



# How investing in technology helps small businesses hedge against future uncertainty



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To keep pace with rapid global changes, small and medium-sized businesses (SMBs) are investing in technology as an evolutionary advantage. Understanding where and how technology and technology partners fit into that evolution is mission-critical, especially given the unique and specific needs of most SMBs.

SMBs need solutions to help them quickly and efficiently adapt to rapidly changing economic conditions — such as rising energy costs, potential recessions, and growing cybersecurity threats. Technology offers the ability to help, but businesses can better navigate the ever-changing landscape with a partner who understands the needs of the business — both operational and financial.

## SMBs are the backbone of the global economy

To say that SMBs are critical to a healthy global economy is not an understatement. SMBs constitute more than 99% of all businesses worldwide.<sup>1</sup> They serve as vital creators of jobs and contribute 61% and 45% to the GDPs of high-income and middle-income nations, respectively. They are also the income generator for hundreds of millions of workers around the world, who then use that income to support their local economies and contribute to the growth of other businesses.



99%



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# The big picture: Macroeconomics and the workplace

The pandemic hastened many SMBs' reliance on technology. As work shifted to fully remote or hybrid environments, business owners turned to technology to ensure teams were connected, efficient, and productive.

According to the U.S. Chamber of Commerce Technology and Engagement Center, 86% of SMB owners credit technology with helping their business through COVID. 87% even felt that technology helped grow their business in a time of challenging conditions and economic uncertainty.<sup>2</sup>

The shift in where work takes place is ongoing. By the end of 2021, 91% of SMBs indicated that at least 10% of their employees were able to work remotely. Through 2024, 86% of SMBs expect to have at least some portion of their workforce working remotely in some capacity.<sup>1</sup>



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In addition to the redefinition of the workplace, SMBs have been acutely affected by wider economic challenges including workforce shortages, inflation, and the possibility of a recession.

To address staffing shortages, SMBs have turned to technology. 80% of SMB owners reported that tech tools allowed them to better manage staffing issues and find high-quality candidates to fill needed roles.<sup>2</sup> Despite mixed economic headwinds and an environment of increasing interest rates, most small businesses have been able to operate in growth mode. 71% of SMBs reported revenue growth in 2022 compared to 2021.<sup>1</sup>



## Tech powers SMB success

More than equipping business owners with the tools they need to recruit or manage a hybrid or remote workforce, technology can be a force multiplier for many SMBs. When it comes to the day-to-day operations of small businesses, 85% of business owners claim technology solutions help them get up and running, and a near-unanimous 94% say that technology allows them to run their business more efficiently.<sup>3</sup>

For many businesses, technology is their lifeline. According to the U.S. Chamber of Commerce, 77% of small businesses say they would struggle to survive without access to their technology platforms.<sup>2</sup>

About two-thirds of SMBs view their use and adoption of technology to be in line with other businesses in their industry, their community, or businesses of a comparable size.<sup>2</sup>



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## Technology strategies rely on the right partner

The right technology partner can help make sense of the critical role tech plays in small businesses. Overcoming the unique challenges small businesses face starts with demystifying technology and translating its benefits to help apply the right solutions.

In the “Microsoft small and medium business (SMB) voice and attitudes to technology study” prepared by Analysys Mason, the report noted that, **“Three quarters of SMBs have dedicated internal IT staff...[but] SMBs’ internal IT staff rarely specialize in areas that are essential to the adoption of new technology, such as platform development or cyber security. As such, 45% of SMBs also use external consultants to manage their technology.”**<sup>1</sup>

What are SMBs looking for when talking to a technology partner? About half of SMB business owners want advice on which of the latest technologies best fits their needs, as well as help navigating the latest security measures.<sup>1</sup> More than making purchase decisions, business owners are looking for a technology partner that offers consultative insights.

## Trends in SMB tech spending

Platform as a Service (PaaS) spending is forecasted to grow by 18% between 2022 and 2023.<sup>4</sup> This is a shift from a spending mindset that has largely been focused on device procurement. SMBs are looking for full-service solutions that offer device deployment, desktop support, security, and system recovery — features that are even more significant in a world where hybrid and remote work setups are expected to continue.



### SMBs are looking for full-service solutions that offer

- Device deployment
- Desktop support
- Security
- System recovery



# Sustainability as a competitive edge

Additionally, a greater focus on environmental, social, and governance (ESG) initiatives is expected to influence SMB technology spending. Globally, 24% of SMBs expect to roll out their own ESG initiatives, and 46% of SMB owners say they would be more likely to purchase from or work with partners with established ESG policies.<sup>4</sup>

Technology is one area in which small businesses can make direct progress on environmental efforts. While many devices are built with energy efficiency in mind, small businesses can also take advantage of carbon offset programs, environmentally responsible packaging and shipping options, and ways to reduce e-waste through asset recovery services and end-of-life disposal solutions.

## The future of tech for SMBs

The early adopters of technology tools will continue to enjoy an advantage. Comparing data from 2022 to 2021, 70% of SMB early adopters reported they were able to increase brand awareness or grow their customer base and 60% reported improved employee satisfaction compared to 53% and 40%, respectively, for technology laggards.<sup>1</sup>

Early adopters are also charting the path forward for SMBs in other ways. For example, the early adopters are far more likely to be utilizing the cloud as opposed to on-premises solutions. The emergence of artificial intelligence (AI) is another tool some small businesses are already leveraging with great success. AI is being used to automate tasks, provide customer service, and streamline bookkeeping, among other tasks. A recent survey of small businesses found that of those using AI, 91% said it has made their business more successful.<sup>5</sup>

One thing is clear: SMBs will continue to look to tech for ways to increase operational efficiency while reducing overhead. This is a key reason PC and Device as a Service (PC/DaaS) spending is increasing — particularly among early adopters navigating hybrid and remote workplace environments.<sup>6</sup>



**A quarter** of SMBs expect to roll out their own ESG initiatives.



**Nearly half** of SMB owners are more likely to purchase from or work with partners with established ESG policies.



# Resilience, as a service, with Lenovo + Microsoft

By leveraging digital tools and tapping into new trends, businesses can enhance their agility, streamline operations, and quickly adapt to ever-changing market conditions. Technology-driven solutions can empower small businesses to navigate uncertainties with resilience, positioning themselves for growth and long-term success in an evolving business landscape.

Solutions from Lenovo and Microsoft can equip SMBs with the forward-thinking confidence needed to weather uncertain economic conditions and stay ahead of accelerating trends in technology.



## Lenovo TruScale Device as a Service and Infrastructure as a Service

**Lenovo TruScale DaaS** gives you access to the industry's broadest technology portfolio without a large upfront investment. With **Lenovo Managed Services**, every aspect of the technology lifecycle is covered — from provisioning to deployment, support, management, and secure environmental disposal at end of life.

Run your business with the right infrastructure and storage in place without having to worry about day-to-day IT management. **Lenovo TruScale IaaS** offers flexibility and scalability to meet the needs of growing businesses.



## Lenovo Windows 11 Devices with Microsoft 365

Achieve peak productivity with the apps you need to do things right. **Windows 11 and Microsoft 365** running on a modern Lenovo device have the power to match even the busiest workday. Lenovo devices with Windows 11 have purposeful features and functionality for enhanced portability and reliability, while a deeper integration with Microsoft Teams and other collaboration and communication apps streamlines the user experience for maximum productivity.

**Microsoft 365 Copilot** brings AI into Office with productivity-boosting features, new organizational tools, and more.



## Lenovo ThinkShield Security

**Lenovo ThinkShield** delivers built-in adaptable security solutions — such as remote management, self-healing BIOS, secure wipe, device usage and health, and firmware security — to defend against software and hardware attacks by ensuring firmware integrity and providing real-time alerts for any attack attempts.

In addition to the built-in features that expand on Windows 11 Pro security elements, Lenovo ThinkShield brings best-of-breed solutions together to ensure end-to-end cybersecurity for your business.



## Lenovo Sustainability Solutions

In addition to offering energy-efficient technology solutions with sustainability built into the devices, Lenovo provides a way to offset the carbon footprint of your technology purchases through **Lenovo CO<sub>2</sub> Offset Services**. The offsets support Climate Action projects verified by independent third-party organizations including the United Nations, CDM, Gold Standard®, and Climate Action Reserve.

With **Lenovo Asset Recovery Services**, you can minimize your environmental impact with responsible end-of-life asset disposal.

Join **Lenovo Pro** to contact one of our small business experts and tell us about your challenges and goals. We'll work together to customize a technology package tailored to your business.

### Sources

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