



## Branching Out

By Randy Myers



Most of us have a fairly rigid idea of what our companies do. We install windows, but not doors. Build homes, but not gas stations. Give haircuts, but not massages.

Fine. Stick to your knitting and all that. But if a tough economy has left your business gasping for cash, it may be time to find new ways to make money.

I'm not talking about abandoning your knitting completely. If you make your livelihood as a distributor of plumbing supplies, I'm not suggesting that you open a dress shop. I'm talking about leveraging the skills and capabilities you already have in ways that let you sell more to your existing customers or attract new ones.

Let's say you're a consultant. You might package what you know into a book, DVD or seminar. If you're a craftsman, you might start selling your goods online as well as in your shop. And if you're a manufacturer skilled at building prototypes, you might use your expertise and excess manufacturing capacity to do that for other entrepreneurs. That's what Wendy Steele is doing.

Steele is the owner and CEO of Tape Wrangler, a Traverse City, Michigan-based company she launched three years ago when she and her husband, Rick, developed an innovative, heavy-duty dispenser for duct tape. They soon created a full line of tape dispensers with features typically not found on competing products, such as built-in tape measures, permanent markers and utility knives.

Earlier this year, as the weak economy took its toll on sales, the Steeles decided to leverage their expertise and manufacturing capacity to launch a second business, Advanced Production. It helps other entrepreneurs bring products to market by producing prototypes of their products or doing short production runs for them.

The venture has already done work for several customers in the food and beverage, medical, and office supply markets. "It's still in its startup phase," Wendy says, "but we expect it to carry us through times when consumers really aren't buying."

For Shannon Meairs, finding a route to new revenues meant embracing a new business model. Meairs is the CEO and founder of Full Ride, a Los Angeles-based company that helps students get into college. Her standard service offering is a comprehensive, \$7,500 package of counseling services that offers 50 to 60 hours of individualized attention to each client for a year.

In April, Meairs and her chief operating officer, Justin Jeter, began planning for what would happen to their business if newly budget-conscious families began backing away from their premium-priced service. Their answer was to develop a pared-down version for \$499 and hire and train contract employees to offer it. Today, she and Jeter collect leads through a variety of online portals, pass those leads along to a team of 15 contract employees, and share fees with them.

Meairs says the new service isn't just pulling in new clients, but helping her traditional business, too, as families initially attracted to the low-cost service sometimes trade up to the larger package once they know more about it.

Reaching outside your comfort zone like this can require a keen understanding not only of what your customers want, but also of what you are capable of doing. When James Hills, president and chief marketing officer of mhn PR & Internet Marketing in Elgin, Illinois, saw his traditional business slow down with the economy, he tried to branch into developing iPhone applications. It didn't work. "It wasn't our forte," he concedes. "We're not programmers. Just because I can communicate on a medium doesn't mean I can create the medium."

On the other hand, Hills also launched a pair of travel Web sites — [www.mantripping.com](http://www.mantripping.com) and [www.chickvacations.com](http://www.chickvacations.com) — that are already generating some advertising revenue while positioning his firm as an expert in the travel field, which he hopes will bring in more advertising business from companies in that industry once the economy recovers.

Meairs says that creating her low-cost counseling service, developing the back-office technology to manage it, and training new associates was a "huge investment" for her and Jeter. Still, she adds, "We're really thankful we had an answer to the question of what we would do in a down economy. It opened our eyes to the possibility of scaling our business beyond what we would have thought was possible."

Sticking to your knitting can be a good thing. But when the economy is working against you, finding new ways to use your knitting skills can be good, too.

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