

MYOB Business Monitor



THE VOICE OF AUSTRALIAN
BUSINESS OWNERS & MANAGERS
MAY 2019

myob

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Executive summary



In its tenth year, the MYOB Business Monitor dissects key factors affecting 1000 small businesses across Australia, including economic outlook, financial stability and business pressure points.

The report found economy predictions for the 12 months ahead have taken a downward turn, with **45%** of respondents reporting they expect the economy to decline, versus **38%** in October 2018. Just **23%** of respondents expect the economy to improve, versus **30%** of those surveyed in October 2018.

Business revenue over the last 12 months went up for a quarter of respondents, while **29%** reported it had decreased.

Overall Gen Y have a positive outlook, with **31%** of Gen Y respondents saying the economy will improve in the next 12 months, when only **28%** of small businesses nationwide hold this view. In fact, **45%** of all respondents expect the economy to decline, versus **38%** in October 2018.

Profitability has been good for small business overall, with respondents more likely to say profit has increased (**30%**) than that it has decreased (**26%**). The next 12 months are looking more positive still, with **34%** saying they expect more profit in the year to come. Gen Y were most likely to report more profits gained in the last 12 months (**42%**) and are also most likely to expect a profit increase in the 12 months to come (**44%**).

The top issues most likely to cause Australian small businesses a lot to extreme concern this year are fuel prices (**40%**, down 6 points from **46%** in October 2018), utility costs (**40%**) and cashflow (**35%**, up 7 points from **28%** in October 2018).

In terms of priorities for the year ahead, small business are most likely to invest in diversifying the variety of products or services offered (**25%**), customer retention strategies (**24%**) and jointly, the sale of products or services online and prices and margins on products sold (**23%**).

The economy



The economy overview



Economy predictions for the 12 months ahead have taken a recent turn for the worse, with **45%** of respondents reporting they expect the economy to decline versus **38%** in October 2018. Just **23%** of respondents are expecting the economy to improve, versus **30%** of those surveyed in November 2018.

Gen Y are feeling more positive about the economy than the national average, with **31%** saying it will improve (versus **23%**).

South Australia is feeling most positive about the year ahead with **36%** saying the economy will improve, while **54%** of New South Wales respondents expect the economy to decline.

The economy

45%



of operators expect the Australian economy to decline in the next 12 months, down from the last wave when only 38% expected the economy to decline.

Only 23%

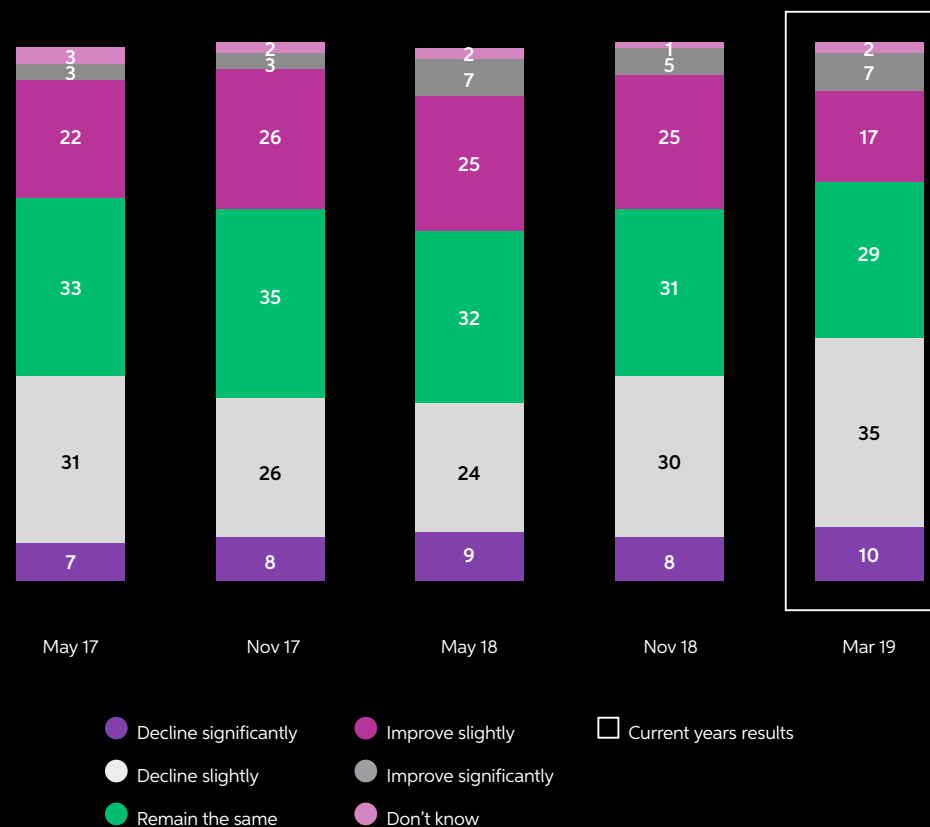


expect the Australian economy to improve compared to 30% last wave.

PR1a - In the next 12 months, do you believe Australia's economy will...? PR6 - Please indicate how much work you have got on, or what sales you have in the pipeline, in the next 3 months, compared to what you would usually expect?

Source: MYOB Business Monitor - 2018 data November (n=1005)

Expected changes in Australian economy next 12 months



The economy by **location**



In the next 12 months, do you believe Australia's economy will?

	National Average	NSW	VIC	QLD	SA	WA	City/Metro	Regional & Rural
Improve	23%	21%	29%	21%	36%	18%	24%	22%
Decline	45%	54%	40%	40%	42%	41%	43%	51%

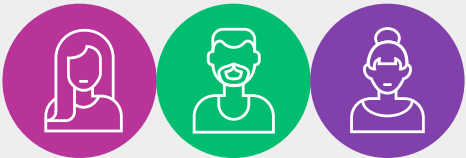
● Significant increase on national average
● Significant decrease on national average

The economy by **generation**



In the next 12 months, do you believe Australia's economy will?

	National average	Gen Y (25-39)	Gen X (40-54)	Baby Boomers (55-69)
Improve	23%	31%	19%	20%
Decline	45%	37%	51%	48%



- Significant increase on national average
- Significant decrease on national average

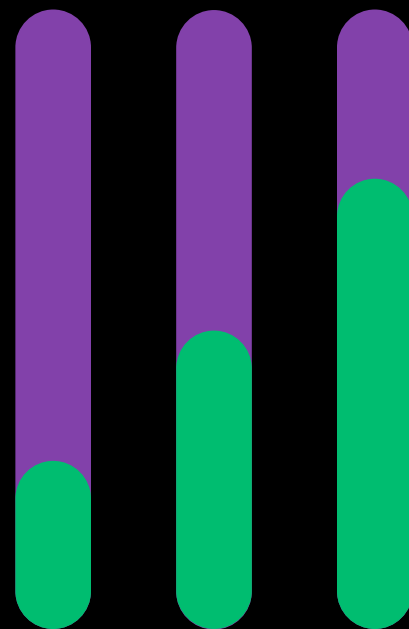
The economy by **business size**



In the next 12 months, do you believe Australia's economy will?

	National Average	0 employees (Sole)	1-4 employees (Micro)	5-19 employees (Small)
Improve	23%	26%	18%	24%
Decline	45%	43%	54%	37%

- Significant increase on national average
- Significant decrease on national average



Revenue

last & next 12 months

Revenue overview

Last 12 months

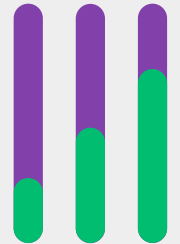
A quarter of respondents said revenue has gone up in the last 12 months, while **29%** of businesses reported revenue had gone down.

Gen Y respondents were most likely to state revenue was up, at **37%**.

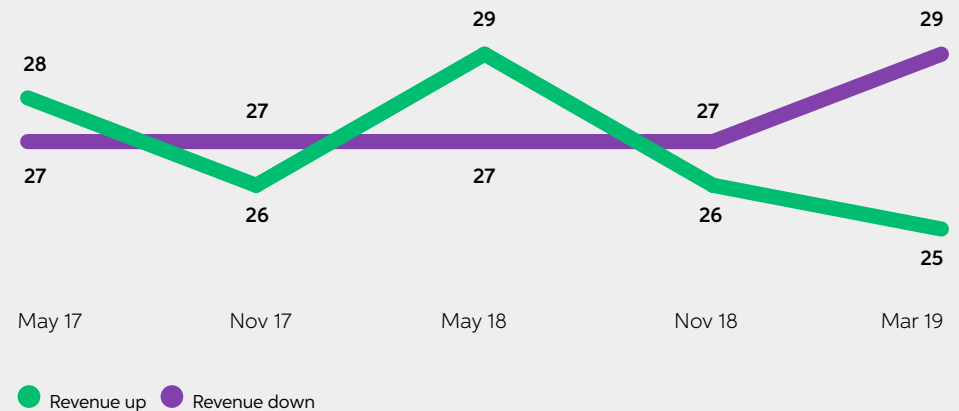
New South Wales respondents were least satisfied with the way business has been, with **35%** reporting revenue was down, versus a national average of **29%**. Western Australia and Victoria were jointly the most positive about the last 12 months, with **27%** stating revenue had gone up.

When asked why revenue had increased, the top answer overwhelmingly was that there had been an increase in consumer demand (**28%**). The next two reasons, both at **14%**, were the current economic climate and developing better relationships with customers.

Conversely, when asked why revenue had decreased, the top answer at **33%** was the current economic climate, while at **21%** decreased consumer demand came in second.



Changes in revenue – previous 12 months



Revenue overview

Next 12 months

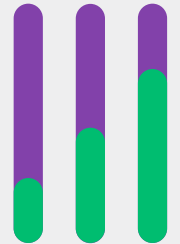
Small businesses are less confident about the coming year than they were six months ago, with **31%** predicting revenue will go up in the next 12 months compared with **33%** of respondents believing this in October 2018.

Once again, however, Gen Y are leading the way in positivity with **38%** of respondents from this age group saying they expect revenue to go up in the coming 12 months, versus **27%** of Gen X and **21%** of Baby Boomers.

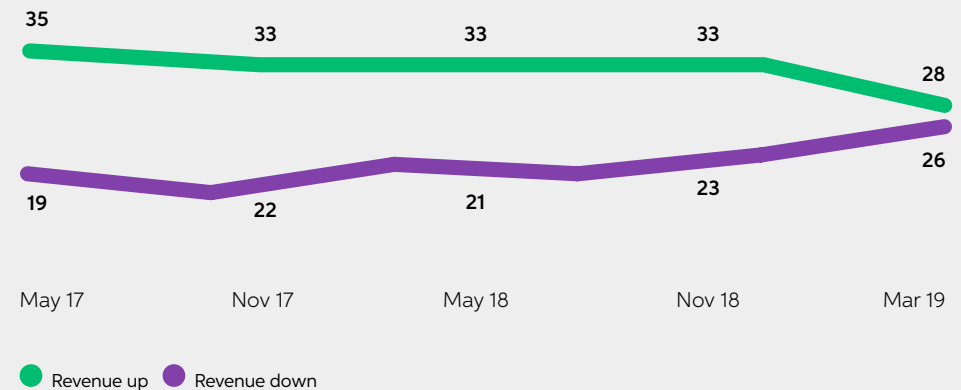
Queensland is most positive about the next 12 months, with **35%** of respondents saying revenue will be up and just **14%** predicting revenue will be down.

The finance and insurance industry is feeling most buoyant about the 12 months to come, predicting revenue will be up (**38%**), while manufacturing and wholesale came in second place (**36%**).

The main reason respondents expect a downturn in revenue is due to the current economic climate (**32%**). Gen X businesses are most likely to feel the effects of this (**41%**), while businesses in WA are feeling most negative about the economy in the year ahead (**42%**).



Expected changes in revenue – next 12 months



Revenue last & next 12 months **nationwide**



At the present time, is your business revenue (or gross turnover or sales) up or down on a year ago, or about the same?

National Average

Revenue up 25%

Revenue down 29%



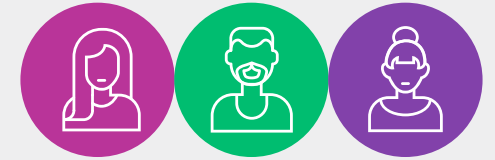
How do you expect your business revenue (or gross turnover or sales) in the next 12 months?

National Average

Revenue will be up 28%

Revenue will be down 26%

Revenue last & next 12 months by **generation**



At the present time, is your business revenue (or gross turnover or sales) up or down on a year ago, or about the same?

	National Average	Gen Y (25-39)	Gen X (40-54)	Baby Boomers (55-69)
Revenue up	25%	37%	19%	19%
Revenue down	29%	25%	33%	28%



How do you expect your business revenue (or gross turnover or sales) in the next 12 months?

	National Average	Gen Y (25-39)	Gen X (40-54)	Baby Boomers (55-69)
Revenue will be up	28%	38%	27%	21%
Revenue will be down	26%	20%	31%	21%

Revenue last & next 12 months by **location**



At the present time, is your business revenue (or gross turnover or sales) up or down on a year ago, or about the same?

	National Average	NSW	VIC	QLD	SA	WA	City/Metro	Regional & Rural
Revenue up	25%	23%	27%	25%	17%	27%	27%	20%
Revenue down	29%	35%	25%	19%	27%	33%	27%	33%

Revenue last & next 12 months by **location** cont.



	Expecting economy to improve in the next 12 months	Increased revenue last 12 months	Expecting increase revenue in the next 12 months
Total AU	23%	25%	28%
NSW	21%	23%	25%
VIC	29%	27%	30%
QLD	21%	25%	35%
SA	36%	17%	26%
WA	18%	27%	23%
City/Metro	24%	27%	29%
Regional & Rural	22%	20%	28%

Revenue last & next 12 months by **business size**



At the present time, is your business revenue (or gross turnover or sales) up or down on a year ago, or about the same?

	National Average	0 employees (Sole)	1-4 employees (Micro)	5-19 employees (Small)
Revenue up	25%	25%	24%	25%
Revenue down	29%	29%	30%	16%



How do you expect your business revenue (or gross turnover or sales) in the next 12 months?

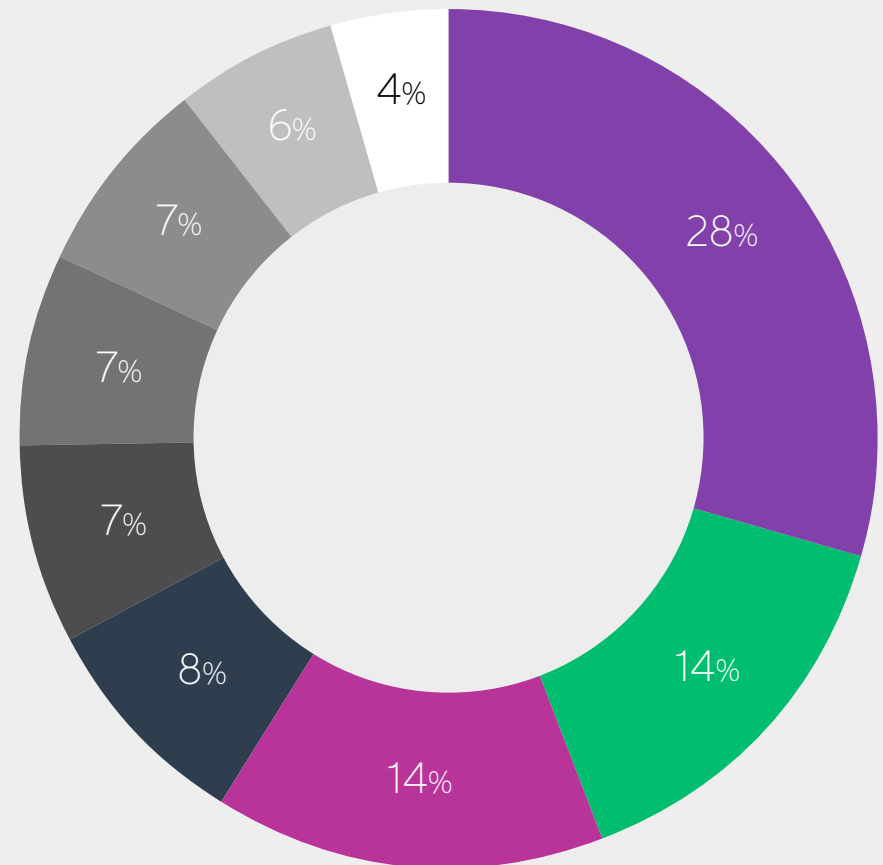
	National Average	0 employees (Sole)	1-4 employees (Micro)	5-19 employees (Small)
Revenue will be up	28%	30%	24%	31%
Revenue will be down	26%	25%	26%	23%

Reason for revenue **increase**



What is the main reason behind your revenue increase over the last year?

Increased consumer demand	28%
Current economic climate	14%
Developing better relationships with customers	14%
New product or service offering	8%
Investment in marketing and promotional activities	7%
Improvements to product or service offering	7%
More competitive offering available	7%
More investment in online presence	6%
Expansion to new location	4%

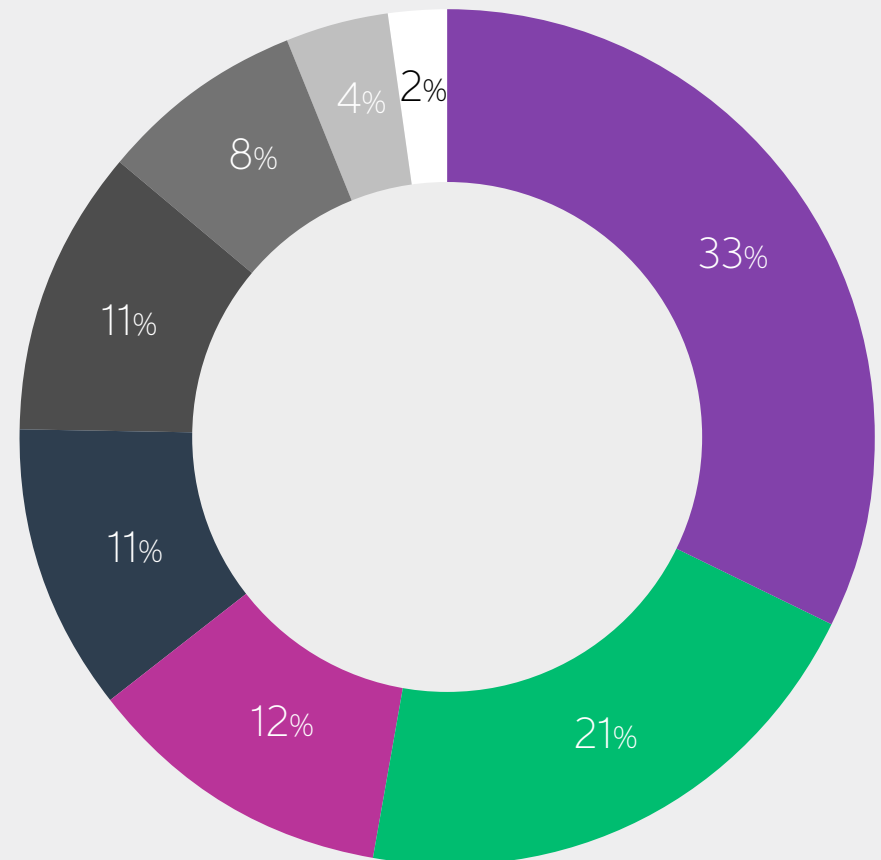


Reason for revenue **decrease**



What is the main reason behind your revenue decrease over the last year?

Current economic climate	33%
Decreased consumer demand	21%
Competitor activity	12%
Reduced investment in marketing and promotional activities	11%
Business interruption due to external events	11%
Loss of key customer(s)	8%
Reduction in product or service offering	4%
Reduced physical presence (closure of location)	2%

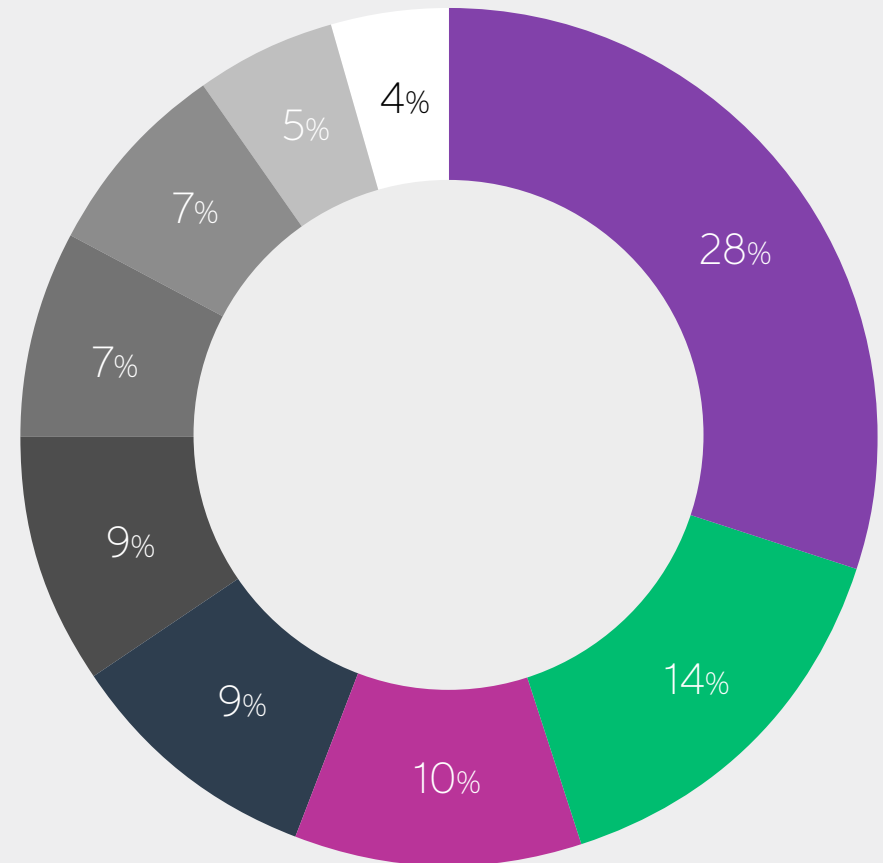


Reason for expected revenue **increase** over the next year



What is the main reason behind your expected revenue increase over the next year?

Increased consumer demand	28%
Developing better relationships with customers	14%
New product or service offering	10%
Current economic climate	9%
Improvements to product or service offering	9%
More investment in online presence	7%
Expansion to new location	7%
More competitive offering available	5%
Investment in marketing and promotional activities	4%

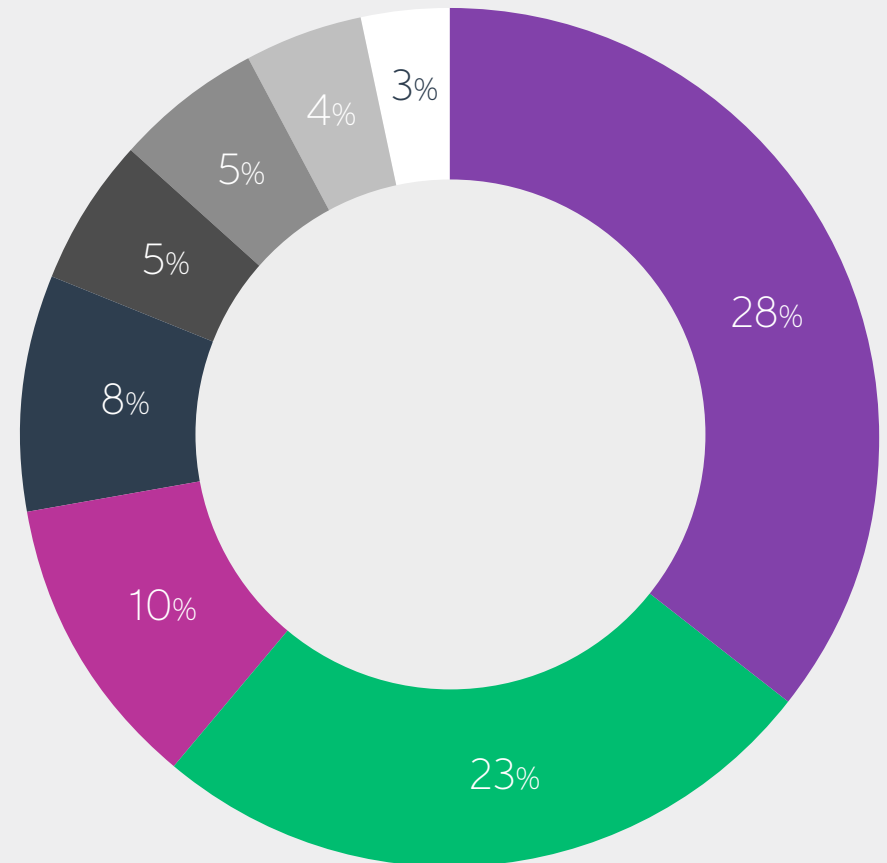


Reason for expected revenue **decrease** over the next year

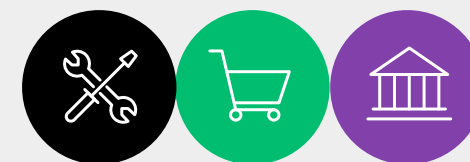









What is the main reason behind your expected revenue decrease over the next year?

Current economic climate	32%
Decreased consumer demand	23%
Competitor activity	10%
Business interruption due to external events	8%
Loss of key customer(s)	5%
Reduced physical presence (closure of location)	5%
Reduced investment in marketing & promotional activities	4%
Reduction in product or service offering	3%



Summary by industry



								
Expectations by industry type	National Average	Agribusiness	Business, prof. & property services	Construction & trades	Finance & insurance	Manufacturing & wholesale	Retail & hospitality	Transport, postal & warehousing
Expecting economy to improve in next 12 months	23%	24%	28%	18%	25%	25%	26%	18%
Increased revenue last 12 months	25%	19%	26%	25%	28%	36%	25%	13%
Expecting increase in revenue in next 12 months	28%	29%	26%	27%	38%	36%	30%	26%

 Particularly high %

 Particularly low %



Profit overview



Last 12 months

The last 12 months were positive for small business overall, with respondents more likely to say their profitability was more (**30%**) in the last 12 months than less (**26%**).

Gen Y businesses were most likely to report more profits gained in the last 12 months at **42%** while **23%** of the Baby Boomer age bracket reported profit growth.

Small business women were more likely to report profits were up in the last 12 months than men (**34%** v **27%**).

Victorian businesses were most likely to record a profit increase in the last 12 months, at **34%**.

Forty three percent (**43%**) of operators in the manufacturing and wholesale industries experienced profit growth in the last 12 months, as opposed to **17%** in the transport, postal and warehousing sector.

Next 12 months

Compared to the year that's been, the 12 months to come are looking slightly more positive for small businesses, with **33%** saying they expect more profit, versus **30%** who reported more profit in the 12 months that have prior.

Yet again, Gen Y are looking forward to more profitability with **44%** responding they expect more profits in the year to come versus **33%** of Gen X and **26%** of Baby Boomers.

Queensland is most excited for the year ahead, with **37%** of respondents from the state saying they expect more profit in the next 12 months.

Profit last & next 12 months nationwide



Percentage of businesses whose profitability has improved over last 12 months.

National Average

2018	26%
2019	30%

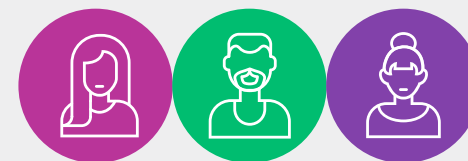


Percentage of businesses expecting improvement in profitability over the next 12 months.

National Average

2018	22%
2019	33%

Profit last & next 12 months by **generation**



How has the profitability of your business changed over the last 12 months?

	National Average	Gen Y (25-39)	Gen X (40-54)	Baby Boomers (55-69)
A little/a lot less	26%	15%	28%	35%
A little/a lot more	30%	42%	26%	23%



How do you expect the profitability of your business to change over the next 12 months?

	National Average	Gen Y (25-39)	Gen X (40-54)	Baby Boomers (55-69)
A little/a lot less	22%	14%	22%	26%
A little/a lot more	33%	44%	33%	26%

Profit last & next 12 months by **location**



How has the profitability of your business changed over the last 12 months?

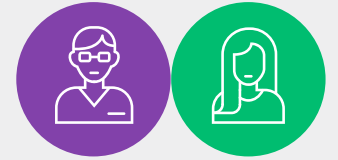
	National Average	NSW	VIC	QLD	SA	WA	City/Metro	Regional & Rural
A little/a lot less	26%	26%	24%	21%	24%	35%	24%	30%
A little/a lot more	30%	28%	34%	32%	32%	27%	32%	27%



How do you expect the profitability of your business to change over the next 12 months?

	National Average	NSW	VIC	QLD	SA	WA	City/Metro	Regional & Rural
A little/a lot less	22%	24%	20%	17%	23%	26%	22%	21%
A little/a lot more	33%	34%	35%	37%	32%	26%	34%	34%

Profit last & next 12 months by **gender**



How has the profitability of your business changed over the last 12 months?

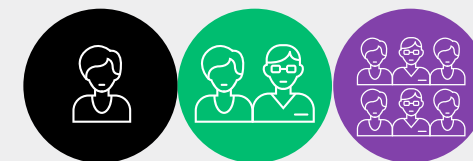
	National Average	Male	Female
A little/ a lot less	26%	26%	26%
A little/ a lot more	30%	28%	33%



How do you expect the profitability of your business to change over the next 12 months?

	National Average	Male	Female
A little/ a lot less	22%	23%	19%
A little/ a lot more	33%	33%	36%

Profit last & next 12 months by **business size**



How has the profitability of your business changed over the last 12 months?

	National Average	0 employees (Sole)	1-4 employees (Micro)	5-19 employees (Small)
A little/ a lot less	26%	24%	31%	25%
A little/ a lot more	30%	31%	25%	40%



How do you expect the profitability of your business to change over the next 12 months?

	National Average	0 employees (Sole)	1-4 employees (Micro)	5-19 employees (Small)
A little/ a lot less	22%	18%	28%	26%
A little/ a lot more	33%	36%	27%	37%

Profit last & next 12 months by **industry**



How has the profitability of your business changed over the last 12 months?

									
	National Average	Business, prof. & property services	Finance & insurance	Construction & trades	Transport, postal & warehousing	Retail & hospitality	Manufacturing & wholesale	Agri, FF	Industry other
A little/a lot less	26%	23%	24%	24%	35%	27%	24%	40%	22%
A little/a lot more	30%	36%	30%	29%	17%	28%	43%	20%	31%

Profit last & next 12 months by **industry** cont.



How do you expect the profitability of your business to change over the next 12 months?

									
	National Average	Business, prof. & property services	Finance & insurance	Construction & trades	Transport, postal & warehousing	Retail & hospitality	Manufacturing & wholesale	Agri, FF	Industry other
A little/ a lot less	22%	18%	28%	23%	25%	21%	26%	22%	18%
A little/ a lot more	33%	36%	38%	30%	20%	34%	37%	33%	39%



Business
investment

Business investment overview



When looking at business investment, respondents were more likely to plan to increase the number of products and services offered, focus on customer retention strategies, increase prices and margins and increase online sales.

Areas showing a reduced level of investment compared to last year include prices and margins placed on product and services, the amount paid to employees and customer acquisition.

Gen Y were the most likely to expect an increase in the number or variety of products or services offered by their business (**33%**), and an increase in prices and margins on products and services sold (**33%**). Baby boomers expected to see less money spent on marketing and advertising for their businesses online (**11%**) compared to Gen Y (**32%**).

Established businesses were less likely to see an increase across the board with regard to business investment.

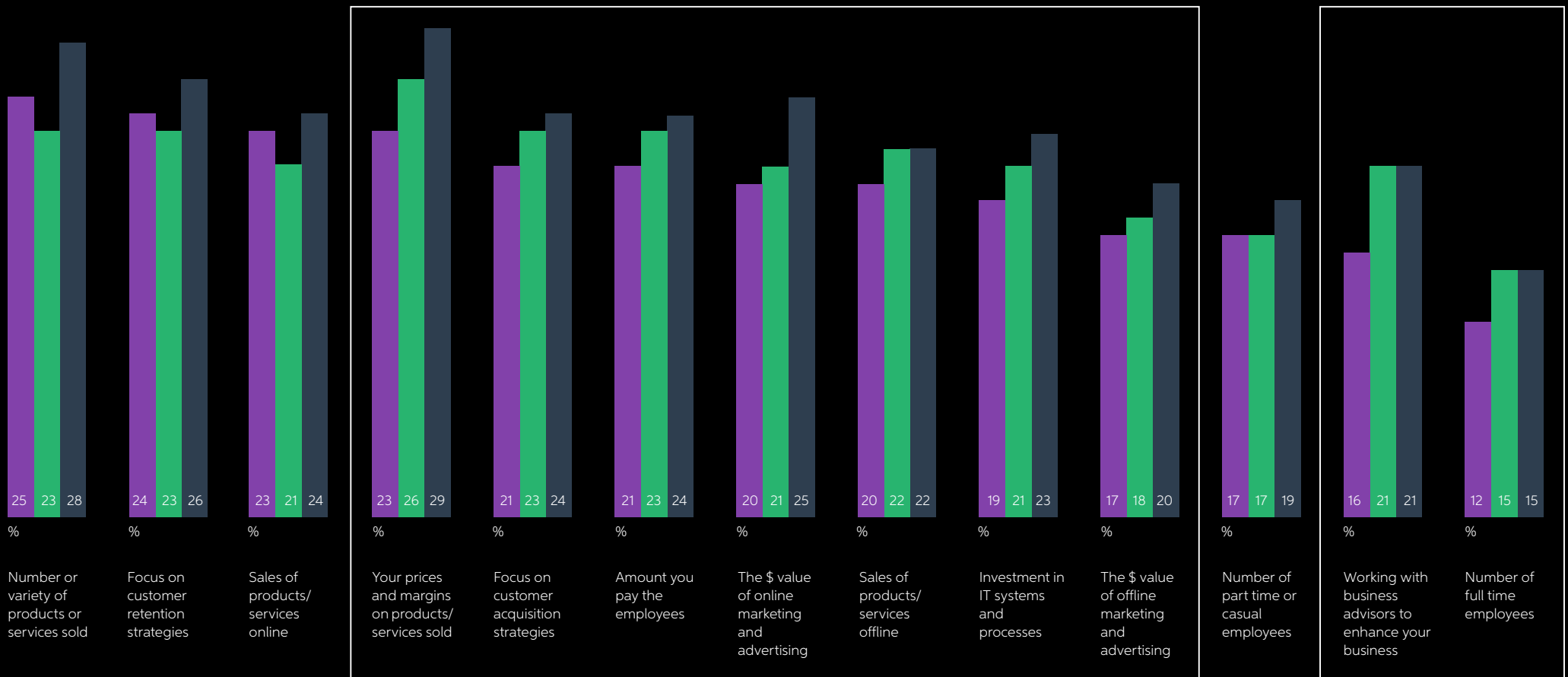
Business investment



% where businesses plan to increase investment.

March 19 May 18 May 17

Decline on previous year



Business investment



Which of the following do you expect to increase over the next 12 months.

● Significantly higher than total
● Significantly lower than total

	National Average	Gen Y	Gen X	Baby boomers	Start-ups <2 years	Establishing 2-5 years	Maturing 5-10 years	Established >10 year
The number or variety of products or services offered by your business	25%	33%	27%	13%	34%	30%	31%	14%
Focus on customer retention strategies	24%	28%	24%	19%	32%	27%	29%	13%
Your prices and margins on products/ services sold	23%	33%	17%	20%	27%	28%	30%	17%
Sales of products and services online	23%	28%	25%	15%	33%	31%	24%	14%
The amount you pay employees	21%	23%	18%	20%	22%	21%	23%	18%
Focus on customer acquisition strategies	21%	31%	18%	14%	28%	28%	24%	13%
The \$ value of spending on marketing and advertising your business online	20%	32%	15%	11%	22%	30%	16%	9%

Business investment cont.



Which of the following do you expect to increase over the next 12 months.

● Significantly higher than total
● Significantly lower than total



	National Average	Gen Y	Gen X	Baby boomers	Start-ups <2 years	Establishing 2-5 years	Maturing 5-10 years	Established >10 year
Sales of products and services offline	20%	28%	19%	15%	32%	31%	19%	13%
Investment in IT systems & processes	19%	27%	18%	14%	29%	23%	26%	10%
The \$ value of spending on marketing and advertising your business offline	17%	26%	12%	13%	27%	25%	17%	10%
The number of part time or casual employees in your business	17%	27%	15%	10%	24%	27%	16%	9%
Working with business advisers to enhance your business	16%	22%	18%	9%	28%	17%	17%	9%
The number of full time employees in your business	12%	22%	9%	4%	16%	16%	15%	4%

Summary of investment by **industry**



Which of the following do you expect to increase over the next 12 months.



	 Agribusiness	 Business, prof. & property services	 Construction & trades	 Finance & insurance	 Manufacturing & wholesale	 Retail & hospitality	 Transport, postal & warehousing
The number or variety of products or services offered by your business	24%	24%	22%	16%	32%	34%	16%
Focus on customer retention strategies	10%	22%	18%	33%	32%	28%	26%
Your prices and margins on products/ services sold	19%	22%	28%	17%	31%	29%	11%
Sales of products and services online	23%	23%	16%	22%	26%	26%	26%
The amount you pay employees	33%	18%	18%	22%	19%	29%	20%
Focus on customer acquisition strategies	15%	20%	20%	18%	33%	21%	11%
The \$ value of spending on marketing and advertising your business online	10%	22%	18%	16%	21%	22%	18%

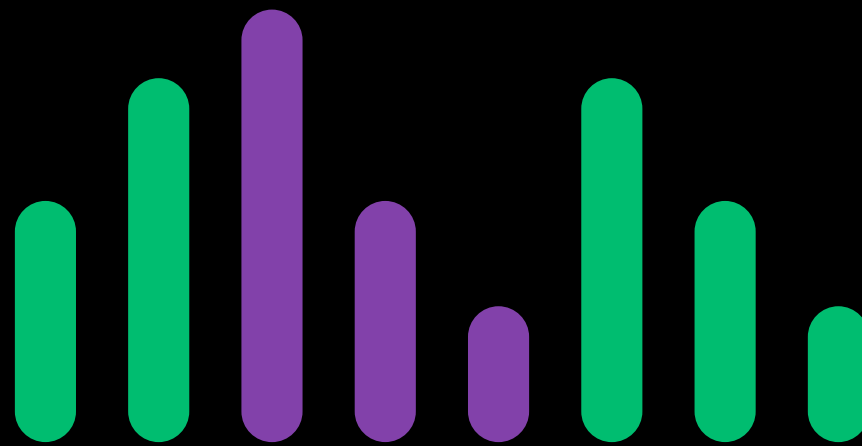
 Significantly higher than total
 Significantly lower than total

Summary of investment by **industry** cont.



	 Agribusiness	 Business, prof. & property services	 Construction & trades	 Finance & insurance	 Manufacturing & wholesale	 Retail & hospitality	 Transport, postal & warehousing
Sales of products and services offline	16%	24%	17%	20%	32%	20%	13%
Investment in IT systems & processes	15%	22%	15%	27%	20%	16%	20%
The \$ value of spending on marketing and advertising your business offline	14%	21%	15%	15%	16%	18%	12%
The number of part time or casual employees in your business	10%	22%	14%	11%	26%	18%	18%
Working with business advisers to enhance your business	19%	18%	12%	18%	25%	12%	12%
The number of full time employees in your business	10%	13%	13%	13%	12%	12%	8%

 Significantly higher than total
 Significantly lower than total



Business pressures

Business pressures overview



Business pressures in a number of areas have increased since last year.

Fuel prices and the cost of utilities are the most significant business pressures at **40%**, the former up 3 points from May 2018, the latter remaining stable.

Other increased business pressures include cashflow at **35%** (up 5 points), attracting new customers at **34%** (up 4 points) and competitive activity at **33%** (up 3 points).

Business pressures that have declined include interest rates at **28%** (compared to **30%** last year) and time spent meeting tax obligations at **27%** (compared to **28%**).

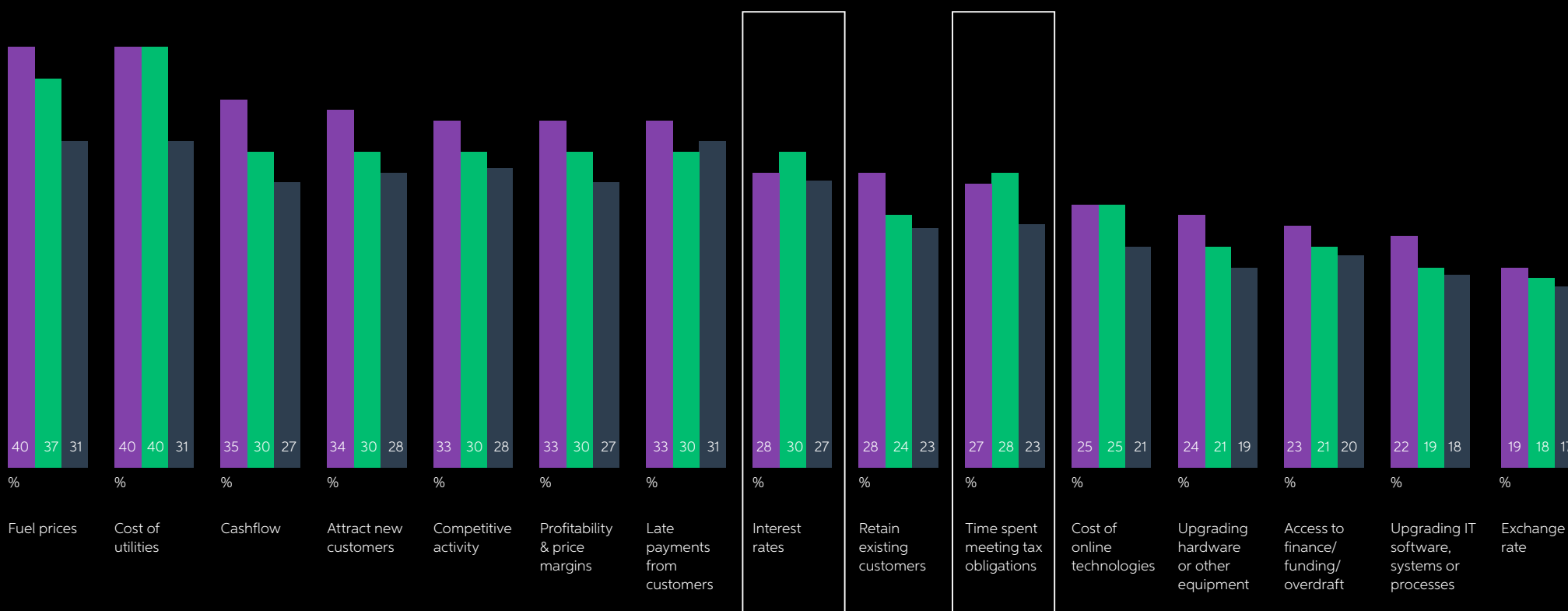
Business pressure points



Pressure points (% extreme/lot)

March 19 May 18 May 17

Decline on previous year



Pressure points by industry










Manufacturing and wholesale & retail and hospitality businesses are under more pressure.



Pressure points by industry

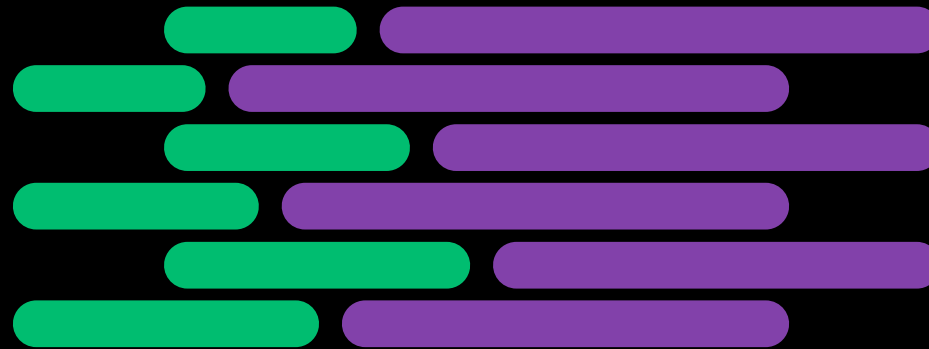
cont.



							
Expectations by industry type	Agribusiness	Business, prof. & property services	Construction & trades	Finance & insurance	Manufacturing & wholesale	Retail & hospitality	Transport, postal & warehousing
Time spent meeting your tax obligations	33%	25%	32%	21%	40%	29%	12%
Retaining existing customers	32%	27%	19%	19%	50%	37%	30%
Access to finance/funding/overdraft	24%	24%	26%	14%	39%	28%	21%
Upgrading/updating IT software, systems, processes	20%	26%	16%	14%	36%	23%	20%
Exchange rates	25%	21%	12%	9%	36%	29%	10%
Upgrading/updating hardware/other equipment	20%	24%	24%	20%	34%	26%	25%

● Significantly higher than total
● Significantly lower than total

Online activity & technology



Online activity & technology overview



Thirty-six per cent (**36%**) of small businesses surveyed reported having no online presence at all, while **24%** only have a website and **14%** only have a social media presence for their business. Just **17%** have both a website and a social media presence.

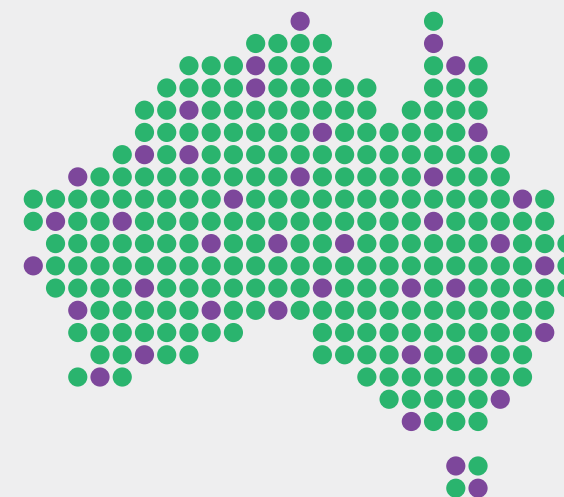
Gen Y are most likely to invest in online, with **22%** reporting they've got both a website and social media presence for their business, compared to **17%** of Gen X and **11%** of Baby Boomers.

South Australia is less online than any other state. Forty-six per cent of SA respondents reported they had no online presence, above the national average of **36%**.

The construction industry is least online, with **47%** reporting they have no online presence. Meanwhile, retail and hospitality are most likely to be available online, with **37%** saying they have both a website and social media presence – well above the **17%** national average.

When asked how a website benefits their business, most responded that it's generated more customer enquiries or leads (**38%**). Thirty-seven per cent said it has helped them have a more professional brand image and **34%** said it made it easier for their customers to do business with them.

Online activity & technology nationwide



Online technologies used	Nov 17	May 18	Nov 18	Mar 19
Email	65%	67%	66%	70%
Use online/mobile banking	61%	63%	61%	65%
Accounting / Bookkeeping	33%	33%	34%	36%
Accepting instant payments eg EFTPOS, ApplePay, PayPal, a shopping cart or mobile app etc)	27%	25%	27%	27%
Connect with customers using social media	22%	23%	25%	26%
Document sharing e.g. Dropbox, Google Drive	24%	23%	24%	25%
Saving file backups to the cloud	20%	21%	22%	24%

Online technologies used	Nov 17	May 18	Nov 18	Mar 19
Payroll (employee payments, leave entitlements, PAYG etc.)	20%	19%	20%	22%
Customer Relationship Management (sales, marketing, support and feedback etc.)	17%	16%	20%	20%
External communications (online tools for conference calls etc.) e.g. Webex, Go To Meeting, Skype	15%	18%	17%	17%
Sales platform	12%	15%	17%	15%
Modify your website to improve online search results or purchase online advertising or key words (SEO and SEM)	12%	14%	14%	13%
Staff rostering and work allocation	10%	10%	12%	12%
Internal communication (online tools for employees to communicate e.g. Yammer, Lync, Campfire, Hipchat)	9%	8%	9%	10%

Tools by **industry** type



● Significantly higher than total
● Significantly lower than total

	 Agribusiness	 Business, prof. & property services	 Construction & trades	 Finance & insurance	 Manufacturing & wholesale	 Retail & hospitality	 Transport, postal & warehousing
Email	54%	60%	65%	58%	57%	53%	66%
Online/mobile banking	60%	47%	58%	50%	59%	46%	58%
Accounting / Bookkeeping	26%	28%	36%	36%	43%	30%	24%
Accepting instant payments eg (EFTPOS, ApplePay, PayPal, a shopping cart or mobile app etc)	23%	26%	18%	22%	30%	37%	26%
Connect with customers using social media	4%	20%	16%	28%	17%	35%	11%
Saving file backups to the cloud	10%	27%	16%	24%	26%	16%	14%
Document sharing e.g. Dropbox, Google Drive	5%	29%	18%	12%	26%	19%	11%
Payroll (employee payments, leave entitlements, PAYG etc.)	15%	15%	21%	5%	25%	23%	15%

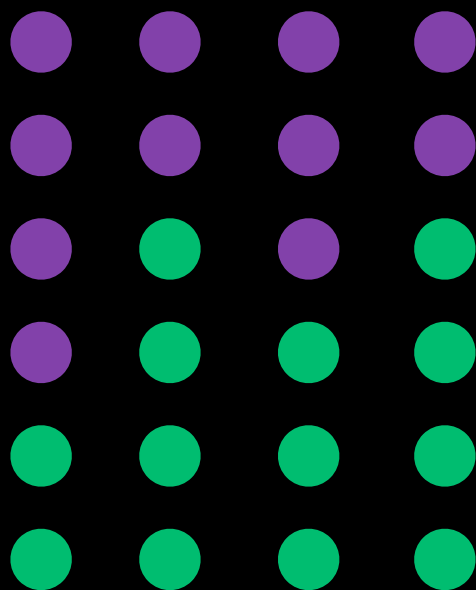
Tools by **industry** type

cont.



● Significantly higher than total
● Significantly lower than total

	 Agribusiness	 Business, prof. & property services	 Construction & trades	 Finance & insurance	 Manufacturing & wholesale	 Retail & hospitality	 Transport, postal & warehousing
Customer Relationship Management (sales, marketing, support and feedback etc.)	5%	16%	10%	25%	20%	25%	6%
Sales platform	0%	12%	6%	17%	20%	17%	12%
External communications (online tools for conference calls etc.) e.g. Webex, Go To Meeting, Skype	0%	18%	5%	16%	9%	12%	4%
Modify your website to improve online search results or purchase online advertising or key words (SEO and SEM)	9%	12%	6%	15%	14%	13%	3%
Staff rostering and work allocation	10%	9%	10%	7%	12%	17%	9%
Enterprise Resource Planning (tracking business resources such as cash, materials, production capacity etc.)	9%	9%	7%	6%	7%	13%	3%
Internal communication (online tools for employees to communicate e.g. Yammer, Lync, Campfire, Hipchat)	0%	9%	7%	5%	10%	2%	2%
Have internet access but do not do any/ not interested in any of above activities	10%	9%	14%	8%	6%	8%	15%



Access to finance

Access to finance overview



Nearly a third (**28%**) of small businesses tried to access finance in the last 12 months, of which two thirds were successful (**19%** were successful versus **9%** who were not).

Nearly half (**44%**) of Gen Y small business owners said they had applied for finance in the past year versus **23%** of Gen X and **15%** of Baby Boomers.

For Gen Y finance respondents, **27%** successfully applied for finance while **17%** applied, but were unsuccessful.

Female small business operators were more likely to be more likely to be successful in their application for finance: **24%** versus **15%**.

Businesses in South Australia were more likely to be successful in their application for finance (**24%**) than any other state.

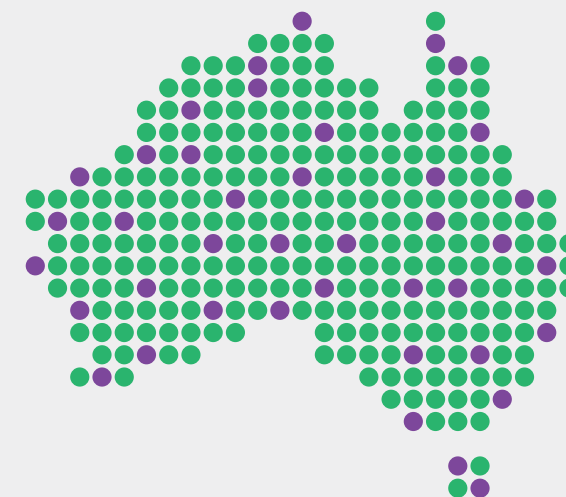
The most likely reason for a business to apply for finance was to support working capital (**31%**), and in second place, paying staff (**30%**) – which shows cashflow continues to be a very real problem for small business.

Two in 10 small businesses (**21%**) plan to access finance in the next 12 months. That number rises substantially to **36%** for Gen Y-run small businesses versus just **16%** of Gen X and **8%** of Baby Boomers.

Female respondents were also more likely to request finance in the next 12 months (**27%**) than male respondents (**16%**).

Nearly a quarter (**24%**) of New South Wales respondents expect to apply for finance this year.

Access to finance nationwide



Have you tried to access finance for this business in the last 12 months?

National Average

Yes, and was successful	19%
Yes, but was not successful	9%



Do you plan to access finance in the next 12 months?

National Average

Yes	21%
No	63%



For what purpose did you require the finance?

National Average

Working capital	31%
Pay staff	30%
Purchase equipment	27%
Market or advertise business	19%
Purchase inventory	17%
Hire new staff/increase number of employees	17%
Purchase property	17%
Pay suppliers	16%
Re-finance	15%
Expand/remodel premises	8%

Access to finance by generation



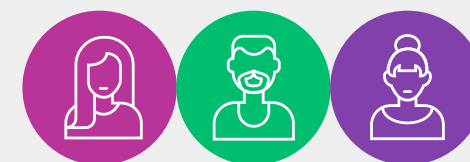
Have you tried to access finance for this business in the last 12 months?

	National Average	Gen Y (25-39)	Gen X (40-54)	Baby Boomers (55-69)
Yes, and was successful	19%	27%	19%	9%
Yes, but was not successful	19%	17%	4%	6%



Do you plan to access finance in the next 12 months?

	National Average	Gen Y (25-39)	Gen X (40-54)	Baby Boomers (55-69)
Yes	21%	36%	16%	8%
No	63%	48%	64%	79%



● Significant higher than total

● Significant lower than total



For what purpose did you require the finance?

	National Average	Gen Y (25-39)	Gen X (40-54)
Working capital	31%	30%	34%
Pay staff	30%	30%	36%
Purchase equipment	27%	26%	33%
Market or advertise business	19%	22%	22%
Purchase inventory	17%	20%	16%
Hire new staff/increase number of employees	17%	20%	19%
Purchase property	17%	19%	19%
Pay suppliers	16%	19%	15%
Re-finance	15%	15%	9%
Expand/remodel premises	8%	9%	10%

Access to finance by **location**

?

Have you tried to access finance for this business in the last 12 months?

	National Average	NSW	VIC	QLD	SA	WA
Yes, and was successful	19%	20%	18%	18%	24%	19%
Yes, but was not successful	9%	10%	8%	6%	3%	16%
Have not tried to access finance for the business	70%	68%	71%	74%	70%	65%
Nett yes	28%	30%	26%	24%	27%	35%

?

Do you plan to access finance in the next 12 months?

	National Average	NSW	VIC	QLD	SA	WA
Yes	21%	24%	22%	16%	19%	22%
No	63%	59%	61%	70%	61%	69%



Access to finance by **location** cont.



For what purpose did you require the finance?

	National Average	NSW	VIC	QLD	SA	WA
Working capital	31%	27%	35%	26%	12%	46%
Pay staff	30%	25%	33%	31%	47%	27%
Purchase equipment	27%	31%	22%	23%	30%	28%
Market or advertise business	19%	14%	29%	19%	13%	16%
Purchase inventory	17%	14%	21%	18%	16%	10%
Hire new staff/increase number of employees	17%	13%	18%	3%	24%	46%
Purchase property	17%	26%	9%	6%	10%	28%
Pay suppliers	16%	19%	15%	12%	6%	22%
Re-finance	15%	14%	19%	15%	3%	21%
Expand/remodel premises	8%	3%	10%	5%	12%	25%

● Significant higher than total
● Significant lower than total



Access to finance by **gender**



● Significantly higher than total
● Significantly lower than total



Have you tried to access finance for this business in the last 12 months?

	National Average	Male	Female
Yes, and was successful	19%	15%	24%
Yes, but was not successful	9%	7%	11%



Do you plan to access finance in the next 12 months?

	National Average	Male	Female
Yes	21%	16%	27%
No	63%	69%	55%



For what purpose did you require the finance?

	National Average	Male	Female
Working capital	31%	29%	32%
Pay staff	30%	24%	34%
Purchase equipment	27%	26%	28%
Market or advertise business	19%	21%	17%
Purchase inventory	17%	11%	21%
Hire new staff/increase number of employees	17%	15%	19%
Purchase property	17%	13%	21%
Pay suppliers	16%	13%	18%
Re-finance	15%	15%	15%
Expand/remodel premises	8%	5%	11%

Access to finance by **business size**

?

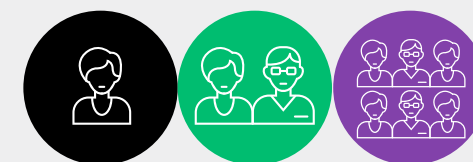
Have you tried to access finance for this business in the last 12 months?

	National Average	0 employees (Sole)	1-4 employees (Micro)	5-19 employees (Small)
Yes, and was successful	19%	19%	15%	20%
Yes, but was not successful	9%	10%	6%	9%

?

Do you plan to access finance in the next 12 months?

	National Average	0 employees (Sole)	1-4 employees (Micro)	5-19 employees (Small)
Yes	21%	23%	15%	24%
No	63%	63%	65%	60%



?

For what purpose did you require the finance?

	National Average	0 employees (Sole)	1-4 employees (Micro)
Working capital	31%	27%	36%
Pay staff	30%	34%	17%
Purchase equipment	27%	27%	24%
Market or advertise business	19%	21%	12%
Purchase inventory	17%	19%	11%
Hire new staff/increase number of employees	17%	22%	3%
Purchase property	17%	19%	10%
Pay suppliers	16%	15%	19%
Re-finance	15%	18%	6%
Expand/remodel premises	8%	7%	12%

Access to finance by **industry**

● Significantly higher than total
● Significantly lower than total



Have you tried to access finance for this business in the last 12 months?

									
	National Average	Business, prof. & property services	Finance & insurance	Construction & trades	Transport, postal & warehousing	Retail & hospitality	Manufacturing & wholesale	Agri, FF	Industry other
Yes, and was successful	19%	24%	26%	15%	15%	15%	20%	8%	18%
Yes, but was not successful	9%	11%	-	10%	3%	14%	8%	16%	6%



Do you plan to access finance in the next 12 months?

	National Average	Business, prof. & property services	Finance & insurance	Construction & trades	Transport, postal & warehousing	Retail & hospitality	Manufacturing & wholesale	Agri, FF	Industry other
Yes	21%	31%	17%	13%	13%	25%	18%	19%	16%
No	63%	56%	71%	66%	68%	57%	71%	67%	65%

Business planning



Business planning overview



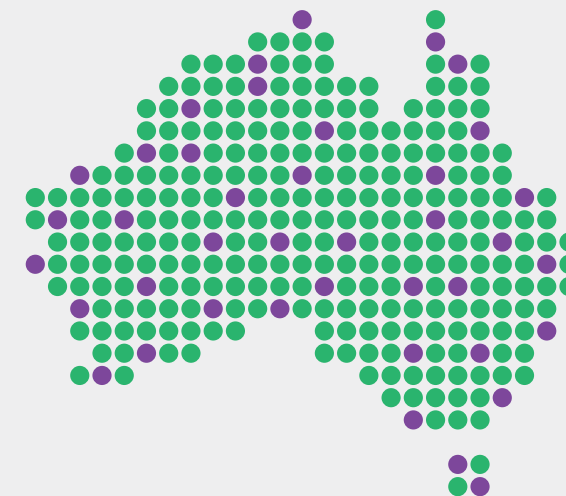
When asked if they'd written a business plan in the last 12 months, **19%** of small businesses replied they had. Generation Y were most likely to have written a plan, with **33%** saying they had one in place.

Queensland small businesses are the most likely to have a business plan, with **27%** reporting they had a business plan.

The retail and hospitality industries plan best, with **35%** saying they'd written a business plan, while just **14%** of businesses in the construction industry had written a plan.

Of those who had written a plan, **92%** had implemented the strategies and goals they had set for themselves.

Business planning nationwide



In the last 12 months, have you written a business plan for this business?

Yes	23%
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No	74%
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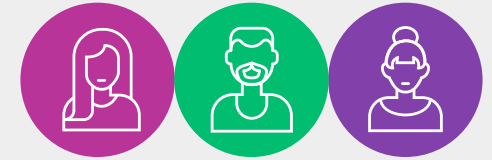


If yes, have you begun implementing the strategies and goals you set out in the plan?

Yes	92%
-----	-----

No	8%
----	----

Business planning by **generation**



In the last 12 months, have you written a business plan for this business?

	National Average	Gen Y (25-39)	Gen X (40-54)	Baby Boomers (55-69)
Yes	23%	33%	20%	19%
No	74%	65%	77%	78%

● Significantly higher than total
● Significantly lower than total

Business planning by **location**



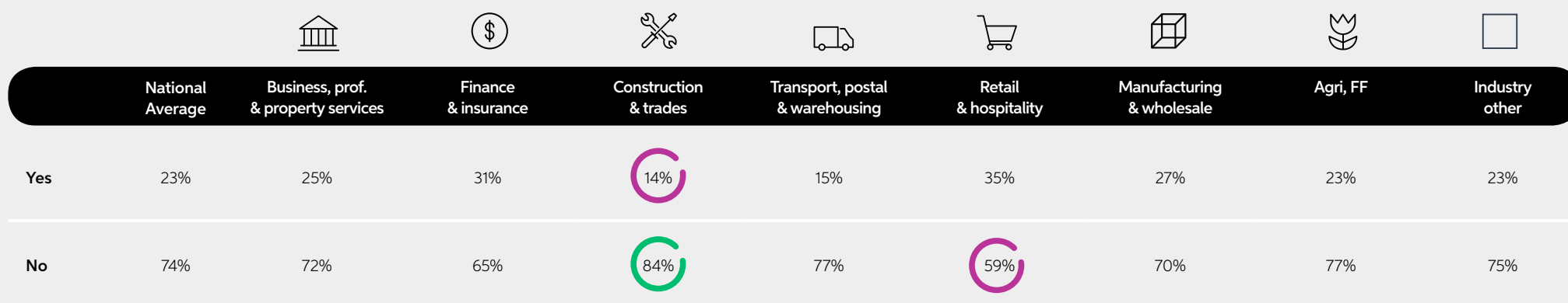
In the last 12 months, have you written a business plan for this business?


	National Average	NSW	VIC	QLD	SA	WA	City/Metro	Regional & Rural
Yes	23%	20%	26%	27%	25%	22%	25%	19%
No	74%	78%	70%	73%	64%	74%	71%	78%


Business planning by **industry**

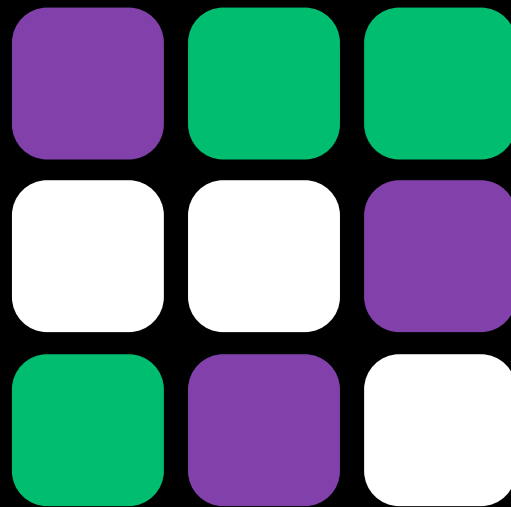


In the last 12 months, have you written a business plan for this business?



 Significant higher than total

 Significant lower than total



Social media

Online activity & technology

social media

1/3



of operators do not have an online presence.

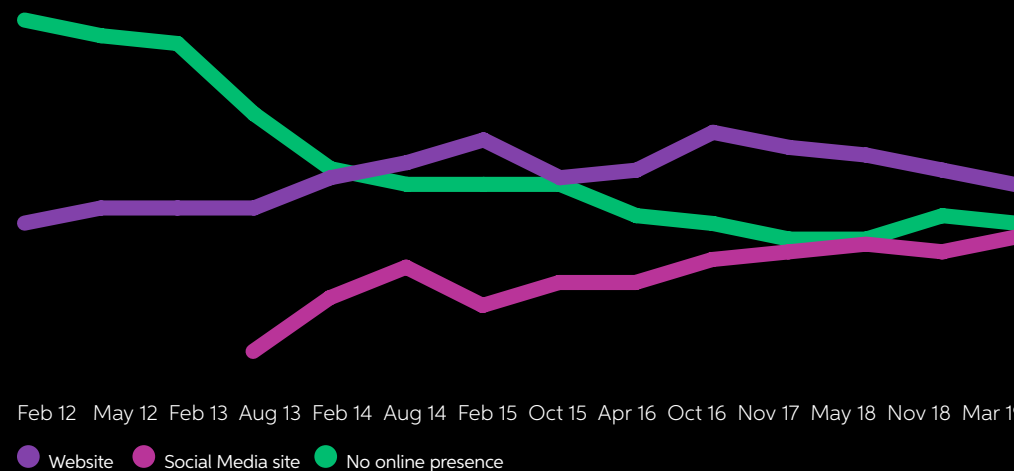
Over **2 in 5** operators

(41%) had a website this wave and 36% a social media presence.

There was no change from last wave.

Gen Y operators **(73%)** were much more likely to have an online presence compared to only **44%** of Baby Boomers.

Proportion of Australian businesses with an online presence



FB

Facebook remained the most popular social media platform used with Instagram on the rise.

Use of Facebook was consistent across all age groups, while Gen Y operators were more likely than others to use Instagram (51%), YouTube (36%) and Twitter (26%).

Online activity & technology

social media cont.

Social media sites used	Nov 2017	May 2018	Nov 2018	Mar 2019
Facebook	81%	83%	86%	86%
Instagram	28%	35%	38%	40%
LinkedIn	29%	26%	24%	27%
YouTube	24%	22%	23%	27%
Twitter	20%	18%	20%	20%
Snapchat	8%	11%	8%	11%
Pinterest	8%	9%	5%	8%

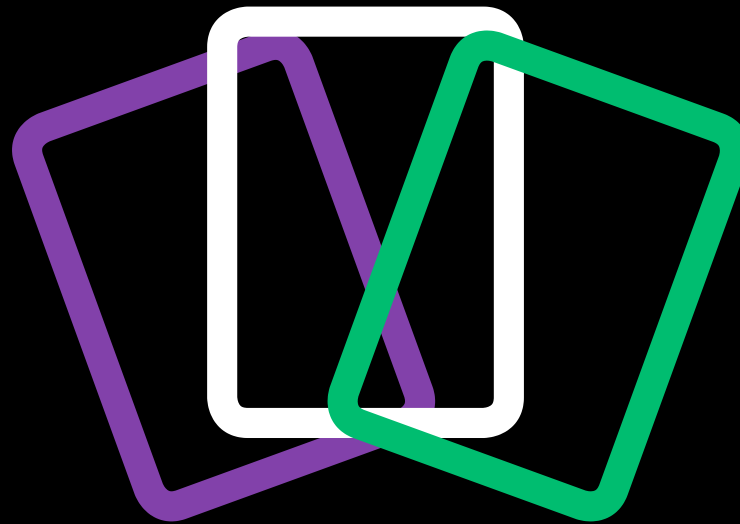


Having a business website was perceived to generate more customer leads or enquiries (38%) and enable a more professional brand image (37%).



Having a social media presence allowed more interactions with customers (46%). The benefits from both a business website and social media site dropped in a number of areas.

Administrative tasks & use of advisors



Administrative tasks & use of **advisors**

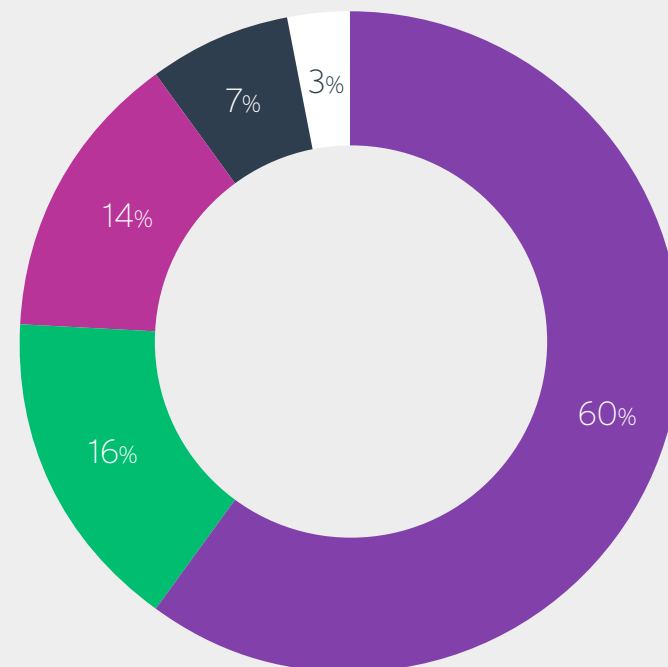
3 in 5 

business owners spent more than three-quarters of their time running their business, with most time spent on invoicing and paying bills and accounting and bookkeeping tasks.

Administration tasks	Most time consuming task	Top 2 tasks
Invoicing, paying bills and following up creditors	49%	37%
Accounting/bookkeeping tasks	47%	36%
Ordering stock	25%	10%
Marketing and social media	23%	14%
Payroll	17%	8%
IT related issues	17%	11%
Staffing issues (other than payroll)	14%	6%
I don't spend any time on administrative tasks	10%	10%

Time spent running the business

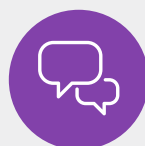
76-100%	60%
51-75%	16%
26-50%	14%
0-25%	7%
Don't know	3%



Administrative tasks & use of **advisors** cont.

Advisor used

Accounting	43%
Bookkeeping	14%
IT systems	11%
Social media	9%
Marketing/PR	6%
Planning	5%
We do not use advisors	37%



Accountants were the main advisor used, nominated by

43% of business owners.



Accountants were less likely to be used by **Gen Y** operators (33% compared to 51% of Baby Boomers).



Gen Y operators and **establishing businesses** were more likely to use:

Bookkeepers 20% and 21% respectively
IT consultants 18% and 16%
Planners 9% and 12%

17% of establishing businesses were also more likely to use social media advisors.



Administrative tasks & use of **advisors** cont.

Almost

1/3

of operators did not use any resources for help or support for their business.



Gen Y operators were more likely to use a number of different resources for help with their business.

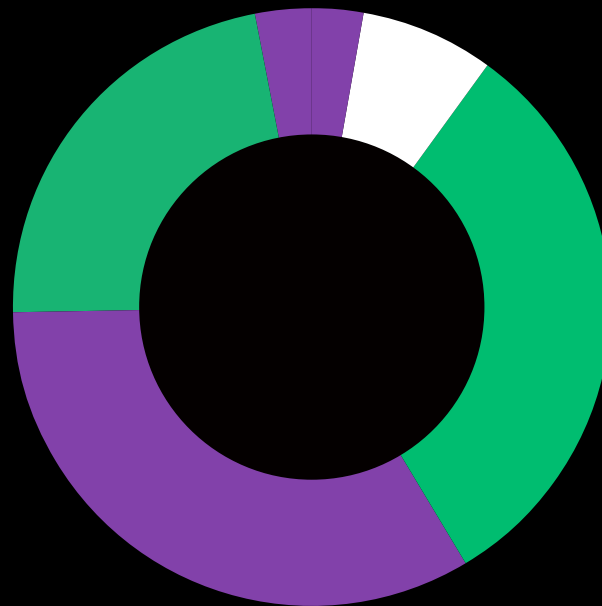


What resources do you use to find help or support when it comes to various aspects of your business?

Resources used

YouTube	28%
Speaking to other business owners	24%
Facebook groups	20%
LinkedIn	20%
Industry conferences	15%
Forums E.g. Quora	9%
Podcasts	9%
Online Education portals e.g. Lynda/Coursera	7%
Co-working spaces	5%
Networking sites/apps/events e.g. Bumblebizz, Meetup	5%
StartUp accelerators/hubs	3%
Industry specific bodies/websites	3%
Industry specific publications/websites	2%
Others	1%
None – I do not regularly use resources to find help and support	31%

About the study



About the study



The **MYOB Business Monitor** researches business performance and attitudes regarding areas such as profitability, cash flow, pipeline work, technology usage and the government.

This report presents the summary findings for key indicators from the MYOB Business Monitor comprising a national sample of 1,005 business owners, managers and directors (operators), conducted from 18 February to 20 March, 2019. The businesses participating in the online survey were both non-employing and employing businesses.

All data has been weighted by industry type, location and number of employees, which are in line with the Australian Bureau of Statistics (ABS - Counts of Australian businesses, including entries and exits - 8165.0).

Industry	Weighting	Number
Agribusiness	8%	22
Business, professional & property services	27%	317
Construction & trades	17%	149
Finance & insurance* ¹	9%	40
Manufacturing & wholesale	7%	63
Retail & hospitality	10%	137
Transport, postal & warehousing * ¹	8%	34
Other industries	14%	243
Total	100%	1005

1. Caveat: There is high margin of error of +/-15% @ 50% on these small base. 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. This research report was prepared by Gundabluey Research, and fieldwork was completed by Colmar Brunton (a Millward Brown Company) for Collette Betts, Public Relations & Corporate Communications Manager – Australia, MYOB Australia (collette.betts@myob.com <http://myob.com.au>)

About the study

cont.



Length of time in business were categorised as per the following:

Start up	In business fewer than 2 years
Establishing	2 to 5 years
Maturing	5 to 10 years
Established	10+ years



The generations were categorised as per the following:

Generation Z	18 - 24 years of age
Generation Y	25 - 39 years of age
Generation X	40 - 54 years of age
Baby Boomers	55 - 69 years of age
Traditionalists	70+ years of age

1. Caveat: There is high margin of error of +/-15% @ 50% on these small base. 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. This research report was prepared by Gundabluey Research, and fieldwork was completed by Colmar Brunton (a Millward Brown Company) for Collette Betts, Public Relations & Corporate Communications Manager – Australia, MYOB Australia (collette.betts@myob.com <http://myob.com.au>)

Location	Weighting	Number
NSW	34%	306
VIC	27%	280
QLD	19%	215
SA	6%	73
WA	10%	93
Other	4%	38
Total	100%	1005

No. of employees/business type	Weighting	Number
0 employees/sole traders	62%	616
1-4 employees/micro business	27%	279
5-19 employees/small business	8%	88
20-199 employees/medium business* ¹	2%	22
Total	100%	1005

myob