



EXECUTIVES UNLIMITED, INC.
Connecting Companies with Leaders

Critical Strategies for Small & Mid-sized Companies' Success

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Executives Unlimited Inc. partners with small and mid-sized companies because we strongly believe these companies are a critical component of modern capitalism. Contributing to social good and public benefit, however, does not guarantee a firm's financial success nor does the initial development of innovative products guarantee survival (much less prosperity) for an enterprising mid-sized firm. Indeed, a larger competitor may well be able to take advantage of a new product or new technology through its more powerful procurement, production, marketing and distribution capacities, leaving the original innovative firm just enough to cover its higher costs of initial research and development.

Yet surprisingly, in many industries smaller companies consistently outperform larger companies with more profits and better performance. In fact there are hundreds of mid-sized firms and thousands of small ones that year in and year out achieve higher returns on sales and equity than do their larger-sized rivals. How do smaller companies achieve these results? We believe the following strategies are critical to small and mid-sized companies' success:

Dominance: Achieve and sustain maximum share within minimum markets. Tailor products tightly; define domains toughly. Seek control through perceived superiority.

Product emphasis: Be product oriented. Visualize products from the customers' viewpoint. See each product in its broadest sense; understand the need it fills and the desires it satisfies.

Uniqueness: Be different, be noticed, and be remembered. Make the firm overtly dissimilar to competitors. Strive for originality to set the company apart in customer perception. Cater to customers and service them well.

Focus: Establish goals, objectives and strategies with clarity of thought and coherence of content. Build new businesses on the central skills, resources, facilities or managerial competencies of old businesses. Build structure on managerial strengths.

High-profile CEO: Have a committed CEO who radiates energy and is more than just an executive manager. Personal charisma, profound dedication, and a pulsating presence really count.

Employee opportunity: Exploit the comparative advantage of smaller firms to attract entrepreneurial people; offer executives and managers greater job content and individual/financial satisfaction. Develop meaningful participation programs. Recruit qualified and motivated executives that are accountable for results.

External perception: Know the industrial and market environment. Monitor all opportunities and threats, current and potential. Stay attuned to market conditions and customer needs. Know your customers well and develop personal relationships.

Growth/profits tradeoff: Weigh the top line with the bottom line, the one that counts. Market products forcefully. Visualize longer time horizons for profit return.

Flexibility and opportunism: Change direction and move quickly when necessary. Develop dynamic decision-making. Be prepared to react rapidly to changes in products or markets and beat larger competitors to new opportunities.

In conclusion, small to mid-sized firms must know their environment, what their large competitors will do, and how their smaller competitors will react. It's a tight, tough game, with the results carrying meaning to society as well as to the firm. Medium-sized firms are important too - economically, politically, socially, and technologically. Their self-determined survival and prosperity must be assured by their force of internal strength. Effective strategies are key to their success.

Executives Unlimited Inc. can help you evaluate your current management strategies and address opportunities for greater effectiveness in the marketplace.