

NO NONSENSE ADVICE

13

FOR ENTREPRENEURS

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PROLOGUE:

Starting your own business has become all the rave: and possibly is the 'hippest' thing to do these days it seems. It also seems that almost everyone is doing it: or contemplating it. Far too many webinars and articles are being written about 'instant success' stories, fueling the fire to want to 'start out on my own': making normally 'sane' individuals make some insane choices...

See: there is nothing wrong with starting your own thing: but damn it: get this straight: there is nothing wrong with doing a proper job EITHER.

'But - at least when you are working all the effort you put in is for yourself - and you will make a lot more money'

Let me burst your bubble right there. WRONG. WRONG and WRONG. For every success story there are hundreds of failures you never read about - and for that ONE that really makes it BIG - there are thousands who lost everything (which you probably will never read about!) There is security in a 'career' that is almost never afforded to an entrepreneur : and though success is sweet indeed, if you put in half the effort, at your job, that an average entrepreneur has to put into making his fledgling business work, chances are you will become a CEO in double time in a normal organization.

So, please don't take the horseshit romanticism that is associated with being 'your own boss' and starting your own venture. Think this decision through carefully: and start only if you are dead serious about it: unless of course you were born with the proverbial silver spoon in your mouth and then some: so, burning a few years of your life, and a few millions off your parent's bank balance doesn't really matter much. Make no mistake, next to having children, this is possible the one decision you will either live to regret the most: or derive the greatest pleasure and satisfaction from - there really is no middle ground in it.

So, if you are starting out, start out with your eyes wide open - and a commitment to see things through. There really is no 'plan B' when you are an entrepreneur: you either make it, or you end up penniless... Still want to take the plunge? Well then, read on...

CONTENT

Chapter 1: Before you take the leap of faith	02
Chapter 2: Getting the idea right	06
Chapter 3: Starting out	12
Chapter 4: Establishing yourself	18
Chapter 5: Separate the Business from the Personal	26
Chapter 6: Scaling up	29
Chapter 7: Passing it on	39

Chapter 1

Before you take the leap of faith

Listen... Carefully... Starting out on your own is a DECISION. It is not one that should not be taken lightly : nor because your boss is a right royal prick and you don't want to work another day in that shithole of a company you joined. Starting out on your own because you are frustrated in your job is as bad as deciding to sell your car and use Uber for the rest of your life simply because you had a flat tyre !

- Be clear - most new ventures fail

Be crystal clear : a new startup making it BIG is a statistical anomaly. You want to be that anomaly : GREAT : but then what makes you think YOU are the ONE to make it. I am not trying to discourage you : I am just giving it as it is.

So, before you take that decision, first, think long and hard about it : and if you are having a myriad of IFs and BUTs attached to your decision its a good indication that you are not ready for it. At least, and the very least, you must be truly confident about your ability to make it. There is a fine line between supreme confidence and supreme idiocy : it's true, at times, they are one and the same : but if there is one thing I have learnt, it is that you must have confidence in yourself and your idea before anyone else will give you the time of day for it.

So, start your venture if you are all in - or don't start at all !

- Hard work alone is never enough

Hard work is a given : but it is rarely what makes the difference. HARD work in the RIGHT DIRECTION is what will give you success. Be clear about this : you need to be doing the right things - as much as doing things right : and many never see the difference. No amount of hard work will make a bad idea work

- Business planning for a MBA and business planning for real are two very different ball games

If you are doing a PEST analysis, then a 5 forces, and then working on your stakeholder map and designing a SWOT, and have a fantastic document in front of you that is well referenced and amazingly well presented, what you are doing is a MBA thesis - not a plan for your business. When you start out there will be far more threats than opportunities : there will be far more limiting factors than success factors : and here is the kicker : there will be far more unknowns than knowns. The bottom line is this : if you are uncomfortable with ambiguity and 'not knowing EXACTLY what to do' and are not willing to 'take it as it comes' and navigate those uncertainties, then chances are you are not cut out for entrepreneurship.

- Make sure you can fund yourself for a year at least

Before you start out on your own, ensure you can feed, clothe, shelter yourself, and have a few luxuries to call your own for at least a year. If you don't have this nest egg - specially if you are married, and with kids, please don't think about chucking your well paid job and start out on your own. Most of the time, the first year is really tough : and unless you are able to fund yourself (and your business) for about a year, you are invariably going to end up being up to your neck in debt. When you are in debt and cashflow becomes a squeeze, that's when you compromise on your dream - and from that point onwards it's a slippery slope. So, make sure you have a small fund built up before you start out. You can't save now? well then, forget saving when you become your own boss. The comfort of a company-paid vehicle, free fuel, free mobile bill, free medical insurance, assured salary, annual bonus, incentives and readily available personal loans, are all off the table when you are a 'first time entrepreneur.' No bank will really look at you as 'credit worthy' without 'collateral' : and when crunch time comes your only recourse will be to sell off any assets you have : and in the first couple of months, you have to expense EVERYTHING on your own. So, make sure you have your savings in order before you start out.

- Make sure your spouse/partner is supportive

In a relationship ? Married ? Then, have a long, hard conversation with your spouse/partner before you start out. Unless your spouse/partner really support you, chances are, being on your own will be a miserable experience if things don't go according to plan (and things almost never do according to plan anyway !) One of the biggest pain points is a nagging spouse/partner : which detracts you from your focus : and if you ask any successful entrepreneur almost all of them will tell you that they had the good fortune of having a spouse/partner that truly believed in them and supported them through the tough times. So, have that conversation NOW !

Be mentally and physically ready to work your butt off

You will be your own salesperson and also your own boss whilst being your own subordinate ! You play ALL the roles that you generally took for granted when you were working in an organization - where you had departments – full-fledged departments to look after all this for you. So, be ready for a shitload more work than usual - and also, never underestimate the emotional and psychological impact it has. The STRESS of being on your own is very real. There will be countless days where you are at a miserable loss for words - and nothing goes according to plan - you really can't take 'leave' and enjoy a 'long week-end' and come back to work as you did when you were working. Remember - when you start out on your own, business never really stops - and there really is no 'leave' !

- Quit your job

Yep - you heard me right. QUIT YOUR JOB...

Confident about your idea ? Confident you can make it ? You can visualize your success ? So, what are you still doing working for someone else ?

'But, isn't it wise to start off as a side hustle first - and then see how it goes : and quit if things take off ?'

Well : yes : if you are not REALLY sure about your idea. If you are hesitant, and want to play it 'safe' then you really are NOT ready to run your own business. If you want the security of your job, but want to have the 'joy' of having your own business, chances are you are not going to do either one just right.

If you are SERIOUS about starting out on your own : QUIT YOUR JOB

Chapter 2

Getting the idea right

The idea for your business is important. Its NOT the ONLY important thing : but unless the idea itself is rock-solid and properly thought through, your business is stillborn ! Your idea is your starting point : so, put some proper time into it. NEVER rush into implementing an idea simply because YOU thought it was good - always validate it. Also, remember that a good idea and a good BUSINESS idea can be two completely different things. Your idea being something that becomes a successful business depends on a multitude of different things : but, before anything else, make sure that you give your idea the best possible opportunity to succeed : after all, your future depends on it!

- Think on paper

Take the time and effort to 'think on paper'. Take time to conceptualize your idea and work it out in a structured manner. Simply toying with the idea in your head is one thing : but when you put it down on a piece of paper you yourself will start noticing blanks : which are what you need to fill in before you are able to move forward with your idea and plunge into starting a venture around it.

Try and answer some fundamental questions...

- Why is this a good idea ? What is the NEED you are trying to address through the idea. If there isn't really a need : can you CREATE a need for it. Remember : creating a need is a lot more difficult than actually filling in for a need...
 - Is someone doing this already ? If so, what are you going to do differently ? There really must be something that you can offer that no one else does : or you need to be able to do it faster/ cheaper or at in a better way.
- What market/segments are you trying to attract to the idea ? Trying to sell something to EVERYONE is a clear indication to remind you that your idea is not really fully formed yet. Be clear about WHO your customers ARE and who your customers are NOT.
 - Why are you doing it : you really need to be 'in it' - never start something simply because you think there is money to be made : lack of passion and interest can become the death-knell of a new venture.

- Work the numbers

Once you have done your basic notes, and have a rudimentary plan in place, get down to working the numbers. NEVER go and start a business without working the numbers first. Most of the time, entrepreneurs are eager to dive in and start : and work on the 'product' because that is their passion : but remember that even the BEST product has a 'market price' and unless you are careful and ensure your numbers stack up, you can have the BEST product that just doesn't make the margins : a sure way to sink your ship before it sets sail !

- Cost for EVERYTHING. Yes : EVERYTHING. Every single aspect that goes into your business needs to be costed for : because ultimately you will need to be paying for it one way or the other. Never be tempted to find the easy route of ‘that’s not really that expensive and we can cover it up when we sell’ attitude : painstakingly do your costing sheets
- Do some basic understanding of demand and supply curves : and market prices. You can certainly offer a premium product and charge extra : but the market must be willing to take it at your ‘assumed price.’ You are best budgeting from a realistic price point which currently exists : anything more then becomes a ‘bonus.’ Never get tempted to use an inflated price point to justify the cost - always work on market prices first : and if it is not going to make it profitable, work your costings again.
- Plan your cashflows carefully : remember it is generally a lack of cashflows that sink businesses far more than profits per se. So, your ‘selling’ strategy needs to take into account payment terms - and unless your credit cycles etc. are in sync with your ‘assumptions’ for cashflow, chances are you will increase your need to borrow - and this will impact your cashflows even more.

Please don’t make the mistake of having the gung ho attitude of ‘we will make it somehow’ : and rush ahead. Be prudent and work the numbers. Optimism is great : but there is merit in playing around with the numbers and seeing if your assumptions still hold true. Don’t fudge the numbers to paint the picture you want to either : ‘creative’ accounting may work to paint pretty pictures for shareholders and annual reports : it does sweet bugger all when you are starting your own business.

Remember the age old saying
(that one of my Clients told me when I was starting out)

Top Line is Vanity
Bottom Line is Sanity
What you have in the Bank is REALITY.

So, work the numbers...

- Analyze the market - and be realistic NOT optimistic

When you are analyzing the market and trying to gauge demand, please don't be optimistic. Border on being pessimistic : and play the 'least' numbers in. This way, you are always safe : and you are hedging your assumptions on worst-case scenarios : anything else that happens is a huge plus : not a business-shattering negative.

If you don't have data on market size and demand-size variables, do some investigating on a similar product or service and make some 'guesstimates.'

- Plot out a few years ahead - not just to break even and make profit

Once you start on the numbers - and have worked out your initial financial plan, work through it for a couple of years. Many make the mistake of working things out only up until they break even and make a profit. Work the plan a few years ahead : and work the assumptions you are making into the financial plan. Have different scenarios playing out - and see which assumptions are absolutely critical; which the entire business will hinge on.

- Work scenarios : and attach assumptions for each : and play the variables and see how it may affect you if the assumptions fail
- Identify key risks - and how you plan to mitigate them should they arise
- Build in contingencies : specially financial contingencies. The key is to keep your overheads and costs as low as possible for as long as possible : until you really have enough resources to take a few calculated risks.
- Remember to work your cashflow plans into these long term plans too : simply doing a P&L type working is not enough.

- Test your 'hypothesis'

We don't always have the luxury of 'testing' our idea : true : but as much as possible try and 'pilot' an idea first before diving deep into a business. Piloting an idea helps you fine-tune it - and understand practical issues that will never be imagined when in your planning stage : nor be possible to even envisage. The key is to 'bite size' your idea and see if you can get it to work (completely agree that for some ideas this will never work !) and as much as possible work on it until you have ironed out the wrinkles.

- Check if you have the right resources

As much as you work out the financials, work out the other resources as well. Finding the 'right people' sounds all so easy on paper - but in reality it becomes one of the toughest things to do : specially when you are just a startup. Similarly, having the 'right type of office' maybe not viable : and you may well have to make do with a makeshift office rather than dumping much needed capital on a 'fancy office'

Here some other aspects of 'resourcing' you may want to consider.

- The KEY skills you need to have on board : not so much the org structure type docs : but the SKILLS you need in order to ensure your business is a success. Whether you insource it or outsource it is a secondary consideration : but whichever way it is, if you don't have the right skills, chances are you will make a mess of your business.
- Raw material and related suppliers : specially if they are 'unique' or 'difficult to find'. Make sure you can source it without delays or shortages : and that you are not over-reliant on one or two suppliers - which may become a huge risk later on.

- Don't overthink it : you will never start

Having said all this : please don't have paralysis through analysis either. There IS such a thing as overthinking it. Planning is NOT overthinking it.

Planning is being able to take a structured and realistic look at your business idea and deciding whether or not it is a good idea to begin with.

If you try and look at every angle, all the possible risks and all the things that go wrong and start making contingencies for it, chances are you will probably doing planning for the rest of your life. You can't possibly look at all variables at play - and start predicting the future using artificial intelligence supported scenario builders ! So, once you have got your bases covered : just get on with it.

THINK on paper yes : but RUN your business too !

Chapter 3

Starting out

Plans looking solid. Action plans drawn. Risks identified and mitigation plans in place. Funding sorted in principle.
All set... GREAT.

Now comes the real acid test : starting out and getting your idea to see the light of day and being able to grow it to achieve the Vision you had for yourself when you first 'dreamt' of having your own business.

Remember : once you start, it is all very real. So, make sure you have your next key steps planned out before you start : so that you limit the need to 'stop and think' all the time. The first few years are crucial : and this is when you need to be full steam ahead : so, having thought through what you are going to do, and ensuring you are fully prepared for the next steps will make a huge difference overall.

- Sort the funding - preferably by yourself

Funding decisions are fundamental. If you possibly can, see if you can fund your business yourself.

For certain projects you really can't fund yourself - and will need to find either an investor or sort out an initial startup capital via a financial institution. Remember : funding ultimately is a big decision to make: do you want to give part of your company away in order to secure the funding you want or not. If you DON'T want to part with the ownership of the business, then equity-based funding becomes a non-option for you. However if you DO part with partial ownership of the business, then you DO need to be ok with 'someone else' digging into your decisions and asking you questions about your own business.

You really can't have it both ways. So, decide wisely.

- NEVER try to start with a bang - be willing to start small

Most new ventures fail because of the founder's 'need' to put ego before business and start with a BANG. Be willing to start small : and get your basics right before you go for the flash. This does NOT mean be stingy and not spend on what you must : and be a right royal miser : but, be wise in being able to 'stay under the radar' until you are able to get your fundamentals dead right.

Starting small takes the glamour away from being on your own. True. But substance trumps flash any day : and it is truest for businesses. Forget the glam when you start : focus on the basics : and get your basics rock solid.

Starting small means taking away absolutely everything that is not essential for you at this moment in time, and building a base that can work like a well-oiled machine. Starting small means being able to put YOURSELF through a whole load of pain - so that you can save those funds to make sure you can spend it on a much needed outing for your team : or to fund an innovation that can ease operations. Remember : EVERYTHING has an opportunity cost when you start out - so, spending on the 'flash' means sacrificing something somewhere for it. Sacrifice for the RIGHT reasons : and your business will be better for it.

- Keep your overheads a bare minimum

Overheads - unless managed right - will kill your business. When you start out, keep them at an absolute bare bone minimum. Overheads are recurrent : and every time they increase you will ultimately have to sell more to cover it up. So, keep it under control.

Remember however :

- Low overheads do not mean paying your team a pittance : this is a sure way of losing your best talent when you grow
- Low overheads do not mean having shoddy equipment on hire : this is a sure way of losing out on productivity gains
- Low overheads do not mean finding the cheapest rent in town, and having a slum to call your office : this is a sure way of having to pay a much higher price in upkeep and maintenance.

Be sensible please.

- Don't get tempted to expand on borrowings - earn the investment through sales

If you get your fundamentals right, then, chances are you will start growing. When you start growing, don't get tempted into thinking you are out of the woods and increase your borrowings. Learn to be frugal : learn to be patient : learn to focus on what matters first. SAVE UP when you are making profits, and have a fund that will help you expand one step at a time without having to make further borrowings. If you are confident enough to take borrowings and expand : why not save it up instead : after all : if you can pay a monthly installment : you can save that in the first place isn't it ?

- Hire ONLY when you REALLY NEED TO - and HIRE ATTITUDE and COMPETENCE - NOT likability per se

Be VERY selective about the core team you start out with. Be EXTREMELY selective about who you bring in first : as these few will be the 'founding members' of the organization you are trying to build and will set the tone with the newcomers. Hire for passion, talent and attitude : not for the skill sets per se. Skill is a given : but what will make the true difference will be the attitude and the commitment they have to make your venture a success.

NEVER get tempted to 'get someone' to 'do the job' : this is a fundamental mistake. Filling heads is a costly mistake - and when they are sub par you will have to hire more of them to do basics. Pay a little extra and bring the best talent you can possibly bring in. Sometimes, what truly talented people look for is a challenge and a place they feel 'like they belong rather than a superficially inflated salary : but, these supremely talented people also need to be given something insanely awesome to do as well. Bringing in talented people and giving them menial work is like buying a 4x4 offroad and traveling 5km each day on a well carpeted road – it's a waste !

Don't get tempted to hire people 'like me' either. Bring in the right skills sets you need to make your business a success. This WILL mean that you bring in those who will not see eye to eye with you : and that is GREAT. Being able to convince others : and also, being willing to listen and learn from others are essential if you are going to build a business that stands the test of time. Want "yes men" ? well then... you are simply not ready to lead...

- Work WITHIN your means - find cheaper solutions that give the same impact

If there is one thing I have learnt it is that there are ALWAYS cheaper alternatives (without compromising on the quality or the requirement.) It just means you have to look a little harder, work a little longer and also, find creative ways around your problems.

Get an elderly couple to sort your food out - rather than eating out or treating your team to takeaway Pizza all the time : it will help fund a family in need and also, chances are, it will be far healthier !
(SURE - have that Pizza - or that Burger - but why not look at other options too ?)

- Want to throw a party ? Why not have a BYOB type party and do a potluck rather than going to a fancy restaurant ? (once again, please DO celebrate in style when needed - but there is something amazingly intimate about parties at office as well)
- Buying furniture ? Why not try and up-cycle some of your old furniture : or see if there is a business closing down and see if there is something good going cheap ? Don't compromise the quality please : but there are some fantastic bargains out there if you are willing to look around.
- Setting up an office and want an interior designer ? Why not give it as a final year project to an architecture/interior design student ? Chances are you will get it done for a fraction of the cost (or at times, even for free - but please DO give a generous stipend to them for doing a good job) and chances are they will pour their heart into it as it will be their first 'real' project !
- Getting your logos or marketing campaigns done ? Why not try some freelancers or a few truly talented young chaps who have not made a name for themselves yet ? You are giving them an opportunity and at the same time getting your work done for a fraction of the cost of an established agency.

- NEVER take short cuts

Do the 'grunt work' please : after all : it IS your business. There are dime-a-dozen shortcuts available : from compromising values to compromising service quality : all in the name of making a quick buck - but believe me shortcuts almost always fail in the long term.
Above all : it sets the tone for the rest of the team that it is OK to compromise on things : and it soon becomes culture. At a later point,, when you are big, it tends to be the woodworm that brings the entire structure crumbling down - and you yourself gave birth to it.

When you are the founder - be seen as never too lazy to take the long route : because you are the one who sets the example.

Don't get me wrong : short cuts are NOT finding faster, cheaper and alternative ways to do your business : shortcuts are things you KNOWINGLY compromise simply because you think that it will save you a little money or because you think no one will notice. NEVER take shortcuts : it just doesn't work in the long term : and your business is not something that you should disrespect that way...

- Establish relationships

Relationships make or break businesses.

Take the time to build SOLID relationships : with all your stakeholders.

Building relationships does NOT mean doing the cocktail circuit and being superfluous : or sucking up : or palavering endlessly : or resorting to bribes.

Solid relationships are based on mutual respect and trust. Ultimately, you need to be someone they trust and have confidence in : and for this the key is authenticity. Trying to be someone you are not simply to 'play the part' simply will NOT do. SURE - you will need to make the effort to portray yourself right : but it should be YOUR self : not something that you think will look and feel right for others. If you fake it - it is only a matter of time until you are caught out : and then, it's all over.

- ALWAYS ADD VALUE

Remember - the key to building lasting impressions is to continuously add value.

Add value not only to your customers/clients : but also to your team, to your suppliers and also, to other key stakeholders.

Be constantly on the lookout for ways to help them. To give them a hand when they absolutely require it. To bite the bullet and inconvenience yourself on their behalf ever so often (be careful not to set a precedent or be taken for granted either please) and also, do a favor - so that you demonstrate that you truly are with them : and you are there to make them successful - as much as you are trying to be successful in your own right.

Chapter 4

Establishing yourself

The first has gone brilliantly well : and you are on a roll !

FANTASTIC. Pat yourself on the back. Throw a small party.
Get drunk. Give alms.

Now, think ahead : and start planning the next steps. Simply having money flowing in and customers raving about you isn't good enough to build a business that lasts. NEVER get carried away by financial success : or get blindsided by it.

Basics. Fundamentals. Never forget them. Always revisit them. Make time for them. Always dovetail and come back to them.

Don't fool yourself into thinking that making a super bottom line means you have a great business.

- Putting systems and processes in place

One thing that most entrepreneurs don't do enough of in their formative years is to put in the time and energy to bring systems and processes in place. Systems and processes are almost always thought of only when disasters happen - and most disasters happen because of a lack of systems and processes to begin with. So, be prudent and start on these BEFORE you hit the proverbial roadblock.

Remember though : systems and processes are not a simile for 'bureaucracy.' Systems and processes can be devoid of red tape : here are some fundamentals to consider :

- Make them simple. Rule of thumb - an eighth grader should be able to read, understand and follow through without help or guidance
- Make them 'customer-centric' (internal and external both) rather than 'departmental-centric.' Most processes are done to make life easier for the department that authors them, rather than their customers. BIG mistake. Make sure your systems and processes are customer-centric - not department-centric
- Ask whether the new system or process helps things get done faster : if not demand it be rethought
- Ask whether the new system or process makes things cheaper to do : if not demand them to be rethought
 - Ask whether the systems or processes helps bring the teams/ organization closer together : if not, demand them to be rethought

Don't get suckered into thinking that ISO manuals and fancy graphical illustrations of your processes are the way forward : manuals and graphs and charts are all fine : but focus on the CONTENT - not its presentation. Also, remember, any process or system of any worth is done WITH YOUR TEAM FULLY ON BOARD - they are not PROJECTS to outsource and think consultants will bail you out. If you are not willing to put in YOUR time and your Team's time into this : then don't do it at all !

- Putting in controls

Some basic controls are absolutely essential for the structured growth of any organization. Control is NOT about red tape either : it IS however about ensuring there are clear ground rules to follow. Controls are in place for a reason : and it must be made very clear that they are common to all concerned - including you.

Some fundamental controls in place include :

- Financial controls - so that you are never 'caught by surprise'
- Quality assurance and control safeguards and controls
 - Service excellence related controls and safeguards
 - Employee safeguards - such as anti-harassment, anti-abuse related controls, solid whistleblower policies etc.
- Data protection and intellectual property related controls

Remember : not having controls in place is as hazardous as driving a Formula 1 car without brakes !

- Invest in marketing and branding

Always invest in your brand : and market it right.

NEVER make budgets a 'problem' and cut back on marketing. Ensure you always carve out a budget to market and brand your organization as well as its products/services.

Remember : you need not only to 'sell' : but also build the brand(s). Too many times the only marketing communication that happens is centered around a product/service : don't make that mistake. Position your organizational brand properly as well : as this helps in attracting the right talent to your team.

- Get your 'story' told through others. Take the time to get 'endorsers.' NEVER make these done for 'the money' or through 'favors' - get it done authentically
- Focus on getting customers to make referrals in public - and endorse your product/service
- Use social media to get 'insights' to your organization done through your teams : and make them authentic and 'from the heart'
- Sponsor causes that you truly believe in. NEVER make this a marketing gimmick. Associate yourself and your company with things you really believe in : and make proper impact. Some things to watch out for :
 - NEVER tell half truths - make your claims absolutely true
 - NEVER cover up mistakes : if there is a mistake you made and it has been highlighted, apologize - genuinely - and put it right
 - NEVER attack a competitor : it's just bad manners
- NEVER respond to a competitor's remarks about your product/service or organization unless you really have to. Sometimes it's best to ignore being 'baited into prolonged battles online.
- Control the narrative : take decisive action if there are infringements of your brand identity, names, trademarks etc.

- Invest in gearing up the team

Don't ever shortchange training your team. Remember, training doesn't always have to be via an external trainer in a classroom. You are only as good as your team : so, the more skilled they are, the better it is for you and your overall organization. Make their development a conscious and ongoing process : NEVER limit it to some meaningless programs you throw at them and think you have done enough to develop them.

Remember that learning is a process : and training through seminars etc. are all good as long as you have processes around which to make that knowledge relevant : and To be converted into a skill and a competency over time. Training for the sake of training will not add any value to them or the organization.

- Coach your team at every given opportunity
- Encourage peer learning - and break down hierarchical barriers when it comes to learning. Encourage reverse mentoring.
- Encourage team building activities - like cross functional projects and problem solving groups
 - Organize best practice visits - encourage learning from different industries
- Encourage continuation of formal education - sponsor key employees to pursue higher studies - NOT for a qualification - but to gain much-needed concepts and tools that will help them manage the business better
 - Get them trained in concepts like six sigma, lean, quality circles, financial modeling, scenario planning
 - Encourage self learning - and discuss what they learn weekly. Encourage programs via platforms like Coursera
 - Encourage knowledge sharing sessions internally : and make it a practice for participants of a program to share what they learnt with the wider organization

- Take time to breathe - don't take on too much all the time

There IS such as things as taking on too much. Be selective about the changes you bring, and the time your teams put into 'improvements.' Taking on too many 'initiatives' may sound fantastic and will look beautiful in your newsletter but it can create severe fatigue : and generally means that none of what you take on will be completed RIGHT. You are far better off taking on a few projects/initiatives and doing them to a complete finish. NEVER take on the 'newest fad' floating around so that you can boast in your quarterly CEO get together : such vanity is generally rather costly. Pick and choose what is actually needed for YOUR organization : and be absolutely certain it can add value to you.

Here are some questions to ask yourself before you jump on any band-wagon :

- Will doing this better serve my customers ? How ?
 - Will doing this better serve my teams ? How ?
- Will doing this enable me to reduce costs, improve quality or improve speed or reduce cycle times ? How ?
 - Will doing this enhance my Brand ? How ?

If you can't really find solid answers - SPECIALLY to the HOW - then, please don't do it. Chances are the 'initiatives' you are considering are just red herrings !

- Ensure you have routines in place to take care of yourself

In all this, don't forget to take care of yourself as well. Building the right routines early on in your career as an entrepreneur is important. Here are a few tips :

- Carve out at least 30 minutes for exercise : preferably an hour. You should NEVER be too busy to have at least a 30 minute walk
- Make sure you take your meals (from home preferably) and eat on time
- Make sure you carry a bottle of water at all times : and hydrate yourself all the time
 - Listen to podcasts or news while you drive
- Read weekly, if not more often. Carve out a few solid hours to immerse yourself in some solid reading content.
- Take a weekend out ever so often, and make sure you unplug and unwind

Remember to take care of yourself. It is easy to immerse yourself in your work and 'forget' that you are human too. Never allow yourself to neglect your greatest asset : YOU !

**- Free yourself as much as possible from the mundane at home - but
carve out quality time for the family**

Running your own business requires focus and a ton of time. When your time and focus is divided it is difficult to make a fledgling business really make its mark. Running errands for the spouse, taking the kids from school, looking after the renovations of the house and all these 'mundane' things are important : no doubt : the question is whether YOU have to do them PERSONALLY. Try and see what you can juggle without compromising your work and losing out on your focus.

Try instead to spend QUALITY time with your spouse and family. Make sure you are able to carve out the time when required : but also, you need to make them understand that this is not the usual 9-5 type of job. A client calls, your team wants your input, the design team wants your final nod : none of these can really be put on the back burner when it is YOUR business : and unless YOU make YOUR BUSINESS your priority - how can you make this anyone else's priority. Sometimes, that means making some really hard choices : and it will often be your family at the receiving end of the compromise

So, make sure you are conscious of this : and create less expectations of you around the 'everyday mundane' and ensure your time is not over-stretched. However, always, make the time for the important things : and also, ensure you 'compensate' for your absence in taking some solid time out with them (and NOT resorting to merely throwing 'money' at them to recompense)

- Seek a coach/mentor

When you are doing well enough, invest in finding yourself a good mentor/coach

Oftentimes your limiting factor is your own self. Don't be stingy to spend on a good coach : the right one will help you make that 'investment' pay rich dividends for you. Talk to almost any entrepreneur that made it big - and they will tell you that they had a solid mentor or coach during their formative years : and have probably had one throughout. Good mentors/ coaches are excellent sounding boards : also, they are great at telling you what you may not want to hear

-providing a service which may not come from anywhere else.

NEVER consider yourself too big to be coached.

Chapter 5

Separate the Business from the Personal

It is really easy to be tempted to merge your personal finances with the business : after all it IS your business. However, treating your business as your 'personal trust fund' is a sure way of making sure you run it to the ground eventually (generally sooner than later.) Fight the urge to treat it like your own : and start treating it as the independent unit it is. Sure, you are the founder : and its leader : BUT the organization is a life form of its own : legally and otherwise !

- Draw a salary - don't take money from the company at whim

Draw a salary like everyone else. Increase your salary as the business grows : but limit your 'benefit' to a salary and a bonus at the end of the year. NEVER just take money for your personal things from the company money. If you DO, then, take it as a LOAN from the business and put it back in. Once you bring the company to a certain level, draw a profit-based dividend too : but, make sure there is a set percentage for it : and keep it constant. The profits of the company should go into reinvesting in further expansion and development : and you just can't do that if you keep dipping into the profits.

- Manage your personal financials

Don't change your lifestyle dramatically simply because the business is doing well. Manage within your 'salary' and remain conscious of your expenses. Most entrepreneurs drive their business to the ground simply because they could not manage their personal financials.

For sure, you and your family deserve some fringe benefits for all the sacrifices you all have made. Be cautious though : and take your time in changing lifestyles. Take it on gradually : go one step at a time. Focus on growing your business : not your lifestyle : and if the business does well enough you will not only be able to have a better lifestyle : you will be able to have that lifestyle sustainable for generations...

Remember not to kill the 'goose that lays the golden egg' just because you got a little greedy !

- Bring in professionals - not your family

Fight the temptation to bring family into the business for key positions just to make sure they get a good salary : and can benefit from the burgeoning business. Bring professionals whom you can rely on professionally : who will do the job required.

If you ARE bringing family in :

- Make sure they are qualified and skilled
- Make sure they are as good, if not better, than the other candidates shortlisted
 - Make them go through the same recruitment process
- Make sure you pay them within the same scales as others in the same level/position
- Don't allow them to use the 'family' as a way of bulldozing their way

- Build the brand - your personal brand becomes secondary

At times it is important for YOU to be at the fore : but most of the time it is far more important to ensure your COMPANY and BRAND are at the fore. If you start hogging the limelight, and are more interested in fanning your own personal ego : chances are you lose sight of growing your organizational brand. Sure, take that interview : and that guest spot at a talk show : but, don't go out of your way to brand yourself. You must be willing to put yourself second : and your company first.

If there is a brand to be built - it is that of your organization ! Your 'value' will increase automatically when your business does well !

- Live by the rules you put in place

Don't ever forget that you are part of the organization as well. You set rules : you are expected to follow them before anyone else. Don't be a hypocrite : and don't consider yourself above your own rules.

Chapter 6

Scaling up

Doing well ? Truly making your mark ? Business is good ?

Fantastic !

Remember, though, that the rule book changes significantly when you become 'big', and the old rules generally doesn't apply any more. Sure : you will want to ensure that the values you built remain intact : and maybe the culture too : but the moment your company comes to a certain size, take the time to take a cold hard look at it again : and change, before circumstances FORCE you to change. It is ALWAYS easier and less painful to change when things are going well rather than when your back is against the wall.

Scaling up often requires expertise : and you may well need to bring in consultants at this point. However, remember NEVER to allow this change to be a 'project' that THEY drive. The WHAT needs to change and WHAT IT SHOULD CHANGE TO is something you and your team must drive. The HOW is where you need expertise to figure out. Get the expertise : but remember that YOU need to be its chief navigator and architect.

- Build a strong team : invest in your team

Get involved in recruitment. You need to allow your core team to make the initial selections : but before the final decision is made, take the time to meet the shortlisted candidates. Sure : you don't need to interview EVERYONE : but, personally, I would tell you to take the time to sit in on even the receptionist or security guard interviews : because these so called 'less important' jobs are the first points of contact your clients or customers have. So, make sure you are recruiting the right people to represent you and your organization.

Invest in your team's training and development. Remember what we spoke about in the earlier chapter ? Continue this : but have a lot more focus now that you are larger.

Here are some things to consider :

- Put a Training Needs together : please don't make this a mere paper exercise : and ensure all KEY skills that you need to grow within the team are identified
- Formalize a coaching program - train your seniors to be coaches to the juniors
- Formalize focused leadership and soft skills programs - and make sure you put in place methods to assess what has been learnt and the improvements thereof
- Formalize feedback processes : and make sure feedback is ongoing/-continuous
- Put performance appraisal processes in place : and ensure there is a meritocracy based on data and facts rather than hearsay and personal opinions
- Allow the best to move laterally, and gain wider exposure in different scopes of work - preparing them for more general management positions. Encourage job rotations

- Get your model right

Business models are important. This is a subject in its own right - and is not a fancy word to merely look at changing superficially. So, invest in a program at a top business school that specializes in business modeling, specifically, business transitions from small to medium scale - and from medium scale to large scale.

Unless you get your business model right, chances are it will be the beginning of the end for your business. So, learn to model it right : to suit your NEW REALITIES - and understand that simply rejigging things and trying to force a few changes here and there does not suffice for you to optimize the scaling of operations.

Get your business model right !

- NEVER increase overheads proportionate to the expansion: this is clear sign that you will get into hot water later

If your overheads are growing at the same rate as your growth or higher, it is a good warning sign to indicate that you are doing something wrong. Growth in top line should NOT increase overheads in the same proportions : in fact, proper scaling of businesses generally means economies of scale of skill-based efficiencies should kick in : and it should actually drive costs down. If the overheads are increasing exponentially because of the growth it means lowering of profitability margins : and that is no way to grow...

Remember the wise saying from the previous chapter : it still holds true here too :

Top Line is Vanity
Bottomline is Sanity
What you have in the Bank is REALITY !

- NEVER rely too much on one customer, product or market

At the earliest possible opportunity, diversify : the products, the customers and the markets. Never get tempted to keep growing with just one customer (or very few) and one product (or a few products). Changing markets and going international maybe difficult : but invest in it. Even within the same geographic market, look at different segments and broaden the base. Being too reliant on one customer or product is a sure way of losing out early : specially in today's rather volatile marketplace.

- Look at technology to support growth without growing overheads

The use of technology is becoming cheaper each day.

Invest time in understanding how technology can help you. Please don't make the mistake of making technology a fad : and 'going digital' because everyone else is doing it. UNDERSTAND technology : and get a couple of experts to come and help you understand it if you don't have the internal expertise to do so.

Ask the same questions you should ask before undertaking a systems or process intervention :

- Will this technology help me better serve my customers ? How ?
 - Will this technology help me serve my teams ? How ?
- Will this technology enable me to reduce costs, improve quality or improve speed or reduce cycle times ? How ?
 - Will this technology help enhance my Brand ? How ?
 - Will this technology help me sell better ? How ?
- Will this technology help me work more efficiently and REDUCE WORK ? How ?

You know the drill - if you can't find solid answers to these questions then you really don't know what you are getting yourself into - and chances are, rather than augmenting your organization, you have just spent a hell of a lot of money and complicated the shit out of it !

- Don't complicate processes - or add 'fat' to it

As you grow, the chances are you are going to naturally add 'layers' not only to the organizational structure but to the processes as well. PLEASE don't complicate things. Stick to basics, and simplify your processes as much as possible. The larger the organization, the simpler the processes should be (though in reality it is quite the opposite : which is why most larger organizations are hopelessly inefficient and cumbersome !)

As a matter of policy, force the team to review processes every two years or so, and force them to :

- Make the processes and systems simpler and
 - More efficient whilst at the same time
 - reducing costs without
- Compromising quality or service delivery/customer satisfaction (internal or external)

- Outsource as much as possible - but ONLY if it makes sense overall

Outsourcing makes perfect sense specially because it takes away a lot of management and supervision time required to insource some of the non-core activities. However, be careful about outsourcing : because it should NOT affect your core business, service or quality of delivery.

So, take the time to study what actually needs to be outsourced, what can be outsourced and outsource it.

- Try and compartmentalize ownership and management as much as possible

As you grow, widen the gulf between ownership and management as much as possible. Set up a board to govern the organization (and also, keep YOU in check - and make sure you are accountable to the organization rather than only to yourself.) Bring in a professional management team, and ensure you set up a core Senior Team to run the business. Take a step back and allow the core business to run without your everyday interventions. Find a CEO, and bring in a strong second in command too : and allow this duo to 'run the show' whilst you focus on expansion and develop new markets and opportunities. At some point, set up a small unit to look at 'new business opportunities' and spin off new businesses, each with a small team managing them.

You may OWN the business : but unless you allow others to RUN it, the ability for you to truly scale operations becomes hugely limiting.

- Build reserves

Build financial reserves

Ideally, you need to be able to run your business without any sales for about 12-18 months. INVEST these reserves meaningfully and allow them to grow each year. UNLESS you have the reserves, whenever a major environmental impact hits (Covid is a classic example) you will need to take drastic measures : and this limits your ability to really leapfrog ahead of competition when the tide turns.

So, build in reserves : a 'rainy day' is inevitable. Be prepared

- Work the Brand

Work the Brand and decide whether the 'old' Brand Value Proposition and Values are still valid. NEVER take on a 'rebranding' exercise just for you to come up with a 'cooler' version of your brand : do it fundamentally; 'reposition it' if required. Remember : the BRAND is not just the logo and the letterheads : it is the CULTURE as well. so, rebranding or repositioning the brand requires a cultural shift as much as a change in the livery !

- Build Partnerships

Turn key relationships into strong partnerships. Partnerships need to be worked on so that there are always win-win outcomes : and a commitment to grow together.

- Consider profit sharing with key employees/teams
- Consider co-investing with key suppliers to strengthen supply chains
 - Tie up with good institutions to up-skill your teams
- Consider JV's with those who can give you much-needed technical expertise, or those who have access to markets closed to you

- Pay attention to the legal aspects

As you grow, legal aspects become more important. No one is going to sue a small wayside mom-and-pop shop for copyright infringements or intellectual property : but if you are large and you simply inadvertently use an image from the net which was under copyrights, for your website, chances are you will be sued for all you are worth.

So, as you grow, familiarize yourself with the laws and regulations governing your industry as well as business in general.

It is prudent to have a legal counsel at least on a retainer.

- Learn taxation - and use it to your advantage without breaking the laws

Taxation is a subject for experts : but know the basics and the fundamentals : and know it well

Set up a meeting with your auditors : and get their taxation expert to take you through the EXACT legalities governing your countries' taxation processes and laws. KNOWING this well enables you to understand which levers to push, at which point, in your growth spurt : and ensure you leverage your investments to get the tax breaks which are afforded to you.

NEVER break the law : but, don't be naive into being taxed more than you ought to be either !

- NEVER micromanage

As you grow, fight the impulse to 'be in control of everything' as you used to be.

NEVER micromanage : it kills the development of leadership within the ranks. Encourage your senior team to 'let go' as well - and develop the next rung of leaders - and start building a leadership pipeline within the organization.

Your systems and processes and controls should be what enables you to manage your business : not countless meetings and calls.

- Hold people accountable - no matter how senior they are

The more you scale up, the more important it becomes to have proper performance management tools in place to access how people perform - specially the Seniors. Most organizations have KPIs for all except the senior most team - because this is the team that 'helped grow the business to what it is today.'

This attitude is a terrible mistake !

Remember, the more you grow the more transparent and accountable the Senior Team needs to be : otherwise what you are building is a serfdom : NOT a viable, future oriented organization !

- Build a meritocracy

Build a meritocracy : period.

Unless a junior has the ability to become his superiors' boss because he/she has better talent/ better potential/better leadership skills, what you actually have is a rank and file system, and an archaic tenure-based organization : and they generally wither and die rather fast.

Your performance and your skills should be the only criteria that take you ahead : not how long you have been in the organization - NOR how close they are to YOU personally... So, start dismantling anything that stands in the way of building a solid meritocracy !

- Even when markets are booming, take the time to reassess and re-strategize

Build in a solid strategic planning process that is adaptive and takes into consideration on going shifts. Always listen to ground level intelligence from the rank and file : and find ways of ensuring you put processes around getting that information factored in to the strategic planning and decision making processes.

NEVER be scared to re-strategize. Just because you have a strategy in place you don't have to stick to it. Review things. Question things. Make 'change' and 'improvement' something that is 'normal' rather than painstakingly difficult. Build in a comfort or 'normalcy' in the culture to change at short notice : and be agile enough as a company...

- Don't get swayed by competition : have your OWN game plan

As you grow, it is natural to 'compare' yourself to others - and your competition. Though it is good to know what others are doing and get ideas and insights from it, NEVER be tempted to imitate or 'copy' what others are doing...

NEVER forget how you started - and your originality that brought you thus far. NEVER compromise on your uniqueness : because once you do, you are just another company. Retain that uniqueness fearlessly.

Forget the competition. Just keep growing. Just keep doing great work. Just keep offering great value to your stakeholders. Just keep making yourself RELEVANT. The rest will take care of itself !

Chapter 7

Passing it on

Ah the joy of seeing through the dream : and living to tell the tale. Your photo hangs on the corporate headquarters entrance : and your office, perched on the top of a 20 story building that bears your company name, overlooks the sprawling metropolis.

You love telling the story of how you started out - with just a dream - and how you were able to build all this - with sheer determination and a hell of a lot of hard work...

Now, it's time to pass it on...

- You are NOT going to live forever - look at succession early

Are you stupid enough to think you are immortal ? If not, well, start looking for your successor early. Finding a successor is as important as making your business successful : because most businesses fail after the founder resigns or dies (whichever comes first.) So, unless you want what you built to die a natural death after you let go of the reins : make sure you are actively looking for your successor from the time you start out.

Finding a successor is NOT about delegating your work : it is about finding a person who will drive your business with the same passion and intensity you have/had. This means your successor needs to be at least 10 years your junior - because what is the point in passing on the reins to someone who would then have to pass it back on after a few years ?

The longer you work with your successor the better it is : because it gives you time to groom them - and ensure they are able to truly bind with the organization and its culture.

Remember though : passing it on means letting it go. You can't really make your successor a proxy : and get him/her to do exactly what you want them to do. You must be willing to really step back, and allow them to 'run the show' - and be able to not worry about it either way. After all, if you did your job right in grooming your successor - they should do a sterling job. If you didn't : well : get them a coach !

- Don't pass the business to your children unless they are groomed - and groomed right

Don't make the horrible mistake of giving the reins over to your children simply because they are your children. OWNING the business and RUNNING IT are two very different things... so, if you are planning to pass things on to your children, then, ensure they are groomed, and groomed in the right way to be able to take it on.

- Please ask them if they truly share the same passion for the business as you.
- Get them to work from the lowest rung : and understand the business : not superficially - but in depth
- Allow them win the confidence of the senior team : don't allow them to pull rank on the management until they have worked themselves into the senior rungs. They must be ok to take 'orders' from the seniors as a junior - and follow through on those ideas/orders rather than pulling the 'this is my company' card !
- Allow them to make mistakes : help them learn from experience
- Give a smaller part of the business to be led by them. See how they function. See how they perform.
 - Bring the coach that coached you to coach them too.

- Take the time to really teach all the intricacies

Learning a business takes time. There really is no rushing it. Take the time to allow the successor (family or otherwise) to really settle in, and understand the intricacies of the business. Before you make the official announcement of the successor, ensure you are comfortable with the candidate you have chosen.

- Allow them to run the business under your guidance - and then, watch

Take the time to watch your successor run your business under your tutelage for a few years. Take a hands-off approach and allow them to make the decisions, and debrief with them after they are done. NEVER get tempted to jump in and salvage situations : one never learns that way.

Watch. Guide. Share insights. But, NEVER get drawn into 'saving the day' !

- NEVER be tempted to prolong your exit - put a definitive date in place and stick to it

There will ALWAYS be situations. There will always be new challenges. It is almost never a good time to quit : just like there is never a good time to die. But die we must : similarly : retire you must. So, plan it out - and ensure you are as bold enough to retire as you were bold enough to start. It is never an easy decision to make : which is why you need to plan out your retirement : and as much as possible, stick to it.

Remember that when you retire you really MUST let it go. It is NOT your burden to carry any more. Work on your retirement plans and look at other things you want to do with your life. Enjoy the fruits of your labor : take a tour around the world : devote time to philanthropy : do whatever : but, don't get suckered back to the helm. Remember : it is your final task to make sure you have truly prepared your successor to take your business to greater heights : so, ensure you put all your effort in making sure the successor is ready : and NOT on prolonging your inevitable exit from the organization !

- Set up a family charter and a constitution

Most successful organizations that have lasted multiple generations have a framework and a charter around the family indicating how they should be involved in the business. Take the time to put this in place before you exit. Family charters and constitutions take time to evolve and really take hold : so start this process early. Choose whom you partner with, to do this important piece of work, carefully : and put in substantial effort towards making it just right. You need to allow enough time to really make it work also. So, don't make this an afterthought : or a last ditch attempt on your deathbed : plan it out when your company is really taking flight : and invest in it.

EPILOGUE

As with all things in life, in business too, there is a part that 'luck plays.'

Having said that, luck comes into play only about how much success you get : not about whether you make it or not. If you get your basics right : and if you do solid work, chances are you will certainly have a thriving business : and make a mark. Whether you become the next Bill Gates or Mark Zuckerberg or Colonel Sanders : is a whole different question...

As you take on this journey, to build a legacy that outlives you, remember also that it is not only about you. It is about countless others who will help you make that vision a reality. So, when you 'make it' don't forget them : or your roots. Be generous towards those who helped you become who you are : and enabled you to realize a cherished dream : and reward them all for their efforts and their loyalty : and also, the many sacrifices they would have made on your behalf.

Remember always, your legacy is not only the success of your enterprise, but the stories they will tell about you. There is little point in building a great organization and being a total prick. There is little point in having an awesome brand but a worthless reputation. Equally, there is little point in being a brilliant Visionary: and a hopeless parent...

All the best !
Viva !

ABOUT THE AUTHOR



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Vidusha is currently the Destiny Architect at High5 Consultancy and Training and also the organization's founder member. His areas of expertise lies with strategy facilitation, HR strategy development and Leadership Training. He has conducted assignments in 15 countries regionally and consulted for the World Bank, the UN as well as some of the top corporates in Sri Lanka and the Region. He is also a member of the board of directors for Chrysalis, a social enterprise working to empower women and youth by fostering inclusive growth in Sri Lanka and elsewhere.