

# 5 favors to call in when launching a business

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Starting a new business, particularly in the early stages, is a big commitment. In making the leap into entrepreneurship, would-be entrepreneurs would do well to leverage their network of people -- their family, friends and business associates -- as a critical resource. Here are five favors that all new entrepreneurs should call in during the early stages of their startup journey.

## **1. Try out my prototype.**

Starting lean is the reality for most entrepreneurs. Making a large investment in a fully developed product or service offering may not be possible, let alone a good strategy. Eric Reis, in his book , popularized the concept of the minimum viable product -- the most basic useable prototype. Friends and family can be a great resource, willing to review or try out an early prototype and provide critical feedback to the design process.

Gathering as much information as you can early on can reduce the amount of uncertainty around a potential business. It clarifies the extent customers would be interested in what you want you have in mind. It will also indicate how much design work would be necessary to get your product or service to a level of interest sufficient to consider launching a business.

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## **2. Help me write a business plan.**

It can be very tempting to avoid writing a business plan. The excitement of a new idea, inexperience with the process, and, in some cases, ready access to funding can make it seem as if the best course of action is to get started offering your product or service to the market as soon as possible. Taking <https://assignbuster.com/5-favors-to-call-in-when-launching-a-business/>

the time to write one, however, can be critical to understanding how best to bring your business to market. You can have a fantastic product or service design, but if it is not launched with sufficient financing, a sound operating model and a compelling market strategy, it likely will not gain the traction necessary to succeed. A third-party perspective of your network is a great way to help you uncover needs in the market and to size-up opportunities. As the saying goes, goalswithout plans are nothing more than wishes.

### **3. Make an investment.**

In the early stages of an entrepreneurial venture, it can be very difficult to gain access to funding from venture capitalists or angel investors. A business loan or a business grant may be possible, but they come with added costs: interest in the case of a loan and an arduous application process for a grant. When entrepreneurs are unable to finance the startup on their own, family and friends are an historically significant source of early stage financing. Family and friends invest upwards of \$60 billion annually in startups.

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### **4. Help me manage myself.**

Starting a new business is time-consuming and extremely stressful. Busy founders can get so absorbed in the day-to day needs of the startup that they struggle to manage their own well-being, both physically and mentally. In fact, they may not even be aware of the toll their business is having on their health. Having a spouse, family member, trusted friend or advisor willing to meet regularly to act as a sounding board for ideas and struggles, and to help provide some balance between work and personal life can be

extremely valuable. It ensures that founders are taking care of themselves and are thus well-positioned to take care of the business.

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## **5. Be my business mentor.**

Generally startups are built up around a new idea, but these ideas are most often launched into established markets. It can take a very long time to learn the best practices and subtleties of the industries in which you want your new business to compete. Having someone familiar with the target industry is extremely valuable for positioning your startup to take on already established competitors.

As the founder of a potential new startup, you have a lot of work ahead of you. The good news is that you don't have to go it alone. Reach out to the resources you already have in your network and put them to good use.