

BUSINESSADVISOR

STRATEGIES & SOLUTIONS FOR SMALL BUSINESSES FROM WELLS FARGO


TECH-SAVVY
SUCCESS STORIES

3 WAYS
TO AVOID
LITIGATION

ASSESS YOUR
COMPANY'S RISKS
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Rise Above
the Competition



Sharpen Your Competitive Edge

**Successful
companies
focus on
being
competitive
today and
in the future.**

BY LINDA FORMICHELLI

Even in a competitive situation, creative small business owners find unique ways to gain market share. Here's how a number of small business owners keep their edge:

Live Large

Many business owners' first instinct when faced with an economic crisis is to slash prices. After all, everybody wants to pay less ... right?

If the experiences of Frank Jao are any indication, the opposite is true. Jao started his 18-person real estate development company, Bridgecreek Development in Huntington Beach, Calif., in 1978. In 1985, Bridgecreek built the Asian Garden Mall in an area of Westminster, Calif., known as Little Saigon. The rent in the mall was twice as much as in the surrounding areas, yet business boomed.

Sure, you say, that was in 1985. But what about now, when the real estate market isn't quite what it was 20 years ago? Well, today the rent at the Asian Garden Mall is 300% higher than other retail spaces in the immediate area, yet according to Jao, "They have vacancies, while we don't."



Learn how to surpass companies that dominate your market.

Read "Compete Against Brand Leaders," one of many **Business Tips** at wellsfargo.com/biz.

The adage, "You get what you pay for" has stuck around so long for good reason. Small businesses rent retail space at the Asian Garden Mall and in exchange for a premium price they get adequate security, good management, and an attractive, comfortable shopping environment with enclosed elevators—perks that aren't available in the nearby low-rent retail spaces. "The only thing we get consistently criticized for is the lack of parking," Jao says. "We're a victim of our own success."

Partner Up for Profits

When the economy slows, business owners typically cut their budgets, too. When that happens, outsourced public relations services may be one of the first things to go. And when PR companies lose business, they're likely to become a casualty—especially when hundreds of other PR firms are in the same situation and clamoring for business.

But not Robert Smith & Associates of Rockton, Ill. In 1998, when Smith started the business, the economy was booming. Today, Smith's nine-employee company is competing with everyone from freelance writers to huge PR firms—and his business is thriving. Why? Because Smith has formed joint ventures with compatible businesses.

Smith subscribes to the idea that, as a business owner, you need to find out what prospective clients do *before* you approach them—where they go, what else they buy—and then go to the companies that provide these services and form strategic alliances. Smith made his first strategic alliance with a company that incorporates businesses. "[The business owner] had 1,500 clients, so I didn't have to send 1,500 different letters. I just contacted him and one e-mail went out to all 1,500," Smith says. "We did profit splitting—he got a certain

Five Simple (and Low-Cost) Ways to Size Up the Competition

Before you sharpen your competitive edge, know your competitors and what they bring to the table.

- Name of the company and key executives
- How they price their product or service
- How they market their product or service
- Who their clients are
- How you differ from them in the eyes of your prospects
- Their strengths and weaknesses

Here's how to glean this information:

- 1) Do a Google search on keywords that describe your business (www.google.com). Visit the Web sites of the businesses that turn up in the results.
- 2) Become a member of the local chapter of your trade association.
- 3) For larger or more established companies, check out Hoovers (www.hoovers.com), which will give you information such as key executives, Web address, location and business type.
- 4) If the competitor is a publicly traded company, you can get information, from the Securities and Exchange Commission. To review a company's filings, go to the SEC's EDGAR (Electronic Data Gathering, Analysis and Retrieval) Web site, which provides free access to the SEC filings of thousands of public companies in the United States: www.sec.gov/edgarhp.htm.
- 5) Have a friend or business associate call your competition and pose as a potential customer. Create a chart that will help you compare your offerings, prices, service and marketing techniques.

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Frank Jao, Bridgecreek Development,
Huntington Beach, Calif.

