

Launching a Marketing Start-Up Study Guide

- I. Launching a successful start-up involves careful planning, strategic thinking, and a willingness to adapt to changing circumstances; entrepreneurs must carefully consider many aspects including:
 - a. vision and mission of their organization.
 - b. funding sources.
 - c. anticipated and sustained growth.
 - d. organizational ethics.
 - e. corporate social responsibility.
 - f. regulatory compliance.
- II. Vision Statements
 - a. Vision statements are aspirational assertions that describe an organization's long-term goals and future aspirations.
 - b. A well-crafted vision statement serves as a guiding beacon of inspiration for the business, helping to align efforts and decisions toward a common purpose.
 - c. Vision statements should be concise and are often only a sentence long.
- III. Mission Statements
 - a. A mission statement is a declaration of a business's purpose.
 - b. An organization's mission statement clearly articulates what the company does, how it does it, and why.
 - c. A strong mission statement helps:
 - i. guide decision-making.
 - ii. streamline priorities.
 - iii. offer a sense of direction.
 - iv. convey the overall strategy for how the business will achieve its mission.
- IV. Strategic focus areas include:
 - a. Business growth – a growing business can:
 - i. generate more revenue.
 - ii. increase market share.
 - iii. maintain competitive advantage.
 - b. Ethics and social responsibility – an ethical and socially responsible business can:
 - i. build a reputations and trust with customers.
 - ii. boost investor and employee confidence.
 - iii. sustain long-term growth and impact.
 - c. Compliance –complying with laws and regulations is critical to avoid penalties, fines, and potential legal disputes.
 - d. Sustainable business practices – a sustainable business can:
 - i. foster strong customer relationships.
 - ii. impact communities.
 - iii. attract prospective employees.
 - iv. increase competitive advantage.
- V. The major structural roles you need to run a start-up include:
 - a. Management and Leadership roles.

- i. set the direction for the organization.
 - ii. make critical decisions.
 - iii. oversee people and processes.
 - iv. drive success.
- b. Finance roles
 - i. support financial planning.
 - ii. Budget.
 - iii. report financial information to stakeholders and regulatory agencies.
 - iv. ensure financial health and compliance.
- c. Marketing roles
 - i. manage content creation.
 - ii. select and promote a promotional mix for the company.
 - iii. monitor consumer engagement across various mediums.
- d. Sales roles
 - i. drive product sales.
 - ii. ensure customer satisfaction.
 - iii. manage consumer inquiries.
 - iv. resolve issues.
 - v. strengthen customer relationships.
- e. Supply Chain roles
 - i. oversee logistic and administrative functions.
 - ii. monitor supply chain and procurement .

VI. SMART goals are goals that are:

- a. Specific: precise, well-defined, and provide a clear target for success.
- b. Measurable: can be quantified and assessed against criteria, allowing for objective evaluation, progress monitoring, and accountability.
- c. Achievable: realistic and feasible given the available resources and timeframe, helping to maintain motivation when working toward the goal.
- d. Realistic: account for any limitations, constraints, or barriers and set respective expectations.
- e. Timely: provide a clear deadline or timeframe by which the goal will be completed.

VII. PEST Analysis

- a. Tool used to assess and evaluate the primary external factors that influence business environments.
- b. This analysis supports an organization's ability to make strategic decisions by identifying opportunities and threats.
- c. Political factors include the governmental policies and regulations that impact a business or industry, including:
 - i. tax policies.
 - ii. government stability and international conflicts.
 - iii. labor laws.
- d. Economic factors include the economic trends and conditions that may help or hinder a business's operations, revenue, and future opportunities, including:
 - i. Inflation.

- ii. Unemployment.
 - iii. Interest rates.
 - iv. Exchange rates.
- e. Social factors include the societal and cultural factors that influence the consumer beliefs and behaviors that drive demand, including:
 - i. lifestyle trends.
 - ii. sustainability beliefs.
 - iii. cultural values.
- f. Technological factors include the products, services, and innovations that impact a business or industry, including:
 - i. research and development initiatives.
 - ii. automation.
 - iii. other advancements in technology.

VIII. Venture Capitalism

- a. Venture capitalism is a form of private investment that includes providing funding to early-stage and startup companies with high growth potential.
- b. Investors typically become partial owners with a say in how the business is run.
- c. Venture capitalists look for high rates of return and have a stake in the company's success.

IX. Start-up Capital and Costs

- a. Start-up capital is the initial funding required for a new business to begin operations.
- b. The main sources of start-up capital include:
 - i. self-funding.
 - ii. investors.
- c. Businesses incur both fixed and variable expenses in their operation.
 - i. Fixed costs remain constant regardless of the output (sales/production) and may include:
 - 1. rent/lease.
 - 2. Insurance.
 - 3. salaries .
 - ii. Variable costs change in direct proportion to the output (sales/production) and may include:
 - 1. cost of raw materials.
 - 2. shipping costs.
 - 3. temporary labor expenses.

X. Funding

- a. Engaging with proper business etiquette during a funding pitch helps build an entrepreneur's credibility and instills trust in potential investors.
- b. Banks are a primary source of capital for entrepreneurs, typically providing low-interest loans secured by collateral.

XI. The supply chain includes:

- a. The entire process involved in producing and delivering a product or service, from the initial sourcing of raw materials to the final delivery to the end customer.
- b. Sourcing, including the acquisition of supplies and raw materials needed for the start-up.

- c. Production, including the manufacture, production, and/or creation of products/services.
- d. Distribution, including the sale of products and services directly to consumers or to wholesalers.

XII. Potential sources of revenue

- a. The sale of goods and services to consumers.
- b. Selling real-estate.
- c. Lawsuit settlements.

XIII. Accounting

- a. Accounting includes the recording, organization, analysis, and reporting of financial information.
- b. Proper accounting is a fundamental tool that helps entrepreneurs:
 - i. manage business operations.
 - ii. make informed decisions.
 - iii. maintain compliance.

XIV. Pricing

- a. Steps in pricing your product/service include:
 - i. Reviewing market research allows entrepreneurs to understand consumer preferences and behaviors and determine what they are willing to pay for similar products.
 - ii. Calculating total expenses associated with producing, marketing, and delivering the product is crucial to understanding the entrepreneur's cost, including.
 - 1. direct costs (e.g., production, materials).
 - 2. indirect costs (e.g., overhead, marketing expenses).
 - iii. Determining total expected revenue by setting a pricing strategy that minimizes costs and maximizes profits.
- b. Producer Price
 - i. Refers to the price at which a manufacturer or producer sells goods to distributors, wholesalers, or retailers.
 - ii. Wholesalers and distributors typically add 15-20 percent to the producer price as their markup.
 - iii. Calculating producer price includes factors such as:
 - 1. raw materials.
 - 2. Profit.
 - 3. Rent.
- c. Penetration Pricing
 - i. A pricing strategy used to attract customers and generate positive word of mouth by setting a relatively low initial price for a product or service.
 - ii. Can create problems if demand is too high as it may cause businesses to initially operate with lower profit margins.
- d. Price skimming means charging a high introductory price and then dropping the price later; often used to:
 - i. maximize profit from early adopters.

- ii. capture as much revenue as possible from customers willing to pay a premium for new or innovative products.

XV. Sales Strategy

- a. Strategies to promote success in sales:
 - i. Understanding your customers means meeting the needs and expectations of the target market and can lead to brand loyalty.
 - ii. Knowing the check-out process allows for a more positive customer experience.
 - iii. Having good communication skills builds trust and rapport with customers.
- b. Promotion is a sales strategy designed to increase sales and garner customers' attention and can include:
 - i. Signs.
 - ii. Product pictures on social media.
 - iii. A coupon.
- c. Product Placement is a sales strategy that outlines:
 - i. Where the product is sold.
 - ii. Where the product is stored.
 - iii. How the product is distributed.
- d. The most effective sales tactic for uncertain customers is to be proactive and approach them.

XVI. Types of taxes businesses encounter include:

- a. Sales: Taxes imposed on the sale of goods and services and paid by the customer at the point of purchase.
- b. Self-Employment: Taxes paid by self-employed individuals (e.g., sole proprietors, freelancers, etc.), including Social Security and Medicare, paid quarterly by the owner/operator of a small business.
- c. Income: Taxes based on a business's profits paid to the federal or state government.

XVII. Record keeping is crucial for a start-up because:

- a. It indicates the extent to which a business is generating a profit.
- b. It demonstrates corporate compliance with recordkeeping requirements.
- c. It creates systems and structures to track information for tax purposes.

XVIII. Risk

- a. When encountering business risks, entrepreneurs should evaluate the situation and decide how to respond.
- b. Mitigating risks helps ensure companies can meet their short and long-term goals.
- c. Some risks are internal, such as not following the company procedures.

XIX. Pivot vs. Persevere

- a. When facing challenging situations, business owners must decide to pivot or persevere in pursuit of their goals.
- b. This decision involves evaluating the current state of the business and deciding whether to:
 - i. make a significant change in strategy (pivot), or
 - ii. continue with the existing course of action without making changes (persevere).

XX. Ethics should be important to entrepreneurs because they are powerful individuals whose actions affect entire companies and society as a whole.