

The  
Quest for Growth:

How Small Businesses

Are Taking it to

the Next Level

salesforce

small business

# Introduction

There's no doubt that we are living in the age of the small business. Starting a business used to seem like a Herculean task reserved for a select few with the right support and right funding. But not anymore. The U.S. has built a small business ecosystem where anyone with an idea and commitment to making it a reality can create their own thriving small business.

And that ecosystem is working. In fact, it's estimated that more than 500,000 new businesses are started every month in the U.S. alone – half a million! But any small business owner or employee knows that turning a good idea into a billion-dollar company requires hard work.

However, small businesses are determined to get there. In a recent Salesforce study, 70% of small business principals said they expect to see revenue growth in 2015. Of those, 38% expect to grow by more than 10%. With the expectations for growth set so high, how are small businesses aligning their sales, marketing, and customer service departments to take their companies to the next level?

We surveyed 339 SMB principals (owner, founder, partner, CEO, president) to discover their most important goals, how each department is helping contribute to achieving those goals, and the challenges standing in the way.

# Table of Contents

- 02** Introduction
- 03** The Pressure Is on Sales to Create Growth
- 06** Marketing Is Joining the Pursuit of Growth
- 09** Service Is Becoming a Competitive Advantage
- 11** Conclusion



## Chapter 1

# The Pressure Is on Sales to Create Growth

Regardless of product type, industry, or company size, the growth of a company lives and dies by the success of its sales. Even if all other departments are aligned and functioning at the highest level, growth almost always requires a sales rep on the phone or on the road, closing deals, to make growth a reality. This is a tremendous amount of pressure for small business sales teams, where growth is often the most important objective.

So how are small business sales teams prioritizing goals and tactics, and what challenges are they facing? Let's take a look.

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### Sales Objectives

When asked to rank their company's sales objectives in the next 12-18 months, "acquiring new customers" ranked as the number one priority. This is no surprise, considering that 70% of respondents also expected to see revenue growth over the same time period.

The second and third most important objectives told a more interesting story. "Creating deeper customer relationships" ranked second, while "Growing the value of existing customers" ranked third.

Small businesses are feeling the pressure to better understand their customers and deliver an improved buying experience. As customers provide companies with more and more information about themselves, they also expect a more personalized selling experience in return. Cold-calling prospects with the same generic sales pitch is no longer

effective. Sales reps need to truly understand each of their customers' businesses and show how their product or solution can provide real value.

A clearer understanding of the customer ultimately leads to a better customer relationship. When your customers trust your business and have an exceptional customer experience, it is much easier to achieve that third objective of growing the value of existing customers through upsells and cross-selling.

## Channels

So how are small business sales teams achieving these objectives? The graph to the right shows the channels small business are currently using to close deals.

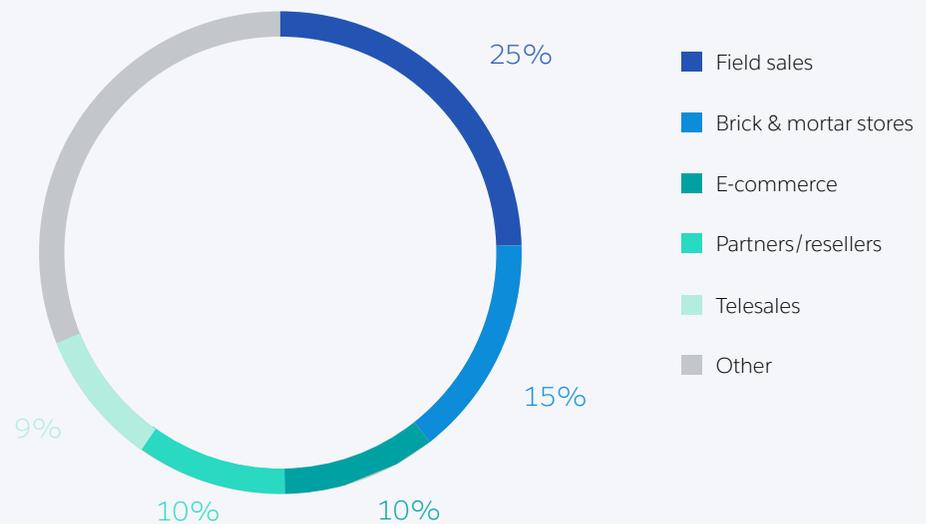
When asked what percentage of their sales came from each channel, small businesses responded that a majority of their sales are still coming from field sales. Physical locations (brick and mortar stores) ranked as the second largest driver of sales, and e-commerce ranked third.

When asked what percentage of their sales they expect to see from each channel in the

## What are your company's sales objectives in the next 12-18 months?

1. [Acquire new customers](#)
2. [Create deeper customer relationships](#)
3. [Grow the value of existing customers](#)

## What percentage of your sales come from each channel today?



next 12-18 months, most respondents expected little change. Field sales, brick and mortar stores, and e-commerce still held the top three spots, with only marginal gains from other channels.

## Customers expect providers to help solve their business problems

So what obstacles stand in the way of small business success? When asked to rank the challenges their sales teams encounter when engaging with customers/prospects, small businesses named one in particular: “Customers expect providers to help solve their business problems and measure value based on outcomes, not necessarily the lowest price.” Their second-biggest hurdle? “Customer needs have grown more sophisticated.”

This aligns with the top-ranked sales objectives of “Creating deeper customer relationships” and “Growing the value of existing customers.” Customers have indeed grown more sophisticated. A sales pitch, a discount, and a smile will no longer close the deal (and in some cases, they’ll get you thrown out of the building). The pressure is higher than ever to understand your customer’s business and show how your product or solution can address their needs or solve their business problems. As a result, many sales teams turn to Customer Relationship Management (CRM) tools like Salesforce to enable a 360-degree view of their customers.

From their most recent engagement with your company to their latest social media post, customers are providing small businesses with a wealth of data that can be used to personalize a sales pitch that addresses business problems and creates real value. However, many small businesses struggle to find the signal through all that data noise – which is where a complete CRM tool helps make sense of it all.

## Quick Summary:

What are small business sales teams focused on in 2015?

- ⊕ Acquiring new customers is sales number one objective.
- ⊕ Sales channels are not expected to change over the next year.
- ⊕ Solving problems and showcasing value are major challenges.

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## Ready to learn more?

Wondering how a CRM can supercharge your small business sales? [See Salesforce Sales Cloud in Action: Watch a demo.](#)

A photograph of a modern office interior. In the foreground, a white, curved office chair with a black metal base and light-colored wooden legs is positioned on a light-colored wooden floor. In the background, a wooden desk is visible with a glass of pens and pencils. A window with a white frame is partially visible on the left side of the image. The overall lighting is bright and natural, suggesting a daytime setting.

## Chapter 2

# Marketing Is Joining the Pursuit of Growth

Just as sales has shifted goals and tactics to accommodate new technology and a new breed of customer, marketing has also had to adapt. For years, marketing was typified by the quote “I know half of my marketing budget is wasted – I just don’t know which half.” Unclear metrics, a lack of reliable tracking, and misalignment among departments have created obstacles for decades.

But new technologies and strategies have resolved many of these issues, putting marketing in a better place to contribute to business success than ever before.

Yet with this new ability comes new responsibility. Now that marketing is more closely aligned with overall business objectives, marketers are expected to contribute just as much to business growth as sales. Let’s take a look at how small business leaders see their biggest marketing challenges, and how they are measuring success.

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### Marketing is Feeling the Pressure for Growth

When asked to rank the most pressing business challenges their company faces in executing its total marketing strategy, small business leaders ranked new business development first. Gone are feel-good metrics like brand awareness, and in their place is a laser focus on the company’s bottom line.

This shift extends beyond driving new business. “Customer acquisition” and “lead quality” also ranked among the top 5 most pressing business challenges in executing a total

market strategy. It is clear that the culture of marketing has shifted to align with the larger company goals around customer acquisition and business growth. However, the fact that these objectives are listed as top challenges shows that while small business marketers have their focus in the right area, execution still poses a problem.

In order to realize the full business development potential of their marketing teams, small businesses still need to make some adjustments.

**Sales And Marketing Alignment:** Aligning these two departments is one of the most crucial initiatives a business can take in this new age of technology. With proper communication between the teams and the right marketing automation tool, sales and



A majority of respondents (**52%**) consider business development challenges to be the most pressing

## What are the most pressing challenges your company faces in executing your marketing strategy?



## What metrics does your company use to measure overall marketing effectiveness?

1. Customer satisfaction
2. Web traffic
3. Number of leads generated
4. Customer retention rates
5. Quality of leads generated

marketing can move from struggling rival departments to one cohesive revenue-generating machine. Close more leads, lose fewer opportunities, speed up your sales cycle, and drive more revenue – all by putting marketing and sales on the same team.

**Closed-Loop Reporting:** Marketing and sales are also at odds over how to attribute a closed deal. Marketing may feel like sales is taking credit for the leads they've generated and sales may feel like marketing is trying to take credit for their legwork. Closed-loop reporting clears up the murky waters around ROI reporting, increasing visibility across the entire sales cycle and adding accountability to both the sales and marketing processes.



**A Complete Customer Journey:** Marketing isn't successful when it happens in a vacuum. Small businesses need to create a holistic customer journey and involve everyone in the organization who needs to be a part of it. Sure you can drive leads, but you'll have a greater impact on your company if you create a plan for what happens after someone enters your sales cycle through a marketing touchpoint. This plan probably involves sales reps, marketing ops, and a big focus on lead scoring and nurturing.

## Marketing Performance Metrics

When asked what metrics their companies use to measure overall marketing effectiveness, small businesses revealed a similar shift toward business growth. "Number of leads generated," "customer retention rates," and "quality of leads generated," all ranked among the top 5 most important metrics.

Marketing is clearly being held to a new standard. Given their limited resources, small business marketers don't have the luxury of focusing on vanity metrics like brand awareness or pageviews. Small business marketing is all about helping the business achieve its number one goal: growth.

## Quick Summary:

What are small business marketing teams focused on in 2015?

- ⊕ Developing new business is marketing's greatest challenge.
- ⊕ Business development metrics are being used to measure success.
- ⊕ Reporting, alignment, and creating a customer journey are essential elements of marketing success.

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## Ready to learn more?

Wondering how a CRM can bring your small business marketing into the future? [See Salesforce Marketing Cloud in Action: Watch a demo.](#)

## Chapter 3

# Service Is Becoming a Competitive Advantage

Customer service and support are also becoming an integral part of the sales cycle. Customer retention, cross-selling, and upselling are now crucial aspects of growth for every company. When asked about the key business drivers of their customer service in the next 12-18 months, small businesses ranked “increased sales/revenue” as the most important, followed by “customer retention.”

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### Service Must Have a Complete View of the Customer

To achieve each of these goals, every department – but especially service – must align around creating a single, holistic, positive customer experience. This, of course, is no easy task. Customers expect more from the companies they patronize than ever before. This is likely why “Improve customer service/experience” also ranked in the top four most important business drivers of customer service.

Interactions should be personalized and tailored at every point in the sales process and beyond. This requires breaking down traditional departmental silos and connecting previously separate stores of data to create one central view of the customer and his or her information – all the way from the first marketing touchpoint through the most recent customer service request. When a customer reaches out for assistance, they should feel as if the company knows who they are.

Awesome customer service needs to be a part of your company DNA from day one. Although companies sometimes overlook it in the rush to get a product out the door, customer service can be the difference between a hot IPO and just keeping the lights on. So grab your headset and:

**Increase Sales:** 52% of consumers will abandon online purchases if they can't find a quick answer. Save the sale by getting them the information they need, when they need it.

**Drive Loyalty:** A stat that almost everyone has heard is that it costs five times more to attract a new customer than to retain an existing one. So treat them well.

**Get the Word Out:** Happy customers are more likely to recommend your brand, so delivering amazing customer service can go a long way toward generating new business. Make sure you're resolving issues quickly and effectively (and if you don't know, ask!).

## What are the business drivers of your customer service in the next 12-18 months?

1. [Increase sales/revenue](#)
2. [Retain customers](#)
3. [Increase efficiency](#)
4. [Improve customer service/experience](#)
5. [Reduce costs](#)

### Quick Summary:

What are small business customer service teams focused on in 2015?

- ⊕ Customer service can be a major differentiator for small businesses.
- ⊕ Increasing revenue is ranked as the biggest business driver for service.
- ⊕ Service teams need a complete view of the customer to deliver exceptional service.

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### Ready to learn more?

Wondering how a CRM can make your customer service best-in-class?

[See Salesforce Service Cloud in Action:](#)  
[Watch a demo.](#)

# Conclusion

It's clear that we are living in a great time for small businesses. With lower barriers to entry, technology solutions that can even the playing field with larger competitors, and rapidly shifting consumer tastes and preferences, there is no better time to be a small business. But achieving success as a small business – and keeping it – requires hard work and a focus on growth.

Here's a brief recap of our findings on what small businesses care about most and how they are looking to reach the next level in the next 12-18 months.

✓ **Small businesses are customer-focused**

Top sales objectives look outward (customer acquisition/retention), not inward (rep training/retention/quotas).

✓ **Sales teams need to show value**

Selling is more complex. Small businesses need to differentiate from larger competitors by truly understanding their customer's businesses and demonstrating real value.

✓ **Marketing is taking on a new role**

Marketing teams are now just as responsible for business growth as their sales counterparts, though new business development and customer acquisition remain major challenges to executing their marketing strategy.

✓ **Marketing is already held accountable for business growth**

Small business marketers are now responsible for business growth and their success is now being measured by their ability to help achieve it.

✓ **Customer service matters from the beginning**

Customer service is a key point of differentiation for small businesses against larger competitors. Superior service and a holistic view of the customer can lead to more sales and revenue from the service department.

# MOVE YOUR SMALL BUSINESS FORWARD, FASTER.

For decades, being “the little guy” has been a disadvantage, but not anymore. Salesforce can help jumpstart business growth. Salesforce streamlines operations, allowing you to increase your win rates, grow your pipeline, and decrease your costs.

[Learn more >](#)

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|-----|-------------------------------|
| 45% | Increase in sales pipeline.   |
| 44% | Increased sales productivity. |
| 37% | Increase in sales revenue.    |



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**THE CUSTOMER SUCCESS PLATFORM**

SALES SERVICE MARKETING COMMUNITY ANALYTICS APPS