



Mickey's Mantra

Pearls of Wisdom From a Veteran Dealmaker

By Tom Schuman

Michael S. "Mickey" Maurer says a common piece of advice for entrepreneurs is "find something you do well, you like, and do that forever."

But all entrepreneurs do not fit into a nice, neat, one-size-fits-all package. The definition of the term, after all, typically includes the words "initiative" and "risk."

Maurer follows his initial comment with this self-description. "I just don't seem to follow that good advice. I have a short attention span, a big curiosity and I like to do things I've never done before. What I try to do is find something I've never done, do that and learn all I can, and then move on and do something else I've never done. And that makes every deal fascinating ... and it makes every deal fraught with risks if you're doing everything for the first time."

Maurer's business career has included cable television, racquetball facilities, film production, radio broadcasting, newspaper publishing, banking and much more. He served in the early days of the Daniels administration, making deals for the state as leader of the Indiana Economic Development Corporation.

In one 30-minute conversation, Maurer offers these recollections and pieces of advice.

His personal approach

"I made a full-length motion picture (*Diving In*, 1990), as an example, and I didn't know a director from a producer. I used to play racquetball in the old days and couldn't get a court, so I ended up with the second largest chain of racquetball clubs in the country. Some of these things aren't great deals. Just because I mention them, doesn't mean I did them successfully.

"I was upset that Indiana had lost every one of its locally headquartered banks so I started a bank (The National Bank of Indianapolis in 1993). I couldn't even get a job as a teller at the time. So you see the pattern here as far as I am concerned: to react to a void, learn a new thing, try to do your best and move on."

Choosing the industry

In a series of columns in the *Indianapolis Business Journal* that he owns, Maurer offered 10 business principles that students never learn in school. One is barriers to entry.

"In my life, the racquetball industry is a good example. We were the first racquetball club in the city of Indianapolis and we were the first racquetball club in many communities that we put our clubs in (including Houston). We had a pretty good profit going until there were four or five clubs erected within a few miles of us, which destroyed our business. No barriers to entry.

"The cable television business, it used to be one franchise per city. You get in and it's yours.

There have been some changes. Radio stations, a limited number of licenses issued by the federal government. You buy your seat at the poker table and if you don't want to play anymore, there's so few seats at the table that there's always somebody who wants your seat.

"Banking – huge number of regulations, restrictions and capital required to start a bank. Evaluate that as a factor in making your decision whether to invest or not to invest."

Passing on opportunities

"In cable television, we were pioneers. We built many of the systems in Indiana, erected the towers, strung the wires. There were a number of cable television opportunities that we did not do, markets that we didn't think were going to be profitable. You know what, they were all profitable. Essentially all the bad deals were good and all the good deals were great. We passed on the bad deals."

Lessons learned

Asked whether the old axiom of learning from failure truly applies, Maurer quickly interrupted and offers, "We don't have time. I gave a talk about the failures, mistakes I have made I called it – it could have gone on forever. People today, young people, need to understand that if you're out there, you're going to make mistakes. Don't be afraid to make mistakes. Figure out how you can react, learn from and correct them. But if you're afraid to make mistakes, you don't belong as an entrepreneur."

Born or developed?

"I think somewhere inside an entrepreneur has to have some voice that says, 'Yes, I can. Yes, I can.' Because an entrepreneur, particularly one who is starting out, there are a lot of setbacks and risks to be taken. And unless you have confidence, unless you have that little voice, then you belong in a big company as more of a bureaucrat (he adds there is nothing wrong with that) than an entrepreneur."

Signs of success

Questions: Do you know early on if a particular deal is going to be successful? If so, how?

"Early on, I think everything I'm going to do is going to come to fruition. How wrong could I be. You've got to go into it with that thinking though. The secretary of commerce thing was a deal junkie's dream. We inherited an organization that

was not performing, so that in itself was a great turnaround opportunity. But then having got the organization going, it was a deal a minute. Gee, I just loved doing that, doing the best I could, and the beneficiary was the state of Indiana."

(As for the how) "The key to success in these things are people. Evaluate the people first. It doesn't make any difference at all what the numbers say if the people don't fit. If they are honest, collegial, have a good track record, then you start getting good feelings about the deal. If the people are not any of those things or have those characteristics, then the best thing to do is run from the deal – no matter what the paper says about how good the deal is. So I begin to start liking the deal when I start liking the people."

Important 'C' attributes

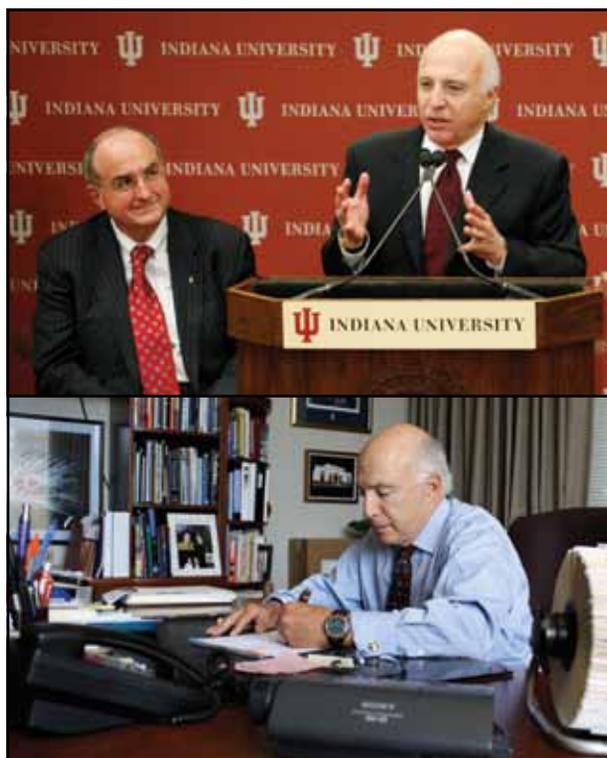
Confidence (in public sector): "They tell me that 90% of the time that we engaged another state in a contest for a company we wanted, we won. Why? A number of factors. Speed is a

factor. We used to tell people we could make a deal that day. No committee, no bureaucracy, no permission from anybody. We can get you where you want to go immediately. We turned this into a business."

Confidence (in private deals): "The decision is yours. Get all the advice you want, but you sit at the table and you make the decision. That's why you're the business person. If your lawyer or CPA says, 'I would do this,' take their advice into consideration but don't do it because they told you to do it. Take all the advice you have and then you make the decision."

Competitiveness: "If you describe me as competitive, that is probably accurate. If you describe me as aggressive, no. I am competitive in the deals I'm in. I like to win. That's essentially the game we play, the game of entrepreneurship. We keep score with money. ... I do like to play the game – and win."

Confidentiality: "We have a good Hoosier, or perhaps Midwestern ethic here. If I sit down with you and shake hands and say that's our deal and let's keep it confidential, I know with almost complete certainty that I got a deal. If I do the same thing and I'm on the East Coast or in California, it scares the heck out of me. I don't do anything until I've got it written down. I tell our people there are certain countries in which we will not do business – and one of them is California (pun intended)."



Mickey Maurer says law school (he and his wife donated \$35 million to his alma mater) taught him how to think differently. He has parlayed that into success in a variety of industries (top photo courtesy of Indiana University).