

TRENDS THAT WILL SHAPE SMALL BUSINESS IN 2010

Dec 14, 2009 –

2009 was a tumultuous year for businesses and business owners. From a complete 180 in marketing strategy to the closing of major companies and business icons - business as we know it has forever been altered.

Social Media finally went from building up steam to becoming mainstream practice for most professionals and networkers. So much so that topics such as Facebook and Twitter are almost becoming exhausting to hear about.

As the hype settles, more business professionals are beginning to understand and integrate these new platforms. Because of those practices, business communication and structure is also changing for 2010.

The groundwork for some of these trends has been in place for years, but I think we will see small business owners finally start to embrace the following significant expansions in the New Year.

Real Time Results and comprehensive information

At some point in 2010, all search results will consist of real-time information, scores, reviews, tweets and all, right there and up to the minute. We're addicted to up to the minute connection and we want more. As Meryl Streep can be quoted "*Instant gratification isn't fast enough.*"

Most everything we do will be instant. An iPhone app called *Shazam* will tell me the name of the song playing on a coffee shop stereo right now. Oh, and I can buy it on iTunes, right now too.

Another, called *Red Laser*, will tell me where to get an item from a photo. It will also give me the best price available for the item anywhere, right now, from a bar code scan.

Imagine standing on a hill overlooking the downtown skyline and pointing the camera on your phone in any direction and getting a full tour of what you are looking at, including restaurant recommendations from friends in your favorite social network.

Walk into a museum, plug in your headphones and point your phone at a painting or sculpture. Then, read about it while a video interview from an expert on the artist loads.

Augmented reality and location aware services have been around for a while. Now that *Facebook* and *Twitter* are starting to play with geo-location for tweets and updates, enabled by the GPS technology on most every new phone, look out, it's going to tip.

Anywhere you go you will be able to locate friends nearby or the location of every *Twitter* follower in a city you are visiting. Your location, or that of your customers and prospects, will become another data point in the marketing mix.

Personal Filtering

Having access to vast amounts of information in real-time and the stores of data from throughout history are both a blessing and a curse. While we can now find the answer to just about any query, we are pummeled with so much information that we cannot sift through the good and bad and true and false.

Filtering and aggregating information became a valuable skill in the last few years as tools like RSS readers and search alerts allowed us to subscribe to and collect the information we wanted to read most.

I believe in the coming year another layer of filtering will become just as important as search engine optimization. Look to see search results peppered with recommendations from our social contacts. When you search for the best attorney in town, a good movie or the best place to get some authentic Mexican, not only will you see the organic search results earned through Google's algorithm, you'll also see what your friends had to say and what they recommend.

Social search has the ability to eclipse the value of traditional SEO efforts. As more and more information is added to your social graph, I believe recommendations from trusted sources in your networks will carry significantly more impact in some cases than the results that reach the top spots in organic search.

Online Offices and Applications

Will desktop applications and computing become a thing of the past? While not completely, 2010 looks like the year that small businesses will truly embrace applications that exist online only.

Entire software suites such as *Google Apps* and *Microsoft Office Live* will finally allow document, spreadsheet, database, and presentation software to function as Internet applications at greatly reduced costs and ultimate real time collaboration.

File sharing and storage such as *Google Docs*, including total file backup from tools like *Dropbox* and *Mozy*, will become standard in the small business toolbox.

Project, tasks, scheduling and collaboration of all manners have made a dramatic move to the web with tools like *CentralDesktop* and *Backpack*. Look for these kinds of tools to be routinely used as client service tools that eliminate the need to drive a few blocks to consult. If you have not yet jumped on board, now is the time before you become the dinosaur in your industry. Your website and all social media can also be neatly and easily tied to these online applications as necessary.

Online meeting tools like *GoToMeeting*, *WebEx* and even *Skype*, with video, will continue to allow people to connect in richer ways online. This will also dramatically decrease the time necessary for companies and remotely located employees need to dedicate to board meetings and intra-sponsored facilitated events.

The sacred desktop financial data will finally move online completely as *QuickBooks Online* becomes the new mainstream way of small business bookkeeping. Tools like *Freshbooks* make it very easy to do bookkeeping online while providing secure access for financial employees and outside accounting resources.

Fusion with offline work

While the entire focus of this article to this point has been about changes online, the mantra for 2010 will be the convergence of online and offline for the greatest leverage.

No matter how wired we get as a society and business, there will always be a need for face to face trust, building engagement. Now that small businesses have moved more online, the smart play will be to find the best ways to fuse the online and offline activates in ways that make the return on both even greater.

While *LinkedIn* and *Facebook* may be great places to find prospects and create awareness, they are not always the best platforms to build relationships deep enough to create a sale. Using these platforms to

create awareness for content that resides on your web site or to drive people to events where they can learn and network in person, will become an essential part of the marketing process.

In addition, using online tools such as *Twitter* and *LinkedIn* to further facilitate existing personal relationships will become another tool that small businesses will add to their competitive arsenal. Now when a member of your sales team meets a prospect at a Chamber of Commerce function, they may follow them on Twitter and invite them to connect on LinkedIn as a matter of process and as a way to more easily communicate, refer and connect, all a part of the trust building cycle.

However, these systems should be used only as your launching point for true relationship building. Networking, phone calls, hand written correspondence and one on one meeting is still and will always be the best way to building lasting business relationships.

Elements of these trends have been brewing for some time and adoption of any trend generally happens over time and almost immeasurably. However, now is the time to analyze the impact these ideas may have on your business this year and into the future.

PRACTICES THAT WILL SHAPE SMALL BUSINESS IN 2010

However executives prepare to innovate, set strategic priorities, shape new business models or enhance customer service, they'll need adaptability in all things. This spirit of fluidity and openness inspired and supported by technology, will infiltrate business in the coming five years. Even the big companies of 2010 will act like smaller firms with decentralized and open management structures to enhance nimble behavior. Transparency will be another significant trend in the coming decade but they'll also need to be fast. Companies must innovate quickly enough to keep up with customer demand in a globalizing marketplace. For hundreds of years, organizations have had the luxury to take time to make decisions but now that time has ended. To stay the course, companies will ask partners and customers for a helping hand. Flexibility and strength through collaboration will be essential. This will be where consumers see more online chat customer service and online do-it-yourself account help to cut through the long phone waiting resulting in frustrated consumers.

Revisit your business model—regularly.

Worldwide, more respondents identify new business models as a greater source of competitive advantage than new products and services. Products matter, of course, but as a source of lasting competitive advantage, they are vulnerable to replication. Pure product advantage—at best—is short-term. Rethinking—at regular intervals—how products and services are created, delivered and maintained will make the bigger difference. You have to continually review business models.

Be nimble, be quick.

Instilling an adaptability to change and achieving the requisite speed of innovation are regarded as the greatest management challenges that organizations face. As companies push further into new markets and seek to deepen ties with existing customers, a focus on innovation, although trained on existing areas of strength, will be the hallmark of success. Having the right products and services will not be enough: the ability to *continually* innovate your business model is equally, if not more, important. If everything around you is changing, you better be too!

Know your customer, and invite them in.

Executives say that the way their organizations interact with customers will be the area of greatest change in their operations between now and the end of 2010. Focus on customer retention is not new, but firms will seek to gain much greater knowledge of customer behavior in order to better anticipate changes in

demand. In this context, they will seek to involve customers more closely in many parts of the business, with implications for corporate networks and security. At all points of the business, from customer service to product design, from sales orders to distribution, personalization will have become more important to the customer of 2010.

Do what you do best.

Most business owners view their major competitive threat as coming from the consolidation of existing players (bigger companies meeting small needs); the rest worry primarily about new entrants from emerging markets. Faced with pressure from above and below, the majority of companies plan to survive by specializing in their existing or modified products / niche markets. To succeed, characteristics of flexibility, openness, collaboration and speed will be increasingly critical. Niche markets or being able to offer the very best in your one area is also coming to be seen as more of a competitive tool than simple cost efficiency. The culture, management and structure of the 2010 business will also need to become more responsive and adaptable. In other words, the organization of the future will reflect the characteristics of the greatest innovation of the recent past—the Internet.

In conclusion, the dot-com revolution isn't even half-way done. The Internet will continue to drive or influence many more changes in business in the coming years. It will no longer be an option to bypass modern technology in the name of simplicity. While you may consider having options for elderly and non-technical savvy clients, over 75% of your clientele will be looking for you to keep up and guide them through the changes. Updating your consumers and clients will be the key to making IT changes successful and as painless as possible. This may mean you getting guidance in how to best take advantage of what the internet has to offer but regardless of the investment, it is crucial for your success in 2010 and beyond.

The logo for Velocity Design Group is a large, stylized watermark in the background. It features the word "VELOCITY" in a large, outlined, serif font. Below it, the words "DESIGN" and "GROUP" are written in a smaller, spaced-out, sans-serif font. A colorful, abstract shape resembling a stylized 'V' or a swoosh is positioned behind the text, with a gradient from blue to red.

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