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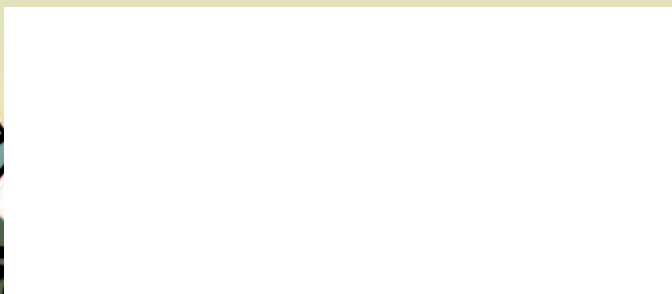


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often is the decision about
when to pack it in.

Breaking Free



JAN/FEB 2005
TEN DOLLARS



Growing the Old-Fashioned Way

A blind ex-cattle rustler
has the answers.



By Larry Farrell

It's that time of year again: the time for big business to come out of the blocks hoping and praying for some real revenue growth. Thus far in the twenty-first century, the record is pretty dismal. From a revenue base of \$7.2 trillion in 2000, the Fortune 500 has grown just 1.4 percent annually. Is this the best that America's biggest, richest, most powerful corporations can manage? What's going on?

The entrepreneur in me says that a lot of this misery comes from big business shooting itself in its collective foot. Most big companies have been on such a downsizing and outsourcing rampage for the past decade that they haven't thought much about creating organic revenue growth. They haven't used their growth muscles for so long that they've atrophied.

Top-line growth used to be a popular, straightforward concept: If you created more products and sold more customers, the business would grow. It was the entrepreneurial approach, and it was the way all companies grew. But a lot has changed since the MBAs, consultants, and accountants took over.

Today, there are several new ways for companies to grow. There's the merger-and-acquisition way, the "new economy" way, the Enron (read: criminal) way, and a multitude of other smoke-and-mirrors techniques to create the illusion that growth is on the way. One of the most common techniques, used at many troubled companies,

is what I call the "new clowns/same circus" routine. This ploy gives any new management team a three-year pass while they undo the mistakes of the previous regime and "restructure for future growth." Of course, the growth never comes, and another team of new clowns is brought in and given another three-year reprieve and . . . well, I'm sure you get the picture.

Finally, some companies have simply given up on growth altogether. The clever strategy here is to make a virtue out of *not growing*. With great fanfare, the company announces a return to its "core business," a euphemism for admitting that the current strategy has run into a brick wall. Healthy companies growing by leaps and bounds never announce that they're returning to their core business.

All of this corporate nonsense flies in the face of entrepreneurial common sense. And how do entrepreneurs, the acknowledged masters of high-growth enterprise, actually do it? For starters, they believe that growing the business is a matter of survival. Then they focus on just two things to get it done: their customers and their products. If they get those right, they live to compete another year. If they get them wrong, their kids don't eat. It's really pretty simple.

No simpler man ever got it right than Buel Messer, one of my favorite entrepreneurs. I first came across Messer in a newspaper story about his fast-growing mid-Atlantic landscaping empire. The article

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caught my attention when it mentioned that Messer was blind. I wondered how in the world a blind man could create and run a landscaping business, so I went to interview him for my first book. During the interview, I learned that he was born dirt poor and blind in eastern Kentucky, went to college on an athletic scholarship, was a champion wrestler, and once ran the mile against world-record holder Jim Ryun at Madison Square Garden.

As if that weren't enough for a good story, it also

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came out that Messer had served time in prison and had since devoted his life to restoring his honor and good name. I asked what crime he had committed, and he unhesitatingly answered, "Cattle rustling." He really got my attention with that, and I blurted out, "How can a blind man rustle cattle?" Messer's classic answer: "Not very well—that's why I got caught. So I decided to try landscaping!" That is, of course, a story in itself, but Messer's inspired approach to life and work provides a lot of fascinating snapshots about creating and growing a business.

On the subject of growth, this master of old-fashioned simplicity becomes almost messianic: "When we started, I didn't realize that there were so many related things to shoveling snow and mowing lawns—that one thing we did just led on to another. And I had time to think about things. You know, to really let some creative imagination take place. I was thinking day and night about the business, about our customers and the different services we could provide. Then it just sort of all fell into line—that customers and products were the key to all future growth in the business. You know, providing our current services to new customers. Providing new services to old customers. At that point, my mind started going kind of wild with all the possibilities."

Buel Messer wasn't thinking about growing with mergers and acquisitions, strategic alliances, or fancy accounting techniques. He didn't need M&A specialists, consultants, lawyers, or accountants to tell him how to grow his business. Messer, and virtually all entrepreneurs, grow their businesses the old-fashioned way: by making more products and selling more customers. The beauty of really concentrating on your customer and product possibilities is that you soon discover there are only four possible ways to grow any business. As Messer described them:

Current products to current customers. After being released from prison in 1980, Messer started out shoveling snow with his two small boys, who acted as his eyes. He lined up a small group of customers for the entire season and realized that his income would be determined by how many times his current customers would call him back to provide the same service. So Messer discovered the first way to grow any business: selling your current products to your current customers—more often. This underscores the value of consistently delivering great value to current customers—and never taking them for granted.

New products to current customers. Since he had developed a good relationship with his winter customers, he asked a few if he could mow their lawns during the summer. They liked his work and quickly agreed to employ him. So Messer discovered another way to grow his business: to sell a new service to his satisfied, current customers. Growing by producing new products and services for your current customers typically requires focus on, and investment in, new-product development.

Current products to new customers. Once he was up and running with year-round work, Messer got the expansionist bug. He began to seek out new market areas in which to offer his existing services of snow shoveling and lawn maintenance. He advertised and, lo and behold, acquired several new customers in other parts of town and even in nearby communities. Messer was now pursuing the most common method of growing any business, which is to offer your current products to new customers. Growing this way normally involves geographic expansion, new distribution channels, exporting, etc. It requires a heavy dose of solid marketing and selling.

New products to new customers. Finally, Messer hit his stride and became a large-scale, full-service landscaper. This meant developing new products and services for new, multimillion-dollar corporate and government projects, managing large tree farms, and creating large tracts of shrubs—all a far cry from shoveling snow and cutting lawns for a few neighbors. Messer was now using the fourth way of growing his business: offering new products to new customers. This avenue to growth, similar to actually starting a new business, requires intense focus on both new-product development and new-customer marketing.

So there you have it: the only four ways to grow any business, neatly packaged by a blind, ex-con landscaper. No MBAs, no consultants, no accountants—just absolute focus on creating more products and selling more customers. It's called growing the old-fashioned way. ♦