

tighten your laces

With self-funding, slow and steady wins the race

If you chose to build your business from the ground up, or if you simply couldn't get any funding, you know what it means to run a lean company. The bootstrapping struggles — limited cash flow, no or low salaries, cutting back expenses — are lessons that serve self-funded CEOs well for the lives of their companies. Local CEOs share how they pulled themselves up by their bootstraps and what they learned in the process.



DEBBIE BRODSKY, founder, DMB Pictures, LLC

Lean and mean: My employer at the time offered the option of taking a voluntary severance package, [and] that took care of my salary while I was getting the business going. There was still a chunk of money that needed to be spent upfront on equipment costs. I decided to take my parents' offer of a small "gift" of start-up money. There's always a part of me that wants to do it all on my own, but thankfully I haven't needed additional capital since. In the beginning, I did everything myself. I also scoured Craigslist for cheap office furniture and drove many extra miles for an amazing table and

"Because you don't have all the money in the world, you make much smarter decisions about how to spend it."

Peter Corbett, iStrategy Labs

cabinet that I still use every day. I also took advantage of some amazing free resources, like SCORE advisers and Google Voice.

Advice: What I love about bootstrapping is that you can get started with an idea using what you already have. You are beholden to no one but yourself, so it's up to you to make the business happen — which is both scary and really exciting.



ANDRÉ WELLS, founder and CEO, Events by André Wells, LLC

Lean and mean: I started out with a home-based business, which allowed me to invest more back into the company. I had to get really creative with how I would blaze my path. I did most of it myself in the beginning from networking, pounding the pavement and cold calling. Essentially, I was my own employee. As an entrepreneur, you always have to be creative. If you know what you need, you have to figure out a way to make it happen

— from being your own accountant and finding creative streams of revenue to leveraging partnerships. In the end, it really sharpened my ability to strategize and build and maintain relationships.

Advice: It has to be a labor of love when you are doing it on your own. It was helpful to not have the burden of multiple loans. The most important thing to me was creative freedom. The cons [of bootstrapping] are restricted access to marketing dollars and the extra time and effort being shrewdly frugal. It's all part of starting a business.



ARI FIROOZABADI, co-founder and president, Greysteel

Lean and mean: Before this, I was an independent contractor with a national firm. I saw an opportunity to provide a distinct service to the private capital and middle-market real estate community and decided to leave the national firm to launch Greysteel to provide real estate investment sales and banking services to that niche. We didn't have to borrow any money. We did it out of cash, and now the business is sustaining itself. We're nimble and have a boutique operation. We have a very collaborative culture here, and it's very important to us to preserve the culture and not grow too quickly and degrade it.

Advice: You've got to look at your business and say, "What's my goal, and what do I need to do to achieve my goal?" You've got to look at your goals and say, "Can I do it on my own?" If you can, to me that's always the best way to do it because you have control. If you can't, you go out and hopefully bring in a partner that knows your business that can contribute to your overall success.



PETER CORBETT, founder and CEO, iStrategy Labs

Lean and mean: I started iStrategy Labs after being laid off from an ad agency. I had three months of living expenses in the bank and a credit card with a \$10,000 limit. In terms of keeping costs low, we signed a lease with another small company when we got our first office, making it very cost effective to move in. I felt like it was much less risky than getting our own place. iStrategy Labs has been bootstrapped during one of the worst economic times in history and has been profitable from day one. The firm is on a path to double revenue again this year, after growing revenue over 550 percent in the past three years. We have no outside investors or debt.

Advice: [When bootstrapping], you have complete control of your destiny, and you are forced to manage your money very wisely. There are no investors or bankers looking over your shoulder; and because you don't have all the money in the world, you make much smarter decisions about how to spend it.



GAIL BASSIN, co-founder and co-CEO, JBS International, Inc.

Lean and mean: As a professional services firm, JBS did not really need start-up financing. During our first six months, we delayed taking a salary and relied on personal savings to cover most of our expenses. We also borrowed a small amount of funding from our families. Once we succeeded in securing a few contracts, we obtained a small line of credit from the

if the shoe fits

THE ORIGIN OF BOOTSTRAPPING

The word "bootstrapping" connotes self-reliance, making something from nothing. It comes from the idea of pulling yourself up by your bootstraps and not taking outside assistance. An early reference appears in James Joyce's 1922 novel *Ulysses*:

"There were on the other hand others who had forced their way to the top from the lowest rung by the aid of their bootstraps. Sheer force of natural genius, that. With brains, sir."

The term showed up in programming, too. Remember waiting for your computer to boot up after turning it on? This comes from the same idea; early computers used a process called bootstrapping — boot for short — where a small amount of code built upon itself to execute a program.