

MEDIA RELEASE
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For Immediate Release



Owners Pay High Price For Being in Business: Survey

A big percentage of Australian business owners are paying an extremely high price for being in business by having to pay their staff members more than they earn themselves.

A national survey of small business conducted by the Results in Business Institute found that 63.6 per cent of business owners said they had a staff member taking home more weekly pay than them.

In addition, a high 61.3 per cent of owners responded that they felt they did not take home a salary that justified the time and effort that they put into running their business.

“The results are obviously quite concerning and reflect the enormous pressure on business owners employing staff to pay high wages, especially in a marketplace where low unemployment means it is more difficult to find and retain good staff,” said RIBI chief executive Ross Hancock. “For more than two-thirds of owners, it seems that being in business is anything but lucrative when they have employees earning more than they do.”

This is despite the fact that 42.4 per cent of owners said they had some form of tertiary qualification and 50 per cent stated they had spent money on business or personal self development and improvement courses.

Another concerning finding from the survey was that 56.8 per cent of respondents said they were not satisfied with or did not get a commercially acceptable return on their investment.

When asked about their three major concerns, 45.5 per cent of respondents listed finding and retaining good staff, while 12.8 per cent named bureaucratic red tape as a major concern. Cash flow difficulties, finding new clients and marketing also ranked very highly in their list of concerns.

Mr Hancock said that while he was shocked by some of the survey outcomes, other results were in line with what he and the RIBI network found on a daily basis when consulting to the SME community.

“The results are symptomatic of the many problems facing small businesses, but it’s not until a large number of businesses are surveyed and the results collated that the big picture becomes evident. We are in a strong economy but many small business owners are not really reaping the fruits of their labours when they have to factor in the high costs of just being in business, such as spiralling rents and expenses.”

About the Results in Business Institute

The Results in Business Institute is a network of over 50 independent business consultants and coaches who service and support the small business community throughout Australia and New Zealand.

The survey was conducted on the customers and prospects of these independent licensees.

For the list of questions asked and a more detailed overview on the issues of concern to SMEs, contact the Results in Business Institute on 1800 305 380.

www.ribi.biz