

Aldonna R. Ambler, CMC, CSP
The Growth Strategist™

21 Ways to Grow

	<i>APPROACH</i>	<i>SURVIVAL</i>	<i>GROWTH</i>
1.	Promotion of existing products to existing customers and/or markets		
2.	Promotion of existing products to new markets		
3.	Promotion of new products to existing customers and/or markets		
4.	Promotion of new products to new markets		
5.	Improved quality control		
6.	Improved customer service		
7.	Increased control over distribution channels		
8.	Franchising or Licensing		
9.	Geographic Expansion		
10.	Specialization		
11.	Diversification		
12.	Improved Efficiency		
13.	Investment Outside of the Core		
14.	Joint Ventures		
15.	Strategic Alliances		
16.	Mergers		
17.	Acquisitions		
18.	Rollups		
19.	Equity Deals		
20.	Sponsorships		
21.	Initial Public Offerings		



GROWTH STRATEGY: Acquisitions

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

Perhaps you have never considered the possibility of acquiring another business, or you are concerned that the slowed economy would prohibit you from taking such a step. But this is precisely the time to consider acquisitions for 6 important reasons:

1. Companies are now available for sale – Many baby boomer business owners, who were otherwise ready to retire, held onto their businesses over the past few years in an attempt to ride the last wave of the booming economy. They are now ready to get out and will be getting lower offers.
2. Acquisitions are really about companies in search of CEOs – You could be well positioned for growth through acquisitions if you have concluded that you want to be in business for the next several years and have a talented CEO in place (perhaps you). Many companies struggle to grow because the President is really a technician (a doer) instead of a business leader. This is such an important element of acquisitions that smaller companies can acquire larger companies, particularly when the transaction is between two privately held businesses.
3. Acquisitions can be financed from within – At the risk of sounding like a cable channel advertorial; it is possible to purchase businesses with “no money down.” Interest rates have been dropping. Banks are looking for transactions. The acquisition of a profitable company can often be financed on the receivables of the acquired business.
4. The cost of acquiring talent is a factor – Hiring one person at a time can be extremely expensive. Although the unemployment rates have changed a bit over the past few months, the competition for knowledge workers remains fierce. An acquisition can bring several people to your company who are already comfortable working together as a team. Think about the costs associated with building teams and achieving real synergy.
5. Customers are demanding bigger, better, more, and faster - Advances in technology have put customer expectations on steroids...so much so that they outpace most companies' capacity to create new products or improve their service. Acquisitions can seem expensive at first blush, but the numbers often stand up when compared to investments in research and product development.
6. Acquisitions could resolve your company's limitations – If you have only been viewing acquisitions as a way to extend your company's existing strengths, it might be time to consider an acquisition as a way to address your company's vulnerabilities. No one is great at everything. Acquisition of a competitor could help you capture a market, resolve production problems, or result in new products that are ready for sale much sooner.

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BETTER CUSTOMER SERVICE CAN BRING BLACK INK

By Aldonna R. Ambler, CMC, CSP

One way to grow your business is through improved customer service. If your business is already customer-centered, this may be easier said than done. In fact, I have met skeptics who doubt any significant growth can be achieved by focusing on improved customer service. For these naysayers, I share this true story from a client.

Over the past 30 years, Garon Products has built a reputation as a manufacturer and direct marketer of building and grounds maintenance products. The company's sales growth had slowed in

recent years, but instead of accepting slower growth as a condition of a soft market, Garon's management

Garon's strategy was to position its customer-service department as the hub of its entire business process.

put together an aggressive growth strategy centered around the customer-service department. Within two years, the company cut two days off the average order turnaround time, cut the average outstanding receivables collection time by 5 percent, and increased profitability by 220 percent. All of this was achieved by a company that began with a high level of customer satisfaction.

The heart of Garon's strategy was to position its customer-service department as the hub of its entire business process. When management diagrammed the flow of work from when catalogs were mailed to when customers' orders were shipped, they build several feedback loops to the customer-service department for quality control.

A first step was to get the customer-service and accounting departments to work together more closely. Customer-service employees learned the rules of thumb of credit approvals, so they could approve credit while they took

orders, instead of waiting for the controller to do it. Today, customer-service representatives also make collection calls, which they see as a service to their customers. By helping a customer catch up on a past-due bill, they reason, they allow the customer to order and receive merchandise when it is needed.

Garon's management also gave the customer-service representatives intense sales training, so they can hear sales cues while taking an order.

"This creates chances to cross-sell accessories or complementary products that go with the initial product the customer ordered," said Mike Crowley, national sales manager. "Because of the representatives' sales training, the customer doesn't perceive this as offensive or pushy salesmanship. On the contrary, it comes across as genuine helpfulness."

Automation has added to the customer-service department's power to help the customer.

"Instead of flipping through catalog pages for product information," said Bob Hornak, operations manager, "the customer-service representatives can quickly pull up cross-referenced information on their computers."

The department is the center of market research on customer needs and preferences, too.

It may sound like everybody at Garon answers to the customer-service department, but this is not true. With the exception of the accounting department, where cooperation is so close that departmental lines disappear sometimes, the various departmental lines remain clearly defined. It is also clear that no matter which department has the lead on a project, the customer-service department will get involved eventually.

Art Crowley, Jr. was the head of the customer-service department when this process began. "The past two years have been hard work," he said, "but that hard work was shared

by many people on our team, and the occasional glances at the progress we were making made the hard work worthwhile."

"It was and still is a time of planning and controlling objectives," Crowley said. "We realize that our growth – as individuals and as a company – is limited to our ability and willingness to acquire knowledge."

"Probably the trickiest, most difficult aspect of this turnaround was the role I had to play," said Art Crowley, Sr., president of Garon. "I had to resist the urge to jump in and tell everyone involved what to do and instead let each individual and department discover and work out the relationships that would be best for all of us."

He saw the need for improved communication early on and started a weekly newsletter. The "Presidential Thoughts" column was usually the most read and appreciated segment.

"Our employees were excited and could tell that things were turning around," he said. "But change is unsettling to anyone. Even our best performers needed to be reminded on a regular basis that they were doing well and that their efforts were appreciated."

Garon did let some employees go during that two-year period. They kept workers who believed in customer service and teamwork. The company had not felt over-staffed before the process but felt lean and efficient afterward.

Controller Vincent Assenza was a key player. While controlling finances, he taught non-accountants to perform credit checks and make collection calls.

Most important, these changes have not been brought about by great infusions of cash. Remember, Garon needed to improve sales and profitability when the process began.

"You have to be willing to look at change. Too often we do business the same way for so long that we see change as a threat, when many times it's key to survival," said Crowley, Sr.

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GROWTH STRATEGY: Diversification

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

When sales slow down, it is tempting to assume that the luster has worn off of your existing products and services. But that may not be the case, and jumping to that conclusion can be an expensive mistake. Investment in product development can put a serious strain on your finances. Improvement in the firm's sales processes could produce the funds needed for further product development.

Recently, one of our clients, a consulting/training firm, had a President who likes to write books, create new programs, and produce new tapes. It's marvelous that he has new ideas and is a prolific writer, but his production of books and tapes surpassed the firm's capacity to recoup the investment. Although his books and tapes are excellent, they are making very little money on most of them and actually losing money on others. While he was busy creating product, the firm's growth slowed because he was still the primary rainmaker for the firm as well.

Achieving Accelerated Growth With Sustained Profitability® depends on maintaining balance. A firm cannot reap the benefits of its optimizing factor (in their case, product development) until it dramatically improves the limiting factor (in their case, sales and sales management). This President was leading with strengths while inadvertently avoiding weaknesses.

Your firm's strengths may not be product development. Your firm's weakness may not be sales management. Perhaps your firm's optimizing factor is marketing and its limiting factor is financial management. If that is the case, increased investment in marketing without counterbalancing investment in financial management won't result in Achieving Accelerated Growth With Sustained Profitability®.

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GROWTH STRATEGY: Equity Deals

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

There are cues to offer equity positions for key people during a strong economy. Over the past few years, competitors openly recruited top performers. Bankers and venture capitalists funded start up businesses. The media coverage about wealthy Generation X owners of dot.com companies made salary negotiations more difficult. So department heads and vice presidents of distribution companies were offered equity.

But what about now? Your true colors as an owner are tested most during slow economic times. Think about the message you send your key employees if your first response to a slowed economy is to get more selfish and unappreciative?

Don't key people who stay with you and help your business succeed during the tough times deserve equity positions more than the people who threatened to leave during the good times?

Realistically, a minority stake for a key player can keep cash in your business.

One of our clients, a regional distributor with over 10 branches, lost their VP of Sales recently in part because their long term promises of equity had been broken. Their not passing a small percent of ownership to this gentleman cost them dearly and frankly drove the cost of doing business up across the region. When he negotiated compensation with the next company, he demanded a much higher salary and crafted a huge bonus to his performance. He is no longer interested in getting a piece of the action.

Think about how difficult it is to recruit and train good people. Could a few key people in your company hear a strong message that you value their contribution if you offer equity to them BEFORE they demand it?

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GROWTH STRATEGY: Franchising

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

Franchising. What a concept. Someone who wants to work pays you to do things your way.

Owners of professional service firms overlook the possibility of franchising because their competitive advantage often flows from customer loyalty to key people. But you could consider franchising (or at least licensing) if

- Your process can be replicated.
- Your firm is profitable.
- Your services are needed across geographic lines.
- You recognize and value talent when you see it.
- You have (or could develop) a strong marketing program.
- You have (or could develop) clear, detailed operating procedures.
- You have (or could develop) a strong training program.

Recently, I brought this topic up during a speech I was giving at a chapter of the Institute of Management Consultants. And I am glad I did, because one attendee has a small but busy strategic planning firm. It turns out that they have four distinct methods of strategic planning, are profitable, and the owner loves to teach. They also have a talented office manager who enjoys writing standard operating procedures and handling the logistics related to bringing multiple people in for training events.

And last month, the wife of a client of mine was sharing her story about wanting to leave her current job. She wants to start a business of her own that matches mentors with upwardly mobile supervisors and managers. After a few questions, I found myself recommending that she at least keep the option of franchising in the back of her mind as she builds her business. That one suggestion could prevent expensive undo/redo of marketing programs and internal operating procedures

I have found that franchisees are some of the hardest working people you'll ever meet. They may not be as entrepreneurial as you are, but that is not such a bad thing when it comes to growth through franchising.

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GROWTH STRATEGY: Geographic Expansion

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

At the point when a distribution company is compelled to adopt the hub and spoke approach (central warehouse serving several outlying branches), the role of the "branch manager" gets fuzzy. The branch manager used to be expected to oversee everything. Purchasing, inventory management, sales, hiring and supervision...the works. As more and more centralized corporate services are introduced, branch managers can feel like they will be blamed for anything that goes wrong but they really can control less and less. Some branch managers will feel unappreciated, resist being told what to do, and the tension builds.

Here are five proven techniques that help reduce the tension between the "hub and the spokes"?

Maintain some historical perspective. Branches of distribution companies are often established through the acquisition of smaller companies, so it's not surprising that independent entrepreneurial behavior continues. But that is supposed to be an attribute! Right?

Create ways to channel that entrepreneurial energy to reduce the branch managers' need to control everything. Branch managers can be asked to take leadership roles on task forces to evaluate possible new locations, select new products, or analyze market share.

Teach hub service providers (purchasing, human resources, marketing, etc) about the role of the branch managers and how to communicate respect to them. It is also very important for them to make an effort to visit branches and ask for advice (rather than always make demands for compliance via email).

Delineate which functions of the business will be directed from the home office and which will be led by people in the branches. For example, a branch manager needs to know which of the marketing programs are generally financed through key vendor deals. This, in turn, will determine which and how much of that vendor's product they should/should not have on hand at the branch level, eliminating future problems between hub and spoke.

It is imperative that communication between hub and spoke be open and often. One hand must always be aware of what the other is doing, especially when it comes to increasing sales. Decisions about what the hub will do versus the spokes must be very clear, especially when industry verticals that cross geographic lines are a central part of the company's sales strategy.

Decisions should also be made around which products are going to be carried by the hub and by the spokes/branches. It seems obvious but a close examination may reveal that this has gotten away from you. When the spokes can't trust the hub to deliver, they will want to increase inventories to keep customers happy. Check the basics: what is the ideal allowable inventory level for "A" items at each branch? What is the process for tracking this inventory?

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A JOINT VENTURE CAN DELIVER MORE THAN GROWTH

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

In the last three decades, businesses in the United States have moved from trying to grow from within to mergers to the promise of joint ventures.

The way a company approaches its growth affects its communication patterns. When a business is expanding from within, managers focus on gross volume, span of control, and building alliances. The management team spends much of its time reviewing individual departments rather than the competition. Analysis is often introspective rather than global.

In a joint venture, the entrepreneurs retain independence, but share resources, risks, and benefits.

The atmosphere within an expanding-from-within company is often highly competitive and political. One manager wins the favor of the top executives by eroding the credibility of others. Another gets promoted because his social life matches the corporate image.

When companies expand through mergers, management's communication pattern shifts to an increased focus on external factors and the competition. Executives become more secretive because they are unsure what information can be safely shared with others without risking the deals being made.

The atmosphere of business during periods of mergers/acquisitions can seem paranoid as the rumor mill spins at full speed. Periods of no information are followed by a sudden flood of confusing details, drastic change, and adjustment. Many employees, perhaps prematurely, feel little sense of job security during periods of potential merger and are less willing to offer their ideas.

Not surprisingly, this brought about a period of increased emphasis on participative management techniques. Many executives had to painstakingly solicit their employees' suggestions and then clearly demonstrate that they had heard employee comments. Unfortunately, for many corporations, the gap between management and labor has widened over the past decade or so.

Leveraged buyouts, employee ownership programs, entrepreneurism, and joint ventures provide some hope for improved communication and advantage. Much of the growth in the gross national product over the past few years has come from small businesses. An increasing number of the small business start-ups are owned by former corporate managers who were

dismissed following a merger or who became discouraged by the focus on deal making over production.

As the number of small business startups accelerates and the economy slows, competition within the small business community will no doubt heighten. Fortunately, many small business owners are recognizing the value of joint ventures. In a joint venture, the entrepreneurs retain independence, but share resources, risks, and benefits.

Communication within the context of a joint venture is often more comfortable for those involved. Potential competitors become teammates. No one is forced to share all of his information. The players in a joint venture discuss facts that are relevant to the project, thus reducing the fear of lost control, privacy, or identity. Many joint ventures take place within a defined time frame, thus leading to more purposeful, focused conversation.

Joint ventures can have an equalizing effect because the parties involved have a mutual need for one another. Joint ventures can also greatly increase a company's chances for success. A small business can compete against large corporations when its resources are combined with those of others. Joint ventures also allow entrepreneurs to retain their flexibility. If a project does not work out well, it can be stopped or a new direction attempted. It is much more difficult to dissolve a merger.

Joint ventures represent America's competitive edge in the future. Owners of small businesses will enjoy the chance to compete in a global economy while retaining independence, flexibility, and more comfortable communication.

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GROWTH STRATEGY: New Markets

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

One of my new clients is a Manhattan-based executive search firm with a strong reputation within the financial services industry. Not surprisingly, they were severely impacted when the BOOM economy of 1999/2000 turned into the BUST economy of 2001. Corporations that were recruiting for multiple positions for months on end were suddenly laying people off.

What would you recommend to them?

We have recommended that they expand the services they provide for existing clients while marketing/selling their existing services to at least one other industry. We worked with them to quickly generate three mini business plans:

- existing services for existing markets
- existing services for new markets
- new services for existing markets

Their new services are related to their existing services so they won't lose control, be taking on too much risk, or send confusing messages to the market place. Our client has recently hired a senior person with great experience to take the lead for them within the new industry.

They are already experiencing a turn around in their results and are tempted to move into "new services for new markets." We are encouraging them to solidify results within the three arenas before moving onto that fourth mini business plan.

If you have been adversely impacted by the down turned economy, you might want to ask yourself if you are too dependent on one industry (market) or one product/service.

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WHAT TO DO WHEN ROLL UPS DOMINATE YOUR INDUSTRY

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

Roll ups have become a popular strategy. Even if you, the owner of a small business, have not sought participation in a roll up, their existence is impacting customer expectations and your cost of doing business.

What is a “Roll Up” Anyway?

During a roll up, several small companies are combined to create one larger corporation. A roll up goes well beyond the level of commitment involved with consortiums, networks, and strategic alliances. A roll up is more like a multi-company merger. When an outside investor or financial management company is involved, a roll up works more like a multi-part acquisition.

What is the Purpose of a “Roll Up”?

A roll up is a very tempting growth strategy. The hope is that participation in a roll up will bring the participating companies the chance to skip past the growing pains associated with “organic growth”. Roll ups bring the promise of cost savings associated with large volume purchases. Roll ups also bring the hope for advantages when competing for large accounts.

In many situations, a roll up is actually an exit strategy rather than a growth strategy. A roll up can appeal to an owner of a small business who does not have a clear succession plan in place. The roll up brings the possibility of sustained life for the business after the owner has retired. Some business owners choose to participate in roll ups to free their time for the creation of second businesses.

But roll ups are most often financial strategies for outside investors. Once several smaller companies are combined into one larger entity, an initial public offering is possible.

Is There a Down Side to Roll Ups?

When roll ups start to happen within an industry, business owners become distracted wondering who is buying whom, weighing if they should sell now or later, and worrying if they will be able to compete against newly created mega-firms. Investment in research and product development is often put on hold during roll ups, which slows innovation. As industry leaders sell to outside investors, the key employees of competing companies are aggressively recruited, which disrupts ongoing operation, raises the cost of doing business, and heats up the already hot talent wars.

Even businesses that participate in large networks or consortiums are not immune to the adverse impact of roll ups. The value of their alliances is dramatically reduced when participating firms are lost to roll ups.

Even when a roll up makes financial sense to the investor, there is no guarantee that the combination of cultures of the participating companies will result in a profitable larger corporation. The risks increase when the companies suddenly lose experienced leaders. Plus employees and managers often resent being forced to work with people they have not helped to select. Turnover increases.

What Are Your Options?

Having a clear mission and articulated goals are particularly important within industries that are besieged by roll ups because you’ll need to know if you want a growth strategy, an exit strategy, or an investment strategy. You’ll need to know if you’ll play the role of an investor, a seller, a participant, or an observer.

It’s often a good idea to take a proactive stance rather than wait for roll ups to roll over you and your industry. BEFORE it happens, you can take your time to get to know your competitors on a more personal basis. Financially-driven roll ups can feel like arranged marriages. But you can increase the potential for positive synergy and have an increased chance for success if you take the time to select the companies with which you will be combined.

If your business is part of a large network, you might want to consider formalizing those relationships to prevent the loss of your strongest participants to roll ups.

Over the past few years, I have helped facilitate the evolution of a few owner-driven roll ups. One began with a handful of independent companies that referred business leads to one another, then evolved to a 35 company consortium, and later became two separate IPO roll ups. The owners were able to sell their businesses for 3-4 times the price they would have gotten on an individual basis and the participating businesses have remained active after most of the previous owners cashed out. So it is possible.

However, owner-driven roll ups can be difficult to manage, because mergers are more difficult to navigate than acquisitions. Most people need to know who is leading and who is following. Peer-to-peer, consensus-style decision making between the leaders of multiple companies can become quite cumbersome. If you consider doing an owner-driven roll up, be prepared to involve outside facilitators, negotiators, etc. You won’t want to get bogged down in your own process and miss opportunities.

If you choose to “go it alone” and avoid all types of roll ups, you’ll need to be prepared to compete against larger competitors with buying clout, recruiters, financing, and visibility.

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GROWTH STRATEGY: Specialization

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

Recently, one of my clients (an electrical supply house in the Midwest) expressed an interest in bringing in a trainer for their sales people on the topics of listening and asking probing questions. We passed along a few names of people we trust, but we also posted a request on an on-line service for professional speakers. We received 170 responses within 24 hours. Suddenly, seemingly everyone had magically transformed into specialists in listening who focused on distributors and served the Midwest. Please.

It didn't require a private investigator's license for us to discover that several of the respondents had absolutely no experience with the topics. In fact, most of the respondents were listed in association directories under completely different topics, target markets and/or geographic areas. What should we have concluded about their credibility? We eliminated the names of speakers who seemed willing to represent themselves as specialists at whatever is needed at the moment.

Unfortunately, when the economy slows, corporations reduce their budgets for outside services like training, advertising, public relations, etc. and it gets tempting for service firms to jump at any opportunity they see. However, misrepresenting ones capabilities can cost the current opportunity AND interfere with future opportunities.

During tough economic times, competition for contracts becomes even fiercer. But this is the time to develop one's real specialization even more deeply. My client could choose from the best of the best and didn't feel compelled to settle for anything less. They aren't alone.

Are you using the slowed economy as an opportunity to drill deeper? Attract specialized talent? Do research? Introduce new products? Answer honestly and follow through.

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GROWING YOUR BUSINESS THROUGH STRATEGIC ALLIANCES

By Aldonna R. Ambler, CMC, CSP

Of the various ways I've used to grow my businesses over the past 31 years (e.g. geographic expansion, acquisition, new products/services, licensing), strategic alliances have been one of the most cost effective growth strategies. I have discovered that the most important skill needed to succeed in strategic alliances isn't marketing, managing, financing or even negotiating. It's listening.

What Does the Phrase "Strategic Alliance" Mean?

It is essential to listen very carefully when business people are discussing "strategic alliances" because the phrase is now used to describe several very different working relationships. Sometimes "strategic alliance" is the politically correct phrase used instead of classic "outsourcing". Some strategic alliances are really "sponsorship" situations. In still other circumstances, the working relationship being described is somewhere between "mutual referrals" and "joint ventures". These distinctions will impact how success is measured, what your role should be, if an attorney will be necessary to finalize the terms or even if you will be interested in participating at all.

Outsourcing Alliances

In an "outsourcing" alliance, the smaller company often assumes the role of a single department within the larger company. You are probably an excellent candidate for the "outsourcing" type of strategic alliance if you have a consistent process, reliable quality and proven efficiencies which make it easy for the larger company or government agency to work with you. To get the ball rolling, look for organizations with products or services that you could produce faster, cheaper and/or at a higher quality than their present method. You'll be looking for executives and managers who are willing to measure results and initiate change.

More and more corporations are looking for "private label" alliances where they can retain the value of their brand and de-emphasize the sources of manufacturing.

In outsourcing alliances, it is a good idea to survey several managers within the larger entity to learn valuable information about what is important to the key decision-maker. Since the success of an outsourcing strategic alliance is measured in tangible terms, it is often a good idea to schedule a trial run before making a long-term commitment to the strategic alliance. You will need to know about any hidden costs and confirm that your

company can fulfill the agreement without disrupting your ongoing operation. Plus, your alliance partners will want to be assured that you can indeed save them time, money, frustration and errors.

As larger corporations go through downsizing, their managers are forced to look for cost savings in places they never had to look before. Outsourcing gets their work done, controls head count and costs, and often improves quality. The larger company purchases services and/or products from the smaller company, such as product development, engineering, manufacturing, delivery, installation, or maintenance. Some large corporations are discovering the value of outsourcing product and technical development to smaller more innovative firms. Plus, the services that were formerly performed by government agencies are now being provided by private firms as the "privatization" trend continues.

Sponsorship Alliances

"Sponsorship" alliances have their niches, too. The Center for Women's Business Research (formerly the National Foundation for Women Business Owners) and the National Association of Women Business Owners (NAWBO) each have excellent track records with their sponsorship style strategic alliances with large corporations like IBM, AT&T and Merrill Lynch. However, non-profit groups aren't the only organizations that can be sponsored. My keynote speaking business has grown in large part due to sponsorship alliances with Bell Atlantic (Verizon), Southern New England Telephone (SBC), Northern Telecom (NorTel), *Entrepreneurial Edge* magazine and Core States Financial Corporation (First Union). Each has sponsored multi-city speaking tours. These sponsors have always been very appreciative of my assistance in reaching, understanding and better serving growing small business markets.

Virtual Corporations, or Loose Strategic Alliances

Probably the most popular strategic alliances take form of loose agreements between two or more firms with complementary services/products. Many small business owners are reluctant to enter formal joint venture agreements, but they will "try to work together" to make something happen that they could not have done alone.

Some of the benefits my businesses have realized from this type of strategic alliance include

- controlled costs while investing in the accelerated growth of our companies

- improved the chances of our small businesses attracting and handling large accounts by giving us access to the resources of a group of companies
- retained autonomy and limited risk while advancing technology
- protected our core businesses because several of our alliance ventures have had their own merchandising and promotion
- achieved balance through affiliation with companies with complementary strengths

You Can Learn A Great Deal About Yourself and Others Through Strategic Alliances.

Lillian Rojas of Rojas Group, Inc. has the knack of recognizing opportunities for strategic alliances for her Connecticut based computer business. Like many women business owners, Lillian is a master networker and can spot individuals with whom she would be comfortable working. She “looks for people who share her values, work ethic, and orientation to customer service”.

Many business owners could learn the value of keeping an open mind from Lillian. When she meets with the person, she does not know where the discussion will go. She relaxes and enjoys the exploration of possibilities. They generate a list of ways they can help one another and save the discussion about logistics and division of labor for a second meeting.

Sometimes one finds oneself in Lillian's role as the visionary, the initiator. Certain personality traits can impact the success of a potential alliance, especially in these situations, so it's essential to be observant...and listen. A person's need to control his/her basic optimism vs. cynicism, respect for others vs. prejudice, rigidity vs. flexibility, honesty and candor vs. game playing and secretiveness, etc. are all there to observe when the concept of a strategic alliance wasn't his/her idea.

It is important to remember that all of those traits that can be observed in others are there for others to see about us. There are important lessons to learn about oneself in those instances. For example, how would you interpret your own behavior if you had become instantly overwhelmed by the possibility of a new strategic alliance that you had not initiated? Or when you had difficulty trusting and assumed you would be cheated somehow?

How Do You Do An Alliance?

My oldest business has utilized a six-session process for the negotiation of our alliances for some time. No matter how big or how small a project seems, we have six planning sessions before launching. In fast moving markets, we just complete our six sessions more quickly. The process helps us get to know our alliance partners, be proactive and

prevent problems, define success, protect our core businesses, etc.

The agendas for each session alternate between divergent and convergent thinking. We give one another assignments between each session. Marketing, sales, production and expert resource people assist as needed between the third and fourth session, but attorneys are only added to the process after the fourth session if the potential alliance partners decide that we should proceed further.

As the sessions proceed, some prospective alliance partners may drop out due to limited resources, an inability to trust, conflicting priorities, fear or other reasons. Often, the opportunity goes by default to those who remain. If the deal isn't sound by the sixth session, include the option of not signing the documents and walking away. However, negotiations take on a very different tone after people have been together over six sessions. It is amazing how many seemingly impossible problems can be resolved with commitment of time and patience.

Summary

Experimentation with strategic alliances can help any size or type business embrace new technologies, introduce new products, handle large accounts and approach new markets, while controlling risk and cost.

*Known as **The Growth Strategist**[™], Aldonna R. Ambler, CMC, CSP helps professional service firms, technology/telecommunication companies, and construction-related/distribution companies reach their goal of **Achieving Accelerated Growth With Sustained Profitability**[®] through a combination of speaking, consulting, executive coaching, authorship, and growth financing. She has executed an ESOP, grown multiple international businesses, won just about every major award an entrepreneur can win, provided expert testimony on economic growth at over 30 legislative hearings, conferred with 4 different Presidents in the Oval Office, and published 2 books and over 100 articles. Aldonna was named the **national (USA) “Woman Business Owner of the Year” for 2000**. Aldonna Ambler can be reached at 1-888-Aldonna (253-6662) or at www.TheGrowthStrategist.com.*

