

WHY START A COMPANY

Starting up a business have become dramatically easier after the event of the internet. Access to information and customers are at your fingertips. Learning how to start a company is free and the legal work inexpensive. So why not start up a company? Well, its perceived risky and difficult, and that is possible still somewhat true although the idea that you will invest in a college degree and then get a job that supports you the rest of your life is gone.

We are moving into the Gig economy where we are all going to exchange our time for money in a free market using platforms such as Upworks and Fivr. So why not take advantage of those platforms and use them to create new products or services and create value in a company instead?

Starting your own company also allows you to work with things that you care about and ultimately you are more in control of your time, although in the beginning you will probably work more than the typical 40hrs/week.

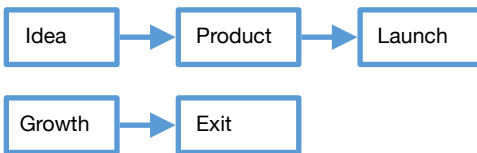
Exercise: Identify 3 services that enables you to build your own website and then build one

BOOKS

- “[Rich Dad Poor Dad](#)” and “[Cashflow](#)” by Robert Kiyosaki
- “[From zero to one](#)” By Peter Thiel
- “[Exponential Organizations](#)” by Salim Ismail
- [Principles](#) by Ray Dalio - also [video](#) about failing
- “[A Brief History of Humankind](#)” by Yuval Noah Harari
- [The Facebook Effect](#) and the movie [The Social Network](#)
- [Delivering Happiness](#) - about Zappo the online shoe store that was bought by Amazon
- [WEconomy](#): You Can Find Meaning, Make A Living, and Change the World - by Holly Branson
- [The Sharing Economy](#): The End of Employment and the Rise of Crowd-Based Capitalism by Arun Sundararajan

VALUE CREATION

A company’s value grows when it moves through the process from idea, product development, product launch, revenue growth to possible exit. Exit is when you and your investors decide that its time to sell the company, and because you own a shares in the company you will end up with a lot of cash, and so will your investors. That is the basic idea. If you are good at it you can decide to do this again abd become a serial entrepreneur.



Entrepreneurs are idolized in the USA. You probably all know Mark Zuckerberg and Elan Musk. But did you know that the youngest billionaire on the Forbes list as a women? Her name is Kylie Jenner. You may also have heard about Jessica Alba and her company [Honest](#) and Gwyneth Paltrow and her company [Goop](#). The difference between these last 3 entrepreneurs and the typical tech entrepreneur is that the recipe for success have changed. These women leveraged their fame and social media followers to create a business that sold products to their fan base instead of just promoting other companies products with their pretty faces.

The idea of the typical tech entrepreneur is a guy who get together with some friends and create a new product using a novel technology and then drops out of college. That is true for Bill Gates and Mark Zuckerberg and a bunch of other successful entrepreneurs. I would like to see women start working together and start more tech companies.

The good news its coming. 30% of all startups are founded by women today. There is a lot of female entrepreneurs in healthcare. in fact 28% of the companies in [JLABS](#) (largest life science incubator)

has a female founder, so I believe it is happening now. And 30% of all new companies started in the USA is started by a woman! Unfortunately the only tech unicorn started by a women failed (a unicorn is a startup company with a value of more than \$1Billion). Elizabeth Holmes’ Theranos failed to deliver a safe product and there are now a HBO documentary about her. Its worth watching because she did not fail by not raising money, in fact she raised \$1B before the company folded. She failed BIG!

Don’t be afraid to fail!

In fact a lot of startups fail, in the process you lean the ropes and better luck next time.

If you would like to lean how to start an company you need to educate yourself and the good news is that there are free resources available you just need a good business idea and a plan.

EXAMPLE

Both [Pinterest](#) as well as [Poshmark](#) are planning to go public (sell shares to the public). Pinterest is media platform where people can discover and share ideas and content through grids of “pinned” images and Poshmark is a fashion resale marketplace.

Exercise: Analyze [Pinterest](#) and compare to [Poshmark](#) Focus on the key numbers: Market cap, revenue and profitability (how close are they to become a money machine).

ONLINE STARTUP SCHOOL

- [Y combinators free startup school](#) - FREE
- [Bank of America Institute for Women's Entrepreneurship at Cornell](#) - FREE!
- [Legal Zoom](#) incorporate for \$250
- [NVCA](#) - resources and model legal documents
- [Rockerlawyer](#)
- [Other online courses](#)

THE IDEA

People get inspiration from many places and one place to look is nature itself. Did you know that [velcro](#) was invented by a guy who was inspired by the Bur's he found on this dog. Other times you have encountered a problem either personally or through a friend or family which really bothers you and you end up finding a possible solution eg [Joy Mangano](#) was tired of manually squeezing water out of a mop so she invented the [self-wringing Miracle Mop](#). And [Sara Blakely](#) got tired of the wrinkly look of underwear through her pants so she invented [Spanks](#). My favorite story is the story behind [AirBnB](#), 3 guys running out of money and leveraging their apartment to get some extra income.

Sometimes the problem can be more impact oriented and you can apply for grants to develop and implement your idea. E.g developing vaccines for poor countries is something Bill and Melissa Gates Foundation have sponsored by grants because typical pharmaceutical companies are not interested in developing them as the commercial upside is limited.

Other impact ideas can be highly profitable e.g. improving healthcare which represent the largest % of the economy making it more effective and saving lives at the same time is something that a number of female entrepreneurs can get behind. The 3 founders behind [FemaleEquity.org](#) are all in that category. Check out their companies [Genomic Expression](#), [MyMee](#) and [GNS Healthcare](#).

Watch this [movie](#) on how inventors got inspiration from nature. Here is links to some of the Pipeline Angel [portfolio companies](#), [Breakout labs portfolio](#) and [Y-combinators portfolio](#)

Once you have an idea its important that you nurture it from idea to a real opportunity. In the following I will tell you how.

DISRUPTIVE TRENDS

Silicon Valley investors love disruptive technologies and business models. This translates into a industry sector undergoing massive transformation and where the old player either evolve or die. A great example is Kodak which went bankrupt because they failed to transform to digital photography. We tend to project the future linearly based on our historic experience however because of disrupting technologies and business models our future is changing exponentially. Being at the right time and the right place with the right idea is everything. Imagine when the internet was a new technology people and didn't believe that consumers would ever buy stuff over the internet. Today Amazon is one of the most valuable companies on the planet ([\\$917B](#)) and Jeff Bezos is richer than Bill Gates. Creating a \$1B company is now faster than it have ever been before. If somebody had told you that you would feel comfortable driving and living with strangers (Uber and AirBnB) you would have shaken your head. But Uber is the largest transportation company in the world yet they don't own any cars and AirBnB is the largest hospitality company in the world yet they don't own any hotels. They grow exponentially because they are connecting dots between owners of cars/apartments and consumers with very little overhead. In other words these companies have changed the fundamentals in the industries they operate in. Because of that their value is much higher per \$ they generate. In general that is true for the tech and biotech sector. On the other end of this spectrum are reselling products eg made in China via your website so there are many more traditional ways you can become an entrepreneur. Today we spend more money on experiences than products. So whatever you invent it doesn't have to be a product. It can simply be a new way of effectively connecting dots (example Uber and Airbnb)
Brainstorm exercise: What can you imagine that would change/disrupt the world tomorrow.

INSPIRATIONAL VIDEO's AND MOVIES

- How inventors get inspiration from [nature](#)
- Sara Blakely: [10 Rules for Female Entrepreneurs](#)
- Sharktank [Female Founders](#)
- HBO's ["The Inventor"](#) about Theranos
- [Joy](#) about Joy Mangano's magic mop

SOCIAL MEDIA PROPERTY

Once you named your company or product, its important to secure those domain names and instagram and twitter handles. In fact before you decide on the final name you should google it and check it is not already taken by potential competitors. Having a unique name makes it easy for your customers to find you.

COMPETITORS

You need to make sure that you are not creating a business that offers products that are similar to a lot of other products in a crowded category. If the latter is the case you can still be successful but you will have to invent a more effective way to get customers otherwise you will have a hard time and spend too much money getting there.

Exercise: Read "From Zero to One" on competition

BRANDING

Branding is the aggregated perception of value that your customers associate with your product or service. In order to become easily recognizable you need a cool company name and logo. Today its easy to get a logo developed using [Fiverr](#) or [99Design](#). Its important that your name is unique and that the website domain name is available. Otherwise it will be more difficult for your customers to find you and it will cost you more money to sell your product. If you are good at branding your customers are willing to pay a premium for your product. Great examples are designer clothing and Niki Once you successfully branded your product that brand becomes a barrier for new competitors.

PATENTS AND TRADEMARKS

Patents and trademarks are important legal documents that prevent others from copying your idea. Patents can be difficult to write without assistance from a patent lawyer and it can be expensive (+\$10K), whereas trademarks are fairly inexpensive and something you could handle by yourself. If your idea is patentable it's important that you invest in getting a patent. Links to patent search and trademark

Exercise: read this patent and discuss the innovation

GRANTS

Grants is free money. You don't need to give up equity (shares in your company). In the US you can apply for an [SBIR](#) grant if there is a technology or impact component in your idea. You do need a Business plan. There is a lot of resources on their website. For other grants that is not necessary eg the Gates Foundation provides grants to develop novel technology and educational resources for poor countries.

BUILDING A MONEY MACHINE

Sometimes you can start a company with very little to no cash and just leverage your time to create a business. However at some point of time you may need money to grow and then you need to present your idea to investors. Make sure you filed any patents and trademarks prior. If you get help writing the patent you can file a provisional patent in the USA for only \$50.

You will have to estimate how much money it will take you to get to launch and then subsequently to cashflow (cashflow means simply that the company produces more cash than it uses for its operation in other words it has turned into a money machine).

The key question to ask yourself early in this process is what does it cost to produce the product/deliver a service and what can you sell it for. The difference between those two numbers is your *margin*. If your margin is +80% your good. You can create Business based on less margin eg reselling things. But having good margins will make your

business grow faster. If it's negative it's either not a good business or you need to optimize the cost before it can become a good business.

Exercise: Calculate your margin for your product service

GET HELP = MENTORS

If you never done it before it can be hard to put the whole thing together. If you know somebody that have started or run a company you should seek out that person as a mentor. Be careful who you pick and pick more than one. I can't tell you how many times I was told that my ideas would not work. If you like your idea protect it and make sure you listen and build into your plans to prove that it can work with the least amount of money. Once you have that data point the next ones get much easier.

It can also help attract investors if your mentors are impressive people with key skillsets and network in the business you are in and you can put those people on your advisory board and if they also invite invite them on your board.

Exercise: Who would you like as a mentor - pick 3

LEADERSHIP AND PEOPLE

Some people starts companies by themselves others do it with a partner. If you have a partner it's important that you have a honest discussion about what you expect from each other and what your roles of the company should be. It's best if your skills are complementary, with that I mean you have different strength and weaknesses. You also need to figure out what to do when you disagree. It is like a marriage so you will disagree eg you can have a board with 1 independent that ultimately enables a decision. Some of this stuff can be governed by the by-laws and shareholder agreement. You can download templates but eventually you need a lawyer to help you develop these documents.

Exercise: read these documents and discuss what the rules are that are governed by bylaws and

shareholder agreements respectively e.g. what happens if your investors want to change the management and has 1 out of 3 board seats: [bylaws](#) and [shareholder](#) agreement

You may need to hire people at some point. Understand that you will need to make people want to work for you not just for money but because of the problem you are solving or because your company in other ways attractive. Nobody works just for money. If they do, you don't want to hire them anyway. Our idea of leadership is sometimes screwed by the impression of movies where the leader is portrayed as a bully. That is not leadership. In fact one way to fail is poor leadership which makes employees leave. Finally help others and they will help you. Women that create [strong networks](#) are more successful.

Exercise 1: Discuss what good leadership is

Exercise 2: Create your team

THE ELEVATOR PITCH

This is a short sentence that quickly describes what you do. Test it on your friends and family - do they get excited and do they understand what you do Here are 6 [examples](#). Remember it have to be authentic and it have to be YOU.

Exercise: Create your pitch

INCUBATORS

Incubators are organizations that nurture early stage companies and provide space, laboratory and sometimes also legal and other services. Sometimes they charge rent other times they provide funding too. Incubators are often specific to an industry and a great way to get help with your startup. Typically they are selective and you will have to apply to get in.

Exercise: Find 3 incubators for your idea and list what they provide and how to apply

INVESTORS

Different investors invest at different stages of the company and most investors are very industry specific. They basically prefer to invest in things they understand. The typical first stage is family and friends. Yes it can feel uncomfortable to ask for money but get over it, if you want to start a business you need funding. The next stage is Angel Investors. There is a lot of different groups. You can teach on Gust and [angel.co](#) etc. And there are a few Angel groups specifically focused on female founders which I listed below. Know that investors invest in YOU. You need to convince them that YOU can pull this off and that YOU will be successful Grit is the major characteristic. YOU need to stay in the game until it works. Be careful. Find investors that support you as a founder as well as your idea. There is a lot of predators once money is on the table and you need a lawyer to review all documents before you consider signing anything.

- [Alexa von Tobel](#)
- [Pipeline Angels](#)
- [Astia](#)
- [Springboard Enterprise](#)
- [In the elevator with Anu Duggal Female Founders Fund](#)
- [Portfolia](#)
- [Cowboy Venture](#)
- [Backstage Capital](#)
- [Female Equity](#)
- [Ashton Kutcher on why he invests](#)
- [NVCA](#) - resources and model legal investment documents

Exercise: Identify 3 investors for your idea

HOW TO PIVOT

Most likely the first attempt wont work. Don't worry try again. Tweak the technology or the way you sell your product until you get positive signals. The #1

indicator for success is a founder with a bold vision and *grit*.

THE EXIT

Some business are life style companies e.g. if you have turned your company into a money machine why would you sell it? Other companies - mostly in tech and biotech - can be sold for +\$1B before they start generating money any money. Some investors would like to get their money out so they can invest in other companies, other investors are perfectly fine with getting their dividends (the pay out from profits based on the # of shares they own). Mark Zuckerberg is famous for rejecting a \$1B acquisition offer. Today Facebook is public and worth [\\$510B](#), So if you are really successful you may also take your company public.

READING MATERIALS ON FEMALE FOUNDERS

- [50 Female Founders](#)
- Pitch book [Female Founder Dashboard](#)
- [Meet the female founders behind 7 VC-backed unicorns](#)
- [How Alyssa Milano Created a Fan-Gear Fashion Empire for Women](#)
- [Meet 7 women that makes traveling easier](#)
- Forbes [list of Female Billionaires](#)
- Morgan Stanley's [Investors Trillion \\$ blindspot](#)
- Sallie Krawcheck's "[Mind the Gap](#)".
- [The Gender Gap That's Really Hurting Us.](#)

FOLLOW ON SOCIAL MEDIA

- [Sallie Krawcheck](#)
- [Jill Schlesinger](#)
- [Alyssa Milano](#)
- [Richard Branson](#)
- [Barbara Corcoran](#)

KEY THINGS TO LEARN:

- How to secure intellectual Property (patents/trademarks and internet domains and handles)
- How to build a website
- How to grow your social media following
- How to build plans and financials
- How to sell
- How to pitch to investors
- How to lead people
- How to pivot
- How not to take no for an answer

IM SCARED TO START A COMPANY

It can be really overwhelming to just think about all the things yo-yo need to master to become a successful entrepreneur, however if you start taking small steps you will soon learn that its not rocket science. There is a lot of salesmanship involved and also some research to make sure that your idea is a good business eg that your margins are ok and that you can compete.

I personally like woking with people. That means that I like to have cofounders, and openly discuss ideas and solutions in a group rather than figure out everything on my own. I truly enjoy the creative process and also the social piece. I also like to build teams. I love people who are positive and optimistic and comes to the table with "of cause it can be done", and then they go do it. That is true magic.

Starting a business is hard but once you learn the ropes it can also be a lot if fun. You will get to do what you enjoy and work with people that you select.

For me the best part is controlling my future. I know what I signed up for and I am passionate about making it happen. I like solving really hard problems.