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SMART STRATEGIES FOR GROWING YOUR BUSINESS

Terri Lonier



JOHN WILEY & SONS, INC.

New York • Chichester • Weinheim • Brisbane • Singapore • Toronto

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Published by John Wiley & Sons, Inc.
Published simultaneously in Canada.

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Library of Congress Cataloging-in-Publication Data:

Lonier, Terri.

Smart strategies for growing your business / Terri Lonier.
p. cm.

Includes bibliographical references (p.) and index.

ISBN 0-471-24800-2 (pa. : alk. paper)

1. New business enterprises—Management. I. Title.

HD62.5.L66 1999

658.4'012—dc21

98-42280

CIP

Printed in the United States of America.
10 9 8 7 6 5 4 3 2 1

Photo of author: Arthur L. Cohen

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FOUNDING EDITOR, *FAST COMPANY* MAGAZINE

Acknowledgments

As experienced solo entrepreneurs know, one of the smartest strategies for business success is to build a team of exceptional colleagues. In writing this book, I have been fortunate to work with an outstanding group of individuals. Each played an important part in this project, and it's my pleasure to acknowledge them here.

First, thanks to editor and solo colleague Janice Borzendowski for sharing her talents and ideas and for asking the probing questions that helped to clarify my thinking. Special appreciation goes to Anne Allen, my managing associate, for her insights and personal entrepreneurial spark, and for keeping Working Solo, Inc. running smoothly as this project developed.

I am also indebted to other business colleagues who shared their ideas, experience, and encouragement along the way: David Garfinkel, Elaine Floyd, Harold Grubbs, Roxanne Emmerich, Terri Kabachnick, Tim Celeski, Carol Peskoe Schaner, Judith E. Dacey, Annelie Chapman, David Zach, Richard Thieme, Greg Godek, Lisa Aldisert, Somers White, Nido Qubein, Aldonna Ambler, Dan Alcorn, Nancy Rosanoff, Arthur Cohen, Sharon Good, Marilyn Leiker, Claire Winslow, Sheila Delson, Barbara Hemphill, Julie Morgenstern, Lloyd Jassin, and Shana Ross. In addition, hats off to the numerous solo entrepreneurs and small business owners I've encountered in my seminars and travels over the last two decades; your stories have inspired this book and my work in countless ways.

Appreciation also goes to Leslie Newman, Colleen Kelly, and Flora Wong at Newman Design/Illustration in Seattle for the illustrations and design assistance. Thanks, too, to Barrie Selack for serving as the Working Solo Webmaster.

xii Acknowledgments

I am grateful to my agent, Joe Spieler, and publishing consultant, Tom Woll, for their ongoing support of the Working Solo vision. Thanks, too, to Mike Hamilton, Laurie Frank, and the entire publishing team at John Wiley & Sons for helping me reach solo entrepreneurs and small business owners through the Working Solo series.

And last, but certainly not least, I thank my husband, Robert Sedestrom, who has seen from the inside how a business is affected by smart strategies. I'm grateful to him for sharing his strategic ideas, and for his companionship on this entrepreneurial adventure.

Preface

Strategize. Politicians do it; athletes do it; armies do it. And it's the most touted activity in business today. But probably for no one are strategies more important than for you, the solo entrepreneur or small business owner. As the leader of a small enterprise, you can't rely on a big corporate marketing department to plan your promotional activities for the next quarter, a sales staff to pitch your product or service, a research department to tell you which customer base to target, or an accounting department to direct you when to spend and when to save. It's up to you, the individual who wears all the hats of marketing, sales, research, accounting—and CEO.

Based on my encounters with thousands of entrepreneurs over the past two decades, my guess is that you implement strategies on a daily basis as you struggle to grow your independent business. But I'd also venture another guess: that too often you create your strategies on the fly, on an as-needed basis. This is understandable. When you're trying to do it all yourself, or with a very small staff, you don't have time to strategize in advance. Unfortunately, while spur-of-the-moment plans can be inventive, they're often not very effective; nor do they always provide the best path for your company.

That's why I wrote this book: to give you smart ways to strategize, before you're in a crunch situation and running out of time, energy, and perhaps money. *Smart Strategies for Growing Your Business* is about being proactive, about taking preventive steps to care for your business and yourself during the always-challenging growth stages.

Smart Strategies for Growing Your Business is the successor to my first book, *Working Solo*, which I'm proud to say has come to be

regarded as a classic small business startup guide. This volume, the fourth in the Working Solo collection (along with *The Small Business Money Guide* and *Working Solo Sourcebook*), fulfills my goal to provide you, the solo entrepreneur and small business owner, with a comprehensive yet easy-to-use source of expert advice, practical aids, and food for thought that will give you what you need to initiate, then institute, strategies vital to the ongoing and long-term success of your business.

I think you'll find this new addition to your Working Solo library a valuable tool in creating a strategically sound future for your company. It comes with my best wishes for your prosperity.

Terri Lonier
November 1998

Introduction

When you started your business, it was no doubt one of the most exciting—and overwhelming—things you'd ever done. After a short time, however, you also realized an even greater challenge was still ahead: keeping your business going. No one told you there would be endless days when you would feel as if you were slogging through quicksand.

It's true, growth *is* more difficult than startup. Once the adrenaline rush of launch wears off, you're on your own to build your company, day by day, brick by brick. Along the way you'll feel frustrated, annoyed, envious, angry, and pull-your-hair-out exasperated. Of course, at other times you'll feel elated, proud, confident, thrilled, and pleased as punch. Often you'll also feel dog-tired.

I've experienced every one of these emotions, and more, during my 20 years in business—the first 18 of them working solo—and for a lot of those years I was dog-tired, too. But somewhere along the way, I learned that it's not how *hard* you work that sustains growth, it's how *smart* and *strategically* you work. As a business owner, there's only so much of you to go around, and you have to make every day count.

More than a million people start businesses every year. But only a handful are able to turn their business dreams into reality. Most wear themselves out and either give up or go bankrupt before ever learning to work smart. By sharing with you the strategies you need to work smart and prosper, this book is designed to make you one of the handful whose professional dreams do come true. Its aim is to cut years off your learning curve, enabling you to grow the business you've always dreamed about more quickly and easily.

Think of *Smart Strategies for Growing Your Business* as a trusty guide, pointing you in the right direction when you're standing at the crossroads without a clue which way to turn. Filled with sound advice and real-life examples, these pages are brimming with valuable lessons that you can use as practical shortcuts to get you where you want to go. And, unlike many business books, this one was written with you, the solo entrepreneur and small business owner, in mind. As a small business owner myself, I understand the fact that you have limited time and energy, and that you need to-the-point information as you grow your business. This book's structure was designed to enable you to get help when you need it—quickly and easily.

Smart Strategies for Growing Your Business features a total of 50 “mini-chapters” in seven easy-to-follow sections: “The Power of Strategies,” “Vision Strategies,” “Marketing and Sales Strategies,” “Operations Strategies,” “Money Strategies,” “Expansion Strategies,” and “Momentum Strategies.” Each chapter is a bite-size mental morsel, written so that even the busiest and most stressed-out entrepreneur will have time to read and digest the strategy—and then turn it into action.

This structure was designed so that you won't have to feel guilty about spending money on another business book that ends up in a pile somewhere in your office. *Smart Strategies for Growing Your Business* won't daunt you with too many words about the latest and greatest management scheme from someone who has forgotten what it's like to be exhilarated, scared, exhausted—and in need of help—all at the same time. This is a book you can use while you're traveling from here to there, when you're ready to take a short break during your day, or when you want a brief insight about a new business challenge. It's a book that lets *you* decide how much you can take in and implement in your busy schedule. And from my years of working on my own I know that it's better to tackle a few modest tasks than to set grandiose plans and never follow through on a single one.

This guide is set up so that you can read about these strategies in any order you choose, based on your current needs. Essentially, you can “shop,” then “buy” only those that will help you in your particular situation. (However, if you're a new small business owner, or just

thinking about going out on your own, I recommend you read the book cover to cover to give you the proper groundwork you need.)

But don't read the chapters and stop there. If you do, these strategies will have served only as an interesting mental exercise. To give you the power you need to succeed, they need to be put into the context of your daily business life. To get you started, I've included a series of "Take Action" steps at the end of each chapter—simple, doable activities that help you put the strategies to work right away in your business.

Smart Strategies for Growing Your Business is also a launchpad for your ongoing business learning. Throughout these pages you'll find details on books, audio programs, software, and other tools to boost your business knowledge. As a bonus, at the back I've created an extensive resource section—really a small book-within-a-book—that's chock-full of valuable business learning tools to help you build your company. It's all designed to connect you with the information you need and to lead you to experts who know you and your specific business best.

This book is a compilation (a collaboration of sorts) of my own experiences as well as those of countless individuals I've encountered over the years who have generously shared their stories. In that spirit, I hope you'll become part of the ever-expanding community of entrepreneurs who, though they don't see each other every day (and maybe *never* meet), nonetheless become colleagues in the true sense of the word.

So as you and your business grow, I invite you to stay in touch. Let me know which strategies work best for you, and if you've found new ways to tackle our entrepreneurial challenges. And if you're at the stage where you want or need more information, all you need to do is reach out your hand (well, technically, your mouse) for more Working Solo resources. You can check out our free e-mail newsletter and Web site at www.workingsolo.com.

Keep me posted on your business success.

Terri Lonier
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Section

ONE

**THE POWER OF
STRATEGIES**

Chapter 1

Understand What Strategies Are

Meet Chris and Kim, two computer consultants. Both started in business seven years ago with the same background, the same skill level, and the same type of work. Today, Chris works 24-hour weeks, has the eternal glow of good health, and dines and relaxes in resorts around the world. Kim, on the other hand, eats half-cooked meals from the microwave, has a pasty, ashen complexion, works 75 to 80 hours a week, and is on a first-name basis with collectors for Visa and MasterCard.

The difference? Seven years ago, Chris sat down and wrote a list of growth strategies for the business, referred to them every day—and followed them *to the letter*. Kim said loudly to everyone who brought up the subject, “Strategies? They’re for corporate stiff. I’m an *entrepreneur*. I live by my creative instincts. My entrepreneurial spirit is what I use instead of strategies.”

This not-so-far-fetched tale—representative of thousands of entrepreneurs I’ve encountered over the past 20 years—illustrates the power of strategies, from Chris’s carefully planned success to Kim’s crumbling venture. Chris saw strategies for what they are: the tools of the trade for successful business owners.

In fact, as entrepreneurs we’re not very different from tradespeople or construction professionals such as architects and builders. No, we don’t lay bricks or spread mortar. But we do draw up plans and lay foundations (granted, of a different sort) upon which we build our businesses. And instead of levels, hammers, and nails, one of the most important tools in our toolbox is the concept of strategies.

But just what is a strategy? Ask a dozen entrepreneurs about strategies, and chances are you’ll get a dozen different answers.

4 Smart Strategies for Growing Your Business

Everyone has his or her own ideas about what strategies are and how to put them to use in a business. So before we begin, let me define the term as I use it in this book. Strategies are one of the four elements—along with tactics, goals, and vision—that make up a series of essential business plans and actions. (See Figure 1.1.) Each builds upon the others, creating power and momentum. By differentiating these elements, we can clarify our current business position and determine how to maximize the time we spend on each element.

Smart Strategy

Strategies are the tools of the trade for successful business owners.

Let's return to the construction analogy, because it's helpful to view these important elements as building blocks—that is, as part of the expansion process. Employing one without the others will result in a shaky foundation incapable of sustaining the structure you build on top of it. In short, you'll have a business that doesn't suit or support your needs and doesn't function as well as it could and should. Let's take a look at each of these elements in greater detail.

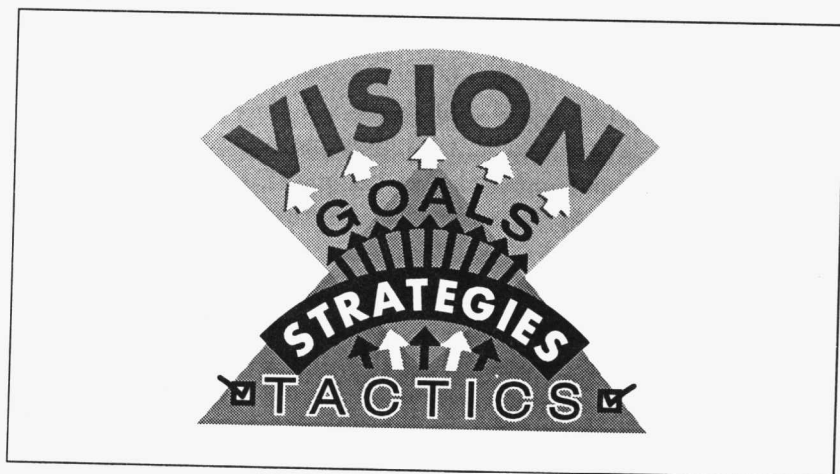


Figure 1.1 Strategies are an integral part of business success. They give focus to the often-scattered energy of tactics, and bring power to goals and your larger business vision.