



BOUNCING BACK

Insights into how
resilience drives success
for Australian businesses.

Running a business can be extremely rewarding, but success often comes with a bumpy road. The ability to cope with the bumps in this journey – what we might refer to as resilience – is critical to running a successful business.

Resilience is the ability to bounce back or recover from stress.¹ For many small business owners and managers, the real question is not whether resilience is important, but why it is important. To what extent does it help Australian businesses survive and, more importantly, thrive under difficult conditions?

Can we measure and quantify what resilience means for small businesses in Australia?

To find out, we spoke to over 1,000 people across the nation and measured their levels of resilience using the Brief Resilience Scale.² This scale was developed by academics in 2008 and has since been extensively peer-reviewed. It is known as one of the best and most highly recommended methods of measuring resilience.

We compared our respondents' levels of resilience against factors like financial success, overall happiness and levels of stress. We also asked these small business leaders about their biggest sources of hardship and how they developed resilience.

Read on to learn more about the findings and check out tips and advice for how you can build your own levels of resilience to equip you for your journey to success.



To learn how resilient you are, head to our Reckon Resilience Hub at reckon.com/au/resilience for the one-minute interactive Brief Resilience Scale test, which will reveal how your levels of resilience compare against other Australian small business leaders.

¹ Smith, B. W., Dalen, J., Wiggins, K., Tooley, E., Christopher, P., & Bernard, J. (2008). The Brief Resilience Scale: Assessing the ability to bounce back. *International Journal of Behavioral Medicine*, 15(3), 194–200. <https://doi.org/10.1080/10705500802222972>

² As above.

What is resilience?

Resilience is the ability to bounce back or recover from stress.³



"I think resilience is being able to bounce back from a bad situation. And not just bounce back, but bounce back stronger than you were before."

Morgan Hancock, Founder of Morgan Hancock Photography

Things have been tougher than usual for Australian businesses recently – from drought, to fire, and a global pandemic. That is why it is more important than ever for us to talk about resilience and what it means for the small business sector.

27% A quarter of small business leaders are very stressed

78% Almost four in five small businesses are feeling additional pressure due to COVID-19

29% Almost a third are feeling additional pressure due to the 2020 recession scare

15% felt additional pressure due to the bushfires

14% are feeling additional pressure due to the ongoing drought



"I had nearly seven months' worth of work lined up and at Christmas, when the bushfires started, it just disappeared. Earlier this year, we started to come out of it and get more and more jobs. In February and March, we were flat out again and then in April the COVID-19 restrictions came into force."

Phillip Spackman, Owner of Pyree Civil Contracting

³ As above.

Resilience is inherent to a successful small business leader – it is what keeps them moving, even when the finish line is not yet in sight. It is what helps them dig deep, put in the hours, and take on risk and uncertainty. It is what makes a small business tick.

With resilience second nature to them, Australian small business owners and managers tend to be more resilient than the average person.

74%

66%

Three quarters (74%) of small business leaders tend to bounce back after hard times compared to two thirds (66%) of the general population.

Nearly two thirds (63%) of small business leaders say it does not take them long to recover from stressful events, compared to a little over half (53%) of the general population.

53%

63%

56%

46%

More than half (56%) of small business leaders say they come through difficult times with little trouble, compared to less than half (46%) of the general population.

Resilience directly corresponds with success for Australian small business leaders. Those that are highly resilient do better personally and professionally compared to those with low resilience.

Highly resilient small business leaders are more likely than their counterparts to:



Be financially successful
(43% vs 23%)



Be satisfied with their overall happiness
(93% vs 43%)



Have strong job satisfaction
(80% vs 40%)

They are also far less likely to be very stressed (6% vs 57%)



“For me, a successful business is being able to provide a service that you’re passionate about – and providing it to the best of your ability.”

Breanna Grebenc, Owner of Parkes Dance Co

It is no surprise that one of the biggest strains on running a business is keeping the lights on. With the many financial demands of running a small business, the research shows that small business leaders find financial hardship the most difficult challenge of resilience, with three of the top five hardships being:



Large debts



Cash flow issues



Financial deficits

Given the challenges experienced by small business owners, there are times when resilience is all that is standing between success and failure.

Giving up

Half (47%) of all small business leaders have seriously considered giving up on their current business.

The average small business leader has seriously considered giving up on their business three times.

Small business leaders with high resilience are far less likely (29%) to consider giving up on their business compared to those with low resilience (70%).

Losing out

54% of small business leaders say they have lost money due to poor resilience.

Last financial year, the average small business leader lost out on \$21,832 because of missed opportunities due to poor resilience.

With 2.3 million small businesses in Australia, this means poor resilience could be costing the sector up to \$50 billion annually in lost opportunities.



"Empowering Australia's small businesses for success is critical to maximising the sector's health. High resilience helps Australian businesses survive and thrive even under difficult conditions. Those who are resilient are better able to meet the challenges they face and are much better positioned to succeed."

Sam Allert, CEO of Reckon

Being able to bounce back and recover from stress is important to everyone, but it is even more important when it can make or break your business. Resilience is a skill and – like any skill – it can be learned and improved.

So what steps are Australia's small business leaders taking to learn resilience?



"We certainly tried to embrace the suck and learn from it. When something goes really bad, you need to embrace it and work out how you can do whatever it is you do better. Life isn't easy, but adversity can be a good thing.."

Traci Wilson-Brown, Office Manager at WWOOF

Like exercising a muscle to grow it, Australian small businesses say they are most likely to have learnt resilience from meeting challenges head on. However, learning from people they respect – like loved ones and mentors – also rates highly.

Small business leaders say they have learnt resilience from:

68% Tackling challenging experiences

26% Colleagues

51% Family and friends

16% Books, such as self-help guides

33% Mentors

16% Mental health professionals



"I'm staying positive because I'm lucky enough to have a support network around me. I have my wonderful wife who takes on a lot of the pressure. Knowing that someone is there to support us is one of the big things, especially in the medical field."

Ryan Deale, Founder of Get First Aid

Building resilience is important, but maintaining it – whether day to day or through tough times – is just as essential.

General wellness plays a major role in maintaining resilience for many small business leaders. Eating right, getting quality sleep, exercising, spending time with loved ones and even practicing mindfulness exercises all play a part.

Many small businesses also draw on external resources to stay on top of things, save time and ensure their ability to bounce back from stress is high.

Reaching out for support when needed also rated highly as a way to maintain resilience.

Top tips for staying resilient

Day to day, Australian small business leaders are most likely to stay resilient by:



Prioritising self-care



Using tools and resources to stay organised and in control



Spending time with family and friends



Asking for help



Celebrating achievements



Practicing mindfulness exercises



"If you can't measure something, you can't track it. You can't learn from it, and you can't do things differently to change the outcome. Reckon has enabled us to automate the bejesus out of everything we do and really track what we're doing."

Christine David, Founder of IT 4 Retirees

Every step you take to build resilience increases your chances of personal and professional success. The good news? Small businesses don't have to go it alone because there are tools and resources that can allow you to focus on what you do best.

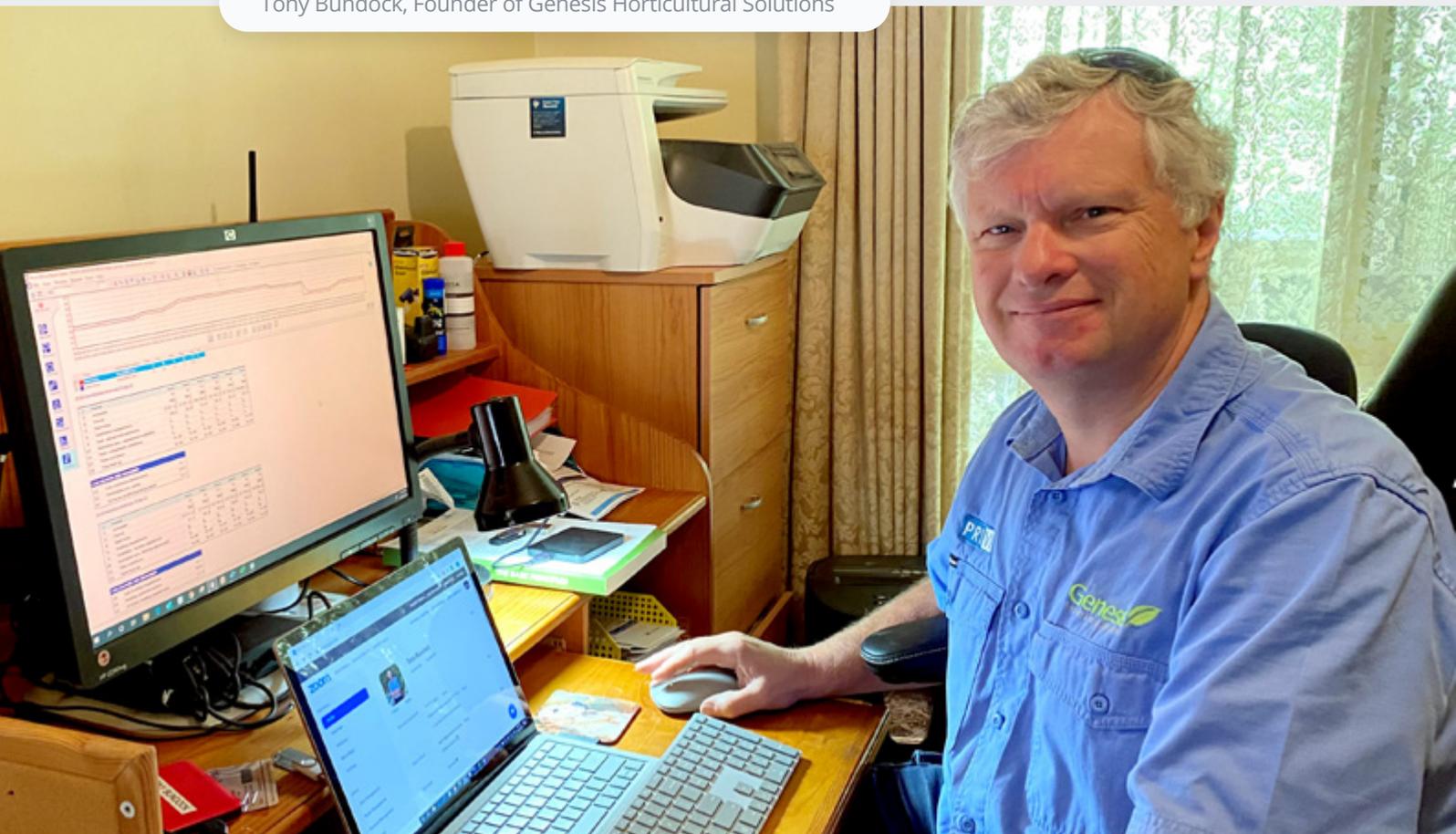


More than half of small business leaders think of resilience as knowing how to tap into tools and resources for support.



"The lockdown was really the start of everything grinding to a halt. But before the lockdown, I signed up to a popular videoconferencing software which is a really good platform for training. I'd been meaning to put the basic training I perform on the internet. Suddenly, this was the golden opportunity."

Tony Bundock, Founder of Genesis Horticultural Solutions



Here are some things to consider:

Use technology to your advantage

90%

Highly resilient small business leaders are much more likely (90%) than their counterparts (70%) to think advances in technology make running a business easier.

They are also more likely (47%) than average (38%) to work with an easy to use accounting software to reach their business goals.

47%

Ask the experts

20%

Highly successful small business leaders are more likely (20%) than average (16%) to rely on business and financial experts to get through times of hardship.

Tap into official resources

76%

76% of small business leaders agree that government financial stimulus packages do a lot to help small businesses stay resilient.

15% of small business leaders say they have relied on government policy or stimulus packages to get through hard times.

15%

Have a contingency plan

79%

Highly resilient small business leaders are much more likely (79%) to have contingency plans in place than their counterparts (51%).

About Reckon's research on resilience

Reckon conducted this research because the realities of running a small business in Australia means the journey can be both rewarding and tough. Rather than shying away from the tough stuff, we believe Australia needs to talk about the importance of resilience and its role in small business success.

We hope this research will spark a national conversation about resilience and help small business owners find ways to further develop resilience and empower themselves for success.

Through their journey, small businesses do not have to go it alone. Reckon understands your critical needs and has the right resources to help you with the realities of running your small business. We are here to support you and take the hassle out of your everyday accounting, payroll and compliance needs through affordable, easy to use solutions.

Brief Resilience Scale

The Brief Resilience Scale was developed by Bruce W. Smith, Jeanne Dalen, Kathryn Wiggins, Erin Tooley, Paulette Christopher and Jennifer Bernard of the Department of Psychology at the University of New Mexico.

Their paper 'The Brief Resilience Scale: Assessing the ability to bounce back' was published in the International Journal of Behavioral Medicine, 15(3), 194–200 in September 2008.

It is accessible at <https://doi.org/10.1080/10705500802222972>

Definitions

Small business leaders

Owners and/or managers of businesses with up to 19 employees

High resilience

Scoring in the top quartile on the Brief Resilience Scale

Low resilience

Scoring in the bottom quartile on the Brief Resilience Scale

Methodology

The research was commissioned by Reckon and conducted by Lonergan Research in accordance with the ISO 20252 standard. Lonergan Research surveyed 514 small business leaders and 505 Australians age 18+. Surveys were distributed throughout Australia including both capital city and non-capital city areas. The survey was conducted online amongst members of a permission-based panel, between 30 March 2020 and 19 April 2020. After interviewing, data was weighted to the latest population estimates sourced from the Australian Bureau of Statistics.

About Reckon

We're more than just accounting software. We're sharply focused on supporting small business and providing owners with the right tools to manage their finances and grow their business.

