

TEC CEO Confidence Index

The Executive Connection CEO *Confidence Index* December Quarter 2020 reveals that CEOs are looking ahead with strong expectations of growth and opportunity for their businesses in 2021 following an extraordinary year of challenges and changes influenced by COVID-19.

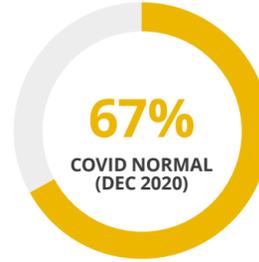
Responses from 167 SME CEOs across a diverse range of industries were received from 1–16 November 2020.

CEOs CONFIDENT IN YEAR AHEAD

CEOs are approaching the year ahead with increased confidence in the economic outlook. Anticipated conditions for the year ahead have considerably improved since the height of national COVID-19 lockdown in April 2020; with leaders' positive expectations growing by more than 400 per cent in the last eight months.



14 per cent of CEOs anticipated economic conditions to improve in the year ahead



Two thirds of CEOs expect conditions to improve or remain stable in the year ahead

DECISION PARALYSIS LIFTS WITH CONFIDENCE

"There has been a significant lag in decision-making or 'do nothing' approach from many companies during the year with the pandemic and uncertainty around office needs. This back log of requirements which should start to enter the market in 2021, which will see an increase for our business over 2020."

Matt Buckley
Director, ACORPP, QLD

TALENT UNDERPINS GROWTH

"We are investing significantly in our talent pipeline to ensure we have the human resources to service increased volume. At the same time, we are also investing in improving our marketing capability to generate more leads."

Alan Hemmings
CEO, Home Loan Experts, NSW

PRODUCTIVE PEOPLE-FOCUS

Leaders are investing in people, training, upskilling and increased productivity measures to place Australian SME businesses on a growth path into 2021.

50%

of CEOs expect employee numbers to increase over the next 12 months



INVESTMENT IN THE FUTURE

Leaders are consciously and consistently investing to best position their businesses in a post-COVID world, with a focus on innovation, new technology and optimising operations.

47%

of CEOs expect investment expenditures to stay the same over the next 12 months



DEMAND OUTSTRIPS EXPECTATIONS

"We experienced overwhelming sales in October 2020; it was the biggest month we have ever had – exceeding pre-COVID targets. Due to the inability to leave the state or country, we haven't seen the 'drop off' we would normally experience at this time of year. Our program is bursting at the seams!"

Natasha Sears
Director, Puddle Ducks Swim Academy, NSW

NEW TECHNOLOGY AND NEW MARKETS

"We were pivoting to a new technology before the pandemic hit and this technology is even more marketable with all that has occurred because of COVID-19. As we develop the product, it will open up new markets for us, and reduce our operating expenses."

Shane Darwin
CEO, JB Hunter, VIC

REVENUE, PRICES AND PROFITS TO RISE

CEOs and business owners are confident in business performance for the year ahead, with the majority expecting a strong upward trajectory for revenue, prices and profits.



75%

of CEOs anticipate sales revenues will increase over the next 12 months



57%

of CEOs predict profitability will increase in the next 12 months



60%

of CEOs expect prices of their products or services increase over the next 12 months