

Media Statement

Information is the key to small business success, Queensland business owners told

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A snapshot of Queensland's small business owners has shown they are highly customer-focused, but not very enthusiastic about innovation and technology or new products and services.

The Queensland Small Business Commissioner (QSBC) has released its *Understanding the life cycle and mindset of Queensland small businesses* report, which paints a fresh picture of the state's \$117 billion small business sector.

Small Business Commissioner Dominique Lamb said the QSBC engaged Central Queensland University (CQU) to undertake the research to help them enhance their resources, support, and advocacy for small business owners.

"The report found that Queensland business owners were highly service oriented, regarding their customers as their number one priority," Ms Lamb said.

"They are also generally aware of their commercial rivals and monitor and discuss competitors' offerings even if they do not respond quickly to competitors' actions.

"This demonstrates a level of maturity and comfort with their own operations, and satisfaction with the performance of their businesses."

Ms Lamb said the report pointed to areas for improvement for Queensland small businesses, particularly in the areas of innovation and engaging external advisers to help them take advantage of commercial opportunities.

"Generally, Queensland small business owners are open-minded towards innovation, but they are not highly enthusiastic about it, mostly preferring to stay within their comfort zone," she said.

"They have a low appetite for risk and tend to minimise risk-taking, even if there is a prospect of high returns. Most businesses are not all that interested in introducing new technologies, products, and services.

"And concerningly, most do not rely on business analytics or external advisers to fill knowledge gaps and inform their decision-making.

"Actively collecting and analysing data to drive decision-making would help owners take full advantage of the opportunities that were available to them and help them manage the risks."

Better use of analytics and external advisers would also help business owners to understand where their business was in its life cycle, and help them plan for future developments, Ms Lamb said.

“Our study has identified four stages of evolution in the life cycle of a typical small business: initiation, growth, stabilisation, and exit.

“The growth and stabilisation phases can be viewed together as ‘maturity’, and often a business will cycle back and forth between stability and growth. Most business owners view themselves as being in this phase.

“Being in a stable and mature state gives business owners a great deal of choice about the direction of their business – allowing them to invest in new technology, products, people or markets to drive further growth and success.”

The data was drawn from a systematic review of international business literature, a survey of 331 Queensland small business owners, and in-depth interviews with 20 of the participants.

Ms Lamb said the information would guide the QSBC’s work in supporting small businesses, which make up more than 97 per cent of all businesses across the state and employ more than 1.026 million people.

“Understanding small businesses better allows us to tailor our support programs to ensure we are meeting their needs and delivering programs and support that help them prosper and move through those phases of the business life cycle.”

View the report and summary: <https://bit.ly/44QM9Ce>

Queensland Small Business Commissioner Dominique Lamb is available for media interviews.

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