

A SIMPLE STRATEGY TO GROW A  
REMARKABLE BUSINESS IN ANY FIELD

# THE PUMPKIN PLAN



**MIKE MICHALOWICZ**

*AUTHOR OF THE TOILET PAPER ENTREPRENEUR*

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PORTFOLIO / PENGUIN

# INTRODUCTION

Let's pretend you're in the market for a good pumpkin. You pack the kiddies in the car and drive out to the local pumpkin patch. When you get there, you see row after row after overwhelming row of orange, green and brown. You're looking for the perfect pumpkin, but they all seem to look the same. It is easy to pick out the bad ones, though—they're smashed, or dented, or bruised or look hauntingly similar to your mother-in-law.

You keep searching, and just after you get through the corn maze you spot it—the biggest pumpkin you've ever seen. It's like Charlie Brown's "Great Pumpkin" big. It's so big, it's hard to believe it's even real.

Suddenly your kids start running toward this freak of nature like it's the greatest thing ever, and you've got to admit, it kind of is. The gigantopumpkin dwarfs all of the other pumpkins in the field. As you walk over to it, you don't even see the other pumpkins, and you wonder how you didn't spot it right off the bat. Although it is surrounded by red tape and signs saying "prize-winning pumpkin, not for sale," your kids are begging you to buy

it. "Please? It's the *only* pumpkin we want!" You walk around it, marveling at its size. At its remarkableness. You get out your phone and take pictures of your kids standing next to it, and text your friends, telling them they *have* to come see the most awesome, gigantic pumpkin in the world.

Like a magnet, the pumpkin draws a continuous stream of other people, too. They pass by the other, smaller, pumpkins, their eyes glued to the orange wonder before them. The bald guy says, "How is this even possible?" The buttoned-up woman says, "It's clearly a genetic mutation." The wide-eyed grade-school boy says, "The farmer must have some super secret veggie vitamins or something." And the dazed and confused teenager says, "Dude, it looks like Jabba the Hut knocked up a basketball."

There is something absolutely irresistible, something magnetic about being the extreme. Be it the strongest, or the fastest, or the most unique. The farmer with the most extraordinary pumpkin in the field wins. Every. Single. Time.

The same is true for entrepreneurs. Yet most entrepreneurs work their tails off, only to end up with small, ordinary, unremarkable pumpkins. Compared to the giant pumpkin, the companies these struggling entrepreneurs grow are insignificant, so insignificant that customers often don't see them, or squash them, or leave them to rot in the field without a second thought.

To grow a successful business your company must be irresistibly magnetic. The average lose and are left to rot. It's the most unique—the *best*—who win.

You're probably thinking, "Duh! Do you really think I'm working my ass off to build an average company? What more do I have to do to be the best?"

Simple. You don't need to do more. You need to do different. You have to pretend you're a pumpkin farmer.

Yup. You read that right. Pumpkin farmers. But not just *any* pumpkin farmers. Only the freaky, geeky, overall-wearing, straw chewing pumpkin farmers, those county fair folks who dedicate their lives to growing the half-ton pumpkins you see on the evening news. Turns out that they, of all people, hold the “secret formula” for big-time entrepreneurial success: plant hearty seeds, identify the most promising pumpkins, kill off the rest of the vine, and nurture *only* the pumpkins with the biggest potential.

In this book I reveal how, by implementing the same strategies pumpkin farmers use to grow their massive gourds—and which I have, with great originality deemed “The Pumpkin Plan”—I was able to launch two multimillion-dollar companies by my thirtieth birthday, gain notoriety with top firms, and in turn help them radically grow their businesses. Not only will I share my stories and their stories of success, but, most importantly, I will teach you how to apply the same ideas and lessons to your own business.

Never forget this: Ordinary pumpkins are always forgotten. Only the giant pumpkin draws a crowd and lives on holiday cards, refrigerators and grainy YouTube videos . . . forever. The giant pumpkin is legend. And when you’ve grown one . . . *you* will be a legend, too.

You didn’t start your business because you wanted to blend in, make enough to get by and save enough to pay for the nursing home. You went into business because you wanted to grow something amazing, something that would dramatically change the quality of your life, something that could make a difference in the world.

The late Steve Jobs has been lauded for his many accomplishments and innovations, and there’s no doubt that Apple is one of the truly remarkable companies on the planet, thanks in large part to his vision. But his contribution goes beyond innovation. At

the time of Jobs's death, Apple employed almost 47,000 people, hired thousands of subcontractors and, by necessity or association, inspired countless entrepreneurs to create businesses that served Apple and its customers. That is a huge contribution to our culture, one that goes way beyond how we listen to music or communicate with the world.

Now *that's* legend.

And you can grow a legendary company, too.

I know you already know this. You know that if you want to be wildly successful, you've got to be the most unique pumpkin in the patch. I didn't write this book to tell you that. I wrote this book to show you exactly *how* to grow it, to teach you a proven system that will free you from the entrepreneurial trap and create the most magnetic business in your industry.

I wrote my first book, *The Toilet Paper Entrepreneur*, for those who want to start a business but think they lack the education, resources, momentum, expertise and capital to do so. I wrote it for the millions of hopefuls who aren't afraid to work hard and take chances in order to reach their goals. And I wrote it to empower entrepreneurs with the tools they need to succeed in the start-up phase of business ownership. That book was about planting the seed; this book is about growing it . . . big-time.

Since the release of *The Toilet Paper Entrepreneur* in 2008, I've talked with thousands of entrepreneurs—at conferences I keynoted throughout the world, as an expert on various business television and radio programs, through discussions of articles I have written for publications both large and small, through my (notably whacky) blog, and face-to-face—who are looking for a way up . . . or a way out.

So I know firsthand that the sobering statistics are spot on. Entrepreneurs are struggling, trapped in a neverending cycle of sell

it—do it, sell it—do it, sell it—do it that leaves them feeling desperate, hopeless, trapped. No matter how many all-nighters they pull, no matter how many kids' soccer games they miss, most entrepreneurs can't seem to get anywhere near the multimillion-dollar mark, much less beyond it.

I wrote *The Pumpkin Plan* for all of those entrepreneurs who reached out to me and said, "Help! Something's got to give." I wrote it for the entrepreneurs who are exhausted from an entrepreneurial dream that has turned into a real-life nightmare. I wrote it for the entrepreneurs who need a proven system to help them get over the hump and cruise into greatness. I wrote it for every entrepreneur who is committed to having a wildly successful business. And I wrote this book for every entrepreneur who wants to make a significant contribution to the world.

This book holds the key to your entrepreneurial liberation.

By following *The Pumpkin Plan* step by step, you will build a business that blows the competition away, magnetically attracts clients and, as clichéd as it sounds, finally gives you the life of your dreams.

## CHAPTER ONE

# A HALF-TON PUMPKIN IS ABOUT TO SAVE YOUR LIFE

"You don't want to be that guy, Mike."

Frank, my seventy-year-old business mentor, paused to make sure I was *really* paying attention. We'd spent all morning talking strategy and I was so overwhelmed my head felt ready to implode. Frank's a "greatest generation" Regis Philbin lookalike who wears a suit every day, even in his own house. He's so unassuming, you'd never guess he built a company worth eighty million dollars.

"What guy?" I asked.

"That old guy with only one nut left . . . hanging out of his shorts. The guy who works like a dog for fifty years and then ends up sitting in a rusty lawn chair, half-dead, with drool dripping down his chin."



Oh. *That* guy.

Frank gave it to me straight: “If you don’t change your business strategy, you’ll never make it. You’ll kill yourself trying to build a multimillion-dollar business, but in the end you’ll be a broken, bitter man living off Social Security and looking back on a lifetime of disappointment.”

Wow. Okay. That would suck. So much for my retirement plan of sipping margaritas on a beach somewhere, looking at a gorgeous sunset with my gorgeous wife. Worse, I knew I was already heading in that direction. Five years as an entrepreneur under my belt and I had nothing. Well, almost nothing—I still had both of my nuts . . . so far.

I was a freakin’ slave to my business and all I had to show for it was stress-induced red blotches all over my face (never did find out what those were). The hours were insane, and when I did spend time with my wife and our five-year-old son, it was fake time—I was on my laptop, or on the phone, or talking business, or thinking about business—completely unfocused on the two most important people in my life. I was completely out of balance. Maybe you’re familiar with this scenario. Maybe you’re *intimately* familiar with it. Maybe you’ve got red blotch grossness on your face, too.

In four years Olmec, my computer technology company, had grown from nonexistent to almost one million dollars in revenue. Huge, right? Nope. Total bullshit. Our costs were so high, our cash so *not* flowing, that bringing in close to a million felt like a joke—a cruel, cruel joke. Gross revenue means nothing when your receptionist makes more than you do. I could barely support my family and I was under constant pressure to make payroll so that everyone on my team could support *their* families.

I suffered from the “if only” disease that plagues most mid-stage entrepreneurs. I kept thinking, “If only I could work harder”

or “If only I had an investor” or “If only I could land one big client, I’d be living the dream.” So I pushed on, and on, and on, believing I was *this close* to making it. But like a hamster on a wheel, I was working my ass off and getting nowhere. *Something had to give.* I didn’t want to end up a one-nut drool factory.

I sighed, pulled out my notebook and said, “Okay, Frank. What do I have to do?”

## WHAT GOT YOU HERE WON’T GET YOU THERE

The idea for Olmec started where most brilliant ideas are born—in a bar. (Raise your hand if you wrote your first business plan on a beer-stained cocktail napkin. I thought so.) I was twenty-three at the time, and I worked as a technician at a computer services company. One Friday night I went out to blow off steam with Chris, my friend since kindergarten. I was pissed at my boss—for what, I don’t remember—but really, I was looking for a way out. My rant quickly progressed from, “I’m smarter than him, I work harder than him, and I know more about this business than he does” to “The boss is an asshole!” Fourteen (cheap) drinks later, Chris and I had agreed to quit our damn jobs and start our own damn computer services business . . . damn it.

It was a classic retaliation story, and I very quickly figured out that this scenario has (at least) three problems. First, while liquid courage can help you get over your initial fears, planning a business in a drunken stupor completely obliterates all rational thought, which, as it turns out, you need to start a business. (Go figure.) Second, there’s a lot more to running a business than just showing

up and doing the work. (Who knew?) Third, and perhaps most annoying of all, owning your own business will not automatically free you from the grind that inspired you to get drunk in the first place. (Surprise!)

Remember when you started your business, all amped up on adrenalin and hope? Your dream was huge, *epic*, because you need a big-ass dream to pull you off the wannabe couch and actually do something awesome. When I closed my eyes, I could see my dream in full color: I was a millionaire, at the helm of a mega-successful company, living the good life without a care in the world.

But when I opened my eyes, the harsh reality set in. We had no clients, and worse, we had no idea how to get them. So you can imagine why, within a week of quitting my job, I was consumed by fear. Total. Complete. Soul-quaking fear. You know the constant “I’m a failure” thoughts that run around in your head while you struggle to do something great? Well, they ran through my head like a weather warning at the bottom of the TV screen. What if I can’t sell? What if I fail? What if I have to crawl back to my asshole boss and beg for my job back?

Fear propelled me to take action. There was no other option. Except for one little problem: I had no idea how to get clients. So I started knocking on doors. Literally. (What? That’s how they do it in the movies, right? *Old* movies.) I went after any and all clients—big, small, near, far, taxidermists to insurance agents—and said yes to any of them who expressed the least bit of interest in what I had to offer, no matter what their demands.

“Will I drive six hours to install your computer mouse? No problem.”

“Would I give you a fifty-percent discount and a 120-day net? Absolutely.”

“Could I service your ancient computer system, even though I

know nothing about it and will have to spend two days reading the twelve-inch-thick manual . . . that's written in French . . . by a Chinese guy who doesn't speak French? Sure. Why not?"

In those first few months after we launched, both Chris and I ran around like Tasmanian devils. Did I keep regular hours? Sure I did. If I was awake, I worked. Regularly. I had no pride, so to save money I pulled all-nighters, or slept in clients' offices. I moved my wife and five-year-old son into the only safe place I could afford—an apartment in a retirement building, where the average age was somewhere between eighty and dead (most, I believe, were slightly older than dead) and where the residents got up at three in the morning to vacuum, or pace the floor, or watch PBS so loud only deaf people could stand it. And, if you haven't put one and one together, most of them *were* deaf.

Olmec started making decent money, then better money, then good money. But no matter how much money the company made, we still had very little left over. And even though we now *had* clients, I still worked five to nine (that's a.m. to p.m.) eight days a week. I still chased after clients. I still said yes to every Tom, Dick and Harriet who called. The punishing grind *never let up*.

After two years in business, I hit the wall. I was a burned-out, unhealthy mess, and so was Chris. But still, the fear of failing and losing everything kept me going. This was right about the time the sexy red splotches showed up on my face. In our family Christmas photos, my face had more color on it than the tree. Still, like a lunatic, I kept telling myself, "There *has* to be a sweet spot, a moment when this business shifts into second gear and all of this hard work pays off." To me, the solution was clear: Just keep racing the engine; work harder and harder till it breaks or I break.

Two years later, in 2000, the Small Business Administration (SBA) named me New Jersey's Young Entrepreneur of the Year. A

heartbeat later, the president of a prestigious bank offered me a \$250,000 expansion loan. So I must have been raking it in, right? Nope. To the outside world it looked like I *was* living the dream, but the truth was, nothing much had changed. I was still chained to my business, pushing just as hard as I always had. No matter how much we earned, money was still tight. I thought, “If being an entrepreneur leads to wealth, why am I so freakin’ broke?”

Enter Frank, my personal Yoda. I met him at my first ever chamber of commerce meeting. In a room full of overconfident, desperate salesmen, he was the only guy who didn’t pitch me. He just sat in a corner and watched. He really didn’t care if you hired him to coach you. He didn’t have to care—as president of a major medical services company, he had taken the company from \$8 million to \$80 million without breaking a sweat, so he didn’t need the work, or the money. This was his fun stage of life—he wanted to coach (maybe adopt is a better word) young entrepreneurs.

I did hire him, and I tried to follow his advice. (Really, I did.) I tried to become Frank’s definition of an entrepreneur, which, I later learned, is the *only* definition of an entrepreneur: “You’re not an entrepreneur yet, Mike. Entrepreneurs don’t do most of the work. Entrepreneurs identify the problems, discover the opportunities and then build processes to allow *other people and other things* to do the work.” But since my main objective was getting more clients and keeping them happy, I was a C student at best.

Frank is the type of guy who loves white boards and charts and graphs. Maybe I was getting high off the dry-erase markers, but every time he coached me, I left feeling dazed and confused. What Frank said made sense, but I could not see how to *do* what he told me. He mapped out Point B, and I was at Point A, and I couldn’t see the line that connected the two. Later, I would make a half-

assed effort to apply his strategies . . . when I had time, which I never did.

It was in one of his coaching sessions that he showed me a glimpse of my wretched colostomy bag of a future. Frank said, "If you don't want to end up like the one-nut guy, you're going to have to cut your client list."

Cut our client list? Was he crazy? I busted my ass for that client list. If anything, we needed *more* clients. How would we make it if I started cutting clients?

"List your clients in order of revenue," Frank told me. "Then, take your top-paying clients and separate them into two categories: great clients and everyone else, from the ho-hum clients to the clients who annoy you so much, you cringe when they call you. Keep the great, top-paying clients, and cut the rest. Every single one."

Yowza! Frank was crazy. He must've been the one sniffin' the dry-erase markers. I told myself that if I get rid of all the clients who make me cringe or who don't bring in the big bucks, I won't make enough money. I'll have to fire people; I'll have to close the big office and get a small one . . . or, more likely, I'll have to get a third-shift job at Denny's.

I could see it was a simple strategy. And it had obviously worked for Frank. Frank had the proof: boatloads of cash. Legit. Liquid. Assets. But still, it scared the crap out of me. I just couldn't wrap my head around actually getting rid of the clients I had worked so hard to find and keep happy. It seemed absolutely crazy—saying no to a client, to money, to potential referrals . . .

But ending up like the one-nut guy scared me *more*.

I did follow Frank's advice—sort of. I drafted a rough list of great clients and not-so-great clients. I happily fired a few jerkwad

clients who'd taken advantage of me about a thousand times too many. But I didn't fully commit. The thing is, Frank had given me a lot of homework, and finishing all of it while chasing after clients—yes, I still wanted more clients—proved to be impossible.

Every time I tried to focus on “the list” I got distracted putting out fires, or dealing with demanding customers, or juggling payments so I could cover payroll. Like most entrepreneurs, I was the jack-of-all-trades. I wore the term “workaholic” like a badge of courage. And because I never made it out of survival mode, I still ran the business—and my life—with the same frenzied energy. The one-nut guy haunted my dreams. He sat on my shoulder and taunted me with his relentless cackle. Yeah, that's right, he sat on my shoulder . . . and I don't even want to tell you where his nut was hanging.

Okay, I was mental, but not *that* mental. I knew the one-nut guy was a figment of my stress-induced delirium. But I did worry. Would I *ever* get off the grind? Would I ever make the kind of dough people *thought* I made? Or would I end up toothless, drooling, bald, blotchy and broke?

Then one day, a half-ton pumpkin saved my life.

## THE HOLY GRAIL IN THE PUMPKIN PATCH

It was October, and the local newspaper ran an article about a farmer who grew a gigantic, prize-winning pumpkin. This guy was not your typical farmer. He was a geek farmer, obsessed with growing mongo pumpkins. He'd dedicated his life to breaking the state

record, and there he was, perched on his flatbed truck, smiling like he'd won the lottery, with the biggest-ass pumpkin I've ever seen right behind him. I just had to know—how the hell did he get the pumpkin to grow to mammoth, half-ton, blue-ribbon size?

Here's how the article broke down the pumpkin-growing process:

STEP ONE: Plant promising seeds.

STEP TWO: Water, water, water.

STEP THREE: As they grow, routinely remove all of the diseased or damaged pumpkins.

STEP FOUR: Weed like a mad dog. Not a single green leaf or root permitted if it isn't a pumpkin plant.

STEP FIVE: When they grow larger, identify the stronger, faster-growing pumpkins. Then, remove all the less-promising pumpkins. Repeat until you have one pumpkin on each vine.

STEP SIX: Focus all of your attention on the big pumpkin. Nurture it around the clock like a baby, and guard it like you would your first Mustang convertible.

STEP SEVEN: Watch it grow. In the last days of the season, this will happen so fast you can actually *see* it happen.

Holy crap, I thought. Pumpkin farmers hold the secret formula for big-time entrepreneurial success. My get-out-of-jail-free card. The Holy Grail. The missing link. My golden ticket. (Yes, it was all of those things to me . . . and more, so much more.) There it was, in black and white . . . and orange. The answer I'd been looking for, for years. I needed to treat my company like a giant pumpkin!



In case you're wondering if I'd officially lost it, here's what I understood when I read the article:

STEP ONE: Identify and leverage your biggest natural strengths.

STEP TWO: Sell, sell, sell.

STEP THREE: As your business grows, fire all of your small-time, rotten clients.

STEP FOUR: Never, ever let distractions—often labeled as new opportunities—take hold. Weed 'em out fast.

STEP FIVE: Identify your top clients and remove the rest of your less-promising clients.

STEP SIX: Focus all your attention on your top clients. Nurture and protect them; find out what they want more than anything, and if it's in alignment with what you do best, give it to them. Then, replicate that same service or product for as many of the same types of top client as possible.

STEP SEVEN: Watch your company grow to a giant size.

With the visual of this pumpkin farmer watering, feeding, loving, guarding and caring for his one big pumpkin to the exclusion of everything else, my next steps became crystal clear. His maniacal focus on growing huge pumpkins was second only to that of a serial killer, and all he did was follow this simple formula over and over again and he grew crazy big pumpkins. If I followed the same method the farmer used to grow giant pumpkins, a method rooted (pardon the pun) in Frank's "client list" strategy, and focused on my top clients like a crazed farmer, I could grow my business to be a giant "pumpkin," too. It was clear now. This was the path from today (Point A) to where I wanted to be (Point B).

I finally had my first major "duh" moment. The fear-driven

strategy that got Olmec just shy of a million in gross revenue wasn't going to get us to *millions* in gross revenue. Frank's advice started to make sense. The say-yes-to-everyone strategy could not be sustained over time, and it was actually stunting growth. I was spread too thin, wasting energy serving clients who made me crazy and would never make me rich; and in serving them I was taking precious time away from the clients with whom I enjoyed working, and who *could* make me rich.

I was also using my time to handle things that didn't come naturally to me, when I should have been focused on doing the few things I did well. I was writing advertising and marketing messages to get everyone and their mother to walk through our door. I was doing new work for rotten clients, trying to figure out how to serve them better. I was ignoring my best clients, who were just starting to grow. Instead of watering them, I was throwing seeds on top of them, crowding them out. Always seeding, hardly watering. Never weeding, and never nurturing.

I knew I was really good at figuring out how to serve clients better and at developing systems to replicate that service—but how could I do that for my best clients if I was so busy trying to keep my rotten clients—all of whom wanted different things—happy?

Once you've moved passed the early stages of entrepreneurship, success isn't a quantity game anymore. If I wanted my business to dwarf the competition, I would have to cut the clients who were actually holding me back, cut the aspects of my business that weren't serving growth and find unparalleled ways to serve my best clients. Like a geeky, freaky farmer of mammoth pumpkins, I would focus all of my attention, time, love, support, creativity and energy on the most promising clients in my "patch."

I shared my revelation with Chris and we followed the Pumpkin Plan in earnest. Almost immediately, everything became easier. We

saw results lightning fast—so fast that within a couple of months, I was able to jump off the hamster wheel for good and stop freaking out. Our top clients felt like rock stars. Our employees were happy. Our bottom line moved up a few notches. Then a few more. And then, for the first time in four years, I felt like a real entrepreneur. You know, the kind of person who takes a risk and makes it happen.

We weren't millionaires yet, but now I knew there was a better way to become one. And man, I was on fire! I tweaked the Pumpkin Plan, made it my own, and in that process I truly fell in love with the art of entrepreneurship. Scratch that—I fell in love with the *science* of entrepreneurship.

Two years after I implemented my first Pumpkin Plan I opted to let Chris buy me out so I could go my own way. I wanted to apply the Pumpkin Plan from the ground up. The very next day I started a new, different company. Chris continued to apply the Pumpkin Plan and Olmec is doing so well they're practically printing money, and in a crappy economy, no less.

And me? Well, folks, I became one of those oddballs . . . those freaky pumpkin-farmer types who obsesses and obsesses over one thing—growing super successful businesses. I tweaked my revised Pumpkin Plan over time, improving systems, and within two years, eleven months and eight days (but who's counting?) I sold my second company for millions to a Fortune 500 firm.

Kiss my ass, one-nut guy.

## *Work the Plan—* Take Action in 30 Minutes (or Less)

**I.** *Find the “why.”* If your dream is to just be big and get rich, that's not enough to grow a significant, successful business. Ask

yourself why you started this business and not another business. What purpose are you serving? What gets you stoked? If you know your “why,” it will resonate with your clients. More importantly, it will be your compass, and boy oh boy, do you need one of those. (Have you ever tried to find your way out of a forest without one?)

**2.** *Set a revenue “pulse” goal for this year.* In order to get the heart of your business beating again (meaning you can survive without perpetual panic), how much revenue do you need to generate? Don’t put yourself last on the list. Start by figuring out what you personally need to be comfortable, to know that you’re back on your feet. Then figure out how much revenue your company needs to make to actually support that. Remember, we just want to hear that *beep beep beep* on the heart monitor again. Later, you can adjust your revenue goal to include all of your aspirations (send less-advantaged kids to college, see the world . . . and buy Twinkies whenever you damn well please).

**3.** *Ask better questions.* Really big pumpkins have really strong roots. We can only find the best answers when we ask great questions. Rather than ask, “Why do I struggle?” ask, “How can I earn \$2,000 a day, every day?” Either way, your brain will find the answer. Write down the one big, bad question you always ask when you’re beating your head against the wall, and then reverse it.

## ABOUT THE STORIES IN THIS BOOK

I love a good story. So I wrote a bunch of them to help you envision how you could Pumpkin Plan any industry, even—no, *especially*—

yours. These stories use all of the strategies detailed in this book, including stuff you haven't read yet, and are denoted with the title "How To Pumpkin Plan Your Industry."

And to be clear, I made them up so you can see the endless possibilities the Pumpkin Plan offers. The stories follow each chapter and are designed to show you that the Pumpkin Plan formula works, no matter how tough your competition is, no matter how much (or how little) money you have in the bank, no matter how many clients you have (or don't have). It just works.

Each story includes examples about how to employ most or all of the strategies detailed in this book, not just those explored in that chapter. So you may want to go back and re-read the stories after you've finished the book and learned all about how to Pumpkin Plan your business.

And just so we're *absolutely clear*, there are loads of true stories in this book, too—both about me and about other people. They are woven into each chapter as real-world examples of entrepreneurs who rocked some aspect of the Pumpkin Plan to great effect. For the true stories, I name names. Obviously, none of these scenarios will match yours 100 percent, but I hope you find them inspiring, or at least, thought-provoking.

Enjoy!

## HOW TO PUMPKIN PLAN YOUR INDUSTRY — TRAVEL

Let's pretend you're a partner in a small airline. Stow your carry-on, fasten your seat belt and put your tray into an upright position, we're going to Pumpkin Plan your industry!

Your airline can't compete with the big boys or girls, or even with the medium-sized airlines. You've got fifteen planes running short routes to and from major cities like New York, Boston, Philadelphia and Washington, D.C. Your planes are never full, unless there's a problem with another airline. Hardly anyone even knows the name of your company—Eastern Airlines.

You try to compete on price, but Southwest and Jet Blue have you beat. You try to compete on convenience, but United, Delta and American have more planes, more flight options and more everything else, so they have you beat. You try to compete on rocking it out with cool extras and stuff, but Virgin America has you beat on that by a mile. You try to compete on all three at the same time, and that's when things get hairy. Like, *really* hairy, as in Chapter 11-on-the-horizon hairy. You're killing yourself trying to get an edge over the competition by playing their game, following their curve. You can blame it on the economy or the price of gas all you want, but Eastern Airlines is going down.

That is, until you decide to Pumpkin Plan your business. You start with the Assessment Chart, which you have trouble filling out because you really don't have a lot of repeat business. Still, you follow through and realize that your worst customers are tourists who make unreasonable demands in flight—better movies, new headsets, more snacks—and only use you when you have a half-off promotion or some other limited-time offer. You really, *really* don't want to fire any clients, because you're clamoring for passengers. But you want to save your business, and then grow the heck out of it, so you do it anyway. It's pretty easy to get rid of this type of client; once the special discounts are gone, so are the "diseased" clients.

You figure out that your best customers are last-minute customers, the passengers who, ironically, only use you because they have a last-minute meeting and every other airline is booked. There's

no built-in loyalty with these customers—most of them will never fly with you again. Still, you call ten of them up with the goal of getting their Wish List.

When you ask, “What could we do better?” they say, “Nothing.” When you ask, “What frustrates you about my industry?” they say, “Nothing.” Hmm. This is going to be a little tougher than you thought it would be. Thinking on your feet, you say, “What frustrates you most about traveling?”

And that’s when the dam bursts. Suddenly you’re getting an earful of complaints about how, because of transportation to the airport and the security line, it takes half a day to take a one-hour flight. Your top clients, the last-minute travelers who use you only when there is no other option, are all business executives and professionals living in the suburbs of major cities, and they lose productivity when they travel. They can’t work in the back of a cab. They can’t work when they’re driving to the airport. They can’t work when they’re standing in the insanely long TSA line.

You thank them for their input, and then start brainstorming with your team. How could you turn their frustrations into a 180-degree turn for Eastern Airlines? You ask a bunch of really awesome questions, but the one that sticks is, “What if we could cut the time it takes to get *to the flight* in half, or better?” You come up with a great solution to run buses out to pick up passengers at various locations, buses that can use the *carpool* fast lane. And unlike the other airport bus companies, you’ll take them directly to the Eastern Airlines entrance. And because they lose precious time traveling to the airport, you’ll outfit each bus with tray tables, outlets and WiFi for laptops.

You decide to run the idea by a few of the clients who shared their frustrations with you, and they love the idea, but not enough to break up with their favorite airline and start going steady with

you. So you go back to the drawing board, and add a few other key points. First, you work out a deal with the local churches in your pick-up areas, allowing the commuters to park their cars in their empty lots for free, Monday through Friday. (You pay the churches a fee, of course.) Then, you assign a gate agent to every bus, and check everyone in when they get on the bus. If they have luggage to check, you just do it right there, stow it in the bus and have sky-caps take it to the baggage scan *for them* when they arrive at the airport.

Then, you decide to pull out all the stops and create a dedicated security line just for your passengers. You have to pay a premium for this, but it will be worth it if you can make your top clients' dreams come true.

With your revised plan in place, you go back to these clients again and ask for more advice. When you hear, "When will you start implementing this new system?" you know you're on to something.

Knowing that your top clients would rather be super productive than be entertained on their flights, you get rid of the in-flight movie and radio your eliminated clients wanted, but were never quite happy with. Then, you get rid of the kiddie snacks. Now you've eliminated expenses related to unwanted clients, and you can funnel some of that into offering *free* WiFi on the plane, or concierge service, or a live feed of CNN or MSNBC.

Before you roll out your new fancy service, you decide it's time to stand out from the crowd, time to stop competing with all of the other airlines. So you re-label yourself. Now you're Elite Commuter Express—you're not even calling yourself an airline anymore. Your niche is business folks who don't want to waste their time getting to and from the airport, and you've got a *lock* on that service. You invented it!



Your top clients, who probably took your first call because they were stuck in a cab and had nothing better to do, now want to sign up for your VIP club and start booking flights immediately. They identify with your new name, because *they are commuters*. They start telling everyone about your service, and now most of your flights are full well in advance.

You start moving in concentric circles, placing ads in entrepreneurial magazines, in *The Wall Street Journal* and on popular business-focused blogs. You sponsor charity golf and tennis tournaments in the suburban communities where your top clients live. You show up at trade shows geared toward entrepreneurs.

Then, you launch an Under-Promise, Over-Deliver (UPOD) program that knocks the blazers right off of your (now happy as clams) top clients. You make deals with other companies who cater to executives and commuters, and offer product testing on your planes. You're passing out noise-canceling headphones, top-quality pens, new wireless cards, cell phones—it's like Christmas on the freakin' *Oprah Winfrey Show* on your plane. But not all the time. Passengers never know when they will be given a new product . . . which means your flights are *always* full.

Before you know it, Elite Commuter Express is *the* go-to airline for business executives and entrepreneurs on the East Coast. Your service is so unforgettable, you get frequent press about it, and soon you're getting requests to expand your service for routes to and from Los Angeles, Las Vegas and San Francisco. (Good thing you changed your name to Commuter Express . . . Eastern Airlines running routes on the *West* Coast just doesn't fly, does it?)

And how about your prices? You are dictating top dollar now. Cutting travel time in half—and cutting aggravation completely—is worth a lot of green.

Guess what? You're going to need more planes.

## CHAPTER TWO

# A SLOW, MISERABLE DEATH

I met Bruce while I was coaching my son's soccer team. I guess he recognized me because he made a beeline for me after the game. Bruce is an aging, *Jersey Shore* type who looks like he was probably pretty ripped back in the day. "I read *The Toilet Paper Entrepreneur* and I've been following you for three years," he said. (I can't tell you how thrilled I am to meet readers of *TPE*, and how grateful I am to hear how the book may have helped them. It is exciting and humbling all at the same time, because it is the fulfillment of what I have defined as my life's purpose. And when people ask me to autograph their book . . . I practically soil myself—it is the "rock star" moment that I dreamed of since childhood. Not the soiling part. The autograph part.)

After I thanked Bruce, he said, "I need you. I didn't know how to approach you, but this seems like serendipity, so . . ."

Bruce explained that although he was bringing in \$700,000 a year in revenue, he was nearly bankrupt. A florist for weddings and other events, he also rented out equipment for weddings and operated a showroom/retail space that leased space to other wedding vendors. I agreed to meet him at the showroom later that week.

As he gave me a tour of the space, Bruce told me he's so broke, he's had to borrow money from his parents. (To be clear, he's no college kid who bit off more than he could chew. He's been at this for twenty years.) I ask, "Of the vendors you lease space to, who is making the most money?" Turns out, the photographer is making the most, by a mile. He's got the tiniest little space in the showroom, yet he's bringing in ten times as much as Bruce does. And, believe it or not, Bruce typically deals with the photographer's clients for him . . . because he's too busy working to *show up* at the showroom.

Bruce wears so many hats, he's not only broke, he's a freakin' mess-o-stress. No big shocker here—there is always a direct correlation between diluted focus and a diluted bank account.

As we settle into his expensive showroom furniture for a brief "next steps" chat, he's saying all the right things: "Things have to change. I can't go on this way. I have to focus." But I know he's not ready. He *thinks* he's ready because his life is a train wreck, but really he's just desperate. He feels defeated, but not enough to make the hard, bold decisions that will help him save his business. How do I know he's not ready? Because out of the corner of my eye I can see his Cadillac Escalade parked outside. If I were in his position, that sucker would have been sold ages ago.

When our businesses are in a state of collapse, entrepreneurs go through three stages. First, we deny that we're struggling. You know what I am talking about. Someone asks how your business is going and you say, "Great! Just landed a big client!" But inside

you can feel your lungs compress as the stress builds. Things aren't great. Money is draining away, fast. But you're afraid to admit you're struggling because what if people think you're not capable? What if future prospects ignore you? What if your team begins to doubt you? In Stage One of the collapse, entrepreneurs deny the truth because our egos can't handle it.

Only when the business is knocking on death's door do we admit that we're struggling. Enter Stage Two. For many, the stress at this point has become a fact of life. Wake up stressed. Go to bed stressed. Have stressful dreams. Stress about being stressed. Repeat over and over. In some perverted way, you start to be proud of how stressed you are. "You think you have it bad?" you say. "Well, let me just tell you how crappy my life is." Even at this stage, no corrective action happens because people get temporary relief by blowing off steam and reciting their sob stories. It looks a little different, but it's still ego.

In Stage Three we just throw our hands in the air (there's that defeatism again) and say, "Life sucks," as if fate had anything to do it (it doesn't) and our success or failure is completely out of our hands (it isn't). You know this stage—it's the one where you shake your fist at the sky and shout, "Why me? Why am I being punished? Why can't I catch a break?" (with maybe a few colorful expletives thrown in). This is the point at which most people give in. They stop making an effort but continue working—strike that, *slaving*—and accept that it will never get better. All the fight is gone.

Bruce was a classic example of someone in the "life sucks" stage, but his behavior hadn't changed to reflect his situation—hence the pimped-out ride. Many entrepreneurs continue on like this, year after year, always behind the eight ball, under constant stress, doing the same shit they've been doing since day one.

Nothing changes; nothing is on an upward trajectory except their blood pressure . . . and debt . . . and taxes. But that's *it*.

A few weeks after our first meeting, I agreed to meet Bruce for a beer and talk about his options. He said, "I can't afford to pay you, but I need you." I could see from his haggard appearance that the imminent demise of his business had taken a toll on his health. As a practice I rarely do any business coaching, and I have never done it for free. I don't know why, but I agreed to take on Bruce's case.

"I've never done this before, and I will never do this again, but I will help you for the cost of this one beer," I said. (There has to be an exchange of some sort, even if it's only a glass of tap.) A look of relief washed over Bruce's face. I went on, "I will work with you for three sessions. I will be absolutely clear with you about what you need to do to save your business, beginning with killing all of these bullshit costs—including the car. All the unnecessary expenses—gone. All of the side projects—gone. All of the clients who are really the *other vendor's* clients—gone."

As I laid out exactly how we would Pumpkin Plan his business, Bruce's expression changed. He looked concerned. Maybe even a little scared. I could see his mind rolling over the expenses he "had" to keep, the projects he "had" to keep alive, the chaos he "had" to keep feeding. "You will resist me," I said. "But if you follow my plan, you will save your company." I wanted to add, "and your life," but since he seemed overwhelmed enough already, I decided against it.

And then he said the words I hear every day from entrepreneurs all over the world: "But I'm just one client away from making it. I've just got to close that one big deal."

Nope. Bruce wasn't ready. He still thought all he needed was

one killer client and all of his problems would be solved. Problem was, he'd been one client away from making it *for twenty years*.

No matter how much Bruce wanted these words to be true, *believed* these words *were* true, they weren't. And they never are. No one is ever one deal away from making it. You might be one payment away from saving your ass—this week—but making it? No. To really make it, to become the industry leader you set out to become, you need a sound business to begin with. You need strong roots, a carefully planned, efficient infrastructure, a maniacal focus on the one thing you do very, very well. Rather than fix what's not working, you need to cut it out like the cancer it is. Then, you need to expand on what *is* working.

People like Bruce aren't really trying to "make it" make it; they're just trying to make it to next Tuesday.

Eric, on the other hand, is making it just fine—at first glance. A Formula1 race car driver, engineer and all-around racing maven, Eric started driving very young (barely legal) and doggedly pursued a career in the industry. Over the past twenty years he has built up quite a business. You know those twenty-four-hour races? He wins them. You know those big exhibitions put on by luxury car manufacturers like Porsche? He helps launch them. You know those driving schools where everyday schmucks (ahem . . . me) can come and learn how to drive Formula1 cars? He develops them. As a race engineer, he also helps drivers win races. And he makes deals. Lots of 'em.

The only problem is, Eric's business is pretty much just Eric. While he does build and manage teams who handle much of the grunt work for him, he's still pretty much a one-man band. You see, early on in Eric's career, he had an epiphany. "I realized the chances of becoming a superstar driver were about the same as

becoming a movie star, and I noticed that the people who stayed in one specialized area of racing rarely made the kind of money I needed to make to support my family," he told me. "So I learned how to do all of it really, really well."

As we talked, I couldn't help but notice Eric's constant refrain: "I do everything I do to support my family." Now, I realize that I'm an amateur observer of human behavior at best, but I have seen this before. Refrains are defense. Something in his heart is out of sync with his actions, and his mind is trying to protect him. Eric wasn't repeating this because I needed to believe it; he was repeating it because *he* needed to believe it. The realization that his real sacrifice was his freedom and time with his family would be too much to handle.

Eric is all work, all the time. And he is the go-to guy for, well, just about everything to do with Formula1 racing. Calling me from a track in Wisconsin just two days before he heads out to a track in Montreal, Eric explains why people hire him. "I can tell you exactly how much everything costs—the trailer, the tires, the tent we're standing under, the payroll for every one of these guys, everything—and I can tell you the details of the sponsorship deal, and if the driver is ready, and how the car tests, and what needs to be tweaked and which engineer is the best person to tweak it. I'm not here because I know one thing inside and out; I'm here because I know everything inside and out."

When I ask Eric to tell me one thing that helped him become financially successful, he says, "Early on I decided on a rule for myself: always answer the damn phone. I used to rack up \$3,000 cell phone bills keeping up with this. If it rings in the middle of the night, I answer it. If it rings in the middle of dinner, I answer it. My clients know they can *always* get me, and that has helped my business tremendously."

I can see that. I get that. But I also know that this commitment has put Eric's clients center stage in his life. He's running himself ragged trying to keep up with all of the financial success, all of the new opportunities, all of the potential.

Eric is making more money than most people in his field, and he has sustained a career in a highly-competitive industry he absolutely loves. This wouldn't be a problem if Eric wasn't perpetually working, missing out on time with his family, answering phone calls from clients 24-7. He's become a slave to his business because it is a hundred percent dependent on him—his knowledge, his contacts, his unique approach to racing. Eric has fallen into the other trap—trading time for money. He's maxed out. He has no balance, becoming more machine than man. The irony.

He's just as stuck as Bruce is, only he makes more money.

When I asked Eric how he could scale his business he said, "When you figure it out, let me know." Like so many one-man bands, Eric believes his knowledge and skill set isn't teachable, and if you can't teach it, you can't systematize it. And if you can't systematize it, you can't grow it. Period. If you're making good money doing what you do, you can get stuck in the mindset that you're the only person on the planet who can do what you do. You become blind to the trap you set for yourself.

I share Eric's story to show you that there is a second way to be stuck. Like Eric, you may be doing just fine. You might earn more than enough to live a good life. You may not have debt or cash flow challenges. You might be in high demand within your industry; you might love what you do. But if your business is dependent on *you* doing all the work, or even most of it, you'll never grow a giant pumpkin. Remember Frank's definition of an entrepreneur: *Entrepreneurs identify the problems, discover the opportunities and then build processes to allow other people and other things to get it done.*



Like you, Bruce and Eric had dreams when they first started out. I'm not sure what Bruce's dream looked like exactly, but his Escalade is a big clue. He probably wanted to "make it big" and "live the life," complete with all of the trappings of success. And Eric—well, I do know what he wanted, because he told me: "I got started because I just loved racing." Eric is in it for the pure joy of it, for the thrill of it, because he's a competitor, because he is made to win.

Whether you're barely getting by, doing "okay" or seriously looking for a way out (like now, please), you're probably thinking that once-promising entrepreneurial dream is just a fantasy, something for the lucky few (or the silver-spooned—yeah, I am talking to you, Donald Trump). Even if it were possible for you to dominate your industry and rake in buckets of cash, you'd probably die trying. Who has the time? You certainly don't. You're already working twenty-five hours a day, eight days a week. You rarely see your family, and when you do make time for your daughter's dance recital or happy hour with your buds, you're not there. Not really. You're thinking about the latest problem and how you're going to fix it.

Every second of your waking life is spent trying to figure out how to hang on to this fledgling business of yours. You're busy wearing all of your many hats, worrying about making payroll and if Social Security will be enough to keep you in ramen noodles when you retire. Who the hell has time to go for the dream when you barely have the time or the money to eat?

Can you even remember the dream?

Let me refresh your memory.

You want the freedom to live, work and express yourself as you choose. You want the power to influence the marketplace, your culture, your community. You want to make a difference. You want

to grow something amazing from nothing, something people want and love and rave about. You want to succeed in the truest sense of the word.

And if all of that translates to you earning heaps and heaps of cash, all the better.

Instead, you're a slave to your business. It owns you—and it's kicking your ass. And if you're being really honest, even though the rest of the world thinks you're a big-time (or rising) entrepreneur, sometimes it feels like your business is quicksand and you're sinking down right in the middle of it, not a tree branch in sight.

Every day, I see a media story or read a blog post about how entrepreneurs are poised to jump-start the world economy. In reality, many entrepreneurs are poised to jump off a bridge. In case you've missed the news for the last few years—which, considering your schedule, is a good possibility—each year, according to the U.S. Department of Labor, Americans start one million new businesses, and yet nearly eighty percent of these businesses fail within the first five years. Eighty percent, people.

The problem is, entrepreneurs are stuck. Bruce is stuck because he's a slave to money (because he doesn't have it) and Eric is stuck because he's a slave to time (because he doesn't have enough of it). You're stuck because . . . well, you tell me.

Not sure if you're stuck? Let's find out.

If you've heard yourself say, "If I could just get one more client (or project or deal or major sale), I would finally make it," or if your business is dependent on you to *do the work*, or if you think your dream is just that—a dream—you're trapped. But I know a way out. A way out for Bruce. For Eric. For you.

You're not going to want to do some of the things I call on you to do in this book. Like Bruce, you'll resist part or all of my advice. Like Eric, you will tell me it can't be done in your industry

“because it is so unique”—or specialized, or different. You’ll hold out on me (and yourself) and pick and choose which steps you’ll skip over, and which steps you’ll follow. Not because it seems too good to be true, but because so much of what I have to say—what I *know* to be true—goes against your natural instincts. This stuff may mess with your ego a bit, challenge your self-perception and maybe even freak you out.

So if you’re not sure if you should continue, ask yourself one question:

Do you want your business to die a slow, miserable death?

I’m just going to go ahead and assume you’ve answered no. I’m not trying to be harsh, but it’s important for you to understand that unless you’re already the best, unless you’re dominating your industry, unless you aren’t suffocating under a weight of bills and expectations, there’s a good chance you’ll end up the one-nut guy. And I really, *really* don’t want to see that happen to you. I hate that guy.

## *Work the Plan—* Take Action in 30 Minutes (or Less)

**I.** *Revisit the dream.* You had a dream once, and you knew exactly what your life would look like, exactly what you would do with your buckets of cash, and exactly how you would feel when you pulled it off. When all you can think about is how to cover next week’s payroll, that dream may seem out of reach. Still, it’s that dream that keeps you from giving up. You need that dream now, more than ever. So, right now, revisit the dream that inspired you to launch your company in the first place. Write it down and

keep it handy to review it . . . because we're about to make it happen.

**2.** *That's it.* Yup. That's it. Just take some time—the full thirty minutes or longer, if you need it—to really think about the dream you envisioned for yourself, your family, your business when you first started out.

## HOW TO PUMPKIN PLAN YOUR INDUSTRY — ONLINE

Let's pretend you're an online retailer, selling costume jewelry. Tear your eyes away from your stats, push those packing boxes to one side and let's Pumpkin Plan your business!

You've got a nice little business selling original and reproduction costume jewelry online. You have the flexibility of working from home, which means you get to spend more time with your kids, and you love that. But you're not making nearly as much money as you'd like to make, as you *thought* you'd make, and every time you stay up until three in the morning stuffing boxes you begin to wonder if it's all worth it. It's all of those individual pieces, one here, one there, that eat up your profits . . . and your time.

So you fill out the Assessment Chart, noting your top clients and your not-so-top clients. Since you're an online retailer with many one-and-done clients, you really don't have to "fire" any of the diseased clients. Instead, you focus on getting the Wish Lists of your top five clients. And oddly enough, even the top clients

who keep buying from you still have a high rate of merchandise returns, especially when they buy your newest designs.

So, you pick up the phone and call the top five. They are thrilled to know there is a “real person” behind the business, and doubly pleased that the actual owner of the company is making the call.

During the client interview, you learn that three of your five clients operate vintage clothing stores and sell a lot of jewelry to brides looking for jewelry to wear on their big day. They all express frustration at being unable to find matching pieces for brides and bridesmaids. And online jewelry is a little bit of a necessary risk for them; a new piece may look great in a picture but when they get it and match it to the dresses, many times it doesn’t work out—hence the high degree of returns. You ask, “If you had a line of costume jewelry for the bride and her attendants, would you carry it in your store?” All of your top clients respond with an eager “Yes!”

So you do some research and discover that no one is doing this. No one. You call your best designer/manufacturer and tell them about your idea—to design a line specifically for brides. You agree that your online store will be the exclusive distributor of the line, and then you go back to the top clients to bounce more ideas off them, until you’re absolutely sure you know exactly what they want.

You re-brand your online store to gear it specifically to bridal boutiques and retailers. First you line up all your top clients with jewelry to stock at their stores. They only need one or two samples of each design, since they just use it to show to the dozens of brides that come through their stores each day. And when a bride likes a piece, it’s the shop owner who orders it online. This is working great . . . time to expand!

You start with the people you know—those who operate small

shops and vintage clothing stores—and show up everywhere they are. You're at the right trade shows and festivals and events. You place an ad in the handful of targeted trade magazines and newsletters, and on industry-related blogs. And you show up at all of the runway and trunk shows for new designs.

Soon, you have dozens of retailers carrying your lines. And, because you've moved in concentric circles within your industry, you also have new relationships with designers who ask you to collaborate on the design of a new line specifically for their own bridal attire. Your company is written up in magazines and on major bridal blogs, and soon brides from all over the country are buying jewelry directly from your website. And because you're selling an entire collection of jewelry (necklace, earrings, rings) in one shot, rather than just one piece at a time, you can generate more profit per sale . . . not to mention, you use up fewer resources (time, shipping supplies, etc.) to get them out the door.

Most importantly, you killed the costume jewelry curve and created your own, niche-specific curve within the bridal industry. Even though you now have competitors, you're the dominant player because a) you were first, b) you know this industry inside and out and c) you have fantastic relationships with designers and retailers because you *listened* and *responded* to their frustrations and wishes.

Now your business is a giant in the industry, and you're getting a full night's sleep every night. Life is sweet.