

Inc.

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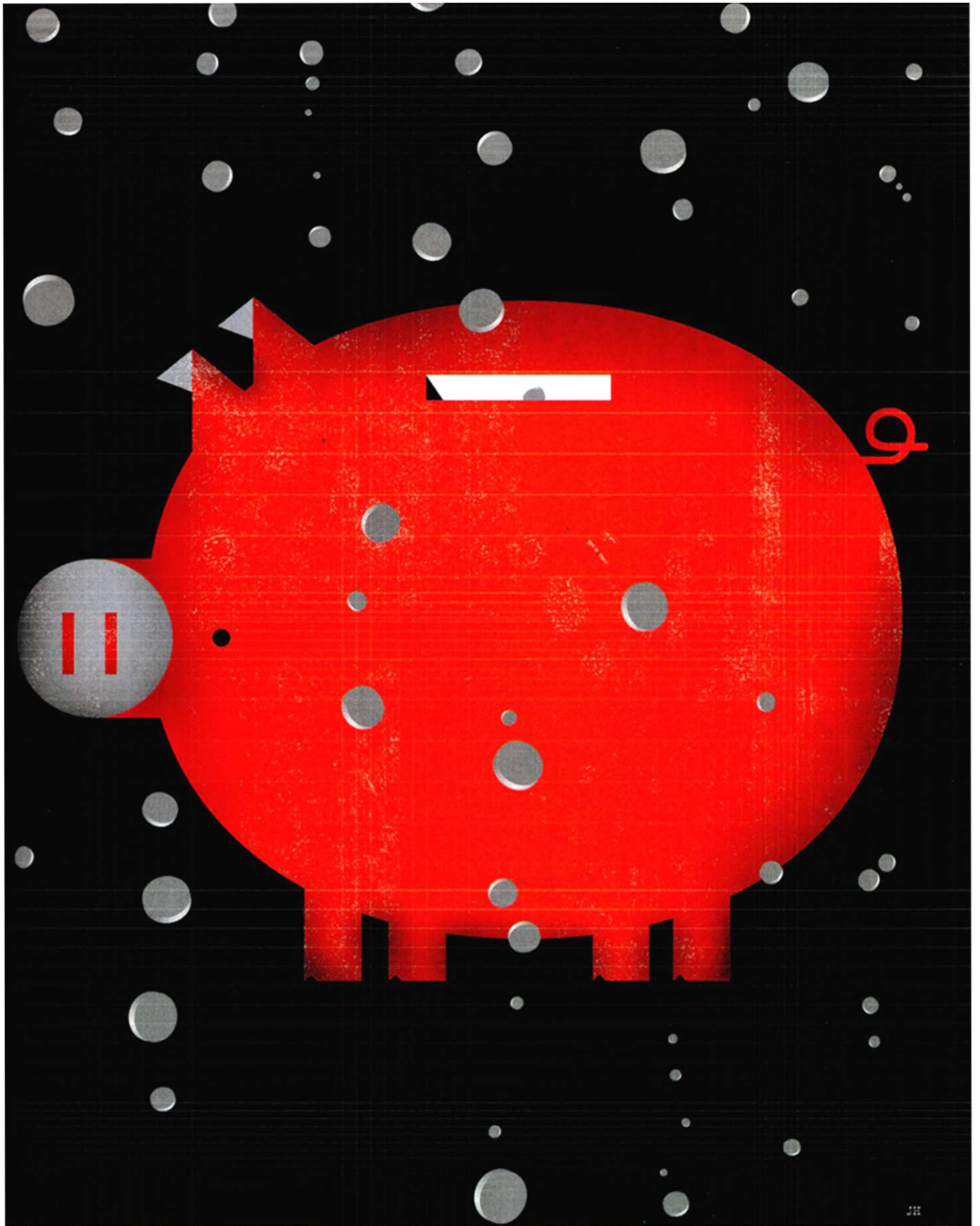
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HOW TO LAUNCH FOR LESS THAN \$10,000

IF YOU THINK the only thing keeping you from entrepreneurial greatness is a killer VC pitch and a few million dollars in seed funding, we've got good news and bad news for you: No money is no excuse. All you really need are great ideas, tons of drive, and deep faith in yourself. Just ask these entrepreneurs, who founded now-thriving companies with little more than the inspiration they found in dorm rooms, birthday parties, or relatives' kitchens. Whether selling handmade clothing, developing apps, or helping rescue animals, they show it's possible and maybe even preferable to realize any business dream on a shoestring. ☛



JH

ILLUSTRATIONS BY JOHN HERSEY

MONEY

BIG PICTURE

Paint Nite customers perfect their art in bars, under local artists' direction.



ART STARS

COMPANY **PAINT NITE**

Dan Hermann and Sean McGrail launched a different kind of party-planning business—and saved on overhead costs—with some paintbrushes, bar schmoozing, and local artists' talents.

HOW THEY SPENT IT *Event supplies, food and drinks for customers at some events, graphic design, Massachusetts business license, web domain*

Initial investment: \$6,815 ➔ *2014 revenue: \$30 million*

DAN HERMANN'S BUSINESS started with an unusual birthday party. In early 2012, he was invited to a friend's house in Boston where the guests drank wine and learned to paint. It was a revelation for Hermann, who was looking for a new, low-cost business idea. His first venture, a college laundry service called Lazybones, had become a grind; now he wanted to focus on something with low overhead, a strong social media component, and a sense of fun.

Hermann's friend Sean McGrail was at the party, and the next day they started brainstorming inexpensive ways to launch a painting-party business. Why not hold the events in bars and restaurants? Then the company would need to pay only for painting supplies and local artists to organize the events.

Organized painting-and-drinking parties had been around for a while: Corks n Canvas began in Louisiana in 2007 and today it has 180 Painting With a Twist franchise locations nationwide. But Hermann and McGrail didn't want to consider a model that could have high legal

costs and requires organizers to pay \$10,000 to \$100,000 to become franchisees. They figured they could attract more artists by making them licensees instead. For a cut of the ticket price, the licensed artists would book the venues, paint the pictures that customers reproduce, and oversee the events. (The founders say it's possible to make up to \$70,000 annually by hosting five nights per week.)

The first Paint Nite in Boston, in March 2012, was a hit, drawing 50 people. (Tickets started at \$25 and are now \$45.) As Hermann built the website and McGrail schmoozed bar owners, they scheduled more parties and plowed the profits back into the business. Within a year, Paint Nite became a full-time job for its founders. Today, the company has 54 employees and operates in 115 cities globally.

Paint Nite may have hit one big limit to its growth: demographics. About 90 percent of Paint Nite's ticket buyers are women, seeking activities for girls' nights out and bachelorette parties. The founders have sold that gender imbalance to dating websites, but the resulting singles nights aren't as popular. "Guys don't like to be not-good at things," says Hermann. Fortunately, the company's doing just fine without them. —PK.

PHOTOGRAPH BY JESSE BURKE

