

The Myth of The Magical Million Dollar Company

By Marissa Levin, CEO, Information Experts

There is a myth that is circulating and it troubles me. I want to mitigate it before it gains any additional momentum. I know that very few, if any, other writers have broached the topic because I scoured the Internet for similar stories and there were none to be found.

The myth suggests that the million-dollar mark is the goal that business owners should set. This is a very dangerous myth, and it is particularly dangerous right now when so many people are jumping into entrepreneurship with their eyes shut.

The number "million" has a very magical appeal. It feels good when we say it. We associate success with multi-million dollar companies. Game shows flash the possibilities of winning a million dollars. Lotteries try to entice people into playing for the million-dollar jackpots. "**Million, million, million.**" Say it with me... feel it roll off your tongue, and hang there in mid-air... doesn't it feel good?

NOW, STOP.

Reality Check

It is time for a reality check. I've been at the million-dollar mark and know what it *takes* to get there, what it's *like* to be there, and how important it is to *move past* it. Getting to a million is like climbing Mt. Everest. It is so incredibly difficult for just about any company. It doesn't matter what industry you service or what you sell. There is no easy path to the million-dollar mark.

But this column isn't about how to get to a million. There seems to be an endless supply of books, lectures, conferences, articles, and workshops about how to get to the million-dollar mark and they all say the same thing: "follow these specific steps, be focused, hire the right people, define your values, develop a customer profile, write your business plan, get involved in social media, make sure you have funding, make sure you know how you differ from your competitors, watch your cash flow, have a can-do attitude, network, network, and network some more..." It's all the same advice!

It's inspiration, really. Attending these events and reading the books tells us that we are not alone in our quest to hit the million-dollar mark, and if we're lucky, we will discover a take-away that we don't know. These tools are fantastic for the newest entrepreneurs.

But if you are rounding the corner and coming up on that million-dollar mark, chances are you are not so new. Chances are you have hit some craters along the way, you have been knocked down but you've gotten up, and you've learned

some on-the-job lessons that you didn't learn in any book or workshop. Welcome to entrepreneurship!

The million-dollar mark is an easily identifiable goal, but it is a risky and precarious place to stay. I worry about organizations like Make Mine a Million that promote the million-dollar mark as the ultimate goal for a business. Don't get me wrong... I think organizations like this provide an incredible and necessary network of support and education for all entrepreneurs. This is not a journey that you should take alone. The emotional support is essential, and it is what will carry you through your most challenging days. What I worry about is their promotion that the million-dollar mark is the place to be.

Simply a Resting Point

The million-dollar mark needs to be an interim goal. At a million dollars, you are too large to operate without an infrastructure - IT, HR, finance, legal, sales, marketing, operations. These are not just functions; at a million dollars, these have become infrastructures. Yet at a million dollars, you are still too small to benefit from the economies of scale. You are only going to realize these benefits when you move past this point.

At this milestone, business owners need to have a support team - and they have to pay that support team. They can't possibly wear all of the hats and fulfill all of the needs (both internal and external) without compromising something.

After salaries, benefits, operating costs, taxes, etc., there is not much left over for the owner. The business essentially owns you - you don't own the business. Additionally, since many start-ups often position themselves as a lower-cost alternative, this value proposition begins to slip away as the costs rise. As the business grows, the owner has no choice but to move out of the best-cost positioning. So now what happens is that you are competing against firms that have much bigger infrastructures, have redundancy in terms of resources, can offer more experience, less risk, and greater depth and breadth of services, and have owned the space you are in for quite a while. It's an entirely different ball game when you hit the million-dollar mark and move into the major leagues.

As a small business owner, I know how important it is to have realistic, achievable goals. And a million-dollar mark seems much more viable than a five million dollar mark when you are currently pulling in \$150,000 in revenue. I do not mean to rain on anyone's million-dollar parade. I have had such an incredible experience building my business - but it's been the hardest task I have ever attempted in my life. I simply suggest that all business owners who are aiming for the million-dollar mark view it as an interim step... a resting place to catch your breath before moving on to the bigger target.

Apparently, a lot of people have plans to visit the million-dollar mark. Enjoy the scenery and take a load off your feet, but get in and get out. It is not a place you want to stay for long.