



STIR THE POT
A Guide to Success for Small Businesses

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Dedicated to my mother who time and again would remind me to never let the negative voices control my existence and to always “stir the pot”. Thanks mom.

A QUICK NOTE

You know what I love about my job? The journey. I love being part of and witnessing the journey that my clients embark upon on a daily basis. Working with my clients to address the challenges they face is half the story. Being part of the celebration, the solution, and being part of the team is what really gets to me the most. Being a business owner is truly not about a destination because every time you climb that proverbial mountain you look out into the distance to find another bigger mountain that you want or have to climb. The people I meet along the way through my own journey keep me committed to what I do and keep me inspired to do better, create better, and be better. The clients and relationships I've developed along the way give me the focus and hunger to keep climbing bigger mountains. So, to those people I say, thank you. You've made me who I am today. Your experiences inspired me and molded me. Every day, every client, every moment is an opportunity for change and growth. I'm truly blessed, and I hope your journey makes you feel the same way if not more.

INTRODUCTION

Thank you for taking the first step towards the exciting world of entrepreneurship. I, as have the contributors to this guide, have seen many successes and failures during the course of my career. However, what makes our collaborative effort so meaningful is that we are still standing here today, with our battle scars, ready to share our ever-evolving wisdom with you, the small business owner.

This is a message of hope for those that have begun or are about to embark upon the journey of entrepreneurship. If there is anything I hope you get out of this guide it is that planning and adaptability are the keys to success. Perhaps now more than ever. Building a foundation and then being able to improvise, are instrumental to a sustainable business.

Many businesses fail for many different reasons but mostly because they fail to properly consider the crucial challenges at the very outset i.e. they fail to engage in effective business planning. Perhaps because they think business planning entails a 45-page step by step summary of their business model, with financial projections and market analysis. I can tell you with absolute certainty that there is no set way to create a business plan and that sometimes excessive business planning can be counterproductive. Arguably, there are times where you will need to almost act first and analyze later. So what's the point in business planning at all? Where do you and your business fit into this concept of business planning? Well, I think the answer can best be summarized as the area between these two quotes:

“Everyone has a plan ‘til they get punched in the mouth” – Mike Tyson

YOU

“If you fail to plan you're planning to fail” – Benjamin Franklin

Figure out where you fit and what works for you. Learn to trust your feelings and your instincts with yourself and with other people. My hope for you as the aspiring business owner or emerging titan, is to read the following critical business failures and tips for success based on over a decade of working with and running small businesses, and feel inspired and motivated.

I. Startups fail to spend money on viable human resources.

It is an unfortunate truth that many business owners try to cut costs wherever possible. However, as the saying goes, sometimes spending money is the only way to make money and break past the financial plateaus that most businesses face. So, the question is, **where should you spend money?**

For growing businesses, I strongly believe that you spend money on viable human resources. If you want to grow, you need to at least consider investing in the right human capital. In order to do that, you'll need to learn how to let go. This can be a tremendous challenge for many. However, I would argue that one of the smartest decisions you'll ever make as a business owner, if done right, is letting go of control. I'm referring to no longer micro-managing every aspect of your business, no longer wearing every single hat and instead engaging in high leverage activities such as delegating tasks to others. By "others" I mean employees, independent contractors, or outside service providers.

The key however is effective delegation. i.e. giving your employees the tools, motivation and a clear picture of the desired result. In other words, giving your employees the education, resources and know-how to achieve a result -- not micromanaging their personal process.

People that can perform the services that otherwise take away from your time engaging in more important high-value tasks -- the personal aspects of your business such as business development, networking, and client management-- are the wisest investment you can make for yourself and for your business. You can systematize repetitive tasks such as an intake process, onboarding process, or debt collection process. You can outsource tasks that are more complex to the right professional service provider (think accounting, contract management, project management, bookkeeping, etc.). You cannot systematize human relationships. To quote Dr. Covey, human relationships follow a different principle: slow is fast and fast is slow.

To this end, I have created for my own business: templates, answers to questions most frequently asked by clients, answers to questions most frequently asked by new hires, template terms and conditions for each client engagement, educational guides, and preferred protocols for anyone who is performing services on behalf of my company for my clients, as well as tools for providing estimates.

In doing so, (1) I provide people who work for me with the tools and resources to accomplish the given task, (2) I identify minimal parameters for executing the methods for each task, (3) I create efficiencies with the things they do for my company without micromanaging, (4) I set forth a clear

upfront mutual understanding and commitment to specific expectations and results, and (5) I set forth a quality statement of what the results will look like. I create efficiencies where efficiencies make sense.

II. Businesses fail to spend money intelligently on marketing

Let me start by saying, I am by no means the marketing guru. However, I can appreciate the fact that many business owners fail to maximize a return on their marketing investment. This is because they fail to realize that in the world of small businesses, people hire people, people don't hire businesses. In other words, people don't hire me because of the specific makeup of my law firm, the number of associates I have on staff, or my of-counsel relationships. They hire me because I've sold them on my integrity, my passion, and my expertise.

This is why in my opinion, blanket advertising doesn't make sense for most businesses especially those in the service industries ex: professional services, consulting services, etc. There's no real strategy and no personal connection in blanket advertising.

I've seen a colleague of mine try to grow his professional service company through blanket advertising. He spent thousands of dollars and it didn't work. He was disappointed in the quality of clients that he was receiving as well. If you want quality clients, the key is building quality relationships not quantity of relationships. You could accomplish this through target advertising perhaps, but your best bet is to focus on building key relationships with highly networked people, true centers of influence. In other words, you should focus on meaningful networking.

The first step in networking might be the trickiest. Identify those individuals and businesses that can help you organically build your business. Identify those center of influence as they are commonly called i.e. people that have an already strong and established network that you can tap into.

Second, keep in mind that self-promotion is a dead-end street. Networking is about listening and identifying opportunities. Take notes when people speak. Engage in active listening.

Third, is consistent follow through. It is not enough to just talk to someone once. If you felt a connection, follow up with them. Thank them for their time. Introduce them to key resources or potential clients. Connect with them on all social media platforms. Send them interesting information you received to get their feedback. Comment on their social media posts and constructively engage with them and others that were prompted to respond as well.

Invest your time and money in meaningful networking and you will not be disappointed. But fair warning: be patient and be consistent for best results.

III. **Businesses fail to set a standard for targeting clients they want to attract.**

I see this all too often, especially with those in the service industry. Don't just take on any and all clients you can. Don't obsessively chase after clients or customers. Sometimes, a client will cost you more time and money than they are worth. Set a standard for who you want as your target client, and mold your services and fee structure to cater to or attract that specific type of client. If you aim high, you'll achieve high. If you aim low, then don't be surprised with the type of clients that walks through the door.

The Pareto **principle** (also known as the **80/20 rule**, the law of the vital few, or the **principle** of factor sparsity) states that, for many events, roughly 80% of the effects come from 20% of the causes. What does this mean, in English, for you as the business owner? It means dollar signs do not equal quality clients. It means that most of your headaches are going to come from a select few clients. Clients are not all created equal however tough a pill that is to swallow for most.

The solution? First, understand and detail your ideal client type. Who is your ideal client? Who is your target client? If you cannot answer these questions, your marketing strategy will fail. Second, create a systematic intake process to properly qualify prospective clients i.e. make sure that they are the right fit for you. Have prospective clients complete an intake form if that helps. In fact, I would recommend just that for many businesses. Taking the time to vet your business opportunity, your client, and the work you will be performing before you commit your resources, energy and soul into a given project will save you from substantial headaches down the line. It will help you manage expectations and create appropriate boundaries. Just remember, maintaining those boundaries and expectations is within your control. Set limits on the leg-work you do for free and stick to those limitations.

IV. Businesses absorb too many financial sacrifices in order to gain favor.

I represented a few contractors that will especially identify with this scenario. Yes, there are times you want to discount your services in anticipation of maintaining a long-term relationship. However, there's a fine line between treating a long-term client to the occasional discount and letting your clients take advantage of you. Furthermore, when you continually provide non-requested discounts, you undervalue your services. Be confident in your services and project a sense of positive self-worth. You'll be less frustrated in your business and your clients will respect you for it. Respect from your clients starts with respect for yourself, respect for your own experiences, and self-appreciation for the skill and services you bring to the table. Once you employ a system that considers the true value of your services, you'll start to attract the right type of clients.

V. Businesses fail to accept failures as a normal part of business.

All businesses experience failures. I have failed many times. But failures are a natural part of the business life-cycle. Failure is critical for success. What's important is that you learn from your mistakes and set a concrete plan for rectifying the issues you've encountered along the way. That is the nature of business planning. Keep in mind, that mistakes are not a problem, but rather employing strategies different from the ones that caused the problem to begin with are what matters most. Dwelling over your failures is not healthy, but analyzing them and approaching them with a practical perspective, or preferably the right professional, is in fact a healthy business practice.

VI. When a business owner fails to take care of him/herself, the business suffers

If you can't take care of yourself, you can't take care of others. When you lose sleep, don't eat well, don't exercise, get too stressed, your work product is the first to feel the impact. That may be a little easier said than done in the age of COVID-19. But being stuck at home leaves you little excuse when it comes to employing daily activities aimed at improving your physical and mental wellbeing. How you live gets reflected in your daily presentation. Establishing the appropriate balance between work and play ensures long-term sustainable growth in every aspect of your life.

When it comes to your clients, being responsive, reliable and professional are all very important. But unless you're walking into surgery tomorrow, client issues can wait. The key is balancing the expectations of your clients while effectively managing your time. If you don't want to be stressed at 11:00 pm then don't answer the phone or client emails at 11:00 pm. Your personal time is about recharging and becoming fresh for the next day. Your clients will respect your boundaries and you'll be a more fulfilled business owner.

VII. Doing nothing produces nothing.

In the past decade plus, I've had two consistent business advisors in my corner. My mother who was a graphic designer and business owner for the better part of 25 years, then franchise owner of a Kumon math and learning center, and my high school friend Sharone Baradarian, a successful commercial real estate broker in the Bronx. Don't get me wrong, I have and continue to surround myself with some respectable and immensely intelligent professionals some of which have contributed to this guide. But these two individuals have been my constant sounding board. If there is one thing I've learned from two very different situations and in two very different professions, it's that if you do nothing you get nothing.

Businesses fluctuate in terms of success. They go through ups and downs. I'm not stating anything most entrepreneurs don't already know. However, what I've found to be true, and my trusted advisors will tell you the same, is that you should always be doing something, especially so in the so-called "downtime". The best analogy I've heard was when you're walking through the jungle you don't know whether you're three days or 30 minutes from civilization. So, you just keep walking, relentlessly. The key it would seem, is that you are driven by your actions, not your thoughts (as those can sometimes be deceiving), constantly moving forward understanding that only with constant action is there growth and opportunity. I think Benjamin Disraeli put it best when he said, "Action may not always bring happiness ... but there is no happiness without action."

I've found this to be true even during times of great success. When I stopped engaging in marketing and networking efforts and coasted off the clients I had, it came to hit me pretty hard about a year and a half later. While I was fooling myself into thinking that I was doing nothing and it would always produce wealth, others around me were investing in themselves, growing, moving forward.

VIII. Don't get lost in the conversations in your head.

I'm willing to bet that of the 20, 30, or 100 conversations you have on a daily or weekly basis, 90% of them are with yourself or rather, in your head. Well, I'm here to tell you, that's ok. To quote Eugene Levy in American Pie, "it's a perfectly natural normal thing". It makes you human. I would even argue that it is a critical part of any potentially positive, creative process. The real problem isn't whether you're having some award-winning argument in the shower. The real problem is how you're taking what's in your head and transferring that, or using that to create something productive for your business or even your life. The answer, thankfully, is quite simple: put pen to paper. Take your ideas, your doubts, your concerns, your arguments, and your issues – all of those internal conversations- and write them down. Once you've created what is surely a scene out of the movie "A Beautiful Mind",

identify a trusted advisor and sift through the emotional and logical until you are able to clearly identify or rather articulate your goals and your issues. Then, with the assistance of your advisor (preferably a business attorney or someone with financial advisory credentials like a CPA) create the process for achieving or resolving those goals and issues respectively. This process of taking your ideas and writing them down is the primordial basics of business planning. But don't get caught up in that. Instead, I would challenge you, the business owner (or aspiring entrepreneur) to start taking daily notes, writing down your ideas, concerns and issues, and start to organize those thoughts. Don't worry about creating a formal business plan. That will all come naturally as the result of this process.

IX. You are going to die.

This might seem like a strange thing to include in a book about business, but I'm going to take a confident chance here and state the importance of reminding you that you are going to die one day. It is inevitable. Could be today, tomorrow, or twenty years from now. Doesn't matter. That is the only thing that is for certain. That should tell you two things: 1. Everything else is basically unpredictable (at least to some degree) and 2. Now is the time to create a strong plan for your business's future. Don't plan to plan. That's just fancy talk for procrastination. Think of your business plan as an opportunity to fully process the potential known risks to your business and how you can hedge against or prepare for those risks no matter how likely they may be. I understand that we all crave predictability and that makes the majority of us risk adverse. However, it makes no sense whatsoever to be risk adverse and not take the time to train and prepare for the things that could significantly impact your business. It all starts with putting pen to paper – creating your version of a business plan.

X. Remain flexible.

When talking about business planning, creating a foundation, structure or outline it might seem strange to talk about the importance of flexibility or adaptability. When you think "structure" most people tend to think of something rigid. I believe Bruce Lee said it best when he said "the highest degree of form is formlessness". Think about that. Think about a fighter or professional dancer, acrobat, or gymnast. All of those people started out learning and building a strong foundation based on strict form. When you see them perform though, it looks effortless. It flows naturally. That is because they built a strong foundation and from that foundation they were able to adapt and improvise intelligently and instantly to their changing conditions. That's the entire point of business planning really. Some things will work, and others not so much. But the point is you create a solid foundation so that when your circumstances change your business can seamlessly adapt.

XI. The value of listening.

- by Jeffrey Daniels, Esq.

In meeting new people and networking, most people can't help but feel they need to "tell their story", convince the other person of the value of their business, what they are selling and why people should buy their product or service. This approach is guaranteed to fail. People, by their nature, want to be listened to and if you develop good listening skills, you will be way ahead of the curve. Listen to what they have to say, who they are, what is important to them. Ask them questions, find out about their background, where they are from, how did they start in their business, what were their challenges and how did they overcome those challenges. Ask them about their family...don't be afraid of getting personal and being vulnerable. Be interested, not interesting.

XII. Create the space you need to grow.

– by Jeffrey Daniels, Esq.

Years ago, part of my practice was closing mortgage loans for financial institutions. I had one paralegal who was working in an office which was the size of a closet. I had an opportunity to rent a larger office for her but was afraid that if my closing practice did not expand, the rent would be a financial strain. My business coach, however, gave me some advice which I remember and use to this day. He said, essentially, that if I do not create the physical space for my closing practice to expand, I will also not create the mental space in my head to be open to attract the connections and relationships that would enable the business to expand and become more profitable. So, I went ahead, rented the additional space and sure enough, my closing business took off. I followed this principle since and have never been disappointed.

XIII. Three critical aspects to business success.

- by Andrew Kabatchnick, CPA

There are a few reasons that I feel many businesses end up failing. Poor customer service, poor planning for finances, and a product or service that is not needed/wanted. I believe these 3 things are important components of any business. In our fields, customer service is paramount. With great service, we will continue to get referrals etc. The product is more important for startups etc. Of course, budgeting and saving money is even more important for all businesses!

XIV. Why do-it-yourself legal documents don't work.

- by Neil Greenbaum, Esq.

Many people now prefer to bypass using an attorney and instead, opt online, for do-it-yourself, fill-in-the-blanks legal documents. Nine out of ten times, these documents don't work.

1. False Sense of Security - you believe you have a document that will protect you, but it is so poorly drafted, it does more harm than good
2. One Size Does Not Fit All - Using a downloadable document that was not custom tailored for you is like wearing pants three sizes too big - it simply won't fit
3. Forms Are Overly Simplistic/Inferior - Most online forms do not do what you need. Using them is like being hungry, going to a restaurant and not ordering anything - there is no point in doing so
4. You Have To Do the Work Yourself - Online documents don't come ready-to-use. You have to fill it in yourself. One statistic said that 80% of people who fill in their own legal documents do so incorrectly
5. They Even Tell You to Use a Lawyer - Every online legal document company has a disclaimer that they are not a substitute for a lawyer. One company's website says that their forms are 'not guaranteed to be correct, complete or up-to-date.'

Despite the importance of certain legal documents, many people still avoid using lawyers and simply attempt to draft them by themselves. This is counterproductive, as the work product is often far inferior and the cost to rectify any mistakes incrementally more than the initial drafting fee.

XV. People, Product and Process- The 3 P's.

– by Ralph Ramirez, President Townecraft Homewares LLC

Focusing on three core but basic tenants are fundamental for any business owner but particularly a new business owner: people, product and process. The 3 p's. This sets the stage for continued success and defines areas of improvement allowing you to begin framing your strategic growth through transformation and evolution. Again, that was evolution, not revolution! Transforming and evolving the business, imposing and setting change, is on the most difficult challenges any business owner faces. But executing your transformative and evolutionary change should be done with input and feedback from key members of the team. Involving and including team members not only gives them a “seat at the table” but allows them to “own” setting that stage, and allows them to feel invested in the business and your goals. This in parallel, establishes the culture you want to operate in without forcing or pushing your culture down anyone's throats.

Always remember, you come into an existing culture. You need to assimilate into the culture and then you can influence it, not the other way around. These have been the key success factors in my professional and business career that have allowed me to build cohesive teams that want to deliver for me as their team leader.

XVI. Taking care of yourself as an engine.

By Charlotte Winters, President

Wake Up with Friends, Meditation and Mindfulness Practice

As the engines of our companies, we entrepreneurs have less of a margin of error than our employees. The buck stops with us, so it's vital to keep our decision-making skills quick and our critical faculties sharp. Wellness, therefore, isn't a luxury; it's a necessity. Letting one's nutrition, exercise, and self-care practices lapse can create simple errors that have huge consequences. It may seem counterintuitive to even rest in our hyped-up hustle culture, but prevention is ten times better than cure here.

SOME FINAL THOUGHTS (FOR NOW)

I hope this guide provides you with some foundational guidance for success. My final piece of advice to you is simply, take small steps each day towards creating each section of your plan. Talk to experts who are willing to sit with you. Take notes and make note taking an active part of your daily routine. Stay humble towards learning new things. Don't be afraid of growth and finding something greater than you initially intended. And finally, always remember your passion. Without passion, your business is soulless. If you are ever lost, find your way back to the moment you felt passion, and the rest will surely fall into place.

And remember to always.....

STAY HUNGRY!

STAY FOCUSED!