

SME Survey

Australia's SME business sector recovery

SME Survey Series Report 2
May 2022

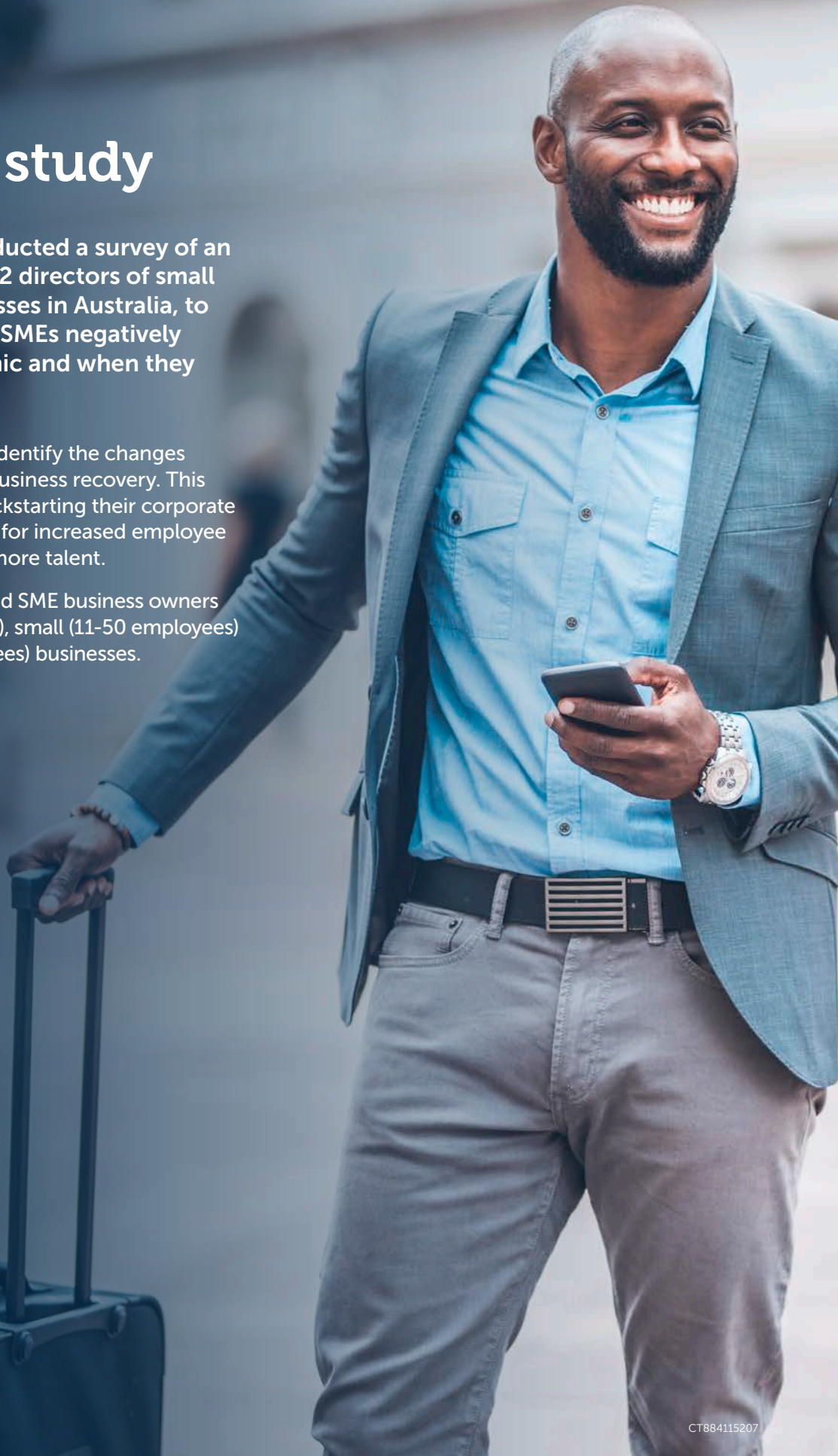
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About the study

Corporate Traveller conducted a survey of an independent panel of 202 directors of small to medium-sized businesses in Australia, to gauge the proportion of SMEs negatively impacted by the pandemic and when they expected to recover.

Respondents were asked to identify the changes or factors they required for business recovery. This included activities such as kickstarting their corporate travel, returning to the office for increased employee engagement and recruiting more talent.

Survey respondents comprised SME business owners across micro (1-10 employees), small (11-50 employees) and medium (51-200 employees) businesses.



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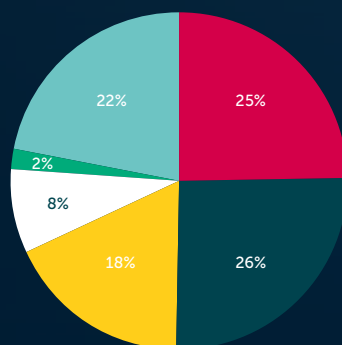
What proportion of SMEs have been negatively impacted by the pandemic and when do they expect to recover?

Seventy-eight per cent of respondents said their business had been negatively impacted by the pandemic. Among these, a quarter (25%) expect their business to recover by the end of 2022, 26% expect to recover in 2023, 18% expect to recover after 2023, and 8% said they had already recovered.

A fifth (22%) of respondents said their business had not been negatively impacted by the pandemic.

Just 2% revealed they wouldn't recover or had closed their business in the past two years.

Has your business been negatively impacted by the pandemic – and when do you expect to recover?



- Yes, and I expect to recover by the end of 2022
- Yes, and I expect to recover in 2023
- Yes, and I expect to recover after 2023
- Yes, and my business has already recovered
- My business will never recover/I closed my business during the pandemic
- No

SME Survey

Businesses in NSW were most likely to recover early, with 44% of respondents revealing they expected to recover by the end of 2022, 27% expect a recovery by 2023 and 24% of businesses had already recovered.

NSW also made up 34% of businesses who were not impacted by the pandemic. This compares with 23% in Victoria and 16% of Queensland businesses.

A higher proportion of micro businesses (39%) expect to recover after 2023, compared with an equal 31% of small and medium businesses.

Half (53%) of larger SMEs revealed they had already recovered from the pandemic. This compares with an equal 24% of micro and small businesses that said the same.

Has your business been negatively impacted by the pandemic – and when do you expect to recover?

Response	All (%)	Organisation size (%)			State (%)				
		1-15	16-50	51-200	NSW	VIC	QLD	SA	WA
Yes, and I expect to recover by the end of 2022	25	32	38	30	44	20	20	4	10
Yes, and I expect to recover in 2023	26	21	42	37	27	23	25	6	14
Yes, and I expect to recover after 2023	18	39	31	31	33	22	19	14	6
Yes, and my business has already recovered	8	24	24	53	24	41	12	0	12
My business will never recover/I closed my business during the pandemic	2	100	0	0	0	33	0	67	0
No	22	36	21	43	34	23	16	7	16

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What factors or changes do Australian SMEs need to aid their recovery?

Respondents were asked to select the factors or changes they believe their business needs to recover, from a list of 11. Respondents could select more than one factor.

Half (57%) of business owners said that a recovery in the Australian economy would aid their recovery, while 38% believe a return to travel would help their business recover. Thirty-six per cent said returning to the workplace to boost employee engagement and productivity would aid their recovery.

Recruiting better and additional talent (chosen by 31%), higher consumer confidence in the economy (chosen by 30%), and reduced inflation (chosen by 27%) were also identified as factors that would aid business recovery. Better technology and Government stimulus was chosen by 23% and 21% of businesses, respectively.

Exploring new markets to expand customer base (chosen by 17%), re-evaluating the business's supply chain to minimise disruptions (chosen by 18%) and cost-cutting, such as renegotiating supplier

contracts and rent, (chosen by 13%) were also identified by respondents.

Across business sizes, a higher proportion of larger businesses believed better technology, such as AI adoption, would aid their recovery. Nearly half (45%) of medium-sized businesses with 51-200 employees identified this factor as beneficial to their recovery, compared with 32% of small businesses (16-50 employees) and 23% of micro-businesses (1-15 employees).

Larger businesses also appear to rely more strongly on complex international supply chains and a higher proportion need this factor resolved to recover. Forty-four per cent of medium-sized businesses said they needed to re-evaluate their supply chain to minimise disruptions, compared with an equal 28% of micro and small businesses

SME Survey

Please select the changes or factors that you believe your business needs to recover.

Response	All (%)	Organisation size (%)			State (%)				
		1-15	16-50	51-200	NSW	VIC	QLD	SA	WA
A return to business travel	38	23	45	32	49	21	19	4	8
Working from the office to boost employee engagement and productivity	36	20	43	37	41	22	20	4	10
Recruiting better, or additional, talent	31	19	51	30	33	21	26	7	9
A recovery in the Australian economy	57	32	44	24	33	21	30	6	9
Higher consumer confidence in the economy	30	37	34	29	37	20	22	2	17
Reduced inflation	27	32	38	30	38	19	19	5	14
Better technology e.g. AI adoption, digital tools and platforms to improve productivity	23	23	32	45	39	26	23	3	7
Government stimulus	21	24	52	24	31	14	38	7	10
Cost-cutting such as renegotiating supplier contracts and rents	13	39	22	39	17	22	28	17	17
Re-evaluating the business's supply chain to minimise disruptions	18	28	28	44	36	16	24	8	8
Exploring new markets to expand customer base	17	38	21	42	33	29	13	8	17



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