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Strategies for growing companies

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Small projects, big opportunity

Consulting firm sees revenue growth by focusing on 'best customers'



NANCY KUERN | MINNEAPOLIS/ST. PAUL BUSINESS JOURNAL

Mark Price, founder of M Squared, mines client data to find ideas to help expand their business. The strategy is paying off for the Eden Prairie firm.

BY BRIANA BIRSCHBACH
CONTRIBUTING WRITER

In the midst of a rough recession, businesses are looking for a new way to make money fast, without adding too much pressure to already-strained budgets.

That sort of mindset is working in the favor of Mark Price's Eden Prairie-based M Squared Group, a consulting firm that scours client data and plucks out information that will make quick money.

"We don't believe in big projects," Price said. "We believe in small projects with clear goals."

This quick-hit method seems to be working for M Squared, which projects revenue reaching \$2.7 million this year, the highest since its 2002 inception.

Price also grew his staff this year, adding two new members, with plans to add on more in 2010.

With a method that is going strong in the recession, Price is considering other plans to expand his business, which could include the acquisition of a market research firm or another that provides Web expertise.

"We are looking for someone that can really match our culture," Price said, adding that the atmosphere of M Squared is relaxed, fun and personal, something he believes contributes to the company's success.

The method of M Squared is to go through multiple databases that any given client could have and find their "best customers." A best customer is one who has a clear preference for a certain company and shows it through spending and returning, Price said.

"They make up only 15 to 20 percent of the customers, but they generate 60 to 70 percent of a client's revenue," Price said. "It's about serving them."

M SQUARED GROUP

Managing partner: **Mark Price**
City: **Eden Prairie**
Business: **Marketing consultant**
Founded: **2002**
Revenue: **\$2.7 million**
Employees: **14**
Web: **msquaredgroup.com**

RECESSION BUSTER

Business owners thriving in the downturn.

Once they identify the best customers, M Squared trains its clients on how to serve them. This could include personal interaction and giving the customers recognition and rewards.

Price said this method differs from other consulting firms who provide long-term, "academic" options that can

often come in the form of a novel-sized packet of papers. "We've had clients who have dropped a huge stack of papers in front of us that another consulting firm gave them and said, 'Help me make money off of this,'" Price said. "Companies get so tired of hearing the same thing from consulting firms."

M Squared's clients include Minnetonka-based UnitedHealth Group Inc. and Eden Prairie-based C.H. Robinson Worldwide Inc. and Lifetouch Inc. Lifetouch has been an M Squared client since its inception, said Nancy Dahl, president and chief operating officer of Lifetouch Portrait Studios.

"[Price] is not an ivory-tower consultant," Dahl said. "He understands that you have a business to run."

Price helped Dahl and Lifetouch start up an e-commerce initiative and organize some of the leadership within the company. Dahl said Price broke the consulting project into phases, each phase delivering results and paying for the next.

"He doesn't promise the moon," she said "He breaks things down into clear goals that deliver results."

If you have questions about this article, please contact Managing Editor Mark Reilly at mreilly@bizjournals.com or (612) 288-2110.

