

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

**ACCOUNTING & AUDIT**

# Research Shows Small Businesses that Embrace the Cloud Can Double Profit

New global report examines the business challenges and technology choices of small wholesale distributors, manufacturers and accountants.

Aug. 19, 2015



Small businesses who embrace the cloud achieve 25 percent additional revenue growth compared to cloud skeptics and more than double their profits, according to [new research](#) from [Exact](#) and Pb7 Research.

The report, “Small Business Cloud Barometer 2015,” examines the business challenges that small wholesale distributors, manufacturers and accountants face on a daily basis, reasons for moving to the cloud and the business benefits gained once online business software is implemented – both in the U.S. and in Europe.

The research found that U.S. small businesses use the most online business software compared to their peers in France, Germany, the Netherlands, the U.K. and Belgium. In particular, 51 percent of those surveyed in the U.S. use some kind of cloud software, and 29 percent use three or more cloud applications to help run their businesses. Security is the primary reason U.S. small businesses choose to implement online business software, followed by hopes to reduce technology costs, lower maintenance requirements and gain easy mobile access to critical business information. However, those who use cloud software have found ease-of-use, enhanced ability to find and share information and increased productivity as the top benefits actually experienced.

“Cloud usage among small businesses is exploding thanks to the tangible business value it has been proven to deliver,” said Kae Williams, general manager at Exact, U.S. Cloud Solutions. “With heavy cloud users reaping more profits and business growth than their cloud-hesitant peers, there’s little room for doubt that now is the time to use online business software. Cloud is no longer just for large enterprises – it’s for any company who wants to be competitive, efficient and provide stellar customer service.”

The Small Business Cloud Barometer 2015 drilled down into the top business challenges and cloud usage habits and benefits among small wholesale distributors, manufacturers and accountants. Key findings by industry from respondents in the U.S. include:

### **Manufacturing**

- 53 percent of small manufacturers report cost reduction as their biggest business headache
- 9 percent of all contracts results in a negative margin
- 27 percent of customers don’t come back when a delivery is late

- Small manufacturers walk away from 11 percent of all RFPs because they are unable to deliver a quote in time, signaling a missed revenue opportunity
- Lowering IT costs, security and more productivity and efficiency for the end-user are the top three reasons small manufacturers choose online business software
- Only 26 percent of manufacturers always want to have the latest technology in place, which includes both cloud-based software and other innovations

## **Wholesale Distribution**

- Price pressures due to online competition, competition from suppliers due to direct sales and dealing with demanding customers are the top three challenges unique to the wholesale industry
- 12 percent of wholesalers report regularly having one of their suppliers run out of materials, and nearly half sometimes have delayed deliveries directly due to supplier inventory issues
- 30 percent of customers will not purchase again from a wholesaler who was late with a delivery
- Only 17 percent of wholesalers get automatic alerts when stock is low and just 47 percent know the exact location of every item in the warehouse
- 28 percent of wholesalers have real-time insight into the stocks and delivery times of suppliers
- The top reasons cited for implementing cloud software include security, low maintenance requirements and lowering IT costs

## **Accounting**

- Top general business challenges cited include cost control, finding new customers and improving the quality of products or services
- 45 percent of accountants emphasize a focus on quality in an effort to stay competitive and relevant in their industry
- The top three reasons small accounting firms move to the cloud include lowering IT costs, enhancing security and reducing technology system maintenance
- Only 33 percent of accountants are using cloud solutions for administrative processes, with the rest still using on-premise administrative solutions
- 23 percent of accountants rely on a combination of loose software applications and spreadsheets
- Just 12 percent of accountants use their CRM system to gain a 360-degree view of their customers

## **Research Reports**

All three industry reports are now available for download [here](#):

- Small Business Cloud Barometer 2015 for Manufacturers
- Small Business Cloud Barometer 2015 for Wholesale Distributors
- Small Business Cloud Barometer 2015 for Accountants

## Research Methodology

As commissioned by Exact, Pb7 Research, a global technology research firm, conducted nearly 3,000 total interviews of small businesses with less than 50 employees in Belgium, France, Germany, the Netherlands, the United Kingdom and the United States. 750 interviews were conducted with U.S. companies in February and March 2015 via a web-based panel.

Accounting & Audit • Technology • Exact • News • Accounting Research • cloud • Cloud Accounting • Cloud Solutions • Research

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2023 Firmworks, LLC. All rights reserved