

# A stepwise approach to starting a company

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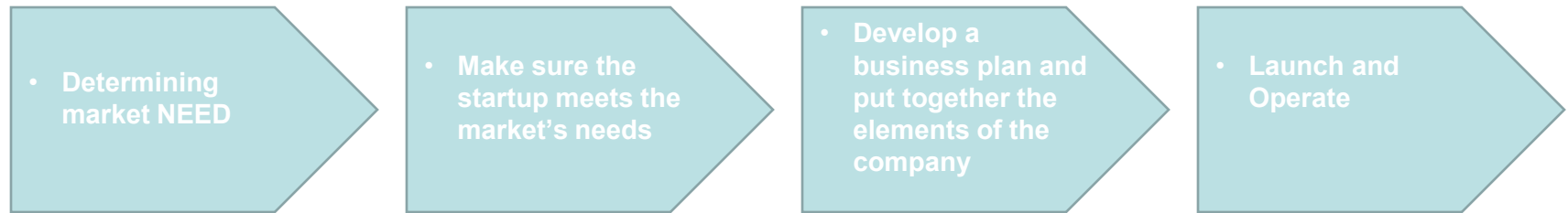
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# Undertaking a Startup is challenging! Technology Development is here to help you with the process

- The following are four very simplified steps that apply to most start-ups whether you're a resident, postdoc, doctoral student or faculty member launching a product or service
- These guidelines are taken from best practices and are used by investors and entrepreneurs
- If you find these concepts daunting, we have resources available to help you understand these slides – for example, see:
  - <https://www.bu.edu/researchsupport/project-lifecycle/bring-to-market/start-a-company/>
  - <https://www.bu.edu/researchsupport/project-lifecycle/bring-to-market/programs/>


And you may always contact Rana K Gupta, Director, Faculty Entrepreneurship, [rkgupta@bu.edu](mailto:rkgupta@bu.edu)

# FOUR STAGE Approach to How to Start a New Company



- Each start-up is unique and may follow a modified approach!
- OTD is here to help

## But before you start ....

- Answer this for yourself: *what is my objective?* 
  - The answer to that question will be the basis of all that you do and how you do it, the decisions you make and the resources you require
- Talk with other founders to learn about their experience
- Be sure to contact OTD as early as possible to inform us of your idea and your plans to start a company
- Work with OTD to begin the process of protecting intellectual property rights to your idea
- Identify your “core” team of founders – the group you will work with to move your ideas forward

# The First Stage – Determining Market Need

## Stage 1 - Test the idea: make sure the idea is solving a real-world problem

Address the following to determine if the idea has commercial value:

- Articulate a market need that for which your idea is a solution
- Describe specifically the customer and value proposition - who will buy/use this and why
- Name a product or service on the market that is similar to this idea. How are customers solving this problem today?
- Strong start-up ideas can identify a need in the market for which the idea is a much better potential solution
- Start by thinking about the idea in terms of customers and customer need. After all, without customers, there is no business! – A “technology in search of a market” is not a good candidate for a start-up

### POINTS TO CONSIDER:

- Start-ups are not for everyone. Talk with (many) others who have started companies to learn from their experience and the commitments they have made
- When should you find a business partner entrepreneur to help you? OTD can assist you. You may want outside help right away or perhaps you would like to undertake this project alone for a while
- At this stage, do not concern yourself with finances, product development, operating a company or any of the issues surrounding and involving an actual company
- Concentrate on the customers and what they need

# Stage 2 – Make Sure the Start-up Meets the Market's Needs

- **Understand the market and confirm that a start-up is the best way to reach that market**
- This stage comprises two very big concepts:
- Describe the idea's market(s). Here are but a few questions to answer:
  - The size and annual growth of the market
  - Identify the top companies in that market, particularly if they may be competition
  - Identify the top products or services that serve the market
- Provide your Rationale that a start-up is the best way to reach that market
  - Begin to develop the business model. Describe how a company will create value
  - Describe what the company would actually do
  - Begin thinking about whether it's a product or a service (or a combination of both) that would serve the market
  - Confirm that the start-up will be able to offer that product or service, at a competitive price and still make money
  - Each Start-up is different – some are quick to market, some require investment and some are 5 guys in a garage for 20 years – Match your plans and that of the company

## Stage 3 - Start-up Plan for Success

- **Develop a (business) plan and put together the elements of the company**
  - This stage also comprises two sizeable tasks: a business plan and elements of the company
  - The ***business plan*** is a document to help the start-up team go from where it is today, to where it wants to be in one year, three years, five years and beyond:
    - It is not just an analysis of products, markets and competitors, BUT
    - A living, time-driven plan that explains why and how this product (or service) will be developed and sold in its market(s) and why it's better than the competitors'
    - Milestones to be achieved along the way
  - ***Key elements of the company*** include:
    - People/team, counsel, advisors, board members
    - Resource requirements: people, technology, instruments
    - Financial plan, implementation plan, sales and marketing plan, exit (sale of the company) plan (if that is your objective)
  - All of these elements may not be required to launch the company. The plan should elucidate what the team must have in place to launch and what it can add later



# In Step 4 - Launch and Operate

- **Launching the company**
  - It's time to move from paper (computer screen) to real live operations
    - Negotiating any license or option with OTD
    - Incorporate
    - Determine equity disbursement among the team members
    - Find and close the financing with appropriate investor(s)
    - Setting up an office and possibly lab
    - Management, management, management
    - Sales
    - Operations
    - Contracts of so many types

# These four steps are an outline

- These simple slides are intended to give a BU faculty member, researcher or practitioner a basic understanding of the entrepreneurial stages from idea to launch
- Our website lists the university resources available on each campus and system-wide, to assist you with this exciting endeavor – there are many people to help if this is your first start-up
- We urge you to meet with OTD and take advantage of the resources that are available to help you
- Good luck!