SIZE DOESN'T MATTER

WHY SMALL BUSINESS IS BIG BUSINESS: PROFIT NOW FROM THE SMALL BUSINESS BOOM!

Jeff Shavitz

Happy About
This book is dedicated to the world of small business owners and entrepreneurs who collectively drive the entire world economy.

This book is also lovingly dedicated to my family—Jill, Jennifer, Lexi, and Andrew—who mean the world to me.
In the 1748 essay “Advice to a Young Tradesman,” Benjamin Franklin made the famous, insightful, and often-quoted statement, “Time is money.”

Considering this premise, I chose to designate each chapter in this book as a time of day. This felt more appropriate to me than the word “chapter” since, as the ever-insightful Ben so wisely said, time is indeed money—especially for the entrepreneur and small business owner.
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Introducing Jeff Shavitz: Not Famous . . . Yet

“I’ve always been famous, it’s just no one knew it yet.”
—LADY GAGA, SINGER

I realize there are literally hundreds of books currently on the market offering advice about running a small business. Okay, more like thousands. I’m no mind reader here, but I’m going to guess that you’re probably thinking, So why write another one?

I understand. There are certainly plenty of books about the entrepreneurial traits necessary to create your successful venture. Maybe you first saw this book on the web through some pop-up link that hit your screen. I might have implored you to buy it from Amazon. You could be a friend or family member I managed to “guilt” into buying it. However it is that you found Size Doesn’t Matter, I knew going in you’d most likely think, as I often do, The world doesn’t need any more books on this topic.

Am I right?
Size Doesn’t Matter

The Fortune 500 CEOs of multibillion-dollar companies who usually write or are featured in the books, motivational DVDs, and magazines already out there certainly have more experience and fame than I do. That’s why you probably also wondered what qualifies me—an essentially unknown first-time author—to share my story and insights about business in a book.

Bear with me: I think I will quickly dispel any doubts you might have. The reason for my confidence is actually very simple. I bring a unique combination of experience to the table that most of those other books don’t have: I’m an expert at starting and running small and very small businesses—let’s call them SBs to save some words. I also work with SB owners every day.

There really aren’t many people writing books today who have this level of experience to share.

Between you and me (we’re alone here—right?), the process of running those huge, well-established companies we always read about everywhere isn’t close to what’s required to manage a small business or to launch a start-up venture.

Are you launching a new mega corporation? No? In all those other books and DVDs, how much of the information do you suppose directly applies to what you really need to know to launch, build, or work within an SB?

I think maybe it’s time you had access to someone who’s had extensive experience digging in the same trench you’re preparing to dig. I think you need to hear the real story from someone who’s still there digging today. Most of the famous CEOs and mega titans we read about have never experienced launching or working within an SB. If they have, it was decades ago.

When it comes to start-ups, I’ve done it three times—with different levels of success. SBs? I’m involved with them now.
My clients today are also all entrepreneurs with their own businesses of all sizes.

It gets better.

In addition to placating my entrepreneurial spirit over the past twenty-five-plus years, I’ve also experienced large corporate America—from the inside—when I worked in the investment banking division of Lehman Brothers for a period of time.

I think Lehman qualifies as a Fortune 500 company—in its day, anyway. I used to enjoy a personal fantasy that leaving the analyst position I took in 1991 (my first job after college) would eventually lead to the demise of that enormous institution. It didn’t, but I still like to pretend it did!

I believe this corporate America experience, coupled with my extensive involvement with multiple small businesses, provides me with a truly unique set of skills and expertise to share. I also believe these skills and expertise are what you need as you enter into any SBs at any level.

I might just be the one unique voice out there, providing you with access to a very rare in-depth understanding of how both sides of the spectrum operate. Even better, I can also show you how each business type fails to operate efficiently. This is stuff only I could share. Stuff you better know going in if you want to avoid the mistakes I made along the way to where you’re headed.

I’m not asking you to take my word for it, either. I’ll delve more in depth into my various business experiences—on both sides of the fence—during the time we spend together here. I’m more interested right now in making sure our time extends beyond the first chapter. I’m also guilty of just reading the first chapter of many books—so I’m hoping you’ll keep reading a bit more to you see for yourself the value I have to offer.
You’ll find that some of the recollections I’ve gathered to share with you here are downright funny; others are simply strange. Some are confrontational; others involve moral dilemmas, family issues, financial extremes, and many emotional days of unbelievable ups and downs.

All these experiences are extremely important educational steps in my own development as an entrepreneur. It’s my hope that, by sharing them, you’ll see you’re not alone as you weave your way through the enigmatic maze of business.

As I said, I think you’ll find that this book is truly unique, one that had to be written. It definitely won’t be boring.

How Time Flies

I didn’t break this book up into chapters. Instead I decided to go with chapters that signify the hours in a day because time most certainly is money in the entrepreneur’s world.

I said you’ll find this is a truly unique book. It starts with the chapter headings and doesn’t stop there! But wait—there’s another reason behind those clocks that start out each chapter. It also signifies the thought process behind building or working within an SB. It’s completely different from the kind of thinking required to thrive in a Lehman Brothers–type corporate environment. It has nothing to do with long or short hours, but there’s no clocking out and going home at the end of the day as an entrepreneur. You can’t succeed without taking responsibility and running with it full-bore. Sometimes, the days simply don’t end, running into one another as you pull one all-nighter after another.

Even when you do go home to enjoy some “normal” family
time or partake in some nonbusiness activities to “get your balance on,” the entrepreneur’s brain doesn’t stop working. I know mine never does—even when I’m sleeping.

At work or at home, watching your daughter’s high school play or out fishing, awake or asleep—you’ll find your mind keeps on churning, working through recent problems, turning over new ideas, and reexamining old ones.

You’ll discover, as you get more involved with your own SB or working within one, it tends to take over everything you do. Your mind is no different . . . but the thinking itself is a lot different from working for a corporate behemoth. There you might have long days, but you can still clock out at the end of the day, go home, and not think about it again until you clock back in the next morning.

To better illustrate this concept, it seemed to me that twenty-four chapters, each identified by a time of a day, would do it. Still, like any entrepreneur, twenty-four hours wasn’t enough to finish. Fortunately or unfortunately, you’ll also see the clock start indicating 11:30 p.m., 11:45 p.m., and 11:55 p.m., as we speed up the thinking to get the book finished by midnight.

Yes . . . this, too, is how the entrepreneur must really be ready to operate—even when there aren’t enough hours in the day to get everything done.

If nothing else, I wrote this book because I want you to see I’m also just like you. I’m an entrepreneur myself. I wake up in the middle of night with “an issue” that I just can’t get off my mind so I can fall back asleep. I hate when that happens, but it happens often. The worst is when I check my iPhone on my daily 3:30 a.m. trip to the bathroom and find myself shouting a hearty, “SHIT!” to myself when I read the email that came in after-hours.
That gets my mind racing, and then there’s no way I’m falling back asleep.

In my defense—I know I should never check my phone in the middle of the night, but I suppose I’ll never learn. Besides, it’s still such a rush having an incoming email or text waiting for me. For some reason, I feel like a loser if nobody sends me an email when I power on, even if I erupt in colorful language when I see it.

Call it a curse. For me, it comes with the territory. I think you’ll discover it does with you, too.

The point: being a small business owner or key employee, I know how important small business is to the overall economy. I understand the odds every entrepreneur faces daily, and there’s a vast array of unique experiences and lessons I can share with you.

I’m also now a first-time author (if you can really call me that). That’s a new thing for me. I actually wrote this book as much for myself—to share my story with my family and three children—as I did for the rest of the world. My children make fun of me for writing a book because I can barely help them get through their high school English classes. But there’s always a first time for everything!

I’m hopeful this book will challenge you to think differently, to think of new concepts. I want to push you to success as an entrepreneur.

Side Note: To assist you, I’ve also included a few blank pages at the back of the book for note-taking. This serves two purposes: 1) It makes the book longer, and 2) It provides an easy place for you to quickly jot down key thoughts as you read.

Overall, I want this to be a fun, possibly even provocative, read. My challenge to you is to identify at least ten “action points” that you’ll be able to jump on within ten days of read-
Introducing Jeff Shavitz: Not Famous . . . Yet

...ing this book. I call this the “10 and 10!” The real-life stories and vignettes I’ll be sharing should spark thoughts on your current business or the new business you plan to start or re-create. Please use the blank pages in the back to help you push the envelope. Think differently about your business, and it will become a reality.

I also hope you’ll make use of technology and social media. Visit me at www.jeffshavitz.com where you can tweet me, email me, or link in with me on LinkedIn to share your comments and stories about your own journey. I want to learn from you, too.
“All humans are entrepreneurs not because they should start companies, but because the will to create is encoded in human DNA.”

—REID HOFFMAN, COFOUNDER OF LINKEDIN

So, why did I leave the relatively “safe” confines—not to mention the potentially huge rewards—of working at Lehman Brothers to dive into the world with my own business ventures? I did it because the whole “Big Corporate America” thing is simply not what I was born to do. It’s also never that “safe.”

You’ll see what I mean as you continue reading.

While I greatly respect my friends and colleagues who’ve chosen the corporate route, my DNA simply wasn’t made for embracing that path. How did I know? The people I meet and get to work with as an entrepreneur are one of the major reasons I left the corporate world to become an entrepreneur.

I don’t know about you, but I genuinely love hanging with
other entrepreneurs. It excites me, but it also challenges me. (Why didn’t I think of that business concept? or Why couldn’t I pull that off that idea?) I love the friendships I’ve created with fellow entrepreneurs, and I’m passionate about further understanding the mindset of like-minded people.

There are more reasons—enough to fill a book, which is kind of what I just did! Right now, however, I think it would be most helpful to share the general pieces of my overall experience. This is what enables me to offer genuine insider advice on the nuts and bolts of running a small business.

**What on Earth Have I Done?**

I couldn’t begin a discussion of my past experiences without first giving credit to the start of it all: my entrepreneurial family—specifically, my father. He came into this world with that entrepreneurial spirit embedded in his core. Whether for good or bad, it was definitely passed on to me. I’m using the word “it” to mean entrepreneurship here. You either have it—or you don’t. You can learn it, acquire it, be born with it, buy it, or marry into it. That doesn’t matter. You do have to have it.

To kick my entrepreneurial spirit into gear at an early age, my parents raised me to value money. They also instilled in me the habit of making it on my own.

During elementary school, I started my first business. I called it JIS Car Washing. It wasn’t a very creative name, considering I just used my initials—but it was a start.

It was 1982. I was very excited to have launched my first business, but I was even more excited about having my first business...
card. I’d started washing and waxing cars after school with the goal to raise enough money to buy a car by my senior year of high school.

It’s always been much cooler having your own car in high school than having your parents drive you back and forth on dates. I was determined I wasn’t going to wind up in that position. I could have tried to get the lead role in *The Karate Kid*, so that I’d get a car from Mr. Miyagi for my birthday (for those of you who remember the classic movie). Instead, I decided to start my first business. Those genes from my father were obviously already at work inside me.

If I remember correctly, I was earning a minimum of $200 per week—plus tips. The combination of working part-time, playing three varsity sports, and keeping up with homework made my days and weekends a busy blur, but I wouldn’t have wanted it any other way.

Fortunately, my parents wavered a bit when it came time to actually purchase my first car. They agreed to put up 20 percent of the funds needed. Still, I had to earn the remaining 80 percent. It took an interesting, and yes difficult, balancing act to pull it off, but it didn’t matter to me. I knew I wanted that car. Bad.

When I finally took the leap, I purchased a Nissan Maxima. For some reason, I thought it was more in vogue to have a car with a manual transmission, but more important, it was less expensive. The only problem: I couldn’t stop at traffic lights on hills. I was afraid that I wouldn’t get the car started again in first gear and would slip backward, crashing into the car behind me. But that was still okay with me. The stick shift was cool, so I made sure I had a car with a stick shift, hills or not.
Following high school, I attended Tufts University, in Boston, Massachusetts. This is where I received my great liberal arts education. To augment my education, I also went to Boston University for specific business courses throughout the year.

I loved my college years—especially the semester I spent studying at the London School of Economics in London, England. (I probably didn’t really need to say where the school was located, did I? The name itself provides a pretty strong hint as to its location.)

I graduated with a Bachelor of Arts degree in economics. (Tufts didn’t offer a business degree, or I would have opted for that major.) However, during my junior and senior years of college, I started a company. In my junior year, I developed a line of T-shirts with the Tufts University mascot on them. The “Jumbo Bar Hopper” T-shirt became a popular item at school. I managed to convince a number of bars in Medford (a suburb of Boston) to sell them to students who frequented their establishments and sold nearly 3,000 shirts.

This turned out to be a great way to make some extra money while I was at school. It was also a fabulous way to meet girls—a perk very nearly as important to any college-age male as money. I also “hired” students to sell shirts to fellow students, local restaurants, and bars.

Don’t ask me why the word “hired” is in quotes in that last paragraph. That’s between those students and me. Let’s just say there was bartering involved and leave it at that.
INTO THE CORPORATE FRAY

Following four great years at Tufts, I consciously decided I wanted my first entrée into the business world to be a corporate experience. I knew my ultimate path would be that of an entrepreneur, but it was 1988. Investment banking was—and continues to be—a hot industry. I interviewed at many of the investment banks and, ultimately, chose to join Lehman Brothers. (More important, I was thankful they chose me.)

At Lehman, I earned my “degree” in working 100-plus hours per week. Believe me—this is only glamorous when you’re talking about it. Getting home at midnight, even in a black Town Car, with my “free nightly dinner, as long as it costs less than the $15 meal allowance,” loses its charm—in short order.

While I toiled away at my “day job” there, I continued thinking of ways I could become the master of my own destiny and start my own business. You could say a pattern was forming. It would shape my life forever.
As you consider starting your own SB, there’s one hard truth that pretty much smacks everyone in the face. I’m talking about the soul-searing fact that 50 percent of all small businesses fail within the first five years. I’ll go more in depth into other important small business statistics shortly. For now, I want you to keep this 50 percent failure rate in mind. It’s one of the major reasons why a lot of potentially successful entrepreneurs never try starting their own business.

It could be holding you back, too.

The point to remember is that it’s hard starting your own business—and even harder to make it cash-positive. Then, it’s harder still to create real value as you build, but it’s also all far from impossible. And the risk of failure is far less than most
people would have you believe. You also have roughly a 50 percent chance of success. That’s a 50 percent chance of you personally succeeding in this gigantic, growing arena.

I would also argue that you’ll enjoy a more satisfying life experience than your contemporaries in big business when you build your own successful small business, because you’ll do it on your own—nobody will do it for you!

Which Risk Do You Prefer?

I’m amazed by how many people, even after understanding the real odds, still feel that starting a business is too much “risk” to assume. These same people will often put their entire lives into working for an employer, putting in their years with an eye constantly turned toward retirement—the “big prize” at the end of the corporate rainbow.

What do you suppose the odds are that their years of business-building for someone else will pay off with the long, blissful retirement they long for?

Hint: the odds aren’t real high. Not at all. Certainly not more than 50 percent.

The lesson to take away here is that you can’t fear failure and still successfully start or run a business of your own. The possibility of failure will always be present, regardless of which way you turn. The chances are about 50 percent that, whichever way you turn, it could be the wrong way. If you plan to be an entrepreneur, you need to get used to this. Embrace it, and you can make it work for you.

When it comes to making the decision between putting your whole life behind someone else’s business and pouring every-
thing you’ve got into one of your own, the odds aren’t at all better either way. You might receive some pay along the way with an employer, but the rewards of working for someone else can’t even begin to compete with the potential rewards of building and running a successful small business of your own.

It’s important to keep this in mind as you consider a journey of your own into the entrepreneurial world: of course there’s risk involved, but success in small business is far from impossible. I wouldn’t be successful with my own businesses if it were. While it can be lonely and will be a lot of hard work along the way, you don’t have to be alone in this endeavor.

Not with me here by your side.

Even thriving businesses experience many failures on their way to success. They also continue to experience them as they try to maintain their position in the market. You need to realize going in that you will fail—many times—along the way. The trick is to minimize the impact of those failures, so they can be overcome.

And, as I’m certain you’ve heard many times, you also must learn from your failures—even if you’re sick of hearing this expression. I’m going to help you avoid a lot of the mistakes I made right here in this book, but I can’t possibly clue you in to every possible failure you might hit along your own path. The unique lessons you learn by overcoming your own unique obstacles and failures can often make the difference in the success of your business.

Just know that failure is a part of the entrepreneurial process.

Far too few books on business provide this part of the picture. They either gloss over it or overcomplicate it. It’s vitally important to me that you have the whole picture.

The vast majority of companies ever launched don’t enjoy
the immediate success you might think Uber, Twitter, or Lulu Lemon—to name just a few—achieved. Many brand names seemingly become ubiquitous in our lives overnight. In reality, most may have spent years launching and gaining market acceptance. The media—and you—noticed them as they finally took off.

It rarely happens “overnight,” however you might define that word. Most SBs never see anything close to the levels of success that companies like these have seen, let alone getting to that level almost instantly.

Side Note: I have a concept for another book. Please don’t copy it—if you can resist. I’d like to interview really, really smart CEOs and founders of start-ups and small businesses who failed. In short, this new book would be about companies that couldn’t become profitable and had to shut their doors. It would also be interesting to follow those businesspeople who “failed” and study their future “successes.” If you do decide to steal this idea, just make sure your book is poorly written so that I still have a shot with mine, okay? (I’m only half joking.)

Ideas do have value, and it’s interesting how much one idea can mean to your future. But there are millions of ideas, and they’re actually fairly easy to come by. Entrepreneurs see them everywhere. Opportunity lies waiting around every corner. How each of us executes those ideas—the unique twist and viewpoint we each can bring to the equation—makes all the difference. Add the right concerted action to bring that idea to fruition, however, and you could just have a business.

Whether that business is a success or not then relies entirely on you and the decisions you make moving forward from there. Usually, ideas come and go. Sometimes, however, the smallest things can trigger an idea that grows into a profitable enterprise.
After Lehman: Golf Balls

It was actually a golf ball that gave me the idea for my first post-Lehman Brothers business. I’ll tell you more about this business in just a bit. Meanwhile, don’t tell anyone who was working at Lehman at the time, but I got things going with this new business while still clocking eighty of my usual one hundred hours a week for Lehman.

I’m kidding—especially if any of my past Lehman bosses are reading this book—for the most part. After getting home past 11 p.m., I would spend additional time, including the occasional rare free weekend when I wasn’t working, preparing to launch my new venture.

It always takes time and dedication to actually get a business going. You’ve probably already had lots of “great” ideas for a new business—even before you thought about getting involved in starting one yourself. Taking action on one of those ideas, however, makes all the difference whether a successful business will actually be the result.

There’s a lot more to this story, and I’ll dive into it a little later on. However, before we go on, it’s probably a good idea to also tell you what this book isn’t going to be. If you’ve come into it with expectations I don’t plan to meet, I want you to feel free to stop reading right now.

In Size Doesn’t Matter, topics covered will NOT include:

- Help with writing a business plan
- Instructions on how to use Facebook, Twitter, and other social media for marketing
- The best type of legal structure for your business
Size Doesn’t Matter

- Tips on crowdfunding to raise start-up capital
- Expert advice on bank financing or venture capital

It’s okay with me if you’re now ready to put the book in your friend’s mailbox as a birthday gift because you were hoping some of the above topics would be covered. (At least you bought the book!) However, I recommend you read at least one more chapter before you pass it along. I have a lot more info and insights to share with you, and you might just decide it’s worthwhile to hang around a bit longer.
Jeff Shavitz is a successful entrepreneur. He worked as an investment banker at Lehman Brothers in the Corporate Finance/Mergers and Acquisitions Group, specializing in transactions ranging from $250MM–$500MM. With an offer in hand to attend graduate school to earn his MBA and continue his climb up the corporate ladder, Jeff consciously decided to leave this fast-paced, well-paying position to start up a one-person business. Friends said, “What is he thinking?”

A passion for creating “a life of his own” was the driving force in determining Jeff’s business future. Out of his New York apartment, while still working on Wall Street, he created “Spectoculars,” a branded paper-folding binocular that received an NFL license in 1991. At Super Bowl XXX, 250,000 pairs were distributed.

Fast-forward several years and Jeff cofounded Charge Card Systems Inc., a national credit card processing company that helps merchants with their processing requirements, including
the acceptance of Visa, MasterCard, American Express, and Discover. The company grew to more than 700 sales agents throughout the country with three regional offices. In 2012, Jeff and his partners sold the business to Card Connect, owned by private equity firm FTV Capital. The purchase was the company’s largest acquisition to date.

The culmination of Jeff’s past experiences with the small and mid-size business owners is TrafficJamming LLC (www.trafficjamming.com), a membership association for business owners and entrepreneurs. All businesses want more traffic—in essence, traffic means sales. TrafficJamming provides its members with a destination website filled with information, technology tools, and insights to help grow your business. TrafficJamming is not a buying club or traditional business group, but rather a modern organization to help executives realize their professional dreams. Among its many services, TrafficJamming provides proven and cutting-edge technology solutions to help build awareness of our members’ products and services—with the ultimate goal of building a loyal tribe of clients.

In addition to his first book, Size Doesn’t Matter: Why Small Business Is Big Business, Jeff has also published Small Business AhaMessages, a collection of 140 key axioms that every business owner should consider when starting or running their companies. His third book, The Power of Residual Income: You Can Bank On It, which educates business owners on the power of residual and recurring income versus transactional income.

Jeff received his Bachelor of Arts degree in Economics from Tufts University and spent one semester at the London School of Economics, specializing in finance. He is very active in numer-
About the Author

ous charitable and civic community organizations and business groups, including Young Presidents Organization.

He is married and has two daughters, a son, and two dogs. Besides being with family, enjoying good health, and living to see worldwide peace, Jeff’s selfish goal is to play the 100 top golf courses in the United States.

To learn more about the author, visit Jeff Shavitz.com or contact him at jeff@trafficjamming.com or 800-878-4100.
SIZE DOESN’T MATTER
WHY SMALL BUSINESS IS BIG BUSINESS

Are you ready to profit NOW from the small business boom?

In Size Doesn’t Matter: Why Small Business Is Big Business, serial entrepreneur Jeff Shavitz encourages you to do so—but only if you’re cut out for it. To help you make the leap (and to succeed once you do), Jeff details his personal and professional experiences, observations, challenges, and rewards in operating small businesses.

After having paid his corporate dues as an investment banker at Lehman Brothers in the 1980s, Jeff started and sold three companies, making him an expert with real-life experience on entrepreneurship. Now it’s his passion to help his fellow small business owners navigate their careers through the turbulent and exciting times that come along with the much-coveted position of being the one in charge . . . of everything.

From successfully growing your business from start-up to enjoying the benefits of being cash-flow positive to ultimately planning your exit strategy, Jeff shares his advice with insight, empathy, and a healthy dose of humility. Size Doesn’t Matter will be your coach and confidant as you embark upon your own journey in the world of small business.

Jeffrey J. Shavitz is a successful entrepreneur whose passion and purpose for creating “his life” was the driving force behind entering the world of entrepreneurship. His love and respect for the small to mid-size business has manifested in his latest venture, TrafficJamming LLC, a virtual membership group for independent business owners to grow their companies.

Jeff graduated from Tufts University and spent a semester at the London School of Economics specializing in finance. He actively participates in business, civic, and philanthropic organizations, including Young Presidents’ Organization. He is the author of Small Business AhaMessages and The Power of Residual Income: You Can Bank On It.

Jeff is married with three children. Besides family, health, and world-peace, his selfish goal is to play the 100 top golf courses in the world! To learn more about the author, visit www.jeffshavitz.com.

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