

# 5 strategies to enhance SMB growth

By [Gerhard Hartman](#)

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Now that your business has navigated what we hope is the worst of the pandemic, you might be ready to start thinking about growth again. While the opportunities may not seem evident in a market still recovering from the pandemic, there are many ways to increase your revenue and profits. The trick is to identify them and implement them well.



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The first obstacle is to uncover opportunities to expand. Conducting market, customer and competitor research will help you come up with fresh ideas that facilitate growth. It's a good idea to start with the customer – how can you do more for existing customers and bring in new customers by addressing an unmet need? What can you do better for them than anyone else?

Once you've done your research, you can use the insights to set outgrowth strategies. This could range from something as simple as changing which media you advertise with or adding a complementary product to your portfolio, to major moves like acquiring another company or transforming from a bricks-and-mortar operation into an e-commerce store.

Here are five strategies to grow your business:

## 1. Market penetration

Think about increasing your share of the market you already serve. For example, if you're an accounting or legal business serving small professional services businesses, you'll look for ways to bring in more customers with a similar profile. This is a low-risk route because you know the market well. You might need to expand headcount or invest in marketing, but it won't be necessary to build skills and infrastructure to grow.

It's worth thinking about when: your competitors are not doing an excellent job of serving their customers, the market is growing, or there are many underserved customers.

It may not be effective when: the market you serve is saturated (no new customers coming into the market), and there isn't much scope to differentiate with lower pricing or better products.

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**South African Brand Loyalty**


Year	Brand Loyalty Score
2019	28.00
2020	26.00
2021	23.74

Average brand loyalty score declining steadily since 2019

**askafrika** Source: NTA 2021 Survey for Ask Afrika Orange Index

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## 2. Market development

Here you'll look to sell your existing products to new markets. This could mean targeting a new geographical area, demographic or vertical industry with your existing product range. For instance, if you serve the Johannesburg region with a gardening service, you could open a branch in Cape Town. The advantage is that you won't need to develop new products or skills. However, you'll have to invest time, and possibly money, in understanding and reaching the new market.

It's worth thinking about when: you have a product or service that can easily be adapted to or used by an audience you are not currently serving.

It may not be effective when: you have a limited understanding of a market or demographic or are strapped for time and budget.

## 3. Product or service innovation

A great way to grow could be coming up with a new product or service that is substantially different from anything else on the market. If you bring an innovative offering to the market – whether it's completely new or an enhancement to your existing proposition – you may be able to increase wallet share with existing customers and bring in new customers.

It's worth thinking about when: you have seen pain points or opportunities in your market that create space to develop a new product that sets you apart.

It may not be effective when: you don't have time and budget to invest in product development and staff training.

## 4. Diversification

This is about adding a completely new set of products and services to your offering. This strategy is most effective when you focus on products and services related to those you already sell. It's about offering more customer convenience and

addressing unmet needs. If you run a boutique, you could offer a fashion stylist service. A soap manufacturer could add body lotions or home detergents to the mix.

**It's worth thinking about when:** your core business is stagnant or subject to seasonal fluctuations.

**It may not be effective when:** you have a low tolerance for risk or lack the financing to develop a new arm to your business.



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### 5. New channels to market

Creating new channels to market can be a great way to ramp up sales. If you have a successful chain selling your frozen prepared meals, you could expand your reach with an e-commerce store or by partnering with other retailers in your city.

**It's worth thinking about when:** you want to ramp up your growth without expanding your geographical footprint.

**It may not be effective when:** your business is built on your personal brand and relationships with customers.

### Integrating your approach, team, and finances

Once you've decided on the right growth approach for your business, it's essential to align your operations and the team behind the new strategy. Make sure to train your staff on the new direction, markets, and products. A change in strategy might also require more capital investment. Manage your cashflow effectively and ensure your finances are solid.

## ABOUT THE AUTHOR

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