75 Non-Cliche Lessons From Being an Entrepreneur

Eva Allan · Follow

20 min read · May 8

Listen Share

by Eva Allan

In 2018, I left Wharton Business School to be an entrepreneur.

There are lessons that business school does not teach you, but it does tell you. These lessons include phrases like “people are your most important asset”, “work-life balance is important”, “create metrics and KPIs” and “always read what you are signing”. When running a fast-growing business, the School of Hard Knocks teaches you these lessons and more in a way that they become tattooed into your brain as you learn their importance the hard way. They have certainly become tattooed in mine.

I’d like to offer some fairly unique and sometimes oddly specific lessons all founders should know. They roll up to common truisms but provide the missing layer of "how" which make them accessible.

Strategy

Run a deliberate, focused, and independent company.

1) **Steady recurring revenue or fast revenue are your two choices.** The only type of revenue that matters for a high-growth company is steady recurring revenue. One-time boosts and special client projects should pay quickly and help cash flow to fund your core offering, not generate substantial accounts receivable.

2) **Maintain spreadsheets detailing your competitors' business models.** Do not assume your competitors are simply less innovative. They may have tried what you tried, assessed it's not a good idea, seen a pitfall, or actually be doing something better. Break down exactly how you believe their model works and its pros and cons and run it by a few knowledgeable people. Keep regular tabs on them as you learn more.

3) **Balance focus and innovation across the team.** A good rule of thumb about staying focused but innovative is 90%/10%. Have a single teammate or two innovating, max. Everyone else needs to stay on a straight path. Sometimes it even means not giving everyone transparency into an experiment until it is baked.

4) **Do not rely on external business partnerships.** There are many synergistic companies out there. They can become your distribution partners, provide complementary client offerings, get your name out, etc. But do not become reliant on them lightly. Partnership can easily dwindle as priorities of each company or the relative value shifts. Assess if the partnership is worth the level of investment of someone on both sides being dedicated to ensuring the partnership is managed at both the detailed and the executive level. Always create a Memorandum of Understanding (MOU) detailing resource allocations for the partnership and what success is and what termination looks like.

5) **Never let another company 'be your tech department'.** If you are slim on tech resources or early, it's tempting to simply feed your software requirements to an existing software vendor so that they make 'your version' of their software. I'm not talking about outsourcing software development (where you own the IP of anything

created) or using QuickBooks. I'm talking about your core product. You either own it's IP or you don't.

6) **Create a beehive to control key man risk.** Create a repository for all processes, procedures and templates. Treat this like the beehive where every bee, including yourself, brings honey. If someone does something repeatedly, how to do it should be visible in the repository. Keep tight version control and do not allow personal copies as they can get outdated easily. Control access to sections. Grow the beehive to mature and fortify your organization.

Board & Shareholder Management

Let no one come between you, your shareholders and your board.

7) **Talk to your shareholders frequently.** Keep people updated, good or bad news. Take them out and loosen them up. They need to know that you are trying, don't assume they see your efforts day to day. Some people literally invest to feel like they are providing some form of impact to the entrepreneurial community and based their decision on whether they think they can add value. Ask for advice and show them things to opine on.

8) **You are in the room for the conversation, good or bad. Period.** Do not become disintermediated. Be very careful about your employees or executive team circumventing you for a private conversation. That's grounds for termination at a large company, so set the same standard. There is a difference between an open culture and being humble versus condoning anarchy.

9) **Board meetings are formal occasions.** Take board meetings seriously. Flex your muscles to act the part of a Fortune 500 CEO. This doesn't mean the materials provided ahead of time need to be long. They just need to be of high quality and be delivered 72 hours ahead.

10) **Board meetings should be boring.** A lot of what happens to get to a major strategic decision is prepping board members ahead of time, building relationships, proactively seeking opinions, and providing shareholders with opportunities to participate. There should be no surprises unless there is breaking news.

11) **Have templates for board activity.** You do fairly regular things in those meetings, so have templates for board minutes, motions, share issuances, board member changes, etc. If a vote is timely and then you have to wait for the lawyers, timely things will not happen.

12) **Have a scenario spreadsheet for voting shares.** Know how each board seat gets voted in, know how removal works, know who the swing votes are, etc. Do this before a fundraise is complete and keep it updated as shares get issued. Don't sacrifice control terms in exchange for a higher valuation.

13) **External counsel are advisors, not decision makers.** A board meeting can sometimes involve an attorney to opine on something. Their job is risk-mitigation, not growth. The board should take what they say under advisement but push the logic and find good compromises to achieve the goals of growth most safely.

14) **Promote your mentors to board members very carefully.** You may one day do business with your mentors or have them on your board. A mentorship scenario is inherently not a peer situation. The more vulnerable you are with a mentor, the less negotiating leverage you have in any discussion if you ever need to do something commercial together or they are evaluating you. Some of the most beautiful partnerships can stem from deep trust and mutual respect but be careful and make sure you actually have it.

People Management

Your people are your biggest asset, but also your biggest liability.

15) **Have access to everything, even things you are not a subject matter expert.** Always have master admin access or the password to everything. Even code, accounting software, and technical diagrams. If someone quits or gets sick, or god forbid, gets into an accident, you need to be able to transition ownership to the company asset or step in.

16) **Fire fast for culture. Even without a replacement.** If someone becomes toxic, try once to fix it, but then get rid of them and their growing following of toxically confuse others fast. No one is irreplaceable. Pay for the lost work now instead of

when the ticket becomes higher. It doesn't matter if you are or were friends or family. It's better to have someone step up and triage the gap. Use the beehive you created and fill in the blanks.

17) **No severance without a release of claims.** Never give severance without 'a release of claims' document signed. Severance is the right way to treat people, but it also needs to be in exchange for risk mitigation in case you are not treated well back. Its typical paperwork at any large employer, not a paranoid insult.

18) **Assume if a family member or close friend quits, the other will leave soon.** If their career choices were correlated, they will continue to be correlated.

19) **Review everyone's first 2 pages of Google.** You do not need to background check everyone you interact with, but you should at least know what's out there. If you find something odd, find a way to ask about it and see their reaction.

20) **Scrutinize outside business activities.** Ask for all outside business activities before you hire someone and have an approval process for any new ones. Doing something completely different during off hours (like flipping houses) is great, but, say, running a networking organization where your competitors or investors are their clients is not.

21) **Use the word "independently" in job descriptions for mid-upper management roles.** When giving someone feedback about their job performance, they can get defensive and make you responsible for their failure. Be open-minded and accept that you maybe have done something to block their success. However, if the discussion becomes a heated debate, be clear that your expectations were a level of independence in the function and managing up through obstacles.

22) **Require experts to talk slowly and have other experts check their work.** If you have a technical expert in something with which you are unfamiliar, part of their role must be to teach you the topic so that you develop a threshold level of understanding. Managing a technical expert is tough as you may not know what good work is. But another expert may. Ask them to vet the quality and quantity of work as an advisor. Price that in.

23) **Pay for the exact subject matter expertise, not near to it.** As you grow, you will need specialists. If paying a premium for them, be sure they are the exact specialty when you hire them. For example, someone familiar with dental billing is not versed in medical billing, a data scientist is not a software engineer, and a general counsel is not a litigator

24) **Sort through department and individual contribution.** Figure out if an area is good because the manager is effective, or whether the mid-level is doing all the work and the manager is simply a layer. Adjust and promote accordingly.

25) **'Update meeting' invites are owned by the updater.** Never get into a position where you are chasing employees for updates. Have regular update meetings. Their job is to update you so have them own the calendar invite where they give you updates.

26) **Beware of low technical proficiency or software avoidance.** If something is in today's basic high school curriculum, your employees need to have mastered it, no matter their background. For example, if they do not know how to use Excel well, send them YouTube videos for training on this topic and have a test. People still need to use software they dislike or are 'not good at'.

27) **Teach people formal project management standards.** You need to trust your team and get out of their way, but do so responsibly. If you are aligned on the goal and the process, you can feel more comfortable that the outcome will be met, and you will not need to micro-manage deliverables or shell out tasks. A great way to do this is to require written project plans with clear goals, steps and outputs. While not everybody will have a PMP certification and produce you a professional Gantt chart, nor is that warranted for each project, there should be a gold standard of a project plan available that people can review so that they understand what you are looking for and what components it has.

28) **The RACI matrix is your friend. It's even better if you add an H column too for RACHI.** For any project or functional area, different people are responsible, accountable, consulted, informed, and generally helping. Labeling who is what

bucket is the first step. It prevents the responsible party from wiggling out of owning the goal of keeping everyone on track, those who just need to be consulted from getting way too sucked into the tasks, and those who should just be helping getting blamed by others for not managing when they were not supposed to be doing so in the first place.

29) **Have raise cycles, not random negotiations.** After a training period, employees become valuable, and the longer they are in the role, the more valuable they are. Salaries should rise, but they need to be deliberate, and you should never be backed into a corner when you need someone to step up to the plate or actually do the job they were hired for after a training period. People shift roles all the time in a start-up. Set standards that raises are annual or every six months based on performance and any adjustments for new responsibilities will occur then.

30) **A project manager is different than a people manager.** If someone is an individual contributor and they become the manager of the area, they need to have some basic hire/fire/review authority, even if it requires your ultimate approval. Else, they could, as a first-time manager who is less confident, become their team's coordinator.

31) **It is okay to push someone's start date.** Giving someone an extra week before they start so that you have fully prepared to onboard them is better than having them start sooner. A proper onboarding involves reading materials, time spent together intellectually and socially, individual meetings with teammates, an organizational chart to review, and a very clear job description and goals for the first 90 days and beyond. You can also push someone's start date if you want to make sure they do not overlap with someone who may be leaving on bad terms.

32) **Military people generally expect directive leadership.** People who have served in the military can be some of your most hard-working, loyal and dedicated employees. However, they may be unfamiliar with more participative or feminine leadership styles. It is important to stay close to how they are adjusting or tailor your approach to who is in front of you.

33) **Write down expectations about responsiveness per role and teamwide.** There is

a delicacy around work-life balance, and it actually varies per role. Some roles in your organization need to be very responsive off-hours and some need to be semi-responsive. If your clients need availability 24/7 then you need to design around that, per role, such as creating on-call shifts. Don't get into awkward 'walking on eggshells' situations where you can't call someone critical or meet a deadline. Or, don't serve clients 24/7 and ensure everyone has work/life balance. You'll exhaust yourself filling gaps if you try something in the middle.

34) **2–3 people need to have substantially met each client and vendor.** The company owns the relationship, not the individual. While someone runs point on a client or vendor relationship, others need to have met them. The counterparty will feel more connected having met more members of your team, and also, you need to operate responsibly in case their point of contact leaves your company, especially if they brought in the relationship. It's not intrusive, its policy.

Corporate Finance

Drill down into every number or have someone independent do it for you.

35) **No PDFs in Finance.** When you are given financials, you need to understand how every cell in that excel spreadsheet is calculated. Do not accept PDFs with verbal overviews only.

36) **90-days is months away.** Make conservative decisions expecting AR that is more than 90 days old is gone and be surprised on the upside if and when you collect it. I do not mean that you should do a write-down immediately, I mean that you should not count on it being in your bank account when creating department budgets.

37) **Create prompt-payment incentives.** Add late fees with % charges to your invoices, as well as prompt-pay discounts if you can get a pre-pay, net-7 or net-15 payment term with your client. Else there is no incentive, other than court, for someone to pay you on time and you can become an interest-free lender. A Fortune 500 will often put you in a faster pay tier in exchange for a 10% discount on a large program.

38) **Never personally guarantee anything.** Personally guaranteeing means that the vendor can go after you if the company does not pay them. This term appears in

leases, company credit cards, supply vendor agreements, loans, revolvers, and rental contracts. Imagine if the company goes under and you are unemployed and left holding the bill? If you must guarantee it, it must be at the top of the capital stack.

39) **Never sign a contract with auto-renewal terms and no tracking system.** Unless you adequately calendar every renewal term of every agreement with an auto-renew clause with ample advance warning to terminate, never sign an agreement that auto-renews. Alternatively, you can offer to make it an evergreen agreement (one without an expiration date) but that agreement must include a 30 day termination without cause provision.

40) **Accountants are only as good as the data you give them.** Businesses do accrual accounting. This means that the financial statements have subjectivity for when revenue is recorded, costs are amortized, and so on. Senior finance staff must have worked at a similar business prior in a similar role and have a deep understanding of the revenue cycle for that industry as well as all of the specific, technical and creative ways to accelerate it.

41) **People risk leaving if you don't pay the vendors they use on time.** When you are low on cash, you need to make payment choices based on business necessity, risk and contractual terms. But you should also consider the relationships your staff have. If payment is delayed for a vendor, the vendor will, whether firstly or eventually, call their internal point of contact in the business for help. This employee may be embarrassed or may be even spooked. They may also suffer harassment that is not their fault. Balance this retention risk.

42) **Keep tabs on which clients have hidden costs to serve.** Some of your clients are needier than others, and that's okay because they may be worth it. But make sure you weigh that against the revenue they bring in. For example, consider the proportion of client service time, support desk hours, revolver lending and interest rates based on how fast they pay, and team morale/retention for those serving their account.

43) **Sort through 'I'm not sure if that's a whole job' scenarios.** As you develop

management layers underneath you, you will lose transparency into capacity levels of individual contributors. It is unlikely that managers will want to reduce their headcount unprompted, and especially not remove people they hired. Have a large, itemized list of who does what in detail down to the procedure and ask questions. Suggest moving people to lower capacity departments if you'd like to retain them.

Vendor & External Party Management

Set the professional standards for external parties.

44) **Get everything in writing.** Business partnerships, employment agreements, supply deals, partnership deals, client contracts, vendor contracts, etc. It's better to be awkwardly formal when the other party isn't versus have no cover for a rainy day or miscommunication. Try and use your own template, not theirs. If you are low on legal budget, there are templates online or you can ask another founder.

45) **Know what you are paying for favors**. If someone is doing a favor over five hours, offer to pay for it, as post-negotiation could have major missed expectations that can destroy a relationship. For example, advisors need equity plans within one month or to reject your proposal of one because they are just happy to help.

46) **Have the same standards for your vendors as big-business procurement.** If you've ever contracted with a Fortune 500, you know they have their own specific contracts and processes they have their vendors follow. Why not outright require this for your vendors? For example, lawyers and hourly consultants can give you a weekly burn report if you ask, so that you avoid large surprise bills that come later than expected.

Sales/Marketing & Client Management

Six-Sigma style management starts with the revenue generating departments.

47) **All marketing starts with a brand book.** A proper brand book shows the exact pantone colors of the business, the high-def logos, the favicon, what colors the logo can and cannot be placed on, the fonts you use, and the taglines and tone of the brand, the words not to use, etc. This is at least a 12-page PowerPoint. Then, marketing people can leverage these assets and stay within the look and feel so that all other materials are cohesive. A major upside is that you do not need to repeat

yourself when reviewing marketing materials before being presented to potential or current clients. A change in style or a creative approach adds to the brandbook for everyone.

48) **Quantify ROI and mention it often to the client before a quote.** Affordable healthcare does not mean cheap healthcare. It means accessible and can actually have middle-range pricing but simply add more value to defer added costs down the line. If you are presenting pricing to a client, start with what they can save or gain and then state your pricing, so that they may think holistically.

49) **Hold salespeople accountable to delivering on the network they claimed they had.** If someone says they are well connected and will bring in a network to justify their salary base or commission percentage, then their job description should say that X number of clients will sign up from their network. If that network doesn't become useful or they fail to produce X number of clients, then an underperformance conversation is easy.

50) **There are two types of salespeople: elephant hunters and volume salespeople.** Have different metrics for both. It's not complicated to hold salespeople accountable to industry-standard metrics like volume of calls and touch points and conversion, but elephant hunters can't simply have no accountability because hunting big fish is harder. Their metrics include volume of elephants being engaged, number of touchpoints face-to-face, volume of people at the company they met, pace of the sale, and size of sale being discussed with the client.

51) **Host competitions for your team.** Holding a competition the rest of the company watches with a prize, like 'best pitch presentation', does not mean you are creating a dog-eat-dog culture. It means that you are trying to get the juices flowing and especially, have other teammates outside a sales department give advice and opine on the company's pitch.

52) **Manage clean and detailed CRM data.** You need to know the status of every client you are emailing in order to know how to target them and coordinate between sales and marketing approaches without overwhelming them. This means spreadsheet management of client leads is inadequate, unless you are actually

having someone update a spreadsheet regarding whether they answered an email. There are tried and true professional CRM systems. Start with an affordable one and then move up as your organization grows.

53) **A signed reference letter is the next best thing to a public logo.** If it would be a large hassle to get a fancy large client logo on your website, get a reference letter signed by the contact that you can circulate privately. That usually does not need approval by their PR department.

54) **People will leave if the client keeps yelling at them.** People react to bad clients the same way they react to having a bad manager — they leave. It is your responsibility to create a healthy work environment, or know which accounts are riskier for retention.

55) **Beware of support, operations and tech departments treating clients differently based on salesperson.** The departments who serve the clients after the sale will have different opinions about the clients and the salesperson which may not correlate to the economic value of the client. Sense and correct informal haggling or, in the worst case, sabotage.

56) **A sale isn't celebrated until it is signed.** Celebrating small achievements along the way, such as "we got our proposal in to Microsoft!" is good, but label them what they are.

Subtle Behaviors that are Important Soft Skills

How you seem and how you think you seem could be vastly different.

57) **Do not visibly pick favorites.** You will always like some employees more than others. When you are going out for dinner with certain people and not others, or have certain inside jokes, you show a bias and other people feel it. Everyone should be invited.

58) **Be approachable, but assume you are not.** Try to be approachable! Even if you feel like you have an open door and are approachable, you're not. You're the boss. There are a lot of things that people will not say to you about each other. This means that if you do not have formal feedback systems, you will miss out on information.

59) **Appreciate gestures. Gifts follow gifts.** Employees and vendors will send you gifts. These are not usually excessive. Keep your gift ratio even so you do not incur a debt of favors. It's not too old-school for people to send each other things.

60) **Reserve airtime.** A good tactic if you are speaking with an interrupter is to tell them the number of points you have to make, even if you have not counted them yet. They will be less likely to immediately start talking when you take a breath.

61) **Set communication preferences.** Do you like being called, or are you better with email or text? Do you eat dinner between 5–7 or 8–9? In what format do you tend to raise problems, verbal or written? How public or private are you with feedback? Let people know what to expect and ask them these same questions.

62) **Be very clear that you are brainstorming not directing.** The CEO brainstorming out loud can actually seem like instructions to some teammates and they will run in the wrong direction.

63) **Timeliness starts with you.** People follow your lead regarding timeliness. If you are always late for meetings, your team will always be late. This will come back to bite you when you actually want to start on time.

64) **Don't lead every team meeting.** You need to be developing other leaders. Perhaps even your monthly town hall has a moderator that isn't you, and you chime in for the executive overview.

65) **Don't skip small talk. Just make it interesting.** Some leaders can get away with not having social skills. However, for most teams, breaking the ice is important. If the weather is a stilted topic, try food. Everyone has opinions about food.

66) **In general, it's better to move a meeting than to bomb it.** You manage through meetings, and they are generally expensive ways to use time. This means you should come in having done the preparation to make it effective and be in the right mental state. However, the exception is 1:1s. If you feel unprepared for a 1:1 meeting and have nothing new to say to an employee, the purpose of the meeting is for them to talk and for you to 'hold space'. Do not deprioritize people. They could have been

mustering up the courage to tell you something all day.

Fundraising

There is plenty online about this, so I am keeping this section short.

67) **PR is a great way to start fundraising.** Half of your fundraise is storytelling and momentum. PR is a great way to do it. It will take three months to do a proper PR campaign. You do not mention you are fundraising; you just generate the buzz. People will contact you or you can attach your press in your outreach emails as a way to legitimize yourself.

68) **Have a deck even if you are not fundraising.** People will opportunistically ask for it and you do not want to send anything half-baked.

Personal & Professional development

Greatness starts with you!

69) **Set expectations with your friends and family about what being an entrepreneur means.** You will be at less events, you may call them less, you may have less income for a while. Letting them know this ahead of time will help you avoid feeling inadequate or them feeling offended and neglected. They will likely understand and be happy for you and want to be supportive.

70) **Follow your own PTO policy.** Just because you don't need to get PTO approved doesn't mean you shouldn't alert people 2 weeks ahead of time. Create a coverage plan so you can relax without disruption for yourself or others.

71) **Don't get an administrative assistant if you don't know how to manage them.** If you feel overwhelmed and need administrative support, try technology solutions first. If it is a real person that you indeed need, ensure you are filling their time, tell them you are still learning to delegate well, or set expectations that they support many people instead. Else you'll feel stressed managing yet another person.

72) **Mentor your mentors.** As you develop as a professional, you are going to get good at things. This means that the roles may reverse between yourself and your mentors depending on the topic. It will be your turn to teach them something

sooner than you realize. You should also actively make your mentors business connections.

…ions require an extra day at home to reorient.** It is shocking t… syst… to g… om relaxation to a full schedule. Breathe and transition.

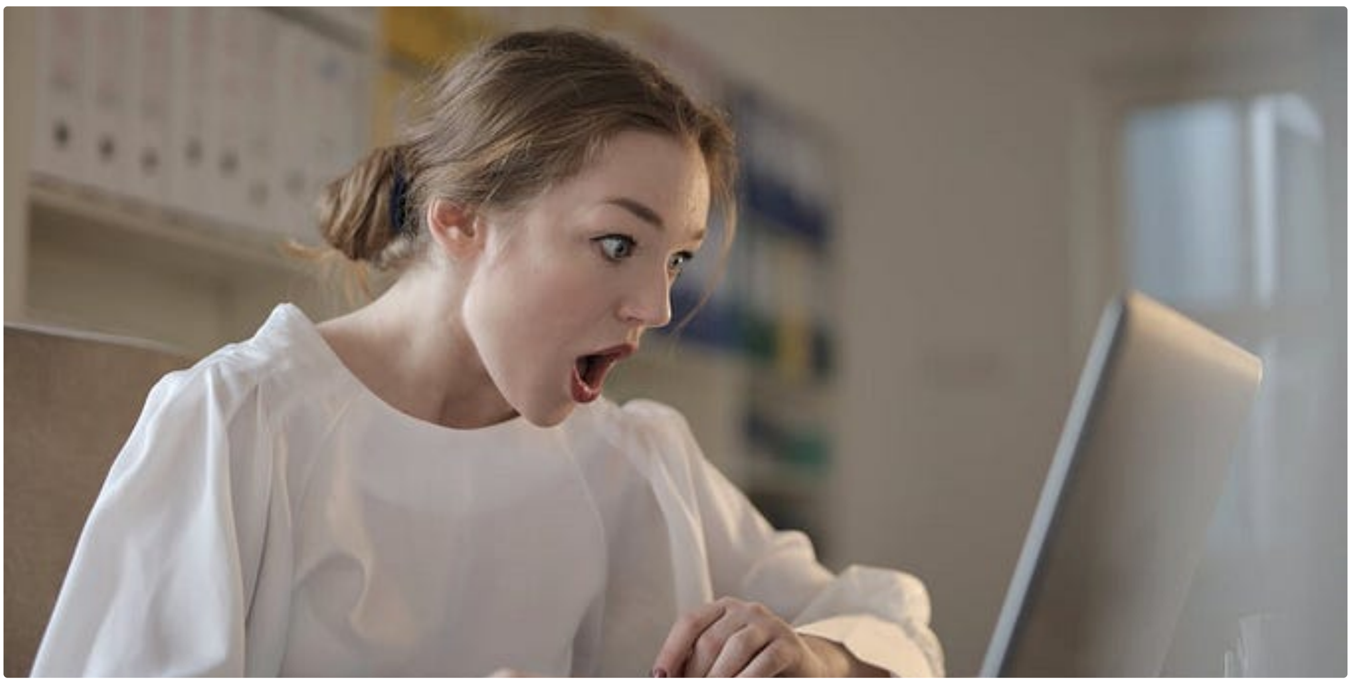
Written by Eva Allan

74) Most of your job is negotiating with people and convincing them. Here are the resources I found helpful:

- “The Catalyst: How to Change Anyone’s Mind” by Jonah Berger (Wharton professor)
- “The Art of Negotiation” by Chris Voss (lead hostage negotiator)

See all from Eva Allan

Recommended from Medium



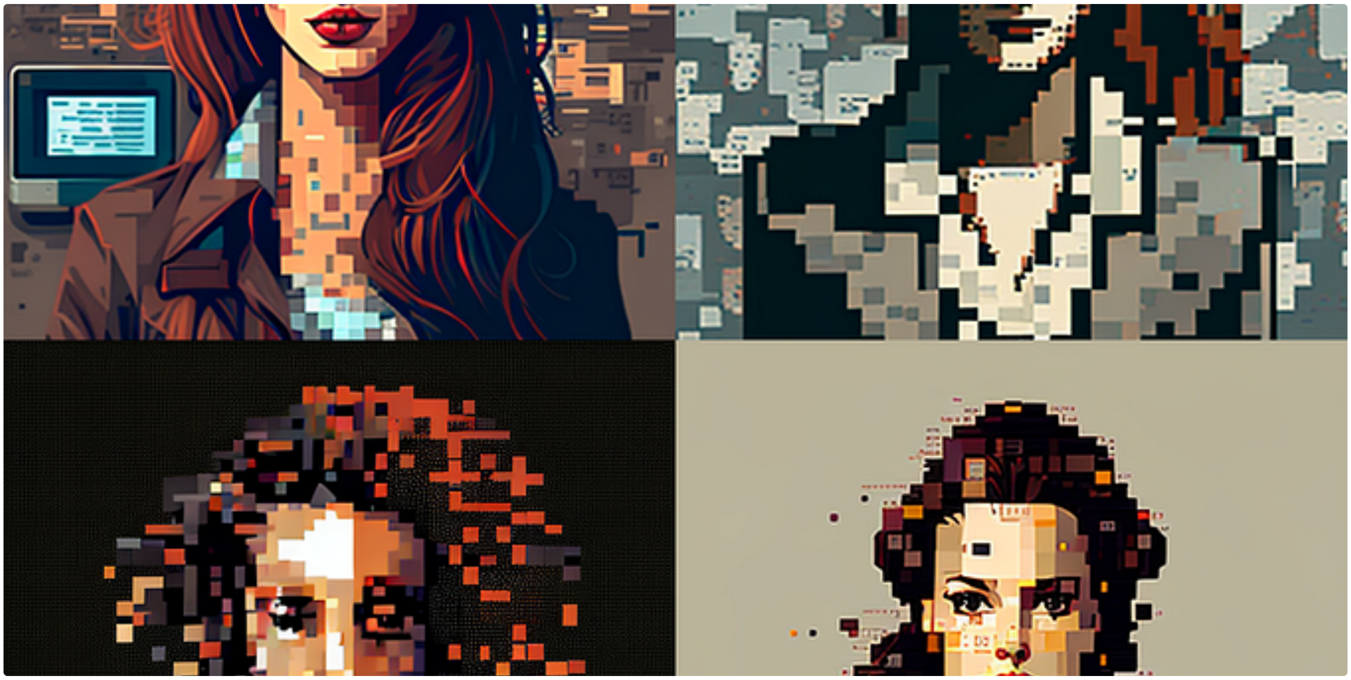
Aaron Dinin, PhD in The Startup

The 3 Skills You Didn't Know You Needed as an Entrepreneur

They're skills you won't learn about from a book, Google search, or ChatGPT.

· 4 min read · 6 days ago

650 12



Zulie Rane in The Startup

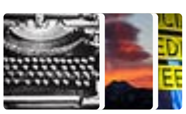
If You Want to Be a Creator, Delete All (But Two) Social Media Platforms

In October 2022, during the whole Elon Musk debacle, I finally deleted Twitter from my phone. Around the same time, I also logged out of...

· 8 min read · Apr 19

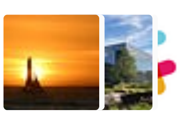
20K 360

Lists



Staff Picks

302 stories · 62 saves

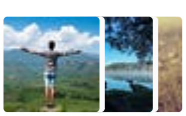


Stories to Help You Level-Up at Work

19 stories · 20 saves

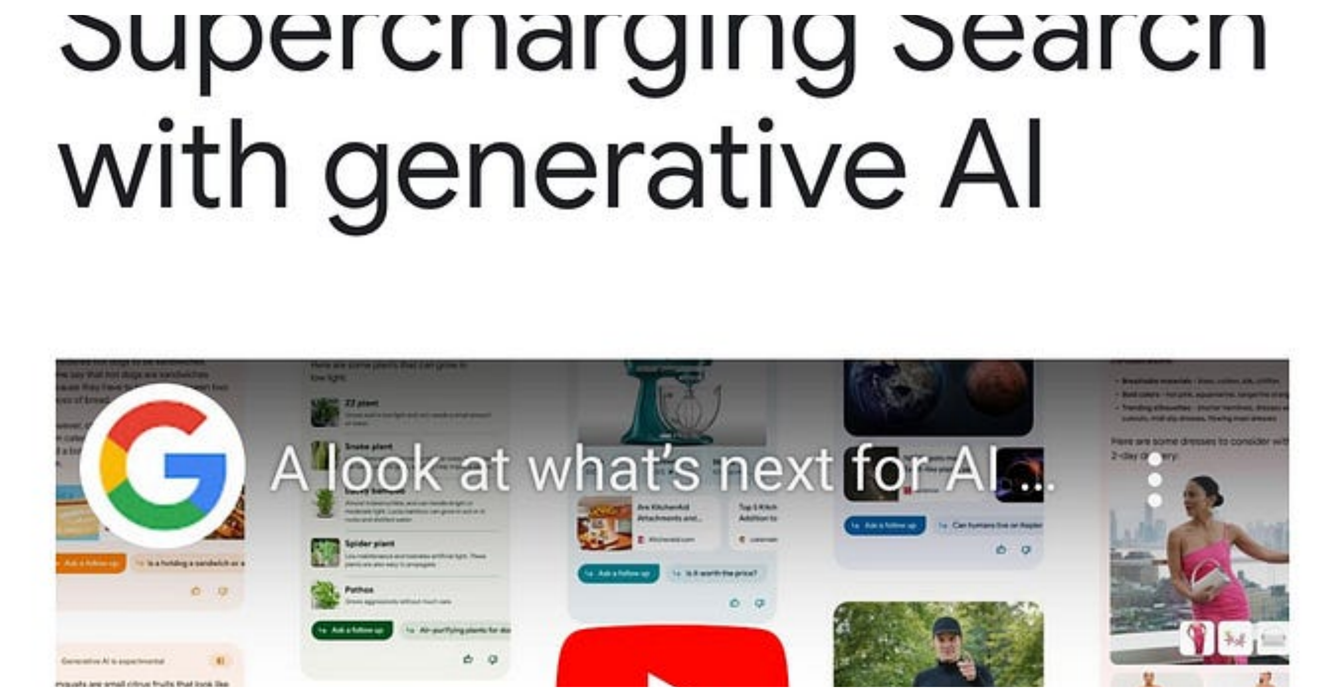
Self-Improvement 101

20 stories · 50 saves



Productivity 101

20 stories · 43 saves



Thomas Smith in The Generator

What Google's Generative AI Announcement Means for SEO

Google's Vice President & GM of Search, Elizabeth Reid, recently announced the incorporation of generative AI into its search engine.

· 3 min read · 6 days ago

802 11

Scott H. Young

10 Best Ways To Use ChatGPT (With Examples)

Tips on how maximize your work and school performance with the latest AI tool.

· 10 min read · May 8

1.6K 30

wordsmithwriter I Anshul

Notion's Dirty Little Secrets — Why I Kissed Notion Goodbye and Embraced a New Love

What happened to Notion? Why didn't it live up to its hype?

· 6 min read · Apr 16

1.2K 22

Cory Doctorow

‘We buy ugly houses’ is code for ‘we steal vulnerable peoples’ homes’

The pervasive, predatory sleaze of Homevestor, “the #1 homebuyer in the USA.”

· 8 min read · 5 days ago

See more recommendations