

Lao Zi the Chinese philosopher once mentioned: “A journey of a thousand miles starts with a step.” However, usually, when we desire to begin some larger-than-life task, like our business venture, we get really engrossed preparing for 50 steps that we jump over the actual first step.

This is the reason why in this book, you won't get detailed analyses of the management tools you require to begin and manage a business. Rather, you'll get just enough to take that first step. Also, you'll get to know how to pitch for funding and endure even if you don't acquire the profit. You'll know how companies can place themselves successfully and produce powerful products.

Chapter 1 - Entrepreneurs need to try their best to make meaning and not cash.

A lot of people visualize beginning their own company, and usually, their motivation comes from the wish to become rich fast.

However, this isn't the right way to do that: entrepreneurship needs to be about making meaning, and not making cash. Meaning can be made when you produce a service or product that in some way adds to the world turning into a better place.

Also, making meaning doesn't just contribute to the world; however, it's also a crucial component in the success of your company's. It's very hard to become an A-list entrepreneur if you don't make meaning. Both you and your workers will be very motivated if money isn't your main aim.

Therefore, how can you make this meaning?

Create a short, strong mantra that shows it. A mantra is a basic, regularly repeated word that reminds the workers of the reason the company is in existence. For instance, Disney's mantra is “Fun family entertainment” and Nike's mantra is “Authentic athletic performance.”

You may reason that a company's mission statement already does the same work; however, a mantra is different from a company's mission and it's shorter, more straightforward and more memorable.

For example, Coca-Cola's mission statement is "The Coca-Cola Company is in existence to serve and refresh everybody it touches." That's a mouthful. However, if we create a hypothetical mantra for the Coca-Cola company, we could form something such as "Refresh the world," which is much captivating and easier to remember.

Chapter 2 - When it comes to business, don't just improvise: you have to create milestones, define tasks and test assumptions.

A lot of start-ups work in a state of continuous chaos: nobody actually understands where the company is heading or the progress it's making.

Don't allow this to be the case of your company. Rather, make use of the MAT framework: define Milestones, Assumptions, and Tasks.

First of all, know your milestones in order for you to notice how you're progressing toward them. These milestones should be the most significant incidences on your strategic path to success, that is., finalizing major deliverables or making a significant choice.

For instance, for a start-up, the first milestone could be acquiring a "proof of concept" for its product or service, which shows that it's practicable. The second milestone could be finishing a working prototype, and the next one could be is getting funding to make the first production of products. This entails that all significant incident is mapped out beforehand.

Definitely, it's not certain that milestones will be attained. You have to be practical about what business-relevant assumptions you're creating. Hence you should form a list of assumptions that could influence whether or not you attain your milestones, and then monitor them all the time to tell if they still exist. If not, you have to respond.

For instance, assuming you're establishing a tailoring shop, and assume that the textiles will be a price of \$1,000 for a month. Then your suppliers mention that they're increasing their cost,

and the textiles will really cost you \$2,000 for a month. Obviously you have to maybe look for new suppliers or increase your prices.

Lastly, write down the tasks that will assist you to attain your milestones – tasks that are needed to make, sell, and support your product. These tasks could be something peripheral; however, significant, such as renting office space or paying your worker insurance policies. You have to make sure that this is taken care of.

Chapter 3 - The positioning of your company should tell the client what you do in a clear and personal manner.

One aspect where start-up organizations usually fall is positioning, which entails the manner in which clients see the company. However, doesn't have positioning to be difficult. The most significant thing is that it obviously provides an answer to the question: "What do you do?" Look for a good answer to that question and share it with the market –offering the customer a cause to purchase your product.

Therefore, what do you have to do to accomplish great positioning?

The first phase of positioning is to ensure that your mission is understood and believed by clients. The essence of your business should link to their core needs, in order for them to see that your company occurs exactly to satisfy those needs.

Also, your positioning has to be formulated so that it talks precisely to your target group of customers. For instance, assuming your company sells security software for banks. Which one of the two positioning statements would you use: "Decreasing the risk of online-transaction fraud for commercial banks" or "Increasing the security of websites?"

Obviously, the former is more effective at talking to the target client.

The next stage in successful positioning is that it should feel personally significant to the individual customer. For instance, if you've created an innovative new type of sunblock, you

shouldn't say, "Can decrease global cancer incidences by up to 3%," however, rather say, "Prevents you from having melanoma."

The latter statement enables it to be instantly clear to the customer the reason she needs it.

Chapter 4 - Pitching should reveal to the audience your purpose and the reason it's significant.

We all understand that no entrepreneur can flourish if she's the only one excited about her idea. This is the reason why a significant aspect of entrepreneurship is pitching: showing your business idea so that other people can become excited about it as well.

For you to pitch well, you have to remember a few things.

Firstly, begin by explaining what your company is all about all the time. That is the first thing the audience will wish to understand, and they won't be able to concentrate on any other thing until they have understood what your company does. Make the introduction short and straight to the point, in order not to overwhelm the audience. For instance: "We teach underprivileged kids" or "We sell software."

Secondly, always explain to the audience the reason what you're saying is significant. Keep in mind that, the audience does have your background and skill; therefore, the importance of what you're discussing may be lost on them.

For instance, say you're an expert in audio technology, you might proudly state: "Our hearing aids make use of digital signal processing," however, this won't signify anything to an audience of investors.

In order to prevent this communication gap, when planning your pitch ask yourself all the time "So what?" after all the things you wish to say. Then get ready to answer that "so what" using a few descriptive, vivid illustrations.

Therefore, once again, if you want to say: "Our hearing aids make use of digital signal processing, then" ask yourself "So what?"

Your answer could be: “Because our hearing aids enable sounds to be clearer.”

Then make use of a real-life illustration to actually make the situation clear: “Assuming you’re at a party with so much ambient noise, you’ll still be able to hear your discussion partner well.”

This is an advantage anybody can understand.

Chapter 5 - All start-ups have to make a business plan.

There’s more than a little bit of truth to the age-old saying, “If you don’t plan to prosper you plan to fail.” Conventionally, companies use the business plan: a formal written document describing goals and the approaches for accomplishing them.

Since the business plan is really a formal document, writing a business plan may look like a fruitless task for a start-up competing with a lot of unknowns. However, as a matter of fact, it does have numerous advantages.

Firstly: your stakeholders will ask you for one, although they might not read it. Don’t even think of enticing funding from likely investors without having a business plan.

Also, the act of making the business plan has specific benefits as well.

For one, your team needs to cooperate to write it. This can assist them to become a more unified unit, or, conversely, may make it obvious that you don’t want to work with these people never again—therefore, saving you much pain afterward.

Also, writing the plan can usually focus on difficulties and future problems that would not show without formalized planning. For instance, you may notice that two people from your team are really doing the exact thing, or that nobody has considered how to deliver customer service.

Therefore, what’s the strategy for writing a great business plan? Concentrate only on the executive summary which is a four-paragraph précis of the document. The executive summary is the first thing people will read, and if it’s not stellar, they won’t go beyond that.

A good executive summary plainly and briefly talks about what issue you're addressing and how you intend to do it and displaying your business model and the "magic" in your product or service.

As soon as your executive summary is prepared, do this easy test to measure its quality: print it out and read it. If it triggers interest in you to read further, then it's in a good form.

Chapter 6 - Concentrate on making cash flow if you can't find external funding for your company

A lot of start-ups are in debt of their existence to investors who fund them during their early phases. However, you can also form a start-up by bootstrapping: managing it without any external investment.

In order to flourish at bootstrapping, you have to concentrate mainly on making cash flow or making money into your bank account. Nevertheless, you require it to pay for your rent, salaries, bills and so on.

This entails that you should prioritize projects and sales according to how fast you'll get paid for them. For instance, if a customer needs to request a six-month website design project from you; however, your company is doesn't really have enough money it will go bankrupt in just eight weeks, you have to either reject or ask for part of the payment upfront.

Another method to increase your cash-flow matter is to attempt to delay the outflows. In order to accomplish this, negotiate with your suppliers for better payment conditions in order for you not to need to pay it quickly in full.

If you wish to make cash flow, you can't wait for your product to be perfected before selling it. Or else, you'll go bankrupt waiting for each of the problems to be solved.

Don't consider, "Fix it, fix it, fix it, ship it," however, rather, "ship it, fix it, ship it, fix it, ship it."

You'll make instant cash flow from sales and get a response on your product from genuine customers.

The disadvantage is that the quality of your product will unavoidably be suboptimal, and this could ruin the reputation of your company in the market. To avoid this issue, attempt to sell your product first in a small, isolated geographical region or market. By doing this at least the damage to your image will be limited.

But, bear in mind that, product safety is one thing you can't solve after shipping. This has to be of great quality before even the first trial sale since safety problems can lead to irreversible damage to your image.

Chapter 7 - In order for you to form a great team, employ people that are better than yourself and sack those who don't work.

Regardless of the field, you belong to, you can't manage a successful company without the presence of a great team of people behind it. Therefore, how do you make sure that you create this team?

Firstly, do not be scared of employing a person who's better than you. This is significant for success.

Just consider, if everybody in the business is just ready to employ a person less able than themselves, the team will unavoidably be filled with poor performers. To cite Steve Jobs, if B players employ C players and C players employ D players, very soon you'll see your company occupied with Z players.

Rather, you need to be really humble to acknowledge that there are people better than you and you need the self-confidence to employ them nevertheless.

Secondly, you need to know the people in your team who aren't working and fire them.

This may look strict; however, you basically can't afford to have them around. Every worker comes at a price in resources such as management time, salary and office space, and these whole things are wasted if you're giving them at the wrong person. You have to fix these circumstances fast.

Therefore, how can you know low-performers?

When you employ a new work, create personal milestones for them and outline a review period during which you'll measure their performance in association with these milestones.

For instance, if you employ a new salesperson, her milestones could entail successfully finishing training, creating a client database and getting the first ten sales calls.

The first review period should be about 90 days in order for both the worker and the company to get familiar enough to know whether or not to carry on.

Chapter 8 - If you go into a partnership, ensure it yields a tangible financial profit.

Start-ups can't stay start-ups for like— they can either develop or fail. And one of the strategies that can assist your start-up to develop is forming partnerships with other businesses.

Let's examine some of the factors that enable your partnerships successful.

Firstly you have to be selective. Accept only the partnerships that will positively influence your financial prediction. This entails that your partner needs to enable you to, for instance, decrease costs, increase product growth or go into a new market. Meaning, the benefit needs to be tangible.

For example, in its early days, Apple partnered with the Aldus Corporation, which had produced a desktop publishing program called PageMaker. Apple needed a "killer application" that would run on its computers, whereas Aldus needed a channel through which to sell its software. As a result of the partnership, both companies flourished.

However, even if the partnership makes sense financially, making two businesses to work together is not an easy task. This is the reason why you have to look a champion within your company who will be only in charge of making the partnership successful. If everybody just feels partly in charge, nothing will ever get completed. The champion should be a person who really trusts in the potential of the partnership and has complete power to make the entire departments in the company to deliver what is required.

Finally, although a partnership has to be beneficial to both parties, it's still significant that there's a proposal for backing out of it if needed. Situations change and should the time come, both you as well as your partner have to be clear about how you'll terminate the partnership. Admitting this from the beginning will assist both parties to be more comfortable during the course of the partnership.

Chapter 9 - For you to form a brand, you have to make your product really great that it spreads just like a virus.

All founders visualize that her start-up will one day turn into an internationally known household name. Therefore, how can you brand your product for it to become a legend?

Your key concentration should be in making products that spread— people should be infected with the interest to attempt them.

Making those kinds of products is not easy to do; however, there are a few features that contagious products have a tendency to share.

First and foremost, contagious products are cool. For instance, the iPod, was successful partially as a result that it was the first cool Mp3 player.

Secondly, contagious products are effective, or perfect at what they do. For instance, the TiVo, turned into an iconic digital video recorder since it enabled you to record your best TV shows really easily. If it had been difficult to make use of, nobody would have ever known it.

Thirdly, contagious products are unique, or strikingly different from the rivalry. For instance, think of the Hummer– you wouldn't mix it up with any other car.

However, even if you create contagious products or services it won't be adequate to make a recognizable brand. Also, you will have to form a community of users around them. These communities provide support to users and allow the experience of utilizing the product or service a really pleasing one.

For instance, the loyal fans of Coca-Cola's loyal began a Facebook fan page that acquired more than one million followers.

If you're not really fortunate to have your users automatically create a community, you can accelerate the process by looking for your most interested clients and telling them to form the community for you. They'll most likely be glad to assist, particularly if you give them a budget for promotion and community occasions, and also allocate a person from your company to be your representative.

Chapter 10 - Look out for unanticipated opportunities.

You might not have heard of it; however, a long time ago, a company named Univac ran the computing market. However, the company made a critical mistake of judgment: it viewed its computers as classy devices to be utilized by just scientists, and hence just created machines apposite for difficult scientific calculations.

But, at that time; a different company understood that businesses were interested as well in the potential of computing, and therefore it started making machines aimed at this new consumer market. Although the name Univac is forgotten a long time ago, you probably would have heard of this second company. It's called IBM.

Therefore, what's the lesson?

Watch out for and look for non-obvious customers all the time and use them for your products. When your product is utilized by customers you didn't imagine or in a direction you didn't

consider, don't be scared; however, rather take advantage of this new opportunity to develop. Don't make the exact error Univac did.

Another important asset is a readiness to change emphasis if your "obvious" target customers are different to get to. For instance, one clear target customer for any start-up is a reputable, name-brand company that could then function as a reference for future sales. The problem is that those kinds of companies have a tendency to just purchase from other recognized companies, and a start-up can become extremely tired attempting to persuade them otherwise.

If your dream customer doesn't realize the reason why your product is really great, forget about them and rather target customers who are ready to attempt your product.

The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything by Guy Kawasaki Book Review

Companies should be established because the owners of the business want to make meaning, not because they want to make a profit. Concentrate on making cash flow and pursuing unforeseen market opportunities, and you can flourish even without external funding.

Allow your introductions to be attention-grabbing.

In these chapters, you discovered that the most significant aspect of any business plan is the executive summary since that is the thing people will read first. However, as a matter of fact, the same applies to a lot of documents and presentations. If you're attempting to sell your product or pitch to investors, make sure you put all your effort from the beginning, or you'll lose their focus. This entails that you should use your most surprising information and compelling stories at the get-go – they're pointless if nobody's awake to read them.

<https://goodbooksummary.com/the-art-of-the-start-by-guy-kawasaki-book-summary/>