

# Evan Goodman Echoes RBA's Call for Strengthened Support of SME Innovation

*Evan Goodman supports the RBA's call for more support for SME innovation, emphasizing the need for collaboration to overcome financing and resource challenges.*

SYDNEY, NSW, AUSTRALIA, May 10, 2024 /EINPresswire.com/ -- In a keynote speech at a small business conference in Sydney, Reserve Bank of Australia Assistant Governor Brad Jones painted a picture of small and medium enterprises (SMEs) as the driving force behind Australia's growth. Jones emphasised SMEs as "engines of innovation" that are vital for propelling the nation's productivity and constantly improving living standards.



According to Jones, the nation's SMEs are 25% more likely than larger firms to invest in research and development initiatives. Perhaps more remarkably, they are nearly twice as likely to have produced groundbreaking innovations that are "new to the world."

"In some respects, they appear to be taking over the 'innovation baton' from large firms," Jones declared, attributing this shift to the agility and entrepreneurial spirit that define the SME sector. However, he cautioned that access to finance remains a substantial constraint hampering smaller firms' ability to transform their innovative ambitions into reality.

Jones highlighted how SMEs typically face higher borrowing costs due to being perceived as riskier ventures, coupled with challenges like housing affordability impacting their ability to collateralize loans. "Access to innovation-based debt financing is not straightforward, particularly for younger entrepreneurs struggling to get onto the housing ladder," he stated.

The RBA assistant governor emphasised the collective responsibility to address these financing hurdles, urging collaboration between the financial system and policymakers.

Echoing the RBA's calls for strengthened measures, [Evan Goodman, business coach](#) based in

Sydney, expressed his support for nurturing SME innovation as a critical driver of Australia's economic future.

"I agree with the RBA assistant governor Brad Jones' overall assessment when he talks about SME's being focused on innovation, potentially more than their larger counterparts," stated Evan. However, he stated that as a business coach closely working with SMEs, he is acutely aware of the obstacles they face in converting that innovative focus into outcomes. "As a small business coach, I do hear about the issues my clients face when they try and convert their 'focus' to something more concrete, IE., Small businesses face numerous obstacles when it comes to investing in innovation and research, stemming from both personal and business-related challenges."

Evan emphasised that there is no doubt that financial constraints present a primary challenge, echoing the RBA's observation but also restricted access to capital and financing severely undermines SMEs' ability to fund research, development, and implementation of new ideas and innovations.

Another key hurdle highlighted by Evan was the resource crunch most SMEs face. "It is a well-known challenge for small businesses who have limited personnel and expertise. They often struggle to dedicate resources solely to innovation efforts, as owners and employees are thinly stretched juggling multiple responsibilities." It is this situation where innovation takes a backseat when resources are limited and managing day-to-day tasks becomes quite a challenge.

Moreover, Evan pointed out the risks involved in pursuing unproven innovations, a factor that can develop hesitation among SMEs by stating, "The Australian entrepreneurial spirit is truly alive when it comes to the small business sector, however, investing in unproven ideas or technologies carries risks that could jeopardize their survival, leading to potential risk aversion that can stifle innovation."

Evan also highlighted additional internal bottlenecks like a lack of technical expertise, the operational pressures of daily business upkeep, and organisational cultural barriers by stating, "The RBA assistant governor doesn't directly address these issues, but many small business owners and employees may lack the necessary technical expertise or knowledge to identify and pursue innovative opportunities effectively."

Evan reiterated the RBA's calls for collaborative solutions between the financial system and policymakers and suggested supporting the next generation of entrepreneurs through alternative options. "Most of my clients would support the need (or welcome various options or perspectives) for alternative financing options, government policies, and support programs tailored to the unique needs of small businesses to enable and encourage their innovation efforts," he affirmed.

As the federal government prepares its budget, the voices of Evan and the RBA lend significant

weight to prioritising measures to strengthen support for Australia's innovative SME sector. Addressing roadblocks will empower these enterprises to embrace their important role wholeheartedly.

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