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Starting a Business Requires a Dream, the Opportunity to Make a Difference

by Jack Roseman, Contributing Columnist

This spring Manu Kumar sold his company SneakerLabs for something like \$100 million. That valuation made a lot of people wide-eyed. But I'll tell you something about Manu. He was an executive student of mine, and I occasionally mentored him from time to time with SneakerLabs. So we have stayed in touch, and I can tell you that he didn't start SneakerLabs primarily to make a lot of money. It was just another example of a point I make from time to time in this column. Entrepreneurs don't start companies primarily to make money. They start companies to make a difference.

Entrepreneurs have a vision and the pursuit of it makes them happy. It excites them. It drives them. It makes each day a little magical. And it makes the inevitable frustrations and setbacks that come with starting something from scratch endurable.

That may come as a surprise, because people who are not entrepreneurs think people who start companies are driven by greed. They think entrepreneurs are a little crazy too, and I would agree with that before I would agree they are greedy. Not usually. And certainly not with the best of them. I never started a company for money. But I always started a company with the intention of making money as a scorecard. So what, you may ask, is the difference?

If you are starting a company only for money, or first and foremost for money, then any success you have will be an empty victory. Certainly you need enough money to put bread on the table. No question. And that amount is different for different people. And you have to set your sights high enough to interest investors. But beyond that, you have to have a vision that creates in you an excitement - a dream that is worth bringing to fruition.

Now why do I say that?

I say it because money makes more time available to you, but it's what you do with that time that makes your life meaningful. If you spend each day bringing your dream to fruition, then you will look forward to each day and it will be satisfying. You're working now because of the excitement of this dream; you are shooting for something that will make a difference in the world. And as it unfolds you will be very grateful.

Now all this has a practical aspect, which comes into play when you try to hire people. Suppose you want to hire a top salesman from EDS and you are a small startup in Pittsburgh. Here's what you're facing. First of all, if he or she is available, they probably aren't any good. Good sales people are not looking for work. So your prospect is probably very happy where they are and making very good money. They know their

customers, and the customers know them. Changing jobs means this person now has to waste a lot of time explaining who they are, developing new relationships, and all this is cutting into the selling time which is how this person makes money. Why should your prospect do that?

Options? Options will help, but you have to remember this successful sales person is already making a lot of money - probably \$200,000 to \$300,000 a year. At least that's the kind of person you want. They aren't hungry and you won't get them with money - it's that simple. Also, you can't compete with money.

But there is a way to get them. You have to get money out of the picture. To do that, consider this. Ask yourself how much a person's time is worth in dollars and cents. It's an unfair comparison. Time is a finite value - never replaceable. You only get so much of it. You can't buy more time. On the other hand, I believe the readers of this article can always make money. Clearly when I was younger I did not think that exchange was unfair. I used to say if you've got the money, I've got the time.

Now I think that's grossly unfair. So to sell your time for money isn't a fair transaction unless you're getting something else. And that something else is the opportunity to make a difference. You're selling the opportunity to make a difference. You're selling the opportunity to share in your dream, even help shape it.

If you are an entrepreneur, that's how you recruit people. With a dream, with the prospect of coming to work every day excited by the people you work with and the problems you are solving together so that at the end of the day, in some small way, the world will be just a little bit better. And of course, you throw in an IPO as a by-product.

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