

Book Notes

The \$ 100 STARTUP

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THE \$100 STARTUP

Fire Your Boss, Do What
You Love And Work Less
To Live More



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1. Learning Objectives

Building a company doesn't necessarily require millions of investment dollars, fancy technology platforms, or complex organizational structures, you might be surprised at how easy it is to build your own startup with nothing more than your own focus, a great idea, and some cash to get started. Yes, you heard it right only \$100 is required.

- **Fundamentals of a start-up**
- **Provide True value to customers**
- **Identify your ideal customers**
- **Planning as you go is crucial for entrepreneurs**
- **Describing the principles of crafting a compelling offer**
- **Identify how you can self-promote and grow your business**

2. The Fundamentals of Startups

- Ordinary people can achieve financial independence by starting microbusiness. A microbusiness is a small business that is usually operated by a single person.
- Small businesses are nothing new but with the advent of the internet and its digital tools. It is never easier and cheaper to turn a business idea into a fully functional startup
- Today more and more individuals are foregoing traditional career paths by starting microbusinesses with very little money. **You only have three things to start a micro business, you need :**
 - **A Product or a service**
 - **A significant number of people who will pay for it**
 - **A way to get Paid**
- How do you come up with an idea for a microbusiness? It all comes down to the idea of convergence.
- Convergence of what you are good about and what people are willing to pay for it (a skill you are good at + usefulness).
- Fundamentals of building microbusiness are :
 - A Product, A market, A Passion
 - Some Skills

3. Defining your Product

- Do you have a **specific skill that** you know you are **better at than almost anyone else you know of?**
- Write all **those skills** and **choose those skills that are distinctive** and will **set you apart from your competitors** in the marketplace. Next **note which skills you are truly passionate about**
- Next look at an intersection between what you can offer and what the marketplace needs
- Identify a need in the market that your skill might solve. For Example, if you are great at small business accounting, the market need might be that small business owners lack accounting skills and are confused and frustrated when they have to manage their financials and tasks.
- **To develop a viable business, build a connection between your skill, your passion, and a marketplace need or pain point**

4. Providing Value

- Value is about creating something that is desirable and of worth for your customers.
- Value is about giving your customers what they truly want not what you think customers should have
- Make sure you are always focused on the needs and wants of your customers and streamlining your product or service to make it as convenient as possible for customers. Value as emotional needs and desires (Value expression should include)
 - **Benefits** your products /services provide vs. **Features** your product/services offer.
 - What customers want and also taking away things that they don't want
- What do your customers say they want?
- What does their behavior say they want?
- What are their biggest frustrations or their greatest aspirations?

5. Articulating Value

- Let us look at your product or service (what is the actual product your customer received)
- Having clarity on the features you 'll provide, sets the basis for how to position and sell the product by emphasizing the value it creates.
- You will focus that conversation on the features that give the greatest benefits to your customers.
- Once you have listed the features of your product, explain how each might make your customer feel
- What matters is selecting the most important features that you can clearly link to how your product or service will make the customer feel.
- Create a connection between your product features , you'll be on your way towards meeting their needs.

6. Knowing your customers

- Consider the following about your customers :
 - Who are they?
 - Where are they
 - What do they have in common
- Knowing who your customers are will help you tailor your product or services to provide them with the most value possible
- Multiple ways to think about your customers
 - Traditional demographics include metrics like Age, location, gender, race, and income.
 - Modern metrics: Interests, skills, Beliefs and Values
 - Communicate with your prospects and anyone who might be a good fit for your product or service
 - Customer research is important (ask about their problems)
 - Customer research before you a start your micro business, customer research is important (helps you validate your customers)

7. Defining Your Target Customers

- People buy based on needs and those needs can cut across attributes like age, geography, race and other personal characteristics
 - Ask who has the problem I'm interested in solving.
 - Look for identifiable groups of people who face the same challenges
 - Segmenting by need helps to position your product or service based on its benefits and how it solves the market segment's pain points
- What is the pain point your product or service solves?
- Who has this pain point
- What characteristics can you use to identify and find people with this pain point?
- After figuring out target customers, you need to :
 - Figure out how to understand your target customers' needs
 - Modify your products or its positioning based on their needs
 - Figure out "where" your customers are

8. Action Vs Planning

- Many successful start-ups begin their journey quickly and learn as they went
 - Planning is great, but you can spend a lifetime planning a startup that never takes off
 - To start a micro business, you have to take action and plan as you go
- **How to launch a micro business quickly**
- Pick a marketable idea and run with it
 - Your start-up idea doesn't have to be perfect or groundbreaking
 - It just has to provide value to a significant number of people
 - Do some market testing before you commit to a business idea
- Always keep the cost low, Invest effort instead of money into your start-up
 - Set a budget for what you are planning to spend
- **Get your First sale as soon as you can**
 - Avoid perfection of the product (also serve as a reference customer, which will give future prospects more confidence in buying from you)
- No Matter what your startup idea is, remember that action always wins in the battle between actions and planning

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9. Going to Market

- Do you have a product or service that you think solves a customer pain point?
- Do you know who your target customers might be?
- Can you articulate the benefits of your product or service to those customers?
- Do you have a reasonably complete version of your product or service that a customer can use?
- If you have entered yes to these questions you are ready to go to market (Action over plan is very important), This is your chance to put your principles into practice
 - For the Initial launch, choose the market segment you have better knowledge of
 - Identify a few prospective customers in selected market segments and reach out to them using the marketing channels
- List down the initial target customers
- Next to them write down the marketing channel you want to use to reach them
- Social Media, Networking websites, Direct mails, Phone calls, Other channels that customers could be responsive channels to
- Next to each channel write down the benefits of your product or service you are going to emphasize in that marketing effort. Now you have a go-to-market plan
- During the initial phase learn about Your customers, your preferred marketing channels, your messaging responses from customers. This is all about refining your market segmentation, marketing channels and messaging. Spend some time to see what works or does not work

10. Crafting a compelling offer

- Your offer is the combination of your product or service and your messaging to potential buyers
- It is a way your business answers the questions? Why should I buy your product or service
 1. Understanding what customers say they want and what they really want isn't always the same thing.
 2. People like to buy but they don't like to be sold (make your offer seem like an invitation rather than a pitch)
 3. Focus on clear communication of your product or service value proposition be sure to articulate in such a way that it solves customers' problems, rather than focusing on the features of the product or service
 4. Create a sense of urgency from your offer (the best offers give your customers a feeling that they have to buy whatever you are offering right at the moment)
 5. **Offer time –restricted deals and promotions** (if they know that the offer won't be there forever) fear of losing out on something valuable can prompt them to act now.
 6. Consider how you will overcome potential objections to your product or service
 1. How do I know this product will work?
 2. Could I get this product or service cheaper somewhere else
 7. Add FAQ section to your website, Packaging, or brochures to address objections by customers

11. Driving clarity in your Offer

- What do your customers really want?
- How do people react to your product or service?
 1. What benefits did they say they are happy with, and which features did they say they are happy with?
 2. Go back to your initial customers on the products or services you provide
 3. Is your offer inviting people to buy or is it a pushing your product or service as a sale
 4. Explore your marketing copy, and check the messaging about your product on your website, on social media, and in your marketing **materials (Does it seem pushy or does it create curiosity in the reader?)**
 5. Do you think your prospects will read it and say, "Hey! I have that problem too! I would like to learn more about this ?

12. The Power of Self Promotion

- Start with People you know
- Make a list of your friends, acquaintances, professional contacts, and colleagues and send them personalized notes that explain what your start-up is about, you can also ask them to join your mailing list
- Ask them to share the news of your startup with people they know would be interested / Draft a social media post.
- Strategic giving involves occasionally giving away free products or services to spread the word about your startup or make an impression on existing customers.
- Give your product or service away to influential bloggers in your field, In return, they might write positive articles about you. A Few other strategic giving ideas are to randomly ideas
 - Double a customer order
 - Upgrade their shipping
 - Include handwritten notes in their packages
- Customers exchange these kinds of gestures when you talk about them with other prospective customers. One last way to give strategically is to hold contests and giveaways. These types of events hold contests and giveaways to improve engagement with customers. These types of events are great for contests and giveaways to improve engagement with customers in social media at very little cost to you.
- Maintain a regular schedule of communication with your customers
- Regularly posting on social media, Responding to questions and check-ins with existing customers. Always say yes to reasonable customer requests. Building relationships with your customers is a long-term strategy that can lead to great results and new opportunities. If customers know you really care about them and their relationship with you, they are more likely to stick around continue buying from you, and be forgiving of errors in the future because they know you will make things right

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13. Start Promoting Your Business

- How to get the word out
- SN (Family, Friends who will be interested in your product or service as a customer) or who will be willing to share the news of your business with their networks
- Craft a targeted outreach message
- Token of appreciation to the person who has referred you.
 1. Influencer bloggers or journalists whom your customer listens to.
 2. Manage your customers by being in touch

14. Growing Your Start-up

- Add a service to your product-based business or a product to your service-based business
- If you have a product-based business think about something you could educate our customers about the product
- Try offering something that could teach your customers related to the product
- You could offer consulting, coaching, training
- Creative Up-sells and cross-sells, Upselling is when you offer a higher-level version of an item or an additional item altogether when a customer buys something. Cross-selling is when you offer related items to customers after they buy something
- Growth Tweaks :
 - Holding contests and giveaways
 - Encouraging referrals
 - Offering sales and promotions to your existing customers

15. Building your Growth Plan

- **Upselling & Cross-selling**
 - **Is there an elite, pro, or five-start version of that product or service that you could create?**
 - **Provide a bundle discount**
- **Increase your prices without sacrificing volumes? Can you Add Higher margin features to your product and charge more for them?**
- **Can you change the pricing structure from one that may be cost-based to one that is value-based?**