

**Small Business
Future Growth
Outlook**



Shaping small business recovery: What we've learned from Covid-19

Few could have predicted how the first months of the Covid-19 pandemic would have impacted businesses around the globe. For small businesses, the shock waves were particularly strong, with many forced to transition to remote working seemingly overnight. The financial impacts have been severe, with almost 80% of small businesses reporting a decline in revenue.¹ Unlike larger companies, which were more likely to have at least some provision for remote working, many small businesses found they didn't have the processes available to support this, forcing them to think on their feet and find quick solutions to an immediate challenge.

While most were able to adapt in the short-term, it has become increasingly clear that many small businesses have a technological deficit that must be addressed. The disruption of the recent months has accelerated the need for digital transformation. While previously on the long-term radar of most business owners, it is now essential to recovery and future growth. In response to this, and the strain on cashflow that many are experiencing, in July the UK Government announced that it was ringfencing £20 million to support small business recovery, including dedicated grants for technology investment.² Other European governments also launched a raft of measures to protect small businesses from the negative economic impact of Covid-19 – ranging from tax relief to access to finance and grants.

Failure to prioritise such investment means that businesses risk losing not only key customers, but key employees to the competition, which could further impact business resilience in the face of additional disruption.

We have identified three key trends impacting small businesses as a result of the unique conditions created by the ongoing pandemic. This report explores these challenges and outlines how businesses can overcome them, to deliver agility and flexibility for their workforce and create a positive customer and employee experience, from anywhere.



¹ <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/how-the-covid-19-crisis-is-affecting-uk-small-and-medium-size-enterprises>
² <https://www.gov.uk/government/news/20-million-in-new-grants-to-boost-recovery-of-small-businesses>

1. The tech shortfall

To understand more about the employee experience during remote working and any barriers to productivity, we surveyed 1,300 European small business workers. The results suggested that many are experiencing a significant shortfall in the technology they need to fulfil their roles.



In fact, **48%** report using their own technology, such as a laptop, to work remotely during the pandemic.



Furthermore, almost one in four (**24%**) workers do not have the tools they need to deliver the best results for their customers, while the same figure



(24%) can't collaborate properly with team members due to inadequate technology.

As remote working becomes standard across industries and markets, employees must have the tools they need to connect with each other and customers. This is vital if small businesses are to remain resilient to disruption and lay the foundations for future growth.

Asking people to rely on their own technology presents a real barrier to achieving this. With more and more of us likely to work intermittently between home and the office, business owners must invest in the collaboration tools and contactless technologies that make this transition seamless. Being able to work on a joint project simultaneously with team members, access core information from the cloud, and keep in regular, real-time contact with colleagues, no matter where they're based, makes it easier for people to work productively. It also offers consistency across the workforce.

Additionally, allowing employees to use their own technology introduces a myriad of security risks. Between March and June, 74% of UK companies reported an increase in cyberattacks compared to before the lockdown.³ Protecting data is a lot harder for security and IT teams when it is dispersed on home computers with widely varying setups and tools, leaving employees and small business owners vulnerable to attack.

In short, if employees know what to expect when they log on each day, they won't waste valuable hours trying to connect with colleagues and clients or transferring documents between machines. At the same time, customers can be assured of a consistent level of service from account managers and sales teams, regardless of their location.

3 <https://www.exabeam.com/prthev-research-reveals-covid-19-has-increased-cyber-and-financial-risks-as-security-teams-reduce-staff/>

Customer focus:



Happy Punt, Spain

Formed in 1996, Happy Punt is a fast fashion company based in Barcelona with 80 employees. Speaking about the company's relationship with Ricoh, Damia Belles says: "RicoH products have helped to enable us to innovate by improving our efficiency. For example, we have the Ricoh communications system and with two clicks we can connect with our other headquarters. It is easy to use and creates a huge advantage for us. We work with Ricoh as a confidence partner and it was a great decision because the solutions that they provide and the customer service they deliver is of a high quality. With one call we have an entire company that gives us a solution."

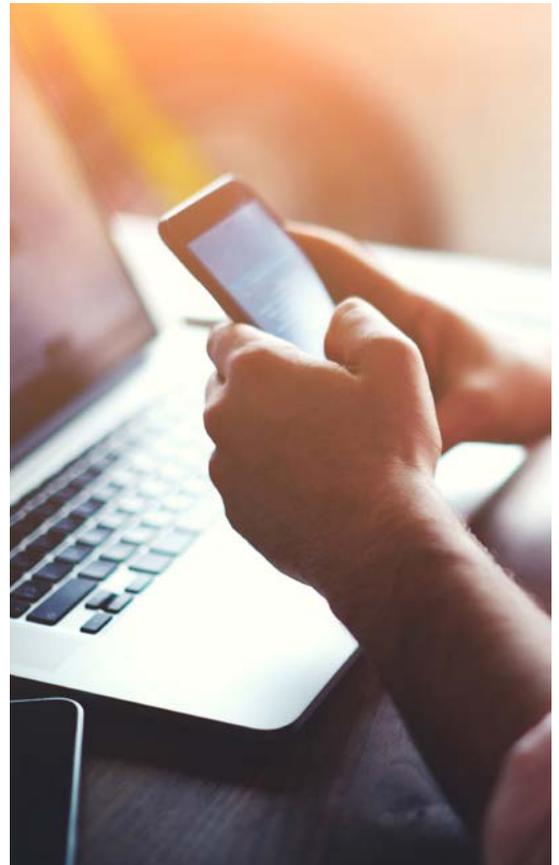
Keeping the team on track

For team leaders, investing in the right tools also makes the task of people management far easier.



Only **11%** of people strongly agreed that it was easy to manage their teams while working remotely.

Giving everyone access to technology that allows them to work together as easily as if they were sitting side by side can help keep productivity high and build team cohesion. It also makes communication much simpler and more efficient, keeping people informed and on track during times of disruption or as they transition back to an office setting.



2. Troubleshooting and IT support

Wholesale changes to the way we work have thrown up new challenges for IT teams and put them under unprecedented pressure. IT now has an even more significant role to play in the overall performance of a business and the ability of its people to deliver results in a way it never has before.

Perhaps unsurprisingly, this has resulted in spiralling workloads for IT professionals and troubleshooting delays for employees.



Our research found **27%** of small business workers struggle to contact their IT teams for support because they are simply too busy.

The issue is compounded by a lack of suitable tools at the disposal of IT teams



Only **12%** of workers strongly agreed that they can access all the information they need and collaborate easily with colleagues.

Trying to get legacy technology to respond to the needs of a remote workforce is hobbling small businesses' ability to adapt to new ways of working and be truly competitive.

Future growth and a robust blended working experience for employees requires an IT infrastructure that is agile, responsive, and user-friendly.

For example, migrating core information and documentation to the cloud offers secure access to mission critical data from anywhere. It also makes it quicker and easier for companies to deliver for their customers and suppliers, without drawing on IT teams for support.

Automating core business processes can further reduce IT headaches and minimise day-to-day disruption. This will give employees a much-improved working experience and the flexibility to truly work from wherever they choose. With time-intensive administrative processes taken care of, they will have more time to focus on growing customer relationships and exploring new ways of doing business.



Customer focus:



**IGPDecaux,
Italy**

Based in Milan, IGPDecaux (JCDecaux Group) is an outdoor advertising company with 400 employees. Roberto Baccara explains: "In the past we had a very static situation in terms of the products that we used. We changed that to introduce new technologies to help us improve and innovate. One example is the digital screens from Ricoh that we use to communicate across many different locations."

The cashflow challenge

At Ricoh, we know many small business owners are grappling with cashflow concerns and the need to give their people reliable, secure, and easy to use workplace solutions.



Maintaining a steady cashflow whilst getting people back to the office or working remotely, safely and confidently, is a real concern in the current environment.

But business leaders do not have to choose between one or the other. There are monthly payment schemes that support technology investment and do away with upfront costs. Making the right technology choices now will pay dividends in the future as employees are freed up to focus on revenue-generating activity and equipped to continue adding value to the business in the event of unforeseen disruption.

Customer focus:



**Mosaic Fulfilment Solutions,
UK**

Established in 2009, Mosaic is a UK based eCommerce fulfilment specialist. It recently began working with the not-for-profit sector. As part of this move, the company partnered with Ricoh to automate workflows and digitalise its mailroom function. Alastair Fell, IT and Operations Director at Mosaic says: "Ricoch had a very proactive interest in helping develop a solution. Because of the efficiencies gained by the Ricoh solution, we have become more aggressive in the marketplace and acquired business from multiple competitors."

3. The grass is looking greener

While many of us experienced tech glitches or problems connecting with our team in the early days of the pandemic, it was widely understood that we were all operating in a very unusual landscape and organisations were still finding their way. To a certain extent, employees were willing to overlook these issues at the time and make the best of the situation.

However, months into widespread remote working the picture is very different. Employees are finding poor technology experiences grating,



with over a quarter (**27%**) considering a job move to somewhere better equipped for remote working.

This should act as a stark wake up call for small businesses. If they are unable to give their people the working experience they need, they face losing them to the competition.

Employee needs are evolving. Beyond a consistent and easy-to-use technology experience, they want to feel safe and confident in the way they work.

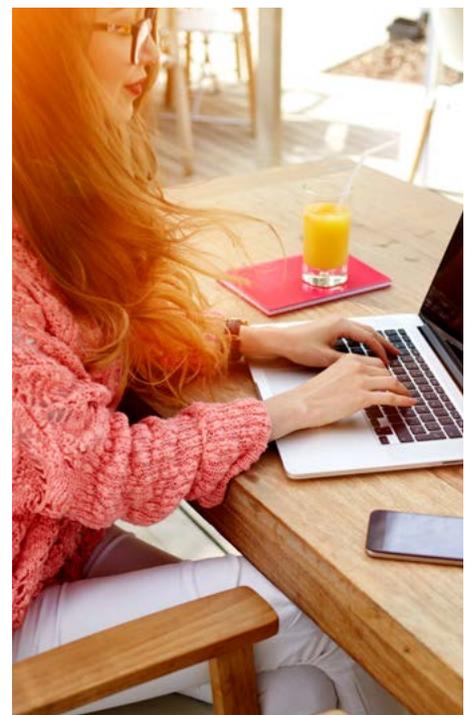


As many as **40%** would not feel comfortable returning to the workplace without measures such as temperature scanners, touchless equipment and contactless printing in place.

The pandemic has shown that now, more than ever, the strength of a business lies in its workforce.

Keeping people motivated and happy in their work and empowering them to do their jobs to the best of their ability is crucial to shaking off disruption, retaining key customers and establishing new networks in the future.

But it's not all bleak. Despite some of the technological stressors that workers have experienced, they still retain an optimistic view of their organisation's digital transformation. More than half (55%) trust that their workplace is investing in technology that is needed to meet the workforce requirements of the future. We also found that 57% trust their company will be more open to flexible working after the pandemic than they were before it. Being an organisation that can rise to these needs and deliver what employees really want can make all the difference in retaining the best talent.



The green light for digital transformation

“Having technology that can be scaled up or down with demand, while ensuring all security measures are achieved, has moved from optional to essential for small business leaders. Equally key is the need to establish a dependable trusted network of support and partners so that small businesses can serve customers, grow and flourish into the digital age.”

Caroline Bright
SVP Marketing, Ricoh Europe

There are many plates for business owners to spin. Their priorities have certainly shifted over the course of 2020. Balancing cost considerations with investments that will shore up business operations and allow an organisation to excel is not easy. But in the months and years ahead it will make all the difference in helping them to navigate disruption and recover stronger than ever.

There's no one-size fits all solution. Businesses have diverse needs, and expensive technology packages or bundles that only solve some of their challenges, will not help them emerge from disruption with the confidence and resilience they need to thrive. Finding the right partner that can tailor IT solutions to their individual needs is essential. Business owners must be able to pick and choose the tools that work best for them and those that can be scaled up and down in response to demand or unforeseen disruption.

Digital transformation is no longer a stretch goal for small business development. The lasting impacts of the pandemic have made it fundamental to future success. It's therefore up to small business owners to understand the pinch points to productivity in their organisation, take stock of employee experiences and act.



About Ricoh Europe

Ricoh is empowering digital workplaces using innovative technologies and services that enable people to work smarter.

Whether in the office or working remotely, we can help small business owners drive growth in disruptive times through our digital workplace solutions and end-to-end services designed to meet individual needs. We offer:



- **Flexible and scalable financing solutions to help manage cashflow.**

Our fixed finance arrangement means that no upfront investment is needed



- **Tailored support for small business owners to recover and grow their organisation.**

We help them select the right mix of technology based on their specific business environment



- **Leading digital technology, processes and expertise.**

We help small business owners and CEOs run their company safely and productively from anywhere

With over 80 years' experience developing the technology that shapes how people work, Ricoh is the ideal partner to support businesses with remote and blended working solutions. Headquartered in Tokyo, Ricoh Group operates in approximately 200 countries and regions. In the financial year ended March 2020, Ricoh Group had worldwide sales of 2,008 billion yen (approx. 18.5 billion USD).



www.ricoh-europe.com

