

NEWS

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Small business owners walk, report

By a staff reporter

Only 47 per cent of Australian small business owners have an exit strategy, and of those, 22 per cent simply plan to shut their doors and walk away, a Commonwealth Bank report has shown.

The bank's Investment Trends and Local Business Owner Report found one in four owners aged 60 or over planned to close their business, and two thirds of generation Y were acting to sell.

Of those planning to stop operating, 60 per cent were still actively reinvesting profits back into their businesses.

"It's alarming that so many small business owners are prepared to walk away from the businesses they've worked so hard to create, especially when they're still ploughing a significant amount of time and money back into them," said Arnie Selvarajah, general manager of Commonwealth Bank Local Business Banking.

The report found half of small business owners were working more than 50 hours per week, 13 hours more than the national average of 36.9 hours.

Mr Selvarajah said "an issue for many owners is that their businesses are dependent on their personal presence, making them difficult to sell."

He said small business owners should plan ahead if they want to build a saleable business, and put systems in place so that other can reproduce their success and new owners can easily step into their shoes.

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