

OFICINA BLOG - MICHAL BOHANES: Albanian entrepreneurs: For heaven's sake, leave your entitlement at the door!

Albanian entrepreneurs: For heaven's sake, leave your entitlement at the door!

This is a guest post by our Entrepreneur in Residence Michal Bohanes ([@mbohanes](#))

OFICINA BLOG ([Medium](#))

OK, this has now happened far too often, and I can't ignore it any more.

There's an epidemic of Albanian entrepreneurs who expect to get money (in the form of a grant or investment) without putting in the work to earn it. And this has to stop.

Today I spoke to a startup mentor and person with a great investor network who told me how a Tirana-based entrepreneur indicated to him that he doesn't really care about his opinions and that all he wanted was investment for his business.



credit: Gregory B. Knapp

I know this entrepreneur. I met him quite recently. Initially, he struck me as smart and driven. But then I asked a few questions:

“What are your revenue projections for year 1 and 2?” Shrugging shoulders and an uneasy smile.

“What’s your hiring plan?” No answer.

“What’s your gross margin?” It took us a solid minute to arrive at the figure.

“What’s your customer acquisition plan?” Nothing coherent, not even clarity if he would first go after corporate customers or consumers.

“If you now had investment of €50,000, what would you do with it?” Again, vagueness. Clearly, he hadn’t thought about it.

“At how many units sold do you start breaking even?” No answer.

“How many units can you currently produce per day?” Vagueness, again.

Frankly, I was shocked.

Those are all reasonable questions and the bare minimum an investor will ask you. Not having answers to them shows that you are 100% unsuitable for investment.

Investors usually manage other people's money. Someone investing in this guy's business after this level of vagueness and ignorance would be acting **highly irresponsibly** towards the people who entrusted him with their money.

And as I indicated earlier, this is far from the only case I experienced. In May, as we were traveling to five different cities in Albania to promote entrepreneurship and Oficina specifically, the most frequent question directed at us was "can I get money from you?" When we asked back "well what's your idea/plan/business?" we usually got uncomfortable smiles, arrogant statements in the vein of "I know what I'm doing" and sometimes just plain surprise that we were even asking the question.

I will not engage in speculation where this culture of entitlement is coming from, I don't know Albania well enough to have an opinion. But I have never seen this attitude elsewhere at this frequency and intensity. And I have met entrepreneurs from most countries in Europe, the US, India, the Far East, and a few African countries.

You will never, never ever in a million years, be successful with this kind of arrogant / despondent attitude of "well I can't do anything if you don't give me money."

This is not how an entrepreneur thinks. You know how a real entrepreneur sees the topic of money / investment / grants? They think along these lines:

"Someone investing money in my business needs to trust me a lot. And I will work my ass off to EARN their trust."

There's several dimensions of trust:

1. Earn my trust that you have thought deeply about the fundamentals of your business.

When I ask you about...

- ...your basic metrics, you shouldn't have to dig in your memory or your notes. You just know them.
- ...your revenue projections, you have them in a tidy spreadsheet and have

your assumptions (customer acquisition volume per month per sales person) easily accessible so I can understand and maybe question them.

- ... how you'd use €50k EUR, you tell me that you need to hire 3 sales people, 1 engineer and an operations intern which will cost you around €25k per year, €10k will go on equipment, and the rest will go into marketing which you plan to spend in channels A, B, and C. When I ask you about why these three channels, you give me clear and concise answers that show you have thought about this.
- ... the customer research you have done to validate your idea, you're able to show me protocols of interviews you've done, surveys you've conducted, and a 2-page summary that shows how all your qualitative and quantitative research indicates that this is a good opportunity.
- ...your competitors, you know their names. If there are no direct competitors, you tell me how your future customers are currently addressing this need that your product solves.

You knowing the fundamentals of your business tells me that you're a serious person pursuing a serious business, and not a kid who's in love with the idea of calling herself an entrepreneur, hopping around on a startup conference stage with a name tag on a t-shirt one size too large.

2. Earn my trust that you're someone who will take care of my children's inheritance

Look, if I'm giving you money, it's money that is meant to provide for my retirement and my children to inherit. So I will only give it to a person who will take care of it and treat it well.

This attitude of casual ignorance of your business fundamentals is the best signal for me that you will not be that kind of person.

Of course, every investor is playing a numbers game, fully knowing that it's more likely that he will lose a particular startup investment than make money on it. That's portfolio investing. Out of 10, there's one big winner who makes all the money back, the rest are also-rans and losers.

But every investor also knows that this only works if the people she invests in will do their utmost to make the business a success. And that they cherish the

investor's trust and money just as they cherish someone working for them for a small salary and a big dream.

3. Earn my trust that you're a hard worker

Being an entrepreneur is one of the hardest jobs out there and if I give you money, I want to see you will work hard to succeed.

Your unwillingness to put in the hard work to do the research, to think through your go-to-market options, to calculate how much it will cost you to acquire a customer—all that shows me that you're plain lazy. And there's no way I will invest in you.

4. Earn my trust you're willing to learn

I'm not saying you need to have it all worked out. Actually, too much confidence can be a handicap. It's perfectly OK if after many hours of hard thinking and research, you still don't know if it's best to build up mass marketing capabilities or if you should go after big corporate clients. Tell me the pros and cons, tell me about your dilemma—we can discuss it, you can get my opinion, and I can introduce you to people who have faced similar questions in the past.

Let's work it out together—but show me you've worked through the issues and are just stuck at a deep level.

And if then I see that you're someone who takes advice on board, accepts some, maybe even rejects part of it for a good reason—then I see someone who learns from evidence. Someone who is a safe bet, because when things change, you will react and adjust and hopefully learn.

5. Earn my trust that you'll behave appropriately

Going into a meeting with an investor not knowing these kinds of fundamentals and without a clearly written and well communicated plan tells me that you don't have a clue about business.

Because you know what I'm imagining in this kind of moment as you are bumbling around, cooking up some bullshit answers on the spot? I'm thinking: How on earth will this person behave in a conversation with a potential high-value

customer? How will they handle customer complaints? Will they ensure all health and safety procedures are in place?

I will think: This is an amateur who doesn't know how to behave appropriately in a business setting.

6. Earn my trust that you won't give up easily

If you tell me that you can't do anything if you don't have cash to invest in the business, it tells me that you're not resourceful enough to find alternative paths to success. You could work nights and weekends to earn extra money to do small customer tests with, which would further reinforce that your business idea has legs. You could drive a taxi on the weekends. You could ask friends and family to put together a small amount. You could run a Kickstarter campaign. You could write a book that sells 10,000 copies, you could be a [hand model](#).

Whatever. Be resourceful.

If your reaction to my "No" is folding your hands in your lap and complaining that noone gives you money, you just showed me that my "No" was fully justified. You're not an entrepreneur, you're a wuss.

7. Earn my trust that you are someone I can refer

Maybe your business lies outside my investment domain or I currently don't invest. But if I like you and your idea, I will introduce you to my investor friends.

But if you behave like an entitled little brat who hasn't done the work and just cockily tells me "I know what I'm doing, give me money", I will end the meeting, never respond to your email, never accept your LinkedIn invitation and will actively discourage people from meeting you if they ask me for my opinion.

What to do

If you haven't seen a good investment presentation, google it. You'll find plenty. And yes, I want you to build a PowerPoint presentation. The kind that people make fun of, with pie charts, arrows, and boxes with bullet points and shit.

In that boring presentation, you put, at a minimum:

- What's the problem you are addressing?
- What's your solution to the problem?
- What are your factual proof points that make you think this will be a good business? How many potential customers have you spoken with? Have you sold units already? If yes, what were your customers' reactions?
- What are the microeconomics of your business? Revenue per unit, customer acquisition cost, direct cost, fixed cost.
- How big is the market?
- How will you go to market?
- What's your scaling plan? More products, different customers, different geographies?
- What are your revenue projections for year 1 and 2 and what assumptions are you making to reach these projections?
- Who is the team, what's their background, and why are they a good team? Complementary skills? Experience in the industry?
- How much money are you raising, what valuation do you propose and why, and what do you plan to do with the money?

And you know what? It doesn't really matter if everything in the deck is true. Your projections will be wrong, for sure. But that's not the point. The point is that I see that you have **thought through these things carefully and deeply. Because this means you work hard, you know how to behave appropriately, you won't give up, you're willing to learn, and you're someone I can refer.**

And of course it doesn't need to be a beautifully polished presentation. I'm fine with ugly. Ugly but smart.

Conclusion

Believe me, it is NOT a problem to raise money when you have your act together. Before my departure to Albania back in May, investor friends in London have asked me to keep my eyes open and let them know if I see interesting opportunities for them to invest in.

You will get the money when you deserve it.

But you will only deserve it if you check this weird sense of entitlement at the door, get your ass in a chair and work.

Good related reading: [Lines not Dots](#) by Mark Suster.