



The Toilet Paper Entrepreneur

The tell-it-like-it-is guide to cleaning up in business, even if you are at the end of your roll.

MIKE
MICHALOWICZ
WAS HERE

Page left intentionally blank

The Toilet Paper Entrepreneur

The Toilet Paper Entrepreneur

The tell-it-like-it-is guide to cleaning up in business,
even if you are at the end of your roll.

Mike Michalowicz



OBSIDIAN LAUNCH

Copyright © 2008 by Michael J Michalowicz. All rights reserved.

Published by Obsidian Launch, LLC; Boonton, New Jersey.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the publisher, Obsidian Launch. Requests to publisher for permission should be addressed to the Permissions Department, Obsidian Launch, 239 Myrtle Avenue, Boonton, NJ 07005, or by email at permissions@obsidianlaunch.com.

Limit of Liability/Disclaimer of Warranty: This book contains the opinions and ideas of its author. It is sold with the understanding that neither the author nor the publisher, through the publication of this book, is engaged in rendering financial, legal, consulting, investment or other professional advice or services. If the reader requires such advice or services, a competent professional should be consulted. The strategies outlined in this book may not be suitable for every individual, and are not guaranteed or warranted to produce any particular results. No warrant is made with respect to the accuracy or completeness of the information contained herein. Both the author and the publisher specifically disclaim any responsibility for any liability, loss, or risk, personal or otherwise, which is incurred as a consequence, directly or indirectly, of the use and application of any of the contents of this book.

For information on discounts for bulk purchases, please contact Obsidian Launch at books@obsidianlaunch.com.

Library of Congress Cataloging-in-Publication Data is available.

ISBN-13: 978-0-9818082-0-8

ISBN-10: 0-9818082-0-4

Manufactured in the United States of America

10 9 8 7 6 5 4 3 2 1

DEDICATION

Krista, Tyler, Adayla, & Jake Michalowicz – Thanks for supporting me unequivocally and letting me sleep in after the all-nighters on this project.

Success is never the result of one-person endeavors. Never. It takes a team. Thank you team. Thank you from the bottom of my heart.

Patty Zanelli, Anjanette Harper, Mini Sankara, Matt Maher, Scott Bradley, Stephanie Cavataro, Howard Hirsch, Lauren Lombardo, Sean Moriarty, Lisa Mason, Mike Maddock, Zach Smith, and everyone who helped in making this book great—thank you for taking the stones and making a sculpture. It will never cease to amaze me how much a small, focused, relentless, passionate group of people can accomplish.

Everyone - We're done for now, until the masses beg for another book!

(If you are one of the masses, please feel free to beg for another book.)

CONTENTS

FOREWORD.....	9
MY THREE-SHEET STORY.....	14
Answer the Urge.....	20
Obliterate All The Excuses, Except For One.....	23
One Day Still Hasn't Come.....	26
Nature vs. Nurture.....	26
CHAPTER 2 - A LITTLE PEACE AND QUIET (IN YOUR MIND).....	28
The Wall Of Limiting Beliefs.....	30
Envy This.....	32
The Channel Of Enabling Beliefs.....	33
Getting Past Day One.....	35
Mission I'm Possible.....	37
CHAPTER 3 – THE FIRE IN YOUR BELLY.....	39
What To Do? What To Do?.....	39
What Do You Stand For?.....	41
Immutable Laws (A Filter for Everything).....	41
The Why Guy Finds His Why.....	45
PART TWO: THE TPE FOCUS.....	47
Focus Small to Get Big.....	48
How to Drive Dangerously Fast, Safely.....	50
The Focus Five.....	50
You Gotta Do Better.....	53
Your Area of Innovation – Quality, Price or Convenience.....	54
Who's Your Ideal Customer?.....	56
You Are Really, Really Good At Very, Very Little.....	58
A Junk Man's \$1B Prosperity Plan.....	60
Create a Prosperity Plan.....	61
Always Be Tacking.....	66
Quarterly Tacking.....	67
Every Day, Review Your Metrics.....	71
Gold Bullions Everywhere.....	73
It's Just Like Driving to Albuquerque.....	73
PART THREE: ACTION.....	75
CHAPTER 6 – ARE YOU READY NOW?.....	75
“No” Your Way To Success	76
The Top Nine List	77
The Dark Side.....	79
Haven't Been There, Haven't Done That.....	79
What You Don't Know Can't Pervert You.....	80
Burn the Boats.....	81
The Secret Behind The Secret.....	83
Just In Case You Haven't Started Yet, Here's How	84
Action, Lights, Camera.....	86
Happily Walk Out Of A Once-In-a-Lifetime Meeting.....	87
Act As If, But Only On The Inside.....	88
The 16,107 Steps You (Don't) Need To Take.....	89

Know When to Say When.....	91
Accountability.....	92
A Good Night's Rest in the Hotel Parking Lot.....	92
Plenty of Somethin' from a Whole Lot of Nothin'.....	95
Anything for Nothing.....	96
Sometimes You Need to Borrow.....	97
Bankers Are Anchors.....	97
Trade a Paperclip for a House.....	99
Funds from the Folks.....	100
Vendors Have Your Money. Borrow it Back! (Plus Other Options).....	101
Don't Borrow To Cover Your Mistakes.....	102
Don't Give Personal Guarantees.....	103
CHAPTER 9 – A GOOD, SOLID FLOW.....	105
Applying the PFA Process to Your Business.....	106
CHAPTER 10 – KEEP YOUR BUSINESS TO YOURSELF.....	109
Partners without Equity.....	110
Watch Out for VIPs (Very Inordinately Paid Specialists).....	111
Ideas Are Worth the Time Spent On Them.....	111
Angels and VCs Suck (Kinda).....	112
The Right Way to Balance Equity & Partnering.....	113
It's A Big Deal To Be Small.....	113
Throw Out the Way It Has Always Been.....	115
BONUS – THE YOUTH (AND YOUNG AT HEART) ADVANTAGE.....	116
Ivy League or County College – So What!	117
Move In With Your Mom (And Other Painful Thoughts).....	118
Master Bocce Ball.....	118
Still In School? Graduate Profitably.	119

Foreword

So everyone told me I had to get some bigwig to write the foreword to my book. Turns out my book is just a bit too controversial, a bit too blunt, and may have a slight amount of bathroom humor – in other words, no foreword.

But I'm a Toilet Paper Entrepreneur (TPE). I get it done. So I wrote my own damn foreword, which is a crash course in the attributes of the Toilet Paper Entrepreneur - what you must embody if you are going to be one of the people who makes it in business.

Here are my Top Eight TPE Attributes:

1. **The TPE Cultivates a Powerful Foundation of Beliefs** – A TPE knows that success is nearly 100% determined by his or her beliefs, not education, means, or circumstance. When TPEs believe they will achieve something and then back it up with relentless, persistent action, it will happen.
2. **The TPE Has Passion** – A TPE always, unequivocally, works in his or her field of passion. The passion might not be obvious or apparent to an outsider, but it is to the TPE.
3. **The TPE Slants Toward Premature Action** – A TPE will take action over sitting still every time. Taking action too soon may burn them, but inevitably TPEs are rewarded for taking action too early rather than too late.
4. **The TPE is Extremely Great at Extremely Little** – The TPE discovers his or her few strengths and exploits the living hell out of them. Whatever he or she sucks at gets outsourced.
5. **The TPE Uses Ingenuity Over Money** – Money can be like a drug temporarily covering up all your problems. Money allows you to do stupid things without painful consequences, hence keeping you stupid. The TPE knows that entrepreneurial mastery is determined by ingenuity and a razor-sharp focus.
6. **The TPE Dominates a Niche** – The TPE chooses a market wherein the competition is weak or does not offer the angle of products, services, and values that the TPE can. Then the TPE dominates that niche.
7. **The TPE Marries Long-Term Focus with Short-Term Action** – The TPE knows with absolute certainty where his or her final destination is but doesn't have a detailed play-by-play on how to get there. Instead, TPEs take action in the short term (90 day increments) to make substantial progress. Then they reevaluate their goals, create plans for the next 90 days and execute them.
8. **The TPE is NOT Normal** – TPEs are risk takers. They are a little weird and

possibly a little crazy. They are definitely different. TPEs do not adhere to rules or abide by social norms. They bust the status quo wide open.

Do you see yourself in this list? If you do, or if you just wish you could, this book is going to rock your world.

INTRODUCTION

"The world is more malleable than you think and it's waiting for you to hammer it into shape."

- Bono

I'm tired...tired of the hundreds, if not thousands, of business books that are all title and no content. Most of those books should be distilled to one or two pages of valuable content. The others should be used to wipe your ass.

I can't tell you how many books I've started pouring through and in minutes found myself "boring" through until I finally gave up. Only a select few business books are truly great and need to be read cover to cover.

My goal for *The Toilet Paper Entrepreneur* is to be different and far better than the traditional business books and burned-out grad school rhetoric, from the first word to the last. You'll find no outdated concepts in this book and no "optimized entrepreneurial execution methodologies." This book is straight from the trenches. I've put all of my effort, experience, and resources into making *The Toilet Paper Entrepreneur* one of the best. You decide if it is.

This book is about getting real, dispelling the naysayers and kicking you in the butt to get up and do it.

The less you have of something critical, the more important it becomes and the more wisely you use it. This is true with everything - love, food, money, and even (or especially) toilet paper.

Have you ever been doing your business with your pants hugging your ankles and, when you are ready to wrap things up, notice that you are extremely low on toilet paper? Don't deny it! You know exactly what I am talking about. Three tattered sheets of TP hang off the edge of the cardboard roll, mocking you.

This is a crappy position to be in (pun intended). There are only two or three options. You could call for help, which is WAY too embarrassing, but it's an option. Of course you could do the humbling, hunched shuffle of shame and pray you find a roll somewhere nearby. That's horrible, but it's an option. The final option, usually the best option, is to manage with what you've got. And when you apply your entrepreneurial mind, you quickly recognize you have more than a mere three sheets.

Here's the play-by-play. You go with the final option and decide to manage. Let's be honest; you have a reputation of using more than three sheets. You gotta see what else you can... wait a minute. Ah ha!!! Yes! The wastepaper basket! Like a master gymnast performing a two-handed straddle over a pommel horse, you hold yourself up and stretch your leg out. Just... far... enough. With your leg quivering from the strain, you precariously hook your toes over the garbage pail and start

dragging it in. "Come to Momma. Come to Momma," you repeat over and over in your head.

Time to examine your newly found treasure trove: A used snot-rag. Good, very good. A Q-tip. Oh, the inhumanity! Useable, if you must. A few cotton balls. OK, you can work with that. And... dental floss? No way! You draw the line at dental floss. So with three sheets of TP, a few cotton balls, a used tissue and a little poking around with a Q-Tip, you walk out fresh as a daisy ready to face the world. Of course, you don't reload the toilet paper for the next guy. Let him learn the hard way!

The story doesn't end there. The next time you visit the john, you check the TP supply immediately. With a ready supply you tear through the paper like it is going out of style. Within a few weeks of "the incident," though, you return to your old ways without a fleeting thought to being caught short-handed. Sure enough, before long you get caught again with your pantaloons kissing your ankles and an empty roll, praying you won't need the dental floss this time.

Do you see the amazing entrepreneurial lessons here? In this most challenging, most human moment of all we demonstrate our infinite ability to pull "miracles" out of the trash. When we literally have no option to just get up and walk away, we find a way to get the job done. With three sheets, some wastebasket scraps and possibly a torn up cardboard roll, the impossible becomes very possible.

It's awe-inspiring how careful, thoughtful, and innovative we are when our supplies are scarce. But it's also confounding how quickly we use and abuse our resources when we perceivably have a lot. The problem is how our heads work. When we have knowledge of abundance in a specific instance (e.g. a full roll of TP), we convert this into a careless perception of perpetual abundance (e.g. an endless supply of TP within arms reach). Hence, we waste what we have. Even worse, we don't check to make sure it isn't running out. We just assume it's going to be there. We sit down, do our business, and THEN grab thin air. Damn! Here we go again.

Now, what if every time you sat down there were only three sheets of toilet paper left on the roll? When you always expect scant resources, you quickly get in the habit of being very careful in your cleanup, every time. You sure as hell would ensure the garbage basket was in your lap before you got rolling. You may even adjust your behaviors to preserve what you have, possibly making other "stops" before you got home or eating more rice or something. Your mindset, your focus, and your actions would all change in anticipation of having less to work – or wipe – with.

Your success is completely determined by your ability to break free from the one and

only approach everyone else is following. Your success is completely determined by how you use your mind, how you manage your critical resources and how decisively you act to achieve the “impossible” with very few traditional resources. Your success is completely determined not by giving up and waiting for some extra rolls but by going with what you’ve got. The people who elect to master this knowledge and exploit it in their business are the few, the proud, the Toilet Paper Entrepreneurs!

The Toilet Paper Entrepreneur is Not for Common Thinking People

The Toilet Paper Entrepreneur is not for the faint of heart or for those with an intolerant colon, for that matter. This book is for people who have a desire to achieve entrepreneurial success, know it’s gonna be tough and have the guts to stick it out. It’s not for the wannabes and the talkers. This book is NOT for people who are willing to “try” something new simply to identify all the “problems” to prove that they were right in the first place. You know who you are. And this book is definitely not for people who think a single book or a series of materials can take them from rags to riches.

This book is for people who want to challenge the status quo. This book is for people who will take lessons, use them to exploit their strengths and then go for it with all they’ve got. Most importantly, this book is for people who take sole responsibility for their own success or failure. Success in business isn’t about being right; it’s about being committed. So, do you want to be right or do you want to be successful? I pick success.

Your Success Is Up to You

The safety of a lifelong career with a large company died out long ago with one final dying Enron gasp. The security, the fun, and all the rewards exist in entrepreneurialism. Think about it: You can’t trust or depend on anyone more than yourself. And I am willing to bet that you already have all the skills you need to get started – you probably just need a better awareness of what you already have, as well as a swift kick in the ass. That’s my job.

It’s time you hear the truth and not some sugarcoated nonsense or formula for quick success. Launching and building a company is freaking hard. It is scary, time-consuming, frustrating, and sometimes life-draining. And quite frankly, you might fuck it up and ruin yourself financially. But financial disaster is unlikely if you relentlessly commit to your own success. If you exploit your strengths you can create a company that feeds your wallet and your soul, a company that exhilarates and frees you. If you have the destination, this book is the map.

The thing I can’t do is travel for you. You must be willing to try something new, push

beyond your perceived limitations, and grow. The responsibility for your entrepreneurial experience sits squarely on your shoulders. The meek may inherit the earth one day, but they sure as hell won't be entrepreneurs.

Having been down the road of building three companies of my own from scratch, partnering in the launch of many others and researching hundreds of other startups, I have discovered commonalities with successful company launches, which I outline in this book. I'll tell you one thing right off, it sure isn't common thinking. So ignore what you were told in business school, forget what you think you know about startups and throw out your dad's method of money management. There is a new generation of entrepreneurialism, and it is time for a new *modus operandi*.

Are you ready to get off the pot?

MY THREE-SHEET STORY

Facebook, Google, and YouTube all rocketed to incredible success faster than you can say the words "holy sheet." They are worth hundreds of millions, or billions, or hundreds of billions. The surprising thing is that the founders were all twentysomethings when they launched AND made their gazillions. Holy sheet! Their success is amazing and for that they get the lion's share of media attention. They are heralded as the best of the best and the foundation of the new economy.

My experience was different. Way different. And the main difference between my story and those of the "Media Darling Entrepreneurs" (MDE) is *how* we launched and built our businesses, but we'll get to all of that later. The successes of the Toilet Paper Entrepreneurs are rarely discussed, let alone heralded in the media. Yet it is these "everyday" entrepreneurs who are slowly but surely marching along, creating amazing companies and achieving remarkable results.

Google is not "real" in that it is not a typical experience. However, its success is achievable for your own business if you truly believe it (more on that later). But Google should not be seen as *the* path to success, simply one path.

There are many other paths traveled by the likes of the well-known and the unknown. These are the paths of the TPEs. Some of them are well-known, such as Bill Hewlett & David Packard, who started their company with \$538 and a garage workshop, ultimately yielding today's \$100 billion conglomerate; some of them are somewhat lesser-known entrepreneurs like Brian Scudamore of 1-800-GOT-JUNK? who took a summer dream and turned it into a junk business now approaching \$200 million in revenue. Dave Packard, Bill Hewlett, and Brian Scudamore are all Toilet Paper Entrepreneurs. So am I. And, I expect, so are you.

I am here to tell you their stories and the stories of others as well as the lessons learned. I am here to tell you the real deal of successful entrepreneurship. It is

bloated with failures, drenched with progress, marred with mistakes and peppered with major achievements.

So who am I to talk about this stuff? I am a Toilet Paper Entrepreneur. My journey was a fight in the trenches, but I learned how to get out and make it big. Often funny, sometimes a struggle, my entrepreneurial adventure has been far from glamorous. I even moved my wife and infant into a retirement village to save money – nothin’ glamorous there, believe me. Unless you like shuffleboard and funky-smelling old people.

And I have found myself stranded on the toilet bowl once or twice. I’ve worked forty-eight hours straight because I had to, sleeping in clients’ conference rooms to save on hotel bills. And as I write this I’m sitting at a used desk I scavenged to save bucks, even though I have more than enough dough to swing a trip to Office Depot. The odds are that your path will be more like mine than Mark Zuckerberg’s of Facebook. But I want you to know that success can be achieved following any path. You don’t need to have a “full roll” to walk out winning; you can do it with just three sheets of TP. And no matter which path you choose, you have to do it with strong beliefs, absolute focus, and loads of effort.

Here’s a quick look at my three-sheet story vs. the MDEs:

Media Darling Entrepreneur	Mike’s “Three Sheet” Path
Age 6 - Starts a lawn mowing business by recruiting teenagers in the neighborhood. Buys parents a house.	Age 6 - Still in diapers.
Age 12 - Sits on the board of major toy company.	Age 12 - Rushed to a major hospital for eating a toy.
Age 18 - Is recruited by top Ivy League schools but rejects them to launch a VC-funded company.	Age 18 - Picks a college based upon the favorable guy-to-girl ratio. Arrives and is instantly rejected by the girls.
Age 19 - Masters the management of a multi-million-dollar company.	Age 19 - Masters the inverted keg tap.
Age 21 - Goes public.	Ages 21 - Goes home.
Age 24 - Retires.	Age 24 - Drinks too many beers and starts own company because “any idiot can do it.”
Age 24 and 1 day - Comes out of retirement. Celebrations ensue.	Age 24 and 1 day - Launches a new company, finds out that any idiot cannot do it. Panic ensues.
Age 27 - Has another super success because everyone expects it.	Age 27 - Company succeeds because there is no alternative.

Age 30 - Is no longer in the news because the next 18-year-old phenom is all over the headlines.

Age 30 - Finds his passion, launches another company, grows fast and strong.

Age 33 - Seeks psychiatric help to "find himself."

Age 33 - Found himself! Is living his passion. Business and life are great.

Age 36 - Writes book on life story. Doesn't sell. Goes to work for a TPE.

Age 36 - Inspires a new breed of business leaders - the TPEs. TPEs go on to hire failed MDEs.

So what are my successes? I have the list of obligatory accomplishments, but more importantly I have discovered my passion and am living it! I love launching startup businesses, making them great and doing it fast. I love the underdog, the unsung hero, the people who are committed to their goals but maybe aren't given a fair chance. I love helping people even out the odds, showing them how to exploit their natural strengths so they can go out and kick ass. My life's vocation is all about working hand-in-hand with first-time entrepreneurs to grow their concepts into industry leaders. I love doing this. As a result, I am extremely happy, making a great living and feel constantly energized. I have achieved health, wealth and happiness all at once. To me this is my greatest success. What will yours be?

My List Of Obligatory Accomplishments

In case you don't want to Google my ass, here are my resume highlights:

I started my first business, a computer integration company, at twenty-four. I sold the company on December 31, 2002, through a private transaction. It lives on today as a thriving company.

On January 1, 2003, I started a new company. Yes, the very next day. That company came into national prominence in three short years and was subsequently acquired by a large public firm in 2006.

I started my third company, Obsidian Launch, in the summer of 2005. The name was different back then and so was the preliminary concept. It changed because I took time to look introspectively, to discover what I really loved to do and slowly build the concept around my interests and life goals. My prior companies, while very successful, were built on concepts that were desirable to the market but didn't exploit my talents and my passion to its fullest. My latest company has all that covered, so I'm good.

I have followed the path of the Toilet Paper Entrepreneur, early on unintentionally and unaware, but over time deliberately and with stronger focus. Throughout, I have

valued my beliefs, discovered, and exploited my strengths and, most importantly, never stopped pushing ahead, even during the toughest times. The results?

In addition to selling two companies for lots of cash;

- I now partner in the launch of a new company approximately every four weeks;
- I am a recurring guest on *The Big Idea with Donny Deutsch* and other television programs;
- I have received multiple entrepreneur awards, including the SBA's Young Entrepreneur of the Year Award;
- I have been interviewed in multiple national media outlets;
- I have presented at some of this country's most prestigious universities. And I barely had a B average at Virginia Tech - go figure.
- I am the author of this book and intend to write many more;
- And most importantly I continue to quickly grow revenue and profits for all my companies!

My goal is not to be a braggart here but to simply point out that if I can do this, so can you. Also, make sure you don't mix up media exposure with a Media Darling. Exposure in the media is a great thing - I strongly suggest you seek it out, as I do. Being an MDE is something different than mere exposure; it is more about the overnight successes who *actually do* achieve success over night. MDEs should be an exulted group, no question. But they should not be perceived as an exclusive group.

You can and will achieve success, too, if you want. Your overnight success just may take time to build. Ultimately you can achieve any goals you desire, and you can do it all by following the path of the Toilet Paper Entrepreneur.

Clearly I have not followed the path of the MDE, but most entrepreneurs don't. You too will most likely launch your business with three sheets, a wing, and a prayer. My job is to help you get rid of the wing and prayer part. Your job is to succeed on your three sheets.

Let's get started, shall we?

PART ONE: BELIEFS

"God didn't have time to make a nobody, only a somebody. I believe that each of us has God-given talents within us waiting to be brought to fruition."

– Mary Kay Ash

At the start of my presentations I use the old Jack Canfield demonstration, the one with the \$100 bill. It goes something like this:

I start out by asking, "Who here wants to be a multi-millionaire?" A room full of hands go up. "Who here IS a multi-millionaire?" The hands go down. "Who wants to have a positive impact on this world?" Hands go up. "Who has accomplished it?" Hands go down. "Who wants to be known for the good they did?" Hands up. "Who has achieved this?" Hands down.

After I explain to the attendees that these are all inspiring aspirations but are truly unattainable in this one moment, I fish through my pocket, pull out a \$100 bill and hold it up. I say, "This is something we can all see and talk about. Who wants this \$100 bill?" All the hands go up. I ask again, "Who wants the \$100 bill?" The hands stay up, accompanied by strange looks. The third time I ask, I get the same response. Often it takes four or five times before one person sheepishly gets out of his chair, walks over and cautiously takes the \$100 bill from my hand. The rest of the audience looks stupefied.

When the \$100 guy returns to his seat, we go through an exploration of our beliefs. Even though all raised their hand saying they wanted the money, their beliefs prevented them from taking it. The beliefs are always the same: "It's a trick;" "It's embarrassing;" "You'll just take it back;" "Someone else deserves it." These powerful limiting beliefs keep everyone's butt stuck to the seat, even though each wants the \$100.

But that one person, maybe out of pure frustration, elected to change his beliefs. "I'm going to go for it." "What's the worst that can happen?" "So what if it is a trick, at least it will be over." "Maybe I can just take it." "Maybe it's not a trick. I'm going for it, now!"

The only thing between the audience and that \$100 bill is air. There is nothing else, yet the forces of their beliefs are so powerful that they are literally immobilized. I wonder how many \$100 bills and other opportunities they regularly miss out on because of fear.

Imagine yourself at that presentation. I bet you would have raised your hand like everyone else, stating you wanted or planned to be a millionaire. But like everyone else, I bet you wouldn't have grabbed the money from me. If you aren't going to get

out of your seat to take a \$100 bill, what in the world makes you think you will do anything to make \$100 mil? You won't.

You can't do anything if you don't have the beliefs to back it up. And don't try to fool yourself and say it will be different when the stakes are higher and that then you would do whatever it takes to make millions. If you can't get yourself to grab the first \$100 toward your millions when it is literally waved in your face, what makes you think you will behave any differently in business? If you are going to succeed, you need to destroy your limiting beliefs and create enabling beliefs.

About forty-five minutes into my presentation I do a wrap-up that ties back to the opening demonstration. I tell them I can prove that they all have in fact changed their beliefs. I reach back into my pocket and hold up another \$100 bill. Before I can say a word everyone makes a mad dash toward me, and in an instant the money is gone. That's the power of an enabling belief. Your entrepreneurial success depends on it.

CHAPTER 1 – NATURE’S CALLING

"To succeed, we must first believe that we can."

- Michael Korda

Two great warriors are about to fight. One of the warriors volunteered because of his undying love for his country, the other was simply paid handsomely to fight. Which one would you bet on?

Always bet on the individual who is serving his calling, not the guy who is doing it for the money. It is the person who is serving his purpose and fulfilling his heart's desire who will see his business through the good times and the bad. Those that are following their path will relentlessly march forward during the ups and downs, even as others give up to pursue something else. They will be there when the paid guys walk away. If you try to get rich by doing the next big thing, but it isn't your passion, the competitor who really is passionate about it will eat you up and spit you out. Passion begets persistence. And persistence begets success.

TPE TIP

The Business –While not the best form of legal protection, Sole Proprietorship is a cheap way of getting started, since there are no setup costs. There are fees associated with setting up an S-Corp, C-Corp and limited liability corporation (LLC). Of course, as you make money you will need to pay taxes just like anyone else, and you will want to incorporate down the road. Consult with an accountant (not one you pay for, but one who is a qualified expert from a local college) on next steps. An LLC is often the most economical and effective way to go.

Answer the Urge

For you to launch a dominant business, you must first find what you thirst for. This took me years to discover. When I started out I had this belief that entrepreneurs should do what they know, not what they want. I knew computers and liked working on them, so I launched a business related to that. But I didn't *love* computers. It was my vocation, not my passion. My first two businesses were successful, but not because I was passionate about technology. I didn't eat, sleep, and breathe tech.

But I loved entrepreneurialism. I could talk about business all day, read every magazine, attend every seminar, and still my thirst would not be quenched. It took me a few years to figure out what was sitting right under my nose the entire time: That I loved launching businesses. Once I came to the realization that it is the birthing and maturing of a business that I love, I knew the path my future would follow.

It doesn't have to take years to discover what really gets you jazzed. The key is to

reflect and take the time now, rather than figure it out through trial and error.

What would you volunteer to do simply because of your love for it? What activities bring you the most happiness, energy and satisfaction? What makes you lose track of time, complete tasks almost effortlessly and come out even more energized? When you are talking with friends, what is the one subject you can just go on and on and on about, to the point they are rolling their eyes? Answer these questions and you've found your heart's desire. And when you have found your insatiable thirst, your passion, you will have taken the most important step to launching a company that will excel.

Perhaps you've had a fleeting thought of starting a business, or maybe you are on fire with ideas and ready to jump in full swing. Either way, you need to get started by stopping. No, that's not a typo. The best response to a waterfall of what-if dreams is a deep, thought-provoking breath. A successful launch is more about you and your beliefs than anything else. Committing to a business without intimately knowing yourself is a fool's dream. Going "all-in" on a bad hand is a stupid move, and so is jumping feet first into business with out knowing the cards you're holding. To get started at launching your company or to clean up a mediocre start, you must start by discovering yourself. You need to understand and acknowledge your heart's desire, your mindset, and beliefs. You need to lead with introspective thought. You need to learn all about what you're all about.

Just for a minute, if there were no limits to what is possible, what would you envision your entrepreneurial company providing you? The first thing that pops into almost everyone's mind is financial independence. I agree. I totally agree. But there is more, isn't there? What if building your business made you feel emotionally satisfied, totally happy? What if your business made a difference? What if you woke up every morning excited to work? What if people loved your company? What if the world heralded what you did and happily consumed what you had to offer?

Owning a business is NOT about working your ass off for the sake of trying to squeeze out a living. It is NOT about making tons of money at the expense of losing tons of life. It IS about maximizing life, bettering your life and the lives of others, which, not so ironically, fattens your purse.

The greatest example of work-your-ass-off business ownership came from the quintessential entrepreneur himself, Sam Walton, founder of Wal-Mart. Walton started a company based upon a simple dream and went on to become one of the richest men in the world. The lesson? "I blew it." Those are the words Walton reportedly voiced from his deathbed. By his own measures he was a failure - a billionaire who barely knew his youngest child and was married to a woman who

stayed with him for reasons short of a fulfilling relationship.

What final words would you like to utter? I hope they are words steeped with feelings of contentment, words that say that you lived life to the fullest, pushed beyond your limits and built a company that you are proud of both for how much it accomplished and how much it made.

If this is the type of success you want, you can have it. It all starts and ends with you. It doesn't start with where the market is headed. It doesn't start with the latest and greatest trends. It doesn't even start with what you believe the customers want. Your business starts with you.

Yesterday's financially-fat companies were able to market their way out of a crap product. If they ran enough late-night television ads and made big, albeit false, claims in the magazines, they were guaranteed tons of customers. Disappointed customers, but customers nonetheless.

That was then and this is now. Today's successful businesses are growing because they are truly great. They are providing unmatched services and products, and the word is getting out, virally. No longer can you count on a marketing budget alone to bring loads of customers. Today you need to provide unmatched services and products. The marketing is done virally - at summer barbeques, in Internet forums, and on perpetual blogs. It's that simple. And for you to provide the best that you imaginably can, it needs to come from both your head and your heart. When your company comes from your soul, when your company is all about you, it becomes a formidable force.

Years ago a major corporation invited me to speak to a group of about forty marketing specialists that sold an insurance product and were trying to break into the small business market. They wanted to learn how to "speak" to the entrepreneur. The presentation was scheduled to start at 9 a.m., but we couldn't get started until 9:20 because everyone was late.

I started by asking them who woke up that morning excited to come to work. The few who raised their hands clearly did it for political posturing, not out of sincerity. Then I asked who loved their job so much that they came in an hour early to work, not because they had to but because they wanted to. All of them scoffed at me. I then explained that for this meeting I had arrived at 7 a.m., just to make sure I found the building and was ready to go. I then had breakfast next door and walked in 20 minutes early to set up.

In this one example I have explained the difference between an entrepreneur driven by passion and someone who just has a job. When we love what we do, we do it to our heart's content, and we naturally excel. I arrived at the presentation early not

because I needed to but because I *wanted* to. I love entrepreneurialism, and the opportunity to discuss it drives me to be ready to roll, day and night.

TPE TIP

Web Presence – Every business needs a web presence, right? Absolutely. But that doesn't mean you need a website. Those are two very different things. You can establish a web presence by using Facebook.com, MySpace.com, Squidoo.com or a million other social sites. Spread the word about what you are doing through these social sites and set up free email. Supplement your social networking site with a free blog at Blogspot.com. That's more than enough to get some business rolling in.

Obliterate All The Excuses, Except For One

"Excuses are like assholes. Everyone has one, and they all stink." I don't know who came up with this quotation, but I have a feeling I would really like the guy. Excuses are a great mechanism to apply logic to our fears. They are simply the machinations we go through to defend our inner fears. I have heard and experienced them all. And they are all BS. All, that is, except one, but I'll save that one for last.

The economy is not strong enough to start a business - Everyone is experiencing the same economy as you are, so you are on equal footing. If the economy is in a recession, buyers may slow down their activity, but competitors will also fall by the wayside. A weak economy is like a forest fire; it kills off many of the plants, but the seeds that take hold now have the most room to grow as the forest comes back to life. A weak economy is often the best time to start.

Entrepreneurship is very risky - Anything that you go into without preparation and knowledge is risky. So go in prepared! The funny thing is, you are already mostly prepared and don't even know it. If you listen to your inner emotion, your calling, you will naturally be led down a path where you already have strengths. You probably have mastered many of the critical learning steps, and you'll pick up all the new stuff like a sponge.

A job with a big company is far more secure - Tell that to the folks who got fired from Enron, Arthur Anderson, Bear Sterns, or any of the other hundreds of large companies that have collapsed or downsized. When you work for someone else, you can be fired at whim. If he screws up, you pay. When you work for yourself, you can't get fired, and the only limit to your success is you.

I'm too old to start a company - So what are you going to do about it? Wait until you are younger? There is no time like the present. Life has yet to offer a rewind or a redo. Don't live with regrets. Get started now, regardless of your age. The self-

discovery process you will go through creating your new company is well worth it. Plus you can leave a little inheritance to the next generation.

I am too young to start a company – What?!?! Did you know that you could legally start and incorporate your own business at any age? You literally can start your own company before you can legally work for someone else. One of my friends, Cameron Johnson, started his first business at age seven and incorporated his first company by age twelve. Why don't you be the first to start a business at age six? No matter how old or how young you are, start today!

I won't make enough money – A recent study by the National Association of Colleges and Employers (NACE) stated that the average starting salary for an Accounting major is \$46,292. Not bad. If you took that job and received an annual raise of 10% each year for the next ten years, you'd be making \$120,069. Not bad at all. Now if you start your own company, your salary the first year will average at \$50,000 according to World Wide Learn. Not bad either. If you run your company well and you elect to give yourself a 25% raise every year (I give myself an average of a 50% raise every year), on your tenth anniversary you will be earning \$465,661. Now *that's* sweet!

I don't have the proper education - If you feel you need a college degree to succeed, you are sorely mistaken. I've met with PhDs from Harvard and dropouts from high school; their entrepreneurial successes were directly tied to their beliefs, desire, passion, and thirst to learn through the school of hard knocks. Your scholastic pedigree has basically no influence on your success. None!

I don't have enough money to start - That's great! If you had enough money to "properly" launch your company, I would fear you might go bankrupt. The fact that you have no money (or very little) simply means you need to apply your head right from the get go. There is a reason they say necessity is the mother of invention. Money covers up problems and weaknesses. Without money, you've got to bring your A-game every day. Lack of funds forces you to optimize everywhere and grow the right way.

The competition is too strong - My mother always told me that no two people are alike. She was right. If you think the competition can do a better job than you ever can, then you aren't properly positioned to exploit your strengths. Find an angle to apply your strengths, your innate talents, and your passion in a way that no one else is doing, or no one else is doing well.

No one will buy my product or service - Good thing you caught that now, but it's not an excuse not to launch a company. It simply means you need to reinvestigate what you want to do and determine a new way of delivering it so that you can build

a customer base.

I am not ready - I agree; you're not. You never will be. This excuse is simply a combination of all the others. When I ask people why they think they're not ready, they resort back to some semblance of one of the other excuses listed. They are all nonsense. Go time is now!

I am sure you can think of many other creative excuses not to start a business. You need to put these rationalizations aside, look ahead, and take action now. We rarely regret the things we did in life when we have followed our passion and taken risks. Too often, though, we regret the things we didn't do. If your heart is calling you to take action, don't use any one of these excuses to squash your desire.

There is one reason not to start a business. Don't start a business if your reason is to simply get rich quick. Greed is not becoming and is not long-lasting. Regardless of when you are presented with barrels full of money, you DO pay for it. Even if you collect your money prior to any effort, like a lottery winner, for example, nature has an uncanny way of still making you earn it. If you're lucky, your windfall may be earned through the rapid mastery of a new financial discipline. But all too often the earning comes in the form of despair, disaster, and bankruptcy.

Just look at what happens to some big lottery winners – it isn't pretty. Jack Whittaker sure wished he'd torn his lotto ticket up. A TPE, he had plugged away for years, building a construction company that grossed \$16 million a year. But after Jack won \$315 million, his life became total hell. He lost friends, family, and had four hundred legal claims against him. I'm not trying to talk doom and gloom here; I am just trying to point out that getting rich quick rarely happens, is not satisfying, and in some cases has disastrous results.

Quick money is very alluring. It is rare to meet someone who isn't dying to win the lottery or receive some windfall of cash. Most people, of course, never get a dime wishing for a big payout. It is a shame that the majority of us waste even a second of life hoping something will be handed to us instead of using our talents and passion to make it ourselves.

Money is an amplifier of habits. If you have bad habits and receive lots of money, you will simply repeat your bad habits more often. If your habits are good, it will amplify those good behaviors. Money allows us to be more of who we already are. So we better have a strong mindset and have established good habits before we get gobs of money. When you have achieved a strong, focused, happy mind and are executing on good habits, money will come easily. And money will build more money. And good habits will grow. Happiness, too. That is the healthy way to get rich.

Launch a company to get rich right, not to get rich quick. It works.

TPE TIP

Product Sales – You don't need an ecommerce site when eBay has already created one for you. While not free, this is a really inexpensive way of getting your products into the hands of consumers. And you don't have to auction off product; you can set up an eBay store where you sell things at fixed prices. There are also a number of niche auction sites out there, so start searching!

One Day Still Hasn't Come

If I only had a nickel for every time I heard an aspiring entrepreneur say, "One day." One day I will launch a company. One day I will be this, one day I will do that. Would someone please tell me what the date is for "one day," because it sure as hell isn't posted anywhere on my calendar?

It is now or never. One day is a dream. One day is a hope that if everything magically falls into place, success will land in your lap. So if you are at all serious about launching your first company, put an actual date on "one day." Is it one month from now, six months, a year? Tell everyone close to you the day you will be opening the doors of your new company. Then back-calculate all the things that you need to do, back to today, back to this moment right now, and start taking action. NOW!!! Maybe it is setting up a phone line or establishing an LLC or taking a class. The key is to start doing it now and don't stop.

Oh yeah, I almost forgot. Tell your biggest, smelliest, hairiest, zit-ridden friend that you need him to keep you accountable to your goal of starting your first company. Promise him that if you miss it, you will let your friends take a picture of you kissing his naked keester and allow it to be posted all over the internet. If that doesn't get you in gear, I don't know what will.

Nature vs. Nurture

I find it laughable the amount of time experts spend debating the entrepreneurial nature vs. nurture argument. Let's settle this once and for all: IT'S NATURE. No one can teach you to have entrepreneurial passion. You can't learn how to grow a burning, unquenchable desire for business. No one can train your attitude or make you intelligent. This is all stuff that nature has either given you or hasn't.

You better have the entrepreneurial bug in you or you'll struggle to have even a modicum of success. You can water the soil all you want, but you won't grow a tree unless there is a seed first. If you have it naturally, then it can be nurtured into something great.

There is an important thing to note about nature; it doesn't always present itself at

birth or even in the early years. Sometimes your natural thirst for entrepreneurialism beats out of your chest when you're twenty years old. Other people don't feel it until they are collecting social security. Me? It took four cold ones at the local bar. Regardless of when the urge presents itself, when you feel it, go for it. Nature's calling. Answer it.

TAKE ACTION NOW!

Small steps lead to big gains. At the end of each chapter you'll find three action steps you can complete in under half an hour. So you have no excuse!

1. What's your heart's desire? What gets you totally juiced up, so much so that you think you could be happy doing it every day? Write it down in as much detail as possible, paying attention to what you *really* get out of it. Sometimes we think we want something tangible when really we want to feel a certain way or experience something over and over again.
2. Make a list of every single excuse you have used to put off starting your business. If you're already operating a business, write down other little lies you tell yourself that keep you from your heart's desire.
3. Debunk your list of excuses. Write down every reason why your excuse doesn't ring true. If you're really feeling pumped, convert your excuse into a positive statement about your abilities.