

Starting Your Own Business

*An Easy-to-Follow Guide for
The New Entrepreneur*
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Chapter 1. Do You Have What It Takes?

Do you have the urge to go into business for yourself? Do you think that you'll be happier working for yourself than for someone else? Or perhaps you have recently been "outplaced" and are now considering entrepreneurship as an employment option.

If you have the dream of business ownership, you're not alone. Over 32 million people in this country are in business for themselves, either full or part time. According to *American Demographics* magazine, it is estimated that 50% of working women will have their own business by the year 2000. In 1991, over 600,000 people started new home-based businesses and twice as many people are starting businesses now than a decade ago.

No wonder this is being called the Age of the Entrepreneur.

More than ever before, men and women are listening to their inner urge to create a business for themselves and now, for the first time, the information, the opportunity and the tools exist to make this possible, even for inexperienced entrepreneurs.

Entrepreneurship has a romantic quality to it. People often think of entrepreneurs as rugged individuals who, despite the odds, go out into the world and make a success of themselves. You've probably heard more than one story like the one about Lillian Vernon who started a mail order business on her kitchen table and built it into a multi-million-dollar-a-year enterprise. Lillian Vernon's is the kind of story that Americans love and gets people's creative juices flowing. How else can you take a rather small investment and build it into a large fortune? A lottery perhaps. But the odds are much better in business.

In 1979, Ben Cohen and Jerry Greenfield took a \$5 course on how to make ice cream, invested \$12,000 and opened their first Ben & Jerry's ice cream shop in a renovated gas station in Burlington, Vermont. Now there are Ben & Jerry's franchises all over the country and their ice cream is sold in stores nationwide. Sales for 1991 topped \$97 million.

Amelia McCoy, Oklahoma's Small Business Person of the Year for 1991, started her business, Handmade Rainbows & Halos, as a hobby in 1978 for only \$7. In 1992, Amelia's hair ornament business had annual sales of \$7 million, with sales of \$20 million projected within five years. That's better than a lottery!

What Does It Take?

Recently, I saw a television commercial for a local business expo. On it people told why they had attended a similar expo. One man said, "I'm here because it might be nice to have my own business."

I thought to myself, I don't think I'd use the word *nice* to describe business ownership. Interesting maybe, or challenging, or a great learning experience, but not *nice*. I might say exciting, freeing or enlightening, but rarely *nice*.

Is being in business for yourself really all that it's cracked up to be? From my point of view, the answer is yes. But, like most successful entrepreneurs, I love taking risks and pushing myself to new heights. If heavy duty security and a good pension is your cup of tea, then entrepreneurship is probably not for you.

Unfortunately, many people have unreal expectations about what it takes to go into business or what it takes to make a business profitable. When you start a business, you can't just open a store or decide that you want to sell a particular service or product and then expect people to line up and buy. Your business won't work unless you know something about planning, marketing, sales and finance. It certainly won't work if you just sit back and think it's all going to happen by itself.

Most people who have worked at a job with a regular salary don't realize that it takes a real adjustment to be responsible for every penny that comes into their hands. If, as a business owner, *you* do not generate the cash, there is none. It takes some courage, or a very large savings account, to deal with the financial uncertainties of entrepreneurship.

But let's assume you have no choice. You can't find any other kind of work, you're running out of money and you have to do something. Can you still make it in business for yourself? The answer is yes, *if* you use the 10 Building Blocks that you'll find in this book as your foundation and *if* you stay focused on what you are doing.

To start a business, you don't need a lot of money or business experience. What you *do* need is a strong desire to take control of your own life. You will also need to:

- Learn about various aspects of business
- Do the necessary footwork
- Understand what might be blocking you from your success

There are good reasons why so many businesses fail each year. Lack of capital would seem like the main reason for failure, but this is just a symptom. The causes of failure include:

- Poor business/management skills
- An unrealistic assessment of a business' potential
- Inadequate marketing
- Poor planning

Are You Ready?

The purpose of this book is to help you understand what entrepreneurship means and to help you create a profitable business. You will be able to evaluate your position as a potential business owner and then decide which steps you need to take first. We will help you by showing you how to choose, plan and build your business. You will learn how your thoughts, feelings and beliefs can affect the outcome of your business. And most importantly, you will learn about money and marketing, the keys to a successful business.

When I started my first business, I read many how-to-start-and-run-your-own-business books. All of them suggested that a business owner should have enough capital to cover the first six months of expenses. The books also gave instructions for what you should do when your company's management team is in place and what you should have your accountant and attorney do. The minute I saw the words "management team," I knew the books were not for me. What I needed was someone to show me how to pay the rent while I was trying to get things going. (I have a feeling that you can relate to my situation.)

I see you, the reading audience, as a mixture of working people who have dreams of starting a business, and entrepreneurs and professional practitioners who are in business for the first time. Some of you have lost your jobs and are thinking of going into business as an alternative to waiting for a job opening. I am also assuming that you do not have a strong business education or a big pile of money with which to start or run the business.

With that in mind, I'm going to ask you, are you ready to build a successful business?

Are you ready to enjoy the rewards that a successful business can bring you?

Are you ready to have the freedom to choose how, when and where you will work?

Are you ready for unlimited income possibilities?

Are you ready for the opportunity to give full expression to your creative abilities?

The People Who Make It

A recent survey showed that over 50% of the population is either in business now or dreams about business ownership. There is no doubt about it, many people dream of owning a business because entrepreneurship has a great deal to offer. Over the years, I have spoken to hundreds of budding entrepreneurs, and it never ceases to amaze me how many creative, innovative business ideas are out there. It also amazes me how many potential entrepreneurs have a great idea but know little or nothing about how to build and maintain a profitable business.

According to Bud Dimmitt, who heads the national entrepreneurship program at Lee Hecht Harrison, an outplacement firm in New York City, even high level

managers who go into business for themselves are often surprised at what entrepreneurship really means. For example, these managers are often surprised at how much trivia they must deal with – like going to the post office for stamps. They suddenly find themselves doing a lot of administrative work they never had to do before and many of them are surprised at how much time they have to spend marketing and selling.

But, even if you have no previous business experience, you can succeed in your own business if you are willing to:

- Put in the time and effort to learn how to build a business
- Find out what it is inside of you that might keep you from enjoying success.

When I was teaching and speaking about self-health care, virtually everyone whom I asked said they wanted to stay young and be healthy. But very few people did anything about changing the habits which made them sick or might bring on the diseases of aging. The same thing can happen as a business owner. You can acknowledge what has to be done and then just procrastinate about actually doing something.

The people who make it in business are the people who take action. They do not wait to see who is going to do what for them, they go out and make it happen. If you look at how successful entrepreneurs do what they do and you use their experience as a guide, you can do it too!

Is it easy? No. If you are looking for a quick fix to your problems and an easy way to become a success in business, wrap up this book and mail it back to us or bring it back to the store where you bought it and get your money back. But, if you are willing to do a little work on your own behalf, no matter what your life looks like at this moment, you can have a successful, profitable business.

A Complete Turnaround

The only reason I can be so sure of this is because of my personal experiences. In 1982, after living in Atlanta for two years, I arrived in California with \$175 in my pocket and all of my belongings packed into five apple boxes. I had no car, no place to stay, and I was experiencing some serious physical problems. But I had come to believe that somehow I could turn my not-so-successful life around.

To make a tedious story short, after just four years, I was running a business which grossed \$325,000 a year. I had a 2,500 square foot space with a wholesale, retail, and mail order business. I had five employees and three computers. Over 50,000 catalogs were mailed out every three months and I had a product line which was distributed nationally in over 600 stores!

I had to work very hard to do what I did, and I had to overcome many physical limitations in order to do it. But I was determined to make it in the business world.

I was willing to do whatever had to be done, to learn whatever I had to learn. I was willing to read business books, go to seminars, write a business plan and try many different marketing ideas. I was also willing to take a look at myself to find out why I had not made it before and to change *me* and how I related to the world. I had to travel a long way, but I did it. That is why I know it can be done and that you can do it too.

If you think that going into business is the answer for you, first try the test below to see if you have what it takes to succeed in your own business. By being prepared, you can avoid becoming another statistic in the list of businesses which fail each year.

There is no reason why you can't be one of the people who are successful in their own business. You too can enjoy the freedoms entrepreneurship brings if you are willing to put in the necessary time and effort and to take certain basic success-oriented steps.

Take the test that follows and see if you have the basic ingredients for successful entrepreneurship. The questionnaire will help you see your areas of strength and weakness (we all have some).

Do You Have What It Takes?

Part 1. How would you rate yourself on the following? 4=excellent, 3=good, 2=fair, 1=poor.

- Ability to concentrate
- Ability to make decisions
- Willingness to take risks
- Self-starter
- Self-discipline
- Willingness to do things differently from the way other people do them
- Ability to ask for what you need
- Ability to handle money
- TOTAL PART 1**

Part 2. How often does the following apply to you? 3=often, 2=sometimes, 1=rarely or never.

- I feel satisfied with my life, just the way it is
- I think I have enough money for now
- I trust other people
- Other people respect what I say
- I feel that other people approve of me
- I like to be with other people
- I like other people to touch me
- I can ask for money
- I like to meet new people

- ___ People treat me fairly
- ___ I am good at negotiating
- ___ I have faith in my ability to support myself
- ___ If I have a problem, I know where to go for help
- ___ I am willing to try something new
- ___ I pay my bills on time
- ___ **TOTAL PART 2**

Part 3. How often does the following apply to you? 3=often, 2=sometimes, 1=rarely or never.

- ___ I like people to help me
- ___ I feel good about my life
- ___ I like the people in my life
- ___ I meditate or spend quiet time with myself
- ___ I eat nourishing foods
- ___ I exercise
- ___ I feel grateful
- ___ I am flexible physically and emotionally
- ___ I like my clothes
- ___ I go places with other people
- ___ I buy nice things for myself
- ___ My checkbook is balanced
- ___ **TOTAL PART 3**
- ___ **TOTAL PARTS 2 & 3**

SCORING

Part 1

A score of 24 to 32. You have the qualities of a successful entrepreneur. Find a good opportunity and go for it.

A score of 17 to 23. There are areas of weakness which you can work on to improve your chances of success; but with some work, you will do fine.

A score of 8 to 16. Unless you are willing to deal with your issues, on an emotional level, it will be difficult for you to make a success of a one-person business. But difficult is not impossible, *if* you are highly motivated.

Parts 2 & 3.

A score of 72 to 83. You're in great shape for entrepreneurship. If you also had a high score on Part 1, you can't miss if you do the right footwork.

A score of 55 to 71. You have a better than average chance of making it, but you can improve your chances if you work on developing more self-esteem and improving your relationships.

A score of 41 to 54. At this point, your chances of making a business grow and prosper are a bit low. But you can make it if you improve your self-esteem. Do not be afraid to ask for professional help.

A score of 27 to 40. Quite frankly, your chances of success in a one-person business are not terrific. However, if you get help and find out why you feel the way you do about yourself, your chances will improve.

This questionnaire is meant to be a guide for you and is based on a logical principal: **people who like themselves and take good care of themselves create situations that support them.** Conversely, people who do not like themselves and do not fulfill their own needs can rarely find other people who will support them and acknowledge their achievements.

Being in business means asking other people to acknowledge you by paying you something for your product or service. If you don't acknowledge yourself, then it is hard to ask others to do it for you.

Not everyone has all of the qualities needed to be successful in business, although some have more of what it takes than others. Going into business for yourself is an incredible opportunity for you to grow, on a personal level, and to find out what really matters to you in life.

At Build Your Business we don't use a bottom-line approach to measuring success and profits. We believe that the purpose of business is to support all of the people involved in that business. Our main focus is not money, but rather satisfaction. We know that if you are satisfied, you will build a business that supports you nicely.

Most importantly, we believe that a business should support the people in it in finding out who they are, what their purpose is for being on the planet Earth, and how they can fulfill themselves through their work.

So when we look at the reality of business, we *do* look at the numbers to see if a business can work within the capitalistic system, but we also feel it is necessary to look at it from a different, deeper point of view. We will talk more about this later in this book.

Chapter 2. The Times They Are a Changin'

One of the questions I'm frequently asked is, "Is this a good time to go into business?" My answer is that it depends upon your point of view. If you look at the current economic situation as a recession that is going to be over one day and you are waiting for everything to be what it was, then, in most parts of the United States and in many countries around the world, it is a terrible time to be in business. But if, instead of seeing a recession, you see a *global restructuring*, then you can understand that this is a transitional period. If you have this understanding, then it is a great time to be in business.

This is a time of change during which the old economic system is crumbling. But out of the rubble of the past, a new system and new ways of doing business are rising up, and you have the opportunity to be at the forefront of the new economy. If you have a business now, you can restructure it to fit in with the new economic system, and if you are just starting a business, you can plan for the inevitable changes.

The Dance Of Shiva

In the Hindu religion there is a hierarchy of gods, each of whom is assigned a specific job. One of the major gods is Shiva, the destroyer. Shiva's role is most important, because in order to build something new, the old has to be torn down. When the Berlin Wall was torn down and when the USSR broke apart, Shiva was dancing. And Shiva is dancing now.

Shiva dances during earthquakes, hurricanes and volcanic eruptions. Shiva dances during forest fires and other natural disasters. How many times have you watched the news a year after a disaster when a follow-up story is done on the people who had experienced great losses or destruction of property? Often, the report shows happy people who say that things are much better now than before the disaster. Although the people who survive a disaster may find it hard to believe, Shiva's dance is benevolent. In the long run, the changes are positive.

Sudden Changes

In recent years, we have seen the sudden death of communism as a major political force, and the United States has lost some of its prominence on the world scene. Even Japan, which for a brief time threatened to dominate the world economy, is now feeling the effects of the global restructuring.

No one seems to know what to do anymore because what was once true no longer is. For example, before this economic restructuring began, there were certain investments one could make to insure a secure retirement, such as purchasing high yield CDs. But now there are no guaranteed paths to future prosperity. People who planned on funding their retirement with interest income

suddenly find their return on investments has fallen dramatically because of declining rates.

As of November, 1992, 10 million people in the United States were out of work. Usually, after a long period of layoffs, when the economy rebounds, people are rehired. But that may no longer be true because many companies have “downsized” and have no intention of rehiring the workers they’ve laid off. Many of the world’s largest corporations have eliminated thousands of jobs – permanently.

I’ve heard more than a few people wonder why this is happening. “Why,” they ask, “are so many good people suffering?” It’s hard for them to get in step with Shiva’s dance.

The Change is Positive

I believe that a benevolent force is in motion at all times and because of this belief, I do not see anything as good or bad. Instead, I have observed that everything has a different quality of experience. Some experiences are comfortable, others are not. The uncomfortable experiences are not bad, only uncomfortable.

What is uncomfortable or comfortable for me may not be the same for you. For example, I love to speak to groups of people. I may feel a little anxiety if it is a group to whom I’ve never spoken before, but for the most part, I look forward to the experience. Since studies show that a majority of people claim that public speaking is their number one fear, I can safely assume that what is comfortable and exciting for me is uncomfortable for most other people.

Through the years, I’ve learned that whatever is uncomfortable for me usually helps me learn something as I strive to reach a point of comfort. It is my discomfort that often spurs me on to my next level of achievement.

Why are so many hard-working, caring people suffering the pains of unemployment and loss of income? I believe it’s because the time has come for us to take control of our lives and take the responsibility of supporting ourselves. It’s time for us to learn that we do have the power and the ability to do whatever we want. The time has come for us to work together towards the common goal of supporting each other in supporting ourselves.

Don’t Give Up

If you’re one of the many people who have had a downturn in your employment situation, bemoaning your fate will not change what is. You have the option of trying to see your situation from a different point of view and then doing something for yourself in order to support yourself.

Recently I spoke to a man named Ed who had been out of work for about six months. The responsibility he felt for providing for his family and the shame of his unemployment so overwhelmed him that he was paralyzed. All he could see

was defeat. Ed was fighting with his wife, his children were frightened and he didn't know what to do. When I suggested that he think about using his skills to go into business for himself, he couldn't see it as a possibility. He was afraid it would cost too much and that he would lose everything. He was so sure of his defeat that he wouldn't even explore the options that were available to him.

In contrast with Ed was Rita who also didn't know what to do. She was willing to explore the idea of starting a business and to follow the program which is outlined in this book. Within days she was feeling more positive and knew that she would be okay because, for the first time in a long time, she felt in control of her life. She easily found a part-time job that supported her while she learned business skills and planned her business.

Success Is Possible NOW!

What is going on in the world is not really pertinent when it comes to your success. What *is* pertinent is what you think, what you feel, what you believe and what you are willing to do in order to create a more comfortable life for yourself.

Unfortunately, people who lose their jobs are rarely excited by their newly-found position of freedom. They don't see their job loss as an opportunity for self-expression, and they often become paralyzed by worry and fear. From that position, starting a successful venture is almost impossible.

To see the possibility of prospering in these economic times, you only need to read the business section of your newspaper or magazines such as *Success, Inc.*, and *Entrepreneur*. These publications have dozens of stories about people who are successful in the midst of the so-called recession.

Jim Baye has a company, Eco-Pack, Inc., which is based in Kansas City and is prospering because he found an environmentally sound alternative to plastic packing materials. His farmer father grows popping corn which Jim air-pops and ships to dozens of medical supply, electronics and veterinary supply companies in Kansas City in huge bags. Jim's business is expanding rapidly.

Paralegal, tax advice and preparation, and word processing services, are just a few of the businesses that can always make it. Selling merchandise at swap meets and open air markets are ventures that can survive in a slow economy. Recycling businesses are growing rapidly as are computer services.

The entrepreneurs who have made a success of themselves are those who form or adapt their business to fit in with the changing needs of consumers.

For example, it is obvious that even the people who have a lot of money are no longer consuming the way they did in the '80s. Rolex watches and high performance automobiles no longer have a hypnotic allure. What matters now is value – as it is perceived by the consumer. People want to be perceived as wise consumers and they want value for the money they spend.

American Express, for one, is painfully aware of this. They are suddenly finding that banks that issue Visa and MasterCard are making inroads into the sought-after business travel market with gold cards that offer travel insurance and other extras once provided only by American Express. The banks' gold cards may lack the veneer of prestige attached to American Express cards, but, in the eyes of many consumers, the bank cards offer a better deal – lower annual fees and wider acceptance than the American Express card. Consumers now care less about prestige and more about value.

Harold Martin, 35, took advantage of the trend towards value and started his company, MVP Footware, Inc., in 1989 because he felt that consumers who bought athletic footwear were paying too much. Martin created a quality shoe that sells for about \$50 less than the competition. In mid-1992, he expected sales to be more than double his 1991 total of over \$500,000.

Follow the trends, and you'll be able to find a business that will prosper, in any economic climate.

A Do-It-Yourself Program

So, once again, I am going to answer the question “Is this a good time to go into business?” The answer is “Yes, if you are willing to believe it is.”

Samuel Taylor Coleridge said that faith is the willing suspension of disbelief. At this point, all I ask is that you suspend your disbelief and *act as if* you believe this is a good time to go into business. If you will do that, we can proceed as I show you how you can build a successful business, even if you have very little money and no business experience.

Before we get to the how-tos, there are a few points I want to make clear. The advice in this book does not promise to make you rich quickly. No one is going to knock on your door and hand you a check for the money you think you need. Thousands of checks are not going to come pouring into your mailbox overnight. A knight in white armor is not going to appear suddenly and rescue you from your present situation.

This is a do-it-yourself program. All the praying and asking God or another human being to fix it or make it work for you is not going to do any good. This is *your* opportunity to learn how to release your personal power and take positive control of your life. If you are not willing to consider doing this, then don't even bother to read this book. But if you decide to use the 10 Building Blocks (that you will find in Chapter 4) to build your business, you will gain an incredible sense of freedom because you'll no longer be controlled by outside forces. You'll be able to trust that you can take care of yourself and fill your needs, on every level.

This doesn't mean you'll be all by yourself or working alone. Our program requires that you connect to other people, to learn to be interdependent and to share your life with other like-minded people. When you use the tools we offer,

you'll no longer feel alienated and alone. You will feel connected to others and secure on levels you have never known before.

If that seems like a lot, so be it. You can have whatever you want. You deserve it! I firmly believe that entrepreneurship is one of the greatest opportunities available for people who want to get in touch with who they are and learn how they can become a conscious co-creator of their own reality.

What we're going to do in this book is point you in the right direction. If you're like most people, you're not looking for all of the answers in one place. You probably are looking for an "easy read" that can give you some guidance and some practical suggestions. This book will do that. In the Resources Section, we will also suggest other sources of information.

Trying to learn too much at once is not a good idea. Too many choices or too many new activities can lead to confusion and difficult decision making. This book will get you started. It's a small enough investment with a big potential payoff, and by the time you do what we suggest, you *will* be well on your way to being a successful business owner.

Chapter 3. The Desire Is the Beginning

At this point, I am going to ask you if you are willing to put in the time and effort you might need to build a successful, profitable business.

Can you imagine how far Steven Jobs, who developed the Apple Computer, would have gotten if he hadn't kept plugging away? You may know that Thomas Edison carefully documented over one thousand experiments that failed before he found the filament that finally allowed him to create the light bulb.

Perhaps you've heard about Stacy Allison the first woman who climbed to the top of Mt. Everest. The first time she tried she got within 3000 feet of the top and had to abort the climb. But she tried again – and made it.

Did you know that people who succeed fail more often than people who fail? They succeed because they keep trying. Conrad Hilton once pointed out that successful people just don't quit!

If achieving success in business was easy, more people would be living the life of the rich and famous. But success requires a willingness to take chances as well as the discipline to plan. It also requires a certain amount of faith and trust in yourself to make the decisions that have to be made.

If you have not already done it, I suggest that you read at least a few issues of magazines like *Success, Inc.*, or *Entrepreneur*. These magazines all have stories about people who have built businesses from scratch. From these stories you can get an idea of the energy, both financial and otherwise, you'll need to put into your business to make it work.

If you're just lukewarm about going into business for yourself, then I would say that this is not the time for you to try a business venture. Building a business requires a strong dedication to a purpose and a burning desire to reach a defined goal. That burning desire can be either very specific, such as starting a particular kind of business or just a burning desire to go into business for yourself. If that desire is strong enough, you will find a business.

Are You Willing?

The question is, and we're back to this again, are you willing to do what has to be done to make your business work?

If you have a pretty good job now and life is perhaps boring, but bearable, you might have a more difficult time making a commitment to do what has to be done than people who have been laid off and have no choice but to find a way to support themselves. If you have a business that's bringing in some income, but is not quite supporting you in the manner you'd like, you'll have a harder time committing than someone whose back is against the wall with creditors knocking at the proverbial door.

So the question is, how much are you willing to do and how far are you willing to go to create your success?

Before you answer this, I suggest that you ask yourself, “What does success mean to me? Do I have to make a million dollars to be successful, or will bringing in enough for my basics and a little extra be enough?” Or is your comfort level somewhere in-between? Christopher Morley said, “There is only one success. To be able to spend your life in your own way.”

I have a friend who was, at one time, married to a very wealthy man. Gina had everything she could have wanted and all the luxuries that were available. But now she’s on her own and her inner growth is what matters to her – how she feels about herself and how she expresses herself. Success, for her, has nothing to do with material acquisitions.

What would success look like for you? Would you be satisfied with a series of small successes, or are you the kind of person who can only be happy when you have everything you want all at once? Knowing what success looks like for you will help you plan how you are going to achieve your goals.

You have probably read about people who got fed up with the rat race and opted for a simpler life. More often than not, these people got rid of many of their possessions and took big cuts in the amount of money they earned. But they felt good about their new lives. They were successful.

From this you can see that success is not only identifiable on a material level.

Success Is A Feeling

Think for a moment about a time in your life when you were successful. What were you doing? How did you feel? Isn’t that how you identify the success – by the feeling? That feeling is what building a successful business is all about.

Like most adult human beings, you knew success early in your life – when you learned how to walk and talk. Learning to walk was not easy. It took months to learn how to do it easily even after you knew how to stand up. You probably fell down more than a few times. But somewhere inside of you was a burning desire to walk and a willingness to go through whatever discomfort you had to in order to reach your goal. You were probably bruised, humiliated and frustrated, but you kept getting up and trying.

Learning to talk was just as difficult. Recently, I saw how frustrated my two-year old nephew became when he tried to talk to people. No one except his mother knew what he was saying. But he didn’t stop talking. After trying over and over for a few months, he finally spoke clearly enough for all of us to understand him.

You went through that same process and you were successful!

If you have a strong desire to build a business, then you are motivated – the way you were when you knew it was time to try to learn to walk and talk. What

you need to do now is reach inside of yourself to that place where you are willing to go through the learning process again. You may fall down a few times, but if you persevere, you *will* have a successful business. You were successful once and can be successful again.

In this book I'm going to show you how you can reach down and reactivate the part of you that *was* willing to do whatever had to be done in order to achieve an objective. I am also going to show you the nuts, bolts and building materials that you need to build a strong and secure business. But first I'm going to show you how to look at your business from a new point of view – from the inside out.

It Starts Inside Of You

Whatever is going on in your life is a reflection of what is going on inside of you. Your business does not exist separately or apart from you; you create it from your ideas and actions. It is, therefore, an extension of you. In fact, it is a reflection of the Inner You – your thoughts, beliefs and emotions.

Think about this for a moment. Imagine a person who feels depressed or dissatisfied. He is always the victim of circumstances or of other people's chicanery. More often than not, he will complain about other people, the economy, or even the weather. Now imagine a person who has a positive self image, a joy of life, who sees every potential obstacle as an exciting challenge and who feels in control of her destiny. Who would you bet on to be successful in a business venture?

Well, how would you describe yourself? Are you bright and cheery? Do you love yourself and treat yourself well? Are you flexible and resourceful? Do you have positive expectations and a positive attitude towards your life and your business? Do you see life as an incredible learning experience? Do you accept the things in your life that you cannot change? Do you feel that you have control over your life?

If you answered yes to these questions, then you have what I call the Attitude of Success and you have a very good chance of being successful in a business venture. You will be able to roll with the punches and overcome the obstacles that will present themselves.

Can you see how your business will be an extension of the Inner You? Once you understand this, you will be able to look at your business with a new level of understanding which can help you to effectively analyze its strengths and weaknesses.

Another advantage of looking at your business from the inside out is that you will have more control over the direction your business takes. For example, negative people (like the one I described above) usually think of themselves as victims. This allows them to blame other people or circumstances for their failures. By doing this, they give up control of their lives.

But the truth is, there are no victims. Whatever is happening in your life (or in your business) is happening because you helped create it, on one level or another. This is a difficult position to accept, because doing so means taking responsibility for your life.

If you want your business to succeed, it's important for you to understand that you are responsible for everything that happens in your life. If you accept this premise, then when something doesn't work or is uncomfortable, instead of saying, "Why did this happen to me?" you can ask, "What did I do to create this and how can I avoid doing this again?"

For example, suppose you are having trouble finding reliable suppliers. You order goods only to experience delivery delays, partial shipments and damaged goods. You could say, "Why is this happening to me?" However, if you say, "What did I do to create this?" you may discover that you did not research your suppliers well enough. Had you done so, you would have known of their reputation and would have chosen a different source of supply. Once you understand this, you can take steps to *change* the situation.

Sometimes the reasons can come from a deeper level of yourself. Larry Teller has been manufacturing plumbing fixtures for many years. His main supplier recently told him that they were closing their metals department, which means finding the raw materials he needs will be very difficult. When I questioned him, he admitted that he didn't want to be in the plumbing fixtures business any more, but wasn't exploring options because he was afraid of making a change. He saw that, on some level, he created the materials shortage so that he would be forced into moving in a new direction.

Some of you reading this book have been in business before, but most of you are probably getting ready for or are just beginning your first venture. If you have always worked for someone else, something internal has to happen before you will be ready to be your own boss.

You have to be willing to get up each day and go to work and tell yourself what you need to do. This takes discipline, determination, ambition and motivation, all of which come from inside of you and will be reflected in the health of your business.

It is your choice as to whether or not you are the victim of the economy or circumstances or something else. You have the power to create your business success and whether you do or not will depend on what is going on inside of you.

Develop The Desire First

The first step in building a business is developing a strong desire to take control of your own life. The desire must be so strong that you are willing to make sacrifices of time and energy in order to make it happen.

Going into business for yourself isn't easy. You will have to take chances and learn new behavior patterns. Unless you have access to unlimited funds, there will be periods of financial neediness. Therefore, unless you have a *burning* desire to be in business for yourself, you will be tempted to quit during the rough times.

The desire to be an entrepreneur can start as a little spark and grow to a strong flame. If it only stays at the spark stage, you're not ready to go into that business.

Mary Ann Roberts has a home-based flower arranging business that has been growing steadily since she first started it two years ago. Before she started the business, Mary Ann didn't necessarily have a burning desire for flower arranging, but she did have a burning desire to be an entrepreneur. The flower arranging business filled all of her time and energy requirements for a business, and she liked the work. As time went on she found that her passion for the business grew quite strong.

Once you are sure you want to have your own business, then you are ready to begin building it.

Chapter 4. The 10 Building Blocks for a Successful Business

If you ever read business books or magazines, then you know that there are many different theories about what one has to do to start and run a successful business. Although the theories differ, there are a few basic principles that appear over and over again.

Choosing, starting and building a business may seem like a gigantic task, but the process can be much easier if you do it one step at a time with the ten building blocks we believe are the backbone of any business. The basic materials for most of the building blocks are made from time-honored principles. To these we have added some of our own ingredients in order that they might apply more specifically to you, the inexperienced entrepreneur. Others, such as Building Blocks 9 and 10, are sometimes mentioned by other authors, but are rarely emphasized as they are here.

If you use *all* of the building blocks, one at a time, you will be able to develop a venture that is more than just another business. Because you are using these building blocks you will:

- Look forward to going to work every day
- Give your business the energy and attention it needs in order to support you
- Find inner satisfaction with yourself and your achievements
- Enjoy the benefits that a profitable business provides.

Here are The 10 Building Blocks For A Successful Business.

- 1. Use your personal values as a foundation for your business.**
- 2. Choose a business that fills a specific, present need for an identifiable group of people.**
- 3. Develop an attitude of success.**
- 4. Carefully plan your business.**
- 5. Market, market, and market some more.**
- 6. Connect to other people.**
- 7. Give your customers value and value your customers.**
- 8. Take good care of your money.**
- 9. Take good care of you.**
- 10. Tell the truth!**

Are you ready to get started? Are you ready to find the perfect business for you? Are you ready to build a strong, secure business that will allow you to earn the income and satisfaction you want?

It's time to begin!

Chapter 5. Building Block 1:

Use your personal values as a foundation for your business

Building a business is like constructing a building. First you lay a foundation, then you erect a frame and, finally, you add the walls and other details.

You might think that the first step is to choose a business. But there is something we suggest you do before you make your choice, because if you don't take this step, the foundation of your business will be shaky. The step involves defining your *personal values*.

If you are like most people, you've probably never sat down and defined your values in a clear, concise way. Now is the time to do this. It's time for you to look inside of yourself to see what matters to you; it's time to find out what it is you value. Then you can build your business on a foundation of your personal values.

I suggest that you take a piece of paper and write on the top, "My Values." Do you value truth, integrity, health, wealth, productivity, fame, solitude? If not, what do you value? Whatever your answers, be sure to write them down.

Keep in mind there are no right or wrong answers. Whatever is important to you just is. No one can judge your answers or dispute what you say. It's important that you get a clear idea of *what* you value, because once you do, you'll have an easier time making any kind of what-should-I-do decision. If all of your decisions are value-based, then your work will be a pleasure and you'll reward yourself with success. Conversely, if you make decisions that are contrary to your values, then you won't feel good about what you're doing, and creating success will be difficult.

For example, suppose you value truth and in order to get a particular contract you have to tell a few lies. They don't even have to be big ones – maybe just a series of small lies or exaggerations. Your lies will make you uncomfortable, and somehow you may sabotage yourself or your business. Ralph Waldo Emerson said, "Nothing gives so much direction to a person's life as a sound set of principles."

What we're doing here is looking at *your* principles, *your* values, so that you can give *your* life direction. You may not be able to define your values immediately if you've never done this before. That's fine. There's no hurry. You can think about your values for a few days and mull them over before you write anything down. There is no right or wrong way to do this. The only purpose of this exercise is to help you get in touch with you.

Many people live their lives fulfilling the expectations of others. They're acting out a part and not living their own lives. If you're like most people, then you've planned your life either to please others or to rebel against your upbringing. In either case, you are living your life for others, not yourself. Now is

the time to look inside yourself and see what's in there waiting to be expressed. It's time to find out how you want to live your life for you.

Make A List

After you've made a list of your values, choose five of them that mean the most to you. Then each day for the next week write just a paragraph or two about what that value means to you.

Did I hear you say, "I don't want to have to write anything?" I know that most people don't follow through on writing exercises. Rather than avoid the process completely, if you don't want to write, I'd like to suggest that when you're driving, or when you're in the shower or doing some mindless task, think about one of the values you've chosen and ask yourself, "What does this value mean to me? How would I like my business to reflect this value?"

Once you know your values, then you can make value-based decisions and these decisions can insure your success in business. After all, your values form the foundation on which you're going to build your business.

Rickey Eisen values good food. When she worked as a corporate marketing analyst she became dissatisfied with the deli lunches brought in for office meetings. She borrowed some money to launch Between the Bread in May 1980 and now serves as caterer to 1,900 Manhattan corporations. With her staff of 125 she caters events from breakfasts to receptions, which make up 75% of her business. The other 25% comes from a full service deli, also started in 1980. Her company grossed \$7 million in 1991.

I appear as a guest on many talk shows across the country. On several occasions, I've learned the show's producer or host once lived in the Los Angeles area but had decided they'd rather live in a less populated area that didn't have the problems of a big city. For them, the money and prestige of a major radio market is less important than their serenity and peace of mind. These are people who have made value-based decisions and changed their lives accordingly.

Define Your Ideal Business

The next step is to consider what you want from a business. What do you want to do with your time? In other words, how would you describe the perfect job?

Answer these questions:

- **With what kind of people do you want to spend your time?**

This is an important question for you to answer because in doing so you will be giving your business a focus. For example, if you choose to work with parents of small children, this will require a different kind of business from one which would serve senior citizens. The choice you make regarding the people with whom you want to spend time will affect your products, services, advertising, sales techniques and marketing methods. Feeling comfortable with the group with

whom you choose to interact is important if you are going to enjoy your business, so think carefully about this question.

- **What are the hours you want to work?**

The kind of business you choose will determine the length of your work day and which days you work. If you open a retail store, you have to plan on working weekends. If you have to be with your family every weekend, then a retail store would not be a good idea. Many businesses do well on weekends, such as those that involve selling at flea markets. If you want to work on weekends, that is a type of business to consider.

Walter Browne is an unconventional bachelor of 58 who decided at age 47 to sell inflatable toys at flea markets. He has every conceivable inflatable toy that you can imagine – animals, people, honey bees and more. There are big toys that rebound when you punch them and small toys that don't do much more than just be there. He works at the flea market every Saturday and Sunday. One or two days a week, he works at the garage where he stores his inventory and organizes the toys for the weekend. Over the years, he has learned how to buy closeouts and how to find the best deals on inflatable toys. Occasionally, he augments his inventory with other novelty items. Warren loves working just a few days a week, even though it means missing weekend activities. Although he lives modestly, Warren earns enough to support himself comfortably. The business provides him with enough to purchase whatever he needs and to pursue his other interests.

- **Where do you want to work? Do you want to work at home? Do you want to travel? Do you want to stay in the city you're in now?**

- **What do you like to do?**

Bob Richards knew he wanted to go into business, but wasn't sure what to do. I sensed that he was good at sales. He told me he was and that he enjoyed it. I asked, "What do you enjoy selling?"

"I've sold many things from kitchenware to vacuum cleaners," he answered.

"But what do you *like* to sell?" I asked. He seemed stumped.

So I asked, "What do you do in your spare time?"

"I play basketball, baseball, volleyball. Any kind of sports," he admitted.

Obviously selling a sports-related product would be perfect for Bob. He'd enjoy a business that would keep him outdoors and involved with sports activities. Such a business would fit in with his personal values.

Dr. George Peters, a chiropractor who invested thousands of dollars marketing his practice, reached a point where his business was earning enough to cover his expenses but not enough for him to feel comfortable. The first time he talked to me he said he knew what he was supposed to do to build the practice, but whatever he tried never seemed to work.

I asked him if he really liked being in his office all day seeing patients on a one-to-one basis.

“Quite frankly, I’d rather be out in the wilderness somewhere climbing a mountain,” he confessed. “I love the excitement of sports and physical challenges.”

We decided it was time for him to find a team to work with or, better yet, a mountain climbing expedition he could accompany. He agreed that this kind of experience would be more in tune with what he wanted to do.

Define Your Strengths And Weaknesses

Now ask yourself, “What do I do well?” Make a list of everything you do well and like to do. You can make two lists if you like. One would be a list for business-related activities such as organizational skills, sales ability or facility with numbers. The other list is for non-job related skills such as sewing, playing music, sports. After you list your strengths, make a list of the activities that are necessary for running a business that you do *not* do well.

Your strengths and weaknesses will play a strong part in how you plan and develop your business. If, for example, like Bob Richards, you are good at sports, you might want to focus on sports in your business. Or, if you are not good with numbers and have very few marketing skills, then you will have to plan on finding the resources to pay or trade for someone else’s time and talent.

Dora Allen opened a flower shop in an upscale shopping mall a few months before I met her. At our first meeting I explained how I could help her develop a marketing plan and then prepare high quality, economical marketing materials. She said, “I’m so glad someone will take all of this marketing off my hands!”

When I returned for our second meeting, during which we were going to lay out a marketing plan, I asked her to show me her monthly financial statements. Dora confided that her expenses were far beyond her expectations and the business was building more slowly than she had anticipated. We carefully went over the marketing she was doing and took a good look at her numbers.

It amazed me that even with her bookkeeper sitting in on the meeting, they could not give me a definitive answer about the shop’s income. They separated the flowers-by-wire sales and the walk-in trade and never quite put the numbers together. Dora had never been told, “You’re losing \$1000 a month.”

After looking at her advertising expenditures, it became clear that, although she had grand plans for expanding her business, Dora was only prepared to spend about \$400 a month for marketing (aside from her yellow page ads). But realistically, because she was running out of savings, she couldn’t even afford that much.

Obviously, with such a limited budget Dora would have to do a lot of person-to-person networking. She replied, “I’m not willing to work more than eight hours a day and I don’t like to network.”

Had Dora made a list of her values and her strengths and weaknesses before she opened her shop, she would have seen that a high overhead flower shop was not within her reach or in tune with her values. Like Mary Ann Roberts, she could have opted for a simpler operation that she could have run from home and built up a following before opening a high overhead retail shop. If she had been realistic about her strengths and weaknesses (and if she had understood planning), she would have known that she needed to budget in a money manager and a marketing consultant.

Image There Are No Limitations

You can create your own reality – no matter what you want it to be. But first, you have to visualize what you want. Ask yourself, “If I had no limitations, such as money, time, location or a family situation, what would I like to do?” Let your imagination run free.

If you get an idea, make it real in your mind.

For example, suppose you think that like Dora you want to have a store. *Clearly imagine that you have it.* In your mind, create a detailed picture of the interior. See yourself dealing with the people who come in. Imagine the hours you’ll have to work and the pressures you might feel. Think about how you’ll advertise your store and the products you’ll sell. It’s important to examine both the good points and the bad points of your possible business. If you don’t have enough information, then do some research. And most importantly, see if the business you’ve chosen fits in with your values.

When you start examining the reality of your chosen business, you may find that what you once thought was attractive no longer is. For example, if you’re thinking about opening a retail store, you might come to realize, as Dora did, that you don’t want to work more than eight hours a day, five days a week. Also, you may not want to work with so many people, or you may not want the responsibility of such a high overhead.

As an alternative, you might think of a different way to sell merchandise, such as selling out of your house or from a small booth at a swap meet. Try each idea in your mind.

Develop The Skills

Remember, there are no limitations. You can create whatever you want. But you may have to work your way up to your ultimate dream. You may have to develop the skills that go with your dream. For example, if you want a big, high income business, you’re going to have to learn many business skills. That’s the reality of business ownership.

Yes, you can have whatever you want. But it is not just going to plop into your life. It will not be given to you by some unseen source just because you’re a nice person. That’s not what entrepreneurship is about. You have to start at a

feasible point and devise a strategy to reach a goal. The building process is about getting from a starting point to a goal point. It's a growing and learning process. In business, as in life, first you have to learn to walk, then you can run.

Dora Allen wanted a flower shop, and there's no reason why she couldn't have had one. But she forgot to realistically plan how to create her dream. Had she started at home or with a flower cart at a mall, she would have been better able to build up her business and make it succeed. Dora had never been in business before, and she took on more than she could handle at one time.

Before you take any steps toward making your business real, answer all of the questions on the Business Planning/Marketing Guide in Chapter 9. It will save you a lot of money and grief!

You Have An Advantage

You are one of the lucky would-be business owners because by the time you finish reading this book, you'll have a better idea as to what it takes to build a successful business. You may be disappointed to learn that you probably won't "get rich quick" and that time, effort and knowledge are needed to build a business. But by knowing this you can make rational choices.

You'll be one of the minority of business owners who launch their enterprise with sufficient planning and research. You'll understand your strengths and your weaknesses and you'll have a better understanding about how to handle money, which is a primary ingredient in business. You'll understand what kind of help you need and how to ask for it. And because of your knowledge and understanding and the efforts you'll make, you *will* be a success!

There are a number of books available that can help you explore business ideas. In the Resource Section at the back of this book is a list of suggested reading which includes books that can help you choose a business.

Chapter 6. Building Block 2:

Choose a business that fills a specific need for an identifiable group of people

There is no doubt that with the proper planning and skills you can create whatever you want. However, in order for you to have customers, people have to perceive that they want what you have to offer.

The easiest way to choose a *successful* business is to define your values and what you want, then see who needs what you have to offer.

Everyone has certain basic needs, such as the need for love. But there are other needs that are very specific to identifiable groups of people. For example, there was an article in the *Los Angeles Times* recently about a new product – knee pads for babies. What a wonderful idea! Babies have been hurting their knees since babies started crawling, but it wasn't until Randy Lapin came along that someone decided to do something about it. He spent quite a bit of time designing the perfect knee pads. Randy found a product that filled an identifiable need for a specific, large group of people. The key word here is *large*.

In his position as a staff assistant to Jerry Brown, when Brown was Governor of California, David Kalb saw how difficult it was for small business owners to deal with state government and its maze of rules and regulations. Kalb did not want to work *in* government anymore, but liked dealing *with* government. He decided to help small business owners apply for minority contractor status and obtain a variety of business licenses that are required in California. He also ferrets out information that's needed to close real estate deals or win lawsuits. Kalb identified a need and now fills that need for many people. Here again, the operative word is *many*.

It might be true that left-handed women who drive big trucks in Rhode Island need a certain type of widget. But how many of these women are there? If you could find them, how many from that small group would be likely to purchase what you have to offer?

On the other hand, you might come up with a product that appeals to a small group of people who are willing to pay a lot of money to buy what you have to offer. Original cells from old Disney cartoons would fit into this category. Selling just one of these, which you bought at a good price, could support you for a long time.

They Recognized a Need

In 1979 Ralph Steinlechner, a Swedish business owner, discovered graffiti on one of his buildings. After learning that the only way to remove graffiti was sandblasting, which would ultimately ruin a building's surface, he began looking for a new solution.

“Most of the products on the market were toxic,” Steinlechner said in an interview in *Entrepreneur* magazine. “After collecting all the information we could about graffiti removal and talking to several building restoration experts, we found the right combination of non-toxic, biodegradable chemicals to remove graffiti.”

Steinlechner’s business went international in 1985 and he was invited to Bridgeport, Connecticut to demonstrate his graffiti removal system to city officials. They were impressed with his technique and Steinlechner felt there was a great need for his services in the United States. Within a few weeks, he sold the restaurants he owned and moved his headquarters to Stamford, Connecticut. Shortly after he set up his new offices, he had a contract with the New York City Transit Authority to clean up the subway system. Other agencies quickly followed suit. IGC is now the largest graffiti removal company in the world, boasting 1991 sales of \$2.5 million and a crew of 30 specialized trucks working in New York and Connecticut as well as Italy and France.

Garrett Boone and Kip Tindall had no experience as business owners. But in 1968 they took a risk and opened their first retail outlet, The Container Store. This Dallas-based venture, which has grown to be a chain of nine successful retail shops, specializes in items that help people get organized. As a result of their ability to recognize a specific need, Boone and Tindall are considered pioneers in a field that now has many more players.

David Sheridan is another pioneer who decided to fill a specific need for an identifiable group of people. He started his Buffalo, New York company, Sheridan Infant Products, because he realized that infants and children are just as susceptible to the harmful effects of ultraviolet light as adults. To date, no protection was available for the younger generation. To shield the sun from their children’s faces, parents often struggled to keep hats on their children’s heads. It was obvious that the children needed sunglasses. To fill this specific need, Sheridan created a line of sunglasses for three to six year olds. The frames are made of foam and tricot with bendable Lexan lenses that filter out 95% of the ultraviolet A and B rays. The cloth headband is secured with an adjustable Velcro closure, ensuring a snug and comfortable fit.

Look Around You

How can you find a need that you can fill? It’s simple – just look around you and listen. Read the newspapers, watch television news, listen to people with whom you interact. When they complain, are they expressing a need? Your ears should perk up when you hear someone say, “I wish I had _____,” or “I wish someone would _____.”

Also, listen to yourself. Have you ever said, “If only I had just the right widget to do this task?” Are there other people who would want to use the same widget?

Have you ever wished that you had someone to help you do a specific job? How many other people could use the same kind of help?

When I decided to write this book it was because I knew that hundreds of thousands of people were being laid off with no prospect of finding a job. In addition, studies showed that millions of people who worked for someone else wanted to work for themselves. The two things all of these people had in common was a lack of experience and, most often, limited capital. None of the books on the market addressed their specific needs. Because this group of people has limited financial resources, no large company wants to target them and develop the products and information they need.

But I see a specific need for a large, identifiable group of people. And what is most important for me is that I can relate to this group because I have been in a similar position. For years, starting my own business was like trying to get into a high-stakes poker game without enough money to cover the ante. There was no financing or information that could help me at my level of experience and understanding.

I strongly believe that even people with limited resources can develop a business and I think they deserve to get whatever help they need. Although their available funds are limited, they still have an occasional \$10 to spend and they would be more than willing to invest \$50 or more if they felt it would help them fulfill their dream of business ownership. As a result, I design high value, low cost information-based products. Time will tell if I have chosen the right need to fill and the right way to fill it.

Chapter 7. Make It Happen

After you find a business that you think has potential, the next step is to make it real – in your mind – so that you can begin to develop a strategy for building your business. This part of the process will help you see if the business you have chosen will, in fact, satisfy your personal needs and if your business idea is realistic.

Create Your Business In Your Mind

Once you decide what you want to do, take the time to imagine your business as if it were real. Spend time thinking about where you want to work, with whom you want to work, what kind of customers or clients you would like, how you will manufacture your product if you have one, and where you will advertise. Clearly imagine that you are doing all of these things.

Let your imagination run free. Don't limit yourself by saying, "I can't do that because . . ." Imagine that there are no limitations and you can have whatever you want. You may find, as you get more specific, that there are aspects of the business you want to change. Let it happen.

Start Slowly

Your business is now real – in your mind. But here comes a paradox: if you *don't* get anxious and *don't* try to make it happen quickly, it will. Anxiety will only prevent you from recognizing opportunities as they come along. From my experience, it usually takes about three months after an idea is generated before it starts taking physical shape. If you try to rush it, you can actually block it from happening. For this reason, I suggest that you spend at least one month doing research to test the feasibility of your proposed business. You may find, in the course of your research, that something new presents itself that will make your business even better.

Unfortunately, most people skip this important step, especially if they need money quickly. They get a business idea and then, without testing the water, jump right in. As difficult as waiting may be, you'll be able to make your business real more easily if you allow time for the idea to mature.

Waiting is easier if you learn how to spend some quiet time with yourself. Quiet time allows you to tune into the inner you that *knows* what you want to do and how to get it done! You can just sit quietly, in a quiet room – no radio or television – or out in nature. Start in small increments, such as 15 minutes, and work up to the point where you can be quiet for an hour.

Quiet Your Mind

Here is a simple technique you can use to quiet your mind.

Sit with your back straight, ankles crossed and eyes closed. Gently fold your hands and relax them in your lap.

Take a few deep breaths before you let your breathing find its own level. Then imagine that a beam of rainbow light is coming into the center of your forehead. You do not actually have to see anything, just imagine the presence of a light.

Imagine that the light travels down the center of your body and diffuses into all of your cells. Repeat to yourself a few times, “I am in the light, I am filled with the light.”

Do this for a few minutes. Then, when you feel yourself beginning to relax, imagine that you are sitting at the edge of a calm lake at dawn. Imagine the haze rising from the lake. Listen to the birds as they begin their morning routine. Feel the calmness. If your mind wanders, gently bring it back. As you do this, keep repeating to yourself, “I am relaxed, I am peaceful.”

Do this for 5 to 10 minutes.

If you are new to this kind of relaxation, you may find that your mind is very busy and that you cannot concentrate on the rainbow light or the lake. Don’t try to force it.

To help you quiet your mind, do the following instead of the calm lake imagery. Imagine that you are sitting on the bank of a river and that your mind is the river passing by. Just watch the river. Don’t try to stop it or alter its course in any way. Do not judge it. Just watch it go by. If your mind wanders, gently bring it back. It may take a few weeks, but eventually your mind will quiet down.

Watch For Opportunities

Once you make a clear decision to create a business, you’ll probably discover people or places that can help you make your dream come true. You will also probably find someone who can help you make difficult decisions. You may even find yourself going in a slightly different direction.

One thing is certain: opportunities *will* present themselves. What you have to do is recognize the opportunities and take advantage of them when they come along. The opportunity will sometimes be a person. At other times it will be an opportunity for action.

When I am with someone, I often ask myself, “Why, with all of the billions of people on the planet, is this particular individual talking to me at this particular time?” One example of this stands out in my mind. When I started developing the idea of Build Your Business, Inc., before it even had a name, I was doing some stress reduction work with the former CEO of a very large corporation. We shared many values and a desire to serve what we perceived to be a disenfranchised population. One day, I said to myself, “Why is *this* person here? It took a series of

coincidences for him to find me and he is unlike any other client I have.” So one day I asked him if, instead of paying me for my services, he would be willing to trade information with me and give me some guidance. I knew his advice would be valuable.

Once I explained my vision, he became interested in the project. He helped me develop my business plan, taught me how to set up a rather complicated spread sheet so that I could do a detailed financial plan, helped me construct an investment offer and set up a corporation. The very fact that someone with his level of experience would not only take an interest in, but see the value of what I was doing, inspired me to keep going, despite what sometimes seemed like insurmountable blocks. What a gift he was! But I never would have received it if I hadn't asked! I had to recognize the opportunity.

Successful entrepreneurs are the ones who recognize opportunities and follow through on them.

In 1983, a small factory in Springfield, Missouri, Springfield Remanufacturing Corp., owned by International Harvester (IH), was fighting to stay afloat. IH decided to sell the company and offered it to the workers. Although they had never done anything like it before, the workers took advantage of the opportunity and reorganized the company. From 1983 to 1986, sales grew by more than 30% per year, going from a loss of over \$60,000 the first year to pretax earnings of \$2.7 million in the fourth. In 1991, they had sales of almost \$70 million. The workers recognized the opportunity and followed through.

The idea is to follow opportunities that present themselves if – and only if – it feels absolutely right inside your heart. If you don't enjoy doing what you choose to do, no matter how good the opportunity, you won't do it well.

Do The Research

Most new entrepreneurs don't do enough research. They jump into businesses without gathering enough information to help them make rational, success-oriented decisions and plans. Unfortunately, many ideas that seem wonderful at first don't hold up under close examination.

Just the other day an associate mentioned that he had spoken to a person who wanted to start a business that would recycle the waste products created by caterers. My associate spoke to a caterer who told him there weren't enough leftovers and trash to make it worthwhile for someone to do something with them and make a profit. Just one phone call made it clear that the business idea was not a good one.

If you're in a hurry to get your business going, you probably won't do enough research. In the end, it will take you longer to make a profit because you'll spend time and money that could have been saved if you had researched the project. Dora Allen, the woman with the flower shop, obviously didn't do enough research

because she didn't understand what it realistically takes to build a flower business. She didn't talk to other florists to find out how they did it, nor did she learn about marketing.

Every business will require a different kind of research but there are some basic actions you can take. For example, find a few people who have a business similar to the one you're thinking about. Call them and tell them that you are planning a business and ask if they would be willing to answer a few questions. If you're considering buying a business opportunity or franchise, speak to owners of those businesses and, if possible, go to their place of business. Don't be afraid to ask questions. Most entrepreneurs like to share information. Don't ask specific money questions, such as, "How much do you make?" Instead ask, "How long did it take before you turned a profit?"

How Much Money Do You Need?

When I appear on radio talk shows, the question I am asked most frequently is "Is it really possible to start a business without much money?" The answer to this is a definite "Yes!" Not every kind of business can be started with limited funds, but if you are resourceful, it can be done.

Earlier I told you about Lillian Vernon who started her mail order company in her kitchen and Amelia McCoy who started her business with only \$7. Mary Ann Roberts, the woman with the flower arranging business, only invested \$200.

I'm always looking for stories about people who started a successful business without much of a cash investment and I have no trouble finding them. Recently I met a man who started a flyer delivery service with less than \$10. For \$40 per thousand, he delivers flyers from his customers to businesses and/or residences. He told me that three months after starting the business he was making a profit.

Brooks Owen, who started a publishing company in 1979 with a classified ad that cost him \$56.70, now publishes more than 70 books, manuals, reports and tapes on a wide variety of subjects ranging from how to use your computer to how to recycle tires.

Marty Frank was out of a job and had to support his wife and small child. "I wasn't going to just sit around and wait," he told me. I met Marty when he knocked on my door and asked if I wanted to have my address painted on the curb. I did, and when he finished I asked him how he got started. "I invested \$50 in supplies and started knocking on doors," he said. Evidently Marty was highly motivated because he was making \$2000 a month – at \$5.00 a curb! He said he had to knock on a lot of doors, but there were enough people who said "yes" to support him.

The opportunity magazines such as *Income Opportunities* and *Small Business Opportunities* often have articles about businesses that can be started for less than

\$500. By carefully choosing one of these and applying the principles that we discuss in this book, it is possible to create a profitable venture.

So how much money will *you* need? That depends on your financial situation.

Use What Is Available To You

I learned a long time ago that if I wait for the money that I think I need, I may never get to do what I want to do. If I don't have money and there is something I need, I ask myself, "How can I get what I want without money?" or "What can I do with what I have that can generate cash?"

As I mentioned before, in 1982 I came to California with five apple boxes filled with all of my possessions. I stayed with friends and needed to make money quickly to pay for food. To do this, I asked people I knew for the household goods they were going to give or throw away, then found a business owner who had a shop that was only open during the week and was located on a main street. I asked him if I could set up a table in front of his building on weekends to sell the items I had collected. He agreed and every Saturday I stood out there with the merchandise and made enough money to pay for food.

Selling other people's discards was not what I had in mind for a business. What I really wanted to sell were quartz crystals and minerals and two of my five apple boxes were filled with them. So I found a shop owner on the Venice boardwalk who was willing to let me use the window ledge outside of his store for \$3.00 a day. I usually sold \$50 to \$75 worth of merchandise every day (which was enough to keep me going).

Soon after, I was able to afford to move into an office/showroom and slowly but surely the business grew. Within a year I was supporting myself and turning a profit. By 1987 sales totaled \$325,000!

So, can *you* start a business without any money? First, ask yourself, "What do I have available right now or what can I do for other people that doesn't require an outlay of cash?" It has to be something that can be marketed by personal contact and word-of-mouth publicity. There are plenty of ways that it can be done. Just look around you. You'll find a way.

Bartering Can Help You Build Your Business

Do you avoid hiring an accountant to help you do a better job of taking care of your money because you don't have enough available cash? Are you putting off having your teeth fixed because it costs too much? Would you like to have some marketing materials printed, but don't have the money to do it?

How many times have you said to yourself, "If only I had more money, I could do _____ or have _____." As an illustration, let's assume you said, "If only I had the money, I could have an accountant help me."

The question is do you need money, or do you need an accountant? The answer is that you need an accountant and you may not need any money – if you have goods or services to trade.

For years, I have been bartering for health care, legal services, accounting and computer services. I have traded for furniture, printing, housecleaning and dental services. I offer consulting and desktop publishing for the products and services I want. It's perfectly legal as long as you declare the value of whatever you receive for your services as income. Finding people who like to trade is fun for me and I love to do it.

If you have trouble negotiating, you can join a bartering club. They usually charge a cash fee to join (\$300 to \$500) and offer credits when member businesses purchase your product or services. You can use these credits to buy from other member firms. Bartering is a fast-growing method that many new businesses are using.

Opportunity Seekers – Beware!

Before we move on to the next chapter, I would like to say something about business opportunities and multi-level marketing companies (MLMs).

Many people who are looking for a business are often attracted to get-rich-quick offers that sound too good to be true, such as “Earn \$500 a week mailing letters.” A good rule of thumb is that if something sounds too good to be true, it probably is a rip-off.

There are many magazines that cater to opportunity seekers. These publications are filled with ads from companies looking for dealers to sell their products. To become a dealer costs from \$5 to \$100. You send them the money, and they send you what they claim to be everything you need in order to make large sums of money. Many of these businesses are built around poorly reproduced direct mail advertisements. They tell you that if you mail out 100 flyers a week, you'll make a fortune. As you'll see in Chapter 10, mail order doesn't work that way. In order to create a profitable business, you'll have to do much more than just mail out a few thousand flyers.

There are many legitimate business opportunities, but those of the get-rich-quick variety do not provide the support that a new entrepreneur needs. You pay them your money and then you are on your own. There are many business opportunities that advertise but have no real substance to them.

Before you respond to any of these “get-rich-quick-without-any-work” businesses, do some research. Reputable companies will give you the names of people who are satisfied. Call them and ask how long it took them to learn the business and how long it took to become profitable. Ask about the support that the company gives.

Remember, no matter how good a business opportunity is or how many support materials and services they provide, you still have to go out there and find the customers and convince them that you are offering something of value. A business opportunity, franchise, or any other kind of packaged business that you purchase doesn't do the work for you. You still have to understand business and financial planning as well as sales and marketing.

Multi-Level Marketing (MLM)

When you are looking for a business, you're bound to come across any number of MLM opportunities. Here is how it works.

A person signs you up as a dealer and becomes your *sponsor*. That person makes a percentage of everything you earn. You're encouraged to sign up other dealers. Each time you do, you make a percentage of everything they sell, and so does your sponsor, and your sponsor's sponsor, and your sponsor's sponsor's sponsor, and on and on up to twelve different levels.

When your potential sponsor is selling you on the attributes of their MLM, you'll be shown how you can earn hundreds of thousands of dollars a year, just by signing up other people as dealers. (This is known as establishing a *downline*.) What the MLM sponsor is saying is true, but finding good productive people for your downline who also can find good productive people is much more difficult than anyone will ever admit to you.

Some people do make lots of money. But most people don't. After joining an MLM company, new recruits may enlist a few other people, but very few manage to sign up more than one or two. Building a downline takes a great deal of drive and an investment of money.

Another factor to consider is that many people you sign up will fizzle out quickly. I met one man who built a downline of 200 people. He was the pride of the growing MLM company he represented. When I asked how many good producers he had, his answer was six. Think of how much time he spent signing up the other 194.

One woman I met, Laura Ogden, was with a well-known company that sells water and air purifiers. She had a large downline and, from what I could see, made good money. She was living in a wonderful, well-furnished house in a beach community where real estate is expensive. She drove a luxury car, and said she was doing well. But Laura was totally absorbed in her business and spent most of her working hours selling product and building her downline. She invested a lot of money in out-of-town ads, held seminars in cities around the country and worked very hard for the money she made.

The big MLM money-makers I meet usually have assertive personalities, previous sales experience, and a willingness to work very long hours. If you are new to selling, I suggest that you speak to at least ten people about their

experiences in MLM ventures before signing up. Try to find some who didn't succeed and find out why.

The "pitch" with MLM products is that because the parent companies do not spend money advertising in national magazines or on television, the money can be spent paying the people who do the marketing. This is true, and, in some instances, the product is offered at a fair price. But in many instances, the prices are much higher than comparable products that are sold through retail outlets.

In order for MLM to work for you, you'll have to spend a lot of time, money and effort building your downline. You will have to constantly be on the lookout for people who could learn to sell the product or service. Then, you have to convince them that they will make money.

You will also have to spend a considerable amount of time selling product. Because you won't have a store that brings people to you, you will have to find people who are interested in the product or service you sell. This takes a lot of marketing and good sales skills.

A friend of Marty Olson's extolled the virtues of a gas-saving device for automobiles that not only reduced gas mileage, but increased a car's performance and kept the engine clean. He tried it on his own car and was amazed that the car didn't hesitate anymore when he accelerated. When his gas mileage increased by almost 15%, Marty was thrilled.

Marty was sure that everyone he knew would want one of the devices. Although it sold for \$125, he was convinced that they would see the long term value. Filled with enthusiasm and excited about the possibility of making a lot of money, Marty signed up as a distributor (in order to obtain the best price) and invested \$3000 in product. The first month was terrific; he sold fifteen devices and actually signed up a dealer who bought three devices from him. But during the second month, instead of sales continuing to rise, they began to fall. Finding customers became more and more difficult. Marty didn't like the fact that every time he talked to someone he checked them out as a potential customer or dealer. He was always selling.

Fortunately for Marty, he sold all 50 of the devices he bought. Other distributors who did not have Marty's outgoing personality were not as lucky. They became discouraged, dropped out, and were left with dozens of devices that went unsold.

Marty's is a familiar story. Even within reputable companies like Mary Kay Cosmetics, people who have never been in sales before buy more product than they can easily sell. From what I have observed, fewer people are a success in MLM than those who aren't.

Before you choose *any* business, look at it carefully. Investing time and energy in a worthless venture can be draining and discouraging. Choose a business that can realistically support you if you put in the time and effort.

Chapter 8. Building Block 3.

Develop an attitude of success

In 1990 Joelle Baker decided to start an office cleaning service. She had boundless energy and loved to meet people. She enjoyed selling her service because she believed that what she did was something business people needed and wanted. When she called on a potential client she always brought a fresh flower for the decision maker's assistant or secretary, an unexpected but welcome touch. Joelle exuded confidence and expressed a genuine desire to satisfy a potential client's needs.

Once she acquired a client, Joelle made sure the client received everything that was promised and more. She stayed in close touch with her customers and let them know she was there to serve and please them. Joelle's care for her customers came back to her many times over, and within six months, her business grew, mostly through word-of-mouth advertising.

Joelle had an attitude of success. She knew her business would grow in direct proportion to her effort, how she presented herself and the service she delivered. Joelle never complained about the recession or hard times or how difficult it was to get help.

Barbara Little also started a cleaning service, but when she went to see potential customers she appeared angry and annoyed. She seemed to be saying that she had a right to the job just because she'd shown up. Barbara was the perpetual victim – everything happened to her, and nothing was her fault. It was tough for Barbara to find good help and harder still to keep it. That, too, was not her fault.

Which business do you think made it and which one do you think was a statistic of tough economic times? You don't have to be a psychic to guess the right answer.

Become A Winner

Can you see that the people who think and act like victims will always be victims, while those who take control of their lives are successful in business and in life?

If you have been a victim all of your life, then telling yourself to change is not going to help. It takes time and effort to change from victim to winner. But, just like with anything else, if you have the determination, you can develop the attitude of success and become a *big* winner. As we said earlier, there are no limitations except those that you impose on yourself, and "victimhood" is only a limited perception of your potential.

Recently, there was a documentary on television called "Gridiron Gang." The program, which was narrated by Louis Gossett, Jr., followed a group of teenagers

who were incarcerated at a juvenile detention center for crimes ranging from robbery to murder. The boys were unruly, hostile and difficult to control.

A specially-trained team of coaches was brought to the detention center to give the youths an opportunity to play football. The coaches worked with the boys for a short period of time – only a few months. Although they were considered difficult to discipline, the teenagers trained hard every day and adhered to a schedule. Before long these hostile loners learned how to play as members of a team. As part of their training, the coaches spent a considerable amount of time motivating the boys and telling them that they were winners.

As the training proceeded, the young men became hooked on the idea of becoming winners instead of the losers they perceived themselves to be. Finally, the day came for them to play one of the local high school teams. Filled with anticipation they charged out onto the field, determined to win. But victory was not theirs – not yet. They lost the first game, and the second and the third as well. Keeping up the morale of this unusual football squad was difficult.

Finally, they won a game. Then another and another. They won so many games that they played in the regional championships, and even though they didn't win first place, the boys' perception of themselves had changed from losers to winners.

A few of the boys continued to commit crimes, but for the majority of the “criminals” on the team, winning was a life-changing experience. One of the boys even went on to college, and most of them became productive members of society.

Take These Three Winning Steps

“How,” you might ask, “do I become a winner?” Here are the steps you can take.

1. Take a good look at your life.

Spend a week or two becoming aware of your living and thinking patterns. Remember the watching-the-river exercise suggested in the previous chapter? Watching your thoughts is one way to start. Are your thoughts positive or negative? Constructive or destructive? Do you see yourself, in your mind's eye, as a victim?

Watch how you behave with other people. Do you anticipate that people will take advantage of you? Do you feel awkward at business or social gatherings? Do you usually expect the best or the worst?

Taking a look at how you think and how you behave will give you a clue as to why your life is what it is. I honestly believe that every person creates their reality and that our lives are an outer reflection of our thoughts, emotions and beliefs. Often our thoughts, emotions and beliefs are learned from our parents and we blindly act them out. But once we identify the destructive thoughts, emotions and

beliefs, we can choose to change them. We *do* have free choice – the freedom to choose how we are going to think, feel and act.

2. Make a decision to take control of your life and to take responsibility for what happens in your life.

This is not easy because if you've always been a victim and if success has always eluded you, there's probably a deep-seated reason, or conditioning, from early childhood that helped establish your thinking and behavior patterns. In order to take Step 2 you'll need to commit to do whatever it takes to change these patterns and to reprogram your belief systems.

If you always think that people are going to take advantage of you, you'll have to find a way to believe that they won't. You'll also need to learn some communication skills or take some assertiveness training so you can set boundaries for yourself and protect yourself in any situation.

3. Take action.

Begin to replace negative thinking patterns with positive patterns. It is now common knowledge that our subconscious minds determine the course of our lives. Basically, your subconscious mind helps to arrange your life so that you live out your belief systems. But your subconscious mind doesn't work in time/space. When you tell yourself that something is true now, even though it is a goal of your future, your subconscious mind believes that it's happening now and it adjusts your life story accordingly. Not necessarily instantaneously, but it will move you in the new direction.

If you discover that you're constantly telling yourself, "Nothing good ever happens to me," or "No one ever buys what I'm selling," or "I'm not worth anything," then you can understand why your life reflects those thoughts. Your subconscious mind is supporting the beliefs that you're affirming.

But you have the choice to consciously tell yourself, "It's wonderful the way my life just flows so smoothly," or "Isn't it terrific the way people just line up to buy my product," or "I'm a valuable person and deserve the best that life has to offer." If you start doing this and you start clearly visualizing your comfort and success, in time, your new thoughts will become beliefs. When this happens, your subconscious mind will help you act out those new beliefs.

When I first started pulling myself out of my poverty, I saw how little self-worth I had. Even though I had great dreams of success, I was living in a converted garage in a dilapidated neighborhood and was financially dependent upon my family. I was bogged down with a belief system that affirmed:

- *Women are not as valuable as men.* No wonder my brothers were both successful, financially and otherwise, and I could not get my life together.

- *Women should never overshadow the men in their lives.* I was taught that my value came from being an obedient wife and good mother. Neither of those roles ever appealed to me, so I was, by my belief system, a failure.

- *I don't deserve success.* For reasons too numerous to mention, I carried bundles of shame around like a load on my back. I thought I deserved only as much as I was getting, and I never got any more.

But once I identified my thoughts, emotions and beliefs, I was able to understand why I felt what I did and why my life was a mess. I started doing positive affirmations, such as *I am a worthy person* and *I release the Power within me* and *I deserve the best*, for as many as five hours a day. This, I believe, pushed me in a new direction – I was changing my thoughts, emotions and beliefs.

Because I'm telling you this from my present position of strength and wellness I can say, without qualification, that no matter where you are and no matter what your current life position might be, you do have the power to change it!

Of course, there's no way of my knowing what your beliefs are and how they affect your life. Many of you come from families that bred fear, shame and guilt. Others of you come from families that gave you a good sense of yourself and allowed you to perceive your greatness. Still others come from a more moderate upbringing. It isn't the purpose of this book to help you solve all of your inner dilemmas, but to help you recognize what might be blocking you from your success and to point you in a new direction.

The Resource Section in the back of this book has suggested reading/listening materials that can help you reprogram yourself for success. Once you commit to changing your belief systems and thought patterns, you'll find the information and the teachers you need. Just make the commitment and look for the help you need. You *will* find it.

Chapter 9. Building Block 4: Carefully plan your business

Imagine, if you will, that building a business is like establishing a relationship. It takes time, effort and patience. It also takes commitment. You'll know when you're ready to commit to a workable relationship with your business when you begin to seriously and carefully plan your venture. In this chapter, we are going to help you take the steps that will help you easily write a useful business plan.

After you have chosen your business and created it in your mind, you will be ready to create a basic business plan. Potential business owners often resist writing a business plan because it seems like an overwhelming task. But every business needs a plan of some sort. Think about a business plan as a set of blueprints you're going to use to build your business.

Unfortunately, this is a stage in the building process that many entrepreneurs and professional practitioners avoid like the plague. Understandably. Writing a plan can be tedious, time-consuming and frightening, because it means really looking at your business idea and evaluating it on a rational level. Very few businesses enjoy long-term health and prosperity without a good set of plans.

For most people, the idea of writing a business plan can be overwhelming. First of all, most people don't like to write, and most people don't write very well. So we're going to make the process a little easier by giving you an outline to follow. In this chapter you will find a Business Planning/Marketing Guide that will help you put a plan in writing. By answering the questions in the Guide, you'll develop a viable business plan, one you can even use to help find funding. You don't need to write a literary masterpiece – but you *do* need to get your ideas down in some basic form.

Willingness Is Still The Key

Read the next statement carefully. **The success of your business will largely depend upon your willingness to take time with the initial planning stage.**

Many small businesses are run by shoot-from-the hip entrepreneurs, some of whom are successful. But the times are changing and in the 90's there is less room for error. If you want to be able to build your business without a lot of stress and if you want to insure its success, then you need a plan.

When an airplane flies from point A to point B, it is actually off course 90% of the time. The pilot constantly corrects the flight path and brings the plane back on course. The pilot can do this because the course is carefully planned before the flight. Your business plan is the map you will use to keep you and your business on the correct flight path.

Can you imagine a football team going into a game without some kind of a plan? Imagine a coach saying, "We'll just get out on the field, see how it goes and

play it by ear.” This kind of position gives total control to the other team. They’ll call the shots, and all you will do is react to them.

Is that the way you want to run your business? Do you want to let circumstances call the shots and just react to what comes your way? Or do you have a good working plan from which you can make your decisions and anticipate which steps to take?

Writing a plan forces you to think through your ideas and establish your priorities.

Thinking It Through

A woman who is active in Alcoholics Anonymous called me recently. She was excited about a product idea that she thought would appeal to people in 12-Step programs. Without thinking it through, she was going to put the item together and try to sell it. I asked her some of the questions you will find in the Business Planning/Marketing Guide. We discussed what would be required to produce the item, what kind of profit she could anticipate and how long it might take to build up those profits. It didn’t take long for her to see that she had an unrealistic idea as to the potential of the product. She quickly decided not to go any further with the venture.

I counsel people all the time who think that mail order is a great way to market a product. Although mail order can be a valuable marketing tool, it can also be complicated and expensive. People often forget to calculate how much time and money it will take them to reach their target market.

One such person is Jane Lynch who teaches stress reduction techniques. Because she often recommends certain books and tapes, she thought it would be a good idea to put together a catalog and sell these items through the mail as well as to her clients. She said a friend could help her write the catalog. Because writing direct response copy is a highly specialized skill, I asked Jane if her friend had experience with this kind of copy. She said that he didn’t.

Jane had planned on mailing out a few hundred black and white catalogs to see what kind of response she could generate. I knew immediately that her chances for any kind of success were small. She knew nothing about the mail order business and didn’t know how to make financial projections. Like the woman with the product for 12-Step programs, Jane also had an unrealistic idea about the returns she might expect. She had not done enough research or thought through her idea. A business and marketing plan would have helped her see that she needed much more information.

If you read business publications, you will come across many articles that stress the importance of writing a business plan. Even if your business is going to stay relatively small, a plan can help you use whatever capital you have as

effectively as possible. It will also keep you from going off on tangents or expanding too rapidly.

My brother Steve manufactures and distributes giftware products that are marketed through large discount stores like Wal-Mart and Marshalls. He sells truckloads of product. But, he says, he never sells more than his business plan calls for in a particular year. He knows that many businesses fail because they grow too fast.

Business owners often get caught up in the excitement of rapidly growing sales, and overextend themselves. They don't realize that when you grow and expand you have to deal with more people and more product. This often means more space and a whole list of things that can and often do go wrong. Slow growth makes sense to Steve, so he carefully follows the plan he's laid out. Each year he reevaluates his business plan, but it remains *the* guide for his business decisions. Steve has been in business for over ten years, and even in the midst of a depressed economy his company has grown stronger every year.

Successful Entrepreneurs Plan Their Success!

You may wonder why I'm giving such a long pep talk about writing a business plan. I'm doing this because most small business owners, especially those who are undercapitalized, usually side-step this stage. They often prefer the Providence-will-provide attitude.

I've observed, however, that successful business people are often highly disciplined, a quality often lacking in modern-day Americans. Let's face it, we are a self-indulgent society. We want to go for the gusto. But for those who are willing to develop discipline, the rewards are enormous. One of the best ways to start is to work on your business plan.

It's a process. You won't write your plan all at once. Not only do you have to deal with the facts and figures which go into the plan, you also have to deal with your fears and doubts, your beliefs about yourself, as well as your relationship with the world. That's pretty heady stuff, and few people are willing to go through the writing process.

One of the reasons success pays so well is that not many people are in line for the payoff. They say they are, but they are not willing to do what has to be done in order to be successful. As Tommy Hopkins, the popular sales trainer says, "Only 5% of people are achievers. The other 95% achieve by not achieving."

If You Need Financing

At some time in your life as an entrepreneur you're going to want to raise money, either from friends, family, individual investors or from a financial institution. Wherever you go for money, you'll need to show a business plan. Talking isn't enough. You have to be able to clearly describe, in writing, your business, your products and your financial projections. If you do your planning

now, you can adjust your plans as you go along, and your venture will be attractive to outside financiers.

It Helps To Have The Right Attitude!

Our Business Planning/Marketing Guide is made up of a series of simple questions that will help you plan and develop your business. When you answer all of the questions on the Guide you will have a workable business and marketing plan. Of course, if you're building a large business with a complicated management structure, you'll need a more sophisticated plan.

I know this Guide works because I used it to develop Build Your Business. My plan keeps me on track, and it has helped me build a functional organization. I have also used it to raise investment capital. If you follow the Guide, you'll be rewarded many times over. For now, I suggest that you read through this entire book once and then go back at a later time to complete your plan.

But before we look at the Guide, let's talk for a moment about attitude. Thinking that preparing a business plan is a chore to be avoided as long as possible is not an attitude of success. Perhaps if you changed your attitude towards planning your business, you could find the task more pleasurable.

For my brother Steve, writing his business plan and revising it each year is not a chore. It's something he looks forward to – much like a coach looks forward to mapping out a strategy before a big game. He sees business as a game and knows his business plan can help him win.

If you can see your business and marketing plan as your strategy for the game you're going to play, then you might get a bit more excited about it, perhaps even look forward to it. If you don't see your business as a game you're trying to win, but as a chore that has to be done, then you may not be cut out for entrepreneurship or you may not be in the right business. Loving and caring about what you do is one of the most important ingredients in the successful business formula.

You Can Make It Happen

Being in business for yourself is not a sure thing. Although 80% of self-made millionaires are people who own their own businesses, this kind of success eludes most business owners. The fact is that only 20% of new businesses last five years. So if your goal is to be a *successful* business owner, you need to use every tool at your disposal.

A successful business doesn't just happen. You need to make it happen. It's not a wishing-will-make-it-so situation. Only good planning followed by definite and continuous action can lead you to success.

Defeated entrepreneurs often blame the decline of their business on economic conditions or lack of finances. Most unsuccessful business owners don't even

realize that they reduced their chances of success from the minute they started doing business because they didn't have a good plan.

As you'll see, we're going to ask you to answer a series of questions about your business. In the course of answering these questions, you may discover that there's more you need to think through in order to insure your business success. That's what the plan is for – to help you see what needs to be carefully examined. But it's helpful to remember that no matter how much planning you do, it may not be possible to think of everything until you're faced with the reality of the situation.

For example, I recently spoke to a dynamic entrepreneur named David who was creating a referral business for contractors. He had carefully researched the business' potential, planned how he was going to approach the contractors and defined what he was going to offer them and what he wanted to achieve. But once he got out into the field with his proposal, he discovered that many of the companies he contacted did not like portions of the service David was offering. As a result, David found he had to reevaluate his business plan and restructure his company. He said that there was no way he could have known about the problems that surfaced before he went out in the field.

One of the most unexpected surprises entrepreneurs sometimes have to deal with is a sudden influx of money. This may not sound like a problem, but even if you've done a good job of planning your business, a large influx of cash means you will probably have to deal with your own feelings, beliefs and attitudes toward money. It's something people rarely discuss, but how you think and feel about money has a significant effect on the potential health of your business. If you have any unresolved money issues, they'll be magnified as your business multiplies. And if your business grows very quickly, you may be caught off guard.

Learning The Hard Way

Unfortunately, I had to learn this lesson by experience. I had been mailing out 10,000 catalogs every month for six months and had developed a consistent rhythm and flow with the income and orders. But because I wanted to reach my next level of expertise, I designed a larger catalog with many new products. In September, 1987, I mailed *60,000* catalogs.

I thought I was prepared. We had a good stock of inventory, personnel to fill orders and an efficient shipping system. But I was totally unprepared for the excitement and "high" that came from finding a thousand dollars, or more, in the mailbox every day. I remember the day when we received 77 orders that totaled about \$5,000. I'd never dealt with that much money before and was overwhelmed.

I never realized how much energy it takes to handle large sums of money. With each dollar that comes in also comes the responsibility for dealing with it. For someone with no experience, this can be difficult. In retrospect, I realized that a person has to build up their "money muscles" in order to comfortably handle an increasing cash flow.

At the height of the inflow of money, my father died. Once again, I was unprepared for my reaction. I still hadn't learned to deal with feelings very well, and I started acting out through my money. I made bad decisions and used too much credit.

One day in early January, after we printed and mailed another 50,000 catalogs, I saw that I was behind \$30,000, which was equal to one month's receipts. I called the bank and asked for help. The bank suggested a financial planner who sat with me, went over the numbers and came back a week later and said, "You're going to have to borrow \$100,000 from family and friends."

I knew that I didn't want to get into such heavy debt, and I was having doubts about the continuing popularity of crystals. I also realized that there was increasing competition for the same small crystal market. (My instincts proved correct.) As a result, in April, 1988, I decided to close the business. I had a giant "Going Out Of Business" sale that marked the end of Joan's Crystals.

I've never shared this story publicly before, but I think it's important that I do so. I'm sharing the story of how I built up the business from nothing, one little step at a time, to help you see that you can do it too. But I also want you to know why it's so important to have a thought-out plan and to grow at a reasonable rate. What happened to me is common.

I would like to add, however, that I consider myself a winner even though I chose to close Joan's Crystals. By the time we finished, I wanted out of the crystal business. I was tired of selling a product that had such a limited appeal and I was ready to move on to a more mainstream product. I also wanted a business that was less dependent on my being there all the time.

In retrospect I see that because of the invaluable lessons I learned with Joan's Crystals, my current business will flourish. Now I know how to anticipate future earnings and how to plan in advance for a rapidly increasing cash flow. And, most importantly, I've learned how and where to ask for help.

We'll talk more about planning your money in Chapter 13, but for now let me say that one way to avoid the problems that can come from unexpected happenings in your business is to have a plan. You can always modify the plan. But for now, even a brief plan will serve as a useful guideline.

Go For The Payoff

Can you see why I think careful planning is so important? I would go so far as to say if you aren't willing to do at least a basic business plan, you might as well

throw your money away and forget about the business. Without a plan, you will get the same results you would if you threw your money away.

You'll have to trust me when I say there *is* a big payoff from doing a plan. Aside from the potential financial benefits, you'll enjoy your work more and have an easier time making decisions. A plan can also keep you from feeling fear.

As you formulate your plan, have the attitude that you're building your lifeline. See your plan as the strategy that's going to take you to a new level and help you beat the odds. You plan the strategy for *your* success.

The Business Planning/Marketing Guide

At this time, just glance through the Business Planning/Marketing Guide. Then after you finish reading this book, come back and complete it. If you don't use a computer, I suggest that you write your plan in a loose-leaf notebook.

1. BUSINESS NAME

2. FORM OF BUSINESS

Is it a corporation, sole proprietorship or partnership?

3. NATURE OF THE BUSINESS

Do you have a product or a service?

Do you market to consumers or other businesses?

Do you sell via wholesale, retail or mail order?

4. PURPOSE

What is your stated purpose?

5. GOALS

What do you hope to achieve in the next year? 2 years? 3 years?

6. THE OVERVIEW (No more than 3 pages)

Briefly describe the product or service you sell.

Describe the basic idea behind your business (the concept).

Briefly describe your objectives.

Briefly describe why you think the marketplace needs your product or service at this time.

Briefly describe the group of people to whom you expect to offer your product or service.

Briefly describe how you expect to reach potential customers.

7. THE PRESENT SITUATION

What is your current status or what are you doing at the present time? Are you just planning or have you begun to build the business?

How much have you been earning?

What is the personnel situation?

What kind of marketing are you doing?

8. MANAGEMENT

Who are your key people and what are their qualifications and experience? (If you are the only person in the business, realistically assess your qualifications.)

9. PRODUCT AND SERVICE DESCRIPTION

Carefully describe the product(s) and/or service(s) you have to offer. What are they, how are they produced, and how do they compare to similar products or services?

10. MARKETING

Who is your target market?

How many people are in that target market?

Who is your competition?

What do you have to offer that is different from your competition?

How do you expect to reach your target market? Give a detailed description.

What are you doing now?

How will you change what you are doing in the next 12 months?

11. FINANCES

If you have a product, how much does it cost to produce?

What are your basic monthly expenses?

What will you spend on marketing for your product or service?

What kind of equipment do you need? How much will it cost?

What are you going to charge for your product or service?

How much do you have to sell per month to cover your basic expenses plus all production costs?

How much more do you have to sell per month to pay you what you need?

How much of your product or service can you *realistically* sell in one month?

What is your current monthly income from your business?

What do you project your income will be, month by month for the next 12 months?

What do you expect your expenses to be for the next 12 months?

Will your projected marketing strategy enable you to meet your income goals?

Planning How-Tos

Sections 1 through 9 of the Business Planning/Marketing Guide will help you define your business and the products or services you have to offer. By focusing your business in this way, you will be able to make decisions more easily. For example, if something comes along that sounds like the greatest business deal of the century but doesn't fit into your plan, you'll be forced to take a good hard look at the proposition before you take any impulsive action that could dilute your chances for success.

Impulsiveness is a problem for many business owners. They are easily knocked off of the straight and narrow by tempting diversions. Their energies are scattered and everything suffers. Hopefully, a plan will help you diffuse impulsive desires.

When writing your plan you should be able to state clearly what you are hoping to achieve and what level of development you wish to reach. Define your financial goals for the next year, two years, and three years.

Your goals will be different from your purpose. Your purpose statement might start with the words, *The purpose of this business is to provide* _____. When you formulate your purpose include whom you hope to serve (doctors, lawyers, business people, consumers) and where you hope to serve them (citywide, nationally, globally).

Defining your business requires that you explain the concept behind your business (Section 6). In other words, what is the prevailing condition in the marketplace that led you to believe that your product or service could fill a specific need? Why do you believe that there is potential for sufficient volume to make a profit?

For example, it's clear that there's a need in the present marketplace for businesses that deal with recycling. If you were writing a plan for this kind of business, you would describe the recycling trend, how it has grown in such a short period of time and how it's expected to grow in the future. You would then explain how your product and/or service can fill a specific need at this point in time.

Next, define your present situation (Section 7). What are you doing now, even if you are only in the planning stage? Write down what you have accomplished thus far. This gives you a reference point. Also, who are the main players in your game and how do they add strength to your game plan (Section 8)? If you're the only one who will be directly involved with your business, be sure to list your skills and experience and how they will be of value to your business. From this you will be able to see what skills you need to develop in order to make your business stronger.

The next major step is to carefully define your product(s) and/or service. Be very specific. If you have a product, describe it in detail. Then explain where

you're going to obtain it or how you are going to manufacture it and how it works. For both products and services, describe how yours differs from others on the market and how it will satisfy your customers' needs and wants.

As I said earlier, I suggest that you read all the way through this book at least once before you actually start writing your plan.

What is Your Gut Feeling?

As you answer all of these questions, it's important to see how you feel about your answers. Do you feel happy? Do you feel revved up and want to get out there and do what your plan describes, or does your heart feel burdened and heavy? Do you feel there is much to do and not enough time to do it? Even those of you who don't like to admit that you have feelings could benefit greatly from this kind of observation because it's your feelings that will help you know if you're on the right track.

I often see business people doing everything they can to deny they have feelings about what's going on in their business. Perhaps it's because I see it from a woman's point of view, but I often wonder why they think it's better not to feel. I have found that if I honor my feelings, I am more in touch with my intuition, which really helps me through the decision-making or business-planning processes.

A study of senior level executives found that 73% of them made decisions subjectively, rather than objectively. In other words, they trusted their gut feelings, or intuition. It's interesting to note that 81% of them confessed they would not let others know that they based their decisions on factors contrary to logic.

So even if you are not a touchy-feely kind of person, you probably do make gut decisions. The trick is to learn how to make better gut decisions. A good way to start would be to see how you feel about what you're writing in your business plan.

If you're one of the industrious people who has already written a plan, you might want to go over your plan and see how you really feel about it. If you're not comfortable with something in your plan, reexamine the elements that make you uncomfortable and change them.

Does It Fit With Your Values?

Remember we talked about values. If you're doing what fits in with your value system, then you'll feel good about what you're planning. Those feelings are your creative self telling you whether or not you're on the right path. Listen to those feelings. If it feels good do it! If it doesn't feel good do something else, or do it differently so that it does feel good. Be sure that everything in your business plan fits in with the values you listed as being important to you.

The work you will be doing for at least eight to twelve hours a day had better be work you enjoy. If you don't like it, there's no real reason to do it. There's no rule that says you have to suffer. As a matter of fact, I really believe if you're doing what you came to this planet to do, you'll love doing what you're doing. If you don't love what you're doing, then you're doing someone else's job.

That's what is so wonderful about the planning process – you get to see what your life will probably look like for the next few years. If you don't like the picture you're painting, you can draw a different one. A benefit of working for yourself is that you get to define your job and what you're going to do each day.

After you read the next three chapters, you will be able to answer the questions in Sections 10 and 11 of the Guide.

Chapter 10. Building Block 5.

Market, Market & Market Some More

In Chapter 1, I asked you if you were ready to enjoy the rewards of having your own business. At this point, I'd like to rephrase that question and ask, "Are you really interested in building a *profitable* business?" If you are, then you'll see the value of taking the time to construct your business plan and marketing strategy.

In this chapter, we are going to examine (1) marketing, (2) innovative, low-cost marketing methods and (3) direct marketing.

Marketing is the key to business success. You could have absolutely the very best, most fantastic product or service, but if you don't market it, no one will buy it and you won't have any customers.

Build Your Customer Base

The most important part of your business is your customers – the people who buy your product or service. The strength of your business is directly related to the quality and quantity of your customer base.

Unfortunately, new businesses don't come with customers. They have to be found, cultivated and courted. You have to love them, please them and satisfy them, or they'll go somewhere else. But first you have to find them!

The process of finding customers is what marketing is all about, and a good part of your time is going to be spent marketing your product or service. Inexperienced entrepreneurs usually don't realize how much time they need to spend on marketing. Building a business often requires a marketing expenditure of 20 to 30 hours per week!

When we talk about marketing we are including advertising, sales, public relations and anything that can help you increase your customer/client base. Increasing your customer/client base is what doing business is all about. This means two things:

- (1) Marketing to find new customers; and
- (2) Doing everything you can to turn your current clientele into loyal, repeat customers.

Building your client base should be the main focus of how you do business because your customers are what keep you in business. For this reason, it is of the utmost importance that you have a well thought-out and carefully planned marketing strategy. You have to assume that your competition has one and if you get into the game without a plan, you're headed for defeat.

Your marketing strategy is the key to building a profitable business.

For example, Mary Gallent wanted to start a word processing business. She had all the equipment she needed and had even made up a simple brochure

advertising her services. Suddenly Mary realized that she didn't know how to get customers. She had never sold anything before and had no idea how to create a client base or how to survive in a competitive field. As a result, her chances for success were never good. In order to succeed, Mary would need a carefully thought-out and researched plan of action that includes a way of distinguishing her business from the competition.

Clever Does Not Mean Expensive

Clever marketing can often overcome other disadvantages that you may have, such as low working capital.

Let me give you an example. When Suzy Tompkins, the founder of Esprit (clothing), was interviewed on CNN's "Pinnacle" program, she said that when she and her partner first started, they had a line of clothes and very little working capital. They sold their clothing from the back of a station wagon because that was all they could afford. They didn't need a fancy showroom to get their business going. Incidentally, Esprit now grosses almost \$800 million a year.

On a smaller scale is a woman named Rudi Francis who was recently laid off from her job in the marketing department of a software company. Armed with basic desktop publishing skills and a small bank account, Rudi decided to create one-page newsletters for apartment complexes and started calling apartment managers from the yellow pages. She offered the newsletters at a low introductory price, but not so low that she wasn't making a profit. Within a few months, she signed up enough clients to support herself. Rudi's initial financial investment was practically zero.

Another example of someone who did some clever marketing to overcome a lack of capital is a woman named Norma who wrote a book of advice for travelers. She wanted to self-publish, but, like many new entrepreneurs, she had limited available cash. Norma went to a number of travel agents and found three who were interested in giving the book as a gift to their customers. She required that they order a minimum of 500 copies and pay in advance, which is not unusual for custom imprinted products. Then, after she had the orders, Norma printed the book with four different covers – one for each of the travel agents and one with no advertising for her to use as a sample and to sell. She then found a mail order house that bought most of the books which Norma had printed for herself. The way she did it enabled her to sell over 2,000 books and make a profit without laying out any cash.

As you can see, there are ways to market a product or service, even without much working capital. But no matter what you do, you'll save a lot of time and money if you have a plan before you start. You can always adjust the plan as you go along, but at least you'll see if you have a realistic idea about marketing your product, especially if you do the financials that are discussed in Chapter 13.

The Marketing Plan

Go back and look at Section 10 in the marketing part of the Business Planning/Marketing Guide. Answering these questions will help you develop your marketing strategy. We're going to spend some time with this section. It's essential that you have a good marketing strategy if you want to build a successful, profitable business.

First of all, it's important to understand that your business doesn't exist in a vacuum. It is part of the business community, which is made up of people like yourself, all doing business with one another and with the consumers you serve. More likely than not, there will be other people, or businesses, who offer a product or service that is similar to yours. If your competition has been part of the community for any length of time, then you'll have to prove that as the New-Kid-On-The-Block, so to speak, there's a reason why people should acknowledge your presence and your value by becoming customers. If they don't have at least one good reason to do so, you won't have a business. In fact, you're going to have to prove over and over again that what you're offering has value and is desirable.

The first thing you have to do is let your potential customers know who you are and what you have to offer. You have to introduce yourself. Imagine, if you will, that you're standing on the street with a big sign in your hand that says, "Everyone who wants to try my goods or service line up here! Come see if we like each other."

We all draw people to our businesses, who, on some level, resonate with who we are. The people who do business with me usually are people who enjoy being open and caring. I may be a little too touchy-feely for someone who likes to be treated in a detached and business-like way. Not everyone wants to do business with me, so I have to find people who do.

Your job is to find the people who will resonate with who you are, what you have to offer and how you offer it. The most important thing to do as you begin to establish your marketing strategy is to find out how many people are likely to be attracted to what you're offering in the way in which you're offering it. There are many factors which will determine who your potential customers are and whether or not they'll understand that they need what you have.

For example, if you're selling something that's homemade and packaged in a primitive way, your customer base will be different from someone else's who is selling a high-tech product in a glossy package. If you are selling office products, your customer base will differ from another business that's selling kitchen knickknacks. If you have very little competition, what *you* do will be very different from someone who has many competitors, like a gas station or a food store owner.

You need to do a lot of research and planning to make sure you find your potential customers and attract them to your product or service. All of this is marketing.

First, Identify Your Customer

The first question to ask yourself is, “Who is my customer?” Every product or service has a customer who can be defined by age, sex, income bracket, interests, and other variables. If you have a business-to-business product or service, then you can define your institutional customer by number of employees, sales revenues, location and the product or service they offer. Also, you can find out who in the business would make the buying decision about your product.

The more clearly you can see your customers, the easier it will be to find them and the easier it will be to plan your marketing materials. This is called niche marketing or target marketing. I like the term target marketing. Find your target and aim right for it.

I have a friend, Steve Moeller, who speaks about marketing to the wealthy. For many years he has been successfully selling financial services to high income individuals and advising others how to do what he does. When Steve put together an audio tape album he didn't do a general tape for everyone who is interested in marketing to the wealthy. Instead, he created the album specifically for financial planners, and was able to target his marketing efforts to that specific group.

You can get a much greater return for your advertising and marketing dollar by clearly defining your customer. You'll also find it easier to position yourself as an expert in a particular field.

Sometimes businesses are created because someone perceives a need in an easily defined market segment. Barbara Wold, a speaker I know who was profiled in *Entrepreneur* magazine, perceived a need in the retail industry for a planning tool. Barbara had been in fashion retailing for many years, and she understood the needs of retailers. Barbara created a calendar specifically for this market to help them plan their buying and marketing. She self-published the calendar, which sells for \$40, and has been having incredible success with the product.

Now, Find Your Customers

Let's assume you have clearly defined your ideal customer. The next question you have to ask is, “Are there enough of these customers to support my business and how can I find them?”

Recently Janet Templeton came to me with an idea for a product that she wanted to offer to inventors through the mail. The product could also serve other industries, but Janet wanted to target this particular market. We did some research for her and discovered that mailing lists of inventors were not widely available and there were only a limited number of publications through which to advertise to this group. Also, there were only a few major gatherings of inventors each year.

So even though Janet knew who she wanted to reach – inventors – we saw that it would be difficult to reach a large enough number of them. As a result Janet decided to concentrate on a different segment of the marketplace.

In another instance, I was working with Dr. Bruce Sandler, who specializes in treating chronic diseases. He had recently made arrangements to purchase a monthly list of people who had just moved into the neighborhood. I told him that I thought it would be a waste of time and money to market to these people because in his city new residents were usually younger people, often with children. His clientele was more apt to be in the 50+ population. This doctor had a clear profile of his potential patients, but he was looking for them in the wrong place. We found a list of people in the Doctor's area who subscribed to a magazine about diabetes – these were more likely to be his customers.

Another doctor I work with was also marketing to older people. An HMO had moved into the area affecting his business. We realized that he needed to offset the competition and target a different group of people. Because the doctor was very good with preventive medicine, we decided to modify the focus of his practice and target 50+ executives who were interested in avoiding chronic diseases. There were enough directories and lists available for us to find the doctor's redefined ideal customer and we redrew his marketing strategy to include this new group.

This is why thinking through a marketing strategy is so important – it allows you to get the maximum return for your efforts. If you are ambitious, and most entrepreneurs are, then you might as well direct your energies and efforts in a way that will give you the greatest amount of return. A good marketing plan will also save you money because you won't be chasing after customers who either aren't there or who really belong to someone else.

Identify Your Competition

That brings us to the next question. Who is your competition? Who else in your community is offering what you are offering? Is your service identical to someone else's, or do you have something unique to offer that sets you apart from your competition?

For example, suppose you are planning to open a video store. If you live in a small town where there are no other video stores, you could do well. If you live in a large city, there probably are video departments in all of the chain music stores who can afford full page ads in the local papers. Competing with them would be difficult unless you offer something unique.

You may need to do some market research before you go ahead with an untested product or service. You may have to question many people who fit into your ideal customer category to find out if they're interested in what you plan to offer and how much they'd be willing to pay for it.

Doing preliminary research is often difficult for enthusiastic entrepreneurs who want to get going and put their ideas into action – yesterday. It is difficult to wait, but waiting can often be what you need to let an idea mature and develop.

If you are selling a product or service that's similar to another company's, then you have definable competition. The question is, what are you doing which will cause loyal customers to leave your competition and come to you? Some stores compete on price. If you can offer a product or service at a much lower price than someone else, then you have a chance to lure away some of their customers. But you may not be big enough to be able to discount and still make a profit.

You may decide to offer such fantastic service that your potential customers will be willing to pay more. In Boulder, Colorado there is a large hardware store, McGuckin's, that advertises the fact that they don't discount. What they do instead is promise exceptional service and a huge inventory. Because they deliver what they promise McGuckin's is busy seven days a week.

Whatever it is that you are going to offer, you have to carefully think through your strategy. Try to see your business through the eyes of your potential customers. Talk to potential customers and get feedback from them.

Do It Differently

Now back to the question of your competition. It's important for you to be able to identify your competition and find out how they market their product or service. By knowing what they are doing, you can create a separate and unique space for yourself. Joel Weldon, a well-known speaker says, "Find out what everyone else is doing and do it differently."

This brings us to the next question, what do you have to offer that's different from your competition?

I know a massage therapist who decided to offer fifteen minute head and neck massages to people in busy offices. She did some clever marketing and developed a profitable, full-time business because she provided a service not offered by her competition.

American Standard Stationers is competing in Laguna Hills, California with the big discount chain stores that recently moved into the area. American Standard is price competitive, but they also offer free delivery and products, such as graphic arts supplies, that are not found in the chain stores.

American Standard Stationers also has a large selection of novelty gift items and pens and pencils that can be tried out before buying, a service not available in the chain stores where everything is pre-packaged. Also, customers can purchase small items like pens and pencils in smaller quantities. Because this store gives service and value, which the larger stores do not, they have been able to maintain their market position. The owners of American Standard understand an important

principle – if you can offer better customer service than your competition, you'll have an advantage.

How Will You Reach Your Customers?

The next question regarding the marketing plan is how do you expect to reach your target market? What basic method are you going to use to let your potential customer know where you are? This is the key to your marketing approach and *the* factor that will determine how you build your customer base.

What are the choices? There are many types of advertising. You can buy space in publications or on radio and television. You can develop word-of-mouth advertising, which is one of the most effective kinds of advertising, and you can use direct mail. There are also many low-cost ways to build your business. Free advertising and publicity are also available.

The choices you make will often be determined by how much money you have to spend on advertising and marketing. But no matter what your business, there are many ways to market effectively *without* having to lay out large sums of money.

Because every business is so different, it's difficult to give precise examples that will apply to all businesses. What you'll find here are some general ideas to stimulate your thinking as well as some ways to find more information.

What Can You Afford?

A good general principle to follow is to do what fits your budget. If you have a limited amount to spend, you will have to be resourceful and creative. Although you may feel frustrated while you do this, in the end, you will feel a sense of satisfaction. Anyone can spend money to do what everyone else is doing, but if you use creative marketing methods, you will find your own expression, which is more satisfying in the long run.

After I'd been selling crystals and minerals on the Venice boardwalk for a few months, I decided to get serious about building a business. I borrowed \$1000 from a friend, most of which I needed to pay the rent and overdue bills. I had collected 500 names of people in various parts of the United States who I knew shared my interest in crystals, minerals and personal development. Mail order had fascinated me for many years and I had read some textbooks on how to run a mail order business. Because I had so little money, I could not afford typesetting and I didn't have a computer. All I could afford was the printing and postage for the 500 names.

In order to produce a six-page catalog of products I had to learn to draw and do hand-lettering well enough to create my catalog. I did the copy on a typewriter a friend loaned me and hand drew the product pictures. The catalog had a very home-grown feeling to it.

Shortly after I mailed out the 500 catalogs I received an order for one of my Healing Stones. The stone was only about an inch and a half in diameter and would look lost in a mailing envelope. Obviously, it needed a package. I purchased a little plastic box for ten cents, hand-lettered a label, typed up some instructions, had them copied and inserted the instructions in the box. When the package was completed, I thought it looked quite attractive.

I took the packaged Healing Stone to a local metaphysical bookstore and a health food store and asked if they wanted to sell the stones. It was December, right before the Christmas rush, and they each decided to buy three dozen. Both stores sold out in a week! That was the beginning of what became a line of stones and other crystal products called Joan's Stones that were ultimately distributed in over 600 bookstores nationwide.

The point of this story is that you can use what you have available to decide how you can market your product or service without much investment.

Free Or Almost Free Advertising

The most valuable marketing tool you have is your mouth! If you tell enough people about your business, and you tell your story well, you will develop a customer base. All you need is a business card and a telephone. You can meet potential customers at places where people gather (see Chapter 11) and tell them about your business. A day or two after meeting people who seem interested, call or write them a note saying how much you enjoyed meeting them and that you hope you can be of service.

This method does take some selling skill – a skill that every entrepreneur needs to learn in order to succeed. If you have never sold anything, are afraid of selling, or if the idea of selling has a negative connotation to you, take a course at a local college, read books or listen to tapes that teach selling techniques. You need to know how to present your product or service and how to ask for an order. If you learn a few basic principles, within a short time you'll be able to sell your product or set up appointments with potential clients.

Word-Of-Mouth Advertising

If you have to build your business with a minimum of cash outlay, word-of-mouth advertising – satisfied people telling other people about what you do or what you have to sell – is the most available and effective advertising method you can use.

Susan Linn, who is known as the Networking Queen, publishes *The Orange County Networking Guide* that sells for \$29.95. Susan sells her book to individuals who come to her networking seminars. She also hands out flyers wherever she goes – and always has a copy of the book in her hand to sell to people she meets. Susan's production costs are low – she even spiral binds the books herself – and her profits are high. She sells over 2000 books a year, which

means she grosses close to \$60,000 just from the directory. She also charges \$25 to \$40 for her seminars, which she gives in the recreation room of her apartment complex. As far as I know, Susan does no paid advertising. All of her business comes from personal contact, word-of-mouth advertising and listings in the Calendar sections of local papers.

Giving referral cards, with a discount or other rewards for anyone who sends in new customers or clients, is a proven marketing technique that will increase your business. Referrals are an effective form of word-of-mouth advertising.

Also be on the lookout for inexpensive places to advertise that reach your target market such as local papers or small circulation publications.

The first ad I ever took out was one in a magazine called the *Yoga Journal*. The ad only cost \$75.00, which I could afford. The ad said, "Free Crystal! Send me \$1.00 for postage and handling and I'll send you a quartz crystal, with instructions." Two weeks after the magazine hit the stands I had 325 requests for a crystal. Each person received a crystal and my little catalog. Ten percent of them became customers. This same ad continued to draw for three years.

The success of this ad was not surprising because I used a time-honored principle – people love to get something for nothing. Try it! Give away samples of your product or service. It's a good way to build your customer base. For massage therapists, chiropractors and other practitioners free consultations work well. People will feel more comfortable if they meet you before they commit to allowing you to touch them in as intimate a way as these practitioners do.

I highly recommend the books *Guerrilla Marketing* and *Guerrilla Marketing Attack*, which you'll find in the Resource Section. These books are written for people who are looking for low-cost marketing methods. They're filled with easy-to-follow, effective marketing ideas. *Talk is Cheap* will give you a good overview and some effective suggestions about how to develop word-of-mouth advertising.

If You Manufacture A Product

If you manufacture a product you have a number of options. You can:

- Do the selling yourself
- Hire sales people
- Sell through wholesale distributors who earn a percentage of sales
- Use professional sales reps who will work on a commission only basis.

Think in terms of how you can sell your product at least six at a time. Stores, mail order catalogs and other retail outlets buy in this kind of quantity. Also, find groups of people, such as clubs, organizations and professional groups, who would be attracted to your product. Find out how you can present your product to the groups you select.

Of course you can still sell your product on a one-to-one basis at full retail. Your profit per item will be greater, but it will take more time for your retail

income to equal your wholesale income. For example, if you have a product that retails for \$15.00 and costs you \$3.50 to make, your gross profit will be \$11.50 per item. However, if you wholesale the product and sell it to retail stores for \$7.50 each, your gross profit will only be \$4.00 per item. But if your minimum wholesale order is six items, your gross profit on each sale will be \$24.00 – more than twice what you would make selling the product one at a time.

If your product is small, create a display rack for retail stores. You will also need an attractive package – one that can compete with other products of a similar nature.

Packages and racks don't have to be expensive. When I developed Joan's Stones the first label was hand-lettered and duplicated on a copy machine. I hand-colored and cut the labels and applied them to a small plastic box I bought at a reasonable price, 100 at a time. As the orders increased, I had the labels printed professionally and bought the boxes in larger quantities to reduce the cost. This savings enabled me to pay other people to fill the boxes with the stones without raising the cost per item.

I also designed a simple metal rack, and to preserve my available cash, I ordered ten. Although each rack cost more because I only ordered so few, it was worth it because I only had to use a small portion of my available cash. Once the stones were placed in hundreds of stores, I ordered the rack in larger quantities.

As you plan your marketing, remember that unless you have a lot of money to invest in a strong advertising campaign, most methods don't work quickly. To be realistic, you'll have to figure on a few months or more before you gross enough to pay all of your costs plus make a profit. Susan Linn makes a good living now from selling her *Networking Guide*, but she worked for a long time to build up her list of yearly buyers.

Does Your Marketing Fit In With Your Values?

When planning your marketing strategy, it's important to think about what your day will look like if you carry out your plans. If you're planning on having a retail business, think about what it means to be tied down to one location all day long, six or seven days a week. You'll be spending a good part of your day dealing with your inventory – counting, ordering, pricing, arranging, cleaning it and dealing with the items that aren't selling well. You'll have to spend time planning sales and other promotions. Obviously, there's a lot more to having a retail business than just displaying the items and taking money from customers.

If you're planning on working from home, estimate how many hours you are going to have to spend alone. Will you be able to discipline yourself to work each day? What will you have to do to get out and network with people in order to reach them with your product or service? Will you enjoy networking? Consider what your day will look like and then evaluate whether or not that's what you

want to do. You may decide that sharing an office with someone else will work out better for you than working at home.

What we're talking about here are values. If you market to people you like, and spend your day the way you want to, you'll be in tune with your values. I know, for example, that there are a lot of kind and loving people who own guns and think that shooting is a sport. My own brother Steve goes hunting. But if I were to market a product to gun owners, it would mean selling a product that is not in tune with my own personal values. It would be hard for me to feel passionate about my work or to serve my customers well. It's very important that everything about my business be in tune with my values.

Recently, a dynamic, young man, who obviously had done a lot of body building, asked me to help him design some marketing materials for his career as a professional speaker. Because something seemed incongruent, I questioned him until he admitted that his real dream was building a fitness center. Once he admitted this, he decided to continue as a speaker but to have his primary focus on developing the fitness center. Now his work is more satisfying and meaningful. He is still marketing his speaking career, but with less intensity than he had planned.

If, as you develop your marketing strategy, you feel good about everything you are planning, your work will be more satisfying. Let your values be your guide, and you'll raise your chance of succeeding. Most people find that if they do what they know is right for them, everything they need falls into place. That's how they know they're doing what they should be doing.

Direct Response Marketing

In the previous chapter I briefly mentioned mail order marketing. Before we move on to the next building block I would like to say a bit more about this method of reaching potential customers. Many people who think about marketing by mail don't realize that they have to carefully develop a mail order marketing plan in order for it to be effective and profitable.

Mail order marketing is also called *direct response marketing*. When you use direct marketing, you're asking people to respond to an offer you're making with a specific action, such as making a call, mailing back a card, or sending in an order.

If you have a retail business, you can use direct marketing effectively by sending flyers and sale notices to an established mailing list of customers. The people receiving your mail already know who you are and what you sell. They bought from you before and are likely to come into your place of business and buy from you again.

On the other hand, if you mail to people who have never heard of you, the results will be very different. It takes much more than one flyer to convince a

potential customer to patronize your business. As a matter of fact, it costs six times more to acquire a new customer than to sell to an established customer.

If you want to use direct marketing for something other than a retail business, you may find positive results more elusive. Asking someone to purchase a product or service through the mail is more difficult than physically bringing them into your place of business. Convincing a potential customer to write a check and send it to an unknown person through the mail takes more skill than most new entrepreneurs possess.

Think about how often you have bought something by mail. If you have, then you are in the minority because less than 50% of the population orders by mail. If you are in the category of mail order buyers, why did you respond to a particular offer? What was it that created the trust you needed to place the order? Did you have previous knowledge of the company from whom you ordered?

If you haven't ordered by mail, why haven't you? What has kept you from making a purchase even though you might have been attracted to a particular product?

People who write and design professionally produced direct mail pieces spend many years learning how to do what they do and the chance that you'll do it without any training is very small.

It's All In The Numbers

Direct response marketing is scientific, specific and often complicated. You have to know how to write the copy, how to design the mailing piece, what the order form should look like and even what color inks bring the best response. Each of these factors will affect how many orders you receive. You also have to know how to find people who are the most likely to respond. Unless the names on your list are proven mail order buyers, even if they appear to be qualified, they're not very likely to buy something through the mail.

When I was running Joan's Crystals I often rented mailing lists. There were a few lists that could be counted on to bring in a good percentage of sales, but there were times when I had to try new lists. One month, my list broker suggested I buy a list of people who had attended seminars that were given by a well-known crystal healer. These seminar participants seemed like the perfect prospects for our catalog, so I bought 3,000 names and mailed out the catalogs.

The results were terrible. It was the worst list I ever bought. From that experience, I learned that I should only purchase lists of mail order buyers.

Let's look at the numbers for a moment so you can see how much of a gamble marketing a product by mail can be. A lot of people lose money in mail order. They think that if they send something to 500 or 1000 people they will receive a pile of orders. But in reality, if you choose a highly qualified list of mail order buyers, you can generally expect *up to* a two percent return. If you mail to your

own customers or a highly targeted list, you could have a response of 10% or more. But that's unusual. Two percent is considered very good. One-half to one percent, or even less is typical.

One percent of 1000 is 10 and if each order averages \$25, you've only received a total of \$250. The postage for 100 pieces will cost you, at today's rates, between \$165 and \$198, depending on where they are delivered. You also have to pay for printing and other creative services. Mailing lists can cost anywhere from \$15 to \$100 per thousand names, depending on how highly qualified the names are. For example, names that are compiled from the yellow pages can cost as little as \$15 per thousand while owners of a particular brand of computers can cost over \$100 per thousand. The total cost for an effective mail order piece can cost \$500 or \$600 per thousand, or more. And that's without figuring in the cost of creating the piece, which can cost thousands of dollars if someone does it for you.

As you can see, you have to invest quite a bit of money if you're going to sell a product by mail. Don't expect to pay the rent with a mail order operation until you have been in business for at least eighteen months. It takes that long to build a responsive customer base.

Local mailings can bring people into your place of business or get them to call for information. If you mail to your current customers, you can assume that 10% of them will respond. A strong offer, such as a 50% off sale, will increase the response.

Direct mail can be effective, but I don't recommend it for new business owners unless they have professional advice and guidance.

Other Forms Of Direct Marketing

As I said, direct marketing is any kind of marketing from which you want to elicit a response from prospects. There are many different kinds of direct marketing and we're going to examine a few here.

Space Ads

Instead of mailing thousands of pieces, you may be considering an ad in a publication to which people respond with an order or a request for more information. Here again, most people I talk to have unreal expectations about the potential response.

A good rule to follow is: never put a direct response ad in a publication that doesn't have any other direct response ads. Remember, you're looking for mail order buyers, and they usually buy from publications that cater specifically to this kind of buyer.

A perfect example of what not to do was an ad I saw in the *Los Angeles Times* business section for a \$29.95 book about starting a business. The four by seven inch ad contained the name and a brief description of the book and an order form, which obviously was not written by a direct marketing expert. I knew the

response had to be disappointing because the ad was poorly written and the *Los Angeles Times* business section is not a good place for a mail order ad.

When I called the book's publisher he confirmed that it was an expensive mistake. He had written the ad himself and he had no direct marketing skills. He was sure that because there were over a million readers, he would sell hundreds of books, but he only sold six.

Newspaper Inserts

One of the doctors I work with, who markets to the older population, regularly advertises a free lecture in an insert in a weekly newspaper that is delivered to 12,000 homes. We are pleased when only 50 people show up. This is a small, but meaningful, response.

Inserts in local newspapers can be effective, as they have been for this doctor, and they work for many different kinds of products and services. But consider the audience and your offer very carefully before you use this form of direct advertising.

Coupon Books

Another form of direct marketing is coupon books that are mailed to businesses or residences. Thousands are mailed out at one time to virtually every business or residence within a specified zip code. These will work if your product or service is one that appeals to large numbers of people.

I know a woman with a five-year old bookkeeping service who participated in a business-to-business coupon book. She placed a well-designed ad on the inside front cover, for which she paid about \$900. Although 40,000 books were distributed to small businesses, her response was zero.

Another woman I met was doing a kind of "gofer" service – she ran errands for people. She bought an ad in a local coupon book, for which she paid \$300. I called her because I wanted to use her service. She said she had received about 10 calls from the coupon. When I checked up on her a few months later, she said that the first group of respondents were pleased with her services and they had recommended her to others. As a result, her business was growing.

Coupons work best with services that everyone needs. They are effective for businesses such as health care professionals, carpet cleaners, VCR repair businesses, opticians and many others. Businesses such as these use coupon books repeatedly. If a business that is similar to yours uses coupons effectively, this method will probably work for you.

Hand Delivered Flyers

In Chapter 7, I told you about the flyer delivery service that started with only \$10. The service is used by local business owners who want to tell other local businesses and consumers about their services. The effect for many of the

participants is often profitable. If you are considering using this kind of delivery service, call people who have participated and find out what kind of response they experienced. This will give you an indication of what you might expect.

Do Your Research

Direct response marketing can be effective, although it's hard to do on a limited budget. If you have any desire to sell a product by mail, you can save a lot of money and avoid mistakes by getting advice from someone who knows the mail order business. This advice can also help you decide if mail order really is a viable option for *your* product or service.

Do diligent research before you advertise anywhere or you will be wasting a lot of money. Call someone who has a business similar to yours and advertises in a publication that you are considering. Ask them if they were pleased with the response from the ad.

Advertising does work and it's important to advertise. But it's also important that you carefully choose how and where you do it. No one can guarantee a response from a particular form of advertising. That's why careful planning and research is important – you want to minimize your risks and maximize your returns on your advertising dollar.

With a little bit of creative thinking, there are always ways to market a product or service, no matter what your economic situation might be. If you don't have a lot of money, then you'll have to put in time and effort.

What I've tried to do here is give you some basic marketing ideas so that you can begin to consider what form your advertising and marketing will take. Go to your library or a bookstore that has a good business section and find some books on advertising and marketing for small businesses. Check our Resource Section for ideas. You'll get additional ideas from these books. Talk to other small business owners who you think do an effective job of marketing and ask them how they made their marketing decisions. Find out what they've done that works; then make some changes to fit your business; then do it too. You don't have to reinvent the wheel!

Chapter 11. Building Block 6.

Connect to other people

Building Block 6, which is Connect To Other People, can be a powerful base for your marketing strategy. This Building Block is based on the theory that our social and business systems are designed to run most efficiently and effectively when people reach out to each other and cooperate.

Imagine that the business community is like a body and each business person is a cell in that body. Trade is the life blood of the organism which functions best when the parts of the organism interact and cooperate.

For example, word processors, graphic artists and desktop publishers help other businesses disseminate information. Each of their skills is necessary for an effective final product. Chiropractors, body workers and other health care professionals provide relief for the stresses and strains that community members encounter. Manufacturers provide the products that other business owners sell. It's all inter-related. One cannot exist without the other. That's how the system is designed.

If you're in business for yourself, the best way to be in tune with the way the system is designed is to find out how you can interact with other businesses in order to create win-win alliances. When you do this, you'll be *networking*, which is *the* marketing method of the 90's.

Actually, one of the most difficult aspects of being in business for yourself is the yourself part, especially if you work at home. If you have a retail establishment, hopefully people are walking in and out all day; but with any other type of business it's up to you to create the people contacts. Because people are customers, the strength of your business will depend on the number of people you connect to each day. Unless you're selling a very high ticket item, you'll need a lot of people to build your business.

You also need to connect to people who are in a similar life position in order to share thoughts, feelings and experiences. Haven't you found that when people can relate to your thoughts, emotions and beliefs you feel less alone? Doesn't it help to be able to say, "Do you know what I mean?" and have someone say, "Yes!"

The irony is that entrepreneurs tend to be isolators. They want to do it alone just to prove that they can. But a side effect of this tendency is shutting other people out and creating a feeling of alienation and isolation, both of which, as you'll see in the next chapter, will affect your earning powers.

But don't despair! You don't have to be isolated and alone even if you work by yourself. There are thousands of other entrepreneurs who experience

everything you do and who are waiting to connect to you. All you have to do is find them.

One of the advantages of networking is that there's a wonderful payoff – more business! People like to buy from people they know and like. When you reach out to others and get to know them, they will often buy from you. It's that simple. All you have to do is get out there and meet your potential customers and fellow business owners.

If You Are Shy Or Afraid

If you happen to be shy and/or afraid of people, there are structured networking opportunities that can provide a way for you to connect to others without the fear of rejection. Many organizations, which we'll examine in a moment, provide special services to new members to make them feel welcome. Others, like support groups, which are a basic form of networking, provide help in learning how to deal with people in general.

When I first started selling crystals, I felt intimidated by people in the business world. I was sure my clothes were all wrong, I felt socially awkward and I was afraid to meet people on anything but a strictly business level. Shame about living in the converted garage in the worst part of town, about driving a “funky” old car and my inability to get my life going kept me stuck at home. I was sure that no one would want to talk to me.

Then one day my brother said that as a condition of his continuing to help me financially, I had to go to a support group. That was the best thing that could have happened. Suddenly I was forced out of my isolation into a safe, sharing environment. For the first time, it didn't matter how I was living or what I was doing. All that mattered was reaching out to other people. This was the first form of networking that I ever experienced.

Built into the support group was a system that encouraged members to call each other between meetings whenever they felt afraid, alone or troubled by something. Members were also encouraged to call others just to say hello. For the first time, I found a place where I could develop social skills without fear of being “thrown out” or ridiculed.

I'm telling you this story because I know that some of you who are reading this book have to deal with the same feelings of inadequacy that I did. One more time I want you to know, that no matter where you are or what your life condition, you can change your discomforts and your social disabilities and become a confident, successful business owner.

Mine was an extreme case and yours may be too. If it is, find a support group that can help you learn to support yourself on the inside. If you do, it will show in your business as you become more and more self-supporting. There are many inexpensive, or free, support groups offered in many areas of the country. I

especially recommend Co-Dependents Anonymous (CoDA), which is patterned after Alcoholics Anonymous. CoDA can help you understand how to reverse your feelings of low self-esteem. Debtors Anonymous (DA) can help you deal with your money issues.

For those of you who are shy, but not socially disabled, you'll just have to reach down inside and find a way to walk through your fears. This is a skill that you'll need many times as you build your business. As I said earlier, it takes courage to deal with the uncertainties of entrepreneurship. It also takes courage to get out in the world and meet people. Connecting to others may not be easy for you, but it certainly is not impossible, and each time you do connect with others you'll feel better about yourself. It becomes easier as you learn that there is nothing to fear. Other entrepreneurs are just as shy as you are, but few like to admit it.

Networking Organizations

The easiest way to start networking is to join an organization. Most groups go out of their way to help new members and teach them "the ropes." Look for groups that have meetings and group gatherings on a regular basis. Just about every city has Kiwanis, Rotary and Lions Clubs that meet weekly. These, and other service organization meetings, are usually attended by business owners who are looking to meet other entrepreneurs.

Chambers of Commerce also provide excellent networking opportunities. For years I avoided joining a chamber. For one reason or another, I was afraid I would feel like an outsider. I finally took the plunge in April of 1992 and was amazed at what I'd been missing. I did feel like an outsider – for about a week. Everyone was friendly and open, and they wanted to do what they could to help me feel that I belonged to the group. Because I wanted to get as much as possible from my membership, I decided to become active in one of the committees and to attend most of the functions. It opened up many new doors for me.

I learned a lot through the Chamber's educational programs. I also found an attorney, a bookkeeper and a banker with whom I feel comfortable. In addition, I'm now doing business with a number of other chamber members. Because organization members support other members, my business increased as a result of my membership. A pleasant side effect is that I'm connecting to a group of compassionate, caring people who come together to serve each other and the community.

Many chambers have monthly meetings, or "mixers," where you can meet people before you become a member. At mixers you'll only make superficial contact with the people who attend. But even this kind of connection can be helpful. If you're shy, look for the people who are the volunteers. They are the

most active members in the chamber and will help you feel comfortable. Tell them you are new and ask them to introduce you to a few other people.

Other places you can meet like-minded business owners are professional organizations and leads clubs, which are popular in many metropolitan areas. Leads clubs meet regularly, often early in the morning. They only allow one person from each profession to join, and the members are encouraged to patronize other members' businesses. Many people I know belong to leads clubs, and because the members meet regularly, over a long period of time long-term friendships often form.

When you go to meetings give out your business cards and see what businesses you might patronize. There's a great deal of give and take in networking, and if you use other members' products and services, they'll often use yours or recommend you to someone else.

Service – The Key To Effective Networking

There's a lot more to networking than joining organizations. Networking is meeting people, staying in touch with them and finding out how you can be of service to each other. The key here is the word *service*. Let me explain why.

I'm sure you have heard the sayings:

- What you sow, so shall ye reap.
- What you give, you get.
- What goes around comes around.

These sayings reflect the principle on which effective networking is based. If you think in terms of "How can I serve other business people, individually or as a group?" you'll be a winner. If you give service, the energy will come back to you – not necessarily from the individual – but it will come back. If instead of thinking "What can they do for me?" you ask "What can I do for them?" everything will work in your favor. Once you ask that question, opportunities for service will present themselves. All you need to do is use the opportunity.

Little actions on your part can have big rewards. Recommending someone in your network is always effective. Telling Mike that Sally has a product or service from which he can benefit – with the reminder, "Please tell Sally I told you to call" – will come back to you as recommendations from Sally or from someone else.

What you give, you get!

I like to send notes to people when I read about their accomplishments. For this purpose I have personalized postcards that I create on my computer and attractive note cards with my name printed on them. Clipping articles for people is always a good way of giving. It only takes an investment of a few moments, but the rewards can be terrific. Much of my business comes from people to whom I give ideas, information or referrals.

Networking will be easier for you if you focus on service. For example, if you have trouble making conversation at social gatherings, ask other people who they are and what they do. People love to talk about themselves. From the information they give you, you may find a way that your business can be of service to them. A day or two after your meeting, send a note saying how much you enjoyed speaking to them and include some information about your business.

Profitable Networking Alliances

Creating alliances with other businesses can have profitable results. To do this, first assume that every business owner is as anxious as you are to increase their customer base. Second, find businesses with customers who fit your customer profile. And third, find a way to share customers.

When I decided to give some local seminars, I didn't want to spend a lot of money on marketing. I only charged \$20 for the seminar and the room I rented could only hold 40 people, which limited my potential income. So I went to Dawn Chwatek (the owner of the American Standard Stationery store I mentioned earlier) and we made an agreement. Dawn gave me a small ad in a flyer that was distributed monthly to 250,000 people. She also allowed me to attach take-one-please boxes with my seminar flyers to her cash registers. In return, I told people about her business and handed out discount coupons for her at my seminars. It was a perfect match. It was cost-free for both of us, and we both benefited – a real win-win situation.

Body workers can network through health care practitioners' offices. Plumbers can network with electricians, real estate brokers, and other people who serve homeowners. Clothing store owners can network with men's or women's organizations. The possibilities are endless.

Networking of this type can be done locally or nationally and is always effective. Find a business that can benefit from reaching your customers. Then reach out and propose an arrangement with the business owner. You have nothing to lose and much to gain, not only in profits, but in people. When you use this system other people have an investment in your success and they care about what you do and how you do it.

Speaking As A Way Of Connecting

Studies show the number one fear of adults is the fear of public speaking. Fear of death is only fourth. But, if you're willing to work through the fear of speaking, the rewards can be enormous – personally and professionally.

What better way to tell people about your business than to give a presentation to ten, twenty or fifty people at the same time. In only ten minutes you can say so much more than you could present in a piece of written promotional material. A presentation also allows people to see who you are and ask you questions in a safe environment. Every service organization uses at least one speaker a week and

many other groups are constantly looking for speakers with something interesting to say.

Anyone can learn to speak, just like anyone can learn to play the piano. That doesn't mean that anyone can become a Vladimir Horowitz, no matter how much they practice. But with some practice and a little basic talent, you can use speaking to your advantage.

If you have any desire to speak, even if you are afraid, consider using speaking as a marketing method. You can start by going to Toastmasters, a national organization found in most cities, which provides basic training. Many professional speakers started out at Toastmasters. (See the Resource Section.)

If you have already been to Toastmasters and you live in a big city, consider joining the National Speakers Association. Here you can meet and learn from professional speakers who get paid large sums of money for their presentations. They know how to do it right, and you can learn from the pros.

Other Ways Of Connecting

Before we go on to the next chapter, I would like to make a few more suggestions about how you can get out of your isolation and connect to other people.

- Take people to lunch. This is a tried-and-true way to increase your business network.
- Call people just to say hello. Do this as a follow-up after meeting someone new. Tell them you enjoyed meeting them and find out more about their business.
- Attend workshops or seminars.
- Invite people to come to your office.
- Talk to everyone you meet and hand out plenty of business cards. You are one of the best walking advertisements for your business. When you meet people invite them to call you just to talk. Remember, they need to connect as much as you do.
- Even if you only have a small sum of money to spend, consider a flyer or brochure about your business. Give it to people you meet, leave it in appropriate places and give it to whomever might refer people to you.

If you want to build your business, you'll have to be out there, as much as possible, telling people who you are and what you do. That's how to connect to other people.

Chapter 12. Building Block 7:

Give your customers value and value your customers

Have you ever walked out of a store feeling as if you had been through a war? Perhaps no one asked if you needed help, or those who did barely paid attention to you or seemed annoyed when you asked questions. Perhaps you had to wait in long, slow moving lines to pay for your purchase. Shopping at that kind of store can be a draining experience.

The stores you patronize frequently probably give you more than just good prices. Perhaps there's a salesperson who's always delighted to see you. Or perhaps the store will special order items that are not in stock.

What about the place where you have your car serviced? Are you given prompt, courteous attention? Do they give you a loaner or offer pick-up and delivery service? Do you trust that they're only doing the work that's needed and no more?

Isn't it true that you shop most often at establishments where you get the most attention and good service? Don't you appreciate it when they value you as a customer or client?

It pays to make your customers happy and to let them know that you appreciate their business and value them as human beings. Here are some statistics that may surprise you:

- 70% of dissatisfied customers never complain. A typical dissatisfied customer will tell 8 to 10 people about the problem. One in 5 will tell 20 people about the ordeal. It takes 12 positive service incidents to make up for 1 negative incident.
- 7 out of 10 complaining customers will do business with a store again if the store resolves the problem. If the problem is taken care of on the spot, 95% of customers will return again.
- It takes \$10 of new business to replace \$1 of lost business.
- Of the people who stop shopping at a store, 68% leave because of an indifferent attitude on the part of a staff member.

In this chapter you'll learn about how to let your customers know that you value their business. You'll also learn how to give them the value that they crave.

First, Get To Know Your Customer

The most important research you can do before you start your business is to get to know your customer. When you do your business plan you're going to choose a target market – an easily identifiable group of people. Once you choose this group, it's important that you understand them – inside and out. You need to learn so much about your potential customers that you can feel what they feel and

think like they think. This will help you understand how and why they make their buying decisions.

Gary Petry, a chiropractor and director of the Family Wellness Clinic, is a man with a mission. Gary wants to help people develop the habit of wellness in order to repair and prevent physical damage and disease. He's as concerned with his patients' emotional and spiritual well-being as he is with their physical condition.

After we had discussed several marketing strategies, Gary realized that he really didn't know his potential clients as well as he could. Once he was able to "tune in" to his client base, he was better able to understand what they wanted and needed. This allowed him to express, both to his current and potential clients, how the treatments he had to offer could benefit them, which led to more sales.

If you want to tune in to your customers, read the magazines they read, watch the TV shows they watch, shop where they shop and attend meetings of organizations to which they belong. Ask a lot of questions of your current customers as well as new people you meet. This will help you understand what worries them, what they care about, what they want and what they believe they need.

You will be able to understand why, despite the fact that you think you know what should appeal to them, they don't return after their initial visit or they aren't attracted to your product or service. More importantly, the better you understand your customers, the more likely you'll be able to satisfy their needs; and when you do they will become long-term customers.

Don't try to give your customers what you think they need. Give them what they want. See your customers not as things to be manipulated but rather as feeling, caring people who deserve to be given quality service. If this is your attitude and you market accordingly, you'll draw in customers and outshine your competition.

One of the reasons you need to get to know your customers is to make sure that you like them. You are going to be spending a good part of your life with them and it's important that you are interacting with people who make you feel energized. Otherwise you'll have a hard time serving them in a way that creates repeat business.

Think Service

In the previous chapter you learned how to be an effective networker by always thinking in terms of what you can give and how you can serve potential customers. When it comes to dealing with current customers, the same principle holds true. That's why it's called customer service.

While marketing is the secret to developing a customer base, customer service is the key to maintaining it. As we said before, people no longer want glitz, they

want value and good service. Good service is what will keep your customers away from discount houses and coming back to you. People want to know that they are valued, appreciated and well taken care of. They want to feel loved and secure.

How to do this varies from business to business. Plumbers, for example, are often contacted from a yellow pages ad by someone with a plumbing emergency. Imagine the effect if a plumber arrived with a smile and a caring attitude. By doing this, the plumber is developing a repeat customer who'll generate referrals. Now imagine the effect if, a week after the work was completed, the plumber called to make sure the customer was satisfied with the work that had been done. There's a chance that the new customer, who has now recovered from the emergency, will remember something else that needs installing or repairing. The plumber might even say, "I noticed that your toilet was running," or "Would you like to have the leak in your sink fixed?"

Even health care practitioners can give better service. I was particularly impressed with Dr. Stuart Epstein of Beverly Hills, an allergy specialist I went to in 1989. When I first saw Dr. Epstein, I was very uncomfortable. About five days after my first visit he called to find out how I was doing. What a surprise! From a customer service standpoint, it was a smart move because I felt he was a caring, nurturing health care provider. As a result, I often recommended him to other people with allergies.

Retailers often depend on walk-in traffic and, in the course of a day, meet many unfamiliar people. If you are a retailer, go out of your way to give everyone who walks in as much attention as someone who usually spends a lot of money in your store. This will insure that more new "browsers" will become customers. People who come into your store probably want or need what you have or they wouldn't have come in. Love them, coddle them and let them know how much you value them.

Added Value

When you give your customers something unexpected that's of value to them, then you're adding value to your product or service. For example, if you send your customers a newsletter filled with helpful "how-tos" or information that can help them in their business or personal lives, you're giving added value.

Whenever a customer came into Joan's Crystals, they were given a copy of our latest newsletter and a gift. The gift was often just a tiny crystal or stone, but people cherished the gifts. Months later the customers would return and proudly show me how they were still carrying around the gift I had given them.

Because people often consider the little extras and incidentals when deciding where to shop, think about giving something of added value.

This concept is what keeps the advertising specialties business going. When you give gifts which people can use, they remember you because you have given

more than they expected. My clients and customers often order pens, refrigerator magnets and other useful items imprinted with their names. Advertising specialties are a valuable marketing tool and an inexpensive way of making an impression and saying, “I care about your business.”

Never forget how important your customers are to you – they are the core of your business. Whether you’re selling products or a service, always make your customers your primary focus. Constantly ask yourself, “What more can I do to serve them and satisfy their needs?” With an attitude like that, you can’t miss.

Chapter 13. Building Block 8:

Take care of your money

Generating money is a primary goal of every business. In order for a business to survive, it has to generate enough money to cover the expenses of the business and the basic expenses of the business owner. That's a fact you must understand and deal with.

This doesn't mean that money has to be the only reason for your business. You can have a more socially conscious reason for doing business than just making money. But if your business doesn't have the potential to support itself and you, then you are wasting your time with that business.

If your funds are limited, you may have to take a step sideways in order to support yourself while you are building your business. Many budding entrepreneurs do temporary work a few days a week or have part-time jobs while they are developing their businesses. The reason why business books always say start-up businesses should have enough money to cover expenses for at least six months is that most new enterprises don't show a profit for that period of time.

More likely than not you don't have a six-month cushion, so it's best to plan how you're going to cover your basic expenses before you take the big plunge. If you're undercapitalized, that doesn't mean you have to put off your business idea. But you do have to find the money to support yourself while it is developing.

I want to emphasize once again that I believe anyone can be a success in business, and that means you. The purpose of this book is to help you realistically plan the steps you need to take so you get off to the right start. That's why I'm pointing out the possible downside of various options that might present themselves to you. I'm not trying to discourage you, but rather help you look at your business planning more objectively. Over and over again, I have found that many business people have an unrealistic idea about what they can expect from their new business. Hopefully you'll avoid that trap as you begin to build your business.

A New Way To Look At Money

Now let's talk about money, which is something I'm sure you think about at least a few times a day. There's probably a good chance that you worry about not having enough of it. If you're like most people, you long for more and are sometimes afraid of losing what you have. So before we get to the nuts and bolts of financial planning, I want to talk a little about your relationship with money.

It amazes me that business books don't discuss the way people feel about money and how they deal with it on a personal level. It amazes me because how we deal with money is a key to determining the fate of our business. If you don't like to deal with money, how can you deal with the money that comes into your

business? How can you make rational, responsible decisions about how to use your money?

If you normally overspend or make impulsive purchases with your personal money, then you probably will do the same with your business finances. On the other hand, if you're anorexic with your money and hold on to it no matter what, you'll probably have a hard time taking the risks that you have to in business. And if you believe that money is the root of all evil or that money is not spiritual, then you're going to have a hard time creating the money you need to make your business work.

What we are going to do here is look at money from a new point of view. This will enable you to remove the blocks you have about becoming a high earner. It will help you become the successful, wealthy business owner you deserve to be.

How can I know this? My knowledge comes from experience – I've seen it happen many, many times. I've seen people who struggled for years to bring money into their lives turn around their financial situation by understanding the principles that I'm going to introduce to you.

Bob Gale, for example, came from a family where hard work was valued. But his father often complained about being underpaid, and his mother was always afraid that Bob's father might lose his job. It was hard for his mother to spend money and harder still for her to enjoy spending it when she did. Bob often dreamed about becoming a high income earner through his own business. He felt that if he was his own boss, he would never have to be afraid of being out of work. Bob worked hard, but was always plagued with the fear that he could lose what he had.

When Bob found us he was a nervous wreck because he was working hard and worrying too much. Once he learned the money principles that you are going to learn here, he was able to let go and enjoy himself for the first time. He found that his business prospered with less effort.

What Is Money?

Money, in and by itself, has no value. Its value is only what we give it. Money is, in fact, a three-dimensional symbol for a form of energy. Think about it. Don't you feel energized when you have extra money and drained when your money reserves are low? The amount of money you have is related to your energy and vice versa.

Tradable goods can serve the same function as money. Time and effort are also forms of energy that can be used as a unit of exchange. Money, like time, effort and tradable goods, is an energy of exchange. It is energy that passes between two people. When people exchange money for goods or services, they are having a business relationship. Therefore, money is a symbol of relationships,

and the way you deal with money is the same as the way you deal with your relationships.

Let me rephrase that.

Money is energy passing between two people, and how you deal with money is how you deal with your relationships – with yourself and with others.

Think for a moment about what it feels like when you go to buy something that you think you can't afford. When you're writing the check, paying the cash or handing over your credit card, do you get a gripping feeling around your heart? What is that? It's fear – fear that you're a bad girl or a bad boy and that someone is going to punish you. You probably had the same feeling when you were a child and did something your parents didn't want you to do.

The critical parent in your head is telling you, "You can't have that," or "You don't deserve that," or "You're a bad person." This critical parent in your head is not someone else. It's you, and your dialogue is representative of your relationship with yourself. If your relationship with yourself was different, then the voice in your head might be a praising adult who likes what you do and allows you to have what you want.

To evaluate your relationship with yourself vis-a-vis money, listen to your self-talk when you are dealing with money. Then listen to your self-talk when you're with yourself and not thinking about money, perhaps when you are doing the river bank exercise that we told you about. You will probably see a similarity. If your critical parent is strong, it will show up no matter what you're doing.

For example, if you often chastise yourself about the way you spend money, then you probably criticize the way you look and the way you behave in many different situations. More likely than not, you often criticize your faults rather than praise your assets.

Your Self-Esteem Affects Your Business

What has all this got to do with building a profitable business? Plenty. Do you remember I said that your business, no matter what it is, is just a reflection of what is inside of you and how you feel about yourself? I also said that each of us draws in customers who resonate with who we are.

So if you don't like yourself and have a hard time acknowledging yourself, you probably will not reward yourself by drawing in people who praise you and acknowledge what you have done by giving you money. An acknowledging person would not resonate with your need to criticize and devalue yourself.

This is all related to levels of self-esteem because your inner dialogue reflects your self-esteem. If you're aware that your self-esteem is low, I suggest that you do some work – either read books or go to seminars or talk to someone who can

help you build up your self-esteem. This will enable your business to reflect the beautiful, wonderful, powerful being that you are.

I have said, a number of times, that anyone can be a success in business. Perhaps I should have said, anyone who lets themselves be. You may have to overcome years of parental programming that led you to believe that you were less than you should be or that you never did anything right. But you no longer have to believe in your worthlessness. You have the right to believe that you have the power of the universe within you and that you have every right to accept and manifest that power.

Listen to yourself when you talk about money and remember that money is a symbol of relationships. If you do this, you'll be able to understand the underlying feelings you have about money. For example, if you always say, "I'm broke," you're probably saying, "I feel broken, and I want someone to fix me." If you say, "I'm afraid of running out of money," you're really saying, "I'm afraid of being alone." The truth is you can't run out of money, you can only run out of people because money is always attached to people.

If you look at the way you feel about money and your relationships, you will understand where your fear of running out of money comes from. The following story will help you understand this concept.

At 28, Linda Barnes had an incredible fear of financial insecurity. Linda's word processing business usually brought in enough to pay the bills, but she often seemed on the verge of financial disaster. Her credit cards were used to the limit, and unexpected medical bills often made it impossible for Linda to stay within any kind of budget. Linda often found herself borrowing small amounts of money to pay for essentials.

After years of living this way, the stress began to affect Linda's body and mind. Occasionally, she would wake up in the middle of the night with feelings of panic. At work, she often felt waves of fear wash over her. She was tired and irritable and started having physical symptoms like rashes, frequent colds, headaches and indigestion. Because she only had limited health insurance, Linda often worried that she would not be able to afford the medical help she needed. She constantly worried about how she would pay for any repairs that might be necessary for her aging car.

Linda came from a family where the word "love" was never spoken. Her father, Charles, was more interested in her obedience than her affection. Her mother, Margaret, was so afraid of Charles that she acquiesced to his every demand. When he was harsh with the children, Margaret never intervened, although secretly she wished she had the courage to do so.

When Linda was 25, she fell in love with Randy, an attorney who her father didn't like. The day Linda announced that she and Randy would be living together, her father said, "Then don't talk to me again," and turned his back on

her. Linda felt devastated. Because of the tension caused by her father's actions, the relationship with Randy began to deteriorate and after ten months, they separated. Linda felt very alone even though her father was speaking to her again.

Let's look at Linda's relationship patterns and see how they affect the way she deals with money.

Linda's relationship with her father was characterized by fear. She was constantly afraid that he would withdraw the little attention he gave her if she disobeyed him. As an adult, this proved true when he rejected her because she moved in with Randy. Her relationship with her mother was characterized by longing – longing to be nurtured and protected. No matter how good Linda tried to be, she never got what she needed from her mother, who was always afraid of displeasing her husband.

Linda's self-esteem was very low. This manifested itself through insecurity in her business dealings: she was never sure if her customers were satisfied with her work, and she was afraid to ask them if they were. She often worried that her customers would drop her, and sometimes they did. The critical parent in Linda's head screamed that she never did anything right.

Linda's pattern with relationships was clearly expressed through her money. She had always been afraid of being rejected, abandoned by her father and not supported by her mother. Now she felt her customers (and their support) would abandon her. No matter how hard she tried, she never seemed to have (or be) enough and longed for more. Because her family never acknowledged her worth, she never learned to acknowledge herself. As a result, she often undercharged for her work and earned far less than people with similar skills.

The fear attacks that Linda was experiencing were similar to the ones she felt as a child when she was waiting for her father's harsh criticism and inconsistent disciplinary actions. Her fear of being rejected and abandoned felt the same as her fear of financial insecurity.

When Linda became aware of this, she saw that her aloneness was what bothered her more than anything else. Although it was difficult for her to break the habit of isolation she had developed, Linda made a concentrated effort to connect to other people. She joined a support group where she learned to see herself from a different point of view – one that helped her learn to love and acknowledge herself.

If you relate to Linda's story, ask yourself the following questions:

- What is it in your background that caused you to feel a fear of abandonment?
- How is your fear from the past similar to the fear of financial insecurity you feel today?
- Does your current income level reflect your feelings of self-worth – or lack of it?

- What feelings are you expressing through your money?

As I said, this is a new way of looking at money. Although it may seem a bit “far out” to you at first, if you think about it, you will begin to understand that there is more to making money than you realized. Your income, and how your business prospers, does depend on your feelings about yourself and money. Knowing this will help you change your money-earning patterns.

Don't Be Vague

One of the most dangerous habits you can have is to be vague about your money. Clarity is what you need in order to improve your relationship with money and build a strong business. Symptoms of vagueness include:

- Never knowing exactly how much is in your checking account
- Feeling that you never know where your money goes
- Bouncing checks
- Having the instant teller machine tell you that you don't have enough in your account to make the withdrawal you want.

If you're vague with your money, you're going to have a very difficult time dealing with the financial aspect of business. How you deal with money is what will determine whether you're going to make it in business or not. If you can't deal with money, you're going to run into financial problems.

Even people who generate a lot of money can have feelings that sabotage their finances. Remember when Donald Trump was going through his divorce? All of a sudden his financial empire started to crumble. Many people going through a similar situation will act out their grief or feelings of abandonment through their money. They'll suddenly find themselves under tremendous financial pressure, feeling that they have no way of supporting themselves. Those feelings are the same as feelings of abandonment.

So how can you deal with your relationship with money everyday without having to go through all sorts of therapy? There are actions you can take that can insure your success. These actions will help you develop clarity and work through some of the blocks which have kept you from being as successful and prosperous as you would like to be.

Keep Track Of Your Money

First of all, if you have difficulty dealing with numbers, *please* find someone who can help you with your finances. You *must* keep track of what comes in and what goes out, otherwise you're bound to overspend or make unwise financial decisions.

If you don't have a computer, you will need a ledger in which to record all of your expenses, by category. Ledgers, like the one below, come with up to 13 columns. At the top of each column list your major categories such as Rent,

Utilities, Phone, Office Supplies, Labor, Merchandise, Postage, etc. As you write a check, or pay cash for something, (1) enter the name of the payee, (2) enter the amount of the payment in the first column and (3) enter the payment again under the correct column heading. At the end of each month, you'll be able to see exactly where your money went.

If you have a computer, a program such as *Quicken* (Mac or IBM) can help you organize all of your business expenditures. With this program, you can also write all of your checks. *Quicken* is the most affordable and popular program for small business owners.

We strongly suggest that you also develop the habit of keeping track of your business and personal cash expenditures. To record your cash outlays, purchase a small note pad to carry with you, and write down everything you spend. This means *all* of the money you spend from quarters for parking and vending machines to every dollar that goes for this or that. This will help you eliminate vagueness because you will know exactly where your money goes. At the end of every week add up what you have spent in various categories, such as food, entertainment, and business expenses.

Also record all of your income, no matter how you receive it. You will be able to compare what's coming in with what is going out. You'll have control over your cash flow by seeing your figures on a weekly basis, and you'll be able to make adjustments in your spending patterns.

You may find this process difficult because you may become uncomfortable when you have to take a cold hard look at how you spend your money. Your internal critical parent may be so strong that you are afraid of finding out what you've done, even if you haven't done anything "wrong."

When you add up the numbers of what you spend and what you earn just look at them as facts. There's no reason to judge the numbers. What you did with your money was not good or bad or right or wrong – it was just what you did. When you look at the numbers without judgment, you can rationally decide if this is how you want to spend your money.

Look at the figures and ask yourself, "Is this how I want to use my money? Do I really want to spend as much as I did on incidentals? Would I rather use the money for something of value like a new computer program or a good brochure for my business?"

Developing a certain facility with money is extremely important. Good money skills will help you build a business that succeeds.

In Section 11 of the Business/Marketing Planning Guide, we have listed some of the financial questions that will help you plan the direction of your business. Go back to Chapter 9 now and take a look at Section 11 of the Guide and read through the questions. At some point, you need to know the answers to these questions in order to be clear about your finances.

Make Some Projections

It's important to take a good look at your income versus expenses. Obviously if you're not generating enough income, then you have to either cut down on your expenses or come up with more income.

This is where planning comes in. You have to make at least an educated guess as to where your money is going to come from for the next six months to a year. If you see that you can't possibly make enough profit to support yourself within the first few months, then you have to find a way to generate what you need. You will either have to borrow or generate income from another source.

If you skip the financial planning stage, within a short time you will be hampered by a lack of funds. And remember I said that you have to make a profit, which is what's left over after you cover all of your expenses. A common mistake is to equate gross sales with earnings. You could be grossing \$5,000 per month, but only earning \$500 after expenses.

Carefully examining your figures will help you see how many units of your product or how many hours you have to bill out each month in order for your business to survive. For example, in order to pay your basic expenses plus the cost of producing your product you may have to sell 200 units of your product each month. This means you have to sell ten units every single working day.

How realistic is that figure if you plan on selling to individuals? Can you realistically find ten customers a day? If selling ten units per day to individuals is unrealistic, then you have to develop some sort of wholesale distribution system in order to make it work. Does your current price structure allow for this kind of distribution? Who is going to do the selling for you if it's being done on a wholesale level?

Sarah Evens wanted to sell cosmetics. Her goal was to net \$2,000 to \$3,000 a month for herself. (Net is what is left after all costs and taxes are deducted.) She saw that she had to sell at least \$5,000 worth of product per month in order to reach her goal. Since the average price of each product was \$10, Sarah had to sell 500 units to net only \$2,000 per month. She was going to be selling out of her home, so 500 units was a lot of product.

Assuming that most of her customers would spend \$20 to \$30 (buying two to three units each time they come to see her) it was clear that she would have to contact close to 300 people before she found the 150 to 200 people who would buy from her *each month!* That's a large number and finding them one at a time would be difficult. This meant she'd either have to find people who would spend more per visit or she'd have to present her products to groups of people. When we looked at this, Sarah saw that she would have to work much harder than she had anticipated and she wondered where she would find 300 people each month. By working through these financials Sarah was able to decide (a) if she was looking

at a business that was in tune with her values and (b) if she was realistically appraising its potential, given her abilities.

As you can see, in order to do your numbers accurately, you will have to do a fair amount of calculating. If you have a computer, a spreadsheet program such as *Microsoft Excel* can make the process much easier. Within a short time, you'll be able to make complex financial projections. I like *Excel* because it's easy to learn the basics, but can also be used for complex calculations.

What Should You Charge?

One of the most important decisions you have to make is what to charge. The process is different for products and services, so we will look at each separately.

If you are selling product

If you are selling product, you have to carefully look at the cost of the goods, your overhead, marketing costs and your desired profit. You will need to know the figures for your fixed costs, such as rent, utilities and car payments, and how much of your product you have to sell in order to cover your costs. You also must figure in your cost of advertising and marketing.

Some products have a suggested retail price. If the products you are selling have this kind of predetermined price, you can't charge more and expect people to buy from you. In this age of discounts, if you charge full retail, you will have to offer extraordinary service.

If you manufacture a product

If you manufacture a product, many factors must be considered when pricing a product. Let's assume you are creating jewelry that you are going to sell to retailers for resale and to private individuals who come to your small store. You have to know the exact cost of each design. Then you have to add 20% to the raw cost to cover overhead, 10% for advertising, and another 5% for unforeseen expenses. That's a total of 35% over your costs. Once you have this figure, you can double the total cost to arrive at the wholesale price and double that again to find the retail price.

For example: You have an earring design that you will make in quantity. The cost breakdown looks like this:

Materials	\$1.25
35% for overhead, adv. and misc.....	\$0.44
Total Cost.....	\$1.69 per pair

If you sell to stores, you can charge \$3.38 per pair and require a minimum purchase. If you sell to individuals, you can charge \$6.95. However, with items like jewelry, the selling price can be much higher because people are willing to pay for intangibles such as design.

At Joan's Crystals we sold a constantly changing selection of earrings and pendants, most of which I made myself. A few of the designs were included in the mail order catalog. The raw cost of some of the earrings was as low as fifty cents, but people gladly paid \$10 or more for them because the earrings were attractive and looked as if they were worth at least that price.

When pricing a product you manufacture, you have to take into consideration what the marketplace will support. You also have to decide if you want to have a wider market appeal by having a low price, or if you want to appeal to people who will pay more per unit. You have to try to predict what will sell and where.

If you have a service business

If you have a service and you charge by the hour, don't assume you will be able to bill 40 hours a week, especially if you work alone. Realistically, if you bill 25 to 30 hours a week, you're doing *very* well, and to do this you'll have to work more than 40 hours a week. You need time for planning, bookkeeping and travel time. And you need a big chunk of time for marketing. As we said earlier, most new business owners are overwhelmed by the amount of time they have to spend marketing.

I hire a lot of freelance designers, writers and word processors who often charge by the hour. Many of them, especially those who are just starting their businesses charge too little. It's not unusual for a new freelancer to charge \$10 to \$15 per hour. If you think that through, you'll see that if you bill 20 hours a week, your earning potential is only \$200 to \$300 per week. Even if you could bill 30 hours a week, which is a lot of business, you would only be making up to \$450 per week. Because so much energy has to go into the non-billable hours, you're really only making \$6 to \$10 an hour for every hour you work. So in order to sustain yourself as a freelancer, you really need to figure on at least \$25 an hour to start. If you're very good at what you do, obviously you can charge more than that – whatever the market will bear.

When I closed my first business, I started producing newsletters for businesses and medical practitioners. When I first started, I thought \$45 an hour sounded like a lot to charge, but I soon learned to bid by the job. I work very fast and earned much more than \$45 per hour for the hours that I actually worked at the computer. But, of course, I earned nothing extra for the hours of planning, selling and marketing.

Remember too that sometimes your rate has to be adjusted to the economic climate. In the 80's money flowed more freely than it does today, and even big corporate clients will be more careful about what they spend and where they spend it.

Your financial goals will help determine who your customers are going to be. Obviously, if you have an expensive product or charge more than \$75 an hour, your clientele is going to be different from the clientele that would purchase a

more moderately priced item or can only afford \$25 to \$40 per hour. If you need to charge more to reach your income goals, you have to evaluate realistically your ability to market to that income group.

How Can You Know?

I've spoken to many people who don't do business plans because when it comes to the financial part they become overwhelmed. It can be frustrating when you try to guess what your business is going to look like over the next twelve months. How can you know what figures to write down when you have no idea what the response is going to be to your product or service or you have no realistic idea how much effort may be required to build up your customer base.

The truth is you can't know. You can only guess and your guess is as good as anyone else's. But even the guesses will help you see how realistic you're being. When you make informed guesses, you are setting up a series of "If. . . then" statements, which may sound complicated, but isn't. Let's create a situation to use as an example.

Imagine that you are going to be doing word processing for \$3.00 per page, which is a rate that many businesses are willing to pay, especially if you have a specialty such as medical transcription. If you can type six pages an hour, you will be grossing \$18 for each hour at the word processor or computer.

You've just started your business and you have one regular client for whom you work about 10 hours a week. You make an educated guess that you can gradually increase the number of clients that you serve each per month. Your series of "If. . . then" statements would look like this:

- If I work 10 hours per week (43 hours per month*), then I will gross \$774 for the first month ($10 \times 4.3 \times 18$).
- If I work 15 hours per week the second month, then I will gross \$1161.00 for the month ($15 \times 4.3 \times 18$).
- If I work 20 hours per week the third month, then I will gross \$1548.00 for the month.
- If I work 25 hours per week the fourth month, then I will gross \$1935 for the month.

*To find the figure for a month, multiply the hours by 4.3 (because there are more than 4 weeks in a month).

Earlier we said that 25 to 30 hours is usually the maximum that freelancers can bill out each week. As you can see, if you only charge by the page, your gross monthly income will be limited to less than \$2,000. This may not be enough for you. In order to make more, you will have to try to find less time-consuming jobs for which you can produce more than six pages an hour or which you can bid by the job, not by the page, and make more per hour.

You won't know if your forecast of increasing the number of hours you bill by five per week each month is correct until you actually start marketing your

business. You also can't be sure what your initial marketing costs will be. So you have to guess. At the end of three months, you will know if your guess was accurate. If it isn't, then you can adjust your figures. If you find that your actual income is below your projection, you can decide to do additional marketing.

Can you see from this that even a blind guess can be of value?

This process has several advantages. It can help you:

- Pace yourself
- Determine how much marketing you need to do
- Realistically assess your business' potential
- Feel more in control of your financial destiny.

If You Need Help

If you need help doing your financial planning, one of the places you can go, without having to spend any money, is SCORE, the Service Corps of Retired Executives. This organization is funded by the Small Business Administration and has branch offices in most major cities. SCORE counselors are people who have been in business and who do service by helping budding entrepreneurs put a business together. They can help you look at your business realistically to see that you're not expecting more from it than it can give you.

Many cities also have other organizations that are geared to help budding entrepreneurs. If you need to find resources, try calling the editor of the business section of your local newspaper. Your local library may also be a place where you can get helpful information.

See our Resource Section for more information.

Chapter 14. Building Block 9: Take care of you

Are you in shape to be in business? Can your physical body withstand the rigors of ten to twelve hour work days? Do you have good coping skills for the emotional ups and downs that are part of the business building process? Physical and emotional stress go hand in hand with business ownership and if you're not ready for it, the stress can be your undoing.

Imagine an entrepreneur named Joe Smith who works long hours pushing an unseen deadline as if everything will crumble if he doesn't close one more sale, finish one more project, or make one more presentation. Fatigue doesn't stop Joe who pushes to attend one more networking event or to meet one more potential client. Joe is working so hard that he often forgets to eat, and when he does he often chooses high-calorie, high-fat snack foods.

Although he feels tired and drained, when Joe finally ends his work day his mind keeps racing, always thinking about what to do next or how to make what he did that day better. As a result, Joe's sleep is often fitful or incomplete, but he greets each new morning determined to ignore his physical discomforts in order to get out there and push, push, push for one more day. It's not surprising that Joe gets just about everything that is "going around." Colds, the flu, and constant fatigue keep him from working at peak efficiency.

Unfortunately, Joe's physical body was not designed to go non-stop day after day, week after week, month after month. Somewhere along the way, he is going to break down, physically or emotionally. Much of the time that Joe seemingly gains by pushing and rushing is lost as his exhausted body/mind insists on some rest and recuperation.

Joe Smith could be many new entrepreneurs whose fear of failure or neediness stimulates them to push themselves beyond healthy limits. They forget that they are their business' number one resource and if something happens to them, there will be no business. And because many entrepreneurs function without adequate health insurance, even a minor illness can be economically disastrous – which just multiplies the stress.

That is why Building Block 9 is Take Care Of You.

Hundreds of pages would be needed to cover this topic adequately and it would take months, or even years, for you to integrate the information. If you are like most new or potential entrepreneurs you're in a hurry to get started and probably don't have the patience or desire to learn how to take care of your physical/emotional self.

With this in mind, rather than cover anything in great detail, all I'm going to do in this chapter is introduce you to the subject and give you a few easy exercises

that will prime your pump, so to speak. If you wish to pursue the idea of self-care, check the Resource Section for suggestions.

Let Go Of Stress

In his book *The Stress of Life*, Nobel prize winner Hans Selye explains that some stress is actually a necessary part of life. Stress is the force that pushes us forward. But, he says, we are born with a certain amount of adrenal energy and when it's depleted, we die.

Perched on top of your kidneys are your adrenal glands, which produce the hormones that regulate many body functions including blood pressure, heart rate, blood sugar levels. The most well-known of the adrenal hormones is adrenaline, the fight-or-flight hormone. Adrenaline is the hormone that allows people under stress to accomplish amazing feats like the mother who lifts a car to rescue her trapped child.

This powerful hormone was designed to help us in times of danger. For example, when we lived with wild animals, if we saw a bear, the adrenal response from our fear gave us the strength to run away. Or, when we were sitting on the plains, waiting for the buffalo to go by, adrenaline gave us the energy to chase the buffalo at the appropriate time.

Adrenaline is a useful hormone and necessary to our well-being. However, in modern society the adrenal glands are overused to the point of exhaustion. Any time your body/mind is on alert, you have an adrenal response. Driving in traffic, doing work you don't enjoy, dealing with uncooperative people, meeting deadlines and watching horror movies are all activities that create adrenal responses.

Adrenal responses always create stress in the body because other glands and organs respond to adrenal hormones by pumping just a little faster or secreting a little more of their hormones. In other words, when you have an adrenal response you're using up a little bit more of the adrenal energy Hans Selye wrote about. Remember, he said that when you use it up you die.

So when you're rushing to meet a deadline, frustrated because you're tied up in traffic, or frantic about meeting someone at a specific time, ask yourself if it's important enough to use up a bit of your life!

Medical professionals are now beginning to believe that just about all physical disease is caused by stress. The stress can be emotional or physical, such as the stress produced by toxic vapors or junk foods. Each body/mind responds differently to stress because of individual differences.

But the end result is the same – discomfort and disease – which, in the business world, leads to loss of productivity and income. As a business owner, you cannot afford to feel run down and tired or to take sick days. You certainly

cannot afford long-term illness. Fatigue and disease will reduce your effectiveness and your income.

In 1990, when he was 48 years old, George Sandler was “outplaced” from his middle management job with a large corporation that was downsizing. Deep down he was glad that it happened because he had developed a strong dislike for the corporate culture and the demands it made on its workers. He had always harbored a desire to be in business for himself and now, with his severance pay in hand, he had the opportunity to live his dream. He decided to open a sign business in an area filled with small businesses.

From the beginning, George had no trouble finding customers. He was a good salesperson and loved getting out into the community and meeting people. In less than a year, he was busier than he could have anticipated, despite the continued downturn in the national economy. The problem was that George was *too* busy.

The orders were coming in faster than he could handle them. It seemed everyone was in a hurry to get their signs and George had trouble telling his customers that they would have to wait an extra day or so. He thought hiring extra help would alleviate the strain. But when he did, it only made matters worse because now he had to hire and manage other people.

George was working twelve hours a day, six days a week and was making more money than he had expected. But George felt awful. His back hurt most of the time and he had a headache almost every day. At one point George realized that he was buying over-the-counter painkillers in the large, economy size and replacing the bottles at frequent intervals. He decided his heartburn was the result of gulping down lunches purchased from a nearby take-out restaurant and the discomfort was nothing to worry about.

When George started waking up in the middle of the night with chest pains, he got scared. Fortunately, he was smart enough to find help before anything serious developed. A friend suggested a doctor who preferred prescribing nutritional supplements to drugs and was a big believer in conscious relaxation techniques, such as those that you will find in this chapter. He told George that he was lucky – the chest pains were just a warning – but he would have to slow down.

George got the message. He knew he had to do something right away or else he would have no more business. He decided to start taking better care of himself. The first change he made was limiting his working day to nine hours, five days a week. He learned to tell people that it might take an extra day or two to get their signs. If they were in a big hurry, he recommended another company five miles down the road. When he felt himself getting tense, George learned to sit down for a few minutes to let his body relax. He also learned to eat nutritious meals.

Slowly but surely George unwound. He couldn't believe how much better he felt and how much easier life seemed to be. Although he was working fewer hours, he was still making plenty of money. Once he slowed down, the mistakes

that were taking time to correct and the many problems that caused him sleepless nights disappeared.

George is grateful that he found a way to enjoy his business and has vowed never to go back to his old ways. He's having too much fun and making all the money he has dreamed of because he learned to live a better way.

You Will Benefit!

Building a business takes energy, and as we pointed out earlier, that energy can be in the form of money, time or effort. If you have limited funds, then you have to supplement your money with time and energy. If you don't feel up to par, like the engine that gets the wrong octane fuel, you will work, but not very well.

If you learn to limit the stress in your life, both you and your business will prosper. You will feel better about yourself and the work you are doing. Feeling relaxed and comfortable will enable you to think more clearly and make better decisions. After all, aren't you hoping that having a business of your own will allow you to feel free and less burdened by your life. Reducing stress will increase your potential for joy and satisfaction.

With this in mind, we are going to make some suggestions that will help you learn to let go and enjoy yourself as you build your business.

Make Time Your Friend

Most people never seem to have enough money or time. If you look at it from a broad perspective, there is an infinite amount of time and more money than we can use at any one moment.

Actually, time only exists in the human mind. Animals have no concept of time. For them, time can never run out. They have no way of relating, as people do, to the idea of death. It's our knowledge of our death that leads us to believe that we can run out of time. We don't run out of time – time just ends, and then, of course, it no longer matters. The irony is that because we're afraid of running out of time, we push ourselves to fill the time we have with as much as possible and this pushing can reduce the total amount of time we have.

The idea is to learn to enjoy the time we have, to stay in the moment. I had a teacher who said, "Time is a series of nows, and if you're in the future, you're missing the now and therefore missing a good part of your life."

How much of your time is spent in the future or the past? How conscious are you of now? Here are two exercises that will help you let go of time.

#1: The Here & Now

Sit in a comfortable chair and close your eyes. Take a few deep breaths. As you inhale, imagine that you are filling your body with a pure Golden Light, and as you exhale, imagine that you are letting go of all of the tension in your body. Repeat silently to yourself a few times, "I release all of my tension. I am relaxed."

When you begin to relax, slowly repeat to yourself, “There is no past, there is no future, there is only the here and now.”

Listen to the sounds around you. What is going on outside of your home? What are the sounds you hear? Are there cars going by? Are birds or crickets chirping? Is wind rustling through the trees? If you are in your home, can you hear the refrigerator motor, the heater or air conditioner? Can you hear people talking in other parts of your home or outside? What's going on around you?

If thoughts of the past or future creep in, just gently bring your mind back to the moment by repeating, “There is no past, there is no future, there is only the here and now.” Do this for a few minutes each day, or every few days, building up gradually to 15 minutes.

#2: Learning to Wait

This is a tough one.

How many times have you tried to avoid a red light by accelerating as you approach a yellow light? Each time you barrel through a light you're rushing and using up a bit of your life!

The gist of this exercise is **stop going through yellow lights unless you can go through without accelerating.**

In many cities, red lights usually last 20 to 30 seconds (which can seem like forever if you're in a hurry). In Orange County, California, where I live, the lights are often very long – up to 1:45 minutes. That *is* a long time to do nothing but wait. So I've devised a number of useful “Red Light Exercises.” Here are two of them.

- Exercise your eyes. You can lessen eye strain with this simple exercise. Put your index finger out about 12 inches in front of your nose. Focus on your fingertip. Then focus on a point far away. Repeat this up to 20 times.

- Breathe. Take a series of deep diaphragmatic breaths. This is incredibly relaxing. Actually, correct breathing, which fills the lungs properly, is always done from the diaphragm. Stress causes people to take shallow, incomplete breaths. To see how you breathe, take a deep breath. Do your shoulders rise? If they do, try this instead. Place your open hand on your navel. As you inhale, push your abdomen out, keeping your shoulders down. As you exhale, your hand will push inward.

A friend of mine who teaches breathing techniques, Frank Caulfield, calls this “belly breathing.” Practice belly breathing at home for a few days before trying it in your car because you may become lightheaded the first few times you try it.

Belly breathing can help your lungs work more efficiently, which means you'll be able to deal with airborne pollutants more effectively. You will also be bringing more oxygen into your system, which will allow many of your cellular functions to be completed properly. In other words, deep breathing is healthy.

NOTE: If you are driving in heavy traffic with your windows down, don't do this exercise.

Both of the above Red Light Exercises can, of course, be done at home too. They will all help reduce your stress levels.

Conscious Relaxation

Studies have shown that we have much more control over our body functions than we ever realized. There is clear evidence to show that by directing our thoughts to various body parts and to our immune systems we can stimulate healing or improve body function.

One of my consulting clients, Bill Sheely, was a retired executive who heard me speak at a stress reduction seminar. He had serious glaucoma that had stopped responding to medication. (Glaucoma is a condition characterized by increased fluid pressure in the eye.) Bill's doctor wanted to do surgery and gave him a rather gloomy prognosis – there was a good chance Bill would go blind.

I taught Bill the conscious relaxation exercise you will find below. In time, he developed his own variation and would imagine a pressure gauge in the back of his eyes. Each day, Bill would imagine that he was reducing the pressure and he would visualize the gauge measuring the reduction. Bill also learned to stop worrying about his future, replaced a lot of the processed foods he was eating with fresh, whole foods and took vitamin supplements.

You can imagine how delighted he was when, only four months later, he went for his eye exam and the pressure in his eyes had dropped noticeably. Within six months he was able to cut back on his medication. Now Bill is a big believer in the power of the mind over the body!

Here's the basic Conscious Relaxation Exercise that Bill used.

Sit in a comfortable straight-backed chair or lie down in a comfortable position with your head resting on no more than one small pillow. If you are sitting, cross your ankles and fold your hands gently in your lap. If you are lying down, keep your feet comfortably apart (about 12 inches) and your arms at your sides, slightly away from your body.

Close your eyes and take a few deep breaths. Then let your breathing return to a natural rhythm.

After your breathing returns to normal, turn your attention to your jaw. How does it feel? Can you feel the tension? Does the right side feel any different from the left side? Do you feel any pain or discomfort? Don't try to change anything, but feel it change. (It will change on its own.) Do this for 30 to 60 seconds.

Then say to yourself, "My jaw is relaxed." As you say it, imagine that you are letting go of some of the tension. Say to yourself, as you imagine your jaw relaxing, "Let go, let go." Keep doing this. When you think it is relaxed, let go

again. And again. Do this for about two minutes (which will seem like a long time).

Next, move your attention to your shoulders. How do they feel? Can you feel the tension? Does the right side feel different from the left side? Do you feel any pain or discomfort? Don't try to change anything, but feel it change. Do this for 30 to 60 seconds.

Then say to yourself, "My shoulders are relaxed." As you say it, imagine that you are letting go of some of the tension. Say to yourself, as you imagine your shoulders relaxing, "Let go, let go." Keep doing this. When you think they are relaxed, let go again. And again.

Then shift your attention to your solar plexus and repeat the routine. Relaxing the jaw, shoulders and solar plexus is the basic relaxation routine. When you are willing to spend more time relaxing, you can start at the top of your head and work your way down through all of your body parts.

This is a great way to clear your mind of your day's work. If you have trouble sleeping at night drink some chamomile tea and do this exercise.

Therapeutic Screaming!

During my healing, I learned that the anger and frustration I held inside of me was literally making me sick. I had to find a way to get it out without aiming it at other people. One day in 1980, during an extended stay with my parents at their home in Lake Hopatcong, New Jersey, my father pushed my anger buttons one too many times. We were taught not to express anger in our house and I was bursting with it.

I remember the day very clearly. I went out to my mother's car, which was parked in a wooded area, and locked myself in. Rain was falling, and the noise of the rain provided some distraction as I started screaming. No one could hear me. For 15 minutes I screamed and screamed and screamed until I was so hoarse I could barely scream anymore. When I stopped, I felt lighter and not so angry. It was wonderful! After that day, I often went out to the car and either drove around or stayed parked outside and screamed.

About a year later, I was living with a friend in a funky house in Atlanta. Our house was fairly isolated and it had a small, unused room next to the back porch. One day I bought 40 drinking glasses from the Salvation Army. I took the glasses into the unused room and threw them one by one against the opposite wall as I screamed, "Leave me alone!" For years I had wanted to scream like that at the authority figures in my life. Over and over again I shouted obscenities. Since no one could hear me, it didn't matter. Recovering from that screaming experience took a few days because I realized how much anger was still locked inside of me.

As time went by, I worked out a routine with a "yelling towel" that I kept on my bed. Every time I felt anger or frustration building up, I would get on my bed,

cover my mouth with the towel and scream. I also screamed in my car with the windows rolled up so no one could hear me. It may have looked a bit weird, but I learned not to care. I knew I was getting rid of a lot of old stuff that was getting in my way.

I speak to a lot of business owners who are angry because they feel victimized by the economy, their customers or circumstances. They may also be angry because they feel they've been unfairly treated, ignored, or discounted. Most of the time, I believe, they are living out unexpressed, deep-seated anger that was formed in childhood. When this anger is expressed, they're free to run their businesses without having to fall victim to anyone or anything. They're also better able to take responsibility for their lives and their businesses.

I suggest that you try screaming. Remember, no one is going to hear you, and it doesn't matter what you say. You are not a bad person, no matter what you say. Some of the words that come out may surprise you. You may feel "bad" at first for having that much ugliness inside of you. But it's not bad. It's usually the result of long-standing hurts that were never dealt with. Letting it out, no matter what it is, is okay. If the critical parent in your head tells you you're bad, ignore it. Just keep screaming for as long as you feel the need.

You may be surprised at how difficult it is to scream – at first. If you have never been encouraged to express your feelings, you'll have to learn to trust yourself with this. Therapeutic screaming is easier to read about than do. The more difficult it is to do, the more you probably need it. So keep trying! You'll feel more free and able to do a better job of doing business!

Exercise

Physical exercise will help you let go of a great deal of your pent-up stress. Brisk walking, jogging and aerobic activities will reduce tension and condition your body. Stretching, Yoga and Tai Chi will help you center yourself and increase your flexibility. If you've been sedentary for a long time, find a health care practitioner who can monitor your progress. I especially recommend chiropractors who specialize in sports medicine and osteopathic physicians.

Love Yourself!

I suggested earlier that you learn to love and coddle your customers in order to build and maintain your customer base. I also mentioned, a number of times, that your business is an extension of you. In order to love and coddle your customers, you first have to love and coddle yourself. When you learn to do this, you'll want to love your customers and treat them well. Treating them with loving kindness will just be an extension of what is natural for you.

Love Yourself Exercise #1:

At least once a day, look in the mirror, directly into your eyes, and say, “I love you (your name) , just the way you are!” Repeat this a few times and try to feel the feelings in your heart. You may feel weepy or want to cry. That’s fine. Cry if you can. Try to conjure up feelings of love in your heart as you say, “I love you!”

Love Yourself Exercise #2:

Stand naked in front of a mirror. Look at your body and see how you feel about it. Do you like the way it looks or do you wish you looked differently than you do? Are you proud of your body or are you ashamed of it? Listen to your inner dialogue as you look at your body. Don’t try to change your thoughts, just listen.

Love Yourself Exercise #3:

Stroke your body (arms, legs, torso) and tell it how much you love it. Apologize for feeding it junk (if you do) and for hurting it the way you have. Apologize for feeling ashamed of it. Tell your body you love it and that you are trying to accept it exactly the way it is.

Love Yourself Exercise #4:

Write yourself a love letter. Tell yourself what you like about you.

Love Yourself Exercise #5:

Sit in a comfortable chair and close your eyes. Take a few deep belly breaths and relax. Think back to a time when you were a small child feeling unhappy about something. Clearly imagine the picture in your mind. Try to be the child. Imagine how you felt, what you were wearing, where you were standing, etc.

Then, imagine that the adult you comes into the picture and picks up the small child and cradles it in your arms. Imagine yourself telling the child that she is safe now that you’re here to take care of her and to see that she gets what she needs. Tell the child that you love her and think she is wonderful.

Love Yourself Exercise #6:

Anytime during the day that you think of it, say to yourself, “I unconditionally love and accept myself, just the way I am.”

You may feel silly or uncomfortable when you first start doing this. Give it time. These exercises do work, and as your subconscious begins to believe that you are loved and worthy of love, you’ll create more income. After all, the way people show their love in business is by handing each other money!

Use The Right Fuel To Power Your Body/Mind

Your body/mind is the vehicle that you’re riding in as you go through your life. Like the car you use to transport yourself, your body/mind requires fuel to

function effectively. The specific fuel your body/mind needs is high quality food, water, and oxygen.

If your body/mind is not nourished with the specific ingredients it needs, it can't operate at peak efficiency. It will work, but you won't feel healthy, physically or mentally. The effect is similar to using the wrong octane fuel in your car; the car will run, but the engine will ping and, in time, will break down. The body/mind's pings are symptoms which, if ignored, can lead to serious problems or even total breakdown.

You don't have to spend a lot of time thinking about what to eat to keep yourself healthy and running efficiently. Nor do you have to spend a lot of time or effort preparing special foods or following a special diet. If you eat at home, simple fresh vegetable and protein meals (meat, poultry fish, eggs) with fruit snacks will suffice. If you eat out most of the time, look for restaurants that can provide you with high quality food.

The best fuel for your body/mind comes from fresh, whole, natural foods like fresh vegetables, fresh fruits, grain-fed animal protein and whole grains. Low quality fuel comes from sugar, white flour, caffeine, chemical additives, and alcohol.

If you are interested in a simple eating plan that can help you gradually establish healthy eating habits, I suggest my booklet *Nourish Yourself*. See the Resource Section for more information.

Just The Beginning

Learning to take care of yourself is a lengthy process because so many old destructive habits have to be replaced with new constructive ones. Fortunately, the body craves health and comfort and once you get started in the right direction you will probably want more. Start with the few exercises I have given you here and you will soon be on your way to living a much more comfortable life. This comfort will express itself through your business! It's worth the time and effort it takes to cultivate these new habits and there is a big payoff in profits along the way!

Chapter 15. Building Block #10: Tell the truth

Over 90% of the people with whom I discuss personal and professional values say that truth and honesty are high on their list. People don't want to be lied to, manipulated or "conned." But I often wonder how many of these people are totally honest with others or with themselves.

Who Lies About What

How many times have you exaggerated when sharing your successes with other people? When you're selling, do you ever feel that you're stretching the truth a bit? Have you ever promised to provide a product or service on a particular day, knowing full well that you cannot possibly keep your promise?

If you lie, then you certainly are not alone. The fascinating book, *The Day America Told the Truth* by James Patterson and Peter Kim, presents the results of a nationwide survey that was done during a one-week period during which thousands of people across America were questioned. Because they remained anonymous, the respondents were more willing to tell the truth about their lives than they would under different circumstances.

The results of the survey were illuminating. Here are some of the findings in the business arena:

- One in four workers expects to compromise their personal beliefs in order to get ahead on their current job.
- Almost 50% of the workers admit to chronic malingering – calling in sick when they are not – and doing it regularly.
- 50% genuinely believe that you get ahead not through hard work but through politics and cheating.
- The top 5 office crimes are:
 1. Taking office supplies and equipment
 2. Lying to a boss or co-worker
 3. Stealing company funds
 4. Having an affair with a boss or co-worker
 5. Taking credit for work not done

On a personal level, we lie most to the people we love. People in the survey confessed to having regularly lied to a:

Parent	86%
Friend	75%
Sibling	75%
Lover	73%
Spouse	69%

Boss	61%
Best Friend	58%
Co-Worker	46%
Doctor	32%
Accountant	22%
Clergyman	21%
Lawyer	20%

People often lie about who they are. They lie about their true feelings (81%), their income (43%), their accomplishments (42%), and their age (31%).

Doing something considered immoral because “everyone does that” was admitted to by 64% of the 18 to 24 year olds, 55% of those 25 to 44 and 41% of people 45 to 64.

What people are willing to do for \$10 million dollars varied from abandoning their entire family (25%) to putting their children up for adoption (3%).

Why People Lie

Most people learn to lie when they are children as a defense against adults who punish them for telling the truth. When you were young, you may have been punished when you told your parents the truth about where you’d been or what you’d done. Most likely, you learned fairly quickly to adjust the truth in order to avoid the consequences of displeasing your parents.

Without realizing it, we continue this pattern when we’re adults, even though we are now in charge of our own lives and no one is going to punish us. We perceive the punishing parent is there in the form of customers, associates, suppliers and, in our personal lives, significant others and friends. Often, without realizing what we are doing, we tell people what we think they want to hear for fear of losing their business, attention or friendship.

But this kind of behavior can be self-defeating. Suppose you promise a customer delivery of a product by a particular date, knowing full well that the date is unrealistic. When the prearranged date arrives, the product isn’t ready, and you have to make excuses. More likely than not, you’ll lose the trust of the person to whom you made the promise.

Wouldn’t it be more effective if, instead, you promise delivery on a date a few days beyond the actual date that you anticipate completion? There’s always a chance that you can deliver early, and if you do, your customer will think you give fantastic service. Giving the extra few days allows for any snafus or unexpected delays that you may encounter and lets you finish the job without stress.

If you value truth, honesty and integrity, then when you stretch the truth, omit the truth, or tell an outright lie, you are abandoning yourself. You are saying to

yourself, “I don’t care what you want because what you want is not important.” You are, in effect, discounting and ignoring who you are and what you need.

Remember we said that your business is a reflection of what’s going on inside of you? Well, if you discount your values, how can you expect people to acknowledge your worth by handing you money for your product or service? How can people see who you really are if you’re afraid to show them?

What you value *is* important, and if you’re doing the best job you can given who you are at this moment, then you never have to be afraid that what you honestly have to offer is not enough. If a potential customer doesn’t acknowledge the worth of what you are offering, then you have the right to let that customer find another place to do business.

Some of you might think that losing a customer is more of a self-sabotage than going against your own values, but it’s not. If there were only a finite number of customers and you needed every one of them in order to survive, then it might, in fact, be an act of sabotage. But, in reality, there are many more customers than you alone can serve. All you have to do is to find the ones whom you enjoy serving the most.

The Effects Of Not Telling The Truth

We have all observed the effects of not telling the truth. We’ve seen how the greed and desire for personal gain in the 80’s led to the weakening of our financial system. We’ve also seen how the lying and chicanery of the Watergate participants led to a disillusionment with our political system. And we’ve seen how half-truths and serious omissions on every level of government has led to a weakening of our entire political system.

Truth is one of those values that keeps the system on track and running smoothly. Truth can be your greatest asset because using it as part of your foundation will allow you to build a stronger structure. On a practical level, a commitment to truth will help you draw in other honest, sharing people who will acknowledge you for being who you are.

When I was running Joan’s Crystals, the bank was always amazed because, although I was depositing hundreds of checks a month from our retail and mail order customers, I only had five bad checks in one year. Also, in mail order, it’s not unusual for customers to return 10% to 30% of the merchandise purchased. Ours was less than one percent.

As I’ve said, I believe we draw in the customers who resonate with who we are. Because I’m so committed to the truth, I think it affects the kinds of customers I draw in; and obviously I’m bringing in those who have integrity. What you give, you get.

Although I have not seen or done any formal studies, I would guess that the main reason people tell lies is fear. They fear an imagined punishment. In

business relations, they fear that if they let a customer or potential customer go, there will not be another to take its place. In this case, the fear is irrational because there are always more customers.

I believe that we draw in people who meet our needs and who allow us to follow through on our stated intentions. It's as if we broadcast, into a dimension beyond our hearing, who we are and who we're looking for. Occasionally, a browser will come by, and if we agree to serve that person, the fact is broadcast into that other dimension.

If a person comes by to whom you lie, then the "word" gets out that you're willing to deal with people who need to be lied to or who will want to lie to you. On the other hand, if you refuse to lie, or even stretch the truth, then the fact that you're looking for honest people will be broadcast and the honest people will know where to find you. All you need is the faith that the word will spread.

Where does this faith come from? It comes from connecting to your own power and thereby learning to trust yourself. If, at this time, you have trouble acknowledging your own worth or feeling your personal power, what you need is the desire to discover and develop that power. What we have done in this book is to help you focus on something tangible, e.g., building a business, and if you follow the advice given here, you will, in the process, begin to find yourself and your power.

Although following our suggestions such as doing a business plan might seem far afield from connecting to your personal power, it isn't. When you do a business plan, take care of your money or do the marketing that will help your business grow, you're learning new skills and taking the initiative to take care of and support yourself. That alone will help you utilize some of the power that's hidden within you. As you do this, you will come to know the truth of you, and this truth will set you free!

Chapter 16. Take the Steps to Make Your Business Real

You now have the basic building blocks that you need to begin to build your business. Once you've designed the structure with your business plan and chosen where you will build your business, you need the equivalent of building permits.

Fictitious Business Name Statements

If you're giving your business a name, you'll need to publish a fictitious business name statement, also referred to as a dba (doing business as) in one of your local newspapers. You won't be able to open a bank account in your business name unless you do this.

When you fill out the fictitious business name statement, the newspaper sends it to the city or county clerk where it is officially filed. A copy is sent to you from the clerk and the announcement is published in the paper once a week, usually for four weeks. Costs vary from \$35 to \$75.

You do have the option of asking customers to make checks out to you personally, which is fine if you're a health care practitioner or if you provide individual services. But if you use a business name in your advertising or on your business cards, it looks unprofessional and irresponsible to ask to have checks made out to you personally. Don't skimp on this small investment.

Business Licenses

Some cities require that you have a business license, others do not. Call your city or county clerk and ask what is necessary in your locality. Most licenses are under \$100.

Sales Tax Permits

If you sell any kind of merchandise, you probably have to charge and collect sales taxes. Your state probably has a tax board or tax permit department. Call telephone information and ask whom to call; they can probably lead you in the right direction. Getting a permit to collect taxes may cost a minimal fee.

Why Bother?

If you don't get the required licenses, the chances of your getting caught are minimal. So why go to the trouble of filling out tax forms or paying license fees?

Years ago when I was first coming back into the world, I was driving in a parking lot and, as I often did, I was going against the direction of the arrows between the lanes. Suddenly my Inner Voice, which always seems to know what's right, said, "Respect the system and the system will respect you."

It was clear to me that I could no longer thumb my nose at society and capitalism if I wanted to be part of the system. If I don't like the system, I have the right to act to change it – that's what democracy is all about. But if I say over

and over again, “I hate the system and will disregard its rules,” how can I expect the system to support me?

It’s true that there are inequities and injustices within the system and often when people try to change the system they become frustrated or are thwarted by special interest groups. But that’s not to say it can’t be done.

I believe that one of the reasons our society is in such chaos is because people have given up. They’ve stopped supporting the system and they’re not contributing to the process of rebuilding it. Those who are, e.g., the special interest groups, have been given the opportunity to take over and make the rules. I truly believe that we create our own reality and that if we feel like victims it’s because we put ourselves in the victim position.

After getting the “message” about respecting the system, I pondered the thought for a long time and finally decided to subdue my rebellious urges. I stopped parking in no parking zones; I stopped going the wrong way in parking lots; I got my licenses and permits; and I told the absolute truth on my tax forms. Often it was a struggle, because for me, it was uncharacteristic behavior. I preferred the risk, the negative excitement and the feeling that I was getting away with something. What it boiled down to was my willingness to grow up and take responsibility for me and my business.

It took time before I was willing to admit that the decision to respect the system made a positive difference. It’s difficult to explain why or how, but doing so gave me more confidence and helped me learn to trust myself. The business I built was much more solid than it would have been if I’d still been trying to get away with something.

It’s Time For Your Grand Opening

Once everything is in place, what do you do on your first day in business? There’s a good chance you’ll spend some time organizing, setting up your office and/or finding suppliers. There’s also a good chance that you’ll do everything you can to avoid making that first call or placing that first ad that will bring in customers. You’ll probably put off doing things like going to your first meeting where you can network in order to build your customer base.

The reason you will probably do all this avoiding is simple – fear. Fear of failure, fear of success, fear of rejection, fear of making a fool of yourself and fear of feeling out of place. The list could go on and on.

At some point, you will have to ignore your fear and jump in. You may find the water is too deep, but if you’ve followed the program that we have presented in this book, you’re more likely to discover that you can swim more proficiently than you thought. Your knowledge will enable you to develop the attitude of success, and because you have carefully planned your business and marketing

strategy, you will have direction and focus and be able to deal with whatever comes your way.

As I've said, this book is just a beginning. There are many aspects of business that we've barely touched upon and others we haven't even begun to examine. If your business is to succeed, especially if you have never been in business before you will have to constantly learn new business skills.

By reading this book you have taken the first step towards establishing a successful, profitable business. It would be unrealistic to say that building your first business is going to be easy. But no matter where you are in the building process, there are tools that you can use to reduce the stresses and alleviate your worries.

Try to learn from others who have more experience than you do. Read, listen to tapes and ask a lot of questions. You will find that experience is the best teacher. Try to learn from the experience of others.

Read popular business magazines such as *Entrepreneur*, *Success*, *Home Office Computing, Inc.*, and *Entrepreneurial Woman*. You will get a lot of good ideas and inspiration from the stories of people who have overcome great odds to make their businesses work.

Remember that everything that seems to be an obstacle is, in reality, an opportunity to grow and develop your problem-solving skills. If your attitude allows you to be open to learning, you'll get a lot from your business, financially and otherwise.

And most importantly, do everything you can to learn to like and respect yourself. Your business is your creation and as such it's your reflection. Treat yourself well and your business will treat you well and reward you in the way you deserve.

What we have tried to do in this book is help you develop a realistic attitude and approach to building a business. We also hope that the information in this book will help you avoid the common mistakes that many new entrepreneurs make.

I know that building a business is not easy and you are brave to even contemplate entrepreneurship as an employment option. I want to congratulate you on your willingness to consider taking the chances that are involved in starting your own enterprise. I hope that yours is one of the businesses that grows up to be healthy and strong. And when it does, I hope you'll write and share your success story with us.

Resources

Associations

Small Business

National Association for the Self-Employed. Information, health insurance. Annual membership fee includes newsletter. <http://www.nase.org/>

Speaking

Toastmasters. Many groups all over the country meet weekly. Learn basic speaking skills. For a group near you call 714-858-8255.

National Speakers Association. For professional speakers and emerging speakers. Excellent information and help for anyone interested in speaking. <http://nsaspeaker.org>

Women in Business

Business and Professional Women/USA. Advocacy organization for women's workplace issues. Provides good networking opportunities. <http://bpwusa.org>

National Association of Women Business Owners. Provides its members with education and training, promotes business ownership by women, and serves as a forum through which women can establish themselves in the business world. <http://www.nawbo.org/>

National Association for Female Executives. provides resources and services - through education, networking, and public advocacy - to empower its members to achieve career success and financial security. For more information about NAFE. <http://nafe.com>

Mother's Home Business Network. Offers a newsletter, annual directory, and other information for mothers operating home-based businesses. <http://homeworkingmom.com>

Books

Business

The Small Business Test by Colin Ingram. This clever book will help you evaluate your chances for building a successful business. Looks at your personal characteristics, planning and organizational skills, your knowledge and experience, marketing savvy, financial stability, and special skills needed for mail order selling. After taking this comprehensive evaluation,

you will know what you need to strengthen in order to increase your chance for success. Ten Speed Press.

Customer Service

POS: Positively Outrageous Service. New & Easy Ways to Win Customers for Life by T. Scott Gross. Excellent collection of ideas and examples of successful businesses that give outstanding customer service. A treasury of information and ideas. \$14.95. Mastermedia, N.Y.

50 Simple Things You Can Do To Save Your Customers by Paul R. Timm. The average American business will lose up to 30 percent of its customers this year because of poor customer service. If you want to keep your customers happy – and coming back – try this book. It's a quick read and you will get some good ideas. \$6.95. Career Press..

Financing

Guerrilla Financing: Alternative Techniques to Finance Any Small Business by Bruce Blechman & Jay Conrad Levinson. Good source book if you need to raise capital. Filled with innovative ideas. \$10.95. Houghton Mifflin.

Health

Nourish Yourself by Joan Sotkin. Your food is the fuel your body uses to power its tens of thousands of metabolic reactions that give you the energy to do your work. If you use the right food your body/mind machine will work for you and help you build a healthy business. This book will help you understand what you need and where to find it. Includes The Food Guide, which divides all foods into 4 groups going from the most positive to the most negative. The idea is to eat as many Group 1 and Group 2 foods as possible and to gradually eliminate Group 4 foods. Available at <http://ProsperityPlace.com> .

The Stress of Life by Hans Selye. An excellent explanation of the stress reaction. Will help you understand why your body reacts the way it does to stress. McGraw-Hill.

Mail Order

Mail Order Selling Made Easy by John Kremer. If you are thinking about doing any selling by direct mail, don't do it until you read this book! It will point you in the right direction and help you avoid many mistakes. \$19.95. Ad Lib Publications.

Marketing

Guerrilla Marketing, Guerrilla Marketing Attack by Jay Conrad Levinson. Levinson's books are highly recommended for small business owners. Lots of effective, low cost marketing ideas. Easy to read. Both have good book lists. Houghton Mifflin.

Words That Sell: A Thesaurus to Help Promote Your Products and Ideas by Richard Bayan. If you are going to write any marketing materials, this book will be of great value. Filled with words and phrases that can make your materials more effective. Caddylak Systems, Inc.

Writer's Market. Where & How to Sell What You Write. If you want to write articles for publication as a marketing tool for your business, this reference book will tell you who is most likely to accept it. Also for aspiring writers of fiction, non-fiction and magazine articles. \$29.95. Writers Digest Book.

Positioning: The Battle For Your Mind by Al Ries and Jack Trout. How to stand out from the crowd – and win. The principle of positioning can give you an advantage in the marketplace. Excellent. \$5.95. Warner Books.

Money

Do What You Love, The Money Will Follow by Marsha Sinetar. A step-by-step guide to finding the work that expresses and fulfills your needs, talents, and passions. \$7.95. Dell.

Money is My Friend by Phil Laut. If you have trouble dealing with money, this book might help. \$9.95. Vivation Publishing.

Fast Cash For Kids by Bonnie & Noel Drew. This wonderful book features 101 year-round money-making projects for kids who are too young to have a job, or older kids who want the experience of starting their own business. Contains a lengthy list of inventive ideas plus plenty of tips on getting started, how to budget, sales skills, and more. \$9.95. Career Press.

Self-Help

Feel The Fear & Do It Anyway by Susan Jeffers. \$9.00. Fawcett.

Selling

How to Master The Art of Selling by Tom Hopkins. \$12.95. Warner Books.

Starting A Business

Homemade Money by Barbara Braebec. An encyclopedic collection of information for small businesses. Not the kind of book you sit down and read, but an excellent reference and source book. \$18.95. Betterway Publications, P.O. Box 219, Crozet, VA 22932.

Working From Home by Paul & Sarah Edwards. Subtitled *Everything You Need To Know About Living & Working Under the Same Roof*. Subjects covered include: finding a job, marketing your business, legal issues, setting up your business, juggling family, friends and work, how to price your services, and more. Jeremy P. Tarcher, Inc.

How to Start a Business Without Quitting Your Job by Philip Holland. Holland begins with the sensible assumption that you don't have to quit your "real" job in order to become an entrepreneur. This practical guide shows how to choose the right business, budget time wisely and make sure your job doesn't suffer. Other topics include financing, liability, involving your family and when (or if) to quit your job. \$9.95. Ten Speed Press.

Success

Seven Strategies for Wealth & Happiness by Jim Rohn. Inspiring and motivating. Rohn presents power ideas that have made him financially and personally secure and happy. Down-to-earth advice sprinkled with humor. One of our favorites. \$9.95. Prima Publishing. P.O.Box 1260, Rocklin, CA 95677. 916-624-5718.

Think and Grow Rich by Napoleon Hill. One of the all-time best sellers. Hill spent 20 years compiling the case histories and money-making methods contained in this book. A must for prosperity seekers. \$7.00. Fawcett.

The 7 Habits of Highly Effective People: Powerful Lessons In Personal Change by Stephen R. Covey. Covey presents a holistic, integrated, principle-centered approach for solving personal and professional problems. Fundamental keys to success. Easy-to-understand, practical, effective techniques. \$9.95. Simon & Schuster, Inc.

Writing

Business Letters For Busy People by Jim Dugger. This book will free you from worrying about the right thing to say, the right kind of letter to send or what format to use. Even good writers will benefit from the time saved by this well written, comprehensive quick reference guide and collection of business letters. \$12.95. Career Press.

The Elements of Style by Wm. Strunk, Jr. & E.B. White. Concise, direct and helpful. If you do any writing, this is an essential book to have. Will clarify many mysteries of grammar and word usage. \$3.95. Macmillan.

Free/Low-Cost Help

Service Corps of Retired Executives (SCORE) is a volunteer group of retired business people. They will help you plan and develop your business. No cost for the service and the advice is excellent. There are more than 750 chapters across the country. Listed in the white pages of the phone book under United States Government.

University and College business schools often offer free help for small business owners. Call the school for more information.

Chambers of Commerce. Local Chambers often offer free or low-cost seminars, periodicals, referrals, books and marketing opportunities. They also monitor legislation and other matters that affect businesses. Check telephone directory for local chapter or contact the national headquarters. United States Chambers of Commerce, 1615 H St. NW, Washington, DC 20062. (202) 659-6000.

Libraries. Local libraries have many sources of information. Check the business section and speak to the Reference Librarian. Librarians love to help people find information. Tell the librarian what kind of business interests you and ask what publications might be of help.

Internal Revenue Service. The IRS offers workshops, films and publications to help small businesses understand tax responsibilities. Contact the local branch office or Taxpayer Information and Education Branch, Taxpayer Service Division, IRS, Dept. of the Treasury, 1111 Constitution Ave. NW, Washington, DC 20274. (800) 424-1040. <http://www.irs.gov>

Publications

Small Business Administration. This government Web site has a wealth of information for entrepreneurs. <http://www.sba.gov>

Organizations

Self-help

Debtor's Anonymous. For meeting information visit <http://www.debtorsanonymous.org>

Software

Accounting

Quicken (Mac or PC), *Quicken Books* (PC) by Intuit. User friendly accounting programs that make financial record keeping easy. <http://intuit.com>



Joan Sotkin
Prosperity Coach, Author

Joan Sotkin is a coach, author and the creator of ProsperityPlace.com, a popular Web site that teaches people how to improve their relationship with money and themselves. Her books include *Starting Your Own Business: An Easy-to-Follow Guide for the New Entrepreneur*, *Prosperity Is an Inside Job*, and *Build Your Money Muscles: Nine Simple Exercises for Improving Your Relationship with Money*.

In 1972, when Joan was told she would never be healthy and would have to live with her discomforts, she made a decision to find a way to achieve physical, emotional and financial health. Today, through her Web site, books, teleclasses and coaching, she shares what she learned on her path to wellness. She also publishes a popular monthly e-zine called Prosperity Tips.

Over the years, Joan has built a number of successful businesses, including a wholesale/retail/mail order venture and a Web site development and consulting company. She now coaches people around the world on financial issues, combining her own intuitive techniques with BSFF and some EFT to help people recognize and release the emotional blocks that keep them from creating wealth and prosperity. Using her extensive business experience as a base, Joan also helps her clients plan and develop their own entrepreneurial ventures.

To learn more about Joan's books and coaching services, visit ProsperityPlace.com

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- The how-tos for cleaning up your money mess and more!

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- Is Your Inner Child Keeping You Broke?
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New topics are added periodically

ProsperityPlace.com/teleclass



Be Set Free Fast

Written by Larry P. Nims, Ph.D. and Joan Sotkin. Larry is a clinical psychologist who developed the Be Set Free Fast (BSFF) treatment protocol. BSFF is an easy-to-learn technique that is designed to rapidly eliminate long-standing emotional problems and issues.

ProsperityPlace.com/bsff



Overcoming Financial Blocks with BSFF

This CD/Booklet set contains a teleclass plus additional audio material, including treatments for specific financial issues. The booklet contains an introduction to BSFF, plus all the teleclass notes.

ProsperityPlace.com/catalog/cds/bsff_finance.html