IP, enter new geographic markets, access growth capital'*

*'Upskill staff, improve performance in newly introduced product ranges, improve working capital'*

*'New market for export – Indonesia, new machinery, implement project management system'*

*'CRM, export, social marketing'*

*'Expand business into new markets, capital raise to fund expansion, transition to a services led organisation'*

*'New product launch'*

*'Gaining some different clients'*

*'Health & safety'*

*'Increased margin with increased profit'*

*'Topline and bottom line growth'*

*'Acquire more good employees'*

The intentions expressed by small business appeared to be based on a degree of confidence about their prospects and the business environment in which they operate.

These of course are qualitative rather than quantitative data, but they are suggestive of an upbeat, positive small business sector in 2016.

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