



Small Business Survey Report

Objectives and Methods

This survey of small businesses throughout the United States is designed and co-sponsored by AT&T's **Small Business Group** and **AT&T Advertising and Publishing** for the purpose of:

1. Generating media coverage and thought leadership, which in turn will increase awareness and consideration among small businesses, with ...
2. The end goal to increase orders for AT&T small business and advertising services.

The results are based on a telephone survey of 1,000 owners and/or employees responsible for Information Technology (IT) at small businesses in 10 U.S. metropolitan/regional areas.

One hundred interviews were completed in each of the ten markets. The sample of participating companies was drawn from Dunn and Bradstreet's business list of companies located in each of the 10 areas.

Each company was screened to include only those that have between 2 and 25 employees (full- and part-time). Eight of the ten metropolitan areas are based on DMAs (Designated Market Areas). The other two markets are the states of Connecticut and Oklahoma. Interviewing was conducted between July 2 and August 10, 2007.

The 10-market areas include the following:

1. Atlanta
2. Bay Area (San Francisco, San Jose, Oakland)
3. Charlotte
4. Chicago
5. Connecticut
6. Dallas
7. Detroit
8. Milwaukee
9. Oklahoma
10. San Diego

Survey Characteristics

Of the 1,000 participating small business owners and/or IT executives:

- 64% of the business owners are men, with an additional 7% co-owned by both a man and a woman.
- 65% of the companies have been in business more than 10 years.
- 87% of the companies have one location/place of business.
- 80% of the small businesses have between two and ten employees.

Executive Summary

The report, as well as the executive summary, is structured based on the topics of the questionnaire. In addition to the topics in the questionnaire, we have created an index based on questions specific to wireless technology (WiQ). This data is also presented in the executive summary and report. The topics in the report are as follows:

1. Attitudes and behaviors of small businesses
 2. Use of technology
 3. Wireless technology
 4. Wireless data security
 5. Online data security
 6. Data backup
 7. WiQ
- A majority (61%) of small business owners are likely to conduct business while away from the office, and over half (56%) believe it's important to have flexibility to mix work with personal business in their daily routine.
 - The more reliant a business is on wireless technology, the more likely they are to conduct business while away from the office. This indicates that wireless technology allows these individuals to stay connected and run their business and address problems while away from the office.
 - The more reliant a business is on wireless technology, the more likely they are to rate the importance ("9" or "10" on a 10-point scale) of having the flexibility to mix work and personal business. Again, this indicates that wireless technology allows these individuals the flexibility to mix work with personal business.
 - Almost six in ten (59%) small businesses indicate that they use technology strategically, on only the areas that are most critical. Just one in ten (11%) have so much technology in their business that they "put NASA to shame."

- Only one quarter (25%) of small businesses have in-house employees dedicated to IT/computer support. Most small businesses either have someone on staff who knows a bit about IT and/or computers (33%) or they use someone from outside the company (28%) to handle their IT and computer support.
- Ideal IT/computer support does not differ much from reality (e.g., current levels of IT support).
- Small businesses rely on older technologies to help manage their business. Each of these technologies involves products and services that AT&T offers small business customers, which helps strengthen AT&T's relationship with these businesses.
- The technology and devices with the highest usage rates among small businesses are:
 1. Landline telephones (97%)
 2. Computers (95%)
 3. Fax machines (95%)
 4. High speed Internet access (91%)
 5. E-mail (91%)
 6. Mobile phones (89%)
- The newest technologies have the lowest adoption rates among small businesses.
- Small businesses with two or more locations are more dependent on technology.
- Use of wireless technologies by small businesses, with the exception of mobile cell phones, is not widespread.
- Nine out of ten (89%) small businesses indicate they use mobile phones for their business, though less than half use WiFi hotspots (46%), wireless PDA devices (42%), and/or PC data cards (39%). Use of the four wireless technologies by small businesses varies by market.
- About one in seven (13%) small businesses relies on wireless technology to the point that their businesses could not survive without it.
- Reliance on wireless technology by small businesses continues to grow, based on the degree to which these businesses currently rely more on wireless technology compared to two years ago, as well as how much more they expect to rely on it two years from now. However, the longer a small business has been around, the more cautious they appear to be in increasing their use of wireless technology.
- Half (49%) of small businesses are optimistic that wireless technology is giving their business a competitive advantage.
- Small businesses that rely more on wireless technology are more concerned about wireless data security, and thus are more likely to have taken steps to protect their data.

- Small businesses are more concerned overall with online data security than with wireless data security, though the reasons for not taking security measures against online and wireless security threats are identical.
- Small businesses that do not take action to protect their wireless and online data from security threats primarily do not do so because they feel it's not an issue (security) with their business. This is also the primary reason why a small percentage of small businesses do not back up their data.
- A majority (72%) of small businesses back up their data at least once per week, with 47% backing up their data daily. Most (73%) back up their data onsite, using CDs, hard drives, or other devices.
- Most (78%) small businesses say it's important for their business to recover computer data in the event of a disaster.
- Of the 10-market areas, Atlanta and San Diego rank the highest in terms of wireless IQ, while Oklahoma and Milwaukee rank the lowest.
- The small business WiQ rankings (from 1 to 10) were computed for each market based on responses on three components:
 1. **Perceived importance** of wireless
 2. **Use** of wireless technology
 3. **Attitude** on the impact wireless technology will have on their business
- For each of the nine variables in the analysis, each market was scored from one to 10, representing its relative position against the other cities on that variable. These scores were then combined to provide a ranking on each component of the small business WiQ ranking. Each component was weighted in the computation of the rankings based on the importance of the component. For example, use of wireless technology was viewed as more important than the perceived importance of that technology. The rankings for the ten-market areas are:

1. Atlanta	6. Bay Area
2. San Diego	7. Chicago
3. Dallas	8. Connecticut
4. Charlotte	9. Oklahoma
5. Detroit	10. Milwaukee