



MENTOR•HER

THE PLAN

SETTING A GOAL &
GETTING ON THE PATH

PUBLISHED ON

WEEK TWO

FOR

RUNNING A BUSINESS

WEEK ONE: RECAP

1. Understanding your Business Idea

A. Development

Developing your business idea in detail by inspecting all of its aspects including your industry, location and whether you're offering a product or service.

B. Consumers and Audience

Exploring your target audience to ensure you understand who will buy your product and for what reason.

C. Unique Selling Point

Asking the big questions: why is your business unique? Why is it going to work? What are you offering and has it been done before?

2. Research & Competitor Analysis

A. How to Research

Understanding the best practices to ensure your business research is in depth and covers all bases.

B. The Questions to Ask

Following on from your Unique Selling Point, the questions to ask yourself when researching your idea to ensure your business is viable.

C. Your Competitors

How to compile a detailed list of your competitors and how to interpret this data to use it for future use in sales and marketing.

3. Financial Projections

A. What Price Will You Sell?

Moving on and learning from your competitors, understand the business basics and how to build a pricing model for your product or service.

B. Your Business Expenses (Monthly and Start-up costs)

Get more information about how much your business is going to cost to set up and how to manage these expenses on a start-up and on a month-by-month basis.

C. Analyzing the data

Look at all the information that you have gathered across your business idea, audience, research, competitors and pricing to answer the question: is this viable?

CHOOSE A GOAL

From Week One: Validating Your Business Idea, you should have a good grasp on your business, its audience, your niche audience, your USP, who your competitors are, your financials and how much cash you burn on a month-by-month basis. Now, whether you're just starting out or you already have a business that makes money, we need to choose a goal for your business and make a plan towards it.

There's so much going on with your business and so many decisions to be made it can be very easy to become overwhelmed. You should be choosing and outlining goals for every step of your journey, whether the timeline is for a few months, 6-months or a year down the road. Goals can be big or small, each leading to the next, and if you achieve them- year-by-year your business can become more and more successful. Setting achievable and realistic goals is always a good idea, even if you don't achieve them. As we all know by now, sh!t happens. Who could have foreseen Covid-19? Not you, not me. It messed up everyone's goals. Whether you worked towards your business's goals during lock-down or you took the time off, it doesn't matter now. What **does** matter is that we make plans for the future, taking into account that it is still quite volatile and unpredictable. If we're taking steps towards success by working towards business goals as best we can, then nothing can stand in our way.

Whatever your dreams and motives are for starting a business, in this Manual we tell you how to break down goals into achievable tasks that you can work towards on a monthly, weekly and daily basis. Whether you're just trying to get your business back after lock-down, or you want to launch a new product or service, maybe hire another team member or make a large purchase like a business asset- it's time to choose a goal and make a plan towards it.

Every goal you pick is made up of two parts: money and time. Every small business is based around money and whether you work full-time in your business or still do things on the side, time management is an important aspect in achieving success.



The next question is:

WHAT'S MY BUSINESS GOAL?

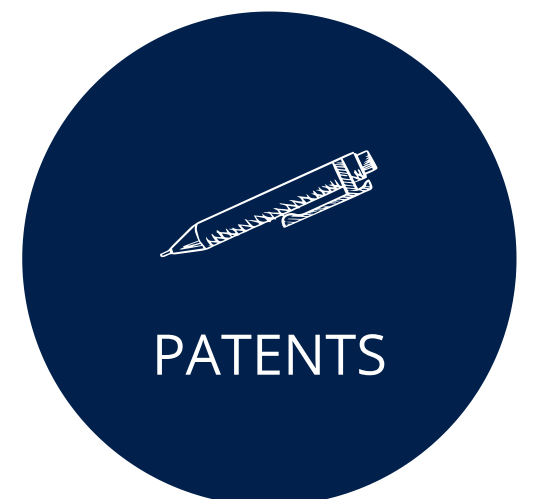


TYPES OF GOALS

Every business's goal is going to be different, depending on your type of business, your industry and what stage your business is currently at. Your goal could simply be to get more money in so that you can afford to make a real living, or big goals to get to a stage where your company is ready to be sold. Have a look at the goals below and have a think about where you want to see your business and what's the first big goal to getting to that stage.

HERE'S SOME IDEAS...

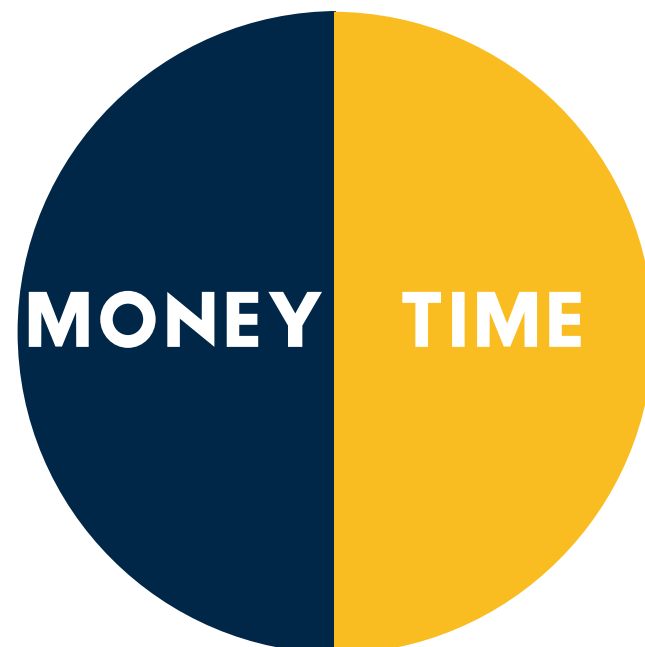
BUSINESS ADDITIONS



MARKETING GOALS



EVERY GOAL



Every goal can be achieved through a certain amount of two things: money and time. And in turn, it can be broken down into a monetary and time equivalent. If you're short on cash, but find that you have a lot of time in the evenings- then your business goal can be achieved by giving yourself two or three hours to work away at the task every night. If you've got a family of four and a bit of cash saved up, it might be easier and faster to invest your money in achieving your goal quickly and efficiently.

MONEY

Every goal requires money. Whether that's towards a big company asset like equipment, or a social media advertisement campaign. We need to look at how much money is required to get to your goal, where you will get it from and how to maximize to the greatest of advantages for your business. Every business start-up requires some personal donations in order to get off the ground originally. If you don't believe in your business to risk a bit of your own capital, why would you expect someone else (a customer, bank or investor) to risk theirs? If you already have an operating business, the company itself might be able to afford the goal by augmenting sales and making more profit.

TIME

We all know starting a business is the most time-consuming thing you may ever do. Whether you pay yourself by the hour, take small drawings to get by or just work off the money you can afford to take out, you're probably putting 200% more time into the business than what you're financially compensated for. We need to break your goal into weekly and daily time-frames so that you know what's expected from you and what's manageable as you also navigate your family and social life, and take a bit of time to have a breather yourself!

MONEY

Transforming your goal into a monetary number is an important aspect in making a plan towards it. Budget is everything in a small business. So, the next question we have to ask is: what is that euro-number?

YOUR GOAL IN EUROS

If your goal is to purchase a business asset, the euro amount that this costs will be quite obvious. If it is a very large asset, like a building, machinery, software etc: you should research into whether you can make monthly payments rather than an upfront lump sum. If your business goal is based on items like weekly or monthly costs, like employees, it might require a bit more math. For things like marketing campaigns to boost business, you can also choose to work off the amount you can afford to spend.

Here's some examples.

A) If you want to hire a full-time employee, you'll need to know what you will pay them on a month-by-month or week-by-week basis. For business additions like these, other costs may arise like employer's liability insurance, a Human Resource consultant or a solicitor to write up a contract, the cost of more equipment (computer, IT, software), and obviously, the employee's wage and taxes. Write down a list of all the requirements and divide that into a monthly and weekly number.

B) In another example, if you want to sign three more contracts per week and you obtain these sales leads easiest through Facebook advertisements, you should work out how much you have needed to spend in the past to obtain a sale. In this case, you should look back on your Facebook advertisements results from the past, and see how much money per **purchase** that you were paying.

Some things, like sending out more cold emails, engaging with people on social media or visiting more places and offering your products or services, may not cost too much money but will cost a lot of time. It's worth figuring out how much your time is worth per hour to understand the sacrifice you're making.

HOW WILL YOU FUND IT?

You have a few options when you look at funding your goal. On one side, if time is gold in your life- you might just decide to make a personal investment and pay for it yourself- straight away. If you're spending your own money, you may be able to achieve this goal straight away without having to work out a time-frame. Otherwise, you can look at getting a business loan from Microfinance Ireland, or Enterprise Ireland, or raising investment. Every business owner wants to get their business to a stage where it is able to afford its own investments, without you putting more and more money into after it's started up. Even if you are funding the goal on your own, or through a loan, it's a good idea to know how much it's worth to your business in terms of how many sales you would need to get in order to achieve it.

GOALS: IN SALES

$$\frac{\text{€}}{\text{Your goal}} \div \text{THE PROFIT YOU MAKE ON EVERY SALE} = \text{THE NUMBER OF NEW SALES YOU NEED TO MAKE TO AFFORD THE GOAL}$$

The next thing we need to do is translate the cost of your goal into a weekly, monthly or yearly number of sales you need to make in order for your business to afford it. Even if you're going to fund it yourself, seek grants or loans- knowing and understanding this number can put your goal into context and demonstrate if it's worth the investment.

So, let's get to work on some maths problems.

Example 1. I just started my consultancy business, I work part-time at the moment for another company and I want to work for my business full time. I'm the only person in my business and my overheads (office rental, marketing, travel) add up to €400 per month. Right now, my two clients spend €50 a week on 2 month contracts, which is just covering costs. To make my business worthwhile, I need to be earning what I did in my last job full time which is €35,000 a year, €30,000 after tax. I also need to take into consideration that I spend €4,800 (€400 x 12) a year on overheads. Considering every client is worth €400 (€50 x 8 weeks) to my business, I need to have 87 clients per year, worked out in the below:

(€30,000 + €4,800 = € 34,800 (turnover for the year).
€34,800 ÷ €400 (client worth) = 87 clients.

That might sound like a lot, but that's less than two clients a week that need to be gained in the business.

Example 2. I want to buy an important piece of machinery in 12 months, the cost of this is €30,000 in a lump sum payment. I make €3.50 margin on every product I sell through my suppliers. After taking into account my monthly business costs as compared to my current sales, my business makes a profit of €500 every month. I'm going to save this money and put it towards my goal at the end of 12 months, which means this reduces the €30,000 goal to €24,000. Which means I need to sell 6,857 (€24,000 divided by €3.50) **more** products in order to achieve it.

Example 3. I want to afford a sales manager for my business. I want to pay them €13 an hour for 39 hours a week (€2,028 p/m (per month)) with €300 p/m in associated costs (desk, software etc.). For every sale, the business receives €30 profit which means in order to afford themselves within the company, my sales manager needs to be selling an extra 78 units per month, or just over 19 units per week. (€2,028 + €300 = €2,328 ÷ €30 = 78 units).

Bearing in mind, that your business will have to augment sales to achieve the turnover that's required which will probably either need to include a marketing campaign or more of your time to complete cold calls. In this case, you can begin to move backwards to figure out an estimated figure you'll need to spend on a marketing campaign in order to achieve the extra sales, to achieve the business goal.

TRANSLATING A GOAL INTO TIME

YOUR GOAL: _____

How much is your goal worth in euros? € _____

How much of this goal will be subsidized by money already in the business, your money, loans or grants? € _____

(A). How many **extra** sales will you need in order to afford your goal? € _____

What date will you achieve your goal by? _____ / _____ / _____ = _____ weeks **(B)**
_____ days **(C)**

Divide **A** (extra sales) by **B** (number of weeks) = _____

Divide **A** (extra sales) by **C** (number of days) = _____

How many hours a day do you work on your business? _____

Considering the amount of new sales you need to get every day in order to be able to afford this goal, do you think its achievable? _____

IF THE ANSWER IS NO, THEN MAYBE YOU NEED TO GIVE YOURSELF A LONGER TIME-FRAME OR LOOK AT ALTERNATIVE/CHEAPER OPTIONS.

IF YOUR ANSWER IS YES, THEN YOU'RE READY TO GET TO WORK!

NEXT WEEK...



MENTOR•HER

MARKETING YOUR BUSINESS

HOW TO ATTRACT
CUSTOMERS

PUBLISHED ON
WEEK THREE

FOR
RUNNING A BUSINESS