

Problems that New CEOs Face
*Advice on how to handle business and
personal issues*
**Your Corporate Niche and
Corporate Culture**



Your Corporate Niche

Our business community in Huntsville, Alabama has over 400 aerospace and defense companies. Unfortunately, over 90% of these companies do the same thing. Whether it is working for the Army, Missile Defense Agency, Missile Space Intelligence Center, or NASA – these companies all do “systems engineering, program support, modeling and simulation, information technology, program management, etc.” – anything the customer needs. This is affectionately referred to as “butts in seats”-type work. Since these companies do basically the same type of work, the usual way they discriminate themselves from the rest of the pack is by business classification – namely, are they woman, minority, disabled veteran, or HUBZone-owned?

I recommend that if you feel compelled to support your customer in a “butts in seats” role, that is fine, just find the contract mechanism to make it as simple as possible for your customer to award you business. If it makes sense to become a woman-owned business, find a qualified woman who shares your business passion and make her a majority shareholder in the company. This also goes for any other business classification desired by the customer. Recognize that the majority shareholder has control over the corporation – so pick your partner(s) carefully, or have the ownership structured to retain control of the corporation just in case of corporate “mutiny”. Your corporate attorney can assist here.

Unfortunately, most of these types of companies have no corporate niche, or core capabilities. If you are in the support engineering “butts in seats” business, you will find the marketplace extremely crowded and difficult to sell your services to anyone but a government customer, since prime contractors are usually looking for companies with corporate discriminators to backfill their weaknesses. I have spoken with a number of prime contractors trying to find qualified small businesses in specific niche areas. When a small business briefs the prime contractor on their capabilities, and the conversation goes something like this – Prime Contractor – “Tell me what your company does.” Small Business – “What do you need me to do?” The small business soon finds themselves escorted off the premises, and will not get a call back from the prime. To do business with any prime contractor, you must have the corporate capabilities to fill their open business niches.

Recommendation: Companies who do not have defined corporate capabilities will have a difficult time selling their services to larger companies looking for capabilities in niche areas. Define your specific corporate capabilities so the customer understands what you offer. If you are interested in providing general services, it may be best to have a desirable disadvantaged business classification for the customer.

Your Corporate Culture

What was it about the companies where you liked to work? How about the companies you don't like? This difference is usually corporate culture.

When you start your business, it is up to you to determine the corporate culture. What is the environment that you want to have in place for your employees? You should identify these early – make it part of your corporate values – write it down, and make it happen.

Does the culture include excellent company benefits? Training programs? Inclusive meetings where management asks employees what they think? Bonuses? Corporate culture should include everything you liked from previous employers. Try to put that culture to work for you. Always remember - employees work for a company because they want to work there – not because they have to work there. If you have a corporate culture attractive to employees, you will have a much better chance of retaining people.

I have worked at companies where the culture was more like working on a pirate ship. Afraid to let management know that they were making mistakes - afraid that I would be punished for letting the “emperors know they weren't wearing any clothes”. The most degrading phrase I heard in corporate America was – “You are never too old, or rich to suck up” – meaning, always tell management what you think they want to hear, not what may be right or wrong. I have worked for intimidators, yellers, ashtray throwers – and all of these little people who would rather have me pledge “loyalty” to them, than be honest with them. I hope that you will develop an inclusive corporate culture where your employees will want your company to be successful, and not wait in the wings secretly wishing that you fail.

Recommendation: Your corporate culture is created by you, and you alone. Decide what is important for the work environment and the success of your corporation. Write these down and put them in action. I hope that your employees will want to work for you and see you succeed.

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