Resilient

What’s in it for me? Discover how to build a successful company – even on a shoestring budget.

Do you have a brilliant idea for a product that would take the market by storm? Or maybe you’ve come up with a service that would solve a problem many people face. No matter what kind of business you want to create, you’ll need to make some big decisions – like whether or not to find investors, or how to recruit a quality team. These blinks will guide you in exploring the pros and cons of the many options available to you throughout your business journey. Once you’re clear on the best way to structure your company, you can start making your entrepreneurial dream a reality. In these blinks, you’ll discover

the powerful ingredient that wins over investors; the secret to business success; and what investing and marriage have in common.

You can successfully build a company without investors.

If you’re like most fledgling entrepreneurs, there’s probably one major thing on your mind – money. How much will you need to turn your amazing idea into an actual product or service? Where will you find the money? Media hype about startups who’ve landed millions from angel investors might make you think fundraising is the best option. But that’s not always the case. You have an alternative: bootstrapping. Bootstrapping involves using the resources you already have – typically your own expertise and a small amount of your own money to cover initial costs. This is how author Sevetri Wilson grew her first company – Solid Ground Innovations – into a seven-figure business. And, depending on the type of business you want to start, bootstrapping might be the best option for you too. The key message here is: You can successfully build a company without investors. Bootstrapping founders get a number of perks that founders with investors miss out on. First off, they retain full control of their company. This means they can make their own decisions and don’t need to host regular board meetings with investors or report on outcomes. Bootstrapping founders also retain 100 percent ownership of their business. This is different from founders who need to share a percentage of their equity with investors. While having investors gives founders more cash up front, this will eventually need to be paid back in the form of dividends. Bootstrapping founders, on the other hand, get to keep all the profits. There are disadvantages to bootstrapping though. Limited cash can slow growth, and you’d be taking on the entire financial risk yourself. But if you don’t need much capital to set up your company, and you can start selling your product or service quickly, bootstrapping may be your best option. So, how do you decide which financing model to use? Begin by considering four questions: Will it be low-investment to start your company? Can you start your company without needing to hire anyone else? Is there a clear market for your product or service? Are you an absolute money management expert who can control any impulses to break your budget? If you answered “yes” to each question, bootstrapping will work for you.

Founding a company is demanding, so reflect on the personal cost before you begin.

If you’ve seen The Social Network, the film loosely based on Mark Zuckerberg’s experiences founding Facebook, you’ll have noticed something – plenty of people have the same great idea. But having a great idea and being able to turn it into a marketable product are two different skills. Launching a business or startup is a huge undertaking, which is why so many people never manage it. It’s important to realize that your new venture is going to change nearly every aspect of your life. And the chances of failing are high. Only one in ten startups become viable companies, and of those, half fail within five years. So, before you begin, reflect deeply on whether this is the right journey for you. The key message here is: Founding a company is demanding, so reflect on the personal cost before you begin. Regardless of whether you’re planning to bootstrap or fundraise, there are three crucial points to consider before you invest time, money, and energy in your business concept. The first is the market. To find out if there’s a market for your product or service, identify who your ideal customer is and track down a few people who fit that profile. Talk to these potential customers about the problems they’re experiencing that your product aims to solve. For instance, when Wilson founded her second company, Resilia, she was trying to streamline reporting processes for not-for-profit organizations. Find out if your product provides an innovative solution. This is what will differentiate it from your competitors. Second, think about what it’ll take to get your product on the market. Can you do the legwork yourself, or will you need to hire people with special skills, like technical experts? Work out the minimum amount of money you’ll need to make a viable product, including administrative costs like incorporating your company. Decide whether you’re willing or able to cover these costs yourself, or whether you’ll need to invest the time in finding other funding sources. The final thing you need to consider before founding your company is time. Time is a key resource you’ll need to build your business and get your product on the market. So, where will you find that time? Will your new venture initially be a side gig while you continue working at your current job? Are you prepared to use your leisure time to start and run your business? Being a founder is a tough and lonely journey, so understand what you’ll need to sacrifice in order to make your company a success.

If you need to outsource work, recruit wisely.

When Wilson started Solid Ground Innovations she didn’t initially need to hire anyone else, which was partly why she could bootstrap. But her experience with her second venture, Resilia, was completely different. Wilson wanted to build a tech platform for charities. But while she knew her customers’ needs inside out, she was no tech expert. Because of that, Wilson needed to hire a team of platform developers – and the most cost-effective way to do that was by engaging freelancers. Most founders hire freelancers to avoid the costs that come with having employees. But freelancers won’t necessarily have as much buy-in as employees, and they’ll be working off-site – often in another country. So, if you want to collaborate successfully, you have to hire the right people. The key message here is: If you need to outsource work, recruit wisely. If you're just starting out, you won't necessarily have a trusted network of freelancers. That doesn't mean you're doomed to work with underperformers though. There are several ways you can connect with quality freelancers to get the results you need. Start by using a platform that curates talent, like Toptal or Andela. Toptal only accepts 3 percent of the people who apply to be in its network. This means you're only ever looking at A-list freelancers. Their rates will reflect this, but you'll save time sifting through less suitable candidates. Referrals are another great way to connect with reliable performers. If you don't know other entrepreneurs, join one of the many Slack channels or Facebook groups where founders share resources, and ask them for recommendations. Be aware that sourcing freelancers this way means you're accessing the same talent pool as other companies. If there's lots of work being offered, attracting talent to your project can be difficult. This means you may need to pay a bit more, or offer a more flexible work schedule. A third avenue is to recruit via an agency. This is a good option when you're trying to make your first viable product. Keep in mind that the agency will build their fee into the freelancer's rate, so it's an expensive solution in the long term. Before choosing an agency, do your homework by reading reviews and talking with people who work there.

Securing investors is less about your product and more about you.

Wilson was a 19-year-old college student when she became an entrepreneur. She'd come up with the concept for an online newspaper called B-NOW, which stood for Black News Our Way. She ran the idea past her professor, Dr. Leonard Moore. Enthusiastic about what he'd heard, Moore wrote Wilson a check for $150 so she could file an LLC. At the time, Wilson didn't realize that Moore was essentially her first investor. While Wilson bootstrapped B-NOW and her first official company, Solid Ground Innovations, the experience of receiving financial support from her professor taught Wilson an important lesson: relationship building is an essential part of fundraising. The key message here is: Securing investors is less about your product and more about you. If you need a team to build a product, getting investors on board is typically the only option. Even if you have the capital you need to develop your product, you might not want to take the full financial risk. And unless you're the hottest new startup that everyone's talking about, raising funds is going to be a tumultuous ride. That doesn't mean it's impossible to get the money you need though. You just need to be strategic. Start by building relationships long before you need any money. This can be difficult if you're not located in a major startup hub, like Silicon Valley. But don't discount your local scene, no matter where you are. There are private investors – often known as angel investors – in most cities. As soon as Wilson had proof of concept for Resilia, she started seeking out investors in her home state of Louisiana. She managed to raise $400,000 through the relationships she'd built with them. Just like Dr. Moore was to Wilson, your ideal first investor is someone who deeply believes you're the right person to turn your great idea into a successful product or service. They'll have faith that you'll try your darndest to get your company off the ground. If you don't have any existing relationships with potential investors, create opportunities to meet people who might be interested in your vision. Build relationships with these people so they gain confidence in you. Focus on selling yourself – not selling your idea. Remember, lots of people have great ideas, so you have to convince potential angels that you're the right founder to back. In the next blink, we'll explore how to approach investors so you can get the outcome you want.

Use the power of story to win over investors.

When Wilson was sharing her idea for B-NOW with her college professor, she was telling a story. As a young, Black woman living in Louisiana, Wilson faced many challenges. By publishing B-NOW, she wanted to draw together local students from two different communities – those from Southern University, which was a historically Black college, and students from the predominately white Louisiana State University, which Wilson attended on a full Pell grant. Story has the power to capture the listener's interest and motivate them to take action. In Wilson's case, Dr. Moore wanted to help by giving her the money she needed to incorporate her business. By carefully preparing the story of your own entrepreneurial journey, you can harness the same power to get the seed funding you need. The key message here is: Use the power of story to win over investors. Before you approach potential angel investors, develop a compelling story that will inspire them to invest. Your story should reveal the problem you've identified – like a lack of diverse voices in news reporting – and it should also explain why you're the ideal person to provide a solution. Practice telling your story until you're word-perfect, but make sure you sound genuine too. When seeking funding for Resilia, Wilson found that being part of her narrative was powerful. Her solution addressed a problem that she had personally experienced. That meant she understood her future customers' needs. Having an existing relationship with the person you're approaching is also an asset. If they know you're passionate about the field your new company will be helping, they'll be confident that you have the knowledge and insight to create a viable solution. If they see you as a capable leader, they'll have faith that you can empower a team through the highs and lows every new company experiences. If these qualities come together in you, your investors will see your potential as a founder. Let the nature of your relationship with a potential investor guide your approach. You'll get a better response from a close relative by speaking to them in person, whereas a call and follow-up email are more appropriate for a former college classmate. If the person you're approaching has never been an investor before, be clear about the risk involved by telling them they may lose their money. This is especially important in managing the expectations of family members who invest.

Carefully evaluate the real cost of every pitching opportunity.

There's a lot of hype around competitions like TechCrunch Disrupt, where early-stage founders pitch their companies to investors. If you win, you not only get glory – you get the capital you need to build your product or make that essential hire. But these events come with a price tag. When Wilson attended her first pitch competition in upstate New York, she had to pay for her own travel from Louisiana, plus accommodation. Then, moments before her pitch, she was thrown off by some last-minute feedback an investor had given her and made a complete mess of her presentation. The whole experience was a disaster – one that wasn't worth the time and money it had cost. The key message here is: Carefully evaluate the real cost of every pitching opportunity. Of course, you can pitch brilliantly and still not win. This was Wilson's experience when she attended her second pitching event, this time in her home state. At this event, the winner was chosen by the audience – not a panel of judges. Despite her perfect performance, Wilson didn't win the vote. She found out later that the winner was a professor who'd told his students he'd give them extra credit if they attended the event and voted for him. When it comes to securing early-stage funding, accelerator programs are a good alternative to pitching competitions. These programs run for a set period of time – usually three months. During this time, founders are given around $100,000 worth of funding to fast-track the growth of their startup. As an added bonus, they are supported by advisors with a range of expertise, and they have the opportunity to grow their network. Accelerators do come at a cost, but it's not an up-front one. In exchange for participating, you'll have to give the organizers 5 to 8 percent equity. They'll tell you this figure isn't negotiable, but Wilson found that you can reduce this percentage if you do it quietly, behind closed doors. Participating in an accelerator can help you gain other investors too. Often, the organizers will host a demo day at the end of the program to showcase startups to angels. Even if you don't land funding on demo day, it'll force you to prepare all the resources you need for your pitch so you can approach other investors after the program.

"The holy grail for many businesses is predictable, repeatable, and scalable revenue."

Repeatable revenue is the secret to a company's success.

There's a certain glamour to the sales world – schmoozing with potential clients, cutting deals, popping champagne when you land that big account. But in truth, what makes your business a success in its early stages is far from glamorous – it's a process. When you first launch your product or service, what you need more than anything else is regular, predictable income. You need to know that Process A will lead to Sales Outcome B. Repeating this process generates steady cash flow. And that consistent cash flow means you can plan how to reinvest your revenue to grow your business. The key message here is: Repeatable revenue is the secret to a company's success. There are three aspects to repeatable revenue: generating leads, effectively targeting customers, and tracking conversion. Allocate members of your sales team to either generate those all-important new business leads, or present your product to potential clients and close the deal. Once you've refined your sales process, document it and distribute it to your team members so that everyone follows it. Next, create a detailed profile of your ideal customer, and make a list of people who fit that description. If your prospective customer works within a company, like an HR Manager, contact reception and ask for their name and email address. You can then email the contact, saying that their colleague "so-and-so" referred them to you, which creates a more personal connection. Once you've connected, set up a live call. Ask your new contact about their goals, and guide them in seeing how your product meets their needs. This establishes belief in your vision, which makes closing the deal much easier. Contact marketing, which combines research with personalization, is another tactic you can use to reach busy executives with lots of gatekeepers – like CEOs. Identify your target and read the articles they've published on their LinkedIn profile, looking for personal information like hobbies. Next, find a creative way to reach out to them by using that information – like sending them a signed copy of a book written by their favorite author. This will build rapport that might lead to sales later on. Regardless of your approach, make sure you keep a detailed log of every interaction you have with a potential customer. This will allow you to track your conversion rate and evaluate how successful your sales strategies are.

Keep a level head when it comes to subsequent fundraising.

Once you’re successfully running your business and customers love your product, you’re ready for a Series A round of funding. Series A round refers to a company’s initial round of venture capital financing; it gets its name from the type of stock sold to investors in exchange for their funding. The size of Series A round funding varies depending on the company and its needs. While you may think the more money you raise the better, that’s not always true. What’s more important to focus on is how much money you’ll need to reach your next major company milestone. The key message here is: Keep a level head when it comes to subsequent fundraising. When the time came for Wilson to source Series A round funding for Resilia, she set her target at $8 million. Her earlier round of seed funding meant she had existing investors who could vouch for her abilities as a founder; this made her more attractive to new investors. Wilson’s previous fundraising campaign had also given her insight into what she needed to do to successfully raise $8 million. She had a clear vision of the resources she needed to take Resilia to the next level, and she also knew how to thoroughly prepare her pitch. This included making sure she could confidently answer every question an investor might ask. Prepare for your Series A round funding by first identifying your company’s key characteristics: its viable business model, scalability, adaptability, and market traction. Make sure you can prove that while you’re generating income, you need an injection of funding to reach the next level. Next, evaluate whether it’s the right time to start your campaign. Wilson once made the mistake of kicking off her campaign in October – right before people went on holiday. This made it difficult to track people down, which wasted valuable time. It’s also helpful to work with a legal counsel to make sure your deal terms will benefit you. You probably won’t be asking people who know you for investments this time, so negotiations may be less friendly than your seed-funding round. You don’t want to be taken advantage of. Finally, approach investing the same way you would a marriage. Don’t just accept an offer because it’s on the table. You’ll be in long relationships with your investors, so reflect on whether each proposal is a good match.

Final summary

The key message in these blinks is that: There’s a lot you need to consider when building a business from the ground up. First, you’ll need to decide whether to seek out investors or bootstrap with the resources you already have. Next, you’ll need to source talent, which might involve hiring freelancers. Once your product or service is ready for the market, you need to shift your focus to sales – sourcing potential customers and building relationships with them to secure ongoing business. It’s a tough journey, but by making your business decisions carefully, you can set yourself up for success. And here’s some more actionable advice: Hire a technical consultant to manage your freelancer team. Outsourcing tech work to teams in Eastern Europe or Asia can save significant amounts of money. But if you don’t have the technical wherewithal, you’re at risk of being taken advantage of by the offshore freelancers building your product. To overcome this, hire a developer and have your freelance team report to them. That way, the team will be reporting back to someone with the right technical knowledge. Also, make sure your developer has experience in managing offshore teams, as opposed to looking after an onsite group. Got feedback? We’d love to hear what you think about our content! Just drop an email to with Resilient as the subject line and share your thoughts!