

Rule **1** – B is for Brave





## Rule 1 – B is for Brave



Brave. That is where it all starts. In business, you have to be brave to even seriously *think* about starting a new venture. You have to be brave to tell someone about it. You have to be brave to get someone to buy into it. You have to be brave to quit your nine-to-five job and strike out on your own. To win the game, you first must be brave enough to play it.

"To be **courageous** requires no exceptional qualities, no magic formula....It is an **opportunity** that sooner or later is presented to us all."

~ John F. Kennedy

### **The Man in the Hawaiian Shirt**

You would never confuse Lonnie Benson with Indiana Jones or any other action hero. But I consider him one of the bravest guys I've ever met.

Lonnie is the founder of Who's Calling. Yes, he's the



guy who lets me spend a lot of money on blue rubber balls. Guided by Lonnie's vision, Who's Calling has shot from \$300,000 to \$60 million in annual revenues in just a few short years.

To his credit, Lonnie doesn't act the part of a wealthy entrepreneur. If you run into Lonnie in downtown Seattle, he's likely to be wearing shorts, sandals, and a funky Hawaiian shirt. He smiles easily and appears relaxed. But there's a hint of rebellion in his eyes, something that says, "Don't tell me it can't be done."

### **Local Calling Hero**

Lonnie Benson was born in 1956, delivered into life by a Navy obstetrician at an Army hospital in Seattle. His father, an electrical engineer, was serving with the Air Force in Korea. Lonnie didn't see him until he was six months old. By then, according to a journal kept by his mom, Lonnie was already fascinated with phones. "I guess it was the sound of human voices coming out of the receiver in the handset that really grabbed my attention," he recalls. "My mom says I was practically addicted to playing with the telephone."

Fast-forward to October 1987. "I was three months behind on my rent, unemployed, broke, and hungry. I was one small step away from living on the street. But I

had an idea. I knew that if I started my own small local phone company, I could take business away from the big local phone company.”

Here was Lonnie’s opportunity: telephone traffic between Seattle and nearby Tacoma was heavy. Many people living in Seattle consider Tacoma “local,” but in fact these communities are in two different local calling areas.

The big local phone company, U.S. West (now Qwest Communications), charged callers up to 25 cents *per minute* for calls between the two local calling areas, meaning that if you lived in Seattle and wanted to chat with your sister in Tacoma, you had to either talk very fast or pay a hefty phone bill at the end of the month.

Lonnie needed cash to turn this opportunity into a business. By luck, and by living in a basement suite below a mutual friend, he happened to cross paths with a guy named Dan Horton. Dan was new to Seattle. Lonnie hardly knew him and he hardly knew Lonnie. But after a couple of nights of brainstorming and bar-hopping, Dan realized that Lonnie was onto something big.

Dan, to his eternal credit, handed Lonnie the cash he needed, just \$350, to launch his first company, PhoneLink.

Now it was up to Lonnie to deliver. By now, he’d

learned just about everything he could about the existing telephone system—and he was ready to outsmart it!

By law, U.S. West was allowed to treat calls from one local calling area to another as toll calls. Lonnie found a location roughly between Seattle and Tacoma where he could set up an electronic bridge between the two local calling areas. His homegrown bridge essentially transformed what would have been expensive toll calls into inexpensive local calls. Then he created a very simple switching system to handle the calls, using an old IBM 286 PC that he programmed himself to emulate a telephone network. Unlike U.S. West, Lonnie charged callers just 25 cents *per call*. Whether you talked for a minute or an hour, you still paid 25 cents.

He of course needed a way to market his creation. “Some guy came to me and said for \$300 he could mail my promotion to 10,000 people. I gave him \$150 in telephone credit and a check for \$150, which fortunately he didn’t cash for a couple of days. The next Monday after the mailing went out, I started getting 10 to 15 phone calls a day. We charged \$20 to sign up and our phone never stopped ringing. It just took off like a rocket and kept going straight up.”

Lonnie kept expenses low by resisting the urge to spend money on fancy new equipment. He wrote a billing pro-



gram that ran on the IBM 286 during odd hours of the night when the little computer wasn't busy handling phone calls. Instead of buying an expensive printer to churn out bills and invoices, he daisy-chained six low-cost Panasonic KXP4450 printers to achieve the same results.

“Early on I made a critical decision,” Lonnie recalls. “I simply refused to spend more money than I was taking in. It doesn't sound like a big idea, but it's been a basic element of our formula for doing business. With the exception of the cash we borrowed to get started, we avoided borrowing money. As a consequence of that decision, we had no debt.”

The sudden popularity of PhoneLink also forced Lonnie to reevaluate his self-image. “I'd always thought of myself as some kind of techie. After PhoneLink caught on, I started hearing stories from people about how it had changed their lives. An elderly woman told me she had been paying \$170 a month in toll charges because she wanted to stay in touch with her daughter, who lived a few towns away and was going through chemotherapy. PhoneLink lowered her phone bills to \$5 a month, which made a huge difference in both their lives. They didn't care about the technology. They wanted to spend more time on the phone with each other and I was making that possible. That's when I stopped seeing myself as a lone-wolf techno-geek and started seeing myself as a businessman providing valuable services to people at reasonable prices.”

Within a year, Lonnie's start-up was raking in profits exceeding \$100,000 per month. "I went from the depths of poverty to making more money than I had ever dreamed possible within a very brief span of time. It was like one of those old movies where the poor guy suddenly strikes it rich."

### **Find the Gaps and Jump Right In**

There's no question that PhoneLink's initial success relied on Lonnie's gut instinct and technical insight. But Lonnie wasn't the only guy in Seattle who figured out how to wire together a telephone bridge. Back in the 1980s, phone service across the Pacific Northwest was notoriously expensive. The high cost created a sub-culture of fly-by-night pirates offering hard-pressed consumers alternatives to the Baby Bells. Most of the pirates had a "take what you can and give nothing back" mentality, and vanished after making a quick buck.

Lonnie didn't just take the money and run. He was having too much fun! He perceived correctly that PhoneLink could be grown beyond its beginnings as an improvised platform for inexpensive phone service. His crucial insight was that PhoneLink, despite its questionable status on the margins of the telecom industry, was not a pirate. It was a business. Even so, PhoneLink was unusual for a start-up—it defied the odds and continued



to grow, without a significant line of credit or substantial backing from investors.

Two years after its launch, PhoneLink had 25,000 faithful customers happily paying 25 cents per call. And they were making lots of calls. Lonnie figured that his operations were costing U.S. West between \$3 and \$4 million in lost revenue every month.

“That’s when I got the proverbial knock on the door,” he recalls. “The utilities commission ruled that if I wanted to stay in business, I would have to become a registered telecommunications carrier. I guess they figured I would just go away. But instead of arguing with them, I went out and bought the equipment we needed to become a legally authorized long distance carrier.”

You gotta love a guy who isn’t afraid of the utilities commission and turns lemons into lemonade. In retrospect, it’s clear that PhoneLink succeeded where other start-ups failed because of Lonnie’s remarkable ability to identify small gaps in the market that had the potential to grow into large opportunities—and because he was brave to act swiftly enough to get an early jump on the competition.

I like to think of it in surfing terms. You can spend all day at the beach waiting for the perfect wave, or you can jump in and ride a not-so-perfect wave to hone



your skills. Riding a series of small, imperfect waves won't land you on the cover of your favorite surfing magazine, but you'll be ready for the big wave when it finally comes.

## **The Amazing Vans**

Following a hunch that the newly energized telecom industry would grow rapidly to encompass more than telephony, Lonnie changed the company's name from PhoneLink to Fox Communications. "The new name had a certain ring to it—no pun intended," says Lonnie.

True to Lonnie's wandering spirit, Fox Communications morphed, transformed, and reinvented itself to keep pace with the evolving telecom market. Then the advent of the cellular phone as a popular consumer item inspired Lonnie and his team at Fox to leap toward an entirely new wave.

The evolutionary path from PhoneLink to Fox Communications to Who's Calling was by no means a straight line. It wasn't even a paved road. There were unexpected side trails, blind alleys, 12 other companies, dead ends, shortcuts, and wormholes.

One of the wormholes appeared in the spring of 1996. Previously, cellular phones had been used mostly by businesspeople for business communications. By the

middle of 1996, it seemed as though everyone suddenly had a cell phone and was using it all the time.

When Fox Communications stepped into the cellular market, Lonnie quickly discovered that marketing cellular telephony wasn't much different from marketing landline telephony: Most of the dollars spent on marketing seemed to go nowhere. And that made him think. Lonnie was never one to accept the status quo. He was determined to find the most cost-effective way to market his cellular phone services. Direct mailing wasn't the right approach. TV, radio, and billboards seemed too expensive. There had to be a different way.

Lonnie thought it over. It's important to explain right now that Lonnie's thought processes are not linear. He has attention deficit disorder, which makes it difficult for him to perform some of the straightforward tasks that you or I might take for granted. He can't play chess, read 1,200-page Russian novels, or sit through three-hour business meetings.

But Lonnie Benson has learned to honor and respect the flashes of inspiration that illuminate his brain like bolts of lightning on a dark summer night. When one of those bolts arrives, Lonnie Benson pays attention to it. That's how he's different from most of us, and that's why we've all got something to learn



from him. He also believes that anyone can catch a bolt of lightning—they're everywhere. You can often hear him saying, "You don't have to be Bill Gates brilliant to be a billionaire." And he really means it.

In this instance, Lonnie's idea involved assembling a fleet of wildly decorated vans to advertise his company instead of paying other people for space on their regular billboards. Some of the vans featured huge pictures of tropical fish. Others were adorned with pictures of giant keyboards. Big and bold was the only rule. Some of the designs were assembled from ultrareflective sheets of plastic that could be seen at night from miles away.

Simultaneously odd and irresistible, the vans appealed to Lonnie's maverick sensibilities. "I also liked the fact that you could build equity in the vans and that I controlled everything. What other kind of media lets you do *that*?"

### **A Last-Minute Detail That Changed the World**

Wally Rex, who now runs client relations at Who's Calling, was hired specifically to unleash Lonnie's fleet of 60 vans on Seattle. He recalls how Lonnie added an extra, last-minute detail to the plan:

"Lonnie decided to put a different toll-free number on each van. We could do that because we're a phone company. I'd go out and park the vans all over town, or keep

driving them around until we found an area that would get some calls. If a van was generating calls, I'd leave it parked where it was. If the van wasn't generating calls, I'd run out and just keep driving it around until the calls started. Pretty soon, we knew exactly where to park the vans for maximum impact. And we were making deals with restaurants, 7-Elevens, and parking lots all over town."

Every night, Wally would log onto the company's billing system and carefully analyze the pattern of calls from the toll-free numbers on the vans. Over time, the ad hoc plan turned into an extremely effective marketing technique for Fox Communications. But another bolt of lightning was about to strike.



"At the time I really didn't care who was making the calls," admits Wally. "I was happy to know which vans were delivering returns on our investment and which weren't. To me, the vans were just big movable billboards."

One night, as Wally reviewed a day's worth of calling records, Lonnie walked past his desk. Then he stopped and turned around. In a flash, Lonnie realized that his van-based ad campaign had the potential to become much more than just a one-time business tactic. It could be the basis for a whole new enterprise, and maybe even a whole new industry. He suddenly had the answer to the

age-old question, “I know half of my advertising is wasted, but the trouble is, which half?”

“Lonnie saw immediately that if we could track the response to the ads on our vans, we could do the same thing for other companies,” says Wally. “And he saw that the technique wasn’t limited to vans. It could be applied to marketing everywhere, for any business. That’s when Who’s Calling was born.”

Five years later, Who’s Calling has grown from less than \$1 million to more than \$60 million in annual revenue. We’ve pioneered a new industry. Today we not only track advertising and record calls—we partner with our clients, helping them leverage calls into sales transactions for more revenue at less expense. Our success was made possible by Lonnie’s willingness to act bravely.

Lonnie overcame his own limitations and inhibitions. He persuaded a legion of doubters. He stood up to a large, established telecom. He was named one of Ernst & Young’s Entrepreneurs of the Year. The Better Business Bureau keeps giving him awards. His company has been listed as one of the top five fastest-growing privately held businesses three years running and is now listed in the local Fastest Growing Hall of Fame. He battled the state of Washington. And he won.

Lonnie has balls.

## Friendlier Skies

In business, being brave often means flying in the face of prevailing wisdom. Genuine bravery almost always involves taking risks. Entrepreneurs risk their capital, their time, and their reputations. Everything they own—tangible and intangible—usually goes on the table at one point during the process of launching a new business.

New York-based Marquis Jet Partners was brought to life by brave people who were willing to take risks—and accept the consequences of their gamble. Here's their story.

Back in 2000, two aggressive young entrepreneurs, Kenny Dichter and Jesse Itzler, decided to make the skies friendlier for hip-hoppers, sports stars, and Wall Street types. Contrary to popular belief, not all entertainers, athletes, and entrepreneurs are wealthy enough to own a personal jet. In fact, most aren't even wealthy enough to own shares or fractions of private jet planes.

Consider this: The up-front fee for a one-quarter share in a Gulfstream V is \$10.1 million. Even the smallest fraction available, a one-sixteenth share in a Cessna Citation Excel, costs \$620,000 and only entitles you to fly 50 hours per year!

So if you were a mere celebrity and not a megastar—or if you were a



megastar without a mega-ego—there was no practical way to avoid the hassles of commercial jet travel without spending millions.

Kenny and Jesse have numerous friends in the sports and music industries. In 2001, they saw a clear opportunity to create a new kind of business for a new kind of customer.

In their business model, customers would not buy jets or fractional shares of jets. Instead, customers would buy prepaid cards entitling them to 25 hours of jet time. The cards would range in price from \$109,900 to \$299,900, depending on the aircraft.

These two innovative entrepreneurs approached NetJets, the largest provider of fractional jet services. NetJets operates one of the most advanced aviation facilities in the world. It maintains a full-time staff of meteorologists and employs 2,800 seasoned pilots, including several former Air Force One captains. NetJets is owned by Warren Buffett's Berkshire Hathaway, Inc. In essence, Kenny and Jesse proposed selling shares of shares in the NetJets fleet, opening up a new and potentially lucrative audience of customers who were priced out of the existing market.

Richard Santulli, NetJets' chairman and CEO, and Jim Jacobs, NetJets' vice chairman, were intrigued. Soon a deal was cut and Marquis Jet Partners was born. Kenny and



Jesse personally sold the first 100 cards. Their early customers included Run-DMC, Jay-Z, and P-Diddy. Their current roster of celebrity clients includes Catherine Zeta-Jones and Kelly Ripa, as well as golfer Jim Furyk, wide receiver Keyshawn Johnson, and basketball star Tracy McGrady.

## **Ready for Prime Time**

As if having Warren Buffett in their corner wasn't enough, the Marquis Jet team got an additional boost from Donald Trump. Marquis Jet was featured on the second episode of *The Apprentice*, Trump's prime-time business reality show. Two rival squads of wannabe-Donalds were handed the task of developing an ad campaign for Marquis Jet.

Ken Austin, the company's executive vice president and chief marketing and business development officer, says giving Trump's contestants the green light to devise an ad campaign while millions of viewers watched was a calculated risk. "We really didn't know what they would come up with," Ken recalls. "But I knew that we needed an ad campaign and I also knew what it would cost if we handed the assignment to a firm here in Manhattan."

As it turned out, Marquis Jet decided not to use the campaign developed on the show. But the exposure itself was enough to double the company's sales leads. Daily traffic at the Marquis web site leaped from 1,500 to 20,000

on the day the episode aired. In an unexpected bonus, Marquis received hundreds of unsolicited proposals for ad campaigns.

The episode proved so popular that Marquis Jet was invited back for prominent roles in three more episodes of *The Apprentice*, including the two-hour season finale.



*“The Apprentice was a spectacular infomercial for us, in prime time,”* says Bill Allard, CEO of Marquis Jet. *“Participating in the show was a risk worth taking.”*

### **Finding the Sweet Spot**

Like *Who’s Calling*, Marquis Jet experienced phenomenal growth in its first three years. The company now serves more than 2,000 clients and generates more than \$300 million in annual revenue. In 2004, the *Robb Report* included Marquis Jet on its “Best of the Best” list. Marquis Jet also received the Flight International Aerospace Industry Award held in Singapore for great achievements in business/corporate aviation, and *Business Traveler* magazine hailed Marquis for offering the industry’s best private jet card program.

Despite their quick climb to the stratosphere, the Marquis team feels driven to provide incomparably superior service to their customers, whom they refer to as “owners.”

At Marquis Jet, bravery is a cherished virtue, especially when it's required to fulfill a customer's special or unusual need. The Marquis Jet staff often coordinates car services to bring a client's friends or relatives to the airport. They'll stock up on each child's preferred snack, track down the family canine's dog biscuit, or find a kid-friendly movie on DVD.

"When someone is paying \$5,000 or more to fly on their own jet, any issue is a big issue," explains Ken Dichter. "We have to respond immediately, within minutes. All of our customers know they can call us at home—and some really do. They all know we will do whatever it takes to make them happy."

Even after Marquis Jet has satisfied the whims and wants of its pampered clientele, the company's founders and 70 employees remain vigilant. "We can't relax, we can't sit back and we can never be satisfied," says Ken Austin. "We're too passionate about our work here. And to be honest, we're paranoid—in a healthy way. We go to bed every night expecting to read something in tomorrow's *Wall Street Journal* that will turn everything upside down and create a bunch of new opportunities for us."

Speaking of new opportunities, you never know when one is going to bubble to the surface. We'll end our first chapter with a story about a visionary whose business is literally in his blood—and maybe occasionally in yours, too!

## **Brewing Up a New Business**

What a foolish waste of time! That's what his dad thought when Jim Koch formed The Boston Beer Company in 1984. Jim's father, Charles, was a fifth-generation brewer who had left the business decades earlier when the large national brewers began swallowing up small regional breweries across the country. Young Jim Koch had seen his father's disappointment on a daily basis.

Instead of entering the beer business like his father, Jim enrolled at Harvard College, where he earned a bachelor's degree in government. He was the first Koch son in 150 years not to become a brewer.

During a hiatus from his studies, Jim joined Outward Bound as a mountaineering instructor. He spent three years on the mountains before returning to Harvard, where he earned simultaneous graduate degrees in business administration and law. He joined the Boston Consulting Group in 1978 and began a successful six-year career advising the CEOs of Fortune 500 companies on business matters. But eventually the beer business beckoned.

Here's the way Jim describes it in his company bio: "My father went crazy when I told him I wanted to start my own brewery. 'We've spent 20 years trying to get the brew smell out of our clothes,' he said. I eventually came to believe that it wasn't in the clothes, it was in the blood.

My dad shook his head, but at some level, he must have liked the idea, because he became my first investor.”

Jim’s father listened and finally went up to the attic of the family home to dig out his old beer recipes. He gave a favorite to his son, one that dated back to Jim’s great-great-grandfather, Louis Koch, who in the 1870s brewed a beer named Louis Koch Lager at his brewery in St. Louis, Missouri. This recipe became the flagship beer of The Boston Beer Company, Samuel Adams Boston Lager.

With the recipe in hand, Jim began home brewing in his kitchen. He liked what he brewed. It tasted great. His secretary at Boston Consulting Group, Rhonda Kallman, who became Jim’s partner and vice president of sales and marketing, liked the beer. Now they needed to sell the beer.

## **Six-Pack Briefcase**

Selling an unknown beer wasn’t easy. Beer distributors were completely uninterested in Jim’s beer, so he took to the streets. He and Rhonda sold Samuel Adams Boston Lager door-to-door to bartenders and restaurant managers in the Boston area. They believed in their product.

“I had six cold beers in unlabelled bottles and chill packs in my old consulting briefcase,” recalls Jim.



“I learned something on the job they never taught me in business school: how to sell. I realized that selling is the heart of any business.”

Initially, the idea of selling frightened him. He didn't like selling, but he had no money to hire a sales staff. So he screwed up his courage, put on his best suit, and sold his beer. He remembers the bar manager at one bar looking at him suspiciously before he convinced him to taste the beer. The reaction from the bar manager was an order of 25 cases. Jim knew he needed about 30 accounts to get The Boston Beer Company going. He had only 29 more to go.

## **The Boston Beer Company Today**

Today, The Boston Beer Company, which issued an initial public offering (IPO) in 1995, is the leading craft brewer in the nation. The company is also the sixth largest brewer in the United States, selling about 1.2 million barrels of beer a year.

In 2003, The Boston Beer Company's net income was \$10.6 million and the company's net revenue was \$207.9 million. It has 280 employees and sells its beers in all 50 states, plus Canada, Asia, Australia, and Europe—20 countries altogether.

There are currently 20 beers in The Boston Beer Com-

pany portfolio, which has won over 650 awards internationally since 1985. In addition to beer, The Boston Beer Company also makes and sells Hard Core ciders and several Twisted Tea products.

The Boston Beer Company has been named by *Boston* magazine as one of the best companies to work for and by *The Princeton Review* as a company with one of the best entry-level jobs. Jim was named an Entrepreneur of the Year by *Inc.* magazine in 1995.

## Crucial Innovations

Like the entrepreneurs we've just met, Jim sees innovation as the lifeblood of a successful business.

"You can't succeed without coming up with ways to do things better," says Jim. "It doesn't have to be a new microchip or a new way to surf the Web, but you have to be able to see and do things differently. You need the ability to see things as they really are, as opposed to looking at things as paradigms and ambiguities that confuse you."

A crucial innovation at The Boston Beer Company was how Jim decided to brew his beer—not the actual technical process of brewing, but *where* it was brewed. Jim decided that the company would contract out its brewing.



“The old pathway for starting a small microbrewery,” says Jim, “was to find some old, almost broken-down brewing or dairy equipment and bottling line and get some of your buddies together to learn how to weld and build a brewery. I found that model an unacceptable way to make beer, especially if you have any respect for quality.”

Jim spent a week in 1983 working at one of the first microbreweries on the East Coast, now long out of business. It was his experience there that convinced him *not* to build his own brewery. “You only occasionally get a good batch of beer this way,” says Jim. “Too often you get bad, infected beer.”

This was unacceptable for Jim. “My mission was to make great beer, every time. I knew that there were established regional breweries in the country that had world-class quality standards and excess capacity where I could contract space and make my beer from my recipe.”

Jim believes that the reason for The Boston Beer Company’s success is consistency. “It was the first craft beer to which consumers could be brand loyal because they knew that every glass would taste the same and taste great,” says Jim.

Jim did eventually purchase two breweries, one in Boston and one in Cincinnati, but only after he was certain they could maintain the highest standards of quality



from batch to batch. Those two breweries account for about half the company's beer. The rest is still brewed under the contract system Jim envisioned when he started up the company.

## **The Best Days**

Jim says that one of the two best days of his life at The Boston Beer Company was April 8, 1985. "That was the day I tasted the first absolutely perfect batch of Samuel Adams Boston Lager," recalls Jim. "Before then, I had home brewed in my kitchen and then brewed a batch at the facilities at the University of California, Davis (a university widely praised for its wine and beer fermentation program). This first perfect batch was brewed at Pittsburgh Brewing."

Jim adds, "I remember saying, 'Wow! This is really great beer and something good is going to happen.' "

His other great day came two months later in Colorado at the Great American Beer Festival (GABF), the largest and most prestigious consumer beer festival in the United States. Samuel Adams Boston Lager won first prize in the Consumer Preference Poll at the festival. Best of all, Jim's father was right there.

"My dad had flown to the festival to help me pour the

beer. When it was announced we had won, hundreds of people started to flock to our table to taste my family's beer. I caught a glimpse of my father, who was literally being swept aside by the crowd. He was standing there, just shaking his head and smiling.”

## **Long Shot World Homebrew Contest**

Twenty years ago, “the line between microbrewing and home brewing was almost invisible,” says Jim. Since then, a chasm has opened between professional craft brewers and the home brewers. Jim feels that's a shame, because each community of brewers has knowledge to offer the other.

In 1996 and 1997, The Boston Beer Company sponsored the Long Shot World Homebrew Contest. Jim's idea was to search for the best home brews in three beer style categories, brew them professionally, and distribute them.

The name “Long Shot” came to Jim and his brewers as they looked at the cooler where the first year's entries were stored. They realized what a long shot it would be for a home brewer to have a beer that he or she probably made in the kitchen distributed nationally.

The contest was a perfect marriage of skills, recalls Jim. It combined home brewing knowledge with Jim's ability to take an original recipe brewed in someone's home, reproduce it faithfully in a larger facility, and then

bring it to market. The contest also served as a vivid reminder of the company's roots in home brewing.

## Liquid Lunches

In 2000 Jim launched a 10-city Liquid Lunch tour in which he pitted Samuel Adams beers against similar-style European beers. Three Samuel Adams beers and two locally crafted brews were matched one-on-one at each tasting against popular leading imported beers that were the same in style and class—lagers with lagers, pale ales with pale ales, and so on.



Jim began each Liquid Lunch session with a quick lesson on the basics of tasting good beer. He used rating forms and procedures developed by the American Homebrewers Association, in which the beers were scored according to appearance, aroma, flavor, mouth feel, and overall impression.

The Liquid Lunch tour, which took place during National Beer Month (also supported by The Boston Beer Company) was designed by Jim to “educate and enlighten beer drinkers about the wonders of fresh, well-made American beer.” Tour cities included Philadelphia, Minneapolis, Denver, San Diego, Los Angeles, San Francisco, New York, Atlanta, Baltimore, and Boston.

In 30 different blind taste tests, Samuel Adams came up the winner. But the real winner was The Boston Beer Company, which created a reservoir of goodwill for itself without spending a ton of money.

I'm impressed with the variety of ideas Jim came up with to promote his vision. I'm impressed that he was brave enough to act on them. I believe that Jim's success in business is based on his philosophy of picking a trail to blaze and then adopting the straightforward strategies to blaze that trail. As he says, "Getting to the top of a mountain is a simple undertaking. Brewing beer has a similar kind of simplicity."

I'll drink to that!



### **Snag the Ideas!**

Lonnie Benson loves to find good ideas and products and then make them even better. He isn't afraid to compete against larger or more established opponents, especially after he's identified their vulnerabilities. Here are some ideas for identifying and seizing new opportunities:

- 1** *Take a quick survey of your local market. See which businesses do the worst job of providing service to their customers. Find out which businesses in your*

*market charge their customers the most while offering the least. Think of a creative way to cut costs without sacrificing quality. Decide which of the competition's customers are most likely to defect, and make them an offer they can't refuse.*

**2** *Look outside your comfort zone for ideas.*

*Every month, Lonnie forces himself to read numerous publications that cover industries he isn't familiar with. He gets some of his best ideas from articles that have absolutely nothing to do with sales, marketing, or telecommunications.*

**3** *Make a list of local businesses that everyone talks about.*

*These are the guys you want to compete against or partner with. They obviously have a market for what they sell since they have enough customers to generate a buzz! Figure out a way to take better care of those customers at a reasonable price. Or find a way you can complement their business.*

**4** *Never stay discouraged.*

*Everyone else gets discouraged and that's why so many people never actually start new ventures. Don't be afraid to compete and to fail. You can't win unless you're willing to play the game and lose once in a while. Learn from every mistake. Lonnie has started several businesses that went nowhere. A friend of ours, Chase Fraser, had an*

*idea for a company that specialized in innovative survey and e-mail marketing campaigns. When he first started raising money for his new company, the first person he pitched was Mark Serif, one of the co-founders of America Online (AOL). Understandably, he was nervous. He went through the pitch, and Mark listened patiently—and then shot his idea full of holes. “I left the meeting very dejected, and for the briefest of moments, I felt like throwing in the towel,” says Chase. “Instead, I went home, learned from what I did wrong the first time, improved my approach, and made my second pitch a few days later—then my third and fourth. Eventually, the original failed pitch resulted in attracting capital from nine investors. Today my company, MarketQuiz, isn’t just a dream—it’s a reality.”*

*Remember this: When you start hitting home runs, everyone forgets about the times you struck out. They talk about your .350 batting average, not your 650 strikeouts. Look at each strikeout or failure as bringing you one step closer to a home run.*