



2022 Small Business Survey: Business Planning & Digital Utilization



Foreword

America's small businesses are starting to see the light at the end of the tunnel. After nearly three years of unprecedented turmoil, they are slowly recovering from the pandemic and resulting economic downturn, looking to the future with a renewed sense of persistence but now more acutely aware of the unexpected and out-of-their-control changes that can happen in a business. As with most Americans, small businesses have taken stock. They are working in different ways, relying more and more on digital connections and working to ensure their business can survive another major disruption.

The National Small Business Association (NSBA) has conducted this survey of small business about business planning and succession, their utilization of digital tools and what it means to be a small-business owner in today's world. NSBA is the nation's oldest small-business advocacy organization, serving its 65,000 members on a staunchly nonpartisan basis. We have members in every state and every industry in the nation and have been an outspoken proponent for policies that promote small-business growth and resilience.

Among the small-business owners surveyed, the overwhelming majority, 67 percent, are the original founder of their business, and 63 percent are the sole owner of the business. Just over half of small-business owners, 59 percent, have a plan to pass on or sell their business when they retire and 50 percent have identified a person to take over the primary management of the business when they're ready to step down. One-in-four are unsure what they will do with the business when they are ready to retire.

When it comes to exit strategies, mergers and acquisitions are an important piece of the plan. Nearly half of small-business owners, 43 percent, say a merger or acquisition is important to their business exit strategy. Not surprising then, that the majority of small-business owners (59 percent) do NOT support legislative efforts to limit their ability to exit a business via a merger or acquisition.

Small businesses widely agree on the importance of a business plan, however just 74 percent report having one. Most small-business owners, 61 percent, say they personally wrote their business plan and 22 percent say they update it annually.

When asked about digital tools, small-business owners reported high utilization rates of a variety of digital tools and platforms. Furthermore, the overwhelming majority of small-business owners—89 percent—view digital tools and the technology sector positively. Among the top-utilized functions from digital tools: payments, interacting with customers, remote work and increasing productivity. In terms of specific digital tools, three-quarters of small-business owners say they use social media tools like Facebook and Twitter, 62 percent use digital payment platforms like Square or Stax, and 54 percent use marketing and email tools like MailChimp or Constant Contact.

These tools have a significant impact on how small-business owners run and plan for their business and the majority, 61 percent, say that digital tools have contributed to the growth of their business.

This survey was conducted online among 523 small businesses across the country May 23 – June 27. We hope you find the data in this report useful. Please [contact the NSBA media affairs department](#) with questions.

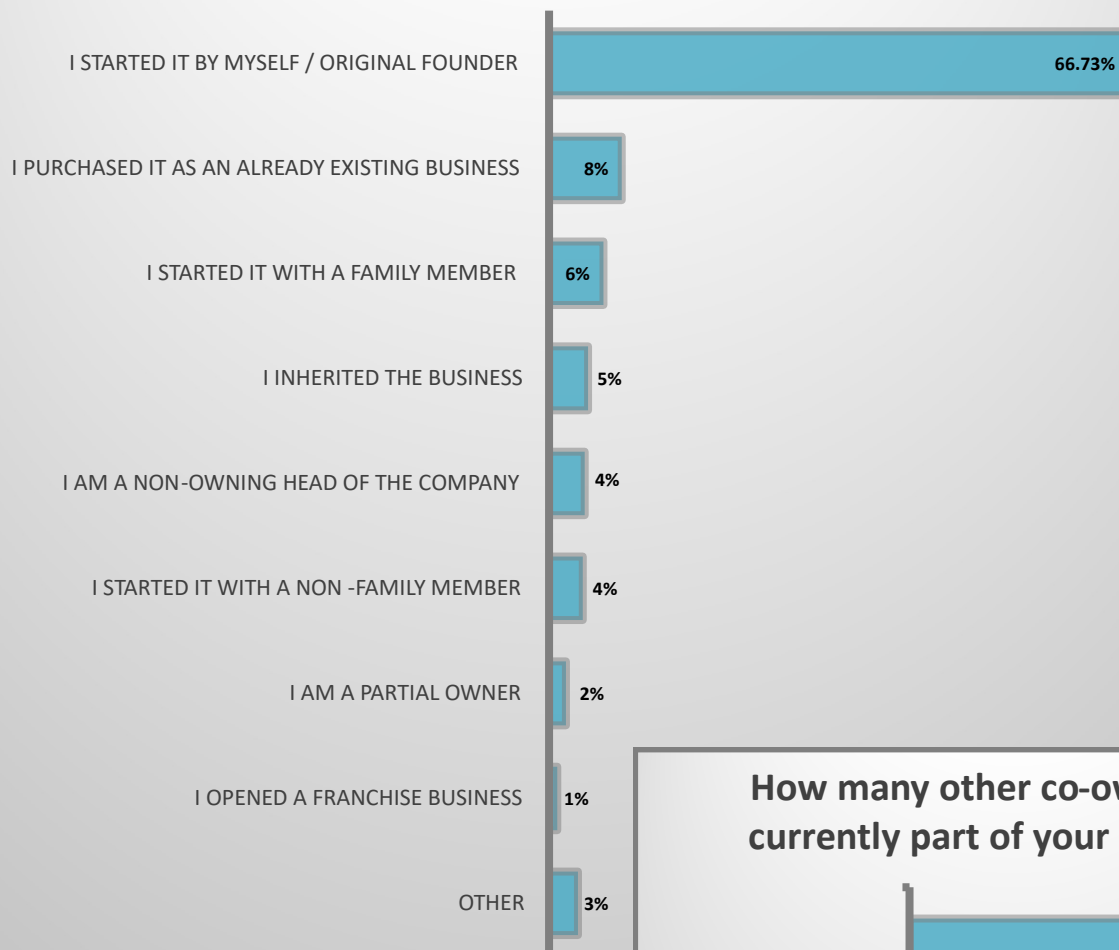
Sincerely,

Todd McCracken
NSBA President

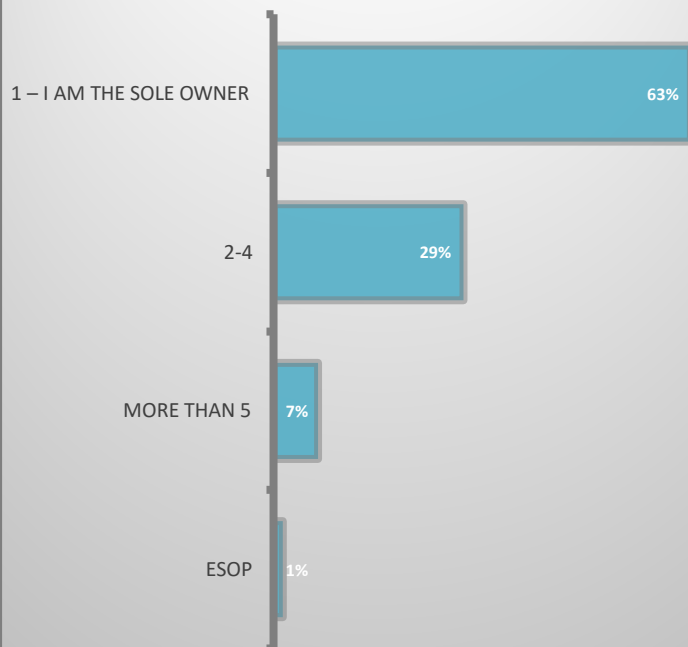
Michael Stanek
NSBA Chair

Business Ownership

Please describe how you came to run your business.

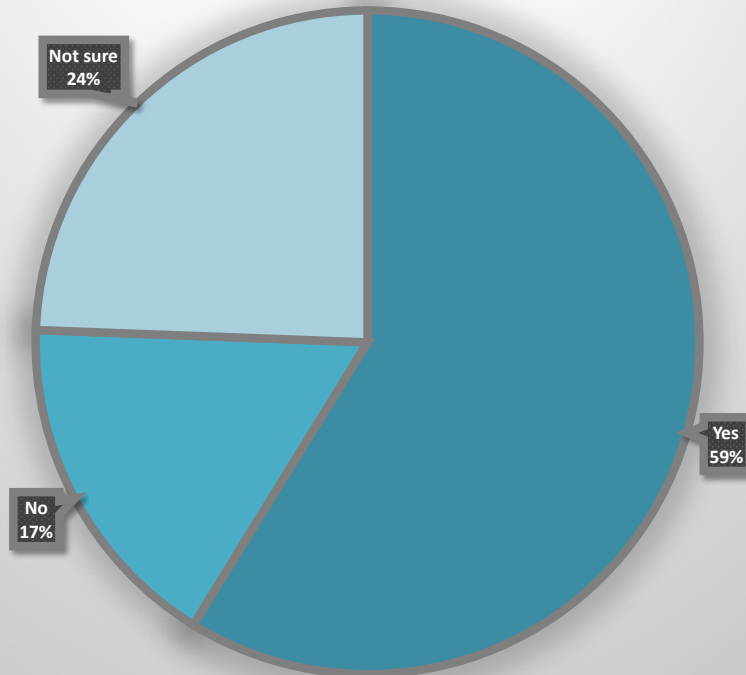


How many other co-owners are currently part of your business?

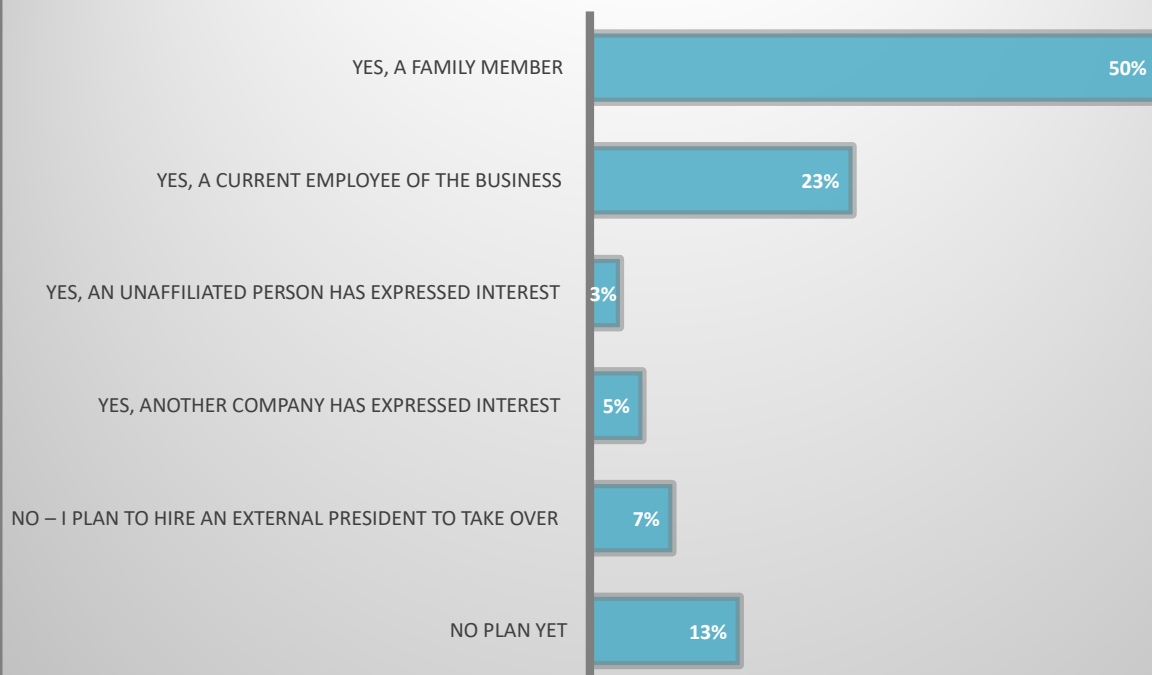


Business Succession

Do you plan to pass on or sell your business when you are unable to work and/or ready to leave the business?

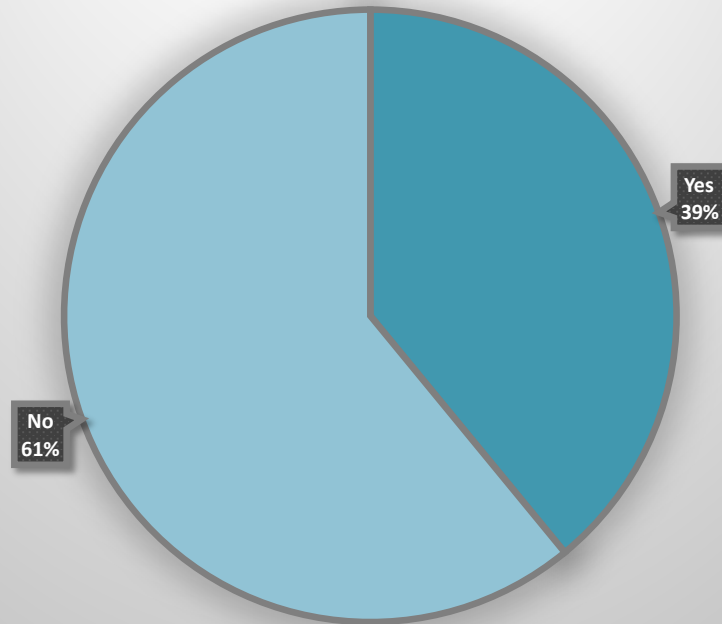


Have you already identified an interested person to take over the primary management of the business?

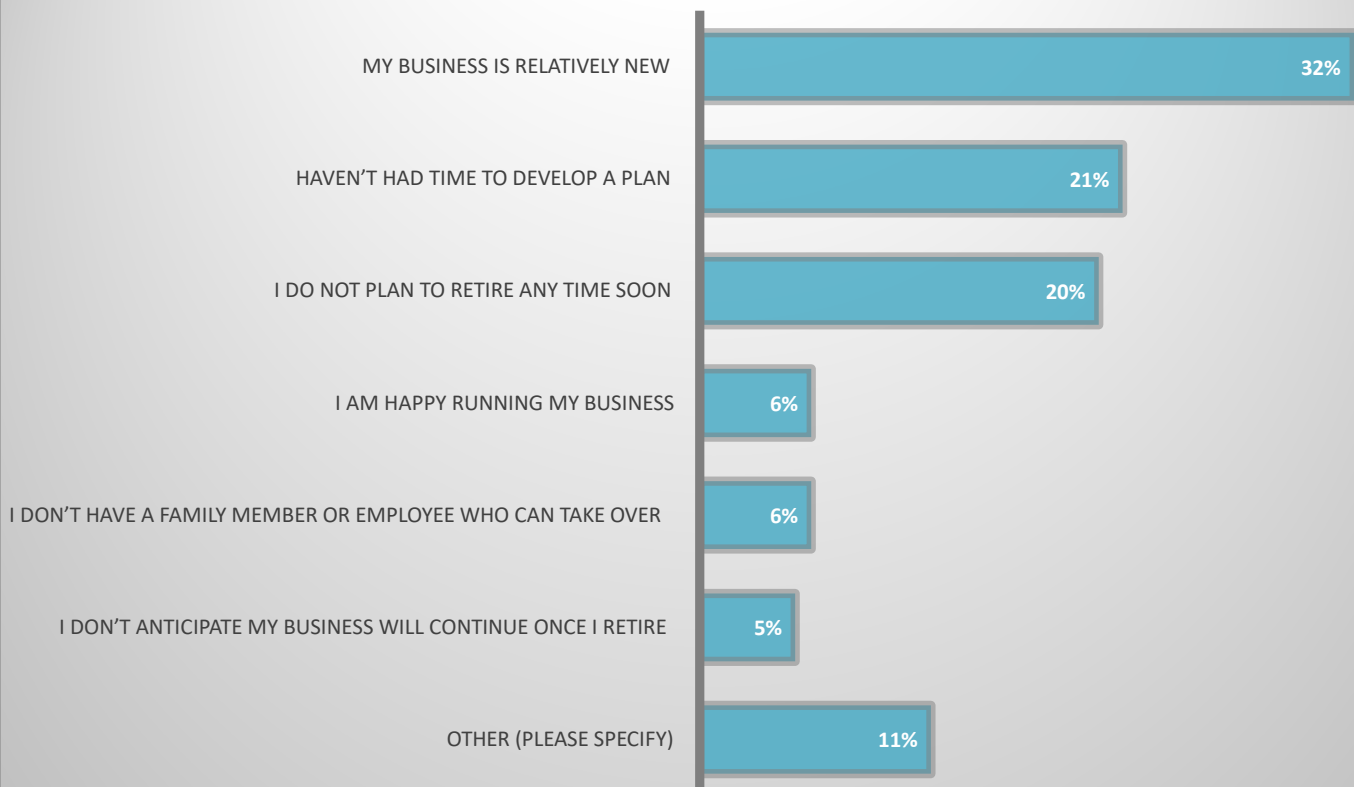


Business Succession

Have you developed a business succession/continuity plan?

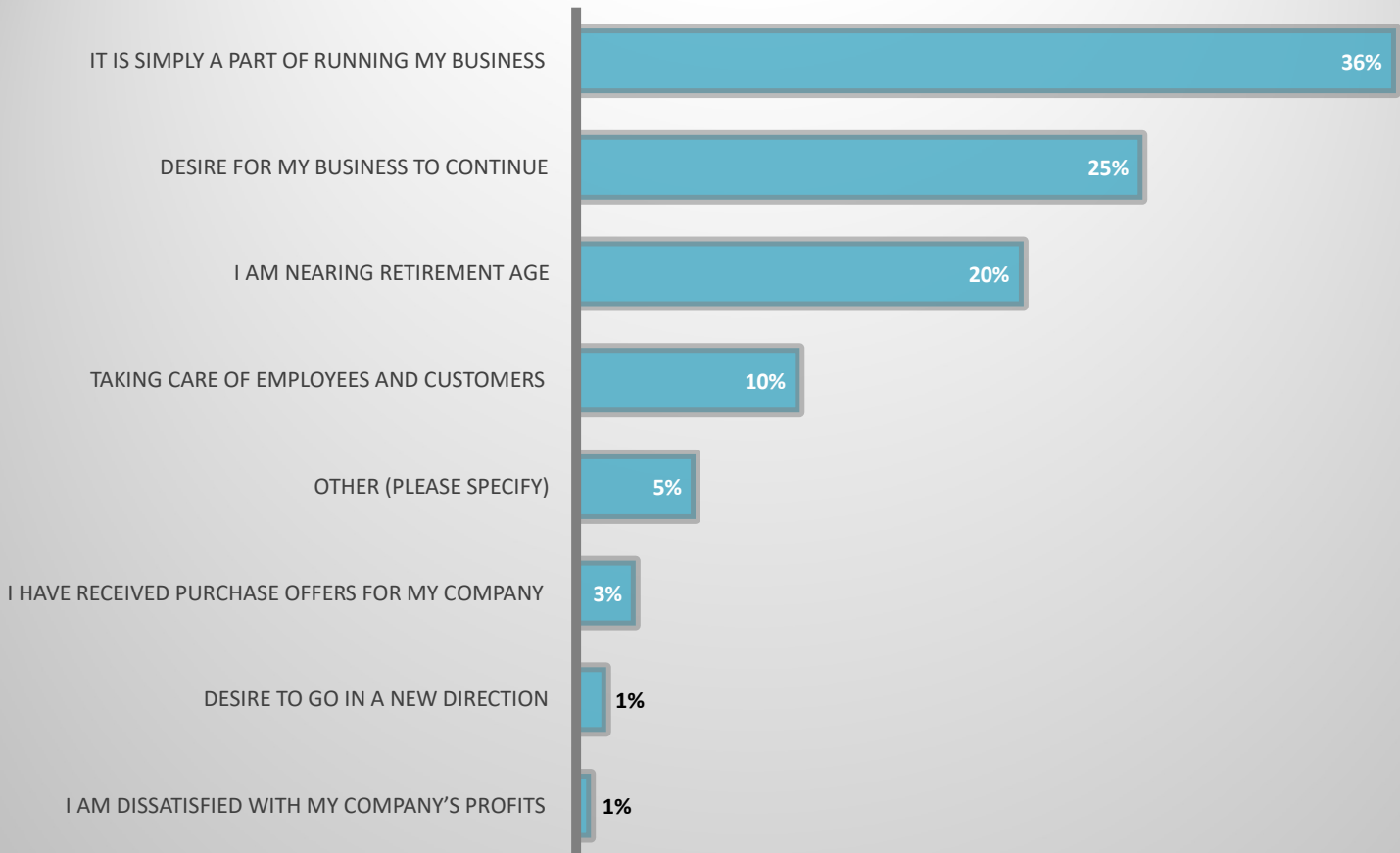


If you haven't developed a business succession plan, why?

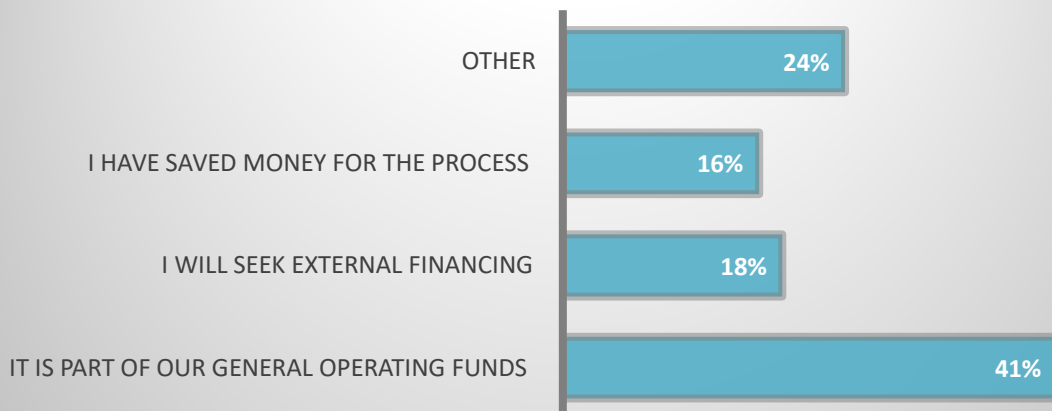


Business Succession

What is the primary reason you developed a succession/exit plan?



How are you funding the succession/exit plan?



Business Succession

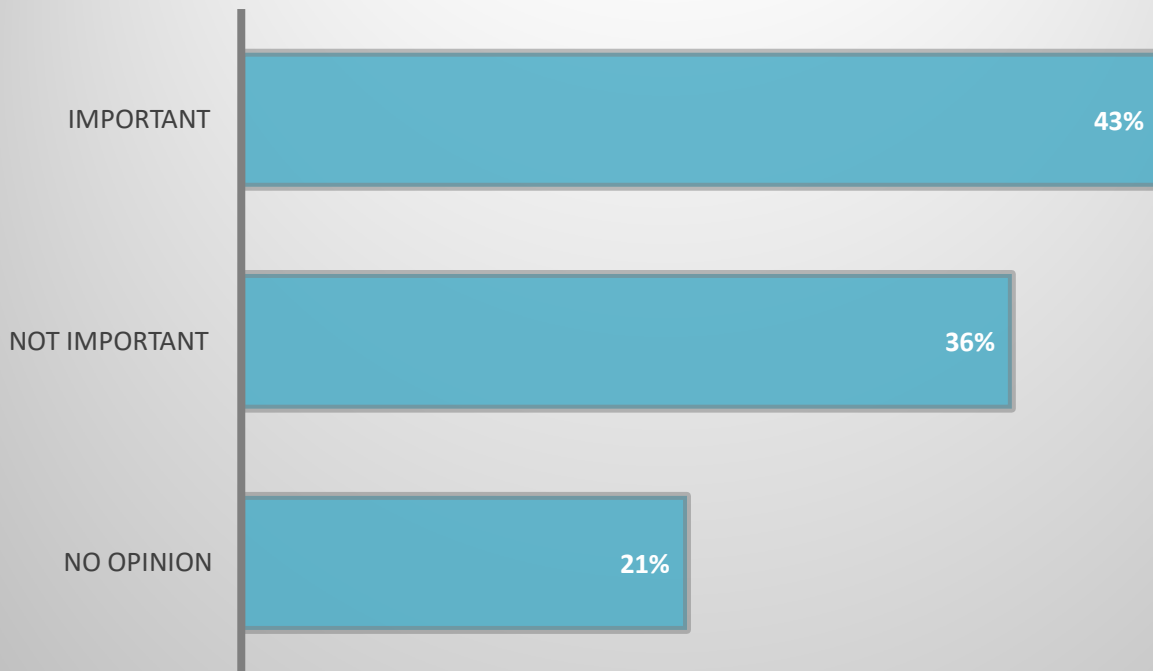
Please indicate which of the following your current business succession plan includes. (check all that apply)



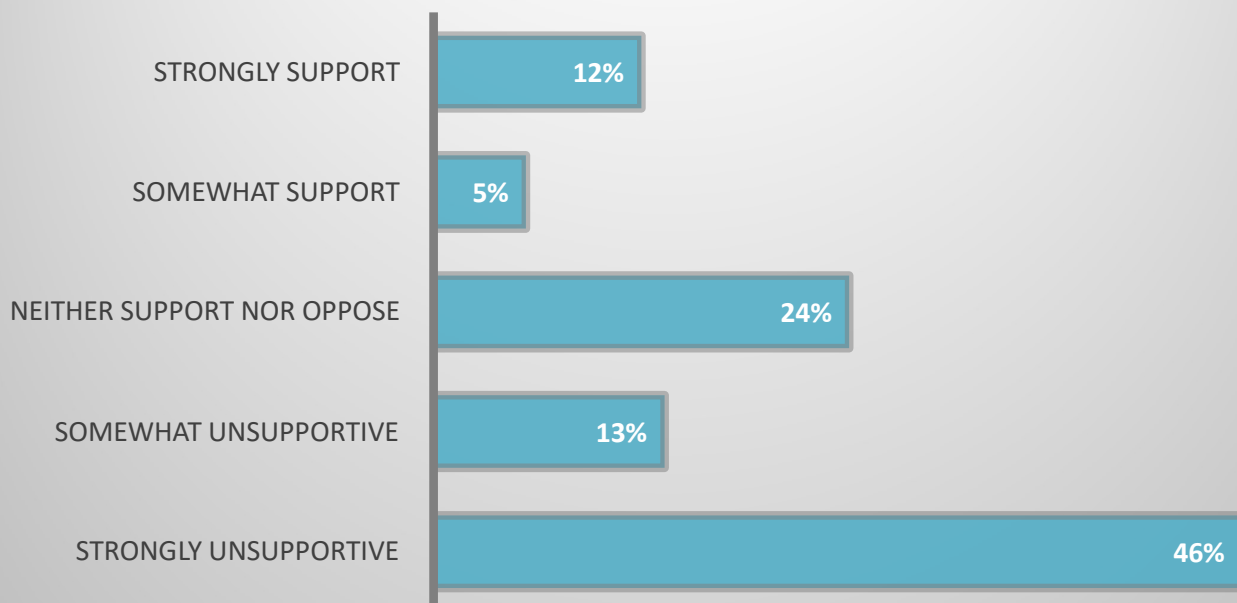
Less than half of small-business owners have developed a business succession/continuity plan.

Mergers & Acquisitions

How important will a merger or acquisition be to your business exit strategy?

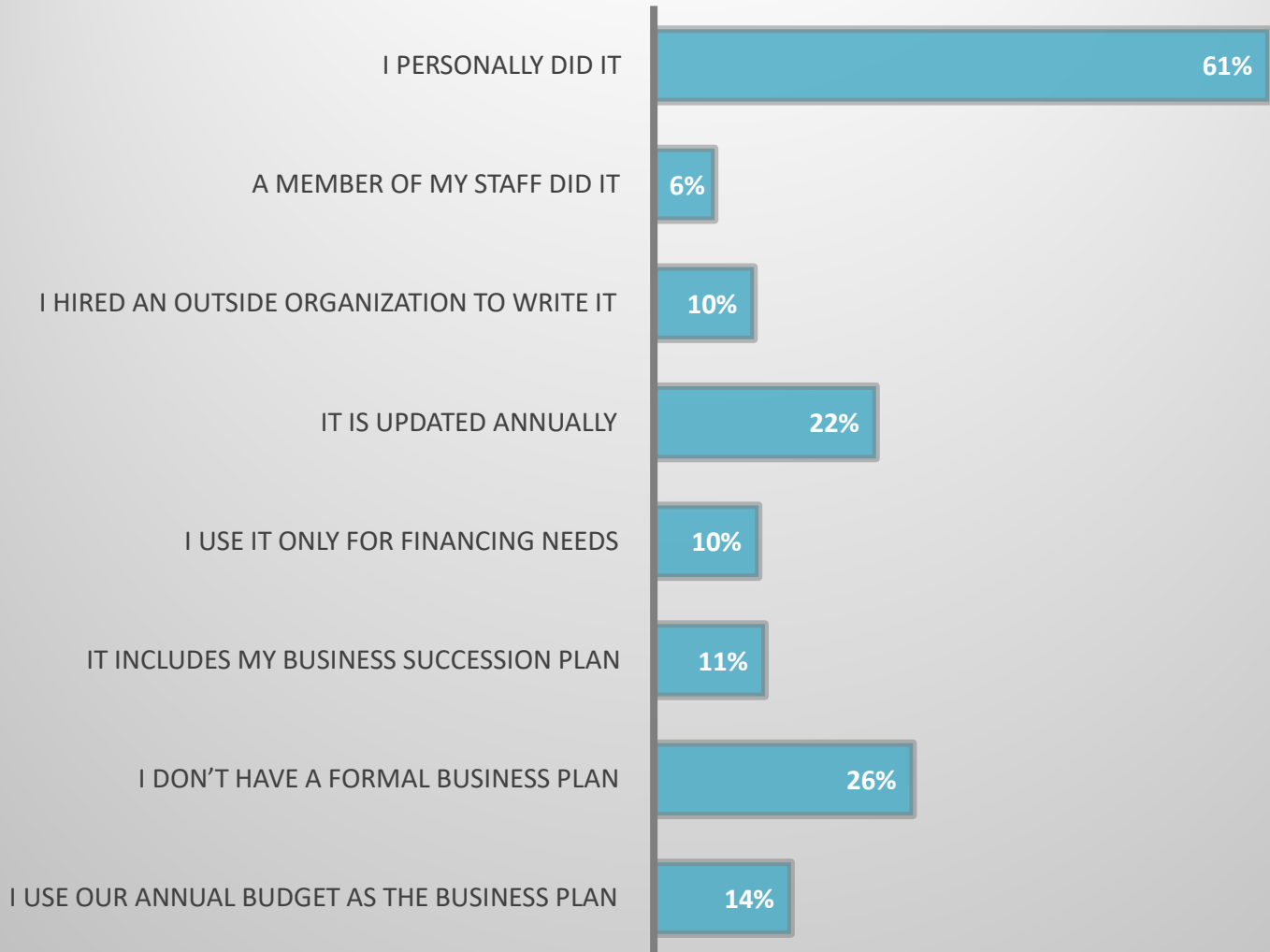


In general, how supportive would you be of legislation that increases the barriers to exit via mergers or acquisitions?



Business Plan & Valuation

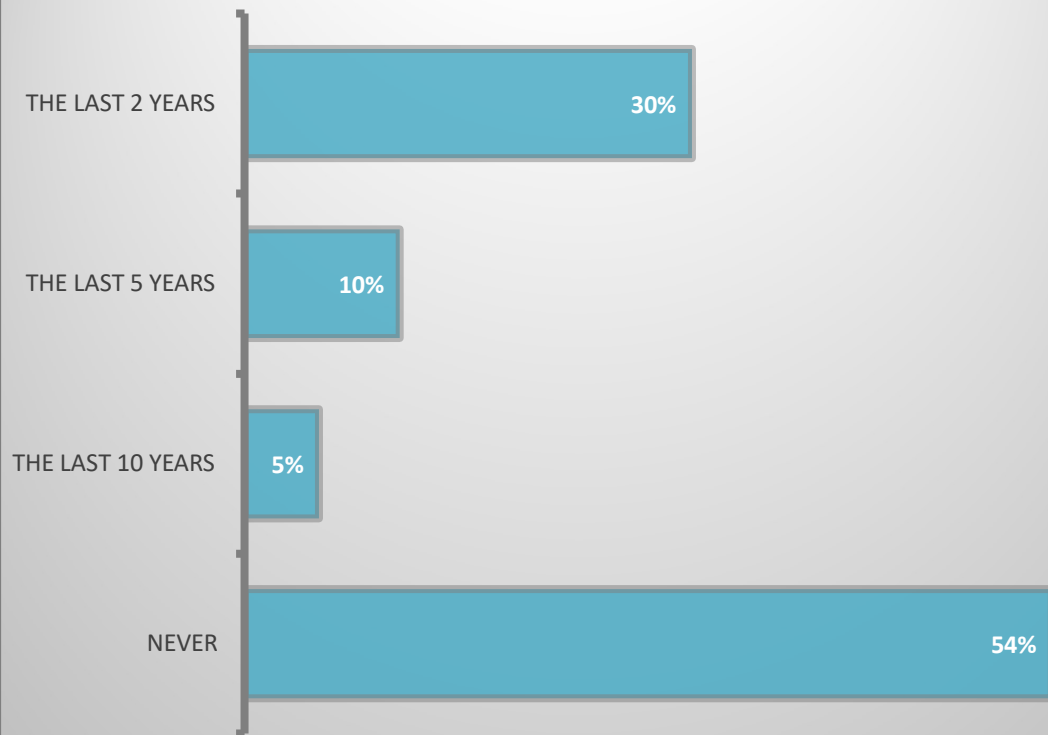
Please check all true statements with regards to your business plan.



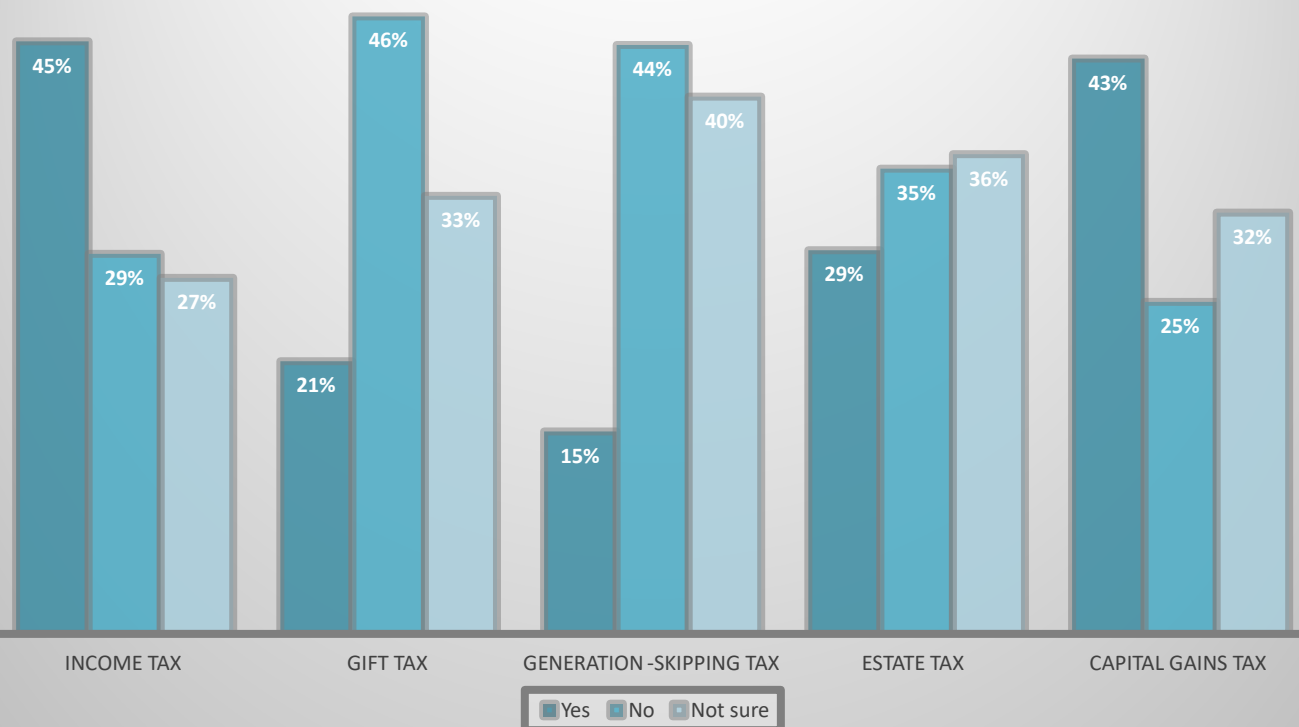
74 percent of small-business owners have a business plan – 61 percent say they personally wrote it.

Business Plan & Valuation

Have you conducted a business valuation in...

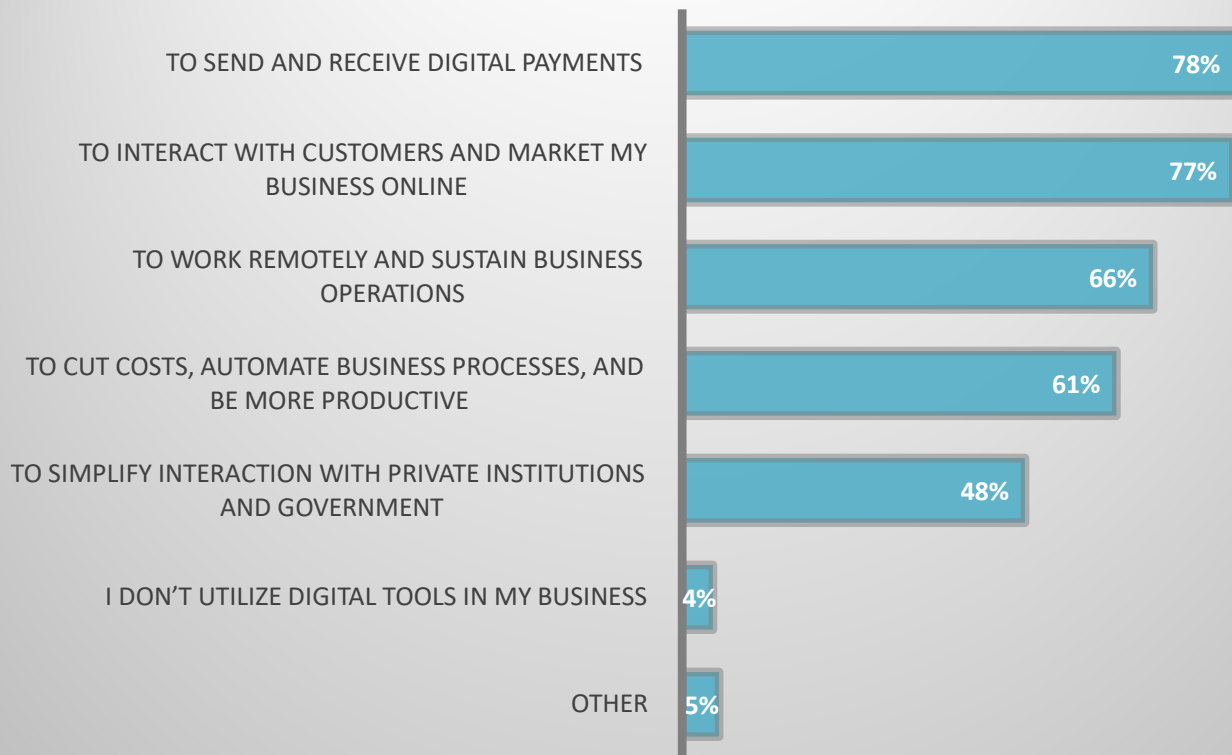


Do you anticipate the following taxes will impact selling or passing-down your business?

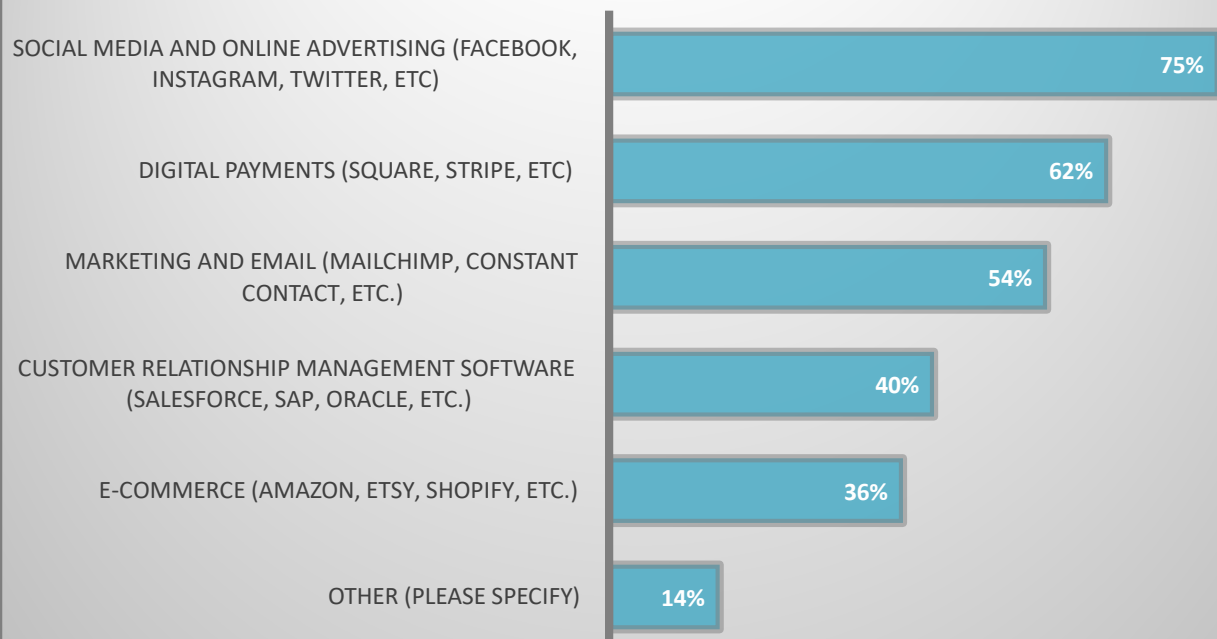


Digital Business Tools

How do you utilize digital tools in your business? (check all that apply)

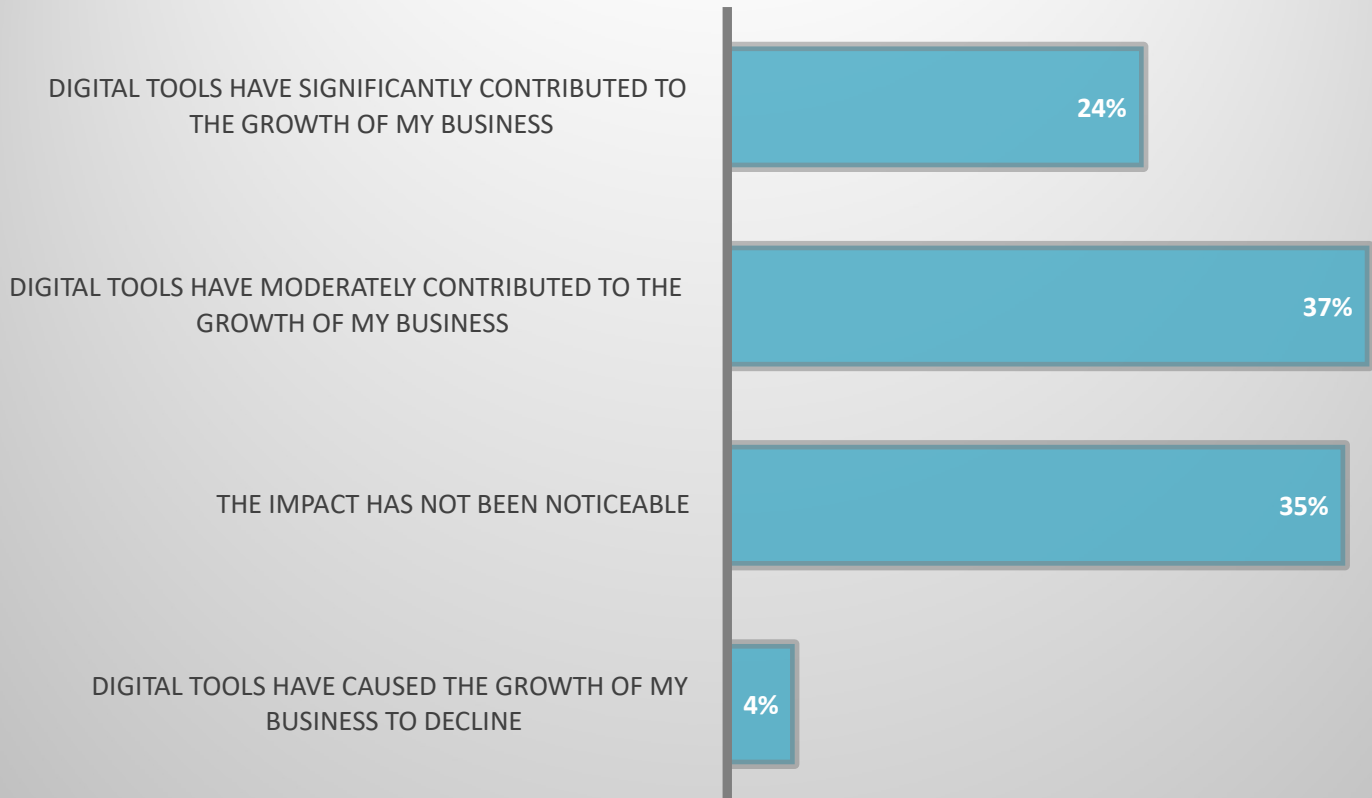


What digital tools do you utilize in your business? (check all that apply)

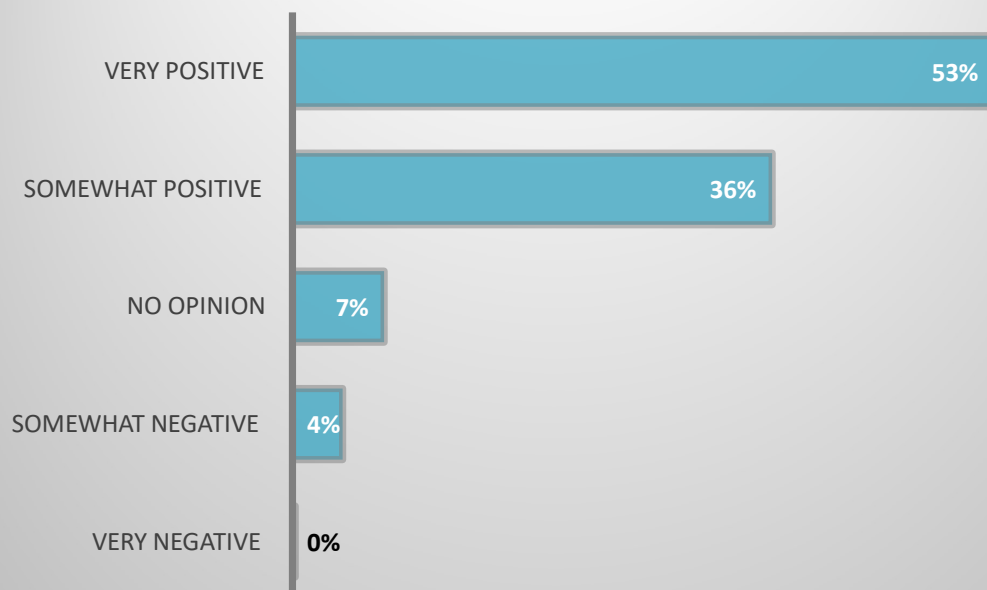


Digital Business Tools

How much have digital tools contributed to the growth of your business (revenue, employees, etc.)?

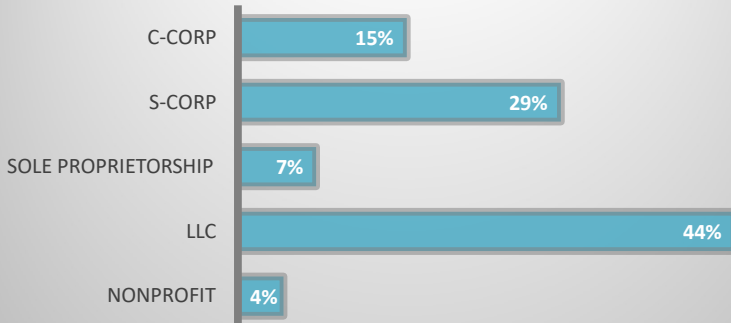


In general, how do you view digital tools and the technology sector?

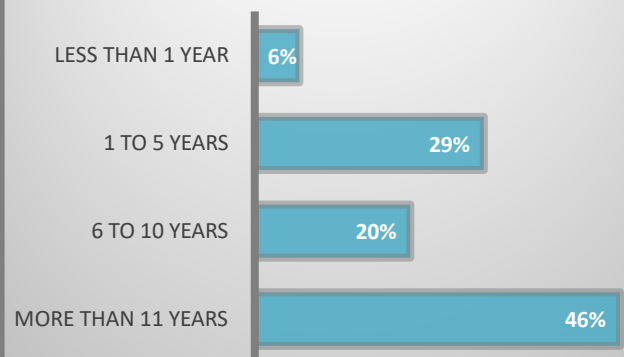


Demographics

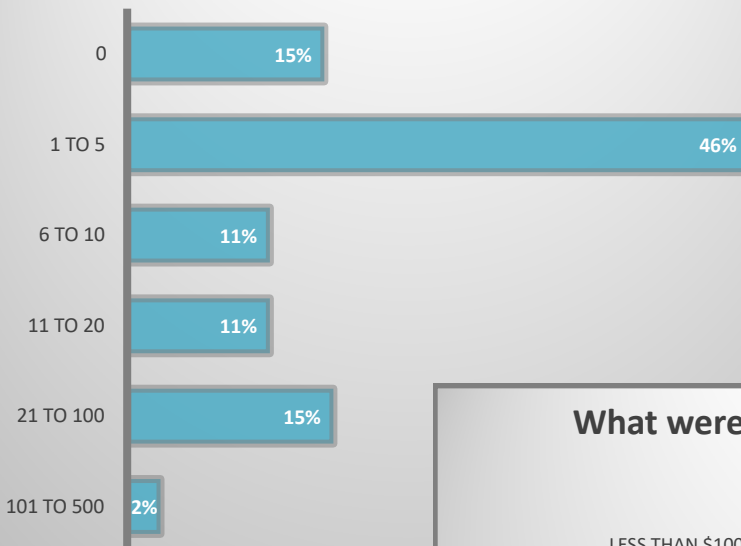
Which of the following best describes the structure of your business?



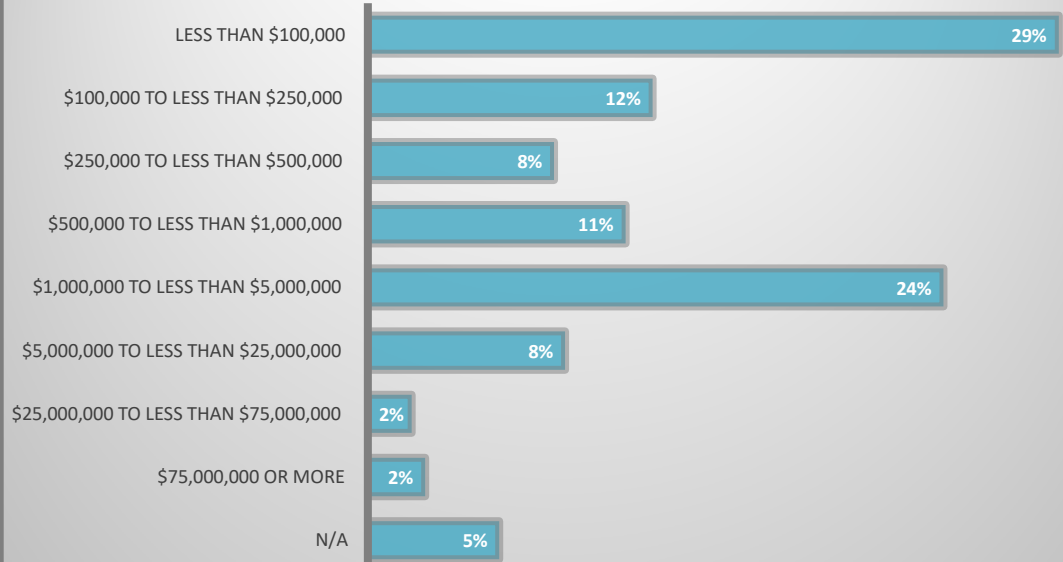
How many years has your firm been in business?



How many total full-time personnel are currently employed by your business?

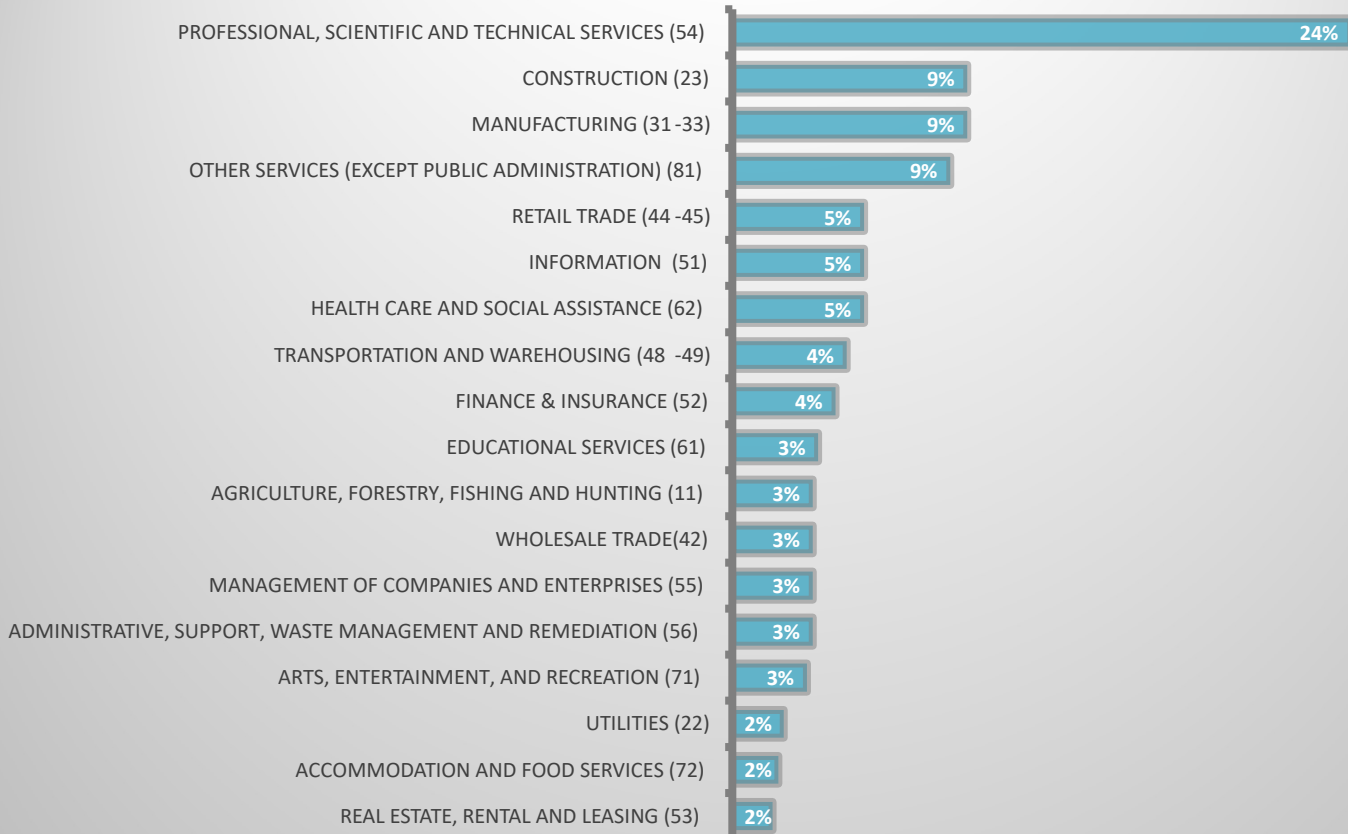


What were your gross sales or revenues for your most recent fiscal year?

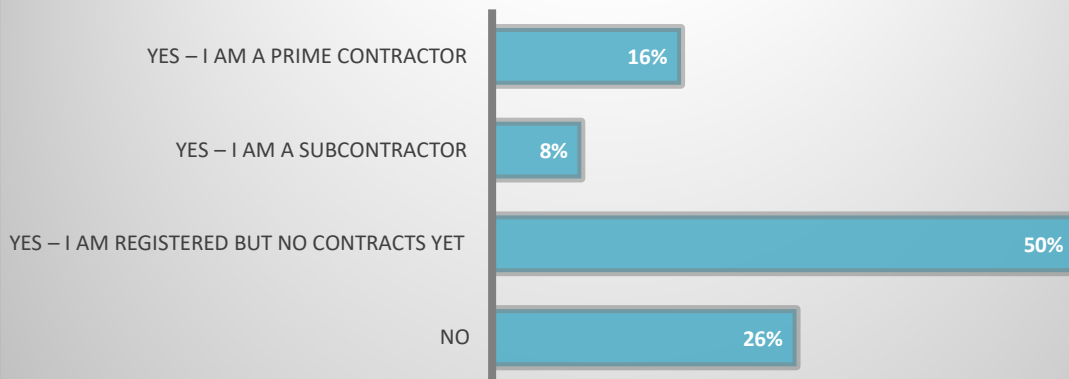


Demographics

Which of the following best describes the industry or sector in which your business operates?

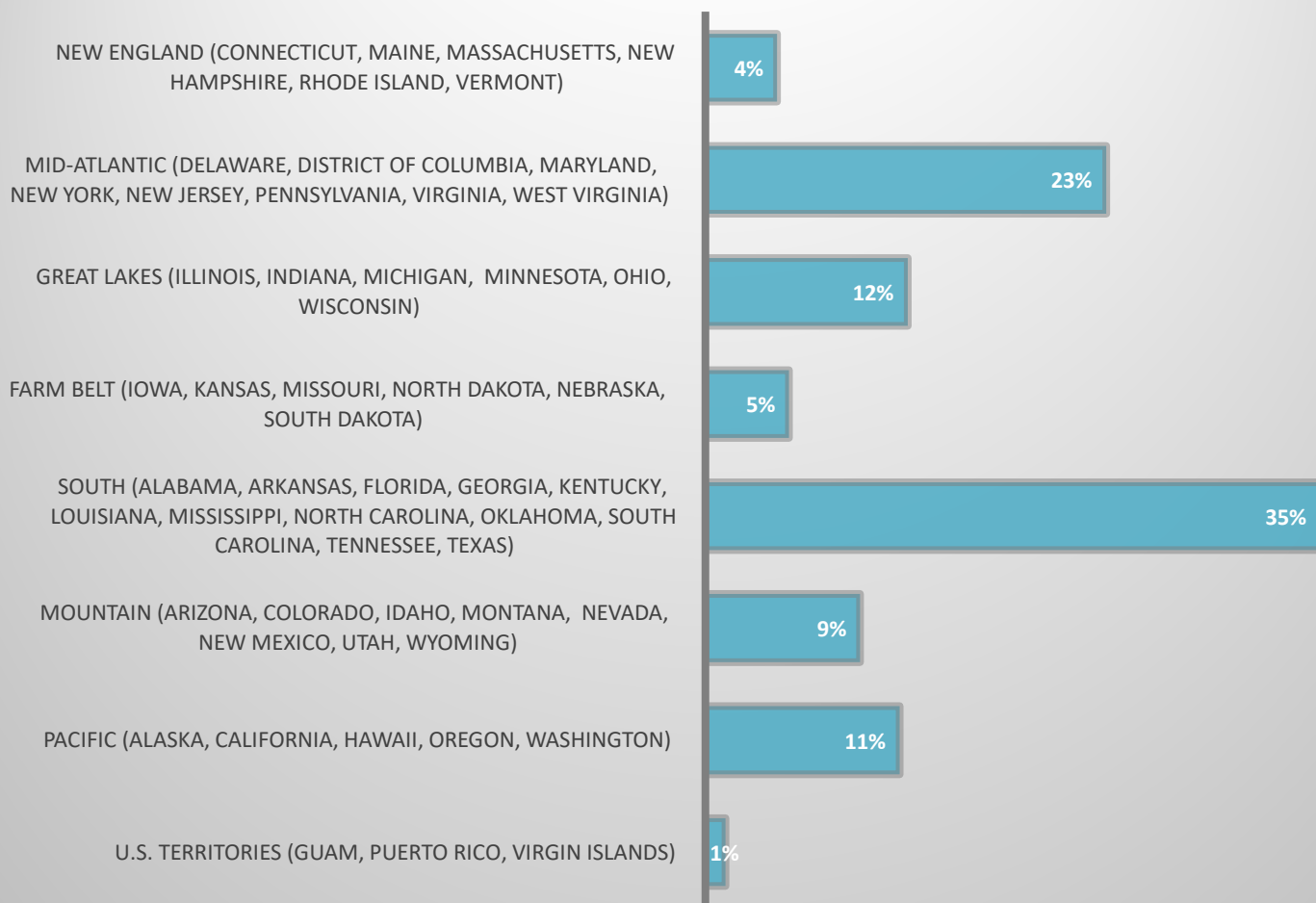


Are you engaged at all in the federal contracting marketplace? (check all that apply)



Demographics

In what state or U.S. territory is your company currently headquartered?



Methodology: This survey was conducted online among 523 small businesses across the country May 23 – June 27. Please [contact the NSBA media affairs department](#) with questions.