

REGION

Cash, customers critical to grow your young business

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Your business is up and running. You're making money.

The sun is shining, but you know there could be rain around the corner. So you want to have the business grow while times are good.

Then remember two things: 1) Cash is king, and 2) Listen to your customers.

Those are two of the most important things you want to constantly manage while growing a company, say successful entrepreneurs.

Sue Todd, president and chief executive officer of Corporate University Xchange Inc., has five imperatives to grow a business, but cash is at the top, she said.

"Make sure you have that capital there when you want to grow," she said.

Todd spoke Oct. 16 in Carlisle as part of the Murata Business Center's ongoing series of entrepreneurial speakers. Harrisburg-based CUX helps large corporations find the best ways to train their employees.

She listed cash, the voice of the customer, product management, new media marketing and growth strategies as the important factors for a business to stay healthy in today's economy.

Todd has operated several kinds of companies. She was director of marketing for ADT Data Systems, an outsourced information-technology-training company. That became KnowledgeSoft Inc. Those businesses helped launch future training ventures KnowledgePlanet Inc. and CUX.

Leron Lehman agreed that cash is paramount in business. He is senior vice president and chief financial officer of Probitry Medical Transcription Inc., based in Harrisburg.

Entrepreneurs need to research their in-

dustry market and produce cash through strategies that work for their businesses, Lehman said.

"Every situation is so unique. It's hard to put together bullet points to sustain a business," he said.

In 2002, he helped start an entrepreneurial division for accounting firm Brown Schultz Sheridan & Fritz in East Pennsboro Township, Cumberland County. He stayed until 2006.

Service businesses sometimes forget to turn inventory into cash, Todd said. For a service company, such as CUX, services are inventory. Managing inventory will keep the business moving and provide the capital for expansion, she said.

"It's important to think about how fast that inventory turns over or how much you have," Todd said.

Growing companies must keep inventory fresh to help bring in cash, she said. Managing product is essential for any business. Drop the services that don't sell. Offer the ones companies need now and will need in the future, Todd said. Offer the ones that solve problems for clients and attract new clients.

Listen to your trusted customers. Their needs will help gauge what you need to supply, Todd said.

It also helps to offer a variety of service tiers and payment options, she said. Sometimes, you bundle services to bring more clients. Other times, you break up bundles to get market value for popular services, she said.

Roll with the punches. Do what your company needs to do to achieve its short- and long-term goals, Todd said.

People are also important. Build a good team, Lehman said. Having people that fit well with other team members will make corporate growth easier.

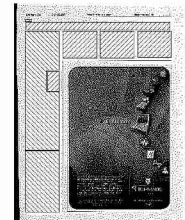
"It's a stressful thing, and if you're not singing the same song ... working toward the same goal, it can get ugly pretty quick," he said.

Building a corporate team is about find-

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Wolfe



ing the right people to manage the company, said Ira Wolfe, president of Success Performance Solutions based in Upper Leacock Township, Lancaster County. Strategic growth is not always the strongest suit of an entrepreneur, which is why it's important to hire veteran businesspeople to help you grow the company.

"The entrepreneurs have the passion and

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vision to get the company off the ground. But eventually, they become the executives, and they have to delegate responsibility to help grow the company," Wolfe said.

Wolfe is also chairman of the Lancaster Prospers Entrepreneurship Committee with the Economic Development Company of Lancaster County.

Investors and banks want to see experience at the helm before they place stock in a company's growth strategy, he said.

But that's often where entrepreneurs and investors butt heads, he said. Entrepreneurs have taken their company from ground up. Like a parent, they're apprehensive about putting it in the care of other people. That's a problem for private investors. Many want an ownership stake in the company, or at least marginal say in key decisions, Wolfe said.

"A lot of entrepreneurs believe in blood, sweat and tears. They say to investors, 'Just give me the money, and I'll get it back to you,'" he said.

The best advice, he said, is to put your ego

aside to take the company to the next level.

That's easier said than done. But experienced entrepreneurs advise others to hang tough. Commitment is equally important in business, they say.

"At some point, it always gets difficult," Lehman said, "and it's easy to quit and go do something else. So you need that commitment." ■

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Success Performance Solutions



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