THE ULTIMATE GUIDE TO STARTUP SUCCESS: DO THESE THINGS AND YOU WILL NOT FAIL
Launching a startup is an exciting prospect, but one that is also fraught with considerable challenges. Bringing a new idea to the marketplace requires more than just a dream; there are also important considerations and steps to be taken to ensure that your new business has a successful start and can sustain for the long run.

This ultimate guide is designed to give you the tools and resources to help you plan, launch and maintain startup success. From developing your pitch to building your brand, and from raising capital to addressing legal and tax issues, this guide will walk you through the critical components of getting started and the steps to take to avoid failure.

Do These Things and You Will Not Fail
Developing the pitch for your startup is more than just coming up with a clever tag line for your business. Your pitch can define your success in raising capital, building business alliances and gaining market share. Therefore, it must be carefully thought out and strategized in order to make those first impressions count and to establish a solid foundation on which to grow your company. Gone are the days of traditional multipage, chart-heavy business plans that venture capitalists once demanded to evaluate potential investments. Instead, startups need to develop documents that convey the most essential information in a concise format.

**Executive Summary**
Typically, the first document you will submit to potential investors is an executive summary, which will be reviewed to determine whether they are interested in learning more about your startup. This one to two-page document should provide basic information about your company, including the team, your product or service, and the market you would be entering. Your executive summary should briefly describe and introduce each of these elements and create enough interest to gain an invitation to an in-person meeting with potential venture capital investors.

**Pitch Meeting**
Once you gain an invitation to an initial in-person pitch meeting, you’ll likely be asked to prepare a presentation that includes slides highlighting more detailed information. Most often venture capitalists will be interested in learning the following:

- Details about the company, including the founders and their industry experience.
- Your product or service, including features and benefits, as well as product specifications and technical or production requirements.
- Market opportunity and existing competitors.
- Management and technical teams, with an emphasis on specific talent, relevant experience, and entrepreneurial track record.
- Sales and marketing strategy, including pricing and distribution.
- Development milestones.
- Financial information, including projected sales, expenses and profits, capital requirements, and exit strategy.
- Perceived valuation.
- Other advisors or consultants supporting your company.

Beyond potential financial returns, potential venture capital investors will want to evaluate your team’s ability to execute while creating and sustaining a viable product. VC’s can also offer valuable advice and experience that can help you avoid pitfalls and optimize your approach to the marketplace.
Deciding on the most appropriate legal structure for your startup is an important decision, which will establish a foundation to support growth and operational effectiveness. The right legal structure can help you limit potential liabilities, create appropriate tax strategies, as well as safeguarding intellectual property, attracting outside investors, and reducing potential disputes at later stages. Creating a sound legal structure is critical for startup success; here are some important steps to consider:

→ Decide whether a corporation or a limited liability company (LLC) is most appropriate for your startup.

→ Review tax considerations for each option with a professional advisor.

→ Conduct trademark and registration searches to avoid conflicts early on.

→ Hire an attorney to help with incorporation requirements.

→ Speak with advisors about whether and how equity will be offered to employees.

→ Consider your growth plans and exit strategy and determine how those might affect your legal structure.

→ Develop an operating agreement to outline equity arrangements, intellectual property ownership, employment terms and other legal considerations.

Addressing your legal structure early on will help set the stage for future growth and avoid future obstacles.
Creating a brand is more than just a well-designed logo or website. Those are really just expressions of your brand. Your true “brand” is the mental association and emotional response people will make with your company. It establishes your company’s persona, identity, and purpose in the world. To successfully build your brand requires careful planning and execution. Here are some tips to get you started:

→ **Define a higher purpose and mission statement**
  This should explain not just what your company does or how it does it, but why it does it.

→ **Differentiate your brand**
  Consider how your company will uniquely solve a problem for your target market.

→ **Choose a brand name**
  Consider a short name that is memorable, easy to pronounce and read, and invokes positive thoughts.

→ **Build a visual identity**
  Establish the look, feel and design attributes that align with your mission, including logos, packaging, business cards, ads, sales materials and more.

→ **Establish the experiential part of your brand**
  All interactions with your company should embody your brand, including employees and locations.

→ **Be consistent**
  Ensure that all visual elements and experiential interactions with your brand are aligned.
To successfully launch your startup, you’ll want to take advantage of the tremendous resources of venture capitalists, experienced entrepreneurs, talent, and business advisors, who can help jumpstart and sustain your business. Each industry has its own ecosystem designed to help startups that are willing to reach out for support and assistance. Consider leveraging the experience and resources of the following key players:

→ **Investors** – Beyond capital, venture capitalists and angels can connect you to resources within their portfolio or industry.

→ **Mentors** – Experienced entrepreneurs and industry veterans can offer guidance, provide feedback and introduce you to key contacts.

→ **Incubators and accelerators** – These programs can give you access to facilities and resources to rapidly boost your growth and network within the industry.

→ **Advisors** – Attorneys, accountants and other professionals can provide critical assistance and guidance that is beyond your skill-set.

→ **Talent** – Look to those with specialized skill that can add value beyond that of your founders.

→ **Economic development agencies** – Many cities and states offer financial and logistical support during the growth stage of a startup.

→ **Colleges and universities** – Educational institutions can provide valuable programs and resources to startups, including labs, researchers, alumni connections and more.

→ **Enterprises** – Many large companies and industry groups have initiatives to identify and promote promising startups with resources.
A successful startup undoubtedly needs capital to increase their potential opportunities and sustain growth. Raising capital typically takes place at several stages or rounds, each of which comes with different terms, conditions and milestones. Equity is one of the more common ways most startups approach early investments. Consider the following options for your startup and which combinations will work best for you:

- **Bootstrapping** – Usually the first round of capital comes from the founders’ savings and credit cards, and in some cases seed money from friends and family.

- **Angel Investors** – These individuals or groups specialize in early-stage investments for startup ventures.

- **Strategic Investors** – Often corporate-backed investment funds partner with startups to get early access to cutting-edge companies in their industry. These partnerships can offer industry guidance, market credibility, and access to a customer base.

- **Government Investment Funds and Grants** – Many states now offer venture capital funds to attract businesses and promote local economic development.

- **Bank Financing** – For some startups taking on debt may be more appealing than handing over ownership stakes to other investors.

- **Venture Capitalist Investors** – Venture capital firms provide access to a pool of investment dollars from large corporations, investment companies, and wealthy individuals among other sources. Those funds are used to invest in start-up companies that they think will be profitable. Often these firms are looking for start-ups that promise to offer a high return and the potential to grow much larger.
A carefully planned tax strategy can add significant value to your business and avoid complications in the future. Obtaining tax advice and support at the earliest stages of your startup will ensure long-term financial health. The following tax-related issues should be considered:

- **Registration** – Most new businesses must apply for a U.S. Federal I.D. number
- **Federal Income Taxes**
- **State Income Taxes**
- **Employment Taxes**
- **Sales Tax (on a state-by-state basis)**
- **Property Tax**

Other taxes may apply based on the nature of your business, as well as registering with state regulators for appropriate licenses or permits. Having a tax professional handle these important steps can be critical to avoiding legal complications. Additionally, you need to consider the following for your startup:

- **Determine how you want to establish the entity.**

- **Taxation consequences such as sales and income taxes based on the company’s place of business.**

- **Determine if personnel are employees or independent contractors.**

- **Consider tax consequences of non-cash remuneration.**

- **Identify possible tax incentives and credits you may qualify for.**

- **Ensure tax compliance.**

- **Meeting required tax filings at various times of the year.**

- **Incorporating tax charges and payments into budgets and financial projections.**
Maintaining accurate financial accounts, implementing controls and assessing audit requirements are critical for startups. A financial planner and accountant can help manage tax-reporting, reports for investors, and help guide strategic decisions. Properly maintained accounts can help:

- Save time and expense in preparing external financial statements.
- Help develop accounting policies and processes to support a better control environment.
- Add value by facilitating due diligence for investment and exit purposes.
- Maintain records for all business transactions and cash forecasting to keep investors informed.
- Monitor and manage controls and ensure accuracy of balances.
- Develop a budget to guide operations toward goals.
- Address obligations and restrictions involved in financing arrangements.
Starting your own business requires careful planning and sound strategy. By following these guidelines you can help ensure that your startup establishes sure footing on the path to success, while avoiding the potential pitfalls that entrepreneurs face.

Back Office Support Solutions can help your startup succeed through a wide variety of financial and strategic solutions including:

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- Accounting Software Management
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- Plus, a variety of other management consulting services

To learn more about launching your startup and how Back Office Support Solutions can help, visit BackOfficeSupportSolutions.com