

STARTING STRONG



5 THINGS TO FOCUS ON FIRST
TO SET YOUR NEW BUSINESS
UP FOR SUCCESS

by Sandra Kahale

Dream It. Plan It. Do It.

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Chapter 1

Starting Strong: A Minimalist Approach

As you start your business, there's lots to do. It's easy to get overwhelmed or confused about what to focus on and when.

At this stage, it will often feel like there's a tension between setting your business up for smooth functioning in the medium and long-term, and bringing in some money in the short-term.

The good news is that it's not only possible but also desirable to do both. The key is to recognize that

- many aspects of your business will evolve over time, and
- done is better than perfect, especially at the beginning.

Nothing you do at the outset needs to be set in stone. Your first web site will not be your last. Your first logo may not survive your first year in business. Your invoices, return policy, and quote documents will all become more refined with experience. So will your shipping procedures, distribution channels, and how you package and promote your products or services.

Your business will change and evolve over time. As a new business owner, your focus should not be on trying to get everything "right" as you launch but rather on setting yourself up to learn, quickly and constantly, so you can adjust as you need to.

At the outset, it can be helpful to think in terms of a **Minimum Viable Product** (MVP). Eric Ries, in *The Lean Start-Up*, defines an MVP as “a version of a new product that allows for the most learning possible for the least amount of effort.”

As you start to build your business, you can apply this concept to your products or services by, for example, launching fewer things or things with fewer features. You can also apply it to every aspect of your business from systems and processes to your web site, brochures, and business cards.

The idea is to move in the direction you want to go, but recognize that you don't have to get there in one step. In fact, it may be better not to, because until you are actually selling, you're working from incomplete information. Moving forward in smaller steps lets you adjust to feedback, unexpected opportunities, or roadblocks.

Let's say you're starting an online business that will eventually need a sophisticated email marketing and contact management system. To start, consider a “minimum viable” system, like MailChimp (free) or AWeber (inexpensive), which are easy to learn and meet the needs of most new businesses. You can upgrade later, as business needs demand.

While the details of start-up will be different depending on the type of business you are in, the “minimum viable” approach will help you find the shortest, most effective route to revenue while setting you up to evolve intelligently over time.

It has the added advantage of taking some of the pressure off as you start your new business.

Make it Official

100,000 Canadians start businesses every year. While not all new businesses succeed, writing a business plan greatly improves your chances of success. This Guide assumes you've got a plan. If you don't, drop everything and do one now. It doesn't have to be long, but it does have to cover the key details about what you'll sell, who you'll sell to, and how.

With your business plan in hand, you're ready to take care of some of the early administrative details associated with starting a business:

- Choosing a name if you don't have one already
- Determining the legal form your business will take
- Registering your business name
- Purchasing your web domain (URL)
- Getting any insurance you might need
- Opening a bank account and setting up payment systems.

Some types of businesses also require permits and licenses. If you plan on a storefront or workshop, you'll have some other things to do, too.

You'll need these things in place before you can properly launch your business. Get them out of the way quickly so you can start earning!

Name Your Business

Although many new business owners rush to pick a name even before they start writing their business plan, it's often wiser to wait until you've fleshed out your idea enough to have a clear sense of what you'll be selling and who your target customer is.

From there you can start to brainstorm names that:

- Make it clear what you do
- Are easy to say and spell
- Are memorable
- Relate closely to your product or service

Generally speaking, it's best to stay away from

- Meaningless acronyms
- Silly or cute names you'll quickly outgrow
- Generic names
- Names that are so specific they limit future growth

As you consider names, try to pick one that has a domain name (web address or URL) available.

You can check this with any online domain registry service or through a web hosting company, such as Blue Host (www.bluehost.com) or GoDaddy (www.godaddy.com).

Choose a Type of Ownership

Most Canadian businesses are sole proprietorships, partnerships or corporations. Each of these legal forms has specific implications for taxes, paperwork, administrative requirements, personal liability and the ability to get investors. They also vary in terms of the cost and complexity of setting them up.

Which is right for you? That depends on many factors. Consult a lawyer or accountant if you're unsure.

Sole Proprietorship

A sole proprietorship is owned and operated by one person, either under their own name or a business name.

All business benefits, assets, liabilities and obligations belong to the owner. Whatever profit or losses the business incurs are considered the owner's personal income and are taxed at (generally higher) personal rates.

A sole proprietorship is easy and inexpensive to set up. It's the most common form of business ownership. It suits many service-based businesses, but may not be ideal for businesses that need investors, have very high revenue projections, or face a high degree of risk.

Partnership

Partnerships involve 2 or more people owning or operating a business. They can be general or limited.

In a general partnership, the partners manage the company and assume responsibility for its obligations, just as in a sole proprietorship. In a limited partnership, general partners own and operate the business while limited partners act only as investors.

Partnerships are best among people who work well together, complement each other's skills, and are comfortable sharing decision-making responsibilities.

Breaking up a partnership can be messy. A solid partnership agreement at the outset protects everyone involved.

Corporation

An incorporated business is an independent legal entity, separate from you. It can own property, hold rights, and incur liabilities. It files its own annual income tax returns and pays corporate, not personal, taxes.

A corporation has shareholders rather than owners. As a shareholder, you do not personally own the corporation's assets or liabilities. That protects your personal assets, but also imposes more complex administrative, record-keeping and reporting requirements.

Incorporation is relatively costly (fees start at about \$600) and you'll need to have an accountant prepare your taxes. It's a good idea to consult a lawyer and/or accountant before incorporating.

Some helpful links:

Incorporate your business provincially in Ontario

www.ontario.ca/page/start-run-and-change-corporation

Guide to Federal Incorporation

<http://tinyurl.com/pcoqqh3>

Ontario Permit & License Requirements

<http://tinyurl.com/hlujrkv>

Register Your Business Name

If you plan to do business under a name that differs from your own legal name, you'll need to register it. Registration costs about \$60 online and is valid for five years.

Choose your name and type of ownership before registering your Ontario business at www.ontario.ca/page/business-name-registration.

Consider Insurance

Depending on the type of business you are starting, you may need some type of insurance, such as:

- property insurance
- business interruption insurance
- errors and omissions insurance
- liability insurance
- workers' compensation

If your business will own cars, vans, or trucks, you'll also need to insure those.

It's generally best to talk with a business insurance agent who can give you personalized advice based on your specific circumstances. You can also shop for insurance online. Either way, make sure you understand exactly what's covered and what's not.

You may be eligible for insurance discounts through organizations like the Chambers of Commerce, Business Improvement Associations, and some networking groups.

Property Insurance

If you are leasing space, you'll need commercial renter insurance to protect your equipment, machinery, inventory, furnishings, and other things your landlord's insurance won't cover. If you'll be operating your business in your own building, you'll need coverage for the premises and the equipment, machinery, etc. inside the business.

Business Interruption insurance, which covers lost income in the event your facilities are damaged or destroyed, can usually be added to a property insurance policy.

Liability Insurance

There are several different types of liability insurance.

General liability covers your business if someone is injured on your property or if you cause damage to others' property.

Product liability insurance covers damages caused by products you design, make, or sell. Normally only companies that make or distribute products that could injure someone, like drugs or chemicals, purchase this relatively costly type of insurance.

Workers' Compensation

Most businesses in Ontario that employ workers (including family members and sub-contractors) must register with the Workplace Safety and Insurance Board (WSIB) within 10 days of hiring their first full- or part-time worker.

Registering with the WSIB provides workplace insurance coverage for all of your workers and gives you access to experts in health and safety for your business sector.

Some industries are not required to register. See www.wsib.on.ca for details.

Chapter 3

Getting Down to Business

As you start to build your business, it's important to proceed with a sense of purpose and direction. Your business plan already sets out your key business goals and objectives. Now, you'll want to focus on taking actions that will help you reach those goals.

To start strong, building your business from the ground up, focus on setting yourself up for success in the five key areas that define every business:

- **Creating Value:** Offering something that people want, need and value while also building your business into a valuable asset itself.
- **Marketing:** Attracting the attention of people who are ready, willing, and able to buy your products or services.
- **Sales:** Turning potential customers into paying ones.
- **Operations:** Delivering the goods or services you've promised and making sure customers are satisfied.
- **Finance:** Ensuring your business is profitable and that your finances are well-managed.

Remember: at this stage, your focus should not be on trying to get everything “right” before you launch but rather on setting yourself up to learn, quickly and constantly, from market feedback, and adjusting as you need to.

Clarity will come with action, so don't spend too much time thinking. At this stage, done is better than perfect.

Your Top 5 To-Do List

There will always be work to do in the 5 key areas of your business. For now, focus on taking meaningful first steps in each area.

1

CREATING VALUE

Build value in your business. Define your vision, set your course, and go!

2

MARKETING

Establish your brand, build a presence and create key marketing pieces.

3

SALES

Set targets, identify prospects, gather your tools and hone your pitch.

4

OPERATIONS

Get to work on the key processes & infrastructure you'll need to start serving customers.

5

FINANCE

Implement simple systems to manage your money.

1 CREATING VALUE

Creating value is the heart of any business. It's what all businesses do at their core.

How do businesses create value? In the simplest terms, they do it by offering something people want and need at a price they want to pay.

As a new business owner, you want to make sure you are creating value not only for your actual and would-be customers, but also for yourself. You do that by **purposefully building your business**.

Building a business is different than taking on little jobs to earn money, or running a variety of disconnected money-making experiments.

For example, let's say you are starting a cleaning business. One way to do that would be to go out, find 10 people who want their houses cleaned regularly, and just start doing it. That would get you earning quickly, but it wouldn't necessarily build value in your business.

To build value in your business you might work on creating a brand, differentiating yourself with eco-friendly cleaning products, and creating a welcome package for new clients. That's the difference between cleaning houses and building a cleaning business.

The better you are at creating value for yourself, your business, and your customers, the more successful your business will be.

Work It: State Your Mission

Your mission statement is the exciting, inspiring reason behind why your business exists. Use it to inform how you build value in your business and how you define your brand.

You may have already written a mission statement as part of your business plan. If not, do it now. As you do, think about:

- Why you're starting this business
- Your values
- Your vision for the future
- How you want to relate to your customers and the world

Find inspiration in these examples:

Starbucks: To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time.

Chevron: To be the global energy company most admired for its people, partnership, and performance.

Amazon: To be the most customer-centric company in the world, where people can find and discover anything they want to buy online.

Ebay: Provide a global trading platform where practically anyone can trade practically anything.

What's your mission?

Work It: Set Your Sights

Part of building value in your business is setting goals and achieving them. Goals help you focus on the right things, move your business forward, and professionalize your management approach.

You'll get more specific about goals as you move through this Guide. For now, take a moment to consider, at a high level, where you are with your business, where you want to be, and when.

Look to your business plan for guidance, but don't limit yourself to the goals you identified there. Consider both specific and general, overall goals like how much you want to earn and what kind of work/life balance you want.

You'll use these high-level goals to determine what you focus on and when in the key areas of your business: Marketing, Sales, Operations, and Finance.

In the table opposite, consider your business goals for the short, medium, and long term. Think about how you'll build on your accomplishments over time, and try to see how the various activities in your business are connected.

**Goals are dreams
with deadlines.**

Diana Scharf

	Creating Value	Marketing	Sales	Operations	Finance
	<p>How will you package your offer so it creates the most value for you and your customers?</p> <p><i>Example: Test market 3 types of coaching packages that address core needs of my client base. Do monthly management check-ins.</i></p>	<p>What will you do to build awareness & demand? What marketing pieces will you create & use?</p> <p><i>Example: Build an email list of 100 people.</i></p>	<p>How many customers will you have? What sales tools will you use?</p> <p><i>Example: Get 5 new customers this quarter; develop sales presentation.</i></p>	<p>What processes & infrastructure will be in place? Will you hire (employees, contractors, etc.)?</p> <p><i>Example: Set up home office, set up Paypal account & online shopping cart.</i></p>	<p>How much will you earn? What management systems will you put in place?</p> <p><i>Example: Earn \$10,000 in the first 6 months; create paper and electronic folders for receipts.</i></p>
Short Term 3-6 Months					
Medium Term 6-12 Months					
Long Term More than 1 year					

2 MARKETING

If people don't know your product or service exists, they can't buy it. That's what marketing is for.

But marketing is more than just attracting and generating demand for your product or service. It's also the way you represent who you are, what you do, and why.

Your brand is at the core of your marketing. When people talk about "branding" they often mean creating a logo, choosing fonts, developing a brand voice or style, and identifying brand colours. Certainly, for now, that's a good place to start.

But branding isn't something you do just once, and it's more than graphic design. It's who you are as a business. You live your brand in every customer interaction, from how you answer the phone to how you decorate your office and design your website.

To create a powerful brand over the long term, be authentic and put who you are, what you do, and why you do it at the core of your marketing activities. Link activities, such as advertising, promotional materials, and web campaigns, closely with your marketing objectives, whether that's generating qualified leads or establishing thought leadership in your industry.

Keep in mind that marketing is an ongoing process. And while there are many ways to approach it, you'll get the best results if you focus on getting really good at just a few tactics, rather than doing many superficially.

For real, measurable results, focus on attracting the attention of people who are actively interested in what you offer and are your ideal customers, not on attracting attention generally.

Work It: Get Branded

Branding can be a massive undertaking or a modest one. At the very least, as you start creating marketing pieces and getting the word out about your business, you'll want to create a consistent look, feel, and voice for your brand so that customers and potential customers can start to recognize and connect with you.

If you'll be working with logo designers, web designers, writers, graphic designers or even partners, being clear on some basics about your brand will be especially helpful.

How do you want your ideal customers to see your business? What will your brand voice sound like?

- Friendly, approachable, down-to-earth
- Professional and authoritative
- A technical expert
- Elegant, exclusive, high-end
- Other (describe): _____

Which colours best represent your brand?

- Green: nature, growth, abundance, prosperity, peace, health, balance, freshness
- Blue: trust, strength, calm, intelligence, success, conservatism, dependability
- Purple: creativity, imagination, wisdom, royalty, mysticism, faith, luxury
- Red: excitement, boldness, passion, love, courage, strength, speed, fun
- Orange: friendliness, cheer, confidence, adventure, creativity
- Yellow: optimism, warmth, cheerfulness
- White: purity, cleanliness, sterility
- Grey: balance, calm, neutrality

Where will you use this tone and colour(s)?

- Logo
- Brochures, Flyers, Posters, etc.
- Web Site
- Physical space (office, storefront, market booth, etc.)
- Templates (describe): _____
- Other (describe): _____

Work It: Lock Down Your Logo

Your logo is the image that represents your company to the world. It can be a graphic symbol like the Nike swoosh or the Starbucks' mermaid, or a typographical one, like IBM or Coke. You can also combine both.

Develop your logo before you move ahead with developing key marketing pieces like your business card, web site, etc.

While your logo may evolve over time, it shouldn't change dramatically, so take the time to create a logo you're happy with. There's both art and science to logo design; if you're not confident in both of these, hire somebody to design a logo for you.

A local graphic designer can walk you through the process step-by-step. You can also hire designers online through sites like 99designs, odesk, and Fiverr.

Whichever route you go, be sure to provide very clear, specific instructions about the look and feel you want at the outset, give sufficient background about your business, and offer examples of logos you like.

As you consider logo design:

- Focus on what you want to communicate with your logo
- Choose something relatively timeless
- Check out logos of other businesses
- Make sure your logo looks good in big and small, and in black & white and colour.

**A logo doesn't sell, it
identifies.**

**A logo derives its meaning
from the quality of
the thing it symbolizes, not
the other way around.**

Paul Rand

Establish Your Online Presence

Whatever marketing goals you may have, one of the first major marketing pieces that you'll likely develop is a website.

Even if you don't plan to do much business online, having a website is important to your credibility and professionalism, helps people find you, and can greatly expand your reach.

Whether you build your own site using a platform like WordPress, Wix, or FourSquare, or work with a web designer, taking the time to do it right will create a solid foundation for all your other marketing pieces as you go forward.

Make sure your site:

- Looks professional
- Is consistent with your brand
- Communicates who you are, what you do, and why
- Is easy to navigate

Buy Your Domain Name

Ideally, you'll want to own the web address (also called a domain or URL) that corresponds with your business name, like nike.com or amazon.com. That makes it easy for people to remember and also helps with Search Engine Optimization.

You can buy your URL from any online domain name registry. The address is portable, which means you can have it hosted anywhere. To keep things simple, buy your domain name directly from your hosting company so that you don't have to have it transferred. Consider buying all extensions like .com and .ca.

Popular hosting companies include Blue Host (www.bluehost.com) and GoDaddy (www.godaddy.com).

Get Social

Whether you plan to make active use of social media for business or not, you should move quickly to claim your business name/URL on social media outlets (e.g. Facebook pages, Twitter handles) to occupy the territory, block competitors, and position yourself for better search results.

Once you've got your accounts set up, you can start to think in terms of whether and how you can add value and encourage people to sign up or follow you, if that's aligned with your marketing approach. If it isn't, then put social media on the back burner for now and revisit the issue in 6 to 12 months.

**In a way, the Web is like
your Hollywood agent:
It speaks for you whenever
you're not around to
comment.**

Chris Brogan & Julien Smith

Work It: Find Your Marketing Sweet Spot

There are many different ways to approach marketing, including social media, blogging, print ads, Pay-Per-Click online advertising, radio, public relations, networking, directory listings, public speaking, and more.

Don't try to do all of them. Instead, focus on one or two key approaches and do them well. Choose approaches that align with your strengths and meet the wants and needs of the customers you want most to attract.

Your Strengths and Values

What do you feel most comfortable doing? What do you like most?

(Check all that apply.)

- Writing (blogs, ads, flyers, newsletters, etc.)
- Talking (interviews, radio, PR, etc.)
- Meeting people (networking, trade shows, events, etc.)
- Working with others (partners, allies, sales reps and agents)

On a scale of 1 to 10, how close a connection do you want with your customers?

1	2	3	4	5	6	7	8	9	10
Anonymous		Distant		Professional		Personal Connection			Close

Which of these types do you identify most with?

- Loner: thrives on solitude and prefers forms of communication that don't require real-time interaction in person or on the phone.
- Butterfly: thrives on talking to others. Enjoys meeting new people and is comfortable starting conversations with strangers.
- Pack Animal: thrives on working with others as collaborators and partners.

What Your Ideal Customers Want & Need

When and where is your ideal customer most open to your offer?

What influences them? Are they swayed by facts, feelings, thought leaders or something else?

Where do they turn for ideas, advice, and recommendations that relate to your products or services?

On a scale of 1 to 10, how close a connection do your customers want with you?

1 2 3 4 5 6 7 8 9 10
Anonymous Distant Professional Personal Connection Close

Which of these best describes how your ideal customers approach researching and buying products or services like yours?

- Information Hounds: actively consume information about products and services of interest to them via news sources, blogs, etc.(e.g. magazine readers).
- Socializers: rely on face-to-face meetings or other forms of personal contact to develop relationships (e.g. trade show attendees, social media lovers).
- Clubbers: rely on introductions, referrals and recommendations from trusted sources (e.g. BNI members).

Moving Forward: Your Sweet Spot

Taking into account your own strengths and values, and the needs and preferences of your ideal customers, what 2 or 3 marketing approaches will you focus on first?

- | | |
|---|--|
| <input type="checkbox"/> Newsletters | <input type="checkbox"/> Trade Shows |
| <input type="checkbox"/> Blogging | <input type="checkbox"/> Events |
| <input type="checkbox"/> Content Marketing | <input type="checkbox"/> Media |
| <input type="checkbox"/> Email Marketing | <input type="checkbox"/> PR |
| <input type="checkbox"/> Direct Mail | <input type="checkbox"/> Strategic Alliances |
| <input type="checkbox"/> Brochures | <input type="checkbox"/> Cross Promotions |
| <input type="checkbox"/> Flyers/Rack Cards | <input type="checkbox"/> Joint Ventures |
| <input type="checkbox"/> Advertising – Online, Radio or Print | <input type="checkbox"/> Referral Programs |
| <input type="checkbox"/> Social Media | <input type="checkbox"/> Sales Agents/Reps |
| <input type="checkbox"/> Networking | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Public Speaking | <input type="checkbox"/> _____ |

Work It: S.M.A.R.T. Marketing

On page 16, you outlined your overall business goals for the short, medium, and long term. Now it's time to consider the specific **marketing activities** you'll work on to support those goals.

Linking marketing activities to bigger goals helps you prioritize and stay focused on adding value to your business. Optimize the effect by making sure your marketing goals are S.M.A.R.T.:

- S** - specific, significant, a stretch
- M** - measurable, meaningful, motivating
- A** - attainable, achievable, action-oriented
- R** - realistic, relevant, results-oriented
- T** - time-bound, tangible, trackable

For example, let's say you have an overall business goal of earning \$50,000 in revenue this year. If your business relies on web traffic to generate sales, then a S.M.A.R.T. marketing goal might be to attract 10,000 visitors to your site, generating 500 leads and 50 customers that will generate \$50,000 in earnings by the end of the year.

What S.M.A.R.T. marketing goals will help you support the high-level business goals you identified on page 16?

Work It: Create a Plan

Use this chart to get more specific about how you'll work your S.M.A.R.T. marketing goals.

GETTING THE WORD OUT						
Why? What's your goal? Example: 100 email subscribers	How? What tactics will you use? Example: Facebook ads	What? What message will you communicate? Example: Download Free Resource	When? When will you do this? Example: Q1	Who? Whose help do you need? Example: Graphic Designer	How Much? How much will it cost? Example: Pay Per Click budget \$10/day, designer \$250	

Work It: Take Action

What marketing activities will you complete this week?

What marketing activities will you complete this month?

What marketing activities will you complete this quarter?

**Marketing is really
just about
sharing your passion.**

Michael Hyatt

3 SALES

Many small business owners are uncomfortable with sales, but there's really no need to be.

People buy things they value and value the things they buy. The sales process isn't about tricking people into giving you money but rather about helping them get the things they want.

Your business plan probably outlines your sales process, at least in a general way. Now it's time to get specific about identifying potential customers and preparing to approach them.

If you don't have much sales experience, it's wise to warm up by approaching people or companies you'd like to work with but who are not at the top of your list of ideal clients. So, for example, if you offer communications training and your dream clients are Fortune 500 companies, you might start by approaching smaller local companies to gain experience in selling and delivering your training before approaching them. This will give you a chance to test and refine your pitch and your processes.

While you may eventually build a whole arsenal of sales tools, start simple, with the minimum you need to talk to prospects. Develop and refine your approach and materials based on the experience you gather as you go.

Don't let fear of rejection get in your way. It's only natural that not everyone will become your customer. Just keep moving until you find the customers who find real value in what you offer.

Work It: Do the Math

Rejection is such a normal part of sales that it can be calculated according to a formula.

The Pareto Principle, also known as the 80/20 Rule, states that in any given situation, you can expect 80% of the output to come from 20% of the input. The principle is named after an Italian economist who noticed that 80% of the beans in his garden came from 20% of the plants.

When applied to sales, the 80/20 Rule implies that 80% of your business will come from 20% of your prospects.

PARETO PRINCIPLE

$$\begin{aligned} & \text{INCOME TARGET} \\ & \text{(how much you want to earn)} \\ & \div \\ & \text{AVERAGE TRANSACTION VALUE} \\ & \text{(average earnings per customer or transaction)} \\ \hline & = \text{TOTAL \# OF CUSTOMERS NEEDED} \\ & \div \\ & \text{DIVIDED BY 20\% (0.20)} \\ \hline & = \text{TOTAL PROSPECTS} \\ & \text{(the number of prospects you'll need to hit your sales target)} \end{aligned}$$

example

$$\begin{aligned} & \$1,000 \\ & \div \\ & \$50 \\ \hline & 20 \\ & \div \\ & 0.20 \\ \hline & 100 \end{aligned}$$

Work It: Choose Your Tools

Whether you sell products and services to consumers or to other businesses, the buying cycle is a fairly predictable process:

- Awareness: they identify a need and realize you may be able to fill it
- Consideration: they evaluate your offer (and probably others)
- Preference/Intent: they lean toward one solution or another
- Purchase: they buy
- Repurchase: hopefully, they become regular customers

As you think through the buying process for your own potential customers, what tools will you need to support your sales activities through these stages?

- A polished pitch
- Brochures
- Sales Sheets
- Sales Presentation
- Samples
- Web Site
- Online sales page
- Quote or Estimate templates

- Customer Assessment Tools
- Intake forms
- Testimonials
- _____
- _____
- _____
- _____

Work It: Line Them Up

While the first sale in any business is exciting, it's the 50th sale that lets you know you're really doing something right.

Who will your first (or next) 5 customers be?

Where will you find your next 10 customers?

Where will you find your 50th customer? Your 100th?

Work It: Anticipate Objections

Potential customers often have common objections to buying. These can be spoken or unspoken. Either way, knowing what they are prepares you to address them proactively.

I'm not sure this really works

This really works because: _____

I'm not sure I can afford this

This is a great investment because: _____

I've tried something like this before and it didn't work

This is different because: _____

I can get this cheaper somewhere else

This is a great value because: _____

I don't want to change what I'm doing right now

If you do this, you'll: _____

I'm not sure I can trust you

You can trust me because: _____

I'm too busy right now to deal with this

You need to act now because: _____

What other objections might your customers have?

Work It: S.M.A.R.T. Sales

On page 16, you outlined your overall business goals for the short, medium, and long term. Now it's time to consider the specific **sales activities** you'll work on to support those goals.

Linking sales activities to bigger goals helps you prioritize and stay focused on adding value to your business. Optimize the effect by making sure your sales goals are S.M.A.R.T.:

- S** - specific, significant, a stretch
- M** - measurable, meaningful, motivating
- A** - attainable, achievable, action-oriented
- R** - realistic, relevant, results-oriented
- T** - time-bound, tangible, trackable

For example, let's say you have an overall business goal of earning \$50,000 in revenue this year. Your S.M.A.R.T. sales goals might include earning \$20,000 in revenue from repeat customers this quarter.

What S.M.A.R.T. sales goals will help support the high-level business goals you identified on page 16?

Work It: Take Action

What sales activities will you complete this week?

What sales activities will you complete this month?

What sales activities will you complete this quarter?

**Best way to sell
something: don't sell
anything.**

**Earn the awareness,
respect, and trust of
those who might buy.**

Rand Fishkin

4 OPERATIONS

Operations is where things get done, from producing your product or service to keeping your customers satisfied. It's the nuts and bolts of your business.

Operations encompasses “behind the scenes” activities (like production), as well as “front of house,” customer-facing activities, (like taking payments or delivering goods).

Simple, repeatable processes for operating your business make things run smoothly and help maintain your sanity. If you plan to have employees, they're absolutely essential.

Whether you're conscious of it or not, your approach to operations will speak volumes about your business, letting potential customers know if you're professional, organized, and reliable. Try to reflect your mission and brand here. If your goal is to offer exceptional customer service or support, build it into your processes so it happens every time.

As you get started, look for the “minimum viable process” you can implement to start selling now. You'll almost certainly refine your processes as you go forward.

At the start, you may, for example, write quotes from scratch for each new prospect. Try to move quickly to create templates for these and other repeated activities after you launch.

Be mindful of not creating too many hurdles that need to be overcome to move forward (“friction”) for yourself, your staff, or your customers. Maximize momentum by keeping things simple.

Work It: Take Stock

What physical infrastructure will you need to create and deliver your product or service?

Review your business plan and consider facilities, storage space, furniture, and office, manufacturing, or other equipment.

What processes have to be in place to create and deliver your product or service?

Review your business plan and consider ordering systems, payment processing, manufacturing, production, inventory control, shipping and delivery, customer support, etc.

Mark the most urgent infrastructure and processes — the ones that have to be in place for you to start selling — with a star. Focus on getting these up and running in the short term.

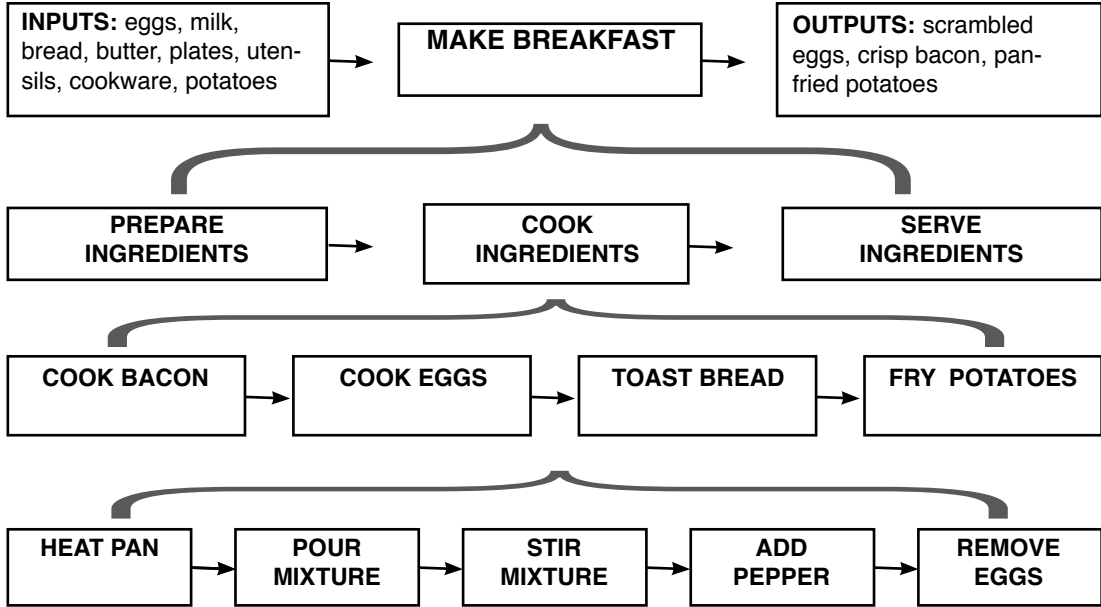
Get Specific

Focusing on the processes that are most essential to getting revenue coming into your business, start getting specific about how these will actually work.

While key processes will vary depending on the type of business you are in, good candidates to focus on at this stage might include production, ordering, payment, and delivery processes associated with getting your product or service to customers.

Think these processes through in detail, as in the process diagram below, so that you can see what you need to do to move forward. Focus on setting up the minimum you need to get going, while keeping an eye on the big picture.

If, for example, you expect people to buy something from your web site, you'll want to be sure you have a payment processing system and automatic confirmation emails set up before you start selling, as well as a mechanism for delivering purchases. You can add other features as you go.



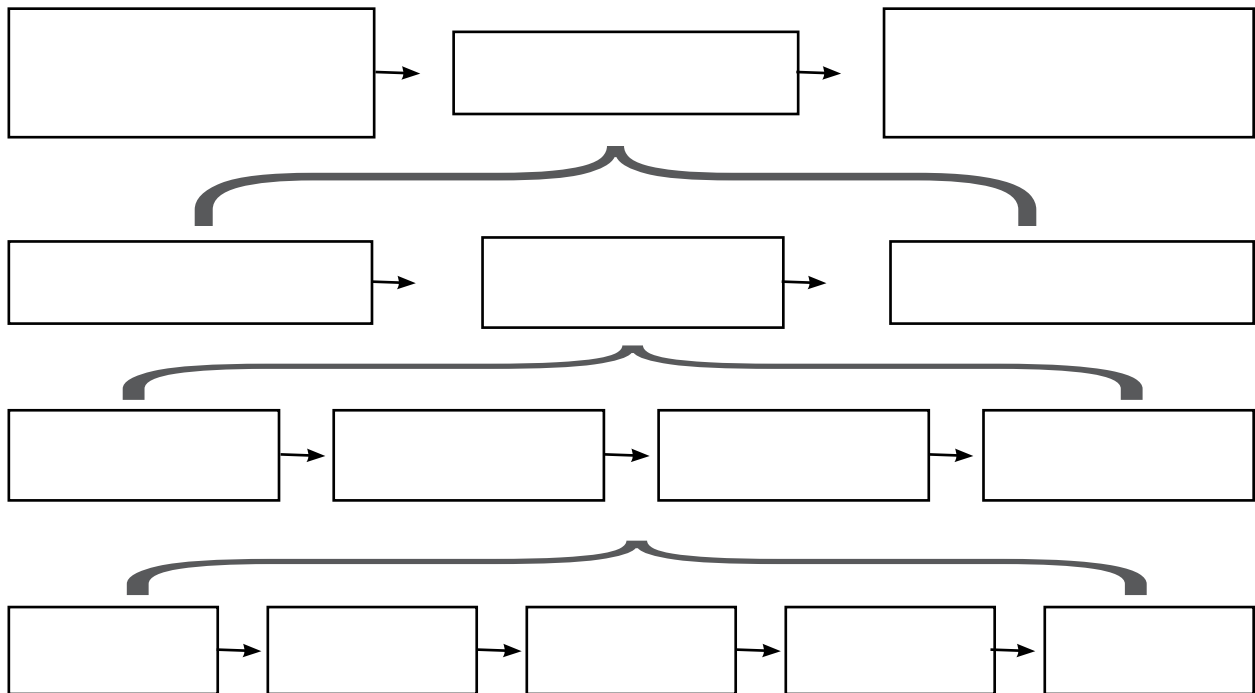
Source: http://en.wikipedia.org/wiki/Business_process_mapping

Work It: Map it Out

Create process maps for each of the processes you marked as urgent in the previous exercise.

Make them specific enough that you understand how the processes will work and what component parts will be needed.

Use the framework below if it's helpful to you.



Work It: S.M.A.R.T. Operations

On page 16, you outlined your overall business goals for the short, medium, and long term. Now it's time to consider the specific **operational activities** you'll work on to support those goals.

Linking operational activities to bigger goals helps you prioritize and stay focused on adding value to your business. Optimize the effect by making sure your operational goals are S.M.A.R.T.:

- S** - specific, significant, a stretch
- M** - measurable, meaningful, motivating
- A** - attainable, achievable, action-oriented
- R** - realistic, relevant, results-oriented
- T** - time-bound, tangible, trackable

For example, perhaps you have an overall business goal of being known for outstanding customer service. Your S.M.A.R.T. operational goals might include setting up online processes that allow you to resolve 80% of customer complaints within 3 hours, or surveying customers to see how satisfied they are with your service.

What S.M.A.R.T. operational goals will help support the high-level business goals you identified on page 16?

Work It: Take Action

What operational activities will you complete this week?

What operational activities will you complete this month?

What operational activities will you complete this quarter?

5 FINANCE

Money is the lifeblood of your business. When there's enough of it, your business prospers and you can invest in growth. When there's too little, your business stagnates or fails.

As you start your business, you'll need to set up payment options for your customers and financial systems that will help you keep a handle on your money. Organized financial systems will help you:

- Track and compare past and present financial positions
- Forecast future financial positions
- Make good, data-driven business decisions
- Satisfy reporting obligations

Managing your finances includes organizing record-keeping systems and taking care of administering financial matters, such as paying bills, invoicing, payroll, managing cash flow, and paying taxes.

Banking

A business bank account is essential for keeping your business and personal expenses and income separate, simplifying record-keeping, and establishing credibility.

Business banking fees can vary quite dramatically, so shop around. You can find up-to-date comparisons of various business banking accounts online by searching “best small business bank accounts Canada.”

Financial Management

Keeping track of the financial affairs of your business is referred to as bookkeeping. Bookkeeping entails keeping records, entering information into a record-keeping system, and generating financial reports.

Keeping Records

How you keep records (receipts, invoices, etc.) will vary depending on the type of business you are in. You might have a sophisticated point-of-sale system, electronic files, or folders for each month.

Entering Information Into a System

The information from your records goes into a spreadsheet, a software program like Quickbooks, or an online accounting service like Freshbooks.

You can choose the level of detail. You might lump all your sales together or separate different revenue streams, like training vs public speaking. Distinguishing helps you understand how much of your business is coming from each.

You can also choose to be more or less detailed about expenses. While more detail may be more work, it can also provide better decision-making data by showing you where, exactly, expenses might be high. That might be more relevant for businesses that have many expenses than for service businesses with low overhead like web design or office administration.

Generating Reports

Your bookkeeping system will help you generate financial reports like profit and loss statements and balance sheets. You can also prepare these yourself using free Excel or Numbers templates that can be easily find online.

Business Expenses

Even if you'll be working with a bookkeeper and/or accountant to prepare your taxes, it's useful to have a basic understanding of business expenses.

Business expenses are expenses incurred to run your business. In general, these expenses are tax deductible, in whole or in part, which means they reduce your tax burden. Operating or current expenses are generally fully deductible in the year in which they are made, with some exceptions. Keep receipts for any expenses you plan to claim.

Operating or Current Expenses

Expenses that aren't tied to sales are called operating expenses. These are the expenses associated with running the business, regardless of whether you make any sales or not. Office supplies, furniture, payroll, and utilities are all operating expenses.

Materials or Cost of Goods Sold

These expenses are incurred when a transaction takes place. If a coffee shop sells a cup of coffee, for example, the Cost of Goods Sold (COGS) would include the price of the cup, the coffee sleeve, the water, the coffee beans, etc.

Keeping track of these expenses helps you understand how much profit you are actually making on each transaction, and whether that's enough.

Capital or Asset Purchases

Capital costs, or fixed assets, such as land, buildings, vehicles, machinery and equipment, etc. are not fully deductible in the year they are purchased. Instead, you'll generally write off a portion of their cost each year ("depreciation").

The *Income Tax Act* outlines what rate can be used to write off the fixed assets as capital cost allowance.

Work It: Income & Expenses

Keep track of your income and expenses, month to month, on a spreadsheet that looks something like this. Find one online or create your own. Keep an eye on your bottom line (income minus expenses).

OnWord Consulting													
Income & Expense Statement													
For the Year Ending (Date)													
Income:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenue Stream 1													\$0
Revenue Stream 2													\$0
Revenue Stream 3													\$0
Total Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Of Goods Sold:													
COGS 1 <description>													\$0
COGS 2 <description>													\$0
Total Cost of Goods Sold	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Profit Margin	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses:													
Professional Services													\$0
Marketing and Promotion													\$0
Bank & Interest Charges													\$0
Business Insurance													\$0
Technology													\$0
Dues/Fees/Licences													\$0
Networking (Meals, etc.)													\$0
Equipment Maintenance/Repairs													\$0
Office Expenses													\$0
Postage/Shipping													\$0
Rent													\$0
Supplies/Small Tools													\$0
Training & Development													\$0
Utilities													\$0
Vehicle expenses													\$0
Other <description>													\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes/Assumptions:													

Taking Payments

Your customers will need a way to pay for your products or services. Payment mechanisms can include cash, credit cards, online or electronic payments, cheques, debit, and more.

Payment mechanisms other than cash may have fees associated with them. These can include account, transaction, equipment rental, and merchant fees that represent a percentage of the transaction value.

Shop around as fees can vary widely, especially for mobile payment processing services like Payfirma and Square. You may be able to get discounts through your local Chamber of Commerce or other business groups.

Managing Cash Flow

Earning income is not the same as having cash. If your income is tied up in receivables, for example, then you won't be able to pay suppliers or employees.

Cash flow can be positive, with more money coming in than going out, or negative. Negative cash flow is common at the outset, as there's normally a lag between when you spend money on start-up and when you see a return in the form of sales. If this continues too long, it can deplete your resources and sink your business.

Tax payments can impact cash flow if they catch you off guard. Keep track of the HST you collect and owe, and setting aside funds for income or corporate taxes.

You'll find lots of free cash flow worksheets online, as well as in accounting software packages geared to small or mid-sized businesses, such as Quickbooks.

**Money, like emotions,
is something you must
control to keep your
life on the right track.**

Natasha Munson

Work It: S.M.A.R.T. Finance

On page 16, you outlined your overall business goals for the short, medium, and long term. Now it's time to consider the specific **financial activities** you'll work on to support those goals.

Linking financial activities to bigger goals helps you prioritize and stay focused on adding value to your business. Optimize the effect by making sure your finance goals are S.M.A.R.T.:

- S** - specific, significant, a stretch
- M** - measurable, meaningful, motivating
- A** - attainable, achievable, action-oriented
- R** - realistic, relevant, results-oriented
- T** - time-bound, tangible, trackable

For example, let's say you have an overall business goal achieving positive cash flow within the first 3 months. Your S.M.A.R.T. financial goals might include setting up business banking and online bookkeeping services, and monitoring cash flow on a weekly basis.

What S.M.A.R.T. financial goals will help support the high-level business goals you identified on page 16?

Work It: Take Action

What financial activities will you complete this week?

What financial activities will you complete this month?

What financial activities will you complete this quarter?

Minding Your Business

WORK WITH PURPOSE

Don't just be busy — be busy working specifically toward your goals.

ENGAGE AT ALL LEVELS

Work in and on your business, balancing your roles as leader, manager, and worker as necessary.

TRACK KEY METRICS

Keep an eye on key data that lets you know how your business is doing at a glance.

ADJUST

Be open to refining and improving. Pay particular attention to customer feedback and new opportunities.

CELEBRATE

Keep your spirits high and stay motivated by taking the time to recognize and celebrate achievements.

Keeping Control

As a small business owner, you'll have a lot of balls in the air. You'll work *on* the business, focusing on the five key processes outlined in this Guide, and also *in* your business, delivering your goods or services to your customers.

It's up to you to simultaneously lead, manage, and do the work that delivers results in your business. While “working” might take up most of your time, leading and managing are also important, giving shape and direction to what you work on, how, and why.

Reflecting on how your business is going from a management perspective will also help you recognize opportunities to improve or streamline your operations, outsource low-value functions, create new revenue streams, and grow.

In order to manage and lead effectively, you'll need to keep track of some key things in your business. These measures should, at a glance, help you understand how the business is performing and give you a basis for tracking performance over time and making necessary adjustments.

The measures that matter will depend both on the type of business you're in and your overall business goals. Some will be things you look at monthly or quarterly (e.g. sales, prospecting activities, return on marketing investment), and others will be measures you'll want to keep a close eye on daily or weekly (like accountants receivable and cash flow).

Key Measures

There are lots of things you can measure in your business to determine how things are going, such as:

- **Productivity:** how fast do you create value?
- **Marketing:** are your marketing activities having an impact? What's your Return on Investment (ROI)?
- **Sales:** how many prospects are in the pipeline? How successfully do you convert prospects into customers? Do you maximize the lifetime value of a customer?
- **Operations:** how quickly do you process orders? How satisfied are your customers? What kinds of complaints do you get?
- **Finance:** how much are you earning? Is your cash flow positive?

You don't need to over-manage your business or keep track of every single possible metric. Just pick 2 or 3 things that reflect your most important business goals and keep an eye on them.

If your most important goal is revenue, you might keep track of active clients or income to date. That will help you recognize if, for example, you need to focus more on sales next week to boost your numbers.

If you want to position yourself as having the fastest service in town, then keep track of speed.

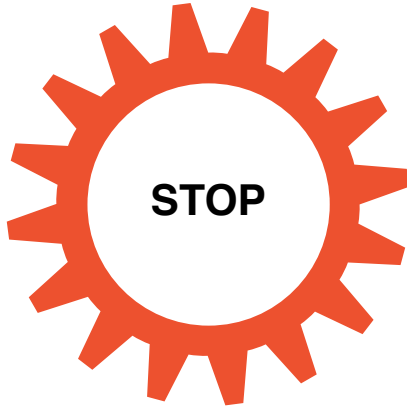
Look at your key measures weekly, even if it's only for a few minutes. As your business grows and you work on different and bigger goals, update what you're keeping close track of accordingly.

Work It: Pick Your Measures

	Leader	Manager	Worker
Role	<ul style="list-style-type: none"> • Create an inspiring vision • Set goals & direction • Look for strategic opportunities • Maintain morale 	<ul style="list-style-type: none"> • Focus on results • Find the shortest, simplest path forward • Create the right environment • Oversee and assess 	<ul style="list-style-type: none"> • Do the work customers pay for • Do it well • Do it consistently • Become and/or remain a master of your craft
On the Radar	<ul style="list-style-type: none"> • Is your vision clear, relevant, and inspiring? • Are you living your brand? • Are you satisfied with your work/life balance? • Do you generally feel good about your business? • What opportunities are on the horizon ? 	<ul style="list-style-type: none"> • Are your activities aligned with your vision? • Is everything under control? • Are you profitable? • Are you effective and efficient? • Are your processes working well? • What could be better? 	<ul style="list-style-type: none"> • Do you have what you need to get the job done? • Is quality consistent? • Do your skills need updating? • What new techniques, technologies, approaches, best practices, etc. can you apply?
How & What Will You Measure?			

Work It: Keep Track

Check in at least quarterly to see what's working, what's not, and what you can improve. Run through the 5 key areas of your business: Creating Value, Marketing, Sales, Operations & Finance.



1. _____
2. _____
3. _____
4. _____
5. _____



1. _____
2. _____
3. _____
4. _____
5. _____



1. _____
2. _____
3. _____
4. _____
5. _____

Work It: Personal Mastermind

Masterminds are groups of business owners that get together to share and problem-solve together. You can mastermind on your own, using the same format.

What's going well? What's not?	What questions do you have? Where can you get answers?	What or who is a great resource for you right now:

Resources

General References

The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything by Guy Kawasaki

The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses by Eric Ries

The Personal MBA by Josh Kaufman

The 4-Hour Work Week by Tim Ferriss

The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It by Michael Gerber

Do More Great Work: Stop the Busywork. Start the Work That Matters by Michael Bungay Stanier

Awesomely Simple Essential Business Strategies for Turning Ideas Into Action by John Spence

Start, Run & Grow a Successful Small Business by Toolkit Media Group

Forbes' "The 100 Best Web Sites for Entrepreneurs"
<http://tinyurl.com/ordorxh> or <http://www.forbes.com/sites/natalierobehmed/2013/11/12/100-best-websites-for-entrepreneurs/>

Marketing

The Anatomy of Buzz: How to Create Word of Mouth Marketing by Emanuel Rosen

Words that Sell by Richard Bayan

Positioning by Al Ries

The Thank You Economy by Gary Vaynerchuk

How To Work A Room by Susan Roane

The 22 Immutable Laws of Advertising: Violate Them at Your Own Risk! by Al Ries and Jack Trout

Epic Content Marketing: How to Tell a Different Story, Break Through the Clutter, and Win More Customers by Marketing Less by Joe Pulizzi

Sales

To Sell is Human: The Surprising Truth About Moving Others by Daniel H. Pink

The Go-Giver: A Little Story About a Powerful Business Idea by Bob Burg and John David Mann

Book Yourself Solid: The Fastest, Easiest, and Most Reliable System for Getting More Clients Than You Can Handle Even if You Hate Marketing and Selling by Michael Port

The Ultimate Sales Machine: Turbocharge Your Business with Relentless Focus on 12 Key Strategies by Chet Holmes

The Little Red Book of Selling: 12.5 Principles of Sales Greatness by Jeffrey Gitomer

Operations

Outsource Basic Tasks : Fiverr.com, oDesk, eLance

Communicate: Skype, GoToMeeting (allows you to share your screen), WebEx.com

Manage Tasks & Collaborate: Asana, Wunderlist, ToDoist, AnyDo, Workflowy, Trello, FrameBench

Track Time: Hours Tracker, Toggl

Track and Create Email Templates: Yesware

Email Marketing: Mailchimp, Aweber, Constant Contact

Finance

Send Invoices, Track Time, Capture Expenses: Quickbooks, Freshbooks, Harvest, Sage 50 (formerly Simply Accounting)

Canada Revenue Agency Information for Small Businesses and Self-Employed People: <http://www.cra-arc.gc.ca/selfemployed/>

Notes

Notes



Writer, communications coach, trainer and facilitator, Sandra Kahale, works with entrepreneurs to plan, start, and communicate their businesses.

Her inspiring, informative workshops cover topics including business planning, online communications, networking, and small business success.

Learn more about Sandra, book a live event, and find other Small Business Guides in this series at www.onwordconsulting.com.

