

FOREWORD BY **DAN KENNEDY**

# THE RELUCTANT ENTREPRENEUR



TURNING **DREAMS**  
INTO **PROFITS**

**MICHAEL MASTERSON**  
*NEW YORK TIMES* BESTSELLING AUTHOR

  
**AGORA**

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# THE RELUCTANT ENTREPRENEUR

*Turning Dreams Into Profits*

MICHAEL MASTERSON



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*This book is dedicated to the hundreds of thousands of people who read Early to Rise from 2000 to 2011 when I was writing for it.*

# FOREWORD: IS THIS AN “INSPIRATIONAL” BOOK?

Most people go into businesses for the wrong reasons. And most people go about starting and developing businesses in the wrong way.

My friend Michael Masterson, whom I admire immensely, has done a phenomenal job of attacking myths and misinformation about entrepreneurs and how they actually create and grow successful enterprises. You will finish this book with a different, deeper, and more realistic understanding of what is really involved in getting a brand-new business going, getting traction for it in its marketplace, protecting it during its fragile infancy, and growing it to mature success. Getting a new business going is not easy. But it's not mysterious either.

In one of my own books, *No B.S. Guide to Business Success in the New Economy*, I make the point that most people uninitiated to and contemplating entrepreneurship are fearful about it and wonder if they are up to it, because of a belief that successful entrepreneurs are wild-eyed, daring risk takers, akin to riverboat gamblers frequently “going all in” with questionable hands. This is not true at all. Success is about smart risk management, not about wild risk taking. This is one of many concepts about business success where Michael and I have strong agreement—and where he can set you straight.

He also adeptly disabuses the reader of the need for The Big Idea, visionary innovation, and motivation as key success ingredients. Instead, he approaches business as a methodical sequence of good decisions.

My own 35 years of experience starting, buying, building, and selling businesses of my own; working intimately with many clients in developing businesses from the first baby steps to as large as \$1.5 billion, but more commonly \$10 million to \$30 million; and acting as an advisor and coach to thousands more entrepreneurs has convinced me beyond any shadow of doubt that invention and innovation are vastly overrated and methodical implementation is more important. That more entrepreneurial fortunes revolve around the use of known, proven processes for advertising, marketing, sales, management, and finance applied to a good idea than are born by the new, radical, revolutionary, romantic Big Idea. That being a visionary is not required and not necessarily even helpful—instead, that being able to improve on already proven products, services, and businesses offers the best opportunity. (Disney didn't invent the amusement park. DeVos and VanAndel with Amway neither invented soap nor multi-level marketing. Schultz and Starbucks didn't invent the coffee shop. Zappos neither invented shoes nor e-commerce. I didn't invent newsletters.) That motivation matters, but that motivation without great clarity about a sound, sensible, progressive plan of action leads only to frustration. That successful entrepreneurs are extremely pragmatic.

Michael Masterson impresses me as a committed pragmatist. His advice, this book, is simply and purely about what works. In the real world. With startups.

He and I both come from the disciplined world of direct-response marketing, where measured results rule and nothing else matters, not even our own opinions. In that world, you learn to test as cheaply and harmlessly as you can, toss aside the unproductive and underperforming quickly and unemotionally, and find and leverage what works. This is experience that academic theorists do not have, that traditional brand and image advertising

“creatives” shun, that many small businesspeople never embrace. But when every dollar matters, as it does with startups, this is the approach that trumps all others—and you will come to appreciate it via this book.

None of this suggests trepidation. It suggests prudence.

I actually take exception to the word “Reluctant” in this book’s title. “Timid” might have been a better choice. But even that seems unfair. Perhaps “Cautious”? “Methodical”? Had I been asked to name this book, I might have chosen “The Pragmatic Entrepreneur.” Pragmatism is about finding out what works and doggedly doing it, to the point of resisting distractions and disparate ideas. It’s about focus. About well-organized effort.

You can draw a lot of confidence from this—so that you are not reluctant. You can have confidence in process.

The most valuable and sustainable businesses on earth are built on and driven by great processes. McDonald’s consistently outperforms all other fast food purveyors not because they have better tasting or healthier or more interesting products. They have the best process. A company I study and own stock in, Tupperware, led by a CEO, Rick Goings, that I admire, is thought of by the public as a purveyor of unique plastic food containers and kitchen gadgets. But Tupperware’s success is so much more about process than product. Of its six core competencies, only one has to do with product innovation and manufacture. The other five are processes—for recruiting sales agents who will work on commission and recruit and train others; for interesting people in hosting in-home parties; for conducting successful in-home sales parties; for managing a multi-tiered, global sales organization of independent, part-time agents; and for managing the financial aspects of marketing and growth.

The business I began very humbly, now GKIC, serving tens of thousands of small business owners and entrepreneur

members, operating local chapters, publishing six newsletters and numerous online and home study courses, conducting large conferences, and delivering complex business coaching programs, is certainly fueled by great content and information, but is driven even more by sophisticated processes—such as for marketing through thousands of affiliates; for the intake and conversion of new, trial members; and for developing and presenting extraordinary events. One of the most valuable things to be gained from Michael's book is a grasp of the power of process and the guidance for developing your own business's processes.

Candidly, this is not the most heart-stirring and exciting business book ever birthed. It is not rich in hyperbolic passion. It is factual. Accurate. Straightforward. Based on real, hands-in-the-dirt experience creating and growing not one but a number of multimillion-dollar companies. Do it once, you have a great cocktail party story. Do it repeatedly, you have a formula, a system. And that's another thing I'm very fond of and focus on in my books: system. Learn from Michael the criticality of system. Utilize a great system—you'll have a great business.

Few would, at a glance, call this an inspirational book. But, ultimately, there are two ways to be inspired. One is by the charismatic dynamo, the lofty thinker, the stylish orator, the grand and glorious—if vague—idea. All too often, this produces only castle-building in the clouds of imagination. The temporary inspiration and excitement wanes as you come to realize that there's no foundation and no instructions for building one. This is how being inspired turns to being intimidated. The other kind of inspiration, the kind that has always worked for me and for my clients, is rooted in scientific, formulaic, systematic approaches to problem solving and opportunity monetization. Knowing what must be done and being able to work with and on a



scheme for achieving well-defined objectives is more sustainable inspiration. On that basis, Michael Masterson has produced a deeply inspirational book.

In the realm of business literature, he has definitely produced an important book.

DAN KENNEDY

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**Dan Kennedy** *is a from-scratch multimillionaire serial entrepreneur, author, and publisher, and a trusted strategic advisor, marketing consultant, and direct-response copywriter for entrepreneurs and their companies spanning more than 200 different product, service, industry, and professional categories.*

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