



All work and little play for SMEs

Survey reveals significant sacrifices and proud achievements of Australian business operators

Few things in life come without sacrifice. For many Australian business operators, achieving their business goals means working extra hours, taking fewer or no holidays, and cutting back on household expenses. Research released by MYOB, Australia's largest business management solutions provider, revealed more than 85% of business operators (87%) have made some sort of sacrifice since they started it. Nearly two thirds (64%) of the country's business owners and managers have put in extra hours. Those in retail and hospitality (74%) or in a small business (73%) are most likely to do so. Of further interest was the lack of correlation between hours worked and revenue gains. 71% of business operators who experienced a rise in revenue in the prior 12 months had worked extra hours, compared to 69% who saw their revenue fall despite working extra hours. MYOB CEO Tim Reed says, "The pressures, obstacles and difficulties business operators face to keep thriving in a tough economy can be intense. The phrase "the more you put in, the more you get out" is a catchcry for many business owners. Unfortunately right now many business owners are putting more in but not getting more out." It is important that the broader community understand what enormous efforts business owners are putting in right now. As a community we owe them a huge debt of gratitude as they continue to work hard so they can remain the major source of employment in our great country. While the majority of business owners have worked additional hours and forgone holidays, and many have cut back on household expenses and missed important family occasions for their business, very few have retrenched a full-time employee. The second most common sacrifice was taking fewer holidays (53%). Of those who had reported a decline in revenue in the last year, 56% had taken fewer holidays. This compared to those who reported a revenue rise (52%) who had also taken fewer holidays. Those who had not taken any holidays since starting the business (29%) also struggled with revenue losses in the last year (37%). They were most likely to be micro businesses (36%) and located in Queensland (37%). Of the operators who had cut back on family and/or household expenses (45%), 54% reported a decline in revenue. They were most likely to be female rather than male (53% versus 38%) and micro businesses (53%). Those who had missed an important family occasion to work in the business (32%) were most likely to be in a business with \$1-5m p.a revenue (48%) or in retail and hospitality (43%).

Sacrifices nominated by business operators

Sacrifice	Percentage
Worked extra hours in the business	64%
Taken fewer holidays	53%
Cut back on family/household expenses	45%
Missed an important family occasion to work in the business	32%
Delayed investment in new equipment or technology	29%
Not taken any holidays at all	29%
Cut back on/not used contractors/casuals/part time employees	25%
Taken on another job or work outside the business	21%
Sold a property or other assets to put more cash into the business	17%
Postponed or cancelled sustainability measures in business	10%
Retrenched one or more full-time employees	9%
Cut full time employee working hours back to part time	9%
Moved child/children from private to public school	4%
Have not needed to make any sacrifices to help business	13%

Pride in business and lifestyle milestones

The survey found business operators took more pride in achieving several personal/lifestyle milestones than they did in achieving business milestones, though the latter still ranked highly. At number one was having a child/children. Of the 75% who did, 54% were very proud of that while 12% were quite proud. Ranking second was seeing them do well at studies or sport (49% very proud, 16% quite proud). The next milestone they were most proud of was getting married or settling down with a partner (48% very proud, 19% quite proud), then buying their first property (43% very proud, 28% quite proud). In contrast, "starting your own business" ranked fifth in the pride register. Of the 88% of owners and managers surveyed who had started the business, 41% of them were very proud of this and 31% were quite proud. The overall pride in growing their business to a level that provided them with a comfortable living was high (70%), but with only 34% very proud they were not as intensely proud as they were of some other milestones. 10% had not reached the comfortable living stage yet or said they didn't know if they had. The same was true of reaching their first month or year of profit in the business (33% very proud, 32% quite - and of making their first sale (32% very proud, 29% quite proud). Graduating from university was low on the pride register (41%) as it did not apply to 43% of those surveyed. Having said that, if they had graduated from university, two thirds (66%) of business operators were very proud and a further 22% were quite proud of this achievement.

"For many years we've said that for Australia's business owners, "business isn't business" is personal. Many large business and government departments don't realise this when they deal with a small business. Small business owners are people. A commitment from their business is a commitment from them. They seek to be counted and treated as a person - not a distant company without a face. Our research shows this as business owners rate family as being far more important to them than their business accomplishments. This underlines the level of sacrifice they make for their business given many have missed significant family events and sacrificed holidays," Reed says.

Milestone	Quite Proud	Very Proud	Not relevant
Having a child/children	12%	54%	25%
Seeing my child/children do well in their studies and/or sports	16%	49%	26%
Getting married/settling down with my partner	19%	48%	16%
Buying my first property	28%	43%	14%
Starting my own business	31%	41%	12%
Growing my business to a level that provides me with a comfortable living	36%	34%	10%
Paying off most or all of my mortgage	23%	34%	22%
Reaching my first month or year of profit in the business	32%	33%	15%
Making my first sale	29%	32%	21%
My graduating from university	17%	24%	43%
Helping others start their own business	21%	12%	42%

*NB: While not all respondents had started their business (88% had), it was still a more likely milestone than any of the personal milestones listed for respondents to rank (e.g. 75% had children). For MYOB product

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