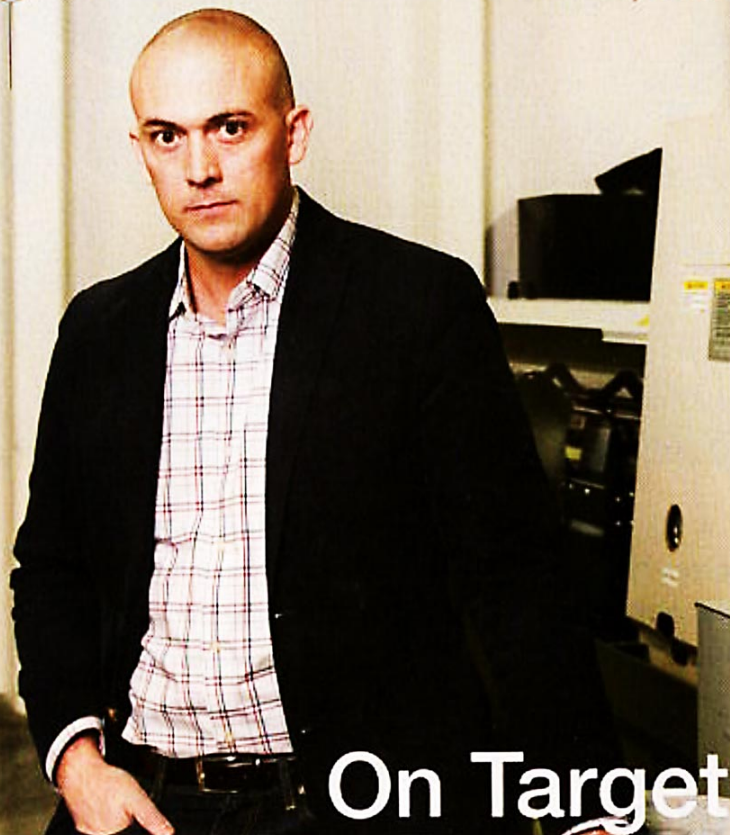




Lessons Learned

By Rachel Madison



On Target

How SilencerCo Broke through Regulatory Red Tape

Photo by Isaac Miller

It's safe to say Joshua Waldron, co-founder and CEO of West Valley City-based SilencerCo, is passionate about guns. An avid hunter and target shooter, Waldron has spent much of his life around guns and has always been an advocate of the Second Amendment. Though this hobby has been a major part of his life, it wasn't until 2008 that he decided to make it a part of his career too. Along with business partner and co-founder, Jonathon Shults, Waldron began manufacturing gun silencers. The company had a slow start at first, but between 2009 and 2013 SilencerCo saw an unprecedented growth of 3,034 percent.

Running and growing a business in the highly regulated firearms industry hasn't always been easy, and some lessons Waldron had to learn the hard way. However, after several years of being immersed in the industry—and working closely with groups like the National Rifle Association (NRA) and the federal government—Waldron has discovered what it takes to effectively cut through red tape and successfully grow a business.

Educate Stakeholders

For the first four years, 100 percent of SilencerCo's marketing dollars went toward education.

"We had to make people want silencers before [the NRA would] fully invest into the silencers," Waldron says. "That entity has been such a key and crucial part to our success and growth. We couldn't have done as much without them. They weren't

against my company, but they were worried about jumping on board before their membership understood silencers, so we educated consumers to make that happen. The NRA worked really hard in this part of the industry and I'm glad I could help them with that process."

Be Patient

Waldron jokes that anyone who wants

to be an entrepreneur should look for industries that aren't highly regulated.

"I love guns and I love the industry, which is why I put up with a lot of crap," he says. "The federal government is hard to work with. Change is extremely slow. At the same time, they have the power to put you out of business—but you don't have the power to put the government out of business, so it's not a level playing field. You have to go into it knowing the best thing you can do is to be patient. When I first got into the political side of my job, I wanted to be the guy who stood on the mountain tops and screamed and banged my chest and said that I was going to change the world, but that's not how you get things done."

Instead, Waldron says cultivating relationships is the best thing to do—particularly in a highly regulated industry, where networking and lobbying are key factors in getting something you need done.

Invite Regulators to Visit

Regulators often "stop by" companies to

give them a surprise audit, but you don't have to wait for them to surprise you. Waldron says it's important to not give anyone any reason to be suspicious.

"Invite people to your facility, because if they're not there on a 'stop by' audit inspection, then they'll usually help you get ready. They can't shut you down if they are there on invitation. Have them out to go through your facility, make friendships and have them consult with you on best practices. That will help you navigate that extremely difficult space," he says.

"At the same time, don't give into anything," he adds. "Know the law exactly how it's written so you can prove them wrong if they tell you to do something that's not necessary. Then they'll know you know your stuff."

Find the Right Investors

Waldron admits that most of the investors he chose as a new entrepreneur weren't the best ones for SilencerCo.

"When you're first starting a business, you're looking for any money you can get, and it really does come around to bite you in the end," he says. "Granted, my company exists because of those dollars I raised, but I could have raised those dollars from someone else who brought more than capital to the table. I've had investors who tended to be high maintenance, where there was a lot of explaining and hand holding."

Waldron's advice is to never get enamored with shiny objects. "Just because someone has a bunch of money doesn't mean it's the right thing to do," he says.

Approach Partnerships with Caution

When Waldron and Shults first started SilencerCo, they had a third partner. They learned the hard way that this partner wasn't the best fit for their company.

"That third partner was manipulative, not business savvy and did not like risk,"

Waldron says. "All these things kept our company from excelling. He just did not align with us at all."

That's why Waldron says it's important to "be really careful who you get into bed with." All business partnerships should be treated as a calculated marriage, because it has a lot of impact in how your business works, from future growth to company culture, he adds.

Be the Customer

SilencerCo used to just produce tactical products, but it is now entering the hunting world with hunting products. Though Waldron has hunted all his life, he now goes hunting at least once a month. Why? Because it allows him to be a customer of SilencerCo. "It gives me the ability to really understand what can enhance the shooting experience," he says. "If you want to understand what the customer wants, then you need to be the customer." **UB**