

INSIGHT

Free training tool from [LocalEnterprise.ie](https://www.localenterprise.ie)

The startup journey explained

Your guide to starting up and growing a successful business

“Knowing the market is absolutely critical. Even if a solution is very good, it may not suit the market.”

*Shorla Pharma co-founders
Orlaith Ryan and
Sharon Cunningham.*

Supporting you on your startup journey

Ireland has become an isle of entrepreneurs and innovators who are fuelling a vibrant and dynamic startup culture.

A key component of that culture is the nationwide network of Local Enterprise Offices (LEOs) which offer expertise, know-how and financial support to entrepreneurs to help turn their startup ideas into business reality.

The startup journey can be a difficult one, but it is also exhilarating and rewarding. Successful entrepreneurs possess a rare blend of creativity, determination, hard-headed pragmatism and courage. The LEOs work with these people to build on their strengths, address their weaknesses and support them every step of the way.

Over the following pages we trace that journey from initial idea right the way

through to business launch. We examine the different stages including idea development, market validation and research, business planning, and finance as well as looking at the critical areas of sales and marketing and where and how to get the right advice.

Crucially, we look at the journey from a range of perspectives including expert advisers and entrepreneurs with direct experience of the realities of starting a growing a successful business.

The common thread running throughout is the immeasurable value of good advice, whether it comes from a LEO adviser, a mentor provided by your LEO or a fellow entrepreneur taking part in a LEO programme.

No one has all the answers but the first port of call to find them is your Local Enterprise Office.

“It doesn’t need to be a new idea, it can be an improvement on an existing idea. If that was the case we’d only have one type of cola, one type of takeaway burger and we’d be watching one channel on a black and white TV!”

*Oisín Geoghegan,
LEO Network Chair.*

Top 10 tips for Starting Up and Growing Your Business

1. Find a problem *and solve it*
2. Be sure there’s a market for what you are going to sell
3. Research your competitors & make sure you have an edge
4. Know what your business needs to run – how will products or services be produced, delivered, sold and so on
5. 100% perfect is 100% late – don’t hold back if you think there is a market for your idea
6. Start small by testing the market with a minimum viable product or service and build on that
7. Learn from others – go to your LEO for advice, assistance and training courses and find a mentor to guide you along the way
8. Plan to succeed – prepare a dynamic business plan that starts simple and grows and evolves with your business
9. Build a great team – always try to hire people who are better than you at something
10. Never stop learning – the business you start today will not be the same as the one you are running next year. Always keep listening and learning and changing to meet market needs



The idea

Just about every business starts out the same way, with an idea. And it doesn't have to be an earth-shattering, completely new business idea. There's nothing wrong with seeing a good business idea elsewhere and doing it better.

Indeed, some of the most successful business ideas have simply been a copy of something else, but with a different twist. You need look no further than some of the major retail chains to see examples.

"A lot of people looking to set up a business think they need something completely new, but the vast majority

of new businesses aren't brand new," says Oisín Geoghegan, Chair of the network of Local Enterprise Offices. *"But innovation and different ways of doing things are just as important. Doing something that already exists in a better way can be very successful."*

He points out that the same product or service can already exist, but not in

"Entrepreneurs need to think globally. Looking at market trends in other countries can help predict what might be coming down the tracks in Ireland."

*Oisín Geoghegan,
LEO Network Chair.*

the local area. *"Entrepreneurs should look at other countries and see what's happening there. Most things going on abroad will eventually come to Ireland. If you can see what's coming down the track in other countries, that can be very advantageous in terms of being the first mover in the home market. It also means you can learn from the experience of the others who have done it before in their markets. There are very few brand-new, disruptive business ideas, but that doesn't mean you can't be successful with one that has been done before."*

The lesson there is not to be daunted if you find your idea is not unique. It's what you can do with it to make it different and better that counts.



“The number one thing you need for a business is a paying customer.”

*Sheelagh Daly,
Entrepreneurship Manager,
Enterprise Ireland.*



Market validation

That doesn't mean the idea shouldn't be tested, however. Having identified an idea for a business, the first step is to establish if there is a real market for it. Just because you or members of your immediate family would be willing to pay for something doesn't mean anyone else will.

“The number one thing you need for a business is a paying customer,” advises Enterprise Ireland Entrepreneurship Manager Sheelagh Daly. *“You must be solving a problem that others are willing to pay to have addressed. You need to understand why customers will buy your product or service ahead of another.*

They are going to buy for a reason, and you need to use your critical thinking faculties to understand if they have a reason to buy from you. What is the pain point you are addressing that others aren't?”

Noel Davidson, director and lead trainer with the Entrepreneurs Academy, agrees. *“If there is no demand there is no business,”* he says. *“Market validation is the number one thing. You have to look at problems you are aiming to solve and the target customers you are solving the problem for. Do you have a unique value proposition for them? One way to validate the market is to go out with a*

minimum viable product and then test it with potential customers.”

Early-stage Irish pharmaceutical firm Shorla Pharma went directly to the experts to validate the market for its proposition. *“We saw an opening in the market,”* says co-founder and joint Chief Executive Orlaith Ryan. *“There are lots of effective chemotherapy drugs out there which might have been developed in the 1950s and there may be some problems with them. We started working with clinicians to identify problems and see if we could improve the existing treatments.”*



“The products we started out with aren’t the same ones we are bringing to market. Even if a solution is very good, it may not suit the market.”

*Sharon Cunningham,
Shorla Pharma Joint CEO.*



Market research

The validation step establishes if there is a problem worth solving and that there is a gap in the market for what you are doing. It does not, however, establish if there is a market in that gap, if there is a sufficient number of customers out there to turn a good idea into a successful business. This requires more detailed market research.

According to Noel Davidson, market research is about knowing what questions to ask. “A lot of people don’t do it because they don’t know the right questions,” he notes. “You look at the problem you are solving, who you are solving it for, and use online and offline tools to reach them.”

He explains that market research needn’t be very complex or expensive. “It’s really about having the gumption to go out and ask people face to face what they think of your product or idea. It might involve standing outside the complaints department of a competitor to see where they are going wrong or doing a mystery shop to gain direct experience of a comparable offering.

The internet has changed things and made it much easier to do research.”

This is the point where ideas can get refined, fundamentally altered or even abandoned altogether as a result of market feedback.

“Knowing the market is absolutely critical,” says Orlaith Ryan. “The products we started out with aren’t the same ones we are bringing to market. When we did our commercialisation review, we became aware of something called negative stakeholder economics. Even if a solution is very good, it may not suit the market.”

In the US, this meant that prescribers who were getting 20 per cent cut of the price of a medicine could miss out on that if it came in a different formulation. “They are not going to prescribe it if they are not going to get a fee. We had to understand that the prescriber is the customer, not the patient.”

Sheelagh Brady is founder of security research and analysis specialist SAR Consultancy. “Working with Kildare LEO

and Enterprise Ireland helped give us the confidence to go out into the market and find out what people want. If you go out into the market with something, it may not be perfect, but you can learn from the feedback. We were able to go to potential customers to get information on what they wanted.”

“You need to have an intimate relationship with the problem, but be unemotional about the solution,” adds Shorla co-founder and joint Chief Executive Sharon Cunningham.

“During Start Your Own Business courses we encourage people to refine their ideas and look at other complementary concepts,” says Noel Davidson. “We get them to cast a wider net, so they don’t miss out on better ideas. Getting feedback from others is also important as they will offer suggestions for how to improve. Sometimes the result of the research is to throw out an initial idea in favour of something else. And that’s good. Failure is part of the process. The key is to fail fast and cheaply and move on to the next idea as quickly as possible.”



Getting the right advice

There is never a wrong time to get good advice. The best place for most entrepreneurs to start getting it is on a start your own business course organised by their Local Enterprise Office.

"The way we look at the courses is as a risk reduction process," says Oisín Geoghegan. "We want to maximise the entrepreneurs' chances of success and minimise the risk of failure. We try to ensure that participants become proficient at running a business. Managing a business is a complex thing, there are so many competencies and so much knowledge to acquire that it can be quite challenging, regardless of the type of business."

Personal attributes are also important. *"Successful business people and entrepreneurs are motivated and able to motivate themselves," Geoghegan points out. "Some people find that difficult if they have been working for someone else all their life. Participating in a group*

on a start your own business course can help with that. People on the course gain insights and knowledge from each other. For example, entrepreneurs are optimists by definition and when they do financial projections, they can be over-optimistic. Participating in the group helps prepare them for challenges like that and predict what they may be facing on their startup journey."

He also advises people to avail of the services of a mentor, either through their LEO or Enterprise Ireland. *"It can feel lonely out there and maybe a little daunting when you're starting a business," he explains. "You're facing a lot of challenges and it's really important to be able to avail of a mentor or trusted advisor to help navigate the course. People can bounce ideas off family and friends and colleagues, but sometimes they need sound, objective advice from outside that circle, and a good mentor can be invaluable. Your LEO will arrange a mentor to work with, but it's up to you to make sure they are*

"The Kildare LEO was really excellent, and they got us a mentor from the Enterprise Ireland mentor panel. That was a really positive experience and was a great help to us."

*Sheelagh Brady, SAR
Consultancy founder.*

a good fit for business. Sometimes, a particular mentor may be good for someone else but not work out for you. In those cases, you should go back to LEO and say the mentor is not working out."

Sheelagh Brady availed of the services of a mentor. *"The Kildare LEO was really excellent, and they got us a mentor from the Enterprise Ireland mentor panel. That was a really positive experience and was a great help to us."*



“The business plan can be expanded and built on over time until it becomes a document which can be presented to potential business partners, investors or banks.”

Noel Davidson, Entrepreneurs Academy Director.

The business plan

Having tested the idea, validated the market and gone out to get advice it's time to start thinking about a business plan, if you haven't already done one. Indeed, it is never too early to start on a business plan as long as it is flexible and can be adjusted in accordance with market realities.

In fact, Sharon Cunningham and Orlaith Ryan started preparing their business plan well before starting up the company. “We spent two long years working on the business plan at nights and weekends,” says Cunningham. “We were also speaking to potential investors during that period.”

“The business plan is critically important when it comes to figuring out how you are going to produce the product or service,” Sheelagh Daly adds. “The Local Enterprise Office is very helpful when it comes to preparing the plan.”

Noel Davidson recommends that people utilise the Lean business plan concept at the initial stages. “This is a relatively new way of doing a business plan,” he explains. “It's a business plan on one page with nine different boxes to fill in. It gets you thinking about the building blocks of the business – the problem you are solving, who's going to buy your product or service, your USPs, routes to market, intellectual property, legals,

finance and so on.” Entrepreneurs may not be able to complete it at the first attempt, but it will help identify the gaps and let them know what they need to work on.

“The business plan can be expanded and built on over time until it becomes a document which can be presented to potential business partners, investors or banks”, Davidson adds.

“The business plan helps you get all those ducks in a row and strengthens your chances of success as a business when it comes to winning investment, getting finance from the banks and so on.” says Sheelagh Daly.



The legals

For many entrepreneurs this is almost an irritant, but the utmost care and attention must be devoted to getting the legal aspects of the business right, starting with the business name.

Check out if the name you have chosen is already in use, and find something different if it is.

Once you have decided on a name, register it to ensure that others can't move in and steal your brand. If you are developing new products, get advice on how to patent them. Trademarks may be needed to protect particular product or service names but get advice from your LEO, as this can be an expensive process. Copyright is a different matter. It subsists without having to register it anywhere, but you have to police it yourself.

"You have to understand the risk of competition," advises Orlaith Ryan. "While we are not producing novel new drugs, we have to figure out a way of registering our products and protecting them. Orphan drug designation will give us seven years market exclusivity in the US and 10 years in Europe."

You also have to consider the appropriate legal structure for your business. Many businesses operate successfully as sole traders without the need for limited liability, but there may be circumstances where incorporation is advantageous.

Incorporation comes with additional duties in terms of filing returns with the Companies Registration Office (CRO) and these have to be weighed up. You could also choose to form a legal partnership with a co-founder or family member. Again, advice should be sought.

"You have to understand the risk of competition. We have to figure out a way of registering our products and protecting them."

Orlaith Ryan, Shorla Pharma Joint CEO.



“You could have the greatest business idea in the world, but you don’t have a business if no one knows about it.”

Noel Davidson, Entrepreneurs Academy Director.

Sales and marketing

Sales and marketing are absolutely critical to the success of any business. History is littered with examples of companies which failed as a result of sales shortcomings. “You could have the greatest business idea in the world, but you don’t have a business if no one knows about it,” says Noel Davidson. “You’ve got to build a brand, both online and offline.”

Talent is crucially important, according to Oisín Geoghegan. “Business owners can have very different personality attributes,” he notes. “They can be risk takers or risk averse or realists. They can be extroverts or introverts. Some are very good managers and are good at finances but are not good at sales. You have to recognise your own strengths and weaknesses. You need to be conscious of what you have and who you are. If you are not good at sales and shy away from that, you need to have someone on the team who can fill that gap.”

Sheelagh Brady found the assistance of Kildare LEO especially helpful in this regard. “We were experts in security with no entrepreneurial experience,” she recalls. “We could use social media, but we didn’t have any marketing expertise. LEO training was very important for us in that regard.”

Other areas to consider are routes to market, pricing, promotional activity, communications channels, the business website and so on. And the best place to start dealing with these things is on a start your own business course where you can not only get advice from experts but also learn from other course participants who are taking on the same challenges.



“There is a big difference between turnover and profit, and people need to understand that being in business is about generating cash flow and profit, not just turnover.”

*Disín Geoghegan,
LEO Network Chair.*

Finance

It can be surprising how many businesses struggle with their finances. It is all too easy for an entrepreneur to allow their time and attention to be consumed by production, sales and marketing and those other essential aspects of the business, literally at the expense of the day to day financial administration with tasks such as invoicing and cash collection left undone.

It can also be due to the innate optimism of the typical entrepreneur, according to Disín Geoghegan. “Entrepreneurs tend to be too optimistic when they are preparing financial projections,” he says. “All early stage costs need to be planned for. Credit terms need particular focus – getting paid on time is an issue for any business but particularly for cash-strapped start-ups.

You need to be realistic when it comes to forecasting cashflow.”

He also cautions against the dangers of over-trading – for example, where outgoings on raw materials and other inputs to support growing sales are surpassing the income from those sales to such an extent that a profitable business can fail due to a simple lack of cash.

“It’s surprising how often people don’t know if they are making money or not,” he adds. “There is a big difference between turnover and profit, and people need to understand that being in business is about generating cash flow and profit, not just turnover. Turnover is vanity, but profit is sanity.”

And early-stage businesses are fragile. *“Small businesses can be vulnerable*

to bumps in the road,” he cautions. “They can be overly dependent on one customer or a small number of customers, and payment problems with one of them can endanger the businesses. Small startups don’t have the track record to ride these things out.”

Once those areas are addressed your business should be in good shape to get started. Noel Davidson’s advice is to *“just go out and do it. Your greatest work will never be done behind a desk, go out with a minimum viable product, let it fail and learn if necessary. Go out with a vacuum cleaner and find out that the market wants a window cleaner, then sell them a window cleaner. If there’s a problem you can solve and a target market willing to pay for that, get out and do it.”*

STARTUP STORIES

EVERY ENTREPRENEUR NEEDS INSPIRATION.



Richard Stafford of Apridata



Conor Lyden of Trustap



Michael Savage of Lir Analytical

Data driven success

“There comes a point where fear of not doing it becomes greater than fear of doing it,” says Apridata founder Richard Stafford.

The Cavan based company has developed a solution which allows companies to generate insights from data that is presented on user friendly dashboards and generates advanced analytics.

A technologist with Silicon Valley experience, Stafford saw the growth in demand for data analytics capability and set up Apridata in 2014 to meet it. He identified a gap in the market for midsized companies with revenues of between €50 million and €500 million.

“They are facing increasing challenges with data and don’t necessarily have the breadth of skills internally to integrate it, exploit it, and put timely insights into the hands of business users,” says Stafford.

That led to the Apridata solution which sits on top of the widely used SAP Business One enterprise resource planning software. The product has provided what was primarily a consultancy business with a clearer route to scalability and rapid growth.

“We now need to market it effectively and grow our customer base so I’m talking with Local Enterprise Office Cavan to help me take the business to the next level,” says Stafford.

Getting what you pay for

Salutary experiences of buying football match tickets online from unknown third parties led Conor Lyden to develop Trustap, a transaction platform designed for people buying from and selling to people they don’t know.

Trustap works like a personal escrow account. The buyer’s funds are held until all the transactional milestones have been completed. Once the item has been delivered, or handed over, and the complaints period has elapsed, the funds are released to the seller.

Lyden first met with his Local Enterprise Office when he applied for Ireland’s Best Young Entrepreneur, a youth entrepreneurship competition.

“I applied for it through LEO South Cork. I met with staff there and they advised me what would suit me best at that stage of the business. As a result, I got a Business Priming Grant which I used for additional software development and towards some salary costs.”

The Trustap platform is now used around the world by individuals and it has integrated with a number of strategic partners operating large scale buy and sell marketplaces such as Preloved.co.uk and Cars.ie.

“I advise anyone with a business idea to go to their Local Enterprise Office”, says Lyden.

Improving food standards

Analytical chemist and Lir Analytical founder Michael Savage had an idea to help food producers improve hygiene standards and went to Longford LEO for advice and help.

“LEO Longford gave me two Innovation Vouchers which I was able to use to work with Athlone IT’s Bioscience Research Institute. That helped me develop and validate our bio-security formulations. If I had had to pay private consultants to do the work it would have cost me six times as much,” he says.

“By late 2016 LEO Longford had helped us grow the business to the point where we became an Enterprise Ireland High Potential Startup”, Savage adds.

The business now employs 15 people and exports to Scandinavia and Central Europe.

“We are creating a new generation of solutions comprising more targeted disinfectants, many of which are bespoke to various geographies. As well as manufacturing products, we have also grown the consultancy and diagnostic side of our business working with clients who are both farmers and food producers.”

TALK TO US TODAY. TOGETHER, WE CAN MAKE IT HAPPEN FOR YOUR STARTUP.



Local Enterprise Office
Making It Happen

STARTUP STORIES EVERY ENTREPRENEUR NEEDS INSPIRATION.

LEARN HOW THESE 10 IRISH STARTUPS GOT OFF
THE GROUND WITH THE SUPPORT OF THEIR
LOCAL ENTERPRISE OFFICE.

Visit LocalEnterprise.ie/Start



FEATURING THE FOUNDERS OF:

Trustap, Lir Analytical, SAR Consultancy, Big Red Barn,
Mechanical Modular Solutions, Shorla Pharma, Gym + Coffee,
Qualitas Electronics, The Irish Fairy Door Company and Apridata.

LocalEnterprise.ie/Start
Making It Happen



In partnership with

