



## **New IDC Future SMB Research Reveals 84% of Asia/Pacific\* SMBs Need Digital Technologies to Transform Their Businesses while 42% of SMBs are Planning to Start Now**

**SINGAPORE, October 1<sup>st</sup>, 2019** – In 2019, IDC launched its inaugural Asia/Pacific Future SMB intelligence services addressing the growing demand for regional insights into the SMB segments. The new *IDC 2019 Future SMB Pulse* survey shows that 84% of SMBs in Asia/Pacific (excluding Japan) recognize the need to use digital technologies to make significant changes in their companies' processes and operations and become more competitive. While 39% of those have already started their journey and are at different stages of digital maturity, 42% are planning to start. Furthermore, the new SMB survey, reveals the top priorities of SMBs in the next 18 months which are improving revenue growth, increasing efficiency/productivity, and reducing costs/expenses.

“SMBs are driven by an entrepreneurial mindset and possess the appetite to compete, grow, and succeed. Growth and profitability are the primary goals of any SMB; however, when it comes to technology, these smaller businesses are generally not as progressive or innovative. Due to their size, they face unique challenges such as skills shortage, low technology adoption, and low process automation, as well as difficulties in accessing capital funding,” says [Daniel-Zoe Jimenez](#), Associate Vice President, Digital Transformation (DX), Future Enterprise, and SMB at IDC Asia/Pacific.

Jimenez adds, “Widely available and easier to consume digital technologies are leveling the playing field between MNCs and SMBs. The market has reached an inflection point in 2019, forcing SMBs to act. Driven by the evolved state of digitalization of the SMB ecosystem and the opportunity presented by digital technologies to amplify capabilities and competitiveness, SMBs must progress and evolve towards becoming Future SMBs.”

**"Future SMB"** is what IDC defines as the new benchmark for SMBs. A Future SMB is an ecosystem and technology-first organization that can amplify its presence and capabilities for sustainable business growth, productivity, and competitiveness. It is **data-driven, customer-centric, highly automated**, and takes an **experiment-learn-iterate** approach to deliver breakthrough solutions and create new markets.

“SMBs must take their drive to grow their business as the same impetus to digitalize. They must recognize that their competition and ecosystem are transforming, and they must keep pace in order to survive,” Jimenez added.

IDC’s SMB survey also identified top three challenges that Asia/Pacific\* SMBs are facing to adapt a digital-first mindset namely:

1. Balancing product/service quality and growth
2. Cashflow
3. Challenges in hiring/retaining talent and improving brand awareness

“Amidst these challenges, we are also seeing growing opportunities for SMBs. The rise of the new digital economies, such as the last mile economy (use of delivery services), the gig economy (tapping freelancers to fill in talent gaps in SMBs, and the marketplace economy (proliferation of marketplaces where SMBs can offer their products and services), will force SMBs willing to benefit from the opportunities presented by these new economies to make investments in digital technologies, and become them more competitive,” says [Celeste Narvaez](#), Senior Program Manager at IDC Asia/Pacific. We expect 60% of SMBs in Asia/Pacific will be well along in their digitalization journey in the next three to five years.

IDC will provide an in-depth discussion of key SMB themes on *scaling with digital*, *multiplying partnerships*, and *building talent* at the 2019 IDC Future of SMB Forum happening on **7<sup>th</sup> November 2019** at the **Suntec Singapore Convention Centre, 10:00AM to 05:00PM**. IDC will also provide essential guidance to Asia/Pacific SMBs on what should be their immediate priorities to be successfully to have a digital-first mindset/ DNA. For more information about this event, please visit our website [Future SMB Forum](#) .

[The Future of SMB: The Time to Digitalize is Now](#) and *IDC Future SMB Pulse Survey 2019 – market insights* are the first two reports under IDC’s Future SMB report series. More Asia/Pacific focused reports will be published later this year, including SMB case studies, SMB buying behavior, and the 2020 SMB Predictions. For more information, please contact Daniel-Zoe Jimenez [dzjimenez@idc.com](mailto:dzjimenez@idc.com) or Celeste Narvaez [cnarvaez@idc.com](mailto:cnarvaez@idc.com). For media queries, please contact Tessa Rago [trago@idc.com](mailto:trago@idc.com) or Alvin Afuang [aafuang@idc.com](mailto:aafuang@idc.com)

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