

## Chapter 4

### How to set up a Business !

*“Our goals can only be reached through the vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success.” – Pablo Picasso”*

#### 4.1 The Business Model

Realistically, registering your business is the first step toward making it real. However, as with the personal evaluation step, take your time to get to know the pros and cons of different business entities. You will also need to get the proper business licenses and permits. Depending upon the business, there may be city, county, or state regulations as well ([see Chapter 5](#)). In [Chapter 3](#) we talked about from dream to idea. Before the start, he/she should talk to his/her acquaintances and, if possible, the specialists from the business field. He/she has to make sure that the answers of his interlocutors are sincere and not just benevolent. Also, the future entrepreneur should not be discouraged by a few negative opinions. But if the vast majority of opinions are negative and the arguments of the interlocutors are solid and logical, then it means that the idea has no potential. Otherwise, the work at the business can start and you should make a business plan.

In the simplest terms, a business plan is a roadmap—something you will use to help you chart your progress and that will outline the things you need to do in order to reach your goals. Rather than thinking of a business plan as a hefty document that you’ll only use once (perhaps to obtain a loan from a bank), think of it as tool to manage how your business grows and achieves its goals.

Do you want some tips and tricks Tips around Business Planning ([see Chapter 6](#)): Writing a business plan can seem daunting if you've never done it before. However, it's something you can't afford to put off or ignore. Having a sound business plan is crucial to the survival and development of your business.

While you might use your business plan as part of your pitch to investors and banks, and to attract potential partners and board members, you will primarily use it to define your strategy, tactics, and specific activities for execution, including key milestones, deadlines and budgets, and cash flow.

In fact, the business plan does not have to be a formal document at all if you don't need to present your plan to outsiders. Instead, your plan can follow a Lean Planning process that involves creating a pitch, forecasting your key business numbers, outlining key milestones you hope to achieve, and regular progress checks where you review and revise your plan.

If you aren't presenting to investors, don't think of this as a formal pitch presentation, but instead a high-level overview of who you are, the problem you are solving, your solution to the problem, your target market, and the key tactics you will use to achieve your goals. Even if you do not think you need a formal business plan, you should go through the planning process anyway. The process will help to uncover any holes or areas you have not thought through well enough. If you do need to write a formal business plan document, you can choose to follow the outline below.

The standard business plan includes nine parts:

1. The Executive Summary
2. Target Market
3. Products and Services
4. Marketing and Sales Plan
5. Milestones and Metrics
6. Company Overview
7. Management Team
8. Financial Plan
9. Appendix

If you would like detailed information on how to write a business plan to present to banks or funders, there are plenty of online resources, including our own comprehensive guide.

You will also find hundreds of sample plans for specific industries on our platform and website. Use them at your convenience, but be prepared to adapt them to suit your precise needs. No two businesses are the same! There are several methods that aid the entrepreneur in building his/her company: Lean Start-up, Business Canvas Model, Design Thinking, etc. Below we give you two Business Model examples.

It's always advisable to consult the specialists in law and taxation. A specialist has a well-structured vision on the field and a valuable experience, so he/she represents a competent and reliable source, being able to focus on the significant details for the entrepreneur. These specialists can confirm the viability of the business idea, as well as provide very useful tips, such as where it is best to open the business or the requirements that must be met in order to obtain some legal advantages. After consulting the legal and tax specialists, the entrepreneur has a much clearer idea about his business. At this point, the entrepreneur starts to think at the form of legal organization of his business (individual entrepreneurship, limited company, etc.). These forms are specific to each country.

Further, the entrepreneur can develop his/her business based on intuition, but the chances of success are very low. It is best to apply a successfully tested method, such as [Lean Startup](#), or the [Business Model Canvas](#).