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Currents: DigitalOcean's research report on how SMBs use cloud services

Small and medium-sized businesses make up a huge part of the economy, but many solutions cater to enterprises, and SMBs face unique challenges when it comes to running their business and selecting technology solutions. To gather in-depth information about SMBs of all types and their challenges and use of cloud solutions today, DigitalOcean worked with research agency AspenFinn to conduct research with three groups:

- **Traditional SMBs**: Businesses with less than 500 employees who provide non-technology products to customers
- **Tech-focused SMBs**: Businesses with less than 500 employees who provide technology-focused or hybrid products to customers
- **Enterprises**: Businesses with over 500 employees

To answer our questions surrounding business challenges and identify trends regarding SMBs and cloud usage, a survey was conducted with 2,400 IT decision makers in 48 countries. The main sample consists of a roughly equal number of respondents in each of the three business types. A full methodology can be viewed in the appendix of this report.

Summary of Findings

Key Insights

SMBs need simplicity at a good price from their cloud providers

There is a knowledge gap amongst Traditional SMBs

COVID-19 has caused increased reliance on the cloud

Cloud native businesses have unique characteristics and challenges

The COVID-19 pandemic has accelerated technology adoption by small and medium sized business.

The COVID-19 pandemic forced businesses to adapt and rethink how they operated, which included a reassessment of their technology infrastructure and use of cloud services. The majority of businesses (65%) reported an increased reliance on cloud solutions due to the pandemic and, once this switch was made, 92% reported that their reliance on cloud solutions continued to increase in 2021. With this growth, it has become clear that business needs and challenges vary across size and type of business.

Enterprise Businesses have a dedicated staff for managing their IT solutions and cloud services. These IT staff concentrate on technology, and their top business challenges (after the impact of the pandemic) are to ensure their technology meets the needs of consumers (20%), to ensure technology meets the needs of their business (18%), and to keep up with the technology curve (9%).

Tech-Focused SMBs (small/medium sized businesses) also have a focus on technology, but their IT decision makers may not be employees who are dedicated to managing their IT solutions. The IT decision makers are either technology employees, owners, CEOs or presidents, and thus are often pulled in multiple directions. Tech-focused SMBs face similar technology challenges as Enterprise Businesses, however, they are more likely to also have other business challenges like meeting revenue targets (7%) and keeping down the cost of goods sold (5%).

Traditional SMBs are the least focused on technology when it comes to running their business, but they do face technology challenges. The IT decision makers at traditional SMBs are typically owners, CEOs, and Presidents that have to balance the technology challenges with other business challenges. Ensuring their technology meets the needs of the consumers (7%) and their business (5%) as well as keeping up with the technology curve (9%) are just as much of a challenge as keeping down overhead costs (8%), maintaining productivity (8%), hitting revenue targets (9%) and keeping down the cost of goods sold (7%).

Traditional SMB IT decision makers are also the most likely to struggled with managing their IT infrastructure, with only 46% feeling that it is easy to maintain and modify, and the are the most likely to say that finding the time to maintain and manage their infrastructure is their top tech challenge (12%).

Cloud service solutions need to be tailored based on size and type of business.

There are several factors when choosing a cloud infrastructure solution that are 'must-haves,' including security and features of the solution itself. Security of a cloud infrastructure being the primary consideration for all business types, with 25% of Enterprise Businesses, 21% of Tech-Focused SMBs and 20% of Traditional SMBs citing this as the most important consideration when selecting a cloud infrastructure solution. However, looking at secondary factors when choosing cloud infrastructure solutions we find differences in the varying types of businesses.

The next most important considerations for Enterprise and Tech-Focused SMBs are the functionality and features (13% Enterprise & 17% Tech-Focused SMBs) and the reliability (13% for both Enterprise and Tech-Focused SMBS) of the cloud solution. Traditional SMBs face the added obstacle of cost. The cost of the solution is a top consideration for 17% of Traditional SMBs, putting it on the same tier as security (mentioned by 20% of Traditional SMBs). Once they know a cloud infrastructure solution is secure and affordable, they then look to assess the functionality (13%) and reliability of the solution. Traditional SMBs would also benefit from a technology solutions that are easy to implement, as only 46% of Traditional SMBs find their IT infrastructure easy to manage.

Different sized businesses need different cloud architectures to meet their needs. When we examined usage of multi-cloud and hybrid-cloud solutions, we find that Tech-Focused SMBs and Enterprises are both more likely than Traditional SMBs to use multi- or hybrid-cloud models. Additionally, the Tech-Focused SMBs are more likely to consciously choose a multi-cloud environment than the two other groups, with 59% of Tech-Focused SMBs stating they consciously chose a multi-cloud setup.

These findings demonstrate that, while businesses' cloud setups get more complex as they grow, both Traditional SMBs and Tech-Focused SMBs have specific pain points and unique considerations when choosing a cloud provider. SMBs require simplicity at a good cost and a provider that can grow with them, and Traditional SMBs need more education on how to best utilize cloud services.

Understanding Technology Needs and Challenges

SMBs of all types are more likely to have their Owners, CEOs, or Presidents managing their cloud services.

	Enterprise	Tech-focused SMB	Traditional SMB
Job title of the person responsible for managing cloud services	Tech titles (CTO, CIO, Director of IT)	Tech titles, Owner, CEO, President	Owner, CEO, President
Is managing cloud services that person's top priority?	Top priority & top priority among other IT priorities	Top priority among other IT priorities	Top priority among other IT priorities (27% have non-IT responsibilities as well)
How SaaS solutions are managed	IT department	IT department	By the person or department using each solution

S3 - Which of the following categories best describes the size of your company/organization? Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487 Q15 - How are SaaS solutions typically managed at your business? Q23 - Whether someone else or yourself, what is the job title of the person most responsible for managing your company's cloud services? Q24 - Whether it's you or another person in your company, which of the following best explains where managing the business's cloud services falls in terms of the job responsibilities of the person who manages your cloud services? N= Varies, among those who use these services

Enterprise and Tech-Focused SMBs rely on dedicated staff to manage their technology solutions, while most Traditional SMBs do not have the staff

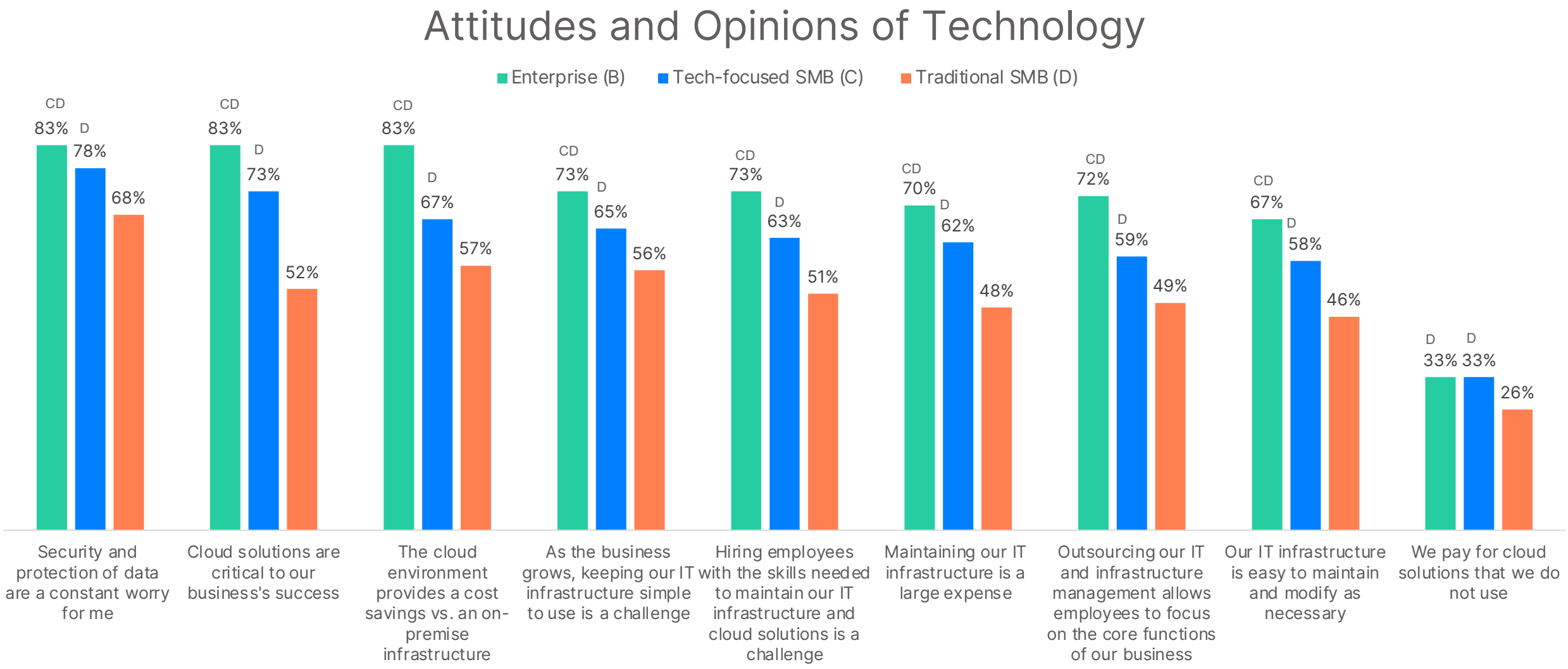
	Enterprise	Tech-focused SMB	Traditional SMB
# of FT technology focused staff	122	39	9
# of PT/Contractor technology staff	87	24	5
% who have a dedicated staff member managing tech infrastructure	92%	83%	48%

Enterprise businesses have the most robust staff dedicated to managing the company's tech technology solutions with an average of 122 full-time employees and 87 part-time employees.

43% of traditional SMBs have 0 full time technical staff

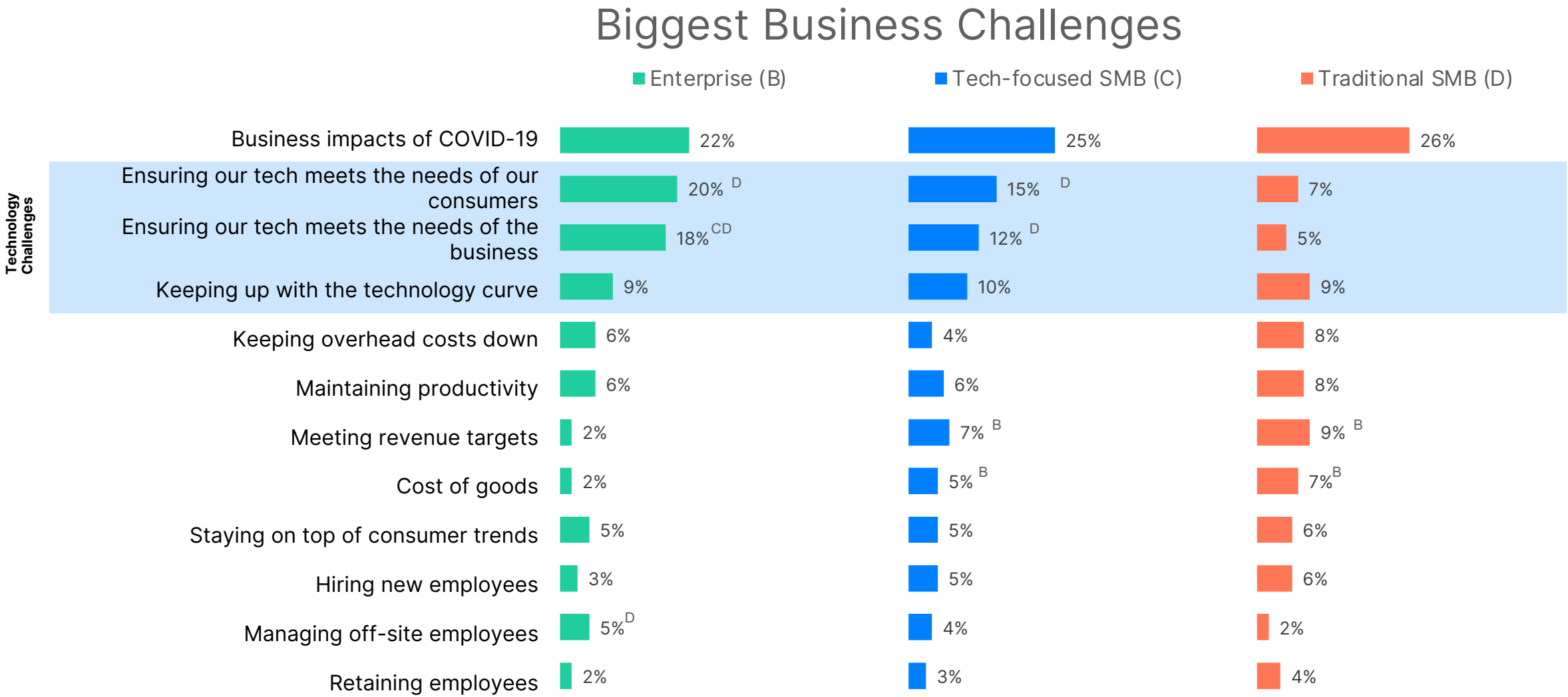
S9 - Regardless of your company's industry, how would you describe what you deliver to your users/customers? Q9 - How many full-time technical staff (IT staff, engineers, developers) does your business employ? Q10 - How many part-time or contractor technical staff (IT staff, engineers, developers) does your business employ? Q11 - Does your business have a dedicated staff member managing your on-premises or cloud infrastructure services? Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487

With the more technology focused staff employed by Enterprise and Tech-Focused business, comes a greater focus on technology.



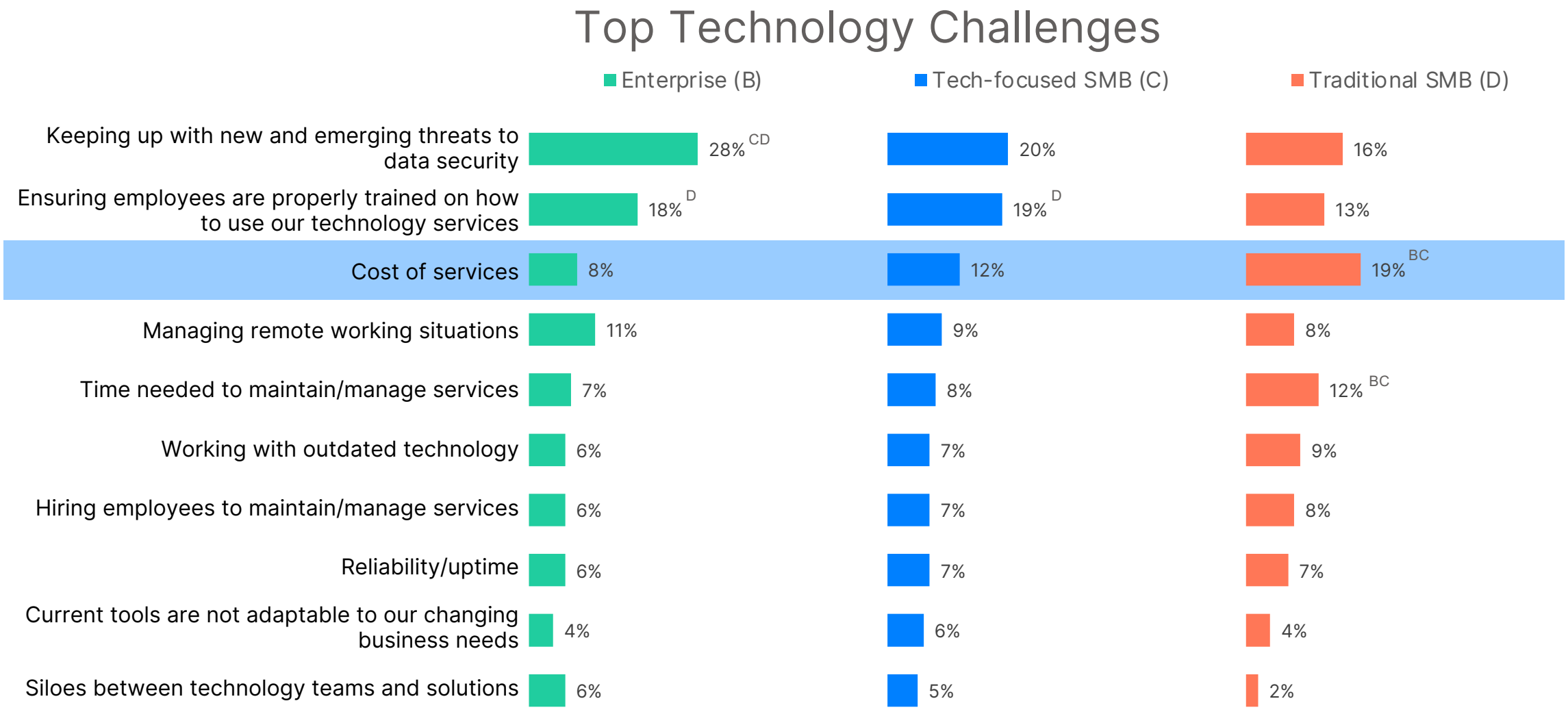
Q3 - Please tell us how much you agree with the following statements using a 5-point scale. TOP TWO BOX: "Agree" and "Strongly agree" Total Sample N=1483, Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487 Letters indicate a significant difference at the 95% confidence level

COVID-19 and technology challenges are the top concerns for Enterprise businesses and Tech-focused SMBs. Technology challenges, cost of goods and hitting revenue targets are all of equal concern to Traditional SMBs.



Q1 - What is the biggest challenge facing your business today? Total Sample N=1483, Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487 Letters indicate a significant difference at the 95% confidence level

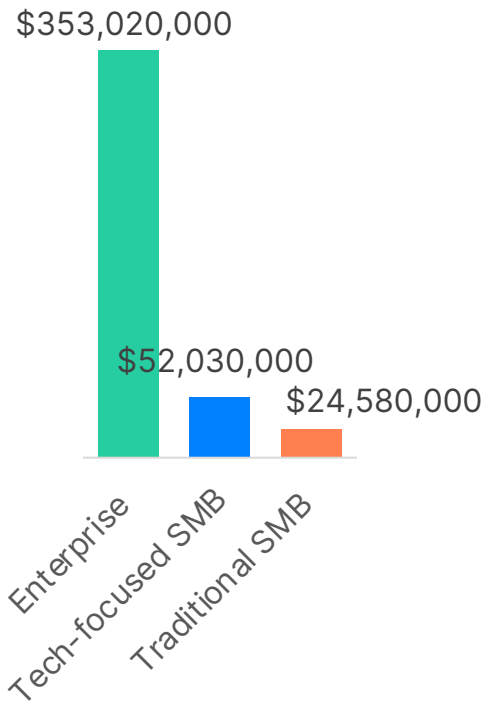
The cost of and time needed to manage tech services is the top technology challenge for Traditional SMBs. Security and training are the top technology challenges for Enterprise and Tech-focused SMBs.



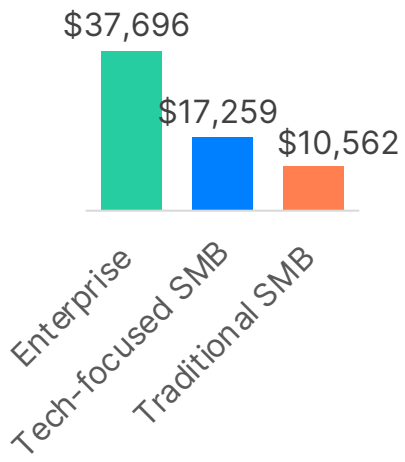
Q2 - What is the biggest challenge related to technology services (website and application hosting, software services, public cloud services, etc.) facing your business today? Total Sample N=1483, Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487 Letters indicate a significant difference at the 95% confidence level

Cost of technology is likely a greater concern for SMBs because they are paying a disproportionally larger amount of revenue for tech solutions

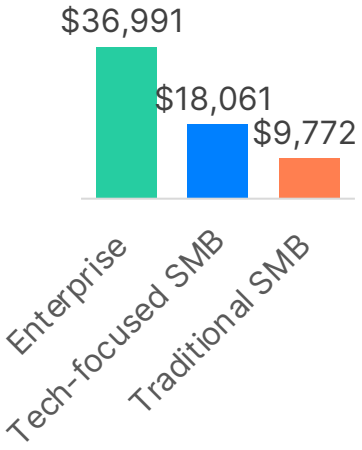
Average Annual Revenue



Average Monthly Spend for Cloud Services



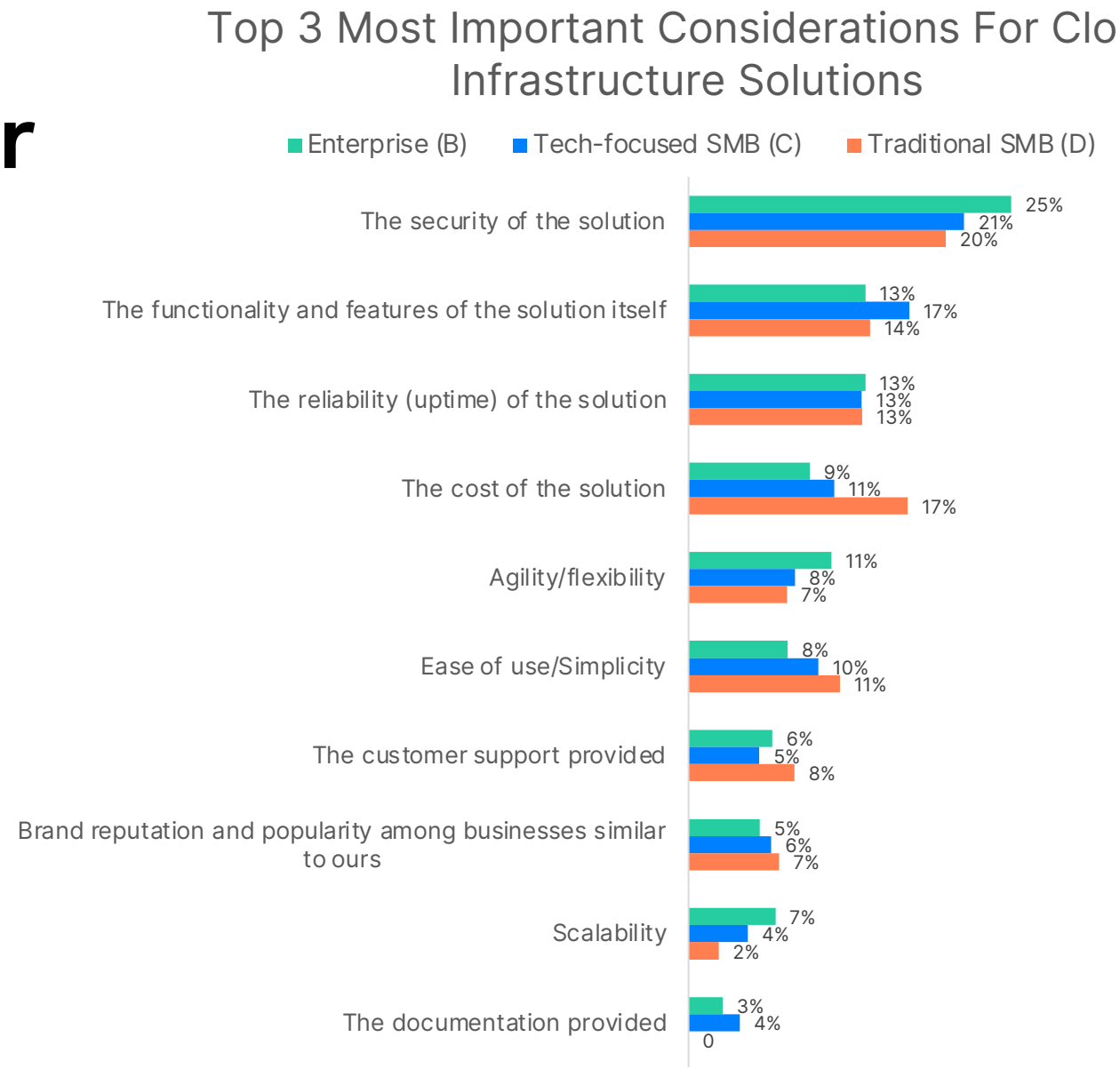
Average Monthly Spend for SaaS solutions:



Q54 - Which of the following categories does your organization's annual revenue fall into? Q38 - How much do you spend monthly on all your cloud infrastructure solutions combined? Q19 - How much do you spend monthly on all your SaaS solutions combined? N=varies, among those who use each type of solution

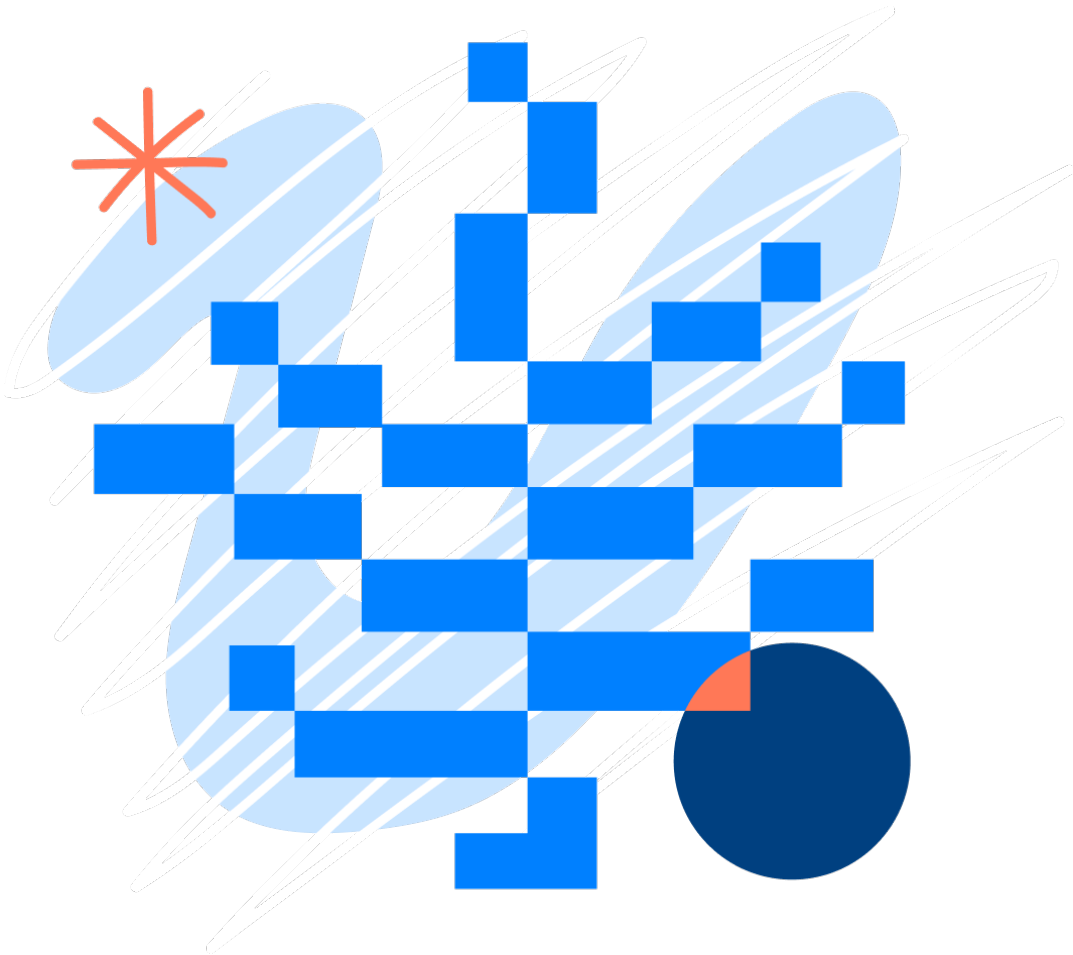
Security is a top consideration for cloud solutions.

Once a business believe that the cloud infrastructure is secure, they then assess the functionality and reliability of the solution. Traditional SMBs must also make it over the cost hurdle before the functionality and reliability of a cloud solution can be assessed.



Q35 - Of these important factors that are considered when choosing a cloud infrastructure solution, please tell us which is the most important, second most important and third most important to you and your business? MOST IMPORTANT. Enterprise N=422, Tech focused SMB N=334, Traditional SMB N=174

COVID-19 and Increased Reliance on Cloud Services



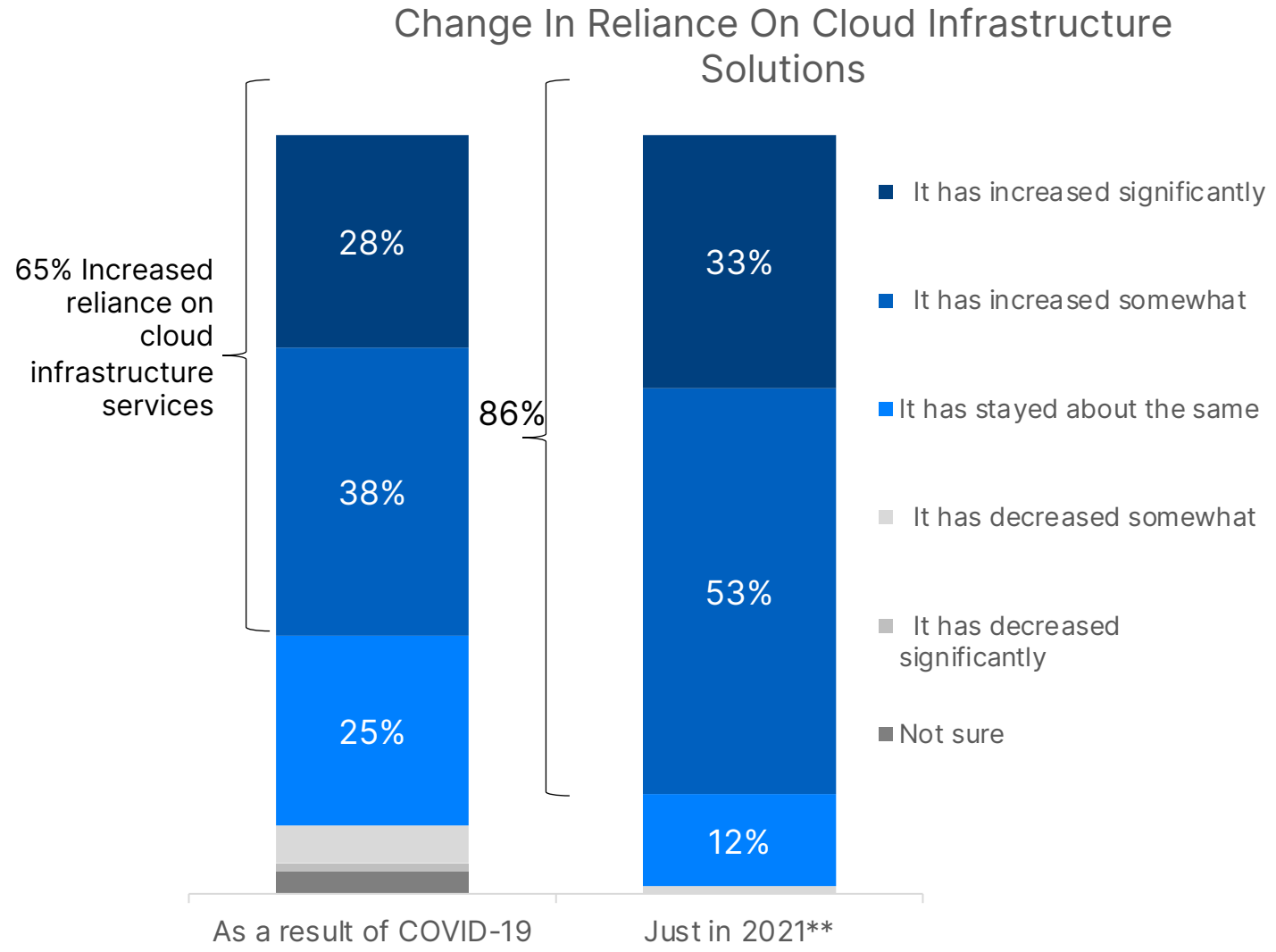
COVID-19 recovery is the top challenge facing businesses in 2021 regardless of size.

26% of Traditional SMBs, 25% of Tech-focused SMBs, and 22% of Enterprises list pandemic recovery as their biggest challenge.

COVID -19 has led to an increased reliance on cloud infrastructure solutions with demand increasing into 2021

COVID-19 may have been the spark, but 2021 saw a major increase in reliance on cloud services.

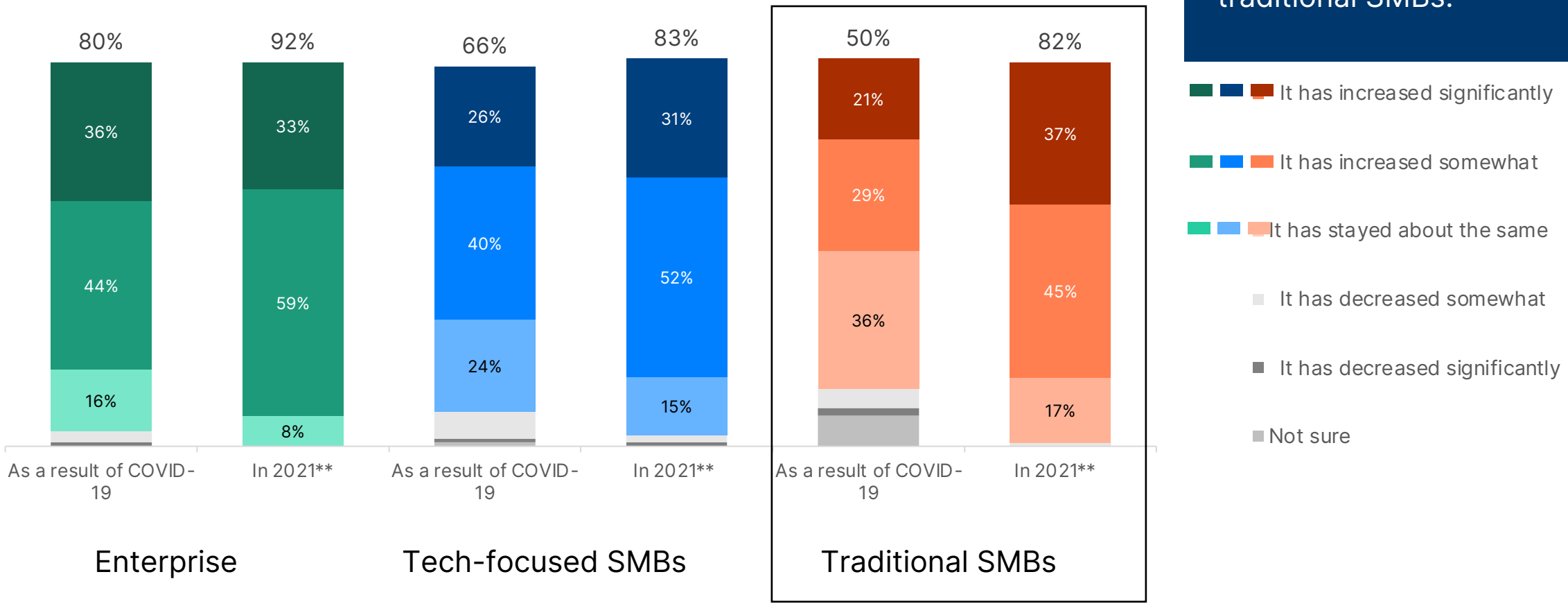
86% say they've increased their reliance on cloud services JUST in 2021 compared to 65% who say the same as the result of the pandemic.



Q5 - How has your business's reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed as a result of the COVID-19 pandemic? Total Sample N=1483 Q6 - And, how has your business's increased reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed just in 2021? Total Sample N=970 **Among those who increased reliance as a result of Covid

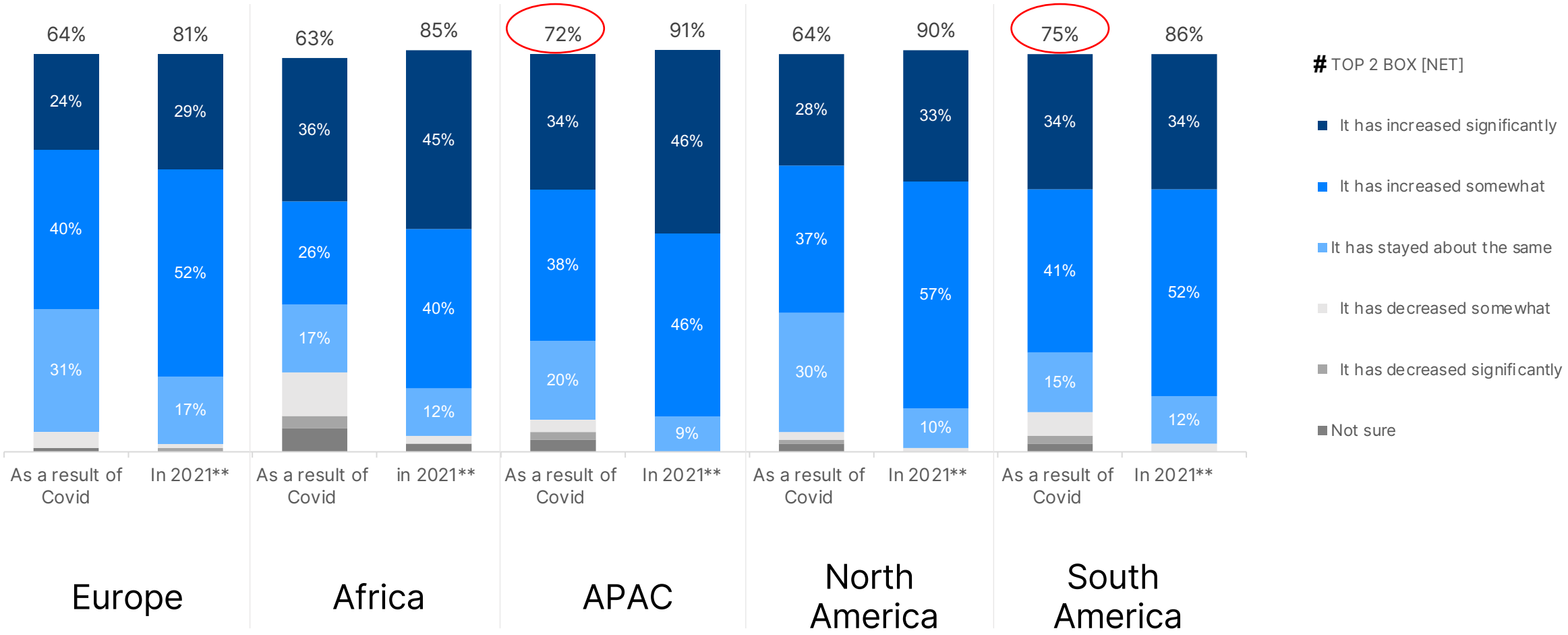
Use of cloud services grew substantially for all segments due to the COVID-19 pandemic and its impact on society.

Those that began relying more on cloud infrastructure solutions as a result of the COVID – 19 pandemic saw their reliance only increase more in 2021, particularly traditional SMBs.

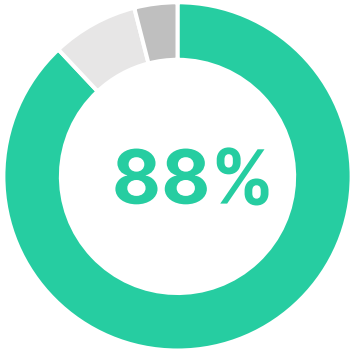


Q5 - How has your business's reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed as a result of the COVID-19 pandemic? Q6 - And, how has your business's increased reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed just in 2021? Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487 **Among those who increased reliance as a result of Covid

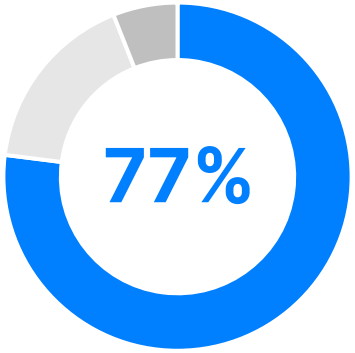
Covid has caused an increased reliance on the cloud everywhere, but it's most pronounced in APAC and South America



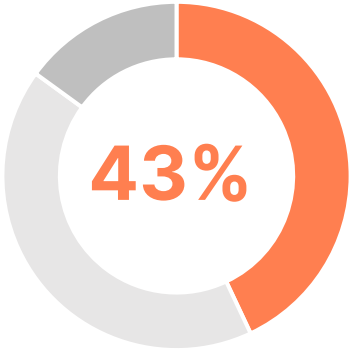
Q5 - How has your business's reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed as a result of the COVID-19 pandemic? Q6 - And, how has your business's increased reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed just in 2021? Europe N=388, Africa N=96, APAC N=684, NA N=451, SA N=399 **Among those who increased reliance as a result of Covid



of Enterprise businesses say cloud solutions have helped their business recover from COVID-19….



of Tech-focused SMBs agree, and…



of Traditional SMBs believe cloud solutions have aided their recovery

No
Don’t know

Cloud services have been a tremendous help to businesses struggling with the impacts of the pandemic. Overall, 69% say cloud has aided their recovery. Tech-focused SMBs and Enterprises are most reliant on the cloud for pandemic recovery, but even 43% of Traditional SMBs say it has helped.

Q7 - Have cloud solutions helped your business recover from the business impacts of COVID-19? Total Sample N=1483, Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487

Cloud solutions have benefited everyone by allowing for virtual working and moving operations online

Ways Cloud Solutions Benefited Businesses

	Enterprise (B)	Tech-focused SMB (C)	Traditional SMB (D)
Allowed for more virtual collaboration while employees work remotely	68%[CD]	57%	50%
Enabled us to move or increase business operations online (sales, scheduling, streaming, etc.)	58%[CD]	51%	44%
Provide a more stable platform and reduced the strain on internal servers	60%[CD]	47%[D]	33%
Maintained or increased IT security	56%[CD]	48%[D]	29%
Enabled us to scale up/down services as needed	47%[CD]	40%	33%

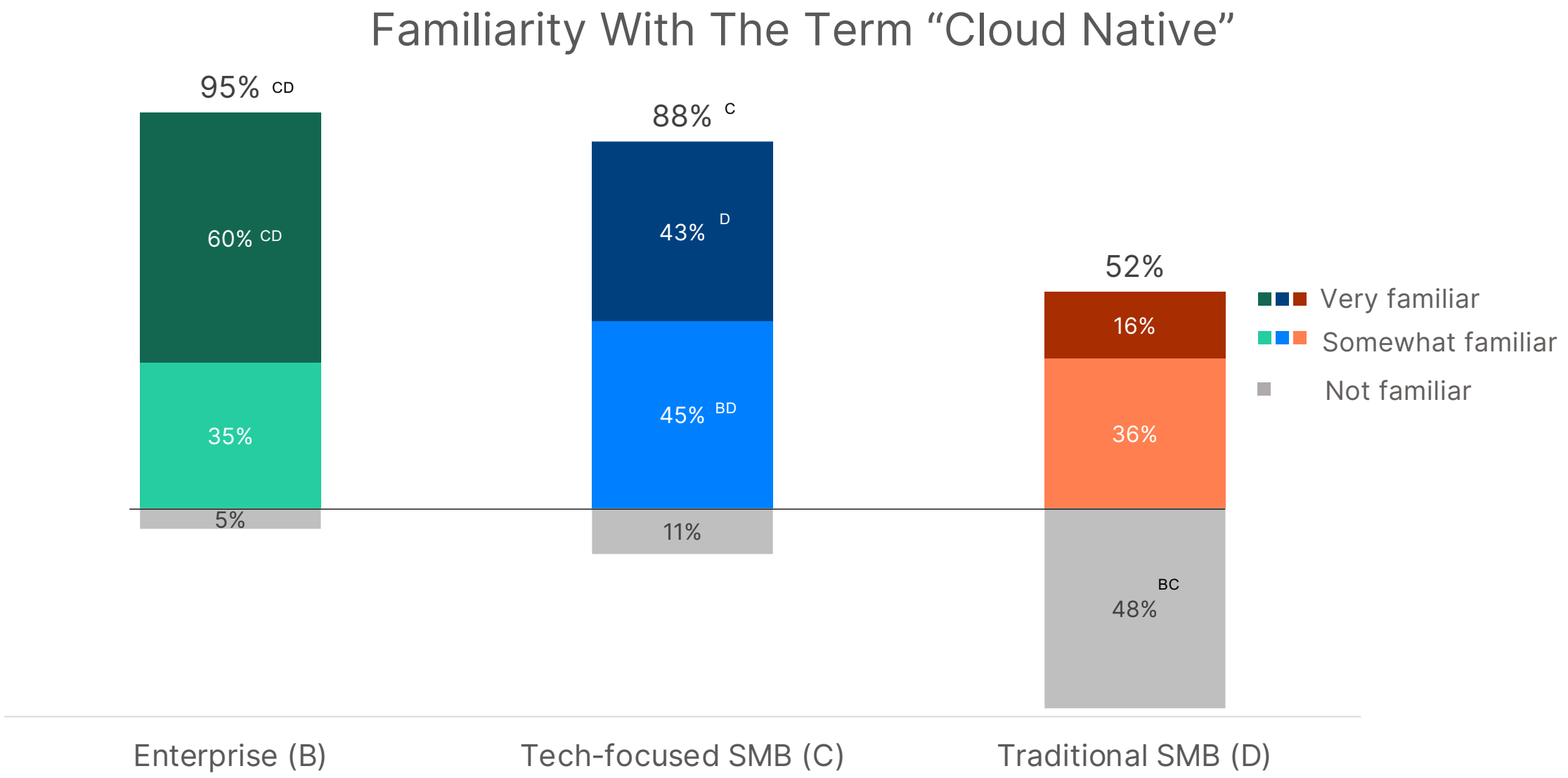
Q8 - In what ways are cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions helping your business recover from the business impacts of COVID-19? Among those whose business recovered with the help of cloud solutions. Enterprise N=437, Tech focused SMB N=382, Traditional SMB N=211 Letters indicate a significant difference at the 95% confidence level

Traditional SMB Knowledge Gap

Traditional SMBs have a knowledge gap that means they use less cloud solutions and prioritize ease of use

Traditional SMBs have fewer employees than the other business segments and thus have fewer or no employees dedicated to managing their technology. Those that do have many competing priorities and have the additional challenge of not knowing as much about technology and cloud solutions. There is also lower usage of cloud solutions, SaaS and PaaS among Traditional SMBs.

Traditional SMBs are not very familiar with term “cloud native” and thus less likely to consider themselves one.

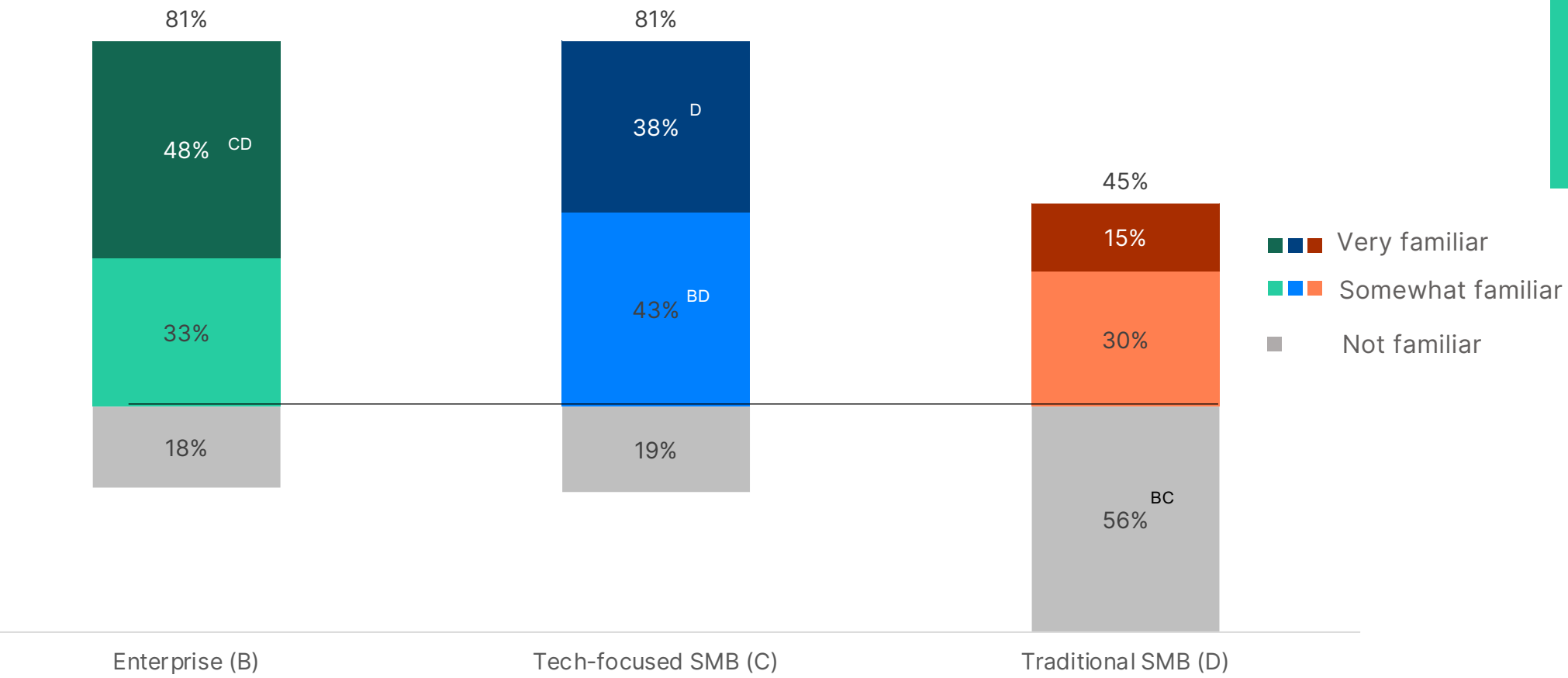


Q44 - How familiar are you with the term 'cloud native'? Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487 Q46 - Do you consider your company to be a 'cloud native'? Enterprise N=471, Tech focused SMB N=443, Traditional SMB N=255 Letters indicate a significant difference at the 95% confidence level

Just 35% of Traditional SMBs consider themselves a cloud native business compared to 58% of Tech-focused SMBs and 64% of Enterprises

“Digital native” is a familiar term to enterprise business and tech focused SMB’s but not to traditional SMBs.

Familiarity With The Term “Digital Native”



45% of Traditional SMBs consider themselves a ‘digital native’ compared to 71% of Enterprises

Q47 - How familiar are you with the term 'digital native'? Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487 Q49 - Do you consider your company to be a “digital native”? Enterprise N=406, Tech focused SMB N=403, Traditional SMB N=215 Letters indicate a significant difference at the 95% confidence level

Traditional SMBs are the most likely to have a single cloud infrastructure

	Single Cloud	Multi-cloud	Hybrid
Enterprise (B)	11%	44%[D]	44%[CD]
Tech-focused SMB (C)	24%[B]	40%[D]	36%[D]
Traditional SMB (D)	46%[BC]	29%	16%

Q25 - Which of the following best describes your organization's cloud infrastructure setup? Q26 - Did your business start out using cloud infrastructure or did you initially utilize an on-premises infrastructure? Enterprise N=422, Tech focused SMB N=334, Traditional SMB N=174 Letters indicate a significant difference at the 95% confidence level

Traditional SMBs are more likely to start out on-premises and then move to the cloud

Businesses that started out cloud-based or moved to the cloud

Based on current cloud service users

	Enterprise (B)	Tech-focused SMB (C)	Traditional SMB (D)
Started out completely cloud-based	20%	23%	21%
Started out as hybrid model	45% D	41% D	22%
Started with an on-premises infrastructure	33%	32%	51% BC

Q26 - Did your business start out using cloud infrastructure or did you initially utilize an on-premises infrastructure?. Enterprise N=422, Tech focused SMB N=334, Traditional SMB N=174 Letters indicate a significant difference at the 95% confidence level

The majority of tech-focused SMBs with a multi-cloud infrastructure consciously chose multi-cloud

How your multi-cloud infrastructure came to be:	Enterprise (B)	Tech-focused SMB (C)	Traditional SMB (D)
Conscious decision to ensure the right partners or to ensure redundancy	45%	**59%**[BD]	43%
It evolved out of different departments using different providers or because our preferred provider didn't offer everything we needed	34%	30%	34%
It was recommended by an external IT consultant	19%	11%	16%

Q31 - Which of the following best describes how your multi-cloud architecture came to be? Among those who use a multi-cloud infrastructure. Enterprise N=187, Tech focused SMB N=134, Traditional SMB N=51 Letters indicate a significant difference at the 95% confidence level

Traditional SMBs are using fewer types of cloud services than Tech-focused SMBs and Enterprises

Cloud services used:	Enterprise (B)	Tech-focused SMB (C)	Traditional SMB (D)
Cloud hosting/infrastructure services such as AWS EC2, Azure VMs	74%[CD]	66%[D]	44%
Platform as a Service solutions such as Heroku, Google App Engine, Azure App Service	65%[D]	63%	55%
Databases like MongoDB, AWS RDS, Atlas, SQL	57%[D]	53%[D]	24%
Storage products like AWS S3, DO Spaces	45%[D]	40%[D]	21%
Containerization systems such as Kubernetes/Docker	33%[CD]	19%[D]	9%

Q21 - Which of the following cloud services does your company utilize? Enterprise N=422, Tech focused SMB N=334, Traditional SMB N=174 Letters indicate a significant difference at the 95% confidence level

Cloud solutions that are easy to use are especially important to SMBs

Cloud infrastructure solutions that are most critical to business success:

Top Tier

Specific brand they use **29%**

Specific features **26%**

Security	14%
Better integration	3%
Better cloud infrastructure	2%

Cited more by enterprise (33%), less by traditional SMBs

Second Tier

Ease of use **13%**

Easy to use	6%
Easy access	3%
Better flexibility	3%

Data management **10%**

Data storage	5%
Better document/data mgmt.	2%
Better database	2%

Good performance **10%**

Quick/fast/agile	4%
Reliable	3%
Works hard/more efficient	3%
Stability	2%

Customer Service **9%**

Third Tier

Cost/Value **5%**

Better Infrastructure **3%**

Cloud infrastructure	2%

Cited more by traditional SMBs (20%) and less by Enterprise

Q43 - What cloud infrastructure solution is most critical to your business' success? Open ended question, based on those answering. Total Sample N=518, Enterprise N=255, Tech focused SMB N=212, Traditional SMB N=51

Enterprise businesses use the most SaaS solutions, followed by Tech-focused SMBs, with Traditional SMBs using the fewest SaaS solutions

SaaS services used:	Enterprise (B)	Tech-focused SMB (C)	Traditional SMB (D)
Analytics and data visualization tools	64%^{CD}	52%^{D}	31%
Customer relationship management tools	62%^{CD}	52%^{D}	34%
Sales management tools	49%^{D}	42%	33%
Accounting tools	47%^{C}	39%	46%
Enterprise resource planning tools	54%^{CD}	34%*	21%
E-commerce platforms	47%^{CD}	38%	34%
Marketing automation and email platforms	45%	40%	36%
Human resource management tools	50%^{CD}	35%	26%

Q14 - What type of SaaS solutions does your business utilize? Enterprise N=365, Tech focused SMB N=295, Traditional SMB N=113 Letters indicate a significant difference at the 95% confidence level

Understanding cloud native businesses

Cloud native companies have unique characteristics and challenges

- Cloud natives are more likely to have taken funding: **57% have taken funding** vs **30% of non-cloud natives**
- Cloud natives find hiring and training employees on technology solutions more of a challenge: **43% say it is a challenge** vs **30% of non-cloud natives**
- Complexity is more of a challenge for cloud natives: **34% say complexity of cloud solutions is a challenge** for them vs **25% of non-cloud natives**

Companies that consider themselves to be cloud native are typically tech-focused SMBs or Enterprise businesses and are more likely to consider themselves a startup

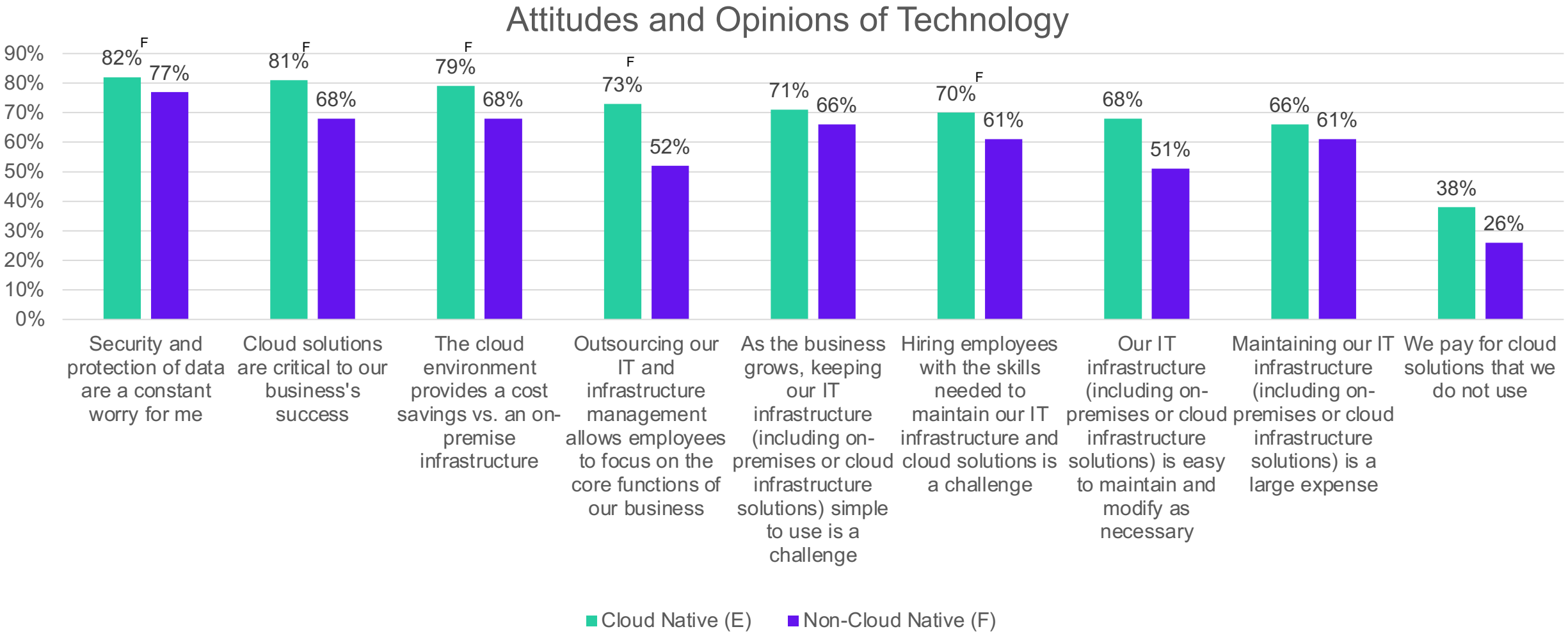
Is your company a cloud native?

Enterprise	64%
Tech-focused SMB	58%
Traditional SMB	35%

Consider their company a startup

Cloud native	61%
Non-cloud native	37%

Cloud natives view cloud solutions as critical to their business, cost savings and as a means to enable employees to focus on their core functions.

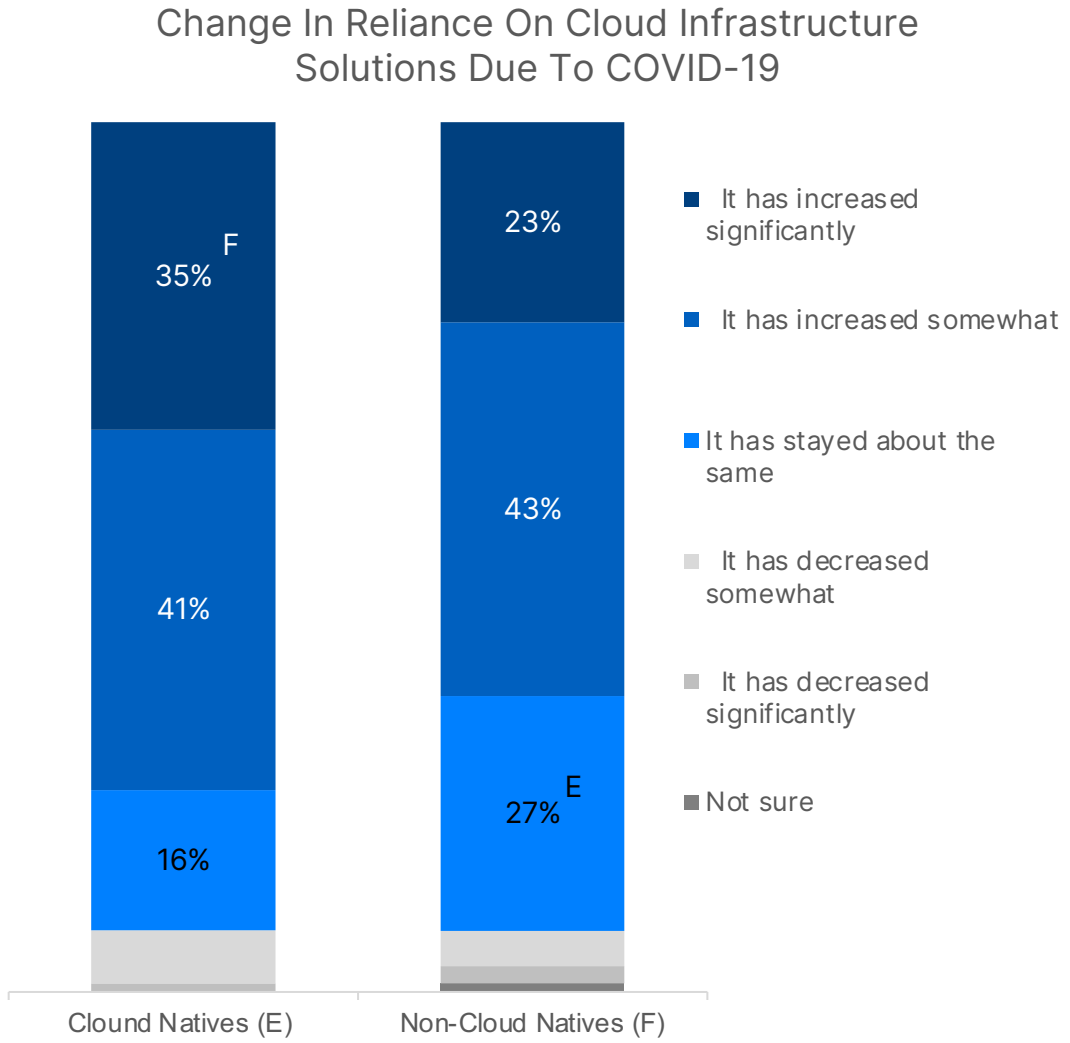


Q3 - Please tell us how much you agree with the following statements using a 5-point scale. TOP TWO BOX: “Agree” and “Strongly agree” Cloud Native N=647, Non-Cloud Native N= 522 Letters indicate a significant difference at the 95% confidence level

Cloud native companies use more complex cloud setups than non-cloud natives and were more likely to increase reliance on the cloud due to COVID-19

Services used by cloud natives and non-cloud natives

	Cloud native (E)	Non-cloud native (F)
Use a multi-cloud setup	46% F	36%
Use containers as a service	23% F	10%
Use serverless /Function as a Service	21% F	11%



Q4 Which of the below services does your business utilize? Q5 - How has your business's reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed as a result of the COVID-19 pandemic? Cloud Native N=647, Non-Cloud Native N= 522.Letters represent a significant difference at the 95% confidence level.

Appendix

India Insights

Enterprise and Tech-Focused SMBs rely on dedicated staff to manage their technology solutions, while most Traditional SMBs do not have the staff

	Enterprise	Tech-focused SMB	Traditional SMB
# of FT technology focused staff	108	36	5
# of PT/Contractor technology staff	83	24	3
% who have a dedicated staff member managing tech infrastructure	85%	67%	24%

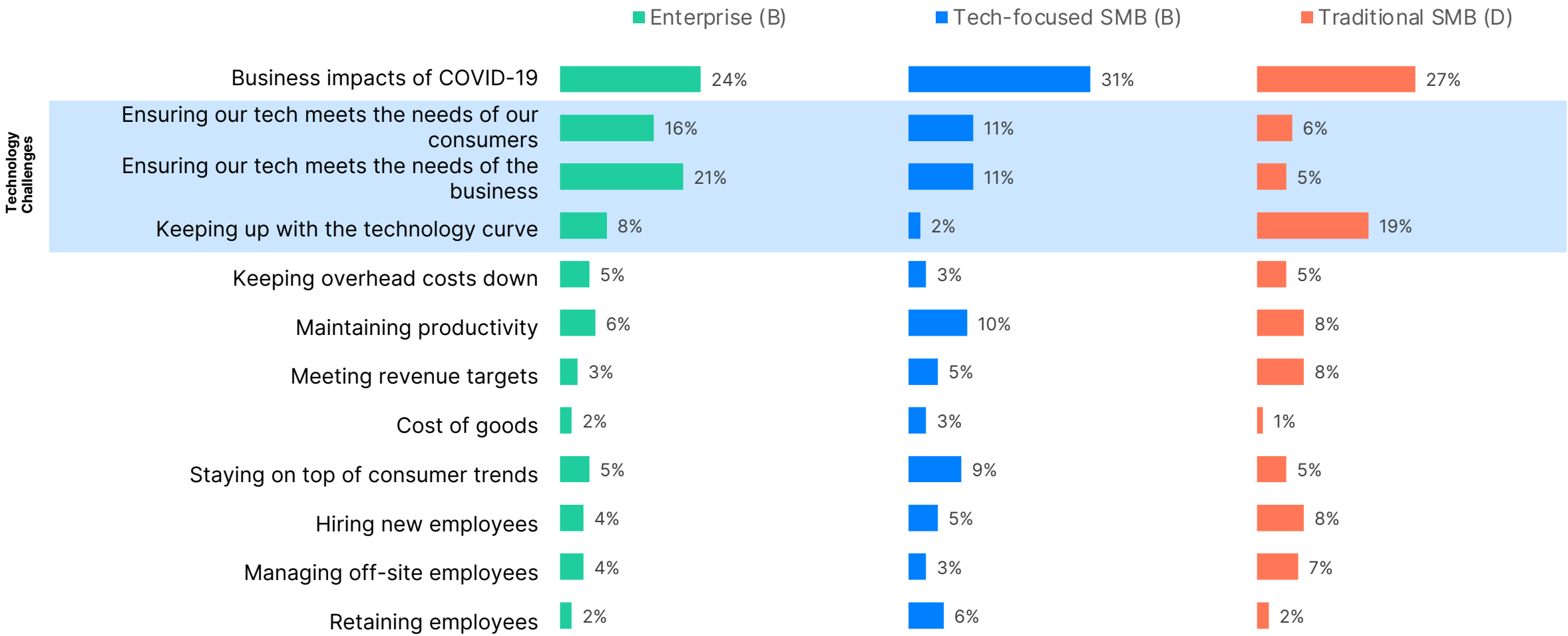
Enterprise businesses have the most robust staff dedicated to managing the company's tech technology solutions with an average of 108 full-time employees and 83 part-time employees.

69% of traditional SMBs have 0 full time technical staff

S9 - Regardless of your company's industry, how would you describe what you deliver to your users/customers? Q9 - How many full-time technical staff (IT staff, engineers, developers) does your business employ? Q10 - How many part-time or contractor technical staff (IT staff, engineers, developers) does your business employ? Q11 - Does your business have a dedicated staff member managing your on-premises or cloud infrastructure services? Total Sample N=300, Enterprise N=100, Tech focused SMB N=99, Traditional SMB N=101

COVID-19 and technology challenges are the top concerns for Enterprise businesses and Tech-focused SMBs. Keeping up with the technology curve and hiring employees, maintaining productivity, and meeting revenue are also challenges for Traditional SMBs.

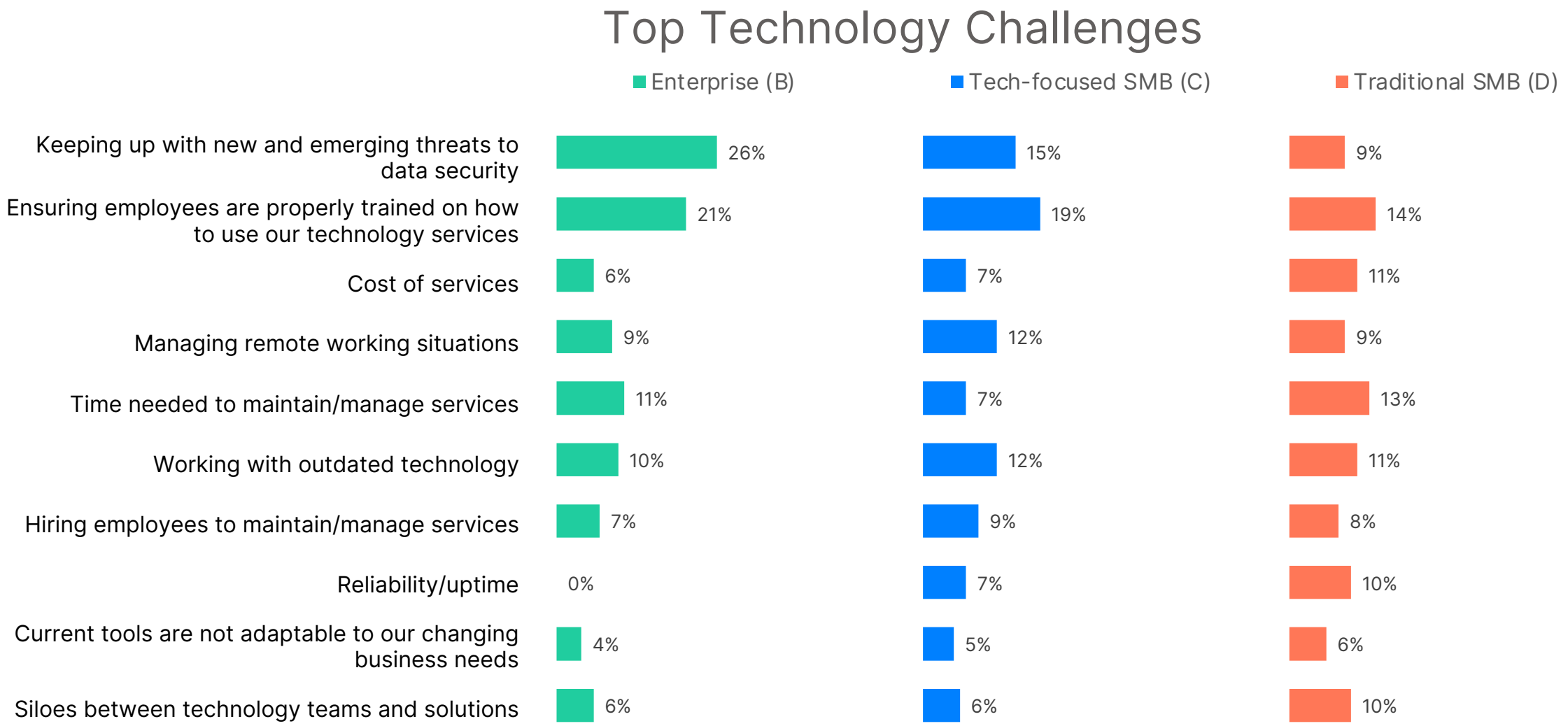
Biggest Business Challenges



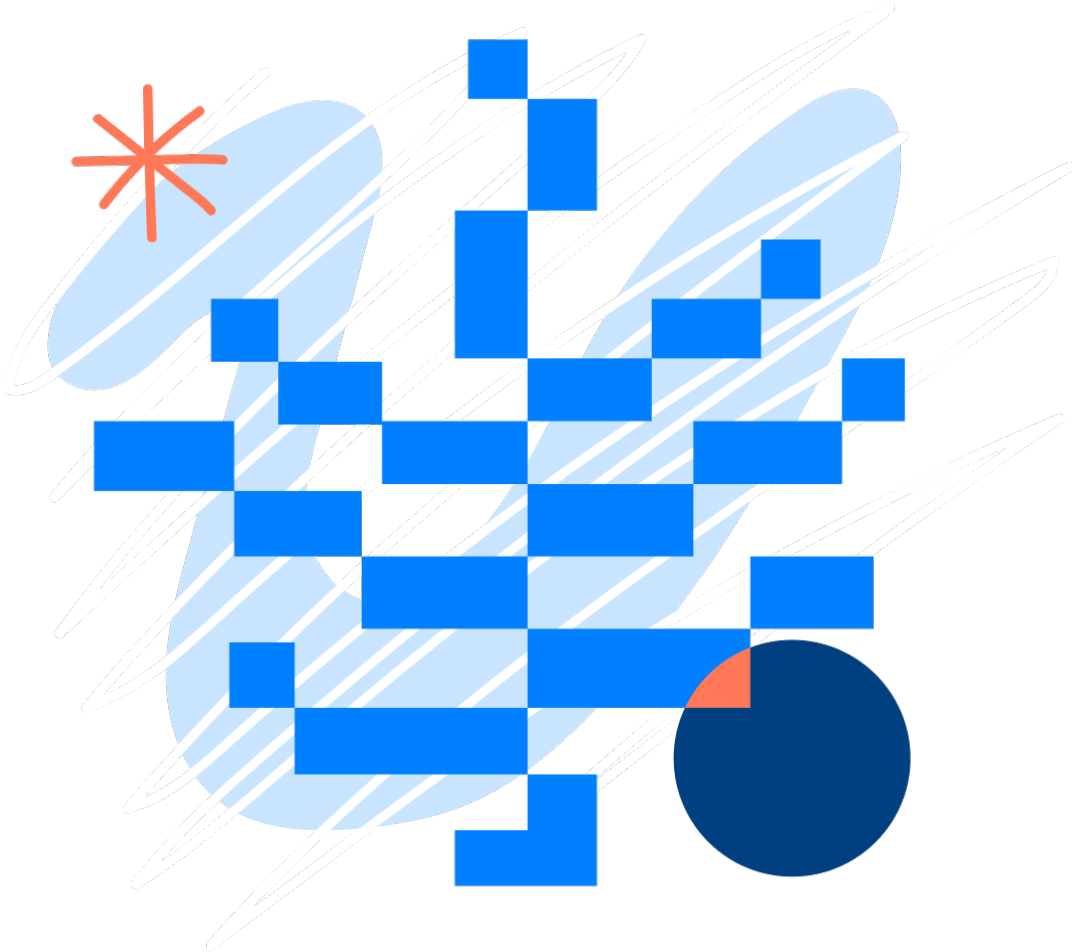
Q1 - What is the biggest challenge facing your business today? Total Sample N=300, Enterprise N=100, Tech focused SMB N=99, Traditional SMB N=101

India

Ensuring employees are properly trained on how to use technology services is a challenge for all groups, especially tech-focused SMBs and Enterprises.

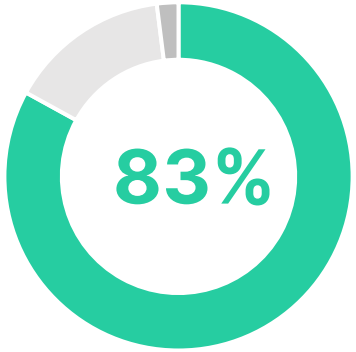


Q2 - What is the biggest challenge related to technology services (website and application hosting, software services, public cloud services, etc.) facing your business today? Total Sample N=300, Enterprise N=100, Tech focused SMB N=99, Traditional SMB N=101

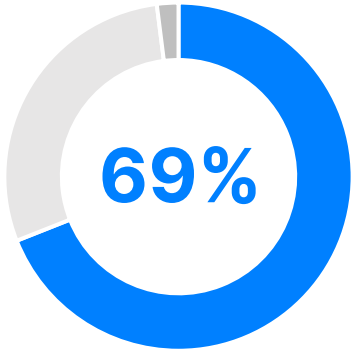


COVID-19 recovery is the top challenge facing businesses in 2021 regardless of size.

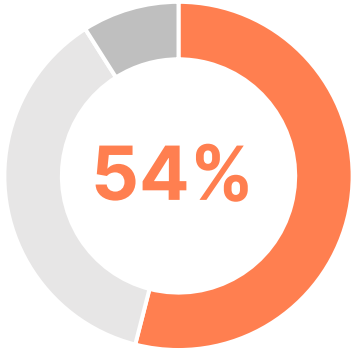
27% of Traditional SMBs, 31% of Tech-focused SMBs, and 24% of Enterprises list pandemic recovery as their biggest challenge.



of Enterprise businesses say cloud solutions have helped their business recover from COVID-19….



of Tech-focused SMBs agree, and…



of Traditional SMBs believe cloud solutions have aided their recovery

No
Don’t know

Cloud services have been a tremendous help to businesses struggling with the impacts of the pandemic. Overall, 69% say cloud has aided their recovery. Tech-focused SMBs and Enterprises are most reliant on the cloud for pandemic recovery, but even 54% of Traditional SMBs say it has helped.

Q7 - Have cloud solutions helped your business recover from the business impacts of COVID-19? Total Sample N=300, Enterprise N=100, Tech focused SMB N=99, Traditional SMB N=101

India

Cloud solutions have benefited everyone by allowing for virtual working and moving operations online

Ways Cloud Solutions Benefited Businesses

	Enterprise	Tech-focused SMB	Traditional SMB
Allowed for more virtual collaboration while employees work remotely	70%	62%	18%
Enabled us to move or increase business operations online (sales, scheduling, streaming, etc.)	64%	54%	36%
Provide a more stable platform and reduced the strain on internal servers	53%	50%	31%
Maintained or increased IT security	53%	51%	27%
Enabled us to scale up/down services as needed	53%	37%	25%

Q8 - In what ways are cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions helping your business recover from the business impacts of COVID-19? Among those whose business recovered with the help of cloud solutions. Total Sample (Cloud users) N=206, Enterprise N=83, Tech focused SMB N=68, Traditional SMB N=55

Just 52% of Traditional SMBs consider themselves a cloud native business compared to 71% of Tech-focused SMBs and 86% of Enterprises

Q46 Do you consider your company to be a 'cloud native'? Among those who know of the term 'cloud native'. Total Sample N=170, Enterprise N=73, Tech focused SMB N=70, Traditional SMB N=27

India

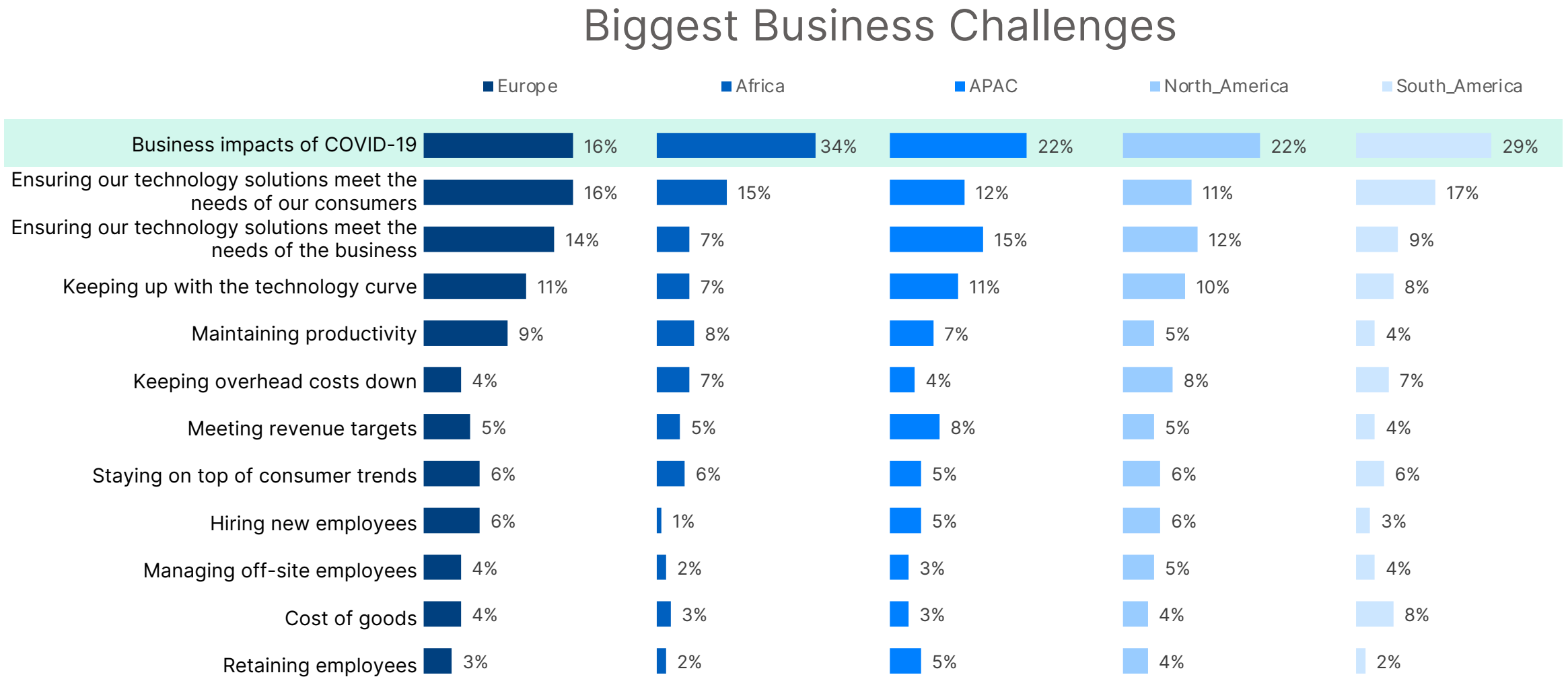
Traditional SMBs are the most likely to have a single cloud infrastructure

	Single Cloud	Multi-cloud	Hybrid
Enterprise (B)	11%	50%	40%
Tech-focused SMB (C)	24%	52%	24%
Traditional SMB (D)	39%	28%	28%

Q25 - Which of the following best describes your organization's cloud infrastructure setup? Enterprise N=72, Tech focused SMB N=50, Traditional SMB N=18

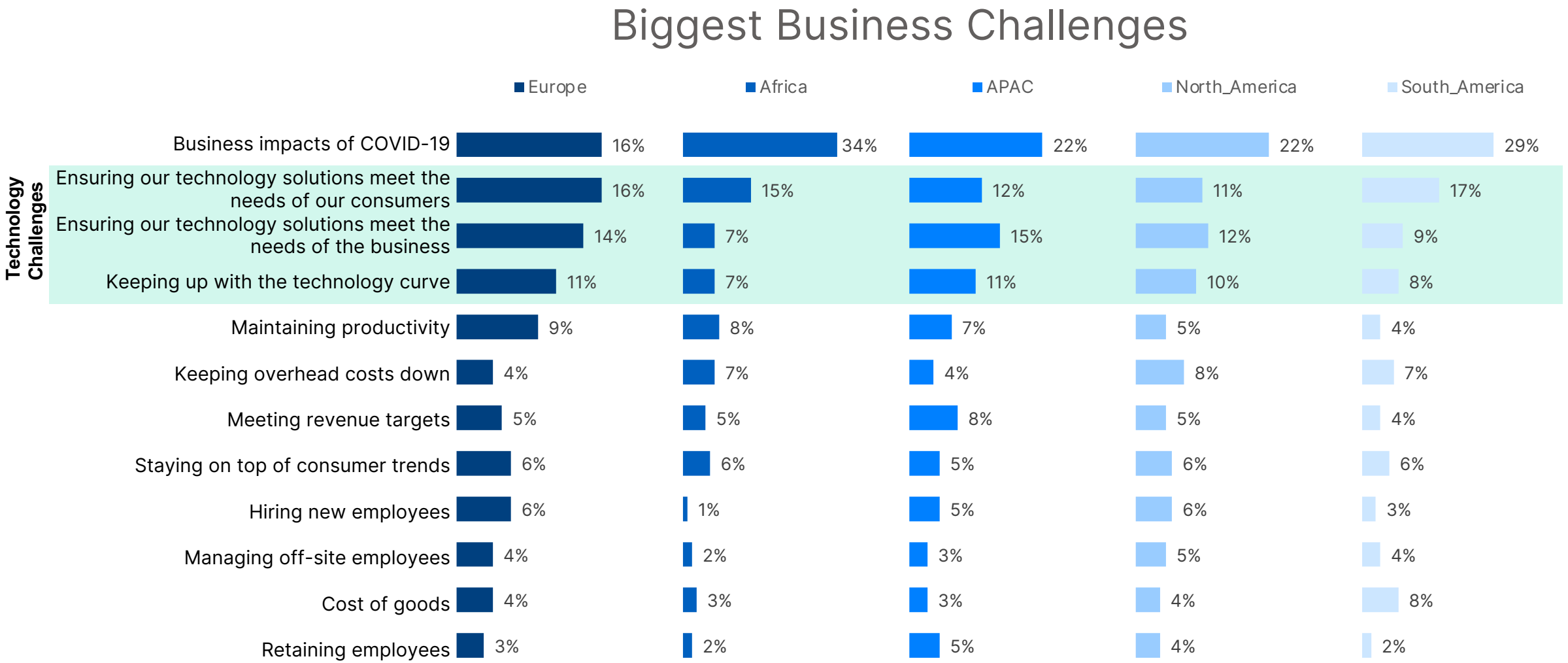
Regional Insights

COVID-19 has impacted Africa more than any other region and it's less of an issue in Europe – technology concerns still rank second to Covid everywhere



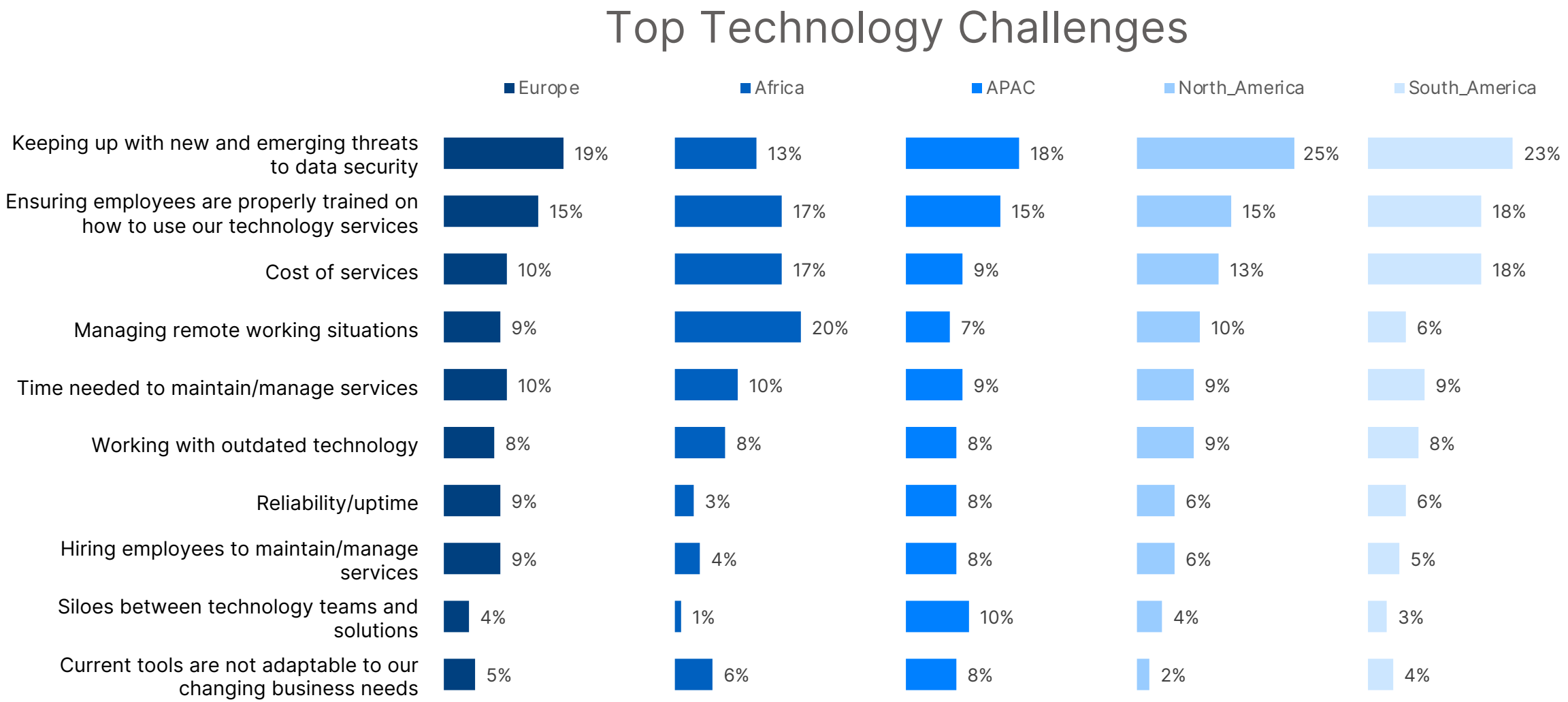
Q1 - What is the biggest challenge facing your business today? Total Sample N=1483, Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487 Letters indicate a significant difference at the 95% confidence level

Technology challenges are second to the challenges of COVID-19 in all regions, except Europe, which is equally focused on the COVID-19 challenges and ensuring technology meets customers' needs.



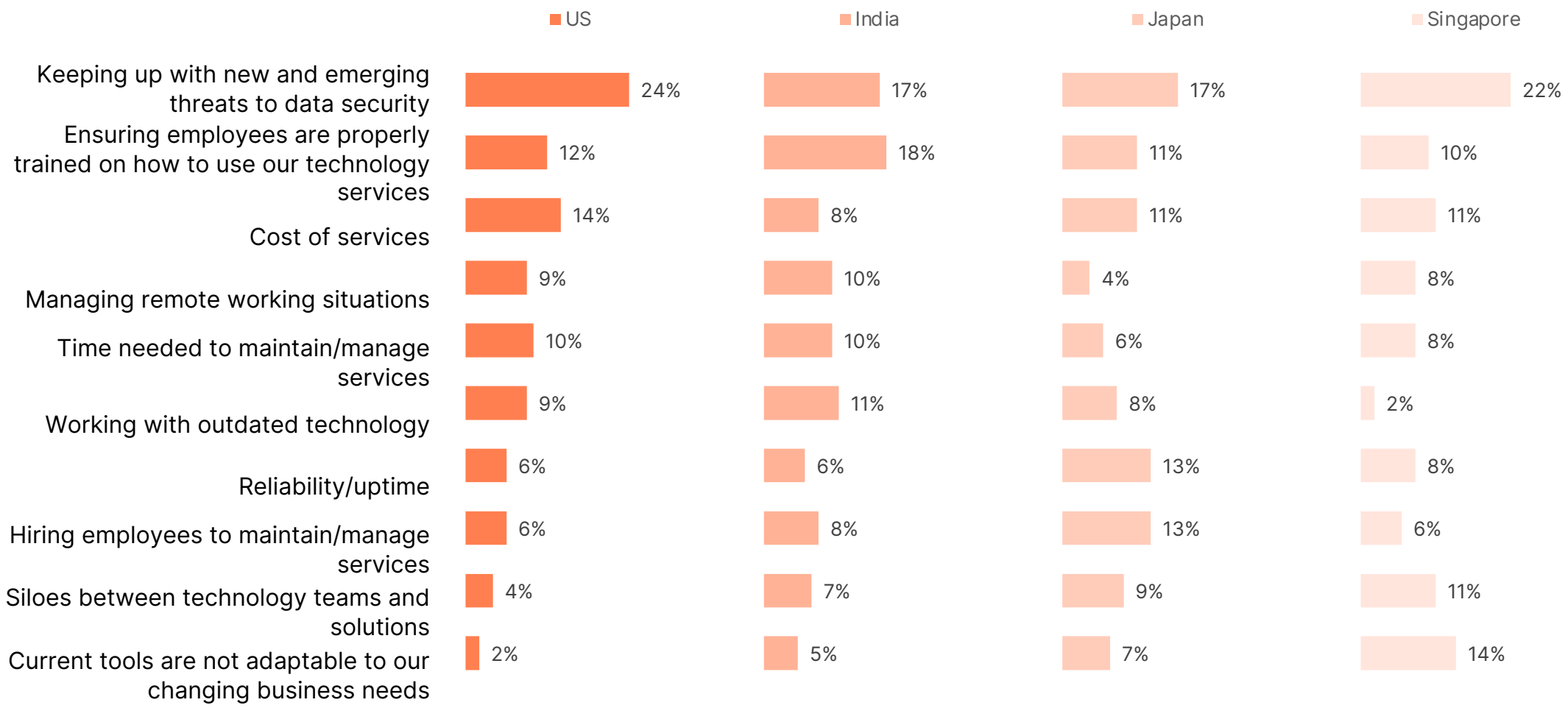
Q1 - What is the biggest challenge facing your business today? Total Sample N=1483, Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487

Technology concerns vary by region with security a major issue everywhere but Africa – where remote working tops the list



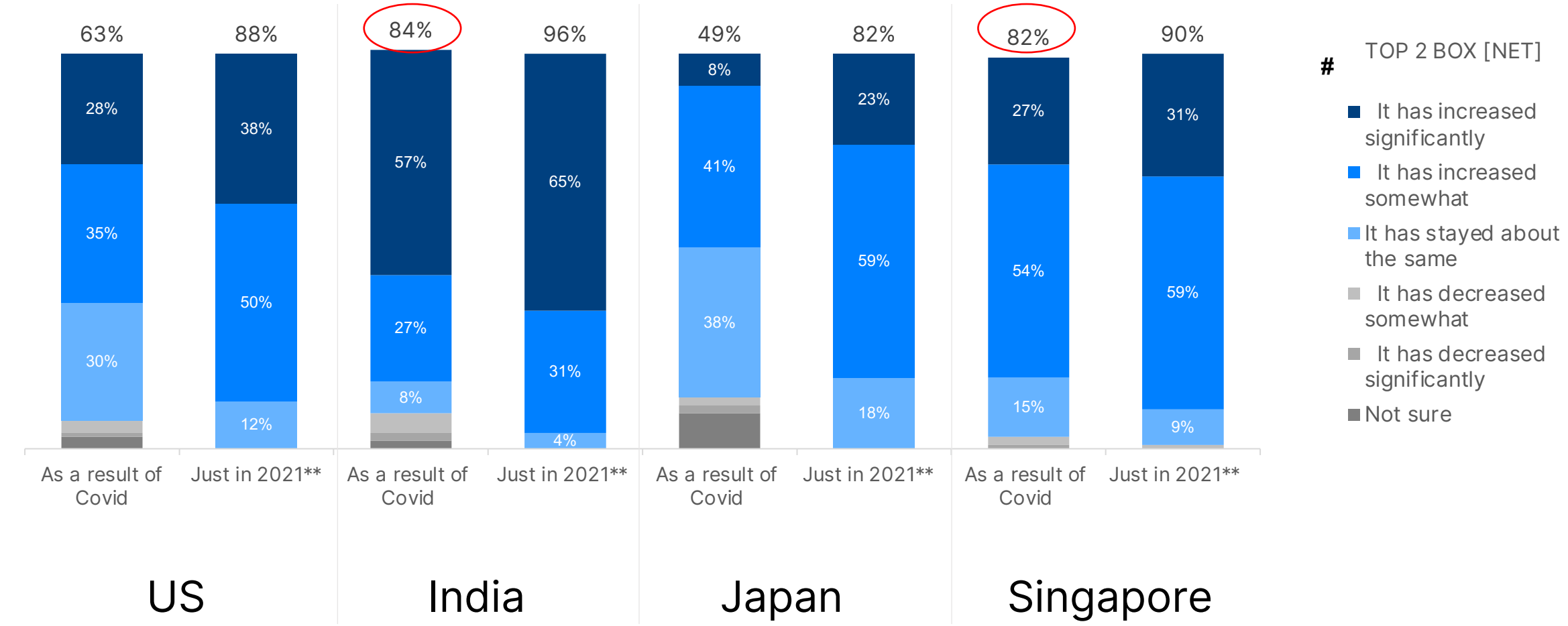
Q2 - What is the biggest challenge related to technology services (website and application hosting, software services, public cloud services, etc.) facing your business today? Europe N=388, Africa N=96, APAC N=684, NA N=451, SA N=399 Letters indicate a significant difference at the 95% confidence level

Security remains a concern in the US, India, Japan, and Singapore, but other concerns include costs in the US, training employees in India, reliability and hiring in Japan and the need for new tools in Singapore



Q2 - What is the biggest challenge related to technology services (website and application hosting, software services, public cloud services, etc.) facing your business today? US N=220, India N=300, Japan N=193, Singapore N=131 Letters indicate a significant difference at the 95% confidence level

We also see pronounced increases in cloud reliance due to COVID-19 in India and Singapore



Q5 - How has your business's reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed as a result of the COVID-19 pandemic? Q6 - And, how has your business's increased reliance on cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions, changed just in 2021? US N=330, India N=300, Japan N=193, Singapore N=131 **Among those who increased reliance as a result of Covid

The cloud helped with remote work across all the countries we surveyed

Among those who found cloud solutions helpful...

	US	India	Japan	Singapore
Allowed for more virtual collaboration while employees work remotely	66%*	53%	51%	55%
Enabled us to move or increase business operations online (sales, scheduling, streaming, etc.)	59%*	53%*	32%	56%*
Provide a more stable platform and reduced the strain on internal servers	54%	46%	53%	56%
Maintained or increased IT security	55%*	46%	54%	49%
Enabled us to scale up/down services as needed	47%	40%	45%	51%*

Q8 - In what ways are cloud solutions, including cloud infrastructure services, software as a service solutions, and private cloud solutions helping your business recover from the business impacts of COVID-19?
Among those whose business recovered with the help of cloud solutions. US N=222, India N=206, Japan N=92, Singapore N=118 Letters indicate a significant difference at the 95% confidence level

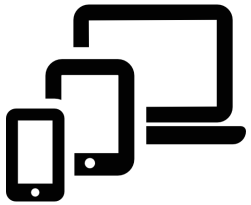
Study Methodology

Methodology

We conducted 2,400 interviews among tech decision makers in 48 different countries from Sept. 22 - Oct 14, 2021. The Surveys were conducted in English, Spanish, French, German, Italian, Portuguese, Mandarin, and Japanese. Additional sample was gathered in key countries to allow for a deep dive into these countries.

	Main Sample					Additional Sample in Key Countries			
	North America	South America	Europe	Africa	APAC	India	Singapore	Japan	United States
Enterprise	100	133	133	33	100	100	60	75	100
Tech-Focused Start-ups SMBs	100	133	133	33	100	99	45	75	116
Traditional SMB	100	133	124	30	100	101	26	43	114
TOTAL	**300**	**399**	**390**	**96**	**300**	**300**	**131**	**193**	**330**

Characteristics of 3 key subgroups



Enterprise companies – with 500 or more employees

Tech-focused SMBs – with under 500 employees who describe themselves as a tech or hybrid company

Traditional SMBs – with under 500 employees who describe themselves as a non-tech company

	Enterprise (500+ employees)	Tech-focused SMB (1-499 employees)	Traditional SMB (1-499 employees)
Sample Size	499	499	487
Average # of employees	906.2	147.6	79.1
Sole proprietor business	-	4%	28%

S3 - Which of the following categories best describes the size of your company/organization? S9 - Regardless of your company's industry, how would you describe what you deliver to your users/customers?
Total Sample N=1483

Traditional SMBs are more likely to embrace the “small business” label

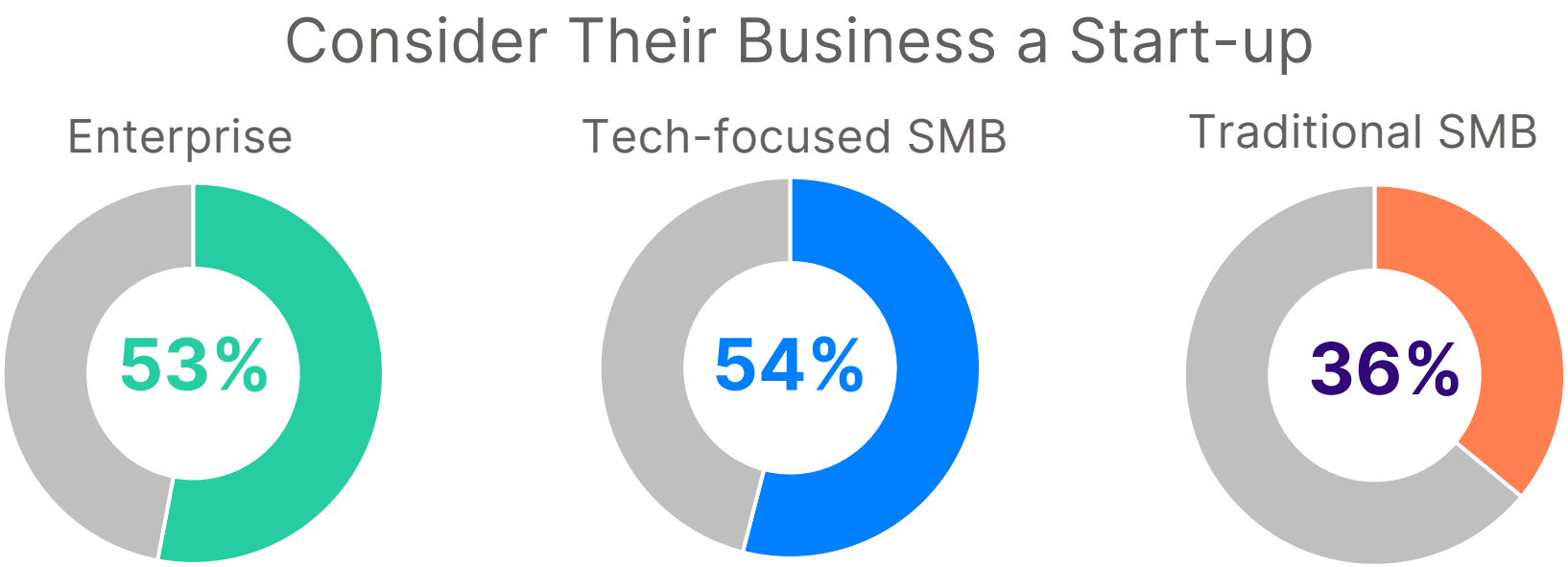
Two-thirds of traditional SMBs say that they consider their business to be “small”, and while tech-focused SMBs are more likely to see themselves as “medium” – they both know they’re not playing in the same league as enterprise businesses.

Actual vs. Perceived company size

	Enterprise (500+ employees)	Tech-focused SMB (1-499 employees)	Traditional SMB (1-499 employees)
Describes their company as “a small business”	5%	31%	67%
Describes their company as “a medium-sized business”	38%	56%	26%
Describes their company as “a large corporation/enterprise business”	57%	12%	5%

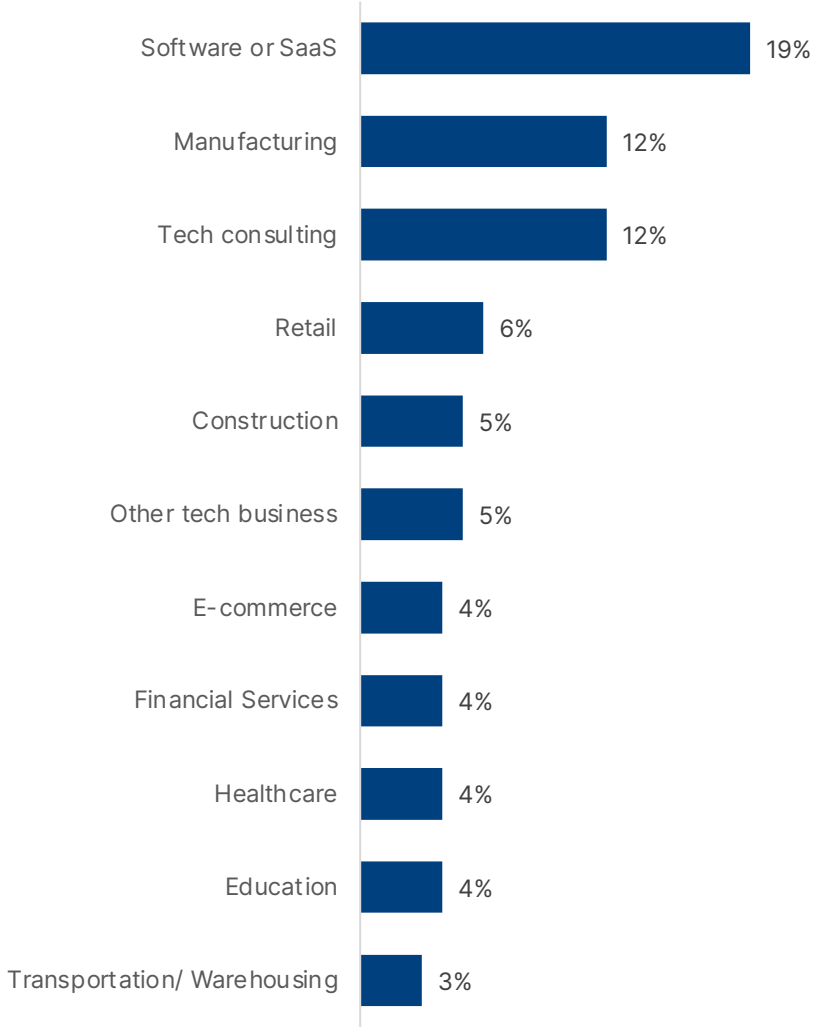
S7 - Which of the following best describes your company/organization? Please choose the option that you most closely associate your company with. Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487

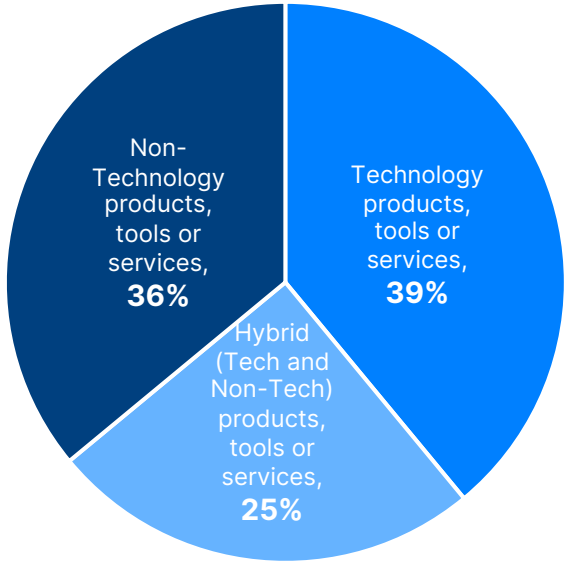
Enterprise businesses are equally likely to consider themselves to be a “start up” as Tech-focused SMBs



S6 - Do you consider your company to be a 'start-up'? Enterprise N=497, Tech focused SMB N=499, Traditional SMB N=487

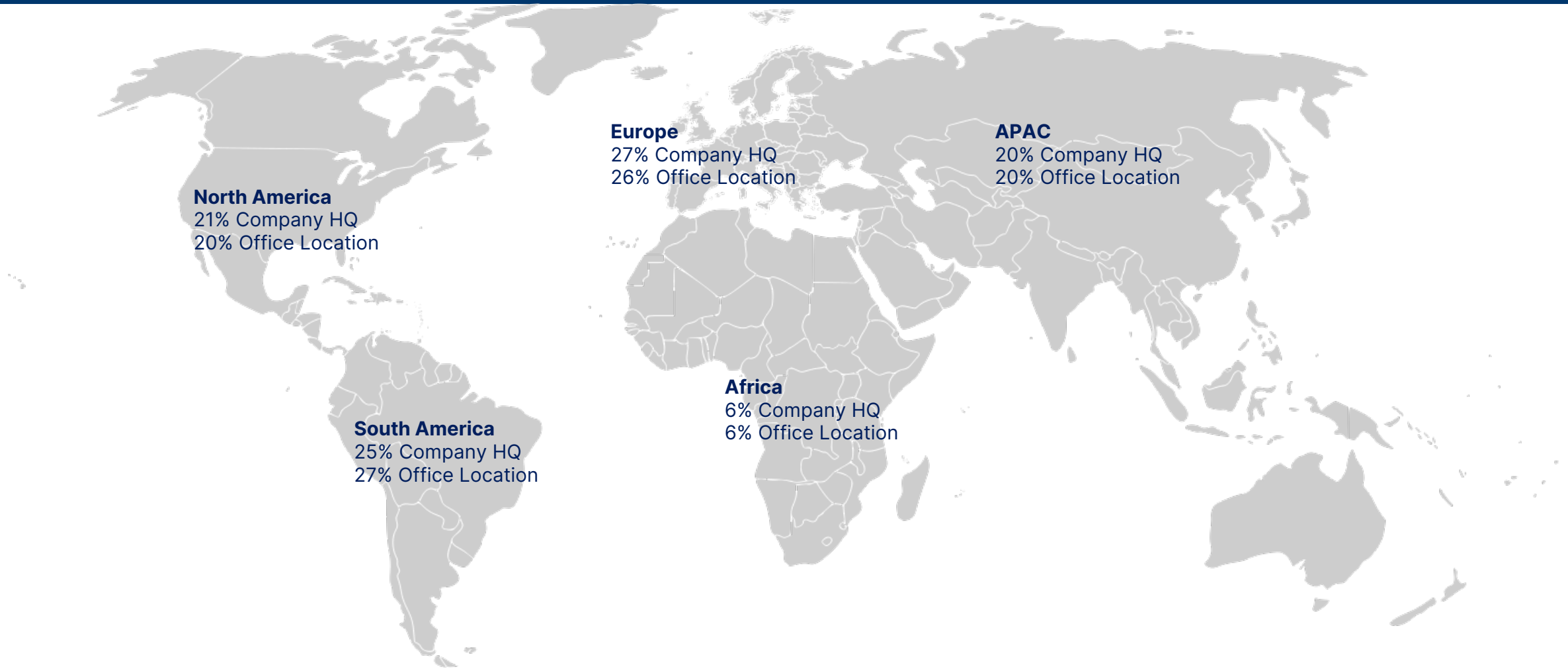
Respondents' companies operate in a mix of industries, tech, non-tech and hybrid



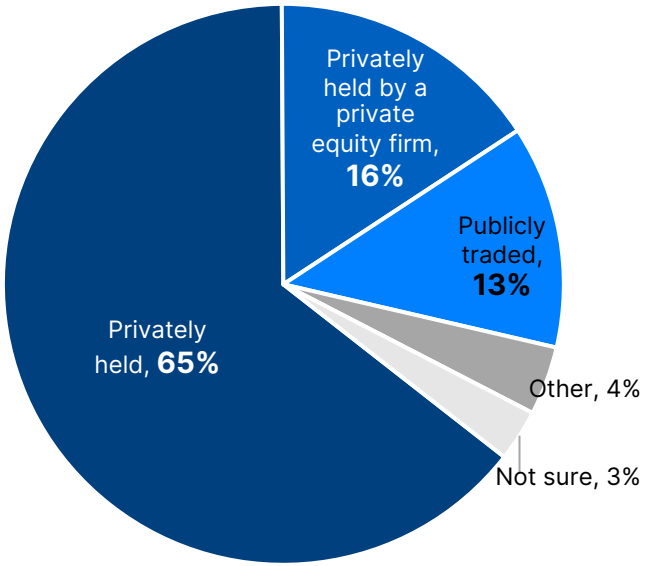


S8 - Which of the following best describes your company's industry? S9 - Regardless of your company's industry, how would you describe what you deliver to your users/customers? Total Sample N=1483

They’re located in 48 different countries with HQ’s in over 50 countries



Most companies are privately held and solely funded by the founders



39% Have accepted funding from investors/private equity firms

52% Are solely funded by the founder(s)

9% Not sure

The average company was founded in

1995

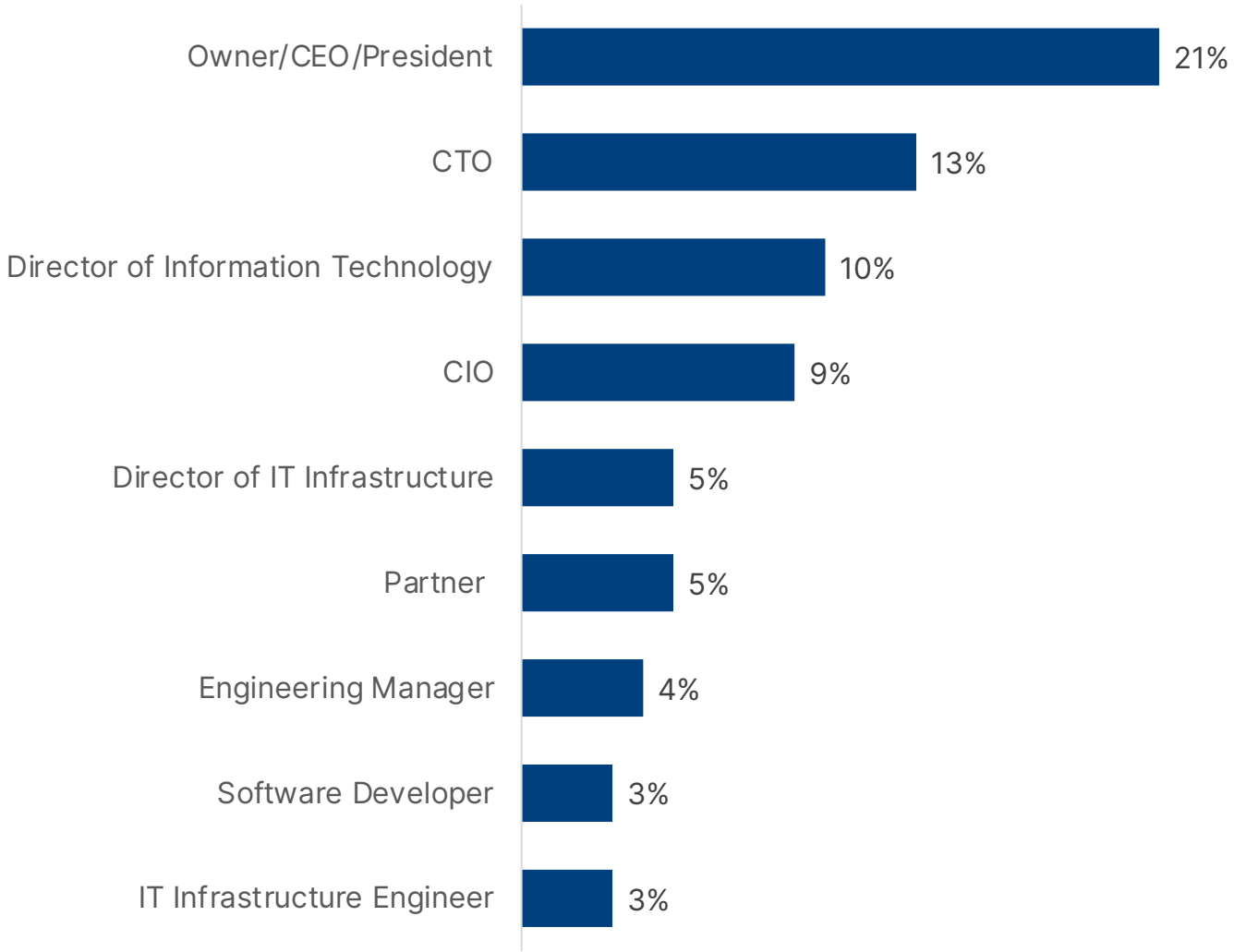
and is

26

years old

Q50 - Is your business privately held or traded publicly? Q51 – In what year was your company founded? Q52 - Has your business accepted funding from investors or private equity firms, or is it self-funded by an individual or individuals? Total Sample N=1483

Respondents represent a mix of tech and C-suite titles



Role In Technology Decisions

61%	I identify the technology solutions our organization needs
53%	I make the final approval on the technology solutions we use
46%	I work with others to identify the technology solutions our organization needs
23%	I make the final recommendations for technology solutions, but someone else approves it
17%	I am very influential but do not make the final decision

S4 - What is your title? S5 - Which of the following best describes your role within the organization when it comes to selecting technology solutions? Total Sample N=1483