

What I wish I knew

Five small-business owners share their success secrets

Every large business was once a small business, and every small business begins the same way. One or two people have an inspiring idea. That idea becomes a dream. And then passion and hard work transform the dream into reality—and a thriving company. Although each small business has a unique story, all entrepreneurs face many of the same challenges on the road to success.

We invited the five small-business owners featured here to take a clear-eyed look at their own experience, think about what they wish they had known when they were starting out, and then share their success secrets with other entrepreneurs. All five use Office 365 to increase productivity, improve collaboration, and maintain the relationships that help their companies succeed, but these essays are not about Microsoft or its products. On the pages that follow, these five entrepreneurs explain how they built their successful businesses, and offer some hard-won insights that may help you build yours.

BRAVERY, BELIEF, AND BALANCE: MY KEYS TO STARTING A SUCCESSFUL BUSINESS

*Amber Borgomainerio,
cofounder of Breathe Hot Yoga*



Yoga is all about balance: finding equilibrium between the mind and body, building both strength and flexibility, and, of course, improving physical balance itself. So I wasn't surprised to find that opening a yoga studio required balance in a lot of other areas, too.

When I started Breathe Hot Yoga in 2010 with my partner and husband, Ross Yearsley, we shared a vision for bringing authentic hot yoga to Seattle and establishing an accessible environment for people who wanted to enrich their lives. But opening our doors took more than passion and inspiration; it took financial resources, organization, and a huge leap of faith. I had many years of yoga studio experience under my belt, so I was confident that we could handle day-to-day operations. But we needed a physical location that would appeal to our prospective clientele. We also knew that we'd have an obligation to ourselves and our staff to responsibly manage the studio—after all, people's livelihoods would be at stake.

Thanks to a good home equity line of credit, we were able to fund the construction of our studio. With one obstacle overcome, that still left us with the fear that our projections wouldn't map to reality, even though they were based on solid experience and careful planning.

But small business owners need to be a little bit fearless. So, confident and firm in our belief that our business plan was sound, we took the plunge. Now we have three locations throughout the Seattle area, and we're expanding our teacher trainings and retreats. Growth hasn't been the only change we've seen along the way. We've also learned a lot about how to manage a successful business.

Two of our biggest lessons have to do with delegation and adaptability. First, we decided to embrace our core competencies, which include everything that goes into creating a positive experience for our clients. We're willing to learn other aspects of the business,

but for us, it makes the most sense to spend our time on what we do best. Beyond that? We leave it to other professionals. For instance, we hired wonderful architects to help us build our spaces, we have a great accountant who keeps our finances in order, and we invest in cloud-based technology so we don't have to worry about IT.

Second, we've come to realize how quickly the market can change and new competitors can come into play. Just five years ago, the fitness industry was considerably different than it is today. Yoga was considered a realm unto itself. Then, unexpectedly, yoga got bucketed in with other mainstream fitness offerings. And when the landscape changes ... we have to change along with it. That's tough to do while staying true to who we are and the traditions we want to share with our clients. We now recognize how important it is to try to anticipate trends by analyzing our clients' needs, developing relationships with other small businesses, and staying aware of new forms of fitness.

My main piece of advice for someone who's thinking about starting a small business is to be realistic about how much work it takes. There's something romantic about working for yourself at a business you believe in, but it's also stressful and demands a tremendous amount of sacrifice. You need to be healthy and have a clear mind so you can think rationally for the sake of the business. You have to find ways to work smarter, not harder, which is definitely not easy.

In the end, though, it's worth it. We started with repeatable processes built around our passion, and we're in it for the long haul. Now that we have the kinks worked out, we're able to spend more time out in the community, making connections, enjoying Seattle, and introducing more clients to the benefits of hot yoga.

[Watch the full Breathe Hot Yoga customer story video here.](#)

Tip: Cultivate great team chemistry

There's no set formula for running a successful business, but there's no doubt that people are an essential element. The wrong employees can be caustic and waste valuable resources; the right ones can contribute ideas and create innovations you never imagined possible.

*Gino Wickman and Mike Paton, authors of the best-selling [Traction](#) and [Get a Grip](#), offer tips on how to cultivate the kind of elusive chemistry that will help your business thrive. [Check out *The People Analyzer*TM and more here.](#)*

BUILDING MY BUSINESS USING THE “GOLDEN RULE”

*Steve Doonan,
president of DeKalb Mechanical*



Some people are born entrepreneurs. They know from the start that they want to run the show. My path to business ownership was a bit different. After several years of working for an HVAC [heating, ventilation, air conditioning] company, I was asked to open a branch office for that company in a location where we could foresee lots of growth. The idea was for me to generate business in that area and eventually buy the branch from the owners, establishing my own company.

At the time, it sounded like the perfect plan. I was naïve, though—I had no idea just how much sacrifice it would mean for me. But the owners felt that the best way to get people to invest the time and effort necessary to start a new location was to ensure that they had incentive to make it successful. And despite the long hours and, at times, rough going, they were right. The appeal of creating the work environment that I wanted and doing things my way pushed me to keep at it. I eventually became sole owner.

Ultimately, I’m working toward a company that I could run from a beach, if I wanted to. The key is to hire employees who are good at their jobs and who you have confidence in. I want employees who will make smart decisions for the business and support smooth operations without needing me to be there. Over time, I’ve found those good people to whom I can trust the business. That takes patience—you can’t be in a hurry to hire. Instead, you have to wait and hire just the right person to enhance the company.

As a result of assembling a wonderful team, I’ve been able to let go of lots of the day-to-day decisions and focus on the company’s future. I read somewhere that if you’re working *in* your business, you don’t have time to work *on* your business. I believe that’s true—now that I don’t have to worry about daily decisions, I’m free to explore new avenues for opportunity.

If I don’t take the time to look ahead, the business will stagnate. In the construction industry, you’re only in business until the last job is complete. If there’s no

next project, you're finished as a company. My job has transitioned from making sure today's project is getting done right to ensuring that there's another project waiting.

A critical part of my role is to constantly focus on building relationships. Having positive relationships with my team is critical and goes without saying, but cultivating close bonds with both suppliers and prospective customers pays huge dividends. We work hard to make ourselves indispensable, and our customers look to us to solve their problems. We've developed a sense of trust that's not easy to come by. And because we show respect for our suppliers and treat them the way we want to be treated, they'll go the extra mile for us if we need a product quickly or are looking for more competitive pricing.

When people come to me to ask for business advice, I always stress the importance of building positive relationships, but I also talk about putting in the effort to bid on jobs, even if they're not ideal for

your company. We try to submit a quote for every project that gets posted. By putting our name and qualifications out there, we start to become fixed in the minds of prospective customers. Eventually, we get a call from them, because they've seen enough of our bids to know that we're on top of things. It's done wonders as a marketing tool.

My last piece of advice is to avoid getting too enamored by booming growth. It's fun to see your revenue shoot up—all those big numbers rolling in can be exciting—but it's dangerous because that pace is tough to maintain. If you hire based on rapid growth, you may be faced with firing those same hard-working employees if conditions change. Measured growth is best. Become firmly entrenched in a market so you have the resiliency to weather slow times. You'll end up with a healthier business to show for it.

[Read the full DeKalb Mechanical customer story here.](#)

Tip: Build positive relationships—inside and outside of your business

Hiring people who can help you create a successful business is obviously important, but it is equally important to build positive relationships with your employees, relationships based on mutual trust and respect. The same is true for your relationships with customers, suppliers and partners—anyone who contributes to the ultimate success of your business. A new generation of collaboration and communication tools can help you nurture valued relationships with people who will celebrate your success in the good times and won't falter when the going gets tough.

BELIEVE IN WHAT YOU DO AND GIVE IT YOUR ALL ... EVERY DAY

Natalie Loeb, founder and leadership coach at Loeb Consulting Group



I've always been a "people person." My ability to easily relate to others led me to pursue psychology in college, but my interest in business ultimately steered me toward my professional career in leadership training and development. I could see the importance of ensuring that project teams work well together and that businesses cultivate strong leaders. Those in leadership roles have a huge impact on their companies, for better or worse. I believe the path to success for most companies involves finding ways to increase leaders' skills and understanding so that their influence is positive and constructive.

As with most careers, mine hasn't traveled in a straight line. After a decade in human resources at a global law firm—a job I loved—I had to take a hard look at my priorities after my children were born. My hours-long commute and long work days just didn't mesh with my desire to put family first. I reshuffled my priorities,

resigned from my full-time position, and found a part-time job closer to home. But when my previous employer offered to bring me on in a more flexible consulting role to focus on training and development, I knew I'd found the right balance. Loeb Consulting Group was born.

Running my own business is different than working in-house. The most difficult areas have been being disciplined with my time and learning when to say "no," which runs counter to my strong desire to deliver solutions. I was always taught that failure is not an option, and while I still believe that, I also believe that setting reasonable boundaries (and communicating them clearly) makes for a more sustainable work life. If the scope of a client's request puts me in a position of compromising my firm's standards, I now know to walk away. It's not easy for an entrepreneur to turn away work, but sometimes it's necessary.

Gauging what is and isn't a good fit for your business has to do with always keeping an eye on your values and what you stand for. Staying true to those values can help guide you, particularly during challenging times. For example, during the economic downturn our business slowed considerably. Rather than giving up and returning to work as a full-time employee elsewhere, I used the time to invest in the business by earning an executive coaching certification, which opened up a whole world of business opportunity in the form of leadership coaching.

Over the years, I've discovered that one of the most important parts of running a business is finding the time to take a step back to ensure you're spending your hours in the most effective ways. It's easy to want to follow all your great ideas, but you have to prioritize. The ability to delegate is also critical. You've got to let go and trust others to do their jobs—after all, why would you hire employees if you do all the work yourself?

Another thing I've learned along the way is that a dose of skepticism can be your friend. I like building relationships with people, so I used to put all my cards on the table during negotiations, not realizing that others sometimes had their own hidden agendas. Even though I still have faith in open, honest communication, I'm a little savvier now in my approach.

Perhaps the most important piece of advice I can offer when it comes to starting your own business is to make 100 percent sure that this is what you want. If you don't get up every morning looking forward to what you have to do, then find another way to earn a living. You must believe that what you do is worthwhile and that it makes a difference in the world. It won't always be smooth sailing, but if you love what you do, you'll be able to weather any storm.

[Read the full Loeb Consulting Group customer story here.](#)

Tip: Don't play musical chairs

Making sure your business has the right structure and that all of your employees are in the right roles is a key component of success.

Gino Wickman and Mike Paton, authors of the best-selling [Traction and Get a Grip](#), offer tips to crystallize roles and responsibilities for everyone in your organization. [Check out The Accountability Chart and more here.](#)

EAST MEETS WEST FOR BUSINESS SUCCESS

Ted Vu, cofounder of Taster



When my business partner, Scott Nguyen, and I launched Taster back in 2001, we were still in college—too naïve to realize what a huge responsibility we'd undertaken without the skill sets we'd likely need. But that inexperience might have made the critical difference in our success. After all, our youthful enthusiasm motivated us to jump fully into Taster.

It all started with a drink delivery business that we ran out of my garage. We considered it a proof of concept to see how well our idea of melding Eastern flavors with a Western influence was received by young consumers in southern California. Both Scott and I loved bubble tea, but most bubble tea sellers didn't embrace a Western environment. We thought we could make bubble tea more accessible, and we were right.

We started selling our drinks at festivals, and they were so popular and our lines so long that we knew we'd hit a home run. We wanted to open our first

brick-and-mortar location, but money was the big challenge ... because we didn't have any. We maxed out our credit cards and approached a bank to see about a business loan, but we were laughed at. We finally ended up borrowing against our cars and taking personal loans from family members who believed in what we were doing.

And that's when the hard work began. We hired a contractor to help build our location and bootstrapped wherever we could to conserve costs. We've heard that the less money you have, the more creative you need to be, and that was certainly the case for us.

The most important thing we did right was to value our employees from the very beginning. Even though we had little money to start, we treated our employees as family. This created an immediate and loyal bond with our team, which fostered passion, creativity, and dedication. As a result, they were our strongest

advocates. They spread the word to our target market and played a crucial role in our early success. Remember, this was before lots of social media sites were available to help get the word out—we were entirely dependent on word of mouth, and our employees provided the loudest voices. Treating all our employees as respected team members translated into our signature customer experience, the consistently positive way our team members serve our customers.

Of course, not all our early decisions worked out so well. I wish we'd put greater emphasis on the importance of the numbers: our target sales per hour, the cost of goods sold, labor costs, and other key indicators. In the beginning, we had strong sales but not equally strong profits, because we overstaffed and prepped too many perishable ingredients that later went to waste. We finally figured out the right balance, but it took a lot of trial and error, much of which we could have avoided by spending more time analyzing our data.

In a similar vein, we should have stuck to a budget. We were so excited that we didn't limit ourselves and overspent on some ideas that didn't go anywhere. If we'd prioritized and been more selective, we could have achieved more, sooner.

Fortunately, our vision and tenacity helped us succeed. We now have three locations and recently sold our first franchise location. It will open by the end of 2015, with two more franchises scheduled to open in 2016. We have learned from our mistakes and are now passing along that knowledge to our franchisees, who will benefit from our years of experience. For example, we're translating our raw data into useful information to pinpoint areas for optimization across a given store. We're also encouraging our franchisees to become invested in *every* facet of the business—not just the areas that interest them. With all the growth and our constant push to innovate, Tastea will continue to experience success, one bubble tea at a time.

[Read the full Tastea customer story here.](#)

Tip: Trust your data

Good data analysis is like having an intimate conversation with your company—one in which your business tells you exactly what you can do to help it thrive. New business intelligence tools put data to work for you, transforming information into valuable insights that help you make faster, more strategic decisions.

TAP INTO THE POWER OF ENTREPRENEURSHIP

Steve Johanns, cofounder, president and chief executive officer for Veriown



Today's world is ripe with opportunity. I believe that the next 20 years will be the most transformative in all of human history. That's saying something, considering all that the past 20 years have delivered. But right now companies everywhere are building on advancements in technology, data, and communications, resulting in a convergence like we've never seen.

I feel lucky to be alive during this slice of time. More than a decade ago, I became fascinated with the idea of figuring out what the energy industry would look like if it worked the way the Internet does, where energy moved two ways, like information does across a network. I've since launched a company to pursue that idea. We're working to modernize existing energy networks in developed markets and help extend new energy networks in emerging markets to billions of people who have never had a reliable energy source before. This venture combines my love of technology

with my experience working with energy systems, and I was fortunate to meet my cofounder, Dr. Chirinjeev Kathuria, at just the right time.

When it comes to entrepreneurship, timing is everything. In the 1990s, I started an Internet company, and I learned a lot the hard way about the importance of timing, especially when working with venture capitalists. It's not enough to have a great idea—that great idea has to work with all the outside elements that could affect it. Societal, geopolitical, technological, and even material science-related changes all can have a real impact on a company's success.

That ties into another important aspect of entrepreneurship: taking the long view. You may have an idea that works right now, but how will it fare in one, five, or ten years? Before getting started, you have to test your idea to make sure it makes sense in

the long term and at scale. In other words, don't just capitalize on the moment—make sure your business concept is sustainable.

Once you've got a viable idea for a business, the next critical factor is your team. I believe that the core group you start with has a huge impact on your long-term success. Most business owners don't pay enough attention to that element in the beginning. Your "dirty dozen"—the first 12 people you bring onboard—sets the tone for your corporate culture and can affect your next thousand employees. And hiring those initial team members is not just about each person's résumé or past performance; it's about having the right blend of heart, passion, dedication, skills, and ability to execute. In my mind, the best team is one that includes the 20- and 30-somethings who want to change the world (and are willing to do anything for that cause) along with senior-level folks who are willing to leverage their capabilities and relationships to give themselves a second chance to change the world. And no matter what generation they belong to,

the people who think they have it all figured out are generally the ones who you don't want on your team. Find curious people with passion and purpose.

The core team you assemble has an opportunity to do great things, but it could also experience failure from time to time. The important thing to remember is that, if you're going to fail at something, do it fast, then move on. As a business owner, you'll take some risks, and they won't always pay off as you expect. What matters is how you handle it. You'll fall down, but will you get up? If you do, what adjustments will you make and how will you motivate others to get up? Showing that you have staying power and have a culture of learning builds confidence in your investors, your customers, and your employees. Look at it this way: an entrepreneur's power starts with a vision but then is fueled with passion, purpose, planning, and people. Harness yours and the future is bright!

[Read the full Veriown customer story here.](#)

Tip: Weed out deep-rooted issues

Unspoken issues are like weeds for a growing company. At first, they're virtually invisible as the seed gets planted below the surface. But over time, if left to form roots, they can take hold and choke out productivity and growth.

Gino Wickman and Mike Paton, authors of the best-selling [Traction and Get a Grip](#), offer tips to resolve deep-rooted issues. [Check out their Issues Solving Track™ and more here.](#)

Learn from the experts

There's a familiar business adage that says: "Experience is the best teacher—especially when it's someone else's experience."

In sharing their experiences and the wisdom they have gained in the course of building their businesses, these five successful entrepreneurs are giving you the chance to learn from their mistakes, apply their best practices, and avoid some of the difficulties that often go hand in hand with owning a small business. Following their advice may help you create a successful business in less time and with fewer wrong turns. Combining these winning strategies with proven productivity tools like those in Office 365 can also speed your success.

To learn more about Office 365 and how it can help you build your business from the ground up, visit office.com/business