



icehouse



Ignite'25



New Zealand SME Insights Report

May 2025



The State of SME

Going for Growth

Introduction

Small and medium-sized enterprises (SMEs) are the backbone of the New Zealand economy. In a year marked by cautious optimism, rising costs, and ongoing transformation, understanding how our SME business leaders view the path forward is essential.

In May 2025, we set out to capture their mindset. Through our Ignite'25 Growth Summit and an extended outreach to our alumni network, we asked business owners across Aotearoa a simple set of questions looking to understand how they're feeling, what growth looks like for them, and what's standing in their way.

What follows is a data-led, insight-rich view of the State of SME.

Overview

These results are directionally aligned with recent NZIER quarterly sentiment data, which showed improving confidence but flat actual activity. Trends also echo MBIE reporting on labour gaps, leadership development needs, and capital access challenges across regional NZ.

This report summarizes the responses from both the Ignite'25 Survey (n=270) and an extended follow-up distributed to Icehouse alumni and the broader SME network (n=83). Together, these 353 responses offer a robust and diverse view of the real-time mindset, challenges, and opportunities across the New Zealand SME landscape in 2025.

Foreword

At Ignite'25, we set out to take the pulse of New Zealand's business community. This report is a direct result of that mission - a powerful, data-backed snapshot of how SME leaders are thinking, feeling, and planning in 2025.

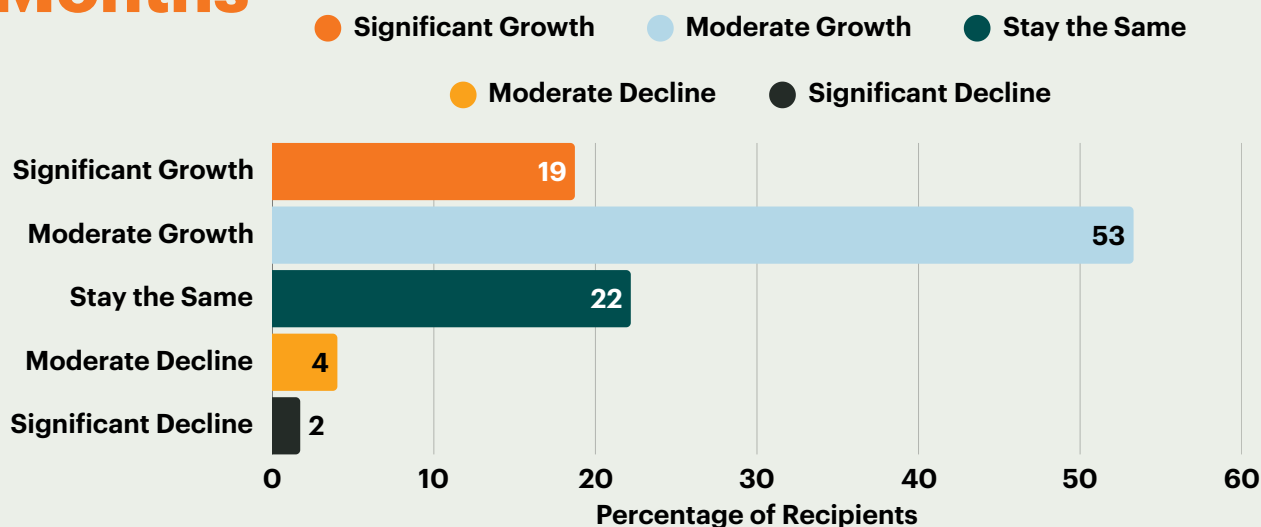
We're proud to share this collective voice with our alumni, partners, and the wider business ecosystem. Our goal is simple: turn insights into impact.



Olivia Blaylock
Chief Executive
Icehouse



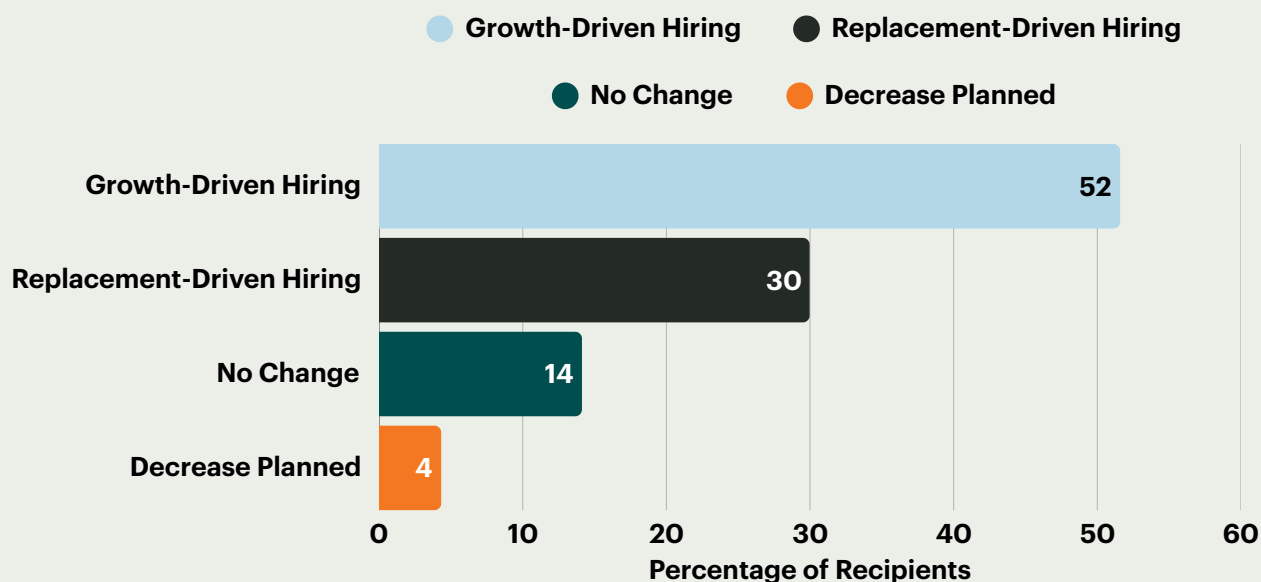
1. Business Outlook for the Next 12 Months



Icehouse Commentary

The strong lean toward moderate and significant growth speaks to the enduring optimism of New Zealand's SMEs. While encouraging, this optimism must be supported with real resources, especially in leadership development, market expansion, and financial management.

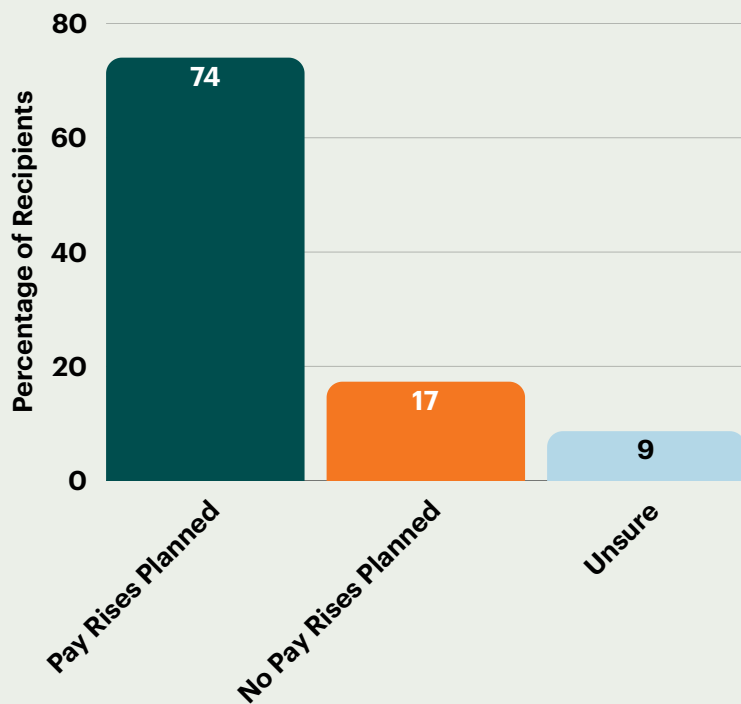
2. Staffing Plans



Icehouse Commentary

Hiring activity reflects a growth mindset but also reveals pressure to replace and retain talent. Our focus is on helping leaders build capability within their teams, strengthening alignment, performance and productivity.

3. Pay Forecasting



Icehouse Commentary

With 3/4 of businesses planning pay increases, cost pressures are clearly being absorbed to retain key staff. It's a sign of good leadership and commitment to people. We continue to help SMEs improve margins and value so these investments are sustainable.

4. Government Support Priorities

10%

want reduced regulation and red tape

19%

want tax relief and simplification

17%

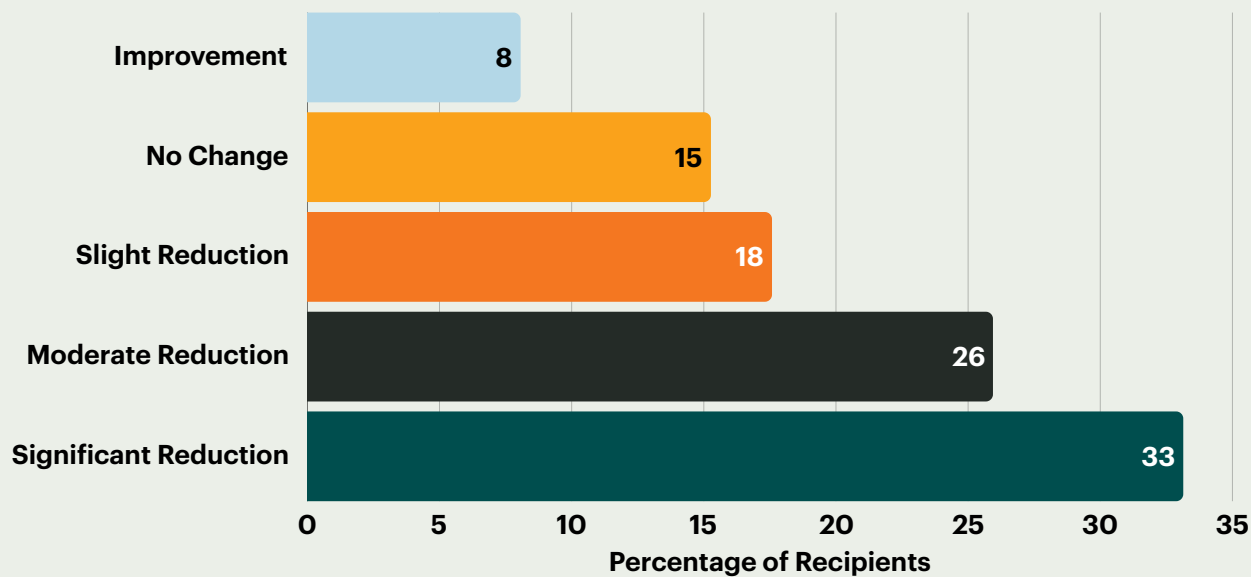
highlight access to funding as a key gap

Icehouse Commentary

Calls for reduced regulation, better tax settings, and access to funding have been consistent themes. Icehouse supports smarter, faster pathways for SME enablement and is actively working to channel this voice to decision-makers.



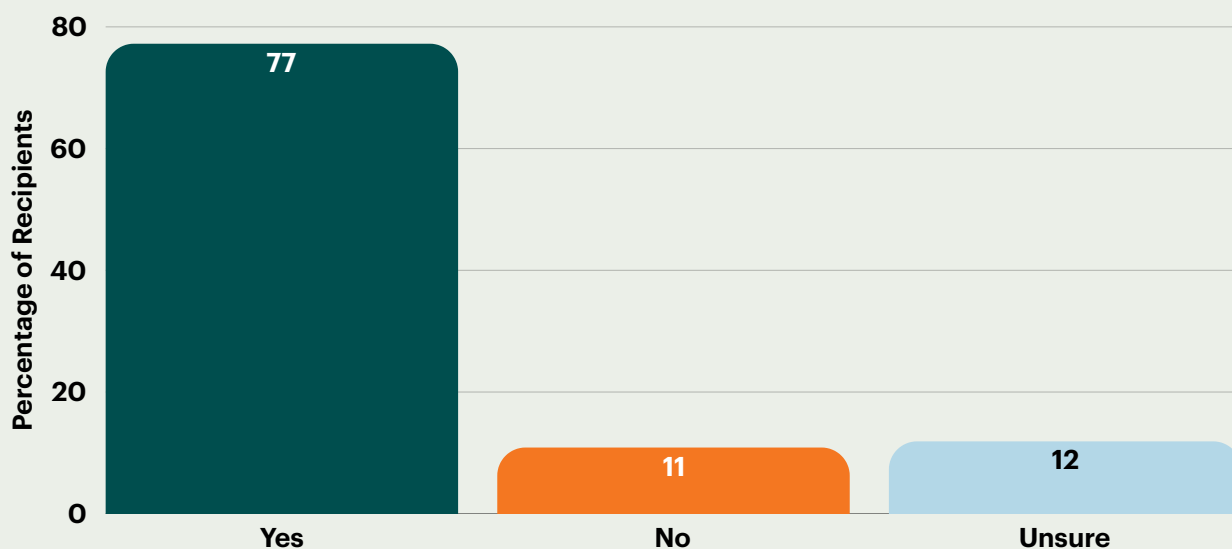
5. Margins Under Pressure



Icehouse Commentary

Margin squeeze is the hidden story of 2025. Our response is twofold: help businesses improve pricing strategy and efficiency, and advocate for cost reforms that ease pressure from the outside in.

6. Plans to Increase Prices/Rates

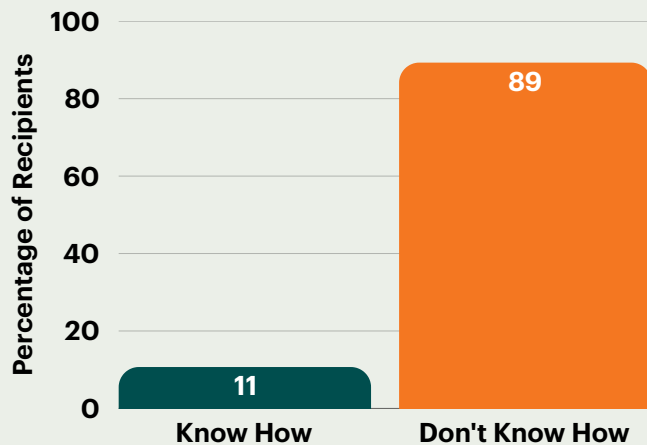


Icehouse Commentary

Price movement is a reality in today's economic environment. We're encouraging business leaders to be transparent, strategic, and customer-conscious when adjusting pricing models.

7. Capital Awareness & Access

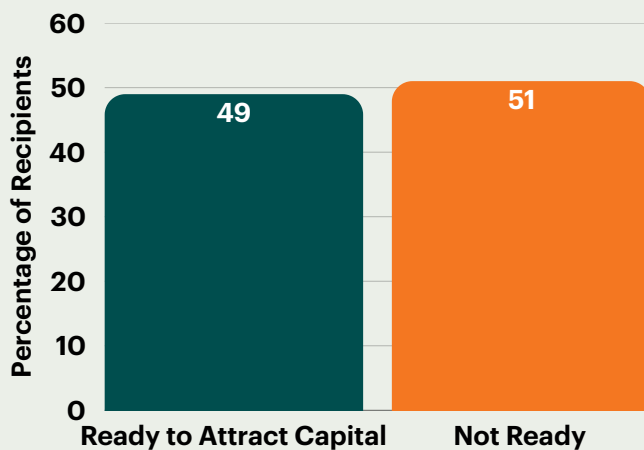
In relation to accessing capital through the Active Investor Plus Visa programme



Icehouse Commentary

The low awareness of investor visa pathways is a missed opportunity. We see potential to work with partners and government to improve access to capital, especially in export and innovation-driven businesses.

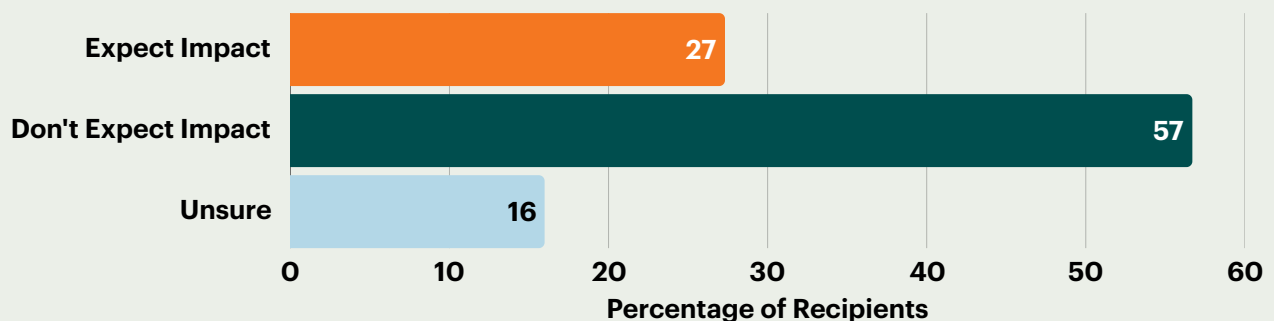
8. Investment Readiness



Icehouse Commentary

Capital is available, but many aren't ready for it. We're increasing our focus on capital funding options, pitch readiness, and strategic alignment to help businesses attract the right kind of funding.

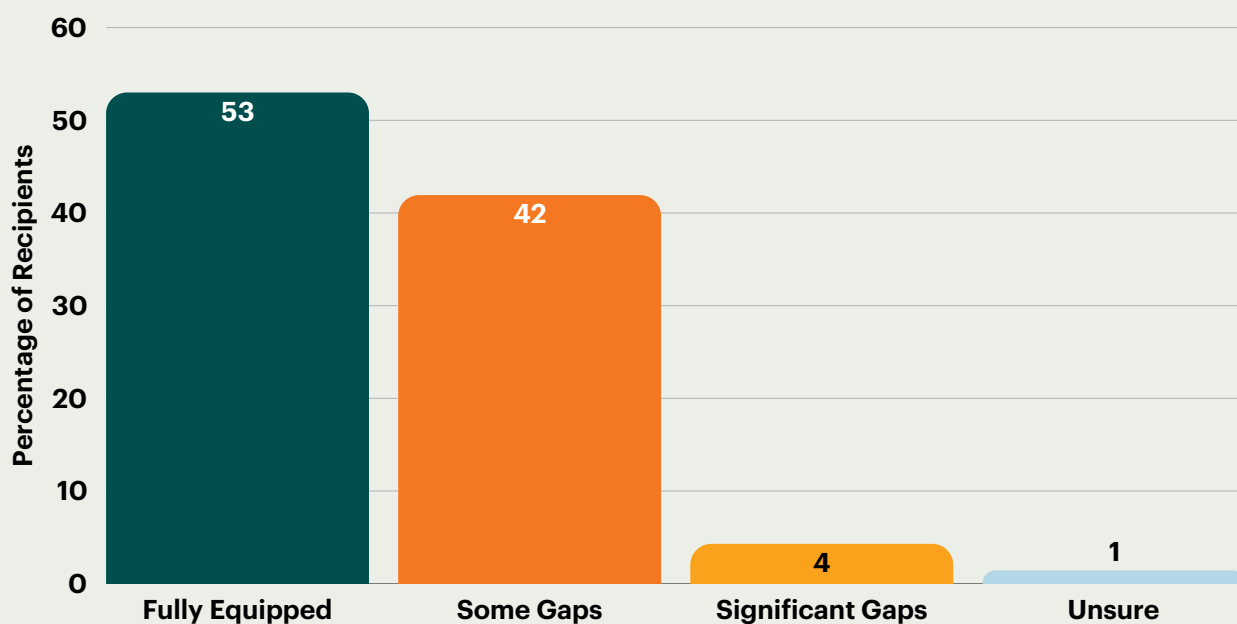
9. Global Trade Pressures



Icehouse Commentary

Global uncertainty continues to affect confidence, particularly in trade and logistics-heavy sectors. We are connecting businesses with strategic partners and trade support to mitigate these risks.

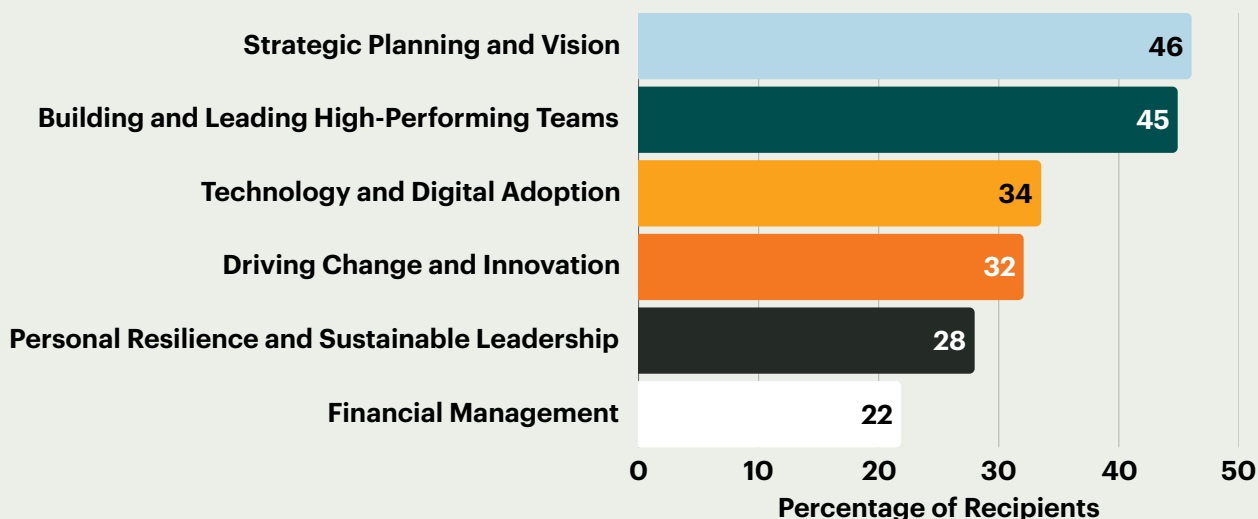
10. Leadership Capability



Icehouse Commentary

The self-awareness shown here is encouraging. Businesses know leadership is critical to growth. Our programmes, from owner-manager to leadership intensives, are built to close these gaps rapidly and sustainably.

11. Leadership Development Needs



Icehouse Commentary

Strategy, people and technology - the classic trifecta of leadership. We'll continue evolving our content and peer-to-peer learning approach to meet these demands directly.

12. Business Sentiment

Most Common:

*Optimistic
Cautious
Positive
Nervous*

Positive Signals:

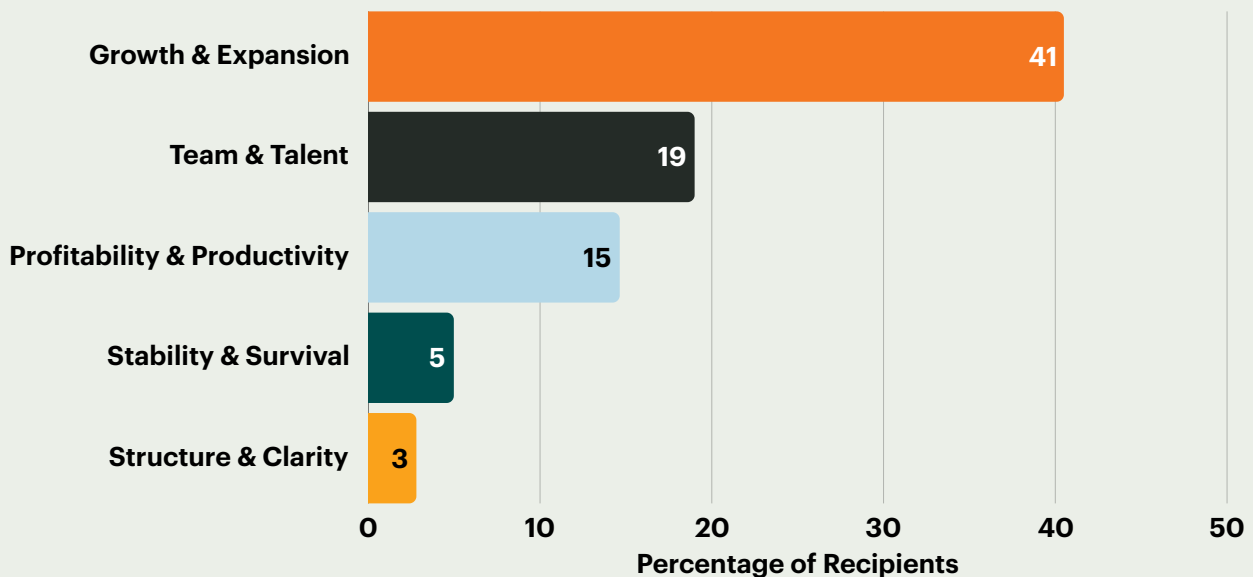
*Resilient
Focussed
Hopeful*

Icehouse Commentary

Behind every word is a lived experience. We hear the nervousness and uncertainty, but also the focus, resilience, and optimism. These are the qualities we see in our community every day.

13. What Success Looks Like

Most common themes from answers



Quotes from Respondents:

"A successful 2025 looks like growth - personally and professionally - that feels aligned. More impact, less hustle. Saying yes to the right opportunities, staying curious, and building businesses I'm proud of."

"Get the right people on the bus, try things, fail fast, be aggressive, work hard and have fun. Pay down debt, and gain market share."

"Galvanising team toward the company mission, bedding in new team members, continuing growth trajectory."

Icehouse Commentary

Success isn't just about revenue - it's about capability, cohesion, and clarity. Our mission is to help SMEs define and achieve their own version of success through coaching, advisory, programmes, and partnerships.

By Industry

Trades & Construction

69% reported margin pressure, and 57% cited regulation as a top issue.

Healthcare & Social Sectors

61% highlighted workforce challenges and leadership development needs.

Professional Services

44% reported being investment-ready and 62% forecast moderate to significant growth.

By Business Size (FTEs)

Micro (1-5 FTEs)

72% lack capital access knowledge, and 67% report compliance burden as a barrier.

Small (6-15 FTEs)

55% indicated team or leadership capability gaps.

Medium (16-100 FTEs)

63% are focused on growth through scaling and entering new markets.

By Region

Auckland & Canterbury

68% of Auckland and 61% of Canterbury businesses expect moderate to significant growth.

Other Areas

Only 39% anticipate growth, with infrastructure and workforce cited as key challenges.

Conclusion

The insights gathered from Ignite'25 and our national alumni network offer a credible and timely snapshot of SME sentiment in Aotearoa in 2025 - grounded in data, but even more importantly, grounded in action.

SMEs are actively navigating inflationary cost structures, tight labour markets, regulatory friction, and patchy access to capital. Yet despite these constraints, they remain growth-minded, people-focused, and deeply resilient. Over 65% forecast growth in the next 12 months. Two-thirds are investing in their teams. Most are asking not for handouts, but for clarity, capability, and access.

This collective voice gives us more than just a moment-in-time survey. It gives us a mandate: to ensure the ambition of New Zealand's business owners is backed by aligned policy, smart capital, strong leadership, and a support system that works.

For the Icehouse, this reaffirms what we hear and see every day. It confirms the urgent need for capability-building, community, and capital delivered in ways that are local, practical, and credible. It also reinforces our responsibility to help turn this sentiment into momentum, and that momentum into measurable progress.

Next Steps

This report is a conversation starter, not a conclusion. It gives us the data, language, and insight to shape what happens next and we'll continue to track sentiment to ensure we stay grounded in what matters most to business owners.

To government and policymakers: Simplify the operating environment. The call to reduce compliance, improve tax responsiveness, and back business capability is loud and clear.

To capital providers and banks: Only 26% of businesses feel ready to attract capital - there's a readiness gap, and a strategic opportunity.

To industry partners and ecosystem enablers: Co-create with business - not just for them. Let's build programmes, incentives, and networks that reflect real barriers and real ambition.

To alumni and the wider Icehouse community: Stay engaged. Your voice has helped shape this snapshot. Now help us shape the response.

To everyone who believes in New Zealand business: Partner with us. Whether it's programme design, leadership development, research, funding alignment, or regional delivery - we're here to lead, but not alone.

Let's turn the energy of Ignite into action and keep New Zealand's SME economy moving forward, together.

Olivia Blaylock
Chief Executive
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Ignite'25



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