



The 2022 small business forecast

How 1000+ small business owners and leaders are thinking
and acting in 2022z





SMB outlook 2022: optimism, uncertainty, and resilience

2022 is a year of cautious optimism for small and medium businesses (SMBs) with between 1 and 500 employees. Though 57% of SMBs have an optimistic business outlook for the year, they're also treading with caution as 35% prioritize "stabilizing the business" and another 35% focus on "overcoming previous losses."

This cautious optimism is just one of many insights we uncovered by teaming up with research agency CensusWide to survey 1000+ SMB owners and leaders.

In this report, you'll learn how the fast pivots required to survive the past few years are giving way to an emphasis on core functions: optimizing operations, automating sales and marketing processes, getting back to a proactive stance with compliance and fraud, and solving the still open question about attracting and retaining talent in a competitive labor market.

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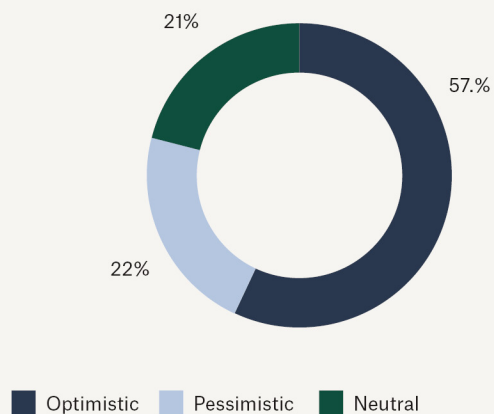
SMBs are entering 2022 with cautious optimism



Small business leaders are hoping that 2022 will be a bounce-back year, with 57% saying their net business outlook for 2022 is optimistic, much more than the 21% that are pessimistic.

The source of this optimism is, as analyst, author, and podcaster Ben Eubanks explains, “Companies are seeing more opportunities than they ever have. That’s really easy to be optimistic about when you see new customer relationships and new chances to go out and serve people. There’s also no longer this dark cloud hanging over businesses. So part of the optimism is running away from that dark cloud, and part of it is running towards something new and exciting.”

SMB business outlook for 2022



How SMBs are acting on this optimism

Despite a sunny outlook, SMBs are still setting conservative sales goals

Small business leaders are still focused on the same goals as 2021: stabilizing their businesses (35%), overcoming previous losses (35%), and increasing profitability (35%).

	2021 sales goals
#1 priority	Stabilizing the business (36%) Increasing profitability (36%) Overcoming previous losses (36%)
	2022 sales goals
#1 priority	Stabilizing the business (35%) Overcoming previous losses (35%) Increasing profitability (35%)

Small business expert Ramon Ray points to a practical approach to uncertainty as a reason SMBs remain conservative going into 2022: “Even though SMBs are optimistic and can see a path forward, even though they think ‘I’ll be okay’, there’s a practical understanding that sales will likely be less in 2022. SMBs know that challenges will likely come up and so they might lower their numbers a bit. And if they’re wrong, so what, they’ll be pleasantly surprised.”

Tom Rossiter, CEO of real estate platform RESAAS, sees a wider economic perspective to the conservative plans for the coming year: “There’s a distinction between how an SMB operates and how the market operates . . . Targets are being clipped due to broader macroeconomic factors that are leading to hesitation and conservative outlooks. That’s a reason targets are being clipped. We don’t know fully what the future looks like for the wider global market.”

To realize these sales goals, SMBs are looking to new markets

Small businesses consider their most important driver for growth in 2022 to be “expanding to new markets” (38%). As Tom Rossiter explains, SMBs are broadening their targets because “using technology as we do now has allowed SMBs to reach a much broader audience from different markets around the world . . . When a primary market is, it’s a fairly intuitive set of next steps to look at selling what you’re already selling and expand into new regions and territories globally.”

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— Ramon Ray, small business expert

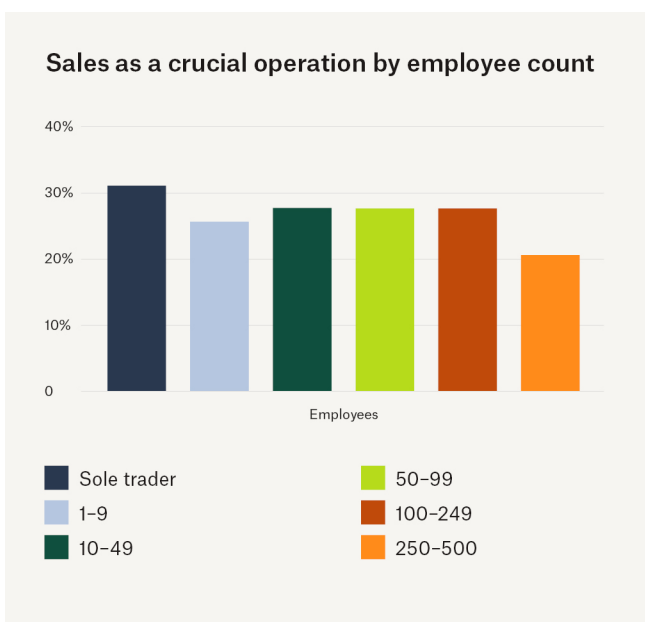
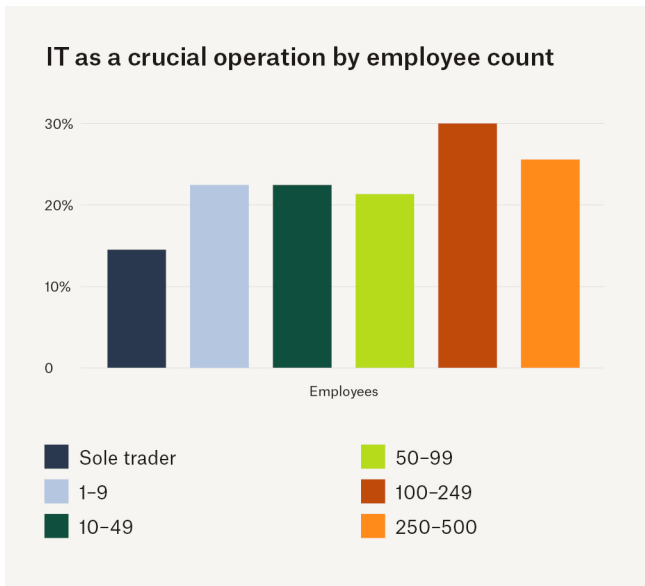
Small business' priorities shift with scale

Unsurprisingly, different-sized SMBs have different operational priorities. We found that those with 100+ employees are more likely to view IT operations as a crucial business operation in 2022.

Sole traders and smaller SMBs, however, were more concerned with sales, with 31% of sole traders citing sales as their most crucial operation.

Ben Eubanks explains, the reason for this discrepancy: "When we hear the term business agility, we think it has to be a company with 10,000+ employees. But the tipping point for business agility actually sits at around 100 employees. Once you hit that you need other infrastructure, other resources, other tools to make sure you can support the workforce you have... and a big part of that is the technical resources that help employees get work done every day."

Additionally, small business expert Ramon Ray points to a change in founder mindset as a reason for differing SMB priorities. "For the smaller businesses, it's you, it's your face, it's on your back. We're seeing it all and signing all the checks. But as you go up the food chain and get to 100 or more employees, the systems and processes are already built, so the owner isn't necessarily signing every check anymore. At that stage of business, you're looking at areas to increase profitability and scalability. When you're under 100 employees it's about feeding your family. When you get over 100 employees, it becomes more about shareholder value."



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— Ben Eubanks, analyst, author, and podcaster

Technology priorities are skewing operational



Rather than using technology to address scale problems—like marketing (24%) and procurement (24%)—as in 2021, SMBs are looking to technology investments to unlock greater business efficiencies—IT operations (25%), finance (25%), and legal (25%)—in the hopes of greater productivity gains.

This refocusing on operational technology is further borne out by “increased productivity” emerging as a top motivation for new technology investment (36%).

Ben Eubanks puts this shift in technological priorities down to talent shortages. “This technology adoption is also driven by the talent shortage. Because of that, businesses are asking, ‘where can we be more efficient or where can we automate a step or add in something to connect data sources so it’s not a person doing the data input?’ That’s the reason we’re seeing companies leaning into operational technologies.”

	2021 technology priorities	2022 technology priorities
#1 priority	Finance (24%), Marketing (24%) Procurement (24%)	Finance (25%) IT operations (25%) Legal (25%) Sales (25%)
#2 priority	Customer service (23%) Security (23%)	Customer service (24%)
#3 priority	IT operations (22%) Sales (22%)	Security (23%) Procurement (23%)

While these technologies are all the rage today, business futurist and digital transformation expert Greg Verdino cautions SMBs about looking at technology as a one-and-done solution. “For SMBs in particular, if they are focused on operational efficiency today or through the course of 2022, it's important not to get trapped there and think that they've done the job once they've applied technology to the core business. Instead, keep the foot on the gas, look and think more broadly about how technology transforms the essence of the business, not just the operation of the business.”

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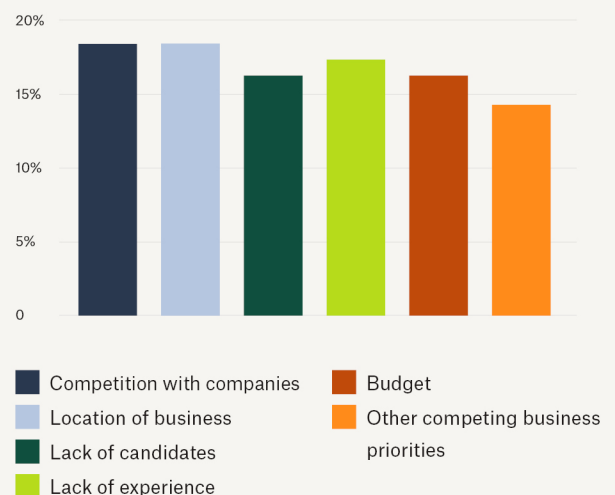
Small businesses are leaning remote amid a talent shortage



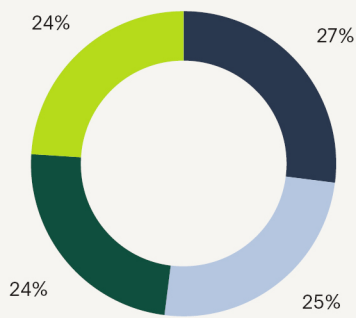
Small businesses are anticipating a competitive talent market in 2022. Competing with other companies (18%) ranked as SMBs' main barrier to hiring in 2022, with a lack of experience (17%) and lack of candidates (16%) coming close behind.

So what's behind this talent shortage, and will it last? HR analyst, author, and podcaster, Ben Eubanks explains, "Every company is struggling with talent . . . in the past few years, more people have opted out of the workforce when they may have worked 4 or 5 more years. This is shrinking the number of people who can do the work. And at the same time companies have had unprecedented demand for the work they're doing. There are more job postings right now than people qualified to do them."

Biggest barrier to hiring in 2022

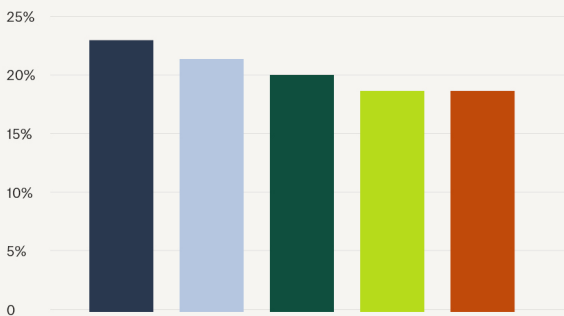


Employee working arrangements in 2022



Hybrid arrangement
Fully remote
In the field
In the office

Primary strategy for attracting & retaining employees in 2022



Flexible working arrangements
Employee referrals
Creating an attractive brand
Better benefits
Higher pay

The result of this talent shortage, Tom Rossiter continues: “Employees have a lot more choice now. It’s something we don’t expect to slow down. We’ll see more competition when it comes to recruiting, more juicy offers, and more lucrative packages come to the fore as companies jostle to fill the talent pipeline.”

Remote and hybrid work is slow to catch on—pandemic or not

When asked where employees will work in 2022, 52% of SMBs say either fully remote or a hybrid arrangement.

Surprisingly, just under half (48%) of small businesses are still pursuing traditional office and in-field set-ups. A reason for this, Ben Eubanks explains, is “a tremendous number of companies are concerned about what hybrid or remote can do to their culture. When you’re a small company of 10 or 50 people, hiring one more person can sway the values of your company. When you go remote or hybrid, you give up some semblance of control and visibility over that culture. We’re hearing from leaders who are saying, ‘We want our people here, because I feel like we work better as a team when we’re together.’ What these companies need to realize is that they’re competing with businesses that are willing to let employees see the benefits of remote work.”

How SMBs are responding to the talent shortage

Remote and hybrid is the #1 talent strategy. Despite limited remote and hybrid uptake, remote work is still the top strategy for attracting and retaining talent in 2022. Flexible working arrangements (23%) topped the list of strategies to attract and retain employees in 2022, with employee referrals (20%) and creating an attractive brand (21%) close behind.

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“The word hybrid is permeating our language for a reason. There’s no going back. The genie is out of the bottle with regards to full-time on-premise work. You’re going to have a portion of your team being hybrid no matter what. If you’re not flexible, you’re not going to win over your competition for hiring.”

— Craig Fisher, founder of TalentNet Media

Areas of employee experience SMBs plan to prioritize in 2022



“In the past, it was about how the office was set up, where does the coffee machine go? Now, all those logistics are off the table, it’s an opportunity to be flexible

— Ben Eubanks

Craig Fisher, founder of recruitment marketing strategy firm TalentNet Media explains the reason for this discrepancy: “The word hybrid is permeating our language for a reason. There’s no going back. The genie is out of the bottle with regards to full-time on-premise work. You’re going to have a portion of your team being hybrid no matter what. If you’re not flexible, you’re not going to win over your competition for hiring.”

SMBs are emphasizing meaningful work over pay and benefits

Offering benefits or higher pay were the lowest strategies for SMBs to attract and retain employees in 2022, at only 18%. The reason, Ben Eubanks explains, is “The challenge for SMBs is you’re competing with bigger budgets. You can’t get into a bidding war because you’re going to lose every time.” But there’s a way to challenge big budgets, Ben continues: “So SMBs need to differentiate themselves to show how they care about employees and will take care of them.”

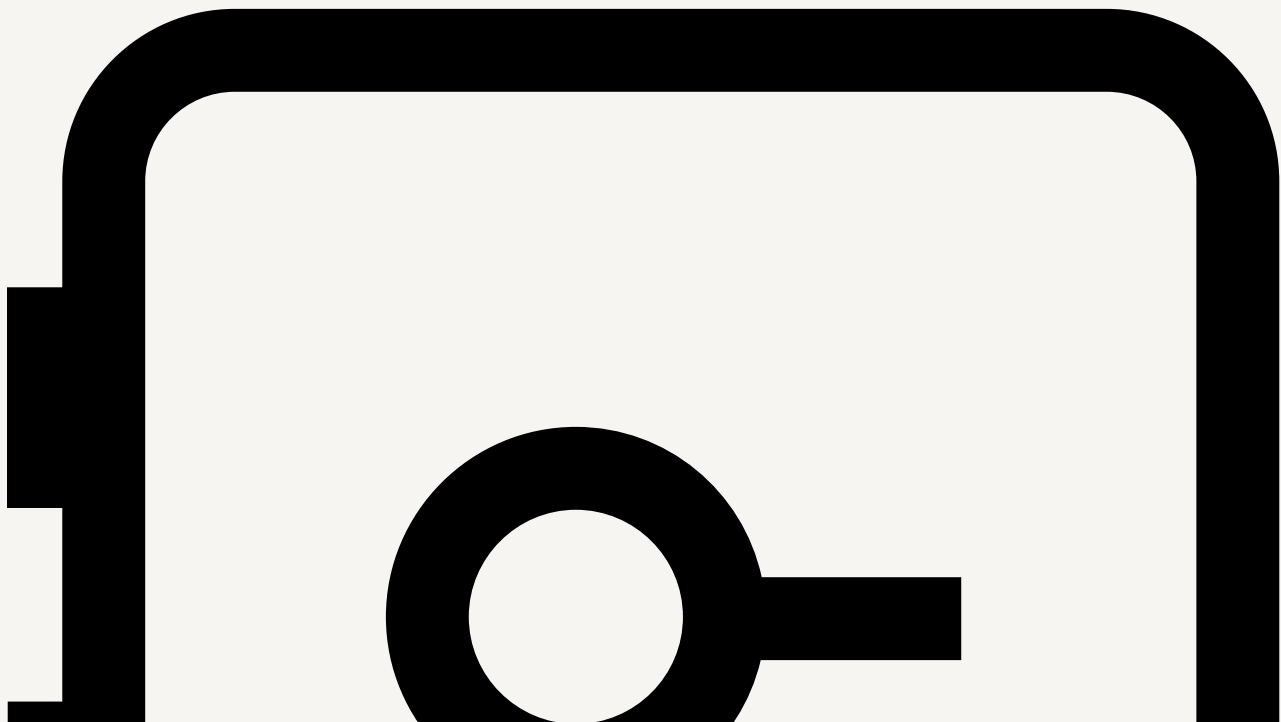
Craig Fisher builds on this sentiment. “What we’re finding is that workers are seeking out interesting SMBs that offer interesting work and meaningful work. Workers are realizing not everyone can work for big tech. You want to advertise the fact that you’re flexible and that you’re doing something that’s impacting the lives of global citizens every day. And having that message of meaningful work and opportunity.”

SMBs are divided on the best retention approach

When it comes to improving the employee experience, SMBs are favoring team-building events, but responses were nearly even across all areas of the employee experience. Team building events (33%) topped SMBs’ employee experience priorities for 2022. However, workplace safety (32%), training and development (32%), and employee onboarding (31%) all also featured prominently.

As Ben Eubanks points out, small businesses need to rethink how they create and maintain culture. “In the past, it was about how the office was set up, where does the coffee machine go? Now, all those logistics are off the table, it’s an opportunity to be flexible. But it also creates a burden for leaders to ask ‘how are we going to intentionally create an experience around the people we’re working with that connects with them and makes them feel like they’re part of something bigger?’ Because if you don’t, they’ll feel transitory and they’ll leave.”

Security concerns are lingering



Fraud is the leading security concern for SMBs in 2022

Small businesses list customer fraud (34%) and employee fraud (34%) as two of the top concerns regarding security in 2022. However, cybersecurity threats are still a significant concern for SMBs with 34% of SMBs listing data breaches as a cause for concern.

Tom Rossiter posits that small business leaders could have increased concerns about fraud now because of previous technology investments made in a rushed response to the pandemic: “Companies jumped into tools like Zoom, Slack and HelloSign [now Dropbox Sign] to quickly check the boxes and meet the demands of their remote workers. That inherently brought security issues without the time to plan for oversight and governance.”

Biggest security concerns for SMBs in 2022



How SMBs are addressing security in 2022

Despite fraud leading all security concerns, SMBs are squarely focused on addressing cybersecurity threats in 2022, listing threat detection (40%) as the top security practice they plan to implement in 2022, closely followed by staff education (39%) and file encryption (38%). Fraud prevention technologies like audit trails ranked lowest of all the practices SMBs plan to adopt (34%).

Why aren't SMBs more focused on fraud prevention measures like audit trails despite it being their top security concern? As Ben Eubanks explains, "When you use the term fraud, it seems like a big amorphous concept."

Most SMB leaders are experts in the products and services they deliver, not in fraud. They need someone to guide them in that area. SMB leaders need something very practical. It might be someone saying, here are the three ways fraud happens and you should be aware of that. If you said, for example, one way is to prevent this is to have clear audit trails, so you can go back and review procedures and processes and know the right steps are taken. Examples like that let leaders look at other areas of the business."

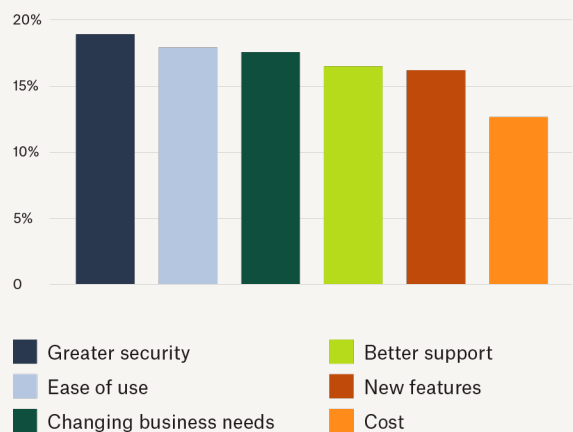
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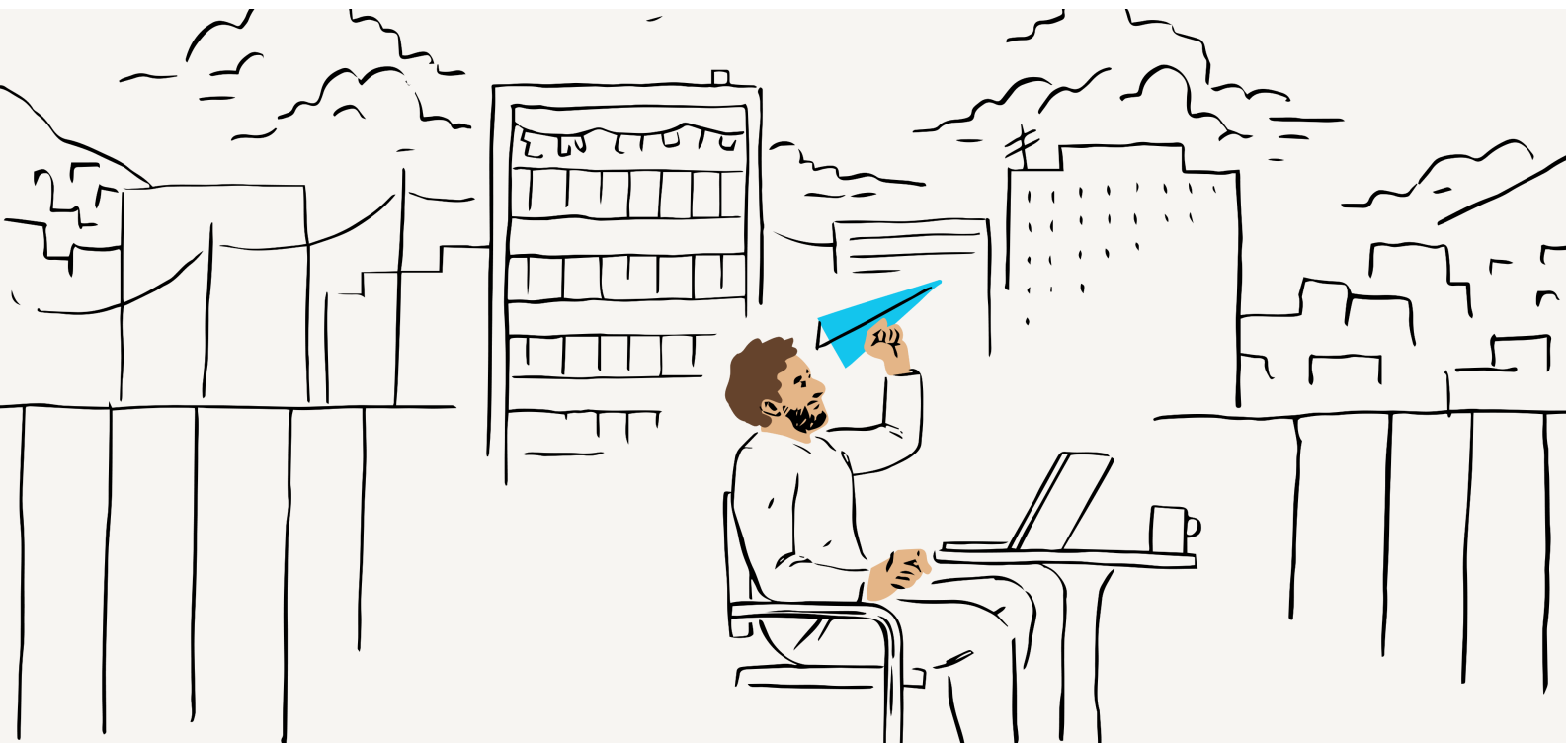
SMBs are pursuing software vendors with greater security

Greater security (19%) was the main reason SMBs would consider switching software vendors in 2022, ahead of ease of use (18%) and changing business needs (18%).

Top reasons why SMBs would consider switching software vendors in 2022



SMBs are prioritizing digital sales and marketing

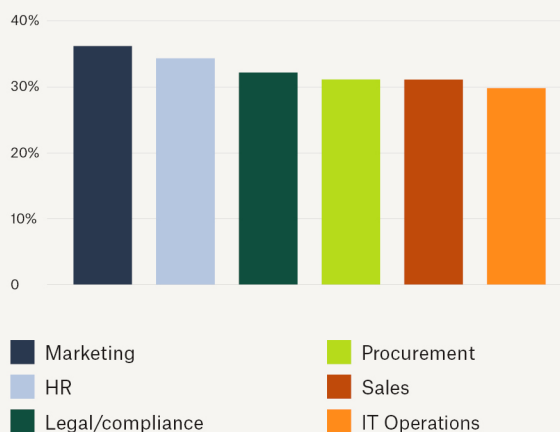


Small businesses are planning to invest in digital sales and marketing tools

25% of small businesses plan to prioritize sales technology investments. Additionally, marketing is both the top area in which SMBs are planning to invest in new technology solutions (36%) and the primary motivation for SMBs to invest in technology solutions during 2022 (36%).

The reason small businesses are prioritizing new sales and marketing technology in 2022, Craig Fisher explains, is because “If you think about how we buy things now, we buy most things from our digital device. So the web experience has to be really good. If customers are constantly battling with sign-in problems and signatures over email, and other things that inhibit your ability to consume, then they’ll move on to something that’s easier. The customer experience with your platform is very, very important.”

Business areas SMBs plan to invest in new technology solutions



How SMBs are approaching sales and marketing in 2022

Automation is a main focus for sales and marketing

The trend of making more operational tech investments has carried over into sales and marketing, too. With more business happening online, SMBs are looking for ways to do more with limited employees and resources—and automation offers a path to scale efforts.

SMBs believe they would greatly benefit from marketing and sales automation in 2022 (33% and 32% respectively), above HR and procurement—while 39% of SMBs listed greater productivity through automation as an aspiration for 2022.

As Craig Fisher says, “If you can do more with fewer people, it just goes to show that you don't have to pay salaries in order to get that done. A little bit of technology goes a long way. Before, you had to have a team of call center people following up or sending emails or phone calls. And now we get automated text messages, we got automated voicemails, everything can be done by a robot. So certainly there's profit in that. And if you realize you have a large untapped market of these cold prospects, you could actually turn them into customers. It doesn't cost very much, so why not do it?”

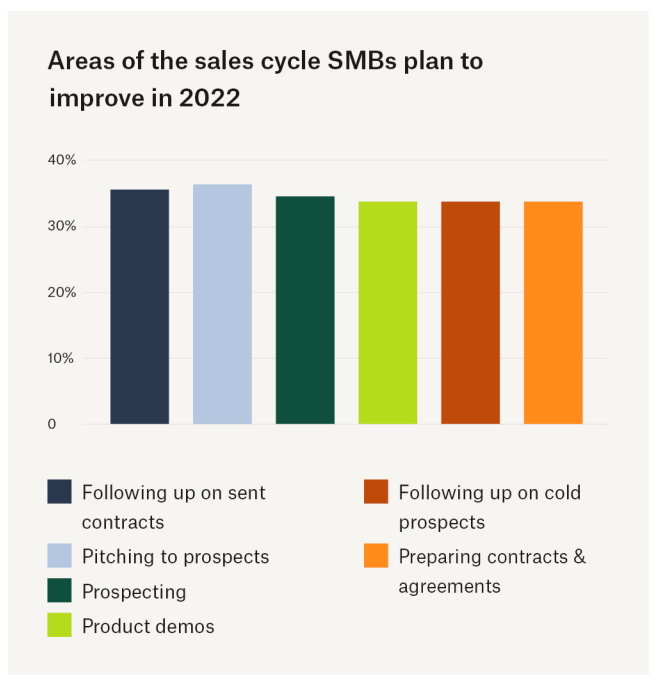
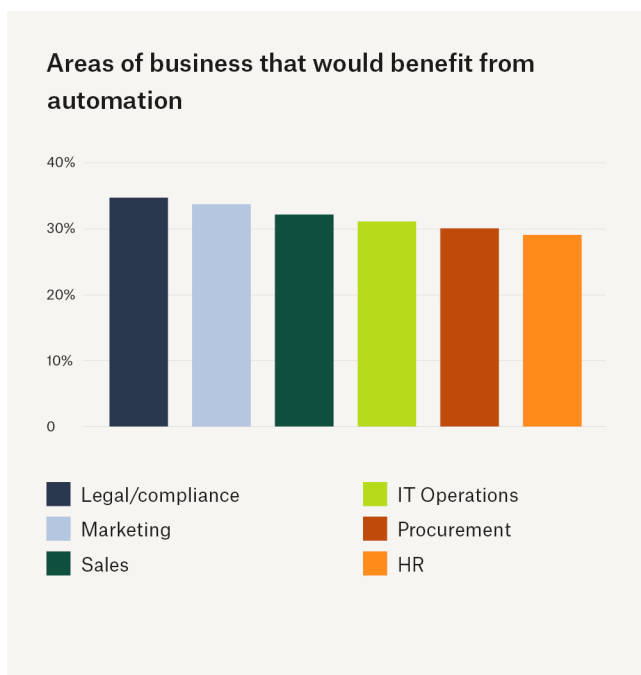
Similarly, two of the top three areas of the sales cycle SMBs plan to improve in 2022 are following up on sent contracts (35%) and prospecting (34%). Both are ripe for automation, perhaps a reason SMBs list “sales automation” as the third-biggest area that would benefit from automation (32%).

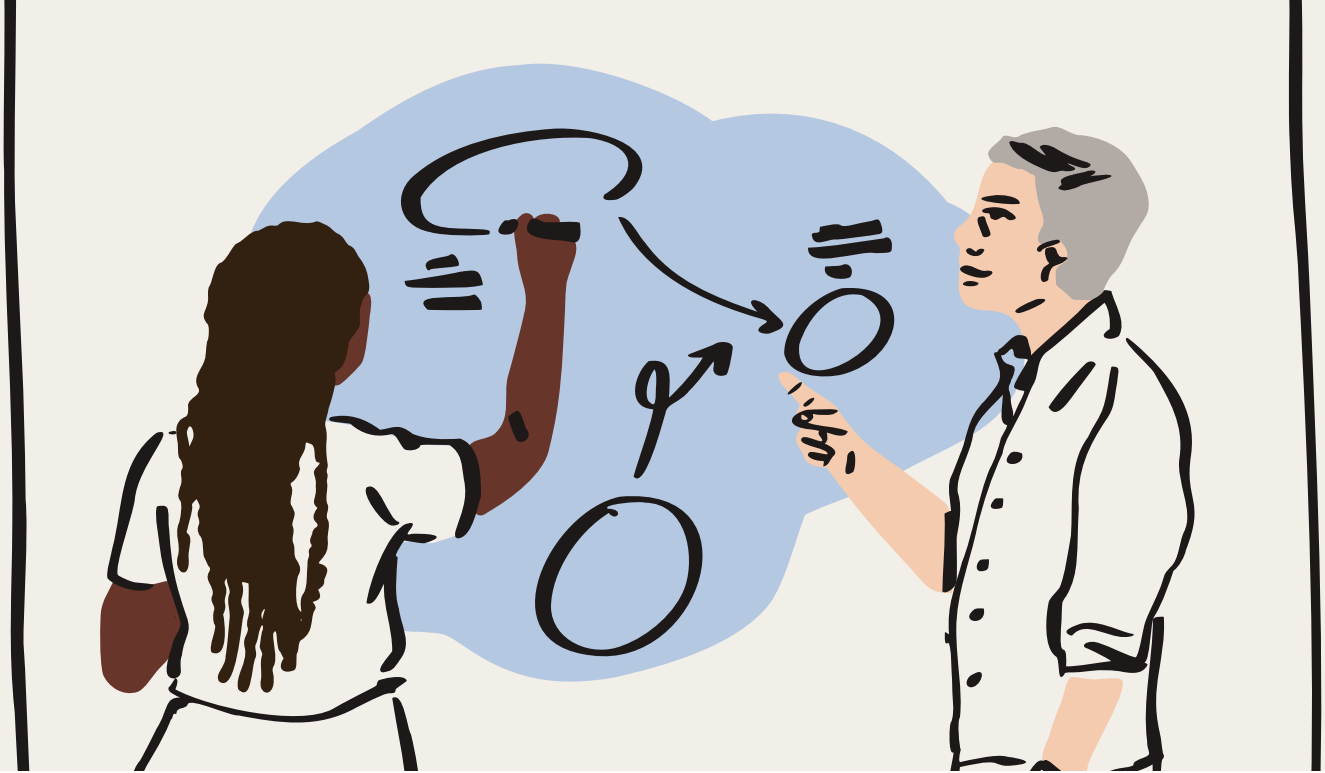
Tom Rossiter explains just how valuable automating these tasks can be for small businesses: “There are more tools on the market today to help SMBs seem like they're responsive by automating and managing inbound prospective sales inquiries. And I think they've been gobbled up. I still believe that being quick to respond and being first to the post is essential in all forms of sales, whether it's real estate, or software, or any field.”

Customer insights, data, and personalization lead marketing aspirations for 2022

The biggest expected marketing gains for 2022 are greater customer insights and data (41%), improved web experiences (40%), and greater personalization (40%).

Ramon Ray explains how these tools can help SMBs do more: “Now that people have opportunities to restart what they're doing, they're looking for new opportunities and digitizing themselves. They're realizing they've already been marketing to one sub-set of customers, so why not use sales and marketing software to see what else you can sell to them? It's a missed opportunity if you're not using technology to mine information and leverage that data.”





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Compliance is a growing challenge for SMBs

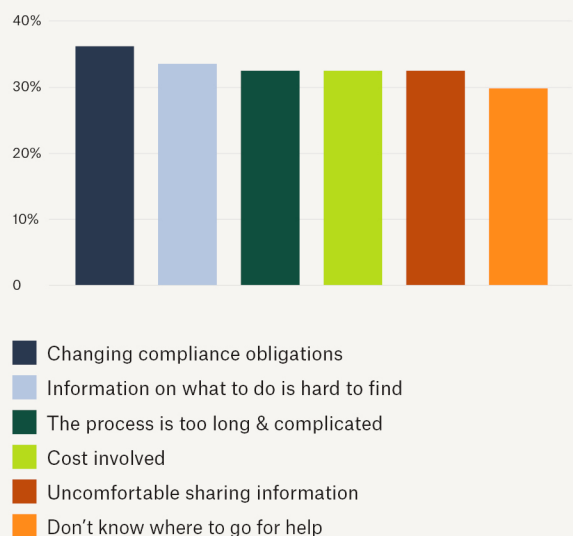


Compliance and legal obligations (20%) was the third-biggest pain point for small businesses in 2022.

Specifically, the biggest compliance and regulatory challenges for SMBs are changing compliance obligations (36%) and, perhaps relatedly, information on what to do is hard to find (33%) and the process is too long and complicated (32%).

Why have regulations and compliance become such a significant challenge for SMBs? As Greg Verdino explains, the changing business landscape influences regulations, and because we're seeing a lot of change, we're seeing a lot of changing regulations. "There are a whole range of factors around workplace safety. Some areas have mask mandates, or vaccine mandates, and others don't.

Biggest compliance & regulatory challenges facing SMBs



“There are issues related to diversity and inclusion and that has implications for everything from the makeup of your workforce to fair and equal payment across the workforce to paid leave policies.

“Also, changes to the tax code are always confusing. And I think it’s likely to become an even thornier patch in 2022 and beyond... as more organizations invest in or take payments in alternative or digital currencies, the tax implications go into hyperdrive.

“Finally, before your workforce might be relatively contained within a specific geography, but now you have a workforce that’s potentially distributed globally. You have to think about all of the different regulations—a regulation in India versus a regulation in the UK. All of these things are changing almost day by day.”

What SMBs are doing about turbulent compliance changes

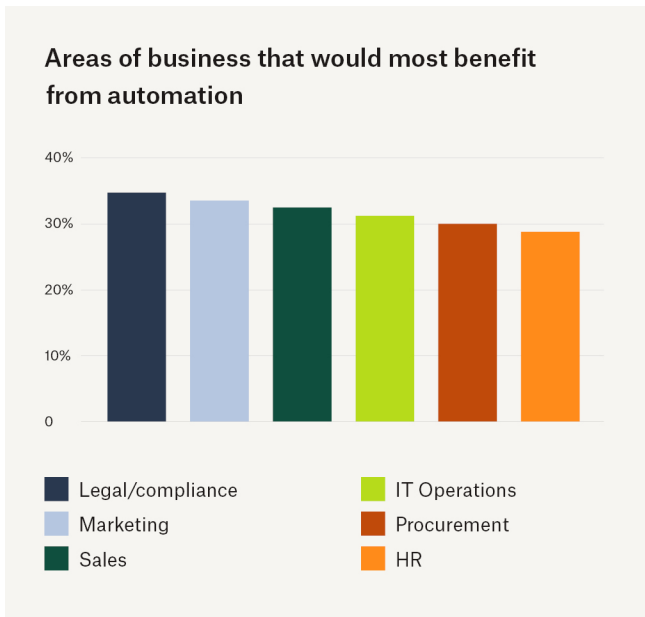
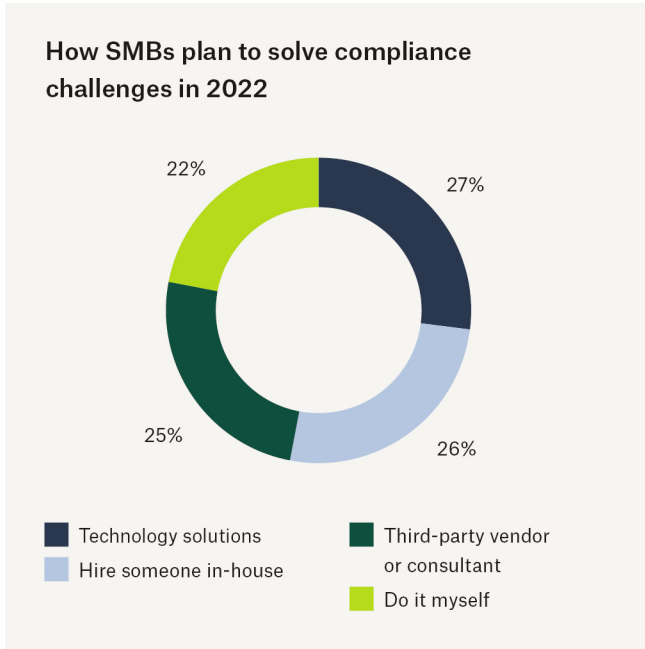
Small businesses are looking to technology, and specifically automation, to solve compliance challenges in 2022. Technology (27%) was the biggest tactic for how SMBs plan to meet their regulatory obligations in 2022.

Legal and compliance (32%) was the third-biggest area in which SMBs are planning on investing in new technology in 2022, only two percentage points behind HR (34%) and two more behind marketing (36%). And SMBs are looking to automation specifically as the answer to compliance demands, considering compliance the area of the business that would most benefit from automation (34%), ahead of both marketing (33%) and sales (32%).

As Ramon Ray explains, “Companies themselves want to be more compliant. Getting a proposal done right, walking the proposal through the process, and once the contract is rewarded, dealing with all the many compliance issues in the industry—it’s so much paperwork. The better they can automate and leverage technology to be compliant, the easier they can rest. No CEO wants to wake up with a regulatory agency on their back.” And there’s a big advantage to it, he continues: “Every company is upping their game. Everyone wants to be better with compliance and legal issues because everyone wants to know how they can find an edge in their industry.”

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— Ramon Ray, Small business expert



Thriving businesses put people first

It's an exciting time as businesses move towards a more operational and automated future, but it's important they don't forget about the people side of the equation—especially as employees move out of the office and out of business owners' sights.

That's the only true way to attract and retain talent, and ultimately build a sustainable SMB for years to come. As Tom Rossiter says, there is a silver lining to all of this

change: "In this post-pandemic corporate world, there's less focus on frills and things that don't matter, and more focus on the individuals that make up their organization. When that's the case, you build more people-forward organizations, which time and time again is proven to produce better products and produce better results."



Methodology

The survey was conducted online by Censuswide on behalf of HelloSign (now Dropbox Sign) between November 06, 2021 and December 22, 2021, among 1,051 18+ founders, CEOs, and senior leaders at businesses with between 1 and 500 employees. Specifically, this research targets respondents working in professional services (258), technology (260), finance (267), and real estate (266). Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based on the ESOMAR principles. Doing your own research? [Get the raw data.](#)

Start automating with eSignatures



Automation is top of mind for small businesses in 2022, as they search for ways to hire remotely, sell digitally, and protect themselves from fraud.

And while there are thousands of tools out there that might help achieve one of these outcomes, few can solve all three.

eSignatures are a powerful solution for automating key workflows. Whether it's faster hiring and sales contracts or secure and traceable audit trails, here's how Dropbox Sign can improve productivity, digital experiences, and security of SMBs in 2022.

Sell faster

In 2022, sales is digital—and Dropbox Sign is built for digital sales. Over a third of SMBs plan to improve their sales cycle by following up on sent contracts in 2022, and this is where Dropbox Sign automation can make a huge difference. Rather than manually following up on unanswered signature requests, or worse forgetting about them, Dropbox Sign automatically sends email reminders for unsigned contracts.

Dropbox Sign takes automation even further by letting you set a prioritized signing order, bulk send personalized agreements to multiple parties, and automatically save and store documents in your favorite storage tool. [Discover all the ways Dropbox Sign is helping improve sales cycles.](#)

Hire remotely

Flexible working arrangements topped the list of strategies to attract and retain employees in 2022. To pursue this strategy, SMBs need tools for fast and easy hiring, no matter where candidates are in the world.

That's exactly what Dropbox Sign does by improving offer letter completion rates by up to 26% with easy, tool-free signing from anywhere, on any device.

What's more, with Dropbox Sign you can templize your frequently used HR documents—offer letters, tax forms, and NDAs—and send documents for signature in a snap.

This is just scratching the surface of Dropbox Sign for HR. [Learn more about how Dropbox Sign is helping streamline employee hiring and onboarding.](#)

Combat fraud

In 2022, 34% of small businesses list customer fraud as their top security concern, while another 34% say employee fraud is their top concern. So how can SMBs protect themselves?

Dropbox Sign reduces your exposure to fraud with audit trails. Non-editable audit trails are automatically attached to all signature requests, so every action is tracked and time-stamped, giving you defensible proof of access, review, and signature.

Dropbox Sign also uses 2FA, 256-bit AES, and TLS encryption to keep every document secure and confidential. Plus, compliance with SOC 2 Type II, HIPPA, and more, means you can rest assured knowing your most sensitive HR documents are compliant with global security standards. Get the full security and compliance details in our [legality guide](#) and [trust center](#).

Already convinced Dropbox Sign is for you?

Try Dropbox Sign free today

