

TAKING THE MIDDLE GROUND

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U.S. businesses can be easily divided into three sizes – small business, middle-market and large enterprises. Although each of these groups accounts for an equal third of the \$32.6 trillion national market, it's the former and the latter that tend to receive most of media, government and consumer attention. Politicians love discussing the struggles faced by American small businesses, lauding them for exemplifying the American dream. Large enterprises like Nike, Apple and Cisco, with their immense cash coffers and robust marketing teams, have little issue staying top-of-mind in the American psyche.

The frequently overlooked middle-market – those companies typically having fewer than 1,000 employees – may seem like the economy's underappreciated middle child, but in reality is crucial to America's fiscal success. Responsible for \$10 trillion in annual revenues and 30 million jobs, if the U.S. middle market

was a country, its gross domestic product would rank it as the fourth-largest economy in the world.

The 200,000 mid-market companies in the U.S. do face some unique challenges, however. As they've grown, they become less agile than the startups and small business that nip at their heels, so they must continue making smart, nimble business maneuvers. On the other hand, they operate with thin margins and don't enjoy nearly as many resources as large enterprises. Thanks to rapid advancements in supply chain technology, mid-market companies can fight back against these opposing market pressures.

The Cloud on Offense

The rise of affordable cloud options is chief among those supply chain tech innovations. A host of new private and public cloud solutions allow mid-market leaders can utilize their distribution strategy as a potent competitive

weapon – not a potential liability. With more than half of mid-market leaders planning to increase spending on technology, they would be wise to allocate funds to ensure their supply chains are running with precision.

Even just a few years ago, the term “cloud computing” seemed like one reserved for either niche IT firms or global companies. But today, with 70 to 85 percent of mid-market CIOs planning to move their primary applications to the cloud, the current landscape is shifting rapidly.

The supply chain is a perfect candidate for those making the initial forays into cloud computing: managing an effective supply chain means connecting tens or even hundreds of partners along a complex, dynamic path of interactions.

Besides the collaboration and visibility benefits, distributors can also enjoy a host of other near and



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long term benefits by shifting to the cloud including scalability, cost containment and immediacy.

The Cloud on Defense

Many of the initial cloud skeptics lamented the idea of hosting their sensitive data in a public cloud – the security risk did not seem worth the potential process upgrade. Today's cloud providers, with their near-perfect uptime and state-of-the-art cyber tools, offer mid-market companies an added layer of safety: data redundancy and protection from their own employees.

Hurricane Sandy, the Category 3 superstorm that struck the East Coast in 2012, serves as a tragic example of the importance of data redundancy. The physical damage

was, of course, paramount, but as mid-market businesses struggled to resurrect their supply chains, many realized their on-premise servers were damaged. Gone with the servers were troves of business-critical data that had not been backed up in months. To avoid horror stories like these, today's CIOs are choosing cloud solutions that ensure redundancy.

The other liability facing mid-market companies, especially those with complex supply chain and distribution channels, is actually their own employees. The old adage is that your company is only as strong as its employees, and that's certainly still true. The new reality, though, is that your data security is only as good as the weakest link in your company.

The 2015 Data Breach Industry Forecast by Experian found that employees caused almost 60 percent of security incidents last year. It is imperative for mid-market companies, as their supply chains continue to grow and include more partners, to train employees on how to safely access and use the cloud.

The U.S. middle market will continue to expand its economic and fiscal reach as companies leverage new technology for added supply chain growth. In order to fight off pressure from small businesses and large brands, mid-market companies should begin arming themselves with cloud solutions.

