How Small and Medium Businesses Can Help Their Communities by Innovating with Cloud Technology

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The term small and medium businesses (SMBs) belies the sizable contribution these organizations make to economies and employment markets. According to the World Economic Forum, “Small and medium-sized enterprises (SMEs), which represent around 90% of all firms globally, provide roughly 70% of all employment and, by some estimates, contribute to up to 70% of global GDP.” They are also embedded in their communities, delivering innovative products and services that play a crucial role in accelerating economic development.

However, doing all of this while remaining competitive requires SMBs to perform a fine balancing act between three key goals. They must accelerate speed to market for their products and services, they must build customer trust and at the same time, they must work to reduce costs. So, how are these small but mighty SMBs doing it? And – more importantly – how can they make it easier and do it better? The answer, supported by a recent report from Accenture, lies in adopting cloud services and technologies.

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Leveraging cloud tools to unlock billions in benefits

The report estimates that by 2030, cloud-enabled SMBs in healthcare, education and agriculture will have unlocked $161 billion in productivity gains. These cloud-enabled SMBs will support 95.8 million jobs, equivalent to 8% of the total employment on average across the 12 countries studied. Meanwhile, SMBs in these sectors in the U.S. stand to gain a predicted $79.8 billion, a 26% increase in current productivity benefits. Within cloud computing, artificial intelligence (AI) and machine learning (ML) are expected to have the most significant effect: 78% of businesses surveyed identified these technologies as the most significant in creating societal impacts in 2030.

Many businesses have already migrated services and computing to the cloud. Approximately 63% of all U.S. businesses (and 44% globally) now utilize cloud technology. Most of these will be large enterprises with the digital savvy and resources to make the move. This means there are many SMBs that are, therefore, missing out. First, on being able to achieve that fine balancing act between the three key goals. Second, on the opportunity to build on current achievements and continue to spearhead positive change across communities and economies.

By utilizing on-demand services and products, SMBs will gain access to the kind of tools and approaches historically restricted to large enterprises. This means they can capitalize on emerging trends by being first to market with new products (addressing key goal number one). They can also deliver secure, high-quality products and services, protect customer data and provide reliable customer support to help build customer trust (addressing key goal number two). Finally, as a result of introducing more efficient processes and better resource allocation and supply chain management, they can streamline operations and ensure they’re financially

resilient (key goal number three).

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AI, ML and advanced adoption

The OECD's definition of cloud adoption levels includes basic adoption, such as web-based email services or cloud-based storage solutions, and intermediate adoption, such as customer relationship management or enterprise resource planning tools. The average rate of basic adoption in the countries surveyed in Accenture's report stands at 44%, and that of intermediate adoption hovers at 19%. There is clearly a large proportion of SMBs that are missing out, yet it's in the adoption of *advanced* technologies that the greatest untapped gains lie. Within this third level of cloud adoption, the OECD includes the likes of AI and ML tailored for sophisticated tasks. The average advanced cloud adoption rate is currently 13%, yet 78% of respondents to the report identified AI and ML as the technologies that will have the most transformative impact on societies.

To realize that vision, this gap must be closed. As it becomes so, what can we expect to see and experience in critical sectors by 2030? In education, SMBs could help make learning more accessible and provide personalized content and individualized feedback to students. In healthcare, they could enable more medics to analyze results more accurately and synthesize high volumes of data for R&D: generative AI is expected to play a role in the development of up to 30% of all new drugs by 2025. In farming, we would see a greater uptake of AI and ML technologies for precision, data-driven agriculture, which uses fewer resources and yields greater results.

Reducing costs, enabling scalability and gaining expertise

This vision and the prospect of adopting cloud technologies will be significant for many SMBs that will understandably want to start small. Fortunately, the nature of the cloud supports this. Instead of investing heavily in new infrastructure, SMBs can use cloud services and virtualized resources on a pay-as-you-go model. Shifting from traditional fixed costs to a variable costs model means organizations only pay for what they use – which can be scaled up and down to meet demands – reducing running costs and freeing up capital. Starting small also means working with a cloud services provider that understands the needs of each SMB it works with and offers tailored support and training.

Of course, just because we start small doesn't mean we can't think big. In terms of migrating to new cloud technologies, SMBs should adopt a whole-of-business cloud migration strategy and draw on the knowledge and expertise of other organizations that have already made the move. For businesses operating in any market, these benefits will be attractive – especially to their bottom line. Finally, achieving this vision for 2030 can't be attained without the buy-in of other markets and sectors of society. Moving towards this goal – and leveraging the cloud technologies required means continuing coordination between governments, educators and other industries.

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