

A photograph of three business professionals in an office setting. A man in a grey suit is in the foreground, looking at a laptop. A woman in a grey sweater is behind him, also looking at the laptop. Another person is partially visible on the right. The background shows office shelves and a Christmas tree branch.

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MINNEAPOLIS BUSINESS MENTORS

# ARE YOU READY TO START A NEW BUSINESS

## ARE YOU READY TO START A NEW BUSINESS?

**T**hinking of starting a business? There are no limits on who can become a great entrepreneur. What you need is a good idea, a great plan and the determination to see your dream come true. As Mark Twain said, “The secret to getting ahead is getting started.” He also said, “The secret to getting started is breaking your complex overwhelming tasks into small manageable tasks and starting on the first one.”

We started the workshop by asking 3 basic questions about starting a new business:

1. Are you Ready?
2. Are You Willing?
3. Are you Able?

Let's look at each of these questions in more detail.

### ARE YOU READY?

- What are your motivations? A desire for control and freedom? The freedom of time, location, relationship, money and purpose.
- The delusion and false sense of security that came with their corporate jobs was harder to see and appreciate at first, and certainly in hindsight they now understand that was part of what kept them working for someone else.
- Some of the emotions we experienced when we were in the corporate world included being controlled and oppressed. There were aspects, however, of their jobs that they enjoyed and still miss to an extent.
- Are you frustrated with the politics of the traditional work environment?
- You are either okay with creating for others, or you have to create for yourself?
- There is a big need for products and services in the world. The world is full of opportunities outside of the corporate world.
- Fear is what held them back, but now that they have made the leap into entrepreneurship they realize the limitless possibilities.
- Risk can be used as an excuse. Although there is certainly the real risk of financial failure. But the real risk that holds people back is the risk of personal failure and the embarrassment that results from that.



## ARE YOU WILLING?

Are you WILLING to start your first small business? And if you are not WILLING today, what do you need to do to get there?

For many people, it's not the idea that's the hard part, it's their mindset, their personal finances, and their willingness to sacrifice. That's often what separates those who just talk about it from the few who actually move forward and launch their first business.

- Do you dream of becoming your own boss? Have you gotten to a point where you just can't keep working for someone else? You may likely have one or more great ideas, but you just can't seem to get any traction?
- You need to be completely honest with yourself in assessing what is really holding you back from starting your business today.
- What are you willing to sacrifice for the sake of your business success? Are you willing to give up hobbies, free time, family time and hanging out with friends?
- Your success in business, as with many things in life, is directly proportionate to your discipline and sacrifice. Business success is typically a long-term journey, filled with setbacks, demanding consistency and dedication.

- There are few “overnight successes” in the business world. It may seem that way, as we are constantly exposed to glamorized examples of huge and seemingly immediate success. Indeed, there are certainly plenty of instant success stories. The reality for most small business owners, however, is that it takes time to build a profitable venture. More often than not, a successful entrepreneur’s journey is marked by overcoming challenges along the way. Are you willing to stick with it, to delay gratification, and get back up after a failure and try again?
- As a small business owner, you will likely work harder than you have ever worked before. Once you cross over into the world of entrepreneurship, you assume the ultimate responsibility for everything. There will be times when the work to be done seems endless. To get through it all will require your maximum possible effort.
- Are you willing to be the person who has to handle the hard questions and make the tough decisions? Are you an accountable person?
- Are you willing to be challenged constantly and always be learning new things about business and leading people?
- Do you have a passion for your business idea?
- Are you willing to delay gratification, or are you searching for immediate results?
- Are you desperately looking for a get-rich-quick scheme or are you willing to build your business over time?
- Are you prepared for the impact on yourself and your family?
- Are you willing to make sacrifices now in order to build and grow your business.

As you begin on your path to starting your small business, it’s critical that you honestly determine how mentally and emotionally ready you are today. And if you are not ready now, what do you need to do – what skills do you need to develop, what resources do you need to tap into, what partnerships do you need to form – to realize your dreams of business ownership.

You will get there! Everyone has their unique path, it’s just a matter of getting started on your own journey, one step at a time.

## **ARE YOU ABLE?**

How ABLE are you today to start your small business? If you are not able now, what do you need to get there? Starting your first small business requires you be able to afford the investment of time, money and personal energy.

- There are some common challenges most people face on their way to starting their first business. For many people, it’s not the idea that’s the hard part, it’s their mindset, their personal finances, and their willingness to sacrifice. That’s often what separates those who just talk about it from the few who actually move forward and launch their first business and realize their dreams.
- Do you dream of owning your own small business? Is it no longer acceptable to you to continue depending on someone else, or some large corporation, to take care of you or look

out for you? You may likely have one or more great ideas, but you just can't seem to get any of them off the ground?

- What you likely need is an honest assessment of what is really holding you back. You can summarize it this way: You need to determine how Ready, Willing and Able you are to start your first small business.

### **Are you able to invest the TIME?**

- Starting and managing a business requires a significant investment of time, money and energy. You must be able to sacrifice the time you currently spend on other activities and interests. But beyond what you are willing to sacrifice, it's critical that you objectively assess what time you have available. Will you be keeping your full-time or part-time job? Are there other commitments of your time that you simply can't get out of right now? You need to honestly add up the time you will really be able to dedicated to your business now.
- If you don't have enough time now, then what do you need to start doing today to free up that time?
- Can you plan to leave your job after saving some money?
- Can your spouse or partner continue working while you focus on starting the business
- Can you start smaller, and therefore have the time you need to manage your new small business? Or perhaps you simply need to delay your plans for launching.
- Time is our most precious resource. Managing and allocating your time will be critical to your success. You may have to keep your current job while you build your business on the side. If you have a family, then you definitely have responsibilities you must continue to make time for.
- You must consider everything that requires your attention currently, and then honestly assess what you are willing and able to sacrifice. In my personal experience, starting a new business requires considerably more time than you might expect or plan for.
- If you are the type of person that always finds yourself without enough time in the day to get anything done, you are always rushing from one thing to the next, you rarely accomplish or finish a project, then you may need to focus on developing and improving your time management skills. You will need these skills to successfully launch and grow your business.

### **Are you able to invest the MONEY?**

- A lack of capital is perhaps the most common reason people say has kept them from starting their first small business. It's also the number one reason small businesses fail – they run out of money!
- As you create your plan for your business, and in particular your financial projections or pro-forma, it's critical that you calculate the financial investment requirement as accurately

as possible – and add an additional contingency amount, or working capital. You always need more money than you planned for.

- You must be ready to invest your own money, and also need to be ready and able to guarantee any amount you borrow. If you don't have the financial wherewithal now, then perhaps scaling down or delaying your plans may be the best approach.
- Adjusting your idea may mean starting out smaller than you initially envisioned, and then growing methodically through bootstrapping (reinvesting your profits). Bootstrapping is the most common method of starting and growing a small business in the United States.
- It may also mean keeping your day job until you can move into business ownership full time.
- It often also means adjusting your spending habits and reducing your debt.
- Are you currently in a position financially where you could go for 6 months or more without your current income? Would you be able to pay your household expenses – your personal bills – from your savings or your spouse's or partner's income?
- What is your credit score? Do you have a plan to improve that score over the next six to twelve months, or longer?
- You can certainly start a small business with minimal cash investment, but the reality is that you do need to have some financial stability to help ensure the success of your business. Otherwise, from the start, you are placing a financial pressure on your business that very often leads to failure.

#### **Are you able to invest the ENERGY:**

- It requires tremendous energy to start and build a small business. The initial excitement will provide you with a big boost, but the longer-term business building journey will require significant energy and stamina.
- Your personal health will largely dictate your ability to persevere.
- How is your health now, and can you really take on the physical and mental challenges of starting and running a small business? Should you focus on getting healthier first, and then start your business?
- Will you be able to focus on your business for extended periods of time?
- It's also important to remember to stay healthy when you start launching and running your small business.

If you're Ready, Willing and Able, the next step is to plan and start your business venture.

# 12-STEP GUIDE TO STARTING A BUSINESS

There are no limits on who can become a great entrepreneur. You don't necessarily need a college degree, a bunch of money in the bank or even business experience to start something that could become the next major success. However, you do need a strong plan and the drive to see it through.

Check out this step-by-step guide to help turn your big idea into a successful business.

## 1. Evaluate Yourself

Let's start with the most basic question: Why do you want to start a business? Use this question to guide what kind of business you want to start. If you want extra money, maybe you should start a side hustle. If you want more freedom, maybe it's time to leave your 9-to-5 job and start something new.

Once you have the reason, start asking yourself even more questions to help you figure out the type of business you should start, and if you have what it takes.

- What skills do you have?
- Where does your passion lie?
- Where is your area of expertise?
- How much can you afford to spend, knowing that most businesses fail?
- How much capital do you need?
- What sort of lifestyle do you want to live?

Be brutally honest with your answers. This will create a foundation for everything you do moving forward, so it's better to know the truth now than later.

## 2. Think of a Business Idea

Do you already have a killer business idea? If so, congratulations! You can proceed to the next section. If not, there are a ton of ways to start brainstorming for a good idea. Ask yourself what's next. What technology or advancement is coming soon, and how will that change the business landscape as we know it? Can you get ahead of the curve? Ideas to consider:

- Fix something that bugs you. People would rather have less of a bad thing than more of a good thing. If your business can fix a problem for your customers, they'll thank you for it.
- Apply your skills to an entirely new field. Many businesses and industries do things one way because that's the way they've always been done. In those cases, a fresh set of eyes from a new perspective can make all the difference.
- Use the better, cheaper, faster approach. Do you have a business idea that isn't completely new? If so, think about the current offerings and focus on how you can create something better, cheaper or faster.

Also, go out and meet people and ask them questions, seek advice from other entrepreneurs, research ideas online or use whatever method makes the most sense to you.

### **3. Do Market Research**

Is anyone else already doing what you want to start doing? If not, is there a good reason why?

Start researching your potential rivals or partners within the market. For example, you can conduct interviews by telephone, video or face to face. You can also offer surveys or questionnaires that ask questions like “What factors do you consider when purchasing this type of product or service?” and “What areas would you suggest for improvement?”

### **4. Get Feedback**

Let people interact with your product or service and see what their take is on it. A fresh set of eyes can help point out a problem you might have missed. Plus, these people will become your first brand advocates, especially if you listen to their input and they like the product.

Realize some of that advice, solicited or not, will be good. Some of it won't be. That's why you should have a plan on how to receive feedback.

Here are six steps for handling feedback:

1. Stop! Your brain will probably be in an excited state when receiving feedback, and it might start racing to bad conclusions. Slow down and take the time to consider carefully what you've just heard.
2. Start by saying ‘thank you.’ People who give you negative feedback won't expect you to thank them for it, but doing so will probably make them respect you and encourage them to continue be honest in the future.
3. Look for the grain of truth. If someone doesn't like one idea, it doesn't mean they hate everything you've just said. Remember that these people are trying to help, and they might just be pointing out a smaller problem or solution that you should look into further.
4. Seek out the patterns. If you keep hearing the same comments, then it's time to start sitting up and taking notice.
5. Listen with curiosity. Be willing to enter a conversation where the customer is in control.
6. Ask questions. Figure out why someone liked or didn't like something. How could you make it better? What would be a better solution?

### **5. Make it Official - Part A**

Get all of the legal aspects out of the way early. That way, you don't have to worry about someone taking your big idea, screwing you over in a partnership or suing you for something you never saw coming. A quick checklist of things to shore up might include:

1. Business structure (LLC, S- or C-Corp, partnership, etc. - see below)
2. Business name
3. Register your business with the state of Minnesota
4. Federal tax ID & State tax ID
5. Any permits or licenses you may need
6. Company bank account
7. Trademarks, copyrights or patents

The grid below shows the most typical business structures.

<b>Business structure</b>	<b>Ownership</b>	<b>Liability</b>	<b>Taxes</b>
<b>Sole proprietorship</b>	One person	Unlimited personal liability	Personal tax only
<b>Partnerships</b>	Two or more people	Unlimited personal liability unless structured as a limited partnership	Self-employment tax (except for limited partners) Personal tax
<b>Limited liability company (LLC)</b>	One or more people	Owners are not personally liable	Self-employment tax Personal tax or corporate tax
<b>Corporation - C corp</b>	One or more people	Owners are not personally liable	Corporate tax
<b>Corporation - S corp</b>	One or more people, but no more than 100, and all must be U.S. citizens	Owners are not personally liable	Personal tax
<b>Corporation - B corp</b>	One or more people	Owners are not personally liable	Corporate tax
<b>Corporation - Nonprofit</b>	One or more people	Owners are not personally liable	Tax-exempt, but corporate profits can't be distributed

### 5. Make it Official - Part B

For some industries, it is not only wise but necessary to hold business insurance in addition to state-mandated insurance for employees. Assess whether protection is needed for your business. If so, consult an insurance agent to determine what type of insurance is sufficient to protect your business assets.

Business insurance protects you from the unexpected costs of running a business. Accidents, natural disasters, and lawsuits could run you out of business if you're not protected with the right insurance.

Shown below are different types of insurance you may need.

<b>General liability insurance</b>	Any business.	This coverage protects against financial loss as the result of bodily injury, property damage, medical expenses, libel, slander, defending lawsuits, and settlement bonds or judgments.
<b>Product liability insurance</b>	Businesses that manufacture, wholesale, distribute, and retail a product.	This coverage protects against financial loss as a result of a defective product that causes injury or bodily harm.
<b>Professional liability insurance</b>	Businesses that provide services to customers.	This coverage protects against financial loss as a result of malpractice, errors, and negligence.
<b>Commercial property insurance</b>	Businesses with a significant amount of property and physical assets.	This coverage protects your business against loss and damage of company property due to a wide variety of events such as fire, smoke, wind and hail storms, civil disobedience and vandalism.
<b>Home-based business insurance</b>	Businesses that are run out of the owner's personal home.	Coverage that's added to homeowner's insurance as a rider can offer protection for a small amount of business equipment and liability coverage for third-party injuries.
<b>Business owner's policy</b>	Most small business owners, but especially home-based business owners.	A business owner's policy is an insurance package that combines all of the typical coverage options into one bundle. They simplify the insurance buying process and can save you money.

Overall, there are some things you can do on your own, it's best to consult with a lawyer, accountant and insurance agent when starting out, so you can make sure you've covered everything that you need.

## 6. Write Your Business Plan

A business plan is a written description of how your business will evolve from when it starts to the finish product. There are multiple types business plan you can use. Depending on what type of business you're starting, the financing (if any) you'll need, and other factors you can use either a Lean Business Canvas, or Mini Plan or you may need a traditional complete plan. If you're using a traditional plan it should include these sections:

1. Title page. Start with name the name of your business, which is harder than it sounds. This article can help you avoid common mistakes when picking.
2. Executive summary. This is a high-level summary of what the plan includes, often touching on the company description, the problem the business is solving, the solution and why now. (Here's what you should include in the summary and how you can make it appeal to investors.)
3. Business description. What kind of business do you want to start? What does your industry look like? What will it look like in the future?
4. Market strategies. What is your target market, and how can you best sell to that market?
5. Competitive analysis. What are the strengths and weakness of your competitors? How will you beat them?
6. Design and development plan. What is your product or service and how will it develop? Then, create a budget for that product or service.
7. Operations and management plan. How does the business function on a daily basis?
8. Finance factors. Where is the money coming from? When? How? What sort of projections should you create and what should you take into consideration?

For each question, you can spend between one to three pages. Keep in mind, the business plan is a living, breathing document and as time goes on and your business matures, you will be updating it.

If you need help with any type of business plan contact us at [info@mbmentors.org](mailto:info@mbmentors.org). We provide free advice on how to write and develop your business plan.

## 7. Financing Your Business

There are a ton of different ways to get the resources you need to start your business. Angel investor Martin Zwilling, whose business Startup Professionals provides services and products for startups and small businesses, recommends 10 of the most reliable ways to fund your business. Take a look and consider your own resources, circumstances and life state to figure out which one works best for you.

1. Fund your startup yourself. Bootstrapping your business might take longer, but the good part is that you control your own destiny (and equity).
2. Start a crowdfunding campaign online. Sometimes power is in numbers, and a bunch of small investments can add up to something major. If you think your business might be a fit for something like Kickstarter or Indiegogo. Check out the most popular crowdfunding websites.

3. Apply to local angel investor groups. Online platforms such as [Gust](#) and [AngelList](#) and local networking can help you find potential investors who relate to your industry and passion.
4. Solicit venture capital investors. VCs typically look for big opportunities from proven teams that need a million dollars or more, so you should have some traction before approaching them.
5. Join a startup incubator or accelerator. These companies are designed to help new or startup businesses get to the next level. Most provide free resources, including office facilities and consulting, along with networking opportunities and pitch events. Some, also provide seed funding as well.
6. Negotiate an advance from a strategic partner or customer. If someone wants your product or service bad enough to pay for it, there's a chance they'll want it bad enough to fund it, too.
7. Trade equity or services for startup help. For example, you could support a computer system for office tenants in exchange for free office space. You might not get paid for this, but you won't have to pay for an office, either, and a penny saved is a penny earned.

### **Start a Business Account with a Local Bank**

A small business checking account can help you handle legal, tax, and day-to-day issues. The good news is it's easy to set one up if you have the right registrations and paperwork ready.

As soon as you start accepting or spending money as your business, you should open a business bank account. Common business accounts include a checking account, savings account, credit card account, and a merchant services account. Merchant services accounts allow you to accept credit and debit card transactions from your customers.

You can open a business bank account once you've gotten [your federal EIN](#).

Most business bank accounts offer perks that don't come with a standard personal bank account.

- Protection. Business banking offers limited personal liability protection by keeping your business funds separate from your personal funds. Merchant services also offer purchase protection for your customers and ensures that their personal information is secure.
- Professionalism. Customers will be able to pay you with credit cards and make checks out to your business instead of directly to you. Plus, you'll be able to authorize employees to handle day-to-day banking tasks on behalf of the business.
- Preparedness. Business banking usually comes with the option for a line of credit for the company. This can be used in the event of an emergency, or if your business needs new equipment.
- Purchasing power. Credit card accounts can help your business make large startup purchases and help establish a credit history for your business.

Recommendation - find an account with low fees and good benefits.

Some business owners open a business account at the same bank they use for their personal accounts. Rates, fees, and options vary from bank to bank, so you should shop around to make sure you find the lowest fees and the best benefits.

Here are things to consider when you're opening a business checking or savings account:

- Introductory offers
- Interest rates for savings and checking
- Interest rates for lines of credit
- Transaction fees
- Early termination fees
- Minimum account balance fees

Here are things to consider when you're opening a merchant services account:

- Discount rate: The percentage charged for every transaction processed.
- Transaction fees: The amount charged for every credit card transaction.
- Address Verification Service (AVS) fees.
- ACH daily batch fees: Fees charged when you settle credit card transactions for that day.
- Monthly minimum fees: Fees charged if your business doesn't meet the minimum required transactions.

Payment processing companies are an increasingly popular alternative to traditional merchant services accounts. Payment processing companies sometimes provide extra functionality, like accessories that let you use your phone to accept credit card payments. The fee categories that you need to consider will be similar to merchant services account fees. If you find a payment processor that you like, remember that you'll still need to connect it to a business checking account to receive payments.

Get documents you need to open a business bank account

Opening a business bank account is easy once you've picked your bank. Simply go online or to a local branch to begin the process. Here are some of the most common documents banks ask for when you open a business bank account.

Some banks may ask for more.

- Employer Identification Number (EIN) (or a Social Security number, if you're a sole proprietorship)
- Your business's formation documents
- Ownership agreements
- Business license

## **8. Develop Your Product or Service**

After all the work you've put into starting your business, it's going to feel awesome to actually see your idea come to life. But keep in mind, it takes a village to create a product. If you want to make an app and you're not an engineer, you will need to reach out to a technical person. Or if you need to mass-produce an item, you will have to team up with a manufacturer.

When you're crafting your product, you should focus on two things: simplicity and quality. Your best option isn't necessarily to make the cheapest product, even if it lowers manufacturing cost. Also, you need to make sure the product can grab someone's attention quickly.

When you are ready to do product development and outsource some of the tasks make sure you:

1. Retain control of your product and learn constantly. If you leave the development up to someone else without supervising, you might not get the thing you envisioned.
2. Implement checks and balances to reduce your risk. If you only hire one freelance engineer, there's a chance no one will be able to check their work. If you go the freelance route, use multiple engineers so you don't have to just take someone at their word.
3. Hire specialists, not generalists. Get people who are awesome at the exact thing you want, not a jack-of-all-trades type.
4. Don't put all your eggs in one basket. Make sure you don't lose all of your progress if one freelancer leaves or if a contract falls through.
5. Manage product development to save money. Rates can vary for engineers depending on their specialties, so make sure you're not paying an overqualified engineer when you could get the same end result for a much lower price.

To help you have peace of mind, start learning as much as you can about the production, so you can improve the process and your hiring decisions as time goes along.

This process will be very different for service-focused entrepreneurs, but no less important. You have several skills that people are willing to pay you for right now, but those skills can be hard to quantify. How can you establish yourself and your abilities? You might consider creating a portfolio of your work -- create a website to show your artwork if you're an artist, writing if you're a writer or design if you're a designer.

Also, make sure you have the necessary certificates or educational requirements, so that when someone inquires about your service, you're ready to jump at a good opportunity.

## **9. Start Building Your Team**

To scale your business, you are going to need to hand off responsibilities to other people. You need a team. Whether you need a partner, employee or freelancer, these three tips can help you find a good fit:

1. State your goals clearly. Make sure everyone understands the vision and their role within that mission at the very start.
2. Follow hiring protocols. When starting the hiring process you need to take a lot of things into consideration, from screening people to asking the right questions and having the proper forms. Here is a more in-depth guide to help you.
3. Establish a strong company culture. What makes a great culture? What are some of the building blocks? A great culture is more about respecting and empowering employees through multiple channels, including training and mentorship, than it is about decor or ping-pong tables. In fact, office perks can turn out to be more like traps than real benefits.

## 10. Find a Location

This could mean an office or a store. Your priorities will differ depending on need, but here are 10 basic things to consider:

1. Style of operation. Make sure your location is consistent with your particular style and image.
2. Demographics. Start by considering who your customers are. How important is their proximity to your location? If you're a retail store that relies on the local community, this is vital. For other business models, it might not be.
3. Foot traffic. If you need people to come into your store, make sure that store is easy to find. Remember: even the best retail areas have dead spots.
4. Accessibility and parking. Is your building accessible? Don't give customers a reason to go somewhere else because they don't know where to park.
5. Competition. Sometimes having competitors nearby is a good thing. Other times, it's not. You've done the market research, so you know which is best for your business.
6. Proximity to other businesses and services. This is more than just about foot traffic. Look at how nearby businesses can enrich the quality of your business as a workplace, too.
7. Image and history of the site. What does this address state about your business? Have other businesses failed there? Does the location reflect the image you want to project?
8. Ordinances. Depending on your business, these could help or hinder you. For example, if you're starting a daycare center, ordinances that state no one can build a liquor store nearby might add a level of safety for you. Just make sure you're not the one trying to build the liquor store.
9. The building's infrastructure. Especially if you're looking at an older building or if you're starting an online business, make sure the space can support your high-tech needs. If you're getting serious about a building, you might want to hire an engineer to check out the state of the place to get an objective evaluation.
10. Rent, utilities and other costs. Rent is the biggest facilities expense, but check out the utilities, as well, and whether they're included in the lease or not. You don't want to start out with one price and find out it's going to be more later.

Once you know what to look for and it's time to start searching for a place that fits all of your qualifications, these 4 tips can help.

1. Think on your own timeframe. Landlords are starting to offer shorter-term office rentals. Don't get stuck in a long-term lease if it doesn't make sense for your business.
2. Play the whole field. There are all sorts of places to use - co-working spaces, office business centers, sublets and more. Keep your options open.
3. Click around town. You might be able to find the perfect place by using online resources.
4. Do the deal on your terms. Again, you have options. Don't get roped into something that makes you uncomfortable.

## 11. Start Getting Some Sales

No matter your product or industry, your business's future is going to depend on revenue and sales.

There are a ton of different sales strategies and techniques you can employ, but here are four tenets to live by:

1. Listen. When you listen to your clients/customers, you find out what they want and need, and how to make that happen.
2. Ask for a commitment, but don't be pushy about it. You can't be too shy to ask for a next step or to close a sale, but you also can't make customers feel as though you're forcing them into a sale.
3. Don't be afraid of hearing "no." As former door-to-door salesman (and now co-founder of software business Pipedrive) Timo Rein said, "Most people are too polite. They let you make your pitch even if they have no interest in buying. And that's a problem of its own. Time is your most important resource."
4. Make it a priority. As entrepreneurial wizard Gary Vaynerchuk said, "Actually creating revenue, and running a profitable business, is a good strategy for business. Where are we that people think users or visits or time on site is the proxy to a successful business?"

But how do you actually make those sales? Start by identifying targets who want your product or service. Find early adopters of your business, grow your customer base or put out ads to find people who fit your business. Then, figure out the right sales funnel or strategy that can convert these leads into revenue.

## 12. Grow Your Business

There are a million different ways to grow. You could acquire another business, start targeting a new market, expand your offerings and more. But, no growth plan will matter if you don't have the two key attributes that all growing companies have in common.

First, they have a plan to market themselves. They use social media effectively through organic, influencer or paid campaigns. They have an email list and know how to use it. They understand exactly who they need to target -- either online or off -- with their marketing campaigns.

Then, once they have a new customer, they understand how to retain them. You've probably heard many people state that the easiest customer to sell to is the one you already have. Your existing customers have already signed up for your email list, added their credit card information to your website and tested what you have to offer. In doing so, they're starting a relationship with you and your brand.

Start by utilizing these strategies, which include investing in your customer service and getting personal, but realize your work will never be done. You'll constantly be competing for these customers in the marketplace, and you can never simply rest on your laurels. Keep researching the market, hiring good people and making a superior product and you'll be on your way to building the empire you always dreamed about.

## And one more thing: Don't forget about **MARKETING!**

Take small business training to learn how to start a small business and keep it running smoothly. Ratchet up your marketing efforts to help secure your desired customers or clients. Lastly, be sure to stock up on any equipment, product inventory or office supplies before opening for business.

### **Use market research to find customers**

Market research blends consumer behavior and economic trends to confirm and improve your business idea.

It's crucial to understand your consumer base from the outset. Market research lets you reduce risks even while your business is still just a gleam in your eye.

Gather demographic information to better understand opportunities and limitations for gaining customers. This could include population data on age, wealth, family, interests, or anything else that's relevant for your business.

Then answer these questions to get a good sense of your market.

- **Demand:** Is there a desire for your product or service?
- **Market size:** How many people would be interested in your offering?
- **Economic indicators:** What is the income range and employment rate?
- **Location:** Where do your customers live and where can your business reach?
- **Market saturation:** How many similar options are already available to consumers?
- **Pricing:** What do potential customers pay for these alternatives?

You'll also want to keep up with the latest small business trends. It's important to gain a sense of the specific market share that will impact your profits.

You can do market research using existing sources, or you can do the research yourself and go direct to consumers.

Existing sources can save you a lot of time and energy, but the information might not be as specific to your audience as you'd like. Use it to answer questions that are both general and quantifiable, like industry trends, demographics, and household incomes. Check online or start with the SBA [list of market research resources](#).

Asking consumers yourself can give you a nuanced understanding of your specific target audience. But, direct research can be time consuming and expensive. Use it to answer questions about your specific business or customers, like reactions to your logo, improvements you could make to buying experience, and where customers might go instead of your business.

Here are a few methods you can use to do direct research:

- Surveys
- Questionnaires
- Focus groups
- In-depth interviews

For guidance on deciding which methods are worthwhile for your small business, the Small Business Administration provides counseling services through their [resource partner network](#).

Use competitive analysis to find a market advantage:

Competitive analysis helps you learn from businesses competing for your potential customers.

This is key to defining a competitive edge that creates sustainable revenue.

Your competitive analysis should identify your competition by product line or service and market segment. Assess the following characteristics of the competitive landscape:

- Market share
- Strengths and weaknesses
- Your window of opportunity to enter the market
- The importance of your target market to your competitors
- Any barriers that may hinder you as you enter the market
- Indirect or secondary competitors who may impact your success

Several industries might be competing to serve the same market you're targeting. That's why you should make sure to differentiate your competitive analysis by industry. There are many methods for doing this, including [Porter's Five Forces analysis](#). Important industry factors to consider include level of competition, threat of new competitors or services, and the effect of suppliers and customers on price.

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