



# Book Ready, Fire, Aim

## Zero to \$100 Million in No Time Flat

Michael Masterson  
Wiley, 2008  
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### Recommendation

As a fabulously successful businessman and author, millionaire Michael Masterson certainly qualifies to advise budding entrepreneurs. You can’t help but be impressed by his accomplishments, and his enthusiasm and energy are contagious. Masterson’s basic premise makes a lot of sense: don’t wait until you’ve fine-tuned your product or service. Shoot from the hip. Fire before you aim. Don’t worry about being perfect – just get it on the market. Masterson explains that early in his career, he spent too much time tweaking newsletters instead of focusing on selling them. He uses his experiences to provide instructive lessons for the reader throughout the book. The problem is that Masterson – or anyone else, for that matter – can’t give you talent or motivation. If you have the ability and drive, however, *BooksInShort* believes that he can help you squeeze every ounce of potential from your business venture.

### Take-Aways

- Successful entrepreneurial businesses typically progress through four stages: “Infancy, Childhood, Adolescence and Adulthood.”
- Launching a business will require you to concentrate 80% of your efforts on sales.
- Regardless of your convictions, customers will ultimately decide the value of your product or service.
- Seek an “optimum selling strategy” for your product or service.
- Don’t wait until everything is perfect. Fire away!
- Treat every customer cordially, but save the royal treatment for your “big spenders.”
- You can turn outstanding employees into superstars.
- Try to know more about sales and marketing than anyone else in your firm.
- Innovation and brainstorming go hand in hand.
- Understand the difference between customers’ “wants” and “needs.”

### Summary

#### Building Your Business in Stages

Entrepreneurial businesses – regardless of the products or services they offer – experience four distinct growth periods. Each stage – “Infancy (zero to \$1 million in revenue), Childhood (\$1 million to \$10 million), Adolescence (\$10 million to \$50 million) and Adulthood (\$50 million to \$100 million and beyond)” – has its own difficulties, challenges and possibilities. The hard part is recognizing what stage your business is in, what it needs to do to progress to the next level and how to make that leap.

## “Stage One: Infancy”

Your offering may be the greatest product or service in the world, but if you don’t get it to market, it won’t matter. Many entrepreneurs commit a fatal error by not focusing their energy on developing an effective sales program. Spend at least 80% of your time on selling. Forget fancy logos and silver-trimmed business cards. Don’t worry if your product isn’t perfect – you’ll have plenty of time for tweaking and adjusting. The secret is getting it out there in front of the buying public. What you think about your product isn’t important; what really matters is whether your potential customers will buy it.

“If you fill your working life with really good people, the problems that usually hamper and plague a business at every stage of its growth will be easy to solve and will eventually seem to disappear.”

Many entrepreneurs – particularly those who are new and naive – envision themselves as CEOs who can’t be bothered with the mundane task of selling. They figure that their products will sell themselves. They are usually wrong. Approach a handful of people to see how they react to your product. Or, set up a table at a flea market, or host a party for close friends and neighbors. Establish early on whether your business has a chance.

“You don’t need a preponderance of natural skills to start or grow a successful business. What you need is a little knowledge and a handful of tricks.”

**The following factors will determine your “optimum selling strategy”:**

- **Customer base** – Are you targeting the man and woman on the street, individuals who shop at Wal-Mart or those who read *The Wall Street Journal*? How are you going to reach them? Until you establish your own niche, follow the lead of the industry leaders – advertise where they advertise and market where they market.
- **What’s for sale?** – Avoid the temptation to be a one-trick pony. Don’t allow only one product or idea to determine your fate. If you fall flat on your face, be prepared to make modifications. Sure, a few lucky souls strike gold with a single product, but many more entrepreneurs fail with that approach.
- **How much?** – Prevailing market prices are a good jumping-off point. Sell your hubcap polish for \$5.95 if that’s your competitor’s price. Initially, you may be able to attract customers with lower prices, but in the long run that strategy will reduce your profits. Conversely, you can lose customers if your prices are too high. Aim for the middle ground; make some money but don’t undersell or overvalue your product.
- **The message** – First determine the best way to reach the consumer. Whether it’s direct mail or a comprehensive advertising campaign, you need sharply written material that is concise, accurate and lively. A proven professional copywriter can turn your ideas about your product’s strengths and benefits into effective advertising copy. Dare to be different. Figure out exactly what makes your product or service unique and more attractive to the consumer. Even if your hubcap polish is essentially the same as your competitor’s, try to make it seem special.

“As an entrepreneur, you have to become your company’s number one salesperson – even if you fear or hate the very idea of selling.”

Although discovering your optimum selling strategy is vitally important, don’t overlook other pivotal components in launching a business. Find a mentor who can share his or her good or bad business experiences. You flatter people when you ask for their advice or opinions. The valuable nuggets of wisdom you pick up can be priceless.

## “Stage Two: Childhood”

Many entrepreneurs are comfortable remaining in Stage One. Their businesses are moderately successful, they make a nice living and the stress is minimal. These entrepreneurs aren’t willing to make any modifications in their stagnant businesses because that would be too disruptive and uncomfortable. However, you must embrace change to move forward.

“The best locations for your competitors will probably be the best locations for you, too.”

The crucial step in moving past the \$1 million mark is developing, introducing and selling new products. Although attracting new customers is vital, your growth depends on stimulating your existing customers. Give them reasons to buy your new products, and continue to make their buying experiences pleasant.

“Getting a business (or new product) started is like moving a stopped train. It takes a lot of energy to break it free from its stationary physics, but once it is put in motion it accelerates with relative ease.”

Innovation is not a job for one person. Brainstorming requires at least three people and no more than eight. Set a time limit – three hours maximum – for a brainstorming session and specify your goals. Decide how many ideas you want to generate. Focus on intelligent, practical suggestions. Allow for a free exchange. Avoid criticizing other people’s ideas. Don’t allow inventive ideas to die. Turn concepts into reality by insisting that individuals follow through with a product design or marketing plan. Indicate that you expect to see progress when you reconvene.

“The best way to spur growth is through innovation.”

You’ll probably have to convince your employees that change is positive. Most people will resist it because change means stress. Explain that growth is impossible without change and that everyone will benefit in the long run. Encourage input from all of your employees. Make everyone feel important.

“The price you charge for your product has a major impact on sales – an impact that is third only to the media you use and the appeal of the product itself.”

Execute new ideas quickly. Pull the trigger with confidence, knowing that you can work out the details later. Even if your new idea fails, you’ll save time and money by acting with speed. An existing customer base is a big advantage in testing a product or concept. Immediate feedback from trusted customers is enormously beneficial.

“Getting things going quickly is more important than planning them perfectly.”

**When you consider a new product, always weigh the following factors:**

- Will it work in your marketplace and be good for the customer?
- Are you being realistic about product costs and sales targets?
- Can you test the product?
- Do you have the right employees to execute the idea?
- Do you have an alternate plan? Are you prepared to bail out if you don't meet certain numbers within a specific time period?

“Your goal should be to have only two kinds of employees: stars and superstars.”

Resist the urge to chase a lost cause. You're better off dumping a poor seller and starting over than trying to fix the problem. Always strive to improve your products, even if nothing is wrong. Spend money to get better instead of trying to reduce costs. Keep your customers satisfied – they're your best salespeople.

“To bring in new customers in a competitive market, ordinary products won't do.”

Successful entrepreneurs understand the distinction between customers' wants and needs. Except for life's necessities – food, clothing, fuel and shelter – almost every purchase people make is discretionary. Consumers want a stimulating, rewarding buying experience. Give it to them.

## **\$10 Million or Bust**

Stage Two acceleration depends on the effectiveness of your sales and marketing strategy. Follow these basic tenets and your business will increase:

- **The customer is king** – Treat all your buyers with respect whether they spend \$5,000 or \$5. The foundation of your business is built on repeat customers. Keep them satisfied. Solicit their opinions. Make an extra effort to build relationships with the big spenders; they account for 80% of your sales. Big spenders want to feel special. Don't disappoint them.
- **Bad news is good** – Although customer complaints may be unpleasant, they help you improve your products and services. Don't take criticism personally. Encourage and appreciate feedback.
- **Create product distinction** – To stand out from the competition, every product should have a unique marketing identity. Market the differences as advantages and benefits.
- **Maintain your advantages** – Effective marketing requires constant monitoring. Bolster strong advertising campaigns and dump the weak ones. Marketing sustains and stimulates business. You can't afford to get complacent.

“Deep down, it's not about the features or even the superficial benefits of your products. It's about what the buying and ownership experience does for your customers.”

Every great businessperson understands the psychology of buying. People with money – the ones who account for 80% of your profits – make purchases because they can afford to and because it feels good. As a smart entrepreneur, your job is to create desire in your customers. No one really needs a \$20,000 Rolex. A \$20 watch from the mall kiosk tells time just as well. But an expensive watch made of gold and diamonds makes big spenders feel great. Create a stimulating purchasing experience for the customer. That feeling can be addicting, and can impel customers to return for additional purchases. Keep your high-end customers engaged. Make them feel special.

## **“Stage Three: Adolescence”**

Rapid growth is exciting and rewarding, but it creates additional headaches. Increasing your company's revenue from \$10 million to \$50 million will require you to enforce stricter controls. In the previous stages of development, you probably felt more in control. You established a close relationship with a core group of employees who shared your vision. As the company grew, you most likely had a direct hand in hiring people. But now you miss the personal touch. Your operation is much more complex. Managers bring in additional employees without your knowledge. You don't recognize half the people you see when you walk through the production department. Perhaps the quality of your products is slipping.

“Starting and owning your own business is – and always will be – the best job in the world. Don't settle for any other.”

Entrepreneurship attracted you partly because you railed against corporate culture. But your business could unravel unless you begin to treat it as a corporate entity. Hiring experienced managers can help you streamline your operations and find solutions to problems. Conservative by nature, corporate executives tend to keep a close eye on the bottom line, and to value consistency and efficiency – the perfect yin to your yang.

You may want to design an organizational structure that enables your corporate managers to assume the bulk of your administrative responsibilities. Allow them to run their departments and respect their expertise. You'll probably want to meet with each manager once a week, except for the person in charge of marketing. Since sales and marketing is your specialty, you should always be intimately involved in that aspect of the business.

As CEO, you will have to read reports. Keeping tabs on a \$50 million business is impossible without information. If your managers go to the trouble of researching and writing reports, the least you can do is read them. Failing to extend that courtesy sends a negative message and can alienate important managers from whom you expect maximum effort and performance.

Besides sales and marketing, a CEO's biggest responsibility is hiring the right people. Consider the financial benefits of having good employees and the financial liabilities of having poor ones. The difference to your company can be thousands – or millions – of dollars. Finding superstars is a problem – they're already employed. But turning really good employees into superstars is not that difficult. Star employees don't require coddling; they are self-motivated, take pride in their work and constantly look for challenges. They appreciate recognition.

**“Stage Four: Adulthood”** Only a tiny percentage of entrepreneurial businesses generate revenues of \$50 million. As a proud member of this exclusive club, you now have several unique options. You can remain CEO while drastically reducing the number of hours you spend in the office. Or you can step down and take on the role of adviser, sharing your expertise with your company’s executives.

Of course, you always have the option of selling the business, taking it public or using the company’s wealth to acquire other businesses. At this stage, you’ve earned the right to call your own shots. You can work as little or as much as you want. Then again, as an entrepreneur, your next challenge may be right around the corner.

## About the Author

**Michael Masterson**, a successful entrepreneur, is the founder of an e-mail newsletter with more than 250,000 subscribers. He has written books on wealth creation.

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