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# SO YOU WANT TO BE AN ENTREPRENEUR?

*You're plainly interested in the topic of entrepreneurship, and I'm going to assume that you're thinking of becoming an entrepreneur and starting up a business. In this chapter you'll get my ideas on:*

- What an entrepreneur is
- The real benefits of being an entrepreneur
- The main attributes of an entrepreneur and how to test if you've got them
- The downside of going into business on your own
- The fact that, if you really want to be an entrepreneur, you've got to do something about it now

## **SO, WHAT IS AN ENTREPRENEUR?**

Are entrepreneurs born, not made? To be honest, I've changed my mind on this. I used to think that entrepreneurship's an innate talent and that if you hadn't discovered it and done something about it by the time you left school you probably didn't have it; but now I think that's wrong. Why? Well, mostly because of all the people I've met during the *Risking It All* TV series where a number of people sold up their assets or borrowed money to start premises-based business like pubs and hairdressers. Many of these people have very good entrepreneurial skills, some of them far better than their basic business

skills (a fact that can be a bit worrying), and yet many of them didn't make the decision to exploit these skills until they were 35 or older. Somehow we're stifling a lot of entrepreneurial talent, and for us as consumers – who could be getting a better service – and as a country, we're poorer as a result. However, the fact that over two million people a week watched *Risking It All* is a sign that there is a growing interest in people who want to start up their own business.

So, here's my new view: it is most unfortunate that entrepreneurialism is considered, in Britain at least, as being on the edge of respectability. Think about the archetypal entrepreneurs you get in many TV series, like Del Boy in *Only Fools and Horses*, Mike Baldwin in *Coronation Street* and Arthur Daley in *Minder*, and you'll see what I mean. What they have in common is that they are looking for an easy way to make a lot of money and don't really mind how far they stretch the truth or approach the limits of legality to get it.

Now think about the image of real-life entrepreneurs. There's the Richard Branson type. With very little formal education, he's a highly colourful man, full of energy and loads of self-confidence. He's extremely successful in business, building the image of his companies around his terrific ability to attract publicity and come over very well in the media. Now, if that's what it takes to be an entrepreneur, most of us couldn't do it and, because of that, many of us are put off trying. Certainly, many of the people on *Risking It All* were not highly educated – and not shy of publicity, of course – but they couldn't do it the Branson way. What's more, they have perhaps discovered and developed entrepreneurial skills quite late in life.

Take another stereotype – the dour, hard person keeping their underlings in fear, taking tough decisions and basically not caring a hoot if the whole world hates them as long as they are building successful enterprises. People literally tremble with fear when they see

that person's car in the car park and know that they're in the office. You can hear it in the way these tough types speak. They use phrases like, 'If you can't identify the problem, then quite simply you are the problem' and 'If you f\*\*\* up again, I'm going to get upset.' They don't really want talented people around them who can think for themselves and ignore what the 'dear leader' is telling them to do. Indeed, they tend to fire anyone who gets a bit too pushy or ambitious. (I could name some, but the lawyers would prefer me to assume that you know who I mean.) I just cannot do it that way and neither can many other successful entrepreneurs. This hard-as-nails, hateful dictator is, however, just another popular stereotype that can put us off the entrepreneurial species and make us feel that we can't do it ourselves.

In fact, there is no model for an entrepreneur: we come in all shapes and sizes and, although we have some traits in common, how we go about building our businesses depends on our individual personality, education and, most importantly, the way we relate to people.

In some ways it's a pity that Branson's lack of formal education is such a highly touted fact (however true or false it is), because, again in my experience, education is a great thing for entrepreneurs, as well as everyone else. As you'll see, I believe in getting as much knowledge and experience of business as you possibly can before you jump off the high board of your first enterprise.

Come to think of it, there's another reason why so many people come to entrepreneurship late. I think the education system itself is partly to blame. Schools have little if anything to do with entrepreneurship training. There are no exams in being an entrepreneur, because there are no courses in it. Unlike becoming a solicitor or an accountant, there is no career path for the entrepreneur, so the careers

teachers don't have it on their list. There's just no reference at school to being the boss of your own business. So we're not encouraged to become entrepreneurs at school and in many cases we're discouraged by teachers – 'Oh, it's a terrible risk, don't touch it, you'll probably fail, you'll never have a pension and you'll end up a hard and nasty person.' Attitudes like that can sap your energy and your confidence and, as we will see, you need the opposite of that: you need a very high level of confidence to make a new business work. All in all, I think most of us are conditioned by the time we leave school to believe that we can't actually get out there, start up a business and be a successful entrepreneur.

So we need to add entrepreneurship to the curriculum in schools and universities. Incidentally, there is some movement in this direction within the education system: at Brighton University there are entrepreneur workshops, which is, at least, a sign of progress (so I'll get off my soap box now).

Mind you, there's plenty of good advice around too. If you're thinking of becoming an entrepreneur, it can be extremely useful to go and get a bit of experience in a big company, before you think about the great leap of setting up your own business. You can learn a lot by working in an established business, and it needn't take a long time. In fact, you should see getting some experience as part of the educational process of becoming an entrepreneur and I would advise you to do it. For instance, even four or five months working in a restaurant kitchen will help you take a massive step forward in learning about logistics, the key health and safety rules and so on.

Try to spend time with more than one company and choose ones that you respect. If you're going to open a coffee shop, get a serving job at Starbucks. You may not like the mega-chain if you're going to set up an individual specialized shop yourself, but you can learn loads

from Starbucks' years of experience. Basically, the company's paying you to train for the time when you start up your own business. One of the many surprises I've had when talking to new entrepreneurs is that they're happy to jump into a new industry without finding out much about it. A bit of experience is absolutely crucial. In fact, it could be your first step towards setting up the business of your dreams: take a weekend job in any role at all in the sort of business you're interested in starting; you'll learn buckets – yes, even at McDonald's. And there's a second advantage to that plan. Weekends are the times when you spend money that you don't have to spend, on shopping and partying, for instance, so the evening and weekend job gets you to save money and live frugally, a very good habit to get into before you go it alone.

**SUGGESTION BOX**

You not only need experience in working in the type of business you're going to set up, you also need knowledge of what it's like to be an entrepreneur. Get into the habit of speaking to the people who run the businesses that you go into as a matter of course. Ask them how their business is going; most people are delighted to talk about their own business, and answer questions about how they set it up and what they've learnt along the way.

The strange paradox is this: in one important way, the best time to set up a business is when you are young and don't have any dependants. The risk of wrecking your life, or other people's lives, is at its lowest at that point. If you leave it until you're in your mid-30s, you're going out on your own when you've got a mortgage and probably a partner. There will only be one income for a few years when the kids come along and this all adds to the lifestyle risk of starting a business;

and when it's a bigger risk, guess what? It's easier to say no. The fear factor is the biggest stopper of budding entrepreneurs and in many cases that's quite right too. You should be scared, because it's a big risk.

I think there's another reason many people lack the confidence to have a go, and that's the fact that some of us are rather reluctant to say that one of the biggest motivations for starting up in business is to make money. Most entrepreneurs are passionate about their businesses – they really feel that they are going to make a difference – but if you scratch the surface of this passion, they also want to make money. I discovered this on several occasions in the *Risking It All series*. A lot of couples expressed their dream of offering a service second to none, a step forward in the public's awareness of the way ahead in eating or hairdressing experiences and so on, but all of them eventually admit that money is a huge motivator. And why not? If it were not for the money motivation, we wouldn't have half the innovative ideas that make modern life just that bit easier and more enjoyable.

I don't want to put anyone off starting up a business, but I know some people are not going to like what I'm about to say. For some people setting out on their own is a dream that will always remain just that – a dream. 'It's better to travel than to arrive,' is their slogan. You know that one of Bart Simpson's catchphrases is 'I'll do it in the afternoon.' Well, the catchphrase of the entrepreneurial dreamer is 'I'll do it next year.' They tell everyone that they are seriously thinking about starting a business. They can accept the fact that their career has stalled this year by promising themselves a new one in their own business next year. Next year is always so comfortably in the future that it lets you off the hook of doing anything now. And that's why most people never achieve their dreams.

I believe in the catchphrase 'I'll do it now.' Here's how it works. Everyone who is thinking about setting up a business is going to face a lot of problems, obstacles and barriers: fact. If you don't start dealing with these barriers, you're never going to get off the ground. 'So,' say the dreamers, 'I've got a brilliant idea and I would go on my own if I had the money, and the kids had finished school, and we hadn't just moved into a new house, and we didn't need a new stair carpet and the cat hadn't died ...' So this chapter carries a challenge. After you've read it you're going to decide on the first step you need to take to start up your own business and you're going to schedule to do it within the next 24 hours.

**WARNING: THINGS TO WATCH OUT FOR**

I've learnt not to allow stress in a difficult situation to swamp me and prevent me taking action quickly. I like the expression: 'If you have to eat an elephant, start by eating its tail.' To me it suggests that when you are facing a big problem or a complex project, work out the first thing to be done and get on with it. I am a great user of lists. I have action lists for myself and a note of the activity lists for the key people in the whole business; indeed, all my plans are based on action lists. If you don't dither, you'll probably make progress; even if you do the wrong thing first, being in action will almost certainly help you to know what to do next.

**THE REAL BENEFITS OF PRACTICAL ENTREPRENEURSHIP**

The first benefit is the immense enjoyment that all entrepreneurs experience through the process of spotting opportunities. It's very exciting to have an idea, make a plan and then carry it through. Making something happen that would never have happened if you had not started the ball rolling and driven it along is exciting and fulfilling. 'I love it when a good plan comes together' was the



catchphrase of the A-Team and is not a bad one for explaining the first benefit of being an entrepreneur. (That's the end of the catchphrases, I promise.)

The next benefit is definitely lifestyle. The owner of a business has to work very hard to make the business a success, but mainly it's quite enjoyable hard work with the ultimate goal of making a lot of money – and that really does keep entrepreneurs going. You're making money out of other people's hard work as well, which is a whole lot nicer than someone making money out of yours. And when you've made the business a success, you have a huge amount of freedom to do what you want. You can take a lump of time off to do the travelling that you've always dreamed of, spend more time with your family or whatever turns you on. After all, there's no one to tell you when to work or what to do.

And then there's the benefit of the business itself. You said you could run a better bar/hairdressers/restaurant/consultancy than anyone else and you've proved it. Your passion for the business has spread to your customers and staff. I enjoy looking at lots of businesses and working out if I could improve on them. If I feel I can, I've got another potential opportunity.

The difference between an entrepreneur and a business manager can be illustrated in many ways, but I think the best illustration is that business managers tend to accept the world as it is, even when the current situation is complete madness. Here's an example. A friend of mine is a business consultant. He works completely on his own and has done for many years. His forte is to go into businesses and get the senior management to go through a process whereby they themselves produce a strategy for their business. His unique selling proposition is that unlike other consultancies he doesn't pretend to know what that strategy should be; he merely keeps the planning teams to

a well-defined process that delivers a strategy that the team has totally bought into.

He got a job with a European electricity supplier of the old school. It was a state-owned industry both generating and distributing electricity. The problem was for the two arms, generating and distribution, to come up with a strategic plan that would enable them eventually to be sold off. My mate took his process into the electricity-generating side and helped produce plans for two of the generating stations. It was a big success and the senior managers decided they wanted to expand the process into the rest of the 30 or so power stations. They asked my friend for a quotation and he put in as high a quote as he thought he could justify – £100,000 – on the reasonable grounds that it made no sense whatever to use a different process for the rest of the stations. The quotation, however, hit a bureaucratic snag: a director could not sign off such a sum without having to go through a complex tendering process devised by the purchasing department. My friend and a major billion-pound-turnover consultancy were invited to bid. Again, my friend put in his top-price quote.

Later in the process, which had absorbed a lot of management time and expense, he got a call from his main contact who was in some distress. 'You'll have to do something about your price.'

My mate was taken aback, thinking that he had overcooked his fee through his certainty that he would get the business. 'Well, I suppose I could have another look at it,' he stumbled.

'Yes,' said the manager, 'couldn't you make it more of a team effort and bring someone else in?'

'But that would make it even more expensive,' said the consultant.

'Exactly,' said his contact, 'Your competitor has come in with a price of £250,000 and if I try to go with your price the purchasing

department will laugh at me, saying that it's not possible that a major consultancy had to charge that much when a one-man band could do it for £100,000.'

My mate accepted the challenge, introduced some more people, got close to the competitive price and got the business.

This is straightforward madness. The large company had cost itself a huge amount of money by tendering and then paying much more than it needed to for the service. Why? Because the people dealing with the problem from the electricity side were business managers, not entrepreneurs. An entrepreneurial attitude would never have let this happen. They would never have accepted the tender process in the first place. Somehow they would have got round the purchasing department; but if they'd lost that battle, they would never had got the quotation raised in the way that occurred. On the contrary, they would have got my mate's quote down to a level that he still found satisfactory but was a good bit less than his first bid. The savings to the organization would have been in the region of £40,000 for the cost of the tendering exercise and the lower price. And things like this happen in large organizations every day. Here is the practical benefit of the entrepreneurial spirit: internal entrepreneurs would have relished taking on the purchasing department and winning, and they would have felt a sense of accomplishment when they got the final bid down by, say, 10%. The business manager, on the other hand, was under stress and being bullied by the purchasing department. He had neither the motivation nor the confidence to change the way the world was working.

Here's another angle on the same thing. A man who had risen to the top of a FTSE 100 company was asked the secret of his success. It's interesting to note that he replied that he didn't know, but that he had noticed that when he moved on in the organization, the job

he had been doing was always abolished. This means that he never accepted the status quo. He changed the organization to meet its real needs as opposed to the out-of-date picture of the needs of years ago. The reason everything was out of kilter is that non-entrepreneurs had simply accepted how things were and had tried to change nothing.

So, if you're in a large organization right now, look around and see this type of bureaucratic nonsense and political infighting. If it makes you feel that you'd rather be in an organization that is run for the maximum benefit of the customers, the staff and the owners, then you understand the benefit of being your own person.

Lots of people want to start their own business because they hate the job they're in and can't stand the thought of still being there until they get their gold watch. That's not a bad reason, but it's a negative reason. It's more likely that you will succeed if, as well as wanting to move on, you appreciate the benefits of enjoying the challenge of new opportunities and taking risks. If you want to make a difference, there's no better way than doing it yourself.

**SUGGESTION BOX**

You can get a bit of practice at being an entrepreneur instead of a business manager by taking on the organization at any point where what is happening is actually damaging performance. For example, if you are running your own profit and loss account or budget, and are limited to buying a service from an internal department at prices determined centrally, challenge this. If you know that you could get a better service from an IT source different from your own in-house department, get a quotation and then make a fuss with your boss and the IT department. Aim either to go outside for the service or to get the internal price reduced. After all, you'll make a better return on the increase in your budget than any IT department over-reliant on its captive customer base and getting fat on that.



## THE MAIN ATTRIBUTES OF AN ENTREPRENEUR

A sure sign that you are a potential entrepreneur is shown in your attitude to businesses that you have dealings with, either as a customer or through your working life. I get really restless when I see something being done badly or even not as well as it could be. Perhaps you go in to have your hair cut and simply become aware of the fact that the whole experience could be much better. Perhaps you notice the unsavoury sight of cut hair lying unswept on the floor, or you are ignored by the person at reception even when the time for your appointment has passed. Perhaps your observations have a more positive slant. You feel that although there are grooming products and cosmetics on the shelves, no one ever asks you if you want to talk about them or explains their benefits or suggests you might like to buy them. Perhaps it's the strategy and objectives in this hairdressing business that seem wrong – why are there still only two stylists when there have been four workstations for all the years you've been coming in? If, like me, you think frequently that you could do better than the people you're dealing with, then you've got one vital attribute of the entrepreneur at least. Don't be held back by feeling that it's not your place to get on and turn your observations into business reality.

There's a lot of selling to do. Entrepreneurs spend a lot of time persuading people to do things that they wouldn't otherwise do. Apart from your customers, you're also selling to your bankers so that they come up with whatever facilities you think you need. This is always harder when there's a recession on. You're selling to your suppliers as well – why should they give you better discounts, what's in it for them if you do a joint promotion, why should they lend you money to expand your business and give you 60 days to pay your bills? In a way you're selling to your staff too. You want them to do



the job in a certain way, and you have to show what's in it for them if they do.

In fact, I've always found a close relationship between the attitude, skills and activities of salespeople and entrepreneurs. Now, you may not have much experience with entrepreneurs, but all of you will have spent time talking to and being sold to by salespeople. You know the stereotype: 'What do you do when you've shaken hands with a salesperson? Count your fingers.' From our experiences with poor salespeople many of us will take a sceptical attitude towards all of them. This puts up a barrier that the salesperson has to overcome if they are to make progress.

Indeed, many organizations fear their own salespeople. They seem to be young for the money they can make, and often only come to the attention of the rest of the company if something has gone wrong and, for example, a company is spending time and money trying to deliver a salesperson's promises. We need to remove this fear and replace it with a wary respect for the salespeople doing the front-line job, whether it's a waiter in a restaurant or a person involved in selling catering services to large organizations. There is a cultural point here, with the USA having gone further down the line in this regard than Europe; indeed, my comparison with salespeople and entrepreneurs is borne out by this phenomenon – Americans love entrepreneurs and salespeople, while Europeans are still massively suspicious.

So, what can we entrepreneurs learn from the job of selling? Well, salespeople can be divided into 'hunters' and 'farmers'. Hunting is about bringing in new customers, whereas farming is about increasing the amount and type of business you do with your existing customers.

For hunters, the main requirements for success are persistence and the ability to take knocks. Their job demands that they make

approaches – by telephone or in person – to complete strangers who may be unaware of the benefits on offer and who are frequently antagonistic to such unsolicited contact. You'll certainly experience some of this hostility when you're out on the street trying to interest people in your new enterprise.

Hunters generally work quickly and have short attention spans. They will usually feel very dissatisfied if any complications arise – whether with the product they are selling, or with decision-making processes somewhere along the line – that interfere with the closure of a sale. They are opportunists, and in most cases will need some kind of monitoring to make sure that the product they are selling is suitable for the purpose and fulfils the promises stated in their sales talk.

Some would say that it is the hunters who give salespeople a bad name and there is some truth in that. But the flip side is that they are also the people who make innovation possible and en masse bear a lot of responsibility for driving the dollar round in a growth economy.

The hunter is the salesperson who gets a high level of job satisfaction in receiving a first order from a new customer. A seller of reprographics expressed it in this way:

'You actually have to start by getting yourself invited into the buyer's office. Then you must convince a probable sceptic that what you are offering has benefits over continuing with the people he or she has previously done business with, perhaps for many years.

'Then you have to find a project, bid for it and win it. The great feeling is that you made it happen, and if you hadn't made the first move and then followed through, then that company would have remained loyal to its existing suppliers.'

The typical conversation of a hunter might go like this: 'I thought I'd do one more door' or 'I stitched him up in no time flat.' If you've worked alongside these people, you're likely to recall other phrases and sayings that you've overheard in coffee breaks and so on.

Many people find the prospect of doing the hunting job horrendous, but entrepreneurs who recognize the dependence of business on such people are themselves continuously selling, and encouraging their people to do the same.

Farmers, on the other hand, develop different but complementary skills to the hunter. They forge long-term relationships and build deep knowledge of their customers. A professional sales team selling computers, for example, might build such an extensive database of customer knowledge over the years that the customers themselves may envy it! The benefits to a company of professional farmers comes in terms of predictable orders, competitive intelligence, market changes and much more. Once again, the lesson for the entrepreneur is obvious. These salespeople study their customers and keep studying them as habits and desires change over the years.

Farmers need to know the results of market research and, of course, of actual sales. The more they know about how their market operates, the more able they are to make innovative proposals and achieve expanding sales targets. Every salesperson, however, has to have some of the hunter attributes. A good farmer who hates or claims to be bad at new business selling may be too slow to go for the order or not sufficiently assertive to win against the competition.

Now let's jump from the salesperson to the entrepreneur. As an entrepreneur there is a crucial balance of activity between hustling to get things done and farming for the long term. Observe closely the



salespeople you will talk to as you set up your business: you can learn a lot from them, in terms of how not to do it as well as how to do it. So being a good salesperson is one attribute of the entrepreneur. What else is there?

### **HAVE YOU GOT WHAT IT TAKES?**

As an entrepreneur you will need to be self-critical and a good listener, even when you're listening to bad news. You have to be able to evaluate feedback and act on activities that you need to change. You also need to be self-confident so that you can survive the knocks and persevere.

For example, we were turned down for a licensing application for a particular club, but had to persevere to keep on the plan. We had to be prepared to lobby the right councillors, reinstate the application and reapply. In the end, we not only got the licence but recovered the costs of the original application as well.

You need the sort of self-belief that makes you certain, not fairly sure, that you will do the job better than anyone else. In decision making, for example, I know that you're weighing up options and there is uncertainty in your mind about what you're going to do, but once you've made the decision, go for it like a demon, or an entrepreneur, possessed.

So how do you work out if you've got what it takes? 'Know thyself' was the motto above the oracle at Delphi and it's good advice. From the attributes people have discussed with me as important, and from my own experience, I have put together this simple self-assessment scheme to give a clear indication of whether or not you are a suitable case for joining the ranks of the small businessperson or entrepreneur. How well do the following attributes describe you?

Fill in as follows:

Answer the questions with: **1** Yes; **2** Mainly; **3** Not really; **4** No

I am a good listener:	<b>1 2 3 4</b>
I hate putting things off:	<b>1 2 3 4</b>
I tackle hard jobs before easy ones:	<b>1 2 3 4</b>
The family supports my decision to set up on my own:	<b>1 2 3 4</b>
I am ready to work all day, every day when necessary:	<b>1 2 3 4</b>
I have good self discipline:	<b>1 2 3 4</b>
I can sell:	<b>1 2 3 4</b>
I like selling:	<b>1 2 3 4</b>
I take calculated decisions confidently:	<b>1 2 3 4</b>
I deal well with stress:	<b>1 2 3 4</b>
I learn from my mistakes. I don't dwell on them and I don't let them knock my confidence:	<b>1 2 3 4</b>
I believe, in fact I'm certain I can go it alone:	<b>1 2 3 4</b>
I can motivate people:	<b>1 2 3 4</b>
I can think long term:	<b>1 2 3 4</b>
I can visualize how things will be when I am successful:	<b>1 2 3 4</b>
I finish activities even when I've had to overcome lots of knocks:	<b>1 2 3 4</b>
I can do without the trappings of big companies – For example kick off meetings, award ceremonies, company sponsorship and parties:	<b>1 2 3 4</b>
I like to be in control:	<b>1 2 3 4</b>
I prefer to work to a vision or an objective rather than just carry out tasks:	<b>1 2 3 4</b>
I understand the risks of going on my own:	<b>1 2 3 4</b>

Analysis – add up your score by totalling the numbers in the boxes you have marked.

- Score 70–80: You are not by your own estimation the type to go plunging in to a small entrepreneurial business.

- Score 50–70: Hmm. You have some of the traits of a plunger-in at the deep end, but have another look at the areas where you scored 3 or 4 and ask yourself if you could improve with practice. If the answer to that is yes, then have a go by all means but be prepared for a few sleepless nights.
- Score 30–50: Go on, go for it. You don't enjoy the big company that much, so think of the benefits of being an entrepreneur.
- Score 20–30: What are you waiting for, stupid? You are a natural. You should have done it years ago, so come on in, the water's terrifying.

Hang on, you have only done the easy part of 'Know thyself'. Now ask your nearest and dearest and then some trustworthy colleagues to agree or disagree with your own assessment.

I can't leave the topic of the attributes of an entrepreneur without emphasizing a point that feels like stating the bleeding obvious – use your common sense. When I look at some of the decisions that business people make, I'm sorry, but some of them are just plain stupid. I can't believe that anyone could have an expensive mid-town café premises with a passing trade of office workers going to work from 7.30 am, and not open it up until 10.00 am. But I've seen it done, cleverly, or stupidly, losing lucrative breakfast sales in premises that are already paid for. So much of entrepreneurship comes down to using your common sense.

### **Will it make a million?**

Look, let's be realistic. If your ambition is to buy a village post office, go through the training to become a postmaster or mistress and run the shop yourself, you're not going to make a million. It still may be a good idea, and it may give you the lifestyle you're looking for, but it is not a huge money-spinner that you

can sell to the likes of Wal-Mart for the thick edge of a billion pounds.

An idea that's going to make you a million is a bit different and, if that is your goal, you need to check out in the first place whether the idea is likely to really fly. The technical term is expandability. One retail outlet is unlikely to make you a million, so you need an idea that will expand into other outlets or, for example, into a franchise.

Think again of the hunter/farmer analogy. The hunter part of you is going to be dedicated to getting the business started and managing the first outlet. The farmer side of you is thinking ahead to what can happen once the first business is a success, and even as far as the exit strategy – how are you going to cash in? Who or what type of company are you going to sell the business to? How many outlets will you need to make an interesting proposition for another entrepreneur to buy into? You don't need to have a lot of detail at this time but it needs to be in the back of your mind – the objective is the first million!

### **Take the first step**

OK, it's time to get down to brass tacks. You've got a good business idea that you think could beat its competitors if it was implemented in the way you envisage. That's a great start. Now make a list of what you would have to do in order to get this business started. Include problems like having no money, but put the problems down as challenges rather than problems – don't write 'I haven't got the money', write 'I would have to raise a substantial sum of money to get started'. The list will be long:

- I've got to find premises
- I've got to find and negotiate with suppliers

- I need a business plan
- I've got to refurbish the premises
- I've got to learn about VAT and other administrative issues
- I've got to get the family on side
- And so on ...

Now ask yourself what the first step is that you could take immediately to start the ball rolling. By all means identify more than one thing that you could start now, but make absolutely certain that you have recognized the first step. When you have finished your list and decided on this first step, do it now, before you read on. If that isn't possible, like if you're on a train, then schedule when in the next 24 hours you're going to do it; because in my experience, if you can't find time to start the first step in the next 24 hours you don't really want to do it at all. By the way, why haven't you done it already?

A mate of mine was thinking about moving out of a house he and his family had lived in for 14 years. You can imagine what had gathered in his attic after bringing up a couple of kids during those years. It was an absolute nightmare that he solved by doing 20 minutes every day tidying, throwing out and making the problem manageable. There's a lesson there – start early on a difficult task and don't try and do it in one huge blitz.

When you are an entrepreneur, lots of people come up to you and tell you about their dream for starting a business. Some of them are really wild and you get the idea that they're dreamers, so I use the first-step challenge as a simple test of their real intentions. The first time I used it was with a man I knew who kept talking to me about his ideas for going on his own. He was going to start a copying shop, or a laundrette or whatever. He always had a good reason why the

idea was better than its competitors at the time and I honestly thought that he was going to make the decision at some point and do it. Then he came to me with his latest idea – making kayaks in his garage. He had found an overseas supplier who supplied kayaks in kit form. It was quite tricky, but my pal had good do-it-yourself skills and was confident that he could supply a good product and certainly a much better product than an individual without his skills. I remembered that his garage was, like most garages, completely full of the flotsam and jetsam of normal life and you could hardly get into it, let alone build a kayak in it. So I suggested that he should immediately take the first step and clear the garage that weekend. The garage is still chockablock and that was ten years ago; but there's no harm in dreaming, unless you want to have fun and make money. To do that, you have to move on to Chapter 3.

This book starts with the story of C-Side. It describes my experience in setting up and selling that business over a period of ten years. I will share what I learnt that worked and, just as importantly, what I learnt not to do. I'll also illustrate my points with stories from the experiences of the *Risking It All* contributors and other entrepreneurs that I've worked with.

Then we move on to The Entrepreneur's Toolkit. It's a collection of the theories and processes needed to run a business properly. I've put links to the toolkit in the early chapters. For example, the C-Side story includes my fascination with cash flow, so there are cross-references to items in the toolkit that show you how to create and keep company cash flow up to date. You may choose to read it while you're still reading the first seven chapters or come to it in due course as you go through the whole book. The toolkit will act as a reference section that you can continue to use as you build the business of your dreams.



### PAPER TALK

*These are some extracts from articles I've written in the Daily Telegraph. I've put them in at points in the book that seem to make sense.*

Whatever you do, don't set up a small business. Stop reading this now, pop the kettle on and make a nice cup of tea. Stick to your day job, knuckle down and give up the silly dream of being your own boss. You probably wouldn't like it and who wants to give up a regular salary and the 5 Series anyway?

Still reading? Well, that's the first small test passed. Becoming an entrepreneur requires balls of steel, regardless of gender, and a pumped-up ego that's not going to be easily deflated by the doom-mongering failure merchants who will emerge from among your friends, family and colleagues as soon as you mention you're considering the dash to financial freedom. They do have a point though – just because you think importing and flogging those lovely Balinese beds you saw on holiday last year is going to cover little Jack's school fees and the weekly Waitrose bill doesn't mean that a whole horde of others haven't had exactly the same idea.

