

**Jennifer Smith**  
**Innovative Office Solutions**

Lorin: Jennifer, tell us your story. How did you get started?

Jennifer: I grew up with a father who was an entrepreneur. After working for IBM for years in Rochester, Minnesota, he broke off on his own and started an office supply company.

Lorin: How cool!

Jennifer: Yeah! At the age of twelve, I worked in the store on the retail floor and did filing and different things, so I was exposed to business at a young age. Then, I went to college and wanted to be a buyer for Marshall Fields – a department store like Macy’s. They all get bought and sold; you know how that goes. So, I did that and I loved it.

Then my mom got very ill. I was traveling an hour back home to where my parents lived to try and help out, and it just got to be too much. In the meantime, my father sold his office supply company that I had grown up in, but he still worked there. So, I negotiated with the gentleman that he sold it to, and bought it back!

I quit my job in Dayton and found myself owning an office supply company, the one my father had sold! My father had always had a partner running the business who is a sales guy. He didn’t want to run anything, so it just worked out perfectly. We just got along beautifully in that regard.

Lorin: So, did you stay working with him?

Jennifer: Yeah! I still work with him. He is seventy-two and is the greatest!

Lorin: Wow!

Jennifer: Yes, he's fabulous. So, what we ended up doing was... as I look back at my story to tell it to you, I realize... I was so young! I was just twenty-three when I bought it.

Lorin: He was a brave man, too!

Jennifer: But, the thing that was great about that is when you are younger, you have no fear!

Lorin: Yeah!

Jennifer: My attitude was, "Oh, I can do this! I've always been able to do anything!" I didn't have the fear of, "Oh, my God, what if I can't make payroll?" It was just that I knew I could do it. I think not having that fear component enabled me to try different things that I might not have otherwise. As you get older and wiser you might not try!

So, I bought the business – a million dollar company. What I discovered was that the office supply industry was very, very inefficient. There are 40,000 products that you can order today and get next day delivery for. They used to send salespeople out to make cold calls on customers and would hand write orders and turn them in. Very inefficient. So, I brought in an ordering platform that was like an online ordering tool, except you had to install the software. It was not online yet because the World Wide Web was not out there, but it was kind of that concept. So, I quickly started to get recognized in the office supply community for being progressive in technology. I quickly hooked up with a whole bunch of salespeople that wanted to jump ship from where they were working and go with a company that was progressive. So, I was able to grow the company from a million dollars to twelve million dollars in about a year and a half.

Lorin: Holy moly, girl!

Jennifer: So, it was crazy!

Lorin: What year was this?

Jennifer: This was back in 1994.

Lorin: Okay. I just was curious, because the Internet had just started then.

Jennifer: Yes, so, it was around 1992 when I started this, and then in 1994 I had grown it to that point. So, then I sold it! I sold it to one of the “big boxes,” the Office Max, Office Depot, and Staples of the world – that’s who we competed with. I stayed with the business for four years after I sold it, until 1998. Then, I bought other company, and the month that my non-compete ran out, the company I’d sold to, U.S. Office Products, went bankrupt!

Lorin: Oh, my!

Jennifer: I had thirty people knocking on my door, and my dad was one of them because he stayed at U.S. Office Products! They all said they did not want to go work for another “big box,” and wanted to know if I would start up again. So, in June of 2001, I started Innovative Office Solutions.

Lorin: This is a very interesting story!

Jennifer: So, I sold it and I kind of got it back!

Lorin: Yeah! And you’ve been in it ever since!

Jennifer: Right! It was just an incredible opportunity, and what I decided was, if I had my chance to start it all over again, how could I be more efficient? Right off the bat, we put all of our money into technology. We had 70% of all of our orders then coming in online. The people who came to me were progressive, phenomenal people who were willing to embrace change. They knew that their time could be better off spent developing relationships and helping customers, versus taking their orders. At the same time, other people were saying, “Oh, my God! If I let the Internet place my order, I’m not going to have a job!” They played it backwards. So, we were kind of progressive for the office supply industry back in 2001. We were trying to make it a really fun, progressive technology-based company versus the old traditional models.

The other thing that was really different is that when I had my other company, almost everyone's model was that you had these huge rooms stacked full of products. Then, whatever you didn't have – you had to get somewhere else, from a wholesaler. There are 40,000 items that people can choose from and you would only stock between 10,000-12,000. Think about it – there are two wholesalers in the country that service all the office products companies out there. I thought it was very, very inefficient to have a stockroom and then, when we were out of something, go to these two wholesalers. At the end of the day, we'd place all of these orders, they'd come to our warehouse and we'd have to marry it all up. There would be three different packages for a customer versus just one. So what I decided to do was become a total stockless dealer and just buy from one wholesaler. By doing that, my model got very, very efficient and I did not have to worry about inventory returns.

Lorin: That's nice. Smart girl!

Jennifer: We are part of a \$17 billion buying group so I know my prices can be competitive with the "big boxes," because when I sold my company I was only a \$12 million company and I joined this huge \$70 million dollar organization, and my cost structure to my customers didn't change. I figured out how the game is played by the "big boxes," where the street pricing is very similar, but the big difference is in manufacturers who give huge rebates to people when they buy their product. And, of course, Office Max and the others get a much bigger rebate than just little ole me.

Lorin: Little ole you that has grown so big!

Jennifer: They are not passing that on to the customer. They are advertising and they are running these huge warehouses. It's just a different way to allocate those costs. When I figured out I could be competitive to my customers, because the street cost is very similar, I knew my service side could beat the "big box" and that's what customers were looking for. So, that's kind of what we built.

Lorin: That's a great model! From a woman's perspective, I would think that's the most important piece. If you can make money with the service piece being there, that's what's so brilliant.

Jennifer: Exactly! But, on the downside, opening up a business with thirty people in June of 2001 was not good timing.

Lorin: I can't tell you how many women we've interviewed that started their businesses around that time.

Jennifer: It's just absolutely unbelievable!

Lorin: I started then, too. I actually started Big Fish Nation in September 2001.

Jennifer: Oh, wow! Well, to top it off, I had guaranteed everyone's salary from the year 2000, when practically all of them had made six figures! But, you know what? They are phenomenal. We just had to dig in our heels and make it work. I had to think back to those first days when we got a great big furniture job. When you sell furniture you get a down payment. I was like, "Thank God! I can make payroll!" And something would happen each month to make it work. Now we are up to \$60 million in annual sales.

Lorin: What a great story! So, in 2001, you basically started from scratch again.

Jennifer: Yep! It started absolutely from scratch. It's just a testament to the people that I have and I almost have all of the original people.

Lorin: So, tell me, is your dad is still in business with you?

Jennifer: Yes!

Lorin: And the original guy that he sold it to is still in business with you?

Jennifer: Yes, he is. He is kind of semi-retired, but he has had customers for thirty-some years and he just can't give it up! So, he still calls on customers, and he's still a salesperson for us.

Lorin: If you could share with other women what the secret is to having such success, what would you say your secret has been? I don't like that word "secret" so much, but what's been making it work for you?

Jennifer: Well, when you start a company, even if you buy an existing company, you can instill the culture from scratch. I think that is so important and our whole philosophy here at Innovative is that relationships matter. That includes relationships with our customers, with our vendors, and with ourselves. I think that if you empower people, if you've got good values, a good culture, and people know what is expected of them, then you let them do their jobs, and anything can happen!

Lorin: It's so true!

Jennifer: You have to delegate if you want to be successful! You have to have good people around you and you have to trust that they'll be able to get it done.

Lorin: You started with a company of thirty sort of accidentally. You sort of said, "yes" to taking them on, which was a very bold move. What would you say was the role you gave up that gave you the most freedom to run the company? Was there a role you delegated to someone that became your right hand person?

Jennifer: I had a couple of them. I had one really strong person when we started. I think you have to have key employees in positions to be able to be successful. The position was marketing, technology and operations. I mean, he wore a lot of hats! So, it wasn't just one little hat. We just worked very, very closely together.

When you start your company, you are obviously doing everything, including writing the checks, because you have to! As you are growing, you've got to realize that the company needs leadership from you to be able to take those next steps and you have to work *on* your business, not *in* it.

Lorin: Yeah, I love that!

Jennifer: And that is when I learned that difference and was able to let go. It was something that I think I have always kind of done, but I didn't have a name for it. Then, as you go to these seminars and you learn different things, you realize, "Oh, I'm half-way doing that already, but I'd better take it to the next level now if I am going to go to the next level with my business." I think many successful entrepreneurs do things on their own without even knowing what they were doing in a planned way. But if you want to really grow, you've got to make that effort!

Lorin: It seems to me that very early on, even in 2001, when people came to you, you had a really crystal clear vision of how to differentiate yourselves from the "big boxes" and that involved technology.

Jennifer: Correct!

Lorin: So, did you always have a vision? Do you have a vision now for the next level?

Jennifer: I think I've had a vision and I've re-tweaked it and redesigned it because now everybody has technology. So you've got to kind of re-invent as you are going along, and you got to have the foresight to see what the future might bring. As you are growing, the vision that you have out there might not be 100% complete.

Somebody said this to me once: "It could be like a piece of Swiss cheese, with all the holes in it, where you've got a vision, but you don't know exactly how you are going to get there." You've got the underlying message of what you want to do, but you've got to have flexibility. Just look at the world today. Who would have predicted that we would be where we are right now? And I don't think that it's ever going to look the same again. So, you've got to be able to adapt to change and to be able to tweak your vision as you are going. Then you let your people help you design what that is going to look like.

Lorin: I agree with you 100%. You are speaking like you could write the textbook on vision and all that I talk about. It's very interesting that some women don't see that they have a vision, so it's interesting to me how strongly you match how I also hold a vision. That being said, you have a vision, but you don't hold onto it

tightly, you hold it loosely. What is your formula for achieving the steps along the way?

Jennifer: Well, I have my key management team, so we are constantly looking at that vision and we create goals to support it. Then, if you have an objective in place, you've got to have that measurement to see if it is working. That's the thing that can fall through the cracks sometimes. So, we start out the year with our vision and our company goals and each manager takes their section of the company goals and distributes it to all of the employees.

Lorin: Beautiful!

Jennifer: Everything that everyone is working on matches the company goals. We meet as often as the managers need me, but once a month we meet as a team to see if anyone needs help or if anything needs to be changed, due to drastic changes in the market. For example, if paper is 20% of my total business and all of a sudden it's on allocation and we can't get it, we're going to have to switch things around and see what we have to do. We are constantly just making sure that we are still on the right track, because you have to have focus on what we originally set out to do, while making little tweaks along the way.

It's kind of like the vision. I am not going to just say, "Oh my God, we are doing this. We said we are going to do it and we are going to do it no matter what." But what if some of it no longer makes sense for some reason? My management team is like a board of directors. We all decide together. Someone might say, "Hey, we might have made a mistake on this. We said we were going to go into the single cup coffee business, but now look at the economy!" So do we want to get out or do we want to keep going? That might be an example of a time when we'd say, "We really wanted to do this. We had a goal and we are letting ourselves down, but let's get out now before it gets worse."

Lorin: And that's okay! It's just consciously abandoning a goal versus unconsciously.

Jennifer: Exactly! So, if we are really, really open with that, then no one is scared. They are not looking at it like they failed.

Lorin: One of the things that you said that I love is everybody is responsible for a set of goals. So, whether it's one person or an entire team of people, you must manage the goals. The numbers don't matter; it matters that someone is touching it, maintaining it, and measuring it as you said.

Jennifer: Absolutely!

Lorin: Next I'd like to hear your version of creating work-life balance. How did you do it? You have two kids, a husband, a multi-million dollar business, family involved...how did you do it?

Jennifer: Well, I wish I knew! (Laughing)

Lorin: You do know! There is something that you are doing that other people are questioning how to do. I can't tell you how many people say to me, "I am afraid to build a successful company to that extent because I am going to ruin or lose my work-life balance." And, you've done it!

Jennifer: Well, I have never liked the word balance. I think that my personality is that I am who I am, and I have the same values at home as I have here with the company. And so it blends together in a way, but it still all works. I really strongly believe that you work hard, but you have good time with your family, or whatever is important to you. You might not be married, but whatever your extracurricular activities are, you have to have time to do those things as well. If you are happy outside work, then you are going to be more productive in the work force, if you love what you do.

I can be sitting at a hockey game and, in between periods, I can look at my Blackberry. It's not like I am going to shut off my whole work world and just concentrate over here. When people use the word balance, yet they try to separate the two, I say you just can't, and that's why I hate the word. You just make it work for you! And you know what? With technology and everything, it's so much

easier now. Oh, my gosh! When my kids were little and I just had my daughter, and I would have to leave her at home, it was horrible trying to do it all! Now, today, with technology, there's so much you can do at home and be in constant contact with people if you need to be. You can get something on your Blackberry and you don't have to respond to it right away. You've got that choice, and if you need to respond, you do it, and if not, you put it away.

Lorin: I am curious what role intention and/or intuition has played in your success?

Jennifer: I think that intuition and going with your gut plays a huge part in how I go about things in business. I might not know the answer, but I am going to go with my gut...and then you go with it!

Lorin: A lot of times, because we might not know the answer, we don't listen to our intuition to make the decision, so therefore we put off the decision, which puts off the business. Does that make sense?

Jennifer: Yes, it does!

Lorin: So, if you continue to make decision, it's like nothing stops.

Jennifer: Right!

Lorin: And if you don't know the answer, you use your intuition and move forward.

Jennifer: Absolutely! Because you know what? I don't know all of the answers. You don't know what you don't know, right? So, you've got to make the call and guess what? If you go home and you think about it, and you think, "Wow! I didn't think that through all the way, because I made a quick decision, but I *made* that decision." I still can come back the next day and go, "Okay, you guys come back in here, I think I might have made a mistake. Let's talk this out." We might stay on the course that we took or we might say, "Yeah! We should have looked at this and this. You are right, we made a quick decision." But, you've got to be flexible enough to say, "Guess what? I might not have made the right choice and go back, and I have done that many times."

Lorin: That sounds refreshingly real.

Jennifer: You aren't going to make every decision correctly, but don't be afraid of that. Take responsibility if you've made a mistake, own up to it, and you'll see that people will say, "Okay. You are human, too, and thanks for being honest." They have more respect for you.

Lorin: I so believe that women are taking full responsibility for creating very successful businesses and running a household. And, we *are* going to screw up and make mistakes, but if we take full responsibility for them, we give other people permission to take big bold actions and make mistakes.

Jennifer: Yes! Absolutely!

The other thing that I have been blessed with is my husband, who is truly a fifty-fifty partner with me at home. If I have to go out of town, there is no problem. He knows that we know exactly what has to be done and we do it.

Lorin: Is he in business with you?

Jennifer: I actually have another business with my husband. We manufacture patient lifting equipment for nursing homes and hospitals. So he runs the medical company and I run the office supply company, but we have both of our companies in the same building and we do share human resources, a receptionist, and some things like that.

Lorin: How cool!

Jennifer: We've been married for twenty-three years.

Lorin: Oh, wow! Okay.

Jennifer: It's not like, "Oh, you do the dishes or you mow the lawn." It's just that we share in the responsibility, and that has allowed us to both be successful at home and in our businesses. Our kids, who are now fourteen and sixteen, are everything to us, and that's another reason we wanted to own our own businesses so that, at the

drop of a hat, if we did have to go to a hockey game or a volleyball game or do something with them, we had the flexibility to do so. That was very important to both of us; because he was actually a CPA and an attorney in the big corporate world. It was like, “I don’t want this. I want to be with my family.” Even though we work 70 to 80 hours a week, we can work part of the time at home, when you are in between the hockey games and other things. You can make it all work.

Lorin: That’s how the work-life balance works. There are not those hardcore lines between things.

Jennifer: Yes, exactly!

Lorin: I am finding as I am talking to women who are creating successful businesses and, even more importantly, successful lives, that there is a way that women are *being* that’s been different, as they create more and more bigger businesses, resulting in bigger success. What’s that way of *being*? Is there a way of *being* in order to manifest what you have found works for you?

Jennifer: If I went back and looked at when I started in this business to now, I’d see that I’ve grown along the way. When you really take a moment to breathe and look at what you have accomplished and how you’ve grown, it kind of matches your personal life with your business life. When you can learn from your past experiences, that’s when you see the growth in how you deal with things, and that might be personal growth, or business growth, or both. I was *so* young and I look at all of the mistakes I made, but it’s okay I made those mistakes. I might not be here today if I wouldn’t have taken those risks then, but I am a little smarter now. I am going to think things through a little bit differently. I might still take the risk, but it might be a more educated risk and, as times change, you need to be smart about things.

Lorin: What would your father say about what is unique about you that he would attribute to the success of the company?

Jennifer: I think he would say that I was just not afraid to try. I was always my own person and it never mattered that I was a woman. I never felt that, “Oh, I am a woman so I can’t do this or I can’t do that.” He totally brought me up, both of my parents did, to just do whatever I wanted to do. So many people have asked me, “Oh, as a woman, did that hurt you, or this or that?” I never even thought about it. It was never a stumbling block because it never crossed my mind.

Lorin: So you never made it an issue because no one else made it an issue.

Jennifer: No! And I have always been kind of a woman in a man’s world, even when I worked at Dayton in Marshall Fields. I was in the shoe department, but I was in men’s shoes. And in the office supply industry there are hardly any women! So, both of those things that I kind of grew up in were male dominated and I kind of almost thought I had an advantage. I was different...but it was great! It was never a hindrance, that’s for sure.

Lorin: Interesting. So, what do your kids say about their two parents in these big businesses that keep them busy, yet present?

Jennifer: Oh, I think they love it, because we can both work here when we want to. So, they have it easy. But as they are getting older, I think that they think it’s really cool that we are the bosses, so to speak, and I see both of them aspiring to be leaders. You can kind of see that in my son, for example. He is a sophomore, but he just got nominated to be the captain of the hockey team next year, and that’s usually just for seniors.

Lorin: Oh, cool.

Jennifer: They always ask him to take a leadership role, and I think that’s because he’s kind of watched that growing up.

Lorin: Exactly, and your daughter?

Jennifer: She’s a little younger, but she’s still kind of on that same path, so it’s fun to watch.

Lorin: Well, it's almost like they can't help but be leaders, because that's who you are.

Jennifer: And so is my husband, so it's great!

Lorin: Are there any last minute nuggets or words of wisdom that you'd love another woman business owner to hear from you?

Jennifer: If I can condense it all down to a few nuggets, I'd like to tell women this. First, I think you really cannot be afraid to take risks. I also think you need to empower people, have good people with you, and don't be afraid to let them succeed or fail. And then, really develop a culture – *your* culture. What makes *you* tick is going to be what makes the company tick, and if you are successful in that and in communicating things, then there is just no limit to what you can do.