

FOREWORD BY **DAN KENNEDY**

THE **RELUCTANT** ENTREPRENEUR



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

MICHAEL MASTERSON
NEW YORK TIMES BESTSELLING AUTHOR


AGORA

THE RELUCTANT ENTREPRENEUR

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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.*

CONTENTS

Foreword	xiii
Acknowledgments	xix
INTRODUCTION Entrepreneurship: What It Is . . . and Isn't	1
The Reality of Calculated Risk	2
The Reluctant Entrepreneur	3
Launching a Successful Business Takes More Than Motivation	4
It's Okay to Be Cautious	5
Success Is Not a Roll of the Dice	6
And One More Thing . . .	6
CHAPTER 1 What, Exactly, Is a Reluctant Entrepreneur?	9
Philip Knight's Story	10
What We Can Learn From This . . .	11
	vii

Hatching a Business While You Keep Your Day Job	12
The Myth of the “Entrepreneurial Type”	16
CHAPTER 2 The First Question You Must Be Able to Answer	21
Rule Number One of Reluctant Entrepreneurship	23
Your Initial Challenge: Generating Positive Cash Flow	24
Educating Yourself About Business	25
CHAPTER 3 What It Takes to Be a Successful Reluctant Entrepreneur	27
The Reluctant Entrepreneur Is a Smart Entrepreneur	29
The Foundation of Your Business: Six Strategic Choices You Have to Make at the Very Beginning	31
It’s Not Rocket Science	38
CHAPTER 4 Hatching the New Business: Overcoming Fear and Taking Action	41
Your First Three Action Steps	43
How Do You Find a Mentor?	48
Putting Fear on Your Side	49
CHAPTER 5 The Magic Happens When You Hire Superstars	51
Recognizing Superstar Potential	52
Knowing What You’re Looking For	53
How Do You Find These People?	54
The Care and Feeding of a Superstar	56
How to Structure a Superstar Organization	59
The Best Investment You Will Ever Make	61

CHAPTER 6 Mastering the Art of Business Relationships	65
The Reluctant Entrepreneur's Guide to Making Friends in High Places	67
12 Ways to Get People to Want to Do Business With You	69
A Simple Trick That Will Make Important People Want to Talk to You	72
How to Get Others to Tell You Their Most Valuable Success Secrets—A Technique I Learned From a Self-Made Multimillionaire	73
Never Pass Up the Opportunity to Make a Connection That Can Do You Some Good	75
Seek Out Mutually-Beneficial Partnerships	76
It Doesn't Take Much to Maintain Relationships With All Your Important Contacts—Even Hundreds of Them	78
CHAPTER 7 How to Become a Marketing Genius	81
Every Business Is About the Selling	82
The Beauty of Direct Marketing	83
Mastering the Art of Persuasion	85
The Difference Between Wants and Needs	87
The Difference Between Features and Benefits	88
The Difference Between Benefits and Deeper Benefits	89
The USP: Making Your Product Stand Out From the Competition	90
How to Use Your USP to Create a Successful Advertising Campaign	91
Resist the Urge to Try Something Completely Different	92
Short-Term Results Versus Long-Term Profits	93

CHAPTER 8 Maintaining Control of Your Growing Business	97
Pushing Hard for Profits	98
You Can Never, Ever Stop Pushing on Every Single Front	100
How Much of Your Profits Should Go Into Your Pocket—And How Much Should Go Back Into Your Business?	101
Why You Should Ignore the “Experts” and Determine Your Own Compensation	102
Create a Culture That Respects Money	103
Keep Your Eye on the Numbers	104
Never Lose Your Competitive Edge	105
How Tiffany & Co. Lost Their Edge—And Found It Again	106
Set High Standards for Customer Service—And Make Sure They Stay High	107
A Success Trap You Don’t Have to Fall Into	110
 CHAPTER 9 Leadership: Keeping Your Vision Alive	 113
Effective Leaders Motivate Others to Do Great Work	114
Effective Leaders Focus on Work, Not Politics	114
Effective Leaders Understand That Competition Has Its Place in Business, But It Is Not Nearly as Important as Cooperation and Sharing	115
Effective Leaders Care About Their Customers	115
Effective Leaders Make Fast Decisions	116
Effective Leaders Know How to Get Support for Their Ideas	116

Effective Leaders Know How to Delegate	117
Effective Leaders Do Not Micromanage	118
Effective Leaders Create a Culture of Accountability	119
Effective Leaders Understand That Teamwork Doesn't Always Work	119
Effective Leaders Are Good Communicators	120
Effective Leaders Make Every Meeting Work for Them	121
Effective Leaders Know How to Negotiate	122
Effective Leaders Are Considerate	124
Effective Leaders Don't Become Buddies With Their Employees	125
Effective Leaders Sometimes Zig When Others Zag	125
CHAPTER 10 Build Your Business Like a Go-Cart	127
Building the Go-Cart, Step by Step	129
Conclusion	133
APPENDIX Do You Need the Mindset of a Champion to Succeed in Business?	135
How to Use Humor in Business	139
Must You Be Cutthroat to Succeed in Business?	144
The Unexpected Side Effects of Making Money (and How to Avoid Them)	149
The Time-Management System That Works for Me	155
About the Author	159
Index	161

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.*