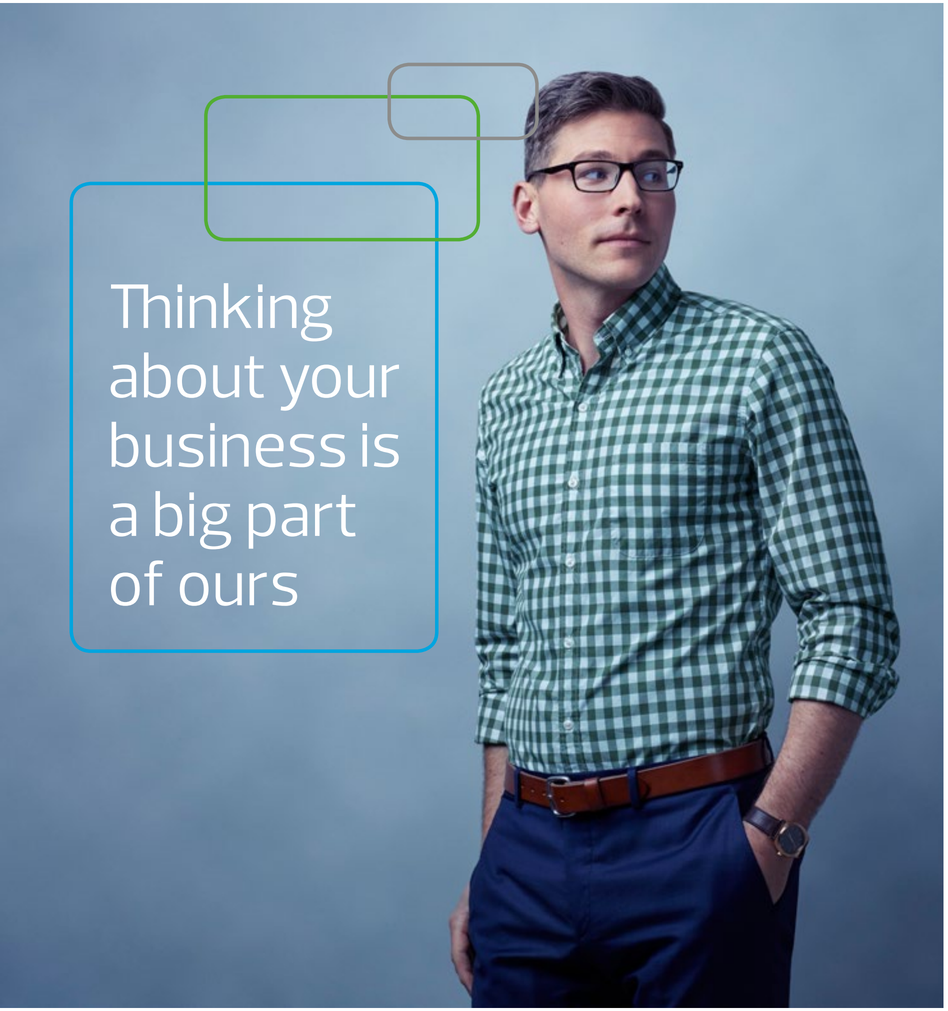
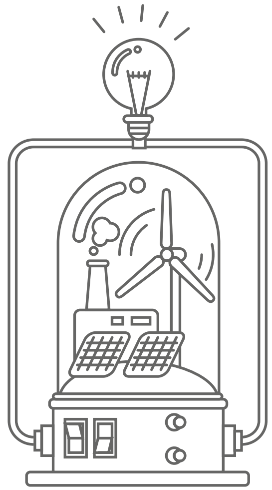
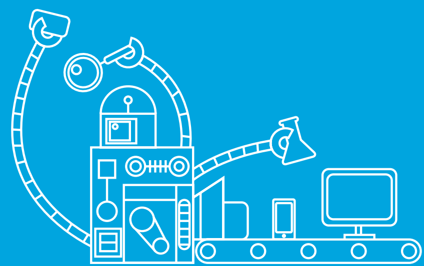


thinkBIG 2017





thinkBIG measures the pulse of the Australian SME, benchmarking business confidence and attitudes of business owners towards planning, growth, succession and the future of their SME.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

FOREWORD

This year's thinkBIG report reflects general positivity and optimism among SME owners, following on from similar sentiment last year. Business growth, both actual and anticipated, stayed relatively high. The key barrier to achieving this growth remains access to the right skills. So talent management should be high on the SME owner's agenda. Whilst access to capital was not far behind this issue, more businesses are using bank debt to fund that growth. Family loans are on the increase but care needs to be taken that the paperwork around this debt is put in place. And we've seen the first instance of a business gaining finance through crowdsourcing in this year's survey.

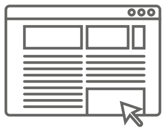
There is an overall sustained acceptance that technology is a critical and indispensable tool in today's business climate, and most businesses are investing in various types of technology. However, cybersecurity remains a significant area that is overlooked by SMEs, who put themselves and their partners, suppliers, customers, and other stakeholders at risk by not taking adequate measures to protect their networks.

Planning continues to be underdone in SMEs. Despite strong evidence that business plans contribute to success, more than 30% of respondents are still failing to complete a business plan.

When it comes to an exit strategy, the numbers are even lower. Just 36% of respondents had an exit plan in place this year. With every SME owner destined to leave the business at some point, whether voluntarily or otherwise, an exit strategy is a neglected but important part of business planning.

The areas of digital implementation, cyber security, business planning and exit strategy are all fields of expertise for RSM. We see that the promotion of these areas to SMEs is important because they are key success strategies for owners. We trust that by highlighting them, it might move owners to take action where needed to shore up their future sustainability and ultimately their financial future.

2017 is the twelfth year that RSM has conducted the thinkBIG study. It measures the pulse of the Australian SME sector, and has been structured around five key areas:



- **Superannuation**
- **Business growth**
- **Business planning**
- **Exit strategy**
- **SME of the future**

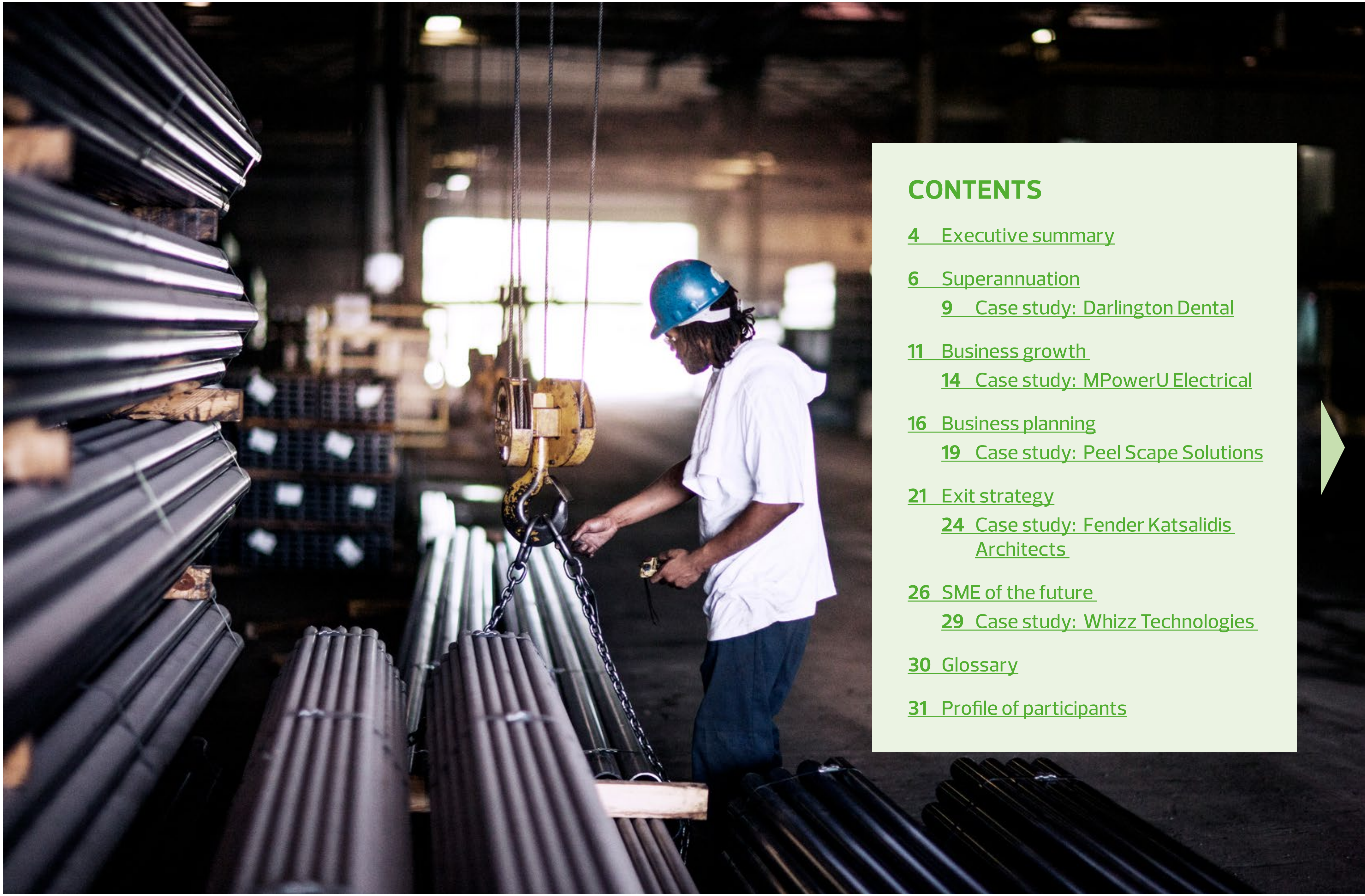
I hope you find it valuable.

Peter Saccasan
National Head of Business Advisory
RSM Australia

OBJECTIVES

The key objectives of the research were to:

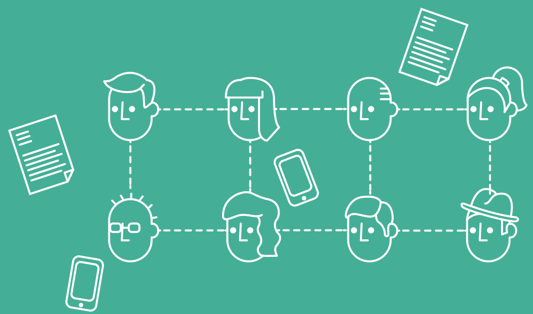
- Identify the impact of financial conditions on business sentiment
- Report on the business outlook over the next 12 months from the perspective of SME owners
- Benchmark business planning and critical areas such as an exit strategy and superannuation planning
- Assess the utilisation of self-managed superannuation funds by SME owners
- Report on work/life balance of SME owners
- Assess the impact and uptake of technology



CONTENTS

EXECUTIVE SUMMARY

2017 is the twelfth year RSM has conducted its thinkBIG study. It measures the pulse of the Australian SME sector across a range of topics. It benchmarks business confidence and attitudes towards superannuation, growth, planning, exit strategies and future trends.



OVER 200 BUSINESS OWNERS PARTICIPATED IN THIS YEAR'S STUDY.

FOLLOWING ARE THE KEY FINDINGS FOR 2017:

SUPERANNUATION

- More than one-third (36%) of respondents rate their satisfaction with their superannuation provisions as eight out of 10 or higher. However, almost the same proportion (28%) are less than satisfied that their total superannuation provisions will be adequate for their retirement, rating it as four out of 10 or lower.
- Annual income expectations are relatively high, with more than half (57%) of respondents stating that they will need more than $75,000 per annum in retirement. 12% believe they will need less than $50,000 per annum.
- Half of respondents said they were willing to or already had used their superannuation to buy premises for the business, while the other half wouldn't consider it. In 2016, 65% of respondents wouldn't consider using their superannuation for business.

BUSINESS GROWTH

- Almost half of respondents reported business growth over the past 12 months. Since 2013, around half of respondents have reported business growth each year.
- 73% of respondents expect to see growth over the next 12 months. This reflects an overall increase in optimism not seen since 2012 when 77% expected to see growth. By contrast, this fell to just 64% of respondents expected growth in 2013 , with this number rising to 69% in 2016.
- Cost-cutting alone will not achieve a sustainable business. Growth is a must on the business plan agenda. There is only so much cost-cutting that can be done before it actually starts to harm the business by removing resources necessary to take the business forward.
- Getting more business from current customers is the most popular way companies intend to grow their business. If a business intends to place reliance on marketing and gain more revenue from their existing customers, businesses need to ensure they continue to remain relevant to their customer base.
- 72% plan to fund their business through cash flow. This is in on the back of bank debt having increased again, with 35% of businesses funding operations through debt this year compared with 29% in 2016. The family as a source of capital has risen significantly, with family loans increasing from eight% last year to 14% in 2017.

BUSINESS PLANNING

- The number of businesses creating a regular business plan, having declined from a high of 76% in 2012 to 65% in 2016, has seen a slight resurgence in planning with a four per cent increase to 69%. Of those, 20% referred to their plan monthly, 26% quarterly, and 24% annually.
- 31% of respondents don't create a business plan despite strong evidence that businesses with plans outperform those without. For example, this year's survey found that, of those companies that completed a business plan, 53% achieved growth and just 15% experienced a decline in revenue. Companies that did not complete a business plan were less likely to succeed, with only 38% reporting growth and 18% reporting a decline in revenue.
- Often, small business owners operate according to a plan that is informal or not even written down. This can pose problems if the business owner becomes unable to work in the business without time to pass on their plans. Consequently, the successors are left to create a new plan, which requires additional work and can cause the business to falter.

EXIT STRATEGY

- Fewer business owners had an exit plan in place this year: 36% compared with 46% in 2016. Of those who do have an exit plan, selling the business to an external party is the most popular approach, followed by passing it onto a family member. 17% plan to sell the business to employees or existing shareholders and eight per cent plan to close the business altogether when they exit.
- 66% of respondents do have a contingency plan in place in case they're unable to run the business. Of those, 61 % have told their business partner about this plan, 57% have told their life partner, and fully 17% have kept the plan to themselves, making it potentially useless if they become incapacitated.
- When they eventually exit the business, two-thirds (66%) of respondents don't intend to fund their retirement primarily from the sale of the business.
- Fewer people confirm or understand how much their business is worth with only 29% of respondents doing a recent business valuation in 2017 compared with 42% last year.
- Notwithstanding this, 74% believe their business has increased in value this year, compared with 51% in 2016.

SME OF THE FUTURE

- 74% of SME owners have invested in digital tools and technology over the past 12 months. The most common area for investment was the company's website, with 39% of respondents investing in their website in the past 12 months. 39% of respondents invested in social media platforms, a slight decline from last year when 42% of respondents had invested in social media.
- More than one-third (36%) of respondents invested in cloud-based accounting and related systems.
- More than a quarter (27%) invested in marketing technology such as customer relationship management software, marketing automation, and email campaign systems. A further 23% invested in communications systems and 20% invested in digital advertising.
- Just 9% invested in e-commerce solutions, despite the ongoing growth of online shopping.
- Digital security needs to become more of a priority: the number of SMEs that review their information security policies annually is startlingly low at just 52%.
- 44% of respondents were not confident in their organisation's ability to withstand a cyberattack Even so, only 42% of respondents plan to increase their cybersecurity resources in the next 12 months.

To better understand the numerous and complex changes, people should seek advice from their financial advisers. There is also more information available at www.rsm.global/australia/super-changes-transfer-balance-caps

SUPERANNUATION

Superannuation rules, regulations, and opportunities continue to evolve in 2017.

The concessional contributions limit will fall to $25,000 for those claiming a tax deduction, making it difficult for people to boost their superannuation later in life. Non-concessional contributions can be as much as $180,000 per annum for those not claiming a tax deduction but this will be cut to $100,000 this year. This may affect people's ability to contribute sufficient capital to their superannuation, especially if they are approaching 65.

There will also be limits to how much people can hold within pension accounts: the limit will be $1.6 million and will indexed over time. This will lock wealthy people out of maxing additional non-concessional contributions into superannuation and taking advantage of the low tax rates.

It's important to remember that, despite these limitations, for most Australians there are still plenty of opportunities to maximise superannuation. These changes are designed to bring superannuation back in line with its original intention as a retirement provision as opposed to a tax safe-haven for the mega-rich.

However, these changes may affect some business owners' ability to retire on time, and transition-to-retirement strategies may no longer be effective. Some Australians will benefit from the new changes, including those contributing into a spouse's superannuation fund and employees wanting to make personal concessional superannuation contributions.

With the continually-evolving superannuation landscape, it is worthwhile for business owners to get professional advice before making any decisions that may affect their ability to retire as planned.

This year's thinkBIG survey showed that 35% of respondents believe these changes are reasonable but nearly 40% don't understand the changes. A quarter (25%) believe the changes are unreasonable. Some think they are unreasonable because they don't understand them and, with laws being finalised less than three months from the start of the financial year, there isn't much time for most Australians to fully digest and comprehend the changes.

Funding retirement

More than one-third of respondents are highly satisfied with their superannuation provisions while 28% are less than satisfied that it will be adequate for their retirement. This is on par with the results from the 2016 survey.

> Under the new regime, it will be more difficult to accumulate enough balance in superannuation to support an annual income of $75,000. This might drive more people to accumulate assets outside of superannuation or to push for riskier investments in the quest for higher returns.

For those looking to retire on an annual income of $75,000 or more, it is imperative to build that goal into the business plan sooner rather than later. The business creates the wealth that enables higher contributions and, therefore, a higher pension. Some business owners may be able to develop a business management and exit plan that delivers an ongoing income beyond retirement that is unrelated to superannuation.

Funding the business

There is a growing trend in self-managed superannuation funds to buy real estate that can then be used for the business. Half of the survey respondents said they were either willing to or already had used their superannuation to buy premises for the business, while the other half said they would not consider it.

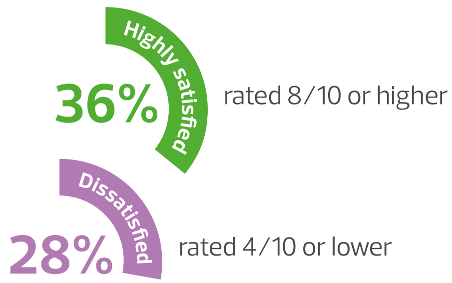
This reflects a growing acceptance of the practice: in 2015, 65% of respondents wouldn't consider using their superannuation to buy real estate for the business; and in 2016 that number had fallen to 60%. This year's fall to 50% suggest more people have become aware of the potential benefits of doing so. This could also reflect general uncertainty in other types of investments; self-managed super fund members tend to gravitate to this option because it includes tangible, easy-to-understand assets.

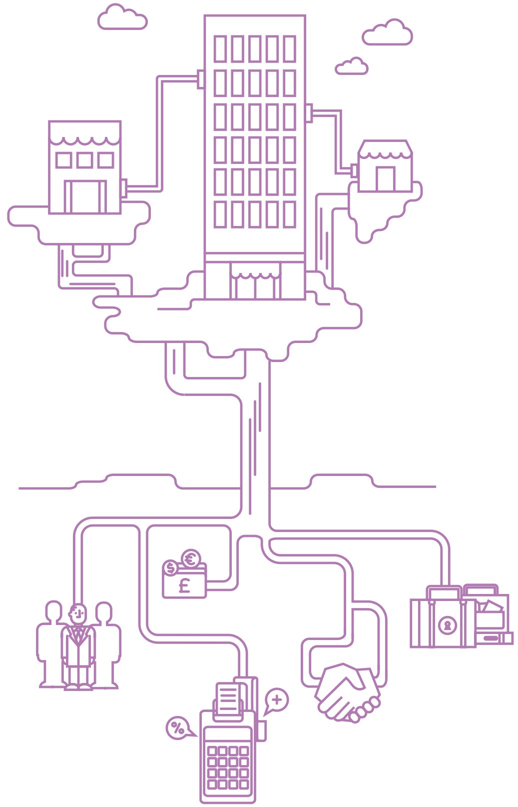
To maximise the value of superannuation for retirement, SME owners should:

- Start making additional contributions as soon as possible to leverage compounding returns
- Allocate more funds to growth investments while young
- Avoid having multiple funds since this only increases costs and complexity

Funding retirement

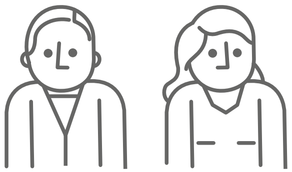
Satisfaction with superannuation provisions





57% respondents believe they need more than $75,000 per annum in retirement

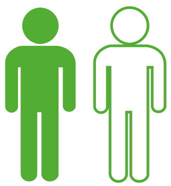
12% believe they need less than $50,000 per annum



Reports suggest a couple needs approximately $60,000 per annum for a comfortable retirement, which means they need more than $1.1 million in their superannuation account.[1]

Funding the business

A growing trend in SMSF is to buy real estate



50% would use their superannuation to buy premises for the business

[1] http://www.superguide.com.au/boost-your-superannuation/comfortable-retirement-how-much-super-need

5 SUPERANNUATION MYTHS TO AVOID

1. 9.5% SUPERANNUATION GUARANTEE CONTRIBUTIONS WILL BE ENOUGH TO FUND RETIREMENT

The compulsory 9.5% superannuation guarantee contribution is just the minimum contribution. For a comfortable retirement, people need to boost their superannuation by making regular contributions in excess of the superannuation guarantee. People often need more money than they think in retirement because they may live longer than they expect and the cost of living increases over time.

2. IT'S OKAY TO WAIT UNTIL LATER IN LIFE TO START CONTRIBUTING TO SUPERANNUATION

Like most investments, superannuation aims to increase over time. That means superannuation contributions from an early age are likely to yield higher dividends at retirement. Contributing later in life is better than nothing but it doesn't allow much time for superannuation investments to grow.

3. THERE'S NO POINT IN CONTRIBUTING TO SUPERANNUATION SINCE IT IS TAXED

Superannuation is taxed at much lower rates than private investments. There are numerous tax incentives related to superannuation, including: when payments are made from salary before it's taxed; when the super fund earns income on investments; and when retirees receive their superannuation benefit. The maximum tax that is paid on superannuation funds' earnings is 15 cents in the dollar (apart from some SMSFs).

4. THERE'S NO NEED FOR SUPERANNUATION BECAUSE THE GOVERNMENT PROVIDES THE AGE PENSION

The government provides a pension for Australians aged over 65 but it's subject to income and assets tests. Depending on the value and type of assets and income, the age pension may be reduced or not paid. Even the maximum amount is generally not enough to fund most people's retirement goals, so a healthy superannuation balance is essential.

5. SUPERANNUATION ALWAYS GOES DOWN, AND EVERYONE LOST ALL THEIR SUPERANNUATION DURING THE GLOBAL FINANCIAL CRISIS

Like any investment, superannuation can go up and down depending on the type of fund and what type of investments it has. Over time, superannuation tends to grow and delivers higher rates of return than some types of investment. How a person's superannuation performed during the GFC depends on many factors: the top-performing super funds returned, on average, 83% more than the bottom-performing funds, according to research firm, Morningstar.

CASE STUDY:
Darlington Dental – Western Australia

Established over 25 years ago, Darlington Dental provides patients with both regular and complex treatments catering to the needs of all ages. Owned and operated by Karl Bailey, the practice moved to a scenic new location in the village of Darlington seven years ago when Karl bought the land with the idea of expanding the practice. Primarily catering to the surrounding village, Karl employs eight staff and prides himself on growth and innovation.

> "RSM have provided me with advice with how best to finance assets which has helped with my business cashflow and consequently both entities now work together providing me with the best possible outcome."
>
> Karl Bailey
> Owner, Dental surgeon

A personal approach

The property in Darlington was purchased through Karl's superannuation fund and during this process he felt he was not receiving the advice he needed from his previous accountant to ensure his business was operating at its peak efficiency. "I felt I was a small fish among their client base so I had a recommendation to try RSM." Karl met with Tom Hüberli of RSM's Fremantle office and was drawn to the one-on-one personal approach RSM takes towards their clients, assisting them every step of the way.

It was during this initial meeting that RSM provided Karl with a detailed business structure review and introduced him to the superannuation team. After reviewing both the business and the superannuation fund, the team at RSM helped Karl understand the best way that the two vehicles should function and interact with one another.

Superannuation can be a viable option within which to purchase business premises however there are many hurdles to consider before doing it as well as the need for ongoing support in ensuring rules are abided by and the fund is utilised to the best of its potential. RSM walked Karl through the complexities associated with this asset and also advised him on the tax opportunities around other assets associated to the building but sitting outside of the fund, assisting Karl's business cash flow significantly. Assistance on refinancing the assets was also provided to Karl by RSM.

"RSM have provided me with advice with how best to finance assets which has helped with my business cashflow and consequently both entities now work together providing me with the best possible outcome," says Karl.

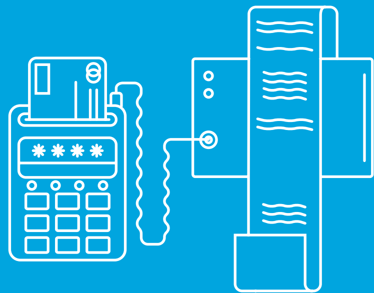
With the success of Darlington Dental at the forefront of key decision making, planning for the future was an essential discussion. RSM consulted Karl on the future restructure of his business for asset protection, with specific guidance on the opportunities and limitations for health care practitioners. Both the business advisory and superannuation teams collaborated closely to give Karl a personalised and tailored solution to meet the needs of his growing business.

"Despite RSM being a large company it's great to get an individual guide me through financial navigation yet still have a huge team behind them with the best information and resources possible," says Karl.

The team at Darlington Dental

Headquarters: Darlington, Western Australia
Industry: Dental practice

www.darlingtondental.com.au



BUSINESS GROWTH

Despite the current economic climate, SMEs continue to experience business growth and remain optimistic about future prospects. Most businesses expect to see growth over the next 12 months.

This optimism is reinforced by the results of this year's thinkBIG survey. Only 16% of respondents say that their revenue has declined over the past 12 months and 73% of respondents are saying that they believe their business profitability will improve over the next year.

However, optimism and reality do not always coincide so it's crucial for businesses to ensure they are in a position to take advantage of their recent revenue gains. Having a clear business plan, for example, will help businesses to understand what type of growth they want to achieve and, therefore, where the gaps are that need to be addressed.

Regardless of how good a company's value proposition is, without a clear plan to promote that value proposition, the business is unlikely to grow accordingly. Therefore, SME owners may see growth in the top line that isn't reflected in the bottom line. As we noted in the Executive Summary, of those companies that prepared a business plan, 53% experienced growth and only 15% experienced a decline in revenues. A business plan need not be a weighty tome. The best plans are those which are concise, clear in their targets and relevant to the owner and the team as they set about trying to achieve the goals.

We read often that a large proportion of small businesses fail in the first three years (some sources cite figures as high as 60%). SMEs that survive that danger period are likely to remain operational in the longer term[2]. Surviving the first three years and beyond requires strong management vision and practices.

[2] https://www.treasury.gov.au/~/media/Treasury/Publications%20and%20Media/Publications/2012/Australian%20Small%20Business%20-%20Key%20Statistics%20and%20Analysis/downloads/RTF/AustralianSmallBusinessKeyStatisticsAndAnalysis.ashx

General optimism
79% of SME owners see their business as successful to some extent and still remain optimistic about their business's medium-term prospects.

Future growth
Similar to previous years, nearly half of all respondents reported growth over the past 12 months, indicating four years of growth for Australian SMEs. Optimism is high, with an increased percentage of respondents believing their business will grow in the next 12 months.

New opportunities
Most businesses indicate they will look to their current customers for growth opportunities. This approach has taken over from a reliance on marketing and advertising as the number one growth tactic. The skills gap has consistently been cited as the number one barrier to growth since 2011 and this year is no different. A lack of market opportunity has also consistently been cited as a significant barrier to growth though that does not stop SME owners in marketing and advertising activities. Interestingly, 2017 has seen a significant increase in the number of SME owners who plan to grow their business. This may reflect an increasing level of optimism due to the relatively stable local political and economic environment as well as the ongoing low level of interest rates which can only encourage investment in business as well as other assets.

Business funding
A lack of access to capital was cited as the third-most common barrier to business growth but the proportion of SMEs funding their businesses through bank debt has grown to a new high in 2017. This indicates that SMEs are finding it easier than in previous years to access bank debt. However, the perception that there is a lack of access may be that they can't get enough in dollar terms from the banks. Family loans have also increased in 2017. We see this reflected in banking practices where the lenders want to know where the capital comes from and if there are any strings attached to such loans, or if there are in fact 'silent investors' who are benefiting from the business and who the bank thinks should be more visible.

Growth

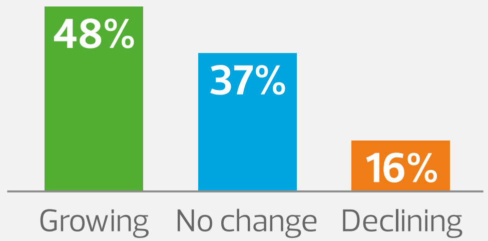
50% of SME owners rated **8/10** for feeling their business is successful

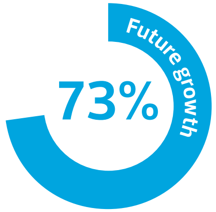
Despite the hype around 'doing more with less', only 4% of businesses expect to achieve growth by reducing costs alone.

54%
will increase top line

42%
will combine cost reductions with increased top line

Revenue growth past 12 months





believe their business will grow over the next 12 months

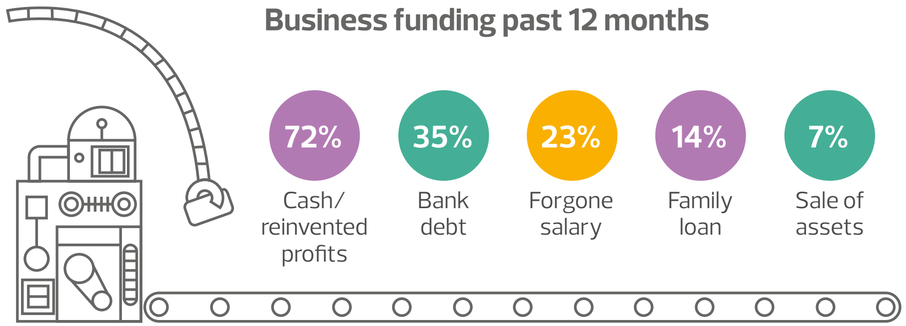
(An increase from last year's 69%)

Top growth priorities for the coming year

- **57%** Sales to existing customers
- **46%** Marketing and advertising
- **43%** New use of technology
- **41%** New product or service

13% are satisfied and don't plan to grow their business

Business funding past 12 months



Despite alternative funding models, cash and reinvested profits remains king.

Top barriers to growth

1 Finding skilled people

2 Lack of management time

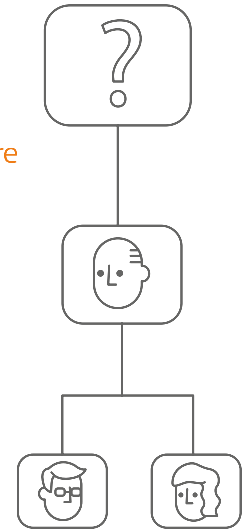
3 Access to capital

4 Lack of market opportunity

5 Government regulation

Family loans

The borrower and lender ought to have **appropriate documentation** to ensure there are no family disputes down the track should anything go wrong with the business or the health of either party suffers. To protect the family investment, all parties should give consideration to the **legal protection** that might be available for such lending. This could protect **valuable family wealth** from creditors.



Crowdfunding

For the first time in our thinkBIG survey, a new method of business funding emerged.

5 SOURCES FOR BUSINESS FUNDS BEYOND TRADITIONAL BANKS

1. APPLY FOR GRANTS OR GOVERNMENT FUNDING

There are a large number of government grants and funding opportunities available to businesses who fit specific criteria, both at a state and federal level. These funding "buckets" are subject to regular policy change, so it is useful to work with a mentor to ensure your application is strong and your business plan is solid.

2. SELL STOCK VIA AN INITIAL PUBLIC OFFERING (IPO)

By selling shares on a public exchange, companies can grow without having to borrow from traditional sources and pay interest to service the debt. Instead, they pay dividends to investors, which depends on profits. This also lets the company access other growth levers including providing shares and options to incentivise staff, and accessing other funding at a favourable rate based on share price performance. However, listed companies are subject to a raft of compliance requirements and restrictions, so business owners must consider the potential downsides before going public. The costs of both raising public capital and maintaining a public listing are also significant, and an IPO is only a realistic option if the business has market recognised scale.

3. ACCOUNTS RECEIVABLE FUNDING

This is a type of finance arrangement where the business typically uses its outstanding invoices or inventory as collateral. This can be an expensive way to access capital but it can help businesses free up funds that would otherwise be buried in working capital. The evolution of products available in this area has been significant in recent years., and the issue of the relative cost of funding may not be applicable ie – bricks and mortar backed mainstream funding may not be available, so the costs are not comparable.

4. WORKING CAPITAL

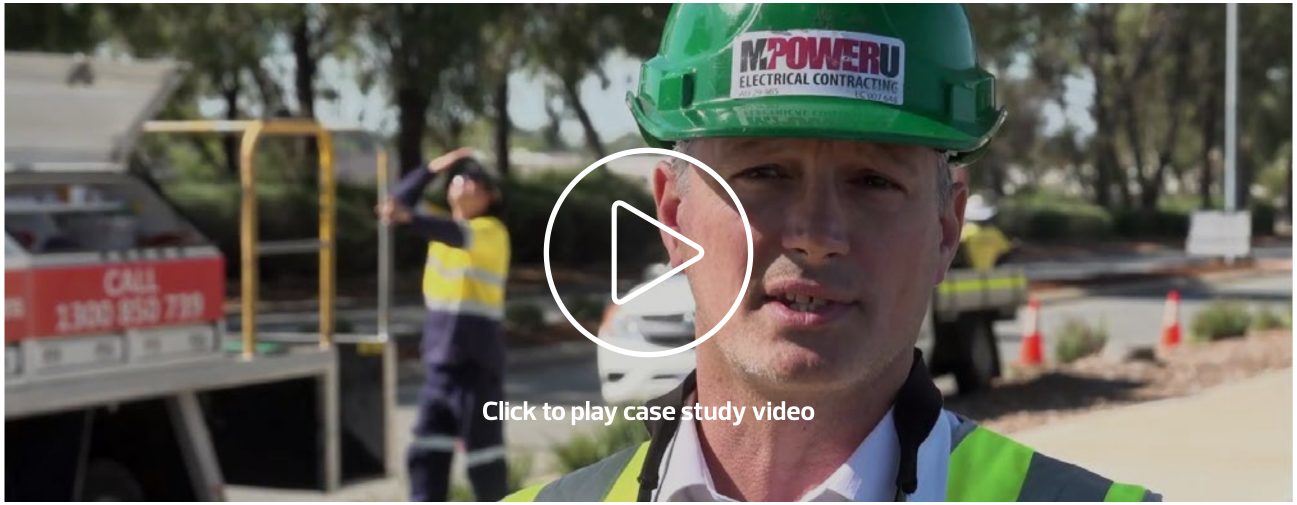
Venture capitalists are professional business investors that inject funds into early stage business for long-term equity gain. They're not limited to a single round of funding and their business experience and contacts can be a valuable addition to the team. It's important to have a strong pitch and a clear understanding of how much capital the business needs, as well as the potential returns. Typically venture capitalists will demand a bigger slice of equity to reflect the relative risks of backing early stage businesses, many of whom have unproven business models.

5. ACCESS PRIVATE EQUITY

A private equity investor will typically invest in emerging or mature businesses with upside delivered throw growth, merger of restructuring. Private Equity investors often require a majority stake in return for providing funds, which may the SME owner with little control over the business. Private Equity firms will usually work to a defined exit timetable, often between 1 and 3 years.

MPOWERU
ELECTRICAL CONTRACTING

CASE STUDY:
MPowerU Electrical – Western Australia



MPowerU Electrical provides electrical services across Perth with major emphasis on commercial breakdown and maintenance. Their clients consist of both state and local governments including police stations and schools – they also offer their services to residential customers. Established in 2006, Giulio Montini started MPowerU Electrical and has since grown his team, consisting now of 12 trade staff and three full time office staff. Being a reactive, breakdown and maintenance company, ensuring the smaller jobs are done well and on time is important to opening the door to bigger jobs, potentially with larger clients as well.

> "We wanted someone who could advise us on the company we want to be, not just the company we are."
>
> Giulio Montini
> Director

Improving labour efficiency

Giulio initially engaged a business coach to help guide his company which proved to be effective in the early stages of development however fast realised that there was a need to be more analytical and exercise certainty in decision making. Giulio started looking for an accountant who could provide business consulting advice and through a referral, was introduced to Matthew Robinson from RSM's Rockingham office. "Matthew showed us how we could make good financial forecasting decisions – he gave us clarity in this area."

Requiring more robust and financially sound advice that would help build their strategy, the team at RSM was able to help navigate MPowerU Electrical through effective financial management principals. A financial model was prepared that tracked both financial inputs and activity outputs producing results that allowed RSM to provide advice on the key areas for improvement. "We wanted someone who could advise us on the company we want to be, not just the company we are."

As a result, adjustments were made to improve labour efficiency which not only turned the business around but helped target new work. Giulio now has the confidence to make strategic decisions based on solid data including employing new staff, purchasing equipment and growth in targeted areas. MPowerU Electrical have achieved ISO 9001 accreditation.

Looking at the future, MPowerU Electrical's growth has enabled them to repay debt as well as take on new financial commitments improving resource capability. It was RSM's local position with access to national resources that made Giulio transition his accounting and strategic planning partner to RSM. "We wanted to engage with someone who has dealt with the bigger businesses but still has the small business mindset and approach towards their client."

Headquarters: Rockingham, Western Australia
Industry: Electrical services
Number of employees: 11-50
Year founded: 2006

www.mpowerelectrical.com.au

SUMMARY

Key findings for business growth in 2017:

- Almost half of respondents reported business growth over the past 12 months. After a successful 2011, in which 73% of respondents reported business growth, 2013 saw this number drop to just 42%. Since then, around half of respondents have reported business growth each year.
- 73% of respondents expect to see growth over the next 12 months. This reflects an overall increase in optimism not seen since 2012 when 77% expected to see growth. By contrast, this fell to just 64% of respondents expected growth in 2013 , with this number rising to 69% in 2016.
- Cost-cutting alone will not achieve a sustainable business. Growth is a must on the business plan agenda. There is only so much cost-cutting that can be done before it actually starts to harm the business by removing resources necessary to take the business forward.
- Getting more business from current customers is the most popular way companies intend to grow their business. Organisations also intend to rely on marketing and advertising, or create new products or services. As in 2016, this is likely a priority as companies look to overcome the skills gap which remains a significant barrier to growth, along with finding time to spend on managing the business.
- If a business intends to place reliance on marketing and gain more revenue from their existing customers, businesses need to ensure they continue to remain relevant to their customer base. Often businesses can get blasé and take for granted just what it is their customers are looking for. So what was a loyal customer can easily turn into a former customer if service levels drop and product innovation falls away. Business owners should consider finding ways of finding out what their customers want as opposed to promoting to them what the business thinks their customers need.
- 72% plan to fund their business through cash flow. This is in on the back of bank debt having increased again, with 35% of businesses funding operations through debt this year compared with 29% in 2016. The family as a source of capital has risen significantly, with family loans increasing from eight% last year to 14% in 2017.

BUSINESS PLANNING

With many organisations looking for ways to access funding, writing a business plan could be part of the solution. Most lenders, banks or otherwise, want to see a well-developed business plan as proof of the business owner's credibility and the business's potential.

A business plan can range from a multi-page document to a single page. It should be a living document that key stakeholders in the business can access so they can understand the business's direction. Where possible, it can be valuable to seek input for the plan from others in the business; a different perspective can lead to a change in approach.

Completing a business plan

In previous years, thinkBIG has demonstrated that creating a strong business plan can be the difference between achieving growth and remaining stagnant. In 2016, 65% of respondents created a business plan; this year, 69% completed a business plan. Of those, 20% referred to their plan monthly, 26% quarterly, and 24% annually.

It is somewhat concerning that 31% of respondents still don't create a business plan, especially when there is such strong evidence that businesses with plans outperform those without plans. For example, this year's survey found that, of those companies that completed a business plan, 53% achieved growth and just 15% experienced a decline in revenue. Companies that did not complete a business plan were less likely to succeed, with only 38% reporting growth and 18% reporting a decline in revenue.

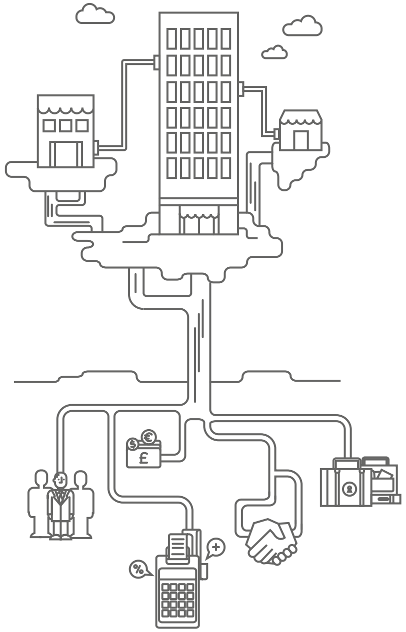
These results reflect the 2015 thinkBIG report, which found that, of those companies that completed a business plan, 56% achieved growth and just 13% experienced a decline in revenue. Companies that did not complete a business plan were less likely to succeed, with only 36% reporting growth and 24% reporting a decline in revenue.

Furthermore, in this year's survey, 61% of SME owners who did not complete a business plan say they still anticipate achieving growth in the coming year. Based on the evidence of previous years' results, the absence of a good business plan may reduce the ability to bring that growth to fruition and suggests that many SME owners still don't understand the relationship between developing a plan and achieving growth.

Often, small business owners do operate according to a plan but the plan is not formalised or even written down. This is dangerous, since it relies on that one person being present and capable of working in the business well into the future. This reliance on a single person makes long-term growth and sustainability difficult. Furthermore, a written plan ensures everyone in the business understands its goals and milestones, making them more likely to be fully engaged and lessen the workload of the principals in the business.

Planning

31% of respondents still don't create a business plan



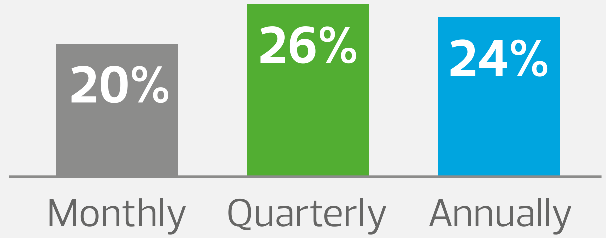
These results reflect the 2015 thinkBIG report, which found that, of those companies that completed a business plan,

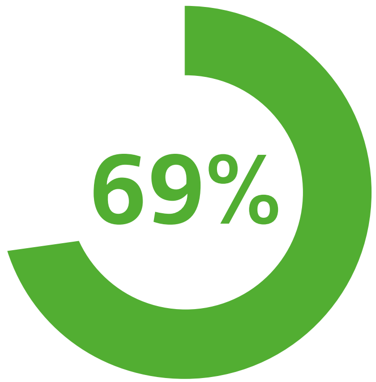
56%
achieved growth

13%
experienced a decline in revenue

Many SME owners still don't understand the relationship between developing a plan and achieving growth.

Business owners referring to their business plan in 2017

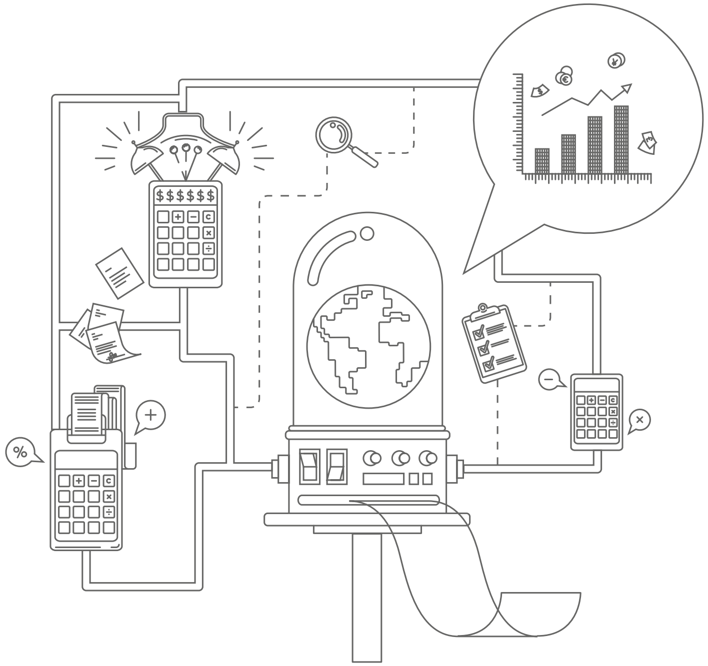




respondents created a business plan

(An increase from last year's 65%)

Creating a strong business plan can be the difference between achieving growth and remaining stagnant.



A written plan

ensures everyone understands its goals and milestones and lessen the workload of the principals in the business.

5 KEY STAKEHOLDERS IN A BUSINESS PLAN

1. FINANCIERS
Before lending money to a small business, financiers including banks need to know certain things about the business and its operations. This includes: the history of the business; how revenues are generated; the management team's credibility; the marketplace conditions; historical financials with debt coverage ratios; earning projections; collateral; and the purpose of the loan.

2. UNIONS
When negotiating with unions, a comprehensive business plan can provide evidence of the business's good faith and genuine regard for workers' rights. Especially when bargaining for specific pay or other conditions, the business plan can demonstrate the business's ability (or otherwise) to meet those conditions and still remain viable.

3. MANAGEMENT AND STAFF
Business owners rely on their managers and workers to enact the business plan, especially where decision-making is decentralised. The business plan helps each person understand the role they're expected to play, while also giving individuals confidence in the business's future direction.

4. GRANT BOARDS AND REGULATORY AUTHORITIES
Like other financiers, grant boards need evidence of a business's viability and intentions for the grant before providing funding. The plan should address the eligibility criteria for that specific grant and demonstrate how the grant will help the business achieve its goals. In most cases, grant boards demand that candidates have a strong business plan in place. Similarly, regulatory authorities demand to see business plans in many industries to confirm businesses are complying with their legal obligations.

5. KEY SUPPLIERS OR CUSTOMERS
Suppliers need to know that companies they do business with will be able to pay on time, and a solid business plan can give them peace of mind. Similarly, customers, especially those that intend to spend a significant amount of money, may want to see a business plan as evidence of the business's likelihood of long-term viability so they can be sure they will get full delivery of the services or products they need rather than being left out of pocket if the business closes unexpectedly.

CASE STUDY:
Peel Scape Solutions – Western Australia

Peel Scape Solutions is a residential and commercial landscaping and irrigation company based in Mandurah. Operating for the last 12 years, owner Paul Holdom and his wife Carolyn, have been running the business with seven full time staff. Supplying all types of irrigation and landscaping work, including maintenance and installation, in Mandurah and surrounding suburbs.

> "It's good to get answers from guys who have seen and helped other business grow – their advice is invaluable."
>
> Paul Holdom
> Owner

Invaluable advice

Due to the seasonal nature of work and the multiple services offered, both maintenance and landscaping, it was important for the business to know which parts were most profitable. It was time for change when the team at Peel Scape Solutions approached RSM as they had been experiencing issues with their previous Perth-based accountant who had limited understanding of the local business' needs. The convenience of working with a locally-based accountant such as RSM in Mandurah was the reason Paul reached out to Vernon Davey, fast discovering the personal approach the team has with clients. "RSM are approachable, helpful and want to help grow our business."

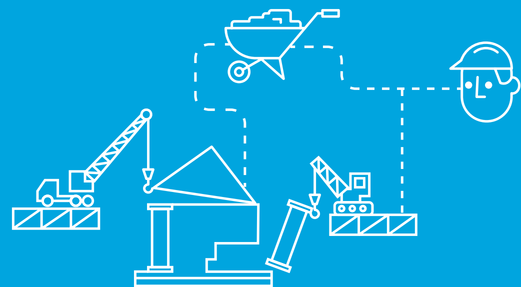
After an initial meeting to assess accounting needs, Paul was introduced to Matthew Robinson to discuss business planning and growth for the future. Over the next 12 months, the team at RSM worked with Peel Scape Solutions to understand what made them tick, analysing data from the setup of financial models to craft the right plan. The results of this engagement were clear. The strategic plan was formulated to navigate the future growth plans of the business, actively building business for both divisions of the company. "It's good to get answers from guys who have seen and helped other business grow – their advice is invaluable," Paul says.

Since then, Peel Scape Solutions has stayed focussed on monitoring business performance, making positive adjustments in the day-to-day business processes. In what is a seasonal business, they have been able to leverage off a stable team of employees by undertaking more jobs through internal efficiencies, identified new markets in the commercial sector that are less cyclical and introduced an estimator to keep the quotes up to ensure there is always work in the pipeline.

Planning is essential to any business and the advisors at RSM understand that in order to help a company succeed in the long term, you need to partner with the client throughout the entire process. Since consulting with RSM, Peel Scape Solutions has experienced growth in every area of the business and Paul is confident in the success, development and continuous partnership with RSM into the future.

Headquarters: Mandurah, Western Australia
Industry: Reticulation Systems and Landscaping Solutions

www.peelscape.com.au



EXIT STRATEGY

An exit strategy can include succession to family members as well as selling the business, selling shares in the business, or winding the business up altogether. Regardless of how a business owner leaves the business, an exit strategy is essential to avoid unnecessary costs and complexity.

When business owners have to leave the business due to illness or death, absent an exit plan, the business can fall into disarray or need to be wound up. This can create unnecessary distress for family members and dependents who have to step in, often without a clear idea of what the owner wanted or where the business is headed. Creating an exit plan mitigates this risk and, with the right advice, can structure the business to make it easier to sell, pass on, or wind up without incurring undue costs or taxes.

When creating an exit plan, it's important to take into account considerations such as employees, ensuring they are adequately provided for. The way business owners exit the business can depend on how it's structured: it might be easy to simply sell the owner's shares in the firm to existing partners or an employee who is eligible for partnership. Or, as a sole trader, it may be possible to simply let thebusiness run down, then liquidate any remaining assets.

An exit strategy may involve getting the business ready for sale. Owners should not underestimate the scope and time frame of such a project. In larger businesses, this may need to be started 2 years or so out from the planned sale or exit date, such might be the scale of improvements and changes that are desirable to improve the value of the business. Approaching this project correctly can literally add significant value to a business.

Regardless of when a business owner plans to exit the business, whether that's in the next few years or decades from now, it's never too early to seek advice on an exit strategy. Structuring the business correctly now can yield dividends in the future.

Planning

Exit planning is crucial given that every business owner will exit the business eventually, either voluntarily or otherwise. So it's surprising that just 36% of respondents have an exit plan in place, compared with 46% in 2016. This may indicate a general lack of understanding about the value of planning.

Of those who do have an exit plan, selling the business to an external party is the most popular approach.

Retirement funding

Two-thirds of business owners (66%) don't intend to fund their retirement primarily from the sale of the business. This reflects last year's results and a seemingly-increasing trend towards SME owners relying on other investments and income sources. However, it is possible that SME owners don't fully understand the value of their business, nor how to extract the maximum amount of value once the business is sold. Earlier comments made on the value that can be added by approaching this type of project should be considered.

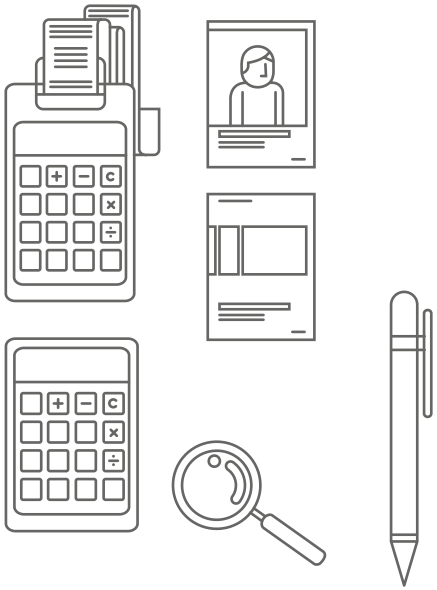
Business value

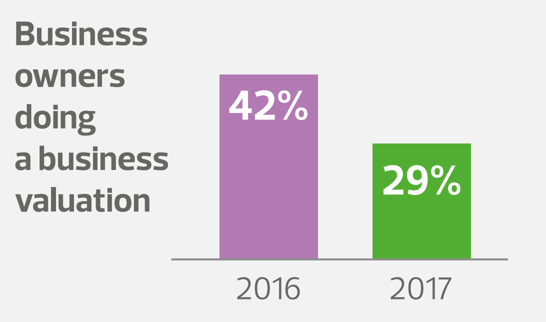
It appears that fewer business owners are gaining a better understanding of how useful it is to know how much their business is worth, with 29% of respondents doing a recent business valuation compared with just 42% last year.

Despite the absence of a valuation, nearly three-quarters (74%) of respondents believe their business has increased in value this year, compared with 51% in 2016. Owners should regularly take the market pulse to see what their business is worth. This may take the shape of keeping in touch with a known business broker and gaining their input on a regular basis. Every few years, it might be worth obtaining a formal valuation as well. This will come in useful when dealing with your bankers (if the valuation is a good news story that is!). It also might peak your interest in considering whether or not your industry might be have reached a high in the market place. Often locking in such gains comes down to a matter of timing.

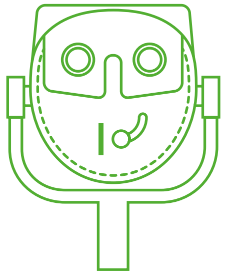
Planning

36% of respondents have an exit plan in place, compared with 46% in 2016





It also might pique your interest in considering whether or not your industry might have reached a high in the marketplace. Often locking in such gains comes down to a matter of timing.



Of those who do have an exit plan,

17%
plan to sell the business to employees or existing shareholders

8%
plan to close the business altogether when they exit

Despite the absence of valuation

74%

respondents believe their business has increased in value this year

(compared with 51% in 2016)

66% don't intend to fund their retirement primarily from the sale of the business

Despite the low number of business owners with an exit plan

66% have a contingency plan in place in case they're unable to run the business

61% have told their business partner about this plan

57% have told their life partner

17% have kept the plan to themselves, making it potentially useless if they become incapacitated

Selling the business to an external party is the most popular approach

Maximising

Whether you're ready to sell now or don't plan on selling in the foreseeable future, it's still worth maximising the value of your business.

5 WAYS TO MAXIMISE THE VALUE OF YOUR BUSINESS

1. UNDERSTAND WHAT BUYERS ARE LOOKING FOR

Understand what buyers are looking for. Strategic buyers are those for whom the purchase of a business solves a particular problem for them. That distinguishes them from opportunistic buyers in that they may be more likely to pay a premium for the business if they understand the value it can deliver. Presenting the business as a strategic solution can therefore maximise the value of the business to that buyer.

2. FREE UP CASH FLOW

Free up cash flow. Too much reliance on assets or stock on hand makes businesses less capable of paying suppliers and employees, especially in hard times. A strong cash flow indicates a well-run business and is a key measure of the business's value, along with profitability.

3. LEVERAGE GROWTH POTENTIAL

Leverage growth potential. Some business owners know what it would take to grow the business but are reluctant to do so for any number of reasons: they may be risk-averse; they may be looking to exit the business soon and don't want to take on extra work; or there may be additional barriers in place such as lack of access to the required talent. Taking the leap into growth opportunities is likely to pay off in increased business value, as long as the owner has researched the opportunity carefully and managed the risks appropriately.

4. LOWER RISK

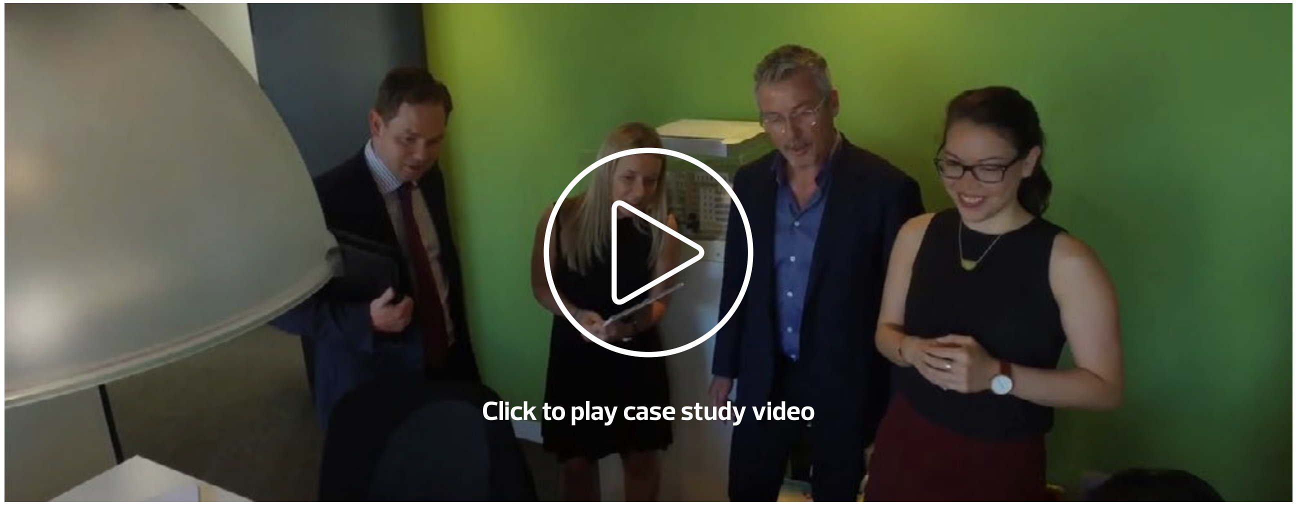
Lower risk. If the business owner has a high risk-tolerance, the business may be overburdened with risk, reducing its value. Risk can come from sources such as relying too much on a single customer or a few customers for the bulk of the business's income, relying heavily on too few people to run the business or provide specific skills, not having a succession plan in place, using outdated processes, giving customers too much time to pay, and more. It can be worth working with a business adviser to identify risk and how to reduce it.

5. UPDATE ACCOUNTING SYSTEMS AND DOCUMENT INTERNAL PROCESSES

Update accounting systems and document internal processes. Knowing where revenue comes from and being able to clearly demonstrate the business's financial position is key to understanding its value. Business owners should therefore ensure accounting systems are accurate, up to date, and being used properly. Knowing how things are done can add some value to a potential buyer from an external sale perspective.

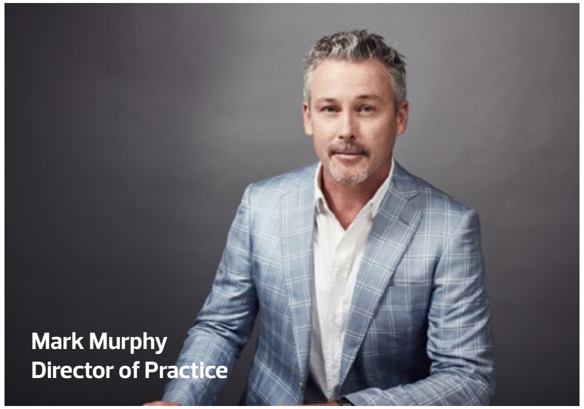
FENDER KATSALIDIS
ARCHITECTS

CASE STUDY:
Fender Katsalidis Architects – Victoria



Founded on the philosophy of innovation through collaboration, Fender Katsalidis Architects (FKA) is a multi-disciplinary design firm which has been operating for 25 years across multi-residential, cultural, commercial, aged care and hospitality. One of their flagship projects, the Eureka Tower, was the tallest residential building in the Southern Hemisphere when completed.

> "When meeting with RSM there was that instant moment and connection that the relationship will work as they were genuinely interested in our business model and also what we do and why we do it."
>
> Mark Murphy
> Director of Practice



Mark Murphy
Director of Practice

Project: Mona
Photo credit: John Gollings

Significant growth

FKA has experienced significant growth in recent years and was at a stage in the business lifecycle where they had outgrown their professional advisors. FKA no longer needed just accountants, but rather business advisors to engage in assisting them with succession planning and business transitional matters.

"We've got a lot of experience, but now we need to make sure that the experience is shared. When meeting with RSM there was that instant moment and connection that the relationship will work as they were genuinely interested in our business model and also what we do and why we do it," Mark Murphy, Director of Practice said. FKA engaged RSM with the need to continue to expand the business and broaden its ownership within its own ranks by creating a foundation for the company to be sustained into the future.

To be able to introduce new shareholders into the business, FKA needed to assess the restructuring options available to facilitate the shift. RSM provided business, taxation and accounting advice that enabled this to happen effortlessly. "The consolidation of staff into one clear floorplate is a key part of the succession planning and will build up the sense of the practice as a team," added Mark.

A clear strategy

When planning for a succession strategy, all aspects of the business need to be reviewed to ensure a clear plan is created, and to avoid any confusion when the time comes for this transition. RSM reviewed the working capital requirements and cash flow models of FKA and provided recommendations to management of the key issues that required consideration to comply with financial and tax regulations.

With a clear strategy, FKA now considers RSM a strategic business partner with whom key decisions are made. As a result, they are looking to expand further both nationally and internationally, taking the firm to the next major base and having these locations solid in their own right.

Headquarters: Melbourne, Victoria
Industry: Architecture
Number of employees: 51–200
Year founded: 2014

www.fkaustralia.com

Project: Eureka Tower
Photo credit: John Gollings

Laurel Grey, Senior Digital Analyst at RSM, notes that "productivity gains available to SMEs today abound through the large range of applications that can make a difference. Owners should consider a review of everything from the mundane and routine to the complex and important practices in their businesses to see just what the possibilities are".

SME OF THE FUTURE

Technology that can change the business environment used to only be available to enterprises with big budgets. The emergence of cloud-based solutions has reduced the cost of business-strength solutions to a point where any SME can access them and pay a nominal per-license monthly fee. Furthermore, these solutions are more functional, higher quality, and easier to use, and there are more and more of them. The more powerful and more specific solutions, usually the domain of larger business, have also become more accessible to SMEs in the process.

Doing nothing in the technology space is no longer an option for SMEs who must accept that digital transformation is now a given for businesses to remain viable.

However, moving to the cloud in one massive, all-encompassing project isn't necessary. SMEs can and should take their time to investigate potential options and move their workload to the cloud as and when it becomes appropriate. A successful move to the cloud requires a high degree of organisational change management and a strategic approach, making it prudent to seek professional advice before proceeding.

Digital investment

Nearly three-quarters of SME owners have invested in digital tools and technology over the past 12 months, pointing to a growing acceptance that technology has become an essential and indispensable part of doing business.

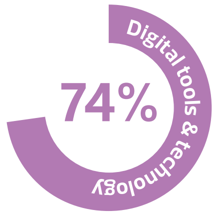
The most common area for investment was the company's website, followed by social media. More than one-third invested in cloud-based accounting and related systems. These systems help SMEs get a firm grip on their accounting without having to invest in on-premise software and infrastructure. More than a quarter of respondents invested in marketing technology such as customer relationship management software, marketing automation, and email campaign systems. Others invested in communications systems and digital advertising. Just 9% invested in e-commerce solutions, despite the ongoing growth of online shopping. This low level may be due to organisations already have a working e-commerce system in place, or they don't offer online shopping capabilities. In the latter case, this could result in the business missing out on revenue opportunities, and it could be worth investigating e-commerce options.

Digital security/cybersecurity

Digital security remains a significant risk for most SMEs yet the number of SMEs that review their information security policies annually remains startlingly low despite the reality and a landscape of increasing cyber threats and attacks. While it is slightly higher than last year, it still suggests that SMEs have not mobilised to respond to the risk and improve their security posture. This is despite definitive indicators from the Australian Cyber Security Centre confirming that 90% of organisations faced some form of attempted or successful cybersecurity compromise in the 2015-2016 financial year.[3]

When weighing investment in cybersecurity against other business needs, SME owners need to consider the overall level of cyber risk, their exposure to such risks, and the potential whole-of-business costs that could be incurred if they were affected by a serious cyber incident. Consequently, digital security should be a higher priority for all Australian businesses regardless of size. Alongside the potential repercussions of a serious attack for the targeted business sits the potential knock-on effects. Many savvy hackers are choosing to infiltrate smaller businesses that supply large enterprises as a way to target those otherwise well-secured but attractive targets. By keeping their own businesses protected, SMEs can help protect their trading partners, suppliers, customers, and other stakeholders.

Investment



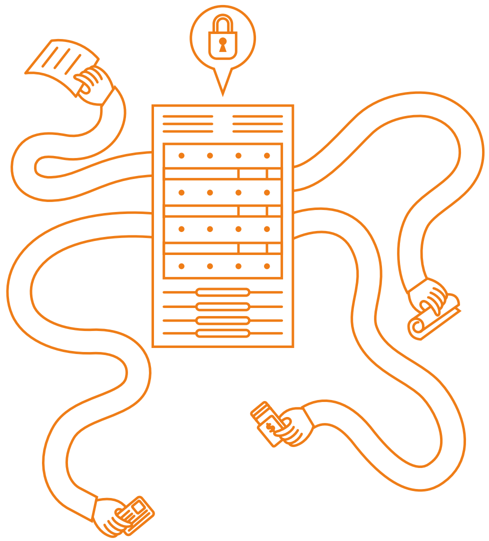
have invested in digital tools and technology in the past 12 months

Top investment in digital tools

1 Website
2 Social media
3 Cloud-based systems
4 Marketing technology
5 Communication systems
6 Digital advertising

Cybersecurity

44% of respondents were not confident in their organisation's ability to withstand a cyberattack. Even so, only 42% of respondents plan to increase their cybersecurity resources in the next 12 months.



Only 52% of SMEs review their information security policies annually

[3] Australian Cyber Security Centre 2016 Cyber Security Survey

Danger is only a mouse-click away from a potential employee in your office who may check their Gmail or Yahoo account of what is supposedly an electricity bill, which then releases ransomware into your systems (based on a true story).

DIGITAL SECURITY REMAINS A SIGNIFICANT RISK FOR MOST SMEs WITH THE POTENTIAL RAMIFICATIONS OF A SUCCESSFUL ATTACK RANGING FROM FINANCIAL LOSSES AND REPUTATIONAL DAMAGE TO AN INABILITY TO OPERATE ALTOGETHER.

5 AREAS OF BUSINESS THAT NEED TO BE IN THE CLOUD IN 2017

1. ACCOUNTING SOFTWARE

Scaling a business successfully depends on managing business accounts effectively. Cloud accounting software provides total transparency over the whole business process in real time, making decision-making better informed and more agile. Cloud-based accounting packages provide in-depth reporting capabilities as well as expense and inventory management tools that make it simpler to run a business. However, it's important to remember that the quality of insights provided by a cloud-based accounting package depends on the quality of data input into the system.

2. EMAIL, CONTACT AND CALENDAR MANAGEMENT

The crux of most businesses, communication, benefits dramatically from being hosted in the cloud. Being able to access emails and calendars as easily on a mobile device as on a PC is an absolute must, and must be resilient to cyber threats.

3. FILE STORAGE AND COLLABORATION

Storing documents and files on an on-premise server adds cost and inefficiency to processes. Using a cloud-based platform lets businesses set clear security controls, manage version control, and let users access the information and documents they need from anywhere, anytime, using any device. This increases business efficiency and security when implemented correctly, freeing up resources once obsolete systems are decommissioned.

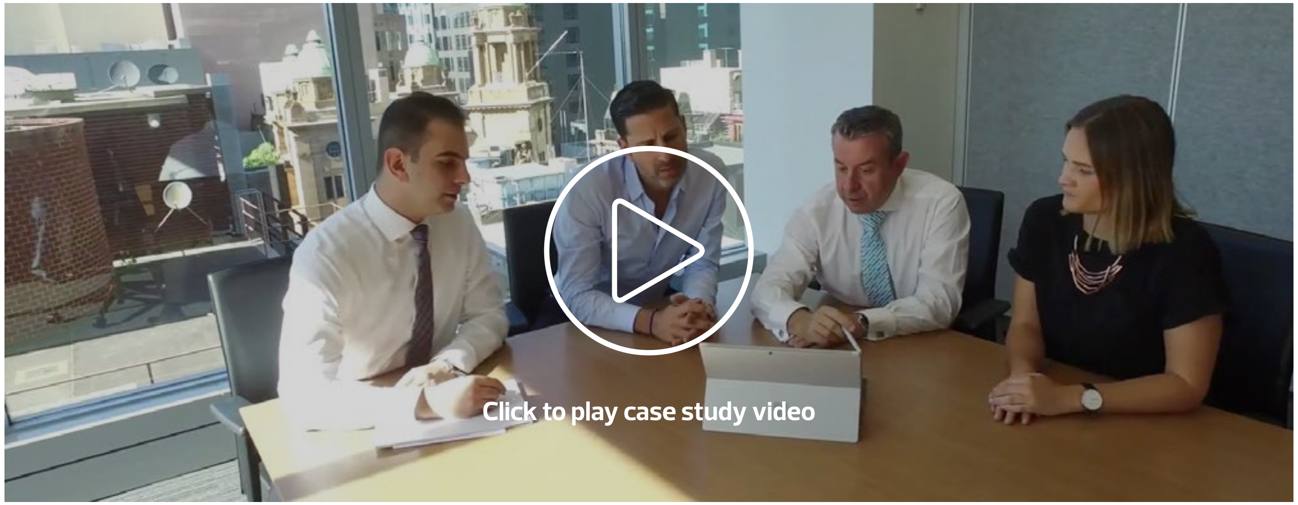
4. PROJECT AND TASK MANAGEMENT

Collaboration is an essential part of business in most industries, so making it easier for employees to share ideas and information is crucial. Using the cloud, businesses can create a central repository for information and let employees work together to improve on ideas. There are a large number of effective and affordable web-based applications available for organisations of all sizes. These resources can be invaluable as businesses grow and require greater effort to manage projects and operational activities.

5. PASSWORD MANAGEMENT

Protecting passwords is an integral part of keeping business systems secure. Businesses should take advantage of one of the many free apps that let them access fully secure and encrypted password management that sits in a browser and can be accessed remotely. It lets managers grant permissions on passwords to certain users and even hide passwords from team members while still letting them log in. However, these highly-rated apps must be set up in a robust manner to ensure they, too, are secure. Strong passwords are critical.

CASE STUDY:
Whizz Technologies – New South Wales



Whizz Technologies is the leading platform for connecting individuals looking for home cleaning services with top-quality, pre-screened independent cleaners. Launched in 2015, the on-demand cleaning app quickly became a key player in the cleaning market using technology to leverage and reshape its service offerings. Each month Whizz services over 4000 homes and has experienced considerable growth since it launched, meeting consumers' needs through a top premium service with security and convenience.

> "Although it's one of the largest accounting firms in Australia, they treat us as though it's a start-up themselves with very, very personalised service."
>
> Mark Bernberg
> Founder and Director

Mark Bernberg, founder and director of Whizz Technologies has experienced the complexity of digital transformation and the rules and regulations imposed on SMEs in Australia.

The initial concept stages / laying the foundation

In 2014, Mark approached RSM with two things – an idea and a lot of passion. "The concept of Whizz was created when my regular cleaner told me she was going away," he said. "I didn't have anyone else and Google searches proved no help. Sitting in an Uber, I thought to myself, this kind of concept could work for cleaning services!"

The team at RSM initiated a meeting to outline business goals, understand the model of Whizz and appreciate how Mark envisioned the company's operations unfolding. From there, Mark was assisted by RSM in the creation and setup of Whizz Technologies, establishing various accounting systems needed to start-up the business.

The company was introduced to a cloud based accounting software (XERO) that allowed RSM to provide assistance remotely with other various functions such as payroll, accounts payable, monthly account reconciliation and management reporting. Mark said, "RSM is the foundation behind all the financials to ensure all transactional data is properly processed and I know that my financials are all in order when the end of the financial year comes."

Pressures of a start-up business

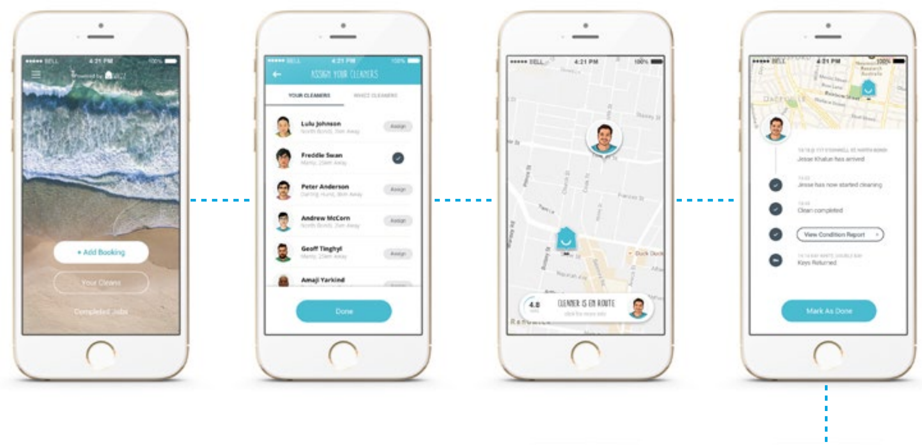
Start-ups feel the stress and sensitivity associated with costs related to business processes, especially in the early stages of their life cycle. Finding the most efficient ways of operating can streamline processes through technology and productivity tools to reduce costs significantly.

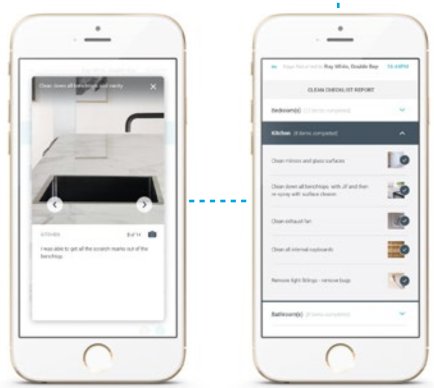
Whizz was at a very cost sensitive stage of its life cycle and needed to implement strategies that catered to their individual company needs. By utilising online tools and other cloud based functions, RSM were able to guide Mark and his team to perform tasks as efficiently as possible saving them time, money and the fees associated with having a traditional bookkeeping function.

Future plans / thinking ahead

As Whizz has grown, so has the need for more complex requests to be met. RSM has aided the company with areas including compliance matters such as income tax return, payroll tax rebate application, superannuation payments and other ad-hoc business functions such as acting in a company secretary capacity.

With technology at the forefront of Whizz's business plan it creates opportunities for expansion in the services they provide. RSM's national network enables Mark's vision to be taken across the country with a team of experts behind it. Mark said, "Although RSM is large, we are treated as though they are a start-up themselves giving us personalised and friendly service helping us to navigate through any issues even once the business is far more developed. We receive assistance every step of the way."





Headquarters: Sydney, New South Wales
Industry: Computer software
Number of employees: 11–50
Year founded: 2014

www.whizz.com.au

GLOSSARY

METHODOLOGY

Respondents completed a survey via email or phone in February and March 2017. The sample consists of 216 respondents.

TERMS USED IN THIS REPORT

SME
Small-to-medium enterprise. The Australian Bureau of Statistics defines a small-to-medium enterprise as any business that has 200 or fewer employees. Small businesses (excluding agricultural businesses) are those businesses employing less than 20 people. (Source: ABS Report Characteristics of Small Business, April 2005.)

Business plan
A document describing the business, its objectives and the strategy it will employ to achieve those objectives. A comprehensive business plan should include the following content:

- market analysis
- competitive differentiation
- financial goals
- marketing plan
- operating plan
- management plan

Succession plan
A plan outlining how the current owners will transition the business to new ownership, which may be within or outside the business, a family member, director or employee.

Exit plan
A plan outlining how the current owners plan to sell the business. The primary difference between an exit plan and a succession plan is that with a succession plan, the new ownership/management team is known to the current owners, and this is integral to the plan. With an exit plan the current owners do not know who the new ownership will be, but have identified the means by which they plan to realise the wealth they have created.

PROFILE OF PARTICIPANTS

Size of team

11% sole trader
19% 1–2 employees
22% 3–5 employees
21% 6–19 employees
17% 20–49 employees
6% 50–99 employees

Location

51% capital cities
28% rural areas
21% regional areas

Age group

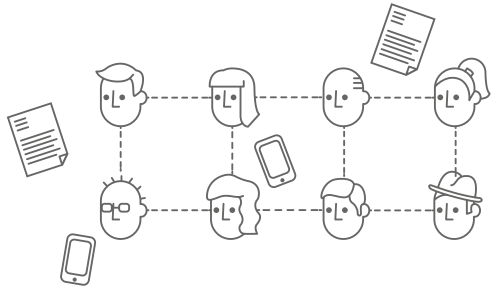
21% aged over 65
65% aged between 45 and 65
15% aged between 25 and 45

Turnover last year

34% Up to $1 million
17% $1 – $2 million
22% $2 – $5 million
9% $5 – $10 million

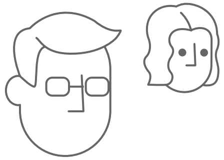
Top industries represented

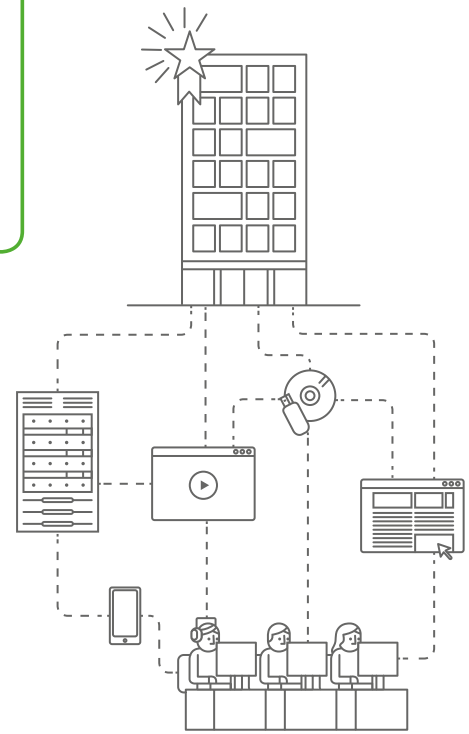
23% Agriculture, forestry and fishing
19% Professional services
18% Other services
8% Construction
7% Retail
5% Technology



87% are either the sole or one of the owners of the business

$\frac{3}{4}$ respondents were male





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