

## Challenges and opportunities for SMEs – PART 5

# NEW PRODUCTS AND SERVICES

*A series of practical articles by Chris Elphick, Breadfruit Consulting.*

During this series I am looking at a number of issues relevant to all SMEs and identify both the opportunities and challenges associated with each issue. Topics to be covered include planning; staff and recruitment; customers and service; marketing; competition; new products and services; being well organised; collaborating with others; understanding and analysing risk; managing the money; going into business with family or friends; grants, loans and investment; expansion and growth; technology and exporting.

**Today my focus is on new products and services.**

Like many things in life we have to keep our businesses up-to-date, relevant and modern if we are going to attract new customers and stay ahead of our competition.

There are a number of challenges for business owners when considering new ideas and services including:

- What new ideas?
- How much will they cost?
- How do I know they will work?
- Why change, I'm happy as I am now!
- I am too busy to think about anything new – I just haven't got the time.
- My staff won't have the skills.

When thinking about a new business idea or service, take time to think about options and try to build on what you do already. It is usually better and cheaper to build new ideas on what we are already doing rather than try something totally new. Something new will always cost more, may require more resources and marketing and staff may need totally different training. Have a look at what your competitors are doing and ask your customers!! Their feedback might save you a lot of money.

You might need to brainstorm your idea with others – bounce the ideas around with friends, colleagues or a mentor. What evidence do you have that there is a market for your new idea or service? Do you have the skills and attitudes to make it work?

Whenever you introduce something new you do not know if it will work so treat it as an investment. Set a trial period. Actively promote the new product or service and ask for feedback from staff and customers.

We can never be too busy not to think about the future – if you do not do it your competition will! Exploring new ideas and services is an essential part of business planning. It is called 'being proactive'. Reactive businesses only ever react when something happens and usually after the event. Being proactive means taking charge and creating your own future. It requires us to think creatively and be prepared to take risks. We have to run our businesses with our eyes wide open. Profitable businesses are proactive businesses – they are businesses that think ahead and are willing to invest in something new even if, at the beginning, it is unproven.

When thinking about new ideas and services think about the business itself - are there little changes you could make that would bring in more customers? Do you communicate well enough with your customers? Do you ask them what they want from you?

Developing new ideas and new services presents us with huge opportunities – we can involve our staff in a different way, we can involve our customers, we can learn new ideas ourselves, we can make the changes we have always wanted to but never quite for round to it!

Once you have made the change you must make sure your staff are properly trained and that you tell everyone! Use technology to spread the word – create a new ideas Facebook page. Be proud of your new product or service!!

If you need help with exploring new products or services or you want some feedback on your own practices, then please get in touch.

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