

How to Start a Successful Business

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Topics

1. The pain
2. Your solution
3. Your market
4. Your competition
5. Go to Market Strategy
6. Monetization Strategy
7. Financial projections
8. Funding
9. The Team
10. Status

The Pain

- Unsolved problem, or existing solutions are too
 - Expensive
 - IT - AWS
 - Hotels - airbnb
 - Hi fashion – Rent-the Runway
 - Scarce
 - Transportation – uber, lyft
 - Inefficient
 - Organizers – evernote
 - Real time traffic info – waze
- Enough people are willing to pay enough money for your solution to make money

Your solution

- Must be better than alternatives
 - Price – AWS has reduced startup costs by >90%
 - Availability - Uber puts more cars in more places
- **Efficiency**
 - waze crowd sources traffic info
 - evernote copies your notes everywhere
- Implementable
 - Reasonable time
 - Reasonable cost

Your market

- Who is your solution for?
 - Rent-the-runway: urban fashionistas
 - VMTurbo: large IT environment professionals
- How much can they pay (directly / indirectly)?
- How big is this market?
 - Is it growing?
- What percent market share do you need for a successful business?

Your Competition

- Who else solves this problem for this market?
 - You must understand every aspect of your competition better than even they do
- Your solution vs. the competition
 - must be quantifiably different and better

Go to Market strategy

- How will you reach your target market?
 - Advertising
 - Cold calling
 - SEO, SEM
 - Blogging, bloggers
- How will you make them want your product
 - Social Media Marketing
 - Traditional marketing, events, website

Monetization Strategy

- How will you make money from your product?
 - Charge for it
 - Monthly/annual subscription vs. single product sale
 - Netflix, itunes
 - Perpetual license plus annual maintenance
 - Ecommerce
 - Affiliate marketing
 - NYTimes online - Bring business to others – rev share
 - Data/Analytics – collect & sell them
- How will you sell?
 - Directly: hire a sales force, open a storefront?
 - Indirectly: partner with distributors or OEM

Financial projections

- How much will you sell to whom and when?
- How much will it cost you to build the product?
- How much will it cost you to run the company on an ongoing basis?

Funding

- How do you get funding?
 - Friends and Family
 - Angels
 - Professional investors – VCs, corporate venture arms
- Crowd: Kickstarter, indiegogo – people who want to see a product built

The Team

- Who are you?
- Why are you the right team to build this business?

Status

- What stage is your company/product at
 - concept, MVP, beta, shipping?
- Current number of users, paying customers, partners
- Revenue, profit today
- Roadmap for tomorrow
