



10 Tips

To Start Your Business
With **Little Money Down**



How do you start a business with little to no money? That is called bootstrapping. What is bootstrapping? **Bootstrapping** is building a business from the ground up with nothing but personal savings and, with luck, the cash coming in from the first sales. The term is also used as a noun: A **bootstrap is a business** launched by an entrepreneur with little or no outside cash or other support

Tip 1

Create a Business Plan - This may seem like something that goes without saying. However, far too many times people just jump into business without a business plan. A business plan helps you to organize your ideas. It allows you to think things thru BEFORE you start spending money.

- Please write out your business mission statement. This is the first step to creating a business plan.



Tip 2

Find a Partner or Co-Founder - Find someone that has skill sets that compliment yours or skill sets you don't have. For example, someone that has accounting or legal experience, etc. A partner or co-founder also provides someone to share the expense of the business. Additionally, it provides someone to bounce ideas off and provide a different perspective.

- List at least **three (3) people** you would consider a mentor. Then document your steps in asking them to become a mentor (phone call, lunch, etc.).

Tip 3

Find a Mentor(s) - You must identify one or more mentors that can provide advice and insight on decisions. This should be someone that has expertise in starting a business or someone that understands your business. How well you know this person should determine your approach in asking them to be your mentor. For example, a phone call would be more appropriate for someone you know very well, like a best friend or a close family member. However, buying lunch for a potential mentor to discuss a mentor relationship is more appropriate for someone from work or a social organization.



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Tip 4

Cut Your Personal Expenses - As you start your business, you want to cut costs to apply to your new business. This could include cutting expenses for those things you can do yourself (dining out, maid service, lawn service, personal beauty, etc.). For example, that extra \$500 a month can be used to invest in your business.

- List at least **five (5) areas** in your expenses you could cut back to save money.



Tip 5

Invest in your Website and Incorporation - Take the time to secure your incorporation and website name. You don't want to start marketing your business only to find out that someone has the same name and/or website address. This also provides a more professional look. Since your clients will search for you on the internet.

- Search internet or your state comptroller's office for the name of your business to determine if the name being used by another business. If not being used, move forward with solidifying the name (i.e. DBA, LLC, etc.)

Tip 6

Be Thrifty with your cash - Do your research and find free versions of software like Ripl (for marketing) and Dropbox (for file storage). Create business cards that are functional and not "too" fancy. Fancy drives up costs. Consider using refurbished computers and office furniture to cut costs. Work with banks that offer free banking services or small business banking fees.

- Search for **free software** that can help you with your business. Download the applications and search in the application to see what is available. Search for companies that offer **refurbished** furniture, computers, or other items needed for your business. Compare quality and price of refurbished items vs. new items.

Tip 7

Work on Your Business Model - Work on your business model to eliminate any inefficiencies or processes that slow down the closing of deals. You want to ensure your business model generates cash fasts to ensure your cash reserves are not depleted quickly.



- Write out your business model. Highlight areas of inefficiencies and processes that slow down the closing of deals. Begin working on solutions for the inefficiencies.

Tip 8

Consider Using a Co-working environment - A fancy office space is not needed in the beginning. Those funds could be used to on your marketing to acquire more customers. Consider using a co-working space. In addition to the monetary savings, there are other benefits as well, such as collaborating, networking, and learning from other entrepreneurs.

- Research co-working and/or virtual office options in your area. Compare pricing and determine which, if any, works best for your business.



Tip 9

Avoid Credit Card Debt - Unless you can pay off the credit cards every 30 days, this is the worst way to finance your business. The debt on credit cards can add up quickly and ruin your personal finances. If you have already used credit cards, focus on paying them off as quickly as possible.

- List the credit cards and the amounts charged for your business. Develop a plan to pay off the credit cards quickly.

Tip 10

Network, Network, Network - Get out there and meet new people. Join your local Chamber of Commerce. Attend events and galas that are similar to your business model (hair shows, accounting groups, etc.). Volunteer to speak at events. Having a successful business is about having a good network of people that know you and can make referrals to those that need your services.

- List at least **three (3) networking groups** that you could join that would benefit your business.



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