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'Small' Tech Support Is 'Big' Business

By Nathan Denny on Jan 26, 2012

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A new IT trend is taking hold among American small businesses: outsourcing tech support to larger corporations like Apple and Best Buy.

Or, as Sarah Needleman puts it in *The Wall Street Journal*, "the small-business help desk is going corporate."

So, what's it mean? For starters, those larger corporations are "bringing new competition to independent consultants who typically handle the IT needs of U.S. start-ups and small companies."

And why? Well, that's fairly obvious: As business becomes more centered on

technology (think of all the business opportunities in mobile and social media that weren't there five years ago), small businesses are finding a greater and greater need to provide information-technology services to their customers.

They also need to provide more tech support internally, whether that's setting up new computers for employees, upgrading company software, or protecting against malware and viruses

"U.S. businesses with less than 500 employees spent roughly \$23.5 billion on IT services last year, and are projected to spend \$27.2 billion on IT services by 2015," Needleman writes, citing estimates from IDC.

Best Buy sees "significant, untapped potential" in providing IT services to small businesses. And Apple last year specifically entered into a new partnership with a company called OnForce Services Inc. for the sole purpose of providing small businesses with in-house IT assistance.

"Everyone's talking small business right now. There's a huge opportunity," says Peter Cannone, chief executive of OnForce.

"While many small businesses and start-ups are still reluctant to hire new employees, spending on technology and IT services is seen generally as smart if it can help a company operate more efficiently, or make it possible for an owner who travels to manage his or her business from a remote location," Needleman writes.

"Spending on IT services by U.S. companies of all sizes has been growing at a rate of about 3.2% annually over the past five years, and reached \$304 billion last year."

"About 71% of small and midsize U.S. companies said they planned to increase their IT budgets by an average of 5.2% over the next 12 months."

That's just the tip of the iceberg; The *WSJ* article goes into much more detail. [Click here to check it out.](#)

What do you think? Do you plan to use a larger corporate IT support provider like Apple, or are you sticking to the independent contractor or in-house support route? Sound off in the comments and share your thoughts and ideas with the rest of the Vistage Connect CEO community.

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