

Spotting New Opportunities for Your Business

By BNET Editorial

published on BNET.com 10/24/2007

The pace of change in the business world can often seem bewilderingly fast. Most businesses operate in an environment that spurs this pace. It's constantly changing due to a variety of factors: new competitors who bring fresh ideas to a market, changes in your customers needs and preferences, your sales channels, the technologies you use, the way you can deliver your products or services—the list is almost endless. Yes, these changes bring threats to your business—but they also bring opportunities.

That's why it is essential to regularly step back and analyze how your business is operating. Think about the factors that may promote change, as well as any threats you may need to address. It's just as important, however, to use this analysis to spot the many opportunities that could be leveraged to your advantage. Opportunities always abound. This article offers some advice on how to spot such opportunities and how to take full advantage of them.

What You Need to Know

How did I become successful?

Too simple a question? Not really. If you can explain how you became successful in the first place, you have a much better chance of being able to continually repeat that success. Conduct an analysis of your current *strengths*, *weaknesses*, *opportunities* and *threats* (known as a "SWOT" analysis) and try to establish how they are contributing to your current success (or lack of it).

But, are there new opportunities?

Write down a list of the opportunities that you think you can exploit. These opportunities might be a natural extension of what you already are doing, an adaptation of what you're currently doing, or possibly a branching out into a completely different activity—yet one that fits your capabilities.

Which opportunity can I exploit right away?

Most businesses will be able to point to many new opportunities that they can pursue. That's the easy part. Much more difficult is identifying the opportunities that have *realistic* potential. Before you plunge headlong into pursuing every potential money-maker that arises, try to identify the *one* prospect that provides the most immediate and long term profit-making potential for you. Try to be honest with

yourself: Is the opportunity you are selecting really the one that will have the greatest impact on your business's future? If it's not, select something else.

Do I need to prepare my business for change?

Expect change, first of all. The needs of the market ebb and flow continually. Trends can be influenced by technology, fashion, lifestyle, and the overall economy. No small business can avoid these effects. Try to identify the trends that are affecting your business—both now and for the next 12 months. Try to spot the opportunities those trends will create as well as the threats they may pose. You need to think about how to prepare your business to adapt its products, prices, marketing methods, sales channels, or overall customer experience in order to make the most of these opportunities.

What to Do

Establish your “Unique Selling Proposition”

A key question to ponder when assessing whether you can exploit the opportunities you're facing is: *“How can I differentiate myself from my competitors?”*

There must be something about your business, its products, or the way you market your service that sets you apart. You will not be able to exploit any opportunity by merely providing identical products and services at identical prices and in the same way that your competitors do.

The goal is to identify your unique selling proposition—or “USP.” List all your main competitors; it may be helpful to set up a grid for the task. Write down areas where you can do... more... better... cheaper... faster... or just differently than anyone else. Identify any specific locations where your competitors don't operate. Find out if they supply any customer groups that you don't—but could. From this list, try to identify two or three key areas where you can position your service or product as being different—and/or better—than your rivals.

How you differentiate products, prices, customer services, marketing messages, money-back guarantees, special offers—or your company's image—will ultimately determine how well you're able to capitalize on new market opportunities.

Do What It Takes to Retain Current Customers

Work out your current client retention rate, then think about ways to improve it. It may be that you already have an existing, loyal customer base with a high degree of trust in the service you provide.

Even so, there still may be potential to offer additional services. Also, look for opportunities to generate or increase repeat levels of sales. You might consider offering new products, or adaptations of products, or upgrades of your existing service.

Determine your average sales revenues per customer, then think about ways in which you can improve it. Try to encourage feedback from your customers and ask if there is anything they need that you're currently not supplying. You may be able to build some of these things into your service. It even may be worth conducting formal research delving into detailed questions aimed at a sample of your customers. That, too, could help identify opportunities for new services or products.

Expand Your Customer Base

Think about any customer groups that you do not currently sell to, but whom you believe would benefit from your services. List specific companies or types of companies to whom you don't currently sell, then identify reasons why they might buy from you. If you sell to individual consumers, list specific groups of individuals who could benefit from your service. Write down the characteristics that distinguishes this group—for example: age, gender, race, occupations, incomes, hobbies, club and association membership, etc. Also write down the benefits that your existing products and services can provide to these groups or individuals.

Use Tried and True Tactics to Attract New Customers

Consider how you acquired your existing customers. Do you understand why they buy from you? You may have used different methods to attract them all so try to identify your most productive method of generating business. By doing this, it may be possible to continually repeat your success. Speak to your existing and former customers to find out what brought them to your door or what might have sent some to a competitor. Ideally, this will help you keep your existing customers happier longer, and it may also win back some former customers!

Build Partnerships With Other Businesses

It is challenging for any small business to be able to fully exploit all the opportunities it faces all by itself. Working with other companies that offer complementary services to yours and are aimed at the same, or similar, customer groups can often prove very worthwhile. By doing this, you can open doors to still more opportunities for your business that would otherwise remain shut. There are several ways for your business to work in partnership. You could, for example:

- Arrange to sell your partner's products to your existing customers
- In the same way, another business might be able to sell your product to a customer group that you currently do not reach

- You could develop a new product or service based on a combination of your own product and another business's; both businesses could share the costs of marketing and promotional campaigns, either jointly or proportionately

These “piggyback” marketing relationships are increasingly popular and can help small businesses to develop opportunities very quickly.

What to Avoid

You Spread Yourself Too Thin

Try to avoid a scattergun approach to pursuing the opportunities you are facing. As they say, use a well-aimed rifle instead to focus on your most promising options. Don't spread your ideas so thinly that you wind up being ineffective at everything you try to achieve.

You're Unrealistic and Impatient

You have to be selective and objective to make the most of the opportunities that come your way. There's no shortcut to carefully considering the full impact of developing or delivering a new product or service, or conducting a marketing campaign to new target audiences. And, if you do not honestly assess what you have done right and wrong in the past, there is a real danger of repeating mistakes and failing to achieve your potential.

Once you have selected your next venture, treat it like you would any new business and give it sufficient time to develop. Remember, it's always darkest before the dawn.

Where to Learn More

Books:

Clancy, Kevin and Peter Krieg. *Your Gut is Still Not Smarter Than Your Head: How Disciplined, Fact-Based Marketing Can Drive Extraordinary Growth & Profits*. Wiley, 2007.

Reuvid, Jonathan. *Start Up and Run Your Own Business*. Kogan Page, 2006.

Web Sites:

Marketing Teacher's "SWOT Analysis: Lesson":

http://marketingteacher.com/Lessons/lesson_swot.htm

Net MBA's "SWOT Analysis": www.netmba.com/strategy/swot

Copyright © 2007 CNET Networks, Inc. All Rights Reserved.