

# HOW TO GROW YOUR BUSINESS IN THE CURRENT ECONOMIC ENVIRONMENT

There is no doubt that the current economic environment is one of the most challenging businesses have faced in many years. The downturn in the economy and corresponding increases in unemployment have equated to lower consumer demand and tighter budgets. The end result is that for many businesses, growth has been put on the back burner.

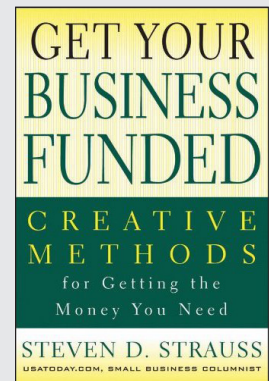
But, that need not be the case.

Not only is the economy improving, slowly but surely, but many companies have figured out a variety of ways to grow in this economic environment. Strategies vary, but businesses that are growing today seem to have a common underlying theme: They are willing to be more creative than usual, explore some new ideas, and are willing to fund and implement those ideas. While tried-and-true strategies are tried-and-true for a reason, they usually can only take a business to a certain level.

To get to the next level requires something new.

The actual process of doing this is deceptively simple: By brainstorming, testing, funding, and implementing some new strategies as outlined in this White Paper (probably some strategies you have not tried before) you will get new people to notice and test your business. While that is the first step to growing in this economy, if you are smart, you won't stop there. By also tapping into the positive relationship you have with your best customers, you can further grow your business. And, if you spend what is necessary to make your business the best it can be, both these old and new customers alike will not help but be impressed.

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Steve Strauss is the country's leading small business expert. An internationally recognized speaker, columnist, and attorney, he is also the author of 15 books, including the best-selling "Small Business Bible." Steve's column, Ask an Expert, appears weekly at USATODAY.com and is one of the most highly syndicated business columns in the world.

Strauss has a new book – "Get Your Business Funded: Creative Methods for Finding the Money You Need." In the book, Steve discusses a variety of options – everything from bank and SBA loans to finding partners, credit cards and business plan competitions. The new book is available to order through Amazon.com.

Steve serves as Senior Advisor to Small Business Resources. He has been featured on CNN, CNBC, Bloomberg Television, The O'Reilly Factor, and the BBC. He is a regular guest on MSNBC's small business show, Your Business. Steve regularly speaks to groups the world over regarding small business.

He is a graduate of UCLA, the Claremont Graduate University, and the University of the Pacific, McGeorge School of Law.

## TAP INTO THE POWER OF TODAY'S WORD-OF-MOUTH ADVERTISING

You begin this growth strategy by understanding and tapping into the changing way people share information these days.

It is no secret that word of mouth advertising has always been one of the very best ways for a company to get ahead and grow. Having satisfied customers tell their friends, family, and colleagues about their positive experience with a business is the gold standard of marketing. And, while this is not a “new” idea in the abstract, the new part of the equation is when we speak about how and where those happy customers share their experience. Namely, online.

It used to be that word of mouth was literally that – people speaking to other people about a business, either positively or negatively. But, as with everything else it has touched, the Internet has changed word of mouth advertising as well. Smart businesses have not only realized this, but have figured out how to utilize this transformation as a part of their growth strategy.

Consider: How do people share experiences these days? Instead of over the back fence, it is more often across the digital divide. They post about their experiences on blogs. They comment on articles found online. They tweet about it and update their Facebook status with it.

People now spend as much time online as they do watching television, and much of that online time is increasingly spent on social media sites. Accordingly, if that is where customers are, then that is where businesses need to be as well. So, in order to successfully implement an online word of mouth advertising strategy, you must tap into that trend.

### **The actual process is three steps:**

1. *Create a robust social media presence.* Influencing customers has always meant engaging and impressing them, whether that be with television advertising, in-store promotions, or something else. Fortunately, because influencing the world of the Internet is far less expensive than most other forms of advertising, one's ability to sway people online is not only powerful, it is affordable as well. What it requires is not money, but time.

So, for instance, look to update (or build) your Facebook page. Populate it with interesting content, and give your customers (actual and potential) a reason to become fans of it. Have a contest, give away some product, create online coupons, post videos, and offer rewards for user-created content. All of this will engage and create more of a bond with your customers. (Check Facebook for policies regarding contests and promotions.)

Then, after you do that, you can get them to share their experiences with others.

2. *Request that customers share their experience with your business, and give them a reward for doing so.* For example: “Re-tweet our daily special and get 10% off your next ice cream.” A re-tweet is in fact an online version of word of mouth advertising, is it not? It is a person saying, in essence, “I found this valuable, and I think you will too.” Similarly, consider giving a reward for having people “like” your Facebook page. You do this for the same reason: When someone “likes” your page, it not only builds your online brand equity, but it also is sent out to the “liker's” friend group. This is what word-of-mouth advertising looks like today.

3. *The final way to use word of mouth to grow your business is to simply ask for it.* Speak with your best customers and get some testimonials on their letterhead. Then post those letters on your website, in your e-newsletters, or as a tagline in your email correspondence. You can even do something as old-fashioned as taping it to your store window.

There are few things more impressive to a potential new customer than an old customer extolling the virtues of a particular business.

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## GET THE MONEY YOU NEED TO GROW

So, all of this begs the question: Why would someone recommend your business to one of their friends? Because it is an impressive business of course, right? Yet you know that it is no easy feat remaining impressive. It not only takes business smarts and savvy, but, frankly, money too. Money is needed for all sorts of things that customers notice (and may not even notice, but which are still necessary to make a great impression): Advertising, marketing, updates and repairs, hiring great employees, new products, and more.

It's sort of like that old saying: "You need to dress to impress."

Of course, it is no secret that the past few years have been some of the toughest times businesses have seen vis-à-vis lending in quite a while. Problems on Wall Street filtered down to Main Street, with the result being that commercial lending tightened up and finding the money needed for growth became very difficult for many businesses.

That, too, is now changing.

A variety of factors have recently combined to make this a far better time for businesses lending than at any time in the recent past. For one, the improved economic outlook has spurred demand, and where there is demand, there will be supply. Second, the economic stimulus law added billions of dollars into the financial system with the purpose being to foster business lending. Finally, other federal legislative changes in the past two years have increased both the number of Small Business Administration-backed loans, as well as having increased the available size of those loans.

Banks are lending again. What that means for a business is that it can safely pull out its business plan, dust it off, update it, and get the money it needs to finance growth and remain worthy of that all important word-of-mouth referral.

Think about it: Capital is the life-blood of your business. Having sufficient funds – whether it be a line of credit, an SBA loan, or what have you – can mean the difference between staying stuck in neutral and really taking things to the next level. Capital is what is required to succeed and be referral-worthy. Capital is what allows your business to fire on all cylinders.

While the conventional wisdom in this economy has been that finding the money you need to grow is difficult, remember that the conventional wisdom is not always right. The good news is that the money you need to grow, we are happy to note, is in fact out there. If you get your share, you can use it to fuel your growth.

## USE THAT MONEY TO GROW

OK, so once you have located the loan money you need to grow your business and impress your customers, how can you best use it to take things to the next level? Here are a few potent suggestions:

*Update the office or store:* It is seemingly such a little thing – the physical appearance of your business – but make no mistake about it, it is among the most important things people consider when choosing to hire you or someone else and they may not even realize it. Whether your business is fresh and new looking or old and stale makes a powerful, yet often subliminal, statement. If your carpet is worn, if the store needs a facelift, if you need to expand the facility, then now is the time to do it. Rates for getting loans for that sort of work have never been better and the benefits are numerous:

- You will impress old customers and keep them around
- New customers will be intrigued and be more likely to use you
- Your staff will be re-invigorated
- You will stand out from the crowd

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*Beef up your product line:* When was the last time you added a new line or otherwise increased your inventory with new products? Far too many businesses fall into the (understandable) rut of continuing to do the same thing over and over again because it brings consistent results. But, if we are looking at new ways to get new people to our businesses, it would behoove you to offer something new there as well.

If you keep selling the same old products, you will keep getting the same old results.

So, speak with your major suppliers and distributors, explain that you are looking to grow, and see what suggestions they may have for additional inventory you may want to stock. And, even then, don't stop there; there are thousands of suppliers out there. What other products could you stock that would give you a new look and be attractive to those new social media friends of yours? What products do your competitors sell that would play well in your business?

By using additional capital to increase your inventory offerings, you not only become a more viable and vibrant business, but you will be sure to attract and impress new customers as well.

*Hire the best:* While there is little good that can be said about the continuing high unemployment rate in the country, one offshoot of it is that some very good, talented people are available. And, by securing the funding you need for your business, you can hire some of them. Even better: By looking to hire some talented younger workers, you will be able to utilize their visceral social media savvy, thus making our aforementioned online word-of-mouth strategy all the easier.

That affordable and highly qualified potential employees are available and ready to prove themselves by taking your business to the next level makes this strategy almost a no-brainer.

*Try some new marketing techniques:* Just as giving your business added curb appeal, a new product line, and some sharp people will help it attract a new and different set of customers, so too will diversifying your marketing and advertising techniques. In fact, one of the great things about being in business today is that there are so many marketing methods available to get your business in front of new people, aside from traditional sources like radio, television, newspapers and magazine (all of which also remain very viable in the right circumstances.)

You could, for example:

- Create a Google Adwords campaign: By choosing the right key words and key phrases and creating a corresponding ad, you could increase your sales multi-fold.
- Start a Facebook ad campaign: Facebook is the hottest site online these days, and by micro-targeting your audience and ads, you can get your piece of that very big pie. (And again, this is where hiring tech-savvy 20-somethings might come in very handy.)
- Buy ads on relevant websites.

The point is that, by advertising online and targeting those ads to people most likely to buy from you, you can create some killer results.

*Take the show on the road:* While all of this talk of new customer acquisition is vital to any growth strategy, do not lose sight of the fact that your current customers can be an equally crucial component to your plan of action.

You have likely heard of the 80-20 rule in business, which states that 20 percent of your customers create 80 percent of your revenue. Use that proposition to your advantage. Here's how, in three simple steps:

1. Figure out who your vital 20 percent is. You likely know of course, but it is always good to double check. Once you have your list, then you can:

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2. Craft a pitch for them. What else do you sell that you can offer these folks? Remember, these are your best customers; they already like buying from you. As such, they are far more likely to buy more from you. If you can come up with a creative, insightful offering that helps them, then you are well on your way to step three.
3. Go see them, in person: Yes, in this inter-connected, 24/7 e-world, this might seem like a quaint notion, but of course it is not. You know already that one secret to business success is nothing but good, old fashioned relationship building. People like doing business with people they like doing business with.

That said, because it is in fact so easy to stay in touch now via email, texting, the Web and the like, consider just how powerful it would be to actually get on a plane and go make your presentation in person. Not only would you show your most valuable customers how much you truly value their relationship, but you would also impress them with your commitment. Your presentation and pitch are sure to be a winner.

The last thing to consider, vis-à-vis going on the road, is to check out the trade show opportunities in your industry. Trade shows are a powerful way to make contacts, be seen, and generate business. But you only get those benefits if you actually travel to the show.

In this day and age, it's easy to forget the importance of personal, one-on-one interaction, but make no mistake: Business is still about relationships. By going to see the most important people you do business with, you will stay top of mind, and in all probability, become just as important to them as they are to you.

## CONCLUSION

Growing a business in a challenging economy is not an easy task, but that said, it is done all of the time. What works is to be creative, explore some new ideas, fund those ideas, and then implement them. By getting in front of both old clients and the new ones too, and by executing some of the ideas in this White Paper, you should see some very positive results in the bottom line.

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