



Ask SCORE for Business Advice

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Column Title: Anticipate Trends by Tina Dettman-Bielefeldt

A business owner recently defended a marketing decision based on the fact that it always worked in the past. He was certain that the campaign was sound and he was likely a victim of bad economic conditions. Maybe. But, it is just a likely that this owner was failing to adapt to change. He wasn't moving his business into the future.

Approaching change means being flexible. It may challenge everything that an entrepreneur thought he knew, and make him uncomfortable. It will require listening, questioning, exploring, and seeking information.

IBM is a company that has had success in rough times. As PC sales continue to decline from the double-digit gains of the 1990's, IBM saw the need to adapt. Rather than continuing to focus on PCs, IBM reviewed its strengths and changed direction to promote storage systems, chip-making, software, and service. Recently, they announced record sales, pre-tax profit, and earnings for 2008.

The same strategy can be applied to a small business. Mike Hall, CPA, a SCORE volunteer and manager of the Green Bay office of QuickStart, Inc., encourages business owners to think of their business plan as a living, working document. "You must review whether the things you have been doing are effective and giving you a return on your investment. If something is not meeting expectations, change it or try something new," Hall advises.

Business is dynamic in nature. Hall says that in most businesses and industries change is the one thing that is constant. Entrepreneurs that resist change in favor of past practices will usually see that the same old formula no longer works. Instead of watching the business suffer, Hall recommends having an open mind and being able to adapt to trends.

He suggested, "You have to determine whether the things that are changing can help or hurt your business and determine a plan of action. In many industries there are trade publications or seminars that provide updates to trends in the industry. You have to determine if the changes in the industry are truly beneficial to your business and whether they are actually a trend or just a fad."

If following the trend will be cost effective and there are few negative ramifications, entrepreneurs should proceed. A business plan is a good baseline, but the successful entrepreneur will use it as a tool and be ready to adapt.

“Those that are adverse to change likely will be left behind,” Hall said. “Change can be very difficult for some people, whether it is on a large scale, such as tapping into new markets or expanding a business, or something as simple as changing a procedure. Those that can adapt and embrace change are more likely to succeed. Those that insist on keeping things static and never adapt to change will not be around very long.”

If you have business questions, contact the Green Bay Chapter of SCORE. Visit www.greenbayscore.org or call Cindy Gokey at 920-496-8930 for information.

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