

Why your small business should invest in technology

The right technology can have a big impact on small businesses



Technology can enable your business to thrive rather than just survive

We're happy to see you here, digging into another educational resource developed to help you understand why investing in technology is important for your small business.

Running a small business can be a struggle

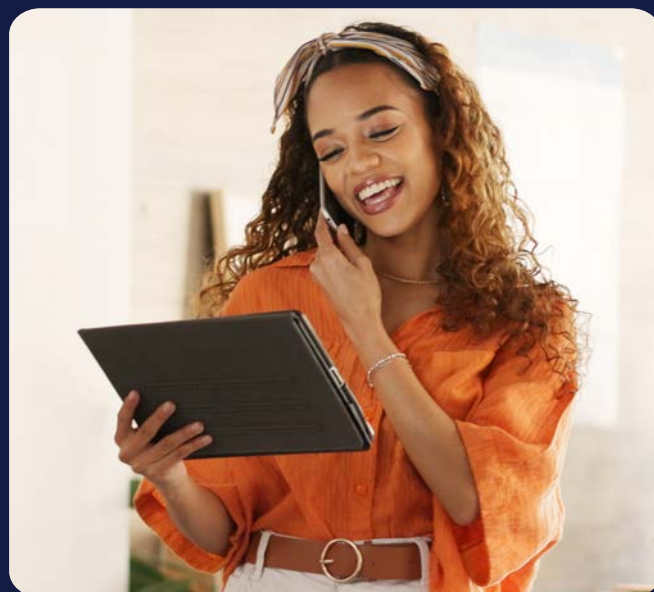
It's not hyperbole to say that small businesses drive the American economy. They're **especially important** for local economies in the communities they serve, recirculating far more revenue into their towns and neighborhoods than big corporations do.

One survey revealed that 94% of Americans **spend money with small businesses**, and more than half spend with a small business at least once a week. More than half of shoppers surveyed said they liked keeping money local.

All of that is great, but, unfortunately, "local" doesn't necessarily mean what it used to. In an online world, smaller companies can find themselves competing not only with each other but also with much larger enterprises and even, in some cases, with businesses around the world.

Amazon sellers, for example, can be based anywhere. Buyers might not know—or care—where their purchases come from. For restaurants, retailers and even some medical offices, however, the arrival of a national chain in the neighborhood can bring unwanted and potentially fierce competition.

The good news for small businesses is that their outlook has rapidly improved since the COVID pandemic of 2020. The U.S. Chamber of Commerce recently reported that 71% of small business owners say they **expect revenue to increase** in 2024.



Two-thirds of small businesses reported that their operations were in good health in Q3 2023, almost a 10% jump from Q2.

Still, that leaves about a third of business owners feeling as though their operations are in bad health, and it leaves nearly 3 in 10 worried about revenue shortfalls in 2024. Those are daunting numbers, even in a generally positive report. What can struggling businesses do to thrive and not just survive?

One decision that can have an immediate impact is an investment in technology. The return can be swift for a relatively minimal investment. Technology not only lets you run your business more efficiently, but it can also change—for the better—how you serve your customers and approach your market. It can set you up for success.

Using technology goes far beyond being on the web and social media

Probably the most obvious factor driving small businesses toward adopting technology is that everything is online now and has been for a long time. That's not to say that brick-and-mortar operations—particularly those that can't operate online—aren't viable. They can be. But today, businesses need an online presence.

That doesn't just mean a website or a social media page, both of which are necessary for almost all small businesses. There's more to being online than just having a shop window. Retailers need to be able to take orders online and ship them efficiently. Restaurants need online ordering, delivery services and reservation systems for diners, many of whom have come to expect that functionality. Even a medical office or consultants can benefit from an online system for making appointments.

Cutting manual processes leads to efficiency

It's not just about customer service, although that's a critical aspect of technology adoption. Good technology investments should enable you to run your business more efficiently. If you can eliminate a paper-based or manual process—say, taking an order or scheduling an appointment on the phone and then writing it in a book or entering the information into a computer—you should. Working online is faster, easier and less susceptible to human error. It also enables your employees to pursue other activities critical to your business.

For instance, automating bookkeeping with software or an online service can save you hours of manual data input and calculation. Even Microsoft Excel spreadsheets are a relatively antiquated way to keep the books. Automated services can enter

point-of-sale transactions for you and give you a real-time look at your critical business data, including revenue, expenditures and profit. You can also use technology to forecast critical numbers for upcoming months and quarters.

Automation offers so many ways to increase efficiency. Accounts receivable, deliverables, vendors, purchasing, operating and capital expenses, and more—whatever you need help with, there are applications that can automate those processes.

The bottom line: The less grunt work you have to do yourself, the better. When you're not manually keying figures into a spreadsheet, you can spend more time examining and improving the health of your business.

Analytics give you the power to run your business better

When you save time, you save money. You let yourself and your employees focus on strategic aspects of your business. But technology can do so much more than just help you run your company more efficiently. It can also help you run it smarter, with data analysis guiding you to make better decisions for both the short and long term.

Technology can give you a clear picture of the health of your business at any time, too. Using software and online services, you can get a "dashboard" view of all your business's up-to-date key metrics in one place, rather than having to chase down numbers in different places when you need them.

Technology gives you more than just visibility, though. Applications that offer data analytics can help you make better decisions by looking at existing metrics and forecasting where your numbers will be if you make specific decisions. You can project the results of strategic choices and use analytics provided by technology as a guide for moving forward. You have more than a rearview mirror; you have a portal to see into the future.

Technology can help you redefine customer relationships

Another view technology can provide is a brand-new, fresh look at your customer. One of the huge advantages small businesses have over larger counterparts is more personalized customer service. Almost half of small business shoppers **choose to shop small** because they enjoy the quality of service and goods smaller operations provide. They choose personal service and familiarity over price and convenience.

There is nothing more important for a small business than knowing their customers. Experts at American Express list getting a **clear view of the customer** as the number one way a small business can take on larger competitors. Big companies can break customers down by segments and market to them in bulk, but a small business can, in many cases, market very effectively to individuals.

To sharpen your marketing, you need to know exactly who your customers are. Gut feelings and hunches based on what you know about people and your community can help, but they won't provide the critical analysis you need. Customer relationship management (CRM) software and similar applications can give you visibility into what your customers want and how and when they want it. You can then use that insight to bring new products to market before your competitors do—and reach existing and prospective customers with extremely targeted messages.

Technology reduces the negative effects of human bias

All small business owners do their best to make good decisions for their companies. But they're also human. This means that, like anyone else, they can make bad decisions or rely too much on emotion or instinct when developing strategy. Experts warn against this, as noted in the **Harvard Business Review**.

Doubt and uncertainty can lead many business owners to take either the wrong action or no action at all, the article goes on to say. But technology helps provide an objectively clear-eyed view of the health of a business that owners or employees might not be able to see otherwise. Applications that offer data analytics can help owners make better decisions based on hard, cold data. That doesn't mean hunches don't matter, but technology can provide an effective counterweight to running everything based on a gut feeling.

A word of caution: Remember cybersecurity

Adopting technology isn't a cure-all. Yes, software and services can help you work more efficiently, analyze data more effectively and get to know your customers better. But it does come with some challenges. Cybersecurity remains a major concern for any business investing in technology.

That's not to say that running a business with software and online services is more dangerous than using paper or spreadsheets. It can, in fact, be safer, as long as you're intentional about protecting your critical data. Setting up an effective security infrastructure can be difficult and costly. Doing it properly requires expertise that can be expensive and hard to find. One major breach could bring down your business.

That's why owners of small businesses should consider outsourcing cybersecurity to experts who can provide round-the-clock protection. A security partner can keep data safe with equipment and expertise a small business would never be able to obtain—often for a very manageable monthly fee. And with experts backing up information in sophisticated data centers, small businesses can operate more safely than they would if they used in-house technology (or paper), which is susceptible to natural disasters and other unpredictable but destructive events.

Small businesses reap tangible benefits from adopting technology

The benefits of investing in technology aren't just theoretical. Studies show that the benefits of technology adoption for small businesses are both real and measurable. Take, for instance, a [recent survey](#) by the U.S. Chamber of Commerce Technology Engagement Center. The survey reveals that:


- **87%** of respondents say technology helps them run their businesses more efficiently.
- **88%** say technology has helped their businesses communicate more effectively with customers.
- **86%** say technology has enabled them to build stronger relationships with customers.
- **87%** say technology has helped them find new customers.
- **70%** say their businesses would struggle to survive without access to technology platforms.

Take a practical approach to technology adoption

Running a small business requires making choices. It's likely rare that you can invest in whatever you want whenever you want. Technology is no different. Other than cybersecurity, which is a genuine must-have for all technology investments, you'll probably need to pick and choose which applications you implement and how quickly you can adopt them.

Look at what your business needs now. If you're not running as efficiently as you'd like, consider workflow and automation applications that can help you eliminate manual processes. If you're feeling unsure about making strategic decisions, focus on data analytics. If you're having trouble finding or keeping customers, look at CRM or similar applications. As you build your technology stack, think about how you and your employees will access it. A cloud provider, for example, could help you get all your applications into one easily accessible platform.

As your business grows, you'll need to scale your technology infrastructure accordingly. Look for applications and services that can grow as your business does.



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But more than anything else, don't hesitate. Your competitors, big and small, are investing in technology that will help them run their operations more effectively. You don't want to fall behind. In fact, you want to do more than just keep up—you want to get ahead. And wise investment in technology can help your business do just that.





Summing it all up

We hope this eBook will help you recognize the value of investing in technology to run your business better. If you'd like an experienced guide to assist you in the financial areas of your business—someone who can provide personalized advice based on your specific business situation—and would prefer to work with a trusted advisor, we're available to help.

Just click the **GET IN TOUCH** button and complete the brief form or give us a call. We look forward to hearing from you!