



Hit The Ground Running

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How To Grow Your Small Business After A Setback

You can either approach setbacks as obstacles to restoring the status quo, or as opportunities for reinvention.

By Carson Tate

Not all struggling small businesses are doomed—far from it, in fact. Think back to 2009. The U.S. economy was anemic. Companies were slowly clawing their way back from the Great Recession. Around that time, stories of powerful rebounds were few and far between.

Laura Vinroot Poole, the owner of Capitol, a luxury clothing retailer in Charlotte, North Carolina, was on the verge of going out of business. Before the downturn, Capitol had experienced 10 years of strong, consistent, double-digit growth. Poole had invested heavily in a new million-dollar storefront, plus additional millions in inventory and a team of well-trained associates. Was this how she would close the chapter on her business?

Absolutely not. Like many entrepreneurs and business leaders, Poole rallied, using those challenges and the potential for failure to reinvent herself and grow her company anew. Here's how.

Rethink Your Business Model

As many retail establishments experienced, Poole's Capitol struggled with customer traffic during the post-recession economy. So Poole went to her customers. When the bricks-and-mortar boutique retail model no longer made sense, Capitol created a new customer experience that stayed true to the brand. Poole had her team make home appointments with their customers, taking clothing, shoes, and jewelry straight to them. Today, six years later, a majority of Capitol's sales still take place in customers' closets.

Find Fresh Ways To Expand Your Market

"Business was tough because I was stuck in the walls of a storefront. I needed more eyes on my inventory," Poole says. With a business partner, she cofounded House Account, a highly curated shopping app. Initially, the partnership—between a luxury retailer and a tech company—was a stretch for Poole. However, she says, it ultimately "moved her closer to her market." House Account continues to do well; customers can shop in over 450 stores directly from the app.

Whenever your business faces mounting competition in an evolving space, it's important to remind yourself where your passion lies.

Poole not only opened up the market for her store but also created a platform to help other business owners expand their markets as well. Don't limit yourself by your own knowledge base and expertise when your back is against a wall. Find partners who can help you implement the new strategy that makes the most sense, not the one that's easiest to execute.

Share Your Mistakes And Failures With Your Team

Chandra Johnson, owner and creative director of SoCo Gallery, a contemporary art gallery that specializes in photography, leads a three-person virtual team catering to clients across the country. Communication—consistent, clear, and proactive—is essential to any small business, especially those that rely so heavily on remote workers, as Johnson's typically does.

When a client became upset due to a miscommunication over the price of an artwork, Johnson did what most business owners would do: She blamed herself. But the experience helped her realize that the incident offered a learning opportunity. "I didn't want to hide or be embarrassed," she recalls. "I can use my mistakes and failures as an opportunity to learn and adjust."

When your business faces setbacks and you're in damage-control mode, figuring out a way to grow can be the furthest thing from your mind. But those periods can be some of the most fruitful. After regrouping, Johnson and her staff identified how they could streamline their communications and educate their clients more proactively.

"I grow and the team grows through failure," Johnson says. "Facing my fears is a challenge, and I love a challenge. Getting over the hurdles is empowering and fuels my personal and professional growth." And that can't happen if a leader tries to sort through challenges alone.

Use Your Passion To Differentiate Your Business

Over the last several years, the fitness and wellness markets have seen an array of new techniques and approaches, making it arguably harder than ever for companies to stand out. Whenever your business faces mounting competition in an evolving space, it's important to remind yourself where your passion lies.

In that highly saturated fitness market, mother-daughter team Liz Hilliard and Clary Hilliard Gray, owners of Hilliard Studio Method, a boutique Pilates barre studio, knew their approach needed to be unique—and for them, that meant tapping into their personal expertise and passion. After years of cultivating a loyal client base for her personal training business and traveling the country honing her method, Liz Hilliard felt ready to open her own studio.

Competition made that difficult. "We knew at that point that we could either quit, or put our heads down and work harder," Hilliard said. They "immediately went into overdrive," accelerating their studio opening and showcasing what was unique about their workout—and themselves, as the experts behind it.

We knew at that point that we could either quit, or put our heads down and work harder. They understood that their professional experience and personalities—their own passion and power as individuals—were just as important as the training they offered: a workout that incorporates weights, resistance bands, and weighted balls and gliders with floor and barre work to sculpt and tone.

When first-time clients arrive at the studio, HSM's team explains what it is, then offers clients a free class to experience the Hilliard difference. The unique, personal approach has paid off; they've grown their business to include over 40 weekly classes and a series of downloadable workout videos. Hilliard Studio Method was recently featured in *Self* for its exceptional core workout, and Hilliard and Gray have opened their second business, HSM Core, a Megaformer studio.

Economic struggles, competition, and mistakes can all put small business owners on the defensive, struggling merely to get things back to where they were before things went awry. But those setbacks can also be rocket fuel for a company's transformation. It's all a matter of how you approach them.