

# Jumping hurdles is part of business survival

BY MARY ADAMS

During the tech downturn of the last few years, many managers have seen the economy as their biggest challenge. However, in building a tech business, there are other critical hurdles that must be overcome to get your business to the next level.

It is especially important for the survivors of today's cycle to be ready for the hurdles that will come as the market strengthens and future possibilities broaden. Let's look at five such hurdles and ideas on how to overcome them:

- **Limiting your market.** Although the pace of change has slowed, technology industries continue to evolve. You may know your market today. But to get to the next level, you will need to broaden your view and make sure you watch the evolution of customer needs and alternative solutions.

Your future opportunities (and future competition) may well come from outside your industry as you have defined it. The best opportunities will be in high-value intersections of evolving market needs and your corporate strengths.

- **Getting stuck in the middle of the pack.** If you have come this far, you have graduated from being an entry-level player. However, the top of many markets has consolidated so that your relative size may still be small compared to the biggest players. Thus you may be stuck in the middle of the market.

This isn't a bad place to be but the key to jumping this hurdle is to understand your competition and to identify the advantages and disadvantages of your current size versus your larger and smaller competitors.

Use this to sharpen your marketing and sales strategies, distinguishing your greater viability and higher product quality from smaller players and your more responsive service from the larger ones.



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- **Making sure your customers see you as you are today.** Your customers are your best source of new business. However, they may see your company as it was when they first got to know you. To move on, it's essential to overcome this first impression.

Make an extra effort to communicate with your customers, not only about your product or service but also about your progress. Share your challenges and explain how you have overcome them. Make sure they know about your evolving capabilities. Tell them about problems you have solved for other companies. Keeping the lines of communication open will also help you stay abreast of your customers' developing needs.

- **Developing your next-generation product.** You probably got to where you are today with a flagship product. In this era of conservative tech spending, it is tempting to stick with the product as is. But it will be too late to develop a next-generation product when demand starts taking off again.

Jump the next-generation hurdle by watching the markets and staying in touch with your clients. Working with clients to solve new challenges is a good way to subsidize your product development.

- **Having the right team in place.** To get your company to the next level, you will need new and different talents. Sometimes the company outgrows the talents of

key players. You may also need talents related to managing a larger company, in areas such as sales management, operations, product development, administration and finance.

However, running lean is a virtue in today's world. This makes the personnel hurdle even more challenging. The temptation is to continue to "make do" without formal management or relying on outside advisers, such as accountants or lawyers.

To avoid tripping on this hurdle, stay attuned to the division of labor within the leadership team. If key players are losing effectiveness, they may be spending too much time outside their core competency. There are a lot of senior managers today doing tasks that used to be delegated to ex-employees. Help keep the right players in the right jobs. Don't be afraid to outsource some of these functions as your organization evolves.

By jumping these hurdles using the above suggestions, you will capture the prize of success at a new and higher level.

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