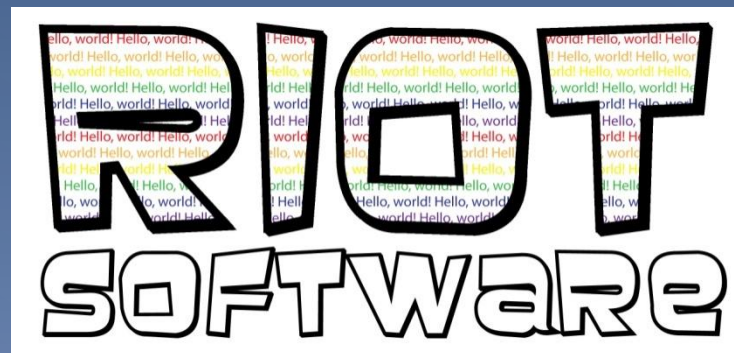


# Before you quit your day job...

Adeena Mignogna  
RIOT SW  
[www.riotsw.com](http://www.riotsw.com)

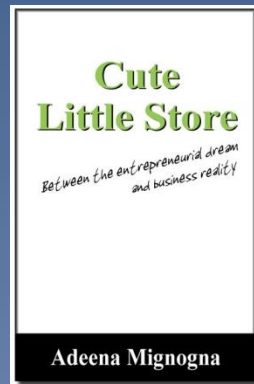


# Who is this person...

(...and why is she talking about bot businesses?)

## ◉ Adeena Mignogna

- > Former retail business owner – been there, done that!
- > Current owner, founder of RIOT SW
  - **R**educed **I**nformation **O**verload **T**hrough **S**oft**W**are
- > Author of two books on small business:



# Your Bot Business

## - same as any other

- ◉ Have a product/service
- ◉ Need customers
- ◉ Must be ready for business
  - > Must be ready to handle customer service
- ◉ Employees/owners
- ◉ Startup money
- ◉ Competition

# Your Bot Business –

- it's a software biz, so it's also completely unique!

- ◉ Shared development environment
  - > If multiple people working on the code
- ◉ Copyright / IP considerations
  - > EULA
  - > NOLO Legal Guide to Web & Software Development
- ◉ Packaging / Delivery
  - > Physical media?
  - > Downloads, hosting, etc
- ◉ Bugs
  - > Reporting and updates
- ◉ Maintenance Support

# Top 2 Reasons to Start a Business

1. You already have a product or idea for a product
  - > In this case, you simply want to sell the product. You're the tech person. You're the baker.
  - > ...and you have the option to let this be a side project or try to build a business that will replace your current source of income
2. You simply want to work for yourself
  - > In this case, you need a product to sell. You can be anyone...

# What is Your Product?

- Define it.
- What are your support services?
  - > Maintenance updates?
  - > Tech support?
  - > Enhancements / customization / integration
- Refund policy?

**Example: RIOT SW**

**SAE v.3 (freeware)**

**Example: Zabaware**

**Ultra Hal Assistant 6.2**

# Are You Ready to Start Selling?

- ◉ Do you have a **well-defined** product / service?
- ◉ Are you able to handle your customers?
  - > Billing
  - > Product delivery
  - > Customer service
- ◉ Do you have a plan?
  - > How do you get customers?
- ◉ [Mignogna.org/cutelittlestore/Business\\_Questionnaire.pdf](http://Mignogna.org/cutelittlestore/Business_Questionnaire.pdf)

# Your Business Plan

- Doesn't need to be a 50 page beautiful document...
  - > ...unless you're seeking financing
- Don't let the idea of a perfect business plan stop you from moving forward, but have a plan.
- Minimum plan:
  - > Describe product / services
  - > Financial plan
  - > Marketing plan
- > [Mignogna.org/cutelittlestore/Business\\_Questionnaire.pdf](http://Mignogna.org/cutelittlestore/Business_Questionnaire.pdf)

**Example: RIOT SW**

**Plan in draft**

**Example: P&B**

**Yes, was used to  
secure loan & lease**

**Example: Zabaware**

**Yes, has a plan**

# Goal or Exit Criteria

- ⦿ What's the five year plan?
- ⦿ What's the end goal?
  - > Work on the business till you die
  - > You sell (to a partner, to a stranger, another company)
  - > You pass it on to your family
  - > You stop operating or close
- ⦿ Plan as if you need to get out quickly
  - > Health reasons, financial reasons

# Market Research

- ◉ Do customers want what you have to sell?
- ◉ At the price you're asking?
- ◉ Who are your customers?
  - > End users – home, business
  - > Businesses - Other tech companies
  - > Non-profits / government
- ◉ Online surveys
  - > Several offer free versions, with limitations such as: Zapsurvey.com , surveymonkey.com
  - > Many high-end consulting companies that will do industry trend analysis, etc: Gartner

# Finances – Personal

- Are your personal finances under control?
  - > Debt
  - > Savings
  - > Minimize living expenses
- Why does this matter?
  - > Because if you want to quit your day job, you still have to be able to pay your living expenses!
- Make sure you keep good records!
  - > Separate personal finances from business
  - > If possible: at a minimum, need to keep good records for accounting and tax time

# Finances – What It Costs

- ◎ Start up costs
- ◎ Operating costs
  - > Create a realistic operating budget
  - > Use someone else's example if possible

**Example: RIOT SW**

**Website hosting**

**Example: P&B**

**\$60k start-up;  
~15k/mon.**

**Example: Zabaware**

**Computer and internet  
connection**

# Finances- Raising Money

- Savings
- Credit cards or personal loans
- Friends & family
- Venture capitalists or Angel investors
- Banks and Small Business Loans
- Grants
- Partners

**Example: RIOT SW**

**None needed**

**Example: P&B**

**\$100k small  
business loan**

**Example: Zabaware**

**None needed**

# Marketing

- ⦿ As a startup, take advantage of anything that's free!
- ⦿ Track your marketing efforts
  - > Make sure the cost is worth it!
- ⦿ Places/ways to market:
  - > Web (your own website, Google or other cost-per-click)
  - > Press Releases
  - > Print (trade magazines, newspaper)
  - > Conferences / trade shows
  - > TV / Radio
  - > Cold calls / emails
    - Industry contacts
  - > Networking venues
    - Chamber of Commerce

# Working With Others – Why?

- What are you good at?
- What are your weaknesses?
- Who do you trust?
  - > Get references
  - > Don't be afraid to reject someone!

## Example: RIOT SW

**Outsource: all accounting**

**In-house: everything else!**

## Example: Zabaware

**Outsource all legal, accounting, and graphics including website design, sm pieces of s/w development**

**In-house: software development, order fulfillment, marketing, customer service**

# Working With Others – Who/How?

- ◎ Partnerships
  - > Ensure there's a written Operating Agreement
- ◎ Employees
  - > Know your local law
  - > Don't be afraid to let someone go
- ◎ Consultants
  - > Don't be afraid to let these people go, too!

# Reality...

- ⦿ You've made a plan, but it doesn't happen like that...
- ⦿ You don't have the time you thought...
- ⦿ Customers aren't buying...
  
- ⦿ Examine and work from your plans... exit plan, marketing plan

# Don't Quit your day job - just yet

- Make sure your savings can cover 6-12 months at least
- Make sure you have a way out!
  - > Like back to that day job – don't burn any bridges on your way out

## Example: RIOT SW

Not supporting anyone

## Example: Zabaware

Periodically supports  
one person full-time

# Should you do this?

- It is going to take a lot of your time...
- It is going to take a lot of your energy...
- Are you sure you want to own the business and not just be the programmer?
- Rarely is a visionary / ideal person also a tech implementer and a leader/manager and a financial guru / accounting wizard

## Example: RIOT SW

< 150 hrs over 1 year;  
only freeware products

## Example: Zabaware

Initial product developed over 2 years  
and 4 versions. Significant time  
investment

# What now???

- ◎ If you're serious...
  - > Start writing your plan
    - Focus on describing your product or service
    - Focus on the financials
  - > Market research
  - > Of course...
    - ...make sure you have a good product!

# Resources

## ● Books

- > Cute Little Store & Cute Little Store 2
- > Joel on Software by Joel Spolsky
- > E-Myth book series by Michael Gerber
- > Guerrilla Marketing book series by Jay Conrad Levinson

## ● Web

- > [Cutelittlestore.blogspot.com](http://Cutelittlestore.blogspot.com)
- > [Mignogna.org/cutelittlestore/Business\\_Questionnaire.pdf](http://Mignogna.org/cutelittlestore/Business_Questionnaire.pdf)
- > [www.sba.gov](http://www.sba.gov)
- > [www.bizstats.com](http://www.bizstats.com)
- > [Linkedin.com](http://Linkedin.com)
- > <http://www.bls.gov/oco/cg/cgs051.htm>
- > [Gmarketing.com](http://Gmarketing.com)

## ● Other

- > Local Small Business Development Center
- > Local Chamber of Commerce