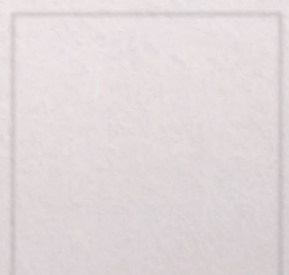
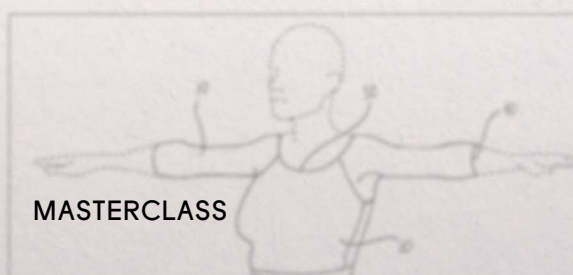
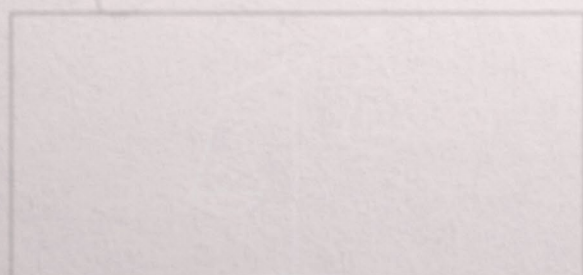
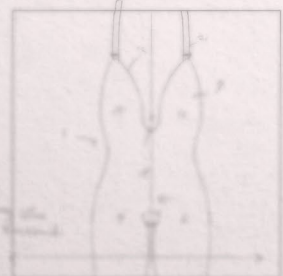
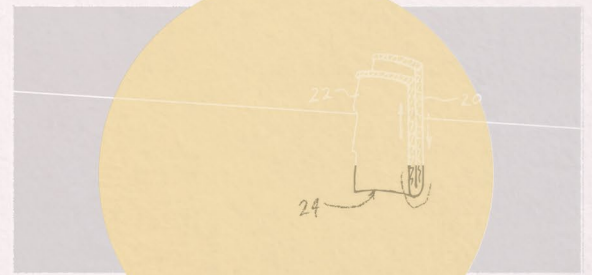
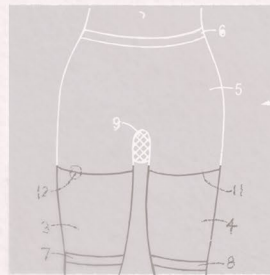
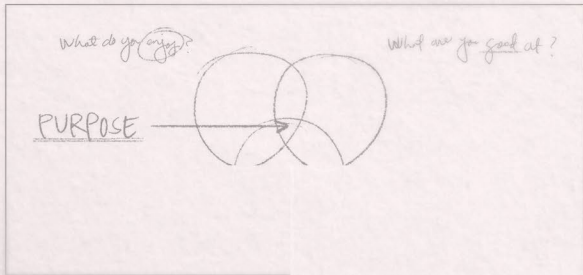
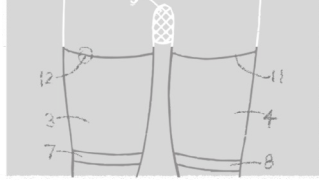


SARA BLAKELY

Teaches Self-Made Entrepreneurship





INTRODUCTION

“I started Spanx as a frustrated consumer. I just wanted to be able to wear white pants to a party and have nothing show underneath.”

Sara Blakely had no fashion, retail, or business leadership experience when she invented Spanx in the late 1990s. All she had was \$5,000 and an idea.

Back then, while hawking fax machines door-to-door in the Florida heat, 27-year-old Sara had to wear pantyhose (a dress code enforced by the company she worked for, Danko). While Sara liked the control-top element of the hose, she didn't like the seam that showed through her open-toed shoes. She decided there must be a way to have one without the other.

Soon after, Sara had a chance to put the idea into practice. She had been invited to a party and decided to go in a pair of cream-colored pants—a garment notorious for revealing underwear lines. To avoid any mishaps, she put on a pair of pantyhose, but first, she cut out the feet. Three years shy of her 30th birthday, Sara made the very first prototype for what was to become Spanx.

Spanx's meteoric rise happened in large part thanks to Sara's marketing savvy. After officially founding the company in 2000, she sent some of her product to *The Oprah Winfrey Show*. That same year, Winfrey featured Spanx as one of her



famously “Favorite Things,” helping the product take off and giving Sara the opportunity to work on Spanx full time. The following year, Sara made a deal with QVC, a home shopping channel, which led to another major sales boost.

Sara is living proof that you don’t need a business degree—or even that much money in savings—to become a successful entrepreneur. “One of the most common misconceptions of entrepreneurs is that we had it all figured out before we took the leap,” she says. Many successful entrepreneurs get started by simply offering a new solution to a widespread issue. Today, Spanx products are available in major chains ranging from Neiman Marcus to Target. Sara is on the exclusive list of billionaire business titans, alongside Facebook creator Mark Zuckerberg and Virgin Group mogul Richard Branson (whom Sara met when she was a contestant on Branson’s reality TV show, *The Rebel Billionaire*, in 2004). She’s also number 23 on Forbes’s “America’s Self-Made Women” list.

After she competed on his show, Branson gave Sara \$750,000 to help start the Spanx by Sara Blakely Foundation, which invests millions of dollars to empower women through education, entrepreneurship, and the arts. And her charitable efforts don’t end there: She’s also donated \$1 million to the Oprah Winfrey Leadership Academy for Girls, and, in 2013, she was the first woman to join Bill and Melinda Gates and Warren Buffett’s “Giving Pledge,” through which some of the wealthiest people in the world promise to donate at least half of their money to charity.

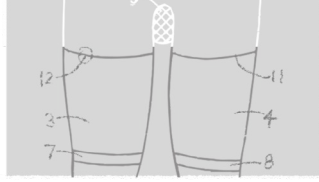
Welcome to Sara Blakely’s MasterClass.

Meet Your Fellow Entrepreneurs

Designing a product and looking for a little feedback? Head over to community.masterclass.com to chat with Sara’s other students, ask any questions, and share your thoughts and ideas.

WHAT YOU’LL NEED

Throughout Sara’s class, you’ll be asked to think on, plan for, and dream about your future business. Dedicate a notebook to this class so you can keep all of your ideas and goals in one place.



FINDING YOUR PURPOSE

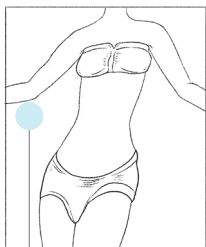
“We don’t have to be as miserable as we are. We don’t have to be as uncomfortable as we are.”

Before doing recon on behalf of Spanx, Sara never thought about who was making women’s undergarments. When she started traveling to various clothing manufacturing plants in North Carolina in the name of research, she discovered something surprising: All the positions of power at the manufacturing plants were held by men.

You may not have the most experience in an industry, but think about this: Are you a person who knows your niche intimately for another reason? Might the people making products in your desired industry not have your unique knowledge about those products? You may know more about what you want to make than all the people who are already making products like it.



WOMEN'S UNDERGARMENTS THROUGH THE AGES



ANCIENT ROME

(753 B.C.–476 A.D.)

Bandeau-like bras helped flatten breasts, as small chests were in style.

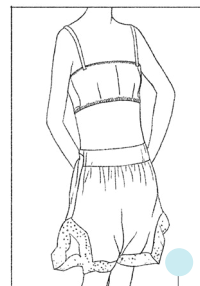
RENAISSANCE

(1300–1700)

Lace corsets and rigid bodices pushed breasts up for ample cleavage.

1800s

Corsets changed shape to create more of an hourglass figure, one that's still in style today.



1920s

As dresses got shorter in the flapper era, underwear had to get smaller to stay hidden underneath. Undergarments stopped emphasizing curves and instead facilitated flatter, straighter silhouettes.

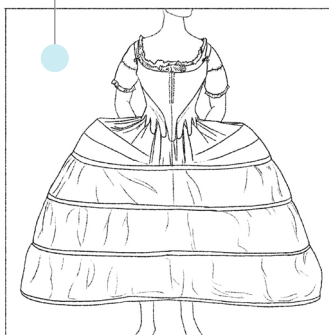
MIDDLE AGES

(500–1500)

Tight corsets emphasized slim waists.

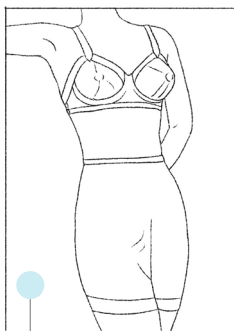
1700s

Long corsets shaped like upside-down triangles pushed shoulder blades back and constricted middles.



EARLY 1900s

Silk corsets came into fashion, and the "S curve" of the garment's hourglass shape became even more dramatic.

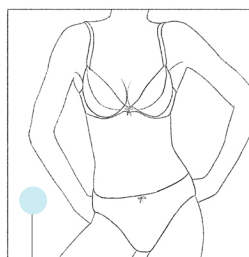


1940s

This era ushered in both the underwire bra and the conical bra. The former would prove fairly enduring (though arguably its current popularity has declined), and the latter would inspire Madonna's costumes in the 1980s.

1960s–1970s

As part of the early feminist movement, women burned bras as a symbolic protest against the oppressive forces keeping them down.



1990s

The Wonderbra, aka the ultimate push-up bra, experiences a surge in popularity.

TODAY

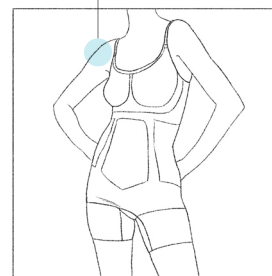
Going braless is a growing norm, as are underwire-free options like bralettes.

1950s

Curvy figures reigned, and undergarments made sure to spotlight the breasts.

1970s–1980s

Victoria's Secret was founded in 1977, forever changing the face of underwear retail.



EARLY 2000s

Say good-bye to panty lines; say hello to Spanx.



Stay Connected to Your Why

Starting a business is—well, a treacherous business. You need to stay focused on something that will keep pushing you forward, otherwise known as your “why.” Why are you doing this? Why is it important? Sara’s “why,” the one thing that kept pushing her toward her goal, was that she felt no one was making products for women that actually considered the wants and needs of women. That’s a very compelling why.

The Mission Statement

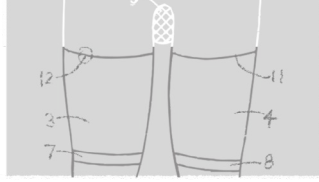
Now it’s time to turn your “why” into your business’s mission statement. This is as much for you as it is for the people who will be working for you and with you. No matter what sort of business you’re trying to start, it’s crucial to align yourself and your team on the why behind the what.

Spanx didn’t advertise for the first 16 years it was in business. Even so, it became a global brand. This happened in large part because of its strong sense of purpose—in other words, its mission statement.



ASSIGNMENT

Settling on a purpose for your business can be daunting. In your notebook, draw a Venn diagram to help you find it. Let the circle on the left represent what you enjoy doing—this can go beyond business and encompass hobbies and types of activities, like “telling a story.” Let the one on the right represent what you are good at in life and at work. Let the circle on top represent the ways in which you want to serve the world. The best way to make this last list, Sara says, is to think about “what breaks your heart.” For Sara, that was women being held back. What is it for you? How do items from those three circles intersect to create the purpose hiding in the middle of the diagram? Using the lists you made as a guide, write out at least three potential mission statements that could fit your future business.



DEVELOPING YOUR BIG IDEA

“I like to ask the question ‘Why?’ a lot. I would say ‘why’ should become your best friend.”

N

ow that you know all about getting into the right mindset and finding your purpose, it's time to get concrete. What are you going to make that will change the world?

Of course, changing the world sounds like an incredibly daunting task. But even the most basic invention can have a huge effect on both individuals and society at large—think about the invention of paperclips or coffee sleeves or even the wheel. Don't let this whole “change the world” idea scare you. You don't change the world by setting out to change the world. You do it by setting out to accomplish your own personal goal.

Let Your Mind Wander

Give yourself some room to dream by putting yourself in a creative mindset. Go someplace where you know you won't be interrupted—your bedroom, somewhere in nature—and start by getting quiet. Spend a few minutes wiping your mind of other tasks and worries. Focus on creating a blank slate upon which to sketch some business ideas.



Sara finds her blank slate in the car. That’s where she came up with the name “Spanx.” (Well, it’s where she came up with “Spanks.” She later switched out the *ks* for an *x*, having read somewhere that made-up words do better as brand names than real ones.)

Once she realized the car was where she came up with her best ideas, Sara committed, going so far as to design herself a “fake commute” to work. Sara lives six minutes from the Spanx headquarters, but she’ll get up an extra hour early to drive aimlessly around town just to have time to do her best thinking while she gets there.

Learn More: The Perks of a Wandering Mind

Have you ever struggled all day on a problem only to get a flash of inspiration once you stepped away from your work and took a walk? Part of the reason for this is the mental quietude you get when completing a rote activity. A 2013 study in *Psychological Science* looked at the effects of meditation on decision-making. After 15 minutes of meditation, participants were more effective at making decisions—in part because they were able to ignore their own biases.

Just as Sara came up with the name for Spanx while driving around with her mind turned off, other inventors have had similar lightning flashes of inspiration while doing absolutely ... nothing.

One of Albert Einstein’s most famous quotes is, “Why do I always get my best ideas while shaving?” While scientists can’t pinpoint why great ideas often come to us in the shower, there’s definitely something to letting your brain relax instead of forcing yourself to churn out ideas on command. According to James Webb Young, author of *A Technique for Producing Ideas*, the way we come up with novel ideas is by taking a bunch of concepts we already know and combining them in new and different ways. If we’re too conscious and deliberate in the way we go about this, we won’t discover new relationships between concepts—we’ll keep on returning to old ones.

Try Young’s idea of letting your subconscious do the thinking. A 2012 *Nature* study, “Neural Correlates of Lyrical Improvisation: An fMRI Study of Freestyle Rap,” looked at—you guessed it—freestyle rapping to study the “improvisatory” phase of creativity. In other words, it looked at the part of creative thinking during which you’re



not really “thinking” at all. To put it simply, the study’s authors determined that spontaneous creativity happens when intentional brain processes are overtaken by action- and emotion-based ones.

In essence, these findings mirror those from the *Psychological Science* study. The more you let your mind wander, the more likely you are to come up with new ideas.

Learn More: Naming Your Business

What would you call those sticky strips you put on your cuts if not Band-Aids? And how often have you called a tissue a Kleenex when a box from the Kleenex brand was nowhere in sight? Sometimes a brand name transcends the product it belongs to and becomes a generic, catchall word.

There is a whole slew of brand names like this. You probably didn’t even realize that most of them *are* brand names. In fact, the first employee at Blue Ribbon Sports, Jeff Johnson, got the idea for the company’s new name from these types of brands. While perusing an in-flight magazine in 1971, Johnson came across an article that highlighted popular brand identities like Xerox and Kleenex. His main takeaway? The best brand names had at most two syllables and at least one “exotic” letter, like an x or a k.

And thus, the brand Nike was born.

You can be the judge as to whether these other brand-cum-product names fit the Nike rule. Here’s a short list to give you some inspiration as you think (or rather, shave absentmindedly) about your company name. Some may surprise you:

Kleenex

Xerox

Dumpster

Escalator

Frisbee

Jumbotron

Laundromat

Thermos

Kerosene

Taser

Jacuzzi

Aspirin

Ping-Pong

Rollerblade

Pogo Stick

Post-it Note

Spanx



ASSIGNMENT

Find out where you do your best thinking: Every day for a week, spend 20 minutes brainstorming in seven different places. Once you find the place where you can be most creative, spend another week thinking in that space for at least 20 minutes per day. If you realize that you rarely find yourself in your best thinking space, make a manageable change in your routine to put you there more regularly. Maybe that means fabricating a commute, or maybe it means forgoing your favorite podcast while you shower so you can brainstorm instead.

Try playing a little word association game. Without thinking too hard, focus on your product or service and quickly write down the first 5 to 10 words that come to mind. Now play around with those words—combine them, change a letter or two (remember how Sara found that fake-word brand names tend to do better than real-word names). Keep in mind that the Internet will play a role in people finding your product. If you hit on some names you like the sound of, check the availability of URLs you can fit that name into—whether it's the name alone or you have to add a few extra, but still intuitive, words (getspanx.com).

Ask Yourself Why

Sara is constantly asking herself *why*: Why doesn't a certain product exist? Why isn't a rudimentary task done in a more efficient way? Why hasn't any product within a specific space evolved in a while?

Life is full of inefficiencies. It's important to remember that most everything around you was created by other (fallible) human beings. The answer to why something doesn't exist may be that no one's been able to make it well, or no one's had the time—or even the idea.

ASSIGNMENT

Carry around your notebook for a week and make a log of every product, design, or process you come across that bothers you. This could be anything from the way the subway tunnel is designed, where you have to push through crowds to get to work, to how the zippered compartments on your favorite purse aren't big enough to stick your phone into.

After the week is over, challenge yourself to brainstorm a few solutions for some of those peskier problems. Sara talks about her frustration with the capes used in many hair salons—they're neither comfortable nor breathable, and they're especially bothersome when sitting under the salon's hot lights. Sara thinks there should be a more breathable cape—a potential product that is now on her list of ideas.



You don't have to find a solution for all the issues you see. But if you keep up with this exercise and incorporate it into your daily life, you may find certain problems that crop up week after week. Pay close attention to those and think about *why* no one has solved them. That might be how you find your own Big Idea.

Filter Your Ideas

So, you've collected some ideas, but you still need to figure out which one is *your* idea. Sara uses three filters to home in on her top priorities: time, money, and resources. As an entrepreneur, you'll have to constantly be checking in on all three.

ASK YOURSELF THESE QUESTIONS FOR EVERY IDEA ON YOUR LIST:

- How hard is it going to be to make this product?
- How much will it cost to make?
- How many manufacturers will it take?
- How much will it cost to ship?
- How heavy is the product?
- How big of a team do you need to help you make and sell your product?

If you're just starting out in your industry, like Sara was in the garment arena, then you may not know how or to whom you should be asking those questions. When Sara was at this level, the Internet was not nearly the resource it is today. In that sense, you have an advantage. Start by doing some basic Googling of your industry—look up its history, or better yet, go to your local library and take out some books about the field you're entering. That will prepare you with a knowledge that manufacturers may not expect from someone just entering their world and could engender some respect.

Now back to Googling. Look up manufacturing plants that make products similar to the one you have in mind. Find a phone number or an email and see if you can get someone who works there to grab coffee with you. The dialogue might sound something like, "My name is _____, and I'm super interested in getting involved in your industry. If you have some time in the next few weeks, I'd love to take you to coffee and talk shop." Yes, some people may hang up on you or ignore your



email—but be patient and be persistent. Chances are that someone will be open to talking to you about what they do—and don't underestimate the joy it brings people to get a chance to talk about themselves and their work.

Finding the White Space

When Sara talks about “white space,” she’s talking about an unexplored entrepreneurial arena. White space represents a lack of solutions to a problem—a place where no product or great idea currently exists as an answer to a dilemma.

Here’s the thing, though: Just because a product idea lives in a white space doesn’t mean you should create that product. Sara jokes that you *could* invent a vacuum cleaner that also makes spaghetti—but why would you? That’s a white space, all right, but is it a white space for a reason? Does anyone want a vacuum cleaner that can also make spaghetti? The answer is probably no (unless you’re a neat freak with a pasta addiction).

To make sure there’s both a need and a white space for your product, you have to do some research. Look online or ask around. Sara performed a sort of ad hoc focus group to address these queries, going from shop to shop and asking female sales associates what their customers wear under white pants to combat panty lines. She also asked the shop owners if they had anything in their stock that would address the issue of panty lines. None of them had particularly compelling answers. Then Sara would ask the sales associates: “If women had pantyhose without feet to wear under white pants, would that help?” The resounding answer from her makeshift focus group was yes.

➔ ASSIGNMENT

In your notebook, make a list of all the products or businesses you can find that are similar to the product you want to create or the business you want to start. For each of those companies, write down what you like and don’t like about them, pro-con style. Once you do that, write down all the ways that your idea is different. To this day, Sara does this exercise whenever Spanx is developing a new product.



Name It Early

Sara names her ideas early in the development stage because, as she says, “it gives them energy.” When you name something, it makes it feel more real, whether we’re talking future achievements or the planet Mercury’s effect on your daily life.

Spanx got its name early on. Since Sara didn’t have much money for marketing when she first launched the company, its catchy name was her calling card. Sara and her team at Spanx still assign internal names to new products shortly after the ideas for those products are formed.

When to Share Your Idea

Communication and validation are part of human nature. When you come up with an idea you love, you may feel the need to share it right away with the people closest to you. But before you do that—don’t.

Sharing ideas leads to immediate feedback, and that feedback may not always be helpful, even if it comes from a place of love or concern. You may be elated about your idea for a new product only to be met with doubt from your friends and family. Hearing all the reasons why your dream might fail at such an early stage is a great way, as Sara puts it, to “squash a million-dollar idea.”

Sara waited a year before she told anyone about Spanx so that she wouldn’t waste time defending the idea instead of pursuing it. Even when she finally shared the idea with friends and family, they were skeptical. “Well, honey, if it’s such a good idea, why doesn’t it already exist?” one asked. “Let’s just think about this for a minute—even if it is a good idea, you’ll spend your savings on it,” another cautioned.

“Had I heard that the moment that I had the idea, I’d probably still be selling fax machines,” Sara says.

If you take the time to really work on and develop your idea—doing the market research, asking yourself all the pertinent questions regarding your time, money, and resources—you’ll have thought about all of its potential successes and pitfalls. That means you’ll have answers ready when friends or family come at you with their skepticism. What’s more, any negative feedback you might get likely won’t lead



to you abandoning your project; you can be confident in the work you've already done. (Sara calls this “sweat equity”—investing so much time and effort in your product or service that being challenged on your idea won't necessarily derail you from pursuing it.)

Even if you don't share your idea with your friends and family right away, there are some people you should speak to about it. Consider getting lawyers and manufacturers involved early on; you'll need people to help you create your prototype or defend your idea by establishing intellectual property rights or getting a patent (more on the latter in a second).

Meanwhile, make sure to protect yourself. It isn't a bad idea to ask people to sign NDAs. (When Sara asked people to sign these in the early days, about half of them would, and the other half wouldn't.) Sara believes that regardless of whether they sign an NDA, people probably won't want to steal your idea until you've already executed on it and it's been proven successful. Lucky for Sara, no one wanted to rip off Spanx—they thought the idea was crazy.

Learn More: Nondisclosure Agreements

The purpose of an NDA is to prevent the signer from releasing any information about particular trade secrets or business ideas to anyone outside that business. Having an NDA ready for the people you let in on your invention first is a smart safety precaution to keep anyone from copying or using your idea, particularly before you even get the chance to start making or marketing it.

Drawing up an NDA isn't that difficult, thanks to the ever-giving resource that is the Internet. Several websites like FormSwift.com and RocketLawyer.com offer up free templates.

If you want more than a standard NDA—one that includes specifics about your business—you may want to get a lawyer involved.



To Patent or Not to Patent?

Sara considers herself an inventor, not a designer. This is mainly because she has patents.

A patent—an official document or license that establishes your rights or ownership over a certain idea or invention—is something inventors use to make sure they get credit for their work. If others use parts of a design owned by someone with a patent, those people then have to pay the patent holder in order to do so.

Patent writing requires the use of specific language and structure—something Sara was unfamiliar with until she went to Barnes & Noble and bought a book about it. Using that knowledge, she wrote most of her first patent herself and hired a discount lawyer to add in some of the legalese.

Sara decided to patent Spanx early on because to her, a patent was akin to a marketing asset. She thought it would garner press because it meant she'd *done something*: Having a patent pending indicated that her idea was both real and unique.

Find more information on patents at [uspto.gov](https://www.uspto.gov).

The Different Ways to Patent:

THE PROVISIONAL PATENT

- A provisional patent allows you to file for a patent without making a formal claim—basically the commitment-phobe's patent. The patent office will hold your idea for one year, meaning no one else can submit a patent for the same product while you decide whether you want to go through with the process of filing for an actual patent.

RECOMMENDED READING:

*Patents, Copyrights & Trademarks
for Dummies*

by **Henri Charmasson and
John Buchaca**

Patent It Yourself

by **David Pressman**

The Inventor's Complete Handbook

by **James L. Cairns**

*How to Write a Patent Application,
Third Edition*

by **Jeffrey G. Sheldon**



THE ACTUAL PATENT

- This means filling out a fully legal and formalized patent application. On average, it takes about two years to get a response to your patent application, but this time period varies depending on the industry in which your product would live. Sara waited about 18 months for her first patent.

Establish Your Difference

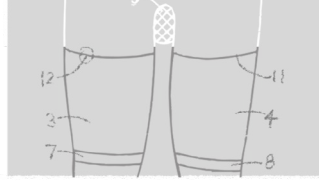
If you're lucky enough to be first to market with your product—the way Sara was with Spanx—chances are you'll generate some easy hype because your idea has never been done before. If, however, similar products or businesses to the one you're working on exist, it's a good idea to get to know your competition.

Sara's Shaper Short with no leg band came out at a time when all other similar products had leg bands. That made it easy to set her version apart. Something that seems like a small or even insignificant detail may have the power to move an industry into the future. Take the underwire bra, for example: Patented in the 1930s, all it did was add a small piece of wire under both cups for a bit of extra support. But department store undergarment sections haven't looked the same since.

ASSIGNMENT

Every entrepreneur needs a clear, concise, and persuasive sales pitch, otherwise known as an elevator pitch (so named because the pitch should be no longer than 20 or 30 seconds, or the length of a short elevator ride). When someone hears your elevator pitch, they should walk away knowing who you are, what you do, and why your business or idea is a game changer. You'll have to use this pitch time and again—when talking to family members who doubt your idea, to the manufacturer you're convincing to make it, and to the first store owner you hope stocks your product.

Start crafting an elevator pitch by looking in the mirror and asking yourself: What makes my product, company, and idea different from the competition? Try to answer those questions in one minute or less without using any hedging words like "maybe," "like," or "I think." Instead, use assertive phrases such as "I know." Once you nail your pitch at a minute, try cutting out anything superfluous, and get it down to 50 seconds. Keep practicing and cutting and practicing some more until you've perfected a 30-second elevator pitch.



ENTREPRENEURIAL MINDSET

“If you continue to practice and hone your ability to talk back to the self-doubt, you are going to have the first big key component to being an entrepreneur.”

Having doubts makes you human. Knowing how to nip them in the bud can make you a great entrepreneur. When Sara was a teenager, her parents separated. Before her dad left, he came into her room and—“I will never forget it,” Sara says—gave her a cassette tape series by Wayne Dyer, titled *How to Be a No-Limit Person*. On the front was the image of a middle-aged bald man with a mustache.

The audio book was about gaining control of your life through positive thinking—which, when the book was recorded in 1980, was something of a revolutionary idea (it came out years before books like Martin Seligman’s *Learned Optimism*, Richard Carlson’s *Don’t Sweat the Small Stuff*, and Rhonda Byrne’s *The Secret*). Dyer emphasized concepts like turning anger into useful action and establishing a clear sense of direction to help guide your everyday activities. Above all, the book taught Sara *how* to think instead of *what* to think, the latter being exclusively what she’d learned at school.

Teaching yourself how to think means acting like your own coach or even cheerleader. “You have to give yourself your own pep talks,” Sara says. Your ability as an entrepreneur will come from your ability to control your own thoughts and confront your self-doubt, making it easier to navigate the failures and disappointments inherent in going it on your own.



ASSIGNMENT

Write down three things that make you angry. Choose one and really drill down on what you could do to make that thing less of a problem in your daily life. Then, write down a plan of action for solving that problem. Or, if you feel like getting creative, come up with a product that could tackle the issue. This doesn't necessarily have to be your big invention, so have fun with it.

Set Your Intention

“A lot of people think Spanx started the minute I cut the feet out of my pantyhose,” Sara says. In fact, it started well before—beginning with the “work” she did on herself as a teenager after discovering Wayne Dyer’s tapes, all the way up through the manifestation exercise that led her to Spanx.

After yet another day consisting of getting kicked out of buildings and watching people tear up her business cards, Sara wrote a list of her strengths in her notebook. She admits she didn’t come up with much, but she knew she was great at sales. So she thought about why: Why was sales her strength? The reason she landed on was that she enjoyed exposing people to things that would ultimately improve their lives. In her journal that night, she wrote, “I want to invent a product that I can sell to millions of people that will make them feel good.” Then, she asked the universe for an idea.

Two years later, she cut the feet off her pantyhose.

Not everyone is going to ask the universe what to invent and get a tidily packaged answer two years later, but Sara’s message is really about setting goals. No matter how lofty it may seem, actively setting a goal—speaking it to the universe, writing it down, mentioning it to friends and family who will hold you accountable—can subtly influence you to work toward that goal bit by bit each day.

Early on in her entrepreneurial career, Sara joined an entrepreneur’s group made up of about 10 people—all men—in her area. At the time, finding a group of female entrepreneurs wasn’t easy, and the men in her group, she later learned, made bets early on about how long she’d remain in business (later, many of them ended up coming to her for advice). She’s been meeting with that same group for nearly 17 years.

RECOMMENDED LISTENING:
How to Be a No-Limit Person
by Dr. Wayne Dyer
(available on Audible)



Today, there are a multitude of groups all over the world for female entrepreneurs. Joining something of that ilk can help you firm up your entrepreneurial mindset and introduce you to other people who are going through the same ups and downs.

NETWORKING GROUPS AND EVENTS FOR WOMEN:

Coworking spaces

The Wing

Perhaps the best-known women's coworking space, The Wing is a pricey way to network (memberships start at \$185 per month). There are locations in New York City, Los Angeles, San Francisco, Toronto, Boston, London, Chicago, Seattle, and Washington, D.C.

Make Lemonade

Located in Toronto only, the space was created by freelancer Rachel Kelly. It offers a variety of membership packages starting at \$49 per month, so it's more affordable for newer entrepreneurs able to invest less in meeting people at their workspace.

Hera Hub

With spaces across the U.S.—San Diego, Phoenix, Atlanta, Washington, D.C.—as well as an international location in Sweden, Hera Hub offers hourly rates and a range of monthly memberships. It emphasizes networking and starting your own business.

**There are countless workspaces like these—this starter list is just to give you an idea of the types offerings out there.*

Meetups

Meetup.com

It's basic, but going to Meetup's website will let you search for events near you. Search "entrepreneurs" and "networking" and see what you find.

Ladies Who Launch

With events around the world, this organization allows for international networking and large, diverse group meetups.

The Female Entrepreneur Association:

This group focuses on women who already have their businesses up and running and who can support each other from that unique and empowering vantage point.

**Again, this is just a sample. Feel free to do your own research to find the group that's the right fit for you, whether you're looking for something local or something that addresses a particular industry.*

ASSIGNMENT

Write down a list of your strengths. Use that list to think of some action items, like Sara did when she wrote about wanting to "invent a product." These are your goals. Visualize something specific you'd like to happen as you accomplish your goals. Something that kept Sara going was an image of her sitting on *The Oprah Winfrey Show*, which she eventually did. What's your version of being on *Oprah*? Write it down, or if you like to draw, illustrate it instead.



Redefine Failure

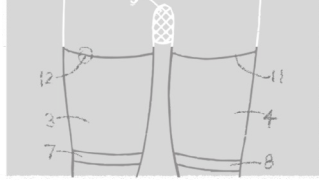
When Sara was growing up, her dad used to ask her and her brother what they'd failed at that week. For each failure, Sara would get a hearty congratulations.

Typically, failing has negative connotations, but Sara's dad turned failure into something positive. Failing indicates that you've tried something, which can be a scary thing to do. True failure is not trying at all.



ASSIGNMENTS

1. Sara looked up to and learned a lot from her father. Who do you look up to? Write down that person's name in your notebook. Then, if that person is living and someone you know, give them a call and ask for the most effective piece of advice they've ever received, and jot that advice down next to their name. If the person you choose is long dead or unknown to you personally, do some research. That might mean asking relatives to tell you about your great-grandmother's entrepreneurial spirit or reading every article you can find about Cardi B's career. Write down the things about that person's life or career that inspire you.
2. Practice failure dialogues. You can do this out loud with a friend, on your own in your notebook, or both. If you live with a roommate, partner, or family member, have that person ask you about your failures every day for a week. Answer honestly. (You can also write down your daily failures in your notebook.) Soon, you may find that instead of feeling shame when you discuss your failures, you'll feel pride at showing off what you've attempted.



PROTOTYPING

“Every person in their life has had a million-dollar idea. No doubt. It’s just, are you going to take action?”

Prototyping is a two-pronged process: First, it’s bringing your idea into the world to see if it *can* be made. Then, it’s examining the strengths and weaknesses of your product by comparing it to what else is out there.

Learn From Your Prototype

It’s okay to Frankenstein parts of existing products together to create your first prototype: Steve Jobs didn’t invent the camera. Nor did he invent the phone or email. But he brought all of those things together in a single device.

When Sara was prototyping, she borrowed ideas from different products, taking her fabric inspiration from one line of pantyhose and her waistband inspiration from another. When making your own prototype, don’t be afraid to gather intel on other products like yours to see what works and what doesn’t. Then, take what works and innovate on it.

Collect Feedback

Try your first few prototypes on yourself. If you wouldn’t buy it and it was your idea in the first place, who would? If it passes the “would I buy it?” test, great—now step it up. Give it to some trusted friends and family members to try.



At this stage, you'll be looking for constructive criticism. Vapid encouragement is nice when you're feeling down, but when you're trying to improve a prototype, don't welcome it. Ask your trusted testers the following:

- What do you like about this product?
- What are three things you would change about it? (Asking for three or more critiques will force testers to come up with real, useful suggestions—ask for only one and they might give you something lame, like, “It’s not exactly my size.”)
- Would you use this?

Then, push them to elaborate:

- *When* would you use this?
- Would you recommend it to a friend?
- Could you see this being your first choice compared to similar products that exist on the market? *Why?*
- Do you see a need for this?
- What are my product's three greatest flaws?

Anticipate Objections

The thick fabric that Spanx products are made from could have been objectionable to some consumers who might have viewed it as bulky or hot. But Sara anticipated her buyers' objections and spun them into benefits: The thick fabric masks cellulite and gives wearers a better silhouette. Figure out how to sell people on your prototype as you make it.

→ ASSIGNMENT

Label a page in your notebook “Possible Product Objections,” and use this page to consider all the issues a customer or buyer might have with any of the products or services on your ideas list. Make a list of all the issues you think someone might foresee, then find a positive spin on those issues. This list will come back into play in Chapter Six: Sell It.



Keep Cost in Mind

You can start to determine a reasonable retail price for your product by looking at the competition. If you're making something that's similar to an existing product, you should have some semblance of a pricing road map that works. For example, if you're making lipstick, you'll know that a tube can command anywhere from single-digit prices for drugstore options to \$38 for a shade by Chanel.

If you're making a product in an entirely new category (congrats, you've made the spaghetti vacuum!), then you may have more leeway to charge what you want.

For Sara, footless pantyhose didn't exist, but hosiery did, so she used that industry as a benchmark to price out her product. Spanx came out on the expensive end, but the idea was genuinely novel.

If you're planning to sell your product wholesale—meaning you're selling your products to retailers who will then sell your products to their customers—a good formula for gauging pricing is the “manufacturing costs x five” rule: In order to make enough money to stay afloat, your product will need to sell for at least five times more than the cost to have it made.

→ ASSIGNMENTS

1. Create a “backdoor focus group” by speaking to five people who match your customer profile. Ask them if the problem your product solves is currently a problem for them and what other problems they have that might be related to your idea. Record their responses in your notebook.
2. Using what you've learned from your backdoor focus group, put together a list of product features that might matter to your customer. Then make a list of the resources you would need to bring this idea to life (for example, a manufacturer or a developer). Reach out to at least three contacts and talk through creating a prototype based on your sketch.
3. If you already have a rough prototype of your product, ask three trusted testers to try it out. Ask each of them the above questions and write down their answers—or better yet, have them write down their answers and submit them anonymously (meaning you won't know whose comments are whose). Your testers might be more honest on paper than to your face.



Is It Ready to Sell?

It took two years for Spanx to go from idea to marketplace. Of course, your timeline may be different depending on the product you're creating. Spend as much time as you need on perfecting your product before it goes public. Repeat the final assignment above again and again until your testers stop coming up with flaws.

How Do You Know Your Prototype Is Ready?

- It solves the problem you set out to solve.
- It gives you the results you're looking for.
- It differentiates itself from other similar products on the market.
- It's the best option out there.

Iteration Never Stops

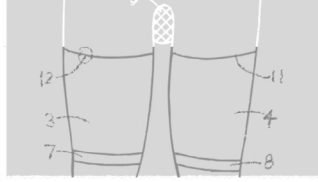
One of the most important lessons in maintaining a successful business is to never stop thinking about your customers.

An entrepreneur's job is to solve problems by making things better and easier for people. The world is always changing, so solutions can't remain static. Think of how often Apple comes out with new iPhones. Sure, the company is creating a somewhat artificial need to upgrade, but at the same time, people are beginning to expect new and better technology.



ASSIGNMENT

Think about your favorite product from 10 or even 20 years ago. Would that product serve you as well today as it did then? Write down three ways you would modify or upgrade that product to make it fit your needs and improve your life today. Then, apply those same principles to your own product: Could you see yourself upgrading it down the line, be it 1, 5, or 10 years from now, if new technologies or manufacturing techniques became available?



MAKE IT

“Speak in definites when you’re talking with a manufacturer. If you show any doubt ... about your product, you’re out the door.”

In a product-focused business, you don’t have a company without having something concrete to sell. Now is not the time to think about your logo. Now is the time to start making your product. You can think about the other details later.

Choosing a Manufacturer

Sometimes you have to settle with the only manufacturer who will make “your crazy idea.” (Sara did.) Still, there are methods to finding this manufacturer.

Screening manufacturers over the phone can save you time and money, but showing up in person is the most effective way to stick in a maker’s memory. If you have the luxury to visit manufacturers, try to see several in one fell swoop by doing a little research. Various cities have certain manufacturing districts: There are a number of cosmetics manufacturers close to each other in Manhattan. A bunch of jewelry makers have their wares crafted in Turkey. And you may not have known that a group of shoe manufacturers are located in South Africa. For Sara, this meant going door-to-door at different factories in North Carolina.

If you don’t have the funds to visit several manufacturers, stick with calling. Just remember to be persistent—it may take longer to get a response, but the squeakier the wheel, the faster it gets the grease.



Here are a few sites to get your manufacturing search started:

Resources for Manufacturing

ManufacturerUSA.com

This website looks like it's from 2005 because it is. Design aside, it actually has a comprehensive list of all types of manufacturers.

Thomas

Easy to navigate, this directory offers specific searches and marketing insights.

Manufacturer and Suppliers Directory

Searchable by industry and/or country.

A Better Lemonade Stand

The free tier of this subscription service provides all kinds of resources for entrepreneurs, but \$19 gives you access to a manufacturer directory for numerous industries.

If you are in the position of choosing between manufacturers, you'll want to consider your proximity to the manufacturer, his or her size and experience, the company's industry connections and financial stability, and finally the amount of collaboration you're looking for.

Remember to ask your manufacturer all of your questions up front when you're working on your prototype. Don't assume anything just because you're working with a professional manufacturer. Here are a few basic questions to get you started:

- Is this prototype scalable?
- How quickly can you make this product?
- What are your payment terms?
- Can we negotiate?
- Can you make every part of this product at the same rate?
- What is the minimum amount of product I can order at once?
- What will my total costs be?
- What happens if you don't ship me my products on time?
- Are there any circumstances that might cause this manufacturing price to change?



Ensure Quality From the Start

Sara didn't have funds for massive quality control early on. But when she learned that her manufacturer was sizing her product on plastic molds instead of real women, she decided to do something about it. Sara took her prototype to women she knew who wore the sizes small, medium, and large, and asked them to wear the prototype around. They made adjustments and comments: One woman ended up cutting the waistband. Another noted that the Spanx kept sliding down her legs. Their feedback was much more useful to Sara than a plastic mold could ever be.

"That's the way we've always done it" is a line Sara heard repeatedly from manufacturers. If that's a barrier you keep hitting with your own product, come up with a polite way to reason with the logic. Sara's rejoinder was, "We put a man on the moon. Maybe we could do this?" It worked for Sara because she struck the right tone. If you don't think you can pull off that tone, come up with your own variation.

→ ASSIGNMENT

Over the next week, pay attention to every conversation you hear in which someone is trying to convince someone else of something. What language does the convincer use? How about the tone? What works and what doesn't in encouraging the other person to see their point of view?

As you do this, take notes on what works in terms of both phrasing and tone. From there, you may find your own version of "We put a man on the moon ... " Test some of these out next time you're having a debate and see how it goes.

Negotiate Minimums

"Nothing can kill a good idea and a start-up business faster than investing in too much inventory," Sara says. It's your job to make sure that you're not overpurchasing and that manufacturers aren't overselling you.

Production minimums can range widely depending on your industry. In addition to asking about them up front to avoid any surprises (and a garage full of unwanted prototypes), do some research in your particular industry before you even approach a manufacturer. Know what a standard minimum is so when you're quoted too high, you'll be able to call B.S.



Once you learn a bit about minimums, do the math. If the minimum is 10,000 prototypes, and your prototype costs \$10 each to make, you're getting asked to spend \$100,000 up front. If that's not something you can afford, you'll need to find another manufacturer.

Diversify to Gain Leverage

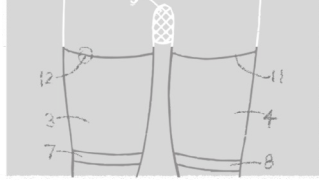
Once your business starts to grow, you can put your eggs into a few different baskets and start using multiple manufacturers. Diversify your distribution, too: If you find yourself selling to one account, start looking for other buyers to be conduits for your product.

Ultimately, your manufacturer spread and your distribution spread should look similar.



ASSIGNMENT

In your notebook, label a page "Buyer Wish List." On that page, list every store, boutique, or location where you'd like to see your product sold in order from most to least desirable. Set a first goal of contacting at least five of your dream buyers within the next three months and a second goal of getting one of those buyers to purchase your product within the next year.



SELL IT

“Control your success as much as you possibly can. Do not leave it in the hands of other people.”

Y

ou may think that when you’re selling your product, you’re selling your product, but that’s not the case. You’ll be selling the *problem* that your product solves.

Part one of your pitch should convince your manufacturer, customer, or buyer that there’s an urgent problem that needs solving. Appeal to their emotions and get them to either identify or empathize with the problem. Ask, “Has this ever happened to you?” If it hasn’t, make them feel for the people it does happen to: “This is something that my friend/mother/coworker has had to cope with her whole life.”

Part two of your pitch is showing how your product alone is the solution to this urgent problem. Part three is something we discussed in Chapter Four: Prototyping—anticipating the objections your customer might have. As you roll out part two of your pitch, integrate objection anticipation.

→ ASSIGNMENTS

1. Write your pitch in three parts: Describe the problem you’re addressing, explain how your product is the solution, and, using the list you came up with in Chapter Four: Prototyping, address all the possible objections to your product being the best solution to the problem. What makes your product better than all other options out there, or, if it’s a brand-new innovation, what makes it a must-buy for your customer?



2. The only way to really see if your sales pitch works is to test it out. Practice it on a few friends. As always, take specific notes on the feedback, and work on addressing their issues in your product and your pitch.



**RECOMMENDED
READING:**
The Platinum Rule
by Dr. Tony Alessandra

Understand Your Audience

Dr. Tony Alessandra’s book *The Platinum Rule* offers an alternative to the Golden Rule: Instead of “do unto others as you would have them do unto you,” Alessandra suggests you “treat others the way they want to be treated.” This concept led him to delineate four different personality types that entrepreneurs (or anyone, really) might have to sell to on their business journey:

<p>The Director</p> <p>Someone who wants you to get to the point. If you’re pitching to the Director, be concise. Don’t spend too much time dwelling on the problem before you present your solution.</p>	<p>The Socializer</p> <p>Someone who wants to get to know you. If you’re pitching to the Socializer, tell your story, starting from your early background.</p>	<p>The Realtor</p> <p>Someone who wants you to connect with them and care about them personally. If you’re pitching to the Realtor, talk about how you care deeply about the people whose problems your product will solve. You’re in this together!</p>	<p>The Thinker</p> <p>Someone who wants to know every detail about your product. If you’re pitching to the Thinker, explain the problem you’re solving analytically, and get to the nuts and bolts of the materials and methods you’ve used to solve it.</p>
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ASSIGNMENT

Identify which of the four personality types above best describes you. Think about how your own personality is reflected in the sales pitch you’ve been developing. Then (privately) identify four different people in your life who fit into each of the four personality types. Rewrite your sales pitch four times, tailoring it for each of the people you’ve identified, and then rehearse each pitch out loud. Putting a face to the personality archetype will help you feel like this is more than just an abstract exercise.



Sara has found Alessandra's book and the personality types he defines within to be crucial in creating her pitching strategies. No matter who she's selling Spanx to, she's able to tailor her pitch based on what drives her audience.

Turning a "No" into a "Yes"

When is it appropriate to try and turn a "no" into a "yes"? Sara has a few tactics on how best to strike a balance between being pushy and being successful.

- If you have an anecdote about a buyer or manufacturer who previously told you no but has since told you yes, share it: "This account first told me no, but then they decided to give it a try and their overall sales went up by X percent."
- Be thoughtful about when to go back to a prospect after hearing no. Give them time to consider what you've offered before asking them again. In the meantime, who knows what could happen—you may gather even more examples of people who've shifted from no to yes while you wait.
- Use humor. Don't take yourself too seriously, and maybe even play on the fact that you're obviously trying to sell something (what Sara refers to as "calling out the humanness of the situation"). If you can gently mock your position, people will feel more relaxed around you and may be willing to give you a try.
- Don't ignore timing. If you get a yes, strike while the iron is hot. Use that yes as a case study to show all of your no clients why they're making a mistake.

Leverage Yourself

Stay hands on. Don't consider your first big department store sale as an indicator that you can rest on your laurels as your product flies off the shelves. For the first two years that Spanx was being sold in department stores, Sara trekked to those stores and sold her product in person. She got the salespeople at the department stores excited about selling her product by meeting them face-to-face and giving them her sales pitch. Even though they didn't work for her, they found themselves on the Spanx team.

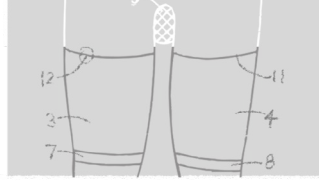


Face Your Fear

Many entrepreneurs fear public speaking, failure, and being embarrassed. Ultimately, a fear of selling comes down to the very human fear of rejection. The only way to chisel away at that fear is to expose yourself to it. Getting rejected again and again will anesthetize you to the letdown, and it will stop stinging so much.

There are various classes you can take to get more comfortable with selling products to strangers:

- Take a straightforward public speaking class—anything to get you more comfortable in front of a crowd.
- Take an acting or stand-up comedy class (Sara did the latter). Both will force you to confront your vulnerability and get you accustomed to talking to strangers. Plus, you'll learn the importance of good timing and delivery—a skill that is as key in sales as it is in acting and comedy.
- Take a debate class. It will push you analyze two ways to look at an issue. This goes back to anticipating objections that potential customers may have to buying your product.



BUILD AWARENESS

“Before Spanx, no one ever flashed their undergarment. No one talked about it. It just created this energy that took on a life of its own.”

T

here are multiple ways to create brand awareness, and advertising is one of them—but it’s not something Sara tapped into for the first 16 years of her brand’s life. (Now 20 years in, Spanx has started buying advertising.) In the beginning, public relations was everything to Sara.

Spread Your Story

Sara talks about a few ways to get your business’s name and story out in the world:

PAID ADVERTISING VS. ORGANIC ADVERTISING

- Paid advertising for your product or business could mean a couple of different things: Maybe you decide to pay a spokesperson or an influencer to talk about your product in a sponsored Instagram post. If you have very deep pockets, maybe you buy a page or a spread in a magazine that your target audience reads. Regardless of what you choose, though, know that buying advertising probably isn’t going to be cheap.
- Remember, Sara started out with organic advertising. Instead of paying someone to show off her product, she sent Oprah a free pair of Spanx in the mail; she showed up at department stores that carried her product and talked to sales reps about what she’d made. As she started to get



more visibility, Sara used a mild sort of shock value—she would flash her Spanx during public appearances. Then, other women wearing their Spanx would flash them at Sara as they walked down the street. It became a movement—one that didn't cost any extra money to start.

EXTERNAL PR VS. IN-HOUSE PR

- Keeping an external publicist on retainer—one who works at a large company and is available to you on a regular basis—can be pricey but valuable: Publicists can write and send your press releases, interface with journalists, and help you organize events. These things may not be in your wheelhouse, so a PR firm could be helpful.
- Sara happens to be pretty good at orchestrating her own PR. She opted for an in-house publicist (in fact, it was one of her first Spanx hires) because keeping PR in-house means maintaining as much control as possible over your brand voice—something you don't want to let slip away as you're just getting the word out about your product.

Who Can You Pitch Your Brand Story To?

Radio/podcasts

TV news

Talk shows

Magazines

Newspapers

Digital publications

Social media influencers

Celebrities

Notice the phrase “brand story.” The story of your brand is what you're going to want to tell people when you're marketing your product. That's what journalists want to write about, that's what radio hosts want to talk about. Have you overcome something to start this business? Where do you come from? What was this idea born out of? The more open you're willing to be about who you are and what you stand for, the more likely that people will relate to you and therefore your product.



Use Your Packaging to Stand Out

Every part of your packaging is an opportunity to make your customer smile. Think about what it feels like to open a beautifully wrapped gift: The paper, bow, and presentation can be as delightful as whatever is inside. That's the note you want to hit with your packaging.

For Sara, making her packaging stand out in a sea of beige and gray hosiery containers was easy: All she had to do was add color. Spanx's packaging shone (and still shines) in bright red—and the color alone subsequently became a form of advertising. Find your pop of color, whether that means a uniquely designed box or a handwritten note to customers who order your product.



ASSIGNMENT

Go on a recon mission at the types of stores that might carry your product. Take a good long look around. What do you see a lot of? And more important, what do you not see at all? Write all your observations down in your notebook and look for a packaging niche you can fill.

Break Conventions

As soon as Neiman Marcus started stocking Spanx in seven stores around the country, Sara called up friends and even acquaintances in all seven areas. She'd ask them—awkwardly, in some cases—to go to Neiman's and buy a product called Spanx, for which she'd reimburse them with a check in the mail. When she was at stores pitching her product directly to customers all day, she'd sometimes have friends she knew in the area come listen to her pitch and pretend to be exceptionally interested potential customers (while she pretended not to know them).

Are you starting to see why acting skills are so important to sales?

Spending time in the stores where your product lives not only will let you pull sneaky marketing maneuvers, it also will let you learn directly from customers about what's missing in your market. Not everyone is the type of entrepreneur Sara is—social, affable, and a natural salesperson. But no matter what kind of entrepreneur you are, you can learn from speaking directly with your customers and potential customers.



ASSIGNMENT

1. You know your product's target buyers. But do you know what *they* know? Do some research and find out what podcasts, television shows, publications, social media influencers, and events your demo is into. Dive deep into the annals of Instagram, YouTube, and TikTok to find the people who represent your product's ideal consumer. Next, make a list of those influencers, media, and events that your demo cares about the most. Use this as a checklist when you try to secure media appearances.

Remember, Sara's top media priority was Oprah, so she sent the TV mogul a gift basket of Spanx to get her attention. Don't be shy about sending samples of your product to your favorite podcasters, Instagram celebs, and journalists in the hopes that they will want to review it.

2. In 2017, Sara invited her friends to take pictures of themselves skiing in Spanx. In your notebook, label a page "(Kinda) Crazy Marketing Tactics." Come up with at least 10 out-of-the box marketing ideas, from having your friends take silly pictures with your product to hiring a photographer (or asking a photographer friend) to help you conceive a funny Instagram campaign.

Strategize Social Media

Sara talks a lot about "filters"—she doesn't like the way Instagram uses filters to disguise the grittier parts of life. As a working mom with four small children, Sara is not about to hide the difficulties of her day-to-day life.

But there's another type of "filter" you can think about when you're figuring out what to post on your socials. Sara uses these questions to help shape her content:

- Will it make people feel good?
- Will it cause people to laugh or smile?
- Will it make viewers learn something?
- Will it help someone?

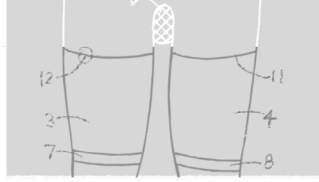
If the answer is no to just the first one, then that should be enough to keep you from posting it. You want people to associate your brand with positive thoughts.



Obsess the Product

“Under promise and over deliver” is some of Sara’s best marketing advice. Expectations are everything, and you don’t want your buyers to be expecting one thing from your product only to receive another.

This doesn’t mean you should sell your product short. Just try not to tell people the slick, new pencil sharpener you’ve invented will give them the confidence they’ll need to finally meet the love of their life. If your product doesn’t do the things you promise up front, people will learn that they can’t trust your brand. Use your marketing to set reasonable expectations. Spanx promised to remove visible underwear lines and make it easier to wear white pants in style. And it did.



PRICING & POSITIONING

“I wanted [Spanx] to feel like a gift people were buying themselves.”

W

hen you’re marketing your product, you have to think about whether you’ve got the “four P’s” right:

Product, Price, Placement, Positioning.

You might have an amazing product, but it’s not going to sell if you don’t put it on the market for the right price. In the past, Spanx put out great products that failed to sell. Then, years later, Sara’s team put some of those products back on the market at different prices, and people started buying.

Early on, Sara kept a few key things in mind when she first had to put a price tag on Spanx: She wanted the product to feel like a gift or an indulgence. She wanted it to be a value-based purchase, not a cost-based one—meaning she wanted it to be the highest-value product of its kind on the market, not the cheapest one. And she wanted Spanx to be premium and perceived as a high-end purchase.

When you think about your own product, do you think of it as premium? Midtier? Value-based, aka affordable? Determining this will help you price it properly and position it on the market (for example, if your product is a premium one, it won’t serve you well to compare it to cheaper competitors).



Pricing is a very personal decision. Sara ended up pricing her products higher than the competition, but just because that worked for her doesn't necessarily mean it will work for you (which isn't a bad thing). Experiment, test, and see which pricing tier is a fit for your product.

Create Perceived Value

As you'll recall, before Sara sold Spanx, she sold fax machines. Those fax machines had the brand name DEX and were competing with a brand you probably know well—Canon. DEX was cheaper than Canon, but lots of Sara's potential customers went with the Canon anyway.

"Why are you buying the Canon?" Sara would ask.

"Because I've never heard of DEX," they'd answer.

Sara kept trying. She'd change the DEX price to match Canon's to see if that would help. It didn't—people still hadn't heard of DEX. So, Sara tried raising the price again, this time to be slightly higher than Canon's. Finally, she had potential customers' attention. "Why is this DEX more money than the Canon?" they'd ask. "What am I missing?"

Keep in mind that perceived value often has little to do with your product's price—it really hinges on whether you can convince customers that your product can and will satisfy their personal needs. The same product can be more or less valuable to different people regardless of its manufacturing costs. Some ways you can play with perceived value:

INCREASE THE PRICE OF YOUR PRODUCT

- Just like Sara did with the DEX fax machines

PLAY UP THE EXCLUSIVITY OR SCARCITY OF YOUR PRODUCT

- Consider the effect of phrases like "limited time only" or "special offer" on potential buyers—people wait in long lines (and pay up) for Cronuts at Dominique Ansel's bakery or McRib sandwiches at McDonald's when they know that supplies are scarce.



BACK UP THE EXCELLENCE OF YOUR PRODUCT

- Eliminate customers' hesitations about whether or not your product works by offering a money-back guarantee. A guarantee shows that you believe in your product as much as your customer should.

Strategize Discounts

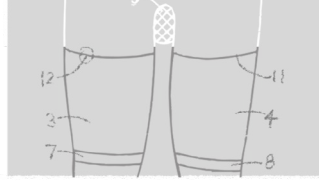
People like sales. This is a universal truth. But it's not always the right time to put your product on sale. Consider sales as a strategic tool, not a default mechanism.

Stores and brands put products on sale to drive purchase volume. Almost without fail, a sale will mean a spike in purchases. But once customers get used to getting your product or service at a discounted rate, it's very hard to go back to your standard price.



ASSIGNMENTS

1. Go back to Chapter Five: Make It. Refer to the exercise at the end of that workbook chapter during which you looked up products similar to yours and recorded their prices. Now, divide those prices by five to determine how much it may have cost to manufacture those items. Do the math for all the products you looked up to give you a sense of the difference between your possible manufacturing costs and sales costs. This is one way you can find the ideal price for your product.
2. Write down your top four considerations as you think about pricing your product. You can mirror Sara's if you have no clue where to start. (Do you want your product to feel like a gift or a basic necessity? Have you found out how to make the cheapest version or a completely different version?) Or you can come up with considerations all your own (are you marketing your product to a specific income bracket?). Use those considerations to further evolve your pricing strategy.



BUILDING A CULTURE

“If someone is super talented and not a culture fit, we will not hire them. Culture fit trumps talent.”

W

hen you're just starting to build a business, the first people you hire are the face of the company almost as much as you are, so take care in choosing them.

There are two different types of people you have to hire: One will support the strengths you already have, and the other will cover your business blind spots. Sara started by covering her blind spots with three positions—someone to manage inventory, delivery, accounting, and accounts receivables; someone to manage publicity; and an assistant—which is advice you'd do well to follow.

Sara's first few hires didn't have prior experience doing the jobs Sara hired them to do—since Sara didn't come from the garment world, it was easier for her to see the value in hires who hadn't, either. What those hires *did* have was an understanding of the value of her product and her vision: They had positive attitudes, cared deeply about the product, and shared Sara's goal of making life better for women.

Here are a few other things you should be looking for in early hires:

SCRAPPINESS

- You'll want people who are versatile—who can, for example, jump from speaking frankly with manufacturers to wooing shop owners.



BUDGET AWARENESS

- Those who play fast and loose with money probably aren't a fit for you right now.

EMOTIONAL RESILIENCE

- People who feel easily flattened by failure don't do well at start-ups—you want your early hires to be able to bounce back after hearing “no.”

The Interview

“Hiring is 50 percent luck,” Sara says. You will inevitably hire some of the wrong people, and there's no way around it.

Strategic interview questions, however, can limit your number of wrong-fit hires. Try using the following interview template for guidance:

The question:

“How would you describe yourself in three words?”

Why you should ask it:

Their answers will tell you how well your applicants know themselves, how they might fit into your company, and how decisive they can be. Narrowing your personality down to three words isn't easy, and doing it with confidence could indicate a good decision-maker.

The question:

“What are your three greatest weaknesses?”

Why you should ask it:

Asking for three weaknesses is key, because otherwise you'll get those stock interview answers like “I'm a perfectionist” or “I work too hard.” By asking for three, you'll force your applicant to choose at least one real one.

The question:

“If you had a million dollars, what would you do with it? And where would you get it?”

Why you should ask it:

This is a way to ask about an applicant's passions without saying, “What are your passions?” (To which you'll get answers like “Art” or “My dog.”) You'll make them think by phrasing the question more creatively.

The question:

“Where do you see yourself in five or 10 years?”

Why you should ask it:

Some of your hires will be short-term, and others you'll want to stick around. Both types of employees are important to building a company. Depending on the answer, this question can help determine which position—short-term or long-term—an applicant is right for.



Stay Scrappy

The more success you get, the more people will start coming out of the woodwork to get in on that success. In the business world, those people often come in the form of experts insisting you need their help to grow.

In some cases, this may be true. Don't turn your nose up at every expert who offers advice. On the flip side, though, you might find that you can perform some of the skills those experts are peddling just fine on your own.

How to Know When to Turn Down an Expert

- Are there readily available materials that can help you do this thing on your own? Think of Sara reading a book on patent writing and getting the majority of that work done by herself before having to hire a lawyer for only the most technical parts.
- How expensive is it to hire the expert? What is the cost/benefit here? An expert may be pricey, but if it's going to take you a year of grad school to get the education you need to do what the expert does well, then maybe your time is worth more than the cost of the expert.

Tips for Defining Your Company Culture

Trust

Trust your employees and they'll trust you.

Empowerment

Don't micromanage—empower your employees to make their own decisions.

Clear Goals

People need to know what they're aiming for, so they feel like there's an ultimate point to what they're doing every day at work.

Purpose

Give your employees a reason to be at work beyond making money.

Fair Compensation

Show your employees that you value their time.

Shared Wins

When the company has a success, your whole team has it, too. Consider treating your employees to some spoils when you hit a home run.

Appreciation

Thank your employees when you know they're working hard.

Freedom to Make Mistakes

Don't punish your team for its failures. If the people at your company get scared of making mistakes, they won't make bold moves.



“Culture eats strategy for breakfast” is one of Sara’s favorite quotes. Strategy means nothing without the right people to execute it.

As the head of your business, you get to set the cultural tone. Here are some key elements you’ll need to think about as you do it:

→ ASSIGNMENT

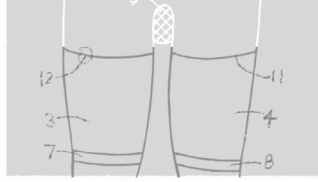
Using the list above as a blueprint, start thinking about how you might want to shift the cultural tone at your current company (or what you’d want the culture of your future company to look like one day). Would you want an open floor plan, or a building with offices? Would you encourage off-site fraternizing between employees? Offer any sorts of perks (like in-office snacks or a weekly catered lunch), or benefits (like the ability to work from home)? Would you, the CEO, hold office hours for your employees during which you speak freely about the company’s health? Elaborate in your notebook on how you plan to make each of these culture strategies a reality at your company.

Give Back

As the owner of your business, you may have specific causes and charities you’d like to invest in. You want to make sure that your employees feel like they’re helping, too. After all, they earned that money with you.

THERE ARE A FEW WAYS TO GIVE BACK WITH YOUR TEAM:

- Allocate charity bonuses: Give employees funds so they can choose exactly which charity they’d like to donate to.
- Give your employees a paid day off to do volunteer work at an organization of their choice.
- Take a paid day off as a team to work together at a charitable organization. This becomes a group bonding activity as well as a way to give back.
- If your company has provided aid to a specific person (let’s say you helped get another entrepreneur’s business off the ground), have that person come in and talk about their success so your team can see the effects of giving firsthand.



SARA'S SURVIVAL GUIDE

“How do I cope with the ups and downs?
Tequila.”

A

t its core, entrepreneurship is obstacle management. In building your business, you are more or less raising a child. And yes, it will poop the bed. Sara has a few methods for coping:

BUILD A SUPPORT SYSTEM

- Lean on family, trusted friends, and partners for a pick-me-up, or join an entrepreneurs' group to network with like-minded people. You can also turn to inspiring content, like self-help books and your favorite pump-up playlist. And, if you can afford it, therapy can't hurt.

TAKE CALCULATED RISKS

- Sara didn't quit her day job until she landed both Neiman Marcus and Saks Fifth Avenue as Spanx sellers. Play it safe to the point that you're able to pay your rent and eat, but don't let a safety net or backup plan distract you from your primary goal.



START SMALL

- That Sara started Spanx with her own cash and never took any outside investments is rare. If you are offered outside investments as you get your company off the ground, ask yourself this question first: Are you taking this money because you absolutely need it to move your business forward, or are you taking it because it will be easier to solve some initial problems with money that you could otherwise solve with your own time, effort, and wits?

BUCKET YOUR TIME

- When you're running a company, you have to deal with everything from accounting to product testing to employee management. To stay focused and keep burnout at bay, put your time into "buckets." For Sara, this means dedicating specific days of the week to various tasks: Wednesdays are for creativity and branding, and Thursdays are all about product. This schedule lets her employees know when it's best to approach her about certain subjects.

FIGURE IT OUT AS YOU GO

- You don't need to go to business school to start a business. "What you don't know can often become your greatest strength," Sara says. Don't wait until you've figured out the full trajectory of your future business before getting started on your big idea. Everybody is constantly learning as they go, including Sara. If you look at someone and think, "They've got this whole business thing down pat," look again, and imagine yourself in that person's shoes. What kinds of thoughts and insecurities might you have in their position? Everyone is human, and everyone has doubts. Everyone is faking it till they make it, at least to a certain extent. Combat self-doubt by practicing personal affirmations and educating yourself about the field you're attempting to break into, and you'll feel prepared for anything.



→ ASSIGNMENTS

1. Maybe you're not a "time bucket" person but give it a try: Start small by bucketing out a single day. Let's say your 7:30 to 8 a.m. time slot is reserved for reading the news while you eat breakfast. Don't let any work happen in that time—everyone needs a rest. Then go ahead and bucket out your workday. Try not to give in to the temptation to check your email or quickly fulfill some task until the bucket that task fits into comes up.
2. Write down three sentences that you want to be truths about yourself but aren't quite yet (for instance, a 27-year-old Sara may have written, "I am an inventor," "I run my own business," etc.). Try speaking those sentences aloud to yourself in the mirror at least once a day. It will probably feel silly ... until it doesn't.

If I Can Do It, So Can You

"Every journey is unique," Sara says. What's unique about your journey?

For your final exercise in this class, write down at least 10 things about you, your product, your brand mission, and your goals that are hyper-specific and tailored to you. (This means you can't write down "I'm a woman," and you can't write down, "I want to help people.") Get as granular as you can.

Think about all the things you've learned from Sara's journey—from cutting the feet off her pantyhose to playing the failure game with her dad to her trajectory with manufacturers and sellers. What makes your brand story utterly and completely you? The more specific you can get, the better story you'll be able to tell—to manufacturers, store owners, individual customers, and yourself.

If you take one lesson from Sara, always remember that you have to be your own best advocate. Don't wait for anyone else to open doors for you. When you feel lost or bogged down, return to your notebook and reread your own inspiring thoughts to remind yourself why you're doing all of this in the first place.

Then, go get 'em.



CREDITS

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Courtesy of CNBC

CNBC interview of Sara Blakely
and Warren Buffet (2013)
Courtesy of CNBC

Julia Louis-Dreyfus with Giuliana Rancic
Courtesy of E! Entertainment Television

Footage From *The Oprah Winfrey Show*
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Chapter Three: Entrepreneurial Mindset

Footage From *The Oprah Winfrey Show*
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Chapter Seven: Build Awareness

Spanx packages
Bryan Anselm/*The New York Times*/Redux

Spanx Power Shorty packages
Bryan Anselm/*The New York Times*/Redux

Footage From *The Oprah Winfrey Show*
Courtesy of Harpo, Inc.

Chapter Eleven: Building A Culture

CNBC interviews of Sara Blakely and Warren
Buffet (2013-2016)
Courtesy of CNBC