

The Entrepresilience Project

ENTREPRENEURSHIP TRAINING

A guide for small business
development



CREATED BY
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DISCLAIMER

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ABOUT

After leaving my war-torn home in Syria in 2013, a new life began for me in the United States, a life of ingredients I had never tasted before and one that required a new recipe for me to create in order to thrive, not only survive.

I knew nothing about entrepreneurship before starting college in Atlanta, GA, where I began to volunteer my time outside of academics in serving the refugee community of women who have fled war just as I have with my family a few years prior.

Through my experiences interacting with these women of various educational, religious, or national backgrounds, I quickly learned how they yearned for opportunities to provide for their families, to be self-sufficient, and to reclaim their dignity by generating their own income as opposed to receiving aid.

Some of these women had started partnering with local organizations to promote their products/services. Others created business cards for their husbands to take to work and distribute among co-workers. Others set up tables and sold products in underground markets. These women allowed no logistical or legal obstacles to get in the way between them and their desire to financially sustain themselves and their families.

After graduating college in Atlanta, I attended the University of St Andrews in Scotland, where I studied International Development Practice, focusing my master's research on the economic empowerment of refugee women through entrepreneurship training. This document is one component of my dissertation's portfolio and serves as a small business development guide, dedicated for aspiring refugee women entrepreneurs but available for open access to anyone through the public domain.

It is designed to provide a holistic, yet concise brief of the entrepreneurial journey in breaking down the process of founding, managing, and growing a business into actionable steps. The content of this guide has been created based on my previous experiences, participating in startup hackathons and co-founding a media company with plans for a lifetime as an entrepreneur. Furthermore, it is inspired by my training from Brooke Castillo's Life Coach School's Entrepreneurship module within the Self Coaching Scholars program, as well as different entrepreneurship courses I have taken throughout my academic training.

As a woman, asylee, and entrepreneur myself, I have witnessed the power of equipping refugee women with the tools needed to take ownership of their own livelihoods. I believe that refugee women, if empowered with the appropriate resources, have the potential to achieve their economic independence and serve their communities by channeling their talents/skills into solutions for problems and monetizing these solutions through businesses.

Whether you are a refugee woman seeking to start your business, an employee of an NGO utilizing this guide to support your refugee women clients in starting their businesses, or any visitor from the online community that is interested in turning your idea into a business, I hope this training serves as a helpful starting point of guidance along your journey.

In solidarity,
Farah

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CHAPTER 1

YOUR BUSINESS IDEA: A MONETIZED SOLUTION TO A PROBLEM

Welcome to the Entrepreneurship Training Guide. If you're here, congratulations, you are on a journey, worthy of the challenges and successes ahead!

Whether you have been drawn to this training by your desire to generate an income for yourself and others, your desire to cultivate an independent career and employ your creativity, or your desire to solve an existing problem through a product or service of your offering, founding your business can help you achieve your goals.

The founding of your business starts with your idea. How your business unfolds is how you choose to take action upon that idea.

Before you start taking action, first, let's look at the idea.

Business Idea:

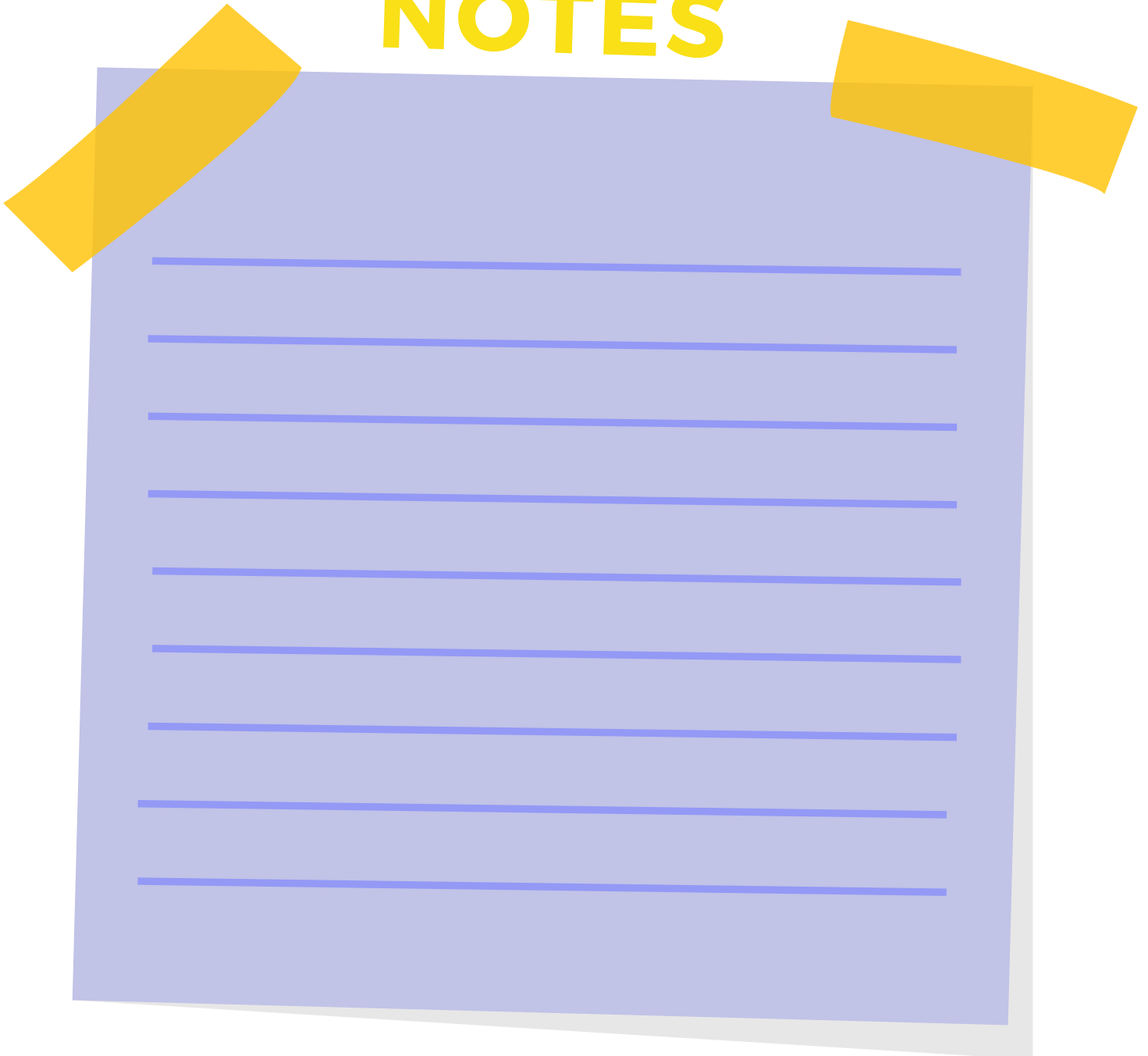
- What problem/gap in the market engages your intellect most?
- What idea have you landed here with, if any, to solve this problem?
- How do you plan to monetize your solution?

Idea Evaluation:

- What makes your solution viable and effective? How does it solve an existing problem?
- Who are your target customers? What are their needs? What are their concerns? What are the 5 topmost used words in how they describe the problem you are trying to solve?
- Is there demand for your solution? What is the quantifiable attribution to that demand? (i.e. how many potential customers?)
- Does your solution require a one-time purchase or frequent purchase by the customer?
- Are there existing solutions to the problem you are trying to solve? Who are your competitors? What differentiates you from your competitors?

Once you've confirmed a need in the marketplace for your solution to an existing problem for enough people (customers) that makes your business viable, you are ready to start. **If you found that your business idea is not the needed solution to a problem you are attempting to solve, how else can you solve this problem?** Speaking to your customers is the best first place to start. **If you found that the problem you are attempting to solve has viable existing solutions or is not actually a problem to enough people for a business to be built around it, can you evolve existing solutions and innovate their delivery? Can you find another problem to solve?**

NOTES



CHAPTER 2

YOUR LEADERSHIP: YOUR BUSINESS'S BIGGEST ASSET

As the founder of your business entity, you are your company's biggest asset. Your leadership is integral to your business. Just as you would protect any business or personal asset, protecting your health and wellbeing as an asset to your business will reflect on the health and wellbeing of your business itself. Expect to find yourself wanting/needing to spend long hours while launching your business during the first year or even second or third years.

It is important to check-in with yourself as you spend hours upon hours building your business, as the energy fueling your effort will set how you feel, having accomplished what you set out to accomplish. You might be tempted with feelings of self-pity if you find yourself lacking sleep or working too much. You might be tempted with self-loathing thoughts if you compare yourself to other businesses growing at a different speed. This is normal. Remind yourself that your journey is unique to you. Choose a thought or a vision to return to when you feel despair. This thought could be the reason you set out on this journey in the first place.

As you grow your business, begin to think about setting limits on the amount of time you spend daily working for your business. While this may not be possible in the beginning, it can later help you objectively assess the needs of your business and can help maximize efficiency and proactivity to create a productive environment. This helps provide you with the information required for deciding if you need to hire more people and who you would need to hire in case you decide to expand. This also helps you avoid distractions and be as efficient as possible with the hours that you dedicate to your business. Furthermore, this sets the standard for how anyone who joins your business spends their time on your business and can thus contribute to a culture of productivity.

Therefore, as you grow, setting a weekly limited time for your business allows you the freedom in your personal life to fulfill your basic needs from sleep to socialization, time for personal development, etc. This helps create a healthy separation between your personal life and your business, so problems from one do not bleed into the other.

On the other hand, your leadership in your community can help grow your social network, which serves as another asset for your business. Whenever possible, offer your business cards to potential customers or partners. Attend business networking events and local small business conferences. Send free products/services occasionally to your most esteemed partners and suppliers. As you build and maintain strong relationships in your community, your reputation can become a free marketing tool for your business.

Preserving your Leadership as an Asset:

- If you were one of your employees, how would you compensate this employee for their efforts? How much time would you require them to spend working every day?
- What are some activities that help you lose track of time and go into flow?
- How can you incorporate some of these activities to refuel your energy into your week? How can you ensure taking care of your physical health?
- How will you ensure you are receiving enough sleep, water, and nutrients?
- What positive thoughts do you choose to consistently think about your business? (this is more important than you think, as your thoughts trigger your feelings about your business which dictate your actions or lack of towards your business)

Notes:

CHAPTER 3

YOUR COMPANY'S DNA: MISSION, VISION, PURPOSE, VALUES, AND CONSTITUTION

Now that you have decided on your business idea and tested its viability against existing market opportunity, let's take some time to intentionally brainstorm your company's DNA.

Mission: the what in your company's DNA. What does your company achieve for the world through its product or service of offering? Example: if your company offers diabetic-friendly baked goods, the mission could be "to give everyone the treat they deserve".

Vision: the where in your company's DNA. Where is your company heading? What does the future look like with your products or services available and abundant in the world? Example: if your company offers diabetic-friendly baked goods, the vision could be "a future where life is sweet even with diabetes".

Purpose: the why in your company's DNA. Why does your company exist? What does the world lose if your company disappears? Example: if your company offers diabetic-friendly baked goods, the purpose could be "for everyone to taste life's sweetness".

Values: what values is your company built upon? The more specific you can be here the better. Some companies make the mistake of setting their values after hiring employees based on what their employees possess. This can become problematic. Set some time to intentionally decide on the values that make a foundation for your company's existence in the world and for how your employees take action to manage and grow your company. After you have decided and set the values of your company, you can go out and find and hire employees who already possess these values. You cannot give the company's values to your employees; they must already possess these values for your company to operate how you envision it to.

Constitution: your company's constitution is the official document that holds the record to your company's mission, vision, purpose, and values for your and any future employee who joins the company. This document serves to explain the company's philosophy, the problem it is solving, how it solves this problem, and the world you envision by solving this problem. This document helps introduce new hires or potential partners/investors to your company.

Crafting Your Company's DNA:

- What is your company's mission?
- What is your company's vision?
- What is your company's purpose?
- What are your company's values?
- What does your constitution entail?

NOTES

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CHAPTER 4

YOUR BUSINESS MODEL: THE ART OF BALANCING BETWEEN FIRM AND FLEXIBLE

As the founder, you must be firm about your products/services of offering. You will always have ideas or have employees who come to you with ideas. Be flexible and open to receiving and even testing what you find has potential of these ideas. However, you must also remain firm on the most valuable of your products or services in order to avoid distracting indecision and lack of direction.

After you have founded your business and began testing with different products/services, you must reflect on the following:

- **What are your top 3 most profitable products or services?**
- **Which products/services outsell others? What are your most efficient operational processes**
- **What are the most efficient delivery methods?**
- **Which products/services outsell others?**

According to your findings, have the flexibility to adjust your operations and offerings to what best serves your business and increases your profitability.

You can create a business model canvas by answering the following questions about your business. A business model canvas is simply a framework that visually organizes the components essential to the success of your business. These include:

- **Key partnerships:** who are your partners/suppliers?
- **Key activities:** what activities are most essential for the delivery and creation of your value proposition?
- **Key resources:** what resources are required to create your value proposition?
- **Value proposition:** what value do you create for your customers by solving which problem?
- **Customer relationships:** how do you build and maintain relationships with your customers and how do you account for the costs and operations related to that in your cost structure and key activities?
- **Customer segments:** who are your most valuable customers? What are the demographics within each segment? How can you best communicate with them?

- **Distribution channels:** what are the best ways to reach your targeted customers? Which channels are most accessible to your customers and how much do they cost?
- **Cost structure:** what are your business expenses? where can you reduce your expenses?
- **Revenue streams:** what are your customers willing and excited to pay for? What are your customers' most preferred means of payment? How do your revenue streams rank in how much revenue they drive into your business? (Cuofano, 2020)

Flexibility and Ongoing Monitoring:

Keep in mind that as the world changes and new technologies are introduced while others disappear, markets and consumer behavior changes. Therefore, continuously reassessing your business model's compatibility with the market allows you to spot significant changes or market opportunities that could harm or benefit your business. Having the flexibility to make appropriate shifts to your business model to where it matches market needs can help you survive market recession periods or on the flip side allow you to discover opportunities for profitable innovation.

The following page shows a template for a business model canvas accessed through Strategyzer.com and designed by Business Model Foundry AG, which you can complete for your business.

Notes:

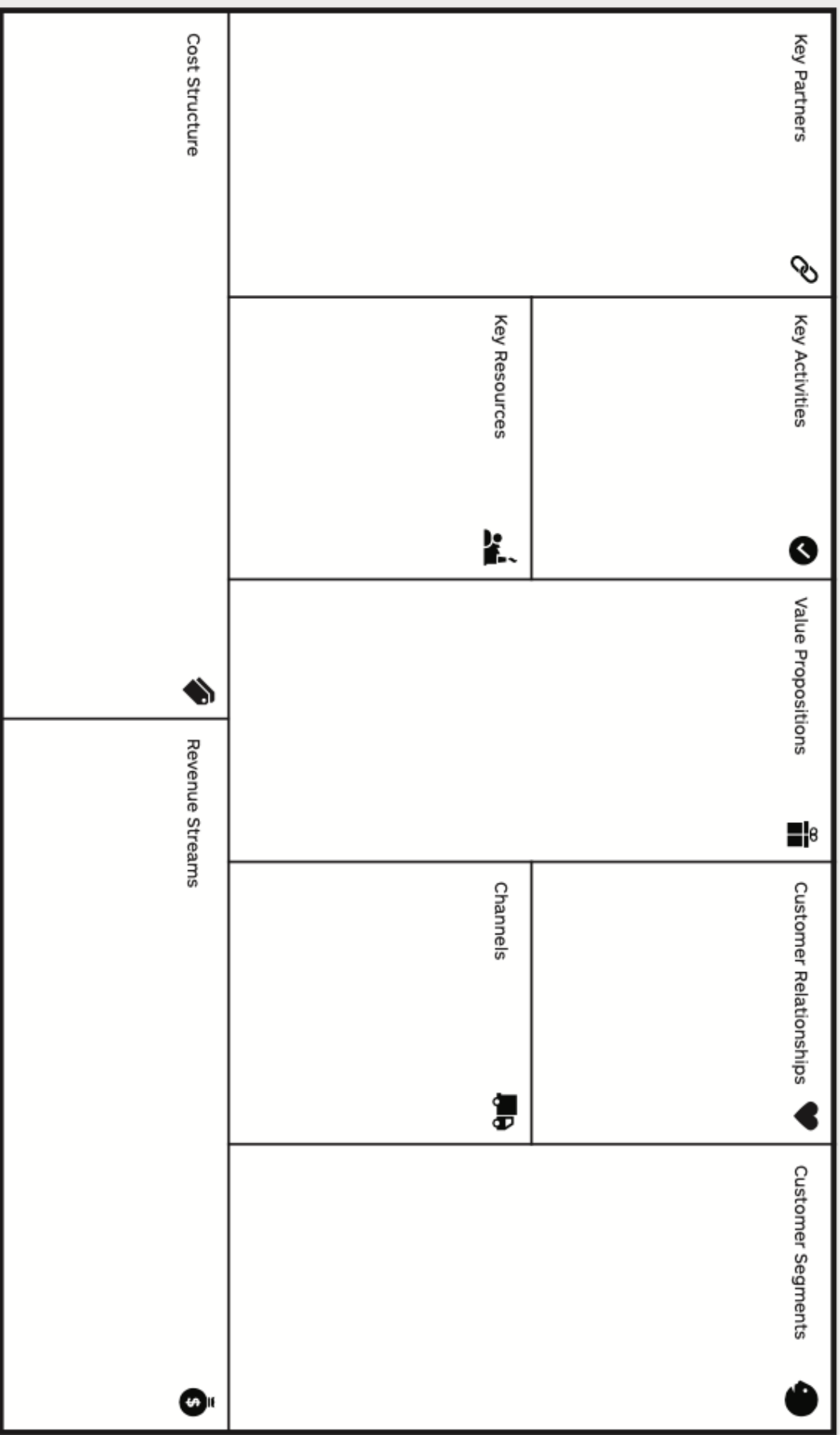
The Business Model Canvas

Designed for:

Designed by:

Date:

Version:



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DESIGNED BY: Strategyzer AG
The makers of Business Model Generation and Strategyzer



(Business Model Canvas – Download the Official Template, 2020)
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CHAPTER 5

CUSTOMERS: THE LIFEFORCE OF YOUR BUSINESS

Understanding Your Customer:

Without customers, you don't have a business. Therefore, understanding your target customer is key to delivering the correct solution to their problem(s). Conducting market and competitor research through online reports and databases as well as through one-on-one interviews/conversations with potential customers is essential to creating a viable product/service that solves an existing solution to your customers' problem.

Furthermore, outlining your customer segments can help you design your customer acquisition strategy. Do you have more than one customer segment? What are the demographics within each? How are these segments unique? What is each customer segment's familiarity with technology?

Having understood your customer and having developed a solution they need; it is time to promote your solution. A great product does not generate leads without adequate marketing and promotion. Your marketing strategy can make or break your business. Therefore, investing in a strong marketing strategy can guarantee you the sales required to maintain and grow your business.

Establishing an Online Engagement Center with the Customer:

To begin, set up a website for your business that simply explains your mission, vision, and purpose. Your website must include a proper contact page with correct contact information. It must also include photos and explanations of your offered products/services, as well as some customer reviews, if available. Developing a free asset and promoting it on the site then asking site visitors to submit their email addresses where the asset will be sent can help collect contacts for email campaigns.

After the website is set up, decide on a social media platform to start your presence. Understanding the platform most utilized by your customer segments can help you choose the appropriate platforms to launch your digital marketing strategy.

Marketing and Promotion to the customer:

Marketing your product/service can be achieved in many different ways. Some of which include printing and posting flyers in public places in your community, advertising on local media/news channels, offering free resources for educational purposes, creating email campaigns, hosting a webinar/podcast, publishing a blog, partnering with influencers for giveaways, and advertising on social media (Facebook/Instagram). You can start promoting on Facebook or Instagram depending on your customer segment as both offer affordable advertising solutions through campaigns that can be customizable to your business needs with the cost of \$0.50-\$1.00 per click on Instagram (Instagram Ads Cost in 2020, 2020)) and \$0.30-\$2.00 per click on Facebook (Musaev, 2020). Whichever marketing tool you decide to test, always analyze your results to learn what works and what does not, modifying your plan accordingly.

Once you have decided on the digital marketing platforms you intend to use for promoting your product/service, create a timeline for your advertising campaigns and a marketing plan to follow, which includes publishing online social media posts or blogs, etc. Schedule your plan on a calendar and create an actionable to-do list for each marketing platform. At the end of every month, calculate your cost per acquisition per marketing tool in order to help you decide on what to change in your strategy to ensure profitability, and decide on how much money you have available for investment into marketing the next month.

For detailed instructions on creating your marketing strategy including a digital marketing plan, refer to Hubspot's ultimate guide on marketing strategies, available at <https://blog.hubspot.com/marketing/digital-strategy-guide>.

In summary, to create a marketing strategy:

- Define your customer segments.
- Set up a website.
- Decide on which social media platforms to use and set up account(s).
 - Create a digital social media campaign.
 - Write up 5 different ad copy samples and test ad copy.
 - Analyze results and refine your ad copy accordingly.
 - Repeat until you have a viable conversion rate for the ads.
- Test other digital marketing tools (flyers, free resources on site, podcast, etc.).
- Update your marketing and digital marketing strategy according to the collected and analyzed monthly insights, scheduling action items onto a business social media calendar for guaranteed efficiency in implementation.

CHAPTER 6

PATIENCE THROUGH PRODUCTION: A PRODUCT PHILOSOPHY

What differentiates your business from that of others is your product/service. Therefore, spending time and effort to ensure the viability and potential of what you offer is worthwhile before you invest resources into creating, promoting, or delivering your product/service. Remember that what you offer must be a solution to an existing problem to enough customers who can access your product and whom you can access through your product promotion strategy (discussed in the next chapter).

Wherever you are in your product/service development process, keeping the user in mind will help you design the correct solution to the user's problem. If you are now beginning your product development process, it is highly recommended that you conduct interviews with up to 10 of your ideal customers to understand their true pain points and how your business can offer the solution. You can achieve this by reaching out to ~10 friends or family members, strangers if you so wish, and ask if they would be willing to anonymously discuss the problem your business intends to solve through an open in-person or over the phone conversation.

Consult with your legal advisor on the protective measures to take throughout your consumer and market research processes in order to protect your business idea. This can include non-disclosure forms for your interviewees to sign or other measures depending on your specific business structure and product/service. If you decide to record your conversations, inform the interviewees of recording and ensure proper storage and discarding of these interviews. Your interviews are open conversations with prospects. However, you can steer the conversations in a direction that guides your users to uncover truths about their experience with the problem. To do so, you may use the following guiding questions:

- Describe the problem and how it impacts your life. How does this problem make you feel? How do you currently solve this problem?
- What solutions have you tried?
- Which have you kept using and which have you stopped using?
- How do you approach finding solutions to this problem?
- Where have you found the solutions to this problem?
- How much money/time/resources have you spent attempting to solve this problem?
- Do you know others in your network who experience the same problem?

The answers to these questions from your interviewees will provide you with the insights to thread your future market research and develop your product/service. Once you've understood your users and have an idea of your potential product/service, make sure you also understand your competitors, their strengths and weaknesses, and their forms of customer acquisition, before you develop a product/service that does not differentiate you from already existing strong competition. Competitor analysis can be achieved through various platforms. There are some free services including Follow, Ahrefs, QuantCast, and App Annie. One of the popular free resources is Similar Web, which is a site that quantifies monthly traffic of your competitor's site, ranks their app/website among others, and provides information on the location of users and more. Use this information wisely as you design to differentiate from and compete with existing solutions.

Having understood your target user and competitors, develop a minimum viable product (MVP), which is basically a product that is developed to the minimum to where it still offers its core functionality. As you create your MVP, be mindful of the resources invested, as you will likely have to change the product after further user research.

Return to your users with the MVP and watch them use it, taking notes throughout every step of their user experience, from the unwrapping to using/consuming of the product/service, noting their pain points and highest emotional peaks. Observe and record, then ask questions for clarifications, but make sure you observe, record, then ask.

Use the data collected to refine your product/service and repeat the last step to further refine until you and your ideal user find the product/service to be ready for the market.

As you develop a product/service for your business, remember to:

- Conduct the necessary research to understand the problem you are attempting to solve.
- Create an MVP and test for user experience.
- Refine your MVP and return to the user for further product assessment.
- Finalize product/service development based on the collected feedback.

CHAPTER 7

LEGAL AND LOGISTICAL SETUP: A MUST-NOT-POSTPONE STEP

You must consult with an accountant and attorney on the proper setup for your business. You might qualify for pro-bono legal services offered by private law firms in your community or legal nonprofits dedicated to supporting small businesses with pro-bono legal services. Probono means for the public good, which is a term to describe a free service. In order to find probono legal services for your business, google search “pro-bono legal services business development [your town/city of residence]”. You can also call your resettlement agency to request support in finding such services.

There are multiple options for which business entity to choose for your business, including:

- Sole Proprietorships
- Partnerships Corporations
- S Corporations
- Limited Liability Company (LLC)

You can read about each extensively: <https://www.irs.gov/businesses/small-businesses-self-employed/business-structures>. The type of your business entity will depend on multiple factors, so conducting your research and communicating to your legal advisor your company's business model and vision for its future can help your advisor guide you towards your most appropriate choice.

Once you have chosen your business structure and filed for registration of your business entity and completed all other logistical steps related to the legal and tax structure setup of your business, consult your tax advisor and accountant on setting up a separate business checking account and business credit card. This can serve you in the future by streamlining your tax-filing process and can help you separate your personal finances from business finances for a clearer understanding of where each stands independently.

As for other account setups, these will depend on the operations required for your business to function and whether or not you have any employees. You will most likely need a merchant account to process your payments. There are multiple providers of payment processing software including Square, Stripe, PayPal, and Authorize. As you decide on your legal and logistical set up, ensure you have done your research and consulted the proper advisors on what serves your business best, as different business structures and models require different logistical and software set up.

Furthermore, if you think your idea can be easily replicated, consult your legal advisor on registering early for copyright protection or trademark or whichever other legal protective measure(s) your business requires.

Follow the checklist below for guidance:

- Meeting with attorney and accountant to consult on the following:
 - What is the proper tax set up for my business model?
 - What is the proper business structure for my business model and company vision?
 - What are the steps required to set up my business entity, register with the government, and set up my business tax account?
 - Do I need to file for patent, trademark, or copyright applications for any product/process/system/service/etc. within my business? If so, how?
 - When/how do I open a business checking account and business credit card?
 - How do I set up a payment processing system to handle transactions from customers?
 - What other steps am I missing in this process that I should be aware of?

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CHAPTER 8

PROCESSES AND SYSTEMS: MORE ASSETS

The processes and systems you create in your business will serve as assets for you. In order to increase your profit, you can reduce your expenses or increase your revenue. In order to increase your revenue, you can increase the price of your product/service or increase the number of sales by reaching more customers through expansion to different locations or investing more into digital marketing. If increasing access to your product by reaching more customers is your goal, then building strong processes and systems to replicate as you grow your business can help you scale and reach more customers more quickly. Otherwise, you would need to hire more and more people, which if hired without a proper setup of adequate processes and systems, can recreate your existing problems (Castillo and Plachy, 2020).

Therefore, establishing proper processes to produce your product/service can help set your business for success. This is especially important if you have the intention of selling your business in the future, as it prepares you to separate yourself from your business by having prepared strong processes/systems in place ready to replicate independently of you.

Answer the following questions to assess where your business stands in relation to its processes and systems:

- Do you have a step-by-step guide for producing/creating your product/service?
- Is that process clear and replicable to anyone it is handed to?
- Can your product/service be created without your supervision?

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CHAPTER 9

YOUR PEOPLE: HIRING, MANAGEMENT, AND COMMUNICATION

When to start hiring?

When you start your business, you will likely be wearing multiple hats for a period of time, until you have mastered your processes and systems, generated significant revenue, and can no longer upkeep the demand as a solopreneur. You can access help through hiring or outsourcing some of your business needs including marketing, accounting, and delivery, or by forming new distribution partnerships. **If you decide to hire, who do you need to hire exactly and for what?** In order to reach clarity regarding this question, pay attention to what requires more time than your workday allows. **Where do you generate the most value for your business? Which tasks keep you from investing your time where you can generate the most value for your business? Can you set up detailed processes and systems for replication by new hires to save your time?**

How to hire?

There are multiple online job recruiting sites, where you can post the job description, which needs to sell the right employee on this job. Once you have received enough resumes, ensure having a filtration process, where you ask all applicants to submit some task that embeds a layer of difficulty or requires more thinking and effort to complete than a questionnaire would. This can be submitting a video or uploading documents onto a drive following a specific set of instructions. Pay attention to who completes these tasks on time and as quickly as possible. Always consult with your legal advisor on the legal measures to follow throughout your hiring and onboarding or firing processes. You can also outsource hiring to a staffing agency or a Recruitment Process Outsourcing provider (RPO). Before you decide whether to hire independently or outsource hiring, make sure you understand the advantages and disadvantages of both to make the soundest decision for your business.

Who to hire?

Once you have decided on a potential employee, onboard them for a trial period, which you can decide the duration of, based on the tasks and how much training is required on your part. Throughout the trial period, allow your employee to ask all the questions and come to you with their assumption of the correct answer for your review and approval. Provide the employee with a detailed guide on running your processes and systems to limit the amount of questions that would arise.

By the end of the trial period, decide on whether to renew your employee's contract into a full-time role, based on their compliance with your company's values and constitution, and most importantly their ability to efficiently achieve results that generate value/profit.

The people of your company are an asset. Therefore, investing your time and even some resources into attracting the right employees for your company with the required skills and values that match your constitution is an essential long-term investment in your company. The employees you hire and how they operate based on the expectations you set for yourself and them makes your company culture. Decide on the company culture you wish to create and embody that for your employees, expect them to live to the expectations, and have police in place for when expectations are not met.

How to manage your hires?

Make a plan that differentiates the tasks each of your employees is responsible for and hold employees accountable to completing these tasks. Set up regular meetings with your employees to hear updates and address concerns.

- **How many times do you meet with your team? Weekly? Monthly? Quarterly?**
- **What do each of these meetings intend to achieve?**

Before you set any meeting, have a clear agenda of what you would like to achieve by the end of the meeting and invite only the relevant employees. Pay attention to how you operate in your business because that will dictate how your employees operate within the business. Start your meetings on time and end on time. Review results and allow everyone the opportunity to speak during meetings. Be the example of your most ideal company employee as an employee of your company yourself.

How to communicate with employees?

How to communicate with employees? In order to ensure time is not wasted answering repeating questions or addressing issues for your employees that they already know how to address, create a communications guide as part of the company manual, which you can provide to your employees throughout their onboarding process. Communication guides are basically outlined questions that you and your employees can answer in communicating with another team member regarding a specific topic. For example, you can create communication guides for requesting an update, problems, new ideas, delegation, and questions. Each of these guides would list a set of questions that an employee answers then sends to the intended point of contact. This helps team members understand how each is thinking. It also requires team members to attempt addressing issues independently before seeking help from other employees, thus saving time.

For example, if an employee has a new idea, they can use the new idea guide to answer questions about their new idea and best explain it in writing then sending their answered guide to their manager. Once the manager receives the completed new idea guide by an employee, they are able to comprehend the new idea fully. This will allow the manager to quickly decide whether to proceed and set up a meeting with the employee to further discuss and set specific action items, or whether to table, modify, or discard the idea. Communication guides are time-saving tools for your company. Establishing a habit of using communication guides among your employees can improve overall efficiency of your business.

Answer the following questions:

- **Which communication guides do you wish your employees to use?**
- **What are the questions within each of these guides?**

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CHAPTER 10

FINANCING YOUR BUSINESS: MICRO-LOANS, GRANTS, CROWDFUNDING, AND MORE

There are a variety of ways to finance a business. Some of these include loans/micro-loans, grants, crowdfunding, or outside investment.

Micro-loans:

Typically, these are appropriate for small and short-term use of capital for purposes such as financing the purchase of inventory and supplies, a new marketing plan, payroll, or other expenses. Some of the small business loan providers for minority women can be accessed on:

- SBA's Lender Match Tool (<https://www.sba.gov/funding-programs/loans/lender-match>)
- Kiva: <https://www.kiva.org/>
- Lending Club: <https://www.lendingclub.com>
- Grameen America: <https://www.grameenamerica.org/program>
- Opportunity Fund: <https://www.opportunityfund.org/get-a-loan/>
- LiftFund: <https://www.liftfund.com/loans/>
- Funding Circle: <https://www.fundingcircle.com/us/small-business-loans/>
- OnDeck: <https://www.ondeck.com/business-loans>
- Kabbage: <https://www.kabbage.com/small-business-loans/>
- Mission Asset Fund: <https://missionassetfund.org/business-programs/>

Grants:

There is a variety of grants offered for small businesses. Qualification requirements depend on the grant. Some grants are available to members of certain communities: women, specific minority groups, residents of certain geographic regions, and others. If you are a refugee woman looking for a startup grant, type in your search engine the key phrases: "refugee women entrepreneurship grant", "grants for disadvantaged groups", "grants for minority business owners", "refugee startup grant", and "startup grant [your local community]". Use your findings to apply for any select opportunities for which your business meets the requirements.

Some databases and opportunities to reference for finding women and minority specific grant opportunities are:

- Grantwatch.com
- Grants.gov
- Grantsforwomen.org
- sba.gov (U.S. Small Business Administration)

Some of the grants available for immigrant and refugee women business owners as of the publication date of this guide are:

- Eileen Fisher Women-Owned Business Grant: <https://www.eileenfisher.com/social-consciousness/grants-overview>
- The Red Backpack Fund: <https://www.globalgiving.org/red-backpack-fund-faq/>
- The Amber Grant: <https://ambergrantsforwomen.com/get-an-amber-grant/apply-now/>

Venture Capital:

This is a form of financing from venture firms, which invest capital in startups in exchange for equity or loan repayment with interest. Some venture firms are focused on investing in women and minority founded startups. These include:

- Unshackled VC: <https://www.unshackledvc.com/>
- One Way VC: <https://onewayvc.com/>

Crowdfunding: This form of financing allows you to rely on your community and beyond to finance your business through an online platform, on which you can set up an account and publish your fundraising campaign with your monetary goal, your story, the story of your business, your business model, as well as any other information you think your backers should know about you or your business. Some of the crowdfunding sites are:

- Indiegogo: <https://www.indiegogo.com/>
- Kickstarter: <https://www.kickstarter.com/>
- gofundme: <https://www.gofundme.com/>

Other Resources:

- Minority Business Development Agency: <https://www.mbda.gov/enterprising-women-of-color>
- Gust: <https://gust.com/>

Notes:

CHAPTER 11

BOOKKEEPING: P&L REPORTS, BALANCE SHEETS, EXPENSES, AND FUTURE FINANCING

Your business will breathe in income and breathe out expenses. You must keep track of both, in order to properly file for taxes and understand where your business stands, what has been working and what you need to modify. As your business grows, manual bookkeeping will become difficult, therefore, it is recommended that you utilize one of the available automated bookkeeping softwares, such as Quickbooks. Spend however time you need to understand the software and label your expenses in categories that are most appropriate for your business.

Hire an accountant to handle your financial reports and assist you in filing for taxes. Set quarterly meetings with your accountant to ensure you are on track for meeting your revenue goals and are setting the proper amounts aside for taxes, so you are prepared to pay your taxes by the deadline on April 15th.

P&L Reports (Profit & Loss Reports):

:These reports help you measure the health of your business. They portray information on the revenue, cost of goods, gross profit, expenses, and the net income. The **revenue** is the amount of income your sales generate. The **cost of goods** is the amount spent to create your product/service, which generates revenue. **Gross profit** is the revenue minus cost of goods, which shows whether or not your product/service is profitable. **Expenses** are the ones not related directly to producing your product/service, including monthly recurring payments such as internet, office rental, any overhead expenses, and payroll. Finally, the **net income** is your gross profit minus all other expenses. Checking on your P&L reports periodically can help you observe where you need to adjust your cost of goods or other expenses to adjust your net profit. Remember that what you contribute to the business as an owner (**owner contribution**) or what you draw from your business (**owner distribution**) does not appear on the P&L report, so you must account for that while examining your report (Castillo and Butler, 2020).

Balance Sheet and Reconciliation:

While P&L reports show how much profit your business generates, these do not take into account the total value of your business, including assets, liability, and your equity as the owner.

Balance sheets will show:

- **Assets:** all that your business owns in cash or in what could be converted into cash. For example, the cash in your business accounts as well as any company vehicle, property, patent on a product/process etc.
- **Liabilities:** anything you are liable to pay, such as debt or credit card balance.
- **Owner equity:** this part of the balance sheet shows the money that goes into the business independent of sales. Owner equity is where owner distributions, capital contributions, owner's personal taxes (another version of owner distributions) and retained earnings (leftover money not withdrawn from the previous year) are reported.

By frequently checking whether assets minus liabilities is above zero, you have a clear up-to-date idea on whether you need to build more assets or reduce liabilities to keep your company profitable. Reconciling your balance in your bank account against your bookkeeping software is a healthy process that should be repeated as many times as you find appropriate for your business, whether that be daily or weekly. Reconciliation is simply comparing the balances in your bank account against what your bookkeeping software reflects. This helps you catch mistakes in a timely manner when you still have some flexibility and power to fix them. This also helps ensure you always have a clear and real understanding of your business's true numbers (Castillo and Butler, 2020).

Expenses:

- **Taxes:** legally-required amount paid on your business to the IRS (Internal Revenue Service). You are taxed only on the profit you make. The higher your profit is, the higher the tax bill will be. This, however, is not something to avoid, as high profit suggests that your business is creating great value in the world. How you pay your taxes depends on the structure of your business entity (sole proprietorship vs S corporation or other). Consult with your attorney and accountant on the best practices for your business. Taxes include income tax (as an employer and as an employee), medicare tax, and social security tax.
- **Investment:** amount taken from profit to reinvest back into the business.
- **Business expenses:** money spent on what keeps the business alive, including payroll, overhead, utilities, and others. During the early stages of your business, spend what you generate in revenue back into the business until you have what exceeds the amount you would need to spend on marketing. Then you can start taking a salary for yourself after having ensured that enough was being invested in promoting your product/service to create sales.

- **Distribution:** money distributed back to the owner(s) without a paycheck. Distribution is taxed differently from salary, as the salary is a business expense, while the distribution is what you draw from the profit as a business owner. Discuss with your attorney and accountant what is a reasonable salary to pay yourself as a business expense. Pay yourself a salary as you'd get paid for working in your company if it wasn't your company. Consider the distribution from profit as what you receive for having founded the business. It is recommended that you pay yourself a salary based on what is offered in the market for what you do to your company. This salary can be written off as a business expense in order to reduce the amount of profit you will be taxed on initially (Castillo and Butler, 2020).

Cash Reports and Future Finance:

Get in the habit of thinking futuristically about your business. Set realistic goals for each year and frequently discuss with your team to check in where you are in relation to your goals, so you can adjust your action plan accordingly. Create lead reports to clearly show your revenue goals for the year broken into monthly goals, taking into account what you will spend on marketing, taxes, other expenses, as well as how much profit you wish to create. These reports can guide your action plan for the month. For example, if your monthly profit goal is compromised during one month for unexpected expenses, you can adjust your action plan to generate more sales the next month to compensate for that loss and stay on track towards your overall yearly goal (Castillo and Butler, 2020).

Answer the following questions to create your lead cash reports:

- What is your revenue goal for the year?
- How much revenue do you need to generate monthly to accomplish your yearly goal?
- What is your profit goal for the year?
- How much profit do you need to generate monthly?
- How much will you allocate for taxes monthly?
- How much will you allocate for marketing monthly? How much will you allocate for business expenses monthly?

Notes:

CHAPTER 12:

ONGOING RESEARCH & DEVELOPMENT

As you grow and develop your business, be sure to frequently assess whether you are evolving in harmony with the market's evolution. Return to your business model canvas and re-create one every quarter or however frequently your business requires to ensure keeping up with market evolution and consumer demand changes. Keep note of your successes and failures as you develop, as these are your greatest teachers.

As you grow, return to your business model canvas and re-answer these questions:

- **Key partnerships:** are your suppliers meeting your demands in a timely manner with proper quality standards?
- **Key activities:** what new activities can your business pursue to innovate on your product offerings and reach more customers? How can your product be developed to beat competitors in the market? Are there new needs emerging for your customers for which you can offer new products/services? If you offer more than one product/service, which has been the most profitable? Which has been the least profitable? How can you improve your packaging? How can you improve the user experience? Which processes in your business have proven effective?
- **Key resources:** are the resources currently used for your business cost-efficient? Are resources meeting quality standards?
- **Value proposition:** is your value proposition still relevant for your customers today? How is the market evolving? Are there new competitors attracting your customers? How can you innovate to differentiate from your competitors and maintain a unique value proposition?
- **Customer relationships:** where do you have the highest engagement rates on social media? Which of your platforms drive the highest traffic to your website? What marketing strategies have resulted in the highest return on investment for your business? Which marketing strategies have proven ineffective?
- **Customer segments:** have you lost or gained new customer segments? How have your customer segments changed?
- **Distribution channels:** what are the best ways to reach your targeted customers today
- **Cost structure:** what are the highest expenses in your business? How can you reduce costs and increase sales?
- **Revenue streams:** what are your customers' most preferred means of payment? How do your revenue streams rank today?

SUMMARY

Your entrepreneurial journey starts with an idea.

When you confirm the viability and demand for your solution to an existing problem, you can create a business around your idea.

Committing to that solution from the start will help you sustain through the challenging aspects of the journey. Your commitment and your purpose will keep you motivated and reminded of why you stepped foot on this journey in the first place. Expect the journey to be both satisfying and challenging.

As you grow your business, you will grow your capacity to create value for yourself and others around you. Start with your target customer. Get to know them, their pains and gains, familiarizing yourself with their language (the words they use to describe the problem your solution addresses). Do your market and competitor research to ensure you are differentiating yourself with a unique value proposition. Test your product/service with the customer. Refine and repeat until you are ready for launch.

Set up your business appropriately in consultation with an attorney and accountant. Establish clear guides for processes and systems. Set up a marketing strategy and start selling. Only begin to withdraw profit when you've generated enough revenue to exceed your marketing expenses. Work no more than your capacity, allowing yourself time to recharge. Hire strategically based on your business needs. Keep track of your bookkeeping through appropriate software and meet quarterly with your accountant and team to ensure your business is on track for meeting its revenue goals. Reconcile your balance sheets with bookkeeping software balance to avoid mistakes and solve for errors in a timely manner. Use lead cash reports and future financing to create action plans and adjust them as needed based on the preset profit and future revenue goals of your company.

Your business is ever evolving as the world in which it operates is ever evolving. Make sure you are always aware of your customers' needs and upcoming innovations in the market.

Flexibility and resilience are essential for your business to survive and thrive. As you move towards your goals, ensure you are taking appropriate care of your team and yourself, as you are your business's biggest asset.

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