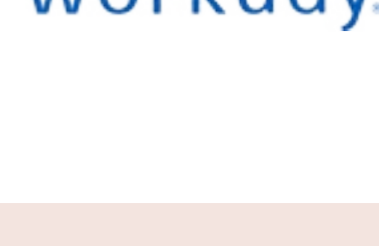
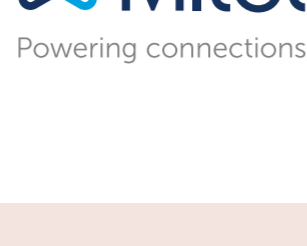


NAVIGATING A PATH FORWARD

Business and Technology Impact and Outlook

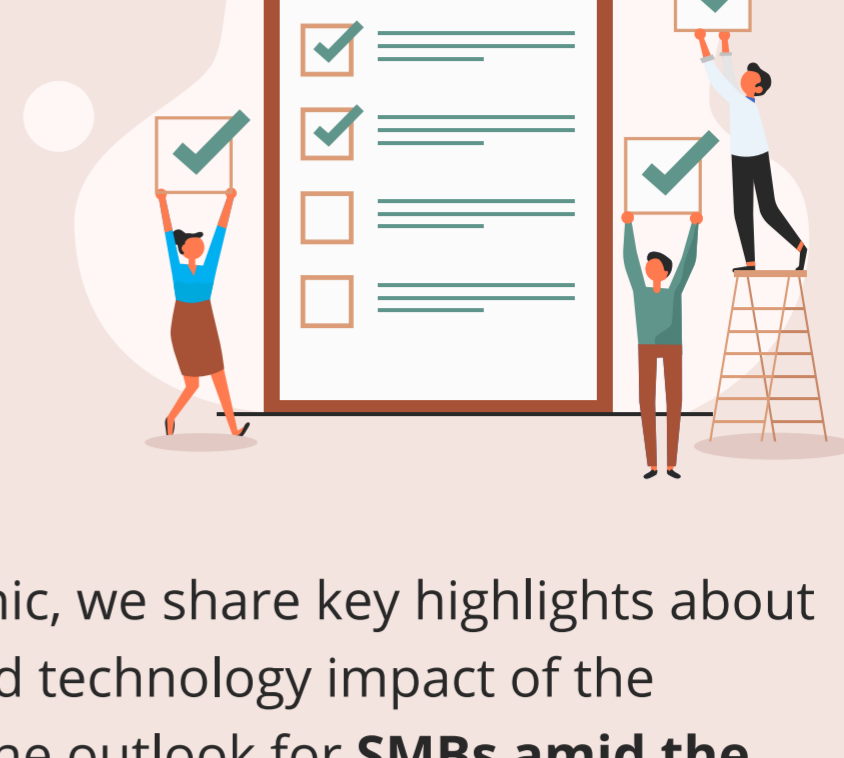
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The COVID-19 pandemic has disrupted any notion of business as usual. From mid-June to early July 2020, SMB Group fielded our **SMBs: Navigating a Path Forward** study to better understand how small and medium businesses (SMBs) that have managed to sustain their operations are faring amid continuing uncertainty.

We surveyed decision makers and influencers in **more than 750 North American SMBs** (1 to 1,000 employees) and midmarket organizations (1,000 to 2,500 employees).

(Note: For brevity, we refer to the entire range of businesses surveyed in this study as “SMBs.”) At the time of the study, respondents were working for companies that were still in business.



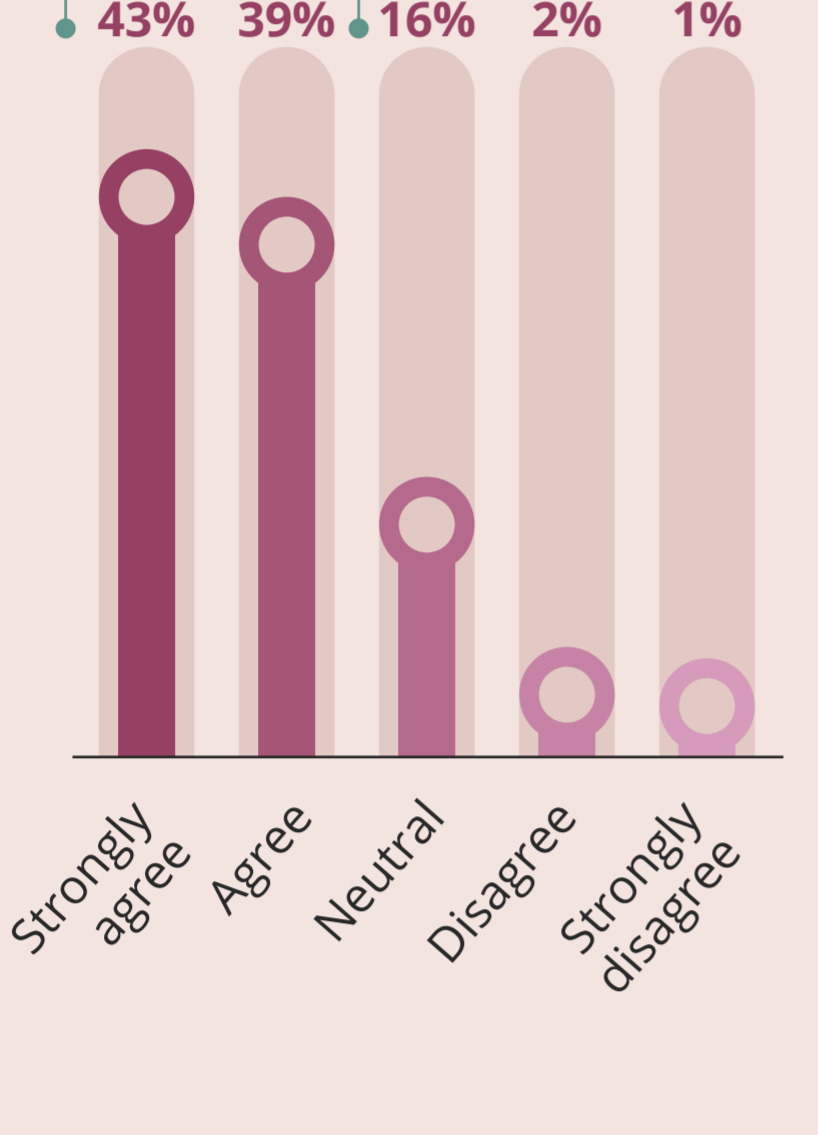
In this infographic, we share key highlights about the business and technology impact of the pandemic and the outlook for **SMBs amid the evolving COVID-19 crisis**.

DESPITE TOUGH TIMES, MOST SMBs WILL MAINTAIN OR ACCELERATE TECHNOLOGY INVESTMENTS

In SMB Group's **2019 SMB Digital Transformation Study**, **82%** of SMBs agreed that using technology effectively is key to their business's survival and growth.



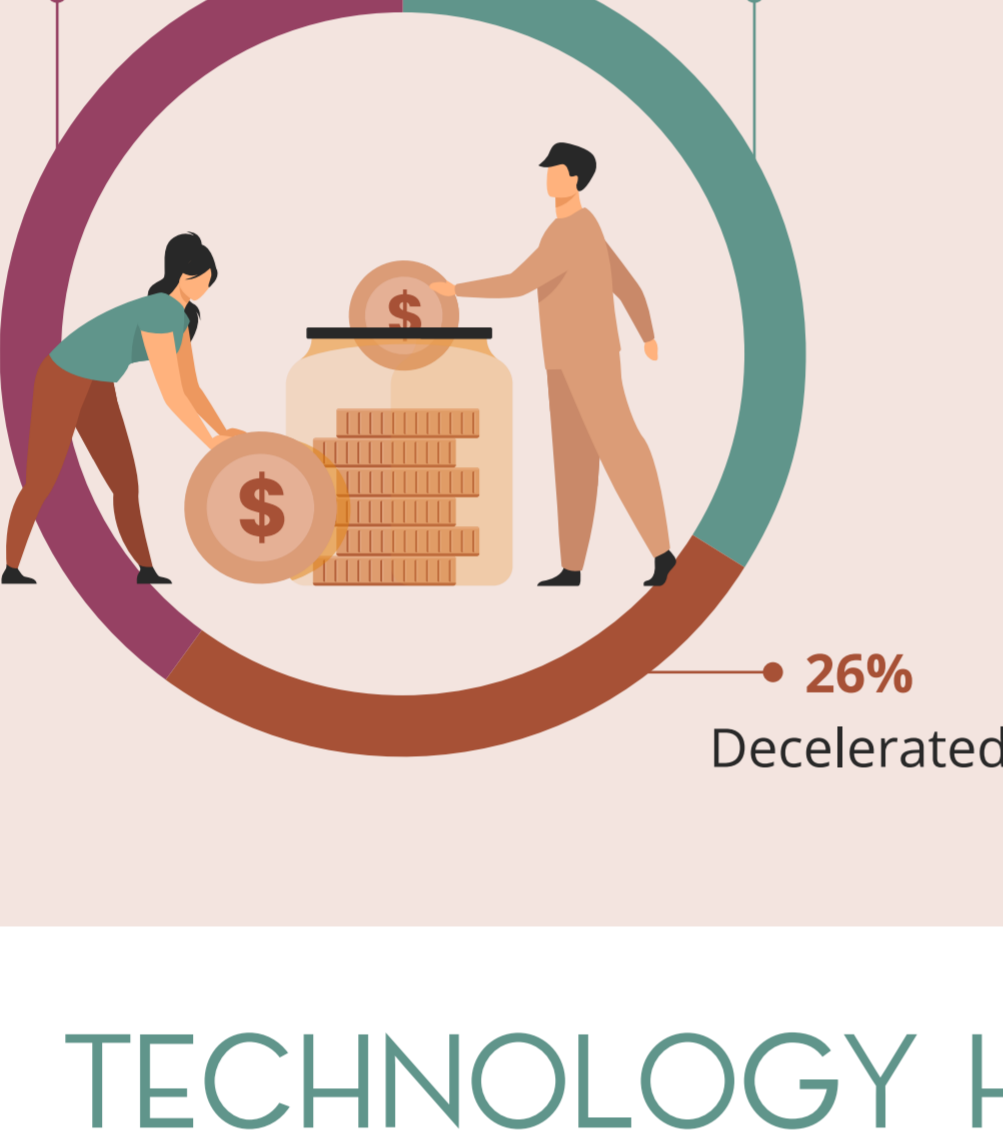
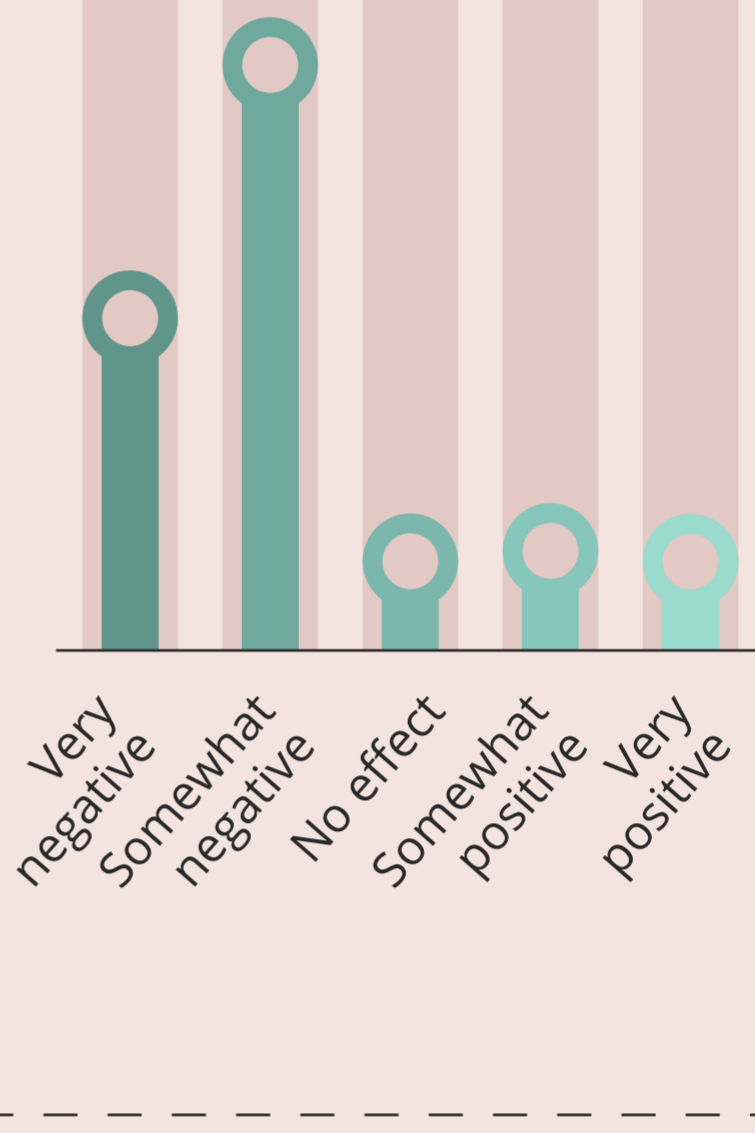
Therefore, it's not surprising that although the majority of SMBs said they have been negatively impacted by COVID-19, **one-third have accelerated their adoption of technology solutions due to the pandemic**, and **40%** are maintaining investments at previously planned levels. Meanwhile, only **26%** are tightening their technology purse strings. This underscores just how essential technology is to business.



82%

Do you agree or disagree with the statement "Using new technology effectively is key to our company's survival and growth"? (SMB Group 2019 SMB Digital Transformation Study)

What impact has the COVID-19 pandemic had on your business to date?



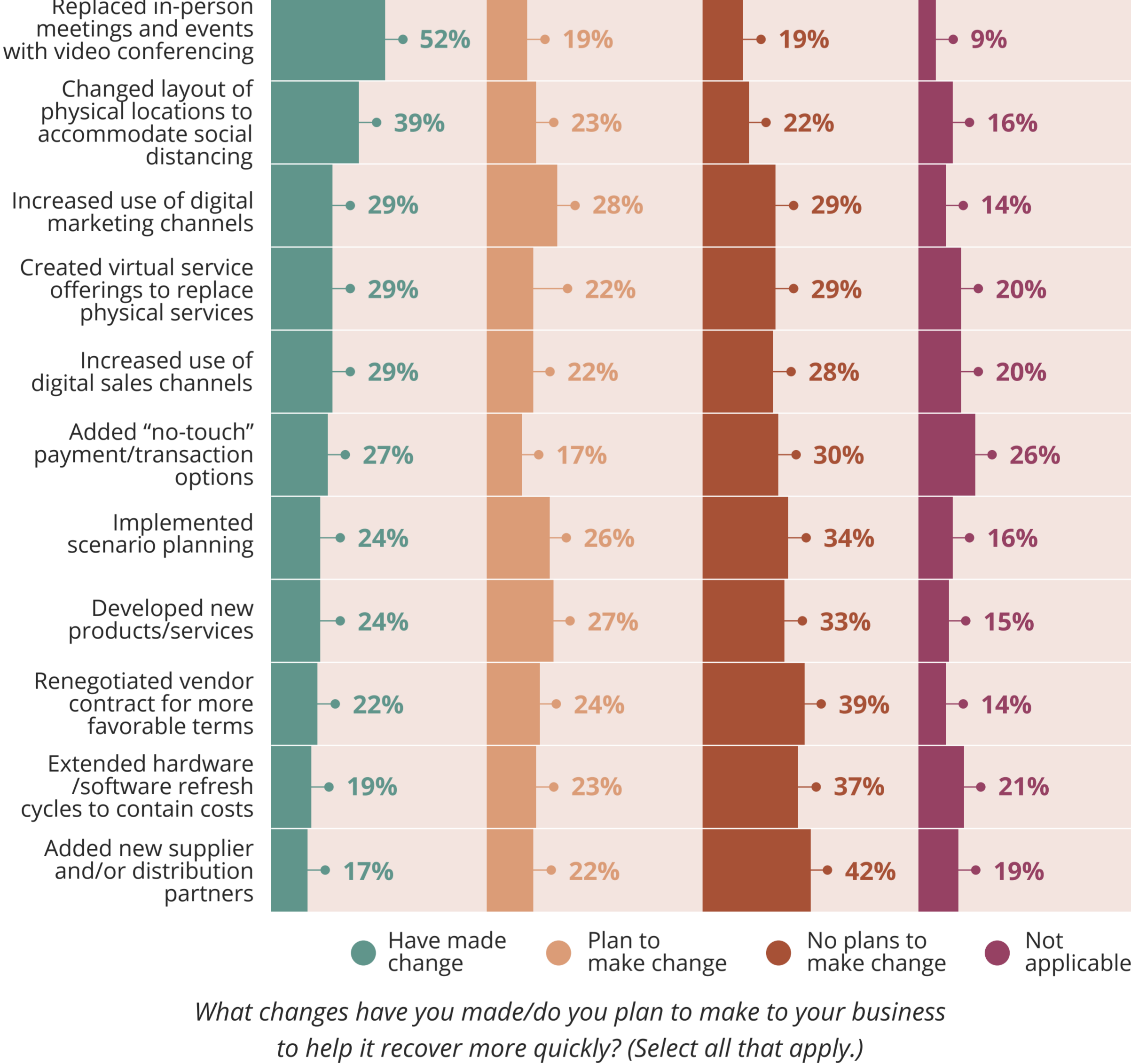
Has COVID-19 accelerated, decelerated or had no impact on your technology investments and adoption?

TECHNOLOGY HAS HELPED SMB MAKE CHANGES TO AID RECOVERY



SMBs have pivoted quickly to tune into new customer preferences, behaviors and expectations. **Technology has played a key role in helping SMBs make many of the most frequent changes** (such as replacing in-person meetings and events with virtual ones and increasing use of digital marketing channels) as well as the most valuable shifts (including adding no-touch payments, creating virtual service offerings and increasing use of digital sales channels).

Most Frequently Made Changes by SMBs

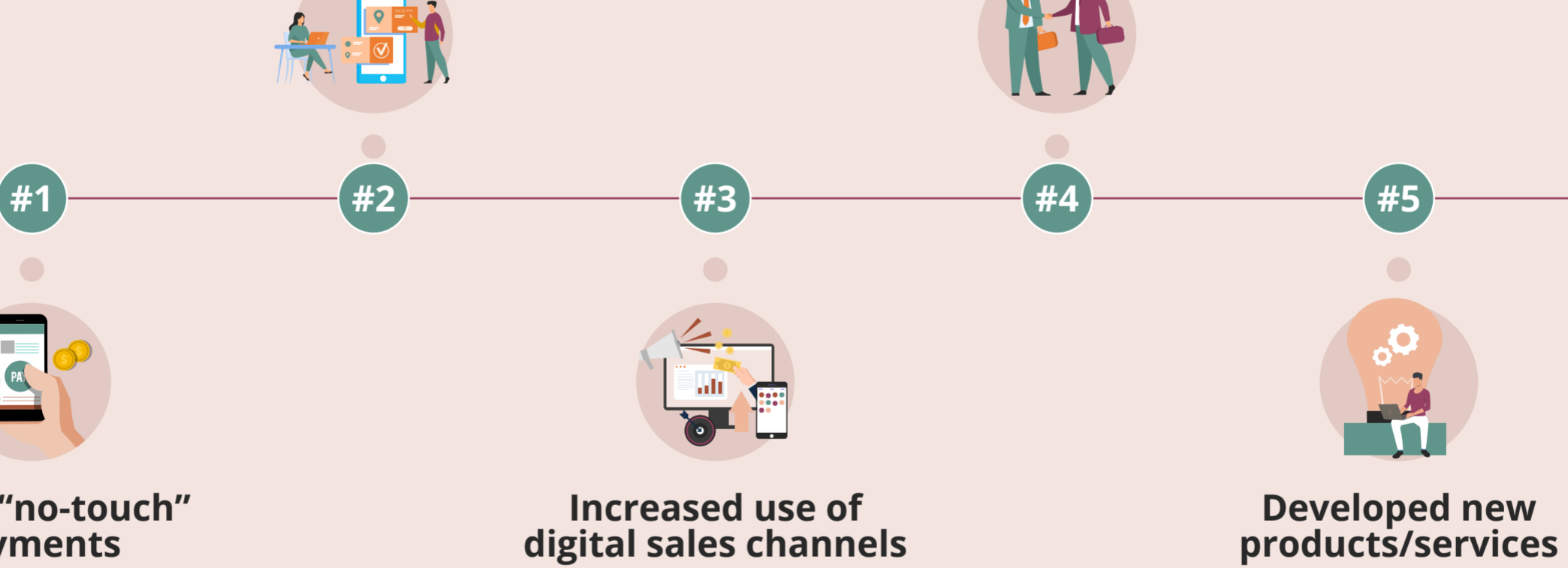


What changes have you made/do you plan to make to your business to help it recover more quickly? (Select all that apply.)

Top Five Changes Rated "Extremely Valuable" by SMBs

Created virtual service offerings to replace physical ones

Renegotiated vendor contracts



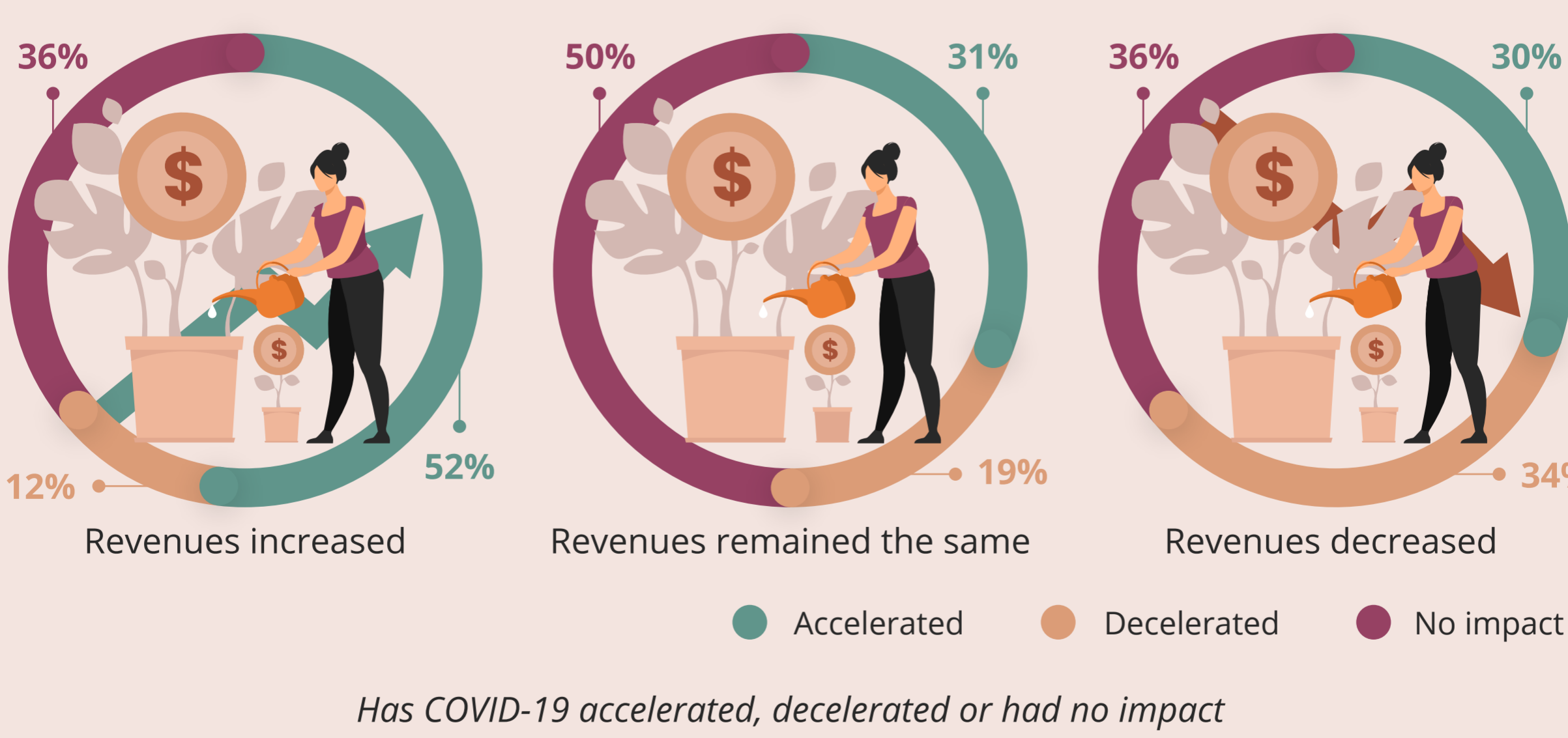
How valuable has this change been in helping your business to sustain and recover during this crisis?

SMB THAT HAVE ACCELERATED TECH ADOPTION ARE MORE LIKELY TO HAVE INCREASED REVENUES SINCE MARCH



SMBs that have accelerated technology adoption and investments are **42% more likely to have increased their revenues** since March than SMBs that decelerated in this area. Furthermore, SMBs that have decelerated tech adoption and spending are **65% more likely to be suffering from revenue declines** than SMBs that are speeding up investments.

Have monthly revenues increased, decreased or remained the same since March 1, 2020?



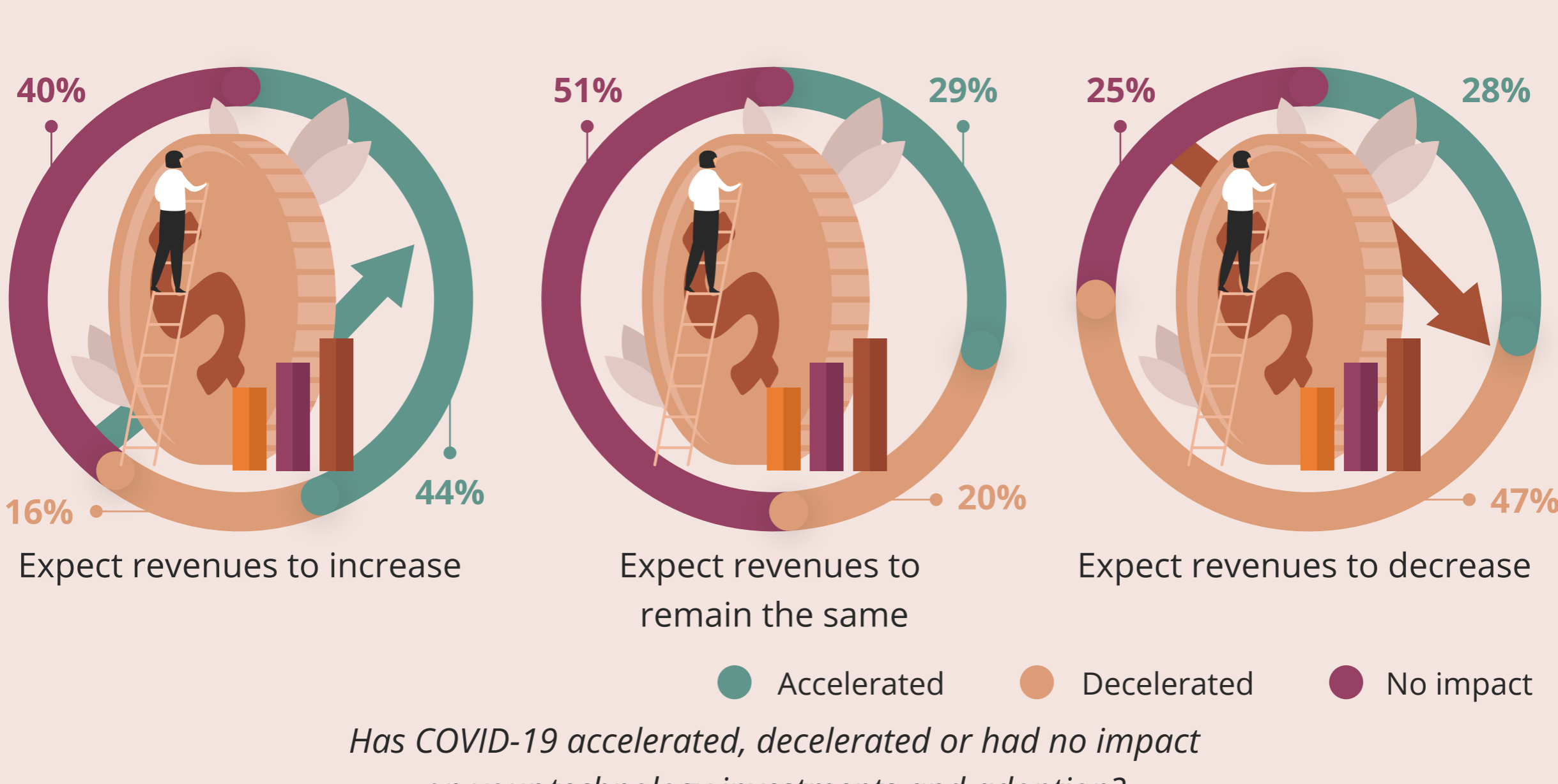
Has COVID-19 accelerated, decelerated or had no impact on your technology investments and adoption?

SMBS THAT HAVE ACCELERATED TECH ADOPTION ARE MORE LIKELY TO FORECAST REVENUE INCREASES IN THE NEXT SIX MONTHS



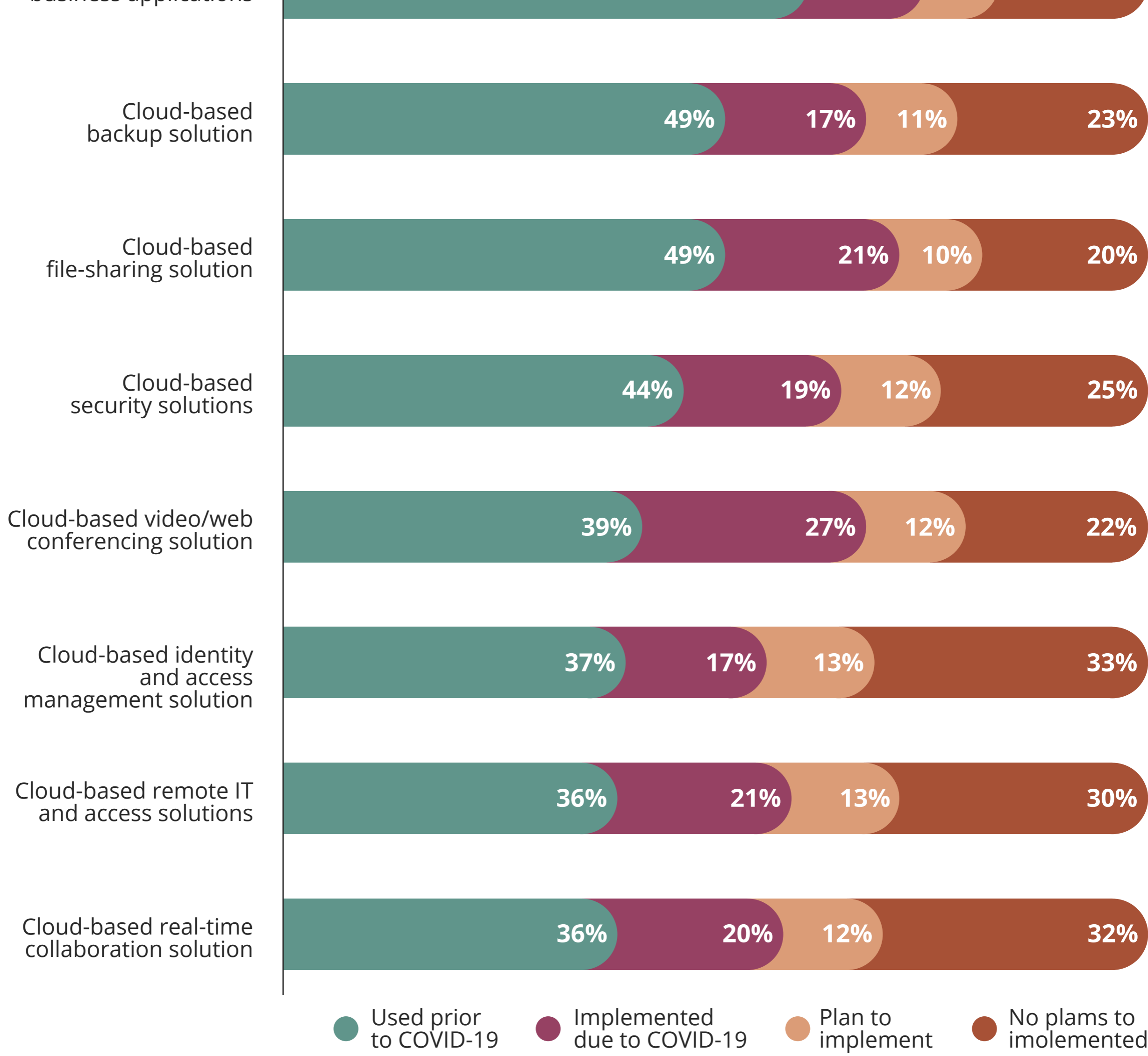
SMBs that have accelerated their technology adoption and investments are also **36% more likely to forecast that their revenues will rise** over the next six months than SMBs that have decelerated in this area. In addition, SMBs that have put the brakes on are **66% more likely to forecast that their revenues will decline** when compared to SMBs that are increasing their tech adoption and investments.

Do you forecast your company's monthly revenues to increase, decrease or remain the same over the next six months?



Has COVID-19 accelerated, decelerated or had no impact on your technology investments and adoption?

COVID-19 HAS SPURRED ADOPTION OF CLOUD SOLUTIONS—AND WILL CONTINUE TO DO SO

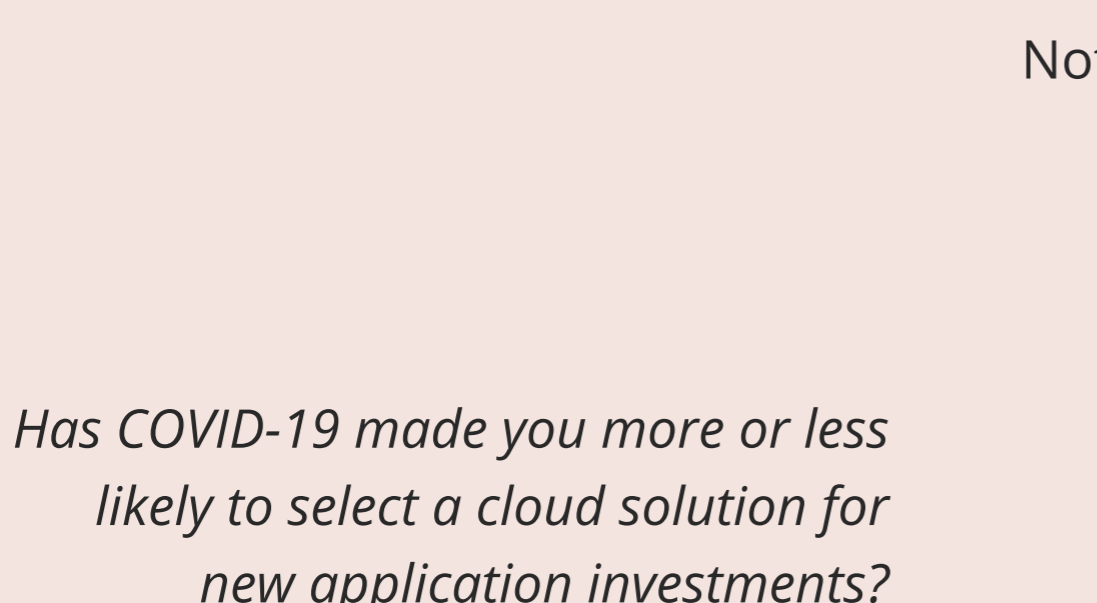


Which online/cloud-based solutions does your business use/plan to use?



83+%

In every category, 83% or more of respondents said cloud applications have been extremely/moderately valuable in helping to weather the COVID-19 crisis.

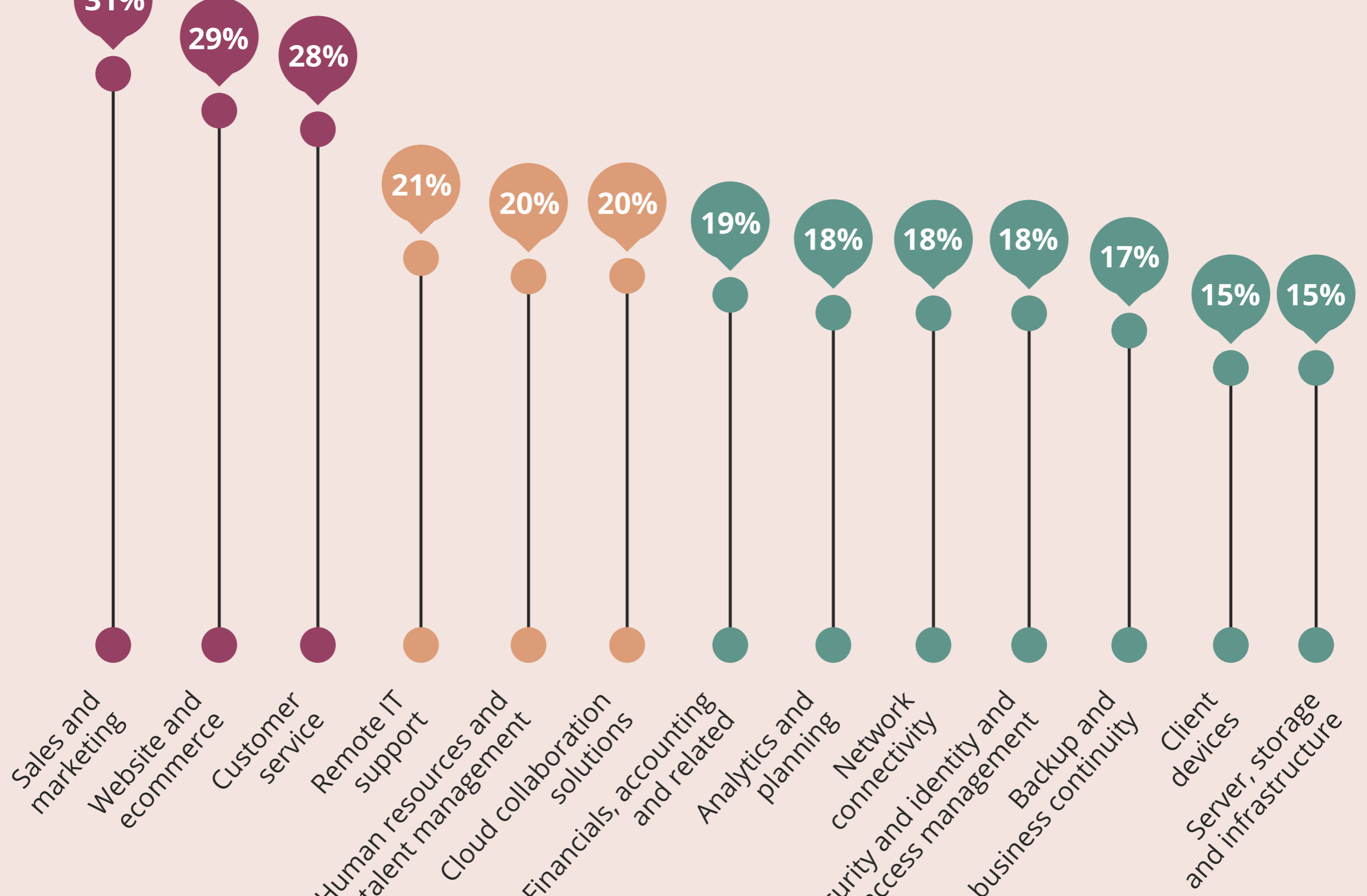


Has COVID-19 made you more or less likely to select a cloud solution for new application investments?

CUSTOMER- AND EMPLOYEE-FACING AREAS ARE TOP PRIORITIES FOR FUTURE TECH INVESTMENTS



SMB investment priorities start with customer-facing areas—sales and marketing, website and e-commerce, and customer service—to help SMBs attract new customers and generate revenues. Solutions to support employees (including remote IT support, HR and talent management, and cloud solutions) also rank highly, as SMBs endeavor to improve productivity and support employees in new conditions. A substantial percentage of SMBs also plan to invest in infrastructure solutions.

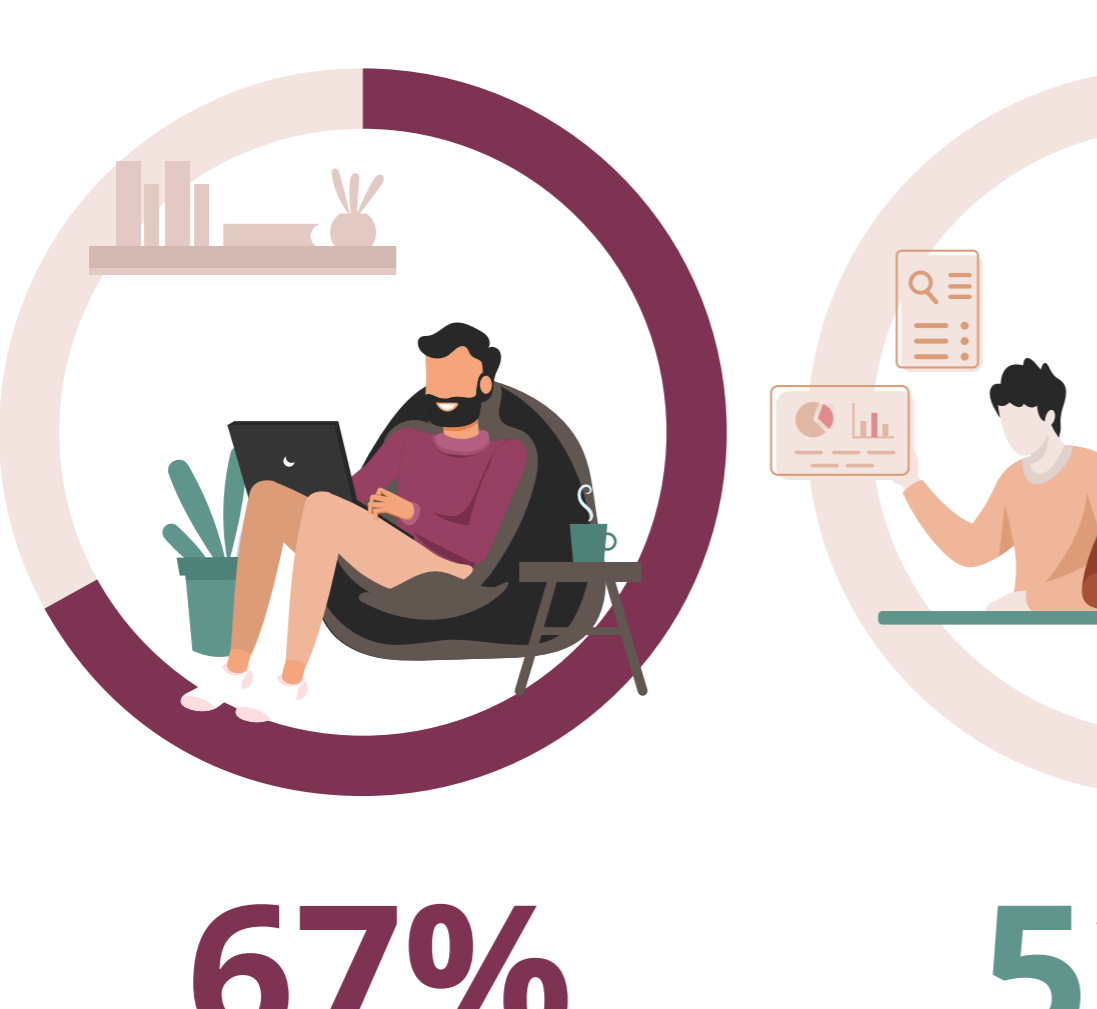


Over the next 12 months, what are the top three technology areas that your business needs to invest in to recover and prepare for growth?

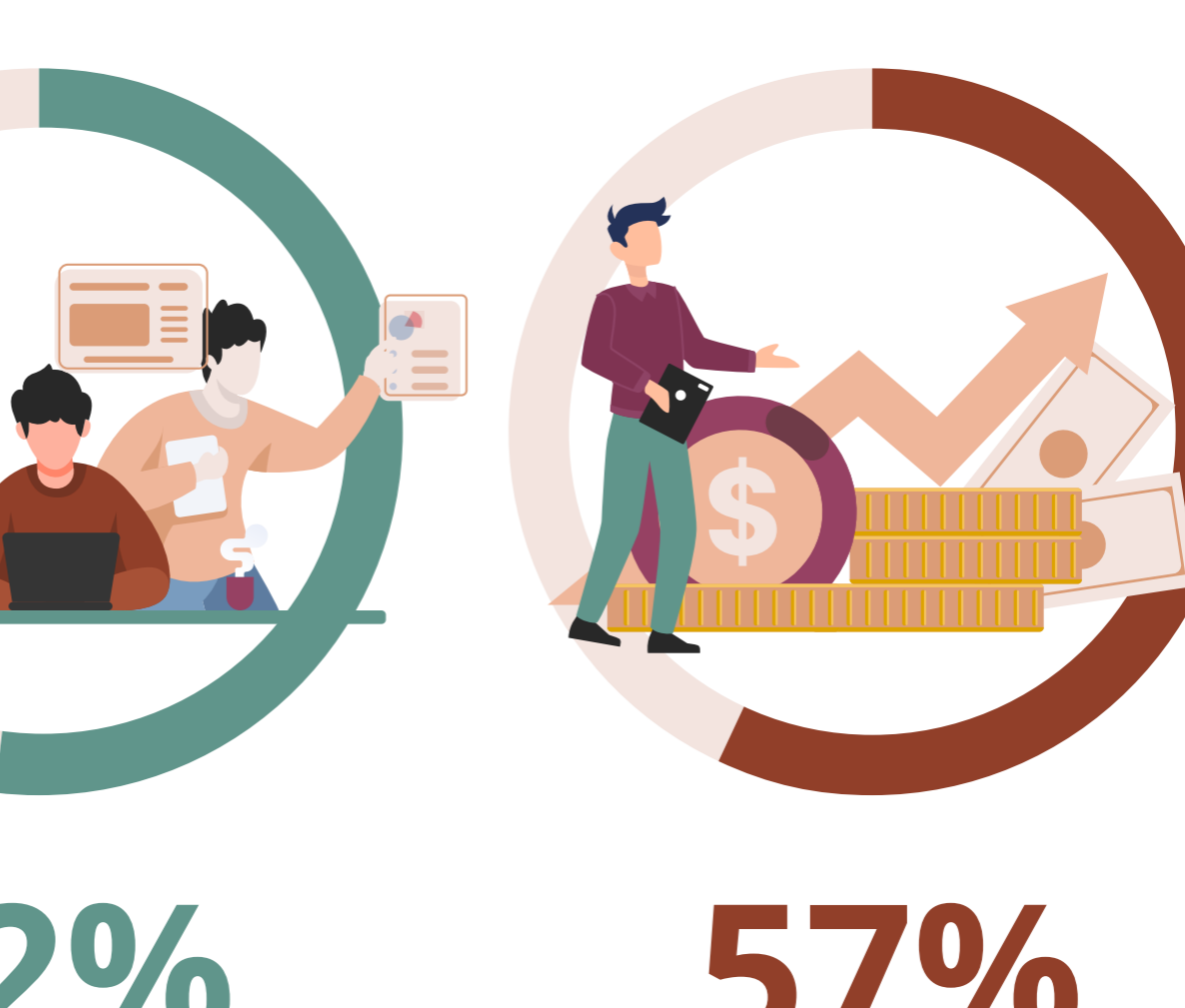
WORK FROM HOME (WFH) IS WORKING—BUT SECURITY CHALLENGES LOOM



Two-thirds of SMBs have instituted WFH programs. 52% said that WFH is having a positive impact on employee productivity, while 31% said the impact is neutral. More than half plan to increase spending in this area.



of SMBs have established (for the first time) or expanded (an existing) WFH program due to the COVID-19 pandemic.

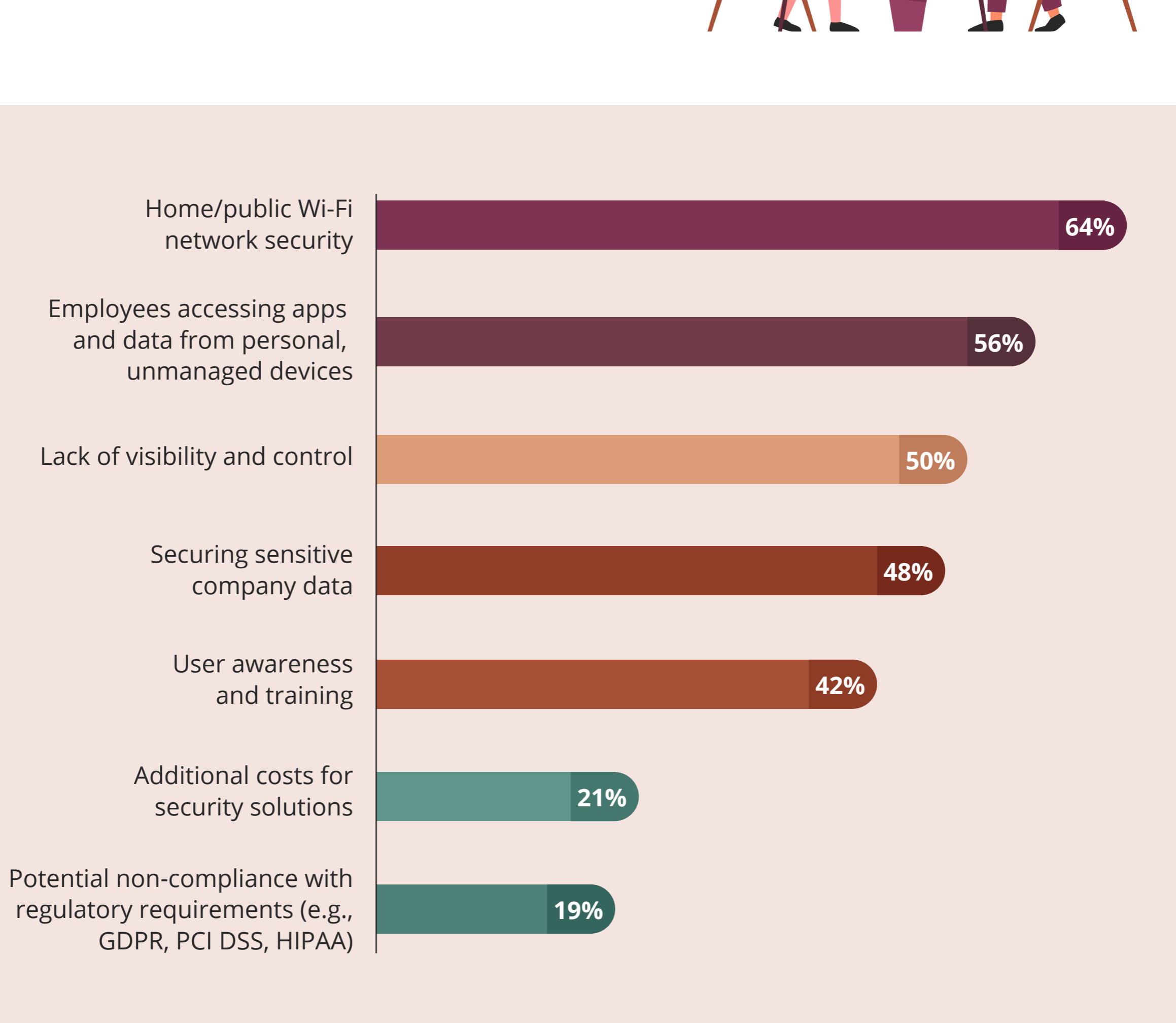


of SMBs said WFH has significantly or somewhat improved employee productivity.



of SMBs plan to increase budgets to equip WFH employees over the next 12 months.

However, many SMBs are challenged by new security threats posed as company information travels over more home networks and is living on more personal unmanaged devices.



What are the top three security challenges your company faces in managing a larger remote workforce?

PERSPECTIVE

Most SMBs that have been able to weather the COVID-19 crisis to date have already made significant adjustments to adapt their businesses to the new “normal.”

Technology solutions have played a vital role in helping SMBs make these changes, from creating flexible employee workspaces to implementing virtual services in order to connect, engage and transact with customers and prospects.

While no one can fully predict the trajectory for the virus, trends to replace and/or complement physical world interactions with virtual ones will likely continue and accelerate long after the pandemic has subsided. SMBs that can put technology to work to tune into these new realities will be well positioned not only to sustain their business in the short term, but also to thrive in the future.

ABOUT THIS INFOGRAPHIC

This is the second of two infographics providing insights from SMB Group’s SMBs: Navigating a Path Forward study.

Click below for:

First infographic: [SMBs: Navigating a Path Forward: Workforce and Workplace Impact and Plans](#)

eBook: [SMBs: Navigating a Path Forward—How Will SMBs Get to the Next Normal?](#)

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.