

### **Business Startup Best Practices**

- Create the legal entity
- Get your Employer Identification Number
- Create a business bank account
  - If possible, secure a company credit card and/or line of credit.
  - ODN'T CO-MINGLE YOUR MONEY: An extremely important note...only use business money for business purposes. To start a business, you'll need to contribute personal money into the business. This is indicated on the company balance sheet as stock or startup capital. If you need to buy something for the business and don't have the money to do it, either deposit personal money into the business account and spend from there or use the company's available credit.
- Local business license (if necessary)
- Industry business license (if necessary)
  - o Check out the Montana License Lookup page to search.
- General liability insurance policy for the business
  - The insurance agent will likely ask for the assets owned by the business and the annual revenue of the company.
- Contracts, Agreements, and Waivers
  - Have these drafted or reviewed by an attorney licensed in Montana.
- If you'll be hiring employees, be sure to follow new hire requirements and get them set up for withholdings.
  - o Montana Department of Revenue: Employee Tax
  - o Montana Department of Labor & Industry: Employment Laws
  - o Montana Department of Labor & Industry: Employer Resources
  - o Montana Department of Public Health & Human Services: New Hire Booklet
- Bookkeeping Software
  - o Pick one that works for you. It will make tax reporting easier.
- Value proposition
  - Figure out the best way to pitch your service and why a customer may be willing to pay for what you're selling.
- Pricing structure
  - Pricing is an art. But there are three ways to add structure to pricing your product or service:
    - Cost-plus model
      - Cover all your fixed and variable costs, plus treat payment to ownership and payment of profit to the company as fixed costs.
      - Competition model
        - What's the competition charging for the same product/service.
      - Market model
        - What are folks in this market willing to pay?
- Basic marketing
  - Google listing
    - If requested, I can provide an <u>Expedited Verification Process</u> document. Otherwise, they'll mail you a postcard.
  - Pick at least one social media platform to start with, whichever is easiest for you to display your portfolio.
  - Business cards and fliers
- Target markets
  - Develop a specific list of all the potential referral partners. Keep in mind, referral sources may not be the same as end users of your service.

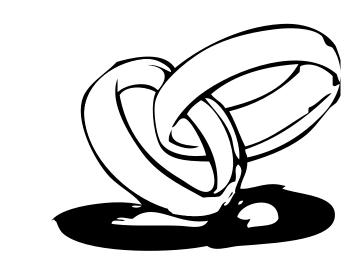
Designed for:

Designed by:

Iteration:

## Key Partners

Optimization and economy Reduction of risk and uncertainty



Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?

# Key Activities

Production

Problem Solving Platform/Network



What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?

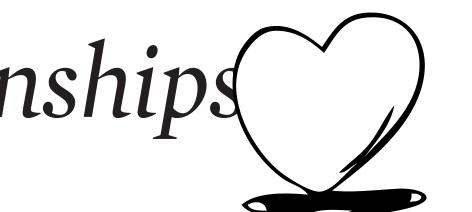
# Value Propositions



What value do we deliver to the customer? Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?

"Getting the Job Done" Design Brand/Status

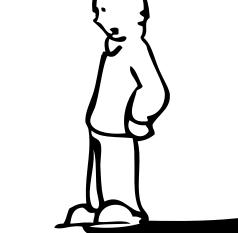
# Customer Relationships ...



What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model?

How costly are they? Personal assistance Dedicated Personal Assistance Automated Services

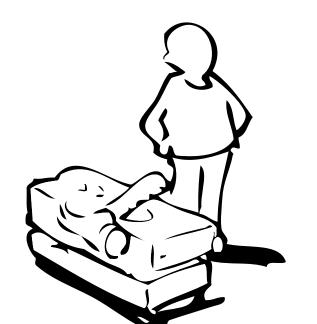
## Customer Segments



For whom are we creating value? Who are our most important customers?

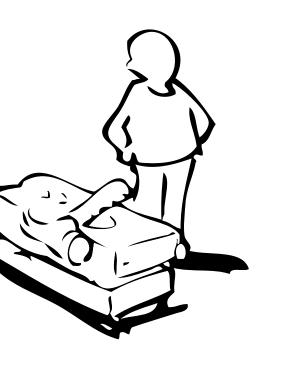
Mass Market Niche Market Segmented Diversified Multi-sided Platform

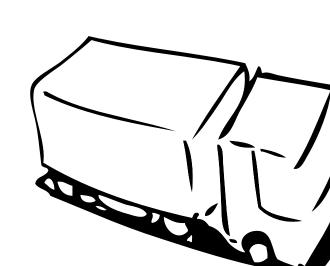
# Key Resources



What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?







Through which Channels do our Customer Segments want to be reached?

How are we reaching them now?

Which ones work best?

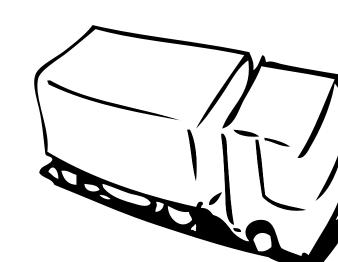
Which ones are most cost-efficient? How are we integrating them with customer routines?

How do we help customers evaluate our organization's Value Proposition?

How do we deliver a Value Proposition to customers?

How do we provide post-purchase customer support?

# Channels

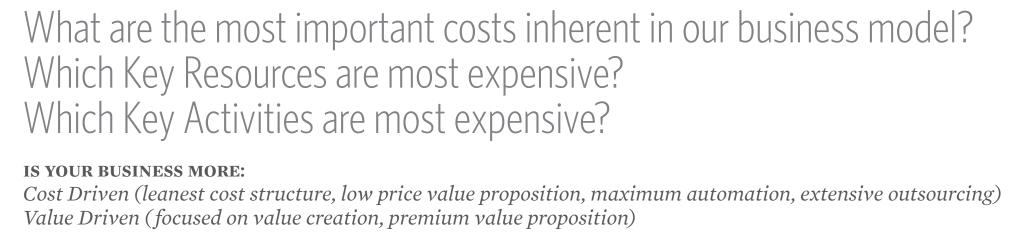


How are our Channels integrated?

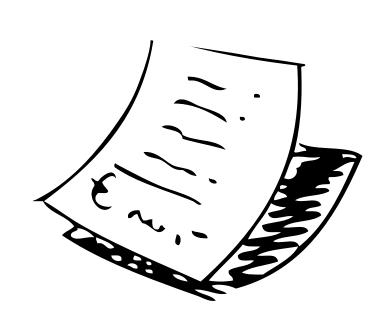
How do we raise awareness about our company's products and services?

How do we allow customers to purchase specific products and services?

## Cost Structure



SAMPLE CHARACTERISTICS: Fixed Costs (salaries, rents, utilities) Economies of scale Economies of scope



### Revenue Streams

For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How much does each Revenue Stream contribute to overall revenues?

Asset sale Usage fee Subscription Fees Lending/Renting/Leasing Brokerage fees

FIXED PRICING List Price Negotiation(bargaining) Product feature dependent Yield Management Customer segment dependent Real-time-Market Volume dependent









