

***HandiFox***

**70%**  
expect growth

# 2026 Small Business Outlook

Growth, Inventory, and AI

# Key Insights

Small businesses\* are entering 2026 with growth ambitions, but also with a sharper focus on cost control, operational discipline, and practical technology.

70%

expect their business to grow in 2026

52%

cite rising costs/inflation as the biggest expected challenge

42%

cite time spent on inventory tasks as a top pain point

6%

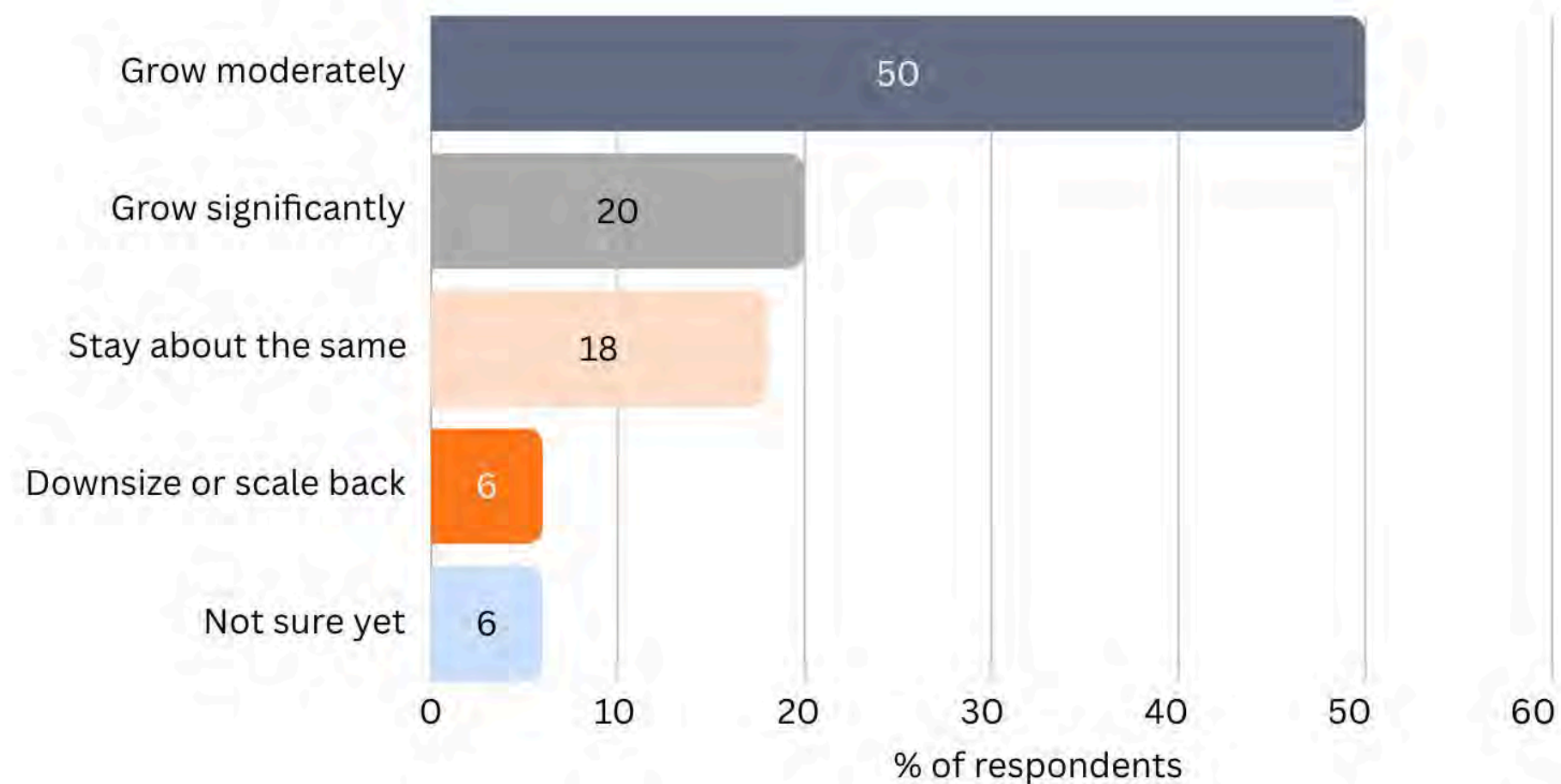
are comfortable with full AI automation

\*A benchmark snapshot based on a survey of 50 small business respondents (February-March 2026)

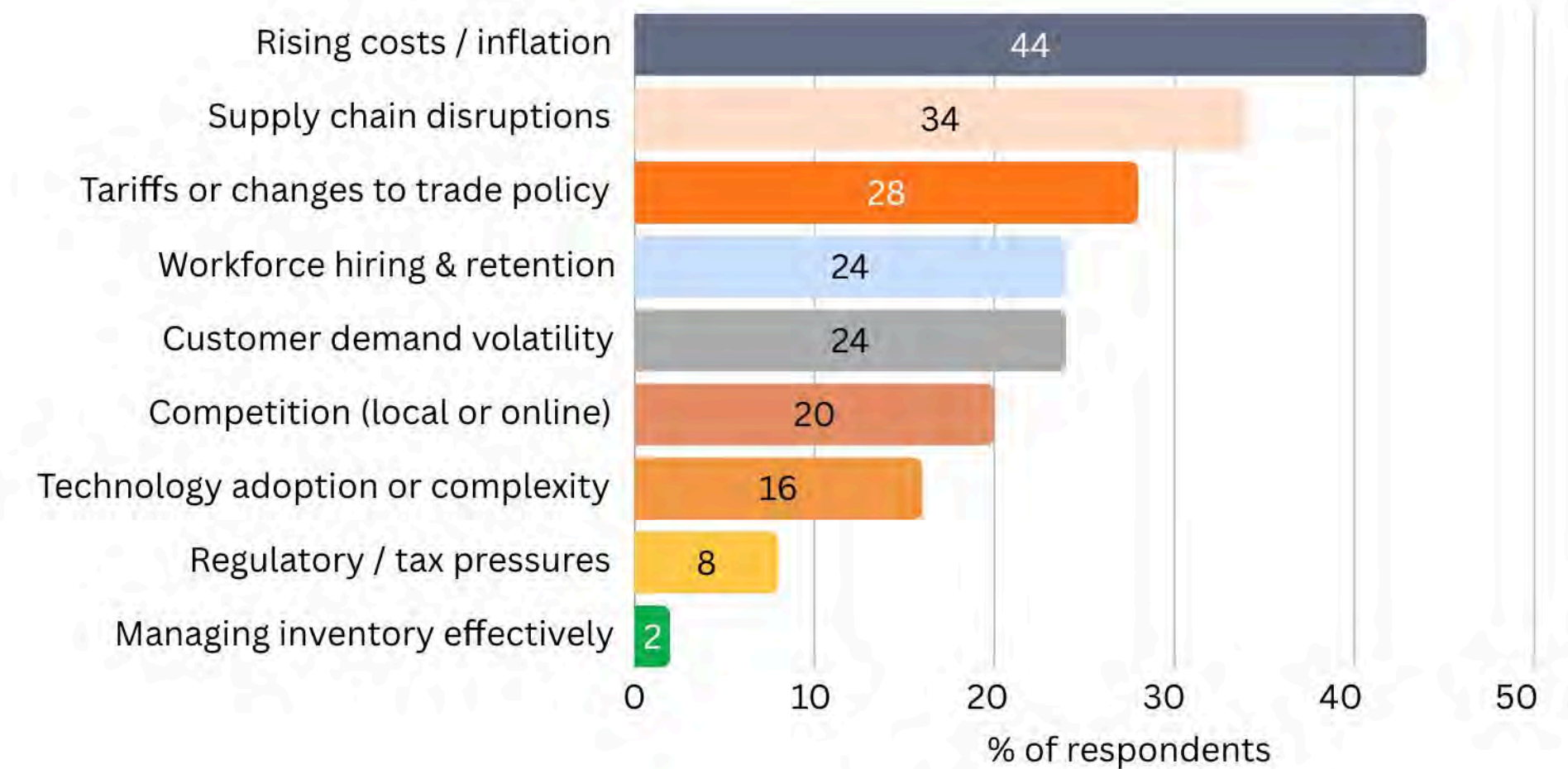
# Outlook for 2026: Growth with Pressure

Surveyed small businesses are entering 2026 with **cautious optimism**. Seventy percent expect to grow this year, while only 6% expect to downsize.

The outlook is shaped by **pressure**: rising costs and tariffs outrank supply chain disruption as expected business challenges, suggesting that margin management and purchasing discipline will be more important than ever.



How do you expect your business to change in 2026?

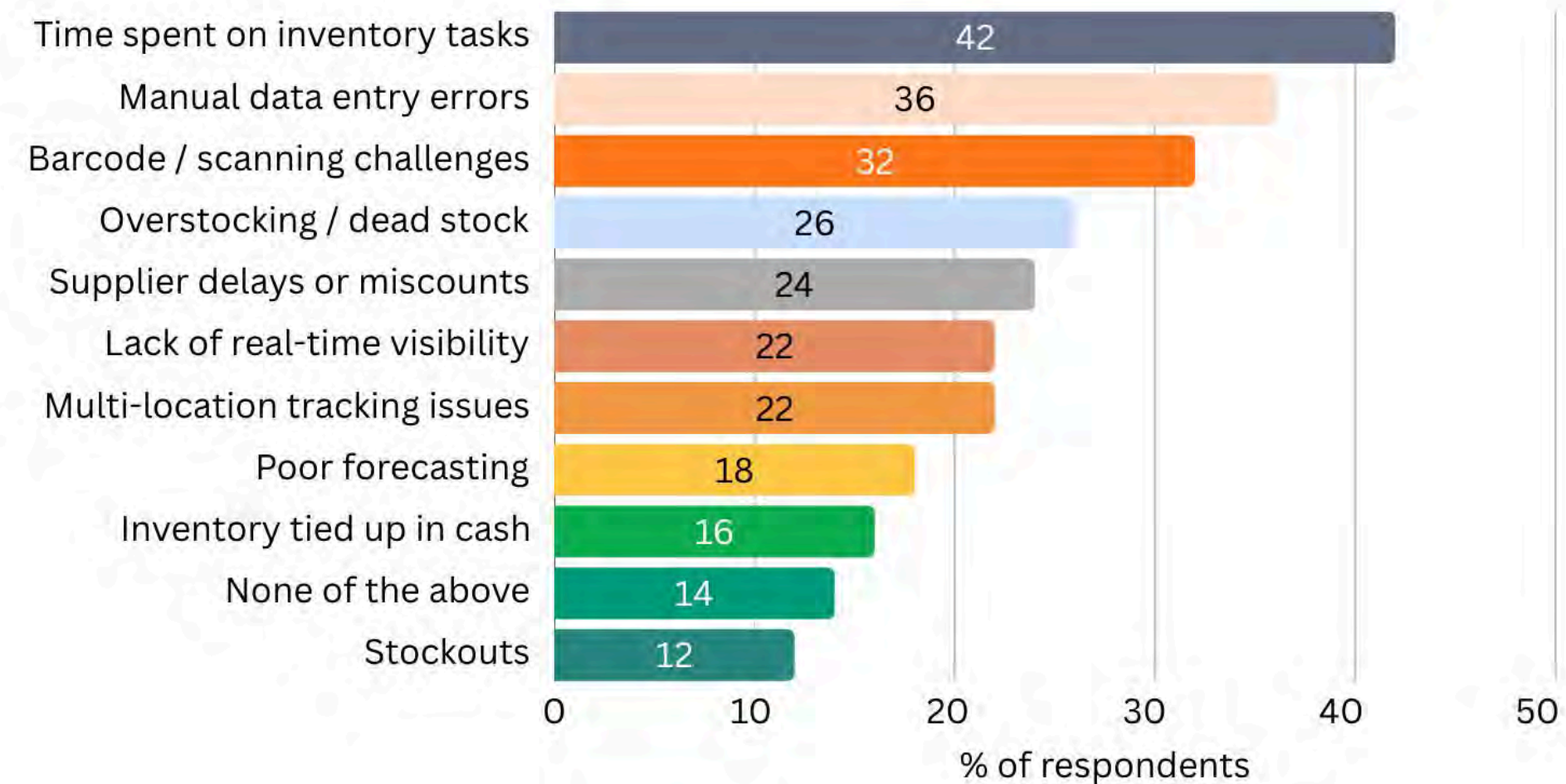


What challenges do you expect to impact your business most in 2026?

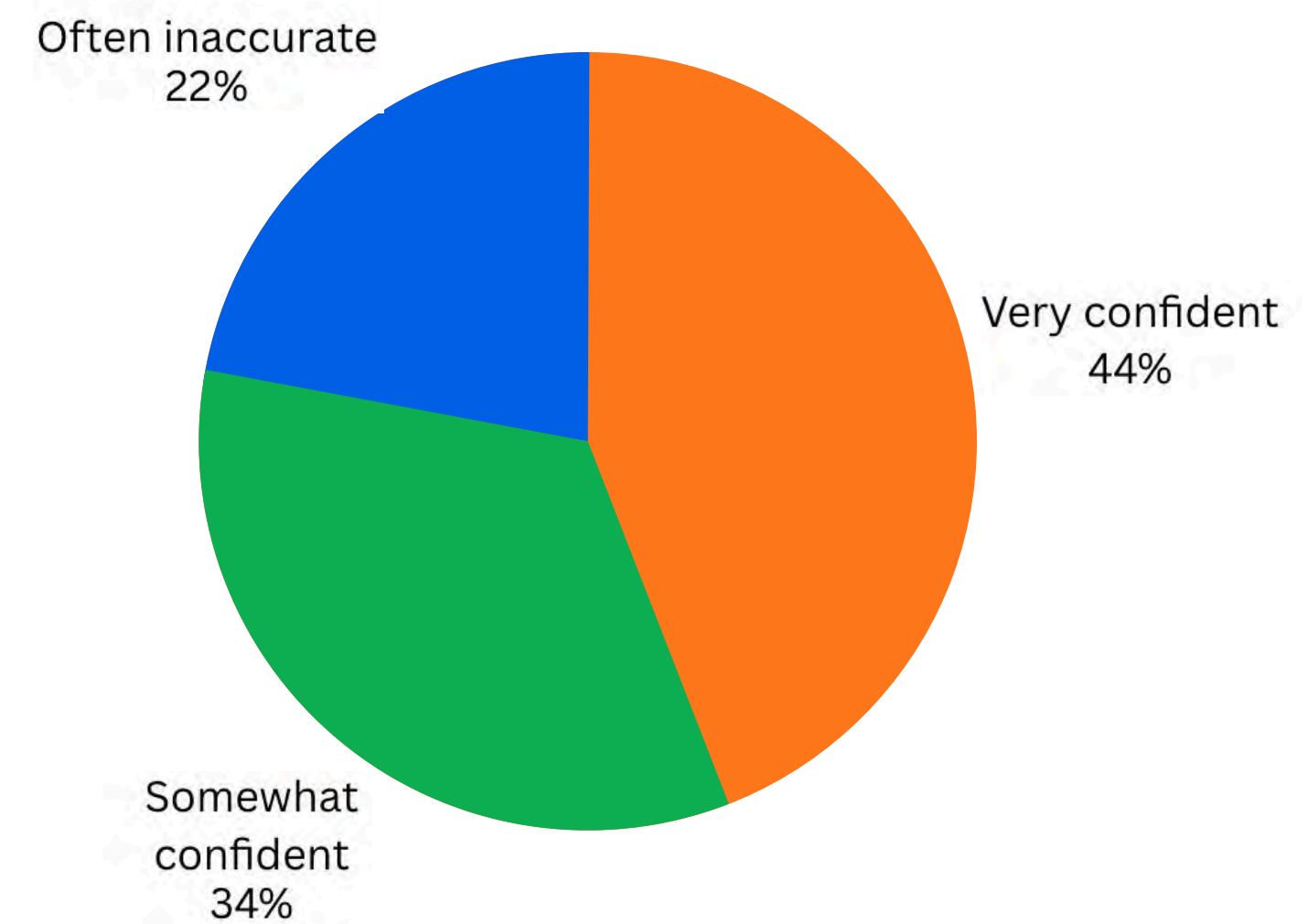
# Inventory Health: Managed, but Not Optimized

Inventory management remains a meaningful drag on day-to-day operations. The most common pain point is the **time** it takes to manage inventory (42%), followed by **manual data entry errors** (36%) and **barcode/scanning challenges** (32%).

While **44%** say they are **very confident** in inventory accuracy and 34% somewhat confident, many businesses are still relying on workflows that do not scale efficiently.



Which inventory problems do you experience today? (Multiple answers allowed)

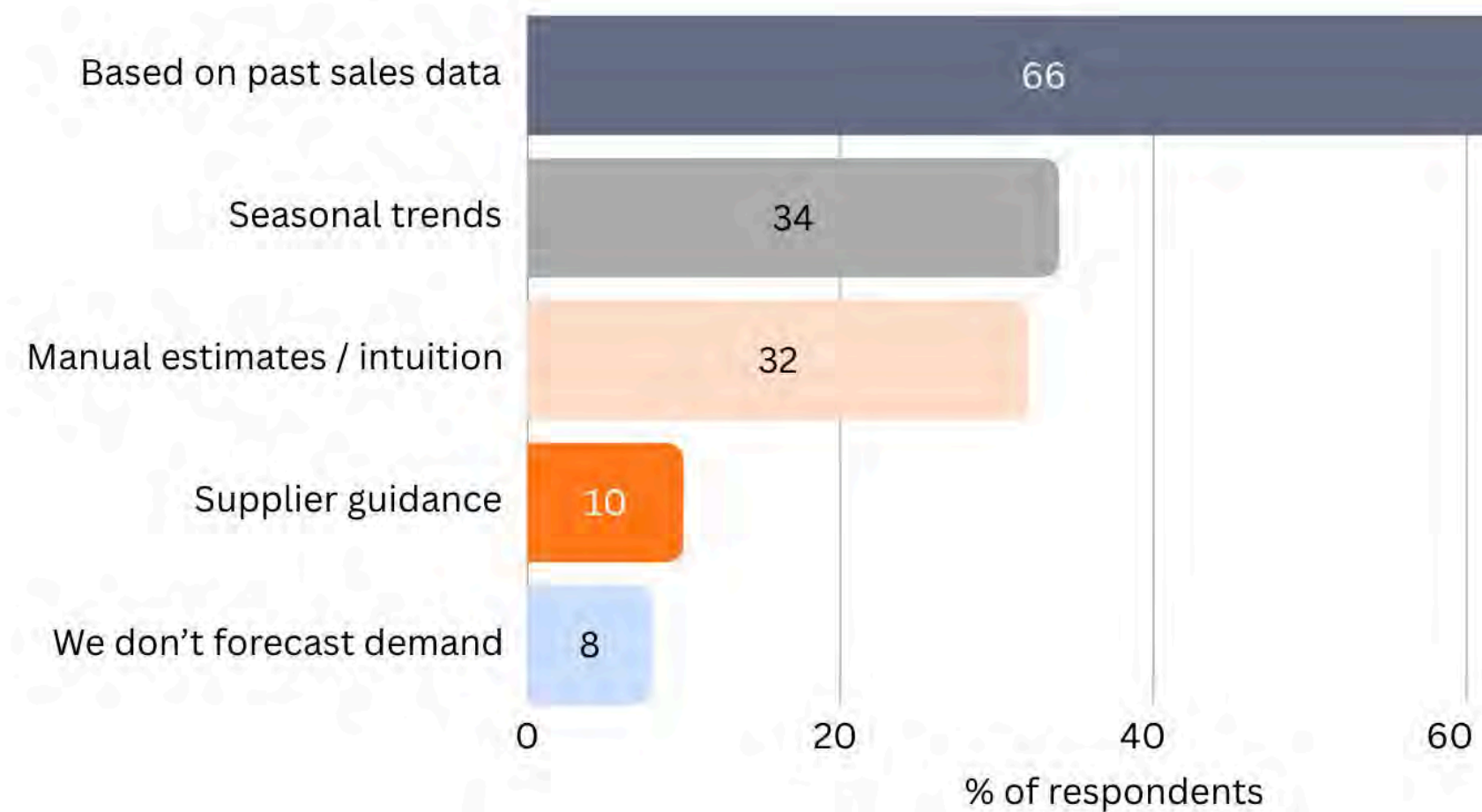


How confident are you in your current inventory accuracy?

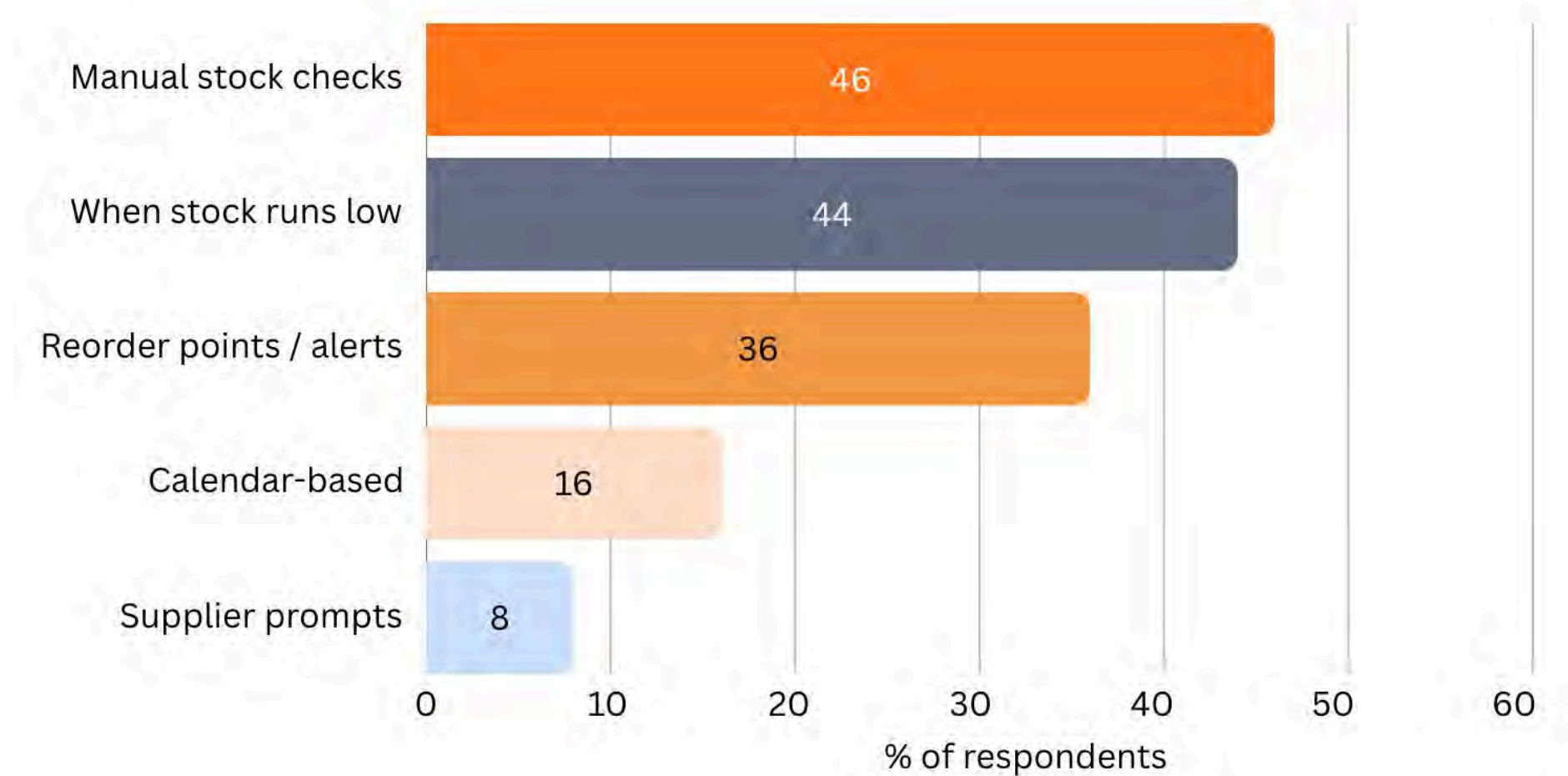
# Replenishment and Planning: Still Too Reactive

**Forecasting** is common, but replenishment is still often manual. 66% percent forecast demand based on past sales data, yet 32% still rely on manual estimates or intuition.

When it comes to **reordering**, 46% use manual stock checks and 44% reorder only when stock runs low, while just 36% use reorder points or alerts.



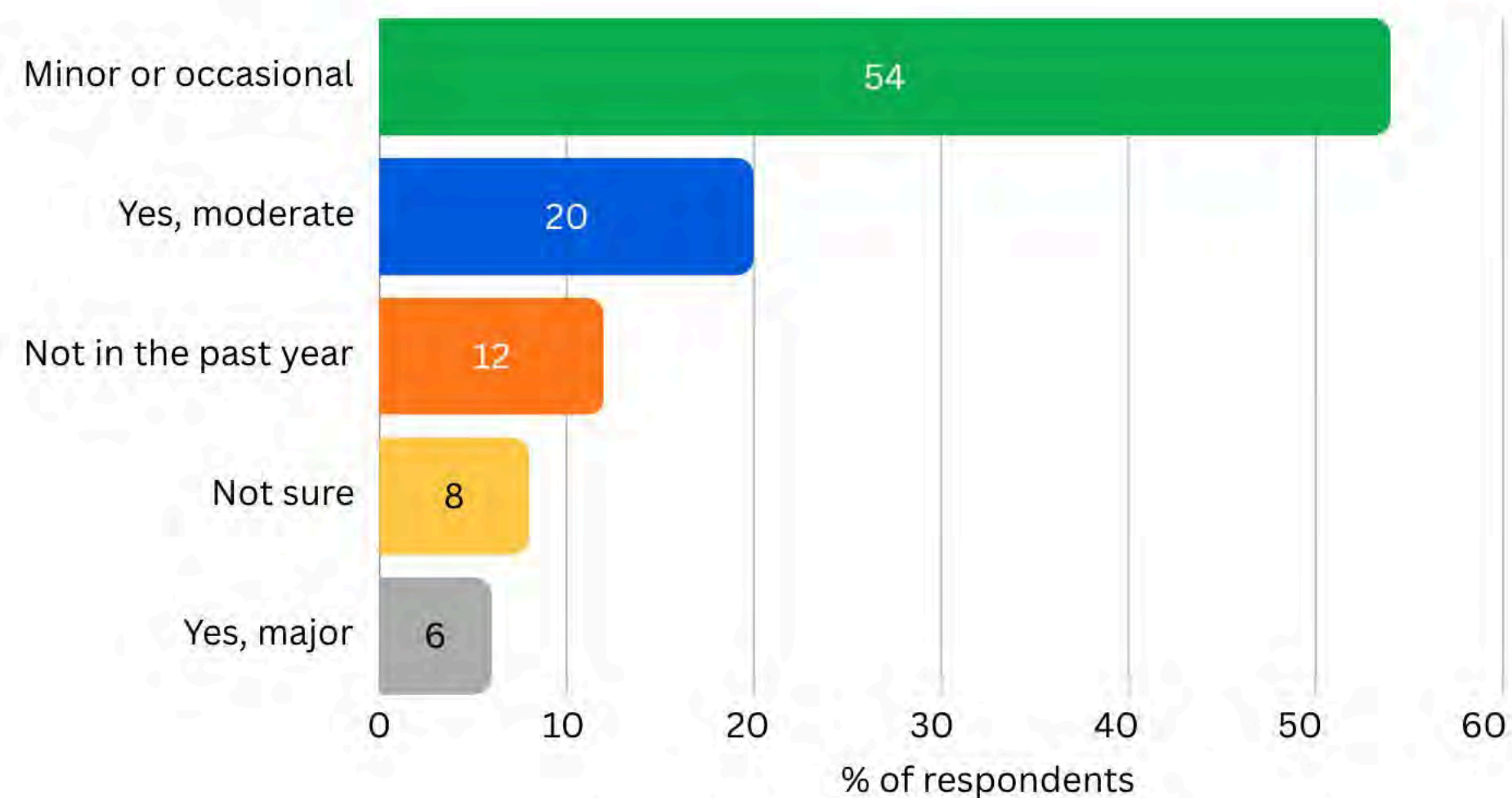
How do you currently forecast demand? (Respondents could select more than one answer)



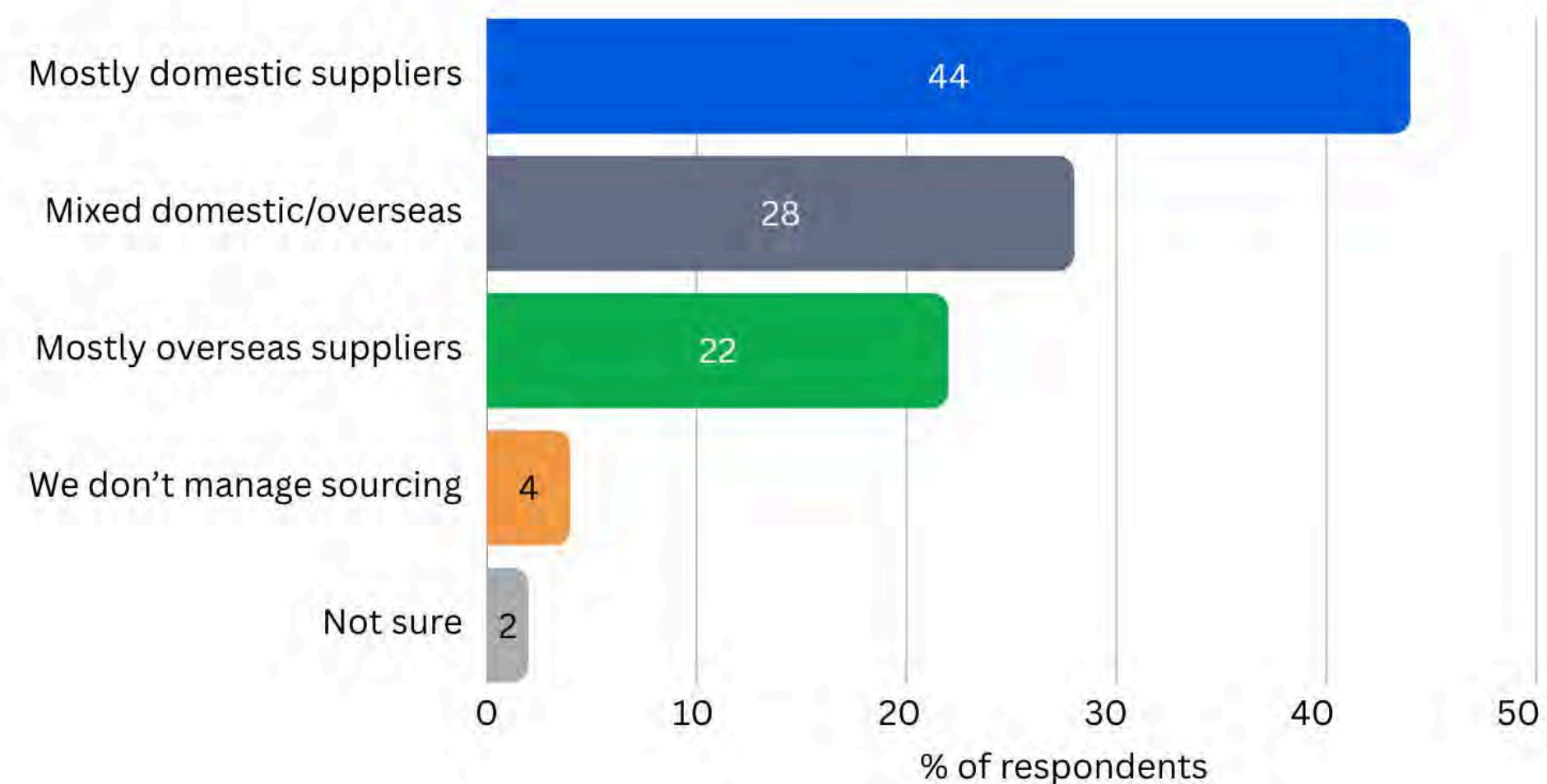
How do you decide when to reorder inventory? (Respondents could select more than one answer)

# Supply Chain and Sourcing: Concern Without Panic

Respondents are **no longer in full crisis mode** on supply chain, but uncertainty remains. A majority report **only minor or occasional disruptions**, and nearly half source mostly domestically. Still, **preparedness remains moderate** rather than strong: most respondents say they feel either only moderately prepared or neutral about managing logistics uncertainty in 2026.



Have you experienced significant supply chain disruptions recently?

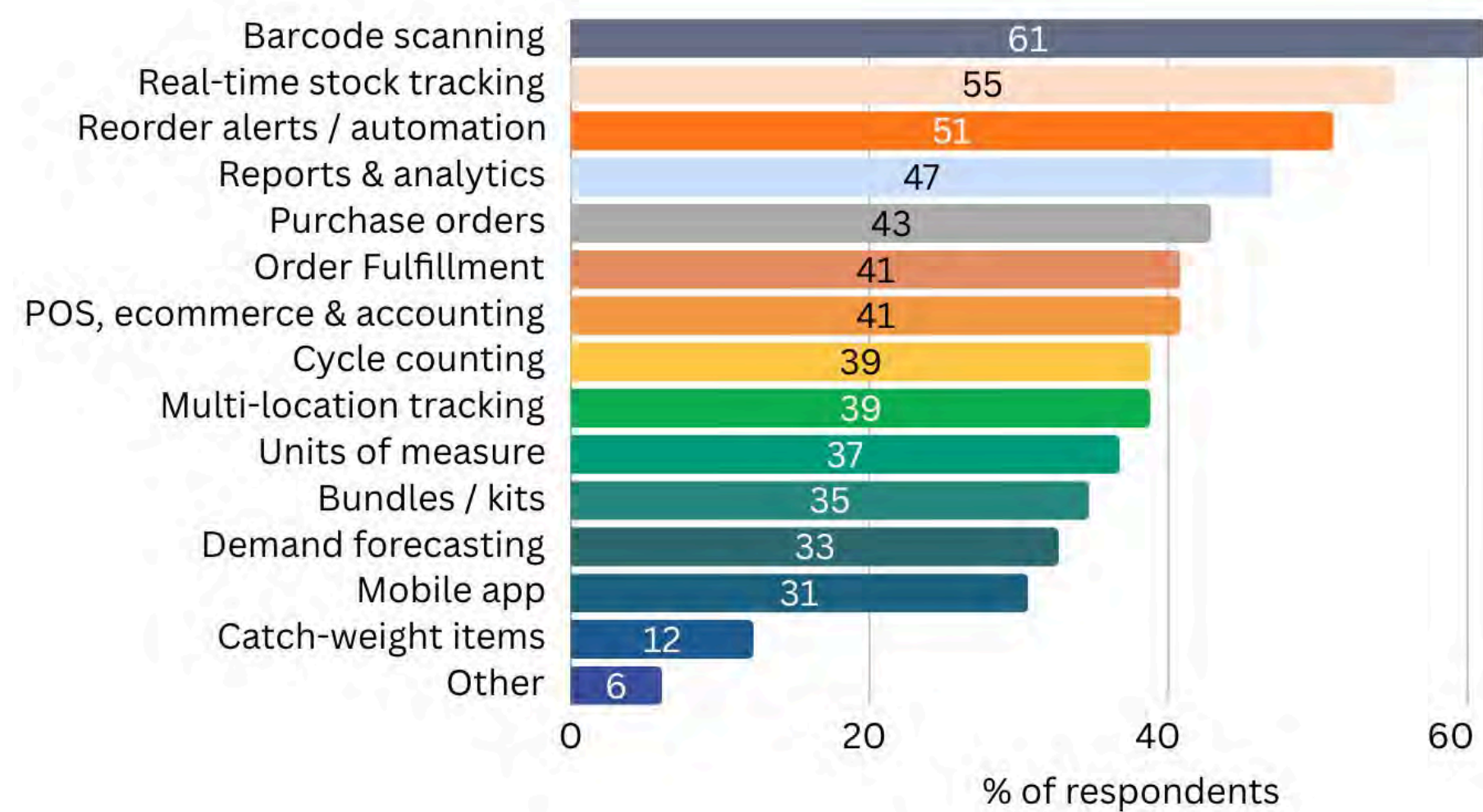


Where do you primarily source your products or materials?

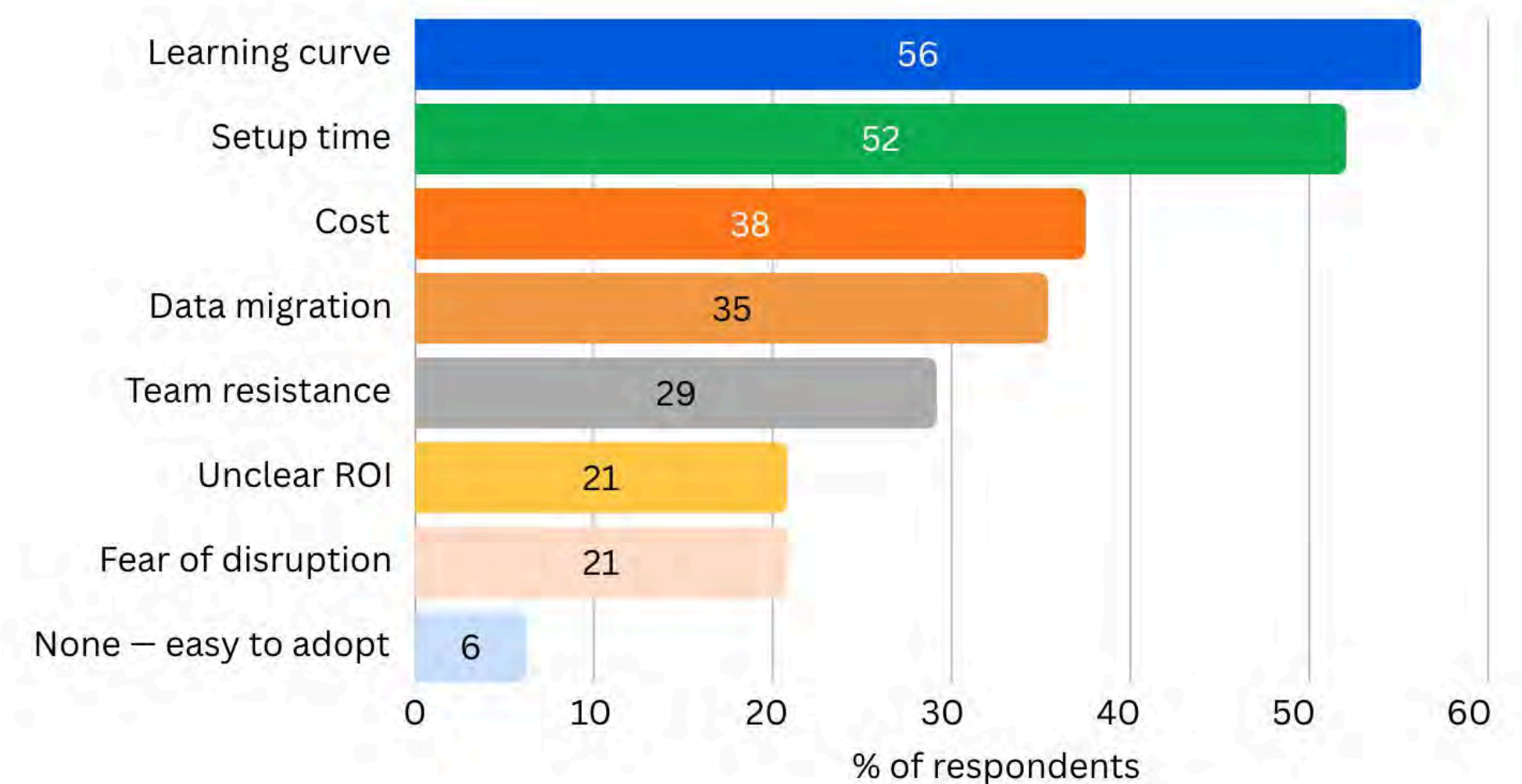
# Technology: Practical Wins Over Flashy Features

Technology is seen as essential to 2026 success: **81%** say it will be **important or critical** to their ability to grow or stabilize this year. But what SMBs want is pragmatic, not flashy. The most requested capabilities are barcode scanning, real-time stock tracking, reorder automation, and reporting.

At the same time, **learning curve** and **setup time** are the biggest barriers to adoption.



What inventory functionality would you like your software to support? (Multiple answers allowed)



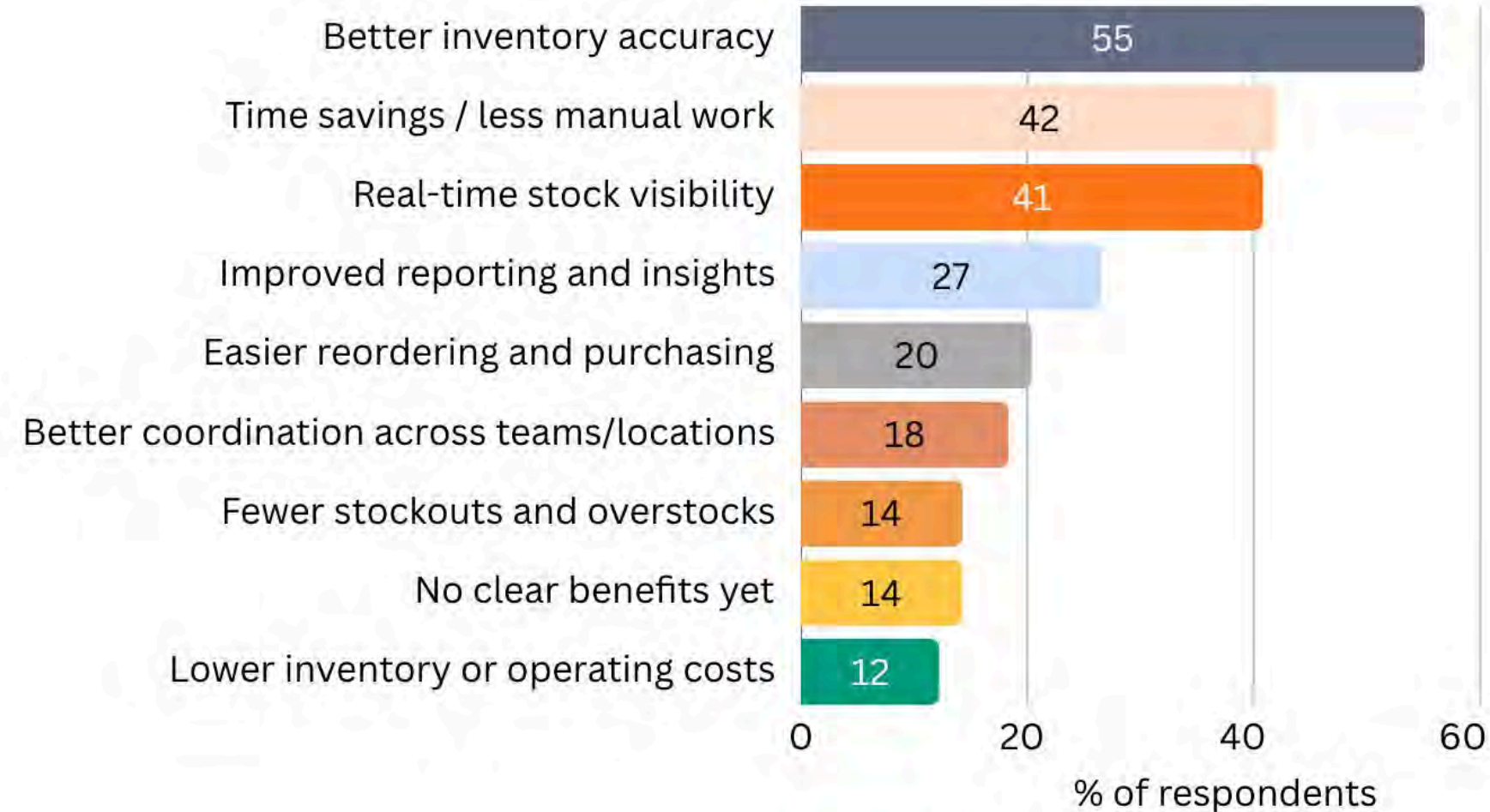
What barriers most slow your adoption of new technology or tools? (Multiple answers allowed)

# Software ROI and AI: Assistive, Not Autonomous

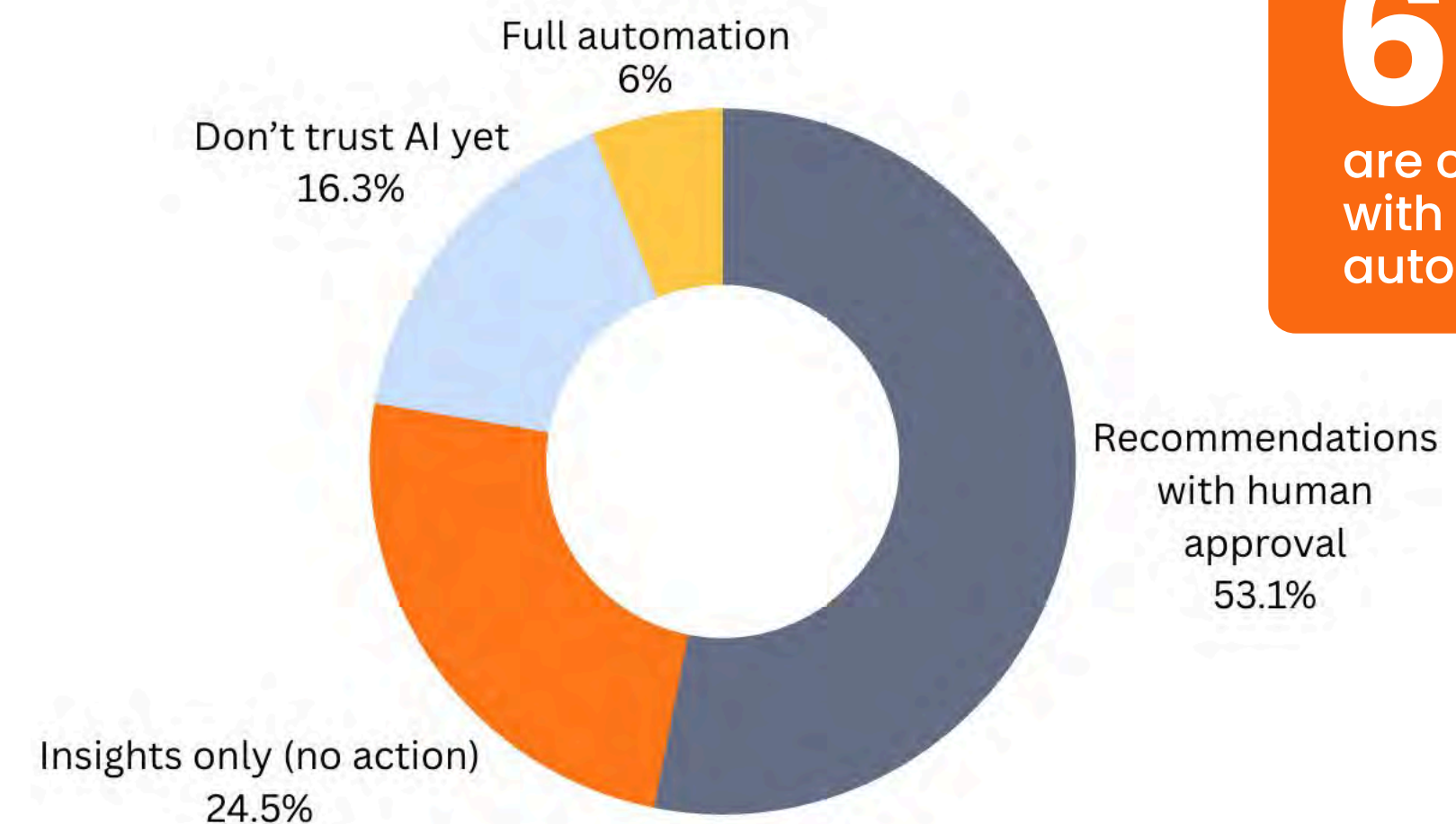
Inventory software is delivering value where respondents need it most. The top reported benefits are **better inventory accuracy** (55%), **time savings/less manual work** (42%), and **real-time stock visibility** (40%). This suggests the real return on inventory software is tighter control, less manual effort, and greater confidence in daily operations.

**AI interest is real, but trust is conditional.** Most respondents are comfortable with AI making recommendations if a person stays in control.

**Very few are ready for full automation**, indicating that the near-term role of AI in SMB operations is assistive, not autonomous.



The top benefits you get from your current inventory management system (Multiple answers allowed)



**6%**  
are comfortable with full AI automation

How much decision-making would you trust AI to handle for your business operations in 2026?

# What this means for 2026

If this survey points to one clear reality, it's that small businesses are entering 2026 with ambition — but not with illusions.

They still expect growth, but they know growth will depend on tighter operations, protected margins, and less friction across the business.

What they want from technology is not more complexity, but better visibility, less manual work, stronger control, and faster time to value.

That is the real small business outlook\* for 2026: resilient, disciplined, and focused on execution.

- ✦ Growth remains the goal
- ✦ Inventory workflows are still too manual
- ✦ Ease of adoption matters as much as features
- ✦ AI adoption will favor human oversight

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