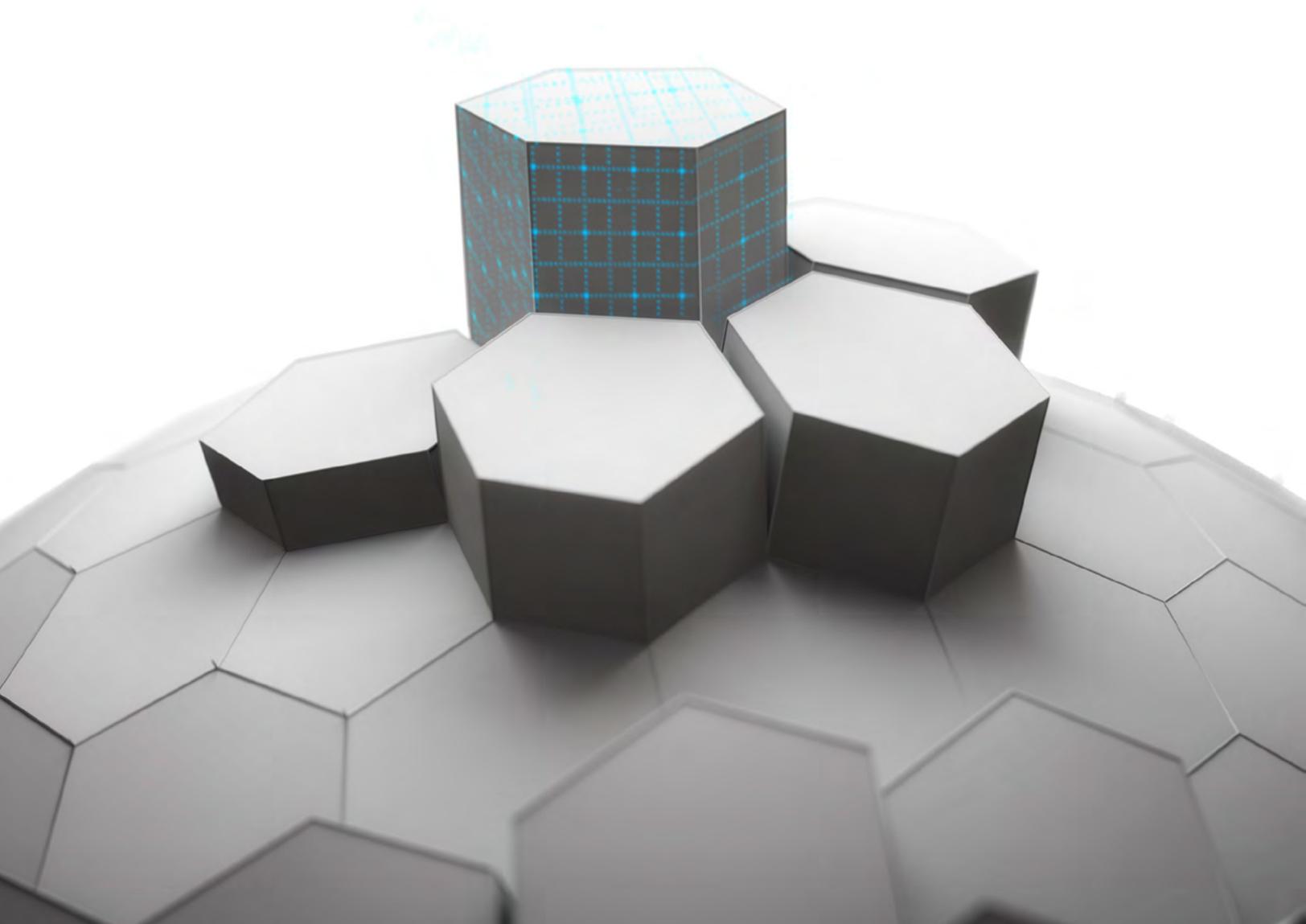




# THINK BIG IN A SMALL WORLD

**A new approach to win big with small-  
and medium-sized businesses (SMBs)**



Platform companies that overlook small- and medium-sized businesses (SMBs) do so at their peril. Why? SMBs account for a large and fast-growing proportion of today's global economy. In fact, in many ways, SMBs are the world's most powerful growth engine – the principal driver of global growth, accounting for approximately 99 percent of all companies in many geographies.

SMBs, just like their larger counterparts, are keen to take advantage of new digital technologies. But many of them struggle to realize the benefits of adopting them. That's underlined by a recent [AT&T survey](#) which reported that while 75 percent of SMBs are eager to embrace new technology, 30 percent find its adoption a challenge.

So where next? First, don't assume that SMBs will respond to traditional funnel-driven sales, marketing and service tools in the same way that enterprise customers have. Platform companies need a different approach. To help SMBs learn to help themselves and differentiate with the right digital and physical model, they need an approach that's specifically tailored to the complexity of the SMB market.

An undifferentiated "mass-market" sales, marketing, or service approach won't make the right impression. SMBs are besieged by multiple offers, with sellers competing ferociously for their time, money and attention. They see the world through a consumer lens and have divergent opinions about whether and to what extent digital tools really deliver value and should inform how they run their business.

In APAC, 59 percent of SMBs that have already adopted digital tools said they do not plan to increase their investments in digital platforms. Their reasons? For them, these tools and services either lack the relevance required to actually solve their business problems or offer inadequate ROI. They also have a real fear of privacy and security breaches.

**In a world in which honesty and experience matter, three key trends lie behind SMBs' appetite to adopt new digital tools.**

# TREND 1. EVERY INTERACTION COUNTS

Our **2018 Consumer Pulse Research** reports that consumer switching puts up to US\$7.2 trillion of annual revenue in play globally. Like all consumers, SMBs are in a constant cycle of evaluation and re-evaluation and are inundated with case studies, peer reviews, demos, technical specs and trials. Companies need to be prepared to show the real life value of the promises they're making – helping SMBs easily and quickly achieve the gains of their dollars and investments.

After years of simply pushing more sales and marketing content and FAQs into the market, the “big, bold and noisy” platform companies are merely coming across as “shouty” because the problem for SMBs isn't access to information, services and tools. Rather, it's understanding how to use these online tools and services to solve their specific problem today and how these prepare them for tomorrow's opportunities. Experience tells us that platforms must do the work to deeply activate SMBs on their products and services. This demands consideration and respect for an SMB's individual business context as the foundation for a long-term and mutually value-adding relationship.

More than just giving SMBs the support and guidance, platform companies must translate what their digital tools can actually “DO” for each SMB. Every interaction with SMBs must be informed, personalized and demonstrate an understanding of where each SMB is in their business. Spending time, early in the adoption lifecycle, to teach SMBs how to use digital tools better enables them to pull these products and services more deeply into their business. We see leading companies rewiring their approach to put SMBs – not their products – at the center; creating the direct customer usage that allows them to quickly build and integrate their platform capabilities into each SMB's growth and evolution.



Today, this deeper engagement includes meeting SMBs' holistic needs, which extends to ensuring that your product or service is equipped to integrate into the broader ecosystem of other companies that are competing for an SMB's time, attention and money. By plugging into their broader ecosystem, platforms benefit from a network effect driven by all companies' constant optimization and re-calibration of their offers to SMBs. That includes offering real-time ROI measurements that help SMBs to dynamically understand the impact that specific tools and services are having on their growth.

Best-in-class platform companies help SMBs pivot early from experimentation and trials to operationalizing rollouts and the kind of activation that enables them to maximize new opportunities and access economies of scale. Going beyond clear analysis of ROI delivered, platform leaders in the SMB space are proving the value they bring to SMBs early in the relationship. Each of their interactions, across all stages of an SMB's business lifecycle, are designed to educate and train SMBs on exactly HOW their digital tools enable growth.

## **EXAMPLE OF A NEW APPROACH – GROW WITH GOOGLE**

Platform companies need to understand where each SMB is in its evolution and what they're trying to achieve in each of their key markets. Building on that insight, they'll be ready to help them realize their goals by offering exactly the right tool, at the right time. This is what **"Grow with Google"** is all about. The program has helped to train more than 10 million people with digital skills in Europe, the Middle East, and Africa, as well as helping more than 3 million Americans to develop the digital skills they need – from website building to data analytics and online advertising – to grow their businesses. By showing small business owners how to get the most from Google's tools, the program is helping them use the power of the web to **thrive**. It's also boosting uptake of Google's product and services. That's a win/win by any standards!

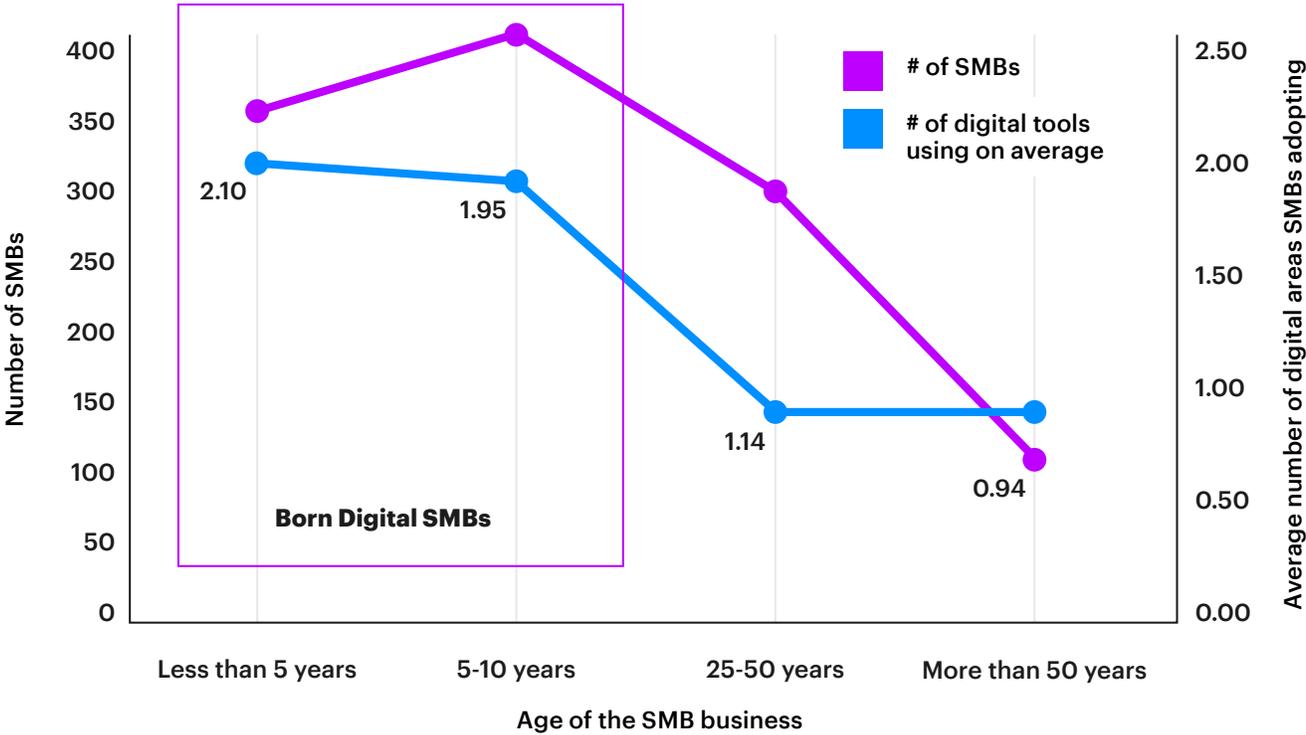
# TREND 2. ONLY THE RELEVANT WILL THRIVE

The size, complexity and dynamism of the SMB environment makes it a challenging place to be. SMB owners are continuously focused on making their business successful today – working “IN” their business more often than they have time to work “ON” their business.

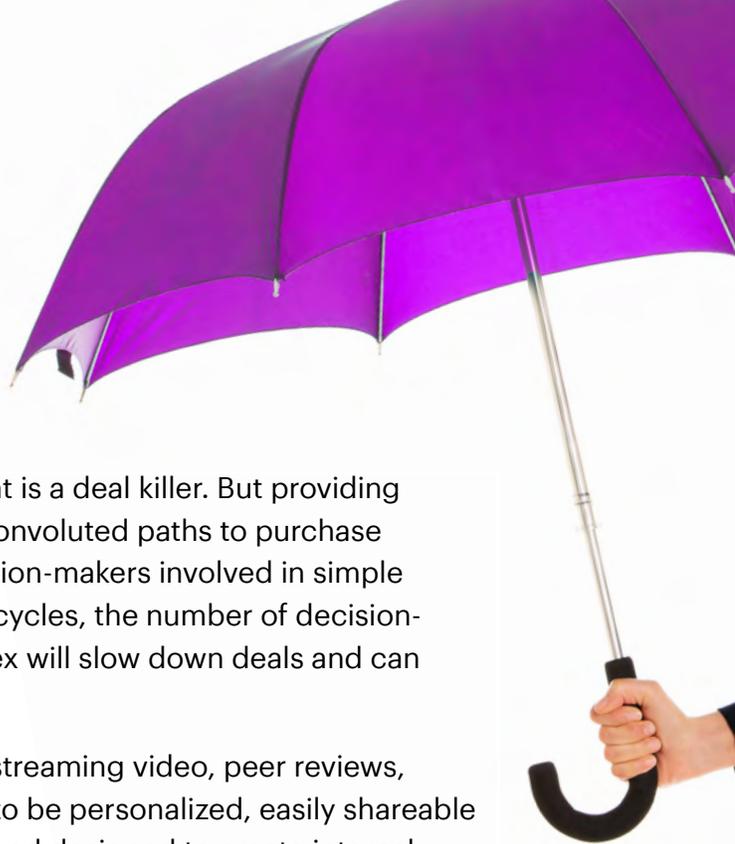
In APAC, SMBs adopting digital tools expected their average revenue growth rate for 2018 to be 5 percent higher than that of their non-digital SMB peers. But achieving this growth demands a relentless focus. That means they have precious little time, resources and cash to spend on combing through online content to decide which technology is right for them. In their never-ending search for value and relevance, SMBs have little patience for digital clutter.

SMBs today are typically 72 percent through their buying decision before they contact a sales rep or partner. And the more money they plan to spend, the more time they spend researching online.

## Born Digital SMBs use platforms in at least two areas



Source: Accenture Research. APAC SMBs: Realizing the platform opportunity. July 2019



Irrelevant and complex product and service content is a deal killer. But providing differentiated, personalized content along SMBs' convoluted paths to purchase is tricky. While smaller companies have fewer decision-makers involved in simple purchase decisions, in more complex SMB buying cycles, the number of decision-makers increases. Any content that's overly complex will slow down deals and can often prove to be overwhelming<sup>1</sup>.

Differentiated content (beyond the table stakes of streaming video, peer reviews, infographs and trials) must be created. This needs to be personalized, easily shareable (ROI calculators, mixed reality demos and portals) and designed to create internal evangelists. Our research indicates that the right dimension on which to personalize content is less about an SMB's geography and their revenue, and much more about the age of the SMB, their FTE headcount and industry sector.

Provided they understand that these are the most important attributes, platform companies looking to make a strong impression with both early-adopters and digital skeptics will be able to craft a much more differentiated content approach. The ability to understand, evolve and integrate all of these dimensions effectively is the key source of differentiation and advantage for online platforms.

## **GET TO KNOW WHO'S ON THE OTHER SIDE OF THE SCREEN**

Platform companies need to make sure they really understand who the SMB is on the "other side of the screen." That's less about understanding their revenues, much more about securing insights into the age of the company, its industry sector and the number of people it employs. Only then will it start to be possible to offer them something they really need. Put it another way: simply pushing content at SMBs won't help them make decisions that drive ROI.

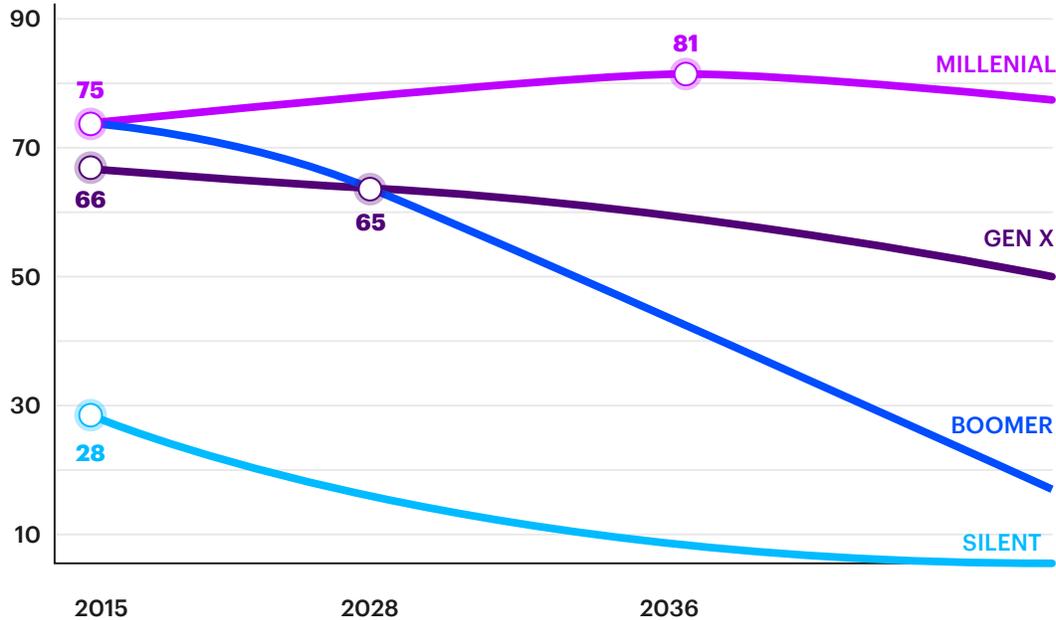
# TREND 3. THE MILLENNIALS HAVE LANDED

A critical driver of SMB growth is the changing nature of the global workforce. Sorry Gen-X – your turn is over: one in three working Americans are millennials – outpacing any other generation in the labor force, according to Pew Research Center. And despite the rumors, a study from [ManPowerGroup](#) found that millennials are working harder than other generations, putting in more than 45 hours per week, with 21 percent taking on another job to make ends meet.

They’re set to be around for a while too. 66 percent of the people in this age group are expected to work past age 65, with 12 percent saying they’re never likely to retire. The impact of this generation on SMBs is critical.

Fewer people in today’s millennial cohort are interested in jobs with large corporations. They’re turning to self-employment instead, prioritizing financial independence and personal fulfillment over more traditional roles in large companies. Additionally, across global markets, these young entrepreneurial digital-native businesses and start-ups are competing for – and in many cases, winning – the best and brightest in the global war for talent.

## Millenials Are An Expanding Market Segment Projected Population by Generation (in Millions)



Source: Pew Research Center tabulations of U.S. Census Bureau population projections released April 2015, Pew Research Center

The **California Association of Business Brokers** estimates that nearly 12 million SMBs will be sold or inherited over the next 10-15 years by – you guessed it – millennials.

And as more and more Gen-X SMB owners and operators contemplate retirement, this tech-savvy, digitally native, highly discerning group will replace them. Millennials bring with them distinctive consumer-driven purchasing habits and experience expectations – they show up more like B2C than B2B buyers. This generation blurs “purpose over paycheck” and operates their professional lives in the same way they operate their personal lives. They’re an always-on, relentlessly distracted group of persistent evaluators who value Influencers over resellers, relevance over sales and enablement over onboarding. The very best strategies will be designed around talking to these next-generation SMBs and not at them, building connections not communications. These millennial-led SMBs will happily hand over data to leading platform companies in return for personalized recommendations, reviews and relationships.

Given the ascendancy of this millennial generation – raised on liking, sharing and instant feedback – it’s critical for all platform companies to take a fresh and unbiased look at their SMB strategies.

## **MILLENNIALS BUY DIFFERENTLY**

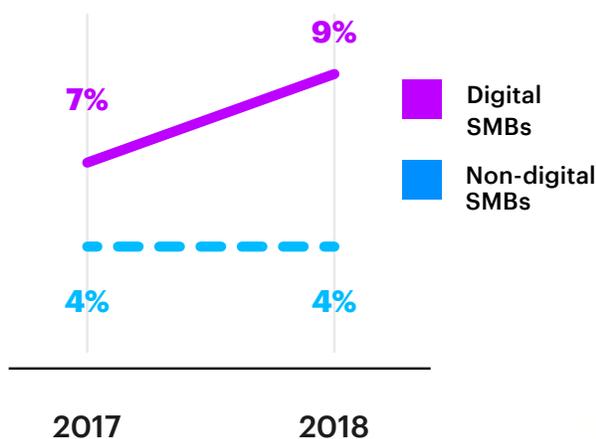
Millennials are **shifting paradigms** everywhere. To really get to know SMBs, platform companies need to get to know millennials. Over the next 15 years, these digital natives are the people who will be running and staffing SMBs. They have only known a digitally enabled workplace and translate this knowledge into powerful expectations in today’s work environment. And their fluid buying behaviors are very different: whether they’re working in the procurement department or sitting in front of their laptops at home, they buy in a very B2C way, with recommendations and relevance as prime motivators. While they bring digital to the table, much like **millennial-driven trends** in healthcare and investing, they demand much more than the status quo.

# SO NOW WHAT?

The key question for many companies: how can they move SMBs along the adoption curve? It's no easy task to migrate non-digital SMBs to become early adopters or to evolve born-digital SMBs to become the leading 20 percent who benefit most significantly from the adoption of online tools and platforms. But there is a strong argument to be made for doing so: digitally-savvy SMBs have consistently higher revenue growth projections, improved confidence in their future and, crucially for platform companies, solid plans to increase their digital investments and grow in new markets.

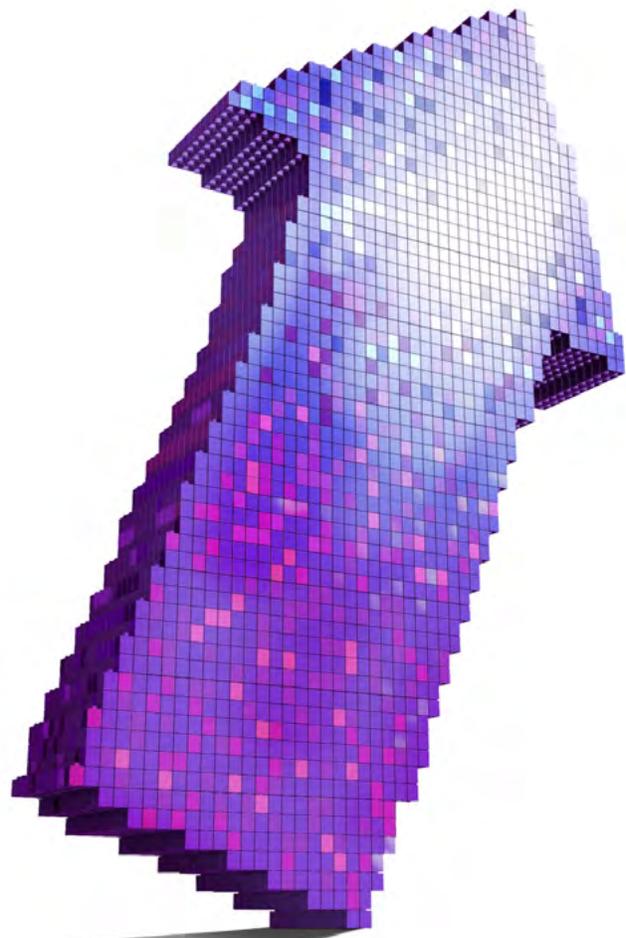
The SMB marketplace holds enormous promise for platform companies. However, SMBs have specific issues that must be addressed to create successful outcomes. Drawing on our experience, we know the paths to platform success in the SMB market. Experience, honesty and expectations matter to SMBs. Show up. Not just once – but consistently show up as a partner in SMB growth and evolution. Invest the time, effort and money to help THEM succeed today, tomorrow and down the road – wherever their future may take them.

## Average revenue APAC SMB growth rate In 2017 and 2018\*



\*Estimated growth rate in 2018 is self-reported by survey respondents.

Source: Accenture Research. APAC SMBs: Realizing the platform opportunity. July 2019



## To find out more about how platform companies can help to drive growth in the SMB marketplace, contact:

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### REFERENCES

- 1 Showpad [https://cdn.www.showpad.com/wp-content/uploads/2018/10/Showpad-New-B2B-Buyer-Experience.pdf?\\_ga=2.222057565.435555490.1559060570-318631610.1559060570](https://cdn.www.showpad.com/wp-content/uploads/2018/10/Showpad-New-B2B-Buyer-Experience.pdf?_ga=2.222057565.435555490.1559060570-318631610.1559060570)

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