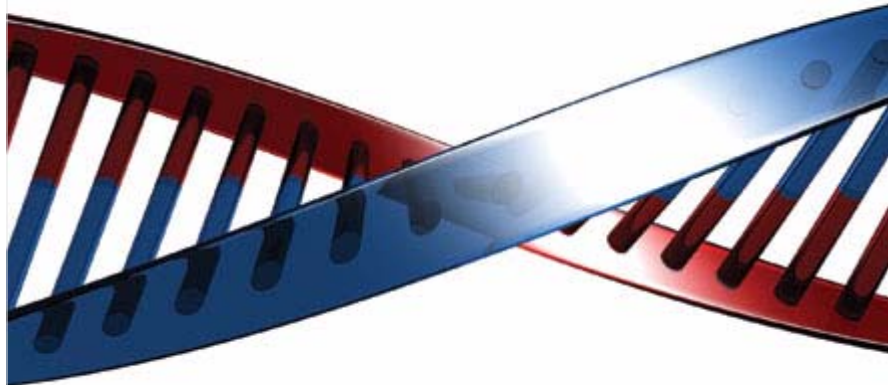


DNA OF THE YOUNG ENTREPRENEUR

A WAY TO WEALTH FOR YOUNG ENTREPRENEURS



SEAN McCAULEY

HappyAbout.info



“DNA of the Young Entrepreneur” Book Excerpt

A Way to Wealth for Young Entrepreneurs

By Sean McCauley

**Subset of the book brought
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- About the Author
- Getting the book and other books from Happy About

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Introduction

This is a book for young adults who have the drive, attitude, and intelligence required for business success, but who lack an understanding of what success requires and are confused about how to get started.

I'm writing this book especially for young entrepreneurs who have the urge to get out of the run-of-the-mill daily grind of working for The Man and lift themselves to the next level where they can be masters of their own fate and perhaps accrue more wealth than would be possible in any 9-to-5 job.

The book is also for the entrepreneur who is stuck in a rut and looking for assistance in getting themselves to the next level of success.

Some people have the motivation, intelligence, and energy to do well in business, but don't have a path to follow to success.

I'll help motivate you in discovering your own dream and will show you illustrations of the framework that will guide you to success, plus examples of the sort of attitude and commitment required to enable you to get there.

If you want to learn how to get into business for yourself or to succeed in the business you already have, this is the book for you. I'm not giving you a manual for starting and running your business, but providing the lessons I learned and the principles I discovered that got me to where I

am. I've learned the lessons and have identified the principles required to be successful and I'm glad to share them with you.

One of my life's goals is to share what I have done with other people and to assist them in achieving success of their own. So now I'm giving you the real deal—the information that will enable you to overcome and conquer and to figure out what it takes to make it in business today.

2 Carry Out Five Tasks for Success

Successful people are distinguished from those who fail on the basis of whether or not they've done the things that contribute to success. So we'll begin with an overview of the specific actions involved in every successful business venture.

Many businesses flounder and fail almost before they get started because the ill-equipped would-be entrepreneur has not identified the tasks that will make the business succeed. Norman Vincent Peale gave a prescription for success when he wrote,

Formulate and stamp indelibly on your mind a mental picture of yourself as succeeding. Hold this picture tenaciously. Never permit it to fade. Your mind will seek to develop the picture.... Do not build up obstacles in your imagination.

In other words, know where you are going; identify exactly what you need to do in order to get there.

I've compiled and assembled the multitude of finely granulated tasks that provide for success into a polished list of five items. In any business—from selling lemonade to manufacturing long-range jet aircraft—there are five primary things you need to do to be successful.

My own success has been predicated upon my carrying out the following five important tasks:

Task #1 - Create Excitement

Emerson spoke the truth when he observed that nothing great was ever achieved without enthusiasm. He wrote, *The world belongs to the energetic*. A sense of eagerness and excitement are fundamental requirements for success in every important enterprise. I would never get out of bed in the morning before the sun came up to swim 3,000 yards in preparing for the Ironman if I didn't have a sense of excitement about being in the game. I carry that enthusiasm to all aspects of my life.

As the world continues to grow more complicated it becomes increasingly more difficult to be successful without having a lot of passion. Some business owners are able to be successful with a business-as-usual approach, but their companies will never reach their full potential. All parts of life, and especially everything in business, will thrive best with an air of animation. It is up to me, as an entrepreneur, to maintain passion for the project and to instill this in my people.

The excitement has to be centered upon things that are actually happening. I keep in front of each employee the answer to the question, *What is in this for me?* I work to maintain the *esprit de corps* that will motivate everyone to work as a unit, pulling together in the same direction because of the conviction that each will benefit from the success that we create together.

The goal is to make the work so exciting and rewarding that people won't be tempted to play solitaire during work time, or spend hours buying and selling on eBay, or checking the help-wanted section of the newspaper.

Remember that you are under a microscope. Your employees will imitate your actions, behaviors, and attitudes. You are the one setting the tone for everyone in the company. As you go, so will your entire business. Therefore, make sure you are always going in the right direction—leading others to success as they follow in the path that you, by your example, are setting for them.

How you behave when you arrive to the office in the morning will help set the emotional environment for the day. There have been occasions when business challenges have put me through the wringer. People I've worked with understood the terrible situations that I was going through, at times, with serious cash-flow issues, accidents, illnesses...they don't need to be reminded of the stress, that's your responsibility as a leader; don't take it out on your team.

Tough times give leaders opportunities to shine. There is absolutely no place in any business for leaders to conduct pity parties or bitch sessions. A sullen attitude or a gloomy countenance will bring down the emotional climate of the whole team. We need to be strong, confident—usually full of good cheer but always running over with confidence.

If your employees know that you have problems but you come through the door exuding an air of encouragement and hope, you will lift the workplace atmosphere and morale.

People are like tea bags. Hot water brings out the essence of their nature. You can get a team to follow you anywhere if you show them grace under pressure. My employees have developed fierce loyalty to me, in part because they have seen me handle problems that would have broken them.

A pastor once asked an acquaintance of mine how he was doing.

"Fine," the guy answered, "...under the circumstances."

"Well, what are you doing under the circumstances?" the pastor asked.

Someone pointed out that pain is inevitable but suffering is optional. We're all going to experience difficult circumstances but none of us have to be crushed by them—and for the sake of our business and for our example before the people working for us, we'd better not be *under* the circumstances, whatever they are.

Task #2 - Assemble a First-Rate Team

One of the important challenges in any of my businesses is to locate people with the appropriate levels of knowledge, experience, and intelligence to carry out the tasks assigned to them. The profoundly wise John Welch, instructed us to *get the right people on the bus*. Once you have them safely aboard, then it becomes equally important to get them in the right seat.

Don't run your business as a corporate animal. Understand that a big business and an entrepreneur-level project are two different creatures. Some of the things that run the corporate world are transferable to entrepreneurial enterprises—such as paying attention to the metrics of the company, setting up effective policies and procedures, and paying attention to HR issues. But these things aren't what we're about.

Middle and even upper-level managers in large corporations have the luxury of running an enterprise by rote process. When they try to break off to start their own business, they get into trouble by assuming that they can replicate the larger business's success simply by doing business *by the numbers*.

People who try to do this often fail because they do not take into account what I call the *Human Capital Asset*. In big companies things happen by policy and procedure, but in entrepreneurial-size companies they happen by people.

I spent several years working with a Fortune 250 company doing mostly Mergers and Acquisitions. This required me to look at small businesses and try to predict their success. I was very good at the job because the number one thing I looked for was Human Capital while continually seeking to answer the question, *What kind of employees will we be getting if we acquire this company?*

If there was no core of good people coming on board I would walk away from the deal even if the business model they were using was a good one. On the other hand, if the business plan was a little shaky but the people were great, I would be tempted to work with the situation. You can fix business operations but you can't fix people.

When I started my first company, I was totally aware of the importance of the Human Capital Asset and understood the principle: You need good people more than you need anything else.

If you are putting enough intelligence and heart into the effort, finding these human assets might not be as difficult as you might imagine. Most people may seem ill-equipped by attitude and training to excel in any job, but enthusiasm and energy will create vibrations that draw good people towards us. Or perhaps it's a condition of the moral universe that excellent opportunities attract excellent people.

One thing we modern entrepreneurs have going for us at this point is that people who have labored to become superior at some line of work are naturally looking for superior opportunities both to demonstrate and to profit from the abilities that they have developed. Such people gravitate towards opportunities to commit themselves to and grow with a company that they can see is worthy of their superior potential.

I search for the foundation qualities such as loyalty, intelligence, diligence, and commitment. Basic skills are less important because in a few days you can teach a bright, motivated person to perform data entry or drive a truck. But a computer specialist or professional teamster who lacks those foundation qualities won't be a superior worker after two or three years on the job.

It is as important that a team member be trustworthy as it is that they be capable. I will never waste unnecessary resources attempting to protect myself and my business from possible harm or loss caused by someone whom I am unable to trust. No deceitful or disloyal person will ever help me thrive in my business no matter what other traits they might possess.

A good team member also needs to have the important characteristic of being willing to learn and grow in a job. I was hiring a manager for a new area of one of my businesses. Two people wanted the position.

One had been with me three years; another for eight years. We concluded that the one with lesser seniority was the better person for the position.

The senior person was upset at being passed over. "Why did you choose this guy? I've been here for eight years."

"No," I said, "You've been here one year eight times; he's actually been here for three years."

That might have been a little harsh, but it pointed out a characteristic of alertness and teachability that we entrepreneurs need to search for, latch onto and then honor when we find it.

Creating effective relationships with people demands that I, as an entrepreneur, be both tough and generous—as quick to eliminate under-performers, malingerers, and dishonest employees as I am to reward excellence and commitment.

You will never succeed in creating an abundantly successful business unless you learn how to find the right people and then move them into the right positions. Later on, in *Section 2*, we will spend time and learn one of the hardest things a young entrepreneur must master, how to find and choose these people.

Task #3 - Lead by Follow-Up

Successful team building and business growth are accomplished by cooperative efforts on the part of everyone involved. My function as owner and top executive is not to rule but to serve. I don't expect people to try to make me look good or help me to feel good about myself. Just the opposite! I work hard to make them look good and to feel good about themselves, especially about the job they are doing for the company.

Since I am admittedly not the smartest or most capable person in any of my companies, what I do is to manage my employees in order to keep them operating at peak efficiency and effectiveness. I do every-

thing I can to reward and to retain top performers. I share profits with them and praise them for good work. Every one of them is important to my success.

I don't want them to work because they fear getting fired if they screw up; I want to motivate them by sharing with them my vision of what the company is trying to do and what success can mean for us all.

I maintain a hands-on attitude towards my businesses. I'm a firm believer in the principle that you should never ask others to do something that you wouldn't do yourself. I'm not afraid to get my hands dirty. I seldom wear a suit. I rub shoulders with my people and would do anything to help get the job done. I care about them and they know it. My own attitude reinforces their healthy sense of self-worth, on one hand, and their commitment to the business, on the other.

The most important people on my org charts are the customers and my employees interfacing with them in the field. That's where the real business is taking place. Everything else in the company, including my own efforts, should focus upon maximizing most effectively the people operating at that level.

In my early years as a businessman, I got the idea of turning my org charts upside down in order to put the people in the field and the customers at the top with management at the lower levels and me at the bottom. I continue to operate my businesses by this structure.

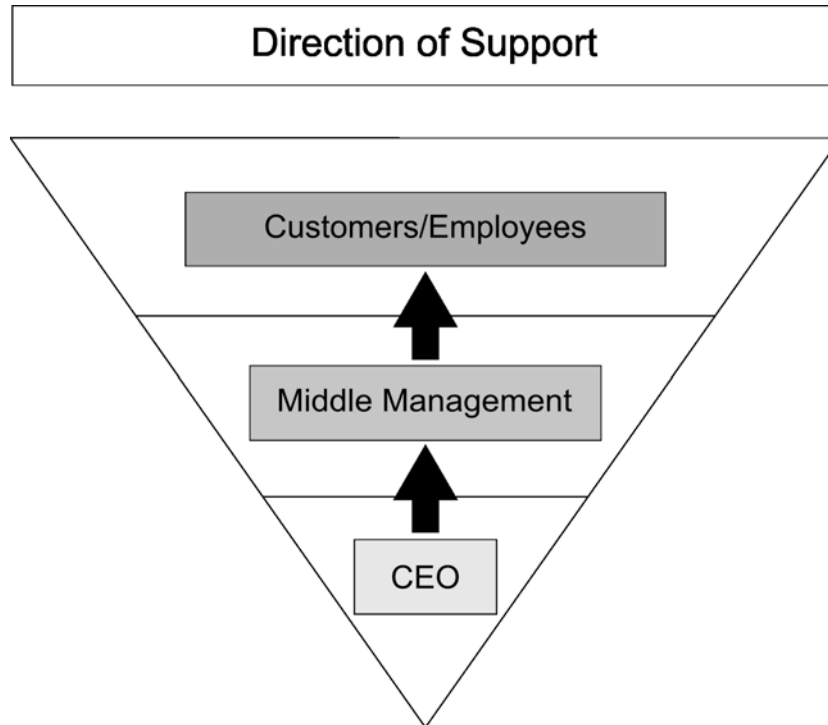


Figure 1: Inverted Org Chart

The bottom line in my businesses are strengthened as I take care of my people and my people take care of my customers. That's worked for me in every business I have. The service business I developed, for example, grew so quickly because I expended a lot of resources in cultivating the people who work for me. I invested time by inspiring them and by training them to their full potential.

Every meeting I tell people, *I'm here to serve you*. It's my attitude. I tell all my managers, *We are here to serve people; then they will take care of the business*.

Task #4 - Communicate the Business Plan to Everyone

My success in any business depends directly upon my successfully communicating to stakeholders in the company the vision and information that they need to perform at the top of their game. I instill in my team members a clear vision of where they are going. Each employee, from the top-level manager to the lowest person in the trenches, must clearly understand where our business is in the marketplace, what we do, and where we are going.

Not only is it my responsibility to ensure that our corporate values are in place, but I have to make sure that people working for me are actually operating in accordance with them.

Businesses waste millions of dollars employing workers who don't really understand what kind of business they are in and so fail to do things that bring profits to the bottom line. If employees are wasting time and goofing off, then their actions jeopardize business and endanger their job security. Therefore, it's supremely important to me to ensure that my managers are successfully communicating to our employees what we are trying to accomplish.

Happy customers are the source of profits, a fact that requires all of us to successfully convey our vision and mission statement to the people we're serving. Customer service is more than half the business. If my employees tell customers they will show up between 1:00 and 3:00 in the afternoon and don't get there until after dark, I'm losing business even if I'm making money on that particular job.

People working for me all understand that we ultimately make money by satisfying customers and not by simply collecting on invoices. If customers or clients are disappointed by the quality of our products or services, then we've failed even if we collect a payment from them.

I expect full-hearted cooperation from each of my employees; we're all in this together to make the company successful, or my employees can't stay in the game with me.

I heard the story of the CEO of an airline who, without announcement or fanfare, walked up to one of the customer service desks belonging to his airline. Nobody was behind the desk except for a man who was reading a magazine.

Suddenly the phone began to ring.

After several rings the CEO asked the loafer, "Aren't you going to answer that?"

"No," the man replied. "That's not my job."

So the CEO walked around the desk, answered the phone, and did what he could to help the person who had been calling.

After hanging up the loafer looked at the CEO in surprise.

"Do you work here?" the man asked.

"Yes," the CEO replied. "But you don't anymore."

I applaud the CEO's attitude of insisting that employees serve the business without erecting barriers around what they will and will not do.

However, my goal is to communicate the business plan, together with the personal implications of the plan, to everyone in the company, and to make sure that everyone is, in fact, on board with the business. That they are provided with the opportunity to join in as a welcome team member to improve their own lot as they work for the enrichment of the company. This is enormously more effective than holding the threat of job termination over them should they fail to show the right spirit.

It is up to us to find out whether or not employees have bought into the program at a heart-felt level. Then, let them decide whether they are willing to get into the game or resign. They can always look for some sinecure job that doesn't require that kind of loyalty and effort that we are looking for. After all, those kinds of jobs are all over. Working to the very lowest level of your energy is what many government positions in post offices, Departments of Motor Vehicles, and the myriad regulatory agencies are all about.

These kinds of jobs are also available in most union shops. Every union contract has at its heart the goal of protecting people, like the loafer behind the airline desk, from having to do things like answer telephones if it isn't in their contract.

But we entrepreneurs can't work like that or have people like that working for us. And who would want to work like that? There are people who are willing to engage in their jobs with all their hearts. We just have to find them. They are all over the place and anxious to work for people like us.

Find them. Communicate the business plan to them. Get them excited. If you treat them right they'll work their heart out for you.

Task #5 - Delegate Work

Next to your time people are the most valuable resource in almost any business venture. Unless you are doing some small work-from-home business you will not be able to do everything yourself. The wisdom to make the right decisions about what tasks and responsibilities to retain personally, and which ones you need to hand off to someone else, is one of the most critical parts of managing any business.

My most important task is to stay on top of things and to understand what is actually happening at all levels of each of my companies. If I don't know my business better than anyone else knows it, the business will never dominate its particular niche.

My knowledge then permits me to effectively place the right people into the right positions and ultimately do the right things. Almost nothing is more important than assigning to people with the required skills, talents, and attitudes appropriate tasks together with the correct authority to act and make decisions.

The challenge for me is to avoid the twin errors of not providing sufficient supervision on one hand and inappropriately micromanaging employees' tasks on the other. Accountability and trust are the two keys for finding the right balance. Through accountability, goals are set so that subsequent progress can be measured and reported. Appropriate acknowledgement is made for meeting and exceeding goals, and cor-

rective actions or revisions are made when goals are not met. When accountability processes are conducted in an atmosphere of trust, a healthy situation is created that eliminates the need for endless reports verifying and validating the process.

Sometimes you can teach a person trust by actually trusting him. Henry L. Stimson once said, *The chief lesson I have learned in a long life is that the only way to make a man trustworthy is to trust him; and the surest way to make him untrustworthy is to distrust him and show your distrust.*

Accountability and trust are the means whereby I get past the principle, *If you want a job done right then do it yourself.* I can't emphasize enough how important it is for me to realize that I usually can't do individual tasks belonging to my businesses as well as the specialists I've hired can. I provide them with sufficient training and incentives so they really grow into their job—becoming much better than I am and, in some cases, becoming far better than I could possibly be.

I think an unfortunate dumbing-down takes place in some businesses because entrepreneurs are threatened by the presence of anyone smarter than themselves. But my attitude is just the opposite because I'm encouraged when I've hired someone brighter or more talented than myself.

How bright is it for me to seek to get the best people possible to work for me? How dim would I have to be to try to maintain my own level of intelligence as the highest that I'll permit in my company?

Don't be afraid to praise. Many supervisors have mistakenly believed that if you praise people for excellent performance you run the risk that they will take advantage of the situation by believing that if the boss was pleased then perhaps they worked harder than was necessary. Just the opposite is actually true. A slap on the back or a *Good job!* will only cause good workers to increase their efforts. Actual research has demonstrated that most of us prefer a sincere commendation for a job well done to receiving a bonus.

When you need to correct or rebuke an employee, you can soften the effect and save the person's pride by adding a praise at the end of the transaction. If you tell someone, *You are one of our top performers*

when you are here, but you have too many absences, the effect is altogether different than if you say, You have too many absences even though, when you are here, you are one of our best performers.

I say this because appropriate feedback is a key component to delegation. Some people delegate responsibility but then never revisit that decision. A great leader, on the other hand, will follow up and praise a project or job duty well done by a particular team member. Or, when appropriate, give the constructive criticism to employees in order to help them improve.

About the Author



Sean McCauley is a wunderkind—with the strength and determination to succeed at whatever he does. Sean, a young entrepreneur, was raised in rural poverty and has lifted himself to wealth in the millions through his service, import, and real estate portfolios. The intensity, commitment, and preparation that Sean demonstrates provide practical starting points for anyone who wishes to become wealthy. Though still in his late 30's, Sean has become successful in business several times over, with accomplishments such as SBA's Young Entrepreneur of the Year, and the San Francisco Bay Area's Most Successful Under-40 recognition. He has sufficient self-awareness and analytical abilities to clearly describe the principles and practices that have contributed to his success, so that others can follow where he has led.

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