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Eight In Ten (82%) Agree That As A Small Business Owner, Adopting Technology Is The Key To Increasing Productivity And Competitiveness

Six In Ten (59%) Plan On Investing In Computer Technology For Their Business Within The Next Year



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Toronto, ON – Three in four small business owners (73%) feel increasing productivity is a “major priority” for their business, according to a new Ipsos Reid national survey of small business owners conducted on behalf of Microsoft Canada. And the very strong majority of small business owners (81%) disagree with the statement that “increasing productivity is something that big business and government need to worry about - it’s not important to small business owners like me” (47% strongly disagree).

So what areas of business operations are these owners looking towards to increase the productivity of their business? Most (82%) agree that adopting technology is the key to increasing their company’s productivity and competitiveness. Nearly the same percentage (79%) say that they leverage technology like computer software, hardware, and mobile devices to make their business more productive. In fact, two-thirds (66%) would say that technology is already helping their business become more flexible and mobile and they no longer feel chained to their businesses.

But there are barriers for small business owners when it comes to making their company more productive and efficient – namely time and money. Sixty-two percent point to a “lack of



funds” (62%) as one of the biggest barriers to improving productivity and 41% say that there is “not enough time to think about new ways to increase productivity”.

Similarly, when asked what is the biggest barrier for their business when it comes to adopting new technology, like computer software, hardware and mobile devices that can make their company more productive, 70% of those who leverage technology in their business mention that it is too expensive or they don’t have the budget. However, there is an underlying sense of wariness among these small business owners when it comes to the actual technical know-how aspect of new technology: half (48%) say they are unsure about which technology would best meet their business needs and 37% feel they would need assistance to use/implement technology in their business.

Even with these barriers, the majority of small business owners (59%) say they plan on investing in computer technology for their business within the next year. Sixty-four percent indicate that they plan to “invest in updating software” in the next year, while substantial proportions say they will “implement new business processes” (48%), “develop a new website” (44%), and “invest in faster computers” (41%).

These are the findings of an Ipsos-Reid poll conducted from September 15th to September 20th, 2005 via a regionally representative online Canadian sample of 855 small business owners (small business was defined as 20 or fewer employees). For this sample, results can be considered accurate 95% of the time with a 3.4% margin of error, of what it would have been had this entire population been surveyed.



Three-Quarters (73%) Say Increasing Productivity Is A Major Priority For Their Business...

Three-quarters (73%) of small business owners agree with the statement “increasing productivity is a major priority for my business” (28% strongly agree). One-quarter of these respondents (27%) disagree with this statement (7% strongly disagree).

- Respondents in Quebec (81%) are the most likely to agree with this statement, followed by those in Atlantic Canada (76%), Saskatchewan/Manitoba (75%), Ontario (72%), Alberta (69%), and British Columbia (68%).

Eighty-One Percent Disagree That Increasing Productivity Is Not An Issue For Small Business...

Eighty-one percent of respondents disagree with the statement “increasing productivity is something that big businesses and the government need to worry about – it’s not important to small business owners like me” (47% strongly disagree). One-in-five (19%), however, agree with this statement (6% strongly agree).

- Respondents in Alberta (85%), British Columbia (84%), and Ontario (83%) are the most likely to disagree with this statement.
- Those in Quebec (28%) are the most likely to agree with this statement.
- Men are more likely than women to agree with this statement (21% vs. 15%).

And Eight In Ten (82%) Agree That As A Small Business Owner, Adopting Technology Is The Key To Increasing Productivity And Competitiveness...

Eight in ten (82%) agree with the statement “as a small business owner I believe adopting technology is the key to increasing productivity and competitiveness” (29% strongly agree). One in five (18%) disagree with this statement.



- Respondents In Alberta and Saskatchewan/Manitoba (both at 88%) are the most likely to agree with this statement, followed by those in Atlantic Canada (83%), Ontario (81%), and British Columbia and Quebec (both at 78%).
- Men are more likely than women to agree with this statement (84% vs. 78%).
- Those over the age of 35 are more likely to agree with this statement than those aged 18-34 (83% vs. 71%).

Two-Thirds (66%) Feel Technology Has Given Them Greater Flexibility/Mobility And They Are No Longer Chained To Their Desk...

Two-thirds of small business owners (66%) agree with the statement that “technology has given me greater flexibility and mobility – I am no longer chained to my business” (22% strongly agree). One-third (34%) disagrees with this statement (11% strongly disagree).

- Respondents in Ontario (69%) are the most likely to agree with this statement, followed by those in Quebec (66%) and Alberta (65%).

Eight In Ten (79%) Say That They Generally Leverage Technology To Make Their Business More Productive And Efficient...

Eight in ten small business owners (79%) say that generally they “leverage technology like computer software, hardware, and mobile devices to make their business more productive and efficient” – the remaining 21% do not.

- Men are more likely than women to say that they leverage technology to make their business more productive and efficient (82% vs. 75%).



But Most Business Owners Point To “Lack Of Funds” (62%) As One Of The Biggest Barriers To Making Their Company More Efficient...

Most business owners volunteer “lack of funds” (62%) as one of the biggest barriers when it comes to making their company more productive and efficient. And substantial portions mention, “not enough time to think about new ways to increase productivity” (41%), “no tax incentives to invest in technology to increase my business productivity” (36%), and “lack of resources that show how to increase productivity in my business” (30%).

A complete list of the barriers mentioned are:

Lack of funds	62%
Not enough time to think about new ways to increase productivity	41%
No tax incentives to invest in technology to increase my business productivity	36%
Lack of resources that show how to increase productivity in my business	30%
Don't see a need to increase productivity in my business	22%
Productivity technology is too complicated - don't know where to start	14%
Advertising/ limits/ costs	3%
Limited customers/ customer base	3%
Training staff/ lack of skill/ knowledge	2%
Operating costs – incl. any cost of mentions	2%
Government regulation/ red tape	2%
Small market/ not enough demand	2%
Finding good employees	1%
Competition/ unfair competition	1%
Shipping costs	1%
Planning on retiring/ slowing down/ my age/ retired already	1%
Other	4%



And When It Comes To Barriers For Adopting New Technology That Can Make Their Company More Efficient: 70% Say It Is “Too Expensive”...

When asked what is the biggest barrier for their business when it comes to adopting new technology, like computer software, hardware, and mobile devices that can make your company more productive and efficient, 70% mention that it is “too expensive/don’t have the budget”. Half (48%) say that they are “unsure about which technology software would best meet their business needs”, and nearly four in ten (37%) say that they “need assistance to use/implement technology in their business”.

All barriers volunteered:

Too expensive/don't have the budget	70%
Unsure about which technology/software would best meet their business needs	48%
Need assistance to use/implement technology in their business	37%
Business would not benefit by implementing technology	19%
Lack of time	4%
Lack of competent/ qualified people to use/ repair	1%
Have to learn another program/. Software/ more training/ more downtime	1%
No new technology fully encompasses our needs/ usually fill partial needs	1%
Already have the latest technology	1%
Cost effectiveness	1%
Need to evaluate/ need more information	1%
Unreliable/ skeptical of new technologies (too many bugs)	1%
Other	3%
Nothing	1%



Despite These Barriers, Six In Ten (59%) Plan On Investing In Computer Technology For Their Business Within The Next Year...

Six in ten agree with the statement “within the next year I plan on investing in computer technology for my business” (18% strongly agree). Four in ten (41%) disagree with this statement – with 18% strongly disagreeing.

- Agreement with this statement is fairly stable across all regions of the country, with more than half in each region agreeing.

And When It Comes To What Measures Small Business Owners Plan To Implement Over The Next Year In Order To Improve Productivity And Efficiency? Sixty-Four Percent Point To Investing In Updating Software...

As part of the survey, small business owners were asked to choose from a list of possible measures which ones they plan to implement over the next year in order to improve productivity and efficiency in their business.

A good majority (64%) indicate that they plan to “invest in updating software” in the next year, while substantial proportions say they will “implement new business processes” (48%), “developing a new website” (44%), and investing in faster computers (41%).

A full list of measures asked about:

Invest in updating software	64%
Implement new business processes	48%
Developing a new website	44%
Invest in faster computers	41%
Invest in mobile solutions like cell phones, Blackberries, or PDAs	35%
Invest in employee training	33%
Hiring more employees	20%



Men are more likely than women to say that in the coming year they will:

- Invest in updating software (69% vs. 56%); and
- Invest in faster computers (47% vs. 31%).

What Other Areas Are Small Business Owners Looking To Invest To Increase Productivity?

When asked to rank from a list the top three areas of their business that they would most like to invest in so that they can increase the productivity of their business, slightly more business owners ranked “developing new processes to better manage customers and sales leads” (27%) as their number one priority than ranked “reduce business overhead costs” (25%). Following behind, are “reduce cost of providing services” which 17% ranked as their top priority, then “increase response times to customers (14%), “employee training” and “reduce costs of creating products” (both ranked first by 9% of the respondents).

- Business owners in Saskatchewan/Manitoba and Ontario (both at 31%) are the most likely to say they would like to invest in “developing new processes to better manage customers and sales leads”, while those in Quebec and Atlantic Canada (both at 15%) are the least likely to.

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