

# 10 bootstrapping tips to turn your idea into reality

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The majority of startups are founded without capital injection from venture capitalists or angel investors. The real numbers are eye-opening: Venture capitalists (VCs) fund only 0.05 percent of startups, and angel investors are responsible for funding just 0.91 percent. Take a moment to really think about those percentages in relation to the approximate 543,000 new businesses started each month in the United States.

With the chances of receiving funding so slim, if you're serious about turning your idea into a reality, you're most likely going to have to dip into your own pockets and bootstrap your way to the top. It isn't easy, but it can be very rewarding, both personally and financially, as you retain 100 percent of your equity.

In no particular order, here are 10 tips to help you bootstrap your way to success:

## **1. Fully research your market and competition**

Before you do anything else, you need to make sure you have a viable business opportunity. Is your proposed product or service already available on the market? If there's competition, how will consumers differentiate between you and them? What makes you better? What is your unique selling point?

Some highly successful software-as-a-service companies have sold their product before they even developed it, to be completely certain there was a market for it. While this isn't the conventional way to do it, it's an example of

entrepreneurs going to extremes to be 100 percent positive they had a winner before going all in.

## **2. Create a business model that produces quick revenue**

If you're bootstrapping, you need to make sure your business model generates revenue quickly. If not, you'll be dead in the water once you blow through your reserves. Constant cash flow is mandatory. If you look at successful bootstrapped startups, you'll see they all generated revenue very quickly.

## **3. Handle your own public relations in the beginning**

Startups can benefit greatly from major media exposure in the beginning, but journalists and editors receive press kits from PR firms around the clock. They don't want to talk to a public relations representative -- they want to talk to you! They're much more interested in speaking with a founder than a PR firm, because they want to hear your story just as much as they want to hear about your actual startup.

There are a number of ways for startups to score media coverage, so roll up your sleeves and get cracking.

## **4. Provide ways for your initial customers and early adapters to create buzz**

People love new startups and technologies, and they love to show the world that they're cool, hip and trendy through social media. Provide ways for your early customers to help put your startup in front of their social audiences.

Allow them to unlock a discount coupon by sharing your website on social media, or create a branded hashtag and randomly select winners for prizes. You can even share images of your customers using your product with a designated hashtag on the company social media pages. By appealing to people's egos, you can create instant brand engagement.

## **5. Don't be afraid to let your website grow with you**

It happens all the time: A startup has a custom website designed, and by the time all the features are built out, they have no marketing dollars left. They use their entire pile of seed money on a great website but then have no way of marketing it, and they turn into a statistic, joining the 80 percent of businesses that fail within their first 18 months.

If you're operating on a shoestring budget, you can use a pre-made website theme to get you off the ground and use the majority of your funds to promote and grow your business. Once you have positive cash flow and a proven business model, revamp your website.

## **6. Launch creative branding and marketing campaigns**

You don't always have to have the deepest pockets to get brand exposure -- you just need a creative approach. A great example is about almost making a Super Bowl commercial with Anna Kendrick. The company didn't purchase expensive airtime for the Super Bowl, but it did release a video about how it almost did. The video went viral on social media and got more publicity than an actual commercial would have.

## **7. Account for every penny you spend**

Keeping track of every penny that leaves your business is crucial. Money vanishes quickly when you start a business. Sloppy accounting can lead to a rude awakening. Use accounting software, such as QuickBooks, or free tools, such as Mint, that will help keep track of your spending and gauge your burn rate. Monitor your cash daily -- there's no excuse for lazy accounting.

## **8. Eliminate as many personal expenses as possible**

When bootstrapping a startup, there isn't a nice, comfortable salary that comes with the gig -- you have to be prepared to drastically prune unnecessary personal expenses or eliminate them altogether.

Substitute public transportation for a huge car payment, take on a roommate or two to reduce living expenses and brew your own morning cup of coffee instead of opting for a \$4 cup at the local coffeehouse. Look at your personal bank statements for the past few months to uncover areas where you might reduce or eliminate expenses.

## **9. Do as many jobs as you can by yourself in the beginning**

There's a big difference between jobs you can't do and jobs you simply don't want to do. If a task requires specific technical knowledge you don't possess, then of course, delegate it -- but if it's something you're fully capable of but just don't feel like doing, you're creating an unnecessary expense. Do whatever you have to do to make your business succeed, whether that's making sales calls or emptying the trash.

## **10. Be persistent and don't give up**

When you're just starting out, there will be many obstacles to overcome.

Suppliers and vendors aren't always overly excited to work with brand-new companies, and building consumer trust can be a challenge. But you have to be persistent. Kick down doors and dial the phone nonstop to make connections and build relationships. Don't take rejection personally -- it's going to happen.

Bootstrapping a business isn't an easy task. It's very challenging -- but it's not impossible.