**Secret six — building a team**

**One additional thought on working outside your comfort zone**

Things are going well and I feel like I had a great experience, the classic story arc, boy gets web page, boy loses web page, boy gets web page back, lives happily ever after.

But when a character traverses a story arc in fiction, there is also supposed to be a lesson learned.

The two lessons I learned from my story arc are:

1. I now know more about current tech

2. I also know that if my web page ever needs to take on more responsibilities, the best use of my time and money is to hire it out.

**It's also a great call back to our show about a business *needing to make dollars to make sense* —** Many startups get confused about where they should spend their startup money and — this is important — you'll only have so much to spend! **Be sure you are spending scarce startup funds on immediate revenue generating activities.**

I'm not selling books right now so I'm not investing in web, I'm working outside my comfort zone. If one of Dave Ramsey's producers called and said they want me on as a guest for a week to discuss my books, you can bet your bippy I'd be hiring out an update — *investing in revenue generating activities with immediate potential.*

Because I now know more about current tech, I can be a better shopper for those services, too!

**The sixth secret of small business success is building a team to build a business bigger than yourself**

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Cracking this secret of success starts with your mindset.

That mindset comes from understanding that your most important responsibility as an entrepreneur is to build a business that doesn't include you. Your vision of success will more effectively help you reach your goals when you include envisioning yourself as a team leader rather than a service provider.

Even if you need to do it all at startup, you should be consistently focused on envisioning how your current duties can be passed along as soon as possible.

**Seven secrets to building a great team:**

1. Accept that most of your success will come from ressources outside of yourself, and that your most important responsibility to your new enterprise is to gather those outside resources

2. Honestly assess your personal strengths and weaknesses, and set team building goals

3. Address your greatest weaknesses first

4. Share your vision of success with your team members early and often

5. Evolve your role to managing external relationships — remove obstacles, provide resources, and get out of the day-to-day operations

6. Recognize and reward good performance

7. Create opportunities for others

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**Where do team members come from?**

Early in your entrepreneurial arc, as you are building your personal business network, be on the lookout for members of your first team — **your informal advisory team.**

Your advisory team can help you reinforce your strengths and mitigate your weaknesses and, as members of your personal business network, this team will only cost you a few coffees or a lunch or two.

As you move forward, you can sometimes start the process by engaging service providers to fill in for your weaknesses and support your success. Seven easy examples include:

1. Bookkeeper and tax preparer to keep your finances in order
2. Administrative support to free up your time to work on, not in, your business
3. Janitorial  to keep your premises safe and clean
4. Contract manufacturing to reduce initial capital outlay
5. Contract call centers to improve customer service
6. Fulfillment houses to fill customer orders
7. Staffing companies for short term personnel needs

When my wife and I started our business, my honest assessment was that startup and operations were part of my DNA, but bookkeeping and taxes were not. I'm an MBA and I work in finance, not accounting.

*As they say in business school, finance looks forward, accounting looks back. Or, as accountants say, finance is the promise, accounting is the truth!*

We started our team with a tax preparer, a bookkeeper and a janitor, all through service providers. I will stand in for the janitor when needed but I keep my hands off the books!

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**Some businesses cringe at the cost of personnel from staffing companies, but that's because they fail to take the big picture into account.**

- First, state and federal taxes and fees add 25% to the cost of wages, meaning if an employee earns $100, the business is out an additional $25.

- Second, those staffing company employees are fully covered in the event of an injury on the job,something few consider until it happens.

My wife and I used a staffing company to hire movers to help install our 600 pound pedicure chairs and, unfortunately, one of the movers did sustain a slip/fall injury. The staffing company made sure that person received prompt medical attention and provided a replacement worker so we could continue working.

**That would have been a completely different story if that was one of our own employees or, heaven forbid, if we had hired an itinerant worker off the clock.**

The popularity of the gig economy could be good news for startups, as more and more services and providers enter the market. Hiring service providers can really ease the transition, but Washington State is not a good place to cut corners. Please don't get caught in the independent contractor trap.

Washington State's Department of Labor and Industries performs seven tests to establish the If your independent contractor is really independent.

Failing even one L&I test puts you on the wrong side of the law so stick with vendors — going concerns with plenty of existing customers. If your so-called independent contractor has only one customer (you), you'll have some expensive explaining to do.

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**How do you pay for all this?**

Team building really starts at the idea stage. You can start any business you want, so please start a business with adequate revenue potential for team building. As we've discussed before, you generally don't buy the first pair of shoes you try on or the first car you test drive. Please don't start the first business you think of. Validate your ideas, test your assumptions, project your revenue and choose wisely.

**Avoid getting caught in the "me trap," which leads to burnout, poor performance and failure.**

A significant number of clients come to SCORE counselors and SBDC advisors because they are stuck in the *me trap*, and far too many are really beyond help. The problem? The business doesn't generate the revenue needed to build a team, *but* the owner can't do all that needs to be done to be successful.

There is often no release from the *me trap* and, if the owner took on debt to start the business, you have a recipe for personal and financial disaster.

We remember our earlier discussion, *if it doesn't make dollars it doesn't make sens*e, and the need to choose a startup with significant upside potential.

**You wouldn't take a low paying job, please don't start a low paying business.**

Generating enough revenue to support a team is one of the several important reasons for starting a business with significant financial potential. The right business model will keep you out of the *me trap,* the wrong model will doom the best of intentions.

It's been said that the road to a particularly undesirable destination is paved with good intentions, so stay off that path!

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Next week, we'll discuss the 7th and final secret to small business success, a little luck and the ability to recognize and take advantage of good luck when she pays a visit.

Coming up in March, I'll reveal how I earned the nickname "the 10 million dollar man" by helping small business owners find over 10 million dollars in startup and expansion funding.

We'll cover business funding in two shows. The first show will tell you where *not to go to* get financing, then the following week we'll talk about funding resources many businesses overlook.

It's all coming up in this spring's Business Bits on KONP.