

FROM THE EDITOR

We believe in work. Not just the necessity of earning the almighty dollar. We believe in mutual effort toward accomplishment. And the acquisition of the almighty dollar. We believe this is the year the American economy will finish better than it started. We believe hard work, a rededication to doing things that have never been done before, and impatience—the same burning impatience that has fueled every great thing this country has ever done—will make it so.

We believe in treating others well so that they will treat you well and you will be all the richer for it. We believe in the suit, the tie, the gingham shirt, the shiny watch, the leather briefcase, the brown lace-up, the black oxford, the sport coat you can wear with anything. We believe the free market has never been so free, and that anyone who puts his mind to it can run the damn company someday. Tomorrow, even. And when it comes down to it, we believe in you. We don't know you that well. We've never met, actually. But we believe in you. Good luck. Read on. —DAVID GRANGER

HOW TO START A BUSINESS

Entrepreneurial wisdom from the Ace of Cakes, one of the most successful food personalities on television. With annotations, corrections, and additional advice from his very successful father. By Duff Goldman (and Morrie Goldman)

Success is often the result of recognizing and taking advantage of opportunities you stumble across. In Duff's case, it was fathoming the obvious: People liked his unusual personality and cakes much more than his unusual music.

Few would argue with the "crazy" part. If he thinks Dad is so smart, why doesn't he listen to me more? A shout-out to UCLA's superb economics program—it changed my life for the better.

Being engaged in many activities can result in unexpected opportunities. For Duff it was birthday cakes for rich kids. For Dad, it was enjoying racquetball in graduate school.

Actually, Duff, you were also told not to be afraid of making mistakes. Learn from them but don't repeat any. The first rule of business: If something isn't working, stop; if it is, continue. Of course, Duff always had a job waiting for him if this career path didn't work out: cleaning toilets in my health clubs.

My business and everything that's come out of it—the bakery, the television show, the cakes for celebrities, and this year's presidential inauguration—is actually a big accident. I was working as a private chef when I really wanted to be on tour in a rock band. I was twenty-five at the time. I had made a couple of birthday cakes for the kids of the people I worked for, and they liked them so much, they asked me to make cakes for their friends. The more cakes I made, the more requests I got. It didn't take long to figure out that I could make it work as a business.



But there was no dream of owning a bakery and being on TV. I just needed the kind of business that would allow me to take a month off now and then to go on tour. I saw it as my path to rock stardom. Here's the thing, though. **My dad is an entrepreneur with a Ph.D. in economics from UCLA. He's crazy smart**—the kind of guy who can grasp the essence of a situation quicker than you can explain it to him. By the time you're done with your sentence, he already has a couple of questions. Over the years, he's used his knowledge to advise the likes of GM, Sprint, and Congress, and to start a think tank in international economics. He built and owns chains of health clubs and physical-therapy clinics. So when I thought about trying to make some money, I knew that I had a Ph.D. super-badass entrepreneur on speed dial. I called him up and said, "Dad, I wanna start a business baking cakes."

The first thing he said was "If you want to have a cake business, you need to sell cake." As you can imagine, I was underwhelmed. I needed more than that. And he said, "No you don't. All you need to do is sell a cake. Once you sell a cake, then I'll give you step two. First, find somebody who needs a cake and sell 'em one." That was it.

So I called my brother, and he built me a cheap site using this ridiculous thing called My First Website, or something. I didn't have enough money to buy business cards, so I went to Kinko's, printed a bunch out, and used their paper cutters to slice them into individual cards. I had about a hundred business cards.

I went to work on a dummy cake, which is a cake made with real cake materials on the outside but Styrofoam on the inside. Then I put on my chef's coat—appearance is everything—slipped the business cards in the front pocket, and headed out toward a wedding venue near my apartment. What I noticed was that on Saturdays, when somebody was getting married, lots of other brides-to-be would stop in to get ideas, to see the tablecloths and flowers. It was the best time to see what the place looked like when it was all done up, because during the week when there was nothing going on, there was nothing to see. So every Saturday I headed over in my crisp, clean chef's coat carrying my fake cake, and walked real slowly down the sidewalk in front of this place, then back up. Down, then up. I would do laps like this for four or five hours. And as people would come in to look at the place for their wedding, they would stop me and say, "Oh, wow, is that a wedding cake?"

"Yeah," I'd say.

And they'd say, "Do you have a business card?"

Within two months, I was making the cakes for every wedding at the place.

Two and a half years later, I had my own shop. We did things a little differently, because if I were just to make the same cupcakes everybody else does, nobody would care. So we made huge cakes and cakes in strange shapes. Then came my own TV show, and business exploded. I now have a second bakery in L.A. plus a new concept bakery where we teach cake decorating to customers. We've made a life-sized baby-elephant cake for a dot-com mogul and a life-sized race car with spinning, smoking tires for a Nascar sponsor. And earlier this year, I was asked to bake a cake for the president of the United States. These days, I don't even need business cards.

—AS TOLD TO CAL FUSSMAN

Duff's older brother, Willie, has the street smarts in the family (think of a kinder, bighearted version of Ari Gold on *Entourage*). They've helped each other's careers immensely and are extremely close. As a dad, this fills me with more pride than their business and entertainment successes.

This is outside-the-box thinking. Indeed, Duff is so far outside that he usually doesn't know what a box is. The lesson here is to be aware of past successful techniques, but not to be constrained by them, especially if you are low on funds. This was Duff's version of guerrilla marketing.