

SMALL BUSINESS

Some companies find no-grow approach best

Customers concerned only with quality, not size

By Jennifer Keirn

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Rebecca Morgan has made her living for nearly 20 years consulting with manufacturing companies to help them improve their operations and grow their businesses.

But it wasn't long ago that Ms. Morgan was intentionally shrinking her own company.

"I love consulting, and I love helping companies get better, but what I was doing was running a consulting company," Ms. Morgan says. "That's just not what I wanted to do."

So after spending five years building a consulting firm with five partners, Ms. Morgan decided to disband her company and go back to being a sole practitioner, which she remains today as president of Fulcrum ConsultingWorks in Cleveland.

"It took me five years of having partners to realize I didn't want to run a business," she said. "But it was built into my mindset that that's what I should do."

The word growth is on the lips of small business owners everywhere, and it's the perennial topic of seminars and business press. And in these days of economic struggle, it might seem counterintuitive to pull back instead of forge ahead.

But there are small business owners, like Ms. Morgan, who are bucking the mentality, choosing instead to stay small or even rein in their growth.

"Everyone's so focused on growth," said Mark Hauserman, director of the Muldoon Center for Entrepreneurship at John Carroll University. "Advisers are selling 'go forward, not backward,' but there are a lot of people who want to or should go backward. ... There is some groupthink involved."

Peer pressure

For two years after Kristy Amy started online marketing firm OnMark Solutions in Westlake, she wrestled with the pressure to grow. "People tell you, you're

supposed to want to grow," Ms. Amy said. "But I've gotten past that. That's not why I did it, so it doesn't matter what people think."

Instead of growing by adding employees or overhead like office space, Ms. Amy focuses on using technology to help her work more efficiently as a sole practitioner from her home office.

She uses the online application GoToMeeting for training sessions and meetings, and she hired a part-time assistant to handle filing and invoicing so she can focus on serving clients. She also pursued opportunities to resell technology that could boost her bottom line.

"Every time I thought down that path (of growth), I look for an automation tool, some kind of creative thinking to growth," said Ms. Amy.

These strategies have allowed her to maintain a manageable four-day-a-week schedule that allows



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— Rebecca Morgan, president, Fulcrum ConsultingWorks

more time with her family.

That kind of pressure to grow is something Ms. Morgan sees in her consulting work as well. "There's a whole lot of companies who think bigger is better," she said. "There's not a focus on excellence, there's a focus on 'more.'"

In addition to greater work-life balance, the rewards of pulling back on growth also can include greater job satisfaction, according to Ms. Morgan.

"Personal satisfaction is improved when you have a more clear focus on what you're doing," she said. "The employees who stay will be more clear about what you do and why, and clarity also does wonderful things for customer service."

The key, said Mr. Hauserman, is aligning your business with your strengths and life objectives.

"A lot of people never clearly identify what their strengths are, and they're just running around trying to get business at any price," he said. "You end up working three times as hard for the same money."

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Concerned about how customers might perceive your decision to pull back?

“At the end of the day, they don’t care. They care about their own situation,” Mr. Hauserman said. “What matters is the way you communicate the value of what you’re doing, (as in) ‘this allows me to spend more time servicing your account.’”

Ms. Morgan worked carefully with her former partners over a six month period to dissolve the company without impacting customers.

“We probably thought because it was a big deal to us that it would be a big deal to them, but none of them cared,” she said. “No client was impacted, beyond changing accounts payable.”

She advises others considering such a move to create a plan and time frame for the transition, considering the possible ramifications to customers, employees, vendors and partners.

Some may see Ms. Morgan’s move as a retrenchment, but she doesn’t agree. Instead, it was a move that more closely aligned her business with her life objectives.

“I don’t in any way regret building that company and having partners,” Ms. Morgan said. “Would I do it differently? Absolutely. But it was a learning and growing process, so I don’t see that as a failure.” ■