

'Take-Aways' from Victoria's Small Business Festival 2011

By Rainer Busch

I recently attended the 'Small Business, BIG Marketing' conference organised by the Victorian Government as part of the 2011 Victoria's Small Business Festival at the Melbourne Park Function Centre. The expo was aimed at small businesses interested in finding out more about marketing and related services. Exhibitors covered marketing related subjects such as Banking, Public Relations, Intellectual Property, Branding, Marketing Campaigning, Business Mentoring, Accounting and others.

My main interest during this expo was focussed on what the key speakers had to say. After a brief introduction by Ben Angel – Author, Personal Branding & Influence Expert and Russell Northe – Victorian MP Parliamentary Secretary for Small Business, we first heard from Ross Cameron, Managing Director – Cameron Research Group about 'Running a small business – Why would you do it?'

Ross shared with us that his research into small business owners had identified three core types of people who start a small business:

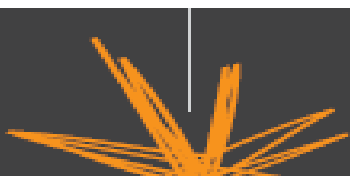
1. Business Builders (25%)	People whose primary reason is their vision and desire of building a particular type of business.
2. Lifestyle Changers (50%)	People who want to start a business to be able to live a particular life style (i.e. work from home).
3. Passionate Professionals (25%)	People who are very good at what they do, love it and want to be in control of their own work.

As nothing is ever totally black and white it can be said that some people who start a business will be 'hybrids' of the three styles listed above, however there will always be one core type that dominates.

One other very important trait identified in most people who start up a business (at least initially) is 'passion'.

Prompted by audience questions Ross listed some of the most common mistakes and problems faced by small business owners. These can lead to the demise of the business and the death of the passion:

Mistake / Problem	My Comments
Neglecting business 'Cash Flow' (Affects 68% of small businesses!)	<i>In short: Poor Financial Management. – If you cannot or don't want to do this yourself find somebody who can help you.</i>
Neglecting to 'Free up Space/Time' for creative thinking and failure of keeping notes of creative thoughts and ideas.	<i>Ross recommended to keep a 'little blue book' to scribble down ideas and to regularly review those over time (i.e. when not busy)</i>
Failure to really 'listen' to clients.	<i>A point also dwelled upon by speaker Naomi Simpson, the CEO and founder of Red Balloon (refer below).</i>
Emotional Isolation	<i>Nobody creates a successful business on their own. This is in line with the quote: "The death of an entrepreneur is solitude" - Ernesto Sirolli</i>
Hiring the wrong staff	<i>Staff must share the passion.</i>
Being unclear about what to achieve	<i>Define the vision, set clear targets and measure performance</i>
Poor marketing	<i>If you cannot or don't want to do this yourself find somebody who can help you.</i>



growth through managed change

An interesting question raised by somebody in the audience was ‘How do you choose the right business partner?’ Ross Cameron’s short answer to this question was:

- Ensure that business partners have complementary skills and passions. (A ‘Business Builder’ may find that partnering with a ‘Life Style Changer’ will cause much pain.)
- Set clear boundaries of operation between partners within the business.

Ross Cameron’s research also seems to indicate that many small successful businesses have ‘evolved’ into their current state. This means that rather than following a set of detailed plans, such businesses adapt to and change with their environment. They seize opportunities as they come up and grow organically. Such businesses do make mistakes, but learn from those to become better and stronger.

(This is in line with research conducted by Saras D. Sarasvathy at the University of Virginia in the USA - please refer to her paper called ‘What makes entrepreneurs entrepreneurial’ at <http://www.effectuation.org/teaching-instruments/what-makes-entrepreneurs-entrepreneurial>).

The next speaker was, Naomi Simpson, CEO and founder of the online business ‘Red Balloon’. Naomi shared her early struggles and how she overcame them to build a very successful business (refer www.redballoon.com.au). Naomi was very particular about the importance of listening to and being aware of the ‘customer experience’. Her stated main aim in business is to ‘Make a difference in people’s lives’, reasoning that if people have a great experience they will come back for more. However in order to provide a great experience a business owner must engage with customers and find out what they like and what they dislike.

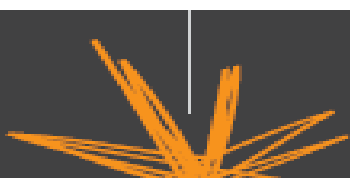
(Note: Some research conducted many years ago showed that the average customer would tell 3 people if they had a good experience, but would tell 11 people if they had a bad one. However because of the prevalence of social media unsatisfied customers will now potentially tell thousands of people if they are unhappy. – Refer “Satisfied Customers Tell Three Friends, Angry Customers Tell 3,000: Running a Business in Today’s Consumer-Driven World” by Pete Blackshaw”)

Other recommendations for business owners Naomi Simpson provided were:

- Be clear about what you love about your work and what you do not like.
- Be clear about your strengths and weaknesses.
- Take care to employ people who share your passion.

Last, but certainly not least, we heard from Simon Hammond, Creative Executive Director - Bastion Brands. Simon’s presentation included some great live guitar play and singing by a musician and some great visual imagery in the form of photographs and videos. His basic message was that many of today’s business problems are related to a strong disconnect between business and people. His belief is that much of today’s business life is fear driven and that there is a severe lack of emotional truth in how business interacts with people.

Simon’s key message was: “People need substance and hope”. People want to belong, be part of something they can identify with; and most importantly, they will change their behaviour in line with what they believe in. An example quoted was the ‘Free Hug’ campaign started some years ago in Sydney. Simon also used the ‘Apple™’ brand as an example illustrating how people part with their cash to buy products that makes them feel like they ‘belong’.



Simon Hammond's presentation reinforced the message that good business is about giving people something that makes them feel better, that gives them hope and a sense of belonging. A business that can convince people that their product or service will make their lives better has a solid foundation for success. However, unless the business's messages convey the 'emotional truth' about the organisation's values in a way that connects well with people the products or services on offer may not sell as well as anticipated.

Having worked with many different businesses and organisations over the years I want to conclude with a final comment:

People will support and follow businesses and organisations they can trust to provide them with something that makes them feel good and that will alleviate their suffering, whatever that may be. It is becoming increasingly evident that our current environment of risk aversion and fear mongering has a paralysing effect on businesses, people and communities all over the world. As small business owners we can change this. – Let's do it.

Raidho Solutions assists individuals and people in organisations to be more productive and efficient. We assist with the identification and elimination of inefficient and wasteful practices and facilitate growth through managed change.

