

Early startup timeline, arranged by priority

What are you supposed to do when you are ready to start? Much of that is covered in the books that we are reading, but here is your teacher's sense of what must be done first.

1. Develop and write up the plan of business in a power-point document or one-to-ten page document that can be shown to all interested parties. This will become the basis for the abbreviated business plan. It should satisfy all of the necessary facets of business, introduced elsewhere.
2. Design a simple capitalization plan or "use of proceeds" (intended use for money raised) that can be shown to founder investors. [Note: You don't see this advice very often, but your teacher believes that it is important.
3. Begin to talk to potential founding investors with the target of raising \$50,000 to \$100,000 (or more) for seed capital. Learn as much as you can as early as you can about the full range of fundraising options, from "friends and family" to angel investors to full VC firms and figure out what type of funding you need. Do not put this off.
4. Begin to assemble your Board of Directors, advisers, etc.
5. Assemble the initial startup team and have a serious, facilitated discussion about expectations and the level of commitment. [This category deserves full page on its own ... this is such an important step].
6. Try to listen to a professional advisor coach the team on
 - a. Risk
 - b. The primary problems encountered in the first year
 - c. Funding requirements and difficulties
 - d. Dilution
 - e. The possible need to rotate management if management does not live up to its task.
7. Assemble seed cash under an informal written agreement.
8. Find a law firm and incorporate and have law firm draw up primary business documents (cost about \$10K-\$25K), including employment contracts and, if applicable, stock option contracts.
9. Rent a place, get a bank account (will require corporation papers), required licenses, utilities, etc. then get to work. [More will be said about this particular step later ... a lot must be done here].