

# What Now? A Guide for SMB Leaders in a Disruptive Time

M&A Strategies for SMB Leaders

PRIVATE EQUITY | GUIDE

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## OVERVIEW

The year 2020 has been a time for evaluation for everyone, as COVID-19 disrupted lives and livelihoods. Medical and safety remained top of mind for SMB companies since they reconfigured their operations to combat diminishing markets and an uncertain future. Yet optimism remains high for growth in 2021, in spite of how the majority of the just under 3,000 SMB business leaders who participated in our poll shared before news of the coronavirus vaccines.

- This guide is broken down into five parts:
- How to Get Your COVID-19: A Time for SMB Growth Strategy Started
- How to Get Your SMB ECO Sustainability Strategy Started
- How to Get Your Technology Strategy Started
- How to Get Your SMB Dynamics Strategy Started
- How to Get Your SMB Success Strategy Started

***Bottom Line -- The business climate is changing; now is the time to embrace a fresh formula to get lasting SMB success.***

## How to Get Your COVID-19: A Time for SMB Growth Strategy Started

Strong digital capacities translate into strong business SMB operations:

- **Better performance.** 60 percent of family companies with powerful digital capacities saw expansion pre-COVID (vs. 51 percent for other SMB organizations) 32% expect increase after COVID impact (vs. 26%) 71% expect to rise in 2021 (vs. 61%), and 88 percent hope to rise in 20-22 (vs. 85 percent).
- **Increased agility.** 86 percent of household companies with strong digital capabilities have access to dependable and timely information/data that feeds into the decision (vs. 54 percent for other SMB organizations) 71% have the capacity to change class at short notice due to liquidity (vs. 50%).
- **More focus on sustainability.** 60 percent of SMB businesses with strong digital capabilities ensure sustainability is at the heart of everything that they do (vs. 42 percent to additional SMB companies) 51 percent have a developed and communicated sustainability strategy that informs all their decisions (vs. 29 percent).
- **More transparency.** 73% of SMB companies with strong digital capacities say information is shared at a concise and succinct manner between relatives (vs. 58% for other family Companies).

## How to Get Your SMB ECO Sustainability Strategy Started

Here are four elements to consider to help embed ECO Sustainability to your SMB business operations and also to engage with both NextGen along with your own board at the procedure.

1. **Measure the entire effect of ECO Sustainability actions.** Tip of the Spear has made a Total Impact Measurement and Management framework to help organizations develop the capabilities to act on ECO Sustainability goals and make better-informed small business decisions.
2. **Practice best practices on non-invasive reporting.** The World Economic Forum recently published its Measuring Stakeholder Capitalism report, which describes a group of universal metrics under four columns: people, planet, wealth and fundamentals of governance.
3. **Your SMB is unique, and so can be your own children.** Just take a brief quiz to find out what NextGen path they are on, and research the case studies and tailored recommendations to the incumbent creation and next creation.
4. **Consider mixing up the board.** A more diverse board that isn't inclusive of friends or friends of family will help challenge thinking.

*"In the past, we've never talked about [our favorable effect], Because in case you do, then you are regarded as boasting. That's a change mindset that has to be present for success in the future."*

## How to Get Your Technology Strategy Started

Moving faster along a Technology Strategy requires an understanding of the value -- worth -- of data and analytic tools, in addition to a commitment to up-skilling your workforce. You need to also recognize that transformation has to be a part of a cultural shift that's supported by exceptionally engaged leaders. Start this process by asking these ideal questions:

- How do I make faster and better choices by supplementing my data resources?
- Do I know the important success factors for transforming my company?
- Is my work ready for future years?

## How to Get Your SMB Dynamics Strategy Started

Written values correlate strongly with success:

**Much more transparency.** 77 percent of SMB businesses with succession plans in a written format say information is shared in a transparent and timely manner between relatives (vs. 54 percent to other family businesses), 77% state relatives regularly converse about the business enterprise (vs. 57%), and were communicative during the term (62% vs. 46 percent) while 69% say relatives have identical views/priorities about company leadership (vs. 49 percent)

**Better functionality.** 58% of SMB businesses with values in a written plan saw increase pre-COVID (vs. 52% for other SMB companies) 32% expect growth after COVID impact (vs. 25%) 69% expect to rise in 2021 (vs. 61 percent), and 89% expect to rise in 2022 (vs. 83 percent)

**More supportive of staff, suppliers and the community.** 54% of SMB businesses with values in a composed form supplied emotional/mental health support to staff (vs. 39% to other family organizations) 18% supported suppliers by making noncritical orders (vs. 12 percent) 46% took actions to encourage their regional community (vs. 34%)

**Better prepared for succession.** 41 percent of SMB businesses using values in a written form possess a robust, documented and communicated succession plan set up (vs. 20% for additional family businesses) 1-3% have a succession plan that has been revised in light of COVID (vs. 5%)

## How to Get Your SMB Success Strategy Started

SMB organizational dynamics are always an emotional issue, but one that -- when addressed -- can cause substantially more powerful outcomes. Here are some first actions to help guarantee good working relationships within an SMB business:

- Connect a network that offers peer to peer learning and helps SMB business owners identify trusted advisers.
- Regularly update your relative governance terms dependent upon best practice goals. Tip of the Spear's Leadership Advisory Board (LAB), as an instance, creates a practical framework to help prioritize actions.
- Develop well thought out SMB direction summits that engage with the next ideation/creation/innovation. This is a tried-and-true practice that could include participation from NextGens and provide career course guidelines. Tip of the Spear 'Boot Camps' are a great way to supplement this direction.
- Inspect your board composition for improvement.



## ENTREPRENEURSHIP THROUGH ACQUISITION | BOOT CAMP



We're standing at the edge of the abyss... No, not the abyss-dumpster fire known as 2020!

Specifically, the opportunity at hand is acquiring Baby Boomer lead organizations as they head-off into retirement. Why is this an opportunity worth pursuing? This is Entrepreneurship Through Acquisition (ETA).

If you...

- Desire an alternative to a job in corporate America
- Want to start something new - But a startup seems too risky
- Can be your own boss
- Create culture that meets/exceeds your expectations
- Should profit directly from your success

Then this is the Boot Camp for you!

To find out how you can take advantage of this opportunity and architect a plan for success, see if you qualify by scheduling up to a 30-minute [\*No Obligation Consultation Session\*](#) with me and begin your (or your organization's) success journey today. Here's the link where you can schedule a complementary 30-minute session today:

[\*\*CLICK HERE\*\*](#)

*or enter the following URL into your browser:*

***<https://calendly.com/spalazzolo/30min>***

ABOUT THE AUTHOR



Sam Palazzolo is Managing Director of Tip of the Spear Ventures ([tipofthespearventures.com](http://tipofthespearventures.com)) and Principal Officer at The Javelin Institute ([javelininstitute.org](http://javelininstitute.org)), both based in Las Vegas, Nevada USA. Tip of the Spear is a global Private Equity | Venture Capital and Business Advisory Services (M&A | Sales/Business Development | Business Funding) firm.

The Javelin Institute is a 501(c)(3) nonprofit focused on assisting those that face family hardship (Death, Disease, Divorce, Drugs, etc.) serving corporate donors through Leadership Development (Strategy | Innovation | Change | Execution) and Executive Coaching.

