MEDIA RELEASE

Time, Talent, Education: Tackling the biggest barriers for small businesses in New Zealand

Time poor and under resourced, Kiwi small businesses need support to prosper in the 2020s

February — Xero, the global small business platform, today released new research showing the biggest barriers for Kiwi small business owners to efficiently run and improve their businesses were time, talent and education.

More than a third of Kiwi small business owners (34%) feel they don’t have enough time to invest toward improving the efficiency of their business, while 31 percent say they’re regularly working more than 40 hours a week as it is.

Furthermore, nearly half of small business leaders think the biggest opportunity for New Zealand to improve productivity is through spending more on education and training (48%) and 45 percent think it’s to stop talented Kiwis from leaving overseas.

Craig Hudson, Managing Director of New Zealand and the Pacific Islands at Xero, says the new decade presents the government and industry leaders an opportunity to address these issues and help the New Zealand’s small business sector grow, which represents approximately 30 percent of New Zealand’s GDP.

“It’s often more than a full-time job running a business - let alone committing to improvement - which is why Aotearoa’s small business owners need as much support as possible to grow,” said Hudson.

Hudson says it’s important for industry leaders and the government to listen to small businesses about where change is needed in order for them to succeed.

The research revealed the key concern for small businesses with less than five employees is the loosening of government regulations.

Larger small businesses with more than five employees are looking for more investment in training for their industry, investing more in technology, and increasing immigration specific to their industry.

“One of the biggest barriers to growth and productivity facing small business owners is a lack of investment in education. Employers are looking for more ways to upskill their workforce and hire the best talent to improve their own success and growth,” says Hudson.

“The new decade is the perfect time to rally industry groups and empower Kiwi small business owners to boost the nation’s economy.”
Businesses across different sizes and industries all agreed reducing taxes would support their future growth.

“As a country, we’re working hard to improve our economic performance each year. Small businesses have spoken out about what they need to tackle the long term growth challenges facing them.”

“Change looks different for each small business, but the point still remains that something has to change. By looking further into how we can help owners save time and by making investments where they think will be the most beneficial, I’m hopeful we can turn things around.”

The research was undertaken by independent New Zealand research company Perceptive. The survey targeted a representative audience of 1,003 small business decision-makers (less than 50 full-time employees) across the country.

Key outtakes include:

- **34 percent** of small businesses think the biggest cause of lack of efficiency is thinking time
- **48 percent** of small businesses think we can increase productivity by investing into education
  - **45 percent** by stopping Kiwis from going overseas
  - **37 percent** by investing more in technology
- **50 percent** of small businesses say the government can help by lowering taxes
  - **27 percent** say by loosening regulations
  - **21 percent** say by investing more in technology
- **31 percent** of small business leaders are regularly working more than 40 hours a week

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**About Xero**
Born in the cloud, Xero is a beautiful, easy-to-use platform for small businesses and their advisors around the world. Xero provides its 2+ million subscribers with connections to a thriving ecosystem of 800+ third-party apps and 200+ connections to banks and financial service providers. On the inaugural 2018 Financial Times FT1000 High-Growth Companies Asia Pacific list, Xero was the fastest growing tech company in the $200+ million segment. Xero won ‘Accountancy Software Provider of the Year’ at the British Business Awards in 2019, and was rated by Canstar Blue as the best accounting software in Australia from 2015-2018 and in New Zealand in 2019.