

Sample Interview with Jay Goltz about Small Business Challenges and Successes

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Q: Many people are looking for that new big idea. Any tips?

A: Most successful businesses are not new ideas at all. They are better execution of an existing concept. Did Starbucks invent coffee? For every Facebook, there are 100,000 old school businesses.

Q: With all of the resources available today, why is the failure rate for new businesses still as high as 75% or so?

A: To be successful in business requires a basic skill set in marketing, finance and management. Most people are great at one, maybe good at the second, and are incompetent at the third. It is like a three legged stool with one short leg. You fall on your butt.

Q: Do you think it is safer to start a business with a partner so you can share responsibility?

A: That is probably mistake number one, before you even open for business. People go into business with their friend or relative because it is more fun, more comfortable, and less scary. But it is not necessarily safer. A strategic partnership makes sense when both parties bring complimentary skill sets. When they don't, one person usually works harder than the other. If things go well, one is more critical to the success of the company. If things don't go well, it can create hostility.

Q: What are common mistakes you have seen that have ruined what might have been a successful business?

A: One of the bigger ones is the idea that you can just hire a bookkeeper or accountant to "take care of all of that number stuff." Every entrepreneur should have a basic understanding of accounting. Income Statement, Balance Sheet, and the difference between cash flow and profit.

Q: Now that you have over 100 employees, what do you know about management that you didn't know when you started?

A: I believe that 75% of management is hiring the right people in the first place. Most entrepreneurs do what I call "accidental hiring" when they start. They hire their friends, their friend's cousin, the neighbor's kid... Great companies have great hiring protocols.

Q: Do you have any tips on hiring?

A: Sure. First of all, make sure that the person doing the interviewing is a good listener. That is frequently NOT the entrepreneur. Ask compelling questions that get the person to talk. Check references.

Q: What is the hardest part about building a staff?

A: “Unhiring” the wrong people. Firing. Many bosses avoid confrontation and hope that an underperforming employee will get better. Sometimes they do, but many times they don’t or can’t. It is a harsh reality, but the one of the boss’s many jobs is to make sure that the right people are in every position. It isn’t always pretty.

Q: What is the best way a new company can market themselves?

A: Marketing is about figuring out who your best potential customers are and figuring out how to reach them. It is also about determining the best message.

Q: What do you tell people who say that “All I need is to find new customers to get profitable!”

A: Keeping old customers should be the first order of business. The next thing I always look at, and frequently find problems with, is the pricing of their products or service. It is a common and costly mistake that many businesspeople make. They don’t understand their costs, and they are actually undercharging. As a result, they are busy but unprofitable. They assume that more business will fix the problem, but in reality they will just get busier and still not make money.

Q: How did you go from working in the business to working on the business?

A: It is all about having the right people, good training and delegating. You also have to understand the income statement enough to figure out how to pay all of these people. It really involves everything I have just talked about.

Q: You always hear the mantra “never, never quit”. Do you think that is true?

A: Yes and no. That is a very misquoted line from a speech that Winston Churchill gave during WWII. The rest of the sentence includes “unless in good judgment.” In addition to the five businesses I own, are another five that I started and closed down. Sometimes things are not well thought out, don’t work because of unforeseen problems, or maybe you’re just miserable! With that being said, being successful does require the tenacity to weather all of the storms that are sure to come. But going down with the ship is not being tenacious.

Q: How do you keep balance as an entrepreneur?

A: You mean try to keep balance! It is hard, especially in the early stages. In most instances, it is a case of tolerable sacrifice. Did I go to all of my kid’s baseball games? No, but many of them. Was I at home every night for dinner? No, not even close. Did I pay a price for building a successful business? Absolutely I did. Do I have any regrets? Yes, but too few to

mention. (My Way - Frank Sinatra) There is an old saying that there is no old man lying on his deathbed wishing that he would have spent more time at his business. They got it wrong. It is the day that he (hopefully) drops them off at college. In some ways it's worse. Instead of dying you get to spend years feeling guilty! Here is what I have figured out: "It is not the income that matters, but the outcome." – Jay Goltz

Jay Goltz is founder and CEO of The Goltz Group, a family of five design-minded businesses based in Chicago, including Artists Frame Service, Jayson Home, Chicago Art Source, 1-800ARTWORK.com and Bella Moulding. Jay's ability to bring clarity and insight to complex small business challenges in a unique and entertaining way has made him a highly sought-after speaker, published author and lead blogger for The New York Times small business blog, "You're the Boss."

Jay Goltz has appeared on the cover of Inc. Magazine and written a column for CNN/Fortune Small Business. He has also been featured in national media such as Forbes, The Wall Street Journal, Crain's Chicago Business and the Chicago Tribune. He has appeared as a commentator on MSNBC and Fox Business News. Known as a "Business Speaker Who Actually Runs a Business," Jay's speeches provide a uniquely full-circle perspective. He regularly gives speeches to small business groups and Fortune 500 companies. His company, the Goltz Group, is one of only 14 companies featured in "Small Giants" a bestselling book about companies that choose to be great instead of big.

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