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**The Guardian Life Index:
What Matters Most to America's Small Business Owners**
**Prioritizing the Value of Technology to
America's Small Business Owners**
*Assessing the Importance of
Software, Company Websites and Social Media*

December 2010

Executive Summary

In prioritizing which technology is most important to their companies, America's small business owners still value business software and their company website more highly than social media sites and services – even despite the significant “buzz” that surrounds this emerging area. While software and core Web presence rank highest in helping small business owners to operate more efficiently and acquire new customers, a new study by The Guardian Life Small Business Research Institute also identified specific segments within the small business community that are clearly embracing social media as a communications and business building resource.

The research, fielded in June of 2010, reveals that “using software to make my business run more efficiently” and “using websites to tell prospective customers about our business” are currently the two most important ways that small business owners tap the power of technology. In contrast, “using social media as a tool for communicating about our company” and “using social media as a way to find out about prospective clients or prospects” ranks significantly lower when viewed, in aggregate, across all respondents. The categories of small business owners where social media is more strongly emerging as an important tool include Women, Millennials, Companies with 10 or more employees and businesses that have experienced – or expect to experience – growth in revenue.

Gender differences regarding the importance of technology are striking. According to The Guardian Life Index, women small business owners are far more likely to embrace technology in all its forms and applications than their male counterparts. Significantly, women entrepreneurs value social media at three times the level of male small business owners. The Institute's research has previously shown that women entrepreneurs are more customer-focused and more likely to incorporate community into their business plans than male small business owners. These traits may explain why women small business owners are more inclined to embrace new tools like social media to engage with customers and build communities of interest.

Not surprisingly, company size is consistently correlated with the high importance of technology – including the interest in and use of social media. Small businesses with 10 or more employees more intensely value software, websites and social media as tools that can enhance their business operations than companies with fewer staff members. The importance of social media in turn rises as the number of employees grows.

For the first time, The Guardian Life Index looked at generational differences among small business owners. Efficiency-improving software and websites are equally valued across four generations of small business owners: Millennials (under age 28); Generation Xers (age 29-49); Baby Boomers (age 50-67); and Silents (68-85). However Millennial small business owners are far more likely to value social media than any of their generational counterparts. The importance of social media drops consistently from younger to older generations.

A striking bifurcation emerges with regard to feelings about technology and financial performance. Small business owners that expect their revenues to *increase* by more than 25 percent over the prior year – as well as those who expect their revenues to *decline* by more than 25 percent in that timeframe – equally value technology at a high level of intensity. Similarly, small business owners that plan to expand their business, as well as ones that plan to downsize, value technology with remarkably consistent views. How might this be explained? On the one hand, small business owners feel that efficiency-boosting software, website utilization and social media applications can help them grow their companies. On the other hand, if they are planning to downsize, they can use those same tools to become more efficient and more effective with less reliance on other resources.

Introduction

In June of 2010, The Guardian Life Small Business Research Institute surveyed 1,200 small business owners with 2 to 99 employees across 12 key industry sectors, including: Accounting & Financial Services, Arts & Entertainment, Environmental, High-Tech, Hotels & Restaurants, Manufacturing, Personal Services, Professional & Technical Services, Real Estate, Retail & Wholesale Trade, Traditional / Discretionary Healthcare and Other.

The Institute employs an innovative research methodology, The Guardian Life Index: What Matters Most to America's Small Business Owners, which utilizes a 21-point scale (from +10 to -10) that measures the positive and negative intensity of responses among America's small business owners to a vast battery of operational and personal issues.

Based on experience in using this proprietary methodology with over 25,000 respondents, positive numbers above three are highly significant and indicate strong feelings. Intensity numbers above seven are rarely seen for matters other than family or religion. A 0.5 difference between rankings signifies a meaningful variation.

This research monograph focuses on a battery of questions regarding the importance of technology as a business efficiency and customer engagement tool. Specifically, small business owners were asked to indicate the value to their company of core technology tools like business software and their company website, alongside the still emerging area of social media.

Technology – What Matters Most

Several observations are apparent in the following table (Exhibit 1). To small business owners, technology means, first and foremost, software that helps them run their business better (4.7). Ranking next in importance is the company website, which is primarily valued as a way of telling prospective customers about the business – or, in other words, as a sales tool (4.0). However, using the website as a vehicle or venue for two-way customer dialog channel falls off significantly – rated at about half the importance (2.4). The first mention of social media in the table below rates only a third of that importance (0.8), and using social media as a way of building a sense of community with the employees actually cross into negative territory (-0.4).

In aggregate, the data suggest that for America’s small business owners as a whole, social media is just beginning to gain traction as a valued tool in comparison with the more established technology resources like business software or a company’s website.

Exhibit 1:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called “social media”	Rounded Averages
Using software to make my business run more efficiently	4.7
Using our websites to tell prospective customers about our business	4.0
Using our websites to generate customer inquiries and sales	3.5
Using our websites to start a dialog with prospective customers	2.9
Using our websites as part of our customer support system	2.8
Using our websites to find out what our customers need and want	2.4
Using our websites to maintain a dialog with current customers	2.4
Having an outside resource for our website and IT needs only as needed	1.6
Using ‘social media’ as a tool for communicating about our company	0.8
Using ‘social media’ as a way to find out about prospective clients or prospects	0.8
Using ‘social networking media’ as a business building tool	0.7
Using ‘social networking media’ as a means of personal growth and development	0.7
Using ‘social media’ as a way to find out more about the marketplace	0.6
Using ‘social media’ as a way to learn more about our competitors	0.5
Having an outside resource for our website and IT needs on a regular basis	0.3
Having a full-time in-house resource for our website and information technology	-0.3
Using ‘social media’ as a way to connect and build community among my employees	-0.4

Industry Sector

Technology tools like business software, websites and social media matter more to some types of businesses than others. Looking at the industry sectors researched in The Guardian Life Index (Exhibit 2), High-tech companies (5.7) and Professional & Technical Services firms (5.4) rate software higher by nearly a full point versus the average for all sectors. Environmental companies, High-tech firms and Arts & Entertainment-related small businesses value websites more than the small business norm. Use of social media is valued the most by Arts & Entertainment enterprises and Healthcare providers. Both Arts & Entertainment and Healthcare are sectors in which there is a great deal of consumer dialogue and social commentary, potentially explaining why small business in these fields are among the earliest to embrace the business value of social tools.

Exhibit 2:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called "social media"	Rounded Averages	Real Estate Development	Personal Services	Professional and Technical Services	Arts and Entertainment	Hotels and Restaurants	Retail and Wholesale Trade	Accounting and Financial Services	Environmental	Hi-Tech	Traditional/Discretionary Health	Manufacturing
Using software to make my business run more efficiently	4.7	4.9	4.4	5.4	4.8	3.0	4.6	4.7	5.4	5.7	4.4	4.1
Using our websites to tell prospective customers about our business	4.0	4.0	3.5	4.1	5.0	3.6	3.7	2.4	5.2	5.4	3.9	4.1
Using our websites to generate customer inquiries and sales	3.5	3.9	3.1	3.1	4.7	2.1	3.6	1.9	4.9	4.7	3.3	4.0
Using our websites to start dialog with prospective customers	2.9	3.0	2.6	2.5	4.0	1.8	2.9	1.1	3.6	4.3	3.1	3.1
Using our websites as part of our customer support system	2.8	2.3	2.3	2.0	3.6	2.5	2.9	1.5	3.9	4.1	3.5	2.7
Using our websites to find out what our customers need and want	2.4	2.3	2.0	0.8	3.6	2.3	2.2	0.7	3.7	3.6	3.4	2.5
Using our websites to maintain a dialog with current customers	2.4	2.2	1.8	1.4	3.8	1.4	2.6	1.4	3.3	3.8	3.2	2.2
Having an outside resource for our website and IT needs only as needed	1.6	1.5	0.9	1.5	2.7	0.2	1.3	2.1	3.2	0.6	2.7	1.6
Using 'social media' as a tool for communicating about our company	0.8	1.2	0.8	-1.3	3.5	2.1	-0.2	-1.6	1.7	1.2	2.6	-0.9
Using 'social media' as a way to find out about prospective clients or prospects	0.8	1.4	1.0	-1.2	3.2	1.5	0.0	-1.7	2.4	1.1	2.2	-1.0
Using 'social networking media' as a business building tool	0.7	1.1	0.8	-1.0	3.3	1.9	0.0	-1.6	1.5	0.6	2.4	-1.5
Using 'social networking media' as a means of personal growth and development	0.7	1.2	0.6	-0.7	3.4	1.9	0.0	-1.6	1.8	0.8	2.4	-1.2
Using 'social media' as a way to find out more about the marketplace	0.6	1.5	0.1	-0.9	3.0	1.1	-0.3	-1.9	1.9	1.1	2.5	-1.2
Using 'social media' as a way to learn more about our competitors	0.5	1.0	0.4	-1.5	2.3	1.4	-0.4	-2.0	2.2	1.0	2.2	-0.4
Having an outside resource for our website and IT needs on a retainer basis	0.3	0.0	-0.3	-1.3	1.6	0.3	0.1	0.7	1.8	0.2	2.4	-0.3
Having a full-time in-house resource for our website and information technology	-0.3	-1.6	-1.1	-1.9	1.2	-0.8	-0.8	-1.9	0.7	3.0	1.8	-1.4
Using 'social media' as a way to connect and build community among my employees	-0.4	-0.3	-0.8	-2.4	2.3	0.3	-1.4	-2.3	1.0	-0.2	2.3	-2.5

Gender

There are notable differences between female and male small business owners regarding almost all forms and applications of technology. Significantly, women entrepreneurs value social media at three times the level of male small business owners (Exhibit 3). The Institute's research has previously shown that women entrepreneurs are more customer-focused and more likely to incorporate community into their business plans than male small business owners. These traits may explain why women small business owners are more inclined to embrace new tools like social media to engage with customers and build communities of interest.

Exhibit 3:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called "social media"	Rounded Averages	Male	Female
Using software to make my business run more efficiently	4.7	4.6	4.8
Using our websites to tell prospective customers about our business	4.0	4.0	4.1
Using our websites to generate customer inquiries and sales	3.5	3.5	3.6
Using our websites to start a dialog with prospective customers	2.9	2.8	3.1
Using our websites as part of our customer support system	2.8	2.8	3.0
Using our websites to find out what our customers need and want	2.4	2.3	2.7
Using our websites to maintain a dialog with current customers	2.4	2.4	2.6
Having an outside resource for our website and IT needs only as needed	1.6	1.6	1.6
Using 'social media' as a tool for communicating about our company	0.8	0.5	1.6
Using 'social media' as a way to find out about prospective clients or prospects	0.8	0.5	1.6
Using 'social networking media' as a business building tool	0.7	0.4	1.4
Using 'social networking media' as a means of personal growth and development	0.7	0.5	1.3
Using 'social media' as a way to find out more about the marketplace	0.6	0.4	1.2
Using 'social media' as a way to learn more about our competitors	0.5	0.3	1.0
Having an outside resource for our website and IT needs on a retainer basis	0.3	0.3	0.4
Having a full-time in-house resource for our website and information technology	-0.3	-0.4	-0.2
Using 'social media' as a way to connect and build community among my employees	-0.4	-0.5	-0.2

Company Size by Employees

Not surprisingly, company size (by number of employees) is consistently correlated with the high importance of technology (Exhibit 4). It is notable that the importance of social media, in particular, rises as the number of employees grows. Larger companies – those with 10 or more employees – presumably have both the resources and available staff to make full use of software applications, websites and social media to enhance their business operations.

Exhibit 4:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called "social media"	Rounded Averages	2-9 Employees	10-24 Employees	25-49 Employees	50-99 Employees
Using software to make my business run more efficiently	4.7	4.4	4.9	5.0	5.2
Using our websites to tell prospective customers about our business	4.0	3.6	4.3	4.9	4.5
Using our websites to generate customer inquiries and sales	3.5	3.2	3.7	4.1	3.6
Using our websites to start a dialog with prospective customers	2.9	2.5	3.0	3.4	3.3
Using our websites as part of our customer support system	2.8	2.3	3.1	3.8	3.5
Using our websites to find out what our customers need and want	2.4	1.7	2.6	3.4	3.6
Using our websites to maintain a dialog with current customers	2.4	2.1	2.4	2.9	3.4
Having an outside resource for our website and IT needs only as needed	1.6	1.2	1.6	2.3	2.6
Using 'social media' as a tool for communicating about our company	0.8	0.0	0.8	1.9	2.5
Using 'social media' as a way to find out about prospective clients or prospects	0.8	0.1	0.7	1.9	2.4
Using 'social networking media' as a business building tool	0.7	0.1	0.6	1.6	2.2
Using 'social networking media' as a means of personal growth and development	0.7	0.1	0.7	2.0	2.0
Using 'social media' as a way to find out more about the marketplace	0.6	0.0	0.6	1.8	2.0
Using 'social media' as a way to learn more about our competitors	0.5	-0.3	0.5	1.9	2.2
Having an outside resource for our website and IT needs on a retainer basis	0.3	-0.4	0.4	1.4	2.5
Having a full-time in-house resource for our website and information technology	-0.3	-1.7	0.0	1.9	2.1
Using 'social media' as a way to connect and build community among my employees	-0.4	-1.6	-0.2	1.2	2.2

Owner Generation

For the first time, The Guardian Life Index looked at generational differences among small business owners (Exhibit 5). Efficiency-improving software and websites are equally valued across four generations of small business owners: Millennials (under age 28); Generation Xers (age 29-49); Baby Boomers (age 50-67); and Silents (68-85). However Millennial small business owners are far more likely to value social media across the range of possible business-related applications than any of their generational counterparts. The importance of social media drops consistently and drastically from younger to older generations.

Exhibit 5:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called "social media"	Rounded Averages	Millennials	Xers	Boomers	Silents
Using software to make my business run more efficiently	4.7	4.6	4.6	4.8	4.8
Using our websites to tell prospective customers about our business	4.1	3.4	4.2	4.1	3.6
Using our websites to generate customer inquiries and sales	3.6	3.3	3.8	3.4	3.5
Using our websites to start a dialog with prospective customers	2.9	2.4	3.3	2.6	2.9
Using our websites as part of our customer support system	2.9	2.7	3.2	2.6	2.8
Using our websites to find out what our customers need and want	2.5	2.3	2.9	2.2	2.2
Using our websites to maintain a dialog with current customers	2.5	2.8	2.9	2.0	2.2
Having an outside resource for our website and IT needs only as needed	1.6	1.4	2.1	1.2	1.0
Using 'social media' as a tool for communicating about our company	0.8	2.8	1.8	-0.1	-0.9
Using 'social media' as a way to find out about prospective clients or prospects	0.8	2.7	1.8	-0.1	-0.9
Using 'social networking media' as a business building tool	0.8	2.9	1.7	0.0	-0.9
Using 'social networking media' as a means of personal growth and development	0.7	3.1	1.6	-0.2	-1.0
Using 'social media' as a way to find out more about the marketplace	0.6	2.9	1.6	-0.2	-1.1
Using 'social media' as a way to learn more about our competitors	0.6	2.7	1.5	-0.3	-1.0
Having an outside resource for our website and IT needs on a retainer basis	0.4	0.6	1.0	-0.3	0.1
Having a full-time in-house resource for our website and information technology	-0.2	0.5	0.8	-1.4	0.3
Using 'social media' as a way to connect and build community among my employees	-0.4	-1.4	0.9	-1.6	-1.5

Financial Performance

A striking bifurcation emerges with regard to feelings about technology and financial performance. Small business owners that expect their revenues to increase by more than 25 percent over the prior year, as well as those who expect their revenues to decline by more than 25 percent, equally value technology at a high level of intensity (Exhibit 6). Similarly, small business owners that plan to expand their business as well as ones that plan to downsize them, value technology with remarkably consistent views. It appears that, on the one hand, small business owners feel that efficiency-boosting software, website utilization and social media applications can help them grow their companies. Yet on the other hand, if they are planning to downsize, they can use the same tools to become more efficient and more effective with less reliance on other resources.

Additionally, based on projections of improved 2010 revenues, a consistent pattern emerges. Companies that value websites to assess customer needs report they will do better than they did in 2010. Similarly, those small businesses that place a higher value on social media in its myriad applications also expect to do better in 2010.

Exhibit 6:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called "social media"	Expected Revenue Change 2010							
	Rounded Averages	More than 25% greater than 2009	10%-25% greater than 2009	Up to 10% greater than 2009	About the same as 2009	Up to 10% lower than 2009	10%-25% lower than 2009	More than 25% lower than 2009
Using software to make my business run more efficiently	4.7	5.1	5.3	4.8	4.2	4.9	3.9	5.4
Using our websites to tell prospective customers about our business	4.0	5.3	4.7	4.3	3.3	4.1	2.9	4.4
Using our websites to generate customer inquiries and sales	3.5	5.0	4.1	3.8	2.8	3.6	2.1	3.8
Using our websites to start a dialog with prospective customers	2.9	4.2	3.5	3.1	2.1	3.3	1.4	2.8
Using our websites as part of our customer support system	2.8	3.8	3.6	3.2	2.3	2.6	1.6	1.7
Using our websites to find out what our customers need and want	2.4	3.5	2.9	2.7	1.9	1.8	1.4	2.6
Using our websites to maintain a dialog with current customers	2.4	2.9	3.2	2.9	1.8	2.2	0.9	2.6
Having an outside resource for our website and IT needs only as needed	1.6	2.4	2.8	1.8	0.8	1.4	0.1	2.1
Using 'social media' as a tool for communicating about our company	0.8	2.5	1.6	1.2	0.0	0.5	-1.1	-0.4
Using 'social media' as a way to find out about prospective clients or prospects	0.8	2.4	1.5	1.1	-0.1	0.8	-0.6	-0.2
Using 'social networking media' as a business building tool	0.7	2.2	1.6	1.1	-0.2	0.6	-0.7	-1.0
Using 'social networking media' as a means of personal growth and development	0.7	2.4	1.6	1.4	-0.2	0.5	-1.2	-0.8
Using 'social media' as a way to find out more about the marketplace	0.6	2.5	1.5	0.9	-0.2	0.2	-0.9	-1.1
Using 'social media' as a way to learn more about our competitors	0.5	2.6	1.3	0.9	-0.3	-0.3	-0.7	-1.1
Having an outside resource for our website and IT needs on a retainer basis	0.3	1.2	1.0	0.9	-0.4	0.2	-1.0	1.2
Having a full-time in-house resource for our website and information technology	-0.3	0.9	0.4	-0.2	-0.9	-0.9	-0.8	-0.5
Using 'social media' as a way to connect and build community among my employees	-0.4	0.5	0.4	0.1	-1.1	-1.2	-1.5	-1.0

The correlation between technology and finance is further highlighted in looking at companies that project increased profitability in 2010 over 2009 (Exhibit 7). Consistently and across the board, efficiency-improving technology, prudent use of websites and an interest in social media (even though the numbers for social media continue to be lowest among the technology factors examined in the survey) all bear a direct relationship to the profitability projections of the responding companies.

Exhibit 7:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called "social media"	QM. Expected Change in Profit 2010							
	Rounded Averages	More than 25% greater than 2009	10%-25% greater than 2009	Up to 10% greater than 2009	About the same as 2009	Up to 10% lower than 2009	10%-25% lower than 2009	More than 25% lower than 2009
Using software to make my business run more efficiently	4.7	6.1	5.0	4.7	4.5	4.7	3.8	6.0
Using our websites to tell prospective customers about our business	4.0	5.8	4.5	4.3	3.6	3.8	2.7	5.0
Using our websites to generate customer inquiries and sales	3.5	5.8	4.1	3.8	3.0	3.3	2.3	3.4
Using our websites to start a dialog with prospective customers	2.9	4.4	3.5	3.1	2.3	3.0	2.0	3.5
Using our websites as part of our customer support system	2.8	3.8	3.6	3.2	2.4	2.5	1.5	2.5
Using our websites to find out what our customers need and want	2.4	3.5	3.0	2.6	2.1	2.3	1.0	3.0
Using our websites to maintain a dialog with current customers	2.4	3.3	3.2	2.9	1.9	2.1	1.5	2.8
Having an outside resource for our website and IT needs only as needed	1.6	2.9	2.8	2.0	0.9	1.3	0.6	1.6
Using 'social media' as a tool for communicating about our company	0.8	2.6	1.5	1.2	-0.1	1.3	-0.2	0.0
Using 'social media' as a way to find out about prospective clients or prospects	0.8	2.1	1.7	1.1	-0.2	1.6	-0.1	1.0
Using 'social networking media' as a business building tool	0.7	2.2	1.7	0.9	-0.2	1.2	0.1	-0.2
Using 'social networking media' as a means of personal growth and development	0.7	2.1	1.8	1.2	-0.2	1.2	-0.6	0.0
Using 'social media' as a way to find out more about the marketplace	0.6	1.6	1.8	1.0	-0.3	1.3	-0.4	0.0
Using 'social media' as a way to learn more about our competitors	0.5	1.6	1.7	0.8	-0.3	0.8	-0.6	0.3
Having an outside resource for our website and IT needs on a retainer basis	0.3	1.0	1.3	0.9	-0.3	0.0	-0.2	0.5
Having a full-time in-house resource for our website and information technology	-0.3	1.0	0.7	-0.3	-0.8	-0.9	-0.6	0.5
Using 'social media' as a way to connect and build community among my employees	-0.4	0.1	0.7	0.0	-1.3	0.3	-1.3	-0.2

Growth / Expansion

The technology-performance correlation continues in assessing the importance of technology to overall growth (Exhibit 8). Small business owners whose businesses have grown are more likely to value software, websites and social media than companies that have stayed more or less the same size since their inception.

Exhibit 8:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called "social media"	Rounded Averages	Grown from <10 empl to almost 25	Grown from <10 empl to almost 50	Grown from <10 empl to almost 100	Always been smaller than 10 people	Growth has been gradual over time	Growth has been explosive	Was bigger and we're better for it	Was bigger but wish it were bigger	Grown too big too fast	Really needs to be bigger
Using software to make my business run more efficiently	4.7	5.1	5.1	5.2	4.5	4.9	5.7	5.4	4.9	3.6	5.2
Using our websites to tell prospective customers about our business	4.0	4.5	4.9	4.7	3.6	4.2	5.1	4.3	4.3	3.9	5.1
Using our websites to generate customer inquiries and sales	3.5	4.3	3.9	3.6	3.3	3.4	4.5	4.0	3.8	4.4	4.0
Using our websites to start a dialog with prospective customers	2.9	3.7	3.2	3.7	2.7	2.9	3.7	3.3	2.7	1.6	3.0
Using our websites as part of our customer support system	2.8	3.6	3.7	4.0	2.3	2.7	3.7	3.2	2.0	0.9	2.8
Using our websites to find out what our customers need and want	2.4	3.5	3.2	3.9	1.7	2.5	3.1	2.6	1.6	-0.1	2.3
Using our websites to maintain a dialog with current customers	2.4	3.2	3.0	3.8	2.2	2.3	3.3	2.8	1.6	0.7	2.0
Having an outside resource for our website and IT needs only as needed	1.6	1.8	2.3	3.0	1.0	1.2	3.3	2.0	1.4	0.9	0.9
Using 'social media' as a tool for communicating about our company	0.8	1.5	2.1	2.8	-0.1	0.5	2.1	0.8	-0.1	0.4	0.9
Using 'social media' as a way to find out about prospective clients or prospects	0.8	1.6	1.8	2.8	-0.1	0.4	1.9	1.0	0.0	-0.1	0.8
Using 'social networking media' as a business building tool	0.7	1.5	1.9	2.3	-0.1	0.5	2.1	0.8	-0.1	-0.3	0.8
Using 'social networking media' as a means of personal growth and development	0.7	1.7	2.3	2.2	-0.1	0.4	1.7	0.8	0.0	-0.6	0.8
Using 'social media' as a way to find out more about the marketplace	0.6	1.4	2.0	2.7	-0.2	0.2	2.1	0.9	0.2	-1.3	0.4
Using 'social media' as a way to learn more about our competitors	0.5	1.5	1.7	2.4	-0.5	0.0	1.9	0.7	0.1	-0.6	0.5
Having an outside resource for our website and IT needs on a retainer basis	0.3	0.8	1.2	3.2	-0.5	-0.1	1.2	0.4	-0.6	-0.7	-0.3
Having a full-time in-house resource for our website and information technology	-0.3	0.7	2.0	3.0	-1.9	-0.9	1.6	0.1	-1.0	0.3	-0.8
Using 'social media' as a way to connect and build community among my employees	-0.4	0.7	1.4	2.5	-1.9	-1.0	1.1	-0.5	-1.6	-1.7	-1.2

Based on a projected 12-24 month business plan scenario, companies that plan to expand their business as well as companies that plan to downsize the business value technology with remarkably consistent views (Exhibit 9). This bifurcation mirrors the one seen with regard to feelings about technology and financial performance. As noted above, the value of efficiency-boosting software, website utilization and social media applications can enhance a small business' ability to expand by helping to leverage all of its resources. Yet a business that is planning to downsize can use the same tools to become more efficient and more effective with fewer other resources.

Exhibit 9:

What matters most to you in business when it comes to technology such as software your company uses and its websites as well as what is commonly called "social media"	12-24 Month Business Plan				
	Rounded Averages	Maintain business as usual	Plan to expand the business	Plan to downsize the business	Looking to sell the business
Using software to make my business run more efficiently	4.7	4.4	5.5	4.9	4.5
Using our websites to tell prospective customers about our business	4.0	3.5	5.0	4.4	4.1
Using our websites to generate customer inquiries and sales	3.5	3.0	4.5	4.2	3.5
Using our websites to start a dialog with prospective customers	2.9	2.4	3.9	4.0	3.1
Using our websites as part of our customer support system	2.8	2.4	3.9	3.1	3.3
Using our websites to find out what our customers need and want	2.4	2.0	3.2	3.9	3.0
Using our websites to maintain a dialog with current customers	2.4	1.9	3.5	3.6	3.1
Having an outside resource for our website and IT needs only as needed	1.6	1.1	2.7	2.8	2.1
Using 'social media' as a tool for communicating about our company	0.8	0.3	2.0	2.6	1.3
Using 'social media' as a way to find out about prospective clients or prospects	0.8	0.4	2.0	2.6	1.4
Using 'social networking media' as a business building tool	0.7	0.3	1.9	2.5	1.0
Using 'social networking media' as a means of personal growth and development	0.7	0.4	1.8	2.3	0.8
Using 'social media' as a way to find out more about the marketplace	0.6	0.3	1.8	2.2	1.1
Using 'social media' as a way to learn more about our competitors	0.5	0.3	1.6	2.0	1.3
Having an outside resource for our website and IT needs on a retainer basis	0.3	0.1	1.1	2.3	0.9
Having a full-time in-house resource for our website and information technology	-0.3	-0.5	0.5	1.8	0.4
Using 'social media' as a way to connect and build community among my employees	-0.4	-0.8	0.8	2.0	0.8

Conclusion

Small business owners are significantly leveraging technology for operational efficiency and customer engagement, according to The Guardian Life Index: What Matters Most to America's Small Business Owners. For the majority of small business owners today, the priority is focused on those types of technology that provide direct, tangible support of the business such as their core operational software and company website. Yet social media is emerging as an important tool, and there is every reason to expect it will blossom as more small business owners begin experimenting with it – driven by those categories of owners who are already stepping forward to engage with this space.

Appendix

Methodology for The Guardian Life Index: What Matters Most to America's Small Business Owners

- Polled more than 1,200 small business owners representing:
 - 12 small business industry sectors
 - Accounting & financial services
 - Arts & entertainment
 - Environmental
 - High-tech
 - Hotels & restaurants
 - Manufacturing
 - Personal services
 - Professional and technical services
 - Real estate
 - Retail & wholesale trade
 - Traditional/discretionary healthcare
 - Other
 - 9 geographic regions
 - 4 key states (California, Texas, New York and Florida)
 - 2 major DMA's (New York and Los Angeles)
- Fielded in June 2010
- Based on a 21-point scale (from +10 to -10) that measures the positive and negative intensity of responses to a vast battery of issues
 - Positive intensity numbers above 3 are highly significant and indicate strong feelings
 - Intensity numbers above seven are rarely seen for matters other than family or religion
 - Negative intensity numbers, even slightly negative ones, are highly significant and indicate strong passions
- Employed an online survey of 25 minutes' duration covering over 150 questions, as well as an extensive battery of industry sector and small business owner profile questions
- Obtained sample of U.S. small business owners from the Harris Interactive panel of 6 million U.S. respondents. From this large pool, a representative sample of 1,200 small business owners with 2-99 employees was recruited utilizing a specific set of screening questions