

Konspiracy Studios: Cash In, Cash Out

When Mike Greenberg of Damascus, Maryland, was in the eighth grade, he discovered he loved working with images. He became the go-to guy for video and graphic design throughout high school. During his junior year, he took an internship at a post-production facility. He was told that it would be several years before his manager would allow him to work directly with clients. That convinced Mike to focus on his own business. Within six months he was working full time for himself.

Mike's company, Konspiracy Studios, provides print, Web, and video services, with about 70% of the business video, 20% graphics, and 10% Web consulting. "We create videos that ultimately end up on TV, the Web, or DVDs," said Mike. "We've cut several promos for clients to present to networks for funding. We also create corporate identity packages and marketing materials for several firms."

Funding His Business

Mike bought his initial equipment by saving money he earned as a busboy. His parents helped him by matching 50% of what he earned at work. Now he's supporting himself completely through his business. He's managed to keep his overhead extremely low by negotiating and bartering. (Bartering is trading goods or services with another person or company for goods or services in return.)

Mike pays for all his expenses through his debit card and uses a free online service that allows him to track his card usage. "You can see what categories you're spending in," he said, "and it actually generates ways for you to save."

Spending for Profit

When it comes to spending money, Mike feels that "you have to look at what you're buying and see how that fits into the business." He only buys additional equipment when he needs it for a project. "I didn't



▲ Mike Greenberg

make any frivolous expenditures," he said. "I kept looking at the fundamentals of what worked and what didn't." He constantly reviews his progress in terms of both money and his morale—how he felt and how his customers felt.

At times, he's made some purchases that didn't pan out because he hadn't done enough research. A video converter, for example, wasn't compatible with his computer. On the other hand, he's also made some minor purchases that have proven to be extremely successful. An e-mail marketing service has enabled him to stay in touch with a number of clients.

Mike charges an hourly rate or, with established customers, uses a long-term fixed contract that includes a monthly retainer. "I reward people for booking long periods of time by giving them lower rates," said Mike. His Website highlights his services. It shows off his reel, displays his awards, and provides case studies of how he's solved client requests.

Thinking Like an Entrepreneur

1. How would you use bartering in your business?
2. Why is researching your buying decisions important?
3. Why should you look at the emotional as well as the financial results of your work?