A Strategic Approach to a Sustainable Expansion of Small Businesses

Applicable to any Industry/Domain of Business

Considered the example of an IT Consulting Business for detailing the concept(s)

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Author - Nagendra Roy , December 2018

Introduction

This paper ideates a proven strategic approach for driving business expansion and empowering with sustainability. This expansion approach and strategy transcends beyond simply envisioning long term success.

This strategic approach is built on the key parameters – rate of growth, effort and involvement. The reason is – all organizations, including IT organizations have a specific rate of growth, with respect to their environmental setup, resources, capabilities and visioning aspects. Being visionary leaders, we should absolutely be mindful of these parameters before sketching out an expansion and/or growth strategy for our companies.

The Iron Triangle of our Approach

People

Process **Technology**
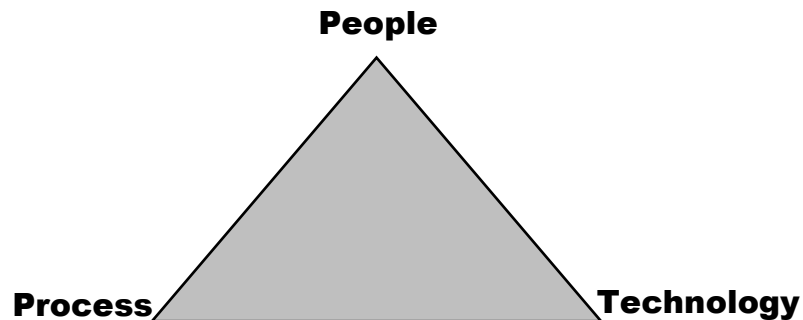
We believe that the three elements – People, Process and Technology coexist in an organization They carry equal weights and interdependencies, meaning if one of these pillars suffer, the entire organization stands the risk of losing balance, ultimately effecting the business development and expansion initiatives of the firm.

Why Expansion Requires a Well-Built Strategy

According to a leading Small Business Loans Lending Company - Fundera, Inc., small businesses, that can be classified as companies with less than 500 Employees, account for 99.7% of businesses in the US, with a similar percentage globally as well. here are *28.8 million* small businesses in the United States, according to the U.S. Small Business Administration, and they have 56.8 million employees.
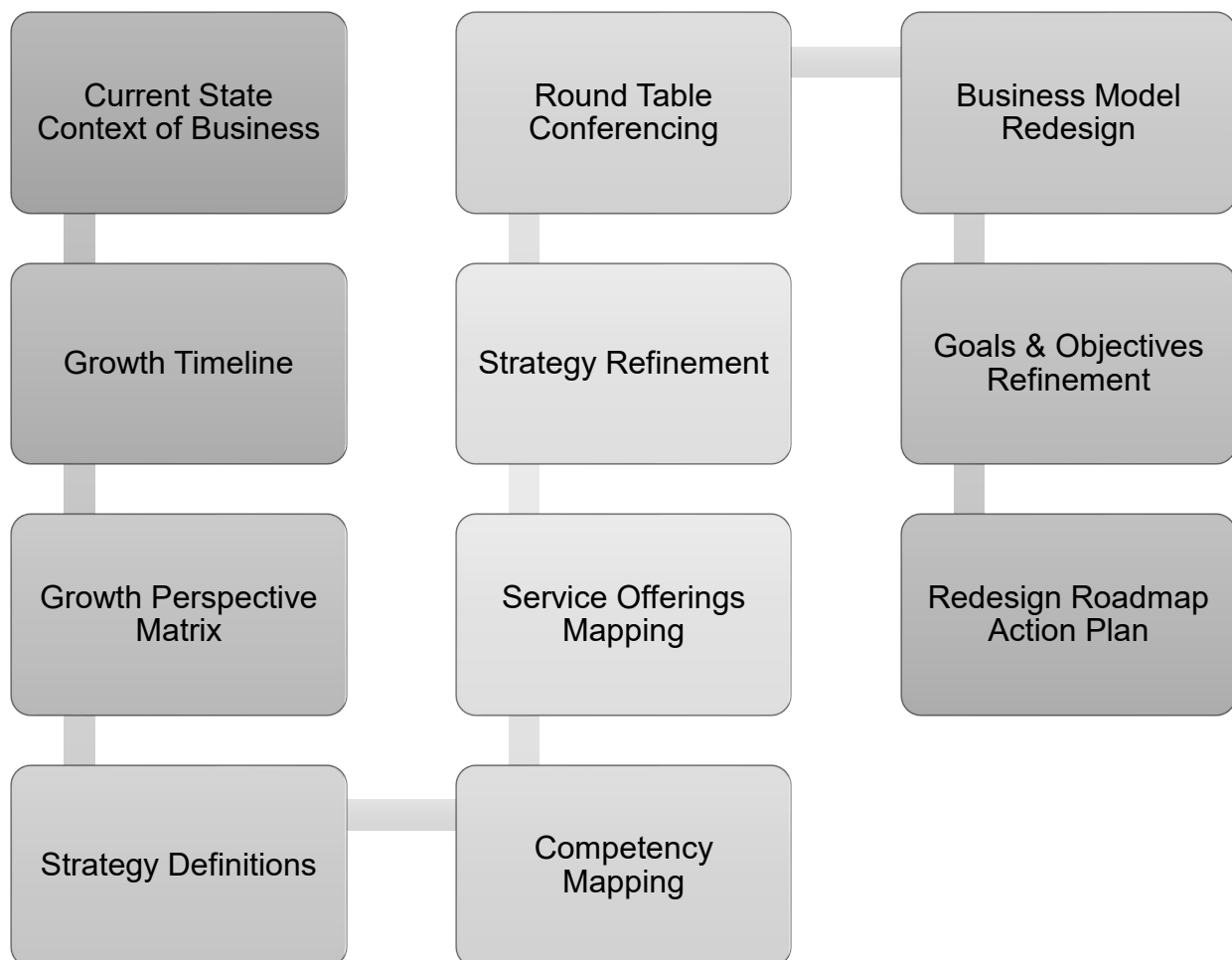
Importance

Small businesses have consistently played a major role in economic growth because they create so many jobs—many more than large businesses. In the first three fiscal quarters of 2014, reports the SBA, small businesses added 1.4 million new jobs, 39% of which

were from very small businesses (with fewer than 50 people). As you can imagine, small business was key for the nation's recovery from the recession. Between the middle of 2009 and the middle of 2013, **60% of the jobs created were from small businesses.**

While finances are a major aspect of success, there are a number of other parameters that are essential to strengthen the approach towards business expansion.

A Chronological Approach

The approach involves a systematic and thought-infused order of activities, wherein each activity is fortified by the preceding one, i.e. as we perform a set of activities at one phase of the approach, they will feed information to us to go on and perform the logical next set

Current State Context of Business	Round Table Conferencing	Business Model Redesign
Growth Timeline	Strategy Refinement	Goals & Objectives Refinement
Growth Perspective Matrix	Service Offerings Mapping	Redesign Roadmap Action Plan
Strategy Definitions	Competency Mapping	

of activities, while the outcomes of all the activities converge into a positive impact to the organization by complementing its capabilities and infusing synergy.

Now, let's see to the next level of detail, what the above illustrations means and how you can tailor it, or logically apply it to your organization's business expansion challenges.

Current State Context of Business

Being small scale experts at IT Consulting Services and Staffing, we are also referred to as Vendors, to our customers (business stakeholders).

We can classify our customers based on their industry and domain, so that we can categorically map our strengths, challenges and wins to them. Below is an example of categorization of customers.

- Hardware
- Storage Solutions
- Tele-communications
- Software Technologies

The interpretation is that we provide Products and services to these customers spanned across diverse industries.

Customer Industries	Products/Services (listed a A-J, for example)	Strengths
Hardware	A, H	K, T, R, N
Storage Solutions	B, I, J	K, R
Tele-communications	C, D, E	R, N
Software technologies	F, G	K, N

Now, like shown above, you can easily identify your strengths, in terms of providing the above-mentioned services to customers.

We recommend to also classify your strengths as:

- Knowledge base (K)
- Technology footprint (T)
- Relationship (R)
- Niche Skills Requirements fulfilment ability (N)

Challenges also can be identified and categorically filled out based on the above matrix. The logic is that, where we lack some elements of strengths, we can expect challenges. These can also be thought of in terms of New Business Development, Sustainability, Growth. You can also add additional parameters as needed, this is just an example.

Customer Industries	Products/Services (listed a A-J, for example)	Strengths	Challenges	Quick Wins	Long Term Wins
Hardware	A, H	K, T, R, N	C0 (Opportunity)		L1
Storage Solutions	B, I, J	K, R	C1, C2	Q1	L2
Tele-communications	C, D, E	R, N	C3, C4		L3, L4
Software technologies	F, G	K, N	C5, C6	Q2	L5

Common Challenges that every organization face can be either of the following:

- Limited Reach
- Weak Branding
- Ruthless Competition
- Ineffective Push Marketing

Each of the Quick-Wins you identify, addresses a challenge you are facing, with a customer. So, as we identify quick wins, we are eliminating the challenges associated with the customer. However, quick-wins need to be sustainable, to ensure the challenge does not come back again.

Long-term wins will be stronger and better solutions to address challenges, attain all the required strengths, dwell and thrive with the customer for a longer time. At this stage you may not be able to identify all your long-term wins, but you can write them down basing on your firm's vision, and how it correlates to your customer relationship model.
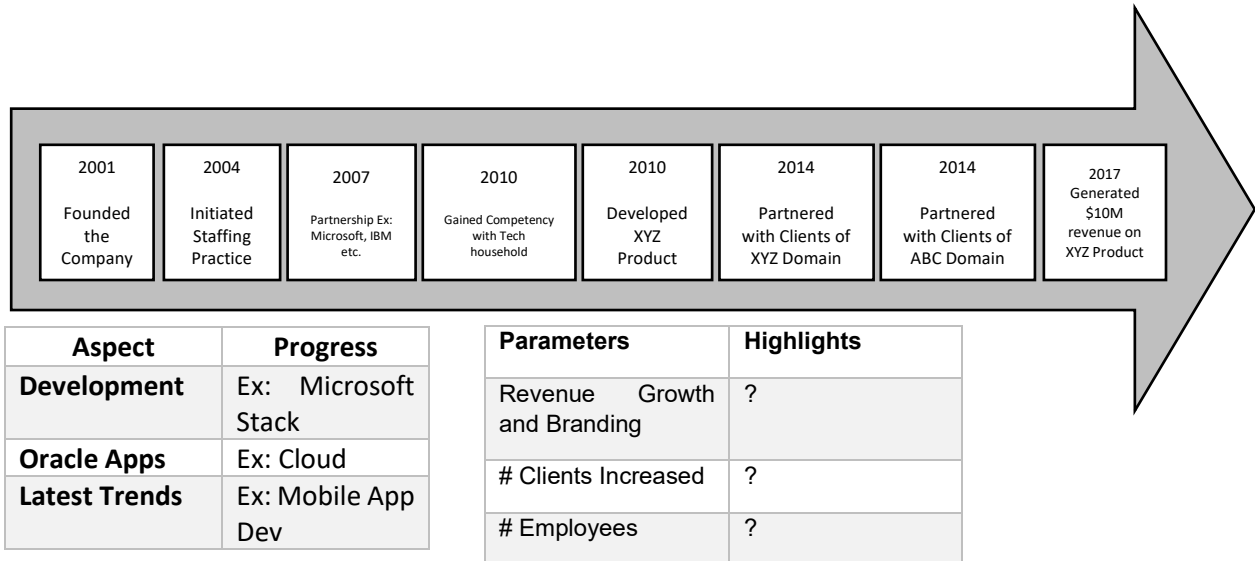
Some of the wins that you can target on a quick and long-term basis, can be:

- Professional Working Partnership
- Technology Partnerships
- Efficient Use of Company's Strengths
- Targeting customers with weaker vendor pools, mostly customers that are new to the staffing and consulting model of operation.

Building growth timeline of the firm from the year of conception

Timelines are an effective way of gauging what we have done so far and what we need to do next. In our context, plotting a growth timeline of the organization will help us realize:

1. What worked out well for us
2. The rate at which we could digest and implement new technologies.
3. Alignment with our organization's brand
    o Alignment check with mission, vision and values
    o Alignment check with latest industry trends each year

2001	2004	2007	2010	2010	2014	2014	2017
Founded the Company	Initiated Staffing Practice	Partnership Ex: Microsoft, IBM etc.	Gained Competency with Tech household	Developed XYZ Product	Partnered with Clients of XYZ Domain	Partnered with Clients of ABC Domain	Generated $10M revenue on XYZ Product

Aspect	Progress
Development	Ex: Microsoft Stack
Oracle Apps	Ex: Cloud
Latest Trends	Ex: Mobile App Dev

Parameters	Highlights
Revenue Growth and Branding	?
# Clients Increased	?
# Employees	?

Perspective Driven Growth Matrix

This one helps you to channelize and streamline your current growth and also your future growth. It sets a direction and helps you to guide your team, to progress in specific directions wherein growth is required for your company, so as to realize an overall growth in all the perspectives. Below are some of the perspectives that you can consider for channelizing your growth.

- Financial Perspective – Creating Value
- Customer Perspective – Differentiating your firm
- Internal Processes Perspective – Execution
- Learning and Growth Perspective – People Management

Below is a sample strategy that you can leverage, basing on your organizational context you can edit some perspectives as needed.

Based on this matrix, you can leverage some useful practice-based tactics to improve your business:

1. Technical resources must join user groups and go to those local meetings / events. Make connections and ask for pain areas and potentials. (**Effective Local Reach & Branding**)

2. We should have a regular cadence for across locations - contractor and RFP openings (**Vast Reach**).

3. Personalized effective communication with related information or call end client accordingly. (**Pull Marketing**)

4. There should be a quick mechanism to get the more accurate info on that requirement. (may be a form fill-up just 3 questions, What, Why Who) (**Pull Marketing**)

5. Host Local Events – Invite Companies for their Staffing Challenges and Straight Talks, ask right questions to identify the pain areas and offer some distinctive features. (**Local Branding**)

6. Host full scale events and based on our mini events outcome, only invite right companies and be a preferred vendor. (**Pull marketing & Branding**)

7. Look for Merger & Acquisition Opportunities (**Fast Growth**)

8. We need more endorsement from our current customers (**Branding)**

Additionally, from the above illustration, note to include the following parameters in your strategy building

- Productivity strategy
- Growth strategy
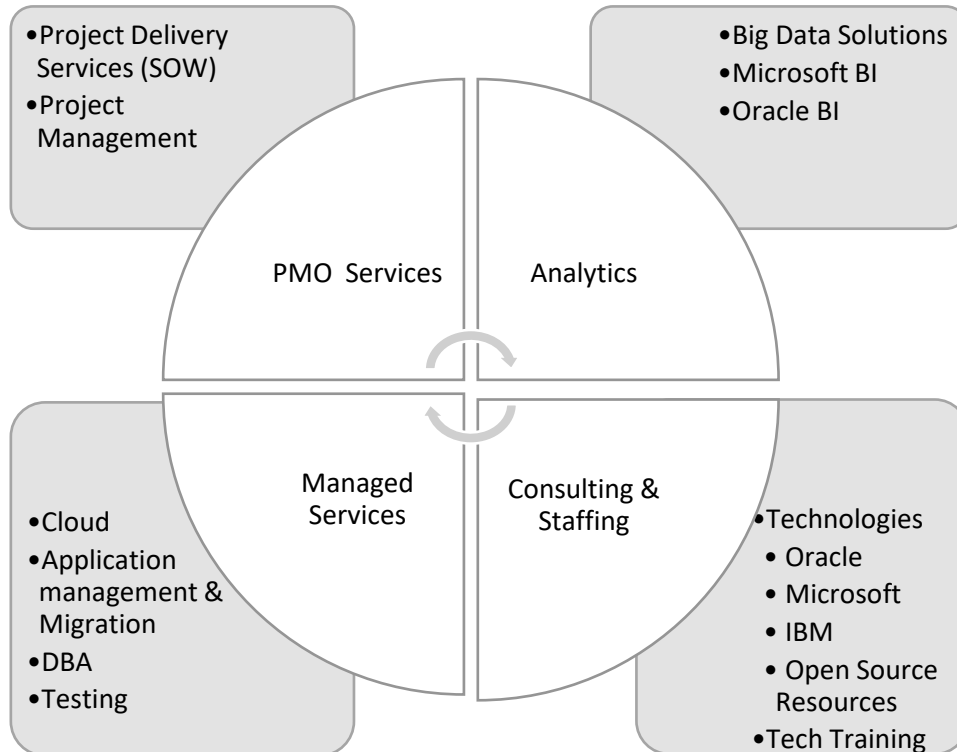- Account management strategy
- Research Strategy

Current Competency Mapping

Now that you have a well carved strategy in place, we can go ahead and map our company's core competencies under three different buckets, i.e.

- *Strategy Services*
  Where People, Processes and Products are involved to a deeper extent. The key aspects of inclusion into the strategic services can be:
    o Strategy Maps & Process Optimization
    o Enterprise Mobile Strategy
    o Project Management Office
    o Change Management
    o IT Strategy Roadmaps

- *Technology Services*
  Technology can be briefly categorized into 3 buckets here: Hardware, Software and Integration.
  Ex: Points of inclusion under technology services are:
    o Application Development
    o ERP Integration
    o Systems Management
    o Business Intelligence
    o Big Data Solutions

- *Business Solutions*

  This targets growth and expansion of the company. Points of inclusion can be:

    o Industry Specific Solutions i.e. OTM, EPM
    o Technology Re-platform, Transformation
    o Integration solutions

Current Service Offerings Mapping

Now that you have mapped your competencies, its time you also align your service offerings as per your competencies. Below is a **sample** that you can reflect on:

- •Project Delivery Services (SOW)
- •Project Management

PMO Services

- •Big Data Solutions
- •Microsoft BI
- •Oracle BI

Analytics

Managed Services

Consulting & Staffing

- •Cloud
- •Application management & Migration
- •DBA
- •Testing

- •Technologies
  - • Oracle
  - • Microsoft
  - • IBM
  - • Open Source Resources
- •Tech Training

Refine Business Strategy

Business strategy can be defined as a firm's high-level plan for accomplishing specific business objectives. The strategy or plan succeeds only when it leads to business growth, a strong competitive position, and strong financial performance. In the case where the high-level strategy fails, however, the firm must either change its approach or prepare to go out of business.

In other words,

Business strategy is the firm's working plan for achieving its vision, prioritizing objectives, competing successfully, and optimizing financial performance with its business model.

Strategies reflect the firm's Strengths, Vulnerabilities, Resources, and Opportunities. They also Reflect the firm's competitors and its market. It is imperative to remember that formulating Strategy Is All About Meeting Objectives (Goals)

We can improve or re-formulate our strategy using the below questions – by ensuring our strategy answers each of them.

1. How we can improve our reach?

2. How we can do more Pull Marketing?

3. Do we really have any distinct in our company that attracts the customer before doing any business with us?

4. Why anybody will take us in their consideration?

5. Why we are not even able to reach the point where clients are scheduling the interview calls?

6. Should we have the strategic partnership with other related companies?

Let's point out the possible current state impediments and formulate a solution.

Issue – Inefficiency to expand into new domains or to capture good resources.

Problem statement– With current approach, we don't know, *who need what help*

Bottleneck - How we are going to introduce ourselves to our business counterparts.

Multi-Dimensional Approach – A blend of the Organic and Inorganic Approaches used in business conventionally.

- **Action Item 1** – Need an effective CRM tool and Interactive Website to present a dynamic face of our organization
- **Action Item 2** – Dedicated effort for Vendor Management Processes
- **Action Item 3** – Staffing Requirement Automation tool, that can save time, effort and investments
- **Action Item 4** – An automated Business Intelligence solution to quickly narrow down the requirements and fulfill them
- **Action Item 5** – Motivate and train our technology resources for social publicity at their work location
- **Action Item 6** – More effective events for identified customer segments in the presence of your existing clients
- **Action Item 7** – Leverage Partnership as much as we can. We should have sponsor packages, Idea is not just get sponsorship for our event but improve referral marketing and use their good contacts

- • **Action Item 8** – Have your technology and outreach teams attend meetings and symposiums, and work to import newer technological advancements into the firm

Plan for Industry Leaders Round-Table Conferencing with current/potential client leaders
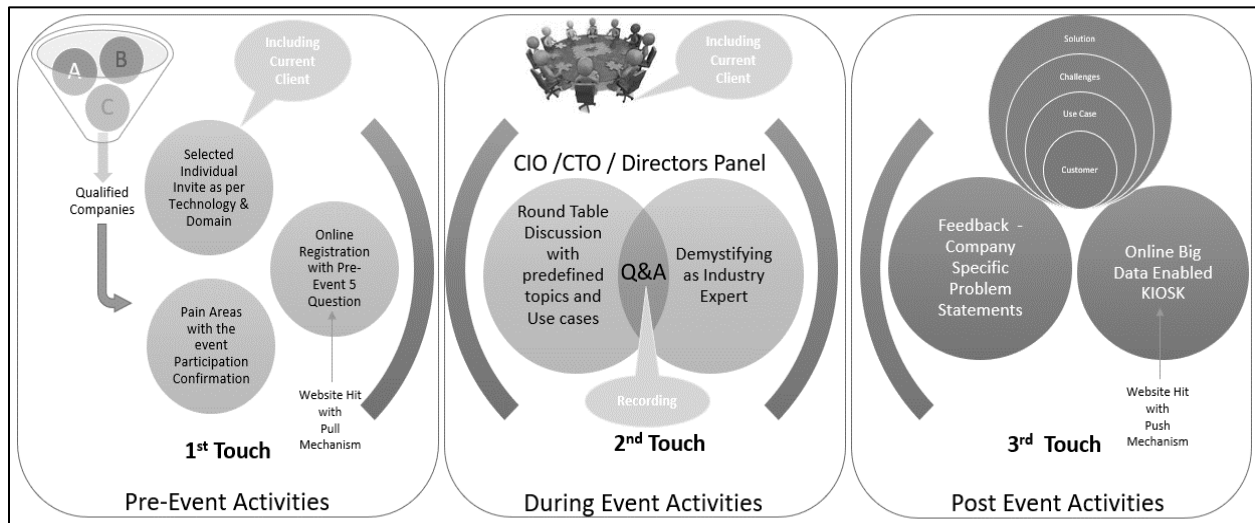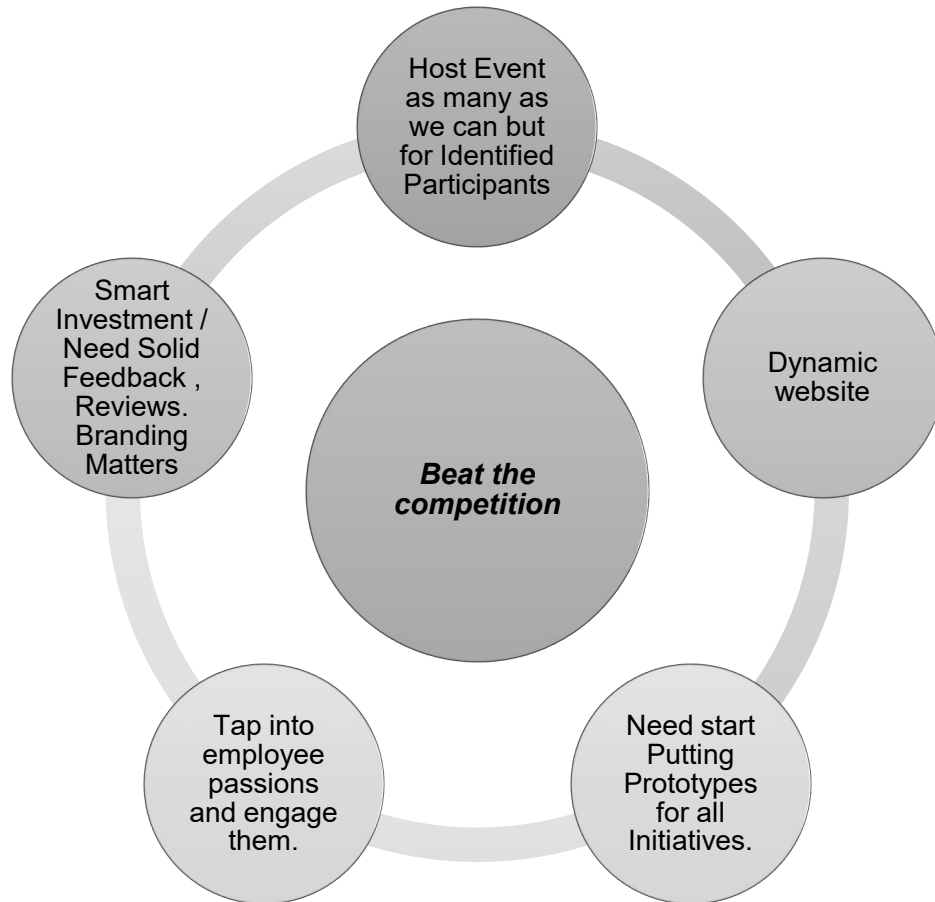

Event Follow Ups -

1. *1ˢᵗ Touch* - Invitee Industry leaders and they can recommend/bring two other directors from his company or contacts

2. *4ᵗʰ Touch* **-** Press Release Mail to all qualified companies it will help us to get website Hit with Push/Pull Mechanism

3. *5ᵗʰ Touch* - Separate Email to respective companies with their problem definition & Expert comments, Case studies and Meeting Request. It will provoke website hit thru pull mechanism.

6ᵗʰ & 7ᵗʰ Touch will happen in follow up meetings.

Tips to a Hybrid Approach for your staffing/consulting

In alignment with your expansion, you may follow the below tips wherever applicable to your organization:

1. Technical resources must join user groups and go to those local meetings / events. Make connections and ask for pain areas and potentials. (**Effective Local Reach & Branding**)

a. Technical folks just need to provide information to sales team and you, being the leaders, can take it up from there.

b. Good for your folks as well because they will also learn more in their respective technical areas.

2. Daily Staffing Checkpoint

   a. **Identify Open Position:** This should be an automated process. We should have a daily report for across USA contractor openings (**Vast Reach**).

   b. **Find out the end client:**

      i. **Option 1 –** Locate/Gather Work Location and see the company & contact information in our database.

      ii. **Option 2 –** We should have our local recruiting agents who can provide the insights of any given opening.

   c. **Pain area from the posted requirements:**

      i. Based on above information then send a personalized effective mail with related information or call end client accordingly. (**Pull Marketing**)

      ii. There should be a quick mechanism to get the more accurate info on that requirement. (may be a form fill-up just 3 questions, What, Why, Who) (**Pull Marketing**)

3. **Host Local Events –** Invite Companies for their Staffing Challenges and Straight Talks, ask right questions to identify the pain areas and offer some distinctive features. (**Local Branding**)

4. **Next thing will be** - Host full scale events and based on our mini events outcome, only invite right companies and be a preferred vendor. (**Pull marketing & Branding**)

5. Look for Merger & Acquisition Opportunities (**Fast Growth**)

Host Event as many as we can but for Identified Participants

Smart Investment / Need Solid Feedback , Reviews. Branding Matters

Beat the competition

Dynamic website

Tap into employee passions and engage them.

Need start Putting Prototypes for all Initiatives.

Refine your Management's Goals and Objectives

Make your moves in the **SMART** way, because being leaders, your activities, decisions and reflections should be calculative. This route will enable your firm to *beat the big companies*

- *Specific* – Target a specific area for improvement

- *Measurable* – KPI

- *Assignable/Actionable* –Who will do What

- *Realistic* – State what results can realistically be achieved, given available resources

- *Time-related* – Specify when the result(s) can be achieved

Note: We have to think big if we want to be BIG; and thinking BIG creates High Class Challenges. If we meet the right challenges, we can cash on opportunities and grow fast.

Action Items

- ✓ We need to a **road map** to align our **short-term** and **long-term strategy.**

- ✓ Where we want to be in **end of this year**, and **5 years down the road**?

- ✓ We need to have all these answers and have executable **Action Plan** ASAP.

- ✓ Assign Resource and follow **PDCA (Plan – Do – Check – Act)**

Summary

Re-build / re-design your roadmap and action plan, rooting from all the above activities.

Yeah, now that we went through a series of activities in their chronology, you can efficiently ingest the approach and involved methodologies, into building a renewed roadmap and action plan that can drive your firms towards success and expansion.

Timeline	Geography	Service Area	Delivery	Operations	Marketing	Partnership
Month/Year	Locations of Operation	Ex: Analytics Mobile	Deliverables that fit	Active participation and engagement	Planned activities	Active/Inactive or To-be pursued technology partnerships

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