

# In Small Business, It's Not Easy Being Green

By Bob Normand

**SUMMARY: It is an axiom in business that being better or different is a key to success. We can think of it as being green, like Kermit the frog. Quality, advertising cleverness, cutting prices and too broad a product line are not ways of being green for a small business. Leading the market (being first with the best), controlling product or service features by patent or copyright, changing a product attribute, developing a specialty product for a market niche or creating a total and pleasant customer buying experience are ways of being green. We must commit to constantly re-evaluating our ability to be green.**

## **It's About Being Better or Different**

In 1981, only 25 years ago, the Personal Computer was introduced by IBM with a modest flourish. It was received with a thunderous "ho-hum" by the corporate world.

It was inconceivable that these cute but puny little machines would ever replace those behemoth main frames with their huge computing capacity and endless banks of modular, external memory units that promised almost unlimited power.

What the hell can you do with a "toy" machine like the PC?

Enter Bill Gates and company. In the movie, "The Pirates of Silicone Valley" it is alleged that Mr. Gates conned Xerox out of the now famous operating system called Windows. Then, purportedly, he conned IBM into a \$5-a-machine license to use the O.S. The IBM guy thought he had struck a deal because, "...the real money is in the hardware." Yuk, yuk. (It was not the first time that IBM didn't see the market for the forest (or the chips). Their Mr. Watson had predicted some years earlier, when IBM was basically a typewriter company, that the entire worldwide market for computers was *six*).

Another difficulty held back the PC – they required extraordinary training to use them. Some of us are old enough to remember those first PC's required program language commands, stuff like /goto/Line 343 or /P-C3 (print three copies), to make them work.

Mr. Gates changed all that with Icons and multi-tasking, thereby making the PC *easily useable* by the common office worker. Then large company managers realized they could obtain a degree of freedom from their monolithic and powerful Information Services Departments by using PC's for their more mundane tasks. When the systems also became easy to learn, Microsoft was well positioned to capitalize on the frenzy for the machines. Later the Internet revolution simply made the PC explosion inevitable and an order of magnitude greater.

The point here is not about the back room antics and intrigues of Silicone Valley. The point is, interesting history aside, Microsoft made the PC *better*. So much so that it spawned a giant industry and a bevy of very rich executives.

It is an axiom in business that, if you want success, *make or do something better or different*.

This axiom holds every bit as much for small businesses as it does for the giants. The "me-too" companies will fall by the wayside constantly. If being better or different means reinventing yourself periodically, then do it! The alternative is to perish as a thriving business.

We need to think like Kermit the frog: Being green isn't easy but it does make us stand out!

### **Your Not Being Green If...**

Sorry to say, but quality does not qualify as being green. It may differentiate a product but it rarely differentiates a business. Customers expect the best quality available. If the supposed quality difference is accompanied by higher costs, it is not a quality difference but, more likely, a *feature* difference.

Creative, even unique advertising by itself is not being green. It may bring attention to your offering better than the next guy out there, but it is only a communication tool and can only project underlying company strengths, not create them in the long run.

Concentration on price, more specifically undercutting price, is a lousy discriminator and definitely is not being green. The low ball price leader in any market is the first to go. Pricing is not a long term marketing strategy, it is a short term tactic. Your competitor can slash prices just as quickly as you can, particularly if they happen to be a huge, low-cost manufacturer.

Having the broadest product line or services mix is not being green. Trying to be everything to everybody is one of the surest ways to financial insecurity in business whether or not you are small or a giant. The trick is to determine the essence of your strengths and focus on them, tailoring the product line or services offered to those strengths. Marginal products and services get promoted from marginal to extinct. Dump them. (For a lesson on product line rationalization and killing sacred cows, read up on Jack Welch's book: "Jack")

### **You ARE Being Green If...**

You're the first with the best. The first to offer new products or old products with new (valuable) features will get you a reputation as a leader and differentiate you from the competition. Striving to bring the best and the newest to your customers will pay off handsomely in the long run.

Tying up a feature or benefit with a copyright or patent has always been a good way of being green. Alternatively, keeping un-patentable but unique features secret as long as possible can have the same effect. The politically correct term for this is "know-how".

Changing or tweaking how you deliver your products or services can produce a difference that results in a jump on the competition and potential increase in market share. Look how fast other soft drink companies had to react and find a competitive 12-pack case when Coke shifted to the new oblong container. It slips right into the fridge and stacks well on the supermarket shelf, it should have been out 20 years ago. What a great idea! I wonder if it got them any market share?

Creating a product or service that addresses a specific market niche is another way of being green. A car repair shop that specializes in foreign cars or just Hondas, a cleaning service for yachts, and Honey Baked Hams are examples. Specialization breeds expertise, better market share control and better margins for value given.

Be really green, give the best total service in your industry. Don't just re-label lousy customer service and call it "customer care", yet have the same bureaucratic procedures for customers to navigate and telephone decision trees to climb. Look at your entire process of customer contact from initial solicitation to correcting a problem after the sale. Streamline it make it as simple and easy to use as possible. "Easy to order, no hassles" is still a good business philosophy especially in today's excessive information, poor communication world.

### **Commit to Being Green**

The essence of the capitalist spirit is the desire to continually strive to make things better and different; not being satisfied with the way things are. It is a corollary and an irony that in doing so we often improve our business performance, stability and financial security at the same time.

We must never, never stop asking the question: "How can I make my product or service better or different?" Like Kermit the frog, it's not easy being green, but it is worthwhile and soemtimes crucial to success.

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