



Elementary lessons in entrepreneurship

In my first business, I failed to account for the cost of goods sold and took a painful 26% hit to revenue when a vendor demanded immediate payment. I was seven years old when Dad insisted I pay Mother for the sugar, Kool-Aid and ice I'd used for my drink stand. I never confused revenue and profit again.

Throughout my childhood, my parents made sure business education was not an isolated occurrence but rather more systematic. Like breathing.

When at age eleven a friend and I held a garage sale to benefit the Epilepsy Foundation, Dad had me write a press release pitching the goodwill aspect of the event and detailing the 5 Ws. (My parents owned a weekly community newspaper, so my release got printed.) I witnessed first-hand the power of publicity to boost business. We drew a good crowd and made forty dollars.

I worked inside our family's business, too. The Social Security Administration has wages recorded for me starting at age nine, but I actually began a bit before that, at age six, stuffing Section B into Section A on Wednesdays before papers were mailed to subscribers. I proofread news copy at age nine, updated subscriber lists at age 11, developed photos at age 13, laid out pages and billed advertisers at age 15, and compared our paper's ad inches (a measure of revenue) to our competitors' one year, one month and one week historicals at age 17. By the time I reached third grade, my parents were paying me market rate, same as the adults performing identical tasks.

Like a farmboy understands the rhythms of planting and harvesting without consulting a gardener's guide, I discovered nuances about business that books don't fully encompass.

I learned that every point of customer contact is marketing, sometimes positive, sometimes negative, as when the office phone rang unanswered more than twice or an advertiser's bill contained errors. Likewise, if someone at the grocery recognized me as "the newspaper Warren" and, oblivious to the ice cream melting in my hands, spent twenty minutes complimenting the lavish coverage of her wedding, I could either dampen or reinforce her delight.

It was an easy choice, because your customer is all you have.

My parents invested in top-notch typesetting equipment but used an empty envelope box as an "outbox" for proofread copy. When it got tattered, they replaced it...with another envelope box. The message: every penny counts. Prioritize toward things that will help



you earn a return.

Advertisers pounce when you provide must-read content to an attractive demographic (something I found true even for the tiny but profitable tabloid I ran with some junior high buddies). You can charge almost whatever you'd like when your product offers something gripping and unique, with such high differentiation that your customers cannot get it anywhere else. If that means providing upscale subscribers an eclectic mix of hard business news, extravagant society scoops and coverage of children's milestones, well, you send reporters to zoning meetings, debutante balls and swim meets with equal gusto.

I learned that having a process in place for every aspect of your business allows you to spend summers traveling with your family and still draw your salary, because your business will run successfully without you. Well-honed publications mail on time with all of the stories, photos and ads planned for the issue because of a precise series of calendars and lists; it's a piece of cake to create similar processes for routine operations such as billing and renewals.

Conversely, I observed that you must innovate continuously, never assuming that what you offered last week will satisfy your customers this week. If you dazzle them, they will reward you with incredible loyalty. Even today, there are subscribers who have lived in other states for more than twenty years who still read the paper cover to cover every week.

And when you encounter problems—and you will—you'd better get busy solving them, because help is not on the way, not to match your retirement savings, increase dwindling market share or untangle messy staffing issues.

Some people find it quaint when I say I learned about business by growing up in a family firm, but my parents' wisdom has stood me in good stead—and occasionally provided entrance into superlative company. When the leader of a Baldrige Award-winning Fortune 100 company encouraged me to join his quality team, it wasn't because I had ever read more than a few paragraphs about Six Sigma. I had, however, absorbed and lived the idea of continuous improvement. Printing one's name weekly on 15,000 copies of an eagerly read newspaper provides considerable incentive toward renewable and duplicable excellence.

Likewise, when a \$10 billion utility company excerpted my customer satisfaction advice in its training materials, it wasn't because I had mined Peppers & Rogers Group research but because I had developed a visceral understanding that in any enterprise, your customer is your only source of cash, and you'd darn well better keep him happy.

They seem like simple lessons now, but perhaps that's because I learned them one Kool-Aid stand at a time.