

DECEMBER 2010

octane
The Entrepreneurs' Organization Magazine

“There were a hundred reasons why it wasn't smart to make the move, but I only needed one to do it.”

OLUMIDE SOMEFUN EO NETHERLANDS
“KNOWING WHEN TO LET GO”
PG. 14





“From the start, I designed and built the organization to function without me.”

KEEPING YOUR EXIT IN MIND

CLIFFORD HOLEKAMP EO ST. LOUIS

PG. 13



**Entrepreneurs'
Organization**

EO Global Board of Directors

EO Chairman

Michael Caito
EO Orange County

EO Chairman-Elect

Kevin Langley
EO New Orleans

EO Chairman-Elect-Elect

Samer Kurdi
EO Saudi Arabia

Director

Cindy Boyd
EO Houston

Director

George Gan
EO Malaysia

Director

Adam Glickman
EO Los Angeles

Director

Tom Hobson
EO Cleveland

Director

Steve Kearley
EO Toronto

Director

Louis Licata
EO Cleveland

Director

Fletcher McKenzie
EO New Zealand

Executive Team

Executive Director

Bob Strade

SVP of Membership

Brian Costanzo

*SVP of Communications
and Marketing*

Courtney Shafer

SVP of Operations

Jason Tate

SVP of Learning

Keith Williams

Publication Team

Editor-In-Chief

Jill Amstutz

Managing Editor

Nicholas Thomas

Art Director

Joshua Leung

Global Support Services Office

Washington, DC, USA

Entrepreneurs'
Organization
500 Montgomery Street
Suite 500
Alexandria, VA
22314-1437 USA

info@eonetnetwork.org

www.eonetnetwork.org

T +1.703.519.6700

F +1.703.519.1864

Regional Support Services Offices

Panama City, Panama

T +507.265.0026

Brussels, Belgium

T +32.2.643.2043

*Victoria, British
Columbia, Canada*

T +1.250.478.1293

Singapore

T +65.6224.9340



To access Octane's archive, scan this code using your smartphone's barcode reader app, or visit **www.eonetnetwork.org/knowledgebase/octane**.

Publications Mail Agreement No. 40624074
Return undeliverable Canadian addresses to:
P.O. Box 503
RPO West Beaver Creek
Richmond Hill, ON L4B4R6

© 2010 Entrepreneurs' Organization.
All rights reserved worldwide.



Mixed Sources

Product group from well-managed
forests, controlled sources and
recycled wood or fiber
www.fsc.org Cert no. XXX-XXX-000
© 1996 Forest Stewardship Council



8
EO Asks

10
Lessons Learned

12
EO Q&A

16
Connection to Experts

19
Member Recommendations

22
EO Pulse

24
Quoted & Noted

25
Global Learning Calendar

4



Five Secrets to Winning an RFP

TOM GIMBEL EO CHICAGO

"Bidding for an RFP is an exciting process, and becoming skilled at effective selling via an RFP is an essential tool in today's economy."

5



Intellectual Property Myths

JERN ERN CHUAH EO MALAYSIA

"The most dangerous myth of all is the belief that owning IP is all you have to do, and that ownership alone equates to your own cave of riches."

6



Sales Strategies for Better Business

ROBYN SACHS EO DC

"There are no 'hidden secrets' when it comes to generating more sales for your business; it just comes down to cold, hard calculations."

7



Thinking Outside of the Box

MARTY METRO EO LOS ANGELES

"Fueled by my ego and not a business plan, I left my secure job in the corporate world to embark on an eco-friendly, entrepreneurial idea."

8



Culture Killers

MATT SHOUP EO COLORADO

"Having a company culture is not enough; it should 'smell sweet' and incite employees to do their best work."

9



Giving Back to Get Ahead

JOHN RUHLIN EO ST. LOUIS

"With people cutting back on costs, a recession is a poor time to give gifts to employees, clients or prospects, right? Not necessarily."

10



Why I Didn't Jump Off the Lighthouse

MATTHEW WEISS EO NEW YORK

"The business world is rampant with stories of successful companies getting out-manuevered due to complacency. I didn't want that happening to me."

11



Retaining Employees in Tough Times

SIMONE ALLAN EO SYDNEY

"As an entrepreneur, knowing when to cut ties with employees that don't add value is a necessary step in the growth of a business."

12



The Benefits of Going Green

FRANK VEGA EO HOUSTON

"What started out as a fun way to help the earth turned into a project that increased our operational efficiencies and fostered a more collaborative office culture."

13



Keeping Your Exit in Mind

CLIFFORD HOLEKAMP EO ST. LOUIS

"Many important strategies for increasing the appeal and value of a business upon exit are best implemented from the start."

14
FEATURE
STORY



Knowing When to Let Go

OLUMIDE SOMEFUN EO NETHERLANDS

"At the time, stepping away from my law firm wasn't something I could easily picture; you don't leave a company you built just to try something new— or do you?"

17



Avoiding the Short-Term Mindset

DEREK PRESTON EO SAN DIEGO

"At a time when spirits were high and our focus was on building a business, I didn't think too hard about the stock grants. That was my first mistake."

18



Growing Your Own Talent

GREG CRABTREE EO ATLANTA

"I realized that everything boiled down to my hiring style. It wasn't until I learned to grow my own talent that things started to make sense."

19



Wine Your Way to Success

ALEX ANDRAWES EO AUSTIN

"You're going to dinner with a prospective client and you want to seal the deal. Why ruin it with a few faux pas over food?"

20



EO Insights

In this special section, EO members share their insights on business management.

21



My Journey through EMP

NIKHIL NATH EO NEW DELHI

"I thought I knew everything, until trying to start a business convinced me I knew nothing at all."

THE BUSINESS OF GROWTH



MICHAEL CAITO (ON RIGHT) WITH KEYNOTE SPEAKER RALPH SIMON AT THE 2010 EO CAPE TOWN UNIVERSITY, HELD 10-14 NOVEMBER.

I was talking with a member the other day, and he mentioned some of the cool things EO brings to his personal and professional life.

He touched on the great learning tools, awesome global events and various Forum benefits— all of the perks we espouse on the chapter, regional and global levels. And then he mentioned the relationships. Specifically, the deep connections he's made with countless entrepreneurs around the world. It is the people of EO that keep him renewing, the valuable relationships that help him become a better entrepreneur.

As busy as we are, it's easy to forget what really drives this organization— one another. When you're plugged into the EO network, you're connected to the world's preeminent entrepreneurial directory. With more than 7,500 members at our disposal, we have a tremendous opportunity to strengthen our networks and leverage experiences for better business. United, we serve as each other's teachers, teammates and tour guides throughout this entrepreneurial journey, and we do it because we understand the importance of growth through shared experiences. The stronger we become as a community, the bigger our impact on global business.

Relationships, networks, shared knowledge— these are all factors in the growth of this organization and the EO experience. To keep this development going, we must continue to invest in EO by investing in ourselves. I encourage you to attend EO regional and Global events, where you can connect with your peers and learn from renowned business experts. Also, support chapter activities that promote education and networking. You'll be surprised to discover the calibre of best-practice sharing that occurs on the chapter level. Finally, invest in your growth by participating in EO's peer-focused programs like the Mentorship Program and Member Exchange. These programs are designed to foster relationships that breed success, and they're just a few of the ways you can grow as a leader.

Speaking of growth, after talking to that member about his EO experience, I was reminded of the real reason why I joined EO. It wasn't to beef up my resume or generate publicity for my business— I wanted to learn, lead and make a mark. I wanted to make a difference in the lives of other entrepreneurs and their respective business communities. I joined EO because I knew that I would be an ambassador of change, and that my mistakes, lessons learned and successes would help other entrepreneurs learn and grow. When it comes down to it, it's all about building the better entrepreneur through peer-to-peer support. When we do that, we all win.

However you decide to grow this quarter, know that EO is committed to providing you with the tools you need to become giants of business and community.

Building the better entrepreneur with you,

A handwritten signature in blue ink, appearing to read 'Michael Caito'.

MICHAEL CAITO
EO GLOBAL CHAIRMAN

Questions? AskCaito@eonetwork.org

The Future of Entrepreneurship



The world needs leaders now more than ever. In the face of economic uncertainty, new technology and changing policy, the business world is in a transformative state. You can almost feel that palpable synergy borne from the marriage of passion and action. It's electric. It's inspiring. It's driven by entrepreneurship.

As entrepreneurs, you serve as purveyors of change, leading the way through innovation and daring. Through your actions, you are creating an entirely new business landscape, and that's

exciting. Every day, you have a very real, very powerful opportunity to innovate, lead and inspire in your business and beyond. That leadership is in your DNA, and in your role, you create the rules by which the business world operates. By leveraging that high-octane drive you harnessed to create your company, you can espouse the benefits of entrepreneurship in all corners of the world. As an organization, we're working with you every step of the way.

In ways big and small, EO is affecting change by partnering with local and global initiatives designed to stimulate economies, build business communities and spur job creation. As an example, for three weeks in late September and early October, we participated in "A New Beginning," a program in partnership with the U.S. State Department and Business for Diplomatic Action. In all, 30 leading entrepreneurs from 30 different countries participated in a program of peer-to-peer sharing, cultural engagement, mentoring and relationship-building with US entrepreneurs, business executives, government officials and leaders from civil society. To read a first-hand account of this experience, go to page 22.

Another way we're growing the entrepreneurial community is by giving members the tools they need to become leaders of business. Of course, one of those tools continues to be this award-winning magazine, which offers a diverse collection of member experiences designed to educate, inspire and inform. In this issue, we offer articles from a wide variety of members, all of whom use their experiences to help you learn and grow. Whether it's from marketing guru Seth Godin, who talks about the future of social media in business, or EO Netherlands member Olumide Somefun, who proves that passion is critical to success, there's plenty of learning to go around.

I hope you find inspiration in your peers' stories. More important, I hope you pay it forward by sharing your own experiences. In doing so, you're driving home the importance of growth through learning, and that's an invaluable part of our mission as an organization. I'd like to thank the authors in this issue and those who have written for EO in the past. Your passion for knowledge sharing is appreciated, and it's a big reason why EO is at the forefront of global business innovation.

Enjoy this issue of *Octane*, and may you find success in all that you seek.

Regards,



BOB STRADE

EO EXECUTIVE DIRECTOR

EO UPDATES

2010 EO Cape Town University



More than 300 members attended the **2010 EO Cape Town University**, held in Cape Town, South Africa, from 10-14 November. Members learned from some of the world's brightest business minds, engaged the Cape Town culture and experienced its remarkable history. Highlights include humanitarian insights from social activists, an International Forum and once-in-a-lifetime activities like flying in a combat helicopter. A big thank you goes out to the EO South Africa and the EO Cape Town University committee for a truly global experience!

EO24 a Resounding Success



On 18 November, EO held its second **EO24** event, a global learning program created to inspire and support the next generation of entrepreneurs. More than 80 chapters participated, representing 24 hours of global entrepreneurial learning and knowledge sharing. The event could be seen on the EO24 Web site in real-time, offering 1,115 hours of total footage. For more information, visit <http://events.eonetwork.org/eo24>.

2010 GSEA Winner Announced



On 18 November, EO announced Brent Skoda (pictured) as the winner of the **2010 Global Student Entrepreneur Awards (GSEA)**. Brent is the founder of CollegeFitness.com, an exercise-themed social network and nutritional data source for athletes. This year's GSEA, hosted by the Ewing Marion Kauffman Foundation, attracted about 2,000 students from 650 universities and colleges around the world. The finalists' businesses represented more than US\$36 million in sales.

*In the September issue of *Octane*, the **2010 EO Texas Round Up** was incorrectly described as a regional event. It was a South Central U.S. area event.



FIVE SECRETS TO WINNING AN RFP

TOM GIMBEL EO CHICAGO

One of the best ways to ensure you're on the receiving side of new business is to perfect the art of the request for proposal (RFP), an invitation for businesses to submit a proposal on a needed commodity or service. My staffing and recruiting firm recently developed three RFPs with clients in varying industries. As a mid-sized regional firm competing for business against national firms with extensive resources, our challenge was to prove our worth in a national marketplace. Here is how we did that:

1. Assign Responsibility

When crafting an RFP that could result in a substantial increase in revenue, it's easy to have too many cooks in the kitchen. We started the RFP process by assigning clear responsibilities to team members, ensuring the appropriate people were taking lead roles in the project. We also kept the RFP team compact, but diverse, specific to their expertise. Limiting the RFP team to three to five people simplifies and expedites a winning response.

2. Give Them What They Want (Nothing More, Nothing Less)

Companies spend a substantial amount of time and energy creating an RFP that will level the playing field for their potential vendors and garner the exact information they need to reach a decision. Give them what they ask for. When we prepared our RFP responses, we were thorough, but simple. We made our pitch early and often, providing only the necessary details to illustrate why our company could add more value than our competitors. Including information outside of the set guidelines may cause your proposal to be bypassed.

3. Know Your Limits

Each time we participate in an RFP, we remind ourselves that we can't be everything to everyone. When we were competing for a national contract with a consumer products company, our client needed a vendor who could provide scientific candidates to support their research and development team. We didn't have a team like that in place, so

we quickly established one. Doing this helped us win the bid. When formulating our RFP response, we were realistic and clear about what our company could deliver. We knew that we will be asked to prove our worth, and overselling without the ability to execute is a swift way to lose new business.

4. Provide Concrete Examples

While completing an RFP for a national education company, we knew that our past industry success would be integral to winning the bid. To prove our worth, we highlighted the success we've had with companies in this vertical. This display of industry knowledge helped us become a front-runner in the company's RFP process, and eventually prevail over our competitors. We won by providing concrete examples of past success; displaying tangible examples with quantifiable results to illustrate how the same outcome could be achieved at the prospective company; and demonstrating a proven implementation plan that aligned with the prospect's established policies and staff.

5. Ask for Feedback

Whether we win or lose an RFP, we always ask for honest feedback from the prospect. Doing so allows us to enhance our internal procedures, services and products for the future. Regardless of the outcome, an RFP process will illuminate strengths and weaknesses within an organization, and how it measures up against its competitors. This feedback is an important step in examining areas for improvement regarding internal operations, client communications and service offerings.

Bidding for an RFP is an exciting, albeit arduous, process for businesses, and being skilled at effective selling via an RFP is essential in today's economy. I've learned it's best to hone these skills sooner rather than later to assert, or maintain, your competitive advantage in the marketplace.

Tom Gimbel is president of The LaSalle Network. E-mail Tom at tgimbel@thelasallenetwork.com.

INTELLECTUAL PROPERTY MYTHS

JERN ERN CHUAH EO MALAYSIA

It still amazes me how far intellectual property (IP) has come in the past few years. I remember when working in the IP industry was about as unsexy a career as it gets. Nowadays, people seem to know a bit more about IP and its importance in the global, hyper-competitive markets in which we now operate. And yet, that newfound knowledge has given rise to a number of myths. Here are some clarifying points:

What is IP?

IP refers to creations of the mind that have commercial value and can receive legal protection. This can encompass creative works, products and processes, source identifiers, secrets and other products of intellect. Because of the “legal protection” bit, a lot of people think that IP is a legal matter best left to the lawyers, which is the greatest IP myth of all time.

IP is about Business, Not the Law

IP exists to serve and protect your business. IP issues should be discussed as a business concern, and have a place in the boardroom as strategic, and sometimes tactical, considerations. Thus, it is a mistake to simply park IP in the legal or finance department without giving it any further thought. IP lets you differentiate your business from that of your competition. Your competitor has no access to your IP without your permission. This affords you the ability to freely operate, as well as price your goods and services at a premium; it gives you a real business advantage.

Exclusivity through Uniqueness™

If you only had five seconds to teach someone about IP, “*exclusivity through uniqueness*” would be my preferred sound bite (so much so that we applied to trademark it!). This saying sums up the entire IP concept. You can only get IP if you’ve come up with something unique, be it an invention, a brand, a new song, a recipe, whatever. The single, central premise running through the various types of IP is exclusivity. IP arises when you have something unique and you get exclusive rights to it. A smart entrepreneur should take advantage of that.

The Absent IP

In the 17 years I have been in this field, I have never come across a business without IP. It’s not that you don’t have IP in your business; you just may not have recognized it. There are plenty of resources online to help you recognize the different kinds of IP that exist. Once you can differentiate one form from another, you can look for it in your business and see how to leverage it for greater advantage. In brief, anything you have worth protecting is likely to contain some form or another of IP.

The Fatal Misconception

The most dangerous myth of all is the belief that owning IP is all you have to do, and that ownership alone equates to your own cave of riches. Time and again, I have met entrepreneurs who are disillusioned with IP. I ask what they have done with their IP, and I always get a puzzled look in response. “I own it, what more do I have to do?” they say. The fact is, it’s not what you own that’s key, it’s how you put it to use in your business. IP is an asset, like any other, and it has to be used in your business. Like all assets, it can depreciate in value and quality, and if you don’t use it to support your business, it will never give you proper returns.

Jern Ern Chuah is the CEO of Advanz Fidelis Sdn Bhd. E-mail Jern at jern@advanz.com.my.

Sales Strategies for Better Business

ROBYN SACHS EO DC

In today's turbulent economy, the business of sales can prove to be an arduous process that demands constant attention and managerial flexibility. As the CEO of a marketing services firm, I know firsthand how sales success is contingent on the efforts and methods of sales staff. Here are some of the strategies we've used to find success, regardless of the economy:

Analyze your sales funnel.

We make it a point to periodically analyze our sales funnel to ensure our salespeople are updated on their progress. To check on the success rate of our sales formula, we go through sales records and tally how many proposals were presented, on average, before a sale was made. If this data is sketchy, our sales people haven't been diligent about recordkeeping, and that means they're unaware of how they're doing. By putting a simple tracking program in place so each sales person can see and analyze the data, we can see where work needs to be done.

Prioritize your sales leads.

Does the lead fit the criteria you've established for your organization? If you haven't set criteria for qualifying leads, analyze the types of leads that have turned into sales in the past. Make a list of their similarities, and pull out the new leads that share these traits. Make these your sales staff's first priority. I've found this approach to be helpful, as it prevents my team from expending all their energy on leads that aren't particularly viable.

Have an awesome "pre-heat" letter.

We make it a point to hire a marketing professional to write a dynamite sales letter, which our sales reps send out weekly. I've found this to be an easy way to generate leads. The right letter can speak to the integrity of your organization, emphasize your sales culture and reflect your success rate.

Scour your client database for leads.

Current, former and potential clients are all candidates for new sales, but you'll need to keep in touch with them on a regular basis. In my business, we send out "e-blasts" at least once a month to keep our customers informed of our latest news. These clients may not need our services now, but by keeping our information in front of them, the chances are great that we will be the company they call when they do need marketing services.

At the end of the day, there are no "hidden secrets" when it comes to generating more sales for your business; it just comes down to cold, hard calculations. If you consistently ensure that your marketing and sales efforts are working in tandem, success will surely follow.

Robyn Sachs is the president of RMR & Associates. E-mail Robyn at rsachs@rmr.com.



Thinking Outside of the **Box**

MARTY METRO EO LOS ANGELES

In 2002, I was on top of the world. With an MBA and a decade of experience as an enterprise technology consultant, the world was my oyster. Though I had everything an employee could ever want, I ultimately discovered that I hated working for big companies. Specifically, I hated working in an environment that moved so slowly. I had ideas. I had energy. I wanted to change the world. I wanted my work to have meaning. More important, I wanted to make a positive impact ... and I wanted to do it fast.

Fueled by my ego and not a business plan, I left my secure job in the corporate world to embark on an eco-friendly, entrepreneurial idea. I wanted to tap into an under-represented market of quality, used cardboard boxes. I wanted to be the “middle man” in the moving box industry. I’d buy boxes from people who recently moved into their homes, and then turn around and sell those boxes to people who were moving out for less than the cost of new boxes. I wasn’t sure how to scale the business, but thought that I would figure that out when the time came.

It was a great idea, and one that quickly gained a lot of traction. Before I knew it, I had a retail store, built a massive customer base and landed a nice spread in *Entrepreneur* magazine. On any given Saturday, I had customers lining up around the block. I felt like a business rock star, and in theory, things looked great. Did I mention that I didn’t have a business plan? Well, I didn’t. Instead, I let my ego make all of the decisions. After all, I graduated college with honors! I had an MBA! I worked for one of the most prestigious consulting firms in America! I didn’t need a stinkin’ business plan.

Well, maybe I did. After three years, four retail stores and thousands of boxes sold, I had somehow found myself with zero money in the bank and US\$300,000 in personal debt. When I started out, I had significant equity in my house, my wife and I drove expensive cars and we took exotic vacations. And then one day, seemingly out of the blue, I found myself with no cars, a useless delivery truck and no money for my mortgage, let alone a vacation. After three years of working 16 hour days, seven days a week, I was forced to close my company. I was completely broke, and I had nothing to show for it but a bruised ego and an enormous debt to service.

Building a lucrative business and then watching it flounder was one of the most humiliating experiences of my life. I didn’t become an entrepreneur to be in debt, and I surely didn’t borrow money just to lose it! This experience taught me that ideas are great; some are even sexy, innovative and garner a lot of attention. However, ideas alone do not a business make. They are only the first step (and often the least important) in building a business from the ground up. A scalable business plan, profitable execution and a growth/reinvestment model are critical for starting a business on the right foot. I was way off.

Since this traumatic experience, I’ve implemented the necessary steps to get my business back on track. Today, we deliver eco-friendly moving kits to any address in the US in one to two business days, guaranteed. And guess what? We do it profitably! Why? Because I embraced my mistakes, created and stuck to a plan, and decided to build a business from the ground up, all with the future in mind. It’s amazing what can happen when you let go of your ego and think outside of the box.

Marty Metro (pictured) is the founder and CEO of UsedCardboardBoxes.com. E-mail Marty at martymetro@usedcardboardboxes.com.

EO ASKS: WHAT IS THE BEST BUSINESS ADVICE YOU'VE EVER RECEIVED?

“‘Do what you think is right.’ I love this advice because at the end of the day, I want to ensure I made the best decisions for me.”

NATALIA MATVEEVA EO RUSSIA

“The best advice I ever received was, ‘For every misfortune, there is a fortune— you just need to find it!’ This has been true throughout my business.”

MOHAMMED AL-SAID EO OMAN

“What spurred my decision to start a business was what my grandmother told me on her death bed. It sounds simple and cliché, but it’s so true: ‘Do what you want in life; follow your dreams.’”

TOM PARK EO HAWAII

“My answer is simple: The best business advice I ever received was to join EO!”

KAREN BENTLAGE EO CONNECTICUT



Culture Killers

MATT SHOUP EO COLORADO

When I founded my painting business in 2005, I admit I wasn’t thinking about the culture of the company. At that stage of my entrepreneurial career, I was only concerned with putting food on the table for my family. It wasn’t until the business grew that I began to focus on the next logical steps of scalability. I kept hearing about “company culture,” but I suppose I had a fairly fatalist notion that the culture of a company had a mind of its own, and that there wasn’t a whole lot to be done to manipulate it. I certainly didn’t think it was a worthy top priority.

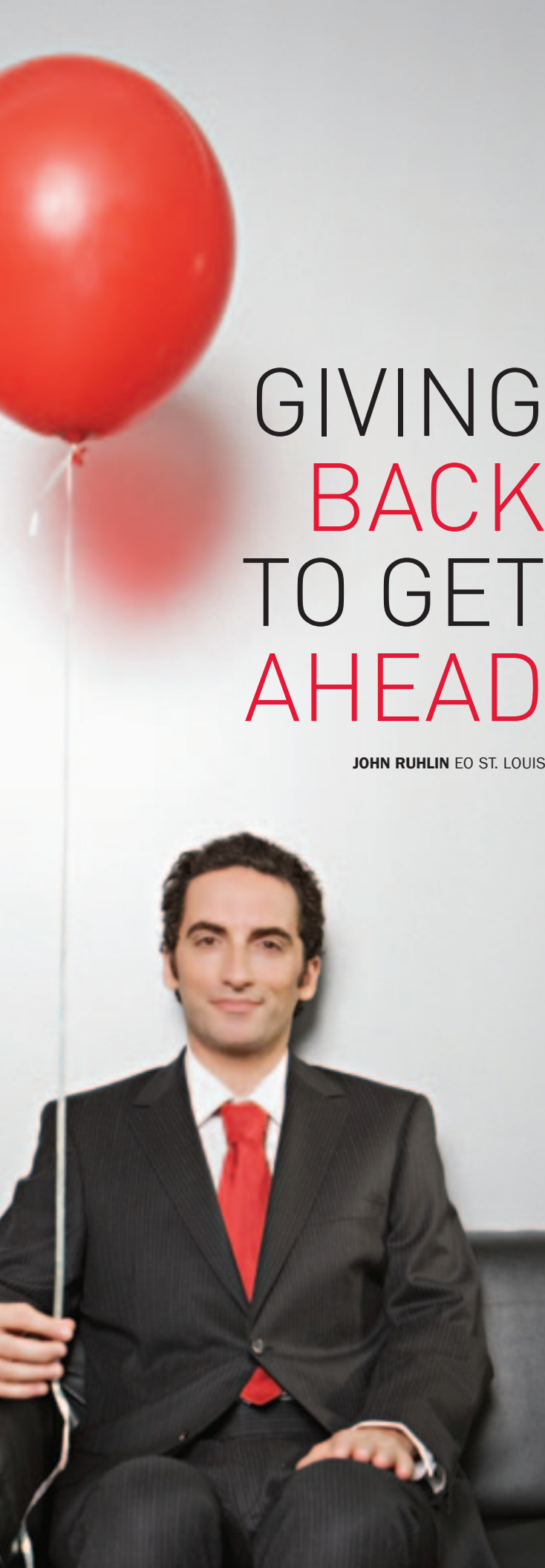
As I researched the topic more, I realized that a company worth working for is a company whose culture has been carefully crafted. To create a winning culture, we constructed core values and made them concrete with measurable goals; we began celebrating staff excellence with surprise bonuses; and when the company had a success, we hosted events to congratulate each other. By the end of 2009, our company had grown nearly 500 percent, with revenues of roughly US\$2 million. It seemed clear that we had created a culture of distinction, drive and growth. From the outside, things seemed great. On the inside, however, we were losing a grip on our goals.

For starters, an expansion division of our company flopped, costing us tens of thousands of dollars. As a result, we were forced to notice two long-term team members who were poisoning the atmosphere. Around the same time, I attended an EO Colorado event, where business guru Jack Daly was speaking. His words challenged me and continue to resonate: “Step back and tell me, how does your company smell?” He was talking about company culture, and I instantly knew mine smelled rotten. It was time to clean house.

When I returned to work, I immediately showed the two negligent employees the door they had been so eager to run out of every day. Then the real dirty work started, as we dealt with the aftermath their apathy had created. Unpaid bills, unhappy customers, incomplete documents that needed resolution— the damage was great. Still, the rebuilding was going well, and the air slowly began to clear. Things started to “smell sweet” again. Our weekly company meetings took an immediate turn from downtrodden to tenacious. People were smiling and confident. As a team, we were able to move beyond just getting the job done. The focus returned, and the company was back on track.

What did I take away from this chaotic experience? Having a company culture is not enough; it should smell sweet and incite employees to do their best work. Also, I learned to listen to my gut more, trusting myself when I detect the first hint of anything running counter to our culture. When I sniff out a bad odor, it’s my job to address the root of the problem. Otherwise, my business and the happiness of my team members are at risk. Finally, I learned that our success as a business stems not from revenue, but from the happiness of my team members. That type of success is priceless.

Matt Shoup (pictured) is the owner of M & E Painting, LLC. E-mail Matt at matt@mandepainting.com.



GIVING BACK TO GET AHEAD

JOHN RUHLIN EO ST. LOUIS

With balance sheets bleeding and people cutting back on costs, a recession is a poor time to give gifts to employees, clients or prospects, right? Not necessarily. In fact, I just quadrupled our budget for gifts this year. When my peers are giving less, I'm giving more to those who support my business. The result: We've seen a major increase in productivity and profits. Here are a few of the things we've learned when it comes to investing capital in strategic appreciation:

TRASH THE TRINKETS

Our gifting rule is pretty simple: If it can be found at Walmart or a promotional magazine, nine times out of 10 it is not a worthy gift. Promotional trinkets might be great for tradeshow, but it's not a great way to say thanks for the 2,000 hours someone committed to the company over the course of a year. We select our gifts the same way we hire our employees, with much care and thought.

AVOID THE CHEESY CATALOGS

Imagine you were a kid again, and it was your birthday. You wake up early to peruse your wrapped gifts, only to find your parents holding a catalog and a highlighter, asking you what they should order. Not exactly a warm feeling, right? I've found that deep down, adults still love being surprised with a thoughtful gift that honors their effort. Giving people a catalog to choose from sucks the joy out of gifting. I make the effort to learn about my employees' hobbies and joys, and then select gifts accordingly. Not only are they being rewarded for their success, but I'm showing them that I'm invested in their happiness. The happier they are, the more successful my business will be.

RETHINK THE SALARY

When it comes to monetary gifts, I always ask myself the following question: If I'm an employee, which would be a better place to work: a company that gives me an annual salary of US\$75,000 and no tangible appreciation, or a company that gives me a salary of US\$74,000 and a half-dozen US\$100-200 gifts throughout the year? Both employees "cost" the companies the same, but the latter company will have a more engaged, productive and loyal employee because his efforts are being honored throughout the year.

MAKE THE SIGNIFICANT OTHERS FEEL SIGNIFICANT

Our fastest return on investment is to target the spouses. When spouses feel included, things go more smoothly in every way imaginable. I was recently on a plane to China with a Fortune 50 executive, and he explained how during client events, he spends three times as much on the spouses than the actual clients. Why? Because on that plane ride home, the client hears how great their company is and how they can never switch to the competition. No matter how good we are at selling, we will never have as much influence over our clients as their spouses.

At the end of the day, gifting is a simple, often cost-effective way of ensuring that the people who support your business feel appreciated. By making small investments in my staff, clients or prospects today, I'm ensuring a better tomorrow for my business. I can't think of a better investment.

John Ruhlin is the president of Ruhlin Promotion Group. E-mail John at john@ruhlingroup.com.

Why I Didn't Jump Off the Lighthouse

MATTHEW WEISS EO NEW YORK



It's a beautiful summer evening, and I'm in a speedboat with EO members Eric Crew, Steve Showalter and Ryan Staszko, one of Eric's friends. As we coast along the shores of Massachusetts, USA, we come across an old lighthouse; there are rungs leading to a perch about 50 feet above the sea.

I immediately look at Steve and suggest we jump off of it. We weigh the pros and cons, and decide to go for it. Ryan is the first to swim toward the lighthouse, climb and jump safely into the water. As I prepare to do the same, Steve mentions how we don't have any towels. No towels? How are we going to dry off? If we jump, it will be a cold, uncomfortable ride back, I say. Steve and I look at each other. Nah!

As Ryan swims back to the boat, a whirlwind of thoughts cross my mind. For starters, I can't believe I didn't jump! All because of a missing towel? When I was younger, mild discomfort never stopped me. "Am I getting that old?" I thought. The next day, I became even more introspective. I thought about my business. Had I become stagnant or complacent? What opportunities was I missing for the sake of staying "warm and cozy?" The business world is rampant with stories of successful companies that got out-manuevered due to complacency. Think Blockbuster by Netflix or Virgin Records by iTunes. I didn't want that to happen to me.

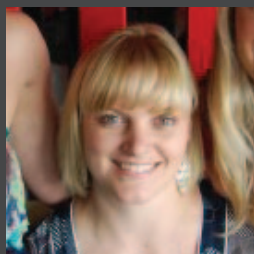
Since that day on the boat, I've used my regrets to bring a renewed sense of adventure to my business. For example, I started a major overhaul of my infrastructure, upgrading my database and moving my e-mail, contacts, calendar and documents into the "clouds." By leveraging "cloud computing," I've been able to save money and time. What's more, the new database helps me stay progressive and affords better service for my clients. Looking back, I realize that I wouldn't have injected my business with new life had I not stepped out my comfort zone and considered new ways to grow.

What did I learn from this experience? That there are some risks that need to be taken in order to grow as an entrepreneur, even if they involve discomfort. When it comes to your business and life, don't let the lack of a towel stand in your way.

Matthew Weiss is the president of Weiss & Associates, PC. E-mail Matthew at weiss@weissandassociatespc.com.

IMAGE PROVIDED BY IMAGESOURCE

LESSONS LEARNED: MAINTAINING STAFF MOTIVATION



The backbone of any business is the people it employs. One way to ensure employees stay motivated for growth is to establish a dynamic company culture. EO Sydney member **Shona Mackin** explains how she introduced a unique culture in her business, and how it isn't as easy as it sounds.

The Problem: I run a call center, and it's important for me to have a team that's energetic and committed to establishing an enjoyable workplace. In my case, I needed to create an environment that helped energize people during lulls, and fostered collaboration and creativity on a daily basis. In the process of creating such a culture, I have tried a multitude of things, some that worked and others that crashed and burned.

The Solution: I discovered that gimmicks didn't work, so I decided to share my overall goal with my team. Because they knew my plan wasn't an empty attempt to please them, but a real attempt at getting everyone energized, they bought into it. With their support, I initiated office activities like dance-off competitions, morning sing-a-longs and educational exercises to increase their mental acuity. These fun events remind my employees that how they feel and act makes a big difference in the success of their workload, and ultimately, the success of the company.

The Lessons: My biggest lesson learned is the pitfalls of being too liberal with rewards. I found that this leads the team to expect rewards on a consistent basis, even when they're not performing to their potential. I also learned that you need to ensure employees understand the reasons behind the plan, and that a culture is really only as good as the people you employ. Having the right people up front helped me tighten the hiring process and ensured that they would be willing participants of our company culture.

With the cost of recruitment and the amount that's invested in training people, it surprises me that most companies do not put equal effort into staff retention. As the director of an executive search firm, high staff turnover works in our favor, but I get much greater satisfaction from seeing people we have placed adding value to our clients' organizations. Here are some tips I've learned when it comes to retaining and motivating staff:

Know who you want to keep.

You won't want to retain everybody, especially in tough times. The trick is to know which employees are mission-critical, and which aren't. In my experience, the key is to have a clear vision for your business beyond the current cycle, as well as a good understanding of the skills and attitudes required to both see you through survival mode and deliver the long-term vision. In my business, we do an objective evaluation of all staff against these criteria, along with the performance record and cultural fit, to identify the critical cornerstones of the business. Once this is done, the first step to retaining key people is to clear the decks of impediments to survival and progress. It's a tough thing to do in hard times, but you need to cut costs to fund investment in the skills needed for growth.

Keep your team in the loop.

The best people rarely stay or leave for money. They are open to a move if they don't feel emotionally connected with the people they work with, if they don't feel appreciated, can't see how they are adding value or are at odds with the business mission. I've found that regular communication is critical for retention of talent. Routine performance appraisals with quarterly reviews of progress toward annual and career goals are critical to ensuring your team is happy. In tough times, it is important to talk to everybody about everything. People will fill vacuums of information with their worst fears. It is the role of leadership to communicate effectively in times of crisis so there are no vacuums.

Keep your employees involved.

People tend not to want to leave companies where they feel personal involvement and attachment. The catch-cry is "consultation, collaboration and participation." That is, consult relevant staff members for their views before making a decision, collaborate with them to formulate a solution, and participate with them in the implementation. Too often managers make their decisions in a vacuum, collaborate only with their superiors to ensure they have support from the boss, and delegate accountability for execution to subordinates who had no part in the decision. By consulting, collaborating and getting your hands dirty with execution, you can build commitment to the mission.

Pay the benchmark.

In my experience, it is very important to keep in touch with the benchmark salaries for particular roles. It is easy to lose track of industry-benchmark salaries, and when you do, employees start to feel like you are abusing the privilege of having them work for you. The emotional dislocation is often much greater than the value of the discrepancy. Similarly, if you are looking to recruit the best in the industry, it is necessary to pay at the top end of the industry range. Why pick grapes when you can earn three times as much pulling minerals out of the ground?

As an entrepreneur, knowing when to cut ties with employees that don't add value is a necessary step in the growth of a business. By following the steps above, especially during tough times, I can rest assured that I have the best team in place to help my business not only survive but thrive.

Simone Allan (pictured) is the director of Mondo Search PTY LTD. E-mail Simone at simone@mondosearch.com.au.

RETAINING EMPLOYEES IN TOUGH TIMES

SIMONE ALLAN EO SYDNEY



EO Q&A: ENTREPRENEURS AND THE ENVIRONMENT



Want to help save the planet while saving money for your business? Environmental services expert and EO Orange County member **Daniel England** touches on some easy ways you can “green” your business.

As an entrepreneur, I’d like to off-set my carbon footprint. What can I do for starters?

“For many companies, the largest contributor to their carbon footprint is transportation, which includes commuting and business travel. Some things you can do to reduce your carbon footprint include allowing employees to telecommute and using online-conferencing systems, like WebEx.

“The second-largest contributor is typically consumption of electricity. To further reduce your carbon footprint, you can upgrade to energy-efficient lighting, install motion sensors for lighting (this can cut power consumption by up to 50 percent in some cases), adjust the thermostat and switch computers off at night. Policy changes like printing final copies only, printing double-sided copies and switching to digital files instead of paper files are also cost-effective ways to green your business.”

What are the benefits of having an eco-friendly business?

“By being eco-friendly, not only are we helping the environment, but some of our actions can also help reduce business costs. So, one key benefit of having a green business is cost savings. However, there are several other benefits. For example, it can improve employee morale. Workers often seek out employers they view as good global citizens. Global citizenship is important, as many companies that adopt this philosophy require their suppliers to do the same. Further, I am aware of at least one bank that reviews companies’ sustainability plans before it will lend money. I suspect this trend will continue.”

How can I get my staff to buy into the “going green” concept?

“Leading by example is a great way to start. When we get take-out food at work, we often take our plastic containers with us and have the restaurants serve us in those. It’s eye-catching, and it makes a statement. Making green initiatives a part of your key performance indicators for staff is also effective. For example, you could establish a green committee or give awards for employees’ green behavior. Each of these methods can be very effective in getting staff to support your environmental initiatives.”

What kind of impact can entrepreneurs have on the environment?

“In my opinion, since entrepreneurs are the leaders of the business world, their impact can be huge. I believe the largest impact we can have is in dispelling the myth that going green costs more, and creating the win-win of saving the environment while saving money.”

Daniel England is the president of E2 Environmental, Inc. E-mail Daniel at danengland@e2env.com.



The Benefits of Going Green

FRANK VEGA EO HOUSTON

Want to cut costs in business? Try going green! I run a newspaper-subscription service, and we recently made some changes to offset our carbon footprint. What started out as a fun way to help the earth turned into a project that increased our operational efficiencies, saved us money, motivated employees and fostered a more collaborative office culture. Here are some of the key things we did:



We cut one quarter of our paper costs by encouraging employees to print only when necessary, and to use the backs of printed sheets as scratch paper.



We installed a faucet-mounted water filter in the break room, which drastically cut our need for water-cooler jugs.



We installed recycling bins in our break room for plastics, aluminum and paper packaging.



We implemented a paper-recycling program to ensure all of our paper waste is being put to good use.



We made the switch to reusable dishware.



We switched to recycled toner cartridges and started recycling our pens.



I bought rechargeable batteries for all employees.

In the beginning, I anticipated a lot of staff resistance to these changes. However, I was pleasantly surprised to find that going green generated a lot of energy among our employees. All in all, I’ve been pleased with the results of the measures we’ve put in place, and I encourage others to consider implementing green practices for better business.

Frank Vega is the owner of Newspaper Subscription Services LP/ Green Business Bureau. E-mail Frank at vega@nsslp.com.

IMAGE PROVIDED BY IMAGESOURCE

Keeping Your Exit in Mind

CLIFFORD HOLEKAMP EO ST. LOUIS

When starting a new business, an entrepreneur has a lot to worry about, so it might sound odd that the beginning is the best time to start considering one's exit. When I founded my chain of podiatry clinics in 2001, I naïvely believed that I would be running it for the rest of my career. An unexpected buyout offer in 2007 changed those plans. Fortunately, while I didn't plan on selling, I did plan *for* selling. As a result, I was able to take advantage of a great opportunity when it presented itself. Here are a few steps I took to build a business worth selling:

Operations

From the start, I designed and built the organization to function without me. While entrepreneurs are admired for their hands-on approach, if a business doesn't run properly without the founder personally flipping the switches, then it would not be of any real value to someone else. Each of our offices was designed to run fairly autonomously. All of the customer interactions were handled at the office level, so my departure from management didn't impact the daily operations. Also, I planned the physical and IT infrastructure with scalability in mind. An acquirer wants to know that there is an opportunity to grow the business. If there are operational hurdles or major technology changes that would have to be resolved before significant growth could occur, then acquirers would see that as a risk factor that would devalue the business.

Marketing

Rather than letting it evolve organically, I put significant time and attention into pre-planning my business's brand. To avoid being seen as too corporate, we used a Norman Rockwell-inspired design theme that had an old-fashioned flair reminiscent of the days when doctors had more time and compassion for their patients. Furthermore, I designed the company's operating philosophy to be consistent with this brand strategy. The idea was to create an environment that was built around the patient instead of the doctor. Our patient-centric approach was intended to attract the right kind of employees and retain customers, but turned out to also be very attractive to the acquirers. Several investors in the acquiring group later told me that our unusual brand and culture was what really spurred their interest.

Accounting

People don't like to invest in things that they don't understand, so I tried to keep simple records that could be easily understood by others. The easier it is for an outsider to understand a business, the more comfortable they would be in purchasing it. For similar reasons, I tried to avoid overly complex ownership structures and legal agreements. I also avoided the mixing of personal and business assets. Doing so adds caveats and complexities that may make buyers uncomfortable with your record keeping.

Legal

I leveraged intellectual property protection where I could. Patents and trademarks are assets that are unique to a business. A patent or trademark is an investment in scalability that reduces risk, and thus increases value, for a buyer. When I negotiated our contracts, I made sure that they were either assignable or did not require approval for change of ownership. If not for that, I could have inadvertently given my contract holders the power to approve or deny critical components in the sale of the business.

In my experience, many important strategies for increasing the appeal and value of a business on exit are best implemented from the start. For me, the end goal was not to build a business that I would want to sell, but to build a business that others would want to buy.

Clifford Holekamp (pictured) is the founder of Foot Healers. E-mail Clifford at holekampc@wustl.edu.

Knowing When to Let Go

OLUMIDE SOMEFUN EO NETHERLANDS



It's amazing how life has a way of changing your future.

I managed a law firm in The Hague, Netherlands, for 10 years. We employed about 12 people and serviced roughly 250 corporate clients. About six years ago, I started wondering if having a law firm was really what I wanted to do in life. At the time, I was asked by a wealthy client to be an interim director of his super car company in England. This unique opportunity stopped me in my tracks on an unconscious level. It reminded me how much I love speed and sports, and it forced me to analyze my current situation. Was I happy? Was I still enjoying my job? At the time, stepping away from my successful law firm wasn't something I could easily picture; you don't leave a company you built just to try something new—or do you?

Over the years, this fundamental question started to grow within me. It didn't come to a head until about three years ago. I was introduced to EO by a client, and around the same time, our firm was hit hard by the financial crisis. I recall seeking feedback from my Forum on what I could do to turn the firm around, to become fully invested in my business again. From the feedback I received, I became increasingly aware that I no longer enjoyed what I was doing for a living. I felt like I was not getting everything out of my professional career, and I slowly began to feel like I was a prisoner of my own company. I could not see myself doing what I was doing for another 20 years, and my company was starting to reflect my state of mind.



“I realized I had to take the first step to create a new life, and it was one of the most difficult decisions I’ve ever made.”

I had a hard time accepting this realization. I tried to get that passion back by exploring other areas of law, but it didn't work. I pushed for business growth and long-term commitments, like indirectly investing money into the company, purchasing a new office building and setting up a subsidiary in Silicon Valley, California, USA. Still, nothing worked. My gut feeling about my role began to get worse, and I soon realized that I had a very serious and unexpected problem. I looked desperation in the eyes, and I could see no way out. I hoped and prayed for some miracle to set me free, that maybe I would bump into someone I knew who could take over my shares for a nice sum. It never happened. Ultimately, I realized I had to take the first step to create a new life, and it was one of the most difficult decisions I've ever made.

With the support of my wife, I stepped out of my law firm, knowing that financially, I would have to start all over again. The value of my firm had evaporated over the past two years, and most of the money I had was put back into the company to keep it afloat. Not only was I stepping away from my business, but I risked losing it altogether, along with my financial security blanket. What's worse, I had no idea what I wanted to do. I only knew that there was no longer any future for me in my law firm. Knowing this, I handed my shares to my business partner virtually for free. I could have decided to stay on for a couple of more years and step out after I felt financially more secure, but I knew I had to seize the moment life was presenting me. If I stayed, I would never get out.

In making this transition, I transformed my actions from acting out of fear to acting out of opportunity. Like all entrepreneurs, I have a winner's mentality, and I realized I couldn't win anything unless I'm willing to give up something. I decided to let go of everything I ever worked for, including my status and financial future, and take a leap of faith. Within two days of making my decision, I knew what I wanted to do: Build speed boats. There were a hundred reasons why it wasn't smart to make the move, but I only needed one to do it. I have been a passionate wake boarder for the past 10 years, and it always gives me an exciting and magical feeling! The feeling I get from being out on the water is one of the underlying things I want to bring across in the boats I'm building. I finally found a new opportunity to fuse my passion with my entrepreneurial skill set, and I wasn't looking back.

As of today, I'm still working on developing Special Crafts Group, my boat business. The first boat model is currently on the drawing board, and we plan to launch the first show model in early 2011. Looking back, here are some of the lessons I learned from this experience:

Sharpen your focus.

Sometimes our focus can become so narrow because we're thinking about the logistics of our businesses. I've learned it's important to check in on your values from time to time and evaluate your passion. You might be surprised to find that the flame you have for your business is about to go out. It's a pretty scary process, but being aware of it is the first step toward a solution.

Be open to new possibilities.

As entrepreneurs, it's easy to get so involved in our businesses that we forget about the opportunities life hands us. This experience taught me not to be afraid of jumping in and letting life take over. You may have to make sacrifices, but you'll go on to bigger and better things because you're following your heart.

Create your own security.

To my surprise, I found myself hanging on to some form of security, unable to initially make that leap. I spent 10 years building my business, and I knew exactly how it worked and what to expect. Having to start all over again meant I wouldn't have that sense of security for a long time. This experience taught me that it's easier to create your own security when you're doing something you're passionate about.

All in all, I'm glad I quit my business and took a risk. I wanted to be true to myself, to honor that part of every entrepreneur that drives us to excel in spite of difficulties. Most of all, I wanted to feel alive again. Though I still have a long way to go in my new business, I'm having fun, and at the end of the day, that's really what being an entrepreneur is all about.

Olumide Somefun (pictured) is the co-founder of Special Crafts Group. You can e-mail him at olumide@kalugaboats.com or by visiting www.specialcraftsgroup.com.

CONNECTION TO EXPERTS: SETH GODIN

Few people understand marketing quite like Seth Godin, a world-renowned entrepreneur, speaker and bestselling author. EO sat down with Seth to talk about the state of social media, its impact on entrepreneurs and innovative marketing.

Social media is changing the way businesses market their products and services. What are the pros and cons of social media, and how can entrepreneurs leverage it for maximum benefit?

"Social media is not a replacement for ads, television or PR. Social media amplifies who you are and what you do. So, to make it work, change what you do or be who you are. It's not a front, it's a mirror."

With so many people leveraging social media for branding purposes, how can entrepreneurs ensure their marketing remains remarkable?

"Marketing shouldn't be remarkable. You should be. Your stuff should be. Your people should be. A lot of EO people totally miss this, instead focusing on commodity products for the masses."

What steps can entrepreneurs take to generate more interest in their blogs?

"I'd start with being more interesting. Don't be solely interested in your own pursuits, but interested in me and the other people who are going to read your blog."

What's the best business advice you've ever received?

"It's not business, it's personal."

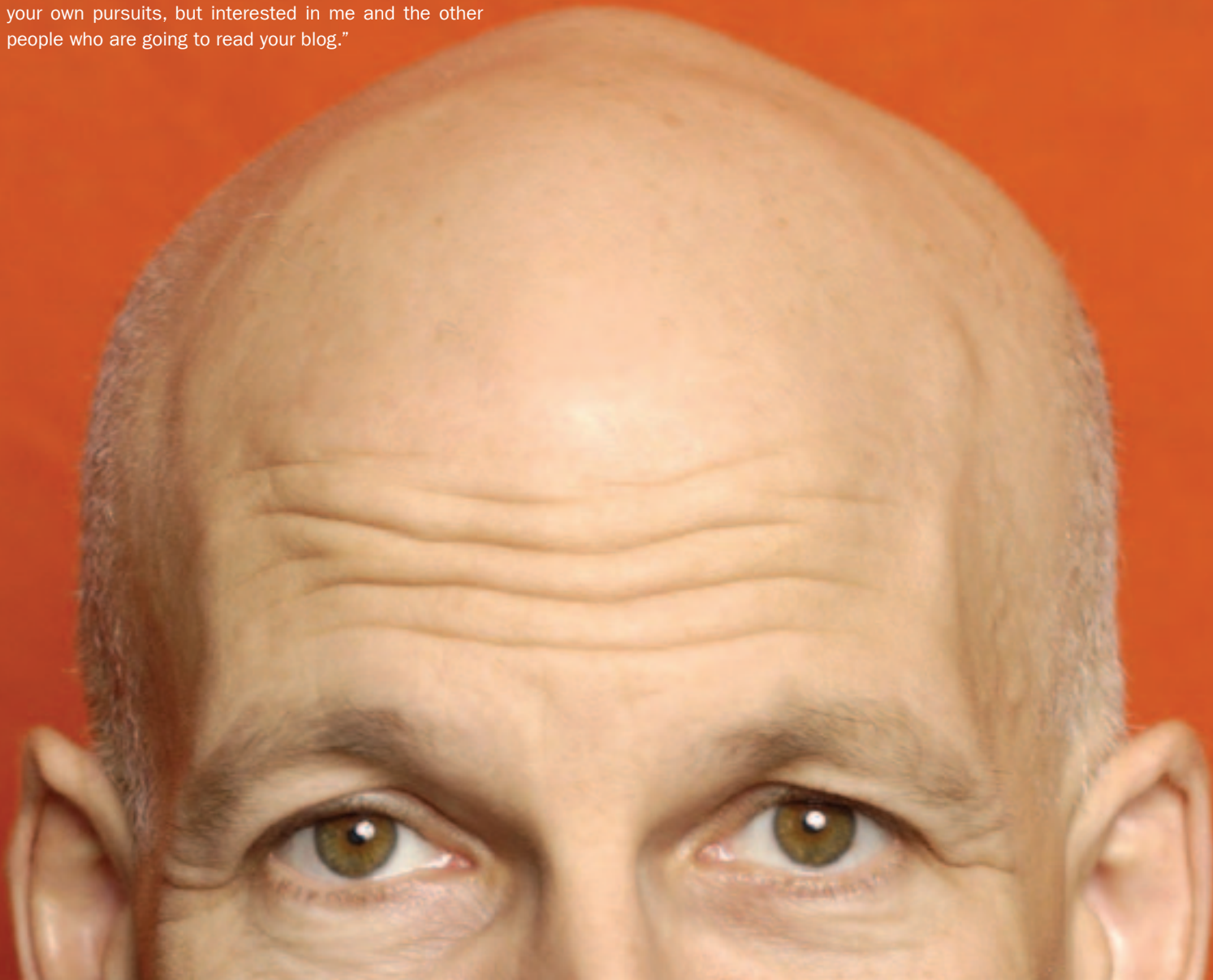
What are some of the valuable lessons you've learned throughout your entrepreneurial journey?

"Failure is worth a lot more than success, running out of cash ends the game and being nice to people isn't just fun, it's a good strategy."

Is entrepreneurship more important today than ever before?

"No doubt we are entering the age of the entrepreneur. Freelancing is important, too, but value-creating entrepreneurship changes everything."

Seth Godin (pictured) is the author of 11 business books, all of which have been international bestsellers. He was also the founder and CEO of Yoyodyne, an interactive direct-marketing company, which Yahoo! acquired in 1998. Seth worked as vice president of direct marketing at Yahoo! before leaving to become a full-time speaker, writer and blogger. To read more of his business insights, visit <http://sethgodin.com/sg>.



Avoiding the Short-Term Mindset

DEREK PRESTON EO SAN DIEGO

It's amazing what can happen when you forget about the long-term and focus on the short-term side of business. When I founded my company, I brought in two senior executives to join me. As my partners, I treated them as such and agreed to give significant equity stakes to each. When I eventually incorporated as a C-corporation, I issued blocks of founders' shares to the executives and myself, as well as a series for our early investors.

At a time when money was tight, spirits were high and our focus was on building a business, I didn't think too hard about the stock grants. I assumed that the caffeine-fueled whiteboard sessions and long days full of energy and camaraderie would continue without a problem. In retrospect, I think we all shared the same confidence and naïveté. We felt that by not creating rules and restrictions on ownership, we would prevent potential power-plays or squabbles down the road. That was my first mistake.

I also assumed that, like my previous companies, I would only be in the business for two or three years before selling it and moving on. I had a short-term mindset, and believed that because the personal relationships were great at the time, they would remain so for the next few years. The founders grants were outright, effective immediately, and had no clauses or restrictions related to ownership. Less than a year into it, one of the two partners I had brought on became so problematic that we had to kick him out of the company. He left, taking his big block of shares with him. Six months later, he sold a big portion of his shares to someone he owed money to.

Fast forward to today. The company is now in its fifth year of operation, we've weathered the economic storm and we're thriving. Still, we operate under the knowledge that when we do sell the company, all of our shareholders will see a sizable return ... including the guy who left and the person he sold his shares to. After spending years pouring my life into this business, I can't tell you how frustrating it is to have to shell out a big chunk of the gains to someone who created so much trouble and had so little to do with our ultimate success. Overall, I've made a lot of smart business decisions, but I can never undo that whopper of a mistake I made in the beginning.

Here are some of the valuable lessons I learned from this experience:

1. **Don't be cheap when it comes to legal fees.** Get a good lawyer who works for you and you alone. He should advise you on the startup documents, terms and processes involved in starting a business. I saved a couple thousand dollars in legal fees five years ago by not doing this, and it's going to cost hundreds of times that much in the end— not a good trade-off.
2. **Create practical equity measurements.** Everyone, including founders and partners, should have their equity tied to time or performance measures, or both. Also, to avoid confusion down the road, there should be a clear set of rules regarding getting rid of a major partner or shareholder.
3. **Focus on the specifics.** Be specific about the company's and/or other partners' rights to re-purchase shares in the event a key partner or stockholder dies, leaves, gets divorced, etc. Don't allow him to sell or transfer his shares to an outside party unless you pass on the right to buy them yourself. Above all, plan for it, even if you think it will never happen.

Derek Preston is the founder and CEO of SNAPforSeniors, Inc. E-mail Derek at derek.preston@snapforseniors.com.

IMAGE PROVIDED BY IMAGESOURCE

GROWING YOUR OWN TALENT

GREG CRABTREE EO ATLANTA

He was supposed to be the right guy for the job— what happened? As you watch your latest hire struggle through the first 30 days of work, you take another glance at his “great” resume to see if there was something you missed. All you can think is, “Does he really have 15 years of experience, or just one year of experience 15 times?”

As the CEO of a CPA firm, I’ve experienced this post-hiring dilemma more than once. Every year we would turn over what we thought were quality employees, and I couldn’t figure out why. What’s worse, since they had “years” of experience, they demanded a premium salary that bore a poor relationship to profitability. Unfortunately, the loss of these employees would impact those clients who have come to rely on our services. It was a problem that prevented us from financial growth, and it needed to be resolved immediately.

After much introspection, I realized that everything boiled down to my hiring style. It occurred to me that upon hiring employees, I immediately made them one-dimensional. It wasn’t until I learned to grow my own talent that things started to make sense. Instead of hiring employees with a single focus, I needed to train them to be experts in all facets of the business. By doing this, I would ensure that access to our services remained affordable and flexible, while still meeting the needs of our clients. Though we would have to accept the slower growth curve that comes with growing our own talent, it would be worth it.

The first step was to identify the five core areas of the business we needed our employees to be competent in. Once we did this, we identified the personality characteristics needed in an ideal employee; someone highly motivated and not averse to stretching their capabilities as a CPA and business analyst. With this in mind, we leveraged screening tests during the hiring process. For example, using CaliperCorp.com has been like having a corporate psychologist on staff. For a small fee, a consultant provided feedback on how new hires will work with an existing member of our team, as well as guidance as we transitioned existing team members into new roles. Finally, upon hiring someone, we employed a 70/20/10 training philosophy designed to make them bend, not break. Ten percent of training is classroom, 20 percent is one-on-one mentoring and 70 percent is throwing them off the deep end to see what they can do.

Before we started this process in 2003, we had nine employees, US\$1 million in revenue and breakeven profitability. While we have always had plenty of new business opportunities, our only bottleneck was how quickly we could add the right people. By growing talent from within, we were able to peg our growth rate to our talent development rate. The result: We went from turning over a few employees each year to turning over just two in seven years. Today, we have 21 all-service employees and are on pace for US\$1.8 million in revenue. More important, we now know the full value of each employee, and as entrepreneur, that kind of knowledge is invaluable.

Greg Crabtree is the CEO of Crabtree, Rowe & Berger, PC. E-mail Greg at greg.crabtree@crbcpa.net.

IMAGE PROVIDED BY IMAGESOURCE





So you're going to dinner with a prospective client and you want to seal the deal. You've come this far— why ruin it with a few faux pas over food? As the CEO of Wines.com, I know how important wining and dining is when it comes to securing new business. The next time you're breaking bread with a client, consider these tips:

- » **Never assume anything.** Just because someone runs a highly profitable business, it doesn't mean they have extravagant tastes in wine. I've met many CEOs who run large companies, and they like simple, inexpensive wines. When in doubt, don't assume. Ask.
- » **Avoid the cost question.** The easiest way to order wine without defaulting to overpriced brand names is to simply go down the wine list; never pick the cheapest or most expensive wine. Shoot down or up a couple notches from that middle point, and you'll more than likely hit a homerun. Anything too expensive is just ego.
- » **Properly pair the wine.** When you're ready to pick the wine, ask your client what he or she is going to eat. If he's eating something heavy like meats, default to red wine and blends. If she's eating a lighter meal like fish, stick to white wines. Also, consider pairing food with a wine from that region. For example, if you're eating Italian food, stick to Super Tuscans and Pinot Grigios. If you're eating French cuisine, suggest a Bordeaux.
- » **Do your research.** If you really want to make a good impression, download the restaurant's wine list and study it beforehand. When it's time to make your choice, explain your selection to your client. Remember to keep it simple and relate the decision to food. They'll immediately see that you are careful, inquisitive and selective— all redeeming qualities in a future partner.

These are a just a few of the things I've found to be helpful when it comes to wining and dining a client. At the end of the day, picking the right wine can say a lot about how you're going to handle the client relationship. The more you invest in your selection, the better off you will be.

Alex Andrawes (pictured) is the CEO of Wines.com. E-mail Alex at alex@personalwine.com.

Wine Your Way to Success

ALEX ANDRAWES EO AUSTIN

MEMBER RECOMMENDATIONS: BEST BUSINESS BLOGS

"My favorite blog is from Tony Hsieh, CEO of Zappos (<http://blogs.zappos.com/blogs/ceo-and-coo-blog>). It's a constant reminder that as my company grows, I can still foster and mature the unique culture I created."

PIYUSH PATEL EO OKLAHOMA

"I enjoy reading the 'Growth Guy' blog from Verne Harnish (<http://verneharnish.typepad.com>). It is very 'how to,' with practical insights that I can apply to my business today."

NICK BLOOR EO BRISBANE

"My favorite blog is Jeff Silbert's 'Order of Magnitude' (<http://blog.oomgroup.com>). It's for ambitious CEOs and owners eager to increase the value of their business and enjoy the journey along the way."

JENNIFER WALZER EO NEW YORK

"My favorite business blog is by David Skok (www.forentrepreneurs.com). David is a serial entrepreneur with several IPOs under his belt, and a venture capitalist that gets it! He's Guy Kawasaki on steroids."

JASON JACOBS EO ALBANY

There are so many facets to running a successful business that it's tough to stay on top of all of them. In this special section, a few EO members offer their insights into varying aspects of business management.



ON HAVING AN END GAME

"Having an end game in mind is critical when running your company, as it enables you to design your business to be sold for the amount you want, on the terms you want, at the time you want. It also lets you achieve massive momentum so your company grows quickly, yet sanely, increasing its value to acquirers on a monthly basis."

CHRISTINE COMAFORD EO SAN FRANCISCO



ON BUSINESS PARTNERSHIPS

"Finding the right partnership is a lot like finding someone to marry. To ensure you find the right person, ask yourself if you are compatible in terms of motivation, vision, ideas and work habits. Also, a properly drawn partnership agreement will ensure you avoid any potential problems along the way. This agreement should detail division of labor, balance of power, profit sharing, buy-sell agreement, resolution of disputes and exit strategies."

DR. BADR ALSHIBANI EO SAUDI ARABIA



ON HIRING INTERNS

"When it comes time to finding the right intern for the job, I've found that a local university's MBA program is great place to start looking. I established a relationship with a director in a local program, and began reaching out to him when I needed support. This has been a great experience for us, and we have created a positive image for the company in return. To learn our process for creating incredible intern experiences, visit <http://www.cardinal-partners.com/blog.asp?id=251>."

JOHN CULBERTSON EO CHARLOTTE



ON SHARING SUCCESS

"When it comes to running your business, if you can't divide, you won't be able to multiply. After three years in business, I decided to let two staff members buy into the company for a relatively small amount of money. Now, they run the company as well as I do when I'm out of the office. What's more, their involvement gives me more time to work *on* the business, rather than *in* the business."

BAS BEEK EO NETHERLANDS



ON SMART INVESTMENTS

"In my 20 years of consulting, one thing I always tell my clients is to keep it simple; to ensure that what you already have in place works properly before investing in something new. I recently spent a lot of money on software instead of investing in marketing. I didn't take my own advice, and it cost me a lot of money. I learned that no amount of money can replace real effort, and that I should take it slow and consider all of the options before making a sizeable investment."

ADAM JACOBSON EO NEW YORK

MY JOURNEY THROUGH EMP

NIKHIL NATH EO NEW DELHI

I first heard about the Entrepreneurial Masters Program (EMP) a few years ago. When I researched it, I was intrigued to find that the program's mission was to coach entrepreneurs on their journey to building "giant" companies. Over the course of three years, EMP brings together 65 remarkable entrepreneurs for four days of intense learning on a suburban campus of MIT in Boston, Massachusetts, USA. Interested in learning how to become a better business owner, I applied and was selected for the class of 2012.

My entrepreneurial journey began after seven years of working for other people, first in banking and then consulting. I thought I knew everything, until the first three years of trying to start a business convinced me I knew nothing at all. EMP is designed to teach you about proper execution, covering everything from making quarterly plans to hiring the right people, developing a company culture and everything in between. In addition to its objective, the program has two unique features—the selection of speakers and its diverse participants. Rather than offering "theory" professors, EMP offered a mix of unique business minds, including an Ernst & Young "Entrepreneur of the Year" award recipient and a global authority on hiring.

The second remarkable feature of EMP was its classes. Through a competitive selection process, our group was hand-picked from many qualified applicants, with the sole goal of creating a high-voltage, peer-to-peer learning environment. The richness of the class lays in its diversity. Participants stemmed from a variety of industries and entrepreneurial stages; from startups with little revenue to businesses with more than US\$500 million in annual turnover. Not only was I able to network with the best and brightest minds in business, but I was able to do so in a high-octane learning environment.

Overall, the program was intense—12 hours of learning a day for four straight days. Throughout this time, participants shared their fears, hopes and failures. I was glad to see I wasn't alone on my journey! When we parted ways at the end of our first class, we knew we had established relationships that would last a lifetime. What's more, we knew we'd be back the following year for more learning and experience sharing. All in all, EMP taught me that the entrepreneurial path doesn't have to be a lonely one. There are a ton of people who can help you on your journey to greatness; you just have to know where to look.

Nikhil Nath is the founder of Knowcross Solutions Pvt. Ltd. E-mail Nikhil at nnath@knowcross.com.



NIKHIL (ON RIGHT) WITH EMP SPEAKER AND BOSTON MARKET FOUNDER GEORGE NADDAFF.



Entrepreneurial Masters Program

Enrolling in EMP

Want to learn from the best and brightest in business? To learn how you can join the next EMP class, visit <http://events.eonetwork.org/EMP>. For questions, e-mail **Leslie Baum**, EO's Senior Director of Learning, at lbaum@eonetwork.org.

A VISION OF OPPORTUNITY



A NEW BEGINNING
ENTREPRENEURSHIP & BUSINESS INNOVATION

The EO vision is to build the world's most influential community of entrepreneurs. EO is doing this by empowering members to be more influential in their businesses and communities, and creating a global movement that influences the future of entrepreneurship. I have spent the past year pondering EO's vision, trying to articulate what it means to me and how it aligns with my passions and purpose. This year, I have been on a journey that has helped bring this into focus.

At the intersection of entrepreneurship's power to connect people, its role in economic stability and job creation, and this unique bond of family, there lies a possibility for positive impact on the world. I recently stood at this intersection and marveled at the potential. I was honored to represent EO and help design and execute "A New Beginning," a program in partnership with the U.S. State Department and Business for Diplomatic Action. This program brought leading entrepreneurs from around the world to Washington, D.C., USA, on 19 September, immersing them in the "EO experience" in four cities.

For three weeks, I traveled with delegates from various countries, sharing, learning and growing alongside them. Their accomplishments and vision humbled me, and I was inspired as we discovered connections and common bonds. The friendships built will live on. New business partnerships are already emerging. These delegates have seen the heart and soul of the EO community, and are proving to be ambassadors in their countries to the sharing and supporting energy we represent. While this year's program is complete, we remain positioned to affect positive change.

To learn more about this program, visit

<http://www.eonetwork.org/knowledgebase/octane/documents/other/a-new-beginning.pdf>.

- ADRIENNE CORNELSEN EO DALLAS



Running with a Purpose

On 25 July, members of the "FX Forum" in EO Malaysia participated in the Port Dickson International Triathlon 2010, a part of the Asian Cup Series. The Forum's theme for the year is health, and one of their main goals was to complete a triathlon together. In all, nine members successfully completed the Olympic Distance triathlon within the qualifying time of four hours. The biggest "wow" moment was the commitment level of the members, and how they played their part in achieving their goal, says Forum member Ling Hee Keat.



Bonding during the Winter Olympics

The "Dead Presidents" Forum in EO Reno Tahoe recently held a memorable retreat experience in Vancouver, Canada. Their goal of the year is "Build One Forum," since they had merged with another Forum, so the event was designed around unity. The Forum members spent time on the Puget Sound, participated in bonding exercises and watched a men's hockey game during the 2010 Winter Olympics.

EO OPPORTUNITIES IN Q3

DECEMBER

FREE EO WEBINARS

EO is building the better entrepreneur by hosting monthly learning Webinars designed to make you a more effective leader. On 3 December, EO will host "EO Teleconference: Lessons from the Edge," a special Webinar run by serial entrepreneur and former EO Brisbane member Troy Hazard. Having owned 10 different companies in 20 years, Troy will share his lessons learned and better business practices. Visit <https://resources.eonetwork.org/administration/Pages/EOWebinars.aspx> to sign up for this and other free Webinars.

JANUARY

GROWTH THROUGH EO LEADERSHIP

You're a leader in your business, why not take the next step and be one in EO? As a chapter or global leader, you can make a very real impact on the future of this organization and in the lives of your EO peers. Serve at any level on the EO Path to Leadership, and you'll have a full understanding of the organization and your ability to influence it in a positive way. To apply for EO's volunteer positions, visit <https://resources.eonetwork.org/about/Pages/EOLeadership.aspx>. The deadline to submit an application is 14 January.

FEBRUARY

IMPACT THE STRATEGIC DIRECTION OF EO

Want to improve the member experience? Impact the direction of EO by participating in the 2011 All Member Survey, which affords members a chance to provide feedback on what EO is doing well and what can be improved. The more responses we receive, the more tools and information we can provide to better support you and your region. For more information, contact Frank MacPherson, EO's Director of Marketing and Integration, at fmacpherson@eonetwork.org.

2011 EO AMSTERDAM UNIVERSITY

Want to help change the world? Registration for the 2011 EO Amsterdam University, to be held 14-18 September, will officially open in February. Learn how you can make a lasting difference in your community, and discover how profitable innovation can be in your business and beyond. Take your first step in changing the world—join us in Amsterdam, Netherlands, for a new journey! For more information, e-mail the Events team at events@eonetwork.org.

Global Entrepreneur Indicator

GLOBAL SNAPSHOT

According to the **Global Entrepreneur Indicator**, a growing number of entrepreneurs are increasing profits and reducing long-term debt. In all, 59 percent of global entrepreneurs saw an increase in profits over the last three months, compared with 37 percent in the June 2010 survey.

DID YOU SEE AN INCREASE IN PROFITS OVER THE LAST THREE MONTHS?

SEPTEMBER 2010 - YES

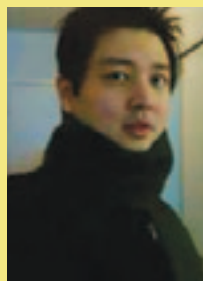
59%

JUNE 2010 - YES

37%

For more information, visit www.entrepreneurindicator.com.

MEMBER SPOTLIGHT



BOBBY SETYADI EO INDONESIA
JOINED EO IN AUGUST 2010

Why did you join EO?

"I was introduced to EO by a few friends, who are active members in Indonesia. I was invited to attend an inspiring leadership seminar by Warren Rustand, and it was from that moment on that I expressed my interest in EO."

What do you hope to accomplish through EO?

"I hope I can learn from the experiences of fellow entrepreneurs, especially when it comes to growing my business. Also, I'm hoping to create a sustainable business model and inspire others in my organization to lead."

What about being an entrepreneur do you love?

"I like the fact that as entrepreneurs, we are not fixed in our mindset. We are constantly being challenged in today's rapidly evolving business environment. Our successes come from our ability to see far around the corner before anybody else sees it."

How will you leverage your EO membership this year?

"I hope that by learning from the life experience of others, I will be better equipped to handle the challenges of the present business environment."

What are the benefits of doing business in Indonesia?

"In my view, doing business in a semi-developed country like Indonesia has a unique risk/reward characteristic. The benefit is that the upside potential is very attractive, especially amidst the financial crises in the Western world. The Indonesian economy has emerged as one of the leading economies in Southeast Asia. Of course, there are potential risks, such as the infrastructure and uncertainty in government regulation, which might deter some investors."



Member Leaves Mark on Reality Television

EO DC member **Stuart Martens** was recently a contestant on the hit reality-television show, "The Apprentice." The president and CEO of Tradewinds Specialty Imports competed with 16 contestants for an opportunity to become an apprentice to business tycoon Donald Trump.

Singapore Members Honored for Achievements

EO Singapore members **Jason Sim**, **Ong Tze Book** and **Sean Lee** recently received prestigious Asia Pacific Entrepreneurship Awards (APEA) for their achievements as entrepreneurs. The APEAs are world-class awards honoring business leaders who have shown outstanding performance and tenacity in developing successful businesses within the Singapore region.

Australian Business Grows Local Economy



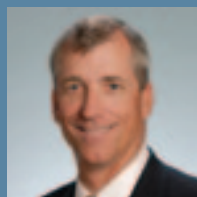
EO Melbourne member **Rob Cecconi's** business, Sportsnet Holidays, recently received the BRW ANZ Private Business Awards' "Fastest Growing Private Business of the Year 2010" honor. The awards celebrate the significant contributions private businesses make to the Australian economy.

Fast-Growing Company Makes Prestigious List



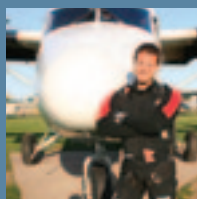
EO Charlotte member **Brian Haupricht's** company, Park, Inc., was recently named to the Inner City 100 list of America's fastest-growing, inner-city companies. As a full-service parking company offering its services in 12 US states, Park, Inc. is honored in the Inner City 100 Hall of Fame for making the list the past five years.

Arizona Business Selected to Task Force



EO Arizona member **Scott Hanson's** company, HMA Public Relations, a full-service marketing communications and public relations agency, was recently selected by the Arizona Governor's Task Force on Tourism and Economic Vitality to implement a communications strategy in response to the criticism over the state's immigration law.

Member Earns Community Leader Award



Kevin Burkart, an EO Minnesota member and president of StepStoneGroup, Inc., will be honored at the National Parkinson Foundation's Celebration for Hope 2011 on 17 February. He will receive the 2011 HOPE Award for Community Leaders, which honors those that make a difference for Parkinson's Disease through awareness and outreach. Kevin raised more than US\$100,000 by skydiving 150 times in a day.

Brisbane Member Talks Business Success



Lindy Chen, an EO Brisbane member and founder of ChinaDirect Sourcing, was recently highlighted in a *Brisbane Business News* article about young entrepreneurs. In the article, Lindy talked about how she created a successful business after a personal disappointment.

Share your news with your EO peers by sending a detailed e-mail to octane@eonetnetwork.org.

Please include a 300-dpi headshot with your submission.

For more member news, visit www.eonetnetwork.org/press/mitn.

GLOBAL LEARNING CALENDAR

APRIL 2011



6-10 | EO TEXAS UNIVERSITY

Register now!

Houston, Texas, USA

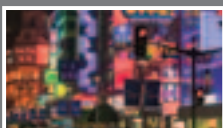
Visit www.eotexasuniversity.com and learn about the half-price registration!

MAY 2011



5-7 | EO GLOBAL LEADERSHIP CONFERENCE

Chicago, Illinois, USA



19-21 | EO GLOBAL LEADERSHIP CONFERENCE

Shanghai, China



25-29 | ENTREPRENEURIAL MASTERS PROGRAM

EMP Class of 2013, Year 1

Dedham, Massachusetts, USA

SEPTEMBER 2011



14-18 | EO AMSTERDAM UNIVERSITY

Amsterdam, Netherlands

For more information or to register for an event, please visit <http://events.eonetwork.org> or contact events@eonetwork.org.

THANK YOU TO
OUR PARTNERS



OVERDRIVE

A NEW WAY TO LEARN

Want to become a better entrepreneur? EO's new blog, **Overdrive**, offers daily news, interviews with industry leaders, member articles and other entrepreneurial content to help you grow as a leader.

Keep your fingers on the pulse of better business—visit <http://blog.eonetwork.org> today!

To submit an article, e-mail nthomas@eonetwork.org.

THANK YOU TO OUR
STRATEGIC ALLIANCES

Ewing Marion
KAUFFMAN
Foundation



Entrepreneurs' Organization
500 Montgomery Street, Suite 500
Alexandria, VA 22314-1437
USA



**Entrepreneurs'
Organization**

*fueling the
entrepreneurial engine*

OUR MISSION

To engage leading entrepreneurs
to learn and grow.



ARE YOU MAXIMIZING YOUR EO PRIVILEGES?

Use EO's partnerships to save money and time,
and get elite access to programs around the world.
Visit **www.EOprivileges.com**, your one-stop shop for
member perks.