

MaineStream

The Hatchery Course Outline

The Hatchery is a seven-session class on how to start a business. It is introductory, and requires no prior experience. It's a way to get started on a solid foundation. The class is also helpful to those who have already have a business but need help to grow.

Session 1. Introduction and Expectations

Preparation for the first session: Bring a 30-second description of your business. If you don't have a business, make one up just for now. This description is called the "Elevator Speech," and is a good exercise in knowing what you want to do.

This course is about how to start a business, or improve the business you already have. Here are some topics we'll address:

- How to write a business plan and why you need one
- How running a business affects your life
- How to build a team
- How to look for death threats and opportunities
- What you need in terms of data and information
- What successful people do.
- Sales and marketing methods and research

We won't teach

- Bookkeeping. But we'll learn what a bookkeeper does
- Accounting. Why you need it
- Which legal entity is best, but we'll look at how to pick one

We'll discuss how to start on a business plan, or, if you already have one, ways to use it for current planning and operations. Discussion will also address the various procedures. We will discuss the plan as a roadmap and as an ongoing assessment and management tool. We'll also look at lean planning.

Homework for Session 2

1. Fill out Business Model Canvas
2. Make a list of what parts you didn't have answers for.

Session 2. The Business Plan and + Pitch

Class starts by filling out the guestimate startup form.

We'll also ask for your description of the business, time limit 30 seconds

The Plan: A business plan is divided into two segments. One is what the business does - its actions, management, the problem it solves, and the way it is conducted - store, online, service, whatever. The other is money - how much you will need and how are you going to get it. Now we're looking at the action part.

A plan is the roadmap, both a startup guide and an management tool. Without one you can get lost really easily. Our discussion will be based on the *MaineStream Business Plan Outline*.

We will discuss the business plan Narrative and Summary, and the very useful one-pager. We will also get a start on:

- ➔ **The Pitch** is your business plan cooked down into a presentation. It may or may not involve a deck, but usually does. It also includes the following:

- What you are doing
- Why you are doing it - what problem does it solve?
- What you bring to the table in terms of your product or service
- What you need to grow

We will be beginning to practice pitching. Not only does it communicate with others, it will help you clarify your own thinking about your business idea.

- ⚡ **Homework for Session 3:** Define who your market is. Hint - it isn't everyone. Is it local, national, international; age brackets, gender, and so forth Describe in a few sentences who your ideal customer is and why they need your product

Session 3: Marketing and Selling, and More on the Pitch

The Market: Create a character who is your ideal customer. Think about how what problem they have that you can solve. When you solve the problem you have a sale.

The key to marketing is knowing who you are, where you are, and the heart of your offering is. Look at good marketing, see how their work reflects their culture and assumptions.

Marketing changes all the time. Especially online. The key to online marketing is that there is no key. If you are comfortable with what you are doing you can find ways to get your story out. Every mode has its demographics, and every demographic has its stronger social media or other online modes. The bad news is that the environment is changing continuously. As Kevin Kelly, founding editor of Wired, points out, we are all continuous newbies. The good news is the extraordinary amount data available, often free.

- ➔ **The Pitch** is your marketing material cooked down into a presentation. With a deck. Five slides.

- ⚡ **Homework for Session 4:** Go back to the quick Guesstimate form and flesh it out. Make an inventory of what the expenses will be - rent, phone, internet, power, insurance, legal fees, storage, packaging, signage, web development, your salary, costs of materials for your product, product development time,

etc. Figure out how much it will cost to get open and stay open for, say, six months. Remember, these are only ideas, not the real thing. Yet.

Session 4: Startup Money and Working Capital

Getting Funded: Preparation for a bank, granting agencies, investors, peer-to-peer lending, friends and family, crowdfunding, or your own money are virtually the same.

How much will you need? How can you fund it? Can you accept debt? Do you know how much our widget cost you to build? Do you know how many widgets can you expect to sell? How does your price compare in the widget market space?

The plan should address each of these questions, and more. You will need complete confidence in your projections, even if they turn out to be wrong. You will also need to be able to demonstrate that you will know when they turn out to be wrong, and have the opportunity to pivot before you make a crater in the landscape. You need to know this before you blow your savings, eat up your uncle's investment, pay the bank back or give the investors a return. Or retain the credibility of the folks who supported your crowdfunding.

➡ **The Pitch** Add your 'ask' to your pitch, even if it's not about money. For equity funding you need to follow SEC rules.

🚧 **Homework for Session 5:** If you don't already, get to know Microsoft Excel, Apple Numbers or Google Sheets. If you really want to know your business, use spreadsheets.

Session 5: Numbers and Incorporation

Know Your Numbers: Keep track of your sales, expenses, costs and cash flow using spreadsheet reports. Cash flows are the bloodstream of your business. Know what is in your cigar box at all times.

Get set up as right away to know your numbers. You need to be sure of your margins, and to know your revenue and what you're paying out as expenses or costs. Good business owners know their revenue and expenses all the time. Spreadsheets are good because they tell you what you need to know to make good decisions.

Incorporation: Most businesses are incorporated for technical and legal reasons. The scale and direction of your business will indicate what type of entity you should form. This is best worked out through consultation with your accountant and your attorney.

You should have an attorney and an accountant, and possibly a bookkeeper. Establish these relationships before you need them.

- ➔ **The Pitch** People who are listening to your pitch will want to know what is happening with your numbers, both accounting going backwards and projections going forward.
 - ⚡ **Homework for Session 6:** There are lots of resources you can access, both free and paid. Try to collect some questions about what you plan, or wish, to be doing in your business.
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Session 6: Teambuilding and Resources

Finding Business Assistance: It's hard to know what you don't know, but just know there are people who do know.

The Team: Remember that whoever you hire, they're going to be part of your life for a quite a while.

Points to consider when you hire help:

- Assume your cost is about double the amount you're paying them. The difference covers insurance, employer's share of withholding, supervision, workmen's comp and overhead.
- Very few jobs can actually be legally done as 1099 subcontractors. There are IRS guides to what is or is not a subcontractor
- Be clear about expectations for time off, call-outs, vacations, and other issues. As you grow you can assemble a handbook.
- Don't assume whoever you hire will think the same way about every task.

Business Assistance: There are plenty of resources for most industries, many of which are free. A good starting resource is the Maine SBA guide:

https://www.sba.gov/sites/default/files/articles/Maine_Small_Business_Resources_0.pdf

⚡ There is no homework for Session 7. Just show up and hear how others have built their businesses.

Session 7: Real Stories

We'll hear from people who have developed a business, and learn what they went through, and get hints and inspiration.