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Roadmap from midcareer professional to entrepreneur

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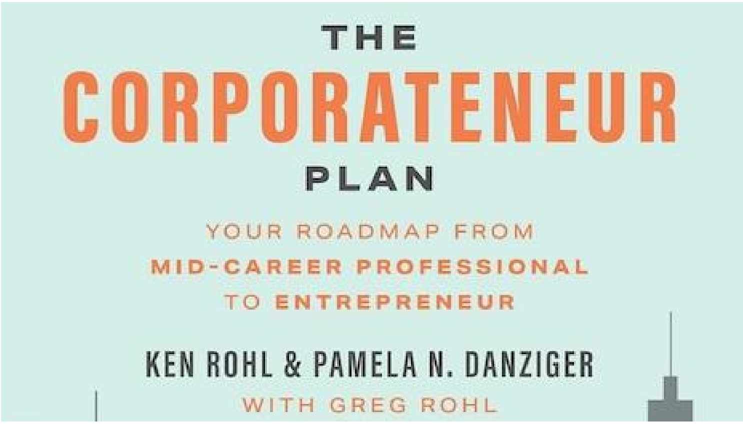

The Corporateneur Plan shares stories and teachings from the business journey of Ken Rohl over a lifetime building an extraordinarily successful presence in the "white space" he identified within the luxury home market. Image: Advantage Media Group

By Ken Rohl, Pamela N. Danziger and Greg Rohl

Money it is top-of-mind for any aspiring entrepreneur.

No matter how much you have put aside or how confident you are about reaching your sales goals, you will never feel you have enough money.

Without a doubt, it is scary to step out into the unknown, leaving the security and comfort of a job and career, and putting your standard of living at risk.

Regrettably, too many aspiring entrepreneurs get caught up worrying about their lack of hard financial capital, which never seems enough.

However, everyone has a wealth of soft capital to draw upon. Unlike hard capital, it is never depleted, and only grows and strengthens over time.

No risk, no reward

When it comes to planning a new business startup, the rule of thumb is that you should double what you think you will need to get your company off the ground and halve your expected revenues in year one.

In other words, you should overestimate the amount of money needed to keep going and underestimate how much you will bring in during the first year and maybe the year after.

That prospect is daunting.

The threat of running out of money is the number one threat for any new business startup.

But threats are only that: the possibility that something might happen, not the certainty of it.

In a weird twist of human nature, we overestimate the threats and underestimate our strengths in a typical SWOT analysis.

In psychology, it is called the negativity bias. For the entrepreneur, it throws an emotional monkey wrench into what should be a rational business decision-making process.

We overemphasize the negative possibilities in decision-making and underplay the potential positive outcomes.

As a result, people are more likely to act to prevent a possible loss than to pursue a path to achieve potential gain.

Thus, they revert to their inbred status quo bias to keep things as they are by choosing not to make potentially risky decisions.

But aspiring entrepreneurs cannot be held hostage by their innate psychology. Anyone can develop ways to overcome it.

As the saying goes, "No risk, no reward."

So instead of getting caught up in a risk-avoiding cycle of fear around the potential of losing money or running short, focus on the strengths you bring to the table and the opportunities that lie ahead.

Maximizing soft capital

It all comes down to how you use and allocate all your strengths your soft capital:

- Human capital combines your life experiences, skills, creativity and physical, mental and emotional well-being
- Intellectual capital is the cumulative education, training and hands-on experience that equips you with critical thinking, problem-solving aptitude and the ability to innovate
- Cultural capital is your connections across communities with common interests, backgrounds and behaviors
- Experiential capital is your firsthand experience working on projects, investigating new ideas, learning new skills and achieving goals
- Social capital is the strength of personal connections made throughout your network of associates, colleagues, family and friends. Your network connections influence you, and you can make them work for your business

Taken together, the strengths of the corporateneur's soft capital outweigh any financial or economic capital shortfall.

Unlike financial assets, you do not have to go to a bank or venture capitalist to get more. There is no limit to your soft capital potential.

Leveraging your working capital

When starting a business indeed, even before you worry about all kinds of things that are beyond your control. That is a total waste of the two most valuable things you have going for you: your time and your personal resource. That is the capital you must conserve and use wisely.

Since these are also the only two things you can control in business, whether as a one-person operation or a big corporation, you must allocate that personal capital for the maximum return on investment.

As an entrepreneur, how and where you spend your time matters most, and every minute of your time amounts to money lost or gained.

Do not waste your time doing things that will not get you closer to your goal. Make sure your time is spent only on the high-potential activities and most-influential customers that will have the biggest payoff.

You must plan each day to maximize the activities that you engage in for the greatest return on your irreplaceable time investment.

Once your time is gone, it is gone unlike money, which will come and go.

Yes, it is essential to practice good financial management, but even more so to develop good habits in time management.

By managing well your most valuable asset your time you will also be leveraging your soft capital to help grow the hard kind.

FOCUS YOUR TIME on making sales and generating cash flow to keep moving forward.

Most of all, you cannot afford to spend time on the unproductive distraction of worry. That depletes your soft capital rather than builds it.

Make your plan, and work your plan inch by inch, step by step, and mile by mile.

Adapted from The Corporateneur Plan: Your Roadmap from Mid-Career Professional to Entrepreneur *(June 6, 2023,* *Advantage Media Group, 392 pages) by Ken Rohl, Pamela N. Danziger and Greg Rohl. Reproduced with permission.*

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