

Principle #1

ENTREPRENEURSHIP IS A CAREER

Who can be an entrepreneur, you ask? Anyone who wants to experience the deep, dark canyons of uncertainty and ambiguity and who wants to walk the breathtaking highlands of success. But caution—do not plan to walk the latter until you have experienced the former.

Anonymous Entrepreneur

Many of us believe that entrepreneurship means starting your own business. But that is emphasizing a single task instead of focusing on the bigger picture—much like describing acting as reading a script or engineering as building something.

All careers need to be managed, which in part involves a recognition that setbacks are inevitable, such as failing to win an audition or a bid. By viewing entrepreneurship as a career, you can more easily accept the notion that if you experience a bankruptcy, you have not failed as an entrepreneur (many highly successful entrepreneurs have experienced just such a reversal before they eventually found success) and that by preparing in advance for such a setback, you can retain enough strength and resources for a second chance.

One of the most successful entertainers and businesspersons during the past decade is Oprah Winfrey. Yet, according to biographer George Mair, she suffered a major setback in 1976 that nearly ruined her career. She had just moved to WJZ-TV in Baltimore after a successful stint as co-anchor at WTVF-TV Nashville. Unfortunately, Oprah's tenure as co-anchor in Baltimore was a bust from the very

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beginning. After only nine months behind the desk, she was unceremoniously yanked off the air. The station management ordered her to submit to a complete makeover, which resulted in a perm that made her hair fall out. Now bald, with low self-esteem, and saddled with the knowledge that management desperately wanted to get rid of her, Oprah clung to her career dreams as best as she could. The only bright spot was that she and her agent had been smart enough to negotiate a six-year contact with the TV station, which meant Oprah couldn't be fired without costing the station a lot of money—more than it would have cost them to find something for her to do. After the arrival of a new station manager, Oprah was offered the opportunity to co-host a morning talk-interview show. It turned out to be the perfect assignment.

As a precocious entrepreneur, Richard Branson started Virgin Records when he was barely out of his teens. Prior to that, he had failed as a Christmas tree farmer when his saplings were eaten by rabbits, as a breeder of parakeets when he had misread demand and his overstock flew the coop (actually, his mother, tired of doing the upkeep, “accidentally” left the aviary door open), and as a publisher of an alternative student periodical called *Student*, which ran articles on art, literature, and politics, along with interviews with such notables as Vanessa Redgrave, David Hockney, Jean-Paul Sartre, and Mick Jagger. Though not a financial success, the publication laid the foundation for Branson's foray into the record business by providing him with a competent staff, a functioning organization, and just enough cash to start what would become an empire.

Paris Hilton would never have had the chance to become, well, whatever she is, had her great-grandfather, Conrad Hilton, given up after two early setbacks. One of his first ventures, as an independent theatrical manager booking shows in New Mexico, lasted a single summer. Though disappointed, he was undaunted and soon after became a successful banker, but not until he had nearly lost control of the bank in a nasty, drawn-out power struggle.

Then there is Robert Mondavi Sr. In the mid-1960s, after spending twenty-three years building a family wine business, he was

kicked out after a bitter dispute with his brother Peter. Knowing he was headed for a nasty legal battle, Robert Mondavi was smart enough to hire one of the best attorneys he could find and was able to prevent his brother from stripping him of much of his wealth. Instead of cursing the turn of events, Mondavi saw the break from his family as liberating. He was soon pursuing his dream: making fine wines that could compete with those from Europe.

Even Sam Walton, founder of Wal-Mart, suffered a setback or two. He had turned his very first store—a Ben Franklin franchise in Newport, Mississippi—into one of the most profitable stores in the region. However, when he signed the lease for the building that housed his store, he neglected to include a clause that would have given him the option to renew after the first five years. Seeing what a success Sam had made, when the five years was up, the landlord (who wanted to take over the thriving retail business) kicked him out. Though Sam was tough enough to negotiate compensation for the franchise rights, fixtures, and inventory, it was still a dark moment in his career:

It really was like a nightmare. I had built the best variety store in the whole region and worked hard in the community—done everything right—and now I was being kicked out of town. It didn't seem fair. I blamed myself for ever getting suckered into such an awful lease and I was furious at the landlord. [Walton, 1992, p. 39]

But Sam Walton soon recovered, and with the money he received from the landlord started his second venture in the little town of Bentonville, Arkansas.

Perhaps no one dramatically illustrates the concept of entrepreneurship as a career better than R. H. Macy. Historian Emerson Klees (1995) claims that Macy opened and closed no fewer than six retail shops before opening his famous department store in midtown Manhattan. Each of his first three ventures in Boston—a small thread-and-needle shop, a European import mart, and a store specializing in lace and embroidery—closed within a year of opening.

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Then Macy moved to Marysville, California, to open a general store. He successfully competed with at least thirty other general stores in the area by serving the needs of gold miners. However, when it became obvious, at least to Macy, that the gold was running out, he sold out and returned East with three to four thousand dollars—a nice nest egg in those days. Though his next two stores in Haverhill, Massachusetts, also failed, Macy, discouraged but with his dream still intact, moved to New York. There, with his remaining cash, he opened a small dry goods store on 6th Avenue in Manhattan. Things finally clicked, and his success brought a move to 34th Street, an annual Thanksgiving Day parade, and a “miracle.”

Chapter Summary

- You should view entrepreneurship as a career. As with all careers, setbacks are inevitable.
- You will probably experience a setback before finding success as an entrepreneur.
- Successful entrepreneurs are those who can retain enough will and resources after a setback to try again.