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The key to successful shoestring start-ups



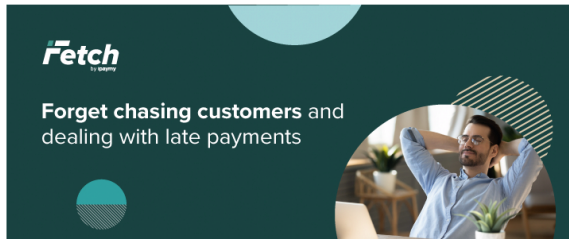
 **Alan Manly**
May 11, 2022 | 2 mins read



The inevitable boom after an enforced recession caused by COVID plus the low-interest rates from government bonds has resulted in a boom for private companies. This has resulted in a record surge in investment pushing many privately held start-ups to achieve unicorn status.

However, as we know, all big companies start small. Taking heart from this adage it is obvious that if you have a great idea and no money you are embarking on a well-worn path. Sadly, many fail not through lack of enthusiasm but more from a lack of cunning.

Assuming that money is in short supply how can you start a business on a shoestring budget?



Step one: create a winning business plan

A business plan to clarify what you are really doing. It will clarify what you are doing. Detail how much you will need to fund your start-up. Allow for set-up costs, equipment, accommodation, working capital, line of credit and an online billing system.

Step two: plan ahead

If you are employed and considering “starting up” use your strengths as an employed person with a regular income. Save as much as you can from your salary to serve as your working capital. Next, you will need a line of credit. Banks are most likely not a real option for a business loan to a high-risk start-up. But they will give an employed person credit cards. Apply for as many credit cards as possible from the banks and other credit organisations. You should be able to get say four or five. Next is the online billing system, such as Paypal.

Step three: your office

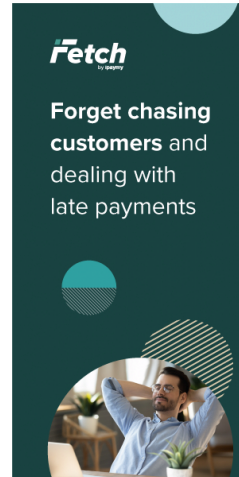
In the era where we all have a personal mobile device that includes phone and email, your communications and office are both linked and efficient. Accommodation depends on the type of work but if it requires an office and a desk in a corner of a room is fine for after-hours back-office work. Your business hours office may require a more sophisticated approach with in-house catering and maybe WIFI. Choose a neighbourhood coffee shop that is not too busy to allow you and a client or co-worker to meet and have a slow coffee.

Step four: get a customer

This is the risky part. To survive you need more cash in than out. The cash-in is to be in quickly and the cash-out to be a 30-day arrangement. The cash-in is best achieved by allowing payment on the day with cash or credit card via a platform such as Paypal. Now that you are in start-up mode it is vital that you expand the usual sales process to include prompt payment. Negotiate as if your entire future depends on it because it does!

Step five: employ staff

This is a minefield for the entrepreneur. The temptation is to spend too much time selling your great idea and then drift into discussing the business plan with your newfound



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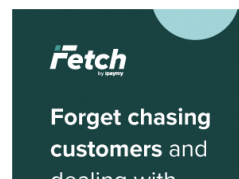
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friend who is obliged to say yes to your great ideas because they want the job. You are now in business and must establish an employer/employee relationship to address the task at hand. Present your simple job description at the first interview. You are now taking a compounded risk by employing a stranger. Never of course be silly enough to employ a friend, not one that you wish to keep.






These ideas are for the brave who find themselves in the same position as thousands before them, high on ideas and but very low in cash. Remember to look after yourself because if you follow these steps, you are now in business competing with others who may be one step ahead of you.

Business Plan Operations






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