THE $355 STARTUP

10 Simple Steps to Starting Your Own Business

By Alex Day

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A Note from Alex Day

The Sheltowee Self Assessment Notebook is a tool to assist you in evaluating where you are in life and helps you chart a course to where you want to be. Use this notebook as a reference. Be sure to put your name and the date of when you started this on the cover. This will allow you to go back and review your information in the coming weeks and months. I have assembled this notebook to help people in their lives and in business. The greatest help I have found in life is my faith in God. This notebook is for any individual regardless of their theological background. Our goal is to welcome everyone who agrees with our four core values which are:

1. **Help others**
2. **Always act in a kind, ethical and transparent fashion**
3. **Honor those who assume the risk**
4. **Expect a financial return for your interactions within our network**

We do not use the Sheltowee Business Network or this notebook to proselytize or force our theology on anyone. But for those who are interested in learning more about my faith, and how it has impacted my life, you can go to www.ThisIsWhyIBelieve.org to learn more. I hope that the Sheltowee Business Network and this self-assessment notebook will help you identify aspects of who you are and help you achieve your full potential in life. Sincerely,Alex DayCEO and Founder of the Sheltowee Network and Konexons.

The Story of Sheltowee

Daniel Boone was a great American Frontiersman who opened new expanses and carved a civilization out of wilderness. In 1778 he was captured by the Shawnee Indians during a hunting trip. He was such an exceptional outdoorsman, and so respected by the tribe that he was adopted as one of their own. The chief that adopted him thought he had broad shoulders and looked like a turtle, and was given the name Shel-towee. We at the Sheltowee Network respect Daniel Boone's skills and what he achieved as an entrepreneur and pioneer. We hope to blaze new trails and open new expanses, just as Daniel Boone did.

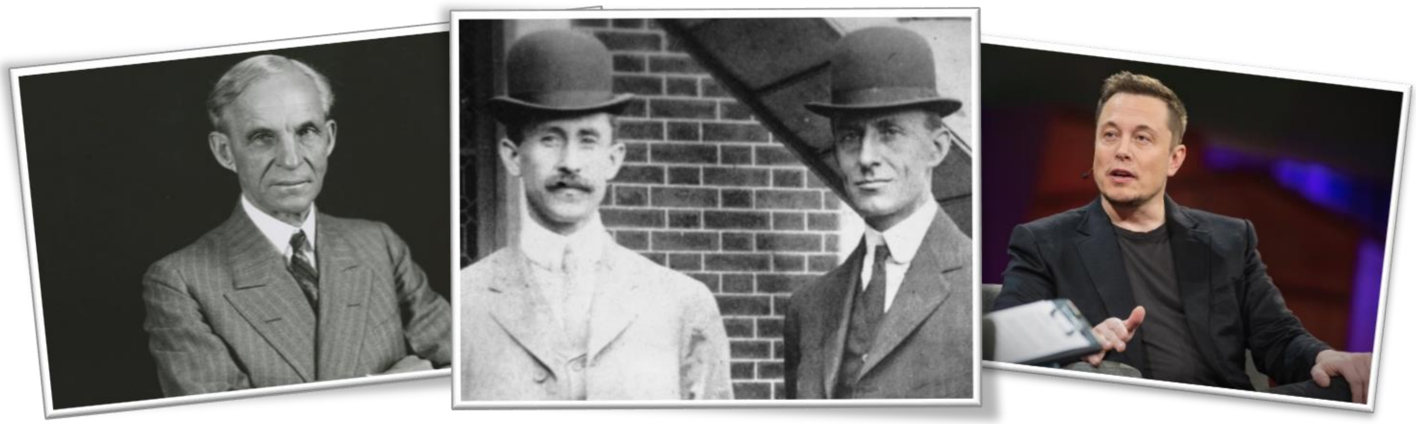
It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.

- **Theodore Roosevelt**

Introduction

I wanted to write a short book on getting your business started. A few years ago I spoke with someone who told me that if you don't have $50,000 to start a business, you shouldn't bother. Well this would knock a lot of people out of the opportunity to start a business. I wanted to walk through how you can start a business AND look like a professional business for only $500. I hope that you enjoy this book and find great value in it. I dedicate this to my mom, my dad and my wife. They have helped me more than anyone can imagine, walk the entrepreneurial path.

Entrepreneurship



Owning your own business can be one of the most rewarding things you ever do. It can provide you with amazing economic returns, it can provide you freedom and it can change the world. We live in an amazing country where entrepreneurism has created the most powerful economic force that the world has ever seen. This book is meant to provide you the very basics on how to get your business up and running for as little as $355. It is my intention to provide information and resources to entreprenerus to help start hundreds of amazing companies that can change the world for the better. Entrepreneurship has taken us to the roads, to the skies and to the stars. Perhaps your new company can help take us to amazing places!

Section 1 - THE BACKGROUND INFORMATION

About Alex Day

I am a serial entrepreneur and angel investor. I have walked the entrepreneurial path for most of my life. One of my frustrations are the entrepreneur posers. Many of the individuals who are there to "help" entrepreneurs are bureaucrats, academics or philanthropists. They are most definitely NOT entrepreneurs. Let me give you a quick litmus test. If they are being paid by a government agency…they are not an entrepreneur. My first entrepreneurial experience was in grade school. My father taught me about this incredible concept…profit. You can purchase something for one price and then sell it for a higher price and keep the difference!!! I was fascinated with this concept. At the school PTA sale in elementary school I discovered that the kids liked these hand knit yarn door hangers that had cinnamon and other spices to provide a nice fragrance. I purchased all that they had and marked them up by 100% and started reselling them. Some of the mothers in the PTA did not like this and approached the principal. This was my first lesson that regulatory authorities are by their very nature anti-business.

When I was 15 my cousin and best friend Earl and I contracted with Paramount Pickles to raise cucumbers (and you never refer to them as “cucumbers”, they are referred to as “pickles”). We put out almost an acre of pickles and worked hard that summer. I remember taking great satisfaction in watching the plants grow and waiting in great anticipation for our first harvest. Then came time for the harvest. Picking pickles is back breaking work. We would start before the sun came up to get them picked before the heat of the day. We would have to pick them every other day for a few weeks. This back breaking work became a strong incentive to get a college education. I was much more fit to work with my mind, than I was for physical labor.

As the years went on, I discovered one of my other passions in life. And that is science and technology. I have been an early adopter of interesting technology for many years. I decided to get a degree in physics and my initial goal upon graduating high school a year early was to get a PhD in astrophysics. It was not until my senior year in college in my nuclear physics class, that I realized, I was not going to be able to get a PhD in astrophysics, because I did not have the gift to understand the complex math involved (yes it took me until my senior year to come to that realization). I can be a slow learner.

I earned a degree in physics, mathematics and Russian language. I studied Russian language for a semester at the Leningrad Polytechnic Institute in the Soviet Union (this was an amazing experience, and gave me a great respect for the freedoms we have in this country). I ended up going to work for my father who had started his own pharmaceutical research and development company. There were only three people in the company when I started and I worked with my dad for 10 years growing the business.

In 2001 I started Sheltowee LLC. I was 31 years old and was convinced that without the many constraints my father had put on me in his business, I was going to be able to grow an amazing business and exit in five years. Well the path was much harder and much longer than I had anticipated. I have been blessed to keep Sheltowee running since then and have done some very interesting things, but I have not hit that home run yet. I have made a living hitting singles and doubles and had one triple, but have not had that home run...yet.

My entire life has been spent working in entrepreneurial endeavors. I have been blessed to work with some incredibly smart people and have learned how to deal with genius inventors like my father. They are a completely different breed and they are very different to work with.

Over the years of walking the entrepreneurial path, I had very few mentors. I found that the people in most of the organizations that I went to for help had no entrepreneurial experience (but spoke as if they were the most knowledgeable people in the world regarding entrepreneurship). This started to become more and more of a frustration. The entrepreneurial path is a very challenging one. It requires risk taking and requires the ability to endure long periods of hardship until there is the opportunity to break through. This reality sustained and built upon my frustrations with these groups that became gate keepers for real entrepreneurs. So I started to do something about it. For years I worked on a curriculum for entrepreneurs to share with them the realities of entrepreneurship, from someone who had actually walked the path. That led me to start the Sheltowee Business Network. It is an organization made up of entrepreneurs that provides community, resources and tools to help entrepreneurs walk the path.

I want to share one more thing about myself. I have talked about two of my passions. Those are entrepreneurship and science. My other passions are my faith and the outdoors. As for my faith, this embodies who I am and what drives me. A major tenant of my faith is to do unto others as you would have them do unto you. Well I have no interest in reading about someone else' faith in a book about business. But I also want to be able share the hope and love that are at the core of my faith. If you are interested in learning more about what I consider to be the most important thing in the entire universe you can go to www.thisiswhyibelieve.org. There I share why I believe and information and resources so you can learn more if you want to.

Section 2 - THE RICH PERSON'S PATH TO STARTING A BUSINESS

If you have $50,000 to start a business you can take this path. But you will spend this money and will not have sold your FIRST item. This is just the money you will spend with service providers. So many people end up taking this route- and many of them are not rich. You may not have to spend $50,000, but it is VERY easy to end up spending $15,000 and much more, just to get your company to the point where, if you follow the steps in this book, you can get to for just $500. The service providers will tell you, that you are crazy if you take our route, and you are assuming a bit more risk with this route, but I recommend this route, and take the money you save and spend it on marketing to generate sales.

The Service Provider Trap

Don't get me wrong. Service providers can be a huge asset for your business. They can help you achieve things you could never achieve on your own. But we believe that HOW you use a service provider and WHEN you use a service provider is very important.

Small businesses are the backbone of the American economy. Entrepreneurism has made America the greatest economic powerhouse that the world has ever seen. And even though entrepreneurism is so critical to our economy, there has not been a single entity that has emerged that is known as "the resource" on how to start a business. I hope that Sheltowee can become that nationally (and internationally) known entity that helps entrepreneurs.

One of the challenges of starting a business and not having that single trusted resource, is that you get a LOT of different advice on how to start your business. The traditional route can get very expensive. The first trap you will approach is the "lawyer" trap. Lawyers make there money by charging an hourly rate for their services. The beautiful thing for lawyers is that the law is not black and white. It is a multitude of grays. You can have a contract drafted by the most prestigious law firms in the world, and when you take it to the second most prestigious law firm, they will tell why you need their help to redraft the piece of garbage you just brought them. So when you go to your lawyer to help you form your company, you are going to be told you need somewhere between $750 to $15,000 in their services to help you form that legal entity. Let's call it an even $5,000. Some of the items they will charge you for are:

1. Trademark search
2. Articles of Incorporation or Articles of Organization
3. An Operating Agreement or By-Laws

4. Filing a Trademark

Now you have your business formed, you are going to need a brand. When you go to an ad agency, they are going to tell you about how you really need to spend some money with them to get the best logo. This number is going to be somewhere between $1,500 to $15,000 for most ad agencies. They are then going to upsell you on their services for your web site, your collateral materials (brochures and business cards), and a nice video for your company.

Now you will go to your accountant to get your books setup. Then you are going to need to raise more money for your business so you go back to your attorney and you need a $30,000 private placement memorandum. Before you know it, you have spent over $50,000 and you haven't sold your first product. We are going to show you how to avoid this trap and provide resources for you that will save you tens of thousands of dollars.

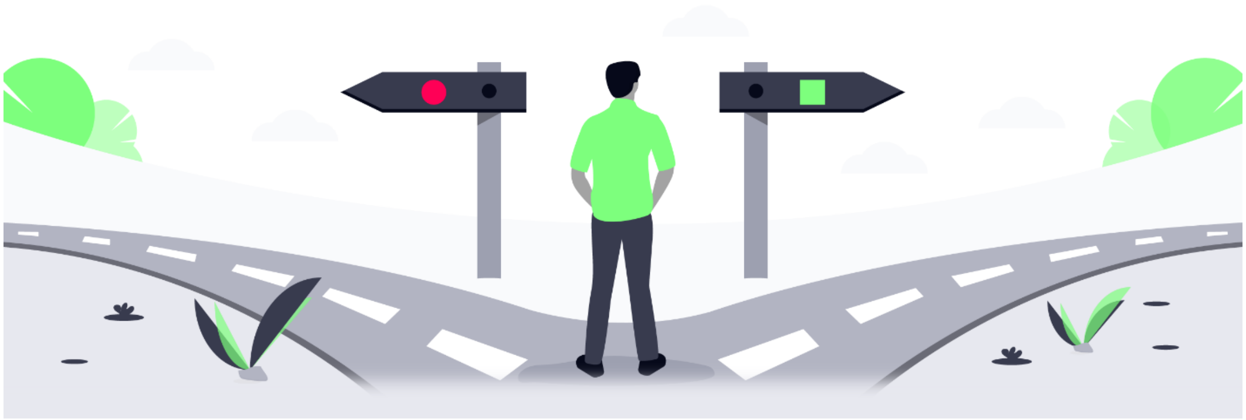
Good People are Expensive

Please don’t get me wrong. Service providers bring tremendous value to the table. One of my attorneys has saved me hundreds of thousands of dollars. Service providers absolutely have a place and really good people are really expensive. I am just a big believer in spending the money on service providers at the right time. When you first start your business, it is probably not the right time.

How Service Providers Get Paid

We pay service providers for a couple of reasons. Most of the time it is because they have more expertise than we do. Since they specialize in something, they presumably are much better at it than we are. With attorneys, they have spent years getting specialized training. Most service providers have a problem. Their businesses are based on hiring people and having projects for those people to work on. As I mentioned earlier, whenever you bring a legal document to an attorney, even if that document had been drafted by the very best attorney in their particular area of expertise, when you take it to another attorney, it is going to need a change. Attorneys are a group that highly leverage your ignorance against you. You don't know if that agreement is a good one or not. You will start questioning yourself. But this is how they work. Attorneys make their money by splashing ink on documents. Pointing out all of the changes that need to be made that is going to take them hours and hours to do it

Section 3 - THE ENTREPRENEURIAL PATH TO STARTING A BUSINESS



How many times have you heard about that successful business person who talks about how when they started out they only had $100 to their name, but parlayed that into a major business. This book is for those people who don't have a lot of money to spend, but have the desire to start something that can benefit them and society. It requires the desire and the willingness to work hard. If you have these qualities we hope to show you a path that will save you a lot of money.

What Are You Going to Sell (FREE)

If you are thinking about starting a business then you need something to sell. Whether you have a product or a service, you have to have something to sell. I have been blessed to have worked with some incredible innovators. A lot of those innovators really have no interest in "selling". They have an interest in inventing and creating. But the fact of the matter is that if you are going to be in business, you are going to have to sell something. Once you have determined what you are going to sell, you need to approach your business in a professional manner.

Keep in mind that your decision on what to sell will have a great impact on the path you take. If you start a restaurant, the path will be different than is you start a software company. There are differences between "Main Street Businesses" and "scalable businesses". Some other terms for Main Street

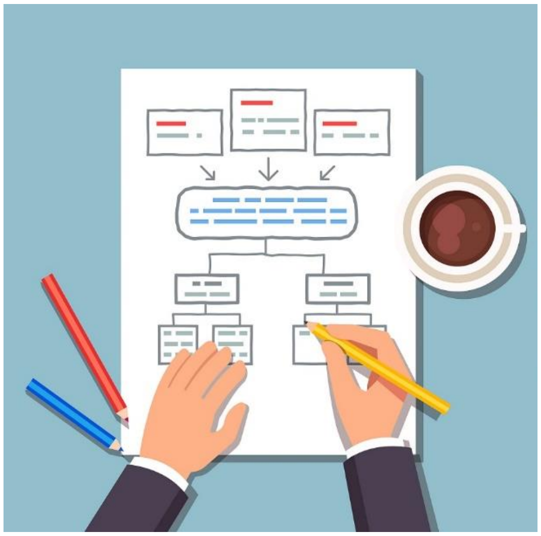
Businesses are "mom and pops", and "small businesses". These are generally businesses that will never have more than just a few employees and really more like creating a job for yourself than creating a scalable business that could provide large financial returns for you or for investors.

How Much Are You Going to Sell it For?

So you have come up with a product or service, now you need to know what your pricing is going to be. This sounds easy, but can get really hard. Your pricing decisions are CRITICAL to your business. Price it too low and you will lose money every time you sell something. Price it too high and no one will buy it. Be careful to take into consideration, all of your costs.

You may purchase a product for $100 and want to sell it for $125. But have you taken into consideration all of the other costs associated with the business. You may need to sell that product for over $200 before you can truly make a profit. So pricing can be really tricky, and usually requires a lot of thought.

The Business Plan



At the point you have the item or service you are going to sell, I think this is a great time to write a business plan. This is where you lay out what your plan for your business is going to be. Business Plans can serve several different purposes. They can be strictly for internal use (you and your team), they can be for grants, bank financing, or equity financing. I recommend you develop one just for you, even if it is just a few pages. This will be something you can come back to that can remind you of what you want to accomplish.

Naming Your Business (FREE)

Now that you have something to sell, you need a name for your business. This can be a daunting challenge. I have named a number of businesses. The primary name I have used is Sheltowee. I have decided to brand around Sheltowee. Now it should be clear that I am not a branding expert. Sheltowee is hard to pronounce (which can be a big problem). But it has meaning to me. Sheltowee was the name that was given to Daniel Boone when he was adopted by the native American tribe of the Shawnee. Daniel Boone a hero of mine. He is an individual that blazed a trail through the wilderness and moved western civilization further westward.

He blazed new trails and opened new expanses, which is what I want to accomplish with my business. It has meaning to me, but that doesn't mean it is a good name. The ultimate test will be in the future and whether the Sheltowee name is recognized as a successful business that helps entrepreneurs.

There are a number of considerations to make when naming your company. A few of those key considerations are:

"Is it available from an intellectual property standpoint? Does anyone have a trademark on the name you want?" More on this later.

"Is there a domain name available for a website? "

"Can people pronounce it?"

Do a Trademark Search (FREE)

Trademarks are considered intellectual property and allows an individual (or a company) to have exclusive rights to a particular name. Trademarks can be a tricky area. Trademarks have different classes. So you can have a name trademarked in a certain class, and it could still be available in another. So just because your name is trademarked, does not mean it is not available for your particular use. The best way to check if your name is trademarked is to do a search on the United States Patent and Trademark Office (USPTO) at:

www.uspto.gov

There is lots of information here on trademarks.

Is the Name Available with Your State

Even if a name is NOT trademarked, it still may not be available in your state. You will need to go to the Secretary of State's website for your state and do a name search. We are providing a list of the web addresses of Secretary of State's websites. Do a name search to make sure the name is available.

Getting a Domain Name ($14.95)

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A strong consideration in todays world is having a website. To get a website you need a URL (Uniform Resource Locator), or in other words a website address. My company's website address is www.sheltowee.com. When I started my first iteration of Sheltowee in 2001, www.sheltowee.com was taken. So I went with www.sheltoweellc.com because the company that owned Sheltowee.com wanted $15,000 for the domain. A couple of years later I was able to purchase the domain for $2,000.

Today it can be REALLY hard to find a URL with the Top Level Domain of .com. There are several Top Level Domains now including .org, .net, .tv, .media, .io, and others. I am an old fashioned .com guy, so I am always looking for a URL that has a .com available. I don't think this is as important as it used to be, because people are more accustomed to seeing and using other top level domains. To find out if a domain is available to you can go to www.godaddy.com and see if it is available. There are several registration services that are available, but I use Go Daddy.

Forming Your Business ($40 to $200)

Okay, we have come up with a product or service to sell, we have come up with a name for our business, we have secured a website address, now we need to form the legal entity of our business. Now depending on where you are and how you plan on funding your business, will determine whether you want to form a C-Corp or a Limited Liability Company. These are the two primary options and will cover 98% of all situations. I am a big fan of the LLC and for most of the entrepreneurs I work with, I suggest this legal form. I will talk more about this later.

Why Not a Sole Proprietorship

A sole proprietorship is an option, but it is not one I recommend. There are several reasons for this and a few of them are:

1. You become personally liable for your business activities
2. Forming an entity demonstrates an additional level of commitment to the business
3. If there is a time in the future you want to sell your business, it becomes much easier if you have formed a legal entity

Forming the LLC ($40 in Kentucky)

We will be visiting the Secretary of State's website yet again for this step. The prices vary from state to state, from a low of $40 to a high of INSERT. In Kentucky (where I am located) it costs $40 to register an LLC. You can do it online in Kentucky. An attorney will hit you for a pretty penny to do this yourself. **THERE IS NO REASON TO USE A LAWYER FOR THIS**. The states provide the Articles of Organization (the document you need to form the entity) and the online form is pretty straight forward

Get your EIN

Your EIN or Employer Identification Number is essentially the social security number for your business. This is how the IRS identifies you and you need it to file your taxes. You will need it for a few other reasons as well. Be careful, because there are lots of services that charge you to help you get your EIN. DO NOT USE THESE SERVICES. It is very easy to obtain your EIN from the online site of the IRS.

https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online

Getting a Logo ($150)

Your logo for your business is a really important decision. It becomes your identity and your brand. People will recognize your logo and associate it with you. So it is really important that you have a professional looking logo. Now here is the catch. Remember when I said that attorneys will ALWAYS criticize the work of other attorneys and tell you that you need their help (their billable hours)? Well this is an even easier game for ad agencies and creative agencies. No matter what you bring them, they are going to be able to make it better…if you just pay them. So be really careful on this. Logos are HIGHLY subjective. What you may love, many others may hate. So it is a really slippery slope. A tool that I have used for a number of years is freelancer.com. I post a contest on Freelancer for between $100 and $200 to get dozens (sometimes hundreds) of logo ideas. You get to pick which one you like and you can interact with the artist to get changes to get it to where you want it. This process can become overwhelming. So below are some of my suggestions.

1. Reject the ones you don't like quickly and go with your gut
2. Rate the ones that are a "maybe" then go back
3. Pick five and get feedback from others using Freelancer's polling function

Setting up a Web Site ($150)

Now you have your product or service you are going to sell, you have a name for your company, you have a legal entity, you have your EIN, you have a logo, you have a domain, now you need a website. Websites have become a business necessity in today's world. Whether you are going to sell your services online or not, you still need a website. It will be the first thing people look for when they want to learn more about your business.

Section 4 - STARTING YOUR OWN BUSINESS BASED ON YOUR IDEA

We have talked a lot about starting a business, but this has been more about the very basic steps. I want to go into a bit more detail in the special case of starting a business around your own idea. How do you take and idea and commercialize it (bring it to market)? This section is more for inventors and innovators than just individuals that want to have a business purely for the freedom or financial rewards.

I have an idea, now what?

There are a number of paths you can take at this point. You can try bringing it straight to market, or you may want to consider trying to develop protectable intellectual property around it (get a patent). Intellectual property is a term you should know. There are many types of intellectual property which includes trade secrets, copyrights, trademarks, and patents. I consider an idea intellectual property. The question is how do you protect that intellectual property. You need to make a decision on how to proceed.

The gold standard of protectable intellectual property are patents. In order to get a patent, your idea has to meet these three criteria:

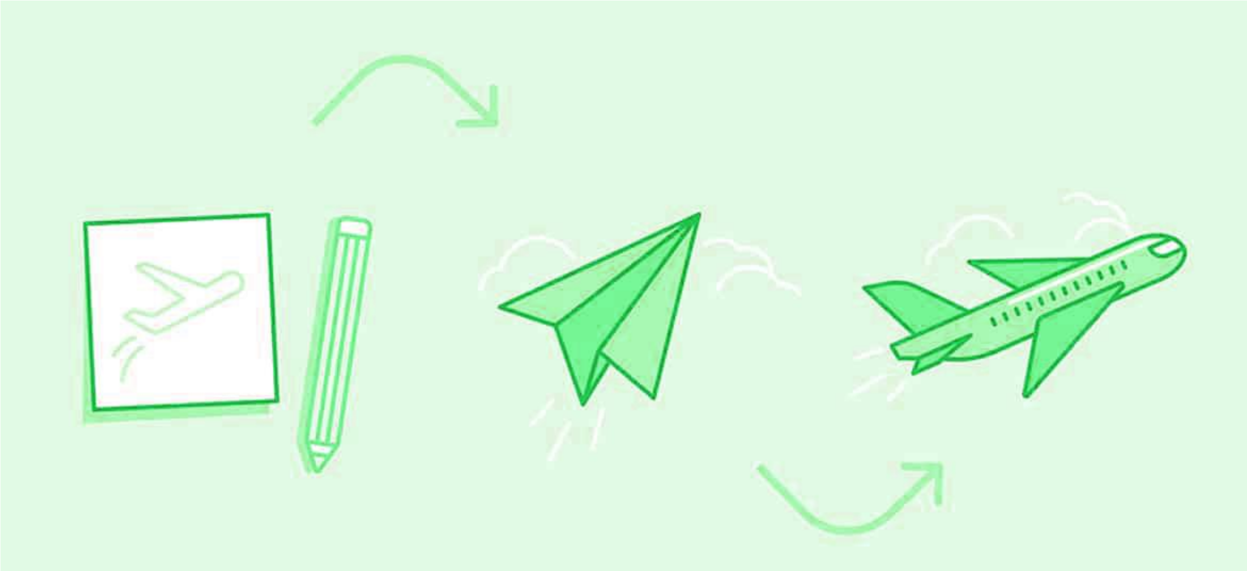
1. Novel
2. Non-obvious
3. Useful

To get a patent you will need to file a patent application. You can receive 20 years of patent protection from the time you file your patent. If two people have the same idea, then the person who files first wins. You can actually file what is called a provisional patent, which can give you another year of protection, before you file your full utility patent (design patents are a different story).

There are a few things of which you should be aware. Once you make a public disclosure (share it publicly), you only have one year to file the patent. So if you share your idea with anyone, you should be sure to have a confidential disclosure agreement (sometimes called a non-disclosure agreement), so that your idea doesn't become publicly disclosed.

Another thing you need to know is that it can get really expensive to get a patent. It can cost anywhere between $5000 to as much as $50,000 or more. Rarely have I seen patents granted without spending L$20,000 or more.

Getting your minimally viable product (MVP)



Once you make a decision on your pathway for intellectual property, you need to figure out how to get a minimally viable product. How can you spend the least amount of money to get a product that you can see if there is a market need for it. Depending on what your idea is, it may only take a few hundred dollars to get the MVP, or it may take hundreds of thousands of dollars to get the MVP. It is important to validate as early as possible if you have a product or service that truly meets a need.

Validating your product or service meets a need

Everyone thinks that their idea is a great idea and meets a need. All you have to do is ask your mother to validate this. The reality is, often times the idea you think is great, is considered to be so good by anyone else. A great way to find out if your product will sell, is to actually talk to potential customers. It is better to do this with people who are not friends, so you get honest feedback. This is called customer discovery. There is an art to "customer discovery". This feedback can be really valuable and it can help dramatically in charting the path for your business.

Getting Help

The Sheltowee Business Network is one of the companies that I have started that is helping entrepreneurs commercialize their ideas. You can learn more about the Sheltowee Business Network at www.sheltowee.com/business-network

The Cliff Notes for Starting a Business

Starting your own business can be one of the most gratifying and rewarding things you will ever do. It can also be one of the most expensive things your will ever do. This book provides a lot of information on how to save money on starting your business.

1. Identify and price a product or service to sell (free)
    a. Resource- Options for Owning Your Own Business- https://konexons.com/sheltowee-foundation/options-for-owning-a-business
2. Come up with a name for your business (free)
    a. Resource- Branding Your Own Business- https://konexons.com/sheltowee-foundation/your-branding
3. Write your business plan, or at least your business canvas (free)

   a. Resource- Business Canvas-

   b. Resource- Planning Your Business- https://konexons.com/sheltowee-foundation/business-planning

   c. Resource- The Business Plan- https://konexons.com/sheltowee-foundation/the-business-plan

4. Do a trademark search to make sure the name is available- (free)

   a. Resource- United States Patent and Trademark Office- www.uspto.gov

5. Identify a website address for your business ($14.95)

a. Resource- GoDaddy- www.godaddy.com

6. Form your business as a legal entity ($40 to $200)

   a. Resource- Kentucky Secretary of States Office- https://web.sos.ky.gov/FastTrack/(S(4da3hi4bnzelj5dkax2brldh))/NewBusiness.aspx

7. Get your EIN

   a. Resource- IRS- https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online

8. Get a logo for your business ($150)

   a. Resource- Freelancer - www.freelancer.com

9. Put up a website for your business ($150)

a. Resource- Fiverr- www.fiverr.com

10. Start selling product

Recommendations for Entrepreneurs

Starting your own business can be one of the most gratifying and rewarding things you will ever do. It can also be one of the most expensive things your will ever do. This book provides a lot of information on how to save money on starting your business

We have provided you some of the basic information for getting a business up and running in a short period of time, while spending a small amount of money. Here are some additional recommendations on starting a business.

Start small - If you have a full time job, DON'T QUIT! If you have a job, it is likely that it is a 40 hour a week job. If you become an entrepreneur then you need to be ready to spend much more than 40 hours a week on your business as it grows. You can start out small, and work on your business in the mornings before work, in the evenings after work, and on your days off. See if you can sell the product or service you are offering. If you can not sell something, then rethink whether you should leave a paying job for your business.

Pick something about which you are passionate - This business could indeed become your entire career. Try to find something that you are passionate about to build your business around. I am so passionate about my business, that it is what I spend most of my time on- even my leisure time. I can't imagine ever stopping.

Develop an MVP to see if you can sell it - An MVP is a Minimally Viable Product. The concept behind this, is develop something that is minimally viable and see if you can sell it. If you can't sell a minimally viable product, then it is unlikely you will be a sell a product in which you have invested a LOT of money. To learn more about MVPs, read the Lean Startup by Eric Riess. This is a great book and can give you a lot of insight. https://www.amazon.com/Lean-Startup-Entrepreneurs-Continuous-Innovation-ebook/dp/B004J4XGN6

Develop a Life Plan - I approach entrepreurism in a holistic fashion. I recommend that people develop a life plan, so their business fits into their life and they don’t have to make their life fit into their business. We have developed a great tool at Konexons (pronounced “connections”) to help with this. https://konexons.com/goals

Be care who you get advice from - There are many people who are “entrepreneurial experts” who call themselves entrepreneurs, but have never even thought about starting their own business. My general rule is that if they are employed by a government or economic development agency, they are NOT an entrepreneur. They will talk a good game, but they have never had the guts to go out and do it themselves. Go to people who have actually started and run businesses to get your advice from them.

Remember it takes a team - It is unlikely that you will be able to do all the things required to grow a business. You are going to need a team. And finding good people is much harder than finding money. I look for three things in team members. I look for someone who is highly ethical, someone who is very talented and someone who is driven. I have had businesses fail because I got two out of three of these traits. It is really important to bring in people who fill in for your weaknesses.

Begin with the end in mind - I am a big Stephen Covey fan, and this is one of the reasons I recommend developing a life plan. When it comes to your business, think of where you want to end up. Do you want to sell it for $100 million dollars? Do you want to leave it to your kids? Where you want to go with your business will have a big impact on how you start. If you want to sell the business for $100 million in ten years, then you are not going to be able to start a restaurant that has one location. You will need to plan on building a restaurant chain to meet that goal. I highly recommend the Seven Habits of Highly Effective People by Stephen Covey –

https://www.amazon.com/Habits-Highly-Effective-People-Powerful-ebook/dp/B07WF972WK/ref=sr_1_3?crid=2VZIWCIWDQHIG&keywords=seven+habits+of+highly+effective+people&qid=1660408671&s=digital-text&sprefix=seven+habits%2Cdigital-text%2C85&sr=1-3

It is never too early to start thinking about corporate culture - What kind of culture do you want your company to have? You may think that this is not important in the very early stages of your company, but it is. You should be intentional about your corporate culture. A great book on this is the Culture Code by Daniel Coyle- https://www.amazon.com/Culture-Code-Secrets-Highly-Successful-ebook/dp/B01MSY1Y6Z/ref=sr_1_1?crid=25TX1HGIJJROA&keywords=the+culture+code&qid=1660408792&s=digital-text&sprefix=The+Culture+%2Cdigital-text%2C85&sr=1-1

Never stop learning - I believe that entrepreneurs should always be looking to make themselves and their businesses better. This means that you will be constantly learning. Look at every opportunity to learn something. That big screw up that you made on the business. Don't look at that is a failure, but look at it as a lesson. Learn from your mistakes and be willing to move forward. A great podcast that I really enjoy for learning is the Science of Success with Matt Bodnar- https://www.successpodcast.com/

Raise money when you don't need it - If you are in a business that is going to take more capital than you can provide, then raise that money when you have runway. That is to say that if you are going to have to close your business down in a month if you can't raise money, then you are in trouble (and I have been there). Give yourself plenty of time to raise money. It is hard and it almost ALWAYS takes longer than you think it will.

Get encouragement - It will likely be the case that you will come through some difficult times on your entrepreneurial path. It is important to get encouragement during these times. One of the ways I get encouragement is thought listening to the podcast, How I Built This. This is a podcast that interviews successful entrepreneurs and tells their story as to how they built their business. A few of my favorites are:

- **James Dyson -** *Dyson* - https://www.npr.org/2018/03/26/584331881/dyson-james-dyson
- **Howard Schulz-** *Starbucks -* https://www.npr.org/2017/09/28/551874532/live-episode-starbucks-howard-schultz

- **John Mackey-** *Whole Foods Market-* https://www.npr.org/2017/06/30/527979061/whole-foods-market-john-mackey
- **Joe Gebbia-** *AirBNB -* https://www.npr.org/2016/10/17/497820565/airbnb-joe-gebbia

Be persistent - A lot of entrepreneurs will tell you that it can be a long road. Persistence will help you reach your goals. Getting through those tough times is important. It is said that Walt Disney was turned down 309 times for financing for his business and that Colonel Sanders was turned down 1009 times before he made his first sale for his chicken recipe.

Find the right balance when you get constructive feedback - Feedback can be really good and it can also be crippling. If you change your path every time someone gives you feedback, then you will suffer from whiplash in your business. You need to be thoughtful and smart about the feedback you listen to and what you take to heart.

Have an up to date LinkedIN account - When I meet someone, one of the first things I do is look up their LinkedIN profile. I highly recommend that you maintain an up to date LinkedIN profile for yourself and for your team members.

Know when to quit - This is a really hard one to talk about. As an entrepreneur I have been incredibly persistent, but have faced situations where I had to quit, and it was incredibly difficult. Know what your primary priorities are and if your business is negatively impacting those priorities (family, faith, relationships), then you may need to consider an alternate route.

Recommended Resources

Articles

3 signs it may be time to quit, or at least pivot

5 mistakes entrepreneurs can make that can cost them

4 reasons why you should not operate your business as a sole proprietorship

5 tips for entrepreneurs dealing with a failing business

7 things to know about the all important business plan

8 things every entrepreneur needs to know about credit

Maybe it's not just about the money

Success! It is not always what you see

To Lawyer or not to Lawyer- five things to know when considering using a lawyer

Books

Seven Habits of Highly Effective People- Stephen Covey

The Lean Startup- Eric Reiss

The Culture Code- Daniel Coyle

Business Canvas to help plan your business

Fiverr to get a website

Freelancer to get a logo

IRS to get your EIN

Kentucky Secretary of State to form an LLC

Podcasts

How I Built This

The Science of Success

Presentations

The Business Plan

Business Basics

Financing Your Business

Forming Your Legal Entity (your LLC)

Is Owning a Business Right for You

Options for Owning Your Own Business

Planning Your Business

United States Patent and Trademark Office to do a trademark search

The Realities of the Entrepreneurial Path - A Cautionary Tale

If you are reading a book about the $355 Startup then I would think you are predisposed to starting your own business and are, or strongly considering becoming, an entrepreneur. There are some incredible aspects of being an entrepreneur and owning your own business. But then there are also some really harsh realities to the path. When I started my business in 2001 I had experienced small failures in business, but I had never experienced catastrophic failure. In 2008 I started another business called LifeTrack. I had a major client at the time for Sheltowee and started LifeTrack as a second business.

I came to the idea of LifeTrack while visiting the doctor with my wife. Every time we would go to the doctor we would fill out that stupid clip board with information that we had filled out a hundred times before. I started developing a product that was the size of a credit card, was personalized and stored all of your medical records. I recruited one of my best friends who was an emergency room physician to invest with me. He loved the idea and a lot of other people did too.

We recruited a lead sales person who served as the President of the company and we started the business as a multi-level marketing company in January of 2009. We got some decent traction coming out of the gate, but it was in the midst of the economic downturn, and it was tremendously difficult to raise equity capital. Roy and I invested about $250,000 each in the business. We generate sales of about $400,000 that year, but we could not sustain the business. In December of 2009 the wheels were staring to come off the business. The gentlemen we recruited to the business as President was… well let's just say, less than ethical, and by January of 2010 I could not sustain the business. I had customers that I could not service and no new sales coming in. It was awful.

By March of 2010 I was going into a deep depression. I couldn't pay the bills of the company and I was experiencing a catastrophic failure. The customers thought I was a crook and my friend and partner was faced with the reality that I had failed him. It was not a happy time. I had read about the fact that most entrepreneurs fail in their business endeavors, but that was not going to be me. I had experienced small failures and thought I had learned enough from those small failures to avoid this catastrophic failure. The depression continued to worsen and before long I was in a very dangerous life threatening position.

I failed. This was not how the movie was supposed to end. In December of 2009 I took out a loan on my family farm and by January that money was gone. I bet the farm and I lost. I was supposed to pull it out in the very end. You have seen the movie, right? Everything looks hopeless and then something miraculous happens and it gets pulled out and becomes a great success. Well this did not happen. No miracles. As a matter of fact things only got worse. One of the people I brought on board to help me towards the end, sued me. He was one of the only people who got paid (I paid him $25,000 to come on board). And HE SUED ME. He did not live up to any of his contractual obligations… AND HE SUED ME. I was dumbfounded.

It took me years to recover from that experience. I continued running my Sheltowee business, but I was completely shaken. This experience had a huge impact no my wife, my parents and my close friends. I share this, because we often hear about the Steve Jobbs, the Mark Zuckerburg, the Elon Musk and the other entrepreneurs that took incredible risks and went on to become billionaires. But we never hear about the people who took tremendous risks and then failed. There are many more of these people who fail and are never heard from than who succeed and make it big. I tell this as a cautionary tale. This path is hard. This path can be brutal. And there will be times when you feel like you are all alone on this path. But remember, "It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

I am not a timid soul.

So I have shared the cautionary tale, now let me tell you the amazing things about being an entrepreneur. The first and most attractive to me, is that I work for myself. My efforts and hard work accrue value to me and I am responsible for my destiny. I have the potential to hit a home run (for me this is a transaction of $30 million or more). I also have the opportunity to pursue my passions through my work. I LOVE what I do. I can't imagine the concept of retirement, because I already do what I love doing. And finally, I have the opportunity help a lot of people and to have a major societal impact through entrepreneurship. I talked about those difficult times, but those difficult times are what made me who I am today. The fire of the furnace has strengthened the metal, and made me a better person. Since that time I have helped start and fund multiple businesses. I have helped raise over $100 million for various companies and have personally invested in dozens of companies. It can be a rough path, but it can lead to amazing places.