

Foreword by  
**Michael Gerber**

# CONQUER THE CHAOS

HOW TO GROW A  
**SUCCESSFUL  
SMALL BUSINESS**

without  
**Going Crazy**



## Things To Do

- Fix Printer
- Contact Stephanie
- Create Marketing Stuff
- Follow up with Matt
- Send Brad Thankyou
- Pay Bills
- Send Promotion Email
- Breathe

*Repeat All  
the Above*

**Clate Mask  
Scott Martineau**



**CONQUER  
THE CHAOS**



# **CONQUER THE CHAOS**

**HOW TO GROW A  
SUCCESSFUL  
SMALL BUSINESS**

**without  
Going Crazy**

**Clate Mask  
Scott Martineau**



**WILEY**

John Wiley & Sons, Inc.

Copyright © 2010 by Clate Mask and Scott Martineau. All rights reserved.

Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Published simultaneously in Canada.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States

Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 646-8600, or on the web at [www.copyright.com](http://www.copyright.com). Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at <http://www.wiley.com/go/permissions>.

**Limit of Liability/Disclaimer of Warranty:** While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

For general information on our other products and services or for technical support, please contact our Customer Care Department within the United States at (800) 762-2974, outside the United States at (317) 572-3993 or fax (317) 572-4002.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books. For more information about Wiley products, visit our web site at [www.wiley.com](http://www.wiley.com).

ISBN 978-0-470-59932-7 (cloth)

ISBN 978-0-470-64229-0 (ebk)

ISBN 978-0-470-64230-6 (ebk)

ISBN 978-0-470-64231-3 (ebk)

Printed in the United States of America.

10 9 8 7 6 5 4 3 2 1

To Charisse and Andee for all your support,  
love, and understanding.





# CONTENTS

<i>Foreword</i>	xi
<i>Preface</i>	xv
<i>Acknowledgments</i>	xxiii
Section I The Quest for Freedom	1
1 The Entrepreneurial Revolution	3
The Path to Revolution	6
The Hierarchy of Freedoms	15
2 Enter, Chaos	23
The Infusionsoft Story	28
Symptoms of Chaos	32
Causes of Chaos	37
3 Grow or Die	45
A Mentality of Growth	48
Why Entrepreneurs Choose Not to Grow	50
Scenario #1: You Don't Want to Grow Your Business	51
Scenario #2: You're Relying on Referrals and Repeat Business	52

Scenario #3: You Believe You'll Just Figure It Out	53
Scenario #4: You Do Everything Yourself—Manually	54
Introducing—The Strategies for Conquering Chaos	56
<b>Section II Mindset Strategies: Achieving Balance</b>	<b>59</b>
<b>4 Emotional Capital</b>	<b>61</b>
Your Emotional Capital Bank Account	64
Making Deposits in Your Emotional Bank Account	67
Spot-Check Your Emotional Capital	78
<b>5 Disciplined Optimism</b>	<b>79</b>
The Three Components of Disciplined Optimism	83
Opportunities to Practice Disciplined Optimism	88
Practical Ways to Cultivate Disciplined Optimism	92
Disciplined Optimism and Passion	94
<b>6 Entrepreneurial Independence</b>	<b>97</b>
The Advice You Get	100
Facing the Challenge of Independence	103
The Benefits of Independence	108
<b>Section III Systems Strategies: Controlling Speed</b>	<b>115</b>
<b>7 Centralize</b>	<b>117</b>
The Need to Centralize	119
Multiple System Chaos	122
The Struggle of Disjointed Systems	123
The Value of the Right System	128
The Process of Centralization	131
<b>8 Follow-Up</b>	<b>137</b>
The Most Neglected Marketing Principle	140
How Lack of Follow-Up Is Creating Chaos	143
Why Follow-Up Breaks Down	146
The Benefits of Follow-Up	149
The Science Behind Effective Follow-Up	151

9 Automate	155
From Manual to Automated	158
What You <i>Can</i> and <i>Should</i> Automate	163
A Story of Automation	169
Section IV Find Your Freedom	173
10 Avoiding the Backslide	175
The Myth of Long, Hard Work	178
Harnessing Your Unbridled Passion	180
The Belief Your Business Will Fail without You	182
11 The Liberated Entrepreneur	185
Climbing the Hierarchy of Freedom	187
Giving Up the Chaos	192
<b><i>Appendix: Small Business Resources</i></b>	195
<b><i>References</i></b>	197
<b><i>About the Authors</i></b>	199
<b><i>Index</i></b>	201



## FOREWORD

**C***atastrophe* is not too light a word to describe what happens when somebody decides in a moment of unreflective zeal to start a business.

In this book, Clate Mask and Scott Martineau tell the story about as eloquently as I've ever heard it told.

Not only that, but these wonderful friends of mine, both passionate entrepreneurs, describe their story in such an authentic way that you, the reader, can't help but be moved to do for yourself what Scott and Clate have learned to do for themselves, their thousands of clients, and the jubilant, passionate, committed people who work for them at their great and growing company, Infusionsoft, to overcome the confusion, to redefine their game, to pursue what most would see as impossible, and to succeed today in the worst of times, as though the economic reality that has taken its toll on countless thousands of small businesses and large is just another obstacle to get around.

And get around it Scott and Clate have done indeed.

As their determination to grow, to become the small business growth leader worldwide, continues unabated, these two restless young guys certainly have set a template for the rest of us to emulate.

The tragedy of most small business failures, Clate and Scott tell us, is that those failures didn't have to happen.

There are answers to chaos. There are methods behind the seeming madness. There are systems that need to be deployed—for lead generation and lead conversion and people development and much, much more. And when these systems are invented and then deployed, new lessons are learned—lessons that Scott and Clate speak about unabashedly within this book; they speak so enthusiastically, like a couple of kids discovering a new game or a new toy, that you'll wonder why you had never thought of them before.

And that's one of the reasons I love this book. It's not simply another business story like the many we've been told. It's a passionate prescription from a couple of entrepreneurial ideologues, two guys who spend every waking hour creating, and when that doesn't work, breaking it down and creating some more.

What's more, for you reading this along with me, the lessons and prescriptions that Scott and Clate are passing along to you here come to the page through hard service. In their own words, they tell us of the mistakes they've made: the truly big ones— not just the little things that entrepreneurs bump into in the dead of night, but the big, monstrous ones that can take you down faster than a speeding bullet, and take your breath away.

Yes, this book is real.

And that's why it's so damn good.

Because, even as you're reading it, the story is going on, every day in Arizona where Infusionsoft gets up every morning to take its daily tally. How did we do yesterday? the gang at Infusionsoft asks. How can we do it better today? they all inquire. That is another reason why this book will astonish you.

It's a living story. It's not over by a long shot. It's working its wonderful way forward even as we speak, and leaving us with the unanswerable question: Will Scott and Clate make it? Will this story end with a bang or a whimper? This isn't a book about IBM. This is a book about a young start-up, on its way to greatness or disaster. And, I swear, you'll find yourself—as I did reading this book—putting your money on its authors.

Scott and Clate are onto something—something big. It's called entrepreneurship in the raw, and it's what created our country, and is creating our country even now as we speak.

—Michael E. Gerber  
Founder, Michael E. Gerber Companies,  
Origination, The Dreaming Room;  
Author of the E-Myth books and *The  
Most Successful Small Business in the World*





## PREFACE

**S**even years ago we found ourselves surrounded by chaos, worried whether we would ever get our new business off the ground. Sure, we had dreams of finding our entrepreneurial freedom, but at the time we were just trying to keep the lights on.

It was August 2002. Our custom software company received an interesting phone call. It was Friday at 5:00 P.M. and the four of us were getting ready to wrap up the week. We'd ordered pizza, and it had just arrived when the phone rang. Well, the last thing we wanted to do was talk to anyone. But we needed sales, so Clate decided to pick up the phone.

No sooner had he rattled off his greeting than the man on the other end shouted, "I have *pain!* Can you help me?" Then the man paused.

Clate's mind was reeling with concerns. Was this a prank? Did this guy even know what number he had dialed? Was this a customer? What was Clate supposed to do about someone's pain? Shouldn't he call a doctor?

Eventually, Clate got to the root of this man's problem. The caller, Reed Hoisington, was searching for a software program that would more effectively manage his contacts. He was trying to follow up with his prospects and customers, but he was making a lot of mistakes.

On this particular day, Reed had mistakenly sent a special, reduced-price offer to a group of people, including many folks who had already bought that product at full price. Customers were angry, demanding refunds and Reed was in *pain!*

The irony is, at the time of Reed's phone call, we too had pain! We were struggling to acquire new customers and our struggles were seriously impacting our home lives to the extent that we faced the very real possibility of going out of business.

But, despite the challenges we were personally experiencing, we were learning some very important lessons; lessons so powerful, that following their teachings will free any small business owner from the chaos we nearly all find ourselves immersed in. This is the very purpose of this book.

Now, at this point, you might be thinking, "Well, how do you know I'm experiencing chaos? What makes you think I'm not completely satisfied with the way things are going in my business?"

If that's the case—if you are contentedly growing your business *and* you enjoy your lifestyle, then great! You can stop reading right now. If you feel you are getting all the benefits from your business that you could possibly hope for, this book is not for you.

This book is for the entrepreneur who went into business looking for freedom but found chaos rather than finding

- More *Time* to spend with their families
- More *Money*
- More *Control* to live life the way they want, and
- The satisfaction of achieving their *Purpose*

This book is for entrepreneurs who feel trapped, controlled, and consumed by their business.

If you're emphatically or even reluctantly agreeing that yes, this describes your situation, then we've got news for you: you're not alone. The vast majority of small business owners are struggling just to keep their heads above water. In fact, most of us tend to clump together in a boat of survival, hanging on for dear life, putting on a happy face as we get more and more bogged down by our businesses.

Let us show you what we mean. A couple of years ago, we headed out on the road speaking to large groups of entrepreneurs in Los Angeles, Chicago, New York, and Orlando.

At each stop, we asked the audience the same question: "How many of you are satisfied with your small business?"

Of 1,574 small business owners, three raised their hands. Three. *Three!* Some of these individuals had been in business for more than 20 years!

What was going on? And why were so many people in business for themselves if they weren't getting satisfaction out of it?

After some reflection, we realized we already knew the answer to the question. Because, in addition to working with tens of thousands of small business owners, we too have felt the fears, pains, worry and stress of small business ownership. We've been in the trenches. And together we've experienced things that only other entrepreneurs will ever understand.

The results of the "Are you satisfied?" poll stuck with us. So we made it a habit to ask the question whenever we could. The more we asked the question, the more we heard of business owners' dissatisfaction, and the more we knew we *had* to write this book to help small business owners all over the world.

## WHY ARE WE TELLING THIS STORY?

We love entrepreneurs. We love their tenacity, ambition, work ethic, innovation and creativity. We love that they have the

guts to cast aside fear and criticism in order to go out and do something bold and daring that will create a ton of value, bring satisfaction to their souls and produce opportunity for themselves and all those they employ.

We love entrepreneurs! And we *hate* seeing them fail. We hate seeing their doors close. We hate seeing them lose their hope. We hate seeing their confidence squashed, their financial lives ruined and their relationships shattered. And we hate seeing their creative fire doused by the torrential waters of harsh reality.

We hate it—because we have been there ourselves and feel a tight bond with the entrepreneurs fighting to get through each day and find their freedom.

You see, almost immediately after graduating from college, we found ourselves in the middle of our own chaos. Real chaos. The kind that is gripping small business owners all over the world. As we joined forces in a startup computer software company, we started to truly live the pains and struggles entrepreneurs regularly cope with. Before long, we were beaten down and grasping for answers.

Fortunately, we had a great advantage. In 2003, our company switched from being a custom software business to providing one standard product to entrepreneurs. We developed a software program to automate sales, marketing, customer management and billing processes for small business owners. Our advantage was that we had the good fortune of working with great entrepreneurs—hundreds of them, actually—in the process of creating this software program. Our software was saving them time and helping them make more money without needing to add extra expenses or hire new employees. Their experience, input, and help were invaluable to our product development. And we learned a ton about small business success as we worked with these entrepreneurs.

Then, a phenomenal thing happened—we started using our own software in our business! Once we did that, the light bulb turned on. We had something great. And more than that,

we had unwittingly discovered several of the strategies for conquering the chaos and achieving the dreams we'd nearly given up.

After that, we were in a prime position for learning how to fight *and* conquer the chaos of business ownership. We worked with more and more entrepreneurs and we learned the reasons why the chaos exists and how to defeat it.

## A BETTER WAY OF LIFE FOR SMALL BUSINESS OWNERS

In addition to our experiences, years of interacting with small business owners brought us to some simple but significant conclusions. We watched the same mistakes being made over and over again. We saw seemingly popular companies close their doors for the last time. And, we observed other companies skyrocket for no apparent reason.

What we learned is that the strategies for conquering the chaos and growing a successful business are not unique to one industry, company or business owner. Success is determined by the use of predictable, repeatable, simple actions. But not just any actions—the right actions.

Ultimately, these strategies developed into the focal point for our company. They became the driving force, the culmination of everything we had dreamed of doing for entrepreneurs. For years we've developed and refined these strategies so they would provide the most and best value for the entrepreneur.

## HOW THIS BOOK WILL LEAD YOU TO FREEDOM

This book does not contain stuffy, official research. Each of the six strategies, and all of the examples and stories are part

of an ongoing case study. We live the proof of the six strategies every day. And we have watched in amazement as one company after another learns these basic truths, applies them and enjoys success.

The first three chapters of this book include the *real* story of small business ownership. They include the Quest for Freedom, the fear, the pain, the overwhelming feelings, and the emotional struggle. It's the forced humility of the small business owner. It's the story of the neglected family, mounting debts and bitter partnerships. But it's also the story of how chaos happens and how to combat it.

In Chapter 1, you'll learn why millions of individuals choose to become entrepreneurs, even though they might know the struggles they'll soon experience. This chapter also includes the hope and ambition new entrepreneurs feel and seasoned entrepreneurs wish they could remember.

Chapter 2 is an explanation on the origins of chaos. We show you why chaos is inevitable—no matter how skillful an entrepreneur might be.

As you read Chapter 3, you'll realize that running from chaos is futile. Chaos *must* be met head-on if you ever hope to find your freedom. This chapter helps you evaluate your relationship with chaos and prepares you to gain control of your business.

In Section 2, the Mindset strategies for conquering chaos are introduced. Because chaos is as much a state of mind as a state of affairs, Chapters 4, 5, and 6 teach you how to overcome fear, anxiety, frustration, and skepticism in order to make the necessary changes in your business.

Hand-in-hand with the Mindset strategies, Section 3 presents the Systems strategies. In this section, you will learn why business systems are critical to liberating you from the demands of your business. After reading Chapters 7 through 9, you will understand the concepts of centralizing, following up, and automating as important keys to the growth of your business.

In the final section, Chapters 10 and 11 demonstrate how to avoid the backslide into chaos and how the six strategies lead you to your freedom. These chapters illustrate the entrepreneurial dream, and how you can easily achieve that dream if you're willing to implement the lessons we, and other small business owners have learned.

With the strategies included in this book, you will find the power to turn around your business and your life. You will discover there is a better, more productive way to run your business. And you will learn that by implementing these six strategies, you can conquer the chaos, find the time, money, control and purpose to live life on your terms, and truly enjoy being an entrepreneur again.





## ACKNOWLEDGMENTS

**W**e would like to express appreciation to the many people who have contributed to the realization of our dream: to revolutionize the way small businesses grow.

To early mentors Reed Hoisington, Joe Polish, and Perry Marshall for their marketing savvy, entrepreneurship, acumen and continued support. You guys know what it means to be an entrepreneur and your advice helped us become comfortable in the trenches of entrepreneurship.

To subsequent mentors Michael Gerber, Bill Glazer, Dan Kennedy and Dan Sullivan, for teaching us what it takes to go from entrepreneurs to successful business owners. Your skills in business management, marketing strategy, and life-balance were essential for us to build a multi-million dollar business.

To software mentors Pat Sullivan and Geoffrey Moore for your product marketing and positioning genius that continue to help us achieve our vision for Infusionsoft to become the “Quickbooks of sales and marketing software.”