Small. The New Big.

by Seth Godin

Getting Small

Big used to matter. Big meant economies of scale. People, usually guys, often ex-Marines, wanted to be CEO of a big company. The Fortune 500 is where people went to make a fortune.

There was a good reason for this. Value was added in ways that big organizations were good at providing. Value was added with efficient manufacturing, widespread distribution and very large R&D staffs. Value came from hundreds of operators standing by and from nine-figure TV ad budgets. Value came from a huge sales force.

Of course, it’s not just big organizations that added value. Big planes were better than small ones, because they were faster and more efficient. Big buildings were better than small ones because they facilitated communications and used downtown land quite efficiently. Bigger computers could handle more simultaneous users, as well.

Get Big Fast was the motto for startups, because big companies can go public and get more access to capital and use that capital to get even bigger. Big accounting firms were the place to go to get audited if you were a big company, because a big accounting firm could be trusted. Big law firms were the place to find the right lawyer, because big law firms were a one-stop shop.

And Then Small Happened

Enron (big) got audited by Andersen (big) and failed (big). The World Trade Center was a target. TV advertising is collapsing so fast you can hear it. American Airlines (big) is getting creamed by Jet Blue (think small). BoingBoing (four people) has a readership growing a hundred times faster than the New Yorker (hundreds of people).

Big computers are silly. They use lots of power and are not nearly as efficient as properly networked Dell boxes (at least that’s the way it works at Yahoo and Google). Big boom boxes are replaced by tiny ipod shuffles.

I’m writing this on a laptop at a skateboard park that added wi-fi for parents. They did it because they wanted to. It took them a few minutes and $50. No big meetings, corporate policies or feasibility studies. They just did it.

Today, little companies often make more money than big companies. Little churches grow faster than worldwide ones. Little jets are way faster door-to-door than big ones.

Today, Craigslist (18 employees) is the fourth most visited site according to some measures. They are partly owned by eBay (more than 4,000 employees), which hopes to stay in the same league, traffic-wise. They’re certainly not growing nearly as fast.

Small means the founder makes a far greater percentage of the customer interactions. Small means the founder is close to the decisions that matter and can make them, quickly.

Small is the new big because small gives
you the flexibility to change the business model when your competition changes theirs. Small means you can tell the truth on your blog. Small means that you can answer e-mail from your customers.

Small means that you will outsource the boring, low-impact stuff like manufacturing and shipping and billing and packing to others, while you keep the power because you invent the remarkable and tell stories to people who want to hear them.

A small law firm or accounting firm or ad agency is succeeding because they’re good, not because they’re big. So smart small companies are happy to hire them.

A small restaurant has an owner who greets you by name. A small venture fund doesn’t have to fund big bad ideas in order to get capital doing work. They can make small investments in tiny companies with good (big) ideas.

A small church has a minister with the time to visit you in the hospital when you’re sick. Is it better to be the head of Craigslist or the head of UPS?

Small is the new big only when the person running the small thinks big. Don’t wait. Get small. Think big.

Seth Godin is author of ten books that have been bestsellers around the world and changed the way people think about marketing, change and work. His books have been translated into more than 20 languages, and his ebooks are among the most popular ever published. Seth’s latest book, Tribes, is a nationwide bestseller, appearing on the Amazon, New York Times, BusinessWeek and Wall Street Journal bestseller lists. It’s about the most powerful form of marketing—leadership—and how anyone can now become a leader, creating movements that matter. The Miami Herald listed it among the best business books of 2008. You can read more on his blog at www.sethgodin.com. He may be reached for comment at seth@sethgodin.com.

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