

MOTIVATION: ONE ENTREPRENEUR'S FABULOUS STORY



Sometimes what you need to get going is a little kick in the pants. Here's one—in the form of a story about one entrepreneur who made it big.

Shortly after I landed my first job, as an editorial assistant at the now (and sadly) defunct *Working Woman* magazine, a new assistant landed at the next desk. Her name was Laurel Touby (pictured above) and she was a little different than the rest of us. A little more out-there. A little more aggressive. What she loved to do in her spare time was throw parties, inviting her journalist friends to buy their own drinks, network and help each other get jobs. That little enterprise turned into the website mediabistro.com, which just sold to Jupiter Media for 23 million. Here's Laurel Touby's story in her own words.

It started when I hosted a cocktail party with a friend to meet other people in the media industry. Over the course of several years of hosting these cocktail parties, they gradually evolved into a company online and today, the multimillion dollar sale of a business. It was very gradual, and in the beginning I couldn't even conceive of it becoming a company. As I said, it happened over time. The most important thing was that I listened to people. Many came to me with suggestions. They would say things like, "You should be a recruiter or party promoter." I couldn't think of a clean, nice way to make money by connecting people at parties, so when the Internet came along, I put up a website where people could reach each other and post job listings. It was one of the first job sites for media professionals.

In the beginning, the business ran out of my bedroom. I had no money, so I would beg people to help me out—everyone from lawyers to business advisers to programmers who helped create the original website, and I'd pay them what I could along the way. As it got bigger and job listings became more popular, I asked customers to start paying me voluntarily. I said, "If you're happy, and only if you're happy with the service, send a check for \$100 to this P.O. Box." When I went to check the P.O. Box for the first time, out poured eight checks. I thought, "\$800 for doing what?" That's when I realized that I was onto something, and the next month there were 16 checks and it grew from here.

I had to write a business plan and get funding, because you can't start a business without funding. That's a mistake many women make, they start out under capitalized and begin using their credit cards and never really grow. My business plan projected a nice methodical growth track trajectory. That business plan was what I turned to when I made decisions about spending money or moving the business in any direction. It really helps you stay focused. I took it to investors who I met by asking around the media community. With the first meeting, literally within 15 minutes of hearing my plan, the potential investor said, "I'm in with \$250,000." It seemed like a dream come true. I wanted to raise \$1 million, and I told him I thought I needed that amount to be safe. So he introduced me to a lead investor.

I was scared. Early on I had good reason to be, because as soon as I got funding, suddenly the Internet crashed, and everyone was going out of business around me. A lot of those Internet companies were my customers. They weren't able to pay me. So I ended up doing what anyone would do. I landed on people's doorsteps. I went to company offices, demanded to speak to CFOs and asked for a check on the spot. They were paying the squeaky wheel, and what's squeakier than showing up on their doorstep?

Well, 9/11 hit the next year, and it really beat up the media industry and that was our customer base. Everyone was holding back on job listings because they were too afraid to hire. While a large group of our customers—employers—had abandoned us, another group of our customers—job hunters—were still very active on the site. What could we sell them, we wondered? Those unemployed writers and editors told me that they needed training to get new jobs and more work, and, I figured, who better to provide that than mediabistro.com? We

launched a series of classes and workshops geared toward helping them.

About this time, I decided to go to some of my employees, those who were making more than \$50,000 a year, and ask them if they were willing to help out and give up a portion of their salaries in the short term to save the company from firing any of the staff. Everyone agreed to do their share. I took out a line of credit against my apartment and gave up 100 percent of my salary, and my programmer gave up 100 percent of his for three months. We survived and didn't have to fire one person. I think more companies could save body counts by asking everyone to pitch in. Along the way I always gave ownership stakes because I wanted all my employees to feel that they were part of the company and its success.