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MAINTAINING MOMENTUM: FIVE TIPS FOR MANAGING THE CHALLENGES OF GROWTH



Posted by Kathy Cripps
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As we reported last week, headcounts are up at our member firms, revenues are higher, new business pipeline are stronger, and firms are innovating new practice offerings. All that growth is exciting, but it can also pose challenges. As one business author [has noted](#), medium-sized businesses that catch fire enter a kind of “no man’s land” that can, if not handled properly, lead a business to flame out and die. Growth isn’t easy for larger firms, either.

What should growing public relations firms do to manage their success most effectively? We queried three executives who have experienced growth first hand—Brandon Edwards, President of Revive Public Relations; Mark Eber, President and Partner of IMRE; and Matthew J. Harrington, CEO of Edelman U.S.—and compiled the following five tips:

1. **Evolve the Culture:** As a business grows, you can’t expect its culture to remain exactly as it was when employees were few. Yet you can’t leave culture to chance, either. As Eber notes, “Companies need to provide a culture based on its core values but with the personality and flare of the employees that make up the different offices or departments.” Harrington emphasizes the importance of sustaining core values: “While the world and the PR business continue to evolve, what your firm stands for, its north star, shouldn’t waver.” Edwards warns that “culture is a fragile thing, and once it’s been eroded or damaged it is incredibly difficult to bring it back.



Mark Eber

Remember all the reasons why you started the firm in the first place, everything you love about the people you work with and the clients you serve and the great work you get to do – and keep those thoughts at the center of everything you do every day.”

2. **Keep Focused on Employees:** When companies are small, senior leaders can more easily provide hands on attention and mentorship. As firms grow, they need to find new ways to nurture increasingly larger groups of young employees. Eber again: “When you raise the bar with every new hire, the onus is on the firm to provide mentorship, clear career paths and on-going learning opportunities.” Edelman’s Harrington agrees: “We seek ways to constantly create meaningful opportunities for key talent to grow, whether that’s across geographies or practices, or as client relations managers.” Edwards notes that growing firms often fall down by becoming less selective about whom they hire in the first place. “Be picky,” he advises, “maintain high standards, and turn away business before you compromise on the quality of a hire.”

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3. **Don't cash in too early or often:** The challenge of meeting increased demand usually requires that businesses make new investments, yet public relations firms operate in a service industry and generally operate with few hard assets. Growing firms should take care not to “pull too much cash out of the business and leave it undercapitalized,” warns Edwards. “Good times should fund future growth and provide security rather than simply funding large distributions to the shareholders. It’s almost impossible to have too much cash on hand, and access to a credit facility, even when times are good and growth is fast.”



Brandon Edwards

4. **Keep bureaucracy in check:** When companies grow, Harrington observes, they sometimes mistakenly create overly cumbersome organizations that encourage silos and impede collaboration. “A business needs to be smart about the structure it builds, a structure in service of its clients and talent, while ensuring that leadership remain in the thick of day-to-day business as much as possible. Dan Edelman, Edelman’s chairman and founder, said that every one of us is an account executive, and that philosophy continues to guide us.” Edelman keeps bureaucracy in check by creating open offices that facilitate collaboration and by enabling senior leaders to partake in day-to-day operations such as pitches and client meetings.



Matthew Harrington

5. **Execute around a strategy.** Your firm may be growing, but do you have a clear destination? As Edwards argues, strategic planning is vital, and firms shouldn’t hesitate to go outside to get the help they need. “You need to make sure you’re getting past the platitudes and the egos in assessing capabilities, future growth opportunities, and needed investments. With the right research and analysis, the strategic plan should provide a roadmap for the firm’s future, and pursuing opportunistic business or talent should take a back seat to opportunities and priorities highlighted in the plan. Stay true to the plan!” Eber adds that whatever the strategy, firms should seek to constantly reinvent themselves in line with a vision. “Apple’s Steve Jobs didn’t constantly take the pulse of the tech consumer. He invented new technology. We are doing the same in our space—not following trends, but growing expertise and systems in new areas that resonate with clients and prospects.”

No matter how disciplined you are, and how much you try to prepare for growth, the process of expansion will hold surprises, both good and bad. “One lesson I’ve learned,” Edwards muses, “is that we are never quite as smart as we think we are when things are going well, and never quite as dumb as we feel when things are challenging.”

What are your thoughts on growth? Is there important wisdom we haven’t shared? We look forward to your contributions in our comments section!



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