



Smaller outfits remain upbeat

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WHILE business confidence has continued to fall, most small business owners are still optimistic, a Commonwealth Bank survey says.

The Small Business Owners' Report, conducted for the Commonwealth Bank by independent research company Investment Trends, surveyed 1266 people last September.

The survey found two-thirds of small business owners were confident about their own company's prospects, despite the economic downturn.

Investment Trends principal Mark Johnston said the confidence levels of small business owners depended greatly on whether they were focused on internal or external factors.

"What the research highlights is that a strong majority of business owners remain confident about how their business will fare," Mr Johnston said.

"Moreover, those who expressed confidence said their view was based on internal, measurable statistics like profitability and demand."

"Those less confident spoke about concerns related to the state of the economy."

The Commonwealth Bank's executive general manager for local business banking, Symon Brewis-Weston, said many business owners were yet to feel the full impact of the current market volatility.

"Anecdotally, business owners tell us they are aware of bad economic news and forecasts of worsening conditions, but most say that it has not yet affected their business," Mr Brewis-Weston said.

"However, most business owners are concerned that the tougher conditions will start to affect their businesses by the end of the first quarter, in March of this year."

Mr Brewis-Weston said there were a range of measures that business owners could implement now to prepare their businesses for the tougher times ahead.

"The number one priority for business owners should be to improve their cash flow practices," he said.

"When times are tight, business owners should look to speed up the cash flow cycle by chasing debtors, managing stock levels or reviewing their pricing levels."