

CHAPTER TWO

Skill Set

Digging into Your Toolbox

Action Plan <i>Seven Weeks to Sales</i>						
Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7
Skills	Idea	Business Model	Revenue Model	Cash Machine Plan	Team	Marketing and Sales

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There are two ways to approach entrepreneurship. My technical names for these are the “good way” and the “not good way.” Let’s start with the latter. The not good way is to start a business in an area that you know nothing about and that requires skills you do not have. The good way is to use the skills you already have to start a business in an area that you know and understand.

Sure, this may seem obvious, but I’ve seen too many people dive into water that is way over their heads. I ask people all the time what they want to do for a business. Most of the time, the ideas people have for businesses come from their experiences and their dreams of exploiting those experiences, and then doing them better. That’s why one of the most common answers to “What type of business do you want to start?” is “I want to start a restaurant.” We’ve all been to restaurants, we all like to eat, and there’s something psychologically and culturally rewarding about being the host of an eating establishment, where everyone comes to you, knows your name, and so on. These are similar answers in that vein:

“I want to start a ski shop.”

“I can invent a new toy.”

“My business will be brownies. I’ll have the biggest chain of brownie stores in the world.”

Okay. Stop right there. These are not Cash Machines. These are dreams. And while dreams are good, and we’ll get to them, they are not your fastest path to cash.

A Cash Machine may or may not be a dream business. Most likely, it is not a cool restaurant or a sports franchise or even a shoe store—unless these businesses take advantage of the skills, experience, and know-how that you already have.

Starting a business is hard enough without handicapping yourself. Most entrepreneurs fail because they choose to pursue entrepreneurship with new skills instead of with known skills. They put their time and energy into an exciting new idea, and rather than

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learning how to run a business, they end up losing a lot of money, getting exasperated, and giving up. These are not experiences that you want to have. If you can develop business acumen while using skills that you already have, not only will you learn to earn much faster, but you're likely to make money while you're learning. And this is money you can use to launch your dream business later.

Since the first objective of a Cash Machine is to create a business that makes money as soon as possible, right off the bat, there's a chance that the business idea you come up with may not make you giddy with excitement. Take the policeman who wanted to open a sports store. That's a good dream. But his first Cash Machine was a private security business. Or take the techie at a large corporation who had a great idea for a new dog collar. His best chance for building a company that would manufacture and market that dog collar was to first learn to earn by creating a computer consulting business; this was his first Cash Machine. Or take the teacher who really wanted to open a day spa. Her first Cash Machine was a tutoring company. Your moneymaking Cash Machine will lead you successfully and confidently to your dream Cash Machine. Trust the process.

If you already have a business, it's important that you consider whether this endeavor is really working for you as a Cash Machine. Maybe it can create revenue immediately, but the concept just needs tweaking. Or maybe the marketing needs a boost. Perhaps there's a problem with the entity structure. Take a look at your skill set—what you're really good at and what you know—and see if you're putting those tools to their best use. If not, it might be time to create a new Cash Machine. If your current Cash Machine is a dream business, you need to either find a way to make it work as an immediate moneymaker or put it on the shelf until you have fine-tuned your entrepreneurial skills. If it's something in between (you can't give up the business, but it's not making you money), you'll need to get better businesspeople on your team. In Chapter 6, we'll discuss ways for both new and struggling businesses to do this.

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Your Current Skill Set

The first step in creating your Cash Machine is just that, creating the Cash Machine. Deciding what your business will be may strike you as somewhat simple, and for many people it is. For many people, however, it's not. In either case, choosing the right business is critical. Of course, you can make a bad choice and begin again, but given that there are so many inherent hurdles to starting a business, it's better to make a good choice from the start. Think of this business decision as you would a potential mate, and hope for a long, healthy, and prosperous commitment to your idea.

There are two notions that can be generated at this juncture. One is the initial Cash Machine, the business that is going to start generating revenue immediately and help you learn to earn. The second is the long-term, entrepreneurial dream.

Amy Arnold was a client we had at one of our Big Tables. The Big Tables consist of groups of 40 to 50 people who spend three weekends with me over the course of a year in order to generate and accelerate their Wealth Cycles. The members of these groups help one another with every aspect of their wealth building, including Cash Machines. Often, there's much brainstorming involved.

Amy was a gym teacher in a private school outside of Atlanta. When she came to the Big Table, we ran through her Gap Analysis. The Gap Analysis includes the Financial Baseline, which is an overview of one's current financial situation, along with the Freedom Day, which states goals and objectives, starting with 120-day objectives and accelerating beyond millionaire status. In this case, Amy's Freedom Day goal was to create a sports foundation that would help teenagers engage in team sports after school.

Amy and her husband, John, owned a house that had appreciated in the past 10 years. They both made a decent living, but each worked long hours, and they had little extra income after taxes. The first step in their Wealth Cycle was the Cash Machine; they needed

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to make more money and learn to earn. Though Amy's dream of a girls' sports foundation was nice, it wasn't a Cash Machine. The sports foundation would be her second initiative—her long-term entrepreneurial dream. Her Cash Machine would come from the seventh question in the Gap Analysis: "What are the skills you use to make money?"

"I'm a physical teacher."

"That's your job," I reminded her. "What are your skills?"

It might not surprise you to learn that a lot of people have trouble understanding what their skill set is. Considering the following scenario might help: *If I picked you up and placed you anywhere in the country, what known skill set could you use to create revenue within a week?*

The answer to that question is your Cash Machine. Whatever the business you come up with, it must generate cash sooner rather than later.

"Well, I manage, and organize, and encourage . . ."

"Good," I said. Amy was on the right path to figuring out her skills.

"I also have to manage the inventory of equipment, oversee ordering and purchases, and my budget for that, and I have to be creative and make up games and drills."

Amy was on a roll; these were the types of skills I was talking about. They would link to management, sales, leadership, organization, marketing, product development, finance, and accounting skills. "And any particular talents?" I asked her.

"I'm a good tennis player," she said. "Tennis is a big sport in our town." Amy lived in a town outside of Atlanta where there were a lot of large, upper-middle-class families. We talked about the number of tennis courts in her town, and how many were privately owned. "Is there any demand for private tennis lessons?"

"Oh, sure," she said. "Parents ask me to refer them to tennis clubs all the time."

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“Stop referring them.”

“Why?”

“Because you need a Cash Machine, and tennis lessons are going to be your Cash Machine.”

“Ha,” Amy said. “I don’t have time to give tennis lessons.”

“You don’t have to teach them yourself.”

“I don’t?”

I shook my head. This is an aspect of Cash Machines that a lot of people don’t understand. The point is to create a business that makes money. Hiring other people to do the work can be part of that business. We got Amy on her way to creating a Cash Machine.

Sometimes the correlation between skill set and Cash Machine is obvious. A teacher can create a tutoring business, a Web designer can create a Web design company, and a massage therapist can create a holistic consulting practice. But often the links are less obvious. For example, a mechanic who works at the local gas station might consider an at-home handyman business. Or maybe a high school principal decides to be a life coach. Or a fireman creates safety seminars for families and schools.

Here’s a more involved example of creating a Cash Machine.

CASH MACHINE CASE IN POINT*The Music Machine*

Jim Stephens, a brand manager for a large consumer products company, and his wife, Dorothy, a music teacher, had a vision to create a music school. For now, this was not their Cash Machine because it could not generate cash immediately or help them learn to earn.

Fortunately, Jim and Dorothy had a lot of skill sets on which to draw. In answer to question 7 of the Gap Analysis, they realized that these skills included marketing, finance, organization, communica-

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tion, and analytics. But additionally, Dorothy had a music skill set, and both Dorothy and Jim had a fondness for helping children.

They decided that their Cash Machine might be voice and piano lessons. They drew up a Revenue Model. In doing this, they decided that they would like to create \$5,000 a month in cash flow from the Cash Machine. Since they wanted \$5,000 a month, they needed to make \$250 a day (20 days in a month, excluding weekends). Then they scouted out other voice and piano teachers in their county and learned that the average price for these lessons was \$30 an hour. That meant that they'd need to provide eight or nine hours of instruction a day to hit their gross revenue number. This was too much, given their full-time jobs and the demand that they thought they could generate.

That's when Dorothy's marketing mind kicked in. She'd noticed that there was a trend in the country toward kids starting their own bands. Jim and Dorothy would advertise their idea as an exclusive band-training program. They would have tryouts, place the kids in seven groups of six, and charge each kid that \$30 an hour every week. \$30 a kid, 4 times a month, times 6 kids per band, times 7 bands, equaled \$5,040 a month.

While this met their cash-flow objective, seven hours a week would still take quite a big bite out of their time. That's where Jim's operations skill set came in handy. He decided that they actually needed to be bigger, not smaller. He thought that if they expanded their marketing and the tryouts to the entire county, not just their town, they might easily find more than 42 kids who were interested. If they could increase the number of bands to eight, they'd gross \$5,760 a month. They could then use the extra revenue to hire some talented high school kids, at \$10 an hour, to run the bands, with Dorothy overseeing the instruction. That \$10 per instructor per band would cost \$320 a month, allowing Jim and Dorothy to meet their cash flow target without squeezing their time too much.

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The start-up cost, in both money and time, would not be insignificant. But once in place, the Cash Machine would

- Feed the Wealth Cycle with cash flow
- Potentially grow and appreciate in value
- Allow Jim and Dorothy to learn to earn
- Provide them with entrepreneurship skills

and, as icing on the cake,

- Move them toward their bigger future vision of a music school

This was a happy day for Jim and Dorothy Stephens.

Finding Your Skill Set

Think about what you do every day at your job. If you already own a business, think about what it is you're doing in the business and whether you are actually capable of doing it. There is a chance that you have a business that does not take advantage of your skills, and that could be one reason you're struggling. Also consider the skills you have outside of your job. We cited the Leonard family in *The Millionaire Maker*, where the father was a mechanic for a heating and air-conditioning company. But during his Gap Analysis, his sons pointed out that he also fixed dune buggies in their garage. This was an important skill set that could not be overlooked and eventually led to the family Cash Machine of making and marketing dune buggies.

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If you're not sure about your skills, the following exercise will help you uncover them:

1. List your responsibilities at your job or your company; if you don't have a job, or you have the job of being a full-time parent, list the things you do every day to manage your life.
2. List the specific tasks associated with these responsibilities.
3. List what other tasks you do at your job or to manage your life because either you like to or feel compelled to do them, even though they are not your responsibility.
4. List the industries and markets in which you have experience.
5. List the tasks you do at home.
6. List the activities you find yourself doing in your spare time.
7. List the activities you would choose to do in your spare time.
8. List the tasks that others often ask you to help them with.
9. List the tasks you're good at and might take for granted.

Finding these answers may take some time, but it's worth doing. The success of your Cash Machine depends on a business idea that is in line with your skills. The list might be long or short; it doesn't matter. Sometimes it's almost easier to have fewer skills because it limits your choices. Either way, you will find some skill that can be a Cash Machine. I've never met anyone who can't.

Sometimes the skill set is obvious. Marilyn Stanley found her skill set fit right in her job. She was a graphic designer, and her skill set included graphic design and experience with the Internet; her Cash Machine was going to be a Web site design company. Sometimes it's not so obvious. Al Cypress's skill set was clinical psychology, along with interpersonal skills and an affinity for sports. Through his experience with his business, Al realized that he did not have organization or management in his toolbox. He was on the verge of giving up his business because it was just too much of a hassle. We ran through the assessment with him.

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The Skill Set Analyzer	
The Directive	AI's Answers
List your responsibilities at your job or your company	"Manage clients, their care and their accounts. Also marketing to get new clients."
List the specific tasks associated with these responsibilities.	"Management, organization, communication."
List the other tasks you do at your job, even though they are not your responsibility, because you like to, or feel compelled to, do them.	"Duties—I have to clean up, because I don't have a janitor. Interests—I like marketing and thinking up new ways to motivate athletes. I like this more than meeting with them."
List the industries and markets in which you have experience.	"Sports, mental health."
List the tasks you do at home.	"Clean the gutters, mow the lawn, fix small things."
List the activities you find yourself doing in your spare time.	"What spare time? Sleeping, watching sports."
List the activities you would choose to do in your spare time.	"Watch more sports, play more sports."
List the tasks others often ask you to help them with.	"Fix things, like hanging curtains, putting up pictures, or small plumbing things. I'm handy with that kind of thing."
List the tasks you're good at and might take for granted.	"Motivating others."

Al's skill set was interesting in that he had narrowed the toolbox he'd learned as a sports psychologist into one skill: one-on-one clinical psychology. Because this skill was volume-sensitive, Al had only so much capacity to generate more revenue. He was dealing with a ceiling on how much business he could do. That is never a good thing for a Cash Machine that needs to accelerate. His answers to the checklist revealed that he might have the potential to create some other products and services that would allow him to increase

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his revenue without capping out his time. These might include products such as motivational tapes or services such as team therapy or seminars.

Rosa Brackett was also a tough nut to crack as far as her skill set went. A widow who had raised five children, she had never held a job outside of the home. To her surprise, she discovered that her skill set was much wider than she thought. Mothers who stay at home and manage a household tend to have a huge range of skills that they take for granted. These include management, organization, communication, health care, emergency procedures, psychology, creativity—well, you get the picture. I even knew a woman who had no work experience at all who got into one of the top MBA programs in the country by using her stay-at-home-mom skill set as her résumé. Sometimes, it's just perspective. You may know much more than you think you know. Your experience, no matter what it is, is not to be underrated.

You may also want to look at activities and life experiences you had as a child or adolescent in order to uncover your skill set. These may include

- After-school and summer jobs
- Hobbies
- Clubs
- Chores
- Businesses

You might recall that you had quite a productive babysitting business when you were 15, and you might remember that you were very good with children, as well as with managing their parents. Or you may recall the house-painting company you started in college, the summer swimming lessons you gave, or the papers you (legally) helped fellow students to write.

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Once you have uncovered the skills that will help you with your Cash Machine, you are well on your way to brainstorming business ideas that use these skills. But first, let's also consider some other skills that you'll want to rely on. In building the Cash Machine, there are three types of skill sets to consider:

- Skills you have
- Skills you are going to need
- Skills you will learn

The Entrepreneurial Skill Set				
Management	Marketing	Sales	Operations	Finance

Characteristics of an Entrepreneur

There's a reason why every single person doesn't go out and start her or his own business, and it's more than the hard work involved. Let's face it, there's something cozy and painless about going to a job every day. Even if you're on the 6 A.M. to 2 P.M. shift at the auto factory, getting dirt under your nails and standing on your feet all day, at least you don't have to think about that work after you walk out the door, and your weekends are yours. There's also the camaraderie of others, the steady paycheck, the benefits, and sometimes there's even a snack room with licorice and good stuff like that.

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But let's face the facts. This way of living does have risks. Start with the camaraderie of others. Some of those people might be quite annoying and stifling, and you're stuck with them. As far as the steady paycheck and benefits go, if you've talked to anyone at Delta, General Motors, or Enron lately, you know that stability lives in the 1950s, not now. And I'm sure not every company has licorice, let alone a snack room.

What it takes to break away from the good old W-2 job and start your own venture is a curious mix. Obviously, an entrepreneur needs a different set of skills, including personality and psychological traits, from the W-2 earner. Even your own mental conditioning can hold you back. Once too often you may have heard your mother suggest that you "Get a good government job." Perhaps your father recommended a professional career: "Be a doctor or lawyer, kid; trust me, that'll be good for you."

As different as the skills and personality, psychology, and conditioning of an entrepreneur may seem to be, I firmly believe that anyone who wants to be an entrepreneur can be. If you think certain mental or behavioral aspects of an entrepreneur are beyond you, that's okay. In the Cash Machine, you get to *strengthen your strengths and hire your weaknesses*.

Every single person who starts a Cash Machine, even those who are born to earn, needs a team. I can't say it enough—team, team, team. The best visionaries are also good leaders, and good leaders collect and lead teams. Mavericks who run from the company climate because they want to Lone Ranger their way to glory are rarely successful. As with all wealth-building exercises, you cannot go it alone. Team building is constantly and consistently one of the necessities of being a successful entrepreneur.

Before you get into your Cash Machine, you're going to want to know what is required of you. Let's clarify what skills you need to focus on, perhaps get back into shape, or collect through team

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members. The most important thing to consider is that when you commit to a Cash Machine, you are making a commitment to shift your thinking and change your mindset. The psychology of a wealth builder who is taking on a Cash Machine cannot be overlooked. Chances are it will take an effort to develop into who you have to be.

To run a Cash Machine, you must *be the business owner*. You have to think like a business owner; you have to act like a business owner; you have to take charge of your life. You need to branch out from any narrow thinking you might have and add some skills to your life. Believe it or not, this is as easily done as said—once you commit to it. You can do this. I've watched hundreds of wealth builders transform before my eyes as they take on a Cash Machine and take charge. It's a fabulous thing to see.

Skills and Personality of an Entrepreneur

No two entrepreneurs are alike. But then again, they're all similar in so many ways. There are certain skill sets and personality traits that you see in every entrepreneur. In listing these attributes, the difference between people with ideas and people who actually can execute their ideas becomes quite clear. An idea person tends to be creative, excited, energetic, hopeful, and constantly stimulated. Yet, while these traits are part of the entrepreneur's repertoire, they are only a small part. Sometimes, it takes only a nice, long walk to come up with a good idea. It always takes hard work and the following skills to make that good idea a good business.

It takes no small amount of *courage* to get up every single morning, day after day, and attack old problems, as well as face new ones. Courage literally means to have heart. There's no better description of what it takes to create something new. A big part of courage is

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owning one's direction, feeling the pull of where you're going and holding onto that with faith in yourself.

Though you may find yourself doing something new, that doesn't mean it is new to everyone, so be *resourceful*. A smart Cash Machine is built on the brains and sweat of previous research and experience. This comes in handy when we look at modeling the work of others and gathering professionals with experience to uncover the straightest line from where you are to where you want to be.

That straight line requires adopting the proper *perspective*: taking the right steps at the right time. This is *sequencing*. Those who can see what to do when, based on a big-picture view of the entire situation, are the most efficient and effective entrepreneurs. This quality includes using a skill called *future pacing*. Future pacing requires that you see several steps ahead to the goal, then work back to the best steps to take today.

No one but you can make that first phone call to acquire that first team member, find that all-important mentor, or research the market opportunities. It takes *initiative*. Shy is not going to fly in the world of the Cash Machine. Networking, reaching out to others, and jumping in to solve whatever problems need to be solved are obligations. The Cash Machine requires a certain amount of *initiation energy*. This is the amount of focus, drive, and intent that it takes to get the Cash Machine going. And it takes both time and money. If you believe in your idea and are committed to it, you'll be able to devote the necessary amount of initiation energy.

There's only one quality that will ensure that you get what you want, and that's *persistence*. If you have the endurance to persist, the conviction of your vision, and the commitment to your plan, you will eventually reach your goal. This age-old adage, however, has been confused with stubbornness, and that gets a lot of entrepreneurs into trouble. While you have to go at it and be dogged in your persistence, you must also adapt to the world around you. You can have perspective and still be persistent.

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This leads to *flexibility*. Staying fluid in your perspective while being persistent enough in your pursuit means that you have to be flexible. This doesn't mean being indecisive or pliable. It means hanging on to your plan, but not getting stuck. Getting stuck stands in the way of getting to your goals. You cannot get stuck. If you hit a snag in the plan, you need to step back from the situation, get a new view, and pivot off in a more productive direction.

Taking *action* cannot be taken for granted. If you spend too much time plowing through research, or analyzing numbers, or having one mentor lunch after another, you'll find yourself doing research, analyzing numbers, or having lunch. The Cash Machine relies on action. If you don't make it your responsibility to actually *do* something, you won't.

Psychology and Conditioning of an Entrepreneur

Entrepreneurs tend to have a certain psychology. It's rare, for instance, that you'll run into a pessimistic entrepreneur. That just wouldn't make sense. There's a faith and belief that is necessary if you are to start your own venture. Of course, if you're reading this book, then you've already placed yourself in this group of the optimistic. You know that there's more for you out there and that with a little direction and a plan, you can get it.

There's a good chance, too, that this psychology comes from one of two places, known as your mother and your father. You can't help it; you are conditioned as a child to think a certain way. Sometimes the traits that parents pass on are perfect for entrepreneurship, and sometimes they are not. Your current conditioning comes either from your childhood or from overcoming that childhood. In pursuing a Cash Machine, you need to adopt the psychology of a successful entrepreneur. If you already have these traits, don't take them for granted. Nurture and build them; you'll need them. If you don't

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have these traits, find them, either in yourself or in others on your team.

There's no getting around it, you've got to want success if you are to achieve it; you need to have *ambition*. Don't apologize for wanting a bigger, better life. The bigger your life, and the wealthier you are, the more good you can do.

Though ideas may be inspiring, the fact of the matter is that people follow people who are enthusiastic and optimistic. *Enthusiasm* is endearing, and a good leader shares that quality with his or her team. Obviously, this means that you have to experience this enthusiasm at your very core. Somewhere in your genetic makeup—in your core conditioning—you have to have been given a sense of security and love that allows you to believe in yourself and others. Beware, though. At the edge of optimism sits delusion. Grandiose illusions are the empty calories of the entrepreneurial food group. There's a quick rush of excitement, but soon the sugar high wears off and everyone is the worse for wear. *Optimism* that's set in a realistic, believable framework is the most compelling.

When I was seven years old, I was uncomfortable at the kids' table at our Thanksgiving holidays. Encouraged by my Aunt Bev, I just stood up and moved over to the big table, where all the adults were. And I've never left. I've always believed that we all have the right, and even the obligation, to move ourselves to the big table. That's why my workshops are called Big Tables. Too many people spend their lives at the little table, waiting to be served. The Cash Machine prompts you to serve yourself; it develops deservedness, which means that you need to feel that you deserve more.

If you don't believe in yourself, no one else will believe in you; you need *confidence*. Self-doubt keeps too many good people down. While a little doubt is good because it helps you maintain the checks and balances on yourself, too much doubt is like debt in that it can stop you in your tracks. If you don't come by confidence naturally,

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then you need to get a few cheerleaders on your team. As long as these people are realistic, they can help keep you going when you can't rev yourself up. Many business decisions come down to a gut feeling. It takes confidence to trust your gut. If you don't trust your gut, you're overlooking a valuable asset in your personal arsenal. Believe in yourself and what your stomach tells you. You're here for a reason, and there's no one better than you to make your life better than it is.

The perfectionist is never going to believe that he or she is good enough. Rarely does the perfectionist find satisfaction in any task, even the smallest of steps. This can kill a Cash Machine. If you have confidence, then you can find *satisfaction* in the 80 percent you accomplish without dwelling on that final 20 percent. Getting the task done is more important than getting it done perfectly.

CASH MACHINE CASE IN POINT*The Inconspicuous Skill Set*

Amy Arnold, the phys ed teacher who wanted to create a sports foundation, was stalled. Between her work and her family, she didn't have a lot of time. She'd already looked into restructuring some of her lazy assets, specifically some blue-chip stocks, into more aggressive investments. Amy hoped that might be enough to get her Wealth Cycle going. It wasn't. Every Wealth Cycle must have a Cash Machine.

But Amy couldn't quite get it together. As far as her skill set was concerned, she felt pretty good about it. She tended to be resourceful and persistent, and her experience with students had made her flexible. She also was not a perfectionist. In her world, the task just had to get done, and perfect was a distant memory. If asked, she would describe herself as confident, but on the other hand she didn't feel altogether courageous. She knew that she'd have to work on her

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initiative and her perspective, as well as her ability to take action. We talked a bit about her deservedness, and I was sure that this was an ambitious, optimistic, and hopeful person.

Amy's Cash Machine would be private tennis lessons. Aware of her skills and her psychology, Amy knew that she just needed to start learning what she needed to learn. And she'd use her skills to do it:

Courage. Amy was too optimistic and competitive not to go for it. And she believed that she'd succeed.

Resourcefulness. Aware of her time constraints, Amy called a few of her friends and acquaintances with whom she played competitive tennis. She asked them if they'd like to teach. Four of the dozen she called were interested.

Perspective. Amy outlined the plan and saw that she needed coaches, supplies, facilities, and marketing to get students. Spring was three months away, and Amy made a three-month plan to acquire four students for every teacher by the end of April.

Initiative. Amy needed to see how others had done the same thing. She went on the Internet to find private tennis coaches in towns far enough away so as not to be competitive. She talked to several on the phone and signed up for a lesson with two of them. After the lesson, she asked if they'd have coffee, and that's when she conducted an informational interview about their models.

Persistence. Getting the coaches and the mentors and business models happened easily enough, but the students were another matter. Amy expanded her marketing efforts, adding flyers and a Web site to the newspaper ads with which she'd begun her efforts.

Flexibility. After 30 days, Amy still had no clients signed up, and her coaches were getting restless. Many had saved the time

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on their spring schedules, and they didn't want those days to go to waste. Additionally, the facilities she'd reserved were itching for a down payment. Amy decided to change her strategy. She would provide the lessons on private tennis courts. She found two, one owned by one of her coaches and one owned by a friend. Amy would pay them on a usage basis and stay off the courts when the families wanted them. She also changed her marketing plan. Amy offered a free tennis clinic. She rented an indoor facility, paid her coaches to come, and sent word out through a big display ad in the local newspaper. Dozens of people showed up, and the clinic was a success. Of those attending, several signed up for lessons that spring, and Amy exceeded her client goal.

Amy accomplished all of this by using skills that she already had: resourcefulness, perspective, initiative, persistence, and flexibility. And like the lion in *The Wizard of Oz*, she also discovered one that had been there all along, courage.

The Skills You Learn as You Earn

You need to learn or strengthen the following skills, or *hire* them until you learn to do them. Or, as I have said, strengthen your strengths and hire your weaknesses.

Organization

If you don't have the skill of being organized now, you will get it very quickly as you pursue your Cash Machine. There is just too much to do in a new business venture. Getting it right is tough enough without making mistakes because of clutter and mess. You will learn how to

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create the proper systems that will help you manage your company. These will include getting all of your personal and company book-keeping online; delegating small tasks, both personal and professional, to hourly workers; and structuring your entities so that you can forecast your revenues and expenses to the proper companies. It takes this level of organization to maximize your earnings and grow your business. Effective tax strategies, as one example, rely on organization. The IRS doesn't appreciate your best guess at expenses. We will go over all of these systems and structures in the chapter that covers operations.

Energy Management

Most people call this time management, but time is not the real issue. The real issue is how we use our *energy* in that time. If a task is not getting done, you shouldn't do it. You should hire it. Then it will get done. For instance, spending eight hours a month cleaning your home is not the best use of your time, particularly when you can pay someone \$10 or \$20 an hour to do it.

Also, if you're not managing your energy and efforts properly, chances are you are allowing one activity to bleed into the next. Entrepreneurs tend to have an aptitude for *compartmentalization*. Each meeting has a focus; each activity has an *intent*. Subject matters, whether personal or professional, cannot carry over from one event to another.

Driving the Outcome

In almost every scenario, an agenda is being served. You can feel that this is cynical, or you can be realistic and make the decision to always drive the outcome of every business meeting and conversation. You will have a Cash Machine plan, and you will spend precious time trying to make that plan succeed. Given all the energy and attention that your personal life should consume, it makes no sense to waste

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time in your business life. If you're going to have a meeting, make that meeting accomplish what you want it to. Drive the outcome.

Quantitative Analysis

Numbers are a part of business, and there is no getting around that. For some people, that's a good thing, because some people find numbers to be a comfort. These people like the fact that numbers are objective and tangible, and that there are formulas through which you can get actual, concrete answers. For others, numbers are a stumbling block. If this is you, you need to get a numbers person on your team. And you also need to get to know numbers. They're not that bad. They're reliable and consistent, and the more time you spend with them, the easier they are to deal with.

Qualitative Analysis

Seeing the subjective factors that surround the objective ones is the skill that makes or breaks a business. Great management, for instance, is essential for a successful business. Yet it takes more than a résumé to know whether a person is right for your business. Trusting your gut is all about the subjective, the qualitative factors that surround the numbers and the facts. If the data resulting from your research and analysis tell you that there's room for another messenger service in town, that's one thing. But if you've asked around enough to know that clients tend to be ultra-loyal to the one messenger service in town, then you might want to be more subjective in your decision and just say no. Knowing when *not* to act is an important action in itself.

Communication

Businesses are built on relationships, and as most of us know, relationships work best when there is clear communication. Relaying the

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proper specifications to get the job done right, directing vendors and suppliers, clarifying information, sharing the good news, getting ahead of the bad news, enabling employees, engaging partners, marketing, sales, and so on—these are all directly linked to communication. Writing well and speaking well are tools that no entrepreneur can do without, and both can be learned. Modeling others is an efficient way to improve these skills.

Team Building

A Cash Machine is a team machine. Role models are a great way to see how a good team is built. Leaders may be born, but they can also be made. Latching on to good leaders and watching what they do to sell their vision is a great way to learn leadership and team building. Some of these role models might make good mentors and be willing to come aboard your team as consultants or colleagues. You'll also need other colleagues and professionals to assist you with your strengths and fill in for your weaknesses. Support players like administrative assistants and utility players such as a bookkeeper or a graphic designer flesh out the team, as do life support people, such as housekeepers and nannies. Teamwork pervades every inch of the Cash Machine. You need to do a good job of team building to have a working Cash Machine.

Intuition

It might seem funny to view this as a skill, but believe me, reacquiring this innate knack is indeed a skill. Though we are all born with intuition, somehow, along the way, we start to question this gut feeling. I've found that it is this gut feeling, knowing at a cellular level, that can often be my most helpful leadership characteristic. There have been many times when my final decision on a deal came down to trusting my gut, and it has always served me well. Intuition is a

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form of listening. In fact, intuition is the highest form of listening; it's a general vibe that you can "hear" in almost any situation.

When intuition is working at its best, you can almost anticipate what is going to happen in the room. I've seen many good and effective leaders look at numbers, inspect operations, and then, finally, make the decision with a lot of help from their gut. Experience informs intuition. That's why it is so important to take action and gain experience, so that you can get to a level of listening that makes you a better leader.

Be *on* Your Business, Not *in* Your Business

A good entrepreneur is a leader who has the character and the credibility to create a vision, get others to see that vision, and follow the vision through to realization. In order to do that, you need to be sure that you're *on* your business and not *in* your business.

If you are *on your business*, you are viewing your Cash Machine from above and around. You know where you're going and what it will take to get there from whatever point you're at. You're usually several steps ahead of the current operations and goings-on, and you are aware of who is doing what and when and how their steps fit into the whole.

If you are *in your business*, you are so stuck in the details and day-to-day operations of the venture that you have no idea what the intentions or consequences of your actions are. You can't be both a general and a foot soldier. It just doesn't work. While you need foot soldiers to do the work and advance, you need someone at the map who knows the objective.

Leaders who are on their business tend to future pace. They guide the ultimate direction of the company by viewing its daily operations from where it is supposed to be headed. While you lead your Cash Machine, you should always have a vision of what and

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where it should be firmly planted in your mind. Then, through reverse technology, you should sequence back from that point in time to create steps to where you are now. In this way, your current actions will pull you toward your goals. This also helps you to stay proactive and not be reactive. Leaders who react to the world around them do not stay leaders for long.

It is your job to anticipate the climate around your Cash Machine and send your company in a direction where it benefits from the movement of the world around you. Reactive leaders are constantly playing catch-up, and there's nothing less productive than that. If you future pace, you should have a good sense of what it will take to steer your Cash Machine in the right direction.

As a leader, you will look down the road for various intervals, from months to years, so that you get a sense of all the signposts. For each date, or marker, you should

- Outline each of your products and/or services.
- Define the market proposition of each of these products and/or services.
- Quantify a target revenue and cash flow for each of these offerings.
- Jot down the strategies and tactics that will support these targets.

This is the final section in the Cash Machine plan because you're going to future pace as soon as you begin thinking of an idea for your Cash Machine. By future pacing early on, you save yourself a lot of time and aggravation. In this day and age, the world moves pretty fast. Though you may have your product or service out of the gate and off and running in 24 hours, you need to continuously anticipate where it's going so that you don't wake up one day and discover that the idea has suddenly become obsolete.

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CASH MACHINE CASE IN POINT*The Disappearing Market*

Sam Nightingale was a college student who created storage cases for CDs. They were made of a sturdy, natural fabric on which the customers could print with a permanent marker. Most of the material was made from bean bags that the local coffee stores threw out. Sam had the product ready to go a few days after he thought of the idea. He positioned the cases as perfect for music mixes, and soon they were selling like hotcakes in the dorms. Sam sold dozens the first week, and a month later, the number was in the hundreds.

But, a week later, Sam's sales dried up. He'd changed nothing in his product or strategy, and he felt that he'd hardly even tapped the market. Unfortunately, MP3s and iPods were taking over, and no one on campus was making CDs anymore. His product was dependent on the CDs, and with that, his idea became obsolete.

If Sam had looked at the trends and paid attention to the future of the industry, he might have come up with an idea that would have kept him in business.

Future pacing requires sequencing: doing the right thing at the right time. Leaders who can see the right steps are way ahead of the game. This also allows leaders to be efficient and make their highest and best use of time. If you are dredging your way through details or floating around in your dreams, then you're not making your best use of time. Both of these tendencies can be altered by future pacing.

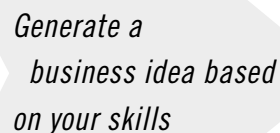
But even the best of leaders can get spun around. That's why it's important to have mentors and coaches who will help you stay on

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track. Mentors and coaches, by the way, should not just know *how* to do what you're trying to do; they should have actually *done it*. Theory is interesting; experience is helpful. By creating a sequence of doing the right thing at the right time and sharing that sequence with your team, you create an accountability for yourself and your business, as well as a safety net for your decision making. If sequencing is not a skill that you have yet, you need to get someone who has that skill on your team. The best Cash Machine can sink if its leader can't see the next step.

These are just some of the skills you will learn as you pursue your Cash Machine. As you move forward, you are going to get tied up in the business. Step back once in a while; take a moment and reflect on what you are learning. Absorbing all of these skills and making them your own is the only way you'll be able to move from your immediate Cash Machine to your ultimate dream Cash Machine.

Once you've listed your skills, it's time to come up with an idea.



*Generate a
business idea based
on your skills*