




First Avenue
Ventures

The Structured Start-Up

WORKBOOK


MODULE 10:
OPERATING YOUR
BUSINESS, BEST
PRACTICES, AND
BUILDING CULTURE

TOPICS COVERED:

How the purpose and type of business can tell you what you need to operate and scale the business.

**LEARN WHAT
MATTERS
MOST**

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“The road of a thousand miles begins with the first step.”

— Chinese proverb

“There is only one way to eat an elephant: a bite at a time.”

— Desmond Tutu

“Give me six hours to chop down a tree and I will spend the first four sharpening the axe.”

— Attributed to Abraham Lincoln

WHAT DO YOU NEED TO CREATE IN ORDER TO PRODUCE YOUR GOODS OR SERVICES?

I was reading a business plan the other day and it was great: it talked about the market; it talked about pricing; it hit all of the salient points -- except what exactly it was that they were going to do and how they were going to go about doing it. Some of this may be stating the obvious, but in this case, the obvious needs to be stated.

A plan is great, but it is only a plan. Having the right team is fantastic, but the team is going to have to DO SOMETHING. You have to create value, and before you can create value, you have to start with the right tools.

Obviously, knowing what you need to do to create value is highly dependent on the type of business.

A technology company is going to need to build software. But what kind of software? Is it custom-built? Is it off the shelf? Figuring out how you propose to go about your tech business -- whether SaaS, tech-enabled, MarTech, or something else -- is going to be crucial for survival.

For a location-based company (a restaurant or a retail store), location, location, location is, of course, the crucial statement.

An industrial company – distribution or manufacturing -- is going to need a facility -- a warehouse, plant or shop.

A life science company is going to need to test in order to further perfect the intellectual property.

Even a professional services company is going to need at least an office or website, as well as tools or branding, in order to be more than just solo practitioners who know one another.

This is the What, and a key part of your plan is deciphering what you are going to be doing. When you're up and operating, what will the members of your team do for the betterment of the company and how will they do it? You cannot plan everything, but you can research and figure it out -- and that is key. In my experience, business owners and entrepreneurs can make some mistakes -- a bad choice of logo design, maybe, or sharing an office with a person who's a jerk. But not all mistakes are equal -- a bad location, for example, can and will kill a retail business -- and the number of allowable mistakes is not infinite. Each one has a cost and at some point the cost will overburden the business.

As you work through your company's What, figuring out best practices in your industry is helpful. As discussed in the last module, there is no law against imitating other people's best practices. Additionally, an array of resources exists with respect to operational efficiency. While you cannot prepare for everything, you can and should begin to figure out how you will go about your work.

After all, you have to be sure you CAN DO what you plan TO DO.

Culture is a key piece of operational efficiency. A good company culture builds trust, inspires, and creates an engaged workforce. Innumerable books and articles have been written about creating culture, and entrepreneurs who neglect to build a good culture do so at their own peril ... But building culture in the planning stage is difficult, if not impossible. Culture flows from the CEO, but initially, the founder does not have anywhere for his or her culture to flow. It is simply the founder, and imparting culture is impossible when alone. Saying we will have a "Culture of X" rings hollow when it is you and your cat. Culture will come. Be patient.

CONFLICTING DYNAMIC



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QUESTIONS TO CONSIDER

1. What do you need to create in order to produce your goods or services?

QUESTIONS TO CONSIDER

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2. After MVP, what's the next thing you need to build out?

3. When you're up and operating, what do you need the members of your team do for the betterment of the company and how will they do it?
