

Small business clients: the good, the bad and the ugly

Written by Warren Harmer

Small businesses collectively add up to big business, with about 2 million of us in Australia. Journalists and governments love talking up the importance of the sector, whilst corporates drool at the potential for so many clients. Whilst the marketers out there would love to categorise all small businesses neatly into the same box, the vast range of personalities, industries and issues make such a classification almost impossible. We are a slippery bunch to sell to and certainly have peculiarities as clients that are good, bad and ugly.

The Good

One of the best parts of small business clients is their love for their businesses, which is inspiring and infectious. Energy, drive and enthusiasm are all turned up to high. Since you get to work so closely, you can know them inside-out, become a part of their families and their lives. Small things make a big difference in these working relationships and you can feel genuinely appreciated. You aren't just a number, making a positive impact and helping their dreams come true.

Without the constraints of corporate policies and procedures, small businesses can often be doing new and interesting things. With total autonomy and no managerial approvals to get, owners can make decisions quickly if they know what they want.

The Bad

In small business there is never enough time or money, which has a big influence on their behaviour as clients.

With small (or no) budgets and cash flow usually stretched, purchases often come with a degree of angst. Expectations can be high, especially for professional services. If you are selling something that is not a necessity, it is more difficult to translate value and make a sale. Often you will also be asking a lower price.

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Unfortunately, the autonomous decision-making also means you can also be fired much more quickly and suddenly. Numerous times I have had clients suspend services immediately. There's not usually much in place for legal protections and formalised agreements either.

With many different business demands to manage, owners can easily feel out of their depth, which can create nervousness with new purchases and make for needy clients. Even when there is an identified need like improved marketing or a new website, you can find yourself spending a lot of time and effort.

Time shortages and a constant juggling of priorities mean that getting information or attention from your small business clients may need some persistence. As soon as your client gets busy, you will slip to the bottom of the list.

The Ugly

The ugly side of small businesses clients is the difficulty in getting paid. Most providers have been burnt along their journey by not getting paid or so slow that it's like extracting teeth to get it (myself personally for thousands). Malintent is rarely at the heart of the cause, but low cash reserves that evaporate quickly when financial stress strikes. Particular types of businesses have a reputation for being late payers (like restaurants), but there are times of year to be wary where client cash is at their limit, like the weeks just after BAS payments.

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I am a cultivator of great small businesses. I have a Ph.D in science but fell into the world of small business by accident and discovered my passion. My experience owning and consulting

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to small businesses now spans over 17 years. I like to solve problems using a scientific approach; looking objectively at businesses to see what is happening and applying first principles. In small business, outcomes reign over theory.

Practical, hands-on advice for small business owners is sorely lacking, since most 'experts' have never owned one. Most business information is targeted to big business and their employees.

My objective is to offer instructive, 'how to' information to make business ownership easier, less stressful and more enjoyable.

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