



A leap of faith: From employee to start-up

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By Robert Alan Benson for USA TODAY

Valerie Due, right, has dinner with Melissa Dollaghan Plescia, an independent consultant, and other consultants whom she calls her board of directors, mentors and friends.



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USA TODAY

Due works at home with her faithful co-worker, Dune, an 80-pound greyhound.

ABOUT VALERIE DUE

Company: Due Marketing Consulting

Expertise: Wireless and medical high-tech industries

Web site: www.dueinc.com

Born: Nebraska

College: Bachelor's from University of Nebraska

Zodiac sign: Gemini

Hobby: Training for eighth official marathon

Business book recommendations: *Finance and Accounting for Nonfinancial Managers; Art of Client Service ; The Consultant's Quick Start Guide*

By Theresa Howard, USA TODAY

Valerie Due grew up on a sheep, corn and soybean farm in Nebraska. She burned rubber leaving her small town of 82 and eventually cracked the senior marketing ranks at global firms Sprint and Qualcomm. A year ago, at 35, Due started her own business out of her San Diego-area home, forsaking a \$120,000-a-year job and glowing prospects in Corporate America. Here's how her story unfolded, as told to USA TODAY reporter **Julie Schmit**:

The decision

On a sunny Saturday in March last year, Due sat at her dining room table working on a PowerPoint presentation. Her colleagues at Qualcomm needed it for a deal they were negotiating in China.

Due's partner, Chris Brewster, 49, was in Europe on business. Her grandfather was in failing health in Nebraska.

Tapped out of vacation time and busy at work, Due had put off visiting her grandfather for too long. Her mother called to tell her he had died.

"I thought, 'Is this really what I want in life? I'm not with my grandfather, and I'm not with Chris.' "

Due went for a 5-mile run. By the time it was over, she had decided once and for all: "I want more control over where I work and how I spend my time."

The desire

Due had a lot to lose. She had worked at Qualcomm for five years. Each year had been punctuated by raises and good reviews. The day she told her boss she was quitting, he was preparing to promote her. Her salary enabled her to spend \$600 a month on clothes — one of her weaknesses.

But her personal life had suffered. Almost a year before, Due had received another call from her mom, beset over Due's grandfather, who was suffering with Parkinson's disease.

"My mom needed me, and I had no way to be there for her," Due says.

Due took out a pad and a pencil and crunched her life into dollars. She calculated her net worth at \$280,000, mostly in stocks, bonds and money market funds. She scoured the Internet to see what she might make an hour as a self-employed marketing consultant to the wireless and medical high-tech industries.

Due had spent almost 10 years working with wireless technologies. She understood it and could explain it to people who didn't — including press contacts and clients. She knew how to get and present market research and how to position a small client, for instance, to sell to big companies such as Sprint. She wrote white papers, press releases and brochures.

After researching what others made, Due figured she could make about \$150 an hour as a

consultant. She also knew there was a market for her skills because, while at Qualcomm, "I was always looking for someone like that," she says.

March 2004 to June 2005:

The reality

The next morning, Due looked at her 80-pound greyhound, Dune, and was aghast at how much she spent on his dog food. (Fifty dollars a month.) Dune's food didn't get cut back, but all other discretionary spending did. No more \$40 pedicures. No more books. (Due got a library card instead.) No more pricey makeup. "Neutrogena works just fine," Due says.

With belt tightening, Due calculated she needed \$55,000 to cover living expenses for a year, assuming she made no money during the first year of a start-up. She figured another \$25,000 for office setup and initial networking. She decided to keep working and to save money.

The preparation

For much of 2004, Due proceeded at work as usual: 12-hour days. She worked on her start-up business plan on the weekends. The concept wasn't foreign. Ten years earlier, she'd written a mock business plan as part of a 12-week management course.

After four months, Due started working eight-hour days to free energy for her start-up. She took five classes on small business start-ups, including courses in finances and business plans. She read books on accounting and client service. And she pestered contacts who ran small businesses.

"I asked a million questions," she says.

Some of those: How do you find good clients? How do you tell a client no? How do you not go crazy working alone?

One tip she got: Buy a new car before you quit your job because afterward, you'll no longer be a good credit risk. Due replaced her used Ford with a new \$19,000 Toyota Rav4 — financing 60% of it. "Everyone had told me that for three to five years, depending on your bank, it's hard to get credit," she says.

Office setup

Being tech savvy, Due wasn't intimidated. She had asked people in the business about what technology to use. The Apple users were pleased; the Microsoft-based PC users told her to get "a PC fix-it guy" because she would need one. She went with Apple.

Due took over the room her partner had set aside as his home office but never used. Her biggest surprise: "I could have spent \$3,000 on furniture." She spent one-third that by shopping around. "It was exciting to think you were doing it for your own business," she says.

Finally, Due let go of her job at Qualcomm. She gave notice in April 2005 — two weeks after her grandfather's death.

Her last day was June 3, 2005. Her co-workers, while supportive, told her she was crazy to leave such a good job. "They said I'd be back."

June 2005 to April 2006:

The work begins

Immediately, Due made a list of everybody she knew who might give her work or help her find work, all outside of Qualcomm. She didn't pitch her former colleagues or people she supervised because, "It could be too awkward for them," she says.

She had 90 names. She called the first 10, and they passed on even more names. In five weeks, she contacted 300 or more people, via e-mail or phone. Her cold-calling netted her first two customers with two small projects. One was a white paper edit; the other a brochure redo. Revenue: \$580. "Even though it was small, it felt pretty good," she says.

Road trip

Due went on vacation for seven weeks. She had been warned by a small business contact that there would not be time once her business started rolling.

Due and her partner drove across the country visiting family and friends. Her cellphone and wireless-ready laptop enabled her to work three to four hours a day from anywhere. She got a couple of leads, one of which turned into her first real client: a nine-week gig for \$10,000 helping a wireless start-up negotiate with a big wireless carrier to use its software. "I considered it a great deal. Now, I would consider it small. But I was just starting out, and I was hungry."

What have I done?

Due had fantasized about working at home: no commute, fewer hassles, freedom. But working at home in yoga clothes for days in a row, Due began to doubt her professionalism. Isolation set in.

"It was a lot more emotionally wearing than I thought it would be. I just started to feel like I'd left the entire world behind," she says. Due was surprised how much of her sense of self was related to how she looked when she dressed up for work. She hadn't calculated the value of co-workers to share ideas and frustrations.

Due reached out again to her entrepreneurial friends. Two had started businesses out of their homes and now had offices. Audrey Benedetto, who runs her own public relations firm, told Due to get out of her home office to network — no matter what. Due vowed to make three outside appointments a week, even if one was just to get a haircut.

Big blow

Nine months into her start-up, Due rose daily with a list of things to do for clients. She devoted one day a week to finding new ones and doing the books. Revenue averaged about \$3,000 a month, less than she wanted but what she expected.

Due worked 50-hour weeks and started to feel comfortable with taking afternoons off to walk her dog or to run. "I realized it didn't matter to my client whether I worked at 10 p.m. or 10 a.m."

Then, while at a trade show in Las Vegas, her biggest client fired her because it was changing how it dealt with consultants.

"I was crushed," says Due. She'd done five projects for the client, all of which they had loved. Due was also scared. The client accounted for 20% of revenue, and Due had slacked off on finding new clients to avoid getting overwhelmed. She had spent \$28,000 of the \$58,000 she'd set aside to get her start-up through its first year.

"I really tightened my belt," she says.

Due gave up Campbell's soup for off-label brands. She took fewer trips to Target to save on gas. She cut out her fresh bagel on Thursdays. She made sure she had bottled water with her when she drove so she wouldn't stop and buy one, saving about 75 cents.

"Those tiny things are what add up," she says.

The financial blow was minimal next to the psychological one. "I felt like I had completely failed, that I was never going to make it." She felt like quitting, but she knew she didn't want to go back to a big company. She again tapped mentor Benedetto.

"She was very blunt in a positive way," says Due. "She said some people will never like you. Some people will never have the money for you. Some people will never hire you because you wore green. You just have to get over it."

April 2006 to July 2006:

Turning the corner

In June, Due's business turned cash-flow positive after she signed her biggest client: a wireless technology provider. Of the eight clients she worked with over the past year, four keep coming back. She figures she's on track to net about \$60,000 a year. Her goal is to triple that over two years.

In a normal week, she works six-hour days. In busy weeks, she works 12. She tries to donate 15 hours a month to non-profit charity work.

"I struggle some days with the bane and boon of my existence," she says. "I have weeks where nothing is going on, or I have four projects at once and I feel like clawing my eyes out."

Due has been true to her goal to spend more time with her partner and family. In the past year, she's visited Nebraska four times. She also went to Denmark to research a book she hopes to write about her grandmother. She has given up time-consuming hobbies: long bike rides, gardening, hiking.

Despite stronger revenue, she has stayed true to her newfound thriftiness. While buying a baby shower gift at Nordstrom recently, a women's shirt caught her eye. Due checked the price: \$200.

"I was like, are you kidding me? I have to work 90 minutes to make that pay."

In the old days, "I'd have at least tried it on if not bought it."

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HOW DUE CUT HER COSTS

ve money to start her own business—
stay afloat after— Due found a lot of
to cut her monthly personal spending
including

	Before	After
Personal care (Makeup, skin care)	\$100	\$50
Car (Payment, fewer car washes, more biking and less gas)	\$600	\$500
Charity	\$150	\$50
Clothes	\$575	\$155
Books, music	\$200	\$25
Lunches out	\$400	\$0
Entertainment/dinners out	\$235	\$160
Gifts	\$305	\$145
Groceries	\$275	\$95
Household (Housekeeper, flowers, garden supplies)	\$470	\$160
Sports (Race registrations; gym fees)	\$250	\$50
Total	\$3,560	\$1,390

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