

*Secrets of a*

**High Power**

*Lifestyle*

## **High Power Finances**

### **Breaking into business - Part 1**

For most of us, starting a business would be the ideal thing to do because we all would like to have more time freedom, money freedom and personal freedom, yet there are many things that hold us back or prevent us from moving forward to take action.

If you're like most people, starting a business would most likely do one of two things for you: a) supplement your current income, or b) move you up out of your job and replace your current income.

**The biggest culprits that stop most people are the false beliefs that:**

- 1) We need to have a lot of money to get started
- 2) We need special education or a college degree
- 3) We need a "good idea" for a business to be successful
- 4) We don't have what it takes because we're not a "business" type person.

*Do any of those sound familiar?*

For just a moment let's take a step back to break each one of these false beliefs down and examine them to see if they really exist in reality, and if so how we may be able to get past them.

#### **1) We need to have a lot of money to get started.**

First and foremost I can tell you starting a business that requires a lot of money is usually a bad idea, especially if it's your first time around. I'm sure you've seen it before; people get a good idea, borrow money and roll the dice only to lose all they've invested and then some.

A beginning entrepreneur with money to start up and no experience is one of the big reasons why 95% of business startups fail in the first year. They are like oil and water because they never successfully mix for too long. For the majority, hearing the business start up horror stories is usually enough to scare us out of trying because we imagine the same thing happening to us.

The truth is that it doesn't have to be this way if we go about it in the right way and think things through a bit. As a matter of fact business doesn't have to be complicated at all - if we don't make it complicated. Business is nothing more than trade, people give us money for the value we provide them with in the form of a product or service.

Think about it, business or trade has been happening since the caveman days. A business transaction back then may have been my two chickens for your fur. Although times have obviously changed and we don't conduct business like that anymore it isn't much different because there is still an exchange of value taking place. The big difference is the commodities being exchanged and the methods available to make the exchange.

Goodness forbid a disaster ever happened, but if it did and we didn't have access to banks for whatever reason guess what would happen, we'd have to go back to trade just like back in the caveman days.

The best way to get started in business is to start with a service you can provide yourself unless you have some money to invest in a product to sell. This may be ok assuming you know who your target market (ideal customer) is and how to reach them effectively. Starting with a service is usually the ideal way because it takes little if any money and you'll know very quickly if people want it or not.

My first business was a car stereo installation business, which I'll talk about in the next section, it didn't cost me any money to get started or even run the business. Read on to find out how I did it.

## **2) We need special education or college.**

My first business was doing car stereo installations using free classifieds on the internet when I was 19. In the mid 90's the internet was just beginning so it was kind of like a big classifieds section in the news paper, only it went much farther than a local newspaper and your ad could be changed instantly unlike printed ads.

After doing a bit of research I figured out that I could buy my stereo equipment wholesale if I had a resale certificate, which I could get free from the State Board of Equalization. I also figured out that I could work off of a local wholesale dealers inventory (using a credit card to make the purchases) allowing me to go and pick what I needed as necessary.

Here's the funny part, car stereo installations was a hobby I had picked up only a year earlier. I first got started by reading books and magazines to get ideas for my own vehicle, once I felt I knew enough I began experimenting and doing my own installation.

When I was finally done, some of my friends and family were impressed with what I had done with my own vehicle and asked if I could help them out as well. Feeling confident in my new skills I moved on to doing some of their vehicles when I had the time.

After doing about five or six vehicles I realized I could make some side money if I did it for other people, maybe even start a little side business. I had a skill other people didn't and besides I had nothing to lose by trying.

At that age I didn't have any money, I only had one credit card with a \$1500.00 credit limit which caused me to creatively think about how I could launch this new venture *without* a budget. After I received my wholesale license and tracked down local wholesales through the yellow pages I found the free classifieds to advertise online.

I would post my ads, take the calls to find out what people wanted, quote them a price and only buy what they wanted **after** they were absolutely committed to having the work done.

After doing a few installations I considered using my \$1500.00 credit card limit to buy my own inventory because I could buy in bulk at lower prices and make a better profit on each sale, which would have changed the way I was doing things.

I thought about it for a while and realized that each installation I had done was different and I had no way of knowing what people would want, which might leave me stuck with inventory I couldn't move and worse yet a big credit card bill to pay if I couldn't sell it!

Needless to say I decided that would be a bad idea!

Because I purchased my equipment for installations piece by piece I only made a small profit on the sale, so most of my money was made on the labor of the installation. Even while having a full time job I was able to get this business off the ground in about two months by scheduling my installations to be done after work and on the weekends.

The best part about this business was that it didn't require any special skills, other than what I had learned from the books and magazines and it also never cost me any money to get started.

The classifieds were free, the resale certificate was free, the dealers stocked my inventory for me and I didn't have to pay my credit card bill until at least 30 days *after* I made a purchase, completed all the work and collected my money.

This is what I call a self perpetuating and self sustaining business model because it's all cash and pays for itself along the way!

In my experience this is best and safest way to get started because you never lose out on anything if things don't work out the way you plan. Too many people put their life savings, 401K or even mortgage their homes to open a restaurant or other business that may not fly if they can't attract enough customers quick enough to get their bills paid on time.

To be on the safe side, ideally you want to start small to see if and how you can generate customers and then grow your business as the demand for your product or

service grows. If you start this way you don't have to quit your job and you don't have to take any unnecessary risks.

### **3) We need a good idea to get started in business.**

We often think we need to come up with some new product or invent something to make it big or even get started. The fact is that there are hundreds of thousands of patented "good ideas" all over the country. People have an idea they think is good and proceed on that good idea without really knowing if anyone else thinks it's also a good idea.

Family and friends may not be a good gauge because they will most often also think you have a great idea, the question is "will a potential customer think so and give you their money for it?"

That's the real test!

When you're just getting started it's better if you don't try to reinvent the wheel. Being in Silicon Valley (for those of you that are local) we tend to think we need to start a new or technical business to make money. It's not true; as I mentioned above I learned how to do car stereo installations only a year earlier through reading and experimenting on my own vehicle.

As a matter of fact starting a technical business usually requires a lot of money, highly specialized knowledge and risk. It isn't just risky like a general business that you may not get off the ground, it's risky because technology often changes so fast your product or service could become obsolete overnight if another company comes out with a more advanced or less expensive product to compete!

This happens everyday in the tech world. Some times products don't even make it to the market place because they become obsolete while still being developed, causing companies to scrap projects they may have poured millions of dollars and years of research into.

At the time of this writing, one of the tech battles going on is between the "Blue Ray" and the "HD" technologies for DVD's. They are both relatively new and many people are holding out and not being polarized because it's hard to tell if they'll both be around for a while or if one will have to dominate the other at some point. Only time and the effectiveness of each one's marketing strategy will tell.

I've always opted to stay away from tech businesses and I would especially recommend this if you're just starting out. My second business was transporting antique furniture and moving people's homes when I was 20.

The business model I was using for my stereo business was so cost effective because it required so little education; money and risk that I decided to do the same thing with this company.

Getting this company started required a bit more effort because the market place was more competitive than the car stereo installation market was, so along with the free classifieds on the internet I had to network with everyone I knew to find moving jobs because I didn't have the money to advertise.

Here's a quick lesson I learned about networking that is worth passing on. When I first started out in this company I met a retired business executive that taught me the power of networking. He proved to me that I would have only been three "hand shakes" away from Adolf Hitler if he was still alive because his uncle had been best friends with Hitler's head general.

Obviously it isn't the fact of who I was three "hand shakes" away from, it's the fact that someone always knows someone that can help you out or get what you want or need. You only have to ask enough people to find it!

Once I found a prospect I would bid on the job and then rent the truck *after* they gave me a deposit. It was basically the same concept as the stereo installation because I didn't own the truck, maintain the truck, insure the truck or buy the truck – which would have been a huge expense I couldn't afford!

The only investment I did make for this company was to buy my own moving blankets, floor dollies and two hand trucks. All in total my investment was around \$300.00 which wasn't bad considering I made it all back on my first moving job.

Once again, I was able to use my credit card to buy my supplies, rent my truck and fuel it up - which gave me 30 days to pay for it all. Working this way I was able to make sure I had all my expenses covered and never took any risks.

Another self perpetuating and self sustaining business!

#### **4) We don't have what it takes because we're not a "business" type person.**

Other than having a desire and being willing to act upon that desire wisely, it doesn't take much to get into business. If you can be objective in what you want to accomplish and ask yourself the right questions you can get started now.

There really isn't a "business" type person; it's all in how you choose to look at opportunities and situations!

If you can learn to look at your desire to start a business and ask yourself "How can I get my business started?" you might be surprised to find out how effective the human mind really is at giving us the answers to bring our desires to fruition.

Many years ago Earl Nightingale used what he called the 20 idea method, which was later popularized by Brian Tracy. He would write down a specific question at the top of

the page, such as "How can I get my business started?", and write 20 answers to it. I would highly recommend doing this as it really gets your creativity flowing.

When you look at what I was able to do with the above two companies you'll realize that it was a way of thinking and a *lack of funds* that allowed me to get started. I had the desire to get started so I had to be creative and find some way to do it without money.

Eventually I did buy my own trucks and get into the trucking and freight business, but that came a few years *after* I had some experience under my belt and knew I could get the business off the ground.

Saving the best for last, there is one more crucial thing that is necessary if you want to break into business, *you have to believe you can do it!*

If you lack belief in yourself it will prevent you from ever taking the actions to get started. Starting a business is kind of like a race, and most of us wouldn't bother starting a race we didn't think we could finish!

My hope is that after reading this article you realize getting into business doesn't have to be difficult, expensive or for any special kind of person. If I started without any special education and just a credit card with a low credit limit at the age of 19 anyone can do it - that includes you!

Even today the businesses I start require little money because I follow the same system of a self-perpetuating and self-sustaining business. I think it's wasteful to take the risk even if you have the money, unless of course you can pre-negotiate your deals so you have your products or services sold ahead of time.

That is where the real money is! We'll get into that in Part 2 of this article.

Still a bit apprehensive?

That's ok, you're human so it's normal to feel this way whenever we do something new or something we've never done before, just don't let it stop you from getting started.

Good Luck!

Alex Hernandez

# High Power Business Building Workshops

***Serious about getting started in a business of your own?***

***Transitioning from a one person business to employing others?***

***Already in a small business and want to breakthrough to the next level?***

Whether you want to get started full time, part time or create a business dynasty that can expand and thrive for generations, our dynamic business building workshops will help you get moving forward and profiting at warp speed.

Our workshops start at entry level for those just getting started or interested in getting started, and continue on through more advanced mind blowing "Explosive Growth" courses for those that are already in business.

Not only do our workshops provide you with all the tools you need to create and effectively optimize processes and systems for hiring, training and managing your employees and operation, but they also supply you with high octane strategies and tactics to dramatically boost your current marketing productivity, sales and revenue to radically increase bottom line profits.

## **Foundational Workshops**

**In our "Employee to Entrepreneur" workshops you'll learn how to:**

- *Acquire and use the secret psychology of the entrepreneur mindset to help you move from an Employee to an Entrepreneur at warp speed*
- *Identify and update any previous non-supportive ways of thinking to create long term success in life and business*
- *Use baseline strategies & tactics in your current job to increase your potential for a raise or promotion until you're ready to move into a business of your own*
- *Succeed in business long term without having to be a "Sales Person".*
- *Cultivate a persevering success based attitude and state of mind at will*
- *Develop clarity of purpose and a laser like focus to easily blast past everyday obstacles and distractions*
- *Accurately establish if a business or industry is the right one for you long term*
- *Determine if a potential partner will increase your chances of long term success*

- *Recognize and effectively use your strengths to maximize all your efforts*
- *Identify and use key resources you already have to get started quickly and at minimal expense*
- *Uncover and profit from hidden opportunities others routinely dismiss*
- *Discover and use other peoples hidden resources to generate profits for yourself*
- *Work smart instead of hard to make the most of every effort you ever put forth*

**In our "Breaking into Business" workshops you'll learn how to:**

- *Expand, build and apply the concepts and strategies of "Employee to Entrepreneur" at a more advanced level to multiply your results*
- *Significantly reduce and in some cases even eliminate marketing expenses altogether to substantially increase your income and profits*
- *Test market ideas conservatively to reduce or eliminate risk and lower the cost of finding and converting prospects into buying customers*
- *Increase your income & profits without increasing the amount of efforts put forth*
- *Negotiate like a pro to charismatically and tactfully coax the most profit or benefit out of every situation or transaction*
- *Better qualify your prospects up front to make the most of your time & efforts*
- *Determine the Life Time Value of a customer to maximize your returns and profits*
- *Program customers from day one so they desire to do business with you forever*
- *Isolate the vital tasks & activities in your business that create an instant and lasting positive impact*
- *Build a solid business foundation that can grow nationally or internationally*
- *Systemize your business to deliver automatic profits to you forever*
- *Save years and thousands or hundreds of thousands of dollars by avoiding costly and time consuming business mistakes*

## **In our "Explosive Growth" workshop you'll learn how to:**

- *Use the strategies of billion dollar companies to create partnerships and profit from their efforts*
- *Use other companies resources (even your competition) to generate more profits*
- *Use customer Life Time Value to create predictable and perpetual annual growth*
- *Create the ultimate selling organization so employees automatically sell the company*
- *Quickly penetrate multiple markets with new products and services*
- *Collect backend profits with little or no effort on your part*
- *Significantly increase customer satisfaction and retention to multiply profits*
- *Use multiple methods of marketing to radically boost your sales and profits*
- *Increase the size and frequency of customer transactions to multiply profits*
- *Maximize the profit potential of every relationship with every customer*
- *Use multiple referral systems so customers automatically sell for you*
- *Maximize company hours by identifying and focusing on profit producing activities*
- *Systematically generate multiple levels of income and profitability to create stability*
- *Effectively construct ads, headlines & sales letters for maximum customer acquisition*
- *Effectively use your time to convert qualified prospects into customers*
- *Re-activate previous customers to reestablish a buying relationship or acquire referrals*
- *Innovate your products and services so you're always ahead of the competition*
- *Save time, save money and save your sanity with efficient processes and systems*
- *Arrange and organize your business to run automatically so you can enjoy life your way to create more time freedom, money freedom and personal freedom.*

Currently our workshops are being held in the San Francisco Bay Area and we'll be having them in different parts of California as well beginning in mid to late 2008. Visit our website here: <http://www.BAstartup.com> for more details and workshop dates.

*This article may be reproduced, distributed or resold as long as it is not modified from its original format.*