

Starting a Business:

What does it really take to start a business?

GREATER SEATTLE SCORE CHAPTER

Your Presenter

Chuck Botsford

Volunteer with SCORE

- Small Business Mentor
- Workshop presenter



Previously:

- Started and managed small businesses.
- Experience in the restaurant industry.
- In technology field since 1985.
- Experience in marketing, finance and online businesses.

SCORE's Business Success Resources

SCORE Website

- Information, business plan templates, newsletters, etc.
- Online training
- seattle.score.org



SCORE Mentors

- Meet one-on-one with experienced business mentors in many business specialties.
- We advise, educate and encourage business leaders to help them develop as people and be successful in their businesses.

SCORE Workshops

- SCORE Small Business Essential Workshop Series for New Businesses (Business Basics)
- Many specialized workshops:
 - Saving Taxes for Small Businesses
 - Understanding Financial Statements
 - Legal Basics All Business Owners Need to Know
 - QuickBooks Online Basics
- Many, many others (see current listing at <https://seattle.score.org/>)

What are Good and Bad Reasons to Start a Business?

I hate my job or boss!

I was laid off.

A friend wants to start a
business.

I want an easy job or want to work
less.

I want to save on taxes.

My job is boring!

What are Good and Bad Reasons to Start a Business?

I want to work for myself.

I want to create/fix something.

I want to do what I love.

I am passionate about my product or service!

Do You Have What it Takes to Start a Business?

Are you persistent?

Genius is one percent inspiration and ninety-nine percent perspiration."
(Edison)

Are you a risk taker?

"Opportunity is missed by most people because it is dressed in overalls and looks like work." (Edison)

Are you disciplined (work ethic)?

Competition makes you serve your customer better and that makes your business better.

Are you competitive (want to succeed)?

Listening makes you a better manager, makes your product or services better and makes your business better!

Can you listen? Can you ask for help?

New Businesses: Plan or Perish!

According to SBA data about 50% of small businesses fail within 5 years.

Why do they fail:

- Lack cash “cushion” to sustain business.
- Poor marketing strategy:
 - Lack of product uniqueness (product management).
 - Not able to connect to customers (product marketing).
- Poor revenue/cost model.
- Poor management/operational control.

Manage **risk**
with good
business
planning.

What does planning do:

Turns great ideas into great products.
Keep bad ideas from losing you money.

“A goal without a plan is just a wish.”

Antoine de Saint-Exupéry

What Do You Need to Know to Start a Small Business?

*Entrepreneurship is not a leap of faith.
It's really project management and
hundreds of very small decisions.
Neil Blumenthal*

Score Small Business Essentials Task List

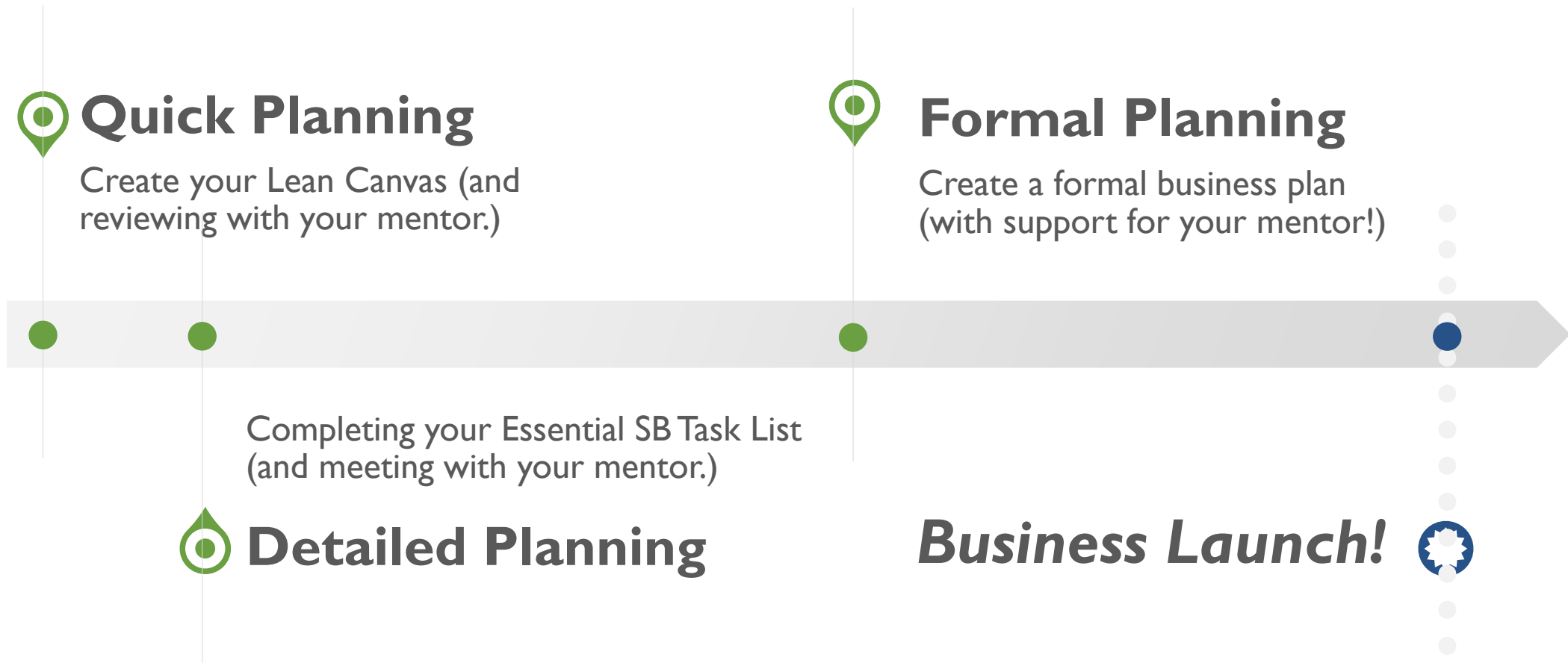
“Actions and Plans to Start a New Small Business”

SCORE’s Small Business Essentials Task List:

“Actions and Plans to Start a New Small Business”

Workshop	Workshop Attendee Task	Area
Creating a Quick Business Plan in 3 Hours	Basic Planning: <ul style="list-style-type: none"> • Understand the importance of business planning and the planning process. • Create an “Unique Value Statement.” • Create a “Lean Canvas.” 	Quick Planning
Successfully Starting A Business	Creating a Business Structure: <ul style="list-style-type: none"> • Choose your business entity. • Make a state business license application • Make a local business license application. • <u>Make a plan</u> for getting business insurance. • If you plan to seek funding: <ul style="list-style-type: none"> • Obtain personal FICO score and credit record. • Estimate startup costs. • List possible sources of funding. 	Detailed Planning
Marketing: Pricing, packaging and promoting your product or service to sell more!	Creating a Marketing Plan: <ul style="list-style-type: none"> • Define your target market. • Create your product or service descriptions. • Decide on your pricing, packaging, and distribution of your products. • Write your marketing message: value prop, benefits & features. • Create a promotion plan for your business. • Create a plan for getting online. 	
Managing Finances for New One Person Businesses	Creating a financial plan: <ul style="list-style-type: none"> • Calculate your startup costs. • Project your sales for your first year of business. • Create a projected P/L statement for the first year in business. • Create a Cash Flow Statement for your first year in business. • Create a plan for your accounting and tax payments. 	

A Three Phase Planning Process for New Businesses



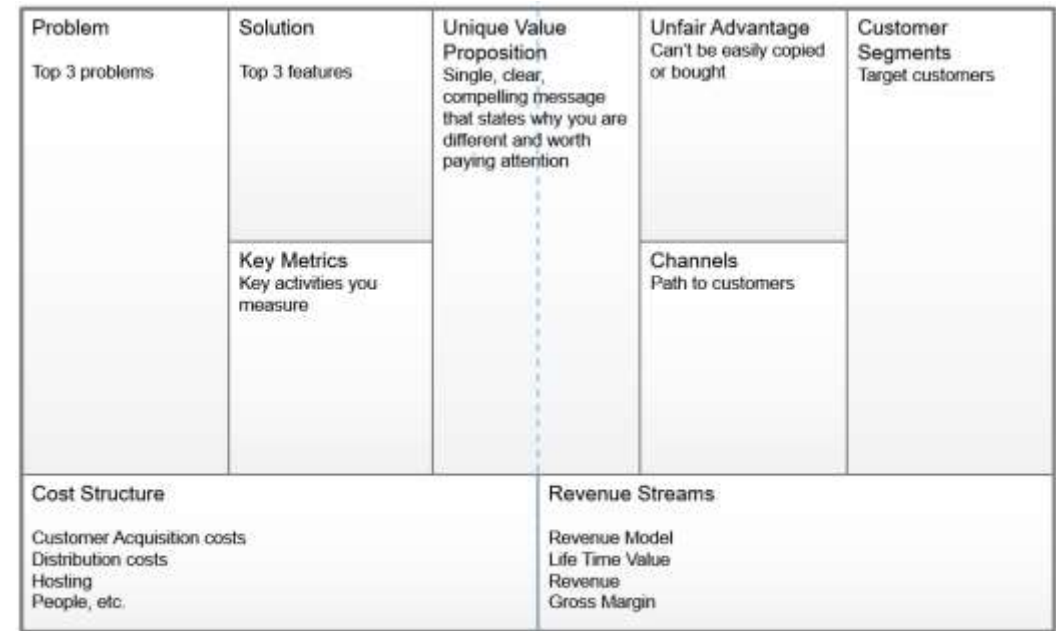
Quick Planning: Describing Your Product or Service with the Lean Canvas

Creating a “Lean Canvas:”

- Answer nine questions to define, test & refine your product or service idea.

What we use it for:

- Helps you describe and analyze your product or service idea and start thinking of it as a business.
- Provides a solid starting point for detailed planning.



By Ash Maurya

Starting Your Lean Canvas Plan: Creating A Unique Value Statement



Write each of the following in 15 words or less:

1. Describe your product, service or collection: factually from the perspective of your customer. What business are you in?
2. Describe who your customer is: be specific (i.e. “small businesses in the Seattle area”) rather than “businesses.”
3. Describe the unique value (benefit) it provides to your customers:
 - What uniquely does the customer receive/experience from your product?
 - Don’t list the features. Describe the benefits your customer receives in words of your customers. Benefits are generally expressed in gain or loss.

Writing Your Unique Value Statement

My product/service is “(15 words or less)” and I will sell it to “(15 words or less)” and it provides them unique value of “(15 words or less)”

Unique Value Statement: Examples

- My product/service is:
 - The Dude's – A Cowboy Chili Parlor and Old Time Saloon.
- I will sell it to:
 - Families in the city of Bothell who are Tex-Mex fans and dine out regularly.
- It provides them unique value of:
 - Easily accessed, value priced family Tex-Mex dining in a fun cowboy experience.



**The Dude's
Cowboy Chili
Parlor**

- My product/service is:
 - The Dude's School of Riding and Roping! One on one training on your horse, at your stable.
- I will sell it to:
 - People who own and ride horses within 25 miles of Bothell.
- It provides them unique value of:
 - Increases rider's confidence and safety by improving their riding skills on their own horse.

**The Dude's
School of Roping
and Riding!**



Detailed Planning: Business Structure

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Creating a Business Structure:

- Choose your business entity.
- Make a state business license application
- Make a local business license application.
- Make a plan for getting business insurance.
- If you plan to seek funding:
 - Obtain personal FICO score and credit record.
 - Estimate startup costs.
 - List possible sources of funding.

Detailed Planning: Marketing Plan

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Creating a Marketing Plan:

- Define your target market.
- Create your product or service descriptions.
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Detailed Planning: Financial Plan

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Creating a financial plan:

- Calculate your startup costs.
- Project your sales for your first year of business.
- Create a projected P/L statement for the first year in business.
- Create a Cash Flow Statement for your first year in business.
- Create a plan for your accounting and tax payments.

How Much Planning Do You Need?

Plan	What type of business?
1. Lean Canvas	All
2. Detailed Planning	All with perform some level (the more the better!)
3. Creating a Formal Business Plan	When you need to: <ul style="list-style-type: none">• Any substantial amount of money is at risk.• Needing significant funding to start.• Requesting external financing (bank, etc.).• Get a physical site (building lease).• Have a complex product or business (employees).

Formal Planning: Creating a Formal Business Plan

“Business Plan Template for a Startup Business”

Table of Contents	
Confidentiality Agreement.....	3
I. Instructions: Executive Summary	5
<i>Executive Summary</i>	<i>6</i>
II. Instructions: Company Description	7
<i>Company Description Worksheet.....</i>	<i>8</i>
III. Instructions: Products & Services	9
<i>Product & Service Description Worksheet.....</i>	<i>10</i>
IV. Instructions: Marketing Plan	11
<i>SWOT Analysis Worksheet.....</i>	<i>12</i>
<i>Competitor Data Collection Plan</i>	<i>14</i>
<i>Competitive Analysis Worksheet.....</i>	<i>15</i>
<i>Marketing Expenses Strategy Chart.....</i>	<i>17</i>
<i>Pricing Strategy Worksheet.....</i>	<i>19</i>
<i>Distribution Channel Assessment Worksheet.....</i>	<i>21</i>
V. Instructions: Operational Plan	23
VI. Instructions: Management & Organization	25
<i>Management Worksheet.....</i>	<i>26</i>
<i>Organization Chart.....</i>	<i>27</i>
VII. Instructions: Startup Expenses & Capitalization	28
VIII. Instructions: Financial Plan	29
IX. Instructions: Appendices	31
X. Instructions: Refining the Plan	32
Now That You're (Almost) Finished . . .	34

Download the template at:

<https://seattle.score.org>

(Templates/Business Plan for a Start-up Business)

Also see:

“Business Plans Handbook”

In the Business section of SPL or KCLS websites.

SCORE's Small Business Essentials Task List:

- Take a low-cost workshop from SCORE.
- Meet with a mentor!

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Tips for Staying in Business

- Be an expert in your business.
- Take the time to listen to your:
 - Customers,
 - Employees,
 - Competitors!



Tips for Staying in Business

- Your financial statements are talking to you – analyze them every month!
- Profit/Loss Statement.
- Cashflow Statement.



Tips for Staying in Business

- Evolve.
- Adjust your plans, products – your business.
- And continue to listen.
- That's how you get better!



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THANK YOU FOR YOUR PARTICIPATION

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