

Love not war wins for small businesses and large companies

May 27 2015, by Joyce M. Rosenberg



In this May 4, 2015 photo, Mark Hirsch, owner of Creative Worx, left, and Dan Bloom, owner of Slope, pose for photos in the offices of Microsoft Ventures in Seattle. As part the program, Hirsch and Bloom get work space, technical advice and feedback from Microsoft employees. The company has given the startups \$25,000 each. (AP Photo/Elaine Thompson)

Imagine a world where David and Goliath are best buds. Well it's becoming reality more frequently in the business world.

Boston Beer Co., maker of Sam Adams, mentors and lends money to small craft brewers. It hopes their sales will grow and take grocery store shelf space from brands like Budweiser, Miller and Coors.

"The best way for us to grow at Sam Adams is by having more craft beers out there," Boston Beer Chairman Jim Koch says.

Instead of feeling threatened and trying to crush smaller rivals that could take revenue from them, corporations like Microsoft Corp., Boston Beer and General Mills Inc. are mentoring and loaning money to smaller companies. It's an arrangement that has benefits for both sides.

"They're not trying to take away the competitive advantage of small businesses but trying to make it work for them," says Leonard Greenhalgh, a management professor at Dartmouth College's Tuck School of Business.

Executives at big corporations are starting to realize they can learn from younger and smaller competitors, according to a survey by Business Performance Innovation Network, a professional networking organization. More than half the executives surveyed said large companies can learn from smaller competitors about focusing on and listening to what customers say they need. A third said large companies can learn about being willing to fail and take non-traditional approaches from smaller rivals.

A look at three mentoring programs:

PROGRAM: Samuel Adams Brewing the American Dream

ONE COMPANY'S STORY: Roc Brewing Co. got a \$10,000 loan from Boston Beer in 2011 to buy a machine to wash beer tanks. Since then the Rochester, N.Y.-based company has periodically spoken with Boston

Beer employees and gotten help with marketing, purchasing, networking and legal matters, Roc owner Chris Spinelli says. He has also consulted with chairman Koch about expanding Roc Brewing's production, and Boston Beer collaborated with Roc on a beer that sold for a limited time two years ago.

RESULTS: The relationship has brought Roc Brewing publicity, and in turn, more customers. ThreeNinety Bock, the beer Roc Brewing and Boston Beer co-produced, was mentioned in blogs and websites about craft beers. The relationship has also kept Boston Beer in touch with the latest trends in craft brewing, Koch says.

QUOTE: "If we look at what they've done for us, probably \$25,000 to \$100,000 of value has been added to our company," Spinelli says.



In this May 4, 2015 photo, Mark Hirsch, owner of Creative Worx, left, and Dan Bloom, owner of Slope, pose for photos in the offices of Microsoft Ventures in Seattle. As part the Ventures program, Hirsch and Bloom get work space, technical advice and feedback from Microsoft employees. The company has

given the startups \$25,000 each. (AP Photo/Elaine Thompson)

HOW TO PARTICIPATE: Learn more and apply at btad.samueladams.com/about/pitch-room.aspx

PROGRAM: Microsoft Ventures

TWO COMPANIES' STORIES: Slope and CreativeWorx, both software makers get work space, technical advice and feedback from Microsoft employees. The company has given the startups \$25,000 each.

Slope is creating software that allows people to collaborate on videos without having to email files back and forth. CreativeWorx is developing software to assess how productive employees are based on what they're doing on their computers, owner Mark Hirsch says.

Microsoft is interested in Slope's project because it builds on the idea behind the company's OneDrive, which stores files online, says Mukund Mohan, Microsoft Ventures' director. Entrepreneurs like Bloom are often aware of ways to improve software because they use the products, Mohan says. CreativeWorx' software performs some of the functions of Microsoft's Dynamics business management program.

RESULTS: Being in Microsoft Ventures has helped Slope and CreativeWorx accelerate product development. Slope found it easier to recruit employees with Microsoft's help. CreativeWorx expects to raise investor money by being in the program.

QUOTE: "I learned in a phone call how to avoid development pitfalls. It saved us three months," Hirsch says.

HOW TO PARTICIPATE: Learn more and apply at www.microsoftventures.com

PROGRAM: General Mills Ventures



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ONE COMPANY'S STORY: Keith Lauver took part in a mentorship program at General Mills last year, learning about marketing and product development.

Lauver's organic meal mixes called cooksimple compete with General

Mills' Hamburger Helper. A General Mills marketing executive helped Lauver realize he had something his larger rival couldn't replicate, the personal story behind his product. Lauver developed cooksimple after a cholesterol reading and other medical tests made him realize his lifestyle was unhealthy.

General Mills hopes to learn from smaller competitors how to develop and market products faster, says Meredith Schwartz, General Mills Ventures' manager.

RESULTS: Lauver went on the road in a recreational vehicle to visit retailers and tell his company's story. He spoke to an estimated 5,000 shoppers and sold thousands of packages. The conversations encouraged him to add products including side dishes.



In this May 4, 2015 photo, Dan Bloom, owner of Slope, poses for photos in his workspace at the offices of Microsoft Ventures in Seattle. Microsoft has given Creative Worx \$25,000, work space, technical advice and feedback from

Microsoft employees as part of its Ventures program. (AP Photo/Elaine Thompson)

QUOTE: "We have a lot to learn from these entrepreneurs. They're fantastic at addressing consumer needs. They respond quickly. They pivot quickly," Schwartz says.

HOW TO PARTICIPATE: Companies can participate in the General Mills program after joining a network of companies run by CircleUp, which operates a website to help companies raise capital. Learn more at www.circleup.com

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