

DO AS I SAY, NOT AS I DID!

KEEPING YOUR PET BUSINESS ON THE PROFITABILITY PATH

The pet industry is growing at a record pace. There isn't a better time to start, grow, or invest in a business in this incredibly dynamic and positive industry.

The interesting thing about the pet business is that PEOPLE RARELY LEAVE TO PURSUE OTHER INTERESTS. Although we seek money, control, and autonomy, pet-industry entrepreneurs cite the passion to make a difference in the lives of our beloved companion animals as the most pervasive reason for joining the pet industry.

And while the rewards of pursuing our vision definitely outweigh the cost, the journey is not without struggles, pitfalls and potholes. The thing is, many of these problems are universal to all entrepreneurs. After interviewing dozens of successful business leaders who had overcome significant mistakes, setbacks, and adversities in their businesses, I put their compelling stories (along with my own) together in a book chock full of valuable lessons designed to keep readers from making these same mistakes themselves.

From partners stealing huge amounts of money, to IRS woes, to lawsuits which meant sure bankruptcy, the entrepreneurs in *"Do as I Say, Not as I Did: Gaining Wisdom in Business through the Mistakes of Highly Successful People"* fought against huge odds and bounced back to become successful, productive, and profitable. Lessons learned along the way have been profound, provocative, and life-changing.

The challenges we face as business owners are not unique to our industry, as illustrated by a few of the stories/lessons from the book:

PARTNERS: One of the things about partners is that you will spend more time with them than a spouse. Just like a marriage, everyone is giddy with joy and excitement going into the relationship – what could possibly go wrong? While going into business with friends or relatives is very tempting, it sometimes leads to disaster. Just ask Dr Judith Briles. Many years ago she went into partnership with a good friend – we'll call her Kerri - to build a hotel in California. Unfortunately Kerri got caught up in the cocaine craze of the 80's. To fund her habit, she doctored and forged invoices for bogus services to the tune of \$450,000.

Neither the bank nor Judith were paying enough attention to the details. Judith was suffering from the common "I'm so busy with other things and I'm sure everything is fine" syndrome that many business owners have. Judith and Kerri both personally guaranteed the loan. Kerri declared bankruptcy and stuck Judith with debts and litigation totaling more than \$1million...which she eventually paid in full.

Her experience drove her back to school to earn her PhD with a special concentration on behavioral sciences. She wanted to find out how she could have been so easily taken to the cleaners. Her study on the subject led to one of her first books *Do Women Undermine Women?*

EMPLOYEES: What happens when you hire a bunch of your college buddies to help grow your business? Ask Tim Barton, the founder of the highly-successful freightquote.com. As his company grew fast into a multi-million dollar affair, it became clear to him that the responsibilities had outgrown his pals. But, because of the "club" atmosphere of the initial setup, it became highly awkward to fire an old friend, especially when other friends remained in the business, and when those same friends comprised

his social circle. In hindsight, Tim wishes his long-term vision of creating a fast-growth company had played a bigger part in the hiring process. However, Tim seems to have recovered quite nicely as freightquote.com is now a \$70 million company offering its' services through organizations such as WWPSA and APPMA.

DUE DILIGENCE: Nothing takes the place of it. Becoming an entrepreneur means learning to do doing ninety things at once – you're a multi-tasking fool. But you **must** delegate and outsource for growth to occur. With that comes a responsibility to monitor and hold accountable the person you put in charge. When that fails to happen, you might end up like Susan Jones Knape, owing the IRS hundreds of thousands in back taxes and penalties. Susan is a beautiful, successful trailblazer -- an advertising executive who opened her own agency without knowing ANYTHING about finance or accounting.

So she did what most smart people would do – she brought in an expert. A CPA who had done similar financial management for other advertising agencies. However, instead of learning something about finance so she could keep tabs on him, she fired her outside CPA firm and turned the entire money side of the business over to “Mark” for the next two years.

Oops! With the potential acquisition of her agency just a few months away, Mark finally came clean. The company had cash flow problems and he made the BRILLIANT decision to pay their media vendors instead of the IRS. To the tune of \$350,000. Bad move.

She immediately fired Mark and ended up working out a deal to get the IRS paid.

She had not checked Mark's references. She just ASSUMED that because he had worked for other agencies he must be OK. She admits she was “just too busy for details like that (there's that syndrome again!). Later she learned that Mark had a track record of financial fiascos at all those agencies that once so impressed her. Not spending that hour doing her homework cost her major bucks and tremendous heartache. She was so moved by the repercussions of not knowing more about finances that she recently authored a book titled *The Money Rule: 50 Ways Women Can Make More, Save More and Have More*.

OPTIONS: They are NOT optional! Having options and choices in all areas of your life results in power, freedom, and peace. Mistakes happen when one is backed into a corner. Put your eggs in several baskets. That will result in maximizing your success and minimizing your stress. I learned this the hard way when I contracted with an international manufacturer to make products for my birdcage company, Avian Adventures. He was the third one I had tried and I was relieved to finally find someone who could produce the quality and quantity of product I required. Things were going so well that I didn't pay enough heed to my business associates warning to find a back-up supplier. Two years into our relationship he got greedy and decided to sell my design to a competitor. Not having a proven back-up supplier as an option cost me hundreds of thousands of dollars when I decided to stop buying from him.

PLAY THE GAME of business and life with authenticity, persistence, and integrity. Sometimes you will score the goal—and sometimes you will get scored upon—but at least you are not sitting on the sidelines! You are on the field, playing your heart out, gaining experience, wisdom, and success.

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*Carol Frank is the CEO of BirdsEye Consulting, the consummate source for pet sector expertise and business ventures in all industries. She is the author of “**Do as I Say, Not as I Did! Gaining Wisdom in Business through the Mistakes of Highly Successful People**” and speaks to entrepreneurs throughout the world on ways to avoid and overcome mistakes, adversities, and setbacks. She can be reached at carol@carolfrank.com*