YOUNG FOUNDERS

If entrepreneurship were a political movement, these would be its hard-liners—single-minded, successful, and a little bit scary.

BY NELSON W. ALDRICH JR.

TWO OF THEM DON'T LIKE TO BE called by their first names—not too soon, anyway, and not on the job.

One, who has 40,000 square feet of manufacturing space with 800-plus people working on it, tells an interviewer, "I'm pretty tough. You don't scare me. I walk around here, people usually shake when they see me."

Another says: "There's no one who doesn't take me seriously after the first 15 minutes. I'm too smart, too aggressive, and I really say what I think."

These are the voices of success at an early age. Not one of the speakers has reached 30, yet all are running businesses with annual sales reckoned in the millions. No one in this particular collection is there purely by luck: on the contrary, most have been working at least since they graduated from high school, sometimes much earlier. Nor are there any technological wunderkinder in the mold of, say, Apple Computer Inc.'s Steven Jobs. The businesses these entrepreneurs run are in industries like carpet cleaning, publishing, and real estate.

They have, in short, made their money the old-fashioned way, and at an age when most young people are still trying on careers to see what fits. But what is most striking about them isn't their success, it's the attitude that lies behind it. If entrepreneurship were a political movement, these people would be its militants. Like all militants, they are at once admirable and scary.

"IT HELPS TO BE YOUNG," SAYS DEBrah Lee Charatan. She is cool and slim, elegant in a high-necked blouse and lightly patterned suit. "Forty-year-olds know what they can't do. Young people don't know the boundaries."

She started out 12 years ago in New York City real estate, first managing apartment buildings, then brokering commercial properties. Back then, she says, she had an "employee mentality." Evidently, it didn't last long. When she announced she was going out on her own, her last employer remembers saying, "Deb, what do you want? Anything you want to do here, it's yours." She left anyway.

She recalls her first office with loathing. "It was in the basement, only eight by eight. It was disgusting." But the address was good, 18 East 48th Street, just off Madison, and as she rose in the world she rose in the building. Today Bach Realty Inc., her firm, has a whole floor, and Charatan has 35 employees—predominantly women—working for her.

She expects a lot of them. "For beginners, 250 calls a day," she says. "We keep track." She also keeps track of a child, a two-year-old boy with whom she spends three hours a few mornings a week at Rockefeller University Children's School. Her business grossed over $200 million last year. She is 29.

BARRY MINKOW, OF RESEDA, CALIF., wasn't much respected as a boy. He was puny, he says, and some of the guys at his military school used to bully him. Then there was the time the telephone got cut off at his house, when his father couldn't pay the bill. Young Barry was ashamed: "What do you say to your friends when they call you and find out that your service has been cut off? I mean, what do you do?"

One thing you do is make sure that it never happens to you again. At 15, Barry went into the carpet-cleaning business.

His parents weren't particularly supportive. "My father charged me $150 a month to use the garage. And my mother, well, I can't say my mother didn't support me. She worked for me. But there wasn't a week when she didn't get her money." Today, ZZZZ Best Co. has 180 employees and branches in seven California cities. Last year it took in close to $4 million.

Minkow, for his part, is getting some respect. Everyone in the company calls him Mr. Minkow. Indeed, all managers at ZZZZ Best are addressed as mister, a tradition Minkow traces to his military-style education. "It's an intangible thing," he says, "but a great morale builder. And it's good for when I have to give an order. I have this saying, you know, 'My Way or the Highway.' "

Other things in Minkow's life are also under control. Both his parents work for him, his mother in management, his father in sales. He has built up his body until it looks, by one account, like an animated mailbox. For a while, he paid the telephone company three months in advance. For the future, he has proclaimed his ambition to make ZZZZ Best the "General Motors" of carpet cleaning. He also plans to have four children, one for each Z in his company's name. Right now he is single. He is 20.

EXTREME EXAMPLES? THERE ARE others. Michael Dell's Austin, Tex.-based company, PC's Limited, employs 170 people and last year grossed $40 million from its IBM- and Compaq-look-alike computers. Dell, who dropped out of the University of Texas premed program in 1984, is 21. Scott Edwards was working a 40-hour week and supervising a staff of seven adults by the time he was 17. Today, at 26, he runs SportNet, a for-profit club for sports enthusiasts. He also competes in triathlons. Marc Ostrofsky, the 24-year-old publisher of *Payphone Magazine,* has been selling since the age of 7—everything, he says, from newspapers to Rubik's Cube solutions.

There are times when youth—even extreme youth—is an obvious asset in business. What drives much of the economy is either technology or fashion—in short, the new—and there's a natural affinity between young people and newness. But youth alone doesn't explain the success of people like Charatan, Minkow, and the others: there's nothing new about real estate or carpet cleaning or newsletter publishing. Rather, there's another quality at work, as unmistakable as the gregariousness of a veteran politician or the freakish concentration of a champion chess player.

Barry (Mister) Minkow puts it simply. "I am obsessed," he says. "I have ulcers already, and I can't even drink legally."

Ostrofsky, the publisher, describes his and his wife's social life: "We're usually with people two or three times our age. I like that. I'm a sponge. I do it [succeed] through other people. We are totally engulfed in our business."

Jennifer Cherney, who like Charatan works in New York City real estate, is as explicit as you can get. She left home at 18, forsaking college to push a cart through the garment district, is now 25, and is a principal of R. H. Shapiro & Co. "I still think about it"—money and success—"constantly. I have an obsession with it. I'm not saying that this kind of thinking is good, or right for everyone. I don't even think it's always healthy for me. But that's what I

BENNO FRIEDMAN

Debrah Lee Charatan, 29

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want. You've got to play by the rules of success, even if it hurts."

The question, of course, is whether success will undermine that obsession—whether it will spoil the militants, dull their cutting edge. F. Scott Fitzgerald, himself a success at an early age, once claimed that there are no second acts in American lives. Cherney isn't worried. "I'm going to have lots of second acts," she says. "I'll be very active in business for a long time. I know I'm going to do something great." Listening to her, you don't doubt it.

THE REASON THE MILITANTS WILL never grow soft is that they can't afford to let down their guard. The very rich always attract envy, but the very young rich attract it with a vengeance. There is nothing novel, exactly, in a 19-year-old running a $3-million company, but there is something disturbingly incongruous about it, like a baby with a mustache. Charles Bryan, 42, a senior vice-president of Nashville City Bank who announces that he has "some of the greatest success stories in America" on his Rolodex, confesses that he sometimes thinks of his younger clients, "the earlier they get hit on the jaw, the better for them." He laughs as he says it, but every one of the militants knows of instances when the same sentiments were expressed without a flicker of a smile.

The women know it especially well. If youth and wealth seem incongruous in combination, a young, successful woman seems somehow threatening. People are always assuming, say the women in this group, that they got where they did because of their fathers or boyfriends or husbands, or that they slept their way to the top. "People can't wait to see you fail," says Jennifer Cherney. "It's impossible not to be tough, shrewd, and a little crazy if you're going to be a success. But a man like that is called a good businessman, while a woman is called a bitch."

What bothers Debrah Lee Charatan isn't so much the envy of strangers, it's the covetousness of friends and relatives. Not that she is uncharitable: her résumé lists 15 organizations, from the March of Dimes to the Metropolitan Museum of Art, to which she gives time and money. But friends and