



Do Ex-Wall Streeters Make Good Entrepreneurs?

[Melanie Lindner](#), 10.13.08, 7:00 PM ET

With the banking industry roiled beyond recognition, many Wall Streeters will be looking for a fresh start in the coming months. The financial services industry slashed 130,000 jobs in 2007 and another 111,000 already in 2008, according to Challenger Gray & Christmas, a placement and consulting firm in Chicago.

More than a few bankers, analysts and traders will take their capital (what's left of it, anyway), skills and connections and brave the world of entrepreneurship. How will they fare? More important, what can entrepreneurs learn from ex-Wall Streeters who took the plunge in the past?

"A healthy appetite for risk and a strong background in analytics will certainly help [former financiers] succeed as entrepreneurs," says Paul Bernard, a Manhattan-based executive career management coach. However, he warns, "If you're not ready to be married to your business, or can't face the idea of not having an income for the first two years, this might not be for you."

In Pictures: 10 Wall Streeters Turned Entrepreneurs

Talk to former finance types and you get the sense that, indeed, they may well have a leg up, for a host of reasons: ability to handle long hours; willingness to take risks, a solid of understanding of core business issues like accounting, strategy and marketing; and, corny as it sounds, an indomitable will to win.

"After working on Wall Street, I felt like I could conquer the world," recalls John Childs, 48, an investment banker at Dean Witter Reynolds (later swallowed by **Morgan Stanley** ([nyse:MS - news - people](#))) before getting laid off in the 1991 recession. Childs spent the next six years counting beans as a CPA in Crescent City, Calif., but never could shake his entrepreneurial itch.

So, in 1998, he dumped \$250,000 (assembled from a \$95,000 home equity loan and a fistful of credit cards) into an Aaron's furniture and electronics rental franchise--all this while having six kids to support and zero background in electronics. Good bet: Childs now owns 12 Aaron's stores in the Portland metro area.

Better yet, he is now pouring \$1 million of his savings into four Hand & Stone spa franchises slated to open next month. Child's advice to aspiring entrepreneurs: "Be of the belief that failure is not an option."

Clearly, Wall Streeters can be too cavalier about risk (witness the burgeoning credit crisis). However, having an iron stomach does come in handy, especially for those who don't assume the government will bail them out.

Josie Natori would agree. While Natori climbed the ranks to become the first female vice president of investment banking



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