

**THE CAREFUL  
ENTREPRENEUR**

**SECRETS TO SUCCESS**

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## Introduction

If you're reading this, you're special. You've started a business or you're thinking about it. You're very brave, indeed, and you drive our economy.

Entrepreneurs seek risk and are more comfortable with debt and uncertainty than the average person. That's the stereotype, of course, and in many ways it is valid. But there is another class of entrepreneurs — the careful entrepreneurs — who aren't fools and are not foolhardy. They're willing to spend time and risk the security of being an employee, but they're also financially conservative with their money and want to spend each dollar wisely. They don't want to end up broke if business is slower than they thought it would be.

Careful entrepreneurs can handle setbacks but dislike surprises. They are experts in their fields, but rightfully find the thought of starting a new venture daunting, because suddenly they are going to be a sales manager, purchasing agent, marketing manager, director of finance, human resource manager, and CEO in charge of strategy and motivation!

One can never predict the future with certainty, only with probability, but this book is about reducing surprises in many areas including human resources, marketing, finance and really knowing if your venture has the potential to make a living for you even before you start.

Classical entrepreneurs are naturally more optimistic than the general population. They know most new businesses fail, but they believe that failure is what happens to the other guy.

They feel that they will be among the small percentage that will succeed based on gut instinct and with very little up-front preparation. But that is doing it wrong.

Careful entrepreneurs have fire in the belly to get going but are also realistic and practical. They don't have emotional attachments to their business ideas and are willing to put time and effort to make their concept work or to find something new. They know that to be among those who succeed, they will need to know the reasons new businesses struggle. Some move too fast. Others lack sufficient data or valid information about expected expenses or revenues.

Many entrepreneurs get enough money and enough customers to get them through the first year or two and assume that future years will take care of themselves. Careful entrepreneurs, however, find that approach woefully inadequate and short-sighted, and would never take on debt they couldn't handle. They know that in order to achieve success, they must do it right. They know also that they must plan, not just the first year or two, but for five years.

I'll show you how to start your business this way, step by step. You may contact me at [tomanastasi.com](http://tomanastasi.com).

Tom Anastasi



## Chapter One

### **The Careful Entrepreneur!**

An entrepreneur is, by definition, a risk taker. That should not be taken to mean that an entrepreneur is a fool. Far from it. Successful entrepreneurs prepare for success in what they do and in how they do it. They minimize risk and maximize the potential for success.

Many potential entrepreneurs empty out their checking accounts, take on massive debt, risk their houses, and hope that after two years their businesses may have the financial strength to continue.

*The Careful Entrepreneur* is for a large segment of entrepreneurs (and their spouses) who are financially conservative, want to own a business, and rightfully, find the traditional, risky methods frightening and not right for them. It's also for people who are willing to risk it all, but are also willing to keep their feet on the brake long enough to make their business a success. Careful entrepreneurs build on the idea that businesses that make it to year five have the best chance of success. They know that for the first sixty months they need to plan for every contingency and be very careful with money and decisions about start-up timing, marketing, hiring, finance, and operations.

Sixty months is not that long. To many the thought of risking it all is daunting, and it should be. But with sound judgment and proper planning, you can start a business without gambling your future. A "Get Rich Quick" scheme is a synonym for a con game. They don't work and can leave you broke.

Why sixty months? Small Business Administration statistics show that if you can persist for five years, you'll hit your stride. In five years you might sell your business and have a nest

egg. Whatever you do, you should be free of money worries. You should be rich. Forbes billionaire rich? Probably not. The "rich" we're talking about means no money worries and a standard of living you and your family will enjoy. That's rich for real people. And, yes, there is a possibility you'll get very, very rich. Not likely, but it's possible.

If a more-than-comfortable retirement and being able to afford a cruise or trip to Hawaii every few years is compelling, *The Careful Entrepreneur* approach will help. If affecting your own life as well as the lives of your family and employees in a positive way is important to you, small business ownership is definitely for you. No doubt about it, creating a business is exhilarating and personally rewarding. You'll put in plenty of hard work, but you can have restful, instead of sleepless, nights if you start your business the right way.

Entrepreneurs *need* to start a business. Their need to do so is just a little less than their need for air and water. They look at entrepreneurship as a personal challenge. Those who make a little less than they could working for someone else prefer the life of a business owner to that of an employee. Even when they have to work 2,500 to 3,500 hours (or more) per year to be their own bosses, they smile most of the time. If you are one of the lucky few who have that unshakable, I-have-to-do-this mindset, great. Go for it! The critical questions are not if you should start your dream, but when and how you should do so.

Enthusiasm is great, but you must consider the statistics. Most new small businesses fail, and about another 40 percent limp along, many on life support. Successful entrepreneurs break the stereotype of the classical risk-it-all business owner and use a Crock-Pot mentality in a microwave business world.

Ask successful business owners when they struggled the most, and they'll answer in perfect harmony: "Years two through five." With *The Careful Entrepreneur* strategies you'll be

able to work through the dreaded years two through five with little if any stress by carefully planning each aspect of your business, by making decisions based on data, not on intuition, and by taking action only when the timing is right for decisions in marketing, finance, staffing, and operations. I'll show you how to do this.

Those who make it work carefully. People who succeed spend money stingily; they predict costs and revenues more accurately, and they make better decisions than those who fail.

The strategies detailed in future chapters still involve measured risk — risk of both time and money. All entrepreneurs are more comfortable with uncertainty than is the typical person, or else they'd stay working for someone else. Careful entrepreneurs aren't fools — and they aren't foolhardy. The entrepreneur's willingness to take a chance is essential; without it, potentially successful ventures would linger listlessly in the planning stage. Careful entrepreneurs take their time and pursue ventures that have the highest probabilities of success with a plan designed for the long haul. Your goal should be to give your business the critical mass it needs to sustain itself without your having to infuse it with your own cash.

*The Careful Entrepreneur* is a combination of a crash course in business administration and a collection of proven strategies for making your invested dollars stretch as far as possible to get you started and to keep you going.

## **Year Six and Beyond**

Year six is glorious. You'll still be making progress and still working and developing your business, but it will seem easier. You won't be challenging odds that say you won't make it; fate will then be very much in your favor. Your goal then will be steady, sustained growth and the management of your brand.

You'll be able to take a break then, both psychologically and financially because you will have achieved your goals. You will have hired good people who can run the business without you, and they'll be making money for you even when you're not there. The American dream will be your reality.

It's now time to begin your dream.

Carefully!