Small business snapshot: United States & Canada
AUGUST 2022
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Executive summary

Small businesses are a critical part of the United States and Canadian economies, accounting for more than 99% of all businesses and employing millions of people. Despite the importance of small businesses, there are currently very few data sets and reports that look specifically at small businesses conditions.

Of the data that is available, the majority is released only periodically and collected via small surveys. A lack of regular, small business-specific data makes it difficult for policymakers and researchers to form an accurate view around how policy decisions and economic forces are impacting small businesses.

Xero is helping to close this information gap by expanding its Xero Small Business Insights program into the United States and Canada.

What is the Xero Small Business Insights program?

The Xero Small Business Insights program provides regular, easy to understand updates on the overall state of small businesses around the world. The program looks at the small business economy’s financial performance, which is drawn from anonymized and aggregated data collected from hundreds of thousands of Xero subscribers across countries that are part of the program. Research includes monthly data, as well as reports and commentary about the small business economy. The analysis focuses on several core performance metrics, including sales growth, the amount of time small businesses are waiting to be paid, and how late those payments are. The program has been operating since 2017 and currently covers small business data from Australia, New Zealand and the United Kingdom. This report launches Xero Small Business Insights into the United States and Canada.1

Expanding to the United States and Canada

For the first time, the Xero Small Business Insights program will expand its coverage to include quarterly small business performance data for the United States and Canada. The metrics that will be covered every three months are sales, time to be paid, and late payments.

1. **Sales** – captures a core measure of small business financial performance and a measure of the overall economic activity in the small business economy.

2. **Time to be paid** – captures how long businesses are waiting to be paid, providing insight on the financial health of their customers and small business cash flow.

3. **Late payments** – captures how long small businesses are waiting to be paid, past the due date for each invoice.

This launch report draws on data from tens of thousands of small businesses across the United States and Canada. These insights provide a key benchmark for assessing the financial health and performance of small businesses as they navigate the aftermath of the COVID-19 pandemic. These insights support Xero’s mission to be a champion for small businesses and their stakeholders.

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1 Please refer to the Appendix for further information on the Xero Small Business Insights program.
Small Business Snapshot: United States & Canada

United States:

- The pandemic hit United States small businesses hard and nationally there were six consecutive months of negative year-over-year (y/y) sales growth in 2020. Multiple stimulus packages helped these businesses recover through the second half of 2020 and in 2021. Sales growth averaged 17.4% y/y in 2021. Average time to be paid dropped substantially to 25.0 days in 2021, from a peak of 30.0 days in May 2020. Late payments improved as well, averaging just 7.0 days during 2021, after peaking at 14.5 days in May 2020.

- Now small businesses are navigating a new challenge - inflation - as the rising cost of living hurts customers’ capacity to spend in their local communities. As of March 2022, sales grew 11.3% y/y. Most of this rise was due to price increases rather than more sales being made. In good news, small businesses were still selling 2.8% more goods and services than they did a year ago, after accounting for price rises. In a positive sign about the financial state of small business customers, the downward trend in invoice payment times has continued into 2022. As at March 2022, small businesses were waiting an average of 23.5 days to be paid or were being paid 5.6 days late.

Canada:

- Canadian small businesses were hit hard by the pandemic in early 2020 and it took eight months to return to consistently positive sales growth. With the help of government stimulus and easing trading restrictions, small business sales staged a recovery in 2021, averaging 15.4% y/y throughout the year. Invoice late payments also showed a substantial improvement during 2021 compared to pre-pandemic levels. Small businesses were waiting just 28.1 days to be paid on average, compared to 30.8 days pre-pandemic. Late payment times averaged 6.7 days late, compared to 8.8 days pre-pandemic.

- In the early months of 2022, inflation was the main challenge facing Canadian small businesses. The March 2022 results suggest that Canadian small businesses are not performing as well as their United States counterparts, with sales up a more modest 5.0% y/y. Accounting for price impacts, sales actually fell 1.7% y/y. Canadian small business customers are paying their invoices a little quicker in 2022 but the downward shift is not as much as observed in the United States. As at March 2022, the length of time small businesses are waiting to be paid was 27.5 days. This equates to being paid, on average, 6.6 days late.

International comparison:

- All five countries Xero covers through its Xero Small Business Insights (New Zealand, Australia, United Kingdom, United States, Canada) experienced sharp downturns during the initial stages of the pandemic, as lockdowns forced many small businesses to temporarily close their doors. All five countries then made a return to positive sales growth during the second half of 2020, but some countries recovered faster than others. New Zealand returned to positive sales growth in just three months, whereas it took Canada and the United Kingdom a full eight months to get past the initial downturn.

- The rising cost of living is now a global phenomenon, and the latest March 2022 data shows it is beginning to seriously weigh on small business sales. A comparison between sales growth and inflation reveals that a significant proportion of sales growth in March 2022 was due to higher prices rather than a greater volume of sales.

Key findings

As the launch report for Xero Small Business Insights in the United States and Canada, our data set (starting from January 2017) covers natural disasters, trade tensions, the pandemic recession, the subsequent recovery and right up to the current inflation crisis. Following the initial launch, we will release data and updates every quarter.
Small businesses play an essential role in the United States economy, so understanding their financial health and performance in real time is incredibly important. Small businesses account for 99.9% of all businesses operating in the United States, employing approximately 60 million people across the country and are responsible for nearly two-thirds of job creation every year. Furthermore, the role of small businesses is growing, with the number of new registrations in the United States hitting record highs during the COVID-19 pandemic, reaching 416,000 monthly registrations in March 2022, compared to 300,000 in March 2019.
1.1 Sales

Sales growth is one of the most responsive and significant pulse checks we can take of the small business economy. By comparing business sales in a certain month to the same month in the year before, known as a year-over-year (y/y) measurement, we can see how overall sales have changed and understand the impacts of economic challenges such as US-China trade tensions, the COVID-19 pandemic, and the rising cost of living. Before the COVID-19 pandemic, small businesses in the United States averaged sales growth of 6.7% y/y, but several events including the pandemic have made it harder for small businesses to grow.

Figure 1: Small business sales, United States
Nominal sales growth, %, year-over-year, January 2017 - March 2022

- **Natural disasters** can weigh on small business sales significantly. During the severe hurricane season of 2017 where over 3,000 people lost their lives and around US$265 billion of economic damage was caused, small business sales growth slid to -2.6% y/y in September 2017 (Figure 1), which was the worst result recorded prior to the COVID-19 pandemic. This was likely driven by damages and business closures caused by the record hurricane season, and the ensuing supply chain disruptions.

- **US-China trade tensions** began in mid-2018 when tariffs were placed on around US$250 billion worth of goods. Trade tensions escalated in mid-2019 when a further US$300 billion of tariffs were enforced, likely resulting in impacts to small business sales. Sales growth averaged 5.5% y/y between July 2019 and December 2019, compared to 6.6% y/y between July 2017 and December 2017. While several factors likely contributed to this decline, this observed sales growth slowdown aligns with previous analysis and research which suggests that US-China trade tensions adversely affected the United States economy.

- **The COVID-19 pandemic** made 2020 the most volatile trading year for small businesses in recent history. Sales growth slowed to -0.5% y/y in March 2020, before plunging to -15.1% y/y in April 2020 and -16.3% y/y in May 2020. This means that small businesses had to survive for multiple months on sales that were almost 20% less than those recorded in the same period in 2019. It was not until September 2020 that sales growth turned positive again, meaning that businesses had to weather six challenging consecutive months of negative y/y sales growth. Over 2020, sales growth averaged -0.6% y/y for small businesses.

- **As the pandemic continued in 2021**, sales growth recovered, but was still affected by continued outbreaks such as the winter 2020/21 outbreak. Sales growth averaged 17.4% y/y in 2021 as small businesses waged a comeback against the challenging conditions of 2020. However, they still endured tough conditions at the start of the year as the winter COVID-19 outbreak likely caused sales growth to soften to -3.3% y/y in January 2021.
More recently, rising inflation has made it harder for small businesses to sustain ‘real’ sales growth, which factors in inflation. Rising inflation, initially deemed temporary, has become entrenched as increased oil prices, disrupted supply chains, and workforce shortages continue to drive up costs for businesses. While sales growth in March 2021 was +11.3% y/y, real sales growth was just +2.8% y/y after accounting for an inflation rate of +8.5% y/y. This is an ongoing pain point for small businesses in the United States. Inflation averaged just +1.2% y/y in 2020, but surged to +4.7% y/y in 2021 and was +9.1% y/y by June 2022.¹⁰

¹⁰United States Bureau of Labor Statistics: Consumer Price Index
1.2 Payment times

Time to be paid
The time to be paid metric indicates how long small businesses are waiting to be paid for invoices on average. It is calculated from the day the invoice is issued to the day it is paid in full. Time to be paid provides two key insights on the financial health of the small business economy:

1. **The cash flow status of small businesses** – if businesses are waiting longer to be paid than usual they may experience financial stress, especially if their own expenses are not flexible.

2. **The financial health of households and businesses** – an uptick in payment times may indicate that the customers of small businesses (households and other businesses) are struggling to pay all of their expenses on time, suggesting a weaker overall economy.

Economic shocks such as the COVID-19 pandemic in early 2020 can increase the average time to be paid significantly. On the other hand, regulatory reforms such as mandating payment times for small businesses and the use of electronic invoicing can help to reduce time to be paid and ease cash flow pressures. Average time to be paid also depends on the industry that the small business operates in, as payment terms can vary widely across industries.

- In the three years prior to the COVID-19 pandemic, small businesses in the United States were waiting **27.1 days** to be paid on average (Figure 2). Average time to be paid before the US-China trade tensions escalated was **26.6 days**. Following the escalation of trade tensions in mid-2018 (but prior to the COVID-19 pandemic), average time to be paid jumped by a full day to **27.6 days**.

- In the initial stages of the COVID-19 pandemic, average time to be paid spiked to a new high of **30.0 days** in May 2020, but quickly recovered to below-average rates just a few months later. Despite the rapid rise during the first few months of the pandemic, average time to be paid was slightly lower in 2020 (**27.2 days**) compared to 2019 (**27.8 days**). This was driven by an improvement towards the back half of the year, placing 2020 payment times in line with the pre-COVID average.

- Average time to be paid improved further after 2020, dropping substantially to an average of **23.5 days** recorded in March 2022. This is a positive sign and suggests that small business customers were able to keep up with their bills at this time.

Figure 2: Small business time to be paid, United States
Time to be paid, days, seasonally adjusted, January 2017 - March 2022

Source: Xero Small Business Insights, Accenture

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11Various sources including Wells Fargo: How COVID changed small business payments.

12Federal, state, and county level.
Late payments

The average number of days an invoice is paid late (referred to as ‘late payments’) provides key insights into the cash flow health of small businesses. Average number of days late measures the gap between an invoice’s due date and when it was actually paid in full. When invoices are paid late it makes it harder for small businesses to pay their expenses on time as owners may need to borrow additional money or even use their own personal funds to support their business. Even subtle increases in late payments can have significant effects on small business cash flow, particularly for businesses with weakened financial positions after the challenging past two years.

Figure 3: Small business late payments, United States

Late payments, days, seasonally adjusted, January 2017 - March 2022

- Late payments were relatively stable prior to the COVID-19 pandemic, but did increase slightly following the onset of US-China trade tensions in mid-2018 (Figure 3). Averaging 8.0 days between January 2017 and June 2018, late payment times increased by almost a full day to 8.9 days between July 2018 and December 2019. This suggests that the uptick of 1.0 days in the average time to be paid shown in Figure 2 was largely due to increases in late payments, rather than changes in payment terms (i.e., invoice due dates).

- An abrupt spike to a record high of 14.5 days occurred in May 2020 at the beginning of the pandemic, which is nearly a week longer than the pre-COVID average of 8.5 days. Late payments improved significantly afterwards, averaging just 7.0 days during 2021, substantially below the pre-COVID baseline. As mentioned above, this was likely due to a combination of generous government stimulus and increased adoption of online payments.

- More recently, the improvement in late payments has continued in 2022, recording an average of 5.6 days late in March 2022.

Source: Xero Small Business Insights, Accenture
Canada

Small businesses in Canada play a significant role in the economy. Combined, small businesses employ **88% of the workforce**, make up almost **99.8% of employing businesses** and contribute to **more than half (52%) of Canada’s gross domestic product**. In 2020, Canadian Prime Minister, Justin Trudeau, referred to small businesses as the ‘key drivers of the Canadian economy and the cornerstone of our communities’. With this in mind, understanding the performance and challenges facing the small business economy in Canada is critical.

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*Industry Canada: Key Small Business Statistics – 2021*
*Statement by the Prime Minister on Small Business Week, October 2020*
2.1 Sales

The sales metric provides an essential reading of the financial health of the small business economy. It measures how much the average business has grown their sales each month, relative to the same month in the year before. In Canada, sales growth prior to the COVID-19 pandemic averaged +9.0% y/y (Figure 4).

Figure 4: Small business sales, Canada
Nominal sales growth, %, year-over-year, January 2017 - March 2022

- **US-China trade tensions** appear to have potentially weighed on the Canadian small business economy. Due to the close geographic and trade relationship between the United States and Canada, there were a number of knock-on impacts to the Canadian economy during this period. Small businesses experienced relatively weak sales growth in 2019, averaging +5.5% y/y across the year and just +3.2% y/y in the second half of the year, substantially less than the 2017/18 average of +10.8% y/y. This means that Canadian small businesses entered the pandemic immediately after a period of weak sales growth.

- **The COVID-19 pandemic** in Canada induced a severe and prolonged decline in sales growth. Sales growth hit a record low of -23.0% y/y in May 2020, and took 8 months to get back to consistent positive growth. Throughout 2020, small businesses sales growth averaged -4.4% y/y, making it an incredibly difficult period for Canadian small businesses. They staged a recovery in 2021 however, and sales growth averaged +15.4% y/y throughout the year.

- **Rising inflation and material costs** appear to be catching up to Canadian small businesses in the first few months of 2022. In March 2022, Canadian small businesses recorded sales growth of +5.0% y/y, however after accounting for inflation they recorded negative real sales growth of -1.7% y/y. In May 2022, inflation (CPI) hit 7.7% y/y, the highest recorded since 1983. Producer price indexes paint an even more difficult picture for small businesses. The Raw Materials Price Index (RMPI) is up an immense 37.4% y/y in May 2022, while the Industrial Product Price Index (IPPI) is up 15.0% y/y, and producer prices are now 32% higher than they were at the beginning of the pandemic (January 2020).

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1. Year-over-year-growth is calculated by dividing monthly sales by sales in the same month the year prior. Therefore, if sales in the previous year were extremely low, sales growth will be overstated.
2. This graph shows nominal sales growth. However, inflation has been increasing rapidly throughout 2021 and 2022. After subtracting inflation, we arrive at the real March 2022 sales growth of 2.8%.
3. Source: Xero Small Business Insights, Accenture
4. Statistics Canada, Consumer Price Index, March 2022
5. Statistics Canada, Industrial product and raw materials price indexes, May 2022
7. “The Industrial Product Price Index reflects the prices that producers in Canada receive as goods leave the plant gate.”
2.2 Payment times

Time to be paid

The time to be paid metric measures how long small businesses are waiting on average to be paid for invoices they have issued. It is calculated from the day the invoice is issued to the day it is paid in full. This metric provides valuable insights on the cash flow health of small businesses as well as the financial position of their customers – which are households and businesses within the broader economy.

Prior to the COVID-19 pandemic, payment times averaged 30.5 days, and tended to range between 29 and 32 days (Figure 5). Unlike the United States, an uptick in average time to be paid was not observed following the onset of US-China trade tensions in mid-2018. Between January 2017 and June 2018, time to be paid averaged 30.9 days, whereas between July 2018 and December 2019 it dropped by nearly a day, to 30.2 days.

While small businesses experienced significant sales impacts due to COVID-19, there was a lesser effect on average time to be paid, relative to the United States. The first half of 2020 saw modest increases in time to be paid. Small businesses were waiting 31.1 days to be paid between January and June 2020, compared to 30.4 days between January and June 2019.

Following the initial peak of the pandemic, average time to be paid for small businesses decreased through the back half of 2020 and throughout 2021. In 2021, small businesses were waiting just 28.1 days to be paid on average, which is 2.4 days less than the pre-COVID average.

Several factors may have contributed to this improvement, but the key factors are likely similar to the United States. Substantial government stimulus programs likely blunted the initial increase in time to be paid by decreasing average payment times during the initial economic shock. Accelerated adoption of online payment services could have also contributed to this improvement as the pandemic continued.

In the latest reading in March 2022, the average time to be paid has improved marginally on the 2021 average to be 27.5 days.

Source: Xero Small Business Insights, Accenture
Late payments
Late payments track how long small businesses are waiting to be paid on average, after the due date of an invoice has passed. It provides a key insight into what can become a real strain on the cash flow of small businesses.

- Prior to the COVID-19 pandemic, the average lateness of an invoice was **8.8 days** which means small businesses were waiting over a week past the average invoice’s due date to receive payment (Figure 6). Unlike the United States, an uptick in late payments was not observed during the US-China trade tensions.

- Late payment times in Canada have decreased following the initial peak of the pandemic. In 2021, small business invoice payments were **6.7 days late on average**, over 2 days less than the pre-COVID average. Invoice payments were consistently less late in 2021 than any year prior, as all months were either at or below the pre-COVID average of 8.8 days.

- As of March 2022, invoices were being paid an average of **6.6 days late** - just below the 2021 average.

**Figure 6: Small business late payments, Canada**

Late payments, days, seasonally adjusted, January 2017 - March 2022

Source: Xero Small Business Insights, Accenture
Global comparison

One of the strengths of the Xero Small Business Insights program is that it allows for cross-country comparisons to be made between small businesses operating in different countries. The sales metric is calculated using the same methodology in all five countries that are part of the program, which allows for comparisons of how small businesses coped during the pandemic and as they wrestle with the latest challenge of global inflation. Note that:

- All five countries experienced sharp downturns during the initial stages of the pandemic (Figure 7), as lockdowns froze cities in place and forced many small businesses to temporarily close their doors. New Zealand had the steepest sales fall at -44.0% y/y, but also the fastest recovery.

- All five countries made a return to positive sales growth during 2020, but some countries recovered faster than others. New Zealand returned to positive sales growth in just 3 months, whereas it took Canada and the United Kingdom a full 8 months to get past the initial downturn.

- As New Zealand entered lockdown to control an outbreak of the Delta variant in mid-2021, sales growth plunged below 0% for the first time in over a year due to the strict lockdowns required to control the highly contagious outbreak.
The rising cost of living is now a global phenomenon, and the latest March 2022 data shows it is beginning to seriously weigh on small business sales. Central banks have begun increasing official interest rates in response to runaway inflation, placing further pressure on small businesses. This means that while sales growth rates have been relatively stable in 2021 and early 2022 (with the exception of New Zealand), rising inflation has likely eaten away at small business margins and left customers with less spending power.

A comparison between sales growth, inflation, and ‘real’ sales growth is shown in Figure 8, revealing that a significant proportion of sales growth in March 2022 was due to higher prices rather than a greater volume of sales. Sales growth can be roughly broken down into two parts – increased prices and increased volumes. Inflation can give us an indication of increased prices, while sales growth less inflation gives us an estimate for how much sales volumes (i.e. real sales) have increased. Despite rising inflation across all five countries, there are still some key differences in real sales growth across the jurisdictions in March 2022. The weakest performance was in Canada, which had a real sales decline of \(-1.7\%\) y/y, and New Zealand, where sales volumes rose just \(1.5\%\) y/y. In contrast, Australia and the United Kingdom experienced relatively robust real sales growth of \(+8.4\%\) y/y and \(+10.1\%\) y/y respectively. This shows that whilst inflation is a common challenge, there are also other factors at play impacting the financial health of the small business economy in each country that is resulting in different real sales performances.
In the United States, sales growth was +11.3% y/y in March 2022 while inflation was +8.5% y/y, suggesting a real sales growth rate of +2.8% y/y. This means that approximately a quarter of the sales growth was due to increased volumes, and three-quarters was due to increased prices.

In Canada, sales growth was +5.0% y/y while inflation was +6.7% y/y, which means that sales growth in real terms actually dropped by -1.7% y/y. When inflation is greater than nominal sales growth, it is likely that sales volumes have fallen and the increase in sales is completely due to higher prices.

Australian small business sales grew by +13.5% y/y in March 2022, while inflation in the March quarter was +5.1% y/y. This means that real sales growth by +8.4% y/y, indicating that the majority of sales growth was due to increases in volume rather than increases in prices.

New Zealand, however, was a different story. Sales grew by +8.4% y/y in March 2022, but inflation was +6.9% y/y. This means that real sales growth was just +1.5% y/y, indicating that less than one-fifth of sales growth was due to increased sales volumes, with the rest being due to increased prices.

The United Kingdom experienced stronger sales growth in March 2022 of +17.1% y/y, off the back of weak March 2020 and March 2021 results. After adjusting for inflation of +7.0% y/y, real sales growth was +10.1% y/y – a strong result. This indicates that less than half of the increase in sales is due to increased prices, and the majority is made up by increased sales volumes.

The small business experience in 2022 is clear: it’s getting more expensive to borrow money due to rising interest rates set by central banks, small business profit margins are being squeezed as their expenses soar due to inflation and customers’ money doesn’t go as far as it used to due to increased cost of living pressures. In the meantime, concerns about significantly slower economic growth over the coming months are increasing in all five countries highlighted in this section. This means that small businesses need our support now more than ever to navigate the challenging conditions which lay ahead.

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Figure 8: Sales growth in 2022
Nominal sales growth in March 2022, %, split into inflation and real effects, %, year-over-year

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<th></th>
<th>Inflation</th>
<th>Real sales</th>
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Source: Xero Small Business Insights, Accenture
4.1 Methodology

Small business definitions
In this report, where we refer to any variation of ‘small business’ we include small and medium businesses. We use government turnover definitions to define small and medium businesses:

- In the **United States**, small businesses are defined as having annual turnovers below a certain threshold, which ranges between US$1 million and US$40 million depending on the business’s industry.21,22
- In **Canada**, small businesses are defined as having annual turnovers below CA$25 million per year.23
- In **Australia**, small businesses are defined as having annual turnovers below AU$50 million per year.24
- In **New Zealand**, small businesses are defined as having annual turnovers below NZ$30 million per year.25
- In the **United Kingdom**, small businesses are defined as having annual turnovers below £6.5 million per year.26

Metrics
Methodology details for the sales, time to be paid and late payment metrics are available on the Xero website. While the core methodology to generate each metric remains the same across the five countries, some differences were necessary in re-weighting approaches to ensure that Xero’s sample is representative of each country’s small business economy. These are:

- An additional regional weighting is applied to sales and time to be paid such that certain regions are not overweighted in the national metrics. This is because Xero’s customer base is not as evenly distributed across states / provinces / territories in the United States and Canada as it is in Australia, New Zealand, and the United Kingdom.
- For time to be paid and late payments, due to lower levels of industry information, an adjustment factor was applied to all observations to approximate the impact of industry distributions. This adjustment was calculated by comparing the weighted experience of businesses with industry information to those without industry information.

This research is based on data from tens of thousands of small businesses in the United States and Canada. The data set goes back to January 2017 with earlier months having smaller sample sizes. Because the sample of small businesses is smaller in earlier years, we expect that historical results are more volatile than in more recent months.

The insights in this report were created from the data that was available as at the date it was extracted, June 2022. Subsequent data releases may show some discrepancies due to late reporting by small businesses.

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21United States Census Bureau. *What is a Small Business?*
22In the United States, small business size definitions vary significantly based on industry.
23Industry Canada. *Small and Medium-Sized Enterprises Growth Study: Actual vs. Sustainable Growth*
24Consistent with the Corporations Act, used by the Australian Taxation Office for certain policies such as *ATO: Boosting cash flow for employers*
25Consistent with Inland Revenue’s definition, sourced from *Small Business Council: Defining Small Business*
26Consistent with the Companies House definition.
4.2 Glossary

A list of key terms referenced in this report:

Year-over-year
This means that the relevant metric is compared to the same month in the year prior, also commonly referred to as y/y.

Sales growth (nominal)
The growth in monthly sales between the relevant month and the same month in the year before.

Inflation
The consumer price index (CPI) in each country is used to proxy the effect of increased prices on small businesses.

Sales growth (real)
The growth in monthly sales between the relevant month and the same month in the year before, but with inflation subtracted. This gives a better representation of the volume of sales made by the small business.

Base effects
Our sales measurements are taken as year-over-year growth rates, if growth is subdued in the year prior then it can overstate growth in the following year. E.g. if growth in March 2020 was -20% y/y, then growth in March 2021 would have to be at least +25% y/y just to get back to March 2019 sales levels.

Seasonal adjustment
Time to be paid and late payments are inherently seasonal metrics. Seasonal adjustment strips out the seasonal pattern from the data, leaving just the underlying trend. E.g. trading conditions in winter months would be different to those in summer.

Time to be paid
The average time, in seasonally adjusted days, that businesses are waiting for their invoices to be paid in full.

Late payments
The average time, in seasonally adjusted days, that businesses are waiting for their overdue invoices to be paid in full.
4.3 Authors and disclaimers

**About Xero**
Xero is a global small business platform with 3.3 million subscribers which includes a core accounting solution, payroll, workforce management, expenses and projects. Xero also provides access to financial services, and an ecosystem of more than 1,000 connected apps and more than 300 connections to banks and other financial institutions. Through Xero’s open platform, small businesses can connect to a range of solutions that help them run their business and manage their finances. For three consecutive years (2020-2022) Xero was included in the Bloomberg Gender-Equality Index. In 2021, Xero was included in the Dow Jones Sustainability Index (DJSI), powered by the S&P Global Corporate Sustainability Assessment. Xero has been named as a FIFA Women’s Football partner under FIFA’s new commercial structure.

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**About Xero Small Business Insights**
The Xero Small Business Insights program provides unique, regular, and timely data showing how small businesses are performing and the important role they play in our community. These insights were produced by Xero and Accenture for Xero Small Business Insights. The principal source of small business insights in this report is customer data from Xero. Xero is a responsible custodian of its customers’ sensitive data and does not release any data that could identify individual businesses. The data used is aggregated and anonymised to ensure the privacy of Xero subscribers, and their counterparts.

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