



Singapore: Business issues of SMBs



David Yew (dyew@ami-partners.com)

Vice President, Asia-Pacific

AMI-Partners

AMI-Partners at a glance



- **Founded in June 1996**
- **Leader in actionable global SMB Market Intelligence & GtM strategy consulting**
- **Invested over \$30 million in syndicated primary research to track end users & channel partners**
- **Global reach covering 30+ countries**

Definitions: SB vs MB vs LB

Small Business

- Fewer than 100 employees across the company
- Located in a commercial setting
 - Home-based business excluded
- Franchises excluded
 - Purchase decisions driven by corporate HQ based elsewhere
- Government and education are separate

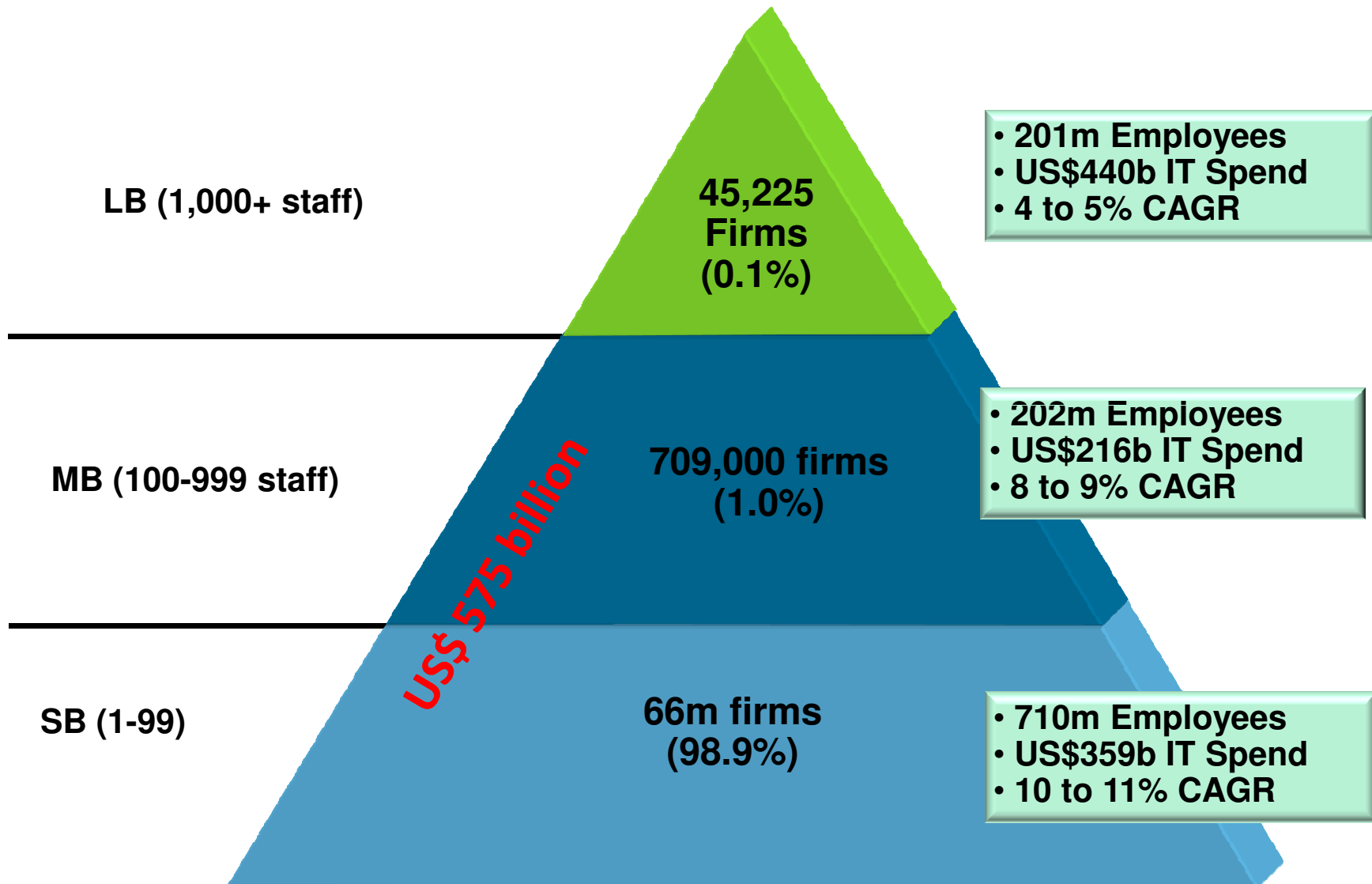
Medium Business

- From 100-999 employees across the company
- Franchises excluded
- Government and education are separate

Large Business

- More than 1,000 employees across the company
- Franchises excluded
- Government and education are separate

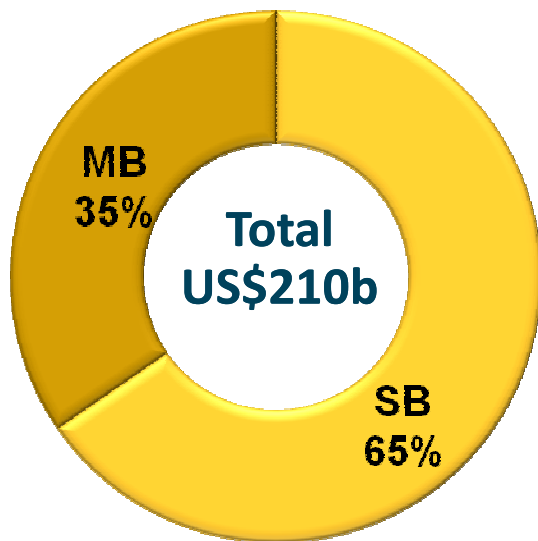
Global Market Sizing: 2008



Source: AMI Partners, 2008

SMB IT Spend in 2008

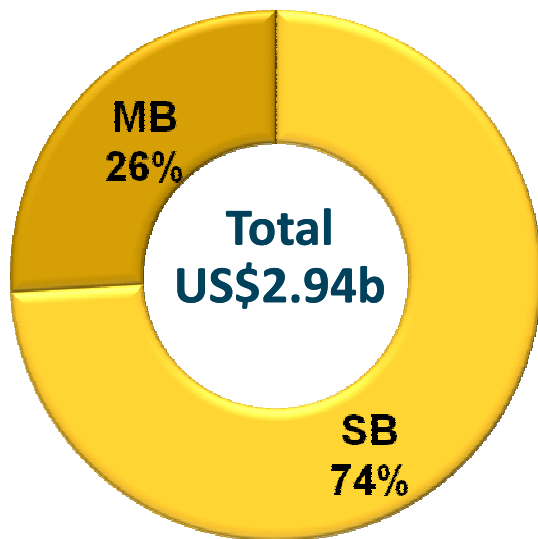
APJ



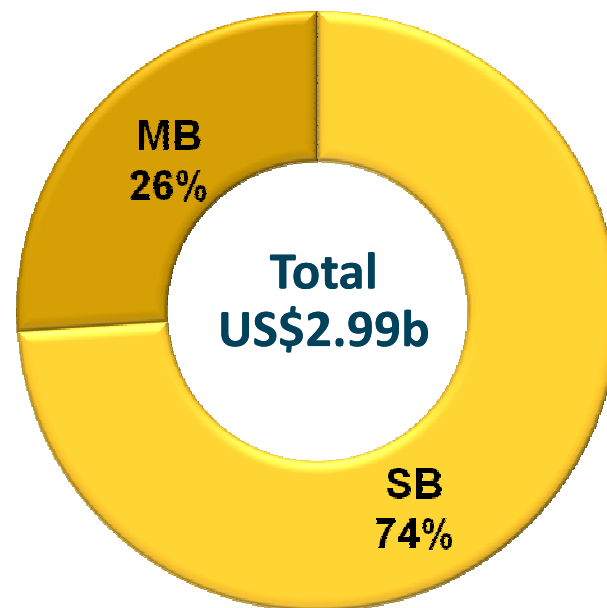
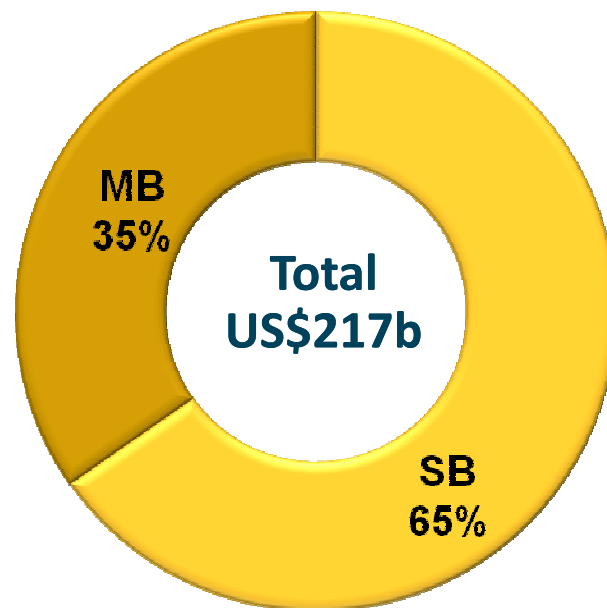
YoY growth:
3.2%

SMB IT Spend in 2009

SG



YoY growth:
1.8%



Source: AMI Partners, 2009

Singapore key macroeconomic indicators

- **Population: 4.66 million**
- **GDP: US\$154.5 billion**
- **GDP Per Capita: US\$52,000**
- **Labor Force: 2.96 million**
- **GDP Composition:**
 - ***Agriculture: 0%***
 - ***Industry: 33.2%***
 - ***Services: 66.8%***
- **Unemployment rate: 2.3%**
- **Internet Users: 3.105 million**



Source: AMI Partners from government statistics, 2008

Singapore key IT spending and penetration figures

	2007	2008	%
No. of SBs	120,691	121,994	1.07%
No. of MBs	1,617	1,632	0.87%
No. of co's with 50-99 PCs	5,950	6,032	1.37%
IT spend by co's with 50-99 PCs	US\$287 M	US\$304 M	6%
No. of co's with 100-249 PCs	1,032	1,041	0.89%
IT spend by co's with 100-249 PCs	US\$311 M	US\$327 M	5%
No. of co's with 250-499 PCs	309	311	0.85%
IT spend by co's with 250-499 PCs	US\$117 M	US\$124 M	6%

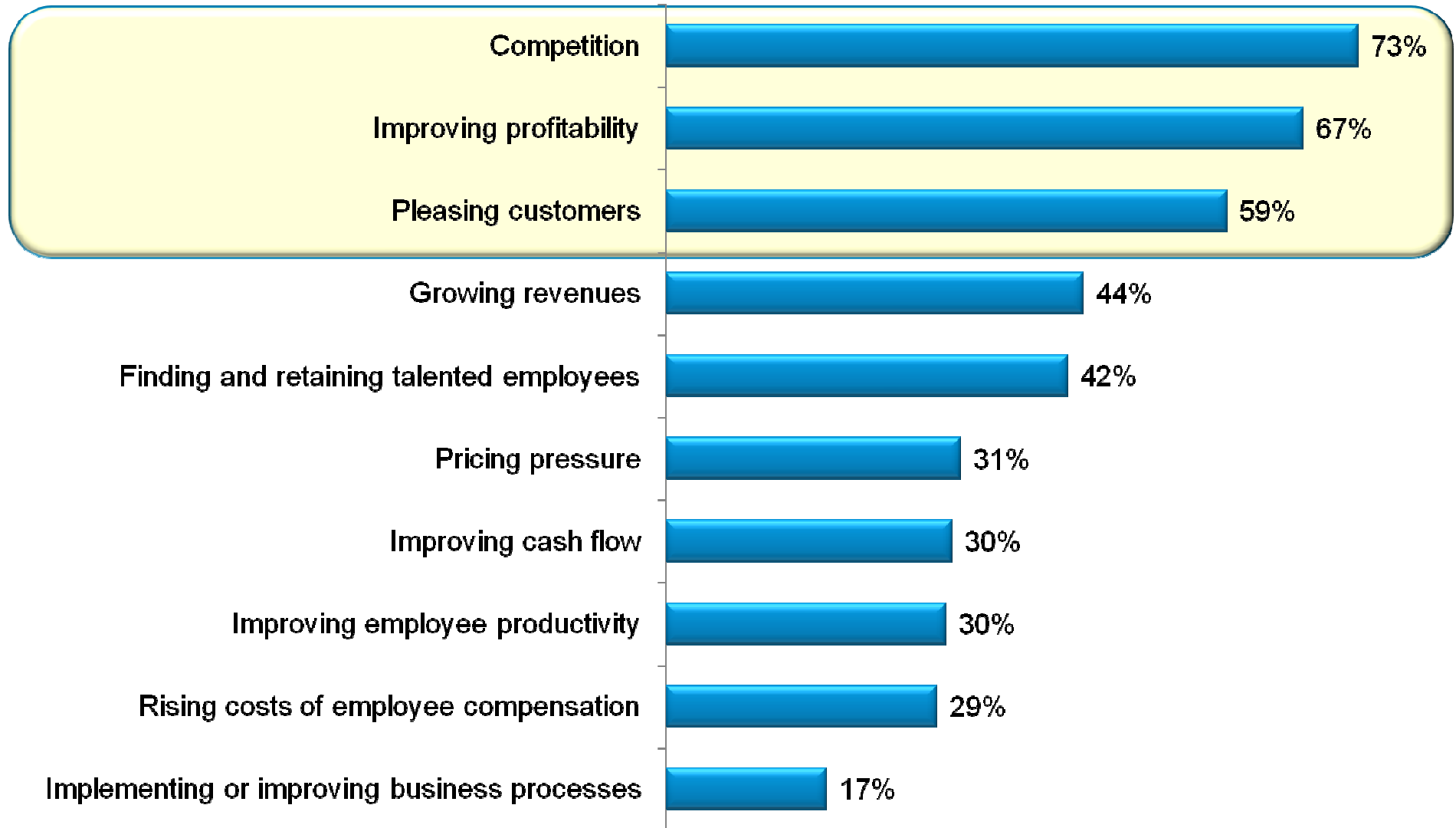
Source: AMI Partners, 2008

Asia countries key IT spending and penetration figures

Country	50-99 PCs (No.)	100-249 PCs (No.)	250-499 PCs (No.)	IT Spend 50-99 (US\$ M)	IT Spend 100-249 (US\$ M)	IT Spend 250-499 (US\$ M)	IT Spend (Total) (US\$ M)
Singapore	6,032	1,041	311	\$ 304	\$ 327	\$ 124	\$ 755
Malaysia	16,909	2,691	1,352	\$ 412	\$ 409	\$ 254	\$ 1,075
Thailand	4,039	2,924	867	\$ 146	\$ 261	\$ 104	\$ 510
Indonesia	18,270	10,708	2,762	\$ 197	\$ 705	\$ 254	\$ 1,157
Philippines	3,289	3,423	1,015	\$ 100	\$ 279	\$ 100	\$ 479
Taiwan	13,807	4,635	706	\$ 567	\$ 618	\$ 165	\$ 1,350
Vietnam	2,401	3,034	575	\$ 50	\$ 245	\$ 84	\$ 380

Source: AMI Partners, 2008

Singapore SMB top business concerns



N = 420

Base = 0.11 Million PC SMBs

Source: AMI Partners, 2008

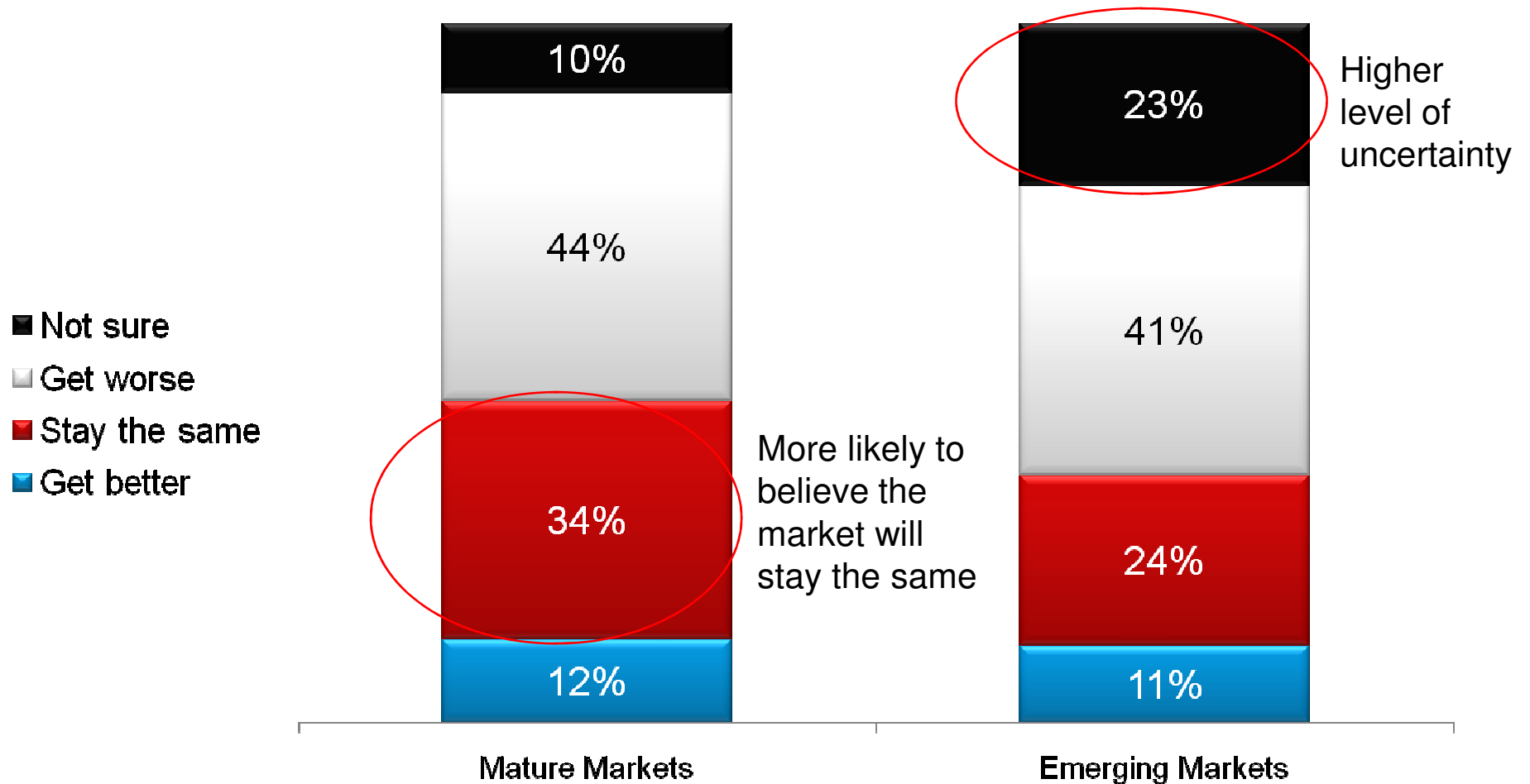
Note: Respondents were asked to "Please check the top 5 challenges your company faces."

Each rank response is assigned a value of importance: "Top 1" = 0.5, "Top 2" = 0.3, "Top 3" = 0.2, "Top 4" = 0.15, and "Top 5" = 0.1

Above percentages reflect ranking of each issue based on weighted score of importance using weighted average of "Top1," "Top 2," "Top 3," "Top 4," and "Top 5."

SMB reactions: what has changed & what is its meaning?

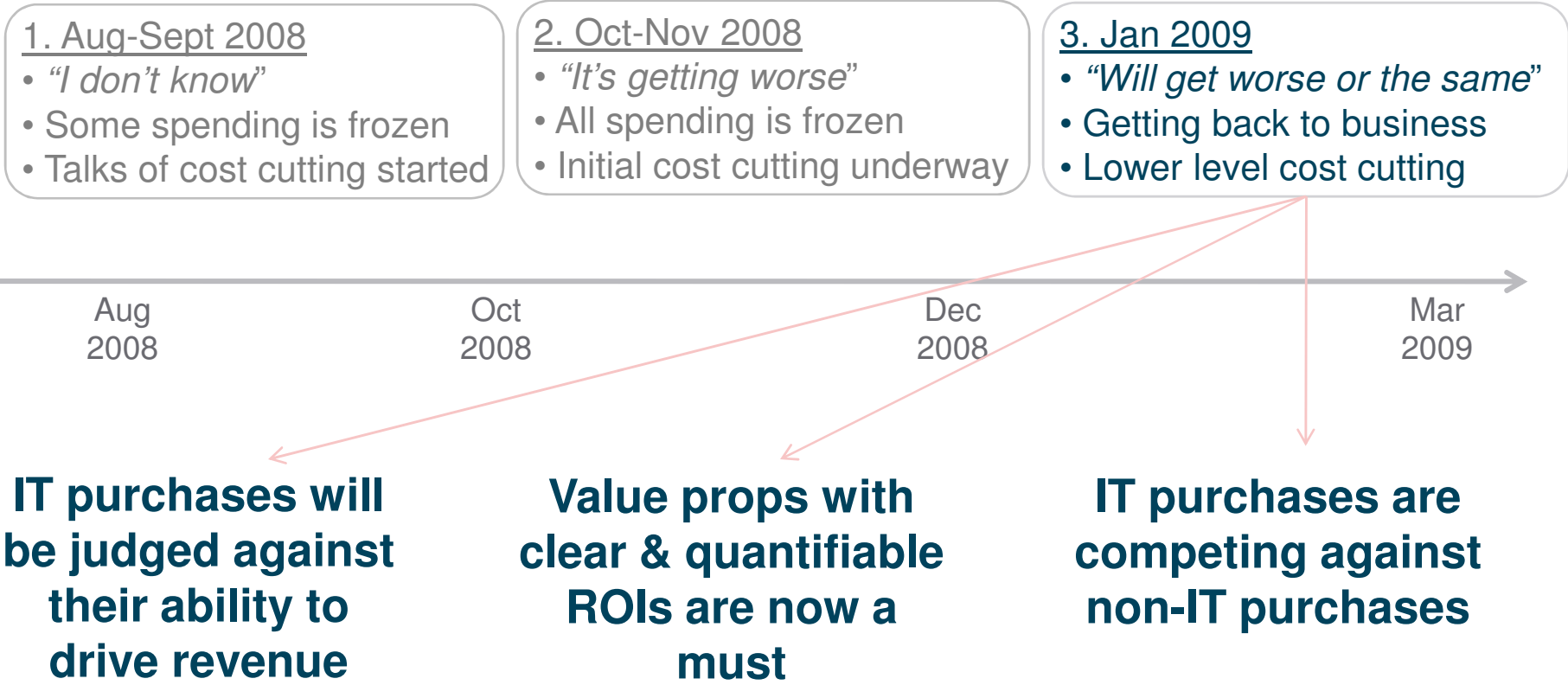
Q. In the next three months do you think business conditions will...



Source: AMI Partners, 2009

SMB perceptions of the downturn

AMI pulsed the market 3 times over the last 5 months assessing the impact of the downturn on SMBs



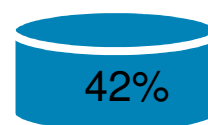
Source: AMI Partners, 2009

Purchase process, decision makers and influencers

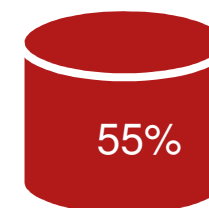
There is a shift taking place in who is making IT purchase decisions & how they are made



Business Decision Maker selects the brand



All SMBs

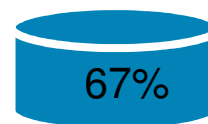


Concerned SMBs

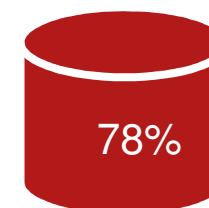
1 BDMs wielding more influence

2 Shift messaging to key BDM pain points (productivity, customer retention, efficiency)

BDM makes the final purchase decision



All SMBs



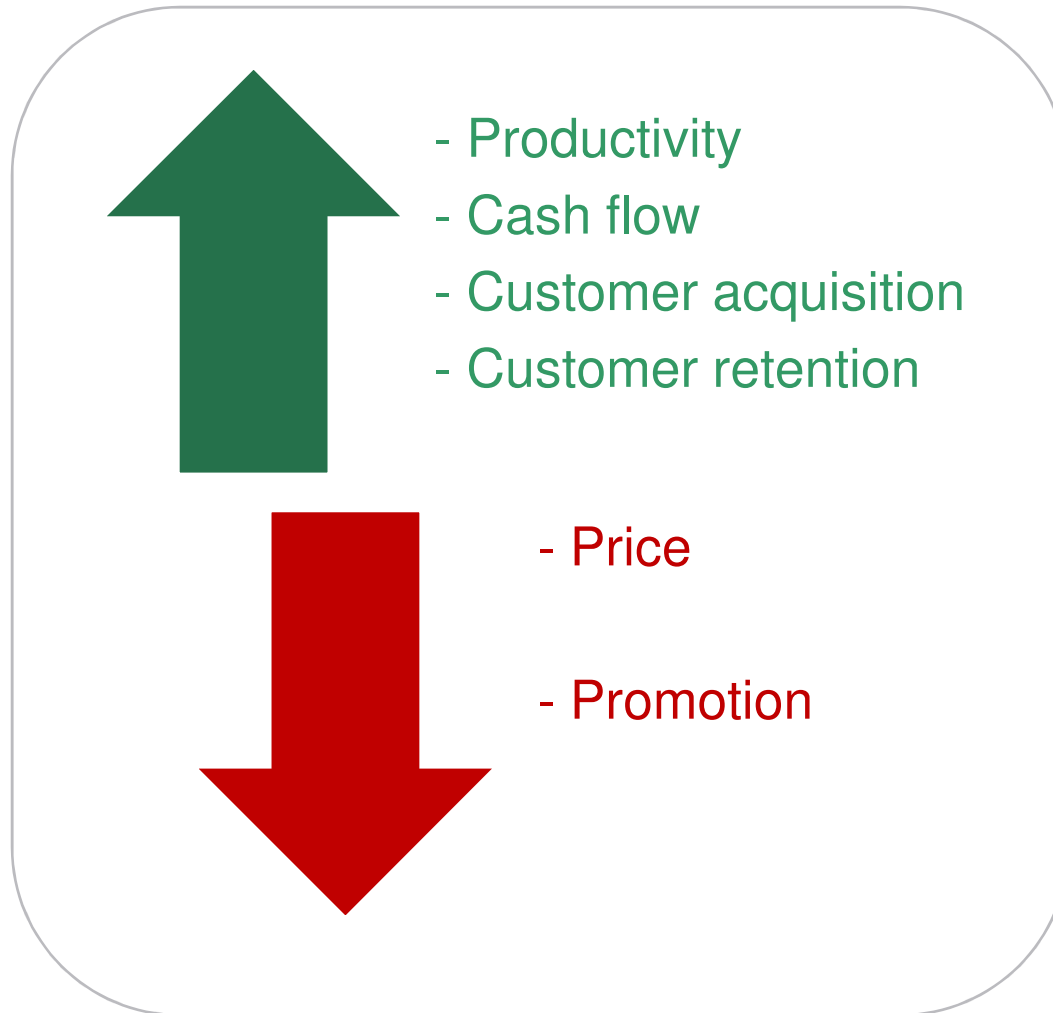
Concerned SMBs

3 SBs also focused on long term value

MBs focused more on tactical

Source: AMI Partners, 2009

SMB pain points & hot buttons and what is no longer important



Key takeaways

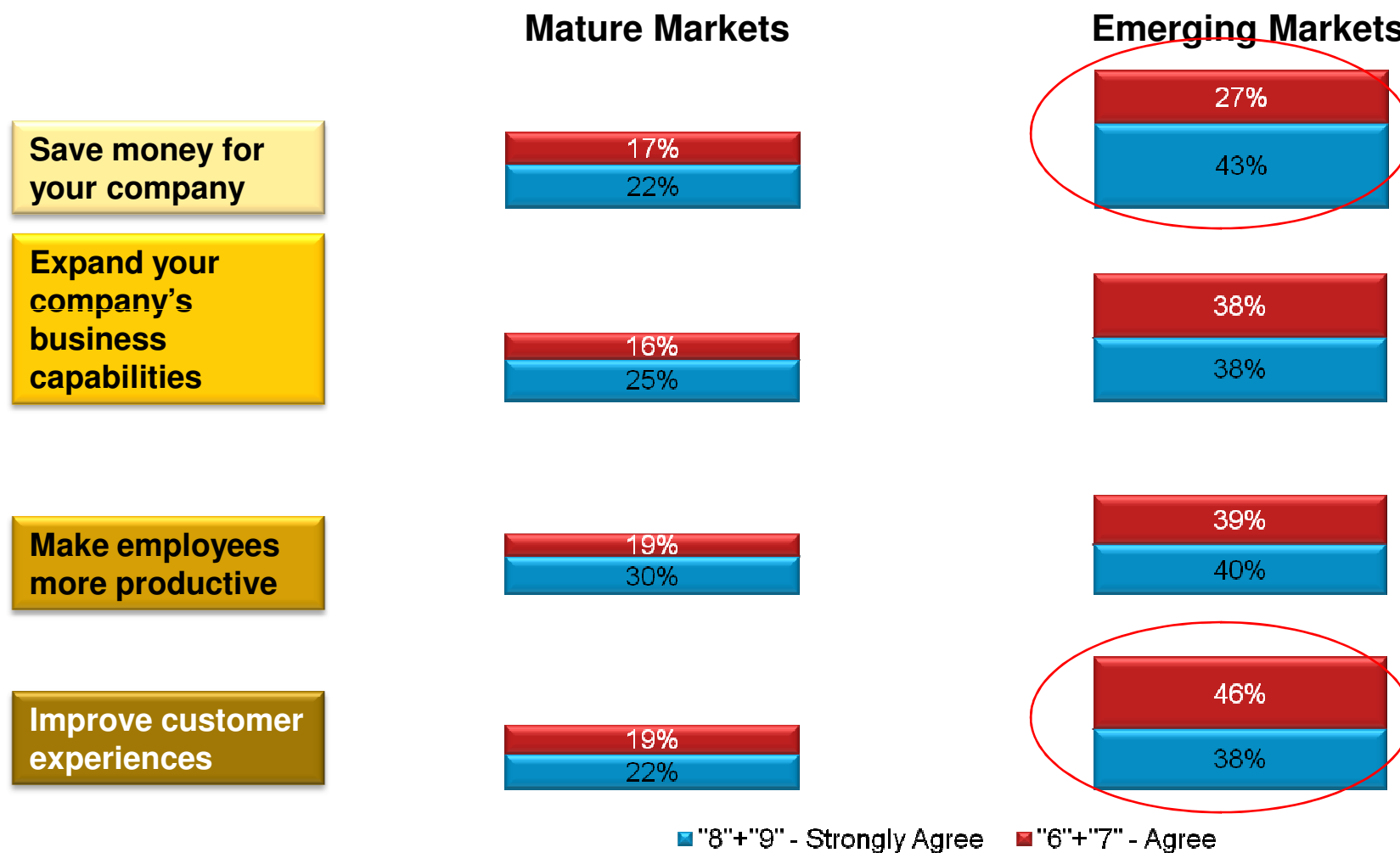
Marketers relying only on deep discounts & other promotions to drive sales will struggle

IT solutions that offer business decision-makers compelling value propositions to address core needs (e.g. productivity) will gain traction

Source: AMI Partners, 2009

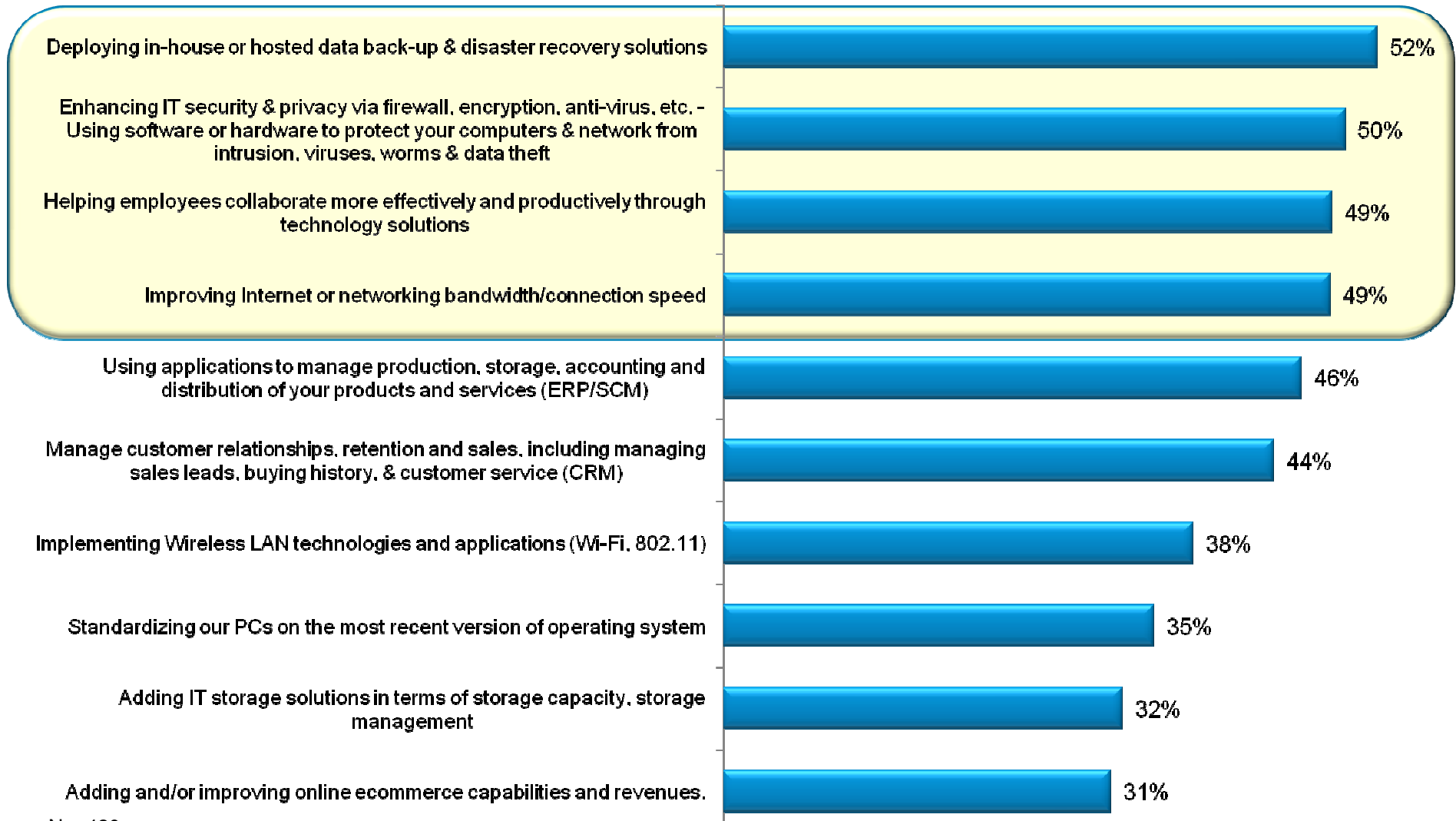
SMB IT investment and their impact on business

Question: With respect to investments in IT solutions in the next 6 months how strongly do you agree or disagree that such IT solutions will:



Source: AMI Partners, 2009

Tying it back: Singapore SMB top technology concerns



N = 420

Base = 0.11 Million PC SMBs

Source: AMI Partners, 2009

Note: Respondents were asked to "Please check the top 5 challenges your company faces."

Each rank response is assigned a value of importance: "Top 1" = 0.5, "Top 2" = 0.3, "Top 3" = 0.2, "Top 4" = 0.15, and "Top 5" = 0.1

Above percentages reflect ranking of each issue based on weighted score of importance using weighted average of "Top1," "Top 2," "Top 3," "Top 4," and "Top 5."

Contact information

For Client Inquiries or to purchase other similar reports please email us at ask_ami@ami-partners.com or contact one of our offices directly at :

United States



546 Fifth Avenue
New York , New York 10036
T: 212-944-5100 F: 212 944 2288

London, England



BCM Box 2299
London, England WC1N3XX
T: +44 2089872756 F: +44 7789 551606

Kolkata, India



703 Central Plaza
2/6 Sarat Bose Road
Kolkata – 700020
T: +33 4003 3093 F: +33 4003 3097

Bangalore, India



Gopal Towers
146 Ramaiah Street, Off Airport Road
Kodihalli, Bangalore – 560008
T: +80 6451 5732 F: +80 4148 2612

Singapore



78 Shenton Way, 27-01A
Singapore 079120
T: +65 6220 5535 F: +65 6220 5536

Shanghai, PR China



Unit 2203, Hong Kong Plaza
283 Huai Hai Central Road
Shanghai, PR China, 200021
T: +86 21 6390 6298 F: +86 21 6390 6128