



Business Planning

So You Want to Start a Business – 10 Things to Think About

According to the U.S. Small Business Administration, over the last few years, more than a half million new businesses are formed each month, but just as many, if not more, close down each month. Obviously, not all are successful or make it big. If you're an entrepreneur and want to start up your own business, there are several common themes for you to remember if you want to ensure success. The following is a non-exclusive list of ten things, in no particular order of importance, to remember and think about, compiled from various interviews of well-known or highly successful entrepreneurs in various publications.

1. Passion. Unquestionably, having passion is universally recognized as a must-have by all successful entrepreneurs. Mark Cuban, the current owner of the Dallas Mavericks, an NBA basketball team, and AXS TV, stated: "Don't start a company unless it's an obsession and something you love."¹ He goes on to say that "if you have an exit strategy, it's not an obsession." Undoubtedly, he means thinking about an exit when you're just starting out. Similarly, Susan Gregg Koger, founder of ModCloth, a women's online retro and vintage clothing retailer, said: "Do what you know and love it! It will resonate with your customers, employees, and potential investors. And make all the hard work worthwhile."² Jamail Larkins, founder of Ascension Aircraft, adds: "It's a common saying, but vitally important. The more you enjoy your job, the easier it is to work, and that's important, especially when starting up your own company."²

2. Find a Niche. In order to have a successful company, you must have a product or service that is different, better, or cheaper than everyone else because that's the only way to make money. As Jim Koch, founder of Boston Beer Co. and Sam Adams Boston Lager, stated: "You have a viable business only if your product is either better or

cheaper than the alternatives. If it's not one or the other, you might make some money at first, but it's not a sustainable business."³ Caterina Fake, co-founder of Flickr and Hunch, confirms: "Pick a good market. The idea for approaching that market may change, but find a meaty problem to solve. You can try to attack it a bunch of different ways. Don't be too narrow."³

3. Having the Right Team. Mark Cuban believes that you have to hire people who will love working at your company, so that it's not just a job. A physical and cultural environment of openness and transparency is key because "there is nothing private in a startup." Shamir Karkal, co-founder of Simple, an online banking tool, believes that you have to "hire great people . . . then get out of their way. You should strive to hire people who are smarter than you . . ." "Delegate and keep your eye on the important stuff."⁴

4. Execution. According to Brian Sharples, the founder of HomeAway, a vacation rental website, "a good idea is not enough. Businesses aren't just about ideas, businesses are about execution Other people are going to have that same idea or something similar. You have to build a better team to execute it."³ Execution also means learning from mistakes and not repeating them. It includes constant learning about everything associated with your business. Execution also means exceeding the expectations of your clients, customers, suppliers, distributors, and even employees. No marketing effort is going to be as effective as being really good at what you do.

5. Don't Drink Your Own Kool-Aid. Brian Sharples also said: "Don't get too enamored with your own idea. Other people are going to have that same idea or something similar."³ One of the cautions from successful entrepreneurs is to not be too narrow-minded or narrow-focused. You have to listen to the voices of your customers, competitors, and even employees. You do not have a monopoly



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on good ideas and if you drink too much of your own Kool-Aid, you may be missing opportunities to adapt and change for the better.

6. Have Fun. Mark Cuban believes that you have to “make the job fun for employees. Keep a pulse on the stress levels and accomplishments of your people and reward them.”¹ Similarly, Barbara Corcoran, founder of the New York real estate company, Corcoran Group, tells us: “The joy is in the getting there. The beginning years of starting your business, the camaraderie when you’re in the pit together, are the best years of your life. So rather than being so focused on when you get big and powerful, if you can just get the juice out of that . . . don’t miss it.”³

7. Commitment. “Start-ups don’t die, they commit suicide. In other words, 90 percent of start-ups fail because the founders get bored, discouraged, or something else, and they move on to other things, not because of some catastrophe. No matter how dark it is today, things will always be better tomorrow.” These wise words of wisdom come from Justin Kan, the founder of Justin.TV, which is now known as Twitch Interactive.²

8. Embrace the Possibility of Failure. “Don’t be afraid to fail It changed my mindset at an early age that failure is not the outcome, failure is not trying.” Sara Blakely, inventor and founder of Spanx.³

9. Measure Performance. Bob Parsons, the founder of GoDaddy, sums it up the best: “You need to know exactly where you stand in a business at all times. Measure everything, because everything that is measured and watched improves.”³

10. Plan But Get Busy. Formal, written business plans are a necessary evil because it summarizes why a financial institution should lend money to you; why an investor should risk his or her money with your company; why a supplier should provide you with goods even though you don’t have a track record; and more. Yet, many successful entrepreneurs caution against getting bogged down in the process of creating a business plan and getting it all “just right.” According to Gurbaksh Chahal, founder of RadiumOne, a digital advertising company, “a business process can be defined better. A business model can be copied. But the speed of execution is dynamic within you and can never be copied. When you have an idea, figure out the pieces you need quickly, go to market, believe in it, and continue to iterate.”³ Levi Cooperman, co-founder of Freshbooks, an accounting and billing software system, concurs: “Planning and modeling out your business is always a good idea, but don’t get stuck planning too long, build something and push it out to your users as fast as you possibly can. If your product is getting good reviews and people are willing to pay for it, you’ve got something.”⁴ However, don’t misunderstand – planning is still required. Collis and Cyna Ta’eed, founders of Envato, an online creativity ecosystem, said: “Probably the biggest mistake we made early on was not believing the business was going to be a big success. So we did next to no planning ahead, instead just making decisions as they were convenient.”⁴

In summary, if you want to start up your own business, there are a lot of lessons to be learned, but you can learn some of them from the best – those that have already tried it, made some mistakes, but ultimately succeeded.





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GEAR # 2015-8158

Expiration: 7/01/2017

Lanny D. Levin, CLU, ChFC
LANNY D. LEVIN AGENCY, Inc.
1751 Lake Cook Road suite 350
Deerfield, IL 60015
(847) 597-2444
lanny_levin@levinagency.com

¹ *Entrepreneur.com*, December 24, 2014.

² <http://www.inc.com/ss/start-secrets-tips-americas-coolest-young-entrepreneurs>, September 28, 2009.

³ <http://www.businessinsider.com/12-entrepreneurs-give-their-best-tips-for-startups-2012-3>, March 20, 2012.

⁴ <http://thenextweb.com/entrepreneur/2013/09/22/just-started-a-company-you-might-make-these-mistakes-if-youre-not-careful/> .

