**SMEs: Equipped to Compete**

**Colombia Fact Sheet**

**Research Overview**

*SMEs: Equipped to Compete* is a research study aimed to better understand how small and mid-size businesses around the world are leveraging technology to boost innovation, strengthen customer relationships, improve agility, and expand their businesses. Our study includes:

- A global survey of 2,100 executives across 21 countries (100 per country) and five industries.
- In-depth interviews with 12 senior SME executives.
- An executive summary providing an overview of the key findings.
- A series of articles and infographics that analyze the results by region and industry.

**Survey Demographics: Colombia**

- Nearly half (47%) of firms come from wholesale, 14% each from discrete manufacturing and retail, 13% consumer products, and 12% professional services.
- Over half (53%) of the respondents were C-level executives, with 26% CEOs and 21% CIOs.
- 67% of surveyed firms have been in business at least seven years; just 4% have been operating for fewer than three years.
- 46% have revenues of $250m–$499m; 19% had sales between $100m and $249m.

---

**What is your firm’s annual revenue for the most recently completed fiscal year?**

- 10% of Colombian SMEs invest in technology only when there is a clear ROI.
Trends and Priorities

- Shifting customer expectations and demand is the greatest issue affecting Colombian SMEs, who are more likely to cite it as a top concern than overall respondents (44% vs. 32%). Greater supply chain complexity is also cited by 44% of Colombian SMEs, followed by growth opportunities in regional/wider markets (34%).
- Strengthening customer relationships is a key focus among Colombian SMEs (72%), followed by driving innovation, cost reduction, and efficiencies (68%) and expanding product and service offerings (60%).
- 82% say their key competitors make better use of technology.

Expectations for Global Growth

- Colombian SMEs are getting more comfortable on the global stage; while 75% generate no revenue outside the country today, this drops to 64% in three years—a 15% decrease, off the global pace of 30% for this category.
- However, no Colombian SME gets more than 20% of its revenue outside of the country—and that figure will remain nearly flat in three years. Among all SMEs, this revenue share is expected to grow by 36%.
- Fully 80% of Colombian SMEs operate solely in Colombia, a figure that drops to 64% in three years; no surveyed Colombian SMEs operate in six or more countries today, but 14% expect to in three years.

Rethinking Strategy for a Changing Marketplace

- Another indicator of Colombia’s isolation from global competition is seen in the fact that the vast majority of SMEs in the country have neither completed, begun, nor plan to undertake a significant business transformation.
- A key priority of those that have undertaken a transformation is acquiring digital skills through hiring, training, or acquisitions, while the key challenge is determining the right mix of technology investments (cited by 57%).

What percentage of your revenue is generated outside of your firm’s headquarters country?

<table>
<thead>
<tr>
<th>( % of revenue)</th>
<th>Global Today</th>
<th>Colombia Today</th>
<th>Global in 3 years</th>
<th>Colombia in 3 years</th>
<th>% change, Colombia</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>Blue</td>
<td>Red</td>
<td>BLUE</td>
<td>RED</td>
<td>-14.7%</td>
</tr>
<tr>
<td>1%–20%</td>
<td>Blue</td>
<td>Red</td>
<td>BLUE</td>
<td>RED</td>
<td>40.0%</td>
</tr>
<tr>
<td>21%–40%</td>
<td>Blue</td>
<td>Red</td>
<td>BLUE</td>
<td>RED</td>
<td>0.0%</td>
</tr>
<tr>
<td>41%+</td>
<td>Blue</td>
<td>Red</td>
<td>BLUE</td>
<td>RED</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

What percentage of your revenue is generated outside of your firm’s headquarters country?

<table>
<thead>
<tr>
<th>( % of respondents)</th>
<th>0%</th>
<th>20%</th>
<th>40%</th>
<th>60%</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>( % of respondents)</td>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
</tr>
<tr>
<td>( % of respondents)</td>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
</tr>
<tr>
<td>( % of respondents)</td>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
</tr>
<tr>
<td>( % of respondents)</td>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
</tr>
</tbody>
</table>

- 14% have either completed, are in the process of, or are about to begin a significant business transformation.
Leveraging Technology to Adapt to Change: Latin America

Cloud computing and business analytics are expected to see the greatest increase in adoption across Latin America, at 22% and 20%, respectively (but well under the global pace of adoption, at 35% and 33%, respectively). Cloud platforms will be adopted most quickly (31%) in the professional services industry, and analytics will be picked up fastest (30% growth) among consumer-goods companies in the region. Cloud usage will also grow quickly within the wholesale industry, which trails the others in terms of current adoption of all technologies above.

Business management software (BMS), already in use at nearly half (47%) of Latin American SMEs, will be most widely used in the consumer sector in three years (65%), a 16% growth rate. The use of BMS among professional services in Latin America will grow by the same amount.

Some 47% of SMEs in Latin America expect that mobile will be widely in use at their firms in three years, compared with 54% of total respondents. Consumer-goods firms expect to see the biggest increase in mobile adoption (20%, compared with 12% in the region overall).

Social media will see 12% growth across the regional SME landscape, behind the global growth rate of 22%. Retail firms will make the strongest advances in Latin America, at 33% growth.

In terms of spending, business management software will see the greatest focus among Colombian SMEs, followed by mobile technologies and business analytics.

About the Research

This study, sponsored by SAP, included a global survey of 2,100 executives, conducted in April and May 2013. Respondents represent five industries: discrete manufacturing (25%), professional services (21%), consumer products (22%), retail (17%), and wholesale (16%), and hailed from 21 countries: Australia, Brazil, Canada, Chile, China, Colombia, the Czech Republic, France, Germany, Hungary, India, Indonesia, Italy, Mexico, Poland, Portugal, Russia, South Africa, Spain, the United Kingdom, and the United States. C-level executives comprised roughly 46% of respondents. About 27% of those surveyed worked for firms with $20m to $99m in revenue; 23% had revenues of $100m to $249m; 50% between $250m and $750m.