SME Tech Trends, Challenges and IT Investment across UK 2023

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Despite the challenging economic climate, technology is more critical to business success than ever before. New insights from Sharp Europe reveal top business and technology challenges and IT investment priorities for UK small and medium enterprises over the next 12 months.

502 Professionals within SMEs from the UK

12 month priorities

34% of UK small and medium enterprises will be investing in improving IT security this year

21% will prioritise migrating services to the cloud this year with hybrid working tech challenges ranked highly as a reason why

28% However, nearly a third will still be focusing on upgrading or replacing servers as traditional IT set ups still remain prominent

33% Over a third of SMEs across Europe are planning to invest in new hardware

Only 8% of those surveyed are not planning any IT changes at all this year

IT Investment UK

44% Almost half of small and medium enterprises in the UK will invest more in IT in 2023 than they did last year

51% revealed they have plans to spend more than £20,000, with

5% of small and medium enterprises planning to invest over £100,000 in IT projects

91% Almost all are planning to invest in IT improvements this year

88% of UK SMEs will match or increase spending on IT compared to 2022

Business Challenges

Top Business Challenges faced by UK SMEs over the next 12 Months

1. Cost of living crisis
2. Rising supply costs
3. Managing growth
4. Finding and retaining talent
5. Managing a diverse and hybrid workforce
6. More challenging customers
7. More difficult to convert sales

39% across the UK report that rising costs are the biggest business challenge this year

22% say that managing a diverse hybrid workforce is a major challenge this year

23% admit that finding and retaining talent will be a major business challenge this year

Technology Challenges

Top Technology Challenges faced by European SMEs over the next 12 Months

1. IT Security
2. System upgrades
3. Hybrid working technology issues
4. Employees' ability to use software
5. Hardware upgrades
6. Ensuring the network is working consistently

33% across the UK believe that the biggest technology challenge they face over the next twelve months is IT security

28% believe ensuring system upgrades will be a major technology challenge this year

26% believe dealing with hybrid technology issues will be a major technology challenge this year

Source: The research was conducted by Censuswide between 1st February 2023–13th February 2023, and responded to by 5,770 IT decision makers and people who are responsible for purchasing IT within SMEs, from 11 countries (Austria, Belgium, France, Germany, Italy, Netherlands, Poland, Spain, Sweden, Switzerland and the UK).