

The Gap Effect is what is really hurting the Australian Economy

Renowned Business Specialist Bronwyn Reid Addresses the Crucial "Gap Effect" in New Edition of Best-Selling Book, "Small Company Big Business"

Brisbane – 10 November 2023

A pressing issue is impacting businesses not only in Australia but across the globe, resulting in economic inactivity and inefficiency. Esteemed business specialist Bronwyn Reid sheds light on "The Gap Effect" in the updated version of her best-selling book, "Small Company Big Business." Reid's insights highlight the critical need for enhanced collaboration between Small and Medium-sized Enterprises (SMEs) and large corporations.

In her own words, Reid states, "We all recognize the symbiotic relationship between SMEs and big businesses and understand their significance in both our economy and communities. What often goes unnoticed is the shared confusion and challenges that hinder effective collaboration between them. They're grappling with identical issues but viewing them from opposing perspectives."

Key issues plaguing this collaboration include extended payment terms, complex systems, and the intricacies of risk management. The result is a glaring disconnect that affects the growth and sustainability of both small and large enterprises.

In today's increasingly risk-averse economic climate, large corporations often demand that SMEs operate at the same standards as corporate and government agencies, involving intricate systems and substantial investments in insurance. Large companies may also require contracts that, while offering promising opportunities to SMEs, fail to account for the flexibility and agility that SMEs need within larger supply chains. Large companies prioritize guarantees, whereas small businesses seek assurances of timely payments, understanding, and investment that big corporations may struggle to provide.

The "Gap Effect" transcends mere mindset differences, akin to an older sibling unwilling to babysit the younger one, and it's not a David and Goliath scenario either. Instead, it revolves around the need for effective communication and mutual understanding. Recognizing why SMEs are invaluable contributors to extensive supply chains is just the beginning. Large corporations stand to learn from SMEs regarding adaptability, nimbleness, rapid growth, and direct management styles. Simultaneously, SMEs must equip themselves with the necessary systems and risk management resources to seize opportunities and punch above their weight.

This issue isn't confined to Australia; it affects businesses across Asia as well. Vietnamese publisher VanLang is set to release a translated edition of Reid's book and is currently negotiating for the rights to her second book, "Small Company Big Crisis."

In Australia, SMEs constitute a staggering 97% of all businesses, with 2.5 million employing fewer than 20 people. In 2022, governments and corporate giants noted that a mere 15% of lucrative tenders were applied for by SMEs, highlighting the widespread impact of the "Gap Effect" on every business's bottom line. Reid asserts that this must change for the betterment of all business stakeholders, the overall economy, and communities worldwide.

Bronwyn Reid, a best-selling author and multi-award-winning mentor, advisor, and specialist in Australian regional and rural businesses, is at the forefront of addressing and rectifying "The Gap Effect."

For further information or to schedule an interview with Bronwyn Reid, please contact:

Email: Bronwyn@bronwynreid.com.au Website: www.bronwynreid.com.au/media