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D-SRC Founder Readiness Guide

The Entrepreneurs' Manual for Personal, Professional, and Startup Readiness

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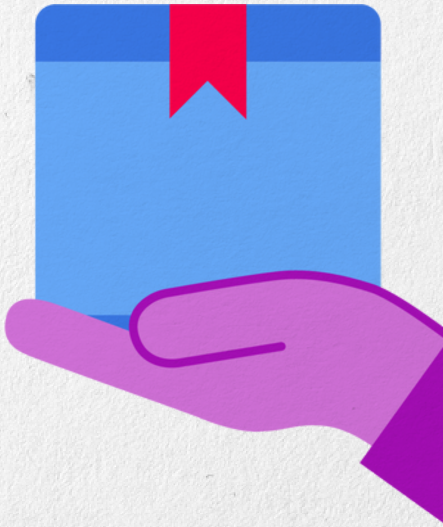

Founder:

noun

one who establishes an institution, company, or society.

The Founder Readiness Guide

Welcome to the Founder Readiness Guide. This guidebook contains three sections:

(1) Personal Readiness

Consider how your personal qualities and finances may impact your entrepreneurship journey.

(2) Professional Readiness

Assess your professional preparedness to operate a company in your industry.

(3) Startup Readiness

Evaluate and test the organizational and fiscal integrity of your startup.

There is no magic formula for what makes the perfect Founder. No one assessment can tell you if you are "well-suited" for entrepreneurship. But, if you take the time to assess your personal, professional, and startup readiness, you will be much better suited to navigate the enriching journey of entrepreneurship.

Part I: Personal Readiness

I.A: Personal Qualities

Personal Qualities & Entrepreneurship

Consistent self-reflection as an entrepreneur can minimize issues that might inhibit your ability to successfully run or grow your company. Entrepreneurship is much easier to navigate when you have cultivated your qualities to ensure personal accountability for your outcomes. As a startup Founder, you are the engine of your company - so your company is only as prepared for the journey as you are.

TAKE A MOMENT AND REFLECT

Consider your personal qualities alongside the following benchmarks.

BENCHMARK	ASSESSMENT
Motivation	I am motivated to achieve personal and professional goals
Resourcefulness	I have the resourcefulness to solve my problems and advance my goals despite complex barriers.
Discipline	I am a master of patience, regularly set long-term goals, and stick to the plan to see things through.
Resilience	I navigate adversity with ease, study my failures, and apply lessons learned to improve.
Work Ethic	I am a dependable colleague, contribute my fair share to the workload, and meet deadlines.
Time Management	I maintain a healthy work-life balance and regularly organize and monitor my schedule.
Accountability	I keep my word on commitments and deal with the consequences of my shortfalls in a positive way.
Communication	I effectively and confidently articulate my ideas. I listen to and learn from others as often as I speak.
Collaboration	I accept that I cannot do everything myself. I seek out help and delegate when necessary.
Follow-Through	I respond to communications in a timely manner and make good on my commitments.
Emotional Intelligence	I accept tough criticism and use it as an opportunity to reflect and improve.

Based on your intrapersonal assessment, what kinds of interpersonal trainings, mental and/or physical health care support , and/or other essential resources should you prioritize to uplift your personal qualities?

I.B: Personal Finances

Personal Finances & Entrepreneurship

Personal financial readiness is critical before starting a business. As a Founder, you will be in a constant state of fiscal management. Understanding how to read and build basic budgets is fundamental and this starts at home. Running a financially sustainable company requires you to apply strategies used to manage personal finances (i.e., budgeting, credit monitoring, bill payment, and account(s) monitoring) with even greater organization. Consider your personal financial circumstances before jumping into entrepreneurship. Have you established personal savings and credit? Can your personal budget accommodate the cost of your startup needs or inventory? Take the necessary steps to assess and reinforce your personal financial preparedness early on to set yourself and your company up for long-term success.

TAKE A MOMENT AND REFLECT

Assess your personal finances alongside the following benchmarks.

BENCHMARK	ASSESSMENT
Budgeting	I consistently document my income and expenses in a formalized way. I understand exactly how much money is coming into and going out of my home. I am equipped to manage planned and unexpected future expenses.
Financial Planning	I use my budgets to make long-term financial plans for my home and personal life. I refrain from making short-term financial decisions that may have negative long-term consequences.
Savings	I consistently save money. I have enough money saved to support emergency personal/home expenses.
Investing	I have access to adequate personal funds, credit, or equity to start or grow my company.
Credit	I monitor my credit score and credit reports regularly. I know the exact standing of my credit. I take active documented steps to improve my credit or keep it in good standing (e.g., contacting debt collectors, payment plans, filing disputes, enrolled in credit counseling, and minimizing credit utilization). I use this information to make informed personal financial decisions.
Net Worth	I have a current personal financial statement prepared and regularly update this information. I understand my net worth and debt to income ratio. I use this information to make informed personal financial decisions.
Taxes	I am in control of all tax debts owed to my locality, state, and the IRS.

Resources

Need help? Develop your personal financial statement using the D-SOURCE "Personal Financial Statement" workbook.

Personal Readiness Action Plan: SAMPLE

Where can you prioritize interpersonal training, education, etc., to improve upon your personal qualities? What local/accessible resources are available to help you improve your money management? Write practical action steps for your personal readiness.

EXPECTED "S.M.A.R.T" GOAL(S) (Specific, Measurable, Achievable, Relevant, Time-Bound)	DUE DATE
Develop and commit to a regular schedule to improve time management	
Practice self-reflection in my daily life	
Conduct a peer survey to get an external view of my improvement areas	
Enroll in an online course for effective teamwork and group communication	
Enroll in a local group counseling program	
Sign up for individual therapy with a licensed professional	
Download and review my credit reports from the three-bureaus	
Dispute and resolve negative credit remarks.	
Download and complete the D-SOURCE "Personal Financial Statement" template to understand my net worth	
Enroll in a weekly class on budgeting and fiscal management	
Save a minimum amount $$ each month for emergency expenses	
Develop a long-term financial plan to start and run my business	
Resolve outstanding financial obligations with local, state, and federal government	
Explore available financing options to start or grow my business	

You can also download a fillable version of this template in your D-SOURCE Account.

Part II: Professional Readiness

II.A Professional Skills:

Professional Skills & Entrepreneurship

Consider your professional and technical strengths and weaknesses. What are some areas where you may need additional training and education to best manage the multifaceted job of being a business owner? If this potential list of skills and responsibilities feels overwhelming, remember that you do not need to possess all these skills to be successful in the long term. Understanding the gaps in your skillset can be one of the most important steps toward building a team of professionals who can assist in areas where you may be lacking. If your company is still in the early stages, and not ready to hire employees, you may find value in continuing education in your gap areas. Additional training not only helps you achieve a more well-rounded entrepreneurial skillset, but also helps you become more knowledgeable of what to look for in future members of your team.

TAKE A MOMENT AND REFLECT

Assess your professional skills alongside the following entrepreneurship benchmarks.

BENCHMARK	ASSESSMENT
Technology	I have fundamental knowledge of managing accounting systems, information systems, invoicing systems, point of sales systems, and/or other software necessary to track and record business activity.
Administration	I have a fundamental knowledge of managing logistical business functions (e.g., permits, licenses, recordkeeping, insurance, and liability issues, etc.)
Communications	I have fundamental knowledge of using professional email, phone, and web communications. I am confident communicating independently with other professionals such as partners, property owners, professional service providers, and funders.
Marketing	I have identified the needs and wants of my customers. I have fundamental knowledge of how to use this information to build brand awareness, promote products, and maintain customer relationships
Customer Service	Customer feedback is a priority. I have fundamental knowledge of how to regularly evaluate my company's products and/or services alongside this feedback to be sure they are priced, packaged and delivered correctly.
Human Resources	A sense of belonging and purpose is important for my employees. I have fundamental knowledge of the processes related to payroll, benefits, hiring, firing, and keeping up to date with state and federal employment laws.
Retail Management	I have fundamental knowledge of establishing workflows for regulating and managing daily retail procedures that involve selling goods and providing customer service - from welcoming customers into the business to finalizing their purchases.
Accounting	I have fundamental knowledge of establishing formal detailed budgets. I understand how to make future projections and predictions in real time.

II.B Industry Experience, Trainings and Certifications

Professional Skills & Entrepreneurship

There are no "hard" prerequisites for arriving at entrepreneurship. But a professional license to operate in your industry communicates to your customers, investors, and regulatory agencies, your level of competence to perform in your profession. Whether it is a passion project turned profitable business or a skillset that you picked up working a 9-5, it is critical that you take the proper steps to certify your company's operations. Proper certifications and licenses ensure that your company is accountable for its activities and gives your customers confidence in buying your products. You may find that you need to spend weeks, months, and sometimes years obtaining proper certifications before making significant investments in a business.

TAKE A MOMENT AND REFLECT

Assess your professional skills alongside the following entrepreneurship benchmarks.

BENCHMARK	ASSESSMENT
Current Education	I have formal education in my field or industry. My formal education is documented through at least 2 years of professional study or accreditation by an educational institution in my industry.
Continuing Education	I regularly enroll in continuing education opportunities to remain abreast of current standards, best practices, market opportunities, and regulatory changes in my industry.
Research	I regularly observe my industry or market to understand customers; the influence of the local, social, and political climate on the industry and; how local and/or primary competitors are performing under current market conditions.
Industry Experience	I have obtained professional experience in my industry. My professional experience is documented through at least one-year of work experience at an industry certified company.
Certifications and Licenses	I have fundamental knowledge about how to obtain local, state, or federally required licenses, certifications, and/or operational permits.
Relationship with Regulatory Agencies	My company is currently in good standing with regulatory agencies in my industry. My personal financial or legal responsibilities do not inhibit my ability to come into good standing with my state's regulatory agencies.
Industry Engagement	I regularly engage with or am a member of leading organizations that provide education for companies in my industry.

The Professional Readiness Action Plan: SAMPLE

Where can you prioritize training and education to improve your skills? What local/accessible resources are available to help you get assistance in areas where you are not strong? Write down practical action steps that will support your professional readiness. This might include professional training and community-based resources.

EXPECTED "S.M.A.R.T" GOAL(S) (Specific, Measurable, Achievable, Relevant, Time-Bound)	DUE DATE
Enroll in an accounting course to learn how to accept and track customer payments	
Enroll in a business management and administration course to learn how to execute various business functions	
Enroll in a digital communications course to improve my skills in this area	
Enroll in a marketing course to strengthen my knowledge in this area	
Enroll in an interpersonal communications course with a focus on customer service	
Enroll in a human resources course to obtain fundamental knowledge on employment law	
Obtain formal education in my industry through an industry certified institution	
Enroll in continuing education courses in my industry	
Complete market research to learn best practices my industry	
Obtain professional experience through an industry certified employer	
Apply for professional licenses and certifications to operate a business in my industry	
Read up on the regulatory agencies that exercise local operational control in my industry	
Read up on leading organizations that provide education in my industry	

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Part III: Startup Readiness

III.A Startup Origination

Idea Origination

Some of the most profitable companies begin with a Founder who had an idea to change a product or service they know and love. While it is not mandatory to start a new business venture this way, pre-existing enthusiasm can ease your industry learning curve and strengthen the quality and creativity of your marketing efforts.

TAKE A MOMENT AND REFLECT

Assess your startup origination alongside the following benchmarks.

BENCHMARK	ASSESSMENT
Personal Interest and Alignment	I am building this business from an existing hobby, passion, or interest that I know and love.
Patronization	I regularly purchase and enjoy products from companies in this industry
Relationships	I have personal or professional relationships with individuals, groups, organizations, or companies that operate in this industry
Engagement and Experience	I have experienced products or services from a variety of companies or brands in this industry.
Observation	From my personal experience, knowledge, and engagement, I can differentiate between good (high-quality) and a poor (low quality) product in this industry.
Self-Taught Knowledge	I have obtained a general knowledge of products and services in this industry.
Unique Skillset	I have a unique skillset or talent with products or services in this industry

Resources

Need help? Assess your personal alignment with your business idea using the D-SOURCE "Idea Cultivation Guide"

III.B Startup Testing

Idea Testing

Evaluating your concept with your peers, in the market, and as a profit model allows you to make valuable assessments about your business. These assessments help you improve upon weak points and reinforce your strengths.

TAKE A MOMENT AND REFLECT

Assess your startup origination alongside the following entrepreneurship benchmarks.

BENCHMARK	ASSESSMENT
Customer Knowledge	I understand who my primary customer is. That is, the individual most likely to buy the largest quantity of my products.
Primary Market Knowledge	I understand how to use market research to define a prime (digital or physical) location that ensures access to customers
Awareness of Market Barriers	I am aware of current laws and policies that impact the ability of companies in this industry to produce a profit
Competitor Knowledge	I have studied the competitors in my primary market, their strengths, barriers, and strategic advertising methods
Market Test	I have conducted a marketability test for my idea or company and feel confident about how my company will perform in the market
Cultural Value	I understand the cultural value of my idea or company and have formally articulated my cultural value in writing.
Profitability Test	I have evaluated the profitability of my idea and understand what it takes to achieve a healthy profit margin in my industry

Resources

Need help?

Outline your products and services using the D-SOURCE Pricing Model worksheet.

Test your pricing models using D-SOURCE's Profitability Testing Workbook.

Follow up with a market analysis using D-SOURCE's Market Testing Guide.

III.C Budgeting for Profit

Financial Planning

Prior to purchasing items to start your company and performing any work, you must develop methods for financial recording and tracking. Once you know what you want to sell, what you need to purchase to do so, and affirm a healthy profit margin, you can begin establishing methods for accepting payments from customers. At this point, you can begin more intensive financial planning - an essential component of a profitable company. Use your financials to comprehend your undertaking as a Founder and to consider critical questions about your readiness. Am I prepared for the commitment of starting this company right now? How many sales do I need to make to earn a sustainable profit?

TAKE A MOMENT AND REFLECT

Assess your financial planning alongside the following entrepreneurship benchmarks.

BENCHMARK	ASSESSMENT
Pricing Model	I have established a consistent set of products or services for sale
Startup Budget	I have established a startup budget for inventory equipment based on the products and services my company will sell
Payment Tracking Systems	I have established consistent methods for accepting and tracking customer payments
Monthly Budget for Current Operations	I have established a consistent method for tracking current spending for my business
Revenue Assumptions	I have formally documented my company's revenue assumptions to build financial projections representing my company's potential growth
Expense Assumptions	I have formally documented my company's expense assumptions to build financial projections representing my company's potential growth
Monthly Financial Projections	I have built a formal monthly projections budget for my company illustrating anticipated growth over the next 12-24 months. I use this information to guide short-term financial planning decisions for my company.
Annual Financial Projections Budget	I have built a formal annual projections budget for my company illustrating anticipated growth over the next five years. I use this information to guide long-term financial planning decisions for my company.

Resources

Need help?

Track your financial activity with the D-SOURCE Financial Tracking Workbook.

Illustrate your future plans with the D-SOURCE Financial Projections Workbook.

III.D Startup Planning & Organization

Planning and Organizing your Startup

Once you understand the financial commitment necessary to get off the ground, you can use your budgets to make financially informed decisions. Develop an action plan to outline your next steps.

TAKE A MOMENT AND REFLECT

Assess your company's organization and planning alongside the following benchmarks.

BENCHMARK	ASSESSMENT
Legal	I am aware of the legal implications of running a business in my industry or have sought input from a business attorney on my idea
Insurance	I am aware of the insurance requirements for running a business in my industry or have sought input from an insurance professional on my idea
Accounting and Financial Planning	I am aware of the financial implications of running a business in my industry or have sought input from a Certified Public Accountant (CPA)
Business Plan	I have established a formal comprehensive business plan for my company
Action Planning with S.M.A.R.T. Goals and Objectives	I have developed a formal action plan to map the ongoing needs and next steps for my idea or company. My company's action plan(s) include specific, measurable, attainable, relevant, and time-bound goals and objectives.
Organization	I understand the steps necessary to incorporate my business in the state where I operate

Resources

Need help?

Develop planning models for your startup using D-SOURCE's Startup Planning Workbook, and One-Page Business Plan templates.

The Startup Readiness Action Plan

Develop a Startup Readiness Action Plan to lay a strong and stable foundation for your company.

EXPECTED "S.M.A.R.T" GOAL(S) (Specific, Measurable, Achievable, Relevant, Time-Bound)	DUE DATE
Download the D-SOURCE "Idea Cultivation" Guide to develop a new idea	
Regularly engage with and patronize companies in the industry	
Download the D-SOURCE "Market Testing Guide" to evaluate your company or idea in the market	
Download the D-SOURCE "Test Your Profitability Guide" to evaluate your potential profit margin(s)	
Download the D-SOURCE "Pricing Model" template	
Download the D-SOURCE "Startup Planning Workbook" template	
Download the D-SOURCE "One Page Business Plan" and "Fillable Business Plan" Templates	
Download the D-SOURCE "Financial Tracking Workbook(s)"	
Download the D-SOURCE "Financial Projections Workbook"	

You can also download a fillable version of this template in your D-SOURCE Account.

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