

FOURTH EDITION

SMALL & MEDIUM BUSINESS TRENDS REPORT

Insights from 2,300+ business owners
and leaders worldwide



salesforce research

About This Report

For the fourth edition of the “Small and Medium Business Trends Report,” we analyzed the responses of more than 2,300 small and medium business (SMB) owners and leaders around the world to determine:

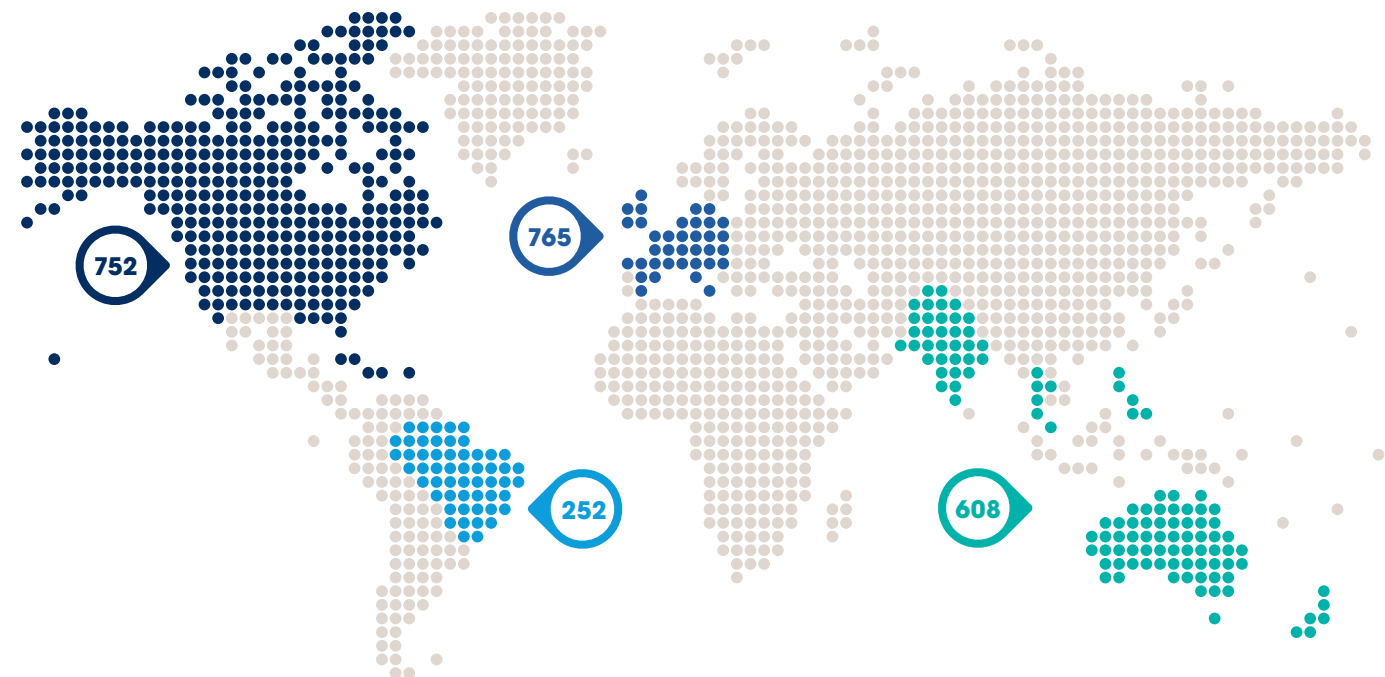
- How a pandemic affects their motivations, challenges, and goals
- How demographics shape entrepreneurial experiences and outlooks
- The role of digital transformation in driving business resiliency
- How SMB leaders are planning for recovery and growth post-COVID-19

An initial survey was conducted online by The Harris Poll on behalf of Salesforce between February 28 and March 18, 2020 among 2,411 SMB owners and leaders, and a follow-up study was conducted six months later between August 7 and 31, 2020 among 2,377 SMB owners and leaders in North America, South America, Europe, and Asia Pacific. Respondents are 18 years of age or older, employed full-time, part-time, or self-employed, and owners or senior executives at their businesses with 2–200 employees and annual revenue of less than \$1 billion U.S. or the local equivalent.*

All respondents are third-party panelists (not limited to Salesforce customers).

* See “Demographics” for further breakdown of demographics in this study.

Respondents by Region



- U.S., Canada
- Brazil
- U.K./Ireland, Spain, France, Germany, Italy, Netherlands
- India, Philippines, Singapore, Thailand, Australia/New Zealand



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Subgroups Shown Throughout This Report

		March	August
Business Size (number of employees)	Small (2–20)	n = 1,476	n = 1,525
	Medium (21–200)	n = 935	n = 852
Business Growth (August – based on revenue over the past 6 months) (March – based on revenue over the past 2 years)	Growing (1% or more revenue increase)	n = 1,616	n = 823
	Stagnant/Declining (less than 1% revenue increase or a decline)	n = 795	n = 1,554
Industry	Retail	n = 366	n = 337
	Technology	n = 183	n = 149
	Manufacturing	n = 129	n = 119
	Hospitality, Travel, Transportation	n = 129	n = 112
	Healthcare Provider	n = 90*	n = 108
	Consumer Products	n = 88*	n = 107
Socioeconomic Status (Based on household income; data breaks calculated based on distribution around the median for each individual country)	Low	n = 401	n = 389
	Medium	n = 1,255	n = 1,325
	High	n = 693	n = 616

Data points were weighted by number of employees to bring them into line with actual company-size proportions in the population. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated.

In both the March 2020 and August 2020 studies, the following countries were included: U.S., Canada, Brazil, U.K./Ireland, Spain, France, Germany, Italy, Netherlands, India, Philippines, Singapore, Thailand, and Australia/New Zealand.

In the 2019 study, also referenced in the report, the following countries were included: U.S., U.K./Ireland, France, Germany, India, Singapore, and Australia/New Zealand.

* Caution: Small base size (less than 100); results should be interpreted with caution.



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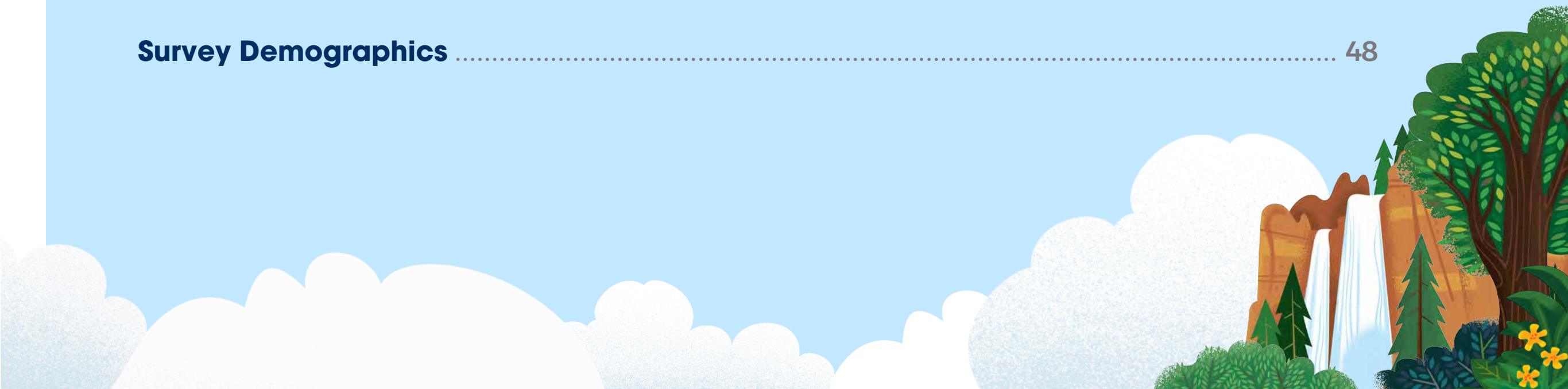
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Executive Summary

In early 2020, the world as we know it changed – first, COVID-19 presented businesses of all sizes with unprecedented challenges. But leaders of small and medium businesses are builders, creators, and innovators who are determined to persevere. We asked about their experiences as they navigate these challenging times, and how they are adapting for the future.

This report examines the evolving outlooks of SMB owners and leaders, first at the onset of the pandemic in an initial survey conducted in March 2020, and then again roughly six months into COVID-19 in August 2020. By analyzing the results, we uncover key priorities and challenges and learn how SMB leaders have shifted their business operations over time.

Here are some of the major trends.

01 SMBs Prioritize Customer Safety and Shift Interactions

Even while SMB owners and leaders are navigating change, customers are top of mind for SMBs that continue to grow. SMBs are even more strapped than usual for time and capital, but those best poised for the future are more likely to prioritize adjustments to their services and interactions to deliver safe customer experiences. **Growing businesses are more apt to offer greater customer flexibility and prioritize development of customer relationships.**

02 SMB Optimism Persists Amid New Challenges

In addition to pre-pandemic challenges like acquiring new customers and accessing capital, SMB leaders are now faced with operational restrictions, compliance mandates, and shifting customer expectations. The specific challenges faced differ depending on socioeconomic circumstances. **Despite these multifaceted challenges, most SMB leaders remain optimistic about the future of their businesses.**

03 Digital-Forward SMBs Are Better Equipped to Handle Market Volatility

Effective use of technology can be a differentiator for SMBs. As SMB leaders strategize ways to pivot their businesses and embrace a new era of customer interactions, technology plays a central role in driving growth. **Growing SMBs are more likely to use technologies like customer relationship management (CRM) systems, customer service software, and email marketing software.**

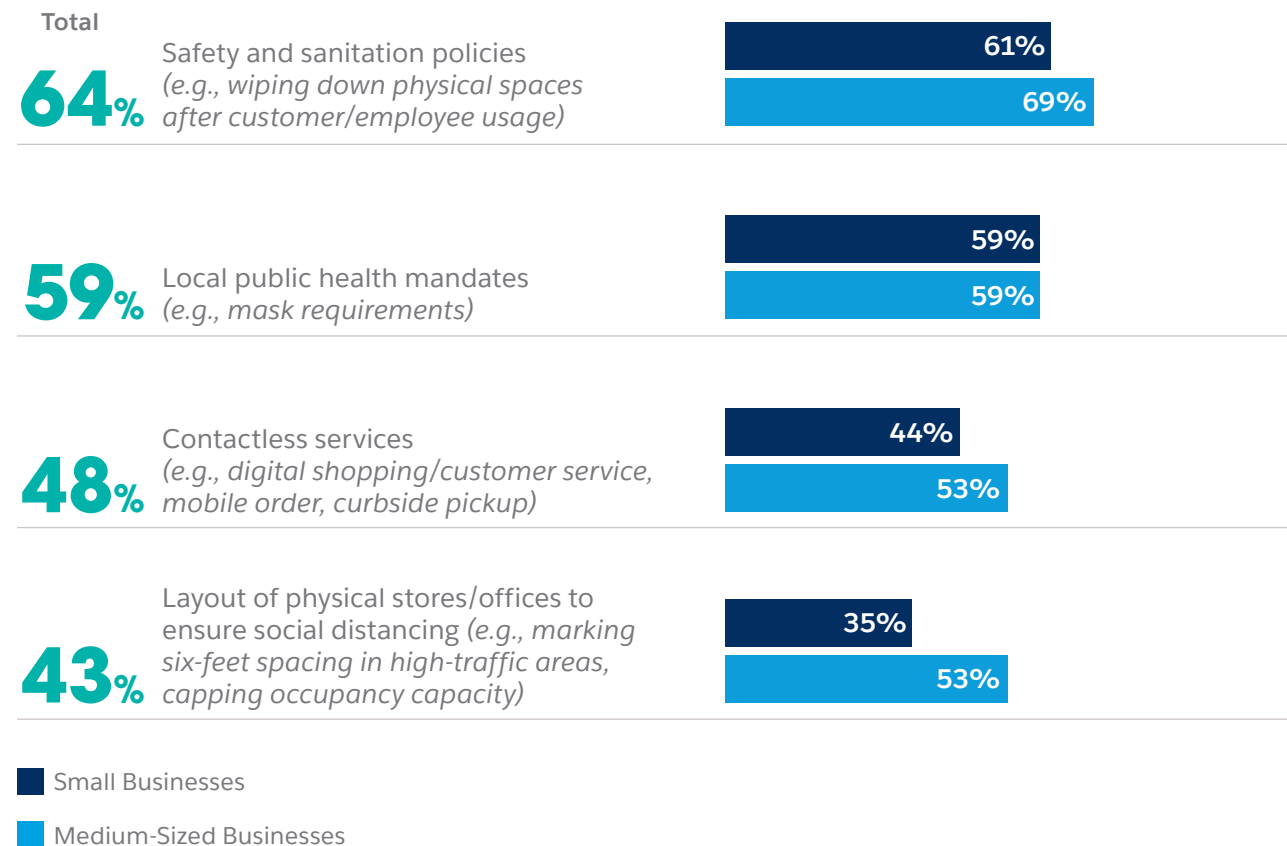
04 Growing SMBs Prepare for Future Crises

While recovery from the more immediate impacts of COVID-19, such as reduced demand and reduced revenue, continues to be a top priority, many SMB leaders also are focused on long-term business resiliency given an uncertain future. **Leaders of growing SMBs are more likely to prepare for the future by digitizing three key areas: customer interactions, workflows, and internal communications.**

01

SMBs Prioritize Customer Safety and Shift Interactions

Areas of Focus for SMBs Due to the COVID-19 Pandemic



Regardless of their industry, function, or size, businesses around the globe have been impacted by the COVID-19 pandemic. SMB leaders face particular challenges as they evaluate where to devote scarce resources along their journeys to stability and growth.

SMB leaders are particularly placing an emphasis on safety and sanitation policies and complying with local public health mandates that can shift depending on the volume of COVID-19 cases in their area. Less of a focus – although still cited by significant numbers of SMB leaders – are contactless services like digital shopping or curbside pickups and changes to physical layouts. Medium-sized SMBs – which tend to have more capital and employees – are more likely than their smaller peers to address all of these areas of concern, except for local public health mandates, which are garnering similar focus regardless of business size.

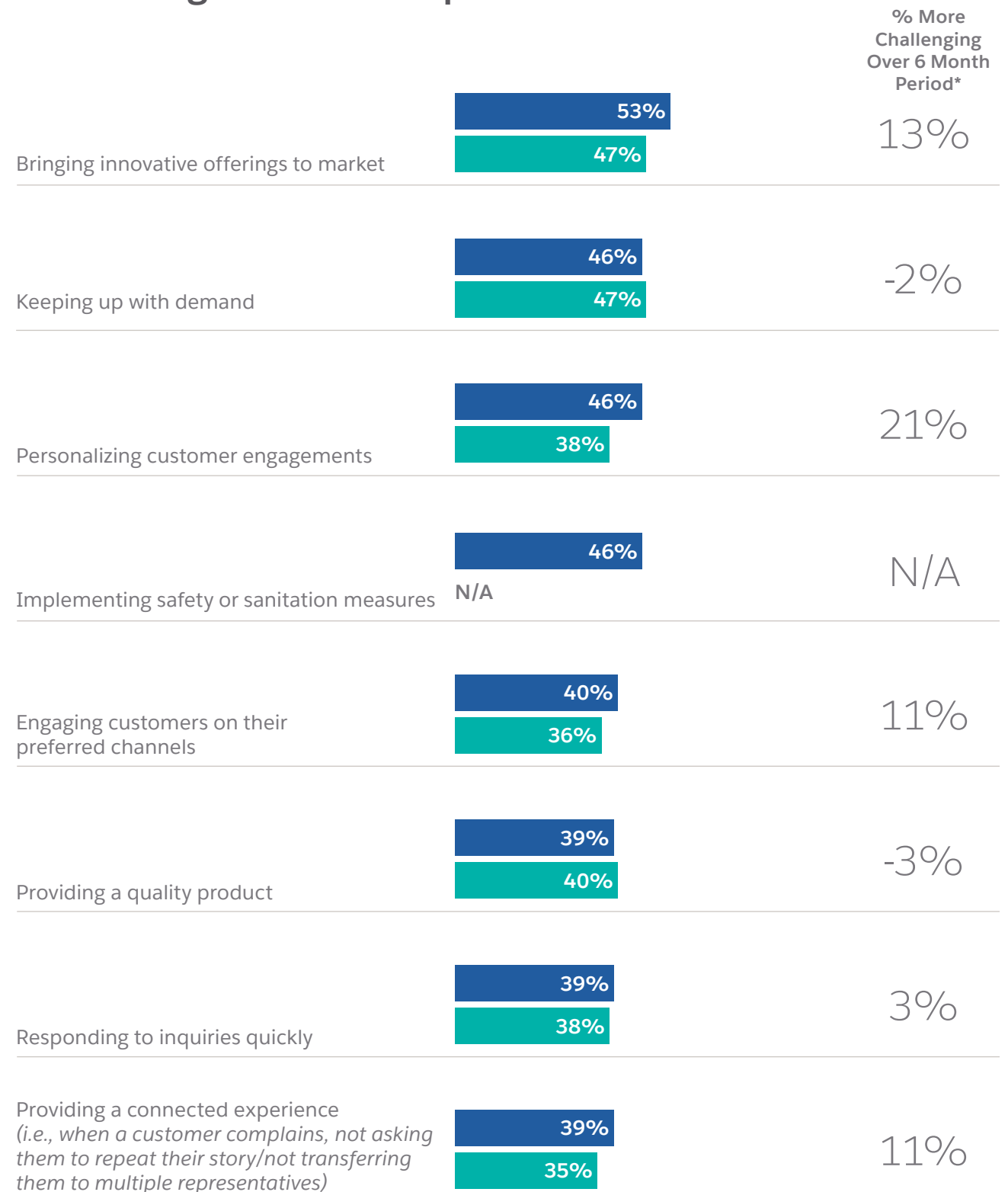


01

SMBs Prioritize Customer Safety and Shift Interactions

Meeting customers' high expectations – a tall order for SMB leaders facing time and budget constraints – is difficult even without public health, economic, and social crises. Basic operations like keeping up with demand and providing a quality product continue to be challenges for some SMBs, although to a similar extent than before the pandemic, or early in the pandemic for some countries. However, as the pandemic shifts customer behavior, certain competitive advantages, such as bringing innovative offerings to market, personalizing customer engagements, and providing a connected experience, have become increasingly difficult to achieve.

SMB Leaders Reporting the Following Challenges to Meeting Customer Expectations**



■ August 2020 ■ March 2020

* Responses of (August – March) / March.

** Major/moderate challenges.

01

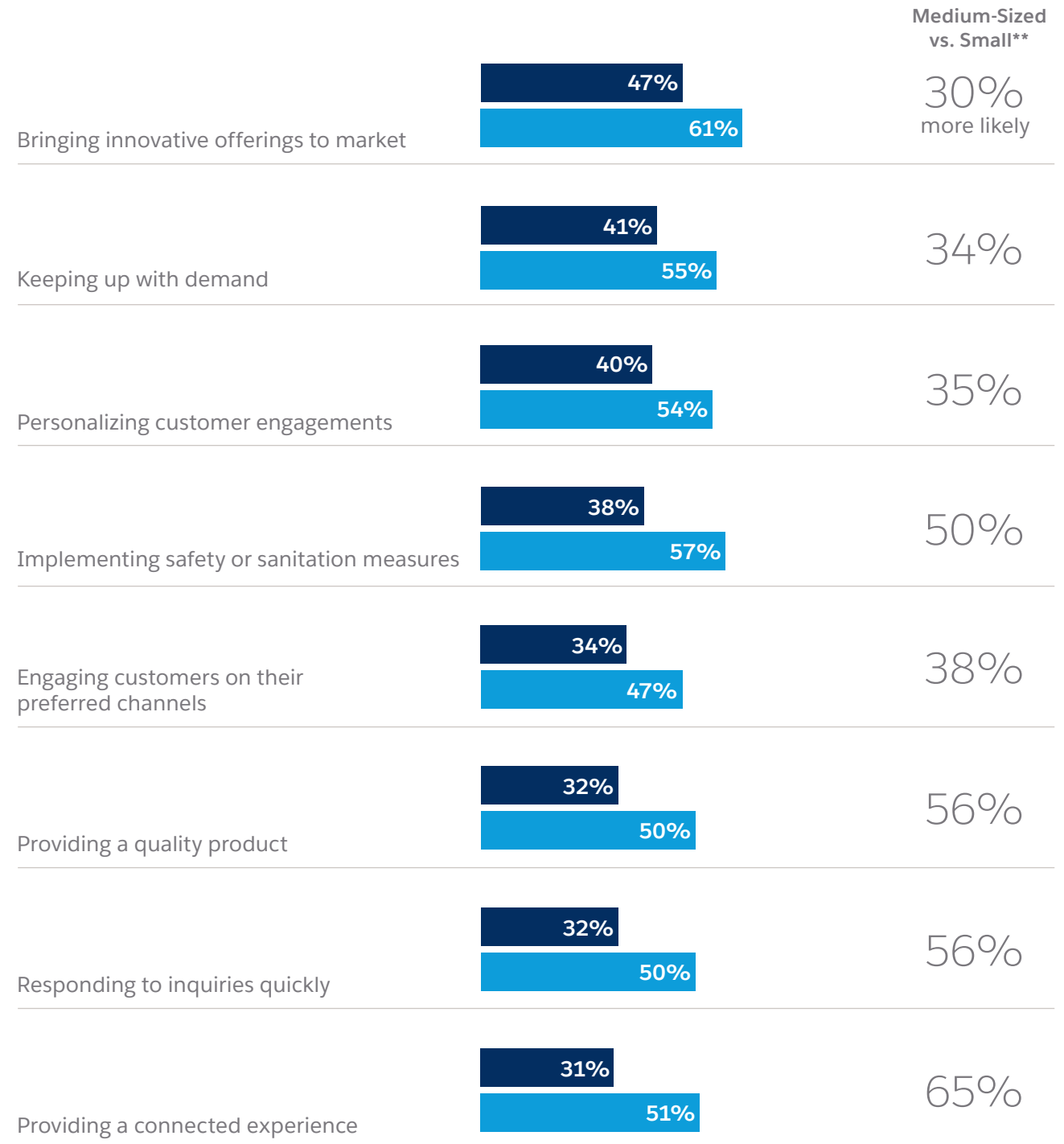
SMBs Prioritize Customer Safety and Shift Interactions

SMB leaders acknowledge these challenges in response to changing customer sentiment. And Salesforce's most recent Connected Customer survey confirms these changing customer sentiments are real:

77% of customers say this year's crises should be a catalyst for business improvement*

With their larger and often more established customer bases, medium-sized businesses are more likely than smaller businesses to feel pain points – such as providing a connected experience, responding to inquiries quickly, or providing a quality product – when striving to delight and retain customers.

Major/Moderate Challenges to Meeting Customer Expectations During COVID-19



■ Small Businesses ■ Medium-Sized Businesses

** Responses of (Medium-Sized/Small) / Small.

* Connected Customer survey, Salesforce Research, August 2020.

01

SMBs Prioritize Customer Safety and Shift Interactions

Customer experience continues to be important as expectations remain high during the pandemic, as noted in Salesforce's most recent Connected Customer survey of consumers and business buyers:

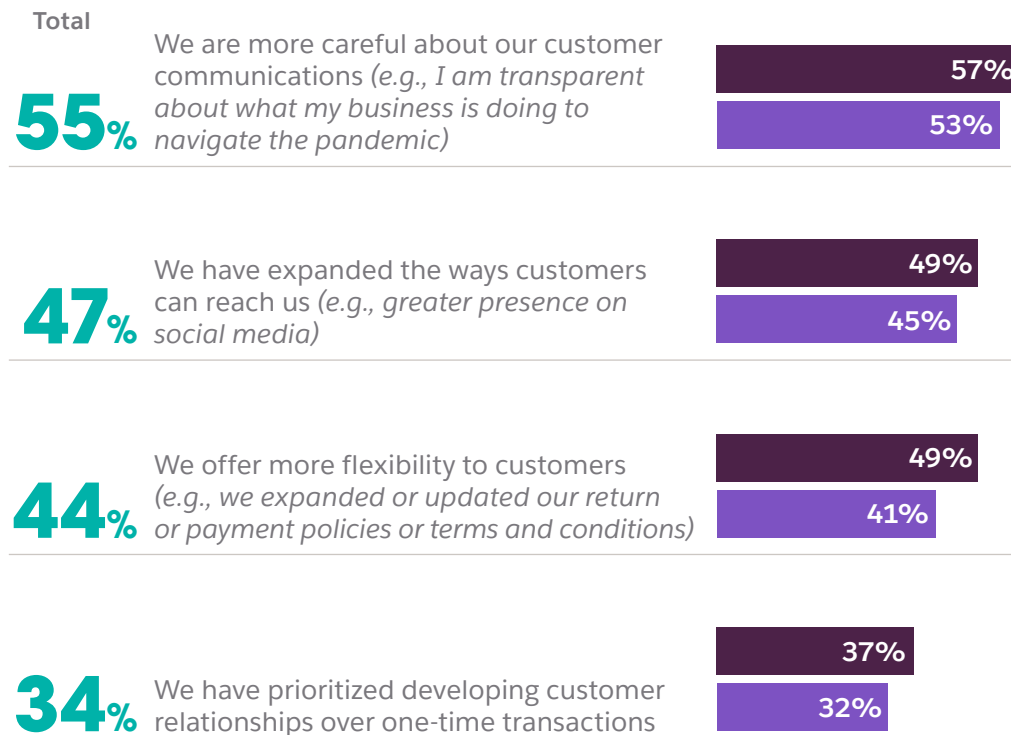
66% of customers expect companies to understand their unique needs and expectations*

SMB leaders are trying to meet these expectations; not only are they focusing on safety, they're also making changes to how they interact with customers amid new realities. About half of SMB leaders are putting more effort into their customer communications and expanding the ways customers can reach them. In particular, growing businesses are more likely than stagnant/declining businesses to have embraced such changes, namely offering more flexibility to customers and prioritizing the development of customer relationships.

* Connected Customer survey, Salesforce Research, August 2020.

Changes to Customer Interactions

(By business growth)



■ Growing SMBs
■ Stagnant/Declining SMBs



01

SMBs Prioritize Customer Safety and Shift Interactions

Medium-sized SMBs, typically better resourced than their smaller counterparts, are more likely to have revamped their customer interactions. Specifically, these larger entities are more transparent about what their business is doing to navigate the pandemic and are more likely to expand their communication with customers on multiple channels.

Changes to Customer Interactions

(By business size)

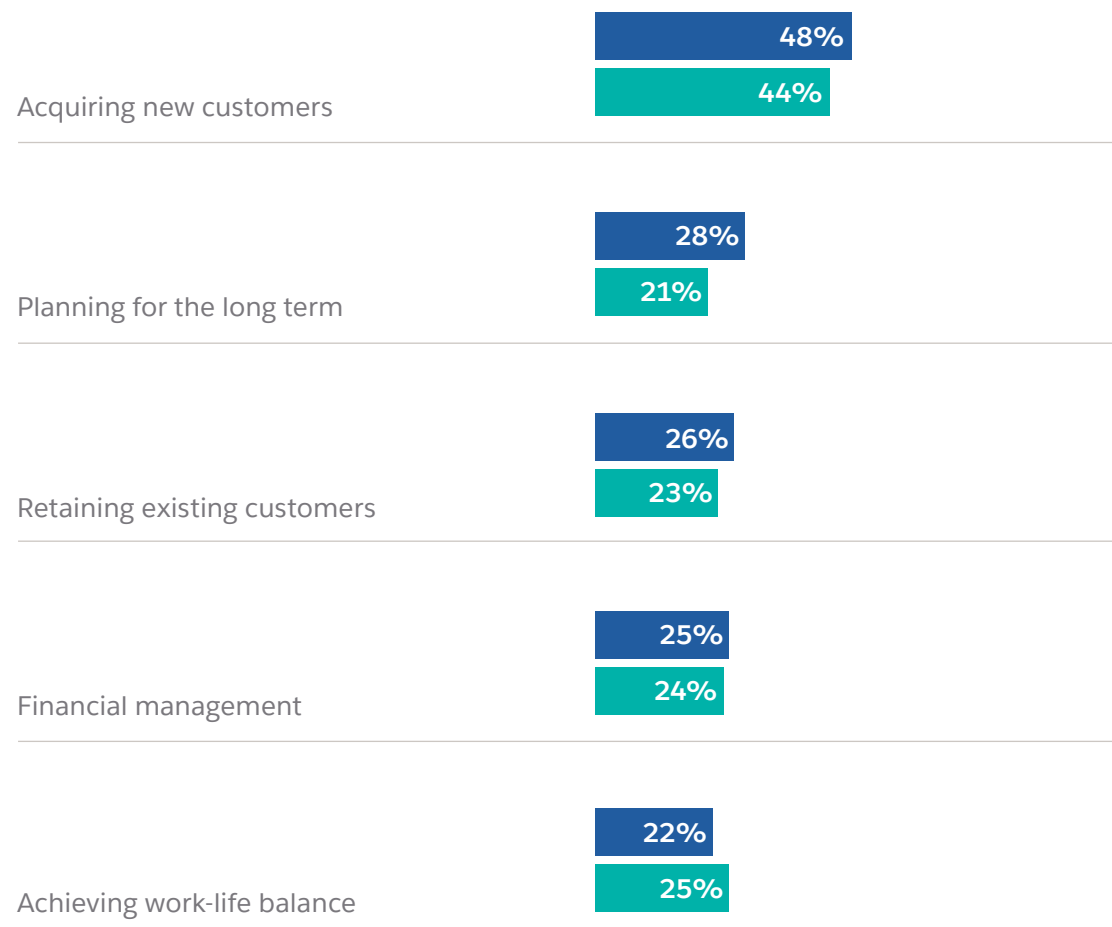


02

SMB Optimism Persists Amid New Challenges

Biggest Challenges SMB Leaders Personally Face When Growing Business*

Only top five responses shown



■ August 2020

■ March 2020

* Up to three responses accepted for this question.

Beyond meeting customer expectations, SMB leaders face many challenges as their businesses continue to operate, often requiring them to be optimistic, forward-looking, individuals.

Even in a roaring economy, like many were experiencing in early March, acquiring new customers was, by far, the biggest challenge SMB leaders faced in their day to day. It has only become more difficult.

Other challenges have also become more prevalent since March, with SMB leaders now 33%** more likely to have an uphill battle planning for the long term and 13%** more likely to cite trouble retaining existing customers.

** Responses of (August – March) / March.

02

SMB Optimism Persists Amid New Challenges

Unchanged since before the pandemic, or early in the pandemic for some countries, the top three operational constraints are money/access to capital, meeting customer expectations, and hiring the right talent.

Most Constraining Factors on Current SMB Operations*



■ August 2020

■ March 2020

* Up to three responses accepted for this question.

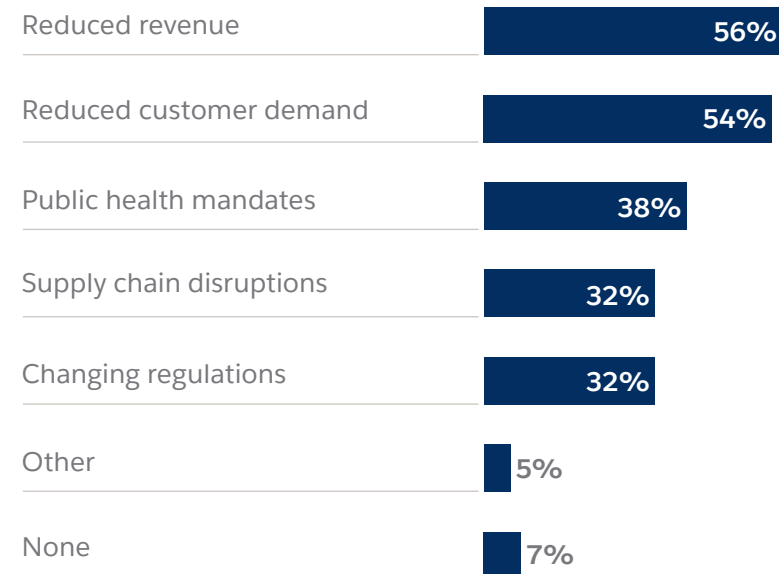
02

SMB Optimism Persists Amid New Challenges

These long-term pain points are now compounded by pandemic-induced challenges, such as reduced revenue (cited by 56% of SMB leaders) or customer demand (cited by 54% of SMB leaders).

In addition, about 3 in 5 SMB leaders say local mandates to close or limit operations are threatening the viability of their business (65%) or that compliance with public health requirements creates an excessive burden (59%).

Challenges Constraining SMBs Due to the COVID-19 Pandemic



SMB Leaders' Attitudes About Changes During the COVID-19 Pandemic

(% agree)



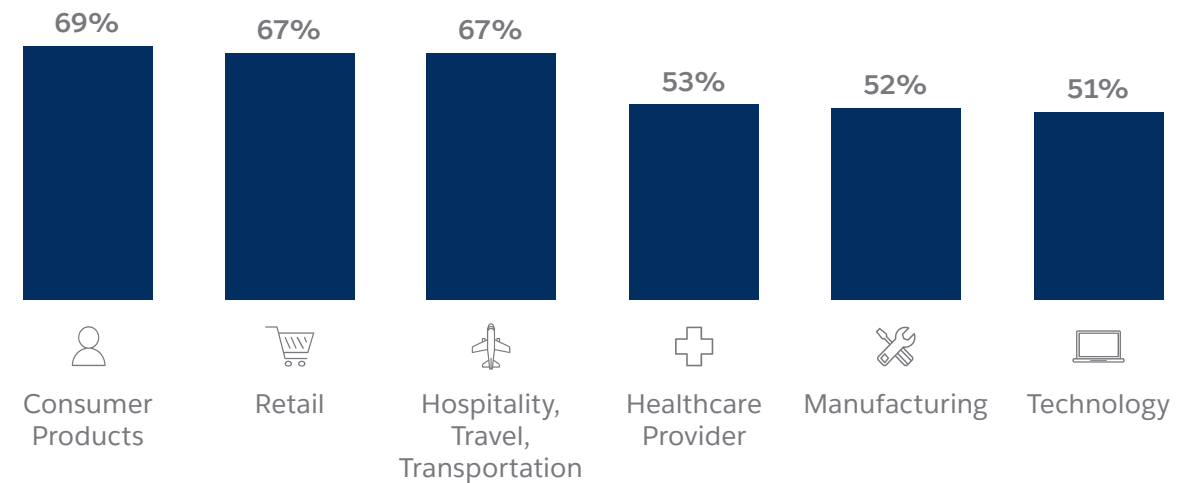
02

SMB Optimism Persists Amid New Challenges

As SMB leaders adjust to new regulations and procedures implemented during the COVID-19 pandemic, many are in survival mode, with more than half (57%) saying they're struggling to keep their businesses afloat. SMB leaders in the consumer products, retail, and hospitality/travel/transportation industries particularly feel this pain.

SMB Leaders Who Say They're Struggling to Keep Their Business Afloat

(% agree by industry)



02

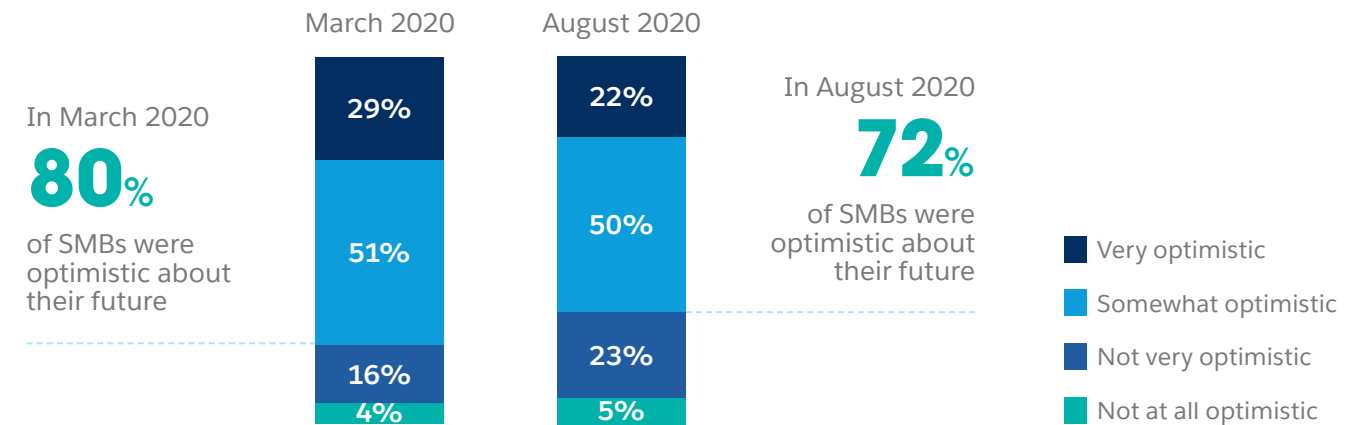
SMB Optimism Persists Amid New Challenges

Although optimism about the future is down from March (80%) as well as from 2019 (78%), the majority of SMB leaders who have made it this far aren't pessimistic about their businesses' future. In fact, more than 1 in 5 (22%) say they are very optimistic about their businesses' outlook.

Medium-sized businesses are 12%* more likely than small businesses to say they are optimistic about what the future will hold. SMB leaders in the healthcare provider, technology, and consumer product industries have a particularly bright outlook.

SMB Leaders' Optimism About the Future of Their Businesses

(% optimistic by timeframe)



(% optimistic by business size)



(% optimistic by industry)



* Responses of (Medium-Sized – Small) / Small.

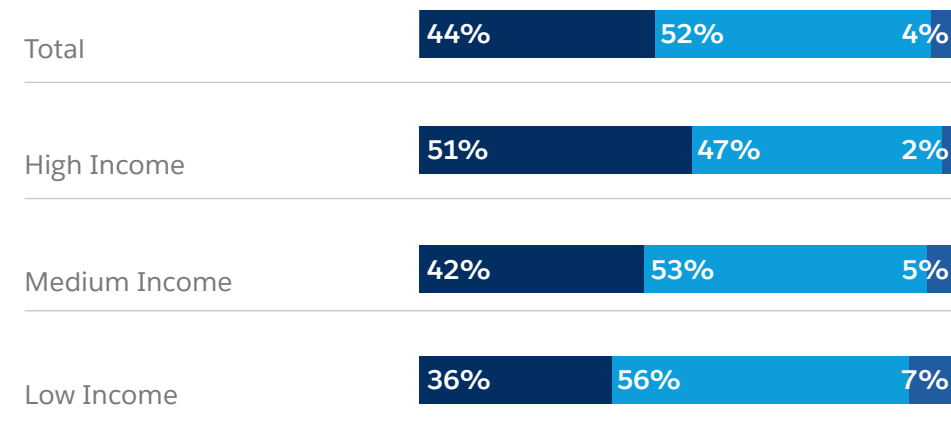


Spotlight: Income Level Shapes SMB Leaders' Experiences

Demographics, like household income, can also impact the entrepreneurial experience. SMBs with high-income leaders are more likely to be fully open and operational during the COVID-19 pandemic, while businesses with lower-income leaders are more likely to be shuttered.

SMB Operations During the COVID-19 Pandemic

(By income level)



High vs. Low Income*

42% more likely to be fully open and operational

- My business is fully open and operational
- My business is open, but operating under limited capacity
- My business is closed completely and not operating at all

* Responses of (High - Low) / Low.





Spotlight: Income Level Shapes SMB Leaders' Experiences

SMB leaders with lower incomes are more likely to cite money/access to capital as a business hurdle, while their high-income counterparts are more likely to cite hiring the right talent.

And as SMB leaders look ahead, those with medium or high household income are more optimistic about the future of their businesses.

Top Factors Constraining Current SMB Operations*

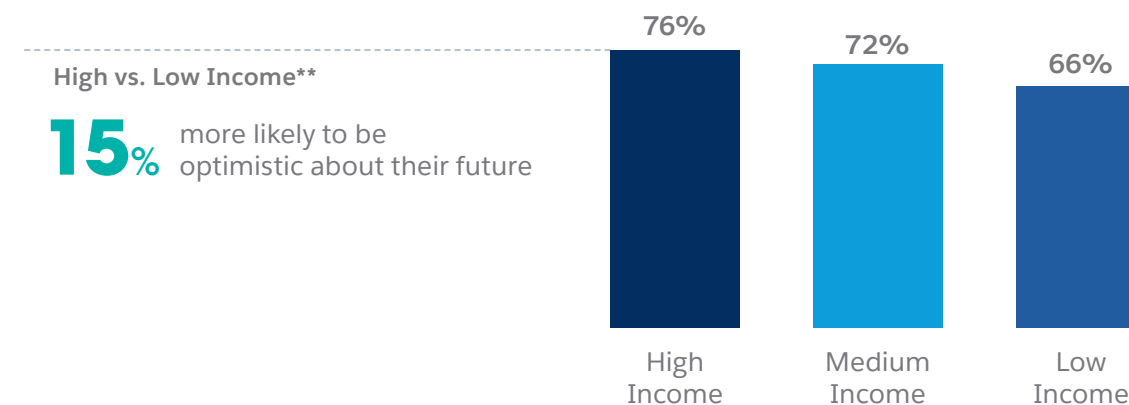
(By income level)
Only top three responses shown

High	Medium	Low
1 Hiring the right talent	1 Money/access to capital	1 Money/access to capital
2 Meeting customer expectations	2 Meeting customer expectations	2 Meeting customer expectations
3 Retaining/motivating employees	3 Hiring the right talent	3 Establishing/maintaining processes

* Up to three responses accepted for this question.

SMB Leaders' Optimism About the Future of Their Businesses

(% optimistic by income level)

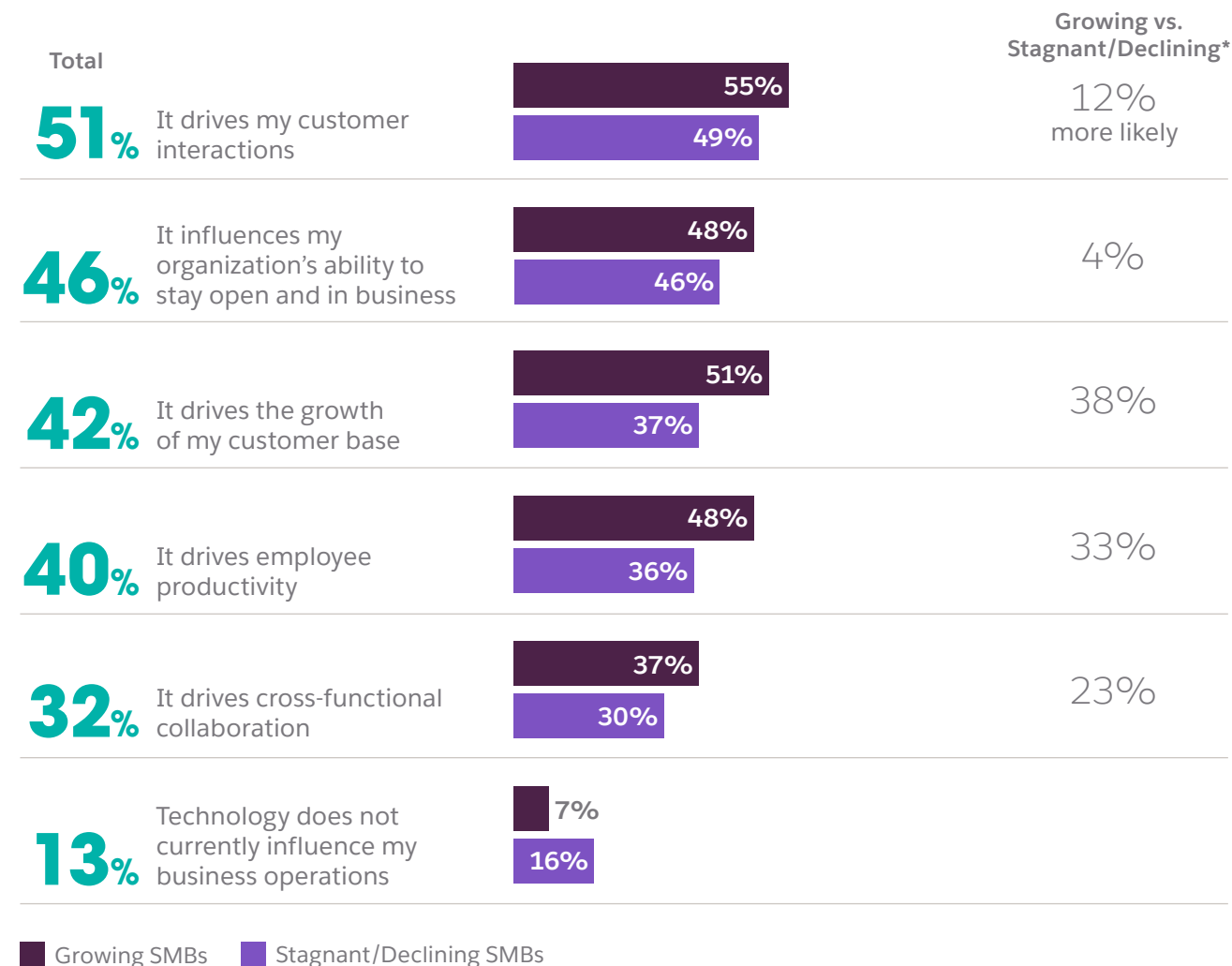


** Responses of (High – Low) / Low.

03

Digital-Forward SMBs Are Better Equipped to Handle Market Volatility

Influence of Technology on SMB Operations



* Responses of (Growing – Stagnant/Declining) / Stagnant/Declining.

Effective use of technology can be a business differentiator across several fronts, especially for growing SMBs. In fact, more than half of growing SMBs say technology drives their customer interactions (55%) or the growth of their customer base (51%), significantly higher than their stagnant/declining competition.



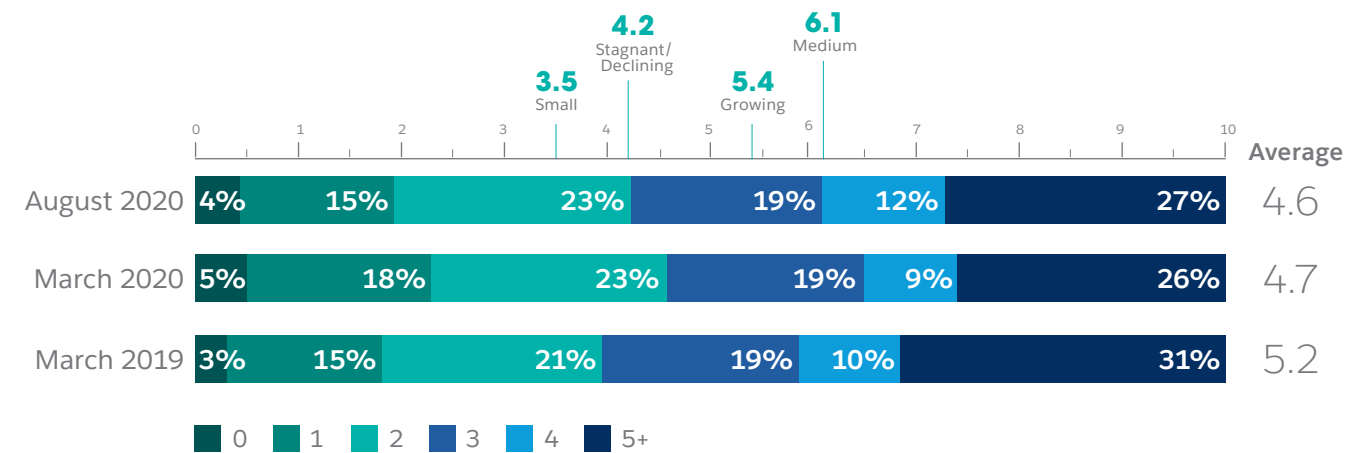
03

Digital-Forward SMBs Are Better Equipped to Handle Market Volatility

More than 7 in 10 SMB leaders (72%) believe that one centralized application to manage business functions like sales, marketing, and support would be helpful (March 2020 survey). In addition, SMB leaders have been steadily using fewer apps over the past year, suggesting small businesses want to consolidate their technology.

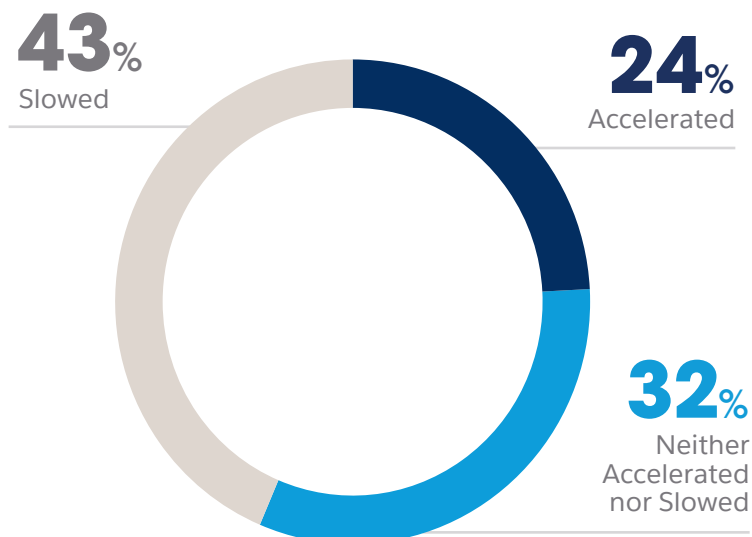
Only around 1 in 4 SMB leaders say the pandemic has accelerated their investments in technology, with growing SMBs and medium-sized businesses significantly more likely than their respective counterparts to report acceleration in technology investments. On the other hand, half of stagnant/declining businesses (50%) have slowed their technology investments during the pandemic.

Number of Applications Used to Run an SMB



Impact of COVID-19 Pandemic on SMBs' Pace of Technology Investment

(By total)



(By business growth and size)

Growing SMBs

33%

65% more likely to accelerate*

Stagnant/Declining SMBs

20%

Medium-Sized Businesses

31%

63% more likely to accelerate**

Small Businesses

19%

* (Growing - Stagnant/Declining) / Stagnant/Declining.

** (Medium-Sized - Small) / Small.

03

Digital-Forward SMBs Are Better Equipped to Handle Market Volatility

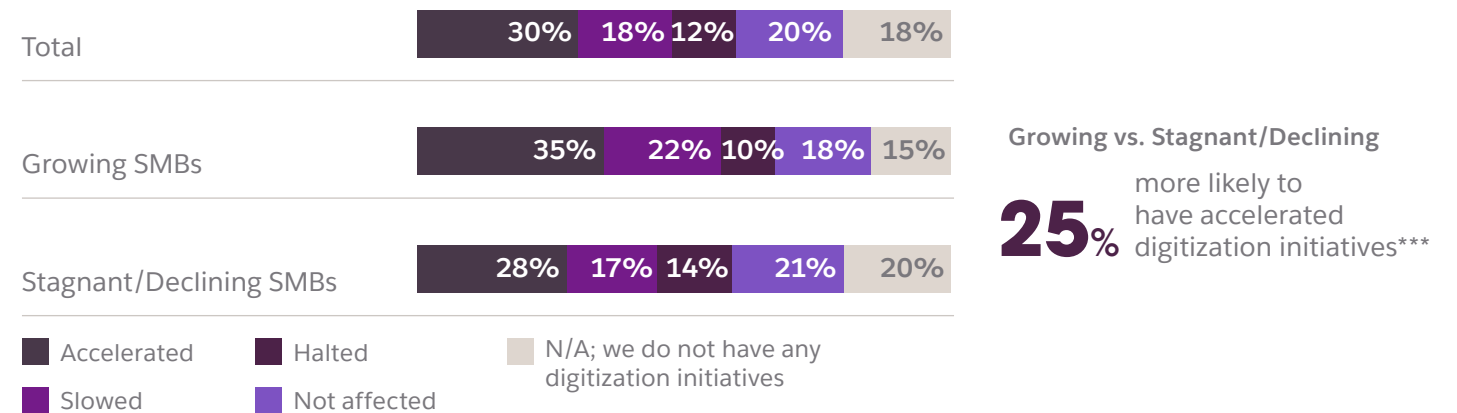
Consumers continue to shift purchasing from in-store to online – a trend accelerated by the COVID-19 pandemic. In fact, consumer respondents to the latest Salesforce Connected Customer survey estimate their share of online versus offline interactions with companies to have increased significantly over the past year, from 42% online in 2019 to 60% online in 2020. More than 2 in 3 consumers (68%) say they're online more often than not.*

The overwhelming majority of consumers (88%) expect companies to accelerate digital initiatives due to COVID-19.* Before the pandemic, SMB leaders reported that on average 44% of their business operations were digitized – available in a digital format, accessible via the cloud/internet. Among those who had less than half of their operations digitized before the pandemic began, nearly 1 in 3 say the pandemic has accelerated their digitization initiatives.

Growing SMBs are more likely than stagnant/declining ones to say the pandemic has accelerated their digitization efforts.

Acceleration of SMB Digitization Initiatives Due to the COVID-19 Pandemic**

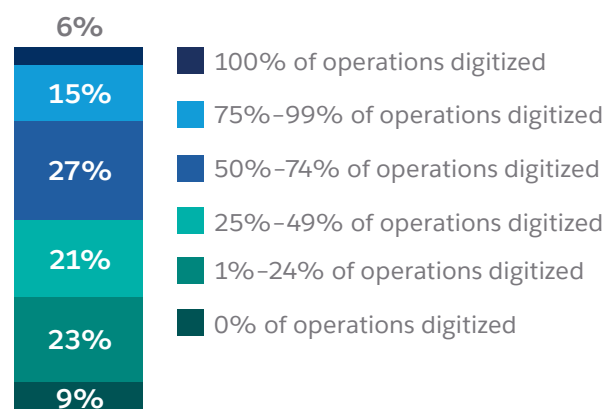
(By total and business growth)



** By business growth, among those whose operations were less than 50% digitized before or very early in the pandemic.

*** Responses of (Growing - Stagnant/Declining) / Stagnant/Declining.

Percentage of SMB Operations Digitized Before the COVID-19 Pandemic



On average,

44% of SMB operations were digitized before the pandemic

48% of growing SMBs operations were digitized before the pandemic vs. 42% stagnant/declining

47% of medium-sized SMBs operations were digitized before the pandemic vs. 41% small

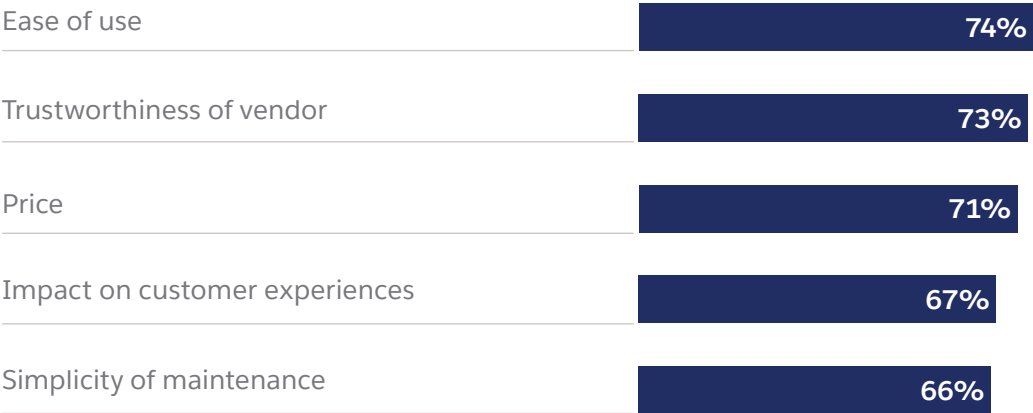
03

Digital-Forward SMBs Are Better Equipped to Handle Market Volatility

The pandemic hasn’t changed what SMB leaders look for in technology, with more than 7 in 10 SMB leaders citing ease of use, trustworthiness of a vendor, and price as important considerations when evaluating new technology – consistent with pre-COVID and early-COVID times.

SMB Leaders Who Rate the Following as Extremely or Very Important When Evaluating Technology

Only top five responses shown



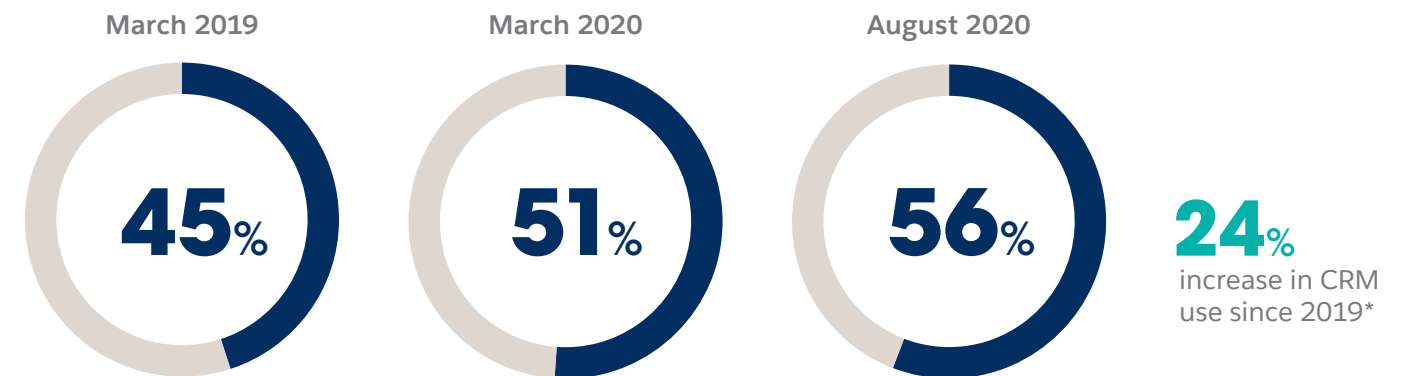
03

Digital-Forward SMBs Are Better Equipped to Handle Market Volatility

Increasingly, these leaders are embracing technologies like customer relationship management (CRM), which is becoming more and more entrenched in day-to-day SMB operations. More than half say their company uses a CRM system, a 24% increase from 2019.* SMB leaders in the technology (68%), consumer products (68%), and manufacturing (64%) industries are the biggest users of CRM systems.

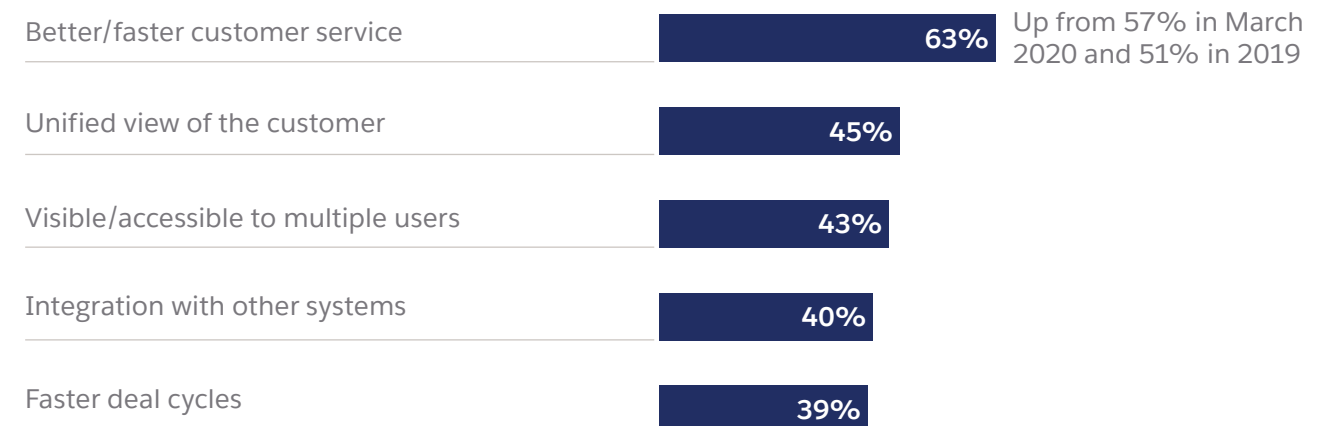
In line with pre-pandemic or early-pandemic attitudes, better/faster customer service continues to be the top benefit of CRM systems among users. Many also weigh considerations such as a unified view of the customer, integration with other systems, and visibility/accessibility to multiple users.

Adoption of CRM Systems by SMBs



Benefits of CRM Systems Reported by SMBs

Only top five responses shown**



** Base: SMB leaders using a CRM system.

* Responses of (August 2020 - 2019) / 2019.



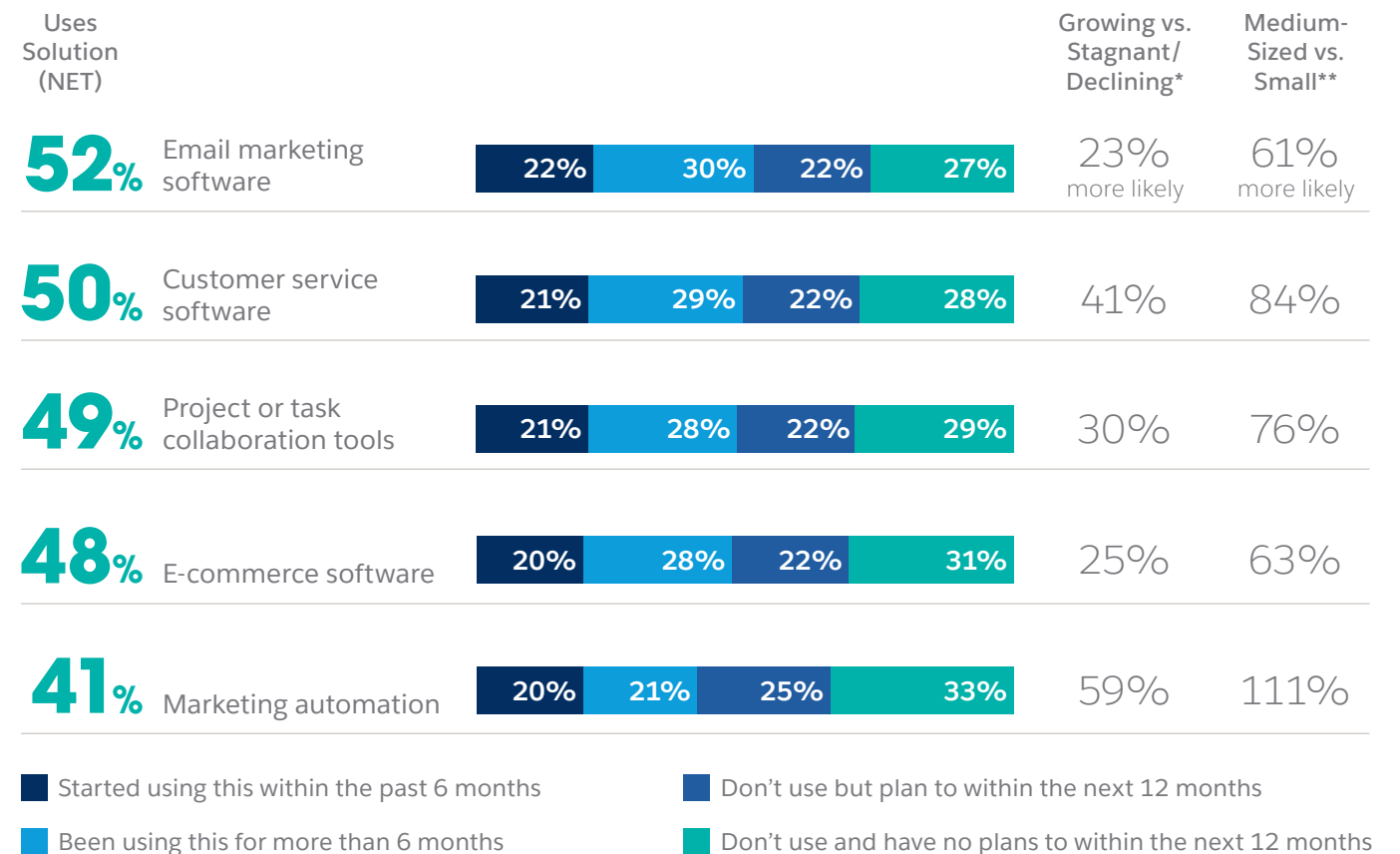
03

Digital-Forward SMBs Are Better Equipped to Handle Market Volatility

CRM isn't the only technology SMBs rely on. About half use email marketing software, customer service software, project or task collaboration tools, or e-commerce software. Notably, around 1 in 5 SMB leaders have implemented each of these technologies since the pandemic began around six months ago. Roughly 1 in 5 SMB leaders don't currently use these solutions but have plans to in the next 12 months.

Growing SMBs embrace various technologies more readily than their stagnant/declining counterparts. Similarly, medium-sized businesses are 1.5x-2x as likely as their smaller counterparts to have these technologies at their disposal.

SMB Leaders Use Technology Across Their Business



* Responses of (Growing – Stagnant/Declining) / Stagnant/Declining.

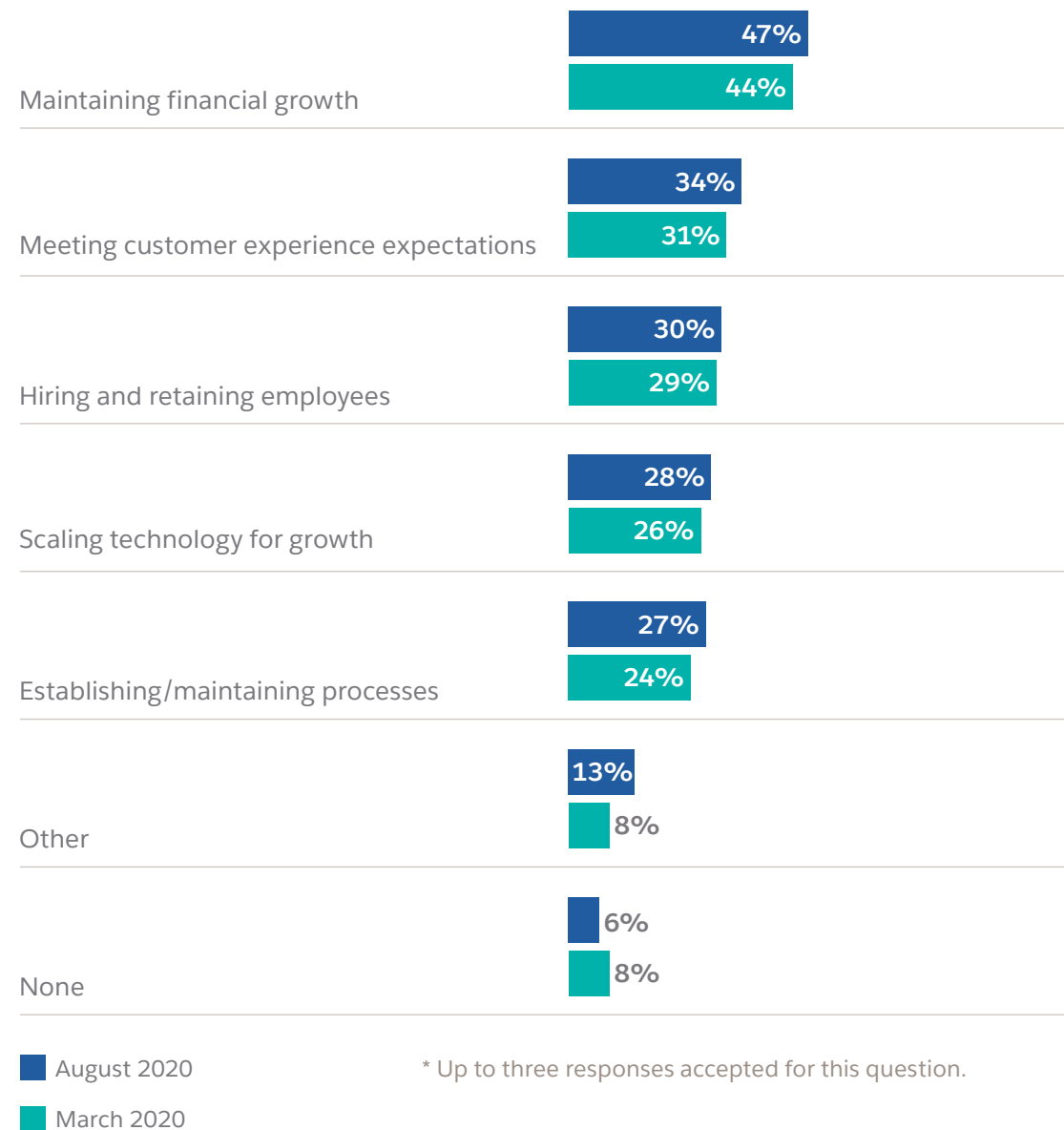
** Responses of (Medium-Sized – Small) / Small.



04

Growing SMBs Prepare for Future Crises

Constraints on Future SMB Growth*



As SMBs accelerate technology investments, they're also thinking about the future.

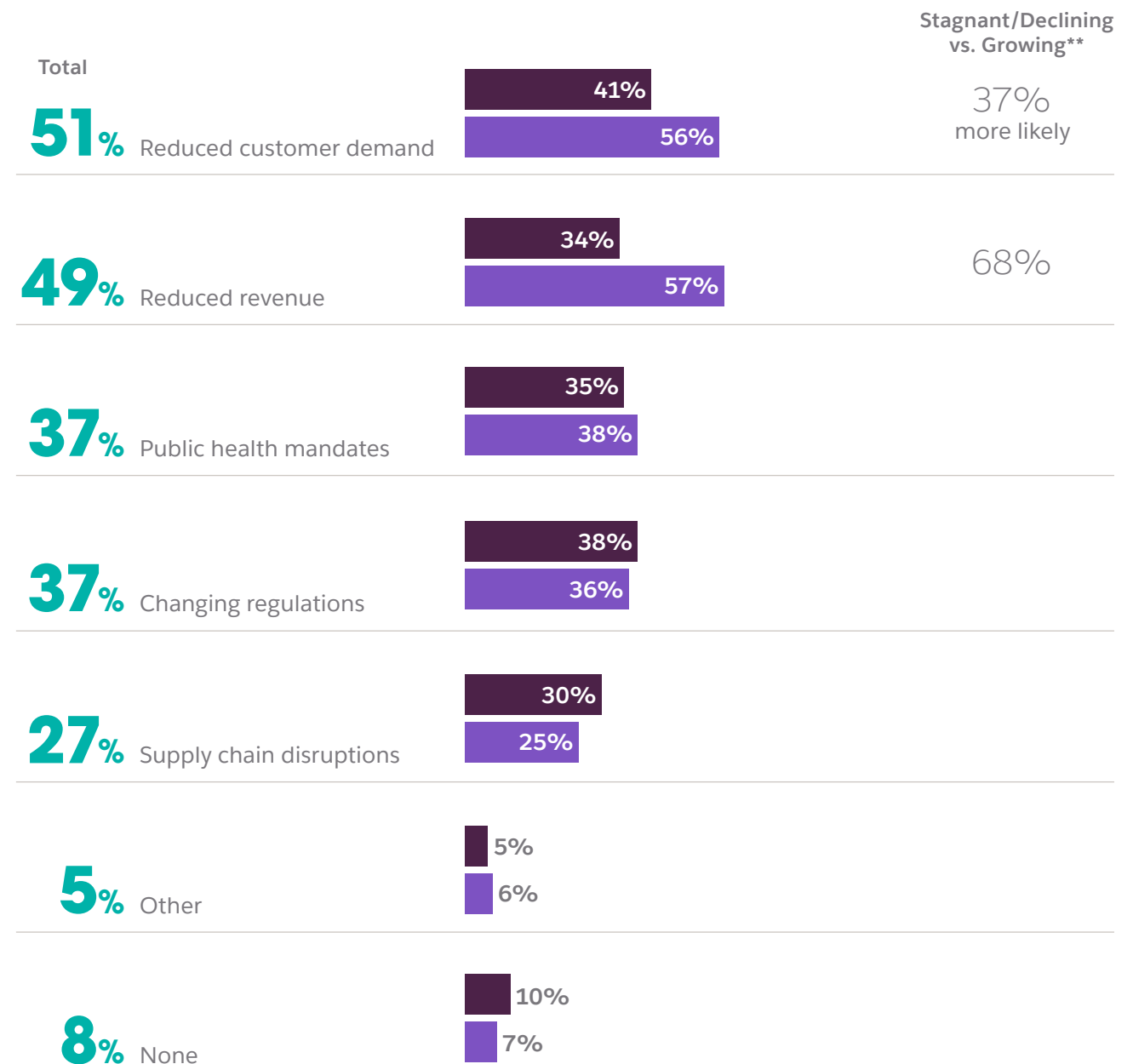
Certain challenges are more likely to keep SMB leaders up at night than others. More than 2 in 5 say maintaining financial growth is one of the top three hurdles to growth, with meeting customer experience expectations, and hiring and retaining employees rounding out the top three.

04

Growing SMBs Prepare for Future Crises

Thinking about the COVID-19 pandemic specifically, about half of SMB leaders worry about reduced customer demand or reduced revenue standing in the way of their future growth. SMB leaders whose businesses were already stagnant/declining are particularly ill-positioned during the pandemic as they are more likely than those with growing businesses to cite reduced customer demand and reduced revenue.

Constraints on Future SMB Growth Related to the COVID-19 Pandemic*



■ Growing SMBs ■ Stagnant/Declining SMBs

* Up to three responses accepted for this question.

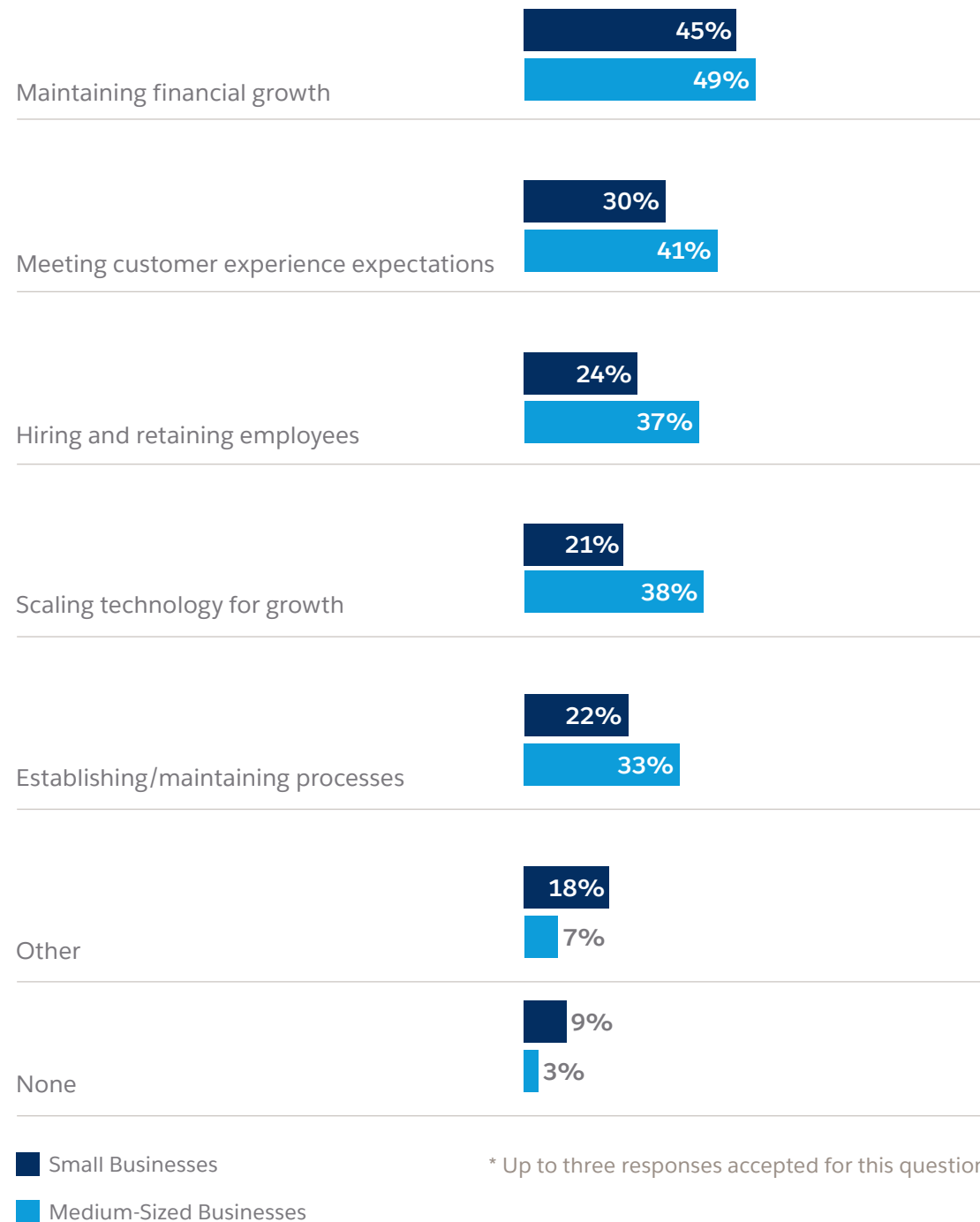
** Responses of (Stagnant/Declining - Growing) / Growing.



Spotlight: Operational Challenges for the Future by Business Size

Leaders of smaller businesses consistently cite capital as one of their chief concerns – and maintaining financial growth is their biggest concern by far with respect to business growth – while leaders of medium-sized businesses cite meeting customer expectations and hiring the right talent as top operational constraints, ahead of access to capital.

Constraints on Future Business Growth*



* Up to three responses accepted for this question.



04

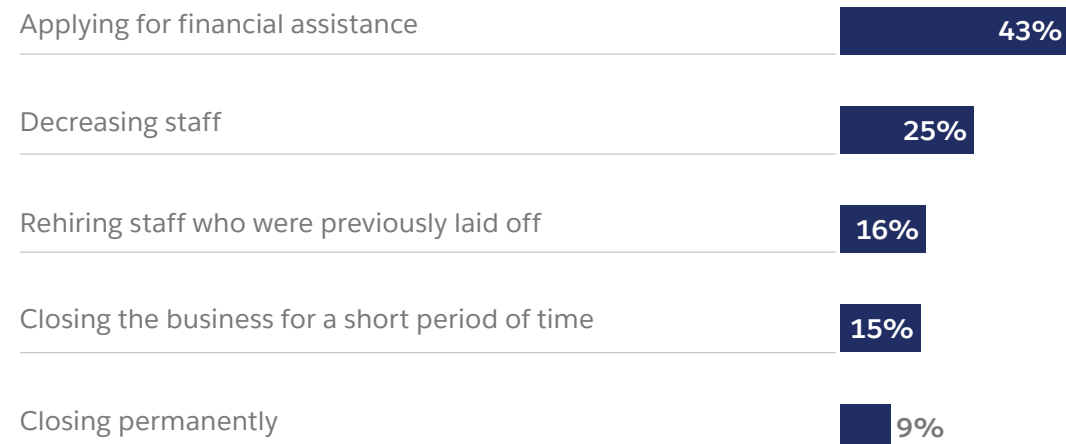
Growing SMBs Prepare for Future Crises

Despite the challenges and constraints on growth facing SMB leaders, the majority are planning adjustments for the future. Looking ahead, SMB leaders most commonly say they have considered applying for financial assistance, followed by adjusting their staff count (by either decreasing or rehiring employees), or even closing the business for a brief time.

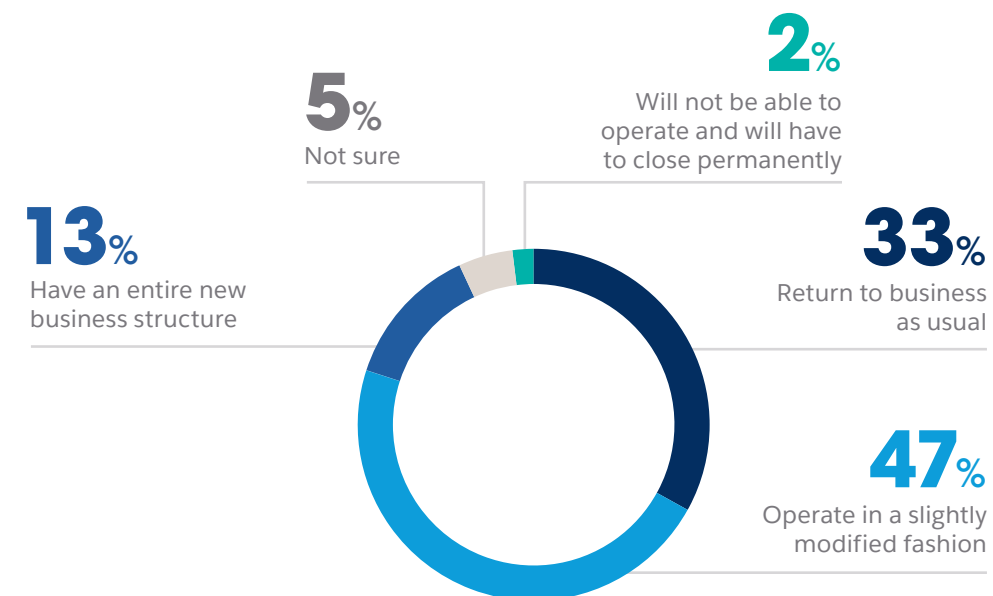
Most SMB leaders foresee a future that looks different than business as usual – even after the pandemic subsides. The most anticipated updates are minor, but about one-eighth of SMB leaders believe they'll have an entirely new business structure.

SMB Leaders' Considerations for Future of Business

Only top five responses shown



Expected SMB Operations Once the COVID-19 Pandemic Subsides

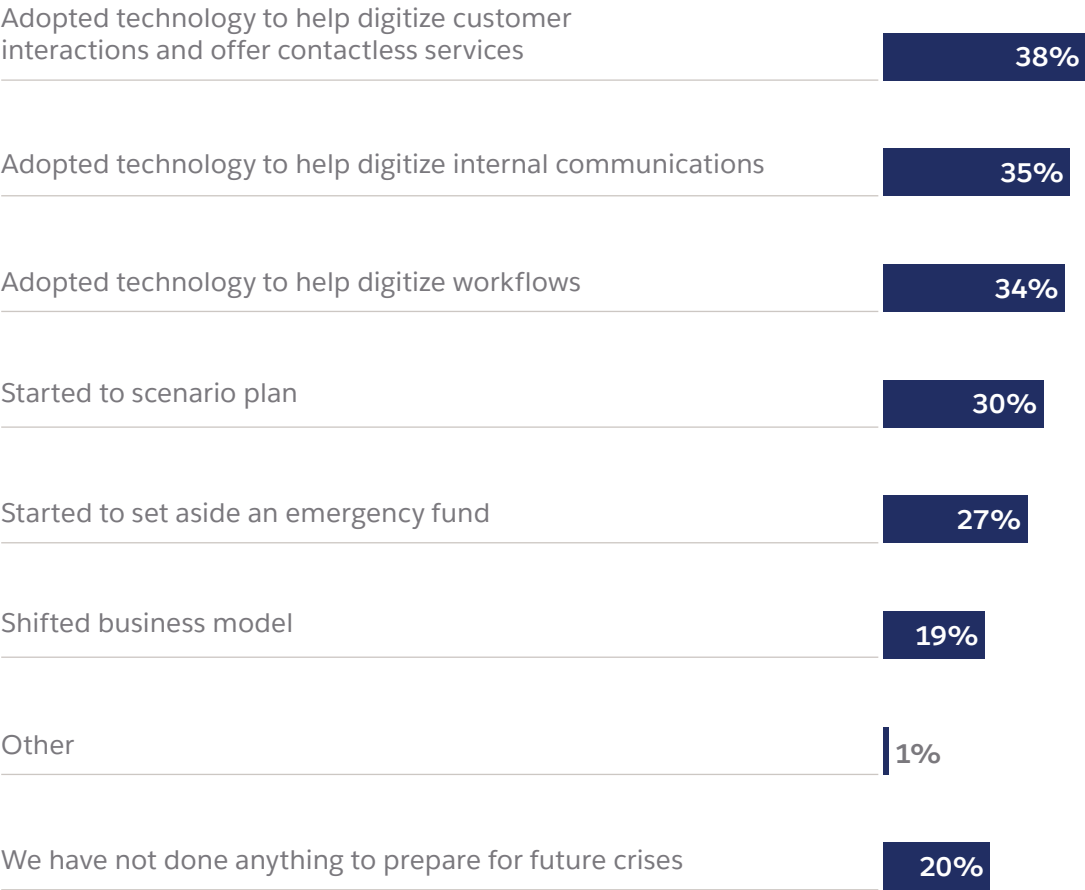


04

Growing SMBs Prepare for Future Crises

Not only are SMB leaders considering short-term changes, but they are preparing for future crises by adopting technology and digitizing operations.

Actions SMB Leaders Have Taken to Prepare for Future Crises

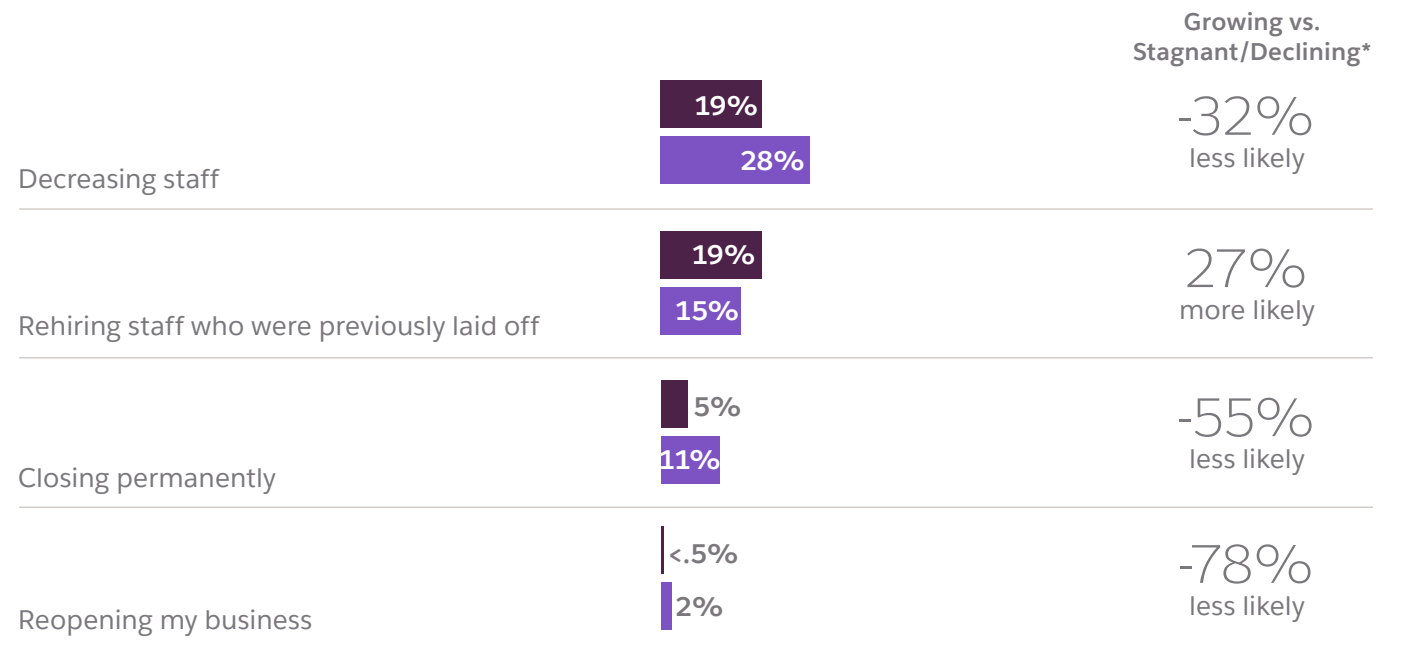


Spotlight: Future Planning and Outlook by Growing Businesses

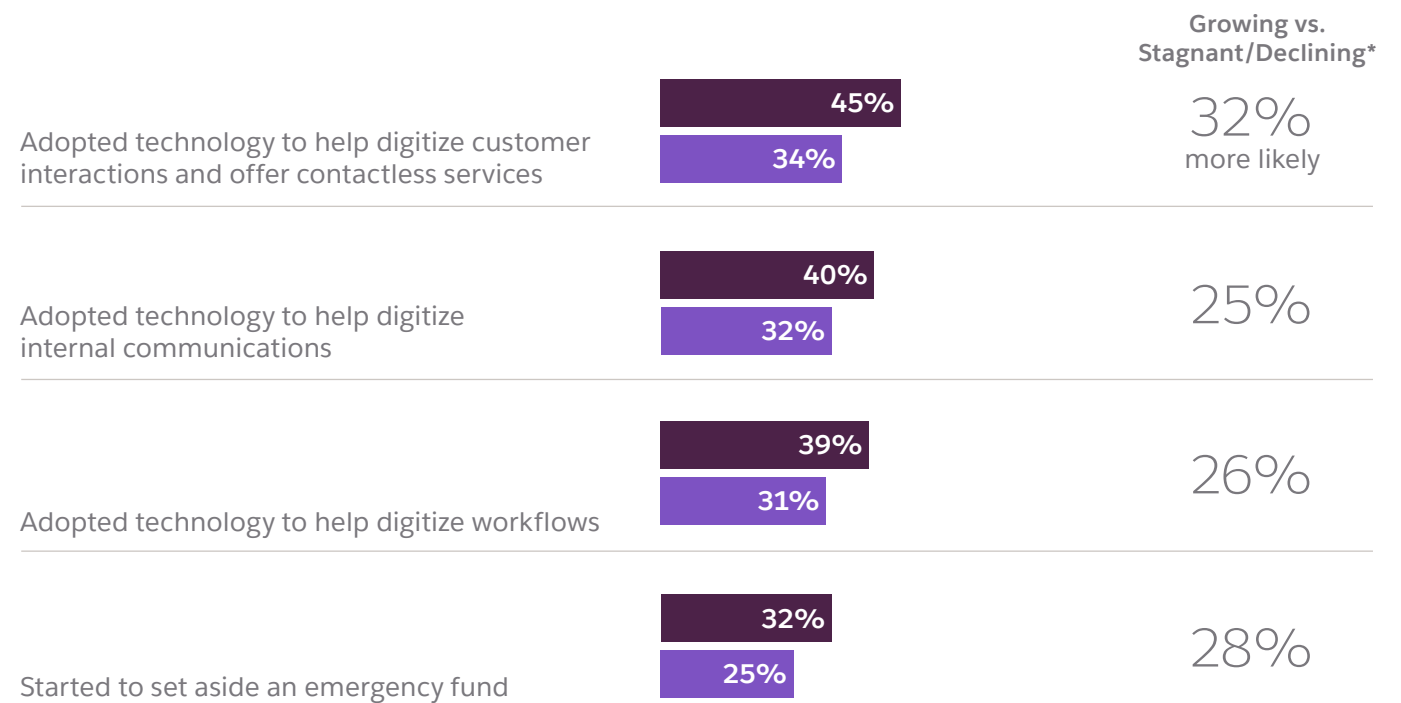
Growing SMBs are handling the COVID-19 pandemic differently than stagnant/declining SMBs. Those that are growing are generally more likely to have taken actions to prepare for future crises, reiterating their stronger position to handle adverse events. Notably, growing SMBs are more likely than stagnant/declining SMBs to have adopted technology to help them digitize various aspects of the business and started to set aside an emergency fund.

Looking ahead to operations following the COVID-19 pandemic, growing SMBs are also more likely to say they'll return to business as usual (41% versus 30%).

Considerations for Future of Business**



Actions Taken to Prepare for Future Crises**



■ Growing SMBs ■ Stagnant/Declining SMBs

* Responses of (Growing - Stagnant/Declining) / Stagnant/Declining.

** Only responses with significant differences shown.



Country Profiles



Country Profile

United States (501 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Hiring the right talent
- 2 Finding the right tech to meet our needs
- 3 Money/access to capital

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Retaining existing customers
- 3 Planning for the long term

Top Factors Constraining Future Growth*

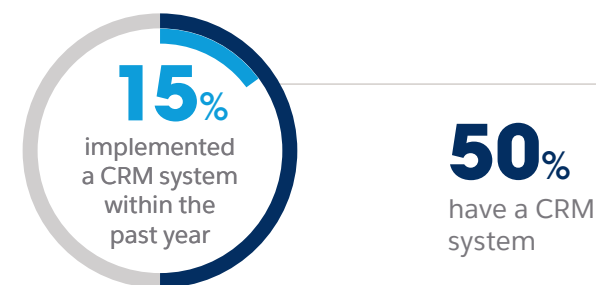
- 1 Maintaining financial growth
- 2 Hiring and retaining employees
- 3 Meeting customer experience expectations

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Implementing safety or sanitation measures
- 3 Personalizing customer engagements

Technology Considerations and Use

Use of CRM

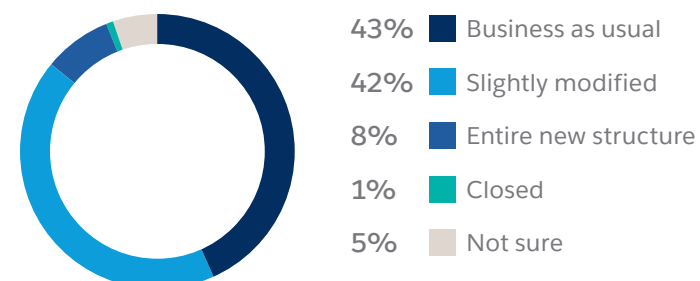


Top Considerations for New Tech Evaluation***

- 1 Ease of use
- 2 Price
- 3 Trustworthiness of vendor

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced customer demand
- 2 Reduced revenue
- 3 Public health mandates

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Rehiring staff who were previously laid off

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Canada (251 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Money/access to capital
- 2 Hiring the right talent
- 3 Meeting customer expectations

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Recruiting and retaining employees
- 3 Planning for the long term

Top Factors Constraining Future Growth*

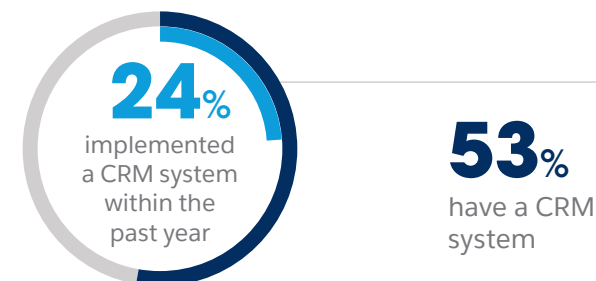
- 1 Maintaining financial growth
- 2 Hiring and retaining employees
- 3 Meeting customer experience expectations

Top Customer Experience Challenges**

- 1 Implementing safety or sanitation measures
- 2 Keeping up with demand
- 3 Bringing innovative offerings to market

Technology Considerations and Use

Use of CRM

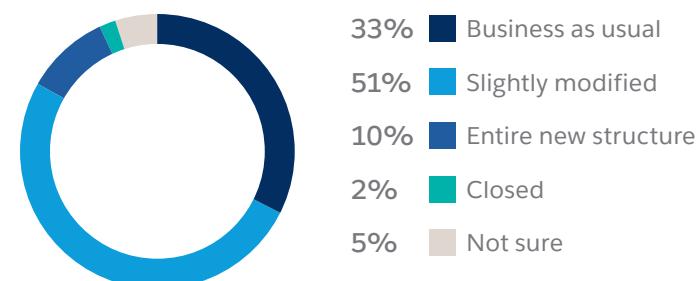


Top Considerations for New Tech Evaluation***

- 1 Impact on customer experiences
- 2 Ease of use
- 3 Price

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced revenue
- 2 Reduced customer demand
- 3 Public health mandates

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Closing the business for a short period of time

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Brazil (252 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Money/access to capital
- 2 Hiring the right talent
- 3 Meeting customer expectations

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Access to investment capital
- 3 Planning for the long term

Top Factors Constraining Future Growth*

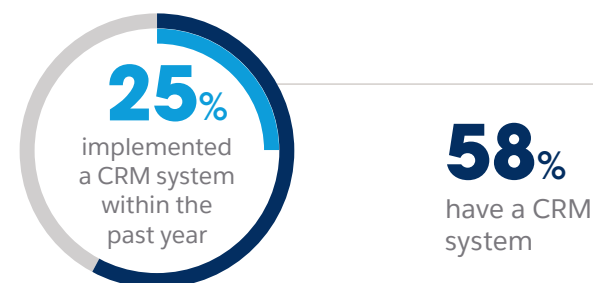
- 1 Maintaining financial growth
- 2 Scaling technology for growth
- 3 Meeting customer experience expectations

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Personalizing customer engagements
- 3 Keeping up with demand

Technology Considerations and Use

Use of CRM

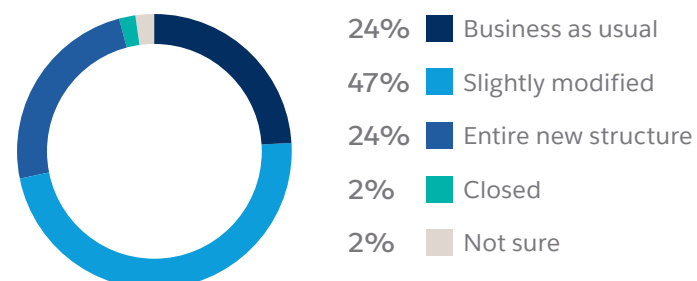


Top Considerations for New Tech Evaluation***

- 1 Trustworthiness of vendor
- 2 Price
- 3 Ease of use

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced customer demand
- 2 Reduced revenue
- 3 Changing regulations

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Rehiring staff who were previously laid off
- 3 Decreasing staff

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

United Kingdom/Ireland (254 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Money/access to capital
- 2 Hiring the right talent
- 3 Meeting customer expectations

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Planning for the long term
- 3 Achieving work-life balance

Top Factors Constraining Future Growth*

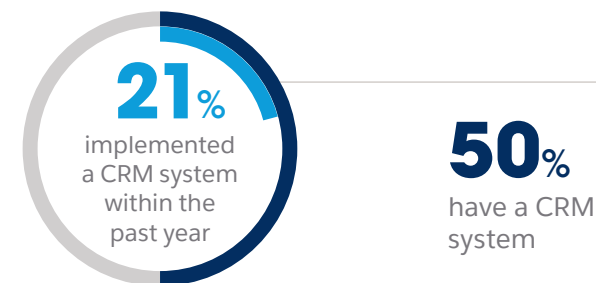
- 1 Maintaining financial growth
- 2 Hiring and retaining employees
- 3 Meeting customer experience expectations

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Engaging customers on preferred channels
- 3 Implementing safety or sanitation measures

Technology Considerations and Use

Use of CRM

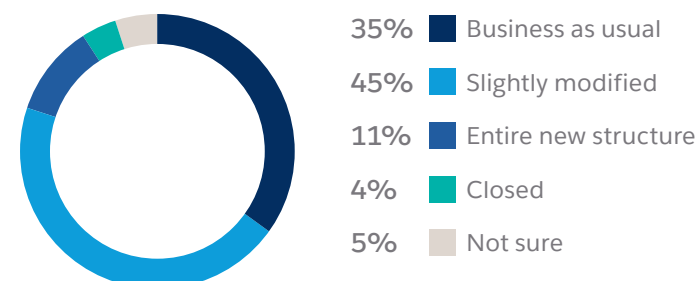


Top Considerations for New Tech Evaluation***

- 1 Ease of use
- 2 Price
- 3 Trustworthiness of vendor

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced revenue
- 2 Reduced customer demand
- 3 Public health mandates

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Rehiring staff who were previously laid off

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Spain (102 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Money/access to capital
- 2 Meeting customer expectations
- 3 Insufficient time

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Retaining existing customers
- 3 Effectively using tools and technology

Top Factors Constraining Future Growth*

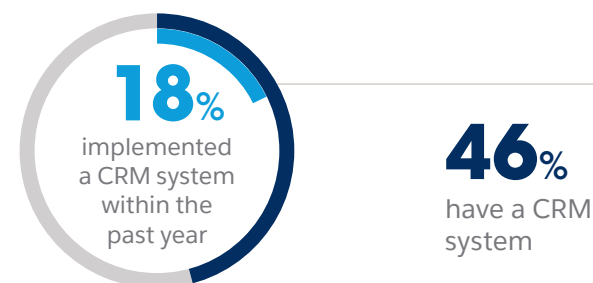
- 1 Maintaining financial growth
- 2 Meeting customer experience expectations
- 3 Scaling technology for growth

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Keeping up with demand
- 3 Implementing safety or sanitation measures

Technology Considerations and Use

Use of CRM

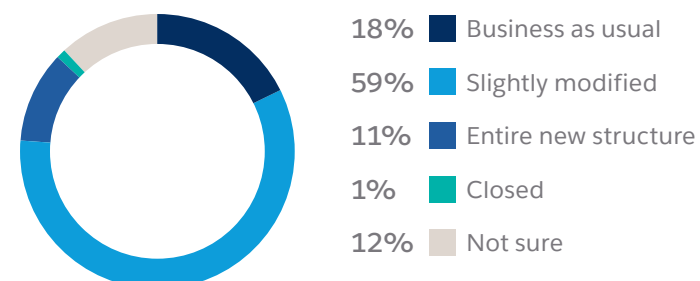


Top Considerations for New Tech Evaluation***

- 1 Price
- 2 Trustworthiness of vendor
- 3 Scalability as my business grows

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced customer demand
- 2 Reduced revenue
- 3 Public health mandates

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Closing the business for a short period of time

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

France (102 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Hiring the right talent
- 2 Insufficient time
- 3 Meeting customer expectations

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Achieving work-life balance
- 3 Recruiting and retaining employees

Top Factors Constraining Future Growth*

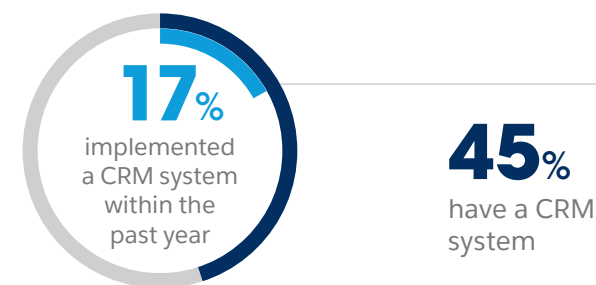
- 1 Hiring and retaining employees
- 2 Maintaining financial growth
- 3 Scaling technology for growth

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Implementing safety or sanitation measures
- 3 Keeping up with demand

Technology Considerations and Use

Use of CRM

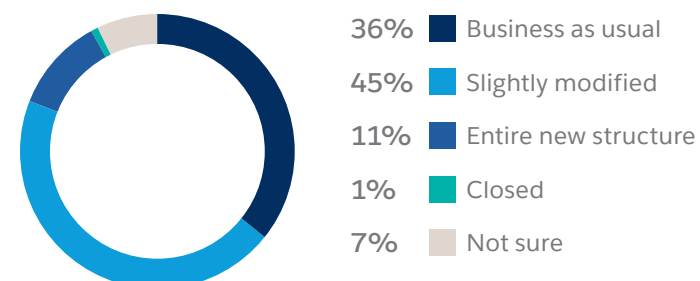


Top Considerations for New Tech Evaluation***

- 1 Trustworthiness of vendor
- 2 Scalability as my business grows
- 3 Ease of use

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced customer demand
- 2 Reduced revenue
- 3 Public health mandates

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Closing permanently

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Germany (102 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

1 Hiring the right talent

2 Meeting customer expectations

3 Insufficient time

Top Personal Challenges for Business Growth*

1 Acquiring new customers

2 Retaining existing customers

3 Recruiting and retaining employees

Top Factors Constraining Future Growth*

1 Hiring and retaining employees

2 Meeting customer experience expectations

3 Maintaining financial growth

Top Customer Experience Challenges**

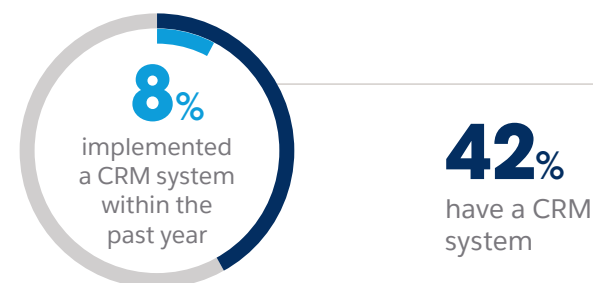
1 Implementing safety or sanitation measures

2 Bringing innovative offerings to market

3 Providing a quality product

Technology Considerations and Use

Use of CRM



Top Considerations for New Tech Evaluation***

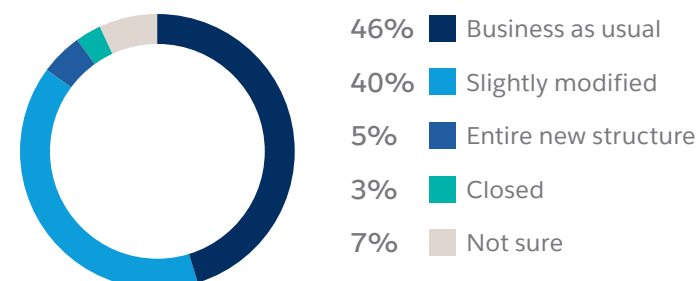
1 Ease of use

2 Speed and ease of setup

3 Trustworthiness of vendor

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

1 Reduced customer demand

2 Changing regulations

3 Reduced revenue

Considerations for Future of Business Due to the COVID-19 Pandemic

1 Applying for financial assistance

2 Decreasing staff

3 Closing the business for a short period of time

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Italy (103 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Money/access to capital
- 2 Meeting customer expectations
- 3 Retaining/motivating employees

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Planning for the long term
- 3 Retaining existing customers

Top Factors Constraining Future Growth*

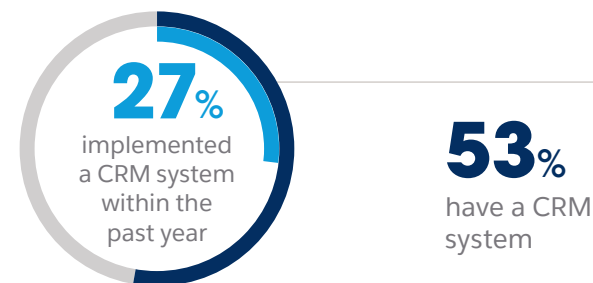
- 1 Maintaining financial growth
- 2 Establishing/maintaining processes
- 3 Hiring and retaining employees

Top Customer Experience Challenges**

- 1 Implementing safety or sanitation measures
- 2 Keeping up with demand
- 3 Bringing innovative offerings to market

Technology Considerations and Use

Use of CRM

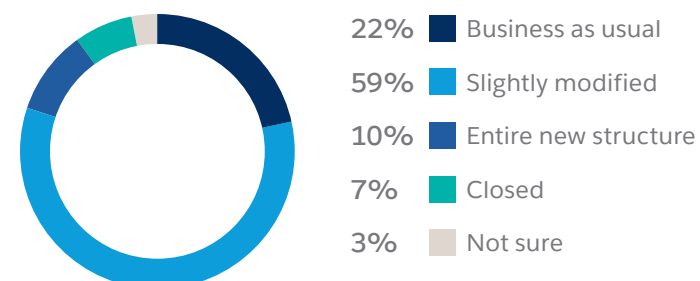


Top Considerations for New Tech Evaluation***

- 1 Trustworthiness of vendor
- 2 Impact on customer experiences
- 3 Price

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced revenue
- 2 Reduced customer demand
- 3 Changing regulations

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Closing permanently

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Netherlands (102 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Meeting customer expectations
- 2 Retaining/motivating employees
- 3 Finding the right tech to meet our needs

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Effectively using tools and technology
- 3 Financial management

Top Factors Constraining Future Growth*

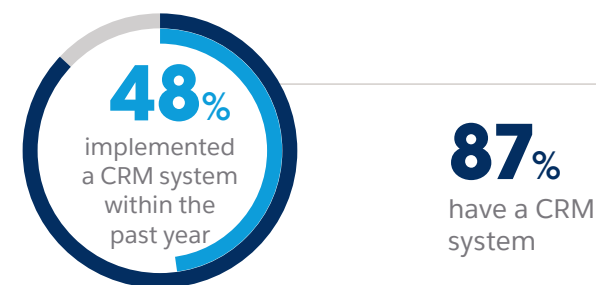
- 1 Scaling technology for growth
- 2 Meeting customer experience expectations
- 3 Maintaining financial growth

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Responding to inquiries quickly
- 3 Implementing safety or sanitation measures

Technology Considerations and Use

Use of CRM

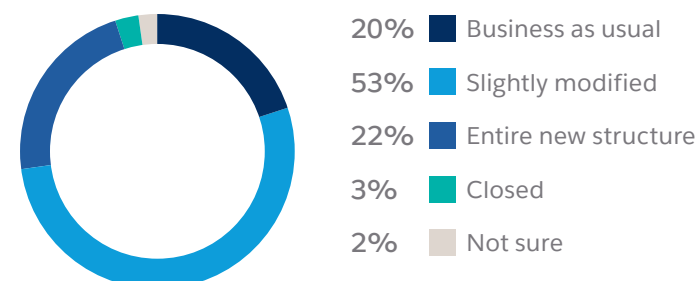


Top Considerations for New Tech Evaluation***

- 1 Ease of use
- 2 Impact on customer experiences
- 3 Scalability as my business grows

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced revenue
- 2 Public health mandates
- 3 Reduced customer demand

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Rehiring staff who were previously laid off

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

India (101 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Meeting customer expectations
- 2 Money/access to capital
- 3 Finding the right tech to meet our needs

Top Personal Challenges for Business Growth*

- 1 Financial management
- 2 Acquiring new customers
- 3 Planning for the long term

Top Factors Constraining Future Growth*

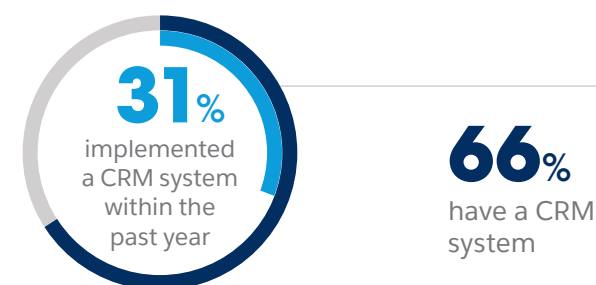
- 1 Maintaining financial growth
- 2 Meeting customer experience expectations
- 3 Scaling technology for growth

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Personalizing customer engagements
- 3 Keeping up with demand

Technology Considerations and Use

Use of CRM

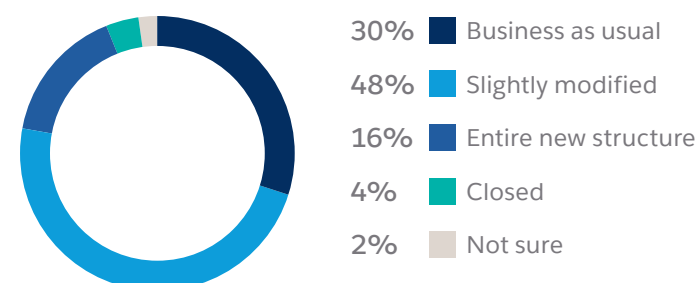


Top Considerations for New Tech Evaluation***

- 1 Ease of use
- 2 Trustworthiness of vendor
- 3 Impact on customer experiences

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced customer demand
- 2 Reduced revenue
- 3 Changing regulations

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Rehiring staff who were previously laid off
- 3 Decreasing staff

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Philippines (102 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Meeting customer expectations
- 2 Money/access to capital
- 3 Establishing/maintaining processes

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Planning for the long term
- 3 Financial management

Top Factors Constraining Future Growth*

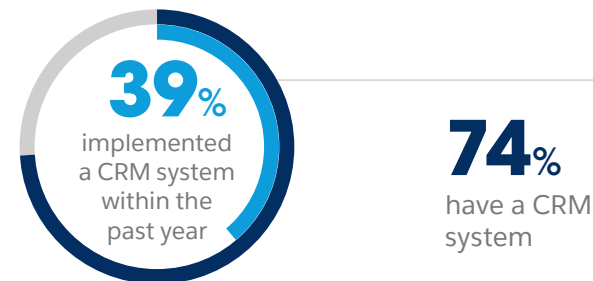
- 1 Maintaining financial growth
- 2 Meeting customer experience expectations
- 3 Establishing/maintaining processes

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Personalizing customer engagements
- 3 Implementing safety or sanitation measures

Technology Considerations and Use

Use of CRM

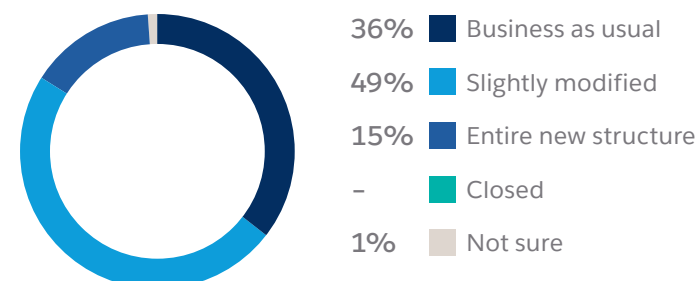


Top Considerations for New Tech Evaluation***

- 1 Impact on customer experiences
- 2 Trustworthiness of vendor
- 3 Price

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Public health mandates
- 2 Reduced customer demand
- 3 Supply chain disruptions

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Rehiring staff who were previously laid off

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Singapore (101 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Money/access to capital
- 2 Hiring the right talent
- 3 Meeting customer expectations

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Planning for the long term
- 3 Financial management

Top Factors Constraining Future Growth*

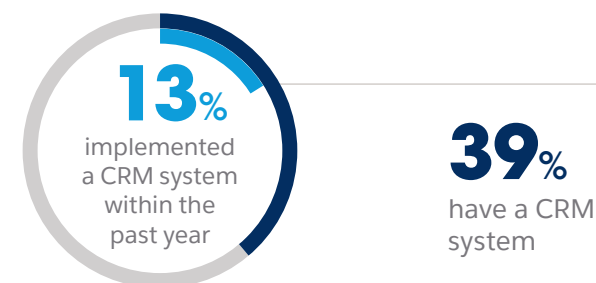
- 1 Maintaining financial growth
- 2 Scaling technology for growth
- 3 Meeting customer experience expectations

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Keeping up with demand
- 3 Personalizing customer engagements

Technology Considerations and Use

Use of CRM

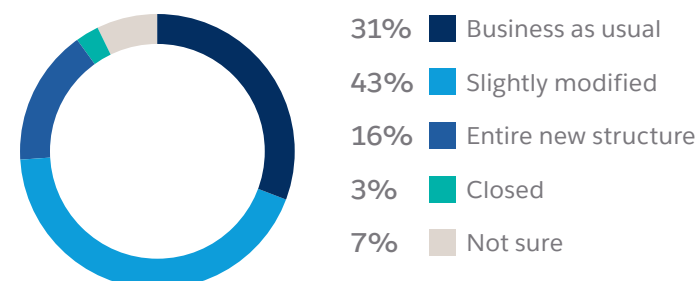


Top Considerations for New Tech Evaluation***

- 1 Trustworthiness of vendor
- 2 Ease of use
- 3 Price

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced customer demand
- 2 Reduced revenue
- 3 Changing regulations

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Closing the business for a short period of time

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Thailand (102 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Meeting customer expectations
- 2 Money/access to capital
- 3 Finding the right tech to meet our needs

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Retaining existing customers
- 3 Effectively using tools and technology

Top Factors Constraining Future Growth*

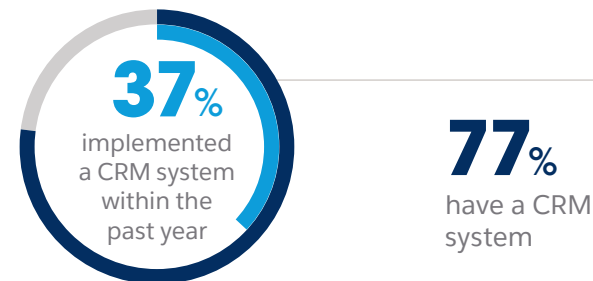
- 1 Meeting customer experience expectations
- 2 Maintaining financial growth
- 3 Scaling technology for growth

Top Customer Experience Challenges**

- 1 Keeping up with demand
- 2 Bringing innovative offerings to market
- 3 Personalizing customer engagements

Technology Considerations and Use

Use of CRM

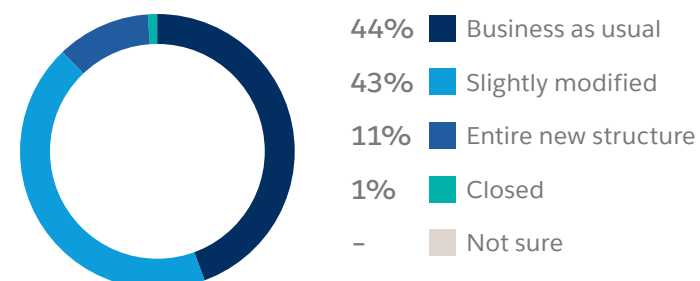


Top Considerations for New Tech Evaluation***

- 1 Trustworthiness of vendor
- 2 Ease of use
- 3 Impact on customer experiences

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced customer demand
- 2 Reduced revenue
- 3 Supply chain disruptions

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Rehiring staff who were previously laid off
- 3 Decreasing staff

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

*** Includes responses of extremely or very important.

Country Profile

Australia/New Zealand (202 SMB leaders)

Running and Growing an SMB

Top Factors Constraining Operations*

- 1 Meeting customer expectations
- 2 Money/access to capital
- 3 Establishing/maintaining processes

Top Personal Challenges for Business Growth*

- 1 Acquiring new customers
- 2 Planning for the long term
- 3 Achieving work-life balance

Top Factors Constraining Future Growth*

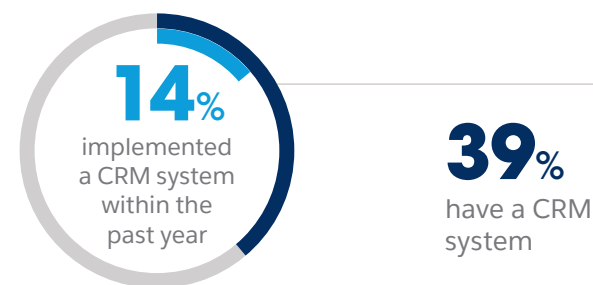
- 1 Maintaining financial growth
- 2 Meeting customer experience expectations
- 3 Establishing/maintaining processes

Top Customer Experience Challenges**

- 1 Bringing innovative offerings to market
- 2 Personalizing customer engagements
- 3 Keeping up with demand

Technology Considerations and Use

Use of CRM

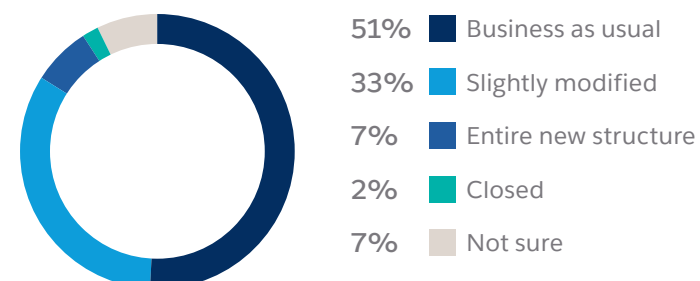


Top Considerations for New Tech Evaluation***

- 1 Trustworthiness of vendor
- 2 Ease of use
- 3 Price

Impact of the COVID-19 Pandemic

Expectations for Business After COVID-19



Top Factors Constraining Future Growth Due to the COVID-19 Pandemic

- 1 Reduced revenue
- 2 Reduced customer demand
- 3 Public health mandates

Considerations for Future of Business Due to the COVID-19 Pandemic

- 1 Applying for financial assistance
- 2 Decreasing staff
- 3 Closing the business for a short period of time

* Up to three responses accepted for this question.

** Includes responses of major or moderate challenge.

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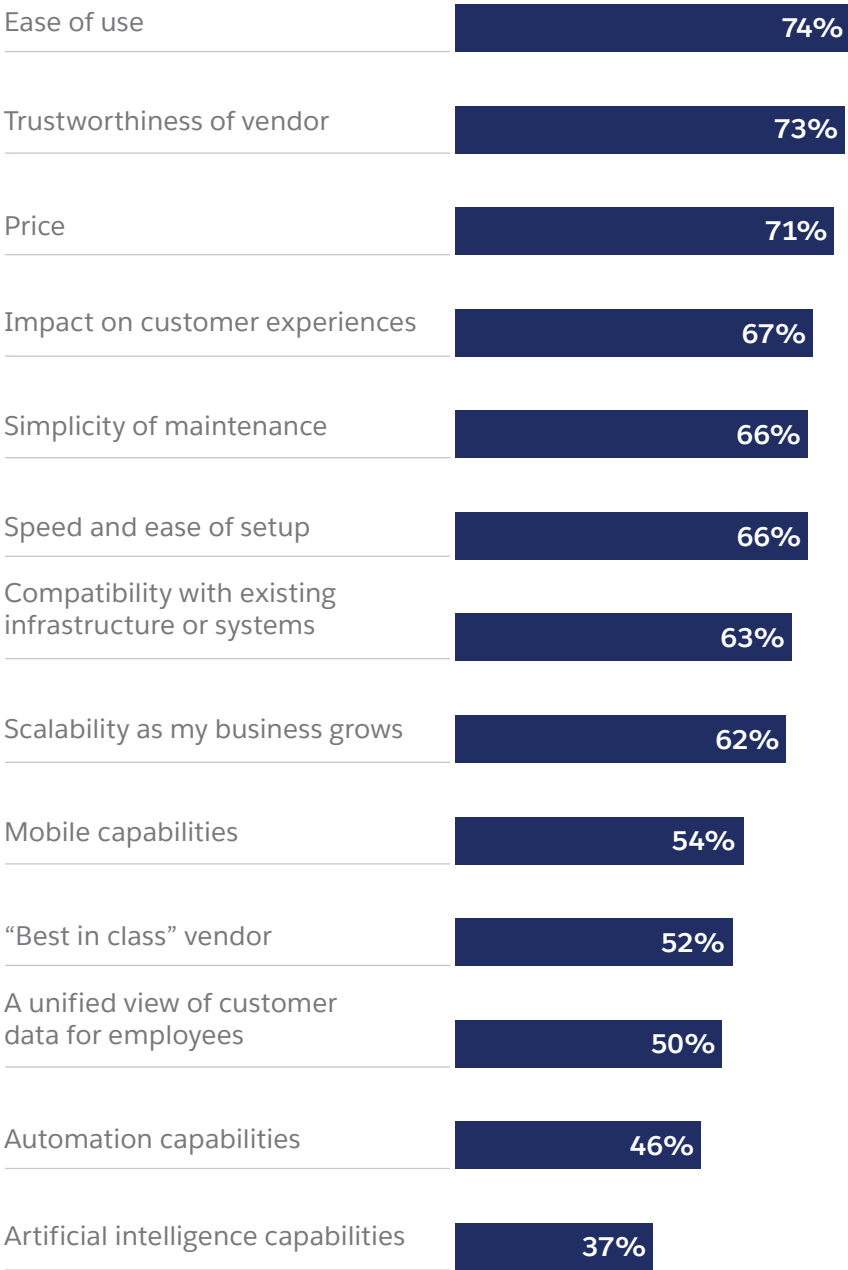
Appendix



Appendix

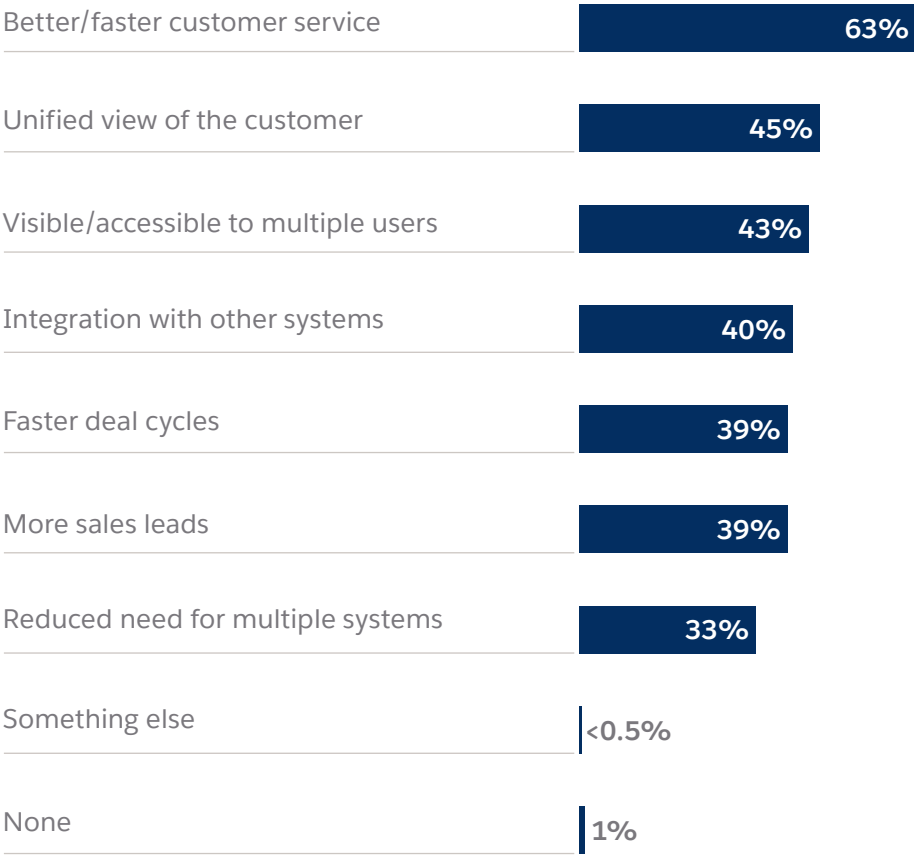
All Respondents

Percentage Rating Each Extremely/Very Important When Evaluating New Technology



Benefits of Having CRM System

(Among those who have a CRM system)



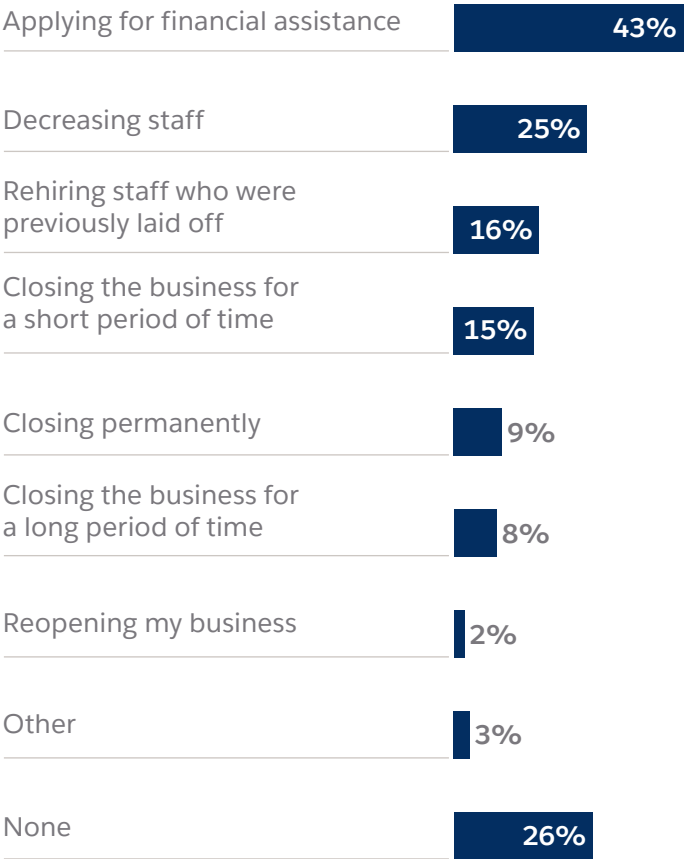
Appendix

All Respondents

Biggest Challenges SMBs Personally Face When Growing Their Business*

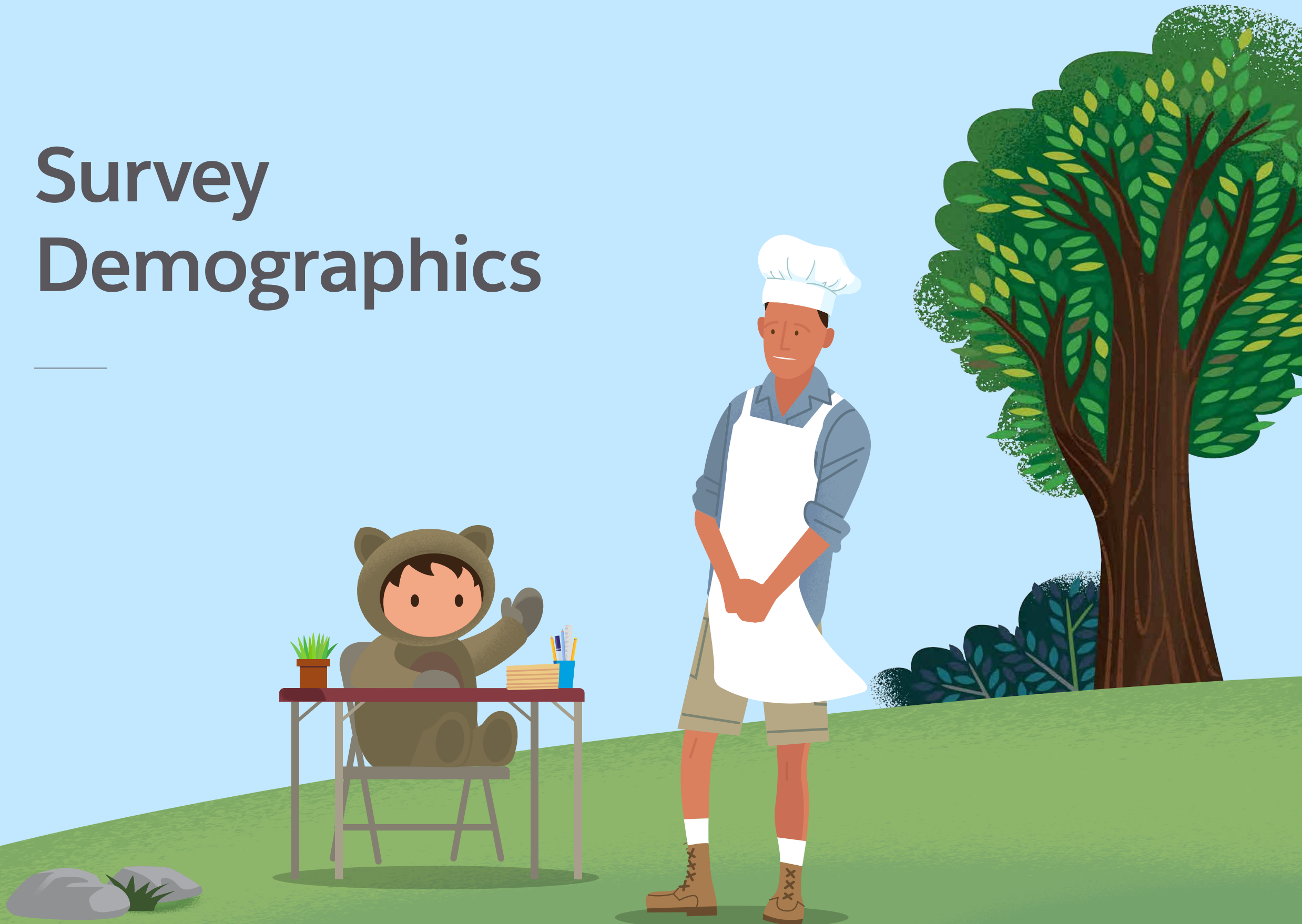


Percentage of SMBs Considering the Following in the Future



* Up to three responses accepted for this question.

Survey Demographics



Survey Demographics

Firmographics

Company Size

Small (2-20 employees)	58%
Medium (21-200 employees)	42%

Business Model

Business-to-consumer (B2C)	45%
Business-to-business (B2B)	28%
Business-to-business-to-consumer (B2B2C)	27%

Revenue over the Past Six Months

Growing	35%
Stagnant	18%
Declining	48%

Role Within Company

Business owner	87%
Senior executive (e.g., CEO, CFO, COO)	13%

Country

United States	7%
Canada	7%
Brazil	7%
United Kingdom/Ireland	7%
Spain	7%
France	7%
Germany	7%
Italy	7%
Netherlands	7%
India	7%
Philippines	7%
Singapore	7%
Thailand	7%
Australia/New Zealand	7%

Region

North America	14%
South America	7%
Europe	43%
Asia Pacific	36%

Leader Demographics

Generation

GenZers/Millennials (18-38)	36%
Gen Xers (39-54)	40%
Traditionalists/Baby Boomers (55+)	25%

Gender

Male	65%
Female	35%

Household Income

Low	15%
Medium	53%
High	30%

