

---

# Introduction

## Building a Business, Building a Life

IT WAS NOT SUPPOSED TO BE this way. If you worked hard for your company, if you were loyal, energetic, and enterprising, you were not supposed to end up unemployed, watching television in the middle of the day in a house worth half the amount you paid for it, your 401(k) dwindling, bill collectors hounding, job applications—hundreds of them—silently unanswered.

At one point during the recent recession, more than 10 percent of the U.S. workforce was unemployed, with another 7 percent too discouraged even to look for work. One out of ten workers was deemed unnecessary through no fault of the worker, but because of insane risk taking by those who had everything at their disposal: legendary brand names, massive amounts of capital, and the smartest business minds money could buy.

In spite of those resources, their companies imploded. Companies like General Motors, which survived the Great Depression and whose very name was once synonymous with the U.S. economy, and companies like Lehman Brothers, Bear Stearns, and AIG collapsed all around us. Some, like GM, survived only with massive government help. Others were obliterated.

Executives of these huge companies were paid hundreds of millions of dollars yet ran their companies into the ground. Some even

got giant bonuses in the aftermath of their excessive, disastrous risk taking. Meanwhile, millions of American workers who played by the rules were sent home, often without health insurance. Their talents, energy, knowledge, and resources were wasted. The worst of the recession may be behind us, but it should never be forgotten. The experiences should be seared into our consciousness. Never again should we be so vulnerable, so powerless over our own lives and futures.

Equally terrifying can be a midlife realization that you are trapped in a life, industry, job, or location you do not like. If you're managing to pay the bills and maybe even saving a little bit for the future but are working for a company you don't like and doing something you don't enjoy doing, you will begin to feel trapped. You will want more out of life.

## A Different Path

Entrepreneurship offers a path that's different from the safe route of staying on course with a job you don't like. It's actually a safer path. Traditionally, entrepreneurs have been considered the world's big risk takers. They were the ones who quit their jobs, mortgaged the house, and went for broke, with "broke" often being the end result. This book is not about that.

Nor is it a book about how to start the next Microsoft or Apple in your garage. It is about low-risk entrepreneurship—how you can launch small but profitable businesses today. It is a book about how to build those businesses slowly, sustainably, with minimal risk. The lessons within these pages are practical and filled with real-life examples from authors Jim Beach and Chris Hanks, two experienced entrepreneurs who proved how, even in a college classroom, businesses can be started from scratch and turn a profit quickly in turbulent economic times and across international borders.

This book is also about setting realistic expectations for your entrepreneurship endeavors. We hope you already have a job, but our suggestions will be the same whether you are employed or unemployed. We feel greatly for you if you are unemployed. The main goal of this book, though, is to teach you how to start a business without risking whatever assets you may have, such as a house, savings plan, or health insurance. The way to do that is to work on starting your business during the sixteen hours a day that you are not at your job. In doing so, you will build alternative income streams to diversify your risk. Currently, if you lose your job, you lose 100 percent of your income. If you had a side business that generated a quarter of your income and lost your job, you would lose 75 percent of your income. And so on.

This side business will start very small, generating perhaps only \$15,000 of revenue in the first year, but \$15,000 might cover a mortgage payment during turbulent times. In year two, the business may grow substantially and get to \$40,000 or \$50,000 per year, and you may find it increasingly difficult to maintain your schedule at your still-held job. In the third year, you may make up to \$70,000 and decide it's finally possible to quit your job and transition your part-time business to a full-time endeavor.

We realize that readers of this book, battered in the down economy, are likely to be in a hurry to start turning a profit right away. With that in mind, we hope you will take from this book practical information that you can immediately put to use. We are providing ideas for quick startups, with specific, detailed information about where to get new business ideas, how to finance them, and what steps to take first.

It is important to remember that entrepreneurship does not have to be a distant dream. Launching a business does not have to take years or even months. But first, you must quickly adjust your mind-set and realize you are just as qualified as anyone else to be an entrepreneur. You are probably more qualified than many of the

executives who ran those previously mentioned Fortune 500 companies into the ground.

## The Right Way

It's also important to launch a business the right way, the low-risk way. If we have learned anything from the recent economic collapse, it is that there is no such thing as getting rich quickly. Entrepreneurship is rarely glamorous. It takes hard work and persistence. Spending any money at all on pipe dreams is a waste. As we have learned from the recent recession, those kinds of businesses—flipping houses, day-trading stocks, etc.—are not sustainable.

If anyone tries to sell you a kit loaded with fancy DVDs and glossy circulars, run. Don't buy expensive business cards, business suits, or stationery; you won't be needing them when you're working online. There's no need to rent an office either; you can work out of your living room or basement instead. No need to install a business phone line; use your cell. You don't want to pay for an expensive website; buy a \$59 off-the-shelf site. If your business requires equipment, rent it until you are making a healthy profit. Avoid up-front costs at all costs.

The landscape is littered with entrepreneurs who have put all their money into the trappings of success, the glamorous stuff, but not the stuff that matters—the real inventory that can be sold to paying customers. Understand that entrepreneurship is not about appearances. It is not about having a glass office and a title. Entrepreneurs do not care what others think of them. Instead, they care about creating a sustainable, profitable business.

If you are lucky enough to have a job, you will definitely want to keep it for now. A key component of low-risk entrepreneurship is building your business while still working a day job. The key is maximizing your time off the clock to build up your business. You

will need to start setting your alarm clock an hour earlier, packing shipments in the basement, and dropping them off at the post office on the way to work. At lunch, you will have to get on your cell phone and talk to prospective clients. At night, instead of watching “American Idol,” you will be drumming up more business. If it seems like a tough grind, you just have to remember to keep your eyes on the prize. There will come a time when your businesses have grown large enough that you can leave the day job—on your terms, on your timetable.

That wasn’t a typo in that last sentence—the word was *businesses*, plural. We believe your goal should be to start several businesses. Just as you would not put all your retirement money in one stock, so you should strive to diversify your business portfolio as a way to minimize risk and increase earnings. Having multiple revenue streams is the ticket to a low-risk life. With the right approach, these businesses will be soon be humming, and you will be making more money than ever before. You will be working hard, but it will not feel like the drudgery of toiling unappreciated for a company that could, in one stroke of a pen or a quick tap on the keyboard, kick you to the curb.

## Stop Wasting Your Time

Entrepreneurship, of course, is not for everyone. There are those who prefer the security of a steady paycheck, paid vacation, and the interaction with coworkers that a corporate job provides. But the price of that security may be your own upside potential, which is often stifled in the modern workplace atmosphere.

Start with the daily commute, which can easily total three hours daily in many cities. That is three hours a day sapped from whatever it is that you are capable of producing, financially and creatively. When you arrive at the office, there is the obligatory chatting around

the coffee pot or water cooler. The 9:30 morning meeting starts at 9:45, and then there is another fifteen minutes of listening to the boss discuss his or her grandchildren, mountain house, or art collection. You emerge from the morning meeting at 10:45, bolstered by a little corporate gossip and perhaps a few good jokes. There is more water cooler talk and a stack of voice messages and e-mails to answer that came in while you were in the meeting.

Then it's time for lunch. Maybe you are the type who, wisely, brings lunch from home and eats at your desk. Many others can't resist the temptation of going out for lunch regularly. This involves dragging themselves back into their cars, fighting traffic, and possibly sitting through the waiter's perky recitation of the daily specials. They eat fattening food, ingest some company gossip perhaps, and drag themselves back through traffic to the office, bloated and sleepy. After lunch, more voice mails and e-mails piling up. More water cooler talk. Then another meeting, mandatory, about something that has nothing to do with the task at hand, some change in the personnel policy, or maybe it's a meeting of employee fire marshals whose job it is to evacuate the building in an emergency. Then the day is over, and it's time to drag yourself back to the parking lot, back into hellish traffic.

With all the distractions, it is a wonder any work gets done. Some might argue that as long as you are getting paid for this, why worry? Because it is not just your time that is being wasted. It is your life. Your future. Every hour wasted could have been an hour you devoted to maximizing your potential and your income.

Wasted time is only one of the many issues that can stifle your potential. There is age discrimination, against both the young and the old, that one boss you offended with an off-the-cuff remark ten years ago, the normal cliques that are endemic to any organization, and also the overall bureaucracy and lack of imagination that result from a homogenized corporate culture that often values spreadsheets and meetings more than bold ideas.

Entrepreneurship creates the opposite environment. When you are paid directly by what you produce each day, you will operate as efficiently as possible, or you will be out of business in short order. You will learn to accomplish in two hours what it takes eight to do in a corporate environment. The result is that you will have much more free time—time to spend on the sideline of your child’s soccer game, time to drive to the beach every Friday morning, or time to earn even more money—as much as you want.

There are tens of thousands of possible small businesses and no significant barrier to starting them. It is possible to have a profitable business up and running in ninety days or less. We hope this book helps you secure your own future and write your own script. That is the entrepreneurial dream, except that it is not a dream. It is yours for the taking. Randy Brown is one of many entrepreneurs who discovered this truth.

## The Story of Randy Brown

Randy worked for a large, prestigious law firm in downtown Atlanta, and the firm was glad to have him. He worked hard, and compared with the amount of money he saved the firm, his salary was a bargain. Randy started with the firm when he was nineteen, making \$4.50 an hour as a messenger. He noticed one day that the mailroom staff was able to complete its work in a few hours, spending the rest of the day loafing downstairs at the coffee shop. Yet the messengers struggled to finish their work each day. Randy talked to his superiors and arranged it so that the mail staff helped with messenger duties after finishing their regular work. Randy was obviously not a popular guy with the workers in the mailroom, but the bosses thought he was great.

So they let him keep on working there, year after year, giving him torturously small raises. Before he knew it, Randy had been there

nineteen years and by 2004 was making only \$30,000 a year. The story of why corporate America so often treats ambitious, innovative employees that way is a subject for another book. Yet it should be pointed out that any company's, and any country's, greatest assets are its human resources, the Randy Browns of the world.

Randy looked up one day to find himself at midcareer and middle-aged, earning a salary barely enough to make ends meet, and in possession of a nice collection of Employee of the Month certificates but with very little cash in the bank. He worked hard and was innovative, but his family had to scrimp. The company took him for granted because he allowed it to do so. That is what happens when you have no ownership in the company. Partners in the law firm where Randy worked share equally in the profits because they are the owners, the voting members of the board. With that ownership come power and financial reward.

Randy had a different vision from the one mapped out so comfortably by the law firm's management. He became his own advocate, believing in himself and starting his own company. He did it the right way, the low-risk way, and he succeeded. Randy's energy, resourcefulness, and hard work no longer reward a giant and thankless law firm. They reward Randy and his family.

Toward the end of his nineteen-year tenure at the firm, Randy started taking classes at Georgia State University to complete his undergraduate degree. He became familiar with the entrepreneurship courses taught by Jim Beach and Chris Hanks, two of the authors of this book. Randy had already been thinking about starting his own business, but he had no idea what that business would be. An idea seemed like the most important ingredient, and he was missing it.

Inspiration came from two places. First, his wife, Quinn, who worked for an insurance company, was assigned to research the possibility of the company outsourcing some of its procedures to India. She spent several weeks constantly thinking and talking about outsourcing as a way to reduce costs for large insurance companies.

Randy decided to transition to an outsourcing business providing office services such as court reporters and couriers for various law firms. In his entrepreneurship classes, Randy had learned several lessons that made him think twice about planning for his new business. First, he was very concerned about the risk he would be taking, so one of the decisions he made was not to start the company immediately, but instead to slowly ramp it up over time.

This is a crucial point. Trial and error is a major part of the learning curve for an entrepreneur. You will learn by making mistakes. Don't expect your competitors to issue field manuals on how to succeed in your chosen field. Your competitors will silently watch you fail, and there should probably be no real expectation otherwise. They are under no obligation to teach you how not to fail. You have to learn that yourself. But if at all possible, make those early mistakes while you still have a safety net to catch you.

Keep your day job and your health insurance benefits until you learn how to make your business profitable. If you abandon your day job and recklessly start a new business, those early mistakes—and there will be early mistakes—can derail you much more easily, because you will have less of a financial cushion.

Using this low-risk strategy, Randy started a company in the middle of 2004. He knew hundreds of lawyers already practicing in the Atlanta area, and he contacted several of them and asked if he could replace their current employees or vendors and provide the same services for them, usually at a cheaper price. Randy was able to negotiate discounts based on volume with court reporters, document production companies, investigators, accountants, messenger services, and other vendors—and he was able to pass these savings on to his clients and make a profit in the process.

The perfect business is one that saves money for your customers, increasing their bottom line, while also providing you a decent living. Randy's first client was a one-person legal office that hired him to coordinate its messenger service and court reporting. Randy was

able to keep his day job while coordinating these facilities during lunch and at night after work. This meant he was working close to fourteen hours a day, going to school at night, and also being a good father and husband. He continued building clients slowly for about eighteen months, until the beginning of 2006, when he left the law firm and started running his business full-time.

Working long days, nights, and weekends while starting your own company, all while keeping your day job until the new business pays off, might seem like a schedule you would dread. But that is frequently not the case. Entrepreneurship often produces a unique effect psychologically and even physically. There is an adrenaline rush that results from knowing that the fruits of your labor benefit you and your family. No boss is screaming at you. No personnel file records every petty slight from years past. When your good fortune depends solely on you, your self-confidence explodes.

Even your day job will likely become easier once you start a business on the side. You know it's only temporary. It is not a dead end. When the boss screams at you, in the back of your mind, you are thinking this will all be over in a few months when your own business can support you. The future looks bright because you can see the light at the end of the tunnel.

Very few entrepreneurs are couch potatoes. That is why entrepreneurship can actually make a difference in you physically. You will notice that entrepreneurs often walk with a spring in their step, full of self-confidence, because they have proven to themselves that they can succeed. They are hopeful because the future is unlimited, not capped. Time spent watching TV is replaced by time spent packing boxes, unloading and stacking inventory, and carrying boxes into the UPS Store.

Randy's first year of business in 2006 was not without problems. While he had some customers and was able to get by, the business was not growing quickly enough, and he was very discouraged about the inflow of new clients. This is 100 percent normal. Growth always

comes slowly, and your patience will be tried. Randy confided in his professors about these problems and was surprised with the bluntness of the answer. Jim told him to call five lawyers every day and ask for their business, and it worked. Today, Randy will say the biggest mistake during the startup of his business was failure to focus enough on sales. When you have existing clients calling every day with work to be done and problems to be solved, it is easy to forget new-client acquisition. Chris and Jim recommend spending the *first* hour of every day on client acquisition, sales, or marketing.

Randy has a very good reputation, but many area lawyers did not know he was now on his own. So calling them was a great first step in building the business, given his marketing plan, which centered on making face-to-face pitches to law firms. While many lawyers did not need his service at that time, many called later to hire him for particular projects. Also, Randy joined several area associations of paralegals and lawyers and was able to advertise directly to the community through his memberships in those groups. By the end of his first full year in business, he was able to acquire three full-time and seven part-time clients. He had doubled his old salary in two years.

That is what entrepreneurship can do for you and what you can do for yourself. That is what we will show you in this book.