

REINVENTING MOM & POP

After 25 years of consulting with thousands of entrepreneurs, Jon Schallert's message is clear for small businesses:
Think bigger.

Small businesses no longer compete simply with the store down the street or across the mall. They now must learn to distinguish themselves so they become destinations for customers around the world and out in cyberspace.

“Most businesses are location-dependent, whether it’s a grocery store, a retail store, a restaurant or a professional office,” says Schallert, who started in the field with Hallmark Cards 25 years ago and whose consulting firm now conducts the Destination BootCamp in Colorado.

“Traditionally, people market to their local area, within 15 minutes. The problem is in today’s economy, you need more.”

When he first started his consulting firm fifteen years ago, his work often involved helping local businesses in small communities learn to compete with encroaching big-box retailers such as Wal-Mart – but the landscape has shifted.

“Wal-Mart’s not the problem anymore,” Schallert says. “If owners are still thinking that ‘my differentiation starts in my marketplace, in my shopping center, in my small town,’ they’re competing against the wrong competitors and their strategy is short-sighted.

“It’s not how you’re different in your marketplace, how you get people to stay in your town and not go to the big city – that’s a challenge – but how do we keep the dollars from going out to an Internet business that pops up every 3 seconds, or the billions of direct-mail catalogs that are mailed out each year?”

The answer, he says, is differentiation – identifying precisely those qualities that set your business apart from others in the field. The strategy attracts customers from both near and far, and for some businesses, pulling customers from hundreds of miles away.

“I teach a business differentiation process,” says Schallert, who conducted his first Destination BootCamp back in 2002. “What businesses learn is you don’t have to beat your competitor in every category. You have to beat them in two or three key categories. You’re targeting consumer hot buttons.”

For example, he once met an older seamstress in a small Florida city who was deeply discounting her work to attract business – working long hours and making little money.

Turns out she was once the lead seamstress for the Barnum & Bailey Circus, traveling the world to repair ripped ringmaster jackets. That set the business apart, attracting more customers’ interest.

Schallert says such encounters with small business owners, side trips from his travels to conferences – around 80 small, often blighted towns a year – led him to develop the fourteen step destination-differentiation strategy.

“I would usually hit 10 to 15 businesses in a day,” he says. “I’d inevitably meet somebody that would say ‘I’m doing these things different from everybody else and my business is doing fine.’ Many times, the owners didn’t want me to tell other businesses in their town about their success because they knew the other businesses would be jealous, or feel worse.

“I was meeting these brilliant entrepreneurs in these out-of-the-way places that no one else was connecting with. I would ask these owners ‘How did you do this?’ They almost never knew the process.”



Retail Reinvention: Schallert's grandfather, William Schallert, opened a general store in Johnson Creek, Wisconsin over one hundred years ago. His grandson now teaches owners that serving a local market is just the beginning of what's needed to succeed today.

He kept notes on 3 x 5 cards, accumulating thousands of stories and photographs until he could trace patterns that evolved into his 14-step BootCamp presentation – eight strategic changes to establish differences and six tactical steps to get the story out.

“People who have never attended the BootCamp wonder why it works, but it’s not magic. When owners attend the BootCamp from the same city or town, they only focus on improving their businesses, for three straight days, with no distractions,” Schallert says. “They learn best-practice examples from other small businesses that have made themselves profitable destinations, despite their demographics. Then, they learn a new strategy that their competitors aren’t using, and we show them what to do first when they get back home.”

The bonding process that owners describe from the BootCamp experience happens naturally, Schallert says.

“Even though these owners work right down the street from each other, they never get together and focus on growing their businesses, except here.”

The biggest mistake owners make? Too often they jump to tactics – looking for cheap advertising, free publicity, using social networking like Facebook and Twitter, website search engine optimization and the like before they have sharpened the setting-apart message about their products, service, employees, business model, history, community connections or customers.

“Owners learn that all the marketing tactics in the world can’t be employed successfully if you haven’t convinced the consumer that your business is really different and one-of-a-kind.”

-Gene Stowe