CEOs Share Their Plans about Growing Their Company

2016 is rapidly coming to an end and it is time for small business CEOs to start reflecting on this year’s business experience and begin looking toward how they may need to or want to grow their business. That was a common topic for a recent small business CEO discussion group.

In fact, the leading question at this session was “What’s the number one challenge facing your business?” I was curious because this was one of the items included in The National Small Business Association’s 2016 Mid-Year Economic Report. That report found that “economic uncertainty” was the big concern. Forty-nine percent of the respondents, most of them owners of companies with five or fewer employees, say economic uncertainty is the biggest problem they face. Nor are they expecting relief anytime soon: 54 percent believe the economy will remain flat in the coming 12 months.

But, I point out that small business owners aren’t as pessimistic about their own futures as they are about the national outlook. Some 72 percent are confident about their businesses’ futures, and 57 percent expect their sales to increase in the next 12 months.

One-third of small business owners surveyed also plan to hire employees in the coming 12 months. In fact, 12 percent plan to increase their work force by more than 10 percent— the highest this indicator has been since the NSBA started asking the question. At the same time, the number of small business owners who plan to decrease their workforce is the lowest it’s been in more than eight years.

Existing employees as well as new hires are benefiting from small business owners’ confidence. More than four in 10 small business owners (44 percent) say they increased employee compensation over the last 12 months, while 51 percent say they plan to do so in the next 12 months.

So, I asked one of my favorite small business experts, “How are small business owners powering this growth?” Rieva Lesonsky (CEO of GrowBiz Media, a content and consulting company specializing in covering small businesses and entrepreneurship) always has some well researched comments and advise. Regular readers of this column will remember that I have quoted her a few times in the past.

Lesonsky gave some good answers. Here’s what they plan to do in the next 12 months—and what I feel are items that small business CEOs can learn from it.

1. 45 percent say they plan to implement new advertising and marketing strategies. Review your existing marketing plan and the results of each marketing method. Are there areas you need to cut back on or improve? Can you put more money into the most effective methods? Do you need to get out of your comfort zone into digital advertising, social media advertising, content marketing or mobile marketing? New marketing methods and channels are popping up just about every day, so if you’re resting on your laurels, you could get left behind.
2. 30 percent plan to use strategic alliances. Forming a relationship with another business, big or small, can benefit your business in so many ways. You can launch a new product or service, or expand into a new geographic or demographic market, by benefiting from your alliance partner’s connections, sales channels and brand. You can share the work involved, bringing new ideas to market faster than you could on your own. You can also lessen the investment required to achieve your goals as well as decrease the risk if an idea doesn’t pan out.

3. 28 percent plan to expand e-commerce. If you’re not already involved in e-commerce, now is a good time to reconsider. E-commerce isn’t just for retailers, either. A restaurant can sell a proprietary salad dressing online; a personal trainer can sell subscriptions to fitness videos; a bar can sell branded T-shirts. Think about what you could sell and how adding an e-commerce presence could benefit your business.

4. 25 percent plan to launch a new product line. Do your homework before investing in a new product or service launch. Just as you would with a brand-new business, conduct market research to understand your competition and your target market. Survey existing customers and prospective customers about your idea, either online, in person or with a focus group. Assess the resources you’ll need—in terms of time, employee hours and financing—to pull it off.

Your SCORE mentor can help with all the above growth strategies. Contact your local SCORE Chapter or visit www.score.org to get matched with a mentor who can offer advice and guidance. These volunteers do this at “no charge”.

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