Small and Medium Business Trends Report

FIFTH EDITION

Insights from over 2,500 small and medium business owners and leaders worldwide
What You’ll Find in This Report

For the fifth edition of the “Small and Medium Business Trends” report, we analyzed the responses of more than 2,500 SMB owners and leaders around the world to determine:

• How support from local communities has affected SMBs
• What SMBs are doing to deepen trust with customers and employees
• How technology helps SMBs grow
• What has changed for SMBs over the past year and how that impacts their future

The survey was conducted online by The Harris Poll on behalf of Salesforce between June 21 and July 12, 2021, among 2,534 SMB owners and leaders in North America, Latin America, South America, Europe, and Asia Pacific. Respondents are 18 years of age or older, employed full time, part time, or self-employed, and owners or senior executives at businesses with 2–200 employees and annual revenue of less than $1 billion U.S. or the local equivalent.*

All respondents are third-party panelists (not limited to Salesforce customers).

* See “Survey Demographics” and “About This Report” for further details on this study.

I hope these insights on how SMBs are supported by their communities, deepening trust, and transforming operations inspire you and your own business.”

Eric Bensley
VP, SMB & Essentials Product Marketing
Salesforce
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Executive Summary

SMBs are pushing forward after more than a year of change. Owners and leaders have guided their businesses through an ongoing health crisis, large-scale social change, and a volatile economy. While many businesses suffered in the pandemic, others seized entrepreneurial opportunities. As we see in this year’s report, many SMB leaders have successfully adjusted – and even flourished.

In the fifth edition of the “Small and Medium Business Trends” report, we share a snapshot of SMB leaders’ current perceptions and insights and how these have changed.

01 Communities and Governments Step Up for SMBs
Due to pandemic shutdowns, SMBs found themselves even more resource-strapped – all while struggling to maintain revenue streams. Governments and local communities alike stepped up to help. Two-thirds of SMB leaders say community support has been important to their company’s survival.

02 Customer and Employee Engagement Take Priority
After a period of turmoil, SMBs are looking to deepen trust. To do so, they’re focusing on providing employees with transparent communications and flexibility, while also meeting customer expectations. More than seven in 10 SMBs say their customers expect online transactions, and nearly the same proportion have an ecommerce presence.

03 SMBs Embrace the Digital-First World
In an increasingly unpredictable world, SMB leaders are accelerating their tech investments – seeking technology to help their business survive even the most tumultuous times. More than half of growing SMBs accelerated investments in sales and customer service technology over the past year.

04 SMBs Foresee Long-Term Changes from the Pandemic
Many SMB leaders have rethought their strategies in order to keep their businesses afloat; in doing so, operations became more efficient. SMBs now plan to keep some of those changes permanently. Three-quarters of SMB leaders believe shifts they’ve made to business operations over the past year will benefit them long-term.
Communities and Governments Step Up for SMBs

The grit and innovation of SMBs during a time of great change has been a triumph. It has also been a testament to the perseverance and creativity of SMBs and the communities in which they operate.

Around two-thirds of SMB leaders say government and community support have been important to their company’s survival. More than one in 10 go so far as to call it absolutely critical.

The retail and consumer goods industries relied heavily on outside support. Over three-quarters of SMBs in these industries say government and community support have been important to their survival – more than SMBs in other industries.

Importance of Support to Company Survival During the Pandemic

Importance of Support to Company’s Pandemic Survival by Industry*

* Includes responses of “absolutely critical,” “very important,” and “somewhat important.”
Government and community aid has helped SMBs operate under new circumstances and continue routine actions, like purchasing supplies and paying employees. Most SMBs applied for some type of financial aid during the pandemic. Medium businesses, which often have higher operational costs, are more likely than their smaller counterparts to have done so. More than half of SMB aid applicants received help, with small businesses more likely to have received national/federal government aid.

<table>
<thead>
<tr>
<th>Financial Aid Applied for and Received During the Pandemic</th>
<th>Total</th>
<th>Applied for</th>
<th>Received*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>National/federal government aid</td>
<td>31%</td>
<td>28%</td>
<td>77%</td>
<td>73%</td>
</tr>
<tr>
<td>Small business loans</td>
<td>25%</td>
<td>21%</td>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>Regional government aid (i.e., state or province)</td>
<td>18%</td>
<td>15%</td>
<td>62%</td>
<td>58%</td>
</tr>
<tr>
<td>Local government aid</td>
<td>16%</td>
<td>12%</td>
<td>63%</td>
<td>59%</td>
</tr>
<tr>
<td>Private grants</td>
<td>11%</td>
<td>8%</td>
<td>51%</td>
<td>56%</td>
</tr>
<tr>
<td>I have not applied for aid</td>
<td>39%</td>
<td>46%</td>
<td>59%</td>
<td>73%</td>
</tr>
</tbody>
</table>

* Among SMBs who applied for each.

Communities and Governments Step Up For SMBs

Government and community aid has helped SMBs operate under new circumstances and continue routine actions, like purchasing supplies and paying employees.
SPOTLIGHT | U.S. Black- and Latinx-Led Businesses

Community shows support for businesses facing unique challenges.

Due to systemic inequality, Black- and Latinx-led businesses have historically had less access to funding and resources. In order to survive uncertain economic conditions, Black- and Latinx-led SMBs are somewhat more likely to have laid off or furloughed employees than white-led businesses.

However, as racial inequality came to the forefront of society over the last year, there has been a move toward intentionally supporting and investing in Black- and Latinx-led businesses. Over half of Black (59%) and Latinx (65%) U.S. SMB leaders say that financial support they’ve received from their community has been vital to business survival.

Actions Taken During the Pandemic

<table>
<thead>
<tr>
<th></th>
<th>White-led U.S. SMBs</th>
<th>Black-led U.S. SMBs*</th>
<th>Latinx-led U.S. SMBs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furloughed employees</td>
<td>9%</td>
<td>21%</td>
<td>15%</td>
</tr>
<tr>
<td>Laid off employees</td>
<td>13%</td>
<td>23%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Community Financial Support Has Been Vital to the Survival of Their Business over the Past Year

<table>
<thead>
<tr>
<th></th>
<th>White-led U.S. SMBs</th>
<th>Black-led U.S. SMBs*</th>
<th>Latinx-led U.S. SMBs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>11%</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>22%</td>
<td>32%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Total

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>White-led U.S. SMBs</td>
<td>33%</td>
</tr>
<tr>
<td>Black-led U.S. SMBs*</td>
<td>59%</td>
</tr>
<tr>
<td>Latinx-led U.S. SMBs*</td>
<td>65%</td>
</tr>
</tbody>
</table>

* Caution: Small base size (less than 100); results should be interpreted as directional.
Many SMBs made human resource changes as they adapted to changing conditions.

Some SMBs were forced to reduce working hours or cut back their workforce altogether. Nearly one in five SMBs furloughed employees during the pandemic, but nearly half of those (49%) have rehired those they furloughed. Growing businesses are more likely than stagnant/declining SMBs to have done this (59% versus 43%).

More than two in five SMBs have provided flexible working arrangements to employees during the pandemic. Growing businesses are more likely to have offered employees flexibility, compared to stagnant/declining businesses.

When it comes to employee benefits, the same pattern continues. While the majority of SMBs have held their benefits steady during the pandemic, many – especially stagnant/declining SMBs – had to reduce perks.
Customer and Employee Engagement Take Priority

As the pandemic continues, employees are voicing expectations for new safety measures at work. They also expect flexible work schedules and locations.

Given these employee expectations – and as SMBs look to build trust after layoffs and furloughs – many of them are transforming employee engagement with transparent communication and empathy, and asking for feedback.

Top 5 Employee Expectations

1. Flexible schedules
2. Mask usage at work
3. Daily sanitation of workspaces/materials
4. Social distancing at work
5. The ability to work remotely

Actions SMBs Have Taken to Earn Employee Trust

- Communicating transparently: 51%
- Responding to personal needs: 42%
- Asking for feedback: 40%
- Fostering opportunities for collaboration: 32%
- Allowing autonomy: 30%
- Ensuring company actions are consistent with stated values: 29%
- Connecting employees’ passions to their daily work: 27%
- Aligning teams on the company’s vision and goals: 25%
Customer and Employee Engagement Take Priority

Customers have greater expectations than ever before. As found in Salesforce’s most recent Connected Customer survey:

90% of customers say how a company acts during a crisis demonstrates its trustworthiness.*

Further, according to Salesforce’s “State of the Connected Customer” report, 83% of customers expect to engage with someone immediately when contacting a company – up from 78% in 2019.

SMBs have adopted new practices to meet these expectations. Nearly half (47%) are more careful about their customer communications, and 42% have expanded the ways customers can reach them. Many remain focused on customer safety, though to a slightly lesser degree than in August 2020.

After more than a year of innovation and adjustment, SMBs still face significant hurdles. From March to August 2020, a growing number of SMBs reported roadblocks to meeting customer expectations.

Now, SMB leaders continue to experience challenges, including personalizing customer engagements, responding quickly to inquiries, engaging customers on preferred channels, and providing a connected experience.

**Customer Engagement Challenges for SMBs***

<table>
<thead>
<tr>
<th>March 2020</th>
<th>August 2020</th>
<th>August 2021</th>
<th>Change in ranking from August 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keeping up with demand</td>
<td>Bringing innovative offerings to market</td>
<td>Bringing innovative offerings to market</td>
<td>-</td>
</tr>
<tr>
<td>Bringing innovative offerings to market</td>
<td>Keeping up with demand</td>
<td>Keeping up with demand</td>
<td>-</td>
</tr>
<tr>
<td>Providing a quality product</td>
<td>Personalizing customer engagements</td>
<td>Personalizing customer engagements</td>
<td>-</td>
</tr>
<tr>
<td>Personalizing customer engagements</td>
<td>Implementing safety or sanitation measures</td>
<td>Responding to inquiries quickly</td>
<td>↑3</td>
</tr>
<tr>
<td>Responding to inquiries quickly</td>
<td>Engaging customers on their preferred channels</td>
<td>Maintaining safety or sanitation measures</td>
<td>↓1</td>
</tr>
<tr>
<td>Engaging customers on their preferred channels</td>
<td>Providing a quality product</td>
<td>Providing a quality product</td>
<td>-</td>
</tr>
<tr>
<td>Providing a connected experience</td>
<td>Responding to inquiries quickly</td>
<td>Engaging customers on their preferred channels</td>
<td>↓2</td>
</tr>
<tr>
<td>Providing a connected experience</td>
<td>Providing a connected experience</td>
<td>Communicating frequently</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Includes responses of "major challenge" and "moderate challenge."
Customer and Employee Engagement Take Priority

In our increasingly online and distributed world, many SMBs are embracing technology to deepen customer relationships. Ecommerce is a prime example. Most SMB leaders (71%) say their customers expect online transactions. Accordingly, the majority of SMBs (63%) have an ecommerce presence – including nearly one-third (31%) who added it within the past year.

While interacting virtually mitigates health concerns, ecommerce introduces security concerns. In tandem with the rise of ecommerce, nearly all SMBs (90%) are focused on data security and taking action to ensure their customers’ information is safe. Growing SMBs are particularly focused on this (95%) and are more likely than their stagnant/declining counterparts to be taking action to secure their business online.

Security Actions Taken by SMBs

<table>
<thead>
<tr>
<th>Action</th>
<th>Total</th>
<th>Growing SMBs</th>
<th>Stagnant/declining SMBs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updating applications regularly</td>
<td>46%</td>
<td>43%</td>
<td>51%</td>
</tr>
<tr>
<td>Using cloud-based technology to back up and store data</td>
<td>41%</td>
<td>37%</td>
<td>45%</td>
</tr>
<tr>
<td>Using two-factor authentication</td>
<td>40%</td>
<td>34%</td>
<td>47%</td>
</tr>
<tr>
<td>Blocking malicious sites before they target customers</td>
<td>40%</td>
<td>36%</td>
<td>44%</td>
</tr>
<tr>
<td>Creating and managing strong passwords through password managers</td>
<td>40%</td>
<td>35%</td>
<td>45%</td>
</tr>
<tr>
<td>Storing the minimum customer information required</td>
<td>37%</td>
<td>36%</td>
<td>39%</td>
</tr>
</tbody>
</table>
 Despite some new restrictions on in-person interactions, communities and customers still want to support SMBs. In response, SMB leaders are prioritizing moving their business online so they can connect with customers from the comfort of home. The majority of SMBs (83%) have at least some of their operations online; of those, nearly all (95%) moved a portion of their operations online in the past year. Safety and convenience for customers and employees is driving this shift. Further, nearly three-quarters of SMBs have increased their online presence (for example, on social media, website, email, ads) over the past year.

**Top 5 Reasons SMBs Have Moved Operations Online over the Past Year***

- Serve customers safely: 43%
- Cater to customer convenience: 37%
- Enable safer work arrangements for employees: 32%
- Increase productivity: 30%
- Stay competitive: 29%

* Among those who increased online operations over the past year. Up to three responses accepted for this question.

**Increase in SMBs’ Online Presence over the Past Year**

- 8% My company does not have an online presence
- 27% Significant increase
- 46% Slight increase
- 72% of SMBs have increased their online presence
- No increase at all: 20%
SMBs Embrace the Digital-First World

It’s clear that effective use of technology can be a differentiator for SMBs, helping build relationships and establish a foundation for growth.

Most growing SMBs (71%) say their business survived the pandemic because of digitization.

And during a time of change, growing SMBs are accelerating technology investments. Their top motivators are to increase productivity (62%), improve business agility (60%), and increase data security (54%).
More than three in five SMB leaders (62%) say their business could not have survived the pandemic using technology from a decade ago.

Tech usage has directionally increased across the board since August 2020. This shift is unsurprising after a year of remote work and digitized customer experiences. SMBs particularly rely on technology that enables both, such as a customer relationship management (CRM) system. Medium and growing businesses leverage CRM more than other businesses.

**SMBs That Use the Following Technology Solutions**

<table>
<thead>
<tr>
<th>Service</th>
<th>August 2020</th>
<th>August 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service software</td>
<td>50%</td>
<td>53%</td>
</tr>
<tr>
<td>Email marketing software</td>
<td>52%</td>
<td>53%</td>
</tr>
<tr>
<td>Ecommerce software</td>
<td>48%</td>
<td>51%</td>
</tr>
<tr>
<td>Project or task collaboration tools</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Marketing automation</td>
<td>41%</td>
<td>45%</td>
</tr>
</tbody>
</table>

**Adoption of CRM Systems by SMBs**

- **Growing SMBs**: 67%
- **Stagnant/declining SMBs**: 48%
- **Medium businesses**: 78%
- **Small businesses**: 42%
SMBs Embrace the Digital-First World

In addition to their accelerated tech investments, growing SMBs are more likely than stagnant/declining ones to leverage technologies like customer service software, email marketing software, and ecommerce software.

Notably, project or task collaboration tools saw the largest uptick in adoption over the past six months. With the increase in usage over recent years, around three in five growing SMBs now use each of these tools.
SMBs Foresee Long-Term Changes from the Pandemic

After more than a year of adapting to changing business environments, SMBs find themselves more efficient than ever before.

Three-quarters of SMB leaders think changes they’ve made will benefit them in the future. Many are making these changes permanent. As an example, the majority of SMBs (79%) plan to offer contactless services permanently, which is particularly true for those in the consumer goods, retail, and technology industries.

### SMBs That Plan to Offer Contactless Services After the Pandemic

- **Total:** 79%
- **Consumer goods:** 96%
- **Retail:** 91%
- **Technology:** 91%
- **Financial services:** 86%
- **Manufacturing:** 78%
- **Travel & hospitality:** 78%
- **Healthcare:** 76%
- **Architecture, engineering, construction & real estate:** 69%
- **Professional & business services:** 68%

### Operational Shifts Will Be Beneficial Long-Term

75% of SMBs say shifts to business operations over the past year will benefit them long-term.

- **Growing SMBs:** 79%
- **Stagnant/declining SMBs:** 71%
- **Medium businesses:** 80%
- **Small businesses:** 71%
SMBs That Have Created Scenario Plans to Prepare for Future Crises

Growing SMBs: 77%
Stagnant/declining SMBs: 65%
Total: 70%

SMBs’ Long-Term Plans for Working Arrangements

46% Mostly or all in-person
11% No long-term plans yet
43% From anywhere (i.e., splitting time or remote)

Total

Mostly or all in-person
- Travel & hospitality: 66%
- Manufacturing: 65%
- Healthcare: 56%
- Agriculture, engineering, construction & real estate: 48%
- Consumer goods: 45%
- Financial services: 44%
- Retail: 42%
- Technology: 38%
- Professional & business services: 36%

The pandemic will permanently alter SMBs’ planning and HR practices. Growing businesses are particularly likely to detail plans for remaining operational in future crises. This is a change from August 2020, when only 30% of SMBs were scenario planning.

The new work-from-anywhere era is transforming SMB operations. In the long term, more than two in five SMBs plan to have employees work remotely at least half time, but a similar proportion will have most employees work in-person.

Working arrangements vary by industry. SMBs in the travel/hospitality and manufacturing industries are more likely to have employees working in-person compared with the technology industry, where SMBs are more likely to embrace remote work.
SMBs Foresee Long-Term Changes from the Pandemic

Running an SMB has never been easy – and recently, it’s only become harder. However, certain traits can set SMB leaders up for success. Those characteristics include market knowledge, problem-solving skills, and being flexible and agile.

As SMBs around the world navigate an era defined by digitization, the perseverance and adaptability they have shown over the past year will help them triumph over whatever tribulations lie ahead.

Top Characteristics for Running a Successful Business over the Next Year*

1. Market knowledge
2. Problem-solving skills
3. Flexibility and agility
4. Innovative mindset
5. Good leadership skills

* Up to five responses accepted for this question.
Small and Medium Business Trends in SINGAPORE

<table>
<thead>
<tr>
<th>Top 3 Employee Expectations</th>
<th>Top 3 Challenges to Meeting Customer Expectations**</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The ability to work remotely</td>
<td>1. Bringing innovative offerings to market</td>
</tr>
<tr>
<td>2. Flexible schedules</td>
<td>2. Keeping up with demand</td>
</tr>
<tr>
<td>3. Social distancing at work</td>
<td>3. Maintaining safety or sanitation measures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 3 Reasons For Moving More Operations Online*</th>
<th>Top 3 Security Actions Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enable safer work arrangements for employees</td>
<td>1. Updating applications regularly</td>
</tr>
<tr>
<td>2. Increase productivity</td>
<td>2. Creating and managing strong passwords through password managers</td>
</tr>
<tr>
<td>3. Stay competitive</td>
<td>3. Blocking malicious sites before they target customers</td>
</tr>
</tbody>
</table>

Increase in online presence over past year

- Significant: 26%
- Slight: 55%
- None: 10%

Where SMBs expect to work in the long term

- In-person: 42%
- Hybrid: 30%
- Remote: 20%

Adoptions of CRM System by SMBs

- 65% have a CRM system.
- 20% adopted less than a year ago

Increase in online presence over past year:

- 26% Significant
- 55% Slight
- 10% None

Where SMBs expect to work in the long term:

- 42% In-person
- 30% Hybrid
- 20% Remote

86% of SMBs believe shifts they've made to their business operations over the last year will benefit them long-term.

78% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

*Note that this is among those who have increased online operations over the last year, and a small sample size (n<100)

**This list includes top major/moderate challenges
Small and Medium Business Trends in Thailand

Top 3 Employee Expectations
1. Widespread employee vaccination against COVID-19
2. Mask usage at work
3. Social distancing at work

Top 3 Challenges to Meeting Customer Expectations**
1. Keeping up with demand
2. Providing a quality product
3. Personalizing customer engagements

Top 3 Reasons For Moving More Operations Online*
1. Serve customers safely
2. Cater to customer convenience
3. Enable safer work arrangements for employees

Top 3 Security Actions Taken
1. Using two-factor authentication
2. Creating and managing strong passwords through password managers
3. Updating applications regularly

Increase in online presence over past year
- 39% Significant
- 54% Slight
- 5% None

Where SMBs expect to work in the long term
- 31% In-person
- 60% Hybrid
- 3% Remote

Adoptions of CRM System by SMBs
- 81% have a CRM system.
- 15% adopted less than a year ago

96% of SMBs believe shifts they’ve made to their business operations over the last year will benefit them long-term.

84% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

*Note that this is among those who have increased online operations over the last year, and a small sample size (n<100)

**This list includes top major/moderate challenges
INDUSTRY PROFILES
Small and Medium Business Trends in 
ARCHITECTURE, ENGINEERING,  
CONSTRUCTION, & REAL ESTATE

Top 3 Employee Expectations
1. Flexible schedules
2. Widespread employee vaccination against COVID-19
3. Mask usage at work

Top 3 Challenges to Meeting Customer Expectations**
1. Keeping up with demand
2. Bringing innovative offerings to market
3. Providing a quality product

Top 3 Reasons For Moving More Operations Online*
1. Serve customers safely
2. Cater to customer convenience
3. Enable safer work arrangements for employees

Top 3 Security Actions Taken
1. Updating applications regularly
2. Blocking malicious sites before they target customers
3. Using cloud-based technology to backup and store data

Increase in online presence over past year
- Significant: 16%
- Slight: 49%
- None: 26%

Where SMBs expect to work in the long term
- In-person: 48%
- Hybrid: 29%
- Remote: 8%

Adoptions of CRM System by SMBs
- 49%

Where SMBs expect to work in the long term
- Significant: 16%
- Slight: 49%
- None: 26%

Where SMBs expect to work in the long term
- In-person: 48%
- Hybrid: 29%
- Remote: 8%

*Note that this is among those who have increased online operations over the last year
**This list includes top major/moderate challenges

67% of SMBs believe shifts they’ve made to their business operations over the last year will benefit them long-term.

51% of SMBs say their business could not have survived the pandemic using technology from a decade ago.
Small and Medium Business Trends in CONSUMER GOODS

Top 3 Employee Expectations
1. Widespread employee vaccination against COVID-19
2. Daily sanitation of workspaces or materials
3. Flexible schedules

Top 3 Challenges to Meeting Customer Expectations**
1. Bringing innovative offerings to market
2. Personalizing customer engagements
3. Keeping up with demand

Top 3 Reasons For Moving More Operations Online*
1. Serve customers safely
2. Enable safer work arrangements for employees
3. Increase productivity

Top 3 Security Actions Taken
1. Using two-factor authentication
2. Creating and managing strong passwords through a password manager
3. Updating applications regularly

Adoptions of CRM System by SMBs
- 68% have a CRM system.
- 22% adopted less than a year ago

Increase in online presence over past year
- Significant: 29%
- Slight: 60%
- None: 8%

Where SMBs expect to work in the long term
- In-person: 45%
- Hybrid: 38%
- Remote: 12%

Increase of 103% in online presence over past year

84% of SMBs believe shifts they've made to their business operations over the last year will benefit them long-term.

74% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

*Note that this is among those who have increased online operations over the last year, and a small sample size (n<100)
**This list includes top major/moderate challenges
# Small and Medium Business Trends in Financial Services

## Top 3 Employee Expectations
1. The ability to work remotely
2. Social distancing at work
3. Flexible schedules

## Top 3 Challenges to Meeting Customer Expectations**
1. Bringing innovative offerings to market
2. Keeping up with demand
3. Communicating frequently

## Top 3 Reasons For Moving More Operations Online*
1. Serve customers safely
2. Increase productivity
3. Enable safer work arrangements for employees

## Top 3 Security Actions Taken
1. Using two-factor authentication
2. Updating applications regularly
3. Using cloud-based technology to backup and store data

## Increase in online presence over past year
- Significant: 31%
- Slight: 48%
- None: 13%

## Where SMBs expect to work in the long term
- In-person: 44%
- Hybrid: 35%
- Remote: 12%

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*Note that this is among those who have increased online operations over the last year

**This list includes top major/moderate challenges

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81% of SMBs believe shifts they've made to their business operations over the last year will benefit them long-term.

71% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

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**Adoptions of CRM System by SMBs**
78% have a CRM system.

26% adopted less than a year ago.
Small and Medium Business Trends in HEALTHCARE

Top 3 Employee Expectations
1. Mask usage at work
2. Daily sanitation of workspaces or materials
3. Flexible schedules

Top 3 Challenges to Meeting Customer Expectations**
1. Maintaining safety or sanitation measures
2. Keeping up with demand
3. Personalizing customer engagements

Top 3 Reasons For Moving More Operations Online*
1. Serve customers safely
2. Cater to customer convenience
3. Enable safer work arrangements for employees

Top 3 Security Actions Taken
1. Using cloud-based technology to backup and store data
2. Using two-factor authentication
3. Creating and managing strong passwords through password managers

Increase in online presence over past year
- Significant: 27%
- Slight: 42%
- None: 18%

Where SMBs expect to work in the long term
- In-person: 56%
- Hybrid: 27%
- Remote: 10%

Adoptions of CRM System by SMBs
- 51% have a CRM system.
- 18% adopted less than a year ago

67% of SMBs believe shifts they’ve made to their business operations over the last year will benefit them long-term.

54% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

*Note that this is among those who have increased online operations over the last year, and a small sample size (n<100)

**This list includes top major/moderate challenges
## Small and Medium Business Trends in MANUFACTURING

### Top 3 Employee Expectations
1. Social distancing at work
2. Mask usage at work
3. Daily sanitation of workspaces or materials

### Top 3 Challenges to Meeting Customer Expectations**
1. Keeping up with demand
2. Bringing innovative offerings to market
3. Personalizing customer engagements

### Top 3 Reasons For Moving More Operations Online*
1. Cater to customer convenience
2. Serve customers safely
3. Stay competitive

### Top 3 Security Actions Taken
1. Updating applications regularly
2. Creating and managing strong passwords through password managers
3. Using cloud-based technology to backup and store data

### Adoptions of CRM System by SMBs
- 55% have a CRM system.
- 22% adopted less than a year ago

### Increase in online presence over past year
- Significant: 25%
- Slight: 51%
- None: 18%

### Where SMBs expect to work in the long term
- In-person: 65%
- Hybrid: 22%
- Remote: 7%

- 69% of SMBs believe shifts they've made to their business operations over the last year will benefit them long-term.
- 62% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

*Note that this is among those who have increased online operations over the last year

**This list includes top major/moderate challenges
## Small and Medium Business Trends in PROFESSIONAL & BUSINESS SERVICES

### Top 3 Employee Expectations

1. The ability to work remotely
2. Flexible schedules
3. Social distancing at work

### Top 3 Challenges to Meeting Customer Expectations**

1. Bringing innovative offerings to market
2. Personalizing customer engagements
3. Keeping up with demand

### Top 3 Reasons For Moving More Operations Online*

1. Cater to customer convenience
2. Serve customers safely
3. Enable safer work arrangements for employees

### Top 3 Security Actions Taken

1. Updating applications regularly
2. Using cloud-based technology to backup and store data
3. Creating and managing strong passwords through password managers

### Increase in online presence over past year

- **Significant**: 22%
- **Slight**: 41%
- **None**: 29%

### Where SMBs expect to work in the long term

- **In-person**: 36%
- **Hybrid**: 33%
- **Remote**: 18%

### Adoptions of CRM System by SMBs

- 50% have a CRM system.

### Significant Increase in online presence over past year

- 80% of SMBs believe shifts they’ve made to their business operations over the last year will benefit them long-term.

### Where SMBs expect to work in the long term

- 62% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

---

*Note that this is among those who have increased online operations over the last year

**This list includes top major/moderate challenges
Small and Medium Business Trends in RETAIL

Top 3 Employee Expectations
1. Mask usage at work
2. Flexible schedules
3. Social distancing at work

Top 3 Challenges to Meeting Customer Expectations**
1. Bringing innovative offerings to market
2. Keeping up with demand
3. Maintaining safety or sanitation measures

Top 3 Reasons For Moving More Operations Online*
1. Serve customers safely
2. Cater to customer convenience
3. Stay competitive

Top 3 Security Actions Taken
1. Updating applications regularly
2. Blocking malicious sites before they target customers
3. Using two-factor authentication

Adoptions of CRM System by SMBs
59% have a CRM system.

Increase in online presence over past year
- Significant: 38%
- Slight: 44%
- None: 13%

Where SMBs expect to work in the long term
- In-person: 42%
- Hybrid: 35%
- Remote: 12%

77% of SMBs believe shifts they’ve made to their business operations over the last year will benefit them long-term.

66% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

*Note that this is among those who have increased online operations over the last year
**This list includes top major/moderate challenges
Small and Medium Business Trends in **TECHNOLOGY**

**Top 3 Employee Expectations**
1. The ability to work remotely
2. Widespread employee vaccination against COVID-19
3. Flexible schedules

**Top 3 Challenges to Meeting Customer Expectations**
1. Bringing innovative offerings to market
2. Personalizing customer engagements
3. Maintaining safety or sanitation measures

**Top 3 Reasons For Moving More Operations Online**
1. Serve customers safely
2. Increase productivity
3. Enable safer work arrangements for employees

**Top 3 Security Actions Taken**
1. Using cloud-based technology to backup and store data
2. Updating applications regularly
3. Using two-factor authentication

<table>
<thead>
<tr>
<th>Increase in online presence over past year</th>
<th>Where SMBs expect to work in the long term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Significant</strong></td>
<td><strong>38%</strong> In-person</td>
</tr>
<tr>
<td><strong>Slight</strong></td>
<td><strong>38%</strong> Hybrid</td>
</tr>
<tr>
<td><strong>None</strong></td>
<td><strong>20%</strong> Remote</td>
</tr>
</tbody>
</table>

89% of SMBs believe shifts they’ve made to their business operations over the last year will benefit them long-term.

73% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

**Adoptions of CRM System by SMBs**
- 81% have a CRM system.
- 28% adopted less than a year ago

*Note that this is among those who have increased online operations over the last year

**This list includes top major/moderate challenges**
Small and Medium Business Trends in TRAVEL AND HOSPITALITY

**Top 3 Employee Expectations**
1. Mask usage at work
2. Daily sanitation of workspaces or materials
3. Flexible schedules

**Top 3 Challenges to Meeting Customer Expectations**
1. Personalizing customer engagements
2. Responding to inquiries quickly
3. Providing a connected customer experience

**Top 3 Reasons For Moving More Operations Online**
1. Serve customers safely
2. Cater to customer convenience
3. Stay competitive

**Top 3 Security Actions Taken**
1. Updating applications regularly
2. Using cloud-based technology to backup and store data
3. Storing the minimum amount of customer information required

---

**Adoptions of CRM System by SMBs**
- **56%** have a CRM system.
- **16%** adopted less than a year ago

**Increase in online presence over past year**
- **28%** Significant
- **44%** Slight
- **23%** None

**Where SMBs expect to work in the long term**
- **66%** In-person
- **20%** Hybrid
- **4%** Remote

68% of SMBs believe shifts they’ve made to their business operations over the last year will benefit them long-term.

62% of SMBs say their business could not have survived the pandemic using technology from a decade ago.

*Note that this is among those who have increased online operations over the last year, and a small sample size (n<100)

**This list includes top major/moderate challenges**
APPENDIX
Support from Local Community over the Past Year, According to U.S. SMB Leaders

- Positive online reviews: 34%
- More customers: 34%
- Referral business increased: 27%
- Social media shares: 23%
- Donations: 12%
- Features in local news/media: 11%
- Fundraisers: 7%
- Other: 3%
- None: 34%
Employee Expectations, According to SMB Leaders

- Flexible schedules: 51%
- Mask usage at work: 47%
- Daily sanitation of workspaces and materials: 45%
- Social distancing at work: 44%
- The ability to work remotely: 44%
- Widespread employee vaccination against COVID-19: 41%
- Environmentally sustainable business practices: 27%
- Regular temperature checks: 25%
- None of these: 7%

Changes to SMB Customer Interactions Since Pandemic Began

- We are more careful about our customer communications: 55%
- We have expanded the ways customers can reach us: 47%
- We offer more flexibility to customers: 44%
- We have prioritized developing customer relationships over one-time transactions: 34%
- None of these: 12%
- Other: 5%
- N/A: 16%
Reasons for Moving More of SMB Operations Online over the Past Year*

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serve customers safely</td>
<td>43%</td>
</tr>
<tr>
<td>Cater to customer convenience</td>
<td>37%</td>
</tr>
<tr>
<td>Enable safer work arrangements for employees</td>
<td>32%</td>
</tr>
<tr>
<td>Increase productivity</td>
<td>30%</td>
</tr>
<tr>
<td>Stay competitive</td>
<td>29%</td>
</tr>
<tr>
<td>Assist remote employees</td>
<td>24%</td>
</tr>
<tr>
<td>Increase speed, experimentation, and innovation</td>
<td>23%</td>
</tr>
<tr>
<td>Foster communication between employees</td>
<td>13%</td>
</tr>
<tr>
<td>Make it easier to recruit talent</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
<tr>
<td>None</td>
<td>2%</td>
</tr>
</tbody>
</table>

Reasons for SMBs Accelerating Technology Investments over the Past Year*

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve business agility</td>
<td>59%</td>
</tr>
<tr>
<td>Increase productivity</td>
<td>58%</td>
</tr>
<tr>
<td>Increase data security</td>
<td>52%</td>
</tr>
<tr>
<td>Get a competitive advantage</td>
<td>47%</td>
</tr>
<tr>
<td>Personalize customer interactions</td>
<td>42%</td>
</tr>
<tr>
<td>Get a complete view of the customer</td>
<td>37%</td>
</tr>
<tr>
<td>Store data in a centralized location</td>
<td>28%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

* Respondents limited to those who accelerated investments in technology over the past year.

* Respondents limited to those who increased their online operations over the past year. Up to three responses accepted for this question.
### Contactless Services Planned to Be Offered Permanently

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure, digital payment using debit, credit, or smart card</td>
<td>49%</td>
</tr>
<tr>
<td>Digital customer service</td>
<td>44%</td>
</tr>
<tr>
<td>Ecommerce (i.e., shopping online)</td>
<td>40%</td>
</tr>
<tr>
<td>Mobile order</td>
<td>36%</td>
</tr>
<tr>
<td>Curbside pickup</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
<tr>
<td>None</td>
<td>21%</td>
</tr>
</tbody>
</table>

### Top Challenges for SMBs over the Past Year*

<table>
<thead>
<tr>
<th>Challenge Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquiring new customers</td>
<td>44%</td>
</tr>
<tr>
<td>Increasing sales revenue</td>
<td>40%</td>
</tr>
<tr>
<td>Retaining existing customers</td>
<td>31%</td>
</tr>
<tr>
<td>Keeping finances afloat</td>
<td>30%</td>
</tr>
<tr>
<td>Complying with government regulations</td>
<td>19%</td>
</tr>
<tr>
<td>Hiring and/or retaining talent</td>
<td>17%</td>
</tr>
<tr>
<td>Accessing funding</td>
<td>14%</td>
</tr>
<tr>
<td>Finding sufficient time to run my business</td>
<td>12%</td>
</tr>
<tr>
<td>Finding opportunities for business skills development</td>
<td>11%</td>
</tr>
<tr>
<td>Accessing mentors/network of support</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
<tr>
<td>None</td>
<td>4%</td>
</tr>
</tbody>
</table>

* Up to three responses accepted for this question.
Top Characteristics for Running a Successful Business over the Next Year*

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market knowledge</td>
<td>36%</td>
</tr>
<tr>
<td>Problem-solving skills</td>
<td>35%</td>
</tr>
<tr>
<td>Flexibility and agility</td>
<td>34%</td>
</tr>
<tr>
<td>Innovative mindset</td>
<td>33%</td>
</tr>
<tr>
<td>Good leadership skills</td>
<td>32%</td>
</tr>
<tr>
<td>Money management skills</td>
<td>30%</td>
</tr>
<tr>
<td>People and communications skills</td>
<td>30%</td>
</tr>
<tr>
<td>Self-discipline</td>
<td>29%</td>
</tr>
<tr>
<td>Technological acumen</td>
<td>25%</td>
</tr>
<tr>
<td>Planning/project management skills</td>
<td>23%</td>
</tr>
<tr>
<td>Decisiveness</td>
<td>22%</td>
</tr>
<tr>
<td>Willingness to take risks</td>
<td>21%</td>
</tr>
<tr>
<td>High energy levels</td>
<td>17%</td>
</tr>
</tbody>
</table>

* Up to five responses accepted for this question.
SURVEY DEMOGRAPHICS
Survey Demographics

**Business Size**
- Small (2–20 employees) ................. 59%
- Medium (21–200 employees) .......... 41%

**Business Model**
- Business-to-consumer (B2C) .......... 48%
- Business-to-business (B2B) ........... 27%
- Business-to-business-to-consumer (B2B2C) ................. 25%

**Business Growth**
- Growing ..................................... 44%
- Stagnant/declining ....................... 56%

**Role Within Company**
- Business owner ............................. 77%
- Senior executive (CEO, CFO, COO) .......... 23%

**Country**
- Australia/New Zealand .................. 6%
- Brazil ........................................ 6%
- Canada ...................................... 6%
- Colombia ................................... 6%
- France ..................................... 6%
- Germany ................................... 6%
- India ........................................ 6%
- Ireland ..................................... 6%
- Italy ......................................... 6%
- Japan ....................................... 6%
- Mexico ..................................... 6%
- Netherlands ................................ 6%
- Singapore .................................. 6%
- Spain ....................................... 6%
- Thailand ................................... 6%
- United Kingdom ......................... 6%
- United States ............................... 6%

**Employment Status**
- Employed full time ..................... 41%
- Employed part time ...................... 4%
- Self-employed full time ............... 48%
- Self-employed part time .............. 8%

**Generation**
- Gen Zers (18–24) ....................... 5%
- Millennials (25–40) ..................... 35%
- Gen Xers (41–56) ....................... 37%
- Baby boomers (57+) ................... 22%

**Gender**
- Male ......................................... 64%
- Female .................................... 35%
About This Report

Data points were weighted by number of employees to bring them in line with actual company-size proportions in the population. This online survey is not based on a probability sample, and therefore no estimate of theoretical sampling error can be calculated.

Previous SMB Trends surveys were conducted online by The Harris Poll on behalf of Salesforce in 2019 and 2020 among SMB owners and leaders (using the same definition as 2021) in the following countries:

- 2020 (March and August): U.S., Canada, Brazil, U.K./Ireland, Spain, France, Germany, Italy, Netherlands, India, Philippines, Singapore, Thailand, and Australia/New Zealand
- 2019: U.S., U.K./Ireland, France, Germany, India, Singapore, Hong Kong, and Australia/New Zealand

Subgroups Shown Throughout This Report

<table>
<thead>
<tr>
<th>Business Size (number of employees)</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small (2–20)</td>
<td>1,599</td>
</tr>
<tr>
<td>Medium (21–200)</td>
<td>935</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Growth (based on revenue over the past 6 months)</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing (1% or more revenue increase)</td>
<td>1,108</td>
</tr>
<tr>
<td>Stagnant/declining (less than 1% revenue increase or a decline)</td>
<td>1,426</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architecture, engineering, construction &amp; real estate</td>
<td>281</td>
</tr>
<tr>
<td>Consumer goods</td>
<td>99</td>
</tr>
<tr>
<td>Financial services</td>
<td>124</td>
</tr>
<tr>
<td>Healthcare</td>
<td>129</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>153</td>
</tr>
<tr>
<td>Professional &amp; business services</td>
<td>387</td>
</tr>
<tr>
<td>Retail</td>
<td>389</td>
</tr>
<tr>
<td>Technology</td>
<td>160</td>
</tr>
<tr>
<td>Travel &amp; hospitality</td>
<td>101</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race/Ethnicity (U.S. only)</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>363</td>
</tr>
<tr>
<td>Black</td>
<td>49*</td>
</tr>
<tr>
<td>Latinx</td>
<td>54*</td>
</tr>
</tbody>
</table>

* Caution: Small base size (less than 100); results should be interpreted as directional.
Learn More

Segment Data by Country and Industry
Interact with our SMB data in Tableau.

Salesforce for Small Business
Learn how to build customer relationships that move your business forward.

More free resources to bring your company and customers together
Discover many useful resources with guides on just about everything you need to help your business grow.

Small Business Solutions Overview
Discover how you can reach your audience with personalised content, increase sales productivity with automation and connect with customers across channels.
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