

BEYOND BUZZWORDS: WHERE THE REAL SHIFTS IN 2024 MID-MARKET TECH WILL OCCUR

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In a recent podcast from the National Center for the Middle Market, an executive noted the technology dilemma that mid-market companies find themselves in when compared to other firms.

While startups are often led by engineers who can write software and build the underlying infrastructure of the business themselves, established mid-market companies don't usually have that option. Their larger competitors often have resources and talent on a global scale that attracts a bevy of experts.

Companies in the mid-market space are an under-discussed facet of digital transformation across verticals, but they're a critical one. Mid-market firms not only make up about one-third of GDP in the private sector, but their technology decisions sit at the intersection of value and effectiveness. They need technology to grow their business, and they need strong partners to

help them deploy it in a way that makes economic sense to them.

As we look ahead to the new year, mid-market companies are navigating fast-moving currents on the IT front—trends they can't afford to ignore.

Beyond the buzzwords and hype, real shifts are taking shape. In this article, we'll explore the pivotal trends that are shaping technology adoption strategies in the coming year.

The Cybersecurity Dilemma

Two things will drive technology adoption in the near term: regulatory requirements and the demands of competition. In healthcare and food distribution, there are greater demands for traceability and accountability. Consumers want to know where their food comes from—rightly so. The FDA's pharmaceutical regulations require the tracking of drugs from manufacturing to the consumer. This requires a

system—ideally, an Enterprise Resource Planning (ERP) system—capable of recording and tracking products. Usually, this requires automatic identification (AutoID) technology to record and be able to transmit data such as the conditions that products were stored in and other transportation information.

Mid-market firms need to compete against scrappy upstarts and behemoths alike.

As a result of these expanded digital footprints, mid-market firms will face an increasingly challenging cybersecurity environment. They have an ever-expanding attack surface, and they'll struggle to protect it. The biggest threat will arise from ransomware, which was on track to extort more than \$900 million from U.S. businesses in 2023, according to the U.S. Department of Homeland Security.

Businesses in the mid-market

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are prime targets for hackers, and to make matters worse, they are tasked with finding the right talent to manage cybersecurity operations within their organization.

To navigate these challenges, they'll need partners and properly managed services to help them build resiliency.

Tech To Mitigate A Talent Deficit

Mid-market firms emerging from the pandemic are struggling to find and hire employees. Some of that difficulty came from a general labor shortage across the economy. Some of it came from the fact that many mid-market firms built larger warehouses during the pandemic to keep up with the rise in e-commerce.

That shortage will likely persist through 2024.

I'd expect them to address the talent deficit in a couple of ways. We'll see more automation across their businesses, in the warehouse, the office and in the field.

They may address this talent deficit with tech—more automation in the warehouse and in the office, more mobile services and more cloud capabilities. Mobile tools will be especially useful here—they can

be used in order picking and other warehouse tasks.

There's an additional upside to the expanded use of mobile tools. They accelerated training and onboarding because nearly everyone is familiar with them, something that can't be said about a lot of existing warehouse tech.

On the IT front, I think we'll also see an acceleration of cloud adoption. There just isn't enough IT talent to go around. Moving operations to the cloud shifts a lot of technology management to cloud providers.

Managing The Rise Of AI

One big question facing mid-market companies is using AI in their operations. There's no clear answer. For one thing, the public discussion of AI has been consumed by the rise of generative AI and natural language processing. Many firms, big and small, are still kicking the tires and trying to figure out what to do with it. It's still early days for AI.

Predictive analytics has shown more promise in the mid-market. It uses a company's own data coupled with external data to help manage supply chains or inventory. It can also serve to assist customer self-service as

a recommendation engine for customers.

As mid-market companies expand their digital footprints, they'll find themselves sitting on larger and larger data volumes.

While they may not completely understand the need to deploy AI in 2024, it's coming quickly. A little preparation can go a long way. Companies should think about how to store and manage their data in anticipation of future AI projects, while actual deployment should be results-driven as far as knowing what AI and where AI will deliver the best results and total cost of ownership (TCO).

Path To Growth

In the ever-evolving landscape of mid-market technology, the challenges and opportunities for growth in 2024 are clear. Embrace automation, fortify cybersecurity, leverage predictive AI and prepare for the AI revolution by optimizing data management.

Your ability to navigate these challenges will determine your tech-driven success in the coming year. Don't wait—take action now to thrive in the dynamic mid-market tech arena of 2024.

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