

From the desk of

John A. Crane

Thinking About Starting that Business?

I recall the day in 1988 that I made the big decision. John Crane was going to be a slave no more. No more working for "the Man." A new shingle was going to be hung in Austin, Texas, reading "John A. Crane, Attorney at Law." I was pumped. "Just think, I can come in when I want; leave when I want; work from home when I want; take any and all cases I want. This will be great!!" Good grief, I was an idiot. It turned out to be one of the best decisions I ever made, but I have to laugh thinking about all the things I didn't comprehend at the time.

I love working for entrepreneurs. They have enthusiasm and energy that is contagious. They are excited about the potential of their business and the success that the future holds. Sometimes that enthusiasm blinds them, however, to the harsh realities of being your own boss in a startup business. Just because you know how to make pies, doesn't mean you understand the business of selling pies. In fact, many new entrepreneurs discover that in addition to the job they know how to do, they now have a bunch of new roles they know nothing about: bookkeeper, salesman, manager, janitor, chief cook and bottle washer.

In his book "The E-Myth Revisited," Michael Gerber makes these very points and discusses how important it is for an entrepreneur to work *on* the business, not in it. Believe me it's tough to do, particularly if you're the control-freak type who can't bear to delegate a task. That old attitude of "If you want it done right, you gotta do it yourself" will put you out of business and into the cardiac care unit. If the only reason you want to start a business is so that you can be left alone to bake your pies, or write your software, or do whatever technical thing you do without a boss watching over you, keep your job and be thankful that someone else has to worry about all that other stuff.

Of course, many prospective business owners complicate things further by sharing their exciting business idea with a friend. Next thing you know, those friends are business partners. Otherwise intelligent and shrewd individuals, skilled in the art of negotiating business deals with strangers, become suckers when it

comes to their friends. They don't stop to consider potentially unpleasant questions like:

- "Why am I sharing ownership with this person when I can get the same value elsewhere?"
- "Do we truly agree on a vision for the business?"
- "If we need more working capital down the road, from where will it come?"
- "What happens to our shares if either of us dies, divorces, or just gets tired and wants to quit?"
- "What roles will each of us serve and who will have decision-making authority?"
- "Can both of us get by without a salary until the business is profitable?"
- "If we disagree over a major decision, how do we handle it?"

Finally, some have the notion that success is guaranteed because they have invented the better mousetrap and surely the world will beat a path to their door. I have come to the conclusion that good business ideas are a dime a dozen. The ability to take a good idea and turning it into a *profitable business*, however, is so rare that it borders on the miraculous. In my opinion, people make all the difference. It doesn't matter what the business sells, without the right people at the helm the ship is going to sink. Ask professional investors who pump millions of dollars into new ventures and I bet they will tell you that the single most critical factor they analyze is the human element. Do the people involved have the skill, drive and personality to make that business succeed?

In case you think that I'm so pessimistic about new businesses that I would never recommend trying it, think again. The fact is that few things in life are more FUN. Just do it right. Get the advice you need and resolve from the start to build a business that serves the life you want to live. Do not allow it to enslave you or else you will discover that you traded a bad job for the worst job in the world.