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4 Things We Can Learn From the Fastest-Growing Women-Led Small Businesses

Tim Beyers

According to the 2017 State of Women-Owned Businesses Report (<https://www.americanexpress.com/en-us/business/trends-and-insights/keywords/state-of-women-owned-businesses-report/>) there are 44% more U.S. firms employing 13% more workers than there were 20 years ago.

And women-owned businesses account for a huge portion of that growth: 114% more firms, and 27% more employees. You'll find some of the standouts in the 50 fastest-growing businesses in the 2017 Inc. 5000 (<https://www.inc.com/inc5000>).

SaviLinx (#28 on the Inc. 5000) has grown revenue 9,204% over the past three years. Globalization Partners (#33) is up 8,187% over the same period. Na Ali'i Consulting and Sales (#40) is up 6,638%, MM.LaFleur (#43) is up 6,594% , and FedBiz IT Solutions (#50) is up 6,142%. All were either founded or co-founded by women.

Three key factors appear to be driving that growth: Women business owners tend to be good at allocating capital, collaborating inside and outside their companies, and listening to the needs of others. As a result, says Geri Stengel, founder and

head of Ventureneer (<http://ventureneer.com/>), a New York-based research firm that helps produce the annual American Express report, “they tend to be rated as better managers than men.”

What does that mean practically? Here are four “best practice” ideas from four women who’ve founded or contributed to fast-growing companies.

1. Hire the person you’ll need to grow.

Deborah Whitby, Owner – Austin Plumberly (<https://www.austinplumberly.com/>), Austin, Texas

Corporate Profile: Founded in April 2016 with \$500 in savings, this Austin-based plumbing contractor now employs five and is hiring more after growing to a half-million in sales in 15 months. And there’s more growth on the way: Owner Deborah Whitby says her company is already “on track to record \$1 million in revenue” by the end of 2018.

Best Practice: Hiring for Missing Skills

While Whitby was certain she could forge a winning strategy, she had no idea how to set up the systems and processes needed to execute on her vision. Hiring an operational dispatcher proved crucial.

“Her job was also to create all the systems, processes, and procedures that [have become] the foundation of our company,” Whitby says. “We simply could not have scaled without her.”

How to Steal This Strategy: Subcontract First

Hiring an executive at an executive-level salary wouldn’t work, so Whitby pitched her vision and offered a part-time subcontracting deal. As cash flow grew and the business expanded, a full-time offer followed, creating a win-win for Whitby and her team.

The lesson: Be ready to pitch your vision to get the staff you need. Salary and benefits alone may not be enough.

2. Know exactly what you want in a new hire.

Sandra Lewis, CEO – Worldwide101, New York, New York

Corporate Profile: Founded in 2012, Worldwide101 supports founders, executives, and small businesses with a team of home-based workers performing business services such as executive assistance, project management, marketing, and bookkeeping. The company has grown 60% annually since day one.

Best Practice: Screening for Shared Values

“We had a lot of hiring failures in the first two years,” says Worldwide101 CEO Sandra Lewis. Too many workers either went missing or lied about their whereabouts during work hours.

When installing computer monitoring software yielded no improvements, Lewis looked to her best-performing staff to discover what they had in common, and found they all had a sense of ownership. They wanted their clients, the company, and themselves to win at their job.

Lewis responded by changing her approach to hiring: Instead of looking first for aptitude, she’d screen for the same sense of ownership exhibited by her best employees.

How to Steal This Strategy: Hire for Culture Fit

With the shift, Worldwide101 is now rejecting the vast majority of job applicants and instead hiring those who’ll mesh with their culture. “It’s obvious from our first few conversations if someone is a good fit,” Lewis says.

In fact, only 0.15% of the 20,000-plus who applied in 2017 were hired — and most who join, stay, says Lewis, pointing to the company’s 5-star rating on employment review site Glassdoor.

The lesson: Study what sets your high performers apart and then write out the values they exhibit — Worldwide101 has five — ensuring every new hire is a fit. Happier, more engaged employees (<https://sba.thehartford.com/managing-employees/the-secret-to-more-productive-employees-get-to-know-their-work-style/>) can help you grow and outmaneuver competition.

3. “Piggyback” with partners to multiply growth.

Fran Maier, Founder and CEO – Babierge, San Francisco, California

Corporate Profile: Launched in May 2016, Babierge is the largest baby gear rental service and marketplace in the world, with more than 150 locations in the U.S. and Canada, and opening new locations weekly. Last year, the company grew revenue 20% a month and was up another 500% year-over-year as of the first quarter of 2018.

Best Practice: Piggybacking for Low-Cost Expansion

Babierge delivers baby gear to travelers when they arrive at their destination, which makes every travel agency, airline, and hotelier a potential collaborator. Founder and CEO Fran Maier leveraged this in helping the company grow and over the summer when Destination Hotels & Resorts (https://travel.usnews.com/Hotels/b-Destination_Hotels_Resorts/) became a partner.

“We’re helping Destination Hotels better appeal to the family travel market,” Maier says, noting that growth is easier to get when you’ve established ways for customers to find your offering. Maier calls this approach “piggybacking.”

How to Steal This Strategy: Partner in Related Fields

“Piggybacking is essentially associating your smaller brand with a bigger player in a related, but not competitive, category,” she says. Piggybacking with Destination Hotels worked because Babierge could provide a “niche experience that addresses a specific need.” Everyone wins, in other words.

The lesson: Study the related fields where you could add value and start reaching out. You’re a local auto parts supplier? Start calling body shops and mechanics. You’re in IT services specializing in outfitting corporate offices? Connect with commercial construction contractors.

4. Make it dead-simple for customers to buy.

Ashley Kalus – Director of Business Operations at JW Plastic Surgery (<https://www.jwplasticsurgery.com/>), Chicago, Illinois

Corporate Profile: With a multistate practice and a team of 50, including contractors, JW Plastic Surgery “nearly doubled” its mid-seven figure revenue base with a unique financing option not generally available to cosmetic surgery

patients, says Ashley Kalus, the company's Director of Business Operations. She's also CEO and owner of a related business, medical device company Adhereon (<https://www.adhereon.com/>).

Best Practice: Solve Your Customers' Biggest Buying Problem

As Kalus explains, JW customers with a need and interest in scheduling surgery would put off the decision for fear they wouldn't qualify for financing. (Most surgeries still run between \$5,000 and \$10,000.)

"The buying issue was unrelated to the services we offered, but the customer's problem was directly related to our sales numbers," Kalus says. "We decided to invest in spending the staff time to build additional financing options. In fact, we even started offering in-house payment solutions to patients."

An online financing application connected to a variety of lenders, matching patients with offers within minutes of applying. They also set aside capital to offer direct installment loans to those who couldn't qualify for outside financing, and trained the sales team to help patients navigate the lending options available to them.

How to Steal This Strategy: Reinvest Capital in Your Customers

Sometimes all it takes to accelerate growth is listening to customers and removing roadblocks to buying. At JW, reinvesting to ensure customers get access to funding has paid off with a doubling in revenue in the first year of offering in-house financing.

"We do take a risk financially for our patients but we have found that the majority of our patients — the ones that no one else would finance — do make their promised payments," Kalus says.

The lesson: Think beyond systems, tools, and people when reinvesting in your business. Would setting aside some cash flow on a regular basis allow you to offer customers greater access to your products? Putting a little extra capital to work could help to create a new revenue stream and accelerate growth.

4 Responses to "4 Things We Can Learn From the Fastest-Growing Women-Led Small Businesses"

Paola Nielsen / October 3, 2018 at 11:03 am

Wonderful insights. As a first time business owner, I was happy to see I instinctively had some of these traits, but loved reading about the new ones.

Thank you!

Hannah Sullivan / October 3, 2018 at 1:26 pm

We appreciate your feedback, Paola!

Lori Yaphe-Delisle / October 3, 2018 at 11:59 am

These are all great tips on how to grow as a small business and I appreciate each and every one of them. The one that speaks the most to me and my situation is hiring for Culture Fit. We are a small team and a tight team and I hired someone a couple of years ago that just didn't fit, it was disastrous to say the least. This recent hire was a cultural fit first and technical fit second. He is far exceeding our expectations.

Excellent article...much appreciated.

Hannah Sullivan / October 3, 2018 at 1:26 pm

Thank you, Lori!

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