



Entrepreneur

Society of Naples



NOTES:

- **Thank you to Joyce Brown** for volunteering to be ESON's new Membership Director. Please see Joyce at our entrance table for membership information before each meeting.
- **Email membership information to:** esonmembership@eson.me

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VOLUME 1 ISSUE 2

APRIL 14, 2010

IS FRANCHISING RIGHT FOR YOU AND YOUR BUSINESS?

By: The Livingston Firm

Franchising your business is a great way to expand your business without the up-front capital, manpower, and time required when expanding through company-owned units. Furthermore, you get increased name recognition, greater buying power, market dominance and multiple new streams of revenue all while the franchisees are actually funding the expansion of your business. However, the process of franchising is usually quite long and involves considerable cost. Therefore, before deciding to franchise, you must consider whether franchising is right for your particular business and whether franchising is right for you.

mark. Therefore, prior to investing any further time or money, make sure that your trademark, servicemark and other intellectual property rights are secured. Another reason is that they are purchasing a business with a proven track record. Therefore, you should have at least a couple of profitable units beyond the first one already in operation before trying to franchise. Furthermore, you

Once you have determined that franchising would be appropriate for your business you must decide whether franchising is appropriate for you. In order to sell franchises legally, you must comply with numerous federal and state laws which require the preparation and registration of multiple documents which form the Franchise Disclosure Document ("FDD"). The FDD must then be filed with the Federal Trade Commission as well as with each individual state that has its own laws for selling franchises within that particular state. Even states that do not have franchise laws, including the State of Florida, have other laws regarding offering business opportunities and exemption filings and fees



Is your business unique? Is the concept proven? Are there teachable systems in place? Will the business provide an adequate return on investment? If so, your business may be apt for franchising.

There are several main reasons franchisees choose to purchase a franchise rather than starting their own business. First, they are buying the rights to use an established trademark or service-

mark. Therefore, prior to investing any further time or money, make sure that your trademark, servicemark and other intellectual property rights are secured. Another reason is that they are purchasing a business with a proven track record. Therefore, you should have at least a couple of profitable units beyond the first one already in operation before trying to franchise. Furthermore, you should research the marketability of your business beyond your "home state" to make sure that consumer demand exists beyond your current location(s) for what your franchise has to offer. In addition, your business needs to have operating systems and procedures in place that can be easily taught to others in a short period of time and that are easily uniformly enforced. Finally, the business must be able to generate an adequate return on the investment.

with which one must comply. It can take months to obtain approval in all states and costs can exceed \$100,000.00. Therefore, your company will have to have the financial resources to undertake the endeavor. Furthermore, your role in the business will be redefined. Rather than being involved in the operation of your business, your time and energy will now be spent marketing your franchises and ensuring the success of your franchisees. (franchising: con't page 4)

Advisory Chair for:
Internet and Technology



Marcus P. Zillman

Entrepreneur and The Internet

In writing my latest eReference Companion I quickly discovered that the Internet offers the Entrepreneur a vast reservoir of both research and intellectual properties that will be of constant use. These resources will allow the “newbie” Entrepreneur as well as the “seasoned” Entrepreneur to gain an entirely new perspective with regards to knowledge discovery and idea creation.

Online tools offer the capability to collaborate and to create an entrepreneur virtual office suite of tools and resources to aid in the

conquest of the entrepreneur’s mission and goals. In today’s fast paced global business environment the entrepreneur must have all the tools available to stay current in his/her business activities to make the key decisions that will drive the business to the threshold of ultimate success! Constant change is “in” and the Internet is the tool to make things happen ... not on a daily ... not on a hourly ... but on an “as needed” and immediate time basis!

The best and most exciting part of this scenario

is that new business applications called “mashups” are being created at exponential record rate that will even make what was complicated or impossible to do just months ago ... available now! Instant gratification is now the buzz word for needed business entrepreneur software and online applications where the Internet is the operating system that can be accessed from any computer, laptop, or cell phone anywhere in the world! This is truly the Entrepreneur’s time!!

Advisory Chair for:
Thinking for Success



Helena J. Sturnick

Are You a Pit Bull Entrepreneur?

My pit bull, Kali, fiercely understands the power of Focus. Every morning, she races out the doggy door to chase the squirrel she loves to hate. The squirrel shoots up a Palm tree, and Kali waits at the base of the tree quivering with total focus, every cell aligned to her purpose of catching that critter.

This story animates the dynamic of absolute Focus and unshakeable absorption. Here are three suggestions for establishing and keeping your Focus.

Tip #1: A Clear Mission Statement Is a Strong Focusing Tool. This important topic will have wider discussion in the next

ESON Newsletter. However, for now it is enough to say that the Mission reminds you of **what, why and how** you are creating your business--a template for success and strategic decision-making.

Tip #2: Put First Things First. Keeping alive your passion for your Mission means not allowing anything or anyone to divert you from it. Attractive ideas come and go, but most of them are distractions to your real purpose. We can be open to new opportunities without chasing White Rabbits down innumerable dark tunnels. Hard, concentrated work creates effective outcomes, and focused priorities make a difference.

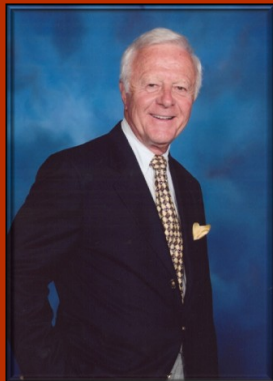
Tip #3: Use Your Focus to

Make Good Choices.

Your time, energy, money and Self are commodities to spend wisely. It pays to ask ourselves: Does this choice bring me closer to my passion? Does this choice help me hold my Focus? Is this choice the most effective use of my resources? Does this choice serve my Mission and my purpose?

To return to Kali—her tenacity, total focus, dogged determination, and enthusiasm to start every day with her passion intact can be a vivid reminder about strategic Focus. She reminds us to go for it!

Advisory Chair for:
Funding & Capital



Gene Landrum

Advisory Chair for:
Marketing & Media



Theodore L. Farah

Find an *Angel* with Passion for your Idea

Having worked with three men who raised \$200 million in venture monies it soon became apparent that they never got the bucks without numbers that justified the investment, but the investment was never made unless the investors were totally immersed in the idea and were deeply passionate about the opportunity. History shows us that investments are very patterned with the first money coming from family and friends followed by Angels, then VC's or Investment bankers and then a public offering (IPO). Remember, angels never want to invest unless they believe the principles are so deeply involved financially and psychologically, that cannot afford to fail.

The *Family & Friends* investment cycle is typically about

\$50,000 - \$250,000 of seed monies. These funds got them through the Beta and Market testing stage where the risk is mitigated. This is followed by an Angel money stage or SBA loans of \$200,000-\$500,000. They expect a 3-4 year exit opportunity with a 10X return on their investment.

are



by

and

Investment bankers who are only interested in \$2 - \$5 million investment opportunities.

They must see an 18-month window to an IPO with a 5X-10X return on their money.

The initial public offering game is over \$5 million of public money. *Studies show that only about 3% of Angel private placements get funded and about 12% of VC's.*

They followed VC's

Dr. Gene preaches, "*Bears* make money, *Bulls* make money, but *Pigs* seldom make money," so be very careful of your inner motivations. Getting funded usually comes down to a 'greed' vs 'fear' game. It is the underlying variable on whether new entrepreneurial ventures get the money or not – the greed potential must exceed the fear of whichever group you are chasing. In the early stages go after equity not debt despite the leverage that exists in the later! Why? If you use debt and you don't repay it they own your company. If you use equity and you don't pay dividends they don't have lunch with you again.

Marketing a Way of Life

Marketing is a way of life and a fact of the business life. Fortunately, there are many options available and marketing is only limited by one's imagination. Simply stated, marketing is the distribution, promotion and direction of your business' products or services to your customers or potential customers. Marketing activities start with the selection of the business name and its products and continues through every action taken including the location of the business, interaction with the customers and budgeting limited resources for

use in and around the business. Marketing is communication at varying levels and by the very nature of the act of communication it is imprecise. What works on one day may be completely ineffective the next. In a nutshell, marketing helps your business and its products become more visible, more desirable and a great deal more profitable.

One thing is for certain in business as well as in marketing, to be successful one must have an organized plan for getting the word out and connecting with potential customers that their business

exists and what it provides in the way of products or services. To accomplish this goal, remember the basics commonly known as the "four P's" or the marketing mix which is product, price, place and promotion. More on the basics in future articles along with the integral marketing detailed techniques like market position, push and pull marketing, business life cycles, internal and external marketing, market research, reach and frequency and the list goes on.



ESON.me

Meeting Location & info:

Neighborhood America building, 3rd Floor
2210 Vanderbilt Bch Road Naples, 34109
2nd Wednesday every month
(6:30 pm—8:30 pm)

Mailing address:

Organization & Membership Info:

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Next Month's Meeting (May 12th)

Guest Speaker: Helena J. Sturnick

Spike Your Thinking: Expand Your Creative Powers

Your work and your life are, to a great extent, your own creation. The most recent findings of the New Science, especially in physics, provide solid research substantiation for the fact that our thoughts have energetic power to change our realities. To make conscious use of this knowledge opens us to greater potential to choose the life we want to live and to make that happen. As the saying goes, *Change your thinking, change your life.* Dr. Sturnick will discuss processes and tools for helping you effectively empower your own mind to create Success.



ESON Mission:

Creativity, Mentoring & Success Outcomes for Entrepreneurs

Franchising (con't)

If you have done your homework and are prepared to make important decisions regarding how your business will operate as a franchise and you are willing to redefine your role to become an effective salesperson and marketer, then franchising may be right for you.

Franchising can provide rapid growth for your business allowing smaller businesses to compete with much larger competitors

all while reducing overhead. However, turning your business into a successful franchise involves multiple business and legal decisions that will dictate the success of your franchise for years. Therefore, finding an attorney that specializes in franchising as well as intellectual property and business law is critical.

The Livingston Firm specializes in all areas of intellectual property law in-

cluding patents, trademarks, copyrights, trade secrets, franchising, litigation and business law. As the largest full-service intellectual property law firm in Southwest Florida with over forty years of combined experience, The Livingston Firm can be there to assist you from beginning to end with all of your business, franchising, and intellectual property matters.

Our Paths are Not Preordained

By Gene N. Landrum,

Unfortunately, we often believe, whether deluded or not, that we are predestined to live the life of our heritage. So many people work in fields they disgust, in a place they dislike, and with people they can't stand. We do have a choice and most of us wake up far too late recognizing that we are

the real masters of our fate. Many hate what we are getting. The Wall Street Journal wrote on this saying: "If you have a gene with some purported effect, that effect depends on the environment in which it is expressed. Without the right environment a gene is useless." (WSJ April 22, 2005 p. B1, Sharon Begley)



our inner vision of our destiny, or the destiny will continue producing what it has been producing and we will continue to

All About ESON: Where Entrepreneurs support Entrepreneurs and their businesses (2nd Wednesday Every Month)