



THE SMALL BUSINESS GROWTH PLAYBOOK



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For many small businesses, the prospect of growth is exciting, balanced by the risk of over-reach if they do not prepare in advance. The 2017 Asia Pacific small business survey, conducted by CPA Australia discovered that of small businesses in South East Asia that grew strongly in 2017, 34.7% said technology was one of the most positive influences on their business.

The research also revealed 78.3% of them found their investment in tech in 2017 was already paying for itself. Furthermore, 50.9% of growing small businesses in S.E.A. expect revenue from overseas sales to grow strongly in 2018, and 57.4% expect to innovate through the introduction of a new product, process or service to their local market or the world in 2018.

Yet how can small business owners grow while mitigating the risks that come from innovation and expansion? Firstly, they need to understand the complexity, inconsistency and loss of control that growth can cause. Then owners can take steps to maintain the competitive edge of being small – often derived from extremely close relationships with customers and partners – as they scale up their operations.

Small businesses that succeed in growing need to make growth a sustainable process – to translate greater market share into even better products and services for their customers. Doing so creates a cycle where growth, if properly paced and planned for, brings about higher and broader satisfaction with the business, leading to more growth.

The Small Business Growth Playbook outlines four tactics that can get any small business started on this cycle – no matter their size, industry or target markets:

1. **Stay true to their core** by ensuring USPs (unique selling propositions) like high quality, niche or personalized products and services and customer service remain – even as operations expand.
2. **Build strong partnerships** with retailers, resellers and others to lend their market share and reach to the small business.
3. **Standardize and centralize** operations, supply chain, and business administration to avoid dips in quality and productivity as a result of growth.
4. **Use the data** from higher market share and customer feedback to enhance their USPs.

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Tactic 1

STAY TRUE TO THE CORE

Small business owners instinctively know that although size matters, bigger isn't always better – particularly when building a brand that inspires loyalty among customers. Small businesses in the Asia Pacific region are successfully leaping into the digital era and are optimistic about the future, according to CPA Australia's 2017 Asia Pacific small business survey.

The average of small businesses planning to increase employee numbers over the next year – a metric associated with growing businesses – is 49.4 percent in South East Asia. This was significantly higher than Australia (18.8%) and New Zealand (17.6%).

The more any small business grows however, the harder it is to sustain the unique values and culture that attracted customers in the first place. So is it possible for small businesses to up-scale without losing touch with their customers?

The team at Bloom & Grow would reply with a resounding 'yes'. NetSuite's scalable cloud platform supports Bloom & Grow's fast growth within South East Asia and enables the company to manage its operations in real time, while allowing the business to maintain great relationships with all-important clients and distributors.

Growth Plays

- Clearly define the brand values and goals that any new investment – technology, infrastructure or product development – will achieve.
- Get more from less: trimming overhead and boosting sales to existing customers can enlarge revenues without the risks of expansion.
- Don't be afraid to slow down organic growth if it threatens to compromise customer service quality. Small businesses that expand too quickly may find themselves unable to cope with greater operational complexity.

As Bloom & Grow began to blossom a few years ago, its operations became increasingly large and complex, potentially threatening its ability to deliver the same level of customer service as before. That is why the company chose scalable cloud architecture that allows their business to access all core functions wherever the Hong Kong based team happen to be in the region or around the world, in any currency. This scalability ensures that their distribution network can grow even further without compromising the quality of its products.

Singapore's DocDoc has experienced incredible growth within South East Asia since they launched in 2012. The business charges a monthly subscription fee for doctors who sign up and has been able to maintain healthy relationships with the medical specialists they have gained and retained for the service they deliver free to consumers across the region.

As a provider of a virtual healthcare networking platform designed to find high-quality medical care at a negotiated price, the company's virtual healthcare networking platform offers doctor discovery by seeking physicians, clinics and hospitals in a region to join the network, which as of April 2018 has over 23,000 doctors, dentists and specialists available.

Growth has taken DocDoc from Singapore to eight countries in the region and as they get bigger and transition into a larger business, the pressure is on stay true to their values. How does the organization stay ahead of the curve and focused on maintaining a quality service for both end-users as well as current and prospective medical providers?

The answer is the platform they use to be able to reshape their business, gain real-time analysis and adjust their offerings in an agile way. "NetSuite OneWorld empowered us to make smarter decisions and build inter-departmental business workflows, which are key for growth," said Cole Sirucek, DocDoc's Co-Founder and CEO.

Like DocDoc, other small businesses can only scale successfully when growth comes second to their underlying values and mission. They must adopt technologies and processes which safeguard their USPs – whether these be exceptional customer service, personalized products, value for money or anything else – as a clear top priority for all staff.

As long as small business owners keep their values aligned with those of their customers, their businesses should start to grow organically. Fail to stay true to the core however, and any growth – whether intentional or otherwise – will prove short-lived.

Tactic 2

BUILD STRONG PARTNERSHIPS

Small businesses face much higher stakes than their larger counterparts when they invest in expansion and growth. If a new market proves unreceptive to their offering, or a new product or service fails to resonate with customers, the small business may be unable to sustain that investment plus its existing operations. However, of small businesses in S.E.A. with strong growth in 2017, over half expect to launch a new product, process or service to their local market or the world within the next 12 months.

How can small business owners gain market share without risking too much of their own capital? By partnering with other, larger companies. Partnerships can give small businesses immediate access to existing retail networks, supply chains and most importantly, a well-established customer base. In some cases, they can also supplement the in-house resources of the small business, like customer service and support teams, with the manpower and infrastructure needed for successful expansion.

Most small businesses will be no strangers to partnerships – wholesale distribution models for example, have helped small businesses cost-effectively access new markets for decades. Yet the most effective partnerships take into account a range

Growth Plays

- Partner with larger enterprises whose customer and distribution networks fill gaps in your own operations.
- Use exclusivity or other terms to negotiate for full control over logistics, staffing and other customer service essentials in the partnership.
- Keep complexity low by using a single team and technology platform to manage all operations, both those within and outside of the partnership's scope.

of factors like branding, cross-selling opportunities and exclusivity arrangements that benefit both the small business and its more established supporters. As they negotiate partnerships with distributors, retailers, and other large enterprises, small businesses should stay mindful of maintaining control over their brand while minimizing operational complexity.

The Lingerie Company of Australia, which represents the world-renowned Simone Pérèle brand in Australia, did exactly that when it set up a partnership with national retailer David Jones. The partnership offered the Lingerie Company of Australia an opportunity to more dramatically

expand the size of its national retail presence with only minimal capital costs.

Rather than a typical distribution model however, the organization operates an exclusive direct-selling model within David Jones' premises, giving it full control over its own inventory and staffing, and ensuring that potential customers receive the same quality of advice and product knowledge that they would in the business' own stores.

Although partnerships often deliver rapid growth, they can also result in overwhelming increases in complexity, potentially compromising the customer's experience of the brand. The Lingerie Company of Australia tackled this by using NetSuite OneWorld to accurately manage its 20,000 SKUs across all proprietary stores, David Jones presences, and wholesale accounts, correlating transactions to over 200,000 Australian customers in its loyalty program. Doing so allows retail and marketing staff to deliver more personal discounts, deals, and even free items – in-store and through digital channels.

As long as small businesses can stay true to their core values, partnerships offer a quick way to expand or test products in new markets, minimizing risks to working capital and simplifying operational set-up process. However, most small businesses cannot afford to rely on partnerships to sustainably grow. They need a way to generate low-risk, high-efficiency growth on their own terms.

Tactic 3

STANDARDIZE AND CENTRALIZE

For many small business owners, expansion (particularly overseas expansion) raises questions that often prove confusing and discouraging. Where can they find quality staff? What sorts of new regulations or laws will they face? How can they translate their brand so that customers not only understand but desire it? While there are no easy answers to these questions, small business owners can standardize and centralize their operations to make expansion as simple, consistent, and repeatable as possible.

Standardization allows small businesses to grow quickly and easily. By adopting the same underlying technologies and operating processes regardless of location, small business owners reduce the time it takes to successfully enter a new market – following a pre-determined order of operations requires much less thought than devising an entirely new strategy from the ground up.

Centralization on the other hand, involves business owners and their teams – usually small, trusted ones – maintaining full visibility and control, even as operations expand and diversify. Every market has its own unique nuances and pressures, but small business owners will find these easier to deal with when they have a consistent and centrally-managed operating model to build on.

Growth Plays

- Adopt cloud-based platforms from Day 1 to avoid capacity constraints when the business expands. Many small businesses in APAC that make good use of technology, are expecting to innovate and grow their revenue from exports in 2018.
- Embrace automation wherever possible, particularly for routine, time-consuming tasks like financial and inventory management.
- Maintain a small core of decision-makers and equip them with remote access and visibility over all markets. Doing so ensures small businesses retain their responsiveness even when they grow in scale.

For standardization and centralization to work, these processes and technologies must be able to scale quickly and efficiently. Small business owners should design processes that require minimal upfront investment and can be run by small teams, ideally remotely.

They should also seek out technologies that automate repetitive processes, even

as workloads and business demands grow. This helps the business grow its reach without necessarily expanding on headcount or capital investment.

DocDoc is a lean tech-driven business in Singapore offering a free online search service for patients wanting a doctor, dentist, surgeon and more, across the Asia Pacific's difficult to navigate healthcare markets. As a next-generation startup with around 45 employees and over \$14 million in capital raised so far, DocDoc is upscaling its reach and building relationships in Singapore, Malaysia, Philippines, Thailand, South Korea, and India – and represents the new breed of SME.

The company is a strong believer in embracing cloud technology to standardize and automate processes. Their cloud ERP platform is deeply woven into every single business process as a unified platform for managing just about everything. "This allows us to build inter-departmental business workflows from scratch, which is the key to success for any start-up in today's competitive market," said Cole Sirucek, DocDoc's Co-Founder and CEO.

Malaysia's Tranglo is another small business evolving into a medium sized enterprise, with annual revenue of \$25 million and rising, and just under 50 employees in S.E.A. It leverages technology to increase customer satisfaction and their goal is to become a market leader in cross-border financial services. Tranglo sought a technology platform that would help improve operational efficiency, support business growth and enable innovation. They chose a solution that could manage their multi-subsidary data more efficiently with easy system integration.

Both businesses adopted NetSuite's ERP platform as they recognized that the complexity of their operations—a natural consequence of organic growth—would eventually cap their potential for further expansion. Small businesses, because of their size, will find it much easier to adopt more scalable technologies and simplify organizational processes than their larger counterparts. Their founders should do so before they begin to expand their operations, not afterwards.

Tactic 4

USE THE DATA

If small businesses stay true to their core values, leverage partnerships with other firms and take a standardized and centralized approach to how they expand, they can and will enjoy sustained growth with less risk. That may be enough for some small business owners. But for others, growth means more than just new markets or products: it means improving the fundamentals of how customers experience their business.

Doing so is the key to growth that is not just successful, but sustainable. As small businesses grow larger, they must accommodate a greater variety and volume of customer demands than ever before. But as transaction numbers grow, so does the amount of data that reflects the specifics of those demands – and the means by which the business can meet them.

For growth to be sustainable, small business owners must keep extending their competitive advantage with this data, even as they expand their scale and market reach. If they have standardized their processes and technology, they should be able to access and understand this data with relative ease. Most will be able to derive some insights immediately, such as how customer behaviors differ between direct and partner sales channels. A centralized approach to

Growth Plays

- Use data from ERP and supply chain platforms to personalize sales and marketing efforts, both online (such as email marketing) and offline (such as loyalty cards and in-store promotions).
- Regularly compare financial data from different stores or channels to identify trends that might impact long-term growth, such as cash flow and available liquidity.
- Automate how supply chains and sales channels respond to data. For example, ecommerce stores can automatically hide certain products when inventory levels fall below a nominated threshold.

operations should ensure that the business can, once it has those insights, carry out prompt action to improve the situation or take advantage of the new opportunity.

To do this, small business owners need data that is simple, comprehensive and accessible whenever they need it. Otherwise, making sense of any customer information will demand advanced technical and analytical skills—and data scientists are a luxury that few small businesses can afford.

Businesses experiencing growth with minimal resources to spare can find ways to cost-effectively gain value from the data at their disposal.

SunMoon Food Company is a global distributor of fruits and food products through an extensive network of more than 11,000 points of sales and a presence in 20 countries in South East Asia. Since 2017, the company has been shifting towards an asset-light and consumer-centric strategy, by using NetSuite OneWorld to automate its manual business processes and increase efficiency.

Modernizing its operations with NetSuite OneWorld equips SunMoon with a cloud-based ERP platform which seamlessly connects suppliers and customers. Suppliers can enter key information, including stock and expiry date of their fresh produce, while SunMoon can more easily create quotes, purchase orders and invoices – anywhere and anytime, as all the data is readily accessible from any internet-connected device.

Data plays a key role in all of the company's major decisions and day to day operations. Together with NetSuite's multi-currency and multilingual capabilities, this underlying data-driven cloud platform is enabling the business to up-scale its operations overseas, paving the way for expanding into new markets and for launching vegetables and organic produce next.

As small businesses grow, their owners need tools that can help them maintain a close understanding of customers. With that understanding, they can continue delivering the levels of quality and service which allowed them to grow in the first place.

CONCLUSION

Any truly successful small business will inevitably grow, with or without its owner's intention. These businesses can establish a level of intimacy with their customers, and responsiveness to their needs, that larger businesses often struggle with. This intimacy creates the demand that enables small businesses to grow – but often declines or disappears entirely once they reach a certain size. In order to grow successfully and sustainably, small businesses must maintain a 'small business' level of service no matter the volume or variety of transactions they handle.

The examples in this playbook show just how important it is for small businesses

to design their processes to grow without compromising the quality of their USPs or customer service. Partnerships, standardized and centralized processes, along with greater use of data, all help small businesses expand their reach efficiently, while retaining control over how customers experience their brand.

The right technologies, particularly cloud and analytics platforms, play a major role in simplifying and informing growth strategies. But of greater importance is that small business owners maintain their close relationships with customers – no matter how big they get.

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