

# A microscope on small businesses: Spotting opportunities to boost productivity

May 2024

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# We analyzed MSMEs across **16** varied economies



## Typical definition of MSMEs



### Micro

1-9 people  
employed



### Small

10-49 people  
employed



### Medium

50-249 people  
employed

## Sector granularity

12 broad  
level-1 sectors

~70 level-2  
subsectors

200+ level-3  
subsectors

Note: Year for which data is available/represented varies by country from 2016 to 2019. Analysis excludes notable sectors: Agriculture, Financial services, Real estate, among others.

Source: A microscope on small businesses, May 2024

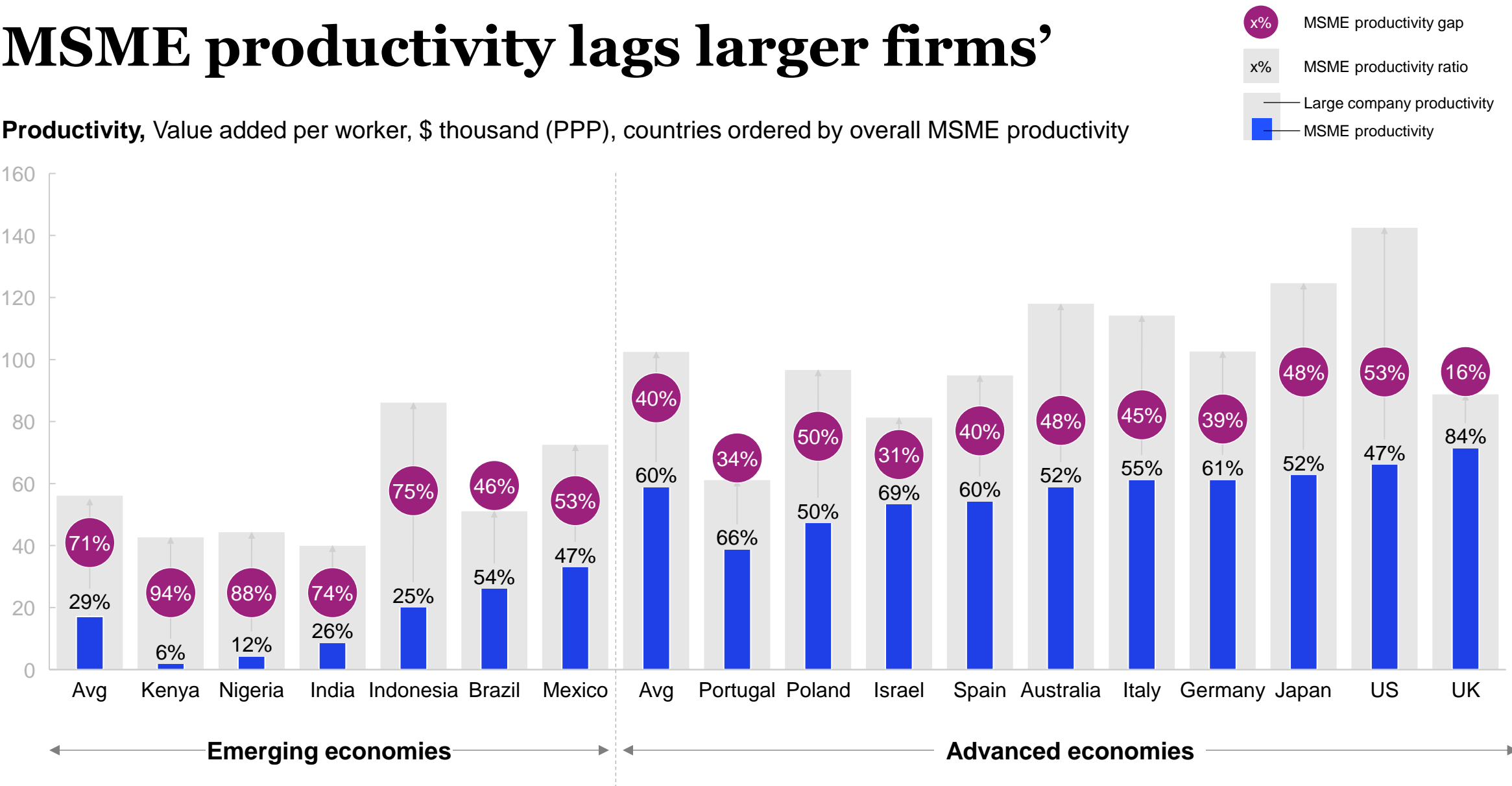
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# MSME productivity lags larger firms'

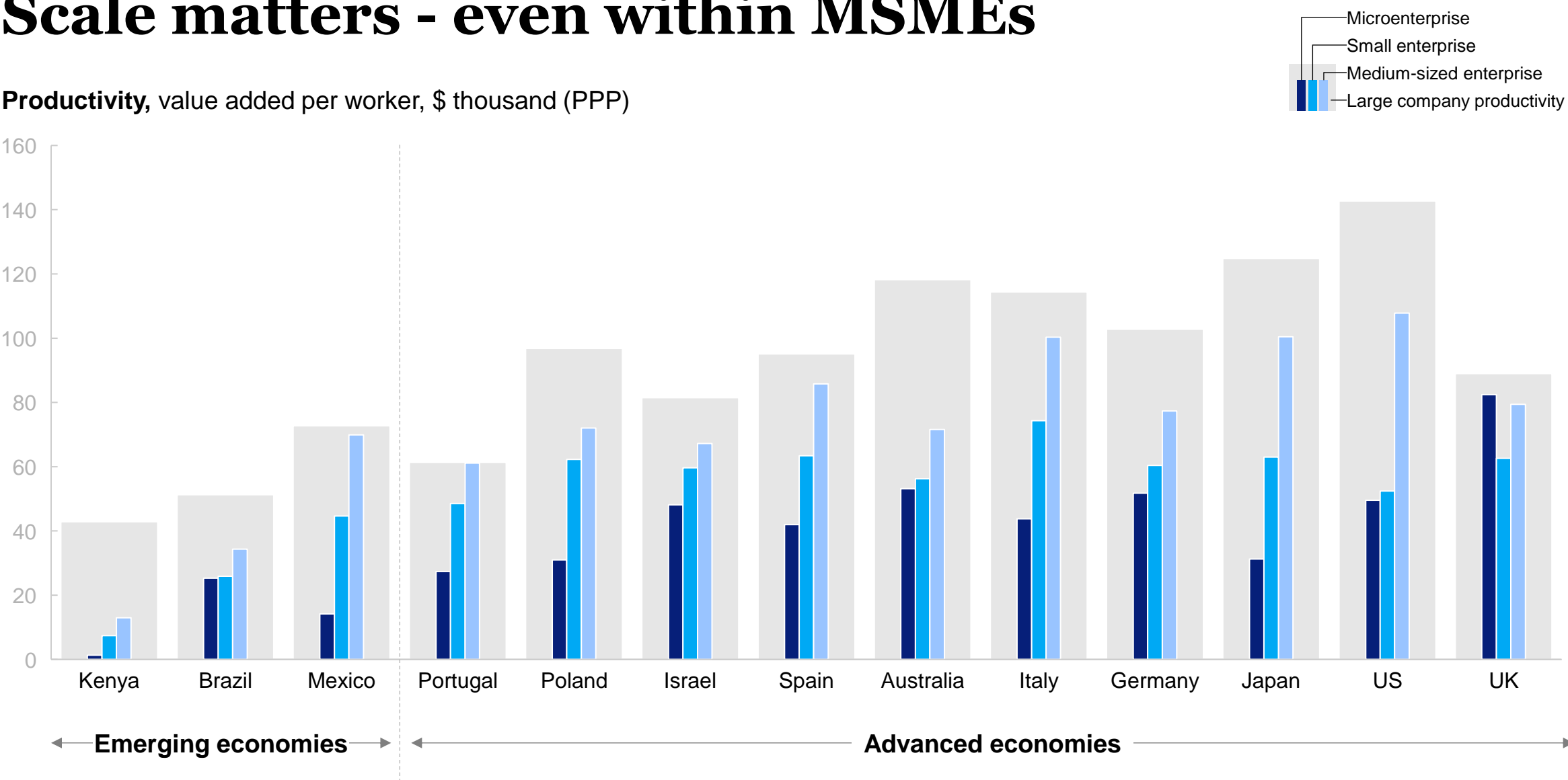
**Productivity**, Value added per worker, \$ thousand (PPP), countries ordered by overall MSME productivity



Source: A microscope on small businesses, May 2024

# Scale matters - even within MSMEs

Productivity, value added per worker, \$ thousand (PPP)



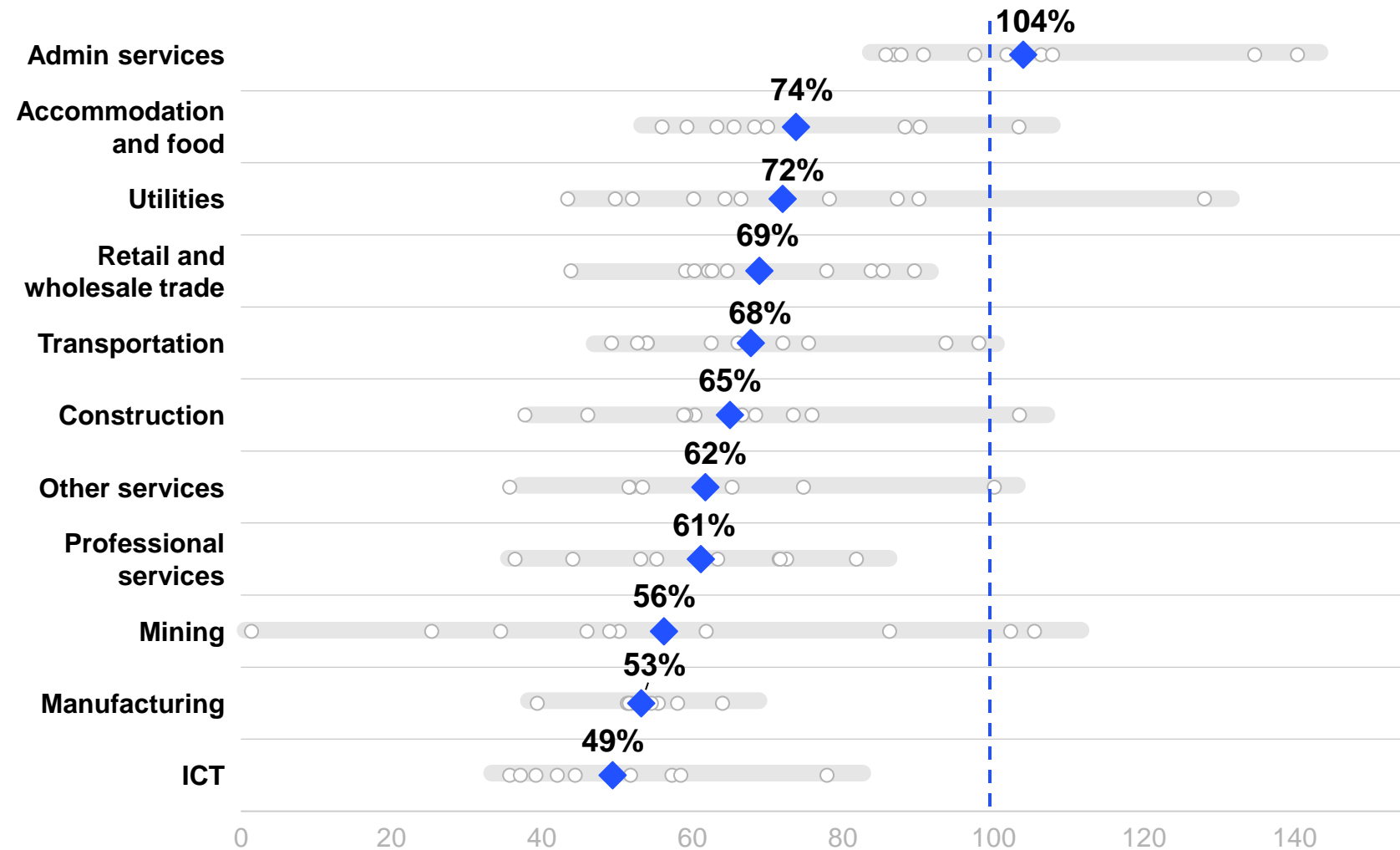
# MSME productivity gaps vary by sector



○ Each dot represents a country

◆ Advanced economy average

MSME productivity to large company productivity ratio for sectors in advanced economies, %



Large firms are more likely to deploy productivity drivers than small firms

## Technology

**2.0x** on CRM and AI

## Human capital

**1.9-2.4x** on skilling and performance management

## Global connections

**3.2x** on access to markets

## Financial capital

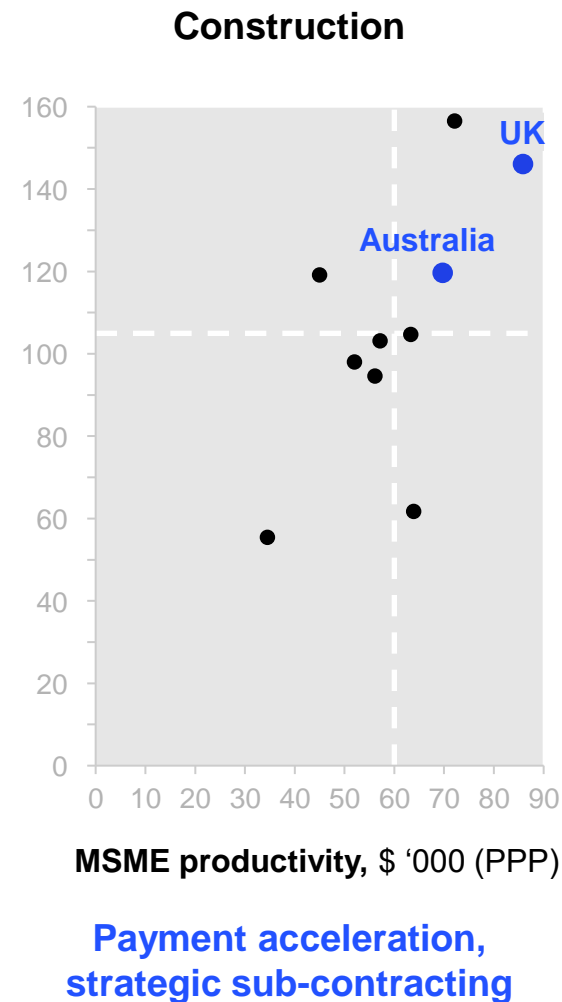
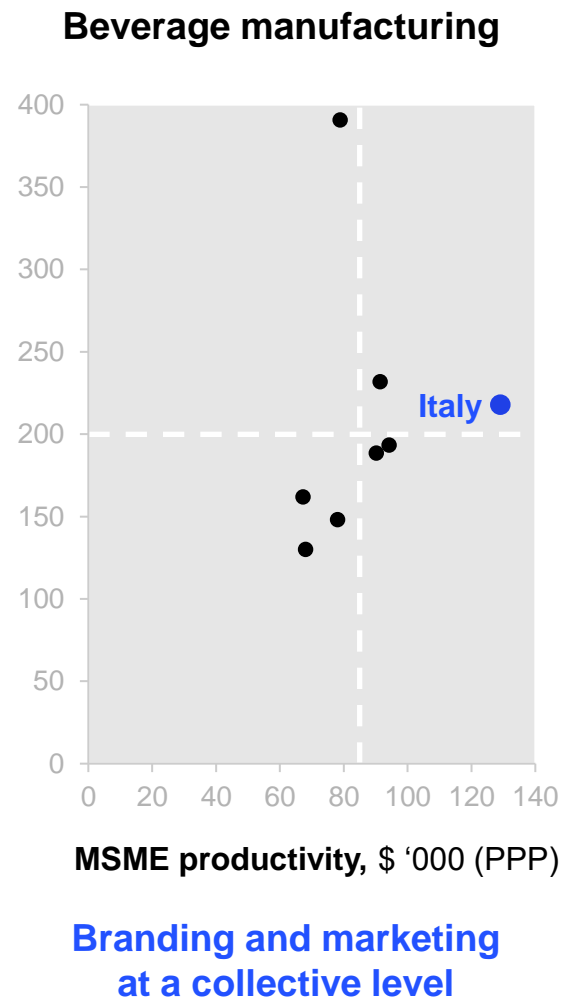
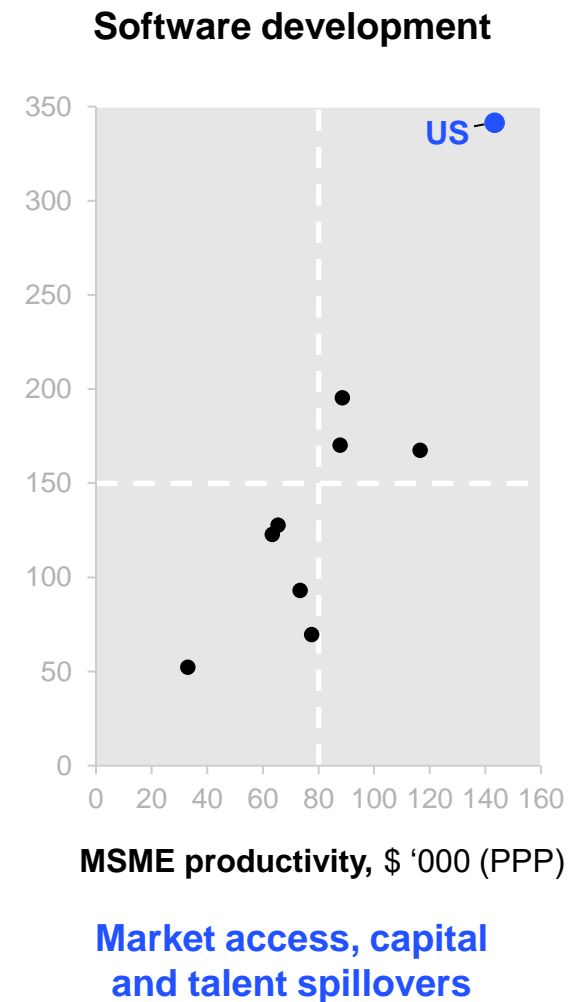
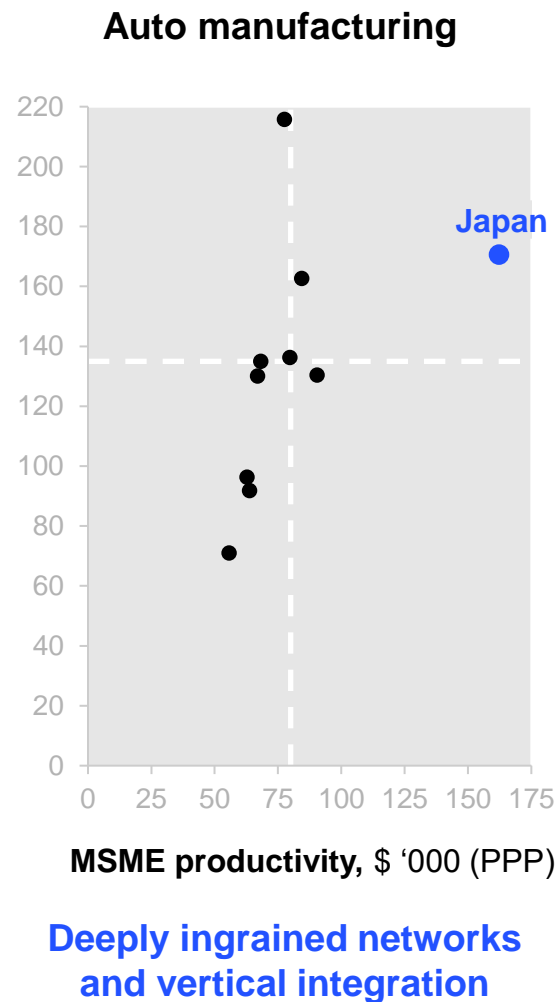
**1.5x** on access to finance

Source: A microscope on small businesses, May 2024

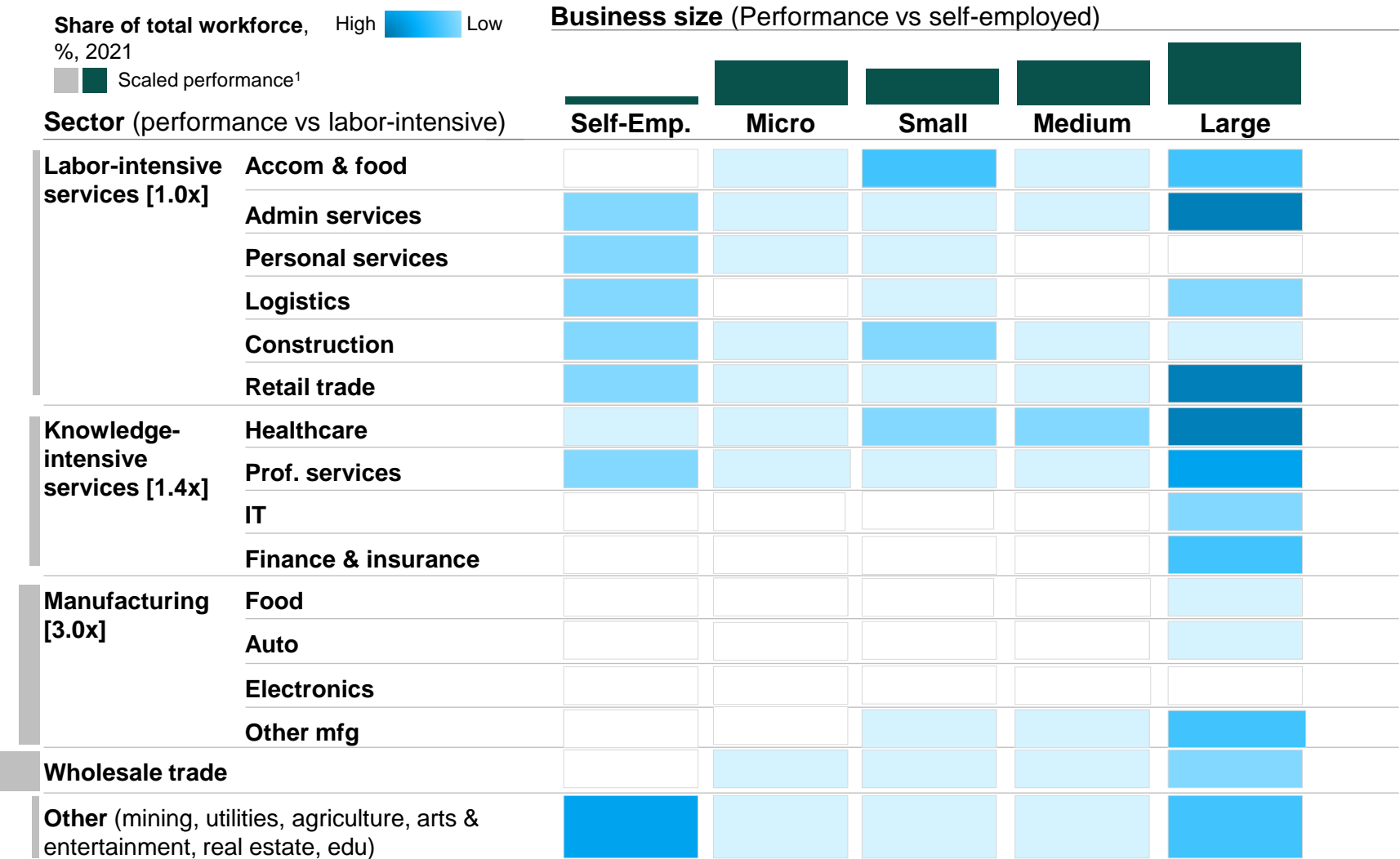
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# Examples of ‘win-win’ domains

Large company productivity, USD ‘000 PPP

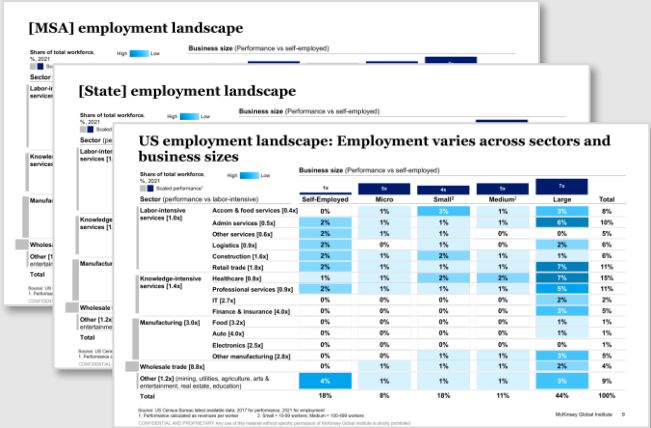


# Granular MSME productivity and employment “matrices” can support development initiatives



## We create granular MSME matrices for

- 37 countries (and additional 57 countries without productivity)
- Subnational US example
  - Region: 50 states, 1875 counties, 380 MSAs)
  - Demographics: Gender, Ethnicity



Source: America's small businesses, October 2024

1. Performance calculated as revenues per worker or productivity



# Explore the research, country data snapshots and US deep-dive



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