Rebuilding business
How CSPs can help SMBs outmaneuver uncertainty and manage through the COVID-19 crisis

July 2020
POWERING SMB RESILIENCE

As the health and humanitarian impacts of the COVID-19 pandemic evolve, so do the business and economic challenges. Small- and medium-sized businesses (SMBs) represent approximately 90 percent of all global companies and over half of the world’s employment. But now, the pandemic has shaken local economies around the world to the core, and SMBs are at the epicenter.

SMBs’ needs are evolving due to new social distancing and work-from-home norms, so CSPs will have to accelerate their adoption of automation and self-service capabilities, especially those related to customer service functions. The interest and investment in CSPs’ initiatives to overcome these issues has grown rapidly thanks to the disruption caused by COVID-19, leading to increased visibility and importance of service providers’ capabilities.

This is the moment to reinvent business models for a new societal landscape. The time to shape a mindset of bold business transformation powered by new approaches to technology and responsible leadership is underway.
SMBs drive economic growth and ICT spending

SMB scale
SMBs employ almost half of the U.S. private workforce, which corresponds to 59 million people. **SMBs account for 45% of U.S. GDP.**

SMB growth
The number of SMBs in the UK increased more than 30% between 2000 and 2019, compared with growth of 7% in the number of large companies.

ICT spend
Worldwide IT spending by small and mid-size companies is expected to **reach $684 billion in 2021**, and is increasing faster than the rate of GDP growth.

SMB definition in U.S. is 1-499 employees (Europe: 1-249). Mid-size companies = 1-999 employees.

Sources: Deloitte, SMB, Merchant Savvy, IDC, Analysys Mason
“If a small or medium-sized business becomes insolvent because the economy recovers too slowly, we lose more than just that business. These businesses are the heart of our economy and often embody the work of generations.”

- Jerome Powell, Fed Chairman (June 16th 2020)
$185 billion: SMBs represent a key battleground for CSPs

SMBs account for more than half of CSPs’ business revenues and the market is set for further growth thru 2024

Wireline + Wireless/Mobile Revenue (Worldwide, $billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>SMBs</th>
<th>Large Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>184</td>
<td>166</td>
</tr>
<tr>
<td>2020</td>
<td>185</td>
<td>168</td>
</tr>
<tr>
<td>2021</td>
<td>187</td>
<td>170</td>
</tr>
<tr>
<td>2022</td>
<td>189</td>
<td>172</td>
</tr>
<tr>
<td>2023</td>
<td>190</td>
<td>174</td>
</tr>
<tr>
<td>2024</td>
<td>192</td>
<td>176</td>
</tr>
</tbody>
</table>

52%

"Vendors and service providers in the enterprise communications and collaboration domain should position themselves as key enablers of their customers' digital transformation"

Jan Hein Bakkers, IDC Research Director

Data excludes revenue from Wholesale and Fixed IoT connectivity services.

Source: Analysys Mason DataHub. SMB defined as companies with 0-250 employees.
COVID-19 SMB study

Accenture’s Communications & Media COVID-19 SMB Survey explores the impact the crisis is having on Small and Medium businesses. It uncovers the dramatic effect lockdown measures had on SMBs, and how their operations and use of ICT will be permanently affected. The study also explores how SMBs’ relationships with Communications Service Providers is affected.

The survey was conducted during May 2020 and includes 420 SMBs in four markets. This was complemented by a multi-country consumer survey to assess the impact the crisis is having on Comms & Media consumers.
Summary: COVID-19 will have a **lasting impact** on SMBs

**Business is done differently**

35% of small businesses switched to online-only sales

COVID-19 led to new ways of working & doing business. These experiences will drive SMBs to rethink how they operate and engage with customers.

**Digital service use accelerates**

63% of SMBs plan to increase use of public cloud

COVID-19 will accelerate the shift to digital. The crisis experience will drive SMBs’ adoption of technology to improve business resilience and productivity.

**Omnichannel care is critical**

57% of SMBs expect to use video for customer care

COVID-19 is set to change SMBs’ customer care expectations. An omnichannel approach will be increasingly important to supporting businesses.

**Trust creates new opportunities**

45% of SMBs increased trust in their CSP

CSPs built a platform of trust with SMBs during the crisis. They can build on these strengthened relationships to offer new ICT and digital services.

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020
SMBs lashed by COVID-19 storm
COVID-19 had a **dramatic effect** on small and medium businesses

**SMBs were forced to change the way they interact with customers during the crisis**

Thinking about how your company interacted with customers during COVID-19, which of the following changes were implemented? [Select all that apply]

<table>
<thead>
<tr>
<th>Change</th>
<th>Small Businesses</th>
<th>Medium Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased remote interaction with customers</td>
<td>46%</td>
<td>55%</td>
</tr>
<tr>
<td>Switched to online-only sales</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Implemented IM or live chat</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>Switched to touchless payment for physical sales</td>
<td>26%</td>
<td>28%</td>
</tr>
</tbody>
</table>

60% of SMBs experienced sales decline during COVID-19

18% of medium businesses laid off workers, and 40% furloughed some workers.

Base: Overall (n=420)

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020
No part of SMBs business escaped disruption during the crisis

LANDLINE/MOBILE communications was LEAST AFFECTED

<table>
<thead>
<tr>
<th>Component</th>
<th>1 - disrupted</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 - Very disrupted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>35%</td>
<td></td>
<td></td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td>Distribution/Logistics</td>
<td>28%</td>
<td></td>
<td></td>
<td></td>
<td>17%</td>
</tr>
<tr>
<td>Workforce</td>
<td>31%</td>
<td></td>
<td></td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>26%</td>
<td></td>
<td></td>
<td></td>
<td>16%</td>
</tr>
<tr>
<td>Production/Manufacturing</td>
<td>26%</td>
<td></td>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>Customer Service Support</td>
<td>28%</td>
<td></td>
<td></td>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>Procurement/Finance</td>
<td>27%</td>
<td></td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>IT</td>
<td>24%</td>
<td></td>
<td></td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>Landline/Mobile Comms</td>
<td>16%</td>
<td></td>
<td></td>
<td></td>
<td>9%</td>
</tr>
</tbody>
</table>

Base: Overall (n=420)

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

40% of SMBs reduced opening times during the COVID-19 crisis

Almost 30% of companies received government financial support
Working from home:
Will the new normal look like the old normal?

SMBs did increase WFH during COVID-19 but most expect work patterns to return to normal

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Businesses</td>
<td>68%</td>
<td>83%</td>
<td>64%</td>
</tr>
<tr>
<td>Medium Businesses</td>
<td>56%</td>
<td>76%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Companies with at least 25% of employees Working From Home*

97% of SMBs provided support for employees WFH during the crisis

Medium-sized companies provided more support than small companies

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

Base: Overall (n=420)  
* Employees that work from home at least one day per week
COVID-19 accelerates shift to digital
COVID-19 reinforced the importance of connectivity for SMBs

55% of companies expect LANDLINE BROADBAND to become MORE IMPORTANT TO THEIR BUSINESS post-COVID

After COVID-19 how important will landline broadband service be to your company’s daily operations compared to before the crisis?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>19%</td>
<td>Significantly more important</td>
</tr>
<tr>
<td>36%</td>
<td>Somewhat more important</td>
</tr>
<tr>
<td>41%</td>
<td>No change</td>
</tr>
<tr>
<td>4%</td>
<td>Somewhat less important</td>
</tr>
<tr>
<td>4%</td>
<td>Significantly less important</td>
</tr>
</tbody>
</table>

Base: Overall (n=420)

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

40% of SMBs increased use of landline broadband during the crisis

Almost half are likely to increase spending on landline broadband after COVID-19
SMBs need a wide range of digital services to run their businesses

Medium-sized businesses are driving demand

Which of the following digital services has your company already implemented?

Online training for employees
Ecommerce / Online sales platform
CRM, Billing, ERP software
Designing, building and maintaining...
Business intelligence and analytics
Digital advertising services
Real-time tracking and tracing
Cloud Contact Center for omnichannel...
Marketplaces offering access and tools
IoT solutions to be applied to specific...
Expert forums / peer-to-peer...

For SMBs planning to adopt services over the next six months, TOP PRIORITIES are:

MEDIUM BUSINESSES
1. Online presence
2. Marketplaces
3. Digital advertising

SMALL BUSINESSES
1. CRM, Billing, ERP
2. Online training
3. Business intelligence

Base: Small Businesses (n=250); Medium Businesses (n=170)
Source: Accenture Comms and Media Covid-19 SMB Study, May 2020
SMBs use of security & cloud is set to increase

SECURITY OPERATIONS CENTER and PUBLIC CLOUD top the list

How do you expect your usage of the following to change over the next 12 months?

<table>
<thead>
<tr>
<th>Service</th>
<th>Increase</th>
<th>Remain the same</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Operations Center (SOC)</td>
<td>41%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>PaaS (public cloud)</td>
<td>52%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Storage and Back up as a service</td>
<td>39%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Network Security</td>
<td>43%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>SaaS – innovative applications</td>
<td>36%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>IaaS (public cloud or hosted private Cloud)</td>
<td>39%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Training staff and Security Awareness</td>
<td>42%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>SaaS – core business applications</td>
<td>44%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Identity and Access Management</td>
<td>37%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Risk Assessment &amp; Compliance</td>
<td>37%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Data Security and Endpoint Security</td>
<td>34%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Disaster Recovery &amp; Business Continuity as a...</td>
<td>31%</td>
<td>16%</td>
<td></td>
</tr>
</tbody>
</table>

64% of SMBs have already implemented network security.

47% are using basic cloud services, i.e. storage and backup as a service.
SMBs look first to local providers for digital services

Small businesses are most likely to SHOP LOCAL

What kind of company is your main provider for these services? (Average)

- Local IT Service Provider: 24%
- Enterprise Software Provider: 23%
- IT Systems Integrator: 21%
- Online Advertising/Tech company: 11%
- Wireless/Landline Comms Provider: 10%
- Specialist Technology Provider: 9%
- Cloud Platform Provider: 7%

Base: Currently using

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

Two-thirds of SMBs purchase ICT services from three or more providers. Half of companies are interested in reducing the number of providers.

For new digital services 30% of SMBs place local it providers in their top 3 preferred providers. Only 15% select CSPs.
COVID-19 changes customer care
No dominant overall winner for customer support

CSPs score better with small businesses

Which of the following companies provides the highest quality of customer support? [Top 3 rank]

- IT Systems Integrator: 71% Small Businesses, 83% Medium Businesses
- Local IT Service Provider: 81% Small Businesses, 82% Medium Businesses
- Wireless/Landline Comms Provider: 76% Small Businesses, 80% Medium Businesses
- Cloud Platform Provider: 79% Small Businesses, 80% Medium Businesses
- Online Advertising/Tech Company: 71% Small Businesses, 73% Medium Businesses
- Enterprise Software Vendor: 72% Small Businesses, 82% Medium Businesses
- Specialist Technology Provider: 70% Small Businesses, 65% Medium Businesses

Base: Overall (n=420)

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

15% of SMBs ranked their connectivity provider as No. 1 for customer support.

Half of companies prefer to interact with connectivity providers via self-service.
Among medium businesses, CSPs fail to beat the best-ranked provider on any customer care metric.

CSPs score better with small businesses. They win or tie on four out of 10 metrics.

CSPs underperform best-in-class providers on proactivity & training

CSPs score well on BILLING RELIABILITY & FLEXIBLE PAYMENTS

How does your wireless/landline connectivity provider support your business, compared to the company providing the best customer support? [Select all that apply.]

- Resolving a service or technical issue: 36% Wireless/Landline provider, 38% Top-ranked Provider
- Competitive pricing / Value for money: 32% Wireless/Landline provider, 37% Top-ranked Provider
- Being proactive to solve business challenges: 25% Wireless/Landline provider, 31% Top-ranked Provider
- Installing new service or product: 26% Wireless/Landline provider, 31% Top-ranked Provider
- Work on roadmap to achieve business targets: 29% Wireless/Landline provider, 30% Top-ranked Provider
- Reliable info. on Billing / Service Usage: 25% Wireless/Landline provider, 26% Top-ranked Provider
- Providing self-service tools and documentation: 25% Wireless/Landline provider, 26% Top-ranked Provider
- Onboarding and training your team: 19% Wireless/Landline provider, 26% Top-ranked Provider
- Regular check-ins measure satisfaction: 23% Wireless/Landline provider, 25% Top-ranked Provider
- Offering flexible payment terms: 26% Wireless/Landline provider, 24% Top-ranked Provider

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

Base: Overall (n=420)
Omnichannel is critical for SMB sales & customer care

COVID-19 experience drives demand for ONLINE, AUTOMATED & VIDEO interaction with CSPs, but FACE-TO-FACE remains important

Medium businesses are significantly more interested in using automated services post-COVID compared to small businesses (64% vs. 55%)

CSP channels used always or frequently for sales or customer support

Phone | Automated service via website | Mobile app | In person at company’s premises | Online chat | Video calls | In person at CSP retail store

<table>
<thead>
<tr>
<th>Before Covid-19</th>
<th>Following Covid-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td>49%</td>
</tr>
<tr>
<td>59%</td>
<td>57%</td>
</tr>
<tr>
<td>55%</td>
<td>54%</td>
</tr>
<tr>
<td>57%</td>
<td>52%</td>
</tr>
<tr>
<td>52%</td>
<td>52%</td>
</tr>
<tr>
<td>58%</td>
<td>51%</td>
</tr>
<tr>
<td>57%</td>
<td>49%</td>
</tr>
<tr>
<td>49%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020
Crises make reputations or destroy them
Trust in CSPs was enhanced due to their COVID-19 crisis response

CSPs MET OR EXCEEDED EXPECTATIONS in several areas

Has [CSP] taken any of the following actions in response to the COVID-19 crisis? vs. Which of the following actions did you expect [CSP] to take? Select all that apply.

<table>
<thead>
<tr>
<th>Action</th>
<th>Actions expected</th>
<th>Actions taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved service/package at no extra cost</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>Faster upload/download speeds</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td>Discount on regular payments</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Discounted or free voice calls</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Deferred payments</td>
<td>23%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Base: Overall (n=420)

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

Faster network speeds (35%*) and deferred payments (33%) were valued most.

CSPs also exceeded expectations for providing advice on customer care options during the crisis.

* Percent of SMBs that received the benefit and rated it Very Useful

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CSPs outperformed other providers on key trust metrics

TRUST in CSPs improved across commercial offers, service reliability/QoS and customer care

Which of the following companies do you trust to act responsibly in its commercial offers / deliver on the reliability and quality of service offered / deliver the highest level of customer care? [Average Top 3 ranked]

<table>
<thead>
<tr>
<th>Company</th>
<th>Trust Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless / mobile provider</td>
<td>34%</td>
</tr>
<tr>
<td>Landline broadband internet provider</td>
<td>31%</td>
</tr>
<tr>
<td>Energy &amp; Utility provider</td>
<td>29%</td>
</tr>
<tr>
<td>Cloud services provider</td>
<td>29%</td>
</tr>
<tr>
<td>Banking service provider (Bank)</td>
<td>28%</td>
</tr>
<tr>
<td>IT Consulting provider</td>
<td>28%</td>
</tr>
<tr>
<td>Managed IT security provider</td>
<td>27%</td>
</tr>
<tr>
<td>Insurance provider</td>
<td>26%</td>
</tr>
<tr>
<td>Enterprise Software provider</td>
<td>23%</td>
</tr>
<tr>
<td>IoT provider</td>
<td>19%</td>
</tr>
</tbody>
</table>

Base: Overall (n=420)

Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

One-third of SMBs rate their landline provider’s response during the COVID-19 crisis as above expectations.

45% of SMBs trust their landline provider more since the crisis began.

Average results for responses across three components of TRUST.
SMBs were satisfied with CSPs’ **reliability** and **network speed**

**Room for improvement in customer support and value**

How has your provider delivered on the following during the crisis? (Well + Very well)

<table>
<thead>
<tr>
<th>Service</th>
<th>Reliability</th>
<th>Network speed</th>
<th>Customer support</th>
<th>Cost / Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landline Broadband</td>
<td>75%</td>
<td>70%</td>
<td>67%</td>
<td>62%</td>
</tr>
<tr>
<td>Wireless / Mobile</td>
<td>72%</td>
<td>70%</td>
<td>67%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Base: Overall (n=420)
Source: Accenture Comms and Media Covid-19 SMB Study, May 2020

Reliability is now more important than network speed for SMBs.

This was also a key finding from our C&M COVID-19 consumer study.
Implications for CSPs
How can CSPs build on a strong performance during the COVID-19 crisis?

**Compete on premium connectivity**
Capitalize on SMBs’ increasing demand for high-quality, reliable connectivity across wireline and wireless. Expand connectivity offerings at the high-end.

**Position as trusted business partner**
Enable SMBs to work smarter. Partner to enable more agile, resilient businesses. Help businesses re-think their business models, ways of working and how they engage with customers.

**Differentiate on customer experience**
Customize SMB customer care and support. Expand omnichannel, automated and video-based customer interaction. But don’t neglect face-to-face interaction. Be local.

**Build digital service portfolio**
Expand SMB portfolio to offer Cloud, Security, ERP, Business Analytics, and digital services to help companies manage and grow their businesses in an increasingly uncertain environment.
Contacts

Francesco Venturini  
Senior Managing Director, Global Communications & Media Lead  
francesco.venturini@accenture.com

Boris Maurer  
Managing Director, Communications & Media Lead, Europe  
boris.maurer@accenture.com

Andrew Walker  
Senior Managing Director, Communications & Media Lead, North America  
andrew.m.walker@accenture.com

Mike Chapman  
Managing Director, Media Lead, North America  
michael.chapman@accenture.com

Aurelio Nocerino  
Managing Director, Network Lead, Europe  
aurelio.nocerino@Accenture.com

Declan Lonergan  
Research Senior Principal, Communications & Media  
declan.lonergan@accenture.com

Saulo L. Bonizzato  
Senior Managing Director, Communications & Media Industry Leader for Growth Markets  
saulo.l.bonizzato@accenture.com
References


2 SMB Group estimates


4 Worldwide SMB IT Spending to Top $676 Billion in 2021, Driven by Software and Services Growth, According to IDC

To help our clients navigate both the human and business impact of COVID-19, we’ve created a hub of all of our latest thinking on a variety of topics.

Each topic highlights specific actions which can be taken now and what to consider next as industries move towards a new normal.

From leadership essentials to ensuring productivity for your employees and customer service groups to building supply chain resilience and much more, our hub will be constantly updated. Check back regularly for more insights.

VISIT OUR HUB HERE
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