START SMART

How to Build a Business and Get Paying Customers

Fall 2017
Virginia Beach Public Library

Facilitated by Marla Schuchman

Session 1: The Entrepreneurial Mindset
Is Starting a Business Right for You?

Introductions

Name + short bio

What is your business (or idea)?

What is the reason you are attending this workshop?

Mindset Discussion

What makes people entrepreneurial?

Tell us about a time you took a risk and how you felt.

What is the scariest thing about starting your business?

What are you most passionate about regarding your business?

Elements of an Entrepreneurial Mindset

Character Traits Entrepreneurs Possess:

Big picture vision
Passionate
Good judge under pressure
Resourceful
Risk tolerant
Persistent/Ambitious
Good communicator & salesperson

Competitive
Resiliance (Day to Day)
Resilient in failure
People smart
Dedication/Follow-through
Do-er

Adapted from Barbara Corcoran's [Ent I.Q . test]

Lifestyles of the Not-so-rich or Famous (Entrepreneur)

What is Entrepreneurship? [VID]

Different kinds of entrepreneurs:

- Mom & Pop / Lifestyle (Plumber, Contractor, Pizza shop)
- SME (Gov contracting, mid-sized agency)
- High growth / Scalable (AirBnB, Swimways, Leesa Mattress, franchise)

Lifestyles of the Not-so-rich or Famous (Entrepreneur)

Work ethics in business ownership:

- Pound the pavement (FUBU – Daymond John)
- Side-biz (Lula Roe)
- No sleep 'til... (Amazon - Jeff Bezos)
- Get it done at all costs (Space X - Elon Musk)
- Hobbyist (Crafter)

What about you? How do you see yourself?

Identifying Goals: Setting Expectations

Entrepreneurs have various goals for business & personal life:

Wealth
Independence
Happiness
Legacy
Altruism

Fixing a problem
Boredom/Staying Busy
Necessity

What are your goals?

Identifying Goals: Setting Expectations

Starting, Growing, Exiting

- Timelines – how long until:
  - Prototyping/Manufacturing
  - 1st sale/customer
  - Profit
  - Hiring
- Strategy vs. Action
- Exit options

Identifying Goals: Discussion

What do you desire to achieve by starting a business?

How do you envision your business in 1, 5, 10 years?

When the time comes to exit your venture, how does that look to you?

Session 2: The Lean Method

Customer Development Part 1: Discovery

The Lean Startup - What is “Lean”?

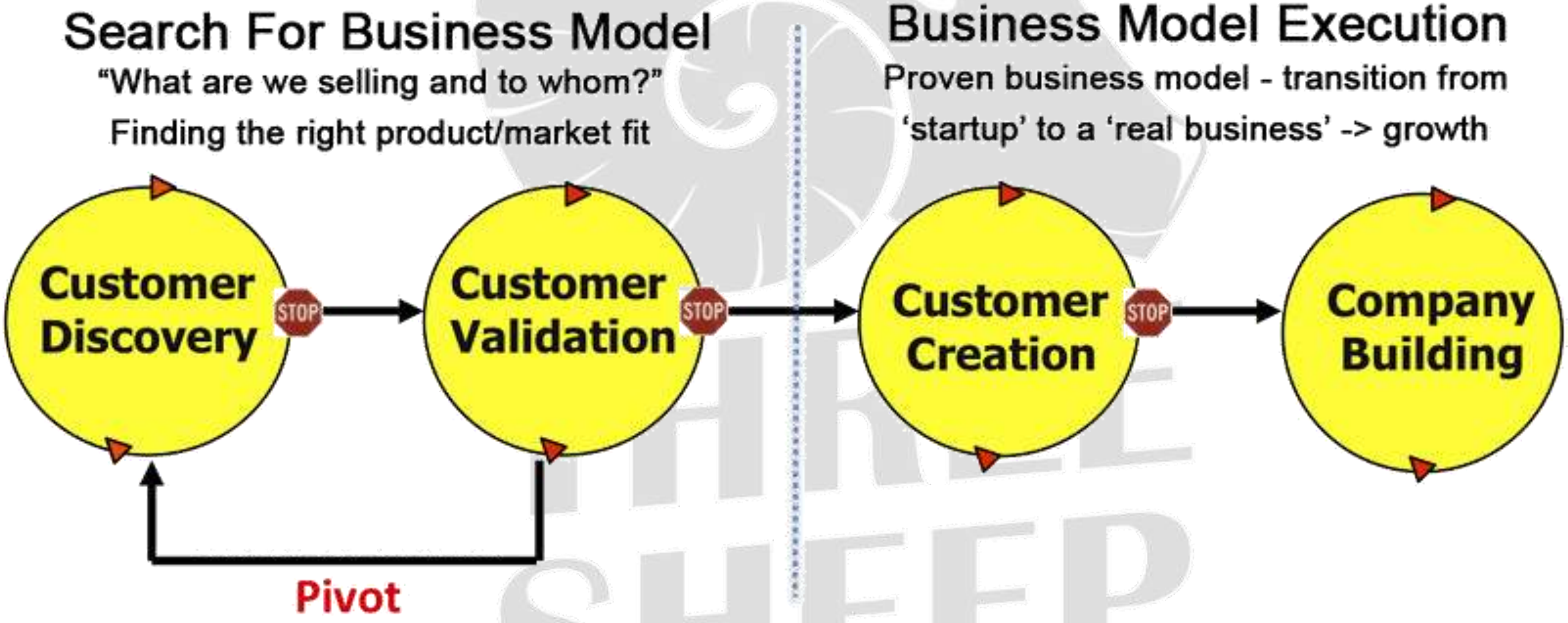
Lean is a framework for implementation and getting to market. Video

4 Stages of Lean Methodology

1. Customer Discovery
2. Customer Validation
3. Customer Creation
4. Scaling & Company Building

$\left.\begin{array}{l}\text{1. Customer Discovery}\\ \text{2. Customer Validation}\\ \text{3. Customer Creation}\end{array}\right\}$ Customer Development

Lean Startup Stages



[Graphic credit: Steve Blank]

The Lean Startup - Customer Discovery

Start with the customer, not with the product.

- Who are your potential customers?
- What problems do they have that you can solve?
- How will you solve the problem?

Goal: Product-Market Fit

Read: Customer Development Manifesto

Who is a “Customer”?

Customer vs End User vs Buyer vs Reseller vs ...

- Are you selling to an individual or a company?
- Who will use/benefit?
- Who will pay for it?
- How will they purchase it?

Start thinking about this now; we will go much deeper when we discuss marketing strategy.

Get Out of the Building: GO OUTSIDE

Learning happens outside the building:

- Think like your potential customers
- Where are they? List the places and go visit.
- Politely approach strangers with questions
- Get comfortable asking for honest feedback
- Don’t defend - ask to elaborate instead

Customer Discovery Small Group Discussion

Who are your potential customers?

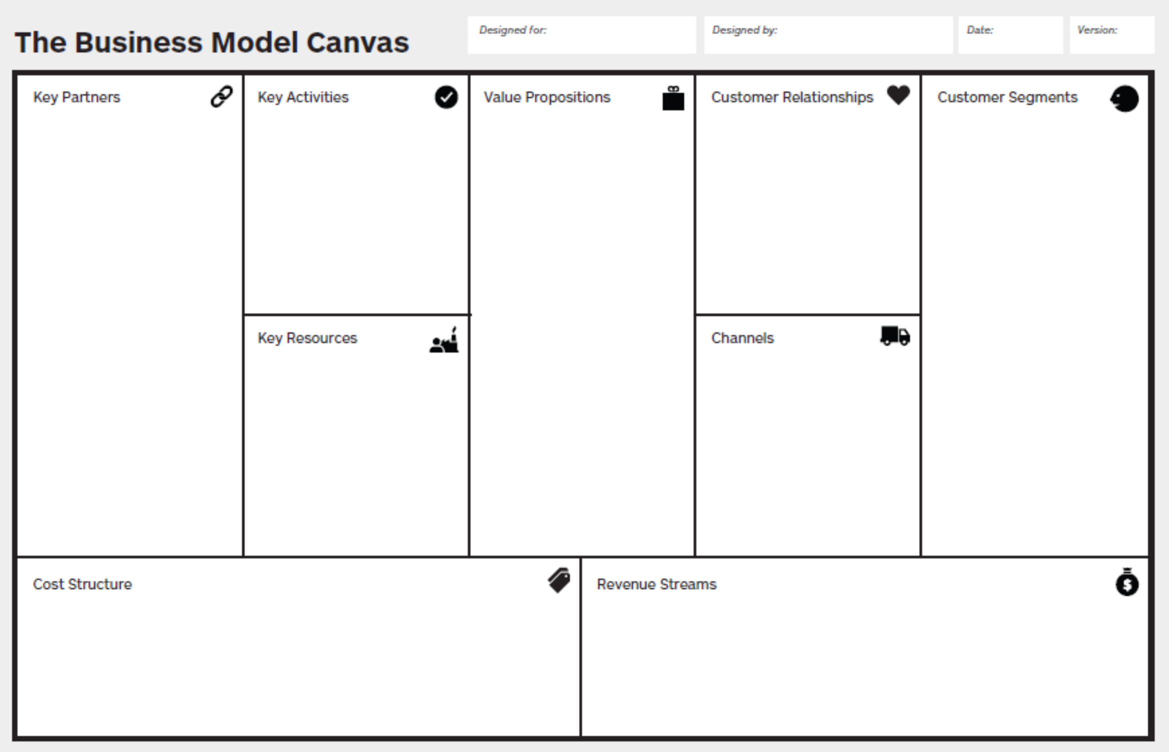
Look for people in this room who might fit the bill. Practice talking to them. Talk about your business idea and potential customers. Bounce ideas. Get feedback. Be open to suggestions.

Take away: list of potential customer types and places to go.

Lean Startup: Business Model Canvas

Business Model Canvas

- Structure of the canvas
- Hypothesis creation
- Living document
- Pivot = change



The Search for P-M Fit: Video

Session 3: The Lean Method

Customer Development Part 2: Validation & Testing

KEY PARTNERS

Who are our key partners?

Who are our key suppliers?

Which key resources are we acquiring from our partners?

Which key activities do partners perform?

KEY ACTIVITIES

What key activities do our value propositions require?

Our distribution channels?

Customer relationships?

Revenue streams?

KEY RESOURCES

What key resources do our value propositions require?

Our distribution channels?

Customer relationships?

Revenue streams?

VALUE PROPOSITIONS

What value do we deliver to the customer?

Which one of our customers' problems are we helping to solve?

What bundles of products and services are we offering to each segment?

Which customer needs are we satisfying?

What is the minimum viable product?

CUSTOMER RELATIONSHIPS

How do we get, keep, and grow customers?

Which customer relationships have we established?

How are they integrated with the rest of our business model?

How costly are they?

CHANNELS

Through which channels do our customer segments want to be reached?

How do other companies reach them now?

Which ones work best?

Which ones are most cost-efficient?

How are we integrating them with customer routines?

CUSTOMER SEGMENTS

For whom are we creating value?

Who are our most important customers?

What are the customer archetypes?

COST STRUCTURE

What are the most important costs inherent to our business model?

Which key resources are most expensive?

Which key activities are most expensive?

REVENUE STREAMS

For what value are our customers really willing to pay?

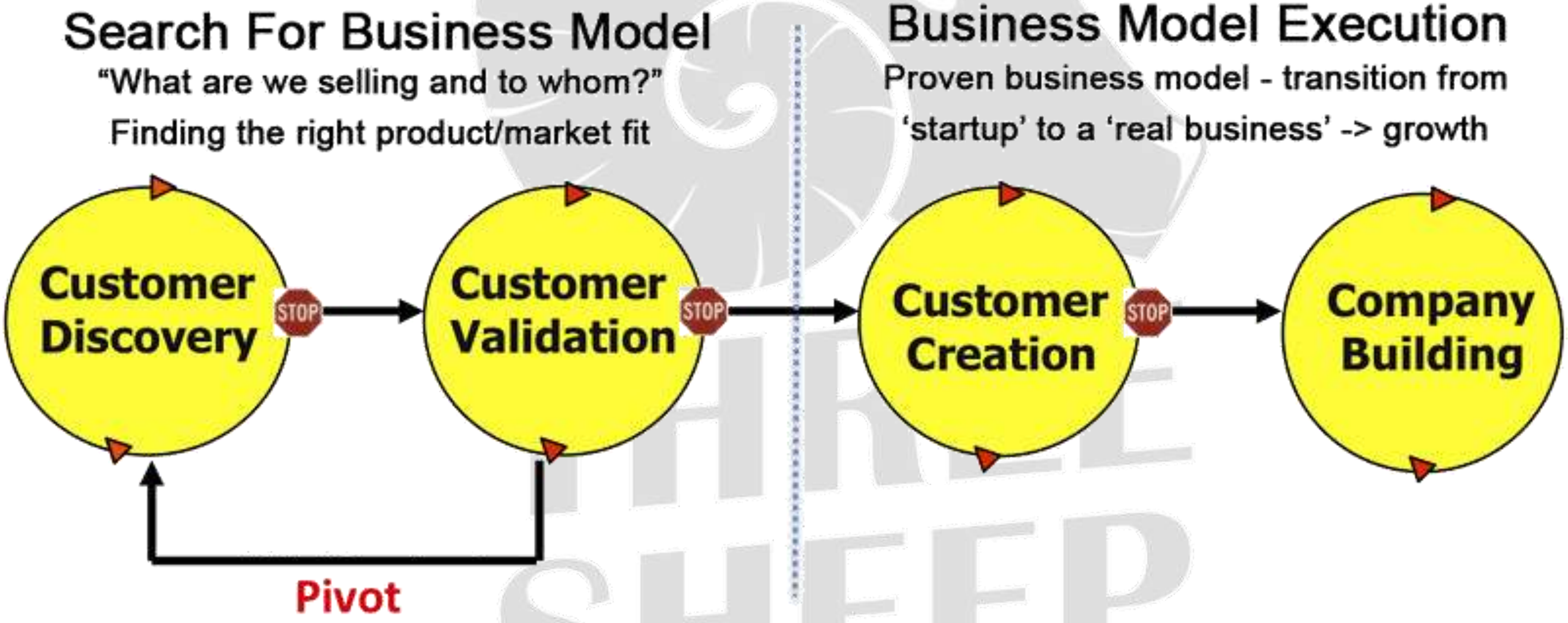
For what do they currently pay?

What is the revenue model?

What are the pricing tactics?

uchman

Review: Lean Startup Stages

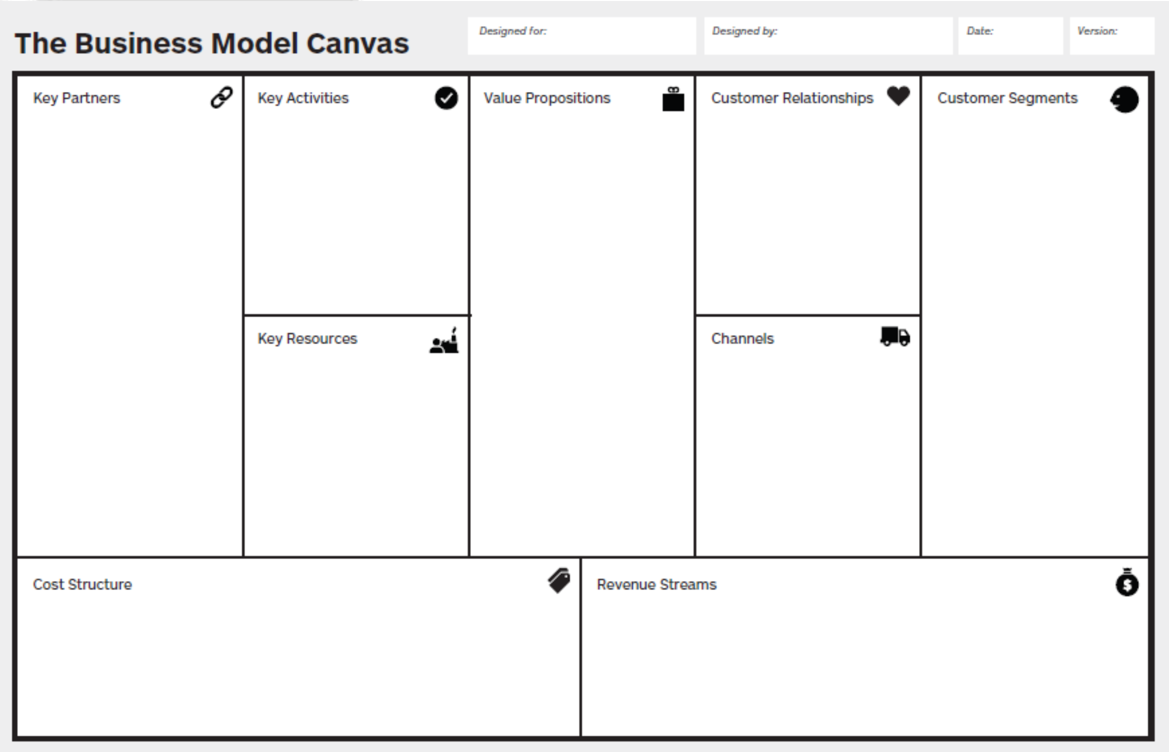


[Graphic credit: Steve Blank]

Lean Method: Discovery Discussion

Assignment discussion

- Which section(s) of your canvas did you work on?
- How many people did you talk to?
- What did you learn?



How to Validate: Designing Experiments

Designing Experiments = TESTING your assumptions

- (informal) Talk to strangers: be open and accepting of all answers, ask for clarification
- (formal) Hear directly from potential customers: survey, cold call, focus group, pitch & get feedback
- (scientific-ish) Watch/track behaviors*: Landing page button, ad click-thrus, sign up, email opens

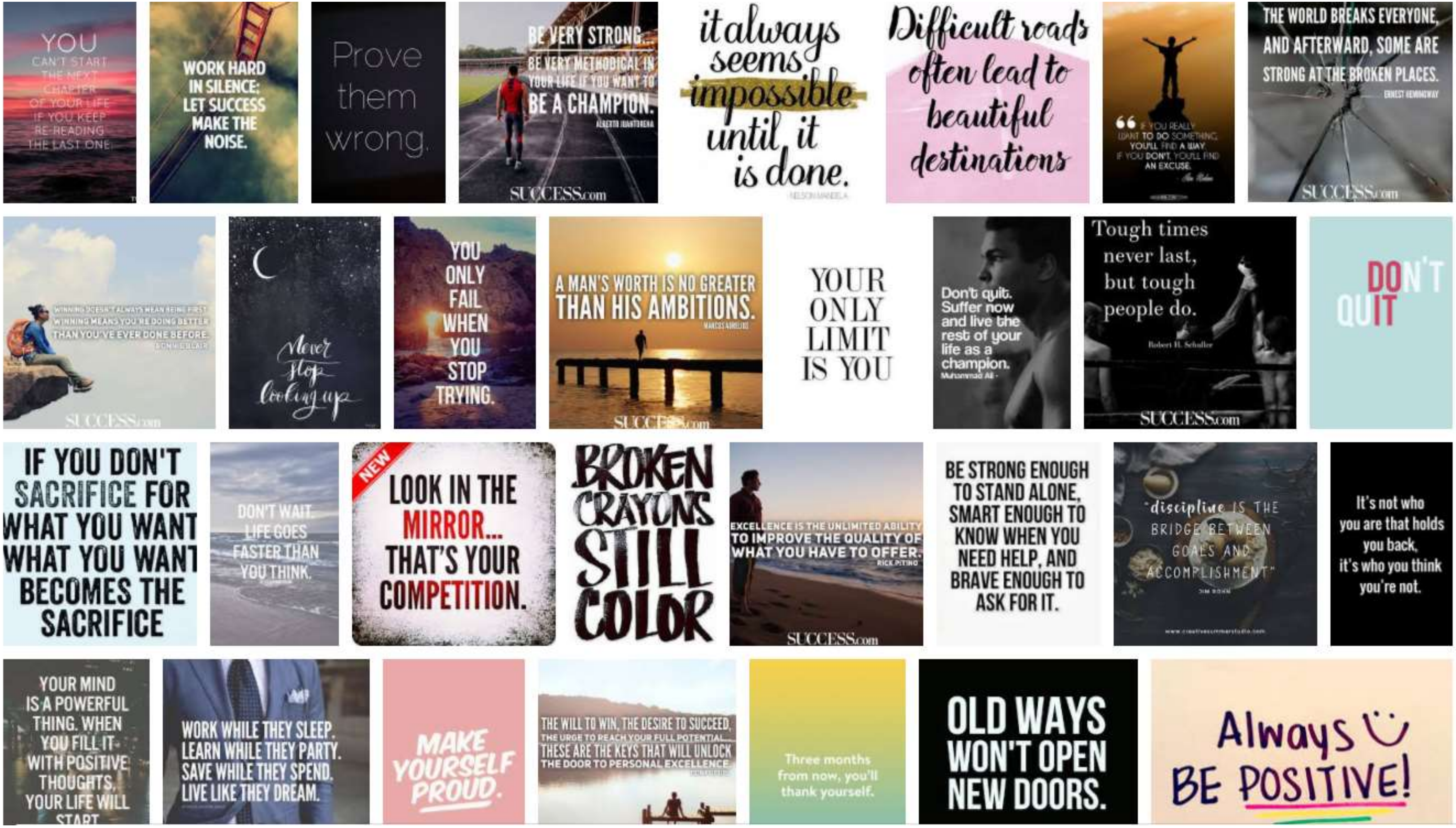
*As you build your business, perform difinitive tests for core business activities

Designing Experiments: In Class Assignment

Task: Design experiments for 3 of your hypotheses

1. Pick a canvas box
2. Re-write your assumptions as hypotheses
3. Design an experiment to prove/disprove your hypothesis
4. Carry out experiment

HW: Do these experiments for 2+ boxes and present findings next week


YOU CAN'T START THE NEXT CHAPTER OF YOUR LIFE IF YOU KEEP RE-READING THE LAST ONE.
WORK HARD IN SILENCE; LET SUCCESS MAKE THE NOISE.
Prove them wrong.
BE VERY STRONG... BE VERY METHODICAL IN YOUR LIFE IF YOU WANT TO BE A CHAMPION.
ALBERTO JUANTORENA
SUCCESS.com
it always seems impossible until it is done.
NELSON MANDELA
Difficult roads often lead to beautiful destinations
IF YOU REALLY WANT TO DO SOMETHING, YOU'LL FIND A WAY. IF YOU DON'T, YOU'LL FIND AN EXCUSE.
THE WORLD BREAKS EVERYONE, AND AFTERWARD, SOME ARE STRONG AT THE BROKEN PLACES.
ERNEST HEMINGWAY
SUCCESS.com
WINNING DOESN'T ALWAYS MEAN BEING FIRST. WINNING MEANS YOU'RE DOING BETTER THAN YOU'VE EVER DONE BEFORE.
SUCCESS.com
Never stop looking up
YOU ONLY FAIL WHEN YOU STOP TRYING.
A MAN'S WORTH IS NO GREATER THAN HIS AMBITIONS.
MARCUS AURELIUS
SUCCESS.com
YOUR ONLY LIMIT IS YOU
Don't quit. Suffer now and live the rest of your life as a champion.
Muhammad Ali
Tough times never last, but tough people do.
Robert H. Schuller
SUCCESS.com
DON'T QUIT
IF YOU DON'T SACRIFICE FOR WHAT YOU WANT WHAT YOU WANT BECOMES THE SACRIFICE
DON'T WAIT. LIFE GOES FASTER THAN YOU THINK.
NEW
LOOK IN THE MIRROR... THAT'S YOUR COMPETITION.
BROKEN CRAYONS STILL COLOR
EXCELLENCE IS THE UNLIMITED ABILITY TO IMPROVE THE QUALITY OF WHAT YOU HAVE TO OFFER.
RICK PITINO
SUCCESS.com
BE STRONG ENOUGH TO STAND ALONE, SMART ENOUGH TO KNOW WHEN YOU NEED HELP, AND BRAVE ENOUGH TO ASK FOR IT.
"discipline IS THE BRIDGE BETWEEN GOALS AND ACCOMPLISHMENT"
JIM ROHN
It's not who you are that holds you back, it's who you think you're not.
YOUR MIND IS A POWERFUL THING. WHEN YOU FILL IT WITH POSITIVE THOUGHTS, YOUR LIFE WILL START
WORK WHILE THEY SLEEP. LEARN WHILE THEY PARTY. SAVE WHILE THEY SPEND. LIVE LIKE THEY DREAM.
MAKE YOURSELF PROUD.
THE WILL TO WIN, THE DESIRE TO SUCCEED, THE URGE TO REACH YOUR FULL POTENTIAL... THESE ARE THE KEYS THAT WILL UNLOCK THE DOOR TO PERSONAL EXCELLENCE
Three months from now, you'll thank yourself.
OLD WAYS WON'T OPEN NEW DOORS.
Always BE POSITIVE!

Motivation

Why do you do what you do everyday?

How do you handle:

- things you don’t like to do?
- tasks you need to do when it isn’t clear how they benefit you?
- tasks that are hard for you to do?

Videos: What motivates people   Motivation for entrepreneurs

Why Talk About Motivation?

As a founder:

- If you don't do it, it might not get done
- Learn how to activate your "go mode"

As a business owner:

- Understand customer buying habits
- Encourage employees to perform well
- Promote employee satisfaction

Motivation: Intrinsic vs. Extrinsic

Intrinsic:

- Autonomy - “I determine my day”
- Mastery - “I’m getting good at this”
- Purpose - “This is my calling”

Extrinsic:

- Incentives - Special offers & treatment
- Rewards - $, gifts

Motivation: Taking Action

The DOING part of building a new venture:

- **Deliver** the product/service
- Solve the problem
- **Get** Customers
- Make Money
- Gain a Following
- Solve another problem

Lean Continued: Customer Validation

Applying Customer Discovery -> Customer Validation

- **Prove** or disprove your hypotheses
- Learn that **your assumptions are correct** or incorrect
- **Stay the course**, itterate or pivot

Bold? Congrats – you're on your way to validation

Next step: implementation – make prototype/design MVP

Minimum Viable Product

Principles of a Lean Startup – Eric Ries

Developing your MVP

- Begin with a K.I.S.S.
- Narrow focus, narrow market
- Strip off any bloat
- Test one thing at a time

Methods for Implementing

Just Do It:

- Doesn't necessarily matter what you do first, just do the first thing
- What's the smallest action necessary to move the needle? Do that, then the next.
- Don't get distracted by shinier objects, get your hands dirty

Methods for Implementing

Pilot:

- Build a small version/stripped down
- Experiment with your business model

Other:

- Pop-up
- Co-op/partnership
- Spin off

Validation & Implementation: Discussion

What is the smallest kernel of your business you can test?

How will you determine your MVP?

Session 4: Making Money
Business Model Selection

What is a Business Opportunity?

Types of business opportunities:

- New Venture/Startup
- Franchise (7-11, Chik-fil-A)
- Buy Out (sell entire biz to a new owner)
- Direct Marketing/Network Marketing/MLM (LulaRoe, Shakeology, Mary Kay)
- Others: Distributor, Cooperative (True Value), Dealer/Vendor (Software VAR)

Evaluating Options

Why might you pursue an opportunity?

- Passion
- Knowledge
- Partner/co-founder
- Timing
- Cost/Deal
- Challenge

Evaluating Options

Why might you say, “no thanks”

- Partner/co-founder
- Cost
- Timing
- Difficulty/inexperience
- New opportunity arises

What is a Business Opportunity: Discussion

Consider your “new” idea & product/service vs. selling someone else’s:

What kind of business are you starting?

What are the reasons you chose that type?

Money: Business Models

What is a Business Model?

> “A business model is the way in which a company generates revenue and makes a profit from company operations.”

source

Money: Business Models

Types of Business Models:

Direct Sales (MLM)
Franchise
Freemium
Trialware/Shareware
Subscription/Club
Lessor
Distributor

Add-on
Advertising
Affiliate Marketing
Pay-per-play/Pay-as-you-go
Licensor
Retailer

Money: Competition & Pricing Strategies

Competitive Advantage

The strategies & tactics a business carries out in order to win customers and their loyalty.

Competitive Intelligence

The collection and analysis of operating data from other companies that serve the same market or solve the same problem. Can include data related to all aspects of the company such as financial statements, marketing tactics, operations & HR policies, etc.

Money: Competition & Pricing Strategies

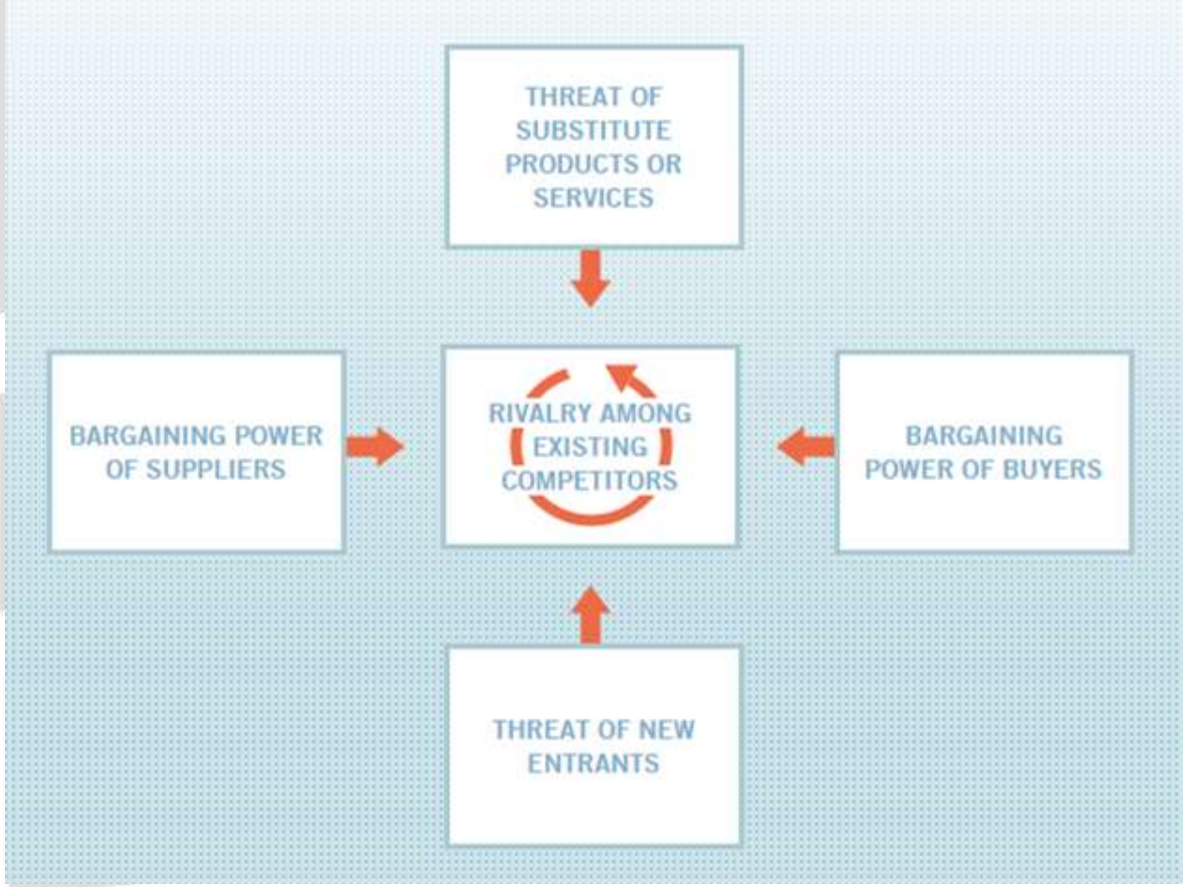
Ways to compete:

- Features
- Ease of use/access/readiness
- Quality
- Timeliness
- Product expansion opportunities
- Simplicity/single-tasking
- Cost: higher/lower/same

Money: Competition & Pricing Strategies

Understanding buying habits and choices:

[Porter's Five Forces]



Money: Competition & Pricing Strategies

Examples of why & how to compete on:

- Features – more or less features make the customer interested (technology, automobiles)
- Quality – long-lasting products, craftsmanship (durable goods, repair services, food)
- Timeliness – ready when you need it, available quickly (fast food, Amazon Prime, emergency HVAC)
- Cost – useful in addition to another strategy

Money: Discussion

Who/what are your competitors? substitutes? alternatives?

- Competitor - same product/service
- Substitute - different form of the same solution/function
- Alternatives - different product/service solving the same pain, serves the same purpose

More reading

Money: Canvas Sections

Work on sections:

1. Key Activities
2. Key Resources
3. Cost Structure

Task: Design experiments for each and start to test your business model in the real world

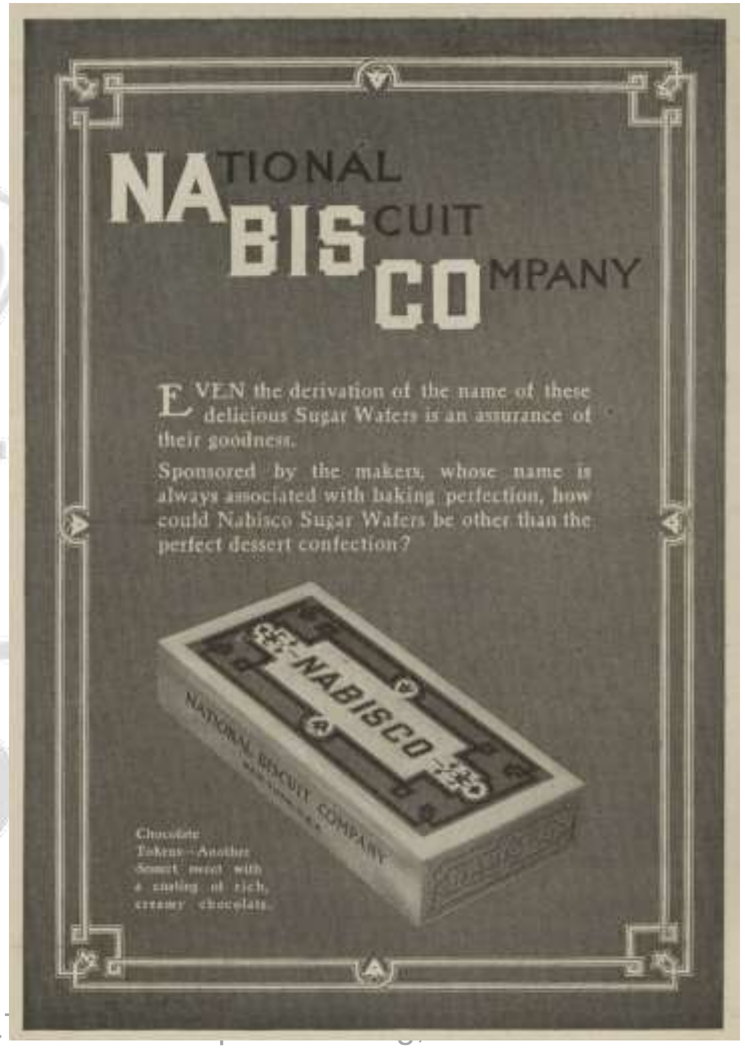
Week 5: Marketing Essentials Part 1
Branding & Identity

History of Branding: From Cows to Cookies

Branding conveys ownership, responsibility, quality, & trust

The process of branding requires:

1. Consistent messages and visuals
2. Efforts to stay relevant
3. Compelling or historically significant graphics, icons, or visual formats



[Words that were once brand names]

Branding Terms You May Encounter

Brand Recognition

Storytelling

Brand Promise

Brand Architecture

Identity

Look & Feel

Brand Assets

Logo

Slogan / Catchphrase / Tagline

Trademark

Collateral

Branding = Storytelling

Visioning exercise:

Imagine your ideal customer is standing in front of you.

1. What part of your story captures their attention?
2. What part of your story makes them excited?
3. What part of your story offers a solution/closure to their need?
4. How do you make a sale turn into “happily ever after”?

Brand Recognition

While a new brand can be crafted at any moment for any company, **BRAND RECOGNITION** takes time and effort to develop among a customer base.

Interbrand's Selection Methodology

Brand Promise

A brand promise is everything a company or brand commits to its customers.

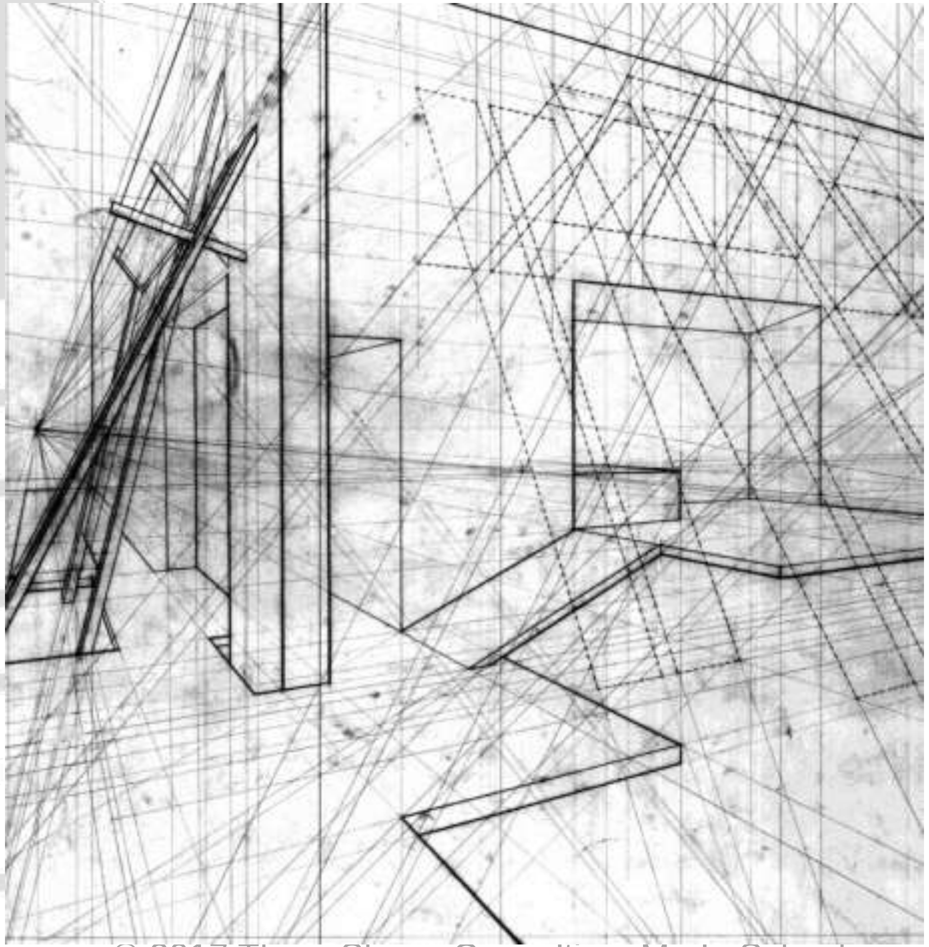
Brand Architecture

A company can be a brand.

AND

Companies can have many brands:

- Corporate/family/universal brand
- Division brand
- Product brand
- Sub-brand



House of Brands • • • • • • • Endorsed • • • • • • • Super Brand • • • • • • • Branded House

P&G

Marriott

COURTYARD Marriott | FAIRFIELD INN Marriott | Residence Inn Marriott | TownePlace SUITES Marriott | SPRINGHILL SUITES Marriott

Virgin

Virgin Atlantic
Virgin Mobile
Virgin Megastore
Virgin Books
Virgin Wines
Virgin Media
Virgin America
Virgin Healthcare

For illustrative purposes

Source: http://www.monigle.com/branding

Branding Building Blocks

Unique Selling Proposition (USP)

- Derived from Value Proposition
- What makes you stand out from competition?
- What do you have that other brands don’t?

Look & Feel

- Visual & Verbal elements work together
- Colors & graphics (logo, trademarks, packaging)
- Physical & tangible qualities (comfortable seating)
- Intangible qualities (environment, ambiance, attitude)

Branding Building Blocks

Customer Profiling & Personas

- Create buyer personas for reference
- Helps focus brainstorming and creative efforts
- Informed by Customer Discovery

Reputation Management

- Brand Book or Brand Guidelines (Skype example)
- Protocol for how to handle misuse of brand assets
- Training employees & partners is important

Exercise: Personas & Promises

#1 Develop 2 buyer personas to inspire & connect owners, managers, employees to customers.

- Brainstorm identity and character traits
- Write his/her bio <50 words
- Recite & repeat

#2 Begin to form your brand promise to customers.

- What ideals does your company uphold?
- How does your offering affect the lives of your customers?
- What commitments are you making to your customers?

Branding Best Practices: Naming Products & Services

What to think about:

- Your target audience's associations with certain terms
- Multi-cultural sensitivities
- Being direct vs. being clever or creative
- What does the name say about the company?

Examples:

Same company:
Google Adwords vs. Wave
Windows XP, Vista vs 7 & 8

Competitors:
Barnes & Noble Nook vs Amazon Kindle
Hoover WindTunnel Air vs Dyson DC41 Animal

Naming Discussion

Car names:

Chevrolet Traverse

Honda Pilot

Jeep Grand Cherokee

Dodge Journey

Mazda CX-9

Kia Sorento

GMC Terrain

Ford Flex

Dodge Durango

Branding Best Practices: Logo Design

Rules of Thumb:

- Graphics should be crisp, perform well in print or online, large or small, always have correct resolution
- Logos should work on dark or light backgrounds (have multiple versions accordingly)
- Logos should work in color or in B&W
- Logos can be representative, symbolic, or abstract
- Logos can be text based, image based, or a combination

Logo Discusion

Branding Best Practices: Slogans & Taglines

Express your business's purpose:

- Mantra (spoken, not written usually)
- Purpose statement - why
- Vision statement - what

Express your company's identity and brand promise:

- Slogan
- Tagline
- Is there a difference between the two? AdAge and AMA

Identity for Startups, in a Nutshell

Reputation does not precede you when you're a new venture, you need to build it!

First logo isn't as important as you think. Design. Test. Iterate.

Listen to early customers, they will help shape your brand.

Week 6: Marketing Essentials Part 2
Building an Online Presence

What can be considered "Online Marketing?"

1. Creating a website
2. Blogging – self-hosted or Tumblr/Wordpress/Blogger
3. Creating a Facebook Page, event, or group for your business
4. Creating a Twitter account for
5. Joining a LinkedIn group
6. eBlast campaigns & list marketing
7. QR Codes 😐
8. Banner Advertising
9. Sponsorship
10. SEM (includes SEO & Text-Ads & Adwords)
11. Referral & Affiliate programs
12. Content Farms ☹
13. Crowd-funding campaigns on Kickstarter, IndieGoGo, GoFundMe
14. Mobile Push-notifications
15. In-app advertisements
16. Webinars
17. Reddit posting & sub-reddit groups
18. Pinterest
19. Ecommerce & online Stores like Etsy, Amazon, CafePress, Ebay
20. Commenting on articles around the web
21. MeetUp.com
22. Online ticket sales (Eventbrite)
23. Map listings (Google Map My Business)
24. …and more.

What’s not “Online Marketing?”

1. Traditional print advertising
2. Radio advertising
3. Brochures
4. Rack Cards
5. Event Marketing
6. Direct mail
7. Door-to-door sales
8. Point of sale marketing

Where to start?

Answer these questions:

- What is your overall marketing budget? What can you afford right now?
- How much time do you want to spend online managing your online marketing?
- Do you need to sell merchandise online?
- What are the norms in your industry?

Website Development - You Have Options

––––

In-house

1. On your own, use a do-it-yourself hosting & design tool: WordPress, Wix, Weebly, SquareSpace, et al.

2. Hire someone to create and manage the site
   - Web or graphic designer (to design)
   - Developer or Programmer (to code)
   - Webmaster (to maintain)
   - Writer (to create content)

[Article on high level web design overview]

Website Development - You Have Options

External

1. Hire an agency = $$-$$$$
2. Hire a developer or independent consultant = $-$$$
3. Hire a student = $ + beer/food

Article on high level web design overview

Website Development Stages

1. Domain purchase [owner]
   - Well known sites: domain.com, godaddy.com
   - List of registrars from ICANN

2. Wireframes [UI, designer, owner]
   - How to do it: Balsalmiq, https://gomockingbird.com/, PowerPoint, pen and paper, white board
   - Keep in mind: F-shape reading pattern, white space, margins, usability, information flow, goal setting, lead capture (forms, buttons)

Website Development Stages

3. Site-map (tree) [UI, owner]
   - User Experience - how do you want a visitor to move?
   - Think about critical information for to the customer, and what's supplementary

4. Content creation [owner, writer]
   - Having a simple homepage + about + product/service + support/contact will suffice for most
   - Have a plan for SEO
   - Industry lingo? Think of audience comprehension!

Website Development Stages

5. Development [designer/webmaster, programmer]
   - Technical team gets to work
   - QA, testing
   - May do a soft launch - site live with no fanfare, no traffic directed to it
   - Analytics – make sure you are capturing data about visitors

6. Launch - site is live!

Online Marketing - Example Strategies

1. Thought leadership - blog, content creation, Facebook/Twitter sharing, article commenting
2. Ecommerce - destination site, eBlast, Pinterest, affiliate & referral programs, remarketing advertising, newsletter
3. B2B Sales Lead Generation - Webinars, LinkedIn groups, Meetup.com, sponsorship, banner ads, eBlasts/newsletter
4. Brand Building - Instagram, YouTube, social media shares

Content Strategy

What is it?

- Publishing via social media and other forums
- Creation of relevant, unique, and interesting content
- Boosts your authority as a “thought leader”
- Content is the host body for viral communication
- Keeps your brand at the front of a potential customer’s mind

Content Strategy

Generating Content

- A good content strategy might require different content for 5 outlets 7 days a week = >800 items/year!
- Follow certain sources for ideas & news
- Test different kinds of messages with the same kind of content (quotes, pictures, questions, videos)
- Trial, error and tracking!

Paid Online Campaigns

1. Advertising – Google adwords, banner ads, video ads,

2. Sponsored content – Facebook promotions, Instagram paid influencers

3. Mobile – text campaigns

4. Other – advertorial, email list rental, integrated (traditional)

A/B Testing

Testing & analysis of two or more versions of promotional materials to see resulting actions.

When/where to do it?

- Homepage layout
- Email campaigns & Newsletter layouts
- Slogan/text changes/titles
- Response to images/graphics
- Feature video/no video
- Landing page effectiveness

Exercises

1. Website wireframes
2. Create your Content Year
3. Brainstorm an Integrated Marketing Campaign using 3 platforms

Resources

Email marketing: Mailchimp, ConstantContact, Hubspot

Website Builders: Wordpress, Wix, Weebly, Squarespace

Week 7: Business Operations

Accounting, CRMs, and Other Tools for Managing Your Business

Business Operations Overview

“Operations management refers to the administration of business practices to create the highest level of efficiency possible within an organization. It is concerned with **converting materials and labor into goods and services** as efficiently as possible to maximize the profit of an organization.”

- Investopedia

Business Operations Overview

In other words:

The work that makes your work work.

Business Operations Overview

What can be considered operations?

- Administrative tasks (phone, email, copy, scan)
- Interfacing between HR and other departments
- Interfacing between Finance and Sales
- Real estate management (lease, own)
- Furnishing & outfitting a workspace so employees are comfortable so employees can do their job
- Crisis management, emergency response services
- Supply chain & logistics

Managing Business Operations

How do you keep track of everything?

- Inventory Management - think like Amazon, put a barcode on it (software exists to help)
- Schedule regular asset review & condition assessment
- Delegate

Make informed decisions:

- Track items over time to learn how/when to fix or replace. Plan for replacements and do it before needed.
- Solicit feedback from employees – what do they need?

Small Business Operations

Think about owning a home or a car:

- Schedule maintenance
- A little cleanliness goes a long way
- Keep a good record book
- Stay abreast of new trends/solutions but don't get distracted by shiny objects
- Don't assume you can fix everything by yourself
- Also – you might be able to fix it by yourself...

Accounting Essentials

Basic Business Finances:

- Bookkeeping
  - Banking (checking, credit)
  - Invoicing
  - Expense Tracking
  - Payroll & Benefits
- Financial modelling
  - Profit & Loss statement
  - Projections

Finding a Bank

What to look for in a business bank:

- Customer service & availability
- Connections to lending & credit options
- Online banking & bill pay
- Fee schedule
- Consider what your balance will be and how much access to your money you will need

Bookkeeping: DIY or Hire an Accountant?

How much time can you devote to managing your finances?

Do you like math & numbers & working in excel?

If you don't have accounting experience, do you want to learn? (Hint: the answer is yes.)

Outsourcing is an option, but not a substitute for knowing your numbers.

Invoicing & Expense Tracking

Getting paid:

- Determine payment terms (net-0, net-15) according to your cash needs and other factors
- Are expenses billable to clients?
- Follow through plan – what happens if late? Missed?

Expenses:

- Big to small, track them all!
- Online expense trackers and receipt solutions can help

Invoicing & Expense Tracking

How to track:

- Manually in a written log
- Excel
- Desktop application (eg. Quickbooks)
- Cloud SaaS application (eg. Zoho)

List of options: https://smallbiztrends.com/2016/06/free-invoicing-software.html

Financial Modelling

"Financial modelling is the process by which a firm constructs a financial representation of some, or all, aspects of the firm or given security."

- Investopedia (Video)

Available free video courses:

- TAU
- MIT Open
- Kauffman Founder's School

Profit & Loss Statement

The barebones budgeting tool:

- Basic spreadsheet with income, expenses & projected revenues
- When doing P&L for future, use best guess for projections

P&L example

Customer Relationship Management (CRM)

CRMs are great tools for keeping track of your customers, their behaviors, and the overall sales process.

Popular CRMs:

- Salesforce (SaaS)
- Microsoft Dynamics
- Zoho
- SAP

Customer Relationship Management (CRM)

What can you do with a CRM?

- Contact information for leads, customers, partners, service providers, referrals
- Record inquiries and/or customer support
- Sales - how long from lead -> prospect -> customer
- Create reports of aggregate data
- Send emails with custom data
- Track engagement over multiple platforms at once
- Track marketing campaign effectiveness

Though Exercise

What financial picture do you see for your business in 5 years?

What activities will it take to get there?

How will you save/spend money to achieve your goals?

Week 8: Winning Customers
Sales & Public Speaking

Sales: Overview of Selling

What is Sales?

- The activities of a company that influence a potential customer to buy products or services, and “sign the dotted line”.

“Selling is motivating somebody to action”. - Scott Edinger

Sales Funnel: What is it?

Common theme:

A Awareness

I Interest

D Decision

A Action

Filling the Funnel

1. **Target audience** – anyone exposed to marketing efforts
2. **Lead** – potentially interested in offering, begin nurturing
3. **Qualified Lead** – confirmed interest in offering, continue to influence towards purchase
4. **Prospect** – likely to make a purchase, remove barriers to purchase
5. **Customer** – has made a purchase, evangelize and encourage referrals

AIDA: A - Building Awareness

How do you build awareness?

- Work closely with marketing
- Identify relevant prospects
- Carry out marketing campaigns
- Communicate regularly (stay on their mind)

Main objective of raising awareness = increasing your pool of leads to sell to.

AIDA: I - Gauging Interest

How might you know who is interested?

- Contact the company
- Fill out a form
- Subscribe to email list/newsletter
- Click on a button, ad, link, etc
- Watch video
- Ask a question

Tip: try to rate different actions based on how important they are to closing a sale. Refine your ratings over time.

AIDA: I - Gauging Interest

Qualifying leads – how to tell the difference between maybe and definitely interested:

- Track activities and behaviors
- Look for signs that the prospect wants more information than what's readily available
- How much effort is the lead putting into their research?

None of these are guarantees, just indicators to measure.

AIDA: D - Decision Making

People make decisions based on logic and emotions.

Think about:

- What's your emotional appeal?
- What will your product do for the prospect?
- What is your customer's story and how does your product/service fit into it?

Article

AIDA: D - Decision Making

How to encourage decision making:

- Express value specific to prospect's story
- Relate to customer as a peer, not as someone trying to make money
- Prove reputation & give referrals
- Be available. Be consistent. Be helpful.

4 Factors that Influence Decision Making

AIDA: A - Action

Otherwise know as closing:

- Give people an easy way to act: VIDEO
- Make committing feel like a relationship, not a one-way transaction.
- Think Simple. Painless. Frictionless.

Bonus: ABC – Always be closing? Try the new ABC – Attunement, Buoyancy, Clarity. VIDEO

Sales: Discussion

Think of the last time you bought something from a salesperson:

- What was it?
- What problem did it solve?
- Why did you choose that over other options?
- How did you feel during your interaction with the salesperson?

Pitching: Storytelling

- Parts of a story - Beginning, Middle, End
- Rule of Three

  Example: Steve jobs, iphone

From TED Talks:

a) Focus on one major idea. (5:04)
b) Give people a reason to care. (5:33)
c) Build your idea with familiar concepts. (6:09)
d) Make your idea worth sharing.

Pitching: What Makes a Good Pitch?

Writing

- Concise, Compelling
- Less is more - Leave them wanting more

Know the audience

- A pitch competition is different from a potential partner, is different from a one-on-one meeting with an investor
- What do you want? Why are you pitching?

Pitching: What Makes a Good Pitch?

Structure & storytelling formats:

1. Problem, Solution, Biz Model, Experience, Call to Action
   Example 1 Example 2

2. Story, Solution to Problem, Market, Experience/Why Us
   Example 3

3. Opportunity, Product, Market Case, Goal/Call to Action
   Example 4 Example 5

Pitching: Workshop

____

Exercise: transform intro into pitch

1. Think about your audience - who is important for you at this stage? Investors? Partners?
2. Pick a format to start with
3. Write your story
4. Write your problem and solution as statements
5. Write what you need
6. Recite. If >60 sec, edit and repeat

Public Speaking Basics: Poise

- Tall posture
- Shoulders relaxed
- Appearance - dress the part
- Hold head high
- Think dancer

Public Speaking Basics: Eyes

- Focus between people
- Look at spot between eyes & nose
- Vary gaze across room
- Occasionally “connect” with individuals

Public Speaking Basics: Arms

- Relaxed, no pointing
- Gestures illustrate, should not distract
- Keep gestures restrained, relatively close to your body

Article

Public Speaking Basics: Lower Body

- Feet planted but relaxed
- Can walk a bit
- Don't pace
- Can off set legs if not in front of podium

Dr. Ruth

Public Speaking Basics: Confidence & Stage Fright

- Deep, relaxing breathing before start (off to the side, in bathroom, private room)
- Calm memory, cue word
- Naked/underwear trick
- Chicken costumes

Public Speaking Basics: Projection & Annunciation

- Volume - don’t shout, don’t whisper
  Pick a comfortable volume where you don’t feel you are straining
- In meetings, talking a bit softer can make people pay closer attention
- In open spaces, project from diaphragm
  Imagine sound coming up from your stomach, through esophagus to mouth and out lips

Public Speaking Basics: Projection & Enunciation

- Diction is important, especially with poor mics/no mics
- Crisp consonants
- Open vowels
- Try not to slur words together
- Flap lips for warm up

Practice: On the tip of the tongue, at the roof of the mouth, behind the two front teeth

Pubic Speaking Basics: Preparedness

- Know your material & be passionate about it
- Use notes
- Slides are a visual aid, not script
- Memorization
- Cues in your text to hint at what's next (good form for story flow anyway)

Pubic Speaking Basics: When Things Go Wrong

Overcoming obstacles:

- Replace fillers with a breath or pause
- Forget/lose your place - go back to your last sentence and repeat it, remember your last cue and think of the next cue
- Embarrassment - own it

Pubic Speaking Basics: When Things Go Wrong

Poor audience reception - smile, say thank you for having me, and walk away/off stage

Aggressive Q&A - if no moderator, say “I will take one question at a time”. Don’t engage hecklers

Don’t squash dissent, instead “everyone can have an opinion, however I’m going to finish what I have to say and you’re welcome to start a conversation with each other after.”

Week 9: Keeping Customers
Customer Service, Crisis & Problem Solving

Customer Service

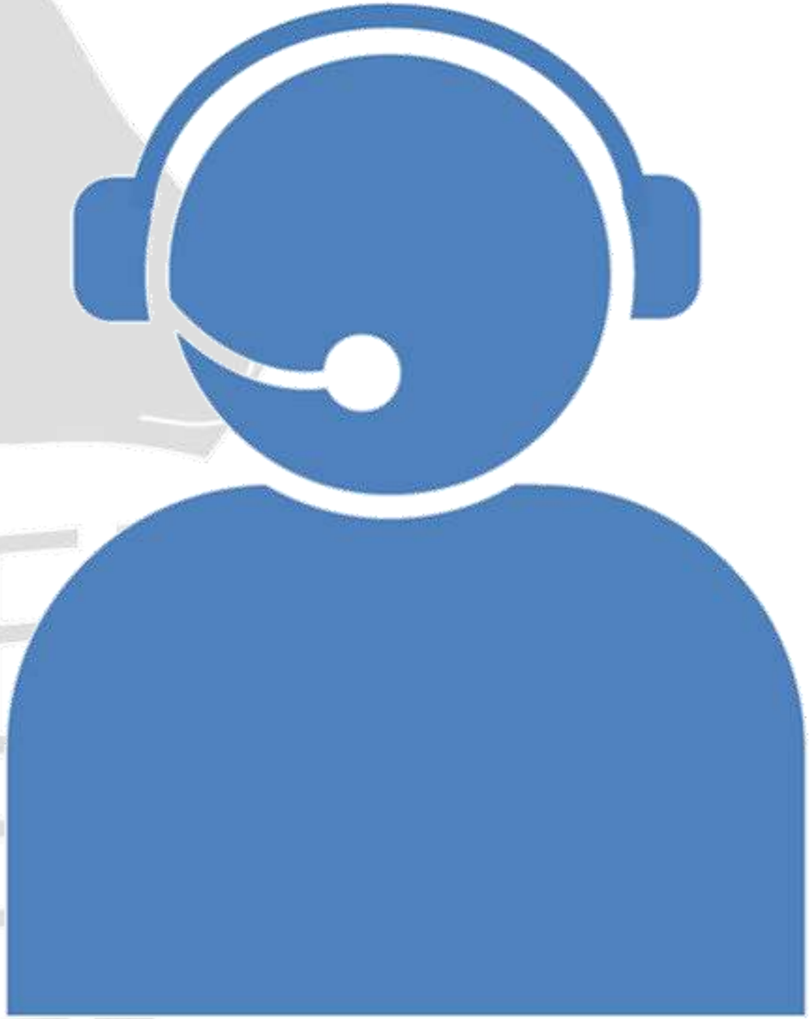
What is Customer Service?

- Activities that ensure customers are satisfied with their purchase and have a good experience with the company.
- The ongoing maintenance of a company’s reputation through it’s relationship with customers.
- Technical and operational support to help customers make proper use of product & services.

Customer Service

By any other name:

- Member support
- Client relations
- Guest satisfaction
- Customer happiness
- Customer success
- Customer wow
- Help desk



Customer Service

Besides CS reps, who's responsible for customer service?

- Sales team
- Marketing
- Accounts payable/receivable
- Technical development team
- Management
- Administration
- EVERYONE

Customer Service

Key qualities for support staff:

- Timely
- Polite & courteous
- Friendly
- Helpful
- Concerned with “making things right”
- Discerning – know when to draw the line or escalate

Managing Customer Service

Establish an escalation strategy

- What are your procedures for unhappy customers?
- When a product doesn’t work, what do you do? Defective? Broken? User error?
- Communicate your plan
- Train customer-facing roles
- Allow for discernment

Tools for Managing Customer Service

Support Desk / CRM / Customer Engagement platforms:

- LivePerson
- LiveChat
- Avaya
- Parature
- Get Satisfaction
- Zen Desk

Tools for Managing Customer Service

Other tools:

- Social Media
- Email
- Phone
- Suggestion box

Crisis Management

What can go wrong?

- Bad product/service
- Poor review
- Offensive advertising or messaging
- Misrepresentation by employee
- Problem with partner or client
- Problem by association
- External catastrophe

Crisis Management

How to respond?

- Don’t AVOID, Don’t DENY
- Address issue as fast as possible
- Make appropriate changes to staff, products, partners – who’s in direct contact with customer
- Issue statement
- Consider hiring a PR crisis communications firm

Problem Solving

Have a post-mortem problem plan:

- Steps to reviewing processes that lead to issue
- Staff training on case studies (external & internal examples)
- Quantify the issue in terms of revenue lost if needed
- Quantify the issue in terms of time spent solving
- Update operations procedures accordingly

Discussion

United Airlines Crisis Video

Think of 3 issues that could potentially happen with your company.

How do you envision managing the crisis?

What processes do you have in place to address customer's concerns?

Week 10: Finance & Fundraising
Do You Really Need Investors?

Q: What’s holding you back?

Why Do We Need Money?

Good reasons your business might need more money:

- Capital investment
- Growth
- Pivot (change direction)

Bad reasons:

- Biz model: you can’t/don’t know how to make money
- Budgeting: you don’t allocate revenue properly
- Pricing: you sell too low/too high

Capital Investment

What can be considered capital invesment?

- Equipment to run your business
- Real estate
- Manufacturing (build/purchase factory)
- Patenting services and licensing agreements
- Machinery
- and more...

Growth

Defining Growth in Business:

- Revenue - "grow the bottom line"
- Assets - add wealth and value: property, equipment, exclusive partnerships, patents & IP, research & development
- Products/Services

Growth

How do businesses grow?

- Make & sell more product & services
- Hire employees, increase size of operations
- Acquire other businesses
- Merge with other businesses
- Add new products/services
- Increase pricing
- Reducing costs*

Growth

Growth costs money:

- New hires
- New equipment
- Bigger footprint/lease
- Marketing costs
- Et al.

Financing & Raising Capital

How to get money (no investors):

- Best way: Make it yourself. Sell your product/service. Get paying customers.
- Commercial Loans - interest
- Grants - long timelines
- Donations/sponsors - soliciting donors can be slow

Financing & Raising Capital

How to get money (investors):

- 3Fs - Friends, Family, Fools
- Angel & Seed - equity, typically less than 500K, sometimes more, sometimes as small as $5K
- Venture Capital - equity (Series A, B)
- Private Equity

Financing & Raising Capital: 3Fs

How do you get money from the 3Fs

- Ask
- Ask again
- Ask another time
- Make a formal written request, outline terms
- Agree on terms
- Communicate and set a date for fund transfer

Financing & Raising Capital: Angel & Seed

How do you get money from Angel and Seed Investors

- Identify high networth individuals within your industry or within your professional network
- Work with an established Angel fund or Seed group, such as 757 Angels
- Pitch, pitch again, and again...
- Build relationships of value (how can they help you?)
- Agree on terms

Financing & Raising Capital: Venture Capital & PE

How do you get money from VCs and Private Equity

- You are already making gobs of money -or-
- You have a mind blowing technology but need a lot of money to build it and make it a reality
- Pitch, pitch again, and again…
- Hear “No” 100x more than “Yes”
- Build relationships of value (how can they help you?)
- Agree on terms

Do you really need investors?

Think about:

- Are you willing to give away equity and board seats to investors?
- Are you already making a profit?
- What is your exit strategy?
- Who has institutional/industry knowledge that can help you achieve your goals?

Making an Exits

How to exit?

- Get acquired
- Go public
- Transition to new CEO/C-team
- If vested - start to cash out
- Fail

Article on Exit Strategies

Financing, Growth & Exits: Discussion

When you think about your business, how do you see yourself in 10 years? 30 years?

What are some possible scenarios for how you will move on from this new venture?

Local Resources

- Economic Development Authorities
  - Hampton
  - Newport News
  - Williamsburg
  - James City County
  - York County
  - Norfolk
  - VA Beach
- Hampton Roads Economic Development Alliance

Local Resources

- Incubators, Accelerators & Growth Programs
  - Lighthouse Labs
  - Hatch
  - The Launchpad
  - Peninsula Technology Incubator
  - VA Beach Bio Accelerator
  - Ignition Center
  - Hampton Roads Innovation Collaborative
  - ODU Center for Enterprise Innovation

Local Resources

- Coworking Spaces, MakerSpaces & Labs
  - 757 MakerSpace
  - 1701
  - Work Nimbly
  - Studio9
  - NIA Research & Innovation Lab
  - Burled & Knotted Community Woodshop
  - ODU Innovation Center (flyer)

Regional Resources

- VA Small Business Development Corporation
  - Innovation Commercialization Assistance Program
    http://www.virginiasbdc.org/programs/icap/
    A free program from SBDC to evaluate and assess your innovation or invention. Provides counseling hours from Subject Matter Experts in your target market with the intention of getting it to market faster.

- 757 Angels

Regional Resources

- NRV
- Sourcelink VA
- Venture Forum RVA
- Virginia Procurement and Technical Assistance Program (PTAP)

National Resources

- [Small Business Administration]
  - Chris Zobel, area manager
- [Kauffman Foundation]
  - 1 Million Cups Williamsburg
  - 1 Million Cups VA Beach
- [Techstars]
- [SCORE]