

# NEW ZEALAND WOMEN IN BUSINESS REPORT

April 2014





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## NEW ZEALAND WOMEN CHANGING THE FACE OF BUSINESS

For many New Zealand women, starting a business is the key to creating a career that is both professionally rewarding and personally fulfilling. Along the way, their skills, experience and pragmatic approach are changing the way the small and medium business (SME) sector works, creating a more diverse and successful economy.

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The women we speak to across the country, some of whom have contributed to our latest Women in Business report, view their businesses not as independent of, but integral to their overall success in life. In taking this approach, they have not only enjoyed a better work/life balance; they are also more likely to define their business as a success.

Our latest MYOB Business Monitor, a survey of over 1,000 local SME operators – over a third of these women – highlights how well women are doing in a resurgent economy.

In the year to February 2015 in particular, New Zealand women in business are more likely to expect revenue gains than their male counterparts. Overall, this is good news for the whole economy. Their confidence this year reinforces our expectations of a highly successful year for New Zealand business.

More than that, women have also revealed a stronger desire to grow. The business owners we surveyed demonstrated a more pragmatic, efficiency-focused plan to achieve success, which overall will support New Zealand's high-performing economy.

Our latest MYOB Special Report is designed to provide more information on the vitally important contribution women make in the SME sector. It also highlights the key areas of pressure women face, and provides guidance on the policies this all-important voting bloc would like to see supported in this year's General Election.

Ultimately, we not only hope to raise awareness about the contribution of women in business. We also want to highlight their unique achievements, and by doing so, inspire other women to do the same.



## BUSINESS PERFORMANCE AND CONFIDENCE

New Zealand women business operators are continuing to see strong performance in the latest MYOB Business Monitor survey. In particular, as they look to the year ahead, women SME operators are more likely to expect revenue growth than their male counterparts. Their confidence in the general economic growth is, however, more muted.

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In the latest Monitor survey, women have demonstrated an improvement in revenue performance over the last six months. 34% of SMEs operated by women increased their revenue in the year to February 2014, four percentage points higher than in the August 2013 Monitor, while 44% have maintained revenue levels. Only 18% of women reported falling revenue in the latest Monitor, again an improvement on August 2013, when 23% saw revenue fall.

Looking ahead, women are even more confident about their own performance. Almost half (48%) expect to see revenue increase in the 12 months to February 2015, a five percentage point increase on their expectations in the previous Monitor survey, and just 8% predict revenue will fall. In this key measure, are slightly more optimistic than men, for whom 47% expect a rise in revenue in the next 12 months and 12% are forecasting a fall.

Over the last year, the best performing female-led businesses were in Christchurch, where 41% saw an increase in revenue, followed by Auckland at 34%, and then Wellington (26%). In the next 12 months, women business operators in Auckland are more likely to expect revenue growth than their southern counterparts. In the 12 months to February 2015, 53% of Auckland women business operators and 48% of women in Christchurch expect to improve revenue, followed by 34% in Wellington.

Although they are positive about their own performance, women business operators are less confident about short-term growth in the economy than their male counterparts. In the latest Monitor, 41% of women in business said they expected the economy to improve in the next 12 months or less, compared to 54% of men.

Both sexes, however, have seen a significant increase in confidence over the past six months, underscoring the strength of the local economy. In August 2013, just 21% of women in business forecast an improvement in the economy in 12 months or less, compared to 32% of men.

**34%** of women increased their business revenue in the last 12 months

**48%** expect revenue to increase in 2014

**38%** have more sales in the pipeline (Feb-Apr)

**41%** expect the economy to improve this year

**IN THE MAIN CENTRES THIS YEAR**

**53%** of Auckland women business operators expect revenue to improve

**48%** in Christchurch

**34%** in Wellington



## CATHY PARKER ADRENALINE PUBLISHING

Cathy Parker has been running her successful publishing company for 20 years and says women offer a unique perspective to the business sector.

"Many women in business are often family motivated, which tends to give them a lot of drive. They feel they have to be successful to meet the needs of their family, so are often very focused."

"In general, women tend to be flexible and understanding when it comes to their staff, who may also be juggling many responsibilities in their work and family life. This creates loyal staff, such as mine, some of whom began part-time and have grown into full-time roles."

**Cathy's company, Adrenalin Publishing, produces a range of specialist business, trade and automotive magazine titles, as well as websites, digital editions and e-newsletters.**

Cathy came from a background in the car leasing industry and was looking for a change when she started the company in 1993.

"After being involved in the car leasing industry, I wanted to do something I had knowledge about, so began publishing two motoring titles. With my knowledge of the industry, I understood what we were writing about, but nothing about publishing – so that was a steep learning curve for me. We now publish seven titles, including NZ Business."

Cathy says her motivation to grow the business was two-fold. "I wanted to be in control of when I worked, so I had work-life flexibility. I have two daughters, so it's great to have the ability to be able to attend their school sports days and other important events whenever they come up. I also wanted to do something good for the community, by informing, educating and inspiring our readers."

When it comes to support for SMEs, Cathy believes it's not just a hurdle for women. "Is there enough support for SMEs in general? I'm not sure. I have found though, that there is a very strong representation of women in the SME sector and I have met some amazing women through our company connections."





## PRESSURES ON WOMEN IN BUSINESS

Overall, pressures on women have decreased slightly in the last six months.

However, women are still showing that they are slightly more concerned than SMEs overall about the key pressures faced by the SME sector. In particular, as they focus on growth, managing cashflow is of greater concern to women.

### THE TOP THREE PRESSURES



**26%**

Fuel prices

(25% all SMEs)



**24%**

Cashflow

(21% all SMEs)



**23%**

Interest rates

(22% all SMEs)

As the overall state of the economy has improved, with consumer demand and confidence increasing, the pressure of attracting new customers has fallen. In August 2013, women ranked this as the second highest pressure, at 28%. It has now fallen to 21%, fourth equal with price margins and profitability.

## INVESTMENT STRATEGIES FOR THE YEAR AHEAD

The key focus for women in business in the next 12 months is increasing their profitability by raising prices or improving margins. As for the whole SME group, inflationary pressures are on the rise. Just over a quarter of women are likely to be increasing their employees' wages and salaries (26% compared to 23% overall), and around a third are likely to raise their price margins (29% vs 30% overall).

### TOP FIVE AREAS TO INCREASE INVESTMENT



Prices and margins  
on products/  
services sold

**29%**



Customer  
acquisition  
strategies

**23%**



Customer retention  
strategies

**27%**



The number or  
variety of products  
or services offered

**23%**



The amount paid  
to employees

**26%**



## NATALIA SCHAMROTH THE ENGINE ROOM

Natalia Schamroth and Carl Koppenhagen have been running their busy Auckland restaurant, The Engine Room, for just over eight years.

The popular eatery offers fine international cuisine and has won a range of awards, including Metro magazine's Best Upmarket Bistro for eight years running, Best Restaurant 2007 and Runner up Best Restaurant 2013.

The couple recently renovated the restaurant, located at Northcote Point, and it has now doubled in size.

Natalia is a chef, writer, and experienced business-woman, who is also a mother to their five-month-old son. "Women have the unique ability to multi-task and adapt to different situations," she says.

"I was a chef in the hospitality industry and wrote for Cuisine magazine for 12 years. I am now front-of-house manager for our restaurant, as Carl is in charge of the kitchen.

"I also run the office and now that I'm a mum, I juggle the whole lot. It's been incredibly challenging, especially during the renovation when Carl was overseeing it and I was home with our newborn baby. However, owning your own business gives you great flexibility. I can take the baby to work if I need to, and come and go."

**She says opening the business was an extension of their passion for the hospitality industry. "It's not about work/life balance for us, as it's a family business and there will always be a massive crossover into our personal life, so we just have to embrace that."**

"We love providing a great place for people to enjoy themselves. We are open five nights and one lunch a week, and close four weeks a year for a holiday, so it's not about the money, or we would be open seven days a week – breakfast, lunch and dinner. It's about being able to sustain this lifestyle for the long term – for us, our long-term staff and our regular customers – and not burn out.

"We have time away from the business to rejuvenate, do research and bring back interesting ideas. We have both worked in hospitality for other people for many years, and it's great to finally be able to have the flexibility to enjoy events such as Christmas, without having to work if we don't need to."





## WINNING THE WOMEN'S VOTE

As the 2014 General Election approaches, women in business want the Government to do more to support them in business.

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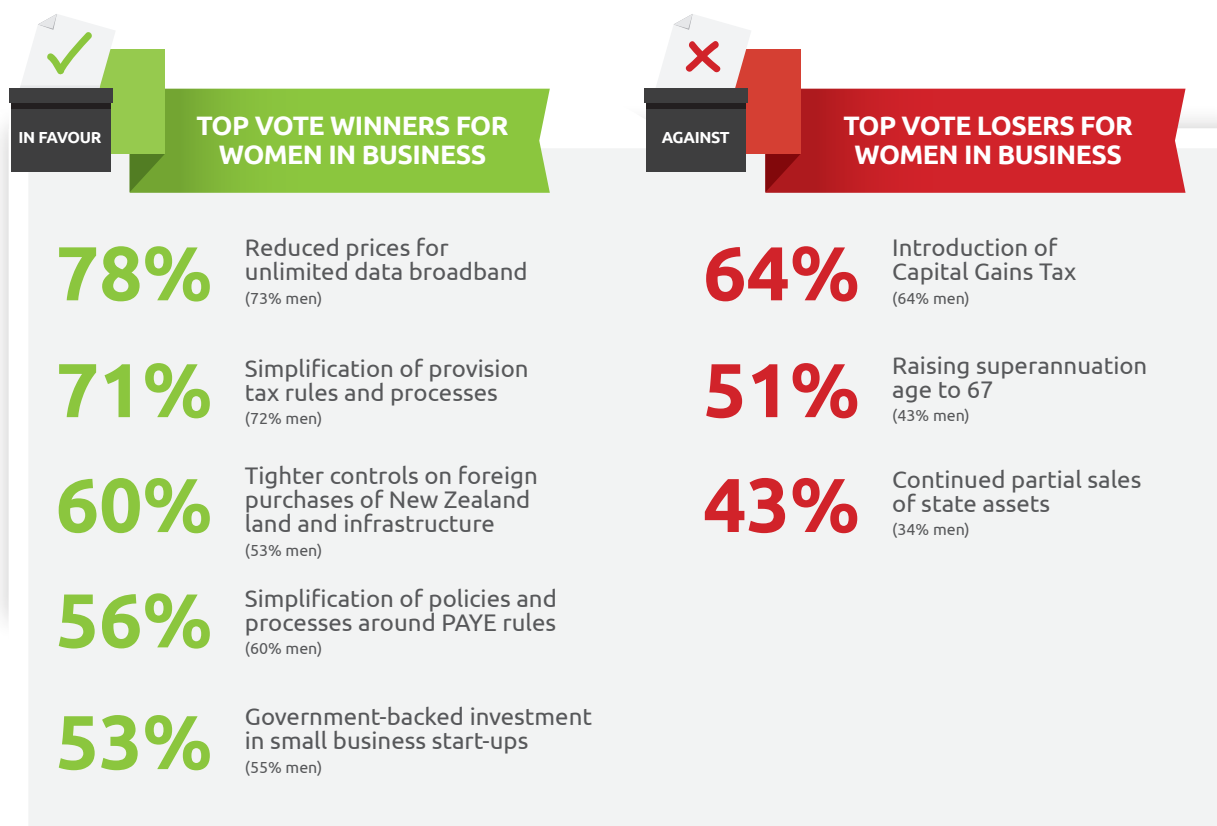
According to the latest Monitor, just 28% of women in business say they are satisfied with the support of the Government when it comes to helping their business succeed (compared to 35% of men). This is, however, a significant improvement over the last six months, when 17% felt satisfied with the Government's support.



## POLICIES FOR WOMEN IN BUSINESS

A range of policies appeal to the vote of women in business, from moves to reduce the cost of broadband, to cutting red tape.

Strong vote winners also include limits on foreign investment and Government-backed funding for small businesses. Women tend to be strongly opposed to a number of policies likely to be a focus of the 2014 election, including Capital Gains Tax and raising the superannuation age. Unlike men, whose views have shifted slightly in the last year, women are also still strongly opposed to state asset sales.





## DEFINING SUCCESS

Overall, women are more likely than men to describe their business as successful. Almost three quarters of women (73%) rate their business as successful, compared to just over two-thirds (68%) of men.

Women have also been able to find a good balance between work and life, with 60% reporting they are happy with their work/life balance in the latest Monitor.

When considering the long-term goals for their business, women are more likely than men to want to grow their operation, while more men are in business to pursue a passion.

### MAIN GOALS FOR WOMEN

**50%** I don't want to make lots of money  
(50% men)

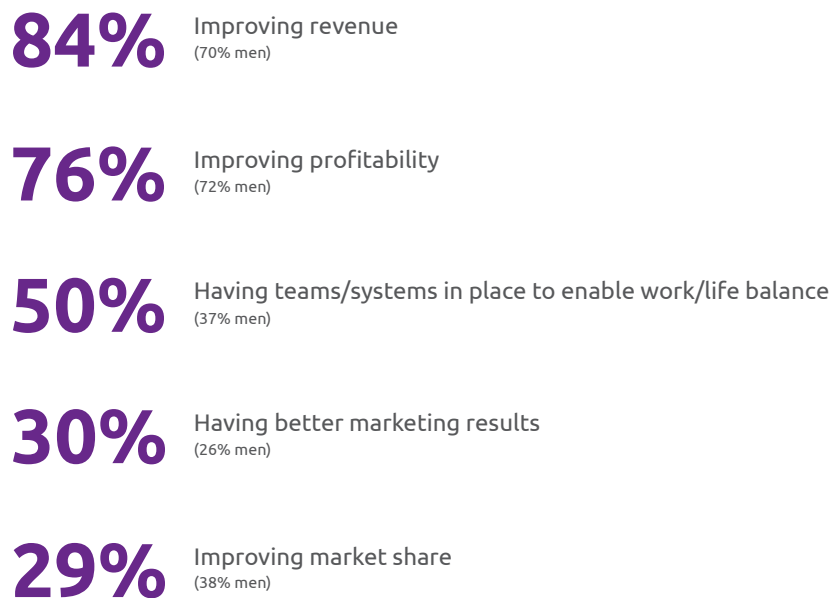
**36%** My aspiration would be to grow  
(33% men)

**14%** My business is more about pursuing my passion  
(17% men)



Women are taking a pragmatic view of business growth, with a strong focus on improving revenue and profitability. But they also see the value of building a strong team in order to afford them greater opportunity to enjoy a better work/life balance.

#### WHAT DOES BUSINESS GROWTH FOR WOMEN MEAN?





## NATASHA MCDOWALL TAEL SOLUTIONS

Natasha McDowall, founder of Tael Solutions, an Auckland-based accounting practice and business advisory service says the female SME operators she deals with are very focused on growth for 2014.

"We've been working closely on 'breaking down the elephant into bite-sized chunks'," says Natasha. "By that I mean closely analysing the steps required to realise their goals, and setting clear KPIs to achieve them in the weeks and months ahead."

**Natasha says that while it is encouraging to see local women finding greater success in business, there is still more to be done.**

"It's up to all of us to be more supportive," she says. "Women can be less confident in planning for their own success. However, I have found, working closely with a number of my female clients, that when you provide the right support and encouragement, they can achieve really amazing results."

Natasha believes women bring a unique perspective and distinct skills to the business sector. "Women are used to juggling a lot of roles and are often very time poor, because they are managing a number of responsibilities, both in work and in their family lives.

So they can be very focused on ensuring they get the most out of their time. If their business isn't providing them the returns they need, why would they do it?"

While a number of barriers still exist for women, particularly in the more corporate environment, Natasha believes the situation is changing significantly, especially as more women design their workplaces around their own requirements.

Like many other women in business, Natasha has felt the isolation of not having a professional peer group to provide feedback and guidance.

"To create a more supportive business environment, I got together with a number of women in different businesses to create an informal 'board of directors'. This is working very well, as we are accountable to each other to achieve our goals and KPIs while providing an avenue for professional support and feedback.

"I think it is crucial in business to have a diverse range of views in order to bring unique perspectives, ideas and innovations," says Natasha.





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