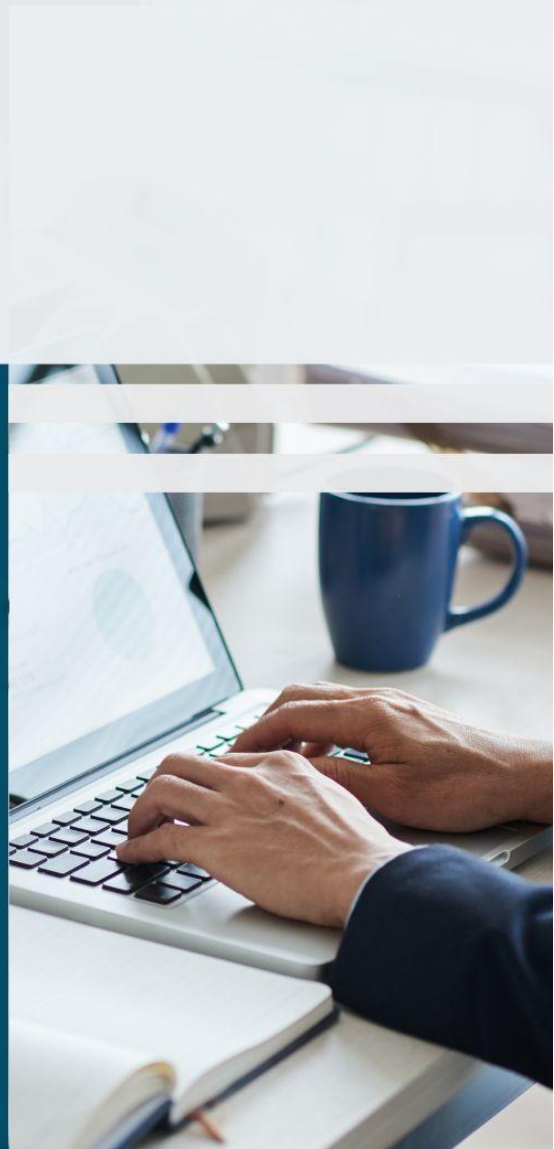




HOW GIFFY CAN SUPPORT A SMALL BUSINESS IN EACH OF THE 5 GROWTH STAGES



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EXECUTIVE SUMMARY

Ranking small-business problems and growth patterns in a systematic approach that is useful to entrepreneurs appear to be an impossible task. The size and growth potential of small businesses vary greatly. They are distinguished by action independence, a variety of organizational structures, and a variety of management styles.

However, upon closer inspection, it becomes clear that they share common issues that arise at similar stages in their development. These points of similarity are organized into a framework that helps us understand the nature, characteristics, and problems of businesses ranging from a dry cleaner company with two or three minimum-wage employees to a \$20 million-per-year computer software company with a 40% annual growth rate.

According to Salesforce survey data, the number of small businesses founded in the United States

during the pandemic increased by 24% between 2020 and 2021. These businesses, on the other hand, operate a little differently than the average small business by flourishing through online portals.

According to SBA research, roughly 50% of small businesses will last five years or longer, while only about 1/3rd of businesses will last ten years or longer. This data examines a company's average success rate outside of the pandemic's impact.

Harvard Business Review states that the growth of Small Businesses occurs in 5 stages which include Existence, Survival, Success, Take-Off, and Resource Maturity.

GIFFY, a RAD framework, allows applications to be developed rapidly without worrying about database, server, infrastructure, and high-level coding. GIFFY thus provides support for growth in small businesses in each of the five growth stages

INTRODUCTION

Starting a small business is difficult even in the best of times. It became a fight for survival during the Covid-19 pandemic.

Each of America's 31.7 million small businesses has its distinct personality, challenges, and path to success. Some organizations never grow beyond a single founder, while others have the potential to scale to become the next MNC. As they progress to new levels of success, many founders will face similar challenges.

As a result, we've decided to showcase how GIFFY supports small businesses in their growth, including existence, survival, success, take-off, and resource maturity.

Most of the new businesses in 2022 will be sole proprietorships, but it's predicted that 5.6 million of them will incorporate or hire employees, breaking the previous record of 5.3 million set in 2021 (and the current record of 4.3 million set in 2020).

RESEARCH AND STATISTICS ON SMB AND SME GROWTH IN 5 GROWTH STAGES

EXISTENCE & SURVIVAL:

- ▶ Over 500,000 businesses open every month.
- ▶ There are 31.7 million small businesses.
- ▶ Small businesses employ 57 million workers.
- ▶ About 50-55% of new businesses survive five years.
- ▶ About one-third of businesses last ten years.
- ▶ More than half of small businesses employ a CFO.
- ▶ The average small business begins with \$10,000 in the capital.
- ▶ Businesses with less than ten employees make up 75% of private employers.
- ▶ 17% of small business owners outsource their accounting to a CPA.
- ▶ Only 19% of small business owners work over 60 hours per week.
- ▶ About half of small business owners anticipate growth.

SUCCESS & TAKE-OFF:

- ▶ Entry-level small business owners can expect to earn an average of \$58,374.
- ▶ Small Business GDP shares declined from 48.0% in 1998 to 43.5% in 2014.
- ▶ 60% of SMB owners believe the current economic climate is having a positive impact on business.
- ▶ In 2015, 73% of SMB owners said they can access enough capital for their business.
- ▶ Statistics of US businesses show that a small-business owner earns between \$26,000 – and \$153,000 annually.

(According to Guidant Financial)

- ▶ Food businesses became the second most popular small business industry in 2018 with a 14% increase.
- ▶ The US CBD industry reached \$500 million in 2018 and is expected to reach \$1.91 billion by 2022.
- ▶ Global e-bike revenues are expected to grow to \$24.3 billion by 2025, from \$15.7 billion in 2016.
- ▶ General retail is also on the rise with a 7% increase in the last year. Business services remain a top choice with an 11% increase and home-based businesses qualify in the top 5, going 6% up.

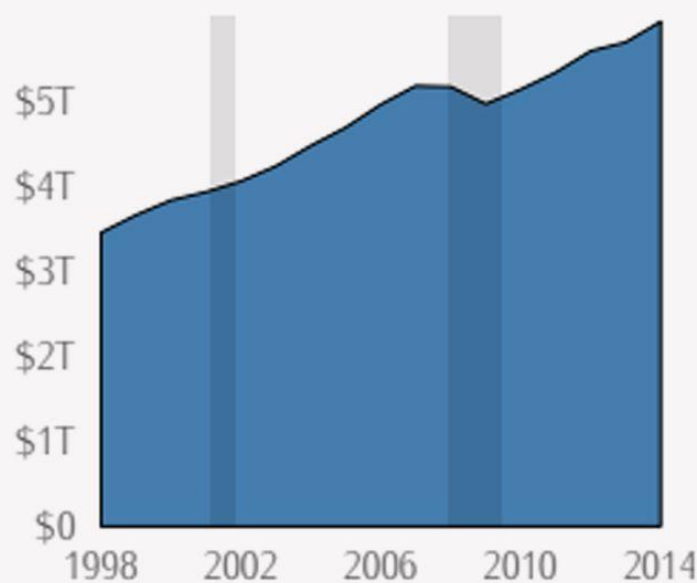


Figure 1: Small Business Nominal GDP, 1998-2014

The shaded bars in Figure indicate recessions in SGDP. Between 2007 and 2009, SGDP fell sharply after a brief plateau in 2001. It took until 2011 for SGDP to reach 2007 levels. In 1998, SGDP was \$3.4 trillion, and by 2014,

it had increased by 71.9 percent, or 3.4 percent annually. Hence, it can be noted that after a brief decline Small Business Nominal GDP saw a massive take-off and a huge success since then.

RESOURCE MANAGEMENT:

- ▶ The Small Industry Development Bank of India (SIDBI) was given a \$500 million credit line to provide an affordable longer-term source of funding for underserved MSMEs.
- ▶ The project pushed the boundaries of MSME financing by developing innovative lending methods that reduced turnaround time, reached more underserved MSMEs, and crowded in more private sector financing, in addition, to directly financing MSMEs with a total of \$265 million in loans.

WHAT IS BUSINESS GROWTH?



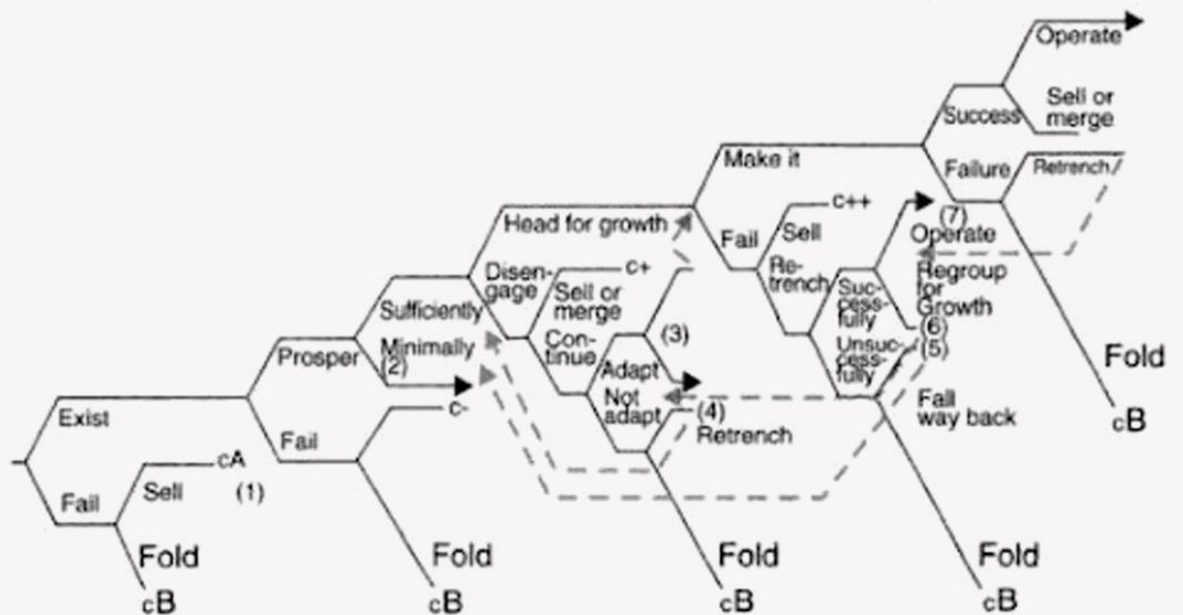
Business Growth is a stage in which a company has reached the point where it needs to expand and is looking for new ways to increase profits. Business growth is a function of the business lifecycle, industry growth trends, and the owners' desire for equity value creation.

All scale-up-minded businesses require business growth capital. Since no two businesses are alike, selecting the right business growth capital requires expertise and market knowledge. When you make the right decisions, your growth accelerates.

WHAT ARE THE 5 GROWTH STAGES FOR SMALL BUSINESSES?



Stage I	Stage II	Stage III	Stage IV	Stage V
Existence	Survival	Success	Take-off	Resource maturity



- cA Sell assets
- c- Sell at a loss
- c+ Sell at a profit
- c++ Sell at a greater profit

- Adapt and continue as is; temporarily or permanently
- ← - - Change in strategy

cB Bankruptcy

STAGE 1: EXISTENCE:

Obtaining customers and delivering the product or service contracted for are the primary concerns of the business at this stage.

The structure is straightforward: the owner does everything and supervises subordinates, all of whom should be competent. Systems and formal planning are either non-existent or minimal. The company's only strategy is to stay alive at this point. The owner is the business, performs all of the important tasks, and is the primary source of energy, direction, and capital, which he or she obtains from relatives and friends.

Newly opened enterprises that have yet to stabilize production or product quality, companies in the Existence Stage are diverse. Many of these businesses never gain enough customer acceptance or product capability to survive. When the start-up capital runs out, the owners close the business and, if they're lucky, sell the company for its asset value. (See second picture's first endpoint) In some cases, business owners are unable to accept the demands placed on their time, money, and energy, and they resign. Those businesses that continue to operate are classified as Stage II businesses.

STAGE 2: SURVIVAL:

The company has proven that it is a viable business entity by reaching this point. It has a sufficient number of customers and sufficiently satisfies them with its products or services to keep them. As a result, the main issue shifts from mere existence to the revenue-to-expense relationship.

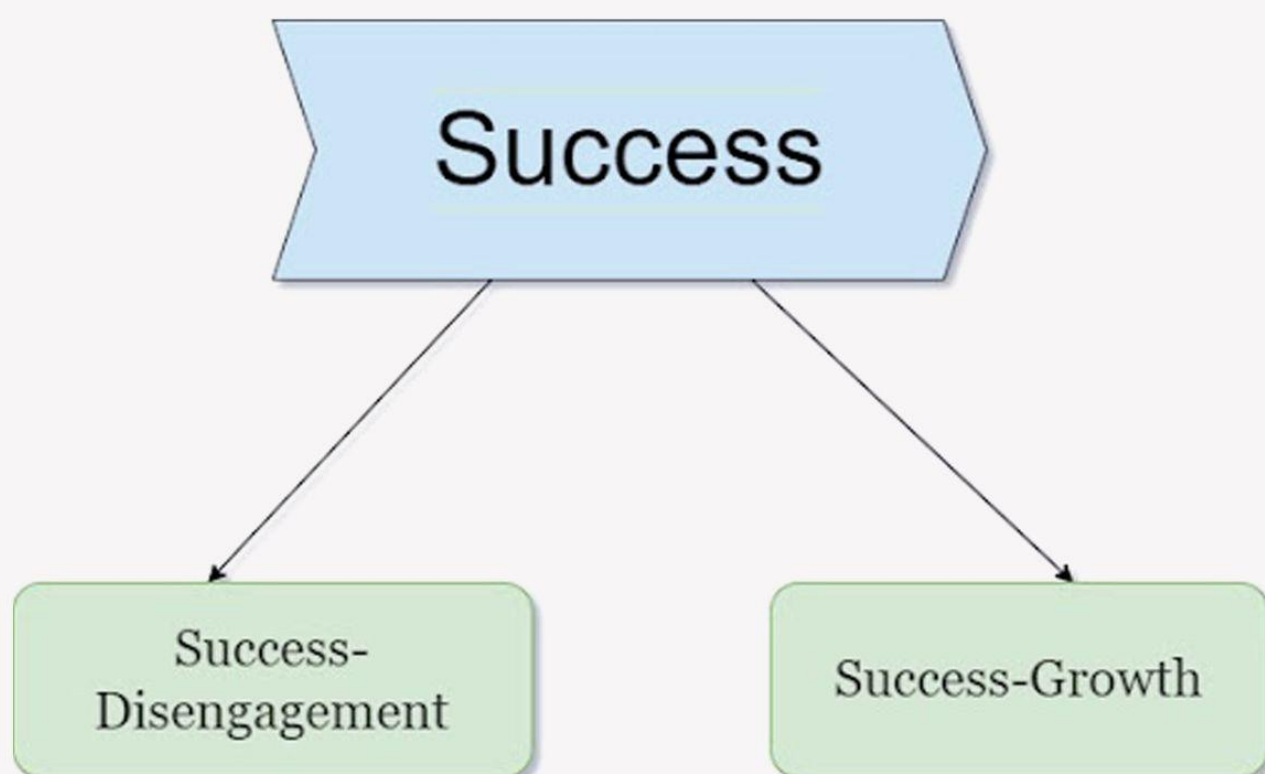
The business may expand in size and profitability during the Survival Stage and progress to Stage 3. Alternatively, it could stay in the Survival Stage for a while, earning marginal returns on invested time and capital

(See second picture's second endpoint), before going out of business when the owner gives up or retires, as many businesses do. This category includes "mom and pops" shops, as well as manufacturing companies that are unable to sell their product or process as planned. Some of these marginal businesses have grown to the point where they can be sold, usually at a slight loss. Alternatively, they may completely fail and vanish from view.

STAGE 3: SUCCESS

At this stage, owners must decide whether to capitalize on the company's achievements and expand or keep the company stable and profitable as a foundation for other owner activities. As a result, a key question is whether to use the company as a growth platform (a sub-stage III-G company) or as a support for the owners as

they fully or partially disengage from the company (a substage III-D company). (See the second picture) Disengagement could be motivated by a desire to start new businesses, run for political office, or pursue hobbies and other outside interests while keeping the organization running as usual.



SUBSTAGE III-D- SUCCESS DISENGAGEMENT

The company has achieved economic health, has enough size and product-market penetration to ensure economic success, and earns average or above-average profits in this sub-stage.

The company can remain in this stage indefinitely as long as the environmental change does not destroy its market niche or ineffective management does not reduce its competitive abilities.

The company has grown large enough for functional managers to take over certain tasks previously performed by the owner. However, their upward potential is limited by the corporate goals and the managers should be competent but not exceptional. Cash is plentiful, and the main concern is to avoid a cash drain during the good times, which would jeopardize the company's ability to weather the storm.

As the company grows older, the owner becomes increasingly separated, partly due to the owner's other activities and partly due to the presence of other managers. Many businesses stay in the Success-Disengagement substage for a long time. Some businesses cannot expand due to their product-market niche;

this is the case for many service businesses in small or medium-sized, slowly growing communities, as well as franchisees with limited territories.

Other business owners take this approach; if the company can continue to adapt to changing conditions, it can stay in business, be sold or merged for a profit, or be stimulated into growth (See endpoint 3 of the second picture). This last option would necessitate the purchase of additional franchises by franchisees.

If a business can't adapt to the changing circumstances it will either fold or revert to a barely surviving entity (See endpoint 4 of the second picture).

SUBSTAGE III-G- SUCCESS GROWTH

The owner consolidates the company and marshals resources for growth in the Success-Growth substage. The owner takes the company's cash and existing borrowing power and puts it all on the line to fund expansion.

In addition, systems should be installed with future needs in mind. Operational planning takes the form of budgets, as it did in substage III-D, but strategic planning is more extensive and involves the owner more deeply. As a result, the

owner is far more involved in all aspects of the company's operations than in the disengagement portion of this phase.

The III-G company advances to Stage IV if it is successful. Indeed, before committing to a growth strategy, III-G is frequently the first attempt at growth. If the III-G company fails, the reasons may be discovered in time for the company to transition to III-D. If not, retrenchment to the Survival Stage before bankruptcy or a distress sale may be an option.

STAGE 4: TAKE-OFF:

In this stage, the business takes off and becomes highly successful. However, the main issues at this stage are how to grow quickly and how to finance that growth.

Of course, the company could make it through this high-growth stage without the original management. Investors or creditors frequently replace the entrepreneur who founded the company and brought it to the Success Stage,

either voluntarily or involuntarily.

If the company fails to make it big, it may be able to retrench and remain a successful and significant company in an equilibrium state (endpoint 7 of the second picture). Alternatively, it may return to Stage III (endpoint 6) or, if the problems are severe enough, it may return to the Survival Stage (endpoint 5) or even fail.

STAGE 5: RESOURCE MANAGEMENT:

The main concerns of a company at this stage are to consolidate and control the financial gains brought on by rapid growth, as well as to maintain the advantages of small sizes, such as flexibility of response and entrepreneurial spirit. The company must expand its management force quickly enough to eliminate inefficiencies caused by growth and professionalize the company through the use of tools such as budgets, strategic planning, management by objectives, and standard cost systems—all without suffocating its entrepreneurial qualities.

Stage V companies have the personnel and financial resources to conduct detailed operational and strategic planning. Management is decentralized, well-staffed, and well-versed. And the systems are

well-developed and extensive.

The company is now on its way and benefits from its size, financial resources, and managerial expertise. It will be a formidable market force if it can maintain its entrepreneurial spirit. If not, it may progress to a sixth stage, ossification.

The lack of innovative decision-making and the avoidance of risks characterize ossification. It appears to be most common in large corporations, whose large market share, purchasing power, and financial resources keep them afloat until the environment changes dramatically. Unfortunately for these companies, it is usually their fast-growing competitors who are the first to notice the change in the domain.

WHAT IS GIFFY?

GIFFY



GIFFY is a Rapid Application Development framework that is scalable and is a low code business framework. It uses Google Datastore as its database and is hosted in Google App Engine.

GIFFY is a RAD framework that allows applications to develop

rapidly without worrying about database, server, infrastructure, and high-level coding. The Applications are developed with ease and in a short period.

This major advantage makes GIFFY handy in developing applications without hiring any developer.

HOW DOES GIFFY SUPPORT A SMALL BUSINESS IN 5 GROWTH STAGES?

STAGE 1- EXISTENCE:

Obtaining customers and delivering the product or service contracted for are the primary concerns of the business at this stage as per Harvard Business Review.

The GIFFY CRM system can assist you in quickly identifying and adding new leads,

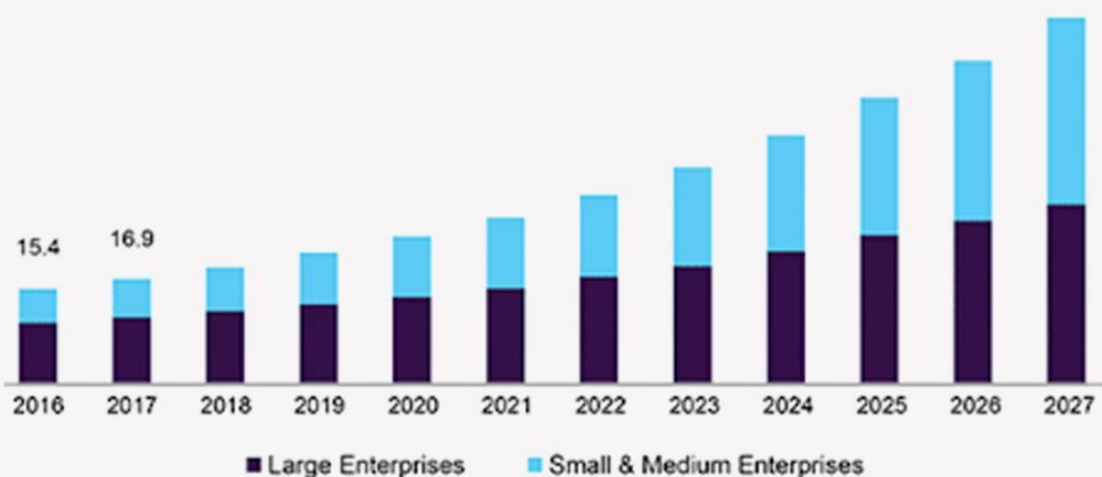
as well as accurately categorizing them. Sales can prioritize the opportunities that will close deals by focusing on the right leads, and marketing can identify leads that need more nurturing and prime them to become quality leads and eventually valuable customers.

Top tech priorities of SMBs

Source: Salesforce



U.S. customer relationship management market size, by enterprise size, 2016 - 2027 (USD Billion)



According to Finance Online Review for businesses approx. 31% of SMBs prefer using a CRM. The CRM market has always been viewed as a promising one. Yet, as a result of the profitable results that businesses have seen, it has grown to become the world's largest software market. CRM sales are expected to grow at a compound annual growth rate of 14.2 % by 2027 for both large corporations and SMEs.

Hence GIFFY provides a robust CRM that will help you generate leads and customers for your company in the Existence Stage.

STAGE 2-SURVIVAL:

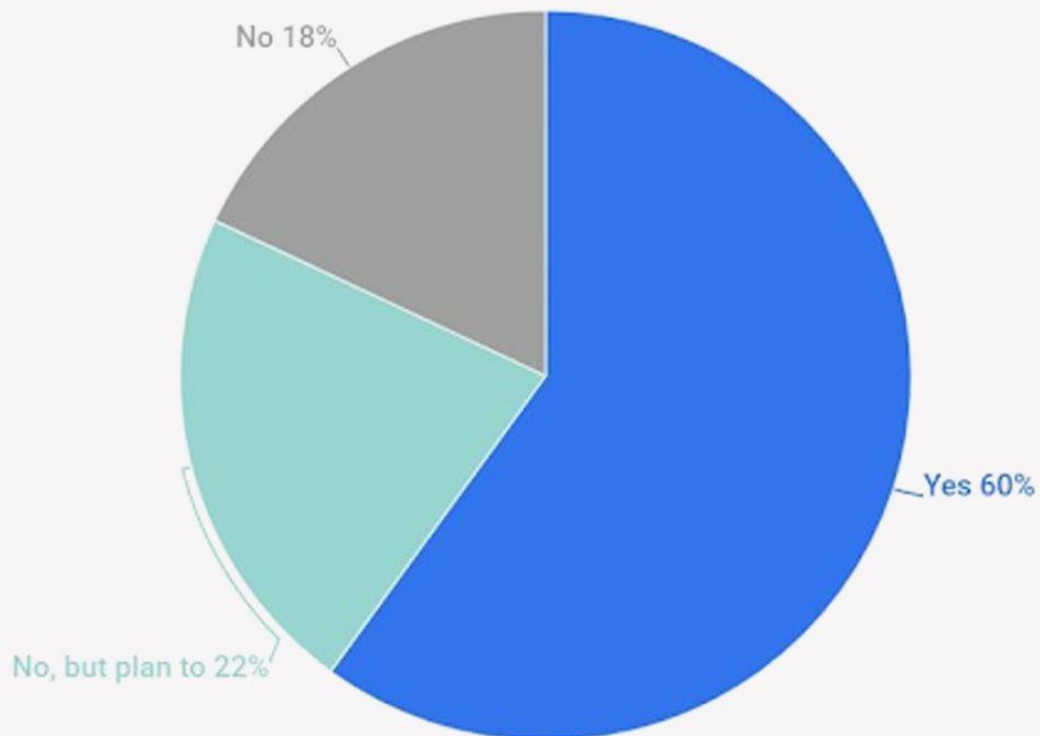
As to Harvard Business Review, the company has proven that it is a viable business entity by reaching this stage. It has a sufficient number of customers and sufficiently satisfies them with its products or services to keep them.

As a result, the main issue shifts from mere existence to the revenue-to-expense relationship.

A strong online presence, particularly a website, can make or break your ability to generate revenue. The quality of your website has an impact on your revenue and thus it is important to have one.

GIFFY CMS or GIFFY Content Management System allows users to not only create websites but also manage and stylize dynamic content for their websites. Users can change the look and feel by inserting or removing carousel banners, menus and advertisements using GIFFY CMS. GIFFY provides an easy interface to maintain the website dynamically. CMS also helps you to add and display any product details that the company sells.

DO SMALL BUSINESSES HAVE WEBSITES?



Small businesses must go online to stay competitive as more Americans go online to search for product websites. According to our research, the number of small businesses with websites is as follows:

- ▶ Small businesses have their website in 71% of cases. Websites are created using CMS
- ▶ As of 2019, 51% of small businesses in the US have a website. (Blue Corona, 2019)
- ▶ In 2020, 29% of small businesses stated they will start using a website. (Small Business Trends, 2020)
- ▶ While 92% of small business owners believe that having a website is the most effective digital marketing strategy, 11% of owners who don't have a website don't see the value of having one. (Fundera, 2021)
- ▶ Before making a purchase, 81 % of shoppers research a company online, with 55 % looking for online reviews and 47 % looking for the company's website.
- ▶ Starting a website for a small business costs between \$2,000 and \$10,000 on average.
- ▶ Approximately 85% of consumers use the internet and websites to find and discover SMEs

Hence GIFFY provides a CMS that will allow users to create and manage their dynamic websites. It will also help to create dynamic content for your website which will boost Search Engine rankings. CMS also allows you to enter and show product information for any products that your firm sells.

STAGE 3- SUCCESS:

At this stage, owners must decide whether to capitalize on the company's achievements and expand or keep the company stable and profitable as a foundation for other owner activities. As a result, a key question is whether to use the company as a growth platform.

The owner consolidates the company and marshals resources for growth in the Success-Growth sub-stage. The owner takes the company's cash and existing borrowing power and puts it all on the line to fund expansion. The fund expansion also includes creating applications that will help reach and expand the company and perform various tasks of the company. However, this application-development process is time-consuming and requires capital to pay the developers.

Using GIFFY, we can build any scalable applications from scratch with minimal coding. This reduces the time of development and the expense of hiring too many developers. GIFFY helps you to develop any applications fast using a complete low-code platform.

STAGE 4- TAKE-OFF:

In this stage, the business takes off and becomes highly successful. However, the main issues at this stage are how to grow quickly and how to finance that growth. SaaS apps are highly scalable, allowing businesses to access more features and services as they grow exponentially.

Scalability describes a company's ability to grow without being hampered by its structure or available resources when faced with increased production, whether in a financial context or within the context of business strategy.

GIFFY is scalable- The application provides scalability to the user when necessary. Have you ever experienced a site crashing due to traffic? This is where scalable applications come to play. When there is a surge in traffic, GIFFY automatically scales up and hence there is more up-time and minimal down-time.

As per statistics:

- ▶ About 85% of small companies have already invested in Software as a Service (SaaS) products and solutions. (BMC, 2020)
- ▶ On average, small companies with 50 employees or less use 25 to 50 SaaS solutions. (BMC, 2020)

Using GIFFY we can create an application and provide the software to customers as a Service (SaaS). For example, if the customer wants a project-management application

or software for tracking & resolving issues in a product, we can build it through GIFFY and provide the software to the customer as a service.

STAGE 5- RESOURCE MANAGEMENT:

As per Harvard Business Review, the main concerns of a company at this stage are to consolidate and control the financial gains brought on by rapid growth, as well as to maintain the advantages of small sizes, such as flexibility of response and entrepreneurial spirit. The company must expand its management force quickly enough to eliminate inefficiencies caused by growth and professionalize the company through the use of tools such as budgets, strategic planning,

management by objectives, and standard cost systems—all without suffocating its entrepreneurial qualities.

The GIFFY RAD tool requires very few resources and requires only a basic understanding of coding to help you develop any scalable applications. If you have a good plan for your application, it will only need very few resources to develop. The majority of the components are generated automatically and linked together.

CONCLUSION

GIFFY is a Rapid Application Development framework that provides a platform for you to develop as many applications as possible using minimal coding (low code) which promotes growth in small businesses. It has 200+ developers working around the clock to assist with your company's demands, supporting and pushing the Small Businesses to reach new heights of growth and development in all 5 stages.

GIFFY has a robust CRM which retains customers and also efficiently generates potential leads. GIFFY also provides a CMS to help you develop your website and generate dynamic content to boost Search Engine rankings thus highlighting your business to new customers who search the internet with keywords related to your website.