

# **The Boardroom Business**

## **Business Confidence Index**



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## Introduction

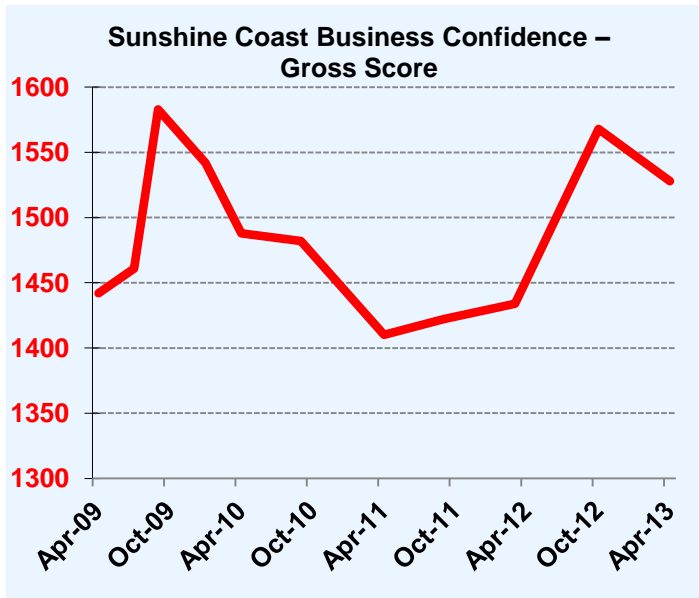
- The purpose of this study is to develop a single data point that expresses Business Confidence in the Sunshine Coast and Gympie Regions.
- Five questions are used as a base for the Index. These are:
- How has your business performed in the last six months relative to the previous six months?
- How has your business performed over the next six months relative to the previous six months?
- In your business/organisation do you expect an increase, decrease or no change over the next 6 months in Profitability, Staffing and Capital Investment?

## Index Development - Methodology

- For each question five responses are possible, Strong Decrease, Somewhat Decrease, No Change, Somewhat Increase, Strongly Increase.
- Each response was given a numerical weighting, ie Strong Decrease equals 1, through to Strongly Increase equals 5.
- For each question, all the responses were multiplied by their weighting, so in April 09 on the Sunshine Coast, 14% of the sample said their business has performed much weaker than the previous 3 months, so this response got a weighting of 14 (14x1), 27% said somewhat weaker so this response got a weighting of 54 (27x2) and so on. The totals for each question were then added together to get a gross score for each survey.
- In the case of the Sunshine Coast, April 09 became the base year with the total gross score weighted to 100. The gross scores then for each successive wave are then also then rebased to the April 2009 score so see if confidence has got higher or lower.

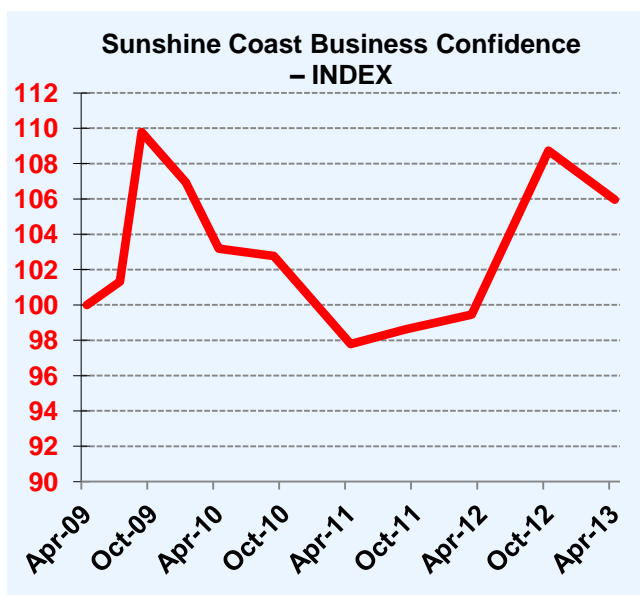
## Sunshine Coast Business Confidence – Gross Scores

- Business Confidence (Gross Score) has grown since 2011.



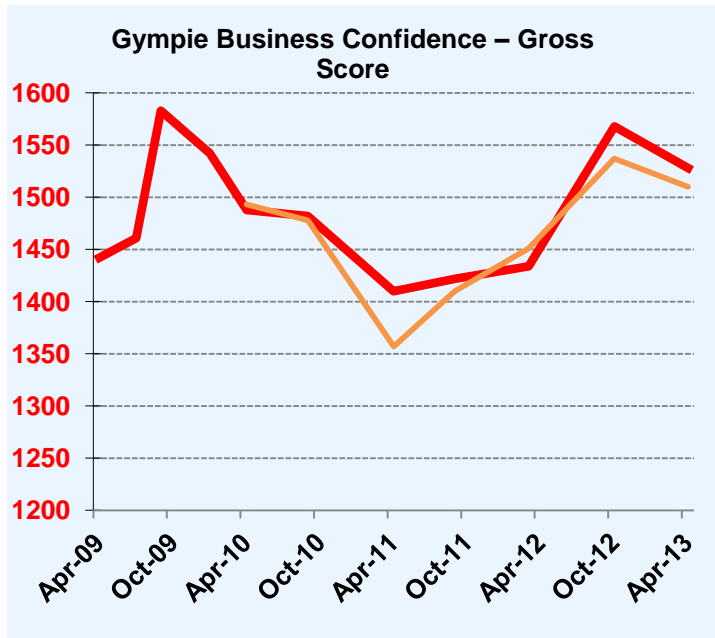
## Sunshine Coast Business Confidence – Index

- The gross score is then reweighted to the base of April 2009.
- The trend is exactly the same (as to be expected).
- Expressing the Index at around 100 is more in keeping with National surveys.



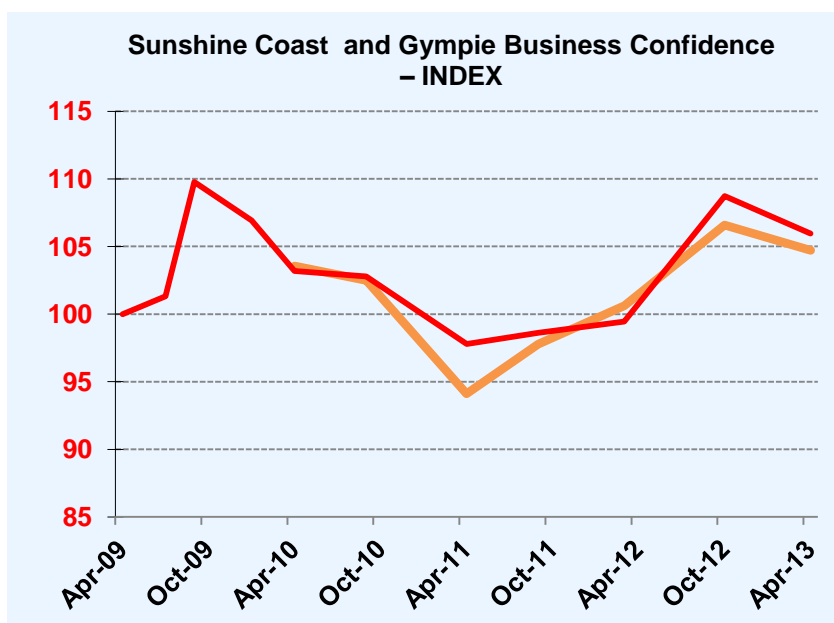
## Sunshine Coast and Gympie Business Confidence – Gross Scores

- Both have recovered since 2011.
- Gross score could be used, but not easily compared with National surveys.



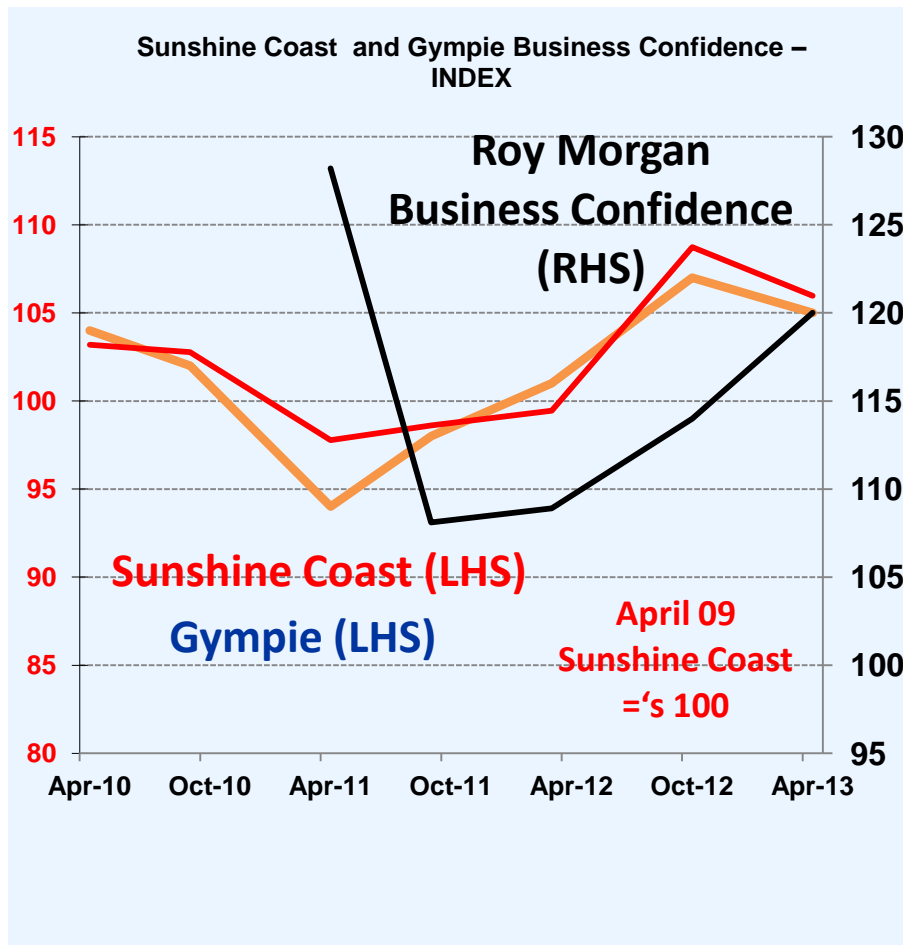
## Sunshine Coast versus Gympie Business Confidence – Index

- The same method has been used to measure the business confidence in Gympie.
- Generally Sunshine Coast a little more confident compared with Gympie Businesses.



## Sunshine Coast, Gympie and Roy Morgan Business Confidence – Index

- This charts the Boardroom Business Confidence compared with Roy Morgan Research Business Confidence.
- Note: Morgan's Business Confidence is calculated using different questions; therefore the absolute scores are not comparable. It's the direction that is comparable, that is all three series are showing a rise in business confidence since mid 2011.



## Summary

- The Index developed is easily explained and can be used to compare Business Confidence over time and also between regions.
- The Index is also easily calculated from the weighted % results – so can be easily updated.

## Disclaimer

While every effort has been made to ensure accuracy of the data in this report, EMDA has not audited the data sources and therefore does not accept any responsibility in relation to financial and/or decisions based on this information.

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