

Why more SMEs are adopting big business tech and how it's revolutionising human resources.

Technology continues to evolve and shape the way businesses communicate and sell. Despite this point, there is still a significant amount of small to medium size enterprises (SMEs) failing to adopt new technology.

In fact, according to TomTom Telematics' Senior Managers Study in June 2017, **almost a third of business leaders in the UK admit their company are 'laggards' when it comes to adopting new technologies.**

Co-founder and chief executive of start-up investors Hambro Perks, says that "There is a huge 'long tail' of companies that you would call 'late tech adopters'." Adding: "There are lots of SME owners that simply have not had technology in their working lives". As a result, these people simply don't see the potential or value which technology can offer.

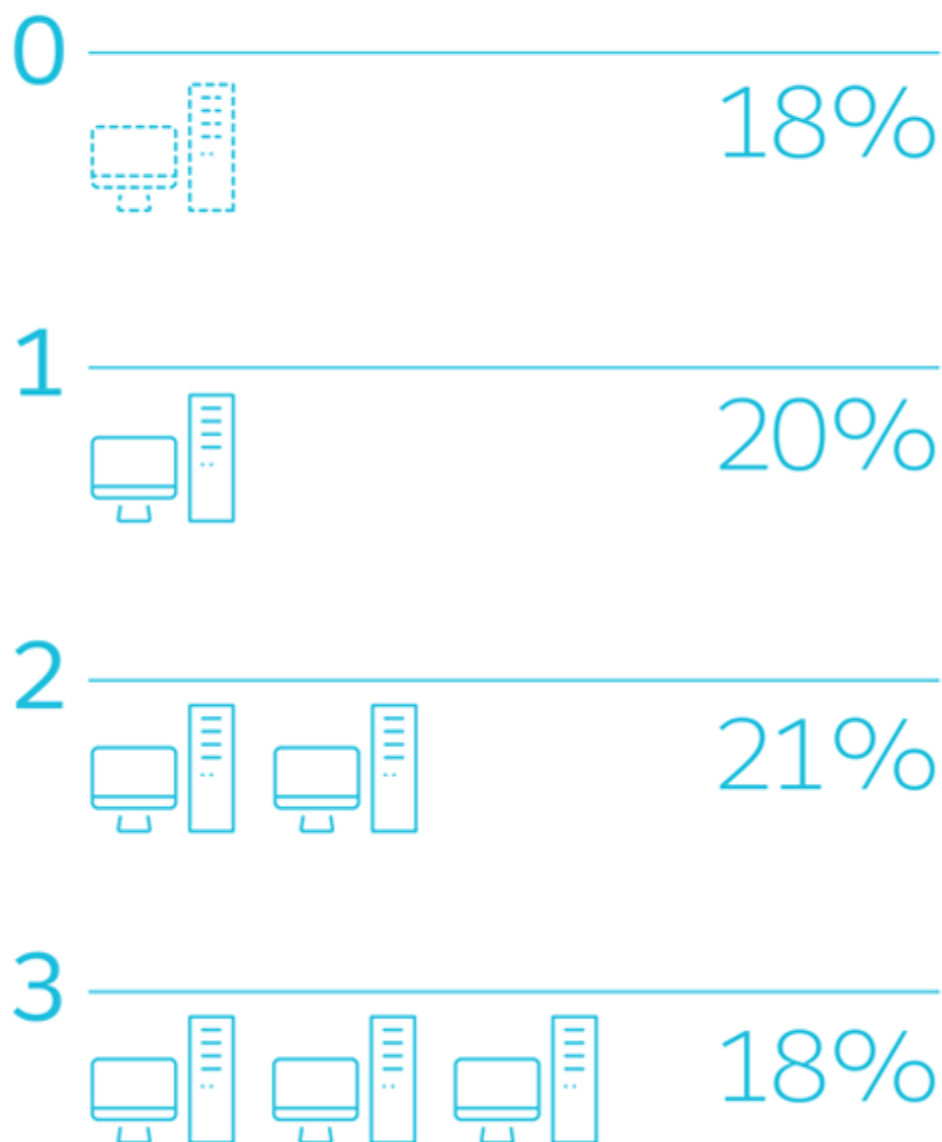
The TomTom Telematics' Senior Managers Study also discovered that many sole traders and small businesses do not have websites. This surprising revelation boils down to numerous reasons. For instance, some business owners cannot grasp the value of technology adoption as they feel it is not needed, nor will offer a clear path to profitability. While a large quantity of the surveyed stated cost as the main barrier to technology adoption.

For those SMEs who have started to implement technology, there are three areas in particular which they are focusing on. This includes CRM/apps, data connection and artificial intelligence.

According to Bytestart, CRM and app technology has become so important that 34% of them would rather lose their social media presence than give up their current CRM platform. While 20% jovially said they'd sleep on a bed of nails and 19% would walk across hot coals. This indicates that many SMEs who adopt CRM and app technology usually recognises its true potential immediately.

Yet, regardless of the capabilities to automate various functions with peers and customers, share information across the wider business and ultimately enable staff to work remotely, 18% of SMEs do not even use one.

Number of business apps or technology systems used to run the business:



Source: <https://www.salesforce.com/blog/2017/02/tech-savvy-small-business-infoqraphic.html>

When it comes to transferring and sharing data across a business, 56% of growing SMEs think it's important to connect now, while 69% believe it should be done in the future as they grow. More significantly, 82% of SMEs said it is important to have a business connected in one place, with 49% saying it is "absolutely critical".

Artificial intelligence is one of the hottest topics around at the moment, however, **61% of SMEs said they are not ready to adopt the technology yet. Although, for those businesses that can afford to do so are two times more likely to experience “fast-growth” than those who don’t.**

Even though only 11% of SMEs are using artificial intelligence, these ‘early adopters’ are seeing some positive benefits. For example, 85% are able to automate send times for marketing emails, while 81% can automate recommendations for customers – to name a few.

While some SMEs might be taking their time to adopt new technologies, there are copious benefits for those who do choose to. Especially when it comes to human resources.

How technology can work in businesses

As technology continues to evolve, the possibilities start to grow. When it comes to recruiting, an SME who is digitally connected, has the capability to tap into a global talent pool.

App technology can link SMEs to potential employees all around the globe, eradicating the time-consuming task of sourcing the right candidate via a call. In turn, businesses can create a more diverse workforce and find candidates with the passion to increase productivity.

Artificial intelligence is also growing at a rapid rate, with The Drum recently revealing that over half of UK businesses are planning on spending £10m in digital advancements in the next two years.

When it comes to finding a candidate for a position, AI can help SMEs run an extensive keyword search to whittle down the number of potential candidates. In fact, according to real business, **67% of recruitment managers think AI helps them save time.**

“AI-powered technology gives recruiters/businesses back the time to make human connections, transforms the job seeker experience, and ultimately, helps match talent to roles.”

Senior Vice-President of Product at Indeed, Raj Mukherjee

AI chatbots are another growing trend, with the market set to grow at a compound rate of 35.2% between 2016 and 2021. Which is understandable when 47% of consumers are willing to buy an item via a chatbot interaction.

Chatbots can also resolve customer pain points like long call queues. However, despite the convenience of AI technology, it’s also worth considering the negative impact it can have on the customer/candidate experience as well.

In a recent article by the BBC, job seekers stated that they were not completely satisfied with artificial intelligence.

“I didn’t even meet my potential employers.”

21-year-old Cardiff University graduate, Peter Lane

So while artificial intelligence can help speed up recruitment processes and quickly resolve customer questions, it’s important that SMEs remember to maintain a human element within their communications strategies.

This very point might explain the growing surge in popularity for 'Software as a Service' (SaaS) apps. This kind of technology can encompass cloud data storage, HR management, marketing, sales, logistics, delivery management and more importantly, customer service.

Employees can access important files or make notes remotely, saving time and effort in the process.

Choosing the right app for a business is pivotal to keeping private data secure and making sure a business adheres to GDPR. In doing this, SMEs can drastically improve their customer service, as employees could access secure files remotely and quickly. This means employees can still interact with customers, but also get a quicker solution to their problem.

Selecting the right app will also help reduce unnecessary expenditure on hiring more employees in the finance and HR teams. This money could then be reinvested into staff training, which in turn could help improve the quality of service and make employees feel valued.

The rise of HR technology

One of the biggest advancements and opportunities sits within HR technology. Since the economic slowdown, outsourcing HR has become increasingly popular among SMEs. In particular, it saves up to 35% of the total business costs for small employers in India.

Markets and Markets have estimated the Human Capital Management (MCM) market to grow from \$12.59bn in 2016 to \$19.88bn by 2021. Naturally, these statistics are encouraging a lot of SMEs around the world to take note of HR technology.

According to a recent study, 56% of SMEs outsource their HR to help cut down operating costs, while 41% do it to reduce the number of HR team members required along with any wages or expenses required.

The shift to HR technology isn't surprising with the assemblage of benefits and features it can offer SMEs.

For instance, HR apps can help organisations improve their accuracy on admin and other projects by lessening the workload via smarter solutions. Employees also have access to documents through cloud storage. This feature means they can check their annual leave allowance or view and manage all their tasks on the go.

Furthermore, HR apps and technology offers SMEs the peace of mind that they are being compliant and have the necessary tools in place to make things easier for their employees to complete tasks. This technological solution is cost-effective and enables staff to focus on other aspects of the business.

A golden opportunity for SMEs

Contrary to the benefits of technology, SMEs have failed to completely conform. This is particularly true when it comes to utilising it within the individual business' HR departments.

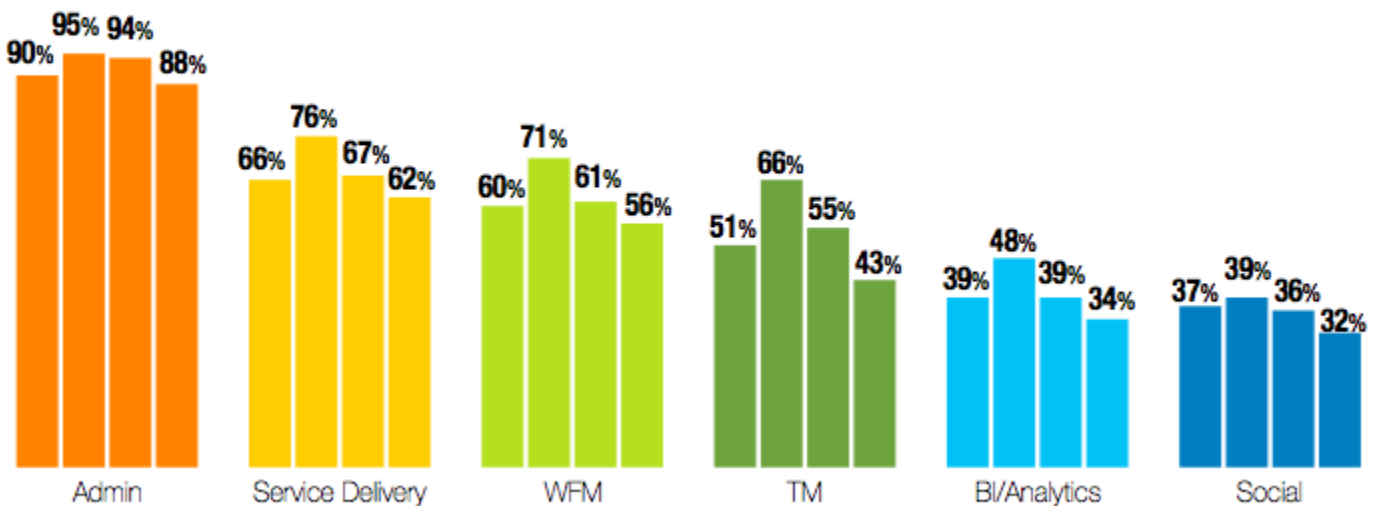
“There is a lag because change is hard in many large organisations and often there is a lag in understanding and awareness, too...The change that could be wrought by capabilities like blockchain, for example, is a way off yet in the HR tech space, even if capabilities around analytics, chatbots, learning and robotics are coming through.”

David Wilson – Chief Executive of Fosway

As previously covered, apps present a huge opportunity in evolving the way SMEs interact with their employees and allow them to work. Yet, despite the adoption benefits, SMEs are still taking their time to recognise the fruits of technology.

APPLICATION ADOPTION LEVELS BY SIZE

The average application adoption in large organizations beyond the Admin function is around 61 percent while in mid-sized companies it is 55 percent, and even lower at 48 percent in small organizations



Source: Sierra-Cedar HR Systems Survey White Paper 2016-17

While SMEs are using apps for admin, the average adoption rate still sits between 48-61%. Furthermore, this does not truly reflect how well these businesses are utilising the applications.

Using an app for human resources to its true potential could establish a particular SME as an industry-leader, transforming the way they operate internally and externally.

Conclusion

For an SME, it is key to establish whether a new technology is essential in improving functionality and processes or not.

While corporate brands can afford to test the water, SMEs may have a smaller budget to work with. With this in mind, it's worth considering some core questions before investing:

- Will the technology differentiate your business from your competitors?
- Can it take away tasks and benefit customers?
- Is there an opportunity to prosper and gain more business out of implementing this technology?
- Are your competitors using it? If so, is their use detrimental to the future of your business?

The reality is, customers and employees will not expect an SME to transform into a tech-centric entity over night. However, with the rapid evolution of artificial intelligence, cloud storage and apps, it is not the case of if, it's a case of when it completely takes over.

Adopting apps within an HR department now will give an SME a significant head start in securing more business, retaining top employees and building for a brighter future.

About Flexr

Flexr is the 'game changing' employment management platform that redefines the engagement between employers and employees.

Since the start of 2018, they've revolutionised the way SMEs around the world operate their HR departments, introducing enhanced transparency between employees and employers while creating better working relationships.

Their platform is easily accessible through a smartphone app, online desktop portal and call centre.

For more information, visit www.flexr.com.

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