

Small Business Pulse Survey

Cloud Computing



This is a high-level summary of our key findings from the June 2015 Small Business Pulse Survey. This survey concentrated on **the understanding, comfort level and acceptance of cloud computing platforms by business owners**. The survey was taken by **300 business owners**. We asked owners on a scale of 1 to 10, with 10 being the highest, how they would rate their understanding of cloud computing. 41% rated their understanding an 8 or higher, with the mean being 6.1. In some of the highlights listed below, we split respondents into those with a relatively high degree of understanding of cloud computing (6-10) and those with a low degree of understanding (5 or less).

Key insights from the survey are:

- The motivation to utilize cloud computing are constructive – workforce productivity and easier access to data – as opposed to cost savings.
- In the majority of cases, migrating to the cloud platform did not have issues and was within the expected budget.
- The primary concerns are whether the cloud systems have suitable functionality and concerns over security. Owners are not overly concerned about security. Only 7% of owners ranked their confidence in security less than a 5.
- The more knowledgeable owners about cloud computing are more concerned with inability to access data without an internet connection, where less knowledgeable owners are concerned about data being compromised.

Profile of Survey Participants

- 87% of respondents migrated to cloud-based systems in the past five years.
- 87% of respondents have been in business for at least 8 years. 49% of respondents have been in business for more than 20 years.
- 28% of the respondents have annual revenue of \$5 million or more. An additional 34% have revenue between \$1 million and \$5 million.
- 48% of respondents have 2-9 employees and 33% have 10-49 employees. The mean number of employees is 20.
- The most common industry sectors are Professional Services, Manufacturing and Construction.
- Respondents came from the US, Canada, the UK, New Zealand and Ireland.

Key Observations on Cloud Computing

Motivation for Transitioning to Cloud Computing: When we asked owners what their reasons were for moving to cloud computing their top responses were:

- Make workforce more mobile and productive (22%)
- Have quicker/easier access to data (21%)
- Service customers more effectively (11%)
- Reduce risk (10%)
- Low costs (8%)

- Have up-to-date technology (8%)

The top two reasons are very positive with business owners seeing productivity improvements and access to data to be the key motivations. We found it to be surprising that only 8% approached cloud computing as a cost savings.

13% of owners said they simply **would not consider cloud computing for their business**. Also, **33% of respondents have never used cloud computing in their business**.

Most Common Platforms

The most commonly used cloud computing platforms are:

- Data backup/storage (76%)
- File hosting/sharing (70%)
- Web-based email (58%)
- Customer relationship management (41%)
- Accounting/financial (39%)

Challenges Migrating to Cloud Platform

The conversion to cloud-based systems went fairly well on average:

- The greatest concerns in migrating to the cloud platform were **Functionality (43%)** and **Security (38%)**.
- These concerns differ depending on the understanding level of the respondents. Owners with a high understanding of cloud technology are most concerned about **Functionality (51%)** and then **Security (34%)** while owners with a low understanding of cloud technology are most concerned about **Security (44%)** and then **Functionality (31%)**.
- 57% of respondents reported no problems in migrating to the cloud.
- When they did experience problems the key challenges were **Poor Employee Training (12%)**, **Poor Transition/Integration (10%)** and **Poor Technical Support (9%)**.

Significantly more companies found converting to cloud-based system to be more costly rather than less costly than expected. **31% found the conversion to be more costly while 22% found it less costly**.

Satisfaction Level

Business owners are generally satisfied with their cloud-based systems. On a scale of 1-to-10, with 10 being most satisfied, respondents rated their satisfaction as follows:

- 33% rated their satisfaction a 9 or 10.
- 81% rated their satisfaction a 7 or higher.
- The mean response is 7.6.
- The most important benefit to using cloud-based systems are:
 - Easy access to important information (35%)
 - Reduce expenditures on hardware and software (21%)
 - More flexibility in managing data (20%)

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- Enabling a mobile workforce (16%)
 - In terms of future plans, 66% of those with a high grasp of cloud computing rated their likelihood of moving data in the future to the cloud as an 8 or higher. However, **only 31% of respondents with a lower grasp of cloud computing rated their likelihood an 8 or higher.**
 - However, in the next year, **33% of owners plan to increase their budget for cloud computing** in the next year compared to **7% who plan to decrease their budget.**

Concerns About Information Security

Even though when cloud computing first became available the main concern was information security, this is not nearly the issue it was a few years back. We asked owners how confident they were or are in the security of their information in the cloud. On a scale of 1 to 10, 10 was most secure.

- 87% of owners migrated to cloud-based systems in the past 5 years.
- *When businesses first moved to the cloud*, 80% of owners with a high grasp of cloud computing rated their security confidence at a 7 or higher. Still, a respectable 63% of owners with a lower grasp of cloud computing rated their confidence in security a 7 or higher.
- We also wanted to assess whether they have become more confident in security since migrating to the cloud. While respondents with a high grasp of cloud computing did not change, 72% of respondents with a lower grasp of cloud computing rated their confidence in security a 7 or higher.

Other Concerns

- The top 3 concerns or risks for all owners migrating to cloud computing platforms are:
 - Important data can be compromised (lost, corrupted or stolen) (33%)
 - Inability to access data when internet/wireless signal is weak (28%)
 - Dependence on third party to manage my company's information technology needs (22%)
- The more knowledgeable owners are more concerned with inability to access data without an internet connection, where less knowledgeable owners are concerned about data being compromised.