

Give your small company a big image

You've got major talent but haven't caught up in size? Here's how to win your clients' confidence. *By Basia Hellwig*

SPORTS cars, diamonds . . . great things do come in small packages. And judging from the entrepreneurial boom of the last decade, the same could be said of businesses. Small companies are beating out bigger companies because they're more tuned in to what customers want and they can deliver it faster and at a lower price.

But entrepreneurs need to master the art of ap-

pearing bigger than they are. "There's a comfort level that people have in dealing with big companies," says Mary Anne Jackson, owner of Deerfield, Illinois-based My Own Meals Inc., which produces quick-to-fix meals for kids. "A big-name brand is a known quantity. The customers assume certain quality standards. They don't have that sense of security with a smaller, less well-known business." Unfortunately, small businesses have to bridge that confidence

gap not just with customers but also with investors, suppliers and distributors.

The first step is psychological: Think big. Think of your business—and present it—as the business you want it to be in five years. "Launching a business successfully takes a touch of arrogance," says Esther Margolis, president of the \$1.5 million Newmarket Publishing and Communications Inc. in New York. In 1980, when Margolis started looking for private investors to raise \$400,000, she didn't have a single book title contracted. "Here was a nonexistent entity, and I was saying, 'This entity is worth a million dollars, and I'm going to sell 40 percent of it.'" Within seven months, she had.

How did Margolis do it? She had a credible business plan, of course, but she also realized that

credibility is partly image. So she tried to present her company as more than a tiny start-up. Her technique? A one-minute mental exercise. "On the way to a meeting I would picture myself as I wanted the financial types to see me: a knowledgeable, committed professional—a business person worth investing in," explains Margolis.

Here are some other tricks of the trade.

CHOOSE A BIG NAME

Even one-person companies can project a larger-than-life image by choosing a "big" name. When Henry Ford started tinkering in his garage, he didn't call his enterprise the Itsy-Bitsy Garage; he named it the Ford Motor Company.

And when Barbara Proctor set up her Chicago ad agency in 1970, she called it Proctor & Gardner Advertising, Inc. (Gardner was her maiden name). "The name conjured up associations with Procter & Gamble," says Proctor. "That lent halo credibility."

Roellen Garito named her Yonkers, New York-based asbestos-abatement company Asbestos Corporation of America, even though she started in 1983 with only three employees and three contracts. "We wanted to convey an image of reliability," she says. She now has 40 employees and revenues of \$4 million.

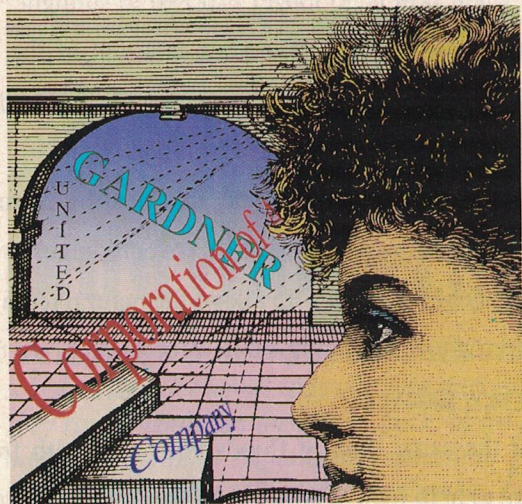
There are lots of other creative ways to project "bigness" through your company name. Glen/Green looks more important than Glen Green. So does The Green Group. Or Green Associates.

NEVER DESIGN YOUR OWN LOGO

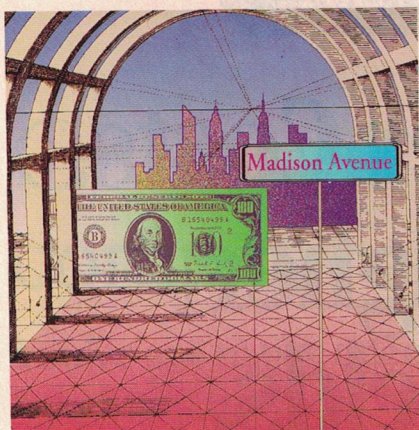
Even if you have good taste, the result will probably look unprofessional. Mary Anne Jackson knew her unknown product would be competing with famous brands like Kraft for supermarket shelf space and the attention of customers. So she hired Wencil Hess Design Co. in Chicago, a 16-year veteran that had done brand-identity programs for other major food companies. Jackson's logo, with its childlike scrawl in bright crayon colors, gives the product a distinctive look that builds recognition in the consumer's mind.

GET A MADISON AVENUE—OR CENTURY PARK EAST—ADDRESS

However professional your product, a 221 Cherry Blossom Court address just doesn't seem, well, serious. Karen Murphy started her Los Angeles-based public-relations agency, Murphy/O'Brien Communications, out of her home. "After two months I moved into Pedus Offices." Pedus, located in Los Angeles's prestigious Century City district, is one of many executive-suite companies that have sprung up all over the country to provide affordable office space and support ser-



The big idea:
See yourself
the way you want
to be seen.



Address for success: The right one will give you clout.

vices to small businesses. Murphy rents three furnished offices off a well-appointed reception area. The \$2,300 monthly charge (smaller spaces start at \$900) includes receptionist, secretarial and telephone-answering services, photocopying, fax machine and voice-mail facilities, and use of the conference room and boardroom, with audio-visual equipment. "To our clients it says, 'We're for real,'" says Murphy. "It gives us the aura of being much bigger."

A less costly option for home-based businesses is the "corporate identity plan." For \$210 a month you get the use of an impressive address, a private telephone number (calls can be patched through to your home), fax numbers and office space for meetings a couple of hours each month.

FIND A BOARD OF DIRECTORS

A board of directors is a good way to impress and entice an investor. Jackson put together a five-person board of outside advisers when she went for her first round of financing in 1987. In five months she raised \$365,000. The following year she raised another half million. Now she has a seven-person board of directors (who are also investors), which includes the former chairman of Bell & Howell, the former chairman of J.D. Searle, and financial, marketing and food-industry executives. She gets free topflight advice, and each member's title, credentials and reputation enhance her company's image.

Most small businesses start with a board of directors, usually investors, of five to nine members. They should be people with

business expertise, who can give advice on running the company, and people with industry contacts and background, who provide immediate clout.

ADOPT BIG-COMPANY WAYS

When Jackson was launching her product, she did all the marketing research that a major food company would do—the concept survey work, the price test, the retail store test, the in-home test. And she kept costs down. From her years at Beatrice Company, Jackson knew how to do a lot of the work herself; she also called on friends who had been "downsized" out of their jobs.

Act like a big company, too, about the seemingly mundane details of everyday business, such as answering the phone. It's best not to yell across the room, "Hey, Jill, it's for you." And an answering machine message should be professional: "You've reached the offices of Acme Inc. . . ."

TAKE THE PIGGYBACK STRATEGY

Hooking up with a big company is "the business equivalent of a book getting a good review," says Esther Margolis. As a former senior vice president at Bantam Books (now Bantam Doubleday Dell) with 17 years of experience in the publishing industry, Margolis used her contacts to convince Scribner Book Co. and Harper & Row to sell and distribute her books. "When you're brand-new, investors feel more comfortable if they know someone else is taking you seriously," says Margolis. Mary Anne Jackson hired one of the largest food brokers to market her product to grocery stores. "When I tell them who my food broker is," she says, "suddenly I'm somebody."

There's a practical aspect to linkups, too—they enable small companies to do things they might not otherwise be able to afford. When Sheila Carmine started her Stamford, Connecticut-based public-relations agency, she became part of a network of affiliates of international PR giant Manning Selvage & Lee. "I was just a one-person business, but I had this wealth of expertise there for me, just as if I were at a major company."

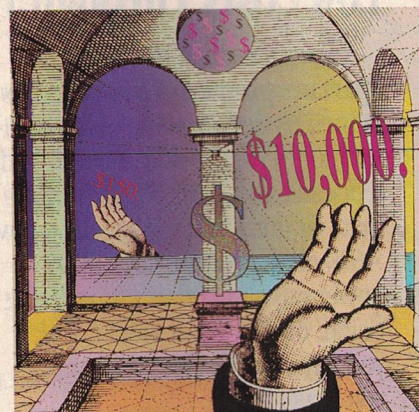
Others work out their own arrangements. Boston-based David Gumpert and Princeton, New Jersey-based Phyllis Gillis both do marketing communications for small businesses. "For a certain job, Phyllis might say, 'I'll handle that through my Boston office,'" says Gumpert. "I'm her Boston office. She's my Princeton affiliate. We both benefit."

You should also consider hiring big-name employees. Joyce Beber and Elaine Silverstein, who own the Miami-based advertising agency Beber, Silverstein and Partners, like to play up their smallness because in their business small shops have a reputation for creativity. But they've always recruited nationally established talent with big-agency experience. So even when the company had no track record, its staff did. The firm is now a \$70 million enterprise with 100 employees.

A small company can offer advantages that are attractive to big wheels, such as autonomy and freedom. And there are ways to get big-time talent without a big-bucks payroll. Jim Woodward, a former executive at the State Street Bank in Boston, serves as CFO at four small companies. Each pays a quarter of his salary.

DON'T SELL YOURSELF SHORT

It's tempting for small businesses, especially start-ups, to think that they need to



How low should you go? Discounting can be deadly.

offer lower prices to beat the competition. But if your prices or fees are too low, clients will think that the service is less than top-notch. Charge a big-time fee (and play up the extra service your small company can give) and you'll be perceived as big-league.

So remember, bigger may not always be better, but for small companies, *looking* big is. ■

BASIA HELLWIG, a small-business expert, is currently writing a book on how to keep your company on track in both good times and bad.