

Microbusiness Profile: Success Connections, Inc.

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In my white paper entitled *The Microbusiness Way of Growth*, here's something I wrote:

Then, too, a great many microbusinesses rely for their revenues not on what they make but on what their owners know or know how to do. They tend to use that knowledge or skill to develop products they can make once and then sell to an almost infinite number of customers. This creates value from a minimal amount of ongoing investment because, unlike real property or tangible equipment, knowledge assets are not subject to generally accepted laws of diminishing returns. An idea can be used again and again, repackaged in different ways to satisfy the needs of different customers, without necessarily losing its initial value.

That was more than a year before I had ever heard of Melanie Benson-Strick and her Sherman Oaks, CA-based company, Success Connection, Inc., but it describes them perfectly.

Success Connections is a woman-owned, nonemployer micro-corporation that offers a variety of products and services to motivate and support entrepreneurs in their quest for success. Some people might call it a coaching business but that wouldn't be entirely accurate - at least, not now.

Melanie, yet another corporate refugee, started out in the personal coaching arena as a way to "feed her soul." Like so many microbusiness owners, she was feeling creatively stifled in the traditional world of work, which filled her days with stressful and unrewarding toil.

"I wanted something that felt good to do," she says.

At the same time, Melanie eventually realized that simply offering individual coaching services wasn't as rewarding as she had hoped. She had a reasonably full client list but still wasn't really earning enough to survive in pricey Southern California. After a year and a half of struggle, she took a look at her own business and had something of an epiphany.

As Melanie puts it, "I started asking myself, 'There are a lot of successful entrepreneurs, what are they doing that different?' And that led me to realize that successful entrepreneurs make decisions about what's going to make them money. They make decisions about how are they going to grow, not how are you going to make enough money to eat this week."

Here is something that became very clear during our conversation: Melanie is really good at looking at the goal, looking at where her client is, and figuring out how to get from point A to point B. She is also really good at learning from other people's successes.

And both of those traits, which I suspect help her to be a very good coach, also helped her to coach herself out of her revenue doldrums.

Among other things, the new approach meant that she had to buckle down and not only do what she liked doing - that is, the coaching - she also had to do the stuff she didn't like so well - that is, running her business. And, in doing that, she re-designed her business so that customers could access her skills in a variety of ways, at a variety of price points, without necessarily interacting personally with her. That business model lets her make more money from more customers than she could possibly see on an individual coaching basis.

And if she is as successful at supporting her fellow entrepreneurs as she has been in revising her own business thinking, Melanie Benson-Strick undoubtedly has a lot of very happy former clients. Success Connections, Inc., at the ripe old age of five years, is on a pace to earn revenues in the vicinity of half a million dollars this year.

Of course, that level of earnings is nice but it doesn't make the business headaches go away completely. When you ask her what her biggest business problem is right now, Melanie unhesitatingly mentions her personnel challenges. Like many nonemployer businesses, Success Connections makes use of independent contractors rather than taking on full-time employees.

What makes hiring independent contractors difficult? It has to do with the fact that it's a relationship that has to be very different from the employer-employee interaction that most microbusiness owners have experience with. As an employer, your employees are more or less at your beck and call, with nothing to do but devote themselves to your business during their entire working day.

When you work with independent contractors, you don't get to be that dictatorial. You have to figure out how to manage your contractors so that they give you what you need, but you have to share them with their other clients - which means that, in addition to managing the contractors, you also have to manage your expectations. Finding a good fit can be quite a challenge.

Given the explosion in the number of nonemployer businesses - the nonemployer population grew by a fairly whopping 11% just between 2002 and 2004 - it would appear that business management training programs are behind the curve in addressing this issue. So, for that matter, is Congress.

There have been all sorts of proposals in recent years, from clarifying the status of independent contractors for tax purposes to launching a pilot program to help small

business owners learn to take advantage of telecommuting and the virtual workplace, that have gone precisely nowhere on Capitol Hill largely due to lack of interest.

But the economy that is taking shape in this new century requires that our nation's leaders wake up and smell the coffee. The focus among policy makers on job creation is necessary, of course, but increasingly, the small business economy simply doesn't work that way anymore. One of my favorite quotes on the subject comes from Chris Hansen, 2003 Home-based Business Advocate of the Year.

He said, "There will always be work to do, but there may not always be jobs."

That kind of thing is important for policy makers to remember. As much as they might want to dispense policy goodies to firms that create jobs, they also need to understand the value brought to the economy by firms that may not create jobs but do create work.

Melanie puts it this way: "When I offer people an opportunity to come and work for me, with the freedom to work as little or as many hours as they want, for a rate they would never command working for a corporate entity or a traditional employment opportunity, in exchange for them to have the freedom to work with whoever they want to work with whenever they want to work with them, I feel like I'm feeding a different policy-oriented opportunity, which is the opportunity to build up a freedom-based lifestyle."

Melanie Benson-Strick uses the word 'freedom' fairly often when she talks about running a microbusiness. For her, that's what it's all about.