

Inc.



The Persuader

Tony Robbins, Guru to Stars and CEOs, on How to Make People Believe

Page 102



THE ONE-MAN CONGLOMERATE

A guide to Robbins's far-flung businesses (beyond just books and self-help)

PAGE 107

RADICAL HONESTY

How to Say What You *Really* Think

PAGE 22

GETTING COZY WITH RISK

PAGE 113

BEST LITTLE SATELLITE COMPANY ON THE PLANET

PAGE 80

GET BIG WITHOUT LEAVING WEWORK

PAGE 100

GUTS, GRIT, AND INSPIRATION from AMERICA'S MILITARY ENTREPRENEURS

PAGE 56



Self-braking. Self-correcting. Self-parking. Its impact is self-explanatory.

The all-new Mercedes-Benz E-Class. The 2017 E-Class embodies Mercedes-Benz's commitment to transforming not just the automobile, but mobility itself. A self-parking, self-correcting luxury sedan with intelligent advances like PRE-SAFE Impulse Side, which can anticipate a side-impact collision and reposition you to help minimize the effect, and PRE-SAFE Sound, which helps protect the ears from damaging sound should an impact occur. The revolutionary new E-Class is the very future of transportation. Here and now. MBUSA.com/E-Class

Mercedes-Benz
The best or nothing.



of a collision. Vehicle cannot drive itself, but has semi-automated driving features. Always observe safe driving practices. Please refer to the operating manual for details on driver-assist systems. ©2016 Mercedes-Benz USA, LLC
For more information, call 1-800-FOR-MERCEDES, or visit MBUSA.com.

HIGHLIGHTED SPEAKERS



TONY ROBBINS
The nation's No. 1 life and business strategist



WEILI DAI
Marvell Technology Group



ERIC RYAN
Method



RAGY THOMAS
Sprinklr



LES MCKEOWN
Predictable Success

Inc.5000

CONFERENCE & GALA

OCT. 18-20, 2016

SAN ANTONIO

**PURCHASE
YOUR TICKETS
TODAY!**

**Come celebrate with America's
fastest-growing private companies.**

Inc5000conference.com

CHASE
for BUSINESS

Principal



Mercedes-Benz
Vans. Born to run.

Ryder
Ever better.

salesforce

American Airlines

CHUBB

Harris Williams & Co.
middle market

Inspireity

**Ewing Marion
KAUFFMAN
Foundation**

hotels for hope

AIMCLEAR
MARKETING AGENCY

PREDICTABLE SUCCESS

EO Entrepreneurs' Organization

10.16

Contents

“Damage controlman in the Navy is an engineering-based job, and I’m able to apply that to my company.”

—NISHA WITT, a Navy veteran and the founder of renewable-energy company Aesop Technologies

PG. 67



**“The audacious vision
of New Space: A global
searchable database
of where stuff is.”**

—JIM MURRAY, an investment banker
with PJT Partners, on the promise
of satellite and data company Spire

PG. **80**



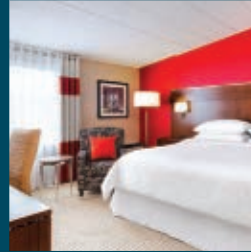
MOODY BLUE

NASA technicians and onlookers, dressed in “bunny suits” to prevent contamination, inspect a cargo module containing, among other things, a Spire satellite before it is loaded onto an Atlas V rocket.

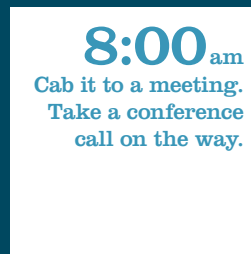
TRAVEL RE- INVENTED

With 200+ hotels, we're everywhere you want to be. With modern, classic design and always-approachable service, we offer what matters most to keep you comfortable and connected. **This is Four Points.**

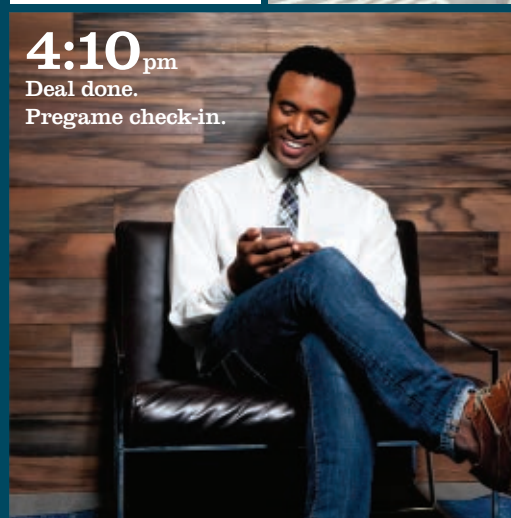
FOURPOINTS.COM



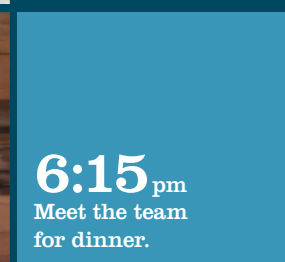
7:05 am
Post-workout
breakfast in
the room.



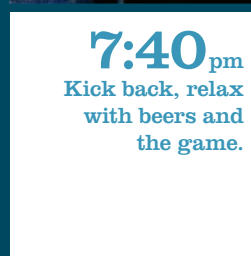
8:00 am
Cab it to a meeting.
Take a conference
call on the way.



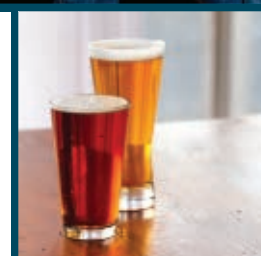
4:10 pm
Deal done.
Pregame check-in.



6:15 pm
Meet the team
for dinner.



7:40 pm
Kick back, relax
with beers and
the game.





CENTER STAGE
Tom Segura is one of the comedians whose visibility and value rose when he aligned with Comedy Dynamics.

Features

32

● LAUNCH

The (New) King of Comedy

When Brian Volk-Weiss saw a new distribution model developing in standup comedy, he took the risk of a lifetime to build a company around it.

By **Kris Frieswick**

56

● LEAD

A New Kind of Mission

Meet some of the roughly 162,000 entrepreneurs who are also veterans of the post-9/11 wars.

By **Kimberly Weisul**

80

● MONEY

Flying Objects

Peter Platzter's company, Spire, plans to send hundreds of mini satellites into space. It has ambitious plans for them, too.

By **David Whitford**

102

● INNOVATE

The Most Confident Man on Earth

Self-help guru Tony Robbins has spent 30 years turning the art of networking into a billion-dollar empire.

By **Kris Frieswick**

ON THE COVER TONY ROBBINS, SELF-HELP COACH, PHOTOGRAPHED IN SUN VALLEY, IDAHO, BY PETER HAPAK

That Feeling of Envy is Expected

The New HP EliteBook Folio
Reinvent Obsession

HP recommends Windows 10 Pro



Get one at: hp.com/go/thinandlight/inc
Powered by the Intel® Core™ m7 processor.
Intel Inside®. Powerful Productivity Outside.



keep reinventing

World's Thinnest and Lightest: Based on HP's internal analysis of business class laptops as of January 4, 2016 with >1 million unit annual sales having preinstalled encryption, authentication, malware protection and BIOS-level protection, passing MIL-STD 810G tests with optional docking incorporating power delivery. Multi-core is designed to improve performance of certain software products. Not all customers or software applications will necessarily benefit from use of this technology. Performance and clock frequency will vary depending on application workload and your hardware and software configurations. Intel's numbering is not a measurement of higher performance. © Copyright 2016 HP Development Company, L.P. Intel, the Intel Logo, Intel Inside, Intel Core, and Core Inside are trademarks of Intel Corporation in the U.S. and/or other countries. All other trademarks are the property of their respective owners.



98

Departments



22



78

14 Editor's Letter

How to amaze yourself

16 The Inc. Life

Resqwater co-founder Troy Michels started skateboarding in grade school. Thirty years later, he's still at it

120 Founders Forum

Adam Fleischman, creator of the Umami burger

21

● LAUNCH

22 Tip Sheet

How to be honest—really honest—with your employees. Plus: The Jargonator

24 Positive Energy

Coss Marte of ConBody is helping ex-cons build new lives

26 Reinventing Retirement

Play catch-up with your retirement savings

28 Inc. 5000 Insights

You have \$10,000 to spend on marketing. What do you do?

42 Election 2016

Democrats, Republicans, and the startups trying to disrupt politics

46 Thomas Goetz

How not to be a spammer

53

● LEAD

54 Tip Sheet

Do you need a business coach?

73 Norm Brodsky

Beware of the easy sell

77

● MONEY

78 Tip Sheet

Beat the scary, and growing, cost of chargebacks

92 Moneywise

What to know before hiring a financial adviser

94 Helaine Olen

Attending conferences can make your business soar—or drain your bank account

97

● INNOVATE

98 Tip Sheet

Should you bother with chatbots?

100 The New Way to Launch

A 12-person company that got its start in WeWork—and stayed

113 Jason Fried

50 shades of risk taking



120

IT'S TIME TO MOVE FORWARD

We knew it was time for a better way to get a home loan, so we created Rocket Mortgage. With our completely online process, you can move forward with a custom mortgage solution in minutes.



**ROCKET
MORTGAGE**SM
by Quicken Loans®
QuickenLoans.com

PUSH BUTTON GET MORTGAGE

Quicken Loans NMLS #3030. Equal Housing Lender. Licensed in 50 states. AR, TX: 1050 Woodward Ave., Detroit, MI 48226-1906. (888) 474-0404; AZ: 16425 North Pima, Ste. 200, Scottsdale, AZ 85260, Mortgage Banker License #BK-0902939; CA: Licensed by Dept. of Business Oversight, under the CA Residential Mortgage Lending Act; CO: Regulated by the Division of Real Estate; GA: Residential Mortgage Licensee #11704; IL: Residential Mortgage Licensee #4127 – Dept. of Financial and Professional Regulation; KS: SL-0000693; ME: Supervised Lender License; MN: Not an offer for a rate lock agreement; MS: Licensed by the MS Dept. of Banking and Consumer Finance; NH: Licensed by the NH Banking Dept., #6743MB; NV: License #626; NJ: Licensed Mortgage Banker – NJ Dept. of Banking, 1st (and/or 2nd) mortgages only; NY: Licensed Mortgage Banker – NYS Banking Dept.; OH: MB 850076; OR: License #ML-1387; PA: Licensed as a 1st Mortgage Banker by the Dept. of Banking and licensed pursuant to the PA Secondary Mortgage Loan Act; RI: Licensed Lender; VA: www.NMLSConsumerAccess.org; WA: Consumer Loan Company License CL-3030. Quicken Loans NMLS #3030. Rates subject to change. Restrictions may apply. ©2000–2016 Quicken Loans Inc. All rights reserved. Lending services provided by Quicken Loans Inc., a subsidiary of Rock Holdings Inc. "Quicken Loans" is a registered service mark of Intuit Inc., used under license.



ORDER THE S90 ONLINE WITH OUR PREMIUM CONCIERGE EXPERIENCE.



LET'S NOT COMPLICATE THINGS.

THE ALL-NEW VOLVO S90
OUR IDEA OF LUXURY



4 Unusual Ways to Spot a Smart Person

Ditch the conventional wisdom, writes Inc.com columnist Jessica Stillman. You can identify intelligent people with these key tells

Inc.com

1

THEY'RE MESSY

A cluttered workspace is actually a sign of creativity and a free spirit.



2

THEY USE CURSE WORDS

Those who swear tend to have a stronger sense of language.

3

THEY'RE ANXIOUS

Worriers are more intelligent than those who are unaware of their flaws.

4

THEY DRINK WINE

Some studies show those who drink regularly, and prefer wine, have higher IQs.



"Millennials are more mindful, more conscious, and more purpose-driven, and they want to make a difference in the world."

Deepak Chopra, co-founder of Jiyo and co-author of *Super Genes*, on generational differences inc.com/idealab

TOP VIDEOS



INC.COM/PLAYBOOK

Blake Mycoskie

Founder of Toms

"The biggest myth about entrepreneurship is that you can choose it like a profession."



INC.COM/HIDI

Payal Kadakia

Co-founder of ClassPass

"Don't get stuck, and don't settle. Keep pivoting."



INC.COM/INCLIVE

Simon Sinek

Author of *Start With Why*

"The CEO's responsibility is to preach the cause, not just sell the product."



**WE DON'T
PRINT
MONEY.**

**WE PRINT
THINGS THAT
WILL ATTRACT
CUSTOMERS.**

**SO MAYBE WE DO
PRINT MONEY.**

From business cards to banners, we're here to help you print. Use one of our templates or your own design. Need to tell the world your story? No problem. theupsstore.com

united problem solvers™ | **The UPS Store** 

WELCOME

HOW TO AMAZE YOURSELF



W

WHEN HE ADDRESSES entrepreneurs at *Inc.* conferences, Bob Parsons, the irascible, ingenious founder of GoDaddy and Parsons Xtreme Golf, tells of his service as a Marine rifleman in Vietnam. The day he arrived in a combat zone—a green replacement in a squad that had just lost five men in an ambush a few days before—he confronted the likelihood that he would not make it out alive. He sat down on the wall of the old French fort his unit occupied and “had what I believe was the only anxiety attack of my life,” he recalls. He finally overcame his terror by resolving to do the best job he could, regardless of the outcome. It was a transformative moment—and one reason he credits the Marine Corps for having given him the discipline and courage to succeed as a founder. “If you can accept the worst that can happen to you and live with it,” he tells *Inc.* entrepreneurs, “you

become superman or superwoman—you can do anything—because your mind doesn’t get in your way.” Self-doubt is what holds people back in business, he says. “But if you can accept the worst and do the best job you can, you’ll find you can accomplish more than you’ve ever dreamed.”

I suspect that the veterans-turned-entrepreneur you’ll meet in this issue (page 56) would also say they gained some intestinal fortitude from their service. But on reading editor-at-large Kimberly Weisul’s moving profiles, it’s hard to escape the sense that they gave more than they got. Nic Gray, an Army Humvee gunner, came back from Iraq with severe PTSD. Dawn Halfaker, an Army MP, lost an arm in an ambush in Baqubah. For them, postservice entrepreneurship has been a way to reclaim some of the intensity of life in a war zone and to challenge themselves to do something incredibly difficult and valuable again. Not least, starting a company has been a way to continue to serve, this time in the way that entrepreneurs uniquely do—by creating jobs and adding to the vitality of the economy. Read their stories. You’ll be inspired by what people are capable of.

Compared with these military entrepreneurs, our

cover subject has taken a more deliberate path to inspiring others. No one needs an introduction to Tony Robbins, so executive editor Kris Frieswick set out with a different mission: to deconstruct what makes the world’s most famous self-help entrepreneur so extraordinarily motivating (page 102). If you could capture just a bit of Robbins’s power to make yourself and your team believe, think what you could get done! So read the story and see what you can learn from the Robbins formula. As both Parsons and Robbins would put it, you might be amazed at what you can accomplish.

Eric Schurenberg erics@inc.com

BLACK BAY DARK

BLACK PVD-COATED STAINLESS STEEL CASE
DIAMETER 41 MM
WATERPROOF TO 200 M (660 FT)
IN-HOUSE MOVEMENT

Black PVD-coated stainless steel case. Directly derived from the thin film technology originally developed by NASA, Physical Vapor Deposition enables practically any inorganic material to be bonded with metals.



TUDOR in-house movement MT5602. Offering a 70-hour power reserve and regulated by a variable inertia oscillator with silicon balance spring, it is certified by the Swiss Official Chronometer Testing Institute (COSC).

#TUDORWATCH
TUDORWATCH.COM



TUDOR



LATER, SKATER

Resqwater co-founder Troy Michels, at a skate park near his home in Minneapolis.



GRINDING IT OUT

CHAIRMAN OF THE BOARD

Sometimes, Troy Michels takes a break
from running his beverage company
and skates away from it all

Photographs by ACKERMAN + GRUBER



CHILD'S PLAY

Michels carves the perimeter. He's been skating for more than 30 years.



“I’m doing it at 37, and I hope to be doing it at 57.”

—TROY MICHELS, co-founder, Resqwater

GROWING UP IN MINNESOTA, Troy Michels, a co-founder of the recovery drink company Resqwater, spent winters on a snowboard and the warmer months on the four-wheeled equivalent. “By the time I was in fourth grade, I had built a ramp,” Michels says. And by his high school years, he had mastered the 50-50 grind and the rock ‘n’ roll. Then, he “got busy with life.” Michels created Target’s lifestyle marketing division and led it for more than seven years. But his career took a turn after one especially sodden night, when he tried an antihangover brew concocted by a chemist. The potion works by helping protect the body from acetaldehyde, a pain-inducing byproduct of alcohol metabolism in the liver. He downed two bottles. Given how much booze he’d drunk, “I should’ve wanted to be in bed until noon,” Michels recalls. Instead, he woke at 6:30 a.m. ready to jump on his board. He joined the Resqwater founding team in 2012 and helped refine and repackage the

product. Five-year sales forecast: \$168 million.

Michels usually rides a Cal Surf deck with independent trucks. He focuses on simple flip tricks, plus an occasional new move he sees the kids doing. Returning to his roots is part of the point. “Skating allows you to go back into the mindset of a teenager—to feel like you’re at that moment in time again,” he says. “When I’m on a skateboard doing the tricks I did as an eighth grader, I feel like a kid again.”

Resqwater has become popular among athletes—which, skatewise, has worked out very well for Michels. “I’ve been on Tony Hawk’s ramp,” he says. “I was on Shaun White’s mini ramp at his house back in the day.” This spring, Michels installed a ramp engraved with the Resqwater logo in his Minneapolis backyard, to use during the snow-free months. There, Michels’s 4-year-old son, Ryder, has already started tooling around on his own board. “It’s something you can do your whole life,” says Michels. “Anyone can go out there and experience the feeling of hitting a home run or scoring a touchdown, anytime they want, by learning a new trick,” he adds. “It’s a really amazing feeling.” —SHEILA MARIKAR

MEAN ON THE STREETS.
GENTLE ON YOUR BOTTOM LINE.
THE 2017 CAMRY



Professional drivers on closed course. Do not attempt. Prototypes shown with options. Production models will vary. ©2016 Toyota Motor Sales, U.S.A., Inc.





Stay, but move up.

Elevate your stay by upgrading to Club,
and enjoy premium benefits at Sheraton.

Sheraton®
Where actions speak louder.

A PROUD MEMBER OF STARWOOD PREFERRED GUEST®

©2016 Starwood Hotels & Resorts Worldwide, Inc. All Rights Reserved. Sheraton and its logos are the trademarks of Starwood Hotels & Resorts Worldwide, Inc., or its affiliates.

Is there such a thing as being too honest? **PG.22** Helping ex-cons start over **PG.24**

LAUNCH

Start.
Scale.
Thrive.



PG. **32**

“I was terrified. I didn’t sleep. It was all very, very scary.”

—BRIAN VOLK-WEISS, co-founder and president of Comedy Dynamics, on trying to sell the rights to his first major standup-comedy special

The Hard Truth About Radical Candor

Is telling your employee exactly what you think a good idea or an HR disaster in the making?

PUREWOW FOUNDER and CEO Ryan Harwood faced a dilemma: let one of his publishing and digital media firm's top salespeople continue with her hard-nosed "always be closing" approach to customers, or tell her that a more human touch would be better to build long-term relationships and maintain trust. As a follower of the management approach called Radical Candor, Harwood chose the latter. "A lot of leaders would have turned a blind eye, because she was crushing it," says Harwood. "But she will never become a better salesperson if she doesn't get that feedback."

Believing that painful truths create faster growth, Harwood and many others are pushing back against the instinct to avoid conflict and are instead facing it head on. Interest in this approach is high. A speech on the topic by Kim Scott in October 2015 at First Round Capital's CEO summit has garnered 100,000 views and 83,000 social media shares. That traction spurred Scott to launch her own company, Candor, and an app that helps track the tone of feedback. And even before Scott put the idea in a neat package, plenty of companies were exploring it. One of the best known—and most radical—adopters is hedge fund Bridgewater Associates, which reportedly videotapes almost every meeting and runs an internal Yelp-like rating system for employees.

You don't have to go that far—for most companies, the main thrust is simply to call out performance issues as they arise. "When you don't get the unpleasant stuff out of the way, you waste a ton of time," says Colin Darretta, founder

MAKE IT A HABIT

Being radically candid gets easier with practice. "It's uncomfortable only when it's out of character," says Harwood. Scott says managers should give direct reports one piece of criticism per week and three to five pieces of praise, ideally in two- to three-minute chunks between meetings.

KNOW THE NEVERS

Never criticize an employee in front of others. Never comment on personal appearance or hygiene, unless it affects performance. Never make it personal. "It's not 'You're not smart.' It's 'That thing you did wasn't very smart,'" says Harwood.

GIVE ACTIONABLE ADVICE

"You have to be specific," says Darretta. "I can't do anything with 'You're difficult to work with today.'" Specifics and a suggested change can help quell defensiveness. But if they don't, consider deferring the conversation until the employee is ready to listen.

and CEO of customized supplements maker WellPath. He gives feedback he considers radically candid about three or four times a week. Did someone respond to a customer inappropriately? Interrupt too much in a meeting? If that someone works for a company that embraces Radical Candor, chances are he or she will hear about it immediately, with a suggestion about how to change. "It seems kind of uncomfortable at first, but not telling people the truth is wrong," agrees Qualtrics co-founder and CEO Ryan Smith, a proponent of candor at his 1,200-employee firm (Scott is his CEO coach).

No one knows exactly how many companies have signed on, but Scott, a former Google and Apple executive, says she is in conversations with dozens of companies about using Candor's tools and consulting services. Scott first started thinking about the concept more than 15 years ago, she says, but it came to life in 2004 when she worked for Sheryl Sandberg at Google. As Scott tells it, Sandberg mentioned to her after an ostensibly successful meeting that Scott said *um* a lot. Scott brushed off the observation until Sandberg said: "When you say *um*, it makes you sound stupid." While it was a stinging rebuke, she realized that it was incredibly valuable—and incredibly rare. "Eighty-five percent of mistakes get made because a manager is afraid of being a jerk," Scott says.

Practitioners are quick to point out that Radical Candor is not an invitation to be rude, and that caring has to come first. The three tips to the left will help you strike a balance between truth and kindness. —ALIX STUART

The Jargonator

Swatting the buzzwords of business

By BEN SCHOTT



CREXIT / • noun.

When creditors exit the business-lending market. According to S&P, the "worst-case scenario" is "a series of major negative surprises sparking a crisis of confidence around the globe." Or, as the *New York Post* would say: "Crazy Confidence Crisis Creates Cexit Credit Crunch." Source: CNBC



GENERATION MODERATION / • noun.

A new breed of consumers who shun meat, binge drinking, and excessive eating because "resisting overindulgence and observing moderation is all about self-respect." And you thought Millennials were insufferable. Source: *Plate for the Planet*



Illustration by DOUG CHAYKA

GIVE IT TO ME

As important as it is for managers to give tough feedback, they also need to get it from employees. But that's easier said than done. Kim Scott, co-founder and CEO of Candor, offers ways to get the conversation going.

HAVE A GO-TO QUESTION

One of Scott's favorites: "Is there anything I could do or stop doing to make it easier to work with me?" It's important to have a question you feel comfortable asking. After you ask it, "count to six, keep your face neutral, and embrace the discomfort," she says, so the employee can actually tell you something useful. Let people know you'll come back to them if they can't think of anything in the moment—and do it.

REWARD THE CRITICISM YOU GET

When an employee (now her co-founder at Candor) told Scott that she interrupted him during meetings and that it undermined him, she agreed. At the next meeting, she showed up wearing a rubber band on her wrist and invited him and everyone else in the room to snap it if she interrupted them. "It showed him I heard the criticism and that I was working on it," says Scott.

BE SLOW TO DISAGREE

Not every bit of employee advice will be on point. When it's not, ask for time to consider it, "try to find some element you can agree with," and go back to the staffer with an explanation of your viewpoint, says Scott. "Then let him argue it again."

FINTEGRATION / • noun.
When lumbering banks seek to "integrate fintech" into their products in an attempt to stave off competition from digital upstarts. This looks suspiciously like the Wall Street equivalent of dad dancing. Source: Finextra



◉ PARALLEL ENTREPRENEUR / • noun.
An entrepreneur who—like Elon Musk—launches a series of enterprises simultaneously. Those of us who aren't the living embodiment of Iron Man prefer our startups to fail one at a time. Source: Your Story



◉ STEXTING / • noun.
"Strategic texting," a productivity-enhancing method management teams can use to brainstorm ideas and strategy. How long before someone sues for stextual harassment? Source: Edtech UK

Building Stronger Lives for Good

ConBody gives ex-cons a chance at a bright future after a rough start

Photographs by IKE EDEANI

WHEN COSS MARTE doesn't return your phone calls or emails, don't take it personally—most likely, he's in jail. Being behind iron bars provides fertile ground for Marte, 30, who served six years for building a \$2.5 million drug operation and burned off 70 pounds in the process. When he got out in 2013, he started what is now ConBody by running crazy-hard workouts in local parks that he had developed in his prison cell. (He cleaned toilets for a hotel on the side.) Now he has a trendy Lower East Side studio in New York City with 1,000 clients coming through each month.

But jail is where Marte still spends much of his time. He and his trainers go to Rikers Island once a week to run more than 50 workouts for inmates awaiting sen-

tencing. He's also recently started working with California City Correctional Facility to help long-term inmates transition back into society, and aims to do the same with more prisons over time. Ultimately, Marte's goal is to hire as many ex-cons as he can, getting them certified as personal trainers while behind bars and ready to join his team.

"I know what it's like to come out and feel like there's no hope and the only thing to do is go back to what you know," says Marte, who was arrested and sent to jail 10 times between the ages of 13 and 23. According to 2014 Bureau of Justice Statistics research, 68 percent of prisoners released

in 2005 were arrested for a new crime within three years and 77 percent were rearrested within five years.

Eight of the 11 employees at Marte's studio are ex-convicts, he says. He pays every trainer \$50 per hour. To assuage any possible concerns his clients might have about ex-cons, Marte assures them that "our environment is all about working out with laughter, not screaming at clients." With a projected \$300,000 in sales this year, he hopes to grow ConBody from one studio to five by next year, including an expansion to California, and to hire another 60 former inmates. To that end, he's raised more than \$175,000 through a Kickstarter campaign and winning pitch competitions, including the *Inc.* + Toms Pitch for Good contest.

Marte will hire pretty much any former inmate, regardless of crime or length of sentence (though he won't take on sex offenders). "I really want to change how these guys are viewed," he says. "They're not locked-up, caged animals. You're not taking a risk on them any more than you are on someone off the street." And what about flabbier ones? No worries. "We have front-desk jobs if you're not in the best shape." —ALIX STUART



OFFERING A LEG UP

Goss Marte, left, enlists ex-cons to become personal trainers as a way to help each one build a new life. Below, Ray Acosta leads a morning workout at ConBody.



RIGHT NOW, YOUR BUSINESS CAN GO IN A MILLION DIFFERENT DIRECTIONS. **AND ONE OF THEM IS RIGHT.**

GROWTH IS LIVE.

SAP's suite of affordable solutions for small and midsize companies gives you constant control over your business. Live and in the moment. On premise or in the cloud. So you can make the right decision – right now.

sap.com/growth

©2016 SAP SE or an SAP affiliate company.
All rights reserved.



Run Simple

How to Play Catch-Up



FROM THE TIME THEY first had regular jobs, Jason and Allison Stack contributed as much as they could to their retirement accounts. Their inspiration was Allison's dad, who retired early. "I thought I was going to spend about half as much in retirement as I did while I was working," says Bill Schulze, 72. "I couldn't have been more wrong. I spend every bit as much. I just spend it on different things, like travel."

In 2006, the Stacks bought a South Carolina dental practice that already had a 401(k) plan. Jason, a dentist, and Allison, who manages the office, immediately started contributing the maximum allowable to that, too. Because they began saving so early and so diligently, they are likely to be able to retire comfortably in about 20 years, in their early 60s.

That's an all-too-rare opportunity for many business owners: Launching and running a business sometimes requires every dime you can scrape together, so retirement planning has to wait. And when such planning is put off until midcareer, there are both mathematical and practical challenges to getting on track. Fortunately, there are some ways to get a late jump on retirement savings.

Size Up Future Hurdles

Practically speaking, if you're a big earner who's put off retirement planning until relatively late, your biggest challenge is likely to be the tax code. The federal government limits tax-deductible contributions to retirement plans; for most plans, such as 401(k) programs, the maximum amount you can receive in contributions in 2016 is \$53,000 if you're under the age of 50, and \$59,000 if you're eligible to make "catch-up" contributions. But, if you're a 50-year-old earning \$450,000 and have only \$1 million saved, you should sock away more than twice that much to maintain your lifestyle. That can be tough to do when federal and state taxes are taking roughly 45 percent of every dollar.

If that situation sounds familiar, consider an increasingly popular way to maximize your retirement savings: stacking what's called a cash-balance pension on top of your company's profit-sharing 401(k) plan. These combo plans, while complex, allow a 50-year-old



to set aside up to about \$150,000 more each year on a tax-deductible basis, says Joe Gordon, managing partner of Gordon Asset Management in Durham, North Carolina. That additional contribution saves a business owner paying 45 percent of her income in taxes a whopping \$63,000, or more.

Some 15,178 U.S. cash-balance plans were operating at the end of 2014, boasting

a record \$1 trillion in assets. That's a 19 percent hike from a year ago, and the vast majority of growth comes from businesses with fewer than 100 employees, according to Kravitz Inc., a consulting firm.



Pay a Little, Get a Lot

Cash-balance plans allow high-income business owners to put aside vastly more money on a tax-deferred basis than other programs. And the current-year tax savings that the business owner can reap often surpass the cost of the plan. What's the downside? If you have employees, you will probably have to contribute more money to their retirement plans to comply with so-called non-discrimination rules. If you have a lot of employees, that cost can be prohibitive (which was temporarily ruled out the plan for the Stacks, Allison says). But many professional businesses can add a tax-qualified cash-balance plan affordably, says Gordon. In many cases, employee pension costs go from just about 4.5 percent of payroll to 7.5 percent, he adds. The precise figures could be higher depending on the age of your work force—but it's worth doing the math to see if you can catch up on your retirement goals, while helping your employees reach theirs as well.

— KATHY KRISTOF, *author of Investing 101, is an award-winning financial writer and journalist.*

ILLUSTRATIONS: RICHARD MIA (3)



BECAUSE SOMEDAY

My vision will finally
take shape. |

**Fidelity doesn't believe in "set it and forget it" plans.
We work with you as your needs change.**

- We'll help you build a plan that can adapt as your life – and the markets – change
- You'll have access to a wide variety of investment options, and the people who can help you choose
- Our research, perspectives, education, and tools can help you stay on track

**Every someday needs a plan.®
We'll work together on yours the way you want.
In person, by phone, or online.**



Fidelity.com
800.FIDELITY

Investing involves risk, including the risk of loss.

Guidance provided is educational.

The trademarks and/or service marks appearing above are the property of FMR LLC and may be registered.

Fidelity Brokerage Services LLC, Member NYSE, SIPC. © 2016 FMR LLC. All rights reserved. 748124.1.15

YOU HAVE \$10,000 TO SPEND ON MARKETING. HOW DO YOU USE IT?

Inc. 5000 honorees tell us how they would tackle a common business challenge. —SHEILA MARIKAR

I would hire a social media marketing consultant to develop a strategy and fine-tune our brand on the residential side of our business. I'd train a couple of people on how to manage that ourselves, so we're not relying on a consultant to do that work. I'd also hire, on a part-time basis, a graphic designer, just to spice up our photos and the content we post."

MICHAEL PARNELL

Founder, MP Consulting (construction)

NO. 57 2016 INC. 5000 RANK
4,664.8% 3-YEAR GROWTH
\$4.8M 2015 REVENUE



Direct mail—it's a hidden gem. Everybody thinks it's old school; nobody focuses on it anymore, which provides more opportunity for those of us who do. People who open up mail are a specific demographic. If your product fits in with the responsible, middle-aged group who typically open their mail, direct mail can be huge."

JIM CARLSON

Founder and CEO, Zurixx (financial education)

NO. 43 2016 INC. 5000 RANK
5,626.1% 3-YEAR GROWTH
\$130.1M 2015 REVENUE

WHAT THE EXPERT SAYS ...

First, look at internal data about your customers. Using that, develop specific customer identities. One we've used is 'head of a regional media agency seeking a competitive advantage but who lacks resources for a video team to serve his customers.' Second, ask if you are communicating to your customers what you do in a nonconfusing way. Third, spend money on the basis of what you found out in the first two steps. Figure out where your customers are when they have their buying hats on: events or social networks? Then create content that fits each particular environment. For YouTube, video; for events, a special kind of talk that is geared toward informing the customers you're looking for."

— **BETTINA HEIN** Founder and CEO, Pixability (video advertising technology)

NO. 314 2016 INC. 5000 RANK
1,225.9% 3-YEAR GROWTH
\$9.8M 2015 REVENUE

I'd go to all of our partners, whether they're sponsors or the mayor's office, and I'd look at co-op marketing. To the city, I'd say, 'Let's run a joint ad for the festival and the city and try to double or triple that marketing budget and create some social media.' It's all about stretching the dollars."

DANNY HAYES

Founder, Danny Wimmer Presents (festival producer)

NO. 266 2016 INC. 5000 RANK
1,495.7% 3-YEAR GROWTH
\$40.7M 2015 REVENUE

If I was a new lifestyle company, I'd spend it on branding. Having a strong creative with a really crisp point of view that is timeless and stands out, and that you feel reflects who you are as a company, provides huge bang for the buck. You're going to live with your logo for a long time."

AMANDA HESSER

Co-founder, Food52 (online kitchen and home goods company)

NO. 329 2016 INC. 5000 RANK
1,173.2% 3-YEAR GROWTH
\$11.3M 2015 REVENUE



DAVID AND EMILY OJOBARO
OWNERS, SQUEEZED ONLINE

HOW 60,000 POINTS HELPED CREATE A PICK-YOUR-OWN JUICE BAR IN THE MIDDLE OF THE CITY.

David and Emily Ojobaro from Squeezed Online used the points earned from their Chase Ink card to buy the fruit, veggies and herbs needed to create a pop-up, pick-your-own juice bar in the middle of the city. So now everyone knows they have some of the freshest juice in town.

See what the power of points can do for your business, by earning 60,000 bonus points. Learn more at Chase.com/Ink.



CHASE  *for* BUSINESSSM

SO YOU CAN[®]

Accounts subject to credit approval. Restrictions and limitations apply. Chase credit cards are issued by Chase Bank USA, N.A. Offer subject to change. See Chase.com/Ink for pricing and rewards details. © 2016 JPMorgan Chase & Co. All rights reserved.



Fleet Management vs. Mother Nature:

How New Sagaya Overcame the Odds

CHALLENGE: A rapidly expanding grocery store and wholesaler struggles to make deliveries in a very challenging geography.

New Sagaya had a unique problem. Based in Alaska, the grocery store delivers Alaskan Seafood, Asian groceries, gourmet foods, fresh Asian and conventional produce, Harris Ranch USDA choice meats, and flavorful Chinese & European prepared foods to restaurants around the state. But the Yukon is a region where both the weather and the roads pose major challenges, and the company's aging trucks were beginning to break down. After experiencing a period of rapid growth in 2010, it became clear that their fleet was no longer reliable enough to sustain their business. Frequent repair and maintenance issues meant that, at times, half of their trucks were unusable, creating major problems in the delivery schedule. Add to that the fact that the majority of New Sagaya's deliveries included time-sensitive products, such as fresh seafood to sushi restaurants, downtime posed an even bigger headache, along with a potential loss in sales.

SOLUTION: By leasing vehicles from Ryder, New Sagaya Market was able to solve its distribution headaches.

Initially, New Sagaya worried about trusting a service provider that wasn't familiar with the unique challenges of their location. They decided to lease just two trucks and see how it went; almost instantly, they saw a major improvement.

"Ryder was a one-stop shop. They gave us a technician we could trust, and our expense line became predictable," says Mike Barnes, New Sagaya's COO. "Immediately, repairs and maintenance went down and we found that, even though the trucks were under lease, it was a similar cost with greater reliability."

"Ryder was a one-stop shop. They gave us a technician we could trust, and our expense line became predictable."

Today, New Sagaya has a fleet of four trucks and is in the process of ordering a fifth truck for their sister business, L'Aroma, a bakery and deli. And, thanks to their partnership with Ryder, the company no longer has to worry about expensive truck repairs derailing their monthly budget. According to Barnes, this is one of the biggest advantages to leasing the fleet. "By leasing from Ryder we know we'll spend X dollars every month," he says. And, since maintenance is included in the lease, "We no longer have the cash-flow issues that come at you when an engine or transmission suddenly goes out."

Not only did outsourcing alleviate New Sagaya's budgeting and truck-maintenance issues, but Barnes says there was another, unexpected benefit as well. "In Alaska, it's hard to get a long-term provider that keeps good records and knows each vehicle's history," Barnes says. But with Ryder, New Sagaya quickly realized

that wouldn't be a problem: "Ryder automatically reminds us that things need to be done, and they have a detailed vehicle history ready if we start running into problems."

That more accurate recordkeeping provided by Ryder makes a big difference, Barnes says, because "the only way we get better at something is to track failure." That extends down to the level of individual driver performance, where Ryder will track incoming calls based on the "How's My Driving" stickers on the backs of its trucks. People really do call the number, Barnes says, "and we did let one of our New Sagaya drivers go after Ryder alerted us to several complaints."

With 150 customers in and around Anchorage, extending out from the city in a 50-mile radius, New Sagaya is building a delivery-intensive business in a very challenging locale. But Barnes says that Ryder's financial, operational and consultative help has been invaluable in letting the company focus on an expanding array of products and a growing customer base. He's confident that Ryder can get everything where it needs to be right on time, every time. ■

One-bedroom units. Great view. Available for rent now.

When you see the deal on our sleeper tractors and daycabs, you'll agree that the best listing on the market isn't a house. For a limited time, when you rent any of these vehicles for five days, you'll receive one free day and 200 free miles. Join the industry's leading fleet management and supply chain solutions provider and discover how renting with Ryder can improve your fleet management performance. Call now to rent today: 1-844-MILES4U.

**200
FREE
MILES** **AND** **ONE
FREE
DAY***



CALL NOW TO RENT TODAY: 1-844-MILES4U



*Discount applies to fixed daily charge for one day of a five or more day rental only. Customer is responsible for any applicable variable charges, protections, and fees, and the discount does not apply to such. Offer: (i) is good only at the participating Ryder locations; (ii) not valid with other offers, discounts, or promotions; (iii) valid on selected vehicle types; (iv) subject to vehicle availability and Ryder's standard rental requirements; (v) cannot be retroactively applied; (vi) may be cancelled at any time without notice. Offer expires 12/31/16.

Ryder and the Ryder logo are registered trademarks of Ryder System, Inc.
Copyright ©2016 Ryder System, Inc. Ever better is a trademark of Ryder System, Inc.

A man with a shaved head and a goatee, wearing a black velvet jacket over a black t-shirt and blue jeans, is sitting on a wooden stage ledge. He is looking directly at the camera with a slight smile. Behind him is a large, brown, vertically-pleated curtain. To his right, a microphone on a stand is visible. A thought bubble is positioned above his head, containing the text "An entrepreneur walks into a bar ...".

An entrepreneur
walks into a bar ...

RINGMASTER
Brian Volk-Weiss
at the Broad
Stage theater in
Los Angeles. He's
practiced in the
care and feeding
of comedians.



Getting the Last Laugh

Brian
Volk-Weiss
knew standup
comedy
programming
was changing.
Then a
funny thing
happened ...

By Kris Frieswick
Photograph by Ramona Rosales



WHEN I RENT a car,

I don't want to have a conversation with the rental car clerk. I just wanna get my keys and go," said comedian Michael Ian Black on stage at the Gerald W. Lynch Theater in New York City last November. "But I guess the rental car companies believe that customers enjoy it when the clerks engage in conversation. So they keep asking the same annoying question—'So, what brings you to town today?'" The crowd titters.

"Look, I'm Jewish," Black says. "As a Jew, when I hear 'What brings you to town today?' that sounds suspiciously like [*imitating a Nazi voice*] 'May I see your papers?'"

As the audience erupts in laughter, its reaction captured by a couple of the black-clad camera operators, Brian Volk-Weiss is standing backstage, enjoying it all. He's the co-founder and president of Comedy Dynamics, a company that is perfecting a risky business model within the industry, and along the way helping reshape how comedy specials get created and distributed in the emerging on-demand world. He almost crashed Dynamics before it got off the ground, when he invested nearly \$300,000 to produce, and own, a special that, at one point, had no buyers. But tonight, he's in his element, presiding over his company's latest production.

Black's show is being taped for his new, hourlong standup special, *Noted Expert*, which has already been licensed in an exclusive "first-window" deal to the cable channel Epix. Volk-Weiss is thrilled that so many people are here in attendance.

He remembers a time in 2013 when he produced a standup special in Minneapolis for comic Tom Segura and could barely fill the theater. "We had to run around to all the local bars and give away tickets to get people to come in," says Volk-Weiss, 40, smiling. Tonight, the house is packed and howling. It's music—and money—to Volk-Weiss's ears. Comedy Dynamics, based in Burbank, California, is footing the bill for Black's show, including his fee and the costs of postproduction, editing, and delivery to Epix. When Epix's license to air the show expires, Volk-Weiss will relicense the rights, which Dynamics owns in perpetuity, to any other channel or entity that wants to pay for it.

That model—of owning and repeatedly licensing standup comedy specials—has turned Volk-Weiss into a very successful comedy impresario.

Back in the old days of television programming—say, 15 years ago—most standup specials like Black's ran for a limited time on one of the three main cable channels that aired comedy (HBO, Showtime, Comedy Central) before being shuffled off to the archives. There were few other places to show them. That's why most production companies made comedy specials as work-for-hire projects and took a fat production fee while forgoing any ownership rights.

But as far back as 2006, Volk-Weiss saw where comedy, and almost every other form of video entertainment, was heading: to an anywhere, anytime environment. So he positioned Comedy Dynamics to take advantage of this massive shift in distribution by footing the cost—and taking the risks—of producing the specials so that his company could retain the rights and, eventually, license the shows several times.

Despite a scary start, Volk-Weiss's timing has proved as good as Jerry Seinfeld's. Dynamics has built a vertically integrated, privately owned funny business with the largest independent library of comedy programming in the country at a time when this art form is exploding in both popularity and ways to consume it. Today, Volk-Weiss licenses programs to established "real time," or "linear," cable channels, like HBO, Showtime, and Epix; streaming video on-demand channels, like Netflix, Hulu, Amazon, and Seeso, NBCUniversal's new comedy subscription service (and increasingly, services from the linear channels); over-the-top-device companies like Roku, Microsoft (which makes Xbox), Sony (PlayStation), and Apple (Apple TV); and satellite radio channel Sirius XM. He even licenses to cruise ships, airlines, hospitals, and hotels.

By recognizing that the marketplace is changing and responding to that change, Volk-Weiss has built a 120-person company that he says grew its revenue (from licensing, streaming, and production fees, product sales, and ad-revenue sharing) more than 100 percent annually over the past three years—and more than 200 percent over the past two. He's also been the first to showcase nationally some of the country's best new



**ALI WONG**

For her *Baby Cobra* special, she was called "fierce, filthy, and very pregnant."

MARC MARON
His book's title, *Attempting Normal*, tells you what you need to know about him. He had his own TV show, *Maron*; his podcast, *WTF*, claims the president as a fan.



MICHAEL IAN BLACK
More of the conversationalist school, he's also a children's book author.



RENT OR BUY?

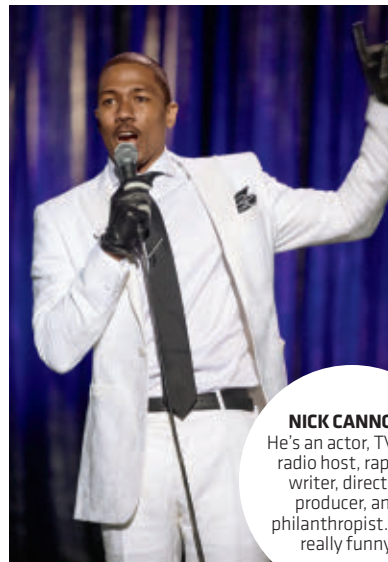
If you've watched a comedy special on cable, a streaming service, or even a cruise ship, chances are pretty good that Comedy Dynamics either owns it or produced it. The company has many of the industry's top stars in its stable, in part because CEO Brian Volk-Weiss has a knack for spotting ascendant talent.

**TOM SEGURA**

His *Mostly Stories* special on Netflix is a huge step up. Raw but self-referential, he also does *Your Mom's House*, a popular blog, with his comedian-wife, Christina Pazsitzky.



ILIZA SHLESINGER
She has a snarky, machine gun delivery and hosts a dating show.



NICK CANNON
He's an actor, TV and radio host, rapper, writer, director, producer, and philanthropist. And really funny.

LAUNCH

comedic talent. The only thing that could screw him up is if he lets Comedy Dynamics complete an evolution that seems as inevitable as it is obvious, because the comedy-industry model is changing yet again—and this time, Volk-Weiss's customers are morphing into very deep-pocketed competitors.

WE ARE IN A GOLDEN AGE OF COMEDY, mostly because we really need it. Comedians such as Louis CK, Jim Gaffigan, Aziz Ansari, and Amy Schumer now regularly perform in arenas—virtually unheard of 10 years ago. “When you talk to guys who’ve been in this for 25 to 30 years, they’re likening what’s happening now to the ’80s boom,” Segura says. “Clubs are packed. It’s the best, as a comic.”

Volk-Weiss was a comedy-loving kid when he arrived in Los Angeles in 1998 fresh out of the University of Iowa, an odd choice for a Queens, New York, native. A lifelong Trekkie, he says one of the reasons he chose U of I was because Iowa is the home state of Captain James T. Kirk. He wanted to work on films, but those jobs were scarce, so he took a job as an assistant at a small talent-management company called BKEG, owned by former comedian and comedy manager Barry Katz. Before long, Volk-Weiss was helping to manage comedians, including Dane Cook, Whitney Cummings, and Jeff Ross. It was during his BKEG days that he started producing standup comedy specials for the company’s clients.

BKEG was acquired in 2003 by New Wave Entertainment, a producer of marketing solutions and trailers for the movie industry that’s owned by Paul Apel, who started as an editor at the company and worked his way up to owner and CEO, a spot he’s had for 23 years. BKEG became New Wave’s management division (renamed New Wave Dynamics) and Volk-Weiss was eventually put in charge of it.

Along the way, Volk-Weiss, a tall, unassuming man with a light-blond goatee, very little hair, and rosy cheeks, became expert in the care and feeding of comedians. As funny as they are, it’s a group notorious for rampant insecurity, depression, substance abuse, and debauchery. Volk-Weiss developed a talent for talking them down off the proverbial ledge, as well as producing top-quality specials. “They are so good at making these specials,” says Segura, whose raunchy, absurdist, observational style is a cross between Steven Wright’s and Louis CK’s. “Brian has a personality that puts you at ease. He’s worked in comedy for so long. He knows comic personalities. When you’re a comic doing a special, it’s like you’re directing your first movie. He’s there to facilitate your vision. And he just guides you through it and it’s the easiest thing.”

While Dynamics was producing those work-for-hire specials, Volk-Weiss’s clients in the cable industry were facing a seismic shift. YouTube launched in 2005, allowing anyone to upload personal content. And in 2007, Netflix launched its streaming service, allowing viewers to watch movies via the internet instead of renting a DVD or waiting for the show to appear on a cable channel.

Volk-Weiss knew these shifts would change the comedy industry; he just didn’t know how, exactly. Then, at the urging of a friend, he read the *Wired* magazine article by Chris Anderson that inspired *The Long Tail*. That book, published in 2006, predicted that the internet would create a new type of economy in which products, particularly niche products, have profitable lives for longer periods, and on a wider variety of distribution channels, than ever before. This was especially true for books, music, movies, and TV programming. That message was a bolt of lightning to Volk-Weiss. “That book literally changed my life,” he says. “There wouldn’t be a Comedy Dynamics without *The Long Tail*. I didn’t understand anything that was coming until I read that book, especially the whole premise of unlimited shelf space.”

The book convinced Volk-Weiss that he needed to start producing programs that Dynamics could own outright and sell forever—and perhaps negotiate a piece of ownership for himself. He started an audio division, producing CDs of standup specials, since the costs were small. In 2007, he underwrote the first video standup special that New Wave would own, another low-budget job that he then licensed to Comedy Central. Between 2007 and 2011, New Wave slowly began building a comedy portfolio.

In early 2011, Volk-Weiss took his biggest chance yet on the long-tail thesis. In a meeting with comedian Tom Green’s manager, Volk-Weiss suggested that Green do a standup special—he’d never done one before—with New Wave. Volk-Weiss intended to do what he typically did and sell it to one of his regular buyers, with the buyer paying for the production and retaining the rights. He figured the advance for Green and the production costs would be out of New Wave’s reach. The manager agreed, but when Volk-Weiss tried to sell the potential special to his usual buyers, a not-so-funny thing happened. “Everybody passed,”

“Ladies, if a guy picks you up for a date in a minivan, he’s telling you, ‘Why have sex when we can collect all the Angry Birds stuffed animals?’”
—Tom Segura



BLAH

Not on your itinerary.

Designed for those who love open spaces, open thinking and open expression, this is where travel creates possibilities. Where style is necessary. Connectivity keeps up with you. Social scenes are vibrant. And the only direction is forward. This is Aloft Hotels.

Different. By Design.

Book now at alofthotels.com

100+ hotels around the globe

he says. “They said, ‘We like Tom Green, but [since he’s never done one before] we’re not gonna buy a special with him that we can’t see.’”

Rather than drop the deal, Volk-Weiss saw an opportunity. “I was like, ‘We’ve got this.’ Our learning curve on making specials was improving. Our relationships with the buyers were pretty good at that point, and I was pretty confident that we could do it.” He believed in the potential long-tail profit, that selling the first-window rights would begin to mitigate the production risk that Dynamics would take—indeed, the biggest it had ever taken.

Volk-Weiss went to Apel with a big ask. He needed \$280,000 to produce the special, including the biggest talent advance the company had ever offered—\$30,000. Apel was surprisingly open to the idea. “Any person in my position, who’s a CEO and has a staff of people you trust, at times, you have to back them,” says Apel. But there was another ask as well. “Brian said, ‘Hey, I wanna do this; and if I do this, I want to eventually become a partner,’” says Apel. “I said, ‘Fine. Let’s go.’”

Volk-Weiss closed the deal with Green and then began trying to sell the first-window rights to the usual suspects. He thought that, since they’d be paying only for rights and not for production costs, one would surely bite. “I just assumed Comedy Central would buy it,” says Volk-Weiss. “I thought Tom Green was a big enough name.” Apparently, no one at Comedy Central had read *The Long Tail*. Comedy Central passed. So did HBO. So did Showtime. “I was terrified,” says Volk-Weiss. “I didn’t sleep. It was all very, very scary.”

And then, he says, “I got lucky. I got really lucky.” At the time, he happened to be producing a work-for-hire comedy special with Showtime, and he was out to dinner one night with some Showtime execs. They mentioned a problem negotiating the financials with the special’s featured comedian. The next day, Volk-Weiss called Valerie Meraz, then Showtime’s vice president of content acquisitions (who hadn’t been at the dinner). “I said, ‘Listen, I’ll do the project at cost,’” recalls Volk-Weiss. “I won’t take a production fee, but I need you to buy this Tom Green special.”

Meraz doesn’t recall the specifics of the agreement—she has since moved on to Turner Entertainment—but she does remember Volk-Weiss. “The thing that set him apart for me was that he would produce his shows on a large scale,” says Meraz. “They were big venues. They were polished. It was a professional experience. You could tell he took it seriously. He wanted to be the best. We hit it off right away.”

Meraz brought the deal up the food chain at Showtime, which eventually bought the first-window rights for \$60,000, a “low to middle” amount. But Dynamics now had a life. The show premiered in 2012. After Showtime’s rights expired, Dynamics licensed the special to Image for \$90,000. And it kept relicensing. Today, it’s still generating money.

In July 2013, Volk-Weiss became co-owner of New

Wave Dynamics, subsequently renamed Comedy Dynamics, which has produced 20 to 30 standup specials per year and sold licenses not only to regular buyers like HBO and Showtime, but also, increasingly, to Netflix. With its growing inventory, Volk-Weiss was in a position to take the next step in his long-tail vision: He launched Dynamics “channels”—showing exclusively Dynamics-owned shows—on Hulu, Roku, and Amazon in July 2014.

But there is an unfortunate, if not entirely unforeseeable, side effect of being a disrupter: Other companies begin to pay more attention to you, and not necessarily the kind you relish.

ADIES, IF A GUY picks you up for a date in a mini-van, he’s telling you, ‘Why have sex when we can collect all the Angry Birds stuffed animals?’”

says Segura in his new Netflix

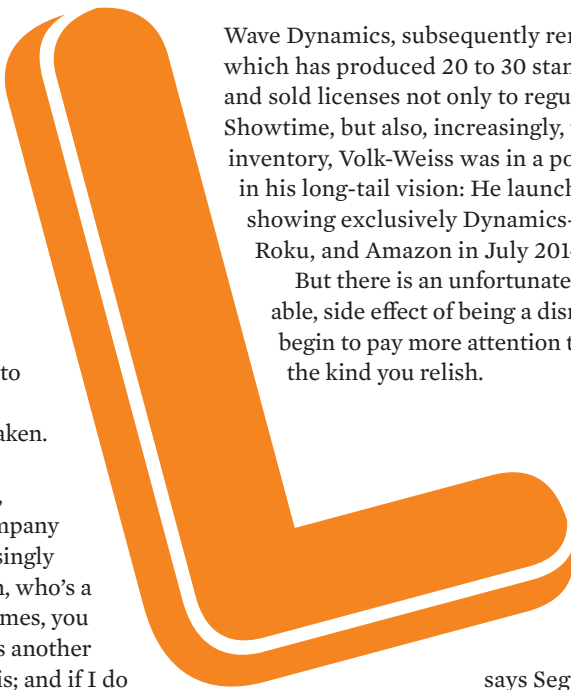
Original special, *Mostly Stories*. “Full-size van.

That’s like, ‘You wanna go out? Well, you’re coming.’ If a guy picks you up in a Honda that’s really close to the ground with cool blue lights underneath it, that says, ‘When we get to the restaurant, get whatever you want. My mom’s got this.’”

Volk-Weiss produced *Mostly Stories*, but he doesn’t own it. Over the years in which he’s been producing his own specials, Volk-Weiss has gotten very good at spotting talent before anyone else, and elevating it to the national stage. That was certainly the case for Segura. Thanks to the lift he got from his 2014 Comedy Dynamics produced-and-owned special, *Completely Normal*, Segura’s career exploded. “It had a tremendous impact. It grew the fan base and visibility; it took me to another level of exposure,” he says. “When you shoot a special, you have no idea what’s going to happen, and the fact that I got to do the first one with Comedy Dynamics was a roll of the dice. It was a game changer for me professionally.” Segura won’t put a dollar figure on what *Completely Normal* did for his career (he retained 35 percent ownership of the program), but he says it paved the way for bigger paydays—and that’s been the case for other comics as well.

Most crucially, Segura got an original-comedy-special deal with Netflix, which is the modern-day equivalent of being asked to sit on Johnny Carson’s couch after your set—a guaranteed career maker. Volk-Weiss says he actually did want to bid on Segura’s second special, but “once we found out Netflix was involved, we backed off.” A wise move, considering that Netflix had become one of Comedy Dynamics’ biggest buyers.

But another factor was at play. As streaming companies, such as Netflix, steal viewers from the cable providers, like Comcast and Verizon Fios, the cable guys are trying to claw back viewers by creating their own streaming services. Increasingly, their network and cable channel partners are refusing to license their shows to the independent streaming services—historically the





SPRINTERWORKER



Working van. Priced for the working man.

The Sprinter WORKER can hold over 3,500 lbs. of payload and has 319 cu. ft. of cargo volume. With service intervals of up to 20,000 miles,¹ you're looking at the hardest-working van in its class. Now at an equally hardworking price.

Visit MBVans.com

THE 2016 SPRINTER WORKER

STARTING AT
\$32,495*
SPRINTER WORKER CARGO VAN
144", LOW ROOF, 4-CYLINDER

Mercedes-Benz

Vans. Born to run.



©2016 Mercedes-Benz USA, LLC. Sprinter is the 2016 ALG Residual Value Award winner in the Fullsize Commercial Van segment. ALG is the industry benchmark for residual values and depreciation data. www.alg.com.
*Excludes all options, taxes, title, registration, transportation charge, and dealer prep fee. 1 Driver is responsible for monitoring fluid levels and tire pressure between service visits. See Maintenance Booklet for details.

active licensors of that content and now their chief competition for subscribers. Why give your enemy the bullets for his gun? So the independent streaming services need to double down on the amount of exclusive shows and specials they create or lock up very long licensing deals (like Netflix did for *Mostly Stories*, *House of Cards*, and *Orange Is the New Black*). And these streaming services are much, much richer than Comedy Dynamics.

Dynamics will inevitably face twin threats, both of its own making. One, it will begin going head-to-head with the rapacious streaming behemoths eager to tie up exclusive deals with big talents—talents Dynamics has helped make famous. Two, Dynamics has a huge library, and dedicated distribution channels, so like it or not, it's going to soon be viewed as a competitor by its biggest customers. Comedy Central, for instance, stopped buying Dynamics programming last year.

Volk-Weiss swears he is absolutely not interested in competing with his buyers. "My goal is not to beat Netflix or HBO," he says of the Dynamics branded channels. "Those companies should never worry about us. It's like the way Ferrari would never really view Ford as a competitor. We're like the Ford of comedy specials."

On the other hand, Volk-Weiss seems to be exhibiting another trait of good entrepreneurs: flexibility. He's started producing original scripted comedies, and it's no coincidence that most of the companies buying them haven't traditionally produced or aired comedy, so don't view him as a threat—at least not at the moment.

In 2015, Dynamics produced and sold a comedy talk show for the History Channel called *Join or Die*, starring late-night host, actor, and comedian Craig Ferguson, famous for his acerbic Scottish wit and hyperintelligent political and social commentary. Dynamics has since inked deals to create and produce an original unscripted show with Zac Efron for MTV; a comedy show, *Wild 'n on Tour*, with Nick Cannon for MTV2; a scripted show for Animal Planet, starring Anthony Anderson, which Volk-Weiss describes as "*The Daily Show* for animal lovers"; a comedy special featuring Kevin Hart; and a scripted series for Seeso.

Unlike the comedy specials it produces, Dynamics will not own the rights to the scripted shows, but will instead have "back-end participation"—in other words, a cut of the eventual ad revenue a show generates. Dynamics will also own limited rights.

This, says Meraz, is smart. "It is going to get more competitive," she says, "because networks overall are looking to own more of their programming. Every network is creating content

"That's what they always say about successful people in Hollywood: The real skill is that people wanna be with you."
—Craig Ferguson

so it can monetize through all the platforms. It's also going to be harder for Brian to get the artists if Netflix or Showtime starts paying more [guaranteed advances] for comedians." (Netflix declined to comment for this story.) The emerging model also allows the inmates to run the asylum: Comic superstars such as Louis CK now produce and control their own shows.

Volk-Weiss says he agreed with Meraz's assessment until recently, but now he says that both he and Meraz were wrong about how quickly this change would come. "In December of last year," he says, "I told my staff we'd be making fewer specials" because of the predicted competition from bigger players that wanted to build a programming library. Instead, he says, "we made more specials this year than we ever have."

The reason is that, "aside from Netflix and HBO, we can give buyers a bigger bang for the buck" when it comes to spending their programming dollars, says Volk-Weiss. It will be at least three years, he predicts, before buyers (other than Netflix and HBO) will start actively owning programs. Still, three years is an instant, especially in the

comedy business. Competition is coming, just as Meraz predicted, albeit slowly. When it arrives, Volk-Weiss will have to pull off a balancing act to keep Comedy Dynamics growing profitably, licensing shows without seeming like competition, while building out an increasingly wide distribution capability. Ferguson says Volk-Weiss is more than up to the task.

"He doesn't come across immediately as someone who you think is a mogul, but he's clearly a mogul in the making," says Ferguson. "He's so enthusiastic and cheerful and positive. He's got a great hunger for knowledge. And I think that plays into why the company is becoming so successful and why it's so diverse. His enthusiasm and drive are infectious—you want to get involved. That's what they always say about successful people in Hollywood: The real skill is that people wanna be with you."

If things go according to Volk-Weiss's long-tail vision, Dynamics will become a major industry player. It will own a vast distribution apparatus; have the rights to more comedy programs than most of its competitors; and be producing much of the material they need to do battle with one another—as well as, inevitably, with Dynamics itself. When that happens, Volk-Weiss had better hope that comedy is as hot as it is now, that he's as good at producing it as he is now, and that his clients will still be willing to overlook the fact that with every deal they make with him, they hand him a few more bullets for his gun.

—

KRIS FRIESWICK is an Inc. executive editor.



Who says your desk phone has to be at your desk?

Introducing One Talk.SM **One number. Multiple devices.**

Now customers can find you wherever you work. One Talk is a single solution that can integrate your desk phone and smartphone on one number, and ring at the same time so you won't miss a call.*

With over 25 features, it lets you seamlessly move calls between phones, redirect callers when you can't answer,* and helps your team work as one to ensure your customers find the right person. It's another reason more small businesses choose Verizon.**

verizon[✓] **In business,
better matters.**

*One Talk-capable desk phone must be purchased from Verizon to support some of these features. **Results based on an independent research study of 3,942 single-location firms with 1-49 employees using corporate-liable wireless service. Telephone interviews were conducted between 3Q2015 and 2Q2016 with the employee most knowledgeable of telecommunications service. © 2016 Verizon.

Learn more at onetalk.com or call 1.800.VZW.4BIZ.

Venturing to the Capital

Clinton and Trump talk a big game about changing the system, but this new cadre of startups is trying to disrupt politics, beginning with the 2016 presidential race —ALIX STUART

ANALYTICS

Priming the Data Pump

TIMSHEL

TARGET AUDIENCE Voters for Hillary Clinton
LEANING Democrat

Michael Slaby juiced Barack Obama's 2008 and 2012 presidential runs as one of his top campaign technology officers. In 2013, he founded this Chicago-based outfit to better connect big data and politics. Backed by Eric Schmidt, Timshel boasts two dozen clients, including NGOs like the U.N. Refugee Agency, and it has become an important engine powering the Clinton campaign's high-tech voter platform for building community, fundraising, and measuring impact. "We would not sell our technology to Trump if he asked," says Slaby.

ECHELON INSIGHTS

TARGET AUDIENCE Politicians who are trying to understand Millennials
LEANING Republican

Republican pollster Kristen Soltis Anderson and digital strategist Patrick Ruffini felt too many Republican candidates were relying on inaccurate and outdated information to run their campaigns. So in 2014, the pair hatched this digital research and consulting firm that blends traditional polling methods and reports with social media analysis to take the public's pulse on a candidate or issue. The Alexandria, Virginia-based outfit, which provided social media intelligence to failed 2016 presidential candidates Jeb Bush, Carly

Fiorina, and Ted Cruz, also tracks public data on competitors' campaign spending to allow for "better real-time decision making, rather than simply relying on a playbook or gut feel," says Ruffini. ➔

180 MILLION

The number of voters tracked by Echelon Insights, the Republican digital research outfit that was behind the Jeb Bush, Carly Fiorina, and Ted Cruz campaigns



Let's Make “New Job, Same Company” a Thing

Use the world's #1 talent management solution to recruit, retain and develop your people to their full potential.

Find Out More at csod.com

 **cornerstone**
realize your potential

VOTERS

Rebooting the Voting Experience

BALLOTREADY

TARGET AUDIENCE Everyone over the age of 18
LEANING Nonpartisan

Every election day, voters show up at their respective polling places only to leave entire portions of their ballots blank because they don't know much about various candidates. Enter BallotReady, an IBM Watson-partnered website created by Alex Niemczewski, Aviva Rosman, and Sebastian Ellefson that aims to close that knowledge gap. Voters plug in their ZIP code to get served a simple-to-digest background on any candidate—from a presidential contender to a town treasurer—assembled from publicly available data and crowdsourced information, with an editorial touch. While the for-profit, which launched out of the University of Chicago's Institute of Politics, currently has a presence in 25 states, its ambitious goal, Niemczewski says, is to "cover every election in every democratic nation."

DEMOCRACY WORKS

TARGET AUDIENCE College students and Millennials
LEANING Nonpartisan

With the aspiration that "voting should fit the way we live," co-founders Seth Flaxman and Kathryn Peters are trying to boost registered voter turnout to 80 percent—a number this country hasn't seen in 130 years. Its TurboVote website acts as a gateway to all things voting, from voter registration

to absentee ballot request forms, and texts citizens reminders of upcoming elections. The Brooklyn, New York-based, MacArthur Foundation-backed operation has partnered with more than 200 universities and over 30 companies, including Airbnb and Starbucks, to accelerate its civic engagement goal, and sells a technology to election officials that tracks absentee ballots, called Ballot Scout.

VOATZ

TARGET AUDIENCE Smartphone users
LEANING Nonpartisan

In an attempt to modernize the anachronistic voting booth experience, co-founders Nimit Sawhney, his brother Simer, and Isaac Charny are working to transform the act of voting into something that is both digital and mobile. Using fingerprint biometrics to verify a voter's identity and blockchain technology to keep the transaction secure, Brookline, Massachusetts-based Voatz is in the early days of building technology that will allow people to vote with their mobile phones. While the startup, with \$75,000 in funding, has 10 clients, its largest deployment so far has been at the Massachusetts Democratic Convention. Says Nimit Sawhney, a former R&D head at a mobile security company, Voatz looks to have adoption in several states by 2020. From there, he believes, "it will go viral."

A TINDER FOR POLITICIANS

Undecided on Trump or Clinton? These three startups use high-tech prowess to make finding a candidate as easy as ... finding a date.

② Part Facebook, part Cosmo quiz, **BRIGADE** is an "ideas-based" social network that asks provocative questions to generate debates and help users find a candidate. Co-founded by Sean Parker, who also co-founded Facebook, it's bolstered by \$9.5 million in financing from Salesforce's Marc Benioff and angel investor Ron Conway.

③ Backed by Horizon Media, **VOTERGURU** originally helped voters sort through the bewildering array of 2016 presidential primary candidates by asking them to click along a blue-to-red temperature chart. Now the website helps pair people with Senate and third-party candidates.

④ With Tinder founder Sean Rad as an adviser, it's no surprise that on **VOTER.XYZ**, users swipe right if they agree with a political statement and left if they don't. The app offers matchmaking with presidential, senatorial, and gubernatorial candidates, along with personalities like Megyn Kelly and Stephen Colbert.

OUTREACH/COMMUNITY

Harnessing the Crowd

AGORA

TARGET AUDIENCE Millennials
LEANING Nonpartisan

After volunteering for the 2012 Obama campaign, Elsa Sze realized that for many, democracy was "a once every four years" phenomenon. Meanwhile, as a Harvard grad student getting her joint MBA and master's in public policy, she'd attended hundreds of New England town halls—"the purest form of democracy"—but learned that "people who show up tend to be older, louder, and crankier than most. They're not necessarily representative," she says. To remedy that imbalance, she launched online community platform Agora, which allows any group to create a public live-streamed town hall, host discussions, and perform real-time polling for free. The Cambridge, Massachusetts-based firm—which has raised \$500,000 from Charles River Ventures—also sells private town halls with analytics to companies like Microsoft.

HANDSTACK

TARGET AUDIENCE Politicians and brands
LEANING Nonpartisan

As an undocumented immigrant trying to reform immigration, Jessica Hyejin Lee found community organizing tools severely lacking. So she and co-founder Benjamin Jones developed HandStack, a platform that enables politicians to text large groups of people simultaneously. Users receive messages like "I am the ONLY progressive candidate committed to protecting CA families, econ & environ. Do you have any questions for me?" They're sent en masse but intended to feel like a one-on-one conversation. The San Francisco-based company came out of the 500 Startups accelerator; clients include political candidates and big brands.



★ AMERICA'S ★

ORIGINAL CRAFT VODKA®

WINE ENTHUSIAST RATINGS SCORE OUT OF 100 POINTS

TITO'S® **95** USA PTS
HANDMADE VODKA

Ketel One® HOLLAND	89 PTS	Belvedere® POLAND	84 PTS
Grey Goose® FRANCE	84 PTS	Absolut® SWEDEN	84 PTS



My American vodka beats
the giant imports every day.

Try American! It's better.



Tito

★★★★★

Spirit Journal

"America's first craft
sippin' vodka"

Wall Street Journal

Unanimous Double
Gold Winner!!!

World Spirits Competition

"Smooth, I mean
really smooth!"

CNN

Certified



Gluten-Free

★ **TitosVodka.com** ★
Handcrafted to be savored responsibly

DISTILLED & BOTTLED BY FIFTH GENERATION, INC. 40% ALC./VOL. © 2016 TITO'S HANDMADE VODKA.



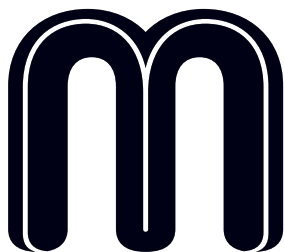


LAUNCHPAD

Thomas Goetz

Getting the Word Out— Without Creating Spam

I need to pitch people. But
I need to be smart about it



Y INBOX this morning is jammed with 16 messages from generous folks offering to help me run my startup. Recruiters, user-acquisition experts, software developers, video marketers, janitorial service providers: all templated pitches, all unsolicited, all basically spam—and all trashed.

I loathe this daily barrage, but I can't help thinking: Am I a spammer too? Much of my time is spent launching email appeals, making a case for some company to do business with my company. I ask for meetings, a chance to propose a partnership, a deal, a collaboration. My role as a startup founder requires this. No one will know that Iodine, my company, exists if I don't say so, and a potential partner won't know what we can do for it if I don't make the case.

Like a lot of entrepreneurs, I didn't start my company because I love to sell. I'm a product guy, driven more by the need to build it than the compulsion to pitch it. But without customers, there's no

company. And so I dutifully and sincerely have embraced the role of making sales and developing the business (along with providing janitorial services and HR). I really do believe Iodine can help companies save money—in particular, health insurers, for which we can help manage patients and their medications. And so I pitch, and that means sending out email. A lot of email.

But, judging from my own inbox, my correspondents are already overwhelmed by solicitations. Mine is just one more in the pile. Sure, there are differences (I hope) between the pitches I send and the pitches I get, but there's clearly a signal-to-noise problem out there. How do I craft something that doesn't put people off?

How do I cut through the noise? The first step is to understand that I'm part of the problem—or at least that I'm at risk of being seen as selling an unnecessary service from just another unknown startup. After all, getting buried in talking points for services I don't want or need drives me crazy. A standardized approach is just wasted electrons. Making sure my pitch addresses a real problem a company faces—and that its bosses have prioritized—is the first part of success.

Second, it's essential to ping the right person, one who can turn interest into action. I've successfully emailed many directors of innovation—if “success” is defined as getting a phone call on the calendar—only to realize midmeeting that this

kind person won't actually be able to make anything happen, in terms of a business deal. Know who your target is, and aim high. Any real deal will have to go up the ladder anyway.

Third, even with the right person and pitch, it's still not time to hit Send. To truly elicit a reply, I try to make some sort of personal connection, through a previous association or, better yet, an introduction. There's a reason that intros are the true currency of Silicon Valley: An email that contains a familiar name will actually get read.

The last lesson: Don't use LinkedIn to make your pitch. It's fine for background research or to see where your network might lead, but it's a horrible forum for conducting a dialogue—and it's increasingly full of the business spammers you don't want to resemble. Be diligent and get a real email address (Connectifier or Charlie can help with this).

Email pitches will always be a game of darts. But bad ones aren't just ineffective; they're destructive to your company's reputation. They make you look like you either don't care or are desperate. If you send spam, you're a spammer. And nobody wants to do business with a spammer.

Thomas Goetz is a co-founder and the CEO of Iodine, a digital health startup based in San Francisco. He is also the author of *The Remedy*. Follow him on Twitter: @tgoetz.

MAKE BREAKFAST HAPPEN SO KIDS CAN BE HUNGRY FOR MORE

Photo By: Peggy Sirota

I was one of our nation's hungry kids growing up. Today, 1 in 5 children in America struggle with hunger. But when they get breakfast, their days are bigger and brighter. Learning, attention, memory and mood improve. Together, we have the power to get breakfast to kids in your neighborhood — let's make it happen. Go to hungeris.org and lend your time or your voice.

Viola

Viola Davis, Hunger Is Ambassador

HUNGER IS

Albertsons
Companies
Foundation

★
EIF

Hunger Is® is a joint initiative of the Albertsons Companies Foundation and the Entertainment Industry Foundation, which are 501(c)(3) charitable organizations.



CHICAGO'S POWERFUL TECHNOLOGY SCENE IS ATTRACTING RECORD-BREAKING INVESTMENT IN WORLD-CLASS COMPANIES.

CHICAGO'S BUSINESS SCENE HAS SOME DISTINCT HALLMARKS. IT'S A MAJOR world financial center, well-known for its centrally located transportation hub. Home to 29 companies on the Standard & Poor's (S&P) 500 list, the Windy City is also known for its business diversity—no industry employs more than 14 percent of the work force. Less known, however, is Chicago's reputation as a quiet and growing force in the technology sector and its innovation-focused infrastructure for start-ups and growing companies.

In Partnership With



The country's third largest city has long been the home base to an enviable list of technology companies, including Groupon, Orbitz, Morningstar, GrubHub, and CareerBuilder. In 2012, Mayor Rahm Emanuel unveiled a 10-point economic plan to fuel growth, with a specific goal to build the city's technology sector. World Business Chicago, a public-private partnership (PPP) chaired by Emanuel and dedicated to Chicago's economic development, created ChicagoNEXT, a council of technology leaders spearheading multiple

initiatives to further propel the city's tech momentum. After the plan was announced, Chicago averaged 273 new technology company launches every year between 2012 and 2014. Last year, technology companies attracted a record-breaking \$1.7 billion in venture funding.

"Chicago is a global hub for innovation and industry, a place where big concepts can become big companies and provide big opportunities for the people of this city," Emanuel says. "Our record investments show that the work we do is generating returns to support Chicago's next big ideas, boosting our economy and our neighborhoods."

PROVING THEIR WORTH

But venture capitalists didn't just throw that money at any semi-promising start-up. Investors here are more conservative and want to invest in promising companies with excellent management teams and a strong plan for success, says Mark Tebbe, ChicagoNEXT chair. Tebbe, who founded two NASDAQ-listed companies and is an adjunct professor of entrepreneurship at the University of Chicago's Booth

School of Business, says Chicago investors tend to look for companies that will endure over time.

"Investors are looking beyond Silicon Valley, and they're finding a lot of opportunity in the Midwest," he says.

Some investors are from Chicago's own business community, such as venture capitalist J.B. Pritzker, co-founder and managing partner of Pritzker Group, the largest venture capital firm in the Midwest.

Pritzker was the first chairperson of ChicagoNEXT and says there are a number of factors that make

Chicago such a promising location for Web-based and mobile companies, as well as companies in clean technology (cleantech), financial technology (fintech), and bioscience.

The city is home to the renowned 1871, an incubator that was launched in 2012 in a collaborative effort among hundreds of people within Chicago's tech community. Pritzker

says the incubator became a "town square for techies," attracting the area's best entrepreneurs and engineers. The incubator currently houses approximately 425 businesses, and has been the home base for hundreds of others that



Changing Tomorrow, Together

At Astellas, we believe we can make a real impact on the future.

That's why we are fully committed to developing medicines that make a difference where they're needed most, in areas like oncology, urology, cardiology and transplant. It's also why we focus on bringing together a diverse group of people with a common goal: to help transform lives. Whether it's in the office, the laboratory or the community, **we're working together to change tomorrow.**



@AstellasUS

www.astellas.us





have since moved to other locations. Since 1871's launch, the city has seen a proliferation of successful incubators and co-working spaces, growing from just three such spaces in 2012 to at least two dozen today. Among the many notable facilities is Matter, a health care and bioscience-focused incubator that attracts entrepreneurs seeking solutions to important and emerging health care issues.

THE POWER OF PEOPLE

Pritzker says Chicago's well-educated, skilled work force is another asset, making the city attractive to both start-ups and expanding businesses. Several of the world's best engineering schools are located in the region, but Illinois Institute of Technology (Illinois Tech) stands out by educating innovation-focused engineers and entrepreneurs. Illinois Tech President Alan W. Cramb says the combination of world-class researchers at Illinois Tech and their close ties to local technology companies and research institutions creates a strong network that fosters innovation.

"We educate engineers and scientists—especially computer scientists, currently our fastest-growing group—to make a difference," he says. "Chicago's industry diversity means that Illinois Tech graduates can make important contributions in virtually any field."

Illinois Tech further distinguishes itself with facilities that enable innovation. University Technology Park at IIT (UTP), one of the earliest facilities in Chicago on a university campus, has remained dedicated to advancing research, promoting innovation, and supporting technology commercialization since 2006. UTP is home to companies in materials and life sciences, green and clean technology, food safety, and information technology. UTP's success stories include Cleversafe, which IBM acquired last year.

In August 2016, Illinois Tech broke ground on the Ed Kaplan Family Institute for Innovation and Tech Entrepreneurship, which is designed to attract creative students and innovators in science, technology, engineering, and mathematics with prototyping labs, collaborative spaces, and classrooms.

SWEET HOME, CHICAGO

Chicago is also attracting health care companies seeking expansion. In 2012, Tokyo-based Astellas Pharma located their Americas headquarters just outside of Chicago to a new facility that was awarded LEED Gold certification for its environmentally friendly design. Astellas is a global pharmaceutical company committed to developing new pharmaceutical products in the areas of urology, oncology, immunology, nephrology, and neuroscience for people around the world. The company also is exploring new therapeutic areas, such as ophthalmology and muscle disease, as well as leading technologies, such as regenerative medicine and next-generation vaccines.

James Robinson, Americas president, says access to the Midwestern life sciences corridor and the excellent trained work force were both factors in the expansion decision. The proximity to nationally ranked organizations, including hospitals and universities, combined with Illinois' research and development tax incentives, help companies turn cutting-edge research into successful new products. In addition, employees have a lower cost of living than many other metropolitan areas and many amenities—considerations that are important to a company committed to improving quality of life around the world.

"Chicago checks all the boxes for employees—top-notch schools, universities, and health care; lake-front activities; world-class cultural events; and a solid public transportation infrastructure. The great quality of life draws people to the Chicago area and to Astellas," Robinson says.

In the tech world, Tebbe says that one of Chicago's key themes is "opportunity." With a strong infrastructure that includes universities and research institutions, industry diversity, a skilled talent pool, public sector focus and support, and ample resources for new and expanding businesses, Chicago offers an exceptional ecosystem in which tech companies of all types can thrive. ■



"Chicago is a global hub for innovation and industry, a place where big concepts can become big companies and provide big opportunities for the people of this city."

**—Mayor Rahm Emanuel,
City of Chicago**



WEB DIRECTORY

Astellas
astellas.us

ChicagoNEXT
worldbusinesschicago.com/
chicagonext

Illinois Institute of Technology
iit.edu



Innovation.

IT'S HAPPENING HERE.

Illinois Tech Microgrid.

Our entire campus comprises the nation's first functional microgrid—and reflects Illinois Tech's pioneering work in electricity delivery and infrastructure.

ILLINOIS TECH—Chicago's Innovation University

Serious.

University Technology Park at IIT, Chicago's premier tech park, launching companies in life sciences, engineering, computer science, and energy that employ our students

Sophisticated.

Ed Kaplan Family Institute for Innovation and Tech Entrepreneurship, an innovation hub that will educate students to lead Chicago's tech future

Smart.

A private, world-class university with a 126-year legacy of academic and research excellence in high-impact fields



ILLINOIS INSTITUTE OF TECHNOLOGY

Learn more at go.iit.edu/smart



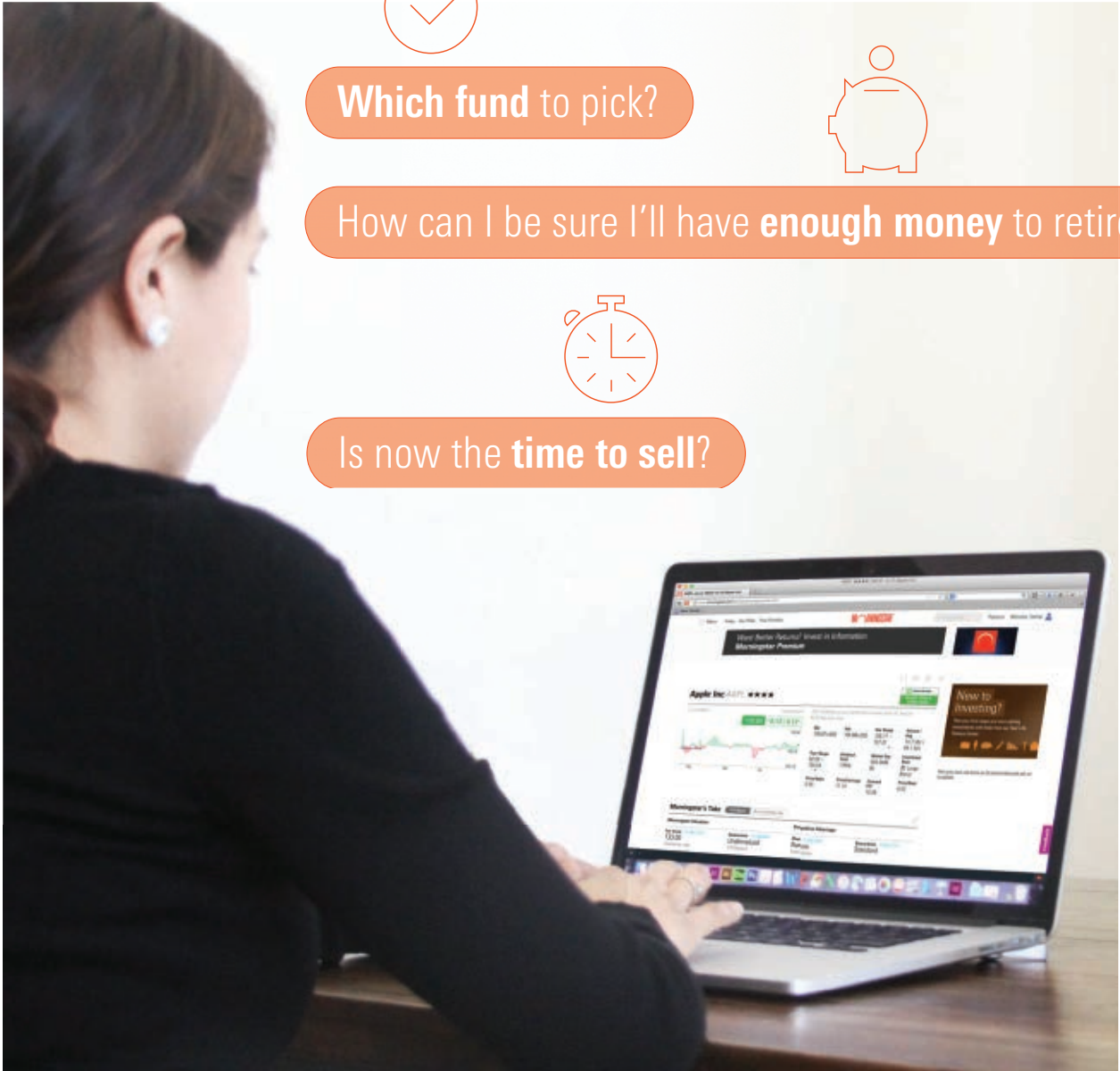
Which fund to pick?



How can I be sure I'll have **enough money** to retire?



Is now the **time to sell**?



Invest With Confidence.

Morningstar helps simplify the endless list of investments and distill complex products to their fundamentals—how they work, whether they're worthwhile, and what role they should play in your investment strategy. We encourage a long-term approach to investing, and the independent research on Morningstar.com helps investors discover new opportunities or dive deep into the subjects that matter to them.

Visit www.morningstar.com/members/confidence.html for free resources and planning tools.

LEAD

**“If you put
in that same
work ethic
you had in the
military, it
will pay off.”**

—TABATHA TURMAN, an
Army veteran and the
founder of Integrated
Finance and Accounting
Solutions, a government
contractor with
\$14 million in revenue

Inspire.
Empower.
Get Results.

PG. **56**

PG. **54**
DO YOU
NEED A
BUSINESS
COACH?

PG. **73**
WHEN
SALES
GET TOO
EASY,
BEWARE

Do You Need a Coach?

Maybe, if it's the boss who is becoming the weak link when trying to figure out critical issues

THREE YEARS AFTER launching his Denver-based business, Transcription Outsourcing, in 2010, CEO Ben Walker wanted to add employees and move to a larger space. But there was a big obstacle: him. "I needed a sounding board, someone with a lot of experience I could talk through my challenges, and who had helped other companies," he says.

In 2014, through friends' recommendations, he met Bill Treadwell, a local executive coach in his mid-70s. The two communicated easily, and Walker hired him. Soon, Walker was huddling for a couple of hours once a month with Treadwell for a flat fee. What ensued were assignments of books to read, heavy scrutinizing of financial statements, analysis of expenses and elimination of unnecessary ones, and advice on how to better interact with his team. By early 2015, Walker had reduced expenses 35 percent and improved the employee retention rate. "My coach has had an incredible effect on the bottom line and overall office morale," he says. Transcription Outsourcing's 2015 revenue beat the previous year's by 30 percent. Walker projects the same growth for 2016. "What's even better than his still being my coach"—they now work more by phone and email—"is that he's become a friend and a mentor," he says. That won't happen with every coach. And you'll need to vet candidates carefully—there are varying certifications. But the first question is: What are you trying to fix? Follow this guide. —COELI CARR

THE AUDIENCE

(media coaches)

— As a company owner, you're a walking, talking billboard. "You communicate your character and trustworthiness through your presentation, and venture capitalists typically base part of their funding decisions on whether they have faith in the CEOs in front of them and are inspired by their founding stories," says Jane Praeger, owner and CEO of Ovid, a media-training and presentation-coaching firm in New York City whose clients include small-business owners. Too often, she says, entrepreneurs, while giving speeches or media interviews, confuse spontaneity—which often results in rambling and indirectness—with being real. "They think they'll sound more authentic if they don't overprepare, but, in fact, it's qualitatively planning out how to answer the tough questions that allows you to exude passion," she says. "The best communications coaches combine strategy, content, and delivery." In other words, it's not just what you say; it's how you say it.

THE BUSINESS

(executive and business coaches)

— Some executive coaches focus on C-suite occupants at big corporations. Others, who may also call themselves business coaches, help

smaller-company bosses and owners examine their firms' value drivers: finances, management team, operations. They also help clients see how personal issues can hinder success.

Treadwell says most of his clients recognize their weaknesses. "One typical pattern is the entrepreneur is unable to let go of his past role as solo operator, and has difficulty trusting the team," he says. Another is accountability. "It's lonely at the top, and, just as a CEO holds his hires accountable, an objective third party—a coach—serves to hold the CEO accountable." If a client is in build-to-sell mode, "my role is to ask when and how, which helps him refine and clarify."

SPREAD: FROM LEFT: PHOTODISC/GETTY IMAGES/GETTY

THE COACHING PLAYBOOK

HOW MUCH DO THEY CHARGE TO WHIP YOU INTO SHAPE?



17,500

The number of independent coach practitioners in North America.



\$955 million
Industry revenue in North America in 2015.



THE DEAL

(negotiation coaches)

With libraries of negotiation books available, it's tempting to go the DIY route. "Although books are an excellent source of general information, they simply don't contain the strategies to address the level of specificity inherent in given negotiation situations, conflicts, or transactions," says G. Richard Shell, director of the Wharton Executive Negotiation Workshop and author of *Bargaining for Advantage: Negotiation Strategies for Reasonable People*. He suggests hiring a coach with negotiation

expertise to get you through critical, complicated deals. For example, a CEO facing a negotiation with his biggest client fears that pushing too hard will alienate the other side, but also knows that a good outcome can completely transform the company's opportunities.

"The stakes can be really high, with a very fine balance between aggression and accommodation," says Shell. "A coach who knows the entrepreneur and is equipped with details and questions—such as the opposing team's psychological makeup, who should be present, and whether to conduct the negotiation in person or by phone or email—will be able to help the client think things through." The more that being a good negotiator plays a role in your company's future, says Shell, the better the case for a coach.

YOU

(life coaches)

You may have a thriving business, but personality or emotional issues prevent you from reaching your full potential. "Working with a life coach can be extremely beneficial when dissatisfaction with certain areas, as in 'something's not working,' keeps you from getting out of your own way so you can reach your next level of accomplishment," says Jill Farmer, a life coach and author in St. Louis. "It's about helping clients address their personal weaknesses, and find and support their strengths." Farmer often works with clients who struggle with stress, poor time-management habits, and feeling overwhelmed. "A good life coach can help the client get to the core of these and other issues, and offer suggestions that align with the client's cognitive style, which speaks to a person's preferred way of getting things done," she says, noting that referrals often come from business coaches. "Both life and business coaches understand that thoughts drive actions."



GAME PLAN

THREE STRATEGIES FOR HIRING A BUSINESS COACH

MANAGE TRANSITIONS. Moving into a new phase of your business can generate anxiety, says Harvard Law School's Sheila Heen, who teaches negotiation, co-authored *Thanks for the Feedback: The Science and Art of Receiving Feedback Well*, and is co-owner and CEO of Triad Consulting Group. A good coach asks about the challenges you're up against and can often help you zero in on what and how to change.

FIX RECURRENT ISSUES. Sometimes, says Heen, there's upheaval when an owner's previous strength has a downside. Think of an owner whose outgoing personality once put employees at ease but who now so dominates meetings they can't get a word in edgewise. "It's time to consider working with a coach once you've finally decided to shelve the denial," says Heen.

ADD NEW SKILLS. Do you need to master complex subject matter or pursue new strategies? Rich Hull of Los Angeles-based Latin Everywhere, which distributes Spanish-language programming through its Pongalo platform, wanted to better understand his co-founders' Latin culture. He works with an executive coach with global management expertise. "By helping me find common ground with my co-founders and understand our different communication styles and work-life balance issues, the coach helped us build our business," says Hull.

In all cases, caveats apply. "Beware the coach who believes you have to do it the way they did," says Heen. "You want someone with great experience, but who's also innovative and adaptable."

\$234

The average fee per hour.



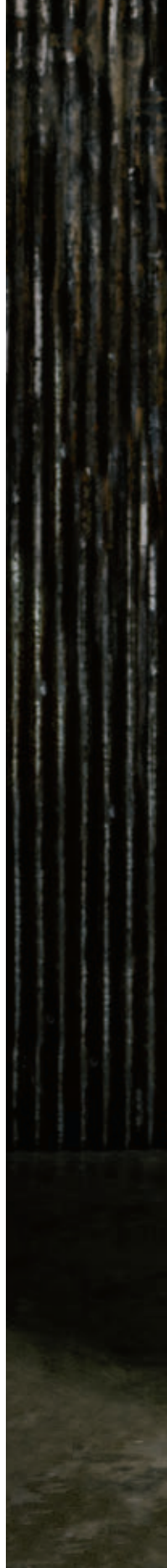
\$100 to \$1,000 What You'll Pay Per Hour

"The range of coaching fees is huge," says life coach Jill Farmer. "It's important to do your research to make sure the coach you're considering is a good fit." Some coaches use monthly retainers specifying a minimum number of hours; others cover longer time frames. Ask the prospective coach for a free initial meeting or phone conversation.

A NEW KIND OF MISSION

**Fifteen years
after 9/11, some
162,000 veterans of
the U.S. wars in
Iraq and Afghanistan
are taking on
the daunting,
exhilarating
challenges of
entrepreneurship.
These are
their stories**

BY KIMBERLY WEISUL





BLAKE HALL, ARMY

"My first year as an entrepreneur was the loneliest time of my life," says the Iraq veteran and co-founder of software company ID.me. "But I knew there wasn't much else I would be happy doing."

Photograph by **GREG KAHN**

Ten years ago, Blake Hall was nearly blown up at work.

A platoon leader in the Army Rangers, Hall was in charge of a reconnaissance unit stationed in Mosul, Iraq. His team was on routine patrol one day when a bomb exploded near their base. Then mortar shells began to fall, pummeling the combat hospital inside the base, injuring 10 during the first few blasts.

Suddenly, Hall was racing his men across the Tigris River, hoping to find the mortar unit. They were outnumbered and facing attacks from three directions, without air cover or other support. Yet they ultimately destroyed the unit, capturing four al Qaeda fighters and killing two, Hall says, while avoiding any casualties themselves.

"It was a miracle, really," says Hall, who was awarded a Bronze Star with Valor for that day's work. "God was good to us, to me, that day."

Two years later, he headed back home to a promising civilian life—Harvard Business School, a prestigious internship with McKinsey & Company—that soon got, well, boring. Hunched over Excel spreadsheets in an office tower late one night, Hall turned to another intern and blurted out an uncomfortable epiphany: "Dude, 18 months ago I was hunting down an al Qaeda bomb network," he said. "I don't think I can do management consulting."

It's a feeling familiar to many returning veterans, one that has long spurred them to seek out the challenges and rewards of starting their own businesses. There's nothing remotely like combat, of course. But recent veterans say that entrepreneurship is one of few civilian callings that matches its intensity, and that can bring a similar sense of accomplishment.

"Other than the fact that no one's shooting at you, everything about entrepreneurship is like the chaos of combat," says Joseph Kopser, a veteran-turned-entrepreneur who sold his transportation app, RideScout, to Daimler in 2014. "You need to find allies and partners who don't necessarily exist. Convince people who think an idea is dumb that it might be worth doing. That's the same as telling a chieftain he really ought to work with the Americans."

Not that the similarities make it easy, at all. "My first year as an entrepreneur was the loneliest time of my life," says Hall, now the co-founder and CEO of identification-software company ID.me, based in Tysons Corner, Virginia. "But the one thing about combat is it makes you realize how precious life is."



TABATHA TURMAN, ARMY

"Don't listen to people's stories about their roadblocks. Just go for it," says Turman, who survived a turbulent deployment to Baghdad. Her government contracting company, Integrated Finance and Accounting Solutions, now pulls in \$14 million in annual revenue.

Photograph by **MATTHEW TAMMARO**

NIC GRAY, ARMY

"I'm 100 percent confident that, in some cases, people have not invested in me because of the risk factor," says Gray, who overcame his post-Iraq PTSD to co-found digital marketing company HyprLoco.

Photograph by **TERRY A. RATZLAFF**



And I knew there wasn't much else I would be happy doing."

That's a refrain common to the tens of thousands of veterans who served during the post-9/11 wars and have gone on to start their own businesses. Those you'll meet in these pages, all of whom were deployed to Iraq or Afghanistan after 2001, learned how to be resilient, how to solve problems, and how to lead amid massive uncertainty under some of the most brutal conditions on the planet. Fifteen years after September 11, that same grit is now being applied to the demanding civilian grind and glory of entrepreneurship.

As Hall puts it, as an entrepreneur, "I feel free. In that, I feel incredibly successful."

Harder Than Combat

HALL SAYS THAT RUNNING ID.me in its early days was the hardest thing he's ever done—and that includes hunting down al Qaeda leaders. "I had no idea what I was doing," says the broad-faced 33-year-old, who's swapped out his Army fatigues for trousers patterned after the American flag.

"In the military, you know the problem you are supposed to solve, and you have a team that is waiting for you," he says. But when starting his company, Hall didn't know if anyone would pay for the solution to the problem he was trying to solve. "That was really scary," he recalls.

It took a while to figure it out. The first iteration of ID.me was called TroopSwap, intended to be a version of Craigslist for military and veterans. With help from Kelly Perdew, an investor and West Point grad who became Hall's mentor, TroopSwap raised just under a million dollars. (Hall says he leaned on the other man so much during that time that he actually bumped Perdew's wife down to number two on Perdew's phone's most-called list. "Kelly called me up and was like, 'I love you, man, but we've gotta talk about time management,'" says Hall.)

Hall had identified companies he thought could be distribution partners for TroopSwap, but then found out it would most likely take them two to three years to roll anything out. As a startup that had just hired a technical team, TroopSwap needed to start scaling faster than that. And it was spending all its time verifying the identities of veterans who were trying to use the site.

Three months and one unsuccessful pivot later, Hall hit upon a new idea: creating a business that streamlines the online checkout process, helping merchants verify identities online in order to offer discounts to specific groups of people, including veterans. In November 2012, after his team had spent a year building software, Under Armour "took a massive chance on us," says Hall, and integrated ID.me into its online checkout procedure.

"The day before we went live—the day before

Veterans Day—I remember being so sick to my stomach,” says Hall. “Because if this wasn’t successful, we had no cards left to play.”

But the debut went smoothly—and today, Hall’s company has more than 2.5 million registered users, works with more than 200 brands, has raised about \$21.5 million, and employs 41 people. “It’s been incredible,” says Hall. “That’s product-market fit. We’re in business.”

Overcoming War Wounds

NIC GRAY WOKE UP IN JAIL one morning in 2009, facing two criminal trespassing charges and with no memory of how he got there. Two years earlier, Gray had been a gunner on a Humvee in Iraq, dodging IEDs and sniper fire, and he’d spent the previous evening reminiscing with an Army buddy from his time there. Then Gray went to sleep. A few hours later, he was arrested after he’d kicked in his neighbors’ front door while

muttering something about “clearing” houses of terrorists.

“I was screwed,” says Gray, who was trying to build up a franchise-brokerage company at the time. Usually carefully articulate, with an ex-soldier’s close-cropped hair and solid frame, he could see his postmilitary life derailed by the arrest, and by the posttraumatic stress that had caused it: “I was facing a very grim future. I needed a miracle.”

Gray is hardly alone in returning from war with injuries that can complicate the quest for a civilian job. Close to one-third of returning veterans have some sort of PTSD, traumatic brain injury, or depression, according to the Rand Corporation. And this mental trauma can have consequences, such as physical outbursts and arrest records, that can make it more difficult for veterans to get (and stay) hired by traditional employers.

Gray, at least, got his miracle. His case was transferred to an experimental veterans’ court that offered treatment rather than punishment; he pleaded guilty to one count of trespassing and



Where Are All the Missing Veteran-Owned Businesses?



HISTORY BOYS
In June 1944, members of the U.S. Ninth Air Force return from supporting the D-Day invasion of Nazi-occupied France. Half of all American World War II veterans eventually became entrepreneurs.

about two people, an estimated 324,000 jobs. (About 200,000 people leave the service each month, adding to the ranks of veterans who may become entrepreneurs.) But if this generation were creating businesses at a rate closer to those who came home after Korea, they’d have started about 1.4 million companies already, and that would have created about 2.8 million jobs.

“The differences are so stark it’s unbelievable,” says Joseph Kopser, an Army veteran and co-founder of transportation app Ride-Scout. He blames a lack of in-service mentorship for current military members, saying that too many vets now “get a job and settle” rather than launching their own businesses.

There are several other explanations for the drop-off too, starting with drastic changes in the economy. Overall rates of entrepreneurship are down across the board. And gone are the days when a returning soldier could easily segue from running a platoon to running an assembly line and then move up through management, along the way gaining the necessary skills to start a business. Those manufacturing jobs have mostly vanished, eliminating what was once an important bridge from the military to the civilian world.

While vets tend to be more entrepreneurial than the average person, today’s vets also have fewer resources in some areas than their predecessors did. For example, while this century’s version of the G.I. Bill is considered one of the most generous, it does not provide access to low-interest loans to start a business; the G.I. Bill of World War II did.

“I did approach banks, at first,” says Tim Smith, an Army veteran and founder of

ENTREPRENEURSHIP is not an easy path for anyone, but for veterans, it appears to be getting harder. That’s troubling for military-veteran business owners, of course, and for the fellow service members they would hire. But it’s also a big problem for the entire U.S. economy.

Last century, a stunning 49.7 percent of World War II vets went on to own or operate a business, according to Syracuse University’s Institute for Veterans and Military Families.

Some 40 percent of Korean War veterans did the same—creating millions of jobs along the way. But this century, while the time span has been shorter, the rate of veteran entrepreneurship has been discouragingly low.

So far, only 4.5 percent of the more than 3.6 million people who have served in the U.S. military since September 11, 2001, have launched a company, according to the Bureau of Labor Statistics. That amounts to roughly 162,000 veteran-owned businesses and, since the average such company employs



Take an elevator
ride to the best
meal in town.
**It's good not
to be home.**

BOOK YOUR STAY AT HYATT.COM

 **HYATT REGENCY®**

HYATT®
GOLD PASSPORT

ANDAZ

GRAND | HYATT

HYATT

HYATT CENTRIC™

H
HYATT
HOUSE

**HYATT
PLACE**

**HYATT
REGENCY**

**HYATT ZILARA
HYATT ZIVA**
ALL RESORTS & RESIDENCES

PARK HYATT®

The HYATT trademark and related marks are trademarks of Hyatt Corporation or its affiliates. ©2015 Hyatt Corporation. All rights reserved.

served no jail time. But his franchise-brokerage business was less fortunate; he says that after the recession, his would-be clients couldn't get bank financing to buy franchises. "It was one of those things that just wasn't going to work out," says Gray, who used his G.I. Bill benefits to take classes at the University of Phoenix while he cast about for his next idea.

Through those classes, Gray met Damon Baker, a Marine veteran who was working on mobile location-based software that would give businesses individual information about customers before they came in the door. Take Starbucks, where Baker got his coffee every day: Wouldn't it be great if his local baristas could get an alert as his smartphone approached the store, and brought his coffee out to his car when he showed up?

Baker hated selling, but Gray was game. They quickly landed meetings with a university, a marketing company, and a casino operator—though that success brought new problems. Every potential client wanted some tweak, and Gray and Baker

would change the demo to accommodate them. "We would see shiny little balls and chase them down, and put together a demo for that," says Gray. "Then more shiny little balls."

The requests were more than Baker and Gray could handle, and they had to learn a new industry each time one came in. The frenzied pace meant that one demo "flat out did not work in the actual meeting itself," says Gray. "There were a few times when I left the office after some big losses, when walking home I just thought to myself, 'Man, this could be it.'"

Finally, Gray and Baker, whose Denver-based company is now called HyprLoco, realized they needed to focus, fast, on one industry, and learn it inside and out. Their choice? Quick-service and fast-casual restaurants—just what Baker had been thinking about as he dreamed of a faster cup of coffee. The founders managed to raise a seed round of \$1.4 million, and now they have a team of 17. Earlier this year, they signed a contract with Sync3, a quick-service restaurant technology provider



Patriot Commercial Cleaning, in St. Louis (see foldout, page 67). "But I didn't have a two-year business history, so I couldn't get any financing." (He eventually was able to get a low-interest loan through a nonprofit, Work Vessels for Veterans—and says he initially wouldn't have been able to make payroll without it.)

Beyond the economic and job-creation problem, the recent decline in new veteran businesses creates a vicious cycle for returning military personnel. Fewer veteran-founded companies means fewer jobs for veterans, and fewer employers who can create the sorts of business and psychological environments most comfortable for those returning from warfare. That means fewer bosses who understand the difficulty of reintegrating after war or the toll of PTSD or more visible war wounds—let alone offer jobs to those suffering from it. In 1996, according to the Ewing Marion Kauffman Foundation, vets founded 12.3 percent of all new businesses; by 2014, that number had sunk to 5.6 percent. And those who once served in the armed forces are 30 percent more likely than other employers to hire other veterans, according to a 2012 study from the International Franchise Association.

"There is still some stigma when it comes to employment. People are afraid to hire vets," says James Schmeling, an Air Force veteran and executive vice president of the Student Veterans of America, a nonprofit network.

Todd Connor, a Navy veteran and the CEO of the Bunker Labs incubator for veteran-owned businesses, also says that veterans today may be less well-positioned to do the net-



Only 4.5 percent of the 3.6 million post-9/11 veterans have launched a company.

working vital to successful entrepreneurship. The draft drew from all segments of society, but in this century's all-volunteer armed forces, service members are more likely to come from military families. "As a result," says Connor, "they are increasingly isolated from the vast majority of Americans who will not serve in the military." That means they lack the outside networks to become successful entrepreneurs, to become role models, "to see that it is even possible for them."

Those who do develop the best networks often credit factors outside the military: In the armed forces, commissioned officers are overwhelmingly college-educated white men, sometimes with credentials from West Point or the Ivy League. They may not have much by way of savings when they leave the military, but they're often well-connected and appealing to both universities and investors.

Despite all of these hurdles, some veterans are leading the entrepreneurial charge—especially over the gender gap. Women vets are starting businesses at rates that far outstrip those of their male peers, civilian and former military alike. Between 2007 and 2012, according to U.S. Census Bureau data, the number

of women veteran-owned companies almost quadrupled, to about 383,000 from just 97,000. In 2008, 2.5 percent of veteran business owners were women; by 2012, that number had climbed to 4.4 percent.

Government contracting preferences have recently made it more attractive for a company to be woman-

owned, so some of the numbers may reflect paperwork changes (such as dropping a husband from a co-owner title) rather than broad-based demographic shifts. But those numbers also reflect the work of vets like Tabatha Turman, who's built a thriving financial and accounting contractor on her own, and Dawn Halfaker, who lost an arm in Iraq when her Army unit was hit by rocket-propelled grenades. "In my mind, there is no question that my military training has helped me become a better entrepreneur," says Halfaker, now the founder and CEO of Halfaker and Associates, a technology contractor.

"You go through so much in the military, but really what the military is teaching you is how to be resilient," Halfaker says. "You plan a mission, and then you execute, but nothing ever goes according to plan. Your job is to continue to lead in not-ideal circumstances."

ISTOCK



**DATA LEADS TO INSIGHT.
INSIGHT LEADS TO OPPORTUNITY.
OPPORTUNITY LEADS SILICON VALLEY TO OHIO.**

Saama is smart. Which is why they're expanding in Ohio.

Saama, the Silicon Valley-based leader in mining data-driven insights, needs talent and thriving business ecosystems to succeed. Which is exactly what they discovered in Ohio. But don't take our word for it.

Take theirs.

See why Saama chose Ohio at jobs-ohio.com/Saama

Tech pioneer Ken Coleman, Saama Chairman

Welcome to Ohio. It's on.



I will [find the right ingredients to open my second restaurant.]

**WELLS
FARGO**

Imagine what you can do with the right business credit and personal guidance.

Let's work together to discover your business credit options and how they can directly fuel your business goals. With our online resources, Credit Finder Tool, and skilled bankers, together we can help sustain and grow your business responsibly.

Explore your options and apply at wellsfargoworks.com/credit.



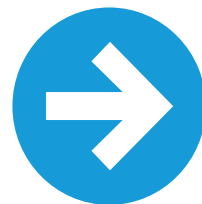
**Wells Fargo Works
for Small Business**

Together we'll go far



ALL CREDIT DECISIONS SUBJECT TO CREDIT APPROVAL. © 2016 WELLS FARGO BANK, N.A. ALL RIGHTS RESERVED. MEMBER FDIC.

OPEN THE FOLDOUT TO MEET SIX MORE EXTRAORDINARY VETERAN FOUNDERS



that's using HyprLoco at about 30 franchise chains.

While Gray continues to manage his PTSD, doing so while being his own boss removes at least some of the stress it could create in his professional life. He's even learned, in true entrepreneurial fashion, to make it a strength.

"I'm 100 percent confident that, in some cases, people have not invested in me because of, let's call it the risk factor," he says. "Others appreciate the story: This guy could have ended up as a statistic or in prison, but he's overcome these hurdles to be in the position he's in today."

Fighting Hidden Battles

WORK TRAVEL MAY HAVE saved Tabatha Turman's life abroad—and nearly ruined it at home. A finance commander deployed to Iraq in 2004, Turman was sent on a mission to Kuwait. She returned to find that a shell had put a hole in the floor of her Baghdad office.

For the next few months, Turman ran the finance office from her bedroom, where her work was frequently interrupted by loud attacks on the infantry and artillery elsewhere on the base. Not that leaving the base was much of a reprieve; when Turman went out to pay people, her team needed armed escorts.

In 2005, Turman came home to northern Virginia to a more quietly shattering reception: Her youngest child, just 2 years old when she left, didn't recognize her. "You didn't have Facetime in 2004," she says. "I was devastated."

She resigned her active-duty commission, rejoined the reserves, and went to work for the Army as a civilian. "I still felt like I was in the fight," says Turman, who has a cautious smile but the poise of a TV anchor. "I just put on a suit and I kept fighting."

After 18 months, her civilian job turned out to have one important thing in common with her military role: She wasn't seeing her kids nearly enough. So Turman decided to start up her own accounting firm in her house, doing taxes and helping companies set up their accounting.

She describes that period as "comfortable," but clearly craved something bigger. "I didn't have many customers or clients, and I'd given the military all this time," says Turman, who had been a reservist for 11 years before beginning active duty in 1999. A workshop got her into government contract-

ing, and soon Turman was bringing in financial and accounting gigs through the connections she'd forged during almost 20 years of military service. "It was just about not turning down what was right in front of me," she says.

Like many entrepreneurs, Turman has found hiring to be a constant challenge—complicated by the requirements of government contracting. "I had some bad hires, because I had to get them where I could," she says.

She eventually narrowed her search to people who already had security clearances, and now her company does its own background checks. Turman has gone out of her way to boost the quality (and veteran quantity) of her hires: She uses trained recruiters to attract workers who might otherwise go to larger firms, bumped up her benefits package, and instituted an employee referral program. Integrated Finance and Accounting Solutions, her Woodbridge,

Virginia-based company, currently employs about 100 people, including about 50 veterans and military spouses.

All that hiring has brought Turman about \$14 million in annual revenue—and the flexibility that she and many other entrepreneurs value just as much as their bottom line. As a successful founder, Turman can control her schedule, putting her kids' sports games on her business calendar and going on family vacations, even if she has to work a bit or show up a day late.

Nine years after starting her business, Turman also knows exactly what her employees are going through on their worst days—and can create the

conditions for the post-Iraq recovery they, and she, need.

"Crowds are hard," she says. "When you are deployed, there's the paranoia. You are always vigilant. Now it comes and goes." When she has a rough day, she doesn't need to explain it to anyone, she says: "I can go in a room, I can take a break. You create your own environment being self-employed."

That's advice Turman gives to other veterans, but which resonates for anyone dreaming of starting a business.

"Don't listen to people's stories about their roadblocks," Turman says. "Just go for it. If you put in that same work ethic you had in the military, it will pay off."

—

KIMBERLY WEISUL is an Inc. editor-at-large.

"Other than the shooting, everything about being an entrepreneur is just like the chaos of combat."

I will [expand my practice to give more best friends second chances.]

**Imagine what you can do with the right
business credit and personal guidance.**

Let's work together to discover your business credit options and how they can directly fuel your business goals. With our online resources, Credit Finder Tool, and skilled bankers, together we can help sustain and grow your business responsibly.

Explore your options and apply at wellsfargoworks.com/credit.



[Wells FargoWorks
for Small Business]

FROM COMBAT



KRISTINA GUERRERO, AIR FORCE

The pilot refers to her three deployments as a series of “weird, bizarre, bad-dream sequences.” Baghdad was the worst: “Almost every day, the base was under attack. Then we’d fly, and the planes would be under attack.” Once home, Guerrero was out skiing with her rescue mutt, Dunkan, when she realized she didn’t have any healthy food for him. Thus was born TurboPup, so named both for the turboprop planes Guerrero used to fly and for her pilot nickname, Turbo. Her La Pine, Oregon-based company makes puppy treats out of ingredients that include lamb, kale, peanut butter, and bacon; a *Shark Tank* appearance landed an investment from Daymond John. Now, Guerrero’s products are in 1,800 Kroger stores nationwide.

Photograph by **TONY LUONG**

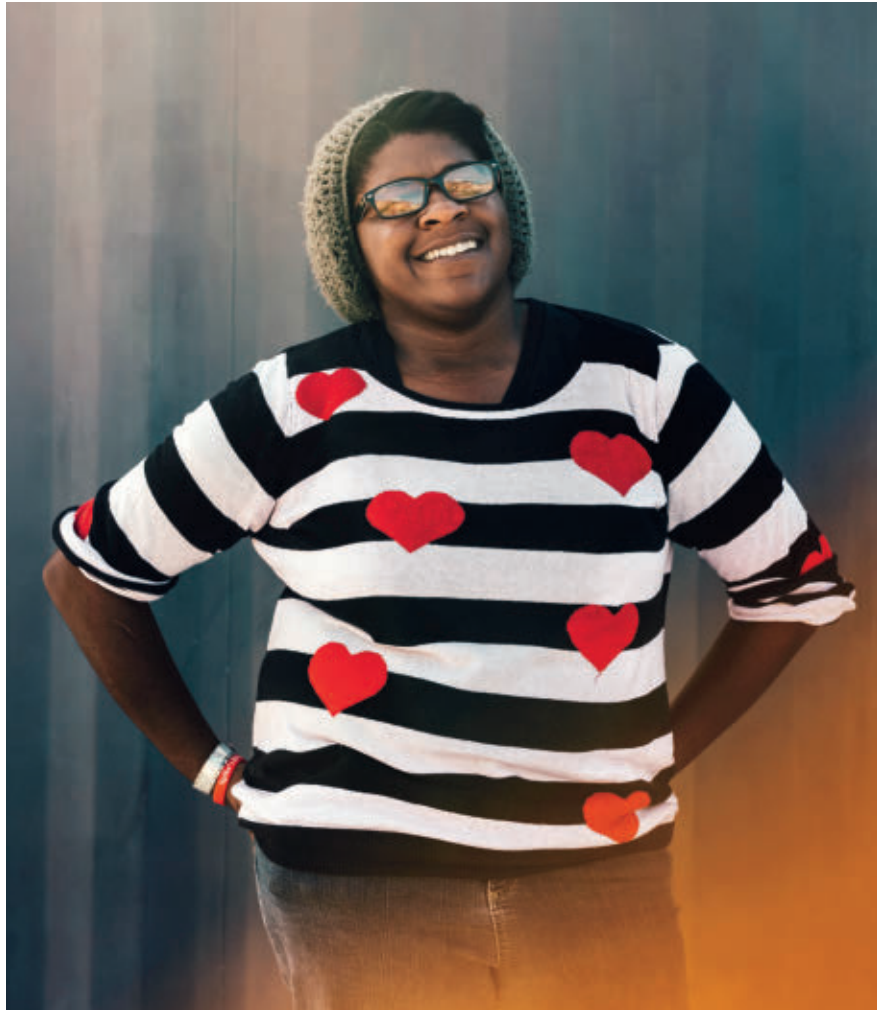


JOSEPH KOPSER, ARMY

Ask military-veteran entrepreneurs to name a company they don’t admire, and you’re bound to hear about Moove. “I’m glad I did this,” he says of becoming a car giant, “but I know how hard it would be, I might

Photograph by **MATT RAINWATERS**

HEROES TO COME



NISHA WITT, NAVY

Nine years in the Navy taught Witt all about damage control. As a petty officer, second class, on destroyer warships in the Persian Gulf, Witt beat back flooding and toxic gas leaks. All the while, she was working on her degree in environmental sciences and worrying about sustainable energy sources. When she left the military in 2014, Witt launched Aesop Technologies, which develops renewable methods to recharge cell phones. Winning multiple business competitions got Witt about \$50,000 to fund her Norfolk, Virginia-based company, and that city has signed up as the first customer for Aesop's newest product: benches outfitted with advanced solar panels and phone-charging capabilities.

Photograph by **JARED SOARES**

s which other founders they
out Kopser. That's partly because
o battalion in Baghdad, and partly
veteran entrepreneurs. But
d RideScout, which created
get around a city by analyzing
transportation, sold to Daimler
ears after he and his co-founders
with another company to form
l, of which Kopser is president.
ning an entrepreneur. "Had
nt've been scared."

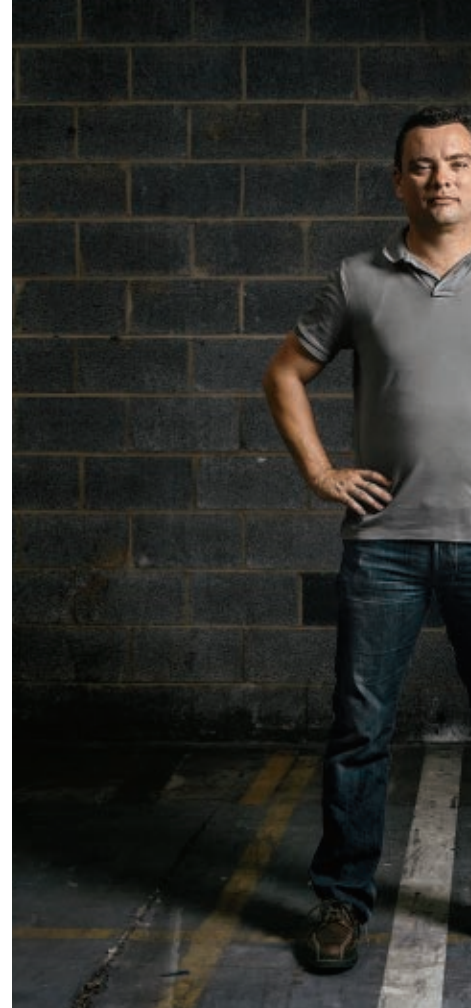
PANY FOUNDERS



TIM SMITH, ARMY

One day in Iraq, a bomb blast killed eight of Smith's buddies. He returned home in 2007 with PTSD, chronic conjunctivitis, and tinnitus. It took him more than six months to find a job, and holding onto it while getting his degree was grueling. "In the military you have social support," he says. "When you get out, it's hard. Not everyone can relate to what you've been through." Inspiration struck when he saw a cleaning crew in the classrooms: If he started his own such company, Smith could hire fellow veterans, who would still be free to attend class during the day. "Everybody says they support the veteran community," says Smith, who launched St. Louis-based Patriot Commercial Cleaning in 2011. "I'm going to put my money where my mouth is."

Photograph by **WHITNEY CURTIS**



NICK BAUCOM, MARINES

"I've always wanted to be an entrepreneur. I'm the stand," says the one-time sergeant, who had started Iraq. There was the lawn-mowing business back in company that went bankrupt when he was called. When Baucom left the military in 2008, entrepreneur he didn't know what business to start. When he was friend texted him: "I wish I had your Marine muscle suddenly saw his future. He put up a bare-bones website to promote his not-quite-fictitious Two Marines former Marine, Rashid Miller, on Craigslist when his Virginia-based moving company now employs 10

Photograph by **GREG KAHN**

MORE THAN 3.6 MILLION AMERICANS have served in the military since September 11, 2001. These six veterans are among the many who learned how to be resilient, imaginative, decisive leaders in Iraq and Afghanistan, under some of the most brutal conditions on the planet—and who returned to take on the civilian stress and joy of entrepreneurship. —K.W.



DANIEL TOBON, ARMY

This newly minted American just kept on enlisting. The first time, 10 years after he and his parents had moved to Chicago from Colombia, he was 17 and a high school junior. As an immigrant, Tobon says, “you feel you have a civic duty in becoming a U.S. citizen. And I wanted to pay for college myself.” Right after 9/11, he withdrew from college to re-up—and when his reconnaissance unit got called up again in 2006, he went back to Iraq. When he returned, he saw an opportunity thanks to his father, who managed operations for a chain of coin-operated laundries. Tobon thought such companies needed help competing with the app-based startups claiming to “disrupt” laundry; in 2014, he co-founded Chicago-based Starchup, which does digital ordering and route management for clothes cleaners.

Photograph by **NATHAN PERKEL**

WELLS
FARGO



Together we'll go far



All credit decisions subject to credit approval. © 2016 Wells Fargo Bank, N.A. All rights reserved. Member FDIC.



GO MOBILE!



GET STARTED AT **WWW.INC.COM/TABLET**

SEE HOW INC. SUBSCRIBERS CAN ACCESS FOR FREE

Norm Brodsky



Danger in Plain Sight

Easy sales are great—as long as they're not undermining the value of your business



ALL SALES ARE NOT EQUAL. By following the path of least resistance in selling, you may be building vulnerabilities into your business that will come back to haunt you. I was reminded of that danger recently as I talked with a very successful entrepreneur—I'll call him Richard—who is the founder and CEO of an industrial engineering company. His engineers specialize in helping manufacturers develop products, improve manufacturing processes, find better suppliers, and manage their global supply chains. Since its founding in 2006, the company's annual revenue has grown to almost \$20 million, and Richard wanted to hear any ideas I might have about how to continue that growth.

I asked him what kind of customers he had. He said they were a diverse group. A large majority were part of a giant multinational manufacturer, but because they were in a variety of divisions, they

were engaged in very different businesses. And given how large the multinational is, Richard knew there were many other divisions that his salespeople could pitch to.

I said, "What? Are you kidding? You've got to be the laziest entrepreneur I've ever met." He laughed. "Your salespeople must be happy as hell," I continued. "Are they on commission?"

He said yes.

"So, of course, they want the easiest sales,"

I said. "This has got to be as easy as it gets. Joe suggests they try Jim; Jim suggests they try Charlotte; Charlotte suggests they try Marie. It's like shooting ducks in a barrel. Before you know it, you have a one-customer company."

Richard pointed out that the multinational gave its divisions a great deal of autonomy, and they behaved like separate businesses.

"But there's an inherent risk," I said. "What if you screw up badly in one division, and the senior management decides to ban you from the whole company? Or some new policy comes down from on high telling people to use another supplier?"

I explained to him that whenever most of a company's customers have a critical defining characteristic—such as being in the same industry or having the same owner—that company risks losing a huge amount of business all at once. That vulnerability might also affect its value when it's time to sell.

In my archive-retrieval business, for example, most of our customers came from health-related companies and hospitals. We were doing so great there that we ignored other types of prospects. Then I learned my company's valuation was low because so much of our business was in one industry. What if our customers all decided to start storing their records digitally?

"We didn't stop selling to hospitals," I told Richard, "but we put on new salespeople to go after other business, and that's what you have to do."

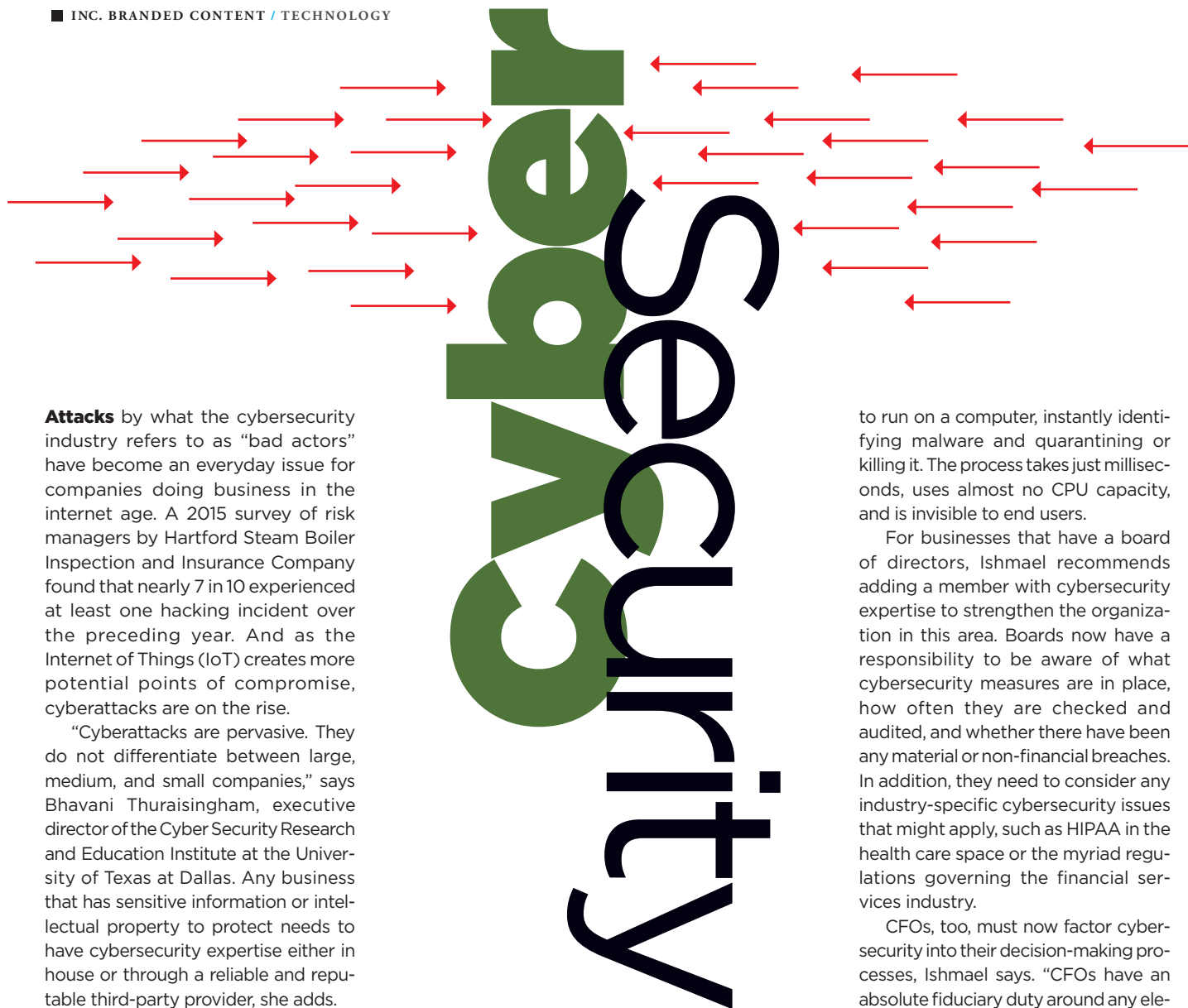
"But they love us," he said. "We can get a lot more business from other parts of the company."

"I'm not saying you shouldn't," I replied. "Let your sales crew there keep doing it. But you need to hire new salespeople to get new business from other customers."

I think Richard must have already known that he was taking a big chance in being so reliant on one company. That's why he laughed when I called him lazy. By the end of our conversation, he was already thinking about ways to diversify sales.

So remember: When you get the bulk of your sales revenue from just one or two customers, you're just one or two angry or cash-strapped customers away from going out of business.

Norm Brodsky is a veteran entrepreneur. He is the co-author of *Street Smarts: An All-Purpose Tool Kit for Entrepreneurs*. Follow him on Twitter: @normbrodsky.



Attacks by what the cybersecurity industry refers to as “bad actors” have become an everyday issue for companies doing business in the internet age. A 2015 survey of risk managers by Hartford Steam Boiler Inspection and Insurance Company found that nearly 7 in 10 experienced at least one hacking incident over the preceding year. And as the Internet of Things (IoT) creates more potential points of compromise, cyberattacks are on the rise.

“Cyberattacks are pervasive. They do not differentiate between large, medium, and small companies,” says Bhavani Thuraisingham, executive director of the Cyber Security Research and Education Institute at the University of Texas at Dallas. Any business that has sensitive information or intellectual property to protect needs to have cybersecurity expertise either in house or through a reliable and reputable third-party provider, she adds.

The evolving cybersecurity landscape also creates new responsibilities for company boards of directors and chief financial officers. “The entire executive staff of an organization must, at the very least, have awareness of this topic and an understanding of how information is being filtered and transported, both internally and externally, and the practices that have been put in place to protect it,” says Jeff Ishmael, chief financial officer at Cylance, the first company to apply artificial intelligence, algorithmic science, and machine learning to cybersecurity.

Cylance provides a proactive solution to cybersecurity threats, combining sophisticated math and machine learning with a unique understanding of a hacker’s mentality in order to quickly identify what is safe and what is a threat. Rather than simply creating blacklists and whitelists, as most traditional cybersecurity products do, Cylance proactively filters any piece of software that tries

to run on a computer, instantly identifying malware and quarantining or killing it. The process takes just milliseconds, uses almost no CPU capacity, and is invisible to end users.

For businesses that have a board of directors, Ishmael recommends adding a member with cybersecurity expertise to strengthen the organization in this area. Boards now have a responsibility to be aware of what cybersecurity measures are in place, how often they are checked and audited, and whether there have been any material or non-financial breaches. In addition, they need to consider any industry-specific cybersecurity issues that might apply, such as HIPAA in the health care space or the myriad regulations governing the financial services industry.

CFOs, too, must now factor cybersecurity into their decision-making processes, Ishmael says. “CFOs have an absolute fiduciary duty around any element of risk with the potential to impact the bottom line, the well-being of employees, or unplanned spend. Those and many other areas are potentially subject to cybersecurity risks.”

CFOs need to broaden the approach they take when evaluating cybersecurity spend, Ishmael adds, since the level of risk related to a breach event can be far-reaching, negatively affecting a company’s sales earnings, even its ability to conduct business for an

extended period of time. “The cost of any action a business might take to proactively prevent such a breach from occurring must be evaluated in light of the much greater costs that could result from failing to take that action,” he stresses. “CISOs (chief information security officers) and CTOs (chief technology officers) face job-loss risk tied to breaches; CFOs may soon join them. ‘Not my job’ is no longer an acceptable response for any executive when it comes to cybersecurity. It’s now everyone’s job.” ■

IS A SHARED RESPONSIBILITY AT THE C-LEVEL

Data breaches can have far-reaching repercussions; protecting against them is a companywide mandate

A man in a dark suit and tie is walking on a city street. The background is a blurred urban scene with buildings and signs. A large, semi-transparent green letter 'A' is overlaid on the image, with the text 'ARE THE SMARTEST CITIES THE MOST VULNERABLE TO ATTACK?' written in white capital letters across it.

ARE THE SMARTEST CITIES THE MOST VULNERABLE TO ATTACK?

Smart cities need to become intelligent cities with proactive cybersecurity solutions. Cylance is revolutionizing cybersecurity with artificial intelligence and machine learning—for advanced threat prevention on the endpoint—wherever the endpoint may be. [Learn more at cylance.com](http://cylance.com)



CYLANCE™

Silence the Threat

ANNUAL SELLOUT EVENT

Inc.
**WOMEN'S
SUMMIT**

NEW YORK CITY

NOVEMBER 3, 2016 ♦ NYC

Own the Future



Venus Williams
Professional Tennis Player
and Entrepreneur



Barbara Corcoran
ABC's *Shark Tank*



Lisa Price
Carol's Daughter



Jessica Rovello
Arkadium

Join some of today's most influential
entrepreneurs as we chart the future of your
businesses and careers.

RESERVE YOUR PLACE TODAY!

WOMEN.INC.COM

Sponsored by



MONEY

Spend It
Smarter.

**"It's not about
saving the world.
It's just doing
something that
matters."**

—PETER PLATZER,
founder of the satellite
company Spire

PG. **80**

PRODUCT LAUNCH

An Atlas V rocket takes
off from Florida's
Kennedy Space Center,
with some of Spire's
breadbasket-size
satellites on board.

HOW TO AVOID THE CHARGEBACK HANGOVER

Reversed sales are a big, and growing, cost for any business that accepts credit cards

LISA BATRA'S THREE-YEAR-OLD business is a closet saver for parents, allowing them to buy and sell their children's outgrown designer duds online. But when she started My Kid's Threads, based in Newtown, Pennsylvania, Batra didn't realize that setting up an online company would come with a nasty, recurring cost: fighting to keep the money she'd already made.

Batra has joined the millions of small-business owners deluged by chargebacks. More costly than simple refunds, chargebacks occur when a customer who uses a credit or debit card disputes a payment that appears on his or her monthly statement and complains to the bank, which can reverse the charge and land you with the expense—even if the customer is committing fraud. “Defending a chargeback is extremely time consuming and has a very low probability of success,” says Batra, who initially lost about \$1,000 per month on such costs.

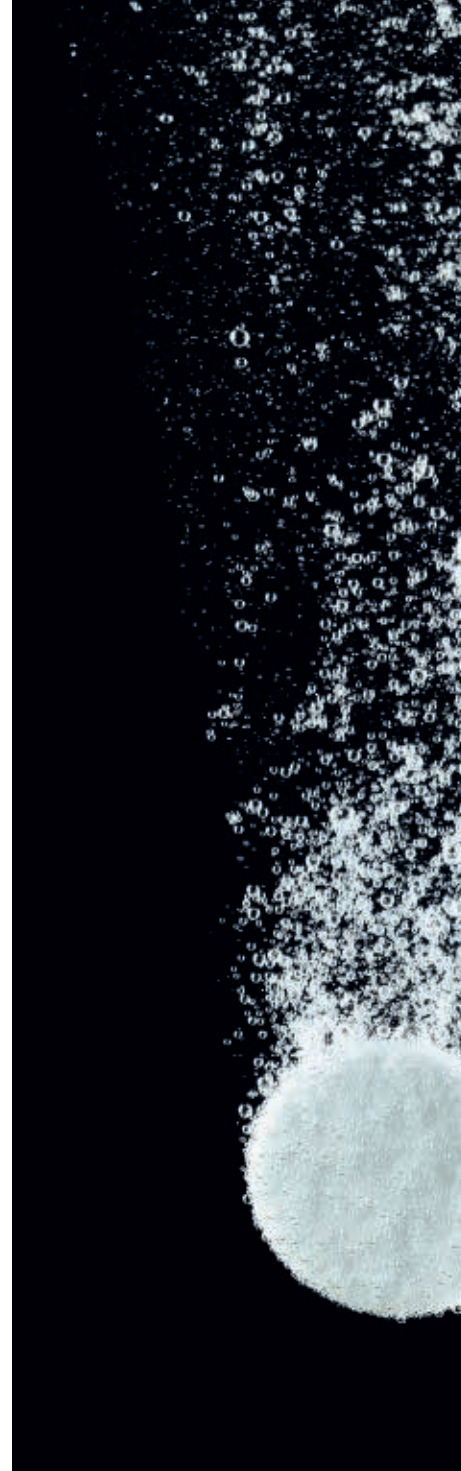
While a perennial problem for retailers, the chargeback pain is getting worse for all business owners as more commerce and more fraudsters move online. The expense goes beyond just the losses themselves; associated costs, including bank fees and replacing merchandise, are also mounting. Chargeback expenses increased 8 percent last year for all U.S. merchants, and “for every dollar of losses, merchants are losing \$2.40,” a recent LexisNexis report found. Batra and other founders have several ways to fight back.

KEEP TRACK OF WHO'S BUYING

You can stop some potential fraud up front. “We don't ship internationally, so we block and filter IP addresses from certain countries” known for suspicious cyberactivity, Batra says. Because she sells only domestically, she also notes any large orders coming in at unusual hours and for unusual amounts. “These are moms buying and selling, so we'd expect around 1 a.m. at the latest,” she says. “A large order coming in very late at night is a red flag,” particularly if the orders are for a variety of sizes—obviously meant for more than one or two kids.

DON'T JUST TRUST—VERIFY

When Andrew Reeves, founder of Luxe Translation Services, started his Beverly Hills-based company in 2011, chargebacks sometimes ate up 1 percent of his monthly sales volume. That's enough to make a bank take note, and potentially terminate its deal to process a company's credit card payments, says Phillip Parker, founder of review website CardPaymentOptions.com. Reeves now requires most customers to provide a scan of



The Head-Pounding, Revenue-Draining, Morning-After Effect Is Getting Worse



70-80%

The portion of chargeback disputes that are resolved in the customer's favor.

SOURCE: FEDERAL RESERVE BANK OF KANSAS CITY



60 DAYS

The period in which 50% of customers who commit chargeback fraud will try it again.

SOURCE: CHARGEBACKS911



EASING THE PAIN
Chargebacks that result from credit card customers trying to avoid paying for what they've purchased are known as "friendly fraud."

a picture ID and a statement that the charges are authorized. "I don't apply this rule 100 percent of the time," Reeves says. "It depends if I see warning signs, such as someone saying the service seems too expensive or who disrespects the work involved." His chargebacks are down from about 10 to three per month.

BAN CHARGEBACKS

If you're running a contract-based service business, including IT or law, you can follow the advice of Todd Spodek, who handles divorces and criminal defense cases at Spodek Law Group in New York City. "A lot of times, we represent people in a bad situation, and they're often desperate," he says. Though he's had few chargebacks, the exceptions were big: A client once refused to pay \$10,000 in a divorce case. Now Spodek's contracts stipulate that the client has "waived the right to charge back for any reason."

OUTSOURCE THE FIGHT

This will cost the most up front, but outside services can review your business practices and fight any chargebacks that occur. Fraud-prevention companies, including Verifi and Ethoca, can also send real-time alerts from the card issuer, so you'll know about a complaint before the chargeback is processed, says Keith Briscoe, Ethoca's chief marketing officer. That will allow you to quickly issue a refund to the customer before the chargeback occurs, saving yourself money and preventing heartburn as well. —ALINA TUGEND

PREVENTION TACTICS

Some chargebacks are inevitable, but certain business behaviors practically invite them. Here's what to avoid up front.



HIDING AWAY

If your contact information and return policies are hard to find, customers may give up and just complain to their banks. "Don't make customers jump through hoops to return something," says Srii Srinivasan, chief executive officer of Chargeback Gurus.

STRANGE NAMES

If customers can't recognize your business's name on their credit card statement, they're more likely to challenge the payment, says Monica Eaton-Cardone, co-founder of Chargebacks911. Check with your card processor to make sure you're registered under an obvious name.

SLOPPY SERVICE

If you delay processing customer refunds, don't follow customers' tracking numbers, or fail to catch duplicate orders (which can occur when a customer clicks the Submit button twice), you're inviting trouble. "Make sure you run a tight ship," Srinivasan says.

PLAYING TRICKS

Some less-than-transparent business practices have financial consequences—and destroy customer trust. The "opt-out" model—offering a free trial and then charging the customer—sees a high rate of chargebacks, says Phillip Parker of CardPaymentOptions.com. "Either get away from that model, or alert customers before charging them," he advises.

1.5%

The average amount of annual merchant revenue eaten up by fraud in 2016—almost tripled from 2013.

SOURCE: LEXISNEXIS



\$16 billion

The total card-based fraud losses suffered by banks and merchants worldwide in 2014.

SOURCE: NILSON REPORT



40-50%

The portion of chargebacks that are due to fraud rather than merchant or customer error.

SOURCE: FEDERAL RESERVE BANK OF KANSAS CITY

FLYING



MIGHTY MITE
A Spire Lemur-2
satellite, shown
at approximately
half its actual
size. It costs less
than \$1 million
to build and
launch.

OBJECTS

Peter Platzer's company, Spire, is launching hundreds of small satellites into orbit. Then the vision gets really ambitious

BY DAVID WHITFORD Photographs by Levon Biss

INSPIRED

After a career in consulting and finance, Peter Platzer acted on a lifelong fascination and earned a space-related master's degree. He and his co-founders hatched their idea for Spire in grad school.



You might think one of the coolest perks of being in the space business would be watching blastoffs from the VIP viewing pavilion. Peter Platzer doesn't think so. He's the founder and CEO of Spire, a pioneer in the booming commercial universe known as New Space, and he has never witnessed a Spire launch in person. "It's exciting from a physics perspective," he allows. "But for me, from a company perspective, that's where we have the least control."

ROCKETS, YOU SEE, are not Platzer's business. Satellites are. Very small satellites, about the size and shape of a whiskey-bottle box. Each costs less than \$1 million to build and deploy, versus half a billion dollars for the latest government-grade spy satellites. They're assembled largely with off-the-shelf components, the same as what's in your smartphone, and, like your phone, Spire's satellites don't last forever—two years, maybe three, before they tumble out of orbit and vaporize during reentry. That's not a liability; it's an asset. Regular turnover ensures that the technology is always fresh. (Who wants a four-year-old phone?) They have on-board cameras, though not amazing ones; they can't spot your backpack from outer space. But that's OK. They're not up there to watch. They're there to listen: to radio signals from objects equipped with transmitters, and to light waves that can measure temperature and humidity in the atmosphere with astonishing accuracy.

Spire is all about that data. New data, plucked from outer space, the market for which includes passenger and cargo conveyors of all kinds (especially ships; 90 percent of global trade is seafaring), hedge funds, commodities traders, secretive anti-pirate security companies (seen the movie *Captain Phillips*?), various government agencies (civil and military), and NGOs. Anybody, that is, who regu-

larly sends human or hard assets into the still vast, digitally dark regions of the planet, and anybody else who wants to know where those assets are. That part of Spire's business is akin to Google's business organizing the world's bits and bytes. It's what investment banker Jim Murray of PJT Partners calls "the audacious vision of New Space: a global, searchable database of where stuff is."





Wild Blue Yonder

Above: A crane at NASA's Kennedy Space Center in Florida lifts a pressurized cargo module containing, among other items, Spire satellites. The module will be loaded onto a rocket that will also deliver hardware and supplies to the International Space Station. Left: A Spire satellite in orbit, approximately 250 miles above Earth.

Every car, every truck, every container, every ship, every airplane." It's coming, says Murray. When it does, he adds, mysteries like "the disappearance of Malaysia Airlines flight 370 will never happen again."

Geolocation accounts for about three-quarters of Spire's projected \$20 million of revenue in 2016, but it's not what excites Platzer most. He's more inter-

ested in a technology called GPS radio occultation—or GPSRO—which uses satellites to take precise beads on temperature and humidity the world over, calculate wind speeds, and deliver troves of hitherto unavailable atmospheric data to meteorologists and climate scientists eager to plug them into their models.

"I can't think of anything more valuable for seeing how Earth is affected by greenhouse gases," says GPSRO pioneer Sandy MacDonald, former director of the Earth System Research Laboratory, which is part of the National Oceanic and Atmospheric Administration (NOAA). "This should give us a much clearer understanding of how the planet's climate is changing."

Platzer is on board with that mission. It's one of the reasons he lured MacDonald to Spire in April, and set him up with his own research team in Boulder, Colorado. "But I wouldn't have started a company based only on that, because I don't know how to sell it," Platzer says. Rather, his eye is on the estimated one-third of the \$18 trillion U.S. economy that he thinks might pay a premium for game-changing forecasts. "Weather forecasting as accurate as Swiss train schedules," Platzer says. "That is the goal."

PLATZER, WHO'S 47, is built like a small bull—barrel chest, round shoulders, bright eyes, shaved head. He's a native Austrian who read Einstein as a teenager, studied physics at the Technical University of Vienna, and did research for his master's thesis at the Max Planck Institute for Astrophysics in Garching, Germany. He's long been fascinated by all things space, but when he began his career in the 1990s, space was still a lousy business. So he signed on with the business consultancy BCG, traveled throughout Europe and Asia, went on to earn his MBA at Harvard, and spent a decade on Wall Street building quantitative investment models for emerging markets. While living in New York, he shed all but the faintest trace of his Austrian accent and met his future wife, Theresa Condor, a former Citi banker who's now Spire's head of sales. Condor says she was attracted to Platzer's geeky brilliance,

but claims he has many “interesting artistic angles as well.” He’s a skilled ballroom dancer, an accomplished tenor who courted Condor by inviting her to hear him perform at Carnegie Hall, and a bit of a dandy who enjoys taking his wife shopping and choosing her dresses, jewelry, and shoes.

The turning point in Platzer’s career came in 2009, at an eight-day executive program hosted by Singularity University, the Silicon Valley think tank founded by futurists Peter Diamandis and Ray Kurzweil (both friends of cover subject Tony Robbins; see foldout, page 107). Singularity U. is all about leveraging rapidly developing “exponential technologies” to achieve great things. Platzer arrived there hoping to learn about broad trends driving global markets and become a smarter investor. By the time he left, all he could think about was space.

From the dawn of the Space Age in the 1950s until quite recently, space was the exclusive domain of wealthy nations and a handful of giant, well-capitalized companies, like Intelsat and SES. It was risky, time-consuming, and expensive, too rich for venture capitalists and out of reach for most entrepreneurs. But during his brief time at Singularity U., Platzer says, he began to perceive what he calls “the trifecta of forces” that were reshaping the industry: cash-strapped governments slashing space budgets; wealthy, legacy-minded entrepreneurs (Jeff Bezos, Elon Musk, Richard Branson, Paul Allen) stepping up to build private-sector alternatives; and, most crucially, the commercialization of nanotechnology, beginning with the smartphone.

“Pretty much every satellite put up in the first 50 years was people building on NASA’s Apollo program,” says Dave Cowan of Bessemer Venture Partners, which is among the investors that have put \$66.5 million into Spire. “They were basically taking old platforms and making them bigger so they would last longer, with more redundant systems and more radiation hardening.”

That technology brought us the first live Olympic broadcasts, international phone calls, satellite radio and TV, high-def TV—and ultimately a wave of bankruptcies. Those satellites, as big as school buses, took so long to develop and cost so

Ready for Liftoff

The space business is booming. Since 2000, \$8.2 billion has been invested, according to industry analyst Tauri Group, two-thirds of that in the past five years. In 2014, Google bought high-res satellite imaging company Skybox for \$478 million. Other key companies are proving to be catnip to deep-pocketed individual investors. The players to know include:



Blue Origin

Founded 2000

What it does **Rocket-engine**

manufacturing; space travel

Billionaire on board **Founder Jeff Bezos**

SpaceX

Founded 2002

What it does **Rocket manufacturing; space-cargo delivery; telecom satellites**

Fun fact **The first New Space unicorn, its valuation is \$12 billion**

Billionaires on board **Founder Elon Musk; investor Peter Thiel**

Planet

Founded 2010

What it does **High-res satellite imagery**

Billionaire on board **Investor Yuri Milner**

Planetary Resources

Founded 2010

What it does **Asteroid mining; high-res satellite imagery**

Billionaires on board **Investors Larry Page, Eric Schmidt, Kavita Ram Shriram, H. Ross Perot Jr., and Charles Simonyi**

much to build and launch that the trick to making them pay off was keeping them up there for years, even decades. Meanwhile, technological advances back on Earth were rendering them obsolete, sometimes before they even took off.

“Most every satellite in orbit is a floating dinosaur,” Cowan wrote in a 2014 white paper outlining his investment strategy, “a bloated, one-off, expensive, often militarized, monolithic relic of the main-frame era.” He called for a new generation of space entrepreneurs “to launch modern computer networks into space” and disrupt “our aging infrastructure.”

The platform for that modern network has been around since 1999, when a team of college students from Cal Poly and Stanford created the CubeSat—a stackable case, about four inches square, that accepts standard electronic components and slots easily into the cargo compartment of most rockets. The rocket blasts off and sheds boosters stage by stage until nothing’s left but the cone, where the payload resides. Then a hatch opens, a cocked spring explodes, and the satellite flies free.

Suddenly anyone could build and design a satellite, just by going online and ordering the parts. And launching was easy to outsource—to government space programs around the world, or to startups like SpaceX. Rockets that were taking off anyway were happy to balance their primary payloads with a secondary load of CubeSats (rather than bags of sand), for short money.

Once CubeSats became the industry standard, they quickly accomplished for satellites what the IBM motherboard did for personal computing, spawning a whole new industry of commodity parts suppliers. The linear, as the concept is understood at Singularity U., became exponential, harvesting in one fell swoop the neglected bounty of Moore’s law and applying the gains to space.

IN 2010, PLATZER’S EMPLOYER, Deutsche Bank, shut down the trading desk where he worked and sent him away with a generous severance. His first thought was: *Great—I’ll invest my windfall in a master’s degree from International Space University in Strasbourg, France.* But by then, he and Condor were an item, though not yet



■ INC. BRAND VIEW / CHEVY

BUYING A NEW TRUCK FOR YOUR BUSINESS? CHECK OUT SECTION 179

IRS OFFERS BIG TAX DEDUCTION ON QUALIFYING TRUCKS

Small businesses are looking at big opportunities in the coming year. Nearly 75 percent of small business owners surveyed by the National Small Business Association are confident in their businesses—the highest percentage recorded in the last four years. With access to capital for small companies rising steadily over the past four years, now is a great time to invest in growing the business by purchasing a new vehicle.

The icing on this cake is that spending money on capital equipment like trucks or office equipment is less than what the sticker price indicates, thanks to a little-known tax deduction increase in Section 179 of the Internal Revenue Code. In December 2015, the U.S. Congress passed legislation directing the Internal Revenue Service (IRS) to permit businesses to deduct capital expenses up to a whopping \$500,000 for the year in which the expenditures were made.

Instead of the typical expensing for the depreciation in the value of a purchased business asset over time, companies can write off the entire amount now—no waiting required. While this is not necessarily news—Section 179 was enacted in 1958—the previous annual tax deduction limit was \$25,000. There's a very big difference between \$25,000 and \$500,000.

Here's a scenario of how the tax deduction would apply: Let's say Sally's Plumbing Repair Co. buys a new truck to cart her tools and other equipment to customers' homes and offices. Sally uses the truck for business purposes more than 50 percent of the time. It cost her \$35,000 to buy the vehicle. At year-end, she can deduct the entire \$35,000 from the company's taxable income. Depending on her company's tax bracket, she has just shaved off quite a bit of money from the vehicle's cost at year-end, effectively purchasing the truck for a heck of a lot less than its retail cost.¹

"The Section 179 deduction is definitely one of the top tax savings strategies we use with our business



COMMERCIAL VEHICLES

clients, especially those that are still growing or must continually invest in new equipment to keep pace with competitors,” says Jaime Ward, a partner in the Missoula, Montana-based accounting firm Boyle Deveny & Meyer, which serves a clientele of predominantly small businesses.

GOOD NEWS FOR SMALL BUSINESSES

As always with the IRS, there are nuances to consider. For instance, the truck that Sally bought must meet certain criteria before it can qualify for Section 179 treatment. “The IRS wants to make sure you’re buying a truck that is rated to specifically carry materials and supplies back and forth for business reasons,” says Ken Esch, partner in accounting firm PwC’s Private Company Service practice.

This wasn’t always the case, he adds. “Previously, businesses would write off (the

purchase of) a large sport utility vehicle (SUV), which is why Section 179 was referred to as the ‘Hummer Tax Loophole,’” Esch says. “No longer is this allowed, although there is a separate \$25,000 limitation in Section 179 (b)(5) provided for SUVs that are used to carrying passengers. The IRS wants to be sure a business like a contractor isn’t deducting the cost of a vehicle used for the person’s own pleasure.”

This important consideration understood, Section 179 has so much to offer small businesses, chief among them, that \$500,000 maximum annual limit. In effect, a fast-growing company can purchase more than a dozen trucks in a single year and write off all of them, adding up to a pretty substantial sum of money saved. “You’re literally getting the deduction for the entire depreciation of a fixed asset in a single year, rather than taking a little bit at a time over the term of the asset’s useful life,” says Ward. “There’s little question that this can result in significant tax savings in the year of purchase.”

WE DIDN'T JUST WRITE THE BOOK ON TRUCKS. WE BUILT THE LIBRARY.



For nearly 100 years, Chevy has helped tradesmen and business owners do whatever it takes to get the job done. Let our dealers show you how our complete line of commercial vehicles – from the family of the most dependable, longest-lasting full-size pickups on the road¹ – can help your business run more efficiently. Visit ChevyCommercial.com for more information.

GET A SOLID DEAL ON
HIGH-STRENGTH STEEL IN OCTOBER²

FIND **NEW** ROADS[™]



**COMMERCIAL
VEHICLES**

¹ Dependability based on longevity: 1987–July 2015 full-size pickup registrations. ² Offers end October 31, 2016.



Any long-term tangible personal property that is used by a company in the course of business qualifies for the tax deduction, although vehicles are one of the most common deductions. Another expensing bonanza is that Section 179 can be utilized for up to \$2 million in business investments per tax year (indexed for inflation). The deduction is phased out dollar-for-dollar when investments exceed that threshold. Sally's Plumbing Repair can buy a couple of trucks this year, another one next year, and two more the year after. "A growing small business could buy a sizable number of trucks easily over several years and get what adds up to a pretty sizable deduction," Esch says.

There's no rush to take advantage of Section 179. As of last year, the \$500,000 annual limit is now written in stone, due to a favorable provision in the Protecting Americans from Tax Hikes Act of 2015 that makes the tax deduction limit permanent. "If this legislation had not been enacted, the amount would have reverted back to \$25,000," says Phil Cohen, associate professor of taxation at Pace University's Lubin School of Business.

Even used vehicles qualify for Section 179 treatment, as do vehicles that are financed, Ward notes. "The one thing to bear in mind is that companies cannot use Section 179 to create a net operating loss," she warns. "Small businesses that are not operating at a profit should definitely consult with their tax advisers before investing in fixed assets just to take advantage of the deduction."

Good advice always, as a tax adviser will expound on the many benefits of the deduction, in addition to the potential drawbacks. "The bottom line here is that Uncle Sam is willing to subsidize a small company's capital expenses in a big way," says Cohen, who previously was vice president and general tax counsel at consumer goods manufacturer, Unilever. "This is aimed at the small guys, not big companies."

BROADCASTING THE MESSAGE

As would be expected, manufacturers of trucks and other vehicles used for business reasons are highlighting Section 179 in their promotional campaigns. "Obviously, if a small company is cash-strapped and needs a new truck or several trucks to grow the business or just maintain it, this is a great way to trim costs," says Kyle Zidek, assistant commercial manager for Chevrolet. "It doesn't matter what business you're in—electrical, plumbing, construction, landscaping, or even in the agricultural space—this is an incredibly helpful tax incentive."

Zidek is quick to point out that Section 179 should be only one factor in the decision to purchase a vehicle, albeit a very important one. "We help our customers find a truck or other vehicle that specifically suits their business needs—things like quality, reliability, durability, price, and overall cost of ownership," he explains. "Section 179 just makes it that much more affordable."

Chevrolet has a comprehensive line of vehicles that qualify for Section 179 tax treatment. "For nearly 100 years, Chevy has given small business owners the tools they need to help get the job done," Zidek says. "Our complete line of commercial vehicles, including Silverado 1500, Silverado HD, and Colorado can help businesses run more efficiently."

Affirming Zidek's comments is the fact that Vincentric recently named Chevrolet Silverado the best value commercial pickup truck in America.²

The large tax deduction afforded by Section 179 has come at just the right time, when small business prospects are full speed ahead. ■

¹Each individual's tax situation is unique; therefore, please consult your tax professional to confirm vehicle depreciation deduction and tax benefits. For more details visit [IRS.gov](https://www.irs.gov).

²Based on Vincentric 2016 Fleet Awards analysis in the full-size pickup segments

married, and Condor wasn't ready to make that kind of commitment. Platzer was patient. He stifled his reborn obsession, found another job on Wall Street, and stuck it out for one more year until Condor softened, on one condition: no grad-student housing. Platzer found a nice apartment and sold two museum-quality pieces from his collection of vintage HP calculators to cover the rent.

At ISU, Platzer met two 20-something engineers who would become his co-founders—Jeroen Cappaert, from Belgium, and Joel Spark, from Canada. They bonded over Ping-Pong, late-night study sessions, and their shared status as newly minted members of ISU's elite Space Mafia. Cappaert remembers Platzer then as "a dreamer" but "very data-driven. If someone else were to say, 'OK, in the next 10 years there will be *X* amount of satellites in space,' you'd say, 'You're crazy.' But when Peter says something like that, he has evidence to support his prediction."

Platzer wrote a research paper at ISU on the emerging business ecosystem of nanosatellites, for which he interviewed about 100 industry experts. His surprise takeaway: There is a direct correlation between the depth of cynicism about nanosatellites and the depth of experience in the space industry. "The more they knew about space, the less they realized about the looming opportunity," Platzer says. "Knowledge of the field made them more disruptable, not less."

By the time all three graduated, in May 2012, they had a pretty good idea, based on pure inductive reasoning, of what kind of satellite company they wanted to start: How do we create a sustainable advantage? What is the natural habitat we can occupy? Where is small size not a disadvantage? The answers all led them to the same place: away from imaging, a popular niche already dominated by companies like Planet and Skybox, and toward listening, or signal intelligence. Less sexy, more versatile—and not nearly as crowded.

The clincher for Platzer was the limitless potential he saw in GPSRO. "My thesis in nuclear fusion was based on exactly the same principle," he says. "I immediately got the physics of it. And the thing about GPSRO is that it has nothing

to do with the size of the satellites. It's all about the number of satellites. To get the most value, you need lots of them. It's perfect for satellites you can build cheaply and launch easily."

That spring they started a \$100,000 Kickstarter campaign to fund an academic research mission. "If it passes, we'll know it's the real deal" is how Spark describes their thinking at the time. "And if not, OK, maybe we're just space nerds and it's not really so valuable." It passed—scoring \$40,000 in under a week, and

"We collect data where no one else can. It's doing something that matters."

116 percent of the goal in 40 days. The founders moved to San Francisco and set up shop in hardware incubator Lemnos Labs, which invested another \$100,000. Spire had found its launchpad.

AS A CHILD GROWING UP outside Vienna in nearby Suedstadt, Platzer once complained to his dad, "It's annoying that my passport says 'Austria.' I want it to say 'citizen of Earth.'"

It might as well say that now. He's easiest to track down in Scotland, where he and Condor are raising their 2-year-old daughter in Glasgow. (Platzer preferred Vienna, but the British government offered better incentives.) Spire's Glasgow office is on the fifth floor of a boxy, aluminum-clad building on the west side of town. A large video monitor by the door carries 24-hour live feeds from Spire's nominal headquarters in San Francisco, where Platzer also has an apartment, and company outposts in

Singapore and Boulder. Total employees in four offices: 105, representing more than a dozen nationalities.

Platzer won't identify any of Spire's customers. He's secretive, and so are they. But it is known that they include the navies and coast guards of friendly countries the world over that keep tabs on activity in their territorial waters (the U.S., for instance, claims an "exclusive economic zone" nearly twice the size of its land mass); NOAA and its foreign equivalents; big companies that operate, like metals corporation Rio Tinto, by producing and shipping commodities all over the world; and hedge funds that can make money trading on oil prices if they know where all the tankers in the world are at any given moment. Platzer says his revenue is "more tilted in the short term to commercial," but expects that will change: "There are deep pockets with interest in our capabilities that tend to be more on the government side."

Spire is on track to reach an important goal by year's end: 20 satellites, 20 ground stations, \$20 million in revenue, and its first-ever profit. Spire launched the first four of its current generation of Lemur-2 satellites—Joel, Peter, Jeroen, and Chris, named for Spire's first four employees—a year ago. Currently it has 13 in orbit, eight in a closet in Glasgow, eight in San Francisco, and four all packed up and ready for liftoff in Texas. A scheduled launch in July was postponed, for reasons beyond Spire's control. That happens a lot. Not a constraint, Platzer claims, but rather "an immense barrier to entry." Everyone's working with the same pipeline and "we have booked every flight," he says. "It may take me a while to get all my satellites up there, but no one else can do it sooner."

That's what it takes to build an organization that, Platzer says, will survive in a world of ever-accelerating change. "Thirty years from now, 40 percent of global GDP is going to be driven by the collection and analysis and use of data. We collect data where no one else can. And that data is relevant for global problems," he concludes. "It's not about saving the world. It's just doing something that matters."

—
DAVID WHITFORD is an Inc. editor-at-large.



WANTED: Educated Supply Chain Professionals

With supply chain management becoming a globalized, interdisciplinary profession, new approaches to training and education are needed.

Demand for supply chain professionals exceeds supply by a ratio of six to one, according to the Center for Supply Chain Research at Pennsylvania State University's Smeal College of Business. With demand projected to increase 20 percent during the next decade, the retirement of skilled Baby Boomers looming, and required skill sets changing dramatically, it's a situation that may get worse before it gets better. While the lure of high-paying jobs ultimately should attract a new crop of promising applicants, where and how they will receive the necessary training is an open question.

"All supply chains are global, so the need for coordinating complex flows of material and money is becoming ever more important," says Chris Capice, executive director of the Center for Transportation and Logistics at the Massachusetts Institute of Technology (MIT) and director of the university's MITx MicroMasters program in supply chain management. The program is equivalent to one semester of coursework at MIT and allows those who complete it to apply for an accelerated, residential, one-semester master's degree program in supply chain management there. "Supply chain management is really, at its heart, about managing the flows of money, information, and physical product. So as firms go global, the number of supply chain professionals needed increases."

The biggest spike in demand during the past five years has been for supply chain professionals with materials management skills, and it continues to grow, says Dennis Theodorou, vice president of executive search at JMJ Phillip, where he manages the global supply chain and manufacturing executive search practices. "The issue with this role is that it is all-encompassing. You need to understand scheduling and forecasting, inventory levels, and lead times and be able to deal with upstream supplier issues. We continue to see growth for transportation analysts, logistics and distribution managers, and global sourcing professionals," he reports. When it comes to finding qualified people to fill those openings, "The smart companies are targeting the top supply

chain schools," he says, calling out schools like MIT, Michigan State University, Ohio State University, and others.

Patrick Van Hull, vice president of research at SCM World, a cross-industry supply chain peer network and learning community recently acquired by Gartner, says the need starts at the top, with the position of chief supply chain officer. "Increasingly, we're finding that men and women with supply chain backgrounds are taking on overall business leadership," he says, noting that the trend creates an upward flow of development that requires a full talent pipeline.

As these nascent trends unfold, however, businesses face the challenge of finding qualified supply chain professionals in the here and now. Where are they finding them? "The short answer is, wherever the heck they can!" Capice asserts, but he notes that the industry's approach to training and education must change to meet long-term needs. While there is a wide range of training opportunities for current practitioners, they tend to focus on doing today's job a little better instead of preparing learners to be ready for the jobs and challenges of tomorrow.

"This is the primary difference between education and training. Focused training on the details of specific tools and current situations can blind a student to the underlying fundamentals that will always apply, even as macro conditions change," Capice stresses. "MIT and the MicroMasters program are all about educating learners on the fundamental methods, approaches, and concepts that are present in all supply chains." ■



Massachusetts Institute of Technology's #1 ranked Supply Chain Management program,
delivered in a new way:

The MITx MicroMasters Credential in Supply Chain Management

Five online courses with a final capstone exam



The MITx MicroMasters Credential is comparable to one semester of coursework at MIT. Upon attainment of the credential, learners are eligible to apply for an accelerated, one-semester master's degree program in Supply Chain Management on campus at MIT.

There is no application process for the MicroMasters Credential, simply visit edX.org and enroll for each individual course as they are available.

Enroll Now:

www.edx.org/mit/supply-chain

Next course starts:

November 2nd, 2016

Price: Enrollment is **FREE**.

Obtain the MITx MicroMasters credential for \$150 per course plus the cost of a proctored final exam.

Do you really need to hire a financial adviser? What to know before you do

WHEN MY FAMILY moved to New York City from London in 2000, we had two small children and were buying a house in the U.S. for the first time.

We needed some financial advice. A friend recommended her investment adviser, who at the time worked at a big bank. We hit it off, and it was soon decided to put him in charge of managing our retirement savings.

I've been mostly satisfied with our choice, but now I realize it was more luck than skill. At the time, I had no idea what questions to ask to make sure this adviser would really handle our money responsibly. So if you're thinking about hiring someone to help you plan your retirement or improve your personal finances, here's what I've learned in the past 16 years.

First, some definitions of what can be overwhelming jargon: *Financial adviser* and *financial planner* are generic terms, often used interchangeably. But *certified financial planner* (CFP) refers to someone who has passed exams on topics like taxes and retirement planning and is required to adhere to an ethical code. Meanwhile, a *registered investment adviser* (RIA) describes someone (or a firm) regulated by government securities agencies who gives advice about stocks, bonds, and mutual funds. Many such consultants are both RIAs and CFPs.

Second, the most important word you need to know when looking for financial help is *fiduciary*. That means the person you hire must put your interests before her own, instead of recommending investments that might increase her fees at your expense.

"Keep the word *fiduciary* in mind with anyone you talk to," says Doug Bellfy of Synergy Financial Planning, based in South Glastonbury, Connecticut. "Ask any potential adviser: 'Will you operate under fiduciary duty 100 percent of the time?' That one question cuts through a lot of this complexity."



Prolonged Labor

Labor secretary Thomas Perez led President Obama's long and ultimately successful fight with Wall Street over new retirement protections. Starting next April, all professionals who provide advice related to retirement investments, including individual retirement accounts (IRAs) and 401(k)s, will be required to put your financial interests ahead of their own.

\$40

BILLION

▲ The amount in fees that retirees will save over the next 10 years as a result of the new fiduciary-standard rule, according to the U.S. Department of Labor.

In April, the federal government finalized rules requiring any financial adviser to act as a fiduciary for retirement planning. But if you're going to rely on an outsider to help you pick nonretirement investments or make other financial decisions, you'll need to confirm that she'll act as a fiduciary in those areas, too, and disclose all potential conflicts of interest. Hence the reason to specify "100 percent of the time" in your question—and make sure you get the answer in writing.

Sometimes, financial advisers will promote investments that represent the best deal for the client, "and then take off their fiduciary hat and sell products that aren't in the client's best interest," says Kristin Rogers, an investment adviser representative with Garrett Investment Advisors, a national RIA.

Barbara Roper, director of investor protection at the Consumer Federation of America, suggests you ask any adviser you're thinking of hiring to sign a fiduciary oath, an example of which you can find on the website of the National Association of Personal Financial Advisors.

Next, consider how your adviser will be paid. *Fee-only* advisers earn fees solely from their clients, while *fee-based* advisers can also earn commissions or a share of revenue from third parties—like, say, the banks or brokerages that want to encourage advisers to sell their products. So hiring a fee-only adviser is the best way to reduce that kind of conflict of interest, says Roper. In that case, the fees can be set by the hour, by the project, or by a percentage of assets under management.

Depending on an adviser's experience and where in the country you live, the hourly rate runs between \$150 and \$400, Rogers says. If you want someone on retainer, expect to pay a percentage of the money you give her to manage.

For that, you can expect more than just investment advice. Roper, for example, says she pays her adviser slightly less than 1 percent of her assets and in return gets help with all sorts of financial issues—from how to pay for a new car to "nagging me to get a will and reminding me that my son is now an adult and needs his own medical power of attorney."

ALINA TUGEND is a New York City-based journalist and the author of *Better by Mistake: The Unexpected Benefits of Being Wrong*.

ALEX WONG/CETV



Come with goals, leave with a plan.

At TD Ameritrade, our **complimentary goal planning sessions** are built to help you bring your confidence to new heights. We'll help you set investing goals and develop a detailed strategy to pursue them—with regular check-ins all along the way. No matter where today takes you, you'll always have your feet on the ground.

The best returns aren't just measured in dollars.



Visit tdameritrade.com/goalplanning

All investments involve risks, including risk of loss. This is not an offer or solicitation in any jurisdiction where we are not authorized to do business. TD Ameritrade, Inc., member FINRA/SIPC. © 2016 TD Ameritrade IP Company, Inc.



SPREAD THE WEALTH

Helaine Olen

Finding a Golden Ticket

Attending conferences can help your business soar—or drain your bank account

A FEW MONTHS AGO, I spent several hours on a grounded plane in Denver, waiting for a storm to pass. Eventually, I ran out of conversation with my seatmates, but another group kept going strong—those still wearing nametags from the Aspen Ideas Festival. They were laughing, discussing business, and making plans to meet up in New York in the coming weeks. For them, the storm was just one more fruitful networking event.

Even as social media sites like LinkedIn and Facebook keep you connected, meeting people in real life remains the most effective way to build a successful business. In 2016, conferences and trade shows are a \$13.8 billion-a-year industry, one that's growing more than 2 percent annually, according to market researcher IBISWorld (and benefiting many publishers that organize events, including *Inc.*).

At their best, these events offer a chance to make new contacts, catch up with colleagues, and learn a few new tricks. "As a startup, conferences are crucial to building a network in our industry," says

Helaine Olen is a veteran personal finance journalist, the author of *Pound Foolish: Exposing the Dark Side of the Personal Finance Industry*, and the co-author of *The Index Card: Why Personal Finance Doesn't Have to Be Complicated*.

management business for dentists, attends events only when he'll know other attendees or exhibitors. "Personal introductions to key people can create relationships," he explains.

That's not always possible, of course. Sometimes the point of attending a conference is to make professional contacts. But proximity doesn't guarantee success, especially if the events are overscheduled. "One big mistake many conference planners make is they overprogram, and don't give attendees enough time to meet one another," says Curran, who advises checking schedules to see if there is ample break time.

And what if you can't afford the price of attending an event or the cost of skipping it? Consider getting close to the action without actually participating. At a recent, very pricey travel-industry event, Schneiderhan checked into the conference hotel—but instead of registering and attending the official sessions, she stationed herself in the hotel lobby and caught attendees on their way in and out. She wasn't the only one doing it: "People made appointments in advance to meet in the lobby," she says. It's not always the best way to accomplish your meeting goals—but it probably beats waiting for a flight delay.

Felicia Schneiderhan, co-founder of 30Seconds-ToFly, a business travel manager.

But conferences can get expensive: Registration fees may be substantial, and there are travel and hotel costs. Also, they take you away from the company you're trying to build. So how to decide which events are worth your time and money?

For Anna Curran, the founder of the DIY publishing company CookbookCreate.com, the most important factor is the guest list. "Are these influencers and people who are on the rise?" Curran asks herself before spending money on events. "Is this a network I can reach out to in the future?"

One of her favorite events is Austin's annual South by Southwest conference. Soon after she launched, Curran approached the festival director and pitched a themed recipe collection crowd-sourced from festival speakers. The result, *The Official SXSW 2014 Interactive Cookbook*, gave Curran's fledgling company a valuable publicity boost: Contributors included Randi Zuckerberg and Zappos CEO Tony Hsieh, and the book received a flattering write-up in *The New York Times*.

"With the festival badge, flight, and hotel, it's cost \$1,500 to \$2,000 every time I've gone," says Curran, a five-time SxSW attendee. Given what that \$10,000 expenditure has done for her business, she has seen "absolutely a good return on investment."

Mike Garrison, a serial entrepreneur and partner at Pinpoint Dental Consulting, a practice-



Innovation
that excites

NISSAN BUSINESS CERTIFIED DEALERS

**YOUR BUSINESS DRIVES YOUR LIFE.
OUR VEHICLES DRIVE YOUR BUSINESS.**

We know that your business is more than just your work, which is why you can trust our Business Certified Dealers to find the right commercial van for you. Only Business Certified Dealers offer exclusive commercial incentive packages such as cash incentives or graphics packages. And we know your business shouldn't have to wait if something goes wrong on the job, which is why we have 24-hour Roadside Assistance and complimentary shuttle service. Plus, we're proud to offer a 5-year/100,000-mile (whichever occurs first), bumper-to-bumper limited warranty – America's best commercial van warranty – on all our vans*:

NV200[®] Compact Cargo | NV[®] Cargo | NV[®] Passenger



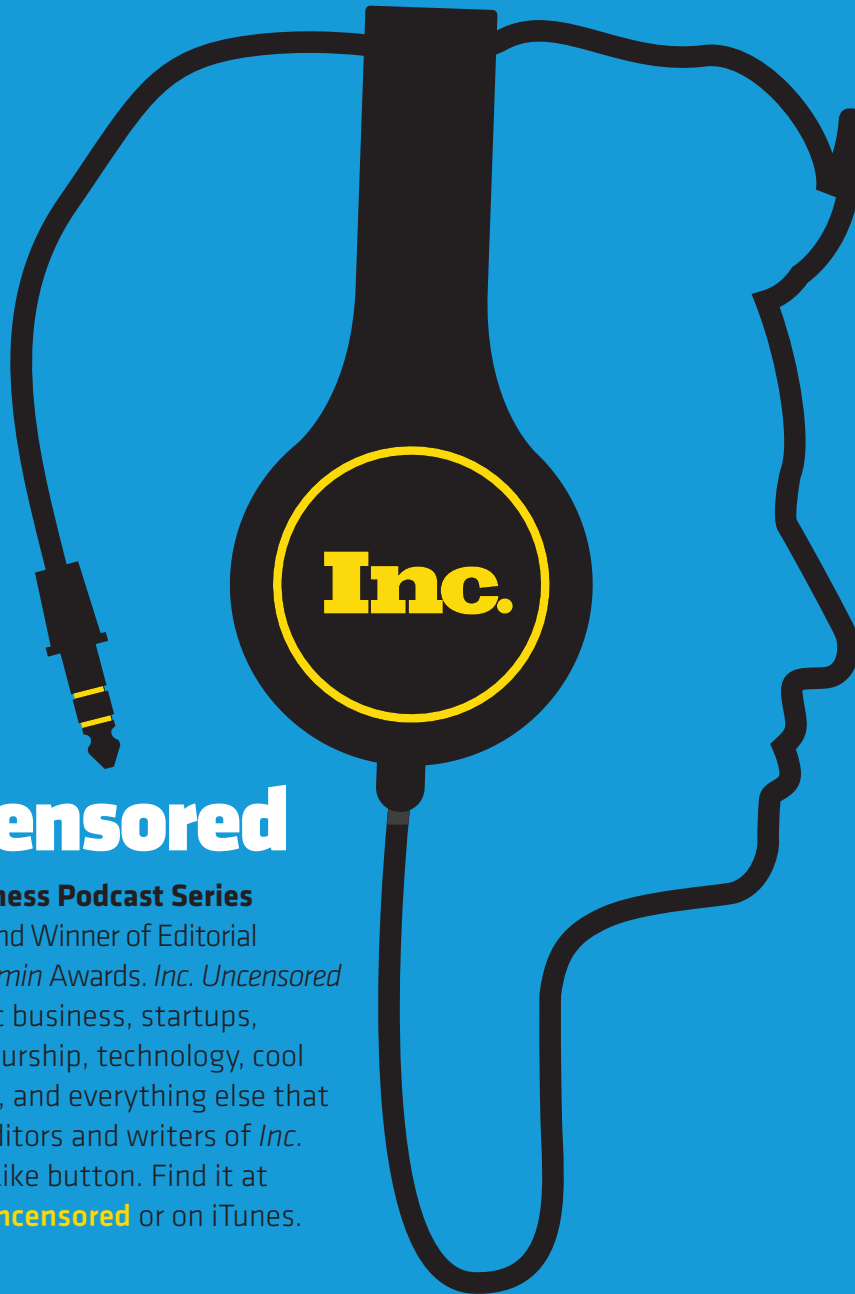
NISSAN Commercial Vehicles
NissanCommercialVehicles.com

America's Best Commercial Van Limited Warranty*
5 YEARS/100,000 MILES
BUMPER-TO-BUMPER LIMITED WARRANTY*



*Claim based on years/mileage (whichever occurs first) covered under the 2016 New Vehicle Limited Warranty basic coverage. NV200[®] Taxi is covered under a separate limited warranty with a different level of coverage. Comparison based on *Ward's* Light Vehicle segmentation: 2016 Nissan NV[®] Cargo Passenger vs. 2016 Large Van class; 2016 Nissan NV200[®] vs. 2016 Small Van class. Comparison based on publicly available information on manufacturer's website. Nissan's New Vehicle Limited Warranty basic coverage excludes tires, powertrain coverage, corrosion coverage, and federal and California emission performance and defect coverage (applicable coverage is provided under other separate warranties). The powertrain coverage is 5 years or 100,000 miles (whichever occurs first). Other general exclusions, terms and conditions also apply. For complete information concerning coverage, conditions and exclusions, see your Nissan Dealer and read the actual New Vehicle Limited Warranty booklet. Warranty claim is current at time of printing. Always wear your seat belt, and please don't drink and drive. ©2016 Nissan North America, Inc.

GET AN EARFUL.



Uncensored

No. 1 Business Podcast Series

on iTunes and Winner of Editorial Excellence, *min* Awards. *Inc. Uncensored* talks about business, startups, entrepreneurship, technology, cool companies, and everything else that gets the editors and writers of *Inc.* to hit the Like button. Find it at inc.com/uncensored or on iTunes.

Should you join the chatbot craze? **PG.98**

The nuances of risk taking **PG.113**

INNOVATE

Invent.
Experiment.
Disrupt.

“When everybody’s unsure what to do, and there’s somebody who fucking knows, everyone pays attention.”

—TONY ROBBINS, self-help coach and entrepreneur

PG. **102**



**PERSUADER
IN CHIEF**

Tony Robbins leading a three-day “Unleash the Power Within” seminar earlier this year at the Los Angeles Convention Center.

Should You Bother With Chatbots?

Hype has been running high for companies to embrace these chatty automatons

TWO YEARS AGO, artificial intelligence upstart AppZen built a smartphone-based personal assistant for employees submitting expenses, hoping to sell it to enterprise customers. “It could understand what employees typed, extract the information it needed, and respond in a conversational way,” says co-founder Anant Kale. It was, in other words, a chatbot—a stripped down software program that can talk to customers through text messages, email, or platforms like Facebook or Slack.

While AppZen’s chatbot was novel, it wasn’t actually solving a real problem. So Kale recalibrated it for a different customer—accounting departments. Now clients Hitachi and InvenSense are using it, but AppZen’s work isn’t done yet. “Artificial intelligence should never be static,” says Kale.

Reminiscent of the apps frenzy that followed the emergence of Apple’s App Store in 2008, companies today are racing to figure out if they should develop a bot. Some believe A.I.-infused text-based interactions will dominate brand relationships in the future; others see value simply integrating them into their operations. The technology is tempting: You can customize your bot using free templates (see “If You Build It,” below) while automating work otherwise done by employees.

But before you commit, consider whether sinking time and brainpower in a bot will actually add value. “So many businesses suffer from digital FOMO [fear of missing out],” says John Ounpuu, co-founder of digital-strategy shop Modern Craft. “You should invest in the technology only if you’re going to get some ROI from it.” If you can make the case, here’s a road map for building that killer bot.

BUILD A CONVERSATIONAL EXPERT

Virtual personal assistants have long been the holy grail for tech developers, but there’s a reason they remain elusive: Creating a bot that can chat as seamlessly about business meetings and bank balances as it can about concert tickets is tough. You could employ a hidden army of humans to help bridge the conversational gap, but, says Dror Oren, co-founder of Kasisto, maker of personal finance chatbot MyKai, companies that want to allocate fewer resources should create conversational guardrails. “When we did a private beta, we saw a lot of people asking the bot about its personal life or who the president was or what their favorite color should be,” he says. “We decided to always be polite, but steer people back to our core expertise”—which is banking.

POWER ITS PERSONALITY

Software engineers aren’t exactly known for being cocktail party conversationalists. Since they’re typically the ones designing a bot’s dialogue, Oren hired a writer to develop MyKai’s voice and pen its phrases. When Kasisto is recruited by a bank to build its bot, it begins the process by asking about the bank’s brand



If You Build It, They Will Speak

You don’t need a massive dev team to build a bot, thanks to an assist from these platforms



Microsoft’s Bot Framework

These “cognitive micro services” contain API functions that can analyze images and understand conversational language.



Facebook’s Bots for Messenger

This how-to platform launched in April offers message templates and a standard format that’s customizable.

STIFF
CONVERSATIONALIST
A.I.-wired chatbots could be the future of customer service.



personality and target audience, to adjust the bot's language and style accordingly. "Those personas can't be one size fits all," says Oren.

TREAT IT LIKE A LIVING THING

When HP innovation manager David Parry got the green light to build a bot that would let users print photos and documents from Facebook Messenger, he was also given a hard deadline: 3½ weeks. "We had to conceive, design, code, QA, and deploy that quickly," he says. But he encouraged the team to think of deployment as a starting point, not an end goal. "We need to see how customers are interacting with the bot, and then refine using those responses," he says. Within weeks of launch, it was clear that the bot's setup took more back-and-forth than most customers wanted, so his team added the bot to the printer's setup process.

DON'T DISAPPOINT

Soon after 1-800-Flowers launched its bot in April, CEO Chris McCann says his team realized customers didn't mind texting with a non-human, but they wanted the company to be transparent about it. "People are happy to chat with the bot, but we had to make sure they knew what it was at the start." Just as important is a bot that won't short-circuit. Some social media-savvy customers delight in tripping up bots and then embarrassing the company by posting screenshots of the awkward conversation online. Says Modern Craft's Ounpuu: "Showing customers how tech forward you are can be a feather in your cap, but it's also super risky to try to provide something that might frustrate or annoy the customer." —KATE ROCKWOOD

THERE'S A BOT FOR THAT

Creative ways companies are using chatbots to help customers do just about anything

STAY INFORMED

The CNN News Bot gives a rundown of the day's headlines from inside Facebook Messenger. Readers can request tailored summaries.

KILL OFF HUNGER

Slack users can get Taco Bell menu recommendations and order ahead for pickup with the TacoBot.

GET TO HAPPY HOUR

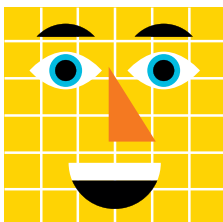
Uber users can hail a ride from Facebook Messenger by tapping a car icon. Slack users can send a request to Lyft with the command /lyft. The Foursquare bot makes it easy to find a nearby watering hole.



LEARN HOW TO CONTOUR

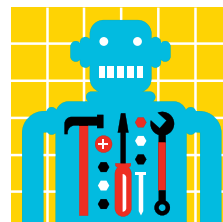
Sephora's bot on Kik walks users through a quick quiz, before serving up tips and how-to videos on beauty products. Then customers can shop directly for lipstick and other cosmetics through the bot without ever leaving the Messenger platform.

ILLUSTRATIONS: ROB WILSON (3)



ChatScript

This award-winning open-source framework has a devoted developer community and a reputation for remarkably human interactions.

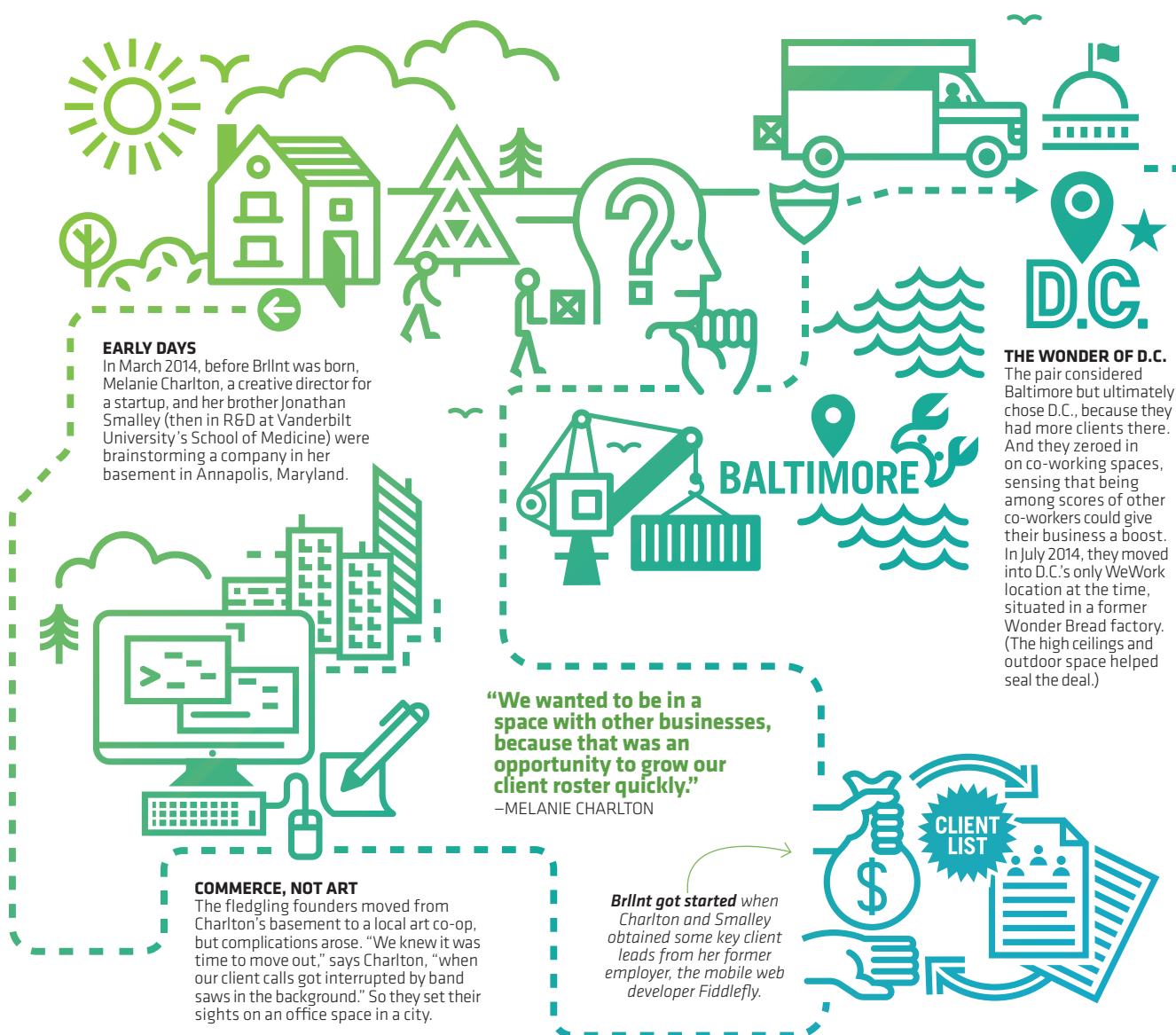


Pandorabots

More than 250,000 bots have been built on this free platform that provides tutorials. Companies can also pony up to have a custom bot built.

WHY CO-WORKING CAN BE GOOD FOR YOUR BUSINESS

HOW BIG IS THE co-working phenomenon? Reliable estimates put almost a million workers in shared spaces worldwide, and their ranks are expected to nearly quadruple by 2020. And the biggest fish remains WeWork, which, despite some recent hiccups—like cutting 7 percent of its staff in June—still counts 65,000 co-working members packed into 90 locations spread across eight countries. But if you think co-working is good only for camaraderie and free beer, you'll be surprised at what businesses can get out of it. Washington, D.C.'s 12-person design and marketing shop Brllnt (pronounced “brilliant”), for example, was largely built and scaled within a WeWork. There, its founders succeeded in scoring clients, talent, and a merger partner—without ever needing to hop on a call or dash across town. —GREG LINDSAY ILLUSTRATION BY SODAVEKT



SETTLING IN

Brllnt's first office at WeWork was a glassed-in, six-person space that was used by four people—the founders and their first two employees. Monthly cost: \$2,850. The rapidly expanding firm outgrew the space by February 2015, just seven months after it had moved in.

HONEY, NOT VINEGAR

The D.C. WeWork was initially filled with tiny companies drunk on the startup lifestyle (and free beer; legend has it that, of WeWork's first-generation locations, it consumed the most). Brllnt's office quickly became a popular place to hang out, in part because Charlton and Smalley were known for helping out fellow WeWorkers seeking resources or other assistance.

Fellow WeWorkers provided both a talent pool and a sounding board for recruitment efforts. Brllnt even hired two people from WeWork's own staff.

A CO-WORKING MERGER

In August 2014, Smalley met Jason Nellis, founder of content strategy firm Overachiever Media. Nellis and Smalley chatted about their roles as their companies' main sales people, and bid together on a couple of projects. They started sharing a WeWork glassed-in office to reduce overhead and increase space before merging their firms (it was as if "we'd moved in together before getting married," says Charlton). Then, this past February, they moved again, into a 12-person space (monthly cost: \$5,400), later adding another three-person meeting room.

"We turned friends into clients. When their businesses didn't pan out, they went on to expand our network into larger firms."

—MELANIE CHARLTON

Workers' playtime? One way Brllnt made its connections: video games. "We were known as the office with Mario Golf," says Charlton.

BUILDING THE BUSINESS

Brllnt's video games and status as WeWork's go-to office resulted in a steady stream of visitors, and proved to be a very effective form of lead generation. In Charlton's telling, she and Smalley eventually met around 80 percent of their fellow members—there were roughly 500—and scored 50 percent of their first year's clients from WeWorkers. Among them: floral delivery startup UrbanStems, which has raised more than \$8 million (and is no longer based at WeWork).

How important is WeWork to Brllnt's present and future? Fourteen of its 33 past and present clients came from WeWork. Eight were found "down the hall," and four more were co-worker referrals. And the company keeps growing—which may force certain decisions.

Charlton's dog, Cinna—a Shiba Inu who boasts her own Instagram account—frequently visited the pet-friendly location. (And turned up in the Dogs of WeWork calendar.)

TIME TO MOVE ON? WELL ...

As Brllnt continues to add headcount, it's bumping up against the limits of its location's offices. Charlton acknowledges that soon the benefits of having a large enough private space will outweigh the advantages and costs of WeWork. "We have interns this summer, and there's always the question of how we rearrange our space to accommodate them," she says. So Brllnt is keeping its options open regarding its next move—and WeWork continues to rearrange its existing office spaces to accommodate clients that need more room.



**THE KING OF
PERSUASION**

Life coach Tony Robbins
has perfected the art of
transforming clients into
business partners.

The Most Confident Man on Earth

**HOW
TONY ROBBINS
TALKED HIS
WAY INTO
BUILDING AN
EMPIRE.**

By **KRIS FRIESWICK** ➔ Photograph by **PETER HAPAK**



F TONY ROBBINS TOLD YOU TO JUMP OFF A BRIDGE, WOULD YOU DO IT?

Marc Benioff would. He did.

Benioff first discovered the self-help guru as a 28-year-old. The aspiring entrepreneur was working at a big corporation when he began absorbing Robbins's tapes and attending his seminars. Eventually, he credited Robbins with his decision to start Salesforce years later, now a \$6.6 billion San Francisco enterprise behemoth.

This is not uncommon. Robbins boasts a star-studded network of clients, several of whom, including Benioff, have seen their relationship with him morph from one of master and student to that of friends. In July 2012, while Benioff was vacationing with four buddies at Robbins's Namale resort in Fiji, Robbins decided to show them something in the middle of the night. He shuffled them into his jeep, drove to a bridge, and then came to an abrupt halt in the middle of it. Below was a raging river. Robbins said they were all going to jump off to face their fears. "I'm afraid and nervous," recalls Benioff about staring down at the water swirling below. "I have no idea what's going on." But he jumped anyway.

Robbins waited until they were in the water to tell them about the poisonous snakes. Shortly after he mentioned them, Benioff saw one swimming next to Robbins. "Tony didn't seem to care about the snakes," says Benioff. "But I did."

What could have been a reckless game of chicken was, for Benioff, a teachable moment. "Tony turned that night into a seminar," he says, articulating, in part, why high-power executives, politicians, and celebrities keep Robbins at the top of their contact list. "Tony realizes that the only thing that prevents you from focusing on what you want is fear."

This has been the central message of Robbins's long career. It's the most ancient of all the common sense ever spoken. Yet when it falls from Robbins's lips, people listen, and they have for more than 30 years. "When everybody's unsure what to do, and there's somebody who fucking knows, everyone pays attention," says Robbins. "Someone who has certainty, even if they're wrong, will lead other people."

Known as the great commercializer of self-help, his otherworldly persuasive powers and brash brand of popular wisdom have grown into Robbins Research International, a life-coaching empire that includes a massive book business (15 million volumes sold globally), an audio business (50 million programs sold), a life-coach certification business, and seminars for which attendees pay as much as \$8,000 to be in the same room with the man himself.

While the central idea Robbins has been peddling hasn't evolved much over the past three decades, his entrepreneurial pursuits have. He's leveraged that unshakable confidence and network into a diverse web of businesses, building and investing in companies as far-flung as asteroid mining, credit cards, hospitality, nutritional supplements, private equity, sports teams, 3-D printed prosthetics, and, most recently,

wealth management. By Robbins's count, he's involved in 31 companies—12 of which he says he actively manages—which, he claims, generate more than \$5 billion in annual revenue.

In late July, Robbins was in Traverse City, Michigan, for a film-festival screening of his latest project, a new Netflix documentary called *Tony Robbins: I Am Not Your Guru*. Reclining his 6'7" superhero-size frame across a hotel room sofa, Robbins shares what he calls the single most important bit of business advice he gives his clients—something he's become adept at following himself. "There are always two businesses you've got to manage," says Robbins in his deep-throated baritone. "There's the business you're in, and the business you're becoming. If you just manage the business you're in, you're going to get knocked out by a new technology or new competition. But if you're constantly managing those two businesses, you won't have to quit or pivot, because you're always doing something to innovate, or to change, or to improve." In other words, the man never, ever stops.

But lots of people don't stop. Lots of people run successful businesses. Lots of people offer sound, incisive advice. But none of them could get the CEO of a multibillion-dollar company to jump into a snake-infested river in the middle of the night. So why can Robbins?



ROBBINS'S ENTIRE BUSINESS is built on his insistence that anyone can learn to be confident, but the fact is, confidence appears to be native to him. As a 15-year-old in Glendora, California, he decided to become a sports writer after failing to make the baseball team. But instead of taking writing classes, Robbins printed up business cards proclaiming himself a sports journalist.

By the 10th grade, he had wooed a who's-who from the sports world to let him interview them for the local newspaper, including sportscaster Howard Cosell, Ohio State football coach Woody Hayes, and baseball Hall of Famers Tommy Lasorda and Leo Durocher. Even back then, it was clear in his writing that he was wired to be an agent of bravado. "PRIDE!" young Robbins wrote in a 1975 article in *The Azusa Herald*. "The word which stands for the most powerful emotion known to man. It has been proven to be unmatched in force. It can change anything!"

At 17, Robbins says, he attended a seminar by the motivational speaker Jim Rohn. He soon got a job selling Rohn seminars and it was then that he realized his own professional calling. It didn't hurt that his personal story—which includes a revolving door of stepfathers, an alcoholic mother who chased him around with a knife, and a period of homelessness—doubled as a compelling origin story for his business, a tale he still emotionally unspools at his seminars decades later.

What ultimately put Robbins on the map, he says, was coaching a young swimmer who won gold at the 1984 Olympics in Los Angeles. Mike O'Brien was introduced to then-24-year-old Robbins after he'd made the U.S. team. The swimmer and his teammates had met with numerous sports psychologists, and the sessions he had with Robbins, he says, weren't all that different—except for the physical presence of Robbins himself. "I'm 6'6," and I felt small next to him," says O'Brien. "He exudes so much confidence that without even saying the words, he's relating that 'I believe in you. You have the potential to excel.' So you start to believe it." (O'Brien, however, also softens a claim Robbins has made: "Would I characterize his interaction with me as the thing that caused me to win the gold medal? No. Would I characterize it as a useful tool? Possibly.")

No matter for Robbins. That unflinching confidence is something he never stops tending to. His mornings begin

"There's the business you're in,
and the business you're becoming.
If you're constantly managing those
two businesses, you won't have to
pivot, because you're always doing
something to innovate."

with a dip in a 57-degree coffin-size plunge pool; before he goes onstage, he jumps up and down on a mini trampoline, as if he were plugging himself into a human-battery-charging station. He also engages in another ritual he's performed for 30 years: "I do a little shift in my body to get myself in a strong physical state, and then I say, 'I now command my subconscious mind to direct me in helping as many people as possible today.'"

All that maintenance is vital for Robbins's business, because confidence is fundamentally the product he's been selling and perpetually finding new ways to repackage. Over the years, his mantras have sliced and diced the same basic message: Change your mental state so you will feel confident, even if you have no idea what the hell you're doing.

That message has drawn in business titans who pay him a staggering \$1 million a year for personal coaching. Clients include Peter Guber, chairman and CEO of Manda-
lay Entertainment Group, and financial trading whiz Paul Tudor Jones. Guber, who has been coached by Robbins for two decades, and become one of his closest friends, calls his counsel revelatory. "I have had many cataclysmic and painful failures in my life," Guber says, emphasizing that

Robbins "helped me overcome and move through them faster and more efficiently. I like the fact that the uncertainty doesn't threaten me. It did threaten me before."

Robbins has continued expanding his entrepreneurial footprint by turning high-profile clients into business partners. (See "Billion-Dollar Guru Machine," page 107.) How he's done that is a study in the psychology of networking. "My primary question is just, 'How can I help?'" Robbins explains of his dealings with other people. "When you're doing that on an ongoing basis, that builds a relationship, because you're not asking for things. You're giving all the time." Clients who have become friends tell countless tales of meeting him at the end of one of his 12-hour seminar days—Robbins exhausted from giving out as much energy as a nuclear power plant to a room of thousands of acolytes—because he wanted to help with a project or problem, even at 2 a.m. "The secret sauce with Tony is that he recognizes that he's not in the transaction business," says Guber. "He's in the relationship business."

Ultimately, Robbins has created a lucrative virtuous circle: As his business and personal networks grow, he gains access to new ideas, opportunities, and relationships. He and Guber have since become co-investors in a Major League Soccer franchise. Jones features prominently in Robbins's recent book *Money: Master the Game*. Joe Berlinger, the Oscar-nominated documentarian

who typically exposes social injustices, was invited by Robbins to one of his seminars. Soon thereafter, Berlinger shot *I Am Not Your Guru*, an homage to Robbins. "When Tony works with someone he is excited about, or wants to invest time and energy into, he also wants to invest his money," says Benioff. "It's become a good financial strategy for him."

Silicon Valley self-helper Tim Ferriss, another fan-turned-friend, says Robbins has outlasted so many other life coaches because he doesn't just dish out advice—he actually takes risks. "Most have no chops," says Ferriss. "They've never built real companies; they've never dealt with high-profile clients in high-stakes circumstances." After all, most gurus would have no problem telling someone to plunge into a raging, snake-infested river. It takes another kind to jump right in there with them.

—
KRIS FRIESWICK is an Inc. executive editor.



Open
the foldout
for Tony
Robbins
in his own
words

THE POWER TO DRIVE SMALL BUSINESS.

XPS 13



WE LOVE YOUR WORK.

Dell supports and celebrates small businesses. With powerful performance and excellent battery life, the XPS 13 with Intel® Core™ processors is everything entrepreneurs need. That's why PCMag named it Editors' Choice.

Learn more at Dell.com/SmallBusiness or
consult with a small business expert at **877-414-3355**.

How I Integrate Life Into My Work

THE BIGGEST ILLUSION people share with me is “I started a business so I can have more free time.” That’s like saying you had a child so you could have more free time. That is dumb, right? It’s another reason people fail. My view is that if your business is your mission, if it’s truly something you love and live for, it’s an extension of you, it’s like a child for you—then this idea of work-life balance is the biggest bullshit on the planet. Every achiever I know has more work than he or she could ever do. What it really is is work-life integration.

MY PREVIOUS WIFE, Becky, worked with me. That isn’t why I got a divorce—we’re still good friends. She was just a very different person from me. I was 24 when I married her. She was 12 years my senior and had been married twice before, with kids from both of those marriages, and I was really in love with them—I adopted them all as my own. If you could imagine, I was 24 with an 11-year-old daughter, a 5-year-old son, a son on the way [Jairek Robbins; see “The Guru Field Guide,” right], and a 17-year-old son who was a drug addict and alcoholic. At the time, my business was taking off and I needed to integrate

those two things—my work and my personal life.

I DON’T THINK it’s a mistake to have your family be a part of your business if they really want to be there. Not that you’re asking them to be there or demanding it. I believe it’s really useful, because families often come apart if they’re not involved in the business’s mission.

MY WIFE, SAGE, is my executive producer and we’re around each other 24/7. I have a phenomenal relationship with her. You can’t work with somebody in business if you don’t have a great relationship already; it’s obviously gonna affect the business. She’s an acupuncturist, phlebotomist, and nutritionist, and in the beginning I thought, this is her deal. But she did things for me, and I did things for her. I brought scale to her. She was happy talking to a couple of people, and that would have been it. Me, it’s got to be millions of people I’m touching. So I taught her how she could have more impact, and she’s gotten me to consider even more the one-on-one-coaching side of things.

MY WIFE IS NOT required to do anything she doesn’t want to. My biggest thing, for anybody I’ve been in a relationship with throughout my life as an adult, is I want her to be able to do whatever the hell she wants. I want to provide the resources for someone to do that, so she can do whatever lights her up. But my wife was lit up by the same mission that lights me up. —AS TOLD TO K.F.

BILLION-D

As a founder, co-founder, and investor,

INDUSTRY KEY

TECH LEISURE FINANCE SELF-HELP MARKETING

\$1 MILLION

The cost per year for one-on-one coaching sessions with Tony Robbins



AGENCY OF TRILLIONS

Friend and former client Peter Guber was the founding investor of this brand agency, in which Robbins was a Series A investor.



LOS ANGELES FOOTBALL CLUB

This MLS franchise, in which Robbins, Peter Gruber, and celebrities including Will Ferrell have invested, is building a \$250 million stadium complex in downtown L.A.



PLANETARY RESOURCES

Robbins first invested in friend Peter Diamandis’s asteroid mining company in 2013.



TONY ROBBINS PRODUCTIONS

This firm is responsible for producing Robbins’s media properties.

OLLAR GURU MACHINE

Tony Robbins has his hands in some 31 businesses—from asteroid mining to 3-D printed prosthetics.

UNLIMITED TOMORROW

Founded by Easton LaChappelle, the startup designs 3-D-printed prosthetics and has made its code open source.



CREATIVE PLANNING

Robbins recently took a stake in this fiduciary financial-advisory firm, owned by Peter Mallouk, which claims over \$20 billion in assets under management.



ROBBINS RESEARCH INTERNATIONAL

The mother ship, this company combines all of the coaching, training, and events businesses based on Robbins's teachings.



BERINGER CAPITAL

This Toronto-based private equity firm focuses on digital marketing and media and recently purchased *Adweek*.



GLOBAL ACCOUNTING ADVISORS

Part of Robbins Research International, this company provides "outsourced CFO" and accounting services in seven countries.



FORTUNE MANAGEMENT

This company uses Robbins's coaching and training techniques to improve the performance of medical and dental professionals.



AMERICA'S BEST 401k

Offering retirement plans for companies, this firm claims to have lower fees than traditional providers.

ROBBINS-MADANES CENTER

Life-coach-training company that has certified 4,000 people worldwide in the "strategic intervention method."



NAMALE RESORT & SPA

Robbins has owned this luxury resort in Fiji for 25 years, which boasts a 10,000-square-foot spa and a farm.

CLOUDCOACHING INTERNATIONAL

Co-founded by Robbins and now owned by CCI Global Holdings, this sales-team-training company has clients like GE and Dell.



HEARTLAND PAYMENTS SYSTEMS

This payment, payroll, and lending company is one of the country's largest credit card processors.



\$4,000-\$8,000

The cost of a ticket for a six-day Robbins seminar

RUBBING ELBOWS

With over 30 years on the self-help circuit, Robbins has amassed a Davos-worthy social circle



OPRAH WINFREY

Oprah attended a Robbins seminar and afterward took part in his controversial fire-walking exercise.



PETER GUBER

The chairman and CEO of Mandalay Entertainment is a former client-turned-friend-turned-business partner.



SERENA WILLIAMS

The tennis star credits Robbins with helping her repair her confidence after a severe injury.



PAUL TUDOR JONES

Head of one of the largest hedge funds in the country, Jones has been coached by Robbins for the past 22 years.

BILL CLINTON

Robbins claims Clinton called him for advice when he was about to be impeached by Congress. His response: "Why didn't you call me sooner?"



ARIANNA HUFFINGTON

The longtime friends partnered for an online series for the Huffington Post.



RAY KURZWEIL

Robbins has been friends with "the Singularity" life-extension futurist for more than two decades.



PETER DIAMANDIS

Robbins is collaborating on his XPrize for education and investing in his genome-sequencing company, Human Longevity.



57°

The temperature of the plunge pool at Robbins's house, which he jumps into each morning

IN HIS OWN WORDS

How I Hire Employees

FIRST, we determine the DNA of each job, which shows us the personality we need for the right team fit, the individual skill set needed so someone won't be learning on our dime, and the psychology of the person we need. We describe that in great detail.

THEN WE focus on: Can she do the job? Is she the right team fit? Will she do the job long-term well? We ask what her goals are and if she is aligned with the job.

WE GIVE our candidates a personality test that, among other things, answers the question: What is the person's nature? Everyone is a mix of, I'll use the shorthand, heart, hands, and head. Heart is your level of empathy. If someone who is completely leading with his heart is in a business meeting and we start talking about firing someone, his first focus is going to be, "Oh, what will that do to this person?" A person who is more hands-driven is more pragmatic. For her, it's like, "How do we get this done?" And she might still have a big heart, but it's

really important to her that we don't just go in circles talking about shit. A head person is systemic, so a systemic person wants to go, "Oh, slow everything down." So the pragmatic person makes the systemic person crazy, the systemic person makes the pragmatic person want to kill him, and the heart-driven person is a sweetheart who seems to be off in left field. We all have all three of these qualities, and the test measures where they fall on a scale of zero to 10.

WE THEN give that raw data to the potential employee and say, "Circle everything you disagree with and tell us why." It gives us a jumping-off point, because I don't want to just be sold and I don't wanna sell you on us. I want to have a sustainable relationship.

NEXT, YOU get interviewed multiple times in different locations, including your home. We want to see how you live. I want to see what it's like to walk inside your house. I want to get in your car, because that tells me a hell of a lot. —AS TOLD TO K.F.

"If your business is your mission, then this idea of work-life balance is the biggest bullshit on the planet."

How to Know When to Pivot

EVERY WEEK, do a meeting on the business, not in the business. Ask, "What business are we really in? What business do we need to be in? Who's missing?" I don't give a shit how successful your business is, you've got to know where you are in the life cycle of it. And where your industry is in the life cycle. And where the economy is in the life cycle. What it tells you is that in every stage, there are predictable problems, and if I could tell you where the land mines are in advance, and you can know where they are, you

can go through this thing with the least amount of danger possible, and you can get through it the fastest, because you know where to go.

BUT 99 PERCENT of businesses have never even thought about it. No matter how good an entrepreneur you are, if you're going to be the best at something, you've got to make it a study. If you want to be happy, you should study happiness. You want joy, you study joy. If you want financial success, you've got to study. —AS TOLD TO K.F.

THE GURU FIELD GUIDE

A self-help menu for boosting any professional shortcoming BY ABIGAIL BARON

FAITH POPCORN

The rainbow-haired futurist has been pedaling her trend-spotting shtick since the '70s, helping corporations read the consumer tea leaves.



ADAM GRANT

The highest-rated and youngest tenured professor at Wharton, the organizational psych expert provides original thinking on how to be an original thinker.



SUSAN CAIN

With her Quiet Leadership Institute, the former corporate lawyer, negotiations consultant, and self-proclaimed introvert has become the mouthpiece for those who have big ideas but soft voices.



TIM FERRISS

As the poster boy for the four-hour work week, the dietary-supplement entrepreneur-turned-investor has become Silicon Valley's go-to guy for the optimized life.



BRENÉ BROWN

After studying vulnerability for more than a decade, this professor of social work has become the go-to gal for enlightened leadership, hired by both Facebook and Pixar.



MALCOLM GLADWELL

While the *New Yorker* scribe who popularized pop sociology doesn't consult, he will give a speech for \$80,000.



JAIREK ROBBINS

Tony Robbins's 32-year-old son has spawned a mini version of his dad's coaching business, with 12-week courses and 18-month coaching sessions.



SETH GODIN

After almost two decades and 18 bestsellers, he's traversed topics from career navigation to the postindustrial revolution.





COLLABORATE. CREATE. CULTIVATE.

The XPS 13 empowers small business owners like Rakia Reynolds to collaborate anywhere and manage everything she does.



Dell recommends Windows 10 Pro.

RAKIA REYNOLDS
Small Business Owner,
Skai Blue Media



INCREDIBLE BATTERY LIFE

Entrepreneurs count on excellent battery so they can stay powered up no matter where work takes them.

"My life is so busy that sometimes I forget my charger, but I can always depend on my XPS 13 for everything." – Rakia Reynolds

EXCEPTIONAL POWER

Reduce downtime by 50% with performance that's four times faster when you refresh to new Dell PCs featuring Intel® Core™ processors.*

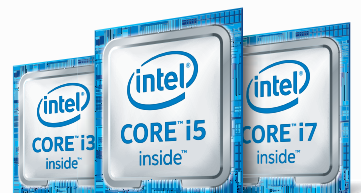
"My XPS 13 allows me access to the information that I need to stay three steps ahead of the game." – Rakia Reynolds



EXPERT HELP

Small business owners rely on Dell ProSupport for direct access to small business technology experts 24/7.

"Partnering with Dell is like having a full-time IT person on my staff." – Rakia Reynolds



Intel Inside®.
Powerful
Productivity Outside.

XPS is a trademark of Dell Inc. Intel, the Intel Logo, Intel Inside, Intel Core, and Core Inside are trademarks of Intel Corporation in the U.S. and/or other countries. Screens simulated, subject to change; Apps sold separately, availability may vary.
*Comparing systems four years old or more to new systems.



WE LOVE YOUR WORK

SMALL BUSINESS MAVEN

Dell recommends Windows 10 Pro.

RAKIA REYNOLDS
Owner, Skai Blue Media,
a fast-growing PR firm

Entrepreneur, parent, consultant to the stars and more. It takes the power of the XPS 13 featuring an Intel® Core™ i7 processor to keep up with small business owner Rakia Reynolds. With amazing performance and power, Rakia can stay ahead of her busy schedule.

Learn more at Dell.com/SmallBusiness or
consult with a small business expert at **877-414-3355**.



Intel Inside®. Powerful
Productivity Outside.



XPS 13

XPS is a trademark of Dell Inc. Intel, the Intel Logo, Intel Inside, Intel Core, and Core Inside are trademarks of Intel Corporation in the U.S. and/or other countries.

Jason Fried



50 Shades of Risk Taking

The difference between taking a risk—and putting yourself at risk



ENTREPRENEURS LOVE to view risk as binary. The more you put on the line, the greater the potential for reward. Go on, take that second mortgage so you can pour more cash into your business. Mine your life savings for a few more months of runway. The thrill, the adrenaline, the glory come from being at the precipice of either winning or losing it all.

That's a terrible way to navigate your company. It's misguided, toxic, and, unfortunately, all too common. It's what happens when the notion of risk is dis-

torted—compressed from a spectrum to a single, indivisible point.

The reality is, risk is variable. Those in the financial world know it. They define it in terms of beta. A beta of 1 tracks the market. If a stock's beta is 1.3, then it's theoretically 30 percent more volatile than the market as a whole. If it's 0.6, then it's 40 percent less volatile. You can take on a little more risk, moving your beta up, without having to go all in.

Jason Fried is a co-founder of Basecamp (formerly 37signals), a Chicago-based software company.

But when you run in entrepreneurial circles, attend entrepreneurial conferences, and read the entrepreneurial press, you rarely see risk portrayed as something that's incremental. It's winner takes all! Take the risk, reap the reward!

I've never looked at risk that way. I'm generally risk averse, and most great entrepreneurs I know are as well. We take risks occasionally, but we rarely bet the farm on something unless there's no other choice. We ease in, we don't rush in. I'll admit it now: I'm an entrepreneur, and I don't like risk.

At Basecamp, we take comfortable risks all the time. This means trying something new without fear. Taking a leap, but knowing that if it doesn't work, no one's going to miss a meal over it.

For example, we're currently working on something that from the outside appears incredibly risky: We're about to triple the price of one of our offerings.

Sure, we're making some significant improvements to the product. And the new, heftier cost won't hit everyone—existing Basecamp customers will be grandfathered in at their current prices. But new customers signing up for Basecamp will pay three times as much as existing customers.

Now, ask your fellow entrepreneurs if they think tripling prices is risky. I bet they say yes. Or more specifically: "Are you crazy?"

In reality, we're boringly sane.

Did we test it? No. Did we ask people if they'd be willing to pay more? No. Are we sure it'll work? Absolutely not. Sounds risky!

But I don't think those are actually the right questions. Better to ask: Will we go out of business if it doesn't work? No. Will the business be materially affected if people won't pay more for Basecamp? No. Will we have to lay people off if this wild experiment falls flat? No. Why not? Because we already have a massive base of customers paying us what they were before.

We'll give it six months and see how it turns out. We'll tweak along the way. A big step first, and then small steps as we go. And we can always walk it back if we need to. That's managed, calculated risk.

The next time you decide to make what seems like a radical change, don't fool yourself into believing you're being brave and bold. Instead, ask yourself the right questions. Figure out where the bet falls on the risk spectrum, along with the consequences if it doesn't work out. Then you'll know whether to take that leap.

Successful Franchise Concepts Not Confined to Fast Food



For many would-be franchise investors, the image of franchising is closely tied to fast food. While quick-serve restaurants remain an important part of the industry, franchising in recent years has moved well beyond burgers and fries. The businesses profiled below illustrate the variety of concepts drawing franchise investments today.

The unique appeal that HomeVestors of America has for franchisees is the Dallas-based real estate investment franchise's "We Buy Ugly Houses" trademark, says Co-President David Hicks. "The advertising around it draws a consistent flow of people who have houses that need to be repaired and sold," Hicks says. "So our franchisees have a consistent flow of 30- to 50-year-old houses needing repairs that can become rental properties or homes for first-time buyers."

With more than 730 locations in 45 states, Hicks plans to add more than 100 in the next year. Target areas include Chicago, Seattle and Portland, Oregon, New York, New Jersey, the Washington, D.C., area, and smaller cities across the country.

Sandusky, Ohio-based franchiser SealMaster offers franchisees unusually large, protected territories, including some that cover whole states. As the pavement maintenance industry's one-stop source for materials, equipment, and tools, SealMaster franchisees sell to pavement contractors, airports, property managers, municipalities, and other customers with responsibility for pavement maintenance. SealMaster manufacturing franchises in business three or more years generated average revenue of \$6.4 million in 2015, according to the company.

Thirty-three SealMaster franchises operate more than 100 locations nationwide. Approximately 15 protected territories remain until the entire U.S. market will be sold out. Open territories are mostly in the upper Central and Western U.S. as well as New England, Arkansas, Texas, and Louisiana. Rick Simon, director of franchise operations, says plans call for awarding all remaining domestic franchise territories within four years.

Interface Financial Group offers franchisees a chance to earn an

attractive return on investment with only limited hours of involvement and no employees, says David Banfield, president of the Bethesda, Maryland-based company. Franchisees provide businesses with short-term financing through a unique "use it as you need it" invoice discounting system. Interface has more than 60 U.S. franchisees, with additional units in eight other countries. In the next year, he anticipates adding 25 units throughout the system.

Cruise Planners, an American Express Travel Representative, positions itself as a "business in a box" full-service travel company enabling franchisees without prior industry experience to compete against established firms. "We teach them from A to Z what they need to know to be a successful travel-based business," says CEO Michelle Fee. The Coral Springs, Florida-based franchiser has about 1,500 franchisees in all 50 states and should increase that by about 200 within the next year.

One of the key features of a SmallCakes franchise is the modest level of royalties. "We only take 3 percent and give you the first six months free of royalties," says Jeff Martin, CEO of the Kansas City-based franchiser. About 150 franchisees, mostly in Midwest and Southern states, sell SmallCakes cupcakes and other treats. Martin says they will add 20 in 2016.

Pet Wants offers two franchise models of its fresh, all-natural pet foods business, one doing food deliveries only and the other as a retail operation. "Our franchisees love the option," says Bernie Brozek, president. "They can start with delivery, then go to retail later." After a year of franchising, Pet Wants has nearly 60 locations, mostly from Texas through Ohio, with future growth targeting large metropolitan areas. ■

**Now may be
the perfect time
to invest in
real estate.**

- **PROVEN SYSTEM TO BUY & SELL HOUSES**
Be your own boss with continuous mentoring and franchise support.
- **FINANCING FOR QUALIFYING ACQUISITION & REPAIRS**
We make it easy to keep your business running smoothly.
- **ONGOING SUPPORT**
Learn to lead your franchise to success from the franchise system that has purchased over 65,000 homes.
- **HVA MAPS**
Take the guesswork out of estimating repairs with a sophisticated software system that helps you steer clear from making costly mistakes.

*You are in the right location at the right
time to be a HomeVestors® franchisee,
what are you waiting for?*

WE BUY UGLY HOUSES®



**Inc.
5000**

HomeVestorsFranchise.com | 800-704-6992

*Each franchise office is independently owned and operated.

BOLD AMBITION Calls for a Better
BUSINESS OPPORTUNITY



SealMaster®
Pavement Products & Equipment

SealMaster
manufacturing
franchises in business
3+ years earned
average revenue of
\$6.4 million.*

Those in business
fewer than 3 years
earned average
revenue of \$2.4 million.*

"The SealMaster franchise is not only a nice income generator, it's a great capital asset and wealth builder. The SealMaster franchise has been the best investment in my life. It has allowed me a lifestyle beyond my hopes and dreams."

-Bob Krebs, SealMaster Franchise Owner

Manufacture SealMaster Pavement Sealers and distribute a full line of pavement maintenance products and equipment into the billion dollar pavement preservation industry.

**Call (800) 341-7325, Ext. 199
TODAY for domestic &
international opportunities**



*During FY 2015. More detail is provided
in the Franchise Disclosure Document.
Offer made by prospectus only.





TRAVEL

IS THE ONLY THING YOU BUY THAT MAKES YOU

RICHER

START YOUR OWN HOME-BASED TRAVEL FRANCHISE

YOUR LAND AND CRUISE EXPERTS

888.582.2150 CruisePlannersFranchise.com/INC
[CruisePlannersFranchise](https://www.facebook.com/CruisePlannersFranchise)





The Ultimate Professional Franchise Opportunity

An IFG Franchise provides you with an opportunity to earn an above average return on your working capital, plus:

- No long hours or extensive travel
- No employees
- No inventory or equipment

Get the full story today.

Contact us at 1-800-387-0860 or ifg@interfacefinancial.com
www.interfacefinancial.com/franchise



Franchising Opportunities Available in 20 States and counting!

- Great territories for growth available for single & multi-unit stores
- Low-cost, low start-up capital: \$30K Franchise fee, 3% Royalty
- Recognized for excellence by Entrepreneur, QSR and NRN
- Over 300 proprietary & proven cupcake & ice cream recipes

Call to learn more!



913-558-3687 • info@smallcakescupcakery.com
www.smallcakescupcakery.com/franchise

Do You Have A Passion For Pets?

Open A Pet Wants Franchise

- 2 flexible models: Mobile Delivery or Retail & Delivery
- Monthly subscriptions to drive recurring revenue
- Multiple revenue streams from food, treats, salves, and more



The Pet Care Industry

- \$58 Billion per year in America
- Pet Food and Treats is largest spending category at \$22 Billion per year
- Over 100 Million households have at least one dog, one cat, or both





To learn more about owning a Pet Wants franchise head to **PetWantsFranchise.com**
 or Call **513-605-4893**

SUBWAY

OWN YOUR OWN SANDWICH SHOP

OPPORTUNITIES ARE NOW AVAILABLE
LOCALLY & WORLDWIDE
WITH NEW & EXISTING SHOPS

SUBWAY® franchisees possess an entrepreneurial spirit and are committed to building their own business with a proven brand. If you enjoy working with people, learning new skills and are ready for an exciting new challenge, contact us today!

SUBWAY® is the #1 restaurant chain* in the world. Owning your own SUBWAY® shop involves getting approved to be a franchisee. The initial franchise fee is \$15,000 which is included in the total investment. You will receive a two week training program with the franchise. The total investment can range from \$116,600 to \$263,150+ (See Franchise Disclosure Document for further details.) Restaurant owners should have half of the total investment in cash and finance the other half.



Visit the SUBWAY®
online seminar to find out more:
www.subway.com
Or call Ralph Piselli:
800. 888.4848 x 1312
E-mail: Piselli_R@subway.com



This is not an offer to sell or solicitation of an offer to buy. Offers are only made in states where we have complied with applicable law and an offer to sell or a solicitation of any offer to buy a franchise shall be made solely by a Franchise disclosure document. All financial information is as shown in Section 19 of the FDD to be disclosed to potential franchisees during the offering process.
SUBWAY® is a Registered Trademark of Subway IP Inc. ©2016 Subway IP Inc.
*SUBWAY® is the #1 restaurant chain in total restaurant count with more locations than anyone else in the Quick Service Restaurant industry.



**LOW-COST.
HOME-BASED.
LOW-OVERHEAD.**

\$29,500 Initial Franchise Fee.
Top earners average \$960,796*
in revenue.

soccershotsfranchising.com | franchising@soccershots.org

The information in this advertisement is not intended to be an offer of a franchise. Offers and sales of franchises are made only after registration of the franchise offering and delivery of a franchise disclosure document (as applicable) in accordance with federal and state law. *Top 33% of all franchisees with three or more territories open the entire reporting period (January 1 - December 31). Three or more (3+) Territory Average - \$638,764. Some outlets have sold this amount. Individual results may differ.

WhiteWalls®

Magnetic Whiteboard
Steel Wall Panels



WhiteWalls.com 800 624 4154



**The Marketplace section has over
1.4 million readers waiting for you!**



To Advertise call **800.938.4660** or email sales@directactionmedia.com

It's here. Smarter Home Security:

24/7 Protection. Exceptional Savings. No Annual Contracts.

For 100 years alarm salesmen have successfully tricked millions of homeowners out of thousands of dollars. How do they do it? By locking you into long-term contracts charging you \$30, \$40, even \$50 each month.

Protect your home and your wallet with SimpliSafe Home Security. Our alarm monitoring costs just \$14.99/month, and we'll never lock you in a

contract. Each year you protect your family with SimpliSafe, you'll save up to \$420... that's why the nation's leading financial expert, Dave Ramsey, recommends us to all his listeners. We are so sure you'll be happy that we offer you a 60-Day Full Refund Guarantee and FREE SHIPPING! Get more security, more freedom, and more savings.



Chad Laurans, founder and CEO of SimpliSafe, invented a smarter way to protect your home



**TRY IT
RISK-FREE
TODAY**



 **SimpliSafe.com/inc**

CLASSIFIEDS

SPECIAL ADVERTISING SECTION

AGENTS WANTED

SEEKING PERSON to license/market/sell my new umbrella patent to manufacturer. 781-595-0094.

AUTOMOTIVE

LUXURY-SPORTS-CLASSIC Autos & Hi End RVs - by owners. www.cacars.com Buyers/Sellers 800-546-8457.

BOOKS/PUBLICATIONS

BUSINESS FITS: How to Find the Right Business for You! by Terry Oliver Lee. Available on Amazon.

BUSINESS FINANCING

ADVISORY FIRM SPECIALIZES

In assisting start-up and small companies with seed funding, expansion capital, or selling their business. Services such as corporate structure, board recruitment, business plans and M&A activities. Email L.so@intrepidphoenix.com or call 703-279-6411.

BUSINESS OPPORTUNITIES

HOMEBASED TRAVEL BUSINESS Excellent income. Affordable opportunity. Includes travel website. Visit www.TheTicketCounter.com

WORK FROM HOME. Make \$200 an hour, credit related, no selling, no investment, risk free, no scam. Takes 1 minute to qualify, 5 minute training, start today. 708-717-2398.

M&A PROFESSIONALS

Entrepreneurs interested in \$400,000+/year contact: denny@chapman-usa.com

BUSINESS OPPORTUNITIES

\$30K IN 30 DAYS. Unlimited potential. Time freedom. DailyCashAbundance.com Call 1-800-931-7137.

MARKETING HEALTHY CHOCOLATE - Established Company, Unlimited Income. Call Now! 1-855-200-0595.

Place Your Business Opportunity Ad Here!

MAILORDER PROFITS!! Make \$500/order! Free details. Cashflow, 43-l Tennyson, Reading, MA 01867.

MASSIVE WEALTH

I made 1.4 million in 18 months. Will train professional business minded people only. Call 877-923-7446, 24 hours.

PODCAST INCOME - Without equipment, setup, or hosting fees. 410-558-4500. www.homebusinessprofiles.com

www.GetGoldEagleCoins.com Code 72 Earn fulltime income. \$100 to start.

BUSINESS SERVICES

MANHATTAN VIRTUAL OFFICE - Meeting room and workspace membership options available. www.barworks.nyc or call 917-806-7731. The most affordable co-working space in Manhattan.

\$4/HOUR OUTSOURCED EMPLOYEES for any small business. 48-hour set up. Dedicated manager included. 4DollarOutsourcing.com

HIRE COMMISSION ONLY SALES REPS. Hire qualified commission sales reps in 2 days \$399. 800-572-0908. Offer: A3B timetohire.com

BUSINESS SERVICES

INSTANT REGISTERED AGENT SERVICE! Northwest Registered Agent offers fast, secure business formation and registered agent services in every state. www.northwestregisteredagent.com

BUSINESSES FOR SALE

PROFITABLE BUSINESSES with owner financing. All types, sizes, locations. Bizsale.com & efranchisesale.com 1-800-617-4204.

SELLING YOUR BUSINESS! Highest multiples now! Tecacq.com Contact Rob Baker 888-639-6776.

COMPUTERS

POINTOFSALE.COM

Offers independent advice, thousands of articles, how-to guides and case studies. Find discount coupons from POS companies at www.PointofSale.com/coupons.html

EDUCATION/INSTRUCTION

THE UNIVERSITY OF PROFESSIONAL Studies - JD, MBA, DBA, PhD Degrees. Accelerated/accelerated. 202-379-2840. www.fpstudies.org

MASTER OF ENTREPRENEURSHIP DEGREE AACSB accredited and 100% online. Coursework focused on your business, taught by real entrepreneurs. Visit meblog.wcu.edu

CLASSIFIED INFORMATION
727-507-7505 • info@rpcclassifieds.com

FINANCIAL

SOLVE CASH FLOW PROBLEMS Use accounts receivable as a financial tool. arbuyersgroup.com

FRANCHISES

FRANCHISE YOUR BUSINESS 30 years experience. National Franchise Associates, Inc. 706-356-5637.

Get Results in the Classified Section!

The classified rates are \$13.95 per word for one issue or \$13.25 per word for three prepaid issues or more, twelve-word minimum. Classified display rates are \$975 per column inch for one issue or \$825 per column inch for three prepaid issues or more. The paid circulation is 665,000, readership exceeds 2 million. Inc. publishes ten times per year. All classified advertising must be prepaid by either check or credit card. Make checks payable to RPI Classifieds. Visa, MasterCard and American Express only. The next available issues are the December/January issue which closes October 1st and the February issue which closes December 1st.

For additional information visit our website at www.rpcclassifieds.com

RPI Classifieds, PO Box 570, Clearwater, FL 33757
727.507.7505 • info@rpcclassifieds.com

PAID ADVERTISEMENT

SPECIAL PAID ADVERTISEMENT FEATURE

PAID ADVERTISEMENT

BUSINESS TRAVELER ALERT

Overseas business trip? \$1,000 Amazon credit can be yours free!

NEW...from Priceline founder Jay Walker: Upside!
A little flexibility on international travel is worth a fortune.

If you travel for business, especially international trips to Asia or Europe, now you can do something great for both you and your employer - long before you leave for the airport.

International business travelers can get \$300 to \$500+ in free gift cards to leading national retailers every time they buy their hotels and flights as a package deal from a new company called Upside.

Often, travelers can get even more than \$500. If you typically fly Business Class internationally, you can get \$1,000 in gift cards for every one-week trip you buy.

Domestic business travelers get free gift cards too, usually \$100 to \$200 per trip, but there's no limit.

Top-quality stores and airlines

Your gift cards come from leading retailers such as Amazon, Home Depot, Target, eBay and dozens more. You choose the ones you like and we download them to you a few days after you buy your package. No waiting. No points to save.

Upside customers get the same top-quality airlines and hotels they're using now - but by buying a package and being just a little bit flexible they get free gift cards for themselves. Experts are calling Upside "the most exciting news in business travel since the creation of frequent flyer miles."

Companies can save too

Travelers who buy business trips from Upside can also save their



Jay Walker on Fox Business explains how international business travelers get \$300-\$500+ in free store credit each time they buy a hotel and flight package. Domestic travel gets \$100-\$200+.

company money on travel - as much as 15%. So when you buy your next business trip through Upside, your boss will say, "Thanks!"

Upside makes it easy

Upside uses a new and simplified approach to shopping for business travel. We don't make you create, review and save a series of endless long lists of flights, rooms and prices.

Instead, the Upside "engine" asks you a few simple questions: Where are you going? When do you need to be there? What kind of hotel do you like - and where? Which airline brands do you like?

In just moments, Upside puts together the flights and hotel that give you the most gift cards; and you still get all your frequent flyer miles. Every Upside package is based 100% on options that you pre-approve. You get to see the full details of your package before you make your purchase decision.

"If you travel internationally," said Jay Walker, "getting up to \$1,000 in gift cards on every trip while saving your company money at the same time is a business benefit that you

(and your boss) are sure to love. Domestic trips are worth hundreds of dollars. It's the ultimate win-win."

The Upside Beta goes live in late September. Visit the website to get free VIP Status. As a VIP you'll get a guaranteed minimum of \$300 in gift cards for each international package you buy in 2016 and at least \$150 for domestic trips. A little flexible? You can get a lot more!

**Be first to try
Upside. Become
a VIP now.**

Change or cancel any time

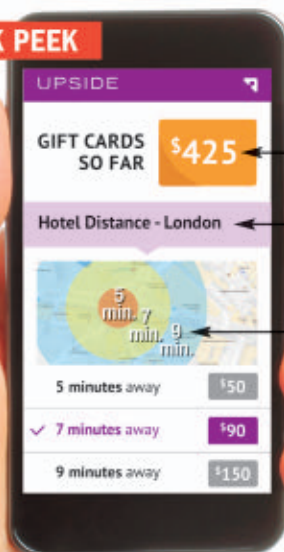
If your travel plans change, you can easily modify or cancel your Upside Package subject to airline and hotel rules. If you cancel, and have not yet chosen your gift cards, we will refund your full package price. Every travel package includes 24/7 toll-free phone and chat-based customer service before, during and after your trip.

A lot of gift cards to choose from!

- Amazon
- Home Depot
- Best Buy
- Target
- Sears
- Petco
- Bass Pro Shops
- Whole Foods
- Cabela's
- DSW
- Sephora
- Fandango
- Toys "R" Us
- JCPenney
- eBay
- Babies "R" Us
- Nike
- Gamestop
- Gap
- Applebee's
- AMC Theaters
- Foot Locker
- Xbox
- ... and more!

Great for holiday gifts. Upside adds more choices every week!

SNEAK PEEK



It's easy to turn a little bit of flexibility into \$300 - \$500 or more in free gift cards when you buy an international business trip.

Can you be just a little flexible on your hotel location?

A short Uber or cab ride to your meeting can be worth \$50, \$90 or even \$150 in free gift cards to your favorite store - and lower hotel costs for your company.

Launches this month. Go now to Upside.com/vip42

Gift cards are included at no extra cost in every Upside air/hotel business travel package you buy. Amount of gift cards will vary by trip. Participating stores are subject to change without notice. Priceline and stores are not associated with and do not endorse Upside in any way. Each gift card has terms and conditions. VIP Program terms and conditions, including cancellation, credit and refund terms are set forth at Upside.com. Upside does not guarantee company savings which are estimated.

Adam Fleischman

The founder of Umami Restaurant Group has created a cult favorite, thanks to his unique hamburgers and a smart plan for growth

As told to **BURT HELM** Photograph by **ELIZABETH WEINBERG**



KEEP ON COOKING

"Once you have something that works, you want to keep doing it," says Adam Fleischman, who, prior to starting the Umami Burger chain, toiled in screenwriting and finance. "But it doesn't get easier."

How long did it take you to figure out the Umami burger recipe?

About five minutes. I was trying to start a business around umami, a savory flavor that's found in every country's cuisine. Basically, I Googled the foods highest in umami and took out my cast-iron pan and improvised a recipe with some ground beef. The concept of the restaurant was also quick. I just wanted to make Umami Burger gourmet, an adult place that had waiters and served alcohol.

How does your life change when you go from running one location to 15 of them?

I found out pretty quickly I don't have any interest in operating restaurants. Customers would suggest new burger ideas, and instead of being professional and listening, I'd just say, "No, that's stupid." We had people who came in and wanted to fight me. I remember this one guy with a newborn strapped to his chest, wanting to start a fistfight, all because I didn't like his ideas.

Did you change how you managed your staff?

I learned that the manager you hire at restaurant number two is not going to be the manager who oversees five locations. I had one guy who was great, but he had absolutely no systems or organization. One day, there was a rat, and he volunteered to sleep in the restaurant with a BB gun to shoot it. How's that going to scale?

How did you handle paying for the expansion?

Today, most people have this dot-com mentality—they're worrying about how to raise money before they have a business. To me, that's completely backward. Start the business by any means possible, in your garage, the way Steve Jobs did, for example. When there are people who are interested in buying your product, then raise money, but only from people who aren't making business decisions for your company. Once you get to a certain scale—for Umami Burger, it was after five stores, when we had \$11 million in sales—you can go ahead and make a real deal with an investor that allows you to retain some control and some ownership of the brand.



START PUTTING
**THOUSANDS OF DOLLARS
BACK INTO YOUR BUSINESS.**



UNLIMITED 2% CASH BACK ON ALL YOUR BUSINESS PURCHASING

With the Spark® Cash Card, every expense could be an opportunity to boost your bottom line and put thousands back into your business. Earn cash back on equipment, inventory, advertising and everything in between.



PATRICK Urban Reclamations
T-MOBILE CUSTOMER

“T-Mobile goes with us everywhere we find our materials, from wheat fields to the mountains.”

Urban Reclamations is just one of the many businesses taking advantage of the billions we've invested in new LTE coverage. Plus, our Extended Range LTE™ signal goes two times farther than before, and is four times better in buildings. So now you can work from almost anywhere.

Call or come in to speak with an @Work specialist today.

1-844-4AT-WORK | [T-Mobile.com/AtWork](https://www.t-mobile.com/AtWork)



Capable device required. LTE and Extended Range LTE not available in some areas. Customer participation was compensated. T-Mobile and the magenta color are registered trademarks of Deutsche Telekom AG. ©2016 T-Mobile USA, Inc.