

START IT UP - Why running your own business is easier than you think

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Luke Johnson (2013). 'START IT UP- Why running your own business is easier than you think'. Penguin Books Ltd, England; Price: Rs.399.00, Pages 253, ISBN: 978-0-670-92047-1

Author's profile

Luke Johnson is one of Britain's most successful entrepreneurs, with an estimated personal fortune of 120 million pounds. He is Chairman of Risk Capital Partners and Royal Society of Arts, and a former Chairman of Channel 4 television. He writes columns for the Financial Times and Management Today. In the 1990s he was Chairman of Pizza Express, which he grew from twelve restaurants to over 250; he also founded the Strada Pizzeria chain and owns Giraffe and Patisserie Valerie. Johnson has a rich experience of two decades on the business frontline. He lives in London and is married with three children. His official URL is www.LukeJohnson.org.

Review

Large numbers of books have been written on entrepreneurship describing it as a process / method / trait. But Luke Johnson, a hardcore entrepreneur himself, has tried to give the reader an experience of being an entrepreneur, substantiated with wide range of real world examples so that the reader can really feel it. Unlike many books written on this subject, it is a very simple and easy to read novel with original ideas and useful advice, especially to those who want to pursue the ill trodden path of entrepreneurship.

The seven parts of the book give reader a complete experience of being an entrepreneur. The first part is all about building necessary qualities/traits that are required to become an entrepreneur like; making a beginning, committing mistakes, having a bigger ambition, stop making excuses, getting started, being optimistic, being action orientated, choosing a right name for the business/brand, not waiting for the right time to come, starting early, etc.

The second part focuses on people at large. The benefits of; associating with the right people, networking with the right people, exchanging of ideas with the right people, working together in teams, forming good teams that can deliver the desired results, following the basic principles of leadership and management, and seeking mentoring in its truest spirit are all discussed quoting real world examples.

The third part reveals the true entrepreneurial style and major challenges faced by the entrepreneurs. The myths associated with entrepreneurship were being discussed, criticized and cleared in a convincing manner like; Entrepreneurs are mainly motivated by money, The idea is what matters, Entrepreneurs are born, not made, Start-ups are one-man brands, Entrepreneurs are inventive geniuses, Entrepreneurs are mostly academic rejects with no qualifications, Most new businesses fail, Entrepreneurs are loners, Entrepreneurs are gamblers, Entrepreneurs are workaholic, etc.

The fourth part is dedicated to managing finances as an entrepreneur. The concepts like; moonlighting which mean being a part time entrepreneur and full time employee, at least in the beginning, were discussed at length. Approaching angel investors, venture capitalists, banks, secondary sources of money, and other sources to raise funds were discussed and criticized in a non theoretical manner.

In the fifth part the key formulas to succeed as an entrepreneur were being discussed in a non stuffy way. The five important criteria followed by the investors before investing were illustrated with examples, i.e. 1. How good is the management team? 2. Is the company going to win big? 3. Have they found a solid niche? 4. Is this firm making sales today, or hoping for sales in future? 5. Does management understand the numbers?

Serious offences often made while preparing Business Plans were explained again in a non theoretical manner which include; Aggressive confidentiality clauses and an over obsession about non-disclosure agreements, Overly technical documents, Lack of focus, Preposterous valuations, Sketchy biographies, Weak numbers, Ignorance of the competition, Perfection, Huge appendices and too many spreadsheets, Getting someone else to write it, Too much paper, Unbelievable margins, profits and returns, etc.

This chapter also presents the reader an advice on handful of things entrepreneurs should not do when taking plunge into self-employment like: Do not leave your job until your idea takes off; Do not rent fancy commercial premises; Do not be put off by the prospect of a downturn; Do not spend money on advertising; Do not engage expensive advisors; Do not take partners in a rush; Do not go ahead if your spouse or partner is against it; Do not be over ambitious; Do not be lazy or impatient about research and homework, etc.

The sixth part focuses on the cyclical nature of business world and how an entrepreneur should react/proact to the cyclical changes. The big theories like; turnaround and creative destruction, managing in a downturn, value engineering, staying ethical in difficult times, looking for opportunities during the hard times, etc. were presented in a simple manner.

As the title 'Entrepreneur at large' reveals the last part covers the subtle issues involved in the journey of an entrepreneur like; power of invention, power of innovation, power of kaizen, power of continuous education and training, managing stress, managing risk, satisfying soul, and being happy throughout.

In total the book answers all the questions that arise if someone is interested in starting up a new venture or buying an existing enterprise, in a direct and conversational manner without referring to dry theories on entrepreneurship. This book is a great inspiration and a how-to guide for every budding entrepreneur, gleaned from twenty successful years in business. He has tackled the important issues that really matter like; finding the right idea, sourcing funds and getting the best from the people around including the entrepreneur himself. The author while explaining the detailed process/method of entrepreneurship has delved deeply into his personal experiences as an entrepreneur. Large number of small chapters, each chapter focusing on specific learning is the unique feature of this book. This book is a must read for all the entrepreneurs, especially, budding entrepreneurs, want to be entrepreneurs and students pursuing professional courses like; engineering, management, architecture, etc.