

THE GREATNESS OF BEING SMALL

For most businesses a key objective is growth and for many small businesses the focus is often on business development leading to growth. It may be hard to imagine but many of today's worldwide-recognised brands started out life as a small business. It is reported that Dell's first custom built computer was despatched from a college dorm room and even the mighty Nike's first sale came from the boot of a car.

Ironically the growth of businesses do not relate to a better business. We can probably all comment on experiences where clearly large organisations have got it wrong. Can the loss of personal contact and the wonderful telephone menu queuing systems for example really be said to have improved customer service?

The paradox is that as businesses grow, if they want to be great, they need to think and behave small. Many businesses have managed to combine this successfully so that as they grow they still manage to maintain the qualities of smallness.

Paradox it may be, but achievable it most certainly is for businesses to grow by thinking and behaving smaller.

Be the best at what you do, not the biggest

Focus and what you can do best. Instead of trying to be all things to all, sometimes the key is the simple approach to identify what one thing you can claim to do better than the competition and then concentrate on doing this better than anyone else. Use your marketing to identify this for your business and focus your communication on getting this message across.

Become recognised by your customers and your industry not for your size and power but for providing the best products, the best services, the best after care, or the best customer experience. This is more than creating a strap line, which claims "simply the best". Spend time to understand in which area you can genuinely claim to be better than anyone else.

Stay close to your customers

When considering marketing many organisations look to lead generation and new business development, but the successful ones have a strategy for building long term relationships with existing customers as well as constantly seeking to developing new ones.

Small businesses often treat existing customers like gold. As businesses continue to grow it is crucial that they adopt a policy to stay close to their customers. You've invested a lot of time and cost in acquiring your customers. Not only do you miss out on ongoing revenue when you ignore them but you flush away all of your return on investment from acquiring them in the first place. Most businesses lose between 15-20% of their customers each year. In retail, this figure can be much higher. Depending on your type of business, a large proportion of customers will lie dormant, having only purchased once or twice. The remaining customers will be those, which are loyal to you and from whom your future business and profits can be significant.

This is where the old 80/20 rule applies with 80% of revenue coming from just 20% of customers. The question is, do you know who they are? If you do not monitor your customers and invest in your customer database, it's highly probable that you'll never know.

Investing in and maintaining your customer database can bring invaluable benefits to your company, such as:

Customers can feel valued by being informed of new products, services and offers.

Responses to marketing efforts and campaigns can be more effective because you are dealing with a more responsive customer base.

You can improve segmentation of customers and build a profile of ideal target customers leading to improved more effective new business acquisition.

Reduced marketing costs because you don't have to take a scattergun approach and can develop clearer targeted marketing campaigns.

Redefine the meaning of success

In small businesses, relationships are key. Whether this is in relationships with employees, customers, and suppliers or in networking with potential customers each relationship is important. If businesses measure success purely by the bottom line or by turnover it is likely that relationships will suffer.

Where an organisation takes a more holistic approach and measures success in terms not only of its own financial performance but by the impact it is able to have on its employees, customers and suppliers then success in turn breeds success.

This is clearly a cultural approach which needs to be adopted throughout the company and which can be supported by communication with customers and suppliers through newsletters. Involvement of employees through team consultation meetings and internal communication can all work to support this approach.

In the new world of globalisation the hunger and drive for growth continues to be fed and encouraged. However, if companies want to be great it is worth noting that as businesses grow they can often best achieve this by thinking and acting small.

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