

# Why size no longer matters in the consumer jungle

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THE BORN ENTREPRENEUR'S GUIDE  
TO GROWING YOUR BUSINESS



let's make  
payment  
happen





“Customers could have their coffee sent in pouches sewn from tea towels and handkerchiefs”

## Introduction From little acorns...

Every business starts small. But they can grow **very big**, very fast when they seize the advantage of new innovations and technology.

Over Christmas 2008 Robert Gentz had to personally deliver boots to an anxious customer of Zalando, the online fashion retailer he had just co-founded. It soon became Europe's fastest growing company with annual sales topping €4bn. That's a lot of boots.

Online and offline, we research, make purchases and even review our experiences on phones, tablets, laptops and yes, very often in person too – which in turn impacts on how businesses operate.

It's an exciting new world but it's also one where brick and mortar outlets have advantages if they also master online options – and, besides, bigger isn't necessarily better.

### AGILE AND ADAPTABLE

Small companies are agile. They are faster to market and quicker to use technology and adapt as markets change. Lower overheads mean they can sometimes weather severe downturns better than giant rivals.

Zalando thrived post-2008 as market-leaders fell like dominos in the financial crash. Small companies also tend to be closer to their customers

and often have ‘The Personal Edge’ – like Robert Gentz appearing on your doorstep with new boots.

But small business owners also face a lot of challenges. They need efficient solutions to improve on old ways of working as they upscale.

To grow their business, they must learn to delegate, to build customer and staff loyalty and to leverage the advantages of innovative solutions in all aspects of their business.

Today technology may be new – but the principle of seizing on the advantages it offers is not. German coffee shop giant Tchibo started as a mail-order business in the 1950s – the online retailing of its day. Customers could have their coffee sent in pouches sewn from tea towels and handkerchiefs – a recycling option today's environmentally-conscious millennials would love!

Smart solutions using today's technology are easy to use, intuitive and seamless. They can help born entrepreneurs on their path to business success.

In this eBook, we'll look at the key stages on the journey of the business owner from micro to medium, and how the right tools can help you along the way.

Read on to find out how to supercharge your journey!

# Business Journey Phase 1

## Starting small how to bring your big idea to life

Starting small is no obstacle to future growth.

Facebook was born in a student dormitory. Ikea founder Ingvar Kamprad started off selling matches in a remote village in Sweden – what could be more of a microbusiness than that? He later revolutionised furniture retailing with the principles of catalogues, showrooms and flatpack self-assembly.

Thankfully for Ingvar, enough customers loved his idea to create a brand built on giving people something different and meeting their expectations every time.

### FASTER GROWTH

Nowadays, microbusinesses can grow even faster than that thanks to innovative solutions and changing consumer behaviours.

Indeed, the case can be made that we're in the Age of Microbusiness, as starting a business is more accessible than ever with better marketing solutions, new channels to reach

customers, and smart software solutions.

Now, the barrier to entry for the marketplace is much less, as businesses can utilise digital channels to both promote and house their products/services.

Ultimately, a good idea isn't enough to secure success. Growing a microbusiness isn't easy. Microbusinesses comprise well over 90 percent of companies in most countries by number – but only a fraction of the total value.

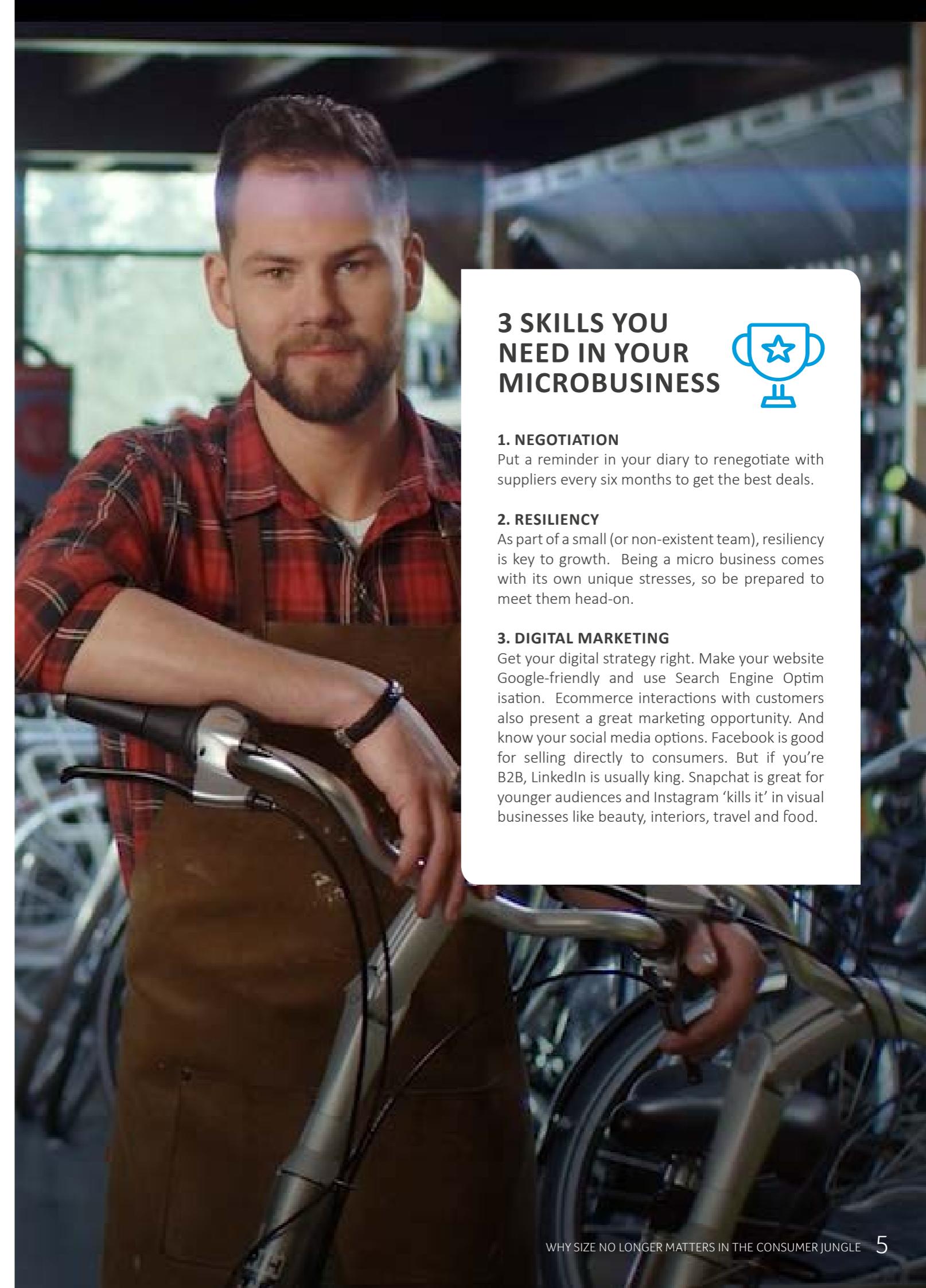
Most microbusinesses want – and need – to grow, but growing is difficult, especially in a saturated market. So just how do you go about scaling?

### STARTING TO SCALE

First things first. Rigorously test your business idea.

Are you offering something that:

- » People want or need?
- » Does not already exist?
- » They will pay for and keep paying for?



### 3 SKILLS YOU NEED IN YOUR MICROBUSINESS



#### 1. NEGOTIATION

Put a reminder in your diary to renegotiate with suppliers every six months to get the best deals.

#### 2. RESILIENCY

As part of a small (or non-existent team), resiliency is key to growth. Being a micro business comes with its own unique stresses, so be prepared to meet them head-on.

#### 3. DIGITAL MARKETING

Get your digital strategy right. Make your website Google-friendly and use Search Engine Optimisation. Ecommerce interactions with customers also present a great marketing opportunity. And know your social media options. Facebook is good for selling directly to consumers. But if you're B2B, LinkedIn is usually king. Snapchat is great for younger audiences and Instagram 'kills it' in visual businesses like beauty, interiors, travel and food.

"The question I ask myself almost every day is, "Am I doing the most important thing I could be doing?"'

– Mark Zuckerberg, Co-founder of Facebook

Seek out all the advice you can. A mentor is invaluable at this stage. Find out if there are any available through local business schemes.

Elevate your elevator pitch If setting up a retail outlet, why not carry out a "vox pop" on the street with clipboards asking passers-by about their preferences – in person. Tell them about your vision.

Nail your 'elevator pitch' before using it on banks and potential investors. Explain the unique selling point of your business in one sentence with the word 'only' to help identify your unique selling point (USP), e.g. "We are the only café in Rotterdam to open 24/7".

When the café opens they might pop in to see how you are getting on. You'll already have moved on to the next stage – building a close relationship with your customers.

Target your customers carefully. Social media is invaluable – cost-effective and easily-accessible – for reaching your audience but you need

to be authentic and try not to over-sell your business.

People are often interested in what goes on behind the scenes in a business. Are there online groups interested in your business? Find them and make a connection.

Another key advantage of a microbusiness is you. You are the business. Once they connect your business with a real – and likeable – person you can connect with them on an emotional level.

Build a close relationship with your customers – and keep them close. Are you aware of their changing desires? What motivates them? Can you respond quickly to trending preferences? Social media helps.

A microbusiness is on a microbudget. There is no room for error. But partnering up with the right technology provider from the outset can be a huge asset, enabling you to know exactly what goes on in your business in a timely fashion.

### 3 MISTAKES TO AVOID IN YOUR MICROBUSINESS



#### Mistake #1: Not putting a value on your own time

Solution: Outsource functions like bookkeeping where possible to free you up.

#### Mistake #2. Overspending

Solution: Stick to your financial plan. If you have a big budget for stationary, fine, spend it. If not, make do – or shop around. There are plenty of cracking deals online – for everything!

#### Mistake #3. Pretending you are big.

Solution: Don't. Instead emphasise the benefits of your small size: "we're small but personal – and proud!"



## Case Study

# ROLLING THE DICE FOR BOARD GAME EXPANSION – SPELHUIS, BELGIUM

Sarah and Sven have turned their passion for board games into a thriving business with Spelhuis, a board game retailer.

Sven and Sarah both balance working full-time jobs and Spelhuis, though their board game empire is going strong, as their business continues to grow from strength-to-strength. Originally online-only, demand has been so great that Spelhuis has opened a physical store, backed by data from their online venture to choose the right products to bring in-store.

Customers are at the heart of the Spelhuis operation, with a loyalty scheme that sees online customers rewarded with free shipping, or a

points scheme for customers who visit the brand's physical store.

While Spelhuis has grown far faster than anticipated, customer experience and retention is crucial to success in a niche market. Sarah and Sven send a personal note in every parcel and customer care is available through multiple channels – while using this data to refine their product offerings.

Spelhuis now has a vibrant online shop and a physical store for customers who want the full experience. Indeed, their advice to budding businesspeople is clear: dare to take the step!

# Business Journey Phase 2

## Growing strong from micro to small

So what exactly counts as a small business anyway?

The European Commission defines small enterprises as employing 10-49 people with an annual turnover of less than €10 million.

However, if you're in phase 2, you have reason to celebrate as your baby business is growing.

Like babies learning to walk, growth works best when taken one small step at a time.

Here are several things worth focusing on at this stage in your company's growth cycle:

### BRAND PERSONALITY

Brands are like people – they have core characteristics that define them. Marketeers pinpoint the five key points as: Sincerity, Excitement, Competence, Sophistication and Ruggedness. Which one best defines your brand? Identify your company's personality and develop it to inspire your audience and win their loyalty.

### TECHNOLOGY

Leveraging the right technology is one of the big reasons behind growth.

With entry barriers relatively low, small businesses can gain competitive advantage by automating and utilising

new developments such as webshops, innovative and seamless new payment methods and virtual point of sales, both online and offline. Opportunities are also available to bring in smart loyalty systems like gifts and vouchers.

Traditional Point Of Sale (POS) machines – i.e. cash registers – are being phased out and there are now multiple 'virtual' options to pay for products. Make sure you have the right partner to make your sales process work securely and seamlessly across all your channels.

This new technology is giving way to readily-available data which merchants can use as part of their strategy at large, both in reporting and planning for the future. You can export sales and VAT data to your accountant with no problem, as well as getting insights into consumer trends like your best-selling products, busiest times for shopping, customer loyalty and more besides in the palm of your hand.

### PARTNERSHIP

Partner with service providers who can scale with your business – such as CCV for your payment solutions. A reliable service provider is crucial to help you grow your business by emphasising trust and personal service.



### 3 SKILLS YOU NEED TO GROW YOUR SMALL BUSINESS



#### 1. PRECISION MANAGEMENT

Your management style must become more precise as you grow. For example, hiring the right employee is a critical decision for a small business. Never stop talent-spotting whether through networking, attending conferences or social media. Target the right skills and experience by all means but these should be topped up by genuine enthusiasm.

#### 2. CONTENT CREATION

This is the stage of growth when you build your brand. Use social media – but be sociable! Don't just post dour business facts. Use imaginative, personal and engaging content. And don't forget that essential quality of your business: you! Meet and greet your customers where possible both online and in person.

#### 3. MAKE INFORMED DECISIONS

Use smart software solutions. Insights and data from your business can help you make the right choices. Analysing payment transactions, for example, can show you the best-selling products – and the type of payment method your customers prefer to use.

"If you really want to grow as an entrepreneur, you've got to learn to delegate."

– Richard Branson, Founder of Virgin

## SELLING CHANNELS

While online stores are a crucial part of success for many businesses, brick and mortar stores have a real advantage especially when combined with a strong online presence and a multichannel strategy.

For example, people hate queues. If the line is too long, your potential customer may walk away and order online or across the street.

Some stores don't do queues at all. They use online channels or self-service kiosks to circumvent shopping's biggest pain – getting in line. Customers make an appointment and are greeted by an in-store assistant who will process their order.

Instead of queuing at the till, they then pay the assistant via mobile or card. Nice.

## AN ONLINE SHOP

If you haven't started to sell online or opened new sales channels, you should consider it. If you have a shop,

think about opening more channels, or upgrading your web shop, if necessary.

For example, if you run a coffee shop, you may think there's not much scope to sell 'skinny flavoured choccocinos' online.

Yet there is – if you think outside the coffee cup.

Online coffee sales are booming. Pure online sellers are already moving in on your business. But you have the crucial advantage of a core base of loyal customers you actual meet and chat with who may be delighted to purchase your delicious coffee beans via your webstore.

## SEASONALITY

Seasonality is the curse of many firms. Business booms in the summer – or winter – and then fades away, eating away your profits. However, you can work around it by leveraging all seasons and holidays to the benefit of your business.

For example, if you're a hotel and

you know business slows down in the winter, host events for taste testing or gear brunch meetings towards your customers in the quieter months.

First things first. Rigorously test your business idea.

Are your offering something that:

- » People want or need?
- » Does not already exist?
- » They will pay for and keep paying for?

Seek out all the advice you can. A mentor is invaluable at this stage. Find out if there are any available through local business schemes.



## 3 MISTAKES TO AVOID IN YOUR SMALL-SIZED BUSINESS



### Mistake #1: Ignoring the data

Solution: Outsource functions like bookkeeping where possible to free you up.

### Mistake #2. Not investing in marketing

Solution: If money is the problem, use excellent web content and low – or no – cost social media.

### Mistake #3. Failing to delegate

Ask for volunteers. You may find unexpected talent and enthusiasm within your organisation for certain tasks.



## Case Study

# ACCESSIBLE HEALTHY EATING - DIÄKO GMBH, GERMANY

**H**ealthy eating has been a 30 year passion project for Diäko's founders. The idea for the healthy-eating business began on a playground during a conversation about healthy food and how inaccessible it could feel for busy working people or families.

One of the founders had recently had her first child and finding the time to prepare healthy food was proving difficult – and so Diäko was born.

Hamburg based Diäko's mission is simple: to deliver fresh produce and snacks to a customer base who are otherwise too time-stretched to shop for, prepare and cook healthy, balanced meals.

Originally an offline business, Diäko realised that the addition of

an ecommerce arm was essential to growth. With access to the right data, The founders could refine their product catalogue and their marketing, as well as reaching myriad new customers.

The pivot towards an online shop has been particularly successful, with 85 percent of sales coming via the website.

Their webshop is a key part of the business, allowing Diäko to create conversations across social media and blogs, and to drive relevant traffic to its site, where customers can easily choose the meal plans that suits them.

## Business Journey Phase 3

# Growing strong from small to medium

The European Commission defines a medium sized business as having a turnover between €10 million and €50 million with 50 to 250 employees. That's a massive step up from the medium category. Few entrepreneurs successfully make the leap from micro to medium.

To grow from small to medium sized you don't need to reinvent the wheel – or yourself. You and your brand/product have progressed this far. Keep faith in both. But you may also need to up your business game.

### CUSTOMER EXPERIENCE

Improving customer experience is your biggest business opportunity. Implementing a customer experience strategy leads to higher customer satisfaction rates, lower churn and increased revenues.

Customers won't even mind paying more – as long as they get a better experience in return. But as you grow to medium size, your brand needs to appeal to

employees as well as customers, albeit in a different way.

In these times of high employment, attracting the right people is a challenge.

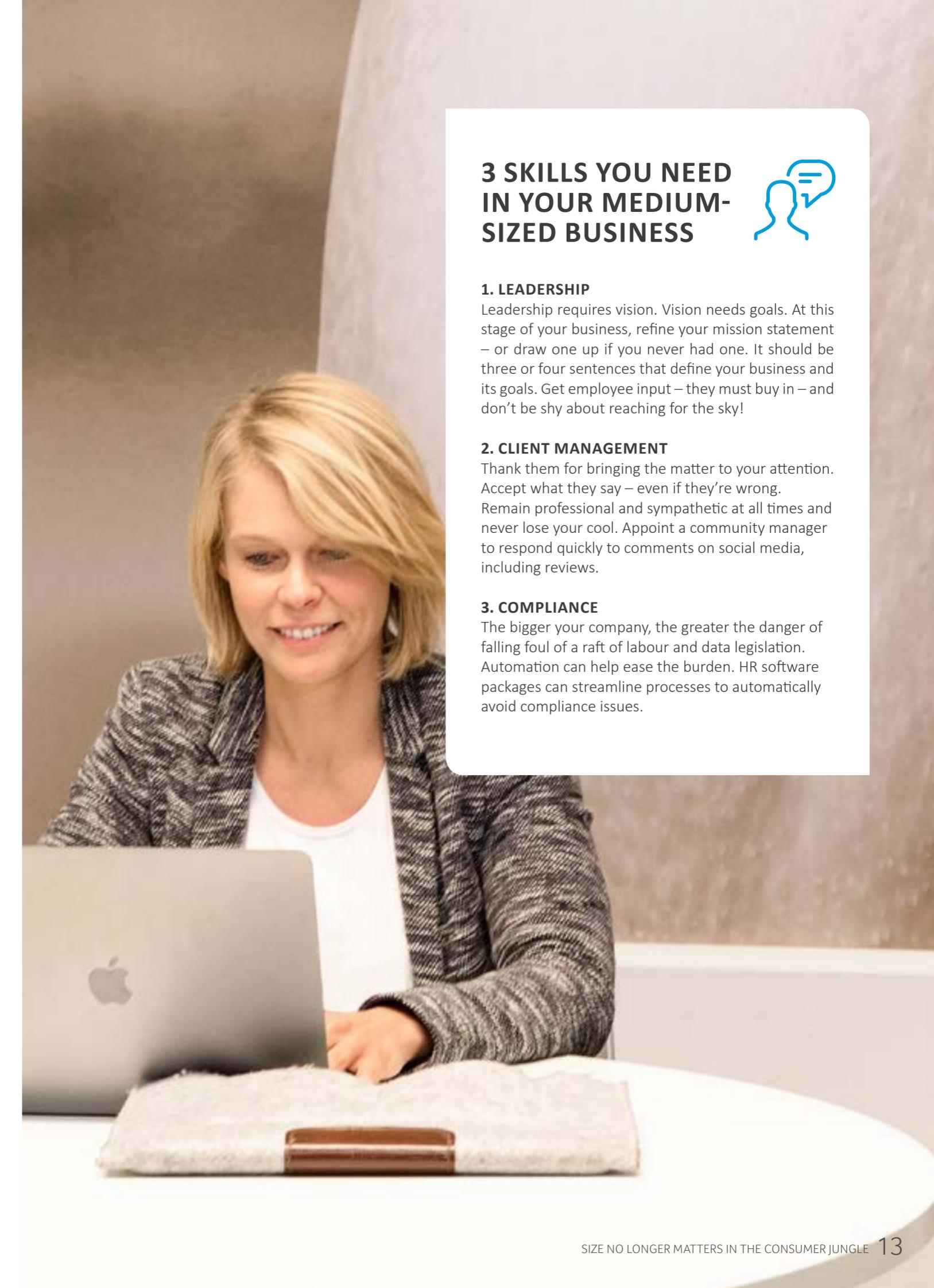
You need to project a strong employer brand, one that will appeal to Generation Z and Millennials (also known as Generation Y). In real terms, that means jobs that offer professional freedom, innovation and flexibility.

With a turnover now between €10 and €50 million, there is no room for 'winging it' in your business.

Formal policies and process must be drawn up across your business – not just in quality control. In writing!

You will be hiring new employees; old ones will leave. The practices that make your business thrive must be outlined, regularly reviewed and made known to all employees, especially newbies.

So how do you build loyalty as you scale up your business? Ask



## 3 SKILLS YOU NEED IN YOUR MEDIUM-SIZED BUSINESS



### 1. LEADERSHIP

Leadership requires vision. Vision needs goals. At this stage of your business, refine your mission statement – or draw one up if you never had one. It should be three or four sentences that define your business and its goals. Get employee input – they must buy in – and don't be shy about reaching for the sky!

### 2. CLIENT MANAGEMENT

Thank them for bringing the matter to your attention. Accept what they say – even if they're wrong. Remain professional and sympathetic at all times and never lose your cool. Appoint a community manager to respond quickly to comments on social media, including reviews.

### 3. COMPLIANCE

The bigger your company, the greater the danger of falling foul of a raft of labour and data legislation. Automation can help ease the burden. HR software packages can streamline processes to automatically avoid compliance issues.

"In business, I think the most important thing is to position yourself for the long term and not be too impatient."

- Bernard Arnault, CEO of LVMH

Starbucks. They have a healthy profit margin and a commanding market share. How do they do it? Loyalty. Their customers are loyal because they know they will have a relaxing and enjoyable experience in any Starbucks café they enter anywhere in the world. Customers feel connected and looked after in a sort of 'third place' between work and home.

Making your customers happy is ever more important these days, when most buying decisions are influenced by online reviews. Everyone is a critic, capable of damning your business – or praising it to the skies – within minutes of their customer experience.

As more business comes your way, further upgrade your web shop and make sure customer support is always on hand.

Don't get overwhelmed. Automation can provide the answer – such as improved multi-point payment systems via CCV. The right technology will grow seamlessly with you as your business thrives.

### 3 MISTAKES TO AVOID IN YOUR MEDIUM-SIZED BUSINESS



#### Mistake #1: Poor technical support

Is your IT team really good enough for a €20m-turnover operation? It may be time for an upgrade.

#### Mistake #2: Taking a short-term perspective

You're no longer in small-firm fire-fighting mode, surviving from week to week. You need a long-term strategy. One handy tip is to spend a certain amount of time every day on strategic long-term tasks, or block out an entire day every week just for thinking and strategising.

#### Mistake #3: Remaining loyal to legacy systems

OK, it took you a long time to master the quirks of that ancient payments/payroll/accounting system. But that's no reason to keep it! Objectively evaluate the benefits of new technology, which almost always can give you an edge.



## Case Study

# BAKED FOR SUCCESS – FLEUR DE PAINS, SWITZERLAND

People have baked bread for 10,000 years, with merchants bartering and selling bread for centuries – and it's a trade that's been perfected by Swiss bakery Fleur de Pains.

The key to the brand's decade-long success is to constantly evolve, with new products and an increased emphasis on provenance. Fleur de Pains' relationship with local suppliers is integral, as the bakery offers seasonal specialities all year long, alongside a fixed base of general products.

While tradition is at the heart of the bakery's success, the business has seen a shift towards digital in recent years too, with a website for product and bakery information, delivery and ordering options for corporate/larger enterprises, and an app for ordering products.

The website, social media, and the data that comes with it means Fleur de Pains can drive an appetite for baked goods in a multichannel solution that puts the customer first.

As the demand for artisan baked goods continues to grow, Fleur de Pains has utilised its data to perfect its offering, seeing rapid growth with over 28 stores and 220 employees, with continued expansion every year.

It's an approach that brings customers back to the bakery over and over again – and that'll see Fleur de Pains' continued expansion long into the future.

## What's Next?

# Next steps on your business growth journey?

Whatever stage of your business journey you are on – whether micro, small or medium – good luck! You have a vision and the perseverance to follow it through. Hopefully, this eBook has helped you on your way with the right information and some choice tips.

Some takeaways include:

- » Tactics/strategies/tools that work at the initial stage may be a fatal mistake for a larger company.
- » Microbusiness owners/managers do everything themselves. They have to. But you have to let go as you scale. Failure to delegate is one of the biggest business mistakes small business owners make.
- » A fast-growing business is under continuous pressure. Ease it with automation.
- » Software can cope with scaling up a lot better than staff.
- » Go multichannel for a full user experience.
- » Your customers mean everything to you. They are the lifeblood of your business.
- » Most shoppers want a variety of easy payment options – mobile, online, in-store – with a flexible returns policy. The best way to do this is with a single-platform payments solution.
- » Choose a technology partner to future-proof your business from the beginning.

It may be a jungle out there – but it's yours for the taking! Take these tips on board and watch your business grow.



## YOUR ONE-STOP TECH SOLUTION

CCV is the entrepreneurs' friend. That's why we aim to do everything we can to relieve you of time-consuming burdens – payments, administration, insights, reports – so you can focus on driving your business forward. Our products include:

### PAYMENT TERMINALS

A quick and easy independent in-store payment terminal for your shop.

#### Advantages:

- » Buy or rent.
- » Mobile, fixed or integrated.
- » Easy transaction reports
- » Contactless

### ONLINE - CCV SHOP

Set up your own web shop in your lunch hour with CCV's comprehensive online solution.

#### Advantages:

- » Fast and easy set up
- » Over 100 designs and themes to choose from.
- » Free trial version.
- » Local assistance

### CCV SALESPOINT

App-based POS, a cash register on your tablet.

Your personal back-office works on any device, supports cross-channel selling and compliant reporting.

#### Advantages:

- » Free 30-day trial.
- » Highest security.
- » Mobile.
- » Offline capability

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