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How Local Governments Can Build Resilience in Their Local Businesses

The case for accessible strategy education for local businesses in tough economic times.

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Executive Summary

Small businesses are the backbone of local economies. In Australia, they account for over 97% of all businesses and employ nearly half of the private sector workforce. Yet when economic conditions tighten, they are consistently the most vulnerable, and the least equipped to respond strategically.

This paper argues that the gap is not one of effort or ambition. It is a gap in accessible, practical strategic education. Most small business owners have never been taught how to think strategically about their business. They make decisions reactively, without the frameworks that larger organisations take for granted.

The businesses that survive tough economic times, and go on to become local success stories, are not the ones that got lucky. They are the ones that understood their market position, made deliberate decisions, and adapted with intention.

Councils and community partners are uniquely positioned to change the odds. By investing in accessible strategy education for local small businesses, they can strengthen local economies, reduce business failure rates, and build communities of confident, capable operators.

KEY ARGUMENT

Economic resilience at a community level starts with business-level decision-making capability. Strategy education is not a nice-to-have. It is infrastructure.

1. The Problem: Small Businesses Are Flying Blind

The reality of small business decision-making

Running a small business is an act of perpetual problem-solving. Most operators are managing operations, customers, staff, finances, and marketing simultaneously, often without dedicated support in any of those areas.

In this environment, strategy - the deliberate, long-term thinking about where a business is going and how it will get there - is almost always pushed to the bottom of the list. Not because it does not matter, but because the tools and frameworks for doing it well have never been made accessible.

The result is a common pattern:

- Decisions are made on gut instinct rather than market insight
- Marketing spend is reactive and often wasted on offers that sound good but do not align with the business' needs.
- Pricing is set by what feels comfortable, not what the market will bear
- Growth is accidental rather than planned
- When conditions change, the response is scrambled rather than strategic

When conditions tighten, the gap becomes a crisis

In stable economic times, these habits are costly but survivable. In tough times, they become existential. When consumer spending drops, costs rise, or market dynamics shift, businesses without a strategic foundation have no playbook to draw from.

The typical response is to cut costs, discount heavily, and hope things improve. These are survival tactics, not strategy. And they often accelerate decline rather than reverse it.

Research consistently shows that businesses that invest in capability building during downturns outperform those that do not, not just during the downturn, but in the recovery that follows.

THE NUMBERS TELL A CLEAR STORY



2. The Opportunity: Strategic Capability as a Community Asset

What strategy education actually changes

Practical strategy education is not about academic theory. Done well, it gives small business owners:

- A clear framework for understanding their competitive position
- Practical tools for making better decisions under pressure
- The confidence to say no to the wrong opportunities
- Language and structure to communicate their direction to others
- A habit of stepping back from the day-to-day to think about the bigger picture

These are not soft skills. They are operational capabilities with direct bottom-line impact. Businesses that can articulate their strategy are more likely to price appropriately, attract the right customers, retain staff, and make investments that pay off.

The compounding effect on local economies

When individual businesses improve their strategic capability, the effects compound across the local economy. Businesses that survive and grow employ more people. They spend more locally. They sponsor community groups. They become anchors for the broader business community. They mentor others. They contribute to the tax base that funds community services.

Councils and community partners are in the best position to understand and respond to this dynamic. They have existing relationships with the business community, the trust, the infrastructure, and the mandate to support local economic development. Strategy education is a natural extension of that role. Council programs are seen to be more trustworthy than highly commercial education groups that charges tens of thousands for coaching programs, at a time when these funds would be better invested in marketing and employment.

WHAT THE RESEARCH TELLS US

Businesses that received structured business advisory support were 2.5 times more likely to survive their first five years than those that did not. The quality and practical relevance of that support was the critical variable.

3. What Good Looks Like

Not all business education is created equal

The small business education landscape is crowded. There is no shortage of webinars, guides, online courses, and coaching resources. And yet the capability gap persists. Because most of what is available is either too generic, too theoretical, or too disconnected from the specific pressures small business owners are actually facing.

Effective strategy education for small businesses is built on a different set of principles:

Practical before theoretical. Every concept is grounded in real business scenarios. If an owner cannot see immediately how to apply the idea to their business, it is not useful.

Accessible and affordable. If cost is a barrier, the people who most need the education will not access it. Subsidised or council-funded delivery removes that barrier.

Facilitated, not just delivered. The most valuable learning happens in conversation with other business owners. Peer insight and shared experience is often more powerful than any framework.

Action-oriented. Each session should end with something the business owner can do tomorrow. Not a summary. An action.

Delivered by practitioners. Small business owners learn best from people who have lived it. Credibility matters. Theoretical knowledge without business experience does not cut through.

Formats that work

1 Half-day or full-day intensive workshops with a clear focus area

2 Small group facilitated programs (6 to 12 participants) over 4 to 6 weeks

3 One-to-one advisory sessions tied to a structured framework

4 Hybrid models combining group learning with individual application support

4. The Investment Case

Why this sits within the council mandate

Local councils play a central role in economic development. Supporting the survival and growth of local businesses is a core function, not a peripheral one. When businesses thrive, the whole community benefits: employment, rates revenue, local spending, and community vitality all improve.

Strategy education offers a clear and measurable intervention point. It is not expensive to deliver at scale. It does not require large capital investment. And its effects are measurable through business survival rates, employment outcomes, and local economic indicators.

The return on investment

Investment	Return
Subsidised or funded workshop delivery	Directly reduces the barrier to access for under-resourced businesses
Facilitated peer learning programs	Builds lasting networks and mutual support within the local business community
Advisory partnerships with experienced practitioners	Delivers credible, applied content that generic programs cannot match
Follow-up support and accountability structures	Converts learning into behaviour change and maximises program impact

Measurable outcomes councils can report

Strategy education, when well-designed, generates clear data points that map directly to council economic development KPIs:

- Business survival rates in the 12 to 24 months following program participation
- Self-reported improvements in strategic confidence and decision-making
- Employment growth among participating businesses
- Net Promoter Scores and participant satisfaction
- Revenue and customer growth trends
- Engagement in follow-on programs or peer networks

For partners and sponsors

Business associations, financial institutions, industry bodies, and professional services firms all have a clear interest in a healthy, capable small business community. Partnering in strategy education delivery offers:

- Brand positioning with a trusted, values-aligned audience
- Direct access to local business decision-makers
- Demonstrated community contribution aligned with CSR objectives
- Co-branding and thought leadership opportunities within programs

5. The Success Story Effect

There is a reason councils and business associations celebrate local business success stories. They inspire. They attract. They demonstrate what is possible.

But success stories do not happen by accident. The businesses that become case studies in resilience, growth, and community contribution almost always share a common trait: at some point, someone helped the owner think more clearly about their business.

Sometimes that was a mentor. Sometimes a peer. Sometimes a program. But there was almost always a moment of strategic clarity, a point at which the owner moved from reacting to their environment to choosing their direction.

That is what accessible strategy education creates. Not just smarter businesses, but businesses with a story worth telling. Businesses that become the evidence base for further investment in the community.

THE COMPOUNDING IMPACT

Every business that survives a downturn and goes on to grow employs more people, spends more locally, and contributes more to the community. The investment in one business education program can ripple outward for years.

6. What We Are Proposing

A practical model for delivery

A well-designed program can be delivered efficiently at scale, with meaningful outcomes for participants. A recommended starting model includes:

- A focused half-day or full-day workshop covering the fundamentals of business strategy in a practical, applied format, ideally with opportunities to reconvene and review.
- A small group follow-on program for participants who want to go deeper, structured over 4 to 6 weeks

- Access to tools, templates, and resources participants can use independently after the program
- Optional one-to-one advisory sessions for businesses with specific challenges or opportunities

This model can be delivered as a council-commissioned program, a co-funded partnership arrangement, subsidised ticketed event, or a subsidised offer made available through a business association or chamber of commerce.

Who delivers it matters

The credibility and practical relevance of strategy education is entirely dependent on who delivers it. Small business owners are experienced in filtering out generic advice quickly. They need to know the person in front of them has actually built and run businesses, navigated the challenges they are facing, and earned the right to offer guidance.

The most effective programs pair structured curriculum with facilitation by experienced business educators AND practitioners. Not academics or consultants who talk at business owners. Practitioners who think with them.

7. About Strategy to Impact

Strategy to Impact is a Melbourne-based business strategy and education practice with over 20 years of experience working with small and medium businesses, councils, and industry partners.

Founded by Katya Ellis, a business strategist, business owner experience across retail, wholesale/manufacturing, export and events, RMIT University lecturer, accredited mentor, and Non-Profit Board Director, Strategy to Impact delivers practical strategy education grounded in real business experience and designed for the realities of running a small business.

Programs are built on a simple premise: strategy should not be the domain of large organisations with big budgets and specialist teams. Every business, regardless of size, deserves access to clear thinking, practical frameworks, and honest guidance.

Strategy to Impact is available to partner with councils, business associations, and community organisations to design and deliver strategy education programs tailored to the specific needs of your business community.

GET IN TOUCH

To explore how Strategy to Impact can work with your council or organisation, visit strategytoimpact.com or contact us directly to discuss program design and partnership options. Email: grow@strategytoimpact.com

Conclusion

Economic downturns reveal the difference between businesses that have a strategic foundation and those that do not. The ones with a clear sense of their direction, their customers, and their competitive position adapt. The others scramble.

The difference is rarely luck. It is capability. And capability can be built.

Councils and community partners have a genuine opportunity to change the odds for the small businesses in their communities. Not through handouts or short-term support, but through something more durable: the skills and frameworks to make better decisions, consistently, over time.

That is the case for investing in accessible strategy education. The cost is modest. The return, measured in businesses that survive, grow, and become the success stories that define a thriving local economy, is substantial.

The best time to invest in business capability is before a crisis. The second best time is now.