



The Startup Series

Helping you build a successful business.



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Getting Started.

Got a business idea, and think you have the entrepreneurial drive to turn it into a startup on the journey to success?

Having been through what you are about to embark on we wanted to share our knowledge and experiences with you when it comes to starting and scaling up.

We've produced The Startup Series to help you navigate your way through your new startup journey. It includes expert advice from members of our business and we give shout-outs to companies and agencies we have used to make our life easier.

The Startup Ecosystem

In 2019, there were 681,704 new business formations – a record high!

And these new businesses turned over a whopping £650m – now that's pretty good going. What's even more impressive is that their projected turnover for this financial year is £1.3bn!

2020 may have thrown a COVID-19 shaped curveball, but Google search term analysis indicates that this has only spurred on aspiring business and entrepreneurs, with the search term 'how to start a business' increasing by nearly 20% on average compared to last year.

We believe 2021 will see the number of new business formations surge. Perhaps to over 1 million as the macroeconomic climate drives more people to create either a new business to replace a lost job or even a 'side hustle' business to compensate for the loss of income in 2020 due to COVID-19.

According to the ONS, 89% of businesses survive their first year, which is encouraging. The steps you take at the beginning can be the difference between success and failure, so let's start there...



Business Plan Preparation

Fail to plan. Plan to fail. We all know that phrase. It's true. Try your best to make sure you have done your research and created a sound business plan. A business plan is a formal document that describes your business and includes things like objectives and strategies, marketing, sales, and financial forecasts and projections. It also helps identify any potential problem areas too.

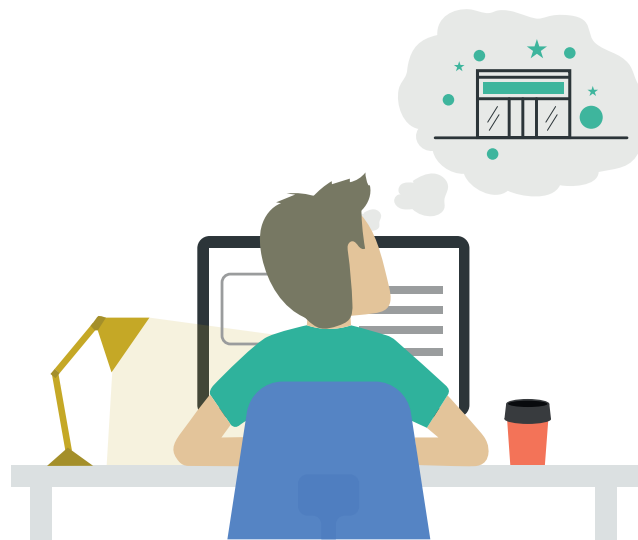
The financial section of your business plan is very important. It will often give you insight into whether your business is a viable idea. Projecting your sales turnover and income and understanding your costs from the start will tell you what you need to take in sales each week, or month, for you to be profitable.

Not having a business plan is one of the most listed reasons why businesses fail.

Naming and Domains

If you've got this far, you'll probably have named your new business. But if you haven't, think about what your business conveys and the benefit to the customer. A name with a story behind it. Or on the other end of the spectrum, think about a memorable word that you think your customers will remember.

Then put pen to paper and write down some possibilities. Try to keep it short, simple, and easy to write and remember. And don't forget to say it out loud! Check if anyone else in your sector has the same name, with any legal protections, as very few names are unique.



Got your name? Great.

Your business will need a website – having an internet presence is hugely important for numerous reasons;

- Credibility and professionalism – first impressions count.
- Customer acquisition through Google.
- Showcase and/or sell your product or service.

Your website is also a place for potential customers to gather more information about you and refer to any testimonials or reviews from your existing customers. It can play an important part in a customer's decision-making process. So, securing an appropriate domain name is crucial. We may be stating the obvious here, but your domain name will need to be relevant to your company name.

You can choose a domain name through various domain registration websites. When we set up CircleLoop, we used 123-reg. A highly regarded British domain registrar company whose primary focus is working with small and medium business owners. Domain names start from 99p, you have the option of domain extensions with dot com being the most desirable (.com). You also have access to a website builder. Meaning that your whole online presence can be generated there.

Every business also needs a business phone system and a phone number, (or more than one if your business requires). Your prospective customers will need to know how to reach you. And, as a startup or smaller business you'll need to look professional. At CircleLoop, we can provide you with everything you need to run a professional business from anywhere, whether that's your bedroom or a swanky office. There are no hardware costs, and our [virtual phone numbers](#) let you create a local presence in towns and cities of your choice. Plus, because it runs in apps you can access it anywhere, meaning you never have to miss a call.

Company Structure

When starting a business you'll need to think about which legal structure best suits your type of business. It affects things like tax, National Insurance, and financial liability. And the Company Formation or Registration process will vary depending on the type of business you are setting up.

If you are a **Sole Trader**, the set-up is simple. You are self-employed and running your own business. You'll register for Self-Assessment and file a tax return annually. You'll be solely responsible for any business debt and any accounting responsibilities too. Any profit your business makes is yours (yay!), once you've paid tax of course.

Limited company, i.e 'Limited by shares' or 'Limited by Guarantee'. The main difference between the two is that 'Limited by shares' businesses usually make a profit and have shares and shareholders, whereas 'Limited by guarantee' are usually 'not for profit' companies that have guarantors and a 'guaranteed amount' and invest any profits back into the company. Business finances will be separate from personal finances. And, it will require more reporting and management responsibilities. It's a more complicated process so many people find it useful to get help from a professional, such as company formation agents or accountants.

All limited companies must have Articles of Association. They're a set of rules that companies must follow when it comes to running their company. They outline things like Directors' powers and responsibilities and decision making by Directors and by shareholders. There are different models of association relating to whether your business is limited by shares, or by guarantee. And, often these are the same "model" Articles but are adapted to meet the needs and provisions of your business. You'll find lots of information about Articles of Association on the Government website.

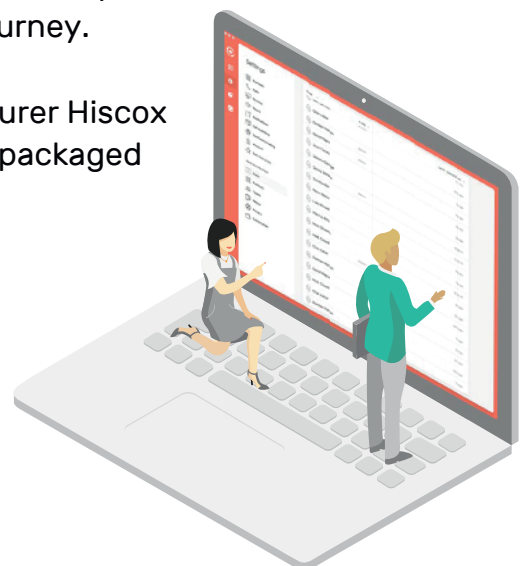
Partnerships are a simple way for two or more people to run a business. To set up a partnership you need to choose a 'nominated' partner. This can be a person, or it can be a limited company (a limited company can count as a legal person). Business debt and accounting responsibilities are shared. Any profit the business makes is also shared, and each partner will pay tax on their share. Remember, different rules can apply to different types of partnerships. So make sure you read up on specific responsibilities for your type of business or partnership, your place of work, and hired help – whether agency or freelancer or becoming an employer.

We would recommend taking specialist advice when forming your business. This could be from your accountant, a solicitor, or a specialist formation agent such as Rapid Formations or Formations Direct.

Business Insurance

Remember to ensure you take out adequate business insurances to protect yourself, your employees, and your belongings as you continue on your startup journey.

We worked closely with specialist business insurer Hiscox in our business and they have a range of well-packaged business insurance propositions.



The typical insurances you need to consider are:

- **Building & Contents** – this will protect your business assets and property within your home or work office from damage or theft, and ensure they can be replaced cost-effectively.
- **Professional Indemnity** – is there to offer protection and support if you or an employee are alleged to have been negligent, or if a client believes you got something wrong that led to financial or reputational damage.
- **Employers Liability** – is a legal requirement if you employ staff, it makes sure you're protected if an employee is injured on your premises or becomes ill and they claim it's because of something that happened at work.
- **Public Liability** – protects you and your business if someone claims their property has been damaged, they were injured or fell ill because of you or one of your employees.
- **Cyber & Data** – especially important for anyone who uses data – including computer programmers and marketing professionals. Any business can face a cyber-attack.

Business Bank Account

It's always a good idea to set up a business bank account, even if you're a Sole Trader. Having a bank for your business means that your personal and business finances are kept separate – this enables you to manage your finances productively and keep on top of payments and check cash flow. As an example, **Starling Bank** is great – it was founded by Anne Boden in 2014, and with a challenger mindset, she utilised technology to revitalise and transform traditional banking. The result? 'A fairer, smarter, and more human alternative to the banks of the past' – and we couldn't agree more. We like companies that challenge traditional thinking and can provide a better and more effective service or product. (This was why we created [CircleLoop](#) – to challenge the norms in the telephony space.)

Starling Bank has three options for business banking, which can also cover the three types of company registration as mentioned above. They also have a multi-currency account – perfect if your product or service is available in other countries. So, if you're a new startup, Starling Bank is one to consider.



Business bank account. ✓

Now let's look at what's coming in (and going out) and what that means concerning VAT. If your taxable turnover is more than £85,000, you must register your business for VAT with HMRC. You can do this online or appoint an accountant to look after this for you. They will also submit your tax returns.

When you register your business, you'll get a Government gateway ID. It's generated by HMRC and you'll use this to access your VAT registration, company details, and other information online. If your turnover is less than £85,000 you can opt to register for VAT, or not, depending on the nature of your business.

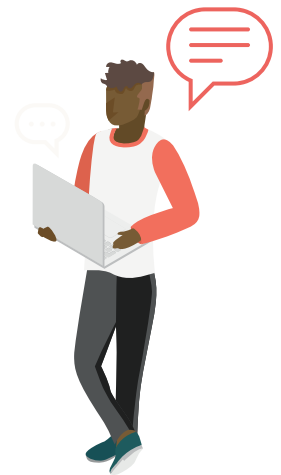
Regardless of your financial size, accounting is going to be part of your business life. We recommend using an accounting software tool, such as Xero. We did this from Day-1 in our business and it was hugely beneficial. It took away the headaches associated with customer invoicing, monthly financial reporting, and accounting. The web-based software integrates seamlessly with your chosen bank account (such as Starling) and brings all of your transactions into Xero. This process then forces you to reconcile and accurately allocate sales income and costs in the right places. You can produce management reports and keep on top of your new business. Meaning your accounts are 100% organised from the get-go!

Legal Considerations

When starting a business you'll need to consider legal documentation like Employment Contracts and your Terms & Conditions of Business. It is worth having a legal partner in the event of disputes and issues – this will probably be more applicable as your business grows. But it's always best to be on the front foot, and know exactly what to expect and what is expected of you.

Things you may want to take extra care with are:

- making sure contracts are drafted correctly.
- that you have the right corporate forms.
- that you have arrangements in place between shareholders.
- not breaching intellectual property.



Be proactive.

There are some cool legal outsourcing companies out there, like Lexoo, that can help make life easier when it comes to legal work within your business. You can utilise them to save paying excessive legal fees the traditional way per hour “on the clock”.

And finally, think about whether you may need any Human Resources (HR) input for your business too, especially for the future as your business grows and your team expands with employees. HR is responsible for planning, coordinating, and supervising administration activity within a business. They'll look after the recruitment process, they're a point of contact for employees for problems or training needs. And, they'll also have input regarding strategic planning for the future.

It's all coming together.

There's a lot to think about and action when starting up, and everything we've touched on has to be done. But if you can implement efficiently you'll have more time to spend focusing on the parts of your business you enjoy the most.



The Best Remote Working Tools for your Tech Stack

Year 2020 has shown us that we need to be ready for anything, to be reactive, adaptive, and flexible. And your tech stack, now more than ever, needs to be able to accommodate a changing working environment.

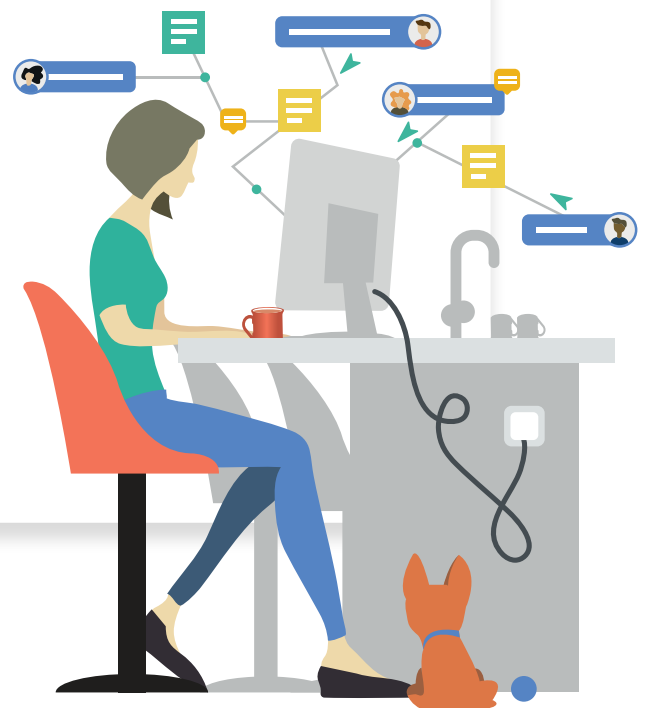
What is a Tech Stack?

A tech stack is the combination of software tools or programmes that a business can utilise to make it run more efficiently. It's like a framework of foundations that enable specific projects or tasks to be effectively carried out. It generally includes tools such as messaging apps, CRM systems, phone systems, and collaboration software, and even accounting and recruitment tools. Everything from customer management and communication to project management and social media.

Now, a tech stack will vary from business to business to suit specific needs, size, and business objectives. Let's have a look at the tools that can be utilised in an office environment but which can also facilitate remote working for a dispersed team and employees. Every tool or programme we feature is accessible anywhere, so whether you're back in the office, or your employees are working from home, productivity and efficiency won't be affected.

Best Tools for Startups

- **Instant Messaging App**
- **Visual Collaboration Software**
- **Business Phone System**
- **CRM System**
- **Project Management tools**
- **Social Media Apps**
- **Data Storage**



Instant Messaging App

Why you need an Instant Messaging App

There are so many advantages to utilising a messaging app within your startup. It's become almost a standard custom for office communication. Sharing anything from day-to-day company news to employees building working relationships with colleagues.

Because of the nature of messaging apps, communication is instant and less formal, encouraging brevity – so communication is straight to the point. There's also less emphasis on formal etiquette like there is when sending an email. They're great for quick-fire questions between colleagues, plus most include basic features such as one-to-one chat, group chat, private forums, video calling, and file sharing. And, as your startup grows, it's productive to keep day-to-day internal communication out of the email inbox – keep your inbox for important client emails.

Which is the Best and Why?

Slack is pretty much the go-to messaging app if you want a chat-powered workspace. It's been created with the user in mind, it's user-friendly and has a notification system that includes reminders and unread message prompts.

Its layout is separated into three sections; channels, direct messages, and apps.

- **Channels** are used for company-wide general chatter and also more specific projects. You can create channels as and when you need to. And users can decide which channels to be in, meaning they don't have to be overloaded with irrelevant messages.
- **Direct messages** are used for just that and can be either one-on-one or as a group chat
- **Apps** can be integrated too. You can synchronise calendars, conduct surveys, and add online proofing, design, and approval systems. CircleLoop offers seamless Slack phone integration too.

Slack is great for startups because its basic subscription is free until you require additional features. You'll have all the functionality you'll need to get started, and with its numerous paid options it can scale and grow as your business does.

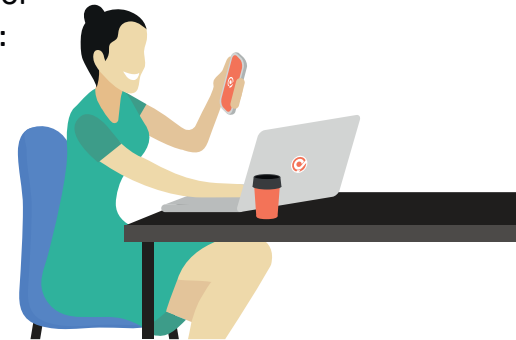
Visual Collaboration Software

Why You Need Visual Collaboration Software

Probably one of the most used tools during 2020 – remote working is now more common than ever. And it's likely to continue, so utilising a visual collaboration software tool as part of your tech stack will enable remote teams to remain connected whilst maintaining efficiency.

Imagine a digital whiteboard as a shared virtual workspace that can be accessed wherever your teams or employees are. It's an online space where they can work collaboratively either in real-time or asynchronously. Visual collaboration tools are great for:

- Ideation and brainstorming
- Planning projects and creating strategies
- Meetings and workshops
- Decision making and prioritising tasks



Which are Best and Why?

Miro is great for startups. Its free subscription version is a great place to start, and includes three editable boards, anonymous board viewers, pre-made templates, core integrations, and basic attention management. With unlimited team members, it has several paid subscriptions too, meaning that Miro can be scaled up as and when you need it to.

It has an extensive template library too, so teams can work on ready-made templates designed for specific objectives – such as brainstorming, workshops, UX Design and Research, Project management to name just a few. They even have Icebreaker challenges for kick-starting conversations and creating a relaxed atmosphere online.

Reliable Business Phone System

Why You Need a Business Phone System

Phone communication is a key part of any business. And although there are many alternative forms of communication, phone systems are still one of the most important. Meaning that many startups will need a powerful, reliable, and scalable business phone system.

Which Phone Systems are Best and Why?

Traditional landlines nearly always come with long, expensive contracts and require new hardware every time you take on a new hire. Hardware is generally immovable too, meaning that it can only be accessed from that location – not ideal when working from home has been, and still is very much a working reality. But, there are great modern alternatives out there.

Cloud-based phone systems and internet-based phone providers (known as “VOIP”) are popular choices, especially in the current climate. VOIP runs a phone service through your internet connection instead of a local phone company. Whereas a cloud-based phone system runs the phone service through a desktop or mobile app. Making the need for a separate business phone obsolete.

Now, both business phone systems are more favourable when compared to the traditional landline. But a [cloud-based phone system for startups](#) is generally more suitable, primarily because they allow your team to make and receive business calls wherever they are. You can switch between local, national, and even international phone numbers so your business can seem much bigger than it is to your customers. Plus, there are many additional efficiency features and integrations that make your life easier. Including call analytics reporting for your business and access to virtual numbers.

It's really important you choose a phone system based on the needs and objectives of your business.

Customer Relationship Management (CRM) System

Why You Need a CRM

A CRM system (Customer Relationship Management) helps manage customer data. By utilising a CRM system, you can manage sales, customer insights, marketing, social media, and customer service and support. A CRM system allows your team to productively manage everything they need to drive success.

Which CRMs are Best and Why?

HubSpot is one of the most popular CRM systems. It's user-friendly and is suitable for various industry sectors. It's an all-in-one marketing suite, featuring a built-in CMS tool and over 150 integrations, providing startups with all the tools needed to scale and grow.

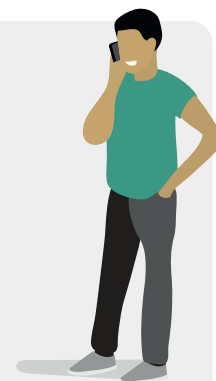
It can be accessed anywhere, and different team members or employees can be given different access permissions by their job roles. Plans and pricing vary on business needs, but Hubspot does offer a free basic plan to get started.

Similar tools like Capsule CRM and PipeDrive are aimed at smaller businesses and offer easy access points with free plans which will meet the requirements for most small businesses. These CRM systems can also easily integrate with other applications to provide further features such as Hubspot Call Integration, Capsule Integration and Pipedrive Call Integration.



Call Integration with CircleLoop

Keep your team in HubSpot, make better calls and track client communications effortlessly with [CircleLoop's HubSpot integration](#).



Project Management Software

Why You Need a Project Management Platform

Dynamic and fast-paced working environments are generally associated with startups, so be sure to maximise productivity across your team by using a project management tool. By utilising this sort of platform you can ensure that projects are organised properly and workflow is efficient.

Which Project Management Platforms are Best and Why?

Trello and Basecamp are good choices for startups because of their intuitive, user-friendly interfaces. Trello, with its focus on visual display boards, is best for smaller teams. The drag and drop cards are interactive and allow teams to keep track of task details. But Trello's task boards aren't suited for complex projects. We use a Trello board for our CircleLoop product roadmap. This is where you can view some of our plans, and where users can vote on the features that are most important to help us decide what to deliver and when.

Basecamp is comprehensive yet straightforward, offering communication and collaboration tools. Although it's not as easy to use as Trello, it's still highly user-friendly and caters to more complex and detailed projects. It's more expensive than Trello but is a great investment for companies who are looking to grow.

We would suggest reviewing tools like Teamwork, Confluence, and Monday. They provide additional functionality and are probably better suited to larger businesses as you grow.



Social Media Planning Tools

Importance of Social Media for Startups and why you Need the Tools

Social media can sometimes be lower down on the priority list for some businesses but utilising a social media planning tool can help to save time and resources when it comes to planning and scheduling posts. In the age of social media, it's important to try and keep your social media pages up to date.

Which Social Media Tools are Best and Why?

When choosing a social media tool, you'll need to look for those that are most suited to your chosen social networks - some tools are better suited to different platforms. You'll also need to decide whether you want a management tool or a content publishing tool and the budget you want to allocate towards it.

Hootsuite is a platform that allows you to create and track social media campaigns. You can manage multiple social channels at once and analyse the content you've posted. It is a social media management tool, so you can engage and respond to the content you've posted. It's a sophisticated system that brings all aspects of your social media together and integrates across all social networks.

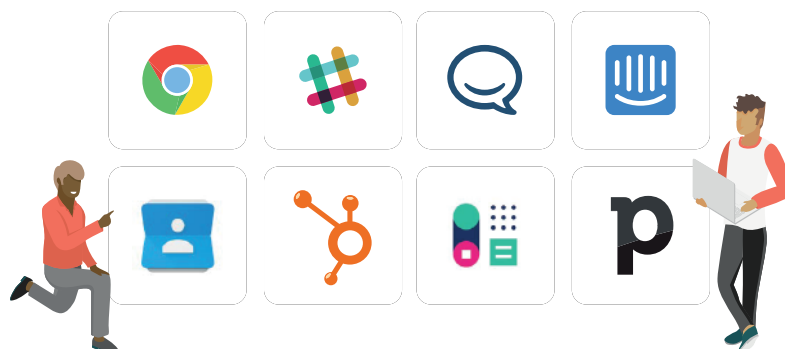
Data Storage

Why a Storage Tool is needed for Startups

Data storage is essential for all businesses and cloud-based storage provides a cost-efficient solution to the storing of vital data without having to invest in expensive hardware or needing to require physical space. Storing data in the cloud means it can be accessed from anywhere you have an internet connection, and by whoever you give permission to - easily and most importantly, securely.

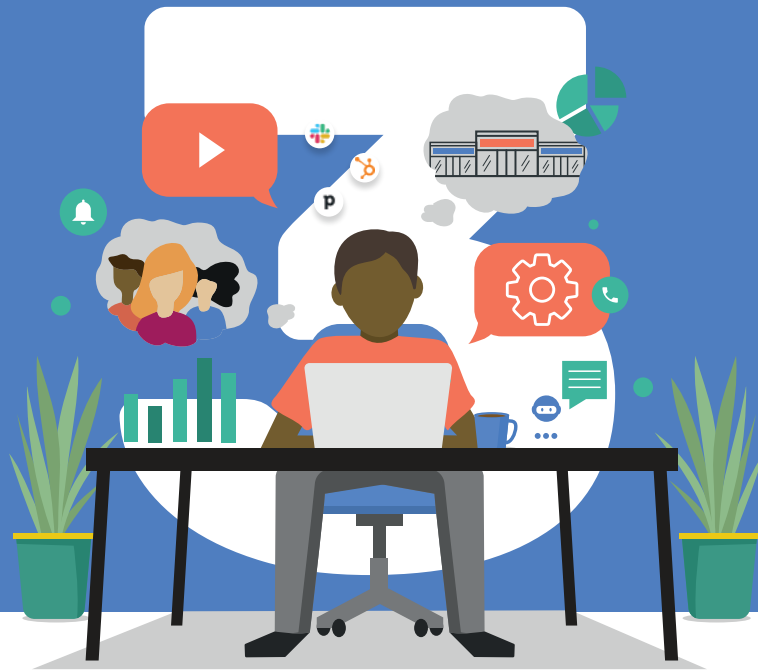
Google Drive is a file storage and synchronisation tool service that allows users to store files, synchronise files across devices, and share files. Its suite of applications makes collaborative working smarter - allowing teams to work on the same documents or spreadsheets in real-time. Teams can easily share files during Google Meets and Hangouts as well as video calling and recurring meeting invitations. It's suitable for all kinds of businesses and it's free of charge with 15GB of space - not bad at all!

Dropbox is another worthy storage solution, the original online storage unit. It is great for sharing imagery and creating image archives that can be shared with people outside of your organisation. Plus, it has productivity tools and content collaboration functionality. However, with a free account space is limited to 2GB.



Tech Stack Sorted?

It can be difficult choosing a tech stack that is right for your business, but if you choose tools that run parallel to your business objectives you won't go wrong. In today's uncertain working environment, making sure the tools or programmes can be accessed anywhere is important.



The Importance of Market Knowledge for Growing Businesses

Market knowledge is key for every startup, but understanding why it is so important will ensure you stay ahead of the game. Here we'll explore some of the different approaches of how you can learn more about your market, and give you a simple run down of what you should be taking the time to look at.

Why you Need to Know your Market

Knowing your market is the difference between a successful business and a failing one. Having as much industry knowledge as possible, as well as a clear understanding of your market specific to your product or service will not only ensure you're in the best possible position to make business decisions, such as taking a particular product to a particular market, but it also enables you to reach prospects, acquire new business and retain your existing share. It also enables you to seek investment if you are looking to scale up – understanding your market will make your startup far more appealing to those you're seeking investment from.

Benjamin Franklin, a famous US scientist, inventor, politician, philanthropist and businessman once said: By failing to prepare you are preparing to fail.

The Addressable Market

TAM, as it's also known, is a formula that many companies use to work out realistic and potential revenue growth for a specific product or service. Think of it as sizing-up your market.

The addressable market is the total market demand for a product or service. It is the maximum revenue a business can generate by selling that product or service to a specific market. Businesses use TAM to decide whether it's worth entering the market or not.

It's unlikely that one business obtains 100% of the total addressable market for a product or service. Still, it allows you to estimate opportunity and determine the level of effort and funds that will need to be allocated.

How is the addressable market calculated?

Top-down Approach: Industry data, marketing reports, and research studies are used to identify TAM. It's an holistic view of an economy, so your starting point is the market's biggest estimate size. You'd then reduce it based on information and assumptions known to you of that market – by a process of elimination. This then gives you an estimated TAM. Sometimes it can be misleading because it's still mainly based on assumptions. However, outsourcing to a third-party research company or accessing syndicated research data where possible is a good idea; you'll also have the most up to date and accurate information for your focused area.

Bottom-up approach: is based on your own existing or previous sales and pricing data, meaning it's generally the most trusted approach by investors, for example.

The bottom-up formula is as follows:

$$\text{TAM} = (\text{Annual Contract Value}) \times (\text{total \# of customers})$$

Start by multiplying the number of sales by the cost of the product or service. This gives you your annual contract value. Then multiply your annual contract value by the total number of customers in your potential market to give you your total addressable market.

Value-Theory: This method looks at the value customers receive from a product or service and how much they're willing to pay in the future. Here you'd look at what your product offers over others and where you can place the cost – your product might be slightly more expensive, but it has a greater benefit to the consumer than your competitor. Or, you might sell your product slightly cheaper because it's not as high spec, but still a worthwhile product.

According to Hubspot, an industry market with a TAM ranging from £30m – £200m per year is worth entering, whereas an industry market size of under £5m and over £1bn per year probably isn't. A lower market size suggests the industry size could be too niche, and an extremely high market size suggests it could be over-saturated. And in both instances may not be worth the resources.



Customer/Buyer Personas

What is a Persona?

In a nutshell – customer personas are semi-fictional representations of your target customer based on data and thorough research. Businesses use personas to help them:

- Identify prospects/types
- Guide product or service development
- Make sure all communication or work carried out within a company aligns

Why Create Buyer Personas?

Having personas for your target audience enables you to tailor content, communication, any product development, and services for each particular audience – you're adapting and adjusting your focus to meet the needs of that persona. For example, our cloud-based telephone system is a great solution for startups, growing and established businesses alike. However, we tailor our content for each type – startups have different needs to enterprises, and we acknowledge this in our messaging.

The best personas are based on market research as well as your customer base and data. Analysing your existing data will give you a great insight into existing customers and help you acquire new ones. A business might have many personas or just a few – and if yours is a business-to-business offer, you'll also need to think not only about the key decision-maker (eg Operations Manager or Head Buyer), but also the people who influence those decisions (eg MD, Operations Director, Finance Director). If you're starting up, it's best to focus on one or two and get them right first – you can always add more later as your startup grows.

If you want to learn more about how to create a persona for your startup, have a look at Buffer's Beginners Guide to buyer personas. There's a simple step by step guide to get you started.



Beta Testing your Startup Services

It's nearly time for your product to go to market, but wait, has it been tried and tested by real people? Try not to skip this part!

What is Beta Testing?

Beta testing is the final round of testing for your product or service before it's launched into the market, and the aim is to find as many issues with it as possible. You'll have more than likely already carried numerous tests internally with your team and addressed issues discovered accordingly; these are usually referred to as Alpha tests. But what's great about Beta Testing is that it's being tested by real people in a real environment, with the real product or service. You can gain insight into end-user experience, behaviour, and usage, which is invaluable information.

Beta testing can be open or closed. Anybody can do open beta tests, and they usually present messaging with instructions for submitting feedback. Closed beta tests aren't open to everybody. Testers of closed betas are a set of people that can be made up of existing customers, advocates, or paid testers. The test can be time-sensitive or can run until issues are no longer found. You can also run a/b split testing during beta tests. This is where you can adjust messaging or layout and learn which prompts or notifications are most valuable to the user.

Feedback from the beta testing can be used in different ways - to fix issues before launch and gain ideas and considerations for the future.

Find Brand Ambassadors and Advocates

Some companies build customer panels or run ambassador programmes - they're made up of advocates for their brand and/or product(s), they're the people most enthused about it. What's useful with these types of groups is that the sample is usually favourably predisposed, meaning that nuances can be detected that might otherwise not have been discovered using traditional group discussions, or open Beta testing for example. They are also used to give early insight into product development.

A typical format might go something like this:

- A qualitative research study - a brand will ask questions looking for insight into how people 'feel' and 'why'. This might be 8 target people per group, with 6 - 8 groups.
- A quantitative research study might then follow to a much larger sample. Statistically, a sample of 1000 is reliable, but often studies can have even greater numbers. This larger study will then verify, or not, the qualitative sample findings and insights.

Remember - all research should be used for direction, not as a crutch. Sound interpretation of findings is crucial for choosing the right strategic direction.

You can also use brand ambassadors and advocates to build organic brand awareness. Word of mouth is essentially free advertising - real people, talking about their experience using your product or service. There are software programmes that can build advocacy programmes for you, such as Duel.



Creating Powerful Case Studies

Case studies are a great way to learn more about your customers at a greater depth. Case studies analyse the development of a person, situation or group over time. They also account for how something is used, such as a particular product or service.

They can be used to gain new ideas, and enable you to really understand how your product or service is used by a particular type. They're also useful for your prospects as they can demonstrate the value of your product, or service.

We use case studies to demonstrate how our service is utilised by the different types of business that use our cloud-based telephony system. Industry needs vary, so being able to explain how our service can increase productivity and efficiency can be invaluable - if it works for them it can work for me too. Case studies can be great conversion tools.

The Marketing Mix

The marketing mix is the set of tools that a company can use to influence a prospect to buy a product or service. These tools are based on their marketing objectives and strategy.

Traditionally, they're broken down into the four P's of Marketing.

What are the 4 P's of Marketing?

- **Product** – this is the 'what'. The tangible product, or intangible if it's a service.
- **Price** – the cost which a customer pays to acquire the product or use a service. You'll need to look at similarly priced products and take into account aspects such as consumer feedback.
- **Place** – where the product or service will be sold. Will the product be sold in a physical store and/or over the phone or online. Or, if it's a service, will this be sold online or face-to-face. The 'place' is important as it helps define the method of purchase.
- **Promotion** – is the marketing communication created to build awareness of the product or service, shaping how the customer perceives it, developing a positive brand image and building customer preference. This can be by way of advertising campaigns, both offline and online, or it can be more organic i.e SEO, PR, or even word of mouth – whichever route is right for your business, adequate budget will likely be needed. Building a brand usually takes three things – time, consistency and money.

Other elements have been added recently to the marketing mix for consideration, including factors like Process, People, and Partners. As a general starting point, your business should explore the traditional four Ps. They provide a simple framework to work within, to maintain focus and organisation within your marketing strategy.



Try downloading Hubspot's marketing mix templates to get started.

Knowing your stuff when it comes to understanding your market will ultimately contribute to your business growth. Reaching the right audience, with the right product, with the desired amount of resources and effort is extremely beneficial in the short term and for the longer-term goals for your business.



Seeking Startup Funding & Investment. Your Options Explained.

How to get Investment for a Startup

First things first. When raising investment from any third-party, you will need to be thoroughly prepared to clearly explain what your business does, usually in what is called an 'elevator' pitch.

This is an analogy whereby you get in a lift/elevator with an investor, and you have about 30 seconds to explain your business before he/she leaves the lift. Having an 'elevator' pitch that is simple but creates interest should help get the investor's attention.

Be prepared to answer any tough questions. Investors want to see confidence and to know that you've already considered the questions they might throw at you.

Our 'Elevator' Pitch Tips to win your Startup Funding

- **Prepare a clear plan and strategy document**
- **Be open and honest in your approach**
- **Set realistic expectations about future growth potential**
- **Be clear about what you want investors to do / not do in your business (if anything)**
- **Find investors that are also excited about your business**



Getting your Timing Right

Whilst you may think there is a massive rush to raise investment, you should also consider that continuing organically with your business idea will do you no harm either. The further you can get without raising any investment means that ultimately you still own 100% of your business – and there is nothing wrong with this. You need to balance this approach by considering that, by having financial investment, you will be able to grow your business faster. Therefore it will become larger more quickly than if you stay on an organic growth route. You will own less of the business, but if it grows faster, it will have been worth it.

Trying to raise your investment at the right time, so you can fully utilise the investment raised to enable you to scale your business idea is what it is all about. This sounds obvious, but if you do this too early and cannot then deploy the capital raised to grow as you planned to, then you will struggle to raise more funding in the future. On the flip side, if you raise investment too late and stretch yourself, then you are likely to be more desperate for cash and may end up giving away more equity than you initially intended.

Timing and a little luck along the way are key.

Types of Startup Investment & Funding

As a smaller business, it is more about looking at what finance types you can tap into. Usually, the types of startup business funding available is limited based on the stage of the business you are at, growth rates, operational progress, etc. There is no right or wrong way to go, really, as it might boil down to what is best for your business.

Here we look at the types of investment available to you:

Bank Loans for Startups

Commercial bank loans have long been the traditional route to follow for lots of small businesses, but this might largely depend on your relationship with your bank. Often loans can be provided quite quickly, but usually come with personal guarantees that you will need to make to effectively provide the bank with a guarantee that you can 'cover' the loan if it does not work out. This will often involve you providing equity in your house as a means of guaranteeing the loan, so be careful! If things go wrong, you might find yourself in a position where the bank calls in the loan, and you have to sell your home to cover it.

More recently, due to the global COVID-19 pandemic, you could also tap into funding from providers like the British Business Bank and Starling Bank, who are certified providers of government-backed business lending packages to small businesses through the Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan Scheme (BBLs).

Beyond your own bank, you could also look into services like Funding Circle who provide funding from personal investors with a fixed interest rate. There are many resources online, so make sure you do plenty of reading before making your final decision.

Equity-Based Investment

This is a popular route to go down. It involves the investor being totally aligned with your business and your vision, as they are willing to invest in return for shares (equity) in your business. It comes with the added



pressures that your investor(s) will likely want regular updates on your business performance, perhaps even a seat on your Board of Directors. They will also likely want terms and conditions to ensure you are totally committed to the business through a formal Shareholders' Agreement. This will give them various controls and measures about which you will need to engage with them.

There are various ways to secure equity-based investors, and some popular options include:

- **Friends & Family Investors** - often the easiest place to start but can also be the most complicated due to placing 'strain' on personal relationships with those nearest and dearest to you. Whilst friends and family are likely to want to see you succeed with your business by offering financial support, they will be unlikely to add any additional value to you in the form of advice, support, and guidance that you might need as you progress. Of course, the biggest risk with friends and families' money is that despite you having no intention of failing, we know that approximately 20% of businesses fail within the first year. Therefore if you are one of the unlucky ones, be prepared to explain to your friends and family that they have lost their money.
- **Crowdfunding** - this is a more modern approach, and platforms such as Crowdcube and Seedrs allow you to present your business plans to their registered investors who can plan aggregated investments into your business. This can quickly add up to large sums of investment through the 'crowd' effect and others seeing how popular your business opportunity is. Some great examples of businesses that have successfully raised money via this route are Monzo, BrewDog, PodPoint, and many more.

- **High Net Worth (HNW) and Angel Investors** - getting to these HNW investors, often referred to as Angel Investors, can often be the biggest challenge. Still, if you can find wealthy investors yourself and pitch them your business idea, then you might be able to secure investment from them on a personal level. It is usually the case that Angel Investors are part of a small network of other such investors who are business friends and associates. They often invest in things collectively, so by tapping into one Angel Investor, you may actually find you discover they can bring other investors to the table too.
- **Private Equity Funds** - of all the options, this is a more formal way to go because a private equity (PE) investor is actually an investment business. It makes lots of investments in developing businesses each year in the educated hope that they will make money on each investment as the businesses they invest in develop. They will bring not only money to you but also a wealth of knowledge and experience in running fast-growing businesses. This can often be a catalyst for strong growth if they like your business, as they will be totally aligned with your vision and help you grow quicker. On the flip side, they will definitely want controls and measures in place, which you might find challenging. This all comes down to agreeing on clear 'equity terms' with any PE fund.

Tax Incentives for Investors

The Government has recognised the challenges that smaller businesses have in raising investment and also the high risks that investors take investing in such businesses. Over the years, they have introduced a range of schemes to make it easier for investors to enjoy tax breaks and other benefits from taking these riskier investments.

It is worth being aware of these because any of the four equity-based investors we mentioned above could invest in your business through one of these schemes, which would potentially de-risk their investment through various tax incentives. Clearly, some of their investment capital will still be at risk, but it may give them a slightly different perspective on things.

The key schemes are:

- **Seed Enterprise Investment Scheme (SEIS)** - this was introduced in 2012 and allows a company to secure up to £150,000 in investment whereby any investors would get 50% of any investment they place back in income tax relief and then they would pay zero Capital Gains Tax (CGT) on any gains made in the future after a three-year holding period. This effectively means that if an investor pledged £100,000 in investment, they would get £50,000 (50%) back in income tax relief. This massively reduces their risk for investing, and in the future, if they sold their shares, they would have no tax to pay on any profit made.
- **Enterprise Investment Scheme (EIS)** - this is the same as SEIS as described above but allows a business to raise investment of up to £5m per year to a maximum of £12m in its lifetime. The investor would get 30% income tax relief and enjoy zero capital gains on future profits made as with SEIS.

More information on both SEIS and EIS can be found on the HMRC website.

Advice & Legal Support

We would recommend seeking professional advice for any investment raised - its a big step in your business journey and its vital you have clear legal and financial advice at your disposal so that you understand the facts.

It's always a good idea to find a mentor, too, someone who can help you develop your ideas for growth and scale. This could be a business friend, associate, or, as mentioned earlier, an Angel Investor. You can find free or paid-for mentors through various websites too. Being able to tap into this kind of resource will be extremely useful.

Seeking funding and investment for your startup can be tricky, but, with a great 'elevator' pitch, thorough research exploring the options available to you and strategic timing you'll be on the right path.





How to use Marketing to Scale up your Startup Business

The startup growth stage is exciting and a fast-paced environment - it's time to focus on getting in front of more of the right customers to increase your chances of business growth. Creating more awareness by advertising your business can attract new customers and increase your sales. Who doesn't want that, right? Weighing up how best to dive into the world of advertising can be time consuming, so let's take a look at the various options.

Preparing to Grow your Startup

It's important to think of startup business growth not just in terms of increased sales, but also increased profitability too. Before you jump head first into marketing and advertising your product or service, you need to ensure you're prepared and ready to grow. When a business grows, cracks and fractures can begin to surface.

You must make sure your business has strong foundations that are capable of supporting the company during this growth stage. The foundations of a business are generally based on things such as;

- **Strong leadership**
- **Productive and efficient team structure**
- **Culture and values**
- **Customer service/success**
- **Cash flow and supply chain**
- **Sufficient software systems**
- **Marketing investment**

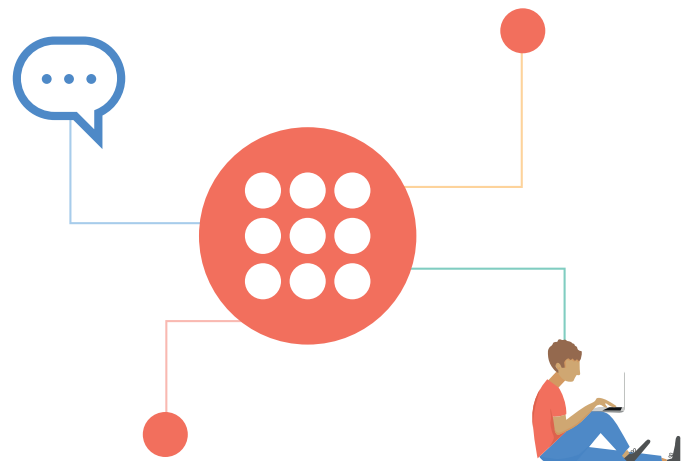


Whilst also having the resource to facilitate the above, whether that be funds, enough employees to deliver or having enough suppliers, you'll need to review and evaluate these factors to identify any potential weaknesses. Growing too quickly without solid foundations is a big risk. The business must still be able to deliver even if it grows. The basics must be in place in order to be able to do this successfully.

As your business grows, it's likely that you'll need to hire more staff. Before you start you'll need to think about the job roles needed to expand your team and the qualities you're looking for. The aim is to build a great team at all levels and it's essential to create the right company culture and an environment where your team wants to be and to succeed.

There may be some job roles that you might consider outsourcing too, such as accounting tasks. Having reliable and trusted external expertise can free up your time as a leader, meaning you can remain focused on the bigger picture.

When a business grows things like customer service levels can sometimes deteriorate, but having the right staff and processes in place, and clear internal communication, can help to keep quality and standards high during this growth stage.



An Introduction to Marketing & Advertising Strategies for Startups

Here we'll explore the different ways you can reach new customers, as well as existing ones, through marketing and advertising your product or service.

In its simplest form, marketing is a business discipline which aims to identify customer needs and how best to meet them, profitably. It provides the strategic input required to run successful marketing communications campaigns. Advertising is the exercise of paying to promote your product or service through different media channels. It's often said, creativity without strategy is called Art, but creativity with strategy is called Advertising. The different types of advertising are generally categorised into online and offline activity which create a network of touch points that customers will potentially engage with. Press & Public Relations can also be considered as an alternative lower-cost, but less immediate or guaranteed, way of building brand exposure and increasing sales.



Digital Marketing for Startups

Digital marketing is communication delivered through online channels like search engines, websites, social media platforms, emails, text messaging and apps. And with each channel comes different methods of communication, such as Paid Search, Display Advertising, Search Engine Optimisation, Organic and Paid Social Media. It's important you have a solid understanding of each, in order to utilise these channels effectively.

Paid Search or Pay-Per-Click (PPC)

Paid Search is the process whereby search engines enable businesses to advertise on their search engine results pages (SERPs). It works on a pay-per-click auction basis, with advertisers bidding on chosen search words and phrases relevant and important to their business, in order to secure an ad placement which will appear above organic (aka natural) search results. Businesses are charged only if someone clicks on their ad, however close monitoring is required to ensure spend is controlled adequately.

Search Engine Optimisation (SEO)

SEO is a method used to increase and improve the quality of traffic to a website from search engines organically, rather than paying to appear via PPC. This is done by optimising your website content so a search engine is more likely to show it as a top result when someone searches using keywords or phrases relevant and important to the business. Google crawls websites and indexes the content it finds - and its algorithm determines the relevance of that content to the search term - the greater the relevance, the higher up the SERPS the result appears, naturally.

Display Advertising

Online display is often graphic/visual advertising on websites, apps or social media through banners, MPUs or other formats. Made up of text, images, sound, video to encourage click-through to your website, display ads can be created and placed via your Google Ads account, where you can target and set placements. But display ads can also be generated as added value opportunities via newspaper and magazine websites, who offer this and other digital marketing activities, in conjunction with their traditional print advertising.

Paid Social Media

Paid Social is effectively display advertising on social media. Ads in varying formats can be created through Facebook Business Manager, where you can target audiences based on various geo-demographics and interests. Ad placement can also be customised to appear on Facebook and Instagram. In fact, all social media platforms offer similar advertising options, such as Twitter and LinkedIn. Pinterest also has paid post options available.



Many businesses are also exploring newer platforms like Tik Tok to drive brand awareness, create trends and connections through creative short videos.

Email Marketing

Email marketing involves the sending of GDPR compliant emails to a group of people, such as customers, prospects, website sign ups, with the purpose of providing information and developing relationships. It is still classed as one of the most effective marketing tools. 76% of UK businesses describe email marketing as 'important' or 'very important'. Emails should be content-led and have purpose and benefit to the recipient - they're relatively quick and easy to produce and are cost-effective - 66% of businesses report email ROI as 'good' or 'excellent'. There are numerous email marketing platforms that you can utilise such as Mail Chimp, Constant Contact and Dotdigital, all with varying capabilities and pricing options.

Content Marketing / Digital PR

Content Marketing aims to create, publish and distribute useful and interesting information created for a target audience online. It does not directly promote or push sales. Content marketing looks to inform and educate, whilst building brand awareness. Examples of content marketing

are eGuides, educational articles, infographics, videos, webinars, blogs etc. Digital PR is the art of pitching information of this type to relevant journalists and publishers - our latest digital PR campaign is the [Digital Nomad Index](#). For this we looked at a range of factors, from the cost of internet speed and scores on the Global Happiness Index, to the monthly rent of a one-bedroom apartment, to reveal the best cities in which to be a digital nomad in. It makes a great read, and it was even picked up and featured by Forbes Magazine.

SMS

Like email marketing, SMS marketing is used to send text messages to customers' mobile devices to inform them of promotions, new products or product launches, sale announcements etc. It is becoming an increasingly essential part of many GDPR compliant multi-channel marketing strategies. Like email, it is very cost-effective and can support other marketing efforts. For broadcast solutions check out TextBurst or Firetext.

Traditional methods of Marketing Communications

Before the advent of the digital age, traditional advertising/media agencies were an essential source of brand, media and marketing expertise. In the last decade or so agencies have increasingly specialised and the growth in digital agencies of all shapes and sizes (and abilities) has been accompanied by the traditional shops extending their offer into digital - the result is a plethora of agencies of all types - some who claim to do everything, and those who are niche.

Traditional methods of advertising, promotion and PR are:

Commercial TV

TV still has the largest reach of all media, and is the most effective brand awareness channel. TV advertising is typically a 30 sec announcement or product demonstration video shown in ad breaks between programmes on TV. Sponsorship of programmes has evolved in recent years as another method of exposing a brand to a TV viewing audience. Over the years,

commercial TV has evolved and introduced modern ways of viewing, and with that, advertising on this medium has evolved too. It's now possible to target your ad campaigns based on geo-demographic data using network providers like Adsmart from Sky or ITV Hub. Utilising these methods can make your money go much further, as they're sold on a cost per thousand impression and frequency basis.



Commercial Radio

Radio is best used as a high frequency, high reach medium. It's bought on a spot, impacts or ratings basis, and all sorts of businesses and organisations use radio to promote their brand or services. Radio campaigns are generally 30 seconds in length, with one or more executions, that are broadcast during pre-agreed dayparts. Costs can vary hugely between stations, and are based on quarterly RAJAR audience data that provides information re listenership - this data has a direct effect on cost. Like TV, media companies that own radio stations have also evolved with digital listening, and have developed the advertising opportunities they can offer by tapping into this. Using DAX (Digital Ad Exchange), a business can target an online listener if they're listening to radio broadcasters or audio content providers on connected devices (Smart Speaker, Laptop, Mobile, Tablet) or listening to streamed services.

OOH (Out of Home)

Out Of Home is basically visual advertising that takes place outside – on roads, rail or retail sites. The billboards you see on the roadside are outdoor estates that belong to media companies like JCDecaux, Clear Channel or Global, and up until the last few years have mostly been print based. As with many other media channels, they've also embraced digital opportunities, and their estate is rapidly changing to reflect this – for example the digital display boards in airports or train stations.

Print Advertising

Print advertising is physically printed media, placed in numerous types of publications, such as newspapers (categorised as national, regional and local press) and magazines of all types. When selecting this type of medium you should check claimed circulation numbers (ABC audit figures are generally accurate), readership per issue, readership profile, and costs for the various types of ad format available. All publications have up-to-date media packs, usually available via their websites, so you can make an informed decision.

Print advertising also includes door drops – an unaddressed or partially addressed item, and direct mail – a GDPR-compliant personalised addressed item, both delivered through the letterbox by Royal Mail or third-party distribution companies. They can take the form of low-cost flyers, personalised letters in envelopes, leaflets and brochures.

Press & Public Relations

PR is a discipline which manages the spread and distribution of newsworthy information to affect public perception and enhance business reputation. PR agencies use the power of persuasion to encourage trusted third parties to talk about your business, as well as responding to journalist requests for spokespeople and comments relating to topical copy. It's business exposure that is not paid for or guaranteed like advertising, but does incur agency fees if outsourced.

How to Evaluate your Startup's Marketing Efforts

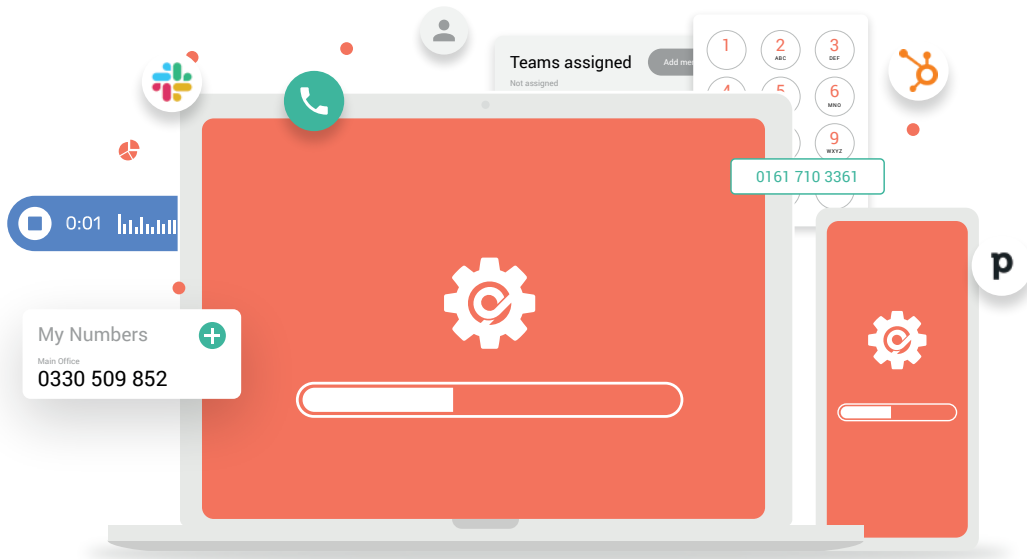
Once you have a clear understanding of the advertising channels available to you, it's important to define clear key performance indicators (KPIs) and how you define your return on investment (ROI). These measurements are metrics of how well your activity is working.

For example, the important part of setting a KPI is choosing what you should measure. For a PPC campaign you'd track things like Click-through rate, conversion rate, cost per acquisition, etc. Whereas for a Digital PR campaign, your KPIs would be slightly different. Here you might look for increased organic traffic and a lift in sign-ups. In contrast, if you were setting KPIs for a radio campaign you'd be looking at things, social media follower increases, or a rise in direct traffic to your website or store.

The ROI will measure the associated cost based on these metrics and determine whether it was worth it relative to its cost. For example, if you used direct mail to communicate a Sale to your existing customers, you'd analyse all the sales between a specific time frame relative to the Sale period. If existing customer sales and order volumes are up on the same period last year, this will indicate the campaign has had the desired effect.

You should view marketing and advertising as an investment in your brand, rather than a cost. Start with test campaigns and evaluate the results, adapt as you go. Always refer back to the objectives and bear in mind that just because you can, doesn't mean you should.





So what's next?

More success we hope. We created The Startup Series to help aspiring business owners navigate their way through their new startup journey, everything from starting to scaling up. Our aim was to provide lots of useful information to help you along the way.

Remember, take the time to evaluate and review, and make changes when necessary. Don't be afraid to make mistakes - learn from them and move on. If things get tough, persevere. If AirBnB had given up after struggling to find investment, they wouldn't be the multi-billion dollar company they are today. A fine example of startup persistence leading to empire success.

Good luck.

About CircleLoop

CircleLoop is a modern cloud-based phone system that can be set up in a matter of minutes. It's accessible anywhere - just download the app to your devices whether in the office or at home. And, whether your business is just starting up, growing or established we have the solution to suit your communication needs. With powerful features and integrations you'll have all the tools to help save you time and increase productivity.

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