

**U.S. Small Business Administration**  
**Interview with Dan Price**

Ron Johnson: Entrepreneurship is a passion that doesn't come with an age requirement. Most successful business owners started pursuing some form of entrepreneurial endeavor in their teen years if not earlier. With a strong foundation, a basic knowledge of business ownership and the drive to make it happen, small business ownership is achievable at any age.

Hi, I'm Ron Johnson with the U.S. Small Business Administration, *Your Small Business Resource*, and with me today is Dan Price, co-founder of Gravity Payments, a payment processing solutions company. Dan is also the recipient of SBA's 2010 Young Entrepreneur Award. Dan may be young but he grew his business the old fashioned way: hard work, self sacrifice and world class customer service. Dan, it is great to have you here today.

Dan Price: Thanks, Ron, really nice to be with you guys.

Ron Johnson: So tell us, how did you and your brother come up with the idea of Gravity Payments?

Dan Price: So, Ron, as a junior in high school, I had kind of like a mid-life crisis. I was in a rock band growing up and my band broke up but over the course of being with that band I built up some great relationships with local businesses

as well as some good business and technology skills. I decided to merge these two opportunities by working as a consultant to help merchants get a better price or service from their existing credit card processor and it was effective for my clients.

I had a great time, really enjoyed it but the more I saw, the more I was really disgusted by how bad our industry was for independent businesses. There were high fees, very opaque and inconsistent service and I wanted to solve these problems. I was able to save a lot of money and also work on developing the products for Gravity during that time and then we officially launched with our first set of customers, using our own products, about halfway through my freshman year at college.

Ron Johnson: What age did you get the entrepreneurial bug and where did it originate, basement, home, office, school? Can you tell us?

Dan Price: Yes, I feel that I've had it as long as I can remember. I always started little businesses and then ready to grow up and find a way to change the world. I especially loved being in the band and managing a lot of the business for the band.

Back when we were in junior high, I remember one time we sold a couple hundred stickers, or even more than that, and we

were saving money up to record a CD and then when we got the CD recorded, we sold enough CDs to go on tour and record another CD and so I've always been kind of doing things like that and the band gave me a really clear way to bootstrap and build a company that way. We had some help from our parents and other people that I really appreciate it but it was really fun to bootstrap and build it from the ground up.

Ron Johnson: Dan, as a young business owner, was age ever an issue for you?

Dan Price: You know, it could have been a disadvantage but oftentimes I'd use my young age as motivation to learn as much as I could and try to remain very humble and customer oriented. People saw me and tended to dismiss me at first but once I started listening to them and serving them, I was quickly able to gain respect and trust. In addition, I've always had a lot of energy and it was not uncommon for me to work 16 or even 18 hours in a day the first couple of years in business. And my age and life stage, being single and no kids and no whatnot, at that time allowed me to thrive and really work very hard.

Ron Johnson: Dan, what obstacles did you face as a young entrepreneur?

Dan Price: It was really interesting, especially when I was very young and starting out, even though I was working long hours, minimum 80 hours a week and sometimes a lot more, the company was growing fast and I needed to protect internal resources, as a result I didn't take any money out of the business for the first two years and I was able to live on less than a thousand dollars per month including all living expenses in Seattle which is one of the more expensive places to live. This was a bit of a challenge in the beginning.

More recently, with the financial crisis, it was looking really bad in August of 2008, credit card usage of independent business, which correlates perfectly to our revenue, dropped by 20 percent in a couple of weeks. It was a pretty extreme challenge and so we were working off of very tight operating margins even prior to that and the business ceased profitable for the first time since we had started. Fortunately, everyone on the team really picked up the slack and for my part, I took an 80 percent pay cut and went back to cold calling local restaurants at night, signing several good ones as clients to get us through that. We grew our market share so fast that, even during the worst recession, we were still growing more than 40 percent. However, that initial shock and refitting our expectations and model was very challenging.

Ron Johnson: What advice would you give a young entrepreneur or someone thinking about starting a business?

Dan Price: The advice I would have for a young entrepreneur would be to do something where you can serve others and make a difference for those for whom you care. For me, that was making independent businesses more sustainable and competitive with change by lowering costs for a needed service. Making money in and of itself is not nearly as fun as trying to make a difference and create a better world around us and for me, a big part of that was sustaining small businesses.

Ron Johnson: What qualities did you bring as a young entrepreneur to be so successful?

Dan Price: Well, other than being young, the things that I felt like I tried to bring were a thirst for learning, drive, energy, passion, creativity, but above all, really being customer-centric and being in business to serve others. We always try to keep the focus on the customers and helping them and really try not to get distracted in thinking just about ourselves.

Ron Johnson: And Dan, what is the best advice someone has ever given you?

Dan Price: Despite my earlier response in giving other people advice, in general, some of the best advice that I've

gotten from others, I also give. I really don't believe in advice. I want to hear advice and consider it but at the end of the day, I need to be accountable for my decisions and I'll ultimately be held responsible for my decisions. I listen and I learn from others, and especially from their experiences and what they have to share but every time I have gone on just trust in taking someone else's advice without understanding or believing that I should do that, things haven't worked out well. So instead now I listen to everyone, consider what they say but then I sit back and I follow my own heart and my own brain and make a decision from there.

Ron Johnson: Well Dan, we both know that owning a small business is part of the American Dream. The SBA offers various counseling and training programs for individuals interested in pursuing these dreams. Our thanks to Dan Price, co-founder of Gravity Payments, for sharing his experience and knowledge for small business. For more information visit SBA's website at [www.sba.gov](http://www.sba.gov), until next time, this is Ron Johnson from SBA, *Your Small Business Resource*.

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