

# ‘Fundamentals of running a business’ the 12-month focus: KPMG

## **BUSINESS**

*Challenging economic and operating conditions has business leaders looking for ways to grow and increase revenue, says chief economist.*

By [Josh Needs](#) • 09 January 2023 • 5 minute read

Over the next 12 months businesses will place a greater focus on the “fundamentals of running a business” while still acknowledging the consistent strategic challenges such as talent retention and acquisition, according to KPMG.

KPMG chief economist Brendan Rynne said the key emerging obstacle that the firm found in its annual survey of 473 senior executives was business growth.

While the worries around staff retention and cyber security were fairly consistent, the focus of CEOs on the hurdle of growth has jumped from 11th in the list of challenges businesses face up to sixth, with it listed as one of the top four challenges for firms in the next three to five years according to Dr Rynne.

“I was pleasantly surprised that the fundamentals of running a business, of making sure that you sell enough to create a profit, is still at the front of mind for many CEOs in the country, for me that’s a positive sign,” said Dr Rynne.

“Business leaders are now recognising that the marketplace might be a bit more challenging in the coming 12 months, and securing their revenue and net profit is something that they really need to be focusing on.”

With the increased focus on growth and profitability Dr Rynne said businesses were likely to look to acquisitions and alliances to scale up their activities.

“What you are going to see is businesses recognise that scale of activities is going to certainly be one way of securing ongoing viability, and also on improvements in profitability,” he said.

“How you get that scale in the near term is through acquisitions and alliances.”

“Rather than necessarily just focusing on organic growth but looking for a step change in their business operations through acquisition and alliances.”

Dr Rynne said Australian businesses should see the next 12 months as an opportunity to boost their skilled migration numbers as other countries begin to fall into an economic slowdown.

“Australia should be looking over the next 12 months at this global slowdown as an opportunity to turbocharge our skilled migration intake, because what we’re going to find is many countries around the world are going to have a much more severe slowdown than Australia.”

“Despite the fact we are into this slowing environment we are going to come out of it at the other end.”

“So recognising that we still need to attract skilled migrants to add to the labor stock we need in this country we should be looking at the next 12 months as an opportunity to aggressively target those people in different countries, particularly those countries that are going to have worse economic conditions than us and look to sell our continued run to prosperity to those people to come here.”