

WHY STARTUPS DON'T NEED TO FAIL

ATTITUDE

Love People

Enjoy Learning

Want to Make

OR

Be a difference

CUSTOMERS

Your customers are your company's reason for being in business

Your partners, employees, & suppliers are the ones who deliver value to customers

MARKETING

Marketing is a science, where we look at data of many kinds, and then, form a theory, which we test.

We never stop this process in creating a business and sustaining it.

KNOW YOUR CUSTOMERS

First, you need to emulate Warren Buffett, if you want his level of success.

He claims to spend half of his time studying

Warren Buffett says he invests in people, not companies.

NO REAL MARKET

If no one is attempting to sell a solution to a problem, and there is no research funding for a solution, then the problem represents NO market opportunity, at this time.

You must separate nice to have from need to have, before trying to offer an alternative.

WHO ARE COMPETITORS

Far too many people see competitors as people selling the same product.

In setting priorities, people allocate resources to specific categories.

Your competitor is anyone, who competes for money from your market category.

WHERE TO RESEARCH COMPANIES

Publicly traded companies that sell stock to the public are required to file reports with the Securities and Exchange Commission.

You can find these reports online at the below website.

<https://www.sec.gov>

COMMENTS

First, look over several years of annual reports, and at the comments to their shareholders, where they share goals and accomplishments.

This is the board's sales pitch to investors.

Are they planning to target the market category that you are researching?

FINANCIALS

You need to understand the financial reports, which are like the life signs in a living creature.

Is their market subject to surges in demand and then periods of reduced demand?

Are their expenses and income ratios, typical of other similar companies?

MORE FINANCIALS

In evaluating established competitors, you can determine their degree of commitment to specific market categories, by looking at where they are investing research money.

The more common term for market category is market segment.

BE A POTENTIAL CUSTOMER

There is no better way to understand your potential market, than to let real sales and marketing people pitch you.

Keep detailed notes.

MINING CUSTOMERS

After practicing being a customer, you should have some idea how others approach real customers.

Now identify who these potential customers are, and then, start meeting and interviewing them.

PLANTING SEEDS

Complimenting others is extremely powerful, if done in pure honest appreciation.

This kind of positive attitude, tends to result in karmic like positive results.

People want to feel safe with people, they interact with.

FROM OPPORTUNITY

After you have invested the effort to validate the need, and your ability to cost effectively and profitably service that need, you need to write out your mission statement.

Get on the Internet and look at many examples of mission statements from companies that you respect.

MISSION STATEMENT

What is the pain or worry?

How do you plan to approach mitigating this pain or worry?

State or imply your passion to deliver your solution.

What is your reason for being?

SHARED REWARDS

When possible provide recognition to all members of the team.

Thank the security person at a trade show for protecting you.

Your positive attitude is contagious.

Individual recognition should be shared with the entire team, with shared rewards, when possible.

FIRST PRODUCT

In most cases, it is wise to pick a niche market, rather than trying to compete with a large established company.

Think low volume, high profit margins, which produce cash flow.

Where possible, products should provide some kind of trailing income.

TRAILING INCOME

The automobile industry makes around 80% of their revenue from after warranty sales of parts and labor .

Examples:

- Maintenance Contracts
- Consumable Parts & Supplies
- Hardware/Software Updates

MULTIPLE CONFIGURATIONS

Larger companies have higher costs of approval for engineering changes.

Modular design makes customization easier.

A highly varied product line makes competitors confused.

NEW PRODUCT DEVELOPMENT

Single product companies rarely survive.

Socially connect customers with researchers and product developers, in order to inspire innovation.

The very best people are motivated by providing solutions.

CONTINUOUS IMPROVEMENT

From ISO-9001:

Document what you do. Do what you document.

On major issues, do root cause analysis to be followed by corrective action.

Fix the process not the people

Plan, do, check, and adjust

NEXT STEPS

This presentation is only a beginning

Build your educational and economic foundation

Build your contact list

Attend Meetups and similar events

Consider joining an accelerator or incubator

ABOUT ACCELERATORS

Accelerators tend to focus on the business issues, and very few are knowledgeable about the emerging technologies and evolving markets that startups target.

Some offer exposure to investors or limited funding, but you pay for what you get with either cash or equity.

DO-IT-YOURSELF ACCELERATOR

Most of the business advice given by most accelerators can be found for free online, if you know what questions to ask.

The Do-It-Yourself Accelerator provides much of this advice for free.

<https://www.modular-e.com/htm/diya.html>

DREAM BIG

Slay dragons and do good deeds, and
never, never, never, never, give up!

COMPLIMENTARY REVIEW

For a complimentary executive summary review, email to: chucknl@sbcglobal.net

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