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No Such Thing as Bad Weather for Entrepreneurs-- *Just Inappropriate Clothing*

Robbie Cape, CEO of Cozi, a web service company he co-founded in 2005 to help busy families manage household schedules, says today's economy isn't the worse thing to happen to entrepreneurs. It simply provides another context for managing business. Although many early stage companies are suffering, the truth is there's always some weather to contend with. At a recent Northwest Entrepreneur Breakfast meeting, Cape discussed six principals for entrepreneurs to use to avoid being caught in the cold.

Strong values

Although most people have core personal values that influence actions and thinking, they often don't write them down. The simple act of writing and communicating personal values strengthens them. Strong values are critical because they alleviate confusion and provide focus—especially in tough times. Cape recommends defining three core values. His are integrity and trust; intellectual horsepower; and attaining a work/life balance. His team understands where he stands on decisions because they know his values. For example, he is open and direct with staff, but respectful. People know he means what he says. Relative to intellectual horsepower, Cape values working with people that are smarter than he is. Lastly, because he has a family and believes in work-life balance, he drives himself at a sustainable pace. He makes his eight hour as highly efficient as possible. This clarity of values sets the pace for the business.

Strong, smart people

Some believe that great ideas are the foundation of great companies. Cape

believes great ideas can only be realized by strong, smart people. The emphasis needs to shift from the ideas to people, because people create the traction. Many

Executive Insights



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entrepreneurs forget this. Some are so driven by their idea that it actually slows success. Sometimes entrepreneurs hang on to the wrong idea for too long. Conversely, when the focus is on strong, smart people the environment can give birth to great ideas. For early stage entrepreneurs finding a strong partner can be the catalyst for creating and evolving a concept into a winning business idea.

Heart-stopping value proposition

Entrepreneur's need to develop a value proposition that captures the essence of the company. Figuring out how to stop people in their tracks is hard work. Focusing on products or features won't work. Success depends on finding out what is universal to the demographic that the company is being built to serve. This requires research. Bootstrapped companies should be creative in gathering research in tough economic climates. For example, Cape's company Cozi tested their value proposition directly with their target market (mom's) by hosting small, low cost, in-home parties. They drew in their audience by providing light snacks and offering a chance to win a gift certificate.

Daily execution based on a proven business model

A great plan will carry a company through a storm. Strong business models don't just happen, they evolve through constant testing. Cape says, "Pitch everything and pitch often". For example, test your revenue model six-to-nine months before the offering. This will help to refine the sales pitch. Also test selling the product. This will reveal if the business model actually works. Then use the knowledge to iterate on the business model, and start the testing again. These efforts will impact the product that is ultimately built, and in tough economic times having the right offering is critical.

Working distribution strategy

Homeruns like Google, YouTube and Facebook aside, most entrepreneurs admit that getting customers is the most underestimated and hardest aspect of launching a business. Success requires a strategy at the get-go that defines how to do it. Don't be lured into thinking that a strong value proposition alone will work. It won't. Figure out what strategies are needed to get customers. Consider everything from partners, to advertising, to viral approaches. A word of warning: Many partners will want your product for free in exchange for access to their channel. Cape advises collecting revenue in advance and offering nothing for free.

Runway time to execute

Money is the one thing that has the power to correct most unforeseen start up issues. Money creates runway and allows time for mistakes. Money is critical to success and it's also hard to get. Cape advises, "Be conservative in everything you do because you'll always need more runway—much more—than you think".

And remember, revenue is the cheapest form of funding you'll ever get. Let these six principals put your business on its way to generating revenue, regardless of the weather.

These "Executive Insights" are based on monthly presentations provided by leading

entrepreneurs at the Northwest Entrepreneur Network (NWEN.org), a non-profit organization dedicated to helping entrepreneurs succeed. The column is written by Cheryl Isen, founder of Isen & Company, a strategic marketing and public relations firm that helps emerging companies increase corporate

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