Little Company, Big Fight

Toronto’s Synaptop is a micro-enterprise doing big things. Founder and CEO Sami Siddique grew tired of the inefficiency of juggling multiple apps, accounts and passwords across smartphones, tablets and computers. So he created Synaptop, a “virtual computer on the cloud” that lets users share files, edit documents, watch movies and even shop online—and do so simultaneously with friends.

It’s a huge concept, but it’s all run by five employees. With the average user bringing in at least four or five friends, Synaptop is growing at an exponential rate. In response to the online community’s demand, it’s going to be made available internationally in early June.

“Everyone wants to be big,” says Siddique. “But it can be a slower process when you have to consult with a lot of people. As a smaller company, you have more speed and agility to develop things.”

There are now more than one million small businesses in Canada, a number that climbs by about 15,000 per year. Entrepreneurs are realizing that, as Synaptop’s success has shown, bigger isn’t always better.

Traditional marketing methods, such as print and television ads, come with a hefty price tag—giving large companies with large budgets an edge over smaller enterprises. But the emergence of social media platforms has helped level the playing field with a litany of low-cost ways to push a product or carry on a conversation.

Open lines of communication have made it easy for entrepreneurs to tell their story and project a human side of business through interaction with customers online. Almost all consumers have been stuck in a phone queue, listening to an automated voice repeat the same your-call-is-important-to-us spiel. Small businesses have the chance to replace the elevator music with real advice from real people.

“They can allow their personality to come through by responding with a very personal touch,” says Chris Stevenson, director of communications for MaRS Discovery District, a Toronto-based incubator for entrepreneurs. “It lets them be the hero.”

Stevenson uses the example of the local mom-and-pop restaurant—the kind that has their customers’ names and favourite orders memorized. Chains and larger companies simply can’t compete with the authenticity that comes with the familiarity and personalized service offered by such local haunts.

“There are huge opportunities in playing that up, especially if you’re locally relevant,” says Sarah Spence, senior vice president and partner of High Road Communications, a public relations firm that has worked with brands such as Telus and Gatorade, as well as many small businesses. “Focus on the community.”

Small tech companies are reaping the rewards of close community relationships by launching geographically specific services. Homegrown apps like Mike Lin Mobile’s Toronto Bike Map (an
app that gives cyclists directions using the city’s bike paths and lanes) and PostCity Magazine’s Joanne Kates 100 Best Toronto Restaurants have both filled voids for app-hungry city-dwellers.

And, by using social media to keep up conversations with consumers, smaller businesses can also react quickly, pivoting products if need be.

“It doesn’t have to be a 360-degree change, it’s more of an evolution,” says Spence. While marketing experts caution against flip-flopping, a smaller business has leeway when it comes to adapting to clientele, as long as they stay authentic. “We always say a brand is a promise delivered. If you keep that promise, you can turn your customers into an army of ambassadors.”

Recruiting that army has been crucial for small businesses lacking the means to launch mass advertising campaigns. Plus, synaptop CEO Siddique says word of mouth is often more effective than traditional advertising anyway—people are far more likely to act on a friend’s recommendation than that of an ad or some company spokesperson.

His company has grown by targeting the most notorious social networkers: students. They did so by targeting their product to the demographic’s needs, creating a collaborative environment that does what Facebook and Google+ don’t—providing users with an all-inclusive platform to store files, video-message and watch movies online with friends.

It’s an approach that works especially well in the cutthroat tech sector.

“If you try to replicate what [large companies] are doing, you’re not going to be in a good position,” says Stevenson. “Differentiating yourself has to be your focus, (and) being the underdog can be advantageous.”

That’s especially true now, when the economic perks of small business—low start-up costs, fewer salaries to pay, the ability to work from home or a small office—have lessened the corporate allure, while shows like Dragon’s Den have capitalized on the public’s desire to root for little guys.

And although the image of a flashy, thriving company may be tempting, Stevenson warns entrepreneurs against pretending to be any bigger than they are.

“The days of the sneak-around salesperson are long gone,” he says. “With the internet, there are no secrets.”