5 tech trends and predictions for small businesses in 2024

By James Bergin   29 Jan 2024

The pace of technological change is accelerating and it's reshaping just about every aspect of how we live, work, and play. While Xero's Future Focus research reveals small businesses are more optimistic and even intrigued, about the potential of emerging technologies than doom and gloom, many wish there was more education and resources to navigate a rapidly changing world.

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With small business owners looking to make technology a digital stepping stone for their businesses' success in 2024, Xero's South African State of Small Business (SOSB) report suggests that many small business owners are embracing the cloud, with 69% using cloud-based technology in their business because of the flexibility it offers to work from anywhere, and its ability to streamline and improve operations, collaboration with their advisors, and financial processes.

The report further revealed that small business owners are willing to invest in technology skills, with 86% investing in online or in-person training courses to increase knowledge and improve tech skills.

To help small businesses and their advisors plan ahead, it is essential to separate the 'hype' from 'reality' to uncover the top five technology trends that may impact the small business landscape in 2024.

1: The AI-augmented creativity boom

2023 saw generative AI burst into the mainstream, and while language models are not necessarily new to those within the tech industry, the interactivity and accessibility of AI through tools like ChatGPT signalled the biggest leap in the technology's capabilities, helping businesses to create content easier and faster.

In 2024, we could well see a "creativity boom" where AI models go beyond statistical similarity and come up with new designs or products that are far better than the ones that exist today. Continuing in its ability to augment (rather than replace) human intelligence, AI could truly become the co-pilot for business owners, enabling them to set up the

requirements such as manufacturing processes, helping with the automation and reporting of certain financial and administrative tasks, and filtering a myriad of new ideas.

The drawbacks around misinformation, copyright and bias will also need to be worked through in 2024, as the push for the commercially safe, transparent and ethical use of these AI systems comes to a head in jurisdictions around the world.

2: The rise of the augmented, conversational UI

The promise of conversational user interface has been around for a while with Siri and Alexa, but it's always been functional and instructional, never truly conversational. ChatGPT is not a better search engine - but it is becoming one of the first real, usable and intelligible chatbots.

In 2024, large language model-powered tools like ChatGPT will continue to revolutionise human-computer interaction through the rise of conversational chatbots that are able to interact with cu

3: The metaverse finds a new source of power

The idea of living and working entirely in a virtual world as so often shown in the movies still feels fanciful, even comical. Yet advancements in 2023 in the technologies that underpin the concept of a metaverse, particularly in augmented and virtual reality, and significant investment by large technology companies have brought some aspects of this ambitious vision closer to reality.

Will it be the breakthrough technology of 2024? It seems unlikely to reach full maturity, but a version of the metaverse will be the next iteration of the internet, providing immersive, blended and connected experiences for everything from entertainment to education to virtual community building, and that it will introduce new concepts of ownership of digital assets. Many of these concepts will continue to evolve and emerge in 2024, with more small businesses innovating and exploring this space as some have started to do already this year.

4: Carbon accounting the next frontier for compliance

We're well into the critical decade of climate action and pressure will begin to mount on governments and industries to reduce their carbon emissions to meet the Intergovernmental Panel on Climate Change's (IPCC) 2030 deadline. At the same time, the release of the sustainability standards by the International Sustainability Standards Board (ISSB) could see reporting on carbon emissions no longer be optional for businesses. The ISSB standards could very well bring in a new era of compliance and become the basis of accounting standards in 2024.

To avoid being locked out of corporate supply chains or providing inaccurate and misleading information on environmental or sustainability practices, small businesses will need to ensure they are accurately calculating and tracking their carbon emissions each year. The integration of carbon accounting software into existing accounting platforms will see carbon accounting become an extension of financial accounting and reporting practices for small businesses.

5: The rise of the super ecosystem, powered by connectivity

Connectivity between new and traditional players within the payments ecosystem is bringing in a new era of digital payment experiences for small businesses. Today, it allows the real-time validation of eInvoices to help small businesses send bills over the internet and get paid faster. Xero's research revealed that late payments cost small businesses time and resources, with 92% of SMEs revealing that chasing down late payments takes them on average 1 to 2 months; stressing the fact that more needs to be done to reduce the burden of late payments.

A super ecosystem, powered by connectivity will ensure the seamless transmission of data between banks and third-party providers to enable instant access to financial information and services, thus reducing the burden of late payments, so that the country can effectively unlock the potential of small businesses.

In 2024, global platforms like Xero, Apple, Amazon, Google and Microsoft will continue to make their products work better together. Why? Because people are tired of using lots of different apps for different things. They want everything in one place, working smoothly together. Rather than the rise of the "super-app", we'll see the power of the "super ecosystem"; the interconnectedness of financial services, that make it easier to pay bills, transfer money and manage finances together in one spot.

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