

Global Text



Alan Campbell

Business Fundamentals

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Business Fundamentals

Donald J McCubbrey

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Table of Contents

1. The business eco-system: Your path to finding the pot of gold at the end of the rainbow!	8
The business eco-system: Your path to finding the pot of gold at the end of the rainbow!	8
The business eco-system	10
The sun rise of your new business	12
Accessing market opportunity: the initial rim of the wheel	12
Strategy: the tactical rim on the wheel	18
Branding will make your blossoms bloom!	20
Branding: The memorable rim on the wheel	20
Stakeholders: the connective rim on the wheel	22
The stems of growing startups: definitions of “startup stakeholder arrow” selected terms	23
Ethics: the authentic rim on the wheel	27
Operations: the logistical rim on the wheel	30
New product: the tangible rim on the wheel	32
Let the fruits of your labor blossom: the new product/service launch event plan	35
Public relations: the sensational rim on the wheel	36
Mentor insights: the “Where the Rubber Meets the Road” spokes on the wheel	38
2. The mind of the entrepreneur: Your entrepreneurial journey begins by embarking on your own hero’s journey!	45
Entrepreneur assessment survey	47
Answer key	50
3. Business models and marketing:an overview	55
What is a business model?	55
Success factors	59
Consumer marketing models	60
The marketing model	61
Identifying market needs	62
Business to business marketing models	64
4. How to organize and lead an entrepreneurial venture	75
Organizational issues	76
Organizational stages of growth	79
Flat versus tall organizations	82
Centralized versus decentralized organizations	84
5. Selecting and managing your team	88
Competitive advantage through human resource management	88
Providing employee voice and influence	89
Recruiting workers	93
Evaluating recruiting policies	95
Employee training	98
Aligning employee career development with organizational growth	101
Performance appraisal	103
Determining base pay	109
Meaningful job design	116
Termination	118
6. Marketing on a global scale	132
Defining marketing	132

The role of marketing in the firm: a basis for classification	133
Defining international marketing	137
The international marketing plan	143
The international marketing environment	149
7. Operations management	157
What is operations management?	157
The input/output transformation model	159
Operations decisions	161
Special topic: Total Quality Management	167
Special topic: supply chain management	172
Special topic: just-in-time and lean systems	176
8. Securing and managing external relationships	180
Introduction to external relationships	180
Marketing exchanges and partnerships	183
Choosing the right relationship	186
Strategies for external relationships	190
9. Financial and managerial accounting; financing your organization	199
Why an accounting system is important	199
Basic types of accounts	201
Chart of accounts	202
Basic financial statements	204
A short history of accounting and double entry bookkeeping	205
Ledgers	207
Advanced reports and analyses	211
Budgets, forecasts, and alternative scenarios	214
10. Leveraging with information technology	222
IS tools for the start-up organization	223
Moving forward with information systems	226
Know what your customers want	230
Using information technology competitively	233
What is IS risk management?	238
11. Competitive intelligence	244
Definition	244
Importance and goals of competitive intelligence	246
Information collection methods	248
The industry environment	249
Porter's 5 forces and the analysis of competitors	251
Methods of evaluating competitors	254
12. Business ethics in a nutshell	257
What is ethics?	257
Management: the meta profession	263
Corporate Social Responsibility	268
13. Adding products and services	270
Where does innovation come from?	271
Innovation through business models	275
Evaluating new products	278

	<u>When innovation fails: deleting products</u>	280
14.	<u>International business for the entrepreneur</u>	288
	<u>Globalization: opportunities and threats to developing country business</u>	289
	<u>Harnessing technology for global business success</u>	295
	<u>Doing business across cultures</u>	296
	<u>Political and legal risk in international business</u>	299
	<u>Global marketing: assessing potential markets overseas</u>	303
	<u>Global finance: initial considerations</u>	306
	<u>Organizational structure and human resources management</u>	309
	<u>Corporate Social Responsibility and sustainable development in the global environment</u>	316
15.	<u>Growth strategies for start-ups</u>	326
	<u>Definition and models</u>	326
	<u>Growth problems</u>	331

Preface

The Global Text Project (<http://globaltext.org/>) was initiated in early 2006 to develop a series of free, open content, electronic textbooks. A description of the Global Text Project is available on the project's website.

The first book in the series is on information systems, because the founders of the Global Text Project are both Information Systems professors who knew many other IS academics who wanted to help start the book. IS professors have a long history of cooperating with each other on a global scale. Creation of an open content textbook on information systems required the cooperation of the worldwide community of faculty and their students, as well as practitioners.

The IS community, of all academic communities, should be the one that is an early adopter of technology that holds the promise of being able to create a state-of-the-art open electronic textbook. The Information Systems textbook created by the community aims to evolve over time to be best-in-class, up-to-date, and, perhaps most importantly, make available at no cost to students anywhere in the world, but particularly to students in the developing world.

The impetus for developing the business fundamentals text as the second of the proof of concept texts was based on the realization that it is a mistake to teach information systems in a vacuum, i.e. without giving students an appreciation of the organizational settings in which they operate. Accordingly, a table of contents was prepared and volunteers were recruited to serve as chapter editors and reviewers for a book on business fundamentals. Most chapter editors are academics who wrote their own chapters while, in other cases, teams of graduate students wrote segments of a chapter as a part of a course assignment. All contributions are gratefully acknowledged and the contributors names are noted at the beginning of each chapter.

We learned some things from developing the two proof of concept texts:

- Faculty members are busy people *and*, in most instances, a contributed book chapter is not as highly regarded for promotion and tenure as a peer-reviewed article in a highly-rated academic journal. As a result, delivery times of chapters varied widely. For example, one faculty member wrote his chapter over spring break in 2008, and two other chapters were finally written by new authors after it became clear that the original authors were not going to deliver.
- In the meantime, publicity received by Global Text attracted the attention of authors who either had manuscripts ready to be published or had texts that were out of print (most often as a result of consolidations in the publishing industry) that could be scanned, and published quickly by Global Text. Consequently, we are continuously searching for high quality titles in every higher education discipline. The plan is to create communities to get updated and to extend contributed texts.
- The idea of having students write a book as a part of a course assignment proved to bear fruit as books on IT Management and Change Management were created by graduate classes at the University of Denver and the University of Washington, respectively, during the spring of 2009. As discussed on the GTP website, the XML book that was created by students at the University of Georgia in 2004, and updated by successive classes since then, was a major inspiration behind the idea of the Global Text Project.

And now a bit about the focus of this text:

1. The business eco-system: Your path to finding the pot of gold at the end of the rainbow!

The Business Fundamentals text is designed to introduce students, particularly those in developing economies, to the essential concepts of business and other organizations. It does this by focusing on small, entrepreneurial start-ups, and expanding the discussion in each chapter to include issues that are faced in larger organizations when it is appropriate to do so. Traditional business models are discussed as well as eBusiness models, with appropriate links to the IS Global Text and other relevant websites. All major functional areas of modern organizations are covered.

A common thread in most, if not all, chapters will be applicable principles of sustainable development and corporate social responsibility, although these topics are covered in depth in Chapter 12. In keeping with the community-based content development principles of the Global Text Project, active participation of members of the global community of academics, students, and practitioners in its creation and continuing maintenance is strongly encouraged.



Chapter 1 and 2 feature a unique interactive option for readers.

Visit <http://www.mentorography.com> to post the Blog Back assignments to share your insights and comments on others' postings.

1. The business eco-system: Your path to finding the pot of gold at the end of the rainbow!

Editor: Molly Lavik (Vatel International Business School Los Angeles, USA)

Reviewer: Debbi D Brock (Berea College, USA)

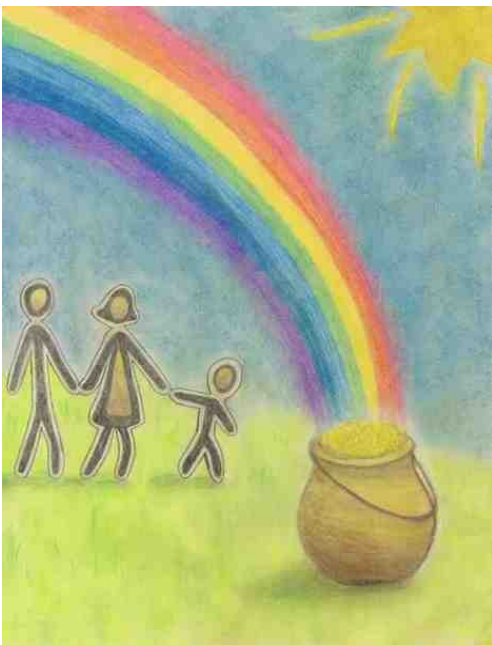


Exhibit 1: Striking gold

Image created by: Taissia Belozerova,
Graphic Designer, Artist, MBA Candidate
at Pepperdine University Class of 2009

Dedication: In Memory of Nancy Wachs who believed in everyone's Startup time!

The business eco-system: Your path to finding the pot of gold at the end of the rainbow!

There are many ways to live your life. One of the most exciting yet challenging ways to live your life is to start your own business or work for someone who has their own startup. People who start their own businesses are

1. The business eco-system: Your path to finding the pot of gold at the end of the rainbow!

known as entrepreneurs. Entrepreneurs throughout the world are extremely enthusiastic individuals who devise visionary methods to accomplish their new venture ideas while simultaneously convincing others to help.

Merriam-Webster Online defines the term “entrepreneur” as follows: “Etymology:

*French, from Old French, from *entreprendre* to undertake — more at [ENTERPRISE](#)*

Date: 1852 : one who organizes, manages, and assumes the risks of a business or enterprise”¹

Are entrepreneurs born or made?

There is a long-standing discussion throughout the world that delves into whether you are born predisposed to become an entrepreneur or is it necessary for you to work and study hard to make yourself into one. There are many examples of individuals who were told they would never amount to anything and yet they went on to become very successful entrepreneurs. So, if you think that you are unlikely to be an entrepreneur, please realize it is possible for you to become an entrepreneur and to, potentially, even become a very successful one. With that said, there are characteristics and an overall mindset you can adopt that will help “predispose” you to having a greater opportunity of becoming a successful entrepreneur. Some of the most common characteristics of an entrepreneur include the following attributes:

“The Mindset of an Entrepreneur”

Vision: Able to create and communicate an easily understandable mission for what the new venture does in order to successfully launch a new business. This is accomplished while inspiring others to join you in your new enterprise.

Creativity: Ability to inject imagination and uniqueness into a new business venture. It takes skill and ingenuity to create a new venture equipped with strategies to outsmart the competition.

Focus: Able to maintain the vision of the company with unwavering diligence. It’s very easy to get sidetracked especially if you find it necessary to evolve the original vision. Ironically, we have encountered many successful entrepreneurs who get bored easily...

Passion: Desiring to succeed under your own steam [initiative] on a business venture...

Drive: Possessing intrinsic energy to accomplish the business goal even in the face of adversity.

Perseverance: Able to keep going even when faced with seemingly insurmountable obstacles.

Opportunistic Nature: Sees the possibilities even before they exist. Can take advantage of an upcoming trend or unite unrelated processes to create a unique business venture...

Problem Solving Ability: Thrives on coming up with solutions to complex challenges...

Self-discipline: Able to be organized and regimented in pursuit of a successful business venture.

Frugality: Knows how to stretch every cent so that expenditures are as low as possible.

¹ Merriam-Webster’s Online Dictionary, “Merriam-Webster Online,” <http://www.merriam-webster.com/dictionary/entrepreneur> (Assessed, August 30, 2008).

Empathy: Able to put yourself in another's shoes and therefore able to show sensitivity and understanding of what others are communicating in the startup environment...

Social Responsibility: Ethics, caring and humanitarianism are characteristics that are commonly found in today's entrepreneurs...

Spirituality: We have found that successful entrepreneurs have often devoted time to spirituality development. Meditation and positive affirmations are two common examples of spirituality.

Good Timing: Able to identify a market opportunity and know when it's the optimum time to launch a new venture or expansion of an existing enterprise.

Luck: Can a person be predisposed to be lucky: Is luck a human behavior or a karmic universal predisposition?"²

Read on: Chapter 2 is dedicated to this topic and delves deeply into "The mind of an entrepreneur".

Blog Back 1: Mindset

Blog Back: Is an entrepreneur born or made?

What characteristics are necessary for an entrepreneur to be successful and why? What additional entrepreneurial mindset characteristics could be added to the list and why?

Go to: <http://www.Mentorography.com> and make your case.

The business eco-system

Whether you possess the characteristics of an entrepreneurial mindset, or work for someone who does, you can still be instrumental in starting a new venture by understanding the business eco-system. What is a business eco-system? A business eco-system is a set of business components that form the foundation of a new venture's creation. Figuratively, the business eco-system is like a wheel that rolls your new venture forward which is why we represent the business eco-system in a wheel-shaped model.

² "The Mindset of an Entrepreneur" is reprinted and adapted with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, introduction pages xxviii-xxx.

1. The business eco-system: Your path to finding the pot of gold at the end of the rainbow!

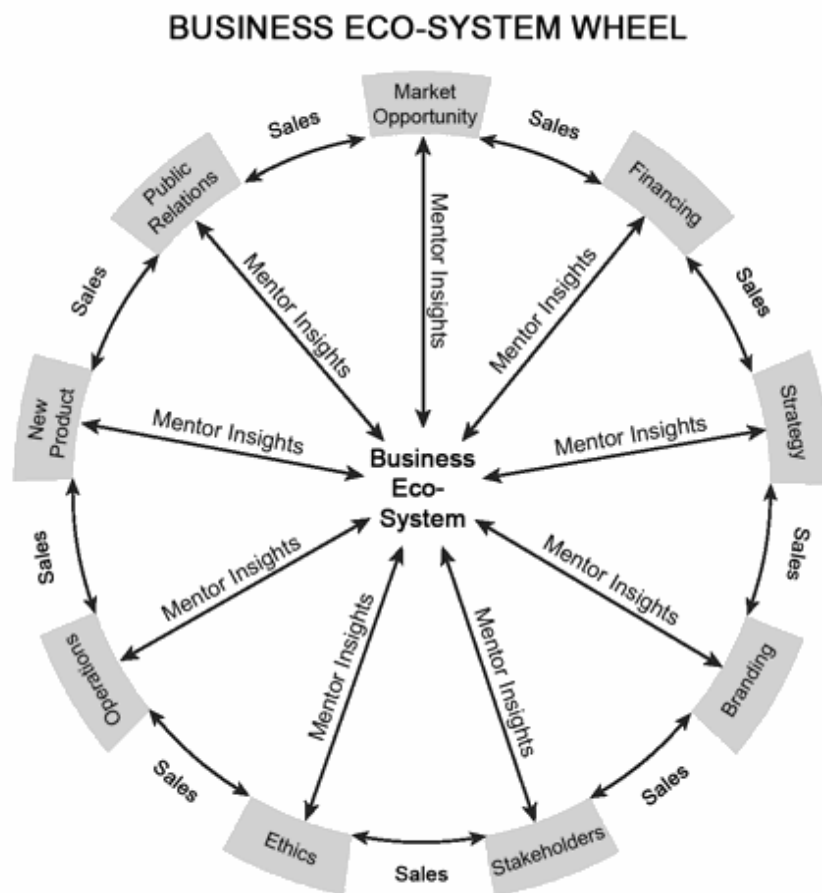


Exhibit 2: Business eco-system wheel

The Business Eco-system Wheel is reprinted and adapted from the Entrepreneurial Marketing Wheel with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, Preface, page xxii.



Exhibit 3: Caption: Rising sun

Image created by: Taissia Belozerova,
Graphic Designer, Artist, MBA Candidate
at Pepperdine University Class of 2009

The sun rise of your new business

Accessing market opportunity: the initial rim of the wheel



Market Opportunity is positioned at the top of the Business Eco-system Wheel for a reason. Every new venture starts with a single seed or kernel of an idea to do something in business that will result in money being exchanged. Since there is always some risk associated with starting a new business, you will have to take special care to plant the idea seeds of your new venture in a way that allows these seeds to some day bloom into a successful venture.

When to plant your market opportunity seeds

Without a doubt it's challenging to know when to move forward and plant your new venture ideas in the "business garden" where you want to grow your career.

Entrepreneurs who are considering moving forward with a new venture idea can utilize the following questions and the "Stop and Go Signs for Accessing Market Opportunity Matrix."

"Stop and Go Signs for Accessing Market Opportunity Matrix"

"Is there a customer for this product or service? Is there someone who will buy the product or service you're considering selling? You can't effectively answer this question until you have personally spoken to the potential customer and ascertained that this person will buy your product. You need to know as much about this customer as the customer knows about himself: What are the demographics of this customer? What influences his buying behavior? What factors could lead to

1. The business eco-system: Your path to finding the pot of gold at the end of the rainbow!

this customer changing his mind about buying the product or services? What will be the impact of a crisis during an emerging trend?

What will it cost to make a sale to this customer? If there is a common pitfall for entrepreneur, it's greatly underestimating the cost to acquire and repeatedly sell to a customer. The entrepreneurial marketer must account for every last expense it will take to make the sale. Commonly missed expenses include: staff time, travel and related expenses, overhead for office, payroll taxes, social security employer matching expenses (which occurs in the United States so your countries' equivalent,) unemployment payroll related expenses, marketing expenses, and the overall amount of time it takes to make a sale.

Is my timing right for this market opportunity? You will have a brief window of opportunity to launch your new venture or expansion of an existing enterprise. Misjudging your timing is often the difference between success and failure with assessing market opportunity. If you are too early, you have the right product or service but your market is not ready for it yet. If you are too late, giant competitors may have acquired a loyal following, blocking new entries to the market.

Can I sell this product or service for a profit? Even if you have an existing customer, and have accurately estimated what it will cost you to acquire that customer; you might not have a sustainable business model until revenues outweigh the expenses...You need to find the incremental steps you can take to get to profitability. This is not easy. Again, there is no road map, but remember that patience is needed to reach profitability.” (One solution that is becoming a common practice throughout many parts of the world is micro-financing. Micro-financing is where a small loan is made available to an entrepreneur in a developing country. While micro-financing is arguably one form of financing micro-financing has been documented to be a more sustainable form of financing because the amount of the loan is made in such a small (micro) amount that the recipient of the loan does not have to leverage the startup's best interests and assets in order to pay the loan back. The small amount of money loaned to the entrepreneur can usually be paid back from the revenues that the new venture is generating. Check out this micro financing website: <http://www.acion.org>.)

“Be open and flexible and recognize that along the way to profitability you might stumble on to a product or service that is in higher demand than the original concept.

When do I give up on my product or service? When should I pull up the roots of my new venture?

In the characteristics of an entrepreneur...perseverance was listed. There is a point, however, where you need to “pull the plug” and refocus your energies. You know you have reached this point when:

You have run out of resources and can't further leverage any of the methods suggested in this book.

The customers who said they would buy your product during your research phase are no longer interested.

You can't effectively market to your customer.

It costs you more than you make to sell your product or service.

During market opportunity assessment, there are times when the entrepreneur needs to "hit the brakes" and stop. Not stopping fast enough can lead to a failed business and/or bankruptcy. There are also times when an entrepreneur should "step on the accelerator" and drive on to new market opportunity territories. Knowing when to stop and go in your new venture market opportunity assessment isn't easy.

To help you decide when to move forward with and when to forego an opportunity, please see the "Stop and Go Signs for Assessing Market Opportunity Matrix." It's common for an entrepreneurial marketer to get caught up in what seems like a great idea or business concept. This matrix is a concise, easy to reference and somewhat simplistic way to make decisions on judging market opportunity. This matrix suggests four major causes for a new venture to not find a profitable market opportunity.

Recognizing when you are on the verge of going through a Stop Sign without braking is critical. You can refer back to these stop signs in this matrix as constant reminders of when to turn your market opportunity strategy in another direction."

Stop and Go Signs for Assessing Market Opportunity Matrix









No Customers for the Product 	Customers' Purchase Motivations Unknown 	Unprofitable Sales of the Product 	Resources Running Out 
Trends Indicate Emerging Market Opportunity 	Timing Right to Attract Customers for the Product 	Total Costs for Selling the Product Known 	Sales to Customers Yield Sustainable Profitable Results 

Exhibit 4: Stop and Go Signs for Assessing Market Opportunity Matrix "When to Access Market Opportunity" text and "Stop and Go Signs for Assessing Market Opportunity Matrix" adapted and reprinted with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, Mini Module on Assessing Market Opportunity, pages xxxix-xli.

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If you encounter any of the four Go Signs when you are assessing market opportunity, don't take time out to pat yourself on the back. This is because if you look over your shoulder you may see someone else realizing what you have discovered. Keep "driving on" if you are encountering all Go Signs."³

Read on: Chapters 3 and 6 discuss market opportunity in greater detail.

Blog Back 2: Go Signs

Blog Back: Analyze your new venture's market opportunity; do you have all "Go" signs? If you have all or some "Stop" signs what can you do to remove the roadblocks that are causing your "Stop" signs? Enter your strategy for obtaining all "Go" signs at <http://www.Mentorography.com>.

Sales: the essential rim of the wheel

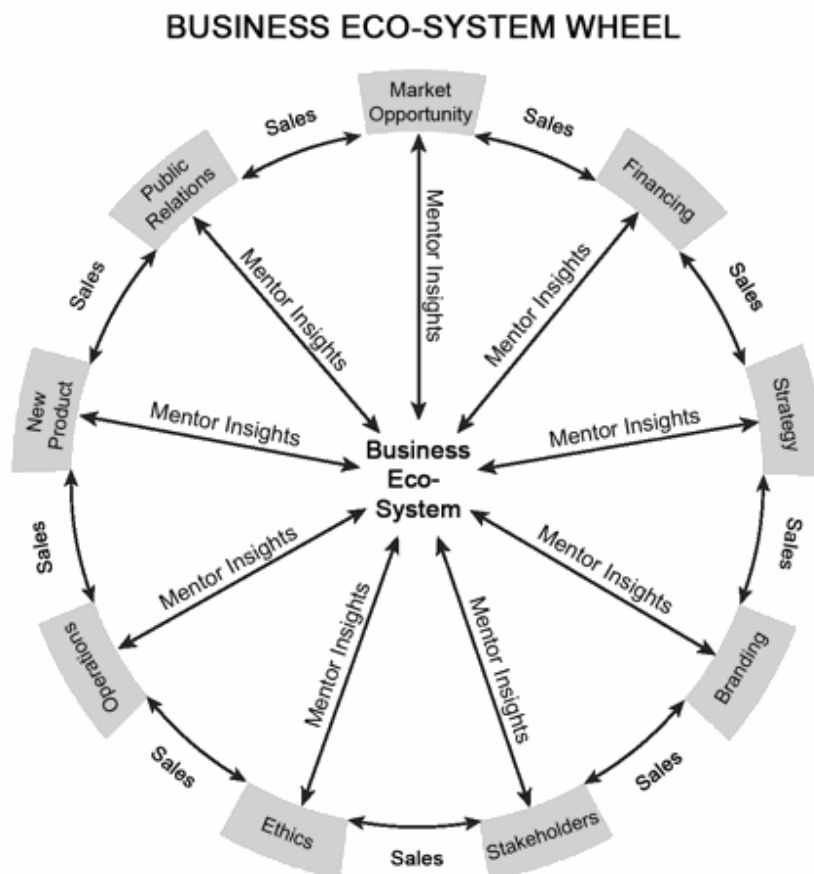


Exhibit 5: The Business Eco-System Wheel and sales

3 "When to Access Market Opportunity" text and "Stop and Go Signs for Assessing Market Opportunity Matrix" adapted and reprinted with permission from Mentorography, Inc. © 2008. All Rights Reserved. *Entrepreneurial Marketing; Real Stories and Survival Strategies* by Molly Lavik and Bruce Buskirk, Mini Module on Assessing Market Opportunity, pages xxxix-xli.

Sales are depicted as the inter-connecting factor of each business component on the Eco-system Wheel because without sales you won't have the revenue necessary to keep your business going. Sales help provide the overall shape of the wheel and are a major component of an entrepreneurs' work. When starting a new venture you need to convince others of your vision and eventually bring on strategic partners and vendors to accomplish your vision. You will need to sell your product and/or service to others. Selling is a skill that absolutely can be learned and improved upon. Also, the more people you contact to make a sale, the greater the odds you will actually sell something.

What will I sell?

You can sell a product or service. A product is a physical item while a service is something you would implement or execute on behalf of someone else.

Product ideas to consider selling

- Hand-crafted art and artifacts for exporting
- Fruit for selling at a fruit stand or using in the production of cosmetics
- Honey that you produce as a bee keeper
- Mustard condiments produced from mustard seeds
- Handcrafted furniture
- Paintings by emerging artists
- Recycled goods made into products such as purses made from recycled juice and soda containers
- A restaurant that offers food menus that others enjoy eating
- Yogurt served in containers that are edible

Ideas for services to consider offering

- Providing education to children as well as adults in a school
- Purifying water at the site of wells that may be tainted with arsenic
- Providing guide services to travelers
- Developing marketing campaigns for local businesses
- Running food stands for others
- Providing tailoring services
- Manufacturing furniture for businesses and residences
- Offering cooking services to families
- Selling wireless phones for phone corporations
- Providing people to build buildings, houses, roads and or bridges

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- Offering out-sourced from other countries call center services
- Providing computer consulting services

Places for inspiration

"**Kiva** (www.kiva.org) is the world's first person-to-person micro-lending website, empowering individuals to lend directly to unique entrepreneurs in the developing world."⁴ Kiva provides a list of entrepreneurs who seek loans and a description of these entrepreneurs' business concepts. Visit the Kiva website to read the inspirational stories of these entrepreneurs. <http://www.kiva.org/app.php?page=businesses>.⁵

"**Aid to Artisans** (ATA), (<http://www.aidtoartisans.org>) an international nonprofit organization, is a recognized leader of economic development for the craft industry. By linking artisans to new markets and buyers to culturally meaningful and innovative products, ATA provides needed economic opportunities to artisans while preserving the beauty of global handmade crafts."⁶

Financing: the fundamental rim on the wheel

One of the greatest talents that most successful entrepreneurs possess is the ability to persuade others to invest funds and resources in a startup during the idea creation phase of a new venture. You are not alone if you have major concerns about attracting the finances you need to get your startup idea "off the ground". If you are reading this and thinking you do not know anyone who would consider investing in your startup we suggest transforming your thinking into a more constructive thought process in which you believe in yourself and your own ability to achieve financing.

Financing opportunities

- **Micro-financiers** (Do a Google search at www.google.com using the key word "micro-finance" to find potential micro-financiers that you may want to research as one method of financing your startup costs.)
- **Family** traditionally is the first place to look for funds to pay for some of the startup costs associated with a new venture. Even if your family has no resources to offer you can still talk to family members about introducing you to people they know who might be able to help. More money than you can imagine has been raised in this manner.
- **Friends**, even casual acquaintances, can at times provide financing and resources for a startup. Even if a friend is not able to directly help, you should ask each friend or person you contact for help to also provide you with 3 names of others they know who may be able to help.
- **Governmental support** is also a possibility. If applicable, you can also let the local non-governmental agency associated with what you are doing know your needs in case there is some support available.
- **Barter** or trade is a method by which you could provide a needed service such as consulting/management advice in return for the resources needed for your startup.

4 Kiva, "About: What is Kiva?," <http://www.kiva.org/about> (Accessed January 11, 2009).

5 Kiva, "Lend," <http://www.kiva.org/app.php?page=businesses> (Accessed January 11, 2009).

6 Aid to Artisans, "About Us," <http://www.aidtoartisans.org> (Accessed January 12, 2009).

- **Savings** take a long time and effort to accumulate in the amount most people need to start a new venture. There are many risks involved and you may not ever be able to replenish the amount of money you took from your savings to invest in a startup. On the positive side though, if you use your own savings you do not have a loan to pay back.
- **Bank loans** are not usually available to early-stage entrepreneurs unless you have a track record of a previous success and/or the assets to put up such as a home you own in return for securing the bank loan.
- **Networking** refers to attending events, conferences, seminars, and any activity where by you can meet others who might be able to help your further your startup's development.
- **Online networks** are online websites where you can connect with people you know to ultimately gain connections to people they know. One well-known online network is LinkedIn at www.linkedin.com. According to the About LinkedIn website, “LinkedIn is an online network of more than 30 million experienced professionals from around the world, representing 150 industries.”⁷ LinkedIn is available in English, French and Spanish. You can use the search field at the top of every LinkedIn web page to search for people and companies that might be willing to finance your startup. You can sign onto LinkedIn and connect with others that would in turn potentially be willing to connect you to the people you are trying to meet.
- **Memberships** in community organizations may be a place where you can meet like-minded individuals interested in your startup idea. Use the opportunity to share some information about your startup with the people you meet. You may find others who want to help you make your startup a success.

Read on: Chapter 10 contains more material on financing your business.

Strategy: the tactical rim on the wheel

Strategy is the method you utilize to go about achieving the underlying goal of your startup. It's recommended that prior to spending any money on your new venture that you first come up with the strategy or strategies you plan to utilize to make your startup successful. Devising the right strategy often requires a great deal of market research on the history of your competition, potential customer needs and wishes as well as taking into consideration the economic climate and cultural factors that could impact your startup.

Examples of startup strategies:

- **Low cost leader** by charging less than the competition
- **Luxury cost leader** by charging more than the competition
- **First to market** by having your product or service in the market place prior to anyone else. This strategy is often referred to as the “first mover advantage.”
- **Creating sustainable growth** for a startup means that the new venture will eventually make more money than it takes to operate the company and that the profitability of this venture is possible over an extended period of time.

⁷ LinkedIn, “About LinkedIn, http://www.linkedin.com/static?key=company_info&trk=hb_ft_abtli (Accessed August 15, 2008).

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- **Creating societal wealth** means the company you are starting wants to create a product or service that will make the world a better place. The product or service you plan to create will enhance societal value. Educational institutions and schools are good examples. Another example is providing foods in the market place that are nutritional in value can have a major positive impact on a society's health.
- **Paradigm shifting brand** for a startup means creating a product or service that revolutionizes the world! Examples include the first developers of airplanes that not only manufactured the airplane but also found a way to commercialize the product in the market place. An emerging product in this category is space ships. Although it may sound far-fetched today, there are several corporations today developing the design and plans for the day where by we get in our space ship the way we get in our car or on our bicycle. Some wealthy business owners are even today adding space ports to their garages.

Read on: Chapters 3 and 6 both contain more information in setting your strategy.

Blog Back 3: Strategy

Blog Back: Imagine that you are starting a new venture utilizing the strategy of creating a paradigm shifting brand. What product and or service might you develop to implement such a strategy?

Go to: <http://www.Mentorography.com> and share your idea as well as post a comment on what you think of two other ideas that others shared regarding their paradigm shifting idea.



Exhibit 6: Mid day

Image created by: Taissia
Belozerovala, Graphic Designer, Artist,
MBA Candidate at Pepperdine
University Class of 2009

Branding will make your blossoms bloom!

Branding: The memorable rim on the wheel

Branding is the core foundation of your startup that is necessary to make your product or service blossom and grow. “Branding” is a commonly used marketing term that refers to a distinctive image, usually in the form of a logo or company mark that represents a company or product. In recent years a company’s brand has become an asset with a financial worth known as “brand equity”. The marketing use of the word “brand” is borrowed from the process of burning a rancher’s mark into the hide of a calf for identification purposes. When building your brand, the following checklist is helpful for making your startup bloom.

Branding coaching

What is the meaning behind the message your product and/or service represents?

Coaching: Try writing the history of why you are starting this venture and what is the deeper meaning behind why you are doing this and what you hope the legacy of the new venture will be in the market place. Review the history and pull out any information that seems relevant toward the meaning. Then write up some draft messages you hope to communicate when marketing the product or service.

What is the brand essence of your new product or service?

Coaching: The brand essence of your venture is the “heart and soul” behind the product and service you plan to develop; the core DNA of your product or service. The brand essence is the foundation of your brand’s true identity and the brand essence typically stays the same over time. An example of brand essence is the medical corporation International Patient Assistance Centre headquartered in Singapore. A review of the corporation’s website (<http://www.ipac.sg/en/About/>⁸) leads one to believe the brand essence for the medical company is “dedicated and experienced patient care teams”. If you are not able to come up with the brand essence for your venture try reverse engineering the process by asking yourself what would you like the brand essence of your venture to be and then make a list of action items you would have to do to achieve creating a company with this type of brand essence.

What is the brand advantage?

Coaching: What sets our brand apart from that of the competition?

Try answering the following:

“What is distinctive about the brand?”

What differentiates this brand from the competitor’s?

How do customers perceive the brand?

What emotion does the brand evoke?

Who appreciates the brand? Why?

What do customers get from the brand?

Where do customers go to find the brand?

8 IPAC, International Patient Assistance Care, www.ipac.sg/en/About/ (Accessed January 2, 2009.)

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What do customers see in the brand that the founders didn't?"⁹

Source: "Understanding the Essence of Brand Advantages" questions reprinted with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, Branding that Works, page 79.

What can you do from the start to make sure that others cannot use the mark or brand name?

Coaching: Investigate what the trade-marking regulations are for protecting your brand. What are the governmental processes for securing a trademark for your brand? "*Trade marking*" is the process one goes through to register with a government entity the text and or visual depiction of your business name and, if applicable, the business mark that accompanies the venture. A "*logo*" is the word utilized typically to describe the visual depiction of the business name.

If you plan to trademark your logo or the text version of your business name for protection you can find out the necessary details of this process at the World Intellectual Property Organization at:

<http://www.wipo.int/portal/index.html.en>¹⁰ by specifically utilizing the Madrid System for International Registration Marks explained further at: <http://www.wipo.int/madrid/en/>.¹¹

As of October 27, 2008, countries' statuses are listed regarding the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. View this information at:

http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf.¹²

Looking for inspiration?

You can find many examples of logos in the process of being trademarked in the United States through the United States Trademark and Patent Office website that posts online "The Trademark Gazette". Here is an example of one issue of The Trademark Gazette: http://www.uspto.gov/web/trademarks/tmog/20081230_OG.pdf.¹³

9 "Understanding the Essence of Brand Advantages" questions reprinted with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, Branding that Works, page 79.

10 World Intellectual Property Organization, <http://www.wipo.int/portal/index.html.en> (Accessed January 11, 2009).

11 World Intellectual Property Organization, "Madrid System for International Registration Marks," <http://www.wipo.int/madrid/en/> (Accessed January 11, 2009).

12 World Intellectual Property Organization, "Madrid Agreement Concerning the International Registration of Marks and Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks," http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf (Accessed January 11, 2009).

13 United States Trademark and Patent Office, "The Trademark Gazette," http://www.uspto.gov/web/trademarks/tmog/20081230_OG.pdf (Accessed December 24, 2008).

Once you have secured the trademark for your business name, you then process a legal standing to protect against other businesses using your company name in the category you are doing business in. Trademarks are considered assets to a business and have a monetary value if and when you want to sell or merge your venture.

The Brand Identity Guide: A blueprint toward success

Once you have developed your business name into a logo and are in the process of trade-marking that name, many entrepreneurs begin widespread use of the logo in marketing materials to raise awareness of their product or service to their targeted customers. Well-known branded businesses assign someone the task of making sure the logo is properly utilized, with the correct color ink, in the correct size, in the correct location of the page layout especially when used in conjunction with other logos. A style guide for the use of the logo is often called a “brand identity guide”.

Blog Back 4: Brand Identity

Blog Back: Brainstorm the development of a Brand Identity Guide to illustrate the use of your logo in any materials you or others create to market the product or service you would like to create.

What is your brand essence?

What is your brand advantage?

What font and font size will you utilize for your logo?

What if any visual image/drawing/illustration will accompany the text of your logo?

What colors will you utilize for your logo? Using the pantone color chart, select the exact color(s) you wish to utilize.

Will your logo be depicted differently if it's used in a horizontal vs a vertical page lay out?

What is the smallest size your logo can appear?

What rules govern your logo's use when it appears with logos from other companies such as may be the case with a sponsorship?

In what countries would you like to trademark your logo?

Is there anything else you would like to share about the brand you plan to create?

Go to: <http://www.Mentorography.com> and share an outline of your Brand Identity Guide.

Stakeholders: the connective rim on the wheel

Your brand cannot bloom unless you ensure that you develop your brand in a way that will please everyone who comes into contact with your business. The people who come in contact with your business's brand are known as your startup's stakeholders. Who will be your startup's stakeholders? “Take aim” carefully as you decide. Consider establishing contacts with some of the following suggested stakeholder categories common to new venture enterprises mentioned in the “Startup Stakeholder Arrow”.

Startup Stakeholder Arrow

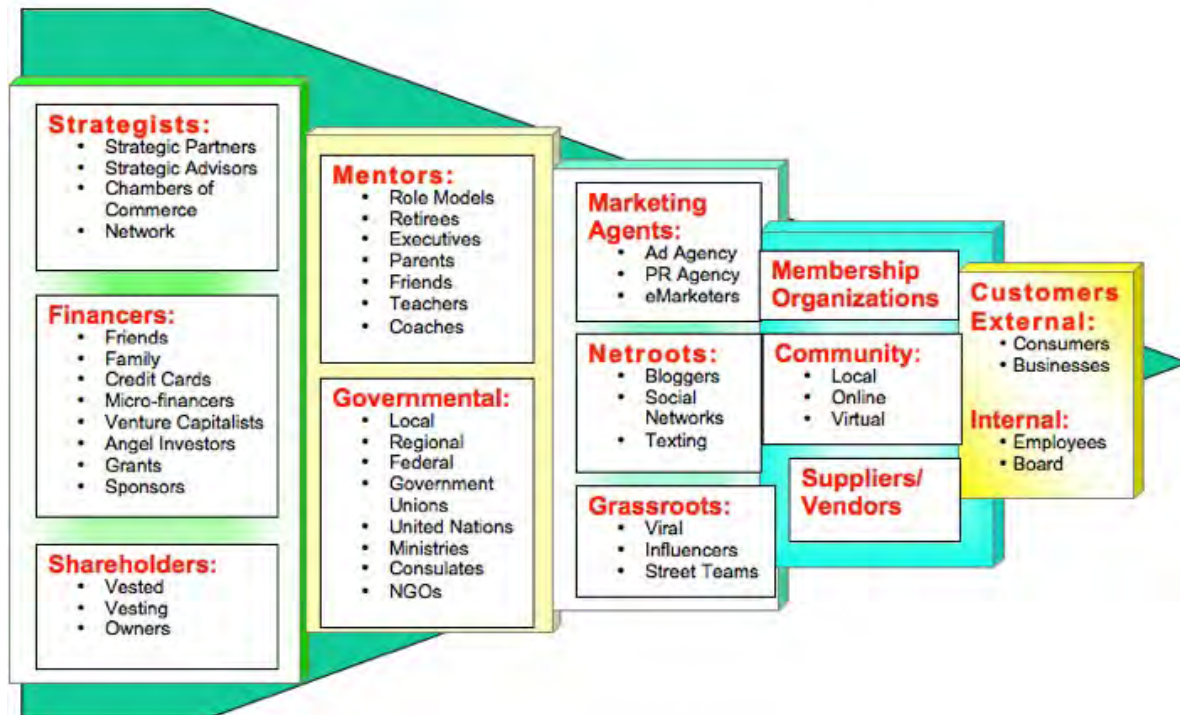


Exhibit 7: “Startup Stakeholder Arrow” created by Molly Lavik, founder, Mentorography, Inc., January 12, 2009. Reprinted with permission from Mentorography, Inc. © 2009. All Rights Reserved.

The stems of growing startups: definitions of “startup stakeholder arrow” selected terms

Strategists: A strategist is a skilled person who may be adept at taking your overall vision for the business and developing the plan of action for achieving the overarching goals. Strategists are experts at coming up with the winning maneuvers for laying the foundation of having a successful venture. The term strategy was originally utilized to define military maneuver plans.

1. The business eco-system: Your path to finding the pot of gold at the end of the rainbow!



Exhibit 8: Mid day (Adapted)

Image created by: Taissia Belozeroval,
Graphic Designer, Artist, MBA Candidate
at Pepperdine University Class of 2009

Strategic advisors: Advisors are people typically with experience in an area that you wish to learn more about. Advisors impart valuable wisdom that you can utilize to learn valuable lessons regarding generating revenue and profits for your planned venture.

Chambers of Commerce: Chambers of Commerce are large memberships of business federations representing hundreds and sometimes thousands of business owners.

Network: Your business contacts that can help you today or in the future accomplish your goals. Entrepreneurs need vast networks of people's assistance to achieve the venture's goals.

Financiers: Financiers are comprised of people or a business entity that provides financial resources for your new business to utilize.

Micro-financiers: These are people who make cash loans in very small amounts to entrepreneurs in emerging countries to people who have very little if any resources. Often the people who receive micro-financed loans have little to no experience in business. A website where people can see micro-financing in action is located at: <http://www.accion.org>.

Venture capitalists: These are people who have a high net worth of resources or are part of an institution that has a fund of high net worth. Venture capitalists seek out entrepreneurs who are starting new ventures that have an opportunity to make a large and fast return on the financial resources invested. The main category that venture capitalists have previously invested in has been the technology industry. A venture capitalist does not make any money until the new venture sells, merges or makes an initial public offering known as an IPO when for the first

time that business offers common stocks to the public. Entrepreneurs have had a "love and hate" relationship with venture capitalists because if the new venture doesn't make the anticipated return on investment predicted the venture capitalists usually has the legal right to take over part or all of the ownership of the new venture leaving the entrepreneurship often out of the venture from that point forward. Venture capitalists also have the ability to provide the cash as well as mentoring resources needed for the new venture to thrive.

Angel investors: These are private individuals that typically have large amounts of resources to invest in your startup. Angel Investors choose to invest in your startup because they share a common interest in what you are doing.

Shareholders: A person who owns or holds stock in a business.

Vesting: Vesting occurs when a person associated with a business venture is granted legally the right to possess stock-options if they work for a specified term. By way of example a person's stock options could vest over a three year period with the person earning stock-options incrementally and fully vesting in all the promised stock-options at the completion of the three year term.

Mentors: These are role models who you can receive instruction, advice and coaching from regarding important lessons to follow to make your new venture a success.

Ministries: These are offices that provide service to the country or state of origin.

Consulates: These are the official offices of a government appointee. These offices can be located in the country of the government that made the appointment and or abroad NGOs: Stands for non-governmental organization and NGOs are run by people who are not part of the government although governments can partially fund an NGO as long as the funding government agency doesn't retain any type of representative or leadership role in the NGO. In the United States a type of NGO is referred to as a non-profit organization. NGOs typically have organization missions and goals that are dedicated to creating greater societal value versus existing to stay solely focused on generating profits.

Ad agency: This is a company that you hire to develop for pay advertisements to ensure that your targeted market is aware and enticed to purchase your product or service.

PR agency: A company that you hire to generate favorable publicity about your new business to people who have been found through market research potentially interested in buying your product or service

eMarketers: A group of people that you hire to implement your digital media strategy for the online and potentially via cell phone marketing of your new business. eMarketers utilize ultimately any form of electronic media to promote and advertise your business.

Netroots: This word is a newly coined term that combines portions of the words Internet and grassroots to define a type of marketing that targets blogs and digital media in order to cause powerful action for achieving your new venture goals. The term originally described political action and has recently been utilized to describe business action. Bloggers: This term describes someone who keeps an online diary/journal/log of his or her activities or comments on others' activities. One of the most popular blogs in the world is about entrepreneurs and is kept by

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Guy Kawasaki called, *How to Change the World: A practical blog for impractical people*. Check it out: <http://blog.guykawasaki.com>.

Social networks: These are websites dedicated to fostering a community of individuals around a topic. We mentioned LinkedIn earlier; Facebook is another social networking example. According to Facebook's website, "Millions of people use Facebook everyday to keep up with friends, upload an unlimited number of photos, share links and videos, and learn more about the people they meet."¹⁴

Readers of this chapter are invited to join my Facebook page by registering to become a Facebook member at <http://www.facebook.com> (it is free and a social networking site) and then enter Molly Lavik into the search field and click on my name. Then select add as a friend.

Texting: This is when you type in a message with photos or in some cases a video via a cell phone

Grassroots: This is a powerful movement of every day people for a cause. Currently there is a grassroots movement to protect the environment throughout the world.

Viral: This happens when a marketing message is transmitted through people excitedly and enthusiastically spreading the message by telling others who tell others who tell others and so forth. When a marketing message is spread via "word-of-mouth" the message is visually depicted as spreading in the same way a cold virus spreads and multiplies through a growing number of people in the wintertime. Marketers spend a great deal of money to attempt to initiate the spread of messages via word-of-mouth. However, it's easier said than done. An example of a marketing campaign that was spread via word-of-mouth was the marketing campaign for the film *Slumdog Millionaire* which is a film about a poor orphan from Mumbai India's slums who is a candidate for winning millions.

Influencers: Persons who are copied for wearing or embracing a particular fashion or trend. Taste makers are often known as trend setters.

Street teams: This term is used to describe a group of often young people between the ages of 15-25 years old, who travel up and down usually city streets actively promoting the product or service they are paid to market.

Membership organizations: Trade and other forms of professional associations, unions, special interest groups and work related clubs that one can join.

Community: The geographic, psychographic as well as online neighborhood in which your venture operates on a regular basis.

Virtual: Pertaining to your image appearing in a perceived manner, live, somewhere other than where you actually are currently located. The image would appear via a digital format such as through a web camera, simulated artificial intelligent agent and or three dimensional image such as a hologram image.

Suppliers: Companies that provide valuable resources to your new business are true suppliers.

Vendors: Typically the valuable resources are purchased from commercial resources known as vendors.

Consumers: These are people who buy your product or service.

¹⁴ Facebook, "Molly Lavik," <http://www.facebook.com> (Accessed December 24, 2009).

Employees: These are individuals that work directly for you and are on your pay roll.

Read on: Several subsequent chapters discuss the importance of stakeholders further.

Blog Back 5: Stakeholder

Blog Back: Decide how you want to “take aim” carefully here. Who will be on your Startup Stakeholder Arrow? Brainstorm ideas for who specifically you would aim to have for your Startup Stakeholder Arrow. Be sure to include exact names of businesses and people and titles for this list. Try to utilize all the aspects mentioned in the provided categories of the “Startup Stakeholder Arrow”.

Go to: <http://www.Mentorography.com/> and post a draft of your Startup’s Stakeholder Arrow list.

Ethics: the authentic rim on the wheel

Ethics refers to the “heart and soul” of the activities you engage in while starting your business.

How authentic and truthful you are during the startup phase will set the stage for the future ethical threshold of your new venture. As the founder and chief visionary behind the concept you are bringing to market, it is your responsibility to create the values and company culture that will be your business. Once a company culture is set, it is virtually impossible to alter the path that you have set for your new venture to follow. One way to try to ensure the ethical standards of your company is to first make sure that you have a good moral compass.

Your “moral compass” is the ethical stance you take on decisions and actions with your startup.

Here are some questions to consider when developing your own moral compass:

- What will the new venture’s code of ethics state?
- How will I make decisions for the startup that will limit my revenue potential but will ultimately be the correct action to take legally and ethically?
- What can I do to ensure that the people I hire have good values?
- Who will I go to for advice when I have a moral/ethical dilemma?
- Will I be capable of following the advice that I receive for taking the right ethical action?
- How will I know what is ethical and what is not?
- What processes will I put in place to make sure that my staff and the stakeholders I associate the startup with are acting ethically at all times?
- What will I do if a staff member or key stakeholder I’m associating with violates my new venture’s code of ethics?
- In a crisis how will I communicate to my stakeholders the situation in the most ethical manner possible?
- How often will I cross check that I’m following my new venture’s code of ethics?
- What seminars, classes and guidance can I find to make sure I’m acting ethically when running the startup?
- What people can I go to in order to gain a role model/mentor for acting ethically with my startup?

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- If I end up doing something that was unethical what will be my process to correct the situation and to communicate the situation to my stakeholders?
- Will I listen to my gut if I have a strange ethical reaction to someone or something?
- Is there anything else I should ask myself to develop my moral compass?

It turns out in business that self-awareness of one's action is a key component to understanding how to develop an ethical moral compass. Additionally, the translation of an entrepreneur's moral compass into the development of a new venture leads to the establishment of the businesses' company culture. The "company culture" is the values you decide to instill in the new venture.

Making good: elements of a values-based company culture

- Provide a safe work place and clean work environment.
- Pay fair wages to all employees.
- Provide benefits of some kind for employees that may include health insurance, dental insurance, vision insurance, a retirement investment plan, a pension of partial salary to be paid once an employee retires, and reimbursement for continuous learning.
- Host employee appreciation events.
- Be respectful to all employees.
- Treat all stakeholders with respect and fairness.
- Have a suggestion box or method where by employees and stakeholders can make suggestions that you review and consider.
- Be a good corporate citizen by supporting some NGO/non-profit entities either by paying your employees to volunteer for these named causes or making cash donations or sponsorships to financially help support these organizations. This type of activity is known as CSR (Corporate Social Responsibility.) An example of a company that has been a good corporate citizen and routinely practices CSR is Grupo Bimbo which, according to the company's website, was established in 1945 and is considered one of the most important bakeries in the world. In 2007, Grupo Bimbo's net sales amounted to \$ 6.7 billion dollars. In keeping with the company's social responsibility, Grupo Bimbo participates in important community projects such as the reforestation of protected natural areas in Mexico as well as in a series of different projects for community welfare. You can read all about Grupo Bimbo's Social Responsibility work in health, commitment to the environment, commitment to associates, and commitment to society at:
<http://www.grupobimbo.com/display.php?section=6>¹⁵
- Adopt a triple bottom line philosophy. "Triple bottom line" means your company cares equally not only about making a profit but also about taking care of the people associated with your company and

¹⁵ Grupo Bimbo, "Social Responsibility," <http://www.grupobimbo.com/display.php?section=6> (Accessed December 28, 2009).

conducting business in a way that is good for sustaining a healthy environment for the planet. So to summarize, the triple bottom line philosophy means you care equally about people, planet and profits.

- Develop sustainable business practices. One who cares about the environment of his business goes to the trouble and expense to make sure that he:
 - has a recycling program for not only garbage but also old electronic devices and toxic waste disposal from batteries and printers.
 - utilizes office cleaning supplies that are environmentally safe and don't outgas. "Outgassing" is a term that refers to indoor air quality and describes the slow release of gas from a manufactured material such as furniture or carpets. Often the term is used to describe the potentially unhealthful attributes of a newly manufactured material as this gas is released indoors.
 - carries out office remodeling and construction in a safe for the environment fashion by using low VOC, ("Volatile organic compounds (VOCs) are emitted as gases from certain solids or liquids. VOCs include a variety of chemicals, some of which may have short- and long-term adverse health effects.")¹⁶, paints that do not out gas as well as insulation made from recycled materials.
 - replaces company light bulbs and lighting fixtures with energy efficient light bulbs.
 - produces marketing materials that use soy-based ink and are printed on recycled paper stock. He uses the recycled logo mark on materials to communicate to stakeholders that he is concerned with sustaining the environment.
 - works with vendors, suppliers and all of his stakeholders that support environmental protection tactics.
 - conserves energy and resources whenever possible. Moving to a four day a week, ten hour a day schedule can by way of example conserve energy and ultimately "cut kilowatts to create a slender gas and electric bill".
 - rewards employees for traveling to and from work in sustainable ways such as walking, riding a bicycle, taking public transportation and when appropriate car-pooling.
 - if applicable, purchases company vehicles that are electric or electric hybrids.
 - stays current with environmental literature to keep employee's knowledge base strong on conserving energy.

Going green on a shoe string

You may be wondering what you are going to do take the ethical stance on your company's proactive sustainability plans to protect the environment when you are in the startup phase of your venture. It happens that doing the right thing for the environment is not just good for the environment but it also can be profitable no matter what your socio-economic state is today with your business. The recommended energy-saving tactics listed above will help you save money on your electric bill. By operating a sustainably-focused company you will be

¹⁶ U.S. Environmental Protection Agency, "Indoor Air Quality: An Introduction to Indoor Air Quality: Organic Cases (Volatile Organic Compounds-VOCs), <http://www.epa.gov/iaq/voc.html> (Accessed January 16, 2009).

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generating a growing amount of good will for your venture. And good will is something you can take to the bank! “Goodwill” is the difference between what your company is worth and what you are actually able to sell your venture for in the market place. The more goodwill you generate the higher value of your company in comparison to your competition. Some of the most environmentally conscious people in the world live in severely economically-challenged neighborhoods. Do not let your socio-economic status challenge the entrepreneurial ethics behind your startup. The goodwill you are generating from taking care of the environment could potentially come back to you in the form of good karma!

Read on: You’ll find more discussion of a socially responsible organization in Chapter 14.

Blog Back 6: Moral Compass

Blog back: Write a draft of your new venture’s code of ethics and a description of your moral compasses’ stances including what sustainable practices your venture will adopt to go green and have a triple bottom line focus.

Go to: <http://www.Mentorography.com> and post a draft of your code of ethics, description of your moral compasses’ stances and green sustainability practices.

Operations: the logistical rim on the wheel

The operations of your business are the tactics and processes you implement to run your business.

Water your plants: operations hydrate your startup

Operations in a startup begin with the composition of a business plan. A new venture without a business plan is like a car without an engine; it exists but cannot get anywhere. In fact, researching and drafting the new venture’s business plan is probably the most important and necessary business practice you will ever under take. Business plans are usually written to obtain financing for a new venture. However, the business document and planning process provides a much more important function. This document will be your road map for getting your venture started. The findings of your research contained in your business plan can tell you from the beginning with pretty good certainty if your new business has a real chance of being successful financially and sustainable in the long run.

Traditional sections contained in a business plan:

- **Company Description** gives a background to the history of your startup and explains what your venture will do.
- **Statement of Mission or Mantra** is a short phrase that explains the purpose of your new venture.
- **Products and or Services** describe what you plan to sell.
- **Target Markets** elaborate on whom you plan to sell to.
- **Marketing Strategy** explains what unique maneuvers your venture will under-take to accomplish the businesses goals.
- **Competitive Analysis** documents who your main competitors are in the market place.
- **Management Teams** are the names, titles and backgrounds of the people who will lead your venture to success.

- **Operations for Investors** explains what tactics you will undertake to finance the venture and the exit strategy you plan to utilize for the initial investors to make a profit on their investment.
- **Financials** document the forecasted sales and expenses for the first five years of the new venture. The financials should be accompanied by a detailed assumption log which summarizes where the numbers entered in your financial spreadsheets originally came from. Most investors want to see your financial documents include balance sheets, cash flows, income statements and key ratios such as when you anticipate breaking even.
- **Long-term Goals** explain what you hope to eventually accomplish with the new venture.
- **Executive Summary** which goes at the beginning of your business plan but is often written last should contain a brief summary of each of the above mentioned business plan sections. Executive summaries should be limited to two or less pages. The Executive Summary is often the most read portion of your business plan so it's important to write and re-write this section until it's absolutely perfect. Some entrepreneurs recommend that you draft the executive summary first and use this document as a planning document to cross check what you need in order to complete the business plan.

After you have completed drafting your new venture's business plan it may be time to establish the legal entity of your business. Check with your local government office to get directed to the rules and regulations and processes you need to follow in order to properly establish your business's legal entity

Some of the most universal company establishments are:

- sole proprietor
- private limited company
- state-owned enterprise
- public-limited company
- NGO
- corporations

If you can get the resources from family and friends to pay for an attorney to help you establish your business legal entity you may lessen some of the risks associated with starting a new venture. The type of business entity you form will more than likely impact the way in which you pay taxes on your products and services and file your country's income tax filing. The definitions for the different forms of company establishments vary from country to country. You will want to check with the portion of your government that grants company established entities for clarification

With a draft business plan in hand and your legal company business entity established it's time to fully map out the operations/processes you plan to utilize to implement your business plan. It's highly recommend that you make a Gantt chart to stay organized with the correct sequence and timing of each business activity.

You can use Microsoft® Excel and setup columns that list:

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- tasks
- person(s) assigned to complete tasks
- dates that tasks must be completed by as well as proper task sequence
- an area to check off when a task has been effectively completed
- a comment section to keep a historic list of reactions to the considered tasks
- and given your unique plans, you may choose to have additional columns.

It is highly recommended that you post your new venture's Operations Gantt Chart on a wall in a visible location so that as many people as possible have access to this information. This will allow others to make updates as well as understand what you are working on when they are considering interrupting you during the day.

Keep an open mind as you implement your operational plans for the startup. Remain flexible to continuous updates. Remember a startup is an evolving operational process that will need fine turning along the way.

Read on: Operations is the subject of Chapter 7

New product: the tangible rim on the wheel

The new product can be a physical product and or a service offering. Developing a new product is an operational task that goes "above and beyond the call of duty" of utilizing the Operations Gantt chart described in the previous Operations section. Instead, we are recommending that you create a Process Mapping Guide in order to effectively develop your new product offerings. The following section describes in detail how to develop a Process Mapping Guide for your new product offerings

A new product bud is blooming: introducing the "New Venture Instructional Manual to Operational Excellence"

"New Venture Instructional Manual to Operational Excellence"

Start by process mapping all of the organization's processes by creating a process log. Utilize a word processing software program which has auto shapes that features a "flowchart." This will give you the software necessary for developing your process map. It does take a long time to process map the functions within an organization, even a newly formulated venture. It's time well spent.

Process mapping guide

There are many books and publications about process mapping and there are multiple ways to process map. We are going to focus here on showing you how to map the processes that make up new product development and marketing. We suggest the following:

Assemble the people who are involved in the development and marketing of a new product at your organization.

Brainstorm a list of the day-to-day steps that are taken to develop and market a new product.

Review the list with your board, strategic alliance partners, mentors, vendors, and family members for items that may have been missed.

Take the final list and divide it into two categories: repetitive processes and rare processes. Repetitive processes are steps that are taken repeatedly when developing and marketing a new product such as manufacturing the product. Rare processes occur infrequently.

Analyze the rare processes list to see if any of the items mentioned can be combined with or woven into the repetitive processes. Rare processes can drain resources and are often not budgeted for. If you can combine a rare process with a repetitive process, you have taken a valuable step toward improving the operational excellence of your business.

Make a flowchart of the processes within your organization from the list that was prepared and fine-tuned. This is where you take what might be explained in several paragraphs of text and drill it down to several flowchart icons. See Exhibit 1.9.

Process Mapping Diagram

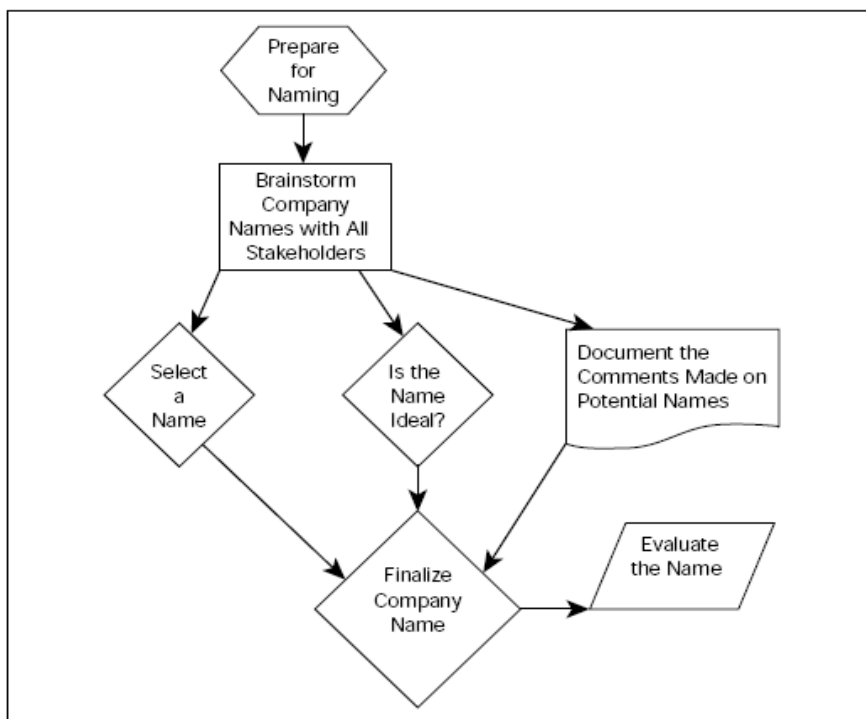


Exhibit 9: The Process Mapping Diagram was developed by Molly Lavik, October 6, 2002

There is a growing trend for corporations to organize their management systems by processes instead of products. Large and mid-size corporations are making this shift to achieve cost savings.

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Once you have completed your process log you must repeat the analysis phase. Gather your resident experts as well as some new mentors and outside board members to analyze the firm's processes. Look for current processes that could be streamlined.

Because areas to streamline are difficult to see, keep re-examining what has been documented in the process log. Upon exhaustive examination of every possible streamlined scenario, the solution to achieving operational excellence will come into focus. Stay open and flexible to these new ideas.

Log the new process innovations. Embrace the new processes and apply them throughout the organization with the committed support of top management. This can be the most challenging step and requires a change management campaign.

A change management campaign is the internal communication campaign that is targeted at a venture's employees regarding a shift in the way a business is managed. This means you have to take a hands-on role in communicating the changes throughout the organization, making sure that everyone understands the new game plan, and why it is necessary. Inevitably, some won't be willing to go along with the new program and you may need to help them find employment elsewhere. One negative person can delay the whole group's transformation."¹⁷

Source: "Process Mapping Guide" text and "Process Mapping" Image reprinted with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, Module on Savvy Strategies for Marketing New Products, pages 188-190.

After your new product bud has bloomed through the implementation of a process mapping guide you are ready to launch your new product offering into the market place. You should consider planning a New Product Launch Event.

Read on: Adding Products or Services is discussed further in Chapter 13.

¹⁷ "Process Mapping Guide" text and "Process Mapping" Image reprinted with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, Module on Savvy Strategies for Marketing New Products, pages 188-190.

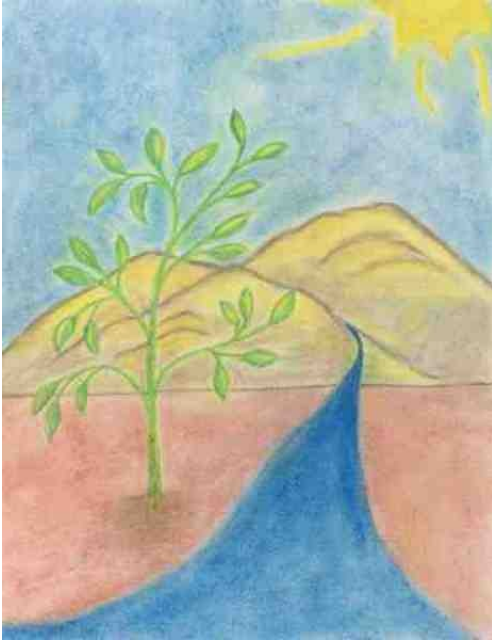


Exhibit 10: Sunny day

Image created by: Taissia Belozerova,
Graphic Designer, Artist, MBA Candidate
at Pepperdine University Class of 2009

Let the fruits of your labor blossom: the new product/service launch event plan

Your new business may be built around a product or service or both as we earlier discussed. We will discuss, by way of example, a new product launch event but it's worth noting that the same general principles apply whether you are planning a new product or new service launch event.

Events organized around a new product/service launch are typically postponed or cancelled because the new product/service does not turn out as anticipated. Build this scenario into any planned event so that you can recoup some of the costs if the event needs to be cancelled.

“Checklist for a New Product Launch Event

Is the new product going to be fully functional in time for the event? What is your backup plan?

Have you assembled a well-connected board of advisers to help with the production of the event?

Have you determined your budget for the new product launch event? Is there anyone you can bring in to cosponsor the event to help defray the cost?

Have you hired someone to be responsible for the myriad of details that must come together in order for a new product launch event to be called a success?

Have you prepared a detailed spreadsheet, with deadlines, of all the items that need to take place for the event to come together and assigned each item to a responsible person?

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Have you devised the best forum for the new product launch event? Is the event scheduled during an industry tradeshow where every- one will already be assembled and you can easily fold your event into the bigger show, leveraging all the resources available at that event?

Have you outlined how you are going to communicate your new product message at the launch event? (There is nothing worse than producing an expensive new product launch event that everyone may enjoy but attendees leave not having any idea what brand was being promoted.)

Have you invited your targeted press to cover the new product event?

Do you have a contingency plan if few people respond to your invitation to the new product launch event? Do you have takeaway logo items, commonly referred to as premiums, for attendees so they can be reminded of the new product?

Have you decided how you will measure and evaluate your brand building strategy?"¹⁸

Source: "New Product Launch Event Plan" text reprinted with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, Module on Savvy Strategies for Marketing New Products, pages 191-192.

Read on: Launching your business is the topic of Section 2, Chapters 4, 5, and 6.

Blog Back 7: Launch Plan

Blog back: Develop a plan for your new product launch. Include the name and description of the venue you plan to showcase your new product as well as a detailed budget of the researched expenses and a forecast of the media coverage you hope to gain during the launch event.

Go to: <http://www.Mentorography.com> and post your new product launch plan.

Public relations: the sensational rim on the wheel

Public relations are the activities one engages in to generate excitement about your new venture so that editorial coverage will occur. Editorial coverage is thought to be much more valuable than advertising in media because people perceive editorial coverage as authentic and of interest. Startups need to generate a great deal of excitement known as "buzz" in order to make the case for media coverage. Because entrepreneurs normally don't have much if any marketing budgets to initially launch his or her new venture, relying on public relations coverage becomes essential for the success of a new venture.

In order to increase your chances for coverage of the new venture you will want to make sure that communications with the media include information about your new venture that is written in what is known as a "tight" manner including, if possible, the following attributes:

¹⁸ "New Product Launch Event Plan" text reprinted with permission from Mentorography, Inc. © 2008. All Rights Reserved. Entrepreneurial Marketing; Real Stories and Survival Strategies by Molly Lavik and Bruce Buskirk, Module on Savvy Strategies for Marketing New Products, pages 191-192.

- concise/brief summary
- straight-forward
- timely and quite current
- a first of its kind if possible
- attention-grabbing
- authentic and truthful
- tying-in if possible with an emerging trend
- remarkable
- and absolutely accurate

The public relations practitioner's tool kit

Press releases: Newsworthy text regarding the “Who, What, Where, and When” of the story you are pitching to the media.

Video News Releases (VNRs): Usually responsible for coordinating the video production of news announcements known as VNRs which are sent to television/broadcasting stations with the intention of gaining news coverage

News wire services: The Public Relations practitioner works with a company known as a newswire service to disseminate news announcements to targeted media. One example is CSRwire service found at: <http://www.csrwire.com> which specializes in disseminating news releases from corporate socially responsible companies often engaged in many CSR pursuits.¹⁹

News agencies: The public relations practitioner is in direct contact with news services that cover large batches of news happenings in specific regions. MEMERCOPRESS is an example of a news agency. According to this news agency's website, “MERCOPRESS is a news agency concentrating on Mercosur countries which operates from Montevideo, Uruguay and includes in its area of influence the South Atlantic and insular territories.”²⁰ For more information on MERCOPRESS visit: <http://www.mercopress.com/about.do>.

Media databases: Contain detailed information on how to reach media contacts. The more expansive and current the media database, the more likely you are to achieve optimum press coverage in targeted publications.

Style guides: Provide guidelines on the proper formatting of information to include when quoting from another source and attributing in a citation the quoted source.

Extensive Rolodex: Public relations practitioners are major networkers with vast contacts with the media as well as key stakeholders.

¹⁹ CSRwire, “Home Page,” <http://www.csrwire.com> (Accessed on August 15, 2008).

²⁰ MERCOPRESS, “About MERCOPRESS,” <http://www.mercopress.com/about.do> (Accessed January 2, 2009).

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Timelines: Successful public relations practitioners are known for keeping long timelines of checklists to make sure events and campaigns are carried out flawlessly in order to achieve the maximum amount of effective media coverage

Archives: The public relations practitioner usually is the one to maintain the press clipping files documenting media coverage as well as the video and image files. Images are sometimes used by the media so keeping well-organized archive files is essential to any marketing campaign.

Because public relations professionals are dedicated to the tasks surrounding disseminating, documenting and archiving news coverage, these practitioners are usually a great resource to any startup.

Blog Back 8: PR Plan

Blog Back: Write down a list of public relations plans you have for your new venture. Include what you will do to get publicity for your startup. What news sources will you target? Be specific by naming newspapers, magazines, newsletters. Leaflets, signage and other media sources that you plan to target.

Go to: <http://www.Mentorography.com> and post your Public Relations Plan.

Mentor insights: the “Where the Rubber Meets the Road” spokes on the wheel

Mentor insights are the lessons learned by the protégé/mentee. Mentor insights are depicted as spokes on the wheel because they are the glue that effectively holds together everything else. Understanding your mentor’s driving philosophies is essential if you want to gain the wisdom that your mentors possess. There is a tremendous amount you can learn from a mentor’s successes as well as their setbacks. Mentors come literally in all “styles, shapes and sizes”. When you are away from home be sure to keep a “look out” for people who might have some business wisdom to share with you.

Places you can go to find mentors potentially ideal for coaching you with your startups include:

- faculty at schools
- libraries
- seminars/conferences/workshops
- town meetings
- management from other businesses
- classmates
- family
- friends
- co-workers
- religious institutions
- public markets
- neighbors

- near-by communities
- re-acquainting yourself with people you haven't kept in contact with
- entrepreneurs
- micro-loan recipients

To keep track of the insights that you pick up from mentors try keeping a journal of the lessons you are learning that are applicable to your startup. Mentor insights can come from a business executive or role model who you want to emulate. Mentor insights can also come from observations of others.

I was fortunate to meet a student named Jay Milbrandt while teaching a Social Entrepreneurship course at Pepperdine University's Graziadio School of Business and Management. Jay had recently traveled to Bangladesh and kept journals of his first-hand observations of meeting people who were prospering through micro-finance loans. I found these journal entries extremely inspirational and we hope you will as well. We encourage you to be on the alert for micro-finance opportunities in your country as a proven method for helping those that are less fortunate than yourselves. By reading these journal excerpts you can experience how those less fortunate are finding success no matter what their economic situation. Micro-financed loans are imparting a great deal of opportunity to those that really need it and transforming the economies of developing countries in remarkable ways! The following are excerpts from the journal of Jay Milbrandt.

Jay Milbrandt's Journal Entries from Bangladesh

Not Just Statistics

The sheer numbers are impressive. 1.2 billion people throughout the world live in extreme poverty. Accordingly, extreme poverty is defined by the World Bank as living below \$1 per day purchasing power parity threshold. The United Nations set the Millennium Challenge goal of eliminating extreme poverty by the year 2025. In Bangladesh, at least, it appears to be well on the way. It's easy to get lost in the numbers. But, when you travel through Bangladesh meeting the microcredit borrowers, you realize that behind every number is a life—real people and real families. Suddenly, the statistics come alive.

I don't know what it's like to live on less than \$1 per day. I have, however, met enough people to garner some details about what such a life is like. Simply put, you consume in proportion to what you grow; when you cannot afford more, you beg.

Meet Meera. She used to live on less than \$1 per day. Now, she's a twenty-six year old business owner with two daughters, eleven and seven years old. Her husband walked out on her a few years ago, leaving her to fend for herself. In the culture of Bangladesh, she was in a very tough spot. To give birth to only daughters and no sons is unlucky. Likewise, for a husband to walkout on his wife is looked down upon even more. In spite of this, she became one of the most successful women in her village. Through microcredit, she started and built a large poultry farm, raising thousands of chickens and selling them to market. After showing us her farm, she invited us into her home, which was considered a nice home by village standards—four walls, two rooms, a cement floor, and

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metal roof. Her home was also financed through a Grameen²¹ microcredit home loan. And, best of all, she told us how happy she was and how microcredit changed her life.

Although Meera holds the distinction as the first microcredit customer I met, that's the only number associated with her.²²

Jay Milbrandt's Journal Entries from Bangladesh Why I Have Hope

"I've got this feeling of hopelessness," I admit to a traveling companion. I'm here to see the hope that microcredit has brought, but our taxi has not even left Dhaka yet and I'm surrounded by the most abject poverty I have ever seen.

I'm on sensory overload. There are so many people that the country seems ready to burst at the seams. More than 140 million people are packed into this country, approximately the size of Iowa. In Dhaka, garbage is everywhere—in the streets, in the ditches. It's obvious that the city does not possess the infrastructure to service its 15 million inhabitants. Judging by the integrity of the city streets, which appear to have been paved once left alone, I'm not the least bit surprised. If the heap of garbage is fresh, a few people would be rummaging through it—looking for a meal, I suspect. If the garbage was old, it served as a bed. Audibly, Dhaka pulses with the sound of non-stop horns—there need be no reason to use it. Dhaka is also a city of smells. Every street has a different smell, many of which I find both unfamiliar and unappealing.

The streets are a labyrinth—if I were lost, I could never find my way back. We round a corner and roll past a lot of wood and metal. A salvage yard maybe? "Those are the slums of Dhaka," our guide explains. Our taxi comes to a stop, waiting for a train to pass. After a few seconds, there's a bang on the window. It's a young boy, maybe seven years old, begging for money. He's yelling in Bengali and motioning to his mouth with his hand. "In Dhaka, people work together in an organized system of begging," my guide explains. He cracks the window and tells the child to leave. We start moving again and the child runs along until he can no longer keep pace.

Little did I know at this point, that over the succeeding two months, I would meet some of the most disadvantaged people in the world: the poorest-of-the-poor, victims of trafficking, prostituted women, refugees, and the illiterate. Despite their perilous circumstances, I'm filled with more hope than ever before. Why? The positive, successful change I would come to witness—and the great potential for continued change.

21 Grameen Bank: Banking for the Poor, "Home Page," <http://www.grameen-info.org/> (Accessed on December 10, 2007).

22 Jay Milbrandt's Journal Entries from Bangladesh, Pepperdine University JD/MBA alumni, Reprinted with Permission.

My hopelessness, however, would be relieved. What I saw in Dhaka was probably a piece of history for Bangladesh... Due to current laws, Grameen Bank is restricted from operating in urban areas.

I have hope because of Bangladesh. I wish I could have traveled here 20 years ago to experience the change. From the descriptions of the people I met, the change has been Bangladesh—a model for global turn around; the man sitting next to me on the airplane was convinced that, given ten years and right national leadership, the country could shine like Malaysia.²³

Jay Milbrandt's Journal Entries from Bangladesh Moving the Mountains of Poverty

How come I have never heard a sermon preached on the elimination of poverty? Christians frequently talk about giving to those in need or feeding the hungry, but I have yet to hear a sermon calling for a solution. Here is one to start with, I would like to call it “Microcredit and the Mustard Seed”:

One evening just before dusk, we were riding a rickshaw down a narrow road in the village of Salanga. Suddenly, our guide stopped the driver, had him turn the rickshaw around, and pull up at a small metal building. Inside, the building was dimly lit with an organic smell and the hum of a large engine. We met with the owner, Shameen, who had financed his small business through a Grameen microloan. Before Grameen, he had nothing—barely enough to feed his family—if that year's rice harvest was plentiful. After founding and growing his business through Grameen loans, he started generating income on his own, built a better house, and could afford to send his kids to school. And his business? Processing mustard seeds.

Matthew 17:20 [from The New International Version, NIV, which is the English translation of the Christian Bible] tells us that with the faith the size of a mustard seed, we can tell the mountains to move. I took this verse literally with a good dose of skepticism until this day. Here was a mountain right in front of us: More than 1 billion people clenched in the fist of poverty. In Bangladesh and throughout the world, millions of people are putting a lot of faith in tiny loans—Shameen's faith, ironically, happened to be a mustard seed.

Soon, the entire building was flooded with local people wanting to gaze at the foreigners. Each of these people was a microcredit borrower. None of them in the chains of poverty. This held true for practically everyone in the entire village, followed by millions more throughout Bangladesh. Microcredit was moving the mountain of poverty before my very eyes.

Deuteronomy 15:7-8 says “If there is a poor man among you... do not be ... tightfisted. ...Rather be openhanded and freely lend him whatever he needs.” Is it coincidence that the word “lend” is used? I believe microcredit is a sermon that every church should hear. I believe that if Christians were to

²³ Ibid.

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join the Muslims and Hindus of Bangladesh in the mustard seed of microcredit, the mountain would move much faster.²⁴

Jay Milbrandt's Journal Entries from Bangladesh What Third World?

The man staring at me has no shoes or shirt. This seems like the perfect opportunity to capture the face of the human condition in rural Bangladesh. As I pull out my camera he mirrors me with none other than a camera phone. I'm photographing him photographing me—something seems wrong here.

Earlier in the day, I spontaneously walked out into a rice field to visit the field workers. They were excited to show a foreigner how fast they cut, then give a brief rice cutting lesson. I just about took a Bengali man's leg off—the sickle blade is sharper than it looks. They cut a few sheaths of rice, then tie the bundle off with one of the stalks. The whole process takes but a few seconds. Rice harvesting has been done this way here for hundreds of year. Occasionally, I would see a billboard for a tractor or modern agricultural convenience, but I never saw any of them in action.

Third world technology transfer is an interesting phenomenon. Is a cell phone really what they need? How about drip irrigation instead? Or maybe a rice harvester?

Grameen created an interesting microenterprise program throughout Bangladesh with village "phone ladies." A woman in each village is allowed to purchase a cell phone through a Grameen loan. The "phone ladies" then sell use of their cell phone to other villagers. The result is that the "phone ladies" have a very profitable business and villages that previously had no phone line at all now have a modern method of communication. As traveling is difficult for the poor of Bangladesh, the villagers no longer have to leave if they need to communicate with a relative in another village or ask a doctor a question. In other villages, the profitability of "phone ladies" has diminished because a majority of villagers now own a personal cell phone.

It's surprising how someone may not have running water, but own a nicer cell phone than I do.²⁵

Blog Back 9: Journal

Blog back: Keep a journal of the lessons learned from your own startup time mentor insights.

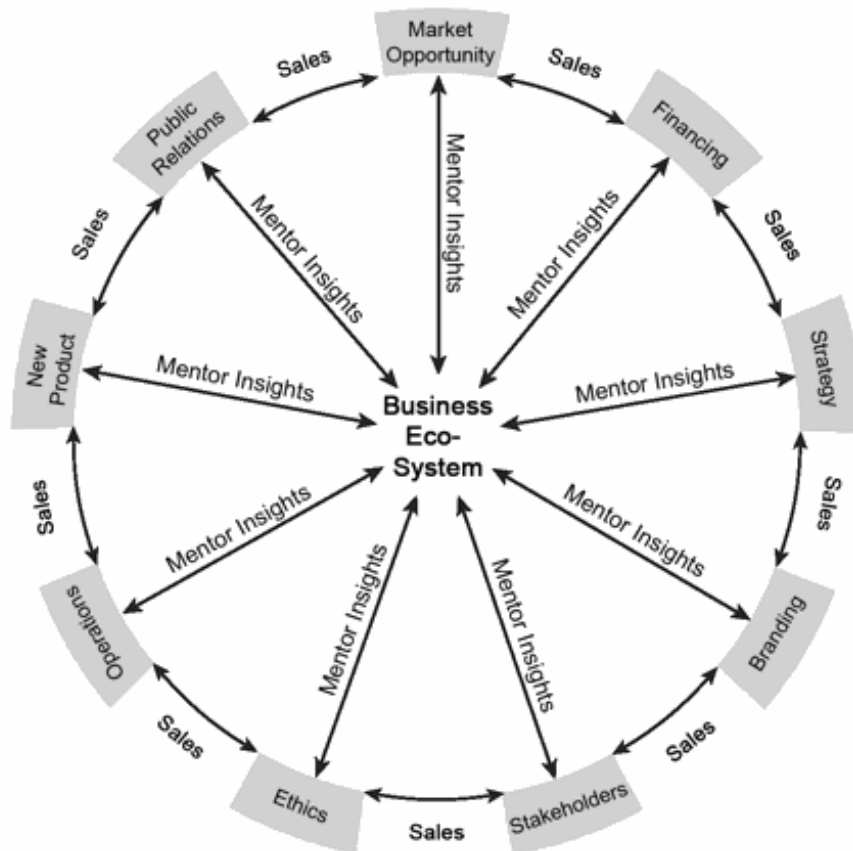
Go to: <http://www.Mentorography.com> and post an excerpt of one of your journal entries that is particularly applicable to someone on an entrepreneurial journey.

With the Mentor Insights providing strong spokes; this completes the description and elaboration of the visual model of the Business Eco-system Wheel.

²⁴ Ibid.

²⁵ Ibid.

BUSINESS ECO-SYSTEM WHEEL



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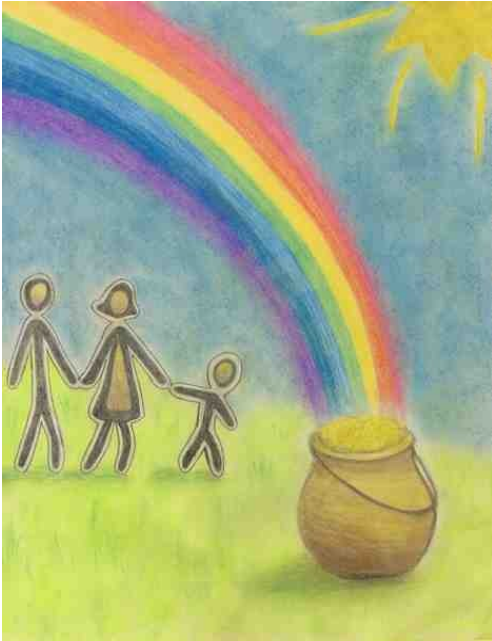


Exhibit 11: Striking gold

Image created by: Taissia Belozerova,
Graphic Designer, Artist, MBA Candidate
at Pepperdine University Class of 2009

Early-stage entrepreneurs can rejoice when they invest the time and energy to build well thought out Business Eco-systems. These hard-working, strategic-thinking entrepreneurs increase the chances of creating a startup that has a real opportunity of potentially striking gold at the end of the rainbow!

About this author and acknowledgements:

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