# Small Business Owner's

# Guide to Success in 2017

10 tech innovations your small business should embrace this year

# Introduction

As a small business owner, innovation is part of your DNA—so you should be excited about 2017. Technologies that once seemed far in the future, like artificial intelligence, "bots" and virtual reality, are poised to explode this year, becoming widely available for consumers and businesses of all sizes. Tech innovators are exploring creative ways to harness these tools. Here's a closer look at 10 of the top technology trends for 2017, and how you can take advantage of each one to build a more innovative, more successful business.
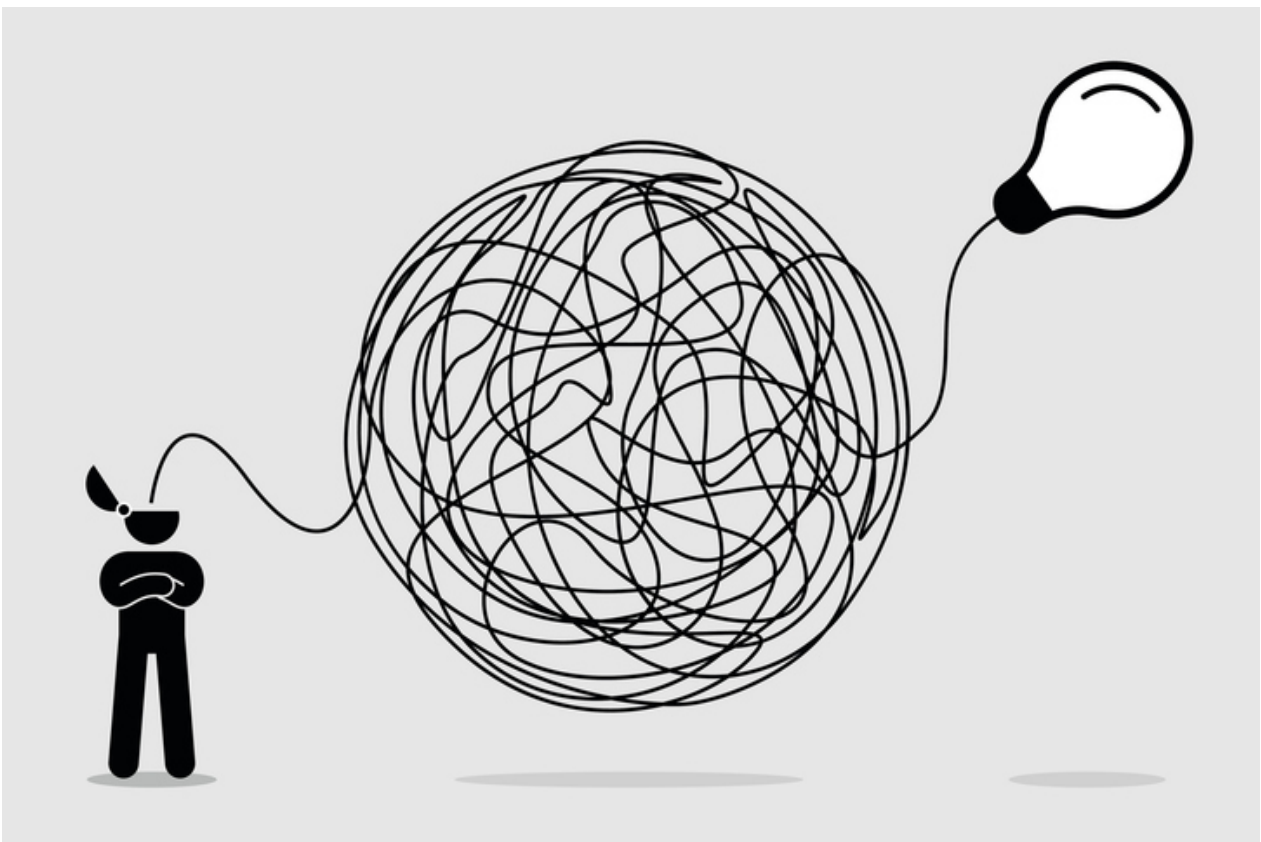


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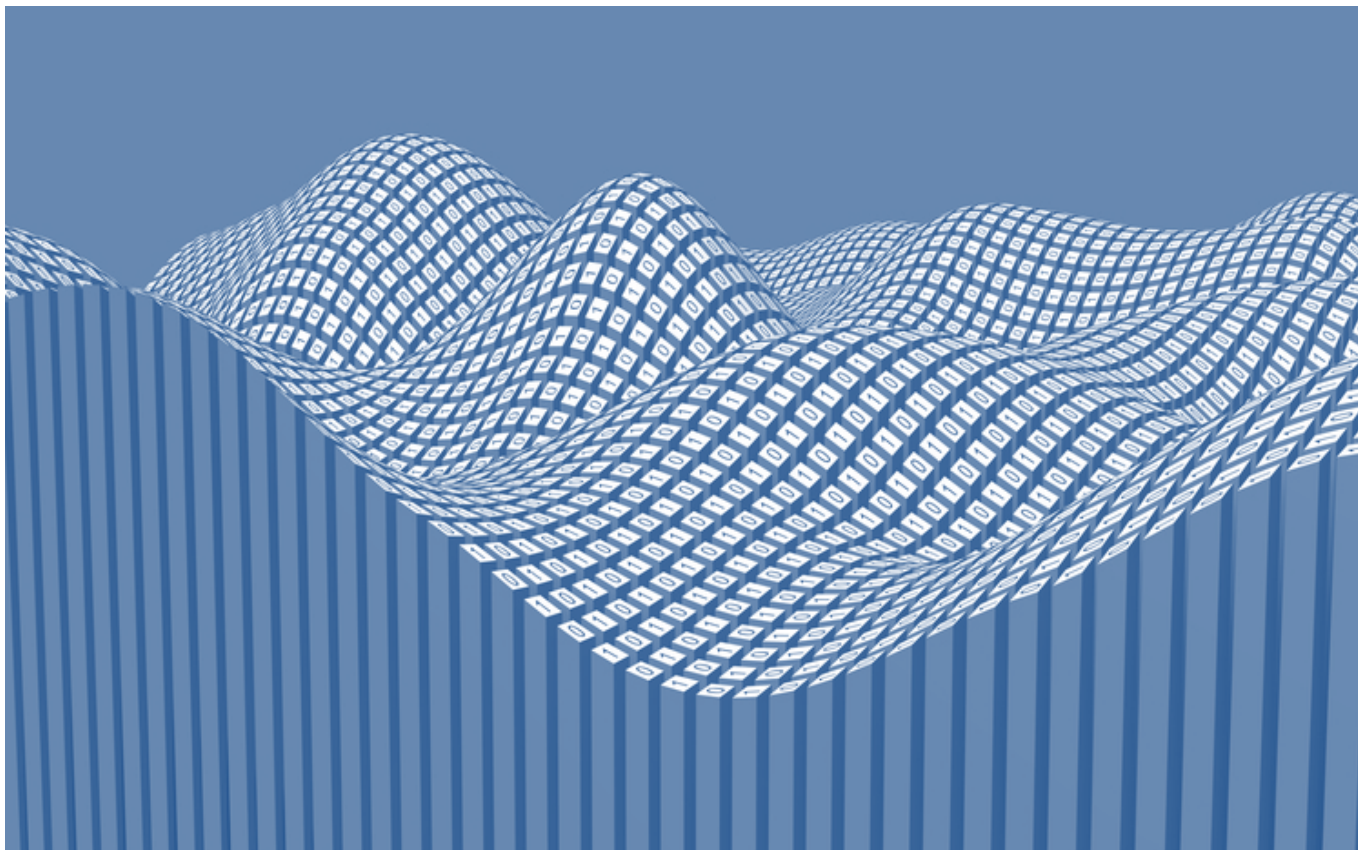
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# 1. Business Intelligence

Analytics tools enable small businesses to gather more data about their customers and prospects than ever before. But how can you weed through all that data and make sense of it? In 2017, business intelligence (BI) tools will come to the rescue.

BI helps business owners sort through mountains of data to discover actionable information. For example, BI can help you spot overall trends such as what products are best sellers, what markets are most profitable and what types of marketing messages your target customers respond to. In addition to analyzing customers' past behavior, it can also predict what they might do in the future. Known as "predictive analytics," this type of BI can help you develop more effective marketing and sales strategies and tactics. For instance, BI enables you to recommend products a website visitor is likely to purchase based on what they bought last time, or send promotional offers similar to ones they redeemed in the past.

Once available only to big businesses, BI solutions are becoming affordable and easy for small businesses to use. Microsoft Power BI is a cloud-based business analytics service that provides a complete view of your business data using live, interactive dashboards and reports. Natural language and drag-and-drop tools enable you to easily visualize and analyze data, create reports viewable on any device and share them with others across your business.
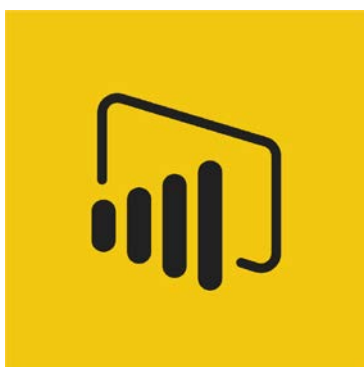
# 2. Marketing Automation

Today, consumers and B2B buyers alike expect your company's marketing communications to be personalized and tailored for their interests. That's why savvy small business owners already use customer relationship management (CRM) solutions to manage interactions with customers. In 2017, marketing automation tools will become even more sophisticated, allowing for greater customization.

By automating time-consuming but essential marketing functions such as managing social media posts and sending marketing emails, marketing automation will give small business owners time to focus on more important projects. Marketing automation will also help businesses monitor customer engagement with their marketing efforts and immediately assess the results of campaigns so they can adjust "on the fly."

Personalizing marketing content and messages based on customer demographics is just the beginning. In 2017, small businesses will use marketing automation and customer data to create channel-specific, behavior-based, emotion-based or even individualized content and offers. For example, Microsoft Dynamics 365 gathers information about your customers' buying habits, social media interactions, use of promotional offers and more. You can use this data to create detailed customer profiles and personalized communications that target customers more effectively.
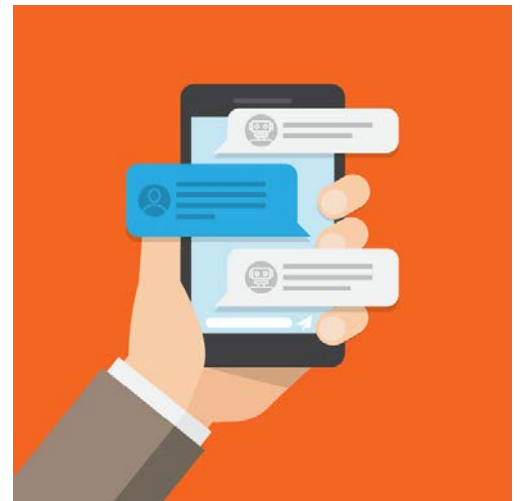
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# 3. Artificial Intelligence (AI) and Bots

Artificial intelligence powers "bots"—automated apps that "learn" by doing. For instance, many big businesses use "chat bots" (AI apps that chat with users as if there were a human on the other end) to answer user questions on their websites. In 2017, business use of bots will grow exponentially as new AI tools allow even the smallest businesses to provide better customer service with fewer human resources.

One expert predicts that eventually, "chat bots will replace the search window," and while that day isn't yet here, it's getting closer. At their simplest level, chat bots reduce user frustration by guiding customers through your website. Chat bots can also be used to recommend products on an e-commerce website, help customers with self-service tasks such as booking a hotel room, or handle simple customer service interactions online. In 2016, Facebook introduced bots for its Messenger app, and thousands of businesses are already using Facebook chat bots to "talk" to their customers on social media.

In addition to making customers happier by providing streamlined service, chat bots benefit your business by collecting data about customer interactions that you can mine to improve the customer experience. Microsoft Bot Framework lets your small business build bots so you can communicate with your customers wherever they are—on your website, in your app, via text or by email.

Bots can do more than save your customers time and hassle. In 2017, you'll see more businesses of all sizes using bots to boost productivity and efficiency. For example, a bot such as Microsoft's Cortana can be used as a personal digital assistant, saving you and your employees time by handling daily tasks like making appointments, sending emails or making phone calls.

# 4. Mobile Everything

We already live in a mobile world. U.S. consumers spend an average of three hours a day on mobile devices, according to eMarketer, and usage is projected to keep rising steadily. The 2016 holiday shopping season set a new record for purchases made on mobile devices: M-commerce sales hit $1.2 billion on Black Friday alone, up 33 percent from 2015, Adobe reports. In 2017, being mobile-friendly is no longer enough: Your business must take a mobile-first approach in order to compete.
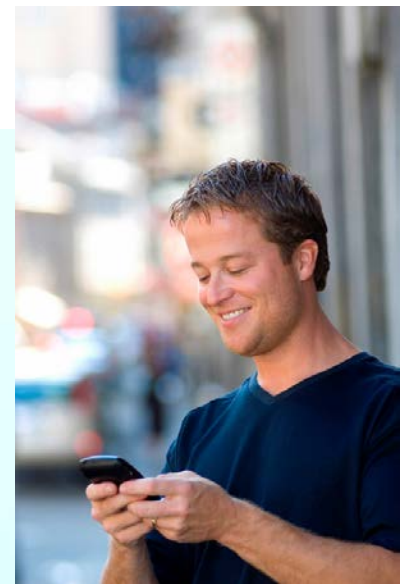
For retailers, that means incorporating mobility into not just your website, but also your physical store. For instance, arming your salespeople with Windows tablets makes it easy for them to look up product information or inventory levels while on the sales floor. With Microsoft Dynamics for Retail, you can access this information in the cloud on any device. Shorten checkout lines by accepting payments via tablet or smartphone so customers can check out anywhere in the store. In addition to mobile checkout, you should also accept mobile wallet payments such as Google Wallet and Apple Pay: Mintel reports that 56 percent of Millennials would like to or already use such mobile payment solutions.

Whatever type of business you have, in 2017 you'll need to think mobile-first with your marketing, too. Create a mobile-friendly website and be sure to send mobile-friendly emails. Incorporate SMS text message marketing into your arsenal to take advantage of customers' ever-present smartphones. Ditch the plastic loyalty cards and set up a digital loyalty program that your customers can access on their phones.

Finally, in 2017 it's essential that you and your team can work as efficiently from the corner coffee shop as you do from your office. Microsoft Office 365 lets you work on a mobile device from anywhere, and because it uses Microsoft apps that your team is already familiar with, getting up to speed is easy.


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# 5. Cybersecurity

As businesses and customers alike increasingly "live" online, cyberattacks have become a bigger and bigger threat. Already, small businesses are at great risk: Symantec reports 43 percent of phishing attacks target small businesses. In a survey by the Ponemon Institute, 55 percent of small business owners reported having experienced a cyberattack and 50 percent had suffered data breaches involving customer and/or employee information.

Part of the problem is customers are far too trusting when it comes to sharing personal information online. In fact, according to a survey from Microsoft and YouGov, 46 percent actually prefer to share personal information, such as income, Social Security numbers, home address and more online. And 49 percent would rather sign contracts and other documents digitally.

The downside is, even though consumers are happy to share their private data online, if they share it with you and you get hacked, more than half will not do business with you again, the Microsoft survey reports.

The internet of things (IoT) is making our lives more convenient, but it also means more and more devices—from smartwatches to security cameras—are accessing the internet. As the number of "smart" devices proliferates, more vulnerabilities will arise, and cybersecurity measures won't always be able to keep up. In 2017, experts predict an increase in IoT attacks as well as ransomware attacks (which encrypt digital files and then ask their owners for a ransom to un-encrypt them).

Another growth area is "social engineering" hacks. These include attacks from disgruntled employees, employees who are being blackmailed, or phishing emails that appear to come from within the business (such as from the CEO). Since email is often an "in" for hackers, use Outlook to protect your business. It highlights suspicious emails and automatically signs you in with a secure HTTPS connection that encrypts your email communications.

The best way to defend your business against both external and internal cyberthreats is to rely on products and services with security already built in. For instance, the Windows Hello & Microsoft Passport features of Windows 10 can replace standard passwords with biometric authentication methods such as fingerprints. Microsoft BitLocker encrypts all the data stored on your computer or mobile device, protecting it even if the device is stolen. Implementing cloud-based file sharing and storage services can help with cybersecurity, too—but it's important to choose the right ones. With Microsoft Office 365, all necessary security updates happen automatically, while Microsoft SharePoint Online protects your data from public viewing by default.

# 6. Augmented, Mixed and Virtual Reality

These three technologies are related, but have some important differences. Augmented reality (AR) refers to overlaying digital images on top of reality (think Pokémon Go or Snapchat filters). Virtual reality (VR) uses a headset to totally immerse users in a virtual world (such as playing a video game where you think you're climbing a mountain). Mixed reality is a combination of the two in which users see the physical world combined with digital objects that are so realistic, they look as if they're really there. In 2017, all three of these "immersive" technologies will take huge leaps and make their mark in the business world as they become more widely available.

Already, big companies are using immersive technologies to let consumers virtually try on clothes and cosmetics, see how furniture will look in their homes or even test-drive cars. For instance, a travel company could create an immersive VR experience to give customers a taste of its upcoming tours (like Marriott did with its hotels). Mixed reality apps could let customers who are browsing an e-commerce site "touch" and "hold" products.

With some VR headsets already priced under $100, consumer and business adoption of immersive technology is likely to grow quickly. Especially if your small business targets young, mobile-native generations, immersive advertising may be a good way to engage consumers who generally skip, block or ignore traditional digital ads.

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# 7. Remote/Distributed Workforces

Businesses of all sizes are boosting their competitiveness in the marketplace by thinking global when it comes to hiring. When you enable remote work at your business, you can hire the best workers or independent contractors for the job, no matter how far away they live. The remote work trend will thrive in 2017, and in order to accommodate it, small businesses will turn to cloud-based collaboration tools.

Several trends are driving the growth of remote work. Millennial employees currently dominate the work force, and Generation Z employees are just starting to enter it. Both these generations expect to work remotely, seeing it as an essential tool for balancing their work and personal lives.

Full-time, permanent employees' desire for remote work isn't the only driving force, however. In 2017, uncertainty about issues such as healthcare costs and regulations will spur nearly three-fourths of companies to hire more freelancers, according to Future Workplace. As a result, the workplace of the future will increasingly be a "blended" one, where permanent, full-time employees team up with a shifting roster of independent contractors and freelancers.

To help your employees and freelancers work together without a struggle, choose collaboration tools that are easy to use, such as Microsoft apps. Microsoft OneDrive provides cloud storage with enterprise-grade security built in. SharePoint Online keeps your files private by default—you choose who has access. With desktop and mobile apps, Microsoft Office 365 offers everything you need to work with employees, contractors and customers across town or across the globe, including secure email, file sharing and HD videoconferencing. Use Yammer to create an internal social network and chat about projects. Or try Microsoft Groups to create public or private teams and set up a shared inbox, shared calendar, cloud storage and a shared OneNote notebook for everyone to store their ideas and notes.

# 8. Online Video



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The rise of Pinterest, Instagram and YouTube evidence the world's love of visual communication. Already, images and videos get more engagement on social media than strictly text posts. With live video now an option on Facebook, Snapchat, Instagram and Twitter, 2017 is the year when all kinds of online video will become a vital component in small business marketing.

The growth of smartphone usage is a huge factor in the rise of video content. No one wants to read a 5,000-word white paper on a smartphone, but watching a quick video is another story. And whether they're teenagers or B2B buyers, most people find video more accessible, fun and entertaining than any other type of content. No wonder that by 2020, Cisco projects 75 percent of all mobile data will be video.

Like immersive reality technology, online video offers a way for your business to stand out and catch prospects' attention in a sea of advertising and marketing content. No other marketing method has video's emotional impact. How-to videos, testimonials, expert interviews and product demonstrations are just a few ways a small business can use video online.

If you haven't yet explored the potential of video, the good news is this year using video for your business will become easier than ever. Small business owners can go beyond traditional videos to create super-short, informal videos using tools like Facebook Live. Live video is a great way to share an event such as a trade show or conference, give viewers a "behind-the-scenes" look at your business, or just connect with customers in an authentic and personal way.

# 9. Cloud Computing

CIO Magazine predicts that in 2017, a "second wave" of cloud adoption will take place. Specifically, huge corporations, always slow to make changes, are embracing the cloud en masse. They're doing it to save money and enjoy greater security—and if your small business hasn't already gone "to the cloud," now is the time to follow suit.

With cyberattacks and security breaches constantly in the news, cybersecurity will continue to be a serious concern for small businesses in 2017. You can help protect your business by choosing cloud technology that has enterprise-level security built right in, such as Microsoft Dynamics 365. Selecting a reliable cloud provider for data storage and/or software as a service (SaaS) can actually enhance cybersecurity compared to storing your data on-site. With experts overseeing your data in the cloud, you can rest easy knowing your software is always current and that essential security updates are made automatically.

Using cloud technology also saves your business time you would otherwise have to spend installing, updating and troubleshooting software. When you use Office 365, for instance, the experts at Microsoft handle all these worries so you are free to focus on growing your business. Cloud computing offers flexibility, too: As you add employees, cloud-based software scales up quickly and easily to accommodate them, so you're paying only for what you need.

# 10. Omnichannel Integration

Your customers want to interact with your business in person and online. But today that means multiple channels, from chat and social media to brick-and-mortar locations and mobile apps. In 2017, the omnichannel approach to business will become a way of life. That means small businesses will need to create a unified presence in every arena where they engage with customers. The goal: to provide your customers the same quality of experience wherever they interact with your business—on social media, on a website or "IRL."

Retailers, in particular, must pay attention to providing a streamlined omnichannel experience. Retail customers are now likely to start the purchase journey by browsing websites on a tablet at home, loading up their digital shopping carts on a laptop or desktop computer and then visiting a brick-and-mortar store to examine products in person before they buy. Microsoft Dynamics CRM ensures they have a seamless customer experience all along the way. It automates customer loyalty programs and uses this data and social insights to tailor marketing messages to your customers.

E-commerce was once predicted to mean the death of retail, but in 2017, a growing number of e-commerce companies will follow the lead of Amazon, Bonobos and Warby Parker by opening physical stores. If you have both an online and offline store, offering the option to "buy online, pick up in-store" will be essential to customer satisfaction. Choose a tool such as Microsoft Dynamics for Retail, which lets you manage all customer interactions, both online and off, from one central system. Because you can easily access real-time data about your sales, inventory levels and supply chain, customers always get what they want when they want it. And be sure to implement Windows tablets in-store so you and your salespeople can quickly access the product details or inventory information customers want.



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For small businesses, 2017 promises to be a year of challenges, but also excitement as technologies once reserved for big companies become accessible to all. This year, as always, embracing new technology will be key to staying competitive.

For more information on the best tools for SMBs in 2017, check out the Microsoft US Small and Midsize Business Blog and follow @MSFT_Business on Twitter. See all the ways in which Microsoft is innovating to help SMBs embrace digital transformation to excel in the years to come at business.microsoft.com.  Unless indicated, images courtesy Microsoft.