The Cinderellas Of The Business World

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While large companies and governments are stressing about the threat of recession, small companies just get on with it â€“ they are survivors

Every day the news brings us more threats of a double dip, a currency crisis, a lending squeeze and another dose of economic pessimism.Â And where does all this bad news come from?Â It comes from big businesses.

At the first hint of an economic squeeze, the large corporates cancel business travel, delay their push into new territories, and begin squeezing all the costs for what they're worth.Â The government and the media pick up these loud noises and they feed them to us.

However, below the radar screen and unseen to the media and governments are millions and millions of small companies that carry on as always.Â A recent survey by market research and business intelligence company, B2B International, of thousands of small businesses across 10 countries shows that 90% will carry on unscathed and untouched by the vagaries of big business.

Small companies, those employing less than 50 people, account for over 99% of all businesses in any country.Â They are run by people who know their trade.Â Most of them have been in existence for more than 10 years compared to the job hoppers in large companies who switch positions like musical chairs.Â The owners of small businesses have seen the good times and bad times and they know how to deal with them.

At a micro level, boom times and recessions are irrelevant to the small business.Â Small businesses are chameleons and able to adjust quickly to change â€“ positive or negative.Â Small businesses by their very nature are optimistic.Â No one would ever set up in business with a view to failure.Â This is not to say that the small business person is a risk taker.Â Once their business is up and running, the proprietor will look after it like a baby.

Small businesses rent properties, buy utilities, spend their money at local wholesalers, and require the services of lawyers and accountants.Â People selling to a small business do not need a purchase order number.Â The decision maker who writes the cheque is very often the person that picks up the phone.Â Things happen quickly and easily in small businesses.

Governments and large corporates do not understand small businesses.Â Their culture is completely different.Â Big businesses speak and sell to big customers and do not comprehend the culture and language of small businesses.Â They are missing a huge opportunity.

Understanding small businesses is the starting point of doing business with them.Â It is not enough to think about their trade and activity.Â Knowing whether a company supplies accounting services or makes X-ray machines is not particularly helpful.Â It is more useful to know if the company has plans for growth or cash flow problems, or if it is traditional or modern in its business methods.Â This type of segmentation will ensure that communications aimed at small businesses resonate.

If we want to do business with small companies, we have to understand them.Â We need to understand how they are different, what drives them, how they behave and most crucially what their needs are.Â Small companies are the Cinderella of the business world and if we can find a glass slipper that fits them, they make excellent partners.

Founded on research data.Â B2B International has conducted surveys into SMEs for a number of Top 100 companies, including a global financial services organisation, global professional services consultancy, and other international companies, across 10 countries.

Paul Hague has written a White Paper about the findings: http://www.b2binternational.com/publications/white-papers/small-business-smb-research/

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16 December 2011