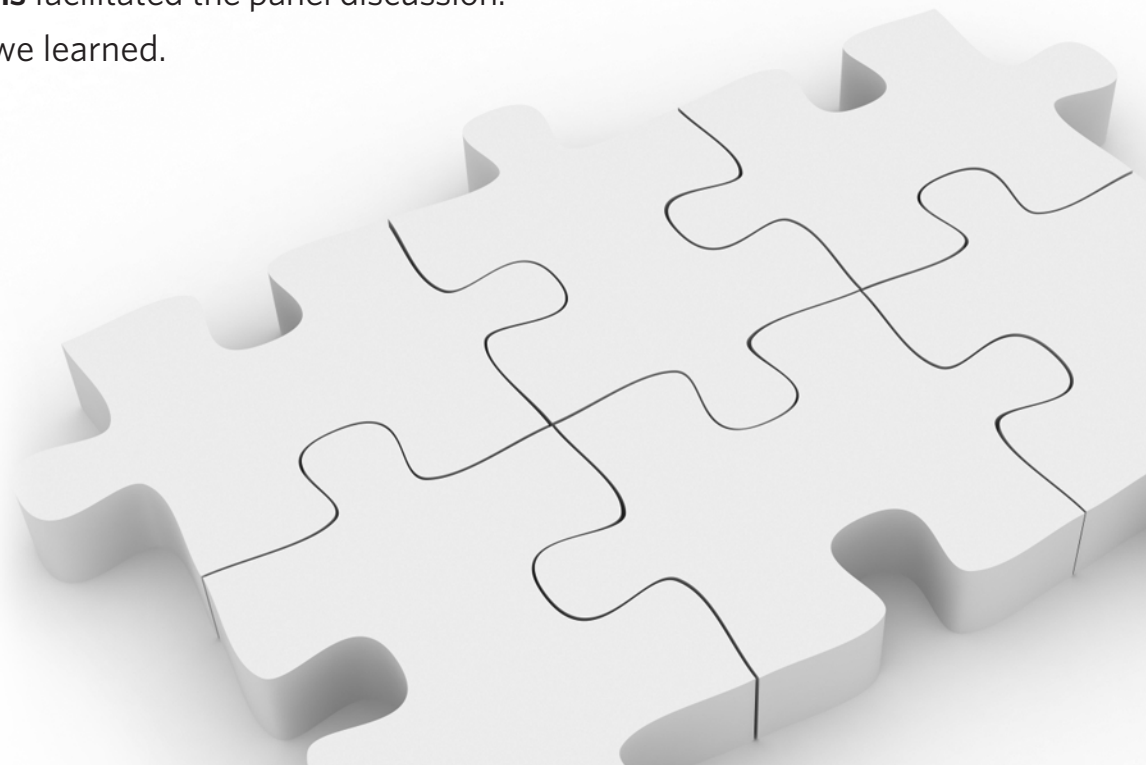

Six Critical Lessons for Succeeding in the SMB Space

It's no secret that the majority of businesses today are modest in size. But don't let that fool you. Individually these companies may be small, but collectively they make up an enormous portion of the market. Whether that market represents maximized potential or missed opportunity is up to you. We convened five experts in this space—Erik Dithmer of **Dell**, Anne-Marie McIntosh of **Purolator**, David Wilton of **Scotiabank**, Brian Coupland of **Staples**, and Jeff Lem of **Qdata Inc.**—to talk about the importance of SMBs and the often elusive principles key to connecting with them. Martin Traub-Werner of **Raybec Communications** facilitated the panel discussion. Here are the half-dozen indispensable lessons we learned.



1
**Be collective in your definition,
but individual in your approach.**

Because SMBs are so diverse, blanket solutions tend not to work with them. “Every one of these owners is their own entity,” says Dell’s Dithmer. “To lump them all in makes us highly irrelevant.” Those who succeed with SMBs don’t do so because they’ve figured out the right way to categorize those companies but because they’ve committed to finding out what they truly need. Study the space. Do your homework. Don’t make guesses.

THE BOTTOM LINE:

Don’t spend an undue amount of time trying to define SMBs. What’s more important is what you do to uncover and satisfy needs on a one to one basis.

2
Get it from the horse’s mouth.

Companies are spending more and more time and money on formal research into the needs of SMBs. That’s all well and good—but at the same time, it can be a fatal mistake to rely only on data printouts when trying to understand this segment. “It’s easy to get lost in the numbers,” says Lem of Qdata. Purolator’s McIntosh agrees: “Your salesforce can give you great competitive information. We’ll go out every 6–8 weeks to a panel of customers just to keep our fingers on the pulse.” David Wilton and his team at Scotiabank took things a step further, driving a camper cross-country over a period of months to get invaluable face time with customers. Meanwhile over at Staples, Brian Copeland and his team camped out in people’s offices. “They told us, for example, the frustrations they were having with jammed staplers. And that led to the one-touch stapler.”

THE BOTTOM LINE:

The golden rule of business applies to SMBs more than any other space: The best way to find out what your customers need is to ask them.

3
**It’s partly about business.
It’s all about people.**

Treating your SMB relationships as purely transactional can be a grave strategic blunder. Small business owners pour their hearts and souls into their businesses, all day, every day, and they don’t appreciate being considered just another blip on the P&L statement. Conversely, they’re deeply grateful, and loyal, toward companies who appreciate their daily struggle and try to respond specifically to it. “The minute you forget that you’re dealing with real issues is the minute you disappear from their radar screens,” says Scotiabank’s Wilton. “You can’t approach it as strictly transactional. You have to build real relationships.” That attitude should apply not just to company and customer but everyone else in the chain, too. Lem says, “make sure your people are committed to developing ongoing connections instead of just making sales. Our reps are more and more valuable in terms of maintaining relationships with customers, whether or not there are transactions happening.”

THE BOTTOM LINE:

Having a great product to sell SMB owners won’t make a difference unless you remember you’re talking to real people. Show them that you care, that you are listening and that you are responsive.

4 You need to adapt to them
—not the other way around.

SMBs don't do anything by accident; every decision they make is a result of extensive thought and consideration. That means any efforts you make to try to manipulate them will be not only transparent but also fruitless. "As soon as you try to change how they buy," says Coupland, "you're going against the grain." Staples exemplified this lesson by developing an entire marketing strategy—the "Easy" campaign—around a repeated comment its reps had heard during conversations with customers: Make my life easier. Companies who try to shoehorn SMBs into their ways of doing things find themselves consistently at arm's length. But those who make a true effort to listen and adjust ultimately forge meaningful connections that endure over time and withstand market vagaries. Scotiabank's Wilton says it simplest, and best: "Help them solve their own issues."

THE BOTTOM LINE:

When dealing with SMBs, nothing matters more than maintaining a personal customer focus that supports the way that they do business.

5 Even when you think you've got it figured out,
assume you don't.

Things are evolving just as fast in the SMB space as in every other. So don't think of it as studying for a one-time exam. Think of it as studying for a new exam every six months. "If you're trying to target what they want today," says Dithmer, "you'll miss the boat. Our customers are asking for things that are materially different from two years ago. It's a moving target." Coupland echoes this view—"You're never really there. You have to keep working at it." It isn't just a matter of doing your homework. You have to keep doing it.

THE BOTTOM LINE:

Get ahead of the competition by paying attention to your SMB customers. Stay ahead of the competition by constantly refreshing what you know.

6 Tweet, tweet.

You may be contentedly old school. You may have long-established methods that you know work for your particular industry. You may not be able to state the value of Facebook, Twitter and YouTube in terms of tangible data. But if you're ignoring the potential utility of social media, you're ignoring it at your own peril, no different from resisting the advent of the printing press, TV or e-mail. Says Dithmer, "If you want to reach your customer, you have to use it." But here's the rub: Even though the value of social media may resist easy measurement, you still need to be both strategic and consistent in the way you exploit it. As McIntosh notes, "You can do more of a disservice to your brand if you don't know how to play effectively in that space." Or, as Wilton puts it, "If you decide what you want to get from that conversation, then you can take advantage of the opportunity."

THE BOTTOM LINE:

Social media is no longer a choice, but a necessity. Figure out the message you're trying to convey, and then make it work for you.

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Erik Dithmer

**Vice President and General Manager
Americas Small and Medium Business, Dell**

Erik Dithmer serves as vice president and general manager, Small and Medium Business, for Dell Americas. In his role, Mr. Dithmer is responsible for leading sales teams, strategy and operations.

Previously, Mr. Dithmer was general manager, Dell El Salvador, and had responsibility for Latin American business sales for all countries in Latin America other than Brazil and Mexico. He has held numerous sales, marketing and operational leadership roles across Dell's America business.

Before joining Dell in 1997, Mr. Dithmer founded and ran a medium-sized business. The business was a Value Added Reseller that focused on the printing and color separation industry. He also has experience with Pfizer & Digital Equipment Corp.

Erik has an MBA from Columbia University and a bachelor of science degree from Hartwick College.

Ann-Marie McIntosh

**GM, SMB and Retail
Purolator Courier**

In this role, she's responsible for developing the strategy, marketing and inside sales teams for the SMB segment. She's also responsible for the retail network, which includes 150 retail stores and 800 resellers which support the SMB segment.

Prior to joining Purolator, Ms. McIntosh spent 12 years with amex Bank of Canada holding a number of senior positions including Vice President of Client Management, Merchant Services division, and Vice President of Sales and Marketing.

Ms. McIntosh holds a business diploma as well as a BA in Communications from Wilfrid Laurier University.

Jeff Lem

**Co-Founder and President
Qdata**

Jeff Lem, co-founder and President of Qdata inc. A company that specializes in systems integration around wireless and bar coding technologies. Established in 1993, Qdata serves over 4,000 customers with offices in Toronto, Winnipeg, Edmonton, and Vancouver. He is currently the Toronto chapter president of Entrepreneurs Organization, has served on the Motorola partner advisory council, and in 2008 won The Award of Merit from the Association of Chinese Canadian Entrepreneurs for his achievements in business.

Jeff resides in Richmond Hill with his wife and three children and is an avid cyclist and over-the-hill hockey player.

David Wilton

**Director, Small Business
Scotiabank**

David L. Wilton – Is a Director: Small Business banking with Scotiabank who, over his 32 year career has held various management positions in branch banking, Regional and Executive offices, is a Fellow of

the Institute of Canadian Bankers, holds an MBA from Dalhousie University and is the co-author of Succession Planning Toolkit for Small Business and Get Growing: Key's to Unlocking the Potential in your Small Business. David and his wife Denise, have two adult children and currently live in Toronto.

Brian Coupland

**Director of Innovation & Business Development
Staples**

Brian Coupland has been with Staples for 15 years and has held various positions in Marketing, Sales and Operations, including Store and District Manager working directly and personally with Small Business customers. Currently, Brian is Director of Innovation and Business Development for Staples where his focus is supporting and building the SME segment.

Prior to entering retail management Brian was the owner of a Photography business where he learned first hand the rewards and challenges of Entrepreneurship. Brian studied Visual Design at the University of Manitoba from 1987-90 and holds a Masters Certificate in Innovation Management from Schulich. In Brian's spare time he enjoys spending time outdoors, training for triathlons, traveling and discovering new wines.

Martin Traub-Werner

**President
Raybec Communications**

Martin is a strong relationship builder driven by a passion for elegant solutions to business problems. His expertise lies in the strategic integration of Sales and Marketing activities. Prior to joining Raybec, Martin spent a decade working in Fortune 500 organizations consulting to Sales, Service, and Operations leaders.