

PROJECT



99 SENSE

The Future Looks Good for SMBs

PHASE 1

PROJECT



**Businesses rebuilding, reconnecting,
and recovering, together.**

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What's Inside

What is Project 99? (p. 6) , Where We Are

Now + Where We're Going (p. 8) , How

We Get There (p. 19) , Under the Macro

Influence (p. 28) , The New Strange (p. 43) ,

What You Can Do About It (p. 49)



**“I believe in
the spirit of
entrepreneurship
now more than
ever.”**

Small Talk Panelist and Small Business Owner

99 SENSE

The Future Looks Good for SMBs

99. That's the percentage of businesses in the US and Canada that are considered small or medium size.

They are the ones adding life and character to our streets. Adding style and flavor to our cities. And bringing innovative ideas to the world.

But when disaster strikes, whether it's a hurricane, an earthquake, a recession, or a pandemic, they are often the ones without the capital or the resources to survive.

How do they recover, get back to work, and pick up the pieces?



Welcome to Project 99

Project 99 is HQ for financial aid programs, professional guidance, peer support, and mental wellbeing resources for small- and medium-sized businesses in the US and Canada.

Project 99 is also a resource for insights, go-to-market strategies and in-market ideas to help engage, motivate, and retain small- and medium-sized business customers during their recovery and growth.

Project 99 is businesses rebuilding, reconnecting, and recovering—together.

How did we do it? We analyzed proprietary research, third party data, and curated articles to help us form a preliminary plan, a survival guide, a way forward.

This is Project 99.

RESEARCH POWERED BY

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WONDER

SECTION 1

WHERE WE ARE

N O W

+

WHERE WE'RE

G O I N G

PROJECT



New worries, new hopes, and new ways of working for SMBs

At Cargo and Small Talk, understanding the mindsets of small- and medium-size business (SMB) owners is what we do.

What we do and what we know is now more important than ever, as the current and predicted mindsets for SMBs will guide recovery. Understanding and predicting their behavior as we move towards recovery is vital. It is how you can engage, motivate, and retain SMBs.

But the current pandemic era is rife with complicated and mixed emotions. Some business owners were almost immediately forced to shut their doors for good, while some hung on for as long as they could. On the other hand, some business owners found demand increased and have been flourishing. And then there were those who took the opportunity to rethink and relaunch their businesses built for today.



4 THINGS SMB OWNERS ARE THINKING ABOUT RIGHT NOW

“[It’s] exhaust[ing] given all the opportunities countered with all the uncertainties.”

Small Talk Panelist and Business Owner

It all happened so quickly. News of a new virus spreading from China felt like a world away from the small roti shop in Toronto or a dairy farmer in Virginia. But within a matter of months, the microscopic coronavirus had the power to shutter businesses around the globe. And with it take the livelihoods of millions of SMB owners.

There is no denying the pain and struggles as they try to survive through the shutdown and its effects. The ripple effects of some SMBs being in survival mode have impacted their perceptions of control and their lack of work/life balance.



66% Business

25% Family

7% Friends

2% Themselves

Exhausted | A day in the life of an SMB today





Some studies have suggested that 50% of small businesses or more would be forced to close forever. While those predictions don't seem to be coming true, the scene on the ground doesn't feel good for SMBs. We asked business owners across Canada and US about how they are feeling about the current and future states of their businesses. This is what they had to say.

THE IMPACT

83%

have been negatively impacted by the pandemic

54%

have been very negatively or catastrophically impacted

THE CONTROL

77%

feel they are not in complete control of their business's current and future success

30%

feel success is not in their hands

THE RETURN

30%

think it will take up to 6 months to return to pre-shutdown levels

29%

think it will take 6-12 months

38%

believing it will take 12+ months

THE SUPPORT

40%

say state or provincial government support has been non-existent

45%

say local government support has been non-existent

THE PIVOT

47%

have had to pivot or change what their business does since the shutdowns began

But the pains of the shutdown have not dampened the innate optimism and positivity that is built into the DNA of every SMB owner.





“I believe in the spirit of entrepreneurship now more than ever.”

—
**Small Talk Panelist and
 Business Owner**

It’s no secret to SMB owners that something needed to change; they were working more and more to make less and less. Always chasing the day, they couldn’t slow down or decompress.

The shutdown, as shocking and scary as it has been, has forced a slowdown, a reboot, and a reset. It gave them (and all of us, really) a chance to think about how they were doing things, what was working, and what was not. Surprisingly enough, it has reinvigorated the optimism that has always dominated the SMB mindset.

In fact, 58% of SMBs have an optimistic outlook about the future state of their business. And only 6% are pessimistic. (The other 36% are somewhere in the middle or aren’t sure how they feel yet.)

This is what just a few of them told us:

“My current emotional state about my business is positive. I have looked at it from multiple perspectives, some really grim. The other perspectives—the ones I choose to feed—are re-emerging, vibrant, profitable, and scalable. I think this is a great time for innovation.”

—
**Elizabeth Power, Founder, The EPower Change
 Institute at EPower & Associates, Inc.**

“I feel positive about my company’s future.”

—
Jay Wingfield, Attorney

“Rather than stress out that I don’t have any impending work, I am using the time to more fully connect with networks I’ve joined, looking for new networks, refreshing some skills and thinking through alternative revenue streams.”

—
Linda Clasen, Senior Level Marketer



THREE SOURCES OF POSITIVITY THAT WILL SURPRISE YOU

So, where is all this positivity coming from? First, their employees. No surprise there, as many SMBs rely on their dedicated staff. And, second, the federal government and banks. Wait, wait, wait. Where are you going? We know it sounds strange that, this time around, the usual punching bags are the sources of some much-needed positive energy for business owners.

66%

of SMBs said support from their employees was very good or excellent

59%

say the federal government's support has been excellent, very good or adequate (compare that to the 28% for state and provincial governments)

62%

felt their bank's support has been excellent, very good or adequate

“We’ve rediscovered our creative, hard-working entrepreneurial, outside-the-box roots and are reinventing ourselves.”

—
Small Talk Panelist and Business Owner

Given the devastation to the economy, businesses, and the human toll, one would be hard-pressed to suggest that the shutdown was a good thing. But that’s not to say that there hasn’t been some good to come out of it.

We have witnessed a prevailing vibe among SMB owners that the shutdown has given them an opportunity to step back, to exhale, to be self-reflective, and to commit to coming out of this a better business owner—and a better person.

SMB owners are used to overcoming hurdles on the way to success. They’ve heard “You can’t do that” many times, but it hasn’t stopped them. And the pandemic and subsequent shutdown are no different.

“You can’t survive the shutdown.”

“You can’t adjust quickly enough.”

“You can’t just shift your business model.”

SMBs proved them wrong.



Three traits common among the SMB community may be responsible for their initial success as business owners, but also their successful maneuverings through these unprecedented times.

RECIPE FOR SUCCESS

Speed
Agility
Resiliency

Resiliency is a shop-worn adjective but seems perfectly fitting for how SMBs are attacking their current barriers. Their agility, shifting from bricks-and-mortar to online sales in no time, has impressed big brands. And the speed at which they have done it all cannot be ignored.

But they haven't just survived; some are also thriving.

“The coronavirus has rushed the future forward. We are pivoting and discarding the old ways of business and embracing change.”

—
Small Talk Panelist and Small Business Owner

And it's a sentiment echoed by SMB owners across the continent, using words like “blessed,” “powerful opportunity,” and “more productive mindset.”

Working for purpose, rather than profits, has become a more common mantra. This is especially true amongst younger business owners as evidenced in *Millennials Decoded*, our latest Small Talk study on Millennial SBOs.

But the shutdown, and the time to exhale and self-reflect, has caused this “purpose-driven” energy to spread across all generations. This mental reset gives all of us optimism for what's next. It has caused a shift in goals for business owners.



03

What's most important to them now?

1. Purpose
2. Expertise
3. Learning



- And a distant last
4. Ambition

A recent Zeno study found that when consumers think a brand has a strong sense of purpose, they are:

4x more likely to purchase from them

6x more likely to protect the company in the event of a misstep or public criticism

4.5x more likely to champion the company and recommend it to friends and family

4.1x more likely to trust the company

(Unveiling The 2020 Zeno Strength of Purpose Study)

Business aside, we have all felt the power of society coming together in recent months and weeks to achieve monumental accomplishments. #AloneTogether has been a powerful statement of individual as member of community. (One Toronto brewery even produced an "Alone Together" lager, with all proceeds going to a local food bank.)

This attitude has always permeated SMBs. For them, business has always been personal, it's always been about community, and it's always been about human connection. The rest of us are finally catching up. This strange, scary, unique time has led to more empathy, more mental balance, and more productivity.

03



“Getting back to normal isn’t possible.”

—
Brian Chossek , Small Talk Panelist and Business Owner

And that’s not a bad thing. The anticipation of the already-overused “new normal” is less about returning to pre-pandemic times and more about laying the foundations for a new business landscape.

SMB owners can’t simply wait for the old normal to return, and some don’t even want it back. They chant, “Let’s not go back to work. Let’s go forward to work.” They truly believe they are the creators of the new normal, participating in its development, rather than mere spectators watching it unfold.

“Getting back to normal isn’t possible. Focusing on creating that new normal will be far more productive. What we knew before is no longer relevant today. There is no going back.”

—
Brian Chossek , Small Talk Panelist and Small Business Owner

Sixty-six percent of all SMBs say that felt their business model would change or evolve because of the pandemic.

So, what is the way forward?

DIGITIZATION

63%

plan on conducting more business online within the next 6 months

42%

plan to digitize their operations and processes

WORK FROM HOME

77%

currently allow employees to WFH

48%

of those will make it permanent

INNOVATION

38%

plan to launch a new product within the next six months

PIVOTS

33%

plan to shift their customer focus to a different type of product or service

42%

allow for 12 months

Only 10%

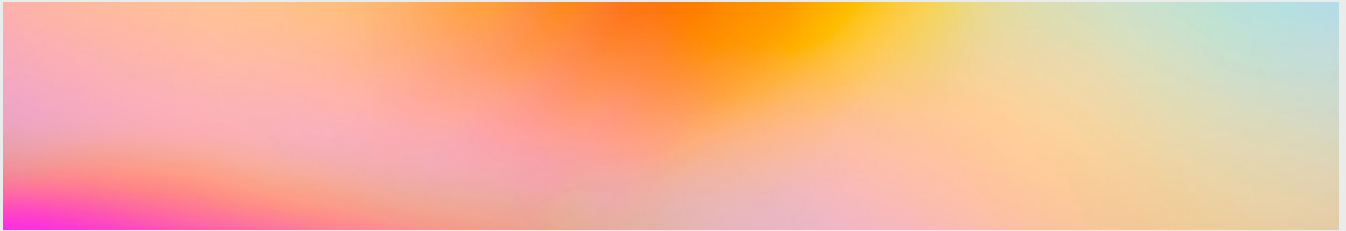
will end WFH once business is fully open





SO, HOW DO YOU FUEL THIS OPTIMISM?

The SMB mindset can be a contagious one. Their economic uncertainty can be yours, but so can their optimism. The trick to tapping into it is balancing empathy and not being tone-deaf to their challenges. Here are some things you can do:



Strike an optimistic tone

According to a recent study, if you flip through the TV (or more likely, watch something online) 1 in 5 ads that you see will be COVID-19 related (*Ad Age Magazine*, May 2020), all with the similar “we’re in this together,” “challenging times” message. Studies have also shown consumers are over it. Want a response from SMBs? Be authentic, empathetic, and pioneering. Fuel the entrepreneurial flame and ask “What’s next?” as we move forward. And transform “we’re in this together” from a hug into a rallying cry!

Be nimble Be quick

The world changed on a dime; and SMBs were ready to change with it. Big brands need to bring the same speed and agility when it comes to their response. Why? Because everything we know could change again. Our research will continue through recovery and we expect an evolving SMB mindset as the world re-opens. Right now, focus on small wins and shorter plays versus big campaigns and extended flights.

Serve a purpose

Mention “purpose-focused” marketing and big brands immediately think CSR. But as SMBs infuse their businesses with thoughtful purpose, big brands will have to follow suit. “Do well by doing good” is not a new strategy, but now is the time for you to embrace it. SMBs want to know who they are working with and what you stand for. They will look to your programs, movements, and initiatives to find out.

A recent Edelman study found that 65% of consumers say that a brand’s response to this crisis will determine if they buy from that brand again in the future.

News alert: SMBs are consumers, too. And they’re watching what you do.



SECTION 2

HOW WE
GET
THERE

PROJECT



From city size to business lifespan, many factors will impact the journey to SMB recovery. When is the right time for big brands to step in?

As patients recover from COVID-19 across the world, a few elements helped dictate how quickly they could spring back to form: hospitals with the right resources to help, their age and overall health, and being able to avoid contact with others. The same is true of SMB recovery.

In the US and Canada, we've already seen some businesses on the mend, while others are lagging behind. The determining factors seem to be geography, their place in the business lifecycle, and the ability to go "touchless" in their industries. Let's explore each factor in more depth.



Recovery based on geography and government-mandated rules

Like something out of a sci-fi film, we saw COVID-19 hit some of the world's largest cities with ominous precision. With millions of people sharing elevators, high-rise office space and packed subway cars, the virus spread easily through metropolises like Tokyo, New York City, Los Angeles, and Toronto. Meanwhile, less-populated regions like Alaska, Wyoming, Hawaii, and Newfoundland, had much lower rates of infection and quicker flattening of the curve.

Fewer people in more space decreases one's chances of coming into contact with the virus. This has impacted the response from their government bodies in terms of reopening.

State and provincial regulations have been the ultimate power in terms of what can open and when, sometimes to the ire or concern of its citizens.



O I

We have seen this first-hand, as our office in Greenville, NC (population 93,000) went back to the office, while our office in Toronto (population 2,930,000) is still on strict WFH orders. This has been the pattern across the continent: SMBs located in smaller metros are experiencing quicker opportunities to get back to work, while large metro areas are recovering at much slower rates.

The governments in these areas also play a role in the recovery based on their drive to re-energize their economies via funding, social initiatives, and incentives.



Recovery based on age and size of the business

While older generations were, sadly, more impacted by COVID-19 than younger ones, the opposite was true when it came to business.

Younger and smaller businesses, those 0-5 years old, with less than 20 employees, have been the most affected and face the greatest challenges during recovery.





One might think that younger, smaller, more tech-savvy, and agile businesses would be more adept to handle this particular crisis.

But why, then, were these businesses less capable of navigating this treacherous new business landscape?

A few reasons.

These businesses typically lack great degrees of liquidity, and they have greater credit constraints, rendering them more sensitive to weak consumer demand.

Without cash reserves and difficulties in obtaining much-needed fiscal help or bank-issued loans required for the re-start, the opportunities to revive will be more limited than those of more established, larger businesses.

This is not to say that these businesses will not recover. It simply may take them longer to get back to their pre-COVID revenue and profits.



Recovery based on the industry's touch factor

If you were asked, a few months ago, to name some industries that people wouldn't be able to do without, hairdressers, bars, and airlines probably would've topped the list. But what a difference an airborne, microscopic virus can make.

The pattern of industries hardest hit was based on 5 factors:

Large gatherings are essential (nightclubs, movie theatres)

—

Close human interaction is essential (hair stylists, massage therapists)

—

Hygiene, or perception thereof, is critical (restaurants)

—

Dependence on travel (resorts, short-term leases, conferences)

—

Service or product is easily postponed or expendable (concerts, festivals)



A matter of time

Based on these characteristics, we can identify three speeds of recovery spanning different industry types:

SLOW RECOVERY

Very heavy reliance on “high-touch” environment.

MEDIUM RECOVERY

Medium reliance on “high-touch” environment.

FAST RECOVERY

Low reliance on “high-touch” environment.

The speed at which these industries recover rests on the degree of speed of re-designing operations to minimize the “high-touch” environment and to make their customers feel safe.

Some examples are:

Digitization of purchase journeys and experiences

—

Curbside pickup and delivery

—

Touchless payments

—

Virtual vs. in person interactions

—

Real sanitation protocols

What This Means for Big Brands

Since SMB markets will not recover at the same pace and at the same speed across the continent, a staggered response will be required from you. Here's how it could look.

Use geographic and firmographic targeting to ensure that efforts and investments are not wasted on SMBs that are simply not ready yet.

Rather than national re-engagement strategies, focus on region by region as states and provinces re-energize their economies and resume operations.

Stay closer than ever to government driven policies, so you know which markets are re-opening.

Use different messaging for re-opening SMBs versus those still shuttered.

Both large, established businesses and newer smaller ones will provide opportunities, but it's all about timing, messaging and their offerings.

Get Your Priorities Straight

First priorities must be on those industries with "low-touch" environments, who have been impacted the least. Next, those businesses with "medium-touch" environments. And lastly, the industries with historically "high-touch" environments. They will be the ones with the fastest pace of innovation, leading to heavily adapted operations and business models.

SMBs will look to big brands for support during their re-invention. If you join them on this journey, you will be well positioned to support them with their new business models and provide the tools and services they need.

Which brings us to our next topic.

SECTION 3

UNDER THE
MACRO
INFLUENCE

PROJECT



Every business owner begins with a purpose, whether it's to share their creations with the world—or change the world! (We like to refer to them as Artisans and Crusaders.) In either case, one thing is true: SMBs did it to take control of their own destinies, macro-influences be damned!

One of the biggest challenges for SMBs during this period has been coming to terms with the loss of control. Macro-influences will have a bigger impact on the 99 than any other business. What are they and how will they impact recovery and your relationships with them?

01

The changing consumer behaviors

A combination of online shopping, working from home, and social distancing (even when out and about) will dramatically shift how consumers shop, buy and experience brands from now on.

While consumers in North America are more optimistic about their economic recovery than other parts of the world, real concerns about a second wave are muting the positivity. However, compared to big brands, SMBs are more connected to their customers and respond to changes quickly.



01



HOT TOPICS

On Digitization

“People are being forced to work from home, but their whole life is being forced to adapt digitally. These behaviors will not disappear once the quarantine is over. It’s very likely that people who have been forced to adopt digital practices will continue these.”

Joe McDonnell, *WGSN Insight*



01

HOT TOPICS

On Cautiousness

“Even if things were to rebound 100%, you can’t live through something like this and not remember it. Consumers have every reason to be cautious now and for the foreseeable future.”

Devon Powers, Ph.D.

01



HOT TOPICS

On the No-touch/ Low-touch Economy

“At times of a crisis like this, we see innovation flourish. Contactless solutions may increasingly replace what used to be high-touch activities, such as concerts or fitness, as well as in-demand human tasks like shipping and delivery.”

Piers Fawkes, *PSFK*



02

The financial impact on recovery

Eight-three per cent of SMBs have been negatively impacted by the pandemic. This means less customers, less cash, less profit. And as we mentioned earlier, SMBs face challenges in managing their cash flow and accessing capital, especially compared to big brands. So, simply picking up where they left off in March isn't always an option. Sure, lots of funding and financial investment were poured into SMBs during the shutdown, but that money is likely to dry up as we enter the recovery phase.

57% of SMBs say they need up to \$100,000 to keep their businesses running for another 12 months.

That means \$3,000,000,000,000 (that's trillion) in immediate investment.

02

Accessing capital and lending: what to expect

Expect banks, VC Funds, and other go-to financial resources for SMBs to be more cautious, focusing more on existing customers and making capital harder to access for SMBs.

Expect SMBs that entered into the shutdown with more capital and cash to increase market share and talent acquisition.

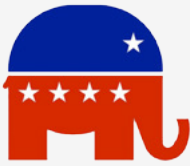
Expect financial unknowns of the post-pandemic business environment to continue well beyond restarting of the economy.

And expect SMBs to more closely monitor their burn rates and operational expenses in preparation for unpredicted hits to their cash flow, bottom-line, and security in the future.



The 2020 election

As if 2020 wasn't volatile enough already!



Where a Republican President May Help SMBs More

- Taxes
- Immigration
- Trade tariffs
- Government regulations?



Where a Democrat President May Help SMBs More

- Healthcare
- Climate change
- Government regulations?

According to a February 2020 Gallup poll, 90% of SMBs are paying attention to the 2020 election. And that number may have gone up since then. It will, of course, impact American SMBs, but it will also have some effect in Canada, as well.

Typically, the top policy concern for SMBs is taxes, but this year is anything but typical. According to SMB owners, their top policy issues in order of impact on their business are:

1. Taxes
2. Government regulations
3. Healthcare
4. Trade tariffs
5. Climate change
6. Immigration

Some other variables will come into play this year, including voter enthusiasm, turnout, and parts of the country hit hardest (more "blue" cities/states). But one thing is certain in 2020: historical data and results may not apply this time around.

WFH + Workstyles Impact on SMBs

As we detailed earlier, workstyles have been dramatically impacted by the shutdown. Many experts predict that COVID-19 has not only permanently shifted the way we work, but even when we work.





We are likely to see a long-term increase in remote and flexible work options, increased technology integration, demand for workplace innovation, as well as greater employer support of their employees in areas such as work/life balance and mental health. Recruitment and hiring practices are also anticipated to shift dramatically.

Remote and Flexible Work

The past four months have been the great work-from-home experiment—with positive results across the board. As a result, this is what we may see:

- Increased demand for highly skilled remote workers
-
- Advantages for companies already working remotely or with distributed teams
-
- Business leaders and companies questioning the need for expensive offices
-
- More workplace flexibility
-
- Shift in work measured by output and quality, not hours
-
- Improved performance and improved employee satisfaction
-
- Increasing trust of employees to manage their own schedules

Upgraded Tech Use

Funny. Take employees away from the IT departments, and suddenly we become much more adept at technology. This new-found tech-savviness may also lead to:

- Employees becoming more comfortable with technology
-
- New technology platforms and increased capabilities and confidence
-
- Upgraded infrastructures to meet remote work needs
-
- Creation of more user-friendly and streamlined tech integration
-
- Improved IT hardware and cyber-security
-
- Tech platforms to measure staff performance and aid in collaboration





“Employees and managers have all been traumatized by the last few months as their worlds have totally been upended. Everyone really needs education on how to cope.”

Lisa Hendrickson, Small Talk Panelist and Small Business Owner

Increased Support from Employers

COVID-19 presented a perfect storm of stressfulness: the economic perilousness, the social isolation, and the very real health risks. These emotional and physical challenges will lead to improved support from employers, including:

More holistic mental and emotional well-being options

—

Better understanding of how employee engagement and emotional support improve workflow

—

Work to improve trust resulting from shifts in job security

—

More focus on mental health issues

—

Encouraging self-care, like exercise, physical wellness, family time, personal time, and a healthy work-life balance

—

More value placed on vulnerability, personal sharing, and active listening

Recruitment and Hiring Strategy

Unfortunately, the pandemic led to many people losing their jobs and some businesses shuttering. At the same time, businesses up and running again are looking for some new skill sets. The job market is about to see some changes, like these:

Focus on remote experience and communication skills

—

Leadership roles focused on communicating with and managing across distributed networks

—

More demand for knowledge-based skills

—

More opportunities for introverted personalities disadvantaged by an in-person workforce

—

Challenges for older workers and those lagging behind in virtual communication skills

—

More freelance hires for task-based work and fewer full-time positions





What This Means for Big Brands

Workstyles, workplaces and work processes may impact what's next and what's new even more than consumer behaviors. The role of the employee will be even more critical going forward, especially as customers value the interaction more and more.

When you combine the mindset shifts of the SMB with the transforming employee mindsets, you start to see a dramatically different business landscape. So, how do these influences on SMBs and their employees' psyches affect what big brands do? Here are some ideas.

“We stand on the brink of a technological revolution that will fundamentally alter the way we live, work, and relate to one another. In its scale, scope, and complexity, the transformation will be unlike anything humankind has experienced before.”

Klaus Schwab, Founder, World Economic Forum

Dawn of the Industrial Revolution 4.0

Some experts believe the next Industrial Revolution is being accelerated due to the current consumer and business climate. Big brands need to have product, service, and experience agility to keep up.

Experiences matter more

For SMBs and their employees, purpose is the new normal, but so is personal connection. The best experiences will win out over the best products and services. They want to feel you have their best interests in mind and aren't all about the sale. Connecting with customers more and providing more personal service will be at the forefront. Having more work/life balance will matter more as well.

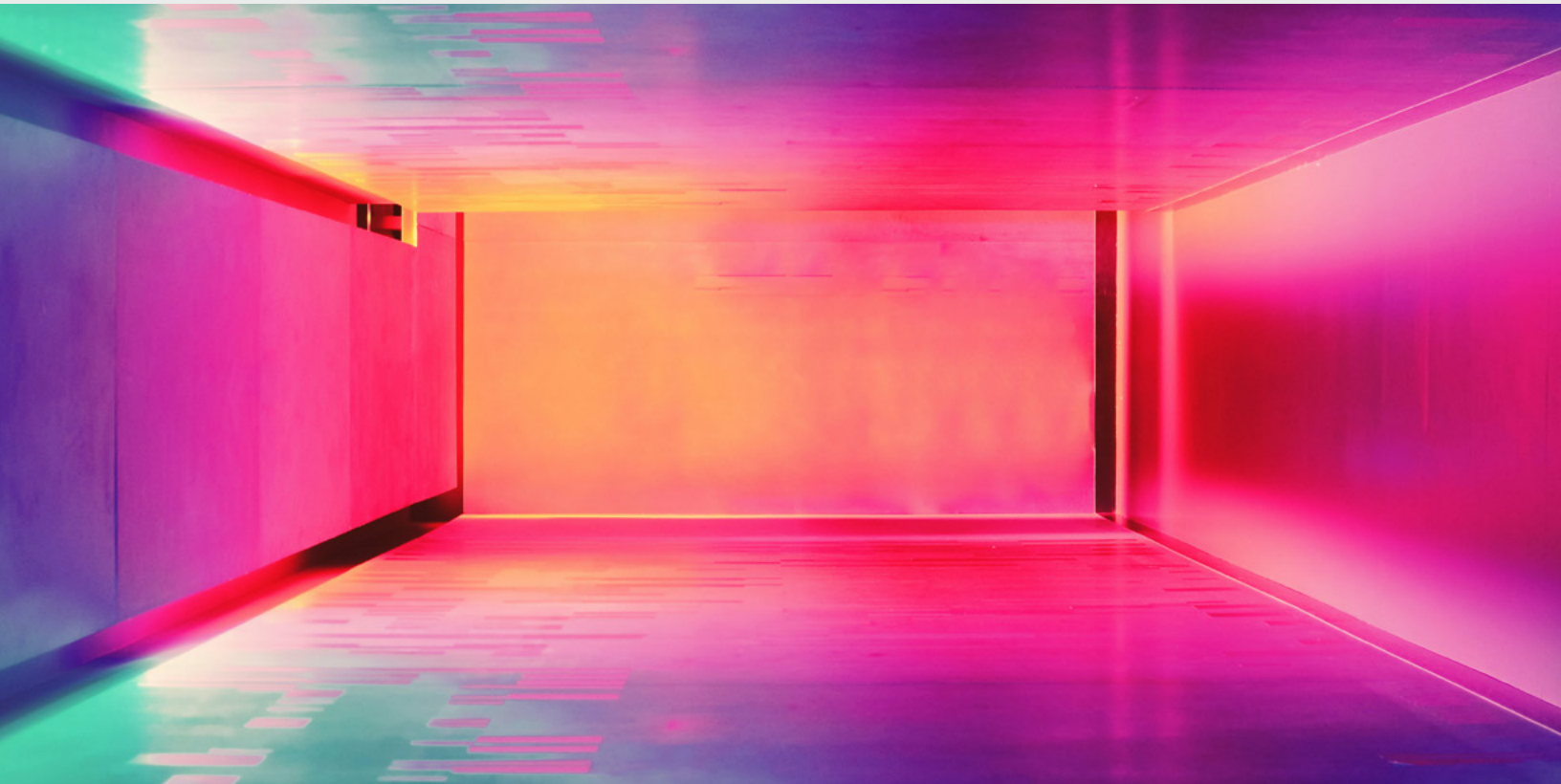
Innovate or Die

That's a bit harsh, but you get the idea. SMBs looking to innovate fast will need help from big brands.

“Things are not going back to the ‘old normal.’ SMBs are changing the way they do business, where they do business and even what businesses they are in. Brands need to recognize this, not just in what they say to this audience, but what they offer.”

—
Project 99 Insights Team

This can come in the form of tech tools for managing remote teams, new ways of thinking, and fresh perspectives. Big brands can play a big role in helping SMBs with innovative ways to solve old, existing or yet-to-be discovered problems and opportunities. Basically, you need to think and behave like an entrepreneur.



SECTION 4

THE NEW
STRANGE

Or How I Learned to Stop Worrying
and Love the Re-invention

PROJECT



You can probably feel it already. The hesitation before stepping into a shop. The need to sanitize your hands after touching a doorknob. Awkwardly navigating around other customers. And listening intently to mask-covered employees without the aid of lip-reading. They're all *de rigueur* in our strange new world. And they're here to stay for the foreseeable future.

Crisis will always drive change.

Crisis will always make us move a lot quicker.

Crisis will always accelerate the innovation curve.



Don't deal well with change? That should be the first thing you change.



The world as we knew it is gone and may never return. Social distancing is here to stay, may go away, and then may make a comeback. But until a vaccine arrives, the only certainty is uncertainty.

The pandemic and post-pandemic periods are driving consumer behavior changes. They are fluctuating between staying at home and redefining what it means to “go out,” governed by the perception of what’s “safe.”

In turn, these behavioral changes dictate how SMBs respond and adapt. They are meeting new customer demands, redesigning their business models, and becoming more agile in preparation for the next crisis.

These two major shifts will re-define and re-invent many SMBs across North America. And big brands selling and marketing to them will need a new guiding light to effectively navigate this new landscape.



Embrace consumer shifts

Digitization

As consumers begin to expect and demand more digital shopping experiences (for both trying and buying), expect a shift from brick & mortar to a completely digital experience. Online infrastructure will get more accessible, affordable, and efficient. And consumers will realize (if they haven't already) that it can be just as good, if not better, than their analog experience.

Tele-everything

High-touch SMBs will slowly return, but until then, virtual experiences will replace where they can, as consumers realize that tele and virtual can be just as effective. This will be especially true in tele-health.

Sense of Community

"We're in this together" was a resounding theme throughout the heaviest days of the pandemic. Communities came together to celebrate front line workers and to support local business in whatever way they could. Look for this spirit to continue.





Prepare for the next one (and there will be a next one)

Agility, Adaptability and Speed

Small, nimble teams built in a hurry to deal with the COVID-19 emergency made important decisions faster and better. Expect faster innovation, enhanced company culture, and reinvented architecture to be the new recipe for the future.

Resilience and Efficiency

Stronger balance sheets and the ability to cut operating costs both factored into the success of the most resilient SMBs. Others will mimic this.

Local Over Global

Shuttered borders and fear of contamination has moved supply chains closer to home. This preference for local over global will likely continue.

The “Triple Bottom Line”

Profit, people, and purpose. Focus now is on balance, doing good, and stakeholders over shareholders.

Changing Industry Structures, Market Positions, and Sector Attractiveness

New business opportunities will be generated by this crisis and realized through an idealized design process. (Business idea: producing those stick-on footprints found in every store now.)



SECTION 5

WHAT YOU
CAN
DO ABOUT IT

Applying what we've learned

Transformative times demand transformative strategies. There are five ways you can adapt.

Coming out of this shutdown, you have an incredible opportunity to strengthen your relationships with SMBs. While they are optimistic, understand that business owners need to pivot, digitize their businesses, and adapt to ever-evolving customer and employee behaviors. They may not have the time, experience, or resources to do it all themselves.

They need help, guidance, and insights – and Big Brands can deliver. Here are some strategic thought-starters that may help you rethink your approach—now and in the future.



A More Empowering Messaging Strategy

Think positive, partnering and pioneering in your tone. “We’re in this together” took on an empathetic meaning during the shutdown, a hug, if you will. Big Brands have the opportunity to pivot that thought from empathy to empowerment as SMBs look for partners to work with in the “new strange.”

A More Targeted Marketing Strategy

Given the staggered speed of recovery, think more micro when targeting SMBs over the next six to twelve months. Your marketing budgets need to be more efficient and effective than ever, so narrowing who you talk to is a great way to maximize every marketing dollar you spend.

A More Purposeful Brand Strategy

When you hear “purpose-driven efforts,” touchy-feely Corporate Social Responsibility initiatives might first spring to mind. But given the mentality of SMBs right now, purpose goes beyond CSR. They want to know what the company behind the marketing is doing to help SMBs. The days of just marketing and selling to SMBs are over. You need to be present and SMBs want to know how truly you are invested in their success.

A More Relevant Content Strategy

As businesses reopen, SMBs need guidance and support to recover and regain their footing. This is the perfect opportunity for hyper-relevant, hyper-timely, and hyper-valuable content. Digitization, business pivots, changing consumer behaviors, and WFH are just some of the content topics you can feed to a very hungry SMB audience.

And a Retention Strategy Closer to Home

One of the easiest wins for Big Brands? Existing customers. The closer you stay to your customers and listen to what they’re telling you, the stronger the connection will be—both now and in the future. As Project 99 states, this is “businesses rebuilding, reconnecting and recovering, together” and that applies to all of us.

This is just the beginning

We are in the midst of a period of time that will be felt, remembered, and talked about for decades to come. But it's not over yet.

This report captures learnings from this moment. We're confident in our points of views and predictions on where the state of SMBs is heading. However, the constantly evolving landscape requires continuous observations.

Phase I is just the beginning. There is much more to come as our thinking evolves along with the rest of the post-pandemic world.



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