



2008 International Small Business IT Research IT Views from Small Businesses and Small Business Experts

International Council for Small Business (ICSB) and Dell, Inc.



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 2008, an online survey was distributed to all participants at the ICSB World Conference.
- We received 195 respondents, of whom 187 provided usable responses.

Key Findings from the ICSB Responses

Presentation Outline:

- 98% of the experts reported that IT is important for small business growth;
- 92% said that keeping up with the competition, with regard to IT, is important;
- 99% said that investment in the use of IT by small businesses would bring long-term benefits, and 81% felt that those benefits would be great or very great.

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Key Findings from the ICSB Responses

Results continued...

- A majority of the experts (55%) saw small businesses using new IT to keep up or catch up with the competition, but *staying ahead* of the competition was seen by only 20% as a primary motivation for using new IT.
- Almost two-thirds of the experts said that small businesses upgrade, modify, or just copy existing IT innovations; *developing* IT innovations is very uncommon.

Key Findings from the ICSB Responses

Results continued...

- The majority of the experts (52%) said that small businesses use what is widely accepted and understood, in terms of IT; 20% said that if their current IT was working, small businesses would probably not want to try to change it;
- The most common reason for IT change, according to the experts is that current IT is just wearing out; the experts felt that only one-third of small businesses want more advanced IT.

Preliminary Summary

- Despite the importance and clear benefit of using IT innovations, experts do **not** see small businesses as generally eager to take advantage of innovations.
- Communicating the importance of IT innovation and encouraging its use by small businesses would appear to be a major challenge for those wishing to strengthen and support entrepreneurship.





Survey of Small Business Owners and IT Decision Makers










Project Objectives

- Dell seeks to confirm *small business* technology needs and pain points around the world to more effectively understand and meet their needs.

Methodology

- A 15-minute online survey was developed and administered to 1,361 small business technology buyers around the world. A minimum of 150 interviews were conducted in each of the following 9 countries:
 - US, Brazil, China, France, Germany, India, Japan, Russia, UK
- Within each of the countries, one-third of the interviews are from 1-4 employee firms, one-third are from 5-20 employee firms, and one-third are from 21-99 employee firms.










IT's Impact on Small Business Growth

Importance of IT in regards to its impact on small business growth	WW	USA 	Brazil 	China 	France 	Germany 	India 	Japan 	Russia 	UK 
Extremely important	69%	72%	93%	76%	54%	49%	85%	45%	71%	76%
Somewhat important	27%	24%	7%	23%	40%	45%	13%	49%	25%	20%
Neither important or unimportant	3%	2%	1%	1%	5%	5%	0%	4%	3%	3%
Not important	1%	1%	0%	0%	1%	1%	1%	2%	1%	1%
Gets in the way	0%	1%	0%	1%	0%	0%	0%	0%	0%	0%

Q8. How important is information technology (IT) to you in regards to its impact on small business growth?

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Benefits of IT Knowledge

Most small business owners could financially benefit from a greater awareness of IT options.	WW	 USA	 Brazil	 China	 France	 Germany	 India	 Japan	 Russia	 UK
Strongly agree	48%	56%	63%	58%	21%	36%	68%	30%	42%	58%
Agree	43%	39%	36%	41%	44%	57%	29%	51%	50%	36%
Undecided	8%	5%	2%	1%	28%	6%	1%	16%	5%	4%
Disagree	2%	0%	0%	0%	6%	1%	1%	3%	2%	2%
Strongly disagree	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%

Q9. Most small business owners could financially benefit from a greater awareness of IT options.

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Small Business & New Technology

Perception of Small Business & New Technology	WW	 USA	 Brazil	 China	 France	 Germany	 India	 Japan	 Russia	 UK
Small businesses attempt to be the first to try new things	13%	6%	15%	24%	8%	4%	20%	15%	18%	7%
When a new idea shows promise, small businesses jump on before everyone else does	27%	23%	17%	31%	23%	26%	29%	43%	36%	12%
When name brands come out with new technologies, small businesses are ready to adopt it	14%	11%	13%	19%	26%	19%	13%	3%	15%	11%
Small businesses use what's widely accepted and understood	29%	40%	37%	21%	28%	29%	29%	25%	24%	31%
If their IT works, small businesses do not change it	17%	20%	18%	6%	16%	22%	9%	15%	7%	40%

Q10. Which one statement best describes your opinion of new technologies and small business?

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Small Business & Technology Upgrade/Replacement

Reasons for Small Businesses to Upgrade or Replace their Current Technology	WW	 USA	 Brazil	 China	 France	 Germany	 India	 Japan	 Russia	 UK
Current technology began to wear out or have problems	41%	49%	28%	14%	48%	48%	33%	42%	51%	58%
Want more advanced technology	25%	18%	20%	46%	23%	25%	29%	28%	23%	17%
Trying to keep up with the market / competitors	24%	18%	41%	33%	19%	20%	31%	21%	22%	13%
Advised to by a peer or technology expert	8%	12%	9%	8%	9%	7%	7%	7%	4%	10%
Other	1%	3%	2%	0%	2%	0%	1%	1%	0%	2%

Q11. Which of the following do you believe is the most likely reason that small businesses replace or upgrade their existing technology?

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Limiting Factors in IT Expansion / Growth

Factors Limiting IT Expansion	WW	USA 	Brazil 	China 	France 	Germany 	India 	Japan 	Russia 	UK 
Budget constraints	75%	82%	85%	72%	71%	66%	83%	72%	75%	73%
Unproven technology, too new on the market	22%	20%	20%	32%	23%	20%	24%	19%	29%	13%
Don't have time to explore and learn about new IT products and services	21%	26%	15%	23%	23%	18%	20%	23%	18%	22%
Have all the technology I need	17%	13%	11%	9%	20%	27%	21%	10%	17%	25%
Too complicated for me to understand how it will benefit my business	11%	6%	3%	16%	5%	20%	21%	17%	6%	6%
Don't think about it / Too focused on the business	10%	15%	5%	18%	10%	9%	9%	8%	5%	8%
We outsource those decisions	4%	1%	3%	4%	6%	1%	9%	5%	5%	1%
Other	2%	7%	2%	1%	1%	1%	0%	2%	1%	5%

Q13. What are the primary factors limiting expansion of your IT capabilities, investment in new technologies?

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Small Businesses Pain Points

Ranking of Pain Points	WW	 USA	 Brazil	 China	 France	 Germany	 India	 Japan	 Russia	 UK
Having adequate backup systems that will work should a crisis occur	1	4	5	8	2	1	3	1	1	4
Low battery life on notebook PCs	2	1	4	1	4	2	4	7	3	1
Ensuring the safety and security of our company's data	3	9	6	2	1	3	6	2	4	5
Finding quality service and support	4	8	3	4	6	5	1	3	2	11
Finding timely service and support	5	6	1	6	7	4	2	4	6	13
Finding an IT company that understands small business	6	13	2	5	11	7	5	11	5	14
Ensuring PCs are maintained and optimized	7	2	10	13	8	9	11	6	9	3
Providing constant access to data for all users all the time	8	7	7	7	3	12	7	10	8	8
Trial-ware, sample software, and free-ware that comes pre-installed on new systems	9	3	12	11	12	6	8	13	10	2
Running out of physical space	10	5	11	10	10	10	12	5	13	6
Managing growing storage capacity needs	11	10	8	12	5	13	9	9	11	7
Finding an IT company that understands our industry	12	14	9	3	13	11	10	8	7	12
Installing and setting up new systems	13	11	13	14	9	8	14	12	12	9
Users working remotely	14	12	14	9	14	14	13	14	14	10

Q15.How painful are each of the following issues for your business today?










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Source: UTech Consulting & SMB Global Messaging (Aug 2008)

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Perception of Next IT Breakthrough

Next Perceived IT Breakthrough for Small Business	WW	 USA	 Brazil	 China	 France	 Germany	 India	 Japan	 Russia	 UK
Always on connectivity (mobile broadband)	52%	45%	54%	63%	56%	38%	68%	34%	60%	48%
PCs and servers that maintain themselves at top performance levels	51%	47%	72%	65%	44%	37%	59%	41%	48%	45%
A network solution that is perfectly secure and safe	51%	35%	63%	68%	45%	38%	59%	54%	63%	33%
Networking solutions that enhance communication, sharing, and collaboration	47%	40%	57%	53%	41%	33%	63%	32%	61%	40%
Software to help you manage customer information	44%	38%	67%	60%	38%	30%	55%	29%	52%	26%
PCs and servers that are specifically designed for small businesses	42%	32%	58%	64%	31%	37%	57%	45%	32%	25%
Virtualization	36%	43%	49%	44%	22%	25%	47%	28%	31%	33%
VoIP	35%	27%	63%	36%	30%	24%	43%	15%	43%	37%

Q19.What do you view as the next information technology breakthrough that will transform your small business?