



• ESSENTIAL FOUNDATION GUIDE

# 10 Non-Negotiables Every Business Owner Must Have

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The Foundation That Separates Survivors from Failures  
Get the boring stuff right from day one



10

MUST-HAVES

30

DAY SPRINT

100%

ESSENTIAL

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Your 30-Day Foundation Sprint

# Introduction

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## The Brutal Truth Most Entrepreneurs Discover Too Late

Starting a business in India is exciting. The rush of that first client, the thrill of seeing your idea come to life, the freedom of being your own boss—it's intoxicating.

**But here's the brutal truth most entrepreneurs discover too late: excitement doesn't pay bills, and passion doesn't protect you from legal nightmares.**

After working with hundreds of startups and MSMEs across India, a clear pattern emerges. The businesses that scale aren't necessarily the ones with the best ideas. They're the ones that get the boring stuff right from day one.

# 60%

of startup failures stem from founder disputes—not market conditions, not lack of funding, but internal conflict

Let's talk about the 10 non-negotiables that separate sustainable businesses from expensive hobbies.

# 1

## Founder Agreement (Even If You're Flying Solo)

*Today's solo founder is tomorrow's partnership disaster*

### THE MYTH

"I'm the only founder. Why would I need an agreement with myself?"

### THE REALITY

Six months in, your college friend joins as a "co-founder" with a handshake deal. 18 months later, there's a dispute about equity, roles, and decision-making. Without a written agreement, you're stuck in a legal quagmire.

#### ☒ What Your Founder Agreement Must Include

- ☐ Equity distribution and vesting schedules
- ☐ Roles and responsibilities of each founder
- ☐ Decision-making processes (unanimous vs. majority)
- ☐ Exit mechanisms (what happens if someone wants out)
- ☐ IP ownership and assignment
- ☐ Commitment expectations (full-time vs. part-time)
- ☐ Conflict resolution processes

#### → ACTION STEP

- Get a basic founder agreement drafted
- Many startup-friendly lawyers offer templates for ₹10,000-25,000
- It's the cheapest insurance policy you'll ever buy

## 2

## Separate Business Bank Account

*The line you cannot cross*

### ⚠ THE NIGHTMARE SCENARIO

You're running a growing services business. Revenue flows through your personal savings account. You use it to pay vendors, receive client payments, pay household bills, withdraw cash for groceries. Then comes the GST audit or income tax scrutiny.

The solution is ridiculously simple: Open a current account in your business name the moment you register your entity. Every business transaction—income or expense—flows through this account. Your personal finances stay completely separate.

### 💡 PRO TIP FOR INDIAN BUSINESSES

Most banks offer startup-friendly current accounts with lower minimum balances. HDFC, ICICI, and Axis all have programs specifically for MSMEs and startups. Shop around, but don't delay this step.

### → ACTION STEP

- Open a current account in your business name this week
- Transfer all business transactions to this account immediately
- Never mix personal and business expenses again

## 3

## Basic Accounting System

*Excel is not your friend*

There's a special place in entrepreneurial hell reserved for business owners who track finances in Excel spreadsheets.

### ✓ What Proper Accounting Software Gives You

- ☐ Automatic bank reconciliation
- ☐ Real-time cash flow visibility
- ☐ Accurate profit and loss statements
- ☐ Easy GST return filing
- ☐ Vendor and customer payment tracking

### ⚙️ Top Contenders for Indian Businesses

- **Zoho Books:** Excellent for small to medium businesses, affordable (starts at ₹249/month), GST-compliant
- **Tally:** The gold standard in India, especially for businesses with inventory
- **QuickBooks:** Great international option with solid India-specific features

### → ACTION STEP

- Choose one accounting system this week
- Spend 2-3 hours setting it up properly
- Link your bank account and start logging every transaction

4

Legal Entity Registration

Stop operating in the shadows

Operating a business without proper legal registration is like driving without a license. You might get away with it for a while, but when things go wrong, they go catastrophically wrong.

Entity Type	Best For	Key Benefits
MSME/Proprietorship	Solo consultants, freelancers	Simple setup, low cost
Private Limited	Startups seeking funding	Limited liability, professional credibility
LLP	Professional services	Limited liability, lower compliance

→ ACTION STEP

- Honestly assess where you want to be in 3 years
- Choose the entity that supports that vision
- Not your current comfort level—your future growth

# 5

## GST Registration

*The compliance you can't ignore*

### ⚠ THE B2B REALITY

If you're targeting business clients, especially mid-size to large companies, they won't work with non-GST vendors regardless of your turnover. Their accounts departments need GST input credit. No GST number = no business. Simple as that.

GST in India isn't optional once you cross certain thresholds. Yet countless small businesses operate in a gray zone, hoping they'll stay under the radar.

### → ACTION STEP

- If you're within 70% of the threshold or targeting business clients, start GST registration now
- Budget ₹15,000-25,000 for a good CA to handle compliance
- It's worth every rupee



## 6

## Contracts and Service Agreements

*Your first line of defense*

"We had a verbal understanding." These five words have destroyed more business relationships and bank accounts than any other phrase in the entrepreneurial dictionary.

### ☒ What Every Contract Must Include

- ☐ **Scope of Work:** Crystal clear description of deliverables
- ☐ **Payment Terms:** How much, when, and how
- ☐ **Timelines:** When work starts and finishes
- ☐ **Revision/Change Policy:** How many revisions included
- ☐ **Termination Clauses:** How either party can end the agreement
- ☐ **Intellectual Property:** Who owns the work product

### → ACTION STEP

- Create contract templates for your most common services
- Have a lawyer review them once (₹5,000-15,000 investment)
- Customize and use for every client. No exceptions.

## 7

## Professional Liability Insurance

*The safety net you hope to never use*

Most Indian entrepreneurs don't think about insurance until it's too late. The mindset is understandable: "Insurance is an expense I can't afford right now."

**Here's the reframe: Insurance is cheaper than bankruptcy.**

Professional indemnity insurance in India typically ranges from ₹15,000 to ₹50,000 annually for small businesses. Compare this to the risk: One lawsuit can easily run into lakhs or crores in legal fees and damages.

### → ACTION STEP

- Talk to a commercial insurance broker
- Get quotes for appropriate coverage
- Budget it as a non-negotiable operating expense

## 8

## Trademark Your Brand Name

*Protecting your most valuable asset*

You're spending months building brand recognition. Then you get a legal notice: Someone else has registered your brand name as a trademark. They're demanding you stop using it or pay licensing fees.

### ⚠ THE TRADEMARK REALITY

Using a name doesn't give you ownership. Registration does. Someone can be using a name for years, building a business around it, and lose everything because someone else registered it first.

### → ACTION STEP

- Do a preliminary trademark search this week
- If your name is available, start the application process immediately
- "Later" often means "never" or "too late"

## 9

## Emergency Cash Reserve

*Your business survival fund*

Cash flow kills more businesses than bad products ever will.

The emergency reserve principle: You need 3-6 months of operating costs in liquid, accessible savings. Not invested in inventory. Not in equipment. Not in "it'll come back to us" client credit. Cold, hard cash that you can access in 24 hours.

### ☒ How to Calculate Your Reserve Target

- ☐ List all fixed monthly costs (Salaries, Rent, Software, Insurance)
- ☐ Add loan EMIs, utilities, and essential subscriptions
- ☐ Multiply by 3 for minimum reserve
- ☐ Multiply by 6 for comfortable reserve

### → ACTION STEP

- Calculate your 3-month reserve target this week
- Open a separate savings account specifically for reserves
- Set up automatic monthly transfers

# 10

## Clear Pricing and Payment Terms

*Stop leaving money on the table*

### THE COMMON MISTAKE

"So, how much would it cost?" ... "Well, it depends... maybe around..." This wishy-washy approach costs you dearly.

### THE PRICING CLARITY FRAMEWORK

Know your numbers. Have a price list. State prices confidently. "The investment is ₹2.5 lakhs" beats "Maybe ₹2 lakhs?..."

### → ACTION STEP

- Create a simple pricing document this week
- List your core services/products and their prices
- Define your standard payment terms
- Practice saying these numbers out loud without apology

# Your 30-Day Foundation Sprint



## 30 Days to a Bulletproof Foundation

1

### Legal Structure

Entity registration, founder agreement (if applicable), trademark search

2

### Financial Systems

Separate bank account, accounting software setup, emergency reserve calculation

3

### Compliance & Protection

GST registration, insurance quotes, contract templates

4

### Commercial Clarity

Pricing structure, payment terms, reserve account setup

Most businesses fail not because of their idea, but because of their infrastructure. Don't let poor foundations be the reason your good idea doesn't make it.

## Ready to Build on Solid Ground?

If you need help implementing these non-negotiables or want a partner to guide your business foundation, let's connect.

**Hemant Saini | Founder, Apparotech**

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