

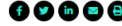
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STRATEGY

Winners and losers: Which businesses have boomed during COVID-19?

ALAN MANLY NOVEMBER 1, 2021



To quote from the famed Kenny Rogers song *The Gambler*, "Every hand's a winner; every hand's a loser." As we emerge from the COVID-19 pandemic, we can reflect on not just who losers were, but who the winners were too.

The most obvious business losers were those dependent on service exports. Australian tourism — valued at **\$31 billion** in 2019 prior to COVID-19 — **lost a staggering 611,000 jobs** as the sector ground to a halt.

Airlines have lost billions as all forms of travel — business, leisure, and tourism — shut down.

In my industry, education exports (i.e. international students) — **valued even higher at \$37.6 billion** in the same year — lost a **further 17,000-plus jobs**.

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The flow-on effects have hit smaller businesses particularly hard. While **tourism involved over 300,000 businesses**, many are SMEs. As the universities contract, they in turn spend less on everything from stationary to infrastructure.

Similarly, vacant CBD offices have devastated corner stores, cafes, gyms, and the like.

Beyond these headline-grabbing losses though, other businesses are booming during COVID-19. But who are they? How are they achieving this? Can they sustain this?

Right place, right time

Pandemics and personal protective equipment (PPE) go hand-in-hand. As a critical service provider, these manufacturers — together with other healthcare services — benefited not only from soaring demand but **government funding to facilitate increased production**.

Sanitisers, cleaning products and even toilet paper became prized commodities, contributing to **higher sales volumes at supermarkets**.

But the luck of right place, right time rippled into other businesses too.

Bunnings reported almost 20% year-on-year earnings growth as Australians used their forced isolation on home improvements.

Poultry breeders and plant nurseries prospered as households turned to backyard chickens and home grown produce.

And unlike their city-based peers, **suburban cafes have flourished** as more people worked from home.

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JAMES BIRRELL, FICKSTAR
STEPHANIE PLEWER-CULLEN, BUNNINGS
TERRY HAYES, THE ALUMINA COMPANY
JAMES BIRRELL, KIP PLATED AERO

To boom means to innovate

However, luck doesn't account for everything. Soaring demand is only helpful if your business can meet that sudden surge: businesses with no stock to sell fair no better than those with no customers to sell to.

For instance, COVID-19 highlighted problems with:

- Developed countries and western businesses outsourcing supply chains to cheaper labour forces;

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STANTON PLAIN TOE SUPACUSH PLAIN

- Postal and courier services buckling under the weight of ballooning parcel volumes; and
- Remote-working empowered city dwellers flooding regional property markets, causing prices to soar and supply constraints impacting locals.

That's why for every business that boomed from the luck of right place right time, many more boomed from being adaptable.

Many distillers, for instance, [pivoted their operations to produce sanitiser](#) instead of alcoholic beverages. Stage set producer [StageKings](#) pivoted to produce home office furniture. [High-end restaurants became takeaway meal providers](#). Physical retailers became e-commerce platforms.

Indeed, [nearly half of Australian small businesses pivoted their approach](#) to business in response to the pandemic, with a distinct shift towards online.

Embracing change

However, change is constant. To continue booming, the most profitable businesses embrace change. They continually pursue new revenue streams and adapt to changing customer needs.

[Some restaurants now offer pre-prepared meal kits alongside dine-in options](#). StageKings continues to sell home furniture through aptly named sister brand Isoking, even as television and theatre productions resume.

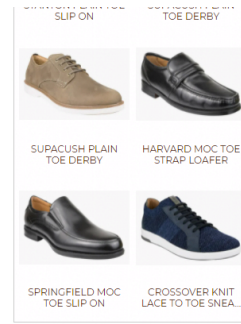
Company headquarters and office-based businesses are also deciding whether to adapt.

"Very swiftly we saw firms and practices around our capital cities react in decisive ways. Giants like KPMG and Deloitte sent their staff home indefinitely. Although not the first to do so, the signal was strong and from there, the writing was on the wall for all to see," notes [APS Software](#).

Now, these accounting firms and similar businesses are implementing a hybrid approach, where working from home isn't just a luxury but [a regular component of the working environment](#).

Acknowledging the impact reduced CBD patronage has and will continue to have on SMEs, and the difficulty to entice some workers back to the office, campaigns such as [ELMO Software's #bigforsmall promotion](#) have emerged to encourage staff to spend at CBD small businesses.

Whilst we have winners and losers today, the situation is as always subject to further change. As Kenny Roger's The Gambler continues, "Never count your money at the table; there will be time enough for counting when the dealing's done".



HANDPICKED FOR YOU

Timelio CEO Charlotte Petris on how she got ahead of the COVID-19 invoice financing boom

When Charlotte Petris launched Timelio in 2015, fintech was barely a word. Now, she's at the forefront of the invoice financing boom.

A "looming war" for low-skilled workers: Why Australia needs to rethink its migration system

As we emerge from the COVID-19 crisis, groups such as the Grattan Institute have been calling for an even greater focus on skilled migration, saying it will deliver us Australians who are younger, smarter and richer.

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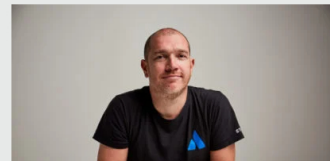
What employers do between now and Christmas will determine how many of their staff stick around through to next January.



Crypto business Blockchain Global falls into voluntary administration amid legal stoush over locked Bitcoin wallet

FINANCE STEPHANIE PALMER-DERRIEN 4 NOVEMBER 2021

Crypto exchange operator Blockchain Global is in administration owing \$21 million to creditors, amid a legal battle that has seen \$10 million in assets frozen.



"It's not fine": 88% of teams are 'unhealthy', Atlassian research finds

STARTUP NEWS STEPHANIE PALMER-DERRIEN 8 NOVEMBER 2021

With The Great Resignation looming, it's more important than ever to keep team members happy. But 88% are operating in an "unhealthy" environment.

The pandemic helped create an 'everything bubble', and it's going to burst

Are you about to lose your best leader to The Great Resignation? Here's how to prepare

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