

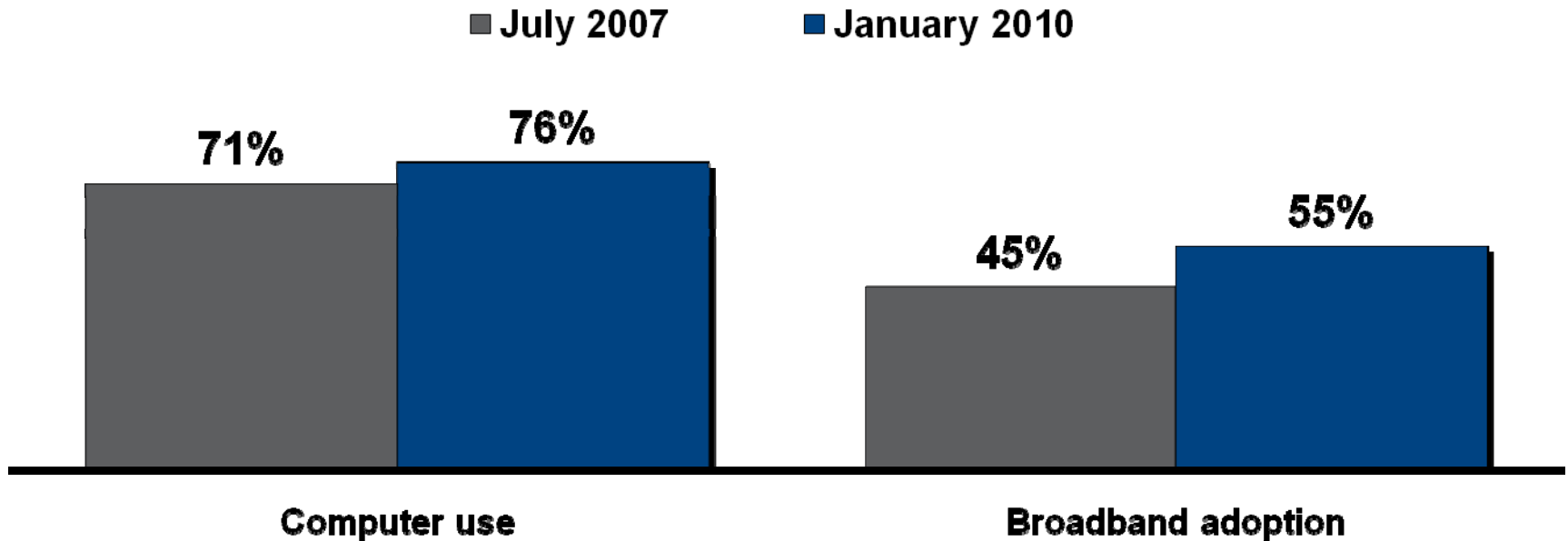


The Impact of Technology on Small Businesses



Trends in Technology Adoption Among Small Business

Among small Tennessee businesses



Q: Now, does your company use any type of computer technology to handle some or all of its business functions? And

Q: Which of the following describes the type of Internet access your company has?

(n=232 TN businesses in 2007 and 200 TN businesses in 2010, all with fewer than five employees)

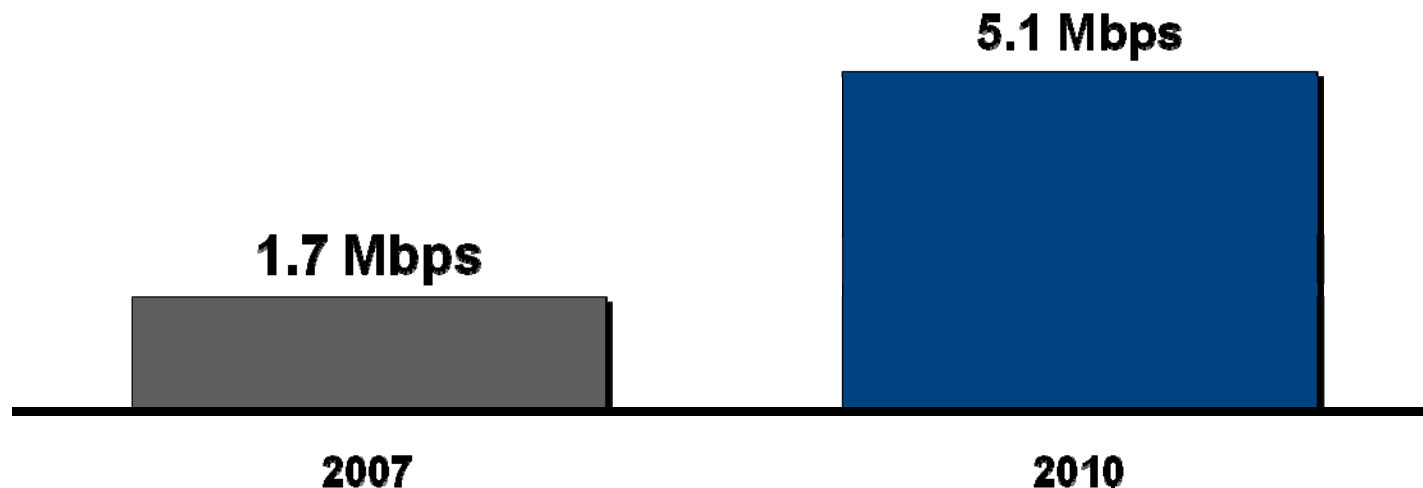
Source: July 2007 and January 2010 Connected Tennessee®
Surveys of Businesses
www.connectedtennessee.org



Trends in Broadband Speeds Among Small Business

The average download speed among broadband-connected small businesses tripled since July 2007.

Average download speed (Mbps) among Tennessee small businesses



Q: To the best of your knowledge, what is the approximate bandwidth provided by your Internet service provider?
(n=50 TN businesses in 2007 and 28 TN businesses in 2010, all with fewer than five employees and know their approximate bandwidth)

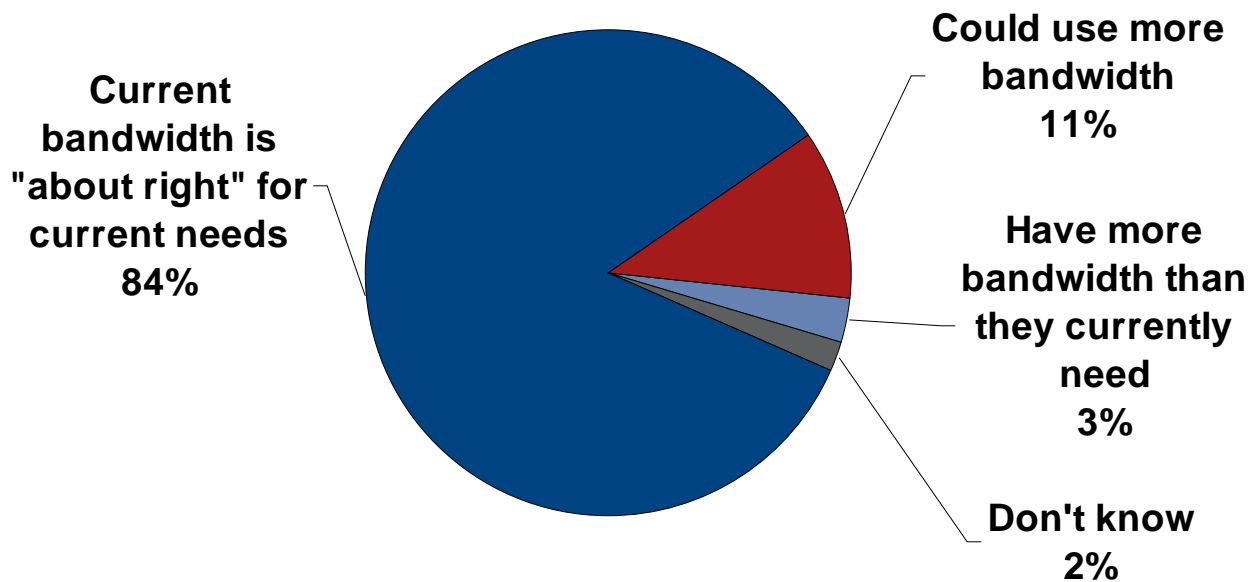
Source: July 2007 and January 2010 Connected Tennessee®
Surveys of Businesses
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Broadband Speeds (Bandwidth) and Current Small Business Needs

Among broadband-connected Tennessee small businesses

Over eight out of ten (87%) broadband-connected small businesses say their current broadband speed is “about right” or more than they need.

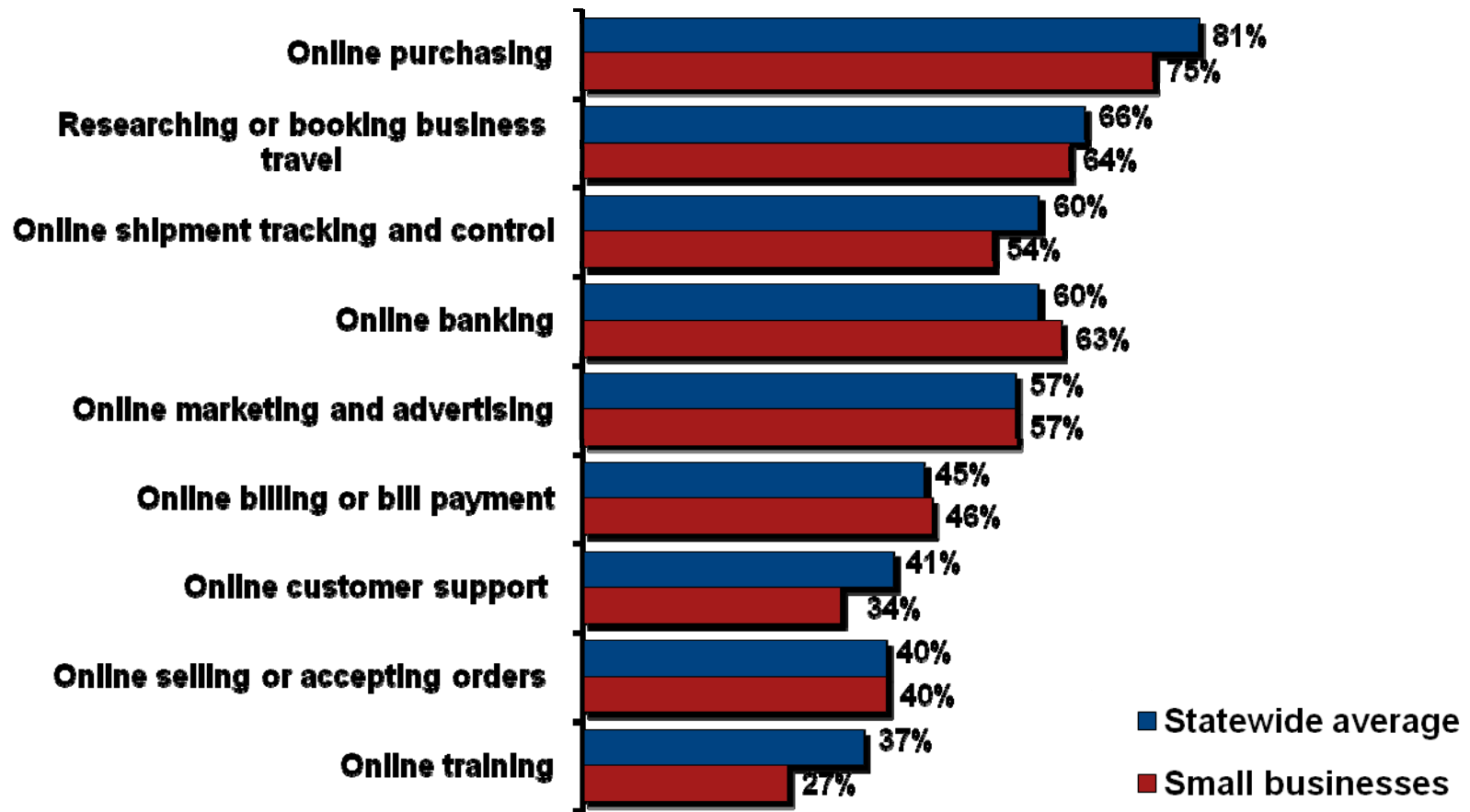


Q: How well does your current bandwidth meet your needs?
(n=116 TN businesses with fewer than five employees that have a broadband connection)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org



Uses for the Internet Among Tennessee Small Businesses

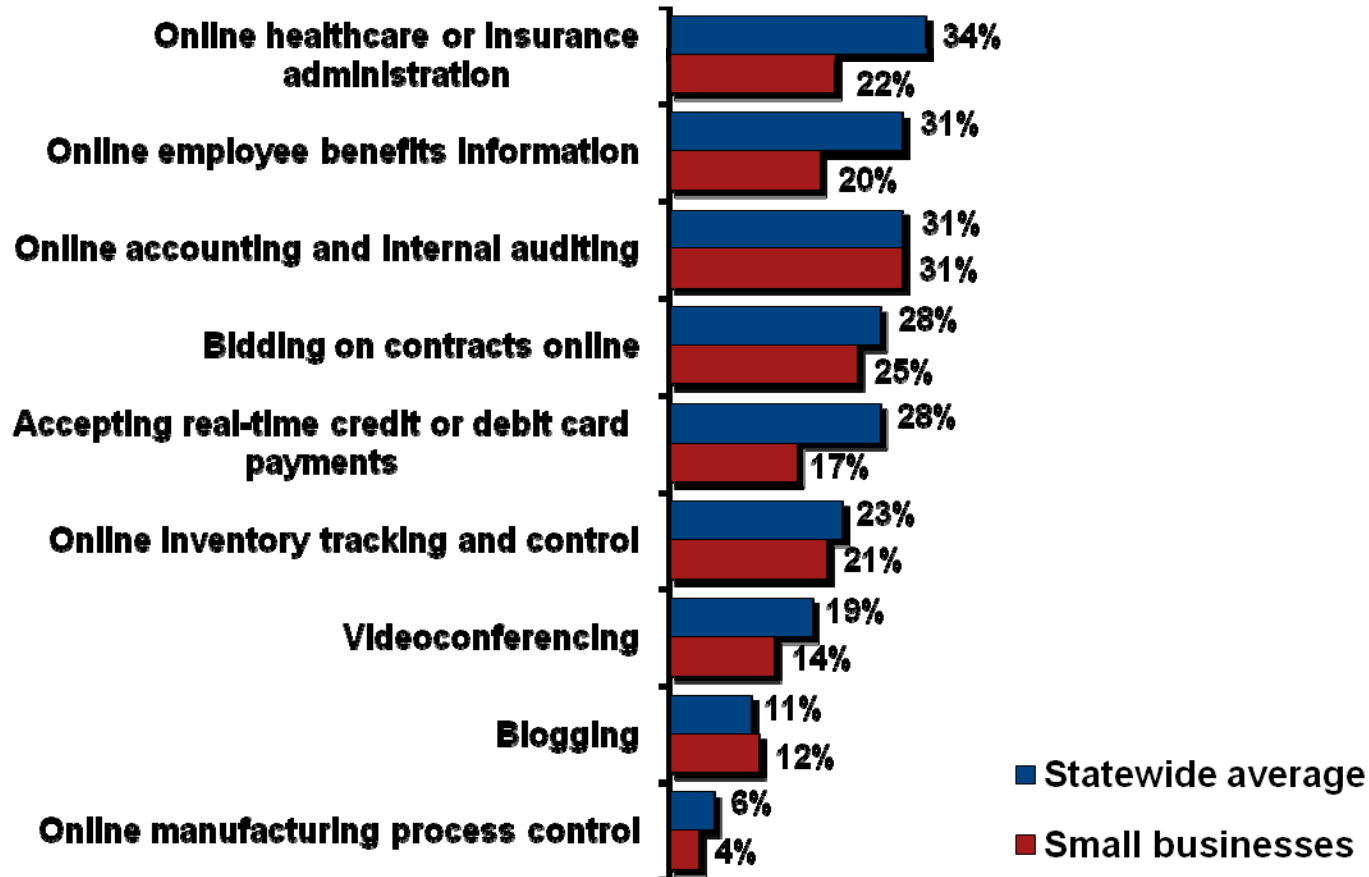


Q: Which of the following does your business currently use?
(n=629 TN businesses that use the Internet)

Source: January 2010 Connected Tennessee®
Survey of Businesses
www.connectedtennessee.org



Uses for the Internet Among Small Businesses in Tennessee *(Continued)*



Q: Which of the following does your business currently use?
(n=629 TN businesses that use the Internet)

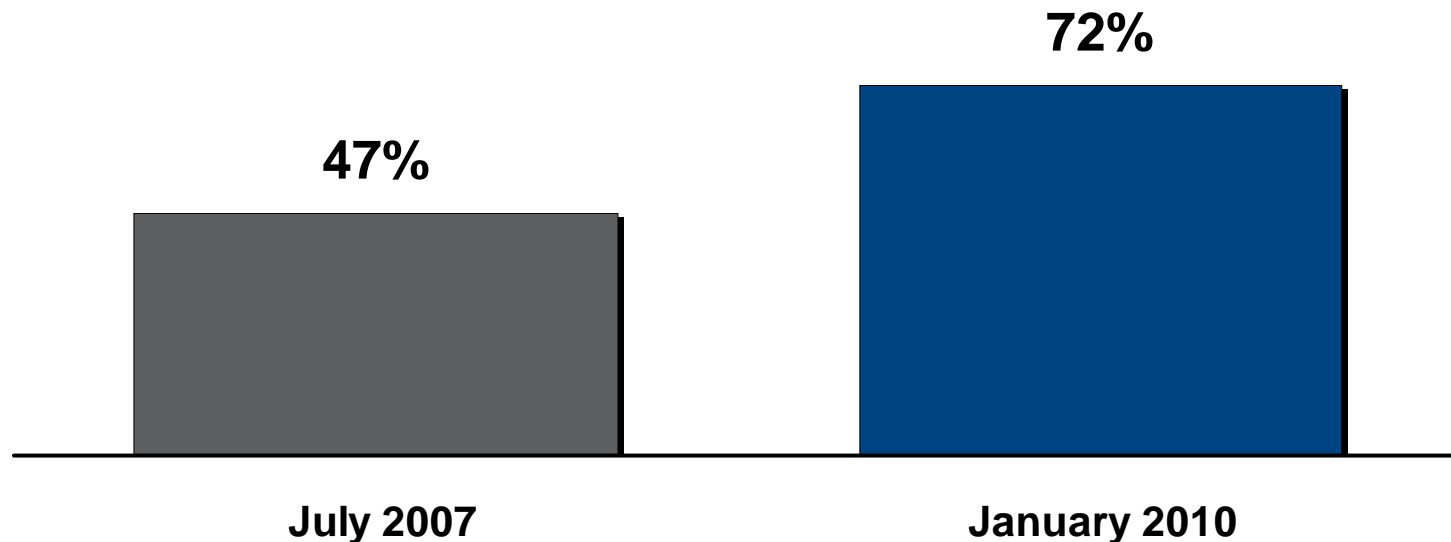
Source: January 2010 Connected Tennessee®
Survey of Businesses
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Trends in Broadband's Impact on Competitiveness Among Small Businesses

Small Internet-connected businesses are 53% more likely now than in July 2007 to “completely agree” that businesses need broadband in order to compete.

Tennessee small businesses that “Completely Agree” that businesses need broadband to compete in today's economy



Q: How much do you agree... Businesses need broadband in order to compete in today's economy?
(n=129 Internet-connected TN businesses in 2007 and n=122 Internet-connected TN businesses in 2010, all with fewer than five employees)

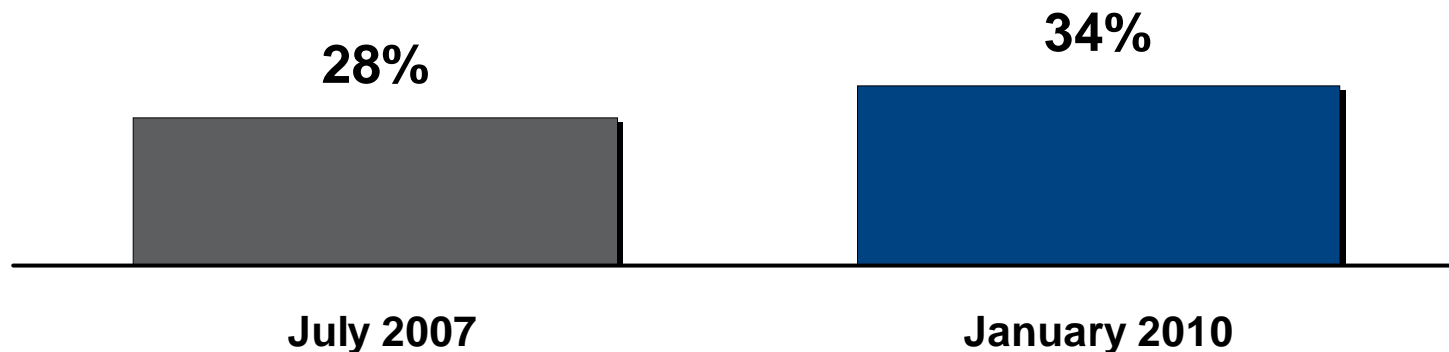
Source: July 2007 and January 2010 Connected Tennessee®
Surveys of Businesses
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Trends in Website Maintenance Among Small Business

Small businesses in Tennessee are 21% more likely to maintain a website than they were in July 2007.

Percent of Tennessee small businesses that maintain a website



Q: Does your company have a website?
(n=232 TN businesses in 2007 and n=200 TN businesses in 2010,
all with fewer than five employees)

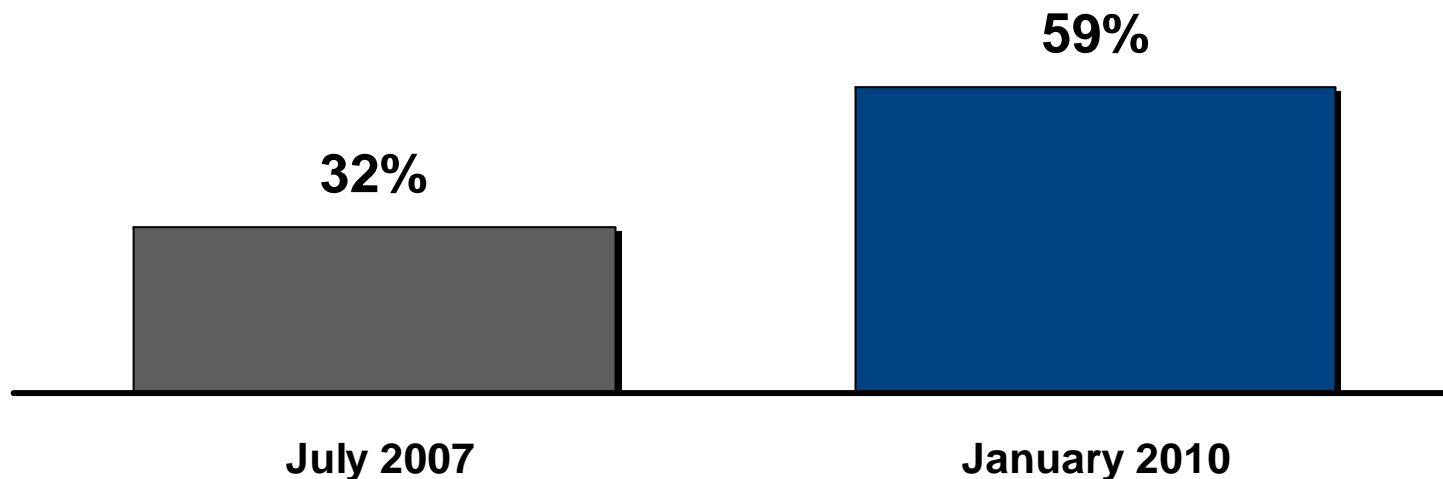
Source: July 2007 and January 2010 Connected Tennessee®
Surveys of Businesses
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Broadband Adoption Among Rural Small Businesses

Broadband adoption among rural Tennessee businesses with fewer than five employees has nearly doubled since July 2007.

Percent of small rural Tennessee businesses with broadband service



Q: Which of the following describe the type of Internet access your company has?
(n=67 rural TN businesses in 2007 and n=58 rural TN businesses in 2010, all with fewer than five employees)

Source: July 2007 and January 2010 Connected Tennessee®
Surveys of Businesses
www.connectedtennessee.org