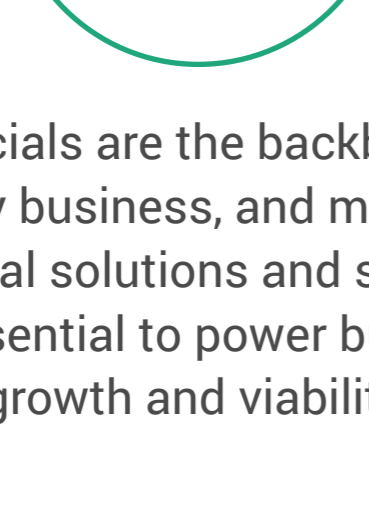
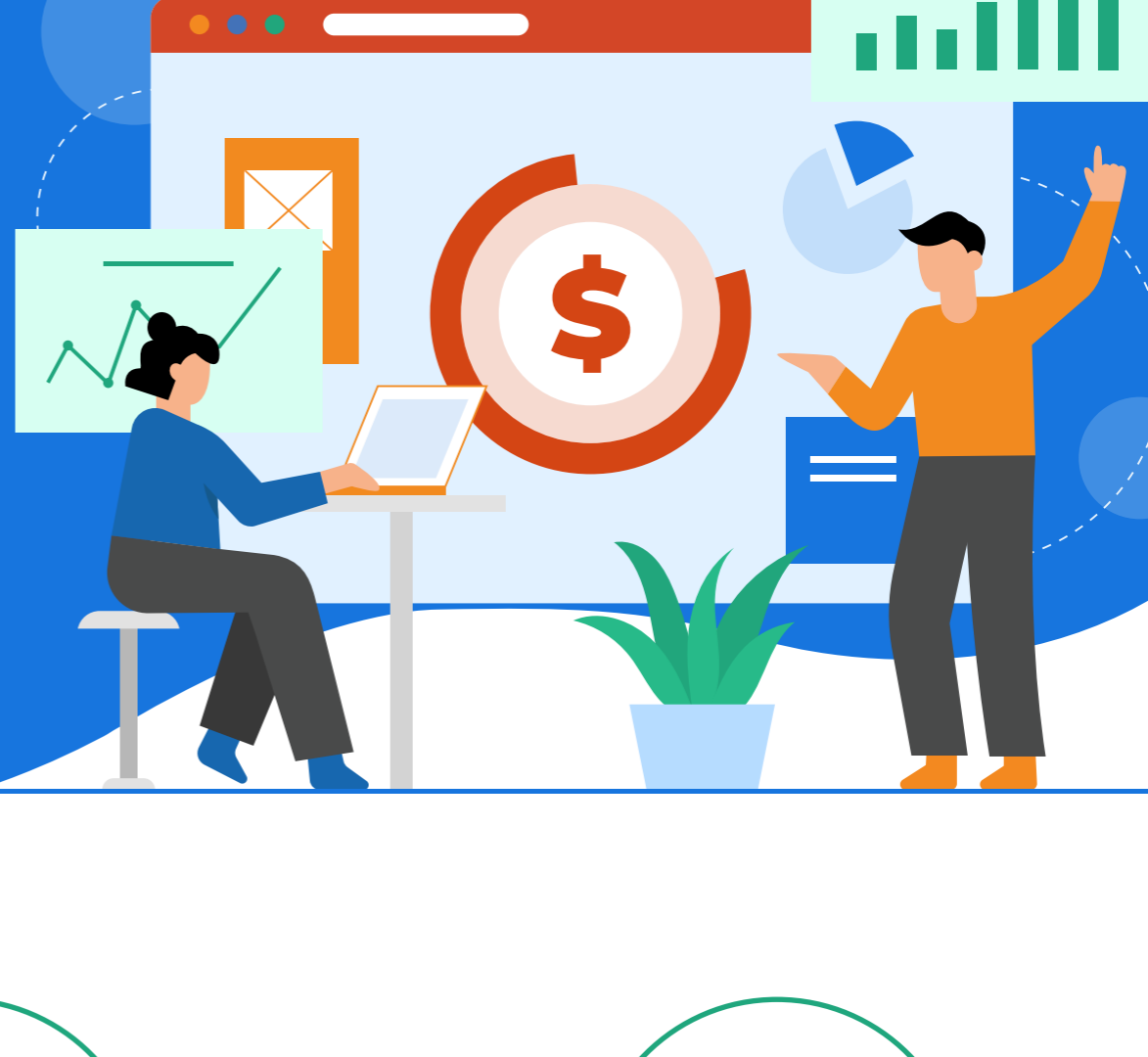


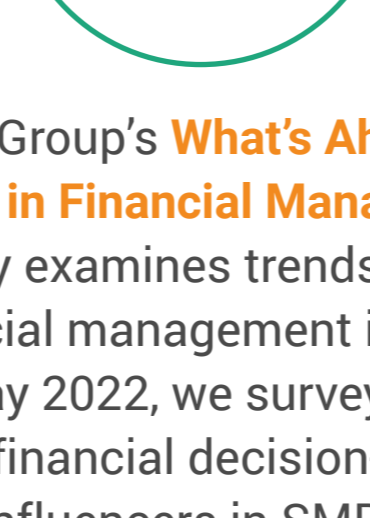
The SMB Buying Journey for Financial Management Software and Services

WHAT'S AHEAD FOR SMBs IN FINANCIAL MANAGEMENT SURVEY

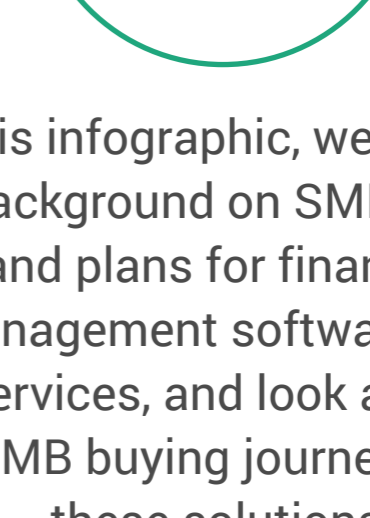
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Financials are the backbone of every business, and modern financial solutions and services are essential to power business growth and viability.



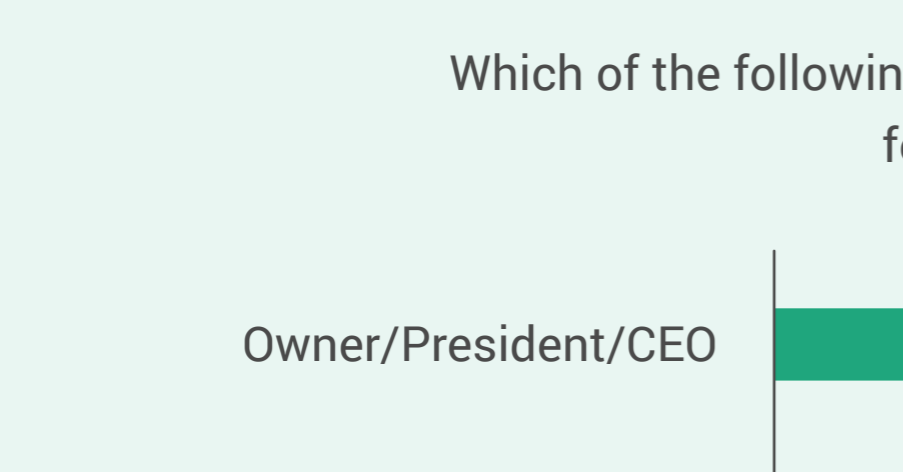
SMB Group's **What's Ahead for SMBs in Financial Management** survey examines trends in SMB financial management in detail. In May 2022, we surveyed 751 SMB financial decision-makers and influencers in SMB (1-999 employees) and midmarket (1,000-2,500 employees) organizations in the U.S.



In this infographic, we provide background on SMB use and plans for financial management software and services, and look at the SMB buying journey for these solutions.

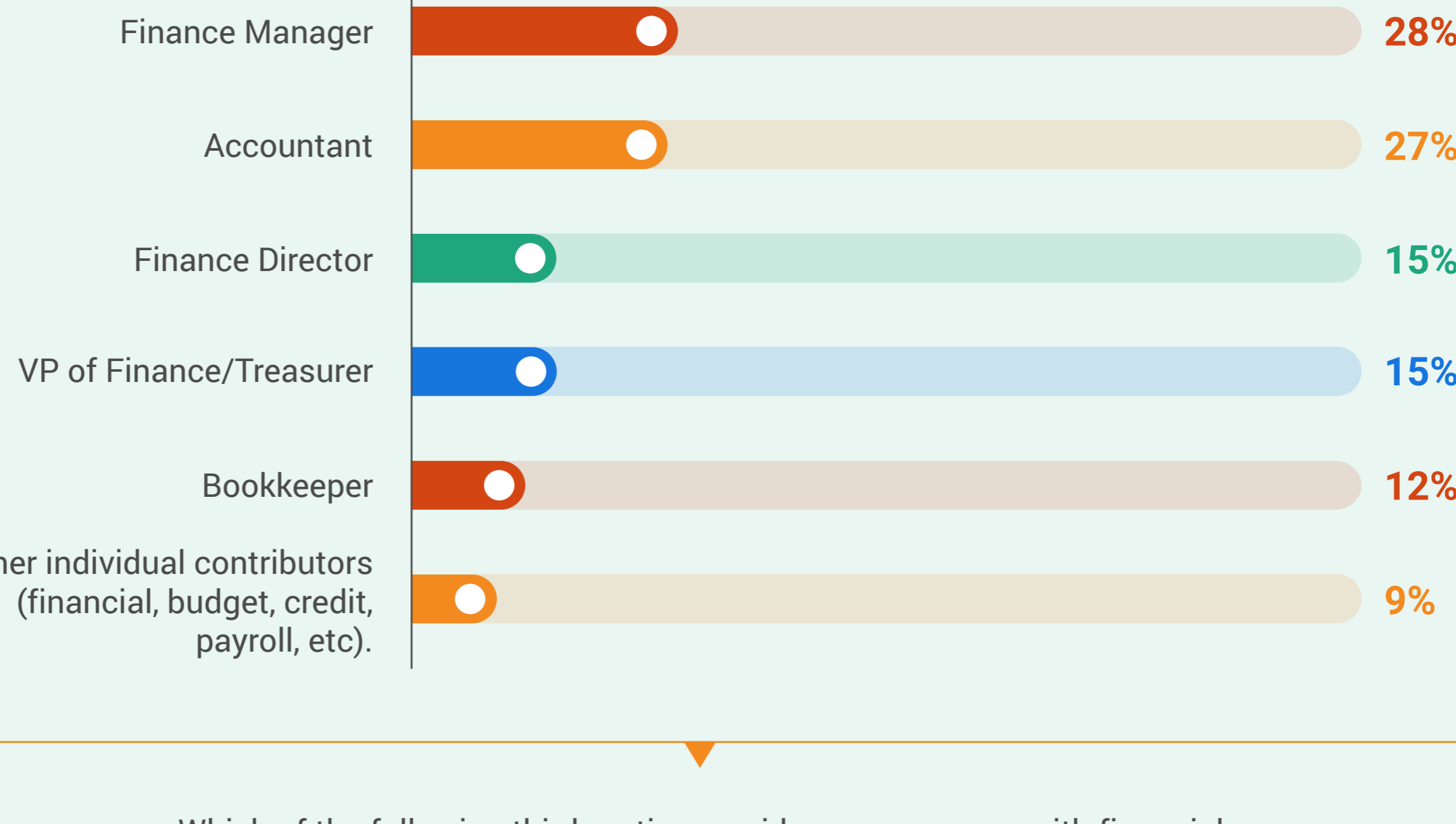
For the sake of brevity, we refer to the entire sample as "SMBs" in this eBook.

SMBs Use a Mix of Internal and External Resources for Financial Management

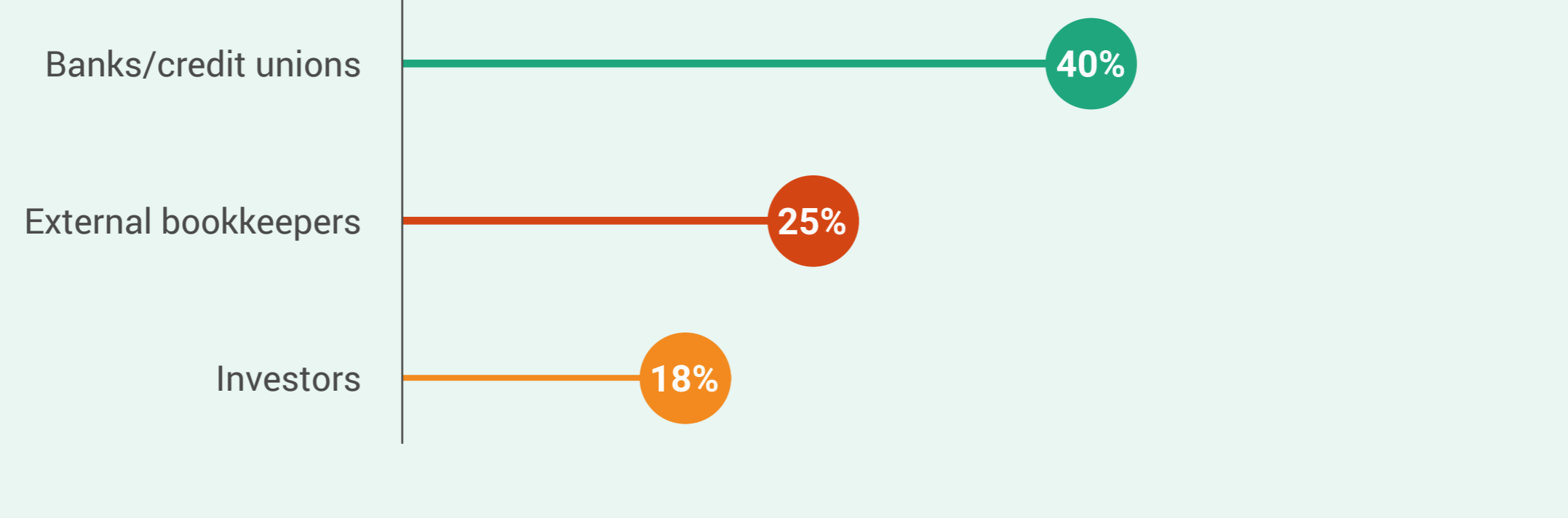


As companies grow, they employ more employees and outsourced service providers for financials management.

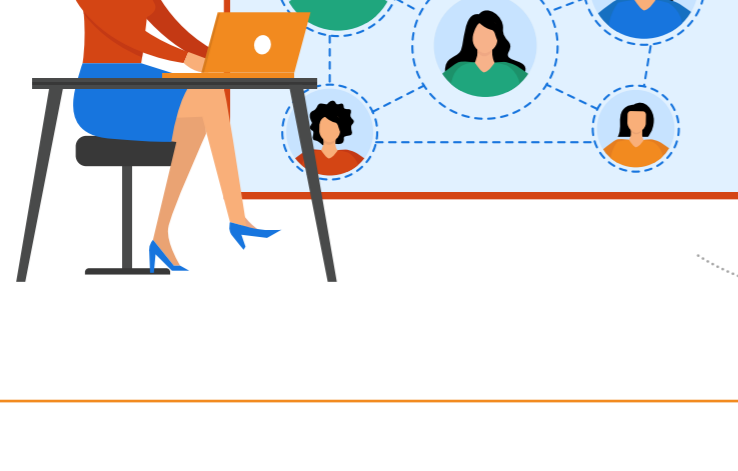
Which of the following types of salaried employees manage financials for your company? (All SMBs)



Which of the following third-parties provide your company with financial management services? (All SMBs)

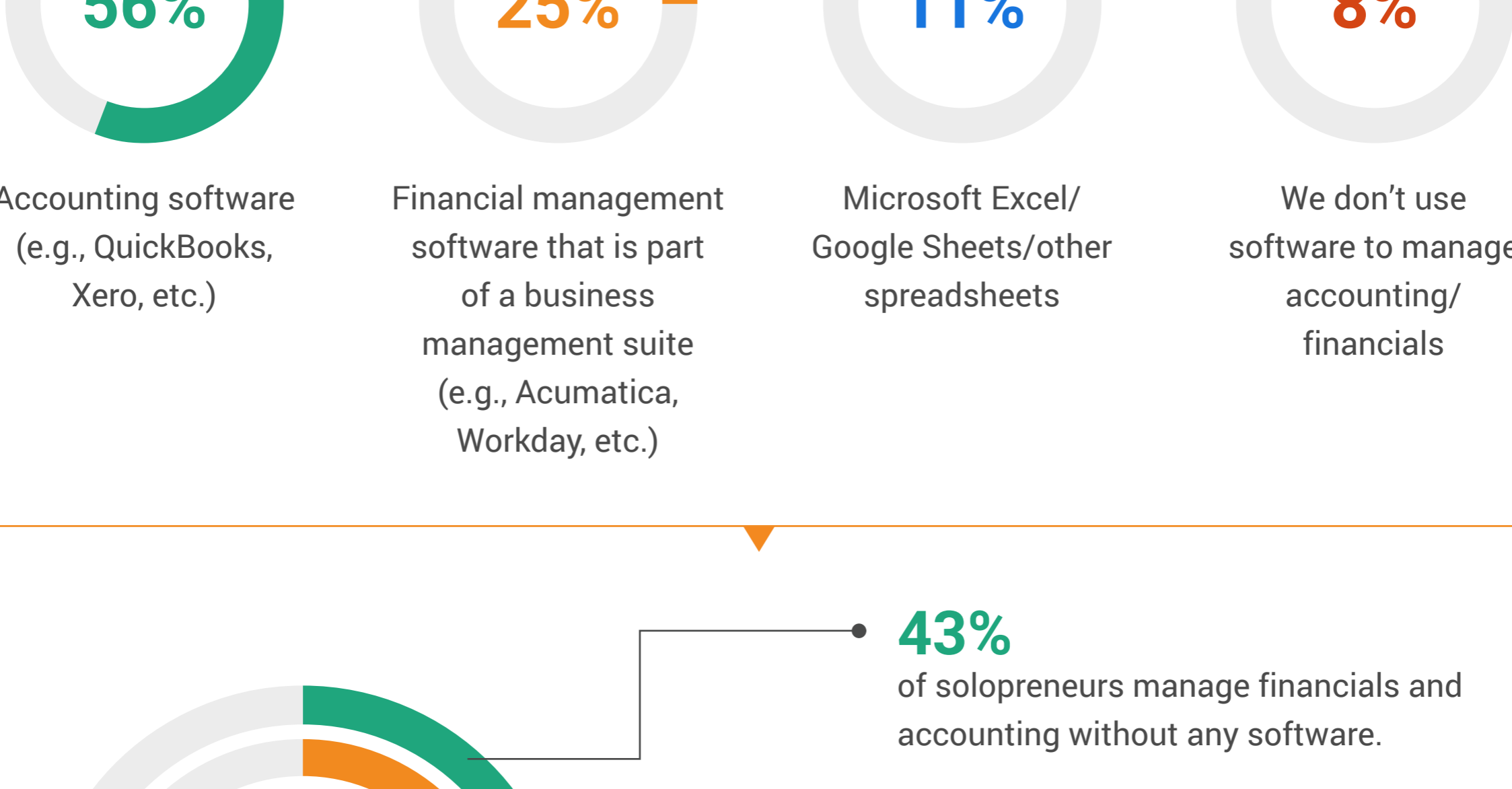


The SMB Accounting/Financials Solution Journey Has Clear Break Points



Overall, SMBs are most likely to use standalone accounting software to manage financials. However, this trajectory has distinct milestones that correlate with employee size.

What is the primary software tool your company relies on to manage accounting/financials at your company? (All SMBs)



Top Financial Management Challenges by Company Size

	#1	#2	#3
1-19 empl.	18% Difficult to manage cash flow	17% Too much time/manual effort for reconciliation	17% Tough to hire/retain staff
20-99 empl.	30% Tough to hire/retain staff	23% Reskilling staff for new requirements	20% Takes too long to produce reports
100-999 empl.	33% Securing sensitive financial/customer data	30% Reskilling staff for new requirements	26% Tough to hire/retain staff
1,000-2,500 empl.	36% Securing sensitive financial/customer data	30% Reskilling staff for new requirements	26% Tough to hire/retain staff

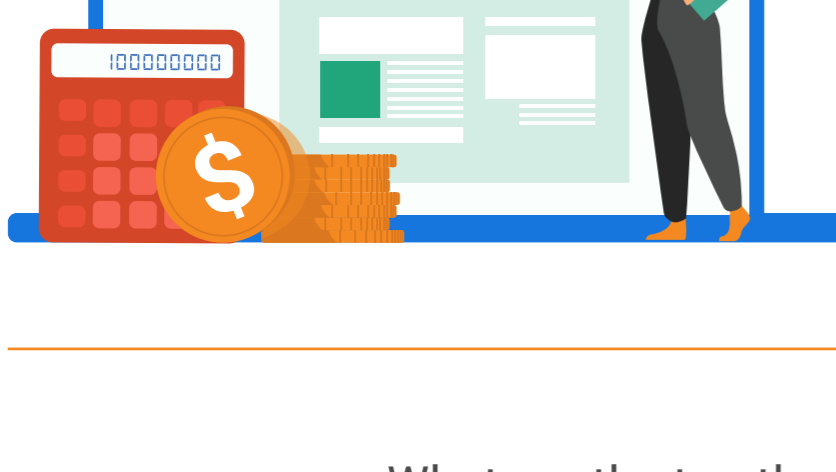


Most SMBs rank difficulty in hiring and retaining staff, securing sensitive data, and reskilling staff for new requirements as their top financial management challenges. This is fairly consistent across industries.



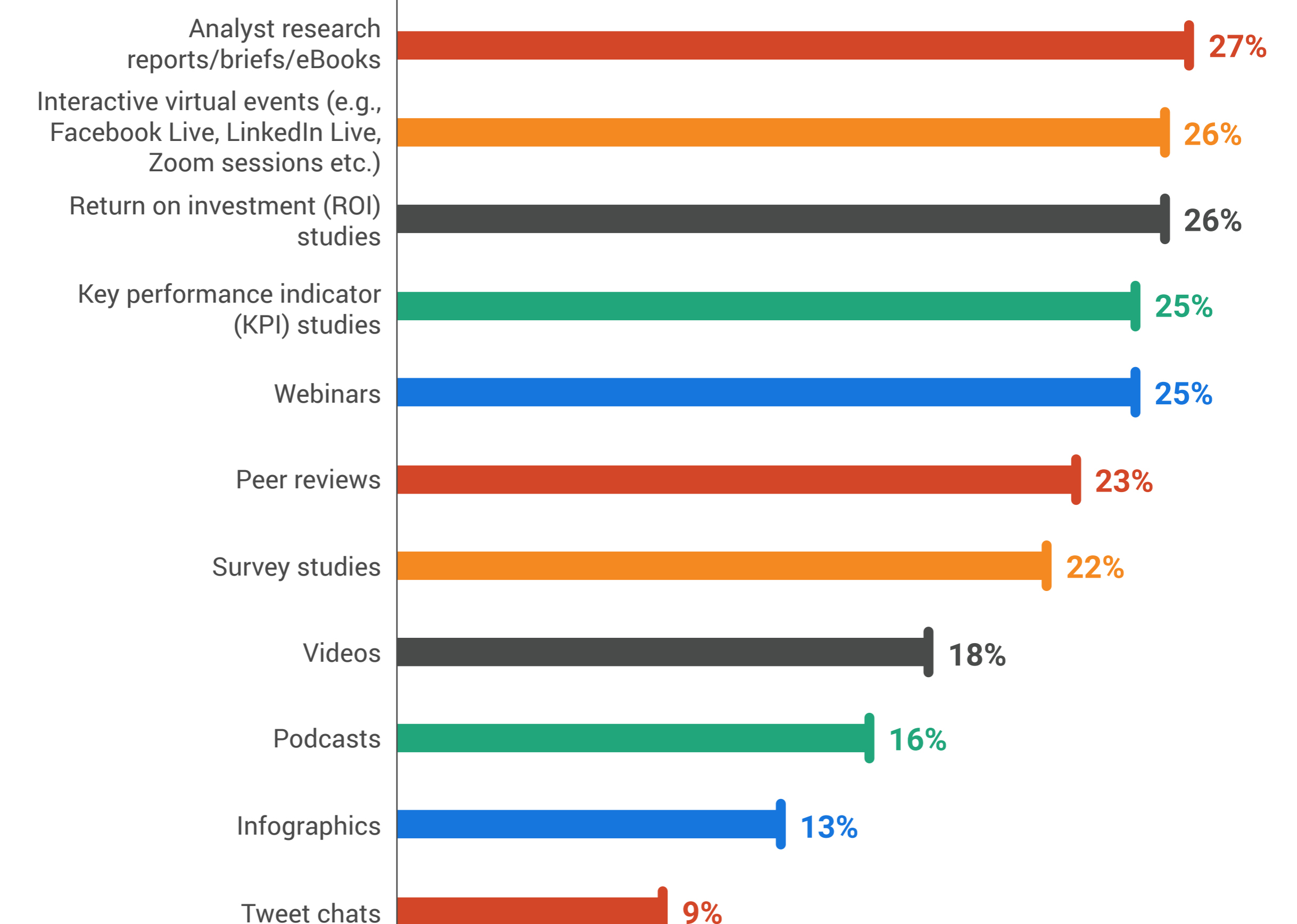
However, SMBs with fewer than 20 employees tend to be more concerned with the tactical chores of managing cash flow and reconciling financial information than larger peers—most likely due to the fact that 51% of them are still using spreadsheets or manual methods for accounting functions.

SMB Information Sources for Management Information Sources Are Widely Dispersed



SMBs use a wide and dispersed range of sources to research and learn about accounting and financial management solutions. This holds true for SMBs as whole, and across employee size bands. This puts the onus on vendors to create compelling content to educate and influence SMBs across the across the information spectrum.

What are the top three ways you prefer to get information about financial management solutions? (All SMBs)



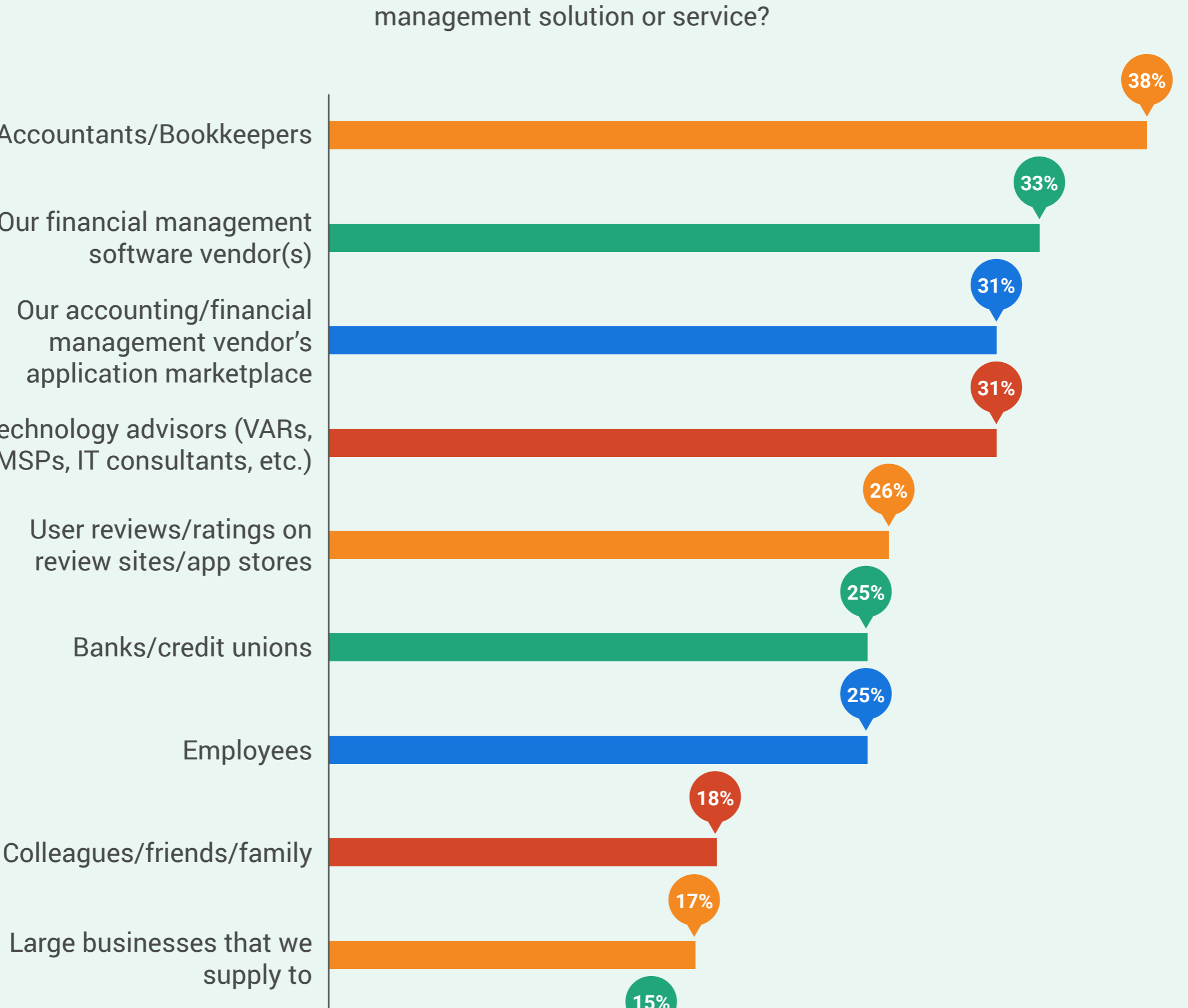
	#1	#2	#3
Very small (1-19 employees)	38% Reviews in industry publications	32% Customer testimonials	29% Peer reviews
Small (20-99 employees)	Tie: <ul style="list-style-type: none"> Interactive virtual events (e.g. Facebook Live, LinkedIn Live, Zoom sessions etc.) Customer testimonials 30%	Tie: <ul style="list-style-type: none"> Analyst research reports/briefs/eBooks ROI studies 28%	27% KPI studies
Medium (100-999 employees)	29% Interactive virtual events (e.g. Facebook Live, LinkedIn Live, Zoom sessions etc.)	28% Analyst research reports/briefs/eBooks	27% Return on investment (ROI) studies
Midmarket (1,000-2,500 employees)	34% Analyst research reports/briefs/eBooks	Tie: <ul style="list-style-type: none"> Peer reviews Webinars 30%	27% ROI studies

SMBs Show Distinct Preferences for Financial Management Advice



SMBs are most likely to rank accountants and bookkeepers as their top sources for advice for financial management software vendor, followed by their financial management software vendor, with vendors' application marketplace and technology advisors tied for the third spot. Accountants and bookkeepers are dominant in the 1-99 segment. As companies get larger, technology advisors become more important.

Who are your top three sources for advice when selecting a new financial management solution or service?



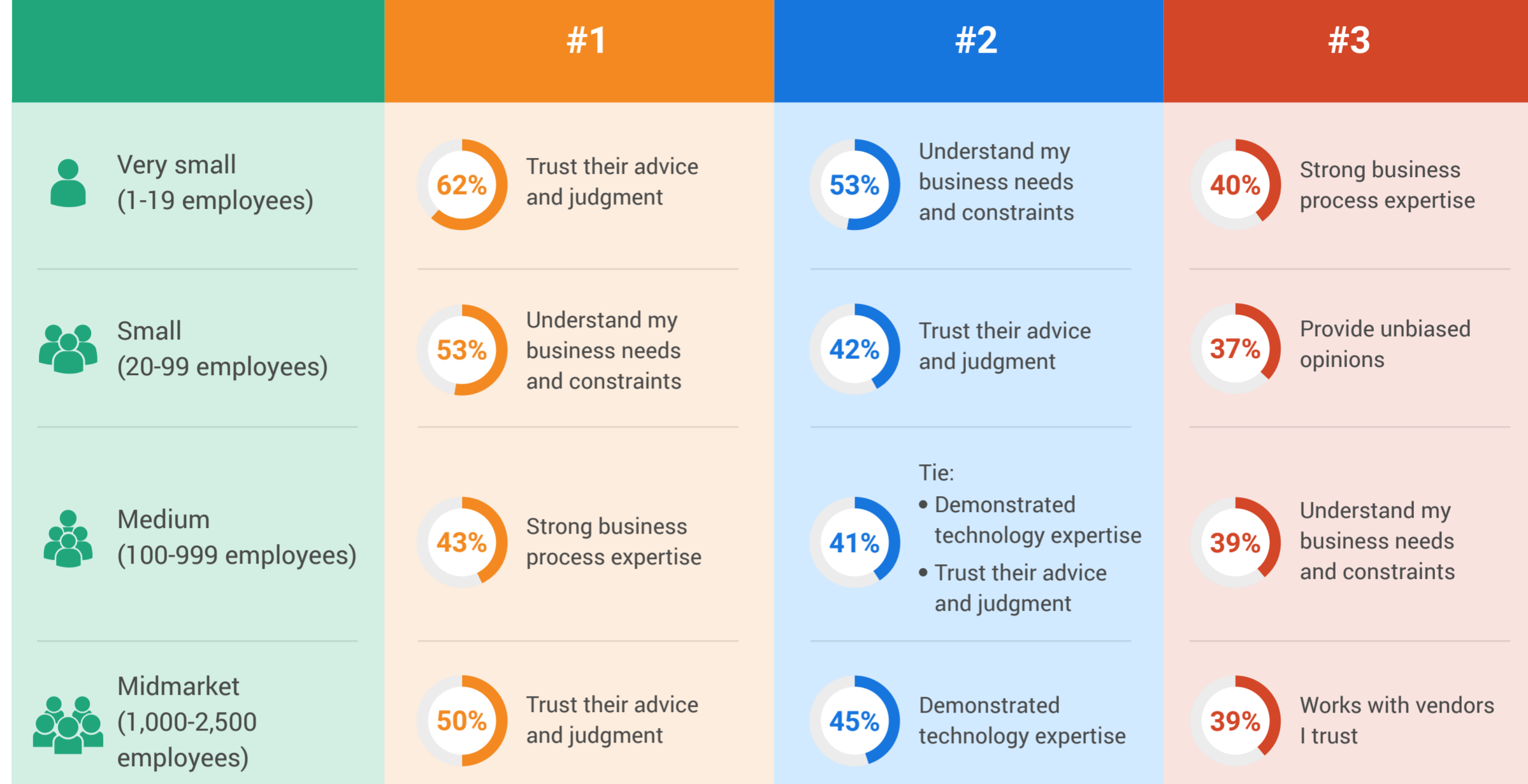
	#1	#2	#3
Very small (1-19 employees)	57% Accountants / Bookkeepers	35% Banks/credit unions	29% Our accounting/financial management vendor's application marketplace
Small (20-99 employees)	36% Accountants / Bookkeepers	35% Our financial management software vendor	32% Our accounting/financial management vendor's application marketplace
Medium (100-999 employees)	37% Technology advisors (VARs, MSPs, IT consultants, etc.)	36% Our financial management software vendor(s)	32% Our accounting/financial management vendor's application marketplace
Midmarket (1,000-2,500 employees)	Tie: <ul style="list-style-type: none"> Our accounting/financial management vendor's application marketplace User reviews/ratings on review sites/app stores 30%	Tie: <ul style="list-style-type: none"> Technology advisors Our financial management software vendor(s) 27%	25% Employees

Trust Is the Top Reason Why SMBs Rely on Advice Sources



SMBs cite trust as the top reason they rely on advice sources. They also place a premium on strong business process and demonstrated technology expertise. As SMBs get larger and their technology needs become more complex, demonstrated technology expertise becomes a more important factor.

What are the top three reasons you rely on these sources for advice?

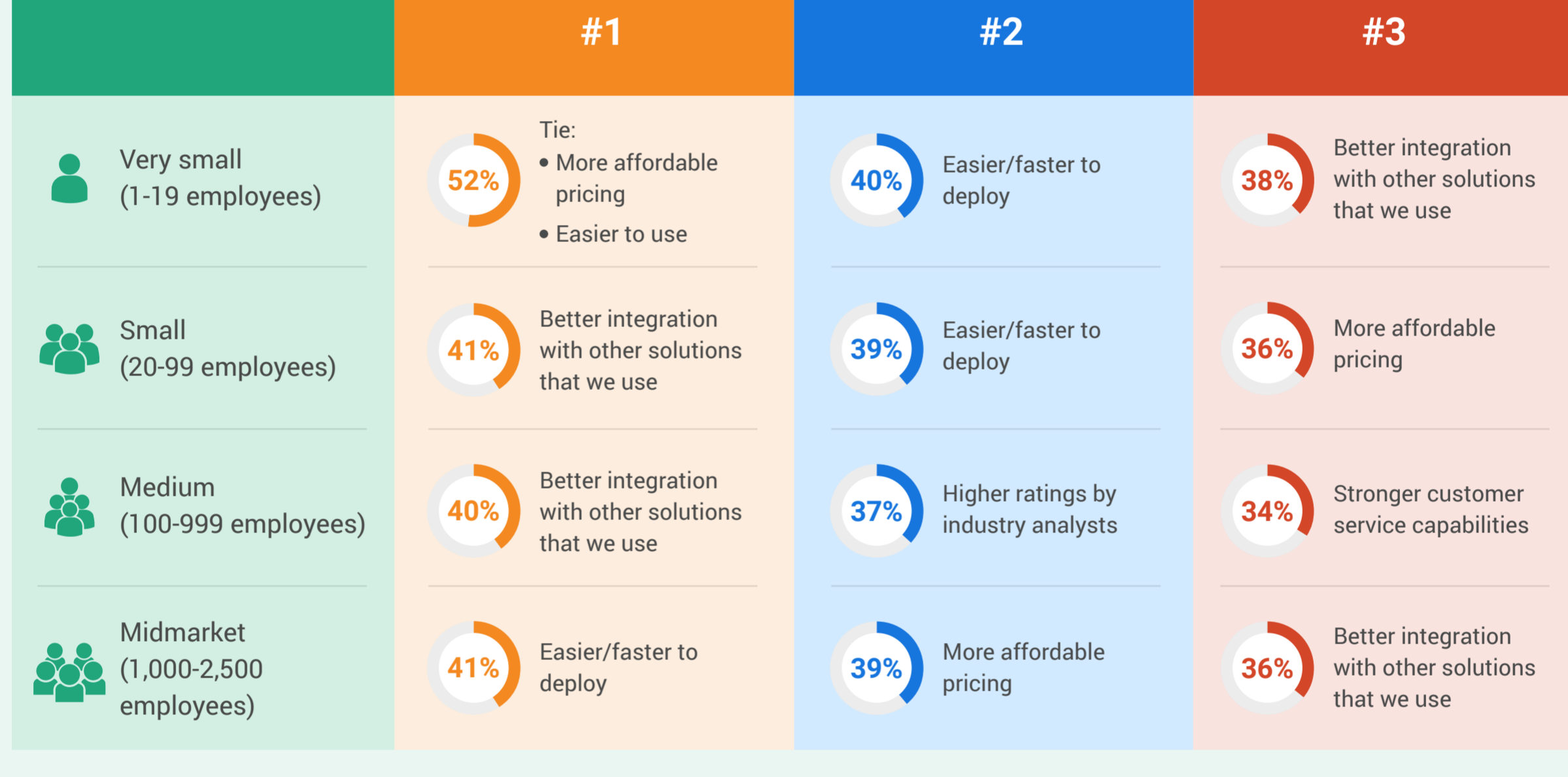
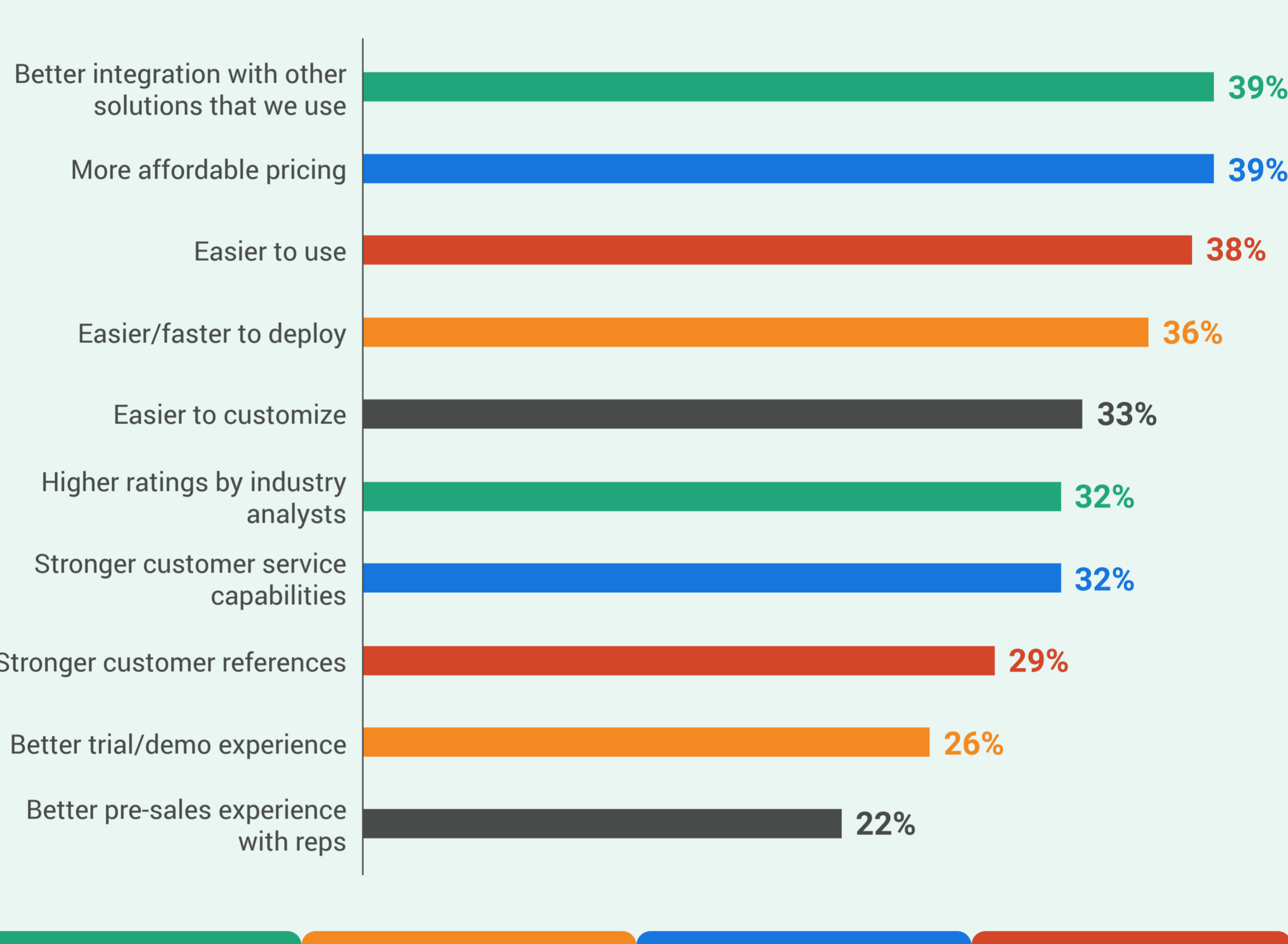


Integration, Pricing, and Ease of Use and Deployment Get Solutions on the Short List

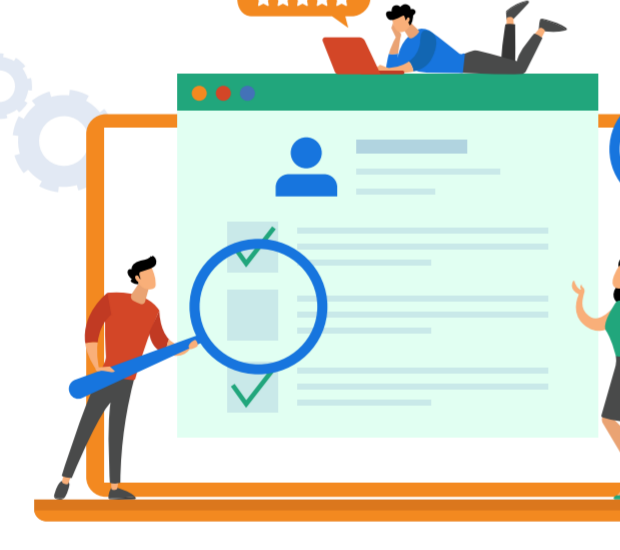


SMBs rank integration, affordable pricing, ease of use and ease of deployment as the most important reasons to short list financial management solutions.

What are the top three reasons a financial management solution gets on your "short list" over other solutions?



How Financial Management Vendors Can Improve the Buying Experience



Regardless of size, SMBs want vendors to remove friction from the technology purchase experience—by providing a more consistent experience across channels, better articulating how a solution helps them to meet business goals, answering questions more quickly, taking more time to understand requirements, and more.

What are the top three ways financial management vendors can improve the technology exploration, education and selection experience?



PERSPECTIVE

- Financials are the backbone of every business, and the decision-making journey for determining which solutions to use is complex and differentiated as SMBs grow and their requirements change.
- These complexities and nuances can make it difficult for financial management software and services vendors to compete for attention, earn trust and win business.
- Business size is just one lens to use to better understand how SMBs make these decisions. However, it's a critical starting point that reflects how the journey changes as businesses grow.
- By starting with size and factoring other variables—such as industry, age of business, attitudes about technology and other dimensions—into the equation, vendors can more effectively reach SMB prospects and make it easier for them to figure out which solutions will best align with their needs.

ABOUT THIS INFOGRAPHIC

- This infographic provides insights from SMB Group's 2022: *What's Ahead for SMBs in Financial Management* survey.
- For more highlights from this study, see our companion eBook: *SMB Financial Management Trends*.
- 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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