HOW TO START A BUSINESS

FROM SCRATCH

BUILD A SUCCESSFUL
BUSINESS AND TURN
YOUR IDEAS INTO MONEY

How to Start a Business From Scratch:
Build a Successful Business and Turn Your Ideas Into Money

Introduction

Over the past decade, we've talked with thousands of people planning to launch new businesses.

Many never got started.

Some worried that they didn't have what it takes to start a business. Others believed that they needed outside funding to get started or to hire employees.

The truth is that half of all small businesses are started with less than $10,000 and the majority of U.S. small businesses employ five or fewer people.

Despite the challenges of starting your own business, the rewards often outweigh the risks.

But you still need every advantage you can get.

Crowdspring, Swyft Filings and Trademark Engine put together our collective insights and wrote this ebook **to give you a competitive advantage**.

This is the book we would have loved to have when we started our companies.

If you've been dreaming about starting a new business, this is your chance to take a big step forward.

Let's get started…

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CHAPTER 1:

HOW TO OVERCOME YOUR FEAR OF FAILURE

There's no surer path to failure than giving up before you begin.

After decades of working with entrepreneurs, we know that fear of failure is a common worry when starting a new business.

Fear is one of the most universal, innate emotions we feel as human beings.

From a **psychological point of view**, fear is a reaction from your Lizard Brain – the most primitive part of your brain. Fear is a necessary survival tactic – it warns and protects us against dangers.

But, fear can also paralyze us from action. And, in business, fear and inaction can be our worst enemies.

So, here are 4 tips to help you wrangle your fear of failure into submission as you embark on this great adventure of starting your own business.

1. Focus on your goal.

You probably want to start a business because you care passionately about something.

Keep that goal front and center in your mind. Keeping a laser-focus on your goal will help you override your fear and motivate you to keep moving forward.

2. Set manageable micro-goals.

Large tasks like "starting a business" can be overwhelming. So, break the process down into smaller, more manageable chunks. Succeeding at the smaller tasks will motivate you to keep moving forward.

3. Welcome failure as a learning opportunity.

Failure helps us learn and improve. But, people who don't act due to fear of failure rarely have such learning opportunities.

If you fail at something, ask yourself what you learned from that situation. How can you grow and improve so that you won't make the same mistakes next time?

4. Question your limiting beliefs.

If each of us believed that we would not fail at anything we tried to do, think about how much more we could accomplish!

But, the fact is that most of us are all too aware that failure is a possibility. And that knowledge often holds us back. But, while failure may be a possibility, it's *probably not as likely as we believe it to be*.

We often hold ourselves back because we assume we can't succeed. So, when your mind tells you negative things that make you not want to try - ask yourself if that's a *fact* or a *belief*.

And, then try anyway.

If you risk nothing, you risk everything.

> " *The most effective way to do it, is to do it."*
> **- Amelia Earhart**

The truth is, you *will* have some let-downs, delays, and disappointments. Everyone fails at certain things. But without those mistakes, you can't learn anything or improve from the experience.

And, you are **guaranteed to lose** if you continue dreaming and planning but never start.

There's no better time than now.

CHAPTER 2:

HOW TO FIND, EVALUATE, AND PROTECT YOUR GREAT BUSINESS IDEA

If you already have an idea for a new business, you're ahead of most people.

But an idea, by itself, isn't enough.

How can you tell whether you have a **profitable** idea for a new business?

In the sections below we'll discuss how to find your great business idea, how to evaluate it, and how to protect it.

How to find your great business idea...

The easiest way to discover a great business idea is to solve your own problem. The second easiest way to discover a great business idea is to solve someone else's problem.

Do you have an idea that solves your problem?

Some of the best ideas are born when a person solves their own problem.

We started crowdspring because we were frustrated that it was difficult, time consuming, and expensive to name new companies and buy affordable, high-quality custom graphic design. In solving our own problem, we built a global community of over 220,000 designers and namers who have helped tens of thousands of the world's best entrepreneurs and small businesses with these (and other) creative services.

What challenges in your life frustrate you the most? How are you solving those problems? Are there existing solutions that could help you?

Do you have an idea that solves someone else's problem?

Sometimes, you might not have a problem that translates into a profitable business model, but you still want to start a new business.

Talk to people you know. The world is full of problems that need to be solved.

When you talk to your friends about their problems, ask "why" questions before you get to "what" or "how." It's most important to understand **why** people have a problem because knowing the "why" will often let you find an out-of-the-box solution.

Plan to research multiple different ideas simultaneously to find the one idea that makes the most sense. You'll want to understand who has the problem you're solving, the size of the market, potential competitors, and more.

How to evaluate your business idea…

When considering potential business ideas, it's good to start by examining the one and only known - you.

Consider your strengths, weaknesses, values, and interests. These are the resources you'll carry with you as you manage your business.

Think about how you can integrate your natural skillset into your business so that you can stand apart from your competition. Ask yourself the following questions, and take time to reflect on the answers:

- What skills set me apart?
- How do my skills integrate with my idea?
- What kind of work/life balance am I looking to achieve?
- Does my idea support my ideal work/life balance?

Once you've evaluated your own role in your business, it's time to look outward. Everyone knows that a business can't make money without customers. Yet, it's surprising how many new entrepreneurs and business owners haven't thought much about who their customers are and where to find them.

Find your niche.

Don't make the expensive mistake of trying to create a business geared toward too broad an audience.

Instead, design your business to meet the needs of a specific niche. This will help you avoid overspending on un-targeted marketing (and underwhelming most of your potential customers).

You're more likely to succeed if you start your business with a particular product or service designed for a specific group of people.

Here are a few examples of niches in the clothing industry to illustrate what we mean:

- the best women's cotton sleepwear
- the most durable children's activewear
- the widest selection of specialty socks

Whatever niche you choose in your industry, make sure you're passionate about it. That passion will come through in everything you do, and your customers will appreciate and embrace the authenticity of your brand.

Once you've selected a niche that makes sense for you, you should consider five key questions:

1) How many potential customers are there?

2) Can these customers pay for your products or services?

3) Do these customers have the specific need you solve?

4) Who is competing for your customers' business?

5) In what ways can your company be better than your competitors?

To answers these questions, you'll rely on information gleaned from market research. It's crucial that you don't skip this stage, so you'll have the data you need to make informed decisions.

Once you have this information, you'll refer back to it repeatedly as you build and launch your business. Make sure you spend a decent amount of time collecting data, so the decisions you make are based on solid research.

Without further ado, let's start exploring those important questions...

How many potential customers are there?

The number of potential customers for your business is known as your "market."

Markets come in all sizes and can include any subset of demographics. And, because there is so much variety, it's essential to define your unique market and learn how many potential customers are in it.

Let's illustrate with an example using a fictional new online marketplace for the purchase and sale of art. How big is the market and who are the potential customers?

The global art market is huge - millions of people are involved in that market and revenue is in the <u>tens of billions of dollars</u>.

As we discussed above, you must define what your niche is. This helps you identify the specific members of a market that are your potential customers.

So, let's say you look further into the data, and you find that about 2.5 million people work in the art trade globally, there are over 400,000 dealers, galleries and auction houses, and the top five percent of galleries and dealers account for 70% of all sales.

This data provides a starting point for segmenting your potential customers. Will you target the people employed in the art trade? Are you targeting galleries, dealers, or auction houses? Will you target dealers who sell a certain amount of art? These are all important questions that will help you figure out who your customers are.

Defining your specific customers within the market will tell you with whom you'll need to communicate. And, it will provide clues for how to reach them, and what your message should be.

Can customers pay for your company's products or services?

Remember that the prices you charge for your products and services will be influenced by your customers' ability to pay. Not every market is the same – the profit margins of businesses in some large markets are tiny, even if the market is huge.

Be sure to consider how much it will cost you to provide your product/service and then define a price that builds in a sustainable profit. Without profit, you'll be hard pressed to stay in business for long.

Then research to see if your target audience can afford to pay that price. If your market can't afford your service, this business model isn't a good fit. Time to think about it from another angle, or consider a different business idea.

Do your potential customers have the need you solve?

Even if you solve your own problem, that doesn't guarantee that many other people have the same problem or that they would want, and use, the same solution.

Who is competing for your customers' business?

If the market is oversaturated with competitors, it will be difficult for you to stand out. It will also be difficult to get funding.

More importantly, if you enter a highly competitive market, you will need more financing than if you pick a more targeted, niche market.

Understanding your competition is critical to success. To help you get started, here are <u>10 proven tips for evaluating your competitors</u> when starting a new business.

In what ways can your company be better than your competitors?

After you've defined your market, identified a need, and assessed your competition, you should evaluate whether the value you provide is robust enough to cut through the noise and be attractive to your potential customers. Keep in mind that price isn't value – it's very difficult to compete on price alone.

Are your products and services objectively better? Do you offer exceptional customer service? Have you created unique products people can't buy elsewhere?

Summing Up

After you've thoroughly researched your idea, find some smart friends and ask them to rigorously question your idea.

Find people who will be honest and who'll point out the many ways in which you may fail. That will help you understand the road ahead and the challenges you'll face.

If you hit a wall and find that the market for your idea is limited, there are too many competitors, or other reasons why it doesn't make sense to move forward with that idea, stop and start over with a different idea.

Most successful entrepreneurs have tried several ideas before they stumbled on one that changed their lives (and the lives of others) forever.

How to protect your business...

When you finally decide on the perfect idea for your new business, you'll want to start thinking about how to protect it.

In the most general sense, getting a trademark protects your __brand identity__ so that people can't unfairly compete with you by operating under the same name and logo.

A trademark is a word, phrase, symbol, and/or design that identifies and distinguishes the goods of one manufacturer or seller from goods manufactured or sold by others, and to indicate the source of the goods.

By registering your trademark, you'll be entitled to a presumption of ownership of the brand on a national level and a presumed right to use the brand nationwide.

A registered trademark prevents someone from registering a confusingly similar mark and allows you to sue in federal court if someone infringes on the brand you have worked so hard to build.

Once registered, you can also present yourself as an established and serious business because you can start using the ® symbol after your name, logo or slogan.

You can do a **free search** of the US Patent and Trademark Office (USPTO) to see if someone has already registered your name in the U.S.

What's the difference between copyright and trademark?

A trademark generally protects a word, phrase, symbol and/or design that distinguishes the source of the goods -- what we think of as brand name and brand recognition. A trademark, if properly maintained, can last forever.

Copyrights generally protect artistic works such as books, photographs, art, movies and music.

What is a common law trademark?

Under U.S. law, a "common law trademark" is generally established when someone uses a company name, logo or slogan in commerce (offering products or services for sale), even if it is not registered.

So, why pay to register a trademark when a common law trademark may already exist?

Common law rights ordinarily are limited to the geographic area where the mark is used - as opposed to the nationwide protection customarily obtained when a mark is registered with the USPTO. So, unless registered, the use of a mark can be geographically limited, which hampers the ability to expand the brand. And an unregistered trademark doesn't give as much notice as a registered mark to other people considering the same or similar names or logo designs. And, importantly, common law trademark rights would not permit you to collect damages from an infringer.

You can register your name, your logo, or you can register both. The logo and the name constitute two separate trademark registrations and would require two separate payments to the USPTO.

Pro Tip:
Consider trademarking your company's name even before you get a logo. Trademarking your name prevents any use of that name in a way that causes confusion.

How to Apply for A Trademark

For a typical trademark application, be prepared to provide at least the following:

1. **The full legal name and address of the mark's owner.**

2. **If you are using the mark in commerce, an example of how you are using it to actually sell goods or services.**

3. **Information on how you are using it or plan to use it.**

4. **The dates you first began using the mark.**

To learn more about trademarks and the trademark process, visit Trademark Engine.

CHAPTER 3:

HOW TO WRITE A BUSINESS PLAN THAT WILL GET YOU FUNDED

Decades ago, it was commonly expected that an aspiring business owner would write a detailed, 50 page business plan.

That's no longer necessary, at least not in the traditional sense.

You don't need a business plan to start a business. But you do need to outline the financial and operational goals of your business and assess how your company will reach those goals.

That's where a short, concise, focused document can help crystalize your thoughts.

In fact, it's not the business plan itself, but the process to write it, that is most valuable.

Studies show that entrepreneurs who take the time to write a business plan are 2.5 times more likely to follow through and get their business off the ground.

Traditional business plans include the following sections:

- **An executive summary.** This section summaries the entire plan and will often be read first.
- **An industry overview.** This section gives a brief overview of the industry, key players, industry trends, and estimates of industry sales.
- **Market analysis.** This looks at the target market for your product or service. It has a breakdown of your market segments, their geographic location, and what their needs are.
- **Competitive analysis.** Who are your direct and indirect competitors? How do they currently meet your target market's needs, and how will you differentiate your products or services?
- **Sales and marketing plan.** What is your unique selling proposition? How are you going to promote your business and persuade your target audience to buy?

- **Management plan.** This section outlines your legal and management structure. It shows who your leadership team is and what your staffing needs will be. If you plan to seek funding, you should describe your advisory board here, as well.

- **Operating plan.** Include your business location, facilities, equipment, and what kind of employees you'll need. Any suppliers, manufacturing processes, and any other operating details also appear here.

- **Financial plan.** This section is for all things financial. There are three key financial documents of any business that go here: an income statement, a balance sheet, and a cash flow statement.

But don't get obsessed about including every single thing and getting every detail right.

"Perfect" is the enemy of "done."

Don't get so bogged down with your business plan that it becomes an obstacle to moving forward.

To save time and make business planning easier, consider using **business plan software from LivePlan**. It guides you step-by-step through each part of the planning process—including financials. LivePlan makes it simple to build a plan that inspires confidence and includes the essential financial statements that funders expect. They also offer hundreds of business plan examples across many industries, and the pricing is very affordable even for the smallest businesses.

An alternative to a full-fledged plan is to include just three core things: a business summary, an overview of the market, and financial projections. Let's take a quick look at each.

Business Summary. Your summary should work at a very high level and include the basic outline of what your business will look like on day 1, as well as what it will be on day 500. Briefly describe the business, what it will do, how it will do it, how big a team you'll need, what initial investment you'll need, and what the ownership structure will look like.

Overview of the Market. Outline the market in which you'll compete, how you will compete, and why you believe your company can succeed. Include a few paragraphs analyzing the industry, key players, and current trends.

Financials and Projections. Here you have to answer the most important question, and the one that makes the rest minor in comparison: how will you reach profitability and how long will it take?

This means you'll need to communicate your startup costs, your revenue projections (including your assumptions), and a breakdown of your proposed expenses. Include 3-5 years of cash flow and balance sheet projections, and make very clear your proposed burn and the length of your runway. Finally, if you are raising capital, you will also need to include a statement of Sources and Uses (of funds).

For more information about how to create a business plan, read this terrific **guide on writing a business plan** from BPlans and also **this guide** from the Small Business Administration.

CHAPTER 4:

HOW TO PROPERLY SET UP YOUR BUSINESS

When starting your own business, one of the first decisions you'll make is how to legally structure the business.

Consider the following issues when deciding on what type of entity to register...

- **What are the potential liabilities/risks?**

- **What are the anticipated tax benefits from being taxed as a partnership as opposed to a corporation?**

- **Do you intend to have outside investors?**

- **Do you anticipate selling your company in the near future?**

- **Are you pursuing a risky business where you might be sued?**

- **Are you willing and able to keep up with the periodic filing requirements that certain types of entities (corporations) require?**

Each business type has its own personal asset protection, tax laws, and operational implications. Understanding your business needs and how the various business entity types affect your business will play a key role in your company's overall success.

If you already have a business structure you're leaning towards, jump to one of the following sections:

- [LLC](#)

- [Corporation (C corp & S corp)](#)

- [Nonprofit](#)

- [Sole Proprietorship](#)

- [General Partnership](#)

Taking a closer look at each business structure…

Limited Liability Company (LLC)

An <u>LLC</u> (Limited Liability Company), is known as a "pass-through" entity because the profits of an LLC flow directly to the managers/members.

This type of business structure is quickly becoming the most common form of incorporation. LLCs have a relatively flexible structure that provides many of the benefits of a partnership or sole proprietorship, with some of the protections provided by C corps and S corps (more on those business structures below). They do not require many of the formal processes required by other types of corporations.

However, LLCs are unable to offer stock to the public, have some ongoing annual filing requirements, and are still required to keep internal paperwork.

Importantly, people who ignore the requirements of operating an LLC can lose their personal liability protection, in a process called "piercing the corporate veil". If this happens, business owners can retroactively be held liable to pay corporate debts with personal funds.

LLC Advantages

- Liability protection

- Easier process for setup

- Easier to maintain

- Flexibility on taxes and management

LLC Disadvantages

- Self-employment taxes (unless an S corp election is made, as described below)

- Difficulty attracting investors for funding

- Added formation costs and franchise tax in some states

C Corporation (C Corp)

C corp is what most people think of when they hear the word "corporation." Most large companies are filed under this structure, as it offers the most asset protection and tax-related options for business owners. It is also typically the only choice for owners that would like to be taxed separately from their company, is the legal entity preferred by nearly all investors, and is the most common structure for publicly-traded companies on the stock exchanges.

But, a C corp structure isn't the best choice for everyone. Filing as a C corp requires a greater amount of paperwork, as well as formal processes that must be carefully and regularly filed. C corps are often also more closely monitored than other types of businesses, due to the fact that they are one of two types of corporations that can issue stock to the public.

C Corp Advantages

- Ability to take the company public and issue stock

- More attractive structure for investors

- Liability protection

- A possible lower tax rate

C Corp Disadvantages

- Double Taxation (company and personal income; more on that below)

- Extra paperwork

- Strict regulation

S Corporation (S Corp)

An S corp is an election businesses can choose to make whether they form an LLC or a C corp. Making your S corp election does not impact the personal liability protections that come with the formation of an LLC or corporation. It is usually done for tax advantages, but before you decide to make the S corp election, you need to understand the benefits and some of the limitations it may put on your corporation or LLC.

S Corp Elections for Corporations

There are a few differences between businesses that opt for an S corp election and those that form a C corp, or Inc., without the election.

For one, owners of an S corp can claim operational losses as part of their personal income should the business fail to turn a profit.

An S corp can also help business owners avoid what is referred to as the "double taxation" issue impacting C corps. With C corps, taxes are imposed on the profits at the corporate level. Then, when the profits (after payment of taxes) are passed down to the owners, the owners also have to pay taxes on their dividends. S corps are treated more like partnerships in that all profits or losses are passed through to the owners and aren't taxed at the corporate level. Thus, the profits are only taxed once.

Making the election does put some restrictions on a C corp. For example, all business owners of S corps must be U.S. citizens, which can limit international growth. Moreover, the shareholders are limited in number and type when you make an S corp election. You cannot have more than 100 shareholders and most incorporated entities cannot be shareholders. Finally, there can only be one class of shares in an S corp.

S Corp Advantages

- All the benefits of a C corporation
- A possible lower tax rate by avoiding double taxation

S Corp Disadvantages

- Limited ownership rules

- Extra paperwork

- Strict regulation

S Corp Elections for LLCs

Many people don't know that LLCs can also make S corp elections.

After reading the prior section, you may wonder why an LLC would make that election given the primary benefit double-taxation avoidance with a pass-through entity is already the default for an LLC. Yet, an S corp election for an LLC can also provide additional tax benefits to an LLC.

By making an S corp election, the LLCs distributions (the passing of profits after payment of LLC expenses including payroll) are not treated or taxed as wage income to the owners.

Let's say, for example, that you own an LLC and the annual profits are $1M. Without an S corp election, the owner of the LLC would have to pay payroll taxes on the $1M worth of profits. With an S corp election, the LLC owner would pay taxes on the $1M worth of profits. With an S corp election, the LLC owner only pays payroll taxes on a "reasonable" salary that gets paid to the owner. Any distributions after the payment of a reasonable salary are free of those payroll taxes if done correctly.

The same restrictions described above applicable to corporations also apply to LLCs, so there are some restrictions on an LLC that makes an S corp election. Also, if the owners aren't paid reasonable salaries, the IRS can invalidate the S corp election requiring the payment of back taxes and penalties.

S Corp Election for LLC Advantages

- All the benefits of an LLC

- A possible lower tax rate by avoiding some payroll taxes for the owners

S Corp Election for LLC Disadvantages

- Limited ownership rules

- Extra paperwork

- Strict regulation

- Penalties if not properly implemented

Nonprofit

Nonprofits have a charitable purpose or association and are eligible for tax exemptions. To receive a tax-exempt status with the IRS, most nonprofits must qualify under section 501(c)(3) of the Internal Revenue Code.

Nonprofits are similar to corporations through their structure and process of creation. View a step-by-step guide to forming a nonprofit here.

Nonprofit Advantages

- Tax Exemptions

- Personal liability protections

Nonprofit Disadvantages

- All profits must go to the charitable cause and can't be distributed to people who started the nonprofit

- Difficult to raise capital through banks or other typical financing outside of donations

- Extra paperwork

Start your Nonprofit online today.

Sole Proprietorship

A sole proprietorship is the default type of entity when a business is started by one owner. Unlike LLCs or Corporations, states do not require you to file your business initially or file periodic reports if you want to operate a sole proprietorship. The downside is that the owner is held liable for all losses, legal issues, and/or debt that the business accrues. There is little-to-no distinction between the entity and the business owner.

Examples of Sole Proprietors include freelancers, artists, consultants, virtual assistants, and other home-based owners who have not formally registered as an LLC or corporation.

Sole Proprietorship Advantages

- Easy set-up with low fees and little paperwork

- Flexible management structure

Sole Proprietorship Disadvantages

- Personal liability for all debts, legal obligations, and losses of the business

- More difficult to raise capital

- No ongoing business life (business ends with the owner)

- May not have access to certain tax benefits

General Partnership

General partnerships allow for two or more business owners, also considered "partners." A general partnership, like a sole proprietorship, is the default "legal entity" if two or more people join together to conduct business without registering with the state. Under this structure, a business cannot issue any type of stock, and partners are held personally liable for any taxes or debts. There is no legal separation between individual assets and business assets. Additionally, like a sole proprietorship, the partnership dies when one or more of the partners exits the partnership. However, provisions can be made as long as 2 or more partners remain in the business.

General Partnership Advantages

- Easy set-up with low fees and little paperwork

- Flexible management structure

General Partnership Disadvantages

- The business ends when one partner exits the partnership

- The partners share personal liability for all debts, legal obligations, and losses of the business

- Partners are liable for the actions of other partners

- Personal assets are at risk.

Many sole proprietorships and general partnerships still want to operate under a business name. To do so, they should file a DBA (Doing Business As) with their local state or county. Need assistance in registering your DBA? Learn how Swyft Filings can help you form a DBA.

For new business owners, choosing the best legal structure for your business can feel overwhelming.

So, don't rush into making a decision.

Instead, spend some time considering which of these structures is most advantageous for your business, and how each structure can help you accomplish your professional goals.

CHAPTER 5:

HOW TO CREATE A STRONG BRAND IDENTITY

If you want your new company to succeed, you must create a strong brand identity.

But what is brand identity and how can you create a strong one?

Brand identity is everything visual about a brand, including color, design, and your company's logo, website, and marketing materials. It's the manner in which a company presents itself to the public. Put simply: **it's what you, customers, and prospects can see**.

A strong brand identity is an important part of your brand. And, a strong brand with a consistent message is the most effective way your new business can gain a competitive edge in an increasingly crowded marketplace.

So, ask yourself these important questions:

- **What identity/personality do I want my business brand to project?**
- **What can customers get from my products or services that they can't get anywhere else?**
- **What values will guide my business?**
- **What is the most important part of my customers' experience?**

Your answers to these questions (and others like them) will build the core of your brand identity. All of your future branding decisions should expand on these concepts. Your company name, logo, and website design should all grow from the ideas you laid out here.

A brand is more than a name and a logo, but a strong brand identity *starts* with a strong name and a strong logo.

In this chapter, we'll discuss best practices and tips for finding a great name for your business, and getting a great logo.

Let's start with the name for your new business.

Part One: Naming Your New Business

If you've ever named a company, you know that <u>naming a business</u> can be time-consuming and frustrating.

Here's our best advice, based on a decade of helping thousands of entrepreneurs and business owners name their companies and products.

Think about what you want the name to convey.

Your name is an important part of your brand identity. It will appear on business cards, signage, your website, promotional materials, and more, to identify your company or your products/services. So, it's important that your business name properly embody what your business does; as well as the personality and values that guide it.

Brainstorm to identify possible names.

Think about words that describe your industry or the products/services you offer. Think about words that describe your competitors. Also, consider words that describe the benefits of using your products or services.

While brainstorming, look up translations of your words in other languages – you might find new ideas.

Expect this process to take 25 to 100 hours.

Keep the name short, simple, and easy to write and to remember.

Many top companies (Apple, Target, Whole Foods, Tesla) have names that are short, simple, easy to write, and easy to remember.

Long business names are often difficult to write and even harder to remember. This creates a barrier to word-of-mouth advertising - which is the most successful form of marketing for small businesses.

Avoid names that are too narrow or literal.

Think about how your business may evolve over time and make sure that the company name can evolve with the business. For example, if you name your company iPhone Accessories and later expand to sell accessories for other products, your original name will be too narrow and restrictive. Choose a name with the flexibility to allow your business to grow.

Pro Tip:

If your customers can't remember, pronounce, or spell your name, it will make it difficult for them to help promote your business.

Avoid decisions by committee; but, "test" your name with others.

Don't recruit too many people to help name your company. You'll find yourself trying to reach a consensus. And, in trying to please everyone, you're likely to end up with an uninspiring name. Instead, share a few of your favorite names with a small group of people who understand you and your business. And ask for feedback.

Avoid plain words.

Plain words make it very difficult to differentiate your company from your competitors. For example, we could have named crowdspring "ManyDesigners." But, while descriptive, those words are bland. And, they were already featured in the names of thousands of other businesses. Plain names lack impact - they're not memorable and certainly not unique.

Be careful with geographic names.

Some people use their city, state or region as part of their company name. If you only plan to work in your geographic area, this might serve you well. Otherwise, it will hinder you later.

Avoid obscure words.

Obscure words or references might be difficult to spell, pronounce, understand or remember. These are all bad things when you're trying to make an impression on potential customers.

Avoid trends

You'll want your company's name to outlast trends and fads. Instead, focus on communicating your brand. For example, in the late 1990's, it was trendy for internet businesses to use a ".com" after the company name. After the Internet "bubble" burst, those ".com" names became synonymous with failure. And, the companies who survived quickly dropped the ".com" from their names.

Consider whether you can register a domain.

Look for a company name that is also available for registration as a web domain. If your web domain does not match or include your business name, people will struggle to find you online. And, don't make the mistake of operating under one name but having a completely different domain.

The most popular domains are ".com" domains. So, it may be hard to find a .com domain to match your company name exactly. This is one of the reasons every <u>naming submission on crowdspring</u> comes with a domain search.

Found a name you love? <u>Here's a free tool</u> that helps you check to see if you can register your new business name in your state.

Part Two: Visual Branding

Your business name is only one part of your brand. You also need a visual representation - a logo.

At its most basic, a logo is a small, symbolic piece of artwork that represents a business.

When you set aside all the design trends and fancy fonts, at its core, a logo must:

1. **Embody your brand.**

2. **Be instantly recognizable.**

3. **Be versatile.**

4. **Be timeless.**

Everything else is optional.

Every design choice in your logo should exist only to serve and strengthen the four items listed above. And, if you meet these four requirements, many other commonly cited logo must-haves, like simplicity and memorability, naturally follow.

A well-designed logo will help boost awareness and can improve your marketing and bottom line.

Here's how to make sure you have a great logo for your business...

Your logo should derive meaning from your brand.

Your brand should be the inspiration for your logo. The world's best brands are well-known because of the people and vision that the logo represents. Without a strong brand to back it, a logo means nothing.

When deciding on the direction of your logo, make sure that you have already thought about your brand and the direction of your company. This comprehensive guide on building your brand identity from the ground up is a good place to start.

A logo should be strong and balanced.

A logo can be text-only (a logotype), just a graphic symbol (a icon), or both of those elements.

Whether you opt for a logotype, icon, or both, the best logos are visually strong and balanced like the example above.

A logo should be simple.

A complex logo will be difficult to print and reproduce. It may be hard to recognize if rendered in a single color, or if it appears at small sizes.

Simple, but unique, logos can be easily recognized no matter the size or the color. And, they're most likely to print clearly and consistently.

A logo should be memorable.

The most memorable logos visually represent their brand in a meaningful way. Take Nike's Swoosh - the swoosh communicates the speed and freedom you feel when wearing a pair of Nikes. Those feelings resonate with Nike's audience, making their logo very memorable.

When using icons in your logo design, consider meaningful icons that could communicate your brand without the company name.

A logo should be flexible.

A logo will appear everywhere your business does - from billboards to business cards. Logos may be rendered in black and white, a single color, or in full color. They may be embossed, embroidered, printed or stamped. Logos will appear on backgrounds of different colors, patterns, and textures.

Minimum size – 21px on screen / 0.25in (6.35mm) in print

Be sure that your logo allows you the flexibility to use it in any of these circumstances, while still remaining easily recognizable to your audience.

Use appropriate colors.

pouryapouzesh.deviantart.com
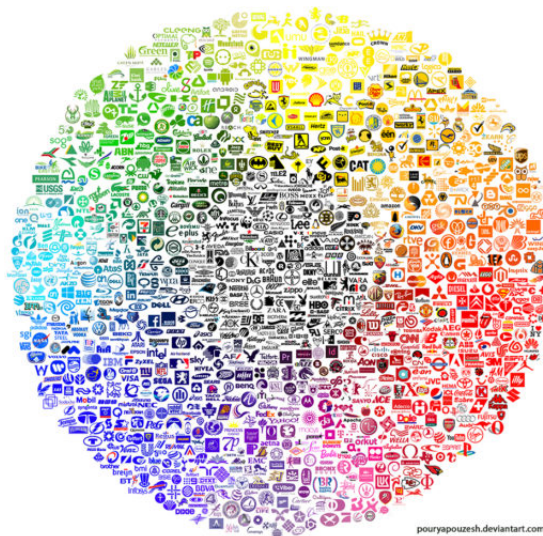
Consider the **psychological messaging** that color sends when choosing colors for your logo. Select colors that align with your brand identity

and strengthen the intended core message/personality you're trying to convey.

For example, blue often communicates trust and loyalty. The color blue is common in banking and finance - an industry that requires great trust.

Beyond the psychological implications, don't forget the practical and aesthetic impact of your color choices.

Consider colors that work well with dark and light backgrounds. Logos are often printed in black and white, so verify that your logo design won't lose impact in that palette.

Gradients may provide an aesthetically-pleasing effect on computers, but they won't print as well on letterhead, business cards, or merchandise. A logo used primarily online can be more colorful than one that's going to be printed.

And, think twice about including more than 3 colors in a logo – too many colors may increase the cost of production when printing and make the logo more difficult to reproduce. Although such costs have decreased considerably, this remains sound advice.

Timeline of Pepsi logos (left): 1898, 1905, 1906, 1940, 1950, 1962, 1973, 1991, 1998, 2005, 2008. Timeline of Coca-Cola logos (right): 1885, 2008.

A logo should be timeless.

Logos that feel anchored in a certain time period are more likely to feel outdated and need substantial redesign fairly quickly.

Instead, a logo should have a long life expectancy. It will evolve and change over time, but the longer it stays the same at its heart, the better brand recognition you will get over time.

The best logos change very little yet remain relevant due to their resonance with the brand they represent.

A logo should be unique.

The best logos communicate the unique identity of the brand they represent in a visually distinct way.

Generic logo designs don't tell your audience anything about your business – which makes the logo and the business utterly forgettable.

Try to avoid common logo cliches like "swoops," "swooshes," and "pinwheels" (as pictured above). These concepts are perhaps the most overused practices in the logo industry.

A word on clip-art, generic templates, and online logo makers...

Never use clip-art or templates in a logo and steer clear of online logo generators.

Clip-art and generic templates are available to everyone, which precludes them from being unique.

Online logo makers use clip art and generic templates to create generic logos.

None of their work is unique and it's used by thousands of businesses - often in the same competitive space.

This is why generic clip-art and templates cannot be trademarked.

A logo should have strong typography.

Typography is important. Typefaces visually communicate different tones and personalities, so choosing the right one for your brand is key.

Typefaces with serifs convey a sense of dignity and reliability while sans-serifs are often more clean-looking and offer either a sense of modernity or whimsy, depending on the character of the typeface.

 Ask these questions when evaluating a typeface for your logo:

- **Does the typeface reflect your brand personality?**
- **Can the logo be read at small sizes?**
- **Is the letter spacing/word spacing well adjusted?**
- **Can the logo be made larger without revealing any typographical flaws?**

Make sure your logo is vectorized.
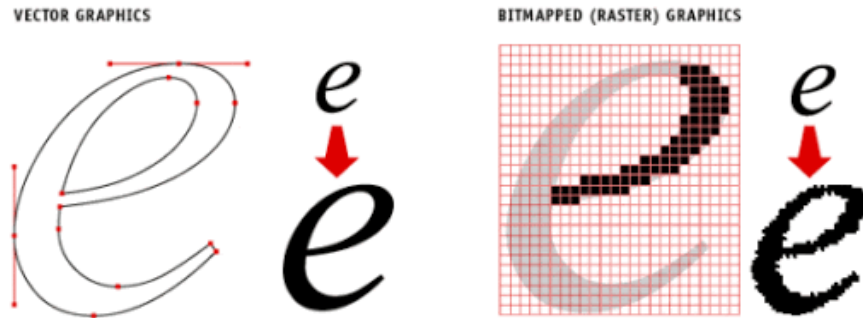
Whether you work with a friend, an agency or with <u>crowdspring's</u> community of 220,000+ designers and writers, always request vector-based graphics when you buy a logo design (we automatically require these in all logo design projects).

A JPG, GIF, PNG or PSD isn't going to cut it. A properly drawn vector design will provide you with the ultimate flexibility to use your logo in different ways and in different sizes.

You only get one chance for a first impression, so make it a good one.

TIPS FOR GROWING A SERVICE-BASED BUSINESS

The most important question prospective clients ask when buying services is whether your service *delivers what it promises to deliver*.

Here are a few tactics for building credibility and growing a strong service-based business…

The Power of a Niche

One of the keys to success in the service industry is identifying and embracing your niche. It will be much easier to differentiate yourself from generalized service providers if you *specialize*.

Think about it. If you had lung cancer, would you go to a general practitioner or an oncologist specializing in lung cancer? You'd go to that lung cancer specialist – because they're the best chance you've got to solve your unique problem.

The same is true for clients seeking a particular service. They're going to have to spend their hard-earned money. And, they want some degree of assurance that it's going to be worth it.

Knowing that you provide a service catered to their specific needs will boost a client's confidence in your ability to get the job done well.

If you're struggling to identify what your niche might be, consider these techniques for narrowing it down:

- Identify any underserved specialties in your field.
- Determine which areas in your field clients struggle with the most.
- Ask yourself if your unique background provides you with a rare area of expertise.

Whatever niche you choose, don't make the mistake of trying to be the right fit for every single client. Choose your specific calling and then market your skills to that niche audience.

Define Your Services

A service is impossible to see before it's been delivered. And, clients don't like to pay money for vague promises.

If you want your business to succeed, you need to show your clients the specifics of what you will offer – and deliver.

That starts with you defining your services and deliverables. This is vital for three reasons:

- Clearly defined services can be easily explained to leads.
- Transparent deliverables show the value in your service.
- Specificity helps set realistic expectations for your clients.

This last point benefits everyone. Your clients can make comfortable, informed decisions. And, you can avoid being taken advantage of.

In the service industry, your services and deliverables are the core of your business. So, make it very clear exactly what clients will get.

Remove the Uncertainty.

Spending money on an intangible like a service can make clients uneasy.

So, eliminate that discomfort. There are two techniques that are particularly powerful for businesses in service - **social proof** and **demonstration of skills**.

Provide Social Proof.

Shoppers often look to their peers for reassurance that their purchase is a wise one.

Who would know better than someone who has already walked that road? Positive reviews create confidence in potential clients.

So, share testimonials and reviews from happy clients to build credibility on your website. And, if you're lucky enough to have an endorsement from a well-known professional in your field, feature that as well.

Demonstration of Skills.

One of the most compelling ways to establish credibility with your website is by *showing* that you know your stuff.

Anyone can claim to be an expert, but only a real expert can back it up.

So, prove your expertise by showcasing case studies, writing, and sharing consistently insightful content about your field of service. Then, share it for free with a blog or "resources" section on your website.

Offering this information at no cost accomplishes three things:

- It shows that you know what you're talking about.

- It gives your leads value for free.

- It begs the question: what *else* do you have to offer if you shared *this* for free?

TIPS FOR GROWING AN ONLINE BUSINESS

Online businesses don't have the steep overhead costs that brick and mortar businesses do.

They can convert leads, support customers, and make sales 24 hours a day. And, you can work from nearly anywhere in the world.

If you think starting an online business is the right fit for you, read on for tips on how to build and grow your online business.

Optimize your website load speeds with smart design.

Your online business is only as strong as your website.

If visitors are met with weak design and slow load speeds, they're going to leave before you have a chance to make a sale.

Research from Stanford <u>reveals</u> that 75% of internet users will make judgments about a business's credibility based solely on how their website looks.

And, a <u>**Kissmetrics Infographic**</u> shows that by the time your website hits 4 seconds of loading time, you've already lost 25% of your potential viewers! If your website is laden with data-intensive graphics and photos, it will take far longer to load than a sleek, cleanly designed website with minimal graphics.

Now, the takeaway here is not that you should eliminate photos and graphic elements from your website design entirely. The lesson is to use design elements smartly for maximum impact and quick load speeds.

Optimize your online business for mobile access.

The way people access the internet has changed.

Mobile devices have supplanted laptops and PCs as the most popular way to navigate the internet.

And, there are few things more frustrating than trying to navigate a traditional, desktop website from a smartphone.

The solution is a responsive website. Responsive sites are designed to visually adjust to the size/shape of the screen on which the site appears.

Online shoppers have also come to expect easy-to-use mobile apps designed specifically for use on mobile devices. So, find designers who are experienced in creating user-friendly mobile app interfaces.

Target existing customers with remarketing ads and email campaigns.

It's more cost-effective to sell to existing customers than it is to acquire new ones. If you want to grow your online business quickly, focus some of your marketing efforts on gaining repeat sales from your current customers.

Two great strategies for engaging with existing customers are remarketing ads and email campaigns.

Remarketing Ads

Google's remarketing ads target users who have already visited your

website. This means that the people receiving these ads are the people who are likely to be the most receptive to your message – because they've already sought out your business on their own.

Want to keep your business on your customer's minds? Pair a compelling, eye-catching banner ad design with a valuable offer. Customers will flock to your site to take advantage.

Email Win-Back Campaigns

You may also want to consider contacting past customers with an email campaign. Email is still a highly effective tool for contacting customers – especially web-savvy, smartphone-toting customers who are comfortable shopping online.

So, reach out and let them know you'd like to see them back. Share your message in a well-designed email and you'll attract even more interest.

For more techniques for re-engaging with past customers and clients, check out 8 Effective Ways Your Small Business Can Wow and Win Back Lost Customers.

Harness the power of the landing page.

A landing page is a web page specifically devoted to a single product or

offer. And unlike your traditional website homepage, every element is laser-focused on a single call to action and intentionally designed to convert.

If your online business is serious about achieving rapid growth, then you need to embrace the landing page.

Feature each marketing offer and product on their own landing page. You may even want to consider creating landing pages for specific target audiences. This way, people who search for your product online will be taken to a webpage that caters to their unique needs and perspectives.

When designing landing pages for your website, remember to eliminate distractions, provide a clear call to action, and make it easy for the customer to complete that call to action.

To learn more about landing page design best practices, read about creating **high-converting landing pages**.

Provide social proof to build customer confidence.

Be sure to leave room for customer testimonials and reviews.

Testimonials and reviews show that others have gone before and were happy that they did. This will give new customers the confidence to take the plunge, too.

Here are a few design considerations to remember when including reviews on your site:

- Place testimonials in prominent spots on your website. They should not overshadow your call to action, but they should be easy to find.
- Include a picture of the quoted customer whenever possible (but get their permission first!). Seeing a face with the quote helps others to relate to that person and see them as real. This builds trust.
- Make sure to choose a testimonial font that is easy to read. Fancy is great – but legible is better.

Don't slouch on design. Good design is good business.

TIPS FOR GROWING A RETAIL BUSINESS

Despite the rapid growth of eCommerce, traditional retail continues to dominate.

According to the Small Business Administration, the retail trade industry in the US includes more than 2.6 million small businesses.

So, if you're in retail, your competition is stiff. Here are a few tips gleaned from top retailers in the US to help give you an advantage.

Develop a consistent, reliable multi-channel brand.

Even if you're running a brick and mortar retail store, your brand needs to be in all the places your customers are.

Today's customers expect a dual online/offline experience for all companies. And, a failure to deliver that will reflect poorly on your business.

Here's how you can develop a consistent, multi-channel brand presence:

- **Maintain a consistent brand voice and user experience across all channels.** Customers should experience your brand consistently whether they're on social media, a mobile app, your website or in your store.

- **Make it easy to communicate with your business through various channels.** Provide prompt customer support via phone, email, and chat – as well as in store – whenever possible.

- **Create strong social media relationships with customers.** Treat your social media profiles as extensions of your support and sales teams.

Building a brand with consistent touch points across multiple channels will help customers get to know and trust your business faster - and that's a good thing.

Curate a better brand through self-reflection.

It's only through self-awareness and brutal honesty that you can really see how your brand is perceived.

And, creating a trustworthy, positive brand is especially important for new businesses. So, keep a constant finger on your brand's pulse.

- Ask customers if there's anything you can do to serve them better.
- Poll your support team – what are the most common complaints they receive?
- Ask employees for their observations – they may have insights you don't.
- Set up Google Alerts to notify you whenever your brand is mentioned online.
- Don't sugarcoat any failing. Every single problem that you identify is an opportunity to improve your business and brand in a meaningful way.
- Use the feedback you receive to make plans to do better – and follow through.

Don't wait for something to go awry with your brand - make brand monitoring a regular process.

Branding is action, too.

Don't assume that telling your customers what your brand is will actually make it so.

Branding occurs where the rubber meets the road – not in a company memo. Real branding change must come from action.

- Get employee buy-in on your brand. If your employees don't buy it (and live it) – neither will your customers.
- Execute new company policies that will support the branding choices you've made.
- Plan your customer's experience to reflect your brand identity.
- And, attack any changes in your retail brand at all levels of your business. Take a holistic view of your brand and make holistic actions to affect real change.

Be proactive about managing your brand and developing a multi-channel approach that keeps your business in front of your customers, and your retail business will grow faster.

CHAPTER 9:

HOW TO CREATE A STRONG ONLINE PRESENCE FOR YOUR NEW BUSINESS

Today's consumers expect businesses to have websites.

They consider a website to be a sign of a reputable business. And, they want the convenience of learning more about a business on their own schedule.

Not to mention…

…your website is one of your new business's most important ambassadors and a crucial component of your marketing and branding strategy.

A recent <u>study</u> shows that **97% of consumers research their purchases online before they buy** something.

And, you can launch a business website in *just 4 steps*. There's no excuse not to. Read on for a complete walk-through of the process.

Step 1: Choose a Web Hosting Service

Think of hosting as the online real estate where your website will live.

The quality of your web host (among other factors) determines the speed and reliability of your website. If your hosting service goes down, so does your website. So, be sure to look for hosting services with reliable service (or "uptime") and fast server speeds.

But, what about those all-in-one deals?

Some hosting services offer all-in-one packages that include using their website builder software. And that sounds great until you realize that you can't ever move your website from that host.

So, if your business outgrows what that host can accommodate – or if they raise their prices – you'll have to build a brand new website from scratch when you move. And then you'll lose the online brand identity your visitors have grown to trust.

Plus, many of those all-in-one packages offer poorly designed templates that will make your website look like thousands of other websites. It's hard to succeed if your business can't stand out.

Step 2: Register Your Domain

In order to claim the web domain you've chosen (and prevent any other businesses from using it) you need to register it.

You can register your domain name (Ex. www.yournewbusiness.com) through most web hosting services or through domain registrars.

In general, here's what you should expect…

1. You will be asked to provide some basic information and pay for your web domain in order to secure your registration. Most registrars, for an extra fee, will offer to hide your personal info and make the registration private.

2. Ask your web host to "park" your domain for you until your new website is complete. Many web hosts will provide a simple landing page as a placeholder until your website is ready to go.

3. When your website is ready to launch, your web developer (more about them later) will link the domain with your website.

And, with that taken care of, it's time to talk about design…

Step 3: Get your website design.

Today's business owners have lots of options for getting a <u>website design</u>. And, right off the bat, there's a big choice to make – **template website or custom website?**

Template Websites

The web is littered with website builders promising custom websites and fast set-up that's so easy a baby could do it.

But, like most things that sound too good to be true, these promises bear a second look.

Remember that these all-in-one website builders often lock you into using their hosting services - which may not serve your business's best interests in the long run.

Not to mention, these all-in-one website builders are all based on design templates available for anyone to use. So, despite their "custom" claims, thousands of other businesses will have a website that looks just like yours.

And, while it's true that templates can be customized on a small scale, they are not custom – or unique.

And, many templates are extremely limited in terms of the modifications you can make. This restricts your ability to adjust your website to optimize marketing tactics and grow sales.

Custom Websites

So, if a template-based website isn't ideal for business purposes, what's the alternative?

Custom-designed websites offer you far more control, a truly branded design that accurately represents your business, and the functionality your business requires - because it's designed and built with your business needs in mind.

For new business owners who aren't design experts, a crowdsourced platform like **crowdspring** is a perfect solution.

You set your own budget and tell the designers what you need. Then they pitch a variety of website designs – all built from scratch to your specifications. Your feedback guides the designers to make revisions. And then you can choose the design that serves your business best.

This option provides a great deal of security for small business owners. Crowdsourced platforms provide:

- a variety of designs to choose from, so you can be sure to find one that meets your needs
- a more cost-effective solution than hiring a design studio
- complete design files to take to your web developer for coding
- and a more secure experience than hiring random freelance designers.

Before posting a project on a crowdsourced design site, think about what you want and need from your website design so that you can communicate that clearly to the designers.

And remember - as the visual centerpiece of your brand, your logo should be featured in your website design. In fact, it should serve as the inspiration for your website's visual design.

Your website's color scheme should be informed by your logo. The fonts you use on your website should relate to the fonts in your logo. Your website's visual style should be inspired by your logo. You get the idea.

And, check out <u>16 Crucial Website Design Factors That Help Your Small Business Increase Customers and Profits</u>, and <u>Grow Your Small Business With These 7 Website Design Best Practices</u> for more web design ideas and best practices to guide you.

Step 4: Hire a developer to code and deploy your website.

With your custom website design files in hand, you're very close to having a live website.

But, before a website *design* can become a functional website users can interact with, it must be coded and deployed.

Coding is the behind-the-scenes magic that creates an interactive web experience for your users. Coding makes drop-down menus appear, buttons clickable, and delivers search results.

Some website designers are also coders (or "developers"). But, design and coding are two separate skill sets.

And, it's important to know that there are also further specializations among web developers. There's front-end, back-end, and full-stack developers.

- **Front-end developers** are responsible for the client-facing aspects of a website – interactive buttons and fields, as well as displaying data from the back-end.

- **Back-end developers** are responsible for making sure the right data gets from your server to your users on the front-end.

- **Full-stack developers** work with the front-end, back-end, servers and server software. They can handle everything from start to finish – including deploying your website to the web.

When seeking out a web developer, make sure to hire the right person for the job.

The developer will be responsible for carrying you to the finish line. They'll code your website and then walk you through the final deployment process (where you link the newly built site to your web domain).

Once this is done, your website will be live!

CHAPTER 10:

HOW TO RAISE MONEY AND FINANCE YOUR NEW BUSINESS

Every entrepreneur worries about how much it will cost to start their new business…

…And how much they could potentially make if they invest their money, heart, and soul into the business.

Take the time to research and calculate the start-up costs that will apply to your business. Your startup costs may include:

- your brand design (logo, business cards, and website)

- any company registration, license or permit fees

- deposits and rent for a physical work location if you plan to lease your own workspace

- basic infrastructural costs like phone and internet service, invoicing software, etc…

- marketing and advertising costs

- manufacturing costs

- salaries or wages for any employees

And, once you know the total, compare that with the funds you have.

Then it's time to plan how you'll make up any difference.

While you might be able to bootstrap your business, many founders will need outside funding to start (or grow) their business.

You might get lucky and raise start-up capital from venture capital firms. But, small business loans, business credit cards and crowdfunding are more reliable options to consider for most small business owners.

To improve your chances of raising funds from any possible source, consider the following:

Know Your Business.

Get to know your business from every angle. Know your market and your competitors. You should be able to discuss your idea, the potential market, the competitors, the pitfalls, etc.

While it's impossible to prepare to answer every single question, you should try to learn as much as you possibly can so that you are ready. This is one of the places where your business plan (Chapter 3) really comes in handy.

People who control money will quickly tune you out if you can't answer key questions about your business.

Practice. Practice. Practice.

We can't stress this one enough. Practice your pitch!

Share your pitch with the smartest people you can and persuade them to be brutally honest with you. Listen carefully to all feedback. You'll really appreciate this later, even if you're uncomfortable about it initially.

Be transparent.

Be honest and don't hide things. Be sure that, in your written materials as well as in your oral presentations, you are fully transparent about your business, what you're looking to do, and what you want from investors.

Options for Financing Your Business

Business Credit Cards

Credit cards are often viewed as a risky finance tool. Interest rates can be brutal and leave you paying for your business investments long after you would using other methods.

But, that doesn't mean that credit cards can't have a place in your funding arsenal when used intelligently and responsibly.

There's no harm in using a business credit card to make purchases as long as you can pay off the balance at the end of every month. In fact, it will help you to establish strong business credit - which will come in handy if you ever do need to take out a larger business loan.

And, having a business credit card will allow you to be flexible - so you can make purchases when you need to instead of waiting for a loan to be approved.

Some business credit cards offer a 0% APR for the first year - these cards can be a great option if you're confident you can pay off the balance before the end of that first year.

And, if considering a small business loan, compare the interest rates on your loan with the rate could could get on a credit card. If you can get a lower interest rate on a business credit card with a similar line of credit, then the credit card may be the better choice.

Always familiarize yourself with all of the terms of your credit card agreement *before* committing to it.

Pro Tip:

Nearly all business credit cards require you to personally guarantee that the card balance will be paid. This is true even if you register the business as a separate legal entity. Keep this in mind when you consider funding your business with credit cards.

Crowdfunding

You can also consider raising money from your friends, family, customers or clients through crowdfunding sites like Kickstarter.com, Indiegogo.com or Peerbackers.com. You can ask for a specific amount of money and in return for the donations received, offer prizes to reward those who believe in you.

Also consider tapping communities like kiva.org. Unlike traditional crowdfunding sites where you exchange prizes for donations, Kiva allows you to crowdsource a 0% interest loan.

When running a crowdfunding campaign be sure to feature your branding prominently and consistently to reassure donors of your trustworthiness and professionalism. It's important to make a good impression.

And, remember to keep your backers interested with regular updates and outreach. They've put their money on the line for your dream. Pay them back by staying engaged.

Small Business Loans or Grants

Sometimes flexible credit and the kindness of strangers just won't cut it. There may come a time when you need more capital and a small business loan may be the best solution.

But, most conventional lenders require a cash flow of some sort to repay a business loan. So, if you haven't launched yet, there's a good chance that you won't be able to take out a traditional small business loan for start-up cash.

But, the U.S. Small Business Administration has a **microloan program** designed to provide "business capital and business based training and technical assistance for start-up, newly established and growing small business concerns in need of micro-level financing."

The average SBA micro-loan is $13,000, but these loans can reach all the way up to $50,000.

The SBA also works with outside organizations to help provide grant money for small businesses. You can learn more about that **here**.

Pro Tip:

Always do your homework on any financial agreement. Know the exact terms for your credit card, crowdfunding project, loan, or grant. Then, determine if those terms will serve your business well.

HOW TO LAUNCH YOUR BUSINESS AND GET YOUR FIRST CUSTOMERS

If you build it, they will come, right?
Not exactly.

Wanting a customer isn't enough. You must plan, strategize, and entice your prospective customers to want the products or services your business offers.

Implement these best practices right away to score your first customers for your new startup business:

1. Create a landing page or full website and blog for you business.

2. Establish a social media presence.

3. Network.

4. Email prospects.

5. Offer promotions/giveaways.

1. Create a landing page or full website and blog for your business.

Businesses that have not established themselves online may as well have a virtual "closed" sign on their storefront.

Your website can act as an ambassador to **draw clients to your business 24/7**. Be sure to read Chapter 9 if you haven't done so already).

We can't stress enough that your site should look professional. Be sure to include brand-specific design, copy, imagery, color usage, and white space:

- **Brand-specific design**: Your landing page is a snapshot of your company and what you offer. Keep design elements strictly on-brand and consistent with your company's overall <u>brand identity</u>. If you already have a <u>business logo</u>, include it on your site. If you don't yet have one and simply have a <u>business name</u>, be sure to include the name using a normal font (and add the logo later).

- **Crisp copy**: Make your copy clear and concise. Include a clear call to action (CTA), punchy headlines, and maintain brevity when possible.

- **Imagery**: Pay close attention to the images you share on your landing page. <u>Research shows</u>, three days after hearing information, people only remembered 10% of the details; however, if paired with a relevant image, 65% of the information could be recalled three days later.

- **Use of Color**: The <u>use of color</u> influences how a visitor experiences your brand on your landing page. According to a study examining the effect of color on sales, <u>92.6% of people surveyed</u> said that color was the most important factor when purchasing products.

- **White Space**: <u>White space</u> is the portion of the page left empty. Designs with plenty of white space are easier to read and navigate. Leaving lots of white space also makes it easier to direct focus to the most important elements on the page.

When a user lands on your landing page, make it a thoughtful, informative, visually-stunning experience. Doing so will guarantee your brand will be remembered.

And when you're ready to build a full website for your business, be sure to understand the <u>16 Crucial Design Factors That Help Your Small Business Increase Customers and Profits</u> through your online site.

To learn more about creating a great small business website, read <u>Grow Your Small Business With These 7 Website Design Best Practices</u>.

Create a Business Blog

Starting a new business requires you to wear many hats.

It can be easy to overlook blogging and mentally assign it as something you will "get around to."

But, that would be a big mistake.

Consider these blogging statistics:

- Websites with a blog tend to have <u>434% more indexed pages</u>.
- Companies that blog receive <u>97% more links</u> to their website.
- Marketers who prioritize blogging efforts are <u>13x more likely to see positive ROI</u>.
- In 2017, <u>66% of marketers</u> reported using blogs in their social media content.

Did that get your attention?

It should.

Blogging offers many benefits to your brand.

They include:

Enhancing customer relationships: Customer engagement can make or break a brand. Businesses with high amounts of engagement are often very successful, while those with minimal engagement struggle to stay afloat. People hate ads but love strong content. This is why content marketing remains the most successful marketing tool. Build trust with your clients by humanizing your business through blog posts that provide consistent information that benefits them.

Driving traffic to your website: Relevant content on your blog will bring in more traffic. The more a post is valued, the more it is shared. Successful content meets a specific need. Consider who your audience is, what attracts them to you, and how you can be consistent in providing information that solves a problem.

Increasing your visibility: Optimizing the content you share is a long-term investment. Consider keyword research, categories, tags, and back-linking to increase visibility. An optimized and well-crafted blog post can be visible in search results for years to come.

Positioning your brand as an expert: Consistently writing with authority is a great way to position yourself as an expert. Authority is earned through consistent, relevant content, trust built overtime, and verifiable knowledge.

Blogging is an excellent tool to share content, drive traffic, and showcase your authority. Creating content for your business's blog should be a high priority.

2. Establish a social media presence.

Social media is valuable and essential to most businesses, big or small.

After all, <u>70% of Americans</u> are on social media.

But which social networks should you choose? After all, there are many. And you don't have time or money to focus on all of them.

Social Media for Business: The Fab Five

Consider these five social media platforms for your new business:

Facebook ranks as the most popular network. With <u>1.59 billion daily users</u>, you should consider a <u>Facebook business page</u>. Use Facebook to share photos, blog content, company updates and more. Business accounts come with helpful advertising tools and in-depth analytics.

Instagram is a visual platform, and has the <u>third most users (1 billion!) and active users (500 million!)</u>. There are various posting formats including static and live video, still photography, and Instagram Stories. Now affiliated with Facebook, paid advertisements from your business Instagram account are connected to your Facebook business page.

Twitter is great for updating and sharing links to content. On <u>Twitter</u>, you can share short tweets (240 characters or fewer), videos, images, links, polls, and more. Some businesses choose to use this platform to receive and respond to customer service praise, complaints, and inquiries.

Pinterest may not be a perfect fit for every business, but it is the leading social media channel for sharing ideas and finding inspiration. There are over <u>200 million people</u> that utilize Pinterest to discover new products, recipes, blog posts, and so much more. Sharing content on Pinterest includes the option to backlink to your website which increases traffic and visibility.

LinkedIn has over 250 million monthly active users, and it's the most-used channel for business-to-business marketers to share content. This is the best platform for business networking. Use LinkedIn to showcase yourself as an industry leader and promote your business.

There is no cookie-cutter answer for which social media outlet will work best for your business. Research these top channels and experiment to find the best way to use them for your business

3. Network.

Your new business needs people.

Starting with your own network is the first step.

Talk to the people in your inner circle, share your business idea with them and ask them to share it with others. The reality is, your first 10 customers will most likely be people you already know, wanting to support you.

If approaching people and asking them to consider your business is a new skill for you, starting with your friends and family will help you become comfortable pitching your business. While this may not open a floodgate of prospects, you never know what interesting connections you might make with family and friends.

Networking Tips

Use these tips to improve your networking success:

- **Attend the right events**: Chamber of commerce meetings, trade shows, and networking meetings are good settings to network with like-minded people who also are on the hunt.

- **Be prepared with business cards**: Business cards are an affordable, effective way to ensure people have accurate contact information.

- **Have your elevator pitch ready**: An elevator pitch is a few sentences about what you do and the value you offer to your customers or clients. Try to keep your pitch around 1 minute, and casual enough that it can easily be interwoven into conversation.

- **Ask for referrals**: While you are networking, you'll undoubtedly come across people who aren't a good fit for your business. Instead of dismissing them, consider asking the prospect for referrals. *"It sounds like my product may not be a good fit for you. Do you know of anyone you think it would benefit? Could you connect us?"*

4. Email prospects.

You've been networking like crazy, gathering contact information, and your landing page is successfully collecting emails of prospects. Now what?

Now is the time to hustle.

So, bust out your contact sheet and get to work.

Emailing strangers doesn't have to feel like you're shooting in the dark. Use these guidelines and tips to compose an engaging email draft:

- Keep your language concise and get right to the good stuff.
- Use your brand's natural voice. Don't be afraid to write casually or use humor if it suits your brand.
- Always make your call to action clear - what do you want your audience to do? And how do they easily accomplish that? Read your emails out loud before sending - you'll be surprised at how many awkward phrases and typos you'll catch that way.
- Keep your messages short while still saying what you need to say. Your readers' time is valuable.

And, don't be afraid to reach out before you've officially launched. Staying in contact with prospective customers is a great way to build anticipation for your official grand opening.

5. Offer promotions/giveaways.

Consumers love free stuff. Business owners love their products in consumers' hands.

Giving something first can seem counter-intuitive, but offering a gift or service without the expectation of something in return can be profitable.

This is known as the principle of reciprocity. When you are just starting out, giving away products or access to service in exchange for a positive review can be mutually beneficial.

Consider these promotional methods to get the word out about your product or service:

- **Beta Testers**: Beta testers can be extremely valuable to you as an entrepreneur. Having testers try out your products builds up the user base. It can also reveal ways to refine its features based on the testing results.

- **Offer a free trial of your product**: Offering a free trial gives the user the ability to try before they buy. Free trials drive users, traffic, and virality.

- **Freemium Features**: This model gives certain product features for free while making other more powerful features available for pay.

CONCLUSION:

PARTING WORDS BEFORE YOU GET STARTED

When starting a new business, there are *a lot* of things to think about.

And, you'll often hear conflicting advice about what to prioritize first.

But, there are two foundational elements that you can't afford to overlook - **choosing the right business structure** and **establishing a strong, consistent brand identity**.

You will live with these choices for a long time and it will be potentially very expensive to change them later. So, make sure to give them the thought and effort they deserve.

Your business structure…

Your business structure will determine the legal and practical framework your business will operate within every day.

From tax laws, to management restrictions, to the ability to raise funds, your business structure will impact your business at every level.

If you're still not sure which business entity is the right fit for your business, we recommend checking out this **interactive business entity comparison** and the **state-specific resources** from Swyft Filings. The experts at Swyft Filings will be able to help you lay a strong foundation for your company by choosing and setting up the right business entity.

Your brand identity…

Your **brand identity** will serve as the foundation by which your clients or customers will know your business.

And, in order for a brand to be effective, it must always be true to the reality of your business. People pay much more attention to what you do, not to what you say.

As you **name your business**, **get a custom business logo**, **develop your website** and establish the day-to-day functioning of your business, keep your brand identity front and center.

Set your business up for long-term success with a consistent, professional brand identity that will make you proud - and profitable.

We hope that this book has given you the insights to start your new business with confidence.

While it will be a challenge, it will also be one of the most rewarding efforts of your life.

You've got this.

Good luck!

crowdspring

Crowdspring is an online design platform linking businesses like yours with over 220,000 design and naming experts. Instead of investing over $10,000 with a branding agency - or paying an unknown freelancer for a single design you *hope* you like - crowdspring delivers dozens of custom designs to choose from for every project.

With over 11 years of experience, we're the reliable, *affordable* solution for small businesses. Click here to learn how crowdspring can help you grow your business faster with good design.

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Swyft Filings is an online legal platform owned by an experienced lawyer who saw a need to make the business filing process *easier*. Instead of blundering through confusing legal processes in the dark, Swyft Filings' clients get their companies up and running easily, efficiently, and affordably.

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