GLOBAL SMB
IT CONFIDENCE INDEX

2013

Symantec

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INTRODUCTION

Computing is a double-edged sword for today's small and medium-sized businesses (SMBs). While a variety of computing initiatives can improve productivity and enable SMBs to compete with larger enterprise competitors, it also requires sophisticated management and can pose serious risks.

IT is more impactful on their core business objectives

Despite these challenges, however, there's no doubt that even the smallest companies are relying more on technologies such as mobility and cloud computing to do business and remain competitive. We're seeing an unprecedented relationship developing between IT and the business goals of organizations.

This increasing emphasis on IT is naturally leading to a dramatic jump in the complexity of business computing. In order to examine how SMBs are coping with this increasingly technology-centric business world, we fielded the 2013 Global SMB Survey.

METHODOLOGY

Through ReRez Research we surveyed 2,452 SMBs globally with 10 to 250 employees. The SMBs in our survey represent 20 countries in the Americas, Western Europe/the Middle East and the Asia/Pacific region. In all cases we spoke with employees who are heavily involved in managing their company's technology. The survey has a 95 percent reliability, with a margin of error of +/- 2.0 percent.
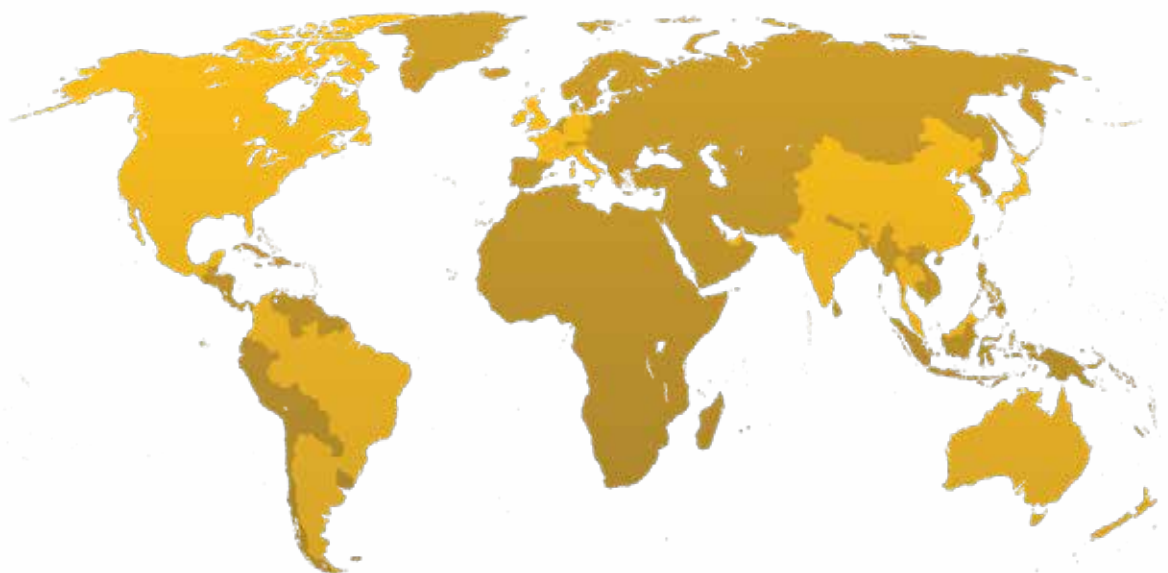
2,452 global organizations

20 countries
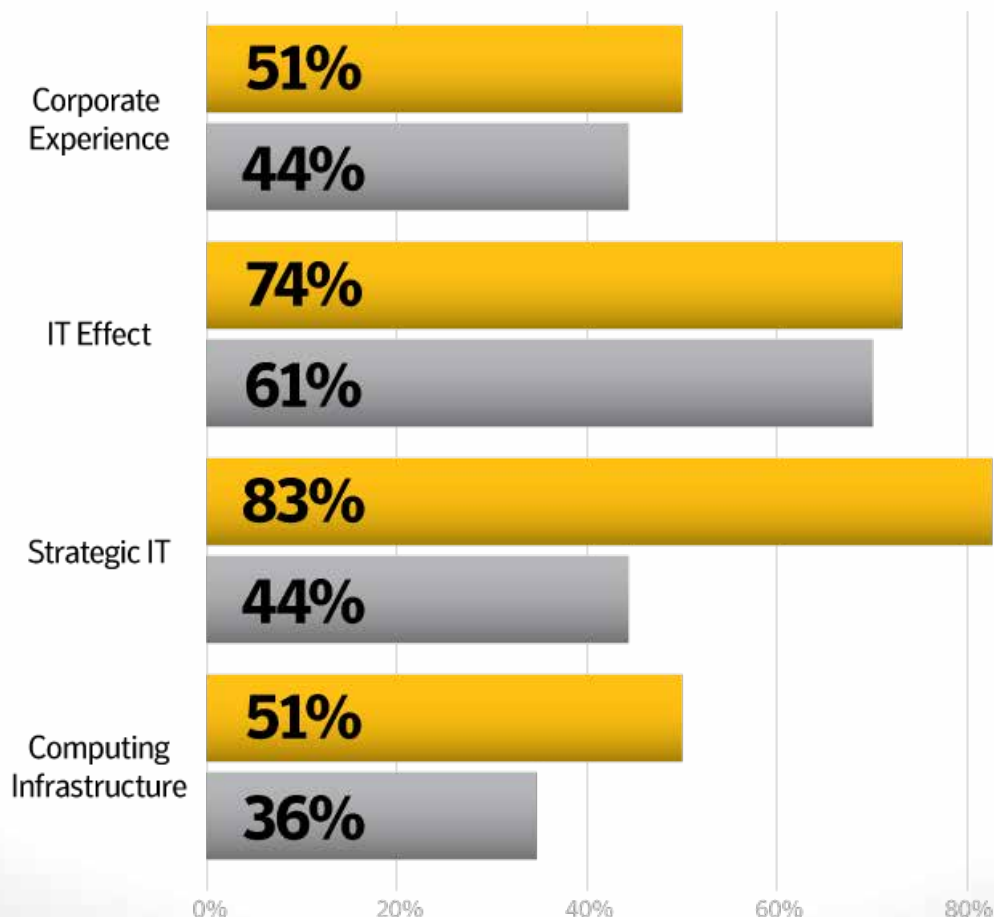
SMB IT CONFIDENCE INDEX

We distilled the SMBs' answers from 17 different survey questions into a single "SMB IT Confidence Index" which serves as a measure of how confidently SMBs approach computing. We split the SMBs into "top-tier," "middle-tier" and "bottom-tier" groups based on their IT indices. The contrast between the top and bottom tiers forms the basis of our key findings.

Top-tier   Middle-tier   Bottom-tier
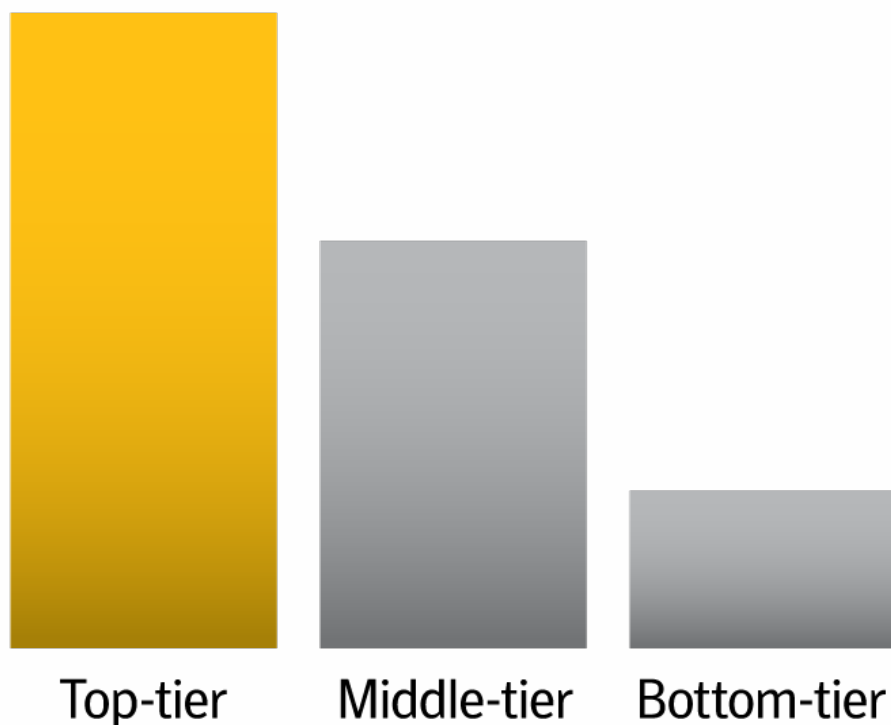
The difference in this confidence starts at the top. An important component is the attitude of the founder, whose previous business experience significantly influences IT philosophies in 74 percent of top-tier companies, compared with 61 percent of the bottom-tier SMBs. As one SMB founder noted in a focus group discussing the survey, "I was extremely keen on [computing] back then, and am even more keen on it now."

Likely as a result of this attitude, 83 percent of the top-tier organizations rate computing as strategically important to move forward – matched by only 44 percent of bottom-tier companies. The top-tier businesses are also more likely to invest in high-quality IT infrastructure and take advantage of advanced computing platforms. Discussing the importance of having the right tools, a partner in a Wall

Category	Top-tier	Bottom-tier
Corporate Experience	51%	44%
IT Effect	74%	61%
Strategic IT	83%	44%
Computing Infrastructure	51%	36%

Street hedge fund said, "We don't spare expenses on equipment." These businesses recognize the need to stand out from the competition by adopting innovative technologies such as cloud and mobility. "Having mobile devices equipped to handle downloads of documents and also process credit cards has been a big boost to our business," reported the president of a small manufacturing company.

Top-tiers are also more likely to report advanced IT initiatives as worth the risk in order to gain any competitive edge. The right technology also helps them overcome their concerns. "The printing arena is very competitive. The margins have gotten very tight in the past few years, and that's something that keeps me up at night," said a partner in a printing company. Overall, top-tier businesses surveyed listed the economy, business uncertainty and the competition as the most pressing business challenges they are currently facing. Meanwhile security, disaster preparedness and data protection were rated as the most significant computing issues. As the president of a small manufacturing company stated, "If a server is out, it can affect maybe $150,000 worth of business for us at any given moment."

BETTER OUTCOMES FOR TOP TIERS

Fortunately, we are finding that the companies that are more invested in their computing ("We live and die via the computer," according to one) are seeing a more positive effect in achieving their business objectives. For example, 81 percent of the top-tier businesses reported that using computing to strategically drive the business forward was effective at increasing market share, which is a key business goal. By contrast, just 35 percent of bottom-tier companies felt this was an effective tactic.
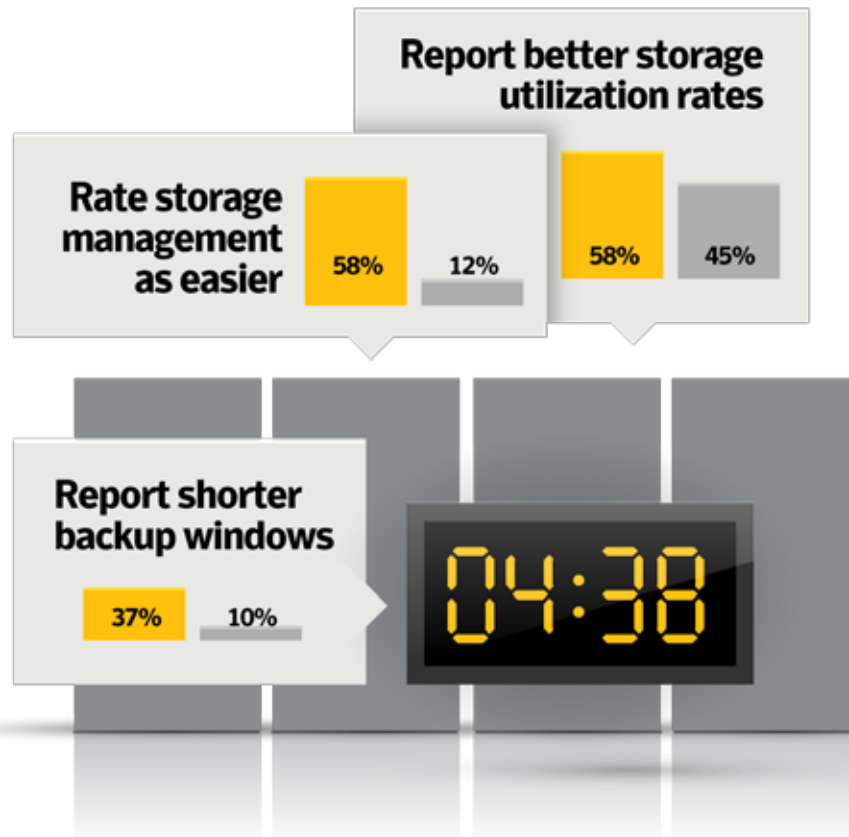
This pattern held true across all the different IT initiatives and business goals.
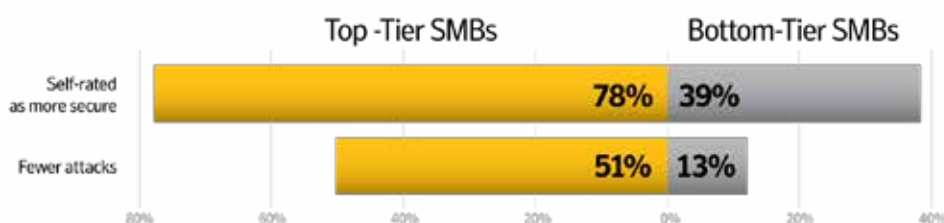
In addition, those SMBs that rate in the top tier are more confident in their security. This is more important than ever – according to Symantec's Internet Security Threat Report, Volume 18 – attacks on SMBs have tripled in the last year. But taking a more confident approach to computing is paying off, according to our SMB Survey – more than three-quarters (78 percent) rated themselves as at least somewhat secure compared to only 39 percent of bottom-tier SMBs. Top-tier SMBs also report fewer cyberattacks overall. And when they are attacked, it is less damaging – revenue loss from these attacks is 51 percent less than bottom-tier companies.

BETTER OUTCOMES FOR TOP TIERS

Report better storage utilization rates — 58% | 45%

Rate storage management as easier — 58% | 12%

Report shorter backup windows — 37% | 10%

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SMBs also report that computing complexity is a serious issue, making it more challenging to ensure consistent availability of information and applications across platforms, even in the event of disaster. As reported in Symantec's 2013 Avoiding the Hidden Costs of Cloud Survey, half of SMBs are using three or more backup solutions, a consequence of deploying a combination of physical and virtual resources. Top-tier companies, however, are reporting fewer challenges in areas such as storage management, backup windows and overall disaster preparedness. In our focus group, the president of a small manufacturing company said, "I don't think [computing complexity] has had any negative effects on the business."

BETTER OUTCOMES FOR TOP TIERS

Finally, and somewhat counter intuitively, the typical top-tier SMB spends 7 percent less on computing than bottom-tier organizations. This may be due to their commitment to investing in the right technology from the beginning, keeping future needs in mind. One small business owner put it this way: "If you are confident … you know what to buy, you always want to be able to grow and add to it so you don't have to retool every time. People who don't know tend to have to reboot and start from ground zero."

They say fortune favors the bold, and our SMB IT Confidence Index bears this out. There are significant advantages in a forward-thinking attitude toward computing, when it is embraced for strategic purposes rather than being treated as simply a necessary evil.
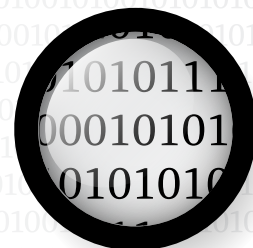
How can we learn from top-tier SMBs? The answer is to think like the founders of these top-tier companies. Symantec recommends taking these steps:

It begins with your attitude toward IT spending. While it's important to implement cost-effective solutions, it's just as vital to consider the true value of a product or service, beyond the simple up-front expense. While a solution may have smaller cost in the short-term, such as deploying free or consumer-grade technology, more robust tools often prove the most valuable in the long term. As one SMB owner – president of an Illinois-based battery company – said, "We work hard to make investment choices that provide the highest value over time as opposed to the cheapest price today."

The next step in thinking like a founder is to take advantage of IT not only to help employees do their work on a daily basis, but also to address real, core business objectives. The key is to map IT initiatives to corresponding business goals. If, for instance, you have a goal to increase your business innovation – like most of the businesses we surveyed – you should look at the advanced IT initiatives top-tier companies are more involved in, including c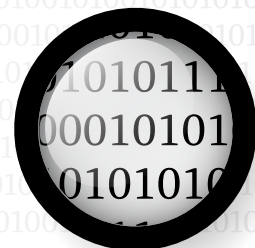loud, virtualization and mobility. More than three-quarters of them found that mobility was important for helping drive business innovation. They are also focused on efficiency, using tools such as online collaboration and video conferencing to reduce travel costs.

KEYS TO SUCCESS

Finally, you should take every step possible to protect your data. As Symantec's Internet Security Threat Report shows, 31 percent of targeted attacks are now directed at SMBs, a threefold increase over just the last year as cybercriminals shift their focus to companies with weaker security. The top-tier SMBs, however, understand how important data security is in protecting their operations, as well as their customers and business partners. They are more likely than bottom-tier companies (by a margin of 81 percent to 49 percent) to take a more aggressive approach to their security, and this extends to backup and disaster preparedness as well.

The need for technology in business isn't going away any time soon. But by embracing IT and looking for areas in which computing can actively contribute to strengthening your company, you can think more like a founder and enjoy better outcomes – while actually spending less.

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