

Money Matters

Learning from FedEx & Trader Joe

Fred Smith, the package delivery company founder resorted to nontraditional tactics to raise much-needed cash to keep his company running. Strapped for cash and with the payroll coming due, Fred Smith used a financing strategy not taught in traditional business schools: he went to Las Vegas, played blackjack, and won.

Privately-held Trader's Joe's, reportedly funded the expansion of their stores slowly by using their profits instead of borrowing. According to television news reports, it took the company twenty years to grow. Today, the offbeat specialty grocery store company has no debt.

Lesson: Fred Smith's strategy worked because of his skill-set. Entrepreneurs use different philosophies and plans in handling their company's financial matters. Some, however offbeat, work, while others are often disastrous.

References:

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