

The Deadly Fears of Entrepreneurship

Of all the obstacles you can face in business, don't let fear be the one that stops you.

by Beth Douglass Silcox

Fear. It's a shape-shifter, a gut-wrenching combatant and top-notch motivator all rolled into one. Call it an entrepreneurial bogeyman. How you respond to it makes all the difference to your success. Will you freeze and pull the covers over your head or will you be ready for anything?

Sure, an uncertain economy leaves entrepreneurs with plenty to be fearful of these days. Still, more than half a million entrepreneurs started small businesses in 2009, and despite economic fears, 70 percent of them will survive at least two years, according to Small Business Administration statistics.

That's not to say it's easy to build a successful business. But with all the obstacles, don't let fear be the one that takes you down.

Entrepreneurs control few obstacles, but Jen Groover, author of *What If? & Why Not?*, a book about transforming your fears into action, says internal fears and self-doubt erode your ability to succeed. "Until you can jump over your inner roadblocks, the outer ones will stay firmly in place," she says.

In other words, get out of your own way. The antidote to fear is faith in yourself, your business, your product and your dream.

Fear of Failure

We all fail, some of us more spectacularly than others, but we all do it every day. Businesses fail for many reasons: Competition grabs market share, funding disappears, society changes course or a recession blindsides you. "With every failure there comes—like a sort of secret toy surprise in the bottom of the cereal box—added value in strength, wisdom and knowledge," Groover says. Failing inspires greater triumphs, especially when you use it to get your head straight.

Do a little soul searching after a failure. What mistakes were yours? Why did you make them and what did you learn from them? For many entrepreneurs, failure is far more acceptable than living with the regret of never trying.





Fear of Inadequacy

Some would-be entrepreneurs never get past dreaming, paralyzed by fears of inadequacy. They question themselves, their talents and abilities, as well as their products and ideas. *Am I smart enough to handle all the business will throw at me? Do I have enough experience? Will this product really deliver?*

Rather than get bogged down in what you don't know, give yourself credit for what you do. Make a personal talent inventory and then list skills necessary for your business. If you find inadequacies, make a point to learn what you don't know.

Too introverted for public speaking? Join Toastmasters for practice running meetings and giving impromptu speeches.

Can't bear cold-call rejection? Change your mindset and believe each "no" is just one call closer to a "yes."

Unconvinced you can "sell" someone? Focus on how your product can solve their problem instead.

Baffled by branding? Emotionally connect with customers and their needs; volunteer your expertise to anyone who needs it, and educate yourself about social networking.

If you're afraid your idea or product isn't good enough, market research can confirm or discount your misgivings. Consult with mentors and successful entrepreneurs to gain perspective, focus groups to test the water, and local business development organizations, the Small Business Administration and SCORE to establish a rock-solid business plan.

No one is ever 100 percent ready to start a business, nor can you foresee every twist, turn and challenge, but if you choose your business wisely and enlist help, confidence will replace inadequacy. You may surprise yourself.

Fear of Risks

People place high value on personal possessions—houses, cars, boats. We fight very hard to keep even the most mediocre job simply because we don't want to lose it. Psychologically speaking, humans regard

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losses as being twice as powerful as gains. So when it comes to risking what we have for what we could have, it's hard to get us motivated.

The tendency is to think of entrepreneurs as big risk takers, but the recession proved corporate America to be a pretty risky place, with the massive downsizing and layoffs we've seen. Fact is, business owners take calculated risks and accept them not only as part of doing business, but also of living life.

When starting your own business, it's vital to consider the big picture. Get yourself organized, research the opportunity thoroughly, ask for help, draft a solid business plan and establish a fallback position for your worst-case scenario. Keep your goals in mind—and the potential rewards you'll reap from taking these calculated risks—and keep working toward them. Remember that action is one of the greatest ways to overcome fear.

Fear of Financial Insecurity

Nothing's certain when starting a business, and that state of flux promotes insecurity and uncertainty. *Where are we headed and how are we going to get there? Will there be enough cash for the journey?*

Venture capitalists don't bestow funds often these days, nor do angel investors. But that's not necessarily bad news for most entrepreneurs. Wells Fargo/Gallup Small Business Index says \$10,000 from the owner's personal savings starts the average small business.

So if you're not throwing cash at a new business, what does it take? Diligence, attention, creativity and a solid business plan, complete with startup strategies, progress reports and sales forecasts. Mapping the route increases the likelihood of success and relieves those pesky feelings of insecurity and uncertainty. With the cash you do have, squeeze every penny from every dollar. If that means minimizing overhead and working from home, avoiding debt and purchasing used equipment, or remaining self-reliant and letting QuickBooks serve as your bookkeeper, so be it.

Cash flow makes or breaks you, so new accounts should pay up front. Net 30 is for established clients only. Negotiate longer terms with suppliers—net 30, 60 or even 90. Keep marketing simple and cheap—Facebook, Twitter and in-person networking—but splurge on a professional, easily navigated website.

When the day finally comes that your business needs to borrow to grow, proceed with caution, but by all means proceed.

Mike Lawrence's company, Havana Banana Breads, is a debt-free startup with 12 years of strategic preparation and personal cash infusions behind it. His fear of debt inspired creativity and allowed him to innovatively bring his baked goods to online and



retail markets for a fraction of the cost two years ago. He brokered a deal with a suburban Washington D.C. bakery to sublet its commercial ovens in off-hours. He branded himself and his company with imaginative banana-focused collateral materials and insisted on the finest ingredients, including whole bananas, rather than canned pulp. Then he paid cash.

Havana Banana Breads bakes some 8,000 loaves a year and sells to metro Washington D.C. Whole Foods stores, but to grow, Lawrence now needs equipment of his own. With the help of the Small Business Administration, he's calculated

the risk and is borrowing enough money for a 400-loaf carousel oven and a commercial bakery space he plans to sublet in off hours to an upstart entrepreneur.

"Minimize the risk by thinking things through, weigh the pros and cons of each step you take, be honest with yourself and go with your gut. Make it part of your plan that when you sign your name on that loan package, it's your money now—start paying it back," Lawrence says.

For Lawrence, who was planning his business before retiring from the military, time was a luxury that many small-business owners don't have. Still, preparation is often that thin line between success and failure. You must take the time. As Lawrence says, "If you rush, you'll make bad decisions."

Fear of What Others Will Think

Don't kid yourself; relationships influence every decision you make, especially when you're a would-be entrepreneur with an out-of-the-box idea. *What if my friends think I've crossed over to Crazy Town? What if the in-laws think I'm jeopardizing my family's future by leaving the corporate world to pursue an entrepreneurial dream?* You aren't the first or the last to ask these questions and consider the consequences of the answers.

"Anyone who chases a dream is accused of having lost it at one time or another. If they all listened, we'd go nowhere," Groover says.

Entrepreneurs must differentiate between the constructive criticism of someone who is knowledgeable and the negativity of someone who is just worried for you because he can't imagine taking the entrepreneurial plunge himself. Remember that others don't necessarily have your vision, skills and drive, so just because they can't envision your dream doesn't mean you can't make it come true.

Sure, you'd like for others to believe in you and to wish you well in your ventures. But what's more important is that you believe in yourself and stay true to your heart and your instincts.

Fear of Growth

Many budding entrepreneurs can only hope they will one day have to worry about their businesses' growing pains. But thinking through the stages of a new business—including growth, taking the business to the next level and even succession—is important.

Newly downsized architect Zach Rose launched his Green Education Services from his buddy's couch two years ago. The business provides training in green design and renewable/clean energy. With nothing to lose in starting the business, Rose's attitude was "Let's see if this is going to stick!"



And it did; a month later, trainings in Miami and New York City sold out.

Today, with second-year revenue projected at just shy of \$2 million, Rose's company has 11 employees around the country and has trained 5,000 people.

Demand is high—but so is competition. Rose must grow—or die. That leaves him fearful, but excited as he ponders new questions and challenges. *Which new opportunities will serve me and my clients best as we grow? Will one misstep bring down the success we've created?*

This type of fear isn't necessarily a negative for entrepreneurs, however. It can be the wakeup call that shocks you into action or, in Rose's case, provides the motivation to keep innovating and working hard even when business is booming.

{ Startup } { Stories }

Legendary entrepreneurs suffer challenges like the rest of us. Here's how Fred Smith, Jeff Bezos and Martha Stewart got around them.

by **John H. Ostdick**

Successful entrepreneurs stand a breed apart.

Whether pursuing a singular passion or a burning desire to create, the best entrepreneurs are always probing for improvement, embracing change and learning from failure as much as from success. The lions of entrepreneurship misstep like the rest of us, but they also wield a stubborn confidence and an amazing ability to adapt, survive and thrive in the face of common fears. Consider these less than auspicious beginnings:

- A Yale economics professor told a young Fred Smith his term paper, based on an idea for a company that would guarantee overnight delivery to major U.S. cities, was foolish, and gave Smith a subpar grade for his work.
 - Critics and advisers told Jeff Bezos the range of products his cutting-edge startup Amazon.com website offered was too broad and not economically viable.
 - Naysayers crowed that no one would sit in front of the television to watch Martha Stewart, a fussy perfectionist, on the ABCs of style.
- One thing Smith, Bezos and Stewart shared was that they looked beyond potentially paralyzing fears to focus on driving their businesses forward.

