

ENTREPRENEUR

By Neil Balter

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5 Tips for Success

In the first part of this two part series, I discussed four common mistakes entrepreneurs should avoid. Part two focuses on the positive. Based on my experience as an entrepreneur and business owner, I have discovered five key tips for starting your own company. I would like to share those with you in hope that you can learn from my experience.

Starting a new venture is scary. But, while the failure rate for new businesses may be high, so are the rewards if and when you succeed. In fact, building a business from the ground up is one of the most fulfilling achievements you'll ever experience.

If I can do it, so can you!

"I had just graduated from high school and decided not to go to college... I was as improbable a candidate to start my own business as there ever was... In retrospect, I did have a few things going for me: I had desire, enormous energy and I was too naïve to realize how much the odds were stacked against me."

- Neil Balter



Neil Balter, Founder/CEO-Organizers Direct

At the young age of 17, Neil Balter founded California Closets® and with it established a new industry — custom home organization. In just under a decade, Neil expanded the company to include more than 100 franchises across five continents, with annual sales in excess of \$66 million. In 1990, just before his 30th birthday, Neil negotiated the multi-million dollar sale of the company to Williams-Sonoma, Inc.

Neil founded his current company, Organizers Direct, in 1995.



Tip 1: Do what you know.

When California Closets started growing by leaps and bounds and we were franchising all over the world, we could have gone into kitchens and bathrooms, too. Before I tell you I never thought about it, let me reveal one of my failings. Every time I have tried to expand into something other than core strengths, I might as well have given my money away. It has never worked out. I know how to make money in the closet business because I've experienced this business from the ground up. If I get outside of it, who am I? I'm just another guy in the vending machine business, or the home improvement business.

I think you can be more successful when you're known for something. I still have outside forces pulling at us to try other ventures, but closets are our niche so we stick to what we know, rather than trying to be all things to all people. Find a niche, fill it, learn it inside and out, and do it better than everybody else.

Tip 2: Seek out mentors.

While you're filling that niche you're going to experience some roadblocks. I was fortunate that in every instance when I needed guidance to take California Closets to the next level, I found it.

If I hadn't had the series of mentors I had, I never would have been successful.

My best friend's dad financed me to get me into business, then helped me get the word out with small-scale advertising. Another mentor took me to that next level by getting me to clean up my look, franchise and advertise. My final mentor, Bill Levine, taught me how to manage my finances.

Don't be afraid to ask for help. If you don't, you won't get it. If you do, it just might help you succeed beyond your wildest dreams.

Tip 3: Hire people better than you.

Strong-willed entrepreneurs have a tendency to want to make every decision. They don't like bringing in smarter people. It bruises their ego. You're supposed to be the smartest guy in the room, right? The one with all the brilliant ideas. It doesn't work that way. Nobody is good at everything. I wasn't good at everything. You're not good at everything. There's always someone smarter than you. The person who makes every decision in the business can never grow the business. Do this and you are training your employees to defer to you; you're training them to fear risk.



Tip 4: Let employees do their job.

At some point, after you've hired the right people, you have to let them do their job. You can't be over their shoulder every minute, second-guessing their work. Criticism crushes enthusiasm. If every so often your people stub their toes, so what? Let them learn from it and move on. I've always believed my job was half cheerleader. I've never wanted to be the big, bad guy. Instead, if I have a problem with someone, I just kill them with guilt. What can I say? I was raised Jewish.



Tip 5: Make a clean break.

On the flip side of the coin, if you make a bad hire (and you will) cut the cord quickly. You'll find yourself falling into the same trap most entrepreneurs fall into; you will hire someone who isn't working out after a couple months. But, you'll think, "Well, maybe if I give him another month or two..." and you just keep hoping the employee will come around. Here's the bottom line: If you've truly given the employee the tools to succeed and the person is still not any good at the end of the second month, the person is not going to be any good at the end of the third month or the fourth. And when you look at the cost of it all, the deeper and longer you go, the more it costs you and your company.

The same applies for business in times of economic hardship. During one recession, I knew I had to lay off some employees. Instead of stringing it out, I laid off several people at once. Then I got everyone else together and said, "Listen, we just had to lay off a bunch of people, but we're done. Don't worry whether you'll still have a job six months from now. You will. So just do your job."

If you have constant turnover in your business, people will always worry about security rather than about doing their job. So when it's needed, make the cuts and make them deep so you only have to do it once.

It's About Passion

Owning your own business is hard work. If you are going to put in that much effort, you better be passionate about what you do. The best advice anyone ever gave me was "enthusiasm is contagious — catch it!" And, you know what? It's true. I am living proof.

At age 17, I was as improbable a candidate to start my own business as there ever was. Not only did I have zero experience, but I was struggling just to make it through high school. In retrospect, I did have a few things going for me: I had desire, enormous energy and I was too naïve to know how much the odds were stacked against me.

Thirty-five years later, after founding, operating and then selling a company, I've completed the full cycle. Though I am now years into this new venture, it hasn't always been easy. I have had my share of ups and downs, and along the way I've gained wisdom and a passion for sharing it.

I've learned as much from success as I have from failures, which makes me an enthusiastic mentor. When consulting with our dealers, I am always candid about my mistakes and I'll call out the pitfalls, hoping they won't fall into them, too. I am deeply committed to helping those around me succeed. If you have ever dreamed of owning your own business or, if you already have a business and are looking for a new perspective, take the next step towards an exciting opportunity with Organizers Direct.

I will be with you every step of the way.



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For more information about Organizers Direct or how to become an authorized dealer.

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