

# Best Foot Forward | FirstMonday

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by Sarah Sekula

Zappos!

A zippy little word, indeed, and a worldwide phenomenon for the apparel and footwear obsessed.

For the ranks of the uninitiated, it's a nontraditional kind of company — inspired by the Spanish word for shoes, *zapatos*. Consumers choose from a vast selection of products ranging from Manolo Blahniks to high-tech baby joggers to aviator-framed sunglasses.

All can be ordered online and arrive on your doorstep in 24 hours. Don't like 'em, no worries. There's a 365-day return policy. Not to mention free two-way shipping and a customer loyalty team of 350, any of whom have all the time in the world to chat with you on the company's toll-free number. The longest recorded call was five hours!

Not coincidentally, Zappos.com has zoomed to superstardom in consumers' eyes. In fact, it hit the \$1 billion mark two years ahead of schedule, thanks to New Age entrepreneur Tony Hsieh, CEO of Zappos.com.

He's just as unusual as the Tony Lama Eastern Rattlesnake boots he sells. For starters, Hsieh (pronounced "shay") invites the general public to tour the company's headquarters near Las Vegas for a firsthand look at Zappos' culture. With core values like "create fun" and "add a little weirdness," impromptu rap songs or "Zapponian" parades around the office aren't uncommon. Oh, and don't worry about transportation — there's a bus that zips people from the airport, hotels and other spots around town to the sprawling facility.

It's an altogether unusual office with scheduled happy hours, a nap-time area, profit sharing and a full-time life coach. Which begs the question: Why does the sterling Harvard grad encourage such things? Because a company's culture, he says — however quirky it may be — should be something you decide on early and commit to.

He's full of advice for budding entrepreneurs. Better yet, he'll be in Orlando on Nov. 19 as keynote speaker of the B.I.G. Summit, a daylong entrepreneur fest delivered by the Orlando Regional Chamber. And the best part is that he believes entrepreneurs will play a huge part in bringing the nation, including Central Florida, back to economic stability. How's that for positive thinking?

"Many friends of mine are starting their own businesses," he says, "because it's so much easier and cheaper to do so today compared to 10 years ago".

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## Sizzling Startups

Indeed, during the stifling economic downturn, starting up a business has often been the solution for people out of work. In second quarter 2009, about one in 10 people who became employed did so by launching their own business, according to outplacement firm Challenger Gray & Christmas' quarterly Job Market Index.

Many of those entrepreneurs are right here in our own back yard.

It's not surprising — just look at the rankings this year. *Entrepreneur* magazine touts Orlando as "one of the most highly coordinated entrepreneurial engines" in the country. And a bizjournals survey ranks Orlando as the seventh-best city out of 100 in which to start a small business.

Surely, Walt Disney, Central Florida's all-time ultimate entrepreneur, would be proud. What brought him to Southwest Orlando more than 40 years ago were the abundance of reasonably priced ranchlands and a healthy dollop of faith. Fast forward to 2009, and eager entrepreneurs still are flocking to affordable spots to set up shop — but now the chosen destinations also must have a track record.

Such was the case for Orlando residents Consuelo Bellini and Kamuti Kiteme, an exuberant couple who moved here in 2006. They came primarily because it was a proven home base for successful tech startups. And Kiteme was ready to launch his Internet marketing company, Databanq.

"I had lived in New York most of my life and was ready for a change," he says. "We saw the increase in art and culture in Orlando and saw it growing into a metropolitan city."

Plus, there was access to centrally located talent, he adds. The couple considered Miami, but Orlando won out because the cost of living and doing business "is very reasonable" here.

As for Kiteme's wife, Bellini, an artist/designer who originally hails from Italy, her creativity was limited in New York because of the small size and detached location of the working space. And Italy was out of the question. In general, she says, "[Italy] is not as friendly to the entrepreneur as the U.S." Here, locally, she is able to pursue her dreams "without any barriers."

They are hardly alone in choosing Orlando. In fact, John Boyd Jr., vice president of the Boyd Company Inc.,

which has helped locate operations for Time Inc. and PepsiCo Inc., sees a promising future for the region. “Central Florida will increasingly be a destination of choice for many young professionals and entrepreneurs from the Northeast and from California,” he comments.

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## Alluring Climate

Randy Berridge has seen the steady stream of startups over the past 13 years. And, as president of the Florida High Tech Corridor Council, he knows firsthand the dramatic impact entrepreneurs have on a region’s economy.

Small businesses are at the heart of the council’s Matching Grants Research Program, which helps to foster the development of small businesses. The council has invested \$50 million in the program and received \$130 million in matching corporate cash and in-kind investments. The resulting economic impact has been nearly \$750 million.

Those investments also have led to 140 patents, along with hundreds of job creations.

Beyond that impact, such efforts are enticing highly skilled, eager workers like Dan Rini to build their enterprises here. In 1990, Rini came to Orlando from Kingston, Ontario, on a water-skiing scholarship from the University of Central Florida.

He stayed in the area by virtue of the resources offered at UCF’s Technology Incubator to start a company that provides thermal energy–management solutions. Today, Rini Technologies owns a 13,000-square-foot manufacturing facility in Oviedo and supplies its technology to military, automotive and industrial markets.

“The incubator provided me with a facility and allowed me to set up shop,” Rini says. “It was very valuable. It’s kind of like saying, ‘What’s the value of having good parents?’”

Since the 1999 opening of UCF’s Technology Incubator, the entrepreneurial haven has helped more than 90 companies get off the ground.



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## Copy Cats

Notably, folks across the country have their eyes squarely set on metro Orlando. And they are modeling their efforts after the City Beautiful.

Take Yankton, N.D., for instance. A councilman heard about Berridge's council and wants to replicate the program by connecting nearby universities with local companies in research projects. People in places like Puerto Rico and North Carolina have asked Berridge to come speak about what he's doing in Central Florida. Closer to home, the Board of Governors of Florida's State University System is exploring ways to encourage a similar partnership climate at all Florida research universities.

Likewise, the Disney Entrepreneur Center is earning inquiries. Recently, Jerry Ross, the center's executive director, was in San Antonio, speaking at a community development conference and explaining the way the center operates so successfully.

The need for entrepreneurial assistance is evident across the country, he says. "Las Vegas does not have any organized process for a small business to receive assistance. Kansas City has several organizations housed in a shared facility, but not to the extent that Orlando does. The original 'Entrepreneur Center' model is in San Jose, Calif., but it is struggling now to remain open," Ross says.

The common denominator: Each of them is quite impressed with the Disney Entrepreneur Center and the cooperation that Orlando has established between the private and the public sectors to serve small business. "Most of the cities that I visit marvel at the fact that we have leaders who are willing to cooperate and jointly support a common interest — small businesses," Ross comments.

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## Positive Peddling

Not coincidentally, Ross is seeing increased traffic at his center during these tough economic times. "Some are seeking information on how to start a new business," he notes. "Others are coming to see a coach [to

learn] how to reduce costs to weather the downturn.”

Ultimately, what is most comforting to clients is that “we have a very warm community that welcomes newcomers easily, and we have community leaders who are willing to work together in their support of entrepreneurs and small businesses,” Ross says. Among those leaders: UCF President John Hitt, Orange County Mayor Rich Crotty, Orlando Mayor Buddy Dyer and Walt Disney Co. President Meg Crofton.

On top of all that, metro Orlando is just downright less expensive when it comes to the cost of doing business. This bodes well for businesses wishing to relocate. According to a 2009 BizCosts.com survey, Orlando ranks as the lowest-cost corporate headquarters location among 55 U.S. markets.

Ross adds even more glow. “Orlando will increasingly be on the radar screen as a candidate site for corporate headquarters,” says Boyd. “Florida’s lack of personal income tax, rooted in its state constitution, is a factor not to be underestimated here.”

That’s certainly music to the ears of Leslie Hielema, president of the Orlando Regional Chamber, which is bring Hsieh to town for the B.I.G. Summit to help drive home that point. Her current focus is to move forward with the agenda of becoming the “Best Regional Entrepreneurship System.”

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## The Future

Try to imagine, if you dare, launching a business in a city that does not welcome you with open arms and doesn’t have access to the needed resources, such as an educated workforce, plenty of capital and low regulatory requirements. Ultimately, the key to finding the right entrepreneurial environment is finding an area that wholeheartedly supports your endeavors.

Whatever the case, Orlando seems to have harnessed the right mix. Let’s just say: It’s a shoo-in.

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## Seven Simple Rules for Startups

Tony Hsieh, president of Zappos, says he kept these fundamentals in mind when starting his business. His advice: You should, too.

1. Figure out your core values and the culture you want to build early on and commit to them.
  2. Embrace transparency and open communication.
  3. Think about ways to make your vision bigger and more meaningful to everyone, including customers and employees. What’s the larger vision and greater purpose in employees’ work beyond money or profits?
  4. Think about what you will be passionate about doing for 10 years, even if you never make a dime.
  5. Build relationships, not networking.
  6. Build your team. If you feel as though there aren’t enough hours in the day, you haven’t built a good enough team yet.
  7. Think long term.
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## Books for the Brave and the Bold

Can’t make it to Las Vegas (Zappos headquarters) for a tour or to the B.I.G. Summit in town this month? Try the next best thing: Zappos Insights (\$39.95 a month). It’s an online service that provides videos and white papers about the way the company works. And for more some brain-boosting books, take a look at the following reading list, part of the Zappos Library and available to all of Hsieh’s employees: