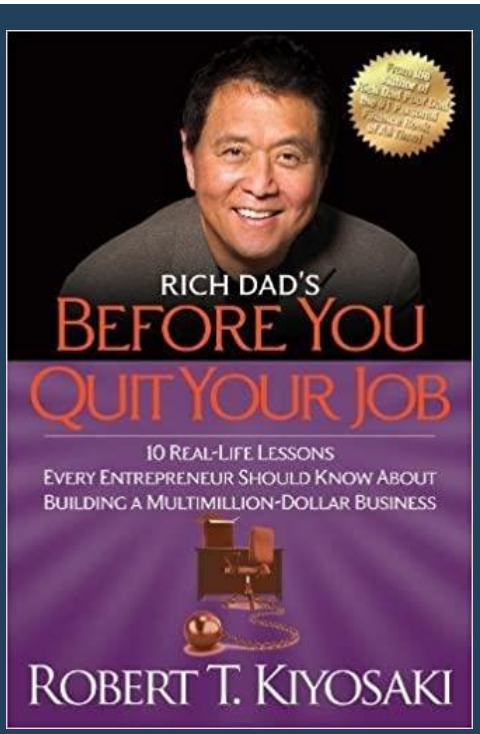


# Before You Quit Your Job: 10 Real-Life Lessons Every Entrepreneur Should Know About Building a Million-Dollar Business

**Empreendedor Rico**
Year of publication: 2012
Author: Robert T. Kiyosaki, Sharon Lechter
272 pages
Link for purchase: https://amzn.to/2UEScaG

The book "Before You Quit Your Job" is part of the Rich dad Collection. The book sets out to give entrepreneurial lessons that can help the reader become a successful entrepreneur.

## Score

**8**

9 Aplicability
8 Inspiration
7 Innovation
9 Impact on results
8 Structure

## Main ideias of the book

- It is not easy to be entrepreneurial and abandon the stability of a fixed salary at the end of the month, but it is possible to succeed in your own business through learning and training;
- Freedom and security are opposite things: employees seek safety while entrepreneurs crave freedom;
- To be entrepreneurial you need to lose the fear of making mistakes, make your own mistakes and learn from them;
- "A successful business is created before it even begins to exist," as the authors say;
- The entrepreneur needs to surround himself with good customers and good employees.

## For whom is this book suitable?

This book is for people who are thinking about becoming entrepreneurial and want to be successful in their own business.

# Overview of the book

## Part 1 - The Five Essentials of Business

The book teaches you how to develop and do your homework, which means ensuring that you will be able to accomplish five key business aspects. Without fulfilling one of them, the business will be harmed. They are:

- Product;
- Legal aspects;
- Systems;
- Communication;
- Cash flow.

The orientation is to become an expert in one of these areas, keeping in mind that it is impossible to be good in all of them and to hire great professional experts in the other four.
Incidentally, the book points out that it is the above tasks that should lead the assembly of a team.
However, although he is not an expert in the five areas, the entrepreneur must be informed about them, master them and have experience at these five levels.
Later, when the business is already underway, making conference lists with these five aspects will be helpful for:

*The orientation is to become an expert in one of these areas, keeping in mind that it is impossible to be good in all of them and to hire great professional experts in the other four.*

- Help identify where the problems facing the business lie;
- Indicate what is really needed to bring a product to market when a new idea comes up.

## Part 2 – From employee to entrepreneur

We are trained from school to be good employees, but we do not learn good entrepreneurship techniques, so becoming an entrepreneur is compared to a metamorphosis.
The entrepreneur is a risk-taker and the transition is not easy, but there are strategies, tactics, and lessons that can be helpful in this transformation:

- Know the right time to resign and accumulate experience in product areas, legal aspects, communication systems, and cash flow as a corporate employee before leaving formal employment;
- Studying: You don't have to be in a traditional business school, you can take courses at Sebrae or Senac and even get books and tools online.
- Learn to think like an entrepreneur and not as an employee;
- Instead of asking “why” ? asking “why not” ?;
- Do homework. Rich Dad explains in the book: “Many entrepreneurs quit without doing their homework. This is why so many small businesses fail or have financial problems ”;
- This includes hiring an accountant to assist with budgeting and expected cash flow analysis;
- Know your own motivation for setting up the business;
- Find out what tasks constitute the business you want to open;

- Circumvent fear and not wait too long to get started, while planning to design the business well and prevent it from being born unsuccessful;
- Maintain formal employment while structuring the business;
- Identify the skills necessary for the company to succeed;
- Know the different types of entrepreneurs and businesses and know which type you want to set up;
- Talk to entrepreneurs to learn which tasks are essential for business;
- Pay attention to expert recommendations;
- Create a willingness to take responsibility;
- Know at what level of entrepreneurship you want to act;
- The entrepreneur should not be too self-directed - "Starting a business [...] refers to other people. It refers to your staff, your clients, your instructors, and how useful you can be to them, "writes the author;
- Keep in mind that it is the mission objective that determines the product.

## Part 3 – Practical Lessons for an Entrepreneur

Once the employee-to-entrepreneur migration process has begun and the business is being put into practice, it is important to know the strategies that need to be part of the entrepreneur's daily life:

- Develop a business plan and structure the legal issues of the venture;
- Learn to spend smart: invest in what is essential to the business so as not to lose money upfront;
- "Allow sufficient time and money for setting up your business and protecting your assets," advises the authors;
- Work hard and take courses continuously;
- Finding the right people and opportunities and getting the money needed for the project - it is rare to have all three then rely on what they have and work to achieve what is missing;
- Put a good enough product on the market without expecting it to be perfect, as that day may never come;
- Learn to assess market expectations and needs to know when it's time to launch the product;
- Not having all the answers, but knowing who to turn to for them;
- Keep studying and learning: "For the true entrepreneur, there is no such thing as a graduation day business," the book highlights;
- Learn to be able to change philosophy, operate without money and without security, focus on opportunity rather than resources;
- Know and apply different strategies to deal with and communicate with different people;
- Hire qualified professionals for all areas of the business, listen to them, but do not abdicate making the final decisions, since it is ultimately the entrepreneur who is responsible for the gains and losses of the business;
- Find out how to differentiate yourself from the competition;
- Know how to sell and hence raise capital - which can be done through friends, banks, and lenders, clients, suppliers, investors and capital markets;
- For those who cannot sell, working as a salesperson in a business is the suggested alternative - every entrepreneur has to be a good salesperson;
- Offer an exclusive product or service; in other words, something no other can provide;
- "Get rid of both bad customers and bad employees," Rich Dad teaches from the book - they can drive away good customers and good employees;

*Emotions are part of the life of any human being and this is no different for the entrepreneur.*

- Do not put the business at risk by spending money unnecessarily on itself;
- Decide on the most appropriate price for your product and type of customer - lowest, intermediate or highest. If you want to reach more than one type of customer, create more than one brand with different prices for each customer;
- Position the image of your product or brand through mechanisms such as advertising, marketing and pricing depending on the target audience you want to reach;
- Know when to stop or quit.

## Part 4 – Dealing with emotions

Emotions are part of the life of any human being and this is no different for the entrepreneur. However, you can learn how to respond to them, as Entrepreneur Rico teaches:

- Fear - move on anyway. As the speed school instructor told the author, “I want you to drive fast because speed will consume your fear”;
- Frustration about making mistakes - making mistakes a productive one by learning life lessons from these mistakes;
- Anger - turn it into fuel or motivation to succeed;
- Joy – use it as a motivation to thank the people who helped you instead of taking it as an excuse to make selfish celebrations.

## Part 5 – The entrepreneur's differentiated positioning in front of the error

An inherent question of the entrepreneur worked out exhaustively in the book, is how he should be behaving differently in relation to his mistakes: he must assume them, never blame others, not despair, and seek to profit from them.

But how to draw something positive from a mistake in practice? For Rich Entrepreneur this involves:

- Do not view mistakes as errors, see them as calculated experiences and risks;
- Do not be paralyzed by the consequences of mistakes or worry about looking wrong: focus on learning from mistakes;
- Do not waste time and promptly resolve problems arising from the error, learn how to prevent it from occurring, and find out how to minimize the bad consequences of the error if it recurs;
- Capitalize on error: Turn problems into opportunities. The solution to the error may be something about which you can expand your business or set up a new venture;

On the other hand, it should also be emphasized that the book teaches how to plan, always study, measure the consequences of their actions and not be irresponsible about mistakes, which can damage the credibility and reputation of the entrepreneur.

## Part 6 – The entrepreneur and the time

The book teaches that time is money, that the entrepreneur needs to know how to divide it for his business, and suggests a short exercise to evaluate how time is being managed:

- Percentage of time devoted to the future: __%;
- Percentage of time devoted to the present: __%;
- Percentage of time spent in the past: __%;
- Total time: 100%.

The co-author of the work divides the tasks of future, present, and past as follows:

- “Future - marketing, public relations, research and development, strategic partnerships, licensing, new business, forecasting and financial needs, legal issues”;
- “Present - order taking, shipping and receiving, customer service, cash needs”;
- “Past - accounting, negative legal issues, federal, state and local regulatory compliance issues, salary reviews”.

There is no fixed rule that determines how the time of all entrepreneurs should be divided, this varies from case to case.
The co-author's advice is to devote more than 50% of the time to the future of the business when the entrepreneur can count on a competent team to focus on the present and past of the business.

## Part 7 – The leader

Rich Dad presented in the book lists the most important tasks for the person running a business:

- Definition of the company's mission, purpose, and values in relation to itself and the world;
- Build a team with the best people;
- Strengthen your company internally and externally;
- Improve financial results;
- Invest in research, development and tangible assets;
- Become a good corporate citizen.

Stop it, when the leader is unable to perform such activities, it is necessary to change the business leadership.
“The leader's job is to modify the company to allow it to grow and be useful to more people. If you can't change it, the leader will keep it small and it may start to sink, ”adds the author.

## What other authors say about it?

In "The Difficult Side of Difficult Situations," Ben Horowitz argues that it is at times when things are not going so well that the leader can make the biggest difference in running his business.

In “Entrepreneurship for Subversives,” author Facundo Guerra tells what led him out of the corporate world and into an entrepreneur, creating more than 10 successful entertainment businesses, including bars and venues. Facundo harshly criticizes some models imposed on today's business and teaches how you can escape these “pitfalls”. In addition, it offers a guide for those who want to start their own business, revealing their mistakes and successes.

Finally, in the book "Dream big", Cristiane Correa complements the idea of personal strategic planning and stresses the importance of maintaining a continuous improvement process to achieve its goals. His ideas were inspired by the visions of the richest entrepreneurs in Brazil. It is possible to draw excellent lessons to apply in your entrepreneurial journey and thus achieve amazing results. Also, seek the long-awaited financial independence.

## Okay, but how can I apply this in my life?

The ideas that “Before you quit the job” seeks to convey to the reader lead to the following practical steps:

- Reflect if you really want to trade the stability of a steady job for the freedom of entrepreneurship;
- Take the first step: start planning the business;
- Study the market, successful entrepreneurs and competitors.
- Seek partners, resources and everything else necessary for the venture to be born;
- Have all the answers to possible questions from an investor;
- Define when is the best time to market your product or service, without taking too long, but making sure that it is of quality;
- Always learn lessons and opportunities from your mistakes;
- Continue studying to improve your business and create new business.

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