



## STARTING A BUSINESS IN AUSTRALIA:

# DRIVERS, HURDLES AND HOW TO MAKE IT HAPPEN



What does it take to start a successful business in Australia? How long does it take to turn a profit? And, what's it worth? Westpac surveyed more than 500 small business owners to find the answers to these questions, and more.

## SMALL BUSINESS SNAPSHOT

### 1 IN 3 SMALL BUSINESS LEADERS ARE FIRST-TIME OWNERS

**27%**

of small business owners have started a business from scratch.

**33**

The mean age of small business owners when starting up.



**34.3**

Average age of male business leaders when starting their business.

**31.3**

Average age of female business leaders when starting their business.

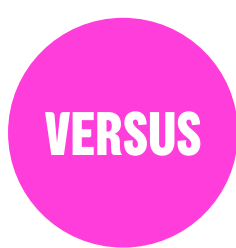


### INSPIRED BY ENTREPRENEURS: BOOMERS VS MILLENNIALS



**45%**

of Millennial business leaders took inspiration from Australian entrepreneurs.



**ONLY 16%**

of Baby Boomer business leaders took inspiration from Australian entrepreneurs.



### TURNING A PROFIT: AND REAPING THE REWARDS

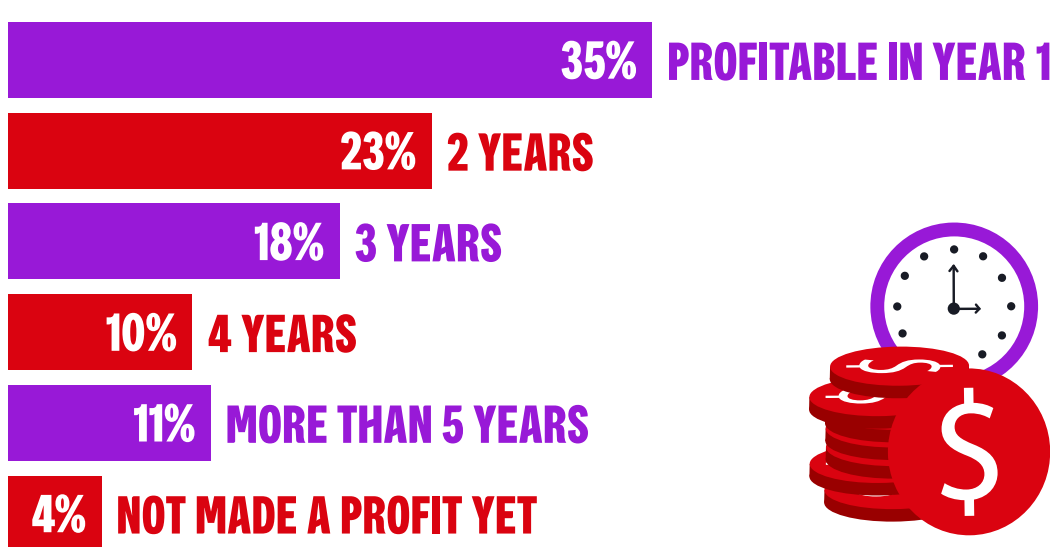
**2.3**

Average number of years it has typically taken business leaders to turn a profit.

**\$1.8m**

The average worth of small to medium businesses that started up from scratch.

#### HOW LONG DID IT TAKE TO MAKE A PROFIT?



## THE WHY, THE HOW – AND THE HURDLES TO LEAP

### THE TOP 5 REASONS FOR STARTING A BUSINESS



**48%**

#### #1 BEING MY OWN BOSS

2. Flexibility **36%**
3. Gap in market **25%**
4. Inspired by successful entrepreneurs **20%**
5. Side hustle **19%**

### WHAT WERE THE BIGGEST HURDLES YOU ENCOUNTERED?



**27%**

#### #1 CASH FLOW

2. Long hours **17%**
3. Not making a profit **16%**
4. People management **12%**
5. Understanding red tape/regulations **10%**

### WHO HELPED YOU TO START YOUR BUSINESS?



**28%**

#### #1 FAMILY

2. Partners **13%**
3. Mentor **12%**
4. Bank **9%**
5. Customers **9%**

### WHAT WAS THE HARDEST PART ABOUT STARTING?



**21%**

#### #1 UNCERTAINTY ABOUT MAKING MONEY

2. Finding the confidence to back my idea **16%**
3. Access to capital **15%**
4. Time **13%**
5. No idea where to start **11%**

### HOW DID YOU FUND YOUR BUSINESS?



## TOP 5 TIPS FOR STARTING A BUSINESS

Anthony Mathews, Westpac's National General Manager, SME says:



### 1 HAVE A CLEAR VALUE PROPOSITION

What makes you, your product and service stand out from the crowd?



### 2 SURROUND YOURSELF WITH THE RIGHT ADVISORS

Listen and learn from mentors, coaches, successful business owners, entrepreneurs and experienced professionals.



### 3 MAKE IT EASY FOR YOUR CUSTOMERS TO PAY YOU

Offer a range of payment options to suit all your customers' preferences.



### 4 DEVELOP A MARKETING AND BRAND STRATEGY

Keep existing and prospective customers in the loop with your offerings and promotions – collect and call out customer testimonials.



### 5 SERVICE! SERVICE! SERVICE!

Every customer interaction matters.

## Need help with starting, scaling or exiting your business?

Search 'Westpac starting a business' for handy guides and tips.



Our survey was commissioned by Westpac and conducted by Lonergan Research between October 9 and October 18, 2023. A permission-based panel of 502 Australian SME business leaders was surveyed online in accordance with ISO 20252. Data was weighted to the latest population estimates sourced from the Australian Bureau of Statistics.