The Golden Age of Small Business

Are we about to experience “the golden age of small business”? That is exactly the prediction of the new “QuickBooks Future of Small Business” report, developed by Intuit Inc. in partnership with Emergent Research.

As a SCORE mentor and one who has the privilege of observing a vast array of small businesses across the country, I would certainly attest to this conclusion. This is witnessed by the fact that 90% of Americans shop at small businesses at least once a week, and 42% frequent small businesses three times or more weekly per SCORE’s published data. Its latest infographic shows Americans’ love of small businesses.

- Most popular types of local businesses:
  - 75% frequent food/beverage stores
  - 56% eat at restaurants
  - 34% visit clothing/accessories stores

- Why do consumers shop at small businesses?
  - 66% like the convenience
  - 63% want to support local businesses.
  - 54% say local retailers offer one-of-a-kind products
  - 53% prefer the customer service experience at small businesses

The Quickbooks report forecasts an acceleration in the growth of U.S. small businesses over the next decade, from 30 million in 2016 to over 42 million in 2026. “This next decade will be the decade of the small business.” said Karen Peacock, senior vice president of small business at Intuit.

What’s behind the prognostication? Rieva Lesonsky, CEO of GrowBiz Media, gave me a good observation and summary of the report. She highlighted the five factors which indicate the growth of small businesses in the next ten years, per the report.
1. Affordable technology: The growth of low-cost, scalable infrastructure and new technology has made it more affordable than ever to open a small business. When launching a business is more affordable, the risk of doing so declines, making it easier for entrepreneurs to take chances. Being able to use cloud-based services and pay only for what they need makes it easy for small companies to scale up and down quickly without getting locked in to high technology costs. No wonder the survey reports that 62 percent of small businesses use the cloud, an increase from 37 percent in 2014.

2. Diving into data: Tools such as website and social media analytics offer small business owners unprecedented insights into how their customers think, what they want and how they buy. There’s so much data available, in fact, that small business owners are still struggling to take advantage of all the information at their fingertips. The good news: In the coming years, the report predicts, “machine learning” technology will help sort through the deluge of information and will make it easier for even the smallest businesses to dig deep into the details about their customer base.

3. On-demand workers: The growth of a “freelance nation” may not make all employees happy, but it is definitely benefiting small businesses. When you need additional help, you don’t necessarily have to hire a permanent worker. Instead, you can reach out to independent contractors to fill your staffing needs whenever you want. Small business owners who rely on what the report calls “contingent workers” will be happy to know these workers are projected to account for 43 percent of the U.S. work force by 2020. That means you’ll have no shortage of resources as your business grows.

4. Online marketplaces: Being able to sell products and services online, either on your own website, on marketplaces such as Amazon.com or both, is a game changer for small business owners. No matter where you’re located, you can now reach customers worldwide by setting up shop online. Plus, you can target very specific niches, and build a successful business online selling a product that lacks a big enough local audience to support a physical store.

5. Online advertising and marketing: More than ever, savvy small business owners are tapping into the power of the internet to drive attention, awareness and traffic to their businesses. In addition to using free marketing tools, such as search engine optimization (SEO) and content marketing, smart small business owners are expanding their marketing arsenal by adding online advertising to the mix. Advertising online has a couple key advantages: It’s more affordable than many other types of advertising, it’s highly targeted, and it’s easy to change your strategy quickly based on what works best for your business.
What do these five trends have in common? All of them are driven by technology.

In fact, the report contends, technology is what will make the next decade “the decade of small business.” If you’re not already harnessing the latest developments in technology in your business, now is the time to start.

Is your small business taking full advantage of the power of technology to thrive and grow? If not, your SCORE mentor can help you figure out how best to harness technology to meet your needs. Visit www.score.org to get matched with a mentor today.

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