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LEADERSHIP & BUSINESS PODCAST

EPISODE 105: DAVID HUNT – THE PATH TO ENTREPRENEURSHIP

Ken White

From the College of William & Mary in Williamsburg, Virginia, this is Leadership & Business. The podcast that brings you the latest and best thinking from today's business leaders from across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I'm your host Ken White. Thanks for listening. When you hear the word entrepreneurship, you may think of a startup where an individual or team generates a great idea that, after multiple steps, becomes a business. While many entrepreneurs pursue the startup route, some take another path and look into opportunities available in established businesses. That's what David Hunt did years ago rather than start from scratch. He looked for a business that was ready for a new owner, a new approach, and new ideas, and it worked. Hunt joins us on the podcast today to discuss entrepreneurship, what it takes to succeed and how some great businesses are already out there waiting for new leadership. Here's our conversation with entrepreneur David Hunt.

Ken White

Well, Dave, thank you for spending some time with us and being on campus today. It's great to have you here. Welcome.

David Hunt

Thank you. Thank you, Ken appreciate it.

Ken White

And you met some students today. How was that?

David Hunt

Fabulous for lunch and also at the Entrepreneurship Center. They were all very, very bright, pleasant. It reminded me of what it's like to go to college.

Ken White

Yeah.

David Hunt
Very positive.

Ken White

Bright for sure around here, no doubt. You know, when I think when a lot of people think of entrepreneurs and entrepreneurship, they tend to lean a little more toward startup and building something from nothing. That's not your background. Could you share your story with us?

David Hunt

Sure. It's a good observation. I actually have always wanted to work for myself. I was a kid. My mother had taught me at a very young age that you know if you've got to work, it might be better to work for yourself than somebody else. That was sort of her philosophy of life. And so that got me even as a young child selling Fuller Brush brushes and brooms door to door with my mom. And it always caused me to have a summer job or to look for an opportunity where I could be my own boss. And that was really the impetus for going into business and having that ambition.

Ken White

When you were a child, would those in the neighborhood and family members have said? Oh, when Dave grows up, he'll be a business owner.

David Hunt

I don't think so. No, I was a bit shy, and I was also I was quiet, and I was very studious. I didn't really reach out and talk to a lot of people and engage with others which I think is really important if you do become an entrepreneur. The ability to communicate well with others and to establish a relationship with them that's that's trusted and beneficial.

Ken White

But that kind of experience as a child. Door to door. That's priceless.

David Hunt

It was fabulous. You know, my mom she, for many years, she was a single mom, and she really did it because she could make more money and in fewer hours than if she had an eight-hour-a-day job and then still be for me be home for me and my two brothers. So I had I was when she became a single mom when I was five, my brother was six, and the younger brother two and a half. So it allowed her to be home for us when I would come home from kindergarten and my brother from first grade.

Ken White

Yeah. What our parents will do?

David Hunt

What they'll do.

Ken White

Yeah, so let's talk about you being an entrepreneur. You actually looked for and obtained a business that was had been around for quite a while.

David Hunt

That's correct. I bought a patent Information Service a company that essentially sold paper. I bought it in 1998. It sold patent copies to patent attorneys as well as what's called a file, a file history, or all the correspondence between a patent attorney and the patent office during the process of getting a patent. And I knew when I bought the business that the Internet was probably going to destroy it. So I knew that its days were numbered. I didn't know how long we would be able to keep doing what we were doing. But what was most important to me was to have sales because my view of business says if you have revenues or if you have sales, it covers up a lot of problems. And for me, it served as almost a bank account to sort of change the strategy of the business over time to build it into a patent search firm and then advanced patent law training as well as analytics translations and then to grow that outside of just patents and into technology consulting as well. So we used the company for that purpose. And so I'm entrepreneurial, although I think it's much harder to start something from scratch to get a customer base to appeal to people to do that at the same time that you're trying to finance it. It's very difficult unless you have just an absolutely fantastic idea, and people are just pounding on your door to buy what you have. That, to me, is very difficult.

Ken White

How much did you know about the field and the business when you got in?

David Hunt

Nothing. I was so for me I also didn't have the money to buy it. What had to happen was a husband and a wife who owned it. It was a small information service with six people, but it had a good reputation with some really well-known customers both in the legal community and then also in a couple of research and development arms of companies, and they were looking to retire. They had no children. They did not want to just close the door. They wanted more than I could pay for it. And they wanted a big down payment, but for me, they allowed me to pay the price they were asking because they wouldn't negotiate on the price but to lower the down payment and then pay them over time.

Ken White

Right.

David Hunt

And, of course, they didn't know what a discounted cash flow analysis was. So the company was really worth twice what they were charging me, but because they hadn't done that, I was able to lower the down payment, pay the price they wanted, but then to throw off enough cash so that I could not only pay them down but to grow the business.

Ken White

Wow, what a great story.

David Hunt

Yeah, it was awesome.

Ken White

How if you're looking at an existing business today with your entrepreneurship entrepreneur glasses on? What are you looking for? What should an entrepreneur seek and examine as they see a potential opportunity that is currently running?

David Hunt

I guess it depends upon what your skill set is. Everybody has a different skill set. For me I'm I tend to be good at managing something that's not sexy but has professional support there. So what I mean by that if professional services, I know how to manage people with advanced degrees, scientists, and engineers. I also am pretty good with project managers. For me, the product of the service is not as important as the sort of the happiness of the customers, the quality of the employees that are there, the ability to have a problem solvers and go-getters at the company, and then to make sure that we're in a field where we are differentiated regardless of the industry so that we have a place that will in the field at that time that'll buy us some time so that we can continue to change and be relevant five to 10 years later. So I'm not tied down to a specific industry.

Ken White

Right, but playing to your strengths is an important thing, and knowing your strengths.

David Hunt

Yeah.

Ken White

I guess as well.

David Hunt

Yeah, I'm a, well, I'm a, I'm an analyst by nature. I'm a researcher by nature. I learned that at William & Mary in my undergraduate studies at William & Mary studied government the first go round and then then the MBA program after that. And you know, for me, it was a very tough school that requires you to think. Requires you to work very hard, and you know, and if you're honest and you're hard-working, and you also rely on other people for their skill sets when needed. I think you can succeed in pretty much any industry.

Ken White

We'll continue our conversation with David Hunt in just a minute. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. You've been hearing about the power of business analytics for years now, but you may not know how to get analytics to work for you. If that's the case, the Center for Corporate Education is offering an exciting opportunity next month. Business analytics for leaders. The two-and-a-half-day program starts April 18th. It's designed to help you gain an understanding of how business analytics can be used to build a data-driven culture at your organization. The course is designed for executives, high-potential managers, and business owners with a responsibility to develop and implement the organizational strategy and grow the business. The program is taught by our business school faculty, who teach in William & Mary's Master of Science degree in business analytics. To learn more about business analytics for leaders, visit wmleadership.com. Now back to our conversation with entrepreneur David Hunt.

Ken White

Successful entrepreneurs, are they born or do they learn.

David Hunt

I think both. I think you definitely have to have the sort of an innate willingness to take risks to also be confident but not overly confident or to believe your own press. I think a lot of the dangers for any entrepreneur is to have some success and then to think that they could do anything and or that they could do it themselves. And for me, over the years, I've come to just focus on the things that I'm good at, and you know I'll do everything at some point so that I know the business, and I'll test my ability to do it. But ultimately, I'm always looking for a person that can do something better than me in a specific field so that I can eventually jettison that and focus on what I'm good at.

Ken White

You mentioned risk.

David Hunt

Yeah.

Ken White

Can you talk more a little bit more about that? Risk in what way?

David Hunt

Well, I think a lot of people are fearful that, you know, if they go to work for themselves or their, you know, whether they're a startup or they buy something that you know if it doesn't work out what's going to happen to them. They might be like I was where I had a wife and a child and, you know, mortgage. I had left Freddie Mac, and you know, and if you think about it, you know, if you go from a well-paying job with, you know, good benefits and you have a family, and you say okay, I'm just going to I'm going to do something completely different than what I've done before. It might work out it might not. And if you think about it not working out, it probably won't do it. And that could be the biggest mistake you made. You know, fortunately, if you're in the United States as I am, you know if you go belly up, you go Chapter 11. You can always rely on the skills that you learned in business school, for example, or whatever else whatever skill you have. Even if it's not business and you can always practice that trade, you know we no longer have debtors prison. So you just you start again. And for me, I never, you know, I never really was afraid of failing, and nor was I afraid of success. For me, it was just it gave me a sense of purpose, and that's why I think most if people can get over that sort of fear. I think many people will succeed.

Ken White

You said fear of success. That's interesting.

David Hunt

Yeah yeah.

Ken White

What do you mean?

David Hunt

Well, you know, sometimes, with success, you get problems that you didn't expect. I mean, you may be very good, for example, as an engineer, and you go into business, you're basically, you know, you're moving away from a specialty to maybe becoming more of a generalist where you're managing people as opposed to looking at mathematical calculations and so forth. So essentially, you may not enjoy being successful because the actual work will change in a way that doesn't please you. However, you know if you if at a

certain point, you might be able to still practice those things that you like as long as you have other people around you that are good at picking up those other things. And so I think some people are afraid of change in the event that they become successful that it becomes a change that they're not willing to accept.

Ken White

Interesting.

David Hunt

Yeah.

Ken White

Resilience. What role does that play in success?

David Hunt

It's everything. It's absolutely everything. In 2009 I had 109 180 employees, and in one month January of 2009, we lost 750,000 dollars in cash in one month. Our business dried up for the most part. And then I had to start shedding people, and I furloughed people, including myself. Of course, when I'm furloughed, I still work even though I'm not allowed to right. I'm working at home; I just can't stop.

Ken White

Sure, sure.

David Hunt

But I had to believe that things would get better, and you have to stick to it. You have to have faith in yourself and in your people and obviously in the larger economy. So things will happen that are bad that are disappointing. But as long as you you try to improve yourself, you try to improve your company, and you stay focused, and you don't give up. I believe you can succeed.

Ken White

What advice do you have in terms of networking someone to share stories, advice? Did you have a network? Did you go solo? What do you recommend?

David Hunt

I recommend having a network for sure it's important to have people around you that are will talk to you honestly and that are also skilled, perhaps in areas that you're not. My company, we didn't have a board, but I had an informal group of advisors. They didn't really know they were advisors, but I would call them up and ask for advice. So, for

example, when I opened an office in Japan, there was a guy that was in the patent community who had left it was then in banking, and I asked him for all sorts of advice on how to open up a business in Japan and who to talk to, and he gave me names of accountants and government employees and personnel and lawyers and so forth in Japan, and he spoke Japanese American guy. But I learned more from him in just, you know, one session than if I had to hire somebody over there. So it's really important to get people around you that give you good advice and also people that are willing to talk honestly with you to say, you know that that sounds like baloney Dave. That idea you have maybe it sounds great to you but looks like you haven't shared that outside the shower, so you know, maybe show that to a few more people and see what they think.

Ken White

People who say that are great people to have around. Millennials. That's a totally different generation. We hear many are interested in entrepreneurship. Many like entrepreneurial thinking, whether they own a business or they at least want to bring that entrepreneurship cap with them when they go to work. What do you see for the generation in terms of entrepreneurship?

David Hunt

I see lots of opportunities for them because technology is advancing at a rapid rate. And so I think if they can apply technology appropriately, they could take what would otherwise be a very old-fashioned process and perhaps make it better. They might be able to be in a technological field that is disruptive that could also be beneficial. I look at my children, for example, their ones in high school ones in college now, but they know so much more about technology than I do. I think the trap, though, for anybody, whether you're a millennial or not, is to love technology for the sake of technology. Sometimes people think you know this is the next best mousetrap. This is absolutely fabulous. This is going to take off. It's gonna make me, you know, the next Facebook billionaire. And you know what, for most people, that's not the case. I think that it's important that we appreciate technology and that we figure out how we can use it wisely. But as an entrepreneur, you're not thinking about getting rich quickly. You're thinking about what can I do to serve a specific market segment, a customer. What sort of need needs to be met, even if it's something that's very basic and not necessarily exciting or fresh or new. There's always an opportunity to be innovative and to develop that sort of company that does that sort of thing. But what's more important is to be able to sell something to customers who want it and will keep you in business. But I think having being a millennial and being open and know knowing a lot more about technology and social media and so forth could be a leg up over someone like myself.

Ken White

You've talked more about customers and delivering a really great product than profit or making money. Is that number one for you?

David Hunt

Absolutely. There's, you know, I learned this from, believe it or not, Professor Guerrero many years ago, Hector Guerrero.

Ken White

Absolutely, we know him and love him, and he's been on the podcast.

David Hunt

Yeah, I remember one class I took with him. He said you know what, folks? There's always room at the top. You know doesn't matter how competitive a particular industry is. If you're excellent at what you do, you will be unique. And consequently, you will have customers, and if you can keep those customers happy, it's easier to keep selling to them than to go out and try to find a new customer as a replacement.

Ken White

That's our conversation with David Hunt. And that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you, and your organization meet and exceed your goals. With business and leadership development programs that fit your needs and get results. If you're interested in learning more, visit our website at wmleadership.com. Also, if you have any feedback or suggestions pertaining to the podcast, we'd love to hear from you. Email us at podcast@wm.edu. Thanks to our guest this week David Hunt and thanks to you for joining us. I'm Ken White. Until next time have a safe, happy, and productive week.