FROM SURVIVE TO THRIVE:
5 ACTIONS YOU CAN TAKE RIGHT NOW TO HELP YOUR SMB GROW
AN SMB’s UNIQUE NEEDS

5 ACTIONS TO TAKE TO ENABLE GROWTH
1. Understand what your time costs
2. Understand the power of automated processes and workflows
3. Understand the profitability of your current customers
4. Ensure that newly hired people add value
5. Align your IT solution with your business goals

DON’T JUST SURVIVE. THRIVE AND EVOLVE
As the CEO of a growing SMB, you know that the rules for the corporate giants don’t apply to you. You are unique.

As a small- to medium-sized business (SMB), you are part of a unique group. You became unique from the moment you decided to set up your business. You had a unique product or service that you knew would fit in a unique market niche. You probably devised a unique selling proposition. And you are still unique because of the many lifecycles your business will have to pass through.

As you enter and exit different phases — from seed and development to startup to growth and establishment to expansion to maturity (and possibly exit) — you will face different challenges and obstacles. Your objectives, priorities, and strategies will change with each phase. Making the right decisions in order identify your key business issues, manage through them, and maintain a strong foundation for growth, however, will be your one constant.

50% of SMBs do not survive beyond 5 years.*

Out of those that don’t

90% are from their own bad decisions.*


2017 TOP 10 SMB BUSINESS ISSUES**

1. Improving Workforce Productivity
2. Attracting and Retaining Customers
3. Improving Quality of Products and Processes
4. Improving Effectiveness of Sales & Marketing
5. Managing Inventory Effectively
6. Increasing Profitability
7. Increasing Business Growth
8. Creating Innovative Products
9. Managing Uncertainty
10. Reducing Operational Costs
AS YOU TRANSITION FROM STARTUP TO GROWTH AND ESTABLISHMENT, YOUR PRIORITIES WILL SHIFT TO FINDING NET NEW CUSTOMERS.
AT SOME POINT, YOU WILL HAVE SOLD TO EVERYONE YOU KNOW AND EVERYONE THEY KNOW, BUT YOU MUST CONTINUE TO LAND NEW CUSTOMERS. YOU NEED TO MOVE AWAY FROM RELATIONSHIP SELLING TO DEVELOPING A SUSTAINABLE, FLEXIBLE SALES PROCESS.

You need to:

- Retain current customers because 80% of future profits will come from 20% of existing customers
- Hire the right people for the right jobs and delegate, delegate, delegate
- Continue to innovate – in terms of both your products and your back-office business processes
- Keep your costs down so that you can grow in a scalable manner

SO HOW DO YOU DO THAT? By establishing a strong foundation that will power your business into the future. In order to build this foundation, here are 5 actions you can do – right now – to start thriving (vs. simply surviving).
Everyone has heard the phrase “time is money,” but as your SMB grows you need to step away from the daily tasks of running a business and focus on those strategic activities that will grow your business.

The day-to-day running of a business can be so intense that taking time out to focus on strategy can be difficult – if not impossible. It is easy to get sucked into the minutiae of everyday tasks. But if you are doing the books every week or spending time designing the layout of a booth for an upcoming tradeshow or having to read through every contract, it probably costs you more than if you hired (or contracted with) someone who is skilled in those areas.

**So what is your time worth?**

To grow and scale effectively, you need to stop working “in your business” and start working “on your business.” Your job is to lead. A leader’s job is to set the vision and strategy. A manager’s job is to set tasks and watch over operations.

Growth requires that you transition from management to leadership.
SO WHAT IS YOUR TIME WORTH?

1. What is your annual salary?

2. How many weeks a year do you work? (do not include vacation weeks)

3. What is the cost-per-year of your benefits?* 

4. What are the overhead costs to maintain your office? (rent, equipment, IT networks, heat, lighting, phone)

5. What are your annual expenses for travel, conventions, etc?

6. What is the annual cost of salary and benefits for your staff?** 

7. What is the annual overhead? (expense reports, remote location costs, including VPN, etc.)

* Not sure? A good rule of thumb is 30% of annual salary

** Not sure? Salaries and benefits should be 20-30% of gross revenue

Answer: (1+3+4+5+6+7) / 2 (per week)
As your SMB continues to grow, it gets harder and harder to manage your business with spreadsheets, email, water cooler chit-chat and Post-It® notes.

Automated business processes and workflows could be the answer. SMBs that have automated their finance, HR, and sales / services processes have boosted labor productivity (by as much as 20%), increased capacity, and delighted customers (thanks to faster turnarounds).

When you let technology handle the rote tasks, it:

- allows employees to manage processes from a single control point, making infrastructure changes easier and eliminating the chances of human error
- streamlines communication, supporting organized collaboration
- establishes a clear approval hierarchy, enforcing accountability
- provides management with view of the entire system through a series of reports and dashboards

**THE $1-$10-$100 RULE**

*When entering data manually, it costs:*

- **$1** to verify the accuracy of data at the point of entry
- **$10** to correct or clean up data in batch form
- **$100+** per record if nothing is done – including the costs associated with low customer retention and inefficiencies.*

*Source: SiriusDecisions, 2017*
HOW TO START?
Use this checklist...

1. Start small

2. List every manual task and function involved in running your business

3. Identify each department – customer service, marketing, communications, sales, fulfillment, scheduling, manufacturing, delivery, HR, IT, etc. – that handles each of these tasks and functions

4. List out the steps needed for each workflow. For example:
   - are multiple communication paths required?
   - what level of communication and approvals are required?
   - what information needs to be shared?
   - is this information managed by paper, spreadsheet, or database (DB)?

5. Identify redundancies and repetitive tasks

6. Determine if automation can make things easier, better, or faster

7. Once you find areas to automate, determine if your current technology platform and software can handle this level of automation. Do you need to update? Do you need to find new solutions?

8. Monitor performance
   - set KPIs and performance targets
   - monitor task completion and identify any unforeseen issues
   - add, remove, or change tasks to increase productivity
3

UNDERSTAND THE PROFITABILITY OF YOUR CURRENT CUSTOMERS

To grow, you have to sell to both net new customers and to your existing customer base.

Do you have a customer retention problem?

The cost to acquire customers can stop even the most robust SMB in its tracks. Customer acquisition costs (CAC) — which are based on the cost per lead, conversion rates, and the level of “human touch” required to make the sale — can run so high that they may not be recouped for months or years.

Therefore, one of your greatest lost opportunities will be in not retaining and mining your existing customer base.

Do you have a customer acquisition problem?

You also need to consider whether you have an acquisition problem as well. It is not just enough to get customers. You need to focus on acquiring the “high value customers” — the ones that are profitable throughout the customer life cycle, in terms of both sales and brand promotion.

Finding and keeping high value customers depends on understanding them and what they want. With the right customer relationship management (CRM) system, you can:

1. know more about them and provide them with the kind of experience they want
2. empower multiple employees to provide the same level of service, by providing access to the same customer data
3. quickly resolve any and/or all issues that arise
4. automate many behind-the-scene tasks in order to speed up both sales and service
5. better analyze data to easily identify trends and make better decisions
Businesses have a 60-70% chance of selling to an existing customer, while the probability of selling to a new prospect is only 5-20%—Forbes

Increasing customer retention rates by 5% increases profits by 25%+—Bain and Company

Acquiring a new customer is anywhere from 5-25x more expensive than retaining an existing one. This is dependent on the number of human touches needed to make the sale—SmartInsights, 2017
Hiring the right people is vital. In an SMB, every employee counts, and it is important to have a staff of smart, enthusiastic and personable people. However, this can prove difficult.

You may have a tiny recruiting budget and little or no name recognition. It is not uncommon to have a candidate ask you to either spell or pronounce the name of your company.

This means that one person can have a huge impact on your small workforce, so hiring mistakes will hurt you. Therefore, retention and turnover are high attention items that need to be managed very carefully within SMBs. This is not to say that large, multi-nationals cannot be affected by turnover, but a high turnover rate impacts SMBs’ top- and bottom-lines much deeper.

A small company can be devastated if it hires the wrong people, both from a sunk cost perspective and through lost productivity when under-performers exit or when good employees have to be replaced. Either way, in order to recruit and retain your best and brightest, start with understanding the make-up and DNA of the employees that are currently successful in your organization.

**The cost of losing an employee can range between 16% of pay (for hourly employees) to 213% of salary for a highly trained position!**

This could equal $255,600 for a highly trained executive making $120K a year.

— Center for American Progress (CAP)
FIVE TALENT ACQUISITION “DON’TS” FOR SMALL- TO MEDIUM-SIZED BUSINESSES

1. Don’t hire people just like you; hire people who are better than you in certain areas, such as finance, marketing, etc., so that you can focus on what you do best

2. Don’t hire reactively; have a hiring plan

3. Don’t underestimate your needs; settling for less than what you need will hurt your business

4. Don’t ignore the job description; writing a precise job description sets clear expectations for both you and the candidate

5. Don’t forget a skills audit; this will help you identify where the skills gaps are that need to be addressed in order to grow. More than half of SMBs have never done one
ALIGN YOUR IT SOLUTION WITH YOUR BUSINESS GOALS

All companies are complex organizations — regardless of their size — and they contain a diverse collection of functions and technological needs. For the IT staff (or person) at an SMB, trying to seamlessly integrate everything often feels like a game of Marco Polo — played in a mud pit.

For SMBs, Business Strategy is King

IT cannot lead the charge towards growth. Business needs and strategy cannot bend to the limitations of technology. The company’s IT needs must be matched with business objectives (both short-term and long-term) and with customer needs / expectations.

The cloud is a smart option to support growth; in fact, this option is quickly being realized by SMBs all over. It is expected that by 2020, almost 80% of SMBs will have fully adopted cloud computing (at some level) — for 4 (very good) reasons:

1. FLEXIBILITY We live in a mobile world. Having sales teams chained to a desk working on administrative tasks is no way to grow. Having all work-related files stored on a single server or on a spreadsheet that is passed around is even less ideal. The cloud supports a mobile workforce that is nimble, thorough and quick.

2. INTEGRATION Imagine a world with no more data silos. With the cloud, SMBs can easily integrate back-office operations (HR, Finance, etc.) with front-office applications (sales, service, e-commerce storefronts, etc.), providing SMB executives with a holistic view (from lead to renewal) of their customer base.

3. COLLABORATION To compete effectively, SMBs need cloud collaboration services. Sharing documents is important (without version control issues) but today’s “always on” customer and workforce needs access to applications and automated processes as well.

4. COST With the cloud, SMBs can do more with less. There will be a decrease in rack space, power usage, and even real estate (no more data centers). This means lower installation, maintenance, hardware, and upgrade / support costs. Money that is not spent on IT maintenance can be spent on market expansion, new product development, and acquiring key talent.
2017 TOP 10 SMB IT PRIORITIES
ARE THESE YOURS AS WELL?

COLLABORATION
CLOUD
MOBILITY
SECURITY FOR CLOUD AND MOBILITY
ANALYTICS
INTERNET OF THINGS (IOT)
DIGITALIZATION
VIRTUALIZATION
MANAGED SERVICES
BIG DATA

DON’T JUST SURVIVE…
THRIVE AND EVOLVE

And let Oracle provide the foundation to do just that.

With Oracle’s cloud solutions for SMBs, you can focus on the long-term and how you can grow and evolve your business. And you can do that with confidence, knowing that Oracle’s got your back.

Our SMB solutions prioritize scalability, flexibility, and integration....all at a cost that will keep you on the right path.

ORACLE CLOUD SOLUTIONS ARE A SMART OPTION FOR HIGH-GROWTH SMBs.
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