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Startup 101:

A Soup to Nuts Journey in Starting
your Own Enterprise

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***This workshop would not be possible without the fantastic resources
sited in the appendix of this presentation***

Be an Entrepreneur

“Entrepreneurship is the last refuge of the trouble making individual.”

- Natalie Clifford Barney

Introduction: Who I Am

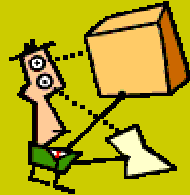
- **Serial Entrepreneur – What does that mean?**
 - Constantly looking for new ways to do things -- and when you don't find them, you create them
 - Get a buzz from starting new things
 - Don't wait for people to tell you it's "ok" to do something
- **A Bit of Background**
 - B.S. in Mechanical Engineering
 - B.A. in Theatre and Film
 - Worked as a film producer and screenwriter in Hollywood
 - Was an early pioneer on the Web (1994) – consulted to too many startups to count
 - Founding partner Social Venture Partners Bay Area (2000)
 - Founding partner OnRequest Images (2002) (VP Marketing)
 - Founder of Social Enterprise in Action at KSG

What This Workshop Is and What it Isn't

- This workshop will provide info that will help you...
 - Bring an entrepreneurial perspective to
 - Help you startup a new venture
 - Help you innovate within an existing organization or government agency
 - Evaluate your strengths and weaknesses as an entrepreneur
 - Determine if your idea is a good one
 - Outline the “must knows”
 - Research, marketing, business planning, fundraising for for-profit and non-profit ventures
- This workshop will not provide you with...
 - A series of templates to start your enterprise
 - Detailed business planning marketing strategy or fundraising “how tos”

Starting an Enterprise; A Play in Three Acts

■ Beginning – Know Yourself



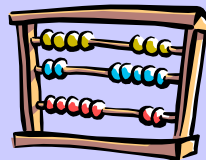
Where you ask the tough questions to prove you are up for the challenge

Middle – Know Your Business



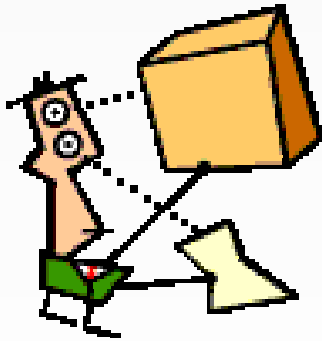
Where you pick THE BIG IDEA and prove that it's the best idea in the world

■ End – Use Tools to Build



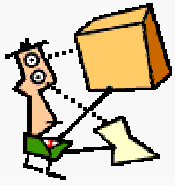
Where you use available tools to plan, build and launch your venture

Act 1: Know Yourself



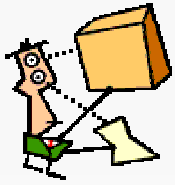
“Make it thy business to know thyself, which is the most difficult lesson in the world.”

- Miguel De Cervantes



Ask Yourself

- Who am I?
 - Do I have an entrepreneurial instinct? Do I have an overwhelming desire to have my own enterprise? Do I have the guts and dedication to stick with it when it gets tough (and it will)? Do I love to “sell” and convince people of my ideas?
- Why do I want to do this?
 - Is it because I want to see things done differently? Help some one, or group? Eradicate a social problem?
- What is it that I personally expect out of this?
 - Is it for fame, glory or money? Self-satisfaction? Am I planning on being with this enterprise forever? Do I want to sell it to a larger organization? ***What is my exit strategy?***



Know Yourself

Ask Yourself

- Are my family and friends on board?
 - Will I have the support I need to do this?
 - Can I find a “Kitchen Cabinet?”
- What skills do I have? What do others say I’m good at?
 - What skills am I missing?
- How do I like to work?
 - Group? Alone? As a consultant? Full-time? Part-time?
- How will I make a living while doing this?



Act 2: Know Your Business



"It's not only what you know; it's how fast you learn what you don't know."

- Ryan P. Allis, entrepreneur



The Big Idea - What to Start?

- What type of idea is it?
 - Product – something you produce that is given away or sold
 - Recycling bins, community yellow pages, software
 - Service – something that you provide for others
 - Soup kitchen, consulting, in-home care, after school program
 - Product/Service – make the soup, serve or sell the soup
 - Process Innovation – changing the way something works

- Quiz: <http://www.myownbusiness.org/s1/index.html>



The Big Idea – What to Start?

- Am I good at it?
 - Or at least have a burning desire to be good at it?
- Is it practical? Is there a demand?
 - Has it been done before? Who is my competition? What is my advantage?
- Do I have resources (cash, equipment, supplies, co-workers) with which to get started?



Know Your
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The Big Idea – A Litmus Test

- Love your Idea
- Believe in what you are offering
- Love talking about it
- Have boundless passion about it

If you are convinced that you've picked the right THE BIG IDEA, its time for research, research, research



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Do Your Research: Terms to Know

- Market/market share
- Competition
- Customers/Audience/target audience/users/clients



Know Your
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Do Your Research: Market

- Research the “market”
 - How big is the market/need?
 - What is the “size” of the market?
- Research the competition
 - Are there others offering the same product or service?
 - How to find out? Great online resources
 - Hill search
 - Dun and Bradstreet
 - Dow Jones Business Directory
 - Integra Information systems
 - Forrester Research



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Do Your Research: Customer

- Who are they?
 - Demographics
 - Psychographics
- Do they want what you are offering?
 - Do they need it?
 - Is there a demand?
- Market Test if you can
 - Surveys and questionnaires
 - Ask around
 - Stay up on the latest news and policy issues



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Do Your Research: Vision of the Org.

- What kind of organization (legal structure) will it be?
 - Sole Proprietorship
 - Non-Profit, non-revenue generating
 - Non-Profit, revenue generating
 - For-Profit
- Be creative in your organizational design
 - Creatively conceive of new ways to solve social problems
 - Partnership (public, private, non-profit)
 - Collaboratives and coalitions
 - Pitch to existing enterprise



Know Your
Business

Do Your Research: Logistics

- Operations, organizational structure & culture
- Team
 - Sales & marketing, public relations
 - Customer & business development
 - Legal & research
 - Financial and/or data analysis
 - Human resources & training
- Advisory board
- Office space/location
- Technology & telecommunications logistics



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Do Your Research: Rough Costs

- Is it possible to raise enough money to start the enterprise?
 - Short-term
 - Where will I get seed money?
 - How will I live in the meanwhile?
 - Longer term
 - For-profit – can I convince investors that it will generate enough revenue to be sustainable?
 - Non-Profit – will philanthropists or government agencies find it compelling enough to fund?

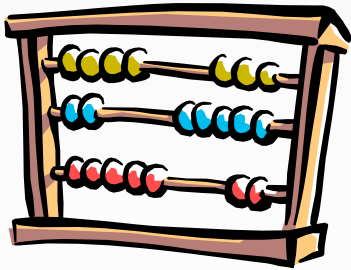


Stop! and Evaluate

- Is this really what you want to do?
- Are you willing to put in the time and effort?
- Do you have the financial and emotional wherewithal to do it?
- Would you be willing to walk away if it isn't successful?

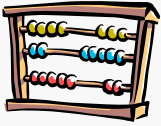
If the answer to all of the above is “YES” then you are ready to get started!

Act 3: Use Tools to Build



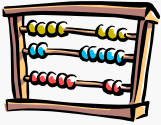
“One only needs two tools in life: WD-40 to make things go, and duct tape to make them stop.”

- G. M. Weilacher



Tools: Develop a Mission Statement

- What is a mission statement?
- Don't confuse the mission with objectives.
 - The mission is about fundamental values
 - Objectives are about concrete goals
- Enterprise X is a adj., adj. noun that will provide adj., noun and noun to adj. noun in location.
- Example: The City Soup Kitchen is a caring, safe environment that will provide undernourished children and families with healthy food in the downtown Boston Area.
- Develop the “elevator pitch”
- Develop the “five minute pitch”
- Develop the “conversation pitch”

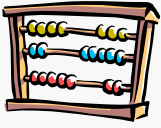


Tools to
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Tools: Practice Makes Perfect

- Practice talking about it
 - There's nothing more important than being able to explain your story in a simple and interesting fashion
- Network like crazy
- Recruit Partners
- Recruit Advisors
- Recruit Potential Investors/Funders

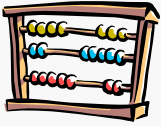


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Tools: Plan the Work, Work the Plan

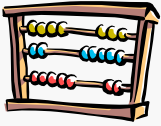
- Write a great Business Plan
 - Executive Summary
 - Organizational Summary
 - Services
 - Marketing Analysis
 - Strategy & Implantation Plan
 - Management Team
 - Financial Plan



Tools to
Build

Tools: Find the Money

- Diversify Funding Sources
 - Angel investors
 - Foundations
 - Government grants
 - Individual donation
 - Corporate Philanthropy
 - In-kind donation
 - Public-Private Partnership
 - Public-NP Partnership
 - Private-NP Partnership
 - Venture philanthropy

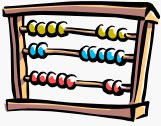


Tools to
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Tools: Plan For Success

- Non-Profit
 - Be accountable, collect data
 - Target service goals
- Non-Profit – revenue generating
 - Know your financials
 - Collect data
 - Target % of operating costs derive from generated income (as opposed to funders)
- For-Profit
 - Know your financials
 - Grow revenue
 - Keep costs low
 - Project profitability

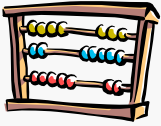


Tools to
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Tools: Create a Buzz, then Get Started!

- No better way to find out if it works than to get started
- Marketing & guerilla marketing
 - List on web sites
 - Flyers at community centers or other relevant locales
 - Partner with local Community Based Organizations (CBOs)
 - Direct mail
 - Call in the media
 - Write a press release
 - Publish a newsletter
 - Have a launch party



Tools to
Build

Tools: Analyze & Adjust

- Analyze results
- Collect feedback
- Adjust the Plan
- Keep networking
- Stay focused
- Praise co-workers
- Take time off so you can stay sane & healthy

Conclusion: Do you Have What it Takes?

- Persistence
- Desire for immediate feedback
- Inquisitiveness
- Strong drive to achieve
- High energy level
- Goal oriented behavior
- Independent
- Demanding
- Self-confident
- Calculated risk taker
- Creative
- Innovative
- Vision
- Commitment
- Problem solving skills
- Tolerance for ambiguity
- Strong integrity
- Highly reliable
- Personal initiative
- Ability to consolidate resources
- Strong management and organizational skills
- Competitive
- Change agent
- Tolerance for failure
- Desire to work hard
- Luck

Conclusion: Startup - A Play in Three Acts

■ Know Yourself

- Remember - the enterprise is YOU.
- Happiness is a choice – if you are happy with what you are doing and what you are accomplishing, people will flock to you

■ Know Your Business

- Be savvy about your market
- Know and listen to your customer

■ Use Tools to Build

- Don't reinvent the wheel
 - Use online tools and resources
 - Google search
 - online startup guide
 - online business planner
-



Online Resources

Appendix

<http://www.startupjournal.com/>

<http://www.paloalto.com/ps/bp/ebb.cfm> “How to Start” series

<http://www.thedesktop.com/business/>

<http://www.entrepreneur.com/toolkit/0,4763,,00.html>

<http://www.bplans.com/samples/wsj.cfm>

<http://www.cfo.com/article/1,5309,8719,00.html?f=related>

<http://www.myownbusiness.org/s1/index.html>

<http://www.thelabrat.com/review/Startup.shtml>

http://www.myownbusiness.org/course_sba.html

http://www.sba.gov/starting_business/startup/guide2.html#how

<http://www.sba.gov/training/entrepreneurship.html>

<http://www.bplans.com/>

<http://www.bplans.com/spv/3050/toc.cfm>

<http://www.zeromillion.com/>



Parts of a Business Plan: Overview

Appendix

- Executive Summary
- Organizational Summary
- Services
- Marketing Analysis
- Strategy & Implantation Plan
- Management Team
- Financial Plan



Parts of a Business Plan: Executive Summary

Appendix

- Introduction
- Organization
- Products or Services
- Financial Consideration
- Objectives
- Mission
- Keys to Success



Parts of a Business Plan: Organization Summary

Appendix

- Legal Entity
- Organizational History
- Locations



Parts of a Business Plan: **Services**

Appendix

- Service Description
- Competition
- Printed Collateral
- Fulfillment
- Technology
- Future Services

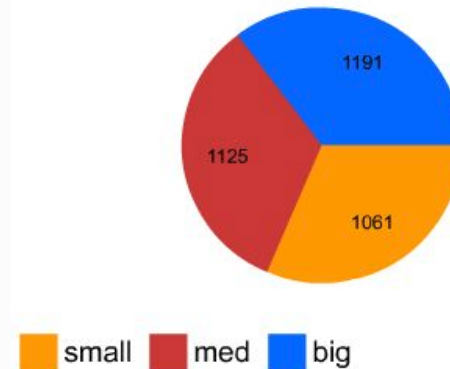


Parts of a Business Plan: Market Analysis

Appendix

- Market Segmentation
- Market Analysis (Pie)
- Market Analysis
- Target Market Segment Strategy
 - Market Needs
 - Market Trends
 - Market Growth

Market Analysis Growth

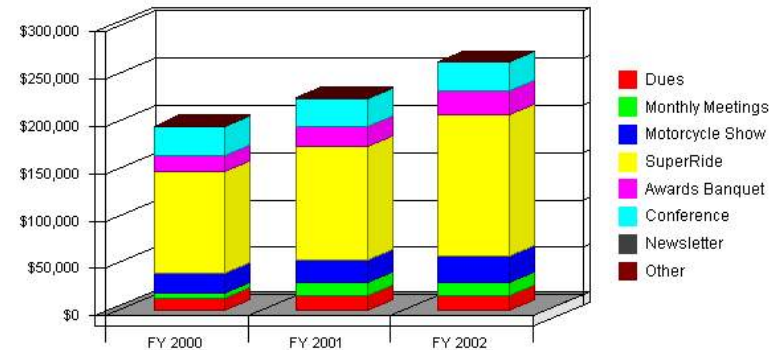




Parts of a Business Plan: Strategy & Implementation

Appendix

- Strategy Pyramid
- Value Proposition
- Competitive Edge
- Marketing Strategy
 - Positioning Statement
 - Funding by Year
 - Funding Forecast
- Pricing Strategy
- Milestones





Parts of a Business Plan: Management Summary

Appendix

- Personnel Plan
 - Management Team Summary

Personnel Plan

	FY2004	FY2005	FY2006
Executive Director	\$39,000	\$44,000	\$53,000
Other	\$4,200	\$5,000	\$6,000
Total People	2	2	2
Total Payroll	\$43,200	\$49,000	\$59,000



Parts of a Business Plan: Financial Plan

Appendix

- Important Assumptions
 - General Assumptions
- Projected Surplus or Deficit
 - Surplus and Deficit
 - Projected Cash Flow
- Cash
 - Cash Flow
- Projected Balance Sheet
 - Balance Sheet

