

From little things big things grow:

How digital connectivity is helping Australian small businesses thrive



Small Business Insights

What is Xero Small Business Insights?

Xero Small Business Insights (Xero SBI) is a snapshot of Australian small business health, updated monthly. It uses anonymised, aggregated data selected from over 500,000 Xero subscribers. By analysing information from a large group of subscribers, Xero SBI is able to track the performance of Australian small business.

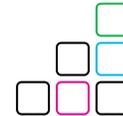
It's our hope that policymakers and large enterprises can use Xero SBI to make more informed decisions that benefit the small business economy.

Here are selected findings from our digital connectivity report, *From little things big things grow*, which is available in full on the Xero SBI website.

As revenue and employment grow, small businesses connect more apps to Xero to automate tasks such as employee rostering and invoicing



Businesses on Xero with at least one integrated app grew revenue by 5.5% a year. That compares with just 3.6% for businesses using no apps.



The more integrated apps used, the greater the revenue growth seen in businesses on Xero; revenue growth and app usage tend to scale up together.



Businesses on Xero with at least one integrated app saw annual employment growth averaging 4.7%, or nearly double that of firms which used no apps (2.5% growth).



Using an employee-rostering app with Xero can save a business owner up to two hours per week, research suggests.

As NBN connectivity grows, so does small business revenue and hiring

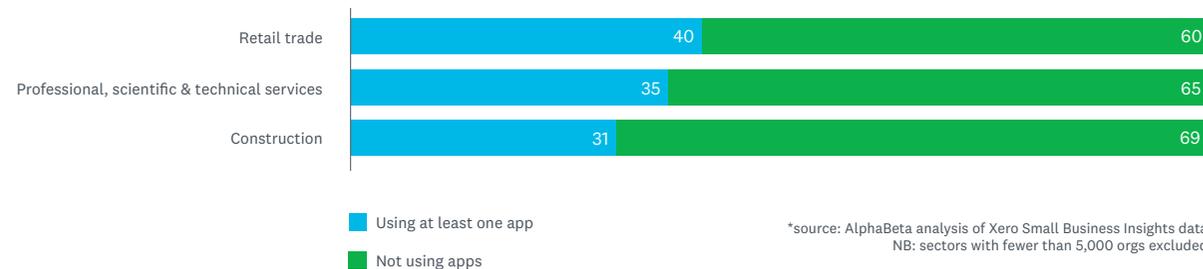


Among businesses on Xero, those in mature NBN regions grew employment by one-third more than peers in non-NBN regions.



Businesses on Xero in mature NBN regions grew revenue by almost two-thirds more than peers in non-NBN regions.

Percentage of SMEs using apps vs not using apps, by industry July 2018



*source: AlphaBeta analysis of Xero Small Business Insights data
NB: sectors with fewer than 5,000 orgs excluded



Small Business Insights

For the full report on digital connectivity, *From little things big things grow*, see the Small Business Insights website.

If you're looking for different insights to help the small business economy or have questions, please get in touch.

Contact: Tyson Lloyd
Head of Strategic Partnerships
tyson.lloyd@xero.com

Marina Holmes,
Communications Director
marina.holmes@xero.com

For the very latest data, visit
www.xero.com/small-business-insights