

## ***Chapter 1***

# ***Five Years From Today***

Imagine for just one moment that we could turn the clock *ahead* five years. Picture yourself as a successful business owner sitting in your leather chair behind a highly polished rosewood desk. You gaze at the notation on your calendar that marks today as the fifth anniversary of your successful company. Your mind wanders as you recall the day that you made your decision to quit your job and fulfilled the *American Dream* of owning your own business and becoming your own boss. You set goals, took the risk, worked hard and made that dream come true.

Just look at what you have accomplished! Your business venture turned out to be a complete success and continues to grow. All of your employees are happy and very thankful for the bonus you just gave them -- which after all -- was your way of saying "thanks for making the company a leader in its field and in the community." Your family members are proud of you, too. Your spouse cannot say enough about the great sense of financial security you bring into the home. Your son and daughter tell their friends all about the business you have, and they, too, feel secure. And just look at the tangible payoffs - the dream car you always wanted, the boat in the marina, the condo up in the

mountains - and all the other great benefits that go along with *owning your own business*.

As you lock up and head for your new car, you are flooded with a sense of pride as you enter your sixth year as a successful business owner and entrepreneur. When you reach your car you give a voice command for the door to open and then you slip in behind the wheel. The automated traffic alert system comes on and informs you of the best way to go home. Pulling out of the parking lot you glance back at your building and think to yourself "I made it."

On your way home you recognize someone sitting on a bus bench who you have not seen in many years. You pull up, call out his name and say "need a ride?" Without hesitation, he jumps up, gets in and you drive away.

He admires your car and you tell him that today marks your five year anniversary in business. You say "did you ever start that business you were always talking about?" Your friend drops his head and shakes it slowly side to side. There are a few seconds of uneasy silence and then he tells you his story.

"Five years ago I put everything I had on the line to pursue my life-long dream of *owning my own business*. I did everything that everyone said one should do as a successful business owner. I was committed, dedicated, and worked 70 to 80 hours a week. I did everything I could possibly do to build up that business, but I failed."

You ask "What went wrong?"

"Two years ago," he replies, "everything that could go wrong, did go wrong! Competitors beat me on bids with lower pricing. Some companies were incorporating newer technology into their products, and my sales in general just started to fall off. The uncertainty of the business put a strain on my marriage and my relationship with my kids. I finally had to close the business and sell off all of my assets. We sold our house and our car, and moved into an

apartment. I could not believe what was happening to me. Suddenly, I was without a company and without a job. Even to this day I can't afford a car, and have to ride the bus to a job that I hate. I just can't believe that my life turned out this way."

Now you might think that story is a little on the dramatic side; however, I can assure you that both stories are indeed very true. I should know, both the driver and the passenger represent *me*. The driver of the car represents my success in business. The passenger reflects my loss of a business years ago.

My success in business was realized in 1992 when I purchased a small unknown company and turned it into one of the largest providers of screen printing and embroidery in Torrance, California. This was due to the lessons learned from owning other businesses, working as an agent for a business brokerage firm and developing a solid and achievable marketing plan. Eight years later I sold that company and retired from the daily grind of *owning your own business*. In 1985, however, it was a different business story.

At that time, I owned a film production company that was going out of business, and it was a very rough time in my life. Video tape, which was easy to work with and very inexpensive, was beginning to replace film production in the training and educational fields. This greatly impacted most small film production companies, like mine, that specialized in medical training films. Everyone, from physicians to pharmaceutical laboratories and medical equipment manufacturers, that hired small production companies to produce training films, turned almost overnight to the simplicity of video tape and began making their own training and educational productions in-house. After five years as an independent film producer, and over twenty years in the film making business, my company was out of business. It was not a happy sight.

You can pick up a newspaper in any city, on any day, and read about successful business people that start businesses in their garages and today run million dollar companies. After all, these are the stories that the reporters look for because everyone loves to read about success. In that same newspaper, however, you will find public notices that list people or companies that have filed for protection under the bankruptcy laws. Take a moment right now and look in your local newspaper. The number of bankruptcy listings in the newspaper will far exceed the number of success stories.

Think about this for a second. Would anyone go into business with the idea or intent of losing everything he or she owns just a few years down the road? Of course not. Then how does this happen? More importantly, how can you keep this from happening to you?

Let me ask you a question. Have you ever competed in a sport or board game and lost? Did you ever make a mistake or a bad decision? Not exactly something you run around bragging about, is it? We all learn from our mistakes. Right? After all, isn't that what our parents told us? "Learn from your mistakes so you do not make the same mistake again." Let's face it, that is still good advice today. Why do the same thing in the same way again if the result each time is negative or wrong?

Now, let's take it a step further. Have you ever lent money to a friend or relative and, at the time you handed over the money, knew that you would never see it again? Sure you have. Everyone has. You regret it later; kick yourself for doing it, and rationalize your stupidity by telling yourself "It's only money and I wouldn't have lent it if I didn't have it to begin with. Besides, I probably would have just gambled it away in Las Vegas anyway," or some other thought that would relieve you of the remorse. You really don't want to think about the fact that you actually gave away your hard earned money to someone you already

knew was a spendthrift that used other people instead of working for a living.

With that in mind, let me ask you another very important question. Are you prepared to look back one day and say "not only did I lose all my money, but I also lost my spouse, my family, my friends, my home, my car, *everything* I ever *valued* in life because my business failed?" Have you ever seen newspaper articles or heard of people killing themselves because of a failed business? Many a good person has gone off the *deep end* due to the stress of a failing business. Believe me when I say that there will be a lot of stress in your life if you plan to go into business for *yourself*. Stress just goes with the territory. If, however, you make the right moves, plan ahead and understand how to run a business, then most of your day-to-day experiences should be positive ones.

The purpose of this book is to keep you from looking at a business opportunity with your head in the clouds. This book *puts in* all the stops in order to help you pay attention to the challenges of *owning your own business*. You now have the opportunity to read the facts, look at the figures and understand the true stories of the small business owner. I can assure you that this book will not pull any punches or tell any lies. Please understand that it is not my intention to keep you from going into business. On the contrary, I want, if anything, to help you succeed in business. At the same time, however, I would feel a lot happier if I knew that you used the information in this book to help you succeed in your business, and not lose everything you have in life, including your relationship with family and friends.

This book is about having a business and making it, and you, a success. Will *you* make your business a success? That is the million dollar question, and at some point in your life, could put a million dollars into your pocket. First, however, we must review *who you are*, what it is you are

trying to accomplish with your business, and what options are available to you before you take that *NEXT STEP*.

In the chapters that follow, we -- that's you and I -- will review all aspects of *owning your own business*. We will explore your capabilities. Try to find out what kind of person you are. Determine if you are ready to *go for it* and make it in business. We will look at the people around you and find out just how supportive they really are. Together, we will make sure that what you plan on doing in business, is really what you *want to do*, not what you *think* you want to do.

Look at it this way. Do you want to make \$2,000 dollars a month doing what you *think* you would like to do? Or, would you prefer to own a business in which the employees know the day-to-day working routine for your business, while you make \$10,000 dollars a month or more by managing them? Wouldn't you agree that the concept of making more money with less physical work on your part is something worth considering? That is exactly my intention in writing this book -- to make you *think* before you leap into a business or perhaps in the wrong direction.

Speaking of the wrong direction, have you thought of any mistakes you may have made in life that you would like to correct if you were given a second chance? Do not let a bad business decision become one of them. Read on!

In my story at the beginning of this chapter, the driver (which represents me), picking up an old school friend (which also represents me), are two extremes in owning a business. While the first one (success) can happen, and that should be what you are aiming for, the second one (failure) happens day in and day out in the world of small business. It *does not* have to happen to you.

This book was written to help you become a successful business owner who can enjoy the personal freedom of

working for yourself, having financial success, and then reaping the rewards of *owning your own business*. It is going to be *hard work* and there are *no guarantees*. I can assure you, however, that if you take the time to read this book and do your best to really understand what it takes to *own your own business*, then your chances of having a *successful* business will be ten-fold. Jumping into business just because you have a great idea is not the key to success. There is nothing wrong with having a desire to become part of the *American Dream*, but you must go about it the right way.

As stated in the Introduction, I have not filled this book with a bunch of hype. I wrote this book as if you called me on the telephone and asked me to come over and consult with you on owning a business. So here I am. Now, let's sit down at the table, get out a yellow pad and pen, and have our first business meeting.

This meeting is now called to order. Our first item on the agenda: Who are you?