



What are small business  
looking for?

Huh?

## Stats, lies, facts

There are somewhere between 2.1m and 3m small businesses

~800k small business people employ ~ 4.8m other people

Most small businesses are sole contractors

Most businesses are in 'Construction' (347,197), the 'Professional, Scientific and Technical Services' (251,098), and 'Rental, Hiring and Real Estate Services' (225,013) industries. Most employers were in retail, hospitality, health and property. Automotive employment is over 200k.

There is no such thing as small business,  
that is an economist description of an  
economic unit. When considering  
policy, communications and process we  
are people.

## Some common attitudes towards small business

- Small business need to become better managers.
- Don't they understand how important – (*place area of interest*) - is!
- It doesn't really matter if a small business falls over, there is always someone else to take their place.
- Why are small business operators so hopeless?
- It's their own fault if they fail.
- That's business so get over it.
- Just how hard is it?
- They need to step up to the mark!!
- They choose to go into small business and they know what to expect.
- etc

# Why do people make these statements

- Traditionally Small Business Operators do not appear to take a lot of interest in anything much until confronted with a need or a problem
- They make up a large number of businesses that are non compliant with processes and red tape demands
- They make up the largest group of problematic businesses in the finance sector
- They don't access support or complain about the lack of support that has always been available
- They complain about events that they could have managed better
- Small Business owners don't seem to understand much of anything – just how do they survive?
- It suits big business to keep small business in its place.

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## Why are they like this?

- Not aware of the issue, the change, the request or the support available
- Not sure that they understand the issue so remain mute
- No confidence No time No interest
- Embarrassed by lack of knowledge or the mistakes they have made
- Afraid of what might happen
- Confused
- Once in trouble not sure how to get out of trouble
- Maybe they are driving their truck or dealing with a customer or running their business

## **No really - why are they like this?**

- Maybe they are in the middle of a divorce
- Maybe they have a life threatening illness
- Maybe they are about to get married
- Maybe they have a sick child
- Maybe they have teenagers



# Ideologues and philosophers

- One main reason why small business has been vilified, ridiculed and mistreated is the needs of left and ring wing ideologues
- Competition policy, B2B contract law, workplace relations, financing (APRA!), discrimination laws etc would be very different if the small business person was considered as a person with rights
- The ideologues cannot deal with that fact and place demand after demand on the small business person
- Idiots

# Things the small business person has to do or understand

- BAS and GST
- PAYG
- Licensing (depending upon industry and business)
- Superannuation (a nightmare)
- Workplace Relations – confusing and designed for paymasters
- Understanding the whole tax thing – nobody does do they?
- OH&S
- Privacy laws
- Discrimination laws
- Finance rules and regulations
- Company laws (like meeting with yourself)
- etc

# Small business regulators

- ATO
- FWC
- FWO
- ACCC
- ASIC
- Health inspectors
- Sign inspectors
- AHRC
- OH&S inspectors
- Various license inspectors –
  - Liquor, chemicals, food, refrigeration gases etc
  - transport inspectors
  - fire safety inspectors
  - superannuation funds
  - unions
  - environment inspectors
  - Customs
  - etc

# An example of a policy that creates compliance mistakes

## *Paid Parental Leave*

- The eligible person (an employee) applies for PPL
- If approved the allowance is sent to the employer to give to the eligible person
- This is done so that the employee feels like they are still part of the workplace
- The employer has to bring that money into the chart of accounts and out of the chart of accounts in a sensible way
- This requires manipulation of the software to remove taxes, superannuation, leave calculations etc.
- If this is not done the BAS will be wrong, the end of year payment summaries will be wrong, superannuation information will be wrong etc
- To achieve what the ideologues want is not possible for most small business employers
- A stupid fail
- Collecting tax is a compliance demand that is not challengeable and must not be compromised

## **For small business people it is as much about process and communications as it is about the product**

Get the product right but communicate poorly and the product fails

Get the product right but have poor processes and the product fails

Treat small business people like experts in everything and the product will fail

## **If we want Small Business Operators to access, products, services or support we need to:**

- Target their needs not our needs
- Use their supporters
- Understand their business cycles and demands
- Communicate with them as though they are individuals

## **Methods for engaging (understanding) small business operators include:**

- Using mediators. These groups can include industry associations, accountants, tax agents, other financial advisers, bookkeepers, networks & websites.
- Thinking differently – eg BeyondBlue, Lifeline, targeting life partners, targeting older people, people with disabilities
- Discovering and using the language that Small Business Operators understand (particularly the language of their industry)
- Use of the local business networks, chambers and web based networks (the good ones)

## Methods for engaging small business (continued)

- Targeting specific industries and regions
- Discover and use case studies and examples that suit the business or industry
- Use of targeted questions on frequently used websites & industry websites
- Highlighting specific issues
- Focus groups



## **Involvement of Industry Associations and Guilds**

Industry associations should know the language, the business cycles and the preferred means of communications of their members. (IPA!)

They should be able to differentiate between the large businesses and the small business operators.

## **Care needs to be taken with opinions from associations and others**

- Responses that claim to cover issues for all business - large, medium and small - but which, by their nature, will focus on large business
- The opinion of a CEO, an executive officer or a board of management that does not reflect the real issues facing small business operators
- Will reflect the policy position of an organisation rather than the needs of small business operators

## Use of Accountants

Accountants and business professionals, especially from suburban and regional areas, can provide informed realistic comment and connection.

They can be better utilised for commenting on the impact on small business by targeted questions and by seeking examples and case studies.

Don't expect something for nothing – many of them do a lot for nothing already

# Summary

- What are small business looking for?
- Small businesses are people not experts
- We want to be treated like people.

# Thank you

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