



# Sixteen Weeks to Your *Dream Business*



*A Weekly Planner for  
Entrepreneurial Women*

Creative networking techniques

Weekly tips for mompreneurs

Time management advice

**Nada Jones ■ Michelle Briody**

Sixteen  
Weeks  
to Your  
*Dream  
Business*

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# Sixteen Weeks to Your *Dream Business*

*A Weekly Planner for  
Entrepreneurial Women*

**Nada Jones**  
**Michelle Briody**



New York Chicago San Francisco Lisbon London Madrid  
Mexico City Milan New Delhi San Juan Seoul  
Singapore Sydney Toronto

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# Professional



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### *From Michelle:*

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# Introduction

Women are becoming entrepreneurs at a record pace. Whether we are motivated to create our own wealth, have the flexibility to work and raise a family, or want more from life than simply churning out a paycheck—women everywhere are making the move. We are exchanging our corporate 401(k)s and benefits for the liberation and creative fulfillment of entrepreneurship. So why aren't you?

We know that launching a new business venture can be daunting. Planning and executing your big idea is both time-consuming and organizationally overwhelming. We tend to get buried under life's to-do list and are often too distracted to go after the things we really want. Even our lifelong goals and million-dollar dreams get shelved when life gets hectic.

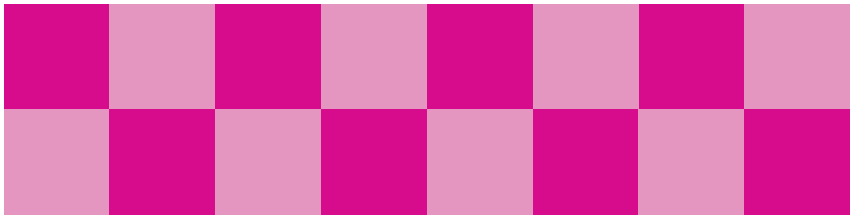
Fear not fellow dreamers, we are about to make those concerns history. This helpful 16-week planner is laid out to ensure that everything you need to build your dream business is at your fingertips. We will walk you step-by-step through the planning process keeping it simple, manageable, and achievable.

Written specifically for women, we have taken a more feminine approach to business planning and encourage you to capitalize on your creative and nurturing strengths, rather than put them aside. Beginning with Week One, and continuing through Week Eleven, you will be asked to complete exercises, name your business, project future sales, conduct research on your industry and your customer, work through budgets, cross out to-do lists, and summarize your findings. In Week Twelve you will have the opportunity to compile your efforts into one comprehensive business plan or blueprint to your future. Week

Thirteen will help you to keep track of all that hard-earned cash coming in. And for those of you thinking about raising capital, Week Fourteen provides additional information and tools specifically for courting investors. And finally, Weeks Fifteen and Sixteen will walk you through everything from managing your money, your time, and your employees, to finding ways to give back.

Each week you are armed with the tools you'll need to move at your own pace and ultimately launch your dream business. Additionally, we've included calendar pages, important resources, reminders, insider information, and tips just for you moms taking the leap. (Keep in mind, not all of the exercises will have enough space for your thoughts and ideas, so feel free to use an extra sheet of paper. The pocket folder included in the back of the book will hold any extra notes or other information you may find important.)

Few things in life are more thrilling than starting your own business venture, and we are delighted to be a part of your journey. To inspire and motivate you along the way, we also have included some success stories and advice from fabulous females who have walked this road before you. Whether you are starting up or expanding your business, *Sixteen Weeks* has something for every woman on a mission to make her business dreams a reality.



# Week 1

## You and Your Big Idea! *Getting Your Dreams in Writing*

“Today is your day!  
Your mountain is waiting.  
So . . . get on your way!”  
—DR. SEUSS

This is it. You’ve been bitten by the entrepreneurial bug, and once that happens, there’s no turning back. So get excited, take a deep breath, and follow us. Since this is your first week we’ll ease into things and lay some of the ground work necessary to move you one step closer to making your dream (business) a reality.

Week One is all about getting your dream on paper. You will take some time to envision what it is you want your company to do or be, you’ll contemplate your ideal work environment, everything from the people you work with to where you will conduct your business. We will also challenge you to take a good long look at yourself. What are your strengths and weaknesses? And finally you will finish up by examining your idea more carefully; you’ll turn it inside out and upside down,

and come out with an even better, “bulletproof” concept ready for the world. This is your life, and it’s time to begin the journey of fulfilling your goals. Are you ready to make your dreams come true?

### WHAT’S THE BIG IDEA

Let’s begin with the basics. Start by answering what we like to call the famous five. *Who* are you? *What* does your company do or offer, and *what* unique resources do you bring to the table? *Where* do you plan to conduct your business? *When* do you propose to launch your endeavor? *Why* are you the right gal for the job? Whether you’re a salon offering a childcare service or launching a life-coaching business, explain your venture. If you have not thought through all of these questions, just start with what you’ve got. You will have an opportunity to fill in any blanks later in the week.

Let’s take a moment to compose your famous five and fill in the blanks below:

#### EXERCISE 1: THE BIG IDEA

1. *Who are you?* Example: An online stationery store specializing in wedding announcements and invitations.

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2. *What does your company do or offer?* Example: We create contemporary custom announcements and invitations using only recycled papers and environmentally safe inks combined with the old-fashioned art of letter pressing.

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3. *Where do you plan to conduct your business?* Example: We are an online business selling exclusively through our Web site.

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4. *When do you propose to launch your endeavor?* Example: Our business will launch in the spring of 2009, ushering in the most popular wedding months.

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5. *Why are you the right gal for the job?* Example: My 10-year background in graphic design and my continued study of contemporary design have equipped me with the creative know-how to launch this business. Having spent many years working in an advertising agency and building relationships with multiple clients, I have developed the customer service skills necessary to work with brides and grooms as well as manage the high traffic associated with simultaneous customers and projects.

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Are you starting to see your business dreams take shape?

### YOUR IDEAL DAY

Let's take a moment to envision your ideal work day. In a perfect world, what does this day look like? Are you working in a remote or home office? Maybe you're on the road or in a shop. Are you surrounded by product? Or are you offering a service? Who will buy the product or service you plan to provide? How often will you work? Will this include weekends and/or holidays? How will it affect your social life or your family life? Once you open your doors for business, how will you prioritize these different aspects of your life? Take the time to think about your brainchild and how it will impact your life now, before you start.



#### Just for Moms

*If you are a mom or you are planning to be one in the near future, you will need to consider some additional things regarding your family. How much time can you afford to devote to your business, and what's left for the family? Are your kids in school? Or will they need day care or a babysitter while you work?*

*Warning:* Once you go down this path, you will begin to eat, sleep, and breathe your idea. After you imagine what your life could look like, you won't be able to put it out of your mind. Be sure to ask yourself: Is it all you thought it would be and more? If your answer is not a resounding, "Yes," then it's time to go back to the drawing board and work on the vision some more. Keep in mind that right now you are planning the perfect scenario; there will be time for reality checking later. This exercise is about the dream—your dream.

Schedule ample time for the following exercise. Go somewhere comfortable and quiet. Make sure that you are relaxed and without distraction. Have fun and allow yourself to think big.

## EXERCISE 2: YOUR IDEAL BUSINESS

- What does your ideal place of business look and feel like? (Write down all the details.)

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- What does your average day look like? (Are you earning frequent-flyer miles or staying close to home?)

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- What kind of hours will you work?

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- Where do you want to work? (From home or a remote office? Maybe you would like to travel from location to location to see clients?)

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- Who do you want to work with? (Are they hip and young, well-educated, dynamic self-starters, etc.?)

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- Who are your customers or clients?

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- What will this dream provide once it's in motion? What do you hope to accomplish? (Are you in it for the money or a flexible working schedule, pursuing the financial gains of a hobby or fulfilling a deep passion, etc.?)

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### YOU CAN DO IT!

How are you doing? Are you feeling good about your vision? Let's switch gears a bit and look inward. As an entrepreneur, it is important to really know yourself and examine your strengths and weaknesses. In the near future you will be calling on those strengths of yours to help launch your business. Below are some insightful questions that will help you with this process, so schedule some more alone time for this exercise. Sit down, clear your head, and get comfortable. Try eliminating distractions by going to a coffee shop or library. As you go through the next exercise, be honest with yourself. It will serve you well in the long run.

When we began writing our “nedandshell” plan, it quickly became clear that we had no tangible resources to rely on, literally none, zilch, zero. We were forced to focus on our personal strengths, and we were thrilled to discover that our professional backgrounds and our individual strengths and weaknesses seemed to complement each other. It also became obvious that there were some areas of expertise that were lacking in our partnership. Whether it was learning to cut and paste html codes for our weekly newsletter (we were the people computer geeks made fun of) or creating financial statements that our accountant could translate, knowing and dealing with our weaknesses left us sober, but never defeated. The process of writing and discovering your strengths and weaknesses is as much about finding and filling in the gaps as it is about flaunting your assets.

## DREAM BUSINESS STATS

**NAME:** Selima Salaun

**DREAM BUSINESS:** Selima Optique

**WEB SITE:** [www.selimaoptique.com](http://www.selimaoptique.com)

**QUOTE:** “Always follow your instincts and stay true to yourself.”



*Selima was born in Tunisia and moved to Paris, France, to study Optometry. As a young woman, she worked as a professional optician and optometrist. She was quickly recognized for her exceptional business and design talents and was offered a position with Alain Mikli, running his flagship store in New York. In three short years, she saved \$35,000 and opened her own store in September of 1993 in the trendy downtown area of SoHo in New York City. She didn't have much of a plan in the beginning. With a few numbers jotted down on a piece of paper, she jumped right in. It was a big risk, there were no other eyewear shops in SoHo at the time and the neighborhood was still in transition. But Selima knew it was the right move. And now, 15 years later, she has eight stores between New York and Paris as well as a thriving wholesale business. She has also recently expanded her business to designing accessories.*

*She has experienced success and has known failure in her life, but she still enjoys being her own boss and having her own stores. She credits some of her success to following a role model. She always says, “I want to be the Hermes of eyewear—timeless, classic pieces, excellent quality, and great customer service.” And always keeping that in mind, she has been able to maintain her focus and achieve her goals.*

### EXERCISE 3: YOUR STRENGTHS AND WEAKNESSES

Ask yourself the following questions:

- Am I comfortable making tough decisions? And taking risks? Describe a situation where you demonstrated both.

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- What am I passionate about? Does this business help me fulfill my passion?

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- What tangible resources do you currently have? Consider financial resources, equipment, credit, existing customers or relationships, existing channels of distribution, patents, etc.

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- Am I committed enough to stay the course? For how long?

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- What are my character strengths? (What do you personally do well, and what will you bring to the table?)

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- What are my gifts and talents?

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- What are my weaknesses?

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- What do I enjoy doing?

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- What do I truly dislike doing?

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While your passion, confidence, and sheer determination will take you far on this journey, knowing your limitations or weaknesses will take you even farther. And once you've faced your shortcomings, embrace them. There is no need to feel discouraged. These are the unique gifts and talents and, yes, weaknesses that make you who you are. These are the very creative forces that will help you launch a business that only *you* can offer the world. Armed with this knowledge, you will be able to identify when a specific task requires your skill set or when it's time to call in an expert.

Be realistic. Ignoring the fact that you are less than stellar with numbers will come back to bite you in your designer-clad bum, so identify your weaknesses and plan to fill in the blanks with people and services that supplement your business's needs. Remember that the proverbial "no man is an island" applies even to us courageous creatures capable of accomplishing most anything on our own—alas, not everything. Trust us. Sometimes someone else can do it better than you can.

Now that these dreams of yours are out of your head and in print, you will be able to focus on them, and ultimately achieve them.

## BULLETPROOF THE IDEA

Okay, it's time for that dose of reality we were talking about earlier. You'll need to strip your idea down, take it apart, put it back together, and smooth it out. You'll need to listen to criticism with the confidence that your idea is good but not yet refined. Talk to everyone you know about your fabulous idea. Get their thoughts and opinions. Have them help you fill in the blanks. Ask them to poke holes and offer suggestions. Give them permission to be honest. And don't take anything personally—remember, this is business.



### Inside Scoop

*You need all the constructive criticism you can get in the early stages in order to perfect your idea and make it bulletproof. But go ahead and disregard any naysayers. You know yourself best, and if you believe that you can make this happen, then you can, and we believe you will.*

## EXERCISE 4: BULLETPROOFING YOUR IDEA

Use the space provided below to write down the beneficial or positive feedback and the constructive criticisms you receive. Then step back, rethink your idea, and make it better. Address and solve the problems before you come back and write down your new and improved, bulletproof idea.

- Positive feedback:

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- **Constructive criticism:**

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- **As a result of this week you should have a better understanding of your dream business. Expanding on the idea you wrote at the beginning of the week, let's see the new and improved bulletproof version:**

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## WRAP-UP

Congrats, you have completed your first week of starting your dream business! You are now armed with your strengths, knowledge of your weaknesses, and one bulletproofed, big idea. Now you can get this ball rolling.



# Week 1 Schedule

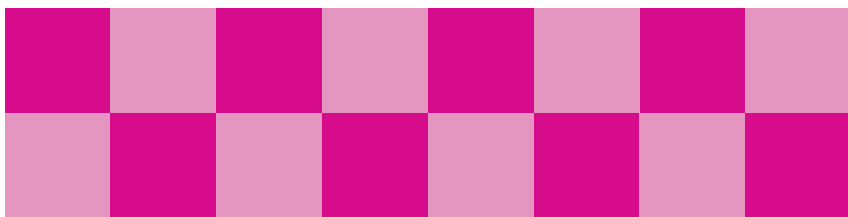
Monday	Tuesday	Wednesday
AM		
	<i>Dream Big!</i>	
PM		
<b>Monday To Do:</b>	<b>Tuesday To Do:</b>	<b>Wednesday To Do:</b>
		<i>Have you received some constructive criticism about your idea yet?</i>

## To Do

- Envision your idea
- Plan out your ideal work environment
- Examine your strengths and weaknesses
- Bulletproof your idea



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## Week 2

# Welcome to Your World *Get to Know Your Industry, and Your Competition*

“Since we cannot know all that  
there is to be known about anything,  
we ought to know a little about everything.”

—BLAISE PASCAL

Enough about you, it's time to focus on your industry. A word of advice before you begin attacking this week: Take the time to do your homework. The research and information you gather, and the conclusions you come to will be your blueprint in the months and even years to follow. The purpose of this week is to take a closer look at the new world you are about to become a part of. You will begin your due diligence by researching your industry and your competition.

The industry overview will give you a clear picture of what's currently happening within your industry as well as its history. You will also uncover the various trends and opportunities that exist in your field and determine how to take advantage of them. And last, but by

## DREAM BUSINESS STATS

**NAME:** Amy Swift

**DREAM BUSINESS:** Ladies Who Launch

**WEB SITE:** [www.ladieswholaunch.com](http://www.ladieswholaunch.com)

**QUOTE:** “. . . the key to being relevant in the marketplace is to have a point of difference and a story that people can get behind.”



As a communications expert, Amy lent her skills to friend Victoria Colligan, of the Ladies Who Launch. After Amy’s initial involvement with the start-up company she was hooked. Amy has since coauthored a book with Victoria, raised venture capital she was hooked, and today is editor in chief for the company. She considers herself to be a “fusion entrepreneur” because she has grown into ownership. She became a part of the greater whole that she had helped to create many years ago.

When asked how the ladies marketed their business, Amy recalls, “We never advertised, so it was all word of mouth—but the great thing was, if anyone can talk, it’s women! So we had and still have evangelists of the best kind.”

While she is all too familiar with times when pressing business requires life to take a back seat, she insists that creativity doesn’t do well working with a burned-out brain. “Be committed to staying invigorated; otherwise, you find yourself enslaved, which makes you myopic and unable to see big picture strategies. We always say ‘fuel up first’ and you’ll serve not only your work but your family and friends. Your personal well-being just has to be first, or nothing works for very long.”

© Photo credit: Rachel McGynn

no means least, you will take a critical look at the competition. Who's out there? What are they doing right, and what are they doing wrong? Answering each of these questions will require information gathering, fact finding, and some educated guessing or, as marketing types refer to it, forecasting. *Warning:* Do not make stuff up. Forecasting means looking at the evidence or the facts in front of you as an aid to determine the future. Don't base your future on make-believe—there are no real happy endings there, unless you're a Disney princess. While it seems like a lot of information, the insight you gain from your research will build the foundation for your smashing success! Okay ladies, that's enough talk—let's get down to business!

## INDUSTRY OVERVIEW

In order to accurately capture what you need to know about an industry, you will rely on traditional research as well as research you conduct yourself. Both are valid and necessary.

You should be able to find published information about your specific industry from trade associations. Yahoo! has a listing of every conceivable association, and government Web sites such as [www.sba.gov](http://www.sba.gov) or even the U.S. Bureau of Census can provide lots of information about your industry. Also check in with your local Chamber of Commerce, and don't forget to say hey to the nice lady at the library—she's usually good for a reference or two.

If you have not done so already, subscribe to industry trade publications. They will help to keep you on top of current issues affecting your business. And if you've got the cash, there are also firms that gather industry information that's yours for the taking or buying. Market Research.com is a good one, and the prices are not too outrageous.

Our favorite resource for free information is actually at your fingertips—if you are not a “Googler” already, we have a sneaking suspicion you'll become one fast. Google not only provides a wealth of industry-specific information, but the data available online also tend to be the most recent. And there are tons of free resources to boot. One bit of advice when it comes to Internet info: Verify your sources. While

the Internet provides information at your fingertips, it's also at the fingertips of every Tom, Dick, and Harry with an opinion, so watch out. The goal here is to gain information that will help to influence future decisions and validate your entry into the marketplace. Don't get lost in gathering a bunch of irrelevant facts. Keep it simple and focused.

The whole research process is a lot like shopping for the perfect pair of jeans. You begin by browsing through the celebrity magazines to see whose booty most resembles yours and what denim she is sporting. You research the prices and stores that carry the brands you want to check out. You then proceed to try on about 100 pairs, and if you're a real risk taker, you may even search for a bargain. And then one day, Bingo! You've found the ideal pair. All that research made for the perfect fit, and that's what we're looking for here—the perfect fit.



### Inside Scoop

*Go ahead and make some assumptions regarding your business venture. Assumptions are simply educated guesses, and they provide a starting point to your research. Remember, the process of proving your assumptions, either right or wrong, will lead you to valuable information.*

Okay, let's get your industry overview in writing before we move on. Remember that you will use your findings in Week Twelve when you compile your plan, so do your homework, your future is banking on it. Under the "Your Industry Overview" heading write, in as much detail as possible, everything you have just learned about your industry. When describing your industry, be sure to include the following key items:

- *Growth in the market.* Has there been any recent growth in your industry? If so, why? Is this growth on the rise, or has it peaked and is about to decline? Determine what this means to your



business. Example: When housing costs are on the rise, people tend to hang on to what they've got and go for a remodel instead of house swapping. As a result, there has been tremendous growth in do-it-yourself home projects. The growth of cable programming offering viewers do-it-yourself (DIY) shows and the expansion of "mega-home-improvement" stores are clear indications of growth in this market.

- *Shifts in lifestyle.* Have consumer tastes changed relative to your product or service? Has there been a recent shift in the way people live that has created a need for your business? Example: More and more people have started to have babies later in life. As a result, these older parents tend to have more discretionary income and are willing and able to spend their money on Junior. Owing to this lifestyle shift, the baby market has boomed.
- *Changing sentiments or perceptions in the market.* Have consumer sentiments about your particular field changed? Are consumers responding differently to your business than they may have in the past? Example: If you want to get into the wedding coordinating business, your research will indicate that more money is being spent on weddings by people of all ages than ever before. It's not due to market growth (because there aren't more people getting married), but rather, the changing sentiment toward weddings has put more emphasis on investing in "your big day." As a result, the wedding industry is flourishing.

### EXERCISE 1: YOUR INDUSTRY OVERVIEW

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## TRENDS

Now that you've got a pulse on your industry, let's look further into trends that may influence how you move forward. What's going on in your market? What trends have you spotted while doing your research? Have there been any recent developments that make entering the marketplace ideal or not ideal? Is this a strong industry in the current climate? Example: You may want to reconsider becoming a professional "house flipper," no matter how frugal and creative you are when it comes to renovating, if the real estate market is beginning to plummet. You can revisit this idea in a few years when the market has hit its low, and indicators point to a potential recovery.

Ask yourself if the market is growing. Is there room for more competition? What are consumers looking for when it comes to the product or service you want to provide? Example: Cupcakes are hardly a new invention, and yet there seems to be a new crop of these minicake bakeries on every urban street corner. They all bear a similar clean, modern vibe with a retro sensibility, and yet somehow a few have distinguished themselves from the others with stylish packaging, key location, and even a loyal celebrity following. Before you know it, consumers are devouring these little confections and paying a pretty premium for the opportunity. If you were ready to open a cake shop, you would need to take a long, hard look at how to include this trend in your plan.

Take a minute to list three trends that you see in your industry, and describe how you will take advantage of those trends. Using the previous example: More and more people are lactose-intolerant or choosing to stay away from dairy for dietary reasons. A cupcake shop may plan to cater to this growing consumer group with an exclusive line of lactose-free cupcakes for both adults and children. Additionally, this shop will offer a mail-order program to provide dairy-free cupcakes to those outside the local area. This cupcake shop will not only capitalize on the industry trend, it will set itself apart from other bakeries by creating a niche for itself based on customer needs. Okay, now it's your turn to list trends in your industry:

**EXERCISE 2: MARKET TRENDS**

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

**OPPORTUNITIES**

Webster's Dictionary describes *opportunity* as "1: a favorable juncture of circumstances . . . 2: a good chance for advancement or progress." This is exactly what we're looking for here, ladies, favorable circumstances and a chance to expand, improve, and grow your business. You're a smart cookie; you get the picture. Ask yourself if the industry you are pursuing is experiencing any changes that may create new opportunities? Example: Let's say that you want to import fine fabrics from India, and you just found out that the tariff and import tax restrictions have been lifted in order to create more opportunities between the U.S. and India. This new, favorable circumstance just created an opportunity within the industry, and now is a great time to move forward with your Sari home furnishing business idea!

**Just for Moms**

*When you consider opportunities in your industry, also consider the opportunity that motherhood brings. We (you) are living in a new era where women can actually create a life where motherhood and entrepreneurship can co-exist. Don't wait for life to slow down—it probably won't anyway. The best time to go after your dream is now! The manner in which you do it is what affects your family, not the fact that you're doing it.*

Take a look at opportunities created by consumer sentiment as well. Example: We are all aware of the growing trend to go “green,” and as a result, many manufacturers are offering organic and recycled products and materials. Does this change in manufacturing enhance your position in the market? What does this really mean? Let’s say that you want to start a cosmetic line, maybe you should consider creating an organic line so that you’re able to take advantage of this opportunity in the market as well meet the current trends.

List three opportunities that exist in your industry and how your business will benefit from those opportunities. Example: With more and more cosmetic manufacturers offering organic products, the once-expensive prospect of starting an organic beauty line has diminished owing to competition. A company will benefit from the dramatic drop in prices and therefore offer a more reasonably priced organic product that potential customers have not had access to in the marketplace.

### EXERCISE 3: MARKET OPPORTUNITIES

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

Are you beginning to see some favorable trends and opportunities within your industry? If so, let’s keep moving.

### WHO’S YOUR COMPETITION?

Now, before you begin to list your competitors, take a moment to consider who is getting your potential share of the money being spent by consumers. When trying to figure out who your competitors are, don’t

just go for the obvious. Just because you want to open a candy store doesn't mean that your only competition are other candy stores. Come on, use that big, beautiful noggin, and think outside the box. In this case, the competition is anyone who gets money from a consumer who wants to satisfy a sweet tooth. Once you start thinking in these terms, your potential consumer population will grow.

#### EXERCISE 4: GENERAL COMPETITION

*List categories of competitors* (Using the cupcake example, your category competitors are all those business satisfying a consumer's sweet tooth):

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

#### EXERCISE 5: DIRECT COMPETITION

*List specific competition* (Using the same cupcake example, list all other cupcake, cake, or bakery retailers that compete directly for your potential consumer):

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

We also want you to start thinking about what it is that you are offering. Is it unique? Does it fill or create a need that is not currently being met in the marketplace? Are consumers happy with what the competition is offering and how they are offering it?



### Inside Scoop

*Keep in mind that the key to your idea may not be creating a new product or service. Instead, set yourself apart by appealing to consumers in a fresh and innovative way that inspires them or saves them time or money.*

Take a step back for a moment and get into the heads of your customers. Be objective, and ask yourself how consumers perceive your competition? Ask others around you how they view the competition. This is also a great time to play the role of detective. If you're going into the restaurant business, it's time to make a reservation. Get a bite to eat at the competitor's establishment. Ask lots of questions of the wait staff, the hostess, and the couple sitting at the table next to you. Ask the waiter what the best-selling item on the menu is. Ask the hostess what time and day are the busiest. And as for the couple whose dinner you are about to interrupt, just be your charming, cheeky self, and casually announce that it's your first time there and you wondered if they had any recommendations. Don't forget to ask if they dine there often.

What might feel like a silly game at first is actually a significant part of your research. Below we've created a survey for you to use when asking consumers about the competition. Don't limit their responses to checkmarks. Ask follow-up questions like "Why?" and get chatty with folks. This is your first foray into customer service, so take note: if you listen carefully, your future clients will tell you everything you need to know to create a product or service that's better than the competition.

**EXERCISE 6: CONSUMER SURVEY**

	Excellent	Good	Fair	Poor
Do they think your competitors offer a good value?				
Do they think your competitors offer good quality?				
Do they think your competitors are well priced?				
Do they find your competition convenient (location or easy-to-navigate Web site)?				
Do they think the competition offers good service?				
Answer Yes or No— Are they willing to pay more for better value, quality, or convenience?	Yes	No	_____	_____

Let's take a critical look at what advantages you have over your competition. What key attributes distinguish you from your competitors? What makes you so special? (For the record, we already know that you're special because you are on this 16-week journey to create change in your life.) Why would a customer be willing to walk away from the competition and head your way? Consider the items in Exercise 7 when comparing your business with that of your top three competitors, and fill in the blanks with one or two words that best describe each category.

The exercise you just completed should give you an idea of how your future business stacks up against the competition. Keep in mind that just because you have yet to launch your enterprise does not mean you can't compare who you want to be in the future with your



## Week 2 Schedule

Monday	Tuesday	Wednesday
AM		
	<i>Focus your research. It's easy to get Google happy and spend your time finding facts and information that are not relevant.</i>	
PM		
<b>Monday To Do:</b>	<b>Tuesday To Do:</b>	<b>Wednesday To Do:</b>

### To Do

- Start researching your industry
- Using all your research, begin to write your industry overview including trends and opportunities
- Subscribe to trades within your industry
- Complete your consumer survey
- Contact your local chamber of commerce for information about your industry
- Complete exercises



*“The future belongs to those who believe  
in the beauty of their dreams.”*

—Eleanor Roosevelt

Thursday	Friday	Saturday/Sunday
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>

**Notes**

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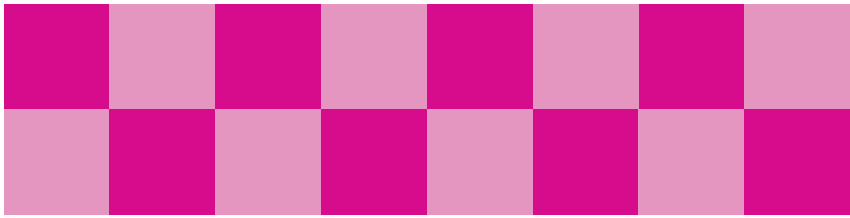
competition. So, how do you feel about your business? Is it everything you thought it could be and more?

### EXERCISE 7: YOU VERSUS YOUR COMPETITION

	Your Business	Competitor 1	Competitor 2	Competitor 3
Price (higher, lower, equal)				
Value (better, less, equal)				
Availability (good, bad, equal)				
Image (established and traditional, new and hip, etc.)				
Unique features (24-hour service, door-to-door delivery, etc.)				
Customer service (friendly, efficient, poor, etc.)				

### WRAP-UP

Great job! You've taken a closer look at the industry you are about to become a part of. You have also examined the trends and opportunities that exist in your market and have examined why moving forward makes sense. And finally, you've identified the competition and considered how you will compete for customers. As a result of going through the exercises, some of you will have found a few weak areas in your idea. Great! That's the point. Don't get discouraged. This is why you go through this process. Keep moving forward, and some of your "issues" will resolve themselves as you continue on your 16-week journey. Just keep moving—momentum is everything. See related resources in the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



## Week 3

# Bull's Eye *Identifying Your Target Market*

“Take off the blinders.  
You have to see opportunity  
before you can seize it.”  
—GREG HICKMAN

Now that you've examined your industry and your competition, it's time to get to know your customer, aka your *target market*. You may have heard the term “target market” before and wondered exactly what it means. You will become very familiar with these two words in Week Three, and we promise to help you define and learn where to find your future customer.

Whether your customer base consists of other businesses or individuals, these are your people, and you need to get to know them intimately. This section will allow you to study them and their habits so that you can give them what they really, really want. And just like any relationship, it can't be one-sided, so we will take a look at how

your target market will get to know—and fall in love with—your business as well.

Everything from the name of your business to your image will be developed in Week Three. It's a fun and creative week full of building your brand and attracting your target market to your company, a company they will wonder how they've ever lived without. The focus of this week is to help you get to know the audience you want to reach and to begin your courtship with them.

## TARGET MARKET

Once you know exactly who you are selling to, you can more effectively and efficiently allocate your resources, whether it's time, money, or human resources. Furthermore, focusing on this specific group will facilitate the process of pricing your product or service, finding the location they are most likely to frequent (bricks-and-mortar or online), appealing to their tastes and habits, and so on. The objective here is to separate the group most likely to be interested in your product or service from the entire group of people who *might* be interested. Clearly, the work you do this week will dictate many of your future decisions, so be thorough.

Once again you may need to make some assumptions to kick start your research. Remember when making assumptions, go ahead and assume that something is true or not true about your audience, and then find the research to support your theory. For example, if you assume that your target market is made up of women 18 to 35 who earn \$40,000 to \$60,000 per year, it's your job to find the facts to prove those statements are true.

Take a look at your competition for clues. If you want to open a retail store, make sure that you are browsing through the ones you like *and* the ones you don't like. Check out the customers in both locations. Let's use the example of a local bricks-and-mortar flower shop that specializes in cut flowers to guide you through the next exercise. Take out a sheet of paper and answer 1-5 for your business.

**EXERCISE 1: DISSECTING THE MARKET**

1. *How many potential buyers of your product or service exist?*  
Example: There are approximately 20,000 households within a five-mile radius of our potential location. The average household income is \$75,000.
2. *When you think of your ideal customer, who is he or she?*  
Example: Our business will cater to a sophisticated, urban-mined clientele who want to arrange their own floral designs and hand-tied bouquets. Our customer is willing to pay extra for freshness, variety, and contemporary branding. Consumers who are accustomed to picking up flowers at the local grocery store are not likely to frequent our store and therefore are not our ideal customer.
3. *What percent of the total market do they make up?* Example: Based on analysis of the competition (literally stalking other flower shops), our research shows that most of the customers who frequent our competition are women between the ages of 30 and 55. Based on competition survey, these women tend to make most of their purchases during the day. We could assume, given their shopping hours, that many are nonworking, possibly stay-at-home mothers (remember, we are gathering research and making assumptions—you gotta start somewhere). Given the prices the competition charges, we assume that the discretionary income of these women is greater than the average household income of our five-mile radius population. After further research, we were able to verify that 30 percent of the 20,000 households earned above \$100,000 annually, yielding 6,000 potential consumers. Of the 6,000, 45 percent had a stay-at-home female homemaker in the house, yielding 2,700. We are now able to determine that our target market consists of approximately 2,700 women within a five-mile radius.

4. *Are there enough consumers to sustain your business?*

Example: Based on the preceding research, we have identified 6,000 potential customers, 2,700 of whom fit our target market profile. Is that enough to sustain your business? If not, you may want to consider servicing a broader target market. Think about including working moms, local businesses, hospitals, or funeral homes as well.

5. *Where do your potential customers currently buy?* Example:

With only three floral shops in our local area, consumers are limited to two franchised flower shops that carry not-so-fresh seasonal varieties or the higher-end floral shop that creates prearranged bouquets and caters to a more traditional client.

Answering these questions is just the beginning. You will need to ask more questions before you have enough information to warrant moving forward with your plan as is. For instance, just because you have 2,700 potential customers does not mean these women are willing or have a need to switch from their current flower shop to yours. Ask yourself if your target market has expressed a need for something other than what they have available to them. Week Two may have provided you the answer to that question. No matter how great your flower shop vision may be, you need committed customers to make it a viable business.

Great start. Now let's dig a little deeper and find out more about who you're targeting. When professional marketers study a target market, they usually take a look at two components: *demographics* and *psychographics*. These are big words that simply represent statistical characteristics (such as age and income) and psychological variables (such as attitudes and values) you can attribute to your potential customer. We suggest you conduct your own research by creating a focus group and using the below surveys. Ask 25-50 people who represent your focus group the questions below. Once you've compiled your findings you will have a more comprehensive view of your potential target market.

## DEMOGRAPHICS

Once again, *demographics* is simply a term for describing the characteristics of a specific population. In this case, it's your future consumer. What are some of the characteristics that define your target market? Who are they? Where are they? How much do they have to spend? And what are they spending it on? The following questions will help you to gather important information about the people and the geography that make up the population you are going after.

The exercise below is a great surveying tool. You can either make copies to hand out to people or ask your focus group questions and keep track of your findings in the below space. Depending on the product or service you are studying, the choices in each box will vary. Feel free to cross out any heading and replace it with an appropriate heading based

### EXERCISE 2: DEMOGRAPHIC SURVEY

<b>Age range</b>	18-30	31-45	41-55	56 plus
<b>Race</b> (If you are a local business, you can replace one or more of the boxes with the race categories likely to populate your area.)	Caucasian	Latino	African American	Asian
<b>Income range</b>	Less than \$30,000	31,000-50,000	51,000-70,000	71,000-90,000
<b>Education</b>	High school	College	Graduate school	Postgraduate
<b>Home ownership versus renter</b>	Owner	Renter		
<b>Employment status</b>	Employed	Unemployed	Self-employed	
<b>Career type</b> (You can add as many career options as is needed.)	Stay-at-home mother	Working mother	Etc.	Etc.
<b>Marital status</b>	Single	Married	Divorced	Widowed
<b>Geographic location</b> (Assign various location radii if you are a local business.)				
<b>Annual dollars spent on the service or product you are offering</b> (Assign ranges to each box.)				

on your audience. For example, if you are a service that works with other businesses, you will not be interested in household income (HHI) but rather revenues or some other point of reference that allows you to compare and collect suitable information. If we have left an area blank, it's not because we spaced out and forgot, it's because we know that you are better equipped to fill in the boxes based on who you are researching.

Using the information you just gathered, write a one- to two-paragraph summary of your target market's demographics.

### EXERCISE 3: DEMOGRAPHIC SUMMARY

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#### Inside Scoop

*Make a list of the characteristics the ideal recipient of your product or service may possess, and check your list against your actual findings. Make sure that you are working with a group of people with whom you can identify. Life is a little sweeter when you work with people you like.*



## PSYCHOGRAPHICS

Unlike demographics, psychographics take a look at how your target market thinks and feels. What are the behaviors and trends of your potential customers? What sentiments guide their decisions? Make sure to include their perceptions of such things as customer service and how they feel about online shopping versus bricks-and-mortar shopping. What's important to this group of people? Using the same focus group of 25-50 people, give a brief synopsis of your business idea and ask the following questions.

### EXERCISE 4: PSYCHOGRAPHIC SURVEY

1. What are their perceptions of your product or service?
2. What is important to this group relative to your product or service?
3. What needs are you trying to satisfy with your product or service?
4. What habits have they developed relative to your product or service?
5. What do they need or want from you?
6. How do they make buying decisions?
7. What current trends are influencing them?
8. How do they feel about customer service?
9. How do they feel about the Internet and e-mail? (Even if you are a bricks-and-mortar business, it's important to know if they can communicate online and how savvy they are when it comes to the Internet.)
10. After gathering the information, how would you identify this group in three words?

To gather additional demographic and psychographic information, identify two to three magazines or newspapers you think your target

market is reading. Log onto the Web sites of these publications and look for their media kits. These publications have conducted their own research on their target market and many have their findings on their Web sites in hopes of soliciting advertisers. You may benefit greatly from their research, so it's worth taking a peek. Using the information you just gathered, write a one- to two-paragraph summary of your target market's psychographics.

**EXERCISE 5: PSYCHOGRAPHIC SUMMARY**

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**Inside Scoop**

*Don't be afraid to use grass roots tactics and create your own focus groups or stand outside a storefront your potential customer may frequent and ask them questions that help you to identify their needs. Offer a coupon for coffee or some incentive to thank them for their time.*

## DREAM BUSINESS STATS

**NAMES:** Susan Hable Smith and Katharine Hable Sweeney

**DREAM BUSINESS:** Hable Construction

**WEB SITE:** [www.hableconstruction.com](http://www.hableconstruction.com)

**QUOTE:** “You don’t need to be big or have lots of money to market a great brand.”

—Susan Hable Smith



Named after their great-grandfather’s road construction business, Texan sisters Susan and Katharine Hable founded the New York textiles company Hable Construction in 1998.

When the company launched, the sisters had about \$10,000 in cash between them and no formal business plan. Their product line initially consisted of hand-beaded silk pillows and fashion accessories. Susan and Katharine showed their wares at trade shows and got their big break when discovered by high-end retailer, Barneys. Today, Hable Construction produces fabric lines represented in nine interior design showrooms worldwide.

They have products placed in over 150 retail stores nationwide, including their own store in New York City’s very chic West Village. The ladies have successfully negotiated licensing partnerships with Garnet Hill, Barney’s, Proctor & Gamble, and Pottery Barn Kids.

The sisters were aware from the very beginning that they were building a brand and needed to sustain a high level of quality and customer service.

Being small didn’t stop them from dreaming up their ideal brand. “You don’t need to be big or have lots of money to market a great brand; we did it on a shoe-string budget,” said Susan.

© Photo credit: Linda Brooks

To help illustrate the importance of the preceding, we thought we should share a quick story about one of our grass-roots efforts when we launched [nedandshell.com](http://nedandshell.com). We needed to find a creative and cheap way to learn more about our online audience, so we created what we called “The NedandShell Style Profile.” The goal was to create a way to learn about the demographics and psychographics of the audience visiting our site and in return reward them with fun information about themselves that would make taking the survey worthwhile—a little like a *Cosmopolitan* magazine quiz. Once survey takers completed the questions on our Web site they received an automated response identifying their personal style. People loved taking the playful quiz, and we were able to collect tons of valuable information.

As a result of the survey, we were able to determine if we were attracting our target market. Could they afford what we were selling? Were they attracted to our current product assortment, and what were they interested in reading about? We quickly realized that our shopper/reader was younger than we thought and had less discretionary income. We needed to make changes to bring in an audience with more buying power. As you can see, the “Style Profile” became an invaluable tool, and because of the fun factor, we were able to attract a steady stream of survey takers, resulting in a constant flow of information about our audience. In retrospect, it was a stroke of marketing genius—sorry for the lack of humility, but a girl’s gotta pat herself on the back every once in a while. You can view a sample of our Style Profile on our Web site, [www.nedandshell.com](http://www.nedandshell.com).

## CONNECTING WITH YOUR TARGET MARKET

You’ve taken some serious steps to get to know your target market, and now it’s time for them to return the favor. The trick is that it’s your job to get them interested in you. How do you attract the right people? You know you’re a great catch; you just need them to feel the same way. Just like finding the right guy, once you identify him, you need to figure out how to attract him while staying true to yourself. Communicating who you are and what you’re all about to your target market is what branding is all about. Your brand is the personality of your company. Your

brand makes people feel or think a certain way about you or even themselves. It's the experiences others have when they think of your company. Remember, your company's identity needs to be evident in everything you create. Whether it's marketing materials or your Web site, make sure that everyone who comes in contact with your company knows what you're all about.



### Inside Scoop

*When creating a brand, the rule is: Keep it simple! Your message should be easy to grasp, remember, and convey to others.*

When answering the following questions, keep in mind all the information you have found out about your target market so far. This is where you start making connections between your target market and your brand. This is where you move them emotionally and get them to fall in love with you while staying true to your “bad” self. Collecting information about your core customer is critical throughout the life of your business. She will change on you, and you need to be a few steps ahead of her so that you can anticipate what she'll want and when she'll want it before she even knows.

When we were coming up with nedandshell, we created a fictional character, gave her a name, and picked out her favorite magazines, music, movies, food, and stores. We identified where she lived and who she hung out with, including her dating/marital status. It might seem silly, but you will be surprised how much a fictional character will come in handy. She represented who we wanted to attract to our brand and gave us clues as to how to attract her.

Another aspect of how your target market identifies you is through your company's core values. These are the things that motivate your company and your company culture. Just like the search for prince charming, the goal is to find someone who holds the things you consider to be most important in life close to her heart as well. Your target

market needs to understand what your company believes in and represents. Use a separate sheet of paper to complete the following exercises.

### **EXERCISE 6: WHAT'S YOUR BRAND IDENTITY?**

1. How do you want others to feel when they encounter your brand?
2. What do you want them to say or think about you?
3. What message do you want them to pass along to others regarding your company?

Example: When Anita Roddick first launched The Body Shop, there was no mistake that the company was all about ethical consumerism. You could not walk into her store without understanding that this company was against animal testing, in favor of fair trade with third-world countries, and committed to giving back to the rain forest where many of her raw materials came from, and to its indigenous people. The company culture and core values were evident in everything the company did from making unique products to protecting the environment and aiding the natives who inhabited the land. These issues tugged on the heart strings of consumers, and they would give up the products they had once used for something that worked as well, if not better, and left them feeling good about themselves.

### **EXERCISE 7: WHAT ARE YOUR COMPANY'S CORE VALUES?**

1. What does your company stand for?
2. Ask yourself what you are ultimately trying to accomplish.
3. What values are important to your company?
4. What change do you want to bring about as a result of your company's influence?

## NAME YOUR BUSINESS

You've done your homework, you know who you are after, you've thought a bit about branding and how you will communicate with your audience. But before you start, you'll need a name. This is the fun part. Naming your business is like naming a new baby—only a bit more difficult. This name needs to be simple, easy to remember, descriptive of your business, positive, and catchy all at the same time. To get your creative juices flowing, we recommend making lists of potential names and saying them aloud. Get others to give you feedback, or ask them to come up with some alternatives. It's fun for your friends and family to feel involved in your process, and it beats hiring a fancy marketing firm that will charge you a small fortune to have all the fun. Inviting ideas means that you'll have opinions coming out of your ears, so stay objective. Keep a pros and cons list of all your potential names as a reference.

We found the following helpful exercise at [www.entrepreneur.com](http://www.entrepreneur.com). Take the time to answer the questions, even if you have an idea of what you want to name your company already. Going through the process will either confirm your name choice or help you discover that more names need to be considered.

### EXERCISE 8: BUSINESS NAME BRAINSTORMING

1. List three ideas based on the products or services you plan to provide (e.g., children's clothing, custom menu design, aromatherapy products, etc.).

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2. List three ideas based on your special niche (e.g., affordable children's special-occasion clothes, exclusive designs for the small restaurateur, aromatherapy for the office environment, etc.).

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2. List three ideas combining a favorite theme with your special niche (e.g., Tea Party children's party clothes, Table for Two menu designs, The Tranquil Desk aromatic office products, etc.).

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After you've decided which name you like best, ask yourself a few important questions:

- Have you said it aloud to make sure that it's easily understood and pronounced? (Has it passed muster with your family? Have you had a friend call to see how it sounds over the phone?)
- Have you checked your local Yellow Pages to make sure that the same or a similar name is not already listed?
- Have you run a URL search for it?
- Have you checked with your local business authority to make sure that the name is available?
- Have you started your trademark search?



### Just for Moms

*Always carry a small note pad or journal with you. Your brief moments of down time in a doctor's office or waiting in the school pickup line are opportunities to jot down the ideas swimming around in your head, such as possible business names and logo designs.*



Once you have your favorite name(s) picked out, do a quick search on Google or your search engine of choice to see what comes up. What other companies or people are out there with the same or similar name? What will your potential clients or customers see when they search your name on the Internet? Could they see some X-rated sites and confuse your business with one of those? Also, if the name you choose is fictitious or not your own, you will need to register it with your state government (secretary of state). But before you register, make sure that you run a name search with either the U.S. Patent and Trademark Office or a service such as [nameprotect.com](http://nameprotect.com) (see links listed in the resources section at the back of this book).

Keep in mind that just because a name is taken in Ohio does not mean it cannot be used in California. If you are Web-based, this could be a detractor; if not, it may make no difference that someone in another state shares your name. You also will want to check the availability of your domain name. Even if you have no immediate plans to create a Web site for your business, you may want the option in the future. Domain names do not need to be registered through the state or local government; rather, they can be obtained through numerous online registries, all of which will allow you to conduct a name search prior to purchase to ensure that your chosen name isn't taken. See links listed in the resources section.

## HOW YOUR TARGET MARKET IDENTIFIES YOU

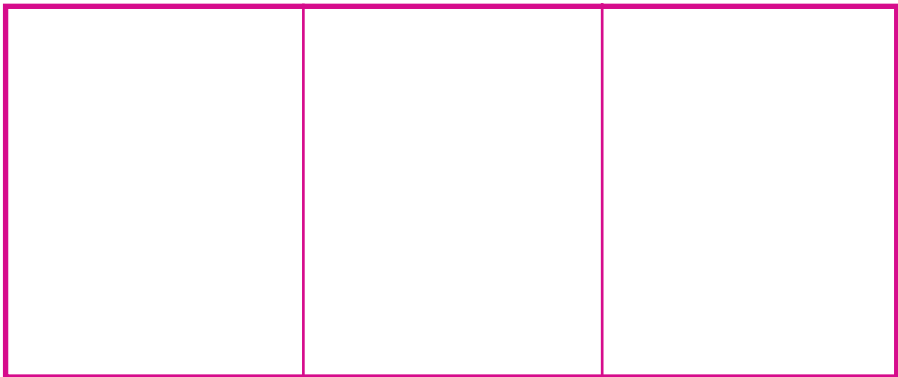
Your company's brand is a collection of all the images and ideas that represent you and your business. Symbols such as your company name, logo, font, etc., are how others identify you. Let's do a quick exercise and create some images. Use different colors and fonts, and play with logo ideas. You also can cut and paste images of other companies to which you are attracted. Choose things that inspire you and are not too complicated. Most of all, select images that represent who you are and which will attract your target market. Play around with this to see where your creativity takes you. In the section below, we've started you off with an example. The sample company is a public relations agency that caters exclusively to gourmet food companies. The name of the

company is Edible Public Relations. In Exercise 9 there are three ideas that illustrate the company name with potential fonts and logos. Each of these would appeal to a different client so be crystal clear about who you are going after before you begin this task. Now it's your turn. Using your company name, create a logo design and use various fonts and colors that you feel would best communicate who you are to your clients.

**EXERCISE 9: CREATING A LOGO**



Now, it's your turn. Use each box to create distinct logos and fonts, colors, etc. Once on paper you will be able to pick and choose which best captures the attention of your customer.



Do your name and your logo speak to your target market? Do they communicate who you are and who you will continue to be as you mature? Show your designs to a few folks, and ask them how the logo makes them feel? Are you hearing what you want to hear about your company? If so, you may be looking at your logo design—way to go! If not, keep testing and trying logos, fonts, and colors until you come up with something you love. If you're having trouble coming up with a name and/or logo, don't sweat it, you can always call on the pros. If you do decide to go with a professional be sure to give him or her the exercises you've completed, they will prove to be a helpful tool.

Nothing short of pure love will do here. Changing logos is expensive and confusing to your target market, so pick a logo you'll be happy you married.

## WRAP-UP

How does it feel to have come into close contact with your potential customers? We're guessing pretty darn great! You now know who your target market is, where to find them, and what you need to offer them. In addition, you have created the personality and tools they need to identify your distinct company. Be proud of the work you did in naming your company and coming up with a logo. It's no easy task. If you're not feeling the love, go back to the drawing board. You don't want your company image to be a daily eyesore to you or anyone else for that matter

And last, we hope that you have really taken the time to get to know what's most important to you and your business. Becoming clear on what your company's core values are will guide you to prioritize goals and help you during the slow times when revenues don't come immediately pouring in. It's important to believe in what you are doing and feel certain that you are making a difference in your world. Keep at it, and the money will follow.

See related resources in the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



# Week 3 Schedule

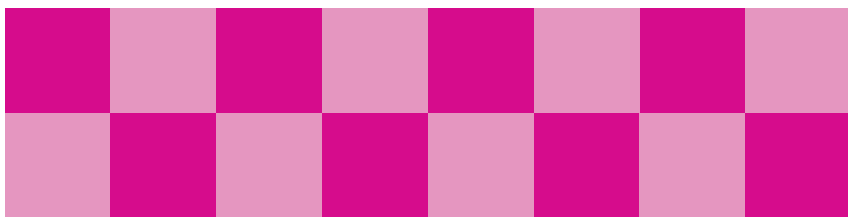
Monday	Tuesday	Wednesday
AM		
PM	<i>Take the time to think through who you are and how that is reflected in your company's core values.</i>	
Monday To Do:	Tuesday To Do:	Wednesday To Do:

### To Do

- Complete all target market exercises
- Register your company name with the appropriate authorities and make sure your domain name is available, and register it even if you will not create a Web site immediately
- Create your own surveys to gather additional research about your target market
- Keep a note pad with you at all times so you can doodle logo ideas and potential company names
- Ask people around you to critique your company name and logo



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## Week 4

# Strategy to Reality *Everything You Need to Create an Action Plan for Success*

“However beautiful the strategy,  
you should occasionally look at the results.”

—SIR WINSTON CHURCHILL

For the last three weeks you have laid out your vision, surveyed your market, created a brand identity, and now it's time to develop a plan of action. The goal of this week is to closely examine where you want to go, how you are going to get there, and if you can make money once you arrive. Even those not motivated solely by money will grow weary of having a business that becomes a vacuum for cash. This week will give you a window into the financial viability of your venture and ensure that the numbers measure up to more than revenues—we're looking for profit here.

Whether it's just enough money to feed your creative habit or a large-scale money-making machine, a few well-planned objectives and a thoughtful strategy are all you need to see your baby grow.

As soon as you see the numbers on a sales forecast spreadsheet, it will become evident whether this dream can thrive in the marketplace and create wealth (at any level). This whole process will give your “little dream that could” the wings it needs to fly.

## FIVE P'S PLUS

Before you jump into creating objectives and sales forecasting, you'll need to clearly define the unique details of your product or service. These distinguishing characteristics are your selling points—they are the reason customers are going to leave behind other vendors or products and come flocking to you. To ensure that you've covered all your bases, we would like to introduce you to the Five P's Plus: *product*, *positioning*, *pricing*, *promotion*, and *placement*—and the *plus* is for *customer service*, which so many people forget to include. You will become fast friends with each of these. When you create goals and objectives for your business, they will help you implement a successful strategy that results in a steady and strong bottom line.

Let's take a closer look at what each *P* represents and then describe each *P* relative to your business. As always, we will use an example to help you better understand what we're talking about. Although the example provides guidance and a little inspiration, you should plan to go into as much detail about your company as possible. These details will ultimately help you achieve your sales goals. Following each example, use the space provided to create your very own P's

### Product

Describe in detail your product(s) or service(s). If it is a product, be clear as to how it will be produced (manufactured by hand, milled in Italy, etc.). Be sure to list all the benefits of your product/service and what it offers to potential customers. Include factors that give you a competitive advantage, such as quality or unique features. If your business has multiple products or services, describe the most important features.



When listing features and benefits, keep in mind that *features* are built into a product or service, and *benefits* are the selling points. A feature of a bakery is that it provides quality, homemade baked goods. The benefit is the way a person feels when he or she experiences the baked goods based on taste, packaging, etc. If you can successfully identify and articulate to your target market what your unique features and benefits are relative to your competition, you will see sales climb as you win customers over.

*Example:* Pick-Up Flowers is a retail florist selling flowers out of the back of a red vintage Chevrolet pickup truck. The retail business operates from local farmers' markets four days a week, and on the remaining three days it offers weekly delivery service of hand-tied seasonal flowers to local neighborhoods. There are currently no other businesses in the market like this. Competitors operate as traditional flower shops with bricks-and-mortar locations.

Your turn:

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## Positioning

How will customers view your product or service in the marketplace? How will they view you relative to your competition? How is your product or service different from the competition? What impressions do you want to leave your customers with? This is your opportunity to set yourself apart from your competition. How will you position your product or service differently in order to gain sales?

*Example:* We are a unique service whose retro appeal of the roving red truck and the vintage vibe make for a “feel good” experience. We plan to parade the red truck around town and attend local artists' fairs and other neighborhood events positioning ourselves as a company who cares about, and is involved in, its local community. We want to be a hometown favorite. There is no other flower shop operating with a vehicle as its location.

Your turn:

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### Pricing

What will you charge customers for your products and services? List the price (or price ranges) of your products. Describe your pricing strategy. How did you come up with your offer price? How much is the competition charging for the same or similar products? If you plan to charge more than the competition, what additional selling points or features will you add to make it worth choosing your product/service over the competition?

*Example:* Because Pick-Up Flowers does not have a lease (the truck was paid for prior to starting the business), we're able to offer our customers a very reasonable price for their hand-tied flowers. We will pay a small farmers' market fee to park the truck in a regular spot four days of each week. Compared with our competitors, who are paying for a street side retail location, we can keep our costs very low and pass the savings on to customers and still create a healthy profit margin. We only offer seasonal, and locally grown flowers. This too enables us to keep our costs down because we don't pay for shipping for flowers grown internationally, and seasonal flowers tend to be much cheaper. All these cost saving measures are then forwarded to our clients. Additionally, once we establish credit with our floral wholesalers, which will be in approximately six months, we will be able to take advantage of further savings with an additional 10 percent wholesale discount. We will offer customers an additional 5 percent off the regular weekly delivery price if they order weekly flowers three months at a time, further ensuring return business.

Your turn:

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## Inside Scoop

*Be careful not to set your price too low. You need a respectable profit margin to stay in the game long term. Plus, most customers are more concerned with quality and service and are willing to pay for it. The reality is that a large competitor can undersell you so don't try to compete. Focus on something else to give you an edge like great customer service and mom and pop appeal.*

### Promotion

How will you create awareness in the marketplace? When and how will you introduce your product or service to your potential customers? Will you offer pricing incentives or gifts with purchase? Will you launch an advertising campaign or rely on word of mouth to get your product/service selling? Will you be promoting your business through trade shows or catalogs? Have you thought of some low-cost promotional tactics? Your promotional plan will address these questions and help you to plot out the tactics you will implement to achieve your desired sales objectives

*Example:* In addition to offering the 5 percent, three-month discount, we plan to place pamphlets with easy e-mail instructions for delivery in all organic and health food markets, as well as home decor stores, in the area. We also will drop off pamphlets door to door in the neighborhoods we plan to service. For the first three months of business, we will offer promotional pricing, and anyone who orders will be able to receive our promotional price for the first year. We will not do any advertising but rather rely on word of mouth and local press to build our initial business.

Your turn:

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## Placement

Another word for placement is *distribution*. Where do you intend to offer your goods or service? Do you have a proposed location? Are you running the operation from home, or do you need a retail location with lots of consumer traffic? Is location important to the success of the business? Is it important to customers? Do you need ample parking? Does your location need to convey a certain image, such as a gallery space or a high-end home furnishings store? Is the competition located nearby? Some businesses operate near the competition, such as home design centers and car dealerships, whereas others fair better with some distance from the competition, such as an ice cream shop or a florist.

How will you distribute your product, and make it accessible to customers? How do you plan to sell your product or service? When describing your distribution channels, ask yourself (and answer) the following questions:

- Is your product or service sold in a retail store, through the mail, by a direct sales representative, online, or via catalog, wholesale, your own sales force, contracted agents, or independent representatives?
- What's your production turn-around time? (How quickly can your products be made?)
- Do you have the ability to store inventory?
- Is your product in demand seasonally? If so, do you need a plan to get items in or take items out of stores? Will you ramp up distribution during quick growth months?
- Do you sell to individuals, sometimes referred to as the *end user*, or do you sell to retailers or resellers? By the way, it's possible and sometimes preferred to have multiple channels of distribution.

It is important to come up with a smart distribution plan, because not having the product or service at the time of sale can have a big impact on the bottom line. So, be sure to iron out any kinks before the business gets too cumbersome.

*Example:* Our vintage truck is our store location, and aside from the farmers' market space fee, car insurance for both car and driver are our only other location costs. We want to build a reputation for having old-fashioned, small-town business sensibilities with friendly customer service and modern online ordering abilities to local areas. We do not plan on servicing deliveries outside of a 10-mile radius from our home office, which will keep gas to a minimum and focus our promotional efforts.

Your turn:

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### **Plus (Customer Service)**

It's shocking to us that with all the competition out there, a business would overlook customer service as a part of its strategy. Don't do it! Regardless of how expensive it may be to implement customer service people and policies, it's essential. Good customer service anticipates the customer's needs and provides a product that delivers the benefits it promised. Consider what services you will offer your customer after the sale has been made. Some examples include delivery, warranty, customer support, follow-up, and flexible refund policies. What are your customer service policies, and how will you convey them to your customers to gain their loyalty and repeat business? Be sure to constantly communicate with your customer base—they will tell you everything you need to know, and then some, on how to service them and gain or keep their business. Remember, happy customers are a valuable sales tool. They are the ones that will create and spread the message about your amazing company.

*Example:* Although our service is unique, we know that we can't rely on that alone to have customers coming back. We are committed to offering good old-fashioned service. Our goal is to be on a first-name basis with our customers, and when someone sees us driving through town, he or she can't help but smile and say, "Hey, there's the Pick-Up Flowers truck." Initially, only one of the two partners will be driving

the truck and building relationships with customers. After six months, we will train employees to build new relationships and foster existing ones. We want to be the friendliest gals in town, whether you make a purchase with us or not. Each person who stops by to say hello or see what the truck is doing in the neighborhood will receive a free flower with a tag saying, “Take time to smell the roses.” On the back of the tag will be our business number and Web address. To distinguish ourselves from other farmer’s market booths, we will offer customers the option of paying with cash or credit card.

Your turn:

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Ready? Let’s put these P’s to work. Time to create some sales objectives and implement a strategy.

## OBJECTIVES

Every successful journey begins with a destination in mind. In this case your objectives are your final, or should we say financial, destination. Objectives are a little different from goals in that they are very specific and focus on the short term. The purpose of each objective is to point your company down the path to profitability. Take a look at our example and then jot down a few of your own objectives.

### EXERCISE 1: OBJECTIVES

*Example Company:* Pick-Up Flowers is a retail florist selling flowers out of the back of a red vintage Chevrolet pickup truck. The retail business operates from local farmers’ markets four days a week, and on the remaining three days it offers weekly delivery service of hand-tied seasonal flowers to local neighborhoods.

*Example objective:* Increase brand awareness within six months of launching Pick-Up Flowers.

*Example Objective:* Create a three-month word-of-mouth campaign to all first-time flower buyers in local neighborhoods and farmers markets.

Now you give it a try. List three objectives that ultimately lead to sales.

Objective 1: \_\_\_\_\_

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Objective 2: \_\_\_\_\_

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Objective 3: \_\_\_\_\_

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## STRATEGY

Now that you have identified your top three objectives you need to create a plan of action to accomplish each objective. It's time to strategize!

In order to put your strategy in place let's revisit your Five P's Plus. These P's give you all the information you need to strategically reach your objectives. They answer the specific questions of how you will meet them. They clearly identify your to-do list for accomplishing your objective. When coming up with a strategy for each objective, begin the sentence with the objective. For example, if your objective is to increase brand awareness, begin each sentence with "I/we will increase brand awareness by. . . ." Do this for each P that falls under each objective. Ask yourself to answer the details of how, when, and where you will complete the task. In this case the task is the objective.

Complete Exercise 2 by filling in all your objectives and strategies relative to each of the Five P's Plus. Be sure to include a realistic time frame for each. We've started you off with an example as a reference.

## EXERCISE 2: STRATEGIZE

*Example Objective:* Increase brand awareness of Pick-Up Flowers brand.

*Product Strategy Example:* Increase brand awareness by driving our red vintage Chevrolet pickup truck around town dropping off flyers that introduce our business and product offering door to door in the neighborhoods we will be servicing.

*Positioning Strategy Example:* We will increase brand awareness with our unique retro appeal and vintage vibe. We want people to enjoy a “feel good” experience when they encounter us. We plan to parade the red truck around town and attend local artists’ fairs and other neighborhood events positioning ourselves as a company who cares about, and is involved in, its local community. We want to be a hometown favorite.

*Pricing Strategy Example:* We will increase brand awareness by offering customers an additional 5 percent off the regular weekly delivery price if they order weekly flowers three months at a time, further ensuring return business.

*Promotion Strategy Example:* We will increase brand awareness by dropping pamphlets with easy e-mail instructions for delivery in all organic and health food markets, as well as home decor stores, within our 10-mile radius. For the first three months of business, we will offer promotional pricing, and anyone who orders will be able to receive our promotional price for the first year.

*Placement Strategy Example:* We will increase brand awareness with good old-fashioned, small-town business sensibilities and modern online ordering abilities to local areas. We do not plan on servicing deliveries outside of a 10-mile radius from our home office, which will keep gas to a minimum and focus our promotional efforts.

*Plus (Customer Service) Strategy Example:* We will increase brand awareness by giving each person who stops by the truck a free flower with a tag saying, “Take time to smell the roses.” On the back



of the tag will be our business number and Web address. To distinguish ourselves from other farmer's market booths, we will offer customers the option of paying with cash or credit card.

Now you:

Objective #1:

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Product Strategy

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Positioning Strategy

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Pricing Strategy

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Promotion Strategy

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Placement Strategy

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Plus Strategy

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**Objective #2:**

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**Product Strategy**

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**Positioning Strategy**

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**Pricing Strategy**

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**Promotion Strategy**

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**Placement Strategy**

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**Plus Strategy**

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Objective #3:

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Product Strategy

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Positioning Strategy

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Pricing Strategy

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Promotion Strategy

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Placement Strategy

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Plus Strategy

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## DREAM BUSINESS STATS

**NAME:** Rebecca Minkoff

**DREAM BUSINESS:** Rebecca Minkoff  
Handbags

**WEB SITE:** [www.rebeccaminkoff.com](http://www.rebeccaminkoff.com)

**QUOTE:** “Quantity then quality  
then viability”



As a young girl Rebecca Minkoff fell in love with sewing and making clothes—she even designed and sewed her own Bat mitzvah dress. She moved to New York City after high school to start her fashion career. She told her parents she wanted to be the next Donna Karen and asked if they would put the money they were saving for her education into her clothing business. Fortunately they agreed and she started her first line. After a few victories and some devastating defeats, Rebecca found herself in the handbag business.

“I was clueless about handbags in the beginning,” she recalls. “I overpaid for samples and I had a hard time keeping the quality and fabrics consistent.”

Today she has worked out the kinks and now sells her beautifully-made bags to stores like Bloomingdales, Nordstrom, Neiman Marcus, and Henri Bendel. She is due to launch a new clothing line in 2008.

Rebecca attributes her success to her obsession with the phrase “Outflow equals Inflow.”

Through all of her ups and downs she has consistently sent out mailings, post-cards, and look books to buyers and editors. And she has seen results based on the quantity of mailings she sends out. “Our sales volume keeps doubling year after year, and it is largely due to our aggressive mailing campaigns.”



## Just for Moms

*There are lots of business networking and retail sites popping up just for “mompreneurs,” such as [www.mompreneursonline.com](http://www.mompreneursonline.com). Many of the Web sites are exclusive to entrepreneurial moms and have a portion of their site designated for shopping. You may be able to utilize these often inexpensive sites as a distribution channel to sell your product or service.*

## SALES FORECAST

You did it! You’ve got your objectives down and a strategy in place. It’s time to “show me, that is you, the money!” What are your projected monthly sales? What’s your first year in business look like? What are your objectives going to do for your bottom line? What about three years down the road? Are you feeling those goose bumps yet? It’s exciting to realize the financial potential of your dream business.

Welcome to the exciting world of sales forecasting. We are going to use a *sales forecast spreadsheet* to prepare your sales projections. The primary goal here is to find out when this baby is going to start paying for itself and eventually generate a profit.

You might be thinking: where do I get the numbers to fill in my spreadsheet? Research, baby! All that hard work is about to pay off. Look at industry numbers. How much does the entire industry generate in sales? Study your competition. What kind of sales do they average? Quantify your local demographic. How many potential customers do you have?

Try talking to other businesses in your area. They are a wealth of knowledge, and information is king—or should we say queen. Your direct competition may not be forthcoming with information, but other, non-competing local business owners with a similar demographic may be happy to talk with you about their customers’ buying habits.

You will need to make some financial assumptions to begin. However, the more research you can do to back up your assumptions, the more realistic your projections will be. So whaddya say we roll up our sleeves and start forecasting some sales?



### Inside Scoop

*Remember to keep good notes on where your research came from. If you decide to raise capital it will be critical to show potential investors that your conclusions are based on well-researched and substantiated information.*

## SALES FORECASTING WORKSHEET

This worksheet will enable you to see monthly sales. Once you set your monthly projections and get a sense of your growth rate, you will be able to forecast for a year, or even three! The next step will be to calculate what those sales are costing you and whether you are actually on the road to generating a profit or merely creating cash flow. When you know how much you are spending and how much you are planning on selling, you will have a good idea of what your profit margin will be.

In addition to the worksheet we have provided, [www.score.org](http://www.score.org) has a sales forecasting worksheet that calculates everything for you online; all you need to do is plug in your numbers. Keep in mind that whichever sales spreadsheet you use, you may need to project sales out a couple of months or a couple of years before you actually see some kind of profit. Do not get discouraged. On average, a new company will not see profits for three years.

For consistency, we have created an example of assumptions and a sales forecast spreadsheet using the Pick-Up Flowers business model. To make it easy, we listed the assumptions first and then filled in the grid below. We encourage you to do the same when creating your sales forecasting spreadsheet.

*Example:* Pick-Up Flowers' assumptions are based on monthly sales and costs and a four-week/30-day month (See Monthly Sales Forecast):

1. There are two areas of income:
  - Farmers' market sales
  - Scheduled flower delivery
2. The forecast will assume traffic based on our market research of the farmers' market traffic and the neighborhood income range and disposable income:
  - Farmers' market average sales 75 bouquets per day (4 days), or 1,200 per month
  - Delivery service average 25 bouquets per day (3 days), or 300 per month
3. We have set the bouquet prices to be \$25 for small bouquets and \$45 for large:
  - \$35 average
4. Our costs:
  - Wholesale flowers cost \$10 for small and \$20 for large
  - Farmers' market space rental is \$250 per day (4 days), or \$4,000 per month
  - Gas price average \$15 per day, or \$450 per month
  - Car and drivers' insurance \$5 per day, or \$150 per month
5. Monthly promotional costs:
  - Web site fee \$40
  - Business cards \$10
  - Pamphlets and door flyers \$75
  - Free give-away flowers \$200
6. Monthly supply costs:
  - Ribbon \$175
  - Floral wrap \$250

Sales	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Farmers' market sales	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Scheduled-delivery sales	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
<b>Total sales</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>
<b>Direct cost</b> (of flowers)	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
Rental and gas	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600
Promotional costs	325	325	325	325	325	325	325	325	325	325	325	325
Supply costs	425	425	425	425	425	425	425	425	425	425	425	425
<b>Total costs</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>	<b>5,350</b>
<b>Total sales/ total costs</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>	<b>24,650</b>



This example gives Pick-Up Flowers a good idea of what the first year of sales versus direct costs will be, but it is not an accurate read of profitability because it does not account for such things as payroll, taxes, professional services such as an accountant or bookkeeper, etc. Those will be accounted for in your operating expenses, which we will go over in Week Nine. Okay, now *you* give it the ol' one-two and see how you fare.

### EXERCISE 3: LIST YOUR ASSUMPTIONS

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### Exercise 4: Your Monthly Sales Forecast

Use the following spreadsheet to jot down some of your numbers. Along the top, start with your first month of sales and project 12 months out. In the Sales column, figure all your sales and costs categories, and fill in the blanks.



## WRAP-UP

So how did you do? Are you on the road to profitability? Can you see where it might be helpful to tweak things a bit so that profits are in your future? We encourage you to go through this exercise again and adjust your numbers if you are not satisfied with the end result. Once you get your financial house in order you will have a realistic idea of when you may start to put money in your pocket or the pockets of those lovely people who invested in your dream. The best news is that you've got some clear marketing objectives and a strategy to ensure that you will arrive at your final destination. You've got the needed momentum to fly, so start soaring.

See related references in the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



# Week 4 Schedule

Monday	Tuesday	Wednesday
AM		
PM	<i>You may want to make a list of 10 marketing objectives and then pare it down to three, picking the strongest ones.</i>	
<b>Monday To Do:</b>	<b>Tuesday To Do:</b>	<b>Wednesday To Do:</b>

### To Do

- Complete marketing objectives
- Identify your five P's
- Create strategy to achieve objectives
- Identify monthly costs
- Complete sales forecasting worksheet
- Project profitability

“How we spend our days is, of course,  
how we spend our lives.”

—Annie Dillard

Thursday	Friday	Saturday/Sunday
		<i>You will begin to have a sense of how profitable your plan is. If you begin to see that your numbers are looking a bit smaller than you expected take a closer look at your objectives and strategy—they may simply need a little tweaking.</i>
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>

Notes

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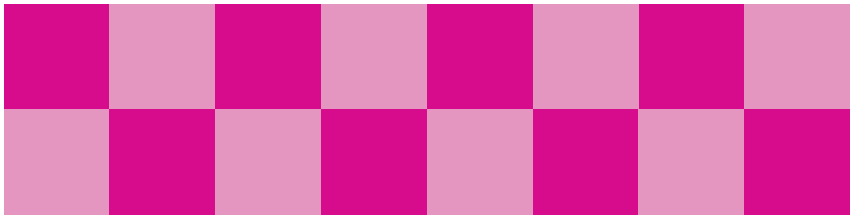
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## Week 5

# Make Some Noise *How to Communicate with Your Target Market*

“If you ask me what I came into this world to do,  
I will tell you: I came to live out loud.”

—EMILE ZOLA

It’s time to shout from the roof tops and let everyone in on the fantastic news that you have arrived and that you’ve got something to say, share, or sell. It’s time to let your future adoring public in on the great news. It’s time to make some *noise*!

This week you will focus on building a relationship with your target market. We will cover everything from defining the various marketing or shall we say noise-making mediums to implementing a comprehensive communications plan.

Millions of dollars are being spent in order to connect with and earn the loyalty of consumers, and you need to focus on the market that you have done so much homework to identify—your *target market*. These are the folks who need to know that you’re here and ready for

business. We will go ahead and assume that most of you don't have millions or even thousands of dollars to throw at advertising, direct mail, trade shows, and public relations, and provide some low-budget tips for your start-up. Whether you've got lots of cash or merely pennies, the goal of every dollar you spend is to generate future sales.

By the end of the week you'll know how to ensure that your noise is being heard by those who need to hear it, as well as how to budget for noise. Together we will tackle your communications strategy, so hold onto your noisemakers and let's go.

### NOISE-MAKING MEDIUMS

Before you figure out what you want to say to your target market let's take a quick detour and check out all your options for sending your message. Here are some of the most common noise-making vehicles:

- *Advertising.* You pay for this noise—usually big bucks. The good news: you get to choose and have control over the image, the message, and the medium.
- *Public relations.* This is credible noise from a third party. You write a press release and fax, mail, or e-mail it to a group of relevant editors in hopes that someone will pick up your story about your product or service and publish at least a sound bite leading customers to your business. Remember, the editor chooses what and how much of your press release is used, if at all, that's why it doesn't cost you. The good news: Customers find this the most reliable source of information. Because it comes from a third party, they feel like an authority has given you a stamp of approval.
- *Direct marketing.* This noise goes directly to the consumer. This form of communication identifies the specific consumers you are trying to reach so that you can send them your message directly, generally via mail, e-mail, or phone. While these messages are, like advertising, controlled by you, they are often discarded by the recipients and viewed as junk. The good news: there are



many inexpensive direct-marketing campaigns online that can reach a huge targeted audience in hopes that a few will come your way.

- *Trade shows, seminars, and events.* This is extremely targeted, live, and in-person noise. These forums aggregate people with like minds and provide a place for people to learn and connect. Using these opportunities to communicate intimately with your customers is invaluable. Depending on the forum, it provides both the opportunity to listen to your customers' needs and be heard.
- *Marketing collateral and sales materials.* These tangible noisemakers create efficient and effective communication and sales tools. Items such as brochures, order forms, business cards, letterheads, posters and signs, personalized totes, pens, and even packaging all fall under this category. These are expensive to produce, but depending on your business, they are absolutely necessary for both conveying your message and creating a positive experience with your customers.
- *Community outreach.* This is often overlooked and is one of the communication vehicles that has tremendous power. Not only does the commitment to your community or local charity benefit those you are reaching out to, but it also engenders a sense of customer loyalty. If a potential customer sees your company logo on a "race for the cure" poster as a sponsor, that customer has just had an experience with your company that is positive. While your specific company message is not necessarily the focus, the heart and values of your company are touching the community and connecting you to people.

## WHAT'S THE MESSAGE?

So now let's craft a message to your target market. What do you want to say to your customers? What message are you trying to convey? What do you want your target market to feel when they hear about your product or service? As you are well aware, we are all exposed to thousands

of messages per day—some studies estimate an average of 3,000 per day. With so much noise out there, your message has got to cut through the clutter. Keep in mind that you're competing with all other advertising, public relations, and direct marketing noise out there.

While it may seem daunting for a start-up, you *can* compete. Just look at all the small companies that have found a way to get their message across. What do they all have in common? They abide by the KISS rule. You've no doubt heard of the KISS (Keep It Simple Stupid) rule before, but it's worth repeating when it comes to this topic. For the record, we don't think you're stupid—we think you're brilliant, but don't forget to KEEP IT SIMPLE!

Back to the point. When composing your message, take the 3-C test. Is your message *clear*, *concise*, and *consistent*? If so, you're onto something. For example, let's say that you're opening a high-end animal spa. You want your target market to know that you will cater to their pets with care and loving attention. You want them to know that your staff is highly skilled and experienced when it comes to pet grooming and that the service and attention your pet will receive from them is far beyond what any other competitor can offer, warranting your higher prices. You also offer limo service, which really gives you a competitive advantage.



### Inside Scoop

*Always test to see if your marketing message passes the 3-C test:*

**Clear:** *In one sentence, say what you mean, and mean what you say.*

**Concise:** *This message is conveyed in one simple and easy-to-remember sentence.*

**Consistent:** *Choosing a sentence or theme and using it throughout your marketing efforts will help your audience to easily recognize you.*

Taking all this into consideration, your message may sound something like this: “Door to door, we’re the experts that pamper your pets with love.” This concise sentence will be the cornerstone of your marketing campaign.

Now it’s your turn. Create a statement that encompasses what you want your target market to know about your product. Remember that this message ultimately needs to attract them and urge them to act; whether that means to make a purchase or hire you.

### EXERCISE 1: MARKETING MESSAGE

*Your message here:*

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Let’s see if your message measures up. Is it *clear*? Can the reader understand what product or service you are providing in a few seconds or less? Is it *concise*? Does the message provide the consumer with added value in a few memorable words or images? Last, ask yourself if your key statement can translate into everything from a press release to newsprint advertisement. If so you can communicate the same message *consistently* regardless of the medium. If you’re not sure, write down the key statement and ask a few friends what they understand from your message. Did they get what you were trying to communicate? *Hint:* Don’t ask someone who does not represent your target market to critique your message. Chances are they won’t provide the best feedback.

### Does Your Message Have a Call to Action?

When creating your marketing message, especially with regard to advertising and direct marketing, your message must also contain what

is referred to as a *call to action*. The term means exactly what it sounds like: Have you called or asked your customers to act on something? Do they have a reason to respond to you? Have you asked them to respond in a timely manner? The cliché *act now* is not enough, so let's look at some ways to make "the call."

1. *Make sure your offer has a deadline.* Be sure the deadline is a few weeks from the offer date. If too much time lapses between the message and the offer, you may not feel the affects of the promotion, and it could be difficult to track where new traffic might be coming from.

*Example:* "Promotion ends Sunday October 5, 2008," or you could say, "Order by October 5, 2008, and receive an extra 10 percent off."

2. *Give your customers a reason to give your product or service a try.* You're the new kid on the block, and this is a great reason for customers to give you a shot. We encourage you to put a time limit on special offers so that people don't return products six months or a year down the road; it's an inventory nightmare.

*Example:* "Sample our new delicate lingerie detergent, and if you're not satisfied, return it for your money-back." You also could offer something like, "During the month of May, come in for a haircut, and receive a free deep-conditioning treatment."

3. *Offer a free gift.* Everybody loves a free gift—just look at the cosmetic industry. How many of us have strange-colored lipsticks and tiny lotions and potions that end up in the bottom of our toiletries bag as a result of a free gift with purchase offer? We're all suckers for free gifts. To make it worth your while, make sure that the gift you're offering is an incentive for something customers are doing for you, such as providing their contact information. You also can offer your free gift as an incentive to sell other products quickly and move inventory that might not have otherwise sold.

*Example:* “Please sign our guest book and receive a free gift,” or “Be the first 100 to respond to this offer and receive a free gift,” or “Spend \$100 and receive a free gift with purchase.”

4. *Where is your offer available?* If it’s not in stores, be sure that your customers know where and how to get it and for how long. You can use this as a way to create urgency and get customers to visit your special location, whether it’s online or otherwise. Many designers use this tactic when they have in-store trunk shows. They sell special items that are new and unavailable to the general public for a period of time.

*Example:* “Come visit our trunk show and see our new collection of semiprecious jewelry offered exclusively at this live event. The new collection will not be sold in stores until next season.”

5. *Offer free shipping.* Many online companies used this when the dot-com retail boom began in an effort to get people to make the switch from bricks-and-mortar to online shopping. It is still used frequently, and if you’re a bargain-babe, it’s hard to turn down free shipping. In fact, it often can get customers to shop for more than originally intended because they want to take advantage of the offer.

*Example:* “Get a head start on you holiday shopping and receive free shipping for the month of November.”

## WHERE TO PLACE YOUR MARKETING MESSAGE?

Finding out what your target market is reading, watching, and listening to, and the frequency at which they use the Internet for information, is a valuable tool. Knowing where your target market turns for information will help you to place a message that produces the best possible response. To jump start your research, go to the online media kits of the magazine, newspapers, cable and radio stations, and Web sites you think your target market might be interested in. These companies have spent lots of money gathering information about their demographic and you can benefit from their research. The information in the media

## DREAM BUSINESS STATS

**NAME:** Stacy Morgenstern Igel

**DREAM BUSINESS:** Boy Meets Girl  
by Deesh

**WEB SITES:** [www.boymeetsgirlusa.com](http://www.boymeetsgirlusa.com)  
[www.myspace.com/boymeetsgirlbydeesh](http://www.myspace.com/boymeetsgirlbydeesh)  
[http://blog.boymeetsgirlusa.com/?page\\_id=2](http://blog.boymeetsgirlusa.com/?page_id=2)

**QUOTE:** “Be true to yourself, believe in what you do. Be aware of what’s around you, but don’t be distracted by it, and stay focused on your goals and dreams.”



Stacy Morgenstern Igel is actually living her childhood dream of becoming a fashion designer and entrepreneur. She started Deesh in 2001 with a few t-shirts she designed and made by hand out of her apartment.

Boy Meets Girl by Deesh now enjoys a very large customer base. The line has been seen on many fashion-forward TV shows such as *Sex & the City*, *Heroes*, and *America’s Next Top Model*. Stacy’s designs have been featured in national publications, including *In Style*, *Cosmopolitan*, *Lucky*, and the *New York Times*.

Stacy admits that her mother has been her biggest inspiration. She was an entrepreneur for 25 years and gave Stacy lots of support and inspiration in her career. “Without my parents’ undying support, I could not have made it this far.”

In 2008, Stacy took her business to a new level by selling 80 percent of her company to one of the largest manufacturers in the apparel industry. “The sale of my company has made me realize I cannot do it all. There are people out there that can do things better than I can. I need to stick to what I know best, which is designing clothing. Thankfully, I can do that now.”

kits will either affirm your assumptions or send you back to the drawing board to find other media that has captured your target market.

Based on your research, identify the top media you want to advertise with. This information also will dictate which magazines, newspapers, and news and radio stations you should be sending your press release(s) to and which editors you will be forging relationships with. If your target market loves to read *Lucky* and *Allure*, then you will want to build a relationship with the editors that cover your particular business sector at these publications. Let's stop here and take a moment to find out the following:

### EXERCISE 2: TARGET MARKET MEDIA LIST

*What is your target market reading?* (List the top 10 publications, and circle Print or Internet.)

1. \_\_\_\_\_ Print or Internet
2. \_\_\_\_\_ Print or Internet
3. \_\_\_\_\_ Print or Internet
4. \_\_\_\_\_ Print or Internet
5. \_\_\_\_\_ Print or Internet
6. \_\_\_\_\_ Print or Internet
7. \_\_\_\_\_ Print or Internet
8. \_\_\_\_\_ Print or Internet
9. \_\_\_\_\_ Print or Internet
10. \_\_\_\_\_ Print or Internet

*What are they listening to?* (List the top three radio stations. These are potential stations you could advertise with.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

*What are they watching?* List the top three television shows. Unless it's cable, you might not be able to afford to advertise on network television, but if you know that your target market watches *Access Hollywood*, you may want to send a press release to them if your product or service is appropriate. (More on press releases in Week Six.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

*Which Web sites do they visit most frequently?* (List the top three shopping or informational sites.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

*Is your target market part of the social networking generation? Are they big-time bloggers or blog readers? If so, which ones are they visiting?* (List the top three. In case you are not sure what we're talking about, visit MySpace.com, Facebook.com, LinkedIn.com, and industry blogs and newsletters to see if applicable.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

*What activities or organizations is your target market involved in? If your company caters to other businesses, which trade shows do they frequent?* (Is your target market made up of health-conscious consumers who are likely to run races throughout your city? If so, list the various races.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_



*Are there noncompeting businesses with which you can swap business cards or flyers? (If you are opening an exclusive spa, make sure that the high-end gyms in your area all give out your business card or a flyer listing your services when their customers sign up for gym membership. In return, you should do the same for the gym. List three such businesses.)*

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

*Does your target market respond to direct mail? (Ask complementary businesses if they have had a good response to any direct-mail efforts. If they have had a positive return, ask if they included a coupon or some type of call-to-action offer. List three potential direct-mail offers.)*

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

*How will your target market find you? (Depending on your venture, make sure that you have listed your company in directories and industry listings and online searches such as City Search. And don't forget the good ol' Yellow Pages. Many people still let their fingers do the walking. Create a list of paid and free directories and listings in which you need to appear.)*

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

*Which community outreach activities is your target market most likely to frequent? (Many companies have learned the value of being identified as more than just a profit center. No matter how*

big or small you are, when you start out, you want people to know that you care. It's also a good way to get local press. Remember, you're not being opportunistic, you're letting people know who you are and what your company cares about. List your top five community outreach opportunities.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_



### Inside Scoop

*Think of your target market as a friendship that is constantly evolving. Make sure that you know what they want, don't want, like, and don't like, and what ultimately makes them happy. And then give it to them. This will be the foundation to creating a successful marketing campaign.*

## MARKETING LIKE A GUERRILLA

You may have heard the term *guerrilla marketing*. The phrase was coined by Jay Conrad Levinson in his 1984 book by the same name. The main idea is that a small business can create a low-budget marketing and promotions plan that uses unconventional and more aggressive tactics without spending big-budget dollars. We know all too well from our early, and not so early, nedandshell days that if not for these imaginative ideas, we would not have been able to accomplish what we did on the cheap. Don't let the lack of cash hold you back; it's a lame and lazy excuse not to start up. Although there are many more, here are five of our favorite ways to promote and market guerrilla-style.



## Just for Moms

*It's easy to be overwhelmed with the time commitment that all these marketing endeavors require. Keep in mind that time is not the enemy but rather a tool that needs to be managed. Your family's needs will always compete for your time so be sure to create space in your weekly calendar to accomplish each activity.*

Following are several examples of guerrilla marketing that we employed when we first started our company. In order to make sense of the examples, here's a brief overview of the nedandshell business model at the time of our launch. Much like a farmers' market, where local growers gather to sell their produce in one place, nedandshell gathered various female emerging designers of clothing, accessories, housewares, and apothecary products to sell their products in one online location—our Web site, [www.nedandshell.com](http://www.nedandshell.com). In exchange, we charged a fee for the retail Web space we provided.

*Use your natural resources.*

Because we did not have the financial means to purchase a mailing list of potential customers from a marketing company or publisher, we used our resources to build a mailing list.

*Example:* Whenever one of the designers we were working with had a trunk show or retail shopping event, we asked her to provide an e-mail sign-up list for her customers. We were able to collect names and e-mail and “snail mail” addresses without purchasing a mailing list from a marketing company. In return, we might give the designer a discounted rate for our Web space or a lower advertising rate to sponsor our weekly newsletter.

*Another tenant of guerrilla marketing is to establish new relationships regularly.*

*Example:* Once again, instead of purchasing a list when we were launching our newsletter, we offered a free gift of an exclusive

nedandshell lip gloss in exchange for e-mail referrals to build our subscription base. Although our designers were our paying customers, they would not stick around if we did not bring a retail audience to our Web site to purchase their merchandise, so building new relationships with online shoppers was essential to our growth and the satisfaction of our customers—the designers.

*Give your current customers more opportunities to spend their money with you.*

*Example:* Instead of going out and getting new designers to purchase Web space from us, we offered more opportunities for our current designers to spend money with us. Collective trade shows, live events, and even press events were provided at an additional cost.

*Align yourself with complementary businesses or organizations and cooperate with each other to swap your respective customers.*

We mentioned this one earlier, but it's worth repeating.

*Example:* We joined a few nonprofits that worked with women in our target market. We promoted ourselves through shopping and charity events and as a result the members of these organizations became acquainted with our business. In exchange, we gave the organizations discounted or free advertising opportunities on our Web site.

*Create opportunities to connect with your audience.*

Make yourself real and known to those in your world. Although we are not psychologists, we apply the same “everyone loves the girl next door” logic to this tactic. Let's call it the “Jennifer Aniston rule”: Be real with people and build a trusting relationship with your customers, and they will be your *friends* in no time.

*Example:* In an effort to forge stronger relationships with our existing customers (our designers), we offered them, free of charge, mini-business seminars. We brought our designers together in a gallery space and provided light appetizers and cocktails. We invited several business-to-business consultants such as publicists and accountants for them to meet. The consultants were happy to

be there because they got to meet and greet potential clients, and the designers felt like they were just given a free business seminar as a gift from nedandshell, further establishing a positive relationship with our customers.

## MEDIA MIX

You've answered key questions about how and where to communicate with your target market, and now you need to come up with what's called your *media mix*. This refers to all the various media you will use to send your marketing message to the world. No matter how large or small your budget. Based on the information you've gathered, you should be able to efficiently and effectively place those dollars in the areas that will yield your highest return. (Remember, you can always fill in the holes with some guerilla tactics.) You've done the work. Now let's spend some money.

### Media Mix Budget

What is your marketing budget? Based on your budget, which media do you plan to use to get your message across? Make sure to diversify. Using one medium exclusively is never a good idea—it's the old eggs in one basket rule. Additionally, look at your potential selling cycle. Which months are great selling months? Which are poor? Based on what you are selling, consider whether ramping up advertising during the slow months will help to generate sales, or should you keep ad dollars saved for the strong selling seasons to maximize sales? Being able to answer these questions will help you to create and stick to your communications budget. Also, always be on the lookout for low-cost opportunities. For example, monthly publications often will group small businesses together to offer less expensive advertising spots.

*Example:* If your business is hand-made felt Christmas stockings, then preholiday sales are where you will focus all your marketing energy. Based on the medium you choose to get your message across, you will need to create a communication plan that ensures that the message gets out during the months of September thru November ready

for December sales. If your message is online, or in newspapers, you can work weeks ahead. If, on the other hand, you plan on going through a monthly publication, you will need to get your advertisement to the publication at least three to five months in advance.

The sales goals you created in Week Four will help to identify which months or quarters may need more of a marketing push. Also, be sure to consider how much you will need to barter and swap each month. Below is a sample budget based on the first year of a newly launched handbag company with a \$25,000 communications budget. We have included public relations and Web-based marketing efforts in the below budget. These will be discussed in further detail in Weeks Six and Seven.

*First-quarter budget—\$9,000*

- Build Web site—\$4,500
- Create logo and print collateral materials—\$1,500
- Publicize the launch of your company—\$1,500
- Create an affiliate advertising campaign to be paid out on a per-click basis—\$1,500

*Second-quarter budget—\$4,000*

- Web maintenance and consultant fee—\$250
- Printing of collateral materials—\$500
- Print and send direct-mail invitations to retailers to come to your booth at the Holiday Market Show in New York City—\$500
- Deposit for trade show—\$2,000
- Continue to pay out affiliates—\$750

*Third-quarter budget—\$6,000*

- Web maintenance and consultant fee—\$250
- Printing of collateral materials—\$500
- Continue to pay out affiliates—\$750

- Holiday advertising campaign (cost of ad space and production of ad)—\$3,000
- Holiday press release to monthly publications announcing new holiday collection of handbags—\$1,500

*Fourth-quarter budget—\$6,000*

- Holiday press release to online and weekly/daily publications announcing new holiday collection of handbags—\$1,500
- Balance due to trade show—\$2,000
- Web maintenance and consultant fee—\$250
- Holiday direct-mail coupon—\$1,000
- Printing of collateral materials—\$500
- Continue to pay out affiliates—\$750

Medium	Advertising	Public Relations	Collateral	Web Site	Trade Show	Direct Mail
First qtr.	\$1,500	\$1,500	\$1,500	\$4,500	\$0	\$0
Second qtr.	\$750	\$0	\$500	\$250	\$2,000	\$500
Thirds qtr.	\$3,750	\$1,500	\$500	\$250	\$0	\$0
Fourth qtr.	\$750	\$1,500	\$500	\$250	\$2,000	\$1,000

## WRAP-UP

You did it! You've come up with a plan that will announce to the world that you have just given birth to your baby. You figured out how to make noise and where and when to make it. You've even created opportunities to noise-make on a dime and developed a plan to build a relationship with your target market. Each time you recreate your marketing plan and renegotiate your marketing mix, we encourage you to go through the exercises we've provided to ensure that you've covered all your bases for a foolproof plan.

See related resources in the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



# Week 5 Schedule

Monday	Tuesday	Wednesday
AM		
	<i>Always keep your target market in mind when making decisions.</i>	
PM		
Monday To Do:	Tuesday To Do:	Wednesday To Do:

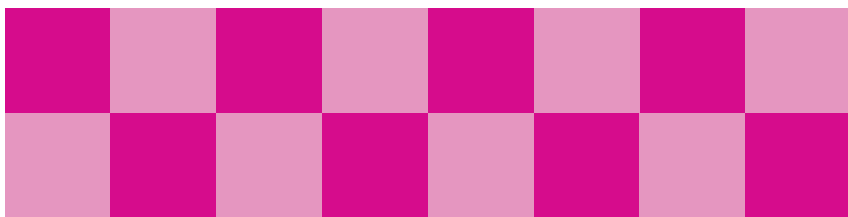
## To Do

- Identify noise-making media
- List top five community outreach opportunities
- Create your message
- Craft guerrilla marketing efforts
- Identify your target market's media of choice
- Complete media mix budget





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## Week 6

# Get Some Attention *Public Relations 101*

“When you do the common things  
in life in an uncommon way,  
you will command the attention of the world.”  
—GEORGE WASHINGTON CARVER

A fringe benefit of being an entrepreneur is the chance to wear various hats. We admit a few of these roles can be boring, but then there are those that are sexy and downright fun. Playing the role of publicist or spokesperson falls in the latter category. Play your cards right and you'll be hobnobbing with your industry's who's who. Even if you choose to hire a publicist, knowing what goes on behind the public relations (PR) scene and how the PR machine works will enable you to create a winning PR campaign. Although we touched on PR in Week 5's noise-makers, we didn't spend enough time covering the ins and outs of this form of communication. It's a totally different animal and requires its own spotlight. Week Six will provide helpful hints and insight into the wacky world of publicity. So let's get to spreading the news about your company, shall we?

## WHAT IS PUBLIC RELATIONS, REALLY?

We assume that most of you are well aware of what PR is, but just in case, here's a brief refresher course. The goal of public relations is simply to create public interest in a company, product, idea, or person. The practice, by its very nature, is committed to presenting the information to the public in the most favorable light. And the objective of any good publicist, whether it's you or a hired person, is to create and organize news about a particular company (your company) that yields a positive image and ultimately leads to favorable public opinion.

Here's how it works: It starts with you (or a publicist) telling an editor something newsworthy through a press release, which is basically a form letter announcing your "news." Assuming that the editor deems it newsworthy, your news is rewritten and is made to fit into a story or article fit for print. The hard part is getting the editor excited enough to write about your company, product, service, or even you.

While publicity is often referred to as free advertising, let's be clear about one thing—nothing is *free*. While sending a release to a publicist may only cost the price of a fax or a stamp, the cost of hiring someone to write it or the time it took you to connect to all those editors is hardly free. Never mind the samples or beautifully packaged releases with candy, flowers, or any other attention-getting swag that you might include and pay for. While it's well worth it, it's not free. Remember the old "you get what you pay for" adage.

Keep in mind that the press is an invaluable tool for getting consumers to believe in the intrinsic value of your product or service. If the public reads about your product or service in their morning paper or their monthly magazine of choice or hears it mentioned on their favorite news show, it automatically increases its credibility in their eyes—just look at what the red carpet has done for fashion, and vice versa. A celebrity wears a designer dress on the red carpet and the next day they are in every magazine—the designer just picked up millions

of eyeballs and all for the cost of loaning or giving away a dress—not too shabby.

## HERE'S HOW THE PR MACHINE WORKS

There are many forms of media—print, radio, television, online—and all of these outlets rely on releases from people like you to get their information. Editors have tons of press releases to weed through every day, and your job is to make sure that yours stands out. If you write a release that makes their job easier, they'll love you for it, and you'll get published, we promise. Editors are people, too. Make their lives easier, and you'll reap the benefits. The key to getting your release published is to follow up. Don't think that faxing your release, no matter how brilliant your writing ability, will automatically get you air time or print space you are after.

Once you send your release, follow up, follow up, and follow up again. How? We have found that the traditional way is best. Give 'em a ring on the teley. Although fear may prevent you from calling the big, bad editor, you must do it. Introduce yourself and tell him or her what you've got to offer. Remember, you are making his or her job easier. Think the editor you are calling is too important to talk to you? Don't fret; he or she is likely to have an assistant pick up the calls. Now don't pass up an opportunity to connect with an assistant editor. Remember, he or she is dying to impress his or her boss with a great story, so give the assistant something juicy—you'll both come out winners.

Here's a great example of our early efforts to impress a few key editors. For our launch party, we decided to hand deliver an afternoon remedy for a sweet tooth to key editors we had identified. Each package was filled with stylish bottled sodas wrapped in cellophane, a whimsical lollipop, an invitation to our launch party, and a press release about our new company. The packages were "eye candy," and we were sure that no editor could resist the urge to tear into this goody bag.

## DREAM BUSINESS STATS

**NAME:** Alle Fister

**DREAM BUSINESS:** Bollare

**WEB SITE:** [www.bollare.com](http://www.bollare.com)

**QUOTE:** “Nice people can and DO finish first—treat people how you want to be treated and it is amazing how much you can get done!”



In 2006, Alle opened her own communication and styling firm, Bollare (“to brand” in Italian). Because Alle’s business grew organically and from demand, she did not write out a formal business plan. However, she wrote out clearly defined goals and objectives that she continues to work toward.

The communication maven says that the hardest clients to get are the first few; from there, if you’re doing excellent work, word spreads. One of the hardest things to do as a business owner is to hire good people, and Alle says that she prefers to talk to people about who they are than to ask canned questions.

When it comes to community involvement, Alle says that she and each member of her team pick a charity that’s of interest and take turns volunteering at causes that are important to the team! “We’ve done a 40-mile Breast Cancer Avon Walk, adopted a family at the holidays, and donated many, many clothes to women’s shelters through King’s Hall (we do work in fashion after all!).”

Alle’s life is very much focused on her career. She is happy being young and motivated by her work and says that she “wouldn’t have it any other way!”

© Photo credit: Hayden Aalvik

We selected the top 20 editors we thought would be most interested in our Web site and concept and hit the New York City streets determined to get some attention. Fighting traffic, dodging parking tickets, and getting past a publishing house's front desk was maddening. Having confidence and determination was key. We would walk in announcing that we were Ned and Shell (which sounded more like two old men who owned a bagel shop than a hip new Web site) and that we were there to deliver priority PR materials. We were repeatedly humbled by security guards questioning why we did not hire a delivery service to do our dirty work—we simply couldn't afford it. It was one of those moments in life when "a girl's gotta do what a girl's gotta do." The bottom line was that we needed those editors to hear our noise! The extra work paid off: We got our first interview with Women's Wear Daily (WWD.com), and key editors came to our launch party. The PR buzz about our little company was making its way around town.

## **PUBLIC RELATIONS ON YOUR OWN**

If you've got the cash and want to hire a publicist, great! You'll save time making editorial contacts and probably get something published sooner rather than later. But before you go off to hire an expensive publicist, it's important to remember that when she goes, so do her contacts. Therefore, it may behoove you to take this task on yourself, especially in the early days. If you can develop that important relationship with an editor, why wouldn't you? Now, at some point in your business's future, it may not make sense to do all the work yourself, but in the beginning, when cash is short and needs are abundant, it may be a good idea to play publicist. Think of all you will learn. Plus, nothing makes a launching girl more proud than seeing her company in print. Another added benefit to doing it yourself is that when the time comes, and we know it will, that you're too busy to fill the PR role, you will know how to manage the person who does.

So how, in the name of all things mediaworthy, does a girl go about getting publicity? It all starts with an attention-grabbing press release. Follow our helpful tips to crafting the perfect press release, and you'll be a PR pro in no time.



### Inside Scoop

*Most monthly publications work three months in advance of their circulation date and sometimes, depending on the type of publication, four months for their big holiday issues. Weekly and daily publications work at a different pace, so make sure that you know the appropriate timelines when it comes to submitting your press release, especially if you have a time-sensitive pitch or story.*

## WHAT SHOULD YOUR PRESS RELEASE SAY?

Before you begin writing your press release, you want to first figure out what your angle or hook is. What trends are appearing in the publications you are targeting? How can you tie this new craze into your press release? Another great clue is to go to a publication's media kit and look through the editorial calendar. Most calendars list the topics the publication plans to cover in each issue, as well as editorial deadlines. Use the editorial topics as a guide to tie in your news to what the publication plans to focus on.

For example, if you're producing a documentary film on women artisan cooperatives in Africa, and *Marie Clarie's* editorial calendar has slated March to highlight indigenous women artists, you've got a great story to appeal to that particular editor for the March publication.

If you want to appeal to an editor, don't bother him or her with all the reasons your product or service is so great. An editor is looking for one thing and one thing only—a great story. Don't annoy the editor with “sales-y” language and meaningless words such as *revolutionary* and *exceptional*. These words do not add anything, and editors are not likely



to use them because it's their job to be impartial—so don't waste your ink. We know it's hard to resist going on and on about your fabulous new business because you know you're all that and a bag of chips, but give your healthy ego a rest, and refrain. Stick to the basics: the who, what, when, where, and how of the story.



### Inside Scoop

*Don't forget that you have limited control over how your message is ultimately conveyed because the editor will edit, cut, and paste your press release to reflect the story he or she is trying to tell and the space in which he or she has to tell it, so be clear and succinct.*

Follow the tips in Exercise 1 and you're sure to end up with a release worthy of fresh ink and possibly even some air time.

### EXERCISE 1: ELEMENTS OF A GOOD PRESS RELEASE

To get things started, pull out a sheet of paper and answer the following questions before you begin writing your press release.

1. Identify why you are writing your press release. What's your big *news*?
2. Keep it short and sweet. Usually, press releases are no more than one or two pages max.
3. Print the words "FOR IMMEDIATE RELEASE" in the top left-hand margin in all caps. Follow this line with relevant contact information: name, title, address, phone number, and e-mail address.
4. Create a headline, and center it in bold type just above the first line of the body of the press release or above the subhead if you choose to include one. Remember, headlines highlight the most significant fact(s) in the press release.

5. Create a dateline in the first line of the body of your press release. The dateline includes the city where the release is generated and the date (LOS ANGELES, CA—January 1, 2008).
6. Always include the vital information in the first paragraph. Be sure that you have answered the who, what, why, when, where, and how.
7. Be sure to spark curiosity. A good press release informs and teases.
8. Also, don't use words such as *I* or *we* unless it's a quote. The press release is supposed to be written from a journalist's perspective, so do the work for them. Try to use quotes, either yours or those of experts, to further validate your story.
9. Center these marks # # # at the bottom of the page to indicate the end of your press release.
10. Don't forget to include "for additional information." The editor may need to contact you; don't make it hard to do so.
11. You only get one chance to make a first impression, so make sure there are no typos and that your facts are accurate.

For a step by step DIY guide to writing your own press release go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks). You're well on your way to becoming your very own publicist extraordinaire.



### Inside Scoop

*Have an objective person read your press release and tell you whether he or she would be interested enough to read a newspaper or magazine article about your story. If not, consider going back to the drawing board for a rewrite.*

Just so you can see a final release in all its glory, we've included one of our very own:

**FOR IMMEDIATE RELEASE**

Media Contact: Nada Jones  
neda\_jones@nedandshell.com  
917-609-4168

**NEDANDSHELL.COM GETS DOWN TO  
BUSINESS—AFTER YEARS OF WATCHING  
EMERGING TALENT STRUGGLE TO GET OFF  
THE GROUND, THE FOUNDERS USE THEIR  
EXPERIENCE TO INSPIRE, INFORM AND  
CONNECT EMERGING DESIGNERS**

Los Angeles, CA—July 25, 2006. After years of watching so many women embark on the entrepreneurial process with little or no sense of how to navigate the road ahead, it became obvious to Nada Jones and Michelle Briody, of nedandshell.com, that “many just needed some entrepreneurial therapy.” nedandshell.com has morphed from a consumer-based site with a retail format to a business-focused editorial site committed to walking alongside women in their creative start-up ventures. As women and as entrepreneurs, their ultimate goal has always been to promote emerging and independent female talent. The two ladies say, “Those ready to take the be-your-own-boss leap will find nedandshell.com filled with inspiration and real advice.”

After 5 years of retailing, wholesaling and promoting female designers in fashion, beauty, accessory and other lifestyle categories through their Web site, nedandshell.com, the two founders had seen their fair share of great ideas fail due to lack of a clear business strategy. “Most women entrepreneurs usually have several of the necessary elements to make a go of things (talent, money, time, will, etc.), but so many lack a

clear plan that encompassed all things needed to really ‘make it,’” says cofounder Michelle Briody. When asked what the key to start-up success is, Nada Jones offered up three words, “Communication, commitment and community. All three are needed to start, grow and ultimately succeed in anything in life. Make sure you have communicated your vision to yourself as well as to those you intend to do business with. As for commitment, if you are not ready for the tough times, hang it up now. The last one is often left out of the MBA books, but we find it absolutely necessary; find a professional and personal community of people who believe in your vision.” Armed with years of experience and a unique insight, nedandshell has set out to become a resource for all things start-up and stylish.

The founders have always had a real passion for helping entrepreneurial women in their business ventures. Through this new format, they hope to inspire, connect and inform creative business women and aid them in creating a lifestyle that is in sync with their own dreams and goals. As mothers and business owners, “Ned” and “Shell” want to create opportunities for women to craft their own careers based on their individual dreams. The two point out, “Our new format is just another innovative way to ‘Empower with Style,’ as we like to say around here.”

Nada Jones and Michelle Briody launched [www.nedandshell.com](http://www.nedandshell.com) in 2001 and their e-mail newsletter “nedandshell’s Weekly Dose” in 2002.

\* \* \*

For more information or to schedule an interview with Nada Jones or Michelle Briody, please call 212-222-2222 or e-mail [nedandshell@nedandshell.com](mailto:nedandshell@nedandshell.com).



## Just for Moms

*Although you may be tempted not to highlight the fact that you are a mother when you are starting your business, we encourage you to find an angle to include your maternal status. The word “momprenuer” is making the rounds in the media, and this may be the very angle that gets your story covered by the press. In addition, the fact that you are a “momprenuer” may broaden the types of publications to which you can send the release. If you are launching a knitting company, BusinessWeek might not care about your news, but if it is doing a story on the high incidence of women starting up businesses after having babies—that’s you!*

## MEDIA KITS AND MORE

At times, especially when first launching or making significant changes to your business, it’s beneficial to send more than just a press release. Often a picture of you or your new product is a helpful resource for the editor to include in their article. If you’re launching a line of fashionable T-shirts made from sustainable fabric, send along a sample T-shirt so that the editor can see for himself or herself what a stellar job you have done developing the line. By the way, if your sample is not perfect, don’t bother. Remember the first-impression rule—you only get one chance.

To accompany your sample, you may want to send along a *line sheet*. For clarity, a line sheet is just a document that lists, usually to retail buyers, all the details of your product line from color and style to price and delivery date. Again, it’s all helpful information for the editor.

If you are a consultant or an expert in your chosen field, you also can send a “Topics of Expertise” page. This is nothing more than an itemized list of all the areas of expertise you are able to speak on proficiently. Use our sample press release as a template and instead of

including the body of an actual release, just write “Topics of Expertise” at the top of the page under the “FOR IMMEDIATE RELEASE” and “Contact Information.” In the event that a quote is needed for an interview, an editor can contact you for a story he or she may be working on.

We know it might be a bit uncomfortable promoting yourself but we’ve learned that if you don’t believe in you, don’t expect anyone else to either.



### Inside Scoop

*Always be professional and courteous to your editor. Be sure to send the appropriate info to the appropriate editor. And always send thank-you notes after an editor has taken your call or published any part of your press release.*

## HOW TO CONTACT THE PRESS

Now that you know what you wanna tell ‘em, all you gotta do is find ‘em. Here are a few pointers on how to contact that elusive group called *editors*:

1. Look through the *masthead* of a magazine (the long list of editors’ names that usually follows 15 or so pages of advertising) and identify who’s who. Keep in mind that there is a high turnover in many of the fashion and lifestyle publications, so use up-to-date publications.
2. Get contact information by going online to the publisher’s Web site and begin the mysterious search for e-mail addresses, phone numbers, and fax numbers. E-mail addresses are the hardest to come by, but they are the easiest way to communicate with an editor. If an editor e-mails you and asks to be removed from your mailing list, don’t get your knickers in a knot.

Apologize for any inconvenience and kindly introduce yourself, and tell her to feel free to contact you if she needs any help in your area of expertise, and move on.



### Inside Scoop

*Once you figure out the e-mail address of one editor, you are likely to be able to figure out subsequent emails in that organization. For example, janedoe@xpublications.com can be replaced with johndoe@xpublications.com, and so on. Also, no editor wants to see that his or her competition just received the same press release, so be sure to e-mail each editor separately.*

3. Call trade publications and ask the front desk to connect you to the editor or reporter who covers your subject matter or “beat.” When the editor answers, remember to keep it short and sweet. Editors are often on deadline, so don’t be discouraged when they don’t take the time to become best friends. If you’ve got something they want, they will ask for more information. If they say no, be courteous and move on. Somebody wants to hear your story, so spend your time looking for that person.
4. When launching your business or product line or throwing a community event, call your local television station and get the contact information for the assignment desk. Don’t assume that you don’t have something newsworthy to offer. We’ve all seen what gets covered on a slow news day.
5. The first time you see yourself in print is an absolute thrill! Keep everything that’s ever been written about you and your business. If you have a Web site, post it on a press page. The funny thing about press is that once you are written up, other publications will want to write about you too.





**WRAP-UP**

Can you feel it? The buzz about your business is beginning, and it's all because you took the time to become your very own publicist or at least understand how the PR machine really works. Focus your efforts on the right angle and the right editors and you are sure to capture the right audience. Once you get the hang of it, you'll be writing press releases like a pro, and the editors you've taken the time to develop relationships with will be glad to hear from you.



*“To accomplish great things,  
we must dream as well as act.”*

*—Anatole France*

Thursday	Friday	Saturday/Sunday
<i>Editors come and go, so always make sure your directory is up to date. You don't want to offend the new editor before he or she has read your release.</i>		
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>

Notes

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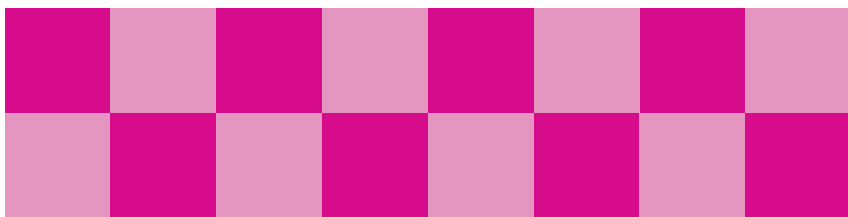
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## Week 7

# To Be or Not to Be Online, That Is the Question *What You Need to Know Before Building a Web Site*

“I wove my web[s] for you because I liked you.”

—CHARLOTTE THE SPIDER

*Charlotte's Web, E. B. White*

Every start-up needs to at least consider if and how the business can benefit from the Internet. Should you create an online-only business? Should your business provide e-commerce capabilities, or should your Web site be a marketing tool only? These and many other questions like them are sure to be swirling around your head as you consider how to take advantage of this amazing medium.

This week we will help you find the perfect online fit for your venture. We also will shed some light on the many online media that

have come onto the scene in the past few years. Many of these Web-tools are only as good as your ability to use them. For instance, everyone is talking about *blogging*, but how do you turn blog readers or visitors into customers? Another tool that many businesses are trying to capitalize on is advertising, pay-per-click or otherwise. Should you sign up for Google AdWords? How do you promote your business on the Internet? We will help you to uncover many of these online opportunities and figure out how to implement a strategic online plan for your business.

## ESTABLISHING AN ONLINE PRESENCE

Before you jump into building a Web site, you first need to think about the type of business you have and how to create an online presence that truly benefits your company. Let's first divide your options into two categories—*informational* or *marketing* (referred to as *marketing* from here on) or *retail*.

The purpose of a marketing site is to inform customers of what you and your business are all about. For example, if you have a hair salon that does not sell retail products, a *retail* site is not needed. Instead, you may want to create a very simple *marketing* Web site to inform customers of your location, shop hours, directions, and phone number and bios on some of the staff members and their specialties (e.g., cut, color, styling, etc.).

Make sure to create an atmosphere on your site that is consistent with what your customers would experience in your shop. If you have a hip salon and plan to charge a high price, your Web site needs to be a reflection of what customers can anticipate when they enter your store. You can't expect customers to pay high prices and get the idea that your salon is cutting edge (no pun intended) if your Web site looks dowdy. So don't blow it (sorry about the multiple puns, we can't help ourselves) by being cheap or lazy.

Let's take a closer look. Does it make sense to create a marketing site for your business? We think that there are very few businesses that would not benefit from a marketing site. The real question here may be

when to set up such a site. You may want to wait for more cash flow or until some of the glitches in the business are worked out. Remember, constantly making changes costs time and money. Okay, let's ask some questions. In the exercise below circle yes or no after the following questions and then tally your responses at the end.

### EXERCISE 1: TO MARKET OR NOT TO MARKET?

1. Do you have a retail business but for various reasons are not ready to launch a retail Web site?  
Yes    No
2. Based on your research, does your target market use the Internet to gather information?  
Yes    No
3. Do you have the budget to create a Web site that will act as a marketing site only? (Remember, while you may ultimately generate sales from customers who will find you on the Web, these are not direct sales, so if finances are tight, set money aside for a future marketing site as well as building and maintaining fees.)  
Yes    No
4. Does your product or service translate well on the Web? Will it show well online? (Even if you're not selling directly online, you're still selling your image.)  
Yes    No
5. Does your business have various services that can be clearly explained online, and is the additional information valuable to your potential customers?  
Yes    No

6. Do you have the capacity to answer questions or offer any kind of customer service online? (If timely responses are required, consider how you'll handle time-zone issues.)

Yes    No

7. If you have a retail bricks-and-mortar store, but do not want to sell merchandise online, can your Web site provide detailed descriptions of products for customers to review without purchase? (Consider the budget required for product turnover, images, and time for a paid Web master.)

Yes    No

8. If your product or service is highly image-sensitive, such as an art gallery, do you have the budget to create clear images of the artwork for customer viewing? (If you do not have the budget for this right now, consider creating a Web site that consists of one simple homepage with basic information.) Don't risk your image with an amateur-ish Web site.

Yes    No

9. Does your competition market online? (If not, why?)

Yes    No

So what did you come up with? Are you ready to launch your marketing/informational Web site? Is this something that will better serve you later on? Should you move forward or hold off given financial constraints or glitches that may need to be worked out? A marketing site will provide lots of opportunities for growth if you are able to keep your information fresh and relevant.

Now let's take a look at a retail site. Could this be for you? The first question to ask yourself is if your business is a retail business or if you're providing a service that can't be sold online. Before you assume you



can't build a retail site based on your product or service, investigate ways that you may take advantage of a retail site even if your primary business cannot be sold online.

Once again let's look at the hair salon example. The service you provide can only be transacted in person. After all, haircuts need to be done with the person's head in front of you and your skilled scissors within inches of your customer's mane. But if your salon is selling hair products in the store you may want to offer those products online. You could also allow customers to make appointments online, check out your menu of services, offer special promotions, etc. So, even if you are not selling your primary product or service online, a retail Web site may bring in added revenue, not to mention acting as a customer service tool.



### Inside Scoop

*Know your strengths! While you may be an expert at some things, being a geek goddess is not one of them. Find someone who is. The money you will spend fixing what you've started—or worse, messed up—and the time you will waste trying to do it all yourself is not worth the savings (time or money). Instead of trying to create your own site, concentrate on earning money to pay for a Web consultant to do it right the first time.*

Let's take a minute to examine your business and whether or not you could benefit from establishing a retail Web site. Go through each question in Exercise 2, and circle "Yes or No". Let's see if we can't figure out the best course of online action for your business.

## EXERCISE 2: TO SELL OR NOT TO SELL?

1. Is your business a traditional retail business?

Yes    No

2. Is there a portion of your business that may be considered retail (think of the hair salon example)?

Yes    No

3. If only a portion of your business is retail, will additional sales revenues cover the costs of building and maintaining a Web site?

Yes    No

4. Will your products show well online?

Yes    No

5. Do you have the capacity to fulfill orders online (that means shipping and handling as well as keeping inventory)?

Yes    No

6. Can your product(s) be shipped anywhere in the United States or the world?

Yes    No

7. Will you sell both online and offline (at a bricks-and-mortar location or catalog)?

Yes    No

8. Do your products require extra packing to be shipped (consider additional costs of shipping and handling and if customers will be willing to pay the additional costs)?

Yes    No

9. Does your target market shop online (what did your research tell you about their online habits)?

Yes    No

10. Does your competition sell online (if they do not, why)?

Yes    No

If you answered “Yes” to more than half of these questions then get ready to cash in on your online, retail success! If you answered “No” to more than half these questions, your business may not be ready for a retail site now, or ever, for that matter. If your business is not ready now, make a checklist of when you think it might be ready so that you can put money aside in your budget for building and maintaining a future retail site.



### Just for Moms

*If you lack time and are constantly juggling schedules then we strongly suggest that you use the World Wide Web (aka www) to build your business. This medium single-handedly may be the reason so many “momprenuers” are able to launch their dream businesses. Moms today are lucky to have an alternative that allows them to work during naps and after dinner and bedtime—remember you’re launching to create a better life, not to be consumed by your work.*

## DON'T GET TANGLED IN YOUR OWN WEB

So you've decided to go online—great. Here are a few—well, more than a few—must-have items to include on your Web site.

Let's start with your *domain name*. The abridged version of our advice is to pick a good one. The longer version goes like this: Before you get excited about a name, make sure that it has not been taken by searching for it at a reputable domain registrar. A good domain has two

key elements: It's memorable, and it's easy to search for. Keep the name short and sweet. Also, for all you over-the-top creative types, keep the spelling simple. Discoverability is key, so don't include apostrophes or "kute" and "kreative" spelling; it's not helpful for people looking for you on the Web. The more obvious the name, the more you'll benefit from search engines, too (more on search engines later).

For example, let's say that you own Mimi's Place, a retail knitting shop that also offers classes. Although Mimi's Place is a great name for your retail location, it may not be the best choice for getting newbies to your Web site because it doesn't mention anything about what your company actually does. Without changing your company name, consider adding a few words, such as [www.knittingatmimis.com](http://www.knittingatmimis.com) (note that there is no apostrophe). Once you've settle on a name you can go to [www.register.com](http://www.register.com) or [www.godaddy.com](http://www.godaddy.com) to register your site's *uniform resource locator* (URL).

Now it's time to lay out your site. Create this like you would a storyboard if you were making a movie. Think though each screen, starting with your home page. You want to make it organic and flow the way your customers think. Don't complicate things with fancy bells and whistles; these often stand in the way of an easy-to-navigate site.

The storyboard will give you an idea of how to build your site and act as a visual aid when you communicate your Web site vision to a Web builder. Having a screen-by-screen visual of what you want your site to look like and how you want it to function will save you time and money when it comes time to execute.

Keep in mind that these are the basics. Once you talk with your Web builder and review your online objectives, you may want to add more. And this probably goes without saying, but the Web is constantly morphing, and there are bound to be a bevy of options for you that don't exist today but will be a tremendous resource for your venture. So keep your eyes and ears open for opportunities to grow your business through the Internet.

Here's a checklist of all the items to include in your Web site:

### EXERCISE 3: WEB BUILDING CHECKLIST

Page Title	Include	Don't Need
<b>Home Page</b> (The first page your customers see—make a good impression.)		
<b>Catalog Page(s) or main menu page</b> (The various pages your customers have to choose from. You also might have page selection on the home page, much like a table of contents in the beginning of a book.)		
<b>Order Information Page</b> (All about your ordering process and policies as well as shipping and handling.)		
<b>Frequently Asked Questions or FAQs</b> (A list of questions customers may ask, complete with answers. A good way to cut down on customer service calls or emails.)		
<b>Site Map</b> (A listing of all the pages on the site. This gives a customer a bird's-eye view of your site and helping her navigate it.)		
<b>Checkout Page</b> (A literal tally of items purchased and a request for personal information.)		
<b>Payment Processing Page</b> (A request for credit-card, Paypal, or e-checks information.)		
<b>About Us or Mission or History</b> (You get the picture. You can even include bios of your employees or company founders.)		
<b>Press</b> (Anything that has been written about you or your industry that is positive. List the magazines, newspapers, and online publications that have written editorial about you. If you have been on television or radio, you can include a podcast of your interview. You can list each publication using simple text or you can use an image of your article or the magazine's cover for added credibility.)		

### YOUR WEB SITE IS JUST THE BEGINNING

Deciding whether to get a Web site up or not is just one part of your digital marketing plan. The whole “if you build it they will come” notion made for a great movie, but it will not necessarily translate into

droves of shoppers or potential clients clicking to see what you've got to offer. While the Internet provides a venue to connect to the masses, the masses have lots of options to choose from, and your job is to figure out how to get them to your site.

First, they need to know that you are out there. How do you tell them you exist, never mind how fantastic your business is? How do they know where to find you? And how do you know that those who are logging on are actually your target audience? There is a lot to consider when it comes to this enormous and ever-changing medium.

Setting out to navigate the Web waters alone is cruel and uncool, and we like to think of ourselves as otherwise. So we are going to equip you with a few tools for digital survival. Here are some things to think about. Most of what is available to you will require a Web site of some sort, but if you choose to hold off on the Web site, there are still a few Internet opportunities for you to add to your marketing mix.

The next few options are focused on online forms of advertising, public relations, and general customer outreach. According to Forrester Research, the average person spends about 34 percent of his or her weekly media time online, both for work and for personal reasons. This statistic alone is reason to spend time reaching out to the online community of potential consumers who need to know that your fabulous business is out there and ready to serve them.

We've listed some of the most accessible online marketing options and broken down the "tech talk" to assist you as you consider who you need to connect with and how to do so. Now you can fearlessly approach this once-overwhelming task with some simple solutions for driving business using the wonders of the Web.

### **Internet Advertising**

The marketing options in this category are the most traditional of all the Internet offerings we have listed. They are tried and true, and some of these mediums are experiencing great success right now, whereas others don't quite have the same consumer stickiness they once enjoyed. We are sharing both with you because we know that when you

## DREAM BUSINESS STATS

**NAME:** Jessica Jackley Flannery

**DREAM BUSINESS:** Kiva

**WEB SITE:** [www.kiva.org](http://www.kiva.org)

**QUOTE:** “Just start, even if it’s not perfect.”



*During her senior year at Bucknell University, Jessica met Matt, her now husband and business partner. Just after the two were married, Jessica took a job in Africa working for a nonprofit organization called Village Enterprise Fund (VEF), which aimed to help start small businesses in East Africa through small grants and loans. While there, Jessica was blown away by the success that small amounts of money could engender in these impoverished areas.*

*The couple kept in touch as much as they could, but most of their conversations revolved around small business, poverty, and the need for capital in the African villages Jessica was visiting. They spoke about the possibility of providing more business loans to these communities. Matt went to Africa to visit Jessica, and their idea began to mature. In 2004, the two returned from Africa and immediately went to work on a business plan.*

*In April 2005, the first seven applications were posted on the Kiva Web site. Their business idea was working—and better than they had thought it would.*

*They hit a major turning point after they were featured on the TV show Frontline in October of that year. Before the Frontline piece, they had processed a total of \$500,000 in loans, and by April 2007, they were up to \$5.5 million in loans.*

*By February 2008, Kiva.org had processed \$23 million in loans, a total of 250,000 lenders, and over 80 microfinance partners. The company services over 40 countries worldwide and enjoys an excellent repayment rate of 99.87 percent.*

© Photo credit: Sandra Jackley

are starting out, knowing all your options, especially the cheaper—eh hem, we mean the less expensive ones—are sometimes the best way to go.

### ***Budgeted Advertising or Pay-per-Click***

This allows you to purchase a set of keywords that relate to your Web site, set a limit on how much you want to spend, and have your ad displayed until your limit is reached. It's a convenient way to track your advertising and has been one of the most resourceful online tools for small businesses because the payment model is based solely on qualifying click-throughs. [www.overture.com](http://www.overture.com) and [www.adwordsgoogle.com](http://www.adwordsgoogle.com) are the largest of all of the pay-per-click providers.

### ***Search Engine Listings or Keyword Search***

Each search engine contains directions on how to submit your URL, or you can simply log on to [www.freewebsubmission.com](http://www.freewebsubmission.com) for a directory of search engines. The directory lists some of the biggies, such as Google, Yahoo!, and MSN, as well as smaller search engines, and provides links to the individual instruction pages that make signing up easy as pie. Each individual search engine will guide you on how to submit your URL. Just click and list away. The most important thing to do when getting listed are to pay lots of attention to the text on your home page. Use the keywords or phrases you want to target as well as the title of your Web site in your home page copy. Let's say, for example, that you sell soap made of rare Peruvian goat's milk. People typing in *soap*, *Peru*, *goat*, and *milk* will likely find your site while searching.

### ***Web Site Advertising***

Most content-driven Web sites offer advertising on the site. Make sure to choose online advertising venues that bring in your target market. Before you drop serious cash on a fancy site, remember it's gotta be your audience before it translates into conversion of potential customers.



### ***Banner Advertising/Pop-up Ads***

These are both forms of Internet advertising. They are the most familiar of Web site ads. While the ads may convert into impressions, they don't often mean action or sales. The message is also not as compelling as editorial material (e.g., blogs, social networks, etc.) or "advertorial" material (we'll talk about this made-up word shortly), but it still can be a valuable part of your marketing mix if you approach it in the right manner. The most successful campaigns that we've seen on our own Web site are those with special offers. The offer calls for action rather than confirms your existence. There is too much noise on the Internet for your small business to stand out without offering some incentive. Large companies that continue to use banner and pop-up ads can afford to use these formats for branding only, but it's not necessarily the best bang for your start-up business buck.

### ***Swaps or Exchanges***

A great way to keep costs down is by taking advantage of another Web site's target audience. Find merchants that sell products complementary to your own, and offer to trade ad space with them. When you're new, you have little to no audience with which to swap, but you may be able to offer product(s) or service(s) in return for advertising on another site. Get creative. You've got something to offer, we know it. It's just a matter of time before you have your own traffic and track record. In addition, most companies won't turn down an opportunity for more exposure, so you are sure to find a few willing and able to exchange ad space or links with you. The advertisers generally swap banners, pop-ups, buttons, or text links. Swaps can be great, especially if your advertising budget is limited (or nonexistent). You may see some of these swaps in a section of a Web site called "Friends" or "Links we love."

### ***Advertorial or Dedicated E-mails***

As promised, let's define the made-up word we spoke about in the previous section (for the record, we didn't make it up). The term "adver-

torial” refers to a type of advertisement that reads like an editorial piece but is actually paid for by the advertisers. Because it closely resembles editorial copy, there are actual laws that prevent advertisers from manipulating consumers through “advertorials.” You are sure to have seen these in a magazine, and they always say “Advertorial” or “Advertisement” somewhere on the page. An advertiser must identify when it has purchased space for its content. Not so different from magazines, the Internet has dubbed the term “dedicated e-mail,” and in many cases these dedicated e-mails offer an advertiser the same opportunity to communicate with copy that reads more like an editorial piece than advertising. When buying a dedicated e-mail, the advertiser is buying the temporary use of an e-mail list to communicate with a specific audience, and generally, the entire ad space belongs to the advertiser. In addition to selling dedicated e-mails many companies that share the same target market are eager to swap dedicate e-mails with each other and save a tremendous amount by doing so.

### **Blogs**

A *blog* is essentially a conversational diary between you and your potential consumers. It is easy to set up and a cost-effective way to create an online presence while validating your expertise and leadership in the marketplace. A nice thing about blogs is that they take no time to get up and running, so you’re able to create a place where people can find you without having a Web site. The blog is a terrific tool for talking to a very targeted group of people who are passionate about a particular topic or product.

If you do it right, your blog will be a great way to boost search engine rankings and create the opportunity for more bloggers to find you, your blog, and your Web site (if you have one). While it’s a bit like a newsletter in that you are publishing information, you may come off as being more credible to die-hard bloggers because it gives others the ability to openly communicate with you. In addition to increasing search engine visibility, the ever-changing content keeps you connected to new and established audience members alike.

The greatest benefit to blogging might just be the loyal readers who come to your blog. These people can be an invaluable focus group and your number one noisemakers. Staying connected to them is an essential means for collecting feedback. In order for your blog to really be successful, you need to commit time to creating content and regularly updating it; otherwise, you will lose your readers. Keep in mind that the people who are coming to your blog, are likely loyal readers or shoppers already, and your start-up goal is to expand your pool of customers and prospects. Check out [www.blogger.com](http://www.blogger.com), [www.typepad.com](http://www.typepad.com), [www.wordpress.com](http://www.wordpress.com), and Yahoo Small Business if you're ready to get started on your very own blog—and you thought you were Internet-challenged.

### **Social Networks**

No longer new to the scene, these networks focus on the building of online *social communities* of people who share similar interests or hobbies. These Web-based networks provide a number of ways for users to interact by *chat*, *messaging*, *e-mail*, *video*, *voice chat*, *file sharing*, *blogging*, *discussion groups*, and so on. The most popular of these online communities are [www.MySpace.com](http://www.MySpace.com) and [www.Facebook.com](http://www.Facebook.com), but be on the lookout for new social networks that are popping up daily. Someone out there is sure to be connecting with your target audience, and you want to be sure to get in on the action.

### **Publish Articles and Content Swapping**

Basically, this is you officially casting yourself as an expert in your field by becoming a full-fledged writer. The goal is to publish content (articles) that can be used by other Web sites to drive traffic to your site, build brand equity, and save money in the process. There are two ways to do this.

The first is to go with a service that collects articles and offers them to other Web sites to use on their individual sites. They generally charge the writer a small fee for distributing the article as well as the Web site that picks up an article. This is a great way to get exposure on

a Web site that you may not have been able to afford to advertise with. The fee the article publisher charges won't come close to the advertising rate a Web site would charge, so it's a great money-saving tool. The key here is to make sure that the right Web sites are picking up your articles. Like some of the other options we have listed, this too is a great credibility-builder and eventually will get consuming folks to come a knockin'.

The other way to share your content is to swap with another Web site that targets the same demographic as you do. You can swap advertising space on your site for content on theirs (especially when you first get started and don't have a viewing audience or subscription base—yet). What you swap is up to you and the swapper. If your business is a service and you have the ability to cast yourself as an expert in your chosen field, you are likely to pick up customers without even having a Web site. You can just provide your e-mail address and phone number. Obviously, if you have a Web site, curious individuals would have access to more information about you and your business before contacting you via e-mail or phone, but it's not required. A well-targeted editorial piece written by you, combined with the cost savings of creating and distributing the article, provides credibility more than any advertising campaign could. These factors make this online marketing tool a valuable option to consider. A couple of Web sites that provide article distribution are [www.isnare.com](http://www.isnare.com) and [www.ezinearticles.com](http://www.ezinearticles.com).

### **E-mail Marketing/Online Newsletters**

Whether it's a single-page e-mail inviting people to join your event or a monthly newsletter, e-mail marketing is a great way to establish an ongoing relationship with your readers. There are several companies that provide e-mail marketing services with online newsletter templates that make editing your weekly or monthly newsletter a cinch. These companies are usually paid a monthly fee and allow you to add images and editorial content to a template you create when you first set up your newsletter. [www.mailermailer.com](http://www.mailermailer.com), [www.myemma.com](http://www.myemma.com), and [www.constantcontact.com](http://www.constantcontact.com) are great places to start.

This form of online marketing was a big hit for us so we thought we would include a little information on how this media changed the way we did business. Even though we had a Web site, we created nedandshell's "Weekly Dose" to stay connected with our customer base. We wanted to know who they were, how many there were, and where they were coming from. We were able to gather all this data (and more) by creating a subscription-based newsletter.

Our customers were happy to hear from us because we offered them an editorial e-mail heralding the latest and greatest from creative women entrepreneurs. Our customers looked forward to our weekly e-mails, and we even began to grow a base of new readers who had never shopped with us but wanted to subscribe to our weekly newsletter.

We instantly became an authority on all things hip, emerging, and made by women. Our authority was further established when other Web sites linked to the edition of our newsletter that mentioned them. This led to editors from magazines such as *Newsweek*, *Lucky*, and *WWD*, just to mention a few, quoting us as experts.

In so many ways our online newsletter propelled us into another business altogether. Not only did we gain credibility that went beyond our shopping site, but we also were able to create a whole new stream of revenue by providing affordable advertising opportunities to other small businesses that were looking to connect with our "Weekly Dose" audience.

## **E-Zines**

We've talked about writing for other sites, but you may want to consider writing for your own. Unlike a newsletter, an e-zine lives on your Web site and is not e-mailed out like a newsletter. You may even consider making this your whole business model, in which you provide content and sell advertising space for revenue, or you can create an e-zine as a marketing tool to connect to your target audience. With an e-zine, you can offer much more content and even take in articles written by others to add legitimacy to your e-zine. Let's say that you offer an accounting service. If so, your e-zine may be targeted to female entre-

preneurs looking for small-business advice online. In fact, if anyone launches such a business, please e-mail us immediately—we've got a few questions for you!

### **Affiliate Marketing**

This is simply the revenue sharing between online advertisers/merchants and online publishers/salespeople. The compensation is based on performance and is typically in the form of sales, clicks, registrations, or a hybrid model. We've benefited greatly from affiliates. They enable you to fill your ad space without hiring a salesperson or taking the time to sell ad space yourself. We also found that having certain ads validated our online presence. If we had [www.Sephora.com](http://www.Sephora.com) or [www.BabyStyle.com](http://www.BabyStyle.com) as an affiliate advertiser, we were instantly connected with a national brand that added legitimacy to our brand which is so important when you're new to the scene. The extra cash was great, but it was the brand connection that gave us the biggest boost.

Individual sites will offer affiliate programs that you can sign up for, or you can go to affiliate marketing companies that make it their business to aggregate and offer affiliates to interested parties. Additionally, you can become an affiliate and offer your products or services to other sites to promote, and if they do so successfully, you'll pay them for clicks or actual sales depending on the relationship. This too is a great way to get your product or service out there at a fraction of advertising costs—and you're only paying when you get results. Check out [www.linkshare.com](http://www.linkshare.com), [www.preformics.com](http://www.preformics.com), and [www.cj.com](http://www.cj.com) (Commission Junction) to get started.

### **Podcasts/Video Casts**

This medium allows you use audio and/or video to communicate with you audience. The feed of voice or visual is posted online through a service and can be a great tool if used properly. It's yet again a great way to establish credibility and get the word out with added audio and visual capabilities.

There are actually podcast directories with topic-specific information, such as [www.podcastingnews.com](http://www.podcastingnews.com), [www.google.com/base](http://www.google.com/base), and [www.sbtv.com](http://www.sbtv.com). You could submit your podcast/videocast or select one to use on your site that may benefit your customer. You can also set up your own podcast on your Web site with podcast software. While this tool can be effective it can look very unprofessional if not done well. You may end up driving away the very traffic you were hoping to bring to your site. So far, the best small-business (i.e., limited budget) use of this medium that we've seen comes from seminars or speaking events. The information provided is audience-specific and provides a learning tool to its viewers, so the format does not require loading up with fancy editing or product shots to be effective. This is, of course, a humble non-techy opinion, but since it's our book, we thought we would throw it in.

### **E-mail Signature**

This is one of the most simple and effective ways to provide information to your customers. Never let anything leave your e-mail without accurate contact information. Always give people every tool they need to stay connected with you and your business—it's just good customer relations. Make sure that your e-mail signature includes your e-mail address, phone number, title, and if appropriate, address. Some e-mail signatures even include a positive, second-party editorial review or an inspiring quote.

### **INTERNET MARKETING LINGO TO KNOW**

Half the challenge when dealing with the Web is understanding all the geek speak. With a little help from the experts at [www.marketingterms.com](http://www.marketingterms.com), we came up with a list of terms to turn every wannabe into a "will be."

**CPM, or Cost Per Thousand** This term refers to the cost of each 1,000 set of eyeballs that come in contact with the information (online or otherwise). So, if an advertiser states in its media kit

that the cost of an advertisement on its site is \$100 CPM and it has an audience of 5,000 viewers, then the total cost for an ad is \$500.

**CTR, or Click-Through Rate** This is the average number of click-throughs per hundred ad impressions, expressed as a per-centage.

**SES, or Search Engine Submission** This is the actual act of supplying a URL to a search engine, making it aware of your site so that it can list your URL on the search engine.

**SEO, or Search Engine Optimization** This is the process of choosing keywords or phrases that relate to a site so that the site ranks high on a Web search.

**PPC, or Pay-per-Click** This is an online payment method model in which payment is based on click-throughs.

**CPC, or Cost-per-Click** This is the cost paid per click-through.

**Viral Marketing** This is the phenomenon that facilitates and encourages people to pass along a marketing message.

**Subscribers** These are the people who log onto your site and usually have provided personal information in exchange for something, a weekly newsletter, e-mail coupons, whatever. These subscribers also may be paying subscribers who have paid a fee to get your information much like a hard-copy magazine.

**Impression** This refers to a single viewing of your advertisement.

**Conversion Rate** This is the percentage of visitors who take the desired action. That action can be anything from purchasing products, signing up for membership registrations or newsletter subscriptions, downloading software, or just about any activity beyond page browsing.

## WRAP-UP

It's amazing how a plan of online action and a little lingo breakdown can really boost your Web-confidence and your bottom line. We encourage you to carefully consider the online options and decide



which are best for your company. If you asked either one of us what online obstacle we constantly dealt with when we were starting out, it was trying to do too much or be too much at the same time. If you focus your online marketing efforts, not only are you more likely to see results due to your directed energy, but you'll also be able to identify what's not working and quickly move on to formats that better suite your situation.

See related resources in the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks).



# Week 7 Schedule

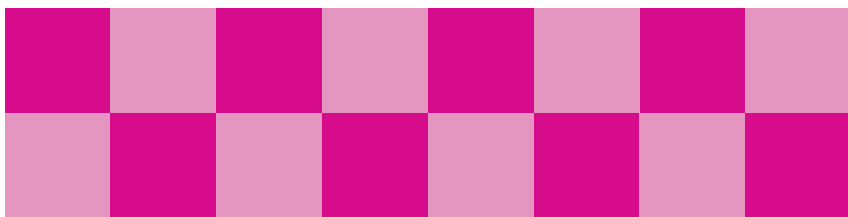
Monday	Tuesday	Wednesday
AM		
PM		
<i>When checking out your competitors' Web sites, keep a list of what they are doing right as well as wrong, and learn from their mistakes.</i>		
<b>Monday To Do:</b>	<b>Tuesday To Do:</b>	<b>Wednesday To Do:</b>

### To Do

- Scout the Internet for your competition, and keep a journal of the various Web sites you find
- Complete the questionnaires to decide if a marketing or retail (or both) Web site is appropriate in the start-up phase
- Secure your domain name
- Create a storyboard to build your Web site
- Identify online marketing and advertising media you will use



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## Week 8

# Rules of Engagement *The Importance of Networking, Moving, and Shaking*

“Networking is the process of developing and maintaining quality relationships that enrich our lives and empower us to reach our goals.

It’s about giving first and realizing we can learn from everyone we meet.”

—ANDREA R. NIERENBERG  
*Million Dollar Networking*

Women tend to thrive on connecting with others. We feel more empowered within a community, especially when like-minded women are around us. Just think about the circles of women friends you have and the organizations or community activities you belong to and how you have benefited from those relationships.

Women flourish in relationships and desire to learn from, inspire, and motivate one another. Connecting is a very natural activity for us. This week we will discuss the importance of connecting with others in

the business world. We'll give you some networking ideas and a few tips on maintaining those valuable relationships.

### THE IMPORTANCE OF THE MEET AND GREET

We all benefit from the positive relationships in our lives and even learn from the less than positive ones. We believe that the most successful people understand that we all need other people to help us grow and prosper beyond ourselves. This is especially true when starting a business. The venture inevitably will be bigger than us as individuals. And therefore you will need the help of others, whether it is for time, money, advice, or support.

Every entrepreneur we talk to tells us that networking is one of the most important things you can do as a business owner. Rebecca of Rebecca Minkoff, a hip new handbag label, got her first big piece of press thanks to her connections. When Rebecca was still designing clothing, her sister-in-law introduced her to her friend, actress Jenna Elfman. Jenna saw one of Rebecca's "I Love NY" T-shirts and requested one. *Us Weekly* magazine happened to photograph the T-shirt on Jenna, and orders started pouring in. Rebecca received instant recognition all because of a connection.

So now that you see how important and how easy it can be, let's start connecting.



#### Inside Scoop

*The benefits of networking are endless. Among them is the ability to get the word out about your company and yourself, learning to solve your business problems as well as helping others with theirs, and creating strong relationships and potential partnerships.*

### CONNECTING ORGANICALLY

Now, we know what you are thinking. You're not totally comfortable with the meet and greet. It's a drag trying to mingle and come up with

painfully forced small talk during a networking event. Never mind the added awkwardness of your name tag firmly affixed to your lapel so that others can pretend they know you. It may be intimidating at first to approach someone in a business or professional setting, but the key is to believe that you have something to offer the other person. Don't let a little discomfort get in the way of being the fabulous, confident connector we know you are!

If you just can't stomach these events take it slowly and start in your own backyard. Also, talk to all your friends and family members about what you're doing, and watch to see if someone you already know knows someone you should meet. You'll be surprised who your friends and family know.

You can even do it online. There are a multitude of social networking sites out there, and they are a great way to start building a network. Imagine millions of customers and advocates for your business all just a click away! To find our favorite networking sites, check out the resources section at the end of the book or log onto [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks).

Now, that's not so hard, is it? You don't have to go to organized "networking events" to connect with people. Do what comes naturally. But get out there and meet people!

Let's get to meetin' and greetin', shall we?

### EXERCISE 1: MAKE CONTACT

Take a moment to make a list of all your current contacts. List every person, industry, or organization that can help you in the launching of your business. Include friends, current coworkers, neighbors, and family. Feel free to expand your list by making a second contact sheet of the names of people and organizations that you may not necessarily know right now but that you plan to connect with in the future. Below is a worksheet to get you started.

*Coworkers:*

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*Professional colleagues:*

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*Friends and family:*

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*Groups, organizations, and associations within your desired industry:*

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*Interesting classes or seminars offered within your desired industry:*

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## WHAT ARE YOU AFTER?

After you've completed the exercise above, identify what you want from these people. Once you've determined what you need, start dialing the phone or sending e-mails and introduce yourself. If a friend or family member gave you the lead, follow up right away, the contact may be expecting to hear from you. Tell them who you are, what you are



## DREAM BUSINESS STATS

**NAME:** Lubna Khalid

**DREAM BUSINESS:** Real Cosmetics

**WEB SITE:** [www.realcosmetics.com](http://www.realcosmetics.com)

**QUOTE:** “My lifetime goal is to revolutionize the way society views beauty.”



Lubna Khalid founded her company, Real Cosmetics, in 1999. She was unable to find foundations and powders to match her skin tone and desperately wanted to see beauty images that reflected the “real” beauty of every type of woman. Knowing this to be a common problem among all types of women, Lubna vowed to create “real” makeup for all complexions.

With about \$50,000, which Lubna self-funded through family and friends, she launched with 18 different foundation, lipstick, and pressed powder products. At first, the product was sold exclusively online, but it was quickly discovered that the products needed to be sold through actual bricks-and-mortar stores to allow customers to try out the different offerings to find which one best suited their skin types.


A friend introduced her to a buyer at Nordstrom and a few years later she was selling in Sephora stores as well. Her product was doing very well, but she was burnt out. In 2005 she pulled her product from the stores and took a two-year hiatus. She did some soul searching and some much-needed resting. In the fall of 2007, she decided to re-launch her business; there was no way she could abandon her dream forever. When she came back she found the perfect partner who complemented her talents and had a similar passion and vision. They are currently in the process of opening their own stores as well as creating a non-profit foundation to empower women globally.

© Photo credit: Aaron Taylor

doing, and why you want to meet with them. Ask for a few minutes of their time and be very considerate. Remember, you are asking for the favor, so leave the language laced with entitlement at home. Be humble, and don't forget to send thank-you notes to everyone who has helped you. Even if the meeting was mutually beneficial, you'll be remembered for making the extra effort. It's also a great way to maintain the relationship. Who doesn't appreciate being appreciated?

### MOVE AND SHAKE

Your next step is to look into joining some of those industry groups, organizations, and/or associations you listed in Exercise 1. First, check out their Web sites. Then get on their mailing lists. Sign up to have them send you their newsletters and information about upcoming events, trade shows, etc. You need to educate yourself on the ins and outs of your industry as well as expose yourself to other people within your field, and these groups and organizations can be an invaluable tool to help you do just that.



*Getting involved in your child's school organizations can be beneficial on many levels. First and foremost, you are participating in their lives and their education, which is wonderful. Second, you are making friends and connections for yourself and adding to your network. Share with other mothers a little about what you're doing and your business and see where that leads you. You never know what another mom may be up to and who she might know.*

Are you ready to get out there? Wait! Before you leave the house, we have a few tips. So please read on.

Things to keep in mind when connecting with others:

1. Always plan to give more than you receive.
2. Never expect favors.
3. Keep connecting all the time, not just when you need something.
4. Always show your appreciation when someone helps you. A special hand-written thank-you note or a sincere phone call can do the trick.
5. Respect other people's time.
6. Follow through on promises.
7. Be sincere.
8. Share connections.
9. Offer advice to others just starting out.
10. Be positive about people you've worked with in your industry, and if you don't have anything nice to say—you know the rest.

### Talk is Not Cheap

When speaking with others, try to pause to help people understand the importance of who you are and what you are saying. Pausing helps people to better comprehend what you are saying, and it also expresses a confidence in what you are saying. If you rush through it, your words will seem less important and thoughtless.

Things to remember when speaking to others:

1. Relax and be yourself.
2. No fidgeting please.
3. Smile.
4. Look people in the eyes.
5. Stand up straight with your shoulders back.
6. Speak purposefully and confidently; don't rush through your words.
7. Be conscious of your body language and what it is saying about you.
8. Listen actively or at least pretend that you are.
9. Don't be intimidated.

## MAINTAINING RELATIONSHIPS (AND A LITTLE SUCKING UP)

As a business owner and a connector of people, you will need to maintain the relationships you've initiated—especially if you want to keep those relationships. Now, we know what you are thinking. You barely have time to maintain the relationships you're already in. Well, we are here to tell you that you have time for whatever you want to have time for. You may just need to arrange your schedule a bit better.

First, find or create a system to help organize all your contacts. Whether it's on- or offline. You can use any software that helps you to manage your contacts more effectively. You will definitely need a good system to hold all this valuable information. You want a program that will allow you to pull up names, addresses, e-mail addresses, and notes on each person.

Select a system that allows you to keep notes about people. That way when you bring up their number to call them, your notes from previous conversations will remind you of the exchange. Your software should allow you to sort your contacts and create special lists of contacts (i.e., a list of customers can be separated from a list of suppliers or a personal list can be separated from a professional list). Microsoft Office Outlook with Business Contact Manager and ACT are good programs to start with.

Your system should help you to create mailing labels with ease. It also should remind you of dates worth acknowledging. If you plan to share your contact information with an associate or employee, make sure that your software can network. And if you plan on synchronizing your contacts with a handheld device, double-check to make sure that your program can do that as well. Once you've got your system in place, it is relatively easy to keep up with your peeps because your computer will remind you when you need to call or meet someone, send a card or gift, etc.

There are actually some Web sites that can send e-mails for you automatically or even send gifts. (Check out some options in the resources section at the end of this book.)

Before you sign up for these automated services, consider that a hand-written note or well-thought-out gift always sends a stronger and more thoughtful message. So if it is a really important relationship, you'll want to go the extra mile.

Sending cards, gifts, and notes are great ways to thank people, show appreciation for favors, or simply to stay in touch. Occasions worth noting are both personal and professional. Always remember holidays, birthdays, personal congratulations, bridal or baby showers, and professional accomplishments, such as a favorable mention in the papers or an additional store location, etc. Think of these occasions as a good reason to reconnect with those in your network.

## WRAP-UP

Now you are ready to get out there to meet, greet, and connect with the best of them. We are confident that you are going to build great, long-standing relationships to benefit you both personally and professionally. And you've mastered the ever-important techniques of "sucking up" or, as we like to put it, maintaining relationships. Go forth and do what you were made to do—*network* it, baby!

See related resources in back of the book, or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



# Week 8 Schedule

Monday	Tuesday	Wednesday
AM		
	<i>Look your best today.</i>	
	<i>You never know</i>	
	<i>who you'll meet.</i>	
PM		
Monday To Do:	Tuesday To Do:	Wednesday To Do:

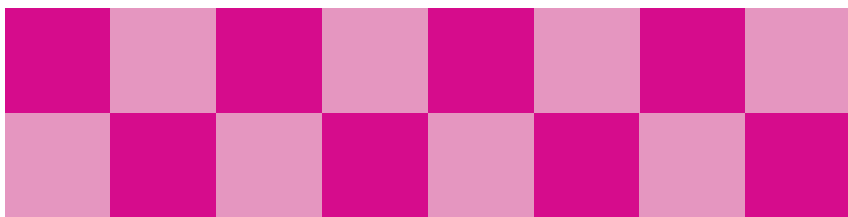
## To Do

- Get the word out—talk to friends and family about what you are doing
- Find and set up your contact management system
- Create a list of your current contacts



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## Week 9

# Start Your Engines *Budgeting for Success from the Beginning*

“Define your business goals clearly  
so that others can see them as you do.”

—GEORGE F. BURNS

You might be wondering, do I really need to create a formalized budget and track all my projected expenses and income? And the answer is: yes, definitely. A budget will allow you to see how much it’s going to cost you to make your dream business a reality. It will tell you what you need to scrounge up and then fork over to open your doors for business.

There are so many things that you can spend your money on and so many things that will seem absolutely essential to your business. However, you cannot afford to do everything right away. A budget helps you to stay focused on what expenses are most important: rent, manufacturing, marketing, salaries, office supplies, etc.

If you don’t have a budget, you can’t readily see where you are spending your money until after it’s spent, and at that point, well,

it's a little too late, isn't it? Budgeting allows you to set money aside for a rainy day and commits you to spending a fixed amount on the various items you need to move your business forward. As you expand, a budget can also help you to appropriately distribute finances based on growth.

In addition, budgets ensure that everyone in your organization is on the same page. You may not think that this is so important now, because your organization is made up of just you, but think about if and when the time comes to bring on a partner, hire employees, or seek financing. These people will become part of the budget-making process and/or will need to see where funds are spent. For those of you who are still not convinced that you'll need a budget for your new business, let's be a bit more clear—YOU NEED A BUDGET! Your survival and success will depend on it.

### PLAN IT!

Cash can and should be a business woman's best friend. You'll need it for growth in good times and for sustenance in bad times. You never want to be caught without it. So before you start spending you'll need to put together a plan, or two in this case. Your start-up budget and operating budget will help to chart your course. Use these tools to take control of your financial future.



#### Inside Scoop

*Tame your accounting demons by promising yourself an indulgence after every session of budget planning; it's amazing how a little ice cream or a relaxing massage can motivate a girl.*

Keep in mind that numbers are our friends. We know they can be daunting for some, so if you are a bit squeamish, may we suggest that you get some therapy and get over it—there's nothing to be afraid of.

You need to do whatever it takes to overcome your finance-phobia. Even hiring the world's greatest accountant is not going to do it. This is your business and your responsibility. Just ask your vendors and the Internal Revenue Service, and they'll tell you the same.

## RESEARCH IT!

Because you are just starting out and don't know all the costs you will encounter in the start-up process, it's a good idea to do some research. There will be many things to consider. For example, where was that great-looking office or storefront you envisioned? How much will it cost to rent each month? What supplies will you need to open your doors for business? A phone, a fax, business cards, inventory, etc.? How about an accountant to help set up your books and a lawyer to help with filing paperwork properly? Will you need to hire employees? What's it all going to cost?

This is the point where you should be attaching costs to everything you think you're going to need to open your doors for business. Tackle the big expenses first, and prioritize all your needs. As we all know, money never goes as far as we want it to. So you will almost always need to hold off on or sacrifice some expenditures. Be flexible, and be willing to compromise for the greater good of your vision. Let's look at some of the big expenses you will be faced with in the start-up phase.

### **Furniture and Equipment**

If you plan to rent office space or a storefront, equipment and furniture can consume a big chunk of your start-up capital. As with any big purchase in life, be sure to do your research and get educated. Vendors can teach you a great deal about the specifics. We encourage a little comparison shopping. You want to make sure that you are aware of all your options and get the best product and price for your specific needs.

If you are buying a piece of equipment, find out if there are any ongoing costs attached to owning the unit, the price and availability of

## DREAM BUSINESS STATS

**NAME:** Eva Jeanbart-Lorenzotti

**DREAM BUSINESS:** Vivre

**WEB SITE:** [www.vivre.com](http://www.vivre.com)

**QUOTE:** “Experience comes in the doing.”



Eva recalls, “After growing up in Europe and working as an investment banker at Lazard Freres in New York, I was surprised that a country as wealthy as the United States didn’t have as much exposure to the luxury brands in their stores as Europeans did. I thought, “Wouldn’t it be great if we could bring these brands into their homes?”

While she was still employed at the luxury brand, Cristal, she managed to convince the company to produce her first retail catalog. This enabled her to learn a great deal about the business she was about to enter on their dime.

“Entrepreneurship has always been in my blood,” says Eva. “When I was eighteen, I conceptualized, created, and marketed a business based on tattoos-as-jewelry,” she recalls. “I also led many of my school’s fundraising efforts. Through these experiences, I realized how much I enjoyed seeing my ideas come to fruition, and I knew that creating something-from-nothing would always be a part of what I do.”

Since starting Vivre in 1995, Eva has grown it into a multimillion-dollar corporation, employing over 50 workers and offering more than 140 luxury brands on the Web as well as through gift catalogs. “Without the support of my husband, Lorenzo, seven-year-old daughter, Allegra, and three-year-old son, Amedeo, I would not be where I am today. They have allowed me to flourish in all aspects of my life.”

supplies for the unit, if there is any special training needed to operate it, and what kind of training and/or ongoing technical support the vendor has to offer. Also, to keep up front costs down and cash flowing, you may want to consider rental options for equipment.

Furniture can say a great deal about your business to your clients. Think about what you want your customer to experience in your office or store. Know the space you will be using, and then consider your needs and the type of environment you'd like to create. For example, if you plan to run a law firm out of your space, you may want your furniture to look strong, stately, and conservative. However, if you plan to open a hip new music store, you may want your furniture to be trendy, fun, and modern.

### **Setting Up Telephone and Internet Service**

Your telephone and Internet connections are your connections to the outside world. So be sure to get a service that provides exactly what you need, whether it's cell coverage, high speed Internet, or multiple phone lines, and pay for the best service you can afford. Also, be sure to get a solution that works for you on day one but has the capability to grow with you and your company on day 100.

Phones can get pretty complicated with all their fancy capabilities. Some can integrate with databases to better handle your incoming calls. They can even find you when you're away from your desk. Some features to consider are number of voice lines, voice mail system, fax and data lines, how incoming calls are received and directed, on-hold features, caller ID, and integration capabilities.

The best advice we can give you at this point is to buy small with the option to grow. Keep it simple. We are betting you probably won't need a complicated phone system with all the bells and whistles during the first few years that you're in business (unless you're starting a telemarketing firm or call center). Just make sure that your phone system is user-friendly, you have technical support when you need it, and the system has the capacity to grow with your business.

If you are working from home think about installing a second or third line. Or maybe you can get by with using your cell phone for business calls? Will you need to receive faxes at your home office? If so, consider getting a fax machine and a line with data capabilities.



### Just for Moms

*Make sure that you set up a separate telephone line just for work. It can be a cell phone. Just make sure that your kids know not to answer it when it rings. As cute as your offspring may be, you don't want your angel answering the phone when an important client calls.*

Keep in mind that you'll need Internet service too, and it is a good idea to get it from your phone or cable supplier. You'll consolidate billing and most likely get some kind of discounted package or benefit from bundling your services with one provider. You also will need to deal with only one technical support team, which can be a big plus when questions or problems arise.

Again, remember to comparison shop. There are lots of options out there. And there is a great deal of competition in this industry right now, especially with so much new technology available. Companies are fighting for your business, and there are some great deals to be had. Do your research, and don't be afraid to ask for a better deal—think of it as an opportunity to refine your negotiation skills. If a telephone/Internet provider thinks it could lose your business, it may go the extra mile to win you over.

### Get Your URL Now!

Now, we don't know the business that you're starting, and we're not sure if you have decided to obtain a URL (Uniform Resource Locator) yet, but it is very important that you get one, even if you don't have plans to launch a Web site. You never know what you'll want to do

down the road, and it's a sure-fire way to keep other people from using the same name to create a URL for their business.



### Inside Scoop

*Get your business name trademarked and secure your URL as soon as possible. And consider securing a few different URLs related to your company's name and mission.*

### Hiring Employees

Hiring people is another big expense, maybe the biggest. As a start-up, you need a chance to get your head around all the details of your new business, so depending on your type of business, we recommend holding off on hiring employees for as long as possible. You obviously will save a good deal of money on payroll, as well as on taxes and benefits, not to mention managerial headaches. We understand that some businesses need people for day-to-day operations. You may want to consider outsourcing labor to freelancers or contractors before you take on an actual employee. An employee is a huge responsibility and there are many additional expenses such as insurance, taxes, and healthcare to consider so don't rush into anything.

### Don't Forget the Lawyer and the Accountant

Make sure that you allocate money in your budget for some quality time with a good lawyer and a savvy accountant. You'll need to consult with your lawyer in the very beginning about your lease or any other contractual agreements you may want to enter into—as well as the paperwork you'll need to file when setting up your business as a legal entity. Your accountant will help you to set up your books and help you fill out all the correct tax forms you'll need to start your business. Try to negotiate an hourly rate with both your accountant and lawyer instead of a retainer. You will most likely not need their services enough to keep

them on retainer. Moreover, that can get expensive fast. Remember, their services need to fit into your budget.



### Inside Scoop

*Starting a business ultimately will cost way more than you think it's going to. So remember: Plan carefully and pad your numbers. It's a guarantee that you'll end up needing extra cash for unexpected expenses.*

Different businesses have their own needs and start-up costs associated with those needs. Use the example start-up budget (Figure 9.1) as a guide, and start jotting down your estimated start-up costs on the blank budget form included at the end of this week. Or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) to download an actual form.

Once you have your start-up costs budgeted, you can start putting together your operating budget. Your operating budget is similar to your start-up budget in that it accounts for your ongoing monthly expenses but it does not include all those one-time start-up costs. Items such as rent, product development, travel, legal/accounting fees, inventory, office supplies, sales/marketing, and salaries for your employees will be relatively constant going forward. By budgeting your operating expenses, you'll be better equipped to keep cash flowing, and your business afloat. A good operating budget will enable you to plan and predict your monthly expenses as well as help to keep your credit rating in good standing and assist you in pricing products and/or services. When you have these two budgets filled out and completed, two very important things will become clear: You will know, roughly, what it is going to cost to launch your business, and you will know how much you'll need each month to keep your business up and running. Again, you are going to learn a great deal as you go, so be flexible, and be prepared to revise your budget as you move forward.



Figure 9.1 EXAMPLE START-UP BUDGET

START-UP DOLLARS NEEDED FOR RETAIL STORE		
Advertising/Marketing	\$1,000	Promotion for opening the business
Accounting services (setting up books)	\$1,000	
Legal fees (including licenses and permits)	\$1,500	
Furniture	\$2,500	
Computer system/cash register	\$5,000	
Beginning inventory	\$10,000	The amount of inventory needed to open
Store renovations	\$2,000	
Cash	\$500	Requirements for the cash register
Decorating	\$1,500	
Utilities (set up/deposit)	\$100	Check with the utility companies
Fixtures and equipment	\$5,000	
Installing fixtures and equipment	\$1,200	
Insurance	\$250	Estimate from insurance agent
Bank charges	\$50	
Licenses and permits	\$150	Check with city or state offices
Miscellaneous	\$200	All other
Telephone/Internet set up	\$50	
Rent	\$2,500	Amount to be paid before opening
Salaries	\$2,000	Staff of two
Securing URL	\$50	Secured URL for 2 years
Signs	\$500	
Supplies	\$200	Office, cleaning, supplies, etc.
Unanticipated expenses	\$250	Include an amount for the unexpected
<b>TOTAL START-UP DOLLARS</b>	<b>\$37,500</b>	<b>Total amount of costs before opening</b>

Use the following example operating budget (Figure 9.2) as a guide when creating your own operating budget. To download a blank budget form go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks).

**Figure 9.2** EXAMPLE OPERATING BUDGET

REPEATING MONTHLY EXPENSES FOR RETAIL STORE		
Advertising/Marketing	\$1,500	
Bank service charges	\$100	
Credit card fees	\$50	
Delivery charges	\$0	
Dues and subscriptions	\$500	Monthly fees
Health insurance	\$700	Monthly premium
Business insurance	\$250	Monthly premium
Web hosting/maintenance	\$130	
Inventory	\$1,000	Restocking
Equipment lease payments	\$50	
Loan payments	\$0	Include only if applicable
Miscellaneous	\$200	
Office supplies	\$50	
Payroll other than owner or manager	\$0	
Payroll taxes	\$0	
Professional fees	\$200	
Rent	\$1,000	
Repairs and maintenance	\$150	
Salary of owner or manager	\$0	Include only if applicable
Sales tax	\$100	
Cleaning supplies & service	\$100	
Telephone/Internet	\$90	
Utilities	\$70	
Unanticipated costs	\$300	Repairs to bathroom
Other	\$0	
<b>TOTAL REPEATING EXPENSES</b>	<b>\$6,540</b>	

**WRAP-UP**

Ready, set, budget! Time to get out there and do some window shopping (you know how to do that, right?). Call vendors to price out phone, Internet, and fax service. Visit a realtor to ask about rental rates or see if you can barter or share office space. Check with potential suppliers and get pricing of equipment and/or furniture you will need in order to provide your product or service. Then plug those numbers into your budget spreadsheets. And, voilà! You're ready for business. See related resources in the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



# Week 9 Schedule

Monday	Tuesday	Wednesday
AM		
<i>Roll up your sleeves and get comfortable with those numbers.</i>		
PM		
<b>Monday To Do:</b>	<b>Tuesday To Do:</b>	<b>Wednesday To Do:</b>

## To Do

- Research and gather all your potential expenses in order to open your doors for business
- Plug your costs into your start-up budget worksheet
- Plug ongoing costs into your operating budget spreadsheet

*“I’m afraid of nothing except being bored.”*

—Greta Garbo

Thursday	Friday	Saturday/Sunday
		<i>Make it happen!</i>
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>
<i>Keep costs low by thinking outside of the box.</i>		

### Notes

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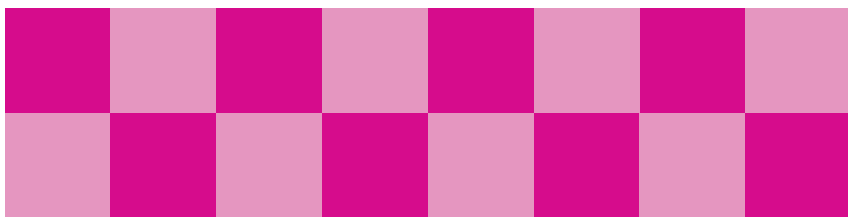
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## Week 10

# *A Girl's Gotta Live Taking a Closer Look at Your Personal Finances Before You Leap*

“Haste in every business brings failures.”

—HERODOTUS

Once you've got a good sense of what it will cost and what you'll need to do to get the business up and running, it's time to look at your personal finances. Knowing your financial situation will allow you to gauge how much time and/or money you will personally be able to invest in this endeavor. Looking at your own income and expenses will give you an excellent idea as to where you stand with regard to launching your business. If you plan on taking a cut in pay, a personal budget will enable you to see where you can trim the fat and spend less. If you're going it alone and self-funding your venture, you most likely will need to adjust your personal spending to free up some capital to invest.

Creating a personal budget (see Figure 10.1) is easy. While it requires you to be painfully honest with yourself, it is necessary to realistically plan for your financial future. Take a look at how much money you bring in now. How much of that do you spend on average, and how much do you put in savings? Can you stop working immediately and live off your savings for a while or will you need to stay in your current job for a few more months? If you are married or partnered, can you live off your partner's salary for a while? Should you consider starting your business on the side while you continue to work full- or part-time? Be realistic when answering the above questions. You want to give your business the best shot it has at getting off the ground. And if now is not the right time, use this budget to plan for a better time.



### Inside Scoop

*When launching a new business, many financial experts recommend that you have a year of living expenses in the bank.*

In all of our research and experience with women entrepreneurs, we have found that most are more comfortable self-funding until they have been operating for a while. If you find you don't have the money to invest, and need to seek outside funding (see Week 14 for details), you will still need to create a personal budget to estimate your living expenses. Taking a large salary does not usually fly with investors so learning to live lean may still be in your future.



### Just for Moms

*Discussing the changes involved in becoming an entrepreneur at length with your partner is a must. Husbands or life partners can think that a second income sounds great—until they're asked to watch the kids on weeknights and/or weekends. Make sure that you get a buy-in from your partner regarding child care and changes in lifestyle—preferably in writing!*



Use the blank personal budget form (Figure 10.1) to fill in your own numbers, or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) to download your very own form.

When you are finished with your budget, step back and take a good hard look. What do you see? What expenses can you eliminate or scale back on? How long can you go on spending like this without bringing in any income? Have you bought yourself enough time to get your business up and running without a salary? These are the questions that need honest answering before you even consider moving forward.

You'll be amazed at what you're willing to part with once you clearly see a path to accomplishing your entrepreneurial dreams. There will be many personal sacrifices made. So get used to it. The more you can sacrifice now, and the leaner you can live, the quicker you can grow your business and enjoy the fruits of your labor later on.



### Inside Scoop

*Here are some ideas to help trim the fat off your personal expenses:*

- *Freeze your gym membership for a while, or cancel it all together, and buy a workout video or take up running outside.*
- *Cook more meals at home.*
- *Meet up with friends for a few drinks instead of dinner and drinks.*
- *Cut back to basic cable rather than the deluxe plan. You'll have less time for TV anyway, and you'll save \$50 to \$60 per month—that's a tank full of gas. Hey, every dollar counts!*

If you find that you cannot work on the business full time right away due to budgetary constraints, consider starting part-time (nights and weekends). Take comfort in knowing that starting up slowly and gradually has many advantages. Problems and issues seem much more

**Figure 10.1** PERSONAL BUDGET SHEET

<b>PERSONAL BUDGET</b>				
<b>Description</b>		<b>Budgeted Amount</b>	<b>Actual Amount</b>	<b>Notes</b>
<b>Income</b>				
Take-home pay				
Dividends, interest, capital gains				
Additional income				
Total income				
<b>Fixed Expenses</b>				
Mortgage/rent				
Property/taxes				
Insurance				
Auto loan/lease				
Other				
Other				
<b>Variable expenses</b>				
Groceries				
Utilities				
Telephone/internet				
Cable/internet				
Credit card/loan payments				
Medical/dental bills				
Childcare				
Education				
Transportation				
Home repair/maintenance				
Cleaners/laundry				
Clothes				
Savings				
Other				
Other				
<b>Discretionary Expenses</b>				
Entertainment				
Books/magazines				
Charitable contributions				
Birthday/holiday gifts				
Gym membership				
Vacation				
Furniture				
Pocket money				
Misc				
Other				
Other				
<b>Total Expenses</b>				

**TOTAL CASH LEFTOVER** \_\_\_\_\_

manageable on a smaller scale. No matter how well thought out your business idea might be, there will always be unforeseen glitches and even successes that feel like overwhelming problems. Keeping it small while you work out the kinks may prove to be a real blessing in disguise. This also can be beneficial if and when seeking outside funding. You definitely want all the kinks worked out of your business model before you are answering to investors.

### **CYA—COVER YOUR ASSETS**

Health insurance is one of your biggest personal expenses as an entrepreneur. One major reason why people back off from the idea of leaving their cushy, nine-to-five job to follow their dreams of owning a business is because of health insurance. It's like the boyfriend you had your senior year in high school: You weren't that into him, but you felt that you needed to keep him around for a prom date—sorry guys. Your health insurance and life insurance have been provided for you, and now, if you go it alone, they will be your responsibility.

Don't panic, and don't let this stop you. Get a clear picture of what this will cost you on a monthly basis, and add it to your personal budget. If you are married, you may want to look into being added to your spouse's plan. Individual health care is also available; [www.ehealthinsurance.com](http://www.ehealthinsurance.com) can direct you to the individual/family plans in your state and help you to find the one that is right for you. Even dental and vision insurance is available.

If you are currently working for someone else and plan on leaving to launch, talk to your human resources department to find out about your company's COBRA plan. COBRA stands for Consolidated Omnibus Budget Reconciliation Act. Basically, it's a law that gives former employees access to continue their existing health care coverage at group rates for a limited time. To review this option further, go to [www.cobrahealth.com](http://www.cobrahealth.com). COBRA can be convenient, especially if you need coverage while you are shopping around for other plans; however, it can be expensive, and coverage is limited. You can only be on a COBRA plan for a maximum of 18 to 36 months.

## DREAM BUSINESS STATS

**NAME:** Jill Nieporte

**DREAM BUSINESS:** Jill Cate Design

**WEB SITE:** [www.jillcate.com](http://www.jillcate.com)

**QUOTE:** “. . . I wish that someone would've told me when I was 10 years old, that I could take the things I loved to do and create a business out of them.”



After graduating from UCLA, Jill Nieporte began designing invitations and announcements for friends and family. People took notice, word spread, and before long, Jill Cate Design was hatched.

Taking baby steps to launch her dream business helped Jill to make good decisions. “I have always envied the people who quit their jobs cold turkey, throw all of their savings into their business, and end up a huge success. For me, it was a slow and gradual process.”

When the paper designer first started, she envisioned herself meeting with clients, translating their ideas into a design, and then taking that design to a printer. “I never thought I would be doing the printing in-house. Not only does it give my bottom line a big boost, but learning the art of letterpress printing has become the highlight in an already creatively fulfilling venture.”

Jill is enjoying her new life as a full-time business owner and finds that the secret to her success is planning her time well. “When I’m not scheduled, I don’t get anything done! Some days that means putting my head down and working hard when it’s the last thing I feel like doing, and other days it means taking time to be inspired by the world around me.”

© Photo credit: Tamara Browne



## Inside Scoop

*In order to receive good coverage at lower premiums, look into plans that include high deductibles and a health savings account. You can approximate your maximum out-of-pocket costs for the year by estimating how much you will spend on medical bills and prescriptions over the course of a year and adding in your yearly premium payments and deductibles. Knowing these costs upfront can help you decide to take the plunge now instead of later.*

Insurance-speak is very similar to legal-speak. In fact, most of it is legal-speak. So, if you start feeling a bit faint and your head is spinning from wading through those murky insurance waters, you may want to talk to an insurance broker. It's his or her job to know what's out there, and many new plans have come onto the scene just for individuals and/or small businesses. Find a broker who will spend the time to research the best plan for you, your family, and your new business. Again, ask around, and get some referrals. You want to find someone who is honest, and not out to make a fast buck.

Brokers can help with the different types of insurance for your family as well as your business. Brokers also can help you with life, disability, fire, property, and liability insurance. Keep in mind that bundling your insurance plans together with one insurance company sometimes can yield significant discounts and turn out to be very practical and efficient too. For more information on health and business insurance, go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks).



## Inside Scoop

*Some states have consolidated small-business insurance programs called health purchasing alliances. To look them up, check your phone directory in the state government listings, or check with your local chamber of commerce.*



# Week 10 Schedule

Monday	Tuesday	Wednesday
AM		
<i>Be realistic about your monthly spending.</i>		
PM		
<b>Monday To Do:</b>	<b>Tuesday To Do:</b>	<b>Wednesday To Do:</b>
		<i>Try to cut out all unnecessary spending.</i>

### To Do

- Start tracking all your monthly expenses
- Plug your numbers into your personal budget worksheet
- Cut a minimum of three expenses out of your budget
- Look into finding a good insurance broker or agent to work with
- Research health insurance
- Decide which insurance plan is right for you and your family, and commit to one

**“The thing that is really hard, and really amazing, is giving up on being perfect and beginning the work of becoming yourself.”**

—Anna Quindlen

Thursday	Friday	Saturday/Sunday
<i>... Make sure you are aware of what will not be covered within your insurance policies.</i>		
Thursday To Do:	Friday To Do:	Weekend To Do:

**Notes**

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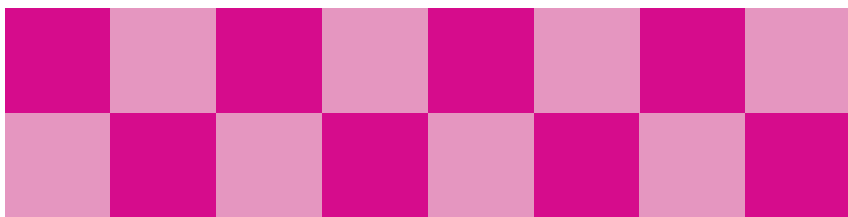
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**WRAP-UP**

Congratulations, you have just completed Week Ten. You created your personal budget and picked up some helpful tips about finding insurance for your business as well as for yourself. Remember, starting your business will always cost more than you think, so make sure that you are able to cover your own expenses comfortably while launching or create a plan to stay with your current employer until you are ready to leap safely. Also, take your time and shop around for the right insurance agent or broker. These people can be very helpful with all of your risk management needs throughout your life and the life of your business.

See related resources in back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.





## Week 11

# Lawyers and Bookkeepers and Accountants, Oh My! *Setting up Your Business Right from the Start*

“The beginning is the most  
important part of the work.”

—PLATO

Paperwork schmaperwork! However necessary, most people don't find great pleasure in the tedious task of filling out and filing paperwork. We have a sneaking suspicion that you're no exception, but we highly recommend that you take the time to set everything up correctly from the start. If it is done right the first time, you'll save yourself time, money, and the painful aggravation of undoing or redoing things down the road. To avoid the potential nightmare(s), we have filled your week with a list of tasks to complete, items to consider, people to consult, and even some personal advice based on what we, yes, your knowledgeable guides, did wrong.

We are going to try to clear up some of the jargon and remove the shroud that surrounds choosing a business entity and obtaining any necessary licenses and permits. If you are clear on what you'll need in the beginning, the paperwork will be much more manageable.

But before you go out and start doing all these things on your own, STOP! Do not pass GO. Instead, immediately consult with some experts before you move a muscle. It is well worth the time and money to build your business on a stable and secure foundation, and there are professionals who are trained to help you do just that. By simply spending a few hours with a lawyer and an accountant you will be better equipped when it comes time to fill out the dreaded paperwork. The goal is to make it legit from the start.

### GET SOME PROFESSIONAL HELP

How you register your business with the government will determine how much you pay in taxes, your liability, and the paperwork you will be responsible for filing at the federal, state, and local levels. So think through your options, and definitely consult a lawyer and/or accountant before committing. Take it from us, there are many things you can do on your own in the start-up process, but this ain't one of 'em. Make sure that the accountant and lawyer you choose to work with specialize in small-business start-ups and have some familiarity with your industry.

During the start-up of our business, nedandshell, Inc., we tried to do too much on our own. As a result, we ended up with fines and had to refile paperwork—which was no picnic. Years later, we found ourselves dealing with IRS issues that dated back to our early days because we didn't file our paperwork correctly in the very beginning. We also missed out on the valuable financial planning and advice that we would've received had we consulted with a lawyer and worked with an accountant who was familiar with our industry.

A lawyer will make sure that your business is set up correctly and legitimately. Depending on your business, a lawyer also can help you down the road with any legal issues, such as potential lawsuits and/or

contracts you may need drawn up. As we said before, there is no need to keep a lawyer on retainer; just make sure that you have one who understands you and your business and is available when needed.

A good accountant who is familiar with small business and knows your industry can give you a lifetime of valuable advice. He or she can let you know which business structure is right given the size of your business and the industry in which you are operating. He or she also should explain the tax liability associated with your business structure. This is a key point. The type of business structure you choose will dictate your legal and financial responsibilities. So try not to tune out when they start talking about the boring stuff—it's actually important.

Accountants also are pretty good with numbers, so be sure to ask your accountant if there is a bookkeeping system he or she recommends you use when recording your financial data. Two key elements of proper bookkeeping are (1) recording your sales and financial data and (2) filing taxes properly and efficiently. You likely will be chatting with your accountant or bookkeeper throughout the year about financial planning, cash flow, and taxes, so make sure that you have a comfortable relationship with this person. While he or she may be the expert, this is your baby, so like a good mama, only pick people you trust to watch your little one.

If, for example, you want to open a flower shop, an accountant who understands retail taxes and a lawyer who knows how to best set up your business are sufficient. However, if biotech is your thing, then you may need to hire someone with a more specialized background in your particular field. Whether you are a serial entrepreneur or this is your first start-up, these professionals have a great deal of expertise to offer you.

Before you sit down with a lawyer and accountant, familiarize yourself with the different business structures you can choose from. Don't spend your money on their hourly fee asking questions you could have found on the Internet. Once you meet with a professional ask all the questions you need to in order to feel comfortable with the decisions that are being made. Also keep in mind that as your business grows, you

may need to change its structure and/or systems. You may find that you outgrow your accountant or lawyer and need a different one with a different set of skills or level of expertise. Keep in mind that these are professional relationships; you're not breaking up but simply moving on. How will you know when you've outgrown your accountant or lawyer? Trust your instincts—if it feels right, it usually is.



### Inside Scoop

*If you cannot afford to spend your money on a lawyer and/or accountant at this time you can visit a local SCORE office. These retired professionals are available to give you free advice, not to mention years of personal experience. Look up SCORE online at [www.score.org](http://www.score.org).*

## MAKE IT LEGIT

We have listed all the ways in which you can legalize your business. Read through the options listed, choose one or two you think best suit your situation, and talk it over with a lawyer and accountant to see what they think. In the beginning we recommend you start off small and keep things simple. Remember, you can change your structure down the road if you need to.

### Sole Proprietorship

Wanna go solo? A sole proprietorship is the easiest and least expensive way to start a business. No documents or forms are needed, unless the business will operate under a name other than your own. If the business will be operating under a name other than your own, you may need to file a fictitious owner affidavit, which basically just tells the government that you are the person behind the name of the business. You also may need a business license depending on the business you start. For example, if you are going to become a real estate agent or retailer, you

will need to obtain the proper licenses to operate within your state. As the owner of a sole proprietorship, all profits from your company go on your personal tax return, and you will be personally liable for all debts of the business as well. Many sole proprietors act as consultants or contractors and need to file a 1099 Form with the IRS at the end of the year.

To find out if you need a license and/or fictitious affidavit, contact the county clerk at your local courthouse. The clerk should be able to answer any questions you have and provide you with whatever forms you may need. You also can search the Web for your state government's official Web site and for county clerk contact information. For example, if you were looking for a county clerk's office in New York State, you would go to [www.dos.state.ny.us/lists/coclerks.html](http://www.dos.state.ny.us/lists/coclerks.html).

## Partnerships

Partnerships are not so different from marriages, so choose wisely. Basically, the partners in a partnership share equal responsibility for the company's profits and losses. And each partner is responsible for reporting his or her share of the business profits or losses on his or her individual tax return.

There are two types of partnerships:

- *General partnership.* This consists of partners who manage the business together and are personally responsible for the partnership's obligations or debts.
- *Limited partnership.* A limited partnership consists of two types of partners: general partners and limited partners. The general partners manage the business and are personally responsible for its obligations. The limited partners are similar to investors or shareholders of a corporation. They aren't involved in the day-to-day business operations, but they do share in the profits and losses to the extent of their investment. Limited partnerships are distinct from limited-liability partnerships, in which all partners have limited liability.

If you are entering into a partnership, you definitely want to draw up a partnership agreement. Even if you're partnering with your BFF this may come in handy to keep the friendship in tact in case things go awry or someone simply has a change of heart. Make sure to include a buy/sell clause to avoid any confusion if one or more members leave the business. Your lawyer can easily do this for you. However, if you cannot afford a lawyer or you'd rather handle this on your own, you can find basic partnership agreements online, at office supply stores, or at your local library.

Like a sole proprietorship, a partnership also may have to file a business certificate and a fictitious owner affidavit if the business will operate under a name other than yours. Again, your local county clerk's office will be able to let you know what you will need when setting up your partnership.

### **Limited-Liability Companies**

A limited-liability company (LLC) is a hybrid entity that gives the liability protection of a corporation without all the formality and rules. This structure is perfect for partners who want to separate themselves from their business activities but are not quite ready to be a corporation. Sounds like a commitment issue to us!

### **Limited-Liability Partnerships**

Limited-liability partnerships are similar to LLCs in terms of the liability protection, but they differ in that limited-liability partnerships are normally available only to select professions, such as doctors or lawyers. They're also recognized in fewer states, with only 40 states now recognizing them.

### **Corporations**

The main advantage of a corporation (a.k.a. C-corporation) is the liability protection it provides its owners and shareholders. As a separate legal entity, the corporation's liability is limited to its own debts and can only be held liable to the extent of the corporation's assets. Think

of it as oil and water—the two never mix. Your personal money is separate from the money of the business.

However, an important thing to note is that unlike sole proprietors, partnerships, and S-corporations, corporate income is taxed at the corporate level and then taxed again at the individual shareholder level. So, if you don't plan on making a profit right away, you may want to think twice about setting up a corporation and paying twice as much in taxes. Forming a corporation is also a bit more involved and more expensive than forming a sole proprietorship, LLC, or a simple partnership. However, the formation process is not that difficult. To form a corporation, articles of incorporation must be filed with the secretary of state's office in the state in which the corporation is being organized.

### S-Corporations

An S-corporation operates in the same manner as a regular corporation. The main difference between an S-corporation and a C-corporation is that the S-corporation has elected to be taxed similar to a partnership for federal tax purposes. After making the S-corporation election, the income, losses, tax credits, and other tax items of the corporation flow through the corporation to the shareholders. Thus income is taxed only once, at the shareholder level. S-corporations are also great for start-ups that will likely not show a profit for the first few years. Once your business becomes profitable, we are betting sooner than later, the benefit of the S-corporation is no longer realized, and you will need to move on to a more beneficial business structure.



#### Just for Moms

*Remember, it's not just you anymore. Be sure to protect your family from liability when choosing your business entity.*

Much like your latest hair color, the business form that you choose does not have to be permanent. If the circumstances of your business

## DREAM BUSINESS STATS

**NAME:** Kristen Hallett Rzas

**DREAM BUSINESS:** Jazzercise

**WEB SITE:** [www.jazzct.com](http://www.jazzct.com)

**QUOTE:** *“Make sure you are absolutely passionate about what you are doing. Always make a plan, but be smart enough and flexible enough to change it when needed.”*



Kristen Hallett Rzas began her career in Human Resources & Leadership Development, but always had a real passion for dance and fitness, and hopes to become her own boss one day. In 1990 she bought into the Jazzercise franchise as a way to fulfill her passion. She taught classes part-time, while still working full time in her corporate career.

In 2002, she faced a corporate downsizing and, with two years of living expenses in the bank, she decided to pursue a full-time career in fitness. She grew the business slowly and expanded only if the revenue could fund the growth.

She decided to become a franchisee because it allowed her the flexibility to grow her business at her own pace and she could rely on the company's brand, image, and logo, as well as the marketing and advertising resources it offered.

Kristen worked part-time for 12 years, and then, in September 2006, she leased her own commercial space and opened a Jazzercise Fitness Center. With 7,000 Jazzercise franchisees, her Jazzercise Fitness Center continues to be among the top 100 worldwide. “I continually look for new ways to grow and expand the business, enhance revenue streams, and better serve our customers. You have to constantly embrace change to succeed.”

© Photo credit: Valerie Weiss



change, you can always change the legal structure of your business. For example, you may start your business as a sole proprietorship, but as your business grows, you may take on a partner and need to become a partnership, LLC, or even a corporation. Again, our advice would be to consult the experts to find the appropriate structure for your business and avoid any unnecessary taxes and complications. After you settle on your business entity, you will need to submit paperwork to register your company. Usually, your lawyer will take care of this for you.

### **PERMITS, LICENSES, AND MORE**

Depending on your business and the state in which you are operating, licensing and permit requirements will vary. Check with a lawyer, he or she should be able to direct you. Your local SCORE office, Chamber of Commerce, or your state's licensing authorities also can be great resources to find out which permits and/or licenses you will need for your business.

State licenses are often required for various occupations and businesses such as cosmetologists, spas, and restaurants. And some state licensing requirements are based on the product sold. For example, selling liquor, lottery tickets, gasoline, or firearms requires special licenses. Again, check with your state's licensing authorities to find out if you need a license or permit to operate your business.

### **TAX REGISTRATION**

Your first step will be to register with the IRS and get federal Employer Identification Number or EIN. The federal EIN can be obtained by filing form SS-4. The EIN is similar to a Social Security number for your business. This number allows the government to keep tabs on your business and its taxes. Now, not all business entities are required to get an EIN, however, it does help in dealing with vendors and in keeping your business taxes separate from your personal taxes. If your state has a state income tax, you'll have to register your EIN with your state department of revenue or treasury department as well. And if you're going into the retail business, you will also need to register for a sales

tax license and understand the quarterly tax obligations that often accompany a retail business. If you already have your EIN you will most likely use this same number for federal, state, and sales tax identification. Most information regarding federal and state taxation can be found through the IRS and your state's department of revenue.

## EMPLOYEES

If you plan to hire employees, you'll definitely need to register for a federal Employer Identification Number (EIN). You will also be responsible for paying payroll taxes once you hire employees. Applications can be obtained through the IRS's Web site (see URL in the back of the book in Resources Section).

If you have full-time employees, you may need to make unemployment insurance contributions, as well as purchase disability coverage and workers' compensation insurance. For more information, contact your state department of revenue or department of labor.

Our experience has been that hiring contractors in the early stages is much easier for tax purposes, as well as for savings on Social Security and the insurance coverage that many employees require. A contractor just needs you to pay his or her rate and then fill out a 1099 Form at the end of the year—finally something easy and simple.

## A BRIEF BIT ABOUT BUSINESS INSURANCE

Ask a lawyer as well as an insurance broker or agent about what vulnerabilities you may be faced with in your business and what types of insurance they recommend you purchase. The most common types of business coverage protect you from fire, property damages, theft, etc. Let's take a moment to think about some of the insurance you will need to consider as a business owner.

Purchasing business insurance (i.e., general liability, malpractice, or product liability insurance, if necessary) is one of the best ways to prepare for the unexpected. It is important to protect yourself and your business against lawsuits, embezzlement, natural disaster, etc. Some common types of insurance available to an entrepreneur include

general liability, property insurance, workers' compensation, business-interruption insurance, disaster insurance, Internet business insurance, key-person insurance, and malpractice insurance.

There are many insurance options out there, so be thorough in your search. Your first step should be to assess exactly what your needs are, and then you should work with an insurance agent or broker to figure out the best package—we recommend one that covers your most significant risks. Don't get caught up in the what-if's. You will drive yourself crazy. Just try to safeguard yourself and your business against the most likely scenarios. Again, your insurance coverage will depend on the type of business you are in. So don't forget to consult the experts.

### WRAP-UP

Now, that's quite a lot of information we just threw at you. However, there are a tremendous amount of resources and a great many experts out there to help you do what you need to do. Be sure to seek out professional advice this week. Even if you can comprehend all the legal and tax jargon on your own—show off, we want you to consider the creative energy, time, and money that may be spent doing it on your own. Go ahead and spend a little cash upfront, and hire these consultants. It may save you from future headaches, and the investment is worth the peace of mind that comes with doing it right the first time. You are likely to only need a few hours of their time. Additionally, it will cut down on a lot of your own personal leg work, and if you are like us, you're not one for wasting precious time.

See resources in back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



# Week 11 Schedule

Monday	Tuesday	Wednesday
AM		
PM	<i>Have you identified the business entity that best suits your company and personal needs?</i>	
Monday To Do:	Tuesday To Do:	Wednesday To Do:

## To Do

- |                                                         |                                                                                                  |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Talk with a lawyer             | <input type="checkbox"/> File for required licenses, permits, etc.                               |
| <input type="checkbox"/> Talk with an accountant        | <input type="checkbox"/> Research your business insurance needs and discuss with broker or agent |
| <input type="checkbox"/> Decide on your business entity | <input type="checkbox"/> Purchase your insurance coverage                                        |
| <input type="checkbox"/> Register your business         |                                                                                                  |

*“Be not afraid of growing slowly;  
be afraid only of standing still.”*

—Chinese Proverb

Thursday	Friday	Saturday/Sunday
		<i>Rest! You need time to rejuvenate!</i>
Thursday To Do:	Friday To Do:	Weekend To Do:
<i>Don't forget to interview lawyers and accountants before you hire them. Make sure they have a working knowledge of your industry.</i>		

**Notes**

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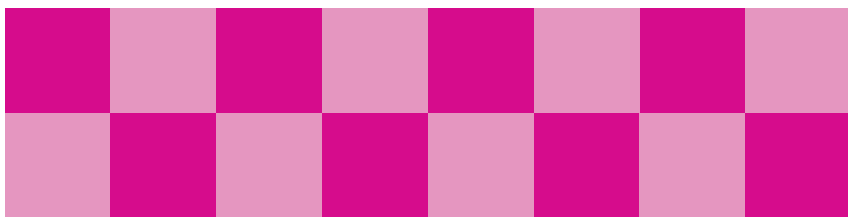


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## Week 12

### Gotta Plan? *Get Your Business Out of Your Head and onto Paper*

“In preparing for battle I have always found  
that plans are useless,  
but planning is indispensable.”  
—DWIGHT D. EISENHOWER

Our experience, both in launching nedandshell and with the hundreds of women we’ve worked with, has taught us that the established approach (or what some call the “masculine approach”) to business planning has not always been beneficial for women in the early stages of launching a business. In fact, too many women have found this process to be stifling and life-sucking rather than life-giving. In our case, we spent endless hours and lattes planning, and struggling through pages and pages and even more pages of financial documents, unfocused research, and meaningless fact finding that a traditional plan called for. It did nothing to prepare us for our actual business. Additionally, it did not allow for flexibility and bore little

resemblance to our actual business only months after we launched nedandshell.

Your business plan needs to be a living, breathing document and must have the ability to be modified as you grow and learn from your experiences. The biggest problem with most conventional business plans is that they are single minded and focus on gathering financial data and finding funding. As a result an entrepreneur can end up with tunnel vision and lose sight of his or her original idea or mission. Additionally, most women don't raise capital when they first launch, so we thought it best to help you focus your energy on the planning process, hence the last 11 weeks.

Having said all this, we still think you need a plan, just not a 50-page MBA-term-clad, financial-laden document. Instead, we want to concentrate on the aspects of planning that actually provide a road map to your ultimate vision. There is great value in going through the planning process to consider and work out any potential glitches before they happen. The U.S. Small Business Administration defines a good plan as fulfilling three purposes:

Communication, management, and planning. As a communication tool, it is used to attract investment capital, secure loans, convince workers to hire on, and assist in attracting strategic business partners. As a management tool, the business plan helps you track, monitor, and evaluate your progress. And as a planning tool, the business plan guides you through the various phases of your business.

There is one component of a conventional plan that we found to be helpful and actually added value. Meet the *executive summary*. Your executive summary encapsulates everything your business is about and expects to accomplish. It's a useful and concise way to articulate your plan while still leaving plenty of room for growth, improvement, and flexibility. As far as the rest of the plan, you've already done the hard part over the last 11 weeks, and all you need to do now is fill in the blanks.



Those of you looking for funding will have the opportunity (in Week Fourteen) to add financial details to your executive summary creating a plan that includes all the information an investor will want to see. Our guess, based on our years of experience working with female entrepreneurs, is that most of you will not be looking to raise millions in the start-up phase. There are so many other ways to finance your dreams, and we recommend starting slow and getting your ducks in a row before guzzling up tons of cash and possibly giving up some control, which most venture groups require.

So enough chat; hold on to your entrepreneurial hats 'cuz here we go!

## EXECUTIVE SUMMARY

Your executive summary will focus on 10 key elements:

1. Mission statement (Why do you do what you do?)
2. Start date (When will you launch?)
3. Business entity (What type of business structure have you selected?)
4. Organization and management (Who will be on the team?)
5. Founders (State the various roles and responsibilities. Include biographies as well, if you think it adds value.)
6. Employees (State the various roles and responsibilities.)
7. Board of directors/advisory board (Who are your mentors and advisors?)
8. Location (State whether your business is online or bricks-and-mortar. If bricks-and-mortar, make it clear where you will physically set up shop.)
9. Product or service offered (Include a description of your product or service.)
10. Investors (If appropriate, create a list of names, from angels to banks and everything in between. This is a wish list of everyone you want to target as well as those you may have already secured.)

Once again we see our famous five in your executive summary. Answer the who, what, why, when, and how of your business with clarity and brevity. Take two to three pages to get people excited about what you're doing, and then present them with the details of your plan if they ask for it. The executive summary should lure the reader in, not bog him or her down. The smaller page count forces you to be succinct and not jabber on too much about the details, great as they may be.

First on your list is the *mission statement*. This should be one to three sentences declaring what you're all about. It's a concise message about your company's purpose. It's your motto to the world, so make it sing. For example, our mission statement reads as follows: nedandshell's objective is to connect, inform, guide, and inspire women as they launch their entrepreneurial dreams." In one brief sentence, our business objective is conveyed. Notice that we don't get into *how* we hope to accomplish our goal (this book, our Web site, speaking to women's groups, consulting, etc.). The ways in which you accomplish your mission are not appropriate in this section. In fact, there may be multiple ways in which you hope to accomplish your mission, so don't try to include the *how* in this section.

When crafting your mission statement, be sure to address the following three questions:

- *Who are you?* ("nedandshell.")
- *What do you do?* ("Provide content, community, and consultation.")
- *What do you stand for?* ("Helping women.")

A mission statement also can include a few words as to *why* you do what you do or an additional sentence conveying the philosophy or values of your company. Let's say that your company hopes that by selling recycled plastic handbags you will be cleaning up the environment in the process. This sentiment should be included in your mission because it is a vital part of who you are.

Keeping it short and sweet also helps to avoid language that sounds like a sales pitch. A clear and effective message about the soul of your business is what you are after. Keeping it short also will make it easier to commit to memory.



### Inside Scoop

*Make sure that you believe your own mission statement. Be absolutely certain that you buy into what and who you say you are. Take the time to be authentic when crafting your words. Remember, if you don't buy it, no one else will either.*

Your *start date* is simply that, the day you started or hope to start your business. As basic as this sounds, make sure to include it because it lets anyone reading know when you hope to get things up and running, which may not be at the time they are reading the summary. If they are hoping to invest, they may be thinking that a return on their investment might be heading their way in six months when, in fact, you are not even launching for nine months. Getting a date in writing also creates a little positive pressure on you to stay focused.

In Week Eleven you looked at various types of businesses, and you made it all legit by setting up the legal entity which best suites your company. Add a paragraph explaining which *business entity* you chose to become and why. Also include any plans you may have to change the entity at some point in the venture. Some businesses choose to start out as a partnership and then become a corporation to protect their personal assets as well as the business itself. Depending on your business, it may be necessary to include a sentence or two from Week Eleven about liability and insurance.

The *organization and management* section outlines who the players are in your company. There are usually two groups of people you want to introduce—the founders and the employees.

The *founder(s)* may just be you and your “bad” self, two partners, or a group of folks. Anyone who is considered to be a founder gets a shot at showing off a little in this section. The idea is to give a description of what each person has already accomplished (that’s the showing off part) and what their roles and responsibilities will be in this venture. A paragraph or two is sufficient when describing what each person brings to the table. Be sure to include experience, background, education, and the strengths of each person. Include your compensation plan, too. Who will be paid? Will it be cash or stock? When will they be paid? Is there deferred compensation once the company starts to realize profits? Is anyone salaried or commissioned, or is everyone profit sharing? Does everyone have equity or stock options? Will you give bonuses?

If you have already hired or plan to hire *employees*, be sure to list their roles and responsibilities as well. This will help the reader understand the human resources needs of your operation. You also will want to be clear on which employees or positions are full or part time and may be receiving benefits. These people will fall into a specific tax category that is very different from those you may hire as temporary help or 1099 (tax form) contractors. Some may work on an ongoing basis, whereas others may be called on as needed.

If you have already hired people, you can include their experience and education if it adds value; otherwise, a brief paragraph with position titles and descriptions is sufficient. Once again, include your compensation plan. The same questions about who is paid and how people are paid should be answered here as well. For instance, will you have a sales team that will be working on commission and bonus structure? Will you have salaried employees? If so, be sure to keep the appropriate tax records and files on all your employees. While we are on the subject, the Internal Revenue Service (IRS) has a great Web site with lots of small-business information, and you should check it out. Even if you have an accountant, there is a lot to learn.

A *board of directors* or *advisory board* is simply a group of experts you have assembled or a couple of mentors who have agreed to walk along-

side you on this exciting journey. We know most of you will not have an official board, but we do recommend that you find someone who has experience in your field or at least a seasoned entrepreneur to guide you. These people are usually unpaid but sometimes are promised stock or some other sort of future compensation. The purpose of this group is twofold: (1) to mentor the founders as they move toward success, and (2) to add credibility to the organization and show potential investors that this business is under the care of experts.



### Inside Scoop

*If you are deferring compensation for an employee or including an employee in a profit-sharing program, make sure that everything is legally documented so that there are no questions or issues later.*

Where are you? While your *location* may not yet be known, it's not essential at this stage. What's important is to define whether your office is off site or a home office. Is your business online, catalog, or a bricks-and-mortar shop? If you know you are working from home, you will not incur additional rent. If a space is essential to the business, such as a retail store, spa, restaurant, etc., you will need to revisit this section later once you've found a location. If, in fact, you do know your specific location and it's crucial to the business, as in retail or the restaurant business, then describing a good location that will benefit the bottom line is essential.

What *product or service* are you offering? Include a list of all the products and/or services you plan to provide. Give a brief description of your products and/or services and focus on the benefits to your customers. Convey what distinguishes you from your competition, but don't get too detailed. You will have already done that in Week Two. Feel free to use bullets here; the idea is to draw the reader in and plainly state the purpose and direction of your business.

## DREAM BUSINESS STATS

**NAME:** Ryan Larson

**DREAM BUSINESS:** Savoir Flair  
Wedding Design

**WEB SITE:** [www.savoirflairweddings.com](http://www.savoirflairweddings.com)

**QUOTE:** “. . . the real way I grew my business is very simple. I did a great job. Not a good job, but a great job. And the referrals poured in.”



Ryan launched her business as a wedding coordinator while working another job answering phones that never rang. She used the Internet to learn as much as she could about wedding planning and wrote her formal business plan. “I tried desperately to write a good business plan, although I don’t know how good it was. It all just seemed so foreign to me. I honestly don’t think I ever looked at it again after it was done.”

Ryan’s business grew from the day she started. Every year brought more growth, which allowed her to be picky about the jobs she took and focus on being the mother she wants to be. “Right after I had my baby the business started getting too big and I was having trouble keeping up. I turned away thousands of dollars of business. I cut my marketing budget to nothing and really just relied on referrals so things would never get out of control again. It was so tempting to take all the jobs, hire someone, and really go for it. But, after some soul searching and an ego check, I was able to do what was right for me. I do a pretty good job of balancing my work and family life. I work when my son doesn’t know it; at night, during his naps, and while he’s at preschool. Most days I balance pretty well, some days I don’t—but I always strive to do better the next day.”

Do you require any *investors*? How much money do you need to raise? If you're looking for investment, come right out and say it in your executive summary; there is no need to beat around the bush. Spell out the amount you are looking to raise and the percentage of equity offered in return. If a loan is what you want, say so, and again, specify the amount needed. Leave loan details out of the summary; they're not necessary.

List anyone who is backing you so far and the financial relationship that person has with your company. Is the person being paid back with interest in a specific time frame, or is the person waiting for you to be profitable and then taking a cut of profits. You can arrange virtually any pay-back terms with a financial backer; it's really between the two of you. The details of each relationship don't need to be included in the summary, just the basic terms are required. Now, if you are giving stock options, there are a few more rules to play by, and we would advise getting an attorney to help set up the terms and conditions of the options, when they vest, and how they are collected. Better to be safe than broke!

If you have yet to go after funding but are planning on it, you may want to list the various sources of start-up capital, from personal loans and angel investors to the bank you plan to approach. There will be an opportunity in Week Fourteen to review some of the common sources of funding you could potentially go after. The intention here is to list those already involved and outline the basics of the financial arrangements.

### **PUT IT ALL TOGETHER AND WHADDAYA GOT?**

Great job with the executive summary. It feels good to have a well-articulated summation of your baby on paper, doesn't it? Now you need to make a decision. Are you going to present it to anyone? If so, for what purpose? Is it to rally emotional support? To enlist an advisory board member? Or to kindly ask for cash? If it's emotional support or a board member you're looking for, the summary itself should be sufficient, so feel free to move on to Week Thirteen.

If, on the other hand, you are looking for funding, then you need a few more details to reel in investors. So let's go back to what you've

already done in the weeks prior and fill in the blanks. Along with the summary you've just completed, we will take a few essentials from prior weeks to create a comprehensive plan. Follow the outline below, and create a foolproof document sure to get you all the green you will need.

- I. Executive Summary
  - a. Mission statement
  - b. Start date
  - c. Business entity
  - d. Organization and management
    1. Founders
    2. Employees
    3. Board of directors/advisory board
  - e. Location
  - f. Product or service offered
  - g. Investors

You did your dirty work in Week Two and now all you need to do is cut and paste. Use the heading “Overview of Industry and Competition” in your final document and give concise summaries in subheads a, b, c, and d of your outline (see below).

- II. Overview of Industry and Competition, (Week Two)
  - a. Company description
  - b. Industry overview
  - c. Trends and opportunities
  - d. Summary of competition

Using the heading “Target Market” give your investor(s) a short summary about your target customers' demographic and psychographic profile. If you prefer, you can use bullet points. Also write a sentence or two about your company's brand and core values as they relate to your target market.



### III. Target Market, (Week Three)

- a. Summary of target market and demographics
- b. Summary of target market and psychographics
- c. A sentence or two about your company's brand identity
- d. A sentence or two about your company's core values

Once again begin this section with your heading. List the three objectives you identified in Week Four. Attach your Sales Forecast worksheet and a few sentences or bullet points stating your assumptions.

### IV. Objective and Sales, (Week Four)

- a. List your three objectives
- b. Sales forecast worksheets



#### Just for Moms

*We know that many mothers are putting their business plans together hoping their venture will provide a more flexible work schedule. Although your endeavor may one day prove to accommodate the life you are planning for, the early stages may be less than flexible and fraught with challenges. We encourage you to find a group of like-minded women who can encourage you and provide the support you need. Ladies Who Launch has a great network that may have a chapter in your neck of the woods.*

Following the heading “Marketing,” write the fabulous marketing message you came up with in Week Five. Include bullets of your guerrilla tactics and finally attach your Media Mix budget.

### V. Marketing, (Week Five)

- a. Marketing message
- b. Examples of your guerrilla marketing tactics
- c. Media mix budget



## Week 12 Schedule

Monday	Tuesday	Wednesday
AM		<i>Even if you're a business of one, consider creating an advisory board of two or more people who understand your business and can provide valuable advice along the way.</i>
PM		
<b>Monday To Do:</b>	<b>Tuesday To Do:</b>	<b>Wednesday To Do:</b>

### To Do

- Craft your mission statement
- Confirm that all paper work has been completed for your business entity, company name, and that you've secured a URL
- Begin to identify potential investors if needed
- Pulling elements from prior weeks, complete your business plan

“*Light tomorrow with today.*”

—Elizabeth Barrett Browning

Thursday	Friday	Saturday/Sunday
	<i>Have a few people read your mission statement and tell you what they think it means. Did they get it right?</i>	
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>

Notes

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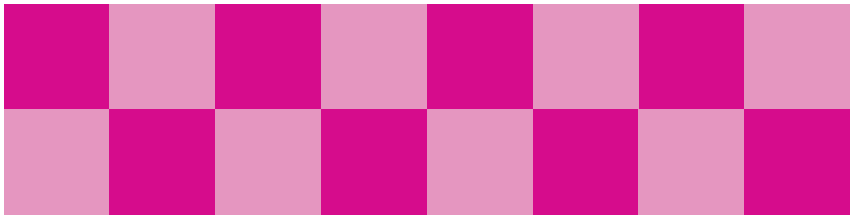
While you have yet to tackle Weeks Thirteen and Fourteen we wanted to give you a clear picture of what investors will need to see, so we've included it in this outline. Once you have completed Weeks Thirteen and Fourteen, attach the below budgets, statements, and schedules to this document to complete your plan for investors. We're sure that anyone who reads this will be impressed with your vision, your thorough research, and beg to financially take part in your dream business.

- VI.** Financials, (Weeks Nine, Thirteen, and Fourteen)
  - a.** Profit-and-loss income (P&L) statement
  - b.** Cash flow statement and budget
  - c.** Balance sheet
  - d.** Sources and Use of Funds Worksheet and Total Funds Worksheet
  - e.** Start-up and operating budgets

## WRAP-UP

See, we told you it was virtually pain-free. Your executive summary is complete and is a well-crafted synopsis of your brilliant business idea. It's a pocket plan to your success. Additionally, those of you who want to raise funds now have a more formal and thorough document that beckons investors to cough up the cash and watch you soar. No investor will be able to walk away from your well-articulated plan, and with that shining personality of yours, you are sure to seal the deal.

See related resources at the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks).



## Week 13

# Make It, Track It, Keep It *Everything You Need to Know About Keeping Track of the Green Stuff*

“To fulfill a dream, to be allowed to sweat over  
lonely labor, to be given the chance to create,  
is the meat and potatoes of life.

The money is the gravy.”

—BETTE DAVIS

We’ve spent lots of time working on budgets and talkin’ money, and although we know money isn’t *everything*, if you’ve budgeted and planned well, money won’t get in the way of *anything*. In Week Nine you created a start-up budget and an operating budget and figured out what you need to do to open your doors and keep ‘em open. We then helped you create a personal budget so that you could walk away from your nine-to-five job and not go broke pursuing your dream business.

Your enterprising spirit has led you to this stage of the game—you've spent lots of energy figuring out how to make money, but keeping it and keeping track of it is something altogether different. It's a matter of time before lots of greedy fingers will want a piece of your pie, including Uncle Sam. Knowing what belongs to him and what's yours to keep is your responsibility, so don't rely solely on your accountant and/or bookkeeper.

We found that once we understood a few basic financial terms and practices, it was incredibly beneficial and, believe it or not, kind of fun to chart our growth—or at times, lack of growth (not so fun)—through financial statements. Knowing how to read these statements is a valuable tool because it casts a light on where your business is losing revenue and where operational cutbacks may need to be made. While reading these reports may seem tedious, they are essential to understanding the state of your venture. What could be more thrilling than monitoring your financial progress? We've all heard the saying, "Ignorance is bliss." Well, it's not the case when it comes to your finances. This financial reality check is what you need to ensure that your business has what it needs to grow and flourish.



### Just for Moms

*If you're looking for an accountant or bookkeeper to hire, ask other moms if they or another mother they know may have a background in accounting and would be willing to work a few hours a week. It's a great way to support another enterprising mother and you may actually save a few dollars due to lower overhead costs.*

It takes more than a great product and savvy marketing for a business to thrive. Strategic accounting and solid money management are crucial to sustainability and growth. Unless you are creating financial

statements from accurate records you can't determine your course of action. Knowing how and when to cut back or spend can make or break a business. Remember to keep receipts, backup information, and tax records in a safe place and to have an organized filing system. This is definitely where good bookkeeping and reporting begin.

Once again, let's take a quick refresher course this time in Accounting 101.

## FINANCIALS

The financial statements you have created thus far have been projections and budgets. You've been looking into the future. This section, however, takes a look at your present and past spending over a specified time period based on the operation of your business. Although there are many financial statements that companies can and do produce, the two most basic and necessary documents are your *balance sheet* and your *income statement*. Become familiar with these reports because you will need to generate both of them for your accountant, tax filing, potential investors, as well as your own records. These statements will give you an accurate reading of the actual—not projected—financial health and strength of your company. We've defined these formal statements and included examples to help you comprehend and create your own documents with ease.

## BALANCE SHEET

This document gives a summary of your assets, liabilities, and net worth at a given point in time. The reason it's called a *balance sheet* is because the assets must equal liabilities plus net worth, or net worth must equal assets minus liabilities. The formula is:

$$\text{Assets} - \text{liabilities} = \text{equity}$$

(*Note: Capital, net worth, and equity are synonymous.*) For example, let's say that you purchased an industrial sewing machine for your business for \$1,500 and borrowed \$1,000 from a bank and used \$500 of your own money. Your assets are worth \$1,500, liabilities are \$1,000, and equity is \$500. Figure 13.1 shows a sample balance sheet.

## DREAM BUSINESS STATS

**NAMES:** Sarah and Jennifer Jaqua

**DREAM BUSINESS:** Jaqua Beauty

**WEB SITE:** [www.jaquabeauty.com](http://www.jaquabeauty.com)

**QUOTES:** *“Never settle for anything but the best you can dream up.”—Jennifer Jaqua*  
*“Run your business like a woman. We don’t need to do it like men. We have different strengths, and we should embrace them.”*  
 —Jennifer Jaqua



The Jaqua sisters grew up in Santa Barbara, California. After successful careers in the spa and entertainment industries, the Jaqua sisters longed to do something entrepreneurial, and they set their sites on the beauty industry. Jaqua Beauty was born when they began creating beautifully packaged, whimsical, and giftable bath and beauty products.

Their goal was to create something that had a benefit beyond themselves (and making money). Gathering and empowering women came naturally to them. They were already putting girl gatherings together with friends and family, which involved pampering and taking time to get together. The girls started with \$10,000, borrowed from friends and family, made 10 prototypes and went to work selling. They aimed high and got their first order from Nordstrom. The buyer loved their prototype so much, she ordered some on the spot. “We create products that we love, love, love, or they don’t go out the door,” says Sara Jaqua, founder and VP of creative. Jaqua’s products are now sold all over the world in places like BathandBodyWorks.com, C. O. Bigelow, Caswell-Massey, and Fred Segal.

© Photo credit: Jesse Groves



**Figure 13.1** SAMPLE BALANCE SHEET

<b>SAMPLE BALANCE SHEET</b>	
(Company Name) _____	
Balance Sheet As of (Ending Date) _____	
<b>Assets</b>	
Cash (Cash on Hand and Cash in Bank)	\$
Accounts Receivable	\$
Inventory	\$
Prepaid Expenses	\$
Rent	\$
<b>Fixed Assets</b>	
Land	\$
Buildings	\$
Improvements	\$
Equipment	\$
Furniture	\$
Vehicles	\$
Other Assets	\$
<b>TOTAL ASSETS</b>	<b>\$</b>
<b>Liabilities</b>	
Accounts Payable	\$
Notes Payable (loans)	\$
Interest Payable	\$
Payroll Expenses	\$
Taxes Payable	\$
<b>TOTAL LIABILITIES</b>	<b>\$</b>
<b>Net Worth or Owner's Equity</b>	
Stock	\$
Retained Earnings	\$
<b>TOTAL EQUITY</b>	<b>\$</b>



## Inside Scoop

*Although we are mentioning the balance sheet as it relates to record keeping, it's also a document that investors, especially banks, will want to see when considering loaning you money. It provides them with your current financial condition, so make sure that your balance sheet doesn't look, well, off-balance.*

*Remember: Total assets always should equal total liabilities plus total equity.*

## PROFIT-AND-LOSS (P&L) STATEMENT OR INCOME STATEMENT

This document measures your company's sales and expenses during a particular span of time. The purpose of the P&L (and we are hoping for more "P" than "L") statement is to total all sources of revenue, subtract all expenses related to that revenue, and see if your company made or lost money during that time period. The total is referred to as your *net profit*. FYI: This statement will also enable you to accurately complete your tax forms.

Every P&L statement includes the following categories:

- Net sales
- Cost of goods sold (if you are selling product)
- Gross profit
- Selling and administrative expenses or operating expenses (from Week Nine)
- Other income and other expenses
- Net profit

Figure 13.2 presents a sample P&L or income statement.

## THE IMPORTANCE OF CASH FLOW

We're sure you've heard the term *cash flow* tossed around especially among entrepreneurs. The reason is because it determines a company's financial mobility. Think of it this way: If someone is house-rich (they

**Figure 13.2** SAMPLE P&L OR INCOME STATEMENT

<b>SAMPLE P&amp;L OR INCOME STATEMENT</b>		
<b>Company Name</b> _____		
<b>Profit and Loss Statement As of (Ending Date)</b> _____		
<b>Income</b>		
Net Sales		\$
Cost of Goods Sold (fill in if you are selling a product)	\$	
Beginning Inventory	\$	
Merchandise Purchases	\$	
Freight	\$	
Ending Inventory	\$	
Cost of Goods Sold		\$
<b>GROSS PROFIT</b> (Net Sales minus COGS if applicable)	<b>\$</b>	
<b>General and Administrative Expenses</b>		
Rent	\$	
Utilities	\$	
Equipment Leases	\$	
Depreciation	\$	
Insurance	\$	
License and Permits	\$	
Loan Payments	\$	
Miscellaneous	\$	
Payroll	\$	
Supplies	\$	
Advertising	\$	
Dues and Subscriptions	\$	
Legal and Accounting	\$	
Repairs and Maintenance	\$	
<b>TOTAL EXPENSES</b>		<b>\$</b>
Net Profit (Loss) from Operations		\$
Other Income	\$+	
Other Losses	\$	
Taxes	\$	
<b>NET PROFIT OR LOSS AFTER TAX</b> (Net profit from operations minus other income, other losses and taxes)		<b>\$</b>

own a big ol' mansion), but they have no cash to furnish it, they are cash (flow) poor, and the same applies to a business. Although the house-rich person may have equity and can borrow against it, it takes cash to decorate that house, not equity. While equity is great for some things, the constant flow of cash is more important to a company's growth. The flow of cash determines what the company can afford to do in day-to-day operations. Remember, cash flow is determined simply by taking cash receipts and subtracting them from cash payments over a given period of time.

You may be wondering, "As long as cash is flowing, why create a statement to prove it or a budget to predict it?" While cash may be gushing your way today, a cash-flow statement will help you to determine how long the surge continues or if there is a drought on your horizon. So many people confuse having cash in the bank as spendable income and they do not realize that the cash they are dipping into has already been accounted for. It's essential to know where your company's cash is coming from and where it's going.



### Inside Scoop

*Before getting into a real financial pickle, ask your vendors for payment terms. They allow for a little breathing room when times are tight. If you do find yourself in a fiscal predicament, the worst thing you can do is avoid your outstanding bills hoping they will go away. Your credit may be unnecessarily at risk. You would be surprised how many vendors are willing to give you a little cushion if you ask nicely.*

Cash-flow management is crucial to running your business. For example, let's say two similar companies have the same sales and expenses. The reason why one may prosper while the other flops is often due to cash-flow management. The two companies may have experienced record growth, but the latter company did not keep up with collecting its accounts receivables, and while they had money in the

pipeline, they had no cold, hard cash to run the business. The first company had the cash to pay its bills on time, so it didn't accrue interest or late fees, and therefore reduced its accounts payables. It's not rocket science, but companies fail because of bad cash management all the time.

When creating a cash-flow statement or budget, there are four basic elements you need to include:

- *Starting cash*—what you've got at the beginning of each month
- *Cash in*—all the cash you've received during the month
- *Cash out*—all your fixed and variable expenses
- *Ending cash*—what you've got when all is said and done

Figure 13.3 is a simple example of how you can measure your cash flow by subtracting your monthly total cash out from your total cash in. In this example you will notice that while sales remained the same,

**Figure 13.3** EXAMPLE CASH-FLOW STATEMENT

EXAMPLE OF CASH-FLOW STATEMENT			
	Month 1	Month 2	Month 3
<b>Starting Cash</b>	<b>\$5,000</b>	<b>\$5,500</b>	<b>\$3,600</b>
<b>Cash In</b>			
Sales	\$3,000	\$3,000	
Receivables Paid	\$2,500	\$500	
Other	\$0	\$100	
<b>TOTAL CASH IN</b>	<b>\$5,500</b>	<b>\$3,600</b>	
<b>Cash Out</b>			
Rent	\$1,200	\$1,200	
Payroll	\$2,000	\$2,000	
Owner's Share	\$500	\$500	
Supplies	\$300	\$250	
<b>TOTAL CASH OUT</b>	<b>\$4,000</b>	<b>\$3,950</b>	
<b>Ending Cash</b>	<b>\$5,500</b>	<b>\$3,600</b>	
<b>CHANGE IN FLOW</b>	<b>\$1,500</b>	<b>\$(350)</b>	

receivables went way down in the second month, which resulted in a negative change in cash flow. The goal is to keep cash flow positive for stability and growth. Without this statement, you may have gone on thinking everything was fine and dandy because your sales were the same from Month 1 to Month 2. It’s clear here how a cash-flow statement gives you an accurate reading of your fiscal well-being. And we encourage you to use the same format to create a *cash-flow budget* (use the worksheet in Figure 13.4) so you can predict your company’s cash-flow status.

**Figure 13.4** CASH-FLOW BUDGET WORKSHEET

<b>CASH-FLOW BUDGET WORKSHEET</b>			
	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>
<b>Starting Cash</b>	\$	\$	\$
<b>Cash In</b>			
Sales	\$	\$	
Receivables Paid	\$	\$	
Other	\$	\$	
<b>TOTAL CASH IN</b>	\$	\$	
<b>Cash Out</b>			
Rent	\$	\$	
Payroll	\$	\$	
Owner’s Share	\$	\$	
Supplies	\$	\$	
<b>TOTAL CASH OUT</b>	\$	\$	
<b>Ending Cash</b>	\$	\$	
<b>CHANGE IN FLOW</b>	\$	\$	

In doing our research, we’ve found financial forms and statements to vary quite a bit. When provided with a financial template from your accountant, money management software, or the Internet, don’t worry

about being able to fill out everything on it. Instead, make sure that everything you need a line or category for is provided based on your specific business. The forms need to accommodate your type of business, not the other way around. Ask your accountant to tell you which category certain items may fall into if you're not sure.

## WRAP-UP

Feeling like a financial guru? While you might not be ready to leave behind your current dream business to start an accounting firm, you've gotta feel good knowing that you can read and, better yet, create your company's financial statements. We know that many of you will try to do this yourself or have minimal professional help in the first few months of launching, and our hope is to give you the tools to do so. Just keep in mind that we highly recommend that you have a professional accountant hook you up in the beginning and go over any questions you may have before taking this all on by yourself. We learned the hard way and ended up paying an accountant to help undo a lot of the mess we made by trying to do it all ourselves. We could have saved lots of time and aggravation had we set ourselves up right from the start. So do what we say, not what we did, and you should be good to go.

Also, one last note: All the forms we created are very basic, and your business may require more information than what we have provided. Be sure to check with a professional who knows and understands your specific business and what the IRS requires of you. The last thing you want is to spend your creative energy on the phone, dialing an 800 number and holding for some IRS operator to assist you with only heaven knows what. Trust us, it stinks!

See related resources in the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



## Week 13 Schedule

Monday	Tuesday	Wednesday
AM		
		<i>Even if you have an accountant, your business is ultimately your responsibility, so take the time to understand what these statements mean—you'll be surprised how helpful they are in planning for your future.</i>
PM		
Monday To Do:	Tuesday To Do:	Wednesday To Do:

### To Do

- Become familiar with financial statements by looking at other small businesses (see samples on [www.sba.com](http://www.sba.com))
- Making assumptions, complete the balance sheet
- Making assumptions, complete the income statement
- Making assumptions, complete cash-flow budget worksheet



“If you don't go after what you want, you'll never have it.  
If you don't ask, the answer is always no.

If you don't step forward, you're always in the same place.”

—Nora Roberts

Thursday	Friday	Saturday/Sunday
		<i>Once you've filled out your financials, based on your projections, look for ways to generate more income, make cutbacks, or plan for a rainy day—just because you're breaking even, as planned, or even showing a profit doesn't mean there isn't room for improvement.</i>
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>

Notes

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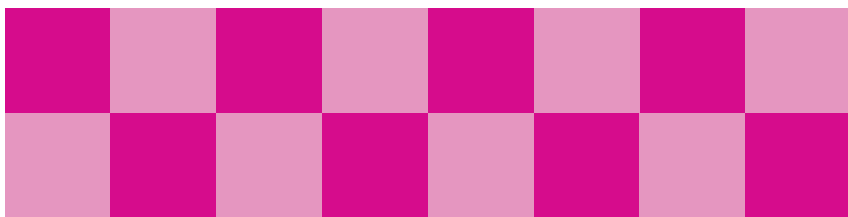
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## Week 14

# Raising Dough *How to Come Up with the Cash You Need to Launch Your Dreams*

“We cannot swing up on a rope  
that is attached only to our own belt.”

—WILLIAM ERNEST HOCKING

Even if you can get your business started and running with your own money or credit, there will come a time when you'll need some cash to keep it going and growing. You might find yourself unable to fulfill a huge order or in need of new equipment. While you may have done a great job of funding the business up to this point, it's time to ask for help. Finding funding can be a daunting task, but trust us, there is money out there for you and your venture.

Before you begin asking, you'll need to know how much to ask for. Figure out how the money will be spent once you receive it. There are a number of different ways to get money for your business.

Statistically, most female entrepreneurs have funded their start-up businesses through credit cards, signature loans, as well as family and friends. We'll discuss a few of the most common ways to find funding and what you'll need to do to get your hands on some of the green stuff.

## START IN YOUR OWN BACKYARD

Before you knock down your friendly loan officer's door or start asking your pals for pennies and family for some cold, hard cash, you may want to first look in your own pockets. How much can you raise on your own? Are you begging, borrowing, or stealing? Can you use your personal savings? Do you have investments you can liquidate? Can you use a credit card with a low interest rate? How about a home-equity loan? While we don't advocate over-extending yourself, self-funding is free of the many strings that often accompany accepting money from family, friends, and investors.

Also, think about how you can stretch the money you do have. Before buying anything for your business, find out if it can be financed or paid out in partial payments over time rather than paying for it all upfront. This will free up some cash so that you can use it for the many expenses required to start-up. Be careful not to accrue unreasonable interest payments and fees when financing or using credit cards.

It's important to develop good relationships with your vendors and establish credit with them as soon as possible. It is not easy for new companies to get vendor credit because they have no past payment history or relationship with the supplier. We encourage you to meet with your primary vendors and share your executive summary with them. Prove to your suppliers that you are a good risk. Get your suppliers to buy into your idea, and ask them if you can pay them in monthly installments. Build their trust and you are sure to get better payment terms. If you have existing relationships with vendors don't forget to leverage them for better rates or repayment schedule. And remember to keep your promises. If you agreed to specific terms in order to receive a

better deal than honor your obligations. Be good to your suppliers, and we're betting they will return the favor.

Think about trading or bartering services to save money. You can offer a small percentage of future earnings in the company for much-needed Web design services, or if you need to hire an employee but cannot afford to pay them what they are worth, you can supplement their salary with a percentage of ownership in the company. Another idea is to barter or sublease any unused space in your office or warehouse. Don't be afraid to leverage your assets. However, be wary when giving out company ownership. You will want to make sure that the person or company will add value over the life of your business, not just for a quick, short-term cash fix.

At nedandshell.com, when cash became tight, we were very creative with paying our bills. Thankfully, we had great working relationships with our key vendors, and were able to work out payment terms. During the holidays, we paid a few vendors a portion of our payables in product. Our vendors were happy to finish their holiday shopping, and we were happy to pay our debt. Living through cash crunches has taught us a few lessons we would like to pass along; be creative and don't panic.

Depending on your business, it might be possible to fund your venture through your customers. You can give your customers a discount for paying you upfront to generate cash. Or, you can ask for an official promise to pay, in the form of a legal document called a letter of credit. You can then bring the letter to your suppliers promising payment to your suppliers once you have received payment from the customer. You also can look into *factoring* to get some cash quickly. If you have any accounts receivable on your books (customers who owe you money), you may be able to go to a bank or financial services company and ask them to buy your accounts receivable from you. If the company agrees, this can give you instant access to cash (minus a discount for the service, of course). The company then collects the debt from your customer and keeps their share of the total which is usually anywhere between 1 and 15 percent.

## DREAM BUSINESS STATS

**NAME:** Annie and Therese Gibbons

**DREAM BUSINESS:** Alora Ambiance

**WEB SITE:** [www.aloraambiance.com](http://www.aloraambiance.com)

**QUOTE:** *“Treat your customers and your employees well and make quality control a number one priority.”*



*Annie and Therese Gibbons always dreamt of starting a business, and while living together in northern Italy, they discovered a product they loved and were motivated to act. It was a simple yet elegant reed diffuser air freshener.*

*When asked how they started, Therese answered, “We sort of dove right in and got started; you could say our naïveté was an asset.” They relied on their combined savings of \$50,000, the Yellow Pages to source the materials they needed, and their own noses to develop the scents.*

*By their second year, the company had a positive cash flow, and now, almost 10 years later, they are selling to almost 500 retailers in some of the most exclusive boutiques and spas. They are one of the top-selling home fragrance brands at Barneys New York. Not bad for a couple of Midwestern girls.*

*“Success and growth get so much attention in our society that just maintaining a certain level of sales isn’t always accepted as the best ‘business model,’ but Ann and I have decided to do just that. We have kids, we like to take a day off now and then, and we’ve decided that these are just as important as our business.”*

© Photo credit: Ryan Peck

## FAMILY AND FRIENDS

If this little idea of yours is turing into a great big one, think about the opportunity you may have just created for your loved ones to make money by investing in it. Once they see how passionate and invested you are in your business, they may be eager to get involved. But be wise. In order to keep things from getting awkward, make sure to set up payment schedules, and calculate a fair interest rate or better-than-fair rate to make it more advantageous than the average investment. Don't forget to get everything in writing—save yourself the headache and save your relationships.

Of course, it can be tricky mixing money with friends or family. But there are ways to handle it successfully without sacrificing your relationships. There are services available online to help broker this complicated transaction. You can draft your own promissory note and calculate interest and payments using amortization calculators, and if you want a third party to handle and manage the entire transaction for you, there are sites that can do that too. (See sites listed in the Resources section at the end of this book.) Make it as formal and legal as possible to ensure that it is an official business transaction. When friends or family members think they are doing you a favor, they may feel the need to meddle in your business affairs, and even if they have great advice to give, you don't want to feel obligated to use it if it's not in the best interest of the company.



### Tip for Moms

*Don't be afraid to keep things small in the beginning. Especially if you have pre-school aged children. Your children will need a great deal more of your time and attention in the early years and growing the business slowly and organically can be a very wise strategy.*

## BUSINESS LOANS AND BANKS

A bank loan is pretty straightforward. This type of funding is known as *debt financing*—meaning you borrow money and are expected to pay it back, usually with interest. This type of financing does not require that you give up any ownership in your company, which makes it a hit with so many entrepreneurs. The downside—you're in debt. If you personally guarantee the loan, you owe that money, and if the business cannot pay it back, it will have to come from your own pocket.

Loans are a great way to minimize control issues and also to force entrepreneurs to think long term and develop a revenue plan that really works. In the past, loans for women in business were harder to come by. Today it is becoming easier for women to find and obtain business loans from different sources. Here are a few types of common loans that are available for small businesses.

### Signature Loans

These loans can be obtained through a traditional bank, credit-card company, or financial institution and are usually \$5,000 or less. These loans are just like taking a cash advance from a credit card. The interest rates are high, and other finance charges and fees may be incurred as well. You don't need to pledge collateral. However, be careful of predatory lenders. Read the fine print on the loan agreement.

### Bank Loans

The more evidence or past history you have to prove that your business will be successful, the more likely it is that you will get a loan from a bank. Obviously this will not be the case if this is your first start-up venture, but if you can personally guarantee the loan or you have property or assets that equal the value of the loan, you are more likely to receive funds. The U.S. Small Business Administration (SBA) can guarantee loans up to 85 percent of the amount you borrow, so if you are unsure whether you will qualify for a traditional bank loan, you may want to check with the SBA first and see if it can help.



## Microloans

Considered small loans, microloans range from \$5,000 to \$50,000. A microloan can support early growth and also can help you to demonstrate your creditworthiness for future, bigger loans. The company CountMeIn.org has a great microlending program for women called *Make Mine a Million \$ Business* that offers financing, mentoring, and marketing resources to women who want to grow their business to a million dollars in revenue. (To find more microlenders, look for Web sites in the resources section at the back of the book.)

## ANGEL INVESTORS OR EQUITY INVESTORS

Angels can be friends, family, vendors, professional associates, or organized funds set aside for the sole purpose of investing. Angel investors are individuals or groups of individuals looking to invest money directly into new business opportunities. They are also known as *equity investors*, and they are looking to buy a piece of your business. An angel can be a great person to have on your team. Angels can offer money, expertise, resources, and possibly a little mentoring, too, depending on the angel.

There are two kinds of angels: those who are interested in knowing how the business is doing on a regular basis, and those who just want to give you the money and collect their piece of the profits. For those who are interested in taking on a more active role you'll need to keep them in the loop on company financials and possibly major purchasing decisions, etc. They also may want to lend a hand in the decision making or running of the business. If you take on an active angel investor, try to think of him or her in more of a partnership role. Ask yourself if he or she can add value to the business or is he or she just bringing the cash to the table. Make sure you know exactly which type of angel you're getting before halos start falling off.

Wondering how to meet an angel? If you have an advisory board or board of directors this can be a great place to start your search. Ask them if they know any potential investors within their networks. Go to

a local business group or trade organization, and ask around. Don't forget to ask your lawyer and accountant for leads as well. And, be sure to spread the word throughout your network, you never know who knows who. (Check out some angel investors focused on women-owned businesses in the resources section at the back of the book.)

If you plan on taking money from an angel investor, make sure that you get your lawyer involved to help draw up an agreement between you and your angel before any money changes hands. Additionally, be sure your attorney includes the details of your legal relationship with each angel, especially for those interested in more than collecting profits. You also may want to ask your accountant to help you better present your financial situation to investors in order to improve the likelihood of success.

Angel investors will expect to earn a high return on their investment—much higher than the return on a traditional investment—so make sure you can afford the expected returns. You don't want to overpromise and underdeliver.

## **VENTURE CAPITAL AND INSTITUTIONAL INVESTORS**

A venture capital (VC) firm is a source of funding for start-up companies in the market for big money. Typically, large sums of money are raised by VC firms who invest in private companies with rapid growth potential. In return for this investment, the VC firm typically requires 25 to 55 percent ownership in the company and seats on the company's board. For small start-ups and early-stage funding, venture capital generally is not used. An average investment tends to be between \$1 million and \$5 million. VC firms generally like to see an exit strategy in three to five years as well. (In the resource section at the back of the book, check out some VC firms that are focused on investing in women-owned businesses.)

## **WHAT WILL YOU NEED TO SHOW INVESTORS?**

Take time to carefully project your expenses and earnings potential. It's great to be positive, but try not to be overly optimistic about your first

few years of revenue. Give yourself breathing room and ask for more than you think you will need. It's like planning a big home renovation or a wedding. There are many unforeseen expenses that come up. Ninety-nine percent of the time, you'll go over budget.

With that said, let's look at what you'll need to show potential investors to get them interested in investing in your baby. First and foremost, you'll need that well-thought-out business plan you created in Week Twelve. And be sure to include the financial statements: a sources and use of funds table, break-even analysis, pro forma statements, and a total funds worksheet. Read on, and we'll break it all down for you.

### **What's in a Financial Plan**

As we said before, a well-researched and well-thought-out plan is critical to your success. Your plan will help you to figure out how much money you will need to raise, and it also will allow your potential investors to see how much (and when) they can potentially earn from their investment. To engage investors, present your product or service as offering a real solution to an existing problem. Your investors need to see that your product or service is ripe for future sales.

The financial part of your plan should start with the basics: (1) your balance sheet, (2) your income statement, and (3) your cash-flow statement, which we reviewed previously in Week Thirteen.

Be sure to include a sources and use of funds table. This gives your prospective investors an account of how much money you are attempting to raise, who you plan to get it from, and what you intend to spend it on. If you are a start-up, you can use your start-up budget and/or operating budget from Week Nine to come up with your uses of funds. Figure 14.1 shows an example of a sources and use of funds worksheet for the Daily Fare Café.

Your next step will be to project the future growth of your business. If you can also supply proof of past success, you'll be in better shape to get serious investors on board.

**Figure 14.1** SOURCES AND USE OF FUNDS WORKSHEET

<b>SOURCES AND USE OF FUNDS WORKSHEET</b>	
<b>Daily Fare Cafe</b>	
<b>Use of Project Funds</b>	
Delivery van	\$20,000
Kitchen equipment	\$10,000
Recurring monthly operating expenses	\$8,000
Shop remodeling	\$12,000
Architectural and engineering fees	\$5,000
<b>TOTAL COSTS</b>	<b>\$55,000</b>
<b>Sources of Project Funds</b>	
Personal savings	\$10,000
Personal line of credit	\$20,000
To be raised from private investors	\$25,000
<b>TOTAL FUNDING SOURCES</b>	<b>\$55,000</b>

### Projecting Future Profits

Financial projections are critical when raising money. These projections show your investors your business's future growth potential. The two most common types of projections used are a break-even analysis and pro forma statements.

A break-even analysis shows how much income you'll need to earn to cover your expenses and when you'll begin to be profitable. Pro forma financial statements are the balance sheet, income statement, or the cash-flow statement with *projected* rather than actual figures. When projecting, you may want to include up to three years to show investors how well you understand the economics of your own business and industry and demonstrate that you are being realistic in projecting future financial success. For blank financial statements go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks).



## Inside Scoop

*When trying to realistically predict the future, it's a good idea to create three sets of projections—the first being your “best-case scenario” for how you hope things will work out (this is probably what you'll want to show potential investors), the second being your “middle-of-the-road-case scenario” for how you can confidently predict things will go based on current information, and the third being your “worst-case scenario” for how things could go if something goes wrong. These extra sets of projections are really for your eyes only. They will help you forecast earnings and plan for every scenario.*

It is important to also provide any supporting documents you have that can cast your business in a positive light. Some documents often presented are tax returns, copies of contracts, leases, licenses, purchase orders, your résumé, and the résumés of key employees. If you don't have any of these, try to think about what documents you *do* have that will show your investors that you are a good bet. For example, a letter of intent or promise to purchase from an important customer isn't a legal document, but it can hold a good deal of weight for someone deciding whether or not to invest in your business.

### Calculating Your Actual Need

First you will need your start-up or expansion costs which you can take from your Sources and Uses worksheets. Then you'll want to figure out how many months of sales you'll need to accrue until you break even. Use break-even analysis to find out how many months it will take. Go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) to see an example Break-even analysis and to download a blank worksheet. Then just multiply your monthly operating expenses (Week Nine) by the number of months it will take you to break even. Once you have arrived at your Total



# Week 14 Schedule

Monday	Tuesday	Wednesday
AM		
PM	<i>Make sure your future projections are well thought out and don't forget to pad your numbers.</i>	
Monday To Do:	Tuesday To Do:	Wednesday To Do:

## To Do

- Figure out total funds needed
- Prepare pro forma documents
- Gather any supporting documents you can
- Assess personal and/or business funds you can use for start-up/expansion capital
- Approach friends and family, banks, microlenders, etc.

“It ain’t braggin’ if you can back it up.”

—Dizzy Dean”

Thursday	Friday	Saturday/Sunday
	<i>Don't be proud. Review your financials with an expert and make sure they are investor ready.</i>	
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>
<i>Talk to other industry professionals to get their advice on what you'll need and what to expect.</i>		

**Notes**

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Recurring Costs, add your start-up costs. This exercise is called a Total Funds Worksheet and will help you to figure out how much money you'll need until the business can start making a profit on its own. If you are an established business and are going after expansion capital, then don't include your start-up costs. Figure 14.2 presents a Total Funds Worksheet for the Daily Fare Café.

**Figure 14.2** TOTAL FUNDS WORKSHEET

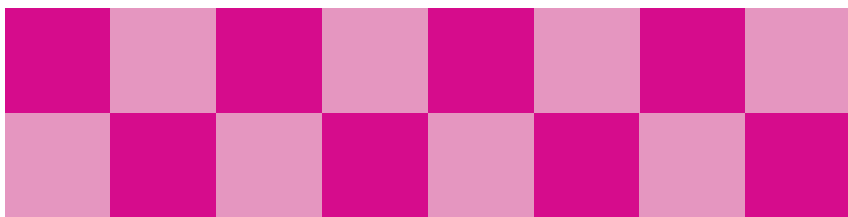
<b>TOTAL FUNDS WORKSHEET</b>			
<i>Daily Fare Cafe</i>			
<b>Total start-up/expansion costs</b>			<b>\$55,000</b>
Recurring costs/monthly operating expenses	\$8,000		
Number of months	X 24		
<b>TOTAL RECURRING COSTS</b>		=	<b>\$192,000</b>
<b>TOTAL FUNDS NEEDED (ttl recurring +ttl start-up/expansion.)</b>			<b>\$247,000</b>

## WRAP-UP

Whew! Well, we've given you lots of information and walked you through several types of funding options for your business. You've looked at what you'll need to prepare and show potential investors and figured out how much to ask for. So whether you choose to go after start-up funding or money for future business growth, you'll have the tools you'll need to get started. Good luck—and go for the gold, or should we say the *green*!

See funding resources at the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.





## Week 15

# Manager Makeover *Managing Yourself and Those Around You*

“The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint to keep from meddling with them while they do it.”

—THEODORE ROOSEVELT

Get the most out of yourself and the people around you. Organizational and good time management skills are vital to the health of your company. Adopt systems that work for you, and be sure to create a company culture with policies and procedures that inspire productivity and motivate each individual within your organization.

### **WORK SMARTER**

Being your own boss means that you are the keeper of your day. So be smart about how you plan your time. Keep in mind, no one knows you better than you know yourself. For example, if you are not a morning

person, don't bother scheduling morning meetings. You will be working plenty hard the rest of the day, so be sure to be good to yourself and allow yourself the freedom that this entrepreneurial lifestyle can afford you.

Create a daily to-do list. Schedule your day before it starts. Group similar tasks together—studies have shown that individuals can be more productive if they group similar activities into specific time segments. For example, use an answering machine or voice-mail service to pick up your telephone calls throughout the day, and schedule a specific time to make and return all calls. If you have a designated time to make and return phone calls, you will not be distracted by the phone during the majority of your day, and you can devote that time to other tasks. Also, if you have something you need to do that is particularly taxing on your brain, be sure to schedule yourself some uninterrupted time to really focus all your attention on that task. Another helpful tip is to take on the projects you dislike the most early in your day. Do them first and get them out of the way otherwise the dreaded “to-dos” get pushed to the next day.

At the end of your day, review your accomplishments. Create your to-do list for tomorrow with the items you were not able to complete. When tomorrow comes you don't have to wonder about what you will do or how you will prioritize. It's all done, and you can leave work and let your mind and body relax and rejuvenate. And for you insomniacs, getting it on paper usually helps to shelf the thoughts so you can get some much-needed zzz's. Running your own business can overtake your life if you let it. So, do yourself a favor and schedule down time. Make sure you plan non-work-related fun things to do for yourself here and there. Go for a walk, take an exercise class, or have lunch with a friend. Anything you can do to balance your mind and spirit is beneficial and will make for a more productive work day.

## GETTING THE MOST OUT OF YOUR DAY

Your to-do list and calendar provides structure and acts as a daily guidebook keeping you from venturing off into nowhere land. While it

## DREAM BUSINESS STATS

**NAME:** Christiane Lemieux

**DREAM BUSINESS:** Dwell

**WEB SITE:** [www.dwellstudio.com](http://www.dwellstudio.com)

**QUOTES:** “Before you start, know your competitive landscape, make sure your business is within your core competency, and set realistic goals.”  
 “To be passionate and emotional about what you do is amazing.”



*Christiane is founder and creative director of Dwell, a company that designs, produces, and sells beautiful home furnishings. With some money saved up and no formal business plan, she decided to take the leap. Through a friend, Christiane began by designing some private label goods for big retailers like Crate and Barrel. This enabled her to bring in the capital she needed to launch her very own bedding line.*

*Since then, her business has been thriving for the past 10 years and has grown to include a wholesale, private-label, and consulting division. The company also has started designing and producing an exclusive line for Target called Dwell Studio.*

*When asked what advice she would pass on to the emerging female entrepreneur, she said, “Don’t be disappointed if your business is not an instant success. Starting a business is not a get-rich-quick scenario. I think it is important to know going in that it will take lots of hard work and at least five years to really build a business from the ground up.”*

© Photo credit: Travis Roozee

seems like a no brainer, so many people don't organize their work and end up spending their days putting out fires and getting side tracked by phone calls and an endless barrage of e-mails. Instead, get control of your days by organizing your goals, and then break them down into step-by-step tasks. Schedule time to achieve those tasks week-by-week and day-by-day.

Find a calendar or planning tool with which you are comfortable, and keep it close to you at all times so that you can organize your thoughts, track your progress, and even record your accomplishments. Don't forget to look back from time to time. It's incredibly motivating to see where you started and how far you've come in achieving your goals. And it helps you to not lose sight of the big picture.

Goal setting and thoughtful planning will ensure that you are using your time wisely and working to achieve your dream(s). Remember to set realistic goals and give yourself enough time to accomplish required tasks. Be committed to your to-do list, and enjoy the rush of crossing out each item once you've accomplished it.

## **GETTING HELP: HIRING EMPLOYEES VERSUS INDEPENDENT CONTRACTORS**

Many entrepreneurs cannot go it alone for long. They eventually need to hire employees to help them grow their businesses, but some can get the help they need by hiring independent contractors or freelance workers. Which is right for you and your business? Let's take a closer look at each option.

Working with independent contractors offers a great amount of flexibility and freedom for all parties involved. You are able to benefit from their talents and resources without the complications and responsibility of actually hiring an employee. The main disadvantage in hiring independent contractors is that you are limited in your control. Since they are their own company and have many clients, they may not have time for you or your project when you need them. They also may opt not to take your job or project at the rate you wish to pay them because they are getting a higher rate from someone else.



## Inside Scoop

*If you pay an independent contractor more than \$600 per year, you will need to file 1099 Form with the Internal Revenue Service (IRS) indicating how much you paid and to whom.*

When hiring employees, you have much more control. The employees will be working for you only. So whenever you need them, they are available. You also have the opportunity to train employees to do things in a manner you are comfortable with, and consistent with your systems, policies, and procedures.

However, retaining employees can be very costly. In addition to paying them a regular salary, you will need to contribute to unemployment and workers' compensation insurance, and match their Social Security contributions. These expenses can add quite a bit of overhead to your small business—not to mention the additional expense of offering health insurance and/or retirement plans. Hiring employees will be an investment, but if you can find good people, it will pay you back in spades. Whichever you choose, keep in mind when hiring contractors or employees to hire people you respect and communicate well with.

## MANAGING OTHERS

Human capital is very important to the success of your business, so it is worth investing some time and effort. There are lots of management philosophies out there. Our experience has shown us that leading by example is the best way to build a winning team. Here are a few commonsense guidelines to go by if you are unsure about how to manage your employees or associates:

1. *Communicate.* Good communicators always listen first and then speak. Even if you are articulate and well spoken, there is still room for misunderstanding. No two people understand in the

same way. You need to take into consideration your style of communicating, as well as that of your employees. You may communicate thoughts and ideas verbally while an employee best comprehends things visually. Make sure that you work together to find the best way to communicate and ultimately understand each other. It will take time to get it right, so keep at it and be patient, good people are worth it.

2. *Praise.* Accentuating the positive is a great way to build confidence and empower employees. Recognizing good work when you see it is a great way to encourage employees or associates. Acknowledging and rewarding achievements also inspires employees and keeps them engaged and motivated.
3. *Focus.* Every good team needs to focus. And as their fearless leader, you need to maintain that focus. Set goals for your company, just like you do for yourself, and make sure that you and your employees work toward those goals. Create an action plan for your goals, assign roles, and responsibilities, also implement deadlines to ensure that you and your employees are accomplishing desired objectives. Employees can also appreciate their role in the bigger company picture and take pride in their accomplishments. Additionally, it's a helpful tool in reviewing employee performance.
4. *Delegate.* Don't forget to use employees to help free up some of your time. Your job is to focus on the big picture and do what you do best. Try to remind yourself to delegate work and hand off responsibilities. We know that this is your business and that you would hate to see anyone screw it up, but you'll need to let go in order to move forward. Don't try to do everything yourself. It's exhausting for you and can be demeaning to those who work for you. Train people well and you will realize that someone else can do a good job too. Soon you'll wonder how you ever got by without this person.
5. *Teamwork.* If you're working with a group of people, acknowledge individual achievements, but place primary focus on group

achievements. Make sure that all your employees know that they play an important role individually as well as collectively. Think about teamwork when communicating with your staff and when you structure your company goals. Elicit their involvement in working toward company goals as well as their own individual goals. If you share your vision with your employees you empower them to express themselves and their ideas relative to your mission. Let them in on your dream and you might be surprised to find that they can improve upon your already great idea.



### Just for Moms

*The Golden Rule: Approach management the same way you would motherhood. Lead by example. Show your staff how you expect to be treated by how you treat others.*

## BUILDING POSITIVE COMPANY CULTURE

Your company culture most certainly will grow organically out of your managerial style. When you set up systems, policies, and procedures, be aware that you will be influencing how future employees will interact with you and each other. Be committed to creating a positive environment ensuring that employees feel good about themselves and where they work.

### Company Systems

Now, when you work alone, you can take certain liberties. You may not keep everything superorganized because it is just you, and you don't have the time. If you work alone you may know where you left specific files or client information, but once you hire employees, you'll need to kiss those easygoing, disorderly habits goodbye. Once you bring on employees you will need to get organized and fast. You will go crazy, not to mention waste time and resources, if you do not set up systems and

create procedures and structure for your workers as well as for yourself. Company information now will need to be accessible to more than one person. You will need to dictate how things are done within your place of business—how and where documents are filed, how the phones are answered, and even down to how the office or shop is opened and closed every day. And the list goes on!

When setting up your company's systems and procedures, keep things as simple and organized as possible. The bigger your staff gets, the more efficiently your company needs to operate.

### **Policies and Procedures**

How many sick days and vacation days will you give to each employee? Will you offer health insurance, a retirement plan, etc.? These are a few things you may want to consider when you set up your company policies. Be sure to set office hours, as well as lunch and/or other breaks. This will help to cultivate the type of working environment you want to develop, whether it be structured or laid back. Offering bonus pay or overtime compensation can tell your employees that you value their extra time and effort. Giving fair and reasonable personal, sick, and vacation days can let employees know that you value taking time off from work as well. And when you treat employees well, they tend to treat you well. When they are happy, they are easily motivated and more productive.



#### **Inside Scoop**

*If you decide to take on employees, be sure to create an employee handbook of systems, policies, and procedures to avoid any ambiguities.*

If you are thinking about offering health insurance to your employees, choose coverage carefully. It is a great benefit to offer, but it can be very costly for an employer.



Federal and state governments have laws about what types of benefits you are required to offer employees, so check with your local Chamber of Commerce before ruling out offering health insurance, dental coverage, or life insurance. You may be required to offer some form of insurance that your employees can elect to pay for themselves.

## WRAP-UP

Work smarter and make the most of your day.

Whether you decide to go it alone, work with contractors, or hire employees, the basic rules apply. Being organized and setting goals will help to keep an individual as well as an entire team of people focused and productive. Treating people fairly, with respect and by acknowledging accomplishments, will empower and motivate them to work hard and achieve success.

See resources in the back of the book or go to [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for more information.



**“Try viewing everyone who comes into your life as a teacher.”**

—Dr. Wayne Dyer

Thursday	Friday	Saturday/Sunday
		<i>Create your To-Do list for next week.</i>
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>
<i>Try to schedule meetings at the beginning, or end, of your day, so as not to disrupt your workflow.</i>		

**Notes**

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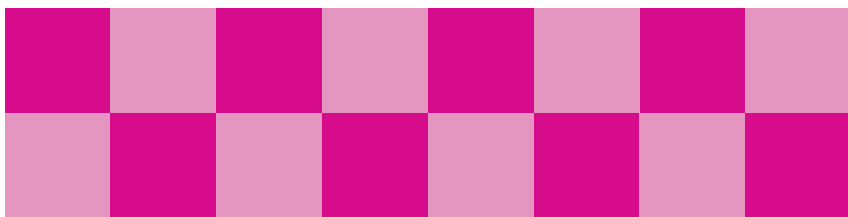


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## Week 16

# Making a Difference Makes the Difference *Giving and Serving for a Better Business and a Better You*

“Service is the rent we pay for living.”

—MARIAN WRIGHT EDELMAN

Many of you have heard people say, “Do what you love, and the money will follow.” We couldn’t agree with this sentiment more. For one, you’ll have staying power and will be less likely to bolt at the first sign of a problem. We would like to add to that old adage, “Do what you love and serve others.” When you’re doing something for reasons that go beyond your “self,” you are motivated by something beyond your own ego. This is the difference between thriving and merely existing.

## DREAM BUSINESS STATS

**NAME:** Tamara Johnston

**DREAM BUSINESS:** Anti Body

**WEB SITE:** [www.anti-body.com](http://www.anti-body.com)

**QUOTE:** “. . . be committed to whatever it is you are selling. If you don't believe in it or love it, it's going to be very difficult to convince an audience to.”



After losing her fiancée in an accident, Tamara knew firsthand that life was short, and committed herself to pursuing what she refers to as her “passion career.” The outcome: Anti-Body, a skin-care line that incorporates fair-trade ingredients.

Tamara remembers the early days: “Lots of research, trial and error, forming relationships with other small businesses, using credit cards, and firmly believing in what they were doing was the secret to Anti-Body’s start-up success.” The company launched slowly by hosting small home parties both to raise awareness about the products and to educate people about fair trade. Word of mouth spread, and Anti-Body was now getting calls from stores and spas.

Tamara and her partners have been committed to contributing to the sustainability in developing countries. They make sure that they are paying a fair wage for the ingredients they buy. “We want to support something legitimate and good. We are now working hard to start our own fair-trade co-ops.” She adds, “What’s great about Anti-Body is that just by people staying clean and moisturized, people’s lives are being changed elsewhere.”

© Photo credit: Rayne Roberts

When people are certain that they are doing *good* work they are willing to go the distance—and success eventually follows.

Financial guru Suze Orman views *wealth* as a characteristic and has said: “When most people think about wealth, they think about money. But what I mean by wealth is something that doesn’t change according to the economy. True wealth is generosity and openness of spirit; it’s something that will never diminish. You give to make an offering; when you make an offering, you feel generous, and when you feel generous, you feel powerful.” How will you make giving and serving a part of your business and ultimately a part of you?

### GIVING AND SERVING FOR BUSINESS

While we encourage you to view *giving* and *giving* as a lifestyle and not for gain, your business can benefit from your altruistic efforts through *cause-related marketing*. This type of marketing is becoming more and more popular with businesses and consumers alike. Assuming all things are equal, a consumer often will go with a company that provides an altruistic element. As a result, many companies today are aligning themselves with charities or causes because it makes good business sense. From a marketing perspective, your image is elevated, and you become more than just a product or service; you become a brand that people feel loyal and committed to. When developing a cause-related marketing strategy, here are a few things to incorporate:

1. Make sure that the marketing activities you participate in are in line with your target market’s collective personality. If your target market is interested in going green, then you may choose a cause that is eco-conscious.
2. Your company’s reputation should be elevated as a result of the partnership with the charity. Be careful not to choose a charity that is divisive or offensive to your target market. You may find that you are passionate about something that is too political in

nature, and that is fine—it's who you are, and we encourage you to exercise your voice. However, doing so in a business environment is not a good choice. You need to consider your customers and your employees and the way they may perceive your affiliation with a controversial cause.

3. Give yourself an edge over your competition with a strong cause-related marketing campaign that distinguishes you from the competition. Communicate that you care about more than your bottom line.
4. There are many tangible benefits when it comes to cause-related marketing. Imagine creating a positive community story with your cause-related efforts. First, you create a situation worthy of media coverage. The additional coverage builds visibility and potentially sales. The positive media coverage will boost consumer loyalty, and in turn, your company's image is elevated. It's a win-win situation, not to mention incredibly fulfilling.



### Just for Moms

*As a mother there are plenty of built-in opportunities to give back, whether it's through your child's school or through any extracurricular groups you may be involved with.*

### Giving and Serving Your Community

Every good girl's gotta give. Whether it's to thank customers for their patronage or simply to give to those in need. If all entrepreneurs saw themselves as part of something bigger than themselves, we could bring about the kind of change people only dream of. Simply contributing and taking a responsible role in society is what people of change are all about.



Tips for a good giver:

1. Invest in your community as a way to thank them for their business. When you invest in your community, you feel connected to your world as you strive to make it a better place. It also provides a good dose of reality in those moments when you find yourself caught up in the bottom line.
2. Don't think about giving as being strictly financial; give your time too.
3. Your customers will feel good about doing business with you because you are a person who cares. They also will feel better about themselves because by doing business with you they have contributed to something worthy.
4. Commit to giving regularly. Charities need people who will provide helping hands, money, time, etc., on a regular basis.

### **Develop Healthy Giving and Serving Habits**

Once the word is out that you are open for business, you are sure to start receiving requests to contribute to many a worthy cause. By defining your mission and your reasons for serving and giving, you will have clarity when choosing who and what to give to. Be careful not to take on too much. Your number one focus is your business. When your business is a success, you are able to give continually and consistently. The last thing you want to do is drain yourself or your staff. The most efficient way to manage all the requests for money and time that will come your way is to create a list of criteria to help you (and your staff) decide if a charity or a project is right for you and your company.

The U.S. Small Business Administration (SBA) has outlined a few guidelines for giving that promote smart, helpful, and healthy boundaries to develop when it comes to giving and serving:

1. The project must benefit not just the community, but your own business as well.
2. Make sure that your involvement fits in with your company's strategic goals. These goals may be as general as affirming your

support of the community or as specific as encouraging a greater sense of service in your staff.

3. As a business, not a charity, you need a purpose beyond simply doing good.
4. Set up a process for reviewing requests and making decisions. This process must operate with consistent criteria so that decisions can be justified to outsiders who request your assistance and staff members who will be executing accepted projects.
5. Develop consensus. Everybody in your company who will be affected by a project should feel comfortable with or, better yet, excited about it.
6. Make a commitment you can live with. Start small, with simple efforts that involve no capital outlay.
7. Don't expect a bottom-line impact.
8. If you don't have money, consider donating time, goods, or services.
9. Be sure to thoroughly check out the charitable organization and make sure that it's reputable.
10. Your efforts may be tax deductible. You cannot deduct goods and materials if you originally bought them for your business and have already deducted them as a business expense. As the company owner, you can't deduct the value of your own donated time, but you can deduct the salaries of employees to whom you assign pro bono work.



### Inside Scoop

*Don't assume that items are tax deductible when it comes to charitable donations. Check with your accountant beforehand, and find out exactly what is and is not tax deductible. And be sure to keep receipts of mileage and incidentals as well as asking for receipts from the charities you have given goods or services to.*

## PAY IT FORWARD

You might remember the movie by the same name, in which a little boy develops this idea of giving *forward* to others. We encourage you to adopt this same philosophy in business. Be it generous advice or a helping hand, you didn't get to where you are alone. Someone, somewhere along your journey reached out, and now it's your turn.

Don't wait for success to come first; other "launching ladies" will want to hear from you while you're still in the trenches, just as much as when you're at the top of your game. Keep in mind that people don't always want to be wowed by how great you are; they are eager to learn from your mistakes and want to hear real stories about real issues from real people. We believe that being authentic and accessible is part of the paying-it-forward equation. Reaching out to others begins today, and if you do it from the start, you will develop a habit of helping that will be with you regardless of profits and losses. Paying it forward simply may be giving people leads, offering information that you've picked up along the way, or maybe just a few hours of your time. Be the person you wished others were to you when you were in the dreaming and creating stages. It will change the way you do business. It will change the way you live.

## WRAP-UP

You did it! You finished 16 weeks and ended with a bang! You have carefully planned and researched, you've calculated and considered your entrepreneurial endeavor, and you've even thought of how to give back. Consider yourself fully equipped to go forth and achieve your business dreams. We look forward to hearing about your successes and sincerely hope that this book has helped to guide you through the journey to becoming a successful, fabulous entrepreneur. Check in with us at [www.nedandshell.com/16weeks](http://www.nedandshell.com/16weeks) for inspiration, information, and support. Here's to making your business dreams come true!



# Week 16 Schedule

Monday	Tuesday	Wednesday
AM		
	<i>Create an inspiration board using magazine clippings of people and things that inspire you to give and serve.</i>	
PM		
Monday To Do:	Tuesday To Do:	Wednesday To Do:

## To Do

- Create a cause-related marketing idea list for your business
- Identify what your business has to offer organizations and people
- Brainstorm ways to give and serve in your community
- Create a list of women who inspire you through their giving and service to others

*“Success means being able to go to sleep at night knowing that our talents and abilities were used in a way that served others.”*

—Nora Roberts

Thursday	Friday	Saturday/Sunday
<i>Make a habit of service, and begin by creating a plan to give back.</i>		
<b>Thursday To Do:</b>	<b>Friday To Do:</b>	<b>Weekend To Do:</b>

**Notes**

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# References, Resources, and More

## WEEK TWO

U.S. Small Business Administration: [www.sba.com](http://www.sba.com)

Yahoo! business-to-business information:  
[dir.yahoo.com/Business\\_and\\_Economy/](http://dir.yahoo.com/Business_and_Economy/)

Yahoo! trade association information:  
[dir.yahoo.com/Business\\_and\\_Economy/organizations/trade\\_](http://dir.yahoo.com/Business_and_Economy/organizations/trade_associations)  
[associations](http://dir.yahoo.com/Business_and_Economy/organizations/trade_associations)

U.S. Bureau of Census: [www.census.gov](http://www.census.gov)

U.S. Chamber of Commerce: [www.uschamber.com/default](http://www.uschamber.com/default)  
[www.marketresearch.com](http://www.marketresearch.com)

## WEEK THREE

### Research

U.S. Small Business Administration: [www.sba.com](http://www.sba.com)

Yahoo! business-to-business information:  
[http://dir.yahoo.com/Business\\_and\\_Economy/Business\\_to\\_Business](http://dir.yahoo.com/Business_and_Economy/Business_to_Business)

Yahoo! trade association information:  
[http://dir.yahoo.com/Business\\_and\\_Economy/organizations/trade\\_](http://dir.yahoo.com/Business_and_Economy/organizations/trade_associations)  
[associations](http://dir.yahoo.com/Business_and_Economy/organizations/trade_associations)

U.S. Bureau of Census: [www.census.gov](http://www.census.gov)

U.S. Chamber of Commerce: [www.uschamber.com/](http://www.uschamber.com/)

MarketResearch.com: [www.marketresearch.com](http://www.marketresearch.com)

### Naming Your Company

Entrepreneur: [www.entrepreneur.com](http://www.entrepreneur.com)

U.S. Trademark and Patent offices: [www.uspto.gov/web/offices/tac/tmfaq.htm](http://www.uspto.gov/web/offices/tac/tmfaq.htm)

Secretaries of State: [www.statelocalgov.net/](http://www.statelocalgov.net/)  
U.S. Copyright Office: [www.copyright.gov](http://www.copyright.gov)  
Trademark search: [www.uspto.gov](http://www.uspto.gov)

### **To Register Your Web Site**

[www.register.com](http://www.register.com)  
[www.godaddy.com](http://www.godaddy.com)  
[www.networksolutions.com](http://www.networksolutions.com)

## **WEEK FOUR**

### **Research Information**

U.S. Census Bureau: [www.census.gov](http://www.census.gov)  
[www.yellowbook.com](http://www.yellowbook.com)  
[www.switchboard.com](http://www.switchboard.com)

### **For the Sale-Forecasting Worksheet and Calculator**

[www.score.org](http://www.score.org)

### **For Business Terms and Definitions**

[www.answers.com/main/business.jsp](http://www.answers.com/main/business.jsp)

## **WEEK FIVE**

*Guerrilla Marketing*, by Jay Conrad Levinson, 1984: [www.gmarketing.com](http://www.gmarketing.com)

U.S. Small Business Administration: [www.sba.gov/smallbusinessplanner](http://www.sba.gov/smallbusinessplanner)

Entrepreneur: [www.entrepreneur.com/marketing](http://www.entrepreneur.com/marketing)

## **WEEK SIX**

### **To Learn More About Writing a Press Release**

PR Newswire: [www.prtoolkit.prnewswire.com](http://www.prtoolkit.prnewswire.com)  
Café Press: [www.cafepress.com/cp/learn/pr\\_101](http://www.cafepress.com/cp/learn/pr_101)

### **PR Services for Sending Press Releases**

PR Newswire: [www.prnewswire.com](http://www.prnewswire.com) (go to PRN Direct)  
[www.prweb.com](http://www.prweb.com)  
Send 2 Press: [www.send2press.com](http://www.send2press.com)



## WEEK SEVEN

### Register Your Site URL

[www.register.com](http://www.register.com)  
[www.networksolutions.com](http://www.networksolutions.com)

### Pay-per-Click Providers

[www.overture.com](http://www.overture.com)  
[www.adwordsgoogle.com](http://www.adwordsgoogle.com)

### Search Engine Directory

[www.freewebsubmission.com](http://www.freewebsubmission.com)  
[www.google.com](http://www.google.com)  
[www.msn.com](http://www.msn.com)  
[www.yahoo.com](http://www.yahoo.com)

### Search Engine Optimization

[www.highrankings.com](http://www.highrankings.com)

### Blog Sites

[www.blogger.com](http://www.blogger.com)  
[www.typepad.com](http://www.typepad.com)  
[www.wordpress.com](http://www.wordpress.com)

### Article Distribution

[www.isnare.com](http://www.isnare.com)  
[www.ezinearticles.com](http://www.ezinearticles.com)

### E-mail Marketing Providers

[www.mailermailer.com](http://www.mailermailer.com)  
[www.constantcontact.com](http://www.constantcontact.com)

### Affiliate Marketers

[www.linkshare.com](http://www.linkshare.com)  
[www.preformics.com](http://www.preformics.com)  
[www.cj.com](http://www.cj.com)

### Podcast Directories

[www.podcastingnews.com](http://www.podcastingnews.com)  
[www.sbtv.com](http://www.sbtv.com)

### **Social Networks**

[www.myspace.com](http://www.myspace.com)

[www.facebook.com](http://www.facebook.com)

[www.windowlive.com/spaces/overview.html](http://www.windowlive.com/spaces/overview.html)

[www.linkedin.com](http://www.linkedin.com)

## **WEEK EIGHT**

### **Business Associations For Women Entrepreneurs**

Office of Women's Business Ownership: [www.sba.gov/womeninbusiness/wnet.html](http://www.sba.gov/womeninbusiness/wnet.html)

National Association of Women Business Owners:  
[www.nawbo.org](http://www.nawbo.org)

American Women's Economic Development Corporation (AWED):  
[www.awed.org](http://www.awed.org)

### **General Networking Sites**

Ladies Who Launch: [www.ladieswholaunch.com](http://www.ladieswholaunch.com)

Step Up Women's Network: [www.suwn.org](http://www.suwn.org)

### **Online Networking Sites**

[www.friendster.com](http://www.friendster.com)

[www.linkedin.com](http://www.linkedin.com)

[www.ryze.com](http://www.ryze.com)

[www.facebook.com](http://www.facebook.com)

[www.myspace.com](http://www.myspace.com)

### **Gift Giving and Personal Greeting Web Sites**

[www.bluemountain.com](http://www.bluemountain.com)

[www.nevermissanotherbirthday.com](http://www.nevermissanotherbirthday.com)

[www.birthdaycards.com](http://www.birthdaycards.com)

[www.regards.com](http://www.regards.com)

[www.bakemeawish.com](http://www.bakemeawish.com)

### **Networking for Moms**

[www.cafemom.com](http://www.cafemom.com)

## Related Books

- Benton, D. A., *Lions Don't Need To Roar*, New York: Warner Books, 1992, pp. 18–24, 28–39, 53–83.
- Colligan, Victoria, and Beth Schoenfeldt, with Amy Swift, *Ladies Who Launch—Embracing Entrepreneurship & Creativity as a Lifestyle*, New York: St. Martin's Press, 2007, pp. 55–78.
- Kerr, Cherie, *Networking Skills That Will Get You the Job You Want*, Cincinnati: Betterway Books, 1999, pp. 33–44.
- Nierenberg, Andrea, *Million Dollar Networking*, Herndon: Capital Books, 2005, pp. 22–25, 42–43, 75–105.

## WEEK NINE

### Small Business Budgeting

- [www.businessownersideacafe.com/financing/budget\\_calculator.html](http://www.businessownersideacafe.com/financing/budget_calculator.html)
- [www.startupnation.com](http://www.startupnation.com)
- [www.score.org/pdf/Start-up%20Expenses1.pdf](http://www.score.org/pdf/Start-up%20Expenses1.pdf)
- [www.jaxworks.com](http://www.jaxworks.com)
- [www.work.com/accurate-expense-forecasting-491](http://www.work.com/accurate-expense-forecasting-491)

### Related Book

- Godin, Seth, and Lim, Paul, *If You're Clueless About Accounting and Finance and Want to Know More*, Chicago: Dearborn Financial Publishing, 1998, pp. 87–106.

## WEEK TEN

### Health Insurance

- U.S. Chamber of Commerce/purchasing alliances:  
[www.uschamber.com/sb/business/P05/P05\\_4505.asp](http://www.uschamber.com/sb/business/P05/P05_4505.asp)
- [www.ehealthinsurance.com](http://www.ehealthinsurance.com)
- [www.cobrahealth.com](http://www.cobrahealth.com)

## WEEK ELEVEN

### General

- [www.startupnation.com](http://www.startupnation.com)
- U.S. Chamber of Commerce: [www.uschamber.com](http://www.uschamber.com)

U.S. Small Business Administration: [www.sba.gov](http://www.sba.gov)

[www.score.org](http://www.score.org)

Department of Revenue directory by state: [www.aicpa.org/yellow/yptsgus.htm](http://www.aicpa.org/yellow/yptsgus.htm)

Department of Labor directory by state: [www.dol.gov/dol/location.htm](http://www.dol.gov/dol/location.htm)

U.S. government business tax Web site: [www.business.gov/topic/Taxes](http://www.business.gov/topic/Taxes)

SS4 Employer Identification Number Form: [www.irs.gov/formspubs](http://www.irs.gov/formspubs)

Or apply online at:

[www.irs.gov/businesses/small/article/0,,id=102767,00.html](http://www.irs.gov/businesses/small/article/0,,id=102767,00.html)

### **Business Structures**

[www.startupjunkies.org/incorp.html](http://www.startupjunkies.org/incorp.html)

### **Licenses and Permits**

U.S. Small Business Administration: [www.sba.gov/smallbusinessplanner/start/getlicensesandpermits/index.html](http://www.sba.gov/smallbusinessplanner/start/getlicensesandpermits/index.html)

### **Business Insurance**

U.S. Small Business Administration: [www.sba.gov/smallbusinessplanner/manage/getinsurance/SERV\\_INSURANCE.html](http://www.sba.gov/smallbusinessplanner/manage/getinsurance/SERV_INSURANCE.html)

[www.toolkit.cch.com/text/P12\\_9300.asp](http://www.toolkit.cch.com/text/P12_9300.asp)

## **WEEK TWELVE**

### **Sample Plans with Executive Summary and Mission Statements**

[www.bplans.com/sample\\_business\\_plans](http://www.bplans.com/sample_business_plans)

### **IRS Small Business Information**

[www.irs.gov/businesses/small](http://www.irs.gov/businesses/small)

## **WEEK THIRTEEN**

### **Sample Financial Statements and Templates**

[www.esmalloffice.com](http://www.esmalloffice.com)

[www.score.org/template\\_gallery.html](http://www.score.org/template_gallery.html)

Small Business Administration bplans: [www.bplans.com/samples](http://www.bplans.com/samples)

## WEEK FOURTEEN

### General Business Planning

[www.toolkit.com](http://www.toolkit.com)

U.S. Small Business Administration: [www.sba.gov](http://www.sba.gov)

[www.score.org](http://www.score.org)

[www.prairiepublic.org/features/end/money1.htm](http://www.prairiepublic.org/features/end/money1.htm)

[www.bplans.com](http://www.bplans.com)

U.S. Bureau of Census: [www.census.gov](http://www.census.gov)

### Borrowing from Friends and Family

[www.circlelending.com](http://www.circlelending.com)

[www.virginmoneyus.com](http://www.virginmoneyus.com)

[www.loanback.com](http://www.loanback.com)

### Promissory Notes

[www.findlegalforms.com/forms](http://www.findlegalforms.com/forms)

[www.lawdepot.com](http://www.lawdepot.com)

[www.smartformz.com](http://www.smartformz.com)

### Amortization Calculators

[www.amortization-calc.com](http://www.amortization-calc.com)

[www.bankrate.com/brm/popcalc2.asp](http://www.bankrate.com/brm/popcalc2.asp)

### Angel Investors

[www.ventureworthy.com](http://www.ventureworthy.com)

[www.winwomen.org](http://www.winwomen.org)

[www.investorscircle.net](http://www.investorscircle.net)

[www.goldenseeds.com](http://www.goldenseeds.com)

[www.keiretsuforum.com](http://www.keiretsuforum.com)

[www.angeldeals.com](http://www.angeldeals.com)

[www.activecapital.org](http://www.activecapital.org)

### Venture Capital

[www.soleracapital.com](http://www.soleracapital.com)

[www.mixcreative.com](http://www.mixcreative.com)

[www.funkventures.com](http://www.funkventures.com)

[www.springboardenterprises.org](http://www.springboardenterprises.org)

[www.boldcapventures.com](http://www.boldcapventures.com)

Women's Technology Cluster: [www.wtc-sf.org](http://www.wtc-sf.org)

### **Banks**

U.S. Small Business Administration: [www.sba.gov](http://www.sba.gov)

(for a list of banks offering SBA-guaranteed loans)

[www.chase.com](http://www.chase.com)

[www.commercebank.com](http://www.commercebank.com)

[www.bankofamerica.com](http://www.bankofamerica.com)

### **Microloans**

[www.microenterpriseworks.org](http://www.microenterpriseworks.org)

[www.accionusa.org](http://www.accionusa.org)

[www.prosper.com](http://www.prosper.com)

### **Financial Statements and Forms**

U.S. Small Business Administration: [www.sba.gov/tools/Forms/smallbusinessforms/fsforms/index.html](http://www.sba.gov/tools/Forms/smallbusinessforms/fsforms/index.html)

[www.score.org/template\\_gallery.html](http://www.score.org/template_gallery.html)

[www.score.org/pdf/12%20Month%20Profit%20and%20Loss%20Projection1.pdf](http://www.score.org/pdf/12%20Month%20Profit%20and%20Loss%20Projection1.pdf)

## **WEEK FIFTEEN**

### **Books**

Blanchard, Ken, Drea Zigarmi, and Patricia Zigarmi, *Leadership and the One Minute Manager*, New York: Morrow, 1985.

Blanchard, Ken, John Carlos, and Alan Randolph, *Empowerment Takes More Than a Minute*, San Francisco: Berrett-Koehler Publishers, 1996.

Bourgeois, Trudy, *The Hybrid Leader*, Winchester: Oakhill Press, 2006.

Drucker, Peter F., *The Practice of Management*, New York: HarperCollins, 2006.

Edic, Martin, *Self-Motivation for the Self-Employed*, Rocklin: Prima Publishing, 1997.

Edwards, Sarah and Paul, *Making It on Your Own*, Los Angeles: Jeremy P. Tarcher, 1991.

Gleeson, Kerry, *The Personal Efficiency Program*, Hoboken, Wiley, 2004.

Lonier, Terri, *Working Solo*, New Paltz: Portico Press, 1994.

## WEEK SIXTEEN

### Listing of Charities

[www.charitynavigator.org](http://www.charitynavigator.org)

[www.justgive.org](http://www.justgive.org)

[www.oneclickatatime.org](http://www.oneclickatatime.org)

[www.womenscharities.com](http://www.womenscharities.com)

[www.charity-charities.org](http://www.charity-charities.org)

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# About the Authors



*Nada*



*Michelle*

After ten years of experience in the fashion and lifestyle industry, the former F.I.T. (Fashion Institute of Design, New York City) roommates, **Nada Jones** and **Michelle Briody**, founded nedandshell, Inc. in January 2001. As women and as entrepreneurs, they found a need for an innovative approach that could bring consumers together looking for the latest trends, with the creative females who make them. Their goal—to showcase emerging women designers and their products in the fashion, beauty, and lifestyle markets, and give women everywhere (not just New York and L.A.) access to these fantastic finds. After 5 years of playing various rolls at nedandshell—as retailers, wholesalers, and editors (all while raising five kids between them)—it became obvious to the ladies that their real passion lay in empowering entrepreneurs in their own business ventures. Nada and Michelle truly desire to inspire, connect, and inform these start-ups and aid them in creating a lifestyle that is in sync with their dreams and ambitions. In addition to nedandshell.com, Nada Jones and Michelle Briody (Ned and Shell) have each had successful careers prior to cofounding their namesake. The two have collectively worked with companies such as J. Crew, Levi's, Williams Sonoma, Henri Bendel, Old Navy, Estee Lauder, Bloomingdales, Carolee, Nike, Revlon, and Patagonia. As a communications professional, Nada enjoyed a diverse career in marketing, advertising, and public relations working with many Fortune 500 companies while Michelle spent her career merchandising, buying, sourcing, and developing products for some of today's most coveted lifestyle brands.