THE PENNSYLVANIA STATE UNIVERSITY
SCHREYER HONORS COLLEGE

SCHOOL OF ENGINEERING DESIGN, TECHNOLOGY AND PROFESSIONAL
PROGRAMS

THE STAGES OF SUCCESSFUL ENTREPRENEURSHIP

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A thesis
submitted in partial fulfillment
of the requirements
for a baccalaureate degree
in Civil Engineering
with honors in Engineering Entrepreneurship

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Entrepreneurs seeking to launch and build a sustainable business must overcome many challenges. As with any endeavor, there are problems unique to each stage of the start-up business. Much literature has been written to help business owners understand the unique challenges a business will face during the stages of its lifecycle. The classic stages of business development are usually presented as some form of: Seed, Start-up, Growth, Maturity, and Exit. The published guidance, however, is not adequate to provide suitable assistance to entrepreneurs in understanding and overcoming the challenges he or she will face personally because it is 1) too broad, 2) focused solely on the business, and 3) generally begins only after the business has been established.

In order to reduce the rate of entrepreneurial failure, a need exists for a new lifecycle description that focuses on the entrepreneur instead of the business, and provides direction and resources for the entrepreneur at each stage. Through 10 years spent launching and developing a stable small business, and through researching literature on entrepreneurial best practice, the researcher proposes six stages of entrepreneurship, and presents a workbook style guide to assist would be entrepreneurs in understanding each stage.
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ACKNOWLEDGEMENTS

This thesis draws on research and experience spanning over ten years spent launching and building a manufacturing business. The business, DiamondBack Automotive Accessories, Inc. was launched out of the Engineering Entrepreneurship minor at PSU, and in particular, out of the course ENGR 407 – Technology-Based Entrepreneurship, in December 2002. Since that time, the number of people who have provided guidance, insight and instruction to me on my path of entrepreneurship are too numerous to mention.

There are three members of the PSU staff, however, who took special interest, and played an integral part in the founding of my business, as well as in writing this thesis. The first two are Rick Schuhmann, former head of the Engineering Leadership Development Minor at PSU, and Robert Beaury, instructor of entrepreneurship. Mr. Schuhmann and Mr. Beaury were my instructors for ENGR 407, the class in which the seed of the company was developed. Beyond the class, Mr. Schuhmann and Mr. Beaury met with me, coached me, and encouraged me to take the initial steps to launch the company. Mr. Beaury, in particular, has gone far above and beyond any concept of extra-curricular student involvement. He met with me for countless hours when the prospect of developing an established business was only a spec on the horizon. Mr. Beaury opened his house to my company for meetings, shared his knowledge of business development, his contacts, his time, and provided me with almost unlimited access to his assistance. It is doubtful that our company, or this thesis, would exist today without his assistance.

The third member of the PSU staff who has provided amazing assistance to myself, our company, and to this thesis, has been Elizabeth Kisenwether. When I finished ENGR 407, Ms. Kisenwether was the director of the Engineering Entrepreneurship minor and coached me, and my business partner, through our second phase design project. She helped us develop prototypes, produce our first business plan, and file our provisional patent. After I left the college to pursue the business, Ms. Kisenwether continued
providing assistance and encouragement along the way. She also helped us celebrate our 100th cover produced with a bottle of champagne, setting a precedent for our milestone celebrations. For this thesis, Professor Kisenwether has provided guidance and instruction throughout the entire process.

I am honored to have maintained personal and educational relationships with both Mr. Beaury and Ms. Kisenwether, and thankful to have their assistance on building a company, and completing this thesis.
Chapter 1

Introduction

“Stop me if you’ve heard this before. Brilliant college kids sitting in a dorm are inventing the future. Heedless of boundaries, possessed of new technology and youthful enthusiasm, they build a new company from scratch. Their early success allows them to raise money and bring an amazing new product to market. They hire their friends, assemble a superstar team, and dare the world to stop them.” - Eric Ries, *The Lean Startup*

When you hear the word “Entrepreneur” what people come to mind? Bill Gates, Steve Jobs, and Mark Zuckerberg would certainly be high on most American’s list. These almost mythical characters always seem to start in a garage or dorm room, are always late teens or early 20s, always drop out of college, and seemingly overnight, have both changed the world and made billions in the process.

Contrast that with what the data shows is the average entrepreneur; a 40 something year old white male, married with working spouse, college graduate who is struggling to pay his own salary, let alone any employees. (Shane, 2008, p. 41) In fact, if he’s in his first year of business, he probably doesn’t realize that he has only a 50% shot of making it 5 years and a 30% shot of making it 10. If he makes it to the “stable and self employed” level, he may be able to join the only one third of all owner operated businesses that earn more than $10,000 in profit a year. (Shane, 2008, p. 101) If, or more likely when his business closes, he finds himself back in the employment line, waiting for a ticket to re-enter the corporate job market.

Almost ten years ago, I was the student going after the Gates/Job entrepreneurial vision. I had a garage that my business partner and I were working out of, I had just turned 21 years old, I had just dropped out of college, and I had a plan to turn our class project idea into a 10 million dollar company within 3 years. I have spent almost every day since that time trying desperately to not end up in the failure statistics listed above.
DiamondBack Automotive Accessories, Inc, the company I co-founded and am CEO of today, has defied the odds in most ways. We have survived 10 years, which puts us in the top 70% of new businesses launched. (Shane, 2008) We employ 36 people, which puts us in the top 11% of US businesses, according to the US Census. (census.gov, 2013) We are more profitable than the average US business by a large margin. (Shane, 2008) Yet the original financial goal of generating millions from an acquisition was never achieved, and the journey to even the small level of success we enjoy today required over a decade of almost continuous effort, with my personal income often lower than my entry level production employees. What happened?

When we started our company in the spring of 2003, I thought, like most people do, that 90% of a successful business was having the right idea or product. Get the innovative product, get your patent, and follow some form of the stages of business success: Seed, Start-up, Growth, Maturity and Exit. Our product was innovative, we had applied for and would eventually obtain our patent (US Patent #6883855, Hinged tonneau cover for transporting a significant top load.), and so off we went. I have learned over the years, however, that 90% of a successful business has nothing to do with the product and there are many more stages and many more obstacles an entrepreneur will encounter along the way. Furthermore, I have learned that most current business literature describing the stages of business focuses too heavily on the business entity, and not on the entrepreneur as a person, and the choices he or she must make.

Every new business is founded by an entrepreneur, or group of entrepreneurs, and for them, the stages of the business are acutely personal. The struggles and challenges that a new business faces are felt directly by, and must be overcome by, the entrepreneur. The failure statistics of new business ventures are more than just stories of lost finances; they often represent the lost dreams of the men and women whose visions launched the businesses. I believe, however, that the risk of failure can be reduced by providing entrepreneurs with insights into the journey on which they are embarking, and by providing specific instruction on the challenges they will need to overcome along the way.
This thesis begins by reviewing some of the existing “stages of business” models and discusses both why they are effective for helping business owners navigate the challenges of each stage, as well as where they fall short in describing the full process of entrepreneurship. Next, a brief history of DiamondBack Automotive Accessories, Inc. is provided to build the case that a need exists for a “stages of entrepreneurship” model. This model would provide assistance similar to that which is offered by business only stage descriptions, but expanded to cover the full journey and unique challenges of entrepreneurship. Following this company history, a review of existing literature on entrepreneurship is presented in order to define what I believe are the six distinct stages of entrepreneurship. Lastly, in Appendix A, B, and C, examples of application of the stages of entrepreneurship are presented. Appendix A shows an overview of the stages. Appendix B provides a graphical model of the stages. Appendix C displays a workbook style guide that has been developed in order to provide an example of how the six stages of entrepreneurship could be used to help new entrepreneurs overcome the challenges of each stage. References for all literature and images cited appear at the end of this report.
Chapter 2

The Stages of Business – Literature Review

The process of starting and building a business can be confusing for anyone who has never traveled the path. By separating the process into specific stages, the steps to the journey become clearer and an overall concept of how to get started, and what to anticipate, begins to develop. Many business researchers and authors have recognized the need to produce such a business overview for those seeking to start, and grow, a business.

In the Harvard Business Review, May-June 1983, researchers Neil C. Churchill and Virginia L. Lewis describe the need to provide an understanding of the stages of small business growth. Though the problems associated with business startups vary greatly from business to business, Churchill and Lewis argue that, “on closer scrutiny, it becomes apparent that they experience common problems arising at similar stages in their development.” They also point out that, “for owners and managers of small businesses, such an understanding [of these common problems at each stage] can aid in assessing current challenges.” (Churchill & Lewis, 1983)

Churchill and Lewis outline how previous researchers have categorizing the similar challenges experiences at each stage of a business. They describe how these stages generally follow a graph (Figure 1) showing the business as it grows from small to large on one axis and from youth to maturity on the other. The graph line traverses the stages the business is likely to encounter. These stages include Crisis of Leadership – Growth through Creativity, Crisis of Autonomy – Growth through Direction, Crisis of Control – Growth through Delegation, Crisis of red tape – Growth through Coordination, Crisis of Red Tape – Growth through collaboration, and Crisis of Unknown.
Churchill and Lewis point out that the model, described in Figure 1, fails to help small businesses because it: 1) assumes the company must grow or die, 2) does not capture the important early stages in the company’s origin, and 3) characterizes the growth of the company only in terms of annual sales. They offer an alternative model for small business development, shown in Figure 2, whose stages consist of Existence, Survival, Success, Take-Off, and Resource Maturity.

By focusing on Existence, Survival, and Success as distinct stages before Take-Off, Churchill and Lewis help provide clarity to the riskiest, and most challenging, steps of launching a new venture. Their research elucidates, for example, that at the Survival Stage, the business owner has to ask specific questions like, “In the short run, can we generate enough cash to break even?” and “Can we, at minimum, generate enough cash flow to stay in business.” (Churchill & Lewis, 1983) These types of questions get at the heart of the need for such business stage analysis, and the Churchill Lewis model provides some excellent guidance along the path of business development.

This model, however, is not adequate to provide complete guidance to an entrepreneur because, like all stage of business models, it focuses solely on the business. The process of entrepreneurship encompasses more than the logistics of the business itself and should begin before the concept of the business has even been developed. By beginning with the existence of the business, crucial decisions, that are the foundation for the business itself, are excluded from the process. This omission can have significant consequences for an entrepreneur, which he will only discover after he launches his business, and attempts to survive.
The Churchill-Lewis model for the Stages of Small Business Growth is, of course, not the only model that focuses on the business alone. In fact, every available description for the steps of building a business focuses, as one might expect, on the business. Below is an overview of some of the available models an entrepreneur can research when learning about the stages of growing a business:

   1. Establishment
   2. Growth
   3. Expansion
   4. Maturity
   5. Decline

   The article accompanying this model begins with the familiar start line of all business stage analysis. It reads, “The first stage of any small business is obvious – establishment.” (morebusiness.com, 2013) As discussed above, while using establishment as the first stage of a small business is “obvious,” it skips crucial steps for an entrepreneur. In addition, defining “decline” as a standard stage is a blanket pessimistic outlook.

2. Charting your Business Timeline – (Henricks, 2005)
   Year 1 – Startup
   Years 2-5 – Time to Grow
   Years 5-10 – Growing to the Next Level
   Years 10-Retirement – Managing Maturity
   Exit Strategy

   Entrepreneur.com provides a view of the stages of a business based on the number of years it estimates it may take to reach each stage. This analysis provides some context for an entrepreneur in terms of the time frame of the journey, which is an essential element. Of course, the analysis begins at the point of business launch, but this article also illustrates another flaw in many business stage models. This flaw involves moving from startup to growth in one stage. The process an entrepreneur must take is one
of learning before growing and doing so is crucial to staying alive through the early years. From the standpoint of the business, the stages may appear to move from startup to growth, but from the standpoint of the entrepreneur, a much more detailed approach is needed.

3. Find your Business Life Cycle – The Seven Stages of Business Life (Zahorsky, n.d.)

1. Seed
2. Startup
3. Growth
4. Established
5. Expansion
6. Decline
7. Exit

This model, presented by Darrell Zahorsky, applies slightly more attention to the seed stage of the business process. The seed stage is the point at which the business exists only as an idea in the mind of the entrepreneur, before he launches the enterprise. Having a detailed understanding of the seed stage is certainly important, however, the analysis then continues down the usual path from Startup to Growth. Additionally, this model extends to include Decline before Exit. Most entrepreneurs want to avoid stage 6 of the Seven Stages of Business Life.

4. The Seven Stages of Small Business Success - From Startup to Seven Figures in Three Years or Less (Gould, 2008)

1. Strategic Planning
2. Specialty
3. Synergy
4. Systems
5. Sustainability
6. Salability
7. Succession

In his book on the stages of business, Carl Gould provides a slightly more detailed guide for entrepreneurs, along with a healthy dose of alliteration. This model provides a few unique stages, and focuses on the crucial steps before the business is sustainable. By grouping 4 of the 7 stages at the front
end of the process, Mr. Gould gets closer to an analysis more in line with the experience of the entrepreneur. There is, however, much lacking from this model in terms of guidance before the business is conceived as well as clear descriptions of challenges faced by the entrepreneur, both before, and after start-up.

Some additional examples of attempts to describe the “stages of business” are shown graphically below. All of these models seek to describe the stages of a business life cycle.

**Some of the many variations on the Stages of a Successful Business**

![Figure 3](digitalmedianet.com, 2013)  
![Figure 4](chrisnothling.com, 2013)  
![Figure 5](letarussell.com, 2013)
While many variations on the “stages of a successful business” exist, searching available literature and online resources for the “stages of successful entrepreneurship” reveals very few, if any, usable models to guide an entrepreneur on this unique journey. All of the images gathered for the previous page layout were obtained from a Google image search of the “Stages of a Business.” Searching Google images for the “Stages of Successful Entrepreneurship” reveals almost no charts or models whatsoever. It does, however, reveal this prescient image from the first page of results.
Conclusion

The body of literature written on starting, and growing, a business is extensive. Many books and business journals describe the stages of business growth that a founder can use to help guide their business efforts. The purpose of breaking down the process of business development into stages is so that it is easier to understand and to focus on the individual challenges of each stage. Presenting the process in this manner is an attempt to help businesses survive, and grow. While all of these models provide clarity, and assistance for building a business, none of them provide an adequate description of the stages an entrepreneur will encounter on his path.

The path of entrepreneurship is extremely challenging and the failure rate of new business startups tells only a small part of the story of the risks. While investors have financial risk associated with any business startup, the entrepreneur risks much more – in the worst case, consumed years of life, bankruptcy, deteriorated health, and destroyed relationships, are all possible when he embarks on the path of business start-up. A detailed list of the stages an entrepreneur will encounter on his journey is needed in order to provide perspective and guidance, to reduce these risks, and to change the myth of entrepreneurial success into the reality of personal and business growth.
In the fall of 2002, I started down a path that led to the creation and growth of DiamondBack Automotive Accessories, Inc, a company in Philipsburg PA, with thousands of customers, and 36 hard working employees as of Spring 2013. That path began in ENGR 407 – Technology-based Entrepreneurship, a class in the Engineering Entrepreneurship minor at PSU.

As part of the course, my co-founder, Matt Chverchko, and I, were tasked with constructing and presenting a business plan to the class based around a unique product or service. We chose a truck bed cover Matt had developed for his truck, and called the company DiamondBack Automotive Accessories. We spent three weeks researching the market, devising the sales and operations plans, creating a low-
quality promotional video, and making wildly optimistic financial projections. We made our presentation
during the last week of class in December 2002, and won the award for best company presentation.
The original presentation is shown on the subsequent pages. These documents provide a window into our
thought process as Matt and I developed the truck bed cover product concept that would become the
business that exists today. Of particular interest are our financial projections. At the time, given the size of
the market, these numbers actually seemed like reasonable projections.

ENGR 407 Class Presentation for DiamondBack – Dec 2002
THE SOLUTION?

THE DIAMONDBACK Tonneau Cover.

ONLY truck bed cover designed with top hauling capabilities. Supports ½ TON !!

Waterproof hinged design.

Looks great on any truck!

What is unique about the DiamondBack tonneau cover?

- ONLY truck bed cover made from diamond plate.
- ONLY truck bed cover designed with top hauling capabilities. Supports ½ TON !!
- Completely weather-proof and secure.
- Waterproof hinged design. (investigating patent)
- Absolutely no drilling required!

Our market...

Entire truck market

50 Million

Truck Owners in US alone.

(Figure from Office of Transportation, www.otf.do.gov)
COMPETITOR COVERS LIKE OURS?

NONE

- Our patent research revealed no conflicts between our design and any competition.
- Our product research revealed that none of our competitors offer a comparable product.
- We are currently investigating patent options for our design.

MARKETING STRATEGY

- **WEB SITE**
- PURCHASE keyword search adds on Google (CPC)
- Advertise on truck websites
- Spread news on truck website forums (FREE)
- Submit idea to truck magazines (FREE)

OTHER MARKETING OPTIONS

- **Send test covers to truck magazines**
- **Provide truck dealerships with test covers for display.**

MANUFACTURING/OPERATIONS

- **Year 1:** MTO
- **Year 2:**
  - Purchase machinery and warehouse,
  - Increase engineering personnel,
  - Hire laborers,
- **Year 3:**
  - Increase product line,
  - Increase advertising,
  - Eliminate competition

BILL OF MATERIALS

<table>
<thead>
<tr>
<th>Material</th>
<th>Length</th>
<th>Width</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diamond plate aluminum</td>
<td>48&quot; x 72&quot; x 1/8&quot;</td>
<td>2</td>
<td>$240</td>
<td></td>
</tr>
<tr>
<td>Stainless steel hinges</td>
<td>6&quot;</td>
<td>0.01</td>
<td>$3</td>
<td></td>
</tr>
<tr>
<td>Galvanized conduit</td>
<td>1.5&quot; x 10'</td>
<td>11</td>
<td>$40 **</td>
<td></td>
</tr>
<tr>
<td>Stainless carriage bolts/nuts</td>
<td>5/8&quot; x 20 x 1&quot;</td>
<td>100</td>
<td>$90 Retail Hardware Arts &amp; Crafts, PA</td>
<td></td>
</tr>
<tr>
<td>Black iron channel</td>
<td>5/8&quot;</td>
<td></td>
<td>$30</td>
<td></td>
</tr>
<tr>
<td>Adhesive-backed weatherstrip</td>
<td>5/16&quot; x 30 x 1/16&quot;</td>
<td>5 rolls</td>
<td>$15 **</td>
<td></td>
</tr>
<tr>
<td>Chrome spacers</td>
<td>1.5&quot; x 1.5&quot; x 3/4&quot; x 8&quot;</td>
<td>4</td>
<td>$12 **</td>
<td></td>
</tr>
<tr>
<td>Chrome clamps</td>
<td>3/8&quot;</td>
<td>6</td>
<td>$12 **</td>
<td></td>
</tr>
<tr>
<td>Chrome plugs</td>
<td>3/16&quot;</td>
<td>4</td>
<td>$4 **</td>
<td></td>
</tr>
<tr>
<td>Keyed lock</td>
<td>1/2&quot;</td>
<td>2</td>
<td>$10 **</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>$476</td>
<td></td>
</tr>
<tr>
<td><strong>Selling Price</strong></td>
<td>$669</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>28%</td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>
### Financial Forecast

<table>
<thead>
<tr>
<th>Estimated Sales</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>$223,200</td>
<td>$2,000,000</td>
<td>$4,800,000</td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>$16,000</td>
<td>$100,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>$4,000</td>
<td>$40,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>Operations &amp; Shipping</td>
<td>$22,000</td>
<td>$100,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Administration</td>
<td>$4,000</td>
<td>$20,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$42,000</td>
<td>$160,000</td>
<td>$320,000</td>
</tr>
<tr>
<td>Net Profit *</td>
<td>$36,420</td>
<td>$245,000</td>
<td>$1,790,000</td>
</tr>
<tr>
<td>Net Profit %*</td>
<td>11.8%</td>
<td>7.4%</td>
<td>27.2%</td>
</tr>
</tbody>
</table>

*Net Profit %* includes interest on tax

### What are people saying about the

- “You guys could make a KILLING off of these” - (AA Auto Store Personnel)
- “AWESOME”. (Actual man outside Lowes)
- “I was impressed when Matt jumped up on top”, (Chris at Advanced Auto Parts)
- “People are crazy about diamond plate”. (AA Auto Store Personnel)
- “Chicks dig diamond plate” (Matt Chverchko)

---

### IN SHORT

- **DIAMONDBACK** Automotive Accessories is a company built on Revolutionary Products, Superior Quality, and Competitive Prices.
- **DIAMONDBACK** is THE NAME in diamond plate products in a market of over 60 MILLION.
- **DIAMONDBACK’s** tonneau cover is totally unique in its market.
- **DIAMONDBACK** makes TOUGH products for TOUGH people.

---

*Figure 10. DiamondBack Automotive Accessories, Inc. Original Class Presentation*
The winner of the class presentations in ENGR 407 was automatically entered in a Penn State Design Expo for new product ideas. Since Diamondback had won the class, we next presented the product at the competition. At this event, Matt and I spoke with many businessmen who were also judges of the products. Some owned trucks themselves, and all expressed sincere interest in the product, and its value proposition. We ended up winning best product overall at this competition, and I became interested in doing more thorough research on the concept.

The Engineering Entrepreneurship minor at PSU provided an amazing opportunity to do just that in an independent study course (ENGR496), which we used to do our 2nd phase design. Matt and I enrolled in the course immediately, and with the help of our professors, Elizabeth Kisenwether, and Robert Beaury, began conducting a more thorough analysis of the market, the financial potential, and the patentability of the product.

In many ways, my work building the business has been a very long extension of the learning process we began in ENGR 496. Our company was launched in May 2003, and for the next ten years, I made just about every mistake an entrepreneur can make. Working extensively with my college professor Robert Beaury, I learned, failed, learned and failed again and again, managing to add just enough runway each year to keep the business alive.

Over that time, I have worked harder and slept less than I thought was possible. I have felt the agony of laying off employees two weeks before Christmas, and the joy of getting a big enough sale to cover bills for another month. I have watched as years of negative cash flow slowly gave way to profitability. We saw our first two consecutive profitable quarters in Q1 and Q2 of 2008, just before the Truck and Truck Accessory market fell by 67%. We have had company highs, such as when our cover was featured in the General Motors booth, at our top industry trade show, as the licensed tonneau cover of the new HUMMER H3T (see Figure 11).
Figure 11 – The DiamondBack H3T Cover on the Hummer H3T

We have also had company lows, such as the day GM informed us they were closing the Hummer brand and our investment in it was gone. (See Figure 12)

The New York Times

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February 25, 2010

G.M. to Close Hummer After Sale Fails

Figure 12. Headline from “GM to close Hummer After Sale Fails” by N. Bunkley, 2010, New York Times

The saying, “Failure is the best teacher,” has been a true statement for me as the lessons learned at each step provided DiamondBack with the solutions needed to make it to the next quarter. Our early lessons on how to manage expenses paid dividends in 2009, when, by cutting costs, we were able to post our largest profit ever in a year when several truck accessory manufacturers folded. What we learned in previous years about generating sales with new products allowed us to bring new brands to market in 2009 and 2010, and maintain the cash we needed to survive. Slowly, by continuing to focus on reaching
sustainable profitability, we were able to consistently bring the company past our break even point. Reaching cash flow break even allowed us to focus time and resources on refining our website and marketing, and building more stable and efficient production systems. In 2012 DiamondBack posted its 4th consecutive profitable year, with 35% top line growth, and 100% EBITDA growth, year over year. In March 2013, almost 10 years from the start of the company, the profits from our endeavor have finally covered the losses, and on the balance sheet, the company is moving past break even.

Given the challenges our company faced, I feel incredibly blessed that we survived. But ten years to break even was not what I had in mind when starting this journey, not even close. As I have wrestled to understand where we failed and why the process to stability took so long, I began to develop a desire to see the journey of entrepreneurship presented in a way that made it easier to digest, start to finish. I believe that had I better understood the process, it would have helped me be more prepared for some of the challenges I was likely to face. Through reading books by entrepreneurs, and speaking with many other business owners, I have come to believe that many of the problems we face are similar, and just like the lifecycle of a business, there is a lifecycle to the entrepreneurial journey. In my own journey, there were key decisions I made at each stage that drastically decreased my chances of success and increased the time it would take to find solutions. As I discovered these mistakes, I began to see that had I asked the right questions at each stage, I may have avoided some of the detours that cost me time, money, and heartache. From my personal experience, I began to develop a concept of the Stages of Entrepreneurship. From research, I began to define the sequence of decisions that entrepreneurs need to know about to hopefully avoid a ten-year journey to profitability, and reduce the personal hardships while getting to success.
Chapter 4

Entrepreneurial Voices – The 6 Stages of Successful Entrepreneurship

1. Determine your Destination

“Would you tell me, please, which way I ought to go from here?”
“That depends a good deal on where you want to get to,” said the Cat.
“I don’t much care where—” said Alice.
“Then it doesn’t matter which way you go,” said the Cat.
- Lewis Caroll from Alice in Wonderland

Perhaps the most important stage of any business takes place, or should take place, even before the idea for the business has been conceived. Unfortunately, too often, entrepreneurs skip this stage entirely. Instead, they run headlong from concept to start-up without ever considering their true life dreams or goals, determining their destination, defining what is success for themselves, or understanding the likely costs associated with that destination.

People start businesses for many reasons. In The Illusions of Entrepreneurship, Scott Shane, points out that the most common reason provided by people who start their own businesses is because they “just don’t like working for someone else.” (Shane, 2008, p. 43) Others start a business because they have recently lost their job. In his book, The Intelligent Entrepreneur, Bill Murphy Jr. writes that, “Many companies are founded by people who never truly set out to become entrepreneurs. Instead, new ventures are often launched because the founders have lost jobs - the unemployed are twice as likely to launch companies - or because they don’t want to work for others.” (Murphy, 2010, p. 67)

Of course many also start a business with the goal of making a billion dollars. They happen upon what they think is an amazing idea, or new business concept, and head on their way to fortune. While some reasons for starting a business may increase the odds of success, there really isn’t a plain right or wrong. What is important is that the entrepreneur knows where he wants to go, why he wants to go there,
and then evaluates if the business he’s thinking about starting can get him there. If the life destination is to raise 5 kids and coach their soccer teams every evening, then an entrepreneur should focus on different businesses than if the destination is to make 10 million dollars. If the entrepreneur has analyzed where he wants to go in life and determined that he really does need to make 10 million dollars, the entrepreneur needs to consider if the business idea he has can get him there and how long it is likely to take.

In The Knack, by Norm Brodsky, Mr. Brodsky includes a section called First things First, in which he outlines the way he begins a business mentoring relationship by first inquiring what the entrepreneur really wants. He says, “[business] viability is just a step on the way to somewhere else, and I want to know where somewhere else is. I want to hear what people have to say. What I’m listening for are goals that can’t be achieved by business or goals that will get in the way of the business, or goals that are totally unrealistic given the particular business you’re looking at. I’m listening for what’s really motivating people.” (Brodsky & Burlingham, 2008, p. 6)

Asking why, and truly understanding the life goals, needs to happen in an in depth, meaningful way, before moving forward with any start-up plans. As Mr. Brodsky writes, “Many people make the mistake of focusing on their business plan before they’ve figured out their life plan, and the life plan must come first.” (Brodsky & Burlingham, 2008, p. 154) Mr. Brodsky describes asking “Why” of the business people he mentors. He says, “Listen, let’s forget about business. Business is a just a means to an end. The question is, what’s the end? Where do you want to go in your life? Where do you want to be in five years from a family standpoint? What do you want to earn? How much time do you want to have off?” (Brodsky & Burlingham, 2008, p. 155)

Having a clear understanding of where he wants to go will help an entrepreneur think more clearly about whether the idea or business concept he develops will be able to get him to that goal. Without spending time at this stage, an entrepreneur runs the risk of choosing a path, which at best will see his business succeed in getting him to a destination he never wanted to travel to, and at worst, will run so counter to his true goals that he gives up, and the business folds.
Once clear about where he wants to go, and that building his own business is a possible path to get there, the next step is to decide what it is likely to cost him, and if he’s willing to pay that cost. By cost, I am not only referring to the money it will take to launch his venture, but also to the cost in his time, the cost to his family and friendships, the cost to all of the other life goals he will have to place on hold, while he works to make his business succeed. For many would-be business owners, this analysis of personal costs may be the final step on the journey. While discouraging entrepreneurs is not the goal of this stage, it is far better to determine that you’re not willing to pay the full price of starting a business, before committing to start it. If the entrepreneur determines he is willing to pay these costs, he will know more clearly what he is likely to sacrifice to achieve his goals, and will be less shocked when those “bills” become due.

In The Intelligent Entrepreneur, Bill Murphy Jr. insists that an essential step of any successful entrepreneurial venture is first to, “Make the Commitment” (Murphy, 2008, p. 66) to become an entrepreneur. In a section titled, “Can You (Or Should You) Make the Commitment” Murphy provides five questions that can be helpful to ask before setting out on the business plan (Murphy, 2008, p. 70):

1. What other obligations will compete for time and resources?

   Do you have a wife or children who will need to give up large amounts of time with you for the business to succeed? Have you already committed time to another organization, family, or friend? As Murphy puts it, “Ask Yourself: If I make the commitment to become an entrepreneur, who else will be coming along for the ride? Who will it affect? And if the answer leads you to conclude that the risk is too big, figure out how to reduce that risk before proceeding.” (Murphy, 2008, p. 71)

2. What kind of support system do you have?

   Who will you be able to count on to help you manage both your family obligations, as well as the ones associated with your business? What mentors do you have who have done a business similar to the one you’re looking at starting? Murphy suggests asking, “Who can you count on to take a genuine interest in your efforts? Who will offer good advice but also enthusiastic encouragement? If people who are
important to you won’t provide that sort of support, can you at least inoculate yourself from their negative influence?” (Murphy, 2008, p. 72)

3. What is the opportunity cost?

Opportunity cost refers to all the potential benefits you will be giving up by not having the time to pursue them while starting your business. Opportunity costs can include the salary you would be earning at another job, lost retirement savings and health care coverage that you would have had while working for an established company, the chance to start a different business that could more quickly help you achieve your life goals, or simply a better use of the capital you will need to invest to start your business.

4. What is your record of achievement, creation, and reinvention?

Take an honest look at your accomplishments in business, academics, sports, and hobbies. Do you have a history of achievement and creativity? Mr. Murphy says, “Modest accomplishments may not be a predictor of ultimate success as an entrepreneur, but they can provide a storehouse of readily available memories and confidence if you do decide to launch your own business.” (Murphy, 2008, p. 74)

5. What is your tolerance for risk?

It should come as no surprise to learn that you will have risk no matter what path you choose in life. It should also not be a surprise to learn that the risks of starting a business on your own can be greater in terms of financial loss, opportunity costs, etc. If you don’t do well tolerating risk, or don’t learn how to put it into perspective, you may not function well when presented with the risk level you will experience as an entrepreneur.

Scott Shane, in his book, The Illusions of Entrepreneurship also describes some of the costs a typical entrepreneur may want to consider before launching his business. The first cost is a potential financial cost, because it is highly likely that one of his businesses will fail. According to the U.S. Small Business Administration, which tracked businesses started from 1992 till 2002, there is a 55% chance a new business will fail within the first five years. There is a 70% chance that it will fail in the first ten. (Shane, 2008, p. 98).
The second cost to consider, if the business survives, is the cost of reduced pay. While some entrepreneurs succeed to generating large company profits, and making above average pay, most do not. Shane writes that, “studies show that the average self employed person earns significantly less than the average person who works for someone else. In fact, the median (typical) earnings of people who have run their own businesses for ten years is 35 percent lower than what they would have earned working for someone else. Going out 25 years, this gap shrinks, but only to 25 percent.” (Shane, 2008, p. 101)

A third cost to consider, again, if the business succeeds, is reduced time to do other things in life. The average entrepreneur works far more than the average person employed by someone else. The figure varies with years in the business and by country, but for the United States, the average entrepreneur will work 11% more than his employed counterpart, and make no extra money for that effort. (Shane, 2008, p. 104)

A fourth cost is to the entrepreneur’s health and mental state. Self employed people are more likely to report that their work:
- is stressful and exhausting
- creates a strain and pressure in their lives
- causes them to lose sleep
- makes it difficult for them to enjoy their leisure activities
- causes conflict with their spouse
- make them unhappy or depressed
(Shane, 2008, p. 105)

Many people may find the costs outlined above too great to pay. Others may recognize ways to mitigate the risk of paying these costs, or find them small compared to the potential upside of succeeding as an entrepreneur. In either situation, it is important that before searching for a business concept, the entrepreneur has an honest assessment of the future that may await him if he chooses to start his own business. Once a “brilliant” concept is seized upon, most entrepreneurs become wildly optimistic about
their prospects, and this optimism is necessary. The purpose of determining the destination, and counting the cost, before developing a concept is so that he can realistically evaluate his situation, and better plan and execute his crucial initial steps.

2. Choose Your Path

“My father once told me that the worst mistake anyone can make in business is to be in the wrong business” - Steven Gold, The Entrepreneur’s Notebook

“In Business, as in Poker, table selection is the most important decision you can make.”

-Tony Hsieh, Delivering Happiness

Once an entrepreneur has determined where he wants to go and has counted what it might cost him to get there, he can begin looking for the concept that will be the seed that forms into his business. If the entrepreneur has spent time in the first stage, finding the right concept will be easier. One of the main, and most tragic reasons, for business failure is that the entrepreneur has set upon a concept that is wrong from the start. A product, or business concept, can be wrong for many reasons, and any entrepreneur would be wise to ask several questions before deciding that a certain business concept is right for him.

In The Entrepreneurs Notebook, Steven Gold offers some examples of questions an entrepreneur should ask: (Gold, 2008, p. 23)

1. Is the idea stupid?

   Before simply writing this question off as “stupid” itself, it is important to think about the implications. Will the undertaking involve many millions of dollars of start-up capital to achieve, of which you have no possibility of acquiring? Is the idea or concept something that you have absolutely no expertise in? Does the idea violate some law of physics or nature? Write these ideas off quickly before spending time on them.

2. Is the concept legal?
This should go without saying, however, some business ideas appear to provide easy profits, and few competitors, because they are illegal. Make sure the concept you are pursuing is within all applicable laws before proceeding. Included in this question would be a determination of whether the product you are attempting to produce would violate existing patents, or trademarks.

3. Is the idea practical?

Evaluating the practicality of a concept “means that you understand, and appreciate, the resources that are required to succeed - and have access to them.” (Gold, 2008, p. 24) The resources required may be money, expertise, time, or any other constraint.

4. Have you listened to your spouse, friends, or family?

While entrepreneurs cannot rely completely on the advice of others when evaluating a business concept, it is important to listen to what they say. A new business concept can play on the emotions much like a new love interest. At the start, many entrepreneurs see only the positive potential of the venture, and his excitement tends to minimize potential pitfalls. These may be more obvious to friends or family.

One of the most important questions an entrepreneur can ask himself when evaluating a business concept is also one of the easiest to pass by. Many entrepreneurs seize upon a concept because they believe it has the potential to make them boatloads of money. They start seeing themselves at their destination - giving away millions to help causes they care about, relaxing on a yacht in the Mediterranean, or retiring early to spend time with their family. With these visions in mind, and confident that the concept they’ve discovered is sure to get them there, they overlook this crucial piece: Are they passionate about the industry, or business concept?

Many business books discuss this concept. In the book Good to Great, Jim Collins pushes those who wish to have a “Great” company to ask, “What are you deeply passionate about?” (Collins, 2001, p. 96). He indicates that discovering what you are passionate about is critical to developing the focus of the company. Collins says, “The idea here is not to stimulate passion but to discover what makes you passionate.” (Collins, 2001, p. 96) In Delivering Happiness, author Tony Hsieh describes the process of
building a business to incorporate Profits, Passion, and Purpose. He lists, “Be Passionate and Determined,” as one of the Core Values of his company, Zappos. (Hsieh, 2010, p. 159)

In *The Intelligent Entrepreneur*, Bill Murphy Jr. writes, “it’s important to understand that every good entrepreneurial opportunity is personal.” (Murphy, 2010, p. 97) He also indicates that, “Most of the Harvard Business School entrepreneurs I interviewed founded companies by following the guidelines I’ve been describing. They either identified problems they wanted to solve, and built businesses around the solutions, or they launched firms in industries they knew extremely well, and about which they felt a genuine passion.” (Murphy, 2010, p. 102)

Being passionate about the industry in which you intend to start your business is important for several reasons. First, if you are passionate about a particular industry, you will either understand a decent amount about the market, or you will be willing to develop that knowledge in order to succeed. If you purchase products in the industry, you can think like your customers will think. Second, an industry that has meaning to you will allow your mind to see opportunities or warnings long before you would otherwise see them. This has much to do with the subconscious mind’s ability to prioritize information we are passionate about, or which affects something that has meaning to us. The third, and perhaps most important, reason for choosing an industry that you are passionate about is because you will most likely be spending a lot of time in that industry. To bring a business to sustainability takes a long time. To build the systems that will allow it to grow, and thrive, takes many years. During those years, an entrepreneur will most likely be attending countless industry events, reading industry literature, and spending long hours speaking with competitors and customers about products in the industry. The more the entrepreneur enjoys the industry he’s working in, the better chance he has to avoid burning out.

Another extremely important question to ask when developing the business concept is, “What problem is this concept solving.” In *The Intelligent Entrepreneur*, Murphy lists, “Find a Problem, Then Solve It,” (Murphy, 2010, p. 96) as the second of his 10 Rules of Successful Entrepreneurship. He
encourages would-be entrepreneurs to, “Start with a problem you really want to solve. Do not start with a solution and then go looking for a problem.” (Murphy, 2010, p. 96)

A few additional questions to ask when considering a product concept are:

1. **Is the concept brand new or an established idea?**
   
   This question is important to answer for two reasons. First, if you are solving a problem that no one else has solved, this could be a serious red flag that the market for the solution is not very large. Second, if you are solving a known and large problem, but in a way that no one else has ever done so before, you will need more start-up capital. The reason for this is that you will have to educate your market about the solution before you can begin selling. In *The Knack*, Mr. Brodsky points out that, “there is nothing more expensive than educating a market.” (Brodsky & Burlingham, 2008, p. 43)

2. **Does the concept give you a niche within the market?**
   
   Mr. Brodsky, in *The Knack*, writes that “having a niche is critical to every start-up, but not for the reason most people think. It has to do with the high gross margins you must generate to assure your start-up capital lasts long enough for your business to achieve viability” (Brodsky & Burlingham, 2008, p. 44). Niche products almost always have better gross margins than commodity products.

3. **Is the concept capable or likely to provide a path to your desired destination?**
   
   If your personal destination is a sale of the business within a short period of time, does the industry have examples of other companies who have taken that path? If your desired destination is managing a small company with high profit margins that affords a comfortable lifestyle, is the concept one that allows for that?

4. **Is the type of business consistent with the costs you are willing to pay to achieve success?**
   
   In *The Knack*, Mr. Brodsky describes the process of evaluating the decision to grow a business based on what the business owner is willing to sacrifice to achieve the growth. He writes, “Some people, after all, really are driven to grow their companies as fast as possible, and they’re willing to sacrifice plenty of things in the process - including their families.” (Brodsky & Burlingham, 2008, p.155) While
this specifically speaks to the decision of whether or not to grow a business quickly, it is important to recognize that certain businesses require this type of sacrifice from day one, and others do not. Entrepreneurs need to recognize whether a concept will require more than they are willing to give up, and if so, find a new concept before investing the time and resources needed to get started.

The above questions relate to the initial concept development step of the Choose-your-Path stage. Once the concept of the business has been established, the next step for the entrepreneur is to validate the concept as a viable business for him. In The Entrepreneurs Notebook, Gold writes, “Once you have an idea for a business venture, then it’s extremely important to test its viability. You need to determine if customers are going to buy your product or service, and if investors will bet their dollars on your unproven company.” (Gold, 2008, p. 30) During this step, an entrepreneur must validate every assumption that was made when developing the concept. These can be broken down into three key focus areas:

1. Validate the viability of the concept

   Are there existing patents or trademarks that will destroy the product concept? Are their legal barriers to entry for companies in this industry? Are there large competitors filling the niche you imagined you could exploit? Are there industry standards that your product needs to comply with to be viable in the chosen market? The entrepreneur needs to research the market, research competitors, research patents and trademarks, research legal requirements or licenses, and any other possible barriers to the success of the venture.

   Some methods of validating the product idea are provided in The Entrepreneur's Notebook. Gold writes, “The simple methods are: speaking with lots of people, especially prospective customers (key decision makers, in particular); reading anything and everything that relates to your proposed venture, including industry and market reports, trade journals, public company disclosures, etc; performing internet searches; and observing your competitors up close and speaking with both them and their customers.” (Gold, 2008, p. 30)
2. Validate the financials of the concept

In The Knack, Mr. Brodsky describes this step with a test case business he was consulting for. He tells the owners, “Look, I don’t know if you have a real business here, and I also don’t know if you can run it like a real business. But first, we have to see if it’s even worth trying. We have to be sure that, on paper at least, it looks as though you have a shot at making things work.” (Brodsky & Burlingham, 2008, p. 7)

In order to validate the financial viability of the business, it is critical to develop a reasonable projection of your gross profit. Mr. Brodsky explains, “In my opinion, gross profit is the single most important number in any new business. It determines everything else about your business - the amount of capital you need, the volume of sales, the overhead you can afford, the time it will take to determine viability, even viability itself.” (Brodsky & Burlingham, 2008, p. 9) Later, Brodsky suggests the next step is to develop monthly cash flow projections. Following the determination of gross profit and an understanding of cash flow, Brodsky describes the process of determining financial viability by writing out, on paper, the projected company financials for a whole year. He says, “When you write out your own projections by hand, do your own calculations, and work through the numbers for a whole year, two things happen. First, you begin to get a feel for the business. Second, you start to understand reality. You see that sales don’t necessarily lead to profits, and that making a sale or earning a profit is not the same as generating cash.” (Brodsky & Burlingham, 2008, p. 10)

3. Validate the business fit with the entrepreneur goals and abilities

The last chance to avoid the pain of being in the wrong business, or at the wrong table, is to do the research necessary to determine if the concept is truly capable of moving the entrepreneur toward his destination, and if he can live with the costs. Additionally, the entrepreneur needs to honestly assess his ability to achieve the goals of the business. In The Entrepreneurs Notebook, Gold lists some questions to thoroughly research, and answer, during this step. He suggests asking, “Do you and your team have the expertise to manufacture, market and sell the product or service? Are the results achievable within a
reasonable period of time? Do you have access to the human capital, cash and other resources that will be needed to transform your plan into reality? If the answer to any one of these questions is “no”, then go back and revise the business” (Gold, 2008, p. 42)

As the entrepreneur is validating all three parts of the business concept (viability, financials and fit to the entrepreneur), he is gathering the information necessary to create his first business plan. Brodsky writes, “I believe strongly that the first business plan you write should be for nobody but yourself, and you don’t need any special software to create it. You just need to answer four questions as honestly as you can:
1. What is the concept?
2. How are you going to market it?
3. How much do you think it will cost to produce and deliver what you’re selling?
4. What do you expect will happen when you actually go out and start making sales?” (Brodsky & Burlingham, 2008, p. 50)

This thesis takes Mr. Brodsky’s support of doing a first business plan and changes it into doing an Entrepreneur Plan. The Entrepreneur Plan is like a business plan, with one key distinction. The plan is not written for potential investors, as most plans are constructed, but rather for the entrepreneur, with specific focus placed on helping him identify if HE wants to invest his time or money in this business. After writing the Entrepreneur Plan, including projected financials and cash flow statements, he can answer the question: is this concept solid enough for me to invest my future?

3. Get Started

“The way to get started is to quit talking and begin doing.”
- Walt Disney

Now that the entrepreneur knows where he wants to go, how much he’s willing to pay to get there, and has a validated business concept that (on paper at least), gives him a fighting chance to achieve his goals,
it’s time to take the initial steps toward starting up his business. Even though a lot of information exists about the process, many would-be entrepreneurs give up on their otherwise viable business because they don’t understand the initial logistics associated with starting their business.

Fortunately, many other people have started and built businesses before, and they do understand the process. The first step to getting started is to find a business mentor, or better yet, a network of business mentors who will agree to walk with the entrepreneur through the process. By developing a network of mentors, the entrepreneur can lean on the experience of others for the crucial start-up steps.

Second, after developing a business mentor network, most small businesses that hope to grow to any appreciable size, will next need to find a lawyer. Gold writes that, “while some people consider your lawyer a necessary evil, you will want to consider your attorney an essential ally in the entrepreneurial process.” (Gold, 2008, p. 89) Researching and acquiring a good business attorney can help the entrepreneur navigate several of the initial challenges he will face including:

1. Choosing the proper business entity for both short-term and long-term goals
2. Creating company shares to provide to partners or investors
3. Setting up the initial ownership structure
4. Drafting promissory notes (loan documents) and negotiating the first round of investment
5. Filing all the legal paperwork necessary to incorporate the small business

Third, entrepreneurs at this stage of their business need to take action to obtain the initial start-up capital they have determined they need. Every business, no matter the current or desired size, will need some form of start-up capital. How much it will need, and what it will have to give up to acquire the cash, relies largely on the business plan financials determined by the entrepreneur. Before a business can open its doors and start to move toward viability, it must secure start-up cash. Gold lists 5 main investor groups an entrepreneur can access: (Gold, 2008, p. 183)

1. Founders - Would include both founder savings, credit cards and friends or family
2. Angel Investors - Wealthy individuals who make business investments
3. Venture Capitalists - Investment companies usually investing large sums

4. Strategic Investors - Private equity firms or companies taking strategic interest

5. Banks

When bringing on outside investors, it is extremely important that the entrepreneur understands the goals of the investors, as well as how those goals may conflict with his own. For better, or worse, investors are partners in the business. As partners, they may try to push the business in certain directions, desire a certain level of growth, or even demand a sale of the business so they can exit the investment. This may, or may not, be consistent with the life plan developed by the entrepreneur. After the papers are signed, however, the entrepreneur may lose some of his ability to control that plan. The decisions surrounding debt or equity investment, the portion of the company to give up, and alignment between the goals of investors and entrepreneurs, are extremely important, and can have repercussions throughout the life of the business. Entrepreneurs need to consider investors as business partners, and just like a business partner, there needs to be a proper fit.

A fourth major component of the start-up process is developing the relationship the entrepreneur will hold, or will potentially hold, with his bank. The bank where the entrepreneur initially sets up the checking account is likely where discussions start about a line of credit or loan. Brodsky writes that, “every business needs a bank, and you should use every opportunity you have to build a relationship with one. Forget about whether or not you need a loan right now. The truth is, you’re better off if you don’t. What’s important is to have the relationship” (Brodsky & Burlingham, 2008, p. 61)

4. Learn to Walk

“You don’t learn to walk by following rules, you learn by doing, and falling over.”
- Richard Branson

After establishing the business entity, and obtaining his initial start-up capital, the entrepreneur is finally able to begin making the first initial movements toward building a business. Much like a baby who is
learning to move for the first time, this stage involves a lot of failures, and a lot of falls. The first task of the entrepreneur during this stage is to learn quickly from the mistakes, and correct his actions before his initial start-up capital disappears.

In his book, *The Lean Startup*, Eric Ries provides a good description of the primary focus an entrepreneur in the Learn to Walk stage needs to have. He describes this as developing a, “Build, Measure, Learn feedback loop” (Ries, 2011, p. 76). Key to beginning this process is to identify the “Leap-of-Faith assumptions” of the business plan, or the Entrepreneur’s Plan. These are the assumptions, which, if incorrect, could have the greatest negative impact on the company’s ability to survive. Ries refers to the two most important assumptions as the “value hypothesis”, and the “growth hypothesis.” (Ries, 2011, p. 76) The value hypothesis is the assumption the entrepreneur has made regarding the value that customers will ascribe to the company’s products or services. This could be the price the company believes it can sell its products for, or the amount of customers who wish to use the service. The growth hypothesis is the assumption regarding the company’s ability to acquire new customers.

In order to quickly begin testing these two crucial assumptions, the company needs to develop what Ries refers to as a “Minimally Viable Product” (Ries, 2011, p. 77), or MVP. The MVP allows the company to enter the Build – Measure – Learn feedback loop more quickly without wasting lots of time, or money, building out features and designs that customers may not value. The MVP allows the company to begin the first real stage of testing its primary assumption, specifically, the value a customer will assign to its product or service. This crucial step is missed by many entrepreneurs, who opt instead to spend most of their initial time, and money, on product development, beautiful packaging, or detailed marketing literature. By quickly producing an MVP suitable of adequately meeting the needs of the early adopters of the company’s products, the entrepreneur can test the value assumption without spending a lot of his resources first.

Essential to the Build–Measure–Learn feedback loop is to adequately measure, and learn from, each customer interaction. To properly measure the correct information, Ries suggests a method he refers
to as “Innovation Accounting.” (Ries, 2011, p. 77) While “Innovation Accounting” may use some financial information that standard accounting uses, the key distinction is the use of “actionable metrics” vs. “vanity metrics.” (Ries, 2011, p. 77) Actionable metrics define a baseline for the assumption the entrepreneur has made. This may be a specific gross profit he expects to make from each sale, or conversion rate of leads the company acquires through its marketing. By using actionable metrics to test the results of the company’s performance in a specific area, the entrepreneur can see clearly if his assumptions have been validated, or if he needs to change directions, a process Ries refers to as a, “Pivot.” (Ries, 2011, p. 77)

During this process of selling and learning, a business may change dramatically in both its products or services, as well as in its focus. In the chapter entitled, “It Begins with a Sale,” Brodsky indicates that “there’s also a need to figure out what exactly you have that people might want to buy. That means figuring out what business you are really in, which isn’t always obvious on the surface.” (Brodsky & Burlingham, 2008, p. 106) Much like the “pivot” described by Ries in The Lean Startup, Brodsky indicates that, “it’s not uncommon, in fact, to find that the business you wind up in is not the business you thought you were going into – because you never really know for sure how to make money in any business until you’ve actually tried it. I’m talking about rolling up your sleeves, heading into the market, and beginning to sell.” (Brodsky & Burlingham, 2008, p. 107)

Learning to walk means first learning what mix of products, services, pricing, marketing, or any number of other components will generate the cash flow the company needs to survive. Following that determination, however, completing the Learn-to-Walk stage is characterized by a specific point in the business’ life. Many books refer to this stage by various names. Brodsky refers to this stage as, “Critical Mass.” He clarifies, “by that, I mean a particular threshold that every successful startup crosses sooner or later. It usually depends on some key factor in the business hitting a certain level. The factor may be the size of the customer base. It may be the number of active accounts. There are probably ten different types of critical mass. But however many variations there are, they all translate into the same thing for every
business: self-renewing break-even cash flow.” (Brodsky & Burlingham, 2008, p.17) Brodsky distinguishes cash flow break-even from break-even on a P&L statement. For Brodsky, a company begins to walk on its own when “the cash generated more or less automatically each month is enough to sustain the business and allow it to grow without going outside for new investment.” (Brodsky & Burlingham, 2008, p.17)

Another name for “Critical Mass” is “Cash Break-Even Point.” There is a significant amount of literature concerning how this can be calculated for any business. The concept appears in almost every instructional book on starting a business. The important factor, as was mentioned by Brodsky, is to understand the difference between Business Break-Even and Cash Break-Even Point. Simple explanations are provided in Getting Started in Small Business for Dummies: (Curtis, 2013, p. 159)

**True Business Break Even:** When you calculate your true business break-even point, you calculate the sales you have to make in order for you to meet your business expenses. In this scenario, if you break even, you neither make a profit nor a loss.

**Cash break-even point:** When you calculate your cash break-even point, you calculate the sales you have to make in order for your cash out to match your cash in. In this scenario, cash out could include things like new equipment or business set-up cost.

While the concept of cash break even is simple to understand, attaining it can be one of the most challenging steps of any new start-up. When, or if it is attained, determines whether the business succeeds or fails.

Quickly getting to cash break even should be the number one focus of the entrepreneur from the moment his venture begins. The initial start-up capital of the business provides what is termed the “runway”, or the capital needed to for a business to reach the point of takeoff success. The length of the runway is determined by the amount of initial start-up capital available, and by the burn rate of the business, -the amount of cash the business is losing each month it operates. Obtaining subsequent rounds
of investment may elongate the runway, but the fact remains that there is a time limit to achieving takeoff. If the company does not reach critical mass before running out of cash, the venture fails.

Critical mass, however, is not takeoff. This is an important distinction to make. Critical mass does not primarily provide the business with lots of excess cash, and it is not what most entrepreneurs would describe as success. What critical mass does is essentially make the runway infinite in length. This gives the entrepreneur the only thing that is as important as money – time. Brodsky writes, “this is the major turning point for any new venture. Before critical mass, a business is a fledgling enterprise surviving on external capital. It still has its umbilical cord. After achieving critical mass, the business is a free standing, self sustaining entity capable of making its own way in the world.” (Brodsky & Burlingham, 2008, p. 17)

With time, the entrepreneur can focus on the fundamentals of what will make his business grow or takeoff. He can develop the systems that will allow for scalability during the growth phase. He can begin to understand the Engine of Growth (Ries, 2011, p. 207) that he and his team will tune to get the company profits to takeoff. When learning to walk, the entrepreneur is developing the muscles, balance and skills needed to enter the next phase – learning to run.

5. Learn to Run

“I have learned to walk; since then I have run.” – Frederick Nietzsche

The time an entrepreneur takes to get to the point where he can begin to run, meaning the company is really ready to grow, can be long - much longer than the classic stages of business imply. Entrepreneur magazine lists “Time to Grow” as its second stage of business, right after start-up. (Henricks, 2005) The Harvard Business Review lists it closer to reality, as the fourth stage, after survival and success. (Churchill & Lewis, 1983) I believe the stage should be fifth on the list so that by the time the entrepreneur reaches it, he has the solid foundations needed to manage the business through growth and he knows where he wants the growth to take him.
Many entrepreneurs try to follow the quicker path outlined by many leading business models, start up, then run. There are many dangers associated with running too soon. First, if the entrepreneur doesn’t know where his destination is, he could be running in the wrong direction. Second, running a business fast is expensive, both in terms of the cash required, as well as the time the entrepreneur must invest. These costs may be more than he is willing, or able, to pay. Third, if the entrepreneur skips learning to crawl or walk, he is running without a solid understanding of what allows his business to stand in the first place. Many entrepreneurs who focus too early on growth fall into what Brodsky refers to as “The Sales Mentality” (Brodsky & Burlingham, 2008, p.12) This focus on sales growth comes not only from the entrepreneurs themselves, but often from investors as well. Brodsky indicates that, “almost all entrepreneurs have the sales mentality when they first go into business. They want to see sales go up every month, every day, every hour. I myself didn’t care about anything except our weekly sales figures. My investors were the same way, and many of them were accountants. They never asked me about profits. All they wanted to know about were sales. That’s the sales mentality.” (Brodsky & Burlingham, 2008, p. 12).

By focusing on sales growth, rather than getting to cash break even, too early in the entrepreneur’s journey, many businesses fail. This concept is often very difficult to understand. Brodsky explains that, “sales do not equal cash, and cash is what you need to survive. You run out of cash, you go out of business. End of story.” (Brodsky & Burlingham, 2008, p. 13) The peril of pursuing fast growth too early is often imperceptible to the entrepreneur who is achieving this growth. The excitement of closing sales and expanding market share can cause him to lose focus on the fundamentals of reaching critical mass. He appears to have reached it because the cash from new sales is covering up the fact that his margins are not where they need to be. Brodsky explains this phenomenon, “you drop your price below your competitors, and you can make all the sales you want. You’ll think you’re doing fine. You won’t run out of cash as long as your sales keep rising and you can collect before you pay. Trouble is, you also have more payables than you can handle. You’re bankrupt, and you don’t know it. All of a sudden, you hit a
Provided the entrepreneur has taken the time to learn his business and to validate his “value hypothesis” and his “growth hypothesis,” (Ries, 2011, p. 76) then he is truly ready to grow his business. This is where he needs a solid understanding of what Ries describes as the, “engines of growth.” (Ries, 2011, p. 207) Ries defines the engine of growth as, “the mechanism that startups use to achieve sustainable growth,” (Ries, 2011, p. 207) which is “characterized by one simple rule: New customers come from the actions of past customers.” (Ries, 2011, p. 207)

Ries lists three primary growth engines that entrepreneurs can use to grow their business.

Understanding the business through the learning processes in the previous stages allows the entrepreneur to properly assess these growth engines, and decide on the main one that applies to his business. The three engines of growth, as defined by Ries, are:

1. The Sticky Engine – This engine is primarily characterized as achieving growth by customer retention. Their primary economic driver is repeat customers. Growth comes by reducing the number of customers who leave the business.

2. The Viral Engine – This engine describes businesses that grow primarily through word of mouth or through customer actions. When others see or hear customers using the product or service, they purchase. Growth comes by increasing the “viral coefficient” (Ries, 2011, p. 213), and having more new customers purchase for every single customer the business has.

3. The Paid Engine – This engine is characterized as achieving growth through paid advertisements. Growth comes by ensuring that the profits from each sale are enough to pay all expenses and leave enough remaining to advertise to more leads and convert another sale.

Once the entrepreneur understands the engine of growth that his business primarily employs, he can set himself and his team about the task of tuning that engine. By staying focused on the primary engine, and understanding the specific metrics that will help tune this engine, the entrepreneur can save a couple of bad months, your cash disappears, and you lose everything. It happens all the time.” (Brodsky & Burlingham, 2008, p. 15)
time spent pursuing other less profitable growth strategies. As the business tunes its engine, growth can occur rapidly. Rapid growth can be wonderful for the entrepreneur, but if not managed, it can also cause major problems. It is at this stage that the business needs to turn some of its attention inward so that as it begins to run, it doesn’t trip.

By moving the business from startup to viability, many processes to help grow the business have been created in some shape or form. In order to learn to walk, the entrepreneur will have had to spend some time and money developing systems, such as tracking inventory or quality control, and people who will help him manage the business as it grows. Once the business reaches the growth or running stage, however, these systems may start to fail. They won’t fail necessarily because they were wrong to begin with, but rather because when learning to walk, the entrepreneur will not have the knowledge or capital to develop the robust systems needed to run, and keep running.

Carl Gould, in his book The Seven Stage of Small Business Success, refers to this step as the “Systems Stage.” He writes, “This is where a true business is born.” (Gould, 2010, p. 153) Gould describes his practical definition of a system as, “any activity or group of activities that can run on its own. That means that you can remove yourself from it and it will still run on its own.” (Gould, 2010, p. 155) The importance of developing robust systems at the start of the growth phase is mostly due to the reality that, as the company grows, the entrepreneur will no longer be able to oversee the many aspects of the business. He will have to rely on his people, his procedures and his systems to provide the goods and services his company is selling at the same level of quality and efficiency they were able to provide at smaller volumes.

In The Lean Startup, Ries also recognizes the need be careful as growth occurs. He writes, “focusing on speed alone would be destructive [to the business].” (Ries, 2011, p. 227) Ries provides some insight into how to throttle the engine so that the business develops the systems necessary to manage the growth that it is experiencing. He writes, “when you’re going too fast, you cause more problems. Adaptive processes force you to slow down and invest in preventing the kinds of problems that are
currently wasting time. As those preventive efforts pay off, you naturally speed up again.” (Ries, 2011, p. 229) Ries encourages using a method called the “Five Whys” to investigate the root causes of the problems that growth creates. As the entrepreneur learns which problems are most important to fix, and the real causes of those problems, he can, and must, invest the time to solve those root causes before increasing the speed of growth.

One of the goals of the entrepreneur during the Learn to Run stage, is to set the business up for sustainable long term growth, whether or not the entrepreneur continues to focus daily on the business. Gould writes that, “systems are the foundation for long term profitability and sustainability. Systems allow the employees to cut the umbilical cord from the owner.” (Gould, 2010, p. 159) Business systems can include such things as the procedure of launching new products or dealing with customer service issues. They may also include hiring policies, employee handbooks, sales policies or anything which is written down and used by employees to manage the business without relying on the Entrepreneur for guidance or decision making.

As important as allowing employees to cut the “umbilical cord” is to the business, it is even more important to the entrepreneur. Once the day-to-day functions of the business are being managed by the employees and systems of the business, the entrepreneur can be free to choose the next path for himself and for the business he’s developed. He can be free to define his future.

6. Define your Future

“All successful people are big dreamers. They imagine what their future could be and then they work every day toward their distant vision” – Bryan Tracy

The process of evaluating a business, starting it, learning how to walk and run, and developing the systems and employees necessary to keep it running is a long and challenging process. As detailed above, most entrepreneurs do not make it to this stage. Once an entrepreneur does make it to this part of the process, many opportunities and many questions become important. The main question the entrepreneur...
needs to answer now is what path he wants himself and his business to take, now that the business is viable and sustainable. In some ways, this is almost like returning to stage one in that the entrepreneur needs to now define his future.

There are three main paths open to the entrepreneur. One is to take what he’s learned, and really set about growing the business using the systems he’s created in the previous stages. Choosing this path involves further evaluating and tuning the engines of growth of the business. Growing the business from this stage will most likely involve new innovation and diversified products or services. Ries notes that, “Conventional wisdom holds that when companies become larger, they inevitably lose the capacity for innovation, creativity, and growth.” (Ries, 2011, p. 253) Ries believes this need not be the case and argues that if the business is to continue to post further growth, the entrepreneur needs to, “build organizations that learn how to balance the needs of existing customers with the challenges of finding new customer to serve, managing existing lines of business, and exploring new business models – all at the same time” (Ries, 2011, p. 253) This potential for new business development is open to the entrepreneur, but he should return to stage one, determine his new “destination,” and count the costs again before making the choice to pursue continued strong growth.

Brodsky discusses the decision to grow a business that has reached sustainability. He writes, “I’m not saying there’s anything wrong with wanting to grow your business. On the contrary, if you have a successful business, it’s only natural to want to expand it. Just don’t fall into the trap of growing for growth’s sake. Bigger isn’t always better.” (Brodsky & Burlingham, 2008, p. 158)

Another path open to the entrepreneur at this stage is to keep the business growth at a sustainable pace, and complete the task of creating the systems and employees needed to manage all of the day-to-day functions of the business. By doing this, the entrepreneur is able to transition from being employed by the business, to truly owning the business. Gould discusses such a transition in his seventh stage of business, Succession. He writes, “You can keep it as a cash-producing annuity or asset by hiring a CEO, so that it
supports your causes for future generations. This leads us to your final hire-and-fire. This means you hire a CEO, and the business runs every bit as well, if not better, in your absence.” (Gould, 2010, p. 205)

The third path, discussed in many business planning books, is to sell the company outright. Brodsky writes, “In the end, of course, the payoff for building a business is the reward you get when you sell it. Unfortunately, many business owners miss out on that reward – or a big part of it – because they don’t understand the factors that go into calculating it and don’t keep the financial records that would allow them to get full value for what they’ve created.” (Brodsky & Burlingham, 2008, p. 85) Brodsky then discusses the concept of Earnings Before Interest, Tax, Depreciation, or Amortization (EBITDA) and how to properly assess the value of the company using it. By understanding how a company is likely to be valued, the entrepreneur can focus on bringing the financials to a place that is likely to provide him with the greatest reward for the business he has built.

Defining his future may be the final stage in the process of entrepreneurship, but not the end of the entrepreneur’s journey with the business. No matter what path he chooses, there are still many items that will require his focus and time. The point is for him to focus on the future he wants, and set himself, and the business, on the path to making that happen.
Conclusion

Many books have been written describing the challenges of entrepreneurship. Like the stages of business, the process of becoming a successful entrepreneur can be broken down into distinct segments during which unique problems must be solved. By separating the process into these stages, an entrepreneur can begin to develop a picture of the entire process, and can begin to plan for his future. By asking the right questions, and solving the most important challenges at each stage, he can reduce the risk of failure, which exists for any new venture.

By combining my own experience as an entrepreneur with stories and instruction provided by other entrepreneurs, I believe the process can be understood by focusing on six distinct stages of entrepreneurship: 1) Determine your Destination, 2) Choose your Path, 3) Get Started, 4) Learn to Walk, 5) Learn to Run, and 6) Define your Future. These six stages begin before the idea for a company has been developed, and end when the entrepreneur has established a business from which he can define his future, and the future of the company. By presenting the process from its earliest beginning, through successful business development, and by focusing each stage on the entrepreneur first, and the business second, I believe a more helpful guide can be developed for anyone seeking to understand and pursue this path.
Chapter 5

The 6 Stages of Successful Entrepreneurship – Application

The purpose of developing a stage analysis of entrepreneurship is to make the process easier to understand for anyone seeking to determine if they wish to become an entrepreneur, and to provide guidance to existing entrepreneurs in overcoming the challenges at each stage. I believe the process can be modeled using six distinct stages. They are as follows:

1. Determine your Destination
2. Choose your Path
3. Get Started
4. Learn to Walk
5. Learn to Run
6. Define your Future

There are several applications for the six stages of successful entrepreneurship that could assist in fulfilling the purpose of the stage analysis. The first is a broad overview shown in Appendix A. This overview provides a very brief description of each stage, and would be helpful to first time entrepreneurs in coming to understand the overall picture of the process of entrepreneurship. The second is a graphical depiction of the stages of entrepreneurship shown in Appendix B. This model helps provide greater clarity on the overall process as well. A third potential application would be a workbook style action guide focused on existing, or first time entrepreneurs. An example of such a workbook is shown in Appendix C. This guide provides a brief description of each stage, information on the challenges an entrepreneur may face at this stage, resources available to overcome these challenges, and questions the entrepreneur should be asking and answering.
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Appendix A

The 6 Stages of Successful Entrepreneurship

Stage 1 - Determine Your Destination
1. Create your life plan before your business plan. Where do you want to go as a person?
2. Determine what you are likely to have to pay to achieve your dreams. Can you afford it?

Stage 2 - Choose Your Path
1. Determine a problem you are passionate about solving, then develop a solution.
2. Write an Entrepreneurial Plan for yourself first. This expanded business plan focuses on both the business financials as well as business/entrepreneur fit.

Stage 3 - Get Started
1. Find a mentor, find a lawyer, and find some money. Following that order makes the logistics easier.

Stage 4 - Learn to Walk
1. Test the Value and Growth Assumptions you made in your Entrepreneurial Plan
2. Understand how to determine your cash break even point and what it means for your business - then focus your entire energy on reaching this point.
Stage 5 - Learn to Run

1. Decide which engine of growth your company primarily employs and focus your entire staff on tuning that engine. The better the tune your engine, the faster you will grow.

2. Don’t Trip - When your business starts to grow, the systems (and staff) you used before growth may start to fail. Do not become so focused on growth that you ignore developing new system and staff. These will allow the company to reach your desired future.

Stage 6 - Define your Future

1. Make a plan for your future at the company now because it will take time to implement. If you want to leave the company down the road you will need to make a plan for sales or succession and both plans require time to execute.
Appendix B

The 6 Stages of Successful Entrepreneurship Model

1. Determine Your Destination
   - Starting a business won't get you there. or
   - The costs are too great to pay

2. Choose your Path
   - If no investors will fund or your assumptions are invalid

3. Get Started

4. Learn to Walk

5. Learn to Run

6. Define your Future

Slow Sustainable Growth

Sell
Appendix C

The 6 Stages of Successful Entrepreneurship

An Action Guide for Aspiring Business Founders
The 6 Stages of Successful Entrepreneurship

AN Action Guide FOR Aspiring Business Founders

Ethan Wendle
The 6 Stages of Successful Entrepreneurship Workbook

An Action Guide for Aspiring Business Founders

Ethan Wendle
Introduction

“Stop me if you’ve heard this before. Brilliant college kids sitting in a dorm are inventing the future. Heedless of boundaries, possessed of new technology and youthful enthusiasm, they build a new company from scratch. Their early success allows them to raise money and bring an amazing new product to market. They hire their friends, assemble a superstar team, and dare the world to stop them.” - Eric Ries, The Lean Startup.

When you hear the word “Entrepreneur” what people come to mind? Bill Gates, Steve Jobs, and Mark Zuckerberg would certainly be high on most American’s list. These almost mythical characters always seem to start in a garage or dorm room, are always late teens or early 20s, always drop out of college and seemingly overnight have both changed the world and made billions in the process.

Contrast that with what the data shows is the average entrepreneur: a 40 something year old white male, married with working spouse, college graduate who is struggling to pay his own salary, let alone any employees. In fact, if he’s in his first year of business, he probably doesn’t realize that he has only a 50% shot of making it 5 years and a 30% shot of making it 10. If he makes it to the stable and self employed level, he may be able to join the only one third of all owner operated businesses that earn more than $10,000 in profit a year. If, or more likely when his business closes, he finds himself back in the employment line, waiting for a ticket to re-enter the rat race.

In 2003, I was the kid going after the Gates/Job entrepreneurial vision. I had a garage that my business partner and I were working out of, I had just turned 21 years old, I had just dropped out of college, and I had a “plan” to turn our class project idea into a 10 million dollar company within 3 years. Then I spent almost every day for the next 10 years trying desperately to not end up in the failure statistics listed above.

DiamondBack Automotive Accessories, Inc, the company I co-founded and am CEO of today, has defied the odds in most ways. We have survived 10 years, which puts us in the top 70% of new businesses launched. We employ 36 people which puts us in the top 11% of US businesses according to the US Census. We are more profitable than the average US business by a large margin. Yet the original financial goal of generating millions from an acquisition was never achieved, and the journey to even the small level of success we enjoy today required over a decade of almost continuous effort, with personal income often lower than my entry level production employees. What happened?

When I started my company in the spring of 2003, I thought, like most people do, that 90% of a successful business was having the right idea or product. Get the innovative product, get your patent, and follow the path of the five stages of business success: Seed, Start Up, Growth, Maturity and Exit. Our product was
innovative, we had applied for, and would eventually obtain, our patent, and so off we went. I have learned over the years, however, that 90% of a successful business has nothing to do with the product and there are many more stages, and many more obstacles, an entrepreneur will encounter along the way. Furthermore, I have learned that most current business literature describing the stages of the process focuses too heavily on the business entity and not on the entrepreneur as a person.

Every new business is founded by an entrepreneur, or group of entrepreneurs, and for them, the stages of the business are acutely personal. The struggles and challenges that a new business faces are felt directly by, and must be overcome by, the entrepreneur. The failure statistics of new business ventures are more than just stories of lost finances; they often represent the lost dreams of the men and women whose visions launched the businesses. I believe that the risk of failure can be reduced, however, by providing entrepreneurs with clarity to the journey on which they are embarking and by providing specific instruction on the challenges they will need to overcome along the way.

If you’re considering entrepreneurship as a life path, this workbook was written for you. There are several distinct stages in the entrepreneurial journey, and the choices which have to be made at every stage have consequences which can affect you for years. The goal of this book is to reduce your risk of failure by providing you a step by step guide to the challenges you are likely to encounter, and by helping you focus on the most important problems to solve and questions to answer at each stage. My hope is that some of the lessons I’ve learned along my own journey can help you avoid burn out, or business failure, and achieve the results you desire in considerably less time.

This action guide is broken down into 5 key sections per stage:

1. Stage Description – This section is designed to help you identify the specific stage you are at and start at the point which applies to you.

2. Stage Keys – This section is designed to highlight the key points of each stage.

3. What You Should Learn - A list of specific items you should seek to learn in order to increase your chances of successfully overcoming the challenges of each stage.

4. Available Resources – A list of some resources available to help you gain the skills needed.

5. Questions to Answer - A list of the questions you should seek the answers for at this stage.
Stage 1 - Determine Your Destination

Stage Description:

Perhaps the most important stage of any entrepreneurial journey takes place, or should take place, even before the idea for the business has been conceived. Unfortunately, too often entrepreneurs skip this stage entirely, running headlong from concept to start up without ever considering their true dreams and goals or determining their destination. Many businesses fail because the entrepreneurs burnout and many entrepreneurs burnout because they are working 12 hours a day, 7 days a week on a business that does not align with their passions or dreams. The process of determining your destination starts by asking a very simple question – Why do you want to be an entrepreneur anyway?

If you determine where you want to go in life and that building your own business is a possible path to get there, you must also be clear about what it is likely to cost you and if your willing to pay that price. By cost, I am not referring only to the money it will take to launch your venture, but also to the cost in your time, the cost to your family and friendships, the cost to all of the other life goals you may have to place on hold while you work to make your business succeed. For many would be business owners, this may be the final stage on the journey. I do not want to discourage anyone from making the choice to become an entrepreneur. I do know, however, that it is far better to determine that you’re not willing to pay the full price of something, before committing to buy it. If you determine you are willing to pay the price, spending time at this stage will ensure that you will be less shocked when the “bills” come due.
Stage Keys:

1. **Develop your life plan before you develop your business plan.** Where do you want to go in your life and how will starting a business help you get there?

2. **Starting any business has many financial and personal costs associated with it.** The size of those costs varies depending on the style of business you want to start. Do some research to learn what others have paid for what they achieved, and make sure you’re willing to pay that as well.

3. **Balance your optimism with an honest assessment of what lies ahead.** Most entrepreneurs are optimistic by nature. In order to face the challenges of starting a business from nothing you will need to be, and remain, optimistic about your prospects. The risk with optimism, however, is that it can cloud your ability to see potential costs. If you balance your optimism with a clear assessment of the likely costs of starting the business you have in mind, you can plan for the ones that are unavoidable, and work to avoid the ones which are not.

What You Should Learn:

1. **The Power of Written Goals** - Writing out your goals helps bring clarity to what you truly want and why. Rewriting them over and over helps weed out if they are truly important to you, and if so, helps ingrain them in your subconscious.

2. **How to Create a Life Plan** - The process of figuring out what you really want in life can be difficult and time consuming. By forcing yourself to
answer important questions, however, you can begin to clarify the picture of where you want to be.

3. **What business ownership is like?** – For many people who have never owned a business, and especially for young people hoping to become an entrepreneur, there exists a gap between the myth of the Hollywood entrepreneur and the reality of most business owners. In order to properly prepare for your future as an entrepreneur it is important to separate fact from fiction. Learning as much about the journey as possible will help you understand the costs you may be likely to pay.

**Available Resources:**

**Books:**

- **Goals! How to get everything you want – faster than you ever thought possible** – Bryan Tracy
- **First Things First** – Steven Covey
- **The E Myth Revisited** – Michael Gerber
- **The Illusions of Entrepreneurship** – Scott Shane

**Websites or Articles:**


**Outside Resources:**

Finding a business mentor to help you learn about entrepreneurship - [http://www.score.org/mentors](http://www.score.org/mentors)
Questions to Answer:

What am I passionate about or what are the most important things in my life?

____________________________________________________________________

____________________________________________________________________

What do I spend my free time doing?

____________________________________________________________________

____________________________________________________________________

What do I want my life to look like in 5 years? (Include things like location, earnings, family, friends, and hobbies/activities)

____________________________________________________________________

____________________________________________________________________

What other entrepreneurs do I know who have achieved success similar to my goals?

____________________________________________________________________

____________________________________________________________________

What did the other entrepreneurs have to pay to get there in terms of time, health, or money?

____________________________________________________________________

____________________________________________________________________
What other obligations will compete for my time and resources?

________________________________________________________________________

________________________________________________________________________

Who do I have in my life that can be a support system for me?

________________________________________________________________________

________________________________________________________________________

What other opportunities would I be passing up to spend time starting a business?

________________________________________________________________________

________________________________________________________________________

How much time is it likely to take me to get to my desired destination?

________________________________________________________________________

________________________________________________________________________

What skills will I need to develop to achieve my goal?

________________________________________________________________________

________________________________________________________________________
Stage 2 - Choose Your Path

Stage Description:

Once you have determined where you want to go, and have counted what it might cost you to get there, you can begin looking for the concept which will be the seed that forms into your business. If you have spent time in the first stage, finding the right concept will be a lot easier. One of the main and most tragic reasons for business failure is that an entrepreneur has set upon a concept which is wrong from the start.

A business can be wrong because it doesn’t fit the market, or it can be wrong because it doesn’t fit with you. Both reasons can result in failure so it is imperative that before moving forward with a business concept, you validate three key components of the concept:

1. **The viability of the concept** – Is it legal, does it violate any patents or trademarks, and is there a definable niche that the concept can target.

2. **The financials of the concept** – On paper at least, does it appear possible to generate the profits needed to sustain the business.

3. **The fit of the concept with your goals and abilities** – Is the concept and business likely to get you where you want to go, are you passionate about it, and can you do the work needed to launch and run the business.

This validation process leads to the construction of what I call an Entrepreneur Plan. The Entrepreneur Plan is like a business plan with one key distinction. The plan is written not for potential investors, as most plans
are constructed, but rather for yourself, with specific focus placed on helping you identify if you want to invest your time or money in this business.

**Stage Keys:**

1. **Choose a business in an industry you are passionate about or have interest in.** If you proceed with the business, you will most likely be spending years working in the industry. You can avoid burnout by choosing one that you have a passion for.

2. **Start with a problem you are passionate about solving, then develop a solution.** Do not conceive of a product, and then look for problems it could solve.

3. **There are few things more expensive than educating a market.** Being first to market, or developing a concept no one has ever heard of, is often the riskiest path for new entrepreneurs. Also, if your product solves a problem that no one else has solved, this should be a giant red flag that your concept may not have a big enough market.

4. **The Entrepreneur Plan**

   **- The Fit:** Write out why this business will help you achieve your life goals, and if the costs you’re likely to pay match those you have determined you can pay.

   **- The Operations:** How are you going to bring your product or service to market? What help will you need and are you likely to be able to
obtain it? What infrastructure, or systems, will you need to manage the venture? Do you think you will enjoy that process?

- **The Market**: Research the market for your product or service, and do everything you can to validate the real size of the market for your solution. How big is the problem?

- **The Niche**: How will you differentiate yourself from your competition, and how will you market and sell to your potential customers.

- **The Financials**: The key number you need to know here is your gross profit. By understanding your gross profit, you can back into the sales volume you would need to achieve break even. This will help you understand the real challenges you face. How long will it take you to sell the volume you need to break even?

- **The Funding**: You will need funding to cover two important components of your business: 1) The cost of getting the business to the point where it can begin to sell product and 2) The projected working capital you will need until you break even. The first number you can determine fairly easily. The second number requires a cash flow statement using your financial projections. Do you know people who would be willing and able to invest that kind of money? Are you prepared to take on the risk of losing their money?

- **The Key Assumptions**: There are generally two types of key assumptions every entrepreneur makes when constructing a business plan:
1. **Value assumptions** which relate to how much you think your product or service is worth to your customers.

2. **Growth Assumptions** which relate to how you plan on acquiring new customers.

You won’t know until you start trying to sell your product or service if your assumptions are correct, and these represent the biggest risk to your businesses’ survival. Identify them now so that you can focus your energy to test them as soon as you get under way.

**What You Should Learn:**

1. **Mind-Storming Technique of developing solutions** – Write out the problem on a piece of paper, and list twenty possible solutions to this problem. Stay until you have twenty solutions.

2. **How to write a Entrepreneur Plan** – The Entrepreneur Plan is a modified business plan. Start first by learning to write the business plan, then adapt it to focus on yourself, instead of investors.

3. **How to calculate Gross Profit and Net Profit for your business**

4. **How to make pro-forma projections and a cash flow statement**

5. **How to read the financials in terms of real world application.** If you have to sell $1,000,000 in product to reach your cash break even point,
what does that mean in terms of sales units or customers on a per month, per week, per day basis. Is that possible?

Available Resources:

Books:

- The Knack – Norm Brodsky
- The Successful Business Plan – Rhonda Abrams
- Entrepreneurs Notebook – Steven K. Gold
- The Intelligent Entrepreneur – Bill Murphy Jr.

Websites or Articles:

- [www.USPTO.gov](http://www.USPTO.gov) – for Patent and Trademark Searches

Outside Resources:

Questions to Answer:

Am I passionate about the industry or problem I am solving?

_____________________________________________________________

_____________________________________________________________

Do I have or can I acquire the key resources needed to launch the business?

_____________________________________________________________

_____________________________________________________________

Is the concept brand new or an established idea?

_____________________________________________________________

_____________________________________________________________

Is the concept capable or likely to provide a path to my desired destination?

_____________________________________________________________

_____________________________________________________________

Is the type of business consistent with the costs I have determined I am willing to pay to achieve success?

_____________________________________________________________

_____________________________________________________________

Are their existing patents or trademarks which will destroy the product concept?

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_____________________________________________________________
What is the size of the market for my solution and how do I know they have the problem I wish to solve?

________________________________________________________________________

________________________________________________________________________

What niche will I exploit and how will I target these specific customers.

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________________________________________________________________________

Do I or my team have the expertise to produce, market and sell the product or service?

________________________________________________________________________

________________________________________________________________________

Do I have access to the human capital, cash and other resources that will be needed to transform my plan into reality?

________________________________________________________________________

What is my projected gross profit from each sale of my product or service?

________________________________________________________________________

Based on projected gross profit and projected expenses how many units will I have to sell to break even and how long is it likely to take me?

________________________________________________________________________

What amount of money do I need to get the product or service ready to sell?

________________________________________________________________________

Based on Sales Projections and a Cash Flow Statement how much additional Working Capital will I need until sales can fund the business?

________________________________________________________________________
Stage 3 – Get Started

Stage Description:

Now that you know where you want to go, how much you’re willing to pay to get there, and have validated a business concept which (on paper at least) gives you a fighting chance to achieve your goals, it’s time to take the initial steps toward starting up your business. Even though a lot of information exists about the process, many would-be entrepreneurs give up on their otherwise viable business because they don’t understand the initial logistics associated with starting their business.

Many other entrepreneurs have experience with the logistics of starting a business. If you do not know any personally, business mentors can be found through organizations such as the Small Business Association. Finding a business mentor, or better yet, a network of business mentors who will agree to walk with you through the process, is the first step in starting up. By developing a network of mentors, you can lean on the experience of others for the crucial start up steps.

Following the establishment of your mentor network, finding a lawyer, finding money, and finding a bank will be your primary tasks during this stage. Of course there are many other challenges such as trademarks, liability insurance, workers comp insurance, state sales tax ids, federal EIN registration, accounting software, payroll information, business cards, etc. etc. The purpose of first developing your mentor network is to help you navigate the many additional steps to the process.
Stage Keys:

1. Find a Mentor(s) – There are many steps to starting a business and many people have done it before. Seek out someone in your life who has done it before who will agree to mentor you through the process. If you don’t know anyone, there are many organizations like the SBA which can help you find one. It is best to begin to develop a mentor network with mentors who have experience in many different parts of launching a business. Finding the right people to assist you will make the start up process much easier.

2. Find a Lawyer – Most businesses which hope to grow to any appreciable size will need the help of a Lawyer to get properly established. Lawyers can assist with everything from filing the incorporation paperwork to creating the ownership structure. Ask your mentor for help finding a business attorney who specializes in new businesses.

3. Find some Money – You will need money to pay legal fees and other costs associated with the first steps of startup. You will most likely have to come up with this cash yourself, or borrow it from friends or family. Beyond that, you will need to find the investors for your initial funding. Consult with your mentor, and your lawyer, when constructing investment offers and be careful not to give too much equity away for small investments.

4. Find a Bank – This is not included in the “Find Some Money” key because unless you have a tangible asset like a house to borrow against, a Bank will not provide you early stage financing. Your banking relationship is one, however, that is important to cultivate when you don’t need money from them. They may provide funding later.
**What You Should Learn:**

1. How to find business mentors in your area

2. How to write a business plan for investors

3. The difference between debt and equity investors

**Available Resources:**

**Books:**

- *Entrepreneurs Notebook* – Steven K. Gold
- *Successful Business Plan* – Rhonda Abrams

**Websites or Articles:**

- [https://www.incorporate.com/completing_startup_tasks.html](https://www.incorporate.com/completing_startup_tasks.html)

**Outside Resources:**


Finding a business mentor to help walk you through startup - [http://www.score.org/mentors](http://www.score.org/mentors)
Questions to Answer:

Who in my life would be able to provide insight on the steps of starting a business?

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Where will I get the $2,000-$5000 it will cost to pay for the initial services I need?

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What types of investors have the kind of money I need for my first round of investment?

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_____________________________________________________________

What will my investors be looking to get in return for their investment?

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_____________________________________________________________

Do my goals for the business align with they goals of the type of investors I need?

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Stage 4 - Learn to Walk

Stage Description:

After establishing the business entity, and obtaining your initial start up capital, you are finally able to begin making the first initial movements toward building a business. Much like a baby who is learning to move for the first time, this stage involves a lot of failures, and a lot of falls. Failure is part of every new business, but what is important at this stage, is to learn quickly from the mistakes, and correct your actions before your initial startup capital disappears.

Your first task is to test the key assumptions you made regarding the value of your product, or service, and how you plan on growing the business. This requires that you begin attempting to sell to real customers as soon as possible. This crucial step is missed by many entrepreneurs who opt instead to spend most of their initial time, and money, on product development, beautiful packaging, or detailed marketing literature. By attempting to first sell a product suitable of adequately meeting the needs of the early adopters, the company can test the value and growth assumptions without spending a lot of its resources first.

As you sell your initial product, or service, you begin to learn the real needs and desires of your customers. By modifying what you are offering, and how you are attracting new customers, you can begin to develop a true sense of the value and growth options for your business. As soon as you determine these two key elements to your business, you can move to your main focus in the early months or years of your business – reaching cash flow break even.
The concept of cash flow break even is distinct from break even on a profit and loss statement. Reaching your cash flow break even point means that the cash coming into the business each month from your receivables is sufficient to cover all of the expenses the business incurs in that month. The start up capital you received from your investors creates the runway of time you have for your business to take off. As you spend more money than you bring in during the first months of the business, your runway is getting shorter and shorter. By disciplining yourself to stay focused on reaching cash flow break even, you effectively can make the runway unlimited in length. This provides you the crucial time you need to focus on building the engine of growth you’re going to use to take off.

Achieving cash flow break even may seem like a simple enough concept, but many entrepreneurs miss it while focusing too heavily on the top line sales figure. Growing sales is exciting, and almost every entrepreneur’s key focus is on achieving this growth. Sales, however, do not equal cash, and in many cases, the wrong kind of sales at the wrong time can kill a business faster than any other outside force. Learning to walk before you run ensures that the fundamentals of your business are solid enough to enter your growth phase.

**Stage Keys:**

1. **Begin right away to test your Key Assumptions.** This process will involve iterating your product offering, and your marketing, in order to determine the right fit for your market.
2. **In order to test your assumptions you must try to sell your product, or service, to someone.** For certain products, or services, this can be accomplished by creating a minimally viable product to go to market with. For other products, this may require “selling,” by producing marketing materials which present the product virtually, and gauge customer response.

3. **Develop key metrics based on your value and growth assumptions,** and use those metrics to test your progress with each product, or marketing change. Top line sales can grow without validating the value, or growth, assumptions. Don’t be fooled by top line sales growth alone.

4. **Determine your cash break even point,** and focus on getting the company to that position as soon as possible. Cash Break Even is defined as the place where profits from sales are enough to cover all of the cash needs of the business.

5. **In order to get to your cash break even point, you must be disciplined to avoid growing sales for sales sake.** Most entrepreneurs want to see sales rise every hour of every day. Remember that sales do not pay the bills, profits do. If you start running before you learn to walk, you are liable to fall flat on your face. First learn to generate the kinds of sales which produce the profits you need, then it’s time to focus on growing these sales.

**What You Should Learn:**

1. **How to sell** – You will need to now begin the process of selling your products. Learn some techniques to improve your success.
2. **How to develop targeted marketing campaigns** using online advertising through sites like Google, Facebook and Bing.

3. **How to develop metrics** which will help you measure your progress toward validating your key assumptions.

**Available Resources:**

**Books:**

- Advanced Selling Techniques – Bryan Tracy
- The Lean Startup – Eric Ries
- The Knack – Norm Brodsky

**Websites or Articles:**

Getting started with Google Adwords

Getting started with Facebook Advertising
Questions to Answer:

What is my Value Assumption? What have I assumed I can sell the product, or service, for?

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_____________________________________________________________

What is my Growth Assumption? How did I anticipate bringing in new customers?

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_____________________________________________________________

What are some ways I could test my assumptions without spending a lot of time, or money?

_____________________________________________________________

_____________________________________________________________

What metrics could I develop to evaluate if my assumptions are being proved, or disproved?

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_____________________________________________________________

Given my real gross margin (after learning a true sell price), and my fixed expenses (after learning how much marketing will cost), what sales revenue do I need to reach cash break even?

_____________________________________________________________

_____________________________________________________________
What does that revenue translate into in terms of number of customers, number of active accounts, or units of sale needed?

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_____________________________________________________________

What kinds of additional costs might I incur in order to sell the number of units necessary for cash break even?

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_____________________________________________________________

If I have to spend more money in order to gain the sales I need, how does that change my calculations?

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If I reduce my gross margin in order to acquire more sales, how does that change the answers to questions 4 and 5?

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Stage 5 - Learn to Run

Stage Description:

Once you have reached cash flow break even by focusing on developing your value, and growth plans, and executing them profitably, it is time to turn your attention to faster growth. This stage involves identifying the primary engine of growth your business will use to, discovering how to tune that engine, and then setting in place safeguards to ensure your systems and staff grow along with the business.

In his book, The Lean Startup, Eric Ries describes three primary growth engines which you can use to grow your business.

1. The Sticky Engine – This engine is primarily characterized as achieving growth by customer retention. The primary economic driver is repeat customers. Growth comes by reducing the number of customers who leave the business.

2. The Viral Engine – This engine describes businesses that grow primarily through word of mouth, or through customer actions. When others see, or hear, customers using the product, or service, they purchase. Growth comes by increasing the “viral coefficient,” and having more customers purchase for every single customer the business has.

3. The Paid Engine – This engine is characterized as achieving growth through paid advertisements. Growth comes by ensuring that the profits from each sale are enough to pay all expenses, and leave enough remaining to advertise for more leads and convert another sale.
Once you understand the engine of growth that primarily drives your business, you can set your whole staff about the task of tuning that engine. By staying focused on the primary engine, and understanding the specific metrics which help tune this engine, you can save time spent pursuing other less profitable growth strategies. As the business tunes its engine, growth can occur rapidly. Rapid growth can be wonderful, but if not managed, it can also cause major problems. It is at this point that you need to turn some of your attention inward on the business, so that as it begins to run, it doesn’t trip.

As your business grows, it is natural that many of the systems, and some of the staff members, who helped the business get to this stage will not be able to manage the business through growth. It is important that problems with systems, and staff, are discovered early in the process so that they can be addressed before causing harm to the business. Discovering these problems means getting to the root cause of issues your business encounters as it begins to grow.

Your goal in evaluating, and improving, the systems, and staff, is to develop the business to the place where the day to day activities are handled effectively without your constant attention. Once the day to day functions of the business are being managed by your employees, and systems, you can be free to choose the next path for yourself, and your business. You can be free to define your future.
Stage Keys:

1. **Determine the primary Engine of Growth your company employs.** There are three primary engines – The Sticky Engine for companies who rely on customer retention for growth, The Viral Engine for companies who rely on word of mouth, or viral growth, and the Paid Advertising Engine for companies who rely on advertising to drive growth. Each engine is tuned in specific ways.

2. **Develop the internal metrics you need to tune your engine** in each division of your company, and align the goals of the entire company to participate in tuning the engine.

3. **When your business starts to grow, the systems (and staff) you used before growth will start to fail.** Do not become so focused on growth that you ignore developing new systems, and staff. Instead, develop internal governors for speed that require you to focus on sustainable growth.

5. **During the Learn to Run stage, the statement “People are your most important asset” becomes true.** Focus on staffing A players in each of your key departments.

6. **Watch the numbers – improving your systems, and your staff, will change your operating expenses.** You need to constantly ensure that your growth, and your margins, remain in the range where your profits, and cash flow, are positive, and that you are not consuming all of the extra profit with extra expense. Few things are worse in business than spending all the time, and effort, to grow sales and then realizing that you’re actually making less money.
What You Should Learn:

1. **How to identify and tune the Engine of Growth specific to your business.** Every business uses some of all three engines, but in general, one engine should become your primary focus.

2. **How to create metrics and goals specific to your Engine of Growth.** In order to tune your engine, you must have metrics that can be broken down into smaller goals for each department.

3. **How to do root cause analysis using the method of the Five Why’s**

Available Resources:

Books:

- [The Lean Startup](#) – Eric Ries
- [Topgrading](#) – Bradford D. Smart
- [Good to Great](#) – Jim Collins

Websites or Articles:

Understanding Google Analytics and how it can help tune your engine

- [http://understandinggoogleanalytics.com](http://understandinggoogleanalytics.com)
Questions to Answer:

What is our primary growth engine?

_____________________________________________________________

What is the number one metric which governs the speed of this growth engine?

_____________________________________________________________

How can I translate that one metric into smaller measurable goals for each department of my company?

_____________________________________________________________

What rate of growth do I think we can achieve?

_____________________________________________________________

What systems we currently use will be unable to handle the rate of growth projected, or will limit our ability to grow?

_____________________________________________________________

What staff we currently have in key positions will be unable to handle the rate of growth projected, or will limit our ability to grow?

_____________________________________________________________
Stage 6 - Define your Future

Stage Description:

The process of evaluating a business, starting it, learning how to walk and run, and developing the systems, and employees, necessary to keep it running is a long, and challenging process. As detailed above, most entrepreneurs do not make it to this stage. Once you do make it to this part of the process, many opportunities, and many questions, become important. The main question you need to answer now is what path you want yourself, and your business, to take. In some ways, this is almost like returning to stage one in that you now need to define your future.

There are three basic paths now open you. One is to take what you’ve learned and really set about growing the business using the systems you’ve created in the previous stages. Choosing this path involves further evaluating, and tuning, the engines of growth of the business. It is also likely that in order to take your business to the next level, you will need to develop additional products, or services, to reach new markets, or expand the ones you have now. This new business development is not entirely different than launching an additional new business. I recommend returning
to stage one, Determine your Destination, again before making the choice to pursue continued strong growth.

Another path open to you at this stage is to allow the business to grow at a sustainable pace, and complete the task of creating the systems, and developing the employees, to manage all of the day to day functions of the business. By doing this, you are able to transition from being employed by the business, to truly owning the business.

The other path, discussed in many business planning books, is to sell the company outright. While a select super-minority of businesses sell by “going public”, most businesses sell to private buyers, or buying groups, and sell for some multiple of Earnings Before Interest Tax Depreciation and Amortization (EBITDA). Learning how to calculate this number, and what multiple of it a business in your industry is likely to sell for, will help you understand a ballpark range of the value of your business. By planning ahead you can increase this number before going to potential buyers.

Defining your future is not the end of your journey with the business. No matter what path you choose, there are still many items which will require your focus, and time. The point is to focus on the future you want, and set yourself, and the business, on the path to making that happen.
Stage Keys:

1. There are three main paths you can take after developing a company with sustainable growth.

**Go Big** – Decide that the company is ready to reach the next level by speeding up the engine, and adding products, or services. This will require a renewed commitment of your time, and energy. Do you want to give that commitment?

**Go Slow** – Keep the company at a pace of sustainable growth with high profitability. Focus attention on completely developing the systems, and staff needed to maintain the company. This will allow you to transition from working on your business to owning your business.

**Go Home** – A business with profitable, sustainable growth, is of course, a valuable asset, and can be sold. Most businesses sell for some multiple of Earnings Before Interest Tax Depreciation or Amortization (EBITDA). Learn what multiple your business is likely to obtain, and plan accordingly. Focusing on increasing the EBITDA before looking for a buyer can increase the value of the business at sale.

2. Any path you choose requires planning and time to implement those plans. Define your future now so that you have time to move the business in the direction you choose.
What you should learn:

1. What systems you would need to grow big
2. What systems you would need to run things without you
3. How to calculate EBITDA for your business
4. What multiple of EBITDA is normal for businesses in your industry

Questions to Answer:

Do I believe the company could grow much bigger than it is today?

________________________________________________________________________

________________________________________________________________________

Would the growth require an investment in developing new products, or services?

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________________________________________________________________________

What type of commitment in time, or money, would be required to achieve that growth?

________________________________________________________________________

________________________________________________________________________

Do I want to make that commitment?

________________________________________________________________________

________________________________________________________________________
Am I happy with my work, and my life, and do I want to continue running the business?

What things would I like to change about my work, or my life?

What additional systems, or staff, would I need in order to completely remove myself from day to day business activity?

What is our current EBITDA?

What multiple of EBITDA is my company likely to obtain?
ACADEMIC VITA

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Education

The Pennsylvania State University – University Park, PA

• Schreyer Honors College at The Pennsylvania State University
  Thesis Title: The Stages of Successful Entrepreneurship
  Thesis Supervisor: Prof. Elizabeth Kisenwether
• B.S., Civil Engineering, 2013, Pennsylvania State University, State College, PA
• Minor in Engineering Entrepreneurship
• Honors in Engineering Entrepreneurship
• Phi Kappa Phi – Honor Society

Professional Experience

• DiamondBack Automotive Accessories Inc. 2003-2013 – Co-founder and CEO of DiamondBack
  Automotive Accessories Inc, a manufacturing company in Philipsburg, PA. Oversaw the
  development, marketing, sale, and production of over 200 distinct products, and 5 brands,
  representing over $18,000,000 in cumulative sales. Managed firm to sustained profitable growth, and
  36 employees.

Relevant Skills:
- Product Engineering
- Project Management
- Peachtree Business Accounting Systems
- Proficiency in MS Excel, Word, Powerpoint
- Business Financial Management and Financial Document Analysis
- Investor Negotiations and Reporting
- Human Resources Management
- Business Marketing
- Advanced Sales Training
- Production Management
- Purchasing and Cost Reduction
- Public Speaking
- Brand Development