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WHITE PAPER

Prospering In The Shadow Of The Giants: How To Compete With Big Business

Eleven Ideas To Help You Position Your Operation
In Our Changing Business Environment

Do More Than Just Survive...Learn How To Thrive

It's never been tougher for small, independently-owned companies to do business. Between super malls, discount warehouses and boutique franchise operations, the competition has become fierce. Many small business owners have become lost in the shuffle. In some areas, entire downtown districts have gone under.

The silver lining: for some small businesses, however, life has never been better. That's because they've learned how to do more than just survive in the shadow of the giants ...they've learned how to thrive.

One reason: big discount stores and chains can act as magnets that draw new customers to an area. In turn, local merchants can benefit. But it doesn't happen by itself. There's a lot that you as a business owner must do to capitalize on these well-disguised opportunities.

How to prosper in the shadow of the giants – the following **eleven ideas** can help you position your operation in our changing business environment:

1. Don't stick your head in the sand.

Keep your eye on what's happening in the area and adjust to the changing playing field. Too often, when a big discounter or warehouse moves into the area, the small business community takes a wait-and-see position (hoping the challenge goes away) or talks itself into believing that things will somehow work themselves out. By the time businesses recognize the threat, it is often too late.

2. Don't get into a price war.

A knee-jerk response to new competition often is to start cutting prices. However, says Kenneth Stone, an Iowa State University economist who specializes in helping small towns survive the influx of mega-stores, this can be the worst thing to do. For one thing, says Stone, nearly 75 per cent of all consumers buy because of value, not price.

3. Refuse to compete at all.

When you go head to head with a competitor, the other business sets the rules. Instead, change the rules. General Douglas MacArthur, who commanded U.S. forces in the Pacific in World War II, made it a policy of going around strong pockets of enemy resistance. He kept his eye on the ultimate goal. So should you.

4. Sell products and services that others don't.

Specialize. Review what your company does - or could do - better than anybody else. That's your niche. Should you go upscale and become a boutique? Focus on fast delivery? Stock specialty items? Be creative. You know what you do best.



5. Stress service.

Big discount businesses tend to be efficient, but impersonal. Meanwhile, personalized service is the hallmark of the small business. Capitalize on this uniqueness.

6. Capitalize on your unique knowledge and experience.

Many small business owners are product experts. Yet, they fail to recognize the wealth of information and experience they share with customers every day. Compare this to the often untrained clerks at major chains. This is value-added at its best. Remember, people don't go to a hardware store for nails and hammers; they go for solutions to their problems. Recognize the value of the ideas and information you've been giving away for years.

7. Promote your uniqueness.

It's not enough that you be different from the competition. You must let your customers know you are unique. Raise your profile. Find ways to emphasize and promote what makes you special.

8. Adjust your business hours, as needed.

This alone can help make you more competitive. One small-town business maintained traditional 9-to-5 hours for years. By shifting them to 10-to-7, they nearly doubled their business. Also, keep in mind that, for retailers, Sunday often produces the highest sales per hour.

9. Check out the competition.

Remember, knowledge is power. Learn as much as you can about your competition. Write for information. Regularly visit their stores; if nothing else, it may give you ideas for your business. Many of the big stores are constantly changing, and improving. Take advantage of their research to find out what's hot...what's not.

10. Cash in on group promotions and buying power.

Join buying and marketing co-ops; rely on distributors for ideas and support. Encourage the Chamber of Commerce to do seasonal promotions.

11. Take care of your employees.

Otherwise, they'll jump ship for the competition. Pay them competitively. Treat them well.

The Bottom Line

You can prosper in the shadow of the giants. It's just a matter of being alert for opportunities, focusing on what you do best and mapping out a strategy for your success.