

Grants, Guaranteed Investments and Other Stories

By Vincent Giannoni, MBA

I once heard former Magic Coach Chuck Daly said that the harder you work the luckier you get. Meaning that things don't happen by virtue of serendipity. What you have and what you become are a result of your own making.

In business growth and success are a function of years of long hours and persistency. Overnight success stories are far from being overnight phenomena's.

Many times overnight success is no more than the recognition of a person or company that has been out of the limelight for years.

The fact is that there is no easy way to be successful despite of what you hear on the media.

Each day nearly two-thirds of all Americans report seeing infomercials and that there are more than 1,000 products a year sold that way.

Consider the numbers: In an average month, 300,000 infomercial spots appear on 36 national cable stations and 1,800 broadcast stations.

These infomercials include all types from the ubiquitous Italian jewelry to the "I want to show you how to get rich for free" program.

The power of the infomercial is tremendous. During 2002, \$14 billion in sales were generated as a result of this type of advertising.

While infomercials have played a great role in fomenting overnight success it has also created a new threat for the public and the entrepreneur.

We have all seen the guy with the green jacket with dollar signs talking about getting money to open a print shop, getting a PhD or buying a building.

Or Mr. & Mrs. Cool sitting by the pool talking about the enormous amount of cash flow that they generate each month by working a few hours a day and following a specific method. Let me show you how to get rich. Send me a check and I tell you my secrets. And so on.

The problem I have with this particular type of infomercials is that they are mostly scams designed to get your money quick. Yes you will get the book but you will not get rich.

Another misconception is that of the federal grants and what they

are. They are not scams. The government does allocate money to fund certain activities, but if you think that starting a small business is one of them you are in for a surprise.

Grants are typically designed to stimulate research and development or to support special programs (i.e. national security, scientific advancement or supporting the arts.)

Most grant recipients are not for profit organizations or firms that receive contracts to perform a specific job. For the business looking for money to fund its expansion this is not the way to go.

Unfortunately hundreds of people fall for these scams and pay big dollars. How do you avoid becoming a victim?

First you must realize that the role of advertising and marketing is to sell a product not to educate. Therefore, you are on your own when it comes to research. Read, ask questions and evaluate any business proposition. Don't hesitate to contact an attorney, accountant or consultant to provide you with professional advice.

Secondly, think rationally, not emotionally. Don't let numbers,

figures or out of the blue "facts" blind you.

Finally, think about your success and the long hours that you have worked to get there. Can you afford to invest your hard earned dollars in someone else's dream?

While the answer can be yes or no, the process to make the right choice must be correct.