Redefining “SMB”, “SME” and “Large Enterprise”

In the articles, blog entries, Buyer’s Guides, case studies and executive white papers that DCIG writes it often uses the terms small and midsize business (SMB,) small and midsize enterprise (SME) and large enterprise. However someone after reading these terms in one of my blog entries called to ask me, “What is the difference between them?”

It used to be that one could define an organization in one of three ways:

- How many people worked there
- How much data (or storage) it managed
- Some combination of both

However these are no longer good metrics for determining how different organizations should be classified.

An organization with just a few employees and a lot of data may require those individuals to spend minimal time managing the data itself. This might be a photography studio or even an analyst firm. Conversely, another organization with only a few employees such as a managed service provider may host PBs of data that may have many of its employees completely dedicated to managing its data with each individual possessing highly specialized skills.

So as organizations and the amount of data they manage as well as how they manage it has evolved, there is also a need for the definition of those terms that are used to describe these organizations to evolve as well. This is my first attempt to do so:

- **Small and Midsize Business (SMB.)** This size organization
only has a part-time individual managing its data and/or IT infrastructure. This individual does everything (manage backups, databases, the network, new technology purchases, support contracts, etc.) as a part of his/her overall job responsibilities. He or she spends at most 20 hours a week on these tasks, is more likely to spend 20 hours or less per month performing them and the organization may even outsource this task to a third party contractor.

- **Small and Midsize Enterprise (SME.)** This size organization has one or more full time employees dedicated to managing its data and IT infrastructure. However these individuals are still IT generalists and will manage two or more IT-related tasks (backups, databases, network, servers, support, etc.,) would generally not be considered an expert in any one and may have a title like IT manager, system administrator or network administrator.

- **Large Enterprise.** This size organizations has grown to the point where it needs dedicated, full time IT staff with specific expertise to manage specific applications or parts of the IT infrastructure. A large enterprise will have individuals with job titles like SAN administrator, Exchange administrator, database administrator, etc. The key point here is that while it is likely the organization will have a large amount of data (hundreds of TBs or even PBs,) under its management it does not necessarily employ hundreds or thousands of people.

Classifying the size of an organization by how many people work there, how much data it possesses or some combination of both has become too nebulous. A better way to classify organizations is by the number of IT staff they have, the type of roles they perform and what level of IT expertise they possess or is needed in order to support the organization.
These distinctions in how organizations are classified are important to understand because as DCIG writes about and evaluates different technologies it tries to position them in the context of the organization that is most apt to benefit from them. So by understanding where your organization fits based upon the definitions provided above, it can better help you grasp which technologies and products are the right fit for your organization and which ones are not.