

The YEBDC Small Business Information Column

by Sue Gingerich, Business Advisor

"Monitoring Trends - When Is Change A Good Thing?"

They say that variety is the spice of life! However, when in business, too much change can confuse your customers. YET, sometimes we must change the products and services we offer OR be forced to close up shop! So when is it time to change and when is it time to stay the same?

Monitoring trends is one of the most important things a business can do to know when to change what it sells. Of course monitoring is not enough. Careful analysis is just as important AND then developing new strategies based on that analysis is equally as important.

First of all, what trends should you monitor and how do you monitor them? Some areas to watch are industry and consumer trends. (Including consumer spending and changes in industry sales.) The government reports on these periodically. Also, watch the rest of the economy. Depending on your business, you may want to watch local, regional, provincial, national and global economies. If in doubt about which areas to monitor, just ask yourself, "If something happened to change this area, how would it affect my business?" Monitoring changes in technology that could have an impact on your industry is also important. A new invention could change the way your industry does business. Other areas to monitor for change are: your competition, related industries, new government legislation, and major environmental changes. The way to stay informed is to read your local and regional newspapers thoroughly, and review consumer trends and statistics regularly. Also, subscribe to all industry periodicals and related industry periodicals. Suppliers are also great sources of information. Of course these days, regularly surfing the net may be the quickest and easiest way of obtaining information. AND don't forget one of the best sources of information: YOUR CUSTOMERS!

Gathering information is just the first step. Next you must carefully interpret it. Compare information from different sources. Are they saying the same thing or something totally opposite? Discuss your conclusions with others. No one says everyone has to believe the same thing, but seeing their perspective will help you to review your own findings more objectively.

The next step is to plan your strategies. Can you continue on the way you have been? Or is it time to diversify? Sometimes all that is needed is to refresh your current product and service lines, by dropping some old items and adding some new ones. Sometimes changes may need to be more drastic. It may mean adding a whole new, yet related product line. Or, sometimes when an industry is nearing the end of its life-cycle, it may be time for a complete change. Consider the possibilities of starting a whole new business BEFORE the old one completely declines. While this doesn't always work as well for retail operations, it is a viable answer for some service industries. If you travel to your customers, you may be able to run two totally separate businesses, each part-time.

Monitoring trends is extremely important for developing product and service strategies. However, monitoring trends can also help you to know better how to price, distribute and market your products and services. Remember -- clever marketing created many trends!

If you have a small business and have a question or problem that you think The YEBDC could help you with please call or write to: The Yellowhead East Business Development Corporation, Box 249, Sangudo, Alberta, T0E 2A0

1-800-556-0328 or 1-780-785-2900, e mail: yebdc@yebdc.ab.ca or access our Website at:
www.yebdc.ab.ca

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