

CURRENT SENTIMENT IN SMALL TO MEDIUM BUSINESSES

April 2024

With the aim of determining the nature of challenges faced by Small to Medium Businesses (SMBs) in 2024, Acquis Insurance conducted a survey of 500 SMB's across multiple industries to gauge current sentiment in the market and enable asset finance providers to identify potential growth opportunities.

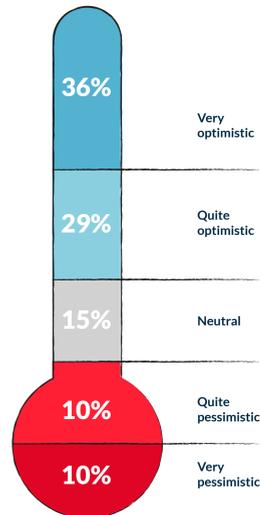
How OPTIMISTIC or PESSIMISTIC

are you about the long-term future of your business?

Market Temperature Check

65%

of SMBs are currently feeling optimistic about the future of their business



MOST OPTIMISTIC SECTORS



MOST PESSIMISTIC SECTORS



FACT FINDER

Companies that have been in business for over 10 years are feeling markedly more optimistic when compared to companies less than 10 years old.

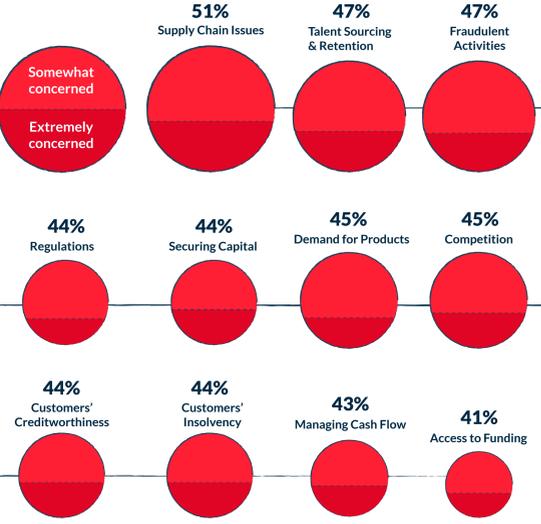


Which challenge will have the biggest negative impact on your business?



How concerned are you about each of the following being CHALLENGES FOR YOUR BUSINESS

over the next 12 months?



51%

Supply chain issues are currently perceived as the biggest challenge for SMBs over the coming 12 months.



MADISON SAYS:

"This suggests that businesses are still feeling the impact of several major macro-economic events including the pandemic, international conflicts and global resource shortages."

Brian Madison | Managing Director - North America, Acquis

FACT FINDER

43% of SMBs believe managing cash flow will be a significant challenge over the next 12 months.

Leasing is well positioned to be the commercial finance option best suited to meeting this challenge with its ability to:

- Conserve Capital
- Maintain Liquidity
- Spread Investment Costs

MADISON SAYS:

"In an inflationary environment it's not surprising to see cost and pricing dominate SMB's thinking on growth strategy. SMBs will keep price relative to cost, however, achieving the right balance will be a big challenge for businesses in the coming months."

FACT FINDER

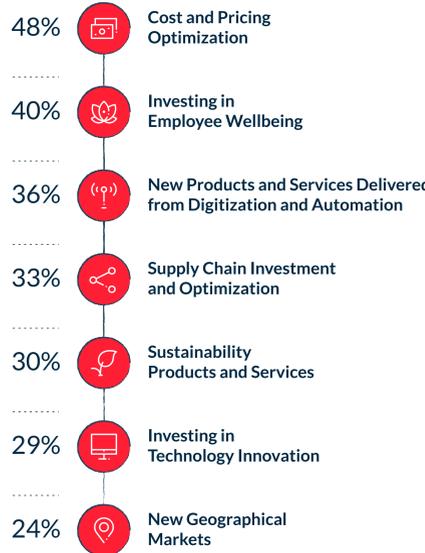
48%

of SMBs see cost and pricing optimization as the number 1 opportunity to drive growth, while only a third recognize digitization and automation as a growth opportunity and 29% see investing in technology innovation as an opportunity.

Is pressure to remain competitive in a time of high inflation coming at the cost of innovation?

Which of the following do you feel are the largest GROWTH OPPORTUNITIES FOR YOUR BUSINESS

over the next 12 months? Multiple answers selected per respondent



FACT FINDER

SMBs recognize people are their best asset

SMBs see investment in employee wellbeing as their second biggest growth opportunity 40%

However the ability to attract and retain employees is a top concern amongst SMBs 47%

MADISON SAYS:

"In a job market of low unemployment and high churn rates, it's hard to underestimate the value of meaningful investment in employee wellbeing. It will be essential to attract and retain the best talent."

How will your business be most likely to

FUND ITS NEXT INVESTMENTS

in new business equipment or assets? Multiple answers selected per respondent



Where opportunities lie for equipment finance companies in meeting SMB demand

88% of respondents will definitely invest in new business equipment in the near future

Computer equipment 33% and software 28% are the most likely types of equipment to be purchased

30% of SMBs perceive a growth opportunity in Green / Sustainability products and services

FACT FINDER

26% of SMBs intend to use leasing to fund investment in new business equipment, while credit cards are still seen as a primary source of funding investment in equipment 42%. The gap represents a big opportunity to increase leasing's share of the commercial finance market with education and awareness on the benefits of leasing vs other less economical forms of financing investment.



ABOUT THE SURVEY

We questioned 500 senior managers in SMBs (10-249 employees) from a wide range of industries across The US, who hold responsibility for making decisions about purchasing / leasing business equipment and are likely to lease business equipment in the normal course of business.

Respondents completed an online quantitative survey during March 2024 designed by 3Gum research on behalf of Acquis.



ABOUT BRIAN MADISON

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Brian is a global financial services executive with an outstanding record of enhancing operating and financial performance.

With experience spanning mid-size to Fortune 50 companies, he has extensive expertise in operations, business development, sales, and marketing, with knowledge of the technology, healthcare, government, clean energy, water, industrial, transportation, and rail market sectors.

As Managing Director, North America at Acquis, Brian is launching specialty insurance services into the US equipment finance and leasing market.



ABOUT ACQUIS

Acquis provides fully outsourced insurance programs for financed equipment designed to maximize value for you and your customers:

- Ensure all assets are protected
- Generate valuable revenue
- Close deals fast with every asset insured from contract start
- Outsource insurance administration and remove servicing costs

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