

## CHAPTER 1

# The Reality of Being an Entrepreneur

“We overcome, we adapt, we figure things out, we persevere. This is the life we choose.”

—MICHAEL ALDEN

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One of my businesses that I learned the most from was Zeus Juice, the alcoholic freeze pop business. After years of research and planning, the product became a reality. I was finally making my freeze pops on Nantucket at a small distillery. I had a five million dollar machine that made the pops shipped to the island. It was quite a sight, taking up half of the warehouse space at the distillery. They were not happy about that. But after it was installed in early June, we began producing. I had already presold a bunch of product and I was pretty much out of cash. I had one of my brothers and my father there to help me with production. It was such a proud moment to see these alcoholic freeze pops flying off the production line and going into cases. After a couple hours, however, we had some challenges.

The most glaring challenge was that the product, which contained liquid, leaked. Well, some of them did. We had no option for sealing these packages ourselves, so we just ran as many pops as we could, and slowly, one by one, we inspected and cleaned them, then packed them into the cases. We were there for a week, and we stayed up the whole night on the last day to finish all the product we needed. At last, we loaded up the van to head back to the mainland. As soon as we got in the van, I knew we had a problem: there was a very strong smell of alcohol. Our quality control had failed to recognize microscopic leaks in the freeze pops and thousands of them were leaking. What was I to do? I was broke, had orders to generate cash, but had no cash to run more product. Well, what I did next is what entrepreneurs do: we figure it out.

### DO IT AGAIN

When I arrived at my apartment, the cases had already started to collapse due to the leaking. I enlisted friends and relatives to help me inspect and clean the product again. We bought a couple of kiddie pools and filled them up with water and freeze pops. We tossed the bad ones and cleaned the good ones. But I knew I couldn't be sure if the leaker problem was solved. I decided to start freezing them. My initial plan had been to deliver the pops unfrozen so that consumers could take them home to freeze, but if they leaked that would never happen. So, for my first order I scraped up enough money to buy a small freezer, and I delivered the product already frozen with the freezer. The stores for the most part didn't care and kind of liked having a freezer in the store. Some stores even let me put product in their ice freezers. All that summer, that's what I did basically every day. I spent my early mornings cleaning, packing, and freezing, my days selling, and my nights promoting. By the end of the summer I knew it wasn't going to work anymore. We also had thousands of dollars of liquor and unfilled freeze pops sitting at the distillery, which wanted the machine out of their facility. They figured out that they could run the machine so that the pops came out all connected, like sausages, and they didn't leak. They ran the remaining product this way—long strips connected six wide by eight long—then boxed it up and sent it to a warehouse where I had rented space. I hadn't given up, but it was the end of the summer and I was still in law school and needed to finish, so I shelved the project.

### ONE BIG ORDER

Another year had passed and I was in my final year of law school, but I had close to a hundred thousand alcoholic freeze pops sitting in a warehouse. In the previous year, I had sold them for a dollar

each. During the fall, winter, and spring I searched for a distributor to pick up the product in Massachusetts. I was sending out samples when I had a few extra dollars to spare. Dozens of distributors said no, until one day one unexpectedly said yes. A distributor in Leominster, Massachusetts, called me back and set up a meeting with the owner, Jay. I figured out a way to get gas money, and came up with a plan to drive about an hour and a half to a place I honestly had never been before. Jay was a big guy wearing a velour jumpsuit, with a giant gold Star of David hanging from an equally large gold necklace. He welcomed me with open arms, and gave me a hug like I was his son. We sat down and discussed Zeus Juice. He asked how many flavors we had, and I said five but that we only had four in stock. He then asked me how many cases on a pallet. I had no idea. I instinctively said fifty. He said he would take four pallets. Now here was the challenge. I had no way to deliver the pops in their current form, and I had no retail packaging. When I was selling them the summer prior, they were literally in a plastic bag with a bar code sticker so that stores could ring them up. When I first started I hadn't thought through retail packaging, as I was only focused on bars and nightclubs. Jay told me he would pick up in two days. I almost threw up. I said I needed two weeks. Now, I was broke, I owed people money, and I had an order for \$20,000. I was going to figure it out. That's what entrepreneurs do.

### **WHAT NEXT?**

With no money, now in my last year of law school and a month before graduation, I had a chance to make a little money and pay off some debt. I had no car, no credit, no money, and barely enough food to live on. I was actually living on out-of-date Zone Bars. The Zone Diet Company was located in a building where I also had a part-time job. I had heard that they tossed their inventory that was out-of-date or slightly outside their weight requirements.

Every week I would go there to ask for their irregular bars, and they would gladly give me boxes of them. I ate them for breakfast, lunch, and dinner during this time.

With a large order that needed to be fulfilled, I reached out to friends, relatives, and neighbors. I borrowed a friend's car that not only had an expired inspection sticker and was unregistered, but the brakes were gone. A buddy who had been with me from the beginning of Zeus Juice asked his mom to give us gas money and some cold cuts to feed our helpers. The warehouse that was holding the Zeus Juice, to which I owed almost \$3,000, allowed me to use their space so we could get the order ready. See, I owed them money, and they had my product. But it was worthless to them, and they were willing to help me so that they could get paid. In Chapter 9 I discuss debt and how to use it properly. I recruited my mom, my cousins, and my friends, who all agreed to help for nothing. Every day we went to the warehouse and hand-cut the freeze pops with scissors, then hand-sealed each and every one. When the day was done, we put them in baggies and let them sit overnight. The next morning, if there were leakers, we could find the source and localize the leak per baggie of ten, so that we wouldn't lose a whole case. It was a great morning when we didn't have leakers. It took us two weeks, ten to twelve hours a day, to get the order prepared. Finally, we were ready. I called Jay and scheduled the pick-up. We had four pallets ready to go. He sent his truck to pick up. His driver was getting ready to load the pallets when something unexpected happened. The warehouse refused to release the product without a check. A cashier's check. It was over—well, to some it was. I got ahold of the owner and promised him I would have the check to him by the end of the day. As collateral, I left him the only thing I had remaining: my friend's car! My buddy borrowed his mother's car. We drove to Jay's office to pick up the check for \$20,000 and then couldn't get to the bank fast enough. Guess what? Another obstacle. The bank wouldn't just

cash the check; it had to clear. I had promised the warehouse their check on that same day. I asked the bank to photocopy the check that we had deposited. I brought the copy to the warehouse and told the owner I would get him his check in a couple days. The deposit cleared, he got his check, some debt was paid, and I paid my buddy, I took about \$500—and then a few months later I still had to declare bankruptcy. What’s the point of this short story? I faced constant struggles, from being broke to not having transportation, to figuring out how to get there, to overcoming constant daily challenges. This is the daily life of an entrepreneur. As I type today, I have already put out fires with one of my businesses and it’s only ten o’clock in the morning. This is the life. We overcome, we adapt, we figure things out, we persevere. This is the life we choose. It is rewarding, demanding, and sometimes devastating, but it’s worth it.

### **WHAT ALLOWS ME TO SLEEP AT NIGHT**

Despite business challenges and financial strains on some of my businesses, we have built a solid foundation. Building a long-term sustainable business that will survive for years, regardless of changes in the economy or business climate, is the “secret” to sanity for any entrepreneur. When you spend over \$100 million to advertise products and services, as I have over the years, it should mean that whatever it is you are advertising has value to others. That is exactly what I have done over the years. I’ve built brands that add value to others. I’m advertising products and services that work and that people like and will continue to buy, so long as we are there to sell to them. Throughout this book I will discuss many of these products and the ups and downs. These real world stories will hopefully help you build your business and brand.

Stress—both personal and business—is what causes people to literally lose sleep. I have lost countless hours of sleep, suffered panic attacks and even bouts of depression, all due to the stress that comes with being an entrepreneur. It is an awesome responsibility when you have employees and people who count on you. But one thing that only you as the business owner can appreciate is the fact that ultimately you are responsible for everything and everyone. If things collapse, you will be the only one who really has to answer to your employees, your family, your friends, your partners, and your customers. No one else really has to answer. Because of the foundation I have built, this awesome responsibility that I have bestowed upon myself because of the life I've chosen is less daunting when I think about what it really means.

Tips in business that will allow you to sleep better:

1. Offer a great product or service that works.
2. Offer great customer service.
3. Improve when you can.
4. Look into the future.
5. Prepare for the future.
6. Respect the responsibility of being an entrepreneur.

### WHO GETS PAID?

When building your business, you need to fully appreciate what I am saying. Understand that even though you are the only one who ultimately has to answer if things don't work, there are many other people involved. In *Rich Dad, Poor Dad*, Robert Kiyosaki tells people that they need to pay themselves first, and I respect



that philosophy. But true entrepreneurs pay others first, especially those in your organization. True entrepreneurs sacrifice and barely make it in order to pay themselves later. Building a foundation over time allows you to sleep much better later, knowing that you have a solid business and product. One part of Kiyosaki's ideal that I fully appreciate is that at some point you must take care of yourself. Without you, the business would most likely never have started. You do have to ensure that you and your family will be protected. Sacrifice is a part of being an entrepreneur, but make sure when you are sacrificing that you are in fact building a foundation for the future.

If you're willing to make the sacrifice, this book is for you. Turn the page to take the leap and get started.

