



# Kinetic Small and Medium-Sized Business Technology Report

Economic strains, cybersecurity vulnerabilities and technology adoption trends in the evolving small business landscape.



# Foreword

The year ahead promises plenty of challenges for decision-makers of small and medium-sized businesses (SMBs), many of whom are navigating economic uncertainties and cost constraints alongside growth and expansion.

Enhancing cybersecurity measures remains a critical priority, but according to the World Economic Forum<sup>1</sup>, the cyber resilience of many SMBs has fallen significantly (30%) in the last year, leaving them vulnerable to costly breaches and operational disruptions. Accenture found that 43% of all cyberattacks target SMBs, at an average cost of \$25,000. Yet our research shows that budget and resource limitations are stopping many from making this much-needed investment.

There is a misalignment between business owners knowing they need to improve cybersecurity and have the budget and capabilities to actually do so. It's evident small to medium-sized businesses are strapped for time and resources, giving cyber-criminals an opening to disrupt daily operations.

This year's Small and Medium-Sized Business Technology Report shares our latest data on the technology needs of SMBs and the barriers they face. The findings emphasize the critical need for reliable, cost-effective, and integrated technology solutions, such as Kinetic's Business Ready Internet, which are designed to address the unique needs and challenges faced by SMBs.



**Michael Flannery**  
President of Kinetic Business

## Recommendations for decision-makers:

- **Scalability:** Invest in scalable, easy-to-integrate solutions that offer robust protection without requiring extensive resources or expertise.
- **Frontline defense:** Implement support systems that provide the necessary tools, training, and guidance to improve cybersecurity posture.
- **Cost-effectiveness:** Identify budget-friendly cybersecurity measures that maximize value and efficacy for adequate protection without overwhelming financial burdens.

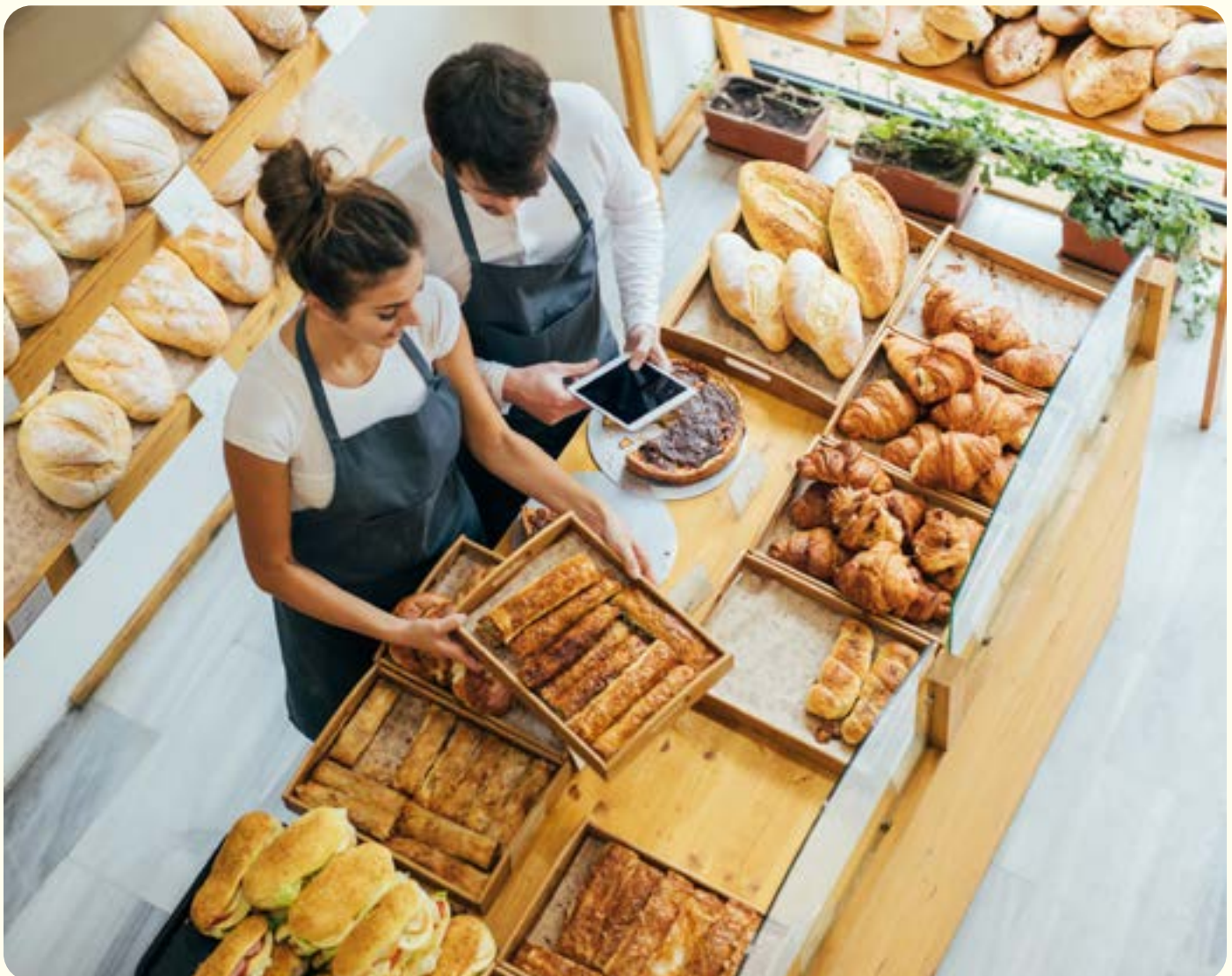
# Introduction

Kinetic Business' second annual Small and Medium-Sized Business Technology Report reveals that economic concerns are the biggest challenge for SMB owners and decision makers.

However, coming in at a close second on their list is cybersecurity, where most businesses feel underprepared and under-resourced to face growing threats, leaving their

businesses and customers potentially vulnerable to costly breaches.

This report examines key investment priorities and their accompanying costs, constraints, and concerns, as well as challenges and pain points, technology benefits, and decision-making, to provide a holistic picture of the state of SMB technology.

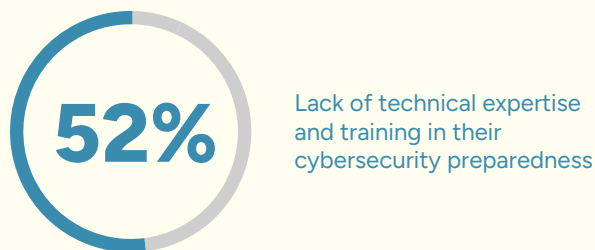




# Key Investment Priorities: Cybersecurity and Connectivity

In 2025, while 59% of SMBs recognize cybersecurity and compliance as key priorities, there is a significant gap in investment, with only 49% prioritizing these areas for new technology spending. This highlights a critical disconnect between awareness and action, possibly driven by budgetary constraints or competing interests.

Moreover, SMBs are predominantly seeking low-touch solutions, with only 36% interested in more advanced, hands-on, or AI-powered tools, reflecting a need for user-friendly, manageable options due to limited IT resources.



Alarming, 52% of SMBs lack confidence in their cybersecurity preparedness and resources, exposing them to potential costly breaches. This strongly indicates that providers should focus on delivering scalable, easy-to-deploy security solutions that enhance SMBs' capabilities and confidence, bridging the gap between awareness and effective action.

SMBs have several reasons for adopting or upgrading their cybersecurity solutions over the next 12 months, citing advantages like protecting business/customer data (57%), avoiding financial loss (46%), and improving customer confidence (44%). Cybersecurity

## REASONS FOR ADOPTING OR UPGRADING THEIR CYBERSECURITY SOLUTION IN THE NEXT 12 MONTHS

57% PROTECTING DATA

46% AVOIDING FINANCIAL LOSS

44% IMPROVING CUSTOMER CONFIDENCE

issues can cost business owners tens of thousands of dollars, if not hundreds of thousands, as well as undermine customer confidence. SMBs are also concerned about ensuring business continuity (33%), meeting regulatory compliance (33%), and securing communications (21%).

Also important to small businesses are faster and more reliable internet and connectivity solutions (52%). System speed and efficiency are top priorities for SMBs, with more than half (56%) selecting high-speed business internet / connectivity solutions as something that's on their radar.

## Other Investment Priorities

The ability to collaborate remotely is a lower priority, but still an important area for 32% of respondents. Though some have returned to the office, remote work remains a key benefit for 52% of employees, according to research from Bamboo HR. So virtual collaboration has become a business must-have, and just over one-third (34%) of SMBs intend to invest in video conferencing / collaboration solutions.

# Costs, Constraints and Concerns

Budget remains a significant constraint for two-thirds (66%) of SMBs looking to adopt new technology, which means keeping technology affordable must be a priority for vendors.

However, as technology continues to evolve, 40% of SMB owners are also concerned about the lack of technical expertise and training in their organizations. They don't just want to be aware of new technology and up to date with their installations—they want to know how to effectively use the solutions they purchase and maximize their value, making this a key add-on for business vendors to consider.

## SMBs' tech wishlist: Affordable, time-efficient, integrated

Given how budget-conscious SMBs are, it's no surprise that almost half (48%) selected cost / return on investment (ROI) as the major factor influencing a technology purchase. They're also concerned about the time spent implementing new technology (39%) and the ease of integrating it with existing solutions (34%). Technology that is both affordable and works seamlessly with existing solutions will have a competitive advantage in a crowded landscape of technologies.

Other key factors influencing technology purchases include customer and user experience (28%), proven success (25%), and security/privacy (25%). Contradictorily, while finding trusted vendors was listed as a challenge by 27% of respondents, only 8% included it as a factor influencing the purchasing decision. In fact, peer recommendations (11%) were more influential than perceived trustworthiness in decision-making.

## MAJOR FACTORS INFLUENCING A TECHNOLOGY PURCHASE

48%

Cost / return on investment (ROI)

39%

Time spent implementing new technology

34%

Ease of integrating it with existing technology solutions

## COSTS, CONSTRAINTS AND CONCERNS

66%

Budget to adopt new technology is a huge challenge

40%

Lack of technical expertise and training in their organizations



# Key challenges and pain points

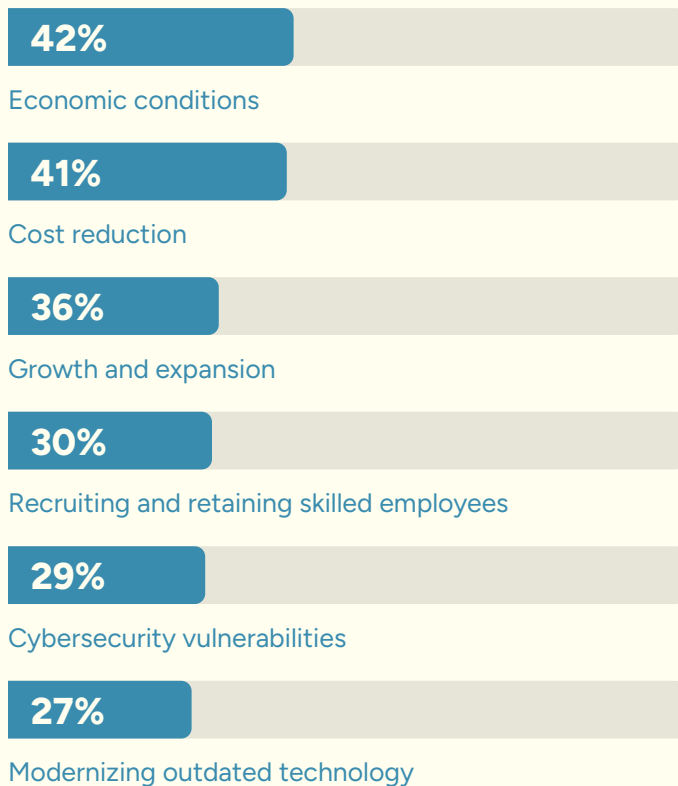
The current business environment is becoming increasingly difficult to navigate, and optimism is declining among small business owners, according to a report by The Hill<sup>3</sup>. Kinetic's survey results paint a similar picture, with 42% of SMBs concerned about economic conditions and 41% focused on cost reduction.

Other challenges for SMBs include growth and expansion (36%), recruiting and retaining skilled employees (30%), cybersecurity vulnerabilities (29%) and modernizing outdated technology (27%).

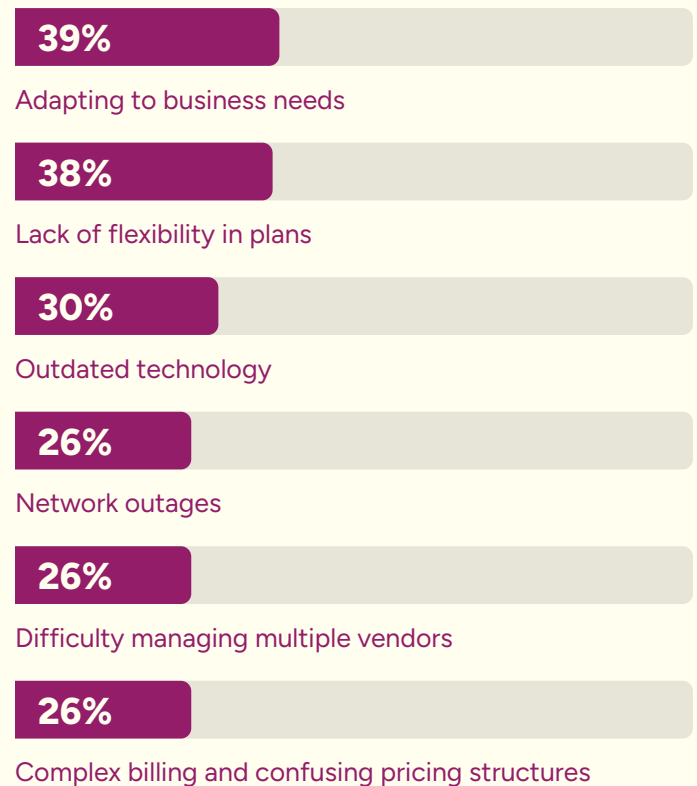
While SMB decision-makers are largely aware of the benefits modern tech solutions can deliver in each of these areas, they struggle to find technology that aligns with their needs, resources, and capabilities. When asked to choose their main pain points, they selected adapting to business needs (39%), lack of flexibility in plans (38%), and outdated technology (30%).

In addition, network outages (26%), difficulty managing multiple vendors (26%), and complex billing and confusing pricing structures (26%) were cited as pain points.

## SMB KEY BUSINESS CHALLENGES



## TOP TECHNOLOGY PAIN POINTS





## Technology Benefits

Improving customer experience and increasing revenue are the areas where most SMBs find technology helpful, with a majority (58%) selecting both of those options. Increasing efficiency is important for 47% of respondents, and 30% see the potential for technology to help with improving uptime.

### TECHNOLOGY BENEFITS

58% IMPROVING THE CUSTOMER EXPERIENCE

58% INCREASING REVENUE

47% INCREASING EFFICIENCY

30% IMPROVING UPTIME

## Decision-makers and purchasing factors

This year's survey found that tech investment decisions are largely the responsibility of those with direct oversight into the company's technology and personnel.

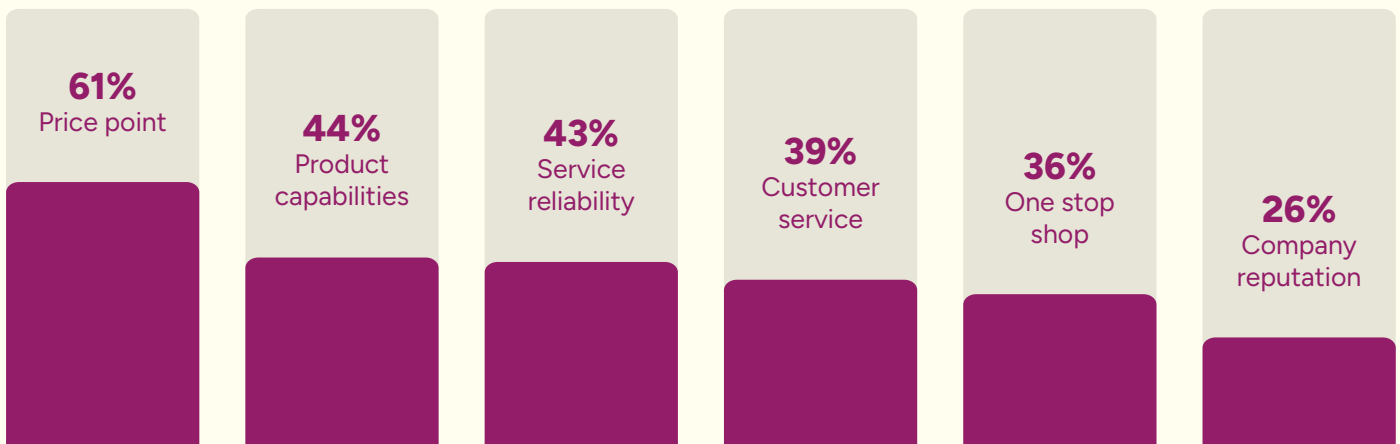
Half of respondents said the business owner is responsible for decisions about new technology, while others reported that the duty falls on a director (21%) or manager (15%). Only 12% report that these decisions are made by a president. Most SMBs manage technology in-house (50%) or partially in-house (31%), with only 19% fully outsourcing to a third party.

For those with existing providers or solutions, the deciding factor that would influence them to switch is price point (61%), which reflects the importance of budget in this year's survey. Other key aspects include product capabilities (44%) and service reliability (43%). Customer service (39%), a "one stop shop" (36%), and company reputation (26%) are slightly less important.

In short, SMBs want a useful, reliable product that's well supported and easy to use, all at an affordable price.



### DECIDING FACTOR THAT WOULD INFLUENCE THEM TO SWITCH





## Conclusion

It's clear that SMBs understand the importance of modernizing and optimizing their technology, especially when it comes to high-risk areas like cybersecurity. However, given the current economic climate and tight budgetary constraints, vendors need to provide easy-to-implement packaged solutions at cost-effective prices to help SMBs update their operations without adding unnecessary complexity.

Affordable, comprehensive solutions like Kinetic's Business Ready Internet, which combines cybersecurity, high-speed internet access, compliance, and productivity-boosting technology, can deliver the capabilities SMBs need in a format that fits their unique requirements.

## Respondent Profile

This survey was conducted among 300+ owners, directors, and managers across 11 industries in 18 states in the U.S. It provides insights into their decision-making on the purchase of and investment in new technology.

Learn how Business Ready Internet from Kinetic Business can deliver the seamless and secure connectivity your business needs.

1. World Economic Forum, Global Cybersecurity Outlook 2024, accessed March 2, 2025, [https://www3.weforum.org/docs/WEF\\_Global\\_Cybersecurity\\_Outlook\\_2024.pdf](https://www3.weforum.org/docs/WEF_Global_Cybersecurity_Outlook_2024.pdf).
2. U.S. Small Business Administration, "Cyber Safety Tips for Small Business Owners," SBA Blog, September 2023, <https://www.sba.gov/blog/2023/2023-09/cyber-safety-tips-small-business-owners>.
3. Olafimihan Oshin, "Small Business Optimism Falters," The Hill, April 30, 2025, <https://thehill.com/business/5187966-small-business-optimism-falters/>.