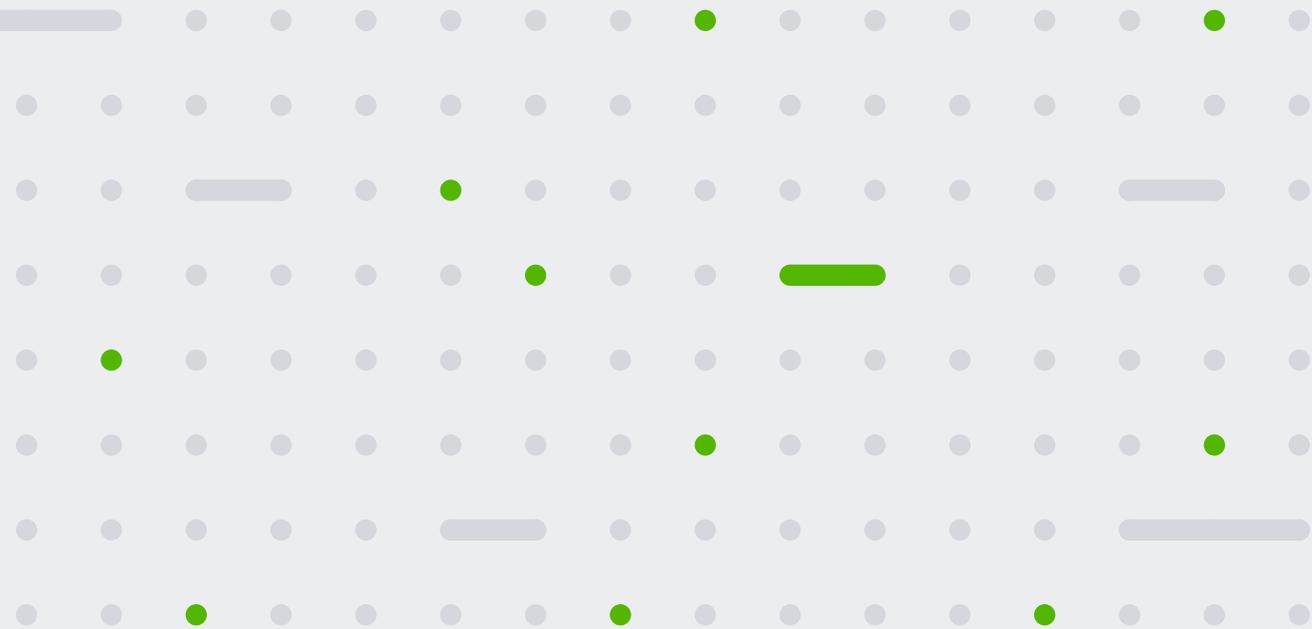


What's next for the small business economy?

September 2020



After a decade of growth, 2020 has been a tough year for small businesses. The impact of the coronavirus has been felt everywhere. It would be hard to find any business operating today as it did in 2019. But the small business economy is resilient. Anecdotally, there are examples all over the U.S. of businesses adapting not only to survive but thrive. Looking back to the aftermath of the 2008 Great Recession, the rate of new business growth was more than three times what it had been in the years before it¹. Are the same trends emerging now, as 2020 shapes not only the current generation of small businesses but the next generation as well?

To find out, QuickBooks commissioned a survey of 1,600 current and prospective business owners to put some numbers behind the stories.



¹U.S. Bureau of Labor Statistics data shows a 20% increase in the number of new business starts per year between 2010 and 2015, compared to a 6% increase during the previous six-year growth period from 2001 to 2006. Source: Entrepreneurship and the U.S. Economy. (2020). Bls.gov. Retrieved August 5, 2020, from https://www.bls.gov/bdm/entrepreneurship/bdm_chart1.htm.

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Key findings



Working at home

23% of small businesses starting in the next 12 months will have **100% remote workforces**



Online sales boom

28% of small businesses are selling more products and services online this year. **94% say the coronavirus has influenced this change**



Rapid innovation

86% of small businesses that have developed **new products and services** this year have done so as a result of the coronavirus



Surviving tough times

45% of small businesses surveyed applied for a government-backed **relief program** this year
61% were successful in obtaining funds



Side gig to small business

Tomorrow's business owners are today's gig workers, with 42% starting a new business to **make a side gig "official"**



Adversity sparks innovation

28% of people who want to start a business in the next 12 months say the coronavirus has **accelerated their plans**



Beyond digital

87% of small businesses that will open in the next 12 months will be **online primarily** or a combination of online and offline



Growing industries

The fastest-growing industries for small businesses over the next 12 months will be **accommodation and food services, arts and recreation, and retail**



New optimism

72% of prospective business owners are **optimistic about the prospects** for small businesses over the next 12 months— that's compared to 42% of people who currently own a small business



Bold hiring plans

New business owners wanting to start ventures in the next 12 months intend to hire **seven contractors and 10 employees**, on average, within their first 12 months



Business planning

More than 1 in 10 prospective business owners do not intend to **write a business plan**, yet 69% of people who own a small business recommend it



Call the experts

According to small business owners, the first thing new businesses should get help with is **setting up financial systems correctly**



Learn from experience

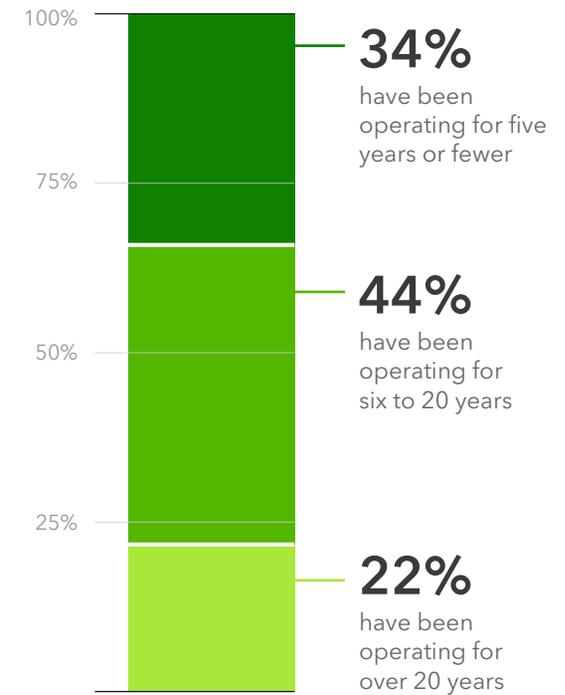
The **top three financial processes** small business owners wish they'd invested in sooner are expense tracking, inventory, and invoicing

Sample and methodology

Qualtrics distributed two online questionnaires to 1,600 people for QuickBooks in August 2020. 965 current small business owners completed one questionnaire. 635 people who intend to start a small business in the next 12 months completed the other. The questionnaires were substantially different, but each cohort answered a set of nine similar questions to allow comparisons between responses.

Current small business owners

965 people who currently own a small business completed a 25-question survey. These businesses employ up to 100 people and have annual revenues of at least \$5,000. Roughly 1 in 3 (34%) has been operating for five years or fewer. 44% have been operating for six to 20 years, and 22% have been operating for over 20 years. The top five industries self-selected by this cohort—comprising 56% of total responses collected—were professional, scientific, and technical services; construction; retail trade; other services (except public administration); and finance and insurance ([Table 42](#)). All respondents were aged 18 to 65 and older, with an average age of 46.



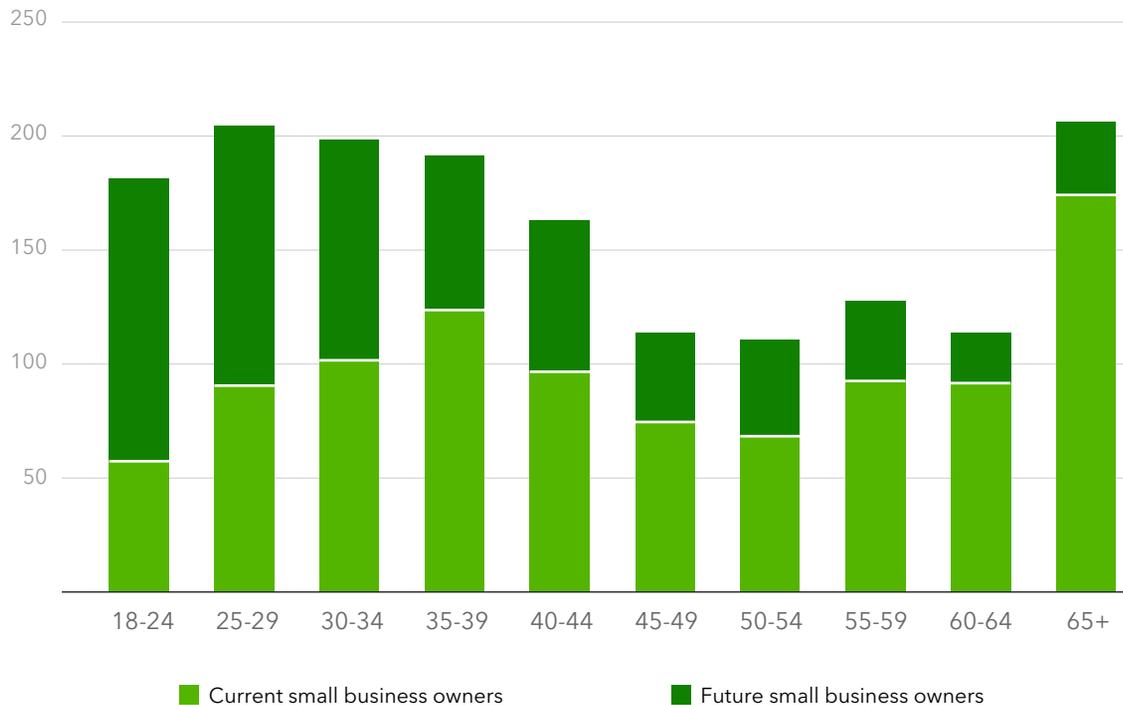
The top five industries self-selected by this cohort

-  Professional, scientific, and technical services
-  Construction
-  Retail trade
-  Other services (except public administration)
-  Finance and insurance

Future small business owners

635 future small business owners—defined as people who do not currently own a business but intend to start one within the next 12 months—completed a 22-question survey. The top five industries self-selected by these respondents—comprising 53% of the total responses collected—were accommodation and food services; arts, entertainment, and recreation; retail trade; educational services; and construction (Table 15). All respondents in this cohort were aged 18 to 65 and older, with an average age of 37.

Ages of survey respondents

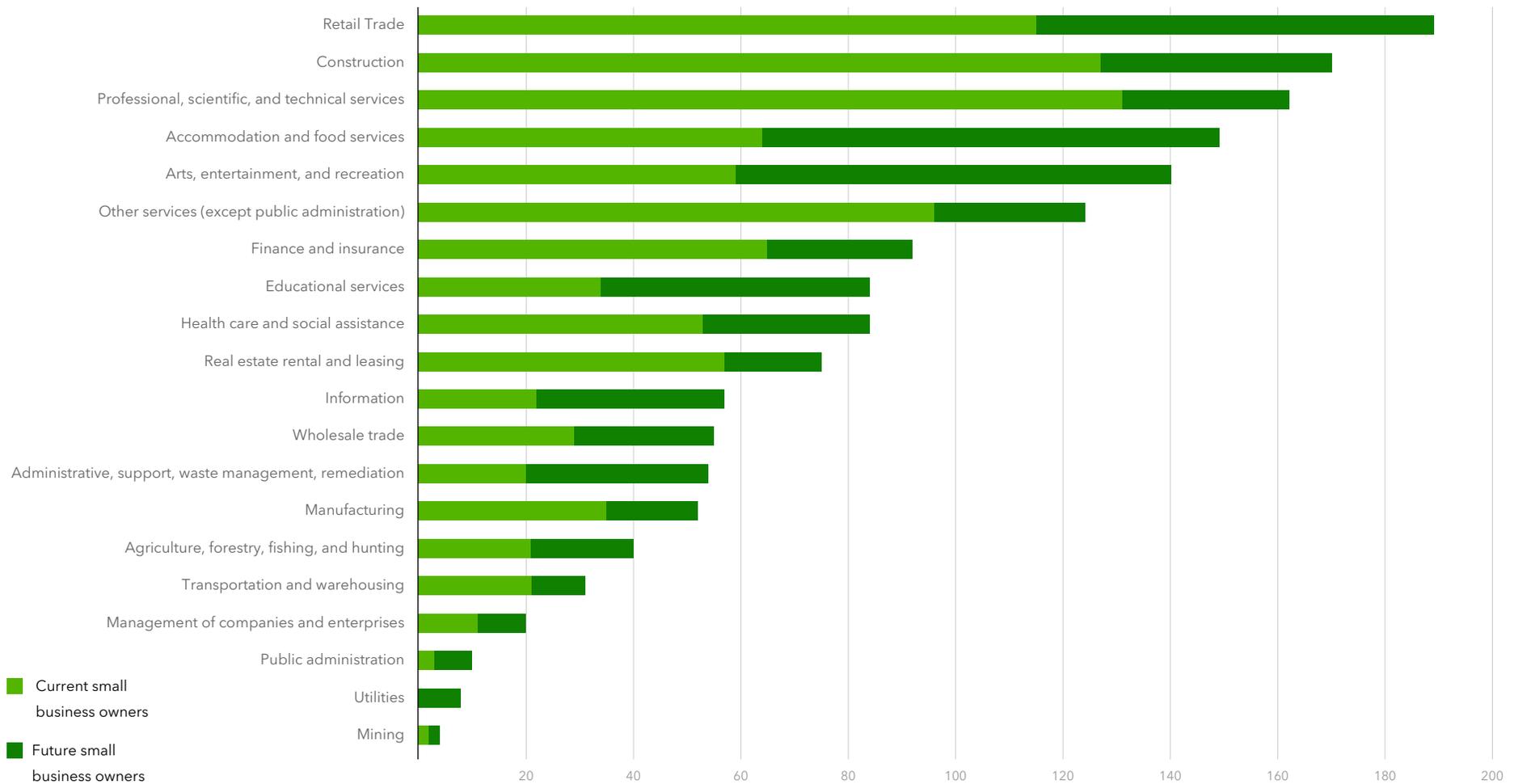


Top five industries self-selected by respondents

-  Accommodation and food services
-  Arts, entertainment and recreation
-  Retail trade
-  Educational services
-  Construction



Industries represented by survey respondents



Statistical significance

For the purposes of this report, small businesses are defined as employing up to 100 people, with annual revenue of at least \$5,000. The latest data from the U.S. Census Bureau's Statistics of U.S. Businesses (SUSB), published in March 2020, shows that, in 2017, there were 5,907,070 U.S. businesses with zero to 100 employees². Based on this, taking the total sample of 1,600, the data has a 99% confidence level at a 3% confidence interval. Margins vary for subgroups. Note that some percentages in this report may not sum to 100 due to decimal rounding or because questions have multiple-choice answers.

²Source: 2017 SUSB Annual Data Tables by Establishment Industry. The United States Census Bureau. Retrieved August 5, 2020, from <https://www.census.gov/data/tables/2017/econ/susb/2017-susb-annual.html>



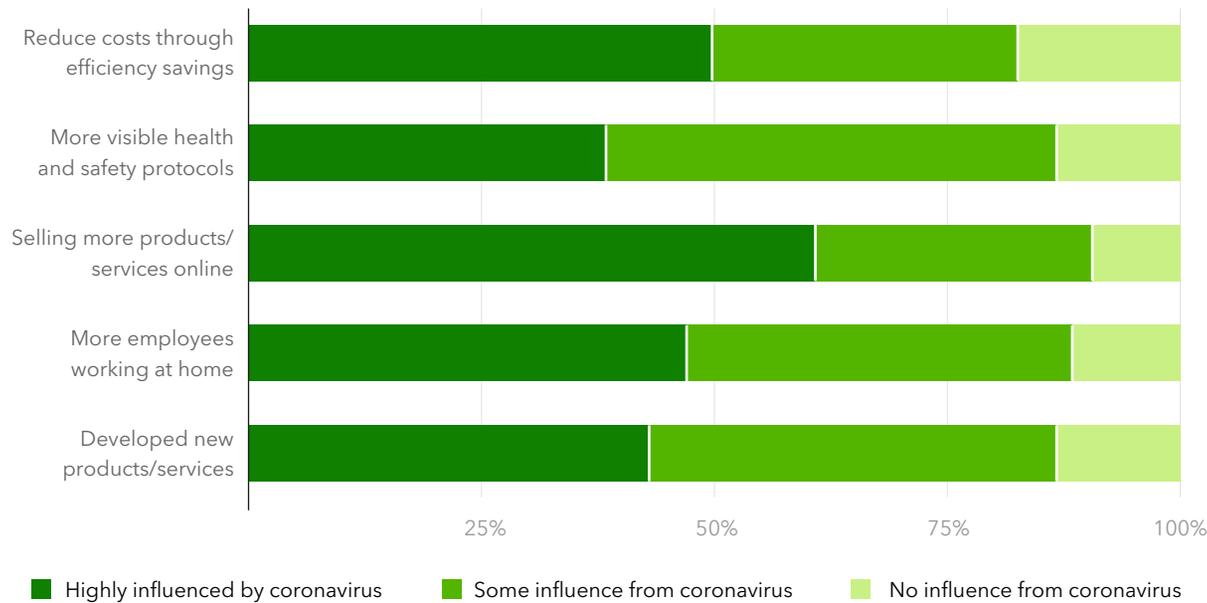
Section 1: Impact of the coronavirus

Small businesses adapt to survive

It is clear from the responses of the 965 small business owners that 2020 has brought major changes—even for businesses that remain strong. More than 1 in 3 (34%) said they cut costs this year. More than 1 in 4 (28%) are more reliant on e-commerce, and more than 1 in 5 (22%) have developed new products or services ([Table 1](#)). The majority—up to 95% in some cases—said the impact of the coronavirus, at least in part, influenced these changes ([Table 2](#)).



Top 5 changes made by small businesses in 2020



A no-office future for many small businesses

The impact of the coronavirus has also affected workers significantly. We will look at workforce contraction and expansion below. But if we focus on how working habits have changed in 2020, we find that 27% of small businesses are allowing more employees to work from home ([Table 1](#)). Around 1 in 7 (13%) small business owners say all new employees they hire will work remotely or at home ([Table 3](#)).

Prospective business owners are significantly more likely to expect new employees to work remotely. The same question was put to the cohort of 625 people who intend to open a business in the next 12 months. And more than 1 in 5 (23%) say 100% of their employees will either work remotely or at home ([Table 4](#)).

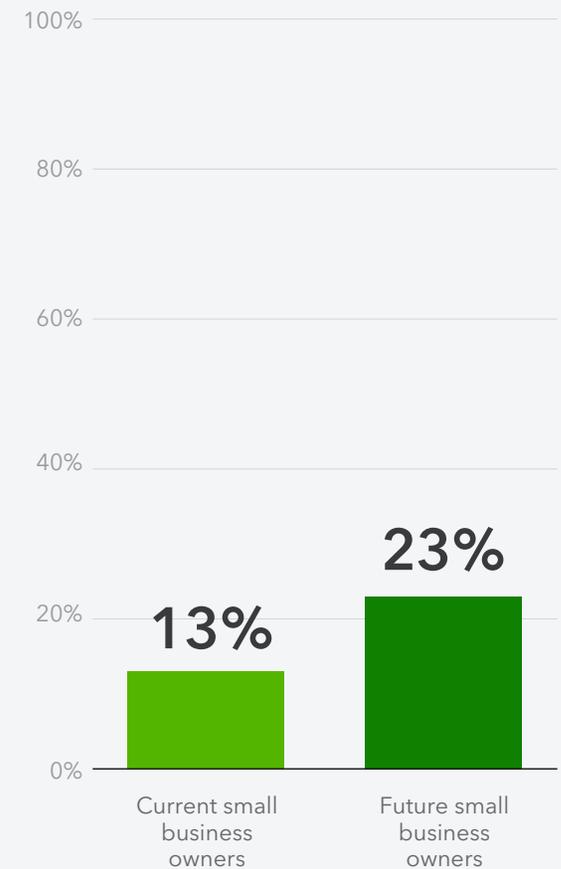
Innovation is creating new business opportunities

Digging deeper into the results shown in [Table 1](#), we find that small businesses aren't just changing what they sell this year. Around 1 in 7 (14%) have gone as far as to adopt entirely new business models. Of these, 76% said the coronavirus either "somewhat" or "highly influenced" the shift ([Table 2](#)).

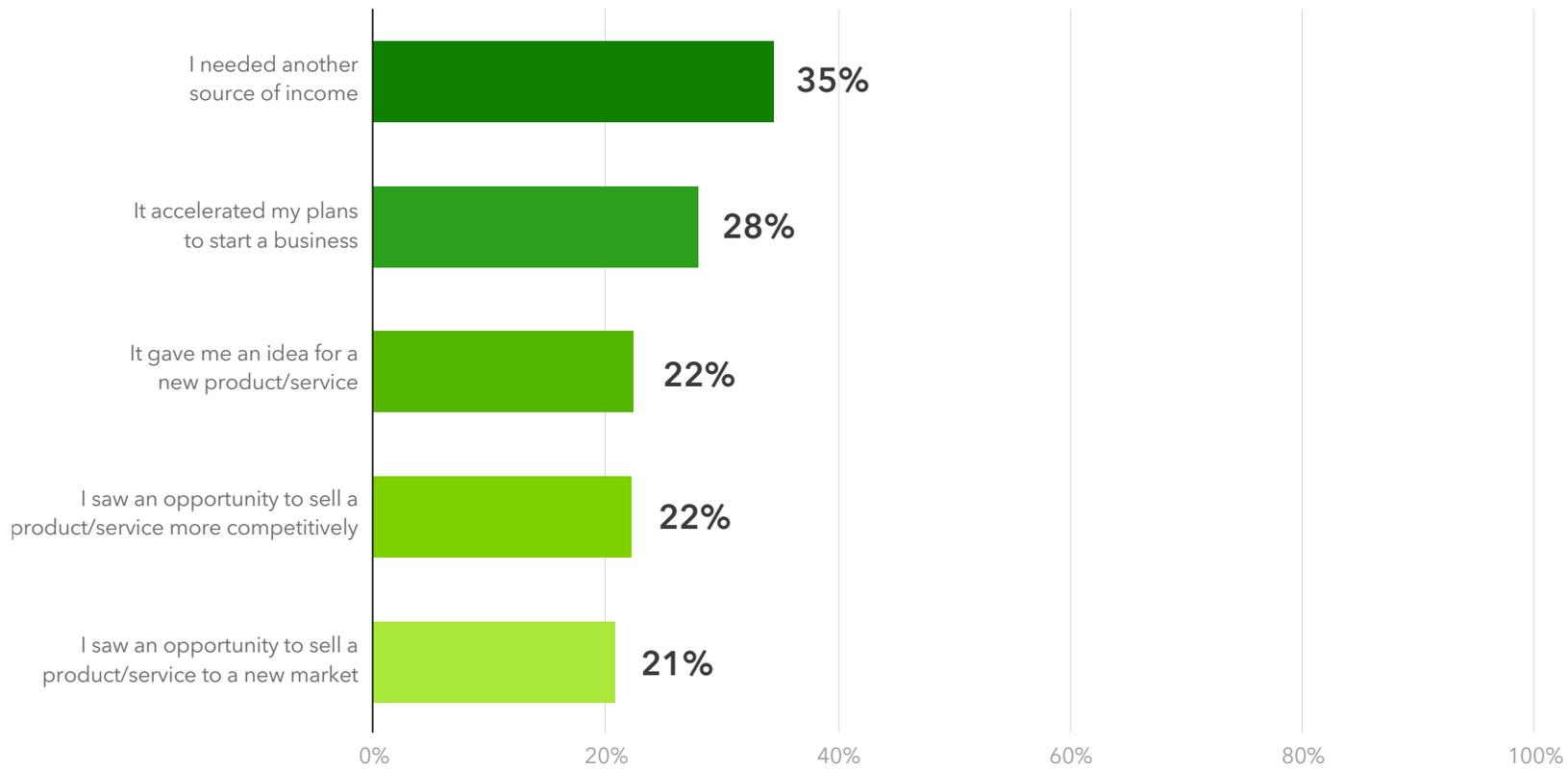
Almost 1 in 3 (29%) small business owners surveyed said the current state of the economy has had a "positive" or "very positive" impact on their company's innovation ([Table 5](#)). For more than half of these businesses, this innovation has increased revenue by more than 50% ([Table 6](#)). A similar proportion, 28%, said productivity is up this year ([Table 7](#)). Of course, the same is not true for all small businesses, with many saying innovation and productivity have been affected adversely.

Among those who intend to start a business in the next 12 months, almost 1 in 5 (18%) said their decision has been "significantly" influenced by the coronavirus ([Table 8](#)). This is either through necessity—35% say they need a new source of income—or because they're looking to take advantage of new business opportunities. For example, 22% said their current circumstances gave them an idea for a new product or service ([Table 9](#)). 28% said, "It accelerated my plans to start a business." More on this in Section 2 of the report.

The proportion of current and future business owners who say all new hires will work remotely



Top 5 ways the coronavirus is influencing new business starts

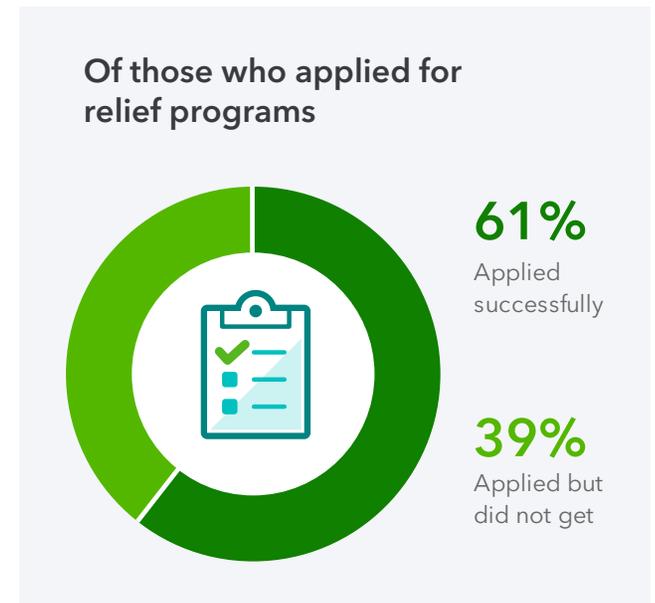
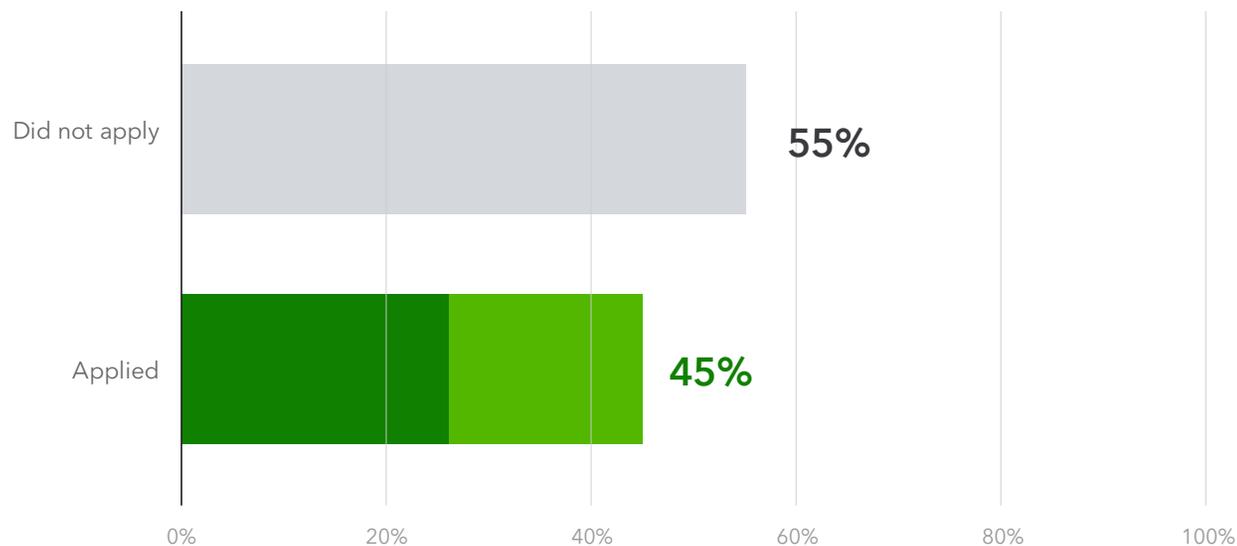


Access to relief and the impact on workers

Less than half of the small business owners surveyed (45%) said they applied for relief this year via the SBA Economic Injury Disaster Loan (EIDL) program, the Paycheck Protection Program (PPP), Employee Retention Credits (ERC), or the U.S. Chamber of Commerce Foundation Save Small Business Fund. Many applied for more than one of these relief programs. According to the responses collected, 61% of these applications were successful. As [Table 10](#) shows, businesses were most likely to apply for support from the Paycheck Protection Program.

Among the minority of small businesses that have expanded their workforces this year, they hired more contractors ([Table 11](#)) than employees ([Table 12](#)) by a narrow margin. They were also more likely to have lost employees this year than contractors. 24% say they have fewer W-2 workers, and 20% say they have fewer 1099 workers.

Small business applications for coronavirus relief programs



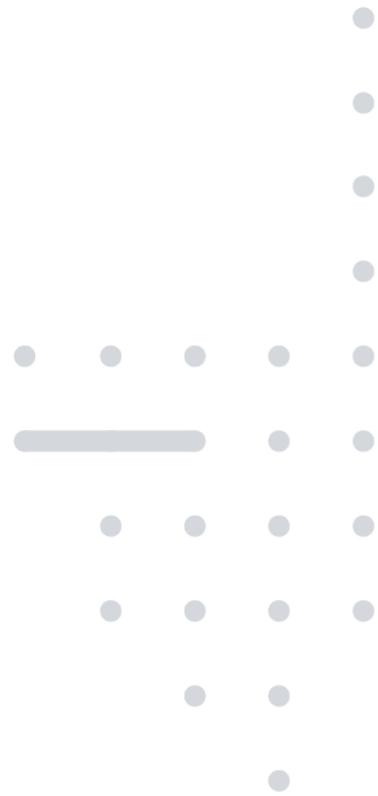
Section 2: New business growth

Goodbye side gig, hello main gig

Among the 635 respondents who intend to start a business in the next 12 months, 42% say this is because they want to make a side gig “official” ([Table 13](#)). And the businesses they set up will be overwhelmingly digital. Almost 9 out of 10 (87%) say their new businesses will be online primarily or a combination of online and offline ([Table 14](#)).

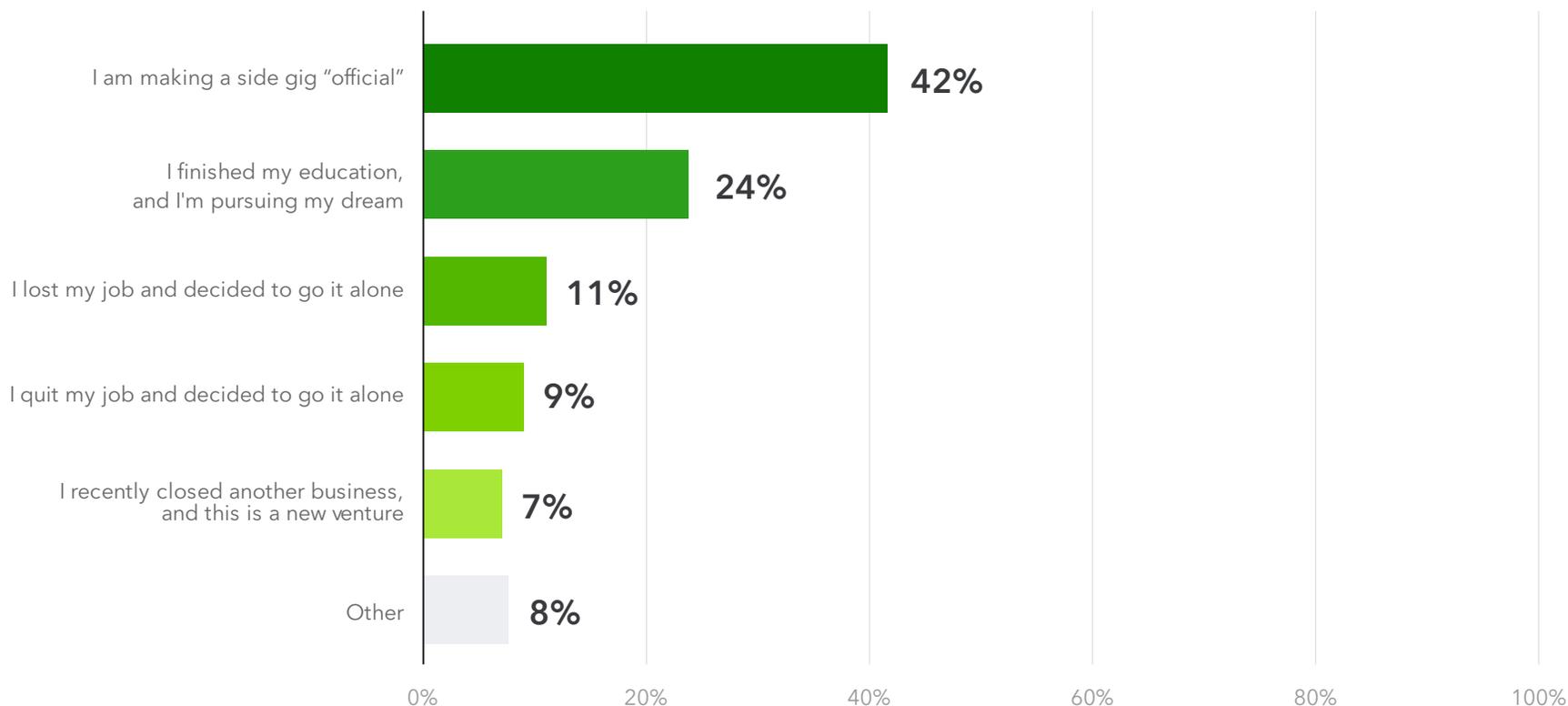
According to the respondents, we can expect to see the most growth in three industries over the next 12 months ([Table 15](#)):

- Accommodation and food services
- Arts, entertainment, and recreation
- Retail trade



But the future of small business is not all about gig work. 18% of the 965 current small business owners surveyed said they had plans to start another business ([Table 16](#)). Of these, 73% said they expect this to happen in the next 12 months ([Table 17](#)). Similarly, 43% said they would consider opening a new business if their current business closed for financial reasons ([Table 18](#)). And in this group, 59% said they would do so within the next 12 months ([Table 19](#)).

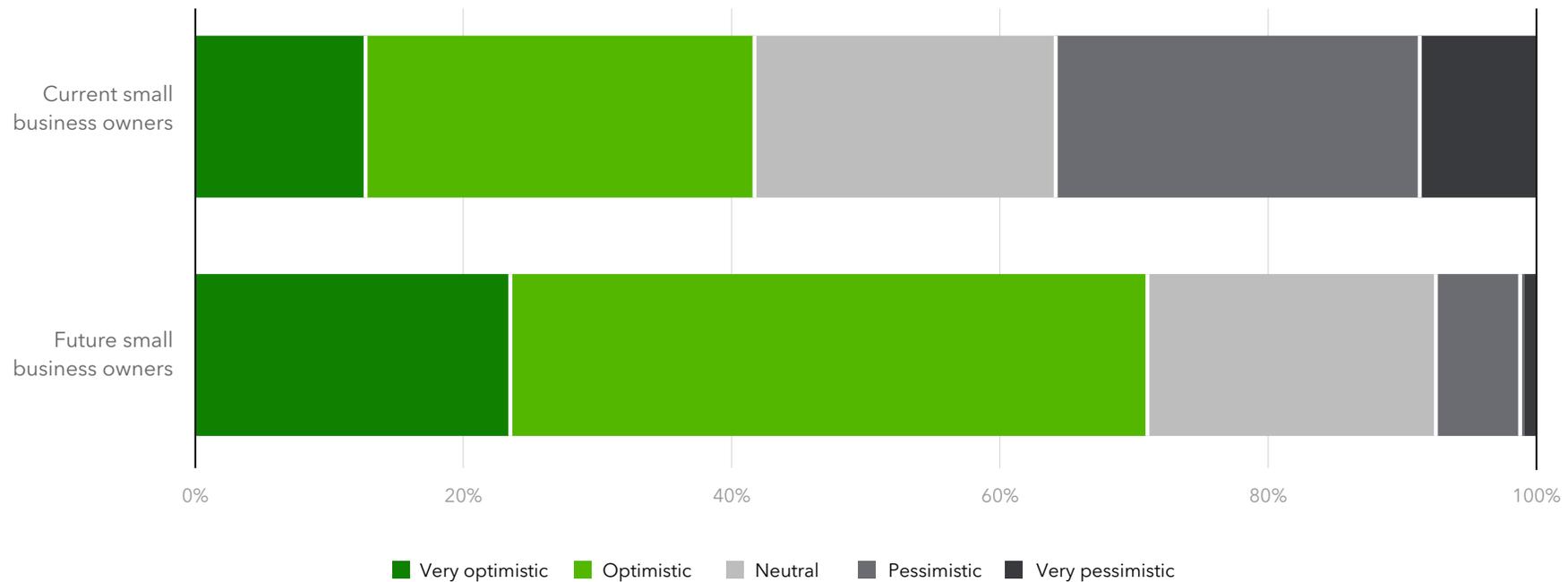
Top 5 reasons people want to start a business in the next 12 months



New business owners are more optimistic

The data reveals a strong sense of optimism among people who hope to start a small business in the next 12 months. 58% of this cohort said they see more opportunity right now, while 18% said they see less opportunity ([Table 20](#)). More uplifting still is the fact that 72% feel “optimistic” or “very optimistic” about the prospects for small businesses over the next 12 months ([Table 21](#)). By comparison, just 42% of current business owners expressed the same optimism ([Table 22](#)).

How current and future small business owners feel about the prospects for small businesses over the next 12 months

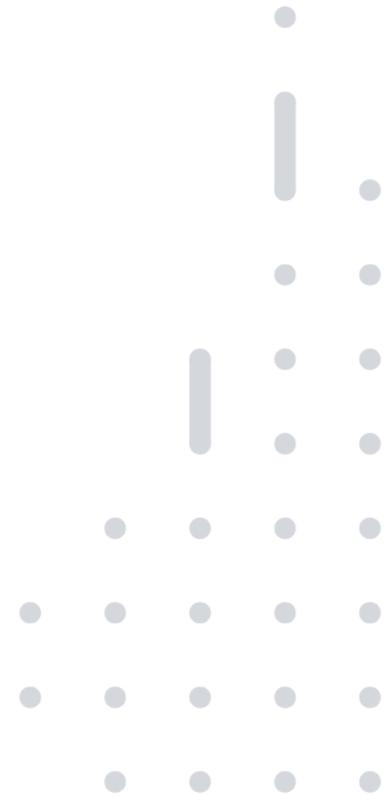


More than two-thirds (69%) of prospective business owners surveyed agree that “businesses born in a recession are more resilient” ([Table 23](#)). And they may have good reason to say this. Around 1 in 6 (17%) of current small business owners who took part in the survey said their business was born in a recession ([Table 24](#)). 42% of these businesses have been operating for more than 10 years.

The optimism among prospective business owners may help to explain their bold hiring plans. More than half (56%) say they intend to hire between one and 10 employees in their first 12 months ([Table 25](#)). Exactly half (50%) say they intend to hire between one and 10 contractors over the same period ([Table 26](#)).



More than two-thirds (69%) of prospective business owners surveyed agree that “businesses born in a recession are more resilient”





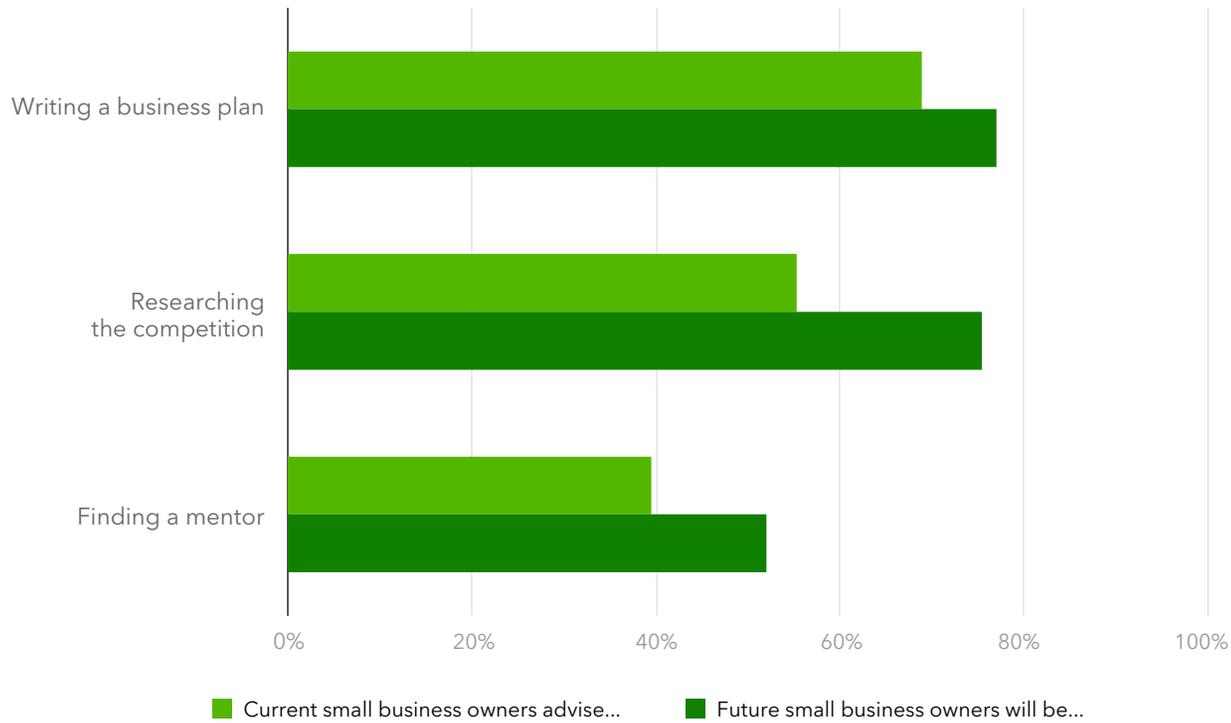
Section 3: Lessons for the next generation

What to do before you start a business

The survey asked current business owners to reflect on what they might do differently if they had a chance to start over. The survey also asked if they had any advice about how to start a business. The top recommendation—confirmed by 69% of respondents—is to write a business plan ([Table 27](#)). The good news here is that 77% of future business owners intend to do this ([Table 28](#)).

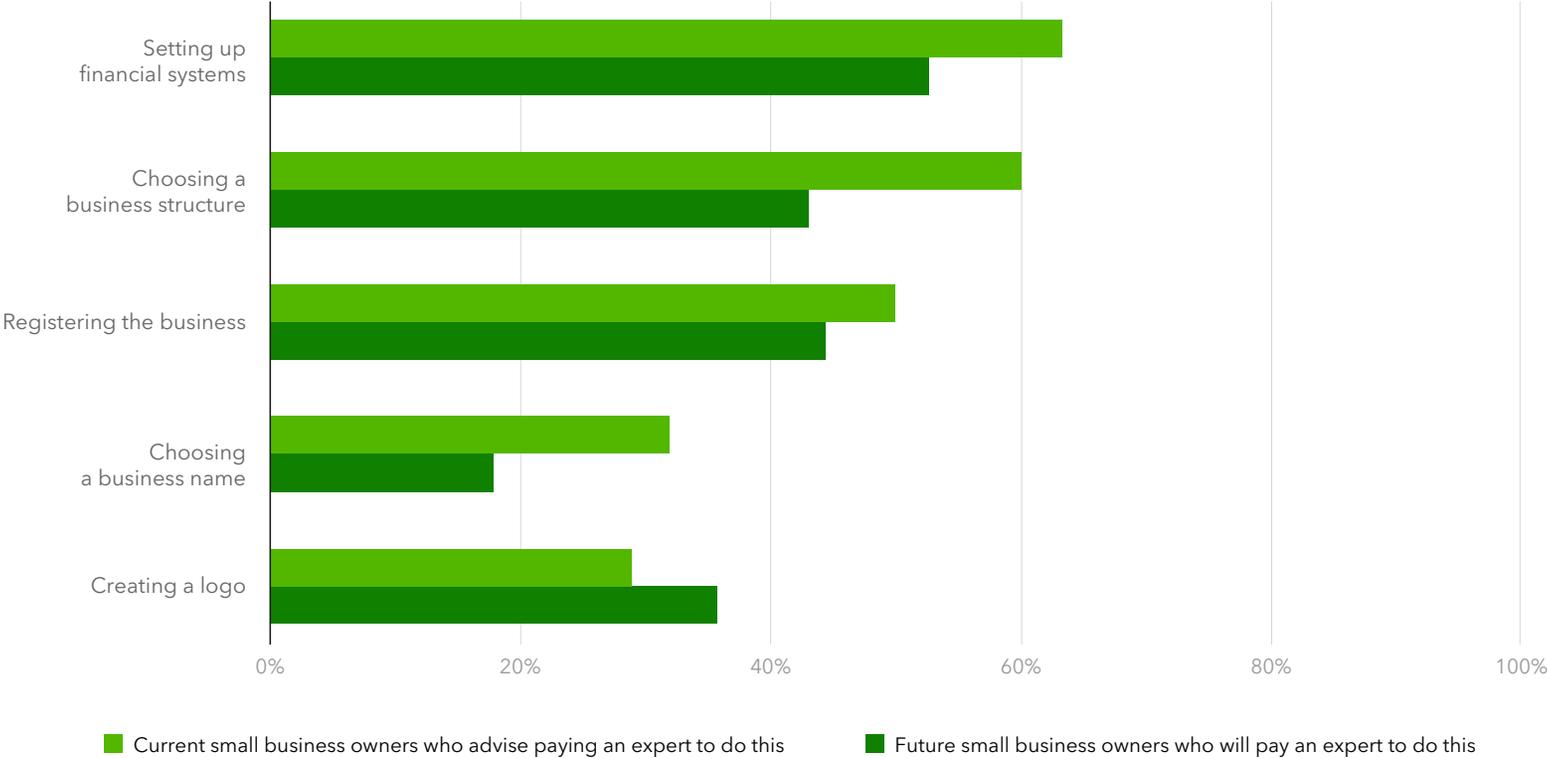


Current and future business agree on the foundations for success



According to small business owners, when you start a business, you're most likely to need help setting up your financial systems correctly ([Table 29](#)). Despite this, 38% of prospective business owners say they intend to set up their own financial systems ([Table 30](#)). 76% will choose their own business name and 53% will create their own logo.

5 things future business owners should get help with, according to current business owners

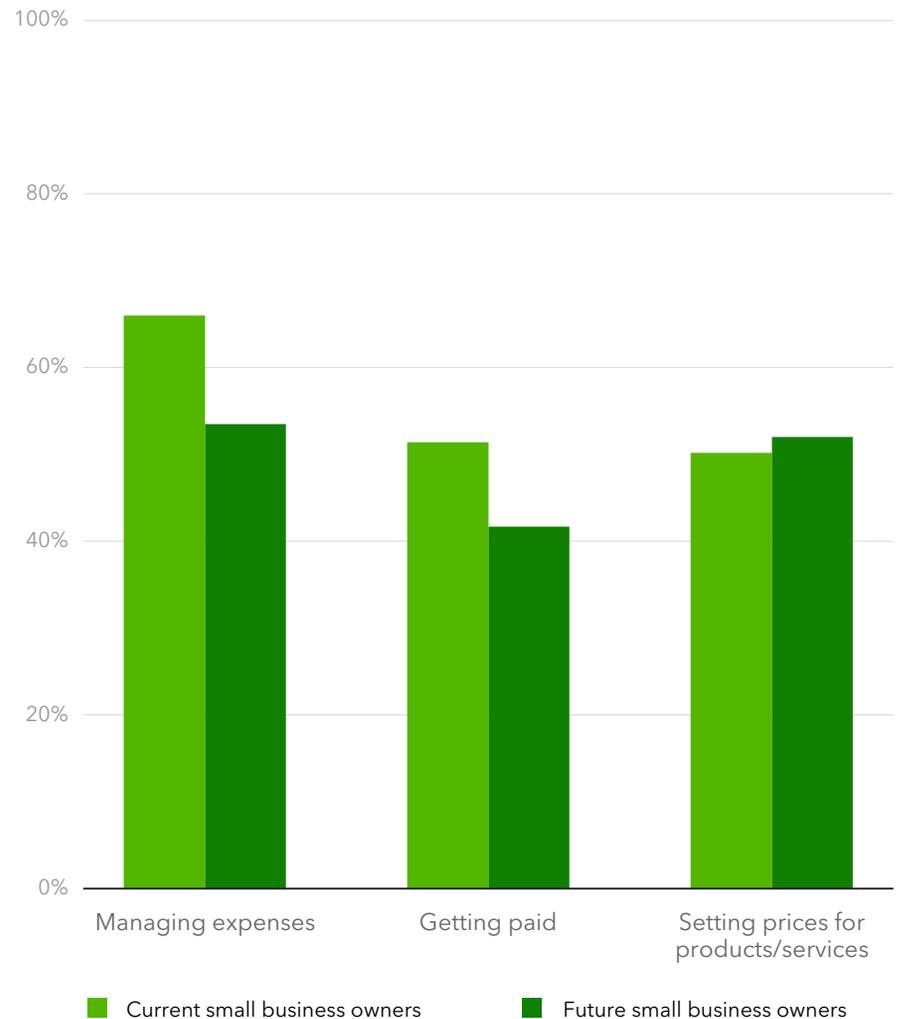


How to get started with accounting

Current and future small business owners agree on many of the top financial priorities for new businesses. Managing expenses, getting paid, and setting prices were in the top three for both cohorts ([Table 31](#) and [Table 32](#)). But the next generation is more focused on securing funding than its predecessor, with more than 1 in 3 (36%) identifying it as a priority. The survey asked small business owners which financial systems new businesses should invest in first. Their top recommendations were expense tracking and invoicing software, which underlines the value of good cash flow management. Payroll software was third on the list ([Table 33](#)). Prospective business owners largely agree with this assessment. They listed expense tracking and invoicing as two of the first financial systems they would invest in. But in each case, around 1 in 4 respondents said they would use manual systems instead ([Table 34](#)).

Expense tracking and invoicing showed up again when the survey asked small business owners which financial systems they wish they'd invested in sooner. More than 1 in 7 (14%) said they bought expense tracking software too late. One in 10 (10%) said the same of invoicing software. Inventory software also made the top three ([Table 35](#)).

Top 3 financial priorities for current and future small business owners



Operational and marketing priorities for new businesses

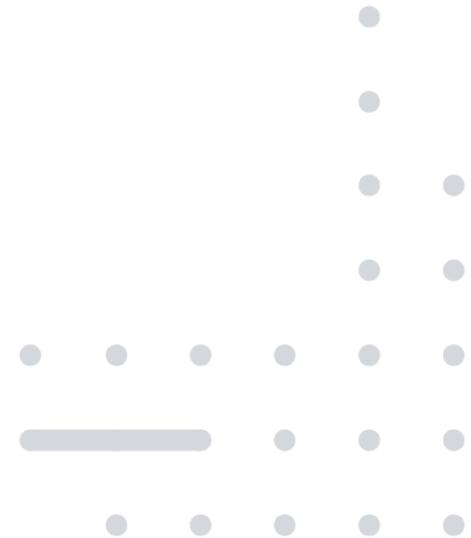
Current and future small business owners identified finding customers and suppliers as top operational priorities. The next generation, however, placed greater emphasis on the importance of building a website ([Table 36](#) and [Table 37](#)).

The lack of consensus over marketing tactics continues elsewhere in the data. People who intend to start a business in the next 12 months say they favor Google or Facebook advertising over potentially cheaper alternatives that current small business owners recommend. These include creating a Google business listing or building an email subscriber list. Small business owners say those are things you should do within the first year of starting your business ([Table 38](#) and [Table 39](#)).

Do tomorrow's business owners have the skills they need?

The answer is yes, according to the survey responses. The survey asked if they would rate their sales, negotiation, business planning, finance, delegation, and marketing skills as "strong," "weak," or "average." Fewer than 1 in 5 chose "weak" for any area of expertise ([Table 41](#)).

Despite this, many have wisely chosen to put a contingency plan in place if things don't work out. More than three-quarters (76%) of those who intend to start a business in the next 12 months say they "definitely" or "probably" have a Plan B. Another 18% say they "might or might not" have a back-up option ([Table 40](#)).



Conclusion: The future of small business

Many of the trends revealed in this report reflect what we see around us: the rise in remote work and growing reliance on digital technology. But other trends are more nuanced and surprising. For example, despite all its challenges, 2020 has been a year of innovation for many small business owners. They're developing new products or services and, in some cases, entirely new business models.

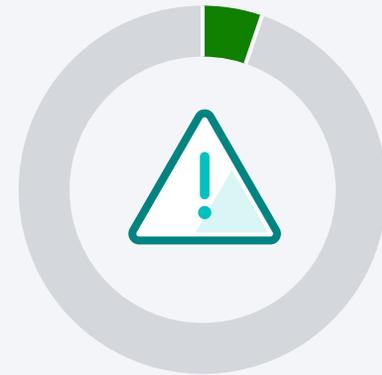
Similarly, many people who intend to start a small business in the next 12 months identified a new business opportunity in response to the challenges they've experienced in 2020. More than 1 in 4 (28%) said the coronavirus accelerated their plans to start a business. The sense of optimism among the next generation of small business owners is encouraging and appears to be influencing their recruitment plans.



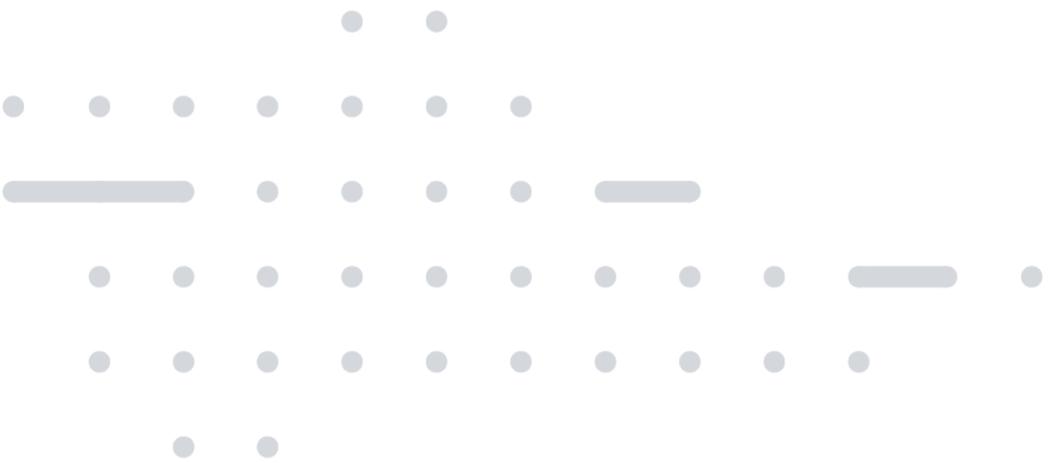
More than 1 in 4 (28%)
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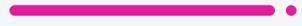
Many expect to build a workforce of at least 10 employees or contractors within the first 12 months of setting up their businesses. The industries that stand to gain most from this are accommodation and food services; arts, entertainment, and recreation; and retail trade—many of which have reduced or furloughed workers this year. Despite the optimism among people establishing new businesses over the next 12 months, they appear to be approaching these ventures with a dose of realism. Just 6% said they do not have a back-up plan if things don't work out.

The data reveal important lessons for future small business owners. Current business owners shared insights on everything from what to do before getting started to how to manage finances and operations. In many cases, the next generation appears to be aware of what they need to do to build a solid foundation for the future, whether that's writing a business plan or finding a mentor. But less so in others, particularly with marketing and when to reach out to an expert. Given what's happened in 2020, the most valuable assets they may have are the ones many small businesses have already demonstrated this year. That is the ability to adapt and remain resilient—yet creative—at the same time.



Just 6% said they do not have a back-up plan if things don't work out





Appendix

Data tables

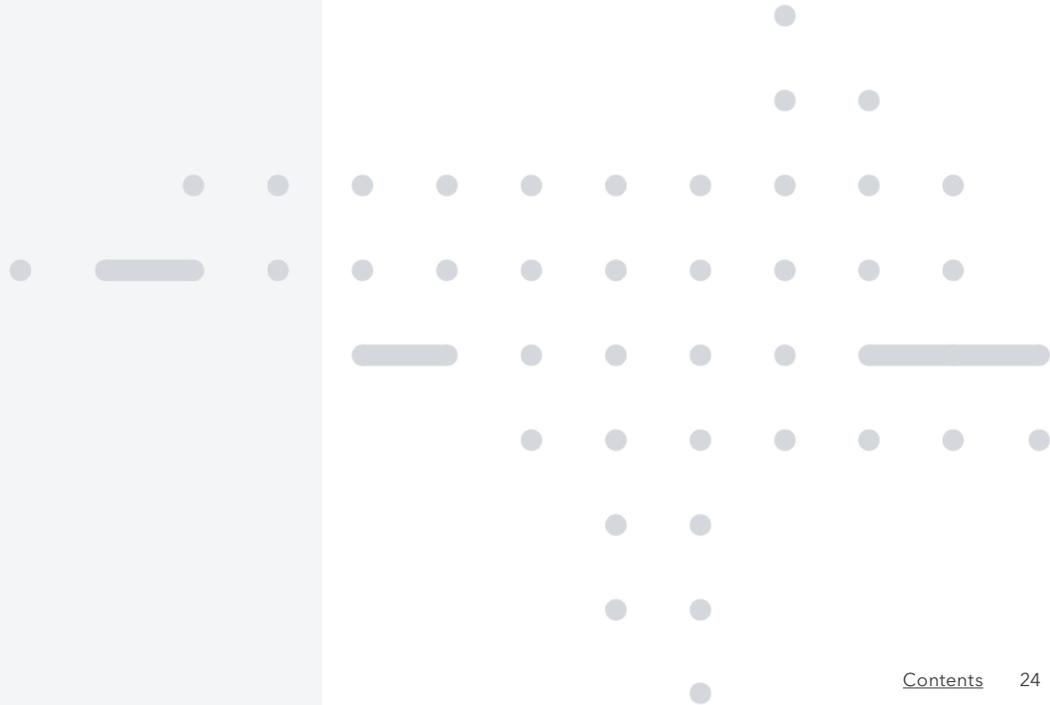


TABLE 1

Sample = 965 small business owners

[← Back to page 8](#)

[← Back to page 9](#)

Which of the following changes have you made this year? (Select all that apply)	
Reduced costs through efficiency savings	34%
More visible health and safety protocols	32%
Selling more products/services online	28%
More employees working at home	27%
Developed new products/services	22%
Invested more in virtual services	20%
Invested more in virtual technology	19%
Invested in online payments systems	17%
Adopted a new business model	14%
Retrained workers	13%
None of the above	19%

TABLE 2

Sample = 965 small business owners

[← Back to page 8](#)

[← Back to page 9](#)

You said you made the following changes. To what extent did the coronavirus influence these changes?	High influence	Some influence	No influence
Invested more in virtual services	70%	26%	5%
Invested more in virtual technology	71%	24%	5%
Selling more products/services online	61%	33%	6%
Invested in online payments systems	55%	36%	9%
Retrained workers	57%	32%	10%
Reduced costs through efficiency savings	50%	39%	11%
More employees working at home	47%	41%	11%
More visible health and safety protocols	39%	49%	13%
Developed new products/services	43%	43%	13%
Adopted a new business model	32%	44%	25%

TABLE 3

Sample = 965 small business owners

[← Back to page 9](#)

When you hire new workers in the future, approximately what proportion of them will work remotely/from home?	
100%	13%
75%	10%
50%	14%
25%	11%
None	19%
Not sure	12%
Not applicable	22%

TABLE 4

Sample = 635 future small business owners

[← Back to page 9](#)

What proportion of your workforce, approximately, do you expect to work remotely/from home?	
100%	23%
75%	19%
50%	22%
25%	11%
None	10%
Not sure	9%
Not applicable	4%

TABLE 5

Sample = 965 small business owners

[← Back to page 9](#)

Has the current state of the economy had any impact on the rate of innovation in your company?	
Very positive impact	10%
Positive impact	19%
Neutral—no impact	38%
Negative impact	26%
Very negative impact	8%

TABLE 6

Sample = 965 small business owners

[← Back to page 9](#)

Which of the following best describes the impact this innovation has had on revenue?	
More than 100% increase	7%
75% to 100% increase	19%
50% to 74% increase	25%
25% to 49% increase	20%
10% to 24% increase	19%
1% to 9% increase	6%
No impact	4%

TABLE 7

Sample = 965 small business owners

[← Back to page 9](#)

Has the current state of the economy had any impact on productivity in your company?	
Very positive impact	8%
Positive impact	20%
Neutral–no impact	38%
Negative impact	26%
Very negative impact	9%

TABLE 8

Sample = 635 future small business owners

[← Back to page 10](#)

On a scale of 1 to 5 (1 = not at all, 5 = significantly), to what extent was your decision to start a new business influenced by the coronavirus?	
1	14%
2	12%
3	31%
4	24%
5	18%

TABLE 9

Sample = 635 future small business owners

[← Back to page 10](#)

In what way did the coronavirus influence your decision? (Select all that apply)	
I needed another source of income	35%
It accelerated my plans to start a business	28%
It gave me an idea for a new product/service	22%
I saw an opportunity to sell a product/service more competitively	22%
I saw an opportunity to sell a product/service to a new market	21%
I'm filling a gap left by another business that recently closed	14%
I couldn't find another job	12%
I was able to get funding that helped me invest a new venture	12%
Other (please specify)	2%

TABLE 10

Sample = 965 small business owners

[← Back to page 12](#)

Did you apply for any of the following coronavirus relief programs?	Applied successfully	Applied but did not get	Did not apply
SBA Economic Injury Disaster Loan (EIDL)	21%	15%	65%
Paycheck Protection Program (PPP)	30%	15%	55%
Employee Retention Credit (ERC)	17%	12%	71%
U.S. Chamber of Commerce Foundation Save Small Business Fund	19%	14%	66%

TABLE 11

Sample = 965 small business owners

[← Back to page 12](#)

Has your business gained or lost contractors (1099s) this year?	
Gained	15%
Lost	20%
No change	65%

TABLE 12

Sample = 965 small business owners

[← Back to page 12](#)

Has your business gained or lost employees (W-2s) this year?	
Gained	13%
Lost	24%
No change	63%

TABLE 13

Sample = 635 future small business owners

[← Back to page 13](#)

Which of the following best describes your reason for starting a new business?	
I am making a side gig "official"	42%
I finished my education, and I'm pursuing my dream	24%
I lost my job and decided to go it alone	11%
I quit my job and decided to go it alone	9%
Other (please specify)	8%
I recently closed another business, and this is a new venture	7%

TABLE 14

Sample = 635 future small business owners

[← Back to page 13](#)

Will your business be primarily offline, online, or a combination?	
A combination	50%
Online	37%
Offline	13%

TABLE 15

Sample = 635 future small business owners

[← Back to page 6](#)[← Back to page 13](#)

Which of the following industries best describes the business you intend to start?	
Accommodation and food services	13%
Arts, entertainment, and recreation	13%
Retail trade	12%
Educational services	8%
Construction	7%
Information	6%
Administrative and support and waste management and remediation services	5%
Health care and social assistance	5%
Professional, scientific, and technical services	5%
Other services (except public administration)	4%
Finance and insurance	4%
Wholesale trade	4%
Agriculture, forestry, fishing, and hunting	3%
Real estate rental and leasing	3%
Manufacturing	3%
Transportation and warehousing	2%
Management of companies and enterprises	1%
Utilities	1%
Public administration	1%
Mining	0%

TABLE 16

Sample = 965 small business owners

[← Back to page 14](#)

Do you have any plans to start another business?	
Yes	18%
No	70%
Don't know	12%

TABLE 17

Sample = 172 small business owners

[← Back to page 14](#)

When would you like to start another new business?	
Within 3 months	16%
Within 6 months	24%
Within 9 months	18%
Within 12 months	15%
1-2 years	17%
2+ years	6%
Don't know	2%

TABLE 18

Sample = 965 small business owners

[← Back to page 14](#)

If you ever decided to close your business for financial reasons, would you consider starting another business?	
Yes	43%
No	36%
Don't know	21%

TABLE 19

Sample = 410 small business owners

[← Back to page 14](#)

When would you start this new business?	
Within 3 months	12%
Within 6 months	19%
Within 9 months	9%
Within 12 months	19%
1-2 years	18%
2+ years	8%
Don't know	16%

TABLE 20

Sample = 635 future small business owners

[← Back to page 15](#)

Do you see more opportunity during this time or less opportunity?	
More	58%
Less	18%
Same as before	18%
Not sure	6%

TABLE 21

Sample = 635 future small business owners

[← Back to page 15](#)

How do you feel about the prospects for small businesses over the next 12 months?	
Very optimistic	24%
Optimistic	48%
Neutral	21%
Pessimistic	7%
Very pessimistic	1%

TABLE 22

Sample = 965 small business owners

[← Back to page 15](#)

How do you feel about the prospects for small businesses over the next 12 months?	
Very optimistic	13%
Optimistic	29%
Neutral	22%
Pessimistic	27%
Very pessimistic	9%

TABLE 23

Sample = 635 future small business owners

[← Back to page 16](#)

To what extent do you agree or disagree with the following statement: "Businesses born in a recession are more resilient."	
Strongly agree	22%
Agree	47%
Neutral—no opinion	27%
Disagree	3%
Strongly disagree	1%

TABLE 24

Sample = 965 small business owners

[← Back to page 16](#)

When you started your business, was the economy growing or in a recession?	
Growing	68%
Recession	17%
Not sure	15%

TABLE 25

Sample = 635 future small business owners

[← Back to page 16](#)

How many employees (W-2s) do you plan to hire in the first 12 months?	
0	18%
1-5	36%
6-10	20%
11-20	12%
21-49	6%
50-99	4%
100+	1%
Not sure	3%

TABLE 26

Sample = 635 future small business owners

[← Back to page 16](#)

How many contractors (1099s) do you plan to hire in the first 12 months?	
0	26%
1-5	37%
6-10	13%
11-20	8%
21-49	7%
50-99	2%
100+	1%
Not sure	7%

TABLE 27

Sample = 965 small business owners

[← Back to page 17](#)

If you were giving advice to a new business owner, which of the following would you recommend they do before they open the business? (Select all that apply)	
Write a business plan	69%
Research the competition	55%
Find a mentor	40%

TABLE 28

Sample = 635 future small business owners

[← Back to page 17](#)

Which of the following is true for you?	Doing	Not doing	Not sure
Writing a business plan	77%	13%	10%
Researching the competition	75%	19%	6%
Finding a mentor	52%	30%	18%

TABLE 29

Sample = 965 small business owners

[← Back to page 18](#)

If you were giving advice to a new business owner, which of the following would you recommend they get help with? (Select all that apply)	
Setting up financial systems	63%
Choosing a business structure	60%
Registering the business	50%
Choosing a business name	32%
Creating a logo	29%

TABLE 30

Sample = 635 future small business owners

[← Back to page 18](#)

How are you approaching the following?	On my own	With help from an expert	Not sure
Choosing a business name	76%	18%	7%
Creating a logo	53%	36%	12%
Choosing a business structure	50%	43%	7%
Registering the business	44%	44%	12%
Setting up financial systems	38%	53%	9%

TABLE 31

Sample = 965 small business owners

[← Back to page 20](#)

When you started your business, what were your top three financial priorities?	
Managing expenses	66%
Getting paid	51%
Setting prices for products/services	50%
Setting up an accounting system	30%
Tax compliance	28%
Setting up payroll	26%
Getting funding	25%
Setting up a payments system	18%
Other (please specify)	6%

TABLE 32

Sample = 635 future small business owners

[← Back to page 20](#)

When you start your new business, what will your top three financial priorities be?	
Managing expenses	54%
Setting prices for products/services	52%
Getting paid	42%
Getting funding	36%
Tax compliance	36%
Setting up a payments system	32%
Setting up an accounting system	27%
Setting up payroll	20%
Other (please specify)	2%

TABLE 33

Sample = 965 small business owners

[← Back to page 20](#)

If you were giving advice to a new business owner, which of the following would you recommend they buy software for? (Select all that apply)	
Expense tracking	58%
Invoicing	51%
Payroll	50%
Bill payments	49%
Accepting payments	48%
Inventory	41%
Estimates	23%
Other (please specify)	6%

TABLE 34

Sample = 635 future small business owners

[← Back to page 20](#)

How do you intend to manage the following financial processes?	Manually	Software	Not sure
Expense tracking	27%	63%	10%
Invoicing	25%	63%	12%
Bill payments	29%	60%	10%
Accepting payments	28%	60%	12%
Payroll	27%	54%	19%
Inventory	36%	51%	13%
Estimates	34%	49%	17%

TABLE 35

Sample = 965 small business owners

[← Back to page 20](#)

Looking back to when you started your business, what are your views on the timing of the following software purchase decisions?	Toolate	Right time	Too early	Neverpurchased
Expense tracking	14%	56%	9%	21%
Inventory	11%	48%	11%	31%
Invoicing	10%	61%	9%	20%
Estimates	9%	46%	11%	35%
Accepting payments	9%	63%	9%	20%
Payroll	8%	57%	9%	26%
Bill payments	7%	65%	8%	20%

TABLE 36

Sample = 965 small business owners

[← Back to page 21](#)

When you started your business, what were your top three operational priorities?	
Finding customers	75%
Finding suppliers	43%
Complying with regulations	43%
Finding workers	41%
Investing in the right technology	38%
Setting up a website	33%
Hiring an accountant	22%
Other (please specify)	6%

TABLE 37

Sample = 635 future small business owners

[← Back to page 21](#)

When you start your new business, what will your top three operational priorities be?	
Finding customers	63%
Setting up a website	58%
Finding suppliers	43%
Investing in the right technology	41%
Complying with regulations	41%
Finding workers	33%
Hiring an accountant	20%
Other (please specify)	1%

TABLE 38

Sample = 965 small business owners

[← Back to page 21](#)

If you were giving advice to a new business owner, which marketing systems would you recommend they prioritize in the first year of their business? (Select all that apply)	
Business website	55%
Google business listing	37%
Building an email list	35%
Business Facebook page	34%
Google advertising	32%
Facebook advertising	32%
Business LinkedIn page	25%
LinkedIn advertising	20%
Instagram advertising	19%
YouTube advertising	17%
Business Instagram page	17%
Business Twitter account	14%
Twitter advertising	13%
Business YouTube channel	12%
Other (please specify)	9%

TABLE 39

Sample = 635 future small business owners

[← Back to page 21](#)

Which of the following marketing channels do you intend to prioritize in the first year of your business? (Select all that apply)

Business website	47%
Facebook advertising	43%
Google advertising	40%
Business Facebook page	38%
Instagram advertising	33%
Building an email list	30%
YouTube advertising	30%
Google business listing	29%
Business Instagram page	29%
Business YouTube channel	23%
LinkedIn advertising	20%
Twitter advertising	19%
Business LinkedIn page	19%
Business Twitter account	17%
Other (please specify)	4%

TABLE 40

Sample = 635 future small business owners

[← Back to page 21](#)

Do you have a contingency plan prepared if things don't work out?

Definitely yes	37%
Probably yes	39%
Might or might not	18%
Probably not	5%
Definitely not	1%

TABLE 41

Sample = 635 future small business owners

[← Back to page 21](#)

How would you rate your knowledge or skills in the following areas:	Strong	Average	Weak
Sales	41%	47%	12%
Negotiation	40%	44%	16%
Business planning	40%	49%	11%
Finance	37%	49%	15%
Delegation	36%	48%	16%
Marketing	36%	51%	13%

TABLE 42

Sample = 965 small business owners

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Which of the following industries best describes your business:	
Professional, scientific, and technical services	14%
Construction	13%
Retail trade	12%
Other services (except public administration)	10%
Finance and insurance	7%
Accommodation and food services	7%
Arts, entertainment, and recreation	6%
Real estate rental and leasing	6%
Health care and social assistance	6%
Manufacturing	4%
Educational services	4%
Wholesale trade	3%
Information	2%
Agriculture, forestry, fishing, and hunting	2%
Transportation and warehousing	2%
Administrative and support and waste management and remediation services	2%
Management of companies and enterprises	1%
Public administration	0%
Mining	0%