

2023

Mid-market Snapshot



While economic pressures have continued throughout 2023, mid-market businesses in Australia and New Zealand have stayed the course – remaining focused on their productivity, business growth and the tools that help them deliver.

The insights in MYOB's latest snapshot show that mid-sized organisations are clear on what they want to achieve in the next 12 months and more determined than ever to follow through on their strategies to get there.

The survey results also show that these businesses continue to lead the charge in the implementation of new technology, this time providing insight into their attitudes towards and use of artificial intelligence (AI). It's no secret we're on the cusp of another technology revolution and it's encouraging to see a significant majority of mid-market business leaders already employing AI to boost their operations. It's also clear they recognise the potential impact it could have on their sector in future.

Looking ahead to 2024, the outlook is bright and mid-market businesses on both sides of the Tasman are optimistic. A majority are confident they'll see their respective local economy improve in the next 12 months and most are also anticipating revenue growth – an outcome many are aiming to achieve for the year to come.

While challenges remain and operating conditions could be bumpy for some time – largely thanks to inflation – mid-sized businesses continue to demonstrate why their performance and economic contribution shouldn't be underestimated. In volume, they may account for a small portion of business enterprises overall, but it's evident that they're solid, strong performers who are geared up and ready for the next chapter.

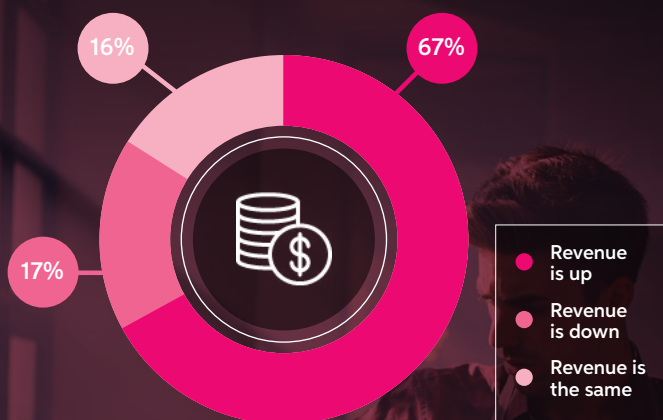
The mid-market in Australia – outlook for 2024



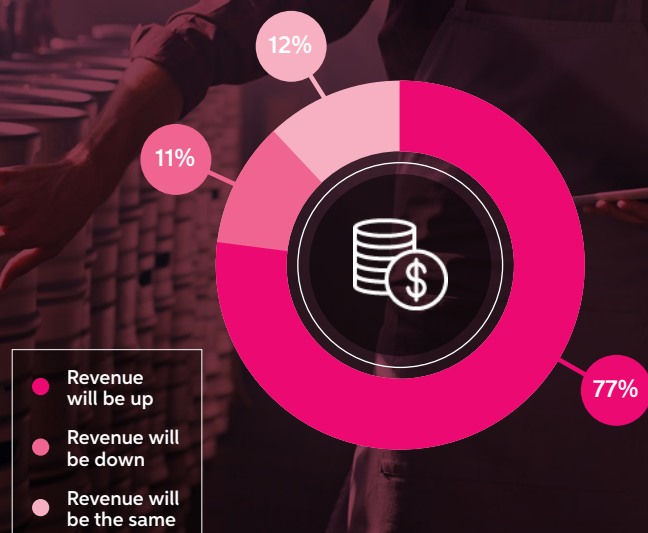
Decision makers for Australian mid-market businesses appear optimistic around prospects for the economy in 2024, with just over half (51%) of those surveyed expecting to see the economy improve in the next 12 months – including 18% who believe that improvement will be significant. Just over a third (36%) of those polled are expecting the economy to decline, while 12% believe it will remain at current levels.

BUSINESS PERFORMANCE

Business revenue now compared to same period last year:



Business revenue expectations for 12 months' time:



2024 BUSINESS AMBITIONS

On top of a strong performance by most, top ambitions for the next year remain the same as those seen in previous snapshots, however there's stronger focus on knowledge and expertise required to help businesses achieve their goals in the next 12 months.

Top three business goals for the mid-market in 2024:

TOP THREE		
1	2	3
36%	33%	33%
Expand our presence in the local market	Increase our revenue	Secure more new customers

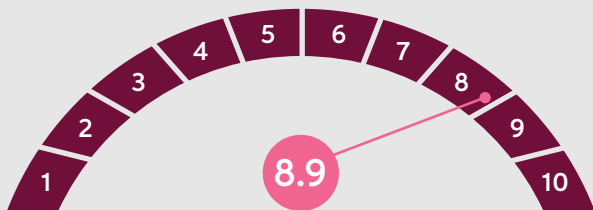
Key factors influencing achievement of business goals:

TOP FOUR					
1	2	3	4=	4=	4=
43%	38%	36%	27%	27%	27%
Knowledge and expertise in the areas set for change	IT systems capability	Resource/capacity of team	Technical skills and training	Leadership support	Access to finance or investment

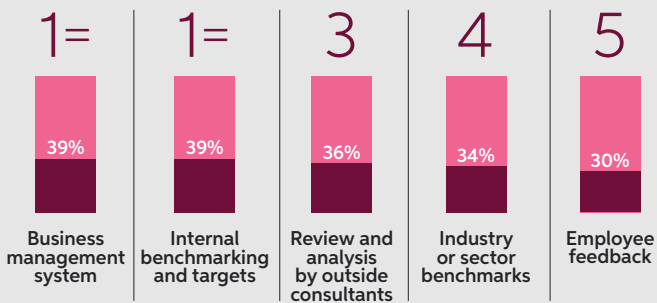
PRODUCTIVITY

Most mid-market operators (88%) in Australia regularly measure their productivity, and two-thirds (66%) currently rate their business between 8 and 10 out of 10 in terms of how productively it operates compared to its potential. In contrast, just 10% of businesses polled rate their productivity 5 out of 10 or below. Despite a positive performance to date, the majority of businesses surveyed are prioritising continued productivity improvements in the next 12 months.

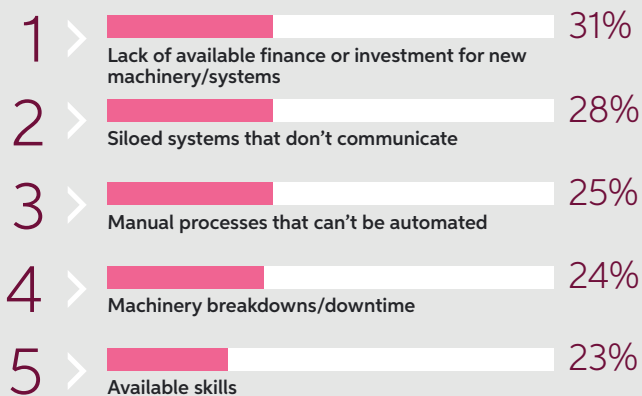
Mid-market productivity score (average):



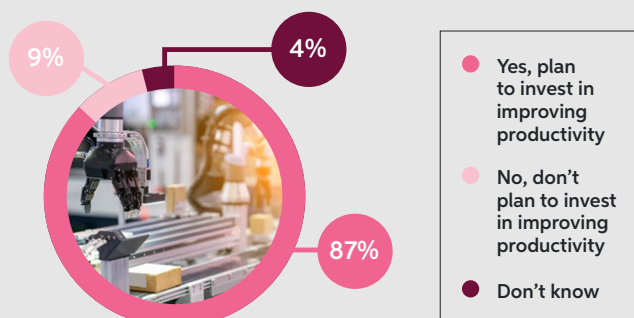
How mid-market businesses are measuring productivity (top five):



Factors most affecting business productivity (top five):



Proportion of businesses investing to improve productivity in the next 12 months:

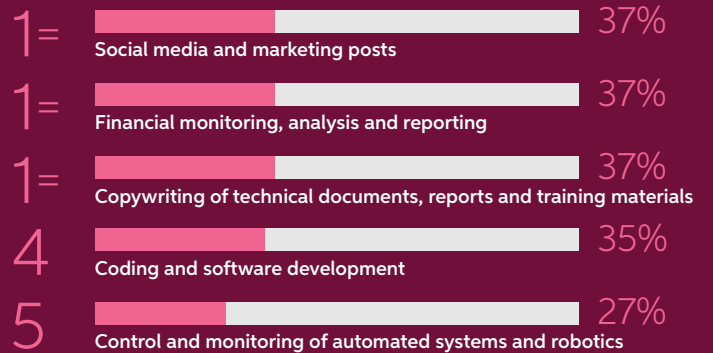


AI



The use of artificial intelligence (AI) is already starting to make a major impact in the Australian mid-market sector, with 77% of business leaders and decision-makers surveyed saying they are using AI tools in their operation.

Top uses of AI in mid-market business operations (top five):



Over the next five years, the majority of mid-market operators believe the use of AI will have 'significant' (31%) or 'quite a lot' of (40%) impact on their industry, with efficiency, data accuracy and automation being recognised as top benefits for businesses to leverage.

Biggest potential opportunities for the use of AI (top three):

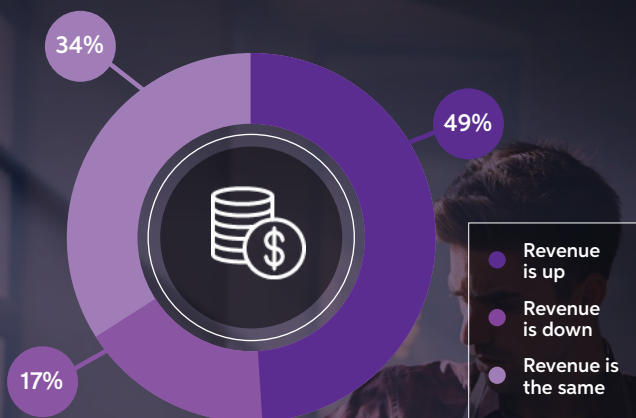


The mid-market in New Zealand – outlook for 2024

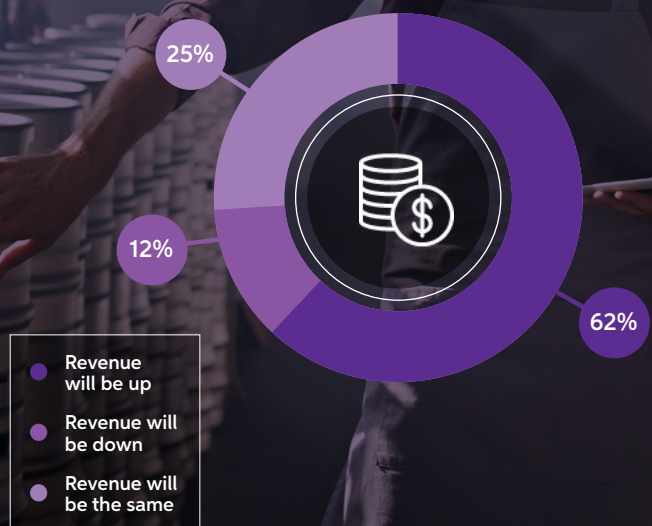
New Zealand's mid-market businesses are showing strong confidence about the local economy in 2024, with nearly two-thirds (65%) expecting economic conditions to improve in the next 12 months, and almost a quarter (24%) of those surveyed expect it to improve significantly. In contrast, 19% of those polled believe the economy will decline, while 16% expect the economy to remain the same.

BUSINESS PERFORMANCE

Business revenue now compared to same period last year:



Business revenue expectations for 12 months' time:

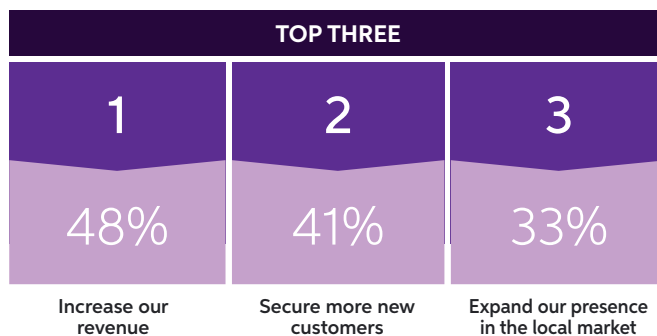


*Remainder unsure

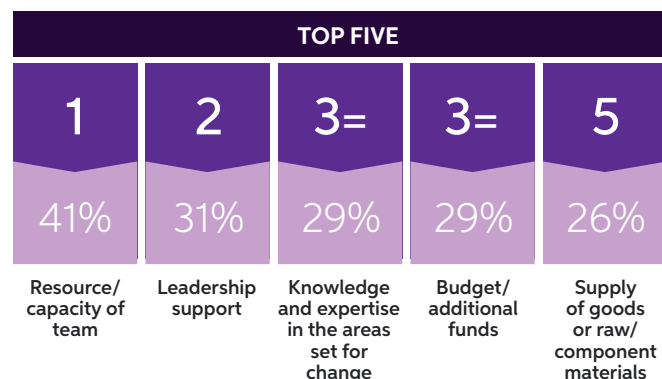
2024 BUSINESS AMBITIONS

Building on a solid performance in 2023, looking ahead to the next 12 months, New Zealand mid-market businesses are laser focused on growth. Increasing revenue, securing more new customers, and expanding their presence in the local market all form the top three business goals for the sector for 2024.

Top three business goals for the mid-market in 2024:



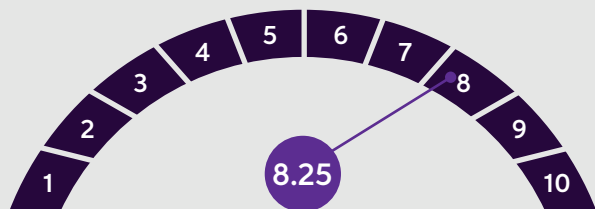
Key factors influencing achievement of business goals (top five):



PRODUCTIVITY

More than 9-in-10 (92%) local mid-market business leaders polled say they regularly measure their productivity, and almost half (48%) rate their operation between 8 and 10 out of 10 in terms of how productively it operates compared to its potential. In comparison, just 14% scored their productivity 5 out of 10 or below. Like their counterparts across the Tasman, a majority of mid-market operators in New Zealand also plan to invest in improving their productivity over the next year.

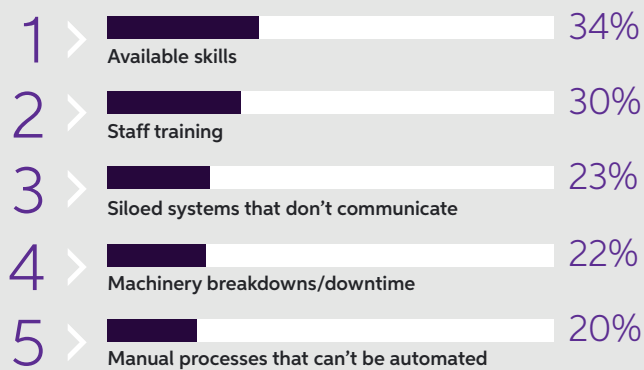
Mid-market productivity score (average):



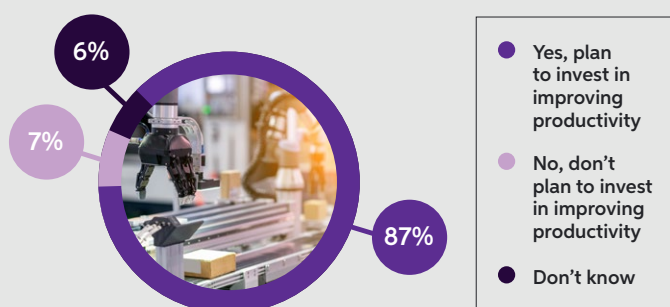
How mid-market businesses are measuring productivity (top five):



Factors most affecting business productivity (top five):



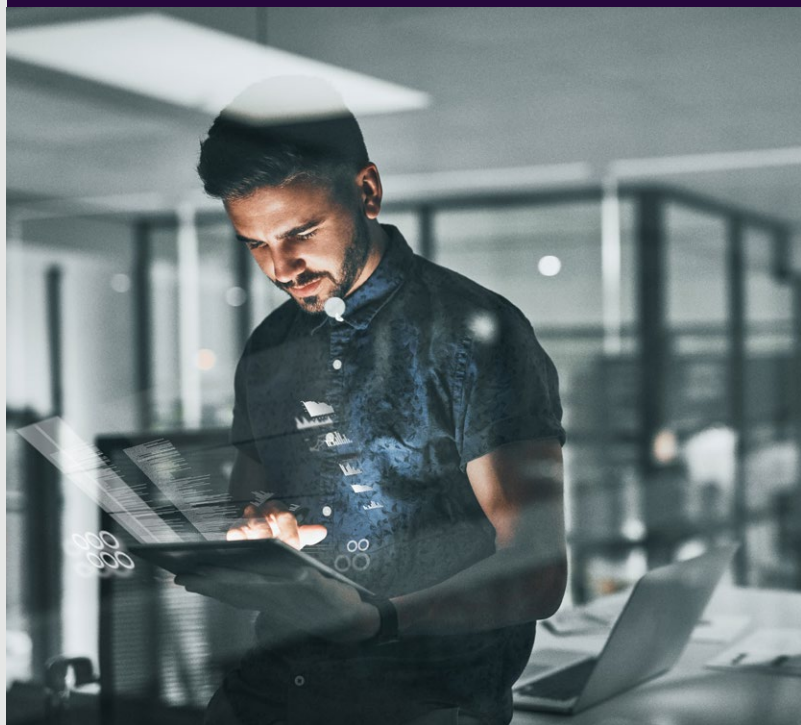
Proportion of businesses investing to improve productivity in the next 12 months:



AI

Despite slightly lagging behind Australia, the use of artificial intelligence (AI) is becoming more prevalent in New Zealand mid-market businesses, with two-thirds (66%) of those polled saying they are using AI tools in their operation.

Top uses of AI in mid-market business operations (top five):



Over the next five years, the majority of mid-market operators believe the use of AI will have 'significant' (31%) or 'quite a lot' of (40%) impact on their industry, with efficiency, data accuracy and automation being recognised as top benefits for businesses to leverage.

Biggest potential opportunities for the use of AI (top three):





Methodology

Research for MYOB's Mid-market Snapshot was conducted by Dynata between 6th October-31st October 2023.

A total of 505 mid-market business leaders and decision makers (with between 20-500 FTEs and \$5m+ annual revenue) in Australia and 551 mid-market business leaders and decision makers in New Zealand (with between 20-500 FTEs and \$5m+ annual revenue) took part in the survey. Respondents were sampled from the Dynata online business profile panel sources, and screened to ensure they met the qualifying criteria. Responses for the NZ survey were weighted by Industry in line with Stats NZ counts.

About MYOB Enterprise

Scalable to meet the needs of growing businesses (from 20-1,000+ FTEs), MYOB Enterprise offers an integrated, all-in-one business management platform that helps mid-market businesses achieve their ambitions by connecting critical workflows. Its Enterprise Resource Planning, Customer Relationship Management, Payroll, and Workforce Management solutions are all backed by world-class software tailored specifically for the Australian and New Zealand markets. MYOB Enterprise also offers leading Practice Management solutions for local Professional Services businesses. MYOB's award-winning Advanced platform (powered by Acumatica) is rated 4.3/5 stars by mid-market customers across Gartner's Digital Market brands (Capterra, GetApp and Software Advice), and features as a shortlist recommendation in 2023. MYOB Advanced has also been independently recognised by multiple awards as a leader in innovation. Accolades include: finalist in the global SaaS Awards (2022, 2023), ABA100 Winner in The Australian Business Awards (2022, 2023) for ERP Innovation and Cloud Innovation, and shortlisted for Best Cloud ERP/Payroll Solution and Best Platform as a Service for The Cloud Awards (2023).

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