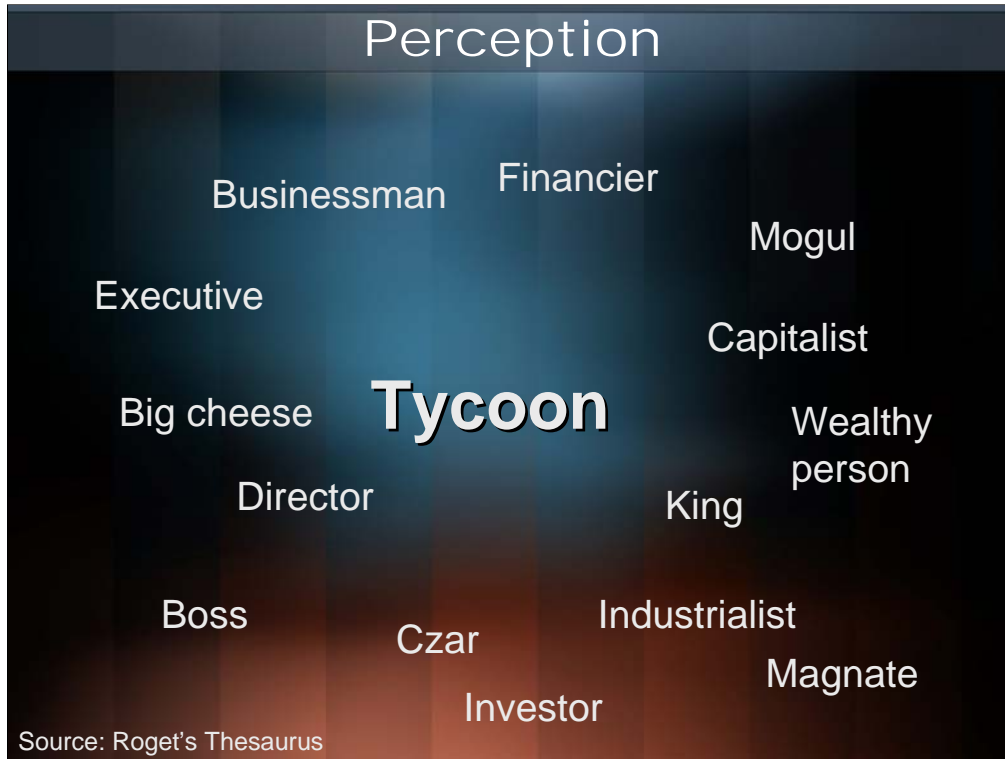


Mike Formica, CEO  
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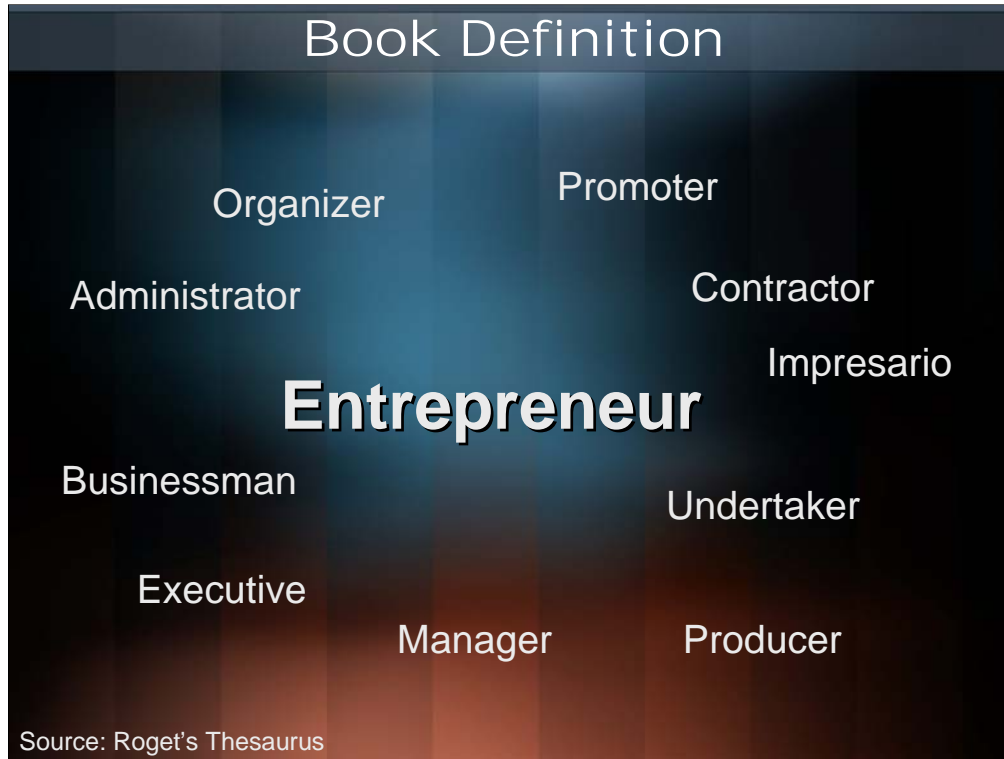
*So You Want to Become an  
Entrepreneur:  
What Every Entrepreneur Should  
Know Before Making the Plunge*

Today I'm not going to talk about the need to identify 'unique value proposition', or how to compute your 'pre-money valuation' but instead, discuss the reality of life in the trenches.

# What is an Entrepreneur?



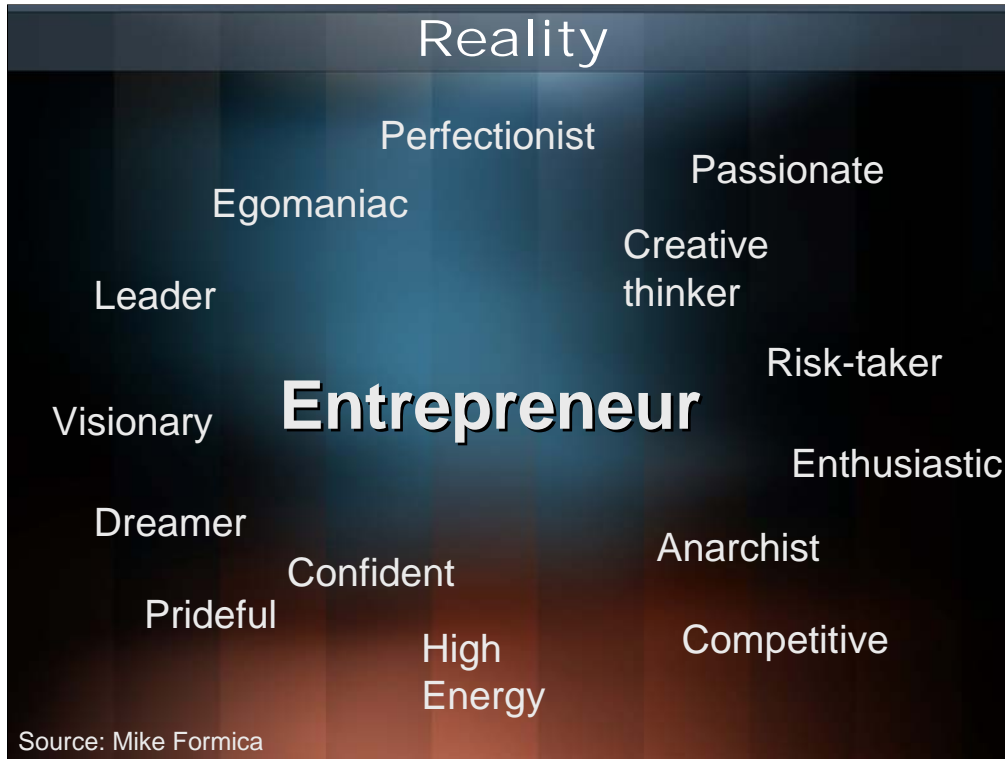
What most people think an entrepreneur is...  
really description of 'tycoon'



Description of an entrepreneur is much less glamorous, albeit true

An entrepreneur has the unique job of needing to know everyone's job from the exciting to mundane.

But there's much more to it than simply turning the crank



Entrepreneurship is not for everyone, but for many it is the only work environment that is not stifling

# Beware the Entrepreneur!



## GOALS

IT'S BEST TO AVOID STANDING DIRECTLY BETWEEN A COMPETITIVE JERK AND HIS GOALS.

[www.despair.com](http://www.despair.com)

RISK



## Definition of "Entrepreneur"

Entrepreneur –

A person who organizes and manages any enterprise, esp. a business, usually with considerable initiative and **risk**.  
(*dictionary.com*)

A person who organizes, operates, and assumes the **risk** for a business venture.  
(*American heritage*)

One who organizes, manages, and assumes the **risks** of a business or enterprise  
(*Merriam Webster*)

3 definitions, all mention risk. If nothing else, entrepreneurship is risky.

However, it's the classic 'risk-reward' scenario. Very high risk, very high reward.

Regardless of the level of 'success' entrepreneurship is one of the most singularly rewarding ventures.



# FAITH



No business plan no matter how good, no strategy no matter how sound, no capital no matter how much, will ever guarantee success.

The only thing you know about your initial assumptions is that they are **WRONG**. You have to trust yourself to adapt as your business grows and evolves.

At some point you need to jump off that cliff and expect the net to appear. Scary yes... but it's a heck of a ride.

# FEAR



Urban Legend, “9 out of 10 startups fail within 2 years.  
Several sources state 50% survive > 4 years

Don't fear failure. Business is inherently risky and a 'failing' startup is only a death sentence if you let it be. It may take more than 1 try to run a successful business. First step is the hardest, eventually you realize that world doesn't stop turning just because you aren't pulling a regular paycheck.

WILL



Like long distance running, you can be as good or successful as you choose to be. You may have to run farther or hurt more, but you are your only limitation.

Successful business is usually a result of better execution than of brilliant strategy or tactics. Out executing your competition is strictly a matter of your willingness to go the extra mile (make the extra phone call, etc.)

# CONFIDENCE



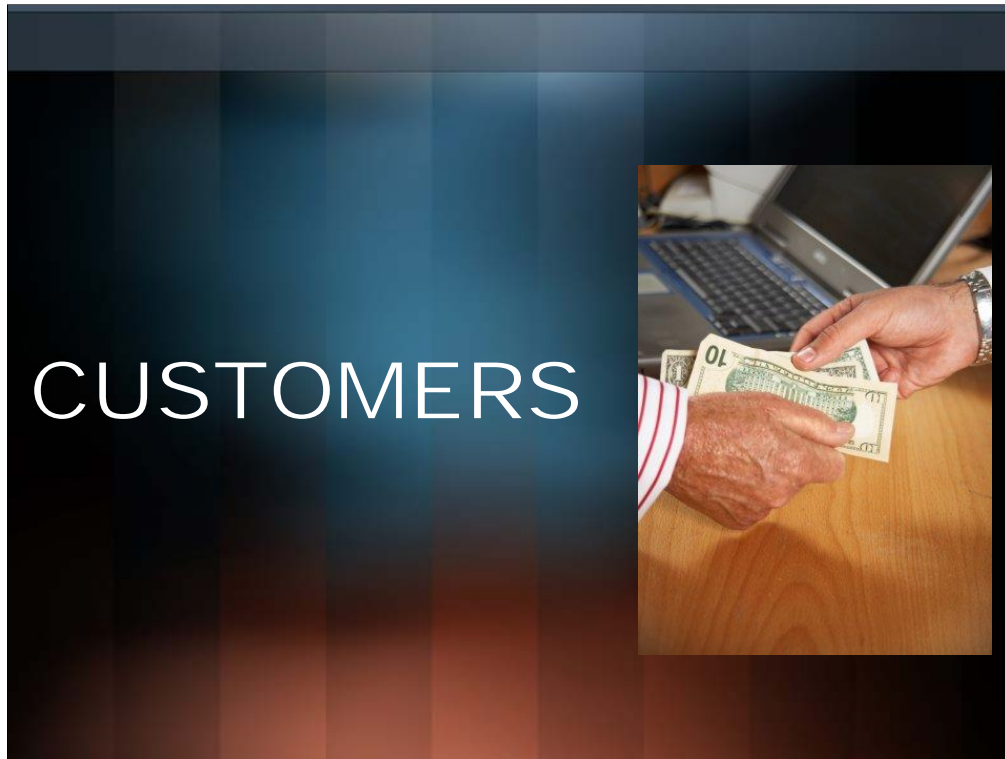
Act like you've been there...

This is not a dinner party, customers will not be impressed that you are a startup, they want to believe you can help them and will stick around

Nothing speaks 'startup' more than a phone tree that says, 'hit 1 for mike, 2 for bob' or emails such as mike@xyz.com

Don't fear success...don't stress about how to grow...those are good problems to have

If you don't believe in your company why should your employees, customers, vendors



Seems obvious, but don't be a solution looking for a problem. Find the market pain and press it hard. Continually ask yourself, what about xyz would they be interested in.

Realistically the only reason you are talking with them is to make a sale, the only reason they are talking to you is that they need something. It's simple, it's basic, but it's the truth.

Need to learn to talk their language. Make it easy for them to say "yes" by being part of their solution and team.

# HUMILITY



Don't get distracted with the 'glamour' of owning a company

Focus on creating value, not your exit strategy

Market to your customers not your neighbors

Customer is always right, even when they're not.

Remember - you need them much more than they need you

Don't be afraid of 'dumb' solutions. Particularly an issue with engineering companies who want to show how smart they are. The smartest product is the one people buy. Fortune 500: for every HP there is a Wal-Mart

# TEAM



Can't do this alone

Partners – learn to share the power because building the business is more important than running it

Advisors – need someone objective. You can't be objective about your kids and you can't be objective about your business. It's too personal.

Employees – extension of you and the company. They project your image, product, capabilities, etc.

Customers – need to be embraced for what they are – the lifeblood of the business



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# QUESTIONS?

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