

TEC CEO Confidence Index

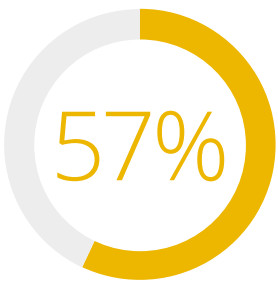
March Quarter 2023

The Executive Connection *CEO Confidence Index* March Quarter 2023 reveals that three leadership mindsets have emerged as Australian SME CEOs face an uncertain economic environment. Focused and steadfast, sharp and shifting, or going for growth are the three distinct approaches for the year ahead.

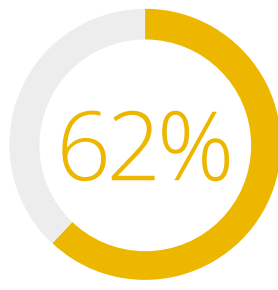
Responses from 146 SME CEOs across a diverse range of industries were received in the 17 days to Friday 17 February 2023.

CAPTAIN ON THE HIGH SEAS

The economic outlook is pressure-testing the resilience of mid-sized business leaders, with many anticipating conditions will worsen in the year ahead.



More than half of SME CEOs believe overall economic conditions have worsened in the past 12 months

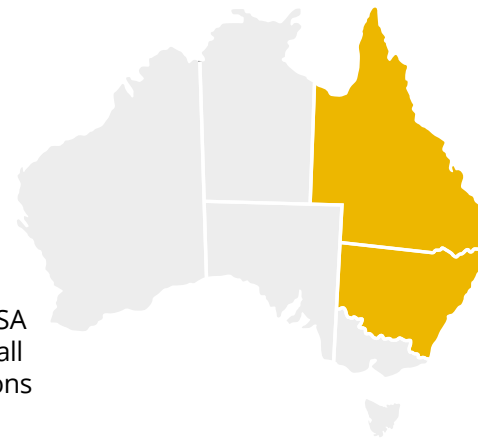


Two-thirds of CEOs expect economic conditions continue to decline in the year ahead

More leaders in NSW and QLD are feeling the effects of the economy than their counterparts in other states.

18%

of leaders in VIC, SA and WA feel overall economic conditions have worsened



31%

of leaders in NSW and QLD feel overall economic conditions have worsened

% SECURE THE ANCHOR

Many Australian SME CEOs are readying their ships for the high seas ahead, making small adjustments to keep fixed investment expenditure the same and remain focused on their end goal.



60%

of leaders expect profits to stay the same or decrease in the year ahead



38%

of leaders expect investment expenditure to stay the same during the next 12 months

// PLAIN SAILING

“Despite feeling that economic conditions will likely worsen over the next 12 months, we’ve a strong focus on business development, new products and sales pipeline. We’ll be investing more time with key referral sources to build relationships.”

Sam Willis
Western Australia, TEC45

// A CHANGE OF COURSE

“Strategic planning, with the aim to be proactive instead of reactive, will be key for us in the year ahead. Diversification, succession planning and changes to foundational aspects of the business will ensure we’re future-proofed.”

Kimberley Parsons
New South Wales, TECR231

% DIVE IN AND DIVERSIFY

Taking into consideration the uncertainty ahead, our second group of CEOs and business leaders are diversifying business operations creating new revenue streams to keep profit flowing.



69%

of leaders expect profitability to stay the same or increase in the year ahead

% THE WIND IN THEIR SAILS

For our last group of CEOs, they’re pushing full steam ahead, so they reach their target destination. They believe now is the time to re-emerge from the pandemic with a refreshed and strategic approach to their business plan. They’re innovating products and services, and increasing prices, to ensure they stay ahead in the next 12 months.



58%

Over half of SME CEOs anticipate sales revenue to increase over the next 12 months



64%

of leaders are planning to increase the price of their products and services

// FULL STEAM AHEAD

“We’re investing in ways to improve our effectiveness and capacity for the future. We’re adding and expanding products to create new revenue streams.”

James Woodyatt
Victoria, TEC34

ALL ABOARD

The tight skills market continues to put pressure on CEOs and business leaders expanding their teams. While growth remains a key area of focus, in comparison to June 2022, leaders are planning to decrease the number of employees due to continued challenges in attraction and retention.

JUNE 2022

7.5%

of organisations are planning to decrease the number of employees



MARCH 2023

14%

of organisations are planning to decrease the number of employees



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