



Why Is the Deck Stacked Against Entrepreneurs?

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FEBRUARY 9, 2021 — *Here are some insights for the few brave men and women who dare to leave the corporate sloth behind—lessons I have learned first-hand.*

When you look across the business spectrum, you see corporate managers and career executives strutting their stuff about their accomplishments. On the fringes you find gritty individuals with the will power of a horse, bruised and beaten, battle hardened, and humbled by their survival. In today's business world as an entrepreneur/small business owner, the deck is stacked against your success in almost every way possible; from taxes to large corporations who squeeze you so hard you need an oxygen tank to survive.

There are 5 obstacles everyone who starts a greenfield business better be ready to conquer:

Capital

Capital—oh such a fine sounding word, it's the fountain of innovation and it is everywhere, just listen to CNBC and the media talking heads. Capital, Capital, Capital. You only need to call your friendly banker and the fun coupons will be flowing like candy at the carnival—unless you are a business under \$50 million dollars: then you find yourself with small to limited options like personal guarantees, or Venture (or shall I say Vulture) Capital, not to mention double the rate of your corporate competitors.

The simple truth is that you better be prepared to go it alone or do not go at all. Only when EBITDA hits a magic number, you have taken all the risk, and done the hard work will you be invited to participate in the luxury of capital available to all your large competitors.

Employees

Most Americans enjoy finding a role in the corporate life, flush with benefits, divided tasks, and low expectations for performance. Entrepreneurs and small business owners need employees that work like

the farmers of yesterday: long, hard days, multi-tasking, taking ownership, doing whatever it takes to win, and never abandoning the task at hand.

Finding these special few employees, who are more like partners in crime, can feel like an impossible task. Who signs up for that kind of work when you can get a cushy chair at a large multinational where only your boss knows your name? Well, there are a few, and when you find them, they are gold. My advice: share the spoils!

Customers

This is where you make it or break it, folks.

Customers come in all shapes and sizes, all personalities, and you are at their mercy. Entrepreneurs and Small Businesses need to be keenly focused on providing the best products and services. The margin for error is thin; why should a large customer take a risk on you? They all print on their Core Values how they value the little guy and support their vendors' success, but usually it stops with the printer who made the poster, the true motivator is profits. If you do not perform, you will be on the heap pile with the rest of dreamers.

Make no mistake about it, the deck is stacked against you. You and your team need to pick the right customers and find ways to give them what they want so you can have what you want.

Perseverance

Entrepreneurship is a game of survival. Your well-capitalized competitors are looking to contain you. The tax man thinks you are his money tree. Corporate supply chain professionals strategize how to crush you before you can get your feet under you. Bankers laugh at your funding requests. Employees leave you at critical junctures when the going gets tough. Customers forget that paying you is part of the contract. And my favorite, if they can't beat you, they will find a way to sue you using big corporate legal firms who protect them through their Conflict Clauses.

Grit

One of my favorite words in the dictionary, "grit" is "courage and resolve; strength of character." I recommend the book *Grit: The Power of Passion and Perseverance* by Angela Duckworth. Angela knows her stuff. "Grit" is the quintessential word for "tough." If you are not tough, having an inner strength that tells yourself you will never fail, do not do it.

Without grit, do not join the ranks of entrepreneurs and small business owners; go back to school, get the MBA, put on the politically correct attire of the day, and find the cushy chair in Corporate America. Grit is something that either you have, or you do not. There is no faking this one. The person with grit runs straight at his or her fears, into the fire, facing every unknown and every impossibility. It is the will to survive in all situations.

As a small business owner and entrepreneur, it is the desire to help others that usually makes the difference. Everyone's path is different; hopefully you will find more friends than foes on your quest. A wise Chinese friend once told me, "Get up expecting the worst and your day will be full of pleasant surprises."

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