



# GETTING STARTED WITH AN IDEA

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# Successful Startups

You need three things to create a successful startup:

- 1) to start with good people
- 2) to make something customers actually want
- 3) to spend as little money as possible

Most startups that fail do it because they fail at one of these.

A startup that does all three will probably succeed. \*



*\*Paul Graham <http://www.paulgraham.com/start.html>  
(Derived from a talk at the Harvard Computer Society.)*

# 15 REASONS FOR A BUSINESS PLAN

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15. Set specific objectives for managers.
14. Share your strategy, priorities and specific action points with your spouse, partner or significant other.
13. Deal with displacement
12. Decide whether or not to rent new space.
11. Hire new people.
10. Decide whether you need new assets, how many, and whether to buy or lease them.
9. Share and explain business objectives with your management team, employees and new hires.
8. Develop new business alliances.
7. Deal with professionals.
6. Sell your business.
5. Valuation of the business for formal transactions related to divorce, inheritance, estate planning and tax issues.
4. Create a new business.
3. Seek investment for a business, whether it's a startup or not.
2. Back up a business loan application.
1. Grow your existing business.

*<http://www.entrepreneur.com/startingabusiness/businessplans/businessplancoachtimberly/article83818.html>*

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# STARTING RESOURCES

For examples, resources, workshops, advise, and seminars I highly recommend the following:

## RI-Bizplan.com

The event organizers compiled a great list of free resources

## Rhode Island Small Business Development Center at Johnson & Wales

Provide broad-based and high-quality, "No Cost" one-on-on counseling and low-cost group educational services. Their free lectures and workshop are a great place to start.

Website: <http://www.risbdc.org/>

Telephone: 401.598.2702

## The Providence Chamber of Commerce

Essential Skills for the Entrepreneur's series (outstanding course), networking events, and workshops are great.

<http://www.providencechamber.com/>

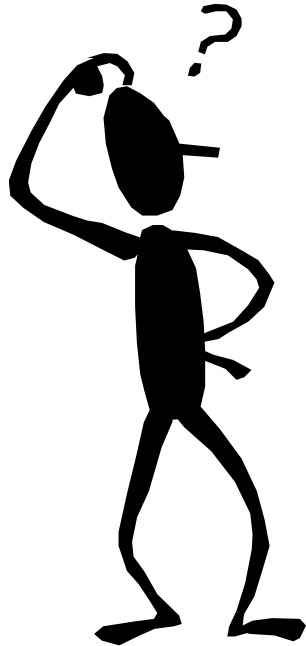
Telephone: 401.521.5000

# AN IDEA

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*Peace of Mind, Confidentiality, and National Coverage*



I had just returned from China and was consulting for a child safety and biometric company. During a dinner party, a doctor mentioned that wandering patients were a real problem at the hospitals.

With a little research, one thing lead to another until I came across wandering Alzheimer's patients. Not just at hospitals but at home too. Decided on an efficient Alert and ID system that would help expedite the return of wandering dementia patients.

# TALK IT OVER

Talk it over with friends, family, business colleagues, and/or clients.

Take notice of their questions and/or concerns. It's a good starting point.

*How would it work?  
How much would it cost?  
Who would buy it?  
Where would I buy it?  
How come no else has done this?  
Wow, I love the idea!*

**Most Importantly, do they like idea?**

If not, why?

Do you agree or disagree with them?

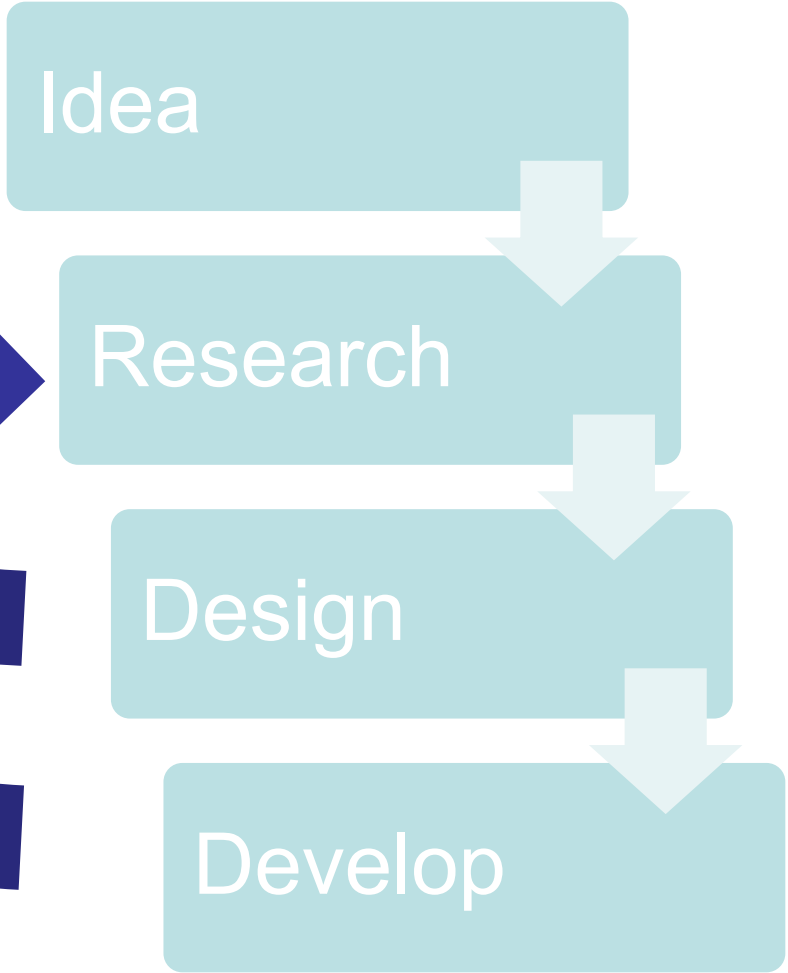
Why?

Is it realistic?



# RESEARCH / UPDATE

MISSINGPATIENT.COM



# GATHER DATA FOR A 360 APPROACH

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- Google.com various keywords and phrases. Follow links and write down ideas
- Read local and national newspapers / trade magazines
- Search for statistics and demographics
- Talk to people in the industry
- Research the competition
- Research design materials / Get quotes



\* Alzheimer's Association (Alz.org)

\*\* Study conducted by the National Search and Rescue (NASAR.ORG)



# “Goal of the Company”

- Expedite the return of a missing person that has wandered
- Reduce the strain on local and state police
- Help those suffering from memory impairment, not just those with dementia
- Provide a much needed affordable community service



# BEGIN TEMPLATES (STARTUP COST)

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**Cost of sales:** Product inventory, raw materials, manufacturing equipment, shipping, packaging, shipping insurance, warehousing

**Professional fees:** [Setting up a legal structure for your business](#) (e.g. LLC, corporation), trademarks, copyrights, patents, drafting partnership and non-disclosure agreements, attorney fees for ongoing consultation, [retaining an accountant](#)

**Technology costs:** Computer hardware, computer software, printers, cell phones, PDAs, website development and maintenance, high-speed internet access, servers, security measures, IT consulting

**Administrative costs:** Various types of business insurance, office supplies, licenses and permits, express shipping and postage, product packaging, parking, rent, utilities, phones, copier, fax machine, desks, chairs, filing cabinets – anything else you need to have on a daily basis to operate a business

**Sales and marketing costs:** [Printing](#) of stationery, marketing materials, advertising, [public relations](#), event or trade show attendance or sponsorship, trade association or chamber of commerce membership fees, travel and entertainment for client meetings, mailing or lead lists

**Wages and benefits:** Employee salaries, payroll taxes, benefits, workers compensation

# FINDING NUMBERS

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<b>Statistics:</b>	RI.GOV, wikipedia.com, public company and/or non profit websites, Google
<b>Salary:</b>	Payscale.com or compare resumes at Monster.com, Hotjobs.com <i>Employee Benefits: around 15%</i> <i>Rhode Island Payroll Tax:11%</i>
<b>Marketing/Sales:</b>	Local Marketing and PR companies, Local TV – Cox.net, Newspaper Projo.com, Yellow Pages, BBB, Radio
<b>Loan Calculator:</b>	Bankrate.com then select loan calculator and amortization (It breaks up principle and interest over x years.) Great tool.
<b>Rhode Sales Tax:</b>	7%
<b>Insurance:</b>	Call your local insurance for a quote
<b>Office:</b>	Call your local real estate broker or inquire about shared, virtual and/or serviced office space.
<b>Printing estimates:</b>	Kinkos.com, Staples, Vistaprint.com
<b>Legal:</b>	Call your local lawyer or visit Legalzoom.com
<b>Computers/Printers:</b>	Dell.com, gateway.com, bestbuy.com, circuit city, staples, officemax.com
<b>Website:</b>	Godaddy.com, Hostcentric.com, ServerBeach.com, Rackspace.com Domain: \$10 (godaddy.com) Hosting: \$7.00 deluxe (godaddy.com) Simple E-commerce setup (20 items): \$168 (godaddy.com) Custom Designs: SHAZAMM.NET (local Rhode Island based company) Professional E-commerce solutions: <a href="http://www.volusion.com/">http://www.volusion.com/</a>
<b>Web marketing:</b>	Google Adwords, constantcontact.com, tribalfusion.com, cj.com

# TIPS SOFTWARE

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- Try to learn Microsoft PowerPoint, Excel and Word (or consider Openoffice.org ) You can download a 60-Day Trial version Microsoft Office 2007 for free.

- [Http://www.microsoft.com](http://www.microsoft.com)

- Try to use spreadsheet templates for the financials. They can save you a lot of time with each revision. You can search for templates at:

- <http://office.microsoft.com/en-us/templates/default.aspx>

- If you are new to spreadsheets, try one of the business planning software. Palo Alto Business Plan Pro 2007 has very good financial table setups. Try to be original and keep the wording your own. Once you've completed the tables and charts, you can export them into Microsoft Word.

- PaloAlto.com – Try have a 60 Day Money Back Guarantee

- Alternative, try Download.com – Keyword search “Business plan”. Read the reviews.

# RI-BIZPLAN.COM

[How We Won the 2007 Business Plan Competition](#) – Campus Guardian (PPT)

[How We Won the 2007 Business Plan Competition](#) – Providence Health Solutions (PPT)

[Writing the Winning Business Plan](#) by Jack Derby (PDF)

[How to Present Your Business Plan](#) by George Simmons (PPT)

[How to Present Your Business Plan](#) by Ted Danse (PDF)

[Developing Financial Projections](#) by Larry Davidson (PPT)

[Sample Financial Statements](#) (Excel workbook)

[Sample Presentation: Narragansett Brewing Co.](#) (PDF)

[www.bplans.com](#) – Practical information on how to develop a business plan.

[www.derbymanagement.com/knowledge/pages/creating/winning.html](#) – A guide to developing plans, with Do's and Dont's.

[www.answers.com/library/Business%20Plans](#) – Actual business plan that have been successfully used by a live business owners

[www.business-plan.com](#) – Books and software for developing business plans.

[www.sba.gov/starting\\_business/planning/basic.html](#) – A self-directed tutorial from the Small Business Administration.

[Anatomy of a Business Plan](#) by Linda Pinson

[Businessplan.Com: How to Write an Ecommerce Business Plan](#) by L. Manning Ross

[The McGraw-Hill Guide to Writing a High-Impact Business Plan: A Proven Blueprint for First-Time Entrepreneurs](#) by James B. Arkebauer

[Your First Business Plan: A Simple Question and Answer Format Designed to Help You Write Your Own Plan](#) by Joseph Covello and Brian J. Hazelgren

# LAST TIPS

1. Thorough research utilizing statistics with references. Consider all the variables

2. Know the competition in and out

3. Understand your market and develop strong marketing strategies with realistic projections

4. Emphasized the strength of your concept

5. Real world data and experience from the pilot

6. Get outside help (opinions and reviews) from friends and family. Fresh eyes multiple opinions are invaluable.  
Constantly review your projections

7. Practice your presentations and review your work

8. Be prepared for any question. Keep It Simple, Stupid (K.I.S.S.) Make sure they can understand it. Not everyone is a scientist, lawyer, or investment banker. Be to the point and use pictures and diagrams to help illustrate your idea.



# BENEFITS OF WINNING

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- Creditability to the concept
- Opens a lot of doors
  - Helped to attract strategic partnerships
  - Helped to attract consultants and potential employees
  - Helped to attract potential investors and advisors
- National press
- Great sense of accomplishment





Good Luck!