

## It's No Accident (*Entrepreneur Magazine* – November 1, 2003)

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Your company is trying to make its mark, but do you have a formal plan to develop a definitive reputation? More often than not, a firm's reputation is not deliberately honed – it just happens. This passive approach ultimately falls short of clearly defining who you are to customers, vendors and other partners.

In "Reputation Building: Small Business Strategies for Successful Venture Development" (*Journal of Small Business Management*, April 2003), Albert Goldberg, Gilat Cohen and Avi Fiegenbaum looked at small firms in the same industry that were between 8 and 12 years old and their reputation-building strategies. They found that small, growing firms that actively pursue formal reputation strategies do so in one of four categories: image-visibility, core competencies, dynamic exploitation and partnering. The least successful of these is image-visibility, since smaller companies generally don't do a good job of crafting a well-coordinated plan for single image, widespread visibility in the marketplace. Technically oriented smaller companies often overemphasize a one-dimensional focus on product development, but the most successful core competency strategies involve developing a range of internal strengths. The focus of dynamic exploitation is rapid sales and growing profits in the short term, at the expense of establishing long-term links to the market and partners. And partnering with a wide variety of firms does not in itself ensure a solid reputation, because customers may not recognize anything distinct about your business other than its varied alliances.

The most successful way to build a reputation combines three of the strategies: developing numerous core competencies, forging solid partnerships and presenting a well-defined corporate image. Hone a wide variety of internal strengths, and then link those as a package to numerous outside alliances, while emphasizing a single message about your company's focus and abilities.