

Think like a start-up: 3 lessons for big business

By [Morné Stoltz](#)

2 Oct 2018

September marked the celebration of Small Business Month, shining the spotlight on an ever growing but thoroughly challenged industry. Yet, while many tend to focus on the lack of funding and public sector support for these emerging enterprises, there is also plenty to celebrate and lots that larger companies can learn from their smaller, nimbler counterparts.



Source: pixabay.com

Small and medium enterprises are fast becoming massive economic drivers for the South African economy, currently accounting for roughly 34% of the country's total GDP*. While this is undoubtedly great news for local employment prospects and economic growth, it is a sobering statistic for larger enterprises, many of whom have proven less agile and capable of adapting to the rapidly evolving business landscape.

The past decade has seen a seismic shift in consumer behaviour, driven largely by the well documented digital revolution, which has seen convenience emerge as king and left many enterprises struggling to meet the needs of their audiences.

With high-tech phones in the hands of virtually every consumer, demands have become far more challenging, with South Africans now seeking out bespoke solutions that cater better to their individual needs and expecting these needs to be met within minutes.

For established businesses, many still reliant on legacy technology and encumbered by entrenched systems and processes, adaptation has proven difficult, in some cases leaving them to be taken by younger, more digitally nimble start-ups.

Perhaps because of the challenges faced and the lack of investment in the sector, today's entrepreneurs have had to introduce business models that fly in the face of traditional wisdom, prioritising cashflow, agility and cost-effective marketing solutions in order to stay afloat.

The result has been the emergence of consumer-focused businesses like Airbnb and Snapscan, enterprises that put the power squarely in the customer's hands and adapt constantly to ensure evolving demands are met. And while this has not eliminated the need for corporate entities, it certainly has set the bar for big business, creating a landscape in which enterprises can no longer rest on their laurels or rely on the power of a brand to do the work for them.

So what can today's captains of industry learn from this emerging business sector? Here are a few key tips to bear in mind:

Dare to be digital

For many small businesses, TV advertising and billboard branding simply is not a feasible financial solution, leading many to pursue digital channels to get the word out. While this strategy has its roots in necessity, it has enabled many to offer a level of convenience and personalisation that resonates strongly with customers.

By offering up simple solutions at the click of a button, small businesses have tapped into a very real consumer requirement, enabling people to bypass call centres and laborious in-store visits in favour of instantaneous, online gratification.

Larger enterprises should take note of this undeniably effective approach. Not only does operating in the digital space allow for far greater flexibility in terms of the service offering, but channels like social media and smartphone apps enable a greater connection with the consumer, something that simply cannot be achieved by bombarding them with communication, no matter how frequent it might be.

Be wary of the bottom line

Another key to SMME's agility is their bottom-line-first approach to business. Without large-scale investors and vast premises, small businesses are well equipped to focus only on what's necessary, keeping their staff numbers small and wastage low. The result of this is driven, agile teams, unencumbered by unnecessarily high head counts and enormous overheads. For big businesses, it is easy to lose people in the crowd and spend copious amounts on floating an overloaded boat. But for small businesses, there is no place to hide, leaving far less room for inefficiencies and ensuring that only the right people are hired for the job.

For big businesses, this ruthless approach to resource efficiency could not only significantly improve profit margins, but also elevate the potential for innovation by creating more cohesive, motivated teams.

Keep your people happy

For small businesses, high staff turnover is not a feasible option. Given the costs and time associated with recruitment, SMMEs are instead forced to incentivise their employees to perform by speaking to their individual needs. Where big businesses might offer fantastic maternity benefits or great medical cover, small enterprises are increasingly giving their

employees what they really want: flexibility and free time.

Where many large corporates remain relentlessly tied to the idea of a 9-5 workday, entrepreneurs are instead offering their employees flexible hours and in many cases introducing work-from-home policies. This tends to result in a more motivated, committed workforce with a greater scope for productivity, enabling small enterprises to remain 'open' while their competitors have shut up shop for the day. These valuable hours and the ensuing employee satisfaction are critical keys to the success of smaller operations and should be explored by their established counterparts if they hope to stay relevant in years to come.

*Source: <http://www.banking.org.za/what-we-do/sme/sme-enterprise>

ABOUT MORNÉ STOLTZ

Morné Stoltz is Head of Business Insurance at MWay.
▪ End-of-year checklist for businesses, big and small - 19 Nov 2018
▪ Think like a start-up: 3 lessons for big business - 2 Oct 2018

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>