

Bootstrapping 'n Stuff

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there is an entrepreneur in there somewhere

THE EARLY YEARS



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Garage sale: an ethics lesson from Mom



"I'm with the band"
take initiative & promote



Have some fun.

Do something you enjoy, but keep in mind this isn't a hobby.

Talent: What were you born with?

Skill: What have you learned?

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Passion: What gets you up in the morning?

Build a business model. Please. This is what makes the difference between a hobby and a business.

(this is where I plug startupmodels.com)



"No two people will do it the same." - Humpty Hump

When you are starting, be frugal. Your spending habits will have an impact the business in many ways.



you're gonna need

SUPPORT

Family & Friends

Don't expect them to "get it"

Expect them to make crazy assumptions

Get spouse's support, know when to give it back

Vendors

"This one time we had
70 websites go down..."

Community & Government Resources

Most of this stuff didn't exist in such an accessible format 10 years ago.

Yourself

Learn to be honest with yourself.

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it's all about the
EXECUTION

Execution is not building your product, execution is acting on your sales and marketing goals.

Time and money are key factors at the beginning.

Share and learn from those who have done it.



Life is not short. Slow down & do it right.

(that is Nike's trademark)

Things that are important when bootstrapping:

Understand your true risk:
time, money, reputation,
emotions. Don't gamble.

Learn to manage your fear.
Ask: "What if you don't?"

Own it. Take full
responsibility for your
business.

Get out and talk to people.
Share your story & ideas.

A few more: be financially frugal, learn to listen, be persistent but know when to adapt, improve efficiencies whenever possible

"In order to be seen, you must be seen." - Justin Gerharter



Diligent
INFORMATION SERVICES

time to pay the
MORTGAGE

What I knew:

- "not motivated" to get a job
- could make websites for food
- had a decent network established (map)
- didn't want to rely on anyone ever again
- I had a 2 month runway

*Low barrier to entry!
Build websites!*

WORK HARD + SMART

Lean office space - early customers didn't care

Stay as liquid as possible - save cash, pay with cash

Understood the customer's needs, understood my strengths

Answered the tough calls

"No one is something all the time" - me

Learn how to say NO, know when to say YES

Business model allowed for recurring revenue + project spikes

Maintained relationships by building trust

SH*T HAPPENS

Understand your competition & the market.

(lost an early project because the bid was too low)

Ask me about the time we lost 70 websites...

(communication plan + good backups = crisis averted)

THE END

Successful exit in June 2010 with a sale to Visionary Services (Des Moines).





Catchwind.®

you can't always do it yourself

PARTNERS

Create → Promote → Sell → Support

These roles need to be filled by capable people.

As it relates to the needs of the business, each partner should bring something to the table:

Skills / Connections / Money

Understand strengths, weaknesses and communication style to create roles that work for each individual.

Someone needs to be in charge. Even equity splits are OK (I don't prefer them), but there has to be a leader who can stop being nice and live with the hard decisions.

Legal documents. Do 'em: Articles of incorporation, operating agreement, buy/sell agreement.

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A WHOLE NEW APPROACH

Vertical Market Solution

Tradeshows

Cold calling

Trade Pub Ads

Direct Mail

Buying Lists

Travel

Having "subject matter" experts was key to attacking the vertical market.
Bootstrapped early marketing efforts with an internal investment of \$10K
Revenue was pumped back into the business to continue sales & marketing

We created VALUE! More importantly, people PAID us for it.

(an angel investment (debt note) made after six months of sales)

WHOA, WHAT?

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I know this is about bootstrapping, but, yes, we took on an investor

Presented Catchwind at VNI in 2006.

Wasted, and I mean wasted, valuable time and energy talking to investors (things have improved).

Didn't have a clear spending plan - we'd thrown mud on the wall and some stuck. Bootstrappers don't get the luxury of test markets and panels.

An investment is not bad -justify it with the right numbers.
Find a strategic partner who can fill gaps and help you grow.

volunteerlocal

it never hurts to have
A LITTLE PASSION

Spun out of a project Diligent did for the DM Arts Festival

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Free use for local non-profits 2003-2009

Hy-Vee + Triathlon + Variety in 2007



this slide (and company) is a

WORK IN PROGRESS

Found a co-founder and officially became a stand-alone company in 2009

Pulled in two additional partners in 2010

Received a Demo Fund grant from the State of Iowa (Dept of Economic Development).

Small investment to fuel 2011 marketing initiatives (from myself & one of the partners)

Marketing tactics: trade pub advertising, direct mail campaign, AdWords, convention attendance

Using 2011 to explore ideal market verticals,
business model options, product usage &
best marketing tactics.

Final thoughts...

Utilize the community & other resources.

Build a realistic business model and execute a marketing strategy.

Be smart about picking partners & vendors.

Embrace bootstrapping! Build value, maintain control, keep your equity until the time is truly right for an investment.

Thank you for attending! Find me at
[@bheme](#) and [about.me/bheme](#)