

Dell-Intel Survey of Chicago Entrepreneurs and Small Business



New survey research released by Dell and Intel reveals a bright local outlook for Chicago startups and small businesses. Sources of optimism include a favorable view of the local economy and local support organizations and healthy expectations for growth; however, the national and global economies remain significant sources of concern.

Access to Talent and Expertise

- One in four small businesses is looking to hire (25%)
- Most are neither hiring nor firing (73%) and have stayed the same size or grown over the past three years (84%)
- Chicago small businesses increased staff in the last three years (42%)
- Nearly all (91%) said access to talent is key to successful growth
- Only access to information is seen as more important than talent (95%)

Access to Capital and Markets

- 75% regard access to capital as key to their businesses' successful growth
- Banks or credit union loans are the top source of funding for Chicago small businesses (26%), followed closely by personal savings (25%)
- 5% of Chicago respondents reported government grant as a top source of funding and few cited venture capital firms (2%) and angel investors (1%) as a primary means of funding
- Despite seeing more barriers to growth in domestic markets (47%) than abroad (26%), the U.S. is widely seen to offer the greatest growth opportunities (86%)
- Most do not view access to global markets as key to successful growth (66%), and only 7% see their greatest growth opportunities outside the United States

Access to Technology

- 84% consider access to effective technology key to successful growth
- Most say technology supports day-to-day operations (72%), but a quarter of respondents view technology as a strategic asset (25%)
- 45% say their technology needs are becoming increasingly complex
- Only a third (34%) consider dedicated IT staff key to success, and relatively few have a full-time dedicated IT staff (16%). To handle IT needs they turn to either freelance technology specialists (47%) or themselves (36%).
- More than half (54%) expect an increase in the number of small businesses investing in technology, over hiring, will fuel growth over the next year

Chicago Highlights

- Most Chicago small businesses say growth is "very important" (63%) and are planning to grow their company *in the near future* (48%)
- The majority of Chicago small businesses are worried about sustaining their success (62%)
- Most expect finances to improve next year (63%), and expect better sales outlooks (80%) and growth opportunities (64%) in the next year
- Respondents have a positive outlook on domestic matters but few expect improvements to inflation (24%), interest rates (32%) or the global economy (38%)
- Most are looking to hire exclusively domestically (84%)
- The majority of Chicago small businesses say acquisition is not a desirable outcome (58%)
- More small businesses believe that, if elected, Obama would do more for U.S. small business than Romney (44% v. 19%)
- Chicago respondents see Democrats as doing more than Republicans for the small business sector (41% v. 19%)

Findings draw from a representative sample of 100 randomly selected small business decision makers from firms with one to 99 employees in the Chicago metro area. Penn Schoen Berland (PSB) conducted the anonymous online survey during the period August 6 - August 9, 2012. The survey margin of error is +/-9.8%.

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