

The Eye of the Beholder (*Entrepreneur Magazine* – November 1, 2000)

A decade ago, Andre Agassi popularized the phrase "Image is everything." The tennis star emphasized creating just the right outward appearance to gain that extra edge over opponents. In the same vein, home-based entrepreneurs are often looking for a similar edge in the image-oriented game of marketing. Striving for just the right look, many home-based business owners develop elaborate strategies-and sometimes even crazy schemes-to make their businesses look bigger than they really are. Why would they go to all this trouble? The rationale is, if your operation appears more substantial to potential customers, you're more likely to get the sale because size somehow translates into credibility.

But does a "big business" image really mean potential customers will choose your firm over a smaller-sized company? And to what degree does this form of packaging create ethical problems for both entrepreneurs and their clients? What happens when you're assigned too large of a job because your client assumes you have several business associates? And imagine the damage to your credibility when another client discovers the several departments you outline on your brochure are really only you--with different email accounts.

In today's business environment –where entrepreneurial icons like Martha Stewart and Netscape's Marc Andreessen are revered and independent professionals are changing the workforce landscape – running a single-person enterprise is much more accepted than it was only a few years ago. And for many entrepreneurs, their solo status is a source of pride. So is it

still necessary to present yourself as being bigger than you are? In the face of tough competition, you may be willing to fudge a few details, but consider the effect this misrepresentation has on your relationships with clients, your credibility and your own self-esteem. The following examples demonstrate the various ways-some subtle, others quite pronounced-that company image can be manipulated, and some of the ethical ramifications of these business policies.

Multi-Personnel Illusion

Many home-based businesses deliberately choose business names to create an image that there's more than one person running the firm. For example, the name "J. White and Associates" may lead customers to believe they're dealing with a company that employs several others besides the owner.

Another example is "The Jones Group," which implies a multitude of employees when in fact there is only Mrs. Jones. One home-based company in Rhode Island lists its business as "Smith, Brown and Co." (not the actual name) when in fact Mr. Smith *is* the company, and his wife just lends her maiden name to the company image.

Another entrepreneur operates a public relations consulting firm from her home with "& Associates" following her name. Her brochures highlight five company divisions, each apparently a specialized department handling unique clients for either speaking engagements, promotional events, press releases and so forth. The entrepreneur is listed as the senior manager heading up the overall company operation, when in fact she does every job herself and has no partners, associates or employees. But could this creativity get you into trouble? We suggest you choose a DBA-as well as present your company in print-with care, so as not to intentionally mislead potential customers.

Azriela Jaffe, author of several small business books including *Create Your Own Luck*, cautions, "When you choose a name that portrays the image of a larger firm and then a prospect reveals it to be a lie when inquiring about your firm, it can backfire and lead the prospect to question your integrity and wonder what you're trying to hide. I recommend only using a name like, 'and Associates' if in fact you regularly work with, and refer to, other professionals in the course of doing business. Otherwise you call attention to your attempt to cover up something you seem ashamed of, namely, being a solo professional.

Print Presentation

Promotional materials (brochures, fliers, business cards and catalogs) can also plant an image in customers' minds that your home-based company is actually bigger than it is. One home-based firm in Chicago has an eight-page, full-color brochure, with graphs, charts, smiling faces of customer referrals, and photos of forklifts in a warehouse and a three-story glass office building on the cover-even though the business is operated from a home with no warehouse. The owner sends out hundreds of these mailers with money-saving coupons and refers to his "staff processing your orders for immediate delivery."

Of course you want to create a professional look for your company using marketing materials, but when your presentation is intentionally designed to connote a larger business with employees and a non-home-based headquarters, you're deceiving your customers. "What customers look for in a home-based business is substance," explains Laura Douglas, founder of marketing consulting firm Small Business Marketing Analysis and co-author of *Getting Business To Come To You*. "When there's an apparent lack of substance, size often becomes the only criterion left. When a home-based business fakes size to appear substantial, it ends up losing credibility; so not

only are such tactics not harmless, they ultimately help destroy credibility for all home-based businesses."

Contractual Scale

Client contracts can also be worded and structured to generate an impression of legal efficiency and high-level business activity. For example, one contracting firm I know of is really just an entrepreneur operating from his home. However, he bids job contracts as though a network of carpenters, electricians, plumbers and masonry professionals from *his* firm will be finishing the job. The line-item costs analysis of the contract actually means the owner will be subbing out 75 percent of the tasks and materials requirements to other independent suppliers and passing the cost of these services along to the consumer at the job-site with a mark-up. But the lengthy appearance of the contract virtually ensures the customer won't note the discrepancy in his representation.

David Brown, a landscaper in Santa Barbara, California, knows that many landscapers work hard to create a large-scale image in order to bid on the really big jobs for city- and county-managed construction sites. But he's seen firsthand that ultra-low bids submitted by smaller companies often force the owner to do all the work himself because there are contractual minimum requirements in labor rates for hired workers that a one-person outfit can't accommodate. "I'm happy to represent myself as the owner who actually does the work that's bid," says Brown. "The clients know I'm the one who bids the job, completes the work, and stands behind the finished product." As such, Brown made the decision not to pursue "big business" strategies that could compromise his image as a seasoned craftsman and responsible business owner.