

# Editor's Note

**T**HE LAST TIME Wendy Bounds wrote about Colin Roche and Bobby Ronsse for The Journal Report was back in September 2005. The two men had just received the news that most entrepreneurs only dream of: They had been approved as suppliers to Wal-Mart. At last, the big time was within their grasp.

OK, so then what? Wendy's cover story this issue picks up where the last one left off. It is the tale of how the Wal-Mart deal catapulted this tiny company into a new universe—a universe with many more ways to make money, and many more ways to blow it.

Suddenly, their old life seemed so simple, so manageable. Now the entrepreneurs had to think about the things that only keep the big guys awake at night. Things like slotting fees and custom package design. Things like getting it all done with just a handful of friends and relatives. Things like quickly ramping up production in a factory some 6,000 miles away.

The stuff of entrepreneurial dreams? Definitely. But what makes you keep reading is that it's also the stuff of nightmares.

—LAWRENCE ROUT

The Journal Report welcomes your comments—by mail, fax or electronic mail. Letters should be addressed to Lawrence Rout, The Wall Street Journal, 4300 Rt. 1 North, South Brunswick, N.J. 08852. The fax number is 609-520-7767, and the email address is reports@wsj.com.

## Next Monday's Journal Report

### WOMEN TO WATCH

- Women making their mark on business
- A look at those on center stage and those under the radar
- How they got where they are, and why they bear watching

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## RECOMMENDING READING

**THINKING ABOUT** franchising? It's important to research the industry thoroughly, in part to make sure you have realistic expectations, says Susan P. Kezios, president and founder of the American Franchise Association, a trade group based in Chicago.

Ms. Kezios, previously a franchisee with VR Business Brokers and an executive with the company, says she has "seen franchising from the street to the chairman of the board's office."

StartupJournal asked her to recommend some books for current and potential franchisees. Here's a sampling of her selections:

**"Franchising Dreams: The Lure of Entrepreneurship in America"** By Peter M. Birkeland

"Everyone has dreams about what franchising is, but oftentimes it turns into a nightmare. This is one of the only books that even comes close to the experiences of most first-time franchisees. When I teach franchising workshops, this is one of the main texts."

**"Grinding It Out: The Making of McDonald's"** By Roy Kroc with Robert Anderson

"If you don't have an entrepreneurial background, this is the book you need to read to know the spirit and passion that comes from within an entrepreneur."

**"McDonald's: Behind the Arches"** By John F. Love

"Every franchise system passes through the phases described in this book. Reading about them prepares you for what you will experience as your franchise grows and matures."

**"Roadside Empires: How the Chains Franchised America"** By Stan Luxenberg

"This book talks about how franchises take customers away from small businesses. It can help prospective franchisees think about whether they should go into a franchise or start their own business."

**"Running Things: The Art of Making Things Happen"** By Philip B. Crosby

"A lot of franchisees don't know how to run a business at all. This book shows you how to run a business, franchise or not. Over the years I still find myself referring to it."

**"The Dance of Legislation: An Insider's Account of the Workings of the U.S. Senate"** By Eric Redman

"An easy and entertaining read on what happens as the bills passed. If you own a business of any sort, especially a franchise, you have to be able to maneuver and protect your own interests. You have to be able to speak to your state legislator or state senator, and you don't want to be totally naive."

—Dana Mattioli

■ **Online Today:** You can read about all of Ms. Kezios's recommendations at [StartupJournal.com](http://StartupJournal.com).

## PROTECTING YOUR COMPANY'S REPUTATION

**BUSINESS OWNERS**, beware. You may be surprised by what's written about your company online, says Joseph Fiore, a vice president at CoreX Technology & Solutions Inc., a Web-monitoring firm in Milton, Ontario. He says one CoreX client, a small retail chain, learned that a blog posting claimed a manager was racist, and included the person's full name.

Small firms can be more vulnerable to digital mudslinging than organizations with a widespread customer base, says Bradley Silver, president of BrandDimensions Inc., an Internet-monitoring company based in Toronto.

When online chatter about your company turns ugly, consider these tips:

### 1. Review carefully before taking action.

Stay calm, and find out what is accurate. An angry reaction could add fuel to the fire, says Alysa Zeltzer, an associate with Kelly Drye Collier Shannon, a Washington law firm. "There are often shades of truth," she says.

### 2. Know when not to react. Consider keeping mum when:

- It's a personal vendetta.
- There's no other news about the issue.
- It's totally preposterous and not likely to be believed.
- It doesn't strongly affect the heart of your business.
- You've been called out on a minor mistake.

"Sometimes it's better to let it die," Ms. Zeltzer says. "You don't want to extend the life of a story by giving it a reply, because you may initiate more responses." Fix any problems, and move on, she says.

### 3. When it's important, correct false information quickly.

If you read a factual error about something central to your business, quickly contact the author to explain that there may have been a misunderstanding, says Mr. Fiore. An example might be if a writer claims an online business charges for shipping its products when it doesn't.

A friendly exchange with the author may even turn the tide in your favor, adds Mr. Fiore. "If you're honest, you might form allies," he says.

### 4. Provide a forum.

Offer consumers a way of sharing feedback with your business directly, says Ms. Zeltzer.

"Some people just need to vent, and if you don't provide a place where you can monitor and do something about those complaints, then they often go elsewhere," she says.

Create a space on your Web site or offer an email address for customers to reach out to you. Be prepared to respond to customer emails.

—Sarah E. Needleman

■ **Online Today:** You can read more advice on protecting your business's reputation, at [StartupJournal.com](http://StartupJournal.com).

## HOW TO GET THE MOST FROM ONLINE DIRECTORIES

**WITH SHOPPERS WHO** once turned to the yellow pages now increasingly likely to click a mouse when searching for a local product or service, even a localized small business needs a robust online listing.

The good news is that basic listings on the big players, including Verizon's SuperPages ([www.superpages.com](http://www.superpages.com)), Yahoo Local ([local.yahoo.com](http://local.yahoo.com)) and Google Maps ([maps.google.com](http://maps.google.com)), are free, and even listings with photos, special fonts or other features are often less expensive than traditional print-directory advertising.

Here are some tips on getting the most from online listings:

**FREE CONNECTIONS:** Most businesses will find the major directories already provide basic listings, with name, address and telephone number. Beeping up these free listings can be a way to distinguish your business from local rivals.

So, do a search for your business listing on Yahoo Local, Google Maps, Superpages or another site your customers use, and then click on the link that says "Edit this listing" or "Do you own this business?" On the major sites,

you can add a list of products, store hours and credit cards accepted and a link to a Web site.

**BEYOND THE BASIC:** Businesses looking to build a bigger presence online may want to consider paying for enhanced listings. These listings—comparable to the display ads in the print yellow pages—can include photos, a more detailed business description and customizable links, as well as better placement in search results. They typically cost \$10 to \$25 a month.

**LOOK AROUND:** Don't limit yourself to the sites discussed here. There are dozens of other national listing sites, including Yellowpages.com, Citysearch.com and MSN's Live Local ([local.live.com](http://local.live.com)), as well as more regional and local sites.

**STAY UP-TO-DATE:** Ads in the print yellow pages will be the same for a year or more, but you can tweak an online listing anytime your business adds a new product or service.

—Alan S. Horowitz

■ **Online Today:** For more about making the most of online directories, go to [StartupJournal.com](http://StartupJournal.com).

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