

A Business of One's Own

SETTING THE STAGE

A ship in port is safe, but that is not what ships are built for. Sail out to sea and do new things.

Admiral Grace Hooper

It was called the “Breakfast for Champions,” the annual fundraiser to benefit the Commonwealth Institute, a non-profit organization that helps women develop entrepreneurial skills and expertise. On this particular June morning in 2001, more than 1,000 women gathered in the grand ballroom of Boston’s Fairmont Copley Hotel to network and to honor women entrepreneurs.

Virtually the entire “who’s who” of the women’s business community was there, as well as investors, lawyers, and others who work with and support women-led businesses. And there was a contingent of aspiring entrepreneurs, eager to make new contacts and expand their networks or to meet potential investors for their enterprises. As the program ended, people left their tables and collected in loose, swirling groups: greeting old friends, making new ones.

We were just getting up from our table. Individually, we each have successful track records as top executives working in fi-

nance, consumer marketing, and manufacturing. Collectively, we call ourselves 8Wings Enterprises, angel investors with a simple mission: to connect women with the resources they need to start and build sustainable, high-growth businesses.

Although hailing from different arenas, we nonetheless shared a strikingly similar perspective on the issues women face in building businesses. We were drawn together by our common desire to help clear the path for women in the entrepreneurial world. We were receptive to the young would-be entrepreneurs who approached us, their eyes gleaming with passion for their business ideas. So when Kate came over to pitch her idea, we gave her our full attention.

Kate had her “elevator pitch,” the thirty-second synopsis of her business idea, down pat. Her voice rose for the finale that she was sure would wow us: “And we have no competition.” We could tell from the look on Kate’s face that she believed she’d clinched our interest with this last triumphant note, but actually the four of us were thinking, “Uh-oh, another ‘babe-in-the-woods,’ one more newly minted entrepreneur who thinks she has no competition.” Kate had made a common mistake because she had never started a business before. She lacked the experience and the “know-how” to go about it as well as knowledge of the ground rules for speaking with investors.

Because we had often discussed the knowledge gap that women face when starting their own businesses, Kate’s wrong turn led us to a spontaneously combustible idea.

Sharon watched as Kate disappeared into the crowd: “That’s it. We’re writing a book.”

We speak from experience. Every year, in our role as investors, advisors, board members, and operators, we see hundreds of bright-eyed entrepreneurs pitch business plans to angel

investors and venture capitalists, potential benefactors sitting at the big table behind their mountain of gold. And every year that gold is parceled out to the fortunate few.

Here's something that may surprise you:

On average, 95 percent of all investor financing goes to men.

Why is it that more men get the financial backing to open offices, stock warehouses, and go public, while most women max out their credit cards, borrow from friends and family, and pretty much go it alone? No one has ever seriously suggested that there's a qualitative difference between male and female ideas. We can state absolutely that the marketplace doesn't care who wore pink booties and who wore blue. The marketplace cares only about supply and demand, goods and services.

Is testosterone a better business tool than estrogen? Is it true that women can't take the heat and should stay in the kitchen? The sound you hear is 6 million businesswomen laughing. Or, as a pioneering venture capitalist once said as she took the podium to receive an industry award, "Does this microphone work for women, too?"

FACT: Women's businesses today generate more than half the private sector output of our gross domestic product.

FACT: Women-owned businesses employ more people than the Fortune 500 companies combined.

FACT: Women who start businesses have the same motivation as men: self-actualization, personal achievement, and autonomy.

So why is there a need for a book by women for women?

Because there is a double standard. *Because* we are still laboring under marketplace inequality. *Because* of our cultural, societal upbringing, we still don't feel entitled to succeed, to compete and win. *Because* we don't have equal access to capital.

Because we thrive when someone offers us guidance that helps us move our businesses forward, instead of dismissing us, stopping us in our tracks. *Because* there is a misconception that women don't have the characteristics needed to run an enterprise—the passion, the vision, the inherent skill set.

We've written *The Old Girls' Network* because we know what it's like to hand-feed a tender young business twenty-four hours a day. We've been there. We're there now: piloting companies, coaching other businesswomen, investing in women's businesses. The entrepreneurs we profile in the book are women we know, and many of them we have helped directly by coaching, advising, and, sometimes, investing directly in their businesses.

We believe that the road to equality in every field springs from the practical reality of economic independence. We would argue that collectively women are far less powerful than men, a situation that stems in part from how we deal with money, how we earn money, and how we think about money. We see the disparity in all aspects of life, but especially in business.

This inequity is one of the reasons we encourage those who yearn to create their own businesses but have no role models. We are passionate about helping other women use business as a vehicle to achieve self-actualization and economic independence. We are committed to indomitable dreamers, to women like you.

When asked whether they have a dream, most women say, "No, I'm lucky if I can make it through the day, let alone have a dream." But we do indeed have dreams. Dreams of starting businesses—a bookstore, a marketing agency, the next eBay. We dream of launching a computer software company or of developing a better way to store X-ray images.

Not many of us were told, let alone encouraged, that we could express ourselves through the medium of business. We were not told that by creating and selling products and services we could manifest our ingenuity, our intelligence, our independence; that we could do good for others and have a fully realized life.

Women's dreams are often about the kind of person we want to be or the kind of impact we want to have on the world. It's important for us to realize that business is a diverse and powerful vehicle for achieving these dreams.

All four of us have had profound and enriching experiences in the business world. None of us had ever dreamed of becoming a CEO; rather, we wanted to realize a vision of who and what we wanted to be, and business became our vehicle to that realization.

Along the way, we saw how hard it was for women to convert their entrepreneurial spirit into the reality of a business. We saw that when women succeed, they attribute their success to luck. Yet when they fail, they place the blame squarely on themselves. We saw that women were lacking mentors and role models, a deficit that was a serious shortfall because encouragement pries women out of that fetal tuck and nudges them into tomorrow's challenges. We found that the lack of financial backing put good ideas and smart women out of business before they ever really started—and that a healthy infusion of cash can propel a burgeoning company over the shifting ground of today's financial times.

We also saw that women have traits that help us succeed; our ability to network is probably hardwired into our DNA, as are empathy and intuition, interpersonal qualities that lubricate the business of business. In the course of our combined years in commercial pursuits, we've recognized that the characteristics critical for business success are truly gender-neutral. Those who

succeed figure out how to connect their passion to a business idea; they have ironclad determination, what we call “positive perseverance.” They are flexible enough to accept criticism, re-think, reverse, re-create, and start again. They have people skills; they can work with others and they can inspire and lead a team.

And successful business people are not only smart; they are tuned in to what’s hot and what’s not, alert to the vagaries of the marketplace so that they can hone the point of a fundamentally sound business idea.

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So why the title, *The Old Girls' Network: Insider Advice for Women Building Businesses in a Man's World*? We were familiar with the the Old Boys' Network—the invisible club that helps men to advance in the business world by way of their connections. What first came to mind was a fun play on words and a way of illustrating a counterpoint to that well-understood and sometimes envied Old Boys' Network. Then we began to reflect on the immutable connection between women and networks throughout history. And we knew we were on to something.

For women, networks are and always have been about building relationships. We are pros at it. Women’s ability to forge communities and make connections is ancient . . . it is tribal, it is wired into our DNA. It is one of the greatest strengths we have and one of our most critical assets as aspiring entrepreneurs.

While Sharon’s declaration was still hanging in the air, we envisioned a code book, a field guide to help brave, smart, forward-thinking women like Kate shorten and enhance their challenging journey toward entrepreneurship. We thought that if we

could map the terrain, these women would have a straighter shot at success.

And that would benefit us all.

During the next eighteen months, we put down our thoughts about the traits and skills that turn a business dreamer into a seasoned entrepreneur. We asked a myriad of successful businesswomen to share their personal stories about the roller coaster ride of good times, as well as the near disasters that characterized their paths to the top. That we often learn the most from our mistakes may be a cliché, but it's true. We think you'll find the accounts of these women enlightening, inspirational, and instructive. So know that with this book you have tapped into a deep and valued wisdom base, not just that of 8Wings, but of all the successful entrepreneurs who make these chapters come alive, women who wanted to add their voices to ours.

As we talked to these women about their experiences, we were again struck by how important relationship building is to the whole process of starting, funding, and growing a company. And the value of relationships is a thread that runs through every entrepreneur's story in this book.

From these stories, the book's framework fell into place. Chapters 2 through 5 discuss the key traits all entrepreneurs share—essential must-have qualities without which your business will never get off the ground. There is *passion*, the energy source necessary to push your entrepreneurial dream out of the starting blocks. There is *vision*, which means not only seeing the big picture but also communicating it to enlist the support of others. A *pioneering spirit* embodies intellectual curiosity and a drive to succeed that sets successful entrepreneurs, and all visionaries, apart from the also-rans. And an often-overlooked

quality is *tenacity*, the intangible “vapor” you thrive on when your emotional fuel tank runs dry.

Chapters 6 and 7 deal with the more concrete aspects of entrepreneurship: how to raise capital to start and grow your business, and how to stay focused while adapting your business model to changing environments. The last two chapters, 8 and 9, bring it all together by discussing leadership and exploring the challenges and opportunities you face as your business grows.

Within each chapter you'll find expanded definitions of the important concepts introduced; these are titled “Digging Deeper.” At the end of every chapter you'll find a recap of key points under the heading “What You Need to Know.” The back of the book contains a “Tool Kit” containing templates, sample documents, and other useful information designed to help you apply and tailor the book's concepts to your unique business situation. We've compiled a list of resources, too, including business organizations and Web sites that can help you on your way. Our hope is that this book will illuminate the unnecessarily arcane path to starting and growing a business.

Even with the right skills and tools, it's essential to have a mentor to provide feedback and encouragement as you go forward. If you can't find such a person, or until such time as you do, we hope this book will serve as a virtual mentor. We hope you'll think of us as part of *your network*—your personal coach *and* cheering section, and for those times when it's necessary, your personal butt kicker—and that you'll feel our support as you launch *your* entrepreneurial dream.

We want you to enjoy the business of becoming an entrepreneur. And we want you to win at it, too. Remember, you are not alone. We wrote this book for you.