

Business Health Monitor

Annual Report
May 2024



ABOUT

The research

This is the first in a series of four reports to be published by Better for Business (B4B) in May 2024. It covers the first of the main topics included in our Business Health Monitor:

1. **Business health and wellbeing**
2. Digital capability trends
3. Business motivations and development goals
4. Environmental awareness and trends

Research New Zealand surveyed 2,356 businesses on behalf of B4B between November 2023 and January 2024, both online and over the phone. Answers have been weighted to be representative of industry category and business size (by number of staff). Respondents are predominantly business owners or managers.

Better for Business

B4B makes it easier and more seamless for businesses to deal with government. We do this by understanding small businesses' diverse needs, and using that information to improve the experience they have when dealing with government agencies.

Our long-term research seeks to capture changes across the business landscape. This helps government agencies identify areas where they can better support businesses to thrive and prosper.



2,356
businesses

Surveyed between:

Late November
2023
↓
January 2024

BETTER FOR BUSINESS

IN THIS REPORT

New Zealand business health and wellbeing

The survey included three questions across three key areas:

1. **Business Health – unprompted:** an opportunity for owners/managers to describe how their business is faring currently, in their own words
2. **Business Health – prompted:** self-reported changes in costs, revenue and other indicators of performance compared to the same period last year
3. **Wellbeing:** an update on the levels of frustration/stress and optimism/hope being experienced by owners and managers.



B4B has been monitoring business health and owner wellbeing since 2020 ...

with a varying focus to reflect changes in the business operating environment.

Our current focus is understanding how businesses are navigating challenging economic conditions.

KEY ECONOMIC FINDINGS

Cost pressures and profitability strain

Many businesses are experiencing a financial squeeze due to rising costs and falling demand. This constrains their ability to maintain or increase profitability.

are causing businesses to consolidate

In the face of slower economic growth , businesses are focusing on stability over expansion. Consolidation is a key means of managing uncertain market conditions.

and focus on efficiency and adaptation.

Businesses are also choosing to focus on streamlining and improving efficiency. This is a pragmatic response to uncertainty.

BUSINESSES HEALTH UPDATE

“It’s more difficult than ever financially. I have had the business for 10 years.”

Other services, 2-5 employees, Bay of Plenty

“The biggest impact has been interest rates, which flowed through to the banks turning the tap off for future commercial property purchases or development. So we haven’t been able to buy anything so we have consolidated. Fortunately, we have had the cashflow to manage that and our tenants have all survived.”

Rental, Hiring & RE Services, 10-19 employees, Auckland

KEY INSIGHTS FROM BUSINESSES

From the verbatim comments, we could also identify five other key themes:

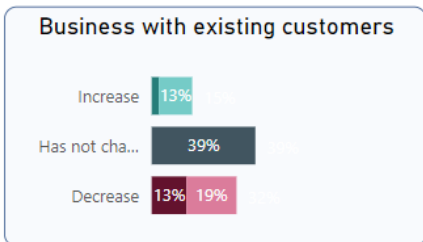
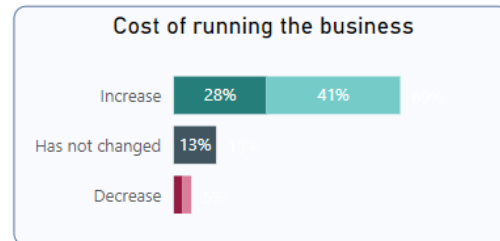
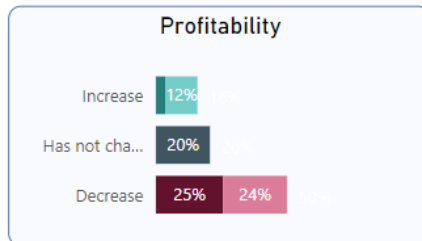
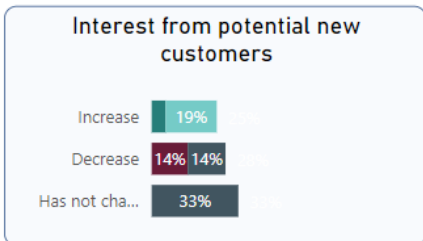
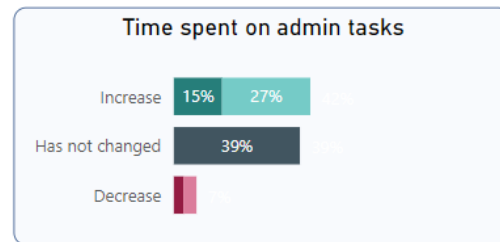
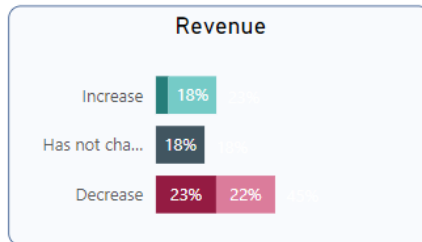
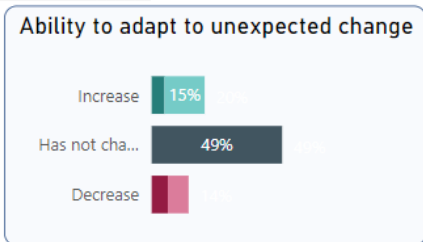
- **Government Policy Impact:** Many businesses face challenges arising from changes to government policies, such as increased compliance costs, and minimum wage hikes. Uncertainty around the future of government spending and projects creates challenges for workforce and business planning.
- **Challenges in Specific Sectors:** Some sectors face specific challenges. For example, while all businesses must deal with rising costs and higher interest rates, businesses in tourism and hospitality are particularly impacted by fluctuating demand.
- **Consumer Behaviour and Spending:** Reduced discretionary spending has particularly impacted businesses offering non-essential goods and services. Some have had to adjust pricing or service offerings to accommodate this change in customer behaviour.
- **Client Behaviour Changes & Reliance on Key Clients:** Many businesses have observed that customers are increasing unwilling to commit to new projects. There is an increased tendency to delay appointments or purchasing decisions. This has increased these businesses' reliance on existing contracts and clients.
- **Impact of Natural Disasters:** Businesses in regions affected by natural disasters such as the Auckland flood and Cyclone Gabrielle in Hawkes Bay have experienced significant disruption. In some cases, the revenue reduction and increased operational costs were significant and sustained.

Approximately **1 in every 10** businesses reported challenges in recruitment and retention of staff, citing competition and non-competitive pay levels as significant factors.

1 in 4 businesses expressed concern about the rise in operating costs and its impact on their operations.

CHANGES IN BUSINESS PERFORMANCE

“Compared to the previous 12 months, has your business experienced a change in any of the following this year?”

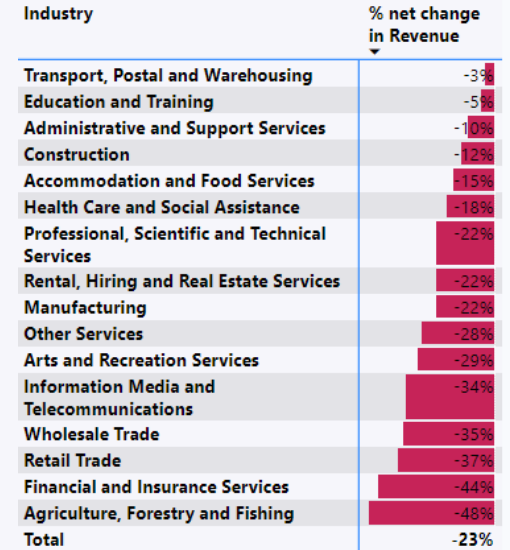
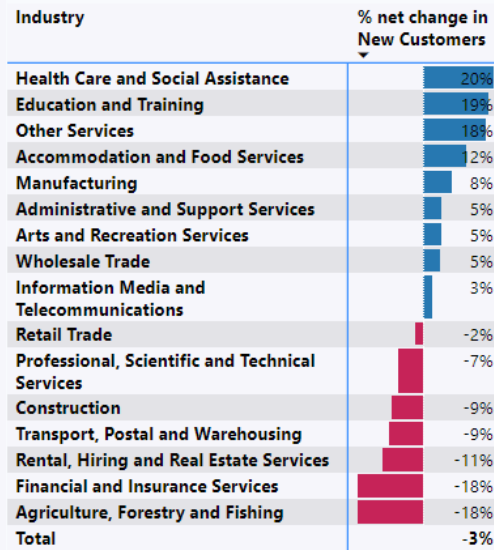
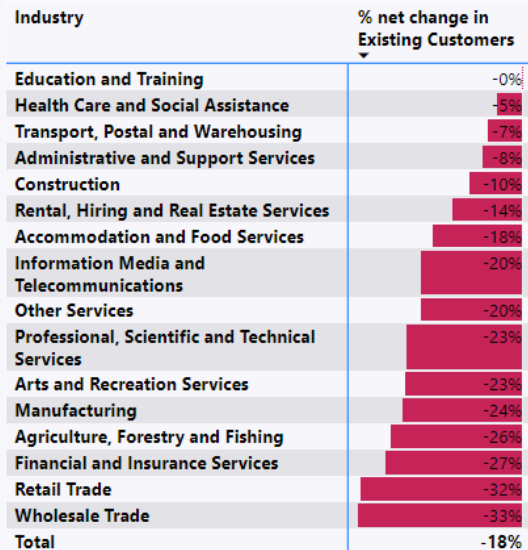


These charts are arranged (from top left to bottom right) in order of the net change reported by businesses, from positive to negative. 69% of business say the cost of running the businesses has increased year on year, including 28% who report a *significant increase of 20% or more*. We can also see that:

- the number of businesses experiencing positive customer acquisition and revenue growth has dropped from last year (down 5 percentage points and 7 percentage points respectively). This signals a challenging economic environment ahead.
- The percentage of businesses reporting profit increases has declined from 20% to 18%, likely due to rising costs and lower customer growth.
- Despite these challenges, businesses are achieving gradual improvements in efficiency, with slight reductions in the number of businesses experiencing growth in costs (time and financial) from administrative tasks and overall running of the business, pointing to a positive shift towards streamlining operations.

CHANGES BY INDUSTRY

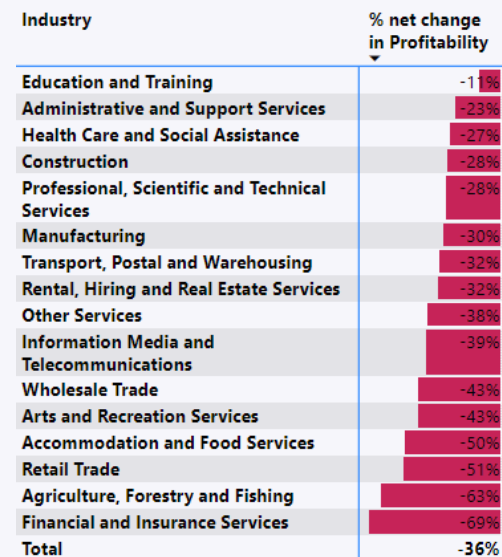
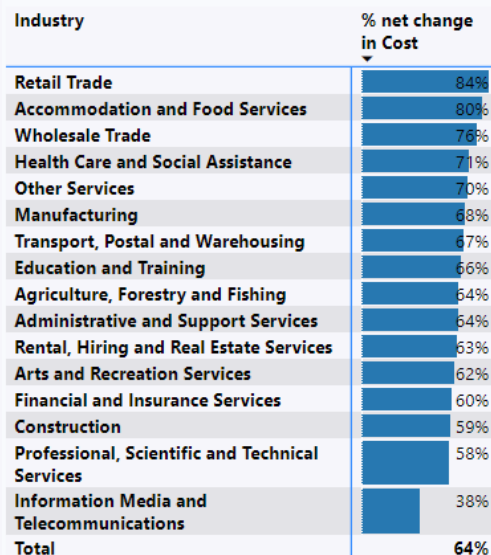
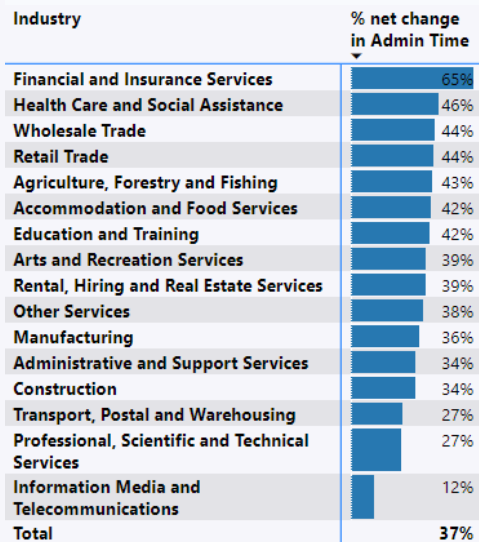
- Across all sectors, significantly more businesses are reporting drops in existing customers than not, particularly in wholesale trade (-33%) and retail trade (-32). This may reflect a longer-term trend of changing market dynamics, including a shift toward online purchasing and potentially a sustained period of restrained discretionary consumption. This could further impact these industries' recovery strategies.
- Some industries, such as health care and social assistance, as well as education and training, have seen an increase in new customer numbers. This could be a result of increased demand for healthcare services and educational resources as after-effects of the pandemic. However, for other industries, growth of new customers is more mixed or is decreasing (eg in agriculture and financial services).
- Overall, most businesses are experiencing a decline in revenue, with retail trade, agriculture and financial services being particularly hard hit. These industries are also more likely to report decreases in profitability compared to last year.



Note: The charts show net changes (% reporting increase minus % reporting decrease) on each dimension.

CHANGES BY INDUSTRY – CONTINUED

- Across all sectors, a significant number of businesses (37%) are experiencing an increase in time spent on administration. Although this is still a substantial figure, it represents a slight improvement from the previous year, when 41% of businesses reported the same issue. This suggests businesses are gradually becoming more streamlined and optimised in their operations.
- Cost increases are also present across all sectors, with few businesses able to avoid the rising costs associated with operating their business.
- The financial and insurance services industry, in particular, has a significant number of businesses experiencing declines in both profitability and revenue. This trend may be attributed to rising insurance premiums over the past year, leading to increased rates of policy defaults and a decline in new and existing customers.



CHANGES BY INDUSTRY AND SIZE

- While most industries report overall improvements in their adaptability, businesses in the financial and insurance sector are more likely to report a decrease in their adaptability and resilience over the past 12 months. This is possibly due to market volatility, regulatory changes, and intensified competition.
- Sole traders and businesses with 2-5 staff members tend to report more negative changes to their resilience compared to larger organisations. Smaller entities may face additional challenges in adapting to fluctuating costs and market conditions, impacting their ability to maintain steady performance and growth.

Industry	% net change in Adaptability
Education and Training	20%
Other Services	18%
Information Media and Telecommunications	14%
Wholesale Trade	12%
Retail Trade	9%
Accommodation and Food Services	8%
Professional, Scientific and Technical Services	8%
Administrative and Support Services	8%
Health Care and Social Assistance	7%
Rental, Hiring and Real Estate Services	5%
Agriculture, Forestry and Fishing	5%
Manufacturing	4%
Transport, Postal and Warehousing	3%
Construction	0%
Arts and Recreation Services	-1%
Financial and Insurance Services	-4%
Total	6%

Business size (number of staff)	% net change in Adaptability	% net change in Admin Time	% net change in Cost	% net change in Existing Customers
One employee/sole traders	2%	27%	56%	-19%
Small (2-5)	10%	48%	73%	-16%
Medium (6-19)	18%	60%	85%	-16%
Large (20+)	28%	57%	82%	-12%
Total	6%	37%	65%	-18%

Business size (number of staff)	% net change in NewCustomers	% net change in Profitability	% net change in Revenue
One employee/sole traders	-6%	-35%	-25%
Small (2-5)	-4%	-36%	-26%
Medium (6-19)	10%	-40%	-15%
Large (20+)	14%	-33%	-6%
Total	-3%	-36%	-23%

“At the moment it is difficult, as customers don't have the discretionary income and therefore are not spending as much as they normally would. I am having to reduce the hours that my staff work to keep the business going”

West Coast, 2-5 employees, Retail Trade



COMPLIANCE COSTS

Compliance costs pose challenges to profitability and operational efficiency. Many businesses report that regulatory changes, alongside minimum wage rises, have increased overheads and complexity.

To stay compliant, companies often turn to paid services such as employment law consultancies, which add further expense without contributing to revenue.

The rising costs associated with compliance have placed financial strain on businesses, affecting their ability to maintain staffing levels, service debt, and remain competitive. In addition, the need to engage third party services and adhere to complex regulations is diverting resources from other strategic priorities.

Industries most affected by compliance costs:

- **Professional, Scientific, and Technical Services:** Businesses reported that regulatory changes were impacting their operations.
- **Rental, Hiring, and Real Estate Services:** The real estate sector in particular has seen increased compliance costs, possibly due to changed regulations.
- **Agriculture, Forestry, and Fishing:** Regulatory pressures in the agriculture and fishing sectors have affected these businesses, particularly in terms of environmental and safety regulations.
- **Construction:** Compliance with construction standards and safety regulations has impacted this industry.
- **Health Care and Social Assistance:** Regulatory changes and rising compliance costs have affected health care providers, particularly smaller clinics.

“Struggling thanks to all the additional regulatory costs of compliance in terms of fees and consultants we need to engage just to stay compliant. Have not received any additional funding or income rises to offset these costs which add nothing to revenue.

Financial & Insurance services, Auckland

“It is difficult with significant overheads with IRD. This includes provisional tax, PAYE, GST, Terminal Tax. It is complicated. Also, wages and increased cost of compliance for business makes it impossible to keep up. So for us, we use a paid company called Employsure to complete all contracts and to stay ahead of any changes in policy and legislation.”

Other services, Canterbury

BETTER FOR BUSINESS

A REGIONAL LENS INTO COMPLIANCE COSTS

Auckland: As the largest city and economic hub, businesses in Auckland are dealing with regulatory changes, rising costs, and competition.

Industries Affected:

1. **Rental, Hiring, and Real Estate Services:** Compliance with property management regulations, tenant laws, and insurance requirements.
2. **Professional, Scientific, and Technical Services:** Challenges related to industry-specific regulations and certifications.
3. **Construction:** Compliance with building codes, health and safety standards, and permitting processes.

Business Size:

Primarily One Employee/Sole Traders and Small Businesses (2-5 employees) are affected.

Type of Compliance Cost:

1. Increased administrative overhead from changes in regulations and laws.
2. Higher premiums due to the Anniversary Day floods.
3. Legal and permitting fees associated with regulatory changes.



Wellington: The capital region, being the seat of government, sees many regulatory changes impacting businesses.

Industries Affected:

1. **Professional, Scientific, and Technical Services:** Regulatory compliance in professional licensing and technical standards.
2. **Health Care and Social Assistance:** Struggles with evolving health regulations and policy changes.

Business Size:

Mostly One Employee/Sole Traders and Small Businesses (2-5 employees) are affected.

Type of Compliance Cost:

1. Increased licensing and certification costs due to new regulations.
2. Regulatory changes affecting professional standards, especially in health and technical services.

Canterbury: This region has noted some compliance challenges, particularly in construction and related industries

Industries Affected:

1. **Construction:** Compliance with construction codes and standards, as well as health and safety regulations.
2. **Professional, Scientific, and Technical Services:** Facing challenges with regulatory changes in their fields.

Business Size:

Mainly One Employee/Sole Traders and Small Businesses (2-5 employees) are affected.

Type of Compliance Cost:

1. Regulation and compliance fees for construction projects, such as inspections and permits.
2. Safety and training costs to comply with health and safety standards.

REDUCING BURDEN FOR BUSINESS GROWTH

As businesses struggle to absorb these compliance/regulatory costs, they may face reduced profitability and limited growth potential, making it critical for policymakers to consider the impact of compliance requirements on the economic health of New Zealand businesses.

In particular, sole traders and small enterprises are already facing increasing challenges and these burdens create power imbalances within industries, such as real estate and construction, where larger players sometimes leverage punitive contracts against smaller sub-contractors.

Over 2,000 pieces of verbatim feedback provided some indication of the different measures government might consider to alleviate the impact of compliance costs for New Zealand businesses. These could include:

- Taking opportunities to simplify the regulatory framework by reducing bureaucratic hurdles and offering clear guidance and easy-to-understand resources for businesses to navigate tax and legal requirements.
- Encouraging businesses to digitalise – adoption of digital tools and automation can reduce the time and effort required to meet compliance obligations.
- Maintain an ongoing dialogue with industry representatives to ensure policies respond to business needs.

1 in 5 businesses reported struggling with compliance cost and regulatory burden. These businesses span multiple regions and industries, indicating that this is a widespread challenge across the business landscape

MENTAL WELLBEING

"It's been the hardest, most stressful and worrying year in business I have experienced. The expectations from clients are out of kilter with what can be done, costs have increased considerably, staff are all very stressed personally and businesses aren't committing to work as they too are in the same situation.."

*Professional, Scientific & Technical Services,
10-19 employees, Otago*

"Very busy – it's a psychology practice so we see lots of stressed people and because of the terrible state of the mental health services in NZ, we are constantly in demand."

*Healthcare & social assistance, 6-19 employees,
Gisborne*

OVERVIEW

Frustration and stress is outweighing optimism and hope

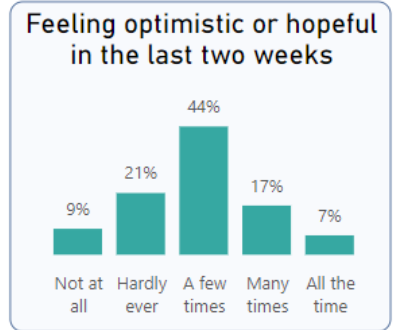
Almost half (43%) of all businesses reported neither frequent stress nor frequent optimism.

24% of businesses reported feeling frequent optimism and hope (ie 'many times' or 'all the time') in the previous two weeks, while 35% reported frequent frustration and stress.

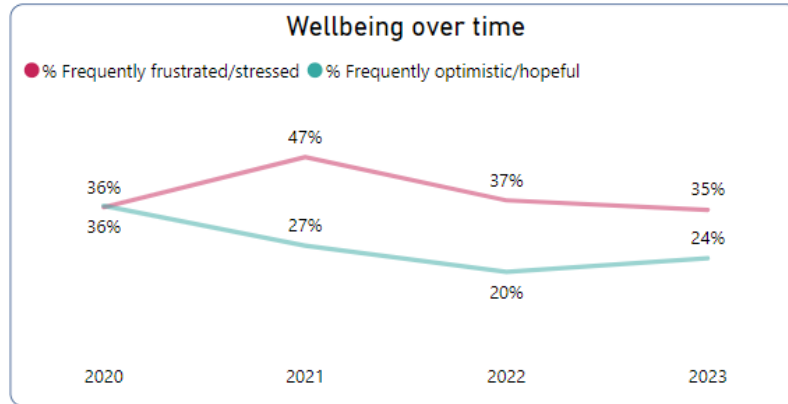
Although there has been an increase in reported optimism and a decrease in reported frustration compared to the previous survey in 2022, overall, businesses are still reporting a more negative than positive outlook.

This underscores the ongoing need for business owners and operators to have access to wellbeing support and tools.

Frequently optimistic
24%
(20%) in 2022

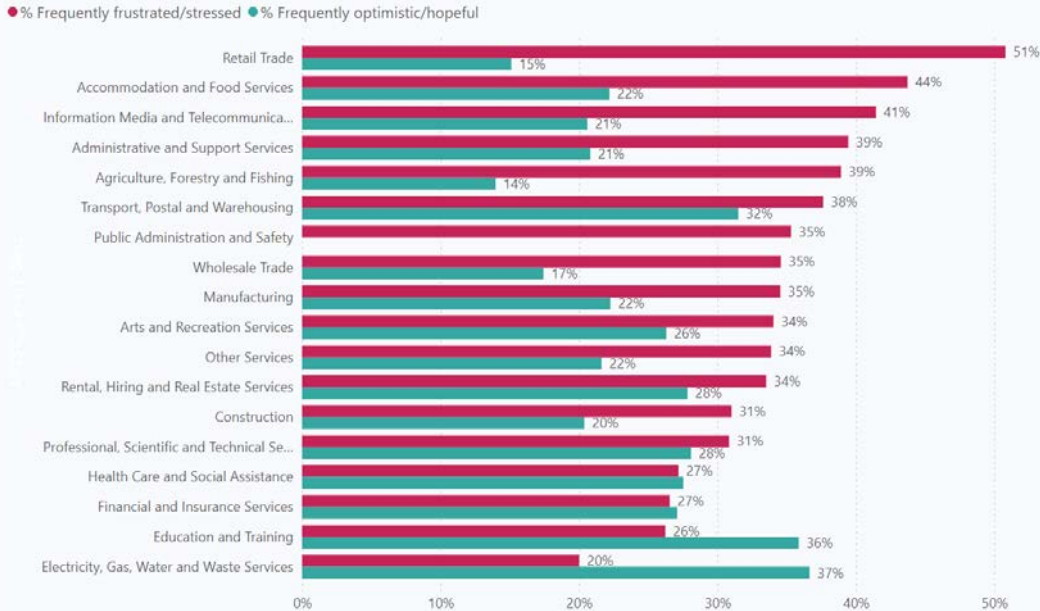


Frequently frustrated
35%
(37%) in 2022



WELLBEING BY INDUSTRY

Wellbeing by industry



Compared to last years' survey, most industries have a reduced proportion of businesses reporting frequent frustration and stress.

The transport, postal and warehousing industry reported a 16% decrease in the proportion of businesses experiencing frequent frustration and stress. Manufacturers reported a 6% drop in stress levels this year and a 3% increase in optimism.

Nonetheless, stress levels remain high in many sectors. Retail trade stands out, with a drop of 6% in optimism. Businesses in this sector most likely to report frequent stress and frustration. Retailers are impacted by rising costs, falling discretionary expenditure, crime and rising use of e-commerce.

Business profitability changes have a strong **correlation** with frustration and stress levels, followed by changes in costs. Businesses experiencing a decrease in profitability are more than twice as likely to report frequent frustration and stress compared to those maintaining or increasing profitability. These findings highlight the importance of financial stability for overall business wellbeing and performance.

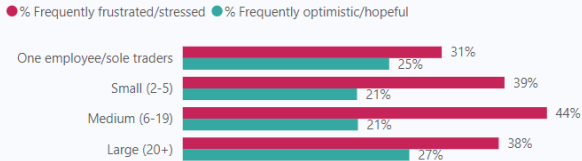
WELLBEING VARIATIONS

Frustration and stress levels have decreased year over year among medium and large employers, though they remain at concerning levels. Meanwhile, optimism has increased across businesses of all sizes.

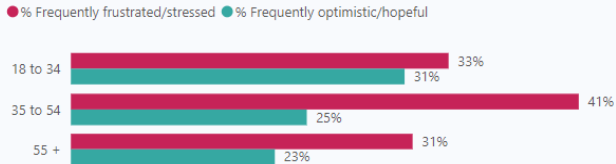
Business owners and managers aged 35 to 54 are more likely to report frustration and stress, independent of industry or experience level. This age group is typically at the stage where they are managing both professional responsibilities and personal commitments, such as raising a family or paying off mortgage. Despite this, optimism and hope levels have increased across all age groups, particularly for younger business owners (ages 18-34).

There is a strong relationship between business performance and wellbeing, as seen in the connection between profitability changes and levels of frustration and stress. The owners of businesses that maintain or improve profitability are much more likely to experience better wellbeing and optimism.

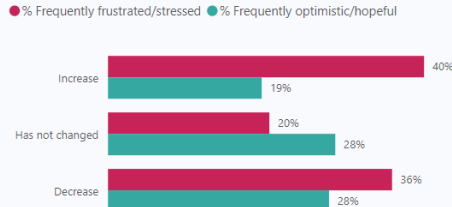
Wellbeing by business size



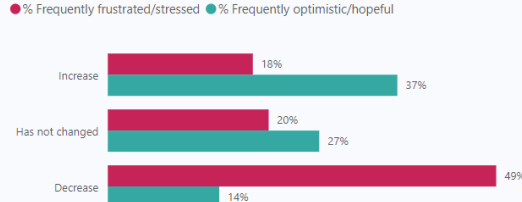
Wellbeing by age of owner/manager



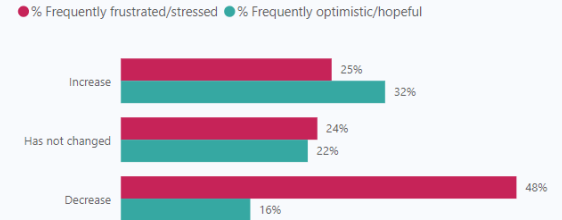
Wellbeing by Cost Change



Wellbeing by Profit Change



Wellbeing by Revenue Change

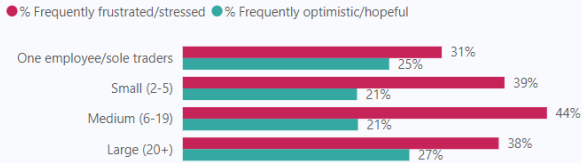


WELLBEING VARIATIONS - CONTINUED

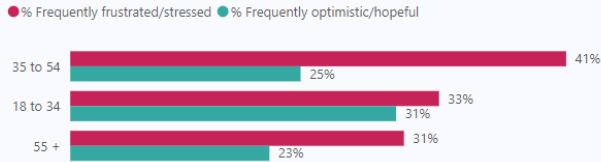
Business owners are more likely to face heightened frustration and stress when their revenue and profits decline, and particularly when this is driven by rising business costs.

Inflation and interest rates are macroeconomic issues, but there are still options to support businesses impacted by economic conditions. For example, business advisory services and affordable financing can help businesses navigate these challenges and maintain their financial and mental resilience.

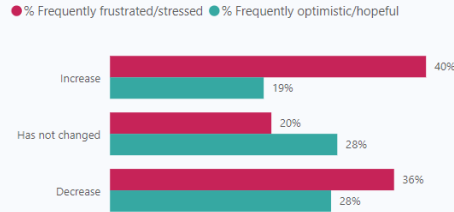
Wellbeing by business size



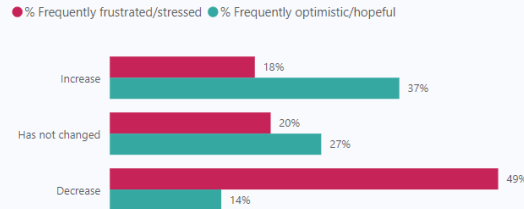
Wellbeing by age of owner/manager



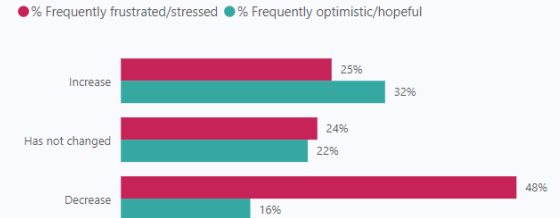
Wellbeing by Cost Change



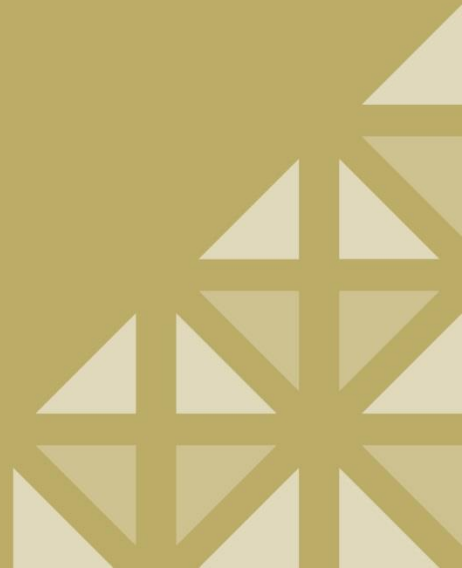
Wellbeing by Profit Change



Wellbeing by Revenue Change



COMMENTS FROM BUSINESSES



VOICES OF BUSINESS OWNERS

Respondents were asked: "How is your business managing in the current environment?"

Comments are organised into key themes and ordered by positive and negative sentiment.

Economic Strain and Operational Challenges

"We are managing to maintain and increase our sales YTD."

"It's tough.... We are a company that does everything right and that comes at a cost, but it's hard to compete as a lot of companies take shortcuts not just with workmanship, product, health, and safety with their employees but also with operational costs like PAYE, insurance, etc., that reduce their costs."

"Extremely difficult to manage employee remuneration expectations and their diminishing productivity. Primarily due to the fact they know employers are finding it extremely difficult to replace them, with the absence of a suitably skilled labor force."

Labor Market Issues

"Managing ok, but not great considering hours spent in the business."

"Extremely difficult to manage employee remuneration expectations and their diminishing productivity. Primarily due to the fact they know employers are finding it extremely difficult to replace them, with the absence of a suitably skilled labor force."

"Due to not being able to hire the appropriate staff (clinical), we will post a profit in this financial year, but this has come at a cost to the existing staff covering increased workloads. Next year, now we have full staffing, is looking to be a significant loss as many of our contracts have not increased for some time."

Cash Flow and Financial Management

"We are managing because we have reserves and have cut back on staffing, spending more hours in the business ourselves."

"We are losing money every week. I cannot pay myself; I travel from Te Hana 4 days a week to Henderson and back every day. The cost of diesel and mileage for the last 3 years. Our shop is a LOTTO Shop, and we get paid 6 cents in the dollar for the last 35 years."

"Under greater financial stress than planned due to the loss of interest deductibility on a residential rental. I may have to sell the property."

VOICES OF BUSINESS OWNERS

Respondents were asked: "How is your business managing in the current environment?"

Comments are organised into key themes, and presented by positive and negative sentiment.

Market Uncertainty and Demand Fluctuations

"Business is good, fortunately we are a bakery/café in a small town where people drive through going north: south and east: west, but also get a lot of tradies and locals within our region."

"Financial pressures are real, and we are having to carefully plan what we do because of this."

"At the moment it is difficult, as customers don't have the discretionary income and therefore are not spending as much as they normally would. I am having to reduce the hours that my staff work to keep the business going."

Adaptation and Resilience

"Reasonably well, consistent amounts of work available."

"Our focus on maintaining strong client relationships and building customer loyalty has helped us navigate the challenges of fluctuating demand and ensure continued business stability."

"Our strategic shift toward offering essential products and services has insulated us from significant economic fluctuations and allowed us to continue growing."

"It's not managing. I feel that the organization could be run a lot more efficiently. We don't have a lot of funds to carry out all that we are supposed to so any wastage is unacceptable. It may have to do with differing priorities."

Government Policy Impact

"Our focus on providing advisory services for various government projects has ensured a consistent stream of work despite changes in policies."

"Increased compliance costs and complexities in regulations have put a strain on our business operations."

"Minimum wage hikes and shifting regulations have resulted in higher operational costs, impacting our profitability."

VOICES OF BUSINESS OWNERS

Respondents were asked: "How is your business managing in the current environment?"

Comments are organised into key themes, and presented by positive and negative sentiment.

Challenges in Specific Sectors

"Despite challenges in the tourism industry, we have managed to pivot and offer new experiences to attract domestic visitors."

"We have adapted to the changing agricultural landscape by exploring innovative farming practices and diversifying our crops."

"Rising costs and interest rates in construction have made it difficult to maintain profitability."

"The decline in international tourism has significantly affected our hospitality business."

Customer Behavior and Spending

"Offering flexible payment options and promotions has helped us retain customer loyalty during tough times."

"Reduced discretionary spending has led to lower sales, impacting our revenue streams."

"A decrease in foot traffic and spending at our retail location has caused significant financial challenges."

"Changes in consumer behavior have forced us to adjust our pricing and offerings, affecting profitability."

Reliance on Key Contracts and Clients

"Relying on a diverse portfolio of key clients has helped us balance risks and revenue streams."

"Our long-term contracts with key clients have provided stability and predictability in our income."

"Renegotiations of existing contracts have led to reduced margins and uncertainty in future income."

INDUSTRY FOCUS: THE MANUFACTURING SECTOR



THE MANUFACTURING SECTOR

The manufacturing sector has significant variation across regions and business sizes. While some regions and companies experience success and growth, others face challenges related to demand, supply chain disruptions, staffing issues, and macroeconomic conditions.

- Manufacturers in the Bay of Plenty report positive outcomes, with businesses showing steady growth, resilience, and adaptation. In Otago, businesses are grappling with demand fluctuations.
- Supply chain issues and increased costs are prevalent in Auckland, Canterbury, and Wellington. These impact small and medium-sized manufacturers in particular.
- Staffing challenges are prominent in Canterbury and Bay of Plenty, where businesses struggle to find and retain skilled staff.
- Compliance costs and regulatory burdens are notable concerns in Auckland, Wellington, and Canterbury, affecting both small and medium-sized businesses.
- Cost pressures, particularly from raw materials, energy, and wages, burden manufacturers in Canterbury and Auckland. These pressures are acutely felt by small and medium-sized businesses.

Quick Facts

1. There are approximately 20,700¹ manufacturing businesses in New Zealand.
2. The Auckland region employs the most people in manufacturing, followed by Canterbury and Waikato.
3. Food and beverage production is the largest sub-sector, accounting for about 26% of manufacturing.
4. Australia is the biggest export market for New Zealand manufactured goods.

¹Statistics New Zealand's Quarterly Economic Survey of Manufacturing

THE MANUFACTURING SECTOR - CONTINUED

Demand fluctuations in Otago and Wellington impact production schedules and inventory levels, while businesses in Auckland and Bay of Plenty face constraints on investment due to high costs. Manufacturers in Auckland and Wellington who export goods face challenges related to trade policies and currency fluctuations.

Regional differences in demand and market conditions create distinct challenges for small and medium-sized manufacturers, requiring them to adapt to the specific conditions of their respective areas.

"50% of the turnover, reduction in staff numbers."

Manufacturing, 6-19 employees, Gisborne

"With difficulty. We are a manufacturer making small parts for a wide range of other companies to go in their own manufactured products. Revenue is down on average 14% and costs are up on average 12% on last year. Cashflow is the number one challenge for the short months of December and January.

Manufacturing, 20+ employees, Auckland

"It is challenging at the moment, I am trying to engage more businesses to purchase my products, but it can be difficult to get a foot in the door. Other businesses are not wanting to take on new products at the moment. Current business customers are late paying bills at the moment, which adds to the stress of it all. I am going to weekend markets to sell my products and sales are generally ok at these, but not sensational sales. It all helps with cashflow!"

Manufacturing, 2-5 employees, Auckland

"Mediocre; some struggles; demand is below where we'd expect it to be."

Manufacturing, 6-19 employees, Otago

Insights into Manufacturing Sector Performance by Business Size

- **Large Businesses (20+):** Face challenges with cashflow and rising costs (wages, rent, raw materials). Some struggle with restructuring and layoffs.
- **Medium Businesses (6-19):** Experience mixed conditions such as cashflow issues, competition, and decreased demand.
- **Small Businesses (2-5):** Struggle with late payments and rising costs. While the environment is challenging, some find success in niche markets or adapting operations.
- **Sole Traders:** Diverse experiences ranging from struggles with demand and costs to managing well in specific markets. Some pivot their business models by focusing on local sourcing.

CONCLUSION

The responses we received highlight the complex and varied landscape that New Zealand businesses are operating in. It is increasingly difficult for many.

Businesses must contend with challenging macroeconomic conditions, falling discretionary expenditure, and ongoing supply chain and labour market issues. In the face of slower economic growth, businesses are focusing on stability over expansion. Consolidation is a key means of managing uncertain market conditions.

Nonetheless, businesses are also demonstrating adaptability and perseverance. They are embracing new opportunities, diversifying their services, and maintaining strong client relationships. Many are also streamlining and improving efficiency.

Frustration and stress levels are reducing overall. But some key sectors, such as retail and hospitality, feature high levels of stress and frustration. This likely reflects the crunch caused by rising costs and falling demand.

Manufacturers report a mixed picture – some are thriving, while others face difficult market conditions and significant compliance costs. There is significant variation by region and business type, reflecting the diversity in this sector.

