



International Small Business Technology Research

International Council for Small Business (ICSB) and DELL Inc.

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Research Design

Dell and the ICSB talked with Small Businesses and Small Business Experts



Global Small Business Technology Survey

Project Objectives:

- Confirm *small business* customer technology needs and pain points around the world to more effectively understand their needs.

Methodology:

- In Q2, a 15-minute online survey was developed and administered to 1,800 small business technology buyers around the world. 150 interviews were conducted in each of the following 12 countries:
 - US - France
 - Canada - Australia
 - Mexico - New Zealand
 - Brazil - China
 - UK - Japan
 - Germany - India
- In addition, within each of the countries, 50% of the interviews are coming from businesses with 1-9 employees, and 50% are coming from businesses with 10-99 employees.



Survey of Small Business Experts

Project Objectives

- Survey the International Council of Small Business (ICSB) members, who are researchers, practitioners, and consultants on small businesses worldwide, about their views on how small businesses deal with Information Technology, and the challenges and opportunities they may face.

Methodology

- In June 2007, a printed survey was distributed to all participants at the ICSB annual world conference held in Turku, Finland. Survey Participants attending the conference were from the following regions:
 - Africa (Sub-Saharan)
 - Asia (East and South)
 - Australia/New Zealand
 - British Isles (including Republic of Ireland)
 - Caribbean
 - Canada
 - Continental Europe (excluding Scandinavia)
 - Latin America
 - Middle East (including North Africa)
 - Scandinavia
 - United States



Key Findings from DELL and ICSB Research

Presentation Outline:

- Information Technology (IT) plays a major role in small businesses worldwide
- Small businesses utilize IT for key objectives – to better serve customers, grow business
- Similar IT challenges are experienced by small-business owners worldwide
- The pain points that small business owners and experts report are similar
- Small businesses go to more than one place for help when it comes to IT issues

DELL



IT plays a Major Role in Small Businesses Worldwide

Impact of IT on Small Businesses Worldwide

- ✓ Sixty-six percent (**66%**) of small-business owners worldwide surveyed by Dell think IT is extremely important to their business.
- ✓ Fifty-seven percent (**57%**) of small-business experts, researchers and educators surveyed by ICSB state that IT plays an extremely important role in the growth of small businesses.
- ✓ ICSB study also shows that **88** percent of small business experts think that most small-business owners could financially benefit from a greater awareness of IT options.

Data from Global Small Business Technology Study:



- Seventy-three percent (**73%**) of U.S. SBs are interested in technology to better serve their customers; followed by grow in their businesses
- Brazilian SBs No. 1 pain is finding IT service companies that can solve problems online
- Sixty-one percent (**61%**) of French and Mexican SBs feel “easy to use computers” is the most important issue driving IT investment
- Forty-nine percent (**49%**) of Chinese SBs report having a website that conducts commerce; yet seventy-one percent (**71%**) of German SBs report having a website that does not conduct commerce
- Seventy-five percent (**75%**) of Indian, sixty-four percent (**64%**) of Mexican SBs feel “Always on Connectivity” is the next important IT breakthrough
- Fifty-five percent (**55%**) of Chinese SBs and fifty-percent (**50%**) of Indian SBs are less than 6 years old; twenty-six percent (**26%**) of U.S. and Japanese SBs are more than 20 years old













Small Businesses Use IT for Key Reasons

Small-businesses use IT mainly to:

- ✓ **Better serve customers – 66%**
- ✓ **Grow the business – 62%**
- ✓ **Be more competitive in the market – 56%**



 Data from Global Small Business Technology Study:

WW Top 10	USA 	Canada 	Mexico 	Brazil 	UK 	France 	Germany 	Australia 	New Zealand 	China 	India 	Japan 
To better serve our customers	73%	68%	71%	65%	68%	55%	72%	64%	68%	64%	72%	50%
To grow the business	72%	61%	55%	68%	61%	63%	52%	62%	66%	50%	74%	59%

Small-Business Owners Worldwide have Similar IT Issues

- ✓ **75%** state **Budget** constraints is a major factor that limits the use of IT in their business
- ✓ **82%** state **Time** is an issue that limits the use of IT in their business
- ✓ **80%** state **Management** discomfort with technology limits the use of IT in their business
- ✓ **78%** state **Rapid Technological Changes** is an issue that limits the use of IT in their business
- ✓ **70%** state **Employee** discomfort with technology is an issue that limits the use of IT in their business



IT Pain Points SB Experts and Owners Themselves Report

The Top 5 Pain Points

Small-Business *Owners* Report:

- Trial-ware, sample software and free-ware that comes pre-installed on new systems are often the cause of problems;
- Over-dependency on an outside company for IT help;
- Too frequent server slow downs and failures;
- Difficulty in keeping PCs optimized and constantly maintained for security, productivity and speed;
- Problems setting up new system.



IT Pain Points SB Experts and Owners Themselves Report

Top 5 Pain Points

Small-Business *Experts* Report:

- Inadequate technical support/service from software manufacturers;
- Electronic information/data security;
- The time it often takes to get answers to relatively simple IT questions;
- Inadequate technical support/service from hardware manufacturers; and;
- Difficulty finding the right software for the task.



Ranking of Top 10 Pain Points – SB Owners

Trialware, free-ware and sample software that comes pre-installed on new PCs is a pain for small-business buyers

Ranking of Top 10 Pain Points	USA 	Canada 	Mexico 	Brazil 	UK 	France 	Germany 	Australia 	New Zealand 	China 	India 	Japan 
1. Eliminating trial-ware, sample software and free-ware that comes pre-installed on new systems	1	1	8	5	1	1	1	3	1	15	9	1
2. Being too dependent on an outside company	2	2	2	3	6	4	2	4	6	1	2	7
3. Managing costs	3	4	5	6	3	5	9	2	5	14	7	5
4. Eliminate frequent server slow downs and failures	7	7	7	11	7	7	6	7	3	3	1	2
5. Ensuring PCs are optimized and constantly maintained to keep security, productivity and speed optimized	4	3	9	9	5	10	5	1	2	16	8	4
6. Setting up new systems	6	6	6	8	2	2	11	6	4	7	13	11
7. Ensuring security and safety of company data	5	5	11	10	8	8	4	9	11	2	10	8
8. Having adequate backup systems should a crisis occur	8	8	12	7	4	6	12	5	7	5	6	10
9. Finding an IT service company that can solve my problems online	11	11	3	1	11	9	7	8	10	4	5	14
10. Inadequate technical support, service	14	13	1	4	14	3	3	14	13	10	4	15

Q16. Please review each of the IT challenges and frustrations below and rate your level of frustration with them on a 0 to 9 scale where 0 means "Not at all frustrating" and 9 means "Very frustrating".

Top Vendor IT Focus Points







The Top 3 Issues Small-Business *Owners* want Vendors to Address:

- Vendors often fail to provide adequate tech support and service;
- Vendors may fail to ensure security and safety of company data;
- Vendors are not helpful in dealing with frequent server slowdowns and failures





Ranking of Top 10 IT Vendor Focus Points

IT vendors should continue to focus on service and support, data security and product reliability

Ranking of Top 10 Focus Points	USA 	Canada 	Mexico 	Brazil 	UK 	France 	Germany 	Australia 	New Zealand 	China 	India 	Japan 
1. Provide adequate tech support and service	1	1	1	1	2	2	2	1	1	5	1	3
2. Ensure security / safety of our company's data	3	3	2	2	1	7	1	3	2	1	6	1
3. Eliminate frequent server slow downs and failures	7	5	6	9	7	1	4	8	6	2	2	2
4. Provide reliable service to support network and computer hardware	2	2	5	3	5	5	8	4	4	8	4	4
5. Enable independence so we are not too reliant on an outside company to keep us up and running	5	6	3	5	4	8	5	2	8	4	10	15
6. Advice/Solutions for adequate backup systems in case of crisis	8	8	7	8	3	4	7	5	5	10	8	5
7. Solve customers' problems online	6	7	11	6	6	6	10	6	3	3	7	12
8. Work harder to listen and understand small business needs	11	12	4	7	8	10	9	7	9	9	5	11
9. Design PCs that optimize and maintain themselves	9	10	10	10	9	11	12	10	7	6	3	6
10. Make new systems easier to install and setup	10	11	9	12	11	3	6	9	10	11	11	9

Q18. Please review each of the areas below and provide a rating for how much your IT solution provider should focus its resources and efforts in each of these areas. Use a 0 to 9 scale where 0 means "They don't need to worry about it" and 9 means "It should be a top priority".

IT Pain Points Comparison Chart

ISSUES	Owners Small Business 	Experts on Small Business 
Hardware & Software	<ul style="list-style-type: none"> ✓ Ensuring PCs are optimized and constantly maintained to keep security, productivity and speed optimized ✓ Eliminate frequent server slow downs and failures ✓ Setting up new systems 	<ul style="list-style-type: none"> ✓ Inadequate technical support/service from hardware manufacturers ✓ Inadequate technical support/service from Software manufacturers ✓ Finding the right software for the task
Security	<ul style="list-style-type: none"> ✓ Ensure security / safety of company data 	<ul style="list-style-type: none"> ✓ Securing the firm's electronic information/data
Support	<ul style="list-style-type: none"> ✓ Provide adequate tech support and service ✓ Being too dependent on an outside company 	<ul style="list-style-type: none"> ✓ Obtaining quick answers to relatively simple IT questions

Small Businesses Seek Information from Multiple Sources













According to small business experts fully half—50%—of small businesses use few or no outside resources.



Small businesses look to each other as role models:

- Small businesses in their industry – 48%
- Large businesses – 34%
- Small businesses outside the industry – 29%
- IT manufacturers – 25%
- Local IT consultants – 22%

Small Businesses Seek Information from Multiple Sources

Role Models for Implementing IT	USA 	Canada 	Mexico 	Brazil 	UK 	France 	Germany 	Australia 	New Zealand 	China 	India 	Japan 
Other small businesses in my industry	60%	49%	41%	49%	49%	36%	35%	48%	65%	43%	42%	57%
Larger businesses in my industry	34%	40%	31%	38%	36%	27%	27%	32%	33%	40%	52%	24%
Small businesses outside my industry	31%	33%	35%	27%	31%	21%	21%	31%	32%	20%	33%	35%
IT manufacturers	23%	29%	21%	37%	27%	26%	14%	21%	27%	31%	30%	19%
Local IT consultants	21%	25%	23%	36%	15%	25%	11%	26%	25%	20%	29%	12%
Larger businesses outside my industry	16%	19%	13%	17%	13%	13%	15%	14%	17%	22%	22%	11%
Other	3%	5%	2%	1%	13%	3%	6%	11%	8%	1%	1%	6%

Q25. Who do you look to as role models for the way they implement and use IT products and services?

n=1800

Conclusion

- 1- Information Technology (IT) plays a major role in small businesses worldwide**
- 2- Small businesses use IT to help serve their customers, grow their business, and compete in the marketplace**
- 3- Similar IT challenges are experienced by small business owners worldwide**
 - Budget Constraints
 - Not enough time
 - Not too comfortable
 - IT changes too fast
- 4- Pain points that small business owners and experts report are not too different**
 - Software too complex and not enough support
 - Nowhere to find simple answers
 - Hardware needs to be secure and reliable
 - Vendors need to play a bigger role supporting small-businesses
- 5- Small businesses go to a variety of places for help when it comes to IT issues**
 - No clear answer
 - Opportunities exist to serve this need!

So What Should be Done?

- First, IT manufacturers and vendors could make concerted efforts to be sources of solutions and not just of problems.
- Second, small business owners would benefit from greater awareness of the sources of sound information that would help solve IT problems and reduce the pain produced.

In sum, there is work for both IT leaders and small business IT users if entrepreneurial small businesses around the world are to obtain the greatest benefits from IT innovation and development.