

UNDER USED, UNDER THREAT:

Five critical technology challenges small businesses need to overcome now...





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TIME TO EMBRACE TECHNOLOGY...

One of the toughest decisions the leader of a small business can face is knowing how and when to invest in technology so it can boost growth, enhance productivity, and help safeguard the future of the business.

First Voice, the magazine of the Federation of Small Businesses, wanted to understand how small businesses make use of technology and how they make strategic decisions around IT investments and deployment.

Working in partnership with Cisco, *First Voice* ran the Small Business IT Survey 2018 via its website to establish the circumstances in which small business leaders make critical decisions on buying IT hardware, services, or hiring staff and/or consultants.

The results were nothing short of staggering...

Instead of using recent technology advances to help transform their businesses, decision-makers often seemed swamped by the pace of digital change and its impact on the workplace.

For many small businesses, a decision seems imminent: either embrace change and adapt or risk the consequences as rivals become fully fledged digital businesses.

In this whitepaper, we examine key findings from the Small Business IT Survey 2018 and outline five critical challenges to be overcome if small businesses are to prosper in a rapidly digitising economy.



CHALLENGE: technology – the underused resource

An overwhelming majority of decision-makers view technology as something to empower agile working and increase productivity; however, it's an opinion that doesn't necessarily translate into practice.

Show me the money...

While more than three-quarters of decision-makers hold the view that technology is something to empower agile working and increase productivity, our survey found that more than nine of out 10 spend less than a quarter of their budget on IT.

Tellingly, while nearly three-quarters of small businesses do recognise IT as a crucial part of day-to-day practice, fewer than one in five have a dedicated in-house IT manager.

The Small Business IT Survey 2018 also found that seven out of every 10 small businesses spend just 0 to 10 per cent of their budget on IT. A small investment, considering how necessary they think it is.

Making the correct investment

If IT is the key to productivity, as decision-makers claim, then more investment could be beneficial. The trick for small businesses is knowing when and where the money should go.

Each small business is different, so it's hard to say how much should be invested and on what sort of technology. However, when it comes to IT infrastructure it's important that **a small business considers its options carefully**, so it can continue to deliver a high level of security and productivity.

Here are three critical areas to consider:

- **Security updates** – infrastructure can be in place long-term, so access to the latest software is a vital way to promptly remove bugs and vulnerabilities
- **Ensuring authenticity** – reduce the risk of counterfeit equipment by insisting on an 'authenticity clause' in supplier contracts
- **Ensuring support** – if a problem occurs with hardware and software, who do you call? Good-quality vendor or manufacturer support can ensure your business stays on track



Becoming more productive

The right kind of IT investment can make a small business more efficient and enable reinvestment in innovation to boost growth – and there are several approaches that could, ultimately, lead to savings:

- **Move to the cloud** – benefit from paying only for what you consume and not having idle resources
- **Managed IT services** – achieve more with a leaner IT staffing structure and access to dedicated expertise
- **Analytics** – gain the operational insights you need to reduce costs and run a lean business
- **Collaboration** – benefit from tools that improve communication and help staff work together better

Funding it

Ensuring a small business has the right technology to stay competitive can mean funding a robust network to accommodate new devices and forms of connectivity. Cash-rich businesses might consider buying the technology outright, but in a world of differing investment priorities, alternative options such as bank loans or **leasing equipment might be a more useful way to ensure a business gets the tools it needs to operate at maximum efficiency.**



Sources:

First Voice's Small Business IT Survey 2018

[Cisco's Best reasons to lease your Small Business IT Solutions blog](#)

[Cisco's Reduce business costs with a smarter approach to IT investment blog](#)

[Cisco's Quality rules: Don't take risks with your IT infrastructure blog](#)



CHALLENGE: **burdened with extra responsibility**

Running a small business requires decision-makers to wear several hats. In addition to core activities, they can variously be the person responsible for marketing, HR, accounts and sales. Now add to that list of duties... chief technology officer.

Who is running the IT?

According to the Small Business IT Survey 2018, two out of every three small businesses have never used an outside organisation to run their IT and, as previously noted, fewer than one in five have a dedicated in-house IT manager.

If an external business is not responsible for running a firm's IT – and there is no-one in-post to oversee technology – the burden must be spread across the remaining employees, taking them further away from their core responsibilities and eating up more of their time.

Busy boss

For around two out of every five employers, it's the business leader who is responsible for delivering staff IT training, while of the eight out of 10 businesses that don't have an IT manager or consultant, IT accreditations are either the responsibility of the business leader or they simply aren't acquired.

Keeping up with advances in technology can be difficult, so it's reasonable to ask if a boss is too busy to ensure the necessary safeguards are in place to guarantee that technology and data is managed responsibly.

Early adopters

Of course, the counter-argument is that these businesses are too small to concern themselves overly with technology. However, of those business that have hired outside help or appointed an IT manager, eight out of 10 said they did so before the business grew beyond 10 employees.

The signal here is that while many small businesses take on additional burden by running their own IT, those that recognise that specialist help is needed often do so at an early stage. Prioritisation so early on highlights the direct need – even by microbusinesses – of good technical support and infrastructure management.



Automating tasks

Small businesses often can't work any harder, so they need to work smarter. Can they automate tasks that were previously the responsibility of a human? Or what about using technology to free up time and make smarter decisions?

Application Programming Interfaces (APIs) can help **grow a small business by simplifying the way it uses digital services**, streamlining operations and developing products.

APIs are designed for app-to-app communication. One example of their use is how digital service providers – from Facebook to Google to Salesforce – provide APIs to integrate outside business systems with their technology. With a few simple lines of code, a business can pipe data about its social media performance, web traffic or sales figures directly into its reporting dashboard.

In much the same way, artificial intelligence could improve **the efficiency and quality in the way many small businesses work**.

Get specialist help

Regardless of the size of a business, if it's making significant investment in technology, then consideration should be given to making use of professional service and support packages as part of the primary purchase. In addition to online training courses, there are already providers in the market who can supply specialist tech support for overwhelmed and/or non-specialist IT managers.



Sources:

First Voice's Small Business IT Survey 2018

[Cisco's How the API economy can help grow your business blog](#)

[Cisco's How AI will revolutionise team meetings blog](#)



CHALLENGE: cybersecurity – a threat not taken seriously

For a small business with limited resources, a cyberattack could be catastrophic. But our survey found that over a third of small businesses don't have a contingency plan in place for falling victim to a cyberattack.

Perhaps more arresting still, one in 10 businesses didn't make use of any IT security whatsoever.

Guess who?

As we have already seen, business leaders are stretched with responsibilities; yet, inevitably, our survey found that almost half are also responsible for IT security.

Given how much is already the responsibility of the business leader, it's justifiable to ask if enough time is being dedicated to the security of their IT systems.

It's telling that if the business leader is not responsible for security, the next most responsible entity is the security built into features and updates of the software and hardware a business uses.

The risks

Government figures released in April 2018 reported that two in five micro and small businesses had identified at least one breach or attack in the past 12 months, which could impact profits and reduce consumer confidence.

Of course, the financial impact is usually the most problematic for a small business and can represent a risk to its operation. In addition to the immediate financial risk, however, small businesses also need to consider the potential for reputational damage and the risk that customers might well shun a firm that's perceived as having vulnerabilities.

So what can they do about it?

Critical questions

A good first step for any small business is to understand its vulnerabilities, critical data and infrastructure. This task is easily completed by a business owner asking themselves a series of questions:

- Could a ransomware attack disrupt my business?
- Could a security breach impact my supply chain or my role in a supply chain?
- What would happen if an attack caused my website to go down?
- Does my company rely on e-commerce features on its website?
- How long could the site be down before the business lost money?
- Is my company insured against cyberattacks or misuse of customer data?
- Is this insurance adequate?
- Does my company have backup and recovery capabilities to restore information?



By running through these questions, a business owner can start to understand how they might be impacted by a security breach. The next consideration is where this breach might occur and the steps to put in place to limit the likelihood of this happening.

Limiting security breaches

Make security a priority for everybody – it isn't just an issue for the technology specialist, everyone must buy in to preventing cybercrime.

- **Password protection** – set a robust policy and ensure it's strictly enforced across the business
- **Be aware of ransomware** – criminals can virtually hold a business hostage with encryption, so understand how to limit its impact
- **Understand business email compromise** – these are targeted attacks in which hackers use social engineering to trick people into transferring money to them
- **Supply chain attacks** – criminals target small business in a supply chain because they often have weak security, especially around sharing information. The attacker uses the small business as a way in to exploit their intended target
- **Stacking problems** – a patchwork of incompatible security technology leaves gaps, creates management headaches and makes inefficiencies upon which hackers thrive
- **Shadow IT** – it can create huge security vulnerabilities, especially when a business owner doesn't know how much non-business software and hardware is used day to day



Sources:

First Voice's Small Business IT Survey 2018

[Gov.uk – cyber-attack press release](#)

[Cyber resilience: how to protect small firms in the digital economy](#)

[Small Business Security Essentials eBook](#)

CHALLENGE: where's the data?

Challenge: where's the data?

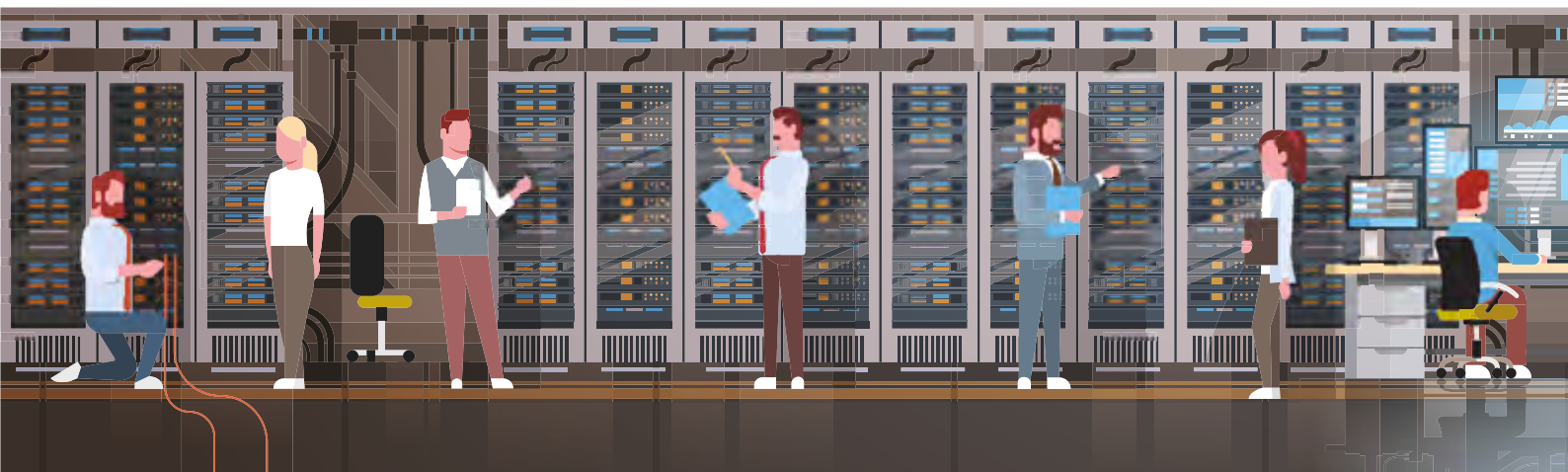
A recent government survey found that two out of five small businesses claim that cybersecurity is a high priority for their organisation's senior management – and this number is growing year on year.

However, the results of our survey show that despite increased awareness and an expression of prioritising cybersecurity, best practice is not always exercised across the board.

On-site storage

Half of the small business decision-makers we surveyed said they use a hybrid of on-site data storage and on the cloud, yet around one in three store all their data on-site while almost one in six store all their data off-site.

The Government's Cyber Aware scheme advises individuals to safeguard important data by backing it up to an external hard drive or a cloud-based storage system that is not permanently connected to the device being backed up either physically or over a local network connection.





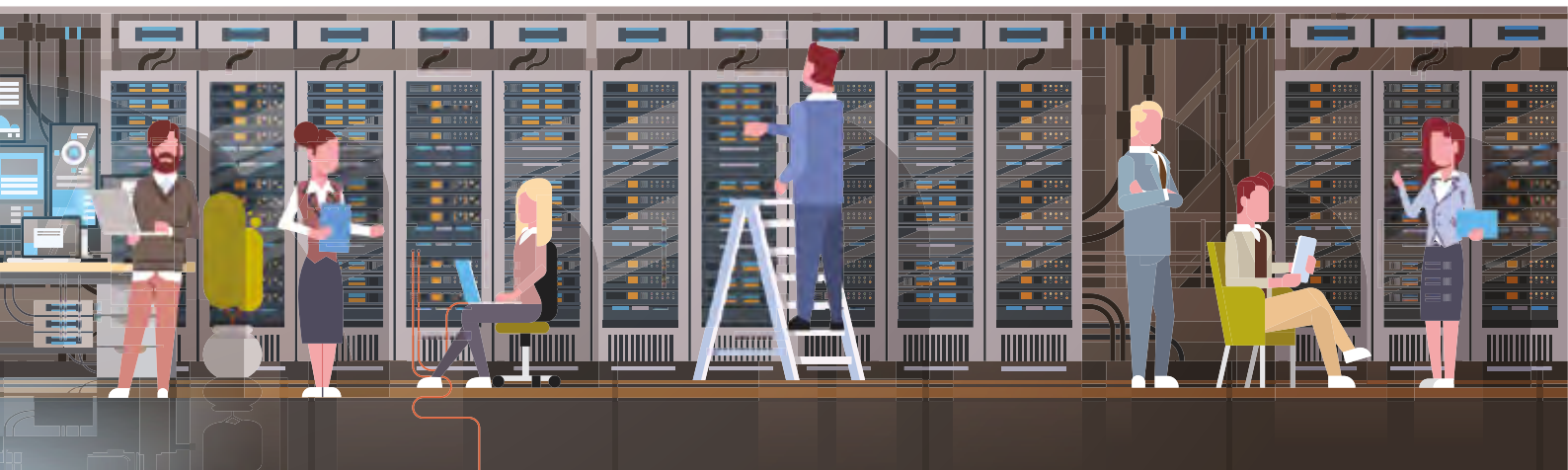
Data breach

Data is at the heart of everything a small company does: it's intellectual property, a next big break, customer records, and, ultimately, the business's revenue. A breach costs much more than just fixing outages and damaged systems.

Building a strong security position can help protect a business's intellectual property and reputation. Remember, on average it takes organisations 191 days to detect a breach and 66 days to contain it. Yet the key to damage limitation is early detection.

Data protection

Businesses are legally obliged to protect the data they store about others and keep records about it – that's why it's of the utmost importance that every business owner has a robust data storage policy in place.



Sources:

First Voice's Small Business IT Survey 2018

[Small Business Security Essentials eBook](#)

[Cyber Security Breaches Survey 2018](#)

[2018 Cyber Resilient Organization Study](#)

[Information Commissioner's Office guide for organisations](#)

[Cyber Aware website](#)



CHALLENGE: helping employees make better use of technology

It's widely accepted that the UK is facing a crisis in the number of skilled technology professionals in the economy, but for many small businesses improving productivity is as much about sharing simple insights and enabling staff by providing the right tools and vision for what can be achieved through their use.

Everyone up to speed?

A business looking to reduce the likelihood of a security breach or lessen the risk of essential systems being crippled by a cyber attack can take a big step toward these goals with some simple technology best practice training.

However, training doesn't need to be limited to preventing cybercrime; it can also focus on helping staff to use technology to work in a more agile manner for the benefit of the business, which makes it all the more surprising that almost half of those responding to the Small Business IT Survey 2018 said they don't deliver any IT training to staff.

Five tips for tackling skills shortages:

- **IT training** – but on your terms: that could mean online courses, how to guides or video libraries
- **If you have an IT support contract** – pick up the phone!
- **Free up time** (and bring in capability) by outsourcing parts of IT
- **Get project management support for big changes** – like deploying an Internet of Things solution or a network refresh
- **Fill in the gaps with automation** – free up time to focus on gaining skills or difficult tasks

Better working practices

Of course, helping employees make better use of technology isn't just limited to an offer of training or bringing in expert help. Knowledge is vital but it's just as important to provide the infrastructure and environment staff need to work smartly with technology, so they can improve productivity and make a business more effective.

It's interesting to note that working practice and the infrastructure a business has in place are now considered by many as key elements in helping hire and retain the best staff.



It's telling that the Small Business IT Survey 2018 found that half of small businesses admitted they'd lost a job candidate or an employee due to limited working practices and that around one in 10 had lost out because they couldn't enable working from multiple locations.

As a further indication of how many small businesses are not yet maximising technology to boost productivity, when we asked decision-makers about software just one in 10 said they made use of collaboration tools; suggesting that for many businesses old silos and working practice were still the norm.

Modern workplaces

The days of people sitting in rows of desks is over. Modern workplaces put together teams of specialists who could be working at home, in an office, a hotel or even an airport. Technology is enabling this on-demand workforce – and an increasing number of employees expect this level of flexibility.

The right tools

One of the best ways a small business can increase productivity is by giving employees tools that give them the flexibility to work wherever they are – on whatever device they want – while fully participating in meetings and collaborative projects.

That could mean using:

- Video collaboration – virtual meeting spaces with screen and document sharing that are easy to access on any device and allow storage in a secure cloud environment
- Collaborative workspaces – secure, virtual areas for messaging, document storage and task management

Owners need to consider how tools like these could help get things done in real time and add a layer of dynamism that was previously lacking.

Sources:

First Voice's Small Business IT Survey 2018

[Small Business Collaboration Essentials ebook](#)

[Cisco's How the right tools are the secret to a creative, productive, happy workforce blog](#)

[Computer Weekly](#)

[Cisco's 5 tips to tackle the talent gap when recruitment fails blog](#)



A SMARTER WAY TO WORK...

For lots of small businesses, creating a flexible and productive work environment can mean tackling several systemic and working practice issues. However, we hope we have shown a path for committed businesses owners to overcome these challenges and create efficient and industry-leading organisations equipped for business in the new digital economy.

Want to find out more?

If you would like to understand how agile working could benefit your business.

[Find out more here.](#)



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