

Now Calling All Entrepreneurs!

Bottom Line

Are you interested in starting your own business but not sure what it will entail or where to start? One thing is certain —entrepreneurship is not for the faint of heart! But it is one of the most fulfilling endeavors you can undertake.

In this session, Woody shared practical steps to start and grow a business. From a lemonade stand to the next Google, we covered vital information applicable to your next entrepreneurial venture.

Definitions of an Entrepreneur

- A person who organizes and operates a business or businesses, taking on financial risk to do so (Webster's Dictionary).
- A person who has possession of a new enterprise, venture or idea and is accountable for the inherent risks and the outcome (Wikipedia).
- ...the act that endows resources with a new capacity to create wealth (Peter Drucker).

The Myth

Many people falsely assume that starting their own business will:

- Give them more time at home, for their family and for themselves
- Be easy and generate lot of money up front

The Truth

The reality is that starting your own business will mean:

- You have less time at home, for family and yourself
- You will work harder than you've ever worked
- You will make less money than you've ever made

But starting your own business is worth it because it gives you freedom to do what you have been called to do.

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Two Keys to Building a Business

1. Know how to innovate
2. Know how to market

Let's Talk About Innovation...

Innovation is defined as: The ability to re-invent the basis for competition within existing industries and to invent entirely new industries.

Strategic innovation means rewriting the rules. When you change the rules, you own the game.

Peter Drucker is revered as the foremost thinker in the field of entrepreneurship. He espoused the idea that entrepreneurship is systematic. Very rarely does success in business happen by chance. To succeed, you have to innovate.

Drucker's 5 Principles of Entrepreneurship:

1. Analyze the opportunity for innovation
2. Determine whether consumers will be interested in using the innovation
3. Focus the innovation on a specific need
4. Start small and then build the innovation
5. Aim at market leadership

The product cycle (from creation to completion) used to be 5-10 years. Now it lasts 6 months to 2 years.

To beat the cycle, you must innovate. You need to know your customers and offer products that serve them. Be obsessed with meeting the needs of your customers.

Examples of Innovators:

- Howard Schultz: Starbucks
- Phillip Knight: Nike
- Bill Gates: Microsoft
- Steve Jobs: Apple
- Mark Zuckerberg: Facebook

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2 Keys to Strategic Innovation

1. Be just ahead of the curve. Be first to initiate a trend.
 - Branding: when they think of the best, they think of you
 - When you step in and innovate, everyone else has to fight for 2nd place
2. Find a trend where there's real potential.
 - Don't waste your time on a flash in the pan

CollegePlus! Story

Even though the CollegePlus! story is still low profile compared to stories like Starbucks or Apple, it is still a great example of success in business. The initial seed was planted in 2001 when Brad Voeller wrote Accelerated Distance Learning.

In 2003, Brad, Ryan Yumane and Woody Robertson started figuring out a coaching model. The business officially began in a garage in 2004 with around 20 students the first year. Since then CollegePlus! revenues have grown at a minimum of 50% and, for the last two years, the company has double in size each year.

We made our first acquisition in December of 2009 and now employ over 80 people and have two office locations (San Antonio, WA State). We are still very small, but we are eager to learn and grow both as individuals and as a company.

Ten Keys to Building a Business

1. Find a Need
The bottom line is if there is no need, there is no market. In order to succeed in business, you must understand the market. Ask yourself: Who is your market? What are their purchasing habits? How big is the market? How will an economic downturn impact your business?
2. Pilot before Launch
Prove your model before you launch. Experiment with minimal investment then budget and execute a pilot. Ask yourself: Is it scalable? Incrementally develop and then release for best results.

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3. Expand In Related Services

It is five times more expensive to find a new customer than it is to sell to an existing customer. Also, consider your product/service. There is a world of difference between mowing lawns for \$500/year and trimming trees/shrubs for \$1,000/year. And the difference is simply tweaking the specialty of your product/service.

4. Seek Accountability and Counsel

This is crucial...and biblical! Wise counsel and learning from others who have gone before you is invaluable. Here's another tip: make sure you have clear written expectations. It will save time for you and your mentors.

5. Gain Financial Competence

In order to be successful in business, you must understand cash flow and budgeting. You must learn how to read financial documents, P&L/Income statements, balance sheets and statements of cash flows. You can't afford to be ignorant of financial practices.

6. Work Off of a Plan

Any successful endeavor begins with a plan. Develop your business plan right away along with a sound budget and cash flow projection. Without these you will be lost.

7. Develop Sales and Marketing

One of the keys to success in business is developing your sales and marketing. This is ever changing, ever evolving. Ask yourself: How will I market your product/service? Develop a network of win/win relationships and always remember: People want you to (1.) simplify their lives and (2.) take away their fears.

8. Build Your Team

Taking time to build your business team is essential. A successful business team is made up of your core internal staff, a sound lawyer, a good CPA and a banker.

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9. Identify the Right Name

Your name is everything in business. Check trademarking for the one you choose. Buy the .com for it first. Build a “mote” around your business by purchasing all available domain names.

10. Manage Your Time

In order to accomplish everything you need to accomplish and meet your deadlines, you need to ask yourself the following questions:

- What one thing (that you aren’t doing now) would make a tremendous positive difference in your personal life if you did it on a regular basis?
- What one thing in your business or professional life would bring quantum leap results?

So, remember: being an entrepreneur and starting a business is hard work. Success does not come without great sacrifice. You must be willing to dedicate your time and resources to the endeavor, but, if you do, the end result will be worth it because you are doing what you have been called to do.

For More Information

- The Ultimate Business Mastery System, Tony Robbins
- Study: The Anatomy of an Entrepreneur (549 company founders)
- 7 Habits of Highly Effective People, Stephen Covey
- Built to Last, Jim Collins & Jerry Porras
- Mastering the Rockefeller Habits, Verne Harnish
- Venture Academy, Wade Myers
- Rich Dad, Poor Dad, Robert Kiyosaki

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