

With the start of a new year, it's time to take a closer look at the most important small business trends for 2023. Through our work serving [SBDCs across the U.S.](#), we have a unique vantage point of the national landscape and have compiled the 2023 small business [trends](#) that are worth noting as you start the new year.

Talent

Given the labor shortage caused in part by the “Great Resignation” that began in 2021,

businesses are now faced with “quiet quitting.” Quiet quitting is the disengagement of employees by doing the bare minimum at their jobs. A [survey from ResumeBuilder.com](#) found that 8 in 10 “quiet quitters” are burned out. Partly in response to the [COVID-19](#) pandemic, the survey found that employees don’t want to sacrifice their mental health or work-life balance for their career. For 2023, small businesses will want to assess their staffing needs and resources, to include emphasis on [benefits](#) and [employee wellness](#).

Supply Chain

Amid recovery from disruptions caused by the global pandemic, supply chains continue to be

a pain point for small businesses. The [geopolitical events of 2022 and increasing extreme weather events](#) will continue to strain global supply chains in the year ahead. In response to supply chain issues in 2023, businesses should look to build flexibility into their supply chain structures. A [Capterra](#) survey of small and midsize supply chain professionals report increases in nearshoring of suppliers, with 45% switching them entirely to the U.S. Additionally, a survey conducted by [Supply Chain Management Review](#), revealed that respondents are also pursuing just-in-case supply chain and environmentally-friendly supply chain solutions.

Sustainability

Driven largely by Gen Z's concern for and influence on social justice issues, sustainability is

[increasingly a concern](#) for consumers across generations. Reported by [Sustainable Brands](#), a survey of American consumers indicates that 66% are willing to pay more for sustainable products despite inflationary pressures. Furthermore, a survey from [NielsenIQ](#) shows that 48% of consumers are looking for brands to lead the charge in sustainability and holding brands accountable for advancing change with their buying power. From manufacture and [packaging](#) to sourcing and delivery, small businesses will need to find ways to incorporate a [transparent](#) sustainability strategy in all aspects of business to remain competitive in 2023 and beyond.

E-Commerce

The [Federal Reserve Economic Data](#) for third quarter 2022 reports that [e-commerce](#)

represents 14.8% of total sales. E-commerce experienced remarkable [growth](#) in the second quarter of 2020 following pandemic mitigation efforts and continues to experience stable performance as reported by the most recent [Census Quarterly Retail E-Commerce](#) sales data. In response to community orders implemented to mitigate the spread of COVID-19, [selling online](#) became critical for many retailers and has remained so ever since.

An outcome of retailers [adapting](#), curbside pickup became pivotal to their success and will continue to be in 2023. Looking closer at the buying habits of Millennials and Gen Z, [Salesforce's Connected Shopper](#) report shows the distinction between the two with Millennials indicating their preference for this business model given the ability to drive-up and pickup versus waiting for online order delivery. The [Hubspot 2022 State of Consumer Trends Report](#) also looks at the shopping habits of generational cohorts and reports that, for small businesses utilizing social media for marketing and sales, there has been a notable increase in product purchases through mobile apps across generations. The report indicates that Boomers represent the smallest segment at 4%, with Millennials and Gen Z marking the largest segments at 26% and 28%, respectively.

The [National Retail Federation](#) reports that 90% of e-commerce [websites](#) are run by brick-and-mortar stores. The “new normal” for retailers is developing their omnichannel strategy and identifying the optimal blend to meet their customers’ needs while adapting to social media disruptors and expanding their reach to grow sales.

Cybersecurity

The most recent [FBI Internet Crime Report](#), identifies receiving a total of 2.76 million [cyber](#)

[attack](#) complaints with an estimate of \$18.7 billion in losses since 2017. With [technology](#) increasingly playing a larger role in all aspects of business, small businesses are at [significant risk](#) for cyber crimes. A [2022 report](#) found that small businesses are three times more likely to be targets of cyber attacks. The analysis found that a third of small businesses have material weaknesses that hackers can easily exploit. In large part, many surveys point to small business owners not believing they would be targets for cyber attacks and not investing the time or money to establish [cybersecurity](#) safeguards. As such, reports indicate that 60% of small businesses that fall victim to cyber threats [close their doors](#) within six months of an attack. Data indicates that [cyber claims](#) range from \$15,000 to \$25,000 with an average recovery time of 279 days.

Awareness of the risk associated with not establishing cybersecurity protocols is the first step in combating cyber attacks. Be sure to visit our website for additional [Cybersecurity Resources for Small Businesses](#).

More on Small Business Trends

These 2023 small business trends showcase the remarkable interconnectedness of our global society and the economic impacts they have on small businesses. To continue learning more about what is on the horizon in 2023, the following articles represent a small sample of trends worth watching. Read more at:

- [Don't Go into 2023 Without Considering These Small Business Trends](#) - U.S. Small Business Administration
- [5 Tech Trends Every Small Business Should Know in 2023](#) - U.S. Chamber of Commerce
- [7 Trends Small Business Owners Can Embrace to Excel in 2023](#) - Inc.
- [5 Small Business Trends to Watch in 2023](#) - The Ascent

- [11 trends set to shape business in 2023](#) - Business Insider

Additional Small Business Resources

Already in business or thinking about starting your own small business? Check out our various [small business resources](#):

- View our small business help topics here: [Small Business Information Center](#)
- View our business reports here: [Small Business Snapshots](#)
- View our industry-specific research here: [Market Research Links](#)
- View our small business cybersecurity resources here: [Cybersecurity](#)
- View our pandemic business resources here: [COVID-19 Publications](#)

Remember, you can also receive free professional business advice and free or low-cost

business training from your [local Small Business Development Center!](#)

About the SBDC National Blog

The SBDC National Information Clearinghouse (SBDCNet) is the official business research and support program for the national SBDC network. For over 20 years, the SBDCNet has been dedicated to meeting the information and resource needs of the [small business](#) community and working in partnership with SBDCs to ensure their clients' success. The [SBDC National Blog](#) is a publication of SBDCNet that features small business news, stories and more. If you have a small business resource or SBDC client success story you think would make a great feature, please [Contact Us](#).

Photo by [Noah Buscher](#) on [Unsplash](#)