

The New York Times

Media Outlet: New York Times

URL: http://www.nytimes.com/2007/02/22/business/22sbiz.html?_r=1&oref=slogin

Date: 2.22.2007

Small Business

The Magic Is in the Tweaking

By [ANNE FIELD](#)

Published: February 22, 2007

About five years ago, Sarah Lurie, a personal trainer in La Jolla, Calif., learned about a demanding form of exercise she had never tried before. A longtime staple of the Russian military, the workout used something called kettlebells, cast-iron weights which Ms. Lurie describes as “cannon balls with a handle.”



Sarah Lurie started her own gym in 2004 centered on using kettlebells. When sales faltered at first, she found success by fine-tuning her marketing campaign. Now she is in the process of franchising the business.

In short order, Ms. Lurie said, she became much stronger, without building up muscles that were too bulky. That is when it occurred to her, “Why not start my own gym, focused on teaching customers how to use the equipment?” She decided to call it Iron Core Kettlebell Strength and Conditioning, which she opened for business in October 2004.

The response, according to Ms. Lurie, was exceedingly underwhelming. Clients trickled in to try out the new workout, but seldom returned. After six months, with sales at a standstill, Ms. Lurie knew she had to try something else — and fast.

Ms. Lurie’s experience is far from unusual. Entrepreneurs are stubborn souls, not easily discouraged by something like initial failure. And, while there are no exact figures, according to small-business specialists, it is quite common for a founder to stumble at first, only to find a way to bounce back soon after.

“Many entrepreneurs learn as they go along,” said Phyllis Ezop, president of Ezop & Associates, a strategy consulting firm in La Grange Park, Ill. “With each lesson, they find out a little more about what new direction to take.”

In Ms. Lurie’s case, she started calling patrons when they failed to return, to find out what was turning them off.

The problem wasn’t the kettlebells, it was how she was approaching the public. Her brochures, her Web site, even the instructions used in class, all relied on what Ms. Lurie calls “brutal strength-type language,” and were simply too intimidating for most customers.

So, she revamped everything: the promotional material and the Web site to emphasize the workout’s fat-burning effectiveness and other more conventional benefits. Business picked up.

Sales have not only tripled, but there is a waiting list of people for most of her classes. She has also sold 5,000 instructional DVDs, is moving into a 4,000-square-foot gym, three times the size of her original one, and is in the process of franchising the business.

While Ms. Lurie found the answer in marketing, other companies reach success by discovering different uses for their original technology, changing their sales philosophy or repositioning a product, among other tactics. “There are many different types of reinvention,” Ms. Ezop said.

Consider AdvancedMD in Salt Lake City, which opened in 1999 to sell Web-based practice-management software for doctor’s offices. After three years of flat sales, the company’s investors brought in a new chief executive, Jim Pack, to turn things around. After studying the situation, Mr. Pack pinpointed what seemed to be the culprit, the sales system.

“The philosophy was, all we have to do is let doctors see our product and they’re going to want to switch,” he said. As a result, sales representatives spent most of their time cold-calling and making door-to-door sales visits, with little success.

What was needed, Mr. Pack determined, was a complete sales overhaul. As long as doctors were satisfied with their software, they weren’t likely to change. The only way to make a sale, then, was to find offices that were looking for something else. Mr. Pack pulled the plug on cold-calling and started putting more effort into search optimization and Web-based advertising. Leads soon jumped to 600 a month from 40.

What’s more, with fewer face-to-face sales calls, he was able to cut costs in half. Three years later, the company has 120 employees and revenue has soared.

For StillSecure, the solution came from taking one element of the company’s original technology and turning that into the main product. The company in Superior, Colo., was formed in 2002 to provide customers with a way to manage software applications distributed via the Internet. But, when the Internet bubble burst, many potential clients pulled away. It only became worse in the economic downturn after the Sept. 11 terrorist attacks.

“We realized that it didn’t make any sense going forward with our old business model,” said Alan Shimel, co-founder and chief strategy officer. After further research, however, they discovered that clients were especially interested in the security applications — systems for intrusion prevention and analyzing areas of potential vulnerability — that were part of the initial product.

So they decided to focus entirely on those applications, transforming the company into an Internet security business. The firm introduced the first product in April 2002. With a total of three products

on the market and around 100 employees, sales are now “more than \$5 million,” Mr. Shimel said, and, from 2002 to 2004, grew about 2,000 percent.

How do small businesses figure out just what their next steps should be? Some companies, like StillSecure that have considerable venture backing, can take advantage of help from their backers. The company’s two investors, Mobius Venture Capital in Palo Alto, Calif., and the 3i Group in London, which had put in about \$21 million, introduced executives to specialists in the security market. Also, the firms allowed StillSecure to interview other businesses in their portfolio, for further research.

Even so, StillSecure, as Ms. Lurie did, also turned to existing customers for inspiration. Indeed, it was during talks with a few clients that Mr. Shimel learned that their primary attraction was the security elements in the original technology.

Other people tapped the insights of distributors and other important players in their market. When Michael Sands helped found LesserEvil Brand Snack Company in March 2004, at the top of the low-carb fad, he expected his specially designed popcorn to be an instant hit.

Unfortunately, by the time he was ready to introduce the product on the market, the fad had fizzled. But, after discussions with distributors, brokers and retailers, he learned that a similar product promoted as “all natural” would probably have a better reception. So, he redid the product using a new sweetener, revamped the packaging and introduced a new popcorn called All Natural Kettle Corn in 2005.

Last year, his company introduced a second product, a reduced-fat potato stick.

“Like any good entrepreneur, we knew how to admit when we’d made a mistake and how to adapt quickly to the market,” Mr. Sands said. “And we never thought about closing up shop.”