

# Organizational Issues Facing SMB Operations During COVID-19 And Business Solutions

We all know from both personal experience and the news that COVID-19, also known as the novel coronavirus, is having a devastating effect on small and medium businesses (SMBs)—the engine of the U.S. economy and those around the world.

Here we share a few key findings from the recent SMB Group study *Impact of COVID-19 on Small and Medium Businesses* to deliver insights to help inform decisions about how to best serve and support SMBs during this difficult and volatile time.

To get the full [Impact of COVID-19 on SMBs](#) report click here

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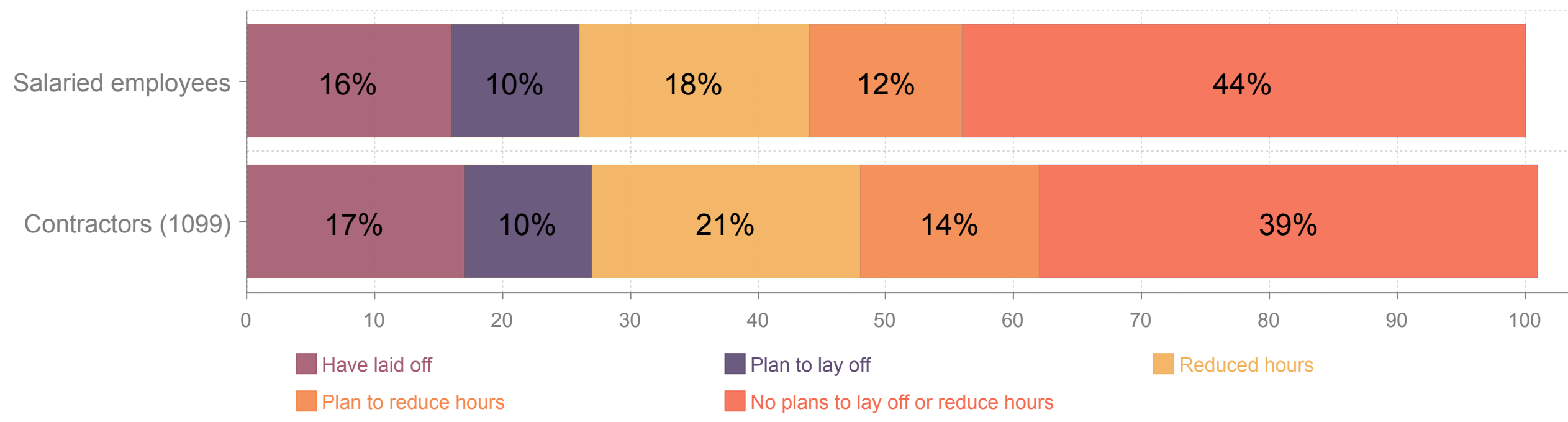


Source: *Impact of COVID-19 on Small and Medium Businesses*, SMB Group, 2020

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## Workforce Reductions Are The New Normal

Have you had to layoff or reduce hours for salaried employees or 1099 contractors due to COVID-19 virus?

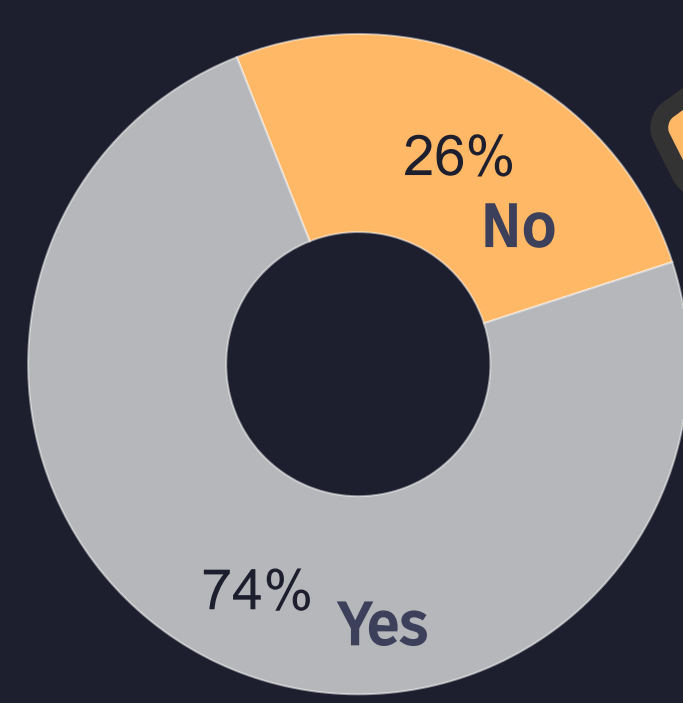


- 34% of SMBs have already taken steps to reduce their salaried payroll through layoffs and reduced hours, and 38% have done the same for contractors
- 24% of SMBs plan to layoff and/or reduce hours for salaried employees, while 22% intend to do so for contractors

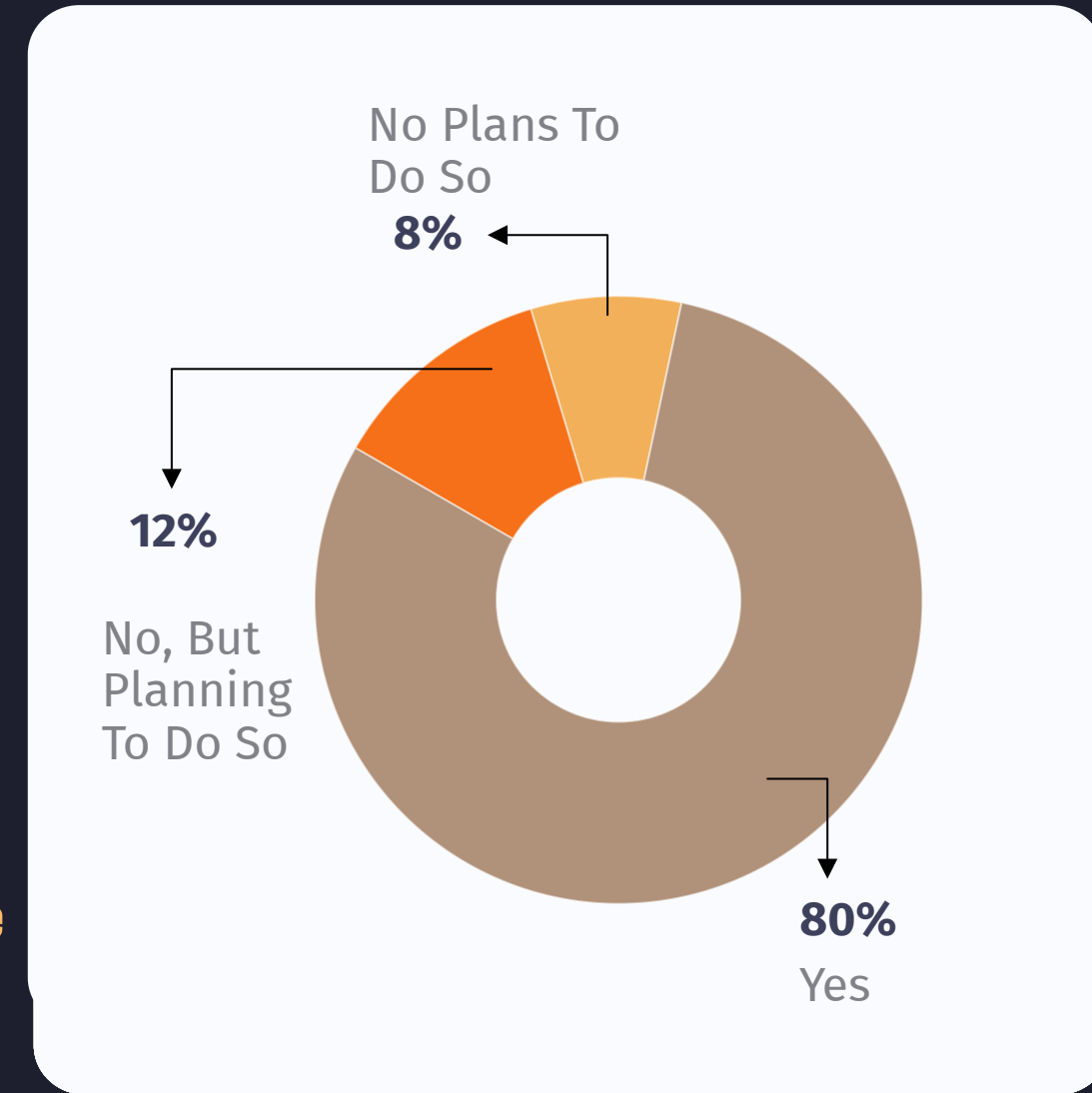
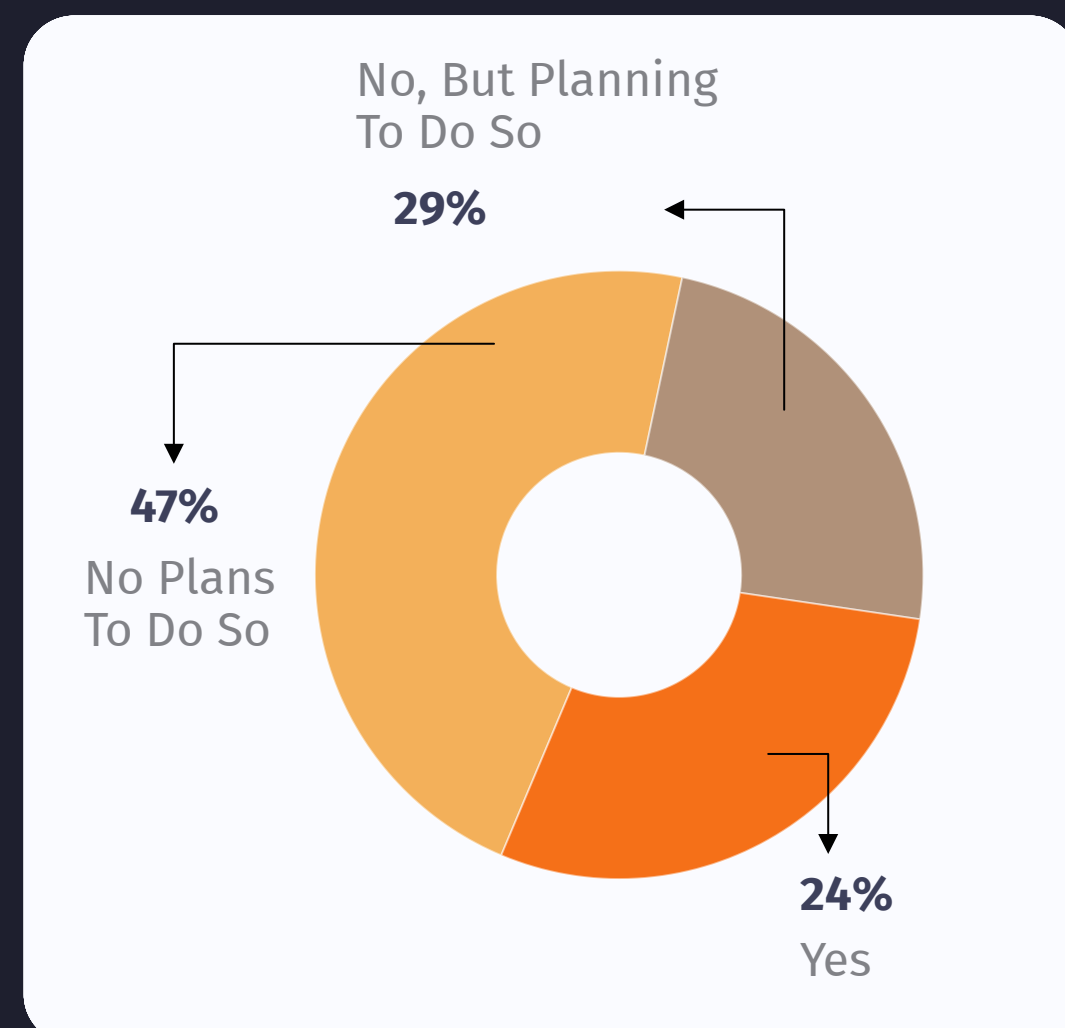
## SMBs Double Down On Work From Home/Telecommuting

Has your company established work from home/telecommuting options in the wake of the Covid-19 virus?

Did your business have options for employees to work from home/telecommute prior to the COVID-19 virus?



Has your company expanded work from home/telecommuting options in the wake of the COVID-19 virus?



- 74% of SMBs had options in place for employees to work from home prior to the COVID-19 outbreak
- Now, 80% of SMBs with existing work-from-home programs are expanding them
- Among SMBs that previously lacked telecommuting options, 24% have established them in the wake of the crisis, and 29% plan to do so

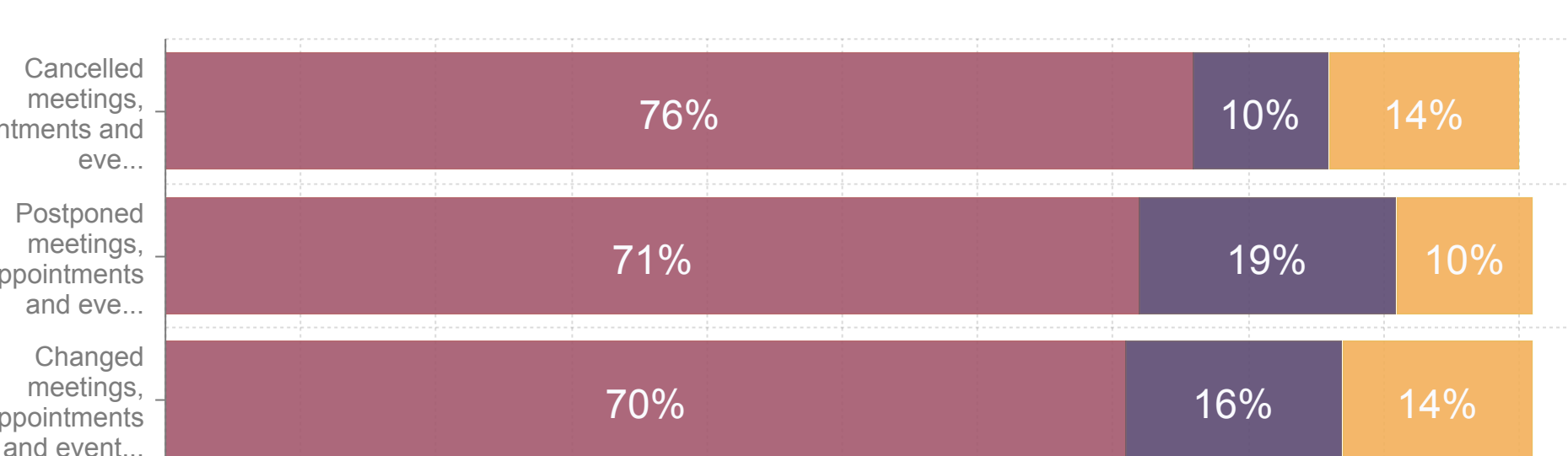
## SMBs Cancel, Postpone And Move Activities Online

Have you made this change or do you plan to make any changes in how you conduct face-to-face (in-person) customer, supplier, partner or influencer events, appointments and meetings due to the COVID-19 virus?

Have you made this change

Plan to make this change

No plans to make this change



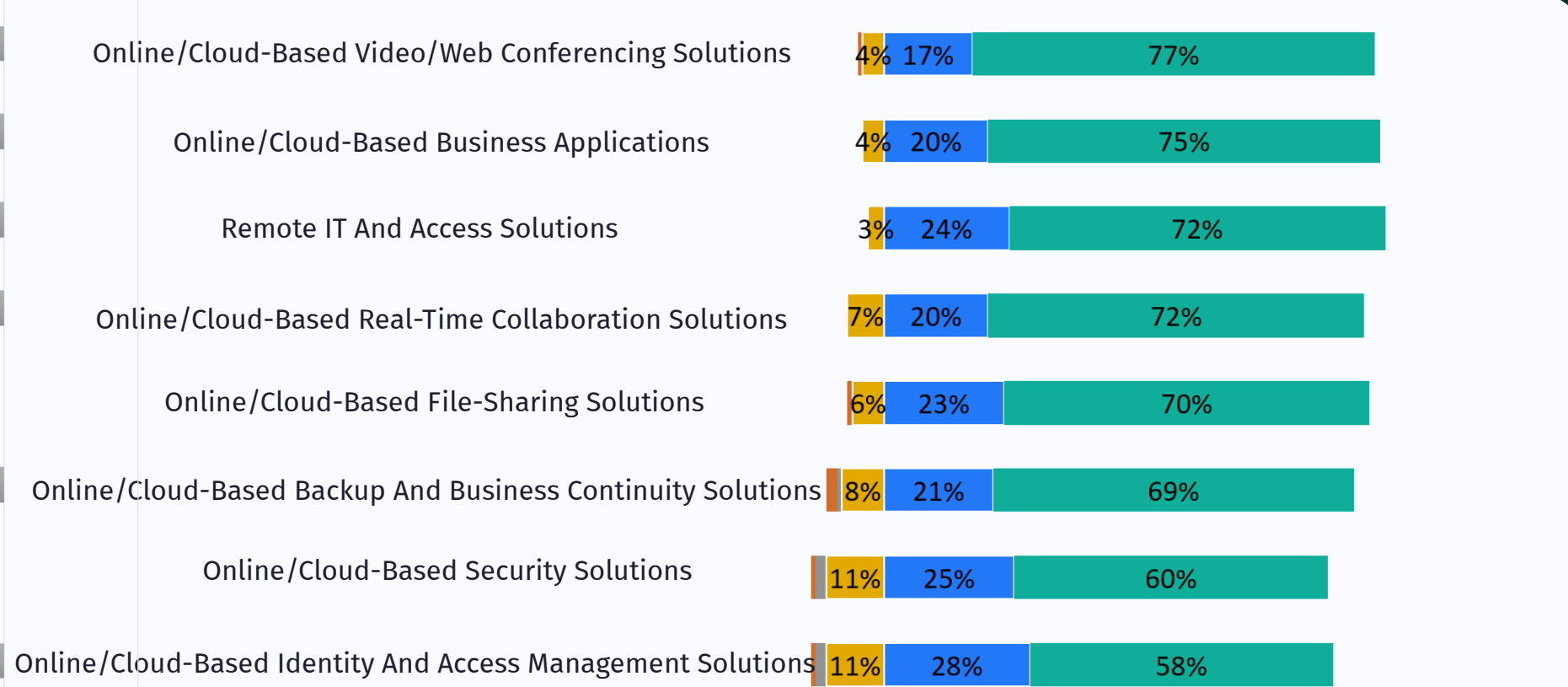
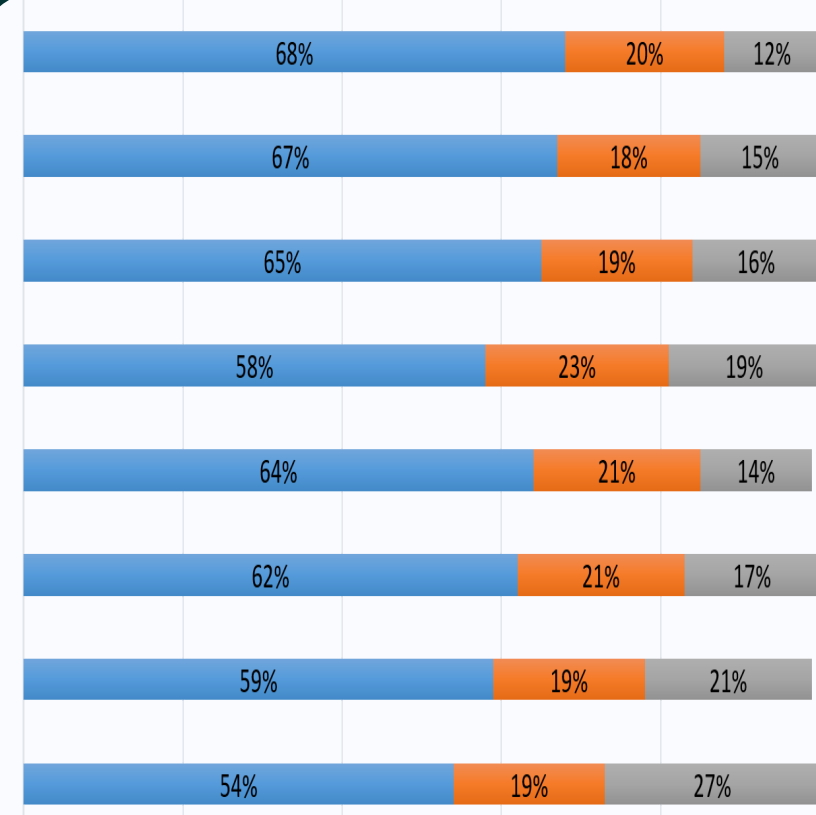
Have you made any changes or do you plan to make any changes in how you conduct face-to-face (in-person) customer, supplier, partner or influencer events, appointments and meetings due to the COVID-19 virus?

- 71% of SMBs have already moved activities from the physical world to the virtual one, and 16% are planning to do so
- 72% of SMBs have postponed and 76% have entirely cancelled events, appointments and meetings in the wake of the pandemic
- Businesses in industries such as personal services, hospitality, home repair, construction, medical and dental practices, and others who rely on physical-world activities to generate revenues will find it very difficult to recoup most of their lost income

## Online Solutions Play A Key Role In Sustaining SMB Operations During COVID-19

What types of solutions does your business use/plan to use to support remote working/telecommuting?

How valuable have the following been in sustaining your business during the COVID-19 crisis?



Source: *Impact of COVID-19 on Small and Medium Businesses*, SMB Group, April 2020

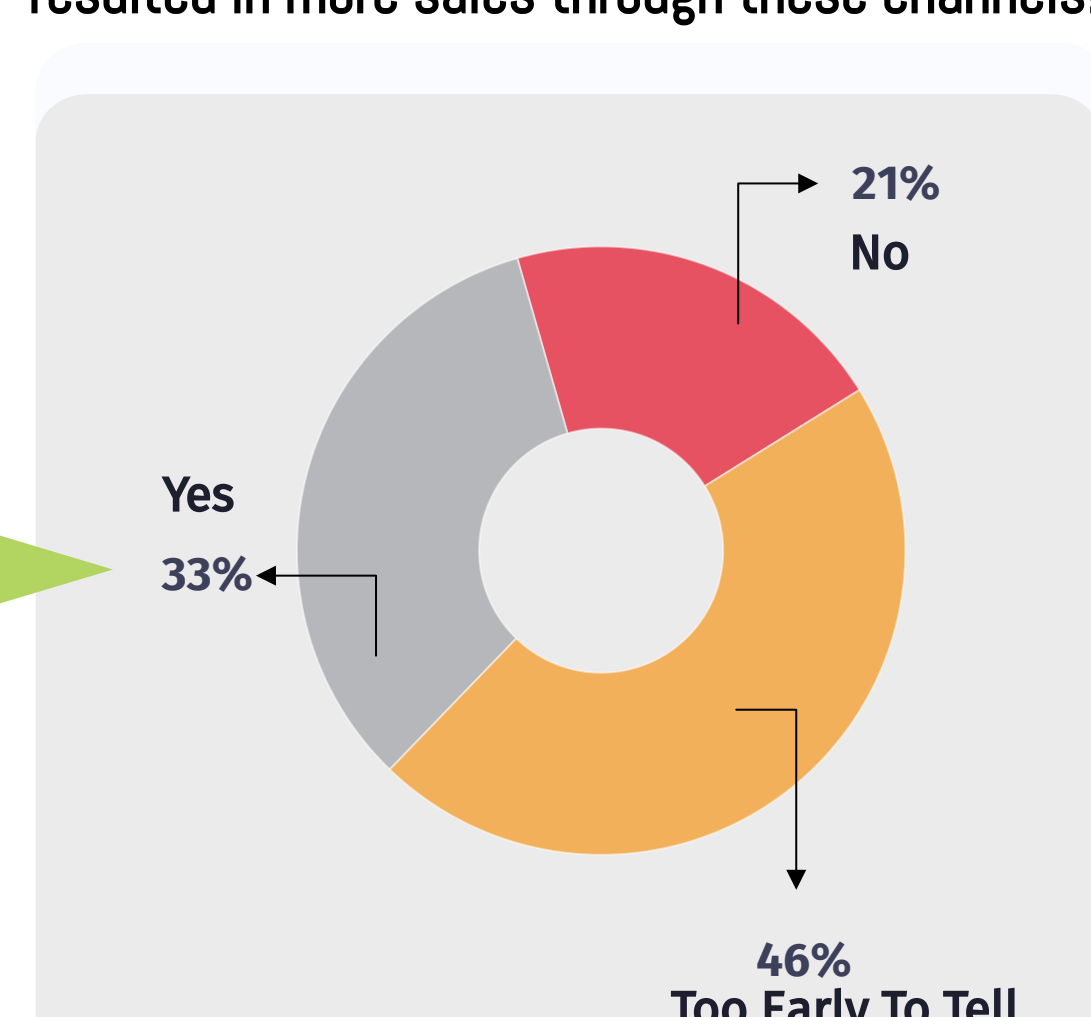
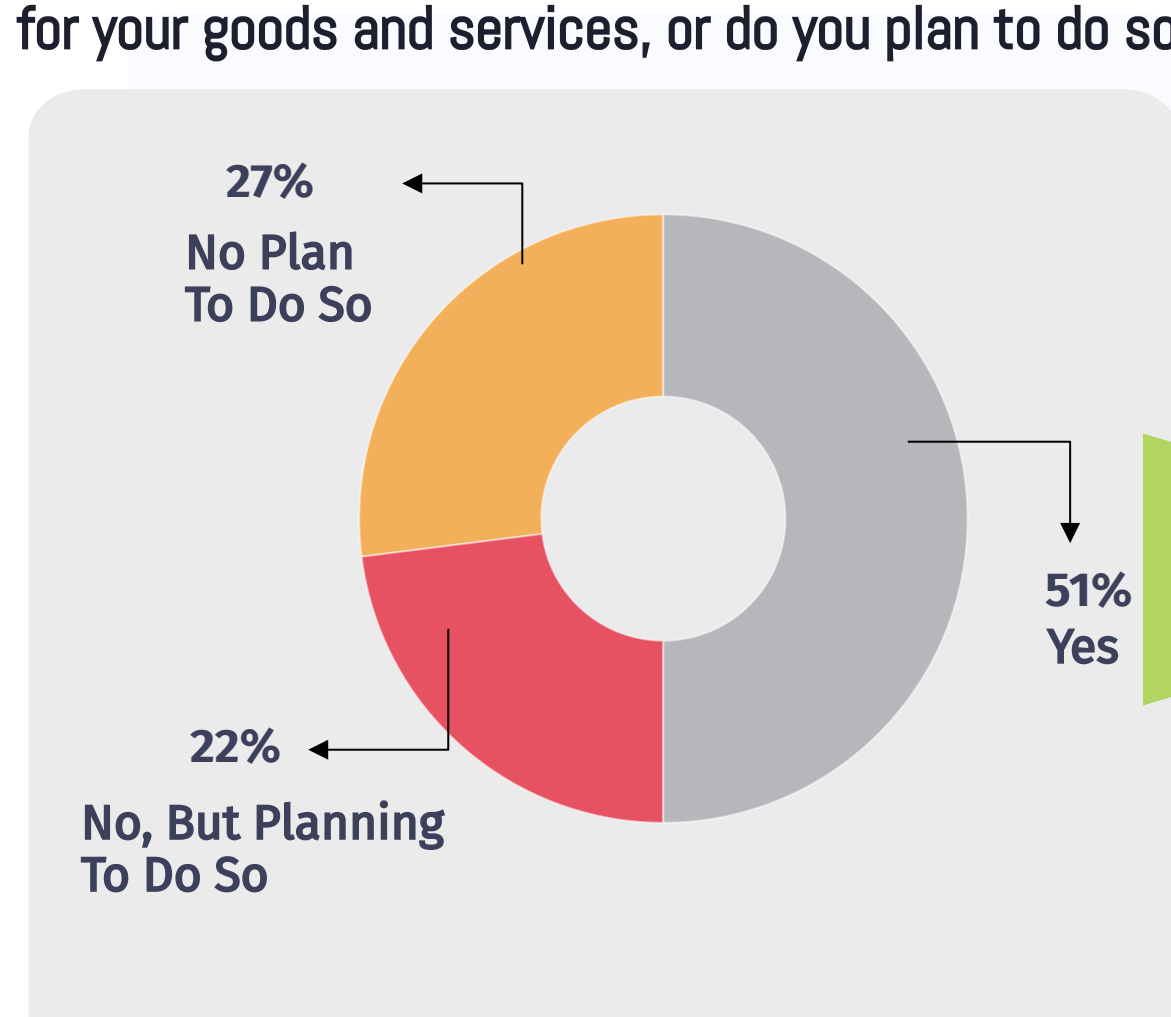
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- If there's a silver lining in this crisis, it's that online solutions are enabling many knowledge workers to work from home
- The majority of SMBs were already using many of the most necessary solutions prior to the pandemic—with many more putting them in place to cope now that it has hit
- These solutions are serving as business lifelines for SMBs, with a majority rating them as extremely valuable in helping them to sustain their companies during the COVID-19 crisis
- SMBs rate online cloud-based business applications, web/video conferencing solutions, remote IT and access solutions, and real-time collaboration as providing the most value in helping them to weather the storm

## SMBs Are Expanding Online Sales Channels To Help Make Up For Lost Business

Are you currently increasing the use of online and digital sales channels, marketplaces, websites, etc., for your goods and services, or do you plan to do so?

Has your increased use of online channels resulted in more sales through these channels?



- Half of all SMBs are ramping up online sales to try to replace some of the business they're losing from their traditional in-store or office operations
- About one-third of all SMBs say that these initiatives are already paying off. However, more people are losing their jobs and more businesses are reducing operations; therefore, it remains to be seen whether digital sales will really serve as a cushion for most companies as increasing numbers of laid-off workers and cash-strapped businesses tighten their purse strings

This is the second of two infographics from SMB Group providing insights on the impact of COVID-19 on SMBs.

[Click here to view the first infographic.](#)

SMB Group is a research, analysis and consulting firm focused on technology adoption and trends in the small and medium business (SMB) market. SMB Group helps clients to understand and segment the SMB market, identify and act on trends and opportunities, develop more compelling messaging, and more effectively serve SMB customers.

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