

More on the Myth of The Magical Million Dollar Company:  
Deciding if it's the journey for you!  
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In response to my recent article on the myth of the magical million dollar business, I've written a column that I hope will help readers determine if pushing past the million dollar mark is the path for them. It's a very personal decision to embark on the creation of a multi-million dollar company. It can literally take over your life. There are definite pros and cons to both remaining small, and to growing.

Expanding a business requires careful thought, as well as additional money and a thorough business plan that carefully maps out the path to go from your current state of business to your desired state of business.

There are many factors that may tell you that growth is the right path for you. These include:

- A continuous, permanent increase in profit as a direct result of measurable and lasting increases in sales volume. Even though your business may be seeing greater sales volume, if the additional dollars are not resulting in more profit, than the business isn't really growing.
- An alignment between your company's growth initiatives and the market demands. Are your growth plans in line with what the market wants? Is the market responding favorably to you by demanding more of your product or service?
- Consolidation or elimination of competition. Have competitors been acquired or gone out of business? Is there more of a playing space for you?
- Large environmental factors that spur demand for your product or service (the switch from landline to mobile telecommunications; environmentally focused initiatives)
- The ability to launch a new or adjacent product or service line that you can offer to your existing customer base, and quickly maximize an established market presence

These situations are all good indicators that strong growth is possible.

But even when these situations are present, you need to decide if growth is what you want.

***It is not simply a matter of what is possible. It is more important to know what you really want out of life.***

One of the key considerations when growing a business is how you spend your time every day. When I first started Information Experts, I was doing all of the instructional design work. I loved working with my customers to learn about their needs, and build educational solutions that helped them achieve their organizational objectives. As my business grew, I slowly shifted into management. Consequently, it's been years since I have designed and developed a training curriculum.

***A business owner has no choice to shift from the trenches to the boardroom when the business grows. The role of leadership takes over the role of the practitioner.***

In addition to shifting your day-to-day responsibilities, you can't grow a business within incurring debt and assuming risk.

## ***Why should a bank invest in your company if you are not willing to put some skin in the game?***

Banks won't take all of the risk. In addition to requiring a solid business plan, the banks will require you to personally guarantee the debt. The larger the growth plans, the more money you will need to back your vision.

At one point in our early days, shortly after my husband Adam joined the business, we were \$700,000 in debt - and we had no other source of income. We also had two young children to support - and we weren't born with silver spoons in our mouths. There were no trust funds or wealthy families to bail us out.

We were walking on a tightrope without a net. We had all of our eggs in one basket. We had no one to catch us if we fell. We had a large sales pipeline, but a thin contract backlog.

Fortunately, due to a lot of hard work and maybe just a little good karma, a lot of contracts began to close, and we sailed past the million dollar mark. But it was a financially difficult and emotionally difficult journey to get there.

Prior to this point however, we were at a crossroads. We had way too much business for one person. Our backs were against the wall, and we had to decide to go for the growth or remain as a sole proprietor that relied on a few contractors.

It wasn't an easy decision. I didn't want to give up the development of the training curriculums. I was worried about incurring debt. But the opportunities that presented themselves, our reputation in the marketplace, and our potential for expansion just seemed too strong to ignore.

When you decide to grow, the business can literally consume your life. I know many business owners - solopreneurs - who have deliberately decided not to grow.... perhaps because they have seen my struggles first-hand.

The decision to grow is very personal. You need to ask yourself these questions:

- Am I prepared to transition from being a practitioner to being a manager & leader?
- Am I willing and able to incur additional debt?
- Am I risk-tolerant - rather than risk-averse?
- Am I prepared to accept the challenges that accompany business growth, including employees, benefits, IT infrastructure, legal issues, etc.?
- For the foreseeable future, until I am expendable, am I will to push most other things in my life aside to focus on the growth of my business?
- Do I have an exit strategy?
- If (actually when) we experience a downturn, will I be able to weather it - financially and emotionally?

One final thought about growth before I conclude. There is one other factor that for us, helped us make our decision. As a solopreneur, you avoid a lot of the headache associated with building a business. BUT - and this is big - you are not building **wealth** as a solopreneur. You might be making a lot of money and generating a lot of income, but it is not equivalent to the wealth that builds when you build an infrastructure. As a solopreneur, your greatest asset of your firm is **YOU**. You can't sell you. If you are doing all of the sales, and you are fulfilling all of

the contracts, the business will never get beyond you. So your value to other firms as an acquisition target is basically nothing. (This gets back to determining your personal exit strategy, and what you really want out of life.)

By building a business, you are building a foundation for wealth. You are building an infrastructure that is very valuable to other firms in your market space. Of course it takes years and years to get there, but ultimately, you are able to secure large-scale contracts that make you attractive to your competitors. A business eventually grows way beyond its owner, and therefore increases in net worth.

Building wealth versus generating income (even if it's a lot of income... I know a lot of solopreneurs who take home a lot more than I do because I invest so much back into my business). Both are equally good paths. Both have their pros and cons. Only you can decide what is right for you and your family.