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# Young Entrepreneur

The smart start to building a business  
with your kids for fun and profit

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## Introduction

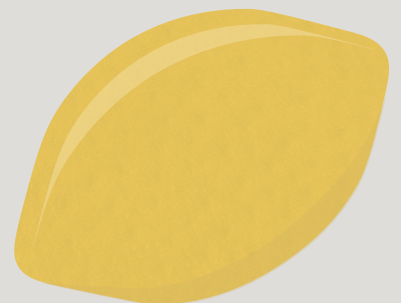
During my years working at a hyper growth company and in my current role, as Managing Partner at York IE, I have had the pleasure to meet and advise hundreds of entrepreneurs. I have always particularly enjoyed working closely with young, first time entrepreneurs. Their passion is contagious. You can see in their faces that all they do not know where their startup journey will end, they are thrilled to be beginning the ride.

After any of these meetings, I always think of my own children. We all desire what is best for our kids. We seek to know how we can channel their hunger and energy toward positive activities that will better prepare them for that day when they're living beyond our protective embrace. Business plays a major part in most of our adult lives yet its lessons, problems and skills are rarely taught in school. I truly believe the earlier our children can be exposed to the entrepreneurial mindset - the ability to adapt and creatively solve problems on the fly - the better. Even if they never grow up to become a CEO, they would be far more prepared for whatever life brings.

This ebook provides you with a blueprint on how to work with your own children to start a business. We're not trying to create the next multi-national corporation. These are meant to be enjoyable and educational part-time businesses that create a little revenue and a lot of fun. When my son, Calvin, was born seven years ago, I had no idea what it meant to be a father. I had observed my own dad over the years and read many books but nothing prepared me for the actual reality of fatherhood. I was going to have to give it my all and make it up as I went along. I share this with you because you may be thinking to yourself that you're not qualified to give your children advice on how to start their own business. But you'd be wrong. If you're a parent, then you are an entrepreneur who has founded one of the most important startups in the world - your family.

It is time to share that knowledge with your children. Teaching them to start their own business will give them an edge in this competitive world in which the cost of education and the strength of the competition continue to rise on a daily basis. Running a part-time business will differentiate them on their future college applications and, perhaps, contribute to their tuition. If you read this book together, your children will learn life skills that they can build upon during the rest of their formal education, as well as have a business they can grow and nurture. Those concrete results are important but, even more than that, you will have spent time together as a family: thinking, talking, working and identifying your children's passions. Those gifts don't fit nicely on a Return On Investment (ROI) spreadsheet but they are priceless.

So without further ado, **let's get started!**

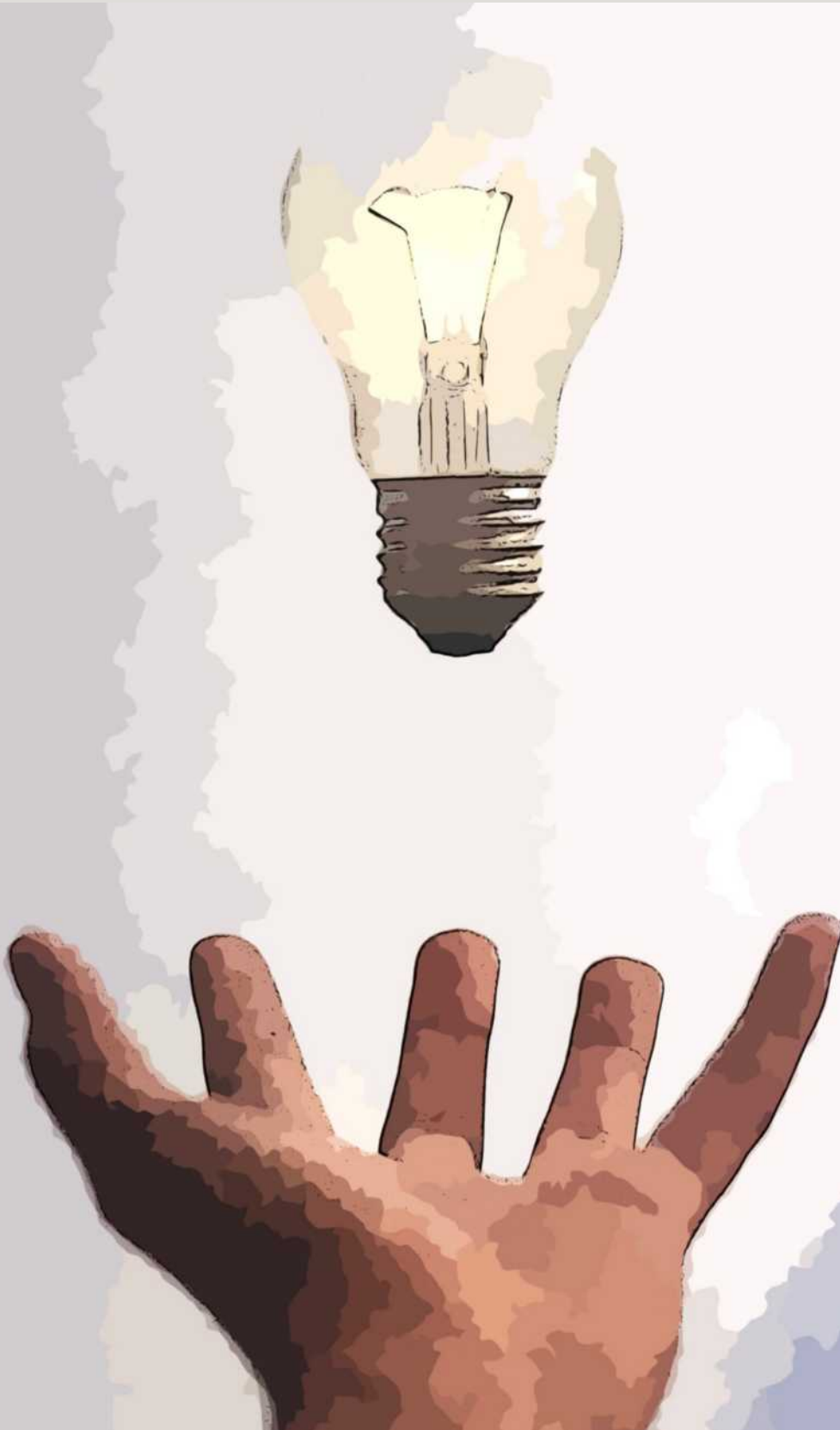




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## Chapter 1

# Turning on the Light Bulb: How to generate a great idea

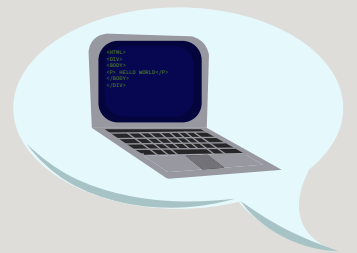


Let's set the scene: you and your kids have talked and decided that it would be fun for them to start their own business. You have celebrated this fact with high-fives and some chocolate milk and then you sit down at the kitchen table and say: what kind of business are we going to start? The hardest part of any new venture is coming up with an idea worth pursuing. The good part is that ideas are very democratic. They don't care if you're rich or poor, old or young, strong or weak, tall or short. Anyone can come up with the next great idea.

The question is **how?**

You should begin by asking your children what they are passionate about.

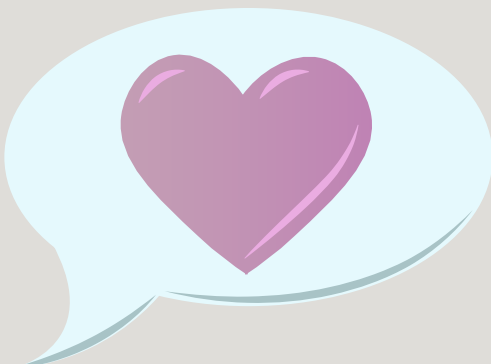
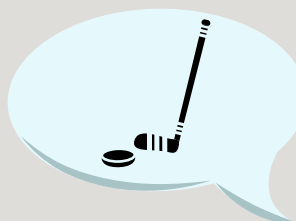
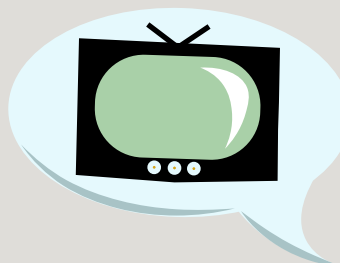
Do they love tinkering with technology?  
Do they never miss an episode of some cartoon?  
Do they love camping?  
Reading?  
Hockey?



Identifying where their interests lie is the best place to start. If they are passionate, then they'll have more fun, which will help them work with commitment. Starting your own business is very rewarding but it is also very hard. According to Bloomberg, eight out of 10 entrepreneurs who start businesses fail within the first 18 months. The more passionate they are about the topic, the more likely they won't quit when things get difficult.

Besides the emotional benefits that enthusiasm brings, it also provides a lot of practical help as well in that:

- You know the community
- You know where people look for information
- You know what products exist
- You know what's new
- You know what is lacking
- You know how much things cost





This is all valuable information and will be your kids' first introduction to market research.

Additionally, your kids will need to address a problem that exists in their area of interest and think of a solution that solves it.

To do this, you'll need to brainstorm. Everyone knows about brainstorming but it is surprising how few people know how to do it effectively. Here are three tips on the best way to brainstorm:

## Structured time

It is important to remember that brainstorming does take work and that it needs to be done in a structured fashion. Too often people think that inspiration will just come to them. That may be the case sometimes but it is not a reliable approach. This means it is important for you to set time aside to brainstorm. While this is incredibly important during the early stages of your business venture, it is something you should always do. It will help you stay creative and fresh.

## Be flexible

While you need to structure time for your brainstorming, the actual act of brainstorming should be anything but structured. The best way to brainstorm a new idea is to do whatever it is that gets your kids' creative juices flowing. For some people, that is lying in bed at night; for others, it is a session on a whiteboard; for others, it may be running. Experiment with your kids by trying different approaches. Being able to unlock the process that unlocks their best ideas will be valuable in all areas of their lives.

## Be patient

While I find brainstorming incredibly fun, at times it can be frustrating. Sometimes the ideas just don't flow. Other times, it is obvious that they're inferior or lacking in originality. Don't get discouraged. Success is often just hanging on after other people have let go. One way to prevent discouragement is by remembering a simple fact: you have been successful before and will be successful again. Remind your children to think about major moments in their lives, moments that made them proud. Maybe the day they aced a test, hit a homerun or won the spelling bee.

Lastly, when brainstorming remember, **there is no such thing as a bad idea.** This is not the time to dissect everything. That comes later. Here you just want to think and be open.

**Challenge:** Ask your kids to brainstorm what they're passionate about. Make sure they are as specific as possible. Then brainstorm what problems exist within their area of interest and the solution to those problems.



## Honing the Idea

Once you have a solid list of ideas, begin to think a little more critically. Would people actually pay for this solution? Is someone else already doing it? Can you actually pull this off? This is now a good time to introduce an easy concept: the Google search. Google is a hugely valuable tool to check whether this is an idea already being implemented. It can save you time and sadness. There is nothing worse than getting super excited about a possible idea only to discover someone else had it two years ago. It is important to note here that just because something has been tried, it doesn't mean it has been tried well. Steve Jobs didn't say, "Well, people are already making mobile phones so I won't pursue that." No, he made it better. So don't give up just because your idea isn't completely original. If that is the case, though, it means that you'll really have to execute to show how it is better than the status quo.

Once your kids have narrowed down their list of ideas or chosen a winner, encourage them to immediately socialize their idea with other people. A great place to start is with their teachers. They are subject matter experts who know a lot about their areas and can give good insight. Additionally, they will be amazed at your kids' initiative and it will help form a stronger relationship, which can potentially help their performance in the classroom as well.

This will also encourage your children to be proactive, which is one of the biggest lessons they can learn. No one is handing them anything in life. If they have an idea or want to do something, they will need to speak up. People who succeed are the ones who seize the opportunities that present themselves. Having your kids practice and hone that skill - being bold while remaining humble - will give them a competitive advantage over their peers.

Lastly, sharing their new idea with anyone and everyone they meet will help your kids learn how to receive feedback - another great life lesson. This will help you in a lot of ways:

- It will expose your kids to positive and negative feedback. If they want to run a business, or try anything new and exciting for that matter, they will need to have a thick skin.
- It will teach them how to synthesize feedback. In reality, they won't be able to implement all of the feedback they receive. This will help train them to know what actually makes the idea better versus what is just noise.
- It will help them begin to identify early supporters. It's a simple truth: no new business venture ever succeeded without a little help from some friends. Getting feedback quickly can save you time and investment and should confirm that you are on the right track.

So congratulations: you have a great idea! Now for the bad news: everyone has a great idea. How you execute will be the difference between success and failure.

### Create your own personal Board of Directors:

There is some truth to the popular saying, "It isn't what you know, it is who you know." Having people your children can ask about future career advice, beyond mom and dad, will be a great jumpstart for their future success. Ask them to identify fields they are interested in and then have them look for role models in those fields. They don't have to be famous. In fact, it is much better if they are your friends or acquaintances. But having people, besides yourself, who care about your kids' future success is a great way to make sure they're getting the guidance they need to succeed. Additionally, in my experience, professionals are always willing to help young, inquiring minds. People are surprisingly generous with their time if they feel like they're giving back.



When thinking of their idea, your kids are going to want to clarify if they're building a feature, a product or a company. The best features excite people. The best products solve problems. The best companies leverage their products. This is an important distinction to address. Many people build one but pretend it is another. Identifying what exactly you're building early on will help them as they proceed. The lessons in this book, however, are applicable to whatever they decide.

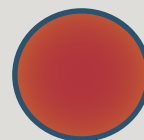
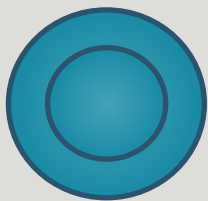


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## Chapter 2

# Market Research: Where in the world does your idea fit in?





As mentioned above, passion is important to bring to any new venture because it will give your kids a leg up. They will already know something about the industry they're trying to enter. But there is a big difference between a hobby and a business. Zeal isn't enough in business. If they're going to launch something successfully, they are going to need to know a few basics:

## The market

It is called market analysis for a reason. It is important to think about the industry and market that currently exists and how you can break into it. To be clear, the industry is the space in which your new company or product will operate. The market will be the competitive landscape. For example, Nike is in the activewear industry, which is highly crowded with competitors like Adidas, Under Armour, Puma, etc. Within that industry there is a certain amount of money that is spent. This is the market. Each competitor owns a piece of the market. That is the market share. Nike owns 13% of the active wear market. Under Armour, which is relatively new to the space, has recently surpassed Adidas as the number two in market share at 6%. When thinking about their new company, your kids should think about the industry and market they're about to enter. Here are a few things to think about:



## Size

This may seem premature for your kids' business but understanding how much potential for growth you have is an important first step. The larger the market, the more opportunities to make money. Think of Under Armour. They only own 6% of the active wear market. Yet their revenue is billions of dollars. It is a large market. Another company could own 95% of a market and make much less money.



## Niche

While I've established that a large market is beneficial, the best strategy is to drill down one step further and appeal to a niche within that market. For example, say your kids want to create a business that appeals to their peers. That is great. There are a lot of kids. But there is also a lot of competition. Everyone wants to sell to kids. By appealing to a niche sub-group, say kids who love playing chess, you're still hitting a large group but your messaging and ability to target potential customers becomes much more clear. This is good because it also narrows the competition.



## Competition

Every industry has competition. That is a good sign because it shows you that you're onto something. Don't be scared of competition, which I'll discuss more in a bit. The key is to understand what you're up against. Does your market have one prominent player? Is there no clear leader but a bunch of smaller companies fighting to be top dog? Understanding the market landscape and how you fit into it will help inform your strategy in building your own company so you can stand out and attract customers. This is Business 101 and will ensure that the idea and venture are taken seriously by outsiders.





Challenge: Work with your kids on answering the following questions:

- What industry would your new company compete in?
- Within that industry, is the market saturated (are there a lot of companies already doing this)?
- Is it a legacy market dominated by one old, large company that is ripe for an upstart to come in and shake up the scene?
- Is it a new market?
- Is it an app that is leveraging other applications, like Facebook, etc.? This is an example of how your product can be in multiple markets. If you have a Facebook app, you would be competing against the direct competitors of your app and every other app on Facebook, regardless of their topic.

## Customers

It is amazing how many businesses lose sight of their customers. Many entrepreneurs try to make their company a reflection of themselves instead of a value to their customers. Remember, there are no businesses without customers. It is important for you to remind your children of this lesson and get them thinking beyond what they think is cool and instead to think about what their customers need.

Too many times companies make assumptions about what their customers want. Obviously, in some cases this has to be done. As Henry Ford said, "If I had asked people what they wanted, they would have said faster horses." But unless your kids are inventing the flying car, it is probably best for them to put themselves in their customers' shoes. Here's a few tips to remember:

You're a customer. We are all someone's customer. Whether we frequent a local sandwich shop or are incredibly loyal to Apple products, we all buy stuff. Which means we know what we like and don't like about the buyer experience. Use that!! So many times business people don't stop and ask, "Would I buy my own product? Would my company's messaging resonate with me?" Understanding your own insights as a customer is the first step in appreciating the input of others.

## The customer is not always right. But the customers are.

Getting customer feedback can be incredibly useful. A customer has never been inside of your head and so does not know your product or idea as completely as you do. This is good because, as entrepreneurs, we often make assumptions that customers will know what we know even though we've never explained it. Avoiding those assumptions means you'll explain your product more clearly, which means customers can get value more quickly. That is very good. Customers, however, can be fickle creatures. Sometimes, they just like to complain. You will need to learn how to decipher between a valid, constructive complaint and simple whining. I have seen many entrepreneurs change their entire direction because of one lone complaint. On the flip side, I've seen others ignore a rising trend of criticism that was obviously shared by the majority. The more time you take to understand your customers, the more clear it will become on which feedback to take.



## Customers do NOT equal dollar signs

The purpose of a business is not to make money. The purpose of a business is to create value. Creating value will make you money. But there is a dramatic difference to that approach. Never think of your customer as a transaction waiting to be closed. Transactions are cold and impersonal. Even if you make money today that approach will lose you money tomorrow. I have seen people do whatever it takes to close a deal. And even if they win it, they've lost so much more, like their integrity. This is not a smart way to do business (not to mention to live your life). Instead try to build a relationship. As I mentioned earlier, relationships are built on trust and understanding. If your customers know you're listening to them, are interested in their feedback and then incorporating that relevant feedback, they will feel a part of the process. That ownership means they're invested and will likely to do business again in the future. Additionally, a customer can become your most important ambassador. If you're reading this ebook, you most likely have kids. You can tell your kid to do something 100 times and they never listen. But if a friend says it, your kid does it immediately. It is the power of the unbiased peer. This works in business as well.

Customer relationships really come down to something incredibly simple: people do business with people they like. This is true in most areas of life. If you are likeable you will increase your chances of success. Likeable doesn't mean pretending to be something you think people will like. It means being genuine, honest, loyal and respectful. If your children conduct themselves in this manner, they will win whether their business makes money or not.

**Challenge:** Work with your kids on answering the following questions:

- Who is your target customer?
- What are their problems?
- How can you solve them?
- Where do they learn about new products/companies?
- What products do they currently use?
- How do they buy things?
- How do they think?



## Competitors

The worst thing any new business can say is: we don't have any competitors. That is simply not true. Everyone has competitors, whether they are direct or indirect. Say there was Coke but not Pepsi. That wouldn't mean Coke has no competitors. Sure, it might not have any competitors when it comes to soda but it would be still competing against orange juice, milk and water. Every time someone is thirsty, Coke is competing to be the drink that is chosen. Knowing their competitors allows your kids to identify their competitive advantage and what makes their company different. They will have to have this down cold because customers and the media will ask it frequently.

Here are a few helpful insights on how to understand your competitors:

## Competition brings out your best

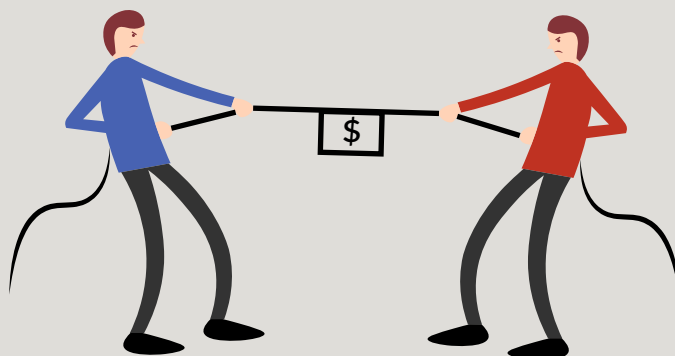
As you and your kids decide on your company, don't be intimidated by the fact that there is a lot of potential competition. Competition brings out the best in people. While we live in a "everyone gets a ribbon culture", it is important for you to teach your kids that in real life, there are winners and losers. Learning how to win is an important lesson. And by that, I don't just mean learning how to be on top at the end, I mean the entire process of how you get there the correct way. Cheating is not winning. Winning in business is a combination of good research, hard work, a little bit of luck and a bunch of people believing in a mission. You can't experience the thrill of winning if you have no one to go up against. So relish the opportunity because it teaches so many life lessons.

## Learn from them

To beat your competitors you have to learn from them. They are a great resource of knowledge because they have already done what you're trying to do. Read their messaging. Find out what publications have covered them. Find out who is talking about them on social media. This is all an extension of your market research and will better prepare you to build a company that excels in places where they are weak. This is the best chance for your kids' company to gain market share on a more established incumbent.

## Your competition doesn't matter

In the end, it is smart business strategy to know about your competition. But never become obsessed by them. Your company will succeed because of you. You will beat your competition because your product works better, your service is more responsive, your business makes it easier for your customers to buy. Those are all areas that your children have control over regardless of who their competitors might be. If you're the best at something, people will take notice.





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Challenge: Work with your kids on answering the following questions:

- Who are my competitors?
- How long have they been in business?
- Who are their customers?
- What do you do that they do not?
- What do they do that you do not?
- Why don't you do it?
- How would you describe yourself if a prospect asked, how are you different/better than your competitors?

## Pricing

The purpose of every business is to make money. To make money people need to buy your product. To buy your product they must know how much it costs. How much it costs will often determine whether they buy it or not. Price is a really important part. Many people take this for granted. But it is hard for people to part with their money. You must give them a reason. Here are a few pointers to remember:

## Value is king

People pay for value. Value can, at times, be difficult to quantify. If you do all of your research and identify the needs of your customers and you address those needs, then have confidence that you're providing value and don't be afraid to charge for that value. Most of us are actually pretty humble. We typically underestimate the value we provide and as a result end up charging too little for our products and services. While humility is a noble virtue, determining the pricing of your product isn't the time to start being humble.

Value is easier to understand if you're solving an obvious problem. If someone has a pain point that costs them money, if you solve that problem, it is very clear what value you've generated. This correlation is harder to make sometimes. For example, if your kids are designing cool t-shirts, what makes theirs different than anyone else's online? You would think it is hard to bring value to a t-shirt. But there are plenty of examples. Kanye West for example sells a t-shirt, which looks like an ordinary white t-shirt for \$100. The value is that it was designed by Kanye West. Other times, people sell t-shirts for \$30 and donate a portion of the proceeds of the sale to charity. The additional value is that you aren't just buying a t-shirt, you're also helping make the world a better place.

## Test

When you pick a price, you don't have to set that price in stone. Experiment and see what works. Remember though that it is much easier to lower a price than it is to raise it. So don't be afraid to start high. If you do need to lower the price to get more traction, be careful how you do it. Lowering the price can look like a desperate move. Or it can be done in a way that builds your relationship with your customer.



Here's a suggestion: if you're thinking about lowering your price, do it for one day. Call it a customer appreciation discount. This way you'll be able to see if people are more willing to buy at the new price and it will also make your customers feel like they're getting additional value because they're getting a better deal. A true win-win.

## Don't trust your gut

As I mentioned above, our instinct is to usually go cheap. This often means we leave money on the table. The key to pricing is getting people to pay the most they're willing to pay without walking away. This isn't an easy line to walk but luckily there is data out there on which to base your initial thoughts. This is where you can look to your competitors and find out what they charge. Then you can add price to this based on the premium value you add. You must provide them with value.

Once your kids have thought about all of the above, they will be one step closer to launching a product that solves customer problems, is unique versus the competition and is priced to buy.

**Challenge:** Work with your kids on answering the following questions:

- How will you obtain new customers?
- How much does your product cost you to make?
- How much will you charge for your product?
- Are you more expensive than your competitors?
- If you are more expensive, what extra value do customers get?
- What does your price say about your brand?
- Speak with a potential customer about pricing. What do they have to say?



Price has an impact on brand. For example, if you're trying to be a high-end, exclusive brand, then your price shouldn't be \$0.99. If you're trying to appeal to the masses, then your price should be affordable. This is why the same company might have different businesses. For example Gap Inc. also owns Old Navy (which is cheaper than the Gap) and Banana Republic (which sells more expensive clothes than the Gap). This way they can appeal to multiple buyers without diluting their brand.)

## Product Development

While the above information is crucial to your kids' business being a success, there is one thing even more important: the product. Without a product, they have nothing to offer their customers. So naturally that begs an important question: how do your kids build their product? There are two very distinct ways to answer that question.

The first is that they build it themselves. For some kids this is clearly the best alternative. If they are technically savvy or crafty, the fact they are the ones building the product will be a key differentiator. If this is the case for your kids, then you can skip the below section and move right on to the product roadmap.

The other way for them to build a product is to outsource it. Face it. Many kids don't have the skillset to build a new product. Perhaps their interest and passion lie in selling products or marketing them or answering questions about the product. These are important skills as well. (This also brings up the benefit of having a founding team that is made up of complementary skill sets, which is discussed later in the book.)

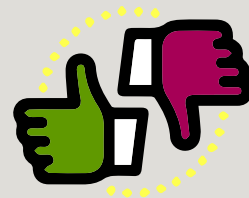
If your kids are going to outsource their product, there are several options:

- Learn how to do it. There are tons of training manuals out there and on YouTube that can teach you how to do just about anything. One of the reasons you're encouraging your kids to participate in this experiment is to teach them something new. This is a great chance for them to learn a new skillset and continue their career development.
- See if a friend could do it. This is a great opportunity to bring a friend into your product and have someone you trust helping. Since this person is a friend, perhaps they can teach your kids what they're doing as they build the product. This isn't quite as good as rolling up your own sleeves, but can be much quicker.
- Look online. There are a variety of websites for freelancers who are hungry for work. These have come along way over the years and now include references and samples of their work. This makes it much less risky to put your product in the hands of a stranger. Outsourcing to a professional can allow you valuable time to focus on your strengths and the important process of figuring out how to get your product into the hands of consumers.

For all of the above options, it is important for your kids to consider cost. How much will it cost to make this product? This will have a big impact on the price they sell it for and whether or not they can even get the business off the ground. When working on their product it is important for your kids to understand the concept of Minimal Viable Product (MVP). An MVP is an attempt to get your product into the hands of actual users as soon as possible because they are going to use your product in different ways than you intended. The quicker your kids understand that, the more quickly they can iterate and make sure they're producing a product that customers want. Long gone are the days of working on a top secret project behind closed doors and then having an elaborate unveiling. An MVP will show your kids proof of concept (that people actually want their product), which will make everything that follows for the business easier.

Here are a few important things that every good product does:

- Solves a problem
- Is easy to use
- Is sticky, which means people use it on a regular basis
- Is sharable and inspires people to want to tell their friends about this great new product
- It does what it says it will do, which sounds easy but we often oversell on what the product will be tomorrow versus what it is today.



A product demo is a really good way of showing new prospects how your product works. This can be simple like a bunch of pictures on your website, it can be done in a fun, creative video or you could do a live demo at events. You may also want to think about offering a trial of your product, depending on the kind of product. People like to get their hands dirty before buying.

Challenge: Work with your kids on answering the following questions:

- What problems does your product solve?
- How will you build your product?
- What is the simplest version of the product?
- How will you let users share feedback on your product?
- How long will it take to incorporate feedback and improve the product?
- What features will you be adding over the course of the next year?



A product road map is a very useful tool that will keep your kids focused on a long-term goal. In their most basic sense, a road map is a plan. It lays out all the steps that take you from point A all the way to point Z. These sorts of road maps are helpful in achieving any goal. Perhaps you could challenge your children to create their career road maps as well.

## Beta Test

Another important concept for your kids to understand is the beta test. Beta testing means that you allow a handful of people to use your product before releasing it to the general public. This way, you can receive their feedback in advance and make any changes before sharing it with a wide audience. This is a great way to discover any bugs or issues and get controlled feedback. It also allows them to launch their product with the endorsement of the beta users. This can be a great third party validator that allows other potential customers and the media to know that people - besides your kids - think this product is really good.

How do you launch a good beta test:

- As soon as possible put an email signup on your homepage saying you're accepting beta testers. You don't need to have everything finished on your website. In fact, the more vague, the better. It might intrigue people to sign up.
- Start with friends and family because they're easy to reach but encourage each one to invite three people who you don't know. This will help ensure that you get honest, unbiased feedback.
- Make sure you have goals for your beta test. Going into it you should know how long you want to keep the beta test open for, what you will do with the feedback, how you will re-engage with your beta testers after you've made updates and how you can leverage their support to create new customer relationships.

Challenge: Work with your kids on answering the following questions:

- Who would be good candidates for a beta test?
- How will you incentivize them to participate in the beta test?
- How will you get their feedback and implement it?
- How long should the beta test period be?
- What else can the beta testers do for you? Provide a quote? Participate in a case study?





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## Chapter 3

### Power In Numbers: Forming your team



Sometimes we all need a little help from our friends. Even the most seasoned entrepreneur knows it is hard to go it alone. That is why the best companies are often founded by teams. But if you have a great idea, how do you share it with people in a convincing enough manner that they want to be a part of it and, when they do want to be a part of it, how do you know they're the right people to help you get it off the ground? Don't forget: the people behind an idea are the single greatest factor in why it becomes successful. So how do your kids sell their idea?

As entrepreneurs, they will need to be able to give an elevator pitch. An elevator pitch is basically this: you run into a big investor (someone who may give you money to help grow your business), a famous person (support from famous people can really help get people to use your idea) or a huge prospect (a potential customer willing to pay for your idea) in an elevator. What would you tell them about your company in the short time it takes to get from one floor to the next?

This is a great exercise for any entrepreneur because it involves two major skills:

- The need to be concise - In 30 seconds, you need to be able to articulate what you're doing, why it is valuable and why it is different or better than what competitors are doing. This isn't easy. It takes practice and polish but you need to have it down.
  - The need to convey passion - As the founder of a new business, you are the number one cheerleader. You need to be able to clearly and simply let people know what it is you're doing and why it is important to them. But, even more importantly, you need to excite them. People are actually quite boring. They don't like to take risks. They are very busy. It is hard to get them to invest their limited time into something new. You need to convince them why they should try your product - no, even more than that. You need to convince them why they need your product; why they have been missing your product their entire life; why their life will never be the same because of your product.
- Some quick tricks for your kids when they're working on their elevator pitch:
- Compare your product to something else that is easily recognizable: my new product is Facebook for cats.
  - Stay high level. You're selling people on a vision. Don't get caught up in the weeds.
  - Pick an industry that you're already passionate about. This will be authentic and people will be able to feel your energy, which will rub off on them.
  - Answer: Who are you? What do you do? How do you do it? Who do you do it for?

**Challenge:** Ask your kids to come up with an elevator pitch. After they have, make them practice it on you and the rest of the family. Keep them practicing until they can deliver a smooth and flawless elevator pitch.



## Picking a team

When your kids' passion does rub off, it will be important to make sure they pick the right founding team members. There is no true science to this, however, over the years of hiring people, I've uncovered a few nuggets of wisdom.

## Look in the mirror

The most important place for your kids to start is with themselves. Your kids must take an honest look in the mirror before launching their product. We all have our strengths and our weaknesses. Identifying what unique value you bring to the business that no one else could replicate means that you'll also know your holes. When you're looking to add team members, you can find people who fill those holes.

## Colleague vs. friend

Your kids probably have a strong group of friends that they do just about everything with. That is great and a healthy part of growing up. But sometimes our friends are very similar to us and don't offer a diverse skill set. That is fine when you're hanging out. It is not complementary in a business. Having your kids realize that they will work with people who are different from them is a good skill to learn. Learning that you don't have to be buddy buddy with the people you work with will help prepare them for life after school. While you don't need to be best friends, you do need to have mutual respect. This is a great opportunity for your kids to introduce themselves to different groups at school and realize how much each has to offer.

## Be the dumbest person in the room

When you're adding to your team never be intimidated by what other people know and can offer. Managers who don't succeed are the ones who hire people of lesser talent so that they are not threatened by their success. This is a toxic attitude and can ruin a company. You should always want to hire people who are smarter and better than you. These people will add tremendous value to the team and free up more of your time to look at big picture issues. Influence is more important than control

If your kids started the business, it means they're the boss. It is a great opportunity for them to learn about leadership and management. One of the most important lessons of management is that you can't control those around you. But you can influence. Think of it this way. How much would it cost to have a police officer manning every four-way stop? We would need thousands of officers in every town. But you would directly control people's behavior at those intersections. A much more efficient way of doing this is by influencing people's habits by introducing and educating them on the concept of a stop sign. Now people still stop but they do it independently, which is much more scalable and sustainable. When thinking about the strengths your kids have and what they lack, it is important for them to remember that there are many ways one can help a new business, like:

- Business knowledge
- Technical knowledge
- Connections to investors, media, mentors, etc.
- Ability to be the public face
- Sales skills
- Great organizational and process skills
- Understanding of products and what potential buyers want
- Writing and communications skills
- Math and financial skills
- Ability to connect with customers
- Social media savviness



All of the above are individual skills but the most important ingredient for a successful business is chemistry. Your kids will need to be able to work well with their co-founder. Starting a new company is hard work. Sometimes it gets tense. That is why chemistry with their partner is so important. It keeps this hard task of starting a new business fun. This is also a great reminder why starting a business is such a perfect project for a young person. Being able to work closely with someone else, regardless of the stress levels, will be crucial as they continue on with their academic careers.

You (and your kids) may be asking, where do they find a potential co-founder in the first place? Well, this is another reason why they should do something in an industry they already like. They will know where other people with similar interests hang out, what they read, etc. This will help make sure they're talking with people - and remember they should be telling everyone about their idea - who understand where they're coming from and may have additional insight to offer. There are also other resources for finding a co-founder:

- Classmates. Share your idea with your classmates and they may want to join or may have recommendations of other people who may be interested.
- Teachers. The value of talking with your teachers has already been discussed but they can also introduce you to other like-minded people.
- Family members. Your family members have professional networks that they can leverage to help your business.
- LinkedIn. This social media site connects people around their professional interest. This is a great place to look for people of varying skill sets.
- Local business community. There are plenty of untapped resources within your community. A major plus is that anyone participating in a local business community really likes business and is looking to network. This is ripe for good ideas and advice. Once your kids have their team, they'll want to make sure that your business is official. Let's dive into how to turn their idea into a bonafide business.

Challenge: Work with your kids on answering the following questions:

- What are your strengths?
- Besides your idea, what do you bring to your company?

Here are some questions to ask anyone who is thinking of joining your team:

- How will you make the team stronger?
- What is an accomplishment that you're proud of?
- What skills are you missing?
- How will you learn those skills?
- If you were starting a company, what would be your three core values?
- Tell me about a day when everything went wrong?
- In your opinion, what is leadership?
- What motivates you?
- What are your weaknesses?
- What skills could someone else bring to the team that would make you a stronger





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## Chapter 4

### Getting Legal: Forming your idea



If your kids are going to go through all of the effort outlined in this ebook, then they might as well plan for success. It may seem unnecessary to go through the hassle of officially transforming your idea into a business but this is important for two reasons:

- This exercise is to learn how to run a business. Officially filing the paperwork is a critical part of turning an idea or a hobby into an actual business. As a result, it should not be skipped. This is a great way for you to expose your kids to laws, process and finishing a task.
- Your kids should always plan for their project to be successful. Remember, they're not just dreaming. They're rolling up their sleeves and working hard to achieve something. Encourage them to believe they can do it! And know that when they do, they're legally covered and no one can steal their idea or hard work.

Now the question is: how do they do it?

First, they'll need to think about what kind of company they want to form. There are several different classes, which ultimately have a lot to do with taxes and profits. Some examples include:

- C Corporations
- Limited Liability Companies (LLCs)
- Partnerships
- S Corporations
- Sole Proprietorships



Exploring each of the above options with them and discussing the differences will be a huge advantage because they're probably not going to learn this in their classroom. What they choose probably depends on their ambitions. Most likely the best alternative would be forming a Sole Proprietorship, a Partnership or an LLC. You'll need to check with your own state for what forms you need to file, as each state is a little different. But you can do that quite easily by going [here](#).

## Naming your Business

Regardless of which type of business your kids choose, they will need to come up with a good business name. This is a very important part of creating a brand. Explain to them that a brand is basically how people think of your company.

A good business name should do several things:

- Be memorable
- Quickly identify your product
- Have an available website



Yet even with these guidelines, there are still different routes that can be taken. For example, when Google first started, no one had ever heard of the word "google", which could have been perceived as risky. Larry Page and Sergey Brin, the founders of Google, could have opted for something more easily identifiable like "SearchandFind.com" or something along those lines. But part of the identity of their brand was to be unique. They were creating something completely new. They needed a name that matched.

Additionally, your kids will want to think long term about their name. For example, Google wanted to be more than just a search engine. So they would have quickly outgrown the SearchandFind.com name. This happened with Kentucky Fried Chicken when they began offering more than just chicken. Now they are just known as KFC.

KFC is also a good example of how a brand changes over time. Kentucky Fried Chicken was a good name to start out with because it made it very obvious what they did. It didn't leave people wondering like KFC would. When people wonder, they start thinking about your competitors. KFC is also a great example of how things change. When it was founded, people didn't think twice about eating fried chicken but over the years as healthy eating has become more in vogue "fried chicken" is a turn off, hence KFC.

Once they have decided on a name, they'll need to check with your state to make sure no one is currently using that name to do business. Even more important than that though is checking with a domain registrar, like GoDaddy or Dyn, to see if they can use that name for their website URL. A website is a business's digital storefront. Most likely, it is how people will access your kids' product and your company. Even if your children are starting a landscaping business, having a website is a must. Remember, the global connectivity of the internet means that even your kids' part-time business can be a global entity.

Their website needs to be memorable and easy to access. This name will also be used in their social assets, Facebook, Twitter, etc. So let's be clear: it is more important to have a good website than a good name. This should play a role in the naming of the company. Don't let your kids compromise their website because they think a name is cute. Do the opposite. If they can get an easy to remember domain (the name you type into your browser, example: [www.example.com](http://www.example.com)) but it isn't 100 percent the company name they decided, encourage them to be flexible with the name. I am talking a lot about names but that is only the first part of a company's brand. There are several other areas in which your kids can influence how their company is perceived:

## Color scheme

I bet if you close your eyes and I describe a can of soda that is red and white, you immediately think of Coca-Cola or if I simply write the words "golden arches" you automatically start thinking of a Big Mac. Colors have an incredible impact on people's first impressions. First impressions are important because sometimes you never get the chance for a second one. When choosing your color scheme, it is important to incorporate all of your market research. For example, don't pick colors that are associated with a competitor. Knowing your audience, don't pick colors that they would immediately reject. Lastly, don't be afraid to stand out.





## Core values

Your company's color scheme has an impact on external perception. Your company's core values are the heart and soul of your company. As this is an exercise for your kids, having them establish their core value system at this stage in their life will be incredibly helpful moving forward. These values will help mold what kind of business they want to create and will allow them to gain so much from this experience, even if they never make a sale. Your core values should be the things that you hold most important and will be how customers and employees think of your company. Two things to remember here:

- 1) Make your core values unique. A lot of times people use generic buzz words. But that isn't helpful. Make sure you understand what each value means to the day to day operations of the business and how you will act to ensure you're a living embodiment of those values.
- 2) Put your values into practice. Having them scribbled down on a piece of paper is nice but not helpful. They need to be a part of your daily life. A good way to make sure this happens is by reflecting on them each quarter (a three month block of a year) and reviewing your behavior against your values. If you realize that you never do one of your values, then it is either not a core value of your company or you need to alter your behavior. If you bring on new team members, make sure to get their feedback on values too. When you do that, you're truly building a company people will feel a part of

**Challenge:** Work with your kids on answering the following questions:

- What brands do you like?
- What is it about them that you like?
- What do you want your company to represent?
- What problem do you solve?
- What kind of brand do you want to create?
- What are the three core values of your company?
- What words are associated with what you want your company to represent? When people hear your company's name, what do you want them to think?
- What are some possible company names that embody all of the above?

Honesty  
Consistency  
Creativity

**Challenge II:** Once your kids have come up with a name, visit a domain registrar (GoDaddy, Dyn, etc.) and search for a domain name. Go through the process of buying the name and creating social accounts for it as well. These are important brand assets for any new business.



Your business idea



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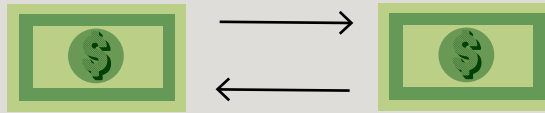
## Chapter 5

# Opening The Piggy Bank: How to fund your business



As previously mentioned starting a business is hard. It also takes money. How much money will depend a lot on your kids. There are essentially two types of companies:

- Bootstrapped
- Funded



## Bootstrapped

A bootstrapped company is something where the founder looks to build the company based off of revenue (i.e. money earned through people buying the product/service). This means these types of companies organically grow over time. This is a much slower process but it also allows more control. The founder doesn't have to give up any ownership of the company in exchange for capital (money). This model also means that you need to have a product that is easily purchased. For example, it is difficult for a social network to grow organically because there isn't a quick exchange of cash. Bootstrapping is much better for tangible products that are being sold, like cake toppers, for example.

Even a bootstrapped company usually requires money to get started for things like the legal paperwork, building a website, building a product, promotion, etc. This money usually comes from one's own savings or from friends and family. There are also great fundraising websites out there now, like Kickstarter.com. But the money raised for a bootstrapped company is minimal and does allow you less pressure to think about your idea and let it evolve over time. As this book is focused on young people starting part-time businesses, this is most likely the best approach. It allows them to work on their business in their free time, allowing it to remain fun.

If your kids want to bootstrap their company, they just need to be smart and follow the simplest rule of business: your expenses cannot be more than your revenue. Remember, companies only go out of business for one reason: they run out of money. This is a good lesson for your kids to learn for their own personal finances as well.

## Funded ventures

Why then would someone want to raise money to get their idea off the ground? Raising money can be a very good thing in a lot of ways. First, it allows an influx of money quickly, which allows a company to grow at a much faster pace than if it had to do it slowly over time. This can jumpstart a company to a place in two years that might otherwise have taken 10. That is very attractive to people who are looking for an exit (selling the company, being acquired or going public; all events that would make the founder wealthy) versus building a lifestyle business (something that may not be as immediately valuable but pays you over time).

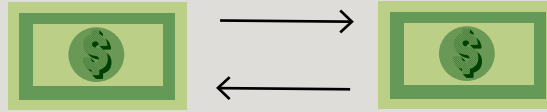
Even more than just the money, funding aligns a business with people in the know. Investors who give seed (money given to early stage companies) or Series A funding (the first major round of funding) care about these companies and want them to succeed. As a result, they share all of their many resources, such as marketing, legal, introductions to potential customers, the media, other investors, etc. These relationships and connections can truly give a new company an edge.

Additionally, funding from a respected firm also gives a new business instant credibility. It validates to people who may not know you that this idea has been vetted (a popular business term, which means examined) and it has merit. This will help prospects, the media and customers to give a new company a second look, which, in those early days, is essential.



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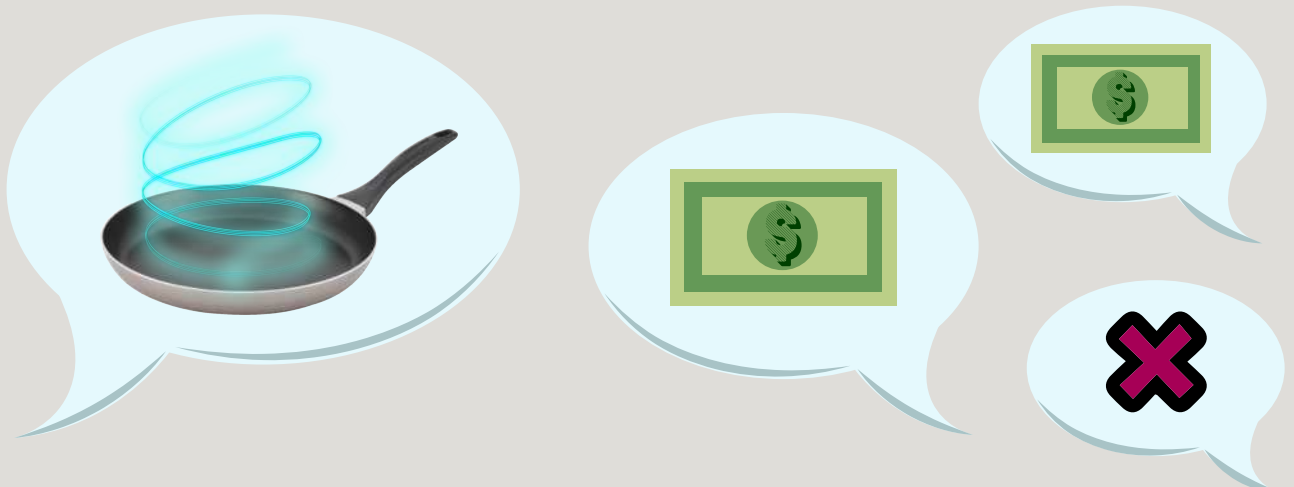
However, it is important to remember that investors will only give money if you have proof of concept, i.e. you can show them that what you have is working. They will not part with their money over an idea, no matter how compelling or how well you deliver your elevator pitch. This is another reason why bootstrapping the idea to get it off the ground is the more likely scenario. If your kids want to secure funding, however, there are several things they can do:

- Invest their own money. Crack open those piggy banks and put your money where your mouth is.
- Do a friends and family round. This is a typical way for many startups to gain momentum. Once you're able to show proof of concept, it becomes easier to secure additional funding.
- Enter a contest. There are tons of startup contests happening all over the country. Enter one and you could win a cash prize, as well as other valuable services.
- Find a local incubator. These can be valuable resources that can connect the startup community with the investor community. Looking near a college campus is a good place to start, as many incubators need the fresh ideas of a student body.

If this is the course your kids want to take, here are some tips for when they're pitching a potential investor:

- Sell yourself and your idea. Good investors invest money in the people as much as the idea. Show them you're worth every penny.
- Do your research. Know who you are talking to and what they are interested in. Tailor your message to your audience.
- Keep it simple but know your stuff. Be prepared and make sure you understand both your product and your business plan. But stay out of the weeds and keep your conversation high level and focused.
- Have a plan. Show them that you've done all that's been discussed in this book. Explain how you're going to make money and in what timeline (preferably one you can execute on) and what is the exit or reward.

**Challenge:** Before any meeting, make sure you role play. Pretend that you're the potential investor and have your kids run through their pitch. Grill them and make sure they know their stuff. This will help prepare them for the pressure of their big moment - for their business and life, in general.





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## Chapter 6

### Hello, World!: Launching the venture





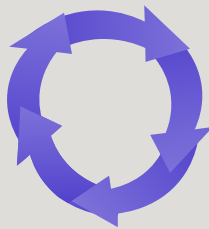
Now that your kids have an idea, a founding team, all their legal documents signed and some money in their pocket, it is time for the hard part. Launching a product is both an exciting and scary moment. Don't forget though that a launch isn't just an event. It should be a series of momentum building occasions. This can all be made easier by following a few key steps:

- Beta launch. As mentioned earlier, a beta launch is a soft launch in which you allow only a few customers to use your product. While this is great for market research, it can be incredibly useful for launch as well because you now have customers who can change "this might work" into "this is how it worked." That is very powerful.
  - Have a Go-To-Market strategy. A Go-To-Market strategy means that a company has thought about its product and how it will distribute that product through multiple channels to increase adoption.
- A GTM strategy should look to attack every stage within the customer lifecycle.

## The Customer Lifecycle

Entrepreneurs often think about customers the moment they buy the product. But the reality is the customer journey began long before that transaction and carries on long after it. If your kids are able to understand the Customer Lifecycle, the various stops along the buyer's journey, and the tools that can help bring each stage to life, then they will be in a great place to provide value and turn a curious individual into a long-time company ambassador. The customer lifecycle is broken down into several stages:

- Awareness
- Consideration
- Purchase
- Retention
- Advocacy



These points are equally important and your kids must address them all if they want to create a sustaining company. Let's dive into each one.

## Awareness

This is fairly straight-forward. People need to be aware of a company to buy from it. Awareness is gained through multiple tactics like media relations, social media, word of mouth, customer quotes, etc. The more people are talking about a company, the more likely someone is to be aware of it.

## Website

A website is your virtual storefront. These days people don't take a company seriously if they don't have a website, no matter what the business. Unfortunately, a lot of people just do not know where to start when it comes to creating a website. They assume it is overwhelming, costly and too technical. But that's not true. At least, it's not true any more. You do not need design experience to get this up and running. There are any number of providers now that allow you to develop and customize your own website typically through a variety of different templates. You can do this. Take BlueHost, best known for its simple, intuitive and secure web hosting, which comes with plenty of features for customization. With BlueHost, which powers more than 2 million websites across the globe with prices starting at less than \$3 per month, you can have your website up and running in no time. While BlueHost is straightforward, it offers 24/7 support should you have any questions along the way—that's a particularly nice feature, especially if this is your first time trying to establish a website aimed at making money. For artists or craftspeople, consider setting up a storefront on Etsy.com. Again, getting established is easy and intuitive. If you are a craftspeople, with Etsy, you are setting up shop right in front of an engaged and interested audience. You still need to stand out, of course, but you already know your customers.

Lastly, if for some reason your kids cannot handle the above at the very least treat your Facebook page as your website. The important part is that there is one central place where people can go to find information about your company.

## Media Relations

As was mentioned earlier, it is very important to have a compelling story to tell. This is how your kids will be able to convince people to join their company and invest in it. So far they've only been telling this story person-to-person or to a few people in a room. This is the beauty of the media, which can act as a megaphone and amplify a message. Suddenly a story is being told from one to many. This can help with getting the word out and can fuel adoption and usage of a product and service. There have never been more media outlets than in today's digital age. Before your kids begin reaching out to them, it is important to target their outreach. Here are a few tips:

Don't think about the publications you like. Think about the publications your customers read. What publications will help you reach the people you need to. Once you have done that, research the writers who cover your space. This can be done through Google searches, following them on social media and, as mentioned before, having previous knowledge of the space.

**Challenge:** Have your kids do some research on all of the publications and reporters who may cover their launch. Create a spreadsheet with their email addresses and some information about them. This will help your kids reach out during launch. Spend time on the pitch. This is different than their elevator pitch. In the pitch to the media, your kids must connect their business with something the reporter is interested in. Sometimes, this is just a profile of a new business but often times it is more about how your product solves an issue that is top of mind to the reporter. Once your kids have established the publications and the writers they want to reach out to, encourage them to spend some time thinking about their pitch. Remember these journalists get hundreds if not thousands of emails per day. How can they make theirs stand out? Here are a few tricks:

- **Make it personal.** There can be a temptation to send a bulk email to a huge list and hope that quantity is better than quality. But journalists can immediately see through that and will ignore your email. Think of a pitch like any form of communication. You respond to people who are talking to you specifically. Do some research on the writer and incorporate that into your pitch. It isn't stalking. It is being prepared.
- **Have something interesting to say.** A reporter doesn't care just because you're launching a new product. You need to convince them that you're solving a major problem, that you've already had success (beta customers) or that you have big names behind you that support you (investors) or that you can add value to what they're already covering. Do all of that while making your email short and punchy. Yes, this isn't easy. But the reward can be huge. Having the endorsement of a good publication can be a validator that really helps your business get off the ground. Being able to communicate like this will be a valuable asset for whatever your children ultimately pursue in life.
- **Do it yourself.** There are many very good PR firms out there. But you definitely don't need one until you reach a certain size. In the beginning, no one knows your product better or has more passion about it than you. You need to be the one out there selling it.

**Challenge:** Pretend you're a reporter and have your kids write their first email pitch to you. Give them feedback and help guide their efforts. Then, pretend that you're interested in their business and conduct a mock interview. Record it and then play it back and dissect their performance. They'll learn a lot about themselves! Here are some sample questions to ask:

- Tell me about your company?
- Why did you start your company?
- Who are your customers?
- How are you different than your competitors?
- What are some success milestones you've achieved?
- What are your plans for the next 12 months?
- What is your goal for your business?



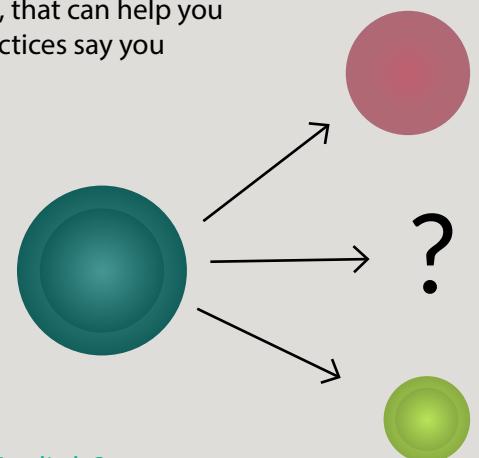
## Social

Most kids are familiar with social media from their interactions with their friends. That is a good start and many of those lessons can be used for promoting a business. However, there are differences in using social media for business instead of for leisure. There are a lot of good social channels to maximize when trying to promote a business, such as Facebook, Twitter, LinkedIn, and Instagram. It may be wise to choose one to begin with and truly build a following. Often times, even experienced companies, try too many and stretch themselves too thin. Here are a few tips on how to leverage social:

- Follow influencers. Whatever space your company is in, there are other people talking about it. Follow them to see what they're discussing so you have an even greater understanding of your industry.
- Engage in the conversation. Don't make all your posts about yourself or your company. Add value to the conversation happening within your industry by adding new information or sharing great stories.
- Be personal not corporate. Here's another simple business lesson: people do business with people they like. Use social to help reinforce your brand. Have fun with it and people will have fun following you.
- Don't be afraid to promote. While we need to be personal and add value, this is a tool to promote your company. If you do it well, however, the value of social is that you can get other people to help you out. You know you have a really good brand when people are talking about you versus you talking about yourself.
- Don't post too often or too little. It is important to find the right frequency in posting. If you do it too often, you risk people tuning you out. If you do it too little, you risk people forgetting about you. Find your balance and look into tools, like Buffer, that can help you automate your posts so you can create a consistent schedule. Best practices say you should probably post 2-6 times per day.

**Challenge:** Work with your kids on answering the following questions:

- How will people know about your company?
- Where will they learn more?
- What will be their first impression?
- What will your tone be like on social media?
- How often will you post?
- Who will you engage with?
- How will you measure the success of your social media efforts?
- How much of your time is focused on awareness? Is that too much? Too little?



## Consideration

When someone is aware that a company exists, the next logical step is to consider if what they are selling is worth the price. This is where a lot of content can be very valuable. Good content can help a person in the consideration stage. This content needs to go beyond high level vision. It must show actual data and comparisons between competitors. In this stage, the customer is considering one company versus another so everything that can be shown as differentiators is helpful.

## Content

While the media can help promote a message, it is up to the company to create it. That is why content is such an important part of any business. Creating content allows a company to tell its story first-hand without any interpretation. There are all sorts of very valuable pieces of content a company can create that will help it grow. These include:

### A blog

Share your story with your audience in a casual way. An engaging blog with lots of pictures can help people get to know your company. If they like what they see, they will become supporters. Remember, your goal shouldn't be to just get someone to buy something but to create a customer and ultimately an ambassador who has such a positive experience with your brand that they go out and essentially become a sales person for you. That is why it is important to think of the entire buyer's journey and the customer lifecycle. Check out WordPress for some easy to use blog themes.

## Case Studies

Get customers to talk about their experience with you. This is beneficial because it is a third party validating your service. Usually these include a brief description of the company, the problem they had, why they chose your company to solve it and the results of that choice.

## Whitepaper

A Whitepaper is basically a long blog post that touches on really important industry topics and can show that you are a thought leader. A thought leader is someone who knows about an industry and therefore can be trusted. People want to buy from people/companies that know what they're doing

## Revenue Acquisition

Once the media is talking about your kids' company and they have plenty of content ready to share, they need to be thinking about revenue acquisition. While those are two fancy words, they represent a simple concept. You can't grow your business unless new people buy your product.

So how can they do that? They need to create leads. Leads are anyone who could potentially become a customer. There are two types of leads:

- Outbound leads. These are people or customers who haven't interacted with you before but fit a general description of someone likely to buy your product.
- Inbound leads. These are people who identified that they are interested in your company and want to learn more or they have had an interaction with your company.



There are many ways to get leads and even more to nurture cold ones into warm leads that can ultimately evolve into customers. Email addresses are gold when it comes to leads because once someone has agreed to give your kids their email address, they can start sending them that great content they created that articulates the value of their company.

Here are a few ways one can get leads:

- Buy a list. This is the sketchiest and most inaccurate way to get leads. You never know how this list was created and whether people want to be on it. This is a good way to damage the credibility of your business.
- Word of mouth. Do good work and people will talk. This is a positive way to spread your message, however, it is slowly scalable.
- Events. If you attend industry events, you can meet people who are interested in what your product or company is doing.
- Webinars. Like a virtual event, a webinar is a great way to host a thought leadership topic (i.e. talk about an interesting topic that people would be interested in learning more about) and have people register.
- Search Engine Optimization (SEO). How do people find new products and services these days? They type it into Google. If your company is one of the first that comes up then you are going to have more people coming to your website and reading your content. SEO is definitely something companies should be thinking about.
- Targeted social campaigns. Social media provides a lot of information that a company can use to get its products in front of potential customers. You could pay money to have advertisements shown to people who fit your very specific description - say you want to advertise to 30-40 year old mothers in New Jersey. Such targeted advertisements mean that you're putting your message in front of people who are more likely to buy your product.

However they do it, it is important to always have a pipeline of potential new customers. This is how your kids can predictably scale and grow their business.

**Challenge:** Work with your kids on answering the following questions:

- Describe your ideal customer?
- How do you plan to attract new customers?
- How much can you spend on acquiring new revenue?
- What questions might people have before buying your product?
- How can you answer those questions in a clear but fun way?
- How much of your time is focused on consideration? Is that too much? Too little?



## Purchase

This is the big moment. Someone actually buys your product. But before that actually happens, a company needs to ensure that this is as smooth a process as possible. Any road blocks at this point can scare a customer away... and they won't come back. People buy products one of two ways. Either they buy them online through a self-service process or they speak to an actual salesperson. It is important that your kids understand what they want to do. Most likely, because this is a side project, they will want to go the self-service route because it is less labor intensive. It is important to note though that, as the founder of the company, your kids will be the biggest salesperson the company has and everything they say and do will impact whether people buy their product..



Regardless of the method, there is one crucial lesson to remember:

## Make it easy

Buying your product needs to be easy. It is difficult to motivate someone to part with their money. You need to remove any roadblocks. How frustrating would it be to do all of this hard work and, just as someone is willing to buy, they have a hard time actually paying. They then get frustrated, give up and you lose out on money.

You can control this. If your sales transaction takes place in person, be flexible. Accept cash or checks. You can even use services like Square to process credit cards. While this may seem like a hassle, it is much better than letting a sale walk away.

If you're selling products online, it is even more important to make the purchasing process easy because you won't be there to help them along. Fortunately, there are services that make this simple. There are plenty of ecommerce platforms to consider and Shopify is at the top of most lists when it comes to ecommerce platforms—for good reason. Just like BlueHost, Shopify is simplistic and easy to use, even for beginners.

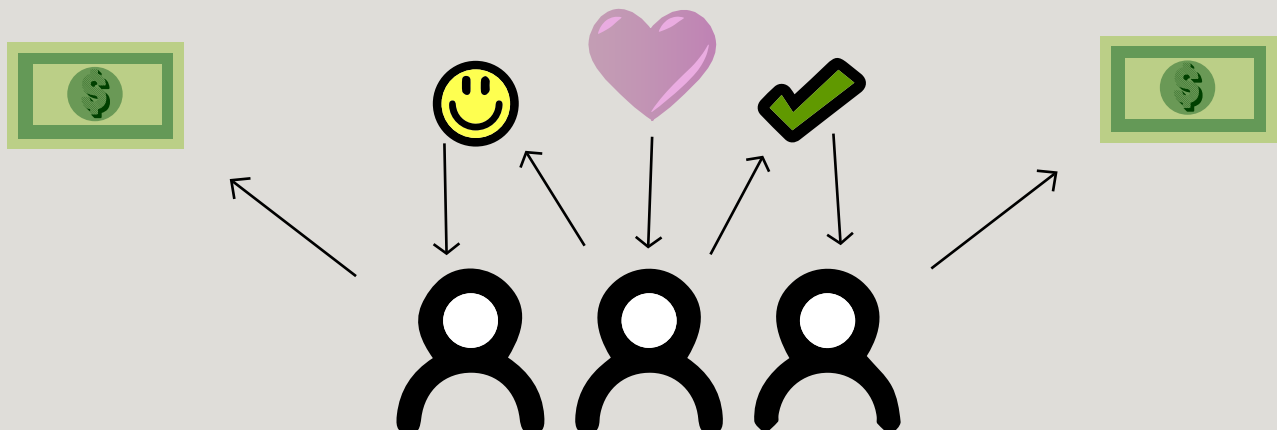
You can set up your platform instantly by selecting from Shopify's base of "themes." For most people who are just getting started, Shopify's themes are perfectly suitable. For those with a coding background, you may want to customize Shopify templates even further. Once you're up and running, you can easily add apps from Shopify's app store as you expand, address needs and increase functionality.

**Challenge:** Work with your kids on answering the following questions:

- How will people buy your product? Online? Through a sales rep?
- Is that process easy?
- Have you tried to buy your own product?
- Are there any issues that need to be resolved?
- Have you made it clear that the transaction has been completed?
- Do they immediately get access to your product or service?
- Is there anything you can do to make this a special experience?
- How much of your time is focused on purchase? Is that too much? Too little?

Retention

The worst thing a company can do is think the work is done once someone buys something. That is only half the battle. If you want to grow, then you need to retain your customers. This means you have to ensure they feel appreciated and become repeat customers.



There are a variety of ways to improve retention. Some of them are common sense while others involve careful planning. Here are a few:

- Good communication. Customers want to know what is going on with your company and if it will impact them. By keeping good lines of communication open, and not abusing them, (i.e. spamming your customers with hundreds of promotional emails) your customers will know what is going on and appreciate it.
- Be true to your brand. Carry whatever characteristics you want your company to be known for all the way through the process. For example, if your company is supposed to be all about customer service, then if a customer has a question, you'd better be willing to do whatever you can to answer it. If your brand is cutting edge then, think about how you can incorporate that into your packaging.
- Remember the Platinum Rule. This is different than the Golden Rule, which says "Treat others as you would like to be treated." What if they don't want to be treated like you want to be treated? The Platinum Rule says to treat people as they want to be treated. Remember that and you'll be golden... umm, platinum.
- Loyalty programs. Reward customers who are loyal. There are a variety of different types of loyalty programs from discounts to special offers to free merchandise. These can help make a customer feel special.
- Cross-sell. Offer deals so that customers can try your other products (if you have any).

The major point of retention is to remember that there is still work to be done once someone becomes a customer. Companies often spend tons of resources on making a prospect a customer but then forget about their actual customers. It is much harder to land a new customer than keep a current one happy. Your kids will need to think of customer support.

## Customer Support

Truly the best way to retain customers is to support them throughout the entire Customer Lifecycle. Whether they're operating in a brick and mortar store or serving customers online, there are a few age old tips that still resonate:

- Have a positive attitude. People will feed off your vibe.
  - Be patient. People often contact customer support when they're angry. Be patient. Let them vent and get it off their chest. Once they do, offer a solution. Don't pass them off to someone else.
  - Be clear and specific. People want answers. Give it to them.
  - Don't say "I don't know." Say: "I don't know but I will find out." Then find out.
  - Address them politely. Don't write "guys" when addressing mixed company.
  - Be engaged. People want to know they have your attention. Give it to them.
- Challenge: Work with your kids on answering the following questions:
- How will you make your customers know you appreciate them?
  - Why would your customers become repeat customers?
  - What happens after your customer buys something?
  - If a customer asks a question how long will it take you to respond?
  - How much of your time is focused on retention? Is that too much? Too little?





## Advocacy

Advocacy is the reward for all of the above hard work. It is also how a company knows it is doing a good job. Anyone can convince someone to buy something once. It is when a company can create a loyal customer who is willing to advocate on behalf of that company that they have hit a homerun. No matter how large a company gets, they can never hire enough salespeople to match the power of true brand advocacy. Even more than the financial success is the personal vindication: your kids have founded something special.

Here are a few tips on how to encourage advocacy:

- Engage with your customers. Conversations on social media or answering email questions are touch points that remind your customer they mean more than just a sales receipt.
- Offer feedback loops. When people feel like their voice was heard, they're willing to tell people.
- Embrace the negative. You can't make everyone happy. But you can respond to everyone, even if they're unhappy. Then, at the very least, you know you tried. And that should count for something.
- Be consistent. Growing a business takes time. It is easy to get excited and put in a ton of work and then fade. Resist it. Keep the momentum going and it will continue to build.
- Be different. You're starting this venture because you want to solve a problem or be part of something special. Don't settle. Have fun and don't be afraid to stand out. People will respect that!

## Conclusion

Your kids now have the basic knowledge of how to start and run a business. Of course, the best teacher is experience. The most important thing to remember is that this should be fun. The success of the business is sort of irrelevant (though it certainly doesn't hurt). The skills your kids will develop and the new experiences they will be exposed to during this process will embolden them and accelerate their future academic and professional careers.

As parents, our number one priority is to prepare our kids for life on their own - a life that at times can be tough and doesn't always go according to plan. By opening their eyes to an entrepreneurial mindset, your kids will be better prepared to handle the challenges life throws at them and to come up with creative solutions to solve them. This will have a huge impact on their future selves and it will have a huge impact on you as well.

So that's it! Your kids are now free to start!

