

the
GORILLA
GUIDE[®] to...



Enabling Small and Midsize Business IT

Prolonged Recovery
and Expansion

JAMES PANETTI

Enabling Small and Midsize Business IT

By James Panetti

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ACTUALTECH MEDIA

6650 Rivers Ave Ste 105 #22489 | North Charleston, SC 29406-4829

www.actualtechmedia.com

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Introduction: A Shifting Landscape

The global pandemic of 2020 substantively changed how we do business. Forecasts for the current IT climate and beyond show that this shifted landscape is anything but temporary. This Gorilla Guide To...[®] Enabling Small and Midsize Business IT, Foundation Edition, explores how small to midsize businesses (SMBs) can best adapt and prepare for the coming years ahead.

SMBs typically face significant challenges when it comes to IT, including limited resources, personnel, and funding. SMB admins tend to wear many hats, and the network admin is usually also the virtualization admin, the database admin, security admin, and more. They are literally jacks-of-all-trades, having very broad knowledge without the ability to specialize.

Many workers are more productive working remotely than when commuting to an office before the pandemic. They experience better attitudes, increased happiness, and decreased stress compared to their onsite counterparts, resulting in greater day-to-day employee availability.

The more midsize companies do have more specialization, but many of the same problems of budget and personnel persist. These limitations often mean that SMB IT departments spend a great deal of time firefighting, and not much time planning for the future and doing more bottom-line revenue-generating activities. Such is life at modest-sized organizations.

To survive and remain competitive, SMB leaders and IT administrators should prioritize remote work options, environmental sustainability, their digital footprint, and building a work culture that fosters long-term employee commitment (see **Figure 1**).



Figure 1: A combination of factors will enable SMBs to ensure success

Prolonged Recovery and Expansion

2020 was a year like no other. Though recessions and depressions are not uncommon, the pandemic year was unique in that it required most workers to be shuttered within their homes. Many if not most businesses that survived did so by relying on their IT staff to immediately enable their workforce to work remotely.

The next few years pose some intense challenges for SMBs reopening their doors. A fall [2021 SCORE study](#) discovered that “hiring the right talent” has by far been the biggest challenge, according to 63.4% of business owners, even more so than finding new customers. In fact, roughly two-thirds of businesses reported positions remaining unfulfilled within the last six months. The study only grows more concerning with each subsequent detail, going on to report that 89.5% of owners rated finding new hires “somewhat or very difficult,” with 69.9% experiencing difficulty during onboarding and 62.9% reporting retention problems.

Yet the bigger picture is not necessarily so dire. U.S. Treasury Secretary Janet Yellen, in an [MSNBC interview](#), forecasted that the United States is well on its way to achieving full employment during 2022 despite current labor challenges. In September 2021, the unemployment rate fell to 4.8%, a dramatic low compared to the pandemic high of 14.8%.

This sets up the coming year to be of equal parts: challenge and opportunity. Once again, an agile IT team will be key for capitalizing on these opportunities.

Remote Work



ANYTHING BUT TEMPORARY

Remote work is the future. The global pandemic went a long way to prove that not only is a remote workforce viable, it's also cost-effective, competitive, and profitable. Forecasts show that working from home is not a flash-in-the-pan trend that will pass anytime soon.

A recent [PWC study](#) found that 79% of employees surveyed reported success in terms of productivity while working remote. Many companies that have stubbornly refused to leverage the option are now struggling to catch up. More than 60% of executives anticipate increased spending on remote collaboration tools and training, while half plan to invest in ways to better support a hybrid work model. This isn't just good news for the workers who benefit; it's good news for the IT departments upon whom this major shift will wholly depend.

The responsibility to ensure remote workers have secure, reliable, and speedy connections to company networks is a heavy one, but the effort can pay off exponentially. The same survey showed that many workers are more

productive working remotely than when commuting to an office before the pandemic. 52% of executives agreed, stating employee productivity has improved. They experience better attitudes, increased happiness, and decreased stress compared to their onsite counterparts, resulting in greater day-to-day employee availability.

SAVINGS AND PROFIT

A shift to remote work can translate into increased profits for SMBs, which in turn can mean more IT budget available for the technology critical for remote work.

Fewer workers onsite mean companies can invest significantly less capital in real estate and IT infrastructure. Meanwhile, virtual teams can help a business recover from revenue lost during the pandemic by boosting both efficiency and productivity. A recent [Bloomberg report](#) found that companies by and large increased profits to record levels this past year despite having a smaller workforce because of changes in corporate organization that empowered remote work.

COMPETING FOR TALENT

Offering a remote work option can result in increased competition for talent. This can't be overstated, given that not only must companies compete with each other, but must also compete with a rising self-employment trend. [Since 2018](#), a growing percentage of workers have been joining “the gig economy” by going freelance.

This is notable for IT departments in two ways: Companies need the best talent they can afford running IT, and the demand for remote work options can result in increased technology spending. [Gartner forecasts](#) that worldwide IT spending will peak at \$4 trillion in 2022, 5.5% up from 2021. IT budgets are expected to grow at the fastest rate seen in a decade. IT administrators will be more critical than ever to an SMB's success.

Sustainability



RESPONSIBLE SMBS ARE THE FUTURE

The pandemic tested every company's long-term sustainability, but SMBs were especially strained. The post-pandemic recovery may well turn the tables. The speed at which a company can pivot will be critical for surviving both the current disruption and the continued transformation.

That flexibility is mostly if not wholly dependent on IT teams. Just as a company's ability to rapidly adapt to the pandemic with technology decided the survivors of 2020 and 2021, so will their ability to quickly shift gears determine their success post-pandemic. Increases in technology spending, remote work, and virtual services will hinge entirely on IT administrators.



According to [National Geographic](#), the World Health Organization says dirty air, both indoors and out, cuts short 7 million lives annually world-wide. As part of that total, air pollution kills more than 100,000 Americans every year.

GOING GREEN IS GOING COMPETITIVE

Responsible stewardship of the environment will be more of a key component to long-term sustainability than ever before. [One survey](#) found that an overwhelming 90% of consumers were equally or more concerned with environmental issues than before the pandemic began. This may be in part because much of the world saw, perhaps for the first time, environmental recovery as a side effect of everyone [sheltering at home during 2020](#).

Thus, the message is clear going forward: Going green is going competitive.

SMBs are again best positioned to lead the way and, again, completely dependent on their IT teams to do so. The IT team's successful support of remote work will be key to enabling workers to forego rush-hour commutes and help cut carbon emissions post-pandemic. The pandemic year proved beyond any doubt that permanently reducing the volume of the morning and evening rush will go a long way toward healing our environment.

Digital Footprints

E-COMMERCE MUST BECOME PRIORITY

It's no surprise that e-commerce is only going to grow in priority in the years to come, but the pandemic escalated its growth rate dramatically. The pandemic accelerated demand away from physical storefronts and toward online shopping sites by five years, according to a recent report from [TechCrunch](#). Conversely, nonessential brick-and-mortar stores experienced severe declines: a 25% drop during the first quarter of 2020, followed by a 75% decline during the second.

The economic threat to physical stores has been present since the beginning of the digital age, but the pandemic accelerated the problem. To survive and thrive now and beyond, companies must pivot toward omnichannel communication with their customers.

2021 left us with mixed expectations leading into 2022. A TaxJar study found that, on the one hand, 63% of shoppers surveyed planned to do most of their 2021 holiday shopping in person—a considerable jump given that the same survey

conducted earlier the same year had only a 43% of respondents going in-store. On the other hand, others are all but abandoning in-person shopping altogether, with 71% of respondents stating they only shop in-person once a week.

The economic threat to physical stores has been present since the beginning of the digital age, but the pandemic accelerated the problem. To survive and thrive now and beyond, companies must pivot toward omnichannel communication with their customers. This means that, yet again, survival hinges heavily on IT administrators.

Consider that as [recently as 2018](#), only 52% of Europe's online stores, for example, had omnichannel communication. A large segment of the business world has simply been slow to adapt, which was made unpleasantly clear during the pandemic. IT teams can capitalize on this to empower their SMBs to take the lead. IT is wholly responsible for growing their workers' remote options on one hand, while also enabling the business to grow its digital footprint to meet a remote-working customer base on the other.

Let's not overstate the trend, however, and consequently turn a blind eye toward other opportunities. Physical stores will always have a place, albeit perhaps a shrinking one. Companies willing to maintain a physical presence may find a better home in the suburbs in the remote-work future, instead of in urban storefronts catering to roving pedestrians.

THE DOMINANCE OF ALTERNATIVE PAYMENT METHODS

Contactless payment options rapidly (and unsurprisingly) rose to dominance in 2020. In fact, contactless payments increased by 69%, which is a foothold unlikely to be relinquished in the coming years.

Digital payments have long been proven as secure as they are convenient, and the ability to scan a card or phone app without any physical contact will no doubt remain an expected option. This is especially true for millennials, of whom only 40% carry physical currency on a regular basis.

THE DEMAND FOR VIRTUAL SERVICES

IT teams can also sharpen their SMBs' competitive edge by considering what services they can offer virtually. They need to ask themselves the question that launched a revolution: "Is there an app for that?"

The shift to a greater digital footprint means that online customer reviews become the very lifeblood of success. A study in 2020 found that 65% of shoppers price-compare via their mobile devices while physically within a store, and 81% of them look to social media for insight.

The answer in so many cases was Yes. The pandemic greatly increased the demand for virtual services, evidenced by the rise of food delivery services, at-home fitness solutions, movie-streaming platforms, telemedicine, and personal cybersecurity solutions. The same benefits can be offered, on a much smaller scale, by SMBs, too. It requires some creative thinking and resources, but the payoff in things like internal company efficiency, as well as external sales, could be substantial.

CUSTOMER REVIEWS ARE CRITICAL

The shift to a greater digital footprint means that online customer reviews become the very lifeblood of success. [A study in 2020](#) found that 65% of shoppers price-compare via their mobile devices while physically within a store, and 81% of them look to social media for insight. Yet [another study](#) found that a whopping 92% of would-be customers actually avoided completing a purchase if they couldn't find any relevant online reviews.

IT admins can save the day once again by empowering SMBs with tools that grow their digital footprint and encourage product reviews, especially if those tools can leverage social media platforms.

People and Culture

WORKFORCE DEVELOPMENT VS. RECRUITMENT AND TURNOVER

As the economy continues its recovery, businesses will find that the fierce competition for workforce talent paused only for a moment during the pandemic and will resume in earnest.



According to the *Houston Chronicle*, costs to replace an employee vary by their earning level, so training costs also vary. The Sasha Corp. averaged the results of 15 studies that determined average costs to replace an \$8 per hour employee, determining an average cost of \$9,444.47 per turnover. Even when the 33% of estimates with the highest prices were removed from calculations, replacement costs were \$5,505.80 per turnover. Chartcourse estimates it costs \$40,000 on average to replace a nurse, while *technology companies can run up replacement costs of more than \$125,000 per vacancy.*

The pivotal “Great Resignation” of 2021 lifted this competition to an entirely new level and has set the current stage. During a summer in which many businesses began reopening doors, 4.3 million workers resigned in the month of August alone. Many workers who were forced to stay at

home during 2020 took advantage of their newfound extra time to reflect and reevaluate their personal principles and their relationship to their careers. This last year brought them out of that period with a new understanding of what their time and labor are worth, especially within the context of rising inflation.

Even as the way we all work changes, the human factor—the need for talent—will remain. SMBs should make retaining talent a priority. Many businesses, especially larger ones, find themselves trapped in a perpetual cycle of recruitment followed by turnover. Such a revolving door is very expensive and will grow increasingly so given this sea change.

While SMBs may be hard-pressed to pay a premium for labor, they can nonetheless gain a competitive edge by investing in quality-of-life improvements (such as remote or hybrid work) and the continual career-enriching development of their workforce. IT administrators are again centerstage, given the need for technology solutions to enable flexible work options and rich virtual training opportunities that will go a long way toward ensuring that talented workers will feel truly valued and remain for the long haul.

CULTIVATING CULTURE

While skill development is critical, it's not enough to fully empower workers to become the best they can be. Culture is key. A business's internal culture springs from its core principles and drives day-to-day behavior. In days of old, culture was largely defined within the physical office.

Casual Fridays and team happy hours, for example, would go a long way toward building a tight, cohesive team.

In the coming years, the shift to remote work will change how culture evolves, and IT administrators will find themselves becoming a critical component in fostering its development.

Priorities—and budgets—must align to promote an office culture that spans both onsite and remote workers. Leverage technology toward this end to foster virtual happy hours, virtual lunches, and any other means that involves teams spending time with each other in a casual setting, even if from afar. IT teams will lead the way, and it will be their creativity and ingenuity that help cultivate a culture as rich and rewarding for remote workers as it is for those coming to the office.

GET USED TO THE ‘NEW NORMAL’

Thanks for reading this Gorilla Guide. As you can see, it’s both an exciting and challenging time for SMBs. Even with vaccines beginning to roll out, it’s clear that the pandemic won’t be vanishing immediately.

Meanwhile, the societal, including work-based, changes wrought by the disease will continue to be felt by IT departments the world over. Smart SMBs will get out ahead of these changes, seeing opportunities rather than problems. Acknowledging the “new normal” of remote work, and how to effectively manage it, is the place to start.

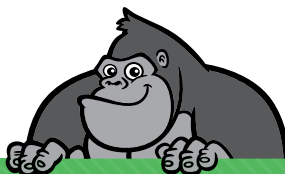
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