

# Summary

- Lack of capital is a serious problem for small businesses within Australia. More than one-third of the small businesses surveyed in the Yellow Pages Small Business Index in August 1995 reported that they are constrained by lack of capital.
- Proprietors suffering from capital constraints were asked to identify the main reasons for this capital shortage. While the prime reason (reported by 46%) was an unwillingness to borrow more money, some one-fifth reported difficulty in obtaining finance. Other reasons leading to a shortage of capital included an inability to generate funds within the business (31%) and a resistance to equity finance (16%).
- Almost three-quarters of small business proprietors interviewed were planning to grow their business. Nine percent were seeking significant expansion and 63% were seeking moderate growth.
- Businesses with aspirations for growth are more likely than average to report that they are constrained by lack of capital. Fifty-one percent of the high growth companies, 38% of the moderate growth companies but only 19% of the no growth companies believe that they are constrained.
- Some 20% of the business proprietors planning growth are either actively seeking or definitely planning to seek finance to fund this expansion. A further 29% may consider such a move. However, the high growth businesses are much more likely to be actively seeking or definitely planning to seek finance (43%) than the moderate growth firms (17%).
- Forty-nine percent of small businesses seeking growth finance are looking for an amount less than \$100,000 and 41% are looking for an amount between \$100,000 and \$500,000. Less than one-tenth are seeking in excess of half a million dollars.
- Among those seeking growth finance, there is a very strong reliance on debt finance. Only 12% are looking exclusively for equity finance (and hence to share control with an equity partner or investor), 5% are looking for a combination of debt and equity finance, with the highest proportion (71%) considering debt finance only. The balance of 12% are unable to nominate the type of finance they will be looking for.
- In the past year, a quarter of proprietors surveyed had applied for a loan. Around four out of five loan applications were successful. However, because small business proprietors tended to 'shop around' for loans, almost 90% of those who actually wanted to borrow money were successful in doing so.
- The likelihood of failing to secure a loan varied substantially according to the size of the business. Those with an annual turnover of less than \$500,000 reported twice the failure rate of larger firms.
- Contrary to popular perceptions, women proprietors achieved a higher success rate with their loan applications than did male proprietors. Some 94% of women were successful in obtaining a loan *versus* 86% of men.
- Almost four out of five small businesses bank with one of the 'big four' banks. However, the proportion of small businesses relying on regional banks has risen from 18% two years ago to 22% in the latest survey.
- Almost 80% of small business proprietors claimed to be happy with their main bank - no change from the corresponding figure in 1993.
- However, this average disguises some variations across the major financial institutions. Less than three-quarters of those banking with the Commonwealth Bank or Westpac were happy with their bank's performance. By comparison, over 80% were happy with the performance of the ANZ, the NAB and the average regional bank. Over the last two years, the gap between the "best" and the "worst" banks on this measure has risen from five to twelve percentage points.
- Fourteen percent of proprietors changed financial institutions last year. Evidence again, suggests that the Commonwealth Bank and Westpac have fared less well than the other institutions, with over half those switching banks moving away from one or other of these banks.

## Introduction

The *Yellow Pages* Small Business Index is an ongoing series of surveys designed to track confidence and behaviour in the small business sector.

The primary objectives of the Index are to track small business activity over the past three months; expectations over both the next three and 12 months; and to measure overall confidence within the small business community. A second purpose is to provide an independent, objective channel for reporting proprietors' experience and attitudes on key issues.

Each quarter the Index examines one or more special issues. In the August 1995 survey, we examine the subject of capital availability, banking and financial advice.

This is the second time this issue has been examined in the Index. Where applicable, we compare the August 1995 results with those from the earlier investigation in August 1993.

The Index is an initiative of Yellow Pages Australia as part of its commitment to this vital business sector and is conducted by the research firm Brian Sweeney and Associates. Economic advice is provided by economic consultant Dr. John Marsden.

## About this Special Report

The Index is the largest economic survey of small business in Australia and focuses specifically on businesses employing 19 people or fewer.

The Index uses a panel of at least 1,100 randomly selected small business proprietors who are interviewed by telephone every three months.

The panel was drawn from all metropolitan and non-metropolitan regions of Australia. Quotas are set on geographical location and type of business (ASIC) division to produce the standard sample breakdown shown opposite. Where replacement panellists are recruited, this sample breakdown is maintained.

Because this is a quota sample, at the analysis stage results are weighted by ASIC division within the metro and non-metro region of each State to reflect actual small business population distribution. The ABS Business Register as at May 1994 is used to weight the sample to be representative of the total business population.

Interviewing for this latest August 1995 survey was conducted over the period 24th July to 4th August 1995.

### Location of Business

	TOTAL	METRO	NON-METRO
NSW/ACT	200	160	40
VIC	200	160	40
QLD	200	110	90
SA	150	130	20
WA	150	130	20
TAS	100	60	40
NT	100	60	40
<b>TOTAL</b>	<b>1100</b>	<b>810</b>	<b>290</b>

### ASIC Division

C (MANUFACTURING)	195
E (BUILDING/CONSTRUCTION)	195
F (WHOLESALE/RETAIL)	195
G (TRANSPORT/STORAGE)	125
I (FINANCE/PROPERTY/BUSINESS SERVICES)	195
L (RECREATION/PERSONAL & OTHER SERVICES)	195
<b>TOTAL SAMPLE</b>	<b>1100</b>

# Capital Availability

## SOURCE OF START UP FUNDS

Most proprietors (69%) in the Small Business Index panel started their business from scratch, 27% bought existing businesses, and the balance of 4% inherited their business.

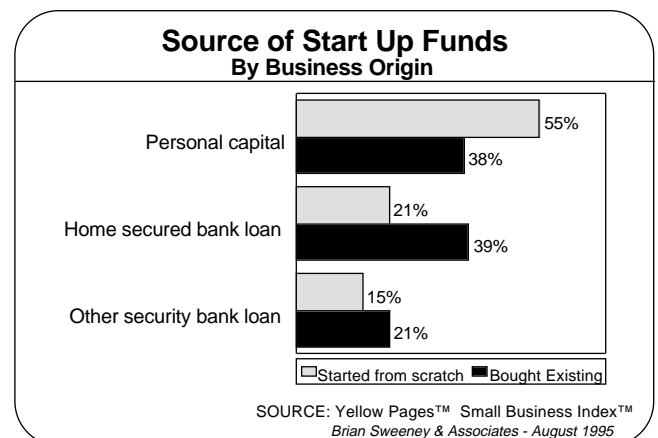
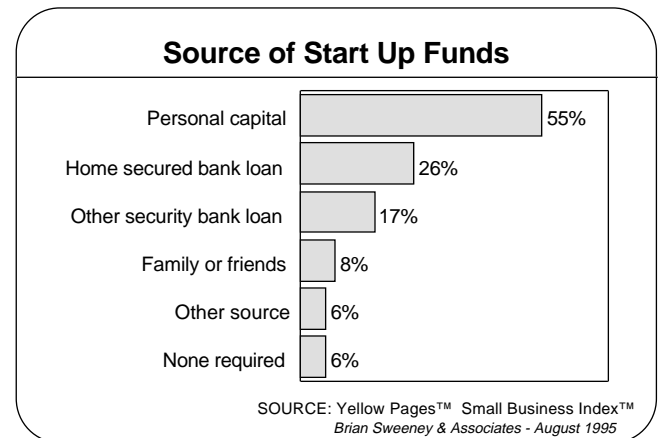
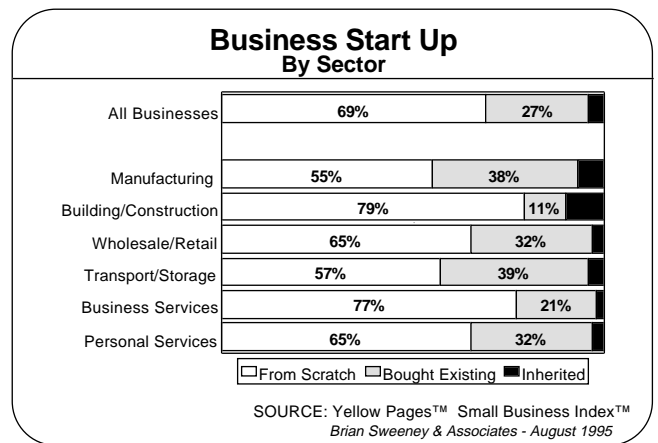
There was, however, considerable variation across the industry sectors. Building/construction and business services companies, were most likely to have started from scratch; transport/storage and manufacturing companies were most likely to have been purchased outright.

Those who started from scratch or who bought an existing business were asked about their source of funds.

Personal capital represents the primary source of finance for business start up. The 55% figure includes 3% who used redundancy payments or super payouts to raise the start up funds. In total, 43% obtained bank finance - more often than not secured on the family home (26%). Family and friends represented the next most important form of finance.

Businesses purchased as ongoing concerns were most heavily reliant on bank finance as the source of capital. Sixty-percent were financed in this way *versus* 36% of businesses started from scratch.

Business described as "family businesses" were more likely to use bank finances secured against the home: 24% of family businesses used this type of finance versus 12% of the non-family concerns.



**ADDITIONAL CAPITAL REQUIREMENTS IN THE LAST TWO YEARS**

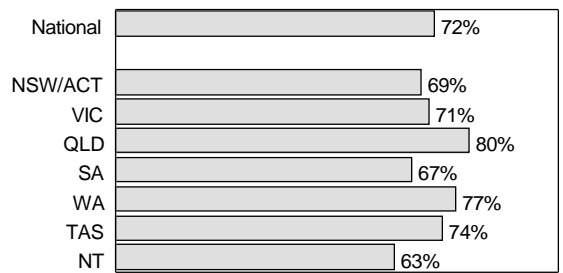
In the past two years, 72% of small business proprietors have required additional capital for their businesses. This is almost identical to the 70% figure for August 1993.

Demand for capital has been particularly high in Queensland and Western Australia but relatively low in South Australia and the Northern Territory.

A comparison with the August 1993 results shows a sharp fall in the proportion of proprietors in South Australia who have sought capital. Conversely, an increased proportion of Queensland businesses have looked for capital funds over the past two years.

Analysis by business sector reveals that businesses in the wholesale/retail sector were more likely than average to have sought additional funds. Businesses in the personal services sectors were least likely to have done so.

**Additional Capital Requirement in Past Two Years  
By State/Territory**



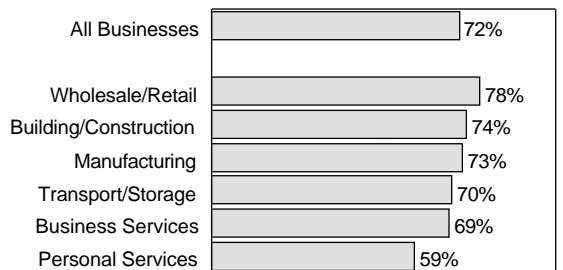
SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

**Additional Capital Requirement in Past Two Years  
Trends by State/Territory**

	August 93	August 95
National	70%	72%
NSW/ACT	65%	69%
VIC	75%	71%
QLD	67%	80%
SA	81%	67%
WA	76%	77%
TAS	71%	74%
NT	N/A	63%

SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

**Additional Capital Requirement in Past Two Years  
By Sector**



SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

Trends by sector suggest that businesses in the wholesale/retail sector are more likely to have sought capital in the two years leading up to August 1995 than in the previous two years. Businesses in the transport/storage sector are less likely to have done so.

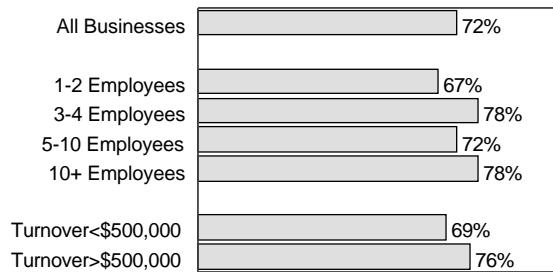
**Additional Capital Requirement in Past Two Years  
Trends by Sector**

	August 93	August 95
All Businesses	70%	72%
Manufacturing	78%	73%
Building/Construction	79%	74%
Wholesale/Retail	69%	78%
Transport/Storage	81%	70%
Business Services	69%	69%
Personal Services	57%	59%

SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

Perhaps not surprisingly, the larger the business the greater the likelihood of seeking capital. As shown opposite, those with more than two employees and with higher turnovers are most likely to have sought additional capital over the past two years.

**Additional Capital Requirement in Past Two Years  
By Business Size**

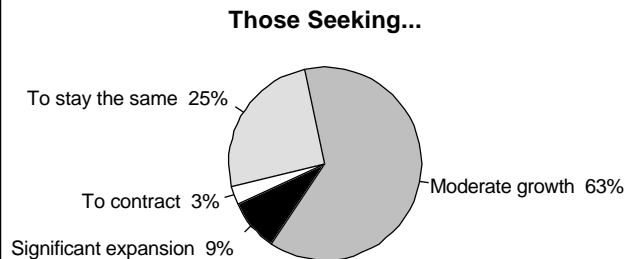


SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

It is useful to look at capital requirements in relation to the growth aspirations of small business.

As part of the Index, small business proprietors are asked to articulate their growth aspirations. Nine percent are seeking significant expansion, 63% are looking for moderate growth, 25% are seeking to stay the same size, 3% are looking to contract in size.

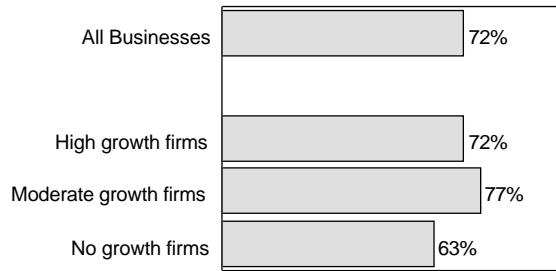
**Growth Aspirations - August 1995**



SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

Those proprietors who are aspiring to grow are more likely than the no growth firms to have sought capital in the past two years.

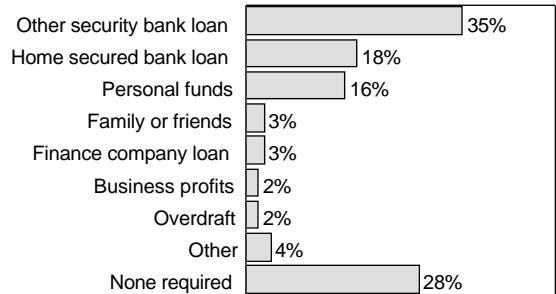
**Additional Capital Requirement in Past Two Years  
By Growth Aspiration**



SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

What sources of additional capital were most commonly used? Bank finance was the dominant source being used by 53% of small business proprietors. The family home was used as security in about a third of these cases (18% overall). Other sources included personal funds and, at low level usage, family and friends, finance companies, business profits and overdrafts.

**Source of Additional Capital in  
Past Two Years**



SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

Trends show something of a shift away from home secured bank loans compared with two years ago. In August 1993, 23% relied on home secured bank finance (down to 18% in 1995) and 30% used bank finance secured by other means (up to 35% in 1995).

## CAPITAL CONSTRAINTS

Just over one-third (34%) of small business proprietors believe that their business is currently held back or constrained by lack of capital. This proportion is more or less in line with the 36% recorded in 1993.

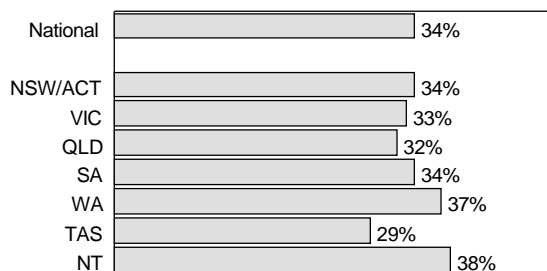
While this problem is a little more prevalent, on average, among businesses in Western Australia and the Northern Territory, the geographic differences are not large.

Similarly, there are no great variations by business sector - with the proportion who feel they are constrained varying across a tight band from a low of 28% (transport/storage) to a high of 35% (building/construction and wholesale/retail).

By contrast, the sector by sector results in August 1993 showed sizeable variations. In particular, manufacturing businesses were experiencing major problems at that time - over 50% claiming to be suffering from capital constraints.

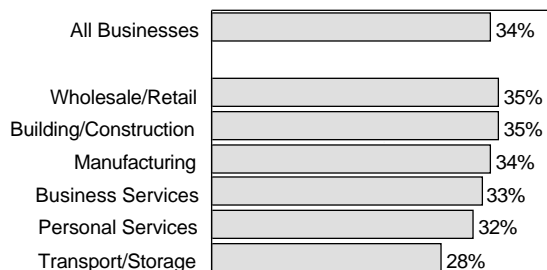
Higher turnover companies (\$500,000+) are more likely to be suffering from capital shortages than the smaller concerns: 39% of the former and 31% of the latter believe that their businesses are capital constrained.

**Proportion Currently Constrained by Lack of Capital  
By State/Territory**



SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

**Proportion Currently Constrained by Lack of Capital  
By Sector**



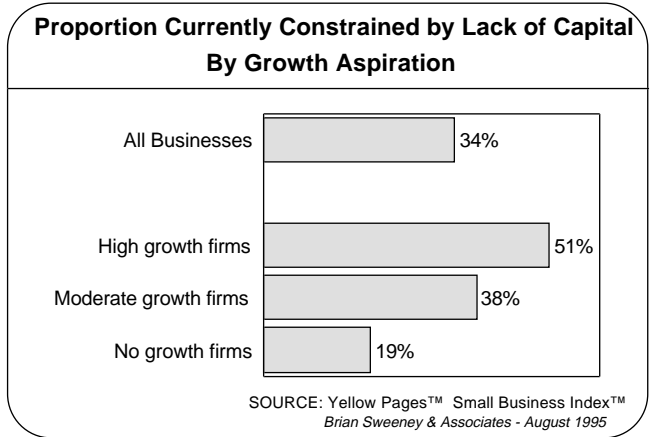
SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

**Proportion Currently Constrained by Lack of Capital  
Trends by Sector**

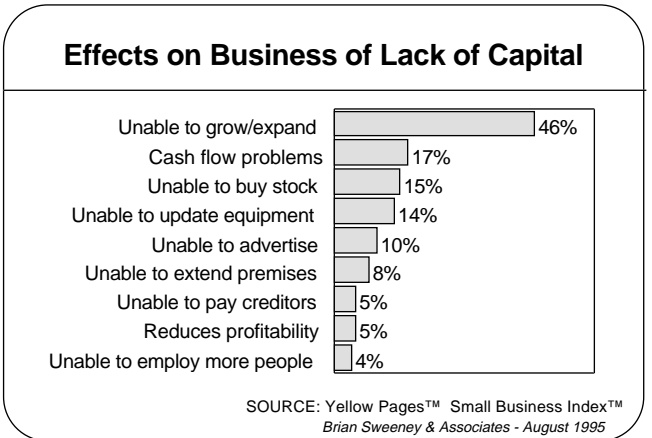
	August 93	August 95
All Businesses	36%	34%
Manufacturing	52%	34%
Building/Construction	31%	35%
Wholesale/Retail	38%	35%
Transport/Storage	43%	28%
Business Services	31%	33%
Personal Services	30%	32%

SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

It is interesting to examine how the growth/non-growth oriented businesses differ with respect to capital constraint perceptions. Over half the high growth oriented firms are suffering from capital constraints compared with 38% of the moderate growth aspirants and only 19% of the non-growth businesses.

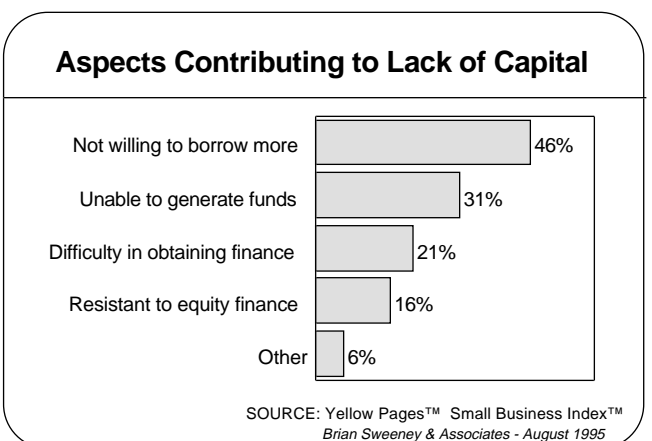


Those who are suffering from capital constraints were asked how their business was being affected. The primary impact is the inability to grow or expand. Other effects include cash flow problems, inability to purchase new stock, inability to update or modernise equipment, inability to advertise or promote their business and inability to extend premises.



Those who felt that they were suffering from capital constraints were also asked which of the factors shown in the chart were contributing to their lack of capital.

Top of the list is the *"unwillingness to borrow more"* - an aspect nominated by just under half. An *"inability to generate sufficient funds or retain capital"* was the second most common aspect. Just over a fifth complained of *"difficulty in obtaining outside finance"* and around one in six were not willing to *"seek equity finance by sharing ownership"*.



Factors contributing to lack of capital vary significantly, however, according to growth aspirations.

Those firms seeking growth are more likely to be willing to borrow but are also more likely to report difficulty in obtaining finance. Growth firms are least likely to be capable of generating sufficient funds internally.

Perhaps, surprisingly, the ambitious, entrepreneurial high growth oriented firms appear to be more resistant than average to equity finance.

	High Growth Firms	Moderate Growth Firms	No Growth Firms
Not willing to borrow more	36%	46%	53%
Unable to generate funds	46%	30%	23%
Difficulty in obtaining finance	25%	22%	13%
Resistant to equity finance	26%	15%	16%

SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

## LOAN APPLICATIONS IN THE PAST YEAR

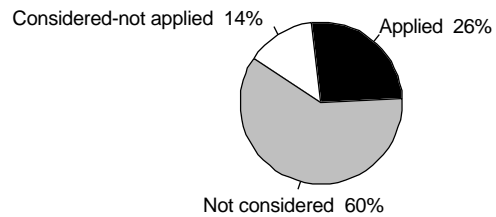
Twenty-six percent of small business proprietors applied for loans in the past 12 months - although a further 14% considered applying for a loan but decided not to proceed with the application. These results are very similar to those recorded in August 1993, where 26% had applied for a loan and 16% had considered an application but not taken it further.

Thirty-five percent of the high growth firms, 28% of the moderate growth firms but only 17% of the low growth firms have sought a loan.

Businesses in the transport/storage and building/construction sectors were most active in seeking loan finance in the past year. Businesses in the personal services sector were least likely to have done so.

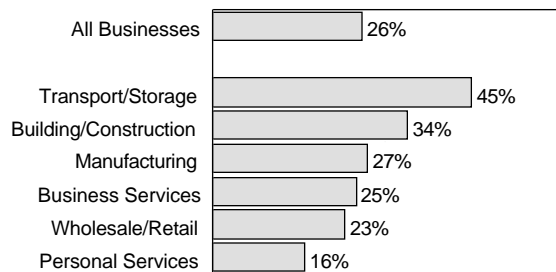
Businesses in the Northern Territory were most likely to have sought loans in the past year; Victorian and NSW businesses were least likely to have looked for finance of this type.

### Loan Applications - Past 12 Months



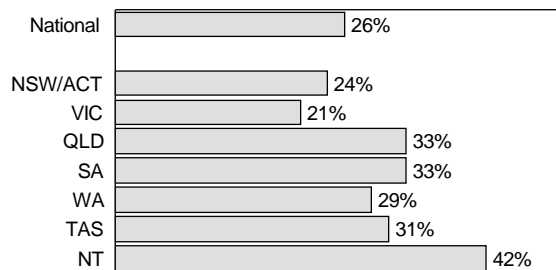
SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

### Loan Applications - Past 12 Months By Sector



SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

### Loan Applications - Past 12 Months By State/Territory



SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

Eighty-five percent of those who made loan applications applied to their main bank; one in ten made applications to other banks and a similar proportion to other financial institutions.

The proportions shown opposite add to over 100% because some small business proprietors applied for loans to more than one category of financial institution.

These figures are more or less in line with those recorded in 1993, suggesting that there has been no major move away from banks as the major loan providers.

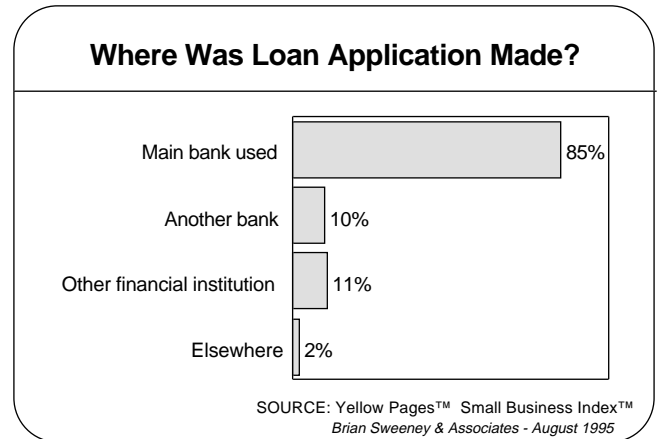
As indicated earlier, 14% of all small business proprietors had considered applying for a loan but decided against that step. The main reasons given for this decision are summarised below.

- didn't proceed with the project (15%)
- no guarantee of enough work to pay it off (13%)
- collateral required too great (13%)
- too difficult to present the case to the bank (13%)
- interest rates too high (12%)
- economic uncertainty (9%)
- charges too high (9%)
- income situation improved (9%)
- just decided against it (8%)
- told we wouldn't get one (6%)

How successful were small business loan applications?

As illustrated opposite, 82% of all loan applications met with success - and the figure did not vary greatly according to the category of financial institution approached.

This success rate is more or less identical to that recorded in August 1993.

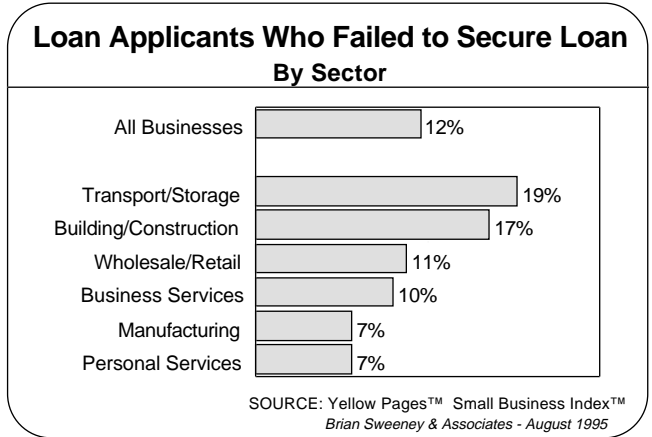


### Loan Application Success

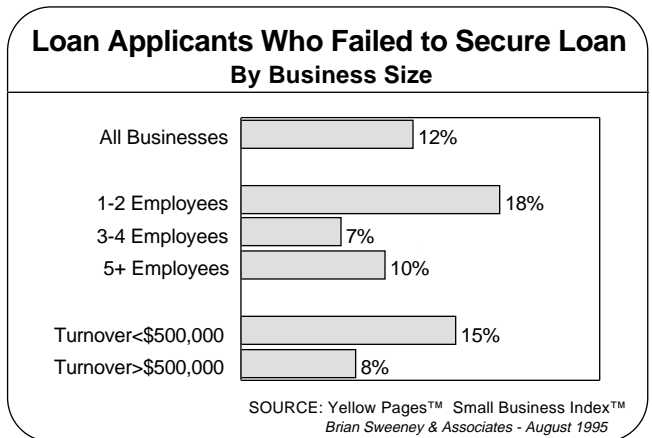
	Applied for Loan	Granted a Loan	% Success
Main bank used	83%	68%	<b>82%</b>
Other bank	10%	7%	<b>70%</b>
Other financial institution	11%	9%	<b>82%</b>
Elsewhere	2%	2%	<b>100%</b>
<b>Average-all applications</b>			<b>82%</b>

SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

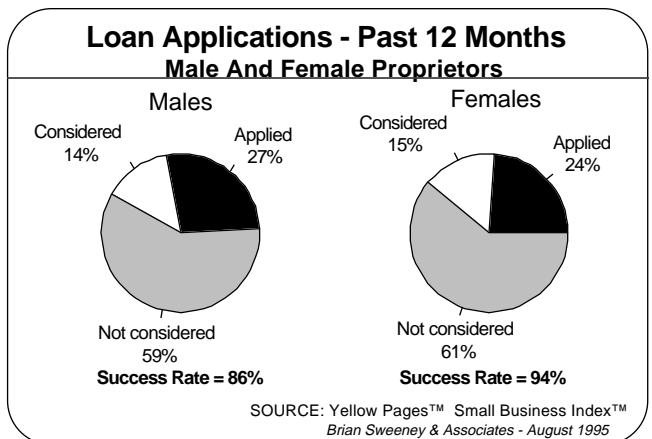
In total, 12% of all those who applied for a loan were unable to obtain finance from **any** of the sources they approached (this is less than the 18% failure rate for individual applications due to multiple attempts to obtain loans). This figure varies quite considerably across the business sectors with those in the building/construction and transport/storage sectors having the greatest difficulty in obtaining finance.



The results also suggest that those operating the larger businesses were more successful than those operating the small businesses in terms of their loan applications.



A widely held perception is that women in business are dealt with less fairly by financial institutions than are their male counterparts. The Small Business Index sample for this survey included a sizeable proportion (24%) of female proprietors. How did their experience differ over the past year?



As illustrated opposite, female business proprietors were marginally less likely to have applied for a loan in the past 12 months, but the proportion who considered applying but did not apply is about the same.

Importantly, however, the survey results suggest that the success rate among female applications is higher: 94% of females obtained loan finance versus 86% of males. These results may suggest that banks **do not** discriminate against female small business proprietors when it comes to granting business loans. They may also suggest that women are more evaluative and thorough in their preparation when it comes to loan applications.

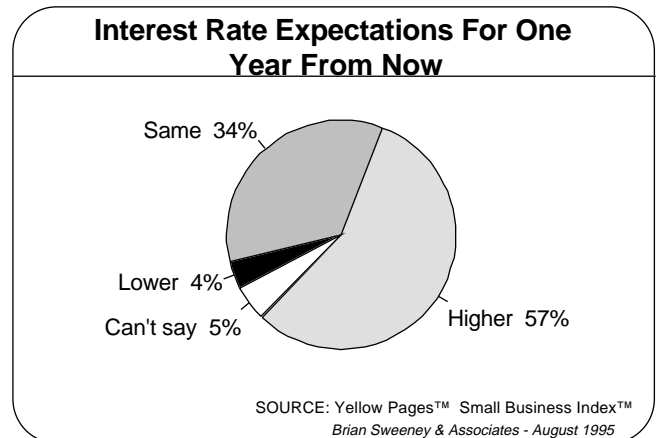


## INTEREST RATE EXPECTATIONS

While on the subject of loan applications, it is of relevance to examine expectations on interest rates.

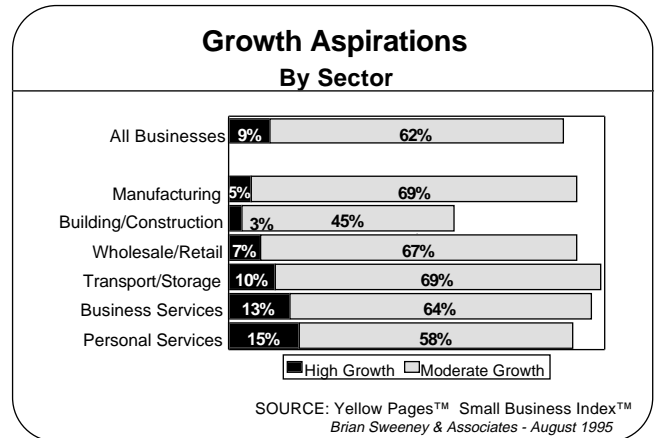
At the time of conducting the survey in late July/early August, more than half (57%) expected interest rates to be higher in a year's time; only 4% expected lower interest rates.

On the other hand, concerns over interest rates have fallen over 1995. Only 2% of proprietors interviewed in the July/August Index, spontaneously mentioned that they were concerned about interest rates. This compares to 8% and 6% figures for February 1995 and May 1995 respectively.

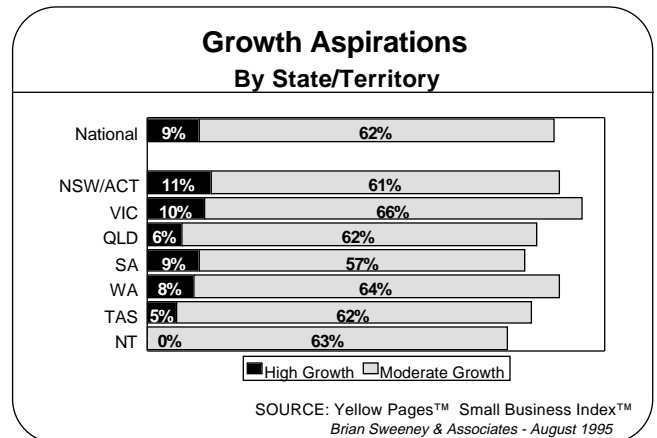


## FUTURE GROWTH CAPITAL

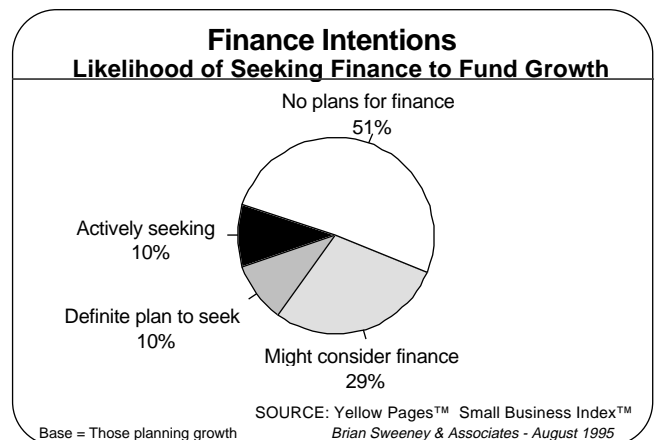
We referred earlier in the report to growth aspirations of small business proprietors. To recap, the Index results suggest that 9% are seeking significant expansion (the "high growth firms") and 62% are seeking to grow moderately. The graph opposite looks at this by business sector and shows that the building/construction sector stands out as the least bullish in this area.



Victorian businesses are most growth oriented.



Proprietors aspiring to high or moderate growth were asked about their plans for financing such growth. As summarised opposite, 10% of all growth oriented firms are currently looking for finance and a further 10% have definite plans to do so. Just under 30% "might consider" seeking finance.



When we focus on the high growth firms, however, we note that as many as 43% are actively seeking or have definite plans to secure finance for their expansion plans. This compares with only 17% of the moderate growth firms.

In summary, of **all** small businesses

- 71% have plans for growth
- 20% of these (14% of all small businesses) are actively seeking or have definite plans to obtain finance to secure this growth.

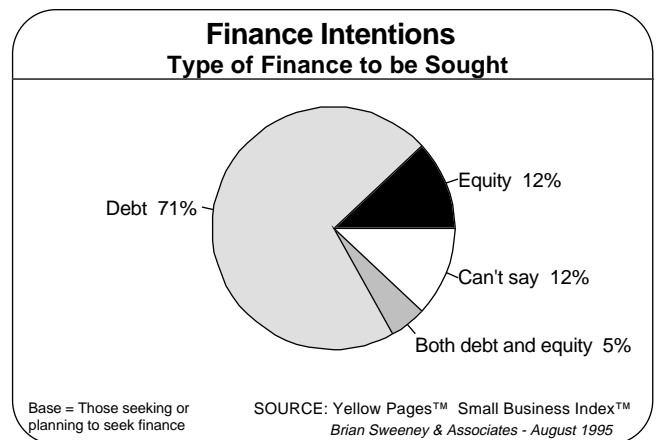
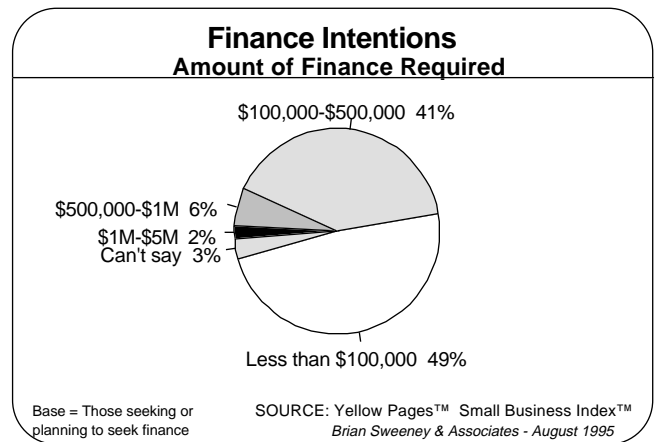
Those actively seeking or with definite plans to seek finance, were asked to nominate the amount of finance they were looking for. As illustrated, the vast majority are looking for \$500,000 or less with only a small minority seeking in excess of \$1 million.

What **type** of finance is being sought? Most (71%) are looking exclusively for debt finance although 12% are looking for equity finance and hence to share control with an equity partner or investor. A small proportion (5%) are looking at both forms of finance. Twelve percent are unable to nominate the type of finance they are looking for - this figure applying to those who are currently, actively seeking finance as much as to those who have plans to seek finance in the future.

### Finance Intentions By Growth Aspirations

	High Growth Firms	Moderate Growth Firms
Actively seeking finance	23%	8%
Definite plan to seek	20%	9%
Might consider finance	25%	29%
No plans for finance	32%	53%

SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995



## GOVERNMENT GRANTS

One possible source of capital for small businesses is Government Grants. Small business proprietors were asked...

*"In the last two years have you sought any Government Grants, assistance or rebates to help your business in any way?"*

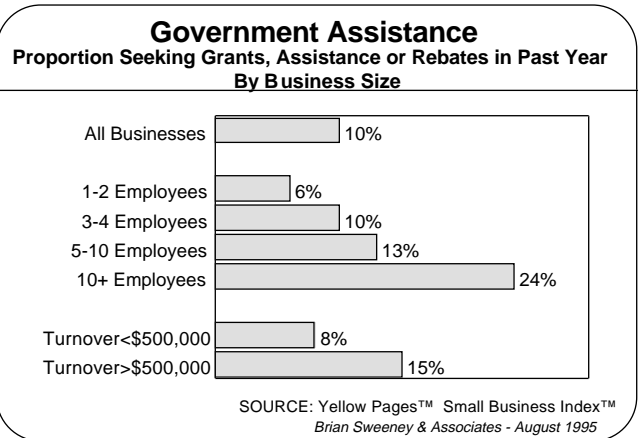
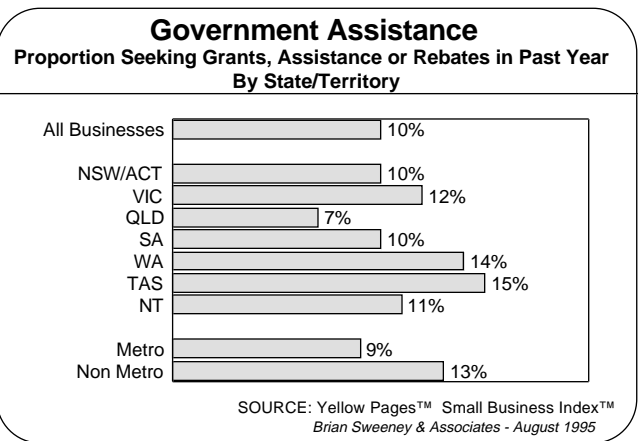
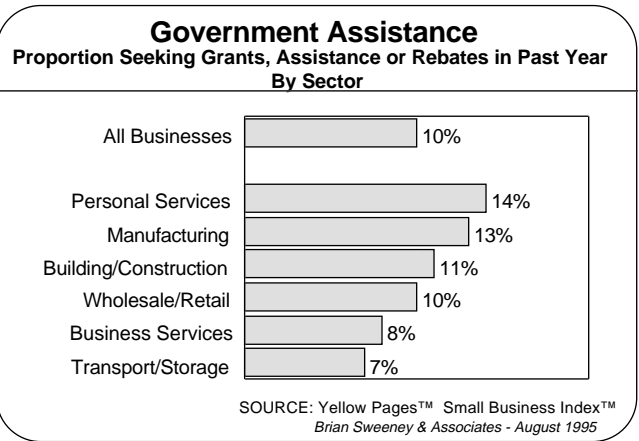
Overall, 10% have done so, with businesses in the personal services and manufacturing sectors most likely to have taken advantage of these options.

Analysis by location reveals that non-metro businesses are most likely to have sought this type of assistance - as are businesses in Tasmania and Western Australia.

The larger small businesses (those employing 10 or more people) are more likely to have sought government support than have the very small business.

The 10% who had sought assistance were asked to detail the type of assistance they had looked for. In order, the most common types of support were...

- job start/job subsidies (30%)
- apprenticeship schemes (16%)
- export market development (15%)
- training (10%)
- research and development (6%).



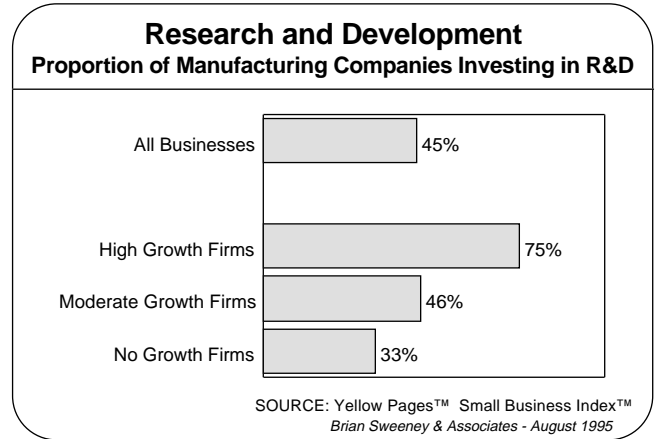
Additional questions on research and development grants were put to proprietors of manufacturing companies.

Of the companies involved in manufacturing, some 45% claim to spend money researching and developing new products. It is of interest to note that companies aspiring to significant levels of growth are substantially more likely than most to invest in research and development.

Manufacturing business proprietors were asked whether they were aware of the significant tax concessions available for research and development. Overall...

- 65% were aware of these
- of whom 8% (5% of all manufacturing businesses) had taken advantage of the tax concessions in the past.

There is, however, clear demand for more information with two-thirds of those who have not heard of the tax concessions being keen to find out about them in the future.

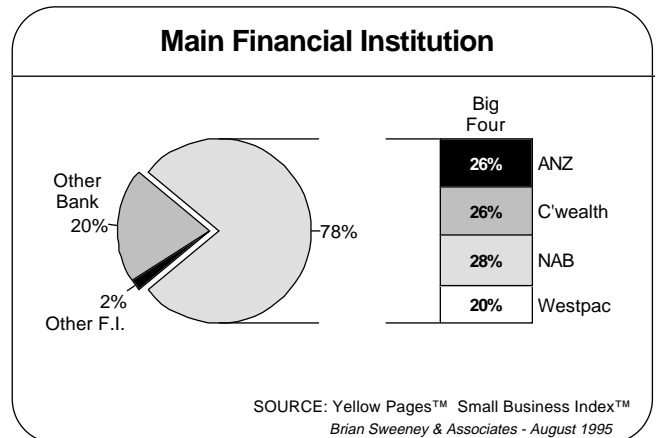


# Banks and Financial Institutions

## FINANCIAL INSTITUTIONS USED

Just under four out of five (78%) small businesses surveyed nominate one of the "big four" as their main bank or financial institution. This represents a small but significant drop on the 82% figure recorded two years ago.

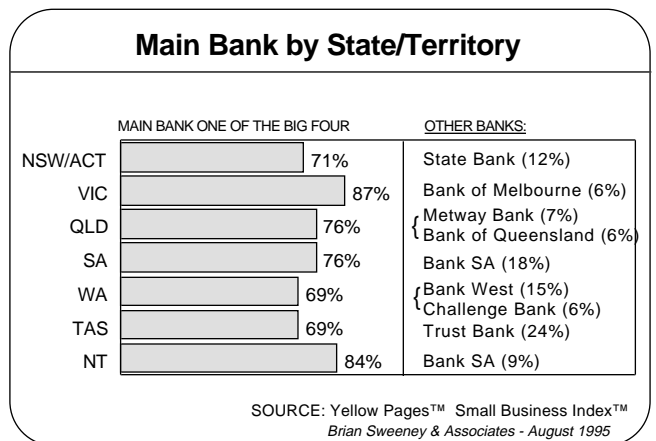
Twenty percent bank with one of the regional banks.



In the chart opposite, we examine the extent to which usage of the regional banks varies across Australia.

As illustrated, the major banks are strong in Victoria and the Territory but have a lesser hold in Tasmania and Western Australia. The Trust Bank of Tasmania is the regional bank with the highest share of its home market.

Most small business proprietors use a single financial institution, with only 15% operating accounts with more than one financial institution.



**SATISFACTION**

Across Australia, 78% of small business proprietors claim to be happy with the service they receive from their main bank - identical to the results for 1993.

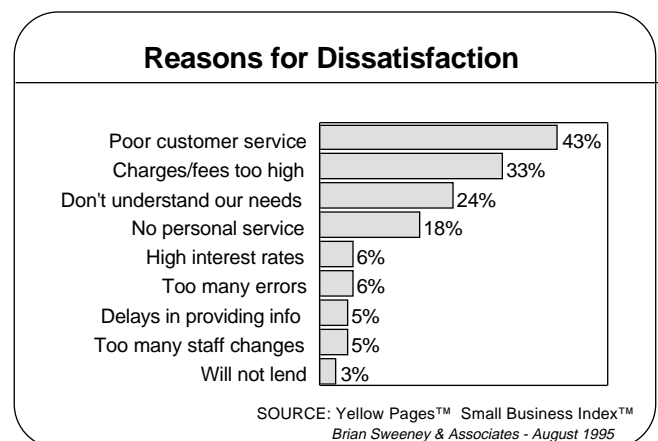
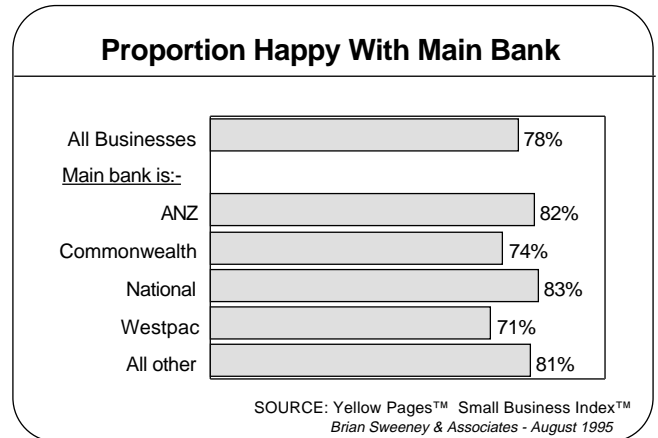
ANZ and NAB customers were more likely to be happy with their bank than those banking with the Commonwealth Bank or Westpac.

There is some evidence that the gap in satisfaction levels across the major banks has widened over the past two years. In 1993, the gap between "best" and "worst" on this measure was only 5% compared with the current gap of 12%.

Continuing our earlier theme, we note that female small business proprietors are no less satisfied than their male counterparts. Indeed, where as 77% of males express satisfaction, 81% of females are happy with the service they receive.

Reasons for dissatisfaction with bank service are summarised in the chart. As illustrated, "poor customer service" tops the list with concerns about fees and a perception that banks lack an understanding of small business needs also high on the agenda.

The proportion nominating "poor customer service" as a reason for dissatisfaction has increased from 28% in 1993 to 43% in the 1995 study.



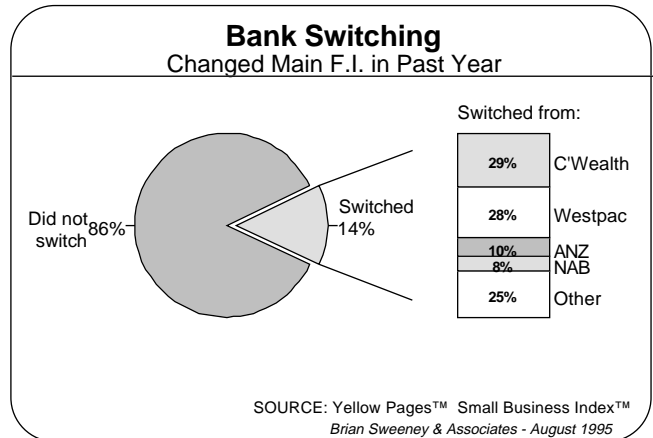
## BANK SWITCHING

Fourteen percent chose to change their main financial institution in the past year. The Commonwealth Bank and Westpac appear to have suffered most in this regard, in line with the satisfaction levels discussed previously.

The main reasons given for switching banks were...

- lack of service/bad service (49%)
- better deal/interest rates elsewhere (30%)
- not friendly (16%)
- charges too high (16%)
- not flexible (12%)
- inefficient (11%).

In 1993, roughly the same proportion had switched banks and then, as now, poor customer service was the primary reason. However, since 1993, there has been a big lift in the proportion mentioning that they were able to obtain a better deal elsewhere (up from less than 10% to 30%). This clearly demonstrates the continuing move to increased competition among the financial institutions in Australia.



# Financial Advice

## TYPE OF ADVICE

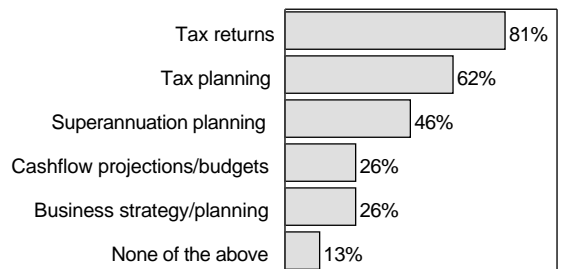
Small business proprietors were asked to nominate the areas in which they regularly seek professional advice from external sources such as accountants or financial advisors.

While the majority of businesses seek assistance on tax returns, superannuation and tax planning matters, relatively few look for independent advice on the preparation of cash flow projections/budgets or general business strategy/planning matters.

As might be expected, those in larger businesses are more likely to seek advice on matters other than tax returns.

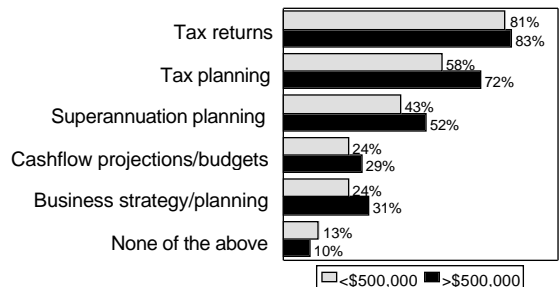
The results also show that businesses with some sort of growth orientation are more likely to seek outside help, particularly in the area of general business strategy.

**Type of Advice or Assistance Sought**



SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

**Type of Advice or Assistance Sought By Business Size**

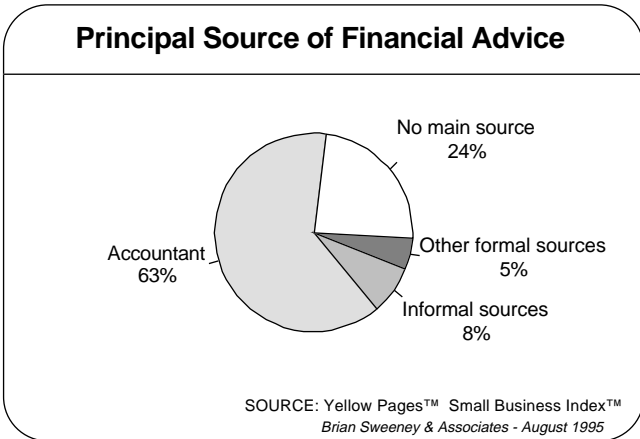


SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995

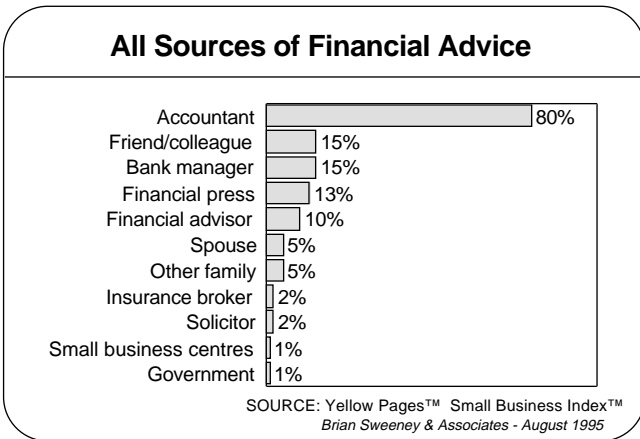
**SOURCE OF FINANCIAL ADVICE**

In the vast majority of cases, the accountant is the main source - used by 63% as their principal source of financial advice.

Around one in four, however, have no primary advice source. The balance of 13% seek their advice from a range of sources - either informal such as friends or relatives, or more formal, such as the bank manager or other financial experts.



Small business proprietors were also asked which other forms of advice they use in addition to their principal advisor. Combining the main and secondary sources, the hierarchy of advisory input, shown opposite, emerges.



High growth aspirants are less likely to rely on their accountant but more likely to seek the advice of other professionals such as bank managers.

**All Sources of Financial Advice Used  
By Growth Aspiration**

	High Growth Firms	Moderate Growth Firms	No Growth Firms
Accountant	74%	81%	80%
Friend/colleague	12%	14%	17%
Bank manager	21%	15%	11%
Financial press	10%	14%	10%
Financial advisor	13%	12%	5%
Spouse	1%	3%	11%
Other family	7%	5%	5%

SOURCE: Yellow Pages™ Small Business Index™  
Brian Sweeney & Associates - August 1995



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## YELLOW PAGES SMALL BUSINESS INDEX "SPECIAL REPORTS"

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WOMEN IN BUSINESS - JULY 1994

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THE IMPACT OF THE DROUGHT ON RURAL SMALL BUSINESS - NOVEMBER 1994

SMALL BUSINESS GROWTH ASPIRATIONS AND THE ROLE OF EXPORTS - FEBRUARY 1995

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Other special topics investigated include NSW Bushfires, the Sydney Olympics, Exports, Australian Made and other Credential Advertising, and Employment Skills and Training.

For further information on these reports please contact:

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# **SMALL**

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# **BUSINESS**

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**A Special Report On**  
**Finance and Banking**  
**Issues**  
**September 1995**

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# Contents

<b>Summary</b>	<b>1</b>
<b>Introduction</b>	<b>2</b>
<b>About this Special Report</b>	<b>2</b>
<b>Capital Availability</b>	<b>3</b>
<b>Banks and Financial Institutions</b>	<b>18</b>
<b>Financial Advice</b>	<b>21</b>