

Take your business to the next level: 4 tips

Money Matters / Joseph Anthony



Stop and think. Is your business adapting well to growth and change? Or has it “plateaued,” or lapsed into a slump, falling short of your own expectations?

Well, it’s easy to fall short. Maybe you don’t really want to grow. Then, again, maybe you do.

“People who start a business can get complacent as they find that they’ve finally reached profitability — or, frankly, they can just get worn down,” says Nancy Blazer, founder of The Bolero Group, a Portland, Ore., company that advises small businesses on growth and management issues. “They’re working so hard they cannot see how they could do more and take their business to the next level.”

Taking your business to another level can be difficult — but it is certainly not impossible, as engineers Michael Gurney and Ed Diehl can attest. The two started Concept Systems in 1999 with a \$32,000 investment and no employees. Building the Albany, Ore.-based engineering firm into an operation grossing about \$5 million and employing more than two dozen people has meant taking their business to *several* “next levels.”

Probably the most public display of the company’s expertise was the computer systems that controlled the 60-ton replica ship used in the 2003 movie “Master and Commander: The Far Side of the World,” starring Russell Crowe.

Concept Systems is following or addressing these four basic steps to expand their business successfully. Other small businesses that seek to grow should take note.

- 1. Delegate authority when necessary.** Giving someone else decision-making authority can be hard, especially for the founder of a business. But if you can’t do that, you’re going to have a hard time growing the business. “Only you know how to do something as well as you do it,” Blazer says. “But if you have a system, you can be showing someone how to do what you do.”

At Concept Systems, one of the first big adjustments came when the founders had to pull back in one of the areas they’d originally focused on. “When we started out, Michael and I wanted to spend 50% of our time on engineering and 50% on business,” says Diehl. “But as we were getting bigger and more successful, we felt like we were spending 100% of our time on engineering and another 100% on sales. It was the first time we felt like we had to let go of something.”

Their solution was to bring on two full-time account managers. The founders did not want to give up their engineering duties and servicing of existing clients. But they were willing to offload responsibility for recruiting new business onto other people.

- 2. Invest in employee growth as well as company growth.** Managers often say they like to see that employees are spending time or money on their own education. The desire for more knowledge often is seen as an indicator of the employee’s interest in both his or her own career and the company’s future.

Of course, companies can show the same interest in their employees by offering some type of education benefits. Concept Systems takes that idea one step further: The company gives each engineer a so-called “tool fund.” The uses for the money are remarkably open-ended, and show the trust that management places in employees’ willingness to embrace the company’s overall goals.

"The employees might use the money for some specialized training, for software, or whatever else they think appropriate," says Gurney. "We really don't place restrictions on the money, as long as they spend it on something that is going to help improve themselves or make them better at what they do."

- 3. Put "the way we do it here" on paper.** Documenting company policies and processes can be complicated — as complicated as developing a CD or a multi-volume binder that lists the specific steps in every task performed in the business. It can also be as simple as having "cheat sheets" for questions that should be asked in sales calls or Post-it notes that are attached to commonly used equipment such as photocopy machines.

Either way, it's easy to overlook actually documenting processes or goals, especially if you feel everyone with the company is already "on board." But you are better off if you don't.

"I know we explain our philosophy verbally to employees, but we don't really have a complete statement of that philosophy or of the kind of person we want to work with written down," Diehl admits. "We do need to work a little more on getting some of these things written down."

- 4. Don't be the major obstacle to change.** Successful growing businesses are businesses that are changing. Nancy Bolero maintains that the small-business owner can actually be the biggest obstacle to effective changes.

"Growing your business can mean changing your own role, and that can require much more from you as a leader, as a manager, and as a mentor," Bolero says. "You need to have a different mindset from what's carried you and the business to this particular point."

For the founders at Concept Systems, successful growth means continuing to change their own perceptions of their best roles within the company.

"We're now at the point, with more than \$5 million in annual sales, that we are starting to see that if we get any larger, we are going to have to bring on some technical management expertise," says Diehl. "I can see that happening in one to two years, depending on our growth. We may have managers for much of the daily decisions, while we focus even more on helping and guiding projects at key points."

But change doesn't always have to be traumatic. In fact, it can be something to look forward to. Already, Diehl is anticipating a change in his duties that he'll welcome.

"The next responsibility that I plan on giving up is the personnel management duties," he says. "That is the part of the job that I don't like, and I won't mind handing the authority for it to someone else at all."