# Time to get focused

## Shining a light on SMEs

**Understanding this complex market and steps to building effective communications**



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# Introduction

**All SMEs have a shared goal – the need to survive and ultimately grow. Having the right support at various stages of development and working with like-minded businesses who understand SME business management and its associated growing pains is crucial.**

The EU definition outlines that "the category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro."

Just by the definition, this incorporates a wide range of businesses.

We all know, based on the Government and media attention it's been given, that the SME marketplace has grown enormously over the last few years.

In 2016 the total employment in SMEs was 15.7 million; 60% of all private sector employment in the UK, with a £1.8 trillion annual turnover. They are the backbone of our economy.

With over 99.5% of businesses now placed in this 'SME' bracket, it seems odd that we continue to label them in this way. In such a broad category, a label becomes largely meaningless.

Tony Robinson OBE, Executive Chairman of the Business Advisory Bureau Limited, and BusinessZone contributor highlights that the term SMEs "confuses and misleads by treating substantial, corporately managed businesses as the same as start-ups, owner-managed enterprises, sole traders and the self-employed."

It is time we took a closer look at this varied group to understand more about how we can communicate effectively with them, given so many businesses see this growing business segment as their core audience.

***› Through this paper we take a look at some of the challenges faced when engaging SMEs, and provide some thoughts on how you can do this.***



# SMEs come in different shapes and sizes

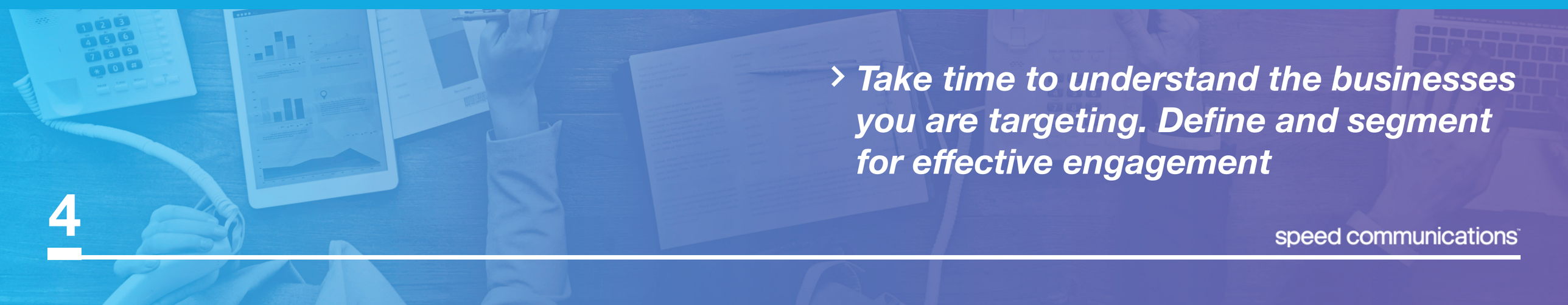
There is an obvious problem when you look more closely at this group of businesses defined as SMEs and attempt to define it. In the PR world, a business the size of 50 to 100 employees would be considered large. In finance it would be an institution of 5,000 employees, and 50 to 100 would be quite small. SMEs don't all fit into the same box.

Also, it's not just the size and revenue we should be focused on. It's style and structure that defines a business – and this can vary wildly depending on sector and customer need.

A mid-sized construction business may be out on their client's site every day, with a team of employees defined in size by the job at hand. Whereas a financial consultancy could have 30 people based in an office talking to clients each week. They both work very differently.

There's also a huge void between a larger 250-person business and a 'one-man band'. They act differently, they work differently, they digest information and look at the world in a different way.

We are increasingly hearing about entrepreneurial leaders creating new businesses, with high growth aspirations. These ambitious leaders are technology-led (many are those Millennials who have grown up with technology at their finger-tips), and action orientated. If you don't do it yesterday someone else will today, that's their motto. They are fast at delivering new ideas and results, and always looking to grow, yet others operate as a lifestyle business and are happy to tick along and maintain their current level of revenue.



› ***Take time to understand the businesses you are targeting. Define and segment for effective engagement***

# Understanding the SME life cycle stages

The SMEs you want to communicate with may all be at different life cycle stages and they will want to work with a business partner that understands and considers this.

The Harvard Business review outlines a series of SME stages, including existence, survival, success, take-off and finally resource maturity. It is advisable to understand what these stages mean and how they affect a business financially and operationally.

Robert Craven, keynote speaker and the author of business best-seller ‘Kick-Start Your Business’ makes the point that one of the best times to communicate is in a life stage transition such as start-up, growing, consolidating, merging, or selling.

› ***Explore SME life cycle stages and the various tipping points***

| Growth stage | Engagement considerations |
|---|---|
| **Start up and survival** | Opportunity to offer advice, additional support, and easy to use tools to help them get the business off the ground |
| **High growth and maintain** | Offer insight into what they need to consider to support business growth |
| **Consolidation and stabilisation** | Identify new levels of support to help with a review of their business services and operations |
| **Mergers/ acquisition** | Provide advice to support the management of new styles of working, merging of processes operationally |
| **Resource maturity/sale** | Help them to build their profile so they are seen as a leading business, to support increased business value |

# Identifying the target audience

Not only are SMEs hugely varied in terms of size and at different life cycle stages, there are also varying personas behind these businesses to consider. To effectively target the SME it's important to get more focused and think about the decision maker and specific personas behind these brands.

Some may be owner run, others will have effective support functions – finance, HR, marketing. The larger more established may have a board of directors.

Depending on the service you are trying to sell you should identify who that business decision maker is. While the owner manager will have an important role to play, in the larger SME category you should focus on the specific decision maker you need to talk to and understand more about their wants and needs. According to the Content Marketing Institute, 70% of UK marketers consider creating more engaging content to be their priority but only 46% prioritise a better understanding of their audience. Content marketing and development should be based on in-depth research and knowledge.

Understanding what the audience needs, their business challenge and developing a clear marketing and PR strategy to reach them needs careful thought and insight into that specific market. Who is the decision maker, what do they want from you, how can you drive action and change? The content and channel activation must align to these people where possible.

> ***Think about the personas behind the brand and the specific person you are targeting. How can you make their role easier?***

# Building an effective communications campaign

› ***SMEs are an increasingly complex group of businesses to target and there are a few important steps you can take to ensure your communication strategies are effective.***

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**Segment**
Understanding who you are targeting – size, scale and personality of that business is key. Who are the decision makers, what keeps them awake at night? Are you talking to a small one man band, or a larger (100 employees plus) business led by an experienced CEO?

**Personalise**
The content developed needs to be aligned to their business needs. Tell a story that keeps them interested and makes a difference to them. Whilst the more experienced leader may be in tune with wider political challenges and issues, others simply want to understand what a service will do for them. It's time to ditch the corporate speak.

**Engage**
Think about how they digest information, based on the style of business they are. Don't underestimate the power of film and visual information, particularly via social media channels and online. Busy leaders want information that is easily digestible.

**Educate**
Tell them something they don't already know to help educate them about what is possible, and the various challenges that lie ahead. Offering additional services alongside the main product or service being promoted will help to demonstrate partnership and support. This all demonstrates to the business targeted that you understand them and can support them.

**Drive**
Identify some form of action that you want them to take – contact you, read an article, join you at an event. This will help to monitor progress and whether the activity is achieving impact. PR can help oil the hinges, but it won't do it all alone. Marketing must work together, aligned to sales and the b2b journey.

# Summary

Competition has grown enormously in all sectors and markets and this means you need to be better and smarter than ever before. When it comes to SME communications you need to stand out from the crowd – be nimble, flexible, engaging and brave.

No one likes to be white washed under a label. It is time to refocus and stop labelling these businesses together as SMEs and think about the other key features that define and differentiate them. After all, they are not only the back bone of the economy, they are the future.

By getting focused we can support each other to grow and prosper. Its time to remove the SME label and dive a bit deeper to really understand and engage this audience.

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