How to Cope With Overnight Success

By Rosalind Resnick
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You'd think that getting discovered by Walmart or Oprah would be every small-business owner’s dream come true. Yet, too often, overnight success can quickly become a company’s worst nightmare. A small business that lacks the capital, staff or infrastructure to handle a big order or nationwide publicity can promptly get crushed when its product or service becomes a hit.

Even though every company should have a strategic plan in place before the big day arrives, most small business owners are so busy just trying to survive that planning usually gets put on the back burner. That's why we have put together this 10-step survival guide to help you think fast and react quickly when you wake up one morning to find the world beating a path to your door.

1. Take a deep breath. Don't max out your credit cards, splurge on a big bottle of champagne or do anything crazy. While it's only natural to want to celebrate the good news, remember that a big contract or great press doesn't mean dollars in your bank account—at least, not today. So hold off on that Ferrari or tropical vacation. Also, remember that the additional sales you ring up will probably require you to lay out more money for people, materials and overhead—and may require you to borrow additional capital as well. "The financial success was sweet, but it didn't change the way I live my life," says Barbara Unell, a Leawood, Kansas, parenting book author who hit it big on Oprah eight years ago.

2. Map out a strategy. Make a to-do list, crunch the numbers and marshal your human and production resources. It's always easier to fight a battle on paper (or a computer spreadsheet) than to shoot first and ask questions later. No matter how much pressure you're getting from your customers to deliver the goods right now, you need to take the time to sit down with your partner or staff to map out a plan of attack. For a manufacturing company or a wholesale distributor, this means estimating how many units of your product you think your customers will buy and how much it'll cost to produce or import them. A service company like an ad agency or a web design firm will have to estimate how many additional employees or independent contractors will be needed to service the expected influx of new accounts.

3. Get the money. Before you go on a hiring binge or start placing orders overseas, it's important to figure out how much working capital you're going to need to meet the market demand. Because employees and manufacturers generally won't wait until you've sold the products and collected the money before you pay them, you'll need a source of capital that you can tap immediately.

If you've got an existing business with good credit, your first call should be to your bank to set up a credit line or increase the one you have. (A credit line works like a revolving charge account in which you draw down money as you need it and only pay interest on the amount you owe.) Suppliers may also be willing to extend the capital and/or credit you need to fill the order. And don't forget about credit cards. Says Andrew Brunger, co-founder of Kol Design, a New York City company that produces high-end bath and body products, "Because your personal credit record is at risk, credit cards should only be used to finance a reputable purchase order, not to fund the business as a whole. With good credit, you can build a $250,000 credit line for your business with very little effort."
4. **Reach out for help.** Call on suppliers, personal contacts and the Internet to find extra hands to help you. If you think you can do it alone, think again. No matter how hard you work, there are only 24 hours in a day and you’ve got to sleep during seven or eight of them. That’s why it’s important to reach out to people who can help you.

If your company already has employees, ask them to put in extra hours to help you get over the hump. If you're a one-person show, you can reach out to friends and family members to help you or, if they don't have the skills you need, you can post ads on Web sites like craigslist to find skilled freelancers and independent contractors. But beware: Your overnight success may not last forever, so don't commit to hiring full-time employees with payroll taxes and benefits until you're sure your company's good fortune is here to stay.

5. **Forge production partnerships.** A small business making handcrafted soaps is going to be hard-pressed to fill a million-unit order from a large national chain completely on its own. That’s why it’s important to partner with manufacturers in the United States and overseas who can take your samples or prototypes and produce them in large quantities. While there’s no shortage of suppliers listed on the Internet, a reliable manufacturer that delivers high-quality goods is not so easy to find. Your best bet may be to contact your industry's trade association and its leading trade publications (industry newspapers) for consultants and referrals.

6. **Create a distribution network.** As news of your product or service spreads, you may start getting orders from consumers and retailers all over the country. If you’re like most businesses, you’re going to need help selling and servicing those accounts. Rather than hiring a national sales manager and opening offices in major cities, a more cost-effective option may be to sell your product through manufacturers' reps. These reps (or rep firms) act as independent sales agents for multiple product lines and work on a commission-only basis. In the apparel, shoe and toy industries, for example, reps typically earn a 20 percent commission on any products they sell. Most reps generally have long-standing relationships with the retailers they sell to and often sponsor booths at leading trade shows to showcase their customers' products.

7. **Communicate with your customers.** Communication is the lifeblood of any business relationship, but it's even more important when your product or service suddenly takes off. The biggest mistake a business owner can make is failing to warn customers of shipping or production delays until it’s too late. This is especially critical in the apparel and toy industries where seasonality is important.

Manufacturers who fail to communicate with key retail and wholesale customers may find themselves not only with egg on their faces but with unsold inventory in their warehouses as well. David Bradford, a Holtsville, New York, general contractor, puts it this way: "In construction, there are so many things that are beyond your control. I would rather tell my customers the truth and have them be angry at me for five minutes than make excuses and burn my bridges forever."
8. **Leverage your success.** The hardest thing about achieving overnight success is keeping it going. The last thing you want is to get stuck with a warehouse full of pet rocks. Creating line extensions like the *Chicken Soup* books or the *For Dummies* series is one way to keep your brand alive. Another is to find new markets for your products and services or new ways to publicize them. Barbara Unell, the nationally known parenting book author, got her big break in 1996 when her book, *20 Teachable Virtues*, was spotted by a producer for *Oprah* who called and asked her help in creating an entire show around her title. Not only did her book's sales double, but the publicity from the show also led to speaking engagements, workshops and other projects. "Before I went on the show, I'd be introduced with my credentials," Unell recalls. "Afterwards, it was 'as seen on Oprah.'"

9. **Invest for the future.** While it may be tempting to reap the profits from your hit product right away, it's important to re-invest some of those profits to help your business grow. Whether this means paying down debt, buying new equipment, hiring another employee or opening another location, don't pass up this opportunity to make your money work for you. It's always cheaper to put your own cash to work in your business than to borrow money from a bank or give up equity to an investor. Dan Parisi, owner of the highly-trafficked website, [House.com](http://www.house.com), which connects home buyers with real estate brokers, says he's re-invested his profits into public relations efforts and technology. "As we've grown organically without raising capital, our goal is reach out for the assistance we need while maintaining profitability," Parisi says.

10. **Learn from your mistakes.** After the excitement of the initial sales rush has died down, take a few hours to sit down with your staff to figure out what went right, what went wrong and what you think you could do better in the future. This will help you put a strategy in place for the next time you come out with a hit product—which could be sooner than you think!

More Resources Got a hit on your hands and don't know where to turn? Check out the Web links below to get the help you need today.

**craigslist**: This is a great place to find freelancers and independent contractors, and it's free to search and—in most cities—post.

**VendorSeek**: This online marketplace helps match companies with vendors of products, services, equipment and staffing.

**Net-Temps**: Here you'll find employment listings for employers and seekers of full-time, part-time and temporary jobs.

**Manufacturers’ Agents National Association**: This Web site offers a searchable directory of manufacturers’ reps and agents in the United States and worldwide.

**Credit-Card-Source.com**: Go here to find help navigating your way through the maze of credit card offers so you can pick the best card for you and your business.

Rosalind Resnick is president and CEO of Axxess Business Consulting, a management consulting firm for startups and small businesses. She can be reached via her website at [www.abcbizhelp.com](http://www.abcbizhelp.com). Copyright © 2006 [Entrepreneur.com](http://www.entrepreneur.com), Inc. All rights reserved.