

Guide to bootstrap from idea to profitable business

Content of this guide:

1. Business Idea

- Selecting business idea
- Analysing and validating the business idea
- Describing the business idea
- Using Lean Canvas to describe the business

2. Business Plan

- Finding a good business plan template
- Forming a perfect business plan

3. Team up

- Forming a team and networking
- Creating your initial business pitch deck

4. Start

- Building your prototype, packages or initial business
- Choosing your business, brand or product name
- Applying for startup grant
- Choosing form for your company and establishing

5. Grow

- Use social media in marketing
- Minimize costs and be profitable
- Grow your business with lean startup method

6. Pitch

- How to pitch your idea, product or service
- Pitch definition
- Pitch content
- Pitch material
- Presentation
- Perfect pitch template

Bootstrapping from idea to profitable business

Introduction:

This guide describes the main steps how to bootstrap from idea to company and profitable business using lean startup method.

Target audience:

All people who want to become entrepreneurs and start their own business. This guide can be used in trainings, presentations or as a separate guide.

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Make sure that you solve a real problem, you have passion & skills to solve it.

Choose business that concerns many people → e.g. safety, food, money, time, transport.

Or find a good niche and focus on it → later you can broaden your targets.

Get a basic knowledge of Finnish regulations related to business, companies etc.



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Validate and test your business idea with your network by presenting it

You will get pitching exercise and valuable feedback.

People have other point of views and this may lead to great opportunities.

Business idea is worth almost a zero

We all have ideas. Most likely someone has had the same idea before.

It's all about execution.

Contact possible customers early as possible to validate your idea further.

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Start to write notes and draw sketches of your business idea

Focus on 3 core features for the first target group.

Great usability and easiness of using your services are the key elements for success.

Think about business model (how you plan to make money) as early as possible

Describe your pricing. Analyse your initial and fixed costs.

Be unique and disrupt → Do things differently than competitors.

Analyse current market & competitors

Use tools like SWOT analysis (Strengths, weaknesses, opportunities and threats)

Do at least “mini swot” → +/- analysis of competitors

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Use lean canvas to define your idea

Describe benefits early → Benefits will guide you forward.

→ Value is the only thing that matters for customers.

| | | | | |
|---|---|--|--|--|
| 1 Problem Top 3 problems | 3 Solution Top 3 features | 2 Unique Value Proposition Single, clear, compelling message that states why you are different and worth buying | 7 Unfair Advantage Can't be easily copied or bought | 1 Customer Segments Target customer |
| 6 Key Metrics Key activities you measure | 4 Channels Path to customers | | | |
| 5 Cost Structure Customer Acquisition Costs Distribution Costs Posting People, etc. | | 5 Revenue Streams Revenue Model Life Time Value Revenue Gross Margin | | |

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Use google to find a good business plan template

BusinessOulu's template is good.

Add marketing plan, development strategy, product management.

Add Financial calculations → Use templates like liiketoimintasuunnitelma.com

Execution matters!

Things will clarify after you got something concrete.

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Start writing, don't hesitate

Do high-level plan

Structure and work details later

Don't over document → Business Plan is mainly to for your own guidance

Ask for help → BusinessOulu, Uusyrityskeskus, Business Kitchen, your network

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Build your network and add contacts (to LinkedIn, Facebook and Twitter)

Participate to trainings & networking events → BusinessOulu & Business Kitchen.

From your network you may find your future customer, partner or employee.

Network is your support group for help and guidance.

Later you can utilize your network in social media for a brand visibility and marketing.

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Team that can do it is most valuable thing

In all business you need vision and someone to create and execute it.

As an early entrepreneur you need many other skills to start your business
(sales, marketer, designer, developer, customer support, ...)

Later build a perfect team around you to support your own skills & competence.

Start to create a prototype or your sales/business material.

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Describe your business idea in short powerpoint (pitch deck)

Include at least problem-solution-benefits-business to your deck.

Participate in startup accelerators and competitions with your deck.

Start to build a prototype or MVP (Minimum Viable Product).

Choose good name for your company and product

Choose right form for your company

Check that company name is free from PRH and the domain are free from <https://who.is>.

Secure your financials or needed initial funding before starting.

Apply for startup grant before publishing web pages and company start. Establish online to save time.

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Contact customers, market in Social Media and pre-sell before your product is ready

Build your social media audience (Facebook, Instagram, Youtube, LinkedIn, Twitter...).

Every business should have own Facebook page.

Social media is always good to increase your brand awareness.

With social media you can also boost your sales, get new customers and traffic to your site.

Choose the channels that your target audience uses.

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Minimize costs → **Fixed costs are one of the most common reason why startups fail**

Use free software → Googledocs, Gmail, Trello, WordPress, Skype, ...

Do it by yourself if you can → Speed up by buying services from right partners.

Have real clients and revenue to build a real business:

Money in > money out

In marketing: Customer Acquisition costs < Customer Lifetime Value.

Be Lean: develop-measure-learn/adapt and repeat !

Remember to take care of yourself and those close to you.

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How to pitch a product, service or idea?

Content for this chapter:

- Pitch Definition
- Pitch Content
- Pitch Material
- Presentation tips
- Perfect Pitch Template

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Definition of pitch

A technique to tell about your offering in short & interesting way that aims for something.

Typical pitch structure:

problem >> solution >> benefits >> competition >> business >> team >> call to action.

Pitching techniques can be used for:

Sales pitch

Product pitch

Idea pitch

Investor pitch

Elevator pitch

Personal pitch

In everyday life when proposing something to someone

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Presentation material (pitch deck)

Make it visual and use images

Minimize text, use only few words per slide

Font size min 30 pix, no bullet points

Consistent layout

*It's better that audience listens and follows you
instead of reading your slides.*

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What to emphasise in pitch

Show your commitment, results and passion

Emphasise how you differ from others

Concentrate on the benefits instead of technical features

Fine-tune your pitch for the audience

Pitch competition

Product presentation

Sales pitch

Investor pitch

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Presentation

Keep it simple, clear, compact and understandable

Be emotional, evoke feelings since feelings are remembered

Start and finish strong, remember call to action

Tell a story if it resonates with your offering, arouse interest

Change tone, volume and tempo. Remember to breath and pause.

Be yourself

Stick to time limit (if max 3min, target 2:30)

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Before the pitch:

Practice, practice and practice some more!

Deliver without notes, if you might freeze then keep notes nearby

Practice in front of mirror, with your team, relatives & friends

Film it e.g. with your phone

Remember good body language

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Perfect pitch template:

1. Introduction
2. Problem
3. Solution
4. Traction
5. Business
6. Competition / Market
7. Team
8. Call to action
9. Outro & thanks

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Perfect pitch template:

- 1. Introduction:** Wake-up to gain attention, summarize your product/value prop, after this introduce yourself
- 2. Problem** What you are solving. Problems, losses with the current way/solution
- 3. Solution** Main features of the solution, concentrate on benefits instead of technical features
- 4. Traction** List how many registered users do you have or how have you validated the idea
- 5. Business** How you will make money with your product
- 6. Competition** Market and competition, how you differ, stand out and are unique
- 7. Team** Core team & competence, for investors team competence can weight > 50%
- 8. Call to action:** Why you are pitching, always ask for something
- 9. Outro & thanks** Your start & end will be remembered.
Give good outro or repeat your value prop.

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