

# Four growth challenges small business owners face, and how to overcome them

3 years ago



A thought piece from [SPG Group](#)'s Krys Stanton

SMEs make up a large proportion of the Facilities Management sector. They also provide an invaluable contribution to our economy. Indeed, according to the Federation of Small Businesses (FSB), they account for [99% of the business population](#), and half of the turnover in the UK private sector.

For many entrepreneurs in the FM sector, achieving sustainable growth is a challenge – particularly, when coupled with the day-to-day demands of owning and running a small-business.

In this article, I'll outline four challenges SME owners in the FM marketplace often face when growing their businesses organically, and suggest potential solutions:

## 1. Cash flow

For SME owners, cash flow management is key. An extended period of negative cash flow (simply put, more money going out than coming in) can spell disaster for your business, making it difficult to pay suppliers or staff.

If you're looking to grow that business, cash flow management poses an even greater challenge. As the old adage goes, 'you've got to spend money to make money'; during a period of growth, your outflow is likely to increase, whether you're recruiting new staff, introducing new services, or investing in new equipment. Without a steady hand on the tiller, it's easy to lose control entirely.

The solution:

During any growth period, it's essential that small business owners manage their cash flow carefully. In practice, this means ensuring customers pay on time, using business credit sagely, and focusing on channels that produce consistent sales. Agreeing on favourable payment terms with suppliers can also be helpful, as can consulting a financial advisor or business accountant.

At SPG Group we offer a range of consultancy services to help improve business's financial processes, including:

- Profit and loss visibility
- Management accounts review process
- Key performance indicators review
- Job costing
- Client account profitability measurement
- Funding advice

Training and support

- Procurement

For small business owners, finding trusted and compliant suppliers is essential. Over the last year, however, SMEs have faced serious supply chain challenges, with rising commodity prices, COVID-related staffing issues, and Brexit bureaucracy all contributing to an increasingly tough procurement environment.

Without adequate resources, the procurement process is challenging enough. Every stage – from finding compliant suppliers, to comparing quotes, and building strong relationships – can prove both complicated and time-consuming.

Add to this the fact that some SMEs find themselves unable to meet minimum order quantities, and procurement can present a barrier to growth.

The solution:

Communication is key. Business owners should discuss the challenges they're facing with Suppliers – and, if possible, work with them to develop solutions. Connecting with other local SMEs can also be helpful; they might be able to suggest new strategies. And, while developing strong supply chain relationships is important, it doesn't always pay to become too reliant on a single supplier. Compiling a list of alternative suppliers can help to avoid supply chain disruption.

Through our extensive network of supply chain experts, SPG Group offers a range of procurement and supply chain services to drive value for your new and existing clients' needs.

- Recognising when to delegate and when to step-in

During a growth period, some entrepreneurs struggle to strike a balance between stepping back and remaining involved in day-to-day operations. It makes sense for business owners to oversee strategic decisions, or the recruitment of key members of staff. Other tasks can be handed over to managers as a business grows and its founder's attention is required elsewhere. Indeed, failing to trust employees with decisions or processes often leads to 'founder dependence', whereby a business is unable to operate

without its owner. This, in turn, can result in bottlenecks and burnout – not to mention a lack of strategic oversight. If you're focusing on the trees, how can you see the wood?

The solution:

'Learning to delegate' sounds simple enough – but, in practice, it requires compromise and patience. Initially, you might find that work isn't completed to the standards you expect. Over time, your team should gain confidence, leaving you free to focus on the bigger picture.

SPG Group can help you develop and provide solutions that can meet both the needs of employees and the business at the same time, to synchronise their goals and lead to happier, more effective work. Our consultants will help you develop clear and robust operational processes to manage your people strategy. We'll help you implement appraisals, one to ones, training, employee benefit schemes and other programmes to get the most out of the people in your business and help them realise their potential.

We offer a range of Operations and People services including:

- Organisational structure design
- Operational processes and procedures review and improvement
- People strategy development
- Job description design
- Personal development plan creation
- Recruitment strategy design
- Performance management metrics
- Training
- Reward and recognition
- Diversity and inclusion
- Health and wellbeing
- Recruiting the right staff

According to the FSB, SMEs account for three-fifths of employment in the UK private sector. And, in an increasingly competitive market, attracting the talent you need to grow your business can prove challenging. The recruitment process is often costly and time-consuming – major pain points for SMEs.

The solution:

It's important that you define a new role carefully; what will the employee's day-to-day responsibilities be, who will they report to, and where will they sit within the business?

Once you've defined the role, you can turn your attention to the candidate. Approach the task of attracting new talent as you would finding new customers. It's a good idea to develop candidate personas, thinking about the requirements of the job, and your business's culture.

When drafting a job description, ensure that it clearly outlines the duties associated with the role. Avoid unnecessary jargon, writing in a tone of voice that reflects your business's values and ethos. Think, too, about the benefits you can offer as an employer – from bonus schemes, to flexible working. What sets you apart from other companies?

These challenges shouldn't be underestimated – but neither are they insurmountable. With careful planning, creative thinking, and the right support, small business owners can overcome them to achieve sustainable growth. At SPG Group, we help SMEs in the FM sector to achieve their goals, providing support with ESG, growth, operations and people, financials, and IT. Learn more about our services:

<https://www.spggroup.co.uk/what-we-do/>