

# Businesses Reinventing Themselves in This Economy

Posted by **Jon Schallert**

Earlier this year, Jeanne Stinson, the director of the Kansas Main Street Program, asked me to speak at their State's annual conference on the topic of Business Reinvention. She asked me to talk about small businesses in today's economy that had to change core parts of their business to continue to be successful, in response to this recession.

Finding businesses that had been impacted by this recession was easy. All over the country, people were spending less money and making fewer trips to businesses and every business owner was feeling it. The trick was finding business owners who had successfully changed their business in this recession, who were also willing to share with me the steps they took, including all of their failures and successes along the way.

The owners I turned to were those who had attended my Destination Business BootCamp in Colorado ([www.DestinationBootCamp.com](http://www.DestinationBootCamp.com)), but there were some important criteria they had to meet. First, I chose not to interview any owners that had new businesses because a new business can often implement a single tactic and sales will skyrocket. No, I wanted mature businesses that had a track record of profitability. Second, I didn't want any businesses that were a hobby for the owner; I only wanted businesses that were the sole source of income for an owner.

All of the business owners I interviewed were independents and not affiliated with national chains or franchises. All would be considered "Mom and Pop" businesses. In fact, many were run by husband-wife teams, all juggling their businesses and their families. All of these businesses had been around for years, the youngest being 10 years, the oldest over 80 years in existence, many considered leaders in their respective industries. Finally, though all of them annually generated substantial sales levels, in the last 18 months, they had all been hit by this economy and were forced to change how they did business.

## **Some Background on Business Reinvention**

In normal economic times, business reinvention happens all the time and is not that unusual to observe. For example, business reinvention happens when someone relocates a business to a new location. It happens when someone expands the retail floor space of a store. It can happen when physical changes are made to the business, like a store remodeling its interior, or restoring the exterior of a building, like the restoration of a facade of a historic building.

## **Business Reinvention: Not the Norm in This Economy**

In this economy, business reinvention took on a different form. The reinvention that these owners had to go through did not come easily or occur because of a change to the look, size, or location of their businesses. Reinvention was forced on this group

because customers weren't coming into their stores or businesses as often, or worse, they were coming in, but not spending near as much. Several owners even noted that customer traffic actually was increasing, but because people were buying so much less, sales were crashing.

The recession that hit all businesses in the last 24 months made business reinvention an entirely unnatural process. The owners I interviewed found that what they had always done previously was no longer working, bringing in the customers and the dollars like they used to. The more these owners did what they had done in the past, the more sales didn't increase, and the more things went downhill.

The owners I interviewed all came to realize the same thing: they had to stop doing what they had been doing in the past and start leading their companies differently, sometimes drastically departing from behaviors and past successful tactics that led to their success. For each of these owners, there was a time in each reinvention where the owner looked at himself or herself and said "I have to change. What we're doing no longer works", and then, was willing to go in a different direction.

The end result was their Reinvention worked. Sales and traffic increased in their businesses while other businesses around them experienced decreases, or worse, closed entirely.

The result of these interviews is a new keynote speech and workshop I now conduct called: ***"Reinvention on Main Street and Every Street"***, and Jeanne's group was the first one to hear it. If your organization would like to host this event, and have your business owners learn the lessons of these reinvented independent businesses, email me at [Info@JonSchallert.com](mailto:Info@JonSchallert.com) to schedule a time when I can call you to discuss how this workshop can be presented for your group.

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