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DECISIONS MADE FOR GROWING BUSINESSES SERIES

# MAKING TECHNOLOGY DECISIONS THAT SCALE WITH YOUR BUSINESS

A leadership perspective on technology decisions in fast scaling small and mid-sized businesses

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# Perspective

This paper reflects work shaped by a pattern I've seen repeat across small and mid-sized businesses. Namely, the technology creep and decision atrophy that sets in as growth stresses technology leadership capacity.

New systems are added incrementally, often to address real needs in the moment. Over time, those additions accumulate without being considered as a whole. Decisions continue to get made, but they become narrower and more reactive, shaped by urgency, service provider incentives, or growth pressure rather than deliberate consideration of what the business actually needs next.

In small and mid-sized businesses, this rarely looks like failure. It shows up as friction, workarounds, and a growing sense that technology is setting the pace instead of leadership. Teams adapt. Leaders compensate. Progress continues, but with more effort and less understanding around how earlier decisions led there.

That perspective provides context for how I approach the thinking you find in this paper. It is not an introduction or a conclusion, but orientation. The pages ahead reflect observations from businesses navigating growth and constraint, where leadership judgment matters as much as the technology involved.

Chad Jason Baer

# Summary for Leaders

**Small and mid-sized businesses have to make technology decisions under pressure: too many vendors, too many tools, and not enough structured guidance.**

Leaders know technology matters, but without a clear way to evaluate options, decisions become reactive. Tools are added to fix isolated issues. Service providers step into strategic roles they were never intended to fill, and internal teams do what they can to keep things working. Over time, the business accumulates systems that don't align with how it actually operates.

The problem isn't technology. It's the absence of a practical method for making decisions about it. Many growing SMBs operate without a technology strategist, creating an opening that vendors, managed service providers, and VARs (value added resellers) enthusiastically fill. They offer value, but their intentions don't always match leadership's long-term direction or best interests. Decisions become shaped by what's available and attractive rather than what the business needs next.

**When decisions are made with purpose, technology becomes a force that supports the organization instead of holding it back.**

This paper discusses the weight of misaligned technology investments and introduces a straightforward decision mindset for evaluating choices through a business-first lens. The approach is simple, personal, and designed for real-world constraints, giving leaders a structured path to decisions that support growth rather than slow it.

## 55% Budget Increases

In 2026, 55% of companies plan to increase their IT budgets, even as spending faces tighter scrutiny and cost justification requirements.

## 54% Technology Modernization

The leading driver behind budget increases is modernization: 54% cite the need to upgrade outdated technology.

## 46% AI Initiatives

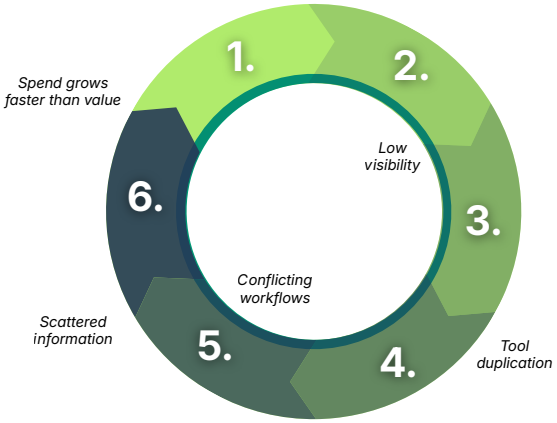
AI is now a mainstream budget driver: 46% of organizations cite supporting company AI initiatives as a top reason for technology budget increases.

Spiceworks/Aberdeen Research, State of IT 2026.

# Where Technology Decisions Break Down

**Many SMBs make technology decisions without a leadership-driven strategy. A problem appears, a vendor suggests a fix, or an MSP raises a concern, and the business becomes reactionary instead of deliberate and responsive.**

These individual choices accumulate into a system shaped by urgency rather than design. This isn't a failure of leadership. It's the natural result of operating without clear strategic guardrails. Instead of an executive level technology strategist guiding decisions, responsibility often falls to whoever is closest to the issue — an IT generalist, an operations leader, or the MSP. Each acts with good intentions, but none controls the broader business context needed to make intentional decisions.




**REACTIVE DECISION CYCLE**

1. Problems Appear
2. Closest owner reacts
3. Vendor suggests a "fix"
4. Point solution implemented
5. Unintended complexity grows
6. Manual workarounds spread and costs rise

As the business grows, the consequences of reactive decision-making intensify. Workflows become dependent on manual workarounds. Information gets scattered across unconnected tools. Each improvement creates unexpected complexity elsewhere. Costs rise faster than value. Leaders know something is off, but it's hard to pinpoint the source. This is the **reactive decision cycle**.

Common patterns appear across SMBs:

- Decisions made in isolation create tool duplication and conflicting workflows.
- Manual processes emerge where systems fail to integrate.
- Vendors influence decisions more than business goals do.
- Technology spend grows without a clear link to performance.
- Leadership lacks visibility into where friction originates.

Recent data reinforces these patterns. More than 55% of SMB leaders cite manual workarounds as a major operational pain point, and 46% report difficulty integrating new technology with existing systems — two issues that directly accelerate fragmentation. These issues are predictable, and avoidable, when decisions follow a structured **business first** technology strategy.

Techaisle's SMB and Core Mid-Market surveys highlight top technology challenges leaders experience day to day, juxtaposed against their ranked business issues and technology priorities.

AI is the clearest example. It does not appear as a stated business goal, yet it ranks as a top technology priority. At best, leaders are treating AI as an enabler of the goals on the left. At worst (and most likely), AI becomes a set of point solutions deployed in pockets of the business with disparate and siloed local objectives.

When a business issue does not become a specific technology priority with ownership, sequencing, and operating discipline, teams still move forward, but they do it tactically. This is how "priorities" turn into "challenges."

**Technology strategy requires a clear path connecting business objectives to data, architecture, operating model, and investment sequencing.**

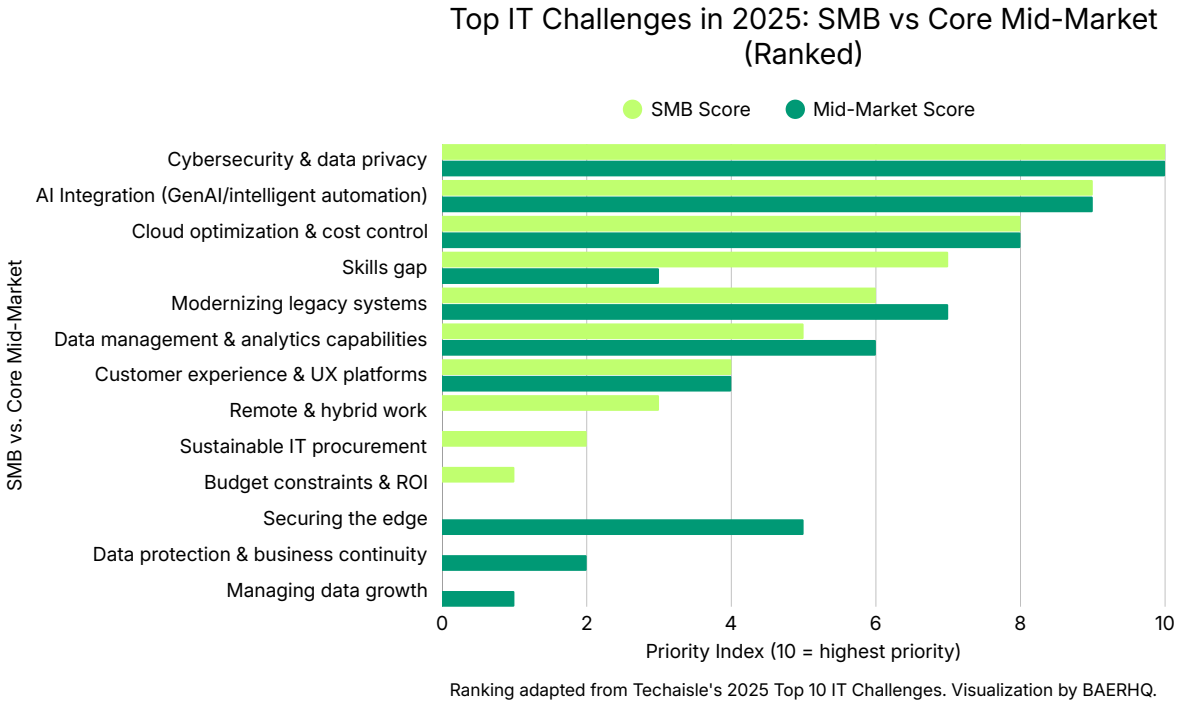
Viewed together, they highlight a concerning disconnect in both SMB and Core Mid-Market organizations: when a business goal isn't mapped into a clear technology priority, it will likely show up later as potential business friction.

Over time, that gap (in large part) is what turns reasonable decisions into persistent IT challenges.

These rankings show why the disconnect matters. In both SMB and Core Mid-Market, the business agenda is clear: growth, ROI, talent, customer experience, and resilience. The technology agenda is also clear but, as we can see in the survey, it's not always created as a direct response to those business issues.

The IT challenges chart shows what happens when that translation step is weak. Skills gaps, integration difficulty, data management, budget constraints, and data security are already persistent friction points. Technology integration, when it is not planned and governed as part of a broader roadmap, will amplify each of those pressures at once.

Take for example what we see in this data. Organizations are struggling to manage and integrate generative AI but have made it a priority to adopt advanced AI and automation. This is a strategic disconnect. They can not succeed by simply moving "up the curve" into agentic AI when they have proven they don't currently have the capacity or capability to make it work!




Ranking adapted from Techaisle's 2025 Top 10 IT Challenges. Visualization by BAERHQ.

## Business Issues vs. Technology Priorities (Core Mid-Market, 2025)

Connector lines indicate clear alignment; unconnected items indicate no explicit priority match.

| Top 10 Business Issues | Top 10 Technology Priorities |
|---|---|
| 1. Driving Profitable Growth | 1. Intelligent Automation & AI Integration |
| 2. Maximizing Technology ROI | 2. Enhanced Cybersecurity & Data Protection |
| 3. Cultivating A High-Performing Workforce | 3. Strategic Cloud Adoption & Optimization |
| 4. Delivering Exceptional Customer Experiences | 4. Advanced Customer Experience (CX) Technologies |
| 5. Fortifying Cybersecurity & Data Protection | 5. Data Analytics & Business Intelligence for Actionable Insights |
| 6. Optimizing Digital Sales & Marketing Performance | 6. Modern Collaboration & Communications Platforms |
| 7. Building Resilient Supply Chains | 7. Enhanced Mobile & Remote Work Solutions |
| 8. Fostering Innovation & Market Differentiation | 8. Strategic IT & Cloud Managed Services |
| 9. Ensuring Regulatory Compliance | 9. Modernized Communication & Content Center Soutions |
| 10. Scaling Operations for Sustainable Growth | 10. Resilient & Adaptive IT Infrastructure |

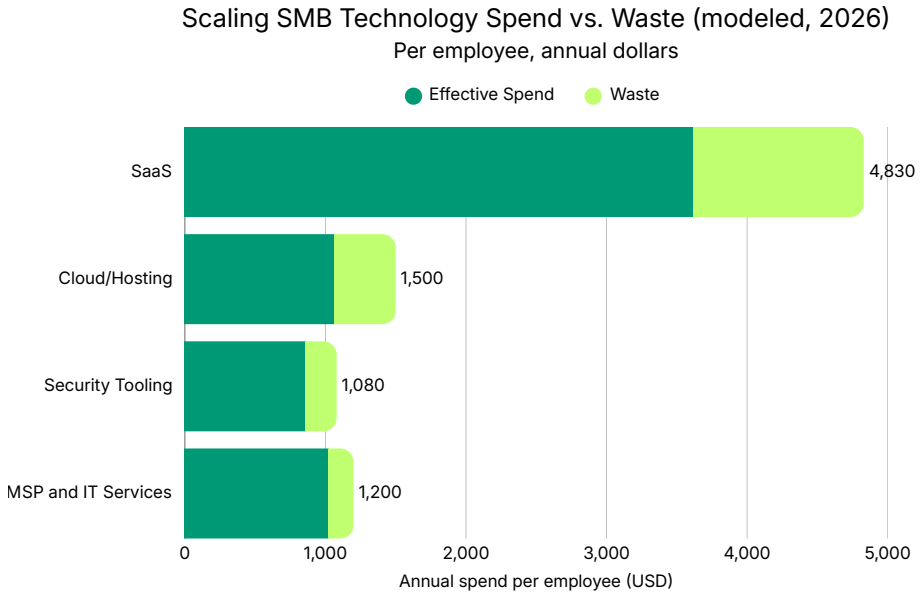
# The Cost of Misaligned Decisions

**Technology decisions compound over time, for better or worse. A new tool here, a vendor upgrade there. Individually these are small decisions that collectively define how the business operates. When those decisions aren't aligned to business needs, the costs show up across three dimensions.**

## Financial Impact

Misaligned systems drive hidden waste. Duplicative tools, unused features, overlapping platforms, and vendor-driven purchases all inflate spend. Manual workarounds add labor hours that never appear on a budget line, but drain margins just the same. Leaders feel the symptoms — slow processes, inconsistent output — without realizing they stem from decisions made years earlier.

Organizations are also increasing investment pressure. Nearly two-thirds (64%) of US SMBs planned to increase IT budgets in 2025. Locally, 40% of Phoenix SMBs increased tech budgets year-over-year, with another 41% maintaining current levels. At the same time, an average of 30% of SMB software spend is wasted on unused or duplicate subscriptions.




Benchmark ranges adapted from Zylo SaaS Management Index (2025) and other public benchmarks.
Waste modeled for scaling SMBs (25–500 employees) and reflects unused, redundant, or poor-fit spend. Visualization by BAERHQ.

## Operational Impact

When systems aren't designed to work together, teams fill the gaps manually. Information is re-entered or recreated. Work moves slower than it should. Errors increase. Each new tool introduces another place where things don't quite fit. As fragmentation grows, mistakes become more likely and harder to absorb. MSPs can keep systems running, but without strategic alignment, operational friction persists.

Security investment trends illustrate this tension. Nearly 63% of SMBs increased cybersecurity budgets in 2025, yet 29% still allocate less than 5% of IT spend to security — leaving meaningful gaps in operational resilience.

## Strategic Impact

The greatest cost of misalignment isn't financial or operational, it's strategic. Without a clear understanding of how technology supports the business, leaders make decisions based on urgency, not direction. Opportunities are delayed. Growth becomes harder than it should be. Expansion, investment, or new service lines strain an environment that wasn't designed to support them.

Across SMBs, the pattern is consistent:

**When decisions drift from business needs, technology slows the organization down.**

# Why Enterprise Models Don't Fit SMBs

**As leaders begin to recognize these patterns — rising costs, increasing complexity, and misalignment — the natural next step is to look for outside guidance. This is where many SMBs turn to traditional consulting firms.**

Large consulting firms are built for enterprises with layers of staff, formal processes, and high overhead. When those methods are applied to small and mid-sized businesses, they often create more complexity than clarity.

Enterprise frameworks assume mature processes and defined roles. SMBs operate with lean teams and leaders wearing multiple hats. What they need is focus, not formality. Instead, they receive long deliverables, detailed reports, and recommendations that require resources they don't have.

Enterprise staffing models create another mismatch. Senior partners sell the engagement, but junior analysts do most of the work. They're capable, but often unfamiliar with how SMBs actually operate. Leaders end up paying high rates for strategic work that doesn't fit their environment.

Even when recommendations are sound, they often require layers of adoption, governance, or architectural rigor that add friction rather than momentum.

There is also a demonstrated strategy gap. Nearly 80% of SMBs report that they have "some or a lot of room" to improve how technology supports their vision — a sign that enterprise frameworks overshoot the needs of growing organizations.

The issue isn't competence. It's alignment. SMBs need a "right-fit" approach. Built for the speed, constraints, and realities of growing businesses.

# A Simple Approach for Better Decisions

**Small and mid-sized businesses don't need complex methodologies. They need a simple, durable way to make decisions grounded in how their business actually works. One that is practical, scalable, and built for organizations without enterprise resources.**

The method is anchored in four questions leaders must answer before committing to any technology decision.

## How does the business create value?

What do you deliver, to whom, and how does work actually flow? Understanding the operational mechanics reveals where technology supports value and where it gets in the way.

## What outcomes does the business need next?

Decisions should aim at a future state — faster delivery, fewer errors, better visibility, greater capacity. Outcomes define direction and prevent reliance on legacy choices or sunk costs.

## How far is our technology from supporting that future?

Leaders don't need technical diagrams; they need to know whether existing systems can support where the business is headed. The gap becomes the roadmap.

## What are the tradeoffs, risks, and timing required?

With the model, outcomes, and gaps defined, decisions become clearer. Leaders can evaluate options through a structured lens rather than instinct or vendor suggestion.

This approach doesn't add complexity. It replaces chaos and noise with structure — so decisions can be made with confidence.

# A Practical Case: When Decisions Become Intentional

A professional services firm was outgrowing its systems (people, process, and technology). The owner was stepping into a true CEO role, but decisions were still being driven by an overextended “IT guy” and an MSP directing strategy. Tools accumulated over time: a CRM disconnected from billing, a document system prone to version issues, and vendor-driven purchases that didn’t align with how the business operated.

When BAERHQ engaged, the issue wasn’t the technology; it was the absence of a decision model. By understanding how the firm created value and how work moved, leadership gained clarity about what the business needed to support its next stage of growth. From there, defining the future state revealed where the current environment fell short.

A clear gap surfaced in a workflow where staff entered the same client information into three different platforms. A symptom of decisions made without considering the broader business model. Leadership had not realized the cost: delays, errors, and unaccounted labor hours. Once the future-state outcomes were defined, the misalignment became obvious. Mapping the value flow made it clear which system should serve as the “source of truth” and which tools could be consolidated.

*From Reactive* → *To Intentional*

| BEFORE | AFTER |
|---|---|
| • Reactive decisions<br>• Fragmented systems<br>• Manual workarounds<br>• Vendor led direction<br>• Unclear ownership<br>• Rising costs without clear ROI/ROO | • Intentional decisions<br>• Aligned systems<br>• Streamlined workflows<br>• Business led direction<br>• Defined ownership<br>• Controlled, outcome-driven investment |

## What Changed?

- Decisions shifted from reacting to immediate needs to aligning with how the business creates value.
- The result was fewer tools, clearer ownership, and a system that supported growth instead of slowing it down.

# How Leaders Can Improve Decisions Today

**Technology strategy begins with better questions — the kind that shift decisions from reactive to intentional. Leaders can strengthen decisions immediately by adopting a few practical habits:**

✓ **Understand how work actually flows.**
Conversations with team leads often reveal more than diagrams. Look at where work slows, where information gets duplicated, and where systems help or hinder progress.

✓ **Define outcomes before considering tools.**
Identify what needs to improve: speed, accuracy, capacity, visibility. Tools should serve outcomes, not the other way around. With AI spending expected to rise — over 60% of SMBs plan to increase AI-related investment in 2025 — this habit becomes even more important.

✓ **Identify gaps only after defining the future state.**
The question isn't "What do we have?" but "What keeps us from where we need to go?"

✓ **Use a simple lens to evaluate options.**
Does this support how we create value? Does it reduce complexity? Can the team adopt it? What are the tradeoffs?

✓ **Slow down decisions that compound.**
System choices, source-of-truth decisions, and cross-departmental tools deserve deliberate evaluation.

✓ **Ask vendors and MSPs for rationale tied to business outcomes.**
If they can't connect the dots, the proposal isn't driven by strategy — and won't provide a return on your objectives.

# The Path Forward

**Growing businesses don't struggle because they lack technology. They struggle because they lack a practical way to make decisions about it.**

When decisions are grounded in the business model, the desired outcomes, and the gap between today and the future state, technology becomes far easier to manage — and far more valuable.

This shift doesn't require a large project or a complex methodology. It begins with leaders choosing to decide with purpose rather than urgency. Over time, those decisions shape a business that's more resilient, more aligned, and ready for growth.

Technology doesn't create strategy. Decisions do.

When decisions are made with purpose, technology becomes a force that supports growth instead of slowing it down.

**Better technology decisions don't happen by accident. They require leadership.**

**If that leadership isn't clearly in place, it's time to address it.**

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