

9 Challenges Small Businesses Struggle With and How to Fix Them (Part 2)

5. Delighting Customers Customer satisfaction is a great goal, but *customer delight* is even better. Positive service experiences entice customers to make additional purchases and repeat loyal customers spend more, satisfied customers engage in word-of-mouth marketing, helping you with free acquisition.

It's cheaper to retain an existing, satisfied customer than it is to acquire a new one. To achieve true customer delight so that your customers become promoters of your business, you must surpass expectations and deliver an unmatched experience.

How to Fix It:

It takes work to continue solving for your customer in a way that turns them into raving fans. Here are some steps to get you in the right mindset:

- Understand why your customers chose you and what they need
- Set concrete expectations at the start of the engagement
- Deliver on those expectations (and satisfy your customers' needs)
- Innovate how you can provide unexpected extras that go above and beyond
- Continue to measure satisfaction and improve the customer experience

When you understand your customers' needs, expectations, and cater to their desires, it will pay off, as you will reduce customer churn and instead inspire loyalty.

6. Hiring Talented People 76% of hiring staff say attracting quality candidates is their biggest challenge. The cost of onboarding can average more than \$4,000 per new employee, which is troubling for those operating with smaller budgets. If you have high employee turnover, you're spending more money hiring talent than you would like.

How to Fix It:

It's easy to hire with a short-term mindset: send out a job description, screen applicants, and make a decision. But, because of the high costs of hiring, it's crucial to invest a significant amount of time in the hiring process. Don't settle for good employees when you can find great ones, even if it takes longer. It's the great employees that will help your company get to the next level.

Just like you create buyer personas for your customers, create candidate personas for your job candidates. Your personas should be different for each role you're hiring for but will share some underlying traits around company culture. Next, take ownership of attracting candidates to your company's brand and make them interested in learning more. This will help you build a recruiting pipeline that will give hiring the same predictability as sales. Then, turn those leads into applicants.

7. Managing Workflow Once you have the people to make the magic happen, the next challenge is managing workflow. You want to ensure that your team has the processes and tools to do good work and do it efficiently. At the same time, you can't be everywhere at once as a business leader. So how do you focus *on* the business while ensuring that everyone working *in* the business has what they need?

How to Fix It:

The best way to diagnose the roadblocks your team faces and increase efficiency is by creating ways for them to provide feedback. You can do this through:

Employee satisfaction surveys

Frequent one-on-one meetings with direct reports

Ensuring your direct reports implement one-on-one meetings with their direct reports

Occasional skip-level meetings

Asking about threats to the business and the issues that give them the most "pain" in their roles

Finding the commonalities in the feedback you receive and the bottlenecks

Understanding how your employees feel and any roadblocks they may face will help you identify areas that would benefit from automation. As mentioned above, implementing time-saving strategies can be a significant benefit to improving performance and achieving overall business success.

8. Financial Planning More resources increase ability, efficiency, and quality. Unfortunately, access to many of these resources comes through having capital, but small businesses reported that a lack of capital or cash flow was their number one challenge. In addition, small business loan approval at big banks is significantly low - 13.5% as of March 2021. Given this, financial planning with limited resources and a budget can be complex for small businesses.

How to Fix It:

Every business will be different, but you'll want to use business credit wisely, cut costs where possible, and manage cash flow by staying on top of invoices and bookkeeping. Business accountants and financial advisors can help you analyze your financial situation and help you make good decisions.

9. Scaling This is a tricky one, especially since every situation is different. You'll see this problem arise in all areas of business: in product development, in marketing and content creation, in hiring, and so on.

How to Fix It:

Unfortunately, there's no perfect answer here. Depending on where you are in your business' lifecycle, the scale will tip one way or the other, but I do think you need both at different times.

What it comes down to is not obsessing over every detail but the *right* details. Closely monitoring product perfection, for example, might not be as important as doing so over customer service. Obsessing over customer service, however, is worth the extra effort. Amazon CEO Jeff Bezos puts it well in his 2016 letter to shareholders: "There are many ways to center a business. You can be competitor-focused, you can be product-focused, you can be technology-focused, you can be business model-focused, and there are more. But in my view, obsessive customer focus is by far the most protective."

