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## A stronger focus on customers and technology essential for small business recovery

**SINGAPORE – 21 April 2020**

With COVID-19 reshaping the way people live, work and consume, small enterprises in Singapore could boost their business recovery prospects by building technology capabilities to better reach their customers, according to a new survey of Asia-Pacific small businesses by global professional accounting body CPA Australia.

Small businesses will also do well to invest in good staff who can help to improve customer loyalty and satisfaction as companies rebuild their operations when the current circuit breaker measures in Singapore are lifted.

CPA Australia's Asia-Pacific Small Business Survey 2019-20 found that there is much opportunity for Singapore's small businesses to improve their online sales presence.

Safe distancing measures implemented to battle COVID-19 have shifted consumer behaviour towards buying goods and services online, and this trend is likely to become even more entrenched going forward.

Only 35.7 per cent of the Singapore businesses surveyed said they generated more than 10 per cent of their revenue from online sales compared with the survey average of 51.0 per cent. The survey also showed a slightly declining trend over the last three years for Singapore small businesses booking revenue through online sales.

“With the current COVID-19 crisis, small businesses have little margin for error. Prudent financial management, focusing on the changing needs of customers and even greater adoption of technology, rather than good fortune, will be essential to business recovery and ongoing future success,” said Paul Drum, CPA Australia's General Manager of External Affairs.

“The Singapore government's excellent E-Commerce Booster package for small retailers and changing consumer behaviours accelerated by the circuit breaker should lead to a seismic increase in the online

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presence of many small businesses, which will not only assist them to survive this challenging period but also to thrive in the post-pandemic environment,” said Mr Drum.

Looking over 2019, the survey found that only 50.2 per cent of small businesses in Singapore reported growth last year amid slowing economic growth from tensions brought about by the US-China trade war. This compares with 58.7 per cent in 2018, and below the survey average of 65.8 per cent.

However, most small businesses typically entered the COVID-19 crisis in relatively sound financial health, with only a small proportion (15.7 per cent) reporting problems paying their debts in 2019.

According to the survey, the top four factors that had a positive influence on strongly growing small businesses in 2019 were:

- Improved customer satisfaction
- Customer loyalty
- Good staff
- Improved business strategy

The survey, now in its 11<sup>th</sup> year, has shown that year after year, through both good times and bad, businesses with a focus on their customer, technology and strategy are much more likely to grow strongly compared to other businesses.

Mr Chng Lay Chew, CPA Australia’s Divisional President for Singapore, said, “Small businesses face the challenge of adapting their businesses to ‘a new normal’ at a time when their finances are tight. While it is wise to focus on cash flow and financial health at this time, businesses should also look at how they can meet the evolving needs of customers, especially through increasing their digital presence, and online engagement and sales.”

“Though the COVID-19 outbreak has taken centre stage for much of 2020 so far, businesses still need to consider other potential disruptors to the economy, such as an anticipated global recession, as they map out their recovery plan,” said Mr Chng.

To help small businesses navigate the challenges of COVID-19, and support them through the recovery process, CPA Australia has released a set of checklists targeted at small enterprises.

## CPA AUSTRALIA'S SUGGESTIONS FOR SMALL BUSINESSES

- Focus on improving cash flow and your financial health
- Utilise technology and online sales to meet changing consumer behaviour
- Capitalise on the existing pool of loyal customers
- Investigate the generous SME relief measures made available by the government
- Dedicate any spare time to developing and implementing a recovery plan, and learning about industry trends and emerging technologies and how they can be applied to the business
- Ask staff with any downtime to undertake training so they are better skilled to meet the recovery needs of your business
- If companies a relatively strong financial position, keep an open eye to any opportunities that may emerge in the recovery
- Seek professional advice.

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## Key statistics for Singapore from the Small Business Survey

<https://www.cpaaustralia.com.au/-/media/corporate/allfiles/document/professional-resources/business-management/small-business-survey/small-business-survey-singapore-2019-20.pdf?la=en&rev=135dfc02595149578c5dbeb4e4f21e66>

## CPA Australia resources to assist Singapore small businesses to manage through COVID-19

- [CPA Australia's checklist on managing through COVID-19](#)
- [CPA Australia's summary of Singapore's COVID-19 support for business](#)

## About the CPA Australia Asia-Pacific Small Business Survey

The CPA Australia Asia-Pacific Small Business Survey provides annual insights into the views of small businesses across the region and forms part of a longitudinal study that began in 2009. The 11<sup>th</sup> CPA Australia annual survey comprised extensive surveying of 4,193 small business operators in eleven markets, including Singapore, Malaysia, Australia, Hong Kong, India, Indonesia, Mainland China, New Zealand, Philippines, Taiwan and Vietnam. The survey was conducted between 18 November and 12 December 2019.

## About CPA Australia

CPA Australia is one of the world's largest accounting bodies with more than 166,000 members working in 100 countries and regions around the world, and with more than 25,000 members working in senior leadership positions. It has established a strong membership base of more than 8300 in Singapore.

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