

 by Sussie Campbell

Tinder for Business



Understanding customers key to survival

The Australian Bureau of Statistics reports that more than 60% of small businesses shut up shop within the first three years of trading. Being out of touch with customers is cited as one of the top reasons for these failures.

Some business owners fail to appreciate that without a complete understanding of the customer, any marketing strategy is likely to fail.

Cisco's retiring CEO delivered a dire prediction in Business Insider Australia: that 40% of companies will be dead in 10 years. "Either we disrupt or we get disrupted," said John Chambers.

What's right for small business?

Small business marketing must also be upturned, with a focus on striving for greater innovation, creativity, and in turn, tuned into customers' demands, whilst delivering healthy returns.

Some small businesses, particularly those servicing a local customer base, are shunning marketing strategies such as print advertising, social media campaigns, SEO and Google Ad words, disillusioned

with the high investment costs and poor returns. This is because for them such strategies simply aren't delivering the returns promised by their promoters.

Online business forums and business networking groups are flooded with 'experts' touting the latest "snake oil," promising six or seven figure returns and huge upturns in sales, in a matter of months or even days. It is therefore hardly surprising that for every claim of attractive sales, there are many more tales of woe and marketing failure. Some SME's are convinced to parting with large amounts of money, often not budgeted for, in the hope that the 'too good to be true' claim, might just work.

When small businesses form 97% of all businesses in Australia, hinging success on a strategy that is either difficult to measure, or using unfamiliar technology, would seem foolhardy and too big a risk for most.

Pretenders

There are no magic pills in marketing. Anyone who claims to be able to generate six or seven figures for small business overnight has not understood the business. Marketing is the simple marriage

of understanding a need and delivering a solution to that need to those in need. This involves building relationships, empathy, knowledge and deep insights of that need - the 'target market'.

Templates and cookie cutter marketing simply doesn't work. It may have worked for the person trying to sell their wares, but each business is different, and these advisors may have never operated a similar business to those they are advising. No two businesses or marketing campaigns are the same either.

Finding the marketing strategy that suits

Jason Doueihi, the founder of Workers Compensation Specialists, based in Parramatta discovered the power of partnership marketing. Jason shared how he was able to grow his business significantly using what he now describes as a lucrative, yet underrated strategy. He had identified that all his clients found him through word of mouth and referrals, and so the logical step was for him to find more loyal referrers.

"I'm not a natural salesman and struggled with the popular marketing strategies of online advertising and social media. More



traditional methods such as mail drops and newspaper advertising just didn't fit either, and I wasted money on strategies that simply didn't deliver, and moreover, their financial returns were not easily measured. I knew there must be a more cost effective way to market in a business to business (B2B) environment," explained Jason.

Jason's approach will be no secret to savvy business owners. They know that by identifying another business that has the same target market and by understanding the assets of their own and the other business, a win-win situation can be created.

But like any business opportunity or marketing strategy, care and planning are required if it is to be successful. Evidence shows that a well-executed partnership must meet the following key characteristics, if one element is missing, the relationship may fail:

- A clear win/win – there must be a gain for both parties, without it, one party may become disillusioned and the relationship break down;
- Value alignment – partnering with another business that does not share your values or standards is likely to result in resentment and eventual failure; and
- Aligned target market – this is essential to ensure the win/win and for any benefit to be gained.

Execution

Like all marketing strategies, a degree of knowledge is required to execute effectively and this is where many fail.

"Partnerships enable you to create unprecedented growth, resilience and constructive disruption, regardless of size or the industry you're in. It's a solid growth strategy used by the world's fastest growing and most successful companies. Resilience rarely happens without the support of the right partners – strategic or marketing, staff, suppliers, clients, family or friends. A by-product of creating a partner-friendly culture is much stronger and more productive relationships with all key stakeholders in your business, cultivating greater loyalty and higher profits," explains Simone Novello, the Founder and MD of Partner2Grow.

Entrepreneurs need partners to take their businesses to the next level. Partnerships are powerful and exciting – but when businesses get it wrong, sadly they usually realise when it's too late. Negotiating the complexity of finding the right partners and ensuring that the best possible deal is struck is crucial.

In a world that is moving so rapidly, Aussie SME's need to keep up if they are to survive and partnerships can provide the answer. The right collaborations can promote business growth, resilience and the ability to disrupt in a way that allows the business to prosper. Conversely, a misaligned, unequal or poorly executed partnership can have catastrophic consequences for SMEs.

When the marriage breaks down – partnership pitfalls

A small direct wine company in Adelaide, recognising that partnerships could be the key to growth, had the smarts to approach a major bank in Australia and secure a deal to offer bonus points to members of the bank's large loyalty credit card program.

This partnership grew their business by two thirds almost overnight! Aside from the growing pains, they enjoyed a successful partnership for many years. They offered a great service, provided high service levels, and a quality product to the bank and its customers.

However the industry grew more competitive and this still relatively small company was so focused on this great partnership, that they did not mitigate their risk by ensuring they had a diversified partnership plan and strategy in place should this partnership cease.

That day inevitably came. A larger player in the wine sector realised what a great opportunity a partnership with a bank was and pursued it for themselves. Around the same time some of the key people in the bank that the small wine company had built relationships with, left and almost overnight their business declined rapidly.

Although there are some great lessons here about what this company did right, there is no getting away from the oversight of contingency planning to protect their company from failure. Putting 'all your eggs in one basket' is never a good idea when it comes

to partnerships - neither is spreading too thin. It's about being methodical in taking the right steps to make the most of the best opportunities to grow and protect your business.

When budgets are tight ROI is king

Tara O'Connell, founder of The Baby Diaries, a mobile health solutions App with the aim of helping new parents across the globe to keep track of their baby's daily functions (sleep, feeds, nappies), growth, milestones and memories, embarked on partnerships as a marketing strategy almost immediately. As a single mum with a 3-month-old baby, her budget was extremely tight and having been burned by a magazine advertising campaign with zero return, she discovered partnerships. Tara described her venture into partnerships:

"I think initially I struggled with understanding my assets and having a lack of confidence that any large business would be interested in a small business like mine. My first hurdle was understanding exactly what I had to offer. We all have assets regardless of our size; it may be a small social media following that is highly engaged; we may have won awards; we may have access to large networks; it may be our intellectual property that is a key asset. Knowing those assets is the first step," explained Tara.

"As soon as I realised this, I was onto a winning formula. Partnerships are fantastic. They can literally catapult your business to

hundreds, thousands or millions of your ideal customers. However, my word of warning is to only partner with others who share the same target market, the same values, and the same level of motivation for the partnership to work and an attitude of abundance. If any of these things are missing then the partnership may fail and, at best, you would have wasted your time," warns Tara.

Small business paired with big business - does unequal spell danger?

For a business at any stage and size, partnerships can provide access to the resources needed to evolve and respond to emerging opportunities and challenges, with speed and precision. It's not only SMEs that can take advantage. Big business has been partnering for years with many famous examples such as Disney with McDonalds. But there is nothing preventing small partnering with big.

Jodie Blight, writer and creator of an interactive cookbook, Summer Table and accompanying App, has been working on a single partnership for almost two years and is still a long way off from signing a deal.

In the crowded world of cookbooks Jodie knew that she needed to do something different and so built an App which enabled users to scan recipes from a book to create a shopping list on their smartphone with all the ingredients sorted to the corresponding supermarket sections. It turned out, no one had done this before and therefore the next, most obvious progression was to license the App

to other publishers as well as to supermarkets and retailers.

Jodie explained why her experience of partnering with larger businesses became an extremely frustrating process:

"The hardest part of small dealing with large in my experience is response times. SMEs are generally responsive and nimble, as the partnership and proposition are their top priority and their livelihood depends on closing the deal. Conversely, their (SME) concept or idea is a mere smudge on the list of a large businesses' priorities; consequently their dream is added to the to-do list but not necessarily at the top or even close!" says Jodie.

Where to start, can be the cry of many SMEs. It is not uncommon for SMEs to doubt their value, lack the nerve or underestimate what they have to offer a large organisation, or simply make assumptions about how difficult it would be to find the right person to pitch to, and therefore never pursue one.

"I shudder to think where my business would be without partners and am relieved that I didn't allow fear to prevent me from pursuing them. I might be travelling around leaving flyers in shopping centre baby change rooms in the hope that someone will buy my app!" laughs Tara.

There are no secret tricks to pitching to a large organisation. Of course, having a warm contact within the business being approached can help enormously, however the good old method of



picking up the phone, can work just as well.

"And being prepared," says Susie.

"By creating a one or two page Opportunity Summary, outlining exactly what you have to offer and the benefits to a potential partner, can save a huge amount of time and quickly communicate your partnership requirements that reflect your brand and values," Susie explains.

Reckon, an international Cloud Accounting Software company who Susie recently brokered a partnership with for one of her SME clients, explained why the small business sector is a key target when it comes to seeking partners:

"Small businesses are a very important target market for Reckon. There are over two million small and medium businesses in Australia; they are the engine room of our economy. Aussie SME's have a 'can-do' attitude and an entrepreneurial spirit, which align with our core values at Reckon. As they are on the front line of the economy, their feedback and insights can assist with product improvements and help shape new product rollouts and market messaging. The needs and strengths of a larger organisation like Reckon and a typical small business are often opposite and complementary

which make potential partnerships with them, more attractive," describes Sam Allert, Managing Director at Reckon.

"Some of the advantages that we have discovered through our small business partnerships include their ability to anticipate market trends faster than big businesses, adopt new technology quicker and operate a leaner business structure than many larger organisations. They have their ear to the ground and understand what resonates in their local communities; their insights on trends and what drives the market, assists us greatly," enthuses Allert.

It's an exciting time to be in business! 85 per cent of business leaders want to collaborate more with small to medium enterprises (GE Global Innovation Barometer 2014).

Strategic and marketing partnerships enable a business to create unprecedented growth, resilience and constructive disruption, regardless of size or industry. It's a solid growth strategy used by the world's fastest growing and most successful companies. In fact, 64% of companies collaborating with outside Partners on innovation report larger

revenues over the course of the year, according to GE's Global Innovation Barometer 2014.

Complementary strategies

There are few marketing strategies that can boast the results of marketing partnerships. Traditional marketing means being out there selling your own wares. Partnership marketing has your partners showcasing your wares to your ideal customers who already know, like and trust your partner. This inevitably reduces the time between customers 'meeting' a business and buying from it, in effect reducing the length of the sales funnel significantly.

Partnerships are undoubtedly powerful and with the right preparation, contingency, planning and attitude, Aussie small businesses can implement this potentially lucrative strategy and reduce dramatically, marketing budgets and expenditure.

About the author

Susie Campbell is a marketer, speaker, writer and fan of finding free or low cost alternatives to growing start-ups and small businesses. Not one to follow the crowd, she coined the term #sheepmarketing. She had a varied career including hospitality, retail, leisure and sport, education, FMCG, customer service, HR, project management and the British Armed Forces.

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