

VOICE OF THE CUSTOMER

2022 SURVEY RESULTS



We're thrilled to share the results from our inaugural Voice of the Customer study, completed by 768 Live Oak Bank loan customers.

Its objective is to deliver insights, industry benchmarks and candid advice to help small business owners define challenges and opportunities.

The study revealed some fascinating and timely viewpoints on the many factors impacting small businesses in America.

The key takeaways of this year's report include:



Customers are optimistic and 60% believe it is a good time to expand



Staffing and pricing pressures have been a challenge



25% anticipate transitioning ownership of their company over the next five years

Explore the comprehensive survey results in this booklet.

At Live Oak, we care deeply about you and your success.

This survey embodies our commitment to going above and beyond for our customers and small business owners across the country. We hope you find it valuable when identifying opportunities and potential challenges in 2023 and beyond.

Best,

Huntley Garriott
President of Live Oak Bank



VOICE OF THE CUSTOMER SURVEY RESULTS

SMALL BUSINESS

On average, Live Oak's small business clients...



Started their business **19 years ago**



Have **24 employees**



81% have less than \$5MM in annual sales revenue



75% are expanding or attempting to expand their business



Financial Position

51% Saw an improved financial condition over the past 12 months

35% have increased their number of employees in the past 12 months

62% saw increased sales over the past 12 months

74% Increased their prices within the last 12 months

+10% average increase in prices over the past 12 months

+16% average increase in the cost of materials & supplies

25% Expect the state of their industry to improve next year

"Growth; even though interest rates are high, we have a great growth plan and we plan to expand."

- Trampoline park in Texas



Key Challenges

60% Challenged by hiring new employees

50% are currently understaffed

52% are concerned about hiring/retaining employees

58% Challenged by material/supply costs

59% are concerned about increased prices/cost of doing business

59% have been able to pass along increased costs to customers



Managing Challenges

"We focus on maintaining significant cash reserves, increasing sales, and paying down debt to decrease monthly debt burden."

- Commercial management company in Arizona

"We're being intentional with collections process, undergoing sales training to increase revenue, cost reduction review."

- Restoration company in Alabama

"Increasing prices, we need to stay on top of this and take reasonable increases as things change."

- Custom framing company in Wisconsin

About the 2022 Live Oak Voice of the Customer Study

In 2022, Live Oak Bank commissioned Barlow Research Associates, Inc., a national research and consulting firm, to conduct an online survey among our customers. A total of 768 responses were collected from September 21 to November 11, 2022.