



The history of small businesses that grew into giant enterprises is well-documented. Here are a few examples to consider: in 1977, Anita Roddick took a GBP 6,800 bank loan and began selling skincare products made by her and her daughters at home using natural ingredients.

This was her first “The Body Shop” store. Today, The Body Shop has stores all over the world, and its popular products are all the rage among women across different age groups. Twelve years before Roddick started her enterprise, in 1965, Fred DeLuca opened “Pete’s Super Submarines” on a USD 1000 loan obtained from a friend. A few decades later, the same brand is known globally as Subway.

The truth is that most of these global players had humble beginnings. They started, figuratively, at the grassroots level and then rose to great heights. They were known as small businesses, which we today label as SMEs. However, only a slice of the entire pie of small businesses will make it big someday.

What made companies like Subway and The Body Shop outrun their peers is worth contemplating on. Apart from good business practices, hard work and perseverance, what worked for them is applying wise business growth strategies.

There are various factors and situations influencing the growth options of SMEs. It is worthwhile

to consider a few of them.

1. Smart Recruitment for Leadership Positions

It is imperative to have a stringent recruitment process at the leadership level. Often, many companies are in a hurry to recruit the top brass and many initial hires end up being poor matches. The “Intramezzo Talent Capital Report” concluded that not having the proper board of directors prevents a business from growing. 85 percent of businesses in the report made it clear that they would not invest in a company that is perceived as having poor leadership. What is required is the confidence that those who are currently in the top position should have the capability of reaching both long-term and short-term goals.

2. Expanding the current market

Market expansion or market development is a great business growth strategy. Small businesses that are still trying to find a foothold in their present market will benefit from this formula. If the competition is tough in the current market, then looking for figurative greener pastures would be a smart move. For instance, if a company has a health and wellness product, which is later found to be an efficient skin care product, then the market is expanded to include the beauty products market. Thus, even if there is no new product, there is definitely a new market. The business thus stands to increase its market share, sales figures as well as profits. Either new uses for the product or new users have to be identified for the potential new market. Often, businesses like The Body Shop have explored other geographical markets, including different provinces and countries. However, this strategy comes with a caveat: small businesses must perform thorough market research and understand their new customer base, taking into account socio-cultural differences.

3. Developing new products

Developing new products (also known as product expansion) entails that a new product is introduced to the current market to facilitate an increase in the market share. Usually, this strategy is used by businesses that rely on quick technological turnarounds, like mobile manufacturers. This strategy can also be used by small businesses that can create new products, add new features to existing products or even updating existing features when the older ones become obsolete.

The success of this strategy depends on the ability of the small business to respond quickly to market changes that ultimately, mean implementing changes in the product. Thus, the business is required to do some quick thinking and come up with fast solutions; otherwise, it would not be able to keep up.

4. Alliances and Partnerships

Alliances and partnerships form a feasible growth strategy in the realm of small businesses. Amongst other prospects, smaller businesses can enter into partnerships with their distributors and dealers. Apart from them, there are other possibilities too. For instance, if you are technologically strong but require a warehouse, you can enter into a partnership with someone who owns a warehouse and is also in need of your technology. In the same vein, if you are into manufacturing, you might want to think about forming a partnership with your raw materials supplier.

5. Reaching out to customers through new channels

Small businesses can exercise the choice of reaching out to their customers and selling their products through new channels, which were not available earlier. These options have been facilitated by the rise of the internet. First of all, one can sell their products directly through their own websites, or have tie-ups with retail websites like Etsy, eBay and Amazon. Secondly, small businesses can also launch membership and subscription programmes to introduce their products to them. Thirdly, selling through the use of mobile apps can be incorporated into the marketing strategy of a business.

Choosing the right growth strategy for your SME can turn your business around for the better. Effective application of the strategy will have a direct positive impact on your SME and make it the next big thing.