

The SME Economy. Succession Next?



Who is this guy?

Luke Kemeys, FCA



Double-dip recession ahead for New Zealand, economists forecast

Susan Edmunds · 13:28, Jul 05 2023



Cost of living: Food price inflation up again, leaping 12.5 per cent in one year

NZ Herald
13 Jul, 2023 04:57 PM · 2 mins to read

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The cost of living in New Zealand is even higher than the global increase recorded in the data / Supplied

'Households are showing us the weakness': How recession is hitting New Zealanders

Susan Edmunds · 05:00, Jun 16 2023



A recession is coming, you can bank on it

Luke Malpass · 05:00, Jun 26 2022



Recession, no great escape data confirms economy took another hit in first quarter

By Liam Dann
15 Jun, 2023 05:35 PM · 4 mins to read

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New Zealand floods add to inflation challenge for new prime minister ahead of vote

By Lucy Craymer
February 3, 2023 8:40 PM GMT+13 · Updated 7 months ago



Why does it feel like this?

The future of New Zealand



IMMIGRATION/AGEING

Immigration slow down?
Ageing demographic



KIWISAVER COMPOUNDING PLATFORM INVESTING

\$150billion in KS

so far



DIGITAL MATURITY

AI and web
maturity



INFRASTRUCTURE BUILD

\$600billion?
A Wealth

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BUSINESS / TECHNOLOGY

Older owners limiting potential of small businesses to grow, exploit technology - expert

8:53 pm on 2 April 2024

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BUSINESS / ECONOMY

What's going wrong for New Zealand small businesses?

7:55 am on 1 April 2026

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Susan Edmunds, Money Correspondent

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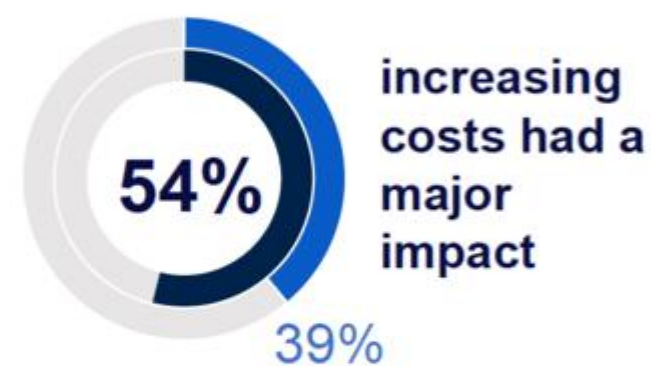
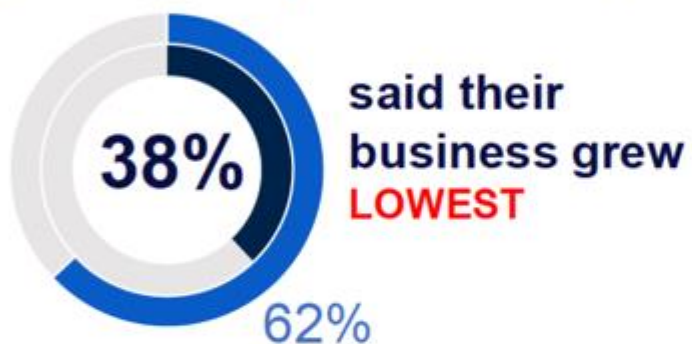
CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2025-26

New Zealand continues to rank at or near the bottom of the 11 Asia-Pacific markets surveyed across key indicators of business growth, innovation, hiring and technology adoption

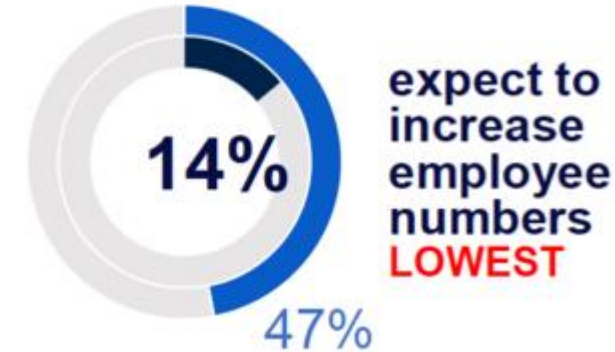
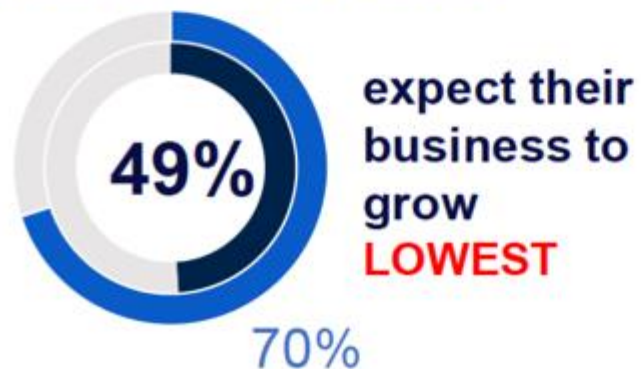


Performance in 2025

■ New Zealand ■ Asia-Pacific average



Outlook for 2026



Technology adoption



32% earned more than 10 per cent of revenue from online sales
LOWEST

Asia-Pacific average 68%



26% found investments in technology improved profitability **LOWEST**

Asia-Pacific average 56%



Computer equipment was the top technology investment
New Zealand



Artificial Intelligence was top tech investment
Asia Pacific

Demographics

68%

of NZ business owners are aged 50 or over
Asia-Pacific average: 30%

12%

of NZ business owners are aged under 40 – lowest in the region
Asia-Pacific average 38%

Businesses led by under-40 owners were nearly 3 x more likely to grow than those led by over-60s (71% vs 25%)

Recommendations



Encourage younger New Zealanders to start a business or acquire an existing one



Lift technology adoption through bundled digital support programs



Develop a comprehensive small business strategy to lift performance

You
need a
plan!





RNZ

<https://www.rnz.co.nz/news/business/at-least-one-i...>

At least one in three businesses are unprepared for sale

5 Jun 2025 — **ABC Business Sales** says at least one in three businesses are unprepared for sale, with unrealistic price expectations just one of the issues.



Times.co.nz

NZ business sales: Demand surges, supply tightens

Daren Leng, of ABC Business Sales. Photo supplied. By Daren Leng, Senior Business Broker, ABC Business Sales. The latest June, 2025,...

3 days ago



CPA Australia

<https://www.cpaaustralia.com.au/business-and-advisory>

NZ small business need to lift their tech game

1 Apr 2024 — Half of business owners are aged over 50, against a survey average of 28 per cent. New Zealand had the third lowest percentage of respondents ...

Missing: OECD 2



Newstalk ZB

<https://www.newstalkzb.co.nz> › ... › Audio



'Plenty of people queueing up': NZ Businesses selling fast ...

New Zealand is still in a seller's market with **an average of 34 buyers per new business listing**.



B2B News

<https://b2bnews.co.nz> › news › nz-business-sales-up-19...



NZ business sales up 19%, 34 buyers per listing

2 days ago — 503 businesses changed hands over the past 12 months, a figure that is up 19 percent on the prior year, with an average of **34 buyers** ...

Missing: 35 | Show results with: 35

Do: The 12 month, 1 page plan.

BUSINESS NAME:

YEAR ENDING:

WHY WE'RE IN BUSINESS (PURPOSE)	VALUES		THINGS WE MEASURE	
ENTER YOUR BUSINESS PURPOSE HERE	1		1	
	2		2	
	3		3	
	4		4	
	5		5	
THE BIG PICTURE - WHERE DO YOU WANT TO BE IN 5 YEAR? (VISION)	WE SUGGEST 4 TO 5 VALUES IN ORDER TO BE ABLE TO REMEMBER THEM		ENSURE THESE ARE 'SMART'	
ENTER YOUR BUSINESS VISION HERE				
WHAT WINNING LOOKS LIKE (GOALS)	WHO DO WE WANT TO WORK FOR? IDEAL CUSTOMER			
ENTER YOUR BUSINESS GOALS HERE	ENTER DETAILS OF YOUR IDEAL CUSTOMERS AND CLIENTS HERE			
	WHAT MAKES US DIFFERENT? THE UNFAIR ADVANTAGE			
	ENTER DETAILS OF YOUR UNFAIR ADVANTAGE HERE			
STRENGTHS & OPPORTUNITIES	WEAKNESSES & THREATS			
ENTER YOUR BUSINESS STRENGTHS AND OPPORTUNITIES HERE	ENTER YOUR BUSINESS WEAKNESSES AND THREATS HERE			
OUR BIGGEST ROADBLOCK				
ENTER YOUR BUSINESS BIGGEST ROADBLOCK HERE				
EXTRA IF NEEDED	THE NUMBERS		ANNUAL	RESULTS (AT END)
ENTER ANY EXTRA IMPORTANT DETAILS YOU WANT TO REMEMBER OR COME BACK TO. POTENTIALLY IDEAS OR BIG THINKING SCENARIOS	GROSS INCOME TARGET		\$	
	GROSS PROFIT		\$	
	GROSS PROFIT %		\$	
	OVERHEADS		\$	
	NET PROFIT		\$	

Do: The 12 month, 1 page plan.

MAP THESE BACK TO GOALS	ACTIONS
	GOAL FOCUSED
AREA OF FOCUS	
Finances	Complete cash flow and set monthly calendar reminder
	Split bank accounts between business, GST, tax, shtf
	Preview GST period so far to match to above GST account
	Pursue finance with 'x'
AREA OF FOCUS	
Business Development	Google listing and reviews - how will I get the responses? Text or email template
	Who can I meet with, get in front of, talk to, email, text?
	Who has my customer? Approach them (go wider)
	What databases do I have - how can I market to them? What stops me?
AREA OF FOCUS	
Team	Who, not how?
	What gaps are there and could there be this year?
	Job descriptions - for me as a business owner, and who else?
AREA OF FOCUS	
Processes	Assess where I am wasting time
	What am I procrastinating on when it comes to my business?
	Speak to a competitor in a different area (who do well) to ask them what processes / tech they have
AREA OF FOCUS	
Individual (the business owner)	Better structure my day - do 'the perfect day' exercise
	Complete the 'love/hate' exercise

Time to think/talk about...

Getting the business
valued.

Profit & efficiency
increases value

Reputation and
back end.
Reviews, data.

Who could your
buyer be?

When?

What do you do
after?

Time to think/talk about...

Unrealistic
valuations.
Owner reliance.

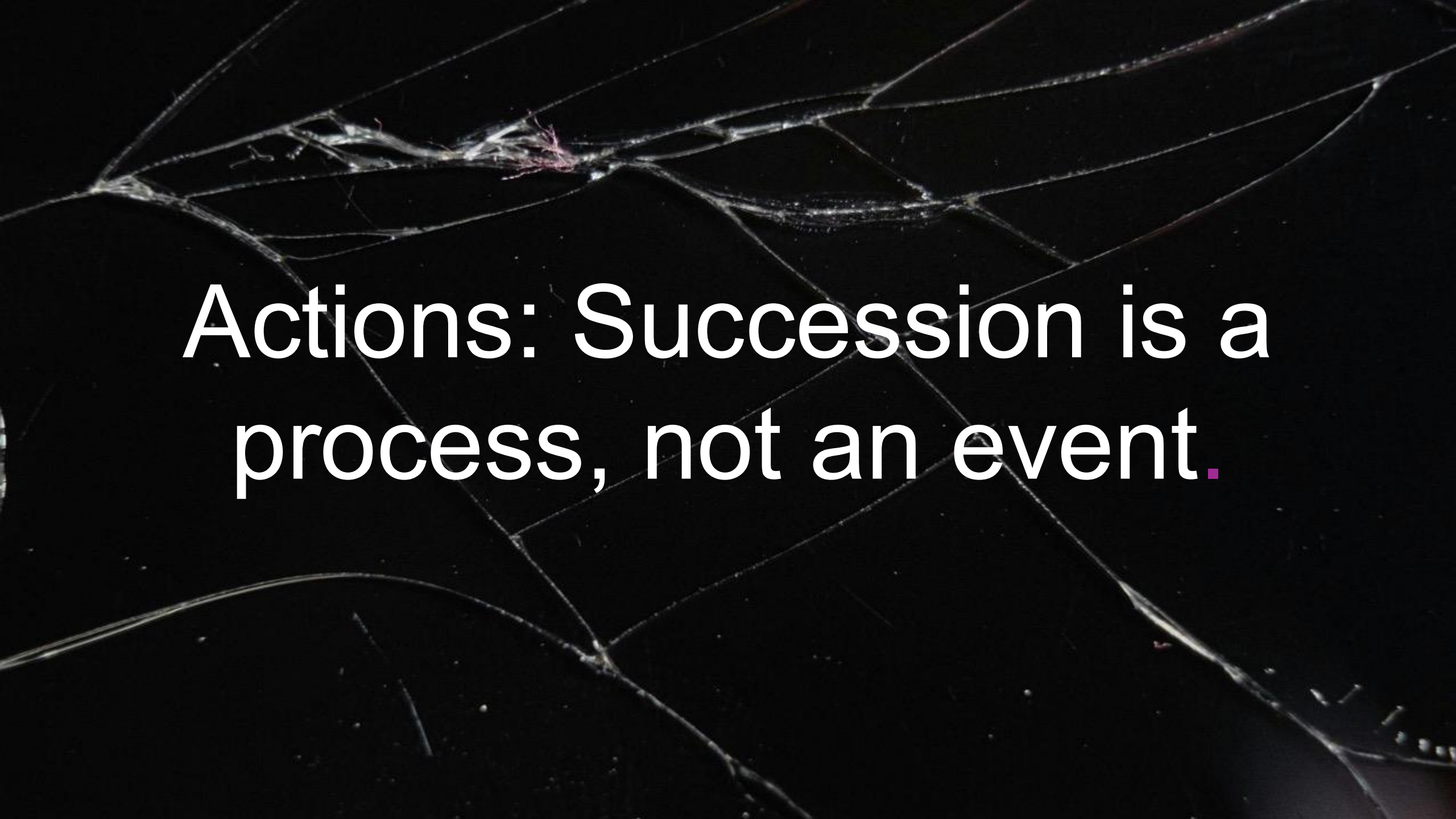
Handshake deals.
Informal
agreements.

Tax and structure
advice. Speak to
an accountant.

Plenty to choose
from for buyers.

Unprepared
buyers/successors.

Reactive not
proactive. Think
sickness, divorce.



Actions: Succession is a
process, not an event.

Ask yourself!

- 1 If you disappeared for 90 days, what would break?
- 2 Is their certainty (of income and cash) not just potential?
- 3 Are we over-reliant on 1 or 2 customers / contracts / staff?
- 4 Are you acting like the owner or the operator?

Q. Would you buy this business...

The checklist!

- 1 Who would buy this? How would they fund it?
- 2 What could it be worth?
- 3 How would you structure the deal? I.e. vendor finance.
- 4 When do I want to do this and what will I do after?

Remember to involve family and business partners.

There's only so much golf and beer...apparently.

Who do you need to talk to?

- 1 A **broker**?
- 2 Your **accountant** & **lawyer**?
- 3 An **advisor**?
- 4 **Yourself**?

Don't bury your head in the sand.



Keep learning.



The #whatsnext Podcast



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