

What's going on with **small** **business** in Australia?

THE BIG SMALL BUSINESS SURVEY 2022





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Australia has more than two million small businesses

that are often described as the ‘backbone of the economy’. Led by highly driven individuals and families, these organisations employ close to half of the nation’s workforce.

Authored by five Australian business experts, the first annual BIG Small Business Survey was created to give a voice to the nation’s industrious, innovative and hard-working small business owners.

As the pandemic recedes and the world begins to navigate the new normal, the survey asked hundreds of business owners from a range of industries about their main challenges and concerns, with the findings pointing to a need for more support and education in some key areas.

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584
BUSINESS
OWNERS

THE BIG SMALL BUSINESS SURVEY

10TH OCT TO
19TH NOV

The BIG Small Business Survey reached out to **584 business owners from all over Australia**, with answers submitted between 10th October and 19th November.

Coming from all industries, the survey participants were spread across age groups, with the majority (55%) being aged between 41 - 56 years old.

More than a quarter (26%) had been in business for more than ten years, while 20% reported being in business for between five and nine years.

96.4% of respondents reported a turnover of under \$4.9 million per annum, and approximately 47% said they employ between two and nine people.

While there are concerns at the commencement of 2023 about recessions and downturns, the findings of The BIG Small Business Survey showed that business owners are currently concerned about keeping up with demand, managing their own workloads and staying on top of well-being and mental health issues. They are also feeling the pressure when it comes to managing rising costs and finding staff.

Exec Summary

Key findings from the survey included:

Business owners' top challenges were listed as:

- (36.54%)** Understanding the best way to grow their business
- (30.02%)** Keeping up with workloads
- (28.13%)** Finding customers
- (25.04%)** Managing cash flow
- (22.64%)** Experiencing burnout
- (21.10%)** Managing health and wellbeing
- (19.38%)** Managing rising costs

66.55% of business owners struggle to find and hire staff, and more than 30% increased wages by up to 10% in 2022.

Key findings from the survey included:

In terms of opportunities, business owners feel

- (63.46%)** Increased overall sales
- (32.76%)** Increased online revenue
- (27.96%)** Expansion into other markets

44% of business owners increased their prices by between 5% and 20% in 2022, with more than half saying the cost of doing business has increased by the same amount.

Key findings from the survey included:

For 60% of business owners, the best thing about being in business is the flexibility it offers. Others cite:

- (64.84%)** Choosing the direction their business can go in
- (39.45%)** Not answering to someone
- (35.33%)** Feeling they can make an impact on the world
- (28.64%)** Not missing out on important family events

More specific results from the survey dive into five clear categories related to business survival and growth. As explained by one of the authors of the study, Dale Beaumont, “I hear so often from business owners who are confused and overwhelmed. The results of this survey will help the industries and government departments that support small business to deliver help exactly where it is needed.”

Exec Summary

The BIG Small Business Survey took a deep dive into some of the key issues small business owners faced in 2022.

Each topic has the power to make or break an organisation.

STAFFING

The impact of labour shortages and wage growth

PRICING

The struggle to find the sweet spot for charging

MENTAL HEALTH

The unspoken stress of operating a business

MARKETING

The tricky challenge of being spoiled for choice

TECHNOLOGY

How business owners feel about digital change

Research themes

Staffing



22.6% OF BUSINESS OWNERS CITE **BURNOUT AS ONE OF THE TOP THREE CHALLENGES** FROM 2022



**33.45% of
business owners
are experiencing
issues finding
and hiring
quality staff**

“Labour shortages and Australia’s relatively tough immigration laws made it a struggle for businesses of all sizes to find good people in 2022.

This puts pressure on business owners for several reasons. Firstly, they end up shouldering a lot of the workload themselves. They are also forced to pay higher wages, which can put the business’s financial security in jeopardy.

Staff shortages make it difficult to quickly train people when they do come on board, which often results in diminished customer experiences, and satisfaction and retention. The flow-on effects result in damage to brand and reputation.”

- Report Author David Jenyns.

> Staffing: The facts

33%

Around a third of business owners (33.45%) are **experiencing issues finding and hiring** quality staff.

22%

More hours worked mean 22.6% of business owners cite **burnout as one of the top three challenges** from 2022.

57%

More than half (57.12%) of small business owners surveyed have **resisted staff wage increases**. Of those who have provided increases, margins are tighter than ever and causing additional stress.

When they can't find good people, most entrepreneurs (55.92%) opt to work longer hours.

They also:

- (19.21%) Ask their staff to work longer hours
- (15.44%) Increase their prices
- (8.58%) Reduce operating hours

> Staffing : What's the solution?

While expanding the pool of job seekers is part of the obvious solution, small business owners in Australia need more support in the form of new employee/traineeship grants, payroll tax breaks and funding for new technology (which can minimise the need for staff).

As the survey respondents shared, they could also benefit from less red tape when it comes to hiring and supporting employees.

#InTheirWords



“

“Treat small businesses differently from big businesses”

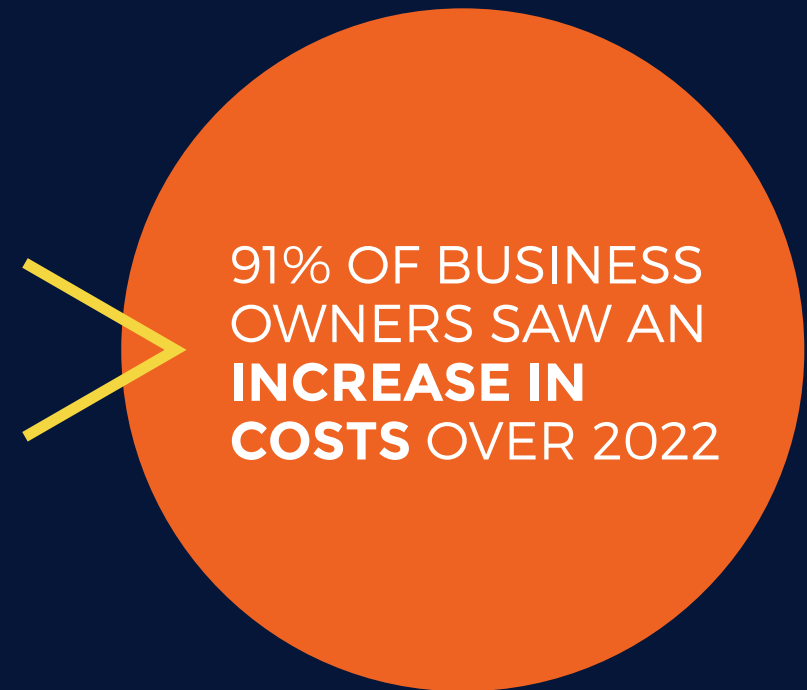
“

“Cut the red tape - it is a nightmare of compliance in so many ways.”

“

“The overheads are killing me, personally and professionally.”

Pricing



“With inflation rising and profit margins shrinking, finding the sweet spot for pricing is more of an issue than ever.

Deciding what to charge is an age-old question that has come into focus more sharply than ever because of rising costs that have forced some businesses to make drastic changes.

While the survey found many small business owners are positive about increasing revenue in 2023 and believe they will generate more sales in the next 12 months, many are not actually taking action to change their prices. This is putting a question mark over their futures.”

- Report Author Andrew Griffiths.



**Rising costs that
have forced
some businesses
to make drastic
changes**

> Pricing : The facts

91%

Approximately 91% of business owners saw an increase in costs over 2022, with 61% of business owners saying costs have risen by up to 20%.

32%

In 2022, approximately 32% of small business owners increased their prices, with the majority of these increasing their prices by 5-10%.

46%

When it comes to increasing prices, the biggest concerns include losing customers (46%), losing out to competitors (26%), figuring out how much to raise prices by (21%) and communicating the price increase (12%).

Staying ahead financially in 2023

Small business owners plan to stay ahead financially in 2023 by:

- (24%)** Increasing prices
- (28%)** Expanding new markets
- (33%)** Increasing online revenue

> Pricing : What's the solution?

There is a vast knowledge gap when it comes to setting prices, particularly for service-based businesses. Lack of transparency and confusion over benchmarks can make it difficult for business owners to know whether or not they could be charging more.

More education for business owners is needed, whether it comes from their accountant or other sources, in order for them to set prices with confidence in 2023.

#InTheirWords



“

“The rising cost of living for our customer base means they have less expendable cash.”

“

“We have to set up proper structure for the business so it has the capacity to keep expanding.”

“

“Uncertainty re Covid & recession - the last 3 seasons were wiped out due to Covid. This business won't survive another downturn like that.”

Marketing



61% OF SMALL
BUSINESS OWNERS
SURVEYED SAID
THEY **FOUND
MARKETING
OVERWHELMING**

“Marketing is not an exact science and there are now so many options that business owners are overwhelmed and have no idea where to even start.

Those who launch their business without a clear idea of how to get the message out there report feeling “clueless”, even if they have had a successful corporate career.

However, the importance of marketing is widely recognised by small business owners, with more than two-thirds **(64.32%) saying they expect to increase their marketing spend in 2023.**”

- Report Author Jenn Donovan



64% say they expect to increase their marketing spend in 2023

> Marketing: The facts

61%

61% of small business owners surveyed said they **found marketing overwhelming**

83%

Of the business owners surveyed, over 83% said they had **little to NO marketing plan in place** for their

64%

Those who do see marketing as a priority report in high numbers (64%) that they will increase their marketing spend in 2023.

While the majority (**80%**) of small businesses say they are using **social media** to grow their business, they acknowledge the following **challenges when it comes to this medium**:

(53.17%) Coming up with engaging content

(45%) Too time-consuming

(38%) Not enough ROI

> Marketing: What's the solution?

Clarity around marketing is key. Business owners must find the time and access the support they need to work from the bottom up, by identifying their goals and crafting a marketing strategy around them.

#InTheirWords



“

“I have so many ideas and I want to put them into my days”

“I want know how to monetise social media - return for effort”

“

“I need to make my content more contextual to the platform, that's my biggest issue - it's not always landing with the audience”

“

“Doing a start up alone is challenging and exciting”

“I know its important. Trying to rearrange responsibilities to find time”

Mental Health



58% OF SMALL
BUSINESS
OWNERS **HAVE**
EXPERIENCED A
MENTAL HEALTH
CHALLENGE IN
THE LAST 2 YEARS



Many business owners reported they feel ill-equipped to handle the growing mental health needs of their team

“Exhausted’ is the word business owners repeatedly use when describing their mood and well-being.

The pandemic, the endless lockdowns and the frenzy of recovery activity, coupled with fluctuating demand and the many pressures of owning a business have created a population of business owners who are overwhelmed, overworked and never ahead of their task list.

In addition to this, many business owners reported they feel ill-equipped to handle the growing mental health needs of their team. They believe they have a responsibility when it comes to supporting people’s emotional well-being but this is adding to their feelings of overwhelm.”

- Report Author Katrina McCarter

> Mental Health: The facts

58%

More than half (58%) of small business owners have **experienced a mental health challenge** in the past two years.

38%

To deal with deteriorating mental health, small business owners are most likely to **seek out a chat** with friends and family (38%) or **support** from a therapist (21%).

21%

They will also **speak to a fellow business owner** (21%).

19%

19% of small business owners have **not sought help** to improve their mental status.

Key stressors involve money and boundaries with the top three things keeping small business owners awake at night being:

(15.78%) Not having enough money to provide for themselves or their family

(10.46%) Having decent boundaries between work and family

(8.58%) Dealing with the increased cost of living

> Mental Health : What's the solution?

Work is becoming synonymous with life and employers are facing the two-fold challenge of looking after themselves and others.

Small business owners need more support when it comes to managing their own mental health. It's also imperative that they access strategies and solutions to oversee the mental health of their team.

#InTheirWords



“

"Burnout and loss of that creative spark."

"COVID uncertainty was debilitating."

“

"As more similar companies have grown in my space, I have battled mental health issues over the way they have responded and played. I have been burnt out, depressed, anxious and overwhelmed."

“

"Lost my mojo ... 'can't be arsed' attitude ... I'm feeling stuck."

Technology



1/3 OF BUSINESS OWNERS
**BELIEVE
TECHNOLOGY
WILL REPLACE
HUMAN ROLE**



41% of small business owners surveyed said they were concerned about the impact of new technology

“Businesses and consumers are adapting to technology at an accelerating rate, partly as a result of COVID. One business owner even described the effects of COVID as a “time machine for their business”, bringing forward their projected 2030 growth figures into the present.

However, **41% of small business owners surveyed said they were concerned about the impact of new technology**. They are overcoming this challenge by watching videos, listening to podcasts and reading blogs to fill their knowledge gaps.

Meanwhile, **over 36% believe technology will replace either all or some of their business's human roles within the next five years.**”

- Report Author Dale Beaumont

> Technology: The facts

60%

The majority (60%) of business owners are **not concerned about the impact new technology** is having on their business.

4%

Only **4%** say they have poor knowledge of technology.

1/3

A third of business owners **believe technology will replace human roles** in their business or industry within the next five years

To improve their tech knowledge, business owners report:

Watching YouTube or searching on Google

Listening to podcasts

Investing in online courses or attending events

Hiring a technology/IT consultant

> Technology: What's the solution?

Business owners seem to be excited and optimistic about technology but it is important to make learning accessible for those who find this area of operating a business difficult.

#InTheirWords



“

“University curriculums are not training students with the software and technology they need to be industry ready.”

“

“We need everyone to know online business and technology skills are the way to go.”

“

“The government needs to encourage small businesses to become leaders by supporting them to use state of the art technology.”

“

The post-pandemic world is ever-changing, especially when it comes to new technology, rising costs, marketing and employing great people. Because of this, small business owners in Australia are busier and under more pressure than ever before.

Perhaps the most worrying result from The BIG Small Business Survey in 2022 is the number of business owners who are struggling to feel in control of their workloads and well-being. The number of moving parts to their businesses, when coupled with the current unpredictable economic conditions, are resulting in issues with mental health.

As 2023 approaches and the winds of uncertainty continue to blow, setting aside time for education, finding the right support and establishing the systems that lead to a business that ‘flows’ are crucial steps for those who wish to thrive.

”

Reflections

David Jenyns

In 2016, David successfully systemised himself out of his small business. Through this process he became a business systems devotee - founding SYSTEMology. Today, his mission is to free all business owners worldwide from the daily operations of running their business.

www.SYSTEMology.com

Jenn Donovan

Jenn is a marketing thought leader and strategist, international keynote speaker, and sought-after advocate for rural and regional small businesses with a community of over 380,000 people. She is Founder of the Small Business Made Simple Podcast, Social Media and Marketing Australia and Co-Founder of Spend With Us - Buy From a Bush Business.

www.socialmediaandmarketing.com.au

Andrew Griffiths

Andrew is Australia's #1 Small Business Author, with 14 bestselling business books sold in over 65 countries. Andrew has been providing strategic business advice across all aspects of running a successful small business for over 30 years. He specialises in helping people of substance to build businesses of substance.

www.andrewgriffiths.com.au

Meet the experts

Katrina McCarter

Katrina is a business and lifestyle coach who transforms people, businesses and lives by embracing the courage, vulnerability and adventure that comes from being an adult willing to play like a child. She shows small business owners that building a fulfilled, happy life is serious business and that serious business needs to lighten up.

www.katrinamccarter.com

Dale Beaumont

Dale Beaumont is best known as an award-winning entrepreneur, business growth expert and the author of 19 best-selling books. Dale started his first business at the age of 19 and has been building companies ever since. Today he owns 7 different businesses that collectively produce more than \$10,000,000 per year.

www.dalebeaumont.com

Meet the experts

We will be
back to **do**
this again
in 2023

A very big thank you to everyone involved in the 2022 BIG Small Business Survey. This is a significant project and a vitally important one in our eyes. We will be back in 2023 to find out what your biggest issues and opportunities are. If it's anything like the last few years, it's going to be interesting. Our big picture goal is to do this survey annually and provide small business owners, governments, industry associations and media with the facts about what is happening in the small business world in Australia. We hope this drives change and ensures that the right type of support is offered to the two million plus small business owners in Australia.

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The results are in!

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91% OF BUSINESS OWNERS SAW AN **INCREASE IN COSTS** OVER 2022

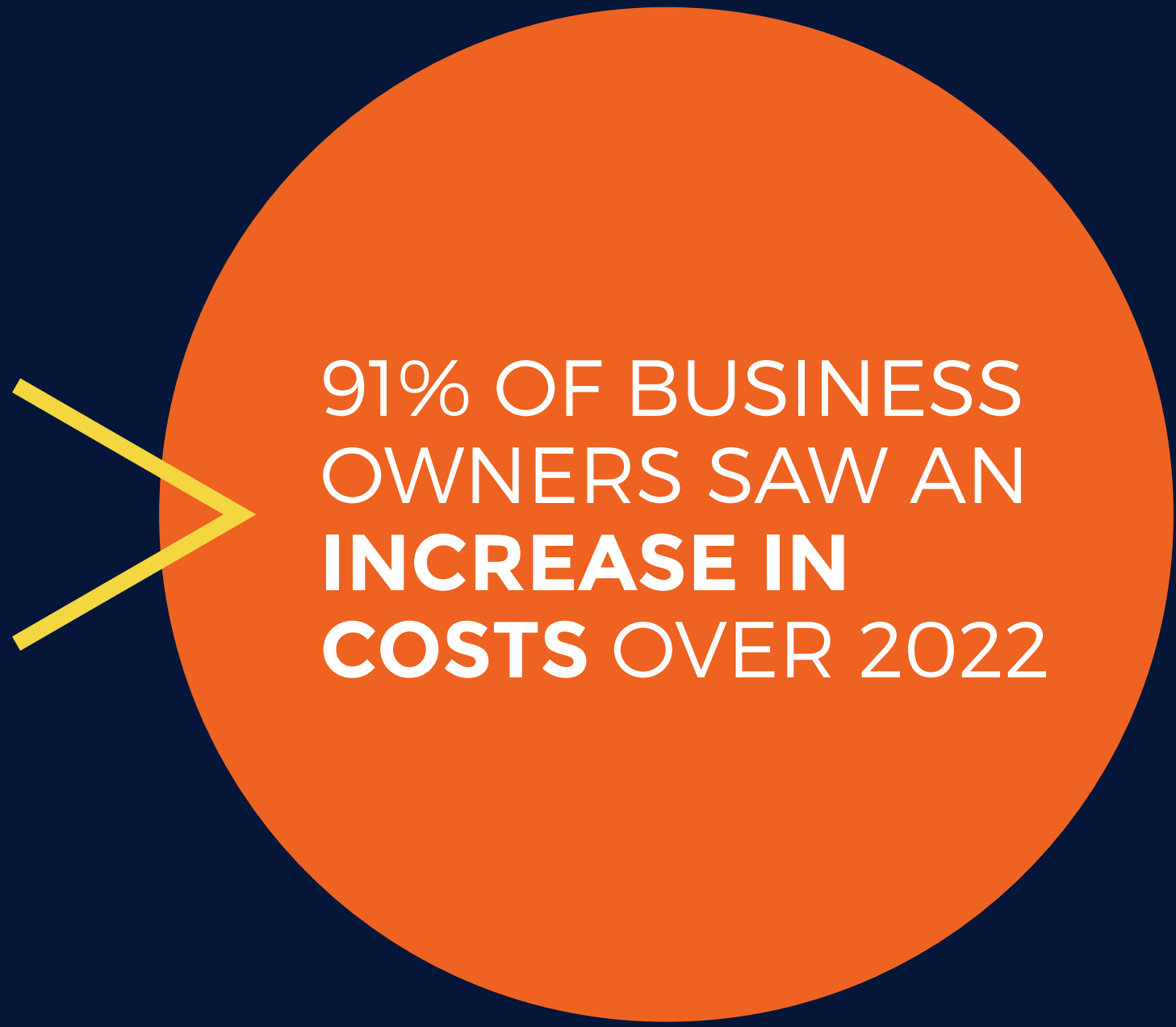


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