



Beautiful accounting software

## MEDIA RELEASE

### Small Business Climbs to New Heights in Colorado

- Xero survey reveals colorado is great state for small business owners
- Small business owners reveal difficulties with cash flow is biggest struggle
- 20% of small businesses say legalized marijuana is good for business; 67% say no impact on business felt

**DENVER, June 2, 2015** -- A recent survey of small business owners in Colorado found an overwhelming majority, 96 percent of respondents, feel Colorado is a great place to own a small business. The survey, commissioned by [Xero \(@Xero\)](#), the global leader in cloud accounting software for small business, went on to identify the top reason for this sentiment is due to the great quality of life Colorado provides, according to 66 percent of respondents. The survey also identified that the recent legalization of marijuana in Colorado has had little negative impact, with only 3 percent of small business owners responding that they think it has been bad for business. Xero is announcing these findings in advance of [Xerocon 2015](#), the company's annual user conference held in Denver June 3 - 4, 2015.

"The character of Denver's business landscape is as unique and genuine as the city itself," said Russ Fujioka, U.S. President, Xero. "This market is embodied by talented, intelligent and positive individuals. It makes being an employer in Denver, and having the opportunity to bring our annual conference here, an incredible experience."

#### **Legalized Marijuana: Good for Small Business?**

Marijuana became legally available to purchase for adults 21 and older in Colorado on January 1, 2014. While there continues to be debate on the law in the media, the majority of small business owners say they have not felt an impact (67 percent). 20 percent of respondents said that legalization of the substance has been positive for business, and 10 percent responded that it was too soon to say.

Of the respondents that have felt positive impact, 90 percent say that it has opened up new business opportunities. Additional positive impacts include:

- 58 percent say tourism has increased
- 47 percent say employees are happier
- 47 percent say more young people are moving to the state

#### **Small Business Owners Overcome Fear**

The survey found that in addition to quality of life, Colorado is an ideal location for small businesses to operate because of its central location in the United States (54 percent) and its supportive business community (47 percent). 25 percent of small business owners surveyed said that Colorado's family friendly nature is a motivating factor for operating a business there.

Nonetheless, small businesses still face challenges in Denver, with 38 percent of respondents citing cost of living as “very high.” That response rate rose to 50 percent for new businesses that have been in operation for under two years. In addition, 17 percent of respondents said government programs and bureaucracy are not small business-friendly.

According to the survey, the majority of small businesses in Colorado were founded in the state because the owner already lived there (51 percent); however, 26 percent of small business owners said they wanted to live in Colorado for the lifestyle, and opened their business there for this reason. This was the mindset of Matt and Kelly Johannsen, who are current Xero customers, when they moved from Wisconsin to Denver and founded [Upstairs Circus](#), a haven where DIY enthusiasts can create all kinds of unique projects and indulge in libations with friends.

“My wife and I wanted to do something entrepreneurial for ourselves - to chase the American dream,” said Matt Johannsen. “It was always a “someday” thing. But a few years ago, we started to think more seriously about it and decided to make ‘someday’ today. We moved to Denver in pursuit of happiness.”

### **Forward Thinkers and Advice Takers**

When asked what the biggest business struggle has been, small business owners cited: difficulties with cash flow (30 percent), unexpected or uncontrolled expenses (21 percent) and finding time for day-to-day, strategic execution (14 percent). Interestingly, more than half (57 percent) of small business owners surveyed who have an accountant say they have made changes to their business because of advice they have received from these consultants.

This entrepreneurial spirit and the openness to take and implement advice resonates with Denver-based accountants. “Our clients are very forward-thinking, tech-focused, and are looking for ways to increase efficiency and reduce redundancy,” said Cristina Garza, chief number cruncher at the Denver-based firm [Accountingprose](#) and a Xero-certified accountant. “The business owners we work with start out wanting to wear all the hats -- they want to do marketing, accounting and more. However, eventually they (realize) our job as accountants is to help them identify the part of their business they get the most value from and we take the rest of it. We want them to enjoy life, because you only get to do it one time.”

### **Methodology**

The survey was conducted by Dimensional Research, which polled 200 small businesses (less than 20 employees) headquartered in Colorado to better understand attitudes and experiences around the operations of business in Colorado, including sentiments on the impact of the legalization of marijuana in the state. Respondents were from both rural (26 percent) and urban (74 percent) areas.

**ENDS**

### **About Xero**

[Xero](#) is beautiful, easy-to-use online accounting software for small businesses and their advisors. The company has 475,000 paying customers in more than 180 countries. Xero seamlessly integrates with over 400 third-party tools, and was ranked No. 1 by Forbes as the [World's Most Innovative Growth Company](#) in 2014 and 2015.

**About Xerocon**

[Xerocon 2015](#) is being held at the Denver Center for the Performing Arts on June 2-4, 2015 and will be attended by more than 500 accountants, bookkeepers, small business owners, financial professionals and 35+ exhibitors. Keynote speakers at the event include Xero CEO Rod Drury, Freakonomics author, Stephen J. Dubner and Polly Labarre, a founding member of Fast Company. [Avalara](#) is the lead sponsor of the event. Follow news from the conference on Twitter at [@Xero](#) and with [#Xerocon](#).

**For more information:**

Alice Chan  
Corporate Communications  
+1 415-740-8174  
[alice.chan@xero.com](mailto:alice.chan@xero.com)

Shannon McLoughlin  
Nectar Communications  
+1 518-225-0450  
[xero@nectarpr.com](mailto:xero@nectarpr.com)