Accelerating digital transformation among Singapore SMEs

Amid COVID-19 and beyond

Small and Medium Enterprises (SMEs) were among the hardest hit businesses during the COVID-19 pandemic, which took a toll on the global economy. While some businesses have fast-tracked digital transformation to stay resilient, others have struggled to digitalise as they cope with financial and operational challenges.

Together with the Association of Small & Medium Enterprises (ASME), Microsoft Singapore surveyed 400 local SME business owners to understand the current landscape, challenges and opportunities for digital adoption by SMEs in a COVID-19 world. This study builds on the findings from its 2018 edition.

Small and Medium Enterprises (SMEs) still perceive cost savings and revenue gains as the biggest advantages of digital transformation.

However, COVID-19 has slowed down SMEs’ digital transformation and growth.

Barriers faced by SMEs in their digital transformation journeys are exacerbated by COVID-19.

Awareness and adoption of digital transformation has increased significantly among SMEs.

The 5 key benefits of digital transformation are more important now than ever before.

SMs still perceive cost savings and revenue gains as the biggest advantages of digital transformation.

30% aware of digital transformation

23% increase since 2018 (57%)

83% now have strategies in place for digital transformation

27% increase since 2018 (56%)

14% increase in adoption of more advanced technologies e.g. cloud productivity, storage services, collaborative tools

2018 2020

23.5% 22%

in average cost savings (up from 22% in 2018)

26.9% 26.9%

in average revenue (up from 26% in 2018)

Yet, SMEs are still hungry for growth.

Government initiatives:

Despite low awareness, more than 3 in 5 SMEs indicated that they would look into tech solutions in the next 2 years.

Top technology solutions SMEs plan to adopt in the next year:

Artificial intelligence

Machine learning

Business process apps

Big data & advanced analytics

Accelerating digital transformation

Around 1 in 2 SMEs are already leveraging Microsoft technology. In Singapore, Microsoft works with over 1,000 cloud partners, who are building solutions for SMEs and other organisations across various industries.

No matter the size of your business, the right technology can power up your business, and put you in a stronger position to grow and succeed. Learn more about how you can start existing digital transformation at

ABOUT THE STUDY

The ASME-Microsoft SME Digital Transformation Study polled 400 local SMEs to derive insights on digital transformation and readiness.

Respondents on Singapore SME owners or key decision makers involved in shaping their organization’s digital strategy across different sectors:

• 48% Key Decision Maker, 37% Joint Decision Maker, 15% Key Influencer.

• 66% Small (1-24 Employees), 21% Medium (25-99 Employees), 13% Medium-Large (100-499 Employees)

• SMEs in Singapore defined as companies that are registered and operating in Singapore, have at least 30% local shareholding AND group annual sales turnover of less than S$100m OR employment size of not more than 200 workers.

https://www.microsoft.com/en-sg/smb