

Key Findings - By Business Issue

View findings by business issue:

Business and Market Confidence

Business can be measured in many ways. Expectations for revenue and profits are a strong sign of business confidence. Confidence is affected by external factors on business ranging from the state of the economy, to availability of skilled employees, through to competitive pressures. Just how confident are North American businesses, and what are the biggest pressures they face?



- ▶ 1. Thinking about your revenue last year, had it increased, decreased, or stayed the same?
- ▶ 2. Thinking about your revenue forecast for next year, will it increase, decrease, or stay the same?
- ▶ 3. Thinking about your profit last year, had it increased, decreased, or stayed the same?
- ▶ 4. Thinking about your profit forecast for next year, will it increase, decrease, or stay the same?
- ▶ 5. To what extent are you going to invest in the following areas of the business next year?
- ▶ 6. In which of the following areas does your business experience the most competitive pressure?

1. Thinking about your revenue last year, had it increased, decreased, or stayed the same?

Last year was a good one for many businesses according to the 2005 Sage Software Business Minds Survey. Fully 64% of respondents experienced revenue growth while 20% managed flat numbers and only 16% had a decline in revenue.

↑ 64%

Companies with
revenue growth

↔ 20%

Companies flat
last year

↓ 16%

Companies with decline
in revenue

2. Thinking about your revenue forecast for next year, will it increase, decrease, or stay the same?

Despite dire economic warnings that ripple through news pages, small businesses in North America are generally positive, according to the 2005 Sage Software Business Minds Survey. In fact, 95% of businesses surveyed indicated they project business will stay the same or improve over the next year, with 70% forecasting higher revenue. Manufacturers and companies in Business Services were most optimistic with 84% and 83% respectively citing improved business prospects. The least optimistic? Companies in the accounting and tax services business where 55% project increased revenue.



3. Thinking about your profit last year, had it increased, decreased, or stayed the same?

Increased revenue coupled with increased profits is the mix businesses want for success, and respondents to the 2005 Sage Software Business Minds Survey fit the bill. Fifty-six percent of respondents experienced profit growth last year, while 24% stayed even and 20% saw profits decrease.

↑ 56%

Companies with profit growth

↔ 24%

Companies flat last year

↓ 20%

Companies with decreased profits

4. Thinking about your profit forecast for next year, will it increase, decrease, or stay the same?

The profit outlook among business owners is on the rise. While 56% experienced profit growth last year, 67% project profit growth for next year. Only 6% project a decrease in profits.



5. To what extent are you going to invest in the following areas of the business next year?



Where will businesses make their investments? Marketing staff will be happy. The top four areas cited for increased investment are marketing (cited by 51% of respondents), salaries (49%), training (44%), and technology (43%).

6. In which of the following areas does your business experience the most competitive pressure?

Pressure? Businesses are being hit from every angle, but pricing pressure is the issue that gets the most mindshare among business owners. It's on the minds of 48% of them. Skills shortage (24%) and marketing pressures (19%) round out the top three. Technology pressure comes near the bottom of the scale of concerns at 8%. Despite this, 43% plan to invest in new technology, signaling the potential for technology as a growth driver.

Pricing, skills shortages, and marketing are top pressure points.

