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# How to Expand As an SME Without Negatively Affecting Your Profits

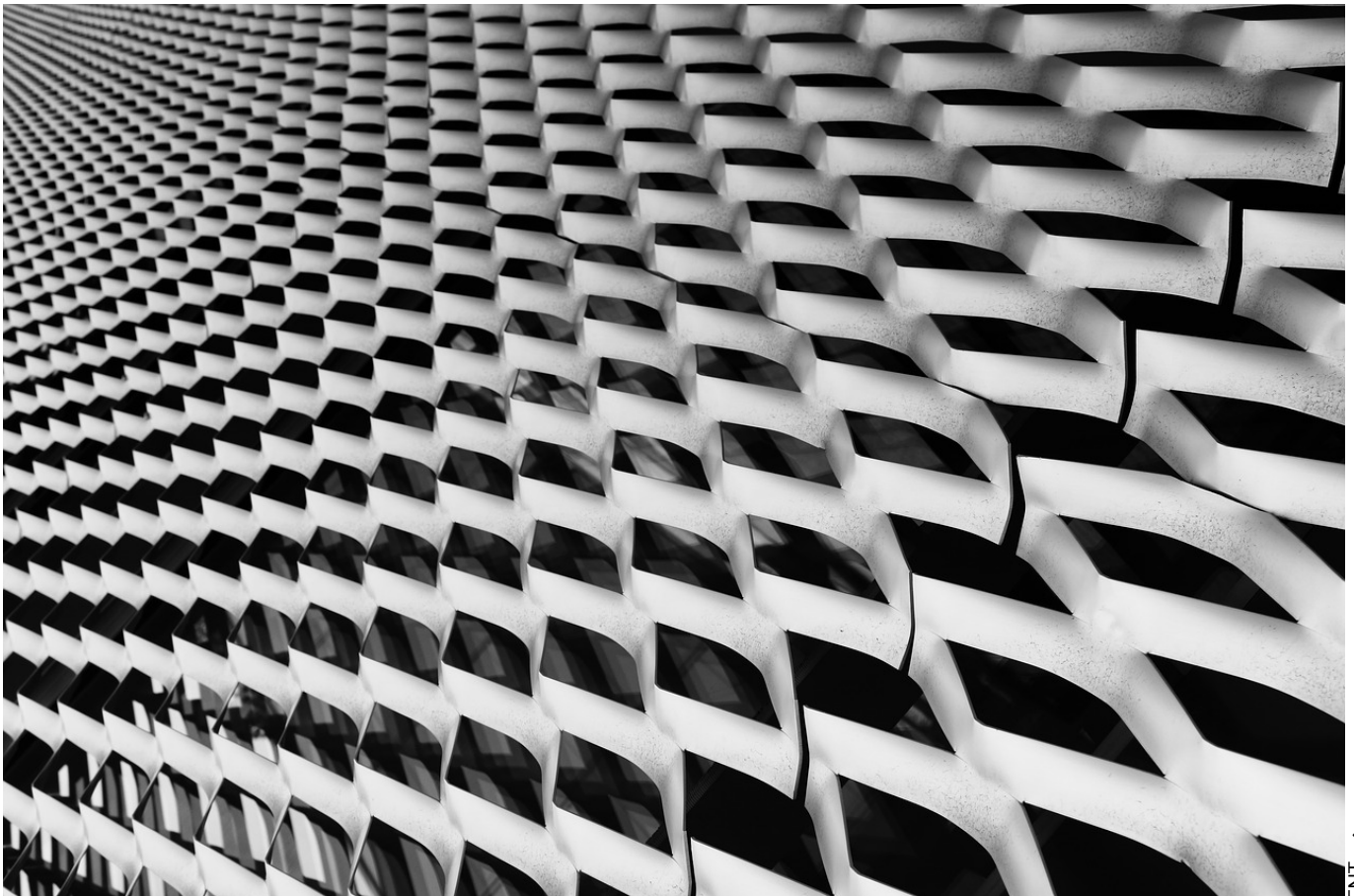


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As an SME, one of the main challenges you will likely face is to expand the business effectively, but also sustainably.

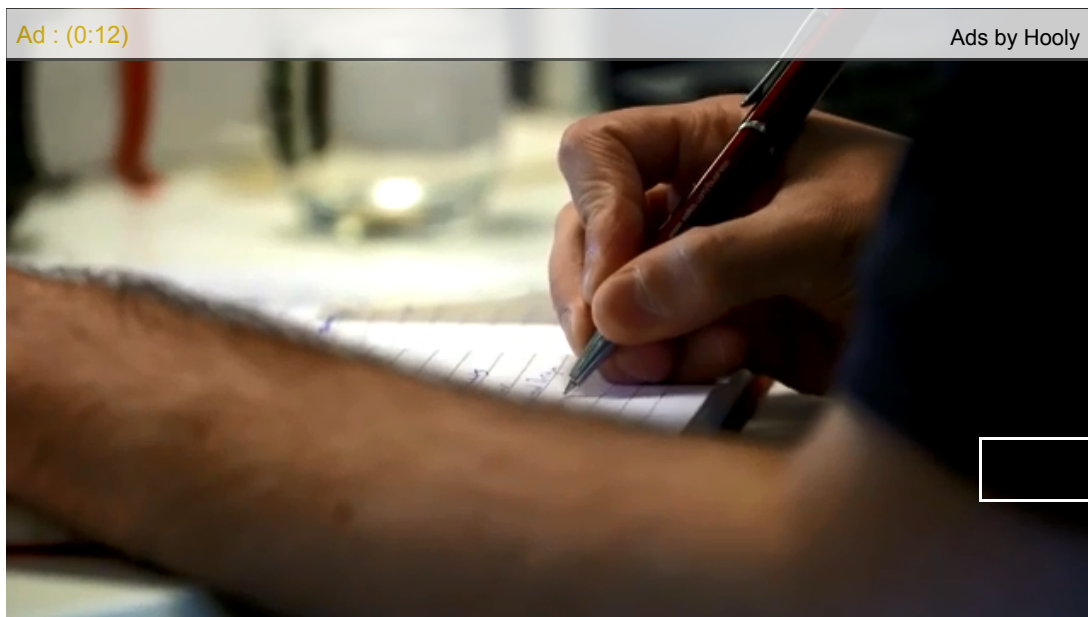
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Naturally, most entrepreneurs have ambition and drive – you want to grow your business, increase the customer base and seek new markets. However, with expansion comes a new set of challenges and risks. Unsustainable growth can result in a range of problems that can affect cash flow and solvency.

Fortunately, there are a number of things that you can do to expand your business without the high cost:

## Concentrate efforts on employee happiness

Small business success is all about the workforce, and as you are relying on fewer individuals, their happiness and motivation is crucial to the success and growth of the company.



In fact, the happier your employees, the more successful your company. Numerous studies have found that workplace happiness has a direct correlation to your business's bottom line and this body of research is continuing to grow.

Experiments were carried out at the University of Warwick to investigate the theory that happy employees work harder. The results were that they found that happiness made employees 12% more productive. Happiness inspires and invigorates staff to work harder.

Another study

([http://www.willis.com/documents/publications/Services/Employee\\_Benefits/FOCUS\\_2015/14562\\_Health\\_Productivity.pdf](http://www.willis.com/documents/publications/Services/Employee_Benefits/FOCUS_2015/14562_Health_Productivity.pdf)) found that boosting employee morale and productivity naturally resulted in major financial returns and competitive advantages.

Not only this, but research has also found that the cost of dismissing taking action to increase employee happiness is too high to ignore. A study highlighted by Harvard Business Review found the cost of disengagement is expensive for employers, especially SMEs – with higher absenteeism, more mistakes being made and more accidents.

You can create a positive environment to increase productivity by:

- Providing employees with regular recognition and praise or you may find your business shrinks – one study (<http://rh-us.mediaroom.com/2017-04-12-THANKS-BUT-NO-THANKS-Survey-Reveals-Strangest-Forms-of-Workplace-Recognition-Research-Also-Finds-Two-in-Three-Employees-Would-Leave-Their-Job-If-They-Didnt-Feel-Appreciated>) in the US found that 66% of people would leave a job if they felt underappreciated – rising to 76% for millennials!
- Making the effort to greet your staff – create a friendly, comfortable environment
- Making sure that you offer a good work/life balance to employees
- Actively promoting wellbeing – offer wellbeing classes, massage or reflexology
- Trying to avoid micromanaging and show that you trust your staff by giving them opportunities to lead
- Investing in your staff – create individual development plans for each employee
- Making social activities a regular feature

Also make sure that you as the business owner remain happy, healthy and motivated to create a business model which promotes a positive market experience.

## Consider creative arrangements

With employee happiness in mind, consider what it is that your employees want from a benefits packages or perks and cater to these creatively so both the employee and business stands to benefit.

You can do this by offering remote working, flexible working hours or by expanding to add an outpost to your company network to take advantage of a key area.

In fact, a recent survey (<https://www.staples.com/sbd/cre/marketing/workplace-survey/>) by Staples found that 43% of employees say the ability to work remotely is a must-have, yet only 38% of employers allow it.

The Instant Group and HLW also undertook some research (<http://smallbusiness.co.uk/flexible-workspace-users-engaged-work-2542896/>) and discovered that those using flexible office space create better business opportunities, improve work environments and increase productivity.

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Even the large blue-chip companies have cottoned on to the fact that they can expand while saving money by offering flexible working. The major banks now ask employees to work from home a number of days a week so that several employees can share one desk in the office.

Opening up another outpost for your business will also allow you to expand your business, but this is the most expensive option so make sure that your bottom line profit is consistent you have seen steady growth for a few years.

If you decide it's the right time, make sure that you take advantage of the flexible office spaces on offer – those that are shared with other businesses to save cost and those that expand with you so that you can add and pay for extra desks as your company grows. Finally, choose the location that will be most advantageous for your business (<https://www.completeofficesearch.com/blog/a-guide-to-serviced-offices/>)– not your wallet.

Flexible working hours / working from home or satellite serviced offices can have benefits wider than employee happiness:

- It will attract higher quality employees to work in the company. This is because it provides you with access to a broader talent pool of candidates. In promoting flexibility you will also make the business more attractive to work for.
- You can reduce your costs for desk space by employing a rotational system for desks and increase the potential number of employees. This means your business can expand while keeping costs plateaued.
- You can expand your potential client pool – having a flexible workforce or satellite office can be used to employ a wider net reach for attracting clients.

## Update your collaboration tools

As an SME looking to expand it is vital that you embrace technology. Think of a business need and technology likely exists as a solution. This is an age where anyone with internet has access to this help quickly and cheaply. Apps, software, and browser extensions can be used or invested in to aid the expansion of an SME.

Here are some ideas:

- Use freelancers and connect to the 'gig economy' workforce to bring a range of ideas on board, expand your workforce and reduce costs. Technology is enabling SMEs to meet resource needs in new and flexible ways while also offering workers flexible working – from home while traveling or from cafe to cafe.
- Use collaboration tools make remote working possible – G Suite from Google is a set of intelligent apps including Gmail, Docs, Drive and Calendar to connect the people in your company, no matter where in the world they are. Other tools include: Slack (to share news and chat), Skype (for quick communications), Trello (for day-to-day task management), and ReadMe.io (documentation).
- Research tools that track your business finances effectively – with rising costs for the business, invest in a tracking tool that keeps on top of the incomings and outgoings.

## Invest in the training and development of your staff

You can boost productivity from your staff in their training and development. As they increase their expertise and knowledge this feeds back into the business for an increase in growth and profit.

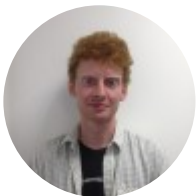
The staff doesn't have to take time off from their job to train – you can develop a learning culture while on the job using:

- Mentoring
- Job swaps
- Coaching
- Job shadowing
- Self-learning (online courses or books)

This will increase the abilities of your workforce, without the need to increase the size of your staff or contract tasks out.

By sharing knowledge throughout your team, if an employee is off sick, or you lose a key member of staff – your business will still run smoothly.

Ultimately, the key to expanding an SME is to take advantage of opportunities to grow and to leverage the capabilities of your company – without eating into your profits.



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