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How to Bootstrap Your Business

When you start a company with little money and no outside funding— carefully monitoring expenses while you're growing— your growth model is often referred to as "bootstrapping." Another definition of bootstrapping? Quite simply, doing more with less.

Some entrepreneurs bootstrap companies and then grow them organically, in the hope they'll eventually be able to secure external capital. Take Genevieve Thiers, who wanted to start a company called **Sittercity** to help people find babysitters through an online database. When she pitched Sittercity to investors in 2001, she was told: "We don't fund babysitting clubs." That meant she needed to bootstrap. After borrowing \$120 from her dad to buy the Sittercity.com domain name, Thiers kept her overhead low by doing much of the dirty work herself. She distributed 20,000 flyers through the city of Boston on foot, chased moms down in supermarkets and recruited sitters on college campuses. As the business grew, she reinvested profits, expanding into pet-sitting and house-sitting. Now she employs 32 people and serves individuals and corporate clients in cities throughout the U.S. The bootstrapping has finally made investors interested: in 2008, her company closed on its first round of series A financing to fuel more domestic growth.

Other entrepreneurs choose to bootstrap because they want more freedom to develop the company as they see fit. "Having no investors has allowed us to protect our own culture and grow at our own pace," says Paul Spiegelman, who bootstrapped Beryl Companies, a health care call center in the Dallas–Fort Worth area, which he started in 1985 with his two brothers. Beryl now employs 300 people and posts revenues of \$30 million. If you're forced to bootstrap out of economic necessity, look at the benefits, he suggests. "It gives you total control over your destiny, and allows you to grow without outside stakeholders putting pressure on you."