

Go from
WANTREPRENEUR
to
ENTREPRENEUR

NEARLY 30 PERCENT OF **U.S. BUSINESSES**
ARE NOW OWNED BY WOMEN—AND YOU'VE TOLD US YOU'D
LIKE TO JOIN THE PARTY. GUESS WHAT?

YOUR BREAKTHROUGH IDEA IS ALREADY IN
YOUR HEAD. ON THE FOLLOWING PAGES, WE SIMPLIFY THE
PROCESS, DIVIDING IT INTO TWO HIGHLY DOABLE
STEPS: FINDING YOUR IDEA AND THEN POLISHING IT.

GO AHEAD, GET INSPIRED

BY **JANE BIANCHI**

PHOTOGRAPHED BY **GRANT CORNETT**





Gm
WANTRENEUR
ENTRENEUR

1

FIND YOUR IDEA

IDENTIFY WHAT MAKES YOU HAPPY

MAKE A LIST of what you enjoy—or don't—about your work life. Do you like your days to be routine or surprising? Do you want to create a product or go out and sell it? Then ask around about which types of businesses fit those criteria. But make sure you're clear on the daily duties of the business you're choosing. "A lot of people open bakeries because they love baking," says Seth Godin, author of *Linchpin: Are You Indispensable?* "Then they find they spend very little time actually baking."

CONSIDER A B2B PLAY

► More than half of female entrepreneurs start consumer-oriented businesses, according to the 2013 Global Entrepreneurship Monitor report. But the bigger potential for growth and profits right now is in the business-to-business sector, the study found.

FOUR TOP FEARS THAT HOLD WOMEN BACK

- 1 WOMEN FEAR FAILURE MORE THAN MEN DO.** Women take failure personally, says Alicia Robb of the Kauffman Foundation. Maybe that's why we're likelier to let a great idea *stay* an idea.
- 2 WOMEN WORRY THAT THEY AREN'T CAPABLE ENOUGH.** Women think less of their abilities than men do of theirs, according to a Global Entrepreneurship Monitor study.
- 3 WOMEN HESITATE TO LAUNCH WITHOUT HAVING ALL QUESTIONS ANSWERED.** But sometimes the first person to the table wins—so waiting can cost you.
- 4 WOMEN FEAR THEY CAN'T JUGGLE IT ALL.** Work-life balance isn't always possible, which is a deal breaker for some women.

"I WAS AFRAID TO LAUNCH UNTIL EVERYTHING WAS PERFECT."

LYNN ZUCKERMAN GRAY, 65; ENTREPRENEUR FOR 6 YEARS

LYNN ZUCKERMAN GRAY worked in real estate finance at Lehman Brothers—and lost her job when the company collapsed in 2008. "I sat outside the building and cried," Gray recalls. "Here I was, (a) a woman, (b) almost 60 and (c) in real estate. It was three strikes." Actually, four strikes: She was also divorced and supporting herself, her daughter (still in college) and her mother, who couldn't function on her own. It was time, she realized, to give up on job hunting and start her own business.

Gray had managed a lot of millennials during her career and realized she might be able to recruit on campus for companies that didn't have their own staff to do the job. But before moving forward, she wanted to feel 100 percent ready. "I'd never worked on my own, and I had doubts about whether I'd be able to deliver," she says. What got her started was a boot camp class offered by FastTrac (fasttrac.org), a global provider of education for entrepreneurs. "Their experts told me that I was ready to move ahead, even if all of my questions weren't answered," she says.

Today her business, called Campus Scout (gocampuscout.com), has 21 companies as customers and profits have climbed to six figures. "I still like to be as prepared as possible for my clients," she says. "But experience has given me confidence."

KEEP AN IRRITATION LOG

► "Day-to-day frustrations are the starter fluid for a lot of ventures," says Daniel Pink, author of *A Whole New Mind*. So what bugs you?

KEEP a log of every annoyance you suffer for a month. Are you always losing your keys? Noticing inefficiencies at work?

BRAINSTORM a fix. As a bride-to-be, Carley Roney couldn't find enough wedding info in one spot. Her next step: launching *The Knot*.

REVIEW your list. Which of your problems/solutions excites you, matches your skill set and feels most doable?

LET YOUR EXPERTISE BE YOUR GUIDE

► If you've spent your life as a doctor and decide you want to open a smelting plant, it may be a heavy lift, says Pink. However, a math teacher could have luck with an SAT-prep business. Keep this in mind: "If the job is fun and easy to understand, like running a knitting store, there probably isn't as much profit," says Godin.



STEAL AN EXISTING CONCEPT

► “People tend to overestimate the importance of being original,” says Bill Aulet of the Martin Trust Center for MIT Entrepreneurship. Here, three steps to making someone else’s idea work for you.

FIND what’s missing in your city that is working well elsewhere. Payal Saha, 39, started selling India’s popular street food in New York. Now she has 50 employees.

FOCUS on why that business is a success. Is it the superior quality of the product? Friendly personnel? Sponsorship of the trendiest event in town?

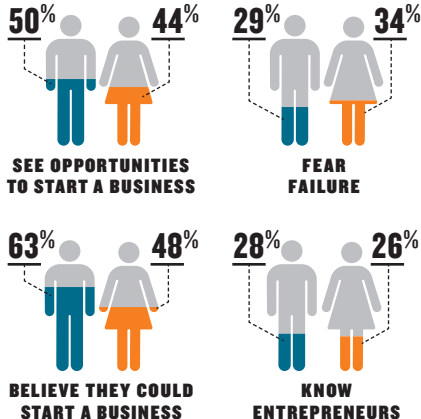
IMPROVE on the idea. Would better packaging, stronger service or more advanced features propel your version of the product into the stratosphere?

FIND A NICHE MARKET

► Nearly 3 billion people are online. “No matter how obscure your product, there are likely thousands of people who’d be interested,” says Eric Ries, author of *The Lean Startup*. To verify you have an audience, launch a crowd-funding campaign on a website such as kickstarter.com.

BORROW FROM THE BOYS

► Men are more confident than women about many aspects of entrepreneurship. Where do women outpace men? Only in their fear of failure.



SOURCE: ADAPTED FROM GEM

“I THOUGHT I NEEDED TO BE AN EXPERT BEFORE I COULD START A COMPANY.”

JANIE HOFFMAN, 46; ENTREPRENEUR FOR 5 YEARS

WHEN a friend told Janie Hoffman about the health value of chia seeds, Hoffman thought they sounded too good to be true. But she had long suffered from autoimmune disorders, so she gave the seeds a try, incorporating a couple of tablespoons a day into her diet. After three months, she felt better than she had in almost 20 years. “I thought, You’ve got to start a business so other people can know about the benefits, too,” she says. “I was on a mission.” A former meditation teacher, she reached out to people in the food industry and asked them everything she could think of—“how many flavors I should develop, how to create more compelling packaging and how to distribute the products,” she says—but she still worried she was missing important knowledge about her new field. “Finally, it hit me that it doesn’t matter that I don’t know what I don’t know,” she says. “Right now I have what I need—and I need to push forward.” In 2009 she invested considerable personal savings and founded Mamma Chia (mammachia.com). Its products are carried in thousands of stores nationwide, and sales have more than doubled every year since 2010.

BE A DESIGN THINKER

► Take an already popular product and figure out how to make it look stunning. Steve Jobs replaced clunky cell phones with sleek ones; Lululemon turned frumpy workout pants into fun, wear-all-day fashion. >>

2

TAKE YOUR IDEA
TO THE NEXT LEVEL

USE SOCIAL MEDIA AS YOUR FOCUS GROUP

► Tuning in to online conversations can inform your decision making.

USE FACEBOOK AND TWITTER FOR RESEARCH. When Walmart was debating whether to sell a cake-pop maker, the company studied Twitter chatter about that kind of treat.

INTERACT ON FORUMS. Budding entrepreneurs can ask questions and get honest feedback on advice-sharing platforms such as the American Express Open forum (american.express.com/us/small-business/openforum/explore/).

USE A SPECIALIZED SEARCH ENGINE. Type a product description into a free social media monitoring tool such as Social Mention. The site will give you easy-to-read metrics on how people feel about that product.

TEST-DRIVE YOUR IDEA

► To determine if you really have a business, take the advice popularized by Eric Ries in *The Lean Startup*: Create a “minimum viable product,” meaning the fastest, cheapest possible prototype of your service or product. If you’re trying to build a Web-based business, for example, mock up a site using free tools, such as Balsamiq, that require no coding, says James G. Boyle of the Yale Entrepreneurial Institute. If potential users don’t like your product, you can move on.



“I WAS TERRIFIED TO FAIL AGAIN, SO I CHOSE TO WORK FOR SOMEONE ELSE.”

**JUDI
HENDERSON
TOWNSEND, 57;
ENTREPRENEUR
FOR 13 YEARS**

WHEN the arts agency she launched in her thirties went under after just two years, Judi Henderson Townsend fled back to corporate America and became a sales executive. Over the next decade, she ignored her dream of owning a business. Then, as she was trying to score concert tickets on Craigslist in 2001, she stumbled across someone selling a store-window mannequin. The seller, it turned out, was closing his mannequin-rental business (which counted trade shows and fashion shows among its customers) and had 50 figures to dispose of. Townsend bought them all for \$2,500 with the intention of restarting the seller’s business but found herself surprisingly reluctant to quit her job. “Men see failure as a lesson and keep moving,” she says. “But instead of seeing my previous company as a business that failed, I looked at *myself* as a failure in business.” Only a few months later, however, terrorists attacked the World Trade Center and the Pentagon, and Townsend realized she should stop postponing her leap. That year she turned Mannequin Madness (mannequinmadness.com)—which sells or rents mannequins—into her full-time job. The business now grosses nearly a million dollars annually.

VET YOUR FAVORITES

► Rather than develop a raft of ideas, eliminate some by hiring a patent lawyer (for about \$650) to see if someone else already owns the rights, says Sheryl Hunter, an attorney at Hunter Business Law in Tampa, Florida.

BEWARE OF LAUNCHING WITH YOUR SIGNIFICANT OTHER

► Women who start businesses with men have only a 15 percent chance of moving into leadership roles—and if a woman partners with her husband, she's even less likely to end up in charge. To get a fair shot, sign a formal operating agreement with your guy.

LET YOUR NETWORK IMPROVE YOUR IDEA

► Fear of idea theft keeps many women from seeking feedback that could be valuable, says Erik Simanis of Cornell University's Johnson School of Management. But paranoia is pointless, he says: "Ideas are a dime a dozen. The bigger risk is missing out on the critical help others can provide." He recommends telling everyone in your network about your brainchild. Then ask each person, "How would you make this better?"

"I THOUGHT MY FAMILY WOULD SUFFER IF I STARTED A BUSINESS."

LEE RHODES, 51; ENTREPRENEUR FOR 13 YEARS

IN 1998, after a stint in merchandising, Lee Rhodes decided to stay home to raise her three children. She was also undergoing treatment for lung cancer. When her husband came in one day with a small cup he'd made at a beginner's glass-blowing class, she dropped in a candle and was amazed by the play of light through the glass. She started putting candles in all the pieces her husband made and lighting them every night. Friends began doing the same. "Lighting the glass cups became part of the story of my survival," she says. "Then it got bigger than me. Suddenly someone with breast cancer wanted six to send to her family."

At that point, Rhodes considered launching a company called Glassybaby, but she was already dividing her energy between chemo and her kids and didn't want to spend more time away from her family. Three years later, in 2001, Rhodes invested \$100,000 of her own money to start the business (glassybaby.com), selling glass cups out of her garage for \$25 each. Media appearances followed, giving her buzz in Seattle, which led to every entrepreneur's dream: an out-of-the-blue call from Amazon CEO Jeff Bezos, offering to invest. Now Rhodes is cancer-free, her company employs 125 people, and it is on track to pull in more than \$10 million in annual revenue.

IN 2013 **ONE OUT OF EVERY 10 WOMEN** IN THE U.S. WAS STARTING OR RUNNING A NEW BUSINESS.

SOURCE: GEM

WOMEN OF COLOR OWN 31 PERCENT OF WOMEN-OWNED BUSINESSES— THAT'S 2,677,700 COMPANIES.

SOURCE: AMERICAN EXPRESS OPEN

NEARLY HALF OF THOSE REMAINING IN THE WORKFORCE AFTER 65 ARE ENTREPRENEURS OR BUSINESS OWNERS.

SOURCE: GEM

FOLLOW THIS FUNDING TIMELINE

► Some cash sources are reserved for established companies or are time consuming to pursue, says venture capital specialist Lori Hoberman of Chadbourne & Parke LLP. Go in this order.

1 PERSONAL SAVINGS
First fund your venture by dipping into nonessential savings. Don't raid your emergency fund or 401(k).

2 FRIENDS AND FAMILY
Sign a formal agreement (prepared by a lawyer, for a few hundred dollars) to cover terms of repayment.

3 GOVERNMENT AID
Search for grants and loans at sba.gov/content/economic-development-agencies and business.usa.gov/access-financing.

4 INCUBATORS AND ACCELERATORS
These provide funding up to about \$50,000 in exchange for equity (often 5 to 7 percent). Search for one at nbia.org.

5 ANGEL INVESTORS
Wealthy people give you money; in turn, you give them equity. Golden Seeds and 37 Angels are AI firms that focus on women.

6 VENTURE CAPITALISTS
Though VCs are difficult to attract, they can provide multiple millions once your company is successful. *

THE NUMBER OF WOMEN-OWNED FIRMS **HAS INCREASED BY 59% SINCE 1997**. THE FASTEST-GROWTH STATE: **GEORGIA (UP 112%)**.

SOURCE: AMERICAN EXPRESS OPEN

WOMEN ARE EXPECTED TO CREATE OVER HALF OF THE 9.7 MILLION NEW SMALL-BUSINESS JOBS FORECAST TO EXIST BY 2018.

SOURCE: GUARDIAN LIFE SMALL BUSINESS RESEARCH INSTITUTE