



## 7 STEPS FOR STARTING A BUSINESS AND MINI BUSINESS PLAN

*Tory Johnson is the workplace contributor on ABC's "Good Morning America." She's the founder of Spark & Hustle and Women For Hire. Ask her your small business questions anytime at [Facebook.com/Tory](https://www.facebook.com/Tory) or [Twitter.com/ToryJohnson](https://www.twitter.com/ToryJohnson).*

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### **Be Clear on Why You want to Start a Business**

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While the idea of starting a business may be daunting, the fatigue of looking for a job may be even greater. Taking control of your working life by venturing out on your own may be scary, but doing nothing can be worse. That said, don't start a business because you've run out of options. If you're truly interested in doing your own thing and you're ready to go for it with gusto, then small business ownership can be the most frustrating and the most freeing avenue—with the possibility of the greatest financial security.

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### **Determine Your Business Type**

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You don't have to reinvent the wheel. The best idea for you may be tried and true with your personal twist. When I started Women For Hire 12 years ago, career fairs were a dime a dozen -- still are. I put my spin on the category by focusing on women and I created a very successful business. Today I'm doing the same thing with my new venture -- Spark & Hustle. I'm putting my twist based on my experiences on helping current and aspiring small business owners to launch and grow their businesses. Take a look around and you'll see no shortage of repeatable ideas: People buy cupcakes, we all get haircuts, everyone likes some kind of jewelry, at some point plenty of homes need plumbers. Competitors can co-exist quite successfully. You just have to execute your version really well. So nail your idea -- and keep in mind that a service business (a service you provide based on your expertise) is much less expensive to launch than a product business where it costs money to create a tangible good.

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### **Create a Simple Business Plan**

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Most new aspiring business owners think they're supposed to sit down and write a detailed and lengthy business plan, making all sorts of wild assumptions about how much money you'll make in five years, and so on. Some people worry so much about dotting every "i" and crossing every "t" until their plan is just perfect, they never start their business. For a basic business, I favor a one-page business plan that covers what you offer, who you're targeting, how much you'll charge and what you'll do to make it happen. It's a fluid process that will change once you dive in, so keep it simple at the start.

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### **Nail Your Target Customer**

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Determine exactly who your customers are with great specificity. If you're creating a skin cream, don't say "all women" or "everyone with skin" could buy from you. Is it targeted to women who visit a dermatologist for monthly facials or to women who grab anything from the drug store aisles? Your ingredients, process, packaging and pricing will all determine who the customer is. Be specific: I'm going to provide bookkeeping services for restaurants; I'm going to create social media campaigns for self-published authors. The more you can pinpoint your targeted client, the more focused your marketing efforts will be to reach them. You'll be able to ask for the right referrals and you'll know who and what to search for on the Internet.

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### **Perfect Your Pricing**

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Your pricing shouldn't just cover your costs; it must also generate a profit for your business. Don't undervalue your time and talent, which is a classic mistake. One option is to work the numbers from the top down: What are you looking to make annually? How does that break down monthly and weekly? How many products must you sell or how many clients will you need to bring in to meet those numbers? What are all of the costs associated with delivering that product or service? None of this requires fancy charts or advanced accounting skills. Plan around with the numbers so you know what's realistic as you get going—and revisit your numbers monthly.

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### **How to Find Start-Up Money**

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Until you start bringing in sales, you must keep costs down. Think creatively: it would be great to rent a fancy commercial kitchen to bake those cupcakes, but use a cheap or free church or community kitchen in off-hours instead. I worked with a woman to launch a series of art classes for kids, but she didn't have money for supplies. The solution: she required parents to purchase the supplies and pay for the courses upfront. Forget hiring a full staff; ask friends for help and train interns. Barter for key services.

If tapping personal savings isn't an option or if you need a more creative financing option, one of the fastest growing now is crowdfunding, which allows your network of friends and family to contribute to your start up costs if they like you and want to support your small business idea. (Click [here](#) to learn more about how that works.)

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### **Go Out and Get Customers**

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This is where the magic happens. Nothing else matters if you don't have customers. The majority of your time and effort must focus on sales. Having a smart marketing plan to attract interested people, and then convert them to customers is your number one priority. Don't get overwhelmed about how to dive in: just start where you are. Create a list of 50 potential prospects that you'll go after and begin making calls one by one. Build a serious social media presence for your business where you can engage directly with your target market.

Dreaming about how fabulous your business can be is good; but doing something to get it there is sensational. It's all about the hustle: the decisions you make and the actions you take each and every day – that'll get you where you want to go.

## **Skip the 40-page business plan**

Ignore the conventional wisdom that you absolutely must write a detailed, lengthy business plan before starting your company. Not so. It's impossible to predict how much money you'll be making three months from now, let alone three years from now, so don't waste your time guessing. Similarly, if you wait until every I is dotted and every T is crossed, you'll be stuck in planning mode forever. Create a one-pager that addresses exactly what you need to know and what you must do to get going right now.

### **1 - What primary product(s) or service(s) will you provide?**

(When you're just starting, keep it simple. Offer one or two specific products or services; don't get buried in offering 30 different things since you'll wind up being weak in all of them instead of strong in just one of them.)

### **2 - What will you charge for your products(s) or services(s)?**

(Your pricing should not only cover your actual hard costs, but it must include a profit for you as well.)

### **3 - What does it cost you to deliver this product or service?**

(Take into account the direct and indirect costs you'll incur to run this business.)

### **4 - How many pieces must you sell or how many clients must you secure to generate the revenue you desire?**

(This step is important to help you see the reality of your business. For example, let's say you're selling a necklace for \$10 and the profit is \$5 per piece. You want to make \$1,000 per week in profit. That means you must sell 200 necklaces per week. If a necklace sells for \$20, with a \$10 profit, you'll have to sell half as many per week to make the same profit. Lower priced products and services will require larger sales volume to reach the same profit, which doesn't mean you should sell only expensive things, but it speaks to the importance of pricing and understanding your sales model.)

### **5 - Who is the target market for your product(s) or service(s)?**

(What do you know about your ideal client or customer? Demographics and psychographics are equally important.)

### **6 - Why will they buy from you?**

(What is it about your product or service that will cause your target market to want or need it? What benefits does it offer? What need does it fill? What outcomes does it deliver? Why will they buy from you over your competitors?)

### **7 - How exactly will you reach your target market to sell to them?**

(What's your specific marketing plan? Just getting your name "out there" won't bring the customers "in here" where you need them. Where exactly can you find your ideal customers? Where are they online? Where can you connect with them in person? For example, if you're selling bookkeeping services to local restaurants, you're not going to tweet about that or post flyers in a church and expect the phone to ring. You'll likely have to go door to door in our neighborhood during off hours to meet with owners about what you can do for them. Figure out exactly how you'll engage in conversations with your target market.)

**8 - How will you get going right now with your currently available resources? What do you absolutely need that you'll need help with?**

(You may want to invest in a fancy office, special equipment, a dedicated staff, and all kinds of other stuff, but if you don't have the cash for that now, those aren't options. Rethink your immediate business model to accommodate what's possible right now given your existing resources. If there are specific things you'll need such as a website that you're completely uncomfortable creating on your own, how will you get this done by bartering or very low costs? Find creative solutions, not barriers or excuses.)

**9 - What could stand in your way of generating sales—and how will you overcome such obstacles?**

(Play devil's advocate here to make a list of the reasons you may not be successful. This could include existing or new competitors, a fear of selling on your part, pricing or product details that are mismatched with customer needs, inadequate marketing plans, etc. How would you overcome these or other barriers that may stand in your way of success?)

**10 - What benchmarks must you reach to qualify your business as a success?**

(Identify exactly what success looks like to you by figuring out what must happen for you to feel confident that you have a hit on your hands. Is it a certain number of customers in the first three months? Is it a specific amount of revenue in the first three months? Your benchmarks should be measured in money whenever possible. Creating a website or printing business, while necessary elements, aren't measures of business success on their own.)