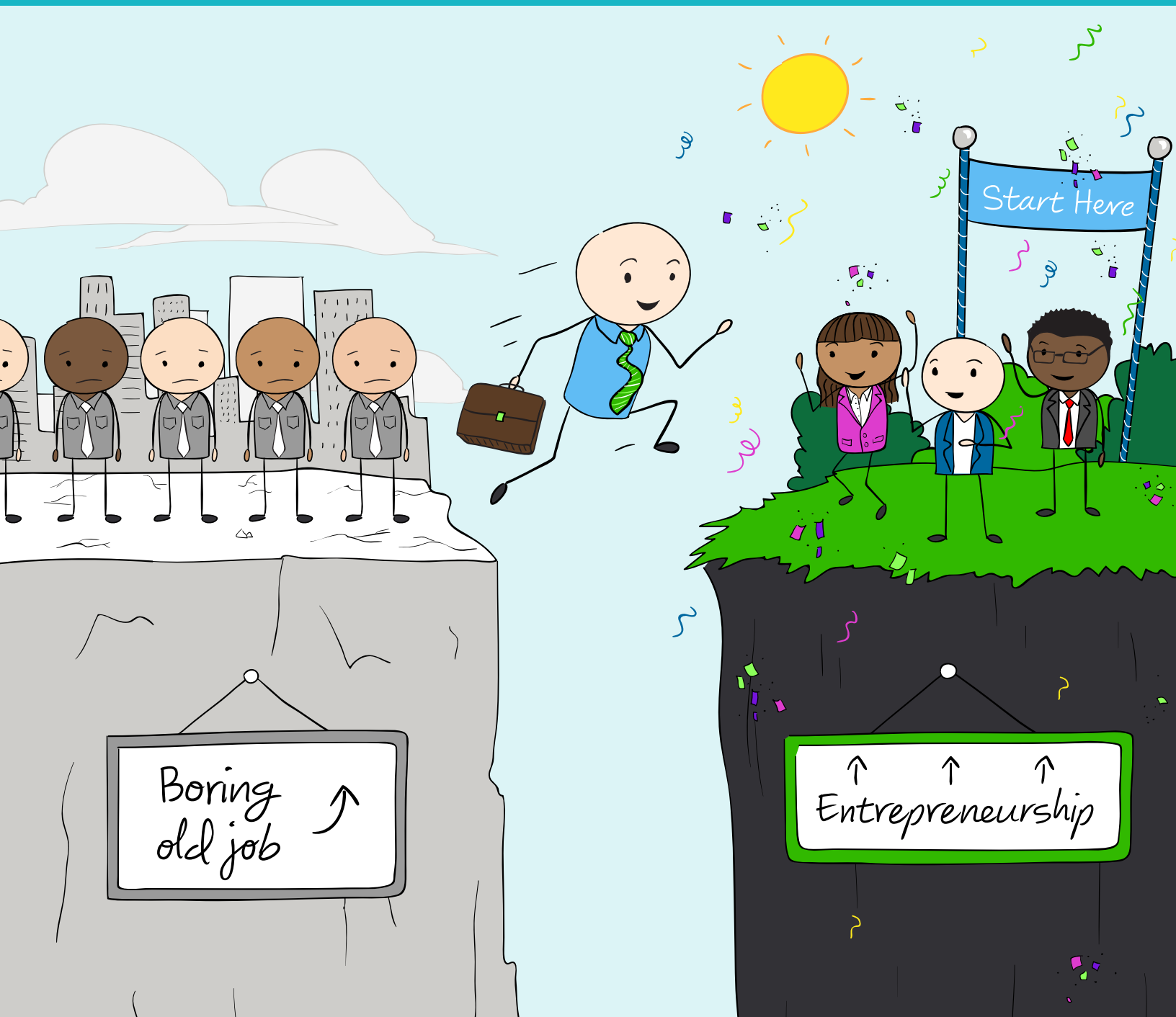# JUMP: The Ultimate Guide to Starting and Growing Your Business

You've got a great idea. Now JUMP.

Introduction

Whether the idea to start your business struck you this morning or ten years ago, you've got an itch that needs to be scratched. It's time to jump in and get started.

Maybe you're trying to build a new software company that's bigger than Google. Maybe you want to start your own landscaping company or architecture firm.

But, hm, how will you make the jump from average worker to business owner? How will you turn your brain waves into a company? We'll show you how.

Remember, starting a business isn't much different from setting up a lemonade stand. Both require products, prices, some startup cash, a place to stash incoming money, a supplier, and a way to get the word out.

Ok, ok … it's not that simple, but it's pretty close. And trust us—it's not as hard as sending people to Mars.

It's time to jump. We're holding your hand.

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1 The Quest for a Co-founder

You Need a Co-founder. Trust Us

We are firm believers in starting a business with someone else. Our own co-founders wouldn't have done it any other way, and we've talked to other business owners who agree that business is better with a buddy.

We all need someone who can share both the successes and stresses of running a business.

Sure, Mark Zuckerberg of Facebook went for it alone, but founders like him are few and far between. Plus, Zuckerberg had a ton of help. Remember that nasty lawsuit by those brawny Harvard students?

Here's why a co-founder may be a crucial factor in the success of your company:

They Fill in the Skills Gap

Face it—there are some things you're great at and really enjoy doing, while there are others you feel so-so about. Even if you think you can cover everything, why should you if you have a co-founder who can do it better?

Something else to consider? Different management styles. If you've started and grown your own business before, you know that as time progresses, different management styles work better than others.

They're a Companion on the Startup Journey

Starting a business isn't easy and bumps are bound to appear. This is a lot easier (and more fun!) to handle with a co-founder.

Advisors, board members, and mentors are great, but there is nothing like being able to talk to someone that is going through the exact same process as you are, facing the same risks, the same problems, and the same potential rewards.

They Can Cover For You

You've just spent a week glued to your computer coding and need to escape the office, but you've got these pesky checks that need to be signed. Guess who can sign them? Your co-founder.

We all have those days when we're tired, grumpy, and we just want to go sit on the couch and mope. And sometimes, we want to soak up a little extra time with our families. A co-founder can cover for you on those days, so you don't have to stress if you need a break.

They Can Point Out Blind Spots

We all have blind spots in how we manage, implement projects, and go through life. Having a co-founder gives you a peer that can point out these blind spots so you can improve. From personnel issues to how to launch a product, a co-founder will open your eyes to things you might not see.

Finding the Right Co-founder

Choosing a co-founder is more important than picking a spouse. You're going to be sharing a lot, so you need someone you can trust who has complementary skills.

WHERE CAN YOU FIND THEM?

Go Online

Thankfully, you're not the only one with this problem! A ton of websites have cropped up to help entrepreneurs meet their matches:

- **CoFoundersLab: Matchmaking for Entrepreneurs** — Find the people you're looking for with CoFoundersLab's extensive network. The company also holds in-person matchmaking events.

- **Founder2be: Find a co-founder for your startup** — Founder2be hosts co-founders, designers, marketers, developers and others looking for the perfect partners.

- **techVenture's Cofounder Network** — This isn't an open network for anyone looking for partners. It's for serious entrepreneurs only – you'll have to apply to get in.

- **FounderDating** — The premiere online network for entrepreneurs to connect with cofounders. Like techVenture's cofounder network, you'll need to apply and pay a fee to get access.

- **cofound.org** — cofound.org allows you to search for the exact skills you're looking for in a partner.

- **Techcofounder** — If you're in the market for a technical co-founder, this is a great resource. You can post an ad for your startup to recruit the best.

Take It Off the 'Net

It can be hard to judge whether or not a person is the right co-founder by their internet profiles, so many prefer to meet someone in person.

Here are a few ideas:

Ask Around — Ask around to see if any of your connections know of awesome technical people looking for co-founders. Check out **LinkedIn**, your university's alumni network, and ask around when you go to family reunions, weddings, and parties.

Find Startup Events and Conferences — There are tons of **startup events and conferences** happening across the country, so find one that's right for you. You might try **BarCamps** which will allow you to meet all types of people in an informal setting. One of these people could be your future co-founder or connect you with one.

Join Meetup Groups — **Meetup.com** and **Startupdigest.com** are famous for connecting people with similar interests. By searching entrepreneur, co-founder, hacker, startup, and other applicable terms, you'll be able to find some groups that might offer potential connections.

Go to a Startup Camp — If you visit a startup camp like **Startup Weekend** to slave away over one idea for 54 hours, you'll likely meet others who are as interested in entrepreneurship as you are.

Technical Co-founders

In the age of the internet, technical co-founders are difficult to come by. Everybody wants their skills and expertise.

Part of finding a technical co-founder means putting yourself out there; find the meetups, events, groups and gatherings that are targeted at technical people

and go. Don't worry about understanding the technical stuff—use it as an opportunity to meet people that are technical and active in the community.

A few tips from David Hauser, our technical co-founder, on how to find the right person:

- Find a local Ruby on Rails community, even if you don't understand a lot of the tech talk.
- Get involved at colleges with very technical people.
- Try out founder "dating" (use sites like FounderDating and CoFoundersLab).

"You don't **find** a technical co-founder, you **earn** one." —**Jason Freedman**

How to Figure Out If a Technical Co-founder is Any Good

Once you've found a potential co-founder, you'll have to figure out if they're any good at what they do. Just because someone loves your idea and spent five years at Google doesn't mean they're the right person for the job.

It's tough to suss out, so start with these three questions to find out if a particular person is right for you:

1. **What applications have they built?** — You really want to see applications or side projects the person has built on their own, even if they failed, since this shows both entrepreneurial spirit and their ability to build from start to launch. It's also helpful to find out if they've learned from failure.

2. **Are they involved in their professional community and do they have the respect of their peers?** — You want to make sure your technical co-founder is respected by the greater community. You're looking for involvement, not that they're master of the universe. See if they have

a blog or a Twitter account. If you're in the Rails community, check out Working with Rails, which provides a rating for individuals.

3. **How do they interact with other technical co-founders?** — If you have a mentor or know another successful technical co-founder, ask them to talk to your possible candidate. This should not be an interview but an interactive conversation with someone that has experience and may be able to give you some insight.

Remember, these questions should only be asked once a candidate meets the minimum requirement of embracing the same core values as you do. That's the first step. Then, whittle down your pool of potential candidates using a methodology that includes these three questions.

The Totally Manageable Risks and Dangers of Having a Co-founder

We believe that a co-founder is an asset, but we also know there are risks and dangers to having a co-founder, too.

You might bump into:

- Confusion about leadership.

- Lack of alignment.

- Questions about ownership.

- Unclear expectations and rewards.

- Having a co-founder who is also a best friend.

These risks are a bit scary, but the good news is that these risks can be managed. With effective communication and a good planning process, you can address potential risks before they crop up. Make sure you set up agreements beforehand. Agree on vesting terms, dole out responsibilities, and

put it all on paper.

Need More Info on Co-founders?

ADDITIONAL RESOURCES:

- [**The Ultimate Guide to Finding the Right Co-Founders**](#) — David Hauser, Grasshopper's CTO and Co-founder

- [**Beginner's Guide to Finding the Right Business Partner**](#) — Quick Sprout

- [**Why you should have a co-founder**](#) — David Hauser, Grasshopper's CTO and Co-founder

- [**When to fire your co-founders**](#) — Venture Hacks

- [**The Perfect Match: Finding the Right Co-Founder**](#) — Forbes

- [**Please, please, please stop asking me how to find a technical co-founder**](#) — humbledMBA

2 How to Name Your Business

Your Name is Your Pitch

When entrepreneurs start a new venture, they can often be found at sites like Hover and GoDaddy, plugging in various URLs to figure out what they should name their company.

We can't tell you how many times we've heard someone say, "we couldn't think of anything so we just picked something where we could get a .com."

It's not really the best tactic. After all, how can you name your business perfectly if you're relying on the internet to feed you its suggestions?

Let's imagine we're trying to name an app that helps brides create their wedding seating plans. We'd plug something like this in to **Hover**, a site where you can buy domains.

You have to admit—these names are pretty boring.

Your name is literally the first thing anyone hears you say when you talk about your company. **Your name is your pitch**.

So, let's get to work coming up with awesome names. Here are some best practices and ideas for success.

Make it Easy to Spell and Say

One of the reasons we changed our name from GotVMail to Grasshopper was because it was hard for people to spell. We do radio advertisements, so it's important that people understand our name right when they hear it.

If your name is easy to spell and say, it makes it that much easier for people to find your website, connect with you on social media, and gush about you to colleagues and friends.

A lot of people run into trouble when they incorporate their last names into their business names because they can be hard to spell. If you believe it's the right choice, go for it, but remember people might have trouble when it comes time to search you on the web.

Avoid numbers, letters, abbreviations, alternate spellings, and anything else that might trip people up.

Choose a Kooky Name to Get the URL You Want

Because so many URLs are taken, entrepreneurs are starting to pick out random made up words for their businesses. **Kaggle**, a platform for data scientists, is a good example. The word is completely random—and its founders chose it for that reason.

Anthony Goldbloom of Kaggle wrote an algorithm to find a startup name. He wanted to find all pronounceable combinations of letters whose URLs weren't already gobbled up. When his program spit out Kaggle and Sumble, him and his colleagues chose Kaggle.

You don't have to create an algorithm, but it might be a good idea to make up a random (but pronounceable) word for your startup. Entrepreneurs who've done this are happy their name is distinct, allowing them to build a totally unique brand.

Use .Co, .Lo, .Net or Another Alternative

We're all after the elusive .com, but tons of successful startups have opted for other endings such as .fm, .net, .co, .org, and others.

If you have your heart set on Lovebirds.com, try out Lovebirds.is or Lovebirds. me.

[Clarity.fm](#), [HelpScout.net](#), [canary.is](#), and [directr.co](#) have all opted for alternative endings because many .coms come with hefty price tags or are simply unavailable.

Get creative—sometimes you can incorporate your business name into your web domain. We know a guy whose name is Tim Willis. His personal photography website is [TimWill.is](#). Clever, right? Makes us want to get Grasshopp.er.
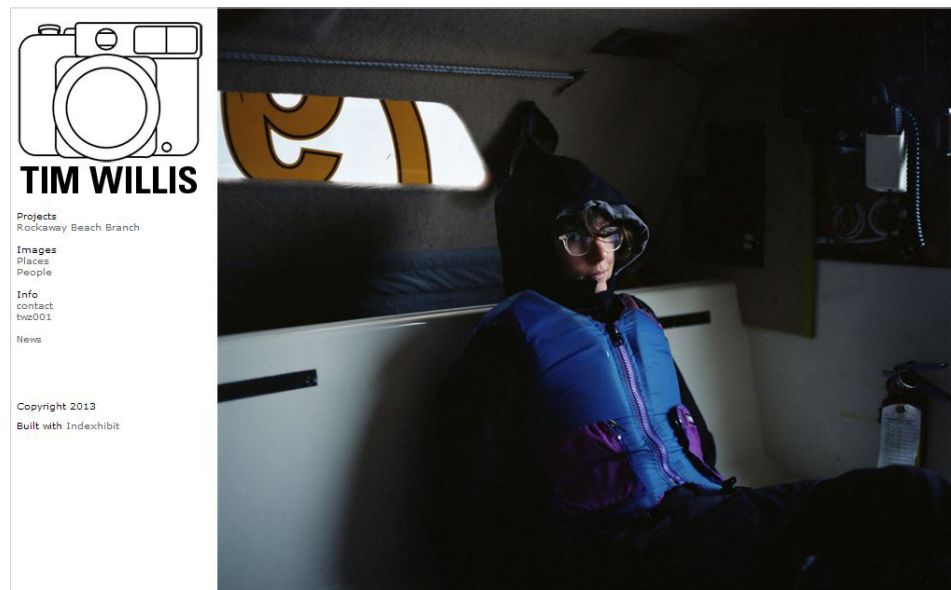
Be Relevant and Relatable to Your Audience

Names like Kaggle are fun, and distinct, but ... wait ... what does Kaggle do again? If your company does something unique, then you might want to stick with a conventional name. Otherwise, you might confuse people.

When people hear or see **Garment Valet**, they get the hunch that someone's about to do their laundry. The name **Unbounce** is another great example, as the company helps reduce bounce rates for landing pages (effectively unbouncing them).

You can try out **Bust-A-Name** to see if you can couple your specialties with an available domain name:
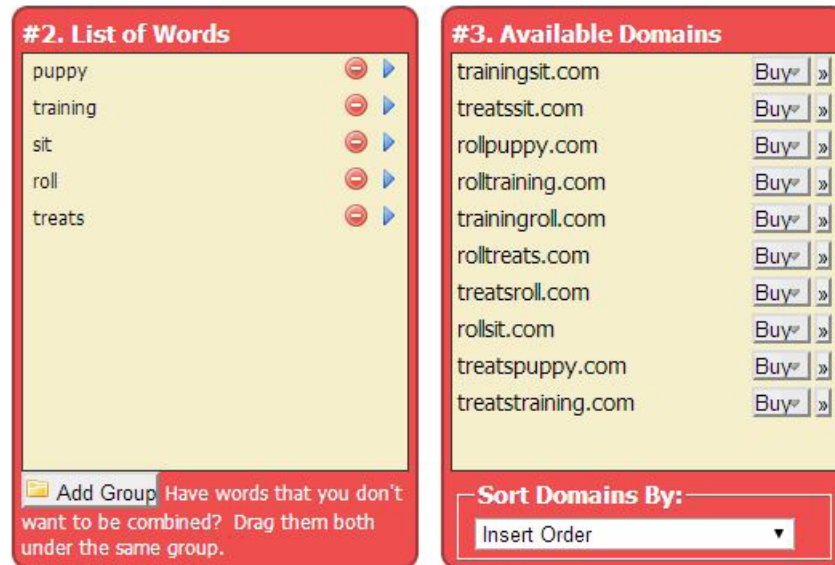
Change Your Name if You Have to

Changing your company name from CuteCoffeeCups to Camby is a huge undertaking, but don't shy away from changing your name if it's just not working for you. Just make sure you have a good reason (or multiple good reasons), as well as a PR strategy in place to get the word out about the change.

SEOmoz recently changed their name to Moz in an effort to rebrand and shed the weighted SEO label. Although Moz is passionate about SEO, they felt that their brand embodied so much more than optimizing websites for Google

search results. They wanted a company name that would reflect that.

Not only did Moz make the change, but they launched a new product at the same time, and detailed their reasoning in a lengthy blog post by the CEO. The new product coupled with the transparent reasoning helped Moz to gain ground when they made the change, rather than lose it.

Beware: *Changing your name is a huge to-do and not to be taken lightly. Make sure you have a kick-butt promotional campaign to go along with your name change.*

Pick Names that Make People Feel Good

Your customers are the most important people in your company, so make sure you pick a name that makes them feel good. If they feel like fun and free when they're using your product or services, they'll be happy they chose you.

You can pick a name that makes people feel cool, smart, fun, or kind. Consider using an animal in your name to boost happiness. **MailChimp** has Freddie, a monkey mascot, that pops up in the user portal. MailChimp is a B2B product, but it's still fun, playful, and lighthearted. (We think Freddie really helps).

Choose a happy-go-lucky name that makes customers feel as though they've made the right choice.

Pick a Word You Like and Add an Ending

This principle is how we came up with our Startup Name Generator. So many companies are cropping up with -co, -biz, -able, -ly, and -ify tagged on.

Ending with -ly	Ending with -ify
• Contently	• Spotify
• Attendly	• Chargify
• Bitly	• Trackify
• Optimizely	• Backupify

These tags are cute, easy to say, and allow you to use a relevant word with a creative ending. Consider going beyond the conventional endings and giving yourself a totally zany and unexpected one. (We haven't seen many names ending in –zo, -eep or -hopper).

A word of caution: *The use of these suffixes has become a popular trend, and some startups are getting a little flack for relying on these conventions rather than coming up with creative names. If you use one of these endings, you risk sounding like every other startup out there.*

Avoid Being the Butt of a Joke

Ever hear of the automobile named Chevrolet Nova? Sounds like a good name, right? Well, think again. The Spanish translation for "no va" means "it doesn't go." Ouch, not the best name for a car.

With over 35 million Spanish-speaking people in the United States and more throughout Latin America, "Nova" clearly isn't the best name choice, despite Chevy's starry-eyed intentions.

Analogic is another example of a so-so name. It's hard not to see the first four letters when reading it, despite best intentions (tee-hee).

Check to make sure the name you choose works in different languages, especially if you plan to market your products and services globally. Be sure to look into any unexpected and compromising meanings and connotations when selecting your business name.

Rely on Testing & Real Data

Will Mitchell, serial entrepreneur and founder of StartupBros recommends that you A/B test a couple of different names to figure out what really resonates.

> *"It seems everybody thinks they should get their naming advice from friends, family, and Facebook friends — I suspect out of desperation.*
>
> *That is a stupid thing to do.*
>
> *I would much rather A/B test my possible business names to find out exactly how much more or less receptive my target audience would be with each name."*

Will tested StartupBros against a host of others to see which ones were best. He recommends using Unbounce's free trial and making quick logos using **Creatr.cc**.

Ultimately, Will found that StartupBros performed 13% better than his original name idea, IncomeLabs.

Take a hint from Will. Taking the time to test a name can make all the difference.

Get a Web Domain, Vanity Email, and Phone Number

Get a Matching Domain Name

Some argue that you should check and see if you can get the domain name before naming your business. Some decide on a name based on what they can get online. Go to **Hover** and figure out if the name you want is available. If it is, buy it! Whether your business is a brick-and-mortar location or an online service, you're going to need a searchable domain name.

Example options for **WeBuildApps**:

Available Domains	Yrs	Add Mail	Total	Add
buildrapport.com ⭐	1	None	$649	+
webuildapps.info SALE	1	None	$9	+
webuildapps.biz	1	None	$15	+
webuildapps.asia	1	None	$20	+
webuildapps.asn.au	2	None	$40	+
lovebuildapps.com	1	None	$15	+
webuildmoreapps.com	1	None	$15	+

And a Vanity Email Address...

Don't use your personal email account for business purposes—it's unprofessional, confusing, and archaic. Get a vanity email to match your domain. (You can get them easily through Hover). Be **tony@webuildapps.com** instead of **tony@gmail.com**.

And a Phone Number...

If you want people to be able to contact you, you'll need a phone number. You can get local and toll free numbers that complement your business and its services. A vanity number with your business name can help, too. Having a phone number on your **website actually increases conversions**.

Phone numbers for **WeBuildApps**:

Ask Around

A name might sound great in your own head but seem kind of stupid to someone outside your circle. Ask people what they think.

Many entrepreneurs and startup founders turn to Quora and reddit, where you can post your name and ask for suggestions. Amusing and helpful discussions have unfolded on both of these sites.

Check out these threads and discussions if you're looking for input:

- **What are good company and startup names?** — Quora
- **How to Pick the Perfect Name For Your Business or Startup** — reddit
- **Suggestions on startup name - my working title is awful** — reddit

3 Your Brand's DNA

Core Fundamentals, Ideologies, and Your Brand

Your company needs core ideologies and a solid brand. These things don't just happen on their own. You're the founder. **They all start with you, the founder**.

Company culture is inextricably linked to branding. If you want to attract the best employees and inspire growth and success, you've got to invest in building a great brand.

Think about it—a solid brand becomes iconic. When we think of Apple, we imagine the logo and we think about Steve Jobs (even though he's gone). This sort of branding is deliberate and important.

A company is a living, breathing organism. It grows, changes, and responds to outside influences. That's why we think of culture, passion, efficiency and core values as part of a **Brand's DNA**. This is the stuff your company is made of!

Your Brand's DNA is two-fold. It's directly related to:

1. **Your internal culture.** The productivity and passion of your employees depends upon your leadership. If you build a brand that prioritizes passion, personal development, and work-life balance, you'll be much more likely to have a happier, more dedicated team.

2. **Customer perception.** Do you want your customers to see you as another nameless, faceless corporation without personality? Probably not. That's why it's crucial to build your brand DNA with customers in mind.

You don't want to be just another chiropractor, software company, or law firm. You want a branded image that makes you recognizable, strong, and inspiring.

Deciding Who You Are and What You Believe In

To make a thriving company culture, you need an identity. You need hard DNA, not just fluff.

So, how do you define yourself? You're probably a generous person wanting to provide a valuable product or service to your customer. You probably love what you do and want to make a living doing it.

Think of the values you care about and want your employees to care about. Here are a few:

- Generosity
- Transparency
- Fun
- A team focus
- Passion
- Drive
- Ambition

- Skill
- Cutting edge technology
- Empathy
- Excellence
- Detail
- Self-awareness

A brand is led by its founders. It takes time to build. Without deciding who you are and making a commitment to follow-through, you can't create the brand that you want.

But it's not enough to say that you want ambitious people with a great attitude. You've got to put it into words. Once the guidelines are written down, you can make sure that everything you do is aligned with your values.

But What Should Your Values Be?

At Grasshopper, we developed some core values to define who we are and what we're working for. These help us chart a path for the future, and also inspire and remind us who we are in the present.

We chose the values we did because we're on a quest to fulfill our mission "to empower entrepreneurs to succeed." We're passionate about providing a great phone system, but we also want to offer something bigger than that. We're not working just to work—we're working to help others start, run, and grow their businesses.

Need some examples? Moz has created **a TAGFEE code**:
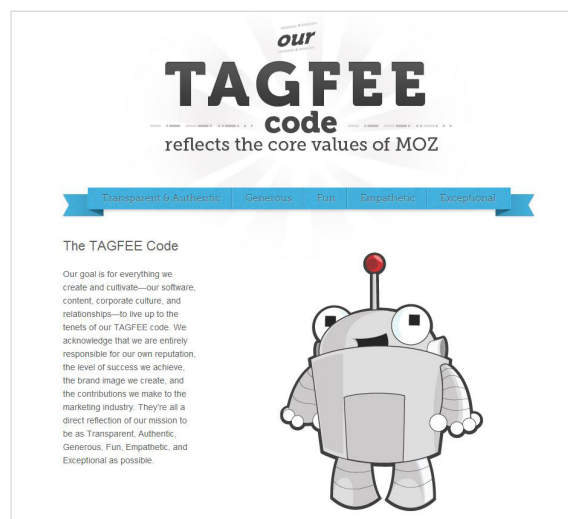
And we've created G.A.R.Y. (**Our Core Values** spell out the name of our mascot).

Our Core Values

Go Above and Beyond

We strive to exceed the expectations of the people we work with and the entrepreneurs we serve. From taking ownership of responsibilities outside of our job description, to remaining committed to a project from start to finish, we go above and beyond to make a positive impact on everything we do.

Always Entrepreneurial

Being an entrepreneur means taking the initiative to find new and innovative solutions to daily challenges. This proactive approach to problem solving requires us to effectively calibrate risk while still thinking creatively and strategically.

Radically Passionate

Passion fuels our lives and ultimately paves the way to greatness. We create, evaluate, and innovate with pride and enthusiasm reinforcing our position as company ambassadors.

Your Team

Successful teamwork requires listening, sharing and keeping an open mind. Teamwork is achieved by leveraging individual strengths and overcoming differences to produce the optimal results. Working in this way cultivates trust and respect for each team member and maximizes productivity.

Having values allows you to consistently check on the pulse of your company. They can serve as a type of report card for making sure your team is aligned with the company mission.

At Grasshopper, we have "I caught" cards so employees can celebrate each other by catching coworkers in the act of living our core values.

I caught...
_____Kevin W._____
Living our Brand Promise and Core Values!

Circle all that apply:

(Go Above & Beyond)   Extraordinarily Connected
Always Entrepreneurial   (Ridiculously Professional)
Radically Passionate   Entrepreneurially Generous
(Your Team)   Radically Easy

Share the story:
Just before an important meeting I realized my MiFi was not working and I wasn't going to be able to skype in. Even though I couldn't find the correct information Kevin was able to figure out which device was mine from his thorough records and get me into that call with just minutes to spare.

Your Name:
_____Kevin C._____

Creating an Environment Employees Love

You've heard it before—company culture is more than just a ping pong table—but those ping pong tables sure do help.

If your employees can only play at the ping pong table or in the game room after hours, you might as well not have them. Workers need to feel like they can relax and take a breather without getting in trouble or raising eyebrows.

If you create reasons for people to want to come to work, provide good benefits, give flexibility, have company outings, and give gifts, your employees will feel lucky to be where they are. *It's about way more than the ping pong table. These things help reinforce the culture.*

"But it's so expensive!" Actually, it's not. The cost of giving extra perks to your employees is minimal compared to what you'll gain through employee commitment and happiness and reduced turnover.

If you want to build a successful, lovable company, start by investing in the people you work with. If you're going to skimp, don't do it here.

Here are some things you can do to generate a positive company culture:

- Make sure to have ample healthcare and time off.
- Hold employee outings and parties.
- Give employees gifts when they start.
- Make sure every worker is equipped with the best technology, if feasible.
- Celebrate employees' life milestones such as big moves, getting married, having babies, or passing classes and certifications.
- Celebrate employees' birthdays every month. Lump them together and celebrate in a monthly birthday party.

- Provide tons of snacks and food options so no one is ever stressed if they forget their lunch.
- Pay for some other things like gym memberships, rail cards, and cell phones.

We offered a promo code to new customers when our **QA engineer got his 11g certification**. We also had an office party.

How Do You Make Customers Feel?

You can't create core values in a vacuum. The products and services you sell directly affect what you believe in. Remember- you've got to make people feel something.

Making people feel like rockstars is the best way to get them psyched about working with you.

At Grasshopper, our mission isn't to provide the best telecommunication solution in the world (even though we'd love to do that). Instead, it's *to empower entrepreneurs to succeed*.

Wondering how you can do it for yourself? Ask two questions:

1. What do my customers want to accomplish?

2. How does my brand help them achieve it?

Facebook Helps You Hook Up

[Facebook](#) became popular because it allowed college students to easily connect with their friends. Facebook customers wanted to get together, hook up, gossip, and check each other out. How did Facebook help them achieve it? Well, it's a platform where people can easily search, message, and connect.

Virgin America Makes You Feel Cool

[Virgin America](#) is an airline, flying people around the world just like any other carrier. But Virgin's different not because the prices are dramatically lower or because the seats are upholstered in cashmere. Virgin is different because it makes its flyers feel cool.

What do Virgin's customers want? They want to get somewhere. How does Virgin help them? Virgin gets them to their destination with a touch of young, invigorating coolness that they can't find on another airline.

Nike Makes You Feel Motivated

Ever checked out **Nike's Instagram**? If not, you're missing out on some motivational support. Nike's a sportswear company, but it's become a lifestyle company that make us all feel motivated, strong, and fit. Nike provides more than just running shoes—it provides motivation and inspiration.

So What's a Bad Example? Well, Look at Yahoo.

Yahoo used to be a top search contender, but now their direction is confusing. Here's what ex-CEO Carol Bartz said Yahoo was in 2010:

> *"Yahoo is a company that is very strong in content. It's moving towards the web of one. We have 32,000 variations on our front page module. We serve a million of those a day. It's all customized. Our click-through rate went up twice since we started customizing this. People come to check the things they like. It's a place where you can just get it together. Yahoo is one site people always stop at."*

What does all that even mean? What are Yahoo's customers trying to do? How is Yahoo helping them to accomplish this goal?

Don't be Carol Bartz. Be clear about what you offer. What do your customers want to accomplish? and How do you help them achieve it? These questions should be answered easily and quickly whenever you're talking about your company.

Why You Can't Compete on Features

When you see your competitor adding every feature under the sun, it's tempting to play a game of catch-up and rush to get those features yourself. Take it from us—you can't compete on features.

It might be tempting to add features when things aren't working, but this is rarely the solution.

This is a common problem in the initial version of a product, because most of the time the first version doesn't work, and the most obvious way to solve the problem is to just keep adding features until it starts to click. Yet does this ever work?

— Andrew Chen

It's ok if your product isn't for everyone. It shouldn't be. You're better off being perfect to a niche audience than just ok to a larger group.

So if you can't add features, what can you do to differentiate yourself?

Make Your Product Simple

Think about your most beloved web services and products. The iPhone is a good example. No matter whether you have an Android or Apple phone, it's easy to see that the iPhone appeals to people that want something simple. It's the simplicity and ease-of-use that keeps them hooked.

Build a Lovable, Human Brand

Show a little personality and spunk. Be honest and transparent. It's ok to share your flaws and mistakes once in a while. Have fun on social media, come up with creative and fun campaigns, and try to be human. A human is much more lovable than a corporation.

Show You're Trustworthy

Do everything you can to promote trust. Create resources for your target audience, always follow-through on your word, and do everything you can to make it right when you screw up.

Listen to Your Customers

If you ask your customers for feedback or even if they just offer it up—listen. Listening doesn't mean you have to change your entire product, but it does mean respectfully understanding a customer's perspective. Customers need to feel as though they're being heard. Follow them on Twitter, respond to their emails, and offer to promote their businesses.

Provide Great Support

Don't discount the power of impeccable customer service. We have 24/7 live support. Not many of our competitors have this and we've found that it makes a HUGE difference to existing and prospective customers. If our customers have a problem, we do our best to make sure they're well-supported. *All the time.*

4 The Right People

Who You Work With Matters

If you want to be successful, you've absolutely got to think about who you work with. It's hard to figure out who's right and who's not. You want talented people that can get the job done, but you also want them to fit your culture.

You've got to have people that live and breathe your brand.

When you first start out, you might not have the funds to bring on a whole set of employees, which is why it's a good idea to build a network of freelancers. Even after you've built up the business and hired a bunch of people to run things in-house, you can still call on these freelancers when you need a radio ad, illustration, explainer video, or something else created.

Creating a Network of Freelancers

You're not a multi-million dollar media company, and that's ok. There are talented freelancers out there who can help you out.

Even though Grasshopper is 10 years old, we still call on freelancers all the time!

Remember: *when it comes to freelancers, you usually get what you pay for. Make sure you look extensively at the portfolios of the people you choose to work with before making an agreement. When it comes to design and code, flaws don't reveal themselves until someone breaks something—lots of people get burned by this. If someone makes an offer that seems too good to be true (like a blog post for $15), it probably is.*

There are tons of things freelancers do:

- They Create Illustrations
- They Write Blog Posts
- They Make Videos
- They're The Voices Behind Radio Ads

Where to Find Freelancers

Our co-founders swear by freelancers and constantly look for new ones. Start by asking around—your connections might know of a video editor or professional writer that fits your needs.

If you can't find exactly what you're looking by asking around, try these options:

Behance

[Behance](#) is a platform for showing and discovering all sorts of creative works. You can search the platform's Joblist and sort by individual fields, or post your own job. Our CEO turns to Behance to find the latest and most cutting-edge designs on Behance, dipping in to an international pool of talent (his favorites are the designers in Japan).

ILLUSTRATIONS
MISCELLANEOUS WORKS DONE IN 2009-2010

Source: http://www.behance.net/gallery/Illustrations/660211
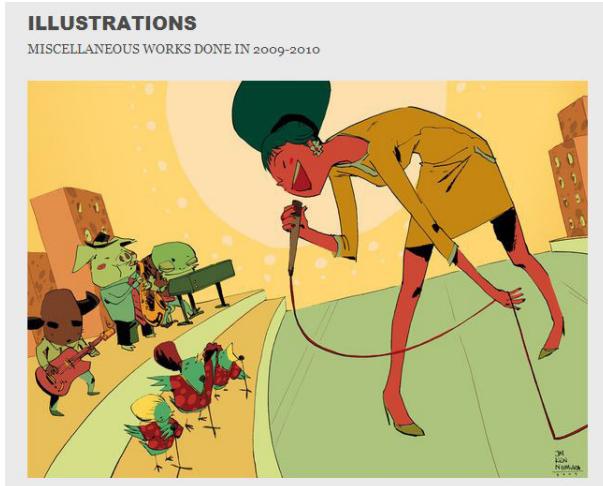
dribbble

If you're in need of a graphic designer or illustrator, **dribbble** is the place to go. The platform allows you to easily find talent based on the style you're going for. You're guaranteed to find good designers on dribbble as it is invite only. Check out what you get when you **search for "modern animals"**:

Search / **modern animals**

Shot results for **modern animals**

556 2 57

Simon Oxley
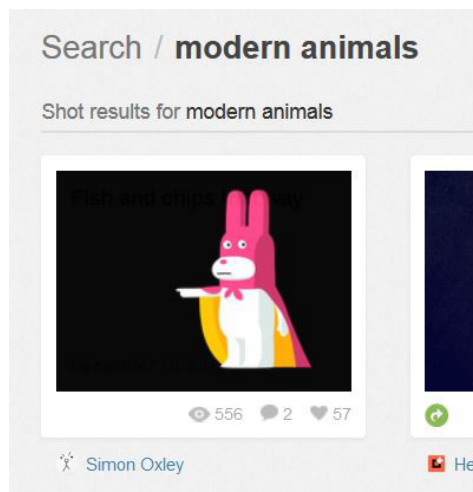
Coworks

If you want to get freelancers by recommendation, **Coworks** is a great option. You can use the platform to find freelancers for design, writing, photo, and web projects. Unlike many other freelancing sites, Coworks doesn't charge commission. That means you can bring freelancers you already work with on to the site with no charge.
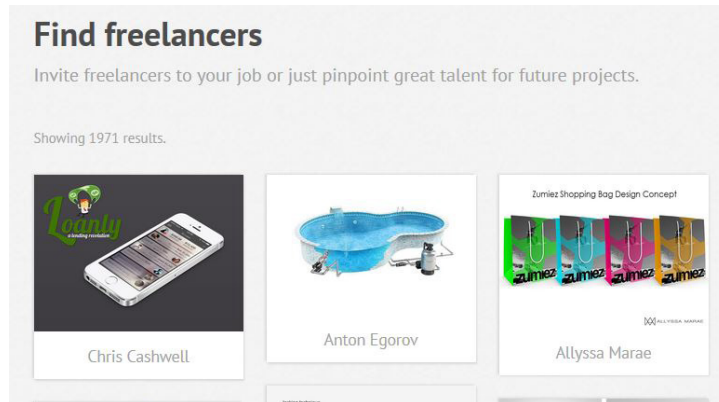
OTHER PLACES THAT MIGHT WORK FOR YOU:

- **Contently** — If you're looking for freelance writers alongside a refined editorial process complete with editors, Contently is the platform for you. It can also be used as an editing platform if you've already got writers you like.

- **WriterAccess** — Writer Access can easily hook you up with professional writers, complete with ratings. They also provide analytics and you only have to pay if you're 100% satisfied.

- **Craigslist** — It might take you a while to find who you're looking for, but many freelancers can be found on Craigslist at inexpensive prices.

- **Elance and oDesk** — Like Craigslist, Elance and Odesk (recently merged) require wading through the muck, but prices are reasonable

and there's a wide range of talent.

- **PeoplePerHour** — If you're looking to complete a specific task—whether it be menial or sophisticated—post it on PeoplePerHour. You can probably find someone to do it.

- **Blogs You Love** — If you read an article you love, contact the writer. Many of these writers will take on freelance work, even if they have a day job.

- **LinkedIn** — The professional networking site is popular for a reason. Visit freelance groups, make searches, and see who your connections know.

- **Forrst** — Forrst is a designer's enclave for inspiration and support. Top designers post their stuff for feedback and advice. Snag someone you like off the site.

- **Amazon Mechanical Turk** — Get your tasks done easily and quickly with on-demand scalable work done by people. This is especially good for menial tasks such as compiling lists.

Make Freelancers Want to Work With You

Freelancers don't get the benefits of being full-time employees. They don't have health insurance, aren't guaranteed a paycheck, and have to do a lot of work on their own.

Just because a freelancer isn't a fulltime employee doesn't mean that you should treat them as *easy come, easy go*. To build a network of freelancers that continually give you high quality work, treat them like gold.

Be Decisive

Provide clear guidelines to any freelancer you work with. Be clear about what you want, or else you might not get it. It's not just for you- freelancers hate

when they're clients can't decide. If you feel strongly about the way a blog post is written or how your brand is represented in a video, you better say so. Don't change the scope of the project once it's already started.

Pay Fairly and On Time

Freelancers charge what they charge. The best cost more than those who produce mediocre stuff. It can be tough to shell out cash, but once you agree to a freelancer's terms, stick to them. Pay fairly, on time, and without complaint.

Don't be this person:

> *"...In every communication (or project switch, as it was), she would work in something like 'I need this to be attention-getting, but of course with your fee you would know that.' I get it if she felt she overpaid after she had seen my work, but this was before I had completed any work at all."*

> – **Brian Morris**, freelance writer, on CreativeOverflow.

Remember That a Freelancer Is Not a Full-time Employee

Freelancers work for you, but they aren't full-time employees. That means you don't get to dictate their hours and can't expect them to return your calls in five minutes. Freelancers make money by working for multiple people. Sorry—you are not the center of their universe.

Give Honest Feedback

If you're not happy with a freelancer's work, it can be tough to say so. But, honest feedback is the only way a freelancer is going to understand what you want. Be clear about what you like and don't like so they can refine their work.

Hiring the Right People In-house

You're swamped and you recognize that it's time to get help. If there's an area that you and your co-founder can't fit into your schedule or simply can't do, it's time to hire in-house.

When it's time to hire people, first think about skills. You want people who know what they're doing. *Duh.*

But you also want people who are dynamic team players, people who set the bar high, and then surpass it. You want people who love what they do. But it's not just that. You also need them to fit into your Brand's DNA.

Before you start the hiring process, make sure you have a well-defined role. Expectations need to be clear from the get-go so that the person isn't surprised about what it means to be a part of your team.

> *"Startup employees, more than any other kind of business, need tremendous amounts of energy and resourcefulness, and will thrive when teammates are focused and driven to see things through until they are complete."*

– Harris Goodman, Director of Sales and Business Developer at **Late Nite Labs**

(source: Forbes)

SO, HOW DO YOU HIRE PEOPLE FOR CULTURE FIT?

Get Referrals

Want people that fit into your mold? Ask people that already understand what your company is about. You're better off asking "who knows who" than sifting through resumes or hiring a recruiting firm. Exhaust your own connections to make sure the perfect person isn't someone you already know!

Consider Past Experience

What did this person do in the past? Did they work for another cool startup?

If so, why did they leave? Maybe they have interesting and out-of-the-box experiences, like participating in an improv group or climbing Kilimanjaro. Make sure that the person's past experience fits with what you do and who you are.

Check Out Their Values

If your candidate's values don't match up with yours, that's a red flag. If you think hunting down investors is crazy but it's the only way the candidate thinks about financing, you've got a problem. If you've got different ideas about work-life balance, long-term goals, and general attitude, you're likely to have issues down the line.

Gauge their Passion

A prospective employee might be a fun person to hang out with, but are they passionate about what your company does? Are they jazzed about their specialty? You want people who are bursting at the seams with ideas for how the company can improve. If you've hired a sales guy who mentions that a job is just a means to an end, he might not be the passionate person that you want on board.

Don't Settle for a Bad Fit

After months of searching, it can be tempting to make a hire based on skills alone, even if the person is a bad fit for company culture. Though you may feel desperate, adding a bad fit to your team is like poisoning a well—just one drop can ruin everything! You want to hire those who are easy to work with, positive, and passionate.

Be Open-minded

Just because a prospect isn't what you expected doesn't mean they're a bad fit. Someone might have all the qualities you're looking for but require a little extra training—and they might be worth hiring! Alternatively, someone might have more experience than you're looking for or be coming from a totally different role. It's a little like dating—if you're not open to the world's amazing possibilities, you could end up alone. Remember that diversity is a huge asset.

Don't Get Caught Up in Hiring Your Best Friend

A lot of startups have been criticized for using the term "culture fit" to mask discrimination. This is why it's important to be open-minded. Don't just hire people because you think they'd make a great new best friend. Let's say you and your co-founder absolutely love sports. You live, dream, and breathe football. If you interview someone and they loathe sports, or they just don't care, that doesn't mean they're a bad fit. Just because you can't bring them to a game doesn't mean they're a bad choice.

Outsourcing and Contracting

Outsourcing work to contractors is a good idea for bigger projects. When we first started building our iPhone app, we contracted the work. On a quest to improve our support docs, we contracted the writing. When we were in between SEO specialists, we hired an agency.

Don't outsource any project that's at the core of your business. If the work you're contracting someone to do affects the business you are, you're better off hiring in-house. **No outsourced work should compromise the lifeblood of your brand in any way**.

5 Marketing and Generating Buzz

If no one knows about you, you're going to tank.

Marketing and generating buzz are some of the most challenging aspects of running a business. You need loyal customers — paying ones — in order to drive you to the top. There might be people out there just waiting for your product, but you need to get it in front of them!

There are thousands upon thousands of articles out there about how to get the word out. SEO, content marketing, user experience (UX), social media, and standard advertising channels all play a role, but there's a secret sauce, too. It's called **buzz**.

What is Buzz?

Buzz or word-of-mouth marketing is best described as "people talking about you." Has a friend recently recommended a restaurant or a hairdresser or told you to watch a crazy YouTube video? Has a business connection suggested a new online service that will help you with accounting?

That's people talking about companies. That's **buzz**.

The beauty of buzz is that it can happen organically and lasts forever. **If people are talking about you, your work is done**. Not only that, it's free.

One of our customers told us about how he used buzz to hook new customers:

After realizing that property managers hate property inspections, Sam Ovens decided to start SnapInspect, a company that allows property managers to inspect using smartphones, automatically creating inspection reports with a click.

Instead of simply hiring a sales team to try to convince each lead to make a purchase, Ovens decided to send everyone who signed up for a free trial a "SnapInspect Starter Kit." SnapInspect's mission is to do away with useless paper clipboards that bog property managers down, so the kit includes "everything you need to set your clipboard on fire and never look back."

What's in the kit? A box of matches, a bottle of lighter fluid, and a 4 page guide on how to use SnapInspect. The strategy got people chuckling—and talking.

Why Buzz Beats Paid Advertising

You'll probably use at least some form of advertising campaign when running your business, and that's great. We have a pretty healthy PPC campaign, have experimented with social media advertisements, and use Sirius radio ads to get the word out about Grasshopper.

Even still, most of our traffic comes through word-of-mouth. What does that mean? Well, it means that someone told someone else about Grasshopper, who then signed up.

"Run an advertising campaign for a week, and the campaign is gone on Monday. Vanished. You can't find it because it's run, and it's over. But get people talking on blogs and message boards, and it stays there FOREVER!"

— Mark Hughes, BuzzMarketing

Why PR Firms Are a Waste of Money

One of the keys to visibility is getting in the press, but you don't have to hire a PR firm to do that. In fact, we recommend that you don't.

A traditional PR firm promises to get you in the press, putting attention on your brand, but they're loads of money and don't always bring the best results. Most PR agencies are numbers driven and have lots of clients. Lots of clients means less time for you. Do you want someone that's not fully invested in your vision selling your product or service to the world? If you develop a few skills around pitching reporters and developing relationships with bloggers, you can do exactly what they do for way cheaper. Plus, it will be more genuine in the long-run.

We've become a successful company without PR firms, and we know of tons of other companies that haven't used them either.

How to Generate Buzz

It seems like magic, but buzz is something you can generate yourself. How do you get people to talk?

Do Away with the Conventional

Differentiate yourself. If you do what every other company does, you're not worth talking about. If you're running a landscaping company in a small town and your competitors all operate in the same way with the same price points, then work to set yourself apart. Make funny flyers, write an article for the local website, make a presentation at your children's elementary school, create a beautiful website, or offer rebates and discounts. Do **SOMETHING** that will get you noticed.

Storytelling is key. Even if your company sells a boring product or service, you can tell stories that set you apart. If your company started because you

lost your job or wanted to create a product for your children, talk about it with honesty and transparency. If you tried something out and watched it fail, don't be afraid to share. Everyone loves a good story—especially the press—so make sure to have a few in your arsenal.

Learn to Pitch and Connect with Influencers, Writers, and Reporters

If you want people to tell your story, write about you, praise you on review sites, and talk about you to their friends, then you better figure out how to talk about your company (link to blog post on how to pitch). Your job is to connect with influencers—to get the word out about your company. It's all about doing things that get people talking and getting people to write about it. The more exposure on blogs the better.

You want to email and pitch the right bloggers and reporters to let them know about something interesting. That's the key—something INTERESTING. You don't pitch the *same old, same old.* You pitch a story with relevant information that the blogger or reporter can turn into a great story. The more pitches you put out, the more people you're in front of. Staying consistent is key because you want to develop a cycle of getting the right stories to the right writers.

Prioritize Customers

Customers are the ones who will recommend you to their friends and on the web, so it's in your best interest to treat them well. It goes beyond creating a great product—you should have stellar support, build exceptional relationships, and go above and beyond your duty.

- To entice and retain customers:
- If you mess up, be proactive and apologize
- Write handwritten thank you notes
- Send out personalized gifts
- Follow them on social media sites (Twitter, Facebook Google+, etc.)

- Pay special attention to your support offerings

- Give them press so they'll give you press

- Offer promo codes and generous rebates

- Write about customers on your blog

- Use customer's services when appropriate

- Be honest and transparent about who you are and what you offer

We could've written a whole book about caring for customers. They're the lifeblood of your company and you better be paying attention to their wants and needs. Cherish each and every customer!

Be Your Own Ambassador

If you're not ready to jump in and talk about your company, then who else will be? Go to networking events, startup meetups, coworking spaces, and other industry events to try to get your name out. Talk, talk, talk, until you're ready to drop. At Grasshopper, we have an Ambassador of Buzz and Word of Mouth Marketing Manager who do these jobs- they connect with potential and current customers to build relationships and get the word out.

If you decide to hire an ambassador instead of doing it yourself, make sure the person is as passionate about your company as you are. Ultimately, you want someone who would bleed your company if you cut them open! This person **is** your company whenever they're out. They go to events, build relationships, and generate buzz wherever they go. When people see their face, they should think of your company right along with their name!

Tools To Build Buzz

- **BuzzStream** — Track conversations with writers, including email and social media, and the articles they write.

- **TweetDeck** — For creating feeds of reporters/bloggers and better social media management.

- **Cision** — Dor reporters/journalists/bloggers contact information – basically one giant database to comb through.

- **Google Alerts** — Put in search terms and keywords to track as they appear on the internet.

- **Newsle** — Interesting startup that tracks when you appear in the news. If you're constantly quoted, it's a good service to try.

- **Help A Reporter Out** (HARO) — One of the easiest ways to see what reporters need help on and what stories they're currently working on.

Read Some Books

- **Viral Loop** by Adam L. Penenberg

  There's all this talk about "going viral," but what does that actually mean? Well, according to Adam L. Penenberg, viral loops are user-generated cycles of growth. As people keep talking about an established brand, the brand gets more and more traction. We feel that *Viral Loop* is a must-read. Our philosophy about buzz is right in line with the ideas in this book.

- **BuzzMarketing** by Mark Hughes

  Generating buzz is much more effective and far cheaper than traditional strategies. If you get people talking about some interesting things you've done, you can gain customers for life. Mark Hughes tells anecdote after anecdote about how marketing with buzz propelled all sorts of companies to success. At Grasshopper, we love this book.

- [Word of Mouth Marketing](#) by Andy Sernovitz

    Andy Sernovitz doles out tips on Wordofmouth.org, but he's also got this amazing book that'll help you master word of mouth marketing. This guide is hands-on, straightforward, and pretty funny. Sernovitz prioritizes usable techniques that will get people talking.

Get On Social Media

Social media isn't just for kids. In fact, **the fastest growing age bracket on Twitter is 55-64**.

Pretty much everyone is using social media sites like Twitter, Facebook, LinkedIn, and Pinterest. Both businesses and individuals love to be connected. When something happens, people are buzzing on these sites like bees.

In order to capture social media buzz, set up **TweetDeck**, a platform by Twitter, and make columns of search terms to find out what people are buzzing about in your industry.

For Grasshopper, we might search "grasshopper.com," "virtual phone system," and "entrepreneur" to find opportunities for engagement.

When people complain, they usually turn to social media, so make sure you're responding quickly and efficiently to brand mentions.

A few social media tips:

- **Learn the Different Sites** — What works on LinkedIn might not work on Facebook or Twitter. Read up on how the sites work as well as what types of updates work best for each site.

- **Don't Be Over-promotional** — Share your blog posts and updates, but share other people's stuff, too. Your goal is always to help your customers. No one wants to hear you constantly talk about yourself.

- **Have a Sense of Humor** — Being personable and human will make you fun to follow. People don't like when social media accounts are too corporate and stiff.

- **Use Social Media to Find Fans** — If you've got fans, they're likely to follow you on social media, peppering your accounts with favorites and likes. It's great to have fans on board, so use your social accounts to find out who they are so you can reward them.

- **Be an Active Participant** — Don't just post once and forget about it. Social media is active all the time, so make sure you're consistently posting.

- **Get Some Software** — Use **Buffer**, **Argyle Social**, or **HootSuite** to manage and assess your social media accounts. You can schedule updates and figure out how well you're performing.

You've Got to Surprise and Delight

We're not making it up. Effectively generating buzz can do wonders for your brand. We've tried it out.

In May 2009, Grasshopper went through a rebrand. We didn't just change our website and name. Instead, we sent out chocolate-covered grasshoppers.

We identified 5,000 influencers and raised 25,000 grasshoppers to cover in chocolate. Then, we sent out 5 to each influencer. We also created a YouTube video to inspire entrepreneurs as part of the campaign.

It was a crazy idea—but it worked. Just look at **how much buzz** was generated from our campaign:

		Totals, May-July
183,000+ YouTube views for the Entrepreneurs Can Change the World video	**51,709** Unique pageviews of grasshopper.com/idea	**25,209** Number of referrals from StumbleUpon
2,959 Number of referrals from Twitter	**1,664** Number of referrals from Facebook	**170** Number of blog posts/news articles published about the 5,000 campaign

The Grasshopper rebrand is a large scale example of a basic concept: *People will talk if they're surprised or delighted.*

If people think you're an average company with boring messaging and a stale attitude, they're unlikely to buzz about what you do. Sending gifts and thank you notes to customers, interacting on social media, coming up with great pieces of content, and promoting the cool things you do are all ways to get people talking.

6 Building Your Website

Need a website but don't know where to start? You're in luck. There are lots of ways to go about it.

Some business owners skimp when it comes to their site. They reason that their service doesn't need an amazing website or that an online presence doesn't really help that much.

But let's face it—we all make decisions about what brands we buy from and what stores we visit based on the look and feel of their websites. A good site makes you look professional and legitimate. Don't skimp!

How Much Does a Website Cost?

Ah! The internet-age-old question. The answer? *It depends*.

But here's our disclaimer: You should **always** try to budget for a website. Design is an industry where you get what you pay for, so having even a modest budget set aside for your website should be a high priority. *(Approximately $2000 to start).*

We recommend **hiring a designer** if you can afford it. A good designer will assess your needs and deliver a solution that meets them, all the while considering things like conversion optimization and user experience.

The best way to approach a website for your business is to first determine what you'll need the site to do. What are your goals?

If you're primarily looking for a website to give your customers a way to get your prices, your menu, your office hours, directions to your office, or other basic information then the effort and cost will be less.

To figure out where you fit, consider these factors:

- **The scope of the site:**

  - » Do you only need to tell your customers your hours, prices and give them directions to get to you?
  - » Do you need a way for customers to get in touch with you?
  - » Do you need to sell something/process payments online?
  - » Does your website require users to log in and create an account?

- **The rate of the designer and developer (or agency) you hire.** In the Boston area, many freelance designers go for $55-200 per hour. Some offer fixed rates. Prices go up fast once more development gets added in.

- **Whether you can do it yourself.** If you have an itsy bit of technical skill and your website doesn't need too many complicated features, you can probably build a site on your own .

- **How quickly you need the site to be completed.** A designer or developer needs at least 3 weeks for a 3-7 page website.

- **How much copy and content writing you'll need.** It may seem easy to write the site yourself, but experienced copy and content writers can help you optimize your site for conversion as well as SEO.

The Do-it-Yourself Route

If your needs are relatively basic, build the website yourself.

WordPress is a very simple way to manage your own site. With sites like **Woothemes**, **Themeforest**, and **ElegantThemes** you have plenty of affordable themes available to give your business a unique look. **Squarespace** is also a great option for beginners looking to build their own sites.

WordPress is an open-source platform, unlike Squarespace. That means Squarespace is easier to use, but tougher to customize. If you're curious about the differences between the two, **check out this comparison on Website Builder Expert**.

WORDPRESS SITE	SQUARESPACE SITE

http://www.ghosthorses.co.uk

http://immaculate-consumption.com/
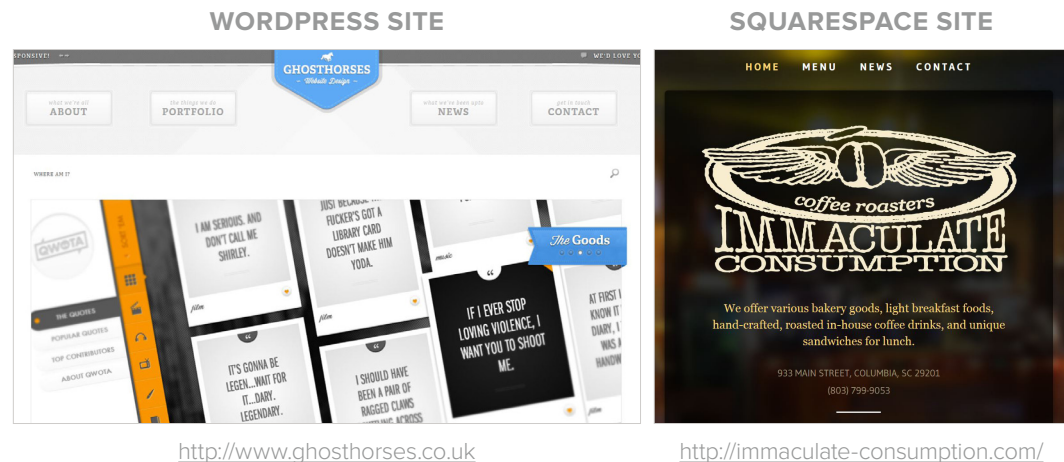
Note: *Both WordPress and Squarespace have MANY themes to choose from.*

WordPress and Squarespace themes are designed to work for as many people as possible, not tailored to your business or customers' needs. These sites work well to test a proof of concept, but once you gain traction you way may want to invest in the skills of a designer or design firm.

Selling Products or Services on Your Site

If you're looking to sell your products and services directly on your website or process payments, things get slightly more complicated. Sites like this fall under the **e-commerce** category.

When you receive payments, you have to comply with state and federal laws, which makes the whole thing a bit more difficult for developers.

Fortunately, a lot of products and services have emerged to help e-commerce owners sell their goods online.

Check out *(haha!)*:

- **Stripe** — Stripe allows you to set up a payment processing account online. Many sites allow for easy integration with Stripe. Stripe is becoming an industry standard.

- **Amazon vs PayPal vs Google Checkout** — These are some of the name brand payment processing options. They're flawed and a little clunky, but their ease of use makes them great when you first start.

- **Wufoo** — With Wufoo you can create online forms and get paid through it using Stripe or PayPal. Services start at $14.95 per month.

- **Chargify** — Chargify allows you to set up a recurring subscription service so you can charge customers monthly. Services start at $65 per month.

You could also turn to hosted e-commerce solutions such as **Shopify** or **BigCartel**—these sites provide you with everything you need to build an online store. **Squarespace** also has a pretty great e-commerce option. These sites host the entire site for you (and even handle the payment processing), but they require a monthly fee that scales based on the number of products you're looking to sell.

If Your Website Is Your Product

You know how you have to log in to Gmail to get your email? Well, if your product is a web application or requires your customers to create an account to interact with your product, you'll need a website that's substantially more robust.

If you're trying to compete with other Software as a Service (SaaS) businesses you'll need a **superb** user experience to separate yourself from your competitors.

If your website is your product, it will be significantly harder to set up your services. This is one of the reasons a lot of business developers **try to find technical co-founders**, as these are the people who have experience putting together divine UX and UI.

If you don't have a technical co-founder, you do need a really good designer or developer you can trust. Finding a good designer or developer can help you provide the best possible experience for your customers. They're not cheap, but they're well worth it.

Conversion Optimization and A/B Testing

The internet has made room for a whole new psychological science called conversion optimization. Basically, this means tweaking and changing things on your website to encourage people to sign up, buy, or click.

If you change the color of a button on your website, you might see signups increase. But conversion optimization isn't just for sign ups. A conversion might be someone opting in to your newsletter or downloading an eBook or guide. Optimizing your site can help you generate leads, get more people to buy, and figure out how to price your products.

Thankfully, there are tons of tools that can help you A/B test the colors of your buttons, the copy on your pages, and the layout of your site. (A/B testing just means you test two things against the other to see which gets the best results).

Here are a few:

- **Optimizely** — Optimizely lets you track engagement, clicks, conversions, sign ups, and whatever else you need. Starting at $17 per month.

- **Crazy Egg** — Crazy Egg's heatmap software will help you figure out what parts of your site are successful and what parts aren't. Prices start at $9 per month.

- **Unbounce** — Test your landing pages with Unbounce's easy to use A/B testing software. Prices start at $49 per month.

Sometimes testing leads to surprising (and extremely useful!) results. Don't rely on a gut feeling or intuition. Instead, test.

SEO and Search

Getting Google to recognize you may seem harder than climbing Mount Kilimanjaro, but being a top search result can position your brand above the rest (literally).

SEO has a bad reputation of being spammy, but search engines are getting smarter. If you want to appear in search results, you need to create authentic, helpful content that gets attention. Black hat tactics (yucky ones such as paying for links) are getting punished by Google.

Wondering how you can take advantage of search?

1. **Create Compelling, Informative Content**
   It's not enough to have some words up on your site. Your content needs to be compelling, informative, and strategic. Think of it this way: If you're selling hot tubs and you create a blog post on whether to choose bromine or chlorine as a chemical treatment, you'll catch the attention of hot tub buyers, who in turn might buy from you. Your audience might search "bromine vs. chlorine" and be led to your site. Providing great resources might mean hiring a writer or contracting a freelancer.

2. **Try and Get People Linking to Your Site**
   If people link to your site, you'll get traffic, but you'll also acquire SEO value. The higher the value of the site that links to you, the more power it has. Need some link building strategies? Check out this **awesome list of link building strategies by PointBlankSEO**.

3. **Have a Fast, Well-designed, Professional Website**
   SEO is another reason you need a fast and professional website. The faster your site, the more Google will like it. A spammy-looking, shoddy site is unlikely to be the favorite of any search engine.

4. **Get to Know Google**

   Know what Google's webmaster best practices and quality guidelines say. If you want to get the most traffic you can from the U.S.'s biggest search engine, it's important to know what will work well and is considered acceptable practice. Ignorance is not an excuse with Google.

5. **Read Up On SEO**

   We believe that Moz's **Beginner's Guide to SEO** is one of the best resources out there when you're just getting started with SEO. It will help you understand how search engines work, why search engine marketing (SEM) is necessary, and how to do keyword research. The **rest of Moz's resources** are worth a read, too.

7 Refining Products and Price Packages

You have so much to offer the world. How can you possibly streamline all that you do into a finite set of products and services?

The fact is that you have no choice but to focus and figure out how you're going to price and package your product—otherwise, you'll have trouble scaling and recruiting new customers.

One thing—**don't go freemium**. You've built a product that's worth paying for. We've learned free users don't give great feedback.

The process of creating packages and prices is actually pretty hard. It might throw your brain in to somersaults and drive you bananas. But when you're done, you'll have a clearly defined revenue channel.

If it doesn't work out the first time, be willing to change pricing, offerings, and support, but make sure you're always committed to your core beliefs.

Roll up your sleeves, whip out your Excel spreadsheets, and lock your team in a room. Here are the steps to refining products and price packages:

Step 1: Resurrect Your Customer Surveys

Remember those feedback surveys you ran? Or those awkward phone conversations that you and your sales reps joked about?

It's time for your customer experiences to make a comeback—in a big way.

Dig deep into your memories (and actual files) to find your most meaningful customer conversations. And if you don't have any? Get on the phone with your most valued customers immediately.

Productization should start with your customers and prospects. What do they love about your business, and what additional options do they need? What are their biggest pain points?

Remember—you don't have to do everything your customer wants. You just want feedback to figure out how well your product is working for them.

Step 2: Think Bigger—Survey the Whole Market

Sure, five of your customers may want something, but how big is the actual market?

Productization means thinking big. You need to look beyond your existing sphere of influence to understand the potential of what you're doing.

As a small business owner, you probably have an intuitive understanding of what needs to get done. But businesses aren't built on hunches – you need data.

Before productizing your service, you need to build some forecasts to quantify your market. If you don't have access to primary data, rely on what's freely available from organizations like the Pew Center and U.S. Census Bureau. You can also look at secondary sources from market research vendors like Nielsen and Forrester.

Create a blueprint of your market that includes a forecasted dollar value. You're in the best position to decide what mathematical model works best for your business. Feel empowered to make that judgment call.

At this point in the game, it doesn't matter if you're super accurate. Make an educated guess. Stand by it. The goal is to establish direction so that you're not throwing darts in the dark.

Step 3: Brainstorm Until You Collapse

Hopefully your office has a whiteboard—you're about to partake in the biggest brainstorming session of your life. This will be the truest test of your collective bravery.

Make a list of your company's most valuable offerings and strengths—and everything you think you should be doing. At this point, you shouldn't even think about your customers. If you find yourselves heading in that direction, just stop. At this point, you're closed off to the world.

As you brainstorm, remember a few core rules.

- There is no such thing as a wrong answer at this stage in the game. If you think it, spew it. Say it out loud, and word-vomit to your heart's content.

- Nobody is wrong. At all costs, do not shoot anyone down. If you hear something that sounds ridiculous, just keep quiet. The minute you smack talk somebody's idea, the circle of trust will break.

Do whatever it takes to maintain a continuous flow of ideas. Make sure there's plenty of coffee. When it's time to move on, you'll know. The stopping point will feel natural.

Step 4: Play Matchmaker

Take the list you generated in Step 3, and marry it with the inferences you made in Steps 1 and 2.

Here are the steps that you should take:

- Cross out the super-lame, lofty, or ridiculous ideas. It's time to get down to business and refine your focus.

- Create categories based on the customer needs you've identified. Group your brainstormed solutions into these categories.

- Score everything on your list based on revenue and market potential. At this point in the game, you may not have hard data, and that's fine. You know your business and industry well enough to trust your gut.

- Score everything on your list based on ease and cost of implementation. If there's a now-impossible idea that you're extremely passionate about, put it on the back burner for when you have more resources.

- Now it's time to do some math. It's time to create a matrix. Your dimensions will be ease of implementation and market potential. How you create this chart or calculation is up to you, but the idea is simple—the ideas worth pursuing as products and services will be the ones that are easy to implement with high ROI potential.

Focus on a handful of initiatives. Keep it simple.

Step 5: Put Your Sales Hat On

At this point in the game, you probably have a whiteboard with a bunch of chicken scratch for what you think you should do.

Are you ready to get out and sell? Not yet. You'll probably scare people away.

It's time to put a shiny case around the engine you've built. That means defining the value proposition for your core products and service.

With your team in a room, brainstorm a couple of sales pitches. Reiterate your hypothetical customers' problems and how you're solving them. Add a sales-y kick. Share your ideas as a group, be relentlessly critical, and refine until you're happy with what you're pitching.

Step 6: Create Tiers

Your customers fall into different buckets—based on company size, budget, and affordability. Create a clear understanding of what differentiates your customers and their abilities to buy.

- Put options and packages into buckets that you think make the most sense. If you can, create a couple of options, and share them with your prospects and customers. Have them validate your ideas. If you need instant access to people, check out a service like **UserTesting** that will help you collect instant feedback online.

- Assign dollar values to these buckets. This should be an assessment that factors your development costs, value derived, and pricing for competing products in the market. In other words, don't settle on a number until you've done your 360-degree research.

## Step 7: Reduce Your Options to Three (or Four!)

People are plagued with information overload. The result? Analysis paralysis.

It happens every time you go to the drug store. Your intentions are straightforward enough—you need shampoo. But when you get to the store, you end up lost in an aisle with 300 of the same darn thing. You stand there for a few minutes until you're confused out of your mind.

Eventually, you pick something. You try not to over-think it, but you can't help but wonder whether you've made the wrong decision.

Analysis paralysis is a buzz killer for sales. When productizing and packaging your services, keep the options as simple as you can. You need to be able to explain your packages in one or two short sentences. Even better—they should be able to explain themselves.

We've tested to find our perfect number of packages is four:
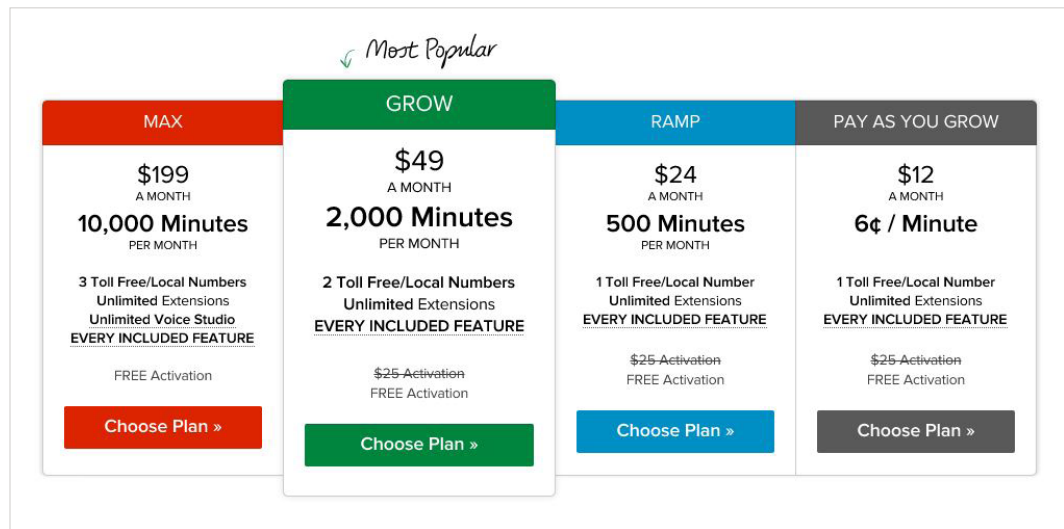
You're Almost There

Up to this point, you've created the structure. Now it's time to paint your house, decorate, and add the final touches.

Professionalism leaves a lasting impression. Work with a designer to create product kits, pricing tables, and PowerPoints.

A solid framework is only the first step. Make sure that your design communicates your ideas succinctly, efficiently, and effectively.

Finish strong, wow your prospects, and leave a lasting impression.

Additional Resources

- **How to Price Your Small Business' Products and Services** — U.S. Small Business Admininistration

- **Pricing Guide: How to Price Your Products** — Inc.

- **Step 3 for a Successful Startup: The Importance of Market Research** — Forbes

8 Investors and Funding

Ok, so you've got a business idea, and you're working to make the dream a reality, but you've got to consider funding.

After all, you need money to turn your idea into something tangible. You need cash to pay your employees.

If the money isn't rolling in yet, it's tough to build a top notch product or service. **That's why many small businesses and startups look for funding and seek out investors.**

Before you even begin to consider outside investment, consider how you can launch the company and get to revenue before you have to raise money. Although it seems hard in the short-term, it'll be better for you in the long-run in terms of your knowledge of the process, and building your own equity.

So, how do you do it?

Why You Should Bootstrap

Bootstrapping means that you raise money without any help from investors. It's how we got Grasshopper off the ground. If you can build your business

without investors, **do it this way**.

You might bootstrap and keep your full-time job or quit and use your savings to get business off the ground. Begging your parents for money counts as bootstrapping.

Why bootstrap? You'll retain complete control. That might not sound like a big deal, but when you've got investors' hands in your company, you won't be able to build the product you dreamed. Things get mucky when you're playing with someone else's money.

Here are some of our favorite resources for bootstrapping:

- **Starting Up on a Shoestring** — Inc.

  If you want to bootstrap your business, check out Inc.'s comprehensive list of bootstrapping articles. The list includes tons of stories of entrepreneurs who successfully bootstrapped their businesses.

- **Bootstrapped, Profitable, & Proud** — 37signals

  37signals is famous for being both bootstrapped and profitable. They have a whole page dedicated to companies who didn't take money from venture capitalists. Read Rework by founders Jason Fried and David Heinemeier Hansson for more info on bootstrapping.

- **How to Bootstrap your Business** — Entrepreneur

  Erica Ziela, founder and CEO of Sitting Around, explains how moonlighting helped her succeed. She also discusses how keeping her day job allowed her to pour significant cash into her business.

- **Bootstrapping Your Startup: 7 Hard-Earned Tips from Real Entrepreneurs** — readwrite

  Real entrepreneurs offer tips and tricks on how to bootstrap a business. These leaders discuss what they've learned from bootstrapping, its benefits, and what bootstrapping can do for you.

If you can't bootstrap, it's worth learning a little about equity.

The Different Types of Equity

- **Equity financing** is when you sell "shares" of your company to outside investors in order to finance your business. When you make money, your investors are entitled to a portion of the profits. This type of equity is best for sole proprietors who need some start up cash.

- **Equity compensation** is when you offer your employees a percentage of company profits as part of their compensation package, typically in exchange for a lower than average salary, or occasionally in lieu of salary completely. This type of equity is best for businesses that are in need of human capital more than physical capital. If you already have an office, a coffee maker, a copier, but need a new software developer, this might be the model for you.

Calculating Equity

As you get started, it's worth understanding how to calculate shareholders' equity, and it's important to investors. To figure out your business equity, you'll need to calculate the assets and liabilities of their business.

Start by determining the company's total assets- these are things that are in progress, inventory, cash, or other receivables. You'll also need to figure out your debts and liabilities, including salaries and accounts payable. To calculate equity, you can subtract the liabilities from the assets. Accounting software such as **FreshBooks** or **QuickBooks** can help you do this.

Angel Investors

Too many young entrepreneurs become obsessed with raising angel and venture capital. When this happens, these folks lose sight of the real reason they became entrepreneurs—*to launch and grow their company.*

Remember that raising money is not a competitive game where you're out to win. If you focus on the sport rather than building your business, you'll undoubtedly end up on the losing side.

If you really have no option but to raise money, angels can be a good alternative to smaller VC rounds, but you want to make sure you're working with the right investor.

Start by learning the three types of angel investors. Then pick the right one.

Angel Investor #1: "I like money and need more."

There are too many of these "professional angel investors" out there, and they're the worst. Their only goal is increasing their wealth. This type of investor is actually a person that wanted to be a VC, but couldn't raise enough capital.

The reason they are so dangerous is that they have too much vested in the small amount of money they give to your business, which then leads to over-involvement and pressure on you for all the wrong reasons.

Should you take her money? **No.**

Angel Investor #2: "I have so much money, I don't know what to do with it."

Every entrepreneur has met one of these investors: it's the person who has already generated significant wealth and has no real need for more money,

and can afford to be a lot less selective in funding ventures. They're probably in the stage in life when they're giving back, and part of that can be through angel investments.

This type of investor is ok if you're looking for just money and maybe some general advice about the start-up process. But don't expect incredible moral support or stellar advice from this kind of investor on a regular basis—he or she is likely over-extended in that realm due to their involvement in multiple ventures.

Should you take his money? **Maybe.**

Angel Investor #3: "I'm passionate about a specific industry, and have tons of connections in it."

This is the best angel investor, and a selective one, but the kind you should absolutely target. Why? Because this person already has money and isn't looking to get involved in angel investing to generate more wealth as the ultimate goal. Instead, they're hoping to serve as a true angel and really come through for your business by offering both funding and insight.

Best of all, she has clear passion for the industry you're in, and probably the connections that will indirectly help you succeed. They'll also have something money can't buy: credibility in your industry and the connections to make good things happen.

Should you take her money? **Yes.**

Our advice is to look for angels that fall into either #2 or #3. **Stay away from #1 no matter how desperate you get**.

Startup Incubators and Accelerators

Both startup incubators and accelerators offer seed money, expert mentorship,

supplies, and office space to winners in exchange for a share of company ownership.

Giving up company ownership is a huge deal, and it's not something you want to take lightly. However, if you're looking for mentorship and a community, joining an incubator or accelerator might be a good idea.

The two are slightly different from each other. Accelerators usually focus on mentoring and refining as a company tries to go to market, while incubators are more involved in getting the ball rolling on making money.

Some of the most popular include **Y Combinator**, **Techstars**, **500 Startups**, and **Capital Factory**, among many, many others. These are sometimes specific to certain fields (technology or entertainment, for example), and others will accept applications for all types of ventures.

Given how beneficial they can, acceptance into incubators and accelerators is typically VERY competitive across all industries.

There are incubators and accelerators everywhere. **Just check out this comprehensive list**.

Vesting Schedules

If you've got a co-founder or other employees that are riding the wave with you, set up a vesting schedule so that they get benefits once they've stayed for a while, not right away.

This protects you from any employees who want to jump on to get rich quick, then take off. With vesting schedules, these employees will only own a part of your company after they've stuck around for a while.

- **Cliff vesting** — If an employee is part of a cliff vesting plan, they'll become vested at a specified time (like after staying for 3 years) rather

than gradually or incrementally.

- **Graded vesting** — In graded vesting, employees get a certain amount of company ownership over a period of time. Graded vesting is different from cliff vesting because cliff vesting allows employees to become 100% vested after a shorter period of service.

More Financial Info

We know a lot about funding and investing, but we strongly recommend hiring a business lawyer to protect you as you go through these processes. Lawyers can help you sort out what's fair and right as you hunt down money.

Sure, lawyers are expensive, but they're worth it!

If you're looking for more info regarding investors, financing, and equity, check out our **Small Business Equity How-to Guide**. We dive in deeper there.

9 Where Will You Work?

Remote, Coworking and Standard Office Spaces

One of the most amazing things about technology is its capacity to connect us, regardless of physical distance. This kind of remote accessibility provides incredible flexibility in business, especially when it comes to deciding what kind of office setup you want.

Some of today's greatest companies have workers spread around the world.

There are a few things to consider when determining the kind of space you want to work with:

- *Is your team all in one place, or are they spread out?*

- *Do you want your location in the heart of a city, or in a perhaps more suburban neighborhood?*

- *How much would it cost to rent an office space? Would it be better to buy one?*

- *Do you mind sharing a space with other companies, or would you rather have the whole place to yourself?*

The Remote Office

Remote offices are the new reality. Remote arrangements allow for easy expansion, a ton of flexibility for employees, and can save you lots of cash.

Whether your team is dispersed around the globe or simply has a couple employees who prefer to work from home, there are some amazing programs and services that will help your business connect and run smoothly.

- **Grasshopper** — We provide small businesses with a virtual phone system, allowing them to sound more professional and stay connected despite being on-the-go.

- **Google Apps for Business** — Google Apps provides emails, word documents, spreadsheets, chat, and more—all in the cloud.

- **join.me** — Free screen-sharing, phone calls, and collaborative online meeting and presentation tools.

- **Skype** — Free calling, sharing, messaging, and video conferencing with anyone, wherever they may be.

- **Basecamp** and **Trello** — Easy to use online project management tools that allows team members to collaborate easily and efficiently.

Productivity for Remote Workers

With no one looking over your shoulder, it can be tough to self-motivate, especially when you're in your pajamas on the couch.

Here are some tips to increase your efficiency when working in an untraditional environment:

- **Get Dressed**. This may seem trivial, but getting out of your PJs and into real clothes can help get you in the right frame of mind.

- **Create a Dedicated Workspace for Yourself**. Whether it be at a desk in your living room or a table at a local cafe, make sure you have a specified area that you associate with work to help you focus. This promotes a healthy work/life balance, separating work and play.

- **Stick to a Schedule**. Having "office hours" will help keep your day structured and allow you to get more quality work done. This doesn't mean you have to do the 9-5 thing-- just figure out what works for you and be consistent. If that means taking a break to walk your dog every afternoon, so be it!

- **Make a Daily To-do List**. As simple as it sounds, this can be a huge help, and will reduce the possibility of procrastination. Make sure you have a to-do list each and every day.

- **Get Some Apps and Plug-ins**. Chrome and Firefox plug-ins like **Stayfocusd and LeechBlock** can limit your time on distracting sites like Facebook and BuzzFeed.

Coworking Spaces

If you need to get out of the house to get work done, coworking spaces are a good option. At a coworking space, you can rent a desk, office, or conference room depending on your needs.

This option is good for people who do contract work or who travel frequently and need a place to temporarily plug in. It's also great if you need to hold an official meeting in an unfamiliar city.

With so many types of businesses sharing a space, coworking provides a unique environment of collaboration. This eliminates the sometimes isolating "working from home" experience, and provides many options for unlikely (but nonetheless beneficial!) collaboration.

Coworking spaces aren't that expensive and have very flexible plans and no lengthy contracts.

It depends on the location and the space itself, but here are some examples of prices and office options:

	WorkBar	The Foundery	NextSpace
CITY	Boston	Toronto	San Francisco
COST OF SHARED SPACE	$125/mo	$190 – $290/mo	$350/mo
COST OF PRIVATE SPACE	$300 – $600/mo	$490/mo	$590/mo
COST OF DELUXE PRIVATE SPACE	$1200 – $2400/mo	$890 – $2390/mo	$1100 – $2560/mo
BENEFITS AND AMENITIES	Storage options, meeting room options, admin support, printing, bottomless coffee, mail service	Conference room options, storage facilities, 24 hour access, event rental options, postal service	Conference room options, discounts on transportation, gym, office supplies and food, 24 hour access

Standard Office Space

Feeling the need for something more concrete and tangible than headquarters in cyberspace? Just because there has been an upsurge in remote offices doesn't mean they're right for everyone.

If you do decide to buy or lease a place of your own, there are some things you need to consider to get the most out of your commitment:

Renting vs. Buying

Although buying may be a larger up-front cost, you won't have to deal with landlords or be at the mercy of the market once your lease is up. However, what if your company grows and you need to expand to a larger space? Are you prepared to deal with the taxes that come with owning a commercial property?

Investigating

Make sure you get a comprehensive report on energy, janitorial, maintenance and tax costs so you are as informed as possible. Don't be afraid to ask your broker for similar buildings' typical costs for your reference.

Knowing Your Needs

Make sure the spaces you are looking at fully accommodate your needs. For example, if your company requires a backup generator in case of power outages or needs extra space for a lunch room, that is something you will need to specify in your search.

Location

Bustling city center or residential area? Being in an urban area can be exciting and can prove very convenient, but there are also advantages to looking outside the hub. Things like available parking are much easier to come by in a suburb, as are lower rental prices and the possibility of expansion.

Costs

The costs of running an office depend on a huge number of variables. Does your company have a lot of employees? Do you use a ton of electricity in order to operate smoothly? How much is your insurance per month? All of these things can bear weight on your finances. Make sure you do your homework and compare prices before diving into any monetary commitments.

Contact **trade associations**, entrepreneur support groups, and similar industries' online message boards or blogs. These communities are made up of people who know exactly what you're going through (and can warn you about things like unforeseen expenditures), and can be invaluable resources during your process.

Other Unique Arrangements

If none of these office options seem right for you, don't fret! The beauty in starting a business these days is the amount of flexibility that comes with it.

Keep an eye out for universities and colleges that offer their libraries and extra rooms as places to work. Don't shy away from asking connections at your alma mater if they've got extra space, even if it's just for temporary use.

Some businesses offer spare desks to entrepreneurs in need. More often than not there will be businesses (like us!) that open their free space to fellow entrepreneurs in the spirit of coworking.

Additional Resources:

- **10 Questions to Ask Youself Before Choosing an Office Space** — Entrepreneur

- **5 Mistakes Small Businesses Make When Leasing an Office Space** — Under 30 CEO

- **6 Best Tips for Being Super Productive While Working Remotely** — Technori

- **16 Cool Co-Working Spaces** — Inc.

- **The 5 Smartest Ways to Connect Multiple Offices** — Business Insider

10 Nuts and Bolts

Nitty-Gritty Details, Incorporation, and Taxes

Now that we've gone through the building blocks of how to build a great company, it's time to get down to the nuts and bolts. Sure, this stuff isn't as glamorous as a lot of the other parts of starting a business, but it's arguably the most important part!

Feeling lost? State governments have very thorough resources for helping you with the practical details of business. They may not help you generate great company culture or offer assistance in building your product, but they will help you understand tax requirements, laws, regulations, and other fundamentals introduced in this chapter.

Here are just a few examples of informative state government websites to check out:

- **Massachusetts**
- **New York**
- **California**
- **Texas**

Sole Proprietorship, Limited Liability, or Corporation?

Ok, so you've done some research, picked a great name, web domain and phone number to back it up, but now it's time to get legally recognized as a business.

Sole proprietorship, limited liability (LLC), or corporation? These are all ways that the government can understand what sort of business you are so they can tax you accordingly.

These categories weren't that meaningful before you wanted to start your own business, but now you're scratching your head thinking about what they mean!

Pros and Cons of Sole Proprietorships

If you've decided to take on this endeavor by yourself, a sole proprietorship is probably the way to go. The advantage? Complete control.

Unlike an LLC, there aren't any complicated legal agreements involved that determine ownership. If you're a sole proprietor, you can run the business however you want.

THE PROS

- Complete control and flexibility to run the business as you see fit
- Unlimited liability means creditors are more likely to extend credit if needed
- You receive all business profits
- Smaller amounts of capital make for easier organization

THE CONS

- Personally liable for all business debts, you're all by yourself
- Banks are reluctant to give loans due to higher turnover rates and usually smaller assets

- Creditors can go after your personal property to satisfy a claim if your business assets aren't enough
- Since the business relies on one person only, it is harder to raise capital on a long-term basis

Pros and Cons of Limited Liability Corporations (LLC)

If a corporation and a sole proprietorship (or a partnership) had a baby, it would be an LLC. With the limited liability characteristics of a corporation and the convenience of a flow-through income taxation (where the income of the business is filed as part of the owner's personal income and not taxed separately), this option is suitable for multiple ownership circumstances.

THE PROS

- You have the flexibility of being taxed as a sole proprietor, partnership, S corporation or C corporation.
- Less paperwork and lower filing costs
- You can form an LLC with as little as one person, but you can also have an unlimited number of members.
- Flow-through income taxation, keeping things simple
- Members are protected from some (or sometimes all) liability if the company runs into legal issues or debts.
- Members can receive revenues (and write off forfeitures) that are larger than their individual ownership percentage.

THE CONS

- As an LLC member, you cannot pay yourself wages.
- High renewal fees or publication requirements can be pricey, depending on your state.
- Many states have a franchise or capital values tax on LLC's, ranging from a flat fee to an amount based on the company's revenue

- Investors may be more likely to put their money into a corporation, making it harder to raise financial capital
- Unless you are running the LLC alone, the ownership of the business is spread across its members (this can also be a pro)

Pros and Cons of Corporations

A corporation is a business entity that is legally separate from its owners. It has the right to enter into contracts, take legal action against others, give and receive loans, own assets, hire workers and pay taxes.

One of the most significant things about a corporation is its limited liability. That is, shareholders have the right to participate in the profits through stocks and paid dividends, but are not held personally accountable for the company's debts or legal issues that may arise.

Remember that famous trial where the woman successfully sued McDonald's for serving their coffee at too high a temperature? Good thing McDonald's was incorporated!

THE PROS

- Owners are separate from legal liability so they're not entirely responsible when faced with legal issues or debt.
- Ability to sell stock, which raises the likelihood of acquiring financial capital.
- Well established structure with clearly defined roles, accountabilities and agendas.
- Employees have the option to buy stock at a fixed-in price, and receive stock benefits.

THE CONS

- The process is time consuming and expensive, lots of paperwork.

- Tons of regulations, which make for very little flexibility.

- Possibility of double taxation (where both the corporation's profits and stockholder's paid dividends are taxed).

What About Partnerships?

In this context, a partnership is a business union in which two or more individuals manage and maintain their business. Unlike a corporation or LLC, a partnership requires no incorporation paperwork with the Federal government. Therefore, the three types of partnerships—general, limited or limited liability—are somewhat informal structures.

In a **General Partnership**, all owners (or general partners (GPs) are equally responsible for the debts of the business, each assuming unlimited liability.

THE PROS

- Flow-through income taxation for all partners

- Less expensive and less paperwork than incorporating or filing to become an LLC

- Partners can pool resources and share the financial obligation rather than facing it alone

- No rigid, obligatory corporate structure

THE CONS

- Each owner is equally responsible for debt and loss

- Creditors can go after your personal property to satisfy a claim if your business assets aren't enough

- Liable for debts and actions of your partner

- Limited capacity to raise money and attract investors

In a **Limited Partnership**, owners can take on the role of a limited partner (LP) who reports to a GP (there can be more than one) and therefore have less responsibility in the event of company debt or accountability. The GPs have managing power, but also take on all of the liability for partnership duties.

THE PROS

- LPs have no liability and still make a profit
- GPs have total managerial power
- Flow-through income taxation for all partners
- Less expensive than incorporating or filing to become an LLC
- Safer and thus more attractive to some investors

THE CONS

- LPs have no managerial power
- GPs have total liability
- More filing formalities than a general partnership
- LPs can lose all of their limited liability if they take on any management roles

A **Limited Liability Partnership** is for those who want to assume as little responsibility as possible across the entire partnership.

THE PROS

- Flow-through income taxation for all partners
- Has the flexibility to choose what kind of management structure it wants because everyone can participate in management roles
- Less expensive and less paperwork than incorporating or filing to become an LLC

- Available only for specific occupations
- Partners are personally responsible for their own or any of their employees' negligence regarding creditors, proprietors, etc.

Choosing a State to Incorporate (It Matters Where You're From)

Since taxes, prices and corporate laws are not the same in every state, it is important to consider your home state's advantages and disadvantages when it comes to forming your business.

- Some things to consider when you're shopping for states:
- Is it worth incorporating outside your home state (foreign-qualified), even if that means paying extra tax fees?
- How are corporations taxed? What are the taxes if I'm foreign-qualified?
- Would there be an income tax on my corporation?
- Is there a minimum or franchise tax?
- Compare projected revenue against cost of taxes for a given state to recognize any advantages

Ultimately, the best thing that you can do for your business is research states' corporate statutes and find what works best for you.

If you're on the fence, check out our **blog post** about the seven best states to incorporate.

Get Yourself a Tax ID and Understand Tax Implications

Once you've decided what kind of business entity you are going to be and where you want to incorporate, it's time to get a tax ID number (also known as an Employer Identification Number, or EIN). This means the IRS will recognize you as a business and allow you to pay your state, federal and local taxes. Yay!

Note: *This service is free, so if you are being charged for applying, beware!*

The best way to apply for a tax ID number is online through the **IRS website**. You'll be asked a series of questions, and upon validation you'll receive your official EIN.

But what forms do I fill out?

The tax forms you file will **depend** on the type of business entity you have chosen.

- **Sole Proprietorship** — Files taxes on Schedule C (Form 1040) of the owner's personal tax return. The income from the sole proprietor is taxed at the owner's personal rate.

- **Limited Liability Corporation** — May be taxed as a sole proprietor or a partnership, depending on the number of members.

- **Partnership** — Income is taxed to the partners at their personal tax rates.

- **Corporation** — The owner (shareholder) is taxed on any distribution from the company and on dividends paid to the shareholders; the corporation pays taxes at the corporate rate.

- **State Income Taxes** — Almost every state has corporate income tax, and what you pay depends on your business entity. The amount varies from state to state. You can learn about your state and local tax requirements **here**.

Overwhelmed by the paperwork?

There are many helpful online services that will aid you in the process of forming your business. Not only do they do most of the work for you, they provide step-by-step instructions, filing expertise, customer service and personalized legal protection. On top of everything else, they save time and almost always save you money!

Here are some of our favorites:

- **LegalZoom**
- **Bizfilings**
- **Nolo.com**
- **Rocket Lawyer**

We also recommend hiring a business lawyer or accountant for help with your taxes. A professional can better help you assess your options and protect your business than anyone else.

Resources We Find Helpful:

- **How to Start an LLC** — Truic, The Really Useful Information Company

- **Choosing a Form for Your Business** — Inc.com

- **10 Steps to Form a Business** — Incorporate.com

- **Starting a Business** — SBA.gov

- **Small Business Tax Filing: Which Form Do You Need?** — Grasshopper

Helpful Tools for Small Businesses and Startups

If you've made it to the end of this guide, you're set up for a great start. But, this is just the beginning—It's going to be a long road ahead.

We want to make sure you're set up for success, so check out our favorite tools:

Cloud or Shared Infrastructure

- **Amazon Web Services (AWS)** — Delivers a set of services that together form a reliable, scalable, and inexpensive computing platform "in the cloud".

- **Ruby on Rails** — An open-source web framework that lets you write beautiful code.

- **Engine Yard** — Leading Platform as a Service (PaaS) platform for PHP and Ruby on Rails that allows developers to build, deploy and scale.

Web Sites and Development

- **Heroku** — Heroku supports Ruby on Rails, Node.js, Python, and Java so you can use the languages you already know to build and deploy apps.

- **GitHub** — Powerful collaboration, code review, and code management tool for open source and private projects.

- **Squarespace** — A super easy way for anyone (not just coders) to create a beautiful website for ecommerce purposes or otherwise. Aesthetically-pleasing templates and easy to use.

- **Shopify** — Shopify is a powerful ecommerce website solution that allows you to sell online by providing you with everything you need to create an online store.

- **BigCartel** — Much like Shopify, BigCartel hosts your website and online store, boasting an easy to use, built-in shopping cart.

Organization

- **Google Apps for Business** — Email, calendars, spreadsheets, and documents—all in the cloud. Plus, your team already knows how to use it.

- **Dropbox** — Save and access your stuff from anywhere using Dropbox. Share with friends and coworkers.

- **Box.net** — Lets you store all your content online and can be integrated with Google Apps and Salesforce.

- **Evernote** — Take and share notes using Evernote's tools. Sync and save your favorite web pages and collaborate with colleagues.

- **Springpad** — Think of Springpad as Pinterest for business. Save your articles on to different boards to stay organized.

Communication and Project Management

- **Basecamp** — Keep track of every file and discussion to easily manage and collaborate on projects.

- **Campfire** — Campfire has group chat rooms that people can drop in and out of depending on the project. Frictionless chats. Can be made public.

- **Skype** — Chat, video, and telephone calls—Skype can keep you connected to employees and customers wherever you are.

- **join.me** — If you have remote team members, hold meetings with join.me. Join.me allows for screen sharing, video chat, and conferences.

- **Grasshopper** — Get a toll free or local number to make the world your office. Connect your employees with unlimited extensions. Hey, wait, that's us!

- **Trello** — As simple as can be, Trello lets you organize projects into "cards" so people can hop on and off cards as projects get completed.

Sites for Freelancers

- **dribbble** — Some of the best designers congregate on dribbble to show off their projects and find more work. Take a look around to find designers and illustrators.

- **Behance** — Much like dribbble, Behance allows you to peruse portfolios in branding, graphic design, UI/UX, web design, and more.

- **Forrst** — A community where designers post their stuff for feedback and advice.

- **oDesk** — Find logo designers, WordPress experts, developers, SEO specialists, and personal assistants using oDesk.

- **Coworks** — Find high-caliber freelancers in all types of areas on Coworks. Unlike a lot of other platforms, you pay a monthly fee, rather than a cut off each project.

- **Craigslist** — It might take you a while to find who you're looking for, but many freelancers can be found on Craigslist at inexpensive prices.

- **Contently** — If you're looking to be connected to freelance writers with a refined editorial process complete with pre-vetted writers and editors, Contently is the platform for you.

- **Elance** — Like Craigslist, Elance requires wading through the muck, but prices are reasonable and there's a wide range of talent.

- **PeoplePerHour** — If you're looking to complete a specific task—whether it be menial or sophisticated-- post it on PeoplePerHour. You can probably find someone to do it.

- **LinkedIn** — The professional networking site is popular for a reason. Visit freelance groups, make searches, and see who your connections know.

- **Amazon's Mechanical Turk** — Get your tasks done easily and quickly with on-demand scalable work. This is especially good for menial tasks you're not that into.

Crowdsourcing Options

- **crowdfunder** — At the forefront of changing laws around equity, crowdfunder connects entrepreneurs with investors and provides fundraising education.

- **Kickstarter** — The most famous and well known crowdsourcing platform out there—with reason. Creative projects raise funding in all sorts of areas.

- **Indiegogo** — Indiegogo is a bit less strict than Kickstarter in what it will accept. Virtually ANY project (including one to help you pay off your personal credit card debt) can be put on Indiegogo.

- **RocketHub** — A unique platform because it allows you to collaborate with marketers to figure out how to best promote your campaign.

- **SoMoLend** — Need to borrow a little money to get things started? Business borrowers set their own loan terms and get connected with institutional lenders.

- **AngelList** — Publicly fundraise, post for startup jobs, find investors, all with total transparency.

- **Quirky** — If you're an ecommerce store or are selling a funky product, consider putting it on Quirky, a network that connects you to consumers.

Community Groups

- **Ultra Light Startups** — Pitch your product at an Ultra Light Startup event, or simply attend. These events are great if you're looking to get venture capital or angel funding.

- **Lean Startup Movement** — This movement, led by Eric Ries, means minimizing waste and maximizing success. Don't waste money or time. Instead, go lean.

- **Meetup.com** — Meetup groups have popped up in cities across the country for entrepreneurs, small business owners, and other professionals looking to connect.

- **Startup Revolution** — Startup Revolution is a website filled with information about startups, including tons of good stuff on communities and events.

- **reddit Startup and Entrepreneur Threads** — The reddit community can be ruthless, but there's a lot of constructive feedback, especially if you're looking for honesty.

Marketing Tools

- **Moz** — Moz provides analytics software to help you understand your SEO and content marketing efforts. They've also got a really healthy and engaged community with tons of tips, tricks, and insight.

- **Scribe** — Scribe Content can help you manage your content marketing by optimizing keywords so that you can get more social sharing and higher search rankings.

- **HubSpot** — HubSpot provides an all-inclusive marketing software suite to help small businesses manage their leads to ease prospects down the sales funnel.

- **WordPress** — The industry standard for blogging—all the features a content marketer could want plus customization for developers. The best. Period.

- **Crazy Egg** — Heatmap software that helps you understand what people are doing when they reach your website. A color-coded map can help you optimize what's working.

- **Optimizely** – Optimizely helps you A/B test various parts of your website to increase conversion and click-through rates.

- **Unbounce** — Test your landing pages with Unbounce—see which are the most successful and learn why.

- **MailChimp** — build email campaigns easily and automatically with MailChimp and its arsenal of tools.

- **BuzzStream** — Find out what the press is buzzing about to find opportunities for PR and link building.

- **Help a Reporter Out** (HARO) — Reporters looking for information post their queries on HARO so that companies can jump on press leads.

- **Argyle Social** — Keep track of your social media postings with Argyle Social. Schedule them in advance, keep track of what's happening in your industry, and stay organized.

- **Buffer** — Buffer is a little like Argyle Social, but is also good for personal use. You can queue up Tweets and posts in your buffer while you read, making it super easy to schedule and share.

Invoicing and Payroll Tools

- **FreshBooks** — Secure accounting in the cloud makes billing painless. Work from anywhere, save time billing, and get organized.

- **Expensify** — Filing expenses can take forever, but it doesn't have to be a process. Just get Expensify for you and your employees—it's free.

- **Chargify** — If you need to charge your customers on a monthly basis, using Chargify will make it easy for you.

- **Billings Pro** — Billings Pro provides you with professional quality invoicing specifically for Mac products. It will work great on your laptop, iPad, and iPhone.

- **Stripe** — Need to process credit card payments? Use Stripe. You don't need a merchant account or payment gateway—Stripe handles everything.

- **Wave Apps** — Need help with payroll, invoicing, payments, and other accounting needs? Wave Apps makes it easy for you.

- **PayPal** — Receive payments with little effort using PayPal. It's an industry standard and super reliable, though a bit outdated when compared with Stripe.

- **Square** — Get paid by mobile device, particularly good if you have brick-and-mortar locations.

Support and Customer Management Tools

- **Zendesk** — Customer service software with 24/7 support that'll help you manage your tickets and your help desk.

- **HelpScout** — HelpScout provides scalable customer support for small businesses that is easy to use, invisible to customers, and helps you boost team productivity.

- **Salesforce** — Salesforce offers a ton of apps that can help with customer service, sales, marketing, and more.

- **SugarCRM** — Need a customer relationship management (CRM) tool? SugarCRM is an industry standard, allowing you to keep track of your customers.

- **Batchbook** — A social CRM for small businesses. Cloud-based so that team members can use it from anywhere.

Company Registration

- **BizFilings** — Get some help from the small business incorporation experts. BizFilings helps make the incorporation process a bit smoother.

- **The Company Corporation** — Information about LLCs, corporations, nonprofits, S corporations plus the help you need.

- **LegalZoom** — Get legal advice quickly and easily. If you have legal questions or are confused about options, LegalZoom can help you decide.

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