

May 2019



# Business Expansion Tips

for Small Business Owners  
in Cameroon

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Aspiring entrepreneurs aspire to embark on a successful business venture. Its planning is an interesting and exciting thing but may promote anxiety. Getting involved in the type of business that suits you and having the required skills and potential experience to succeed is a daunting task. Skill combined with experience is the recipe for a successful business venture. Aspiring entrepreneurs should identify both the type of business that suits them and the skills and experiences needed to succeed. They also need to believe in and understand their key strengths and level of expertise. This will keep them comfortable and confident in the type of business they intend to undertake.

In most of the world's economies, including Cameroon's, small businesses are regarded as vectors of job and wealth creation. Through their investment and consumption, they produce a variety of goods; they create value in society through the number and quality of goods they produce.

According to statistics from Cameroon's National Institute of Statistics, small businesses account for about 90% of the economy; with a total share of 34% contribution to the gross domestic product [1]. Despite the role played by small businesses in the Cameroonian economy, the major financial and physical constraints they face in their operations are daunting. This has had a negative impact on their development. It has also limited their potential to drive the expected national economy; negatively impacting a developing economy that seeks to emerge by 2035. There are limited infrastructures and modern technology to attract other entrepreneurs.

Moreover, small business owners should know the best practices in their specific areas and strategies on how to carry out a business venture. The implementation of a business proposal that spurs and sustains growth is likely to be successful. They tend to contribute to a possible advancement of the economy through improved productivity and job creation.

For example, through innovation, the following companies have contributed to creating jobs in Africa: the Dangote Group that deals in commodities

(having 18 subsidiaries and presence in 10 countries), The Mara Group of Uganda (present in 25 countries and employing about 7000 employees) and the United Bank for Africa (present in 20 countries and having 3 global financial centres: London, New York and Paris) [2].

Their innovations are serving as a model to some entrepreneurs. Such innovations were mainly centred on being a keen listener to customers, putting themselves on the frontline (this helps an entrepreneur to understand the needs and concerns of their clients) and taking time to carefully think and meditate on a business idea before implementing it. Small business owners, specifically, should leverage some of these innovative strategies as a conduit to expand their businesses. This will grow and strengthen the private sector which is made up of about 95% small and medium sized enterprises [3].

Next, we will discuss some of the effective small business expansion tips in Cameroon. This is to help small business owners in the country know how best to grow their businesses.

## Eight effective business expansion tips

Choosing the effective tip for your business depends on, amongst other things, the type of business you own and how much time and money you are willing to invest. This also depends on the country's business climate and tax laws.

- Tip #1 related to the cost of expansion. This refers to the expenses an entrepreneur/organization incurs in order to increase capacity or ability to conduct business operations. For business expansion to be possible, its cost of expansion should not outweigh the cost of growth (cost incurred from the conception of a product to its implementation). This has an obvious impact on profit. Arguably, a business should not expand if it is barely breaking

even; i.e., one should test a business model in an appropriate environment to determine its viability

- Tip #2: An increase in the size and/or portfolio of a business can be realized through the acquisition of another existing small business which the entrepreneur finds lucrative.
- Tip #3: “Align yourself with others” says Jim Labadie, known for leveraging excellent communication, interpersonal and client management skills. Establish business agreements with distributors and dealers who have customers in that area of business if possible. This will create partnerships with the distributors who can comfortably supply all products within the targeted market. Such partnerships can help entrepreneurs access goods on hire purchase and expand their business horizons.
- Tip #4: Leverage networking opportunities and teamwork. Connecting people with people and connecting people with opportunities are other ways to encourage the growth and success of a business. An astute entrepreneur should leverage the power of networks (Tim Sanders, former Yahoo executive).
- Tip #5: Investing in research and development (R&D) will help a business to expand in the right direction. Research helps business owners to explore and understand the different market segments and client base in each segment. This helps the entrepreneur to improve on products and services that will suit their customers’ needs as well the service/product delivery. R&D promotes the use of the latest technology which has the potential to facilitate a business expansion through improved productivity.
- Tip#6: Education (skills and experience) plays an important role in the ability to expand a business. The entrepreneur understands

various market conditions (such as increasing prices in case of a monopoly or letting the invisible hand (forces of demand and supply) determine prices in case of a perfect competition) and knows how and what to do in case of any eventuality. Efficiency comes with education. Research shows that staff efficiency plays a key role in business expansion. Those who focus on improving employee effectiveness will create the foundation for growth. Those who ignore this powerful influencer will create a wall between their goals and the ability to perform. It becomes important for employers to strive to improve the effectiveness of employees by investing in human capital. Without significant increase in employee’s effectiveness, research shows that about 40% of most small businesses will fail. [\[4\]](#)

- Tip #7: Understand your competitors. A small business owner should study the strengths and weaknesses of its competitors. Arguably, this can help in developing a strategy to increase market share [\[5\]](#). Knowing this provides the entrepreneur with an understanding of its business position in the market place vis-a-vis their competitors. Important things to note about competitors include: solutions, products and services, marketing skills, financial strength, resource availability, etc. This will guide the entrepreneur seeking lasting and better ways for improvement and expansion of their own business. of improving and expanding their own business
- Tip #8: Diversified production [\[6\]](#). Expanding your business can be difficult if your products are only in one market or if you are producing just a particular or single product. To make your manufacturing business grow larger, faster, diversify your current product line. Add complimentary items, products, or services that mesh well within your brand. By doing this, you will be

able to increase profits and increase your brand awareness into other sectors of your industry's market.

## The role of the government

Government can play a key role in supporting small businesses growth. A challenge for the government is to develop policies that will promote small business development as well as economic freedoms. These include:

1. Government should promote entrepreneurial activity especially amongst youth. This could be done through school curriculum, talk shows social media or vocational training.
2. Encourage small business owners to invest in research and development by partnering with the Ministry of Small and Medium Size Enterprises, Economy and Planning, Ministry of Scientific

Research and Innovation. This will help entrepreneurs; transforming their ideas into action if given a platform and incentives to do so.

3. Making loans available to small business owners. This can be done by the government through banks and other financial institutions.



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