

The Talk of the Inc. 500

BY GEORGE GENDRON

Stories, blurbs, and quotes from the ninth annual Inc. 500 conference.

Every June we hold a conference for the CEOs and top managers of companies that have been on the *Inc. 500* at one time or another. Despite their common heritage of rapid revenue growth, they are an extraordinarily diverse group, representing every geographic region and a dizzying array of industries and market niches. Some of the companies are still small, while others now employ hundreds of people on several continents. Together they offer a fascinating glimpse of what's going on in the economy. Here are some highlights from this year's *Inc. 500* conference in Albuquerque.

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* As the conference opened, the news media were full of stories about the end of the recession, but it soon became clear that the attendees did not agree. An overwhelming majority said the economy was in much worse shape than the experts realized. That was in June. By the time you read this, you'll know who was right.

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Best recession line: "what effect has it had on me? I sleep like a baby -- every three hours I wake up and cry."

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* From the seminar on direct marketing, with Ernan Roman, author of *Integrated Direct Marketing: Techniques and Strategies for Success* (McGraw-Hill, 1988): "Your most effective marketing tool may be your own customer list, but you'd better make sure you have one. A lot of people think they can just use the list of companies they send bills to. Wrong. That's a billing list. If you want a marketing list, you have to generate one, and that means including the information a marketer needs, which is a lot different from the information a credit manager needs."

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Forget about getting advice from consultants anymore -- these days, it seems, every consultant offers a *methodology*.

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* Oh, the problems of prosperity. "In the early days, survival made us pull together as a team," said one *Inc.* 500 CEO. "Now we've got a couple million dollars in the bank, and people tell me they'd really prefer to play golf on Friday afternoon. And, by the way, they have to get dressed to play golf, so they need Friday mornings off, too."

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"I once asked a group of business owners, 'Who here would like to spend more time reading?' All the people in the room raised their hands. 'Then why don't you?' I asked, to which one guy replied, 'Because books don't ring.'"

-- Hyrum W. Smith, cofounder and CEO of Franklin International Institute, an *Inc.* 500 company specializing in time-management systems

The average age at which the attendees started their *Inc.* 500 companies: 39. One attendee started his at 56, another at 15.

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* In-house advertising departments were a major topic of discussion during the coffee breaks. CEOs said they were fed up with the churning in ad agencies and the consequent need to keep reeducating creative people. Meanwhile, desktop publishing has made in-house ad services more affordable.

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"I don't know anything about business. I'm proud of that. Fear those who do. They're the dangerous ones."

-- Anita Roddick, founder and managing director of The Body Shop International, which recently announced that its sales had increased another 37% (to about \$185 million) and its pretax profits another 38% (to about \$32 million) during the fiscal year that ended February 28

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* A growing number of *Inc.* 500 CEOs are starting new businesses to address social problems. After hearing Anita Roddick speak at last year's conference, Jeffrey Allen of Allen & Associates launched Recycling Hotlines, putting his skills to work offering Houstonians free information about recycling facilities and resources in their neighborhoods. Meanwhile, Steve Ettridge, cofounder and CEO of Temps & Co., based in Washington, D.C., has launched Community Conservation Corps with the goal of creating jobs for economically disadvantaged, unemployed people who are willing and able to work but in need of help getting started. Particularly intriguing is the decision by both men to run their new ventures as for-profit businesses. Their reasoning: a for-profit will be operated more rigorously, and taken more seriously, than a nonprofit.

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Best joke from the podium: "What do you get when you play country music backwards? You get your girl back, your dog back, your pickup back, and you stop drinking." As told by Albuquerque mayor Louis E. Saavedra.

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"Five years from now, this conference won't have a 'Managing Your Banker' seminar like this one on the program. The changes in the banking industry mean it will never return to the level of support it once provided companies like yours. My advice is to look for alternative sources of financing outside the banking industry. The competition faced by banking from companies in other industries will bring about its demise."

-- Dean Treptow, once a leading small-business banker, now chairman of the Polaris Group, in Milwaukee, which advises small companies on sources of outside capital

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Sign of the times: Even in this gathering of go-go executives, there was talk about the dark side of growth. Several CEOs said they were turning away business and deliberately slowing the rate of expansion -- not because of burnout (as is often the case) but because they feared losing focus or sacrificing quality.

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* Tom Golisano, founder and president of Paychex, ran a workshop on going public, during which he was asked whether the stock market's emphasis on short-term performance undermined his ability to manage for the long term. His reply: "No, what it does is increase the chances that there will *be* a long term. Even if we weren't public, I would manage this way. The pressure helps to keep you focused and disciplined. It continually reminds you that being *efficient* is just as important as being effective. When CEOs whine about Wall Street, they're really saying they want unlimited resources without being held accountable for them. That's not healthy for any business, public or private."

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* And then, just to keep it all in perspective, there was this story from keynote speaker William R. "Max" Carey Jr., founder of Corporate Resource Development, in Atlanta, an *Inc.* 500 company in 1987. "Not long ago I had the chance to do something I've always wanted to do -- meet my wife's boyfriend from high school. We'll call him Billy Bob. I had only seen photos of the guy, photos that I'd swear my wife still carries around in her wallet. Anyway, we're in my wife's hometown and we walk into a general store, and there is Billy Bob behind the counter. It turns out he's the store manager. After talking for a few minutes, I can hardly wait to get back into the car to hear Susan's reaction. I say, 'Gee, Susan, wasn't it great to see Billy Bob after all these years?' 'Uh huh,' she replies. 'What did you think?' I ask. 'Nothing much,' she says. There is a long silence. I can't hold it in any longer. 'Susan,' I say, 'I've just got to ask

you one question. Aren't you glad you married me? I mean, aren't you glad you're married to the CEO of a successful company instead of the manager of a general store?' Well, she looks at me as only a wife can and says, 'Let's get one thing straight here, Max. If I'd married Billy Bob, he'd be the CEO of a successful company, and *you* would be the manager of a general store.' "

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