

Top 5 Small and Midsize Business Myths -- Busted!

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By Naomi Grossman

Smaller companies are largely misunderstood. A recent survey challenges the conventional wisdom about how they use technology

We know that small and midsize businesses are a varied, quirky, interesting, and unpredictable bunch. But does the world really understand the realities of running a smaller company?

Apparently not. A recent proprietary survey by [Rubicon Consulting](#) revealed some surprising information about how small and midsize businesses use technology and how they prefer to be regarded. We talked with Bruce La Fetra, a senior consultant at Rubicon, who interviewed 501 small and midsize companies (with between 50 to 1,500 employees each) about separating SMB myths and realities.

Myth: Small and midsize businesses make up a single, huge, monolithic market.

Reality: Sure, the small to midsize market is large -- IDC counts 8.1 million businesses -- but it's *not* monolithic. Small to midsize business aren't all alike and reflect a microcosm of the economy as a whole. "There's nothing magical about one big, giant market," says La Fetra.

Myth: Small and midsize businesses think of themselves in those terms.

Reality: Not hardly. In Rubicon's research, La Fetra asked the participants what they call themselves. The results: A plurality -- 35% -- prefer to be called "medium" or "midsize" businesses. Next came "large business" at 15%, followed by "enterprise" at 10%. Only 5% wanted to be called "small business." The rest identified with their specific market.

Myth: Smaller companies want small-sized technology.

Reality: Wrong! In fact, many small and midsize businesses don't like "less aspirational" names like "Small Business Edition" or "Starter edition." Some even find those titles vaguely insulting. Surprise, surprise -- many smaller companies look to buy the "Enterprise edition" whenever they can afford it.

Myth: Every small and midsize business wants to be a big business.

Reality: Granted, plenty of small and midsize businesses want to be the next [Microsoft](#) or [Oracle](#). But many, many companies are happy with the little niches they've carved out and are happy to stay there. Many smaller outfits don't need to try to appear bigger than they are and don't need to build infrastructure to support those potentially higher numbers. Growth is a risky game, and not all companies want or need to play it.

Myth: Small and midsize companies are all Luddites, not really interested in the latest technology.

Reality: Busted! While some smaller companies admittedly aren't tech experts, many others are. Technological sophistication is not a function of size, it's about what industry a company is in, its market position and growth plans, and so on. There are lots of early adopters lurking in the ranks of smaller companies.

Naomi Grossman, assistant editor, [bMighty.com](#).