

SME Tech Trends, Challenges and IT Investment across Europe 2023

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 European small and medium enterprises over the next 12 months.

12
month
priorities



IT Investment

45%

Almost half of small and medium enterprises in Europe will invest more in IT in 2023 than they did last year

56%

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

4%

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

97%

Almost all are planning to invest in IT improvements this year

90%

of European SMEs will match or increase spending on IT compared to 2022

44%

European small and medium enterprises will be investing in improving IT security this year

31%

Almost one third of firms will prioritise migrating services to the cloud this year with hybrid working tech challenges ranked highly as a reason why

32%

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

36%

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

Only 3%

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

Business Challenges

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

1
Rising supply costs

2
Cost of living crisis

3
Finding and retaining talent

4
Managing a diverse and hybrid workforce

5
Leveraging investment in tech

6
Managing growth

7
More challenging customers

32% across Europe report that rising costs are the biggest business challenge this year

27% say that managing a diverse hybrid workforce is a major challenge this year

26% admit that managing more challenging customers 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

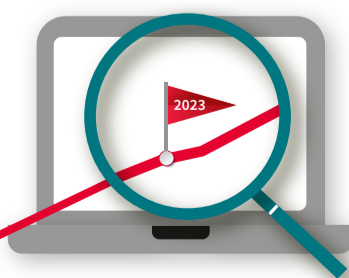
2
Ensuring the network is working consistently

3
System upgrades

4
Employees' ability to use software

5
Hardware upgrades

6
Hybrid working technology issues



36% across Europe believe that the biggest technology challenge they face over the next twelve months is IT security

26% believe ensuring their network is working all the time will be a major technology challenge this year as will systems upgrades

23% believe dealing with hybrid technology issues will be a major technology challenge this year