5 WAYS FOR BOOTSTRAPPED STARTUPS TO GET THROUGH THE FIRST YEAR

By Zach Cutler

In the eyes of an investor, a bootstrapped startup that has proven stable and successful within the first year is powerful. It not only raises confidence in the product and the leadership behind it, but also indicates that any invested money will likely not be thrown away.

Ultimately, when it comes to working with investors, it's important to prove that a startup and the people behind it not only know how to spend money, but know how to bring in additional money.

To successfully bootstrap a company in its first year, it's important to consider a few things:

1. CUT THE NONESSENTIALS AND FOCUS ON IMMEDIATE NEEDS.

There is nothing more important to startup success than the talent that makes it all possible. Avoid any unnecessary expenses, such as office overhead or "frills," to free up money to invest in better talent.

Virtual offices will allow team members to work together from anywhere in the world and are extremely cost-effective. Ultimately, cutting costs wherever possible will more likely enable worthwhile investment in a larger team, which will be the catalyst to growth for the company.

2. FOCUS ON TWO TYPES OF TALENT: ENGINEERING AND MARKETING.

An innovative and savvy engineer knows the ins and outs of mobile apps and understands what users truly want and need. An intelligent and driven marketing professional understands the market and how to reach the desired target audience.

With these two power talents working side by side, any product has a good chance to be successful.

3. DON'T CUT CORNERS.

Investors need to know the business and its leadership are stable and legit, so do everything by the book. Once they get involved, investors will want to see paperwork, as well as profits and losses and balance sheet reports right off the bat. This should be a priority from day one.

Find an accountant and purchase good accounting software to ensure that records are clear and corners are not cut. This will also allow for extra time to tend to other important matters within the startup.

4. COVER THE LEGALITIES BEFORE IT'S TOO LATE.

It's critical to ensure the product or app is covered and that there are no loopholes that would allow someone to steal its name or intellectual property once it takes off.

During the planning phases, when speaking to potential investors, partners, or developers, it's also wise to use a confidentiality agreement to ensure everything stays within the four walls. Additionally, copyright any sketches, mockups or documentation of the product during development stages.

5. UTILIZE FREELANCE CONSULTANTS.

Skilled freelance consultants offer additional niche talent only when it's needed. Build and keep a solid list of trusted and intelligent freelancers who can be utilized when the time is right. With the extra cash flow freelancers provide, startups have more ability to hire the best full-time staff needed for success.

It's no secret that the first year for a bootstrapped startup will have many highs and lows. Despite the uncertainty and exhilaration that comes with those highs and lows, it's important to stay focused on what's needed to get to the next step.

Eventually, those steps will likely lead to talking with investors to get the startup to the next level. Cutting no corners from the very first day, bringing on the best talent and preparing for failure and success will prove to an investor that the product and those behind it have what it takes to succeed.

About the Author

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