

10 Ways to Grow Your Business, Despite the Economy

By Katie Morell

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We've all heard stories of businesses being forced to close, but what about those that have not only weathered the current economic storm, but have actually thrived?

One such company is Reno, Nev.-based [Jimmy Beans Wool](#).

Back in the late 1990s, founder and owner Laura Zander was busy working as software engineer in San Francisco, but was itching for a change.

So, her and her husband decided to move up to Truckee, Calif., but not before fate struck.

“Before we moved, I walked into a knitting store in San Francisco and decided to take up a new hobby,” Zander said. “I became obsessive and found myself knitting all the time—in the car, in front of the TV, everywhere.”

It wasn't until years later; when the couple had moved to Reno, that the idea of opening her own knitting store popped into her own head.

Things started off small.

“We started with a 950-square-foot spot and soon expanded it to 1,100 square feet,” Zander said, adding that in July they added another 1,000 square feet.

Shortly after opening the physical store, Jimmy Beans Wool went online.

“Since we opened, our online sales has grown from 5 percent of our business to 90 percent of our business,” Zander said, adding that today business is booming.

“Over the past three years, we've gone from \$1 million in sales to a projected \$4 million in sales for 2010.”

Zander attributes the company's success to three key issues.

“The handicraft industry and do-it-yourself movement is doing really well right now,” she said. “A lot of people are knitting. Another reason, sadly, is that as the economy has turned, it has forced a lot of businesses out of business and online companies have had to pick up the slack. Our third secret is that we pay cash. It gives us flexibility with our products, puts us in good graces with our suppliers.

“If we can't pay for it in cash, we aren't buying it.”

How can other small businesses thrive in this economy?

Here are 10 pieces of advice:

Differentiate yourself

“Web developers can be a dime a dozen,” said Leila Johnson, founder and COO of Rio Rancho, N.M.-based [Data-Scribe](#), a website solution company launched in 2003 that has experienced steady growth each year and now has 20 employees (up from 2 at its inception). “So we created a short list of what makes us unique and we present that first instead of discussing our services. For other small business owners, look at what makes you stand out from your competitors to see how you can put your best foot forward.”

Grow Naturally

“It is important to grow at a pace that you can keep up with,” said Zander. “If you jump in and grow as fast as possible and you are not a good manager with good systems in place, you will go insane or the business will go under, or both.”

Focus on customer service

“We live in an age in which businesses in general are looking for efficiencies by lowering customer service, and that frustrates customers to no end,” said Ron Holifield, founder and CEO of Keller, Texas-based [Strategic Government Resources](#), a consulting firm that has grown year over year since its inception in 1999. “Customer service is incredibly important. We have almost 200 customers and every one of them has my cell phone number. It builds loyalty among customers.”

Say no

“Don’t be afraid to say no,” said Renee Chronister, co-founder and CEO of St. Louis-based [Parameter Security](#), an ethical hacking firm that has added two additional employees each year since it was launched in 2007. “Many entrepreneurs feel that they need every sale, but you have to make sure your relationship with your customer is a two-way street. If you are spending a ton of extra time with one customer, that time translates into money that you could have been using to drive new business.”

Go the extra step

“There is a donut shop near my house that gives you a free cinnamon stick each time you order a dozen donuts, and as a customer I notice that they are going above and beyond, so it makes me want to go the extra step for them,” Holifield said. “I always empty my change in their tip jar; I’m happy to.”

Hire smart

“If you want to work on the company and not in it, hire people smarter/better than you,” Chronister said. “If you are good at marketing, but are doing it on a day-to-day basis, you can’t focus on the bigger picture of the company. Get someone who can take that aspect over for you.”

Take responsibility

“Most customers will tolerate an honest mistake if you take responsibility and make it right,” Holifield said. “Making it right will build incredible customer loyalty and convey how much it matters to you how well you are taking care of your customers.”

Don’t skimp

“Sometimes it is easy to think that since we are in a bad economy, we should skimp on customizing things for clients,” Johnson said. “Instead, look at unique things that can be offered to clients and within those, look at things you can do to streamline your processes.”

Provide information

“We are in an age of information overload,” said Holifield. “To get your customer’s attention, provide valuable information that they can’t get anywhere else. First, ask yourself what mail you immediately throw into the trash and what you look at and say, ‘Wow, that was helpful.’ Look at the world through your customer’s lens. What do they want and need to know?”

Take a break

“Be prepared to eat, sleep and live your business, but don’t forget to take time for yourself and your relationships,” said Chronister. “If you are not mentally sharp and focused and physically well-rested, you will make poor business decisions.”

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