

Small and Medium Businesses and the Drive to a Connected World



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Steve Hilton, *Enterprise Research, Converged Solutions Vice President* | May 2007

The Bottom Line:	Don't settle for less. Small and medium businesses deserve top-notch vendors offering integrated technology solutions, security, ongoing support, committed channel partners and simple financing options.
Key Concepts:	Technology integration, technology financing
Who Should Read:	Small and medium business owner, founder and president

Be Confident: Grow, Protect, Simplify and Support Your Small-to-Medium Business

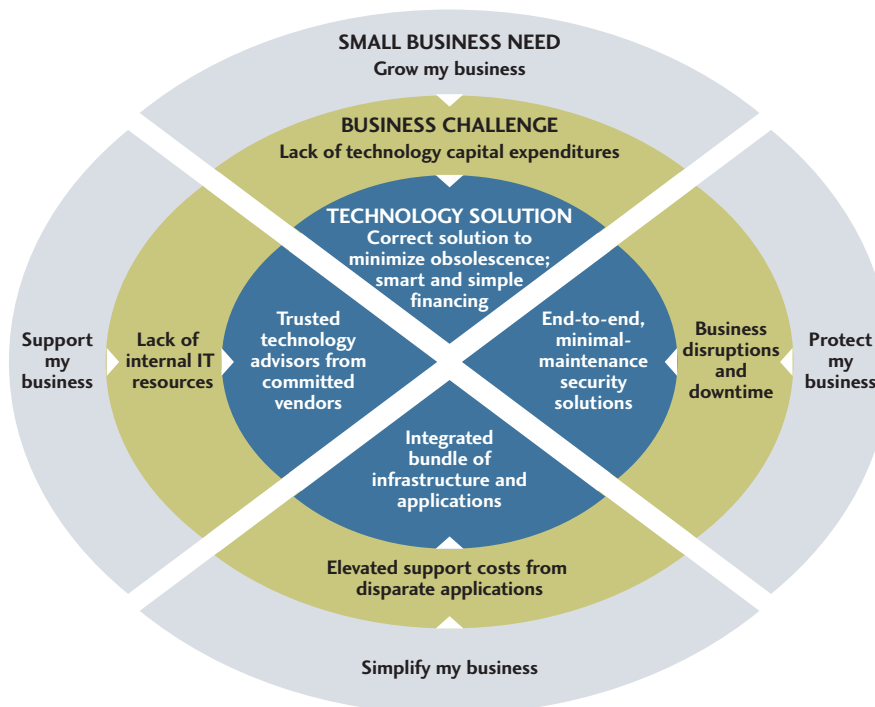
Small and medium businesses around the world face four key business challenges: growth, protection, simplification and support. If they conquer these business challenges, they can reap the rewards of success, whether these rewards are enhanced cash flow, increased business stability or a more easily blended home/work balance. But how can small and medium businesses take advantage of the myriad technology solutions in the market? How should they pick affordable winning solutions?

Growth, protection, simplification and support are the four basic requirements of all small and medium businesses (see Exhibit 1). Our list, although not exhaustive, focuses on those solutions that fuel businesses' drive toward a connected world.

Exhibit 1

Top Four Small and Medium Business Challenges and Solutions

Source: Yankee Group, 2007



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Grow My Business

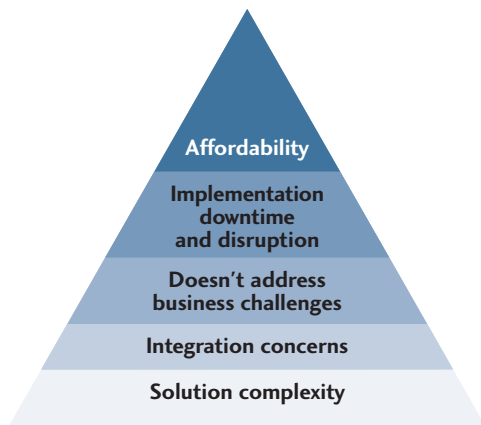
Growing a business affords some owners expanded financial opportunities, while other owners receive increased lifestyle flexibility. Small and medium businesses are constantly bombarded with requirements from customers, suppliers and employees. These requirements can place constraints on a business' processes and systems, leading to slower response time, lower customer satisfaction and higher operating costs.

Technology can aid a small and medium business' connectivity to customers, suppliers and employees, but the business must select the right technology solution with its future needs in mind. Often, a business selects lower grade, non-enterprise-class technology to save money. Or the small and medium business doesn't even realize it is selecting consumer-grade solutions. These solutions, often penny-wise and pound-foolish, require replacement within short periods of time as the business evolves.

Selecting the appropriate technology solution is step one in maximizing a business' growth and lifestyle flexibility objectives. Step two requires handling the financial demands of purchasing and managing technology solutions. Coupled with sound advice from financial advisors, smaller businesses should consider financing their technology investments. Financing can help overcome premature technology obsolescence by enabling small and medium businesses to purchase today's correct business solution, which will grow into the correct solution for tomorrow.

Premature technology obsolescence imputes massive inefficiencies on a small or medium business, both from ill-made investments and the time required to implement and support the old technology solutions. Financing overcomes one of a small or medium business' largest business challenges: lack of capital funding for technology (see Exhibit 2).

Exhibit 2
Barriers to SMB Technology Adoption
Source: Yankee Group, 2007



Protect My Business

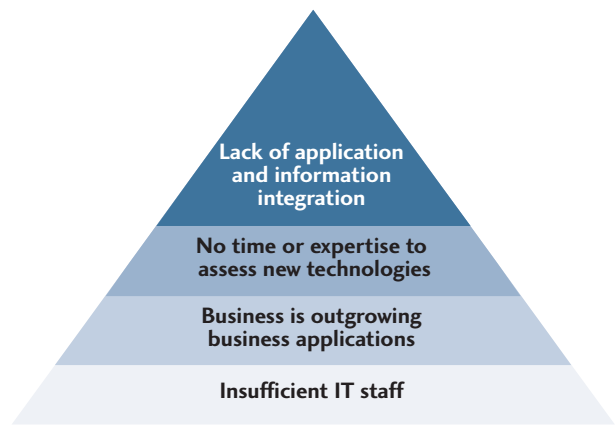
Security is the top IT infrastructure issue for small and medium businesses. While anti-malware has previously been the extent of security solutions for smaller businesses, more and more recognize their increasing needs for early intrusion detection. These small and medium businesses understand the damage those with malicious intent—hackers or employees—can wreak on their businesses. In addition, small and medium businesses can often create their own security problems through neglect, for example, by forgetting to update security patches and turning off corporate firewalls by accident.

Small and medium businesses need technology solutions that incorporate end-to-end security solutions, protecting the businesses yet requiring minimal upkeep on the part of an IT staff. Owners and employees of small and medium businesses wear multiple hats and are responsible for many functions. They do not have the time or expertise to secure the IT and applications environments of the business, further making the case for security solutions requiring minimal day-to-day maintenance.

Simplify My Business

Small and medium businesses run multiple applications and rarely have the time or expertise to integrate their applications, infrastructure and communications environments. In fact, one-quarter of small and medium businesses say technology integration is their number-one applications challenge (see Exhibit 3). Lack of applications integration has both top- and bottom-line effects on small and medium businesses.

Exhibit 3
Top Technology Challenges for Small and Medium Businesses
Source: Yankee Group, 2007



As businesses integrate their technology environments, they can lower their IT operating expenses 10% to 15% per year as they focus on building a customer-first culture. Nonintegrated technology environments and applications lead to customer and employee frustration, negatively affecting customer satisfaction and the business' ability to compete in tough markets. The secure integration of business applications facilitates streamlined prospect tracking, ordering, customer support and sales support, which lead to higher levels of customer satisfaction.

Support My Business

When a small or medium business has specific IT or applications requirements, it should seek outside resources and rely on an IT consultant, agent, value-added reseller (VAR) or other partner. Small and medium businesses have few IT technologists on-staff. On average, businesses with 100 to 249 employees have five full-time and two part-time technologists. These technologists have general IT knowledge—a mix of desktop, e-mail, server, IT, communications and networking support—which is enough to enable a small or medium business to function day-to-day, but not is enough expertise or time to tackle complex IT projects. Outside IT resources often have certifications with technology vendors' partner programs to help guide small and medium businesses to current technology information.

These technology vendors' partner programs vary in scope and quality. The best partner programs invest greatly in partner training, certification, ongoing marketing support and development. In addition, the best technology vendors recognize the requirements of small and medium businesses and have special partner programs and certifications tailored to these customers.

Recommendations for Small and Medium Businesses

- **Realize integrated solutions of infrastructure and applications will save you time and money and will increase satisfaction inside and outside your business.** Don't be penny-wise and pound-foolish. In today's competitive technology world, you can have your cake and eat it too.
- **Use financing wisely to help you purchase a solution that will grow with your business.** Premature technology obsolescence can cripple a small or medium business, wasting valuable capital and labor resources. Vendor financing programs have grown more attractive and sophisticated to rapidly facilitate a technology purchase for small and medium businesses.
- **Before investing in an integrated technology solution, compare the support that each vendor provides its sales channel.** The best vendors have deep, trusted relationships with their channels. Vendors should offer regular training programs, certifications specific to small and medium businesses and 24x7 channel support. Be sure to get reference customers from both your channel partner as well as from the vendor of your technology solution.
- **Choose technology solutions that minimize your day-to-day involvement in securing your IT environment.** Small and medium businesses don't have the time or expertise to dedicate IT staff to security. Technology solutions for small and medium businesses must have end-to-end security to protect against threats as well as unintentional security negligence on the part of the small or medium business.

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Corporate Headquarters

31 St. James Avenue
BOSTON, MASSACHUSETTS 02116-4114
617-956-5000 phone
617-956-5005 fax
info@yankeegroup.com

Europe

55 Russell Square
LONDON WC1B 4HP
UNITED KINGDOM
44-20-7307-1050 phone
44-20-7323-3747 fax
euroinfo@yankeegroup.com

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