zenefits + fundera

Hiring & HR Hacks for Growing Businesses

Learn top hiring and HR tips that help position your business for big growth.

A joint publication by Fundera and Zenefits, leaders in business financing and human resources.

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Introduction

If you're reading this you've founded a business or are thinking about it.

Congratulations! By doing so you've joined an honorable group of people that fuels our nation's economy: the small business community.

Small businesses (defined as having 500 or fewer employees) represent **99.7%** of our nation's employers and contribute a great deal of our nation's "external innovation."

In addition to representing the majority of employers and innovation contributions, small businesses drive about **50%** of the non-farming gross domestic product (GDP), or roughly $5.9 trillion every year.

But while many small businesses become wildly successful or turn into our favorite local haunts, millions of others... fail.

We're not fear-mongering here. We're painting a realistic picture.

This guide (written in partnership between Fundera and Zenefits, experts in business finances and human resources respectfully) tackles some of these core building blocks of new business. Our goal is to provide readers with an educational advantage and set you up for long term business success.

Top reasons businesses fail:

- A lack of capital or funding
- Hiring and retaining an adequate management team
- Issues stemming from a faulty infrastructure or business model

Here's to your business future!

Let's dive in.

CHAPTER ONE

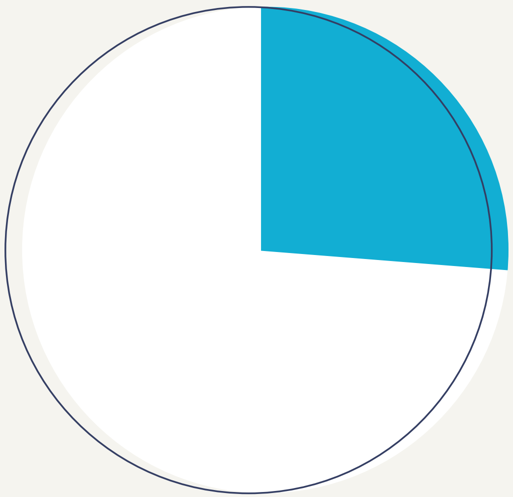
Hiring

It's cliche but true: "Your business is your people."

Unless you have completely rigged-up robots doing all your manual tasks, critical thinking, business development, and relationship building still hinges on the passion, drive, expertise, and execution of your employees or partners.

An incredible [64.5% of small or early-stage businesses] admit they struggle with hiring "the caliber team they need" to pull off their new or expanding business, and 26% of small business owners say "finding qualified labor" is the [top business problem]

26% of small business owners say "finding qualified labor" is the top business problem
[Learn more]



But you can avoid common pitfalls, and hire well from the get go—if you're careful.

In this section we walk through common reasons businesses struggle with hiring, and practical tips to be more successful.

Common problems small businesses face when considering offering health coverage

1. **Young firms don't carry the brand recognition of more established firms.**

   Small company brands aren't well known, which results in lack of visibility to job seekers and little "resume clout." Talented workers may want to join companies that boost their resume reputation. While smaller firms can become household names over time, founders must sell their opportunities on different terms initially.

2. **Early-stage companies struggle to provide competitive pay.**

   Small businesses' coffers and lines of credit are often smaller than larger firms. Thus, roughly 15.2% of small businesses agree "lack of budget/resources" negatively impacts their ability to hire, and [10% say labor costs] are their #1 problem as a small business.

3 **The margin for error is narrow.**

The size of your workforce is directly related to your cash or financing, and for smaller companies this can mean the margin for error is tight.

- Hire too many people, and you'll run out of money, quick.
- Hire too few people, and the quality of your products and services suffers—driving away potential repeat customers.

Small businesses face a disproportionate reliance on the quality of their employees as compared to larger firms. This is because smaller firms—and in particular early-stage companies—lack basic business infrastructure and processes and they're fiscially limited in the amount of risks they can tack.

This means **early hires at small companies must not only execute and create zero-to-one innovation, but they must also juggle the development of scalable processes, keep an eye on the talent field to build teams, and simultaneously realize business growth plans.**

Hardly a short order.

WHO IS ZENEFITS?

Zenefits is an industry-leading HR platform for small and mid-size businesses. With more than 11,000 small businesses as clients, the following insights comes from hundreds of thousands of conversations will small business owners from across the U.S. in a range of industries from cybersecurity, to healthcare, construction, hospitality, and more. Learn more about why businesses are choosing Zenefits

So, what can you do to better position yourself for top-notch hiring?

Good hiring hinges on good communication about the job and to your network, investing in solutions that make the hiring process easier and faster, and ensuring that your new hire's first few weeks are successful.

Let's dive in.

1 Create stellar job descriptions and network, network, network!

The first step to good hiring is writing stellar job descriptions (JDs), and getting the word out.

Good job descriptions are characterized as being accurate, complete, detailed, and descriptive. Ensure you:

- **Clearly present work requirements**
- **Outline any job prerequisites**
- **Illuminate elements of company culture and job culture**
- **Suggest which types of people or personalities are best suited for the job.**

Don’t blindly reuse old JDs for new roles or get in the habit of copying and pasting outdated job duties. This is your ticket to attract top-notch employees. Set the standard early.

Once you have your JDs written, it’s time to get the word out. Small businesses that report being successful in hiring spend hours at networking events, job fairs, college campuses, and within the broader community establishing relationships and spreading the word out about your company, job opportunities, and growth plans.

Pro tip: Consistency is key to local networking. Get in the habit of putting a few networking events on your calendar each month, and getting out there to meet folks.

2 Invest early in HRIS solutions that will reduce your time/ effort for years to come

Shortly after the rise in SaaS businesses in the early 2000s, came the emergence of human resource information systems, or HRIS platforms.

HRIS software can be hugely beneficial to people looking to streamline their hiring and onboarding processes, hire at scale, and manage HR tasks from one integrated dashboard.

Pro tip: Invest in an HRIS system that does it all—not just hiring and recruiting. The best HRIS software systems have a high number of integrations, and “do it all” functions, such as benefits, payroll, HR, performance management, time and attendance, and PTO.

That way, if you make changes to one HR “system” the changes are automatically and accurately pushed to all other systems. For instance, if one of your employees makes a change in their benefits elections, your HRIS tech should automatically push the changes in deductibles to payroll.

Here are a few of the advantages of investing in HRIS technology:

- **You save time in opportunity costs** by automating various aspects of the hiring and onboarding processes
- **You reduce errors** (and thereby compliance issues) by ensuring that payroll syncs with various employee preferences
- **You get back to the work you want to be doing** by building repeatable processes that you can rollout for each hire

When you think about the average time it takes to fill a job—42 days—it's clear that any investment in repeatable processes could curb total time investments and get you back to the work you actually want to be doing.

CHECK OUT:

Zenefits is best for businesses between 10-500 employees

Gusto is best for businesses with 10 and fewer employees

Namely is best for businesses with 500+ employees

3 Automate your onboarding flow, invest in retention

63.3% of small businesses say retaining employees is harder than hiring them. Up to 45% of employee turnover happens in the first 20 days, mostly related to bad experiences in the initial weeks of the job. This underscores the importance of the onboarding process when considering successful hiring strategies for long-term business success.

The secret is not so secret: Build an onboarding process that is automated, pleasurable, and hands-free.

If you've already done step 2 from above—and invested in an HRIS technology—this is easy. Your HRIS system will be the backbone to all your employee paperwork requirements, turning manual processes and messy systems into one seamless process. HR managers can automate "onboarding flows" with one click, and the software manages the rest, like employee paperwork, documents, and obtaining employee signatures of receipt.

Digital onboarding processes are:

- **Easy to manage**
- **Often keep businesses in better compliance** due to the lack of manual mistakes
- **Quick to roll out**

If you're tackling this manually, make sure to be prepared on day one with all the necessary paperwork for each new hire, and plan to spend a couple hours completing this paperwork on the new hire's first day. Don't forget pens and pencils!

Your onboarding process is your business's first practical impression you have with your new hire regarding their new job. Botch it, and they may not stick around too long.

Pro tip: Up to 20% of employee turnover happens within the first 45 days. Combat employee turnover with these 13 powerful retention strategies from real businesses. Learn more

Small business hiring do's and dont's

You've got a handle on the job descriptions you need, now what about finding the right talent? Use these guidelines to help you find the right people and keep them happy.

DO:

- **Hire with the intent of competitively paying your new hire.** You can find innovative ways to compensate great people, but don't skimp on good compensation if you want quality hires.
- **Hire people who can perform outside their role.** In the beginning, having great multitaskers who can wear many hats with ease are invaluable.
- **Invest in a hiring and onboarding platform that will take the burdens of HR off your plate.** A small business HR hiring platform like Zenefits can automate everything.

DON'T:

- **Don't use inaccurate job descriptions.** Your business JD's should extoll why your small startup is unique, fun, and a great career opportunity.
- **Don't ignore your network.** The old adage that "good people know other good people" should be your mantra. Use your trusted network to find great employees.
- **Don't use a payroll solution that won't scale with your company.** Some tools such as Gusto are great for a few employees, but once you expand past 10 employees, a more scalable software built for growth, such as Zenefits Payroll or Namely, could better meet your needs..

CHAPTER TWO

Financing

Being a good business owner means being good with money.

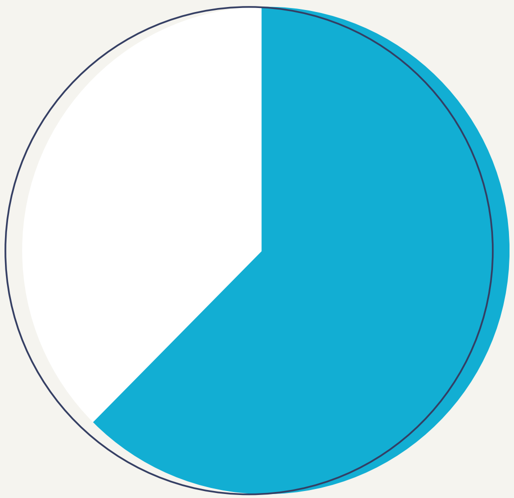
That likely wasn't your primary reason for starting a business, of course. Few people dream of writing business plans, reviewing cash flow, and choosing the right business bank account. They dream of seeing their product in the hands of millions, to watch as their service impacts the culture.

But to have that kind of success, your small business needs to get the basics of "business" down first. That means getting a handle on your finances—from acquiring funding, to balancing your books, to finding and using the right financial tools.

First and foremost, having enough cash on hand to cover your needs is crucial. According to CB Insights, running out of cash is the number two reason why startups fail, behind only "no market need." **So, assuming that you've got a good business idea that works, not having enough capital to cover costs is truly your biggest worry.**

According to the 2019 Report on Employer Firms from Fed Small Business, 23% of small businesses have a financing shortfall (after having applied for financing and not received the amount they requested—or were rejected outright). Another 29% may have unmet financing needs as well.

70% of small employer firms have outstanding debt.
Learn more



Few small businesses attract venture capital attention like Uber and Airbnb. Many must rely instead on gifts from family, grants, and small business loans, or turn to other financing products like merchant cash advances.

As a result, 70% of small employer firms have outstanding debt.

Getting ahead of financing needs, keeping track of your current and projected future finances, and availing yourself of the right tools are all key to avoiding the kind of pitfalls that can sink your business. Let's run through how to stay financially solvent as you grow.

What you need to know about small business financing

The need for funding may be most acute when your business is young and growing.

At this point, you've potentially burned through startup funds, and while the business is profitable, you don't have deep reserves of cash that can finance major upgrades and expansions—from renovating your brick-and-mortar location, to rolling out a digital marketing campaign, or even refinancing your existing debt in order to reduce monthly payments and free up capital.

That's where business financing—most often in the form of a loan—comes in to play.

What is a business loan and where can I get one?

In some circles, a business loan is thought of as a last resort for struggling businesses—a way to stave off bankruptcy or closure.

In fact, in a best-case scenario, the opposite is true: Business loans are best used by successful businesses that want to expand or grow. It's a springboard, not an anchor. **Businesses that can show revenue, profitability, and longevity are more likely to be rewarded with long-term loans with low-interest rates.**

Let's assume that you've tapped dry the well that is your family, friends, and personal savings. As mentioned above, your next best bet is typically a business loan product of some kind. That could mean:

- **A long-term or short-term loan** (a chunk of funds that you pay back, plus interest, in installments over a period of months or years)
- **A recurring line of credit** (a large pool of funds that you can draw from as needed, paying back each draw separately as you go)
- Other options, including **equipment financing, invoice financing or factoring, or crowdfunding**

Pro tip: Up to 20% of employee turnover happens within the first 45 days. Combat employee turnover with these 13 powerful retention strategies from real businesses. Learn more

Unless you have a long-standing relationship with your local bank, however, you'll have a hard time getting any of these loan products from a bank.

The truth is, banks prefer to lend large sums of money to big, well-established businesses that are more likely to both pay them back and deliver them interest payments worth the cost of underwriting.

Instead, small businesses often look to either alternative lenders or the Small Business Administration for financing.

More about alternative lenders

Alternative lenders are non-bank lenders—many of which emerged following the crash of 2008—that are more willing to work with small businesses than traditional banks.

Through these lenders, small businesses can often apply online (and get approved and even funded in a matter of days or hours) for flexible products. In return for less intense requirements, these lenders often charge higher fees and interest rates than banks (though still less than merchant cash advances and other predatory loan products).

More about SBA loans

Conversely, the SBA's loan program helps small businesses qualify for bank loans, complete with long repayment terms and low interest rates. The SBA does this by partially guaranteeing the loans, encouraging banks to extend financing.

Some SBA loan products are earmarked for well-established small businesses. Others are specifically for new businesses, or businesses owned by women, minorities, veterans, or other historically disadvantaged populations.

With that in mind, it's worth examining generally what stands in the way of small businesses acquiring the financing they need to grow. These hurdles can prevent you from getting a loan from a bank, nonprofit lender, or alternative lender.

Across all their loan products, SBA loan amounts can be as little as $500 or as much as $5.5 million. The average SBA loan is for around $107,000.

Top reasons why small businesses can’t get funding

1. **You haven’t been in business long enough:** With few exceptions, new businesses will find it difficult to acquire a loan. Two years in business is the generally accepted minimum for businesses seeking a long-term loan; additional, more expensive options exist for those in business one year or less.

2. **Your personal and/or business credit score needs work:** Lenders review your personal credit score as well as business credit score when applicable. The better your scores, the better your chances of an affordable loan.

3. **You need to show improved revenue and profitability:** First and foremost, lenders want you to repay their loan. If you can't demonstrate that you generate the profit and revenue needed to do so, you'll likely be turned away.
4. **You lack collateral:** Many lenders require that you collateralize the loan with some sort of asset, such as equipment or property.
5. **You have existing substantial debt:** If you've already leaned heavily on debt financing options like a merchant cash advice, the best lenders will be hesitant to wait in line behind another creditor in order to be repaid.

For a full list of what you'll need to consider when applying for a loan, visit Fundera's list of 20 small business loan requirements.

How to find affordable financing

As mentioned above, there is more than one business financing option available to small businesses, from loans to lines of credit and beyond.

The right kind of financing for you depends on a few factors, including:

- **How quickly do you need financing?**
- **Are your business and personal finances strong?**
- **What stage is your business in?**

Let's examine two quick scenarios that imagine two very different businesses:

SCENARIO ONE

Your business is relatively young and still finding its footing.

If you're seeking a business loan in order to acquire some working capital, plug a looming payroll gap, or refinance some existing debt that is quickly piling up, you may want to explore a short-term loan that you can potentially be approved for in as little as one business day. Applying for a loan through alternative lenders, rather than banks (which have underwriting processes that last weeks and months), is the way to go here.

WHAT IS FUNDERA?

Fundera exists to help business owners make smarter financial decisions. They do this by helping small businesses shop, compare, and understand the various financial solutions available to them. That includes business loans from alternative lenders, as well as SBA loans, and recommendations for credit cards, merchant services, and more. Learn more

SCENARIO TWO

Your business has been around a few years and is ready to take the next step.

If your business is on solid ground financially, and you're seeking capital to greatly expand operations (opening a new location, for example), you likely have time to explore longer-term loan options. Look into what it takes to apply for and obtain an SBA loan—these loans offer the most generous repayment terms on the market for small businesses—or long-term loan options from alternative lenders.

Keep in mind that "traditional" financing in the form of a loan isn't your only option. You can also turn to various forms of crowdfunding (including reward-based, donation-based, and peer-to-peer crowdfunding platforms), explore the possibilities of winning a small business grant, or use savings in your 401(k) retirement account to jumpstart your business.

With the exceptions of donation-based crowdfunding and grants, keep in mind that most of the above options involve going into debt.

This a hugely important decision for your business, and not one to be taken lightly. Before you enter into a debt financing agreement, it's important to update your business plan and talk to a financial advisor, such as an accountant.

Speaking of which, accounting is the next big piece of the financial puzzle, and the subject of our next section.

According to the Fundera 2020 State of Small Business Lending Report, 64% of small businesses sought funding in order to obtain more working capital. Another 13% needed funding for expansion, while 8% sought to refinance or consolidate existing debt

Learn more

Accounting and bookkeeping

Your business' accounting needs start on day one, even when you're just running a side hustle or operating as a solopreneur. As your business expands, your accounting needs get more complex.

There are two concurrent but important tasks you'll need to manage, and eventually outsource to others, as your business grows. The first is general bookkeeping tasks—separating your business and personal expenses, recording income and expenses, sending and paying invoices, and generating reports, among other things. The second is to bring aboard someone who can help you paint the bigger financial picture for your business.

As your business grows, not only will performing these tasks manually become more difficult—it'll become more unpleasant. Even as a sole proprietor (but especially as the leader of a small team), you'll want to use automated accounting software to do your bookkeeping and basic accounting tasks without a second thought.

Choosing bookkeeping and accounting software

If you've previously handled your bookkeeping and accounting tasks yourself, here's a three-step process for determining what the best accounting software is for your business:

- **Identify your needs:** How robust do you want your accounting solution to be? Do you prefer a cloud-based solution or can you work with a local, desktop version?

- **Determine your budget:** Of course, spending $0 to handle your accounting needs would be nice. And that's an option! But if you have more to spend, you'll get more bang for your buck.
- **Compare the features of your options:** Some solutions have a host of features, but aren't as well-regarded when it comes to customer service. Some are easy to use, but don't have the same growth potential and scalability. At this point, it's time to compare and contrast.

Fundera regularly reviews the best accounting software options for small business owners. Top-of-the-line options like Quickbooks Pro or Quickbooks Pro Plus require relatively large upfront investments or regular subscriptions, while others that offer more bare-bones capabilities, like Wave, are completely free. [Review your best options here](#).

Okay, so, I don't need an accountant?

We didn't say that. Just because you now have software that tracks your financial inputs and outputs doesn't mean you've covered all your accounting bases.

Your accounting software handles the busywork of your accounting operations. An accountant or financial advisor does high-level financial planning that includes writing your business plan, choosing your business structure, dealing with complex tax preparation and payroll issues, and seeing the big picture for your business.

A study from Intuit found that 89% of small business owners believe they've seen more success with the help of an accountant or financial advisor. And a recent Wasp Barcode State of Small Business Report showed that small business owners ranked

accountants as by far the professional [most important to their business](#).

Whether you bring on a full-time accountant to help steer your business toward success, or decide to meet with an advisor on a regular (monthly or quarterly) basis, this key player can help you with all of the tasks discussed in this chapter. That includes preparing your loan application, selecting the best bookkeeping software for your needs, and—as we'll discuss in a minute—choosing the best banking tools for your small business.

Business banking tools

For a small business to move beyond the preliminary stages—out of the home office, from a side hustle to a full-time venture—you need to get serious about where your business's finances live.

Sole proprietors often fail to separate their business and personal expenses, often depositing proceeds from their business directly into their personal bank accounts.

From the start, this is a bad idea, but a bad idea becomes worse as you hire employees and grow your business. There are a few reasons why:

- **Commingled finances = tax season nightmare:** Tax season is hard enough already—but having to pour over your personal bank account for business expenses and deposits, parsing out each, means hours more work (either for you or billable by your bookkeeper or accountant) on a quarterly and yearly basis.
- **Forfeiture of liability protections:** Setting up a legal business structure protects your personal credit and assets from taking a hit in case your company goes bankrupt or is subject to a lawsuit—but when you intertwine your finances, you "pierce the corporate veil" and forfeit those protections.

- **A lack of professionalism:** Asking clients to write checks or pay invoices to you personally doesn't instill confidence. Ditto for handing your personal credit card to an employee who needs to make a purchase for the business. In fact, it comes off as unprofessional and creates possibilities for fraud.

There are two concrete and interrelated steps you should take in this regard: choosing a business bank account and using at least one business credit card.

Choosing a business bank account

There are a number of small business checking and savings accounts on offer to business owners. Just as with your personal accounts, you'll probably want both kinds: checking accounts make cash easily accessible when you need to pay your business expenses; savings accounts allow you to save and even earn additional cash for a rainy day fund.

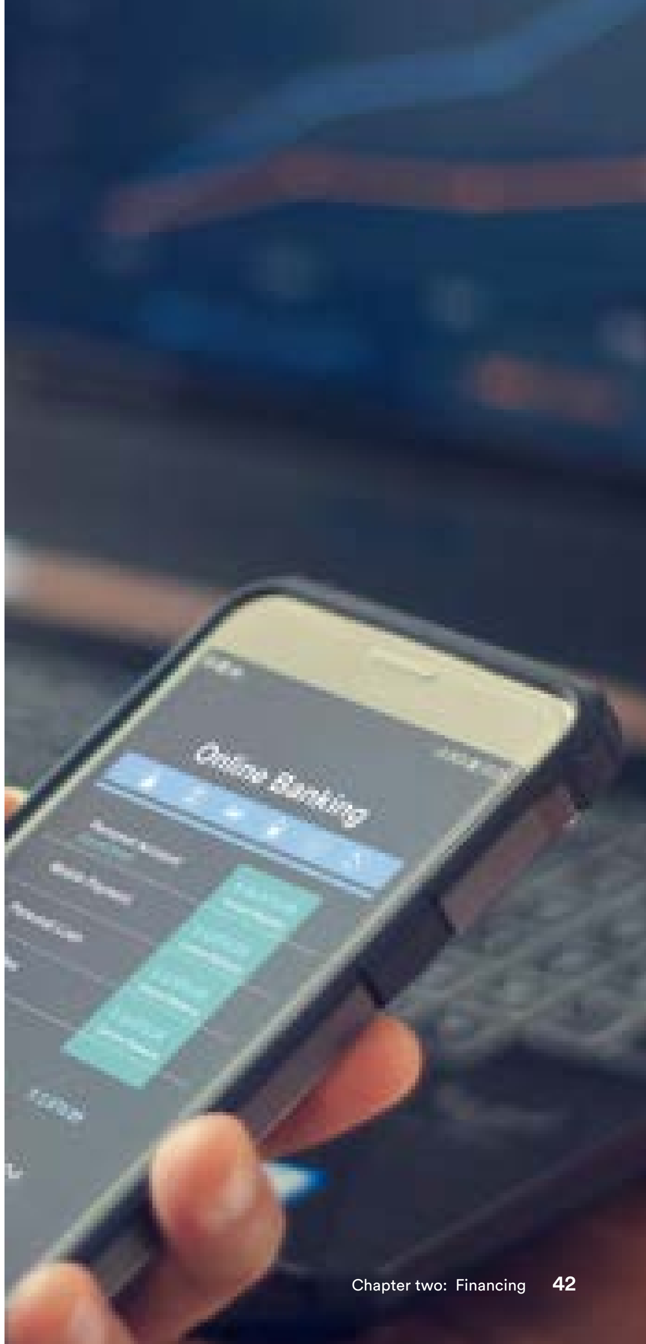
A few considerations when choosing a business bank account:

- **Is your business online-only, or do you deal heavily in cash?**
- **Do you want mobile banking capabilities?**
- **How many transactions do you make in a month?**
- **Do you prefer a no-fee account, or will you maintain enough cash in your account(s) that the fee will be waived?**

[A roundup of the best business savings and checking accounts for small businesses can be found here.]

Getting the right business credit card

Another great and easy way to separate your finances is to use a business credit card. Using your personal credit card pierces the corporate veil; you'll also lose out on useful perks and benefits that only come with a business credit card.



The benefits of business credit cards include:

- **Helps you build business credit:** You can improve your business credit score by making purchases on your new business credit card (and paying what you owe on time each month).
- **Accrues points and perks you can reinvest in your business:** You can earn or obtain cash back, frequent flier miles, insurance, purchase protections, and more by using your business credit card.
- **Can act as a low-cost source of financing:** In a pinch and need to stretch a big purchase across multiple months? A credit card, especially one with a low interest rate, is a helpful choice.

No matter where you are professionally or personally, you can find a business credit card that benefits your business. For a full rundown of the best card options, from secured credit cards to those that offer 0% APR financing for up to a year, check out Fundera's exhaustive list, updated monthly.

Your finances are the backbone of your business. Operate without enough funding, the right accounting software, or the best banking tools, and you'll always find yourself scrambling to right the ship rather than focusing on true growth engines like operations, sales, marketing, and culture.

Business financing do's and dont's

Your business plan is ready, you've established your get of the ground plan, and now you are ready to fill the coffers. Here are some do's and dont's to help you avoid common business funding mistakes.

DO:

- **Actively seek out donation-based crowdfunding and grants.** Getting your hands on as much free money as possible is a must at the start up phase of any business.
- **Find accounting software that meets your needs.** With so many options, you can easily under-choose, requiring upgrades later.
- **Decide early what type of business loans you may need.** Learning about the types of options you have for loans early can help you get the right type of funding down the line. Check out Fundera's list of 20 small business loan requirements.

DON'T:

- **Don't forget to think ahead for bigger needs.** Account for future important "unknowns" such as funding for expansion, refinancing, or consolidation of existing debt.
- **Don't run out of cash.** One of the major reasons for all businesses failing is underestimating necessary cash flow. Make sure your business plan details this crucial need, and that you don't lift off without it.
- **Don't rely solely on your bank for funding.**Although it's easy to think your long-standing relationship with your bank is sufficient, many businesses find it's not. Actively build relationships with alternative lenders.

CHAPTER THREE

Growing

Ok, so we've covered how to hire effectively and some options in how to finance your business. The next thing to cover is **how to grow**.

Whether growth to you means expanding to new locations, acquiring or merging with other firms, or improving business operations to boost your profit margins, there are a few things you can do that will help you grow, regardless of your business development and growth strategies.

1. Retain top employees
2. Understand your market and customer
3. Use feedback loops for ongoing improvement

1

Retaining top employees

Keeping top talent in-house is crucial. Top employees are more productive and tenured employees amass critical wisdom that can lead to better decisions.

But long-term employees need incentives to stay with their employer. Unlike with new hires, employers must plan for the maturity of tenured employees.

Consider developing a workforce plan that fiscally makes room for escalating benefits (like increasing perks and compensation) and culturally makes room for prosperity and well-being.

Because most workers are motivated by money and having a sense of purpose your job as an employer is to develop meaningful work, in a healthy environment, that pays your employees livable (or, better yet, enviable!) wages.

This, in turn, will equate to long-lasting, productive employees that you can rely on.

Here are a few proven methods real business owners have used to improve employee retention: (for the full list go here)

- **Create a "full package" benefits strategy.** While salary is a strong motivator for retaining top employees, the importance of the total compensation package is often overlooked. Today's tight labor market combined with low unemployment rates have

given employees choices about where they want to work. It is up to employers to provide generous employee benefits packages essential for keeping their key performers in place.

- **Match new employees with mentors.** Mentorship has been shown to increase retention in several academic and vocational studies over time. Turns out, people like learning from each other; they develop greater confidence and improved career skills through this dedicated human relationship.
- **Offer a 401(k) plan.** Offering a 401(k) sends a clear message that you care about—and are willing to invest in—your employees' futures. For a company of any size, determining the best benefits program for your employees can be challenging. But investing in your employees' retirement shows you care about their overall well-being.

- **Establish good company values.** Company values are the bedrock for success and the rescue boat for near disasters. Establishing strong values help in decision making, consistency in direction, and can serve as a reason for commitment when things look shaky.

2

Understanding your market and customer

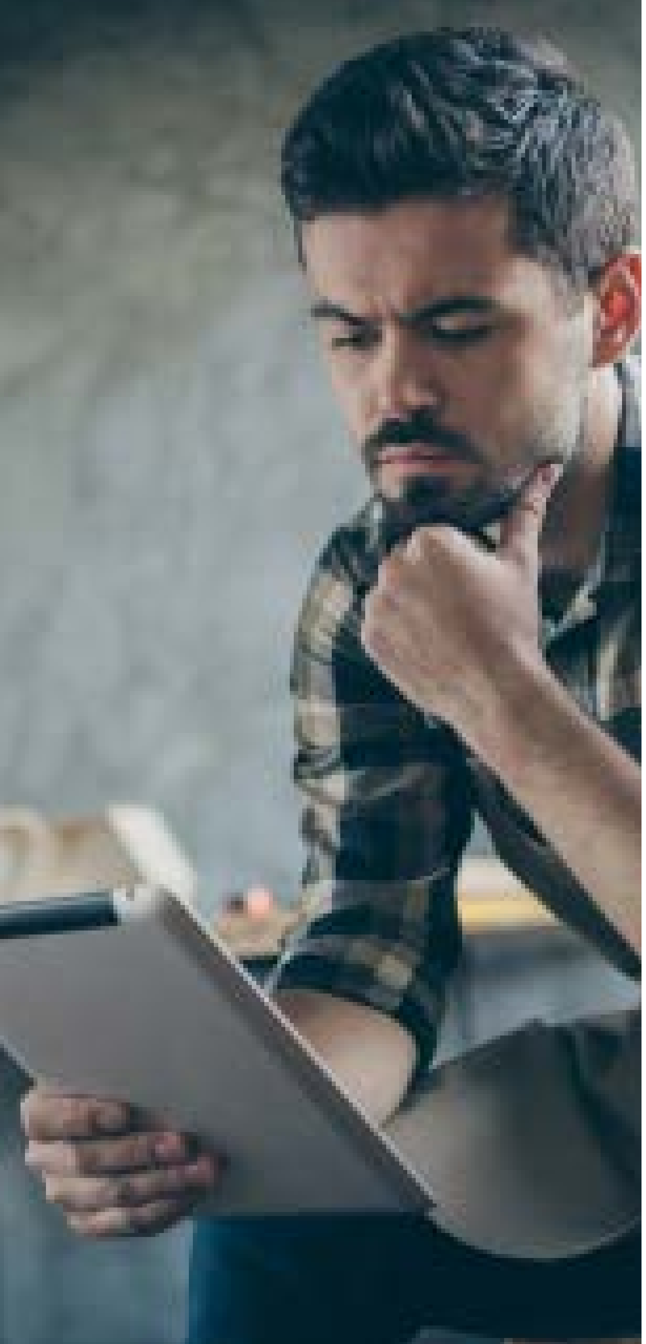
Let’s turn outward for a moment.

At this point, you should have a good idea of who your ideal customers are and why they’d want to buy from you. For growing businesses, the biggest challenge is to understand your market—and how to appeal to and expand that market.

A 5% increase in your customer retention rate leads to a 25% to 95% increase in profits.
Learn more

Your goals are to:

- **Create a seamless customer experience** that encourages repeat visits
- **Foster customer loyalty,** to gain the most lifetime value out of your relationships
- **Deliver better and more relevant messaging** to every customer and potential customer who crosses your path
- **Remove the obstacles and friction points** that prevent people from buying from you



Here are some tips on how to accomplish those marketing goals:

1 Understand the pillars of digital marketing

How to use digital marketing to your advantage could be the topic of a whole other book. Suffice to say, growing businesses should focus on the pillars of digital marketing:

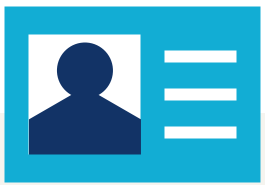
- **Email marketing:** From newsletters to cart abandonment follow-ups, to cross and up-sell opportunities, delivering messaging directly to someone's inbox is, by most estimates, the most cost-effective digital marketing tool available to small businesses.

- **Social media:** You can leverage platforms like Facebook, Instagram, and Pinterest to engage with customers, address customer service issues, share insights into your business, drive leads, and build your brand.
- **Content marketing/SEO:** Writing blog posts, optimizing your pages using multimedia and keywords, and building site infrastructure that makes it easy for customers to move between your content and product pages are all core tenets of content marketing and SEO—tactics that will help you rise in Google search rankings above competitors in your field.

2 Create buyer personas

We all know that your business isn't for everybody. You have a core customer, or maybe a few, in mind. They could be young consumers, or fellow marketers, or suburbanites.

A buyer persona is a detailed description of your customer. It covers their background, their demographics, and what drives them to buy from you. For different customers, you have different personas—such as Student Sally, or Matriarch Martha.



Having these detailed descriptions of your various customers helps you build different marketing messaging that you can deliver via segmentation and personalization. **You don't need to try to appeal to everyone at once, but the people you do appeal to want to feel seen and understood.**

3 Invest in personalization

With your buyer personas and your digital marketing tools in hand, you can better leverage data and personalization to appeal to customers on virtually a 1-to-1 level.

That might seem like an impossibility in this day and age, but email segmentation, responsive website design, dynamic content, and other personalization tactics will help you bestow a personal touch on every customer interaction.

This is becoming increasingly important to customers: According to Epsilon Marketing, 80% of customers are more likely to do business with a company that offers personalized experiences.

4 Map the customer journey

Finally, you need to understand every touchpoint that a customer has with your business, from pre-purchase, to the purchase process, to post-purchase. How are they hearing about your business? Where, when, and how are they buying from you? And how are you following up to ensure that they will buy from you again?

Identify failed touchpoints—ads that don't convert to leads, or email newsletters that don't encourage click throughs—and tweak them until they're successful. Find quality touchpoints and scale them. And above all, always be testing—new site copy, new layouts, new tools and tactics—to see how you can create a more enjoyable and fruitful customer experience for all parties.

If you need a place to start, right here and right now, consider some of these [free marketing ideas].

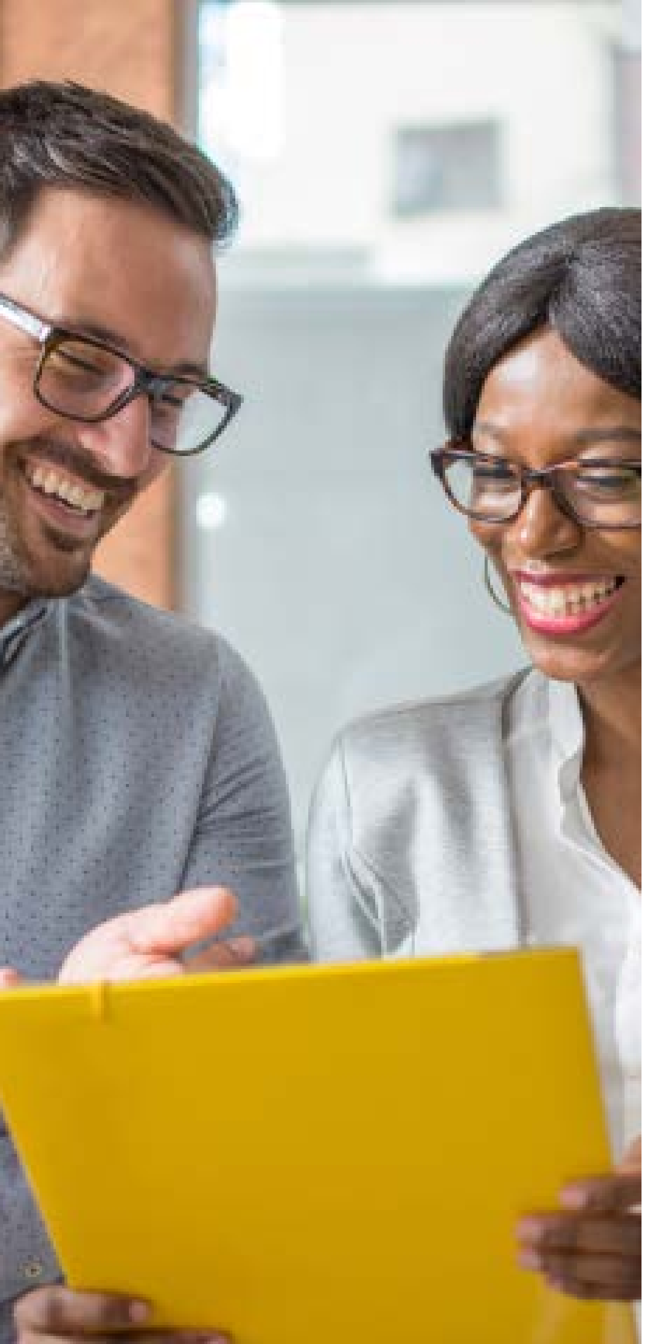
3

Using feedback loops for improvement

Change is the only constant, in business and otherwise.

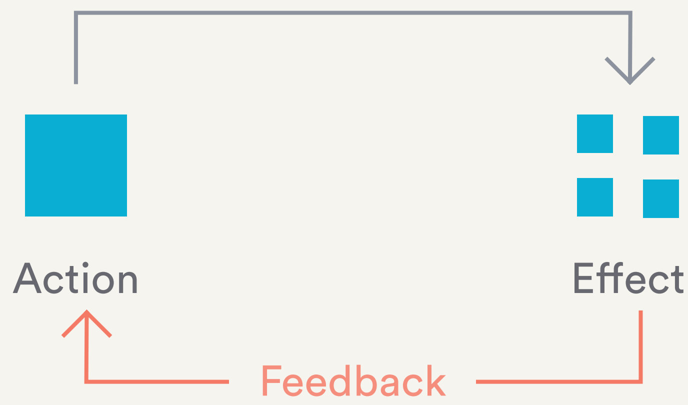
As businesses grow, both external and internal environments change necessitating pause and recalibration in the business process. For instance, technologies can improve, customers' needs shift, the primary focus of the business can even ebb.

As your business matures, it must also learn to learn. Using feedback loops can be a great mechanism for these continued insights.



Feedback loops, according to research by the Economist Intelligence Unit and Brightline Initiative, provide "advantages in resource allocation, strategic outcomes, and overall performance." 63% of business leaders polled in that research say feedback loops allow businesses to rapidly develop and implement new strategic initiatives to ensure the delivery of strategic goals.

What kinds of feedback loops should you consider?



There are many feedback loops that can affect a business's insights and strategic direction.

Here are a few to consider in your business:

- **Customer satisfaction scores:** Typically calculated in a Net Promoter Score, or NPS score, this qualitative figure reflects how often customers are willing to refer to your business, and works as a customer satisfaction figure.
- **Onboarding process interviews:** After new hires are in role for 3-6 months, some businesses go back and interview those hires on their first few weeks in the job, asking critical questions like: how effective was your onboarding process? What information didn't you have that you needed? And what could we have done better to make your first weeks an easier, more productive transition? These questions steer HR departments and business owners towards more effective initial weeks, which can translate to years of more productive and happy employees.

Of the 34% of organizations who increased their benefits offering in 2018, 72% cited employee retention as the motive. Learn more

- **Internal processes / operations:** Things like project recap meetings help employees have peer-to-peer, or peer-to-manager, moments of reflection that can quickly illuminate issues. Try hosting "post mortem" discussions, or simply "project recap" meetings to ask staffers: What's going well? What's going poorly? Where do you see areas for improvement? This kind of solicited feedback provides a safe place for workers closest to the problem to point out inefficiencies and raise potential solutions.

Do's and Dont's for building and maintaining your new small business

Your business plan is written, your new hires are on board and working hard, and your business is on track for success. How do you make sure you stay on a growth path?

DO:

- **Define company culture from day one.** Out of the gate, walk the walk and talk the talk. Make sure every person is aware of the company baseline for standards.
- **Make sure you have a plan in place to keep your great hires.** You got them on board, so how are you making sure they stick around? Make sure they're happy, motivated, and well compensated.
- **Earmark funds for unexpected costs.** Business is anything but completely calculated. Make sure you have enough money to combat unknowns.

DON'T:

- **Don't let a bad hire or policy derail your progress.** Stay vigilant. If a policy no longer serves you, let it go. Same for employees—don't let a bad apple spoil the bunch.
- **Don't spend money on a marketing channel without good reason.** Throwing money at every marketing opportunity means that money will go to waste. Use your buyer personas to understand where your customers are, and market to them there.
- **Don't let the budget get out of hand.** Unexpected expenses are a given—but lots of unexpected costs mean cuts in other areas. Plan for the worst case scenarios.

TL;DR

Starting a business is tough, and growing one can be tougher, but there are ways to work smarter not harder.

1. **Hire well, and smart.** Apart from writing stellar job descriptions and networking, consider automating HR tasks and onboarding with early investments into HRIS technology that will cut the milieu of minutia down to nothing (while keeping your business in compliance!)

2. **Get the right funding.** The right financing product for you—whether it's a business credit card, short-term loan, or million-dollar SBA loan—depends on the current state of your finances as well as your personal

credit history. If you can find funding that works for you now—even if it's not the low-interest loan you dreamed of—there are opportunities for refinancing and new loan products in the future. Otherwise, take a step back to reassess your model.

3. **Manage growth through employee retention, workplace culture, and flexible perks.** Your business will flourish if your employees are productive, and your business is adaptive and agile. Plus, a strong and supportive small business culture can appeal to customers as much as current and future employees.

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