

STARTUP RESOURCE GUIDE

How to launch an MVP and advance your business.

Welcome!

May 2014

Table of Contents

| | |
|--|-----------|
| How to Use this Guide! | 2 |
| Validate the Idea | 3 |
| Form the Company | 7 |
| Form the Team | 10 |
| Conduct Primary Market Research | 14 |
| Develop and Test Product Prototype | 17 |
| Scrub Business Plan and Projections | 21 |
| Secure Intellectual Property | 24 |
| Create Name and Brand Strategy | 28 |
| Outsource Ancillary Functions | 32 |
| Draft Guerilla Marketing and Sales Plan | 34 |
| Capitalize the Company | 48 |
| Operate the Company | 42 |
| About the Author | 47 |

How to Use This Guide

This guide is comprised of twelve chapters. In one respect, each chapter is a sequential step in starting a company. There is no need to form a company until you have validated the idea; no need to secure the intellectual property until you have conducted primary research, developed a prototype, and scrubbed the business plan. If you have already completed some of these steps, feel free to skip ahead, but review the suggestions to make sure you haven't missed anything. Like the cornerstones of a solid foundation, each step in starting a solid business is built upon the ones before it.

Each chapter begins with a verb, .i.e., *validate, form, conduct, develop, create*, etc. This is to reinforce that you are moving from simulation to reality, from learning and thinking to planning and action. After *all* the thinking and planning, the thing that matters most is what you **DO** to advance your idea and turn it into a viable business.

Each chapter is broken into four parts:

Introduction: Offers some advice based on years of real-world experience. It sets the stage for what you should decide and do.

Things to Think About and Decide: Offers suggestions on how to approach the topic of the chapter. Think, Decide, Do.

Things to Do (or not): Offers a list of do's and don'ts, but probably covers some best practices you may not have thought about.

Recommended Readings and Resources: Offers links to best-in-class books, tools, templates, web sites, and services that can help you start and build your business. This is the real value of this guide. Mix and match the readings and resources to create your personal blueprint for success.

As you go through the material, feel free to schedule one-on-ones with Thesis Fellows and partners to provide context and connections.

Validate the Idea

"Here's the difference between a visionary and an entrepreneur. Both have visions, which are a dime a dozen. But an entrepreneur has, in addition to visions, plans. In addition to plans, actions."

– Bob Metcalfe (Founder of 3Com and inventor of Ethernet)

You should start by doing (or finishing) the ground work necessary to validate the business opportunity. Every business idea, no matter how good, depends on how well it is developed and ultimately transformed into a money-making venture.

How do you know how good your idea is? It starts with an inspiration. It is fueled by passion. It becomes a reality only with hard work and persistence. An idea is fickle. It will tease you, seduce you, and even deceive you. Before you devote a significant portion of your life to it, be sure it will be worth it... even if it does not succeed... because it may not.

Contrary to common perception, whether or not your idea can be transformed into a sustainable business, is not entirely within your control. There are too many variables and unforeseen challenges to predict. Good ideas fail, even with sufficient resources and flawless execution.

If you can't afford to fail, financially or emotionally, don't start. If you know in your heart that starting a business will bring you closer to your dreams and goals even if this business fails, then proceed with gusto. But first, do your homework and do everything in your power to mitigate your risks. Along the way, be receptive to new insights and serendipity and adjust your course accordingly.

As you begin this journey, there are some things to think about, things to decide, and things to do that will increase your odds of a favorable outcome.

Things to Think About and Decide

First, do not proceed to form a company unless you are truly passionate about the idea and have validated it with real customers. Your motivation should be more than just money. You should also be motivated by the possibility of making a difference, creating something new (or better), and the opportunity to learn and grow. Remember that people do not buy ideas. They buy products and services that solve a problem or fulfill a need. You should list the data points that are required to validate that your idea can be transformed into a money-making product.

Second, think about your idea as a “project,” or an “experiment,” not as a business. Once the project achieves certain milestones (see below), you can turn it into a business. Many people will tell you to “focus, focus, focus” on one idea. That’s actually bad advice. It is okay to try lots of different ideas until one sticks -- until it keeps you up at night and forces you to do nothing but it. The right idea will find you. You will know you have the right idea when your enthusiasm is not driven solely by your love for the idea, but by the love for the idea from people who will buy it.

Third, decide how much time and money you can devote to the idea. Decide what has to happen and by when for it to continue. Decide what would kill the idea, for you to cut your losses and move on to another idea. If you have a job, don’t quit it until your idea becomes a business capable of generating revenue within a timeframe that does not burn up all your savings, or until the business is capable of attracting outside investors.

Fourth, think about whether the idea translates into a lifestyle company, or a high-growth company. They have very different requirements. Can the eventual product scale? Can it be replicated and sold on a mass scale, or is it limited by geography or number of units that can be produced? There is no right or wrong answer in terms of the size of the business opportunity. There is only what is right for you and your ability to attract the resources necessary to create a profitable business.

Fifth, think about how to simplify the idea. Too much has to happen before anything can happen, so the simpler it is, the more likely it can be done. If your idea requires a lot of complexity or ongoing customization to serve the market, think hard about its viability and your ability to make it happen.

Sixth, decide on the THING that makes it unique or better and be able to articulate that within 15 seconds. What’s your “secret sauce” or “sweet spot?” What is the one THING that customers will absolutely LOVE about the product? What is the pain point you are addressing? Why hasn’t anyone else brought it to market? What gives you a competitive advantage?

Seventh, decide on ONE revenue stream. Use that to guide you on exactly what it is you are building and in what order. Think about your ability to build the product and bring it to market without any outside capital. Do you have the capital, or access to friends and family capital? Most investors don’t invest in ideas or to build product, they invest in traction and growth -- traction with paying customers and growth in sales and profits.

Things to Do (or not)

- Collect and organize data on the market, competitive solutions, and product development costs. Figure out who is *really* going to buy it and how much they will pay for it.
- Organize an informal working group of friends and colleagues to be your sounding board. Seek out as many different perspectives on the idea and potential business as you can.
- Do not worry about people stealing your idea. That is the sign of an amateur. If the idea is that easy for anyone to steal and implement – it offers no barriers to entry – it’s probably not worth doing.
- Develop a one minute pitch that clearly articulates the product, the market size and need, and your unique advantage.
- Develop a non-functional model of the product that you can show people. This can be an illustration, PowerPoint presentation, or other visual.
- Survey potential users of the product. Have them rank in order the features that are most important to them.
- Set up [Google Alerts](#) for keywords that describe your product or market.
- Follow blogs that cover your market. Checkout [Go2Web20](#) to see if there are similar sites on the market as the one you have in mind.
- Search the Apple, Android and Amazon App Stores to see if there are similar apps as the one you have in mind, if you are planning to build an app.

Recommended Readings and Resources:

[The Value Proposition, Harvard Labs](#)

Excellent video on how to nail the value proposition.

[How to Score Your Product Idea](#)

by Mike O’Donnell, StartupBiz

[Will it fly? How to Evaluate a New Product Idea](#)

by Evan Williams

[Idea Evaluation Checklist](#)

by Entrepreneur Magazine

[How to Start a Startup](#)

by Paul Graham

[The Four Steps to the Epiphany: Successful Strategies for Products that Win](#)

by Steven Blank

[The Path To Starting A Startup](#)

by Scott Weiss, TechCrunch

[How to Build a Startup](#)

by Steve Blank Course on Udacity Course

[Are You Betting On The Right Horse](#)

by Vladimir Blagojevic

[Practical Guide for Finding a Killer Idea for a Scalable Business](#)

by Vladimir Blagojevic

[Minimum Viable Company: A simple way to develop and pitch your next company](#)

by T.A. McCann

[Evernote](#) or [OneNote](#)

Make notes, sync between your computer, phone and tablet. Collaborate with co-founders.

[Go2Web20](#)

Does your idea already exist?

[Startup Genome](#)

Score your readiness and likeliness of success. Track your progress as you develop and grow your startup.

[Medium](#)

Medium is a site where people share their best stories and workshop their biggest ideas.

Form the Company

"The only thing worse than starting something and failing... is not starting something."

—Seth Godin, Squidoo founder, author and blogger

Even though you may still be in the idea stage and not yet sure whether the opportunity you have identified can be turned into a viable business, you should form a legal entity if you plan to pursue it. A legally-formed company affords you and your idea protections that are not available to you as an individual. Most startup companies are corporations, not sole proprietorships. A corporation limits shareholder liability, is a repository for intellectual property and other assets, and provides a vehicle for inbound investment.

The first thing to come to grips with is that YOU are not your company. Your company is a creature of the law. Your company has a life of its own. It wants to survive and it wants to protect itself, even from you. What is best for your company is not necessarily best for you. The role you play determines your obligations and your liability. As an officer and/or director of your startup company, the law will hold you accountable. And the minute you hire someone, or take investment money from someone, or enter into a business contract with someone, your obligations and liabilities increase exponentially.

Things to Think About and Decide

First, think about the costs, advantages, disadvantages, and tax consequences of the different types of legal entities.

Second, decide which legal form your company should take:

"C" Corp

- Common choice for growth companies.
- No limitations on foreign or entity shareholders.
- Ability to issue multiple classes and series of stock.
- Earnings are subject to taxation once at the corporate level, and once at the stockholder level.
- Best choice for companies planning to raise money from institutional investors.

“S” Corp

- Potentially beneficial to prefunded companies or bootstrapped companies.
- Profits and losses “pass through” to shareholders.
- Ownership limitations prohibit non-U.S. shareholders and most entity shareholders.
- Multiple classes of stock are prohibited.

“LLC”

- Potentially beneficial to startups in the idea validation and testing stage, when the likelihood of continuing to develop the product is uncertain.
- Profits and losses “pass through” to equity owners.
- No restriction on foreign or entity ownership.
- Costly to implement multiple classes of equity.
- Costly to implement equity incentive plans.
- Lots of tax issues.
- Most professional investors avoid LLCs.
- Generally not recommended for growth companies, but may be suitable for a startup, with a path to migrate to a “C” Corp if and when the business opportunity is proved out.

Third, decide on the jurisdiction to incorporate. Most “C” corps choose Delaware because it is familiar to investors nationwide, has well defined and tested corporate law, and is fast and efficient. The downside to incorporating in Delaware is a higher formation and maintenance expense and carries a potentially large annual franchise tax. If you need to start quickly and cost-effectively, forming an LLC in the state of Florida might be fine to secure immediate corporate benefits.

Things to Do (or not)

- Do not proceed to invest time, money and other resources to develop a business as a sole proprietor. Invest in the appropriate legal structure if you plan to build a business that will have other founders, employees and/or investors.
- Seek the advice of a good corporate attorney to decide which type of business entity you should form.

- When putting together your board of directors, make sure to have an odd number to avoid voting and policy stalemates.
- Register for a fictitious name in your home state.
- File an annual corporate report and obtain the proper licenses for the type of business being operated, as required by your state.
- Visit the Secretary of State website for a detailed list of applications and compliance requirements (<http://sunbiz.org/>).
- Get an Employee Identification Number (EIN) from the IRS to open a bank account and to file your tax return each year — even if you have no revenues or do not plan to have a profit.
- Set up a tickler system for all state and federal tax, licensing, reporting, filing and compliance requirements.

Recommended Readings and Resources:

[Steps to Starting a Small Business](#)

The Company Corporation

[The Startup Company Lawyer](#)

by Yokum Taku

[DocStoc](#)

Standard legal templates and documents directory.

[FindLaw](#)

A leading database of resources regarding legal issues from finding lawyers to researching rules and finding legal forms.

[Articles of Incorporation](#), [Company By-Laws](#), and [LLC Partnership Agreement](#)

Sample templates for company formation, StartupBiz.

[Application for Employer Identification Number \(EIN\)](#)

Internal Revenue Service

Form the Team

"You need three things to create a successful startup: to start with good people, to make something customers actually want, and to spend as little money as possible."
— Paul Graham

Most startup companies will rise and fall based on the quality of their teams. Few things cause a startup to implode faster than infighting among the founders or a dysfunctional team. Most venture capitalists invest more on the strength of the team than on any other factor. It is often said among investors, "We bet on the jockey, not on the horse." If you have a great horse (idea), but you are not a skilled jockey (CEO), don't be afraid to give up the reins and find a partner who can take you to the finish line.

How many founders should a startup team have? Studies show that two founders are ideal. Famous founder duos include Hewlett-Packard (HP), Gates-Allen (Microsoft), Lerner-Bosack (Cisco), and Jobs-Wozniak (Apple). With duos, one is usually good at business development and the other good at product development. There are many good examples of sole founders and triad founders, but precious few good examples of four or more founders. There is no magic number, but there is magic to building a great team around the founder(s).

If you're a solo founder, that's okay, but you are still going to need to recruit a great team. The notion of the entrepreneur as lone wolf or soaring eagle is a myth. Bill Gates, the iconic founder of Microsoft, once said that the secret to his success was that he hired people smarter than himself. Almost nothing you do from this point forward will be more important than assembling (and keeping) the core team -- especially the people who will drive sales, product development and operations.

What does it mean to "form" the core team? It means the business must have a Founders Agreement, Shareholder Buy-Sell Agreement, Stock Vesting Agreement and Schedule, and other legal instruments that institutionalize the role, responsibilities and compensation of the core team. Many startups have failed or suffered serious setbacks because the founders and/or core team operated on a hand shake or weak organizational and management documents.

Your founder documents should clearly address what happens upon any of the three dreaded D's: Death, Debt, and Divorce. What happens if a founder dies? What happens if a founder declares personal bankruptcy or incurs debt

that forces him/her to sell his/her stock? What happens when a founder gets divorced, or if one founder wants to “separate” from the other?

Things to Think About and Decide

First, if you do not already have a co-founder, think long and hard about whether you really need one. Think about what experience and skills your co-founder(s) should have to compliment your experience and skills. It rarely works when both founders want to do the same type of work.

Second, think about how you will create a positive culture that matches your outlook and personality? A culture cannot be manufactured. It has to be an extension of the character of the leadership and their core values.

Third, if your startup has more than one founder, decide who will be the “boss”. A company needs a CEO. It rarely works for a company to have two CEOs who have equal decision-making authority.

Fourth, decide how much equity each founder will start with based on their contribution of (1) money or in-kind contributions (equipment, office, space, etc.), (2) expertise (know-how) or intellectual property (invention) and (3) deliverables (what they do for the business, not what they say they will do).

Fifth, decide over what period of time each founder will vest his or her shares. The industry standard is vesting over four (4) years, unless a company is sold before then. NEVER give any founder a significant number of shares upfront, just because he or she was present at the start. It is what each founder contributes to the success of the business in the long run that counts most.

Things to Do (or not)

- Hire EVERYONE on contract for at least 90 days before hiring as W2 employee.
- Have a Buy-Sell agreement among the founders. Do not simply issue shares to the founders. Vest shares over four years for performance and measurable metrics that are commensurate with each founder’s contribution to the business.
- Never-EVER issue stock 50/50 among founders. Set clear milestones and expectations among all team members.

- Have all founders and employees sign an Intellectual Property (IP) Assignment Agreement.
- Don't hire a professional CEO or head of sales. Be the CEO or find a co-founder capable of being CEO. The founder/CEO needs to be the head of sales until the company reaches breakeven, or until it has achieved key performance milestones that attracts ongoing customer accounts and/or outside financing.
- Hire everyone based on the three-way test: 1) Can s/he do the job (competency)? 2) Will s/he do the job (capability)? 3) Can we stand to work with her or him as s/he does the job (chemistry)?
- Research related job postings from similar companies and write job descriptions that include a compelling business vision, clear description of each role you need to hire, and list of critical skills. Do this for every key role you need now or in the future. Read them weekly, post them to friends and on job boards. This exercise keeps you focused on "who" you must have to eventually succeed.
- Develop a thorough interview process for every key role that includes phone screening, face-to-face interviewing, interview questions, background checks, peer reviews, and test projects. (Read the book [Who: The A Method for Hiring.](#))
- Identify credible domain experts in your field or in one of the key areas of your product development, and invite three of them to meet you via Google Hangout or Skype. During the conversation, explain your vision and request if you can speak again to get feedback on your approach. Repeat this process until you find three or four domain experts willing to join your board of advisors.
- Allocate about 15% of the company's common stock to a stock option pool and issue key employees options which vest over 3-4 years.
- Create a board of advisors and draft an equity compensation plan and meeting schedule for the advisors. Allocate and issue approximately 0.25% of company stock to each advisor, to be vested over a 2-3 year period.

Recommended Readings and Resources:

[The 10 Most Serious Hiring Mistakes and How to Fix Them](#)

by Brad Smart

[What to Look for in a Co-Founder](#)

by Collis Ta'eed

[The Art of Recruiting](#)

by Guy Kawasaki

[How to Pick a Co-Founder](#)

Venture Hacks

[Stop Looking for a Co-Founder](#)

by Dave Lerner

[The Perils of Founder Fighting](#)

by Mark Suster

[Three Biggest Mistakes When Choosing A Co-Founder](#)

OnStartups

[TopGrading](#)

by Bradford Smart

[Entrepreneurial DNA](#)

by Bosi Profile

[FounderDating](#)

Search for a potential co-founder; review profiles of available people; attend matchmaking events.

[Co-Founders Lab](#)

Search for a potential co-founder; review profiles of available people; attend matchmaking events.

[Hiring People for Your Startup,](#)

Mike O'Donnell, StartupBiz.com

[Co-Founders, Hiring and Firing](#)

Joel Serino, SproutCamp

Conduct Primary Market Research

*“The golden rule for every business man is this:
Put yourself in your customer’s place.” – Orison Swett Marden*

You have probably done a fair amount of secondary market research on your idea. It’s one thing to collect data on your market by doing some secondary research, but you must really “know” your target customers by doing primary research. The only way to do that is to get face-to-face with them and LET THEM DO MOST OF THE TALKING. You should learn everything about your market — your customers and your competition — that can possibly be learned.

Hopefully, YOU are part of the target market. You would love the product, buy the product, and tell everyone you know about it even if it was not yours! With a little luck, the fact you understand the market so well has given you a unique insight into why your idea can be transformed into a money-making machine.

The goal of primary market research is to discover the answers to, and craft a crystal-clear description of, the five W’s:

Who is the paying customer, exactly? *What* motivates them to purchase your product? *Where* are they likely to purchase your product? *When* are they likely to purchase your product? *Why* would they purchase your product over other solutions? As a bonus, you should also be able to address the *How*’s: How are they likely to find out about it and how much will they pay for it? Simple questions, but super hard to answer without digging deeply into the needs, wants, and pain points of the customer.

Things to Think About and Decide

First, decide what segment of the market you should serve first. Your product likely has multiple applications and features for multiple markets. You have to make hard choices about which one to pursue first. Find the segment ripe for disruption (the opportunity) and identify the customer’s sweet spot (the burning need) within that segment.

Second, determine the size of the addressable market. Is it big enough? Is it growing or shrinking?

Third, profile the “typical” customer by [demographics](#), [geographics](#), and

[psychographics](#). What are the other characteristics of your target market and how does your solution fit these characteristics?

Fourth, identify the competitors – or the solutions customers currently use to solve the problem your product proposes to solve. What share of the market do these solutions have? Can you grab some of this share, or do you plan to grab new share as the market grows?

Fifth, specifically define your special insight into the needs, behaviors or trends of the market that others do not have. Is this market really where you want to spend the next five to ten years of your life?

Things to Do (or not)

- Read the book [Nail It then Scale It: The Entrepreneur's Guide to Creating and Managing Breakthrough Innovation](#). Use it to create a process and plan for conducting primary market research.
- Estimate the annual revenues generated by the total market and the market segment for your solution.
- Produce one “top down” revenue figure by finding key market research, and produce a second “bottom up” revenue figure by estimating the number of users or buyers, the average price and the average amount spent on purchases per year.
- Find (and if necessary purchase) a recent research report on your market by a reputable research vendor.
- Summarize your market: (1) How old is the market? (2) How many companies (or consumers) are in the market? (3) How many people work in the field? (4) How large is the market in terms of annual revenues and number of units sold? (5) Who are the chief competitors and which ones have gone public or sold in the last three year?
- List the top two or three conferences for the industry and try to watch videos of the events, attend a webinar, or attend a conference in person.
- Read the websites, online information and sales presentations of the top three competitors in your market. Hint: check Scribd, YouTube and Slideshare.

- Survey your target market using [Mechanical Turk](#), [QuestionPro](#), and/or [SurveyMonkey](#).
- Create a [User Persona](#) that describes the wants/needs of your typical customer; how this customer learns about your product, and how this customer goes about buying and using your product.
- Run a mini ad campaign on Google AdWords, Facebook, and/or LinkedIn using keywords that describe your target market. Find out what other companies are paying to dominate those keywords.

Recommended Readings & Resources

[Performing Critical #Startup Research on the Cheap](#)

Video by Dan Shapiro

[Startup Market Research](#)(video) [Market Research for Startups](#) (slides)

by Kirk Burton

[The Nuts and Bolts of Market Research](#)

by Vladimir Blagojevic

[Customer Development is Not a Focus Group](#)

by Steve Blank

[Startup Metrics](#)

by Dave McClure

[CrunchBase](#)

Free database of technology companies, people, and investors. Good place to see if a company is already doing what you are thinking of doing. Good place to learn where investors are placing their bets and which ones might be interested in your deal. See who has invested in your competitors.

[SurveyMonkey.com](#)

Survey your prospective customers on needs, wants, price sensitivity, desired features, etc.

Miscellaneous Market Research Sources:

- | | | |
|-----------------------------------|---------------------------------|------------------------------------|
| ▪ Gartner Group | * Compete.com | * Labor Statistics |
| ▪ Forrester Group | * Quantcast.com | * Internet Archive |
| ▪ eMarketer | * Alexa | * RivalMap |
| ▪ ChubbyBrain | * CompareN | |

Develop and Test Product Prototype

"Sometimes when you innovate, you make mistakes. It is best to admit them quickly and get on with improving your other innovations." – Steve Jobs

This is where the rubber meets the road in terms of customer validation and market traction.

Nothing succeeds faster than a functional product... or at least a good visual representation of the product you want to build. The quicker you can develop a prototype and show it to prospective customers, the sooner you can collect the feedback necessary to build a Minimum Viable Product (MVP). There is so much good know-how information, and so many good tools available for building a minimum viable product, there is no excuse for wasting time and money on building a product that no one wants. There is an entire cottage industry dedicated to inexpensive and rapid product development.

Product prototyping and development is a six-step process:

- (1) Collect product, market and competitive data (with an emphasis on primary market research), to validate the "sweet spot" of your product.
- (2) Brainstorm features and focus on the one or two critical features that customers want most.
- (3) Develop a prototype – even if it is a paper mockup.
- (4) Test the prototype with target customers.
- (5) Measure the customer feedback; rinse and repeat until you have a product specification that customers love.
- (6) Build the *real* product on a rapid development schedule and get it into the hands of customers for further testing and refinement.

Things to Think About and Decide

First, think about the key value proposition of your product. (Revisit your Startup Quest Workbook and notes for additional tips.)

Second, think about the key metrics needed to determine whether your product is valuable to users and whether it is getting traction.

Third, decide on the least amount of functionality you need to have to test the product with real customers?

Fourth, determine what skills you need to have or source to build a Minimum Viable Product.

Fifth, think about the fastest and least expensive method and tools at your disposal to create a functional prototype.

Things to Do (or not)

- Create a use case and a user persona for your product. Validate it with actual users.
- Write one paragraph describing the entire offering that you are trying to create, or have created. Write at least fifteen different key “Features” that your offering needs to have at launch.
- Arrange the “Features” into logical “Groups,” and sort the “Features” by placing the most important “Features” at the top of the “Group” list and the less important ones at the bottom.
- Order the “Groups” by placing the most important “Groups” first, building a basic “Development Roadmap.” Eliminate any less important “Features.”
- Organize “Features” in the most important “Groups” into releases, and identify your first minimum viable product (“MVP”) release that is simple. See <http://fndri.com/yVKzvp> as a template.
- Write two sentences describing each “Group” and two sentences on the key “Features” in your MVP, and provide a strategy and time estimate to develop each “Feature.”
- Use basic prototyping tools, such as [Balsamiq](#), [Protoshare](#) or [Divshot](#) to develop a non-functional mockup of your MVP.
- Develop a proposal for an aggressive two week product development sprint to complete a series of key features.

- Launch a professionally designed landing page on your domain that states your vision and collects email addresses of interested customers or users. Alternatively, use <http://launchrock.co/>.
- Sign up for [Microsoft BizSpark](#), [Amazon AWS](#), or [Google for Entrepreneurs](#) to access development tools and services.
- Depending on the complexity of your product, write a detailed product specification.

Recommended Readings & Resources

[The Four Steps to the Epiphany](#)

by Steve Blank

[Product Design and Development](#)

by Karl Ulrich – The book presents a set of product development techniques aimed at bringing together the marketing, design, and manufacturing functions of the enterprise.

[Lean Startup Methodologies](#)

by Eric Ries

[Nail it then Scale It](#)

Best-selling book on creating a product that people love and want to buy.

[Database Design for Mere Mortals](#)

by Michael Hernandez – Explains the technique of using sentence subjects to build a database model outlined.

[How to Bring a Product to Market](#)

by Venture Hacks – Nivi interviews Sean Ellis on how to get to product/market fit, how to measure fit, and how to survey your users so you can improve fit.

[Squarespace](#)

A fully hosted, completely managed environment for creating and maintaining a website with mobile-ready template designs.

[Creately](#)

Collaborative wireframe and prototype tool.

[Protoshare](#)

Collaborative wireframe and prototype tool.

[SnapPages](#)

Website creation tool.

[Mockingbird](#)

A web-based wireframing tool.

[FireBug](#)

Web development tool, integrates with Firefox. Edit, debug, and monitor CSS, HTML, and JavaScript live in any web page.

[Balsamiq](#)

Create wireframes and prototype mockups of your web or mobile application.

[Basecamp](#), [Mantis](#) and [Pivotal Tracker](#)

Low cost project management and bug tracking applications.

[Google Analytics](#)

A must-have tool for websites.

[Google Developers](#)

Developer tools, API's and technologies.

[Google Webmaster Tools](#)

Optimize your website.

[LaunchRock](#)

Set up a pre-launch sign up page for your app or website; gauge user interest and encourage viral sharing to get the word out on your product.

[Building a Minimum Viable Product](#)

Video, by David Meadows

[Product Building and Innovation](#)

Video, by Mike O'Donnell

[Product Design and Functional Specification Template](#)

StartupBiz Templates

Scrub Business Plan and Projections

"It's not the plan that is important, it's the planning."
- Dr Graeme Edwards

Developing a clear path to profitability — and being able to defend it with good metrics — is probably the single most important thing a startup founder needs to do before launching a company — and certainly before meeting with investors. Sure, there are examples of successful startups (like Google and Pinterest) that did not know how they were going to make money before building their products, but those examples are rare. It is a far better strategy to build your product around a revenue stream, than to try and figure out how you will make money later.

Most startups make the mistake of pursuing multiple markets and multiple revenue streams. Successful startups focus on one revenue stream and perfect it before attempting to bring on additional revenue streams. Cash flow plus growth equals value. A good startup will focus on getting a large share of one market before diluting its resources to pursue multiple markets. Once your revenue model is crystallized, the task is to articulate it in a plan and detail it with a realistic set of financial projections.

Things to Think About and Decide

First, think about your primary revenue model. How do you plan to make money? Decide on ONE revenue stream to start. Model the cash flow with a basic [Pro forma](#).

Second, decide on the key assumptions and data points that support your financial projections. Think about what you need to show to defend your revenue model.

Third, think about the top-line assumptions, i.e., traffic, hits, conversion rates, price, churn, customer retention rates, etc. Think about your selling costs and the costs of running the business. Think about how these might change as you grow.

Fourth, decide how many customers you have to sell each month to cash flow the business.

Things to Do (or not)

- Develop a realistic and defensible financial model, based on one revenue stream.
- Describe in detail the steps that are required from the very beginning of the customer relationship to when a payment is received
- Detail your assumptions for expenses, such as fixed expenses and costs of goods sold, and how they will scale as the business grows.
- Try to keep all costs variable. Do not take on fixed, long-term expenses unless your business absolutely requires it.
- Set up your Chart of Accounts using Quick Books online or similar application.
- Write an Executive Summary that includes how you will make money and how much money you need to reach break-even.
- Don't write a business plan that is more than 50 pages, including financials. No one is likely to read it, least of all your own team.
- Don't overly focus on product margins; focus on top-line revenues.
- Prepare 3-5 year financial projections, with the first year showing revenues and expenses monthly, then quarterly for years 2-5.
- Do NOT show "hockey stick" revenue projections, where the revenue is flat lined in year one, shows a modest increase in year two, than inexplicable soars in year three.
- Have good answers (contingencies, fallback position) for what happens when things don't go according to plan (because they won't).

Recommended Readings & Resources

[Writing the Executive Summary](#)

by Mike O'Donnell, StartupBiz.com

[Business Plan Template](#)

StartupBiz.com

[Spreadsheet Template Download](#)

by Aaron Patzer of Mint.com via Founder Institute

[Sample Business Plans](#)

Bplans

[A VC in NYC](#)

by Fred Wilson – A blog discussing business models and financial issues.

[Both Sides of the Table](#)

by Marc Suster – A blog that covers financial and business topics.

[Business Models](#)

by Dave Parker

[Startup Financial Models](#)

by Dave Parker

[eCommerce Business Models](#)

by Shyna Jain

[Business Model Examples](#)

by Board of Innovation

[Business Model Canvas](#)

The Business Model Canvas, is a strategic management and entrepreneurial tool. It allows you to describe, design, challenge, invent, and pivot your business model.

Secure Intellectual Property

"If you didn't have patents, no one would bother to spend money on research and development. But with patents, if someone has a good idea and a competitor can't copy it, then that competitor will have to think of their own way of doing it. So then, instead of just one innovator, you have two or three people trying to do something in a new way." - James Dyson

It is never too soon to determine which protections you need and secure the necessary rights for your company.

Intellectual Property (IP) provides your startup with both an offense and a defense. It can create barriers to entry, increase the value of your company, attract investors, generate revenue through licensing and royalties, and reduce shareholder risk. There are many strategies for building a strong IP portfolio, from state and federal registrations, to assignment and confidentiality agreements.

Whether you should file patents or trademarks depends on the novelty of your idea, your branding strategy and your budget. Even if you do not formally file for these protections, you should take care to guard the IP of your startup. Many companies have prospered not by filing, but by guarding their trade secrets and having airtight agreements with contributors. A good rule of thumb is to ensure that everyone who is contributing anything to your company, including yourself, has assigned those contributions to the company in writing and has agreed to keep them confidential.

Things to Think About and Decide

First, decide whether to pursue a license to the technology you worked on in Startup Quest, or pursue a product/technology that does not require a license fee and would not infringe the patent rights of others.

Second, if you have a unique invention or technology, think about whether you should file a [provisional patent application](#) (they are quick and inexpensive relative to regular patent applications).

Third, if you plan to pursue a patent license, think about whether you can demonstrate a thorough understanding of the product, the market, the developmental milestones, and the financial requirements to commercialize the technology with a reasonable probability of success.

Fourth, if you plan to pursue a patent license, think about whether you have the money, the legal counsel, and the patience to negotiate the license, which can often take 1-3 years.

Fifth, think about whether you should file a U.S. (and possibly international) trademark on your name, slogan, and/or logo.

Sixth, think about how you can protect your domain name from squatters.

Seventh, decide whether it might be more beneficial to protect your intellectual property with trade secrets and confidentiality agreements, instead of patent and copyright filings.

Eighth, think about recruiting an IP attorney for your board of advisors.

Things to Do (or not)

- Do not approach a university or federal agency that holds patent rights unless you have the necessary credentials to commercially develop the technology and attract financing.
- Before approaching a patent holder, find out if the inventor is available. (It is rare that a technology can be commercialized without further input of the inventor(s). A good working relationship with the inventor(s) is necessary if you expect to succeed.)
- If you decide to pursue a patent license, request a basic term sheet from the patent holder.
- Conduct a preliminary patent search on the technology you plan to develop as a business. <http://patft.uspto.gov/>
- Conduct a preliminary trademark search on names and/or marks you are thinking about using. <http://www.uspto.gov/trademarks/process/search/>
- Research best of breed templates and download (1) a Mutual Non-Disclosure Agreement for partners, (2) an Intellectual Property Assignment Agreement for team members, (3) a Work for Hire Agreement for development resources that properly assigns the Intellectual Property and (4) an Advisor Agreement that grants equity in exchange for high-level guidance.

- Mark all of your work products with a copyright notice and mark any sensitive information with the label "Confidential Information."
- Ensure that every one that you have worked with to develop the product has signed or will sign an Agreement with Intellectual Property Assignment.
- Read every agreement you are asked to sign thoroughly. Have an attorney review and advise you on all key contracts.

Recommended Readings & Resources

[Startup Company Intellectual Property](#)

Video by Jon Gibbons, Patent Attorney

[Startup Legal Issues](#)

Video by Brent Britton, GreyRobinson

[Patent It Yourself](#)

by David Pressman (available through Amazon.com)

[Google Patent Search](#)

Searches patent database for relevant patents.

[USPTO](#)

Patent and trademark research resource.

[Patent Law Essentials](#)

Patent law for business people.

[Nolo](#)

Forms and templates for trademarks, provisional patents, and other common tasks.

[IP Frontline](#)

IP and technology magazine.

[Trademarkia](#)

Trademark search engine and filing service.

[Tech Transfer Central](#)

A one-stop source for information, news, products, and services for technology transfer and intellectual property professionals.

[Enterprise Europe Network](#)

Research and commercial applications database.

[TechFinder, Michigan](#)[NASA Technology Transfer Portal](#)[Association of University Technology Managers](#)

AUTM Global Technology Portal, where you can easily find the latest university technologies available for licensing worldwide.

[The Startup Company Lawyer](#)

by Yokum Taku

[DocStoc](#)

Standard legal templates and documents directory.

[StartupBiz.com](#)

Legal and business templates for startup companies.

[Justia](#)

Legal resources (Federal District Court Filings and Dockets).

[FindLaw](#)

A leading database of resources regarding legal issues from finding lawyers to researching rules and finding legal forms.

[PACER](#)

Access to online public court documents.

Create Name and Brand Strategy

"In this ever-changing society, the most powerful and enduring brands are built from the heart. They are real and sustainable. Their foundations are stronger because they are built with the strength of the human spirit, not an ad campaign. The companies that are lasting are those that are authentic."

— Howard Schultz, CEO of Starbucks

A name – and more importantly, a brand – gives life to a product and company. Everything in life has a perception about it. So will it be for your product and your company. A name is what you are called. A brand is the identity — the positioning and points of differentiation — that your name is known for. A distinctive name combined with a good branding strategy allows you to create a wonderful impression about your product in the hearts and minds of your customers.

To win in the marketplace, it comes down to what people **"feel"** about your product, not what they **"think"** about your product. Your name does not have to appeal to everyone. Trying to promote a name that appeals to everyone is a bad strategy. Pick a name that you can build equity in and that you can defend from companies in the market and from potential squatters. Then build a brand around that name that communicates why you are a different and better choice than the other products in the market.

Things to Think About and Decide

First, think about making your company name and product name one in the same. It is very difficult (and expensive) for a startup to promote both a company name and a product name. Most people remember products, not companies (unless the companies are trusted and have been around for decades).

Second, think about how you can create an emotional attachment to your brand. How people feel about something trumps what they think about it.

Third, decide on a suggestive name or a descriptive name. Suggestive names are more memorable and more defensible. Can your product name suggest the experience people will have from using your product, or can it describe the chief function or benefit of the product?

Fourth, think about how your product creates a distinctive (not necessarily better) experience than that of competitive products. How might your name and reinforce this distinctive experience?

Fifth, think about whether your brand can “own” the terms (or meaning) that are used to search for it? People don’t find products by entering a URL in the web address field; they find products by entering a search term. What keywords will customers need to enter to find you on the web or in the app store?

Sixth, decide how best to build trademark rights in your brand and your domain name. Can your logo (visual identity) be clearly expressed as a 16×16 pixel icon in the web address bar? Think about how Facebook (f), Twitter (t), and LinkedIn (in) express their brands with simple, easy-to-identify, letters or symbols.

Things to Do (or not)

- Research what names have become good brands — and why. Understand why some product names failed to resonate with customers.
- Write a list of 20 adjectives that customers would use to describe your product.
- Write a list of 10 competitor names and order them from favorite to least favorite.
- Assemble a group of friends and associates who are also likely users of your product. View the adjectives and competitor names. Brainstorm a list of possible names that (1) evoke the qualities of your product, (2) can be spelled phonetically with less than four syllables and (3) have an appropriate domain name available.
- Test the names you like and see if they are available.
- Checkout [NameBoy](#), [FuseName](#), and [Domain Name Generator](#).
- Understand the visual connections your names have by testing them at [Visual Thesaurus](#).
- Conduct a [Trademark Search](#) to see if others have a similar name or mark.
- Before you test the names publicly, register the domain names at [GoDaddy](#) or [StartupBiz.net](#) to reserve them.

- Pitch your names at [Elegant.ly](#). Test them on [MTurk](#).
- Run a mini ad campaign using the names on Google AdWords, LinkedIn and/or Facebook to see what kind of draw they have. What are others paying to buy those keywords?
- Once you settle on a name, have a graphic designer work on several graphical implementations. Check out [ELance](#) and [99Designs](#).
- Have the graphic designer deliver the logo in black and white, greyscale and color versions, as well as high-resolution and low-resolution formats for each as a EPS vector file and as a PNG file with a transparent background.
- Test the comps using the same process as above.
- Develop a branding strategy around your name and logo. Check out [More Limelight](#) for a step-by-step process.

Recommended Readings & Resources

[Made to Stick: Why Some Ideas Survive and Others Die](#)

Book by Dan and Chip Heath

[Contagious: Why Things Catch On](#)

Book by Jonah Berger

[WordLab](#)

Online community dedicated to naming and branding.

[RhymeZone](#)

Rhyming dictionary and thesaurus.

[Igor Naming Guide](#)

Everything you've always wanted to know about naming companies, products and services.

[The Name Inspector](#)

10 company name types on TechCrunch: Pros and cons

[Syllables, Scrabble Letters, and Picking Brand Names](#)

The Completely Ownable, "Made-Up" Consumer Brand Wins Long Term

[How to Name Your Startup](#)

by Sam Shank, CEO and Co-Founder at HotelTonight

[What's In A Name? Naming Your Company, Product or Service](#)

by Mike O'Donnell, StartupBiz

[Advanced Tips on Naming a Business](#)

5 Tips for Name Storming

Outsource Ancillary Functions

"The important thing about outsourcing or global sourcing is that it becomes a very powerful tool to leverage talent, improve productivity and reduce work cycles."

- Azim Premji, Indian business tycoon and philanthropist

As a startup, just about everything you need to develop your product and launch your company can be outsourced. The rule of thumb is to outsource every function that is not a core competency and not absolutely required to be performed in-house. This includes engineering, manufacturing, testing, packaging, shipping, project management, design, quality assurance, customer service, payment processing, payroll, accounting, legal, marketing, public relations, and hosting. The most cost-effective strategy is to be a virtual company for as long as you can.

One of the biggest mistakes startups make is spending too much money on office space and too much time on general and administrative functions. The most critical function of a startup company is to serve the customer and to continually adjust the product offering as needed to profit from the relationship. Never outsource your company's relationship with the customer. Outsource all the ancillary functions needed to deliver your product to the customer and operate the business.

Things to Think About and Decide

First, think about every mission-critical function that needs to be performed to bring your product to market.

Second, decide which functions (core competencies) should be performed in-house and which functions should be outsourced for the next 12-18 months.

Third, think about who you know that can perform outsourced functions, or who can introduce you to reputable partners and suppliers.

Fourth, think about which suppliers might provide discounts or accept equity or a combination of cash and equity to you as a startup.

Things to Do (or not)

- List the key functions that you will need to launch and operate your offering for 12 months.

- Rate each function on a scale of 1 to 10 as to whether it should be outsourced with 1 being "outsourced" and with 10 being "in-house," and also rate the importance of each item to the success of the business with 10 being "most important."
- Draft a one to five page request for proposal ("RFP") to identify vendors for the most important functions that you need to outsource over the next 3-6 months.
- Send the RFP to at least three target vendors and post information from the RFP to appropriate online vendor markets and forums.
- Negotiate with each appropriate vendor for reduced startup pricing by offering barter, referrals, deferred payment, equity or any other vehicle.
- Set up a vendor review system to regularly measure the results they provided, particularly as it relates to delivering on time, on budget, and according to specification.

Recommended Readings & Resources

[How to Build a Better Business with Outsourcing](#)

Entrepreneur Magazine

[Top 10 Tips for Outsourcing Success](#)

About.com

[Top Online Outsourcing Service Providers](#)

FindTheBest

[Channel Partners and Service Providers](#)

Video, Mike O'Donnell, StartupBiz

[The Art of Bootstrapping](#)

Guy Kawasaki

[LinkedIn](#)

Draft Guerilla Marketing and Sales Plan

“Guerrilla marketing is needed because it gives small businesses a delightfully unfair advantage: certainty in an uncertain world, economy in a high-priced world, simplicity in a complicated world, marketing awareness in a clueless world.”

- Jay Conrad Levinson, Father of Guerrilla Marketing

The specifics of how you will create demand (marketing) and how you will generate revenue (sales) should be detailed in a [Guerilla Marketing](#) and Sales Plan that is separate from the business plan.

Unless you have millions of dollars for advertising and promotion – and to deploy a large direct sales force – you have no choice but to do guerilla marketing. There are many books, blogs and how-to resources available on the subject. They all boil down to three things:

- (1) How will you generate *awareness* for your product among the target audience?
- (2) How you will create customer *affinity* for your product over competing products?
- (3) How you will facilitate customer *advocacy* of your product that virally creates more customers?

Those are the key marketing objectives of every startup. Sales, on the other hand, comprise a very different set of functions. Sales is a contact sport. It is done with cold calls/emails, one-on-one meetings, networking events and old fashion customer service. Sales *closes* the deal and gets the order. Your marketing and sales plan should distinctly address the strategies, tactics and actions for both marketing and selling your product.

Things to Think About and Decide

First, think about all the ways you could reach your target customers with as little money as possible.

Second, think about the “story” you want to tell them and what form that should take, such as a video, a trial, a sample, or a testimonial from a real customer.

Third, think about who the influencers are in the marketplace. Are there certain people that if they used your product could influence hundreds or thousands of others to buy it?

Fourth, think about which sales channels are best for your product. Will you sell direct? Will you sell through wholesalers, distributors or retailers?

Fifth, decide on your budget and determine which guerilla marketing strategies and tactics you can afford to do a [soft launch](#) of your product.

Things to Do (or not)

- Estimate your [cost of customer acquisition](#) and the [lifetime value of the average customer](#). Continually measure these metrics until you get accurate and predictable numbers.
- Update all of your social media accounts to have a serious profile picture and professional personal description, removing any comments, photos, jokes or other material that may be viewed as unprofessional. Customers and investors “buy” the people behind a startup before they buy the product.
- Hire a talented (and experienced) copywriter on contract. It’s one of the best marketing investments you can make.
- Develop an email mailing list of at least 25 friends, associates, advisers and target customers that you will send monthly progress updates to about your business and progress. Enroll these people as [brand ambassadors](#).
- Write at least 15 phrases for Google, Facebook, LinkedIn, or other high-traffic social media site that your customers use. Create and test different ads that capture your positioning. Refine the ads based on click-thrus.
- Test two or three different landing pages for your web site and track views, clicks and conversions.
- After you have tested various landing page designs, create and launch a website or blog. Test the site on various services like [FiveSecondTest.com](#).
- Create company pages on Facebook, Twitter and other social media sites that your customers use. Deploy a system to post content to your blog and social media pages. Track the results.

- Identify 6-10 journalists or bloggers that have covered your market and related companies. Add an insightful comment to each relevant story written by each of them and link to the comment from your blog.
- Do not hire a PR firm for your launch. Instead, identify three newsworthy milestones that your company has achieved (or will achieve) and have your copywriter draft three press releases. Send out one press release every 3-4 weeks.
- Do not hire a Search Engine Optimization (SEO) firm or consultant. You don't have enough money or market awareness (yet) to dominate keywords. Instead, use free tools like Google Analytics and free trial accounts with services like Moz to optimize your website with the appropriate keywords, tags, labels, and metadata.

Recommended Readings & Resources

[Startup Marketing and Sales](#)

Video by Geoff Wilson and Steve Tingiris

[Startup Selling](#)

Video by Mike O'Donnell, StartupBiz

[Newsjacking](#)

The art and science of injecting your ideas into a breaking news story and generating media coverage and social media engagement.

[Trust Me, I'm Lying: Confessions of a Media Manipulator](#)

Great book by Ryan Holiday

[Strategic Sales Presentations](#)

Book by Jack Malcolm

[Fiverr.com](#)

Hire people for \$5 to answer your questions, perform small tasks.

[MechanicalTurk – Amazon](#)

Conduct market research. Survey your target audience. Mobilize workers to complete small tasks for your startup.

[FiveSecondTest.com](#)

Get instant feedback on your product and website designs. Optimize your landing pages and calls to action.

[iStockPhoto](#) and [123RF.com](#)

Royalty free stock photography, images and clip art.

[MailChimp](#)

Build and manage an email list of customers and supporters. Send emails to opt-in list.

[ReTargeter](#) and Google [AdWords](#)

Ad platforms for driving traffic to your website. Create launch ad campaigns with banner ads and pay-per-click text ads.

[TweetChat](#)

Monitor and chat about a topic; increase your presence on Twitter.

[Webpage Test](#)

Test your website's performance.

[Wufoo Form Builder](#)

Great app for creating and managing forms on your website or blog.

[Screencast-O-Matic.com](#)

Capture screen shots of your app; record an online demo.

[SEOmoz](#)

Search Engine Optimization (SEO) and diagnostic app.

[Skitch](#) and [Snag It](#)

Annotate, edit and share your screen shots with Skitch. Capture screen shots with Snag It. [Tech Smith](#) also offers a video production app, but it is quite pricey for most startups.

Capitalize the Company

"There's nothing wrong with raising venture capital. Many lean startups are ambitious and are able to deploy large amounts of capital. What differentiates them is their disciplined approach to determining when to spend money: after the fundamental elements of the business model have been empirically validated."

- Eric Ries, Author, Lean Startup

Novice entrepreneurs spend too much time trying to raise money. It's a very time-consuming process that takes six months if you have a smoking hot business -- and it takes forever if you don't. Seasoned entrepreneurs don't waste time chasing investors until such time that their business can afford them to do it and the odds of success are good.

All you should be thinking about and doing at the start is getting customers; they are the best way to finance your business. If you get traction in the market, you have a better chance of raising money at reasonable terms. The best time to raise money is when you don't need it.

At the outset, you need to be able to capitalize the company with "insider" money. Insider money is invested by the founders and possibly by family members and friends. This is called seed capital. You're going to need enough seed capital to accomplish most of the things outlined in the previous chapters, including forming the company, conducting primary research, building a prototype, scrubbing the plan, and securing the intellectual property.

Outside investors are NOT going to give you money to accomplish these tasks unless you are a Rock Star entrepreneur with a successful track record. Even Mark Zuckerberg and his friends had to finance Facebook with their own money until they were able to show traction. The possible exception is what is called "[convertible debt](#)," or a "[bridge loan](#)." These financing instruments may be available if you have exceptional intellectual property (like a patent), or are using the money to purchase tangible assets.

If things go well you're probably going to need outside capital at some point. Outside capital means money from [accredited investors](#). It may be grants or loans. More likely it will be equity capital from angel investors or venture capitalists, meaning you will need to sell shares in your company. This is usually done as a [Series A Financing](#).

The act of taking outside money increases a company's legal obligations and liabilities significantly. The process of investor due diligence is akin to

undergoing an intense tax audit. Everything there is to know about you and your company will be discovered and scrutinized.

Things to Think About and Decide

First, think about how much money you will need to accomplish the steps outlined in this guide, to get the business to a point where it is either cash-flow positive or able to attract outside capital.

Second, think about how long it will take to accomplish the steps and how long you can go without a salary.

Third, decide how much of your personal savings or your credit you and your co-founders can afford to risk.

Fourth, think about how much seed capital you might be able to raise from family and friends to cover the shortfall between what you need and what you and your team can invest.

Fifth, think about what other sources of capital may be available to you, such as loans or grants.

Sixth, decide whether your business is fundable and what needs to happen to attract funding.

Things to Do (or not)

- Do not pitch investors until you are 100% ready with a launched offering, some market traction and prepared materials.
- When you are ready to raise money, identify three to five critical growth metrics that will validate your revenue assumptions with investors.
- Calculate the amount of money you need to raise to operate for a full year multiplied by 1.5.
- Develop a use of proceeds for the desired money by identifying at least three quantifiable business objectives related to revenue that you can realistically achieve within three months, such as a number of customers or a volume of usage.

- Update your Executive Summary and PowerPoint presentations with the amount of money and the use of proceeds.
- Identify at least 50 local angels, angel groups, early stage venture capitalists and other investors in a spreadsheet with their name, email address, telephone number, title, company, relationship, LinkedIn (or similar profile), related investments and notes.
- Identify at least three events over the next month where you can meet investors from your target list face-to-face and make plans to attend the event. BONUS: apply to present at pitch events.
- Create an investor pitch deck that shows how you are mitigating the risk for investors and offering the potential of a substantial return on investment. (See the outline provided by Startup Quest.)
- Create a detailed company profile on AngelList, GUST, and/or other startup company network.
- List yourselves and your company in CrunchBase.
- Create, test and refine a 30 second “elevator pitch” on your company. A sixth grader should understand it.
- Assemble all the due diligence documents that will be required by prospective investors.

Recommended Readings & Resources

[Raising Venture Capital, Pitching to Investors](#)

Travis Milks, Stonehenge Capital

[The 10/20/30 Rule of PowerPoint](#)

Guy Kawasaki

[Startups.com](#)

Find Investors for Your Business

[AngelList](#)

List your startup, network with angel investors. Also a good place to see what other startups are in your space, going after the same market.

[Gust](#)

Gust connects startups with the largest collection of investors across the world.

[KickStarter](#)

Raise money for creative projects or to develop your app.

[Florida Funders](#)

A crowdfunding portal that connects accredited investors with startups seeking funding.

[Due Diligence Checklist](#)

Template, StartupBiz

[Sample Term Sheet](#)

Template, StartupBiz

Operate the Company

“There's no such thing as work-life balance. There are work-life choices, and you make them, and they have consequences.”
-Jack Welch

The biggest problem with starting a company is that you have to run it. Companies don't run themselves. That may sound trite and obvious, but unless you devise a system for running your company, it will consume you and take you away from focusing on the reason it exists to begin with – providing a great product and getting and keeping customers.

Entrepreneurs create, refine and manage ideas. Big corporations create, refine and manage process. To grow your company – to make it successful – you must put in place good systems and processes. The good news is that the availability of tools necessary to create good processes is plentiful and the costs are inexpensive for most startups.

Things to Think About and Decide

First, think about how you will list and prioritize the most important things that have to get done each week, to move your company to the next step.

Second, decide how you and your team will communicate and collaborate with each other.

Third, think carefully about which company functions you should delegate or outsource and which functions you or your co-founder(s) should manage.

Fourth, think about how to leverage the talent, information, space, supplies, equipment, tools and other resources of your connections (family, friends, partners, suppliers, customers) to help run your company.

Things to Do (or not)

- Do not reinvent the wheel and try to build or customize systems and processes, at least at the start. There is a tool, template or service for just about everything your company needs to operate.
- Standardize on an email and web service and install it on all of your devices

- Standardize on a phone and video conferencing service that your team will use to communicate with each other and with customers and partners, such as Skype, Google Hangout, Go-to-Meeting or Webex.
- Standardize on a document suite such as GoogleDocs or Microsoft Office.
- Standardize on a good project management tool.
- Get in the habit of writing a company update at least once per month and share it with your team, shareholders and influencers.
- Develop a dashboard or score card of all key business metrics and share them with everyone weekly.
- Meet regularly with your team and advisors and focus on key milestones.

Recommended Readings & Resources

[The E-Myth: Why Most Small Businesses Don't Work and What to Do About It](#)

A classic, simply the best book you will ever read on running a successful company.

[GoogleApps](#)

Online office suite including word processing, spreadsheets, mail and calendar.

[FreshBooks](#)

Online invoicing, accounting and billing software.

[Klout](#)

Monitor your reputation and those of your company and products.

[Getting Things Done](#)

by David Allen – Tactics to organize efficient task lists.

[DocStoc](#)

Standard legal templates and documents directory.

[StartupBiz.com](#)

Legal and business templates for startup companies.

[Trello](#)

Manage all your ideas and due dates and keep track of what you're in the process of completing.

[Asana](#)

Teamwork without email.

[Hackpad](#)

Similar to Google Docs, ideal for collaboration. Invite as many people as you want to contribute to your docs.

[FaxZero](#)

Send and receive faxes through your email.

[RescueTime](#)

Monitor how you spend your time on your computer and mobile devices.

[Remember the Milk](#)

A to-do list manager that you can sync with all your devices, share tasks with others, and get email or text reminders of things you need to get done.

[Springpad](#)

Organize all of your notes, favorite websites, and online inspiration into different folders.

[Evernote](#)

Remember everything using text, photo or audio notes, and clippings of websites.

[Feedly](#)

One of the best RSS readers on the market, a place to keep up with all the latest from your favorite blogs and publications.

[TaskRabbit](#)

Outsource any task you really don't want to do, from running errands to planning the details of your next event.

[IFTTT](#)

"If This Then That," helps different apps, online programs, and services work together to make your life easier.

[Lifehacker](#)

Solutions to problems you didn't even know you had, from how to handle IT glitches to productivity tips.

[Eventbrite](#)

Great tool for finding events and for planning and promoting your own events.

[Conference Bites](#)

An aggregation of all the notes you missed at various industry conferences.

[Udemy](#)

A mix of free and paid online classes with a solid rating system.

[Upworthy](#)

Social issues that matter most, with viral videos and images to stimulate ideas for your products and services.

[TED](#)

Unlimited inspiration and cool people doing amazing things.

[Quora](#)

Ask questions, get answers. Good place to crowdsource things you want to know.

[99U](#)

Strategies for turning your ideas into action.

[Creative Market](#)

Download fonts, WordPress themes and other creative resources.

[Visual.ly](#)

Create your own infographic on your market or product.

[Behance](#)

Showcase your design work, get ideas from really talented people.

[Bubbl.us](#)

Gather your thoughts, save them for later to continue the thought process, or print or email them to yourself.

[Newsle](#)

News on people in your network.

[PayScale](#)

Best source of data to find out what positions pay in different geographical areas. Use it before offering someone a raise (or asking for one).

[Myers-Briggs Type Indicator](#)

Time-tested system to help surface potential employee's strengths, weaknesses and predispositions.

[Larky](#)

Keep track of the perks and discounts from your various credit cards, professional organizations, and memberships.

[Mint](#)

Link your credit cards, bank accounts, and loans to have a total online system that tracks your spending, saving, and financial health.

[Fast Company](#)

One of the best weekly reads on business news.

[Mashable](#)

The "leading source for news, information, and resources for the Connected Generation," Mashable reports on our digital lives.

[Inc.](#)

Good read for productivity tips, management advice, and secrets of some of the world's most successful people.

[Harvard Business Review](#)

Tips on everything from corporate strategy to managing people.

[Bloomberg BusinessWeek](#)

Smart, in-depth reporting about the biggest business, financial, and stock market issues.

[theSkimm](#)

Get the day's top headlines in one newsletter, makes staying current easy.

[Good Noows](#)

A personal news stream—all the stories and topics you care about compiled into a personal online newspaper.

About the Author



Serial entrepreneur and startup mentor with 30 years of experience in starting and building technology companies backed by angel investors and venture capital. O'Donnell founded Ask-Me Multimedia (acquired by Midisoft), iCopyright.com (ongoing), StartupBiz.com (ongoing), and Leaves.com, among other companies. He was on the launch teams of CompuServe Sprynet, one of the first national Internet Service Providers (went public as part of CompuServe in 1996), and Design Intelligence (acquired by Microsoft).

O'Donnell is the author of two best-selling books on business planning and marketing planning and served as Chairman of the Northwest Entrepreneurs Network in Seattle, Washington. He served as the Managing Director of the Tampa Chapter of The Founder Institute and as the Managing Director of Thesis Ventures in Fort Lauderdale. He mentors and speaks for various start up accelerators and blogs about startup best practices on startupbiz.com.