

## Steve St. Pierre's One Minute Confidence ("C") Tip

**The C Tip** is an insight that will inspire, educate and/or make us think about our lives differently. Give yourself a gift of the next minute to enjoy this message. (If you get something out of it...share it by forwarding to someone you care about.)

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January 15<sup>th</sup>, 2015

*How They Did It: Billion Dollar Insights from the Heart of America: Rich Heise* <sup>i</sup>

Rich Heise has created several companies – Magnitude Networks, InnerWorkings, Echo Global Logistics, MediaBank, Forseva – that started with nothing and now total billions of dollars.

### Beginnings:

Rich Heise started out at Northern Trust, where he was exposed to accounting and finance principles. He organized a barter organization within Northern Trust, but was fired shortly after. He then went into real estate, where he planned to renegotiate mortgage debt and allow the partners to defer tax liabilities. This caused a long five or six years of fighting with lenders, tenants, and lawyers.

From there, Heise saw an opportunity to combine radio and internet through his startup, Magnitude Network. He bought a radio station, built a website, and simulcast the radio station over the internet. The companies that followed were founded by similarly applying technology to existing fields, such as print brokering and transportation.

### Struggles:

Heise admits a mistake of hiring his best friend as president of one of the early companies because it destroyed their friendship.

Generally speaking, Heise touches on a few mistakes that many entrepreneurs make. Many underestimate the time and capital needed to build new technology and often try to perfect it before taking it to market, at which time the market may have shifted. He also warns entrepreneurs to not get caught up in the idea of fame or power. To grow a successful company, one must be able to shift or let go when necessary.

### Success:

Magnitude Networks, the radio internet company, sold for \$34 million, about 1,000 times revenue. His other companies have also seen great success: his company Starbelly went from start-up to \$240 million in 11 months; Innerworkings went public; Echo Global had a successful IPO in 2009. He also has investments in MediaBank and Groupon.

*Next week: Scott Jones of Boston Technology, Gracenote, ChaCha, and Precise Path Robotics, Indiana.*

Quote:

“Until a business is self-funding, it’s just a really expensive hobby. Your first goal as an entrepreneur is always, no matter what, to get your business to break even.” – Rich Heise

Confidently yours,

Steve

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*How They Did It* is a book of inspiration, ideas, and advice from 45 success stories cultivated by Robert Jordan. Jordan has been growing and launching companies for 20 years, and was listed on *Inc. Magazine's 500* list of fastest growing companies for his first company, *Online Access*. Jordan spent four years gathering and interviewing successful company founders, who describe their failures and reveal their secrets to success. (Northbrook, IL: RedFlash Press, 2010). Robert Jordan is not affiliated with LPL Financial.

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