

MARK CUBAN'S 12 RULES FOR STARTUPS

Mark Cuban is a Shark Tank investor and owner of the Dallas Mavericks. He has a lot of experience starting and financing startups in America. He is also an author and entrepreneur with a fortune worth \$4.3 billion. In 2012, he wrote an article on the 'Entrepreneur' website wherein he detailed his 12 rules for startups founders.

01

Don't start a company you aren't obsessed with

A good entrepreneur has to be passionate about their ideas and plans to be able to transform them into a successful business. This obsession will push you to do your best and achieve the goals that you set. Only when your customers and employees see your passion, they will be motivated to work harder.

02

If you have an exit strategy, it's not an obsession

Generally, entrepreneurs have an exit plan in place like a liquidation or sale of the company in case something goes wrong with their business. However, according to Cuban, any business that has an exit plan is not a passion and goes against the first of his rules for startups.

03

Hire people who will love working with you

Employees spend a major chunk of their day at work so don't hire someone who doesn't care about giving their 100%. Entrepreneurs need to hire people who strive to excel, who love their work, the company and its values, those who wish to work as a team and succeed.

04

Sales cure everything

The primary aim of a business is to make profits and that is what all entrepreneurs should be working towards. A clear understanding of sales strategies, products, services, profit margins, operating costs and the customer base is an absolute must when it comes to formulating a profitable business model.

05

Know your competencies

Figuring out a startup's core competencies is one that will give it a competitive advantage. Focusing on your company's strengths, keeping them at the heart of innovation and improving on your weaknesses is a surefire way to gain more customers and drive profits.

06

An espresso machine?

According to Mark Cuban, an office doesn't need an espresso machine because that would mean people are not using their time effectively. Coffee machines will keep you inside the office, but you need to have business lunches and talk to prospective clients. Using every minute wisely is the mantra!

CREATING OPPORTUNITIES MEANS LOOKING WHERE OTHERS ARE NOT

- MARK CUBAN

07

No offices

Most startups have very few employees so it does not make sense to invest huge amounts of money in getting an office space. It is possible to meet prospective customers at their offices or at a coffee shop or over lunch. The budget that has been allocated for an office could well be used for something more important.

08

As far as technology goes, stick to what you know

Technology keeps evolving and entrepreneurs are always interested in getting the latest technology available. However, investing heavily in an area you don't know much about is never a good idea. Always use technologies that you are most familiar with and only what is absolutely essential.

09

Keep the organization flat

Flat organization systems allow employees to grow by giving them the freedom to be creative and to express themselves. When there are no hierarchies, the employees feel more involved and connected and have a greater feeling of work satisfaction. They are more inclined to deliver better quality work with a higher focus.

10

Never buy swag

Swag refers to the promotional souvenirs that companies invest in to send to potential customers and investors. Several startups get T-shirts, pens, diaries, water bottles etc. with their company name and logo printed on them, which Mark Cuban thinks is a waste of money since these funds can be spent in better ways.

11

Never hire a PR firm

PR firms help companies manage their image in the media by mitigating any damage done to its reputation. But a startup needs to focus on building its customer base via good products and services. Therefore, public recognition should not feature in their list of priorities. In addition, basic branding and online presence management can be done via social media.

12

Make the job fun for employees

Although you may hire people who love working for you and enjoy the startup culture you offer, things can get boring quickly. Cuban recommends having a relaxed environment, team bonding activities, incentives, perks and surprises in the form of a team lunch or happy hour. These will go a long way in keeping employees happy!

Starting a business and keeping it profitable is clearly no cakewalk. However, you are sure to taste success if you follow these 12 rules that, according to Cuban, have worked exceptionally well for him over several years.

Sources:

<https://www.entrepreneur.com/slideshow/306742>

<https://www.cleverism.com/mark-cubans-12-rules-for-startups/>