

## Agility giving small businesses the upper hand

Report says small businesses with flexible strategies will emerge on top of the economy as spending rebounds

CURT CHEREWAYKO

**T**he bad news: research from Warrillow & Co. has reported that the confidence level of small-business owners is at its lowest point in a decade and has notably plummeted since 2008.

The good news: small-business owners' ability to be more agile and responsive to market conditions gives them a competitive advantage over larger companies.

This according to results from a focus group of 17 small businesses conducted by Telus Corp. last month.

The Vancouver-based telco found that small-business owners have experienced considerable shifts in their industries as a result of the recession. Small businesses that are flexible in their business strategy are best equipped to emerge on top as the economy and consumer spending rebounds, Telus said in a report outlining results of the focus group.

"We learned a lot about just how innovative small businesses are in terms of changing their strategies on the fly," said Linda Craenen, director of Telus' small-business division.

"We don't have the same luxury in a big corporation."

The report also noted, however, that when organizations don't capitalize on market opportunities – even during difficult times – competitors can gain an edge.



Weathering the recession: Shanda Jerrett, owner of Gumdrops Wet Weather Boutique in Vancouver, is launching a new line of raincoats this fall, after seeing huge demand for rainwear last winter

In a bid to be more competitive, small businesses are increasingly allocating resources toward awareness campaigns and profile and image building during slow times.

Telus also reported that more small businesses are cropping up due to the increase in layoffs across the country.

Warrillow & Co. also found that Canadian small-business

owners are increasingly focused on managing their cash flow and increasing their productivity, recession or not.

In the Vancouver real estate industry, Telus found that there has been a return to more traditional methods of doing business as a result of the downturn.

"This manifests in the form of agents focusing on relationship building, more thought-

ful communication with customers, more negotiation and more of a focus on customer needs," said the report. "[This is] versus the heyday of multiple offers, no negotiation and winning properties purely with the highest bid."

Small businesses also appear to have a strong sense of the importance of customer loyalty: when business slowed, small-business owners like

Blair Smith, a realtor with Royal LePage, focused on maintaining relationships with existing clients and colleagues.

"Last October, things pretty much came to a grinding halt," said Smith. "The choice was either go somewhere warm or do all of the things in your business that, as a single entrepreneur, you tend not to have time for... and to keep in con-

tact with clients so that when the market picks up, you're top of mind."

Small businesses differentiated themselves from their competition by offering quality products and services that deliver a unique and relevant benefit to customers.

**"We learned a lot about just how innovative small businesses are in terms of changing their strategies on the fly. We don't have the same luxury in a big corporation"**

— Linda Craenen, director, small-business division, Telus Corp.

Shanda Jerrett, owner of Gumdrops Wet Weather Boutique in Vancouver, reduced inventory last fall, anticipating that sales would decline drastically during the winter season and the recession.

However, when the snow came, the two-year-old store, which sells fashionable rainwear and rubber boots, enjoyed some of its busiest weeks on record. "We could not keep boots in the store," said Jerrett. "I could not get stock in quick enough."

But she isn't resting on her laurels: she believes she can get

*Continued on page 15*

**2009**  
BOOK of LISTS

FREE to BIV annual subscribers inside this issue

Also available to non-subscribers—Price \$35

**the EMPTY CUPBOARD campaign**

Help us put food in the cupboards

For more info and to donate, visit [www.foodbank.bc.ca](http://www.foodbank.bc.ca)

Greater Vancouver Food Bank Society

**Stay informed, stay ahead and save \$35**

Make one of your best ever business decisions. Sign up now for your weekly source of information & ideas for you to profit from!

2-yr subscription (104 issues\*) at \$135 (best value) on sale now at just \$99.95

or  1-yr subscription (52 issues\*) at \$79.95

Call to order now **604-688-2398** or visit us at [www.biv.com](http://www.biv.com)

BUSINESS VANCOUVER  
Local business intelligence

## Media matters

Small businesses recognize need to work with Facebook, Twitter

**K**ey findings from the Warrillow & Co. small-business study sponsored by Telus (full story page 13) show that participants acknowledged the growing importance and potential for business growth using tools such as Facebook and Twitter. Advantages cited include:

- the opportunity for customer engagement, which contributes to relationship-building and generates customer loyalty;
- the opportunity for immediate communication with a large audience and customers in order to generate more business or better customer service (e.g., to advise of a new property listing before it is advertised on MLS, to advise of spa openings due to cancellations, to remind customers about limited time offers); and
- customer interaction via social media is the way of the future and an effective way to reach customers, particularly younger people who have grown up with digital media.

Most of the small business participants also cited the need for a better understanding of the potential for social media applications to maintain customer connections. Some of the long-term goals for gaining a better understanding of social media included:

- learning more about and beginning to use Twitter – to announce openings, new products, sales and services, limited-time-offer items, etc.;
- greater use of texting to customers – to provide a time-savings benefit and the opportunity for customized messages/specials targeted to individual needs, to encourage membership in mobile updates; and
- blogging – to connect with customers as well as other entrepreneurs, to engage viewers; posting YouTube videos to introduce staff and explain various services or setting up online communities where customers could share their stories/product experiences.

– Source: Telus small-business survey

from Agility, 13

stepping away from the store-up on competitors with a new line of raincoats that is launching this fall under the Gumdrops brand; and she is

front to focus purely on managing Gumdrops' inventory and cash flow. ■  
cgc@biv.com

## Everyone Wins ...with Kids Up Front

**Put a child in need, in your seat!**  
sports, concerts, movies, theater... inside and outside

If you can't use your tickets, then give them to us and we will send a child in need to the event, and issue you a tax receipt.

Kids Up Front turns tickets around quickly and efficiently to thousands of kids and families through our distribution network of over 100 charities across the Lower Mainland.

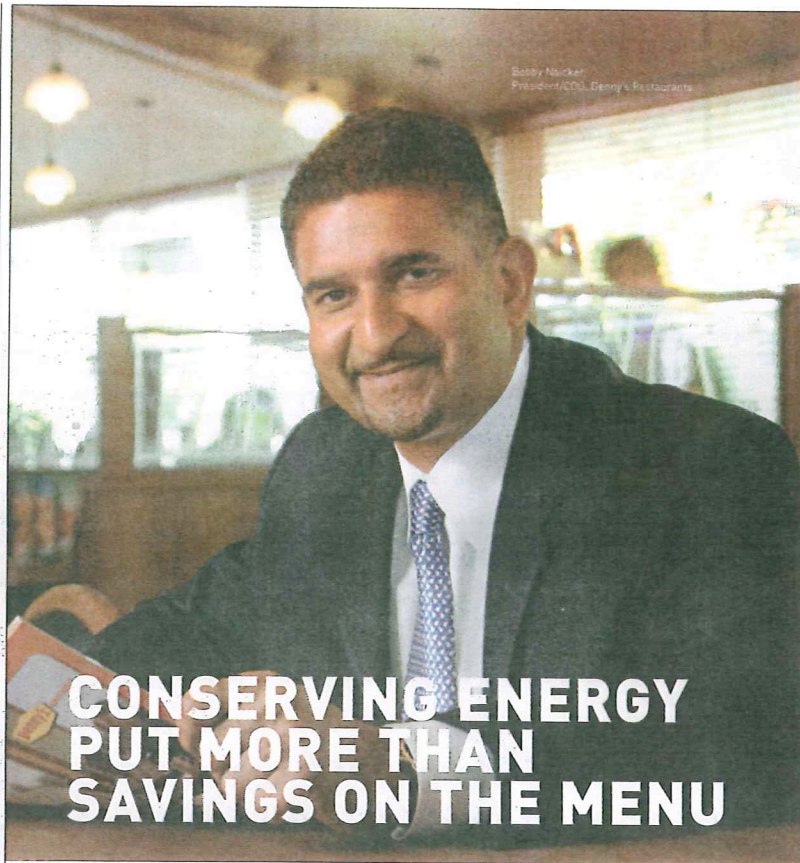
To donate your ticket and provide a child with a lifetime experience, call 604.266.KIDS(5437) or visit us at:

[kidsupfront.com](http://kidsupfront.com)

**Kids**  
up front

one little ticket, one big lift!

This promotional ad is sponsored by BUSINESS VANCOUVER



## BEING POWER SMART MAKES BUSINESS SENSE

Lighting is a very important part of a customer's dining experience. So conservation was not the only consideration when Denny's Restaurants in the Lower Mainland decided to upgrade their lighting.

To their surprise the new visually appealing, longer lasting and energy-efficient lights had additional benefits. Apart from saving thousands of dollars on their electricity bill, they found that the BC Hydro Power Smart Product Incentive Program could make the project even more financially attractive.

And, as icing on the cake, the restaurants' staff say that the new lights are much cooler than the old ones, which will also lower air conditioning costs.

Looking for tips on how to lower your business' energy tab?

Simply visit [bchydro.com/incentives](http://bchydro.com/incentives) or call 1 866 522 4713.

BC Hydro  
powersmart