

Starting Over

The trials and tribulations of a new adventure

- Mike Reiter -

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PTG Seattle Chapter meeting

Background

After college Mike drove truck.

As a music major with a high mechanical aptitude, he started working on a few pianos.

Started in 1974 Niles Bryant School

Began new business in 1974

Moved to LA and became part of Angelus Piano (1976-78)

Moved back to NW and started another new business in Tacoma

February of 97 with Prosser's began Allegro Piano Service

Ended employment with Prosser's December 31, 2006

Began Precision Piano Works, Inc. Began in November, and then

Activated his new business in January 2007

Challenges

- How to keep faithful clients
- How to wrest the border-liners over to my side
 - Talk to the store for referrals
 - Recommend the clients whom you don't want to others
- Financial challenges
- New shop space
- Inherited projects

Why did I do this to myself?

- Frustration over former employment
 - "Making money" as the first priority was not Mike's focus.
 - Excellence, integrity, service before self
- Standards did not meet goals
- East and west trains meet in unfortunate ways
 - Either you're moving apart or you're going to collide.
 - Mike is not sorry that he did it, yet he's not sorry that he left.

How to start and when

- Organize and plan
- Business plan
 - Figure out what can be done to make the same or more money in less time.
- Accountant and attorney
- Needed to have a cash reserve
 - Salaried employees have a fixed income, yet costs rise.
 - Start working earlier, thereby increasing the available time for income.
- No borrowed money available

- Little inventory to purchase
- Already had the tools and know how
- Need for space (the final frontier)

Implementation of the plan

- Announce to former employer the intentions of leaving.
 - How can we separate and still be friends and survive?
- Letter or resignation
 - Polite, nothing derogatory
- Wish to remain “friends” afterward
- Vowed to support each other
- Final financial resolutions
 - Resolve unfinished and pending jobs and orders
 - Final paycheck
 - Deposit mostly with service oriented details

Must get started on projects

Even with a cash reserve, it is still necessary to generate money to live on.

Mike does college contracts, since 1980, which is a fourth of his collectables and a fifth of his income.

- Schedule shop time.
 - Susan Graham says you shouldn't have to go out to tune to support your shop habit. You should be able to make more money in the shop because there are no travel expenses.
- Kitchen table projects
 - Without ample shop space, he made do with what he had.
- Frustration with lack of space.
- Construction time
 - Built a larger space himself.
 - Installed two electric meters, separating business from personal use
- Organization time
 - Taking the time to organize the shop in a new space does not make money.

Learning new resources

- Re-establish old accounts
- Started new accounts with new companies

How to keep going

- Word of mouth
 - Word of mouth is by far the most important thing we can do
 - Piano work specifically works best this way
- Advertising
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- Web site
 - You can build a web site on Publisher
- Direct mail

- Although the average response is about 1%-2%, our personal list is a specific market and
- They have friends whom they can hand out the mailings
- Return your calls
 - Return calls within 24 hours
 - Tomorrow is too late.

Successes and failures

Successes

- Finished the year in good financial shape
- Finished the year with work to look forward to in January
- Held on to old clients and established new ones
- Shop is nearly finished

Failures

- No information on the web site
- Did not complete all the projects in a timely fashion
- Database is behind

Challenges for 2008

- Finish the web site information
- Get better at organizing my time
 - Windows of time: instead of playing use the little moments of time you do have productively.
- Get better with the office chores
- Return calls
- Develop a better system for orders
 - Post a white board for all pending orders
- Update database

Comments

- This is Mike's third new business, and is a re-learning process.
- Business is supposed to be a profit center, and this can't happen without keeping records, communicating and planning.
- Create a marketing plan as well as a business plan. Get your image in front of your existing and potential customers. When people see and recognize your name and logo, they will come back to you.