

Small Companies, Big Ideas

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Every big company was a small company once. What does it take for some small companies to grow and excel over time? turnstone, the Steelcase brand inspired by entrepreneurs, has discovered unique ways that successful small companies operate. These insights are worth sharing with leaders of any company, big or small.

“Small companies have different DNA than big companies,” says Kevin Kuske, general manager, turnstone. “Understanding these differences can help other small companies succeed and even teach large companies a few things, too.”

Goodsmiths, a small company in Des Moines, Iowa is a very good example. They built an online marketplace where arts and crafts makers sell their wares in virtual stores to customers across North America. After little more than a year, Goodsmiths.com has 5,000 stores for makers and traffic and sales are booming.

It isn't just the steep growth curve that sets Goodsmiths apart, it's how they achieved it. “When you have to compete with bigger companies with far greater resources, more brand recognition and greater awareness with both customers and potential employees, you have to think and work differently. Goodsmiths knows this. The way they're heavily involved and invested in their local community, how they let their unique personality as a company shine through and how they're passionate about their craft, these are key to their success,” says Kuske.

The little guys make a big difference in the overall economy. Small businesses (fewer than 100 employees) represent more than 99% of employers and provide 60% to 80% of net new jobs annually. In the United States they produce as much as 13 to 14 times more patents than big firms, according to Entrepreneur.com. The U.S. Small Business Association says small businesses collectively produce over \$6 trillion in gross domestic product each year, which on its own would be the third highest of any country in the world.

The story is similar in Europe, too. Small and medium size enterprises (SMEs, 90 or fewer employees) outside the financial sector account for 99% of businesses and two out of every three jobs, according to Eurostat, the statistical office of the E.U. In addition, 85% of net new jobs in the E.U. between 2002 and 2010 were created by SMEs.

Regular road trips by turnstone employees and the in-depth studies conducted by the Steelcase Workspace Futures research and design group show there are seven key ways great small firms operate differently than large companies (see end of this article). Two of these differentiating ideas—embracing their local communities and taking their unique personalities public—are explored here.

COMMUNITY MATTERS

“Grounding your company in the community gives everyone a sense of belonging.”

RIANE MENARDI | community builder, Goodsmiths

An Internet company with online stores that represent makers all over the U.S. and Canada, Goodsmiths’ team of 11 employees is also actively engaged in the local community. They’re located in Valley Junction, a historic section of Des Moines that boasts the largest collection of independent businesses in the city, including art galleries and handcrafted goods stores, the types of businesses that use Goodsmiths.com. “It gives us a connection, a base in a part of town that’s all about handmade, creative goods, just like the shops on our site,” says Riane Menardi, whose job title is community builder.

“Grounding your company in the community gives everyone a sense of belonging. It’s part of the vision of successful small companies to be part of a larger purpose, and it connects the company with the pool of talent, customers and resources locally,” notes Kuske.

Goodsmiths regularly hosts or participates in community events such as book launch parties, networking events with other startup businesses, and partner events with professional organizations such as AIGA. “We often bring people into our office, whether we’re hosting an event ourselves or just hanging out at our place afterwards. Developers who work remotely stop by to work in our office for an afternoon. It’s really open to anyone in the community,” says Menardi. Their workplace clearly represents the Goodsmiths brand and culture to all visitors now, thanks to a \$20,000 office makeovers, one of five such winners in turnstone’s Culture@Work in the Heartland contest.

SHOW YOUR PERSONALITY

Small companies look to express themselves and often encourage their people to do the same. CarbonSix, another Culture@Work in the Heartland makeover recipient, is a small market research firm in Chicago recently spun off from a larger company, Leo J. Shapiro & Associates. With a dozen employees plus a few interns, CarbonSix uses their new space to help define the personality of the newly independent firm, and separate it from their parent company located just one floor away.

“We’re not a typical research firm in some ways, and that’s part of what makes us successful,” says CarbonSix President, Margaret Mueller, Ph.D. “We have several Ph.D.s and master’s degrees on staff, but everyone has a personality and style in addition to their education. That’s uncommon in our business because it can be difficult to find super bright, analytical Ph.D.s who are also engaging and gregarious, have high energy and fit in well. We are in the client services business and there is a lot of personality that goes into it.”

The firm encourages employees to pursue outside interests and calls out their exploits in staff bios on their website. Mueller, for example, had a “one-day snowboarding career that ended in a broken wrist,” while director Ankit Makim was “possibly the only New York Yankees fan studying International Finance in Vienna.” It’s revealing and fun, but how does it help CarbonSix?

You really want your space to reflect who you are. You want clients to walk into the space and think. ‘Hey, this is really cool. I’m working with smart, interesting people.’ Everyone wants to feel good about the firm they fire and your office can reinforce that feeling,’ says CarbonSix President Margaret Mueller

By building the firm’s unique identify, according to Mueller. “We have a really eclectic group and that’s important. We want interesting people here who see the world through different lenses and bring different perspectives to client problems. Some people are very systematic and methodical, others are a little more abstract at the way they look at things. All of that helps our client’s learnings.”

The research company positions itself as an explorer, says Mueller. “Our clients are looking for people who are constantly curious, always exploring the world, not feeling satisfied with the answer. There’s got to be something else—that’s what we do. We like people who ask, ‘What’s going on here? What’s the problem?’ We recruit for this explorer personality and we continue to promote it both inside and outside work.

“For example, when one of my colleagues and I went to Philadelphia, we had just an hour-and-a-half of free time. We did the power tour of Philadelphia: Ben Franklin’s grave, the Liberty Bell and a Philly cheese steak. It was fantastic. What’s the point of flying off to Philadelphia to do research without exploring?”

CarbonSix’s distinct culture and personality also help the firm attract the best candidates, too. “People have left other firms to come to CarbonSix because of how we work. This isn’t a big firm where the partners hold all the client relationships. We’re a small company and we have our junior people work directly with our clients as much as possible. The quicker the client sees them as the trusted person to lead the work, the more they develop and the more we can keep growing,” says Mueller.

SPACE REVEALS THE REAL COMPANY

“A big part of our positioning and brand identity is this explorer identity, and that’s very much what our clients are looking for.”

MARGARET MUELLER | president, CarbonSix

Both CarbonSix and Goodsmiths use their workplace to reinforce the special characteristics of their companies. Handmade window treatments fit the Goodsmiths office's floor-to-ceiling windows and goods created by employees are displayed on the walls and shelves. The drywall in CarbonSix's office is being removed to expose the retro brick walls underneath, inspired in part by winning the turnstone office makeover and also, no doubt, by their explorer personality. Both firms built offices that emphasize open communication and frequent collaboration.

Space reinforces what makes each firm unique. "You really want your space to reflect who you are," says Mueller. "You want clients to walk into the space and think, 'Hey, this is really cool. I'm working with smart, interesting people.' Everyone wants to feel good about the firm they hired, and your office can reinforce that feeling."

Embracing the community and communicating their personality are just two of the ways small companies work differently than larger companies. When you're competing for the same talent and customers as the big guys but your resources are much more limited, you find unique ways, as Goodsmiths and CarbonSix have, to succeed. Good advice no matter what the current size of your company may be.

Research by turnstone and the Steelcase WorkSpace Futures group identified characteristics of small companies that help them excel despite more limited resources and having to compete in the same pool for talent and customers as their larger brethren. Small companies with outsized success were found to share seven common characteristics:

- Their personality comes through
- They have the freedom to be themselves
- There is passion for their craft
- A sense of community makes them part of something bigger
- As a team, they have fun together
- They have a choice of how and where they want to work
- They take time to connect

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