

Business Growth Strategies for Startups & Small Medium Enterprises in **KSA**



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Need for Navigation of Businesses in KSA:

Saudi Arabia's Vision 2030 aims to shift the public sector-driven economy to one driven by the private sector as the main engine for economic growth and job creation. As Saudi Vision 2030 has induced significant foreign direct investment and several international businesses and investors to visit KSA for the purpose to establish ventures in the country to optimize growing opportunities.

With business growth there always comes risk therefore, successful businesses rely on multiple plans of actions. They use a mix of growth strategies to cater the arising risks, including market development, product expansion, product line expansion, strategic partnerships, acquisitions and organic growth.

Business Growth Strategies in Contemporary World:

Market Penetration

Market penetration strategy is a business growth strategy which focuses to sell existing products into untapped markets. This involves identifying new markets that would be a good fit for current products.

It aims to increase the current market share for an existing product or to successfully promote a newly developed product. Some useful tools in-order to penetrate in the market include:

- Advertising,
- Offering discounts on bulk orders,
- Bundling products and
- Lowering prices

The main aim in this strategy is to lowering prices in order to grasp more market share. This can be a good short-term expansion strategy for businesses selling products similar to those sold by their competitors.

Amazon is a very fine example of this growth strategy. They found that most of the consumers do not wish to pay the delivery charges that were a part of checkout procedure of their competitors. Hence, they offered various options for free or minimum payment delivery including Amazon Locker, self-service pickup boxes and many more options.



Market Development

Market development is widely adopted business strategy that allows a business to expand the current portfolio of clients. Subsequently, a business is able to grow its existing share of the market. This growth strategy mainly includes

- targeting a new industry,
- new segment,
- new department or
- a new geographical location.

Facebook is a typical real-life example that adopted market development as a business growth strategy. They initially offered their product to only Harvard University students and gradually expanded to include Stanford, Columbia, and Yale. They then opened their platform to all Ivy League and a number of Boston schools. Later the access was offered to colleges around the U.S. and Canada. Since then, Facebook has expanded into many different users beyond their initial focus on colleges. Thus, the companies mature the most profitable growth when they move into an adjacent target market.

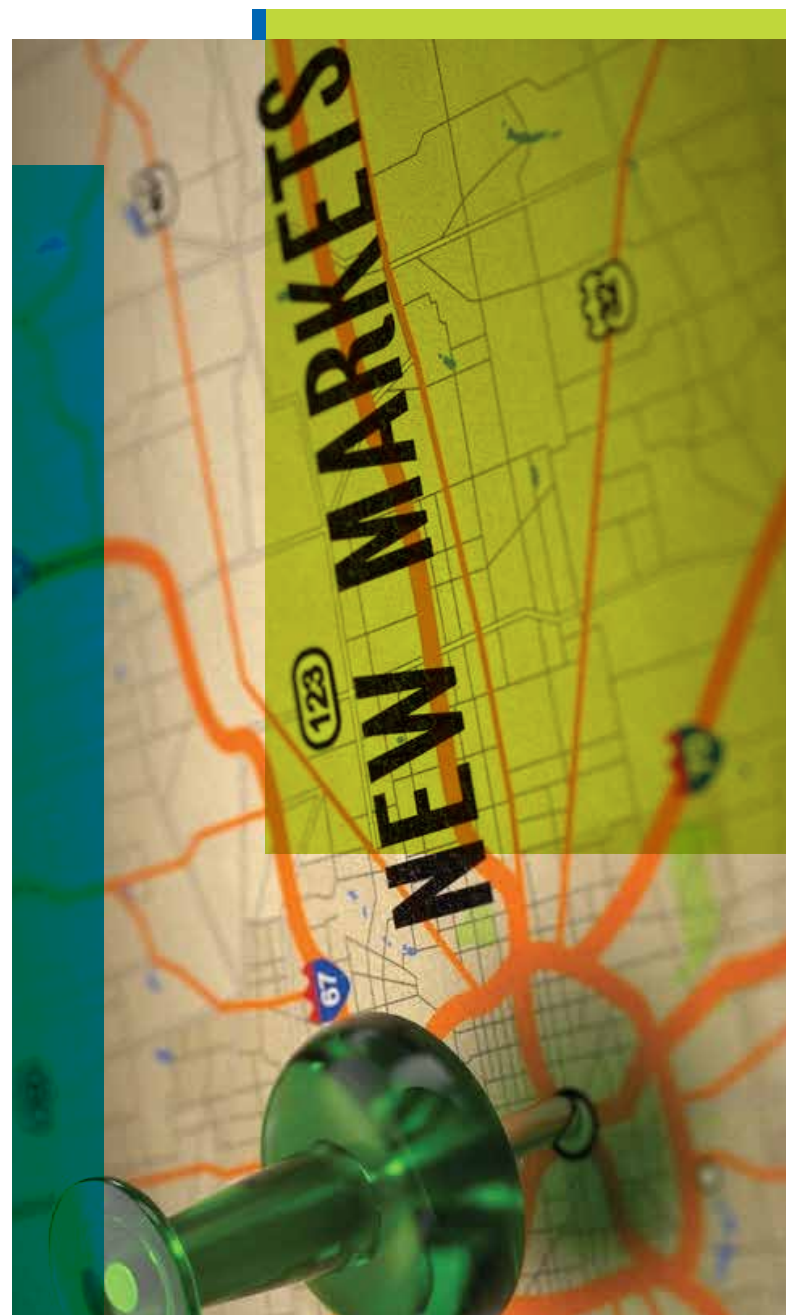
Market Disruption

Market disruption usually involves entering into a well-established industry that is being ruled by a few legit brands and do things completely differently than the current competitors are offering.

Fintech company of Stockholm, Sweden offers consumers an additional service that enables them to make purchases without full payment at checkout, instead the consumers can divide their payments into four interest-free installments that can be paid within 30 days or even extend up to three years. This resulted in an increase in average order value by the consumers paying with flexible installments options.

Expansion

Businesses can hugely benefit from expansion of product lines or adding new features to their current products in order to appeal to their existing markets. This can mitigate the risks and materialize huge profits.



Fizzy drink giant Coca Cola is a good example of this strategy. In order to outperform their competitors, Coca Cola continuously launch different flavors of their fizzy drinks or add new improved formula in their existing drinks.

Whenever the sales of a product start to decline, it is the time to phase out weaker products and introduce newer versions in the market. Products that no longer hit targets can be given a new life through product or service expansion, but the pre-expansion research is a key in order to avoid failure.

Organic Growth

Organic growth is by far more ideal than any other growth strategies. Basically, the main focus of the businesses is shifted to internally growth rather than relying on any mergers or acquisitions. Internal growth is more static and long lasting than going for any other outside option.

Poundland is a UK-based variety store chain that offers a wide range of products, including many famous brands for just £1. The company pursued organic growth as its primary growth strategy and has now been able to successfully open 500+ stores in the UK.

How Insights Assist the client in Growth Strategies:

The environment in which businesses operate in is increasingly complex, therefore managing business growth, planning for the future and staying competitive is very crucial nowadays. We can help you address these issues. At Insights, we offer an approach that is tailor-made to your specific business requirements.

We have designed and developed growth services that enable to support your business at any phase of its lifecycle. With Saudi Vision 2030 and increased diversification within the Kingdom, the opportunities to drive the strategic growth agenda continue to surge.

Dynamic organizations often reach a point in their growth journey where the strategic vision requires a reassessment and where applicable realignment. In order to support the growth of your business, we offer versatile strategic services that includes:

- Business Consulting
- Business unit strategy
- Product line strategy
- Corporate strategy
- Market entry strategy
- Innovation strategy



Our professional consultants work with the leaders of the business in order to understand their strategic objectives before building workable and sustainable solutions which create impact, whilst supporting a business to achieve an exceptional performance and above average returns.

We are helping the clients to grow at each stage of the business lifecycle.

Let Insights be your business partner in growth!



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