

CONSOLIDATED RESPONSES: NATIONAL

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Recent media reports have suggested that the Australian economy has already bounced back from the global financial crisis. What do members of The CEO Institute think?

Respondents: Location

New South Wales	56	38%
South Australia	5	3%
Victoria	80	54%
Western Australia	7	5%
TOTAL	148	

Economic outlook

How strongly would you agree or disagree that economic conditions are returning to 'normal'?

	NSW	SA	VIC	WA	National	
Strongly agree	4	-	9	-	13	9%
Agree	21	3	31	7	62	44%
Neutral	20	1	19	-	40	29%
Disagree	8	-	15	-	23	16%
Strongly disagree	-	-	1	-	1	1%

Business revenue outlook

How likely or unlikely is it that your business revenue will increase in the next 6 months?

	NSW	SA	VIC	WA	National	
Highly likely to increase	13	1	16	-	30	20%
Likely to increase	29	1	43	3	76	51%
No change	11	3	14	3	31	21%
Likely to decrease	3	-	7	1	11	8%
Highly likely to decrease	-	-	-	-	0	0%

Challenges ahead

Which of the 5 options listed below will be the MOST significant challenge your business will face in the next 6 months?

	NSW	SA	VIC	WA	National	
Obtaining finance	7	-	15	-	22	15%
Motivating staff	8	1	10	1	20	14%
Retaining staff	8	1	7	1	17	11%
Refining leadership style	7	-	12	2	21	14%
Maintaining sales	26	3	36	3	68	46%

In a short paragraph, can you please explain what you expect will be the critical success factors for your business in the next 6 months?

Comments:

- Cost management and maintaining cash flow.
- Gaining new business to fill the gap resulting from the GFC.
- Developing a budget that matches funding to aspirations and imperatives.
- Building an effective sales channel.
- Managing sales staff and maintaining margin.
- Sourcing quality labour, building and implementing an employee incentive scheme and keeping on top of award and OH&S issues.
- Managing uncertainty and investing in this type of climate. A great deal of uncertainty about the future remains, with significant risk factors being the US economy being unable to dampen inflation by raising interest rates, as this would stall housing recovery, business investment and consumer confidence. Net result, the decline of the US empire is likely to continue which affects the rest of the world including us.
- Retaining staff as economy picks up. Innovation pipeline needs to be built up quickly.
- Developing the team to deliver more effective New Sales results.
- Retain and attract good quality staff. Position ourselves to take advantage of the upswing in the economy. Anticipate our customers' needs and be able to respond in a timely manner.
- Ensuring that the objectives within our Strategic Plan can be properly resourced and met.
- Driving the technology through to full commercialisation.
- Our ability to meet customer demands in a profitable way.
- The critical success factors will be the training and motivation of staff to accept a more structured management model.
- Client retention as smaller competitors continue to price cut.
- Innovation of new production methods. Continue to push staff in training, ongoing practice of LEAN Manufacturing and good management practices to reduce COGS.
- Recruitment of suitably qualified staff.

Change client mix in order to maximise available client budgets and adjust our staffing accordingly.

It is increasingly difficult to get firm orders to proceed with jobs. Most companies are adopting a "wait and see" attitude. This effects their attitude to everything from new expansion to relatively minor changes in the way jobs are done etc.

Managing rapid growth while keeping expenditure under control.

Respond to pent up client demand & deliver professional services in a strong & robust manner.

Finding great - not good – staff.

Exploiting a new niche in our market and gaining momentum in a short space of time to beat our competitors. Leading a new, young team and motivating them to embrace change.

Developing new lines.

High \$A makes imports cheaper, we are local manufacturer.

Leadership in an uncertain sector of the economy. Our sector was "last into recession" and may be "last into recovery". The reality of recession is starting to hit our part of the economy. Leadership for motivation and retention of staff is the key issue.

The sustainability of margins and increasing revenues.

We have had to respond with greater sensitivity to deferred payments and the like. The challenge will now be gently but firmly start collecting the outstanding debts.

Maintain your existing clients/business without having to slash profit margins and run as lean, professional operation.

Focus on customer service, value for service/products delivered, build strong relationships with referral sources and maintain tight controls over expenditure and cash flow.

Staying close to our clients.

Maintaining VISION.

We are B2B, so commitment from clients to spend. At present, they are still hesitant. Quicker payment terms. Debtor days this year have blown out significantly, so a return to better cash flow would be welcomed. Cost of business finance. Asset based finance, if available, is competitive.

Service - am a firm believer that there is no substitute for it, the majority of consumers are very aware.

Improving the pipeline of new work and matching the volume of project work with the right type and number of resources.

Ability to keep costs down whilst facing an uncertain cashflow from government funding.

The ability to provide a specialist service that thinks outside the square and provides workable cost effective solutions.

A dedicated approach to increase current business.

Availability of finance with reasonable terms and conditions will be vital.

Our business is undergoing a major restructure. The critical success will be in keeping current employees motivated and recruiting the right people.

Implementing marketing and sales initiatives & resources to take advantage of market opportunities. Cash management. Not "critical", more "important" for ongoing success & stability of business.

High performing teams, and innovation.

Maintaining confidence in the financial markets and having access to funding.

Maintaining the right team of individuals to drive the business forward.

Maintenance or improvement of current economic environment. Transition of new CEO.

Obtain finance to undertake capital developments as well as motivating and retaining senior staff after the last period of inertia.

Staying focused on the defined strategy and delivering on it within the agreed time frame. We can't afford big projects to drag as success is dependent on the efficiencies they produce.

Trying to achieve flexibility in employee wages/benefits in an environment where our Collective Agreements keep us at a fixed and high cost base whilst some competitors are able to significantly reduce rates back towards the Award.

Strategic planning. Leveraging current projects to develop new strategic partnerships.

Workforce issues - accessing and retaining staff during a period of acute staff shortages.

Ensuring that we cut as many costs as possible and maintain our margins without discounting our product line.

Winning sufficient work to ensure we enter the 2010/11 financial year with 70% of our revenue target on hand.

A key to our success will be that we achieve 20% growth in the next 6 months

Economic recovery; Access to finance; Avoiding staff burn out.

I simply need the world to recover from the global financial crisis. My company is dependent on exports and a discretionary leisure based business, both of which have been hit hard in the past eighteen months.

Structuring for small but steady growth over the next 6 - 8 months with enough flexibility for excellent business conditions perhaps after this period once/should they return to 'normal'.

Innovation of products combined with high service standards and investment in inventory.

Product innovation; Addressing competitor activity; Increase the skill set of the sales team; Retaining staff; Cap on price increases.

Being a start up business access to finance is an issue, so a healthy bottom line is crucial.

Success will depend on human resource and project management skills - staff management continues to be both a key factor and hurdle in business success.

Taking advantage of the improving market conditions through sales growth which will require investment in people and capital. Finance will remain difficult to obtain which may hinder the opportunity for growth.

In Australia the economy does not stall in Feb or March 2010 as industry restarts after Christmas and the usual consumer hangover kicks in as the school year starts. On a global basis my concern is that the US has not taken their full punishment and the world economy plunges again.

We are establishing a new outbound call centre and the success of this will drive long term revenue growth.

Increasing sales including cross selling.

To ensure that marketing techniques are constantly developed. Sustaining customer satisfaction and increasing the number of our customers. Expand our product range to attract more customers. Raise employee morale and productivity.

We deal almost exclusively with the Education and Local Government sectors, so Government policy regarding stimulus spending will be a major critical success factor.

Achieving planned sales to allow us to deliver the bottom line for the business. Sales are tracking behind plan YTD (as is EBITDA) and the planned level is below last year's actual.

Obtaining capital to grow the business in other states and reducing cost by 15%.

Doing the basics right, ensuring the customers are happy!

Increasing our customer base. Increasing the volume of sales to our regular clients. Buying better due to the USD, which will help increase our gross profit.

Obtaining finance for growth opportunities and maintaining consumer confidence that we are over further increased unemployment and business spending reductions.

Brand positioning so that our clients know what value we offer, but are not scared by perceived premiums.

The demand for our goods and services needs to increase significantly. The economy is a lot worse in small to medium enterprises than the general statistics are showing.

There are 2 issues facing us right now. Staffing has been a challenge with 2 out of 8 employees going on maternity leave. The second issue is US\$ exchange rates and the expectations of customers to obtain instant % decreases in price.

Success with our plans to expand into overseas markets. This will be driven by our ability to secure finance for required inventory. Also, to ensure our domestic sales and marketing development programs roll out with full effectiveness.

Cost control and taking opportunities from less nimble competitors in the marketplace.

The devaluation of the \$A will be critical to a number of our manufacturing & rural clients.

Repositioning ourselves in the market and aligning our culture, sales approach, collateral, process and staff to that over the next 12-18 months.

Maintaining financial viability.

Convincing Government that imposed new regulations are a direct cost on our business and should be funded in full.

Making sure our sales team stick to their plan, and our staff stick to their operational plan in quality, service and speed to market.

Redefining strategic direction based on changed market environment.

We depend on launching new products for growth so regulatory constraints in the industry is a big barrier and a critical factor in our business success. So we need to drive our R&D to get completed and registered products - expensive and slow so risky in Australia.

Competing against imports. Duties being removed and Aus\$ strength.

Maintaining income streams.

We believe that the economy will struggle in February & March. This will be the result of many people over spending during the Christmas period. Cash will be very tight.

Ability to carry out all of the contracts we have, and are about to sign up. We also need to maintain the sales side, to supplement the current volume of new clients leading into the future, to ensure an ongoing project load.

Cash reserves. We are still unsure that the GFC is over.

Marketing efforts materialise into good revenue earners.

Successful introduction of several new products, the continued increases in consumer confidence and retail spending recovering more than it has.

Cash flow management once sales have been made.

Relationship building.

Served markets gaining access to equity.

Generating sales following the cutting of the 50% rebate for equipment. Maintaining costs. Finding good staff.

Maintain clients. Merging new leadership team. Obtaining finance.

Obtaining insurance capacity in the local market and support for scheme business by insurers.

Delivery of projects profitably and maintenance and growth of sales.

Ensuring staff remain focused, that they capture and convert all possible sales opportunities then provide excellent customer service, improve customer loyalty and increase repeat purchases.

Stability from Government, minimal changes to tax regime, stable currency.

Increased revenue through the process of developing carefully selected market segments. Greatly enhanced use of the Internet. Participation in community organisations so as to grow our network of personal contacts. Keeping an eye on the changes taking place in our industry and seeing new opportunities.

We need to achieve maximum return on sales and marketing investment, and ensure that our offer is as relevant and beneficial to the customer as possible. Obviously preservation of cash flow will be critical. With regard to staffing, a smaller team of stronger performers should have greater spoils to share.

Maintaining margins and sales in the face of oversupply in a soft market

Innovation. New product and services. Foreign exchange management.

Managing growth.

Growing market share in a competitive environment.

Ability to collect monies owed. Opportunities to keep costs at bay, as goods, services & salaries are increasing at a faster rate than our revenue. Ability to capitalise on as many of the sales opportunities available to us as possible. Ability to match the expectations of our customers within our organisational capabilities.

Positioning for future environmental rating system.

Return to previous ordering patterns by Distribution chain. Govt funding. Staff morale and ability to 'keep on keeping on' despite falling sales.

Banks are still charging high costs for business and are increasingly difficult in providing finance.

Customer retention, ability to maximise exclusive market offerings.

Financial planning and succession planning.

Government talking up the strength of the economy.

I think staff retention and growth in sales will be the 2 key factors for the success of my business in the next 6 months.

Marketing a suite of new services.

No further major global upsets; oil prices stable or rising; AUD exchange rates soften against USD and Euro.

Off shore purchasing.

Pace of economic recovery in regional area. Success of a number of new sales channels. Government policy settings.

Profitable sales. Raising capital. Internal team dynamic.

Responding to confused employment relationships caused by uncertainties in Govt IR and Carbon Trading Taxation changes.

Retail sales remain up beat and have a strong December and January.

Retaining staff, new products and services.

Successful and timely recruitment of new staff. Successful move to better premises. Change to funding model for billing to members.

The critical success factors will be to ensure that the "consumables" side of our business grows, as we are expecting a downturn in capital sales.

Winning contracts with reasonable margins.

Strong leadership with clear transparent objectives that ALL staff understand and buy into. We need to continue our modernisation program and increase our flexibility in responding to change.

As an export exposed primary industry our biggest risk lies with a strong Australian dollar.

Quality services and better customer services.

Our ability to maintain a high quality product at a competitive price and being able to win our market share of business.

The critical success factors will be creating an environment where staff feel positive and more highly motivated about the organisation following a period of public criticism.

Strategic decisions to expend funds on programs against uncertain revenue; generate the cash flows forecasted.

The restructure of the middle management team. Needs to have a strong leadership focus and direction.