



2016 IEEE-USA Entrepreneurs and SBA Survey

Requested by: IEEE Technical Activities
Report Prepared by: IEEE Strategic Research

2016 IEEE-USA Entrepreneurs and SBA Survey¹

Executive Summary

The purpose of the 2016 IEEE-USA Entrepreneurs and SBA Survey was to understand the needs of entrepreneurs, small business owners, and small business employees in the United States. 7,600 IEEE members in the United States were surveyed.

What follows is a summary of key findings from the 2016 survey. Changes over the previous iteration are noted where the differences are significant.

Highlights of Survey Findings:

Business Characteristics:

- More than three in ten (35%, down from 42% in 2015) owned a business.
 - 7% planned to start a business within the next 12 months.
- Nearly six in ten (57%) have been in business for more than ten years, compared to only 9% that have been in business for two years or less.
- More than a three in ten businesses are owned by a woman, minority or veteran.
- Bootstrap financing was the most likely source of funding for entrepreneurs, both pre-revenue and post-revenue.
- More than four in ten respondents' companies (45%, up from 39% in 2015) are actively developing new technology.
- 42% currently export their products, while 9% plan to do so in the next twelve months. The remaining 49% have no plans to do so.

Challenges:

- Nearly two thirds of respondents say their companies are not having difficulty (64%) finding and recruiting either engineering or production job talent
- Nearly three in ten (28%) said the primary challenge to their company beginning or expanding its export activities was a poor understanding (or lack of contacts in) foreign markets.
- Respondents were also asked to select the top four challenges to small innovation

¹ Survey conducted 10/27/16-11/8/16 by IEEE Strategic Research team. For questions or additional information, please contact via ieeersearch@ieee.org.

company growth. More than a third (36%) cited difficulty in getting customers to adopt new technology, while 33% cited access to capital. Just over three in ten (31%) cited difficulty in commercializing technology products. Insufficient opportunities to sell products or services for small businesses was the fourth most selected answer, at 27%.

- Asked the biggest challenges in bringing new tech to market, more than four in ten cited a lack of sufficient funding (45%), while more than three in ten (36%) cited a lack of management knowledge with marketing/commercialization. Just below that was a lack of product validation in market (30%). A lack of technical talent was the least cited option, at 17%.

Attitudes Towards Government Intervention in Small Business:

- Four in ten (40%, down from 48% in 2015) believe it would be fair for the government to receive royalties or licensing fees from patents it provides funds to help commercialize. 30% believe the amount should be capped.
- Nearly three in ten (29%) believe the government can best create additional market opportunities for small businesses by increasing the amount of business it does with small companies directly, while 23% support increasing the size of the SBIR program and 23% support incentivizing large federal contractors to work with small businesses.
- Respondents believe the government can help close the skills gap for production jobs via small business tax credits for training certain employees (37%), supporting community college training programs (35%), and working with small companies to develop apprenticeship programs (28%).

Employees in Small Businesses:

- Given a series of statements, employee respondents tended to support statements that show innovation and growth are collaborative and acceptable in their companies, but these percentages declined compared to 2015.
 - Respondents were more likely to note that their company structure is hierarchical (73%, up from 65%) than flat (27%, down from 35%).
 - Two thirds were more likely to say anyone can propose new ideas (66%, down from 74%) than they were to say only certain staff ideas are considered (34%, up from 24%).
 - Two-thirds said they are personally able to suggest new ideas that others consider (67%, down from 78%)
 - Just over half said they are considered a thought leader in their area (54%, down sharply from 70%).