



Lesson: Business plan

Activity: Create a business plan

## Complete manual for starting a business in 12 steps

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There are no limits on who can become a big entrepreneur. You don't have to have a degree in something, a lot of money in a bank account and maybe business experience to start on something that could be your next large success.

Still, you need a plan and an idea.

Check this step-by-step guide to use it as help for turning your large idea in a successful business.

### 1. Evaluate yourself

Let's start with the most basic question: "Why do you want to start a business?". Use this question to get directions in which business you want to start. If you want extra money, maybe you need additional work. If you want more freedom, maybe it is time to leave the 9 to 5 job and start something new.

Once you have the reason, start asking more questions. That will help you find out what type of business you need to start, and whether you have what is needed.

- Which skills do you have so far?
- What is your passion?
- What is your field of expertise?
- How much capital do you need?
- What kind of lifestyle do you want to lead?
- Are you ready to be an entrepreneur?
- Be brutally honest with your answers. This will create a basis for everything that will happen in the future, so it is better to know the truth now, rather than later.

### 2. Think of a business idea

Do you have a business idea? If so, congratulations! You can continue with the next part. If not, there are many ways to start a brainstorming for a good business idea. If you lack an idea, here are some tips:

- Ask yourself what is next. What technology or improvements should come sooner in society and how will this change the business layout as we know it already? Solve a problem. People would like to have as few flaws in work and life as possible, of course. If your business might solve a problem for the clients, they will be grateful for it and make your business flourish, in a way!
- Implement your skills in a completely new field. A lot of businesses industries do things in one way since that is the way they worked forever. In those cases, a fresh perspective can make all the difference.
- Use the better, cheaper, and faster approach. Do you have a business idea that is not fully new? Think and see all current offers and focus on how you can create something better, cheaper, or faster.

Also, go out and meet people; ask questions, ask for guidance or advice from other entrepreneurs, explore ideas via the internet or use a method that gives you the most sense.

### **3. Do a market research**

Is someone else already doing what you want to do? If not, is there a good reason why they do not do it?

Start exploring your potential rivals or partners in the market. For example, you can conduct an interview over the phone or live. Also, you can offer questionnaires or surveys that ask questions like: “Which factors did you look over when you buy this product or service?”, and “Which fields would you suggest for improvement?”.

Just as important, it explains the three most common mistakes that people do when they start their own market research:

1. Using just second-hand research
2. Using just online resources
3. Surveying only people you know personally

### **4. Rely on feedback**

Allow people to interact with your product or service and express their opinion. Another pair of eyes can help you direct the problem at hand. Also, these people can become your first representatives of the brand, especially if you hear their opinion and they like your product.

One of the easiest ways to use the feedback is to focus on the approach “The Lean Startup”, but it includes three basic pillars: prototypes, experimenting, and feedback. With producing a product, you get feedback and adapting to it before you produce the



next one, and you can do improvements all the time in order to be sure that you will stay relevant.

Just realize that some of those tips, encouraged or not, will be good, and part won't be. So, you need to have a plan on how to get feedback.

Here are six steps for handling feedback information:

1. Stop! Your brain will probably be in a very excited state of mind when you get feedback and you might even make bad conclusions. Slow down and carefully think of what you have heard.
2. Start with the words "thank you". People that give you negative feedback won't expect a thank you from you, but that will only make them respect you more and make them give you honest feedback again in the future. Seek the truth, always. If someone wants one idea, it does not mean they hate all ideas you have. Remember, these people try to help, and they might signal to a lesser problem or solution that you need to review further on.
3. Notice patterns. If you continue to hear some comments, it is time to note them closely.
4. Be guided by curiosity. Be prepared to let clients know they are in control, in a way.
5. Ask questions. Find out why someone disliked something or liked something. How can you improve that? What would be a better solution?
6. Also, one way to overcome the negative feedback is to create a "wall of love" where you can share all positive messages you received. This will inspire you even more, and you can use these messages later on when you start with the sales online (for service or product). The positive views and testimonials will make a great impact.

## 5. Make it official

Take overall legal aspects early on. That way you do not have to worry about someone that takes over your great idea, or tries to convince you to be a partner, or maybe even sadly sues you. A quick list of things to consider are:

1. Business structure (corporation, partnership, or an acronym, etc.)
2. Name of company
3. Register your business
4. Federal tax identification
5. State tax ID card



6. Permits
7. License
8. Bank account
9. Trademarks, copyrights, or patents

You can do some things yourself, but also consult a lawyer when you start a business, and you can be sure you did everything.

## 6. Make your business plan

A business plan is a description of how your business is developing from start to end product.

We suggest having this in a business plan:

1. Cover page. Start with the name of the business, and this is harder than it seems!
2. Program resume. This is a high-end resume for what is included in the plan, often tackling the description of the company, the issue solved by this work, and similar.
3. Description of the business. What type of business do you need to start? How does your industry look like? How will it look in the future?
4. Market strategies. What is your target market, and how can you sell best at it?
5. Competitive analysis. What are the perks and weaknesses of your competition? How can you win over?
6. Projecting and development plan. What is your product or service, and how will it be developed? Then, form a budget for it.
7. Operations and management plan. How does the business activity function on a daily basis?
8. Financing factors. Where does the money come from? When? How? What projections should you create and what do you need to take in consideration?

For each question, you can allocate one to three pages. Have in mind that the business plan is an organic thing and will be edited over time.

## 7. Finance your business

There are many ways to get the needed resources to start a business. The “angel” investor Martin Zwilling whose business “Startup Professionals” provides services and products for startups and small businesses, suggests 10 of the surest ways to finance your business. See and browse the resources you have, surroundings, and living conditions to find out what will work best for you:



1. Independent financing for the business. Success could take a while, but at least you control your own destiny.
2. Borrowing from friends and family. It might be hard to separate business from personal life, but be prepared.
3. Ask for a grant for a small business. It can be a long process, but it won't cost you anything.
4. Start a campaign for the financing of campaigns of interest. Sometimes the power is in smaller numbers, and a lot of small investments can be added for something bigger.
5. Apply to local "angel" groups of investors. Different online platforms and local networking can help you find potential investors that refer to your industry and passion.
6. Ask for investors. They usually seek large opportunities from proven teams that need millions of dollars or more, so they need to have some specific interest before you approach them.
7. Join a startup that is "incubator" or "accelerator" type. These companies are designed to help new or starting businesses reach the next level. Most of them ensure enabling of free resources, including offices and consulting too, together with the opportunities for networking and fieldwork.
8. Negotiate for the progress of strategic partners or clients. If someone wants your product or service that they pay for it, there is a chance they will want to finance you too. Variations of this topic include agreements for early licensing or agreements of some sort.
9. Trading capital or services for startup companies. For example, you can maintain a computer system in the office, parallel to a free working space. Maybe you won't be paid for that, but you won't pay for the premises too, and a saved cent is still an earned cent.
10. Ask for a loan from a bank or credit line. If you meet the criteria, the good place to start is the possibility for a loan with the Administration for small businesses.

## 8. Develop your business or idea.

After all you have done for starting a business, you will feel wonderful when you see your idea come to life. If you want to make an application and you are not an engineer, you will need to address to a technical person. Or, if there is mass manufacturing of a product you will need to join forces with the manufacturer.

Here is a checklist of seven steps – including finding strategies for the manufacturer and prices – which ones you can use for developing the product. The main point that is emphasized is that when you make a product, you need to focus on two things: **simplicity and quality.**



Your best option is not needed to just make the cheapest product, even if you reduce the manufacturing cost. Also, be sure that the product can quickly get attention. When you are ready to start the development of the product and auto-sourcing of the tasks, you should:

1. Keep control of your product and learn constantly. If you leave the development to someone else or another company without supervising, you might not get what you imagined.
2. Conduct checkups and balances to reduce risk. If you have one part-time engineer, there is a chance that nobody can check their work. If you decide on the freelance aspect, use more engineers.
3. Hire specialists and not generalists. Choose people that excel in what you need.
4. Do not mix all aspects in one group. Be sure that you won't lose all progress so far if one person quits the job.

This process is different for entrepreneurs focused on a service, but not so crucially important. You have some skills for the people ready to pay, but those skills can hardly be measured. How can you confirm the abilities you have? Can you make a portfolio for your work – creating a website to show the artistic things if you are into art, or texts if you are a writer, or designs if you are a designer? Also, ensure you have the needed certificates or educational proofs, so when someone asks for your services you can get this golden chance!

## 9. Start building a team

1. To enlarge your business, you need to leave things to other people. You need a team. No matter whether you need a partner, employed, or a practice novice, these three pieces of advice can help you find the right person:
  - a. Clearly state your goals. Be sure that all people understand the vision and their own role in the mission.
2. Follow the protocols. During the start of the process of employment, take into consideration a lot of things, from checkups of people to asking real questions and suitable things. Establishing a firm corporative culture.

## 10. Find a location

This can be an office or a shop. Your priorities will differ according to the needs, but these are the 10 basics:



1. Workstyle. Make sure the location is in accordance with the special style and image.
2. Demographics. Start browsing for the clients. How important is their proximity to your location? If you are a shop for the local community, this is vital.
3. Availability. If people should come to your shop, ensure that the shop is easy to find. Remember; even the best shops have weak points.
4. Accessibility and parking. Is your building accessible? Do not give them a reason to go elsewhere with difficult parking.
5. Competition. Sometimes having competition close by is ok. Sometimes not. You did market research for this.
6. The proximity of other businesses. This is more than just traffic. See how other services can add to your own.
7. Image of the page. What does the address say for the business? Did other firms not succeed there?
8. Rules. Depending on your business, this can help you or prevent something. If you start a daycare, regulations that hinder the building of a liquor shop can add safety for you.
9. The infrastructure of the building. Especially if you see an older building or you start an online business, ensure that the space can support your needs of high-tech things. If you are serious about one building, maybe you will hire another engineer to check the state of the spot.
10. Renting, utility costs. Renting is the biggest cost for objects, but also check the utility services, or if they are included. You don't want to start with one price and pay different later.

Once you know what you seek, look for a place with this 4 advice we give you:

1. Think of a personal timeframe. The landowners start to offer short-term office spaces. Do not get stuck in a long-term thing If it makes no sense for your business.
2. Reproduce all of it. There are all kinds of places – work premises, offices, business centers, sublets and more.
3. Check around town. You might find the perfect space through online resources.
4. Make the agreement as per your conditions.

## 11. Start sales



No matter what the product or industry, the future of your business will depend on income and sales. Steve Jobs knew this and when he started Apple, he called investors every day, from his garage!

There are many strategies and techniques of sale that you can use, with the four pillars:

1. Listen. When you listen to the clients, you will know what they want and need.
2. Seek dedication, but don't be offended. Don't be too shy to ask for a next step or to close a sale, but also don't make clients feel forced for the sale.
3. Don't be afraid to hear the word NO. As some former sale (now owning Pipedrive), said: "Most of the people are too kind. They allow for you to make your own conditions, even with no purchase interest. Time is your resource".

What is it like to do sales? Start by identifying goals. Find supporters for your business, develop the base of clients, and use ads to find people for the business. Then, find out the real sale funnel method to get income.

## 12. Develop the business

There are many ways to develop a business. You can acquire a new business, start focusing on another market, broaden your views, and more. But, no business plan can succeed if you lack two key attributes that all companies in growth have.

First, they have a plan to promote themselves. They effectively use social media through organic, influencing, and paid campaigns. They have a checklist with e-mails and use it as well. And they target online or live, through their campaigns.

Then, once they get a new client, they know how to keep him. You probably heard that many people claim the easiest client to sell to is the one you already have. Your existing clients are registered to your list, and gave their info on the website, and tested what you offered. So, they start a relationship with you and your brand.

Start using these strategies that include investing in your service for users, but know that your job is never done. You will compete for market clients and never rest. Keep exploring, employing good people, making superior products and you will build a kingdom you always dreamt of!

### How to establish a social enterprise?

Step 1-Problem-idea-solution:

Social entrepreneurs see opportunities in the challenges. Be precise about which problem you will solve and how you will do it.

Step 2- Explore:



Make a market analysis and check if your approach is good. See your capacities closely. Seek help from experts and practical vocations of your interest.

Step 3- Business plan:

It must have a description of societal influence, goods and services, and their production, traits of the market, marketing and sales, structure, risks, etc. Have in mind the additional sources of financing. Decide what legal subject will be registered. With us, you can form a trading company, civil society organization, or a foundation. The new law for social entrepreneurship will additionally manage the social enterprises.

Step 4- Network of supporters (ecosystem):

Be in constant relation with the community and build a strong network of supporters. Include people that strongly believe in your mission and have the same system of values for the social enterprise.

Step 5- Let it be heard (marketing-branding):

Public relations are important. Be clear about what makes you special.

Step 6- Measuring of results:

Always know what you achieved. Measure the financial aspects and social influence.

How much are your goals achieved? Be persistent, dedicated, and innovative!