

A GOOD HARD KICK IN THE ASS

Basic Training For Entrepreneurs

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MAIN IDEA

There are many myths about starting a business which are distracting and misleading for aspiring entrepreneurs, for example:

- “I have a great idea for a new business. Now all I need is \$10 million to get the company on its feet and going.”
- “I have a new idea that’ll be a billion dollar business – all we need is a tiny slice of the \$50 billion Internet market”.
- “All I need is enough money to do some good advertising, and then my business will be able to go public in a couple of years”.
- “This is such a great new idea that no one has ever thought of it before – we will have no competition.”

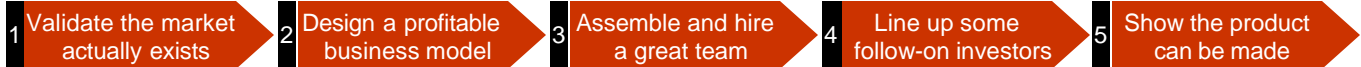
Anyone who believes these myths needs a good swift kick in the pants because they have nothing to do with how successful companies are actually started and grown in the intensely competitive winner-takes-all battles of the real world. Unless a potential business builder can ignore the hype and get back to the fundamentals, they stand little chance of success.

So just what, exactly, are the fundamentals of starting and growing a business? There are nine principles and five milestones:

The Nine Principles of Basic Training for Budding Entrepreneurs

- 1 Obsess over building a great team – not a great idea.
- 2 Learn everything that can be known about your customer.
- 3 Get to market fast with whatever you have! Right away!
- 4 Raise just enough capital to get to the next milestone.
- 5 Investors fund great teams – not business plans.
- 6 The right investors will always wait for quality returns.
- 7 Know the difference between marketing and advertising.
- 8 Own the sales process. Understand how to sell.
- 9 Avoid complacency – retain the entrepreneurial spark.

The Five Key Milestones in Getting Your Product to Market



In essence, unless you stick to and handle the fundamentals well, nothing else really matters – you’ll simply end up as “roadkill” on the highway to success. Pure and simple, a business exists to make money. Unless you have a straightforward and logical way to achieve that, don’t even bother starting a new company – you’d be better off working for someone else who does.

“I’ve been involved with new businesses for all of my working life, and I’m incredulous that the entrepreneurial path has been so polluted. Who believes all this junk? Believe me, it’s not just the technohip I-want-to-retire-by-the-time-I’m-thirty crowd. I hear experienced corporate executives say things like, ‘The Internet represents a \$50 billion market, and we will capture one-half of one percent of that.’ People who’ve spent decades building sophisticated technology will say, ‘All I need for marketing is some advertising’. Or consider this, from a Fortune 500 stalwart spinning out a new business unit: ‘We have no competition.’ What I say is ‘Dream on!’ You need to calibrate your BS meter. Let go of all the crap people believe about the startup enterprise. There is only one path to success in a startup. What’s that? Hard work – and adherence to the fundamentals.”

– Rob Adams

Principle #1 – Obsess over building a great team – not a getting great idea Page 2

Principle #2 – Learn everything that can be known about your customer. Pages 2 - 3

Principle #3 – Get to market fast with whatever you have! Right away! Pages 3 - 4

Principle #4 – Raise just enough capital to get to the next milestone Page 4

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Principle #6 – The right investors will always wait for quality returns Pages 5 - 6

Principle #7 – Know the difference between advertising and marketing. Page 6

Principle #8 – Own the sales process. Understand how to sell your product. Page 7

Principle #9 – Avoid complacency – retain the entrepreneurial spark. Page 8

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