

StartUpPHX



**Business
Roadmap
Program**

Student Workbook

Welcome!

Welcome to the Business Roadmap Program! We're excited to have you join us on this journey to starting and growing your small business. In this workbook, you will find tips to help you complete your One Page Business Plan, links to resources, and information about the different steps involved in starting a business in Arizona.

These steps include understanding the legal and business structure of startups, identifying your target market and value proposition, evaluating and estimating your costs and pricing, building your sales projections, setting milestones, accessing capital, and selecting a business model.

We hope that this program will provide you with the guidance and support you need to succeed in your business endeavors. Let's get started!

Class #1: How to Start a Business in Arizona

MAIN CONCEPTS:

- Foundational knowledge and success tips for entrepreneurs
- The Business Plan: Why it is important, and how to use it
- Inside the Business Plan
- COVID-19 Lessons Learned
- Your Discovery Exercise: Write a 1-2 page business plan using the provided template. You can find the template in the physical folder you received or access it digitally through the QR code shared in class.

KEY TAKEAWAYS:

- Get clear on your WHY, for you and your business, this will help with messaging, goal setting, & more.
- A business plan is a document that outlines your business goals and how you plan to achieve them. It can be helpful to think of it as a roadmap for your business.
- A business plan can help you clarify your target market and financials, which can be useful for making important business decisions and seeking financing.
- A business plan doesn't have to be perfect; focus on practical information, and make sure it's easy to read and understand.
- Double-check all your numbers!
- There are different types of business plans, informal and formal ones. An informal business plan may be a good place to start, but you may eventually want to create a more formal plan.
- Business plans can be helpful for communicating with others about your business, and they may be required if you need financing.
- When setting goals for your business, use the SMART goal format to make them Specific, Measurable, Attainable/Achievable, Realistic/Relevant, and Time-bound.
 - For example, instead of saying my goal is "I want to run a marathon," you should say "I am going to run the Rock n' Roll marathon in Phoenix, AZ in 6 months. Next goal → I plan to train at least 3 times a week from now until the marathon to ensure I am prepared."

RESOURCE LINKS:

- Business Toolkit (*includes templates based on SBA templates of a Formal Business Plan, Cash Flow Statement, & Financial Projections*): https://ccbsfoundation.org/ova_doc/business-roadmap-program-toolkit/
- Small Business Administration (SBA): <https://www.sba.gov/business-guide>

EXERCISE:

Create a SMART goal that will help you stay accountable to finishing your One Page Business Plan by the end of the program.

Example: "I will complete my One Page Business Plan by the end of the program by setting aside 3 hours every week to work on it and will hold myself accountable by sharing my progress with a colleague or mentor every other week." This SMART goal is specific (completing a One Page Business Plan), measurable (by the end of the program), attainable (by setting aside dedicated time each week), realistic (3 hours per week is a manageable time commitment), and time-bound (by the end of the program). By sharing your progress with someone else and setting aside dedicated time to work on it, you will increase your accountability and increase your chances of successfully reaching your goal.

Class #2: Legal and Business Structure of Startups

MAIN CONCEPTS:

- What is a legal entity?
- Types of legal entities (*Sole Proprietorship, Partnership, LLC, S-Corp*)
- Essential business considerations
- Tips to protect your business name and logo
- Where to register your legal entity
- How to obtain your Employer Identification Number (EIN)
- Beneficial Ownership Registry
- Permitting, Licensing, Regulatory Considerations
- 15 types of business insurance
- Where to file for intellectual property protections

KEY TAKEAWAYS:

- There are several different business structures to choose from, and the right one for you will depend on your specific needs. An LLC (limited liability company) offers additional protections and is often recommended when registering a business.
- To register your business, you'll need to choose a business name (make sure it's available), register the business (and possibly the trade name), get an Employer Identification Number (EIN) from the IRS, register a beneficial owner application, and then open a business checking account. Managing a registered business correctly is important in securing the protections it provides.
- Depending on your business activities, and where you want to sell, you may need to obtain additional licenses and permits. If you're selling products, you'll need to get a Transaction Privilege Tax License (TPT).
- All businesses should have insurance coverage. Consult with multiple insurance agents to find the best coverage for your business.
- You can protect your business name, logos, slogans, and other intellectual property through a trade name, trademark, copyright, or patent. These options can help you prevent others from using your unique ideas and creations without permission.

RESOURCE LINKS:

- To register your business in Arizona, you can go to the Arizona Corporation Commission (www.azcc.gov). You can also search for a business name or register a trade name or trademark at the Arizona Secretary of State (www.azsos.gov).
- Different cities and towns in Arizona may have their own licensing requirements for businesses. You can find more information about this at the Arizona Department of Revenue (<https://azdor.gov/business>) and the Arizona Commerce Authority (<https://www.azcommerce.com/small-business/small-business-checklist>).
- If you want to file a patent or trademark at the federal level, you can go to the U.S. Patent and Trademark Office (www.uspto.gov). To obtain a federal copyright, you can go to the U.S. Copyright Office (www.copyright.gov).
- There are several organizations that offer technical assistance and business advisement for free. Some options include SCORE (<https://www.score.org/find-mentor>), Local First Arizona (<https://localfirstaz.com/aznavigator>), Phoenix Women's Business Center (<https://phoenixwbc.org/>), and Prestamos CDFI (<https://www.prestamosloans.org/sba-prime-program/>). If you're in Mesa, you can also check out the Rail Community Development Corporation (<https://railcdc.org/technical-assistance-1>). SeedSpot (<https://seedspot.org>) is a resource for socially conscious enterprises; & the ASU Prepped Program is great for food based businesses (<https://entrepreneurship.asu.edu/programs/prepped>)

EXERCISE:

The Arizona Commerce Authority has a Small Business Checklist that can help you get started with your business. You can find the checklist at <https://www.azcommerce.com/small-business/small-business-checklist/>. This checklist covers various topics such as selecting a business structure, obtaining licenses and permits, and getting insurance coverage. It also includes links to helpful resources. If you're starting a business in Arizona, this checklist can be a useful guide to follow. Go explore and create your first checklist!

Class #3: Understanding Your Target Market & Value Proposition

MAIN CONCEPTS:

- What is market research?
- Overview of Data Axle & other tools
- How to do market research
- Resources to do market research
- What is a marketing plan?
- Inside the marketing plan
- What is a brand and how to develop yours
- Marketing through social media

KEY TAKEAWAYS:

- Market research involves identifying your target market, talking to potential customers, and finding out if your market is big enough. It's important to document your findings so you can use them to make informed decisions about your business.
- Through market research, you can learn about the number of people who are likely to become your customers, who your customers are, why they buy, how they buy, how much they buy, and more. This can help you identify opportunities for niche marketing and also learn about your competitors.
- Your brand is the identity or promise you make to your customers. It's important to be consistent in all elements of your business to develop an effective brand. You may want to work with a graphic designer or create your own marketing materials using a limited number of colors and fonts.
- Social media can be a powerful tool for small businesses, but it requires consistent management and content creation. Focus on 2-3 platforms where your target market is most active, and don't worry about perfection. Just start posting and interacting with your audience. Your type of business, and your market will dictate how active you need to be on social media as well.

RESOURCE LINKS:

- Market research is the process of gathering and analyzing data about your target market, competitors, and industry. It's important to do market research to help you make informed decisions about your business.
- There are many online resources that can help you with market research (an updated document with several market research links is provided during class). Remember you will probably want to have a mix of primary and secondary research.
- If you need graphic design support, you can hire a freelancer through platforms like [Upwork](#) or [Fiverr](#), or you can try using a tool like [Canva](#) to create your own designs. You can also look for local businesses in the Local First Arizona directory (<https://localfirstaz.com/find>).

EXERCISE:

Create an ideal client profile that includes as many details as you can to help you begin your research.

How old are they? Where do they live? Does their income matter? What is their education level? Are there certain lifestyle choices they share? Any beliefs or values they share? Is language, culture, ethnicity, etc. important? Why do they want to purchase what you want to sell? *What other information would be helpful to know?*

Class #4 & #5: Evaluating and Estimating Your Costs and Pricing

MAIN CONCEPTS:

- Intro to financial literacy
- What every small business owner needs to know about financial management & maintaining a successful business
- Basic accounting methods
- Becoming familiar with important financial statements
- Understanding the bottom line
- Managing cash flow
- How to avoid financial mistakes
- Best methods to grow your business
- Working on your business vs in your business

KEY TAKEAWAYS:

- To understand the health and growth opportunities of your business, you need to be familiar with your financial statements: Profit & Loss (P&L) or Income Statement, Balance Sheet, and Cash Flow Statement.
- Use an accounting system or hire a bookkeeper or accountant to keep your finances organized.
- The Profit & Loss (P&L) or Income Statement shows your revenue and profit. The Balance Sheet shows what you own and what you owe. The Cash Flow Statement shows the cash coming in and going out of your business.
- If you have a registered business, keep your business and personal finances separate to avoid comingling. An accountant can help you get organized if you have already comingled your finances.
- Use the Break-even Analysis to help you begin figuring out pricing, find your "break-even point" (the minimum you need to charge to avoid a loss). You need to know your fixed and variable costs to find this point.
- Manage your cash flow and consider liquidity (having enough cash to cover expenses and having assets that can be quickly turned into cash).
- Remember there are many pricing factors, strategies, and models that we can use to determine our price at any given point in time.
- To manage growth, focus on innovation, quantification, and orchestration.

RESOURCE LINKS:

Digital accounting platforms to explore:

- Manually input information of your business:
 - <https://www.google.com/drive/>
 - <https://www.microsoft.com/en-us/microsoft-365/excel>
 - <https://www.apple.com/numbers/>
- Digital automation of your business activity:
 - <https://www.freshbooks.com/>
 - <https://quickbooks.intuit.com/>
 - <https://www.waveapps.com/>
 - <https://www.hurdlr.com/>
 - <https://zipbooks.com/>

EXERCISE:

If you haven't previously calculated your variable and fixed costs to produce your product or service, take this week to add up those direct & indirect costs to determine your break-even point. If you're unsure how to do this, you can search online for examples and "how-to" videos on YouTube to help guide you.

Class #6: Building Your Sales Projections and Setting Milestones

MAIN CONCEPTS:

- Fundamentals of sales projections for a small business
- Steps and tips to create your sales projections
- Setting milestones
- Achieving your entrepreneur vision
- Cultivating the growth of your business

KEY TAKEAWAYS:

- A sales projection estimates the revenue a company expects to earn.
- Sales projections can help you budget, get loans, and plan your finances.
- Use research and industry data to make assumptions when you're starting out, and then use real-world data once you have it.
- Have key milestones to track your progress and see what's working and what needs to change.
- Work your plan, but be flexible, and don't forget to rest and recharge.
- Focus on returning clients, a strong online presence, and testimonials.
- Persistency and consistency are important for success.

RESOURCE LINKS:

- Phoenix Public Library offers resources for business owners with a library card: <https://www.phoenixpubliclibrary.org/browse/learning-research/money-business>
- The Business Toolkit includes templates for creating a formal business plan, cash flow statement, and financial projections: https://ccbsfoundation.org/ova_doc/business-roadmap-program-toolkit/
- The Small Business Administration (SBA) provides guidance and resources for small business owners: <https://www.sba.gov/business-guide>

EXERCISE:

To create sales projections, you will need certain information and data. You can find this information online or through other sources. As you work on creating projections for the first 3-5 years of your business, be sure to consider any assumptions you may be making and review them with a trusted source.

Class #7: Access to Capital

MAIN CONCEPTS:

- What is business capital?
- Methods to raising capital for your small business
- Different types of business capital
- The 5 C's of Credit
- What is venture capital, angel investing, crowdfunding, peer-to-peer lending & grants?

KEY TAKEAWAYS:

- There are several ways to raise capital for your business. It's important to know how much you need and the conditions for acquiring financing.
- Business loans have different rules on how the funds can be used. You'll need a business plan and financials to get a loan. The lender will review your 5 C's of Credit: Character, Capacity, Capital, Collateral, and Conditions. All loans must be paid back.
- Venture capitalists invest through a firm and want a quick return. They may fund startups with significant growth potential. You can get larger amounts of money through venture capital.
- Angel investors invest independently and may make smaller investments in a variety of businesses. They may also serve as mentors or advisors. You'll have to give up some equity in your business (usually 10-25%) in exchange for the investment.
- Crowdfunding & peer-to-peer lending allows you to collect small contributions from a large group online for your business, project, or cause.
- Grants are not guaranteed, but if you get one, you don't have to pay it back. Most grant applications require the same information as a business plan.
- Most external funding options require a business plan.

RESOURCE LINKS:

****A multi-page document full of funding resources links is provided in class to ensure it remains up to date.****

EXERCISE:

To find funding for your business, make a list of your needs and research available options that match those needs. Consider grants, loans, and investments. Consider whether you can self-fund or need external funding. Look for grants that fit your business criteria and be prepared with financials and a business plan when seeking a loan or an investor. *Make sure to document, document, document!*

Class #8: Business Models

MAIN CONCEPTS:

- Your GPS to success
- Types of business plans every small business owner needs to know
- Steps to create your business plan
- Inside the business plan
- Your Discovery Exercise: Complete your One-Page Business Plan

KEY TAKEAWAYS:

- A business plan is a valuable tool that guides the direction and growth of your business.
- Financial management is critical to the success of your business, so be sure to track your finances and seek help as needed.
- Protect yourself and your business by documenting all business transactions and avoiding "handshake deals."
- Measure the effectiveness of your investments to determine their value.
- Learn from others and continue to educate yourself to improve your chances of success. Stay curious! Businesses that invest in learning and development tend to grow faster.
- Define what success means to you and use that as a driving force in your business strategy.
- Recognize your strengths and weaknesses and seek help or hire specialists in areas where you are not an expert.
- Believe in yourself and don't be afraid to ask for help. There are many resources available to support you on your entrepreneurial journey.

Congratulations!

Great job finishing the Business Roadmap Program! You should be proud of yourself for completing it. Keep up the good work and best of luck on your business journey!

Your Assignment: Complete a One-Page Business Plan

Vision

- What are you building and what makes your business special?
- What does the future look like for your business?

Objective

- What problem, need, &/or desire are you solving for?
- What do you want to achieve, what benefit are you providing?
- Who is it serving?

Mission Statement

- Why does your business exist?
- What is your promise to your customers?

Product or Service

- Add a short summary or bullet points of your products and services with the prices of each one. If you have many products like a convenience store, try categorizing them and listing ranging prices.

Strategies

- What strategies do you have to do to make your business successful?

Action Plans

- What is the work that needs to be done in the next 30-60-90 days, 6-months, or 1-year?

Questions?

For more assistance, please contact:

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<https://www.phoenixpubliclibrary.org/startupphx>

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https://ccbsfoundation.org/ova_doc/business-roadmap-program-toolkit/