

Disclaimer

The following survey was conducted by the Small Business Council to help inform the Council's strategic recommendations to the Minister for Small Business.

The Small Business Council is publicly releasing these results to be used by anyone that may find them interesting or useful.

While a weighting has been applied to correct differing rates of response across industries, respondents were self-selected and results are not representative of the views of New Zealand's small business community.

This document does not contain official statistics or government policy.

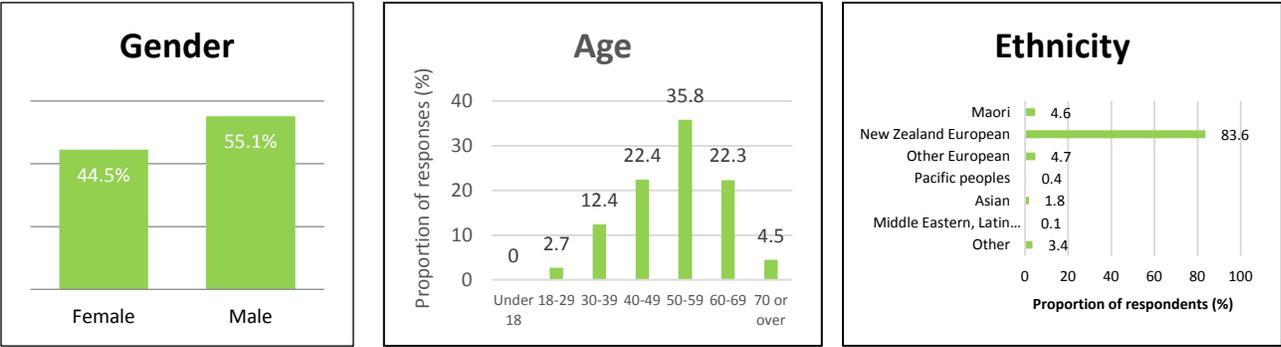
Results of the Small Business Survey

The Small Business Council survey of New Zealand small business ran from 28 February to 24 March 2019. A total of 1091 eligible respondents started the survey and 852 completed it, giving a completion rate of 78%. Both complete and incomplete surveys are included in the analysis. Respondents were self-selected and the results are not representative of the small business sector as a whole.

This report presents the results for businesses with up to 19 employees, which are commonly considered to be small in New Zealand. The survey was also completed by 39 'medium-sized' businesses (with 20-49 employees) and 18 businesses with more than 50 employees. Results from these respondents are contained in separate reports.

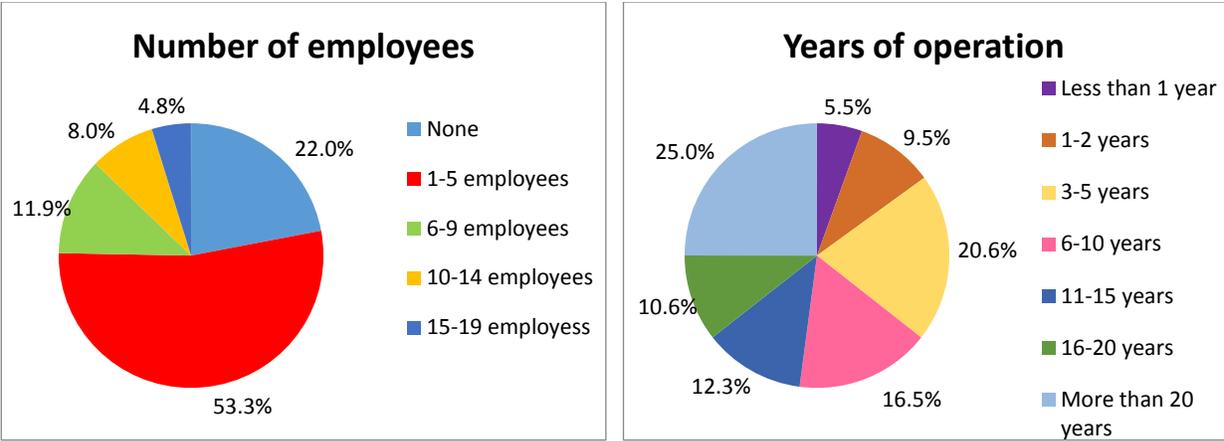
Respondent profile

Slightly more males than females completed the survey and over three quarters were aged between 40 and 69. Respondents were predominantly New Zealand European.

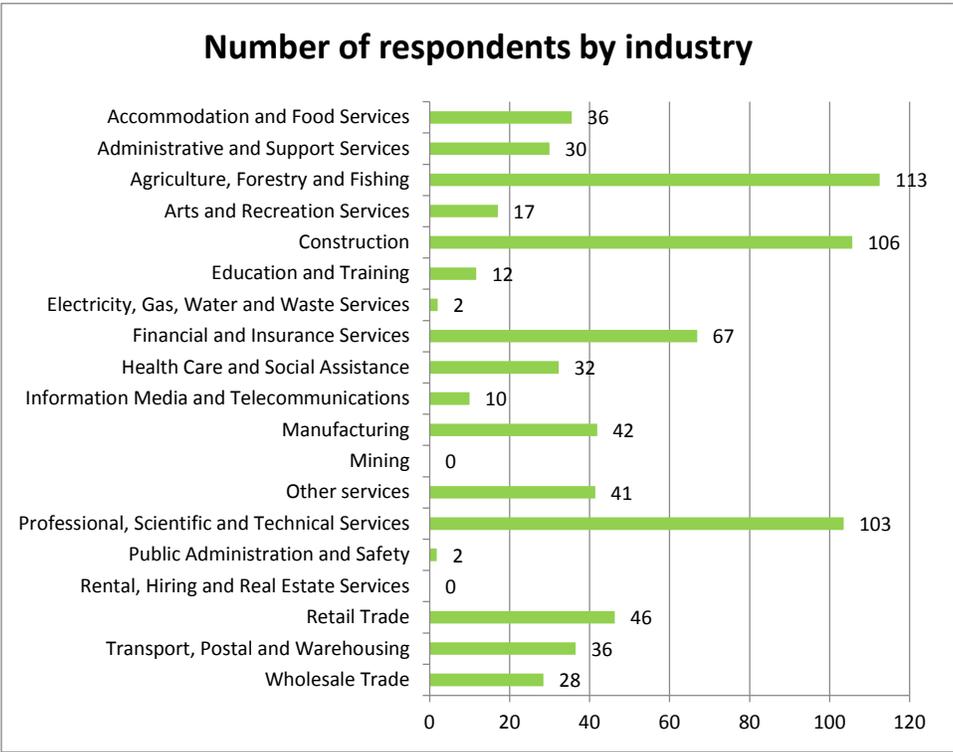


Business profile

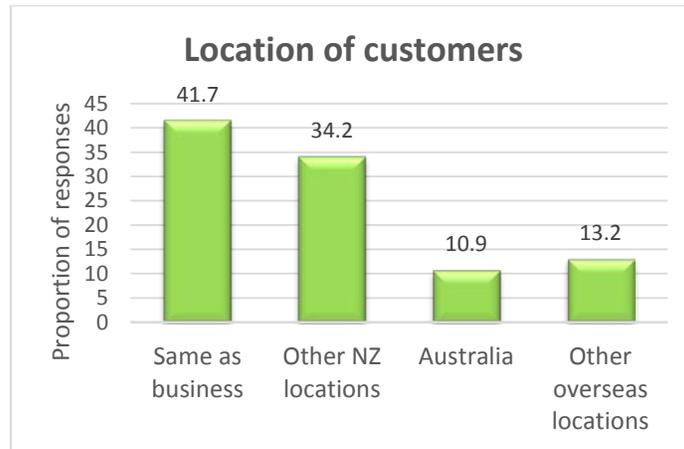
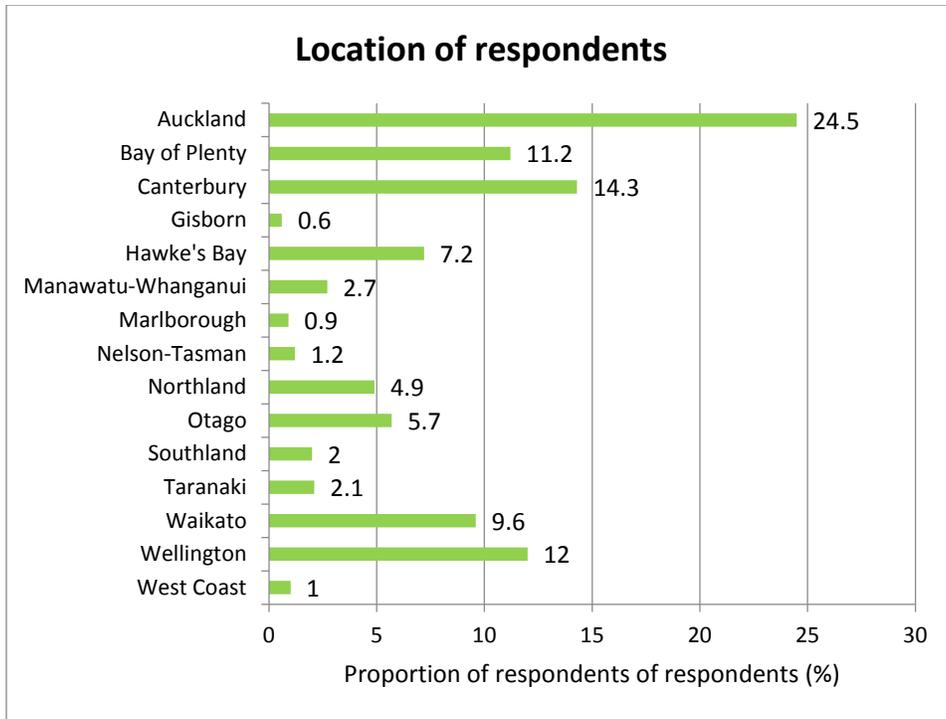
The majority of respondents were businesses with 1-5 employees and a quarter had been in business for more than 20 years.



Responses were weighted by industry to ensure results reflect the industry make-up of the small business sector.

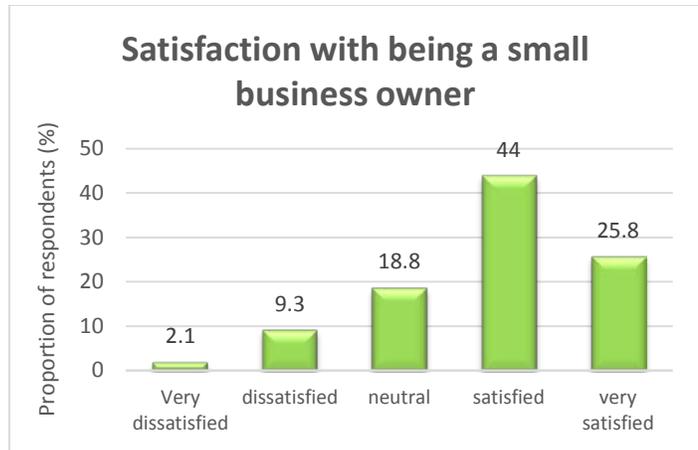


All regions in New Zealand were represented in the survey, with the most responses coming from main urban regions of Auckland, Canterbury and Wellington. The respondents' customers were primarily located in the same region as the business or in other parts of New Zealand. Other overseas locations featured slightly higher than Australia.

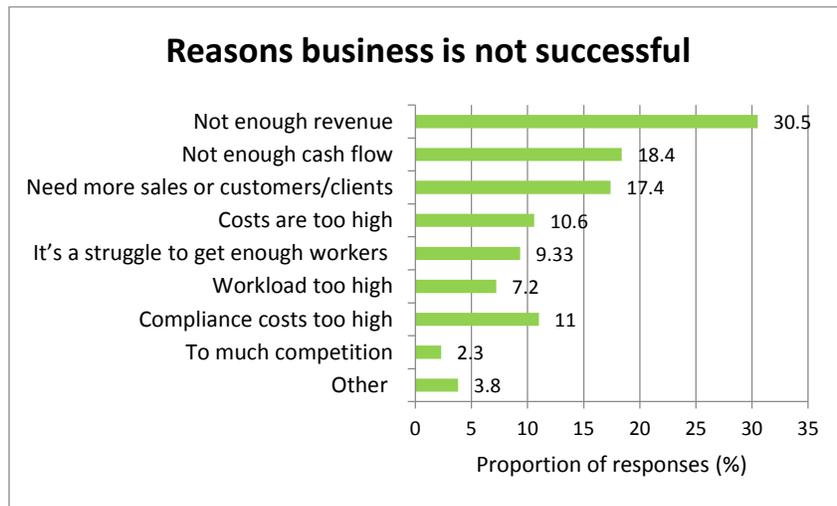


Perception of the business

Respondents were overwhelmingly positive in their views on the success of their business and their satisfaction with being in business.

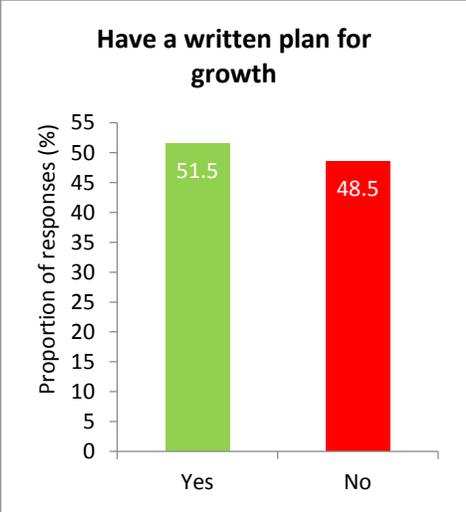
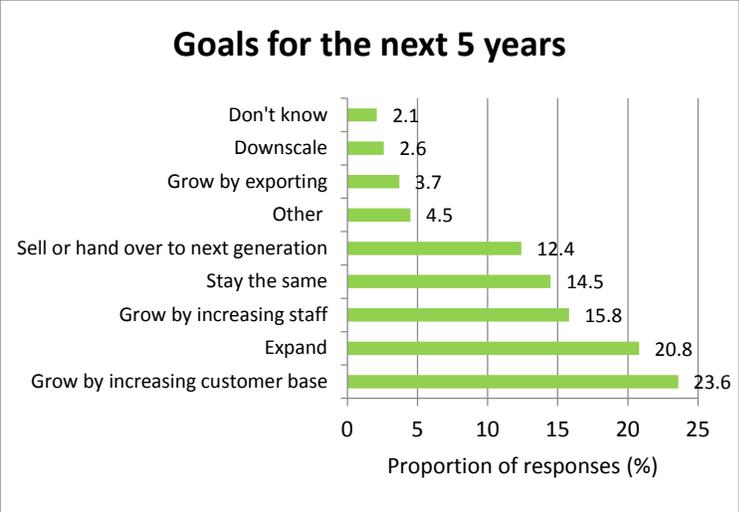


For those that do not consider their business to be successful the main reason was not enough revenue followed by not enough cash flow and the need for more sales, customers or clients.

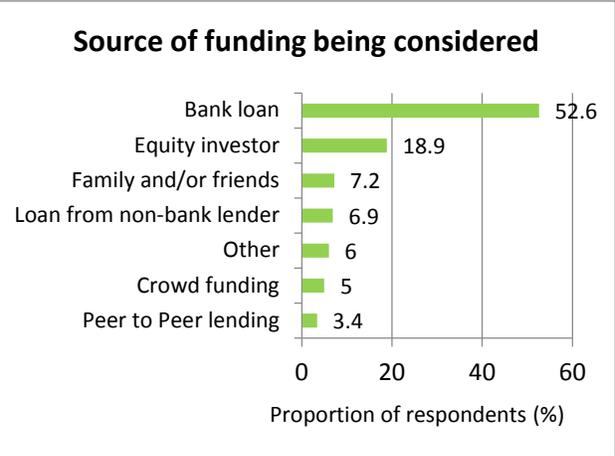
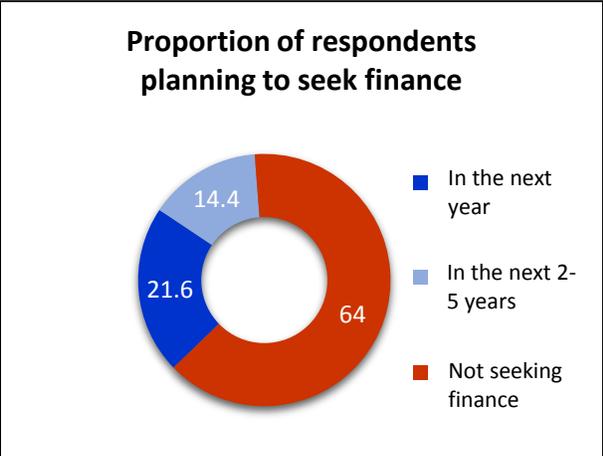


Future goals and plans

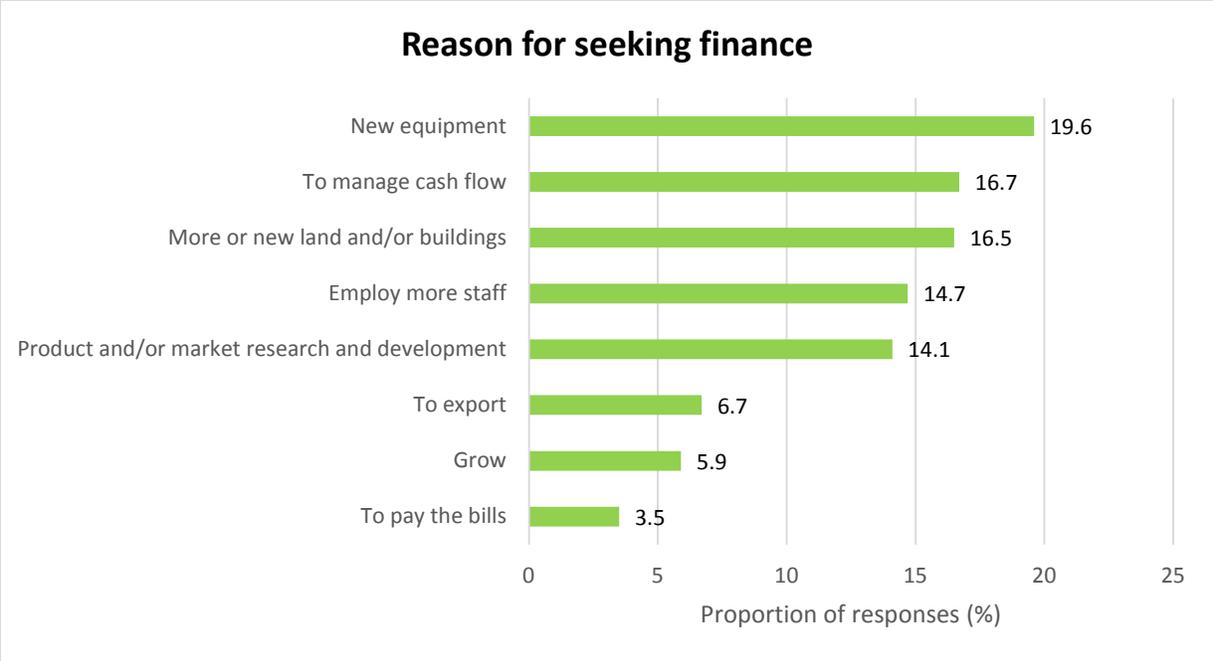
The majority of respondents (62%) plan to grow in the next five years, mainly through increasing their customer base and expanding production, services, location and/or plant and equipment. Only three percent of respondents intend to export. Respondents are almost evenly split on whether they have a written plan for growth.



Nearly two thirds of respondents do not intend to seek finance in the near future. Just over half of those that do intend to seek finance intend to get a bank loan.

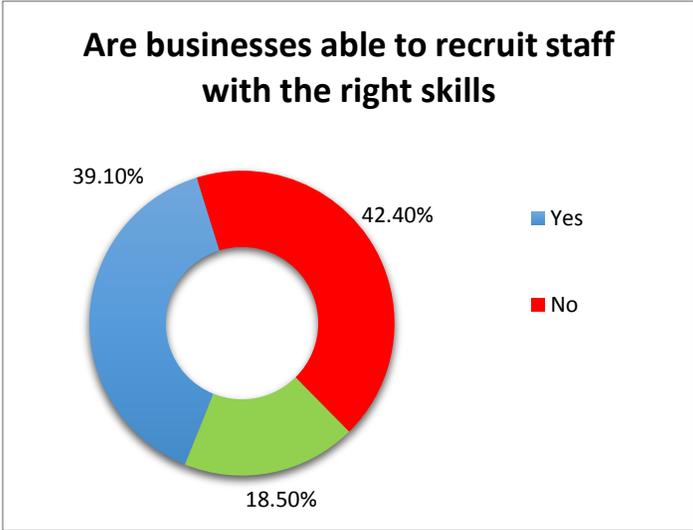


The main reasons for seeking finance are new equipment, to manage cash flow and to acquire more or new land or buildings.



People and skills

Of the businesses that employ staff, the proportions that are and are not able to recruit staff with the right skills are approximately the same.



The main reasons for not being able to recruit suitable staff relate to lack of training, work-readiness and previous experience of applicants.

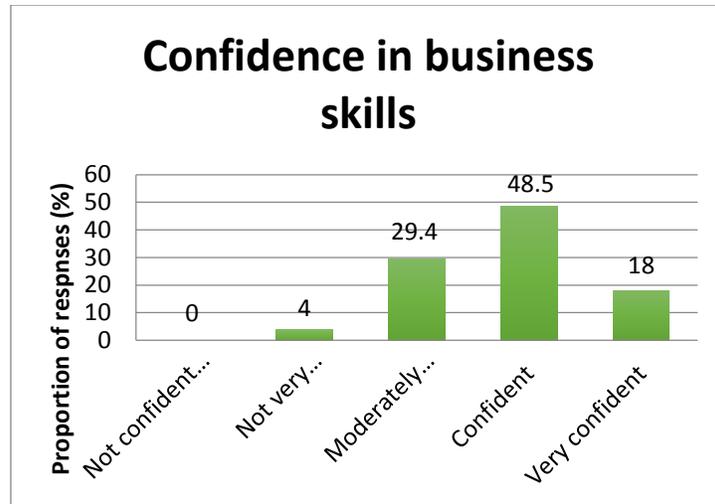


The majority of respondents fund training for their staff. The main reasons given for not funding staff training were that staff learn on the job or the business could not afford to pay for training.



Management capability

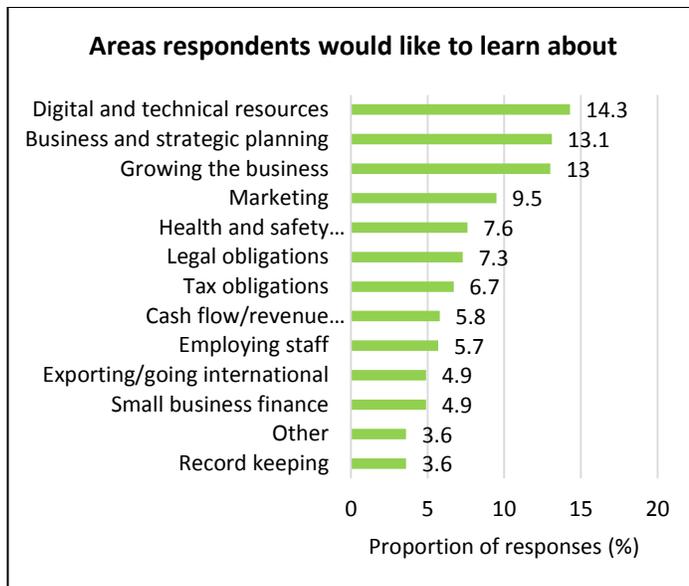
Two thirds of respondents were confident or very confident in their business management skills.



Areas of least confidence were digital and technical resources, legal obligations and health and safety requirements.

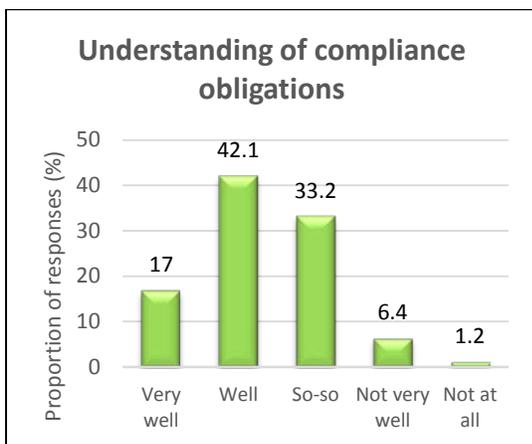


Over a quarter of respondents have done no business management training compared to just over one third who have. About a third of respondents intend to do business management training in the future.

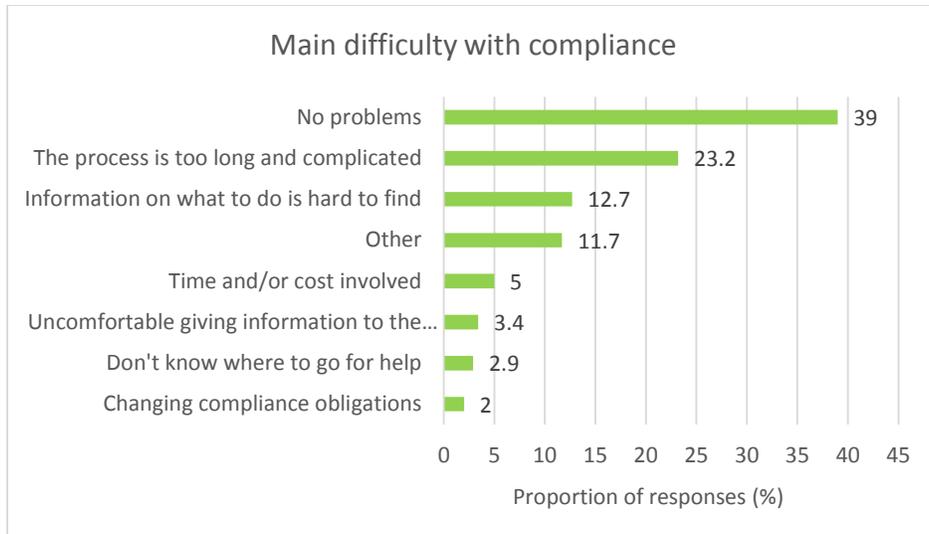


The main reasons respondents gave for not doing business management training were that they did not need it (26%), they did not have enough time to do training (22%) and cost (13%).

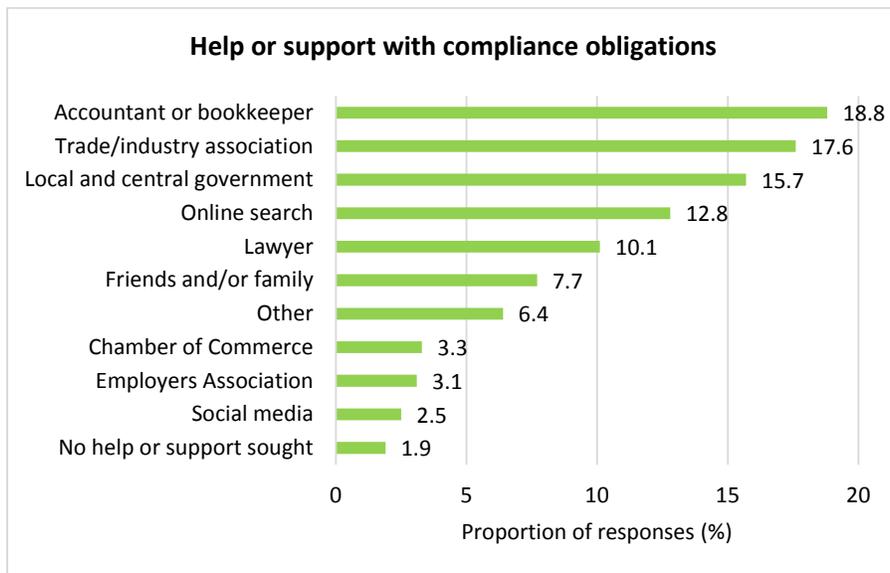
The majority of respondents reported that they understand their business compliance obligations well or very well and 94 percent believed that compliance was important.



Nearly 40 percent of respondents reported no problems with compliance. The most common issue was compliance processes being long and complicated.

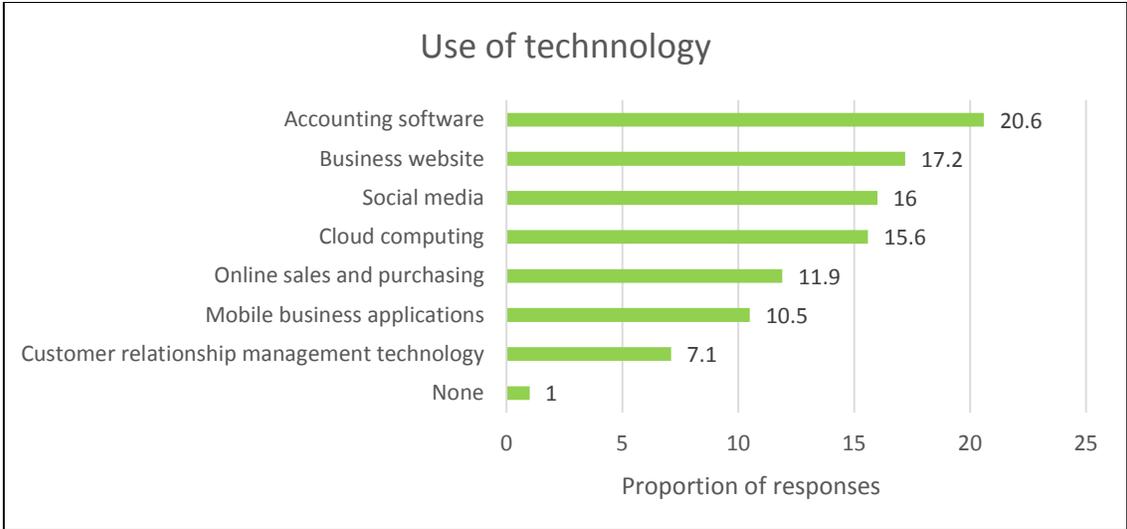


Accountants or bookkeepers, trade and industry associations and local and central government were the main places respondents went for help or support with compliance.

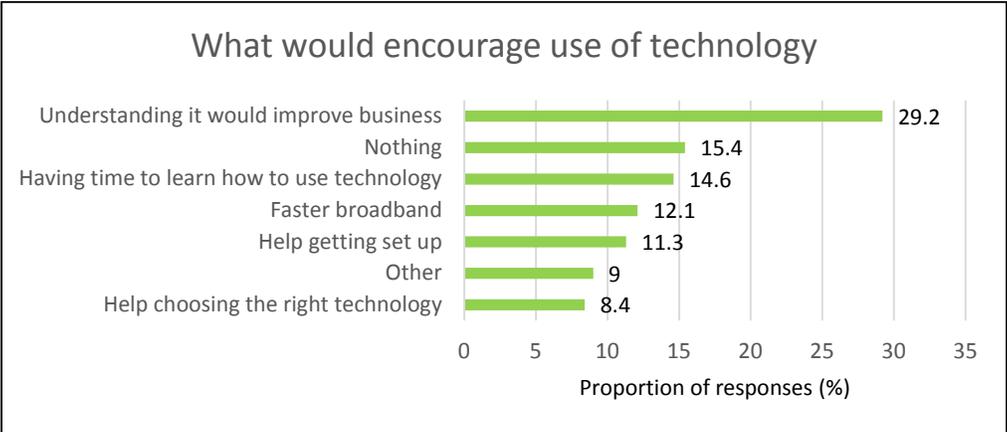


Technology and sustainability

Virtually all respondents use technology with the most common among those listed being accounting software, a business website and social media.



Of the small number that do not use technology, understanding how it would improve their business was most likely to encourage them to do so.



Most respondents have not thought about transitioning to a low-emission economy. The most common reason was because their business is already low-emission.

