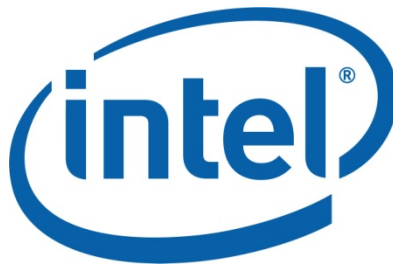


Small Businesses View Knowledge as Both a Key to Success and a Challenge

SMB Decision-Makers in Canada and Australia Share Same POV



Ipsos Reid

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Small Businesses View Knowledge as Both a Key to Success and a Challenge

SMB Decision-Makers in Canada and Australia Share Same POV

Toronto, ON – Decision-makers at small and medium-sized businesses widely recognize the benefit of acquiring and sharing business information within their organization, but they also find it challenging according to a new Ipsos Reid survey conducted in Canada and Australia on behalf of Intel.

Overall, three quarters of SMB decision-makers in Canada (74%) and Australia (75%) are familiar with the concept of “knowledge management,” with nearly two-thirds (65% in both countries) saying they manage information better today than they did two years ago. However, a majority in both Canada (63%) and Australia (57%) cite the need for further improvement of the management of information at their company. In addition, roughly half of SMB leaders (57% in Canada and 49% in Australia) say they could serve their customers better if they had better access to information.

The poll of over 600 decision makers at Canadian and Australian businesses with 20 to 100 employees found that improved business information management goes hand in hand with business growth. In both countries, SMB decision-makers who perceive their business to be growing faster than the competition are more likely to be familiar with the concept of knowledge management (78% in Canada and 81% in Australia), than those who feel their business growth is stagnant (69% in Canada and 59% in Australia).

While SMB decision-makers recognize the benefits of managing information and the means used to facilitate the flow of information at their company, they also cite challenges. Nearly half of them (46% in Canada and 48% in Australia) report not



having enough time to make better use of acquired information during business planning. Lack of staff (33% in Canada, 30% in Australia), lack of training (24% and 21%, respectively) and doubts about cost-effectiveness (23% in both countries) are also major barriers to better use of business information.

These are the findings of an Ipsos Reid poll conducted on behalf of Intel from September 8-16, 2008. This online survey is based on a sample of decision-makers from businesses with 20 to 100 employees in Canada (305 respondents) and Australia (302 respondents). The survey was hosted by Ipsos Interactive Services and was conducted simultaneously with an identical questionnaire in both Canada (English and French) and Australia (English only).

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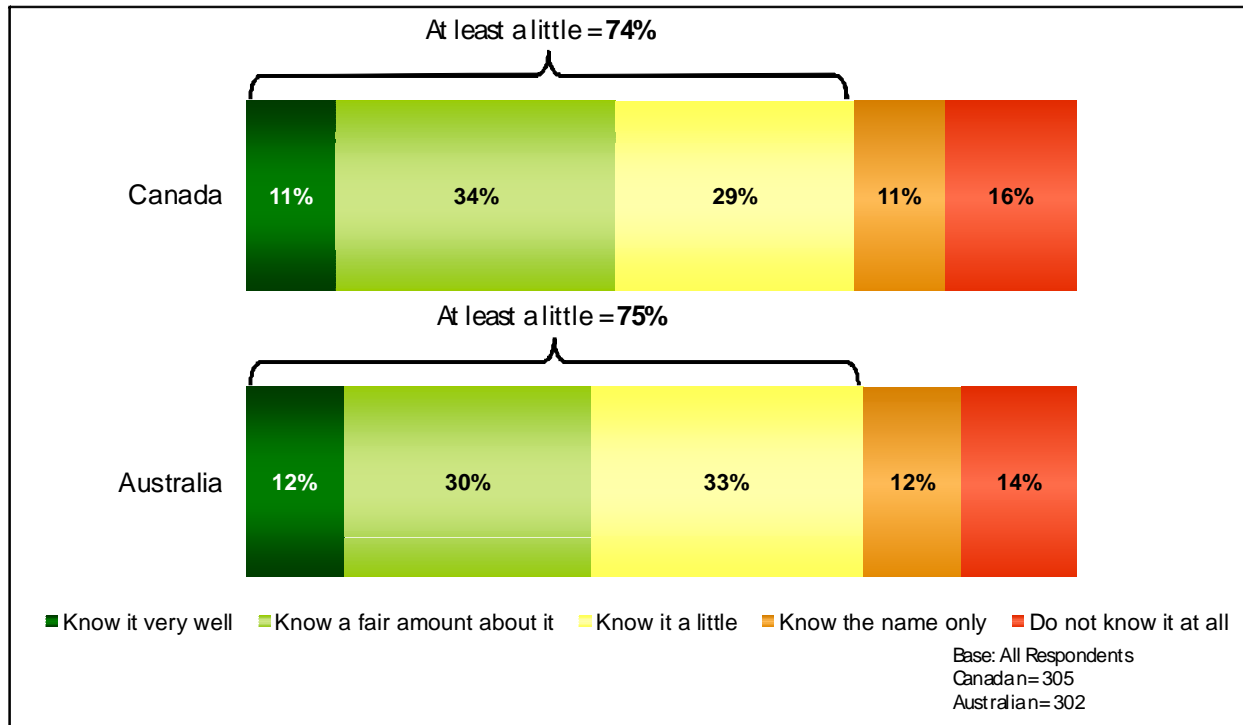


Detailed Findings

Three Quarters of SMB Decision-Makers Are Familiar with the Concept of “Knowledge Management”

Familiarity with Knowledge Management Concept

How familiar are you with the concept of “knowledge management” in a business setting?

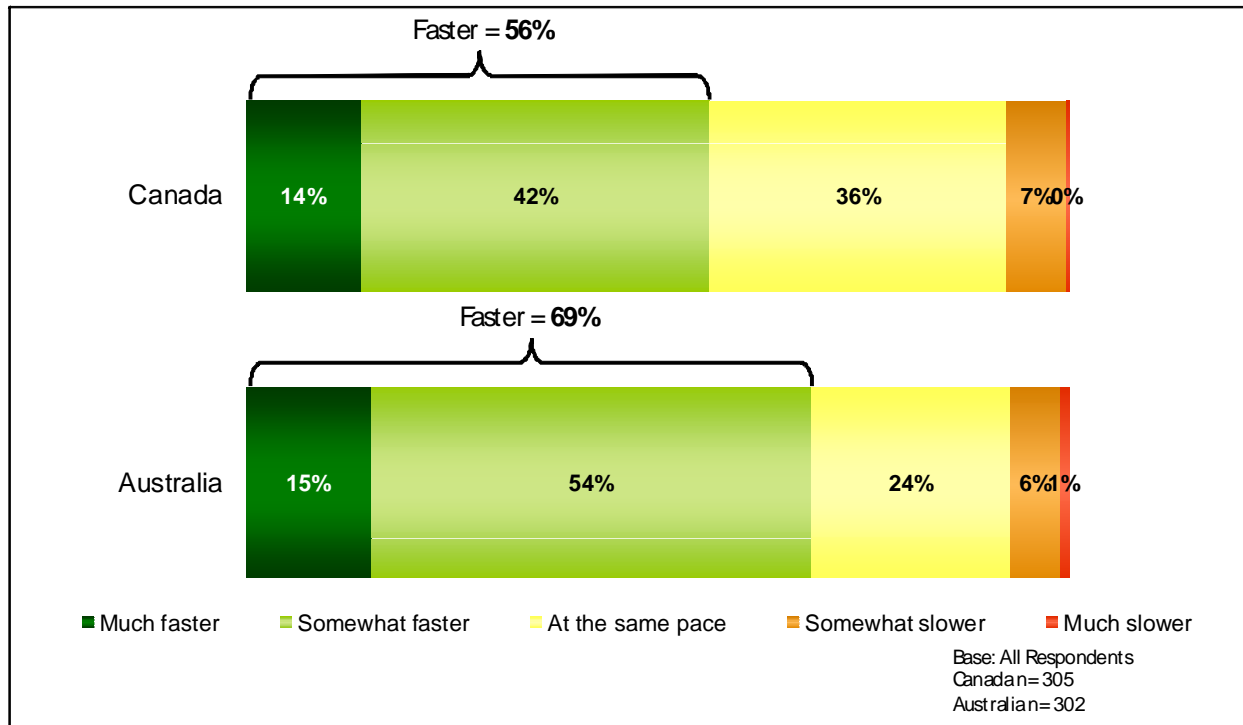


- SMB decision-makers in Canada (74%) and Australia (75%) are equally likely to be at least a little familiar with the concept of knowledge management.
- Canadian SMB leaders in business and professional occupations (finance, media, consultants, doctors, lawyers, engineers, etc.) are more likely (59%) than SMB leaders in all other sectors (39%) to be familiar with knowledge management.
- However, in Australia, there was no significant difference in familiarity of knowledge management among SMB leaders in various sectors.

Over Half in Canada and Over Two-thirds in Australia View Their Business Growing Faster than the Competition

Perceived Competitive Business Growth

Compared to your competitors or other comparable businesses, do you think your business is growing...?

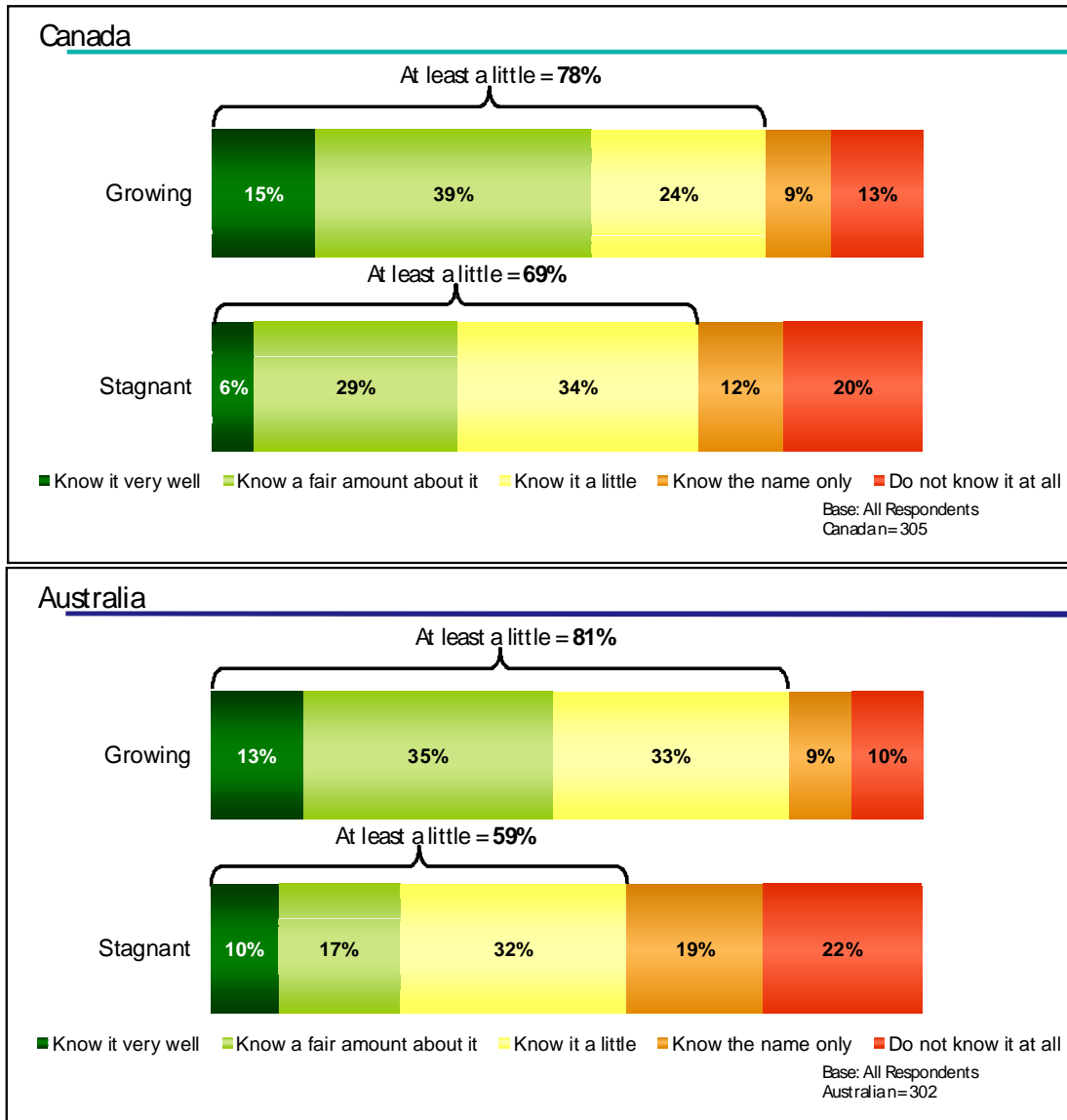


- SMB decision-makers in Canada and, to a larger extent in Australia, display optimism and confidence with regards to their growth in relation with comparable businesses and competitors.

Leaders from Growing SMBs More Likely to be Familiar with Knowledge Management than SMB Leaders with Stagnant Business

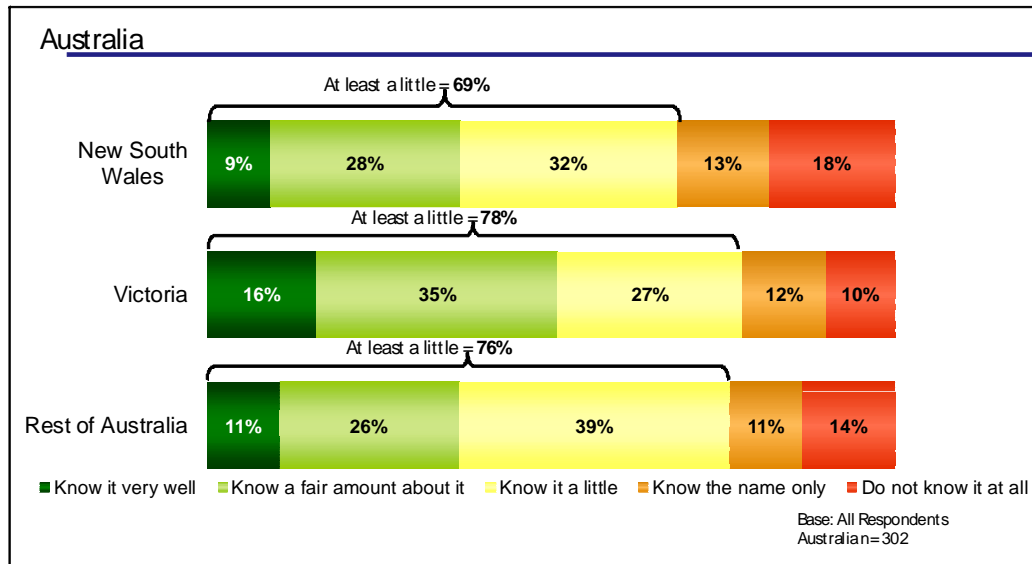
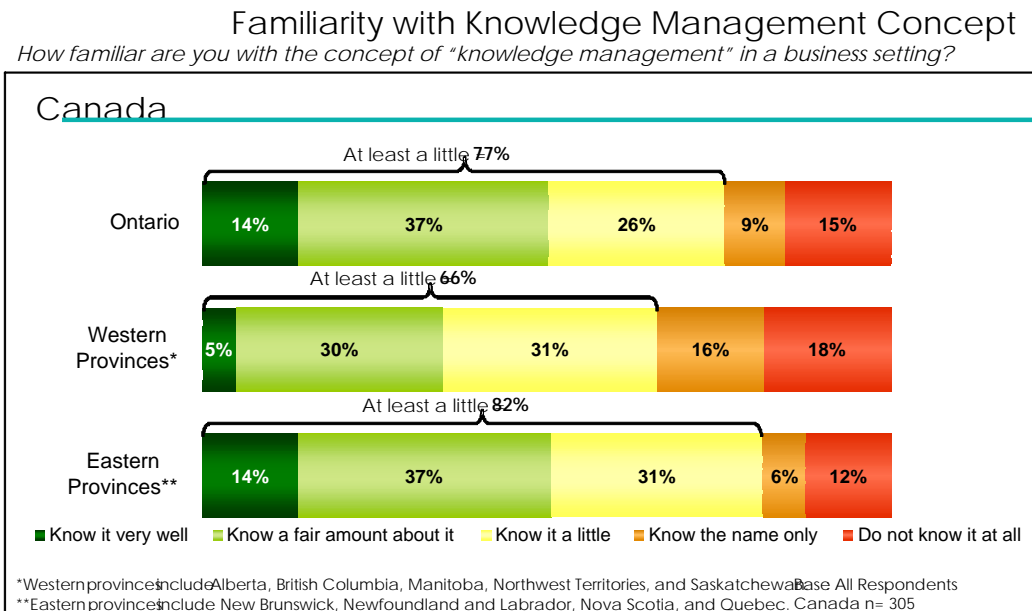
Familiarity with Knowledge Management Concept

How familiar are you with the concept of "knowledge management" in a business setting?



- SMB Decision-Makers in both Canada and Australia who perceive their business to be growing faster than the competition are more likely to be familiar with the concept of knowledge management than those who feel their business growth is stagnant.

SMB Decision-Makers in Ontario and Eastern Provinces More Likely to be Familiar with Knowledge Management than those in Western Provinces



- In Australia, familiarity with the knowledge management concept is more common among SMB decision-makers in Victoria and other parts of Australia compared to New South Wales.

Two-thirds of SMB Decision-Makers in Both Canada and Australia Say They Manage Information Better than Two Years Ago

Attitudes toward business information

Thinking of practices at your business, please indicate how much you agree or disagree with each statement.

	Canada*	Australia*
We manage information better today than we did two years ago	65%	65%
I am confident our managers have access to the information they need to do their job well	63%	59%
We should improve the management of our information	63%	57%
We use information to discover new opportunities or sources of growth for our business	59%	58%
Our executive team understands our information strategy	59%	61%
We use information for our company's competitive advantage	58%	58%
We could serve our customers better if we had better access to information	57%	49%
We have the expertise to manage information well here	53%	54%
We have good automatic linkages between our operations and our customers' operations	48%	46%
We don't make effective use of the customer information we have	44%	40%
Our information strategy is well communicated and understood throughout the company	44%	48%
Not managing information well is one of our major problems	43%	36%
We don't make effective use of the information from our business processes	41%	34%
The transfer of information between outgoing and incoming employees is relatively seamless and there is minimal loss	38%	40%
Information management tools are just too expensive for our business	34%	34%

* % Strongly or somewhat agree

Base: All Respondents Canada n= 305 Australia n= 302

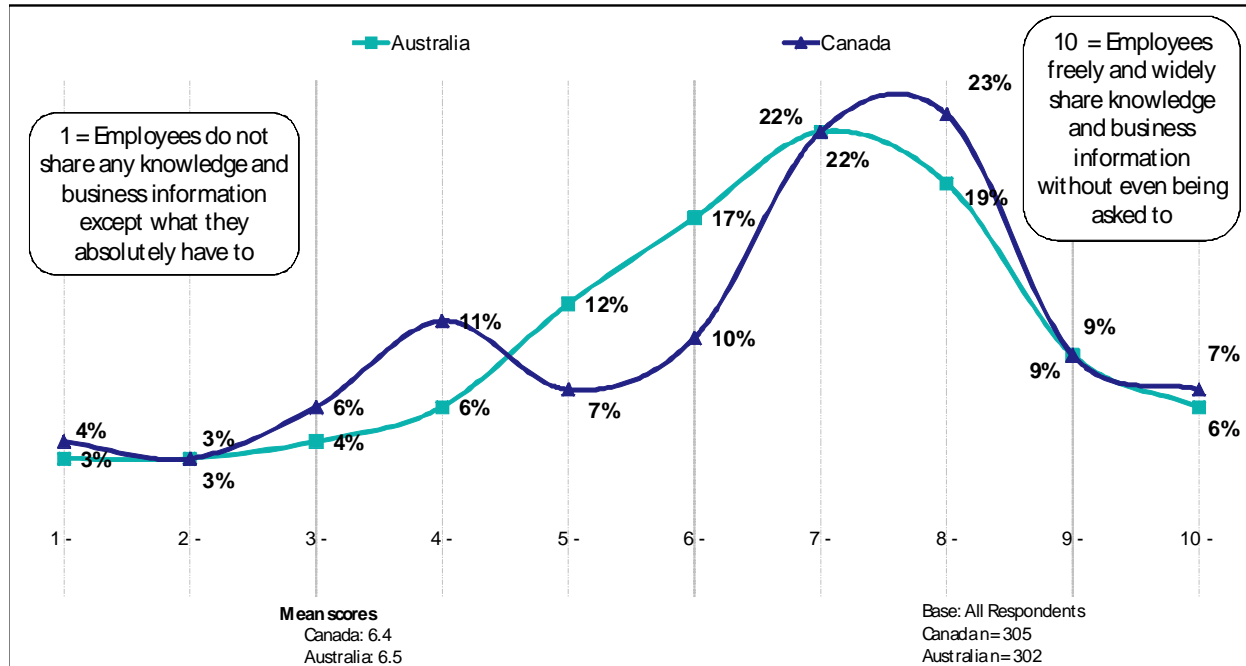
- However, a majority of SMB decision-makers in both Canada (63%) and Australia (57%) say they should improve the management of information at their company. Furthermore, more than half in Canada (57%) and just half in Australia (49%) think they could serve their customers better if they had greater access to information
- Furthermore, only 38% in Canada and 40% in Australia say there is minimal loss in the transfer of information between outgoing and incoming employees.

- Canadians are somewhat more likely than their counterparts in Australia to agree that they don't make effective use of the information from their business processes (41% vs. 34%) and that not managing information well is one of their major problems (43% vs. 36%).
- Those from companies with 50 to 100 employees are more likely than those from companies of 20 to 49 employees to agree that they should improve the management of their information (67% vs. 55%) and they could serve their customers better if they had better access to information (58% vs. 49%).
- Canadian SMB leaders who feel their business is stagnant are far more likely to say they don't make effective use of the customer information they have (51%) than SMB leaders who feel their business is growing (38%).
- SMB leaders in Australia who feel their business is flat are far more likely to say they could serve their customers better if they had better access to information (57%) than SMB leaders who feel their business is growing (45%).

Most SMB Decision-Makers Cite a Fair Amount of Knowledge Sharing among their Employees

Flow of Knowledge at Company

How would you rate the flow of knowledge and business information in your company on a scale of 1 to 10?



- While relatively few decision-makers report a *completely* free exchange of knowledge among employees (15% in Canada and 16% in Australia give their company a 9 or 10 rating), most SMB leaders in both countries report a *fair amount* of sharing of business information within their company (54% in Canada and 57% in Australia give their company a 6, 7 or 8 rating).

Customer Satisfaction is Greatest Benefit of Acquisition and Flow of Information Within Company

Benefits to Information Flow

How does the acquisition and flow of business information benefit your company most?



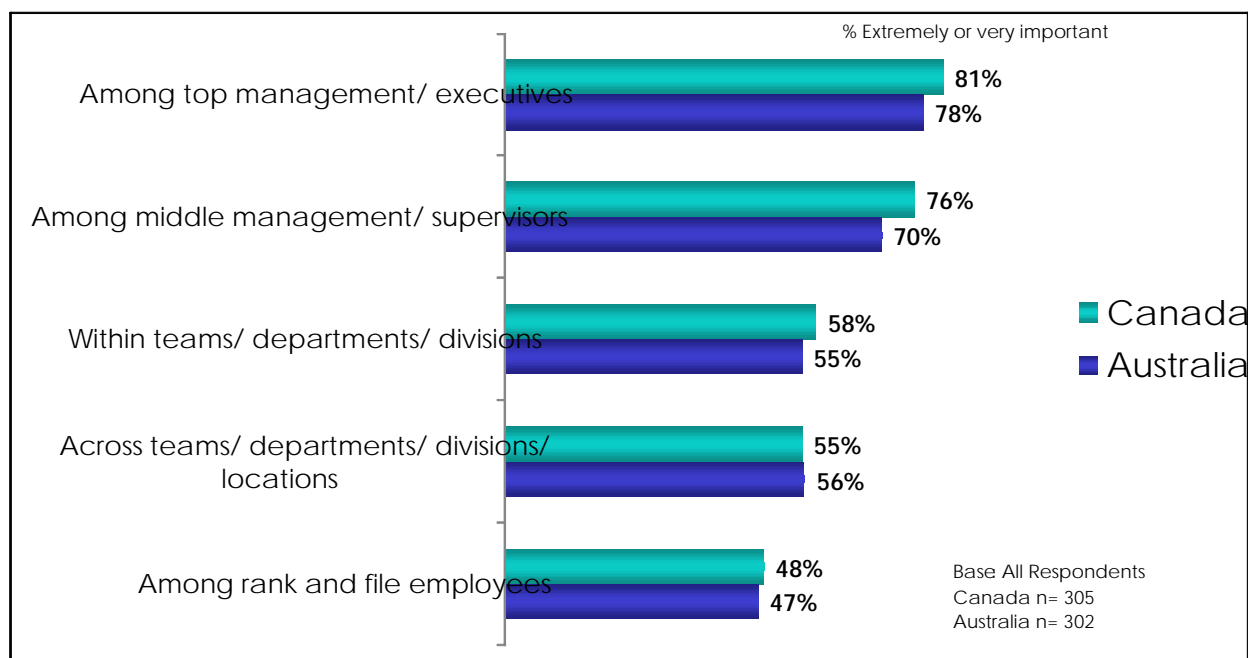
- SMB leaders in both countries consider customer satisfaction the #1 benefit of information acquisition and flow. However, significantly more mention customer satisfaction in Canada (44%) than do in Australia (34%). Quality, which generally plays a large role in driving customer satisfaction ranks fourth in both countries.
- Productivity (33% Canada, 34% Australia) and business development (31% both countries) are also commonly cited as benefits.
- In addition to customer satisfaction, Canadians are somewhat more likely than Australians to cite speed of delivery (24% vs. 17%) and less likely to mention innovation (8% vs. 13%).

- Leaders from businesses with 50 to 100 employees are more likely than those from smaller businesses to say that cost savings (32% vs. 25%) and employee retention and morale (20% vs. 14%) are the top benefits when it comes to acquisition and flow of business information.

SMB Decision-Makers View the Flow of Information as More Important for Management than for their Rank and File Employees

Importance of Information Flow Among Staff

Please indicate how important it is for your company to encourage the acquisition and flow of business information among the following groups of staff members.



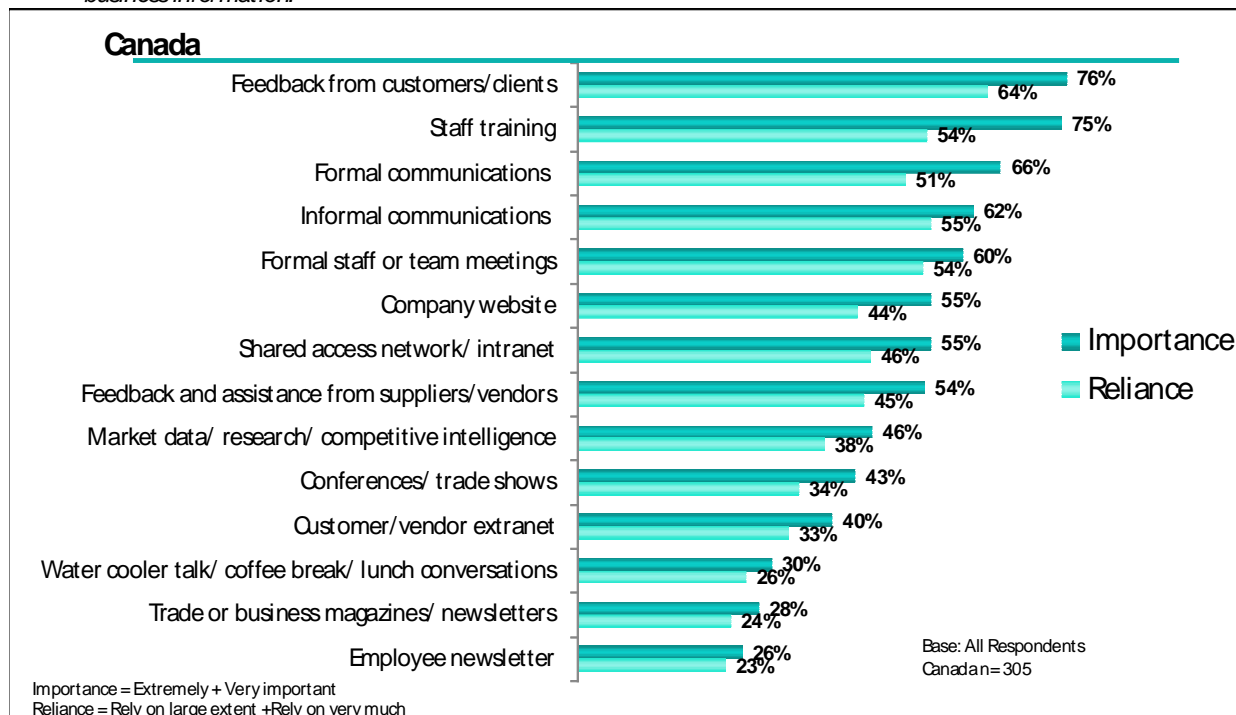
- Four in five SMB decision-makers in Canada (81%) and Australia (78%) say the acquisition and flow of knowledge is very or extremely important among top management and executives at their companies.
- However, slightly less than half (48% in Canada, 47% in Australia) say that it is very or extremely important among rank and file employees.

- Canadians are slightly more likely than Australians to find it important to encourage the acquisition and flow of knowledge and business information among middle management (76% vs. 70%).
- Respondents from companies with 50-100 employees tend to place greater importance on encouraging the acquisition and flow of knowledge and business information among all groups of staff members than do those from businesses with 20-49 employees. The largest gaps emerge when it comes to rank and file employees (52% important vs. 45%) and middle management (77% vs. 70%).

Client Feedback and Staff Training Considered Most Important Conduits of Knowledge by Canadian SMB Leaders

Conduits of Knowledge

Please indicate the importance of each of the following as a conduit of knowledge and business information for your company / how much your company relies on each of the following as a conduit of knowledge and business information.



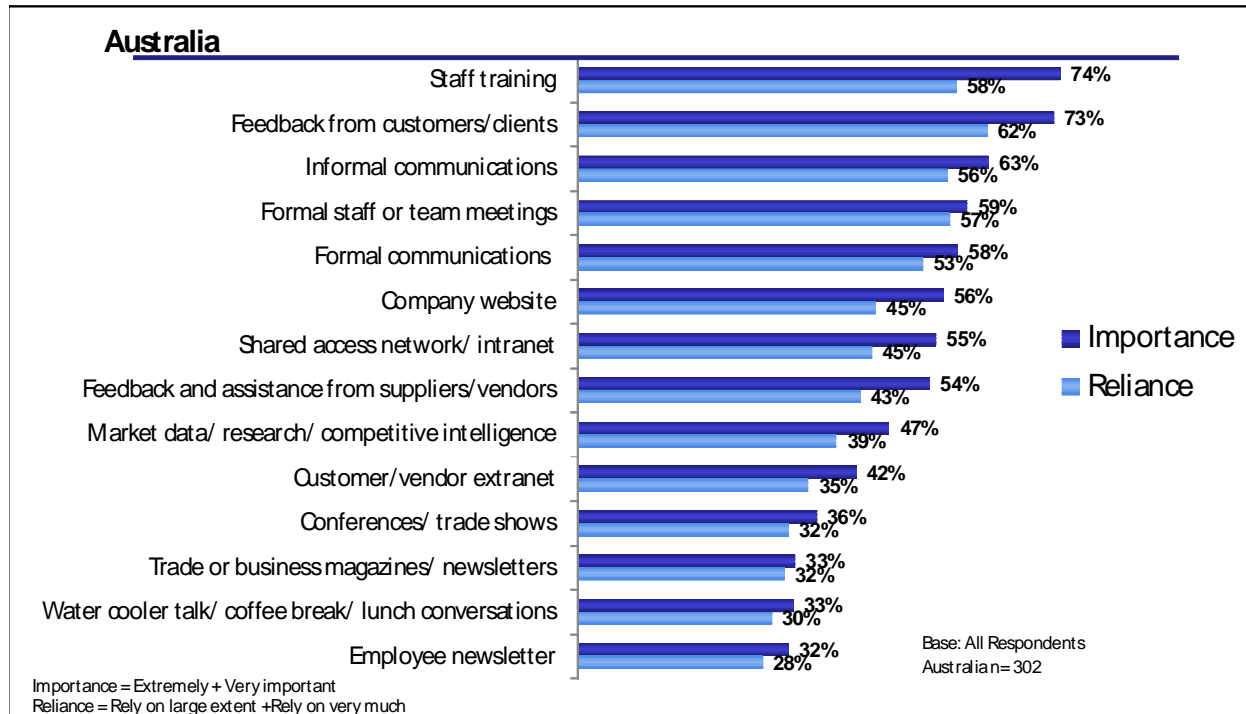
- Canadian SMB leaders cite customer feedback (76% extremely or very important) and staff training (75%) as the most important conduits of knowledge.
- The next tier in importance includes formal communications like handbooks (66%), informal communications such as emails (62%) and staff meetings (60%).

- The area showing the widest gap in Canada between how important it is and how much it is actually relied on it as a knowledge conduit is staff training (21-point difference between the percentage saying it is extremely/very important and the percentage saying their company relies on it very much/to an extremely large extent). The second widest gap is found with the company website (11 point).
- Decision-makers from businesses with 50 to 100 employees across Canada and Australia are more likely than those from businesses with 20 to 49 employees to look to staff training (79% vs. 71%) and shared access networks, intranets, and company libraries (63% vs. 49%) as important conduits of knowledge and business information for their company.
- Leaders from midsize businesses also tend to rely more heavily on a number of conduits of knowledge and business information than do those from smaller companies. This is particularly true of formal staff or team meetings (60% rely on very much/to an extremely large extent vs. 52%), formal communications (58% vs. 48%), shared access networks/intranets (50% vs. 42%), and the company website (48% vs. 42%).

Similar to Canada, Staff Training and Client Feedback Considered Most Important Conduits of Knowledge by Australian SMB Leaders

Conduits of Knowledge

Please indicate the importance of each of the following as a conduit of knowledge and business information for your company / how much your company relies on each of the following as a conduit of knowledge and business information.



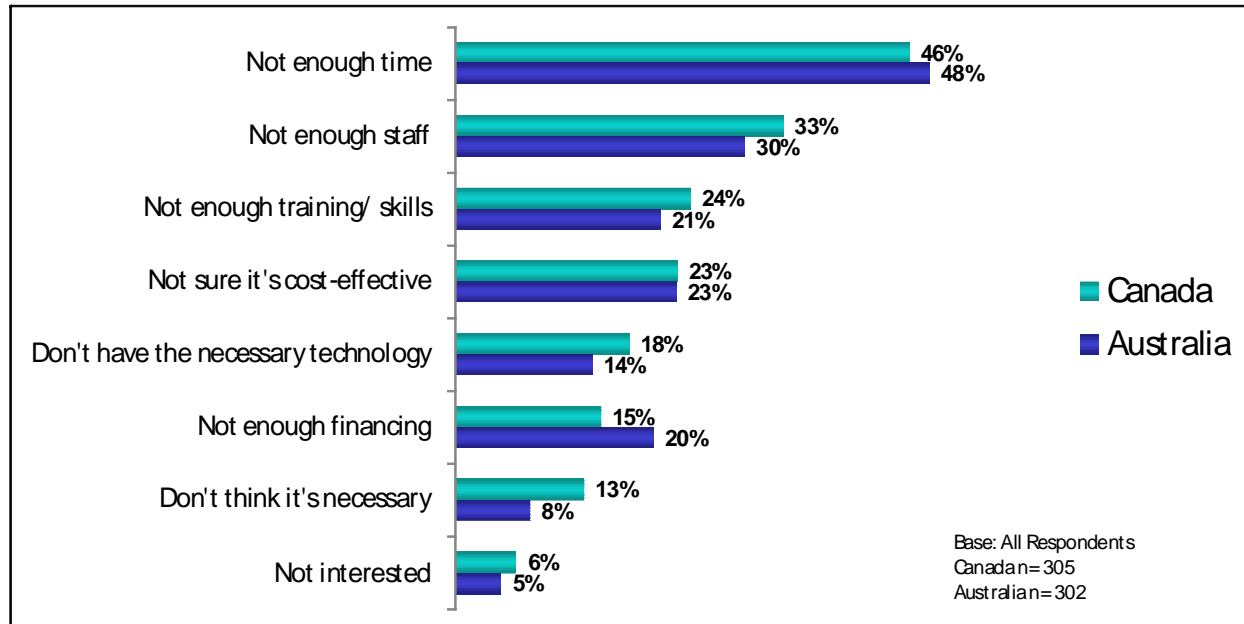
- Australian SMB leaders also cite staff training (74% extremely or very important) and feedback from customers (73%) as the most conduits of knowledge within their company.
- Similar to their counterparts in Canada, Australian SMB leaders rank informal and formal communications and team meetings close to the top of the list.
- The widest gaps between importance and actual reliance are seen in staff training (16 points), customer feedback and company website (both 11 points).

- While Australians are more likely than Canadians to find conferences and trade shows (43% vs. 36%) and formal communications (66% vs. 58%) to be important conduits of knowledge and business information for their company, they place greater importance in employee newsletters (32% vs. 26%). They also tend to rely more on business or trade magazine or newsletters (32% vs. 24%).

Both Canadian and Australian SMB Leaders Cite Lack of Time and Staff as Top Obstacles to Better Planning

Barriers to Business Planning

When it comes to business planning and forecasting, what are the barriers that prevent you from making more or better use of the information you collect and record?



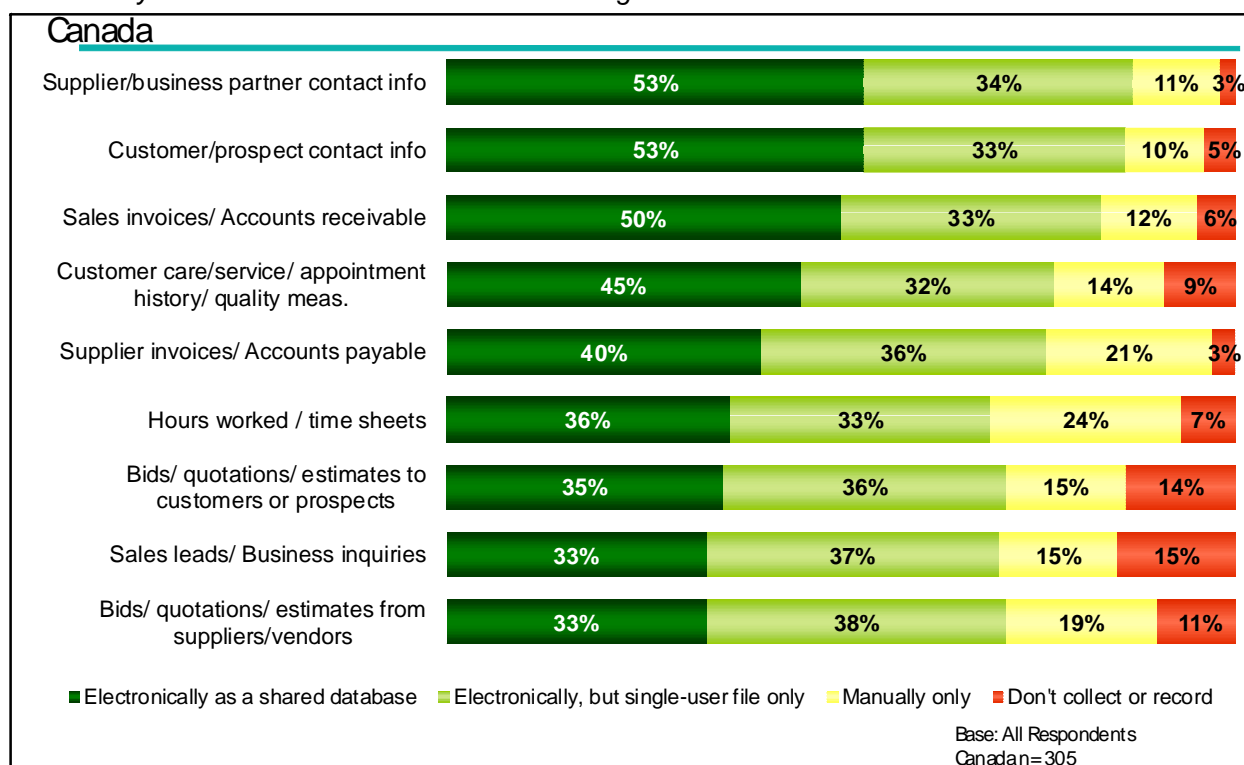
- Nearly half of SMB leaders in Canada (46%) and Australia (48%) say lack of time prevents them from making more or better use of the information they've collected.
- A third in Canada (33%) and Australia (30%) cite not having enough staff as a barrier to more effective use of the information, while a lack of training (24% Canada, 21% Australia) and doubts about cost effectiveness (23% in both countries) are other common barriers.

- Canadians are slightly less likely than to name insufficient financing as a barrier to making more or better use of the information they collect and record (15% vs. 20%).
- When it comes to business planning and forecasting, those from midsize companies (50-100 employees) are *more* likely than those from smaller ones (20-49 employees) to name a lack of training or skills as a barrier (50% vs. 43%) and are *less* likely to say that it is a lack of time (20% vs. 26%).

Between One Third and One Half of Canadian SMB Leaders Utilize Shared Databases for Collecting and Recording Different Types of Business Information

Method of Collecting Information

How does your business collect and record the following information?

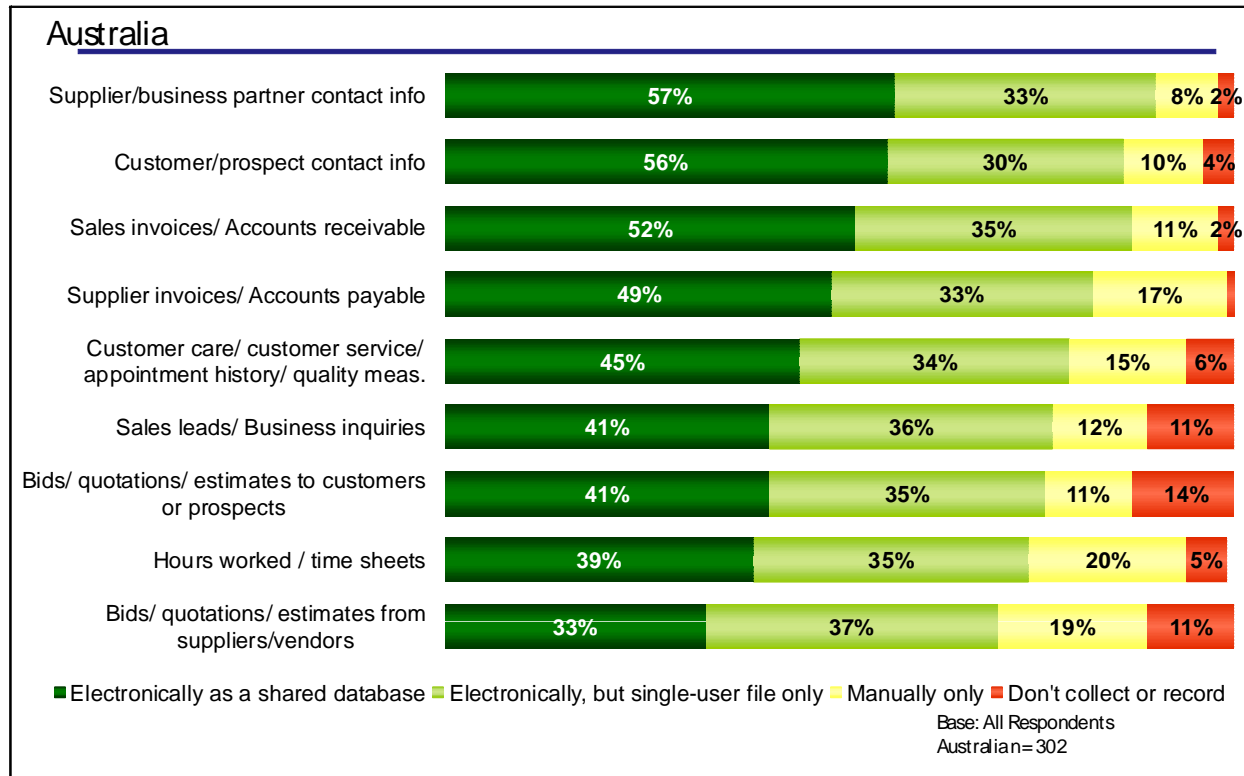


- At least half of Canadian SMB leaders say they capture or record supplier and business partner contact information (53%), customer contact information (53%) and sales invoices (50%) electronically in shared databases.
- More record quotations from vendors, sales leads and quotations to prospects and customers electronically in single-user files than do in shared databases.
- While SMB leaders rely exclusively on manual collection and recording for most types of business information, one quarter (24%) still do so for time sheets.

Australian SMB Leaders Also Commonly Utilize Shared Databases

Method of Collecting Information

How does your business collect and record the following information?



- Similar to Canada, Australian SMB decision-makers most rely on shared electronic databases for collecting and recording supplier contact information (57%), customer contact information (56%) and sales invoices (52%).
- However, Australians are somewhat more likely their Canadian counterparts to collect and record sales leads and business inquiries electronically, either in shared databases or in single-user files (78% vs. 70%).

Financial Forecasting, Business Planning, Sales and Pricing Top Reasons for Collecting Business Information

Purpose of Collecting Information

For which of the following purposes does your business use the information you have collected?

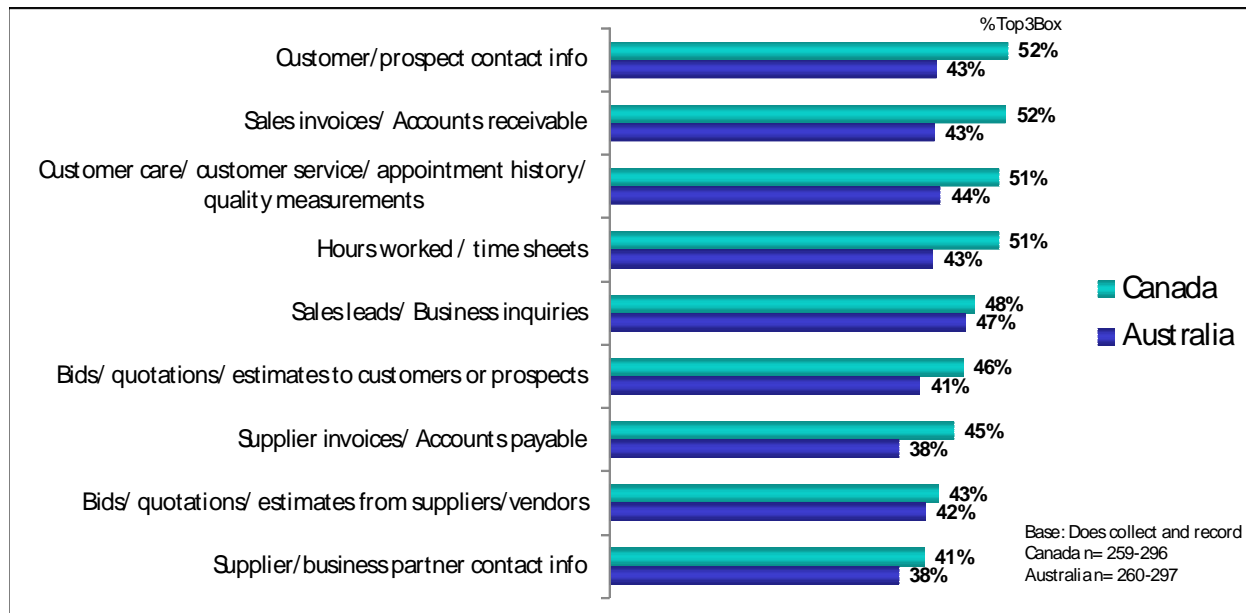


- Responses of Canadians and Australians are remarkably similar.
- Consistent with the gap between the importance of and the reliance on staff training as a knowledge conduit, fewer than four in 10 in both Canada and Australia collect information for that purpose.
- Decision-makers from companies with 50-100 employees are more likely than those from companies with 20-49 employees to use collected information for financial forecasting (68% vs. 58%) and sourcing/supply management (50% vs. 40%)

Among Collected Information, Canadian SMBs Rely Most on Customer Info, Sales Invoices, and Time Sheets to Guide Business Decisions

Impact of Information on Business Planning

For each type of information you collect or record, please rate how much you use them to make business decisions on a scale from 1-10, where 10 = extensively.



- The gap between the most and least extensively used types of business information is only about 10 points in each country, suggesting that none of nine types stands out one way or another.
- While Australian SMBs rely on the same pieces of information as Canadian SMBs, they are slightly more likely to use sales leads and business inquiries to guide business decisions—which is consistent with their greater tendency to collect and record them electronically.

- In contrast, Canadians tend to use sales invoices and accounts receivable information more extensively than do Australians (52% vs. 43%). They are also more likely than to use supplier invoices/accounts payable (45% vs. 38%), customer/prospect contact information (52% vs. 43%), time sheets (51% vs. 43%), and customer care/ customer service/ appointment history/ quality measurements (51% vs. 44%) for this purpose.
- In general, decision-makers from smaller companies (20-49 employees) tend to use sales invoices and accounts receivable information more extensively in their business planning and forecasting than do those from companies with 50-100 employees (51% vs. 42%).