

Management Article May 2009: Sit Out the Recession by Joining an Upcoming Peer Benchmarking Review Group for Your Industry

Reid Hoffman, CEO of [LinkedIn](#), asked an interesting question of participants in the business networking site. He asked a question about the best ways small business people could stimulate the economy on a grassroots level.

I believe he is asking the right question.

I firmly believe that the recovery, when it comes, will be led by small business owners. Small business owners don't ask for a lot of help from the government. They need only government policies which do not hinder them in their efforts to create jobs.

In the current climate, even these policies may be too much to hope for, but there is still a lot that small business owners can do themselves to make certain they thrive in the challenging times ahead.

I have been in business for more than 30 years. I did very well in the auto salvage business—even during severe economic downturns in 1980-81 and 1991-92.

I attribute a lot of my small business success in tough times to a peer benchmarking review group that I belonged to. The group was made up of about a dozen salvage yard owners from non-competitive markets.

We met twice a year and shared our operating metrics. In the more than 10 years the peer benchmarking review group existed, not one of the small business owners dropped out. Let me show you why.

Each meeting, one or two of us had numbers for a metric that far exceeded the group's average. We shared the specifics of how we achieved those results with the other small business owners in the group.

They went home, applied what they learned, and grew their market share at the expense of local competitors who were not part of an industry specific peer benchmarking review group like ours. Over time, the gap between members of the group and their competitors grew wider and wider because the business owners who belonged were tapping hundreds of years of industry experience twice a year. They all benefited from innovations perfected by any member of the group while their competitors muddled through alone.

In 1999, Ford Motor Company purchased many of the businesses that were owned by members of that group. They did so because the small business owners in our group led their industry in innovation and in booked business. I attribute most of my success in the salvage business to applying what I learned in those meetings of yard owners.

Certainly, I contributed a great deal, but I never left one of our industry specific peer benchmarking review group sessions without 3-4 immediately actionable ways to improve my small business. Same industry peer mentoring is among the most stimulating things business owners can do for themselves to ensure that they thrive in this tough economy.

I am working a project right now to form such groups for small business owners in a variety of industries. If you see the value of attending such a session, you should call me now because we will only take one business from each geographic area so that competitors do not find themselves across the table from each other.

Mr. Reid is right that the economy will grow as a result of the innovation of smaller entrepreneurs who invest in themselves and their businesses. Bailing out businesses that are “too large to fail” is folly that will cost the taxpayer dearly. I invite you to take the initiative and become a part of peer benchmarking review group for your industry.

Visit Mr. Mission Possible (www.MrMissionPossible.com) to learn more about industry specific [peer benchmarking review groups](#). From personal experience, I will tell you they work to generate the extra business required to grow a small business in tough times. Our next Peer Benchmarking Review Group meeting is Saturday, August 25th, 2009, though we host meetings for other small businesses year round.

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