Straight-Line Technology: Driving Small Business Returns from IT

Automating the Future: Scalability, new tech and breakthrough capabilities
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In the first place...

Technology-based sources of competitive advantage matter to small (1-99 employees) businesses. A LOT. When you don’t have many people, you need to amplify the impact of each action taken by your business, by automating processes and empowering staff with the platforms and tools that enable them to tackle any issue that arises in the business. But because investment resources are scarce, it’s also important to make sure that each new tool or platform delivers tangible benefits. Small businesses don’t invest in ‘maybe’ or ‘someday’ solutions – they need to see clear evidence returns on investments of all types (including technology) within a manageable timeframe.

Techaisle survey of small businesses, highlighted an emerging cluster of new technologies that offer small businesses an opportunity to achieve breakthrough performance:

- **Cloud computing**, identified by more than half of small businesses as a technology that will have a major business impact over the next five years, provides a cost-effective platform for information collection and IT delivery that scales with need – and reduces the requirement for up-front investment.

- **Analytics** builds on the data and power of the cloud, and delivers insights needed for effective decision-making – and a foundation for small businesses looking to establish an evidence-based management culture.

- **Internet of Things (IoT)** extends the reach of IT into the physical world. With sensors and systems connected to the cloud and feeding advanced analytics, IoT gives small businesses the ability to monitor all aspects of their operations, and create a framework for rapid action everywhere in their operations.

- **Virtual reality and augmented reality (AR/VR)** – the use of technology to either provide a professional with contextual information that supports investigation or decisions. AR is especially helpful as an aid to real-time activities – ranging from field service to surgery – while VR provides an alternative to travel or transport which is important when long distances and/or large items (such as a building or major piece of equipment) needs to be explored.

- **Artificial intelligence** is becoming a ‘must have’ component of systems that automate an ever-expanding range of activities. Today’s customer response systems, including interactive websites and chatbots, use AI to continuously optimize engagements with customers and prospects – enabling small business staff to focus on the tasks that translate these interactions into business success.

Several of these solutions identifies the IT solutions that are drawing the attention of the world’s most advanced small businesses, and offers insight into how some of these technologies might fit within your small business.
Cloud computing: Management platform for agile Small Businesses

So much has been written about cloud that it seems almost redundant to raise it here as well. But it’s important to note that the nature of cloud discussions has changed, and continues to change. Initial cloud conversations debated ‘should we, or shouldn’t we?’ Once the real advantages of cloud became well understood, a second set of questions focused on technical issues: ‘how do we weave cloud into our technical infrastructure, how do we establish appropriate levels of security.’

Small businesses today have moved onto a third level of discussion – how do we use the cloud to build business capabilities? Answers to this question, as shown in Techaisle’s global small business survey, range from launching new products and services to increasing agility, reducing cost, improving productivity and many other important business goals.

Cloud is and will continue to be a platform for a wide range of breakthrough technical and business capabilities – which means that a sound cloud strategy, and the capacity to link cloud to other technologies and process requirements, will be critical to ongoing/future success.
Analytics: Driving business success

Analytics is prominent in the minds of small business leaders – and with good reason. Techaisle’s global survey found that two-thirds of small businesses have included analytics on their IT priority lists. Looking at the survey results, the motivation for investing in analytics is clear: analytics drives business success. Asked to identify their corporate analytics objectives, 56% of respondents reported that they are deploying analytics as a means of increasing productivity; 50% are expecting to use the insights gleaned from analytics to improve processes, and 49% believe that analytics will help their small business to increase revenues.

Small business: Benefits of Cloud

- 30% Ability to launch new products and services
- 28% Increases agility in business operations
- 29% Cost reduction related to business processes
- 25% Ability to grow and shrink IT capacity on demand
- 21% Improves productivity for line of business users

Source: Techaisle, www.techaisle.com

Small business: Objectives for Using analytics

- 56% Increase productivity
- 50% Improve processes
- 49% Increase revenue
- 44% Better monitor operations
- 31% Enter new markets

Source: Techaisle, www.techaisle.com
IoT: Promise and production

Internet of Things (IoT) – use of interconnected sensors and devices to monitor and manage physical-world relationships and actions – is not yet in widespread use within small businesses; only 44% of small businesses consider IoT a top IT priority. However, those firms that have begun the IoT journey are finding tremendous benefit from the technology. Asked to identify primary sources of ROI on IoT investment, 54% of small businesses report that IoT has enabled them to develop new products/services, 53% have improved controls and monitoring, and just less than half have improved processes and overall business agility and/or increased productivity; about one-third report that IoT has led directly to increased revenue.

Small business: Benefits of IoT adoption

- 54% Developed new products/services
- 53% Improved controls with better monitoring
- 48% Improved process and business agility
- 47% Reduced cost by increasing productivity
- 32% Increased revenue

Source: Techaisle, www.techaisle.com

AI: Navigating the automated future

The vision of a rich network of connected devices connecting through the cloud to advanced analytics systems that enable management to chart an optimal path is clearly alluring to small business executives. But the tsunami of IoT information isn’t only intended to support long-term strategy: it can be used to trigger real-time responses that aggregate all inputs into an immediate, informed reaction.

AI is essential to this rapid response capability. Artificial intelligence can aggregate and analyze a very wide range of data to produce a targeted recommendation. And while the technology itself may not be immediately accessible to many small businesses, the benefits that it delivers will be compelling in any business context. Techaisle’s global research has found that 47% of small businesses with experience in using AI have reduced costs via process automation; 45% state that AI improves their sales and
marketing effectiveness; 42% find that AI delivers improved productivity, and 41% link AI to improved customer experience and support.

AI isn’t a ‘next step’ for most small businesses – but given the upside, AI should be included in a small business’ strategic roadmap.

AR/VR: from virtual to physical

If AI provides a means of making real-time sense of a tidal wave of data, AR/VR represents a platform for connecting data with the physical world. Use cases for augmented reality often focus on delivering contextually-relevant insight to workers who need to take action to resolve issues; these could be a need to perform field maintenance (with AR overlaying schematics and recommended next steps), to help a customer with a decision, to recommend ‘next steps’ to a pilot or surgeon, or nearly any other scenario where contextual information will support better-informed action. At the same time, virtual reality can be used to provide rich access to virtual worlds that may mirror physical reality (for example, to support training on
situations that can't be readily experienced) or may be completely independent of physical context (as with VR entertainment).

Small businesses who have deployed or are planning to deploy AR/VR were asked to identify the ways that the technology will provide advantage to their organizations. More than half of small businesses state that “enhancing customer experience” is the single-most important benefit of AR/VR; 27% believe that the primary benefit of AR/VR is found in “improving employee development and training,” while 20% report that AR/VR is most important in “improving on-site customer support.”

AR/VR isn't a technology that can be applied in all environments, to address all problems – but where AR/VR meets a defined business need, it delivers real value to small businesses.

The straight line

In small business, the best approach to new technology is almost always a straight line: a direct connection that links a business driver, a well-defined solution and a target outcome, and which includes selection guidance that small business executives can use to avoid mis-steps in the journey.

Each of the technology options described in this paper meets the straight-line definition in specific small business contexts. Cloud acts as an essential platform for business viability, enabling deployment of solutions that enhance productivity and extend management insight and business agility. Small businesses that are looking to build a growth-oriented, evidence based organizational culture will see analytics as a means of connecting insight with action. Small businesses that are looking to increase control over assets and processes will see IoT as a path to success. Small businesses who are wrestling with the need to translate vast, rapidly-changing streams of data into rapid responses will want to include AI on their IT/business roadmaps. And small businesses who have specific need to provide access to contextual information and/or to replicate physical environments may, like other small businesses before them, obtain real benefit from AR/VR.

There is no single answer to the question ‘where does our small business need to focus today, to be successful in the future?’ But there is a well-understood set of target outcomes that shapes small business’ expectations of technology. Small businesses use IT to improve productivity and to improve decision-making; they use technology to provide better internal collaboration by sharing consistent, meaningful insights across the business; they use technology to improve management efficiency as they scale their operations to build new products, penetrate new markets and understand and meet the needs of new customers.

Not every small business will commit to automating the future of their operations – but those that do will use technologies like cloud, analytics, IoT, AI and AR/VR to develop the breakthrough capabilities that they need to build a foundation for ongoing success.
About Techaisle

Techaisle is a global SMB IT Market Research and Industry Analyst organization. Techaisle was founded on the premise that Go-to-Market strategies require insightful research, flexible data, and deeper analysis. Understanding the value of data consistency across markets to inform strategic planning, Techaisle has remained holistic in its approach to Insights and provides globally consistent SMB and Channels analysis across geographies. To achieve its objectives Techaisle conducts surveys with SMBs and channels to understand market trends, opportunities, buying behavior, purchase intent, and IT priorities. Besides covering emerging technologies such as SMB cloud computing, managed services, mobility, social media usage, virtualization, business intelligence, big data, collaboration, networking its channel research coverage provides in-depth understanding of resellers and channel partners globally. Techaisle’s insights are built on a strong data-driven foundation and its analysts are conversant with both primary research and industry knowledge, which is a rare combination. Techaisle offers its clients: Syndicated Research, Custom Primary Research, Consulting Engagement, Competitive Intelligence, and Segmentation. For more information, visit www.techaisle.com