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Interview with Robert Reiss
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ROBERT REISS

The Early Years

I grew up in the Bensonhurst section of Brooklyn. Both my parents worked. They taught me a strong work ethic and a strong sense of morality. They also taught me to never, ever complain about anything in life. I had a brother who was three years younger than me. We grew up in a very competitive environment. We weren't aware that it was competitive since that was just the way things were. Sports were everything in our world. We had millions of street games in front of the house. Basketball was the big sport, because in Brooklyn we didn't have the big playing fields, so everybody played in the schoolyards. Three-man basketball was the game all weekend long. In the winter you'd shovel the snow away and play. The deal was that you played three-man ball and if you lost you got off the court. Winners stayed on. If you lost, you might wait two hours to get back on the court. The games were very competitive. We also learned how to pick our partners. To have a winning team in three-man ball, you need a good shooter, a good rebounder, and a good arguer. I was the shooter.

Since my parents didn't give us allowances, I had lots of part-time jobs during my high school years. I worked as a soda jerk; I made sandwiches in a restaurant; I was a messenger in Rockefeller Center; and I worked in the hat- and coat-check rooms in Broadway theaters. I started doing summer jobs after my junior year in high school. Luckily, I was a pretty good basketball player so I was hired at resort hotels to be a waiter. I worked as a waiter and played basketball two nights a week. The basketball games were entertainment for the guests. The owners did well because we were still amateurs, so they didn't have to pay us. At the resorts, I learned how to work with people. My salary as a waiter was one dollar a day, so I was dependent on tips. I quickly learned that if you remember people's names, it helps improve your tips. I had a whole week to learn about people's families and get friendly with them. It was a very good way to develop my memory. It was good practice for being an entrepreneur, because when you start your own company, you really want to learn everything about all your employees, even the lowest-level employee.

I went to Columbia University for college. While I was there, I really didn't have much time to myself. I hate to admit it, but I had absolutely no social life in four years of college. I was on a tuition scholarship, but I had to work for everything else. I had all kinds of part-time jobs and I played basketball on a winning basketball team. In fact, during my junior year we were undefeated and third in the nation. My real goals in college were to make sure I never cut a class, to see how much I could learn while I was in class, and then to cram. I got through. I was able to get Bs, but I don't think I really got into the learning spirit. What I learned was a great sense of time management, because there's never enough time in life to do everything you want to do. As you get into working for a large company, or into building your own business, you're always going to be fraught with time conflicts. You are dealing with the business, the growth of the business, the survival of the business, and, at the same time, family. How do you make room for everything? You can't, so you've got to be very efficient with your time.

From Columbia, I went into the Army for two years. I was drafted into the Korean War, so I had no choice. I must say I had a great experience in the Army playing ball.

The HBS Experience

The only business school I wanted to go to was the Harvard Business School. Former classmates at Columbia who went to the Harvard Business School raved about it. I visited a couple of times and I fell in love with the case method of study. I thought, "That's the only thing for me. I don't want anybody lecturing me anymore." I decided, "Why not learn business? They teach it very well." I thought the case method was a much better way for me to learn. It reproduces real-life experiences. It also makes it much easier to stay awake in class. There's interaction between you and the professor. Also, there are no answers, which threw a lot of my classmates, but which I thought was more like real life. There was no real answer for some of the questions. You could have a winning company with many different strategies.

Being in Harvard Business School was the first time I really had a learning experience. I was able to concentrate on learning. I had the GI Bill, which covered tuition, and during my first week in school I worked at two jobs. Somehow the Business School found out. The school called me in and told me, "You really don't want to work. You want to get the maximum benefit out of this school." I just laid out my finances and, on the spot, they loaned money to me, which I paid back after I graduated.

I don't think the MBA helped me as much as it did other people, because I went into small business right away. I didn't work for a large corporation. Now, when I visit the school, I tell students that when they graduate with a Harvard Business School degree, they might not want to flaunt it by telling people. Most people have a negative reaction. They think you are going to take their job. I never told people I was a graduate of Harvard Business School until they had a chance to get to know me. Then it was very helpful to me if they found out—being an HBS graduate was a real asset. Of course, if you're going to work on Wall Street, it's very important that everyone knows where you earned your MBA. If you're going into small business, it's not such a great thing to tell everybody. I wouldn't deny it or anything like that, but I certainly wouldn't flaunt it.

Being at Harvard helped me build a sense of confidence. I had doubts about whether I could keep up with the academic workload. By doing it, I realized, "OK, I'm smart, too." Also, I was a very shy person and I learned a lot of good communication skills at the Business School. There are 100 people in a classroom and speaking up in a class that size was pretty intimidating to me. Fortunately, we had to speak up so often that I got over being intimidated. Communication through the written word was another very important learning experience at Harvard—particularly the WAC or Written Analysis of Cases class. I hated that course most, but I got more out of it than I got from anything else I did in school. We would get an assignment at 9:00 a.m., and we had to deliver it to the library by 11:00 p.m. that night. There would be crowds along the way waiting and rushing. The analysis could be no more than one typed page or you flunked. You had to think it through and get to the heart of the matter. That was a good experience.

Early Career

I knew I didn't want to work for a large company. At the Harvard Business School, small companies do not come up to interview, but they did post job opportunities on the bulletin board. I answered one of the ads for an assistant to the president of Venus Pen & Pencil Company. About five minutes into the interview, I turned him down because it looked like it was a staff position. After four years of college, two years of service, and two years of business school, I didn't want a staff position; I wanted a line position. I wanted to do something and be responsible and I told him so. He said, "I have an opportunity you probably won't like." He gave all the reasons I would not like this opportunity. He explained that the company had developed a machine that personalizes pencils, but they didn't know how to exploit it. "We'd like somebody to start that division, build it up, and come back to the parent company at the end of three years to recommend whether or not to close it or expand it."

Everything he portrayed as a negative was a positive to me, because he was really telling me, "Here's a chance to start your own business and I'm picking up the tab." I negotiated an incentive-based salary. I didn't ask for a lot of money, just a livable wage and a percentage of the income I generated, rather than a percentage of profits. It's usually easy to get such a deal when you're starting from scratch. If a business or division is established, it's hard to get that type of deal. At the end of three years, I was making more money than anyone else in the company. It was a great learning experience. I reported to only the CEO and I could draw on all the key people in his company, such as the advertising people, for anything I needed.

Of course, it was a little difficult to tell my parents that, after four years of college and two years of graduate study in Ivy League schools, my first job was selling pencils. Once I got over that, the job was terrific experience for what I wanted to do, which was to learn how to start a business.

Finding the Opportunity

At the end of three years, the CEO offered me a job at the parent company in Lewisburg, Tennessee. I was a single person living in Manhattan and enjoying it, so there was not enough money in the world to get me to move down there. I made a counter-proposal that since I was the only person who understood the business, we continue our relationship with me as a sales representative who had an exclusive right to sell his product. He agreed and I started a rep business with a friend of mine who was involved in selling for a larger company. We kept our business for fourteen years.

We worked on a national rather than a regional basis. We took on product lines and acted as the national sales manager for each company. Accordingly, we brought a little more to the table than just getting orders for our clients. We helped them develop their product lines.

One day, a very distinguished gentleman came to me. He had a lot of experience in the toy business. He had developed a decorative chess set based on ancient Rome. The set was beautifully made. The gentleman wanted us to represent him. He had done his homework in the marketplace and he wanted only us to sell for him. I turned him down. I didn't see how a chess set could be a very big line. He came back to me a second time, a third time, and a fourth time. Finally, I thought about how persistent this man was and how I like that quality. I said to him, "I'll tell you what I'll do. Give us no contract. Let me put some sets in Macy's and Gimble's in New York City. Let's see what happens. If it works out, we'll write a formal contract and take the line national."

We put the game in the stores and we were shocked at the sales figures. It sold very well just on its beauty. We learned subsequently that people bought chess sets because it implies something. When you see a beautiful chess set on a coffee table, it means that you are in a house of intellect. You don't have to be a chess player. It's similar to why Bibles are the best-selling book in the country every year. It doesn't mean most people read the Bible, but if you walk into someone's home and you see a Bible, you'll say, "There's a religious person."

We became a big supplier of chess sets. The second year of the chess set was the Fischer-Spassky match and the country went wild for chess. We were sitting with most of the placement. We had 100 percent of the placement in J.C. Penney's catalog. We probably had 60 percent in the Sears catalog, about 80 percent in Montgomery Ward, and department stores all over the country were running only our sets. When Fischer-Spassky took over America, we couldn't make chess sets fast enough.

The chess sets were our introduction to adult games. We didn't sell them in the toy department but in the stationery department of department stores such as Sears and J.C. Penney. This was the beginning of the adult game classification. The only major company that was involved in the category was Minnesota Mining, which had invented bookshelf games. They had the bookshelf games and somebody came out with round puzzles. We became the dominant rep for adult games and we started adding on other kinds of products that could be sold. Most of the products we added challenged your brain or your dexterity. That was what we looked for. Three-dimensional tic-tac-toe, for instance, was a very good seller because it looked good on the coffee table, and it also played well. You had to use your brain to play these kinds of games. Eventually, we dropped all our other lines to concentrate on adult games.

Selling the Sales Rep Company

Eventually, we sold our company to Paragon Needlecraft. They had a lot of money and were a recreational-type company, as we were. They saw that needlework was going down in the long term and that our company was a good deal for them. We thought it was a good deal for us because we were able to capitalize. It's very hard to sell a rep company and really unusual, because people *are* the company. Paragon Needlecraft gave us stock in the company, but we couldn't sell for two years. I stayed with the company for more than five years. At the end of two years, the stock was practically worthless because women were going into the workplace and didn't have time for needles and such. The department stores, which were Paragon Needlecraft's biggest market, were going to drop the category totally.

During all this, we built up the game division. Instead of repping games, we built an 80,000-square-foot factory in California. I learned that I never want factories again because after two years I realized that I could get those games from overseas cheaper and at better quality with none of the headaches that come with a factory. Eventually, we had the games made overseas. We not only saved money and eliminated OSHA and benefits issues, but we also turned the game division into a total variable cost instead of a big fixed cost. That way, if we had an off year, we weren't stuck with the fixed costs of a factory.

Eventually, the parent company got into financial trouble and asked me if I would run the needlecraft company. I said yes because I thought it would be a new experience. It was very challenging. I didn't know the first thing about a latch rug or any of the knitting things, but I learned quickly. I had some very interesting experiences, but the job really wasn't right for me, so I left and started my own company.

Building R&R

When I started R&R, I was surprised at how many potential names are already taken in this country. R&R was good because I was in the toy-game business and the name connotes leisure. Also, R&R are my initials. The full name of the company is actually R&R Recreation Products Inc.

R&R was not a typical start-up company. I started it to survive. I had quit Paragon Needlecraft because I had great differences of opinion with the CEO and I was on the Board of Directors. I had nothing planned, so I just started a company, though I wasn't sure what I was going to do. I could see myself doing some consulting. I don't really like consulting, but it's a way to get some money to keep living. I had just been married and had a young daughter, too, so I needed income. Since I had been a national sales rep, I decided to build a very strong rep organization. I hired what we called sub-reps in the local areas around the country. I had a big advantage because I had great relationships with reps around the country, I had great relationships with lots of buyers and I understood all the channels of distribution.

Most reps specialize. By being a national rep, I had learned all the channels. Some people sell just to gift stores, some just to mass merchandisers, some just to the military. Many reps are very narrowly focused, selling just to K-Mart or just to J.C. Penney. I had experience in selling through all these channels and I saw how one channel impacted the other. This was a very valuable skill to those who wanted to take a consumer product national. I knew how to do the sequences of introduction between channels. That's what I brought to the table.

One of my first jobs was as a consultant to a major national distributor of adult games out of Milwaukee. They controlled all the adult games for J.C. Penney, Sears, and Montgomery Ward in the stationery departments. They were the sole supplier. I helped them select items, which I enjoyed doing. Then Target came in and gave my client part of their stationery department. I helped out by showing the client that they could make more money as not only a national distributor, but also a manufacturer of proprietary items, which can get much bigger margins than buying and reselling for other people. The Milwaukee client got me back into the game business.

The Trivial Pursuit Bonanza

I had no restrictions placed on me, so if I saw an opportunity to make a product—and I saw many opportunities over the years—I went into it. Back then, if you went into a department store and looked on the directory, you would see that Adult Games was a department by itself. It was within the stationery department, which was a main-floor department with high traffic. We were a dominant player in a smaller field. In toy departments, the highest price-point of the board game was $9 or $10. Today it's completely different. All the games are merged together.

Trivial Pursuit really changed price-points in the toy department. It started out very big in Canada. I would compare the Trivial Pursuit brand development to the brand development of Coors beer. Coors beer was a regional beer in Colorado. People would go ski in Colorado and come back to New York with Coors beer like they had gold. If you had Coors beer, wow! The same thing happened with Trivial Pursuit. When people would visit Canada, they would come back with Trivial Pursuit and everybody wanted to go over to their house and play. There was a marketing relationship we all knew, which was that for every game sold in Canada, at least ten would sell in the United States. I think they sold a million units in Canada that year.

Clearly, there was a great opportunity for Trivial Pursuit and it broke all the barriers for games. For example, Monopoly retailed at $9.95. Trivial Pursuit came out at $39.95 retail. Trivial Pursuit also broke all the rules of packaging. It had no graphics and no printing on the side, just the logo. It broke all the rules, and word-of-mouth publicity and playability were so great that we saw it coming. We actually tried to get the rights to the game. Parker Brothers and Bradley had turned it down—so much for the great research of large companies. Eventually, the makers of Scrabble got the rights to the game. When they first brought it to the United States, the game didn't do so well because the parent company is not a heavy promoter. But then the game just started to take off on its own.

In addition to the general Trivial Pursuit game, the makers put out their first specialty game, which was Trivial Pursuit: Movie Version. As soon as that game hit stores, it occurred to me that in the game business, when something gets hot it can explode in this country. When they made a movie version of Trivial Pursuit, I started to think that we should go into the trivia game business. I sat down with two of my best reps in New York, and we started to brainstorm. One of them came up with the idea of television. That immediately made sense, because the average family spends about seven and a half hours a day watching television. Television was a subject we wouldn't have to explain to anyone.

I had decided to construct a trivia game about television. I knew the toy business well enough to know how treacherous it could be. I also knew how beautiful it could be, and is even today, when someone comes out of nowhere and hits a home run with the bases loaded. We didn't need a lot of money, because we were going to take a different approach from the big companies who heavily advertised. At that time, R&R consisted of just me and a secretary in a small New York office.

After more brainstorming, my reps and I felt that the only really big name in television was *TV Guide*—it had a circulation of eighteen million. I think the only magazine that had comparable circulation was *Reader's Digest*. *Time* magazine probably had a circulation of six million versus eighteen million for *TV Guide*. That gives you an idea of *TV Guide'*s power, which was an entrepreneurial company 100 percent owned by Mr. Walter Annenberg.

Allying with *TV Guide*

In my mind, we had to get *TV Guide* or there was no business for this game. All our contacts and relationships and knowledge in the toy business couldn't make up for us not having *TV Guide*. I needed its credibility in the marketplace and I was after free ads in *TV Guide*. I had dealt with magazines in the past and I know they don't sell all the space all the time. For them to give me an ad doesn't cost them any money. In fact, it's a lost opportunity, if they can't sell 100 percent of their ad space. And it certainly doesn't cost them what they charge since profit is built into the rate card. Advertising in *TV Guide* was a great way to go, especially since most of the big accounts I wanted to sell, such as the K-Marts, Wal-Marts and Targets, sold *TV Guide* in their stores. They knew that their customers were reading *TV Guide*.

I wrote a "cold-call" letter, and I know from past experience that it had to be short or nobody would read it. I wrote to *TV Guide*'s publisher, Eric Larson, and I got lucky. Within the week, the assistant publisher, who used to work on *Time* magazine, called me. He was a very nice guy, and we had a pretty extensive phone conversation about the game idea. From that conversation, I learned that this game would be the first license *TV Guide* ever gave out. They were interested and asked me to put a proposal in writing. I put two options in the proposal: one in which *TV Guide* manufactured the game and I became the sole sales representative for it on a commission basis; the other in which R&R manufactured the game or supervised its manufacture through another shop. I put a projection in the proposal, which was for 500,000 games. I had to be sure the number wasn't too low or else they wouldn't bother with it.

With the proposal in hand, they asked me to visit with them in Radnor, Pennsylvania. I brought a gentleman named Alan Charles with me. Alan is a professional game inventor with whom I had worked before when he invented a game for *Time* magazine. I helped him market the game and we were pretty successful with it. Inventors and creative people often want to butt in on the business side—just like doctors who want to tell you how to run your business. I told Alan, "You be quiet. I'll give you your cues. When he talks about how we're going to approach the game and the play value of the game, then it's your floor. But for business things, keep quiet. Don't even try to figure out where I'm going."

There were five people in the room. *TV Guide* was a well-run company and had a very narrow management team. Eric Larson was there and he is a dominating presence. He's about 6'6", 300 pounds, with a deep voice. His assistant was there and the advertising manager, I think. We were having a nice discussion, back and forth about the industry and where we saw this game. In the middle of this discussion, Alan Charles says, "I think we should have a joint venture." I kicked him so hard he was bleeding. I interrupted and said, "Excuse me, Mr. Larson. Alan Charles does not speak for me. I think a joint venture would be horrible. I'm not interested in a joint venture." Eric Larson saw life exactly as I did. At that moment, we knew we were on the same page. He said, "I agree with you. I don't like joint ventures. Let's keep talking. Forget the joint venture." It was an accident that Alan spoke up, but it really helped because I think Mr. Larson and I created some kind of bond.

We were discussing the deal and we came to the two options I had presented in the proposal. One option meant that *TV Guide* became the manufacturer of the game and I would guide them through the process and be their rep. I knew they wouldn't want to make this first choice. The second option was to give me the game to manufacture and I would pay *TV Guide* a royalty. I had long ago learned that when you're negotiating with people you're just meeting for the first time, you can't play a lot of games. And I was under a lot of time pressure too because I knew we had a fad item and a brief window of opportunity. So I laid everything on the table right away. I had to be immediately transparent. I had to be very fair. An analogy for the best way to be fair is when you have kids fighting over who will get the biggest piece of cake. You just tell one kid, "OK, you cut the cake in half, and the other person chooses." That solves the whole problem.

So I gave them two options and they got to choose. Most people think that if I've written a proposal, it's skewed my way—that's generally how every contract is written in America. By giving someone options, it puts the person at the other end of the table at ease. That's why I did it. I also knew that in a million years they wouldn't take the first option. How could they develop the game? Would they use the person in charge of editorial? Besides, *TV Guide* is a weekly magazine with its own time pressures. They aren't going to hire somebody when I have just told them that the game is a fad item, with a brief window of opportunity. Also, they know nothing about the business. They'd be totally vulnerable. Why would they put up their money? According to the second option, they would put up no money and only collect. If the game fails, they wouldn't lose a penny.

Larson called me the next day and said, "We want to do the deal. The only thing I have to do is get approval from Mr. Annenberg." Of course, I was dying. I had this tight time schedule. It was November and I had to prepare a prototype for the American Toy Fair the first week in February. Not only that, if *TV Guide* was like other major corporations, it would take us six months to get a contract, and I couldn't line things up until I had a contract.

The first reason for the tight time frame was that we knew this was a fad item. Trivial Pursuit was taking off and everybody else, like Bradley, Mattel, Parker, and the small and medium-sized businesses, was developing their own games. They weren't going to sit by and let somebody else take this huge category away. I knew about companies that had started already, but I knew we could move faster. The second reason for the time frame was the major toy fair in February, at which all the big buyers in the country come to look at a product and start early planning for the fall. The department stores work a little bit later, and you can go to the gift stores in the summertime for the fall season. But if you want to be in the catalogs, you need to be early. There was a huge time pressure.

Many of our moves were based on this tight time pressure. For example, when *TV Guide* asked me for references, I gave them thirteen names. I couldn't give them just one or two names that I carried around in my hip pocket. I had to give them a range of contacts. Building trust is a long process. You can break trust in one day, in one moment, but it takes a long time to build. We didn't have a long time. *TV Guide* called all thirteen of my references in one day. They didn't waste any time. They understood me when I explained the time constraints. I got very strong recommendations from a pretty wide range of people. I guess my references were pretty enthusiastic, so I came off very well.

When they asked me at *TV Guide* how long I thought this could last, I told them a year. They thought I was absolutely crazy to bother. Of course they didn't understand the economics for a small business like mine, which had no overhead. They didn't understand my economics, but they went along with the deal. I was, in fact, wrong about the window of opportunity. It actually lasted only eight months. It turned out that by the end of the year, there were eighty different trivia games in the country. The country was flooded with trivia games. Anyhow, we knew it was a very short venture going in.

The question I am asked a lot is, "Why did *TV Guide* do the deal?" An outsider would tell you they did it for brand exposure. True. But they didn't really need a lot of brand exposure. They already had the exalted position next to the counter in every supermarket in America. Everybody knew what *TV Guide* was. It wasn't like a new company. Also, there was no risk to them. I was putting up all the money. I didn't ask them for a penny. In the advertising community, which is a major source of *TV Guide's* income, they were perceived as a low-income type magazine. My proposition put names like Bloomingdale's, Lord & Taylor, and Marshall Field's in their magazine ads. It was very appealing to them to show advertisers that a more upscale audience was reading *TV Guide*. From their point of view, I had fit a very interesting strategy into the proposal.

The second reason they agreed, which everybody overlooks, is that I got high up in the organization. When they're running a good company, the top guys have more time than you think. They delegate work so that they can focus on big issues about the future. They can also get pretty bored. The game deal included a fun factor. People working in big companies have a private life and a family. When they go home, they're in the real world. Nobody's kissing their ring and the kids are giving them a hard time. With the game deal, they could look forward to coming home and having their own game of *Trivial Pursuit.* They could be smarter than their kids, because they created the game and already knew the answers. The fun factor was a major issue.

Also, the timing was right, my references checked out, and we had good chemistry. Luck was a part of it too. *TV Guide* liked the idea of working with a small guy, not a big company, because they were entrepreneurial themselves. Luck played a part in their decision and I have to let my ego accept that it wasn't just me and my brilliant idea. Also, new product development is like scrabble. You add your letter to a word and you get credit for your letter plus the whole word. You build on the ideas of other entrepreneurs. In this case, we built on the ideas of the Trivial Pursuit game.

I never met with Mr. Annenberg, but he got emotionally involved. Once he approved the project, the publisher would call me and say, with some embarrassment, "I know you're busy. But could you tell us what the sales are this week? Mr. Annenberg called from London and wants to know." I thought it was interesting that this man, who was a billionaire many times over and had lots of things to do, wanted to know how the game was selling. He wanted to know because his name was on the game. We were selling the *TV Guide* name. The game package was covered with old *TV Guide* covers. By using the *TV Guide* covers we also had all these famous people on the package.

In my mind, Mr. Annenberg's interest proves the point that there were emotional factors included in the decision, not just concerns about money, No matter what I paid *TV Guide*, it was a drop in the bucket of their overall profit figures. In fact, three years later, Annenberg sold *TV Guide* to Rupert Murdoch for $3 billion in cash.

Putting the Key Players Together

The first key player I needed to develop a game was a game inventor. I used Alan Charles. You can buy his services for $10,000 to $15,000. Rather than giving him anything up front, I gave him a 5 percent royalty up to X amount of units, and then his royalty would go down to 3 percent. At that X amount, I would be increasing my royalties to *TV Guide* to get the free ads. Inventors worry about getting paid; they get hung up a lot. Because of previous business experiences, Alan and I had trust between us. He wasn't new to me, so he felt he could trust me to pay him. I had two reasons for setting up his compensation the way I did. First, I wouldn't have any up-front costs because I didn't have to raise any money for him. I stuck with total variable costs, no fixed costs. Also, I needed him to drop everything in his life and finish this game within a tight time frame. At the end of the day, he ended up with about $240,000, as opposed to a $10,000 to $15,000 fee. In addition, I think I'd be able get him away from an island vacation anywhere in the world if I were to tell him that I have another proposal like the one he had on the *TV Guide* game.

The second key player I needed was someone with money. I didn't think I needed a lot of money, but I still needed someone to finance the venture. Originally, I thought I could use my reps. I had seventeen rep organizations around the country and most of the reps did very well. They were the cream of the crop in their territory, which meant that they had plenty of money. They would easily have put money into this game to become part owners. Also, I had learned that if you have the choice, work with people who bring something else to the table besides money. If you don't have the choice, then you just have to go with money, but it's much better to get people emotionally involved who can bring other skills to the venture. The reps would be highly motivated to drop everything and sell the game. But I decided against inviting the reps to invest. It would have been like having seventeen partners. I would go crazy. They would be calling me every day and I would have to take the calls. I decided that I could motivate the reps to sell the game in other ways.

Sam Kaplan, who was about sixty-five at the time, ran a small advertising agency. He was also a marketing consultant for Swiss Colony. Sam had done a lot of work for me over the years, and we had a long-time relationship. I thought he was really smart—not just in advertising, but also in marketing. He had a lot of things that I wanted. First of all, there was a paper shortage. He was in the paper printing business through the agency and created direct mail response vehicles for oil companies and others. As a result, he took positions on paper. Working with Sam meant there was no paper problem. My plan was that Sam was going to handle all the detail—all the billing and collecting—and he would coordinate with the factory. He agreed.

Next, I formed the company Trivia Inc. to manufacture and produce the *TV Guide* game. Sam and I were fifty-fifty partners in the company, rather than the whole venture. The idea was that Trivia Inc. would have a contract with R&R, which is my company, to sell the *TV Guide* game for a 20 percent commission. Bottom line is that we weren't equal partners, which is what I wanted. I felt we were being fairly compensated for what we brought to the venture. After all, it was me who came up with the idea, sold it to *TV Guide*, obtained the license, and sold the game in the marketplace.

And Sam didn't have a lot of risk. In the beginning, the artwork was done in house at Sam's ad agency, so the cost was low since we didn't have to buy services. Sam developed the catalog sheets, the ad, and the graphics for the package, all in house. What I really needed, as far as financing, was the first run of the packages. Sam didn't have to put up money, because he had a super credit rating. With his credit rating, he was able to get net sixty days and I was selling on lower terms, so we were in positive cash flow after the first run. In this business, anyone who makes games in anticipation of getting orders is a fool. In fact, that's true in most consumer product businesses.

Anyway, there was no way I was going to make a production run until I had orders in my hand. As a result, there was not much risk. Our first run was 200,000 games, but when I printed the first run, I already had $3 million in advance orders just off the prototype game. In effect, pre-selling took most of the risk out of the equation for Sam. At the end of the day, his profit came out to $1 million on this deal even though he worked less than a year on a part-time basis. Plus, the work was a lot of fun. It was also exciting—more exciting than the agency business. Getting involved with a hot product is an exciting venture for people.

Having Sam as a partner freed me up to do my part. I had to trust him, because he was handling my money. There are not many people I would trust to handle my money, but we had this long relationship and, because of the time constraint, I needed to be free to sell full time—I could hear the hoof beats of the competitors developing their games. What was happening was that *Trivial Pursuit* could not deliver enough product. They had such a backlog that it took them a year to figure out how to make their game in huge quantities. The year we went to market, we filled in whenever *Trivial Pursuit* couldn't deliver. As soon as we were ready, we started shipping. We were getting orders off season. In the beginning of May, we were getting calls from Toys 'R Us asking, "Can you get me a fill-in order of 15,000 games?" One store wanted 15,000 games, another wanted 10,000, and another wanted 5,000. I knew *Trivial Pursuit* would eventually figure out how to deliver. In the meantime, I had to make hay.

To sell the game, I needed my reps to drop everything and go out quickly. They did so happily for a couple of reasons. First it is very hard for them to get a hot item to sell. The big companies have most of the hot items and they don't use reps anymore. Also, the smaller companies that come up cut out all the reps as soon as their item is hot. They start cutting a rep's commission and the rep's territory as soon as their item becomes popular. They say, "Oh, we're going to make this a house account." I was a rep for many years so I understood this. It's a terrible mistake for a manufacturer to cut out the reps because reps will come back with a vengeance to sell competitive products and put a manufacturer out of business.

In that case, why would I mind paying the reps a lot of money? In some instances, I helped the reps make sales but I wouldn't give them any less commission. I knew a rep could maximize a sale because he could go behind the scenes to get me the best ads and displays. He could find out the sales results quickly, and if they were good, he could bring them to the buyer's attention for reorders. The reps do many of these things that are really valuable. Also, instead of paying reps the normal 5 percent in mass merchandise, I paid them 7 percent. They had their incentives, and I, once again, had variable costs, with nothing due up front.

Next we needed a factory. I knew public warehouses because I'd used them before, but Sam Kaplan had the best one of all. Swiss Colony was in the business of shipping foods. As a result, it had a big operation that was seasonal. They only used the factory for about four weeks a year. Since they had this big factory the rest of the time, they decided to expand and take contract work for other people. Swiss Colony was dying to get started with other people, so they charged us very little money. They had these big shrink-wrap machines, which we needed for what we were doing. They were charging us a quarter a unit, so we shipped all the goods to them and they assembled the package, shrink-wrapped it, and put it into a shipping container. We sent Swiss Colony the order and they shipped it out. They also did the billing for us, using our invoices and making checks payable to us at Sam Kaplan's location. It was a good deal.

Next we had to figure out a way to check credit. Lots of bad debts occur in the toy industry. We had no infrastructure, so we had to figure out who was going to check credit. I knew about one company and Sam had had dealings with them. Most people go to so-called factors, companies that handle credit checks and guarantee payment, because they want money quickly. In fact, when you create a receivable, factors will give you the money the next day. They'll give you anywhere from 75 percent to 85 percent of the receivable. At the same time, they guarantee the bill will be paid. So they checked credit for us. We had to get their OK before we could ship. What we did was to tell them ahead of time to check the accounts we would pursue. They would come back to me and say, "All these are OK, except number twenty-one. We won't ship to that person." Or they might flag number twenty-two and say they would allow credit up to X amount only.

More important than the credit checks, factors let us sleep at night. As soon as we made a sale, we were guaranteed payment. If our customer went out of business, it didn't matter since the factors had to pay us. They also did a lot of paperwork for us. They would give us a summary every month when they billed us and they would tailor the reports to appear as I requested. I could order the reports in a format that would essentially produce my commission statements and royalty statements for the whole country. As a result, I could avoid that paperwork.

Reflections on the Venture

Many people think that I took on most of the risk in the *TV Guide* Game, since if the game didn't sell my reputation would be soiled. I don't think that is true at all. As long as you keep your promises, you'll be OK if a product doesn't sell. That's why stores have markdown books. If I had promised an ad and I didn't deliver that ad, then I would soil my reputation. If I said I was going to ship June 1 and I shipped September 1, my reputation would be soiled. If the product quality was not as it was supposed to be, it could hurt my reputation. But if I keep all my promises and the item just doesn't meet consumer acceptance my reputation wouldn't suffer. Sam Kaplan didn't take much risk either since his money was not at stake until we had the orders.

The one who took the most risk was *TV Guide*. Even though they didn't put up any money, they had already spent a fortune earning a great reputation and brand name. Generally, the one who has the most at stake can lose the most. *TV Guide* had this big company going and they could have lost it. I've talked with them about this and they don't think they could have lost in the deal, but I think otherwise. What if we messed up? We made sure the quality of the game was OK but what if the questions and answers were wrong? It would reflect poorly on them. Nobody ever heard of R&R, but *TV Guide*'s name was all over the package. The way they minimized their risk was to handle the questions themselves. They actually had their employees come up with the questions. I would have preferred to do the questions, so that I could control timing. Instead, I was totally dependent on them. So one of my big risks was that they wouldn't have the questions done in time. But they did.

Another thing we did to mitigate their potential risk was specific to the magazine business. In the magazine business, issues that are not sold by the end of the week, when the new magazine comes out, are returned to the manufacturer. In other words, sales are guaranteed for the retailers. In the toy business, we sell on final sale. If the customer buys the game and can't sell it, tough. Potentially, if my game wasn't selling, the retailers might send the games back to *TV Guide* along with the magazines that didn't sell. *TV Guide* didn't want to be in that kind of dispute with their customers. So I promised we would not load product in the stores. For example, when we sold K-Mart, we gave them a full-page ad just for themselves. They had 2,100 stores. So we put one carton in each store. We had just twelve games in each carton. That's certainly not loading. If I wanted to load, I could probably talk stores into taking seventy-two games per store, but if the games didn't sell, I would have had to take a lot of goods back. It turned out that we probably sold as much, or more, on reorders than we sold on the opening order.

Anyway, I still feel *TV Guide* took on the most risk because they had the most to lose. I don't think anybody else had any risk.

Near-Death Business Experiences

When I was running the Paragon Needlecraft Division, I was faced with a real crisis situation. We were a public company, listed on the American Stock Exchange. The company's business was dropping off sharply because women were going into the workplace and not buying the Needlecraft product anymore. The company was just moving into a new place, so we were in a tremendous cash crunch and we couldn't pay our bills. We needed cash for the game division, which was growing. I decided that the best thing to do was talk with a bankruptcy attorney. He could tell me the pros and cons of bankruptcy and how I could do it quickly. The chairman of the company was aghast at the suggestion that I would talk to an attorney and we had this big battle going internally. I said, "We have to do something. I don't see a plan for quickly turning around the business. We can't pay our bills. We can't keep stalling people forever. It won't work."

The chairman wouldn't agree to it. I said, "My deal when I took over the needlework division was that I'm running it. You can't tell me what to do." I said, "I have an appointment with a bankruptcy attorney next week at this time in my office. I'm not going to do anything. I just want to know my options. If you want to attend, fine. If you don't, I'll summarize it for you." Obviously, he came to the meeting. I remember the attorney said that if we went bankrupt, we would be in the Cadillac of bankruptcies. In other words, it was the right time to do it. Of course, none of us wanted to do it. It's expensive to go bankrupt because the lawyers want the money up front. The only way I could figure to get out of the situation was to go public with the problem and tell our big customers that we had financial problems. That was my solution and the chairman went nuts. I did it anyway. I went against him and I'm sure that hurt me later, but I learned more lessons by doing it.

At the time, Needlecraft's biggest license was with Disney. In those days, Disney didn't have many employees. They had a very nice guy named Pete Smith who ran all the licensing in New York. I called Pete for lunch and said, "Pete, I'm in trouble." All the contracts were boilerplate licensing. If a company went bankrupt, the business partner could take away the license. All our competitors had wanted the Disney license for years. They were going to Pete and saying, "Listen, whatever they're paying, we'll double the guarantee." But Pete wouldn't do it. He was a loyal guy. He said to me "Well, I've heard about your money troubles and I'm glad you called me to sit down and talk." What I asked was that since I didn't owe Disney any royalties and since Disney was key to my survival, would Disney not exercise the clause to take away my license, assuming I went bankrupt. I explained that I was doing everything I could to avoid bankruptcy, but I wanted his promise, just in case. He said, "You've got it, because you came forward."

Then I went to some of our biggest suppliers. I went to J.C. Penney where I had twenty five games in the Christmas catalog. Now this supplier had made his decisions for the Christmas season back in March. He put his catalog together and if I didn't deliver twenty-five items, he would lose his job, his boss would lose his job, and all kinds of problems would follow. I explained, "I've got financial problems, but I have a solution. All I need is for you to go along with me. A lot of your orders are basic renewals. You know your needs. What I want from you is your cooperation. I want you to tell me what your needs are and give me the orders early. Then, as soon as I send you the bill, pay me. That's all I want from you. In return, if we have to declare bankruptcy, the chairman of our board will put up an amount of money in escrow, based on your projection, by issuing a letter of credit to buy the goods outside so you won't get caught." I did this with every major account and everybody stepped forward, gave me big orders up front, paid me up front, and we never had to file for bankruptcy.

I probably learned more from that experience than anything else I have ever done. And I learned how important relationships are in the long term. I learned that when you're in trouble, you have to lay it out on the table because the customers are going to find out. You can't keep a secret in the marketplace. If you can't pay your bills, everybody knows. The news spreads like wildfire because there's a tremendous underground among suppliers. We talk to each other. People don't think so, but we do.

As far as near-death experiences with companies and products, I had lots of companies and products that didn't work, but I didn't lose a lot of sleep over them. For example, I once did a joint venture with some friends who owned a picture frame company. I had an idea to license and picture frames. My first license was with *Time* magazine. We would take an acetate cover of *Time* magazine, put it in the picture frame, and the consumer would put their picture behind the acetate so that they could be Man of the Year, Woman of the Year, Baby of the Year, or Graduate of the

Year. We extended the product line all over the place. *Time* gave us a license and free ads, and we went on to get licenses and free ads from nine magazines. I had *Sports Illustrated*, *Cosmopolitan*, *Bon Appetite*'s Chef of the Year, and *Playboy*'s Playmate of the Year. Magazines were calling me and asking, "Why don't you do my magazine?" It was great.

The initial selling was phenomenal, but the sell-through was horrible. Nobody bought it. The product was in stores since we sold it to the mass merchandise department stores and gift stores. We were also on QVC and Home Shopping Network and in mail-order catalogs, Sears, and J.C. Penney. One of the big problems was with my partners. As soon as the orders start pouring in, they started creating inventory. Everybody loved the concept and they made nice frames. Unfortunately, they started stocking up for reorders based on the initial orders. That's a big mistake. One of my big lessons from that business is that you don't make inventories until you see customers buy it and reorder. It's the reorder, not the initial order, which counts if you're going to have sustainability in the marketplace. We could have made a lot of money on that venture, even though it failed, if we had made no other inventory in anticipation of reorders. Instead, we made so much inventory that we took a huge beating and lost the profits we'd made on the initial orders.

Advice for Entrepreneurs

Trust takes a long time to build. I had good trust relationships with people. Take Sam Kaplan, for example. He was my advertising agency for a lot of years. When he sent me a bill, I paid it on time. One of my cardinal rules in our company is to pay bills on time, a directive that must come from the person running the company. Financial people will try to do what they think is good for the company by holding off on payments for cash flow. That's a big mistake. All you're doing when you hold off on a payment is taking someone else's money. You can negotiate for better terms so that you are getting their money with their permission, but just taking it is not the right thing to do. I want people to perform services with perfect quality for me. I demand quality, but in return, I pay the bills on time, not even one day late. Paying bills on time has a tremendous cumulative effect.

In addition, you want to keep your word. Let's say you tell somebody to do a project and then you decide that you don't need the project any more. You have to call that person and ask if they have done any work yet. You have to find out if they have expended any costs. Then you have to pay for the costs expended. If you have a good relationship with the person, he won't charge for the whole contract. He'll charge for only the amount he expended. You've got to pay for it cheerfully, not reluctantly, because you created the problem.

To build relationships with the reps, we never cut their territory. We never cut their commissions. We never took accounts away from them and brought the accounts in house. These are the three big evils of the rep business. It happens all the time. We never did that, so the reps knew they could go work hard and reap the full rewards. Most reps will not tell you this, but they have a limit to how much they'll sell for any one manufacturer. That's because they're afraid that if they go over the limit, the manufacturer will take the line away. Right or wrong that's what happens. Reps won't tell you they do this, but I know because I was a rep. If I was making too much money on an account, I could see the manufacturer's tears on the checks.

Relationships are built over time and you're going to make mistakes somewhere along the line. But you must acknowledge your mistakes immediately. Don't play hardball. Bring the information forward. If you make a mistake and someone hasn't found out yet, the best rule is to call him up and tell him, "I made a mistake." As a result, the issue becomes a non-issue because you volunteered the information and a solution. Being straightforward will help in the next negotiation. There is a tomorrow with everybody. If you're going to treat people poorly, you'll pay for it eventually.

On Risk, Opportunity, and Innovation

I don't like to own a factory. I prefer to use public warehouses. This gives me greater flexibility, mobility and converts a fixed cost to a variable one. The *TV Guide* game scenario exemplifies this.

A lot of my businesses were not planned ahead of time. I just saw an opportunity and innovated to make the opportunity a reality. With the *TV Guide* game, I saw opportunity because *Trivial Pursuit* was doing so well and I figured there would be a trivia explosion. Then we came up with the ideas about how to take advantage of that opportunity. The same process was repeated in many of my other businesses. For example, I developed a line of magic products, which was very successful. I had been reading the reports on best- selling books, which I do to look for ideas, and we saw lots of magic books showing up. I was always fascinated with magic and, at the time, Doug Henning had a lot of publicity surrounding his magic show that was coming to Broadway. We saw an opportunity. I felt that magic was not only for young kids but also for adults. A quick investigation of the marketplace showed that every city had one magic store and lots of novelty stores. But the products weren't very good and the packaging was bad.

Our goal was to develop a line of magic where you could read our instructions and, within fifteen minutes, fool people with the trick. I went to magic school because it was easier for me to learn magic than to teach a magician marketing. I went with some friends of mine and it was fun. I hired the magician who was teaching the class. I told him, "You've got to give me tricks that people can learn quickly." We wanted the tricks that made people say, “Wow!” It turns out that sleight of mouth is just as important in magic as anything else. So we gave people patter and told them that they should eventually develop their own patter. Then we performed many innovations in marketing our magic line. I actually got magicians to perform for free in J.C. Penney stores. I probably did my best marketing on the magic line. We became a dominant player in the country off this one simple idea.

On Dealing with Suppliers

The importance of suppliers is one that I think most manufacturers miss. They tend to think that they don’t have to worry about suppliers as long as they are buying the goods and paying the bills. Manufacturers think suppliers will do whatever they want them to do. It’s kind of an intimidating relationship in which manufacturers think the suppliers should take them out to theaters and buy them gifts. That’s all wrong. I don’t care what your business is, unless you’re totally vertically integrated, you have to depend on suppliers. I don’t know anybody who’s totally self-sufficient. If you make your own product, you need packaging. You need someone to ship the packaging. You need packing materials. You need all kinds of things that will come from other people. If you’re making things, you have to buy components. There are bad suppliers and good suppliers. When you discover good suppliers, they are golden and you can build your company around them. They become a key asset in your company. There’s no way I’m going to let a supplier buy me dinner without me buying them a dinner. I don’t want my suppliers buying any of my people Christmas gifts. We should not be beholden to suppliers because we should have the complete flexibility to change vendors if the supplier does not perform. We should hold suppliers to high standards, but we should treat them like gold.

How do we treat suppliers like gold? First, follow the cardinal rule: pay your bills on time. That works more than anything else. The guy that pays his bills will be treated well right from the beginning. Sometimes there can be short supply. When that happens, whom do you think the suppliers will ship to? Suppliers can be the key people for you in your expansion plans. If you’re successful, one of the problems you might have is that you can’t get money fast enough. Your money gets tied up in inventory and receivables. How do you get this additional money? You really don’t want to go to venture capitalists and give up big percentages of your company so soon. How do you get the money in the short term? You can get it from your suppliers. If you have built up a good relationship with your suppliers, you can get permission to change your agreement from net thirty to net ninety. I know people who carried their whole expansion by getting better terms from suppliers. Anyway, to build good relationships with your suppliers, you not only pay the bills, but you also keep suppliers in the loop all the time. We used to have off-site meetings with our salesmen and other key people. We would invite key suppliers to at least those parts of the meetings that might affect them. Relationship building with suppliers makes a huge difference, which most people don’t realize.

Suppliers are also in a position to keep you in touch with all the new technology and other developments in their field. If competitors are coming into your territory and you're friendly with your suppliers, they are going to tip you off. You also want them on your side when it comes to pricing. For instance, if you're dealing with a box supplier, there will be a huge price difference in the cost of production runs depending on whether you order a small quantity or a large quantity. But if you have a good relationship, you might be able to order the big quantity and pay that price, but not receive the shipment all at once. If you have a good relationship with a competitive packaging business, they'll do that for you because they know you're good for it. Suppliers can be a really important part of your survival and growth when you treat them right.

Summary Reflections

It's a very elusive thing when you start to talk about success. It's almost like beauty—it's in the eye of the beholder. Everybody's going to define success differently. I think the key message is that you really have to define your own success. You cannot let your environment define success for you, which is what I think most people do. Success is not having a big house because the other guy has a big house. Success is not belonging to a club because everybody else belongs to the club. Success is not having a Porsche because everybody around you has one. If you're going to define success in those terms, you may not ever achieve it. I also think that success is a moving target. When I got out of school, I felt that if I could earn $10,000 a year, I would be set for life—I could live the great life forever. Ten thousand dollars a year is a little different today.

I often hear entrepreneurs say they're going to separate their business and their personal lives. That looks very nice on a piece of paper, but it never happens. Entrepreneurs just need to accept that business and personal life are intertwined. They should try to concentrate on where their business and personal lives intertwine because eventually they'll want to break out, like when they decide to sell their business. Some people have a tremendous amount of problems after they sell a company. They don't know what to do with themselves. There's a huge void that money can't fill. They didn't realize how intertwined the spheres of their life were. Entrepreneurs have got to be aware of that.

To be aware, ask yourself what you want out of life and what will mark success for you. Ask yourself how you can control your life and your success. I'm still not sure what I want to do when I grow up. That's one of my battles now that I have more free time than I've ever had. I have too much free time. I can't play golf all day and tennis all day. The question goes back to why people want to be in their own business. Before they start, they should write down the reasons and then revisit them, because the reasons and goals will definitely change. For me, I liked having my own business because I had freedom of choice. Although, as Professor Amar Bhidé says, as an entrepreneur you have the freedom to decide which sixteen hours of the day you will work. I thought that was terrific. Having your own business doesn't mean that you will work less hard but, if I want to work thirty-six straight hours and then take thirty-six hours off because I have an important thing to do, I can do it. I don't need anyone's permission.

It has been important for me not to have politics in my life. Politics can be debilitating. I see people spend so much of their time in an organization with politics. There's nothing constructive about it. I like to live in a meritocracy. When you're on your own, it's a total meritocracy. You have nobody else to blame for your success or your failure. I keep my organizations very small. I like to pay a living wage and provide huge incentives, although big bonuses create problems too: people start to depend on the big bonus and forget the concept and it's hard for many people to accept that there's not so much to share if we've had a bad year.

Biggest Accomplishments

My biggest accomplishment is probably my family. That would be number one. My biggest personal accomplishment was writing my book, *Low Risk, High Reward*. The hardest thing I ever did was to write a book. I believe it's much easier for me to start a company than to write a book. Going through that whole process was a lot of sweat and tears, and it was a lot of fear because I knew it would be my one and only book. I was nervous about putting my name on something and having a bad product.

I think the book came out OK. What we're trying to do in the book is demystify the belief, which the media portrays, that all entrepreneurs love risk. As Howard Stevenson would say, we've never seen anybody wake up in the morning and say, "Oh, this is a nice sunny day. Where can I find risk?" That's crazy. The opposite is true. You don't want it. You avoid it. That doesn't mean you shouldn't accept risk, but you should do everything you can to mitigate it, minimize it, share it, and avoid it, all within the framework of timely decision making.

But you also can't get so paranoid about things that you don't make a decision. One of the key things in entrepreneurial success is to timely decisions. You're better off making more mistakes and timely decisions than letting opportunities continually pass you by. In the book, we write about many of the things entrepreneurs can do to minimize risk and share it. One is taking on variable expenses instead of fixed expenses. Another is testing the product. I see so many young people with business plans to go national or global. They don't even know if the product or the concept works. They should test it locally, small. Do their research. Do their homework.

Also, take in partners who can help you in ways other than just providing money. Everybody thinks, "I need somebody for the money." Entrepreneurs should want somebody to partner with for knowledge. If you're a young entrepreneur, you want mentoring. Taking steps like this helps you to run a better business and reduce risk. Mentoring is very important. It's the wild card for young people. When I teach the *TV Guide* game case, students will always say, "I could never do this." They're right. They couldn't do the *TV Guide* game if they were starting right from school because they wouldn't have built the relationships that allowed me to move so fast.

When you're young, you have other things you can do, like asking people for help. It's pretty hard to ask for help when you're old. You're supposed to know some of the basic things. A young person can ask, "What does a factor mean?" or "What is a rep?" When you're young, it's perfectly acceptable to ask those questions, so try to get mentors. When I interviewed entrepreneurs for my book, they all said they were able to find a mentor who really helped them through, early in their career. I've had coaches that helped me. When I was in the pencil business, I had a senior guy in the sister company who took me under his wing. He helped me get started in the right way. He taught me some good stuff. I also had good coaches who helped me in school.

And then you've got to know how to deal with mentors. Many people don't know how to do that. For example, they never follow through. Kids call me all the time and I put them on the right path. I tell them who to call for information. Then I never ever hear from them again until they're in trouble. I don't really want to talk to them the next time. The smart person keeps me in the loop and will at least send a note to me letting me know that they talked to the person. Sometimes I introduce entrepreneurs to people and I never hear something simple like a thank you for the introduction. Thank you and please work a lot in this country.

Overcome Your Fear

If you're about to start your own business, you've got to have a passion for whatever it is that you want to do. We can't teach passion; we can teach everything else. If you have passion and you do your homework, don't let fear of failure stop you from going into a new business. Fear of failure is the number one reason people don't go ahead in starting a business. They're just afraid to pull the trigger. They start analyzing what the fear means. There's the fear that the business won't succeed and the fear that their ego will be damaged. At least in your head, you've got to separate the two fears.

Many people won't do things, like a sales call, because they're afraid they'll be turned down. Ego shouldn't be a concern. Every rejection is a learning experience. You deal with the fear of a business failing by doing all those things I spoke about to manage risk.

There is risk in everything in life. Don't let fear of failure keep you from moving ahead. All of this advice is also good for someone who is in an entrepreneurial situation in a large company. People don't want to pull the trigger. A buyer doesn't want to buy a new item, because if it doesn't work the boss is going to be angry and not give them a bonus. Many entrepreneurs don't pull the trigger because of a fear of failure. I would tell them that they've got to learn to accept the fear and get over it. Once they do, life is better.