

FREE
Guide

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THE POWER OF SMALL

Small Business Advice



MY STORY

My grandfather founded Advanco Products, a large office supply manufacturing company. My father worked for his father, starting as a shipping clerk and working his way up to area sales representative. He assumed he would take over one day, but my grandfather sold the business instead. My father was crushed and decided to start his own office supply business.

I worked for my father, starting as a shipping clerk and worked my way up to area sales representative. I assumed I would take over one day but my father sold the business instead. If you guessed I was crushed and started my own business, you would be correct. However, my entrepreneurial career began before that.

When I was eleven years old I started a little business refinishing neighborhood mailboxes. It was a success, and I made \$1,000 over the summer . . . in 1976. Next, as soon as I could drive I took my father's slow sellers and slightly damaged goods to the swap meet on

weekends, then sold my supplies directly to other vendors. I made enough to have plenty of time to surf, which led to my next endeavor. When I was in my early twenties my brothers and I teamed up and opened our first surf shop. We took that one store and turned it into a chain of stores, becoming celebrities in the action sports industry. In my thirties I worked for SkillPath Seminars for five years and took what I learned to start my own training company—which is what I do today.

My father, and his before him started with nothing and built their businesses from the ground up. They both believed in starting small and growing slowly, focusing on making a profit and reinvesting those earnings back into the business. Sure, we read about start-ups that make millions right off the bat, but many times those same companies implode down the road. This book is about building your business the traditional way—beginning with a strong foundation, taking small steps for slow and steady growth, and making sound decisions and smart moves that lead to longevity and possibly a legacy you can leave to your kids . . . or not.

1. Start Small

Let's look at a few of the reasons why starting small is a good way to go. We don't need to borrow money to begin, we don't need to invest in expensive equipment (I would lease, anyway) and we may be able to run it out of our home or garage to save a fortune. Plus, because we are a small business our mistakes and failures will be small, too. I also think in the early days of a business it's a good idea to keep your day job if you can so you have steady income, benefits, and free office equipment.

Just because we are a *small* business doesn't mean we have to look like a small business. It's easy now to order a limited supply of custom shirts and hats so we look like a bigger business. A good logo, well-designed website, and nice business cards complete the look. Social media also levels the playing field because we can post the positive things we are doing just as easily as a big business can.

Lastly, big is scary and expensive. Small is manageable and inexpensive. When we think small we have less fear and less barriers to begin our business and sometimes it's the person who goes for it and puts themselves out there that does the best. Act and react, make mistakes and correct them quickly, and learn as we go because if we're afraid someone will steal our idea, the best thing we can do is to be the first one in the field—the leader.

2. Big Dreams, Little Steps

Jimmy Buffett turned one hit song into an industry— *Margaritaville* reached #8 on the charts in 1977. His story is a perfect example of how you start small and grow as you go. Before I even get to the specific of his business success, I first want to talk about Jimmy Buffett’s mindset. Those who knew him in the early days say he always knew he would make it, even when he was flat broke and without a record deal. In fact, Jimmy shut down another aspiring musician and bellman in Key West who saw him play and pointed out that Buffett’s guitar playing and singing were mediocre at best. Buffett replied, “You are much more talented than me, but I’m more driven and I will be rich and famous and you will always be a bellman.” Ouch. That kind of confidence (he knew his strength was his songwriting) is necessary in business. Jimmy also was a solo act at the time and would often introduce his imaginary band, The Coral Reefers. He was manifesting it. (Increase your confidence by creating a prototype you can show, have a plan or vision you can share, build a website, develop a tagline, and order business cards to make your business more tangible even if you are just starting out.)

Buffett’s brand has always been living a carefree life of beaches, bars, and boats (and later seaplanes). He was marketing escapism and a flip flop lifestyle to those who were landlocked and living in colder climates. He knew who his audience was and what they wanted. The first thing he Buffett did

was start a line of t-shirts called Caribbean Soul. He sold them at his shows and promoted the line in his newsletters and shipped them around the world. Next, he wanted to open a retail store for his shirts and other “Parrothead” gear (the name bassist Timmy B. Schmit gave Buffett’s fan base). Jimmy asked his very capable friend Sunshine Smith (who was in need of a job) to help launch the little store on Duval Street and things took off from there. The retail store then became a restaurant and bar selling two things Buffett made famous with his songs—margaritas and cheeseburgers.

From a mail-order t-shirt company and a one-small store side business Buffett built an empire. How did he do it? He knew who his audience was and kept adding on things they would want to buy. Now, skipping ahead the Margaritaville brand everything from onesies for babies to retirement communities for seniors. The Buffett empire began small and grew by stacking one success on top of another—something we can do, too.

3. Ten Percent Better is New

As frustrating as it is to see someone run with an idea that you had months ago, it’s also encouraging that anyone can take something that exists and put a twist on it and call it new. Many times the best business ideas are improvements on proven products or service.

First and foremost people pay for solutions. The saying, “Find a problem and

solve it” still holds true. People also pay for things that helps them do something faster, easier, better, and cheaper. That means we don’t have to reinvent the wheel but instead just need to make things a little bit better.

What are your pain points (or to put it another way, what bugs you) and then challenge yourself to solve that problem—even if you don’t do anything with it. The act of seeing problems as opportunities is the mindset many entrepreneurs possess—that, and an idea journal. The smartest people I know all have a safe place to store their ideas and most times it’s a small notebook where they can doodle, draw, and write things down.

4. Celebrate Small Wins

If we didn’t have hope that success was right around the corner—whether we are starting or building a business—we would never make it. Most entrepreneurs can be described as optimists, and having positive expectations leads to confidence (and confidence sells). It all ties together.

Read, watch, and listen to as many business success stories as you can stand. Surround yourself with people who believe in you and your business plans and aspirations. Celebrate your successes—even the small ones—to fuel the fire that propels you to keep moving forward despite any setbacks you encounter.

5. Small Talk

Introverts need not apply. Not true, introverts can survive and thrive as an entrepreneur if they find ways to communicate with customers that don't involve face-to-face communication—which is possible. With that out of the way, the ability to talk to people about what we do (and do for them) is a huge asset in business. Many times the decision maker wants to talk to someone before buying, and this is happening more now that we can set up a Zoom meeting in a matter of minutes. I have closed more than a few deals this way lately. Mastering the art of small talk is worth the investment in time.

When people see me on stage speaking to 5,000 people they probably assume I'm an extrovert. I'm not. When audience members approached me before or after a speech (which is my chance to land another gig) I used to panic. Now I welcome it. Okay, maybe "welcome" isn't quite right, but I embrace it. The following tips helped me.

The first step to any good conversation is to try to find common ground. Next, ask questions and l-i-s-t-e-n. Let them do most of the talking and voila we are seen as excellent conversationalists. If we know in advance we are going to be meeting someone we need to do our homework—in a creepy way. We should learn all we can, but don't let on we know, if you know what I mean. In addition to knowing about them, knowing who they used last, what they paid, and what they need helps us prepare what we may say when

asked what we can do and what we charge. Also, paying attention to things we see in the background (in person or on Zoom) could give us clues about things to ask about. Lastly, look for non-verbal clues to know when we are winning them over or “losing them”.

Two more quick points. We should perfect our elevator statement (what we would say if we’re trapped in an elevator with the one person who can make all of our dreams come true) and have amazing answers prepared for questions we are often asked. Lastly, I highly recommend joining Toastmasters, a group that helps people prepare and deliver a speech, speak extemporaneously, and just speak to others in general. I was a member for years and it was a game changer.

6. Think Global, Start Local

Things are rarely perfect with a product or a service at the start so the best thing to do is take a small step and work out the kinks as we go with people we know. If we start with friends and family we can get good feedback from people who have our best interest at heart (hopefully). We can practice our pitch, build confidence, and get the word out while we work with these “warm” leads. You may be surprised to find that one product is more popular than another, or discover that your pricing is too low, and maybe your marketing needs to be tweaked.

It's also true that people we know (our inner circle) can be the conduit to connect us to others they know and possibly bigger and better opportunities. Another reason to start local is it's easier to get a story about your start-up or success in your community newspaper, local news station, and online community groups.

7. Small Team

The best business people surround themselves with, or seek advice from people who smarter, more experienced, and have skills they lack. This can be a mentor, a partner, a consultant, or a mastermind group. The key is to know what you don't know and not be afraid to admit it and then seek help and guidance when necessary.

It's also possible to create a virtual advisory board. I don't mean using Zoom (although that works well) but be doing a deep dive into other business leaders we admire and be able to ask and answer the question, "What would [fill in the name] do if they faced the challenge I am?"

Years ago I teamed up with the Service Core of Retired Executives (SCORE) and this free service changed my life. My advisor opened so many doors for me with his connections, saved me thousands of dollars with his advice, and pushed me past what I thought was possible. Sometimes knowing the one person who knows everyone is easier than trying to connect and win over many individuals.

8. Quick Reads

Small business owners are some of the busiest people, but the best of the best still find time to read, study, and sharpen their skills. We should challenge ourselves to read at least one article a day related to our business. Maybe we can't read every new business book that comes out, but we can listen to one a month. We should study what our competitors are doing and find ways to differentiate ourselves and borrow the best ideas to put our own spin on.

Something I did years ago has proven to be one of the best tools I've used to make good business decisions. When I was just starting out I wrote an article about my success before I'd had any success. I read about others who were doing what I wanted to do, I studied similar businesses, and I chose a person to model my career after. Then I interviewed myself and answered the questions as if I'd already made it. Reading it now is a little spooky about how closely I "called" it way back when.

9. Less is More

I think it would surprise a lot of people to learn that going from a successful small business to a big business is the undoing of many really smart entrepreneurs. There is nothing wrong with wanting to grow our business, but when it happens too fast it can create overwhelming problems which are nearly impossible to solve. So grow slow and think about your business as if

you are going to franchise it (branding, quality control, and creating proven processes) but don't do it until the time is right—if ever

There are many times in business when smaller is better. For example, marketing and selling to a customer who will get your product into the hands of many more may be better than trying to do it all yourself and have to package, ship, and invoice thousands of individual customers. Also, it may seem like offering dozens of options gives us a better chance to make a sale, but when we are known as the best at something (versus a jack-of-all-trades) people tend to seek us out. It is also a lot easier to have a very specific customer in mind which makes marketing a lot easier (and better) than saying everyone is a potential customer (overwhelming).

One final thought regarding less is more is about how we spend our time. If a business endeavor is right we will want to work on it all the time. We can't wait to get up in the morning and get started. We are so excited about what we do we want to tell everyone. When we find ourselves procrastinating, not 100% committed to what we're doing and afraid to tell others about it or ask for a sale, we may need to get back to what we really are best at, love doing, and is what others want, need, and are willing to pay for—even if it seems like it's a step backward (scaling back) it may be for the best.

Okay, one more thing . . . It may seem like a status symbol to own the latest and greatest gear, but if it's beyond our budget it may be a better idea to

rent or lease it. A good example of this is the band KISS who early on rented the plane they traveled in versus purchasing it, built stacks of fake amps to look more impressive on stage, and licensed their likeness instead of having to make and sell merchandise themselves.

10. Small Acts of “Wow!”

Sometimes it’s easier to just do something right then and there—like return a call, reply to an e-mail, or solve a problem and answer a question on the spot rather than to say, “Let me get back to you.” When we can do something in under a minute or two, we should do it. The person on the receiving end of that prompt reply or quick fix is blown away.

Other things that make people say, “Wow!” are surprisingly small—sending a personal thank you, small acts of thoughtfulness, and being a good listener (and using what you learn to better serve customers) are all almost free. Going the extra mile to deliver a package or do a little extra something for the customer, fix a problem whether it’s your fault or not, and run your business by the simple principle of always doing the right thing leads to loyal and lasting customers. Go above and beyond because people don’t post or write rave reviews about average or “good enough”.

In the end we want to win people over so they think with their heart and not their heads. They love and trust us and don’t quibble over price because

they know we care about them and take care of them which is worth more (to many) than a discount from a big business that could care less.

11. Small Time

If we believe that being our own boss will fix everything and whatever is going or has gone wrong in our personal life will be magically make things better, then I have some bad news. If we're not great at managing the clock and calendar, are more consumers of social media than creators of content, and are terrible about making or managing money in our personal lives chances are good we may struggle with these same issues in our business.

My advice to aspiring entrepreneurs is to run their personal lives like a business. When we think of our job as our business and our employer's customers as if they are our own, not only are we better employees, we are also becoming better entrepreneurs. When we are able to budget our money, stay on top of our time and tasks, and handle pressure and solve problems effectively we will be better businesspeople.

12. Money Saved is Money Earned

Gross sales are great, until they're not. What's more important to the survival of a business is our net profit. Sometimes having to earn less because we have low overhead, receive payment for our products and service promptly,

and don't have to support a luxurious lifestyle helps us make it through any unforeseen challenges (like a pandemic).

The goal is to make as much as we can, spend the least we have to and still do great work, and invest the profits back into the business. To do this we have to be confident in what we do and instead of competing on price, win with exceptional service and excellent products. We also make it easy for people to pay and put a high value on up-front payment practices and are careful when offering credit. Lastly, any money costs we can cut and money we can save when purchasing good and services is money earned.

13. Short Term Pain, Longterm Gain

In a way this goes against some of the things I already said earlier, but when starting out we may have to give to get. Allowing people to try out your goods or service sometimes is your best marketing tool. Free samples, deep discounts for first-time customers, and loss leaders are effective ways to get a foot in the door, build trust and develop longterm business relationships. Playing the long game is easier when we are deep in debt and desperate, but it is how smart entrepreneurs think.

My father used index cards to keep track of his customers. On each card were notes from people he called on—some he visited a dozen times before they bought anything from him. I started using this same system a few years ago with a combination of Google, LinkedIn, and good old fashioned

listening I have built a detailed dossier on customers and potential customers. Some of whom I have sent free samples, birthday cards (and half-birthday cards), well wishes, or congratulated them on their accomplishments not because I had to, but because I wanted to. I would feel weird asking for something from someone without ever doing something for them first. I believe people buy from people they know, like, and trust and have a relationship with.

14. Act Now

It's easy to confuse planning with action. A good business plan has always been a must to land a small business loan. It also helps us flush out our ideas and back up our intentions with hard numbers because we're forced to do our homework and due diligence and think through the steps we will take to start and grow the business. BUT, how many people really use that business plan when things get real? I'm just saying, sometimes acting and reacting is as good as plotting and planning.

I am not a lawyer, so I am just saying what I have noticed when it comes to legal matters. Depending on what you do it may be a good idea to incorporate your business or form an LLC. A trademark is a valuable thing to have. Having a patent for a product can be like gold if things take off. Now, all of these things cost a lot of money and take a ton of time. Plus, even if someone steals our idea will we have the resources to take them to court

and are we willing to take the time and energy to go all the way to trial and if we win, could we even collect?

15. The Power of Small

Many of the most successful companies started in a garage—HP, Apple, and Amazon to name a few. It's not how small you are when you start, it's about having big plans and make them a reality through consistent small steps made daily in the direction of your business dreams.

Final Thoughts

It would be nice to add to this list of ideas for building a business and I'm convinced the best ideas are out there and I am just here to pass them along. With that in mind, feel free to send me something I missed or something you feel others need to know and I will add them to this free resource.

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