

"USEFUL AND INSPIRING." —DIANE VON FURSTENBERG

MILLION DOLLAR WOMEN



*The Essential Guide
for Female Entrepreneurs
Who Want to Go Big*

JULIA PIMSLEUR

MILLION DOLLAR WOMEN EXERCISES

Your invisible jet awaits you! Climb in and floor it. Doing these exercises will help you become a Million Dollar Woman faster. They're also a great springboard for working with an accountability partner or mentor. You can write down your answers here, or download the exercises at juliapimsleur.com.

CHAPTER 1: HOW I GOT OFF THE ENTREPRENEUR'S HAMSTER WHEEL

1. Dream big. How can you determine whether your business can grow, generate more revenue, and be more scalable than it is today? Write down three people with whom you can talk this through. Think of friends who are successful entrepreneurs, a former professor, coaches, advisors, or mentors. Make a date and ask them to help you imagine the turbocharged version of what you are doing now.

Example:

Harrison Foster

2/19 at 9 a.m.

Name

Date/Time of Meeting

_____	_____
_____	_____
_____	_____

2. Learn from what has worked. What are some of the most successful businesses in your space, and how did they scale up? I looked at case studies of successful toy and entertainment companies before I launched Little Pim. Are there companies you can research that do something similar to what you do or have a similar model? What can you learn from how they grew their customer base and revenues? Name three successful companies in your space and start Googling. Describe their model (the short version) here and keep the fuller version on file to refer back to and share with people helping you grow your business.

Example:

Plum Organic built a well-regarded brand in the baby food category, with a key differentiator being its organic content. They focused on branding and wide distribution in their first few years and ultimately partnered with an operations group to help them scale their operations.

a. _____

model: _____

b. _____

model: _____

c. _____
model: _____

3. What is your twenty-foot chasm, and how are you going to cross it? Are there things you are doing in your business that you are pretty sure you need to change in order to go to the next level? If yes, what are they? List three things here.

Example:

My twenty-foot chasm: I want to franchise my business.

To get across: I need to learn how the franchise model works
and attend franchise trade shows to meet industry contacts.

Or

My twenty-foot chasm: I want to be the leader in my
field, PR.

To get across: Become a thought leader by doing more
blogging, social media, and public speaking, do more
networking, have a scalable product I sell in addition to
my other services.

- a. _____
b. _____
c. _____

CHAPTER 2: POWERFUL AND PREPARED, NOT PRETTY AND PERFECT

1. What are your top three limiting beliefs about yourself as a business person? The first step in getting rid of these beliefs is to name them. Right away this takes some of the power out of them. Then you can get to work on finding a storage plan!

Example:

I won't be able to raise money because I can't speak
"finances."

No one in my family has ever run a business, so how can I?

- a. _____
- b. _____
- c. _____

2. Write each sentence again, affirming that you are the opposite of those beliefs. Now that you have seen how your beliefs look on paper (not as powerful as they were in your head, huh?), try to add "not yet" to the ends of these statements.

Example:

I make investors feel comfortable with my command of the
financials.

I have the skills I need in order to be a successful leader and
CEO.

- a. _____
- b. _____
- c. _____

3. Which are your top priorities for change? Use the space below to think about which top three skills you need to get closer to the positive opposite of your limiting beliefs.

Example:

Gain confidence in my ability to manage a sales team.

Improve my negotiating skills.

- a. _____
- b. _____
- c. _____

4. If you put your limiting beliefs in mini-storage, what would you make room for?

Example:

Creating a three-year plan for my business.

Doing more public speaking, becoming more of a thought leader in my field.

- a. _____
- b. _____
- c. _____

5. Who can help you achieve your goals for growth?

Example:

My friend/family member who is an entrepreneur.

My former boss.

- a. _____
- b. _____
- c. _____

6. What is something you feel you failed at in your professional or personal life, and what strength did it give you?

Example:

I launched a business called Script Source and it failed. This gave me the understanding that I can fail and still keep my friends, my pride, and my sense of self.

CHAPTER 3: IDENTIFY YOUR ALLIES, YOUR FOES, AND YOUR FRENEMIES

1. Who are the friends you can count on to cheerlead as you seek to grow your company and learn new skills? Who should you move up your social priority list?

a. _____
b. _____
c. _____

2. Who are the frenemies you need to find a new way of spending time with that doesn't involve discussing your business because it's just too demoralizing?

a. _____
b. _____
c. _____

3. Who needs to get moved down your social list if you are going to go big?

a. _____
b. _____
c. _____

CHAPTER 4: BE LIKE NOTRE DAME, NOT THE EIFFEL TOWER

1. Find your flying buttresses. Make a chart that shows the areas of your business where you need help and whether you think an advisor or paid coach is the right solution. Some common categories are listed below. Fill in the blanks with your business needs and where you might find the help.

Sample Buttresses Chart

Business Need	Where to Find	Buttress
Accounting/Finance	Banking, Private wealth manager, CFO	Jill, my aunt's friend who was head of Private Wealth Management at UBS for 10 years and recently retired.
Distribution (Mass Retail)	Entrepreneur or former entrepreneur, Buyer from a large company with mass retail distribution experience	Elizabeth, former professor who taught entrepreneur class. Rob, who went to a top business school—one of his friends?
Managing sales people	Former entrepreneur, head of sales in a large company	Jane, sales coach, met at networking event

2. List three people who are already helping you, even if it's just informally, and can potentially serve as one of your advisors or connect you to someone in their network.

Example:

Gail, lawyer at big firm, whom I often call when I get an important contract to ask her to look it over.

- a. _____
- b. _____
- c. _____

3. Craft an email to existing advisors to ask them to be an official advisor. Once they have accepted, ask them to connect you to others so you can build your advisory council.

Sample email (insert your own info in the brackets):

Dear [Francesca],

Thanks again for all you have done to help me build [Little Pim]. When you coached me through negotiating the deal with [Magna Distribution] last January, it made all the difference. I know I have much more favorable terms because of all the time you spent with me.

I am writing to ask you to consider joining my advisory council. I am looking to bring on a few select advisors (5–10) and really hope you can be one of them. This would be a very small time commitment but would make your helping me more official, and with your permission, I would list you on my website as a member.

Thanks for considering my request. I'd like to set up a call so I can answer any questions you have and hopefully bring you on board. I'll follow up with you later this week.

Best,

[Your Name]

CHAPTER 5: TURN MOXIE INTO MONEY

Get ready to raise money. Before you raise money, you should meet with advisors, more seasoned entrepreneurs, or coaches who understand the various types of fundraising (angel, venture, loans, crowdfunding, or other) to determine which kind of capital makes the most sense for your business. You may need to meet with several people. Ask an entrepreneur who has raised capital to share his or her story and what some of the greatest hurdles were. These four questions are a great starting point for speaking with advisors:

1. What kind of money should I raise?
2. When is the right time?
3. Where do I learn the fundraising dance?
4. How much equity and control will I have to give up?

Before you meet with your advisors or coaches, fill out this exercise and bring it with you.

1. Explain what you expect to achieve by raising capital.

Example:

I want to distribute my product in stores nationwide (currently just local distribution), but I don't have the capital to produce more inventory and do a national marketing campaign.

a. _____

b. _____

c. _____

2. What is the “money-making machine” at the heart of your business, and how predictable is it? Include what your challenges are for making this machine work even better.

Example:

We sell memberships to our online games for kids, for which our customers pay a monthly fee of \$10. We spend about \$80,000 per year on marketing, and we currently have 15,000 customers and are making \$600,000 in revenues. We grew 30 percent from last year to this year and increased our marketing by only \$10,000. We think we can get to 50,000 customers without a big increase in marketing spend. One of our challenges is to find a way to make this money-making machine even better and more predictable so we can double our revenues.

3. What challenges will your business face in becoming scalable?

Example:

For each new client, I have to spend about five hours doing the intake and creating a campaign tailored to them. I am the only one in my company who can do that, so if I wanted to bring in five times as many clients I wouldn't have the time to deliver the level of quality service I want. How can I find a more scalable way to deliver my services?

4. Which part of your business is scalable?

Example:

If I could find a way to provide low-cost PR services (even if it is only a subset of what we offer) that didn't require as much staff time, I could sell those services online, and it wouldn't require any or many new staff to oversee new clients.

5. Before you raise venture capital, learn the dance. Go over this list of “dance steps” needed to succeed in raising venture capital with an advisor or coach to see which ones you have down, and where you need help. Give yourself a Readiness score for each one on a scale of 1 to 5, with 1 being *So ready* and 5 being *Far from ready*.

I present like a pro:

I know what problem I am solving.	Rating _____
Why now? Why me?	Rating _____
I credential myself well.	Rating _____
I have a confident and authentic presentation style.	Rating _____
I can paint a big picture.	Rating _____
I know my numbers.	Rating _____
I can talk about “the business of the business” and my reliable, repeatable revenues.	Rating _____
I can explain why my business is scalable.	Rating _____
I know the competitors in my space and what differentiated my business from theirs.	Rating _____
I have a great team.	Rating _____
I am coachable.	Rating _____
I am conversational in venture capital.	Rating _____
I have a good lawyer.	Rating _____
I have practiced my pitch with an audience.	Rating _____

CHAPTER 6: SLIP INTO SOMETHING MORE COMFORTABLE

1. Networking with maximum efficiency. When you consider going to a networking event (conference, summit, cocktail party), start using the quadrant chart system to help you decide if the event will be worth attending and to track the outcome. Ask: Will I find people there who can help me solve short- or long-term problems? Will I meet potential strategic partners? Will it double as a social event that will give me good energy?

2. Where *won't* you be the smartest person in the room? What are three networks you could join or attend on a regular basis that you are pretty sure will help you go to the next level in your business and where you will not be the smartest person in the room (industry conferences, entrepreneurs organizations, TED Talks, etc.)?

- a. _____
b. _____
c. _____

CHAPTER 7: DELEGATE YOUR WAY TO THE TOP

1. Find your own Best and Brightest Times (BBT).

Step 1 (allow 3 days): Track everything you do for three days and how long it takes. At the end of each day, write down everything you did, from the time you spend getting dressed for work to answering emails and going to the supermarket.

Step 2 (allow 15 minutes): Create a spreadsheet and group the activities into categories like Brain Work, Workout, Play Time with Family/Friends, and Chores. For example:

Brain Work

- Looking over sales figures.
- Reaching out to mentors and advisors.
- Writing.
- Reading business books.

Play Time

- Activities with friends/partner/spouse.
- Activities with kids.

Chores

- Shopping for food.
- Shopping for drugstore items.
- Shopping for clothes.
- Paying bills.
- Doing laundry.
- Answering emails.

Step 3 (allow 15 minutes): On a different tab of your spreadsheet, write down when you think you do each type of work best. Compare that to your actual schedule and see if you are truly using your precious hours when you are at your BBT. Then start changing your schedule to honor these times. Make sure to tell people why you are making these changes so you can foster maximum buy-in.

Step 4 (ongoing, about 30 minutes a week): Team up with a friend or fellow entrepreneur who wants to get better at delegating. Check in once a week to see what is working and share best practices.

2. What are three things you can delegate? Outsource three things to a family member or VA that you are doing at home. Put in parentheses the name of the person you will delegate the job to. Do the same for work. Make sure you do the job yourself first at least once so you can hand it off properly. Trust but verify: hand it off and make sure it was done correctly. Give feedback if it wasn't so that it works out better the next time.

Home

Example:

- Put away kids' laundry (babysitter).
- Clean the house or apartment (cleaning service).

- a. _____
- b. _____
- c. _____

Work

Example:

Set up my appointments (assistant or VA).

Organize my digital or physical files (intern).

- a. _____
- b. _____
- c. _____

CHAPTER 8: PUTTING THE PERSON BACK IN YOUR PERSONAL LIFE

What is your plan for taking care of yourself?

1. Here are three things I will do to stay healthy and care for myself:

Example:

Go running two times a week with my friend Laura.

Keep the office fridge stocked with healthy snacks.

- a. _____
- b. _____
- c. _____

2. Here are three things I can do to combat stress:

Example:

Take my dog for long walks two to three times a week.

Go to a yoga class.

- a. _____
- b. _____
- c. _____

ONLINE RESOURCES

Access to Capital Tool Kit. This free resource from the National Women's Business Council has an overview of types of capital, how to access them, and which is right for your business. Go to http://nwbc.gov/sites/default/files/NWB_infographic5_101714_r5%20%282%29.pdf.

Astia. A nonprofit with four thousand members around the world, including investors, entrepreneurs, and executives. Astia's programs encourage women's full participation in the start-up ecosystem by providing access to capital, ensuring sustainable high growth, and developing leadership skills. Astia is raising its first fund as of 2015. astia.org

Belle Capital USA. Early-stage angel fund in the digital, mobile, Internet (IT), technology-enabled products and services, life sciences, medical devices, health IT (digital health), and clean tech market sectors. bellevc.com

Golden Seeds. Angel investor network and venture fund that invests in women-led companies. Since 2005 Golden Seeds has invested over \$70 million in more than sixty-five women-led companies. goldenseeds.com

Juliapimsleur.com. Resources and online courses to expand on the concepts in *Million Dollar Women*.

Levo League. Provides mentors among experienced men and women who want to help younger women professionals and entrepreneurs get ahead. You can ask them questions online, or connect with local Levo mentors and peer groups. levo.com

National Women's Business Council. A nonpartisan federal advisory council created to serve as an independent source of advice and counsel to the president, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. nwbc.gov

SBA (Small Business Administration). A U.S. government agency that provides support to entrepreneurs and small businesses. sba.gov

SCORE. With over three hundred locations across America, SCORE has volunteers ready to sit down and discuss any business person's business needs and link them to a local mentor. score.org

Springboard. Accelerator program for women based in Washington, D.C., that combines in-person events with strategic connections to women founders. Springboard portfolio companies raised \$6.6 billion in financing. sb.co

Women 2.0. Hosts conferences and creates content, community, and events for aspiring and current innovators in technology. women2.com

See juliapimsleur.com for an updated list.

GLOSSARY

Accelerator. Short-term programs (usually three months) in which an entrepreneur trades equity for cash, shared resources, and mentoring. Includes educational components and culminates in a public pitch event or demo day, where investors come to learn about the companies and potentially invest.

Accountability group. A small group (two to five people) that meets regularly, united around everyone achieving his or her goals, which are shared with the group. Members of the group keep one another on track, or “accountable.”

Advisory board. Advisors who provide strategic and tactical advice to the management of a corporation, organization, or foundation. The informal nature of an advisory board gives greater flexibility in structure and management compared to a board of directors. Unlike a board of directors, the advisory board does not have authority to vote on corporate matters or bear legal fiduciary responsibilities. Many new or small businesses choose to have advisory boards in order to benefit from the knowledge of others, without the expense or formality of a board of directors.

Amortize. The spreading out of capital expenses for intangible assets over a specific period of time (usually over the asset’s useful life) for accounting and tax purposes. Amortization is similar to depreciation, which is used for tangible assets, and to depletion, which is used in reference to natural resources.

Angel investor. An investor who provides financial backing for start-ups or entrepreneurs using his or her own money. The capital an angel investor provides can be a onetime injection of launch or seed money or ongoing support to help the company get to the next milestone, such as launching a new product or raising a round of new capital.

Burn rate. How much your company is spending each month to run the business. Gross burn is actual cash expenses per month. Net burn is revenues per month minus actual cash expenses.

Close. Final stage in taking in new investment, when the paperwork has been executed and the funds have been received.

Conversion rate. The percentage of users who take a desired action on a website (e.g., sign up for a newsletter or purchase a product or service) versus the number of users who visit the site. If there are 10,000 visitors to your website and 200 buy your product, then the conversion rate is 2 percent.

Convertible notes. A legal agreement for short-term debt that converts into equity. In the context of seed financing, the debt typically automatically converts into shares of preferred stock upon the closing of a Series A round of financing. For example, investors loan money to a startup as its first round of funding, and then rather than get their money back with interest, the investors receive shares of preferred stock as part of the startup's initial preferred stock financing, based on the terms of the note.

Distribution channels. The chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer. A distribution channel can include wholesalers, retailers, distributors, and the Internet.

Due diligence. An investigation of a company in which a person is considering a potential investment. Due diligence serves to confirm market research, material facts, management references, and so on.

EIN. Employer identification number. Also known as a federal tax identification number. When it is used to identify a corporation for tax purposes, it is commonly referred to as a tax identification number. It's like a social security number for your business.

Emotional intelligence. The ability to monitor one's own and other people's emotions, to discriminate between different emotions and label

them appropriately, and to use emotional information to guide thinking and behavior.

Equity. A stock or any other security representing an ownership interest.

Gross margin. A company's total sales revenue minus its cost of goods sold, divided by the total sales revenue, expressed as a percentage. The gross margin represents the percentage of total sales revenue that the company retains after incurring the direct costs associated with producing the goods and services that it sells. The higher the percentage, the more the company retains on each dollar of sales to service its other costs and obligations. The margin is a company's profit on sales before deducting the cost of goods sold or any other expenses, such as shipping or overhead.

Hockey-stick growth. A sharp increase that occurs over a period of time. The line connecting the data points resembles a hockey stick, with the "blade" formed from data points shifting diagonally, and the "shaft" formed from the horizontal data points. Hockey-stick charts have been used as a visual aid to show dramatic shifts.

Incubator. Also known as business incubation programs. They typically offer office space, business skills training, and access to financing and professional networks and can last from several months to several years. Incubators typically do not take equity. You must apply for admission.

Institutional investors. Operating companies or organizations that pool large sums of money on behalf of others and invest those sums in securities, real property, and other investment assets. Banks, insurance companies, retirement or pension funds, hedge funds, investment advisors, and mutual funds fall into this category. Angel investors are not institutional investors; venture capital firms are. In other words, angel investors invest their own money, VCs invest other people's money (although the partners typically are required to have some skin in the game, amounting to 1 percent+ of the total fund).

Key performance indicators. Quantifiable measures that a company or industry uses to gauge or compare performance in terms of meeting its strategic and operational goals. Also referred to as key success indicators.

Liquidation preference. A term used in investment contracts to specify which investors get paid first and how much they get paid in the event of a liquidation event such as the sale of the company. It refers to the

“preference” that investors (angels and VCs) typically require and gives them a choice upon liquidation to either (a) get their money back or some agreed ratio thereof or (b) convert their preference shares to common and participate pro-rata in the exit that way. Liquidation preference helps protect venture capitalists from losing money by making sure they get their initial investment back before other parties. If the company is sold at a profit, liquidation preference can also help them be first in line to claim part of the profits. Investors (angels or VCs) are usually repaid before holders of common stock and before the company’s original owners and employees.

Margin. The amount of profit on any given product or service sold. Margins break down further into gross margins, operating margins, and net margins.

Pitch deck. A brief presentation, often created using Keynote, PowerPoint, or other slide sharing software, to give an overview of your business plan. The pitch deck is used during in-person or online meetings with potential investors and partners.

Proof of concept. When a prototype of a product or an approach to a certain business problem is thought to be viable and feasible, such as when customers are paying for it and it is meeting with customer satisfaction.

Runway. The amount of time until your start-up runs out of cash, assuming your current income and expenses stay constant. Typically calculated by dividing the current cash position by the current monthly burn rate.

Scalable. A business that has the potential to grow very rapidly, usually because it is based on a platform that can be expanded at low incremental cost and with low incremental human input.

Series A, B, C, D, etc. This is the legal term for the various rounds of financing of a company. Depending on the needs of the company, a Series A round of financing may be enough to propel the company to the point at which it can stand on its own with its operating cash flow. Successive venture capital rounds are named alphabetically.

Stock options. The rights to purchase equity in your company, which you can grant to management or key employees, board members, or advisors. They represent the option, or right, to buy common stock in the future at a preset low price. They can be exercised at that price once they have vested, which is typically after a period of years.

Strategic partnership. An alliance between two companies, usually formalized by one or more business contracts, which allows both companies to leverage their assets and/or customer base. It may involve investment or coinvesting in a project or initiative.

Sunk cost. A cost that has already been incurred and thus cannot be recovered (i.e., cost of creating a product).

Term sheet. A document outlining the material terms and conditions of a business agreement, specifically investment terms. After a term sheet has been executed, it guides legal counsel in the preparation of a proposed final agreement.

Tranche. A French word that means “slice” or “portion.” In investing, it refers to when a company closes a transaction and receives the funds in two or more increments. Tranche can be used to ensure appropriate timing for the receipt of funds or to allow the company to hit certain necessary milestones before receiving the balance of the funding.

Unique value proposition. A statement that summarizes why a consumer should buy a product or service. It should cite reasons that the product will add more value or solve a problem better than a competing product.

Venture capital. Money provided by investors to start-up firms and small businesses with perceived long-term growth potential. This is a very important source of funding for start-ups that do not have access to capital markets. It typically entails high risk for the investor, but it has the potential for above-average returns. It is typically invested in the form of equity (e.g., an ownership share).

Wallet share. The percentage (share) of a consumer’s spendings (wallet) allocated to products in a particular category.

Working capital. A measure of both a company’s efficiency and its short-term financial health. The working capital ratio (current assets/current liabilities) indicates whether a company has enough short-term assets to cover its short-term debt.