Since its launch in 2011, Reflective Group has evolved from software development to a full-fledged digital agency that offers graphic design and video production services along with cloud technology solutions. Intent on growth, the young company entered the Kansas Economic Gardening Network in mid-2013, which gave it access to the National Center for Economic Gardening’s (NCEG) National Strategic Research Team (NSRT). At the time, Reflective Group was generating about $500,000 in annual revenue with 16 employees.

Scouting sites for expansion was the primary task the NSRT tackled for Reflective Group. “We’ve built great software for a variety of industries, and we wondered if there was a model we could use to expand into other communities,” says Mike Bosch, CEO of the Baldwin City, Kan.-based firm.

The NSRT first looked at the North American Industry Classification System (NAICS) codes of Reflective Group’s current clients — and worked with Bosch and his management team to identify the company’s competitive edge. “Our niche is helping companies make the shift to cloud technology,” says Bosch. “And even though the majority of our revenue isn’t from clients in Baldwin City, we really understand small towns and can explain technology in a small-town context that other agencies can’t.”

Looking at a four-state region, the NSRT identified a list of small towns that had companies with NAICS codes similar to Reflective Group’s clients. Then the NSRT dived deeper, looking at demographics and psychographics within each location. “We wanted to get an idea of how progressive each community was in terms of embracing technology,” Bosch explains. “The researchers showed us that our sweet spot was in smaller communities located up to an hour’s drive from major metro areas where residents generally had higher educational levels.”

As a result of the research, Reflective Group plans to open a location in Marshall, Mo., in February 2014. “One of the attractions for us was the municipality already had a fiber optic network,” Bosch says. Five other locations are also in the pipeline — at least three of which will open in 2014. As a result, Bosch expects to add nine employees and nearly triple revenue to $1.4 million in 2014.

“The research was extremely helpful,” Bosch says. “The NSRT helped us understand how to better articulate our core competitive advantage — and then identify communities where we can be successful in the future and get the biggest ROI for our expansion efforts.”

“This gives us a lot more confidence that we’re going into the right towns,” he adds. “It’s also helped me communicate to those towns why we want to be there. I can say, ‘Here’s what we look for in a community, and here’s why you are a great fit.’”

A surprising takeaway, the Economic Gardening engagement has helped Bosch work on his business instead of in it. “I was so focused on getting things done, it was hard to make time to think...
strategically,” he says. “Since then, I’ve groomed one of my managers, Mike Crawford, to handle day-to-day operations, which enables me to focus more on growth and expansion, rather than jumping in and taking every phone call from clients and coding like crazy. Without the Economic Gardening engagement, I wonder how long I would have stayed in a heads-down mode.”

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