



8 Keys to Entrepreneurial Success

Winners of the Cox Business Get Started competition offer essential advice on what works—and what doesn't

Inc.

cox
Business®

Introduction



Even the most confident and well-prepared business founders can feel a queasy sense of uncertainty as they launch their new company. Any new venture entails risk, and setbacks and unanticipated challenges are an inevitable part of the journey to success.

But savvy entrepreneurs can mitigate many of the mistakes and headaches they might otherwise have to endure by absorbing the invaluable lessons of those who have gone before them. And a unique set of mentors can be found in the Get Started series of events, sponsored by Cox Business, that have been held around the U.S.

These fast-paced pitch competitions give a wide variety of entrepreneurs the opportunity to present their ideas to a panel of experts. Cox created the series as a way to help elevate local entrepreneurs and provide them with cash and resources to get them to the next level.

In this guide, winners of nearly a dozen Get Started events share their advice and insights on how an aspiring entrepreneur can take those all-important first steps, stay on course, and recover from setbacks.

1.

Focus on your idea,
not your resume



Aeron McKeough
Drytunes

You should
carefully assess
the skills you've
developed...and
assess how they
can be applied to
your new business.

Entrepreneurs often base their ideas on personal experience, but, contrary to common perception, you don't need years of experience in an industry to launch a successful company within it.

What counts for far more is having a solution to a problem.

Take Drytunes, a company that makes a go-anywhere, waterproof Bluetooth speaker. It was invented not by an audio engineer but a motion picture camera assistant, **Aeron McKeough**, who has worked on TV shows such as *Survivor* and needed a rugged and portable audio system for remote, harsh locations.

In fact, the Get Started competition has repeatedly demonstrated that entrepreneurialism is a viable career path for everyone from recent college grads to returning-to-work moms, because it's become much easier to develop an idea and put it in front of people than in the past.

That said, you *should* carefully assess the skills you've developed (perhaps in other industries) and assess how they can be applied to your new business.

When **Emily Gaddis** launched Gator and Crane, a small format, zero-waste grocery store chain, she had spent years as a teacher. That might not seem like a logical launching pad for entrepreneurship, but she was inspired to create her business when she saw that many of her lower-income students struggled to afford healthy, locally grown food.

"My teaching background also gave me a good foundation for expressing my ideas to customers, and making presentations," she says. "And my experience in curriculum development was essential to shaping my business plans."

2.

Understand what help you need, and ask for it



Entrepreneurs have a jack-of-all-trades attitude, which is useful...until it isn't.

Looking back, **Krystal Stubbendeck**, founder of Borrow For Your Bump, a company that lets expecting mothers rent maternity and nursing attire during pregnancy and in the months thereafter, says that her biggest mistake was not seeking out the advisors and mentors she needed. As a consequence, she made many basic mistakes, like not factoring in the profit margin of various products as she built out her inventory.

Despite the perception of entrepreneurs as outgoing dealmakers, many often have trouble asking for help. "It doesn't come naturally to me," Gaddis says. "I meet people and don't ask as much as I should. But it's amazing how much people are willing to assist."

Many successful entrepreneurs say they had to consciously develop the ability to seek out expert advice and always be alert to the help other people might be able to provide. The sooner you learn to work this muscle, the better.



Emily Gaddis,
Gator and Crane

"It's amazing how much people are willing to assist."

3.

Leverage the full power of the Web



Steve Waddell,
Nasoni Dual-Purpose Faucet

“Use the internet to your strategic advantage to obtain freelance work from countries with lower labor costs.”

The help you need might be around the corner, but it might also be on another continent.

Savvy entrepreneurs are quickly learning how to leverage crowd-sourcing, universities, and other cost-effective sources of expertise—even for critical professional services.

Steve Waddell spent 25 years building aircraft carriers and submarines, but he knew he needed help to turn his idea for a gadget that combines the attributes of a fountain and faucet, Nasoni Dual-Purpose Faucet, into reality. He wasn't deterred by the tight budget constraints common to any startup.

Using Elance (now called Upwork), an internet-based service that connects people with a broad spectrum of freelance talent, he found a designer in Thailand with the CAD modeling and fluid dynamics experience he needed to develop a prototype, as well as a lawyer in India to handle the patent work.

While he admits that he was wary of using professional services halfway around the world, he was ultimately assuaged by reading through reviews from other businesspeople who had used their services.

“You can use the internet to your strategic advantage to obtain freelance work from countries with lower labor costs, while maintaining a high level of competence and quality,” Waddell says. That said, he prefers local vendors he can meet with face-to-face for some tasks, such as having a local lawyer create his LLC, operating agreement, and the other legal building blocks of his business.

4.

Talk to your customers
(even before you have any!)



Entrepreneurs are invariably propelled by a great idea—and, in fact, usually have an endless stream of them—but it's essential to vet them with the people who will be on the receiving end.

"Just because you think an idea is good doesn't mean everyone else will think that as well!" says **Remmi Smith**, a teenager who launched a C.H.E.F (Cook Healthy Exercise Frequently) Program, a subscription business of healthy snacks for kids. "The first thing to do is determine who your ideal and likely buyer will be for your product or service. Then, start asking them what they think."

With the Chef Club Box, she knew her target audience was moms, so she started asking every mom she knew if they would buy the kind of product she had in mind for their kids. Thanks to their feedback she developed boxes tailored to moms with small and large families, and included activity sheets and a monthly surprise because the moms told her that along with snacks they also wanted fun things to do with their kids.



Remmi Smith,
Cook Healthy Exercise Frequently
(C.H.E.F.) Program

"Just because you think an idea is good doesn't mean everyone else will think that as well!"

4.

Talk to your customers *continued*



As essential as this early market research is, however, it does have its limits.

Leon Wilde, who developed an app that prevents a phone from being used for texting or searching the internet from within a moving car, notes that “customers are good at telling you what they don’t like, but they’re bad at telling you what they need. As an entrepreneur, you have to focus on what customers actually buy, which can be different than what they say they want.”

And, at the far end of the spectrum, some products are so far out in front of the market, or simply so complicated, that it can be challenging to figure out how to sell them. **James Lawrence**, for example, developed an advanced software system that helps drone operators stay in compliance with the rapidly evolving rules and regulations for the devices.

“We were so far ahead of the competition that having a need for the system we were offering was not within our customer’s line of sight,” he says. “It was tough for them to grasp our concept and how we envisioned it working to provide value to them.” To get over this, his company decided to pitch its technology to legislators and economic development officials because they had a focus on the public-safety aspects of drone flying.



Leon Wilde,
DriveSafe Mode

“You have to focus on what customers actually buy, which can be different than what they say they want.”

5.

Maintain your vision



James Lawrence,
Drone Control Systems

“If the idea was important enough for you to venture out and start a business, then be faithful to that idea.”

While it's important to seek out feedback and advice, you also have to remain the captain of your entrepreneurial ship.

Don't let a little criticism deter you from what you know is a good idea. “If the idea was important enough for you to venture out and start a business, then be faithful to that idea,” Lawrence says.

Also beware of the risk of well-intentioned friends or partners, who—often inspired by your enthusiasm—muddy the waters by offering up ideas that take your vision off-course.

Early in the formation of his company, Lawrence outsourced a key component to a reputable hardware designer. But soon that designer's ideas for the component began to crowd out Lawrence's, and he “had to spend a lot of cycles to get the design straightened out.”

“You will meet a lot of people who will want you to deviate from the original idea that inspired you,” he says. “It is always good to listen to their ideas and understand if those ideas fit into your business model; however, take them with a grain of salt. What motivated you may not be their motivation.”

6.

Make it personal



No matter how great your idea, don't underestimate the importance of the personal story that is almost certainly connected to your idea.

Consider Smith, whose business was born out of videos that showed her cooking with her mom, and which became popular on YouTube. "Let customers get to know you and your brand on a personal level," she says. "Since I am my brand, I try to promote my business 80% of the time, but I also devote 20% of my time to posting personal events and fun things I'm doing with my family and friends."

Smith blogs and tweets frequently, pointing out that these are (aside from the time involved) free mechanisms for connecting with customers. To spend that time wisely, she suggests picking a few social networks that fit with the nature of your business, rather than trying to maintain a presence on them all. She adds that an easy way to promote your products on social media is to place share buttons on your product pages to encourage customers to let their own friends know how much they like your products. It's important to keep in mind that sharing is an emotional experience, and so it is more likely to happen if you create an emotional connection with customers.

Along the same lines, Stubbendeck is building out her company's website to provide lots of advice for expectant mothers. "We are creating a sense of community," she says. "We need to keep it real and authentic, rather than, say, creating partnerships as extensions to generate revenue."



Krystal Stubbendeck,
Borrow For Your Bump

"Keep it real and authentic, rather than...creating partnerships as extensions to generate revenue."

7.

Start with the end in mind



Torrey Tayenaka,
Eva

Torrey Tayenaka came up with the idea for a “smart shower,” called Eva, that does things like shut off the water flow when you step back to lather shampoo into your hair.

Yet even before that product was developed, he was thinking more broadly, and creating designs for an entire family of water-saving products, from sprinklers to dishwashers. He knew from the start that he wanted to create a brand, not a product.

In the same way, Gaddis developed a long-term strategy for her grocery business from day one. She pondered what intellectual capital she needed to develop in order to appeal to investors, and has already considered how to create an employee stock ownership plan that will someday allow her to sell the company to employees who will maintain the social mission.

“There are many great models for private companies—you just need to be creative.”

“A lot of people think an IPO is the only way you can go public,” she says. “But there are many great models for private companies—you just need to be creative.” The key, she says, is to plan far in advance. If, as in her case, you know you want your employees to own the company, you need to create an environment that will attract and retain those kinds of employees.

8.

Accept that you'll fail...
and get back up



Every successful entrepreneur has stories about the “great idea” that didn’t pan out—even when it was good enough to win a Get Started event.

Eric Burns, a bar owner and transportation consultant, saw that people in Omaha had no convenient way to go to local bars safely after the buses shut down at 10 p.m. So he launched Nightlife Transit, a limited-service private bus service that operated in the entertainment districts around Omaha from 9 p.m. to 2:30 a.m.

“We operated for about three months, gaining an enormous amount of traction, and we were being approached from individuals from around the country looking to franchise our model,” Burns says. “But during this time a competitor in our market didn’t want us in their space and protested our certificate of authority for the bus line. We spent the next few months battling over legal issues. Eventually they nearly bankrupted us; we simply didn’t have the funds to continue paying our lawyers.”

Rather than give up on entrepreneurialism, he opened Gazella Wifi, an automated lead-generation system that helps restaurants improve their marketing efforts. “While the business idea that helped me win Get Started didn’t take off as ideally as I wanted, I learned an incredible amount about everything from legal services to sales to how to manage business relationships. I feel more confident now than I ever have, and I know my current successes in business would not have come without that struggle,” he says.



Eric Burns,
Nightlife Transit and Gazella Wifi

“I feel more confident now than I ever have, and I know my current successes in business would not have come without that struggle.”