



THE ALTERNATIVE BOARD®

Shared Wisdom, Bottom Line Success

PULSE CHECK

AUGUST 2020

FOR SMALL TO MEDIUM SIZE
NEW ZEALAND BUSINESSES



Summary

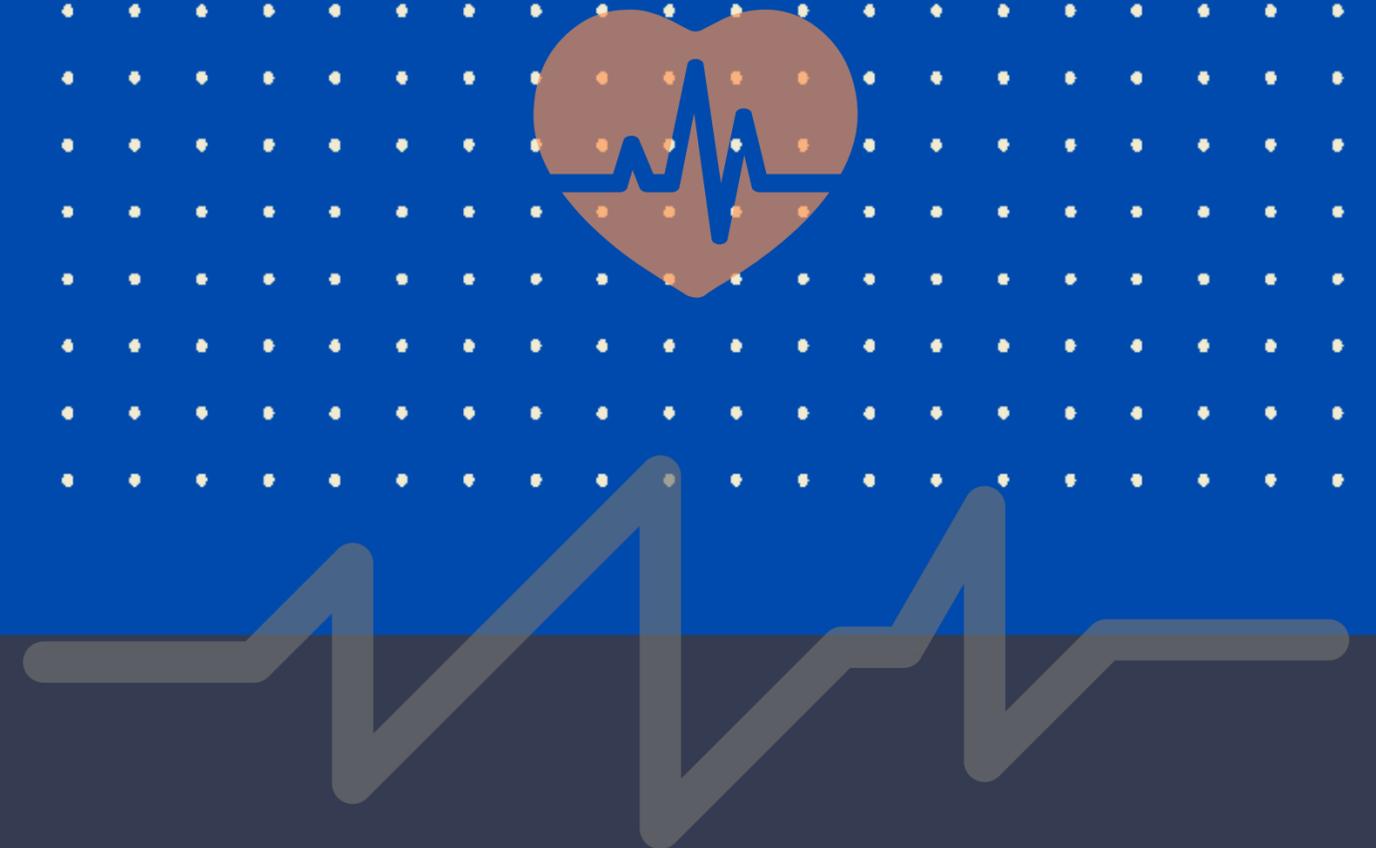
Confidence is high, the banks have stepped up to help and jobs in the small business sector are holding steady as business owners take a pragmatic and assured approach to the challenges of COVID19.

Contrary to 'doom-and-gloom' economic commentary, August's Pulse Check revealed 95% of small to medium size enterprises are confident they'll get through. Sales and orders remain buoyant with supply lines and international transportation links for exporters seemingly intact.

More than a third of small businesses have benefited from government support with only a small percentage anticipating job losses once the wage subsidy ends. Banks have been understanding, helping where necessary or carrying on with business as usual.

On the down side, mainstream media is reducing confidence and the wish-list of things that would help get through the remainder of 2020 include more customers, more government support - and a rest, as business owners report they're feeling exhausted.

The surprisingly strong Pulse Check was even more remarkable as the change to Alert Level Three for Auckland and Alert Level Two for the rest of New Zealand occurred during the consultation period. The Alternative Board's members and associates are primarily involved in industries that make, supply, service, fix, invent or build things and the results may reflect that this group has been under-represented to date, with focus falling on hospitality, retail and tourism in other surveys.



The Alternative Board supports small to medium sized businesses and their owners and during these difficult days, the Pulse Check is designed to monitor how our members are managing, what they need and what would help people in the sector.



HOW'S BUSINESS BEEN?



Business is about the same as this time last year

35.3%



Been tough - but picking up

30.2%



Coping - but touch and go

16.4%



Business has boomed - we're doing better than ever

18.1%

HOW CONFIDENT ARE YOU ABOUT THE FUTURE OF YOUR BUSINESS IN THE NEXT TWELVE MONTHS?

—
28.4% - Quietly confident - I think we can adapt to change

—
40.5% - Some days more confident than others

—
26.7% - Very confident - I think we'll make it

—
4.4% - Not confident at all - I'm really anxious

03

Confidence



04

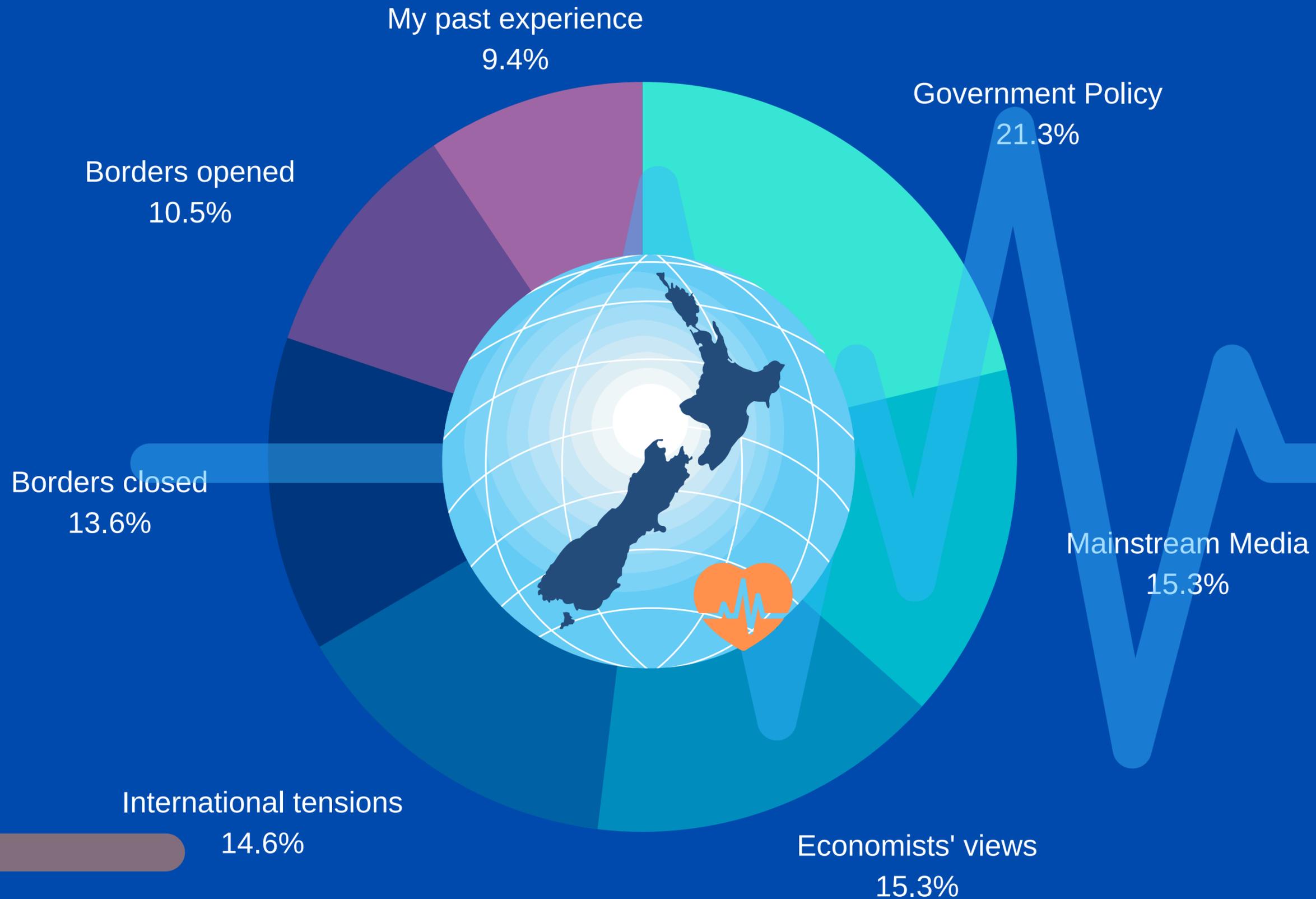
How do you feel about the next 12 months?

I'll deal with it as it comes	40.4%
OK - some days I'm a bit anxious	37.7%
Pretty calm	19.3%
Can't sleep for worrying	2.6%



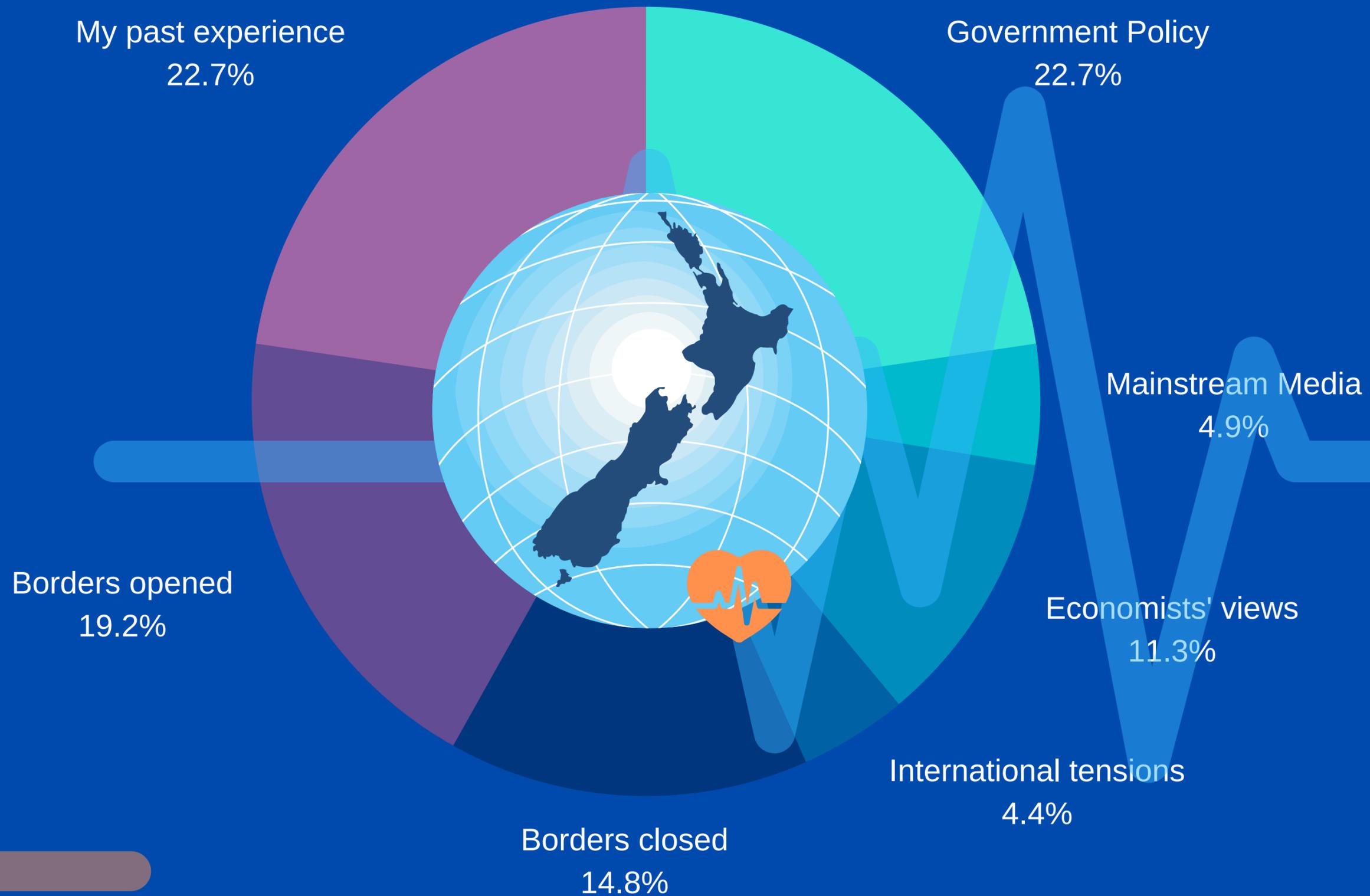
05

What reduces your level of confidence in the future?



06

What improves your level of confidence in the future?





HOW ARE THINGS ON THE EMPLOYMENT FRONT?

07

Job prospects

— No change for us
- 48.2%

— We've taken people
on - 15.8%%

— We've let people
go - 12.3%

— There's only me -
18.4%

— Jobs will go when the wage subsidy ends
- 5.3%

08

How are sales going? Do you have enough customers or orders?

Enough for now but may not last **55.3%**

We have orders and customers through till next year **24.6%**

Hand to mouth - sales have slumped **8.8%**

We've so much new business it is hard to manage **8.8%**

It's looking bleak - short term sales only **2.6%**



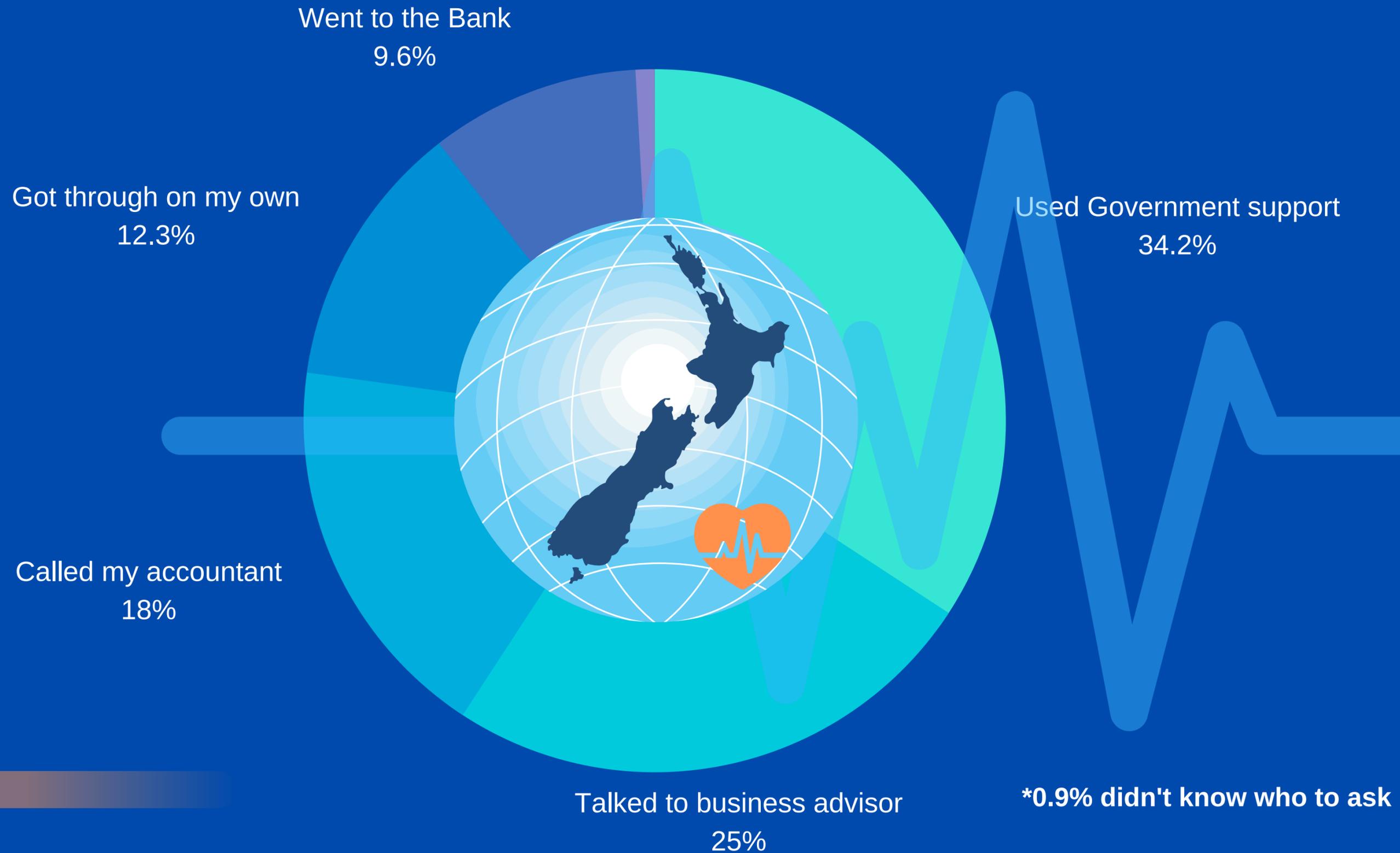
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How are things with your working capital?

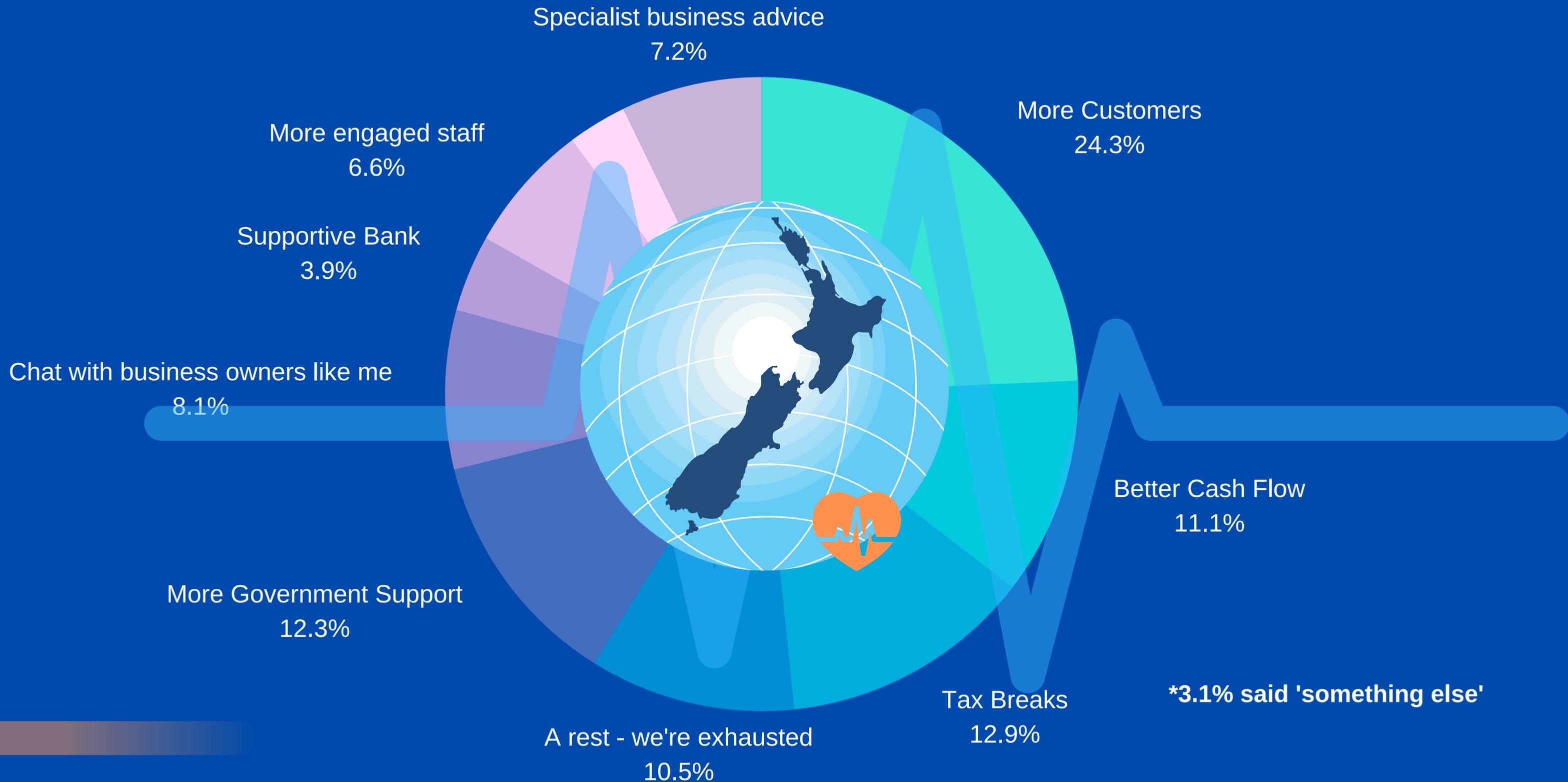
It's all been fine	71.1%
We've had more late payers and defaults	12.3%
We've had many difficulties	9.6%
Inward supply chain is disrupted	3.5%
Struggling to pay creditors	2.6%
Exports are a headache	0.9%



10 Have you looked for support to get you through?



What would help you get through the rest of 2020?



13
Has your bank been helpful through COVID19?

I've not spoken to them	36.7%
Just been business as usual	36.7%
They've been tremendous	12.3%
They helped me make necessary adjustments	8.7%
No - I'd love to change my bank	3.8%
Can't get an appointment and worried they'll refuse me finance	1.8%



14

Do you think you might have to completely reinvent your business?

No - wouldn't dream of it **30.7%**

Thought about it but didn't have to **28.9%**

Yes, it's the chance I've been waiting for **18.4%**

Yes, but wish I didn't have to **13.2%**

We've already reinvented - woo-hoo! **8.8%**

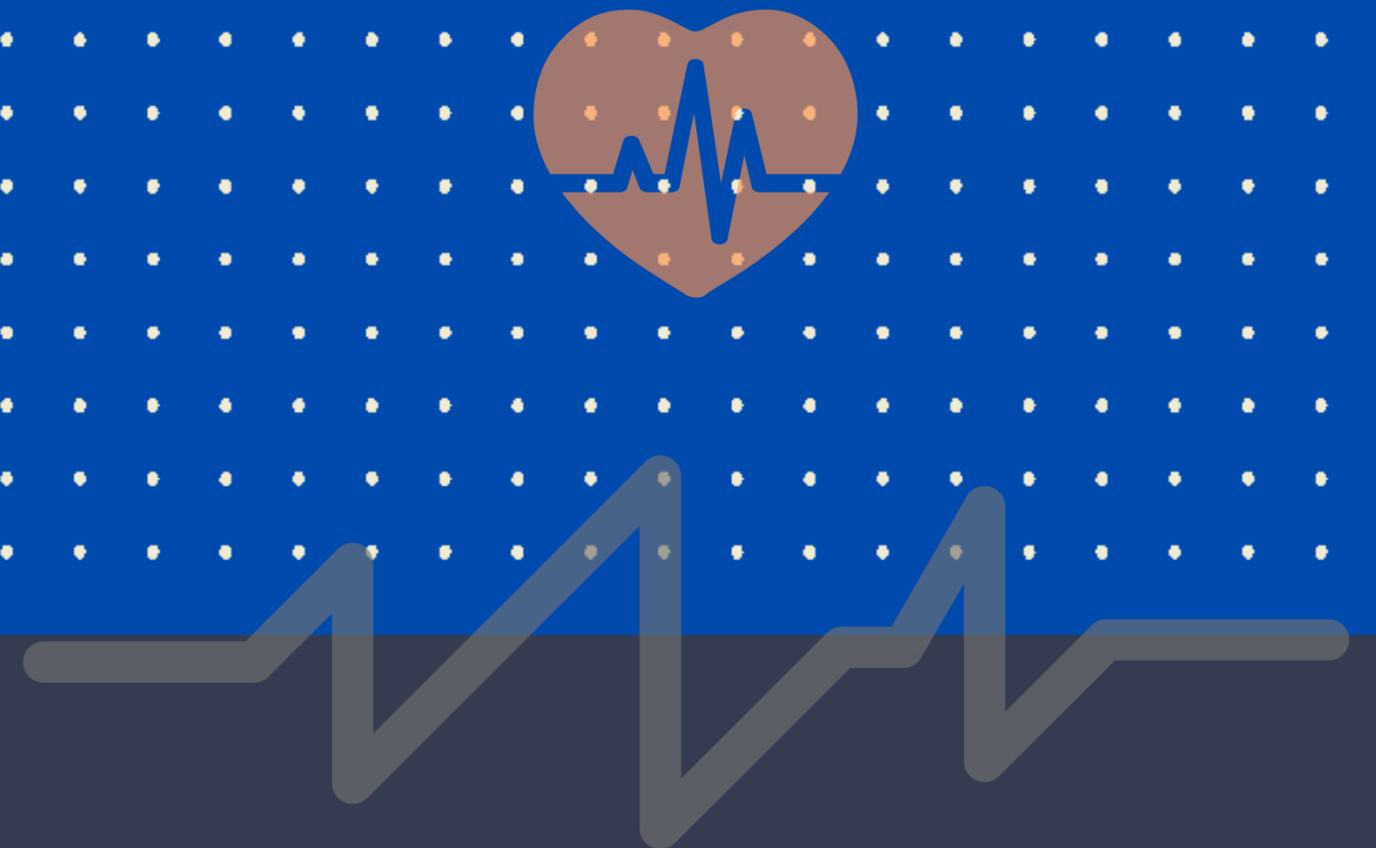


About the survey

In August 2020, The Alternative Board asked members of their national peer-to-peer board network how they have managed since COVID19 restrictions were lifted in June. Midway through the survey period, Auckland moved to Alert Level 3 and the rest of New Zealand to Alert Level 2. The Alternative Board will conduct regular pulse checks with small to medium size businesses in New Zealand, asking how they are, what support they need, their views on the challenges and the opportunities ahead. The Alternative Board conducted the August Pulse Check survey of 275 of its members and associates between August 7 - 19 with a confidence level of 90% and a 5% margin of error.



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The Alternative Board supports small to medium sized businesses and their owners through advisory boards consisting of other local business owners, expert one-on-one coaching, a suite of business planning tools and business mentoring.

<https://thealternativeboard.co.nz/>