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OBAMACARE COUNTDOWN | Adam Bluestein

From the October 2011 issue of Inc. magazine

Case Study: Targeting the Right Market

Fun and Function's products for special-needs kids were a hit with parents. Was it time to target the larger schools market?



Chris Crisman

Mother of Invention Aviva and Haskel Weiss co-founded Fun and Function after one of their girls was found to have a developmental delay.

In the early summer of 2011, Aviva Weiss, co-founder and lead designer of Fun and Function, faced a dilemma. Her company—which makes items for special-needs children, such as therapy balls that help children develop fine motor skills—had grown more than sevenfold from 2007 to 2010. It stood out from larger competitors for its products and for its catalog, which featured photographs of items in home and outdoor settings and spoke directly to parents in a colloquial rather than a clinical tone.

Now, as the Merion Station, Pennsylvania—based company was producing its new catalog, Weiss and her co-founder and husband, Haskel, were being challenged to make some big changes. The challenge came from a newly hired executive, Ilana Danneman, an expert in the special-needs market who had previously worked for a rival that sold primarily to institutional customers such as schools and hospitals. Fun and Function sold to such customers, too; they accounted for about 38 percent of sales. Danneman thought that number should be much higher. "We never saw a need to change anything," Weiss says. "But we could not in good conscience ignore her."

But following Danneman's advice would be a radical departure. And the Weisses' marketing director and graphic designer were not wild about the idea. Pictures of kids in a classroom and copy dense with clinical jargon would alienate loyal customers, they argued. The discussion was clearly not just about the catalog but the soul of the company.

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The Weisses founded Fun and Function in 2006. An occupational therapist who worked with children on the autism spectrum and with sensory disorders, Aviva knew how overwhelmed parents felt when their children got a diagnosis, as well as how hard it could be to find products that could help their children. There was also a personal motivation. One of the Weisses' daughters had been found to have a sensory-processing disorder. When Aviva ordered her a weighted vest—an item that helps children who are overstimulated by their environment stay focused—she was shocked with what came in the mail. “It was superugly,” she says. “I thought, There’s no reason that special-needs products should make kids stand out even more.”

Weiss got to work creating what she calls humanized versions of existing products, including weighted vests that looked like something you would find at the Gap. Such items were showcased in the company’s 120-page catalog, which was designed to put parents at ease, explaining how products work in everyday language and using photography that shows children playing, often outdoors. “The message,” Weiss says, “is that being different is normal.”

But Danneman thought the catalog was holding the company back. Appealing to parents and kids was all well and good, she argued, but institutional customers, such as schools and therapists, tend to place recurring orders, and in larger quantities. Her proposal: Start speaking to those buyers directly, in a format and in language they understood.

At least half of the photographs showing products in use should be in a classroom setting, she said. She also proposed adding text aimed at teachers, with tips for using products in the classroom, as well as clinical language familiar to therapists. The Weisses weren’t sure, but the much larger institutional market was too tantalizing to ignore. Even with five children aged 9 and under, the couple had never taken a salary, instead living off loans they took when launching the business. Faster growth could mean more money and a much easier life.

Throughout the summer, Aviva, Danneman, and Daniela Weiss (no relation), the firm’s marketing consultant, hashed out their options regarding the catalog. The cost of producing two catalogs—one for parents, one for schools—would be a huge strain. The idea of doing two covers was floated, but that, too, was deemed too expensive. They also considered abandoning the catalog altogether and making a major investment in their website. But although Fun and Function does a strong online business, the company lacked the analytic tools to determine how much of its Web traffic arrives via the print catalog. They did know that consumers were more likely than institutions to buy online. “Schools are still not very electronically savvy,” says Danneman. “They need something physical to look through and touch.”

The Decision As of late August, the catalog had taken a decidedly new direction, one very much in line with Danneman’s proposals. In addition to new copy and school-based photography, the catalog will offer about 200 new products aimed at school buyers, including tools for electronic learning.

Producing the catalog has involved a lot more back-and-forth. After the first photo shoot at a school, Aviva says, there was a debate over her preference for vibrant colors versus Danne-

man's view that bright colors distract from the products being shown. The cover image also was a big sticking point. Danneman wanted a classroom image; Weiss wanted an outdoor shot. "I relented," says Danneman. "Ultimately, it's her company." Even as Fun and Function retooled its catalog, the company also revamped its website to reflect its new institutional focus.

Gauging whether the changes have the desired result is going to take a while, though. Because of the nature of large institutions and their purchase cycles, it may take as long as 18 months to see growth in that market. The Weisses, though hopeful that the changes will be worth it, are decidedly wary. Losing their appeal to the parents and kids that got them this far would be devastating, says Haskel. "The worst thing would be ending up with something like the deal on the debt ceiling, where we make no one happy," he says. "During the first years, when it was really hard, what kept us going was the customer base raving about our products."

The Experts Weigh In

Stick With What Works

Old Chinese proverb: A man who chases two rabbits catches neither. Fun and Function should focus on the consumer market. That doesn't mean it can't sell to school and hospital buyers. But individual consumers are likely to be turned off by classroom photos and jargon. Fun and Function should keep chasing the consumer rabbit until the company is big and successful enough to launch a separate division to pursue the institutional market.

Al Ries | Chairman | Ries & Ries, Atlanta

It's Harder Than You Think

Schools and other institutions don't all do business the same way. Compared with consumers, it takes a lot of work to understand who actually makes purchasing decisions. Another challenge is scaling a consumer-focused business model for institutions. If the concept works, the company will need to rethink how it packages and distributes products. Institutions usually buy in bulk; in our sports equipment and uniform business, institutional orders are 10 times larger on average than consumer orders. You need to be ready for that.

Adam Blumenfeld | CEO | BSN Sports/Sport Supply Group, Dallas

Listen to Your Heart

You can tell that Aviva Weiss's heart is telling her to do something completely different than what her employee is telling her. We've been doing the Patagonia catalog—a major driver of direct sales—for more than 30 years. There are always suggestions from sales experts that seem obvious from a numbers-only view, but we've ended up not taking them. You can't please everyone with a single catalog. Focusing on individual customers may be a slower way to grow a business, but Weiss knows that what she's doing works.

Christina Speed | Marketing Director | Patagonia, Ventura, California

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