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A recent survey of more than 1,200 small business owners in the United States found 71 percent of respondents say that at least one quarter of their business is run in the cloud, a significant increase from only 23.5 percent reported in a similar [survey](#) conducted 18 months ago.

The survey, commissioned by [Xero](#) (@Xero), the global leader in online accounting software for small business, also found the amount of cloud users increased to 80 percent among small business owners that work with an accountant, compared to

only 65 percent of the respondents who do not work with an accountant. This

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While cloud adoption has changed over the past year-and-a-half, small business owners' priorities have remained relatively stable. The majority of small businesses owners surveyed (68 percent) said growing their customer base was their top priority, consistent with the 62 percent of respondents who were surveyed 18 months ago. The second priority continues to be managing money more efficiently.

### **Entrepreneurs are Optimistic, Yet Realistic**

There are changes in the market—demand is increasing and competition is weakening—making small business owners comfortable and feeling optimistic about the year ahead. In fact, 88 percent of the Xero survey respondents say they are currently optimistic about growth, with 52% described as “cautiously optimistic” and 36 percent “very optimistic.”

Additional findings on small business optimism, include:

- When considering size as a factor, larger companies (6-20 employees) are the most optimistic about growth.
- 52 percent of small business owners believe they will grow organically, compared to the 12 percent who plan to aggressively invest, or the 24 percent that will make select investments.
- The top three reasons that small business owners are optimistic about growth are loyal customers (60 percent), increasing revenue (47 percent) and new marketing efforts ramping up (41 percent).
- 81 percent of respondents believe they live in a great place to own a small business.

*So what could hinder growth?* The economy is increasingly viewed as a top challenge for small business owners with 31 percent of small business owners identifying the economy as their biggest challenge in 2016, compared with only 23 percent of small

business owners surveyed in March of 2016. When asked what top concerns were for

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only 45 percent of respondents say that wanting to own a business led them to their start. Meanwhile, the majority of respondents (61 percent) started out because they saw an opportunity and acted on it. Now they must plan for how they will grow that opportunity.

With more small business owners making select investments for growth, the survey found that two thirds still plan to invest in new technology this year, with 32 percent planning to invest in devices. This is not surprising as we see an uptick in the amount of small business owners running their business from mobile devices and apps being used for direct customer communication.

Over 83 percent of survey respondents say they are now using modern communications channels (social media, text, mobile messaging or online chat) for communicating one-to-one with a customer. With the majority of these tech savvy small business owners (over 80 percent) leveraging these tools weekly, and in many cases (over 45 percent) using them daily.

*Fun Fact: Accountants may be good at numbers, but they can also text.* More than half of respondents reported that they have communicated with an accountant or bookkeeper through one of these mediums, the most prevalent (43 percent) using text message to stay in touch.

The survey was conducted by Dimensional research in July of 2016. The survey polled more than 1,200 small businesses across the U.S. to uncover attitudes and opinions around business priorities, challenges related to where and how they run their business, as well as the use of technology to support the business.

More tips, tricks and accounting essentials for business success are available at Xero's [Small Business Guides](#).

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