

Jenn Donovan on the Flying Solo podcast

*Automated transcript

Cec Busby

Hi everybody, I'm Cec Busby, editor of Flying Solo. Welcome to our weekly podcast where we step inside the minds and lives of soloists and small business owners.

Today's guest is Jenn Donovan. Jenn is an absolute legend in the small business sector. She's the host of a slew of brilliant small business podcasts – *Stories from the Bush*, *Small Business Made Simple* and *Along the Murray*, as well as being the founder of Social Media and Marketing Australia, the founder of Buy from a Bush Business – which has something like 355,000 members, and she's the co-founder of Australia's premier marketplace for regional and rural small businesses - spendwithus.com.au. Now while she wears a lot of hats, she's not here to chat about any of those today. Instead, Jenn will be joining us to give us the lowdown on the findings from the Big Small Business Survey. And I'm super excited to hear what she has to say.

Jenn, welcome to the show. Thanks so much for joining me today.

00:03.20

Jenn Donovan

Absolute pleasure. So excited to come and chat to you about our survey that we did.

00:11.31

Cec Busby

Yes, the Big Small Business Survey. It's got an excellent title, I must say.

00:17.34

Jenn Donovan

<laughs> Kind of explains what we're after doesn't it?

00:26.16

Cec Busby

Yeah some great marketing right there. So it was your first year running the survey. Can you explain a little bit for our listeners about why you and your cohort decided it was time for a survey like this? There was a group of 5 of you behind this, all of whom are probably very familiar to our Flying Solo audience.

00:45.67

Jenn Donovan

Yeah, absolutely, so David Jennings was involved, myself, Andrew Griffith, Katrina McCarter and Dale Beaumont. We were the five that were involved and it really just started with a conversation I know Katrina had had with me, and she'd also had with Andrew, around just small businesses feeling like they're a little bit unheard. We feel that what was a way that we could help not only make businesses feel heard but also perhaps inject some change into what's actually happening out there in the landscape. Personally, I am from rural Australia so I really felt like rural Australia was sort of not being heard and not sort of connecting with

what policies were being introduced and what governments were saying. And also a little bit of what the media was saying. So we thought one great way is to actually hear from the people that we want to help so that, of course, was the small businesses. So that's really how it came about was just looking for ways to help and also for us to learn as well. Like small business is all of our audiences so to learn a little bit more about what was going on in their land was a really great initiative as well.

02:03.39

Cec Busby

You're absolutely right because I was chatting to you before we started about the way that small business is depicted as the backbone of the economy, the heart of Australia, blah blah blah, like all these kind of cliches come out whenever people talk about small business. And it's like hooray hooray for small business but where is the actual action and support? That's how I feel a lot of times when we're talking about small business here. The sad truth is when it comes to policies, small businesses are rarely consulted. Often they're overlooked when when it's time for assistance is needed and I think you guys doing this survey is a great opportunity for the people that are making those policies to get a real insight of what small business owners are actually needing and how they can be helped. I mean it seems like a great tool to instigate change.

03:02.53

Jenn Donovan

Yeah, and look I guess we have to be realists as well, that we were coming off 2 years of a pandemic and small businesses actually changed a lot. I think the way people, consumers, interact with small business had changed, but also small business owners had changed as well. So that was the other thing that we really wanted to get a bit of a handle on, was how has business changed? What does it look like? And like you said, it was the first year that we had done it but it is something we would like to keep doing year on year. To really notice the trends and notice the changes of what's going on in this small business landscape, which like you say, everyone calls the backbone of the economy and if you look at the stats, it really is one of the backbones of the economy. And yet really isn't given the limelight that it's needed.

03:57.72

Cec Busby

I'm all about giving the small business the limelight. So I'm really grateful that you guys have done this survey because some valuable insights have come out of it, I think.

04:11.31

Cec Busby

Now, I'd like to get into a little bit of the nitty-gritty of that. So, can we talk about the results that have come in and the findings from the survey.

04:21.38

Jenn Donovan

Yeah, absolutely. So I think just to sort of start off, about 55% of the people who answered the survey were between 41 and 56, and over 96% of the people who did the survey had a

turnover of less than \$4.9 million. So that just gives you a bit of an idea of who actually filled out the survey. But probably one of the biggest things we found was that small business owners were really looking at how do they grow in this economy now things have changed, things are looking a little bit different. So actually over 36% of them that was one of the key top challenges that we found, was people like how do we grow our businesses in this economy. So that was a really interesting stat as well. I think as far as small business owners went, we hear a lot on the news about them not being able to employee staff or can't get the staff that they want, but really I think that didn't sort of come through so much in a survey, but it was more how does the business owner keep up with all the things that a small business owner needs to do.

05:35.63

Cec Busby

So there was kind of a bit of a sense of overwhelm.

05:39.00

Jenn Donovan

Yeah, definitely a sense of overwhelm for the small business owners and that sort of came through with the rest of the top findings which were how to find more customers, how to manage cash flow. I think the survey, I think the stat was something like almost 23% of them were experiencing some sort of burnout as small business owners, which I think will be a really interesting stat to watch as we do this survey year on year, to see whether the burnout was a Covid, lockdown, businesses change thing, or whether it's actually a thing that small business owners are experiencing, always have, but have never really been asked about it.

06:23.21

Cec Busby

Because I think there is a perception amongst the community that small businesses are overwhelmed and overworked, and that probably has been around way before Covid. But it will be interesting I think to understand how the pandemic and the lockdowns and then the recovery, which was quite, kind of almost frenzied to begin with, when businesses first started coming back because there was so much demand for small business when the lockdown ceased. And now everything's settled down and then also there's this bit of a slide because of the economic downturn, like, charting that emotional wellbeing journey I think is going to be something very, very interesting over the next couple of years. So, what sort of stats were you seeing in terms of mental health challenges from the past year or so? Were there particular things that were keeping people up at night?

07:28.35

Jenn Donovan

Yeah, look the mental health one was a really interesting one to sort of do. It's not my zone of genius so I really loved the stats that came through round mental health. The sort of key stresses that we found that small business owners were under were not having enough money to provide for themselves or their family. 10% of people found it hard to have decent boundaries around work and family so that whole balancing act that everyone is going through. The stat did show that 58% of small business owners had experienced a health

challenge, a mental health challenge, in the last two years. I think that stat was quite astonishing and not surprising, all at the same time.

It was interesting then to see the breakdown of how many actually, what they did about that mental health challenge that they were having. And I have to say the highest stat was actually about 21% actually reached out to fellow business owners to chat about what was going on. And they really felt that that was one of the best ways that they could get through their mental health challenge, which I think is a fantastic thought as far as small business owners helping small business owners, and sort of having that community around you to help you through the ebbs and flows of small business.

08:57.67

Cec Busby

What would be the recommendations in that mental health area for policy or local government changes, that could support mental health for small business owners?

09:14.28

Jenn Donovan

Yeah I think, I'm not that okay with government policy around mental health issues. But I know one of the biggest issues is actually trying to get counsellors and trying to get therapists and things like that. So the stat does bring up, the whole survey brings up questions on questions I guess. Did most people reach out to another small business owner to seek help, to seek that chat because they couldn't see a professional? Because it was hard to go and see a professional? Or there's just not the professionals out there to see, so is that ... governments need to start looking at universities and how many people are coming through, where the leakages are? Is a certain industry taking all of the graduates or are they not filtering through into more country areas, that they're staying in cities? There's all that sort of thing that, yeah.

It's all very well to say they reached out and spoke to a fellow business owner, which I think is fantastic that people are willing to speak about their mental health challenges. But what is that the result of? Is that the result of just not having a professional to go and see? Or, of course, the time that we're talking about, it was so hard to see a doctor. There were so many hoops to go through to actually see a doctor. So I think questions on questions is what the survey brings out as far as mental health challenges go.

But I think just governments, all the way down from federal to local, recognising that there is a mental health crisis going on, whether you're in the city or in the country, and thinking how can we help this? How can we actually build some strategies around helping these small business owners, or really anybody in the public, but specifically we're talking about small business owners today.

11:06.87

Cec Busby

A couple of questions just from that. I mean you're from a regional area. Was there in the survey any findings in terms of mental health that lean more towards there being issues for those in regional areas, because they didn't have that same access as people in the city?

11:23.72

Jenn Donovan

Yeah, the stat was a little bit higher for reaching out to people who were non-professionals. So, reaching out to fellow business owners, reaching out to family members, family and friends type of thing - that stat was higher in the regional areas than what it was in [the cities]. And I guess I broke down all the regional figures and stats because that's where my passion lies. So I did actually notice that there was a bit of a difference in that stat - not too much, but there was a noticeable difference. And again, that just makes me question is it because there isn't the resources in rural and regional or in country areas as opposed to city areas? But I don't know the answer to that because I think cities probably went through bigger lockdowns, especially if you take Melbourne, for instance. They had bigger lockdowns than what the country people did. So yeah, again, a really great stat to be watching in the 2023 edition of this survey.

12:24.95

Cec Busby

And what about small business owners' teams? I guess you like to think wherever you're employed that your employer has your best interests at heart, but when you're a small business and you have a team, that relationship is face-to-face and very intimate, usually. So was there a sense that they also not only had to look after their own mental health but the mental health and well-being of their teams as well?

12:53.70

Jenn Donovan

Yes, definitely, definitely. That stat of 'one of their biggest challenges' was looking after their staff, looking after their own mental health but the mental health of their staff. But also just having enough money to be paying staff, to be able to keep them on, because when you employ people, you realise you do have a duty of care or a bit of a responsibility to put food on more tables than just your own. So I think there was definitely that pressure coming through as a sentiment to the survey, for sure. 33% of small business owners said they are experiencing issues finding and hiring quality staff during the time of the survey. So I think again, is that a repercussion of the years that we've been through, or is that something that's going to be ongoing? And again, does that come down to people's mental health, where they just couldn't work anymore, there wasn't the stability there? And therefore that has ongoing repercussions of then needing to hire new staff. So it's kind of like a Pandora's box really.

14:07.99

Cec Busby

Yeah, especially at the moment when it comes to staffing. Hopefully, some of the changes to immigration policy will mean that there will be more people able to come in to fill in some of those skilled roles that we're missing.

But what about training and access to training, or access to money to help train people? Did that come up as something of concern?

14:34.68

Jenn Donovan

No, we didn't really. I don't think that was really a question we tended to ask about training. It was more around, have you actually increased wages, have you found that you've been unable to increase wages because you've had to increase everything else? That your inputs and your outputs have increased and things like that. So it wasn't a specific question that we asked, but a great question to ask in the 2023 one. I think quite a few of the small business owners ... around staffing, one of the questions was, what happens if you can't find staff? And the biggest result for that, which was around 20%, was they basically would have to ask their staff to work longer hours. Which was a little bit different in the rural stats or the regional stats that I pulled out, which were basically the small business owner going, well I'll either have to work longer hours or I might have to close my business. So that was one of the things that I found was a little bit different as you went through and broke the stats up to city versus country respondents.

15:48.79

Cec Busby

And I remember you mentioned at the top of the survey that a lot of the businesses had been in business for over ten years. Was that across the board or was it more specific to rural areas or city areas ,or there was no real differentiator?

16:07.86

Jenn Donovan

No, there really wasn't any differentiator in that. I did find that - I said at the start there that 96% of respondents said that their turnover was less than \$4.9 million. Interesting in rural and regional areas, the highest stat - and I don't know exactly up the top of my head what the stat was - but the highest stat with the income bracket was under \$50,000. So the majority of people who answered from a rural and regional area were actually turning over less than \$50,000 which, it was a little bit scary to look at that. And then, of course, then you go, well, that's why they can't afford to pay staff because they're barely affording to pay themselves.

16:52.73

Cec Busby

They can't afford to pay themselves. Oh dear.

16:58.47

Jenn Donovan

Yes. That's what I found the most interesting with the whole survey, was just looking at the stats and then, again, you would ask more questions, or you would actually get the answer to some of the questions that you were thinking in your head. Like, I had to do the marketing one which is, I guess, my little section was about marketing. And there was 64% of people saying they expected to increase their marketing spend in 2023, but 83% of them actually said they had little to no marketing plan in place. So, from my point of view, it was like, what are you spending your extra money on? You haven't got a plan. So that was one of those stats when you glue them together, you really start to get a really good sense and picture of what's actually happening out there and where small business owners actually do

need more guidance and more help. Whether that be through government policy or coaching and mentoring things that come out of both government and private sectors.

18:02.66

Cec Busby

Did you dive in to see where they were actually spending their money?

18:10.53

Jenn Donovan

We didn't really dive into say, where they were spending their money. It was more so where they were spending their time for their marketing.

18:18.79

Cec Busby

Well, same thing really isn't it.

18:22.98

Jenn Donovan

Yeah, although, it would be it would be no surprise to anyone to know that most people were spending the majority of their marketing time on social media, which technically is free, but I think we all know if it's for free, you are actually the product.

18:36.22

Cec Busby

Yes.

18:39.62

Jenn Donovan

They're spending most of their time doing what they think is free marketing, but also their time is worth money so they're trading time for money, I guess. Thinking that I spend an hour doing my social media but I actually charge out \$60 an hour, so technically it costs me \$60 - it wasn't free.

18:57.68

Cec Busby

Yeah. So did you look at ... were they using it as a brand awareness kind of thing, or were they using it to try and convert to sales, or you didn't look that deeply?

19:13.50

Jenn Donovan

Yeah, look I can't remember the stats off the top of my head but there was definitely a breakdown of businesses that were using it more to try and drive sales, and then creating that brand awareness. They were the 2 top stats that we found as to why people were using social media. Interesting enough, the success of that was more around brand awareness. They found they were getting a lot more success using it for brand awareness than what they were using it for sales. But again, I go back to not having a plan. It's awfully hard to sort

of... what he said, if you don't know which road to take, any road will do. So I'd suspect that's one of the reasons why brand awareness was working better for most businesses.

20:06.44

Cec Busby

Yeah, it's hard to use some marketing to grow your business without actually having a plan of how you're going to do it.

20:13.66

Jenn Donovan

Yeah, it is, it is. Like, I think the stat was something like 54% of people actually, one of the problems they found, the biggest problems with social media was actually coming up with the content. So, and then 45% of them found social media too time consuming. So again, 80% of them are using it for social for growing their business and sales and brand awareness, but they're also finding it hard to come up with the content and finding it all too time consuming as well.

20:44.37

Cec Busby

So was there a sense that they would really value education in this area?

20:52.10

Jenn Donovan

There was a sense that they needed more help in this area, they did actually, they would like to know how do you come up with more engaging content? How do you get a better return on your investment if 80% of people are using social media and they're spending 60% of their marketing time or their marketing budget on social media, how do you get a better return for that? But also, what is the return for that? How do you judge the return for that if it's not in sales?

So there was a real sense of that, and I know that there's a couple of big federal government programs that are winding up towards the middle of this year, which is all about helping these small business owners. So again, I'm hoping that governments sort of sit back and think to themselves, is it time to finish those programs or is it time to reinvest in these programs, or perhaps reinvest in a new program, because clearly the need is still out there.

21:54.20

Cec Busby

Now what about technology? I imagine that also played a big role in the survey. What kind of findings did you get there?

22:03.63

Jenn Donovan

Yeah, so 41% of small business owners said that they were concerned about the impact of new technology on their business. I think, if you had surveyed them in January when ChatGPT was all the rage and everyone was talking about it, maybe it might have been 80%

of people were a little bit concerned, but interestingly enough though, 60% of people - actually oh sorry, not 60% - a third of people said that they didn't believe that technology would replace human roles. So that was a little bit interesting there. So as much as they're concerned about technology, it's not from a replacement of jobs point of view, is my reading of the survey. They're concerned with keeping up with technology and making sure their business can continue to grow, despite or with the technology that is actually coming into their world all the time.

23:02.39

Cec Busby

So did business owners feel like they were keeping up with the changes in tech? Because thanks to Covid there has just been so much of an acceleration in digital technology.

23:14.65

Jenn Donovan

Yeah, look interesting. And I thought this was one of the stats that I was really quite surprised about, was only 4% of people said they had poor knowledge of technology. So most people do actually think they've got a fair to good handle on technology, or are willing to learn new technology. Most people to get their knowledge, though, were using free resources. The top answers were watching Youtube videos and searching on Google to learn about new technologies, listening to podcasts. And then we had the paid strategies that were under there where people had actually invested in courses or attended events. Or actually then hired an IT consultant or hiring someone in technology to help them. So, people aren't concerned about it, know that it's out there, know that they need to move with the times, and seem to be quite willing and happy to do that. But they're looking for the free resources first before they're actually looking to hire and pay for the knowledge that's needed, which again is a little bit interesting.

24:22.74

Cec Busby

I guess, if you're talking about your businesses in regional Australia that can barely pay themselves, how they're going to pay for courses to get their education that they need?

24:32.40

Jenn Donovan

Yeah, it all starts to glue and make sense doesn't it when you sort of look at it as an overview. And I think that has been the most delightful thing about being involved in this survey is having access to these stats and really being able to paint that picture and glue the jigsaw pieces together and see why one thing's interlocking to another thing. It all really does make sense.

25:05.10

Cec Busby

So did you also look at stuff like the cost of living and how that was impacting businesses?

25:14.11

Jenn Donovan

We looked at it from a pricing point of view, as to whether or not they had seen their prices increase or their costs increase. And 91% of them said that prices had actually gone up in the last twelve months or so. Which is probably no surprise to any small business owner or any listener at all. And 61% of them actually said their prices had gone up over 20%, which is a huge number, in twelve months, to think that your business costs have actually risen by 20%. 32% of them said it was between 5 and 10, but that's over a third that actually said that their prices had gone up by 20%.

They feel that in 2023, the only way to survive is to actually increase their own prices, as well as looking for new markets to enter and increasing online revenue. So I guess there would have been a certain percentage of businesses who did this survey that perhaps were in the eCommerce and was sort of thinking, okay I've had my bricks and mortar and increasing ways that I can sell online, whether that be through marketplaces, their own website, socials. That was certainly a stat that came through, that 33% of them were like, I need to utilize this online selling platforms more. But interesting enough, 23% said that they would have to increase their prices. But when 91% of them are saying that their prices have increased but only 24% are saying that they're going to pass those prices on, again, that's a bit of an alarm bell as to why that is. And I assume that is because they're scared of losing customers and they're scared of their competitors taking some of their customers. And actually, 21% of them said that they just didn't know how to raise their prices. How to work that out, or how to put that out to their customers that their prices were going up, which again, was a little bit of an interesting statistic to come through.

27:30.30

Cec Busby

It is an interesting conversation I think, because wasn't it Andrew that wrote that someone has to be the most expensive, why not make it you? That was his book wasn't it?

27:39.00

Jenn Donovan

Absolutely yes.

27:44.65

Cec Busby

I'm sure he would have plenty of advice for them as to why they should be considering raising their prices, and beyond the fact that their own business costs have gone up.

27:55.20

Jenn Donovan

Yes, definitely. It's a great book. If you haven't read it, then take a look at it because it really does make a lot of sense and especially in 2023, I think there's invaluable advice there. But you won't be surprised to know that pricing was actually his part of the survey.

28:14.76

Cec Busby

Well, that's good to know, I'm sure there were some very pointy questions then. What about the numbers? Were many of the businesses really aware of their numbers and their

cash flow, or is that also an area that was kind of falling off their radar and they needed more help with?

28:37.94

Jenn Donovan

Yeah, we felt that that was really something that had fallen off their radar. I think one of the biggest issues that came out of the survey, overall, their top challenge was managing their cash flow. So that sort of leads into a lot of financial decisions being made. If you're not managing your cash flow then again, how are you making those decisions? Which I guess the next top challenge that they were having was experiencing burnout. Which was kind of like, okay, if you're not managing your cash flow then possibly that is contributing to the overwhelm of being in small business.

29:16.49

Cec Busby

So many interesting findings, Jenn. So can people download the report and have a look at it for themselves?

29:24.83

Jenn Donovan

Yes, absolutely they can and if I was super organised I would actually have the link to that.

29:32.16

Cec Busby

Oh let me see. You can download the report at - I've got a bitly link that Katrina set me - so I'll drop it in the episode notes. But if anyone is listening, H t t p s - which is obviously the secure part of any website – colon, forward slash, forward slash bit dot ly, forward slash, survey report 2022. But yes I'll drop that in the show notes because that was very much a mouthful.

<https://bit.ly/SurveyReport2022>

Any last findings that you'd like to draw attention to?

30:18.27

Jenn Donovan

No I think that small business owners I think - the idea behind the survey was to help them feel like they were being heard. So if anyone is listening and they have any feedback for us or they download the report and have any feedback or things that they would like to see in the 2023 survey that we do, please feel free to reach out to any one of us. There was 5 of us who did the survey or there's actually an email address at the bottom of the survey findings that you can get in touch as well. But for us, it's about helping small business owners, so if we can be of help please reach out.

30:57.89

Cec Busby

Thank you so much Jenn. Thank you for your time today and so many interesting findings there. I hope our listeners really enjoyed hearing about the state of play for small business in Australia right now. Thank you.

31:09.39

Jenn Donovan

Yeah, no thank you for the opportunity. It's been great.