

THE ALTERNATIVE BOARD®
Shared Wisdom, Bottom Line Success

PULSE CHECK

SUMMER 2021

FOR SMALL TO MEDIUM SIZE
NEW ZEALAND BUSINESSES



01

SUMMER PULSE POINTS



Small business owners have greeted 2021 with courage and confidence, ready to tackle the challenges ahead.



Challenges include input price rises, port disruptions, employment issues and a growing unease around sales volume and consistency.



Business owners have adapted, changing the way they operate and now continually 'expect the unexpected'. Major changes include digital transformation, reducing costs and employing more people.

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

The Pulse Check monitors how our members and associates are managing during this year of COVID-19, asking how they are, what support they need, their views on current challenges, their confidence and the opportunities ahead. The Summer Pulse Check surveyed 271 of our members and associates between February 9 - February 16 with a confidence level of 90% and a 5% margin of error.

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Summary

Confidence and courage are the watchwords for the Summer Pulse Check despite the continuing pandemic. Small business owners have rested and reset over the summer months and are ready to face the challenges ahead. Bubbling concerns include port problems and employment issues and new COVID outbreaks inevitably undermine confidence. That said, our business owners were responding to the Pulse Check as Auckland went to Alert Level Three in mid-February, reporting one of the main changes they've made to their business is to 'expect the unexpected'. Skilled Kiwis coming home is a confidence booster for many as the struggle to fill jobs continues. High on the wish list are more customers and better cash flow but actively reducing costs appears to be easing the pressure. There has been a rise in problems associated with working capital, including more late payers, input price rises and disrupted supply chains. Delays at the port are a major cause of stress along with employment issues and lack of sales but, as we edge towards the end of summer, business owners remain buoyant, with plans and ideas ready to take them forward.



Industries

The Alternative Board members and associates are representative of the small-to-medium sector in New Zealand, with the majority in the 'classic small business' category, employing between 2 - 19 people, the size often referred to as the 'heart of the Kiwi economy'.

19%

BUSINESS,
FINANCIAL &
PROFESSIONAL
SERVICES



22%

MANUFACTURING
WHOLESALE &
IMPORTS



8%

TRADES & OTHER
SERVICES



8%

CONSTRUCTION &
INFRASTRUCTURE



6%

TRANSPORT,
LOGISTICS &
AUTOMOTIVE



6%

TECHNOLOGY



9%

PR, DESIGN,
MARKETING &
MEDIA



6%

AGRICULTURE



2%

HEALTH



14%

TOURISM,
HOSPITALITY &
RETAIL



HERE WE ARE MID-SUMMER AND INTO 2021 - HOW'S YOUR CONFIDENCE DOING?



Excellent - I'm ready to go

35%



It's good - took time out and I'm ready to go

47%



Not so good - thought things might be looking better

17%



I've no confidence - it's been a rotten start to the year

1%

05 TOP THREE THINGS THAT...

...**reduce** your level of confidence in the future?



COVID Outbreaks

Government policy

Mainstream media stories

Choices were...



...**improve** your level of confidence in the future?



COVID19 Vaccine

Borders open

Skilled Kiwis coming home



06

As a business owner how are you doing?



I'm ok - I'm managing the challenges **73%**



Awesome - loving every day **13%**



Doing ok but could use some help **11%**



My motivation is shot and I could do with support **3%**

07 MAIN STRESSORS FOR BUSINESS OWNERS

1



PROBLEMS AT THE PORTS

2



EMPLOYMENT ISSUES

3



LACK OF SALES

4



CASH MANAGEMENT

5



DIGITAL DEVELOPMENT

with a lucky few...



NOT STRESSED AT ALL - I'M STILL AT THE BEACH

08

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

Enough for the moment but may not last **37%**

They're ok and sustainable **28%**

We've so much new business it is hard to manage **16%**

We've orders and customers through to next year **9%**

Hand to mouth - we're in survival mode **10%**



09

How are things with your working capital?



It's all been fine	56%
Input prices are rising	12%
Inward supply chain is disrupted	10%
We've had more late payers and defaults	9%
Struggling to pay creditors	7%
We've had many difficulties	5%
Exports are a headache	1%



10

Port and shipping disruptions in NZ and overseas have caused import and export headaches for many. Have you had any problems?

No - It's all been fine **31%**

Yes - it has affected our inventory **19%**

Yes - our supply chain has slowed **18%**

Yes - increased freight prices are crippling **8%**

Yes - we can't get our exports away **1%**

We don't import or export **23%**



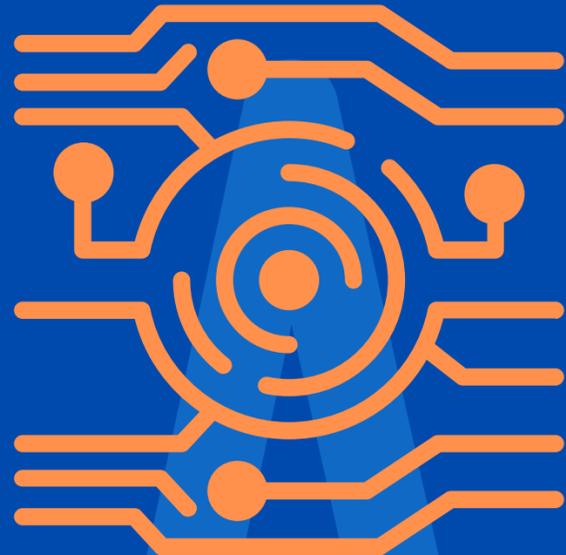


HOW'S THE FUTURE LOOKING FOR YOUR BUSINESS?

11

Looking ahead

- Bright - we have plans and ideas to take us forward - 58%
- A challenge but we are ready to adapt - 24%
- Just taking one day at a time - 13%
- Not so hot - we're in a hard hit sector - 5%



WE USE TECH MORE



WE EXPECT THE UNEXPECTED



WE'VE REDUCED COSTS



WE'VE TAKEN PEOPLE ON

13 WHAT WOULD HELP YOU DURING 2021?



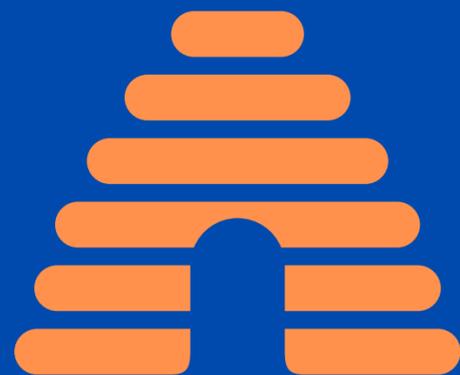
MORE CUSTOMERS

37%



REGULAR CHATS WITH BUSINESS OWNERS LIKE ME

26%



GOVERNMENT SUPPORT

6%



SPECIALIST ADVICE

17%



KNOWING THE SKILLS RETURNING KIWIS HAVE BROUGHT HOME

3%

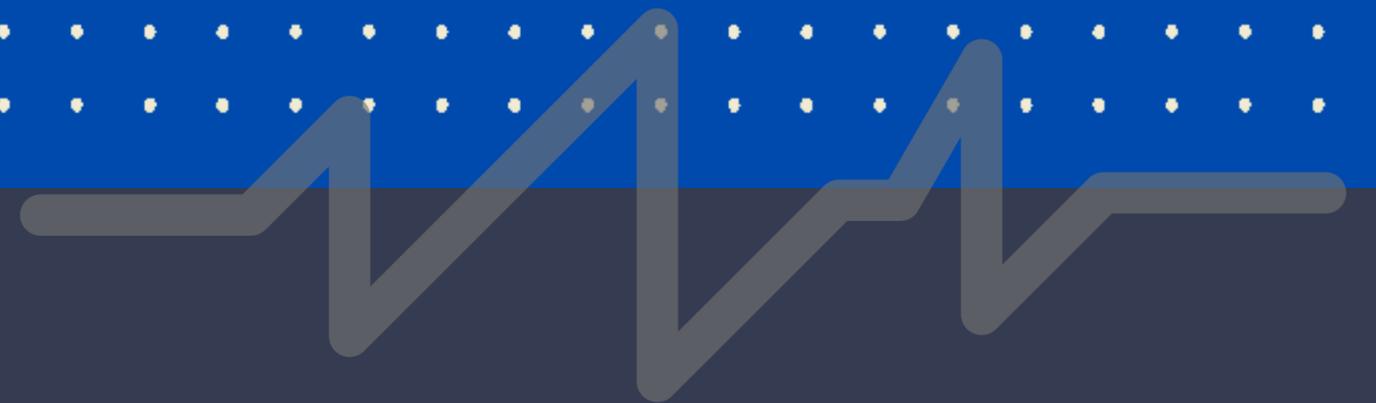
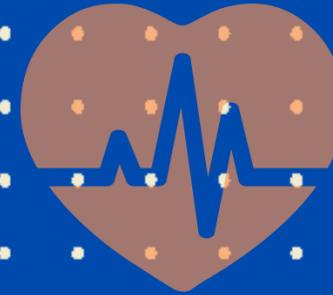


SOMETHING ELSE

11%



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