

Empowering SMEs with Cloud Services: What, Where and How?

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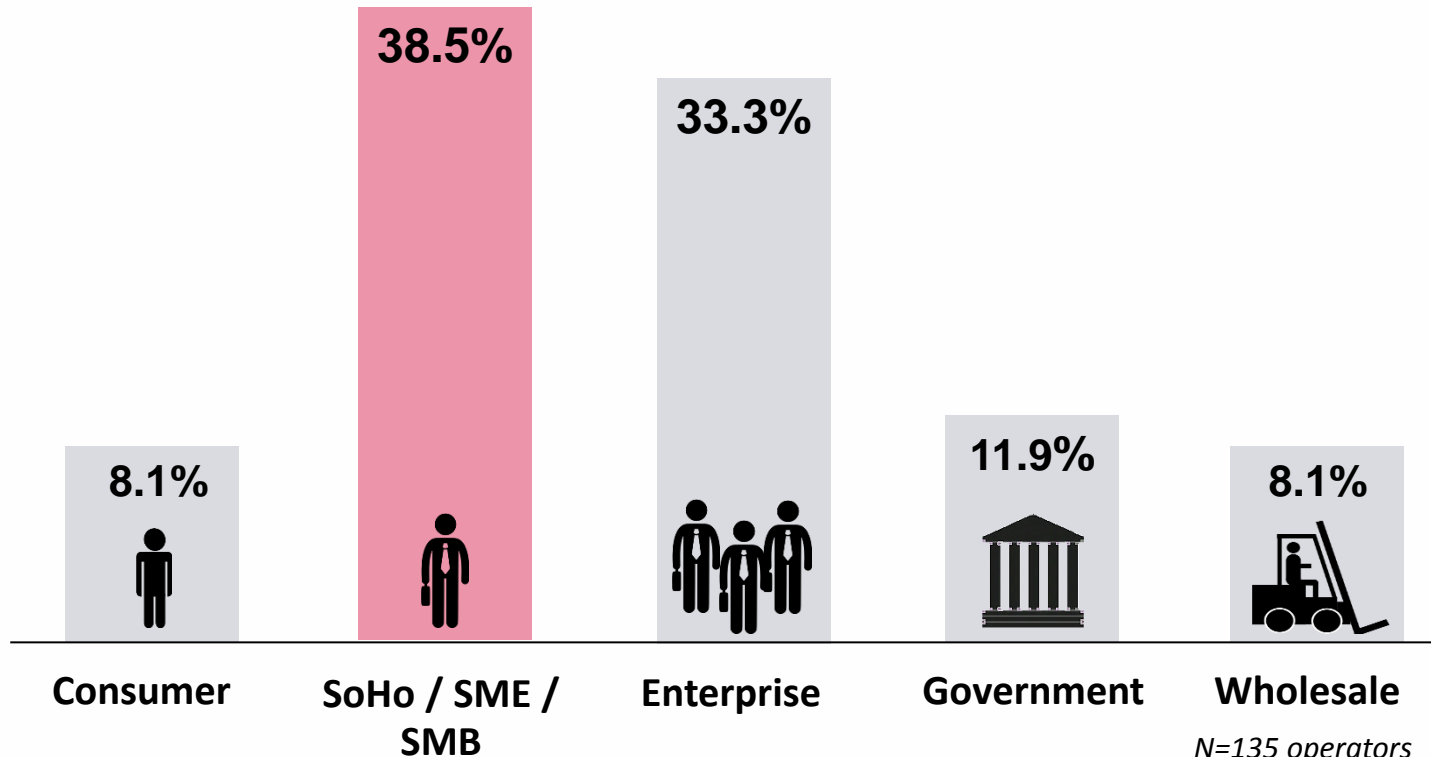
Practice Leader, SoHo and SME Services

Ovum

NetEvents APAC: May 26, 2016

Small enterprises are gaining attention

Cloud services: Which customer segment offers the best growth potential?



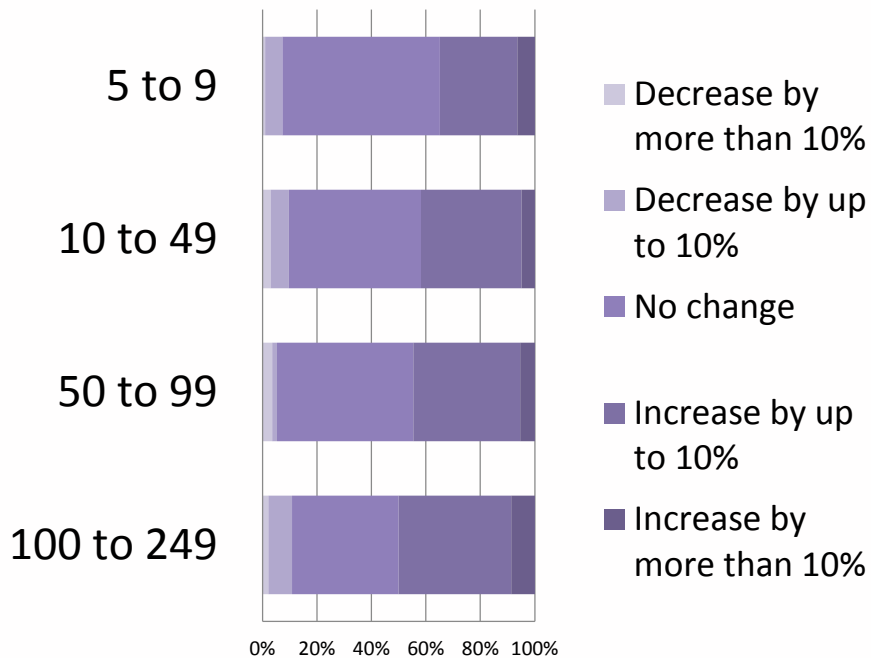
Source: Ovum 2015 Telecoms Cloud Global Insights Survey

Large enterprises are currently more profitable, but many service providers expect to find future revenue growth among the self employed and small enterprises.

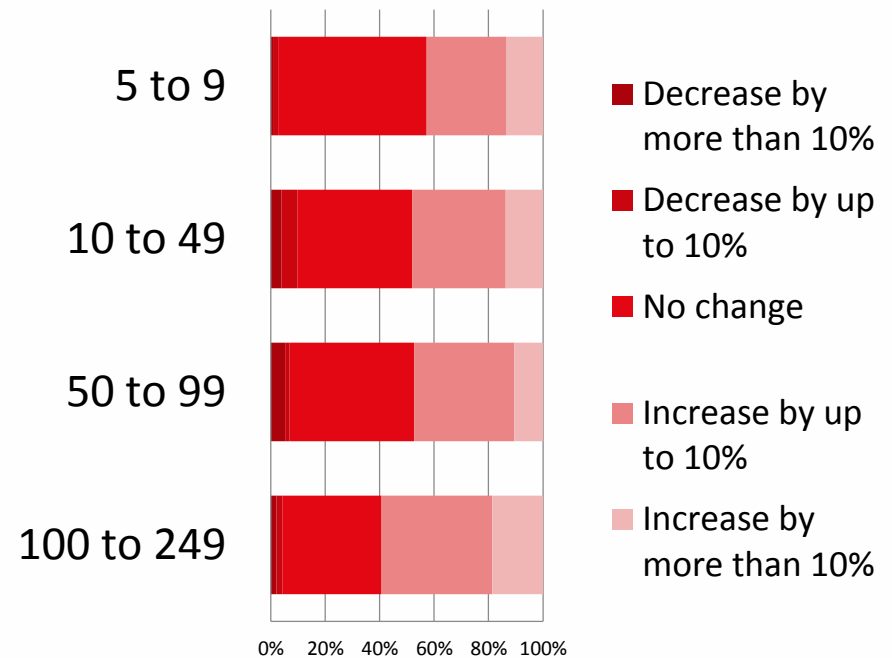


Small business investment in mobile and cloud is growing

Mobile services



Cloud / IT services



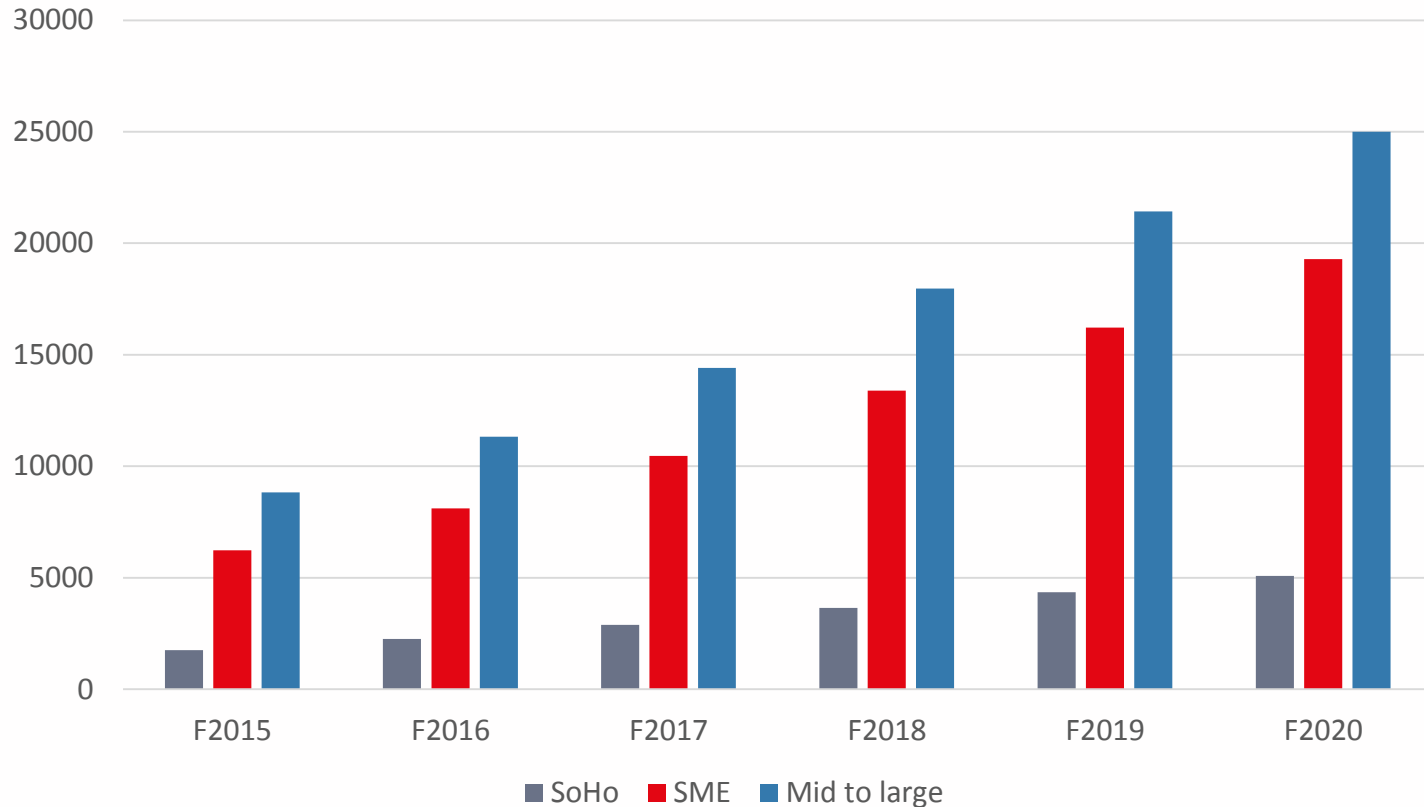
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Source: Ovum 2016 SoHo and SME Insights Survey (APAC)

A third of smaller firms are growing expenditure in mobile and cloud-related services. This trend rises to a half or more among firms with 50 or more employees.



APAC: Cloud revenues by company size

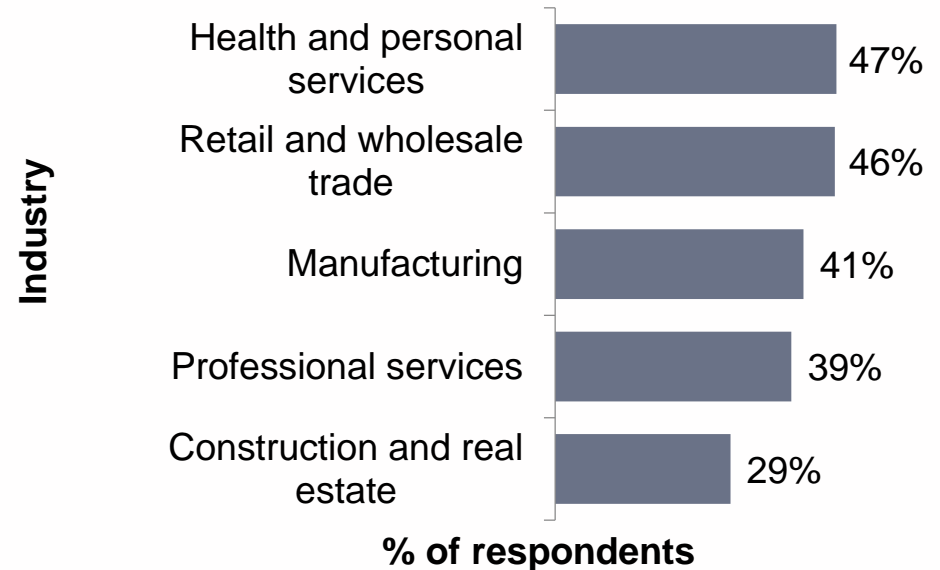
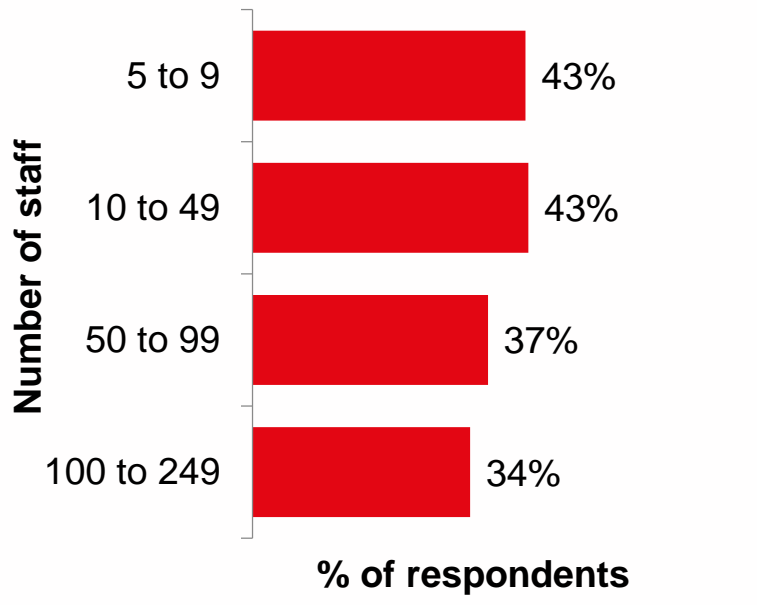


Smaller firms are contributing more to enterprise cloud market.



Digital skills among SoHos and SMEs

Our lack of digital skills is harming our business



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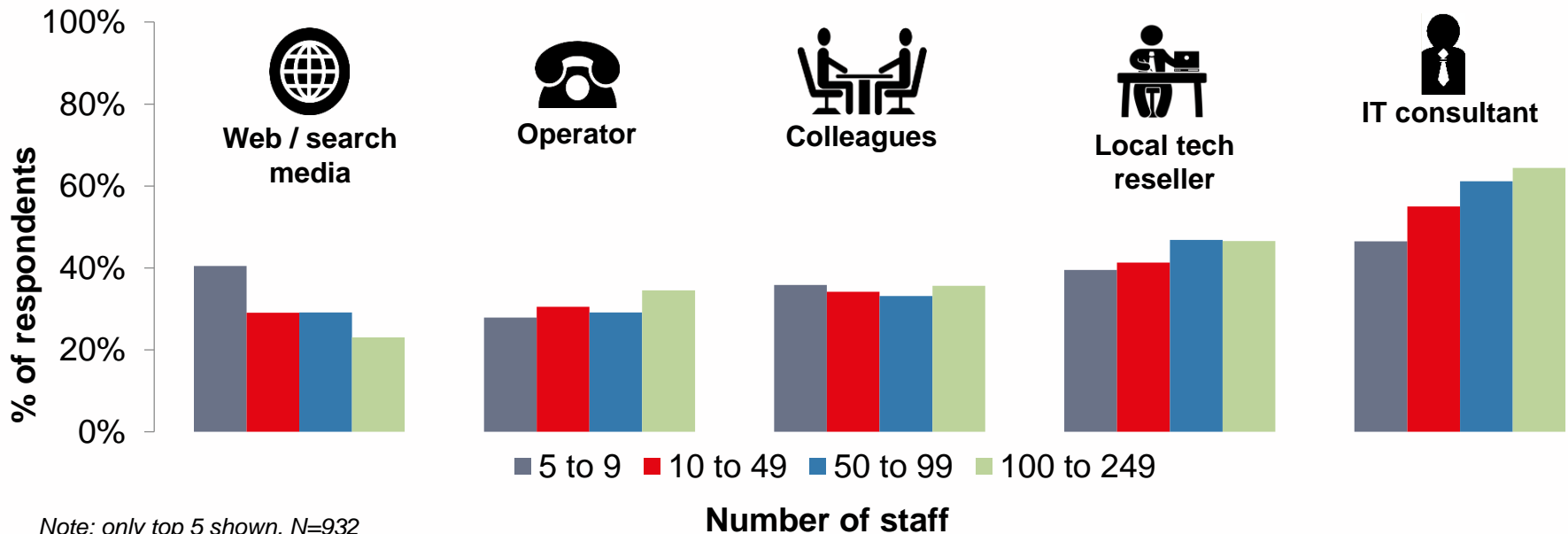
Source: Ovum 2016 SoHo and SME Insights Survey (APAC)

More than a third of SoHos and SMEs are aware of their digital illiteracy – and that is harming their business. It is particularly acute among the very smallest firms.



Most trusted advisors to SoHos and SMEs

Who do you trust for business and technology advice?



Note: only top 5 shown. N=932

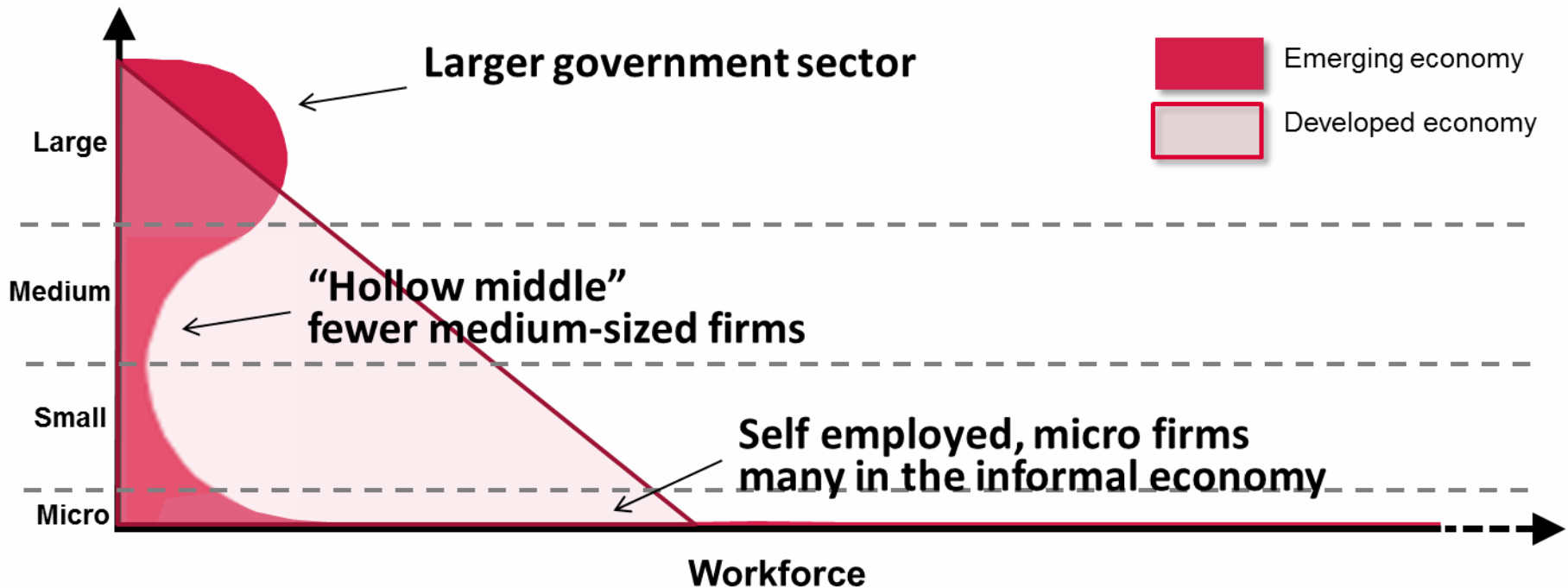
Source: Ovum 2016 SoHo and SME Insights Survey (APAC)

Service providers positioned as IT consultants are most trusted. Operators score better with medium-sized firms. Advisory skills and local presence are valued.



But the 'long tail' of employment can be a challenge

Workforce Distribution by Size



Self employed and micro firms – often working informally – are a significant but often hidden part of national employment in many countries.



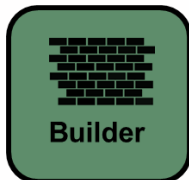
Small business verticals: The Top 5

Wholesale & retail*



*inc. motorcycle repair

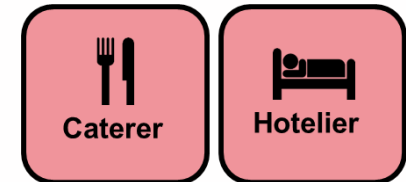
Construction



Professional, scientific and technical services



Food and accommodation



Manufacturing

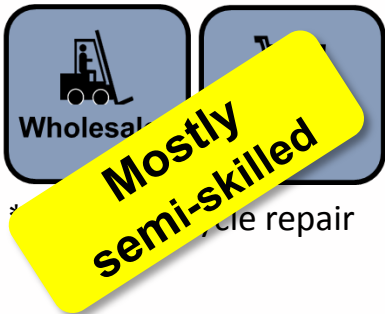


Eight out of 10 workers in small businesses fall into five industry groups. There is also a sixth 'phantom' vertical that is the biggest of all in some countries: Agriculture – dominated by micro firms.

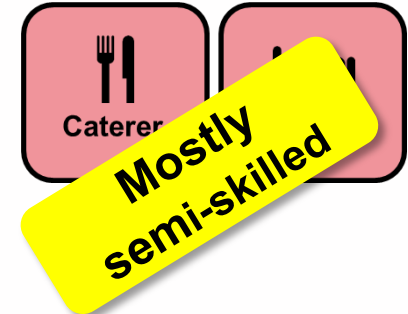


How to reach out to different 'classes' of worker?

Wholesale & retail*



Food and accommodation



Professional, scientific and technical services



Construction



Manufacturing

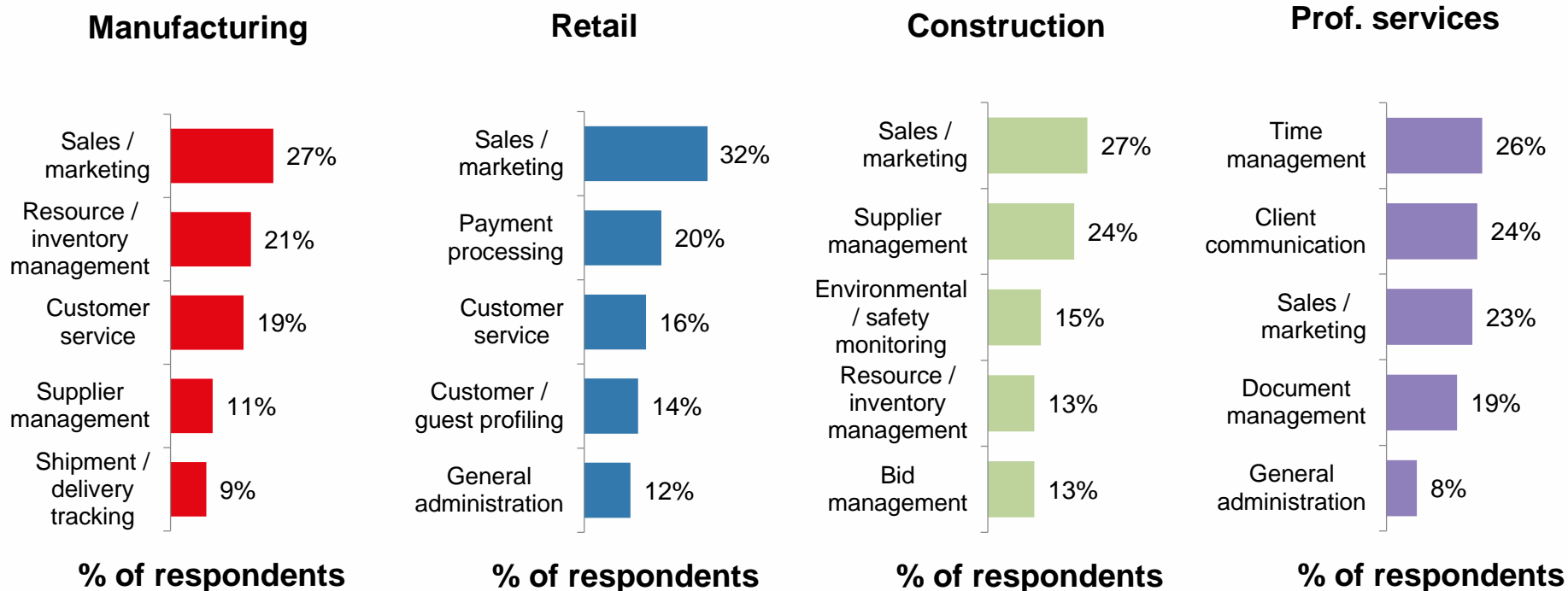


What many service providers are doing now is trying to understand how to target similar verticals with lightly customized offers. This is still a relatively new activity, often manifesting in the launch of new cloud/IT and IoT/M2M services.



Business processes that need improvement

Top 5 business processes targeted for improvement



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Source: Ovum 2016 SoHo and SME Insights Survey (APAC)

Varying priorities by industry highlight the importance of not simply appealing to the lowest common denominator.

