

# The Business Environment in 2016

Business owners occasionally need to stand back and look at the big picture - what's happening in the economic environment and in the marketplace.

We appreciate how busy you are minding your own business. Nonetheless, there are some issues to be aware of because they will impact your future:

## 1. **Australia dodged the GFC but our turn is coming:**

- \* The last one was 1992 - remember the recession we had to have?
- \* The resulting bank credit crunch will hurt businesses with debt
- \* Only the smart operators will survive and thrive.

## 2. **Since the GFC in 2008 the marketplace has gotten a lot tougher:**

- \* It is a brutal and punishing place; it owes NO ONE a living
- \* It does not reward people for just opening the door; rather it rewards those who give VALUE; it punishes those who don't
- \* Despite all the fancy computer programs available, vast numbers small businesses are going broke in record numbers.

## 3. **Customer behaviour is changing, a lot:**

- \* They are more demanding; less forgiving; not as loyal
- \* Research indicates up to 65% of customers use an I-phone or tablet to search before buying  
  
...Yet how many businesses don't even have a website (or they have a site but it is not responsive to digital devices).

## 4. **You need to prepare for a rocky road ahead:**

- \* Competition is likely to increase due to low 'barriers to entry'
- \* Some desperate operators will drop rates and start a price war
- \* Do not assume that the customers one and only concern is price
- \* A review of your business model, financing, margins, marketing and customer offer would be in order...sooner rather than later.

**Be prepared...and be ahead of the vast majority of your competitors!**