

Brad Sugars founded Action International when he discovered that small-business people needed help with the day-to-day grind. While conventional wisdom tells us it's lonely at the top, it's also lonely when you're running a small business on your own.

A conversation with Brad Sugars

By Nancy Weingartner

At age 7 Brad Sugars made money selling his Christmas presents to his older and younger brothers. The next year, however, seeing the error of his ways, he instead rented his toys to his brothers, giving him both a revenue stream and a return of toys.

"Never sell anything you can rent," the now 35-year-old says.

Sugars' childhood provided rich fodder for an entrepreneur. At 15, he hired his friends to deliver newspapers, taking a cut of their business. At 16, he learned the secret of sales was overcoming one's natural fear of rejection. His buddy always was able to get a good-looking girlfriend—something those who knew him well never expected—because he asked out every pretty girl until one said yes, Sugars says, laughing.

Growing up in Australia was also helpful. "One of the challenges here (in the U.S.) is you have so much opportunity," he says. "(In Australia) there's less opportunity sitting and waiting for you, you have to create your own."

The opportunity Sugars created was Action International, a business coaching franchise based in Las Vegas. Like his franchisees, Sugars came to coaching after running a successful business. In his case, he owned a share in a photocopy business. In order to drum up business,

he started writing newsletters for businesses to encourage people to use his services to print them. While his customers were good at their specialty, he says, he was surprised to learn they didn't know how to market, and in some cases, run, their businesses. "I started coaching people one-on-one," he says. "Then I started doing seminars, but they weren't as effective as the one-on-ones. They needed someone to hold them accountable."

Seeing a market for what he was doing, Sugars started training business coaches, but he found as soon as they were trained, they'd leave and take the clients with them. That's when he turned to franchising. Thirteen years later, Action International has about



1,000 franchises in 22 countries.

Their niche is small- to medium-sized businesses, and the franchisees also coach business owners on personal growth and leadership skills. The biggest challenge facing these business people, Sugars contends, is the stress of starting a business and then running it day after day, which can cause the owner to burn out. Or, as the business grows, the owner reaches his or her level of competence, thus stalling future growth.

“Business is a tree, sometimes it needs pruning,” Sugars says.

We asked Sugars to share some of the advice he gives business owners. And, bonus, it won't cost you a dime, just a little bit of your time:

- “Small business owners are the loneliest people on earth.” When things aren't going well at work, they can't talk to their spouse because they don't want them to worry. They can't talk to their employees; nor can they talk to their buddies. If you find yourself in this situation, find some sort of support group for small business owners.
- Instead of building a business that's a job, create something that can run without you. (This isn't an empty platitude, it's something Sugars

experienced first hand. “I wanted to retire at 25, but after three weeks of playing golf with guys in their 70s and learning (more than I wanted) about prostates, I discovered retirement wasn't for me,” he says. Sugars did take some time off to be a stay-at-home dad for three-and-a-half years, and the business ran seamlessly without him, he says. Now he goes to work while his two children are in school. “Work is supposed to give us the means to do what we love. When you love your work, that's a bonus.”

- “You get the people (employees), you deserve. Unless you're a great leader, you're not going to get a great team.”
- “Don't scrimp or save on wages. That's the worst thing you can do. You don't want good people, you want great people.”
- Don't hire the best of the people who apply for your job opening. Hire someone who's great. How? Recruit constantly. Don't wait until you need someone, be on the lookout for talent. Compile a waiting list of outstanding employees. If a position is scheduled to open in three months, go ahead and hire the person early

if that's the only way to get them onboard.

- In franchising, get rid of the bottom 20 percent every one or two years. (Action International has an “Up or Out” program to get franchisees to the level at which they should be performing, or the company will help them find a buyer.)
- Firing the bottom 20 percent of employees, however, isn't always feasible. If you've invested hefty resources training employees, replacing them isn't financially sound. Instead find them some other position in the company better suited for their temperament and skill level.
- Relationships with franchisees take time, but if you don't develop them you may find that when you really need to talk to them, they might not take your call.

And, that could be said for all our relationships and for all the parts of our jobs we don't like to do. “Sometimes you have to learn to love what you hate to be successful,” Sugars says. “It's part of the game.” ^{FT}