



## Female Business Owners More Confident and Less Likely to Defer Business Decisions in 2012

Sage Business Index clearly highlights differing attitudes and management approaches between male and female owners of Australian businesses

Female business owners are more confident about the business outlook for 2012 than their male counterparts and less likely to defer significant business decisions as a result of recent economic issues. They are less likely to struggle to find skilled staff and more likely to have formal staff plans in place to deal with their staffing issues. They are more focused on sales as a business priority at the expense of technology and web presence compared to last year. Women are also the significant driving force in the adoption of social networking as a means of generating business. These are among the many gender differences identified in the latest annual Sage Business Index.

### Confidence

The study found that more women (39%) than men (35%) are confident about the year ahead, while twice as many men (42%) as women (21%) say they feel less confident about the year ahead than they did twelve months ago.

Across all businesses, there is a greater pessimism regarding Australia's economic recovery in 2012. Just one fifth (21%) of all businesses believe that the domestic economy is recovering while over four in ten (45%) state that the economy has declined in the past twelve months.

In addition, nine in ten (89%) men and a similar number (87%) of women believe that the state of the domestic economy will have a detrimental effect on the future growth of their businesses.

However, how this concern is experienced and managed differs markedly between the genders. More than half (53%) of men say they are either very concerned or quite concerned about growth prospects and almost six in ten (59%) report deferring significant business decisions as a result of this concern. In comparison, only one third (35%) of women say they are either very concerned or quite concerned about growth prospects as a result of recent economic issues and just one third (34%) admit to deferring significant business decisions as a result.

One area of business where women and men are equally likely to delay a decision is that of human resources. One quarter (25%) of all businesses state they have deferred hiring new staff and a further one quarter (27%) have deferred pay rises within the past twelve months. However, overall, women appear to be more organised in their management of staff, are more likely to put in place formal staff plans (57% vs. 46% for males) and as a result appear less likely to draw on the services of contractors, part timers or older employees to fill gaps in their staffing.

### Changing challenges

Rising costs again emerged as the number one challenge facing all businesses, echoing the 2011 Sage Index survey results. During the past twelve months almost seven in ten (67%) businesses experienced rising costs, a significant rise from 47% the year before. Over the last 12 months this grew significantly more for men (66% this year vs. 43% last year) compared to women (70% this year vs. 58% last year). Furthermore, females were more likely than males to anticipate rising costs last year (46% vs 37% males), suggesting that males were simply less prepared for the issue of rising costs and possibly why they are now less confident about the year ahead.

Other business challenges that have grown the most for females over the past year include:

Managing cash flow (40% cited it this year vs. 30% last year) and  
Increased competition (27% this year vs. 15% last year).

Interestingly, only 11% of females anticipated increased competition as a challenge this year, but 27% experienced it, indicating that female business owners were not prepared for the change in competition they experienced and may help explain why sales have become such a greater focus as a priority going forward.

### Investment priorities

Asked to prioritise areas of the business they would invest in should additional budget become available, women are almost evenly split in their desire

to fund marketing (23%), sales (21%), technology (21%) and a web presence (21%). This more even-handed approach is a major change from 2011 when just 16% of women suggested sales, three in ten (30%) women indicated marketing was an investment priority and almost half were looking to invest in technology (48%) and a web presence (43%).

The findings indicate that for women, the business focus has shifted in relative terms to sales. This is not surprising, as when competition grows as significantly as it has done people have to work much harder for 'scarce' orders. Conversely, spending on items that have a less direct link to revenue generation, such as technology and web presence, declined as priorities. The Sage Business Index findings suggest that as competition increases and overall growth slows, women business owners are looking for more urgent and direct ways to grow and maintain their business' revenue.

This is perhaps why women have taken the lead in the adoption of social networking as a channel for generating business demand. The Index found that female business owners are far more engaged than males with social networking, using it as a business tool on a number of different levels. They are more likely to believe social networking can be used for business generation and much more likely to understand how to effectively use it to promote their business. Furthermore, almost half (49%) of female business owners have a Facebook page, twice as many as all businesses. Among this group, staggeringly more than nine in ten (92%) actively use these pages to communicate with customers.

When it comes to Twitter use, female business owners are two-and-a-half times more likely to own a Twitter account (28% versus 11% across all businesses). Three quarters (75%) of those with an account state they conduct active communication with customers.

Women also demonstrate some quite different traits regarding Cloud computing. While they are less aware of the term 'Cloud' overall than their male counterparts, those that are aware of Cloud are much more likely to mostly or completely understand what it means. This suggests a core group of female business owners have clearly educated themselves about this new technology.

However, what was also clear was the lower relative focus on mobile technology compared to computer hardware as a priority. Whilst mobile technology and devices has emerged as the primary information technology investment priority for all Australian businesses within the next one to two years, women only ranked this as the joint fifth priority, suggesting a lack of need or desire to focus on it. Instead, female business owners cited computer hardware and website development as their top priorities.

Alan Osrin, Managing Director, Sage Software Australia, says, "The Sage Business Index confirms what we've always known – that women and men frequently have different priorities and different approaches to managing their businesses. What is particularly interesting about this year's findings is that although both women and men are clearly concerned about the economy, women remain far less likely to defer business decisions in response to the economic conditions. Furthermore, it's clear that female business owners are at the forefront of thought leadership in terms of how to use social media to benefit their businesses."

#### About the study

The Sage Business Index 2012 is the second in an annual series of market research studies commissioned by business management software specialist, Sage. The 2012 Index features input from more than 500 business owners and decision makers across all business sizes and industries. The results highlight current business confidence levels, attitudes to business and employment issues, investment priorities, major business challenges over the past 12 months and anticipated challenges for the year ahead. The study also makes key comparisons with the Sage Business Index 2011. The report can be downloaded at: <http://www.sagesoftware.com.au/somethingright>

#### About Sage

Sage is a leading global supplier of business management software solutions to over 6 million customers worldwide. Formed in 1981, Sage was floated on the London Stock Exchange in 1989. Sage has over 12,000 employees in over 23 countries, and over 28,000 business partners. Sage operates in countries and regions including the UK, Europe, North America, South Africa, Australia and Asia.

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