



NO TIME TO WASTE

How Managed Hosting Solutions
Make Small and Midsize Businesses
(SMBs) More Competitive

50+ Hour
work week

46%
time on HR

only **13%**
on Sales

IT expensive
& high risk



TIME

It's the most precious commodity of small and midsize business (SMB) owners and teams everywhere. Are they spending their precious time on the right priorities?

The National Federation of Independent Business (NFIB) says that just 42.1% of all small business owners clock a normal work week of 40 to 50 hours. The rest put in super-human hours as they seek to run and grow their business.¹ But are they spending their precious time on the right priorities?

In this paper, we argue that SMBs should increase their adoption of managed hosting solutions to improve their ability to execute and optimize internal and external processes. Some 92% of SMBs already use at least one cloud business solution and 87% use at least one hosted or cloud infrastructure solution.² However, they often add new capabilities piecemeal, rather than taking a strategic look at all their needs.

It's no surprise that CEOs and managers of SMBs spend most of their time running the business. Small business owners spend a third of their time on execution—providing business services—and just 13.2% on sales.² And as firms grow, CEOs can spend up to nearly half their time on HR issues.³

But these leaders know they need to free up time for marketing and sales. A study of 4,000 SMBs around the world found that business owners who spend at least 40% of their time on customer growth increased their revenue 60% faster than those who did not.⁴ The key to these leaders' success? Systematizing their businesses.

SMALL BUSINESS OWNER—OR SUPER HERO?

U.S. small business owners are pulling long hours as they build their brand and customer base.

% OF SMALL BUSINESS OWNERS	AVERAGE WORK WEEK
42.1%	40 to 50 HOURS
28.9%	50 to 60 HOURS
18.4%	60 to 70 HOURS
7.9%	70 to 80 HOURS
2.6%	80+ HOURS
And 44.7% say their hours have increased.	

At SMBs,
40% of owners
perform their own IT
support, while 32% have
a staffer handle it.⁵

Source: NFIB. Survey of their small business owner members.¹

Moving from On-Premises IT Infrastructure to Managed Hosting Solutions

Managed hosting solutions can help SMBs simplify and systematize IT. While many SMBs see the value of hosting their business systems in a managed data center, they often operate servers on-premises to maintain control over processes and ensure the security of their data. This is especially true for SMB e-commerce providers and firms that serve customers in other regulated industries, such as financial services, government, and healthcare.

However, most SMBs also don't have the resources to hire a full-time IT staffer and must rely on local contractors. That increases both business and IT risk and reduces companies' responsiveness to sudden changes.

With the rapid evolution of managed hosting and managed data center solutions, SMBs now have excellent options that reduce the time, cost, and effort required to run their firms.

These solutions also provide best-in-class security, which hardens SMBs' networks and systems. That's particularly important to firms that manage confidential customer and corporate data.

SMBs that use managed hosting providers can better scale their IT demands, allowing them to do much more, such as test marketing offers with customers, launch new product lines, and extend into different business areas. They can eliminate time-consuming and tedious tasks, such as updating operating systems and running virus scans. They can access real-time scalability to meet demand spikes and volume growth. And they can reinvest time and IT savings back into growing their businesses.

So how do managed hosting solutions help SMBs surmount their top five concerns with operating technology?⁶

THE TOP 5 IT CONCERNS OF SMBS TODAY

IT CONCERNS	SMBS AFFECTED	LEADING CLOUD SERVICE PROVIDERS
Costs of Needed Upgrades to Technology	44%	<p>Upgrade fees are bundled into monthly service costs, bringing predictability to IT spend.</p> <p>Low-cost monthly fees eliminate the need to postpone costly upgrades, gaining new functionality and enhancing security.</p>
Security Issues	42%	<p>Servers are hosted at a military-grade data center with leading physical and network security.</p> <p>Maintenance and upgrades are performed by highly skilled staff who are 100% dedicated to performing managed services.</p> <p>Managed OS updates and patches are performed as they are made available, eliminating vulnerabilities and gaps.</p>
Time It Takes to Fix Problems	41%	<p>Quality managed hosting providers provide 24/7 phone, email, and live-chat customer support.</p> <p>Managed hosting solutions provide around-the-clock server and network operations availability, with rapid response times.</p>
Cost of Maintaining Technology	36%	<p>Leveraging managed hosting solutions enables companies to avoid upfront capital costs, putting funds to work elsewhere.</p> <p>With hosted infrastructure solutions, there's no need to buy costly servers or make difficult repair or decommission decisions.</p>
Breaks in Service	30%	<p>Quality managed hosting services provide high availability, reliability, and disaster recovery.</p> <p>Real-time scalability means systems can handle demand spikes with ease.</p>



MICROSOFT
is ending support for
Windows Server 2003 in July 2015,
which may lead to compliance
issues for SMBs in
regulated industries.

Modernizing outdated
infrastructure now not
only addresses this concern, but provides
SMBs with access to advanced new features
available in Windows Server 2012 R2
and SQL Server 2014, including
SQL Server Data Tools
for Business Intelligence.

Putting Managed Hosting to Work

Newtek partners with Microsoft to provide SMBs with an array of managed technology solutions to meet their needs. This includes a broad suite of hosted services featuring managed servers, disaster recovery solutions, managed colocation, compliance hosting, and web solutions. Newtek leverages Microsoft Windows Server 2012 R2, Hyper-V, and SQL Server 2014 solutions to provide SMBs with an exceptional combination of capabilities, performance, and cost. **Solutions include:**

Disaster Recovery

SMBs without a national footprint have limited resources to replicate systems and fail over operations during a catastrophic event. Newtek can help businesses ensure business continuity by leveraging its nationwide data center network.


Managed Colocation

Managed colocation services are ideal for SMBs that want to maintain tight control over their infrastructures but may have limited resources to deliver secure, reliable server hosting services themselves. Newtek can help manage customer-owned infrastructure in secure data center cages or cabinets.

Servers and Infrastructure

SMBs have a plethora of options to replace on-premises servers. SMBs can choose virtual private servers (VPS), dedicated servers, or managed servers, depending on their needs.

- VPS services provide cost-effective and sole access to a virtualized machine, with real-time scalability to meet business growth. Companies can add managed services to reduce their IT responsibilities and enhance system security.
- Dedicated servers give SMBs exclusive access to physical machines that offer serious computing power. Newtek offers managed services including firewall, nightly backups, real-time antivirus scanning, monthly operating system patches, fix management, disaster recovery, and support from skilled staff.
- SMBs seeking to differentiate themselves from competitors can build compliant applications for financial services, healthcare, and retail companies. Newtek provides compliant hosting solutions that can meet strict regulatory compliance standards, including HIPAA (Health Insurance Portability and Accountability Act), PCI-DSS (Payment Card Industry-Data Security Standard), and SOX (Sarbanes-Oxley Act).



**Want to
increase your
competitiveness?**

CONTACT US TODAY

to reduce the time, effort, and cost
of operating your infrastructure!

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About Newtek

Newtek Technology Services is a division of Newtek Business Services Corp. (NASDAQ: NEWT). Newtek has been a leading provider of small business and technology solutions since 1998, and serves over 100,000 businesses located in all 50 states.



**Newtek
recommends
Windows Server**

Newtek sells Microsoft Windows Server 2012R2

¹ "How Small Business Owners Spend Their Time," Infographic, National Federation of Independent Business (NFIB), July 1, 2014, <http://www.nfib.com/article/how-small-business-owners-spend-their-time-mybiz-ja2014-65991/>.

² "SMB Group Top 10 SMB Technology Trends for 2015," SMB Group, December 2014, 1, http://www.smb-gr.com/wp-content/uploads/2014/12/SMB_Group_TOP_TEN_SMB_TRENDS.pdf.

³ "Report Finds CEOs of U.S. Small and Mid-size Businesses Can Spend Up to 46% of Time on HR Issues," TriNet press release, December 9, 2014, <http://investor.trinet.com/company/investors-relations/news/news-details/2014/Report-Finds-CEOs-of-US-Small-and-Mid-size-Businesses-can-Spend-up-to-46-of-Time-on-HR-Issues/default.aspx>.

⁴ State of the Business Owner 2014, EMyth, <http://www.stateoftheowner.com/>.

⁵ "2013 Small Business Technology Survey," National Small Business Association, September 16, 2013, 4, <http://www.nsba.biz/wp-content/uploads/2013/09/Technology-Survey-2013.pdf>

⁶ Ibid, 8.