



Suite Life Leanna runs her business from these plush digs.

Meet **Leanna Archer**. She's had more success as an entrepreneur by age 13 than most people have in a lifetime. But if a kid can do it, so can you. KIMBERLY GARZA uncovered Leanna's startup secrets. To learn them, just step into her

CORNER OFFICE

PHOTOGRAPHS BY BRIAN KENNEDY

THE FIRST TIME the now-founder and chief executive officer of Leanna's Inc. suggested the idea of starting a business, she hit a roadblock: Her parents told her no. "They said to wait until I got to college," says Leanna Archer. But college was years and years away—after all, Leanna was 8 years old at the time. And she had the idea to market her great-grandmother's homemade hair pomade recipe *now*.

Secretly, Leanna snuck samples of the family recipe hair dressing into her baby brother's Gerber jars and began distributing them—for free—to her classmates. Soon, requests for more poured in from classmates and their parents. Meanwhile, Leanna researched the basics of starting a business online. She gathered information on getting a business license and tax ID, downloaded and printed out the necessary forms, then laid everything out neatly on a table and again pitched the idea to her parents.

Gregory and Maritza Archer stared at the forms, then at their now-9-year-old daughter, as she once again presented the idea. "This time, all I said was, 'OK, so what will you call it?'" Gregory recalls. Leanna wanted something simple, sassy, branded with her name, easy to remember and to market: So in 2005, Leanna's Inc. was born.

The eighth-grader—a pretty girl, tall for her age, with red-streaked dark hair and a smile that flashes white against the smooth brown of her skin—can't legally drink, vote, or drive a car, but she's already a seasoned businesswoman and CEO of her own company, Leanna's Inc., a hair- and beauty-product maker.

In case you can't wait for the moral of her story, here it is: If a kid can do it, so can you. By following a few basic steps, anyone can build a business—even if your generation is more Joe Montana than Hannah. You can start by imitating the chutzpah of today's growing group of businesskids. "Over the last 20 years, young entrepreneurs have really accelerated," says Steve Mariotti, founder of the Network for Teaching Entrepreneurship, a New York City-based nonprofit that instructs at-risk kids about everything from reading to launching a company. "When I first started in this field, business wasn't really a big strategy among young kids," he



says. "But there's been a boom in the field particularly in the last five, 10 years."

That boom is mirrored by the growing popularity of educational programs geared toward kids with a knack for business. CampCEO—a weeklong summer camp offered by Millikin University in Decatur, Illinois, and Southern Illinois University Carbondale—teaches high-school entrepreneurs about creating a company from the ground up. For \$495, kids participate in workshops, activities, and meetings. They eventually leave camp with a completed business plan, personalized logo, and their own business cards. Black Enterprise's annual Kidpreneur/Teenpreneur Conference instructs black youth on the logistics of entrepreneurship, including everything from networking to investing to using social



World HQ Leanna and family make and box up hair products in the basement.

media like Facebook. Mariotti's NFTE (pronounced "nifty") also sponsors a competition in which kids prepare and present business plans to win \$10,000.

But opportunities aside, entrepreneurs of any age succeed or fail based on two factors: an idea to market and the determination to make it work. As for the steps on how to accomplish this, we'll detail them using Leanna as our model entrepreneur. After all, a kid has done it.

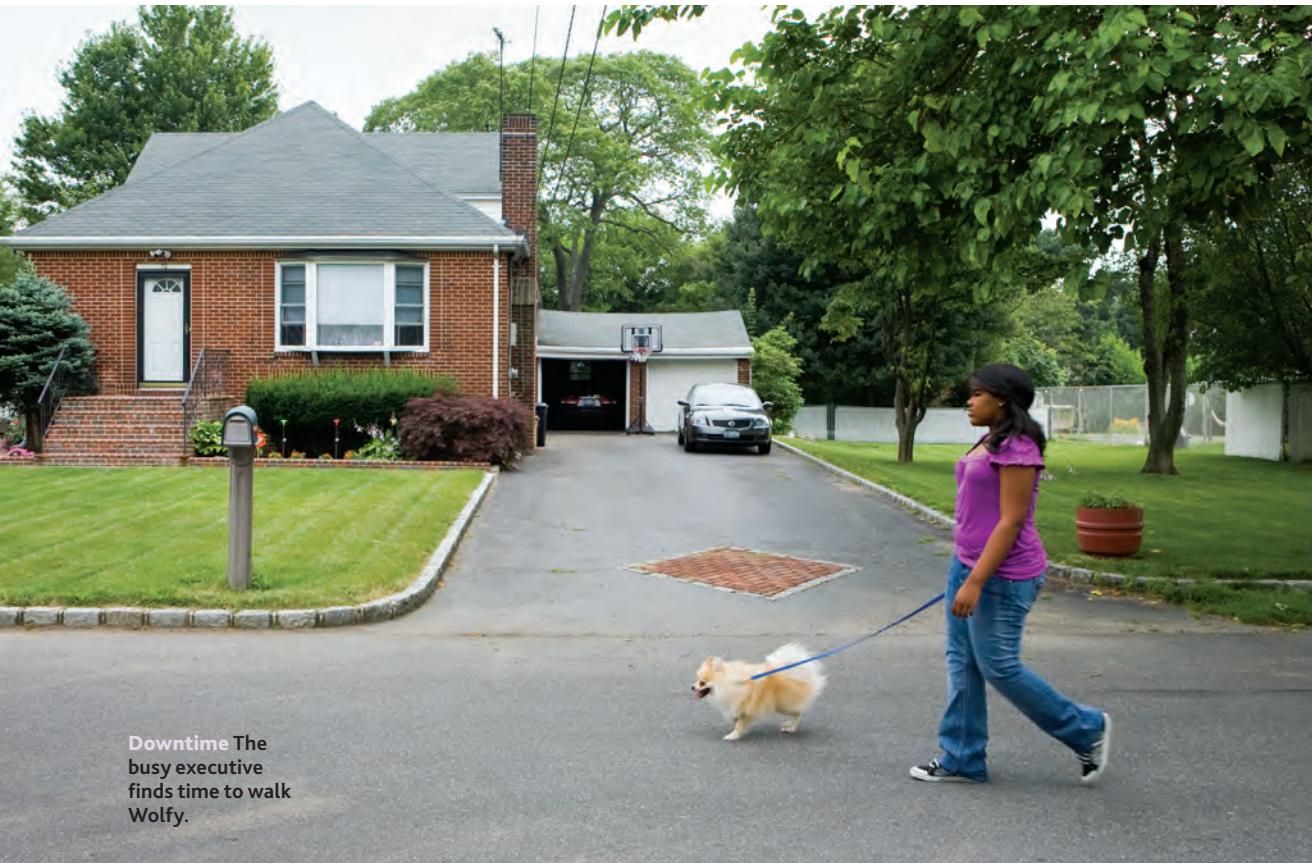
1) SOLVE OTHER PEOPLE'S PROBLEMS.

"That's the key thing," says Mariotti. "You need to find out what others' problems are and offer a service or a product that fixes it while making a profit." Leanna saw a market for homemade, all-natural, and affordable hair products, thanks mostly to a family

recipe for hair pomade, passed down from her great-grandmother.

NFTE teaches kids two ways of accomplishing this: the internal method (write down your own problems, then pick one with a solution that you can turn into a business); and the external method (surveying friends and neighbors about their problems, and coming up with a solution to one of them). Both methods can help you develop a viable idea.

2) KNOW THE BUSINESS. The research phase of a startup isn't as onerous as it might sound, though Leanna spent hours on the Web researching business books, drawing up a business plan, and obtaining a license. "The most difficult part was finding actual, legitimate information," she says. "There's



Downtime The busy executive finds time to walk Wolfy.

a lot of scam stuff on the Web.” She stuck to official government websites to make sure she was getting accurate info.

This research stage would be a smart time for you to “think in terms of one,” as Mariotti says. This means breaking down your product or service into one unit of sale—a bottle of hair pomade, an hour of house-cleaning—and identifying what that one unit entails. Once you know what your one unit is, begin to work out the price to the customer, the cost to yourself, the direct labor and materials required, and the gross profit. “Start to think about your fixed costs,” he says. “Net profit comes after fixed costs.”

3) PLOT YOUR ROUTE. You need to know how you’ll organize yourself, from suppliers, to customers, to personnel to capital, to logistics. You need a business plan.

In Leanna’s case, that meant producing a small hair-product line, largely centered on the family recipe pomade. Leanna set up a website and began accepting online orders, bottling products and packing them up in

her basement, then lugging them—with her father’s help—to the nearest post office to ship them with her own money. Orders numbered just a handful a week in those days. Once Leanna’s Inc. built a steady clientele, she began listening to comments requesting her to expand her line—or, as Mariotti would suggest, solving her clients’ problems. “People would tell me they loved the pomade and ask if I could start making a shampoo or body lotion,” Leanna says. “So I researched how to make all-natural versions of those things, then we started making them.” She even substituted a part of the original family pomade recipe, in keeping with her own insistence on staying organic: “When my grandma made this in Haiti, she used petroleum jelly, so the product wasn’t all-natural. I tried it with an avocado base, and it works just as well.”

Five years later, Leanna’s Inc. ships 30 to 50 orders a day to clients across the United States and as far away as England, Australia, and the Philippines. Leanna also sells her products in a variety of local health food

stores and beauty salons in New York; she actively works with store owners to place products on their shelves.

Leanna's accomplishments have also begun to earn her national attention. *USA Today*, Fox News, and MSNBC featured her. Inc.com selected her last year as one of its "30 Under 30." And last October she rang the opening bell of the NASDAQ. The pet project that started out with one recipe and a determined 9-year-old now grosses about \$100,000 a year.

For Leanna, part of planning her route includes public service. A trip she took with her family to her parents' native Haiti last November gave her focus. "I saw kids on the street begging for money," Leanna recalls. "I just wanted to help."

While in Haiti, Leanna registered for a foundation, set up a U.S. bank account, and began applying for donations. She used connections through her grandfather to get a spot on Haitian public television, where she spoke—in Haitian Creole—about her goal to set up a school where local kids could find food and lodging. Within days, she received an invitation to dine at the home of Haitian president René Garcia Préval, who told her he was impressed with the work she was doing. "He even took some of our hair oil, which promotes hair growth, and rubbed it on his bald head," Maritza Archer recalls with a laugh.

4) MASTER THE FINE PRINT. The creation of a business may first sprout from the idea, then the business plan, but John Sibley Butler, a business professor at the University of Texas at Austin's McCombs School of Business, warns entrepreneurs not to overlook the legalities: "A business is a legal process. You've got to make sure you protect yourself in terms of exposure."

This means both creative content and liability. Obtain a patent on your product, if it's unique and individual to you. A patent will protect you and your business in the event of a copycat coming along and stealing your clients. As for liability, talk with a lawyer about the process of protecting yourself in the event of an accident on the job. Butler cites an example for someone starting a lawn-mowing service: "If a rock were to flip

through your mower and hit someone, that person can sue. You need to understand the process. A business is a legal entity."

5) EXTEND YOUR REACH. To expand your customer base, you need to get the word out. Here again, you can learn from kid entrepreneurs. Mariotti typically advises them to start small: one sales call a day for a kid in elementary school, two a day for a junior-high student, three for a high-schooler. "We try to get kids thinking about a call a day, five days a week, with a call meaning simply asking another person if they want to buy the product," he says. "This way, sales becomes an intuitive, easy thing. If you can teach that by the 9th grade, you're doing really well."

Starting out, Leanna's only method of marketing was word-of-mouth, through her pre-startup method of distributing pomade in Gerber jars to her classmates at school that they took home. These days, her advertising



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methods still skew to the small scale. Leanna doesn't film commercials or place ads in newspapers, magazines, or on the Web. (Though she does run a website, leannashair.com.) Business is still passed on by word-of-mouth, and the Archer family now includes a handful of Leanna's Inc. flyers in every shipped box; customers can take these flyers and distribute them as they like.

UT-Austin's John Sibley Butler thinks Leanna is on the right track for start-ups. "Advertising isn't always flashy," he says. "What entrepreneurs have to do is make a decision on how big they want to be. If Leanna advertised and went nationwide, she certainly couldn't handle all those orders by herself, and probably she couldn't process everything at home."

6) RECRUIT NEARBY FIRST. It's a cliché in business that people matter most. That's because they do. Fortunately for small businesses, the people at hand—family and friends—are the

ones most motivated to work hard for you. At NFTE, Mariotti teaches child entrepreneurs about setting up an advisory board of adults—with parental approval, of course—to help with their efforts: adults who understand marketing, selling, packaging, and other skills to help the business succeed.

A key reason that Leanna's Inc. is still able to function in the basement of the Archer home is thanks to Leanna's large, very close-knit family. Both Gregory and Maritza are natives of Port-au-Prince, Haiti. They immigrated to the United States before the children were born. In the two-story Archer house, Maritza's grandparents also live with them, along with the five-member Archer family and their menagerie of pets, including three birds and a dog. Assorted family members from both sides live nearby on Long Island.

Because of the proximity, Leanna's family regularly lends a hand or two to mix and bottle the beauty products, restock basement shelves, print out

Founding Children

Get to know three other teens changing the face of business, one game, Pencil Bug, and space program for kids at a time. (And learn.)



Anshul Samar

COMPANY Alchemist Empire, Inc.

AGE 15

Last November, Anshul Samar—founder and CEO of Alchemist Empire, Inc.—hit it big. The Cupertino, California, teen launched a chemistry card game with fantasy play called Elementeo at the annual conference of the National Association for Gifted Children. Though the game is marketed mainly through word of mouth, Anshul says sales recently topped 1,500 units.

BUSINESS TIP Ask for help. Starting out, Anshul turned to his parents—particularly his dad, who had created his own software startup—for assistance. "From sales permits to UPC, business license, bank, legal documents and stock, the whole deal had to be figured out," Anshul recalls. Together, Anshul and his father worked closely with lawyers to start the company.

and label packages, box up orders, and keep the business running smoothly. Working together is no hardship, according to Evelyne Romane, Maritza's mother. "We all pitch in, but the best thing is the weekends," she says. "That's when the family all gets together. We order food, gather here and stay up until 1 or 2 a.m., laughing, talking about our week. We get a lot of work done. But it's important because the family is all together."

Though Leanna credits her success largely to her family ("I wouldn't be able to do any of this without them"), relatives think the driven 13-year-old would do just fine on her own. She keeps her school and work lives as balanced as possible by carrying on a routine. She wakes up on school mornings, fixes her hair, and eats breakfast with her brothers, Giovanny, 17, and Christian, 9. She and Christian attend Our Lady of Providence Regional School, a private Catholic school just a few miles from their home in Islip.

In the evenings, she walks her dog, Wolfy, and plays games with her parents. After homework time, she climbs downstairs into the basement, where Gregory has likely spent half the day processing orders and boxing up shipments, then helps him complete the rest of the orders until all are done. Together, they take the day's shipments to the post office.

Gregory Archer in particular works hard: A former computer engineer, he quit his job at a Manhattan investment firm in June 2007 to work full-time for Leanna's Inc. "I worried at first if I was doing the right thing," he says. "But now I get to wake up, put my kids on the school bus, and work from home. I don't regret it."

Moments of regret do arise, he jokes, when Leanna puts on her CEO hat. "She's the boss," he says. "She'll come down and lecture us, all day, every day, if she thinks we're not doing something perfectly. 'That's my name you're ruining!' she'll say."



Jason O'Neill
COMPANY Pencil Bugs

AGE 13

Jason O'Neill of Temecula, California, stumbled upon the idea of creating a business. On a whim, he developed a bug-like pencil topper with a round head, googly eyes, antennas, and a pipe cleaner body while helping his mother at a local craft fair. He dubbed the googly-eyed creations "Pencil Bugs." They sold well at the fair, and he began hawking them to classmates at school. The plan for a business came after hours of Internet research on starting a business and a phone call to City Hall to learn how to get a business license.

BUSINESS TIP Branch out. Jason plans to expand the Pencil Bugs line to include a video game, a board game, and a children's book series. "I have a lot of other ideas," he says. "I want this to last as long as possible."



Becca Robison
COMPANY AstroTots

AGE 18

Becca Robison's journey to entrepreneurship started at age 10, when she returned home to Layton, Utah, from space camp fired up to become an astronaut. Instead of receiving support from her friends, they stunned her by shooting down her dream. "They told me that it was a 'boy's job,'" she said. Determined to prove them wrong, Robison founded AstroTots, a free science day camp for young girls. What began as one camp spread to camps across the country as well as in Mexico and Russia. She plans to start other programs in Europe this fall.

BUSINESS TIP Don't give up. "Believe in yourself and your ability to do it," Robison says. "No one else will support your venture if you don't believe in it yourself." After that, "everything else falls into place."



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7) LOVE YOUR CUSTOMERS.

"There's a lot that you have to pay attention to when starting a business," UT-Austin's Butler says. His key advice for budding business moguls? Focus on customer service, in all its forms. "All successful enterprises are customer-driven," he says. "But if you want to learn how to start a business, your services have to bring something to the market, and

you have to understand honesty and respecting people."

Leanna's Inc. thrives on customer service, boasting about 1,000 repeat customers who make up the bulk of her business. "The customers are everything to me," Leanna says. She describes a situation a few years ago when the Caribbean avocado oil she uses ran out. Short on oil and with orders still to go, the Archers

purchased cheaper avocado oil from Florida—to the customers' clear dissatisfaction. "They freaked out," Maritza says. "The products weren't top quality as they usually are, and we heard all about it from the customers."

"They said, 'Don't change anything if it's working!'" Leanna recalls. "So we went back and used the original avocado oil, and we still import all our oils. It would be a lot cheaper to get them locally, but then the customers wouldn't be happy."

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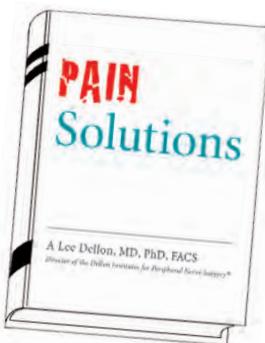
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HOW DOES LIFE LOOK after the seven steps to startups? At Leanna's Inc., it looks like the founder of the company getting to work in the basement—in the early hours of the evening, after she's finished her homework. The scene awaiting her resembles something between a laboratory and a workshop: folding tables stacked with plastic bottles and mixing bowls bearing an eerie, lime-green goop; bubble wrap strewn over the concrete floor; overstuffed couches heaped high with cardboard boxes.

Leanna dives into the packing section of the basement—stuffing boxes, winding bottles in bubble wrap. She critiques the family on which bubble wrap they're using, then asks Gregory to print more labels for the bottles.

"My dad mixed up a batch of hair oil this morning, so I just have to pack it now." She points out the labels of the bottles of hair oil: To advertise that they're appropriate for both men and women, the labels feature smiling photos of both Leanna and Gregory Archer.

For the most part, Leanna's days are filled with the business of running her company. She speaks several times a month to gatherings at churches, schools, and youth groups, encouraging hopeful entrepreneurs to pursue their dreams.

"Some people doubt that they can do it, or maybe they just doubt me. By speaking to them, I hope they realize, *OK, maybe I can do this.* People don't realize how everything they need is right in front of them. These days, you just need a computer with Internet access."

To some kid entrepreneurs like Leanna, the business aspect comes naturally. It's the business of being a kid that proves the hardest part. "Balancing school and business can be difficult," says Butler. "What happens is that on the entrepreneurial side, kids can get so involved that school stuff slacks off. Michael Dell dropped out of UT. Bill Gates dropped out of Harvard. But it's so important that student entrepreneurs finish school."

Working with kid entrepreneurs at NFTE, Steve Mariotti has developed a different approach to balancing school and business: "I view it as complementary. It's like playing sports during school; you don't let it suck up all your time."

In addition to a full load of classes, Leanna packs her tight schedule with extra activities, too. On Tuesdays, she takes piano lessons. (Music runs in her family: Her maternal grandfather was a musician in Haiti, and both her brothers are proficient pianists.) Wednesdays, she attends an after-school New York Institute of Technology science program.

Yet somehow, despite a jam-packed schedule and a noisy, often chaotic hobby, Leanna maintains an unassuming presence. She doesn't light up a room when she walks in; she doesn't command attention. She has a soft, somewhat shy nature that seems as ill-fitting on a professional businesswoman as a bulky suit.

"She's very humble, very quiet," says Joann DiNardo, principal at Our Lady of Providence. "It's unusual. She should be bragging all over the place."

But in many other ways, Leanna acts exactly like a typical 13-year-old girl. She spends nearly an hour in the mornings styling her hair, earning teasing from her mother. She tussles with Giovanny and plays videogames with Christian. She knows the TV schedules of *SpongeBob SquarePants* and *Law and Order* by heart; her eyes light up when she recalls the time she

met *Law and Order: SVU* star Christopher Meloni on an airplane and snapped a picture with him. Perhaps because of this, she dreams of a career in criminal law, prosecuting criminals and pursuing justice. In the fall, Leanna will start high school at St. Anthony's, a challenging private school. She'll face the pressures of harder classes, a more rigorous schedule, and likely the dif-

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ficulties of high school's notorious clique culture. Also in the fall, she plans to relocate Leanna's Inc. to a larger space. "If we wanted to stock \$50,000 worth of merchandise, we just couldn't do that here in the basement," Gregory Archer says.

Envisioning her career, Leanna sees *Law and Order*, the courtroom and the jury, the satisfaction of putting a criminal behind bars.

She doesn't see Leanna's Inc. The reason for this could be the pressure that running a business and going through school puts on Leanna—even though she plans to keep Leanna's Inc. going while in college. Already, her teachers comment on how her busy life has affected her schoolwork. "She misses a lot of classes these days, to do interviews or be on TV," says her principal

DiNardo. "She used to be a much better student."

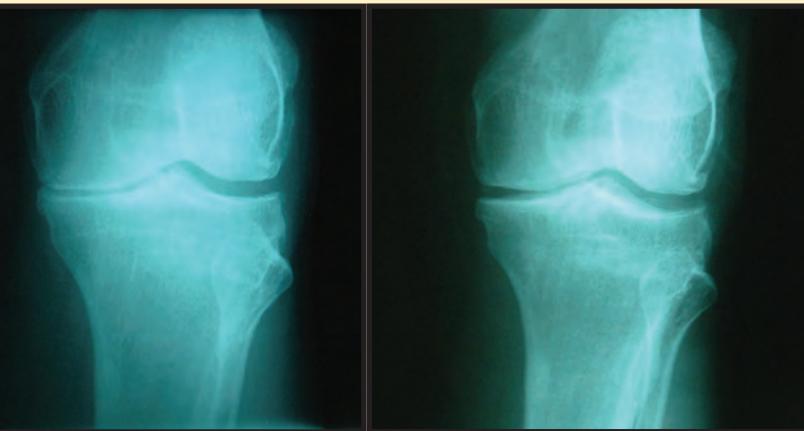
Consider Leanna's struggles when thinking about starting your own business. How will this company affect your lifestyle, your relationships with family and friends, and your school or job? If your motivation for starting a business is purely monetary, reconsider. The goal of starting a business shouldn't be for the profit. "The goal is to get a vision of what you want to do with your life and utilize business skills to help you get there," Steve Mariotti says. "Investing, explaining an idea, writing memos, paying taxes. The tactic is entrepreneurialism, but the goal is to find a pathway to prosperity. Money is just a tool to control your future time and thoughts."

Prosperity hasn't seemed to affect the staff of Leanna's Inc. Half of the revenue for each year goes back into the business, buying supplies and ingredients, with the other half tucked away in a trust for Leanna's future. The family still gathers in the Archer basement to work together, surrounded by the sounds of Maritza cooking upstairs or Christian cheering as he plays a videogame. And the founder and CEO of the company still clammers down the basement stairs every day after homework is completed, pushing up the sleeves of her sweatshirt to help fill orders, pack boxes, and take them to the post office.

When she finishes, Leanna tapes up the boxes, applies shipping labels, and stacks them with the pile for mailing. She rubs the back of her neck wearily. Fading sunlight slants through the basement windows, but her day isn't over. "It's Tuesday," she says. "Piano lessons." Leanna turns to the stairs that lead out of the basement, out of the business, and into the rest of her life.

Kimberly Garza is a writer living in Austin, Texas.

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