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## **How to Start a Business With No Money**

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**Anita Campbell:** Well hello, this is Anita Campbell and welcome to Small Business Trends Radio. I'm so glad you could join us today. We have a fabulous show coming up. The topic is how to start a business with no money.

Gary Schoeniger started a business dead broke in debt, with nothing more than a ladder. Before long, it was a multi-million dollar business. Gary's going to be with us in just a short while to offer tips about what worked for him and what didn't. So, do stay with us. It's going to be absolutely wonderful.

But first, before bringing Gary on the show, we have our Today's Trend segment. Now, Today's Trend is about leaving the elusive dream of easy money behind and bootstrapping our way to success. Anyone who became an entrepreneur before or during the dotcom boom days of the late 1990's and early 2000, soon became aware of all the easy money, or so we thought.

Who among us has not heard a story that goes something like this: An entrepreneur scribbled an idea for an Internet business on a sheet of paper, or maybe on the back of a napkin, and managed to get some venture capital firm to invest millions in it. Not that I personally know of anyone who successfully used the back of a napkin business plan, but it does make a great story. Of course, it's become an urban legend, which brings me around to today's trend.

It seems that for a period of several years, we were all fixated on venture capital, VC money, other people's money. It seemed like money was there just for the asking. All you needed was to be aggressive enough to go out and get it. The dotcom crash in 2001 taught us otherwise. Suddenly those VCs were not as friendly anymore. The flow of new funding dried up. The market for IPOs or Initial Public Offerings, which is the end game for most VCs, dropped out. And reality set in.

Today, with the benefit of hindsight, we see that time as an aberration. Yes, there are still technology companies that are getting millions of dollars. But, they are few and far between. For instance, according to 2002 figures from the Kaufman foundation's global entrepreneurship monitor, only 38 in 100,000 businesses received VC money, worldwide.

Now today, most entrepreneurs realize that they have to fund their businesses on their own. The four main sources of funding are, first and the number one has to be, credit cards. We just start charging things on our credit cards. Number two is investments from family and friends. Number three is small business bank loans, including SBA loans in the United States. And four is customer funding, or what's known as bootstrapping.

Now bootstrapping for most small businesses, is going to be the main path toward success. Even if you use your credit cards for initial business expenditures, eventually you've got to pay those charges back. Money coming in the door from selling your products and services to

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customers is really the ultimate source of financing, and of course the ultimate source of money that you need in the vast majority of small businesses.

So, yes, we did go through a period of several years, where we got confused and thought VC money was the answer. Today, however, most of us know better. In fact, it's become the "in" thing to finance your own business. Bootstrapping is where it's at today.

That concludes Today's Trends segment. So now, what you've been waiting for is our featured guest, Gary Schoeniger, who is a startup entrepreneur, successful small business owner, and author. I'd like to welcome Gary. Welcome.

**Gary Schoeniger:** Thank you, Anita. I'm really glad to be here. I'm excited to be on your show.

**Anita Campbell:** Well excellent, and we're excited to have you. I know from talking with you, Gary, this is a fascinating subject. I think our listeners are going to get a lot out of it. I certainly learned a lot from you, and really felt very inspired after talking with you.

**Gary Schoeniger:** Well, great!

**Anita Campbell:** Well, let's get started Gary. The topic of this show about starting a business with no money is pretty intriguing. So, tell us the story of the business you started with the ladder and no money.

**Gary Schoeniger:** OK. This was back in the fall of 1987, and I was unemployed at the time. You talked about business planning. I had no plan. This was out of dumb luck and sheer desperation actually. But, it's a true story. I actually borrowed a ladder, strapped in on the roof of my 1972 Dodge Dart, and went knocking on doors in my neighborhood offering to clean the leaves out of people's gutters. That's how it started. That was my first day in business.

**Anita Campbell:** So, good old-fashioned American ingenuity.

**Gary Schoeniger:** Yes.

**Anita Campbell:** OK. So, that was good. Dodge Darts, I actually remember those cars from the 1970's.

**Gary Schoeniger:** With the driver's side door bashed in so I had to slide across the seat and get out on the passenger side.

**Anita Campbell:** OK. Now, was the ladder your own? Or it was borrowed?

**Gary Schoeniger:** No, I really borrowed it from a friend.

**Anita Campbell:** OK, all right.

**Gary Schoeniger:** That really was sort of like an entrepreneurial moment, because as luck

would have it, I got customers quickly. I got validation early. I mean, the first day, I came home with \$150 or \$200 in my pocket. That really was the good fortune. That's where the entrepreneurial light went on for me.

**Anita Campbell:** Talk about bootstrapping. You did it from day one.

**Gary Schoeniger:** From day one.

**Anita Campbell:** Absolutely. Well, ok. So tell us then the story of how did this business, that got started with the 1972 Dodge Dart with the bashed in driver's side door and the borrowed ladder, how did that turn into the multi-million dollar business?

**Gary Schoeniger:** Well, Anita, it was through much trial and error. I have to say that. I don't want to sound at all like this is a get rich quick, or that this is easy, because it wasn't. But, what I quickly learned... You know, I knocked on doors. People asked me, well yeah, OK, clean my gutters. Can you fix my gutter? My garage door doesn't work right, can you fix that?

I learned how to respond to those needs. I quickly learned that when I did what I said I was going to do for the price I agreed to do it, that I began to get larger and larger projects. I began to grow. Soon I was remodeling bathrooms and building porches and decks and kitchens. In 1991, I built my first single-family home.

**Anita Campbell:** So, you really moved from being kind of a handy man to being a remodeler, to being an actual home builder.

**Gary Schoeniger:** That's correct. That's correct. Since - I think I built my first house in 1991, and I've built somewhere in the neighborhood of 120 homes in that period of time. So, this was all bootstrapped. I paid attention to the needs of my customers. I looked for holes in the marketplace of things I could do better or where I could improve product or service. Slowly but surely I just crawled forward.

**Anita Campbell:** Well, you know, Gary our listeners love to hear these kinds of stories. They're very inspiring. I think one of the things they love to hear is, what are some of the things that you learned and the pieces of advice that you might give an aspiring entrepreneur who has no money and wants to start a business?

**Gary Schoeniger:** Well, that's a great question, Anita. Here's what I would say. First and foremost, there are limitless opportunities out there. There are unlimited opportunities to start and succeed in a small business.

Now, more specifically, I would start with something I have some ability with, I have some experience in, some knowledge about, some special talent. OK? I wouldn't go into a field... I don't want to go start a brain surgery practice, something I don't know anything about. Having said that, showing up on time is a talent. Reliability has value. The second thing I would say is to start small.

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**Anita Campbell:** Which is really what you did, I mean you started with cleaning gutters, and then before you knew it, you were actually building complete homes.

**Gary Schoeniger:** That's exactly right. There was a lot of trial and tribulation. But, it wasn't that difficult. It really wasn't that difficult.

**Anita Campbell:** What else?

**Gary Schoeniger:** So, I would say start small. Start with an ability that you have. Make it something that you enjoy, that you're passionate about. I'm not the guy that says do what you love and the money will follow. But, there's got to be some level of passion and drive, because if you can't be excellent at something then you can't distinguish yourself. It's very difficult to distinguish yourself at something that you really don't care about.

**Anita Campbell:** Mm-hmm.

**Gary Schoeniger:** Now, having said that, having your own business, I like that Sprint line about business is beautiful, because I don't care if I'm mowing lawns if they're my customers. My mind goes to how can I better serve? How can I make this more efficient? What other products and services? It makes lawn mowing a lot more interesting. So, start small, and most importantly, start.

**Anita Campbell:** Get something going.

**Gary Schoeniger:** Right. If not now, when?

**Anita Campbell:** Exactly. Well, OK, so what happened with that business, Gary? I think people like to know were you actually successful at this business? I mean, it sounds like it.

**Gary Schoeniger:** I've been very successful with this business. I'm still actively involved in the business. I have a partner who is a world class architect. We're building upscale homes in several states at the moment. So, I am still actively involved in that business.

**Anita Campbell:** Oh, great, from humble beginnings.

**Gary Schoeniger:** Sometimes I have to pinch myself. We have a project now just outside of Pittsburgh for a 10,000 square foot home. That's a very large home. I have to stop sometimes and think back that I was cleaning gutters!

**Anita Campbell:** Isn't that amazing? But, it really all started with what was in your mind didn't it?

**Gary Schoeniger:** It did. It did.

**Anita Campbell:** Well, we've got just probably a little less than a minute here. Let me tee up another question here for you, and if we can't get to it before the break, we'll come back to it after the break. And that is you've described yourself as a small business coach.

So, I'd like to know how you made this jump from the business that you started, that's become very successful, and you actually have going on now, to becoming a business coach. So, after we come back, after the break, in just a couple of minutes, Gary is going to answer that question for us.

**Anita Campbell:** Welcome back to the show. We're talking with Gary Schoeniger about how to start a business with no money. Gary's just told us a fascinating story about starting his business cleaning gutters and turning that into a multi-million dollar, multi-state business here in the United States.

Before the break, Gary, I teed up this question, and that was how did you go from starting that successful business, which is actually still running and you're working with a partner on that business, to becoming a small business coach?

**Gary Schoeniger:** That's a great little story, Anita. I consider myself lucky to have had this experience. Along the way as I was developing my skills beyond gutter cleaning - and I need to make an important distinction here. When I was driving around in my beat up Dodge Duster, I was listening to like Tom Peter's tapes and how to run a business tapes on the cassette, in my car.

But, it was 1991, I think, and I was in Las Vegas at a builders/remodelers convention. I was reading the paper at 6:00 in the morning. And I happened upon a human interest story, and we've all seen these stories. A guy lost his job at a local factory. His unemployment benefits were about to expire. There was a photograph in this human interest story in the paper. He and his wife perched noticeably on the end of the sofa. She was working a double shift at a local convenience store to try to keep things together.

I stared at this picture and looked at this article and I thought I could help this guy if only I could get him to see the world through my lens. If I could somehow take my glasses off and put them on his head. Because I could see a dozen ways off the top of my head how he could go out and figure out how to earn 40, or 50, or 60 thousand dollars a year doing just about anything.

So, that was the moment that I realized I need to understand this. I need to figure this out. I began to study small business entrepreneurship. I began to learn as much as I could about opportunities, small business, and an entrepreneurial mindset.

**Anita Campbell:** Well, you know, I'd like to go back at this point, Gary, and ask you about the business that you started. One of the things that we all like to hear - I in particular like to hear them - are learn from my mistakes, don't do the same thing that I did kind of thing. So, what would you suggest as far as learning from mistakes? Did you make mistakes?

**Gary Schoeniger:** Anita, I made every mistake in the book. I made every single one of them, and I'll talk about more of this later. But, like most small business owners, I figured out how to deliver a quality product/service. Yet I had not a clue about the other critical aspects of business, which are marketing and sales, finance, and leadership.

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So, I was the lone ranger. I was struggling. I tried to do all the work myself instead of hiring people and instilling my values and work ethic in them and spending more time, I did everything myself. What I should have done was hire people to do more of the work. I should have focused more time and energy and effort on marketing and sales and finance and leadership to grow the business. I could have grown the business much faster.

**Anita Campbell:** Well, you know it's kind of interesting, you mentioned just a little while ago about gee, you wish you could have taken your glasses off and put them on that one person that you mentioned that you read about, and that whole scenario there. I guess if we look at the whole situation in kind of the inverse of that, I guess what you're saying is when you first started your business that you were perhaps limiting yourself in how you looked at things.

**Gary Schoeniger:** I did, and that's one of the mistakes I made, Anita. I transposed my own economic frame of reference onto my clients. I know this might sound a little bit hypothetical.

**Anita Campbell:** Well, what is that? What do you mean by that?

**Gary Schoeniger:** OK, what I did was I entered the marketplace thinking I was going to compete on price. That was a fatal mistake, not a fatal mistake, but it almost killed me.

**Anita Campbell:** Wow. That's a pretty strong statement. Wow.

**Gary Schoeniger:** I say this to people I work with, to small business owners, and entrepreneurs that I work with, unless your name is Sam Walton, you do not want to be competing on price. But, let me go back to this economic frame of reference. I came from a lower socio-economic background where coupon clipping and value was everything. Take the low bid. Take the low bid.

What I inadvertently did was I created this little self-fulfilling prophecy. I began to build a business where all my clients were looking for the cheapest, cheapest, cheapest, and cheapest. So, I was running around like a one armed paper hanger and not really getting anywhere. So, I built a business based on price, not based on value. That's a common mistake that small business owner make.

**Anita Campbell:** Well, what other lessons, specifically then, would you say people should learn from your mistakes? In other words, don't do what you did, but learn a little bit?

**Gary Schoeniger:** Here's how you can save a lot of grief. Don't compete on price. Again, unless your name is Sam Walton, stay away from the price advantage. Sell value. Sell service. And don't undercharge. Again, there are these other areas of business around financing. Small business owners often fail to understand what does it really cost me to do business?

**Anita Campbell:** And what do you mean by that?

**Gary Schoeniger:** If a guy thinks OK, I want to make 50,000 bucks a year, which translates out to \$25 an hour, so I'm going to bill myself at \$25 an hour. Well, that means you just created a

\$10 an hour job for yourself or less, because this person doesn't fully understand that I have to build in there my \$25 an hour, I have to build in there my health care, my gasoline, my truck, my insurance, my retirement account, my rainy day fund, my jobs that I spend time bidding and don't get, not to mention the four letter word, profit.

So, a lot of people get themselves in a lot of trouble early without the basics of financial aptitude. I create a lot of aggravation for myself in that area.

So, the third thing I would say the lesson that I learned is spend a lot of time focusing on marketing, sales, financing, and leadership. If you don't know anything about these topics, read courses, read books, take seminars. Find a small business coach. Do what you need to do to focus on your business instead of spending all of your time in your business.

**Anita Campbell:** I think that's a really key point, Gary, because most people start by doing what you suggested earlier. Do something that you know. That means you're going to do something that probably does not involve marketing or finance unless you happen to be an accountant or a marketing consultant. We can't all be good in everything, can we? But, I guess we need to learn at least enough to know some basic things if we're going to be successful at our businesses.

**Gary Schoeniger:** Absolutely. This entrepreneurial mindset that I referred to applies to career development. In a new global economy, understanding finance and marketing and sales and leadership is everyone's business.

**Anita Campbell:** OK. Well, now what would you tell a child? I don't know if you have children or not, but if you had someone close to you that was coming up, younger, and you wanted to transfer on some of your lessons, what would you tell them about starting a business with no money?

**Gary Schoeniger:** Anita, I actually have a great story to tell you about that very topic. I have, along with my two biological children, I adopted a foster child several years ago whose name is Jason. Jason had never had a father, he'd been a foster kid living out of foster homes all of his life.

He came to live with us when he was 16, about halfway through his junior year in high school. I had been mentoring him for five or six years previous to this, so I knew him fairly well. He sort of gave me this Donald Trump type challenge. Like, OK, Gary, you help people with small businesses, why don't you help me with a summer business?

So, I said OK, you're on, let's do it. Because of my knowledge of the construction industry, I knew that there would be a niche or a need for job site cleanup. So, I helped Jason make up a little flier. We printed it up on a computer, on the home computer on some bright orange paper from Kinko's.

Jason's Job Site Cleanup - reasonable rates, reliable service, rapid response. Boom. There's his unique selling proposition and a phone number. I loaned him the money to get a cell phone. I loaned him money with interest, so Jason would understand the rules of the game. OK?

So, we figured out, OK, we're going to charge \$15 an hour, which he had a tremendous amount of resistance to, because his economic frame of reference if you will, was well high school kids only make six or seven dollars an hour. That's too much money. OK?

I said, we're going to use \$15 an hour for your basic rate, and go down to the local building departments. Get addresses where building permits have been pulled. Start to staple up or tape up your little brochures. I taught him how to look someone in the eye and offer his value proposition. Hi, my name is Jason. I clean job sites. Here's my business card, blah blah blah.

So, out he goes in his rusty little rickety little Toyota. You see a pattern evolving here?

**Anita Campbell:** Oh yeah. Start with a battered car.

**Gary Schoeniger:** Right, right.

**Anita Campbell:** Listen, we're going to have to take a break coming up. I guess, I'll just stop you right here. When we come back after the break, I'm going to have Gary finish this story. It's so fascinating. So, please join us in just a few minutes.

**Anita Campbell:** Welcome back. Before we get started again, talking with our featured guest Gary Schoeniger, I have a couple of announcements. First of all, this is the time in the show when we thank our sponsor Six Disciplines. They've been an awesome sponsor. They're really the reason this show is possible, so I owe a real debt of gratitude to Six Disciplines. It's a methodology in Six Disciplines, and it's outlined in the book "Six Disciplines for Excellence." I've met the people behind Six Disciplines.

As many of you know, I am located near Cleveland, Ohio. Six Disciplines is also in Ohio, just in a different part of Ohio. So, I drove the couple hours out to their offices last summer. I met them and I came away very impressed. The easiest way to learn more about Six Disciplines is to go to their website at [www.sixdisciplines.com/va](http://www.sixdisciplines.com/va).

Also, I do want to announce an upcoming special series that we're going to be having here on the radio show. It's a four part series called "Productive Employees and Happy Bosses Through Technology". This is a practical and informative series that actually arose out of requests from business owners like you.

There were requests to know more about how to get your employees equipped with technology at the lowest possible cost and deliver more for your business. So, some of the questions that we're going to be answering in this series are, have you ever wanted to know which technology to outfit your employees with to keep them productive? Or when it makes sense to cut technology costs? And when not to be penny wise and pound foolish.

What about the decision of whether to try to maintain equipment in house, or go outside for tech support? Do you know when it makes sense to go outside and when not? Do you know how to find effective outside support? What about when employees leave?

Do you know what steps to take to make sure your systems are protected in the event their leaving is on less than the best of terms? If you are a non-technical business owner, and you've ever wanted to know the answers to questions like these, then you're going to want to join us for this four part series.

It's going to be held once a month. Each part of the series will be a dedicated small business trends radio program. I'll be hosting it of course. Michael Dease, the president of eSecurity Direct, which is [eSecurity-Direct.com](http://eSecurity-Direct.com), will be presenting this series specifically for you with practical advice, recommendations for technology choices, purchasing sources, negotiating strategies, just a lot more.

Each show is going to be accompanied by a business owner's cheat sheet, which will outline the specific recommendations given in each show, and other important information to refer back to. So, please join us for this series. The first one is next week which is April 18th, 2006. It's called Hiring New Employees, the Technology They Need.

Of course we'll be focusing on the hiring side. So, with that I would like to get back to talking with Gary Schoeniger, our featured guest.

Gary, right before the break, you were telling us the story of your adopted son Jason, and how he got in his battered truck with his newly printed fliers, and he went out to get some business in his job site cleanup business that he had started. So, continue telling us this story.

**Gary Schoeniger:** Jason's Job Site Cleanup - reasonable rates, reliable service, rapid response. So, I send Jason out. We decide that \$15 an hour is going to be the basis of what he's going to charge for his time. And he has a lot of resistance to this, as I said, because his economic frame of reference is that high school kids make five, six, seven bucks an hour.

Nevertheless, I sort of pushed him out the door. I said go around and find job sites. Practice your selling proposition, your elevator speech, whatever you want to call it. I think he drove around in circles for the first day, just afraid to get out of his car.

I think we can all relate to that. It's something new. It's uncomfortable. It's outside of the way we see ourselves sometimes. It's outside of our comfort zone. But, he knows that he's going to have to come home and I'm going to ask him how his day went. So, he finds the courage to get out of his car and walk up to a job site where there's six or eight adult guys sitting around having a break.

He's got to sputter out his proposition. He stuttered and stammered, I'm sure, and gave them their proposition. These guys were just workers; they didn't have any authority to hire him. But, these guys offered him a job, offered him an eight dollar an hour job. And God bless him, he had the tenacity to say "No thank you, I have my own business".

OK. So, the second time he encounters someone, it's easier for him to utter his proposition. He's getting better and better at it. It's getting easier for him to get out of the car, walk up to someone and shake their hand, look them in the eye, and so on and so forth.

So, finally he finds a building, spiels through his little spiel, and the builder takes a look at his business card, looks at him and says no thanks. So now, Jason comes home and says \$15 an hour is too much money, you see. He thought as many people would, that now he has evidence that \$15 was, in fact, too much.

OK. Trust me Jason just get back out there. Keep knocking on doors. Keep doing what you got to do. So, back out he goes, driving around in circles, knocking on doors, stapling up this thing. He finds another builder, proposes his proposition to him. The guy looks at him, turns him down, and he comes back and says, "Gary, I'm telling you, \$15 an hour is too much."

I said, nope. Just trust me here Jason, just get out there and keep going. OK? Finds the third guy and the third guy turns him down. Now Jason's upset with me. He thinks I'm trying to humiliate him or teach him some sort of a disciplinary lesson or something.

I just said, "Jason, you have to trust me here." So, you know, he's way out beyond his comfort zone. He's thinking he's got good solid evidence for his original economic frame of reference. So, the fourth time's the charm, long story short. Guy looks at him, says all right, here's an address for a job site. Go call me. Drive there, take a look, tell me how long it's going to take, and call me back.

So, Jason calls me on the phone. He's excited beyond belief, like he just caught a giant fish. He said I got one, I got one, I got one. I just said just go to the site, take a look. Figure out how long it's going to take you. Multiply it by \$15 and call the guy back and tell him.

He said I think it's going to take three hours. I said OK. I knew it would take longer. I said tell him \$45. Jason calls him back, tells him \$45. The guy gives him the job. OK. Now, Jason comes back five hours later, filthy, dirty. But, he's done. He's done the job. What I taught him to do was over deliver.

You don't have to be ridiculous, but make that job site just a little bit cleaner than that guy expects it to be. So, you get a little wow factor out of them. OK? The second thing I showed him was, all right, let's invoice him. Let's print out a responsible looking invoice. Let's put it in the mail. Let's write on their payable upon receipt, and send it in the mail.

The reason that I did this was to make it easier, so it was easy to do business with Jason. He didn't immediately call the guy and start pestering him for money.

**Anita Campbell:** Right. So I assume he got paid then.

**Gary Schoeniger:** He got paid, and long story short, this guy started giving him more work. He started giving Jason's name out to other people, and in a matter of a few weeks, literally, Jason was overwhelmed with business.

**Anita Campbell:** Wow.

**Gary Schoeniger:** He had his other friends working for him at seven or eight bucks an hour.

There are so many powerful examples in that little story right there. Jason has taken a little... his business is to this day in my garage. It's a testament to bootstrapping and starting with no money.

Because his business, Jason's Job Site Cleanup, is in a five gallon pail. It's some gloves and a dustpan and a broom and a dust mask. That's his business. Now, he's taken a diversion in his career right now. He's currently serving in the Middle East, and he's in the United States Marine Corps. But, he's learned some tremendous lessons from this experience.

**Anita Campbell:** Wow. Well, that's wonderful. You must be very proud of him being in the Marine Corps also.

**Gary Schoeniger:** I'm extremely proud of him, and he has made it to become a reconnaissance Marine, which is fairly high up in the Marine Corps. It's happened very quickly for him. I'd like to think that some of it was due to his experience in his own business.

**Anita Campbell:** It really does transfer over into a lot of other dimensions of your life, doesn't it?

**Gary Schoeniger:** It's an experience that I think all high school level kids should be exposed to. To wind up the Jason's Job Site Cleanup story, when we went to watch him graduate from Paris Island, I asked him now that he had a little bit of retrospect and could look back on his little job site cleaning business, what are the lessons that he learned from that experience? He made two very astute observations. The first thing that he said...

**Anita Campbell:** Well, it looks like we're coming up on a break, so why don't you hold that thought. We'll get to those particular points as soon as we come back. Please join us, we'll be right back in about two minutes to take more with Gary Schoeniger.

**Anita Campbell:** Gary Schoeniger is our guest today, and he's talking about how to start a business with no money with great insights here. Right before the break, Gary, you mentioned you were going to tell us the two things that Jason, your adopted son, came back to you and said he learned from his experience starting a business.

**Gary Schoeniger:** Yeah. His answers were very poignant. The first thing he said he learned was that it was not his agility with the broom that made his business work. It was the fact that he was reliable. That his clients could call him up four hours before they needed something done, and he would have it done. They could hang up their phone, and go on with a 9999 other things they had to deal with and know with confidence that it would be done. That's where the value was, and he learned that quickly.

**Anita Campbell:** So, it's really a matter of where's the value for the customer.

**Gary Schoeniger:** A lot of small business owners miss that. They completely miss that fact that reliability is a huge value proposition.

**Anita Campbell:** OK, and the other thing he learned?

**Gary Schoeniger:** The second thing he said is that once he got his first customer, his mind immediately went to what other products or services could I provide? What could I up sell here? What other problems could I solve for this existing customer so I don't have to work so hard to go out and find another one? Those are two very, very important lessons for small business owners.

**Anita Campbell:** He seems like he really was someone who caught on very quickly to business.

**Gary Schoeniger:** Jason's a very smart young man. He and I have had many, many conversations about where he could take Jason's Job Site Cleanup. This really speaks to starting without money. It's not difficult, knowing the story and knowing Jason, to imagine just becoming a national franchise.

**Anita Campbell:** There's a lot to be said for focusing on sort of the street smarts of business, isn't there?

**Gary Schoeniger:** There's a lot to be said about that, and if I'm given half a chance, I'll begin to rant and rave about how this stuff needs to be taught at the high school level. In today's economy, in the global economy, we need to be teaching our children to be entrepreneurs regardless of their career trajectory. I'm actually currently involved in a pilot program in a local high school to do just that, to teach entrepreneurship to high school juniors and seniors in the fall of 2006.

**Anita Campbell:** Well, Gary, you've had a lot of success. You've actually mentored a young person in starting his business. I guess I would ask the question, maybe it's obvious or maybe it isn't, but would you do it all over again?

**Gary Schoeniger:** I would do it all over again in a heartbeat. And without hesitation, I would do it all over again. I say this to people a lot, Anita. Entrepreneurship, bootstrapping, starting without money, it's really the ability to create value. Once an individual can understand that, you can give me \$5 and strip me of my identity and a parachute and push me out of an airplane anywhere in the country, and I'll come right back to my socio-economic comfort zone, because I understand how to create value.

**Anita Campbell:** Well, what specifically would you have done differently?

**Gary Schoeniger:** Anita, the four things in my seminars, I pound away at these issues: marketing, sales, finance, and leadership. Starting with leadership, I would hire people and teach them my values so I could spend less time working in the business and more time working on it. One of the classic mistakes small business owners make is they find a job. They do a job. Then their job is done, and then they're back to square one. They have to go find another job, which forces them to go ahead and compete for price again.

They fall right back into the same trap. If other people are doing the work, I can focus on marketing. So, the phone is constantly ringing and I can be more in control of price. I can afford

to turn down a job. So, I would focus more on the sales, marketing, finance and leadership, and find other people to actually do some of the work.

**Anita Campbell:** You know, the failure rate for small businesses - well, it's legendary. I guess, I would ask you, Gary, as someone who has been involved in your own business, and has helped other people start businesses, why do you think so many small businesses fail?

**Gary Schoeniger:** Well, they fail because we don't teach this to people, that we're still raising people to be employees, to be obedient employees that function in a hierarchical system that lacks initiative, that doesn't have entrepreneurship as part of a learning model. You hear a lot about how businesses fail. The number one reason small businesses fail is because they're underfunded. Doesn't underfunded mean, isn't that where everyone is when they go bankrupt? I mean, underfunded covers everything. How did they get to be underfunded?

Enron was underfunded the day they filed bankruptcy. In my opinion most small business owners fail due to a lack of training or experience in running a business, in being a business person. I work with lawyers and architects that have had years of advanced training and haven't had 10 minutes of training about how to position yourself, how to charge, how to market your services, how to operate a business.

So, I think the lack, in my own opinion, in my own experience, the number one reason for small business failure is a lack of entrepreneurial training.

**Anita Campbell:** Very interesting. Well, what resources would you recommend to help people who are considering starting a business? There have got to be a lot of great things out there. That's one of the great things we have as a result of the Internet today, and so much information around us.

**Gary Schoeniger:** Anita, there's one habit that I created for myself very early on. I am an audio book junky. Some of the ones off the top of my head that have created a lot of value for me over the years; Steven Covey's "Seven Habits of Highly Effective People". It's phenomenal.

Memorize those seven habits. Robert Kiyosaki's book called "Rich Dad, Poor Dad" did a phenomenal job of helping me understand why wealthy people get wealthier, and why poor people get poorer, some of the habits attributed to that. Daniel Pink's book called "The Free Agent Nation" is a phenomenal book about the new business model, the horizontal business model. I'm sure many of your listeners are familiar with Michael Gerber's "E-Myth," which I also recommend highly.

In addition to those things, I have a library of audio programs. I've spent thousands and thousands of dollars on audio programs. So, when I'm working, I'm still learning. That's a huge factor here. The learning velocity. I heard a guy say this in a seminar the other day, if your learning velocity isn't at the rate of change in the marketplace, or greater, death is imminent. So, surround yourself with people who have been where you want to go.

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Find a coach or a mentor or get yourself in a network group of business owners that are a notch or two above you in the food chain. It's often an intimidating thing to do, but very, very valuable to get around people who are a little further up the food chain that will help you.

**Anita Campbell:** That's great advice, learning from those who've kind of been there, done that, is always a great thing.

**Gary Schoeniger:** It's easy to avoid that one, because we tend to want to be comfortable and be around people that are at our same level or even a little below our level. It's a little uncomfortable. So, it challenges our comfort zone sometimes, but Anita, I could tell you stories about people that have gone way out of their way to help me along the way. People that were further up the food chain, just remarkable stories. There's just a lot of good stuff out there.

**Anita Campbell:** Well, Gary, you know I could talk forever and listen to you. You've got such great advice, and I know just tons of wisdom. Unfortunately, all good things do come to an end eventually. So, I want to take just a little bit of time here to tell our listeners where they can find out more about you and find you on the web.

**Gary Schoeniger:** OK, that's easy. The name of my company is Schoeniger Growth Consultants Inc. That's spelled Schoeniger. I provide seminars, coaching, and consulting services to small business owners and startup entrepreneurs. I can be reached via my website at [GarySchoeniger.com](http://GarySchoeniger.com). I also have an audio book, "How to Start a Business When You Don't Have Money," which is available at Amazon.

**Anita Campbell:** Well Gary, thank you very much. It has been my great pleasure to have you on this show. You have provided some fabulous information for everyone.

**Gary Schoeniger:** Anita, thank you. I appreciate the opportunity.

**Anita Campbell:** Well, I'm Anita Campbell. Thank you so much for joining us at Small Business Trends Radio. I look forward to having you join us back here same time, same place.

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