

## CHALLENGES IN BUSINESS ESTABLISHMENT & IT'S ESCAPE STRATEGIES

Everyone has ideas.

Some of these ideas may be decent, while others are probably not so good.

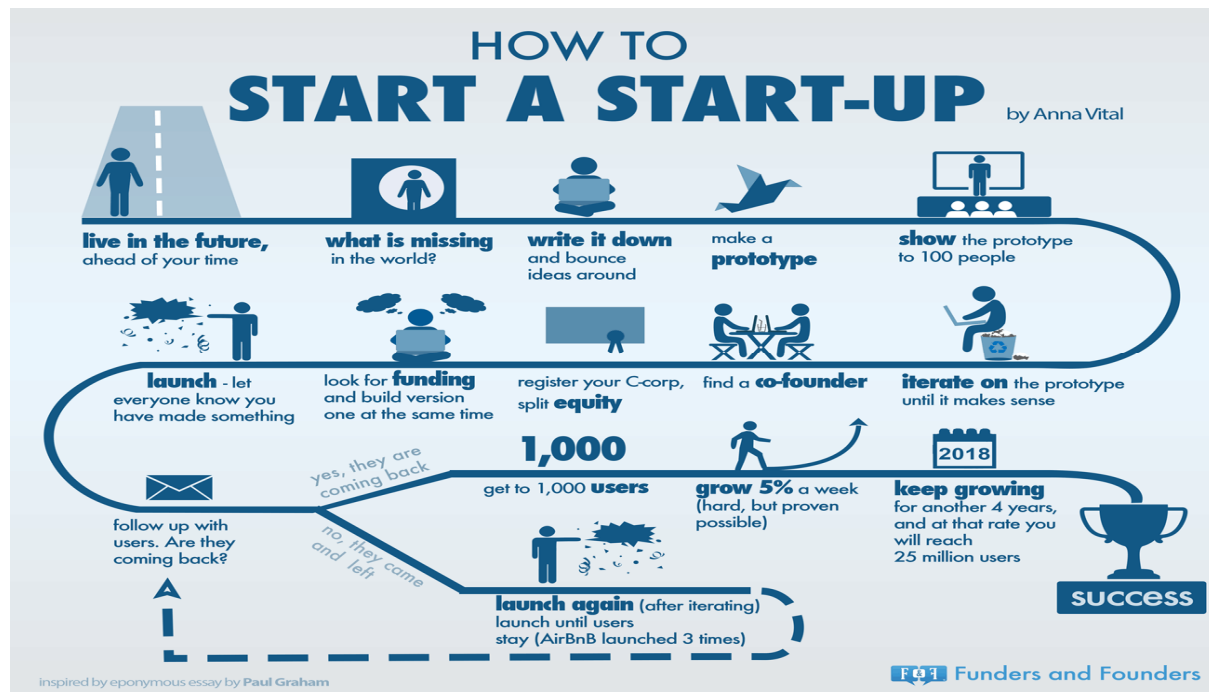
Even if your idea is great, there's a big difference between having a great idea and creating a *successful startup company*.

Do you have what it takes [to be an entrepreneur](#)?

If your answer is yes, then you need to know how to take an idea and turn it into a startup company.

For those of you who have never started a business before, it can sound like an intimidating task. Don't get me wrong – I'm not saying that getting your startup company up and running is an easy mission by any stretch.

It will take hard work, dedication, money, some sleepless nights, and even some [failure](#) before you succeed.



While one will realistically take hundreds of steps to launch your company, here we have narrowed down the top 7 steps that one needs to take to get one's startup off the ground.

## **1. Make a business plan**

A proper business plan gives you a significant advantage.

So how do you make a business plan?

In simple terms, a business plan is the written description of your company's future.

You outline what you want to do and how you're planning to do it.

Typically, these plans outline the first 3 to 5 years of your business strategy.

The business plan needs to be the first thing on your list because you'll use it to help you with some of the remaining steps.

## **2. Secure appropriate funding**

You'll need adequate capital to get yourself off the ground.

There's no magic number that applies to all businesses.

The startup costs will obviously vary from industry to industry, so your company may require more or less funding depending on the situation.

For a small, part-time startup with no equipment, employee salaries, or overhead to worry about, it may only cost you less than \$10,000.

Other ventures may cost millions.

All business plans contain a financial plan. This plan usually includes:

- Balance sheet
- Sales forecast
- Profit and loss statement
- Cash-flow statement

82% of businesses fail due to cash-flow problems.

In order to secure the appropriate funding, you need to find out how much money you need to raise. To find this number, you need to research and predict realistic financials in your business plan.

22% of business loans go to small businesses. The vast majority of business loans are for large companies that are already established.

There's a reason why this number is so low.

Banks are less likely to give large amounts of money to new companies with no income or assets to default on.

That's why bank funding was second to last on the funding sources graphic that we referenced and discussed earlier.

So if you can't get money from a bank, or if you can only find a bank that's offering you an outrageous interest rate, what other options do you have?

Find investors.

Investors can be:

- Friends
- Family
- Angel investors
- Venture capitalists

Proceed carefully because you don't want to start giving away significant equity in your company before you even get started.

The type of business you're starting also influences the likelihood that angel investors and [venture capitalists](#) will be willing to give you funding.

If you find a potential investor, you need to know how to pitch your idea quickly and effectively. You need to have your financial numbers memorized forwards and backward. Refer to your business plan.

Make sure it's presentable so you can give them a copy, but you also need to know how to successfully verbalize your startup strategy.

For pitching, it's necessary to answer all the W's that an investor could conquer while going through your business plan.



Once you secure the appropriate funding, you can proceed to the next step of launching your startup company.

### 3. Find a location and build a website

Your startup company needs a physical address and a web address.

Whether it's offices, retail space, or a manufacturing location, you need to buy or lease a property to operate your business.

It may not be realistic for all entrepreneurs to tie up the majority of their capital in real estate. You should strategize for this in your business plan.

Try to secure enough funding so that you can afford to buy property. It's worth the investment and will save you money in the long run. You also need to create a website.

Don't wait until the day your business officially launches to get your website off the ground.

It's never too early to start promoting your business.

If customers are searching online for a service in your industry, you want them to know that you exist, even if you're not quite open for business yet. You can even start *generating some income* through your website.

Once your website is up and running, you need to expand your digital presence.

Utilize social media platforms like:

- Facebook
- Twitter
- Instagram
- Snapchat

Your prospective customers are using these platforms, so you need to be on them, as well.

### 4. Become a marketing expert

If you're not a marketing expert, you need to become one.

You might have the best product or service in the world, but if nobody knows about it, then your startup can't succeed.

Learn how to use [digital marketing](#) techniques like:

- Content marketing
- Affiliate marketing
- Email marketing
- Search engine optimization (SEO)
- Social media marketing (SMM)
- Search engine marketing (SEM)

- Pay-per-click advertising (PPC)

If you're starting a small business in a local community, you can take advantage of some older and conventional methods such as:

- Print advertising
- Radio advertisements
- Television
- Billboards

While these methods can be productive, [outbound marketing](#) efforts are not as effective as they used to be. Your marketing efforts will be one of the most important, if not *the most important*, components of launching your startup business.

Allocate a marketing budget. Have a plan and try to maximize your [return on investment](#) for each campaign.

**THE BOTTOM LINE IS THIS: MARKETING NEEDS TO BE A TOP PRIORITY FOR YOUR STARTUP COMPANY.**

## 5. Surround yourself with the right people

You're going to need some help while launching your startup company. Certain people often get overlooked when entrepreneurs are getting their business started.

Sure, you may realize that you'll need some staff and a manager to help run your company. Is that it? How many people do you need? It depends on the industry.

Based on this information, the vast majority of startup companies are small teams.

You also need to consult with a:

- Lawyer
- Accountant
- Financial advisor

Unless you're an expert in law, finances, and accounting, these three people can help save your business some money in the long run.

They can explain the legal requirements and tax obligations based on how you structure your business.

- Sole proprietorship
- Partnership
- Corporation
- Limited liability company

While your lawyer, accountant, and financial advisors are not necessarily employees on your payroll, they are still important people to surround yourself with.

## 6. Build a customer base

Starting a website, growing your digital presence, and becoming an effective marketer are all steps in the right direction. But now it's time to put these efforts to the test.

Open your doors (or website) for business. Getting a customer to make a purchase is the first step.

But this isn't nearly enough. You need to *keep your customers coming back*.

This statement holds true for physical store locations as well as [e-commerce](#) businesses.

The customer needs to be your main priority. They are the lifelines of your business, and they need to be treated accordingly.

Once you establish a steady customer base, you can use it to your advantage.

Overall, establishing, building, and maintaining a customer base will help you get your startup company off the ground.

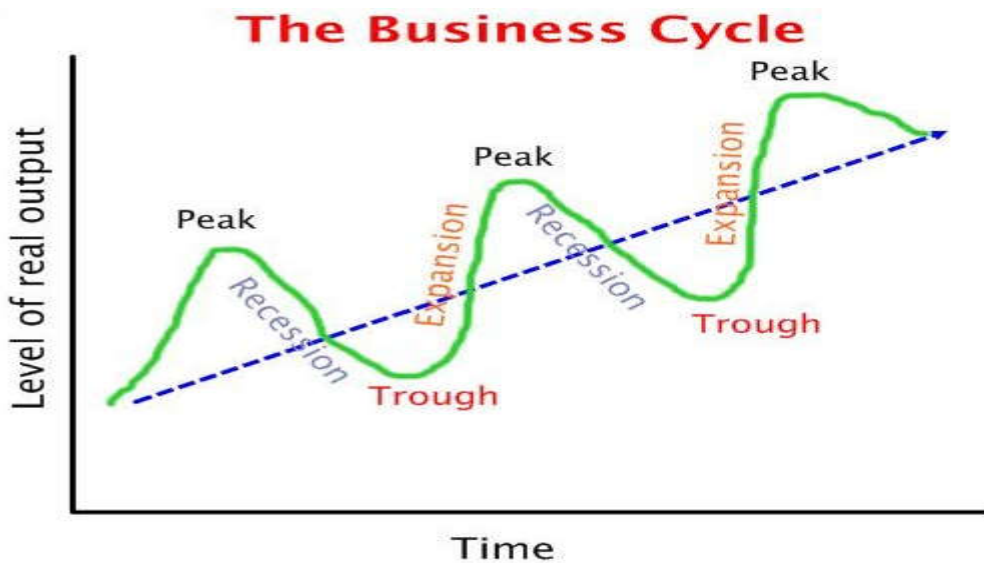
## 7. Prepare for anything

Expect the unexpected.

Launching your startup company won't be easy, and you need to plan for some hurdles along the way. Don't let these speed bumps become roadblocks. You can't get discouraged when something goes wrong. Preserve and push through it.

The difficulties that you'll face while launching your startup company will help prepare you for the tough road ahead.

Even after your business is up and running, it won't necessarily be smooth sailing for the entire lifecycle of your company.



You will face peaks and valleys while your company operates. Mistakes and setbacks happen.

Some of these things will be out of your control, like a natural disaster or a crisis with the nation's economy. Employees will come and go.

You'll face tough decisions and crossroads. Sometimes, you'll even make the wrong decision.

That's OK.

Part of being an entrepreneur is learning from your mistakes.

It's important to recognize when you've done something wrong, move forward, and try your best to make sure it doesn't happen again.

Pay your bills.

Pay your taxes.

Operate within the confines of the law.

As long as you're doing these things, you'll be able to fight through any obstacle your startup company faces in the future.

**LAUNCHING YOUR STARTUP BUSINESS WON'T BE PERFECT, AND YOU NEED TO PREPARE FOR UNFORESEEN CIRCUMSTANCES.**

**PROPER PLANNING AND EXECUTION WILL HELP LIMIT THESE HURDLES.**