

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

educational campaigns in helping small businesses take advantage of digital technology's benefits, according to behavioral science research conducted by Xero, the global small ...

Nov. 16, 2021



Simple changes in habits and process could prove more effective than costly educational campaigns in helping small businesses take advantage of digital technology's benefits, according to behavioral science research conducted by [Xero](#), the global small business platform.

The [One step](#) study surveyed more than 4,200 small business owners in six countries (Australia, New Zealand, the UK, the US, Canada, and Singapore). Carried out in partnership with behavioural science consultancy, Decision Design, the report found

that small businesses which readily adopt new technology enjoy on average 120

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

The research revealed that this 'adoption gap' stems from several behavioral barriers – mindsets and perceptions about technology and change – that frequently recurred amongst small businesses all over the world. Small business leaders tended to believe that their current solutions were good enough even if new technology might help them do better; to focus on risks and short-term losses when considering change; and to freeze up when forced to compare, understand, and choose between numerous technology options.

The study found that amongst the six countries surveyed, small businesses in the US were most likely to delay adopting new technology (31%), with only five in ten being open to taking risks when making business decisions; and seven in ten putting off technology decisions because they felt more comfortable working on day-to-day matters. However, small businesses in the US were also least likely to:

- Stress about competitors gaining an edge by upgrading their technology (3 in 10);
- Declare that the safest course of action is to stick to existing technology solutions (less than 5 in 10); or
- Say they can't handle the effort needed to adopt new technology (less than 3 in 10).

“Relatively few US small businesses feel challenged by insufficient internal support, the complexity of how new technologies work, or the effort involved in upgrading technology – yet compared to other countries, they're falling behind on technology adoption in a substantial way,” said Ben Richmond, US Country Manager at Xero. “The report's findings suggest that while small businesses in the US don't lack confidence, they may be struggling to turn that into decisive choices – whether because of time or more short-term pressures.

“Communicating the value of technology adoption with greater urgency – by contrasting adopters' performance to those who delay – might help spur US small

businesses to take that first step.”

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

- Quantifying the true gap between current operations and those enhanced by technology; while also
- Measuring technology's benefits in a way that's more relatable to small businesses' experiences; and
- Narrowing and simplifying technology choices to minimise decision paralysis.

The report also includes simple handles that small businesses can grasp to help overcome their behavioral barriers including decision matrices, 'pre-mortem' evaluations, cost-benefit analyses, and setting aside time for peer learnings. Each activity helps to clarify the true risks and rewards of technology adoption, allowing small business leaders to overcome confusion and uncertainty to make more rational decisions about the different options they may face.

Benefits • Firm Management • Small Business • Technology

CPA Practice Advisor 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.

© 2024 Firmworks, LLC. All rights reserved