

## TOP IT OFF

### City of Boston On-Site Technical Assistance for Small Business Case Study

By James A. Lopata, Entrepreneurial Coach, innerOvation,  
with Jonathan (Jeb) Bates, Executive Coach, ThoughtAction

*Boston-based Elizabeth Hoenscheid came to the City of Boston On-Site Small Business Technical Assistance program seeking some specific assistance for her two women's clothing accessories businesses Top It Off and its sister brand Lexi York. She and co-owner Karena Rassler were looking for help with brand building through social media and analytical tools to help them run their business. Through their work with the program, they achieved something much bigger - a dream vision to double sales over the next two years and a plan for achieving it.*



With high business confidence already (Hoenscheid declared her overall business confidence level at 9 out of 10), the focus became how to channel that confidence into maximizing revenue and efficiency.

#### **THE SOLUTION**

To help Elizabeth and Karena create this business growth, James Lopata, of InnerOvation, and colleague Jonathan “Jeb” Bates of ThoughtAction implemented a development program based on four key steps: Insight, Strategy, Action, and Results.

#### **INSIGHT**

The most impactful step is actually the first – Insight. The Insight process began with an introductory meeting with Hoenscheid discussing and assessing the current state of the business. This phase utilized two key tools: a Business Plan at a Glance methodology (applying Lean methods to a startup) and the Business Confidence Assessment wheel.



The 12-year-old business was already doing very well — with about 20 full-time equivalent (FTE) employees, approximately 2,000 whole-sale clients buying its approximately 1,500 SKUs (products), three retail store operations, and nearly 25% annual revenue growth.

The insight phase provided clarity about two areas that had received less attention – understanding the “pain points” of Top It Off’s two main customer audiences – retail consumers and store buyers. Looking more closely at these customer scenarios helped to pinpoint and target customers for repeat business. For example, retail consumers were not simply buying a Top It Off scarf, but in fact the buyer might likely be seeking to add distinction to the beach tunic she planned to wear out with friends in the evening. The approach needed to move beyond the scarf to the lifestyle value it provided.

The consumer’s narrative became a powerful part of how to position the marketing. Beyond just social media, Hoenscheid and Rasser began to re-think how their entire marketing approach could be adapted to drive greater sales. In working with store buyers, these narratives could be translated into how Top It Off products were displayed and merchandised. Elizabeth already knew that stores that took a more intentional approach to displaying Top It Off items made more sales. These targeted narratives increased the visibility and attraction to the products.

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The Insight process also revealed leadership challenges that were impacting the business beyond the “presenting issue” of the marketing.

By assessing how the owners collaborated, communicated, worked with staff and jointly addressed the business’ challenges, Lopata and Bates identified opportunities for improving alignment, planning and communication among the owners that would provide the foundation for their growth and for increased efficiency. Like many business owners focused on working in their businesses, Elizabeth and Karena spent little time in reflection and coordination. Because of their already similar approaches, the business had functioned without the additional focus on these areas. Growing to new levels, however, required an expanded approach to joint leadership.

The initial assessment was followed by a full-day, deeper Insight day that included bringing Rassler to Boston for a joint session with both business partners. Lopata and Bates employed two additional leadership coaching tools: the Results Roadmap™ and Results Accelerator™ experiences, which proved powerfully revelatory.

These interventions revealed that, aside from one important area, the two owners were far more on the same page than had they initially had realized. This allowed them to affirm their alignment and use it in a deliberate manner to run the businesses.

However in the area of growth expectations and revenue goals, one partner sought 50% growth, the other double that. The strategy and effort to attain each of these goals would be quite different. Without agreement on this, the business risked inefficiency, ineffectiveness, wasted effort and unrealized growth.

Following a challenging discussion that raised both hopes and fears, it was decided between them that double growth could be attained. Next it was time to set the strategy.

## STRATEGY

The strategy consisted of moving the two leaders away from daily operations toward true CEO management. Delegation and close coordination would be essential. The two determined to meet more frequently for regular strategy discussions.

In the process, Elizabeth and Karena came up with new measurements that would be most valuable for them to know in order to grow their business.

“What got you here won’t get you there.” This saying had resonance. Lopata and Bates employed a model for business growth that looked at how small business owners engage with their businesses at three stages — early, mid, and grown. This helped frame the Strategy portion of the engagement.



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Elizabeth and Karena next assessed the staffing arrangements to see who in their organization could grow to take on supervisory and/or managerial responsibilities and created developmental plans for how to help them stretch into those roles.

What followed was a full, two-year plan to find out, first what their business would need to look like in two years in order to support double sales — including size of staff, new managerial structure, facilities and more. Then they identified the milestones they would need along the way to mark their path to get there.

### **ACTION**

Hoenscheid and Rasser essentially took the strategic planning and ran with it. It's the rare small business owner that gets a plan and immediately starts implementing it. Hoenscheid and Rasser possessed this ability. They moved forward at full speed, quickly implementing the plans. They began tracking their numbers in new ways and implemented regular strategic planning meetings between themselves. They began developing their staff in order to get the firm to the next level.

### **RESULTS**

The results have been amazing.

Some of the new numbers being measured and tracked have already led to a dramatic shift in how a few different product lines were inventoried. This is resulting in higher revenues (from knowing better which products have been moving and why and where to move them more) and decreased expenses (from understanding how to better move excess inventory).

Staff member development continues and employees are stepping into their new roles.

Confidence—at a nine out of ten to begin with—couldn't get much higher. In most cases where such fundamental change is happening in a business, confidence can decline substantially. With Top It Off remains high, at a nine.

Sales continue to increase and revenue is on target for double in two years.

In this project, the On-Site Technical Assistance program helped the business owners move beyond what they initially requested to the right business help that provided the basis for sustainable business growth.

