



The Art of The Start

Author: Guy Kawasaki

The correct guidance and motivation can give legs to your entrepreneurial dreams. You might have the best idea in the world, but unless you execute it effectively, it is not going to become a success.

Guy Kawasaki in his book, “The Art of The Start”, weaves together two decades of business experience to offer a definitive guide for anyone who dreams of starting anything. If you dream of starting your own business then, The Art of the Start will provide you with everything you need to know from raising money to fostering a community.

Key Takeaways

- The first step towards your entrepreneurial dream is to “start”
- Make sense of what you want to do and then carve out a plan to achieve the same
- The way people will perceive you and your organisation depends upon your positioning
- As a business owner, you are constantly pitching your organisation and its value proposition. Ensure that you have a well-articulated business plan that effectively conveys the core value proposition of your business.
- Bootstrap your business and keep a sharp eye on your expenses
- Recruit people who can bring varied skills to the table and contribute meaningfully
- Work towards becoming a “rainmaker”
- Work towards contributing to society

The Art of Starting - You will never reach your destination if you don't start your journey

In life, if you want to be successful at anything, you must be a “doer”. If you have an entrepreneurial dream, then you must work towards achieving the same. There are five important things an entrepreneur must accomplish:

- 1. Make Meaning:** Know why you are starting the business. Money, fame or power is not a good enough reason. Give your work meaning. Your meaning should stem from a desire to benefit the society at large.
- 2. Make Mantra:** Have a core philosophy and incorporate it into your organisational mantra. A mantra is defined as a sacred verbal formula repeated in prayer, meditation, or incantations such as an invocation of god or a magic spell.
- 3. Get Going:** Don't sit around and wait for something to happen. Instead, start working from the word “go” to deliver your service or product to the end customer.
- 4. Define Your Business Model:** Define your customers and their needs and identify how you are going to fulfil those needs.
- 5. Weave a MAT (Milestones, Assumptions, and Tasks):** Make a list of the milestones you need to meet, the assumptions that are built into your business model, and the tasks you need to accomplish your milestones.

Once you have the basic foundation in place, think about how you want to position yourself and your organisation. Have a clear understanding of why you started the organisation, what you hope to achieve through your product or service, why customers should choose to patronise your organisation and most importantly, why good people should choose to work for the organization. However, in order to position your organisation effectively, it is imperative that you are able to clearly distil your value proposition and understand how your organization differs from its competitors.

You must position your product or service in the most personal manner possible, so that consumers can immediately relate to it



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and form a bond with your brand. Ensure that your communication with your target audience is easy to understand and devoid of technical or insider jargon. Also, offer concrete points instead of mere overused adjectives when distinguishing your products from those of competitors. For example: instead of calling your system safe, say that your system has never been hacked. Additionally, choose a remarkable name for your organization, product or service and ensure that each member of your organization understands your company's positioning.

Good positioning must have the following qualities:

- Positive.
- Customer-centric
- Empowering to your employees
- Self-explanatory
- Targets the intended customer
- Must show the core competencies of your organization
- Relevant to your core competencies and to the core needs of your customers
- Long-lasting
- Different from your competitors

The Art of Pitching

As an entrepreneur, you are constantly pitching your business, be it to potential investors, potential vendors, potential partners or potential clients.

Making the perfect pitch:

- Explain Yourself in the First Minute; be clear and articulate in your communication and don't beat around the bush. The audience wants to know about your organisation. Your pitch should answer this in the very first minute.
- Substantiate: Corroborate every point you make with facts and data so that everything you say makes sense to the audience.
- Know Your Audience: Effective communication is incumbent upon understanding the audience. Learn about your audience and discern what's important to them.
- Observe the 10/20/30 Rule: Use the following the next time you are giving a presentation: ten slides, 20 minutes, 30-point font text.

However, just a rock solid pitch is not sufficient. Most potential investors will also ask for a business plan to understand your business proposition better. When putting together a business plan, focus on the executive summary. An executive summary is a concise and clear description of the problem that your business is looking to solve. It not only highlights the problem statement, but also shares the masterplan for solving the problem and the business plan constructed to achieve the same.

Tips you should use when creating your business plan:

- Do not exceed twenty pages. The shorter your plan is, the more likely it is to be read.
- Only one person should write the entire business plan.
- Simplify financial projections to two pages and make them realistic.
- Include key metrics that clearly show how you are going to achieve your milestones.
- Provide the right numbers. Ensure that you include your cash flow statement for the first five years.

A start-up business is usually on a constant look-out for capital from outside investors. Investors include venture capitalists,



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foundations, friends and family members. While pitching plays an important role in this process, you must understand that investors are looking for tangible reasons to invest in your business.

Tips for raising capital:

- **Build a Business:** Focus on building your business. However, chances are that if you are looking to raise capital then you do not have sufficient funds to build your business. The answer to this dilemma is “bootstrapping”.
- **Network:** tap your network for opportunities. Have your current investors, lawyers, accountants, other entrepreneurs and friends introduce you to investors.
- **Disclose Everything:** Don't attempt to hide problems that cannot be cleaned up immediately. By actively hiding something, you can damage your long-term credibility.
- **Be honest about your competition**
- **Don't Use Old Lies.**

When building a business, it is important to acknowledge that you cannot do everything on your own. Hence, partnerships can play a key role in helping you increase cash flow, accelerate revenue and reduce costs. Look out for good partners who can align their goals with the goals of your organisation.

The Art of Bootstrapping

Most investors start their business with minimal capital. This makes it challenging to take the business to market. A good solution to this is to follow a bootstrap model. This would entail starting with low upfront capital, having short (under a month) sales and payments cycles, focusing on recurring revenue and resorting to word of mouth advertising.

Here are things to consider when you are on a bootstrapper's model:

- **Forget the “Proven” Team:** When you are bootstrapping, you need to optimise every dollar invested. Instead of recruiting star performers at high wages, choose to hire young inexperienced people with mouldable talent and endless energy.
- **Focus on Function, Not Form:** Do not spend money unnecessarily to keep up with appearances. Invest in good but cheap resources, whether it is your accounting firm or office furniture.
- **Go Direct:** Take your product or service directly to the customer instead of going through agents and resellers. The onus of establishing your product and its market is upon you.
- **Position against the Leader:** As a bootstrapper, positioning against the market leader or going against accepted ways of doing might help you attract the necessary eye balls.
- **Understaff and Outsource:** Invest in human resources judiciously and outsource smartly. Do not outsource core functions but definitely outsource tertiary roles.
- **Build a Board:** A board of directors is always a source of good guidance and superb direction.
- **Sweat the Big stuff:** While you save on the accounting firm and the office furniture, invest in your product development and sales.
- **Execute:** The failure to execute can be disastrous to a bootstrapper. To be able to execute, you must be able to set clear targets, measure progress and be agile enough to respond to changing market conditions.

The Art of Recruiting

An organisation is only as good as its people. Therefore, recruiting is one of the most enjoyable and yet most critical tasks that



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you will face as an entrepreneur. When recruiting, you must look beyond race, colour, education and work experience. Instead you should focus on three factors:

- Can the candidate do what you need?
- Does the candidate believe in your meaning?
- Does that candidate have the strengths you need?

Recruitment Tips:

- Hire people better than you.
- If you find someone that suits the role, hire the person. Don't wait for someone better to show up or dismiss the person because of your personal biases.
- Do not give more than necessary importance to factors like: experience in a big, successful organization, experience in a failed organization, educational background, experience in the same industry, experience in the same function, and functional weakness. They are relatively unimportant.
- Focus on the strengths of the candidate.

The Art of Branding

Branding hinges upon the classic four Ps of marketing (product, place, price and promotion). The aim of your branding strategy should be proselytization, which is the art of converting others to your belief or doctrine.

For today's start-ups, proselytization is the core of branding. The aim should be to create something contagious that can inspire enthusiasm in people and make them eager to try your product or service. It should have the power to compel people to spread the word around.

The secret to branding is aligning with a product or service that is already gold standard in the industry or enhancing your product and service until it becomes the gold standard of the industry. You must be able to create or find products and services that are contagious. Contagious products and services are:

- Cool
- Effective
- Distinctive
- Disruptive
- Emotive
- Deep
- Indulgent
- Supported

Branding Tips

- Lower the Barriers to Adoption: You need to ensure that your product or service is accessible. This is made possible by ensuring that your communication is simple and yet effective. Your customer should clearly be able to see the value proposition of your product/service.
- Foster a Community: There is nothing more effective than an endorsement by happy customers. Look for customers who are



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enthusiastic about what you do and are willing to endorse you.

- Be Human: Don't forget to focus on the larger good that your business can serve and work tirelessly towards the same.
- Publicity is Important: Create some noise around your product and follow through by fostering strong relationships with the media and press.

The Art of Rainmaking

A rainmaker is defined as a person who is capable of generating large quantities of business. This primarily entails starting the business and launching the very first version of the product or service. The next step requires you to observe how your product or service is selling and then taking steps to ensure that it sells well. It is imperative that you are able to overcome customer resistance and make your product/service a part of their lives.

Tips to master the art of rainmaking:

- Be judicious about the lead generation method.
- Find the key influencer. Do not focus on titles. They really don't mean much.
- Be nice to secretaries and administrative aids.
- Make your prospect talks. This way, they'll be able to tell you what you need to do to close the deal.
- Ask customers to test your products and services and provide feedback.
- Provide your customers with a slow and easy adoption curve.
- Do not be fazed by rejection.

Your end goal should be to become a mensch. Mensch is a Yiddish term for an ethical and admirable person and is considered as the highest form of praise in some cultures. To become a mensch, you must commit yourself to helping others, standing for the right thing, staying true to your commitments and contributing to society.