

NEWSBRIEF:

AUSTRALIAN BUSINESSES UNPREPARED – IS THAT A CHANGE?

Australian businesses acknowledge that they are not prepared, resourced or have the financial capacities to drive change, ...at the rate required.

More than 80% recognise that their change initiatives are in response to competitor, disruptor and key client actions, standards, policies and expectations. That is, most are not driving change to gain competitive advantage and relevance.

The appointment of “change managers” or “change facilitators” are limited to public-listed companies.

The highest-ranking issues about changes were recognised to be (in descending order):

- Supply chain/distribution network
- Communications – including social, customised and data-determined information
- Payment systems
- Staff member skills/recruitment

Notably, artificial intelligence and automated systems were not ranked among the five most pressing and immediate matters of concern. Each was readily recognised as an evolving matter, however, the nominated top five issues were assigned greater priority.

EXTERNAL RESOURCES, COLLABORATION

The owners and managers of small, and medium sized entrepreneurs identified the need to secure external resources and expertise to implement appropriate changes in supply, communications, purchasing, payment and recruitment processes.

Cost was an important consideration.

Across the board, Australian business leaders are sensitive to challenges of retaining competitiveness, relevance and economic viability.

A pattern of increasing numbers of recent liquidations has heightened awareness.

PRIORITISED ISSUES:

The greatest allocation of time, money and resources by Boards of Directors and senior management of public companies was being assigned to (in descending order of nominations):

- Cash flow
- Profit margins/pricing
- Fixed and variable costs – particularly wages
- Inventory management

- Product/service supply – continuity

Rental payments were of particular concern to those entities in the retail sector.

BOARD ROOM AGENDAS:

The primary focus of, and reviews of Boards of Directors were nominated to be (in descending order of unaided nominations):

- Governance
- Financial prudence
 - Capital management
 - Overheads
 - Cash flows
- Risk management
- Environmental/ecological issues
- Change/digital disruption
- Supply chain processes
- Market competitiveness/relevance
- Artificial intelligence

ANALYSIS

Barry Urquhart of Marketing Focus, who conducted the series of intensive confidential one-on-one interviews, said:

“Business leaders readily recognise that they are conflicted with competing priorities.

Retaining, or striving for, positive cash flows, competitiveness and economic viability are the principle issues at present.

Enhancing efficiency and effectiveness in the supply chain, communications, transactions and payment systems are, collectively, the key secondary topics.

Change, disruption and artificial intelligence are recognised, and respected as rapidly evolving challenges. However, immediately centres on defensive strategies.

Planning schedules identify a time span of 3 to 5 years as that which most applies to change.”

RESEARCH METHODOLOGY

A total 48 intensive, personal and confidential one-on-one interviews were conducted with the Board members of public companies and the senior managers (owners) of small, large and medium sized companies during the period 1-28 February.

The interviews were conducted in Sydney, Melbourne and Perth. Among public and private companies, franchisors, buying groups and profession/sector associations.

The categories represented in the sample frame included:

- Finance
- Tourism/travel/hospitality
- Retail
- Manufacturing
- Subcontracting
 - Mining
 - Construction
- Franchising
- Automotive retailing

For interviews:

Contact:	Barry Urquhart Managing Director Marketing Focus
Mobile:	041 983 5555
Email:	urquhart@marketingfocus.net.au
Office:	(08) 9257 1777