



# StartUp Mendocino

**BUSINESS ACCELERATOR**

## 2024



Strategic Financial Navigation: Optimizing Your Path to Success

# FINANCIAL STRATEGY

Starts with measuring your financial performance.



**Every decision you make directly affects the financial performance of your business!**



**Financial performance: understand the difference between growth and failure.**

# TODAY'S WEBINAR

## Review and discussion

- Market analysis review
- Who is your market
- Who are your customers
- Who are your Competitors
- What is your market entry strategy

## Cost & Price Structure Excel Workbook

- Expense strategy
- Product and Service Costing
- Pricing Strategy
- Determine profit margins
- Understand your financial position

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# MISCONCEPTIONS AND PITFALLS



My pricing is very competitive, I follow my competition.

What if they're

wrong.



Not everyone drinks tap water.

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# MARKET ANALYSIS REVIEW

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- How do I identify my target customer(s)?



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**Demographic Data and Segmentation**
  - Age
  - Gender
  - Race
  - Education
  - Occupation
  - Income
  - Location



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- Where do I find industry specific information?



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# MARKET DATA AND INFORMATION

## Department of Labor

### NAICS

- Find Manufacturers
- Find Vendors
- Find industry data
- Detailed industry reports
- Import/Export data

<https://www.naics.com/search/>

### Bureau of Labor Statistics

- Product/service pricing
- Workers by industry
- Pay and benefits
- % unemployed

<https://www.bls.gov/>

## Industry Association

- Industry outlook & info
- Advances in technology
- Legislation
- Emerging markets
- Industry leaders

<https://www.ncta.co>

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- Where do I find industry specific information?
- How do I understand all of this information?



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- How do I understand all of this information?
- I created an action plan, now what?



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# WHO IS MY MARKET

Our case study today is **BOB'S BIG BOY BOOTS.** A few questions:

- Most people wear shoes, how many wear boots?
- Why wear boots: work, fashion, support, esteem?
- Will people “age in” and “age out” wearing boots?
- How many people are in my target market?
- How are other Retailers pricing their products?
- Where can I find Suppliers?

**Where can I get this information?**



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# WHO ARE MY CUSTOMERS

## Today:

- What are their wants and needs?
- What are the buying behaviors of your customers
- How do you collect and evaluate customer feedback?
- Is your branding and messaging consistent?
- Do you communicate with customers on multiple levels.

## Tomorrow:

- Will customers “age in” or “age out” of my business?
- How will changes in technology affect my customers?
- Do I track customer feedback and future trends?



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# WHO ARE MY COMPETITORS

## My Competitors

- I Regularly monitor the competitive landscape.
- Competitive analysis SWOTs
- Do I track brand loyalty?
- Competition makes me stronger and resilient.
- I am always looking for integrated products and services.
- I am always looking for new markets to enter.

## Are there networking opportunities?

- Competitor in name only.
- Opening new markets.
- Consolidation opportunity.



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# MARKET ENTRY STRATEGY

Your SWOT and the Competitor SWOT's you created.

- How many competitors are in the market?
- Brand loyalty is important, direct reflection of customer service.
- Are there any Stakeholders you can partner with to optimize your brand.
- In this era, are there Competitors thinking about selling their business?

DON'T DO ...

- Don't open without a plan.
- Do not discount your price.
- Watch what you post online.



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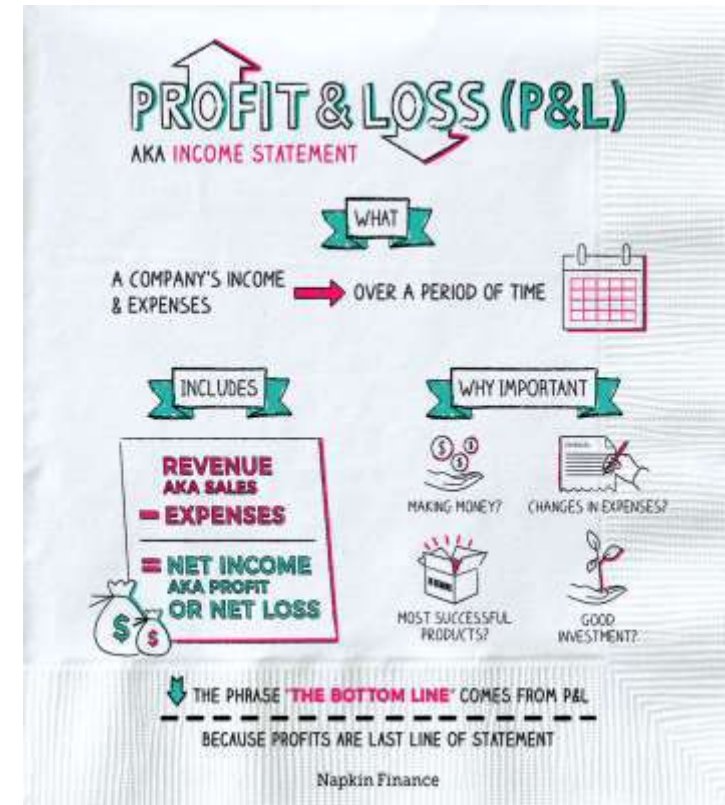
# HOW DO I MEASURE FINANCIAL PERFORMANCE?

Is it the cause or a symptom of my problems with ...

- Product and service pricing.
- Price increase.
- Budget monthly lease increase.
- My first employee.
- My compensation.
- My profits.

Not knowing confuses how we

- Evaluate a potential new product line.
- Create a budget model for competitive analysis.
- Look to the future with confidence.



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# IN CLOSING

## The Tool ...

- Is not a monthly reporting tool.
- Takes a “snapshot” of your operations and pricing structure.
- Should be used at least twice each year:
  - Use at six months into the current budget year.
  - Use at 4<sup>th</sup> quarter to budget increases slated for next year.
- Experiment with the Tool, it is resilient and capable of much more.

## Successful Small Business Owners ...

- Understand the difference between variable and fixed expenses.
- Understand their industry business cycle.
- Understand breakeven is an intermittent goal, not a destination.
- Know their fixed cost coverage.

Understanding we have little control over external pressures,  
but 100% of the responsibility in dealing with it.

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# NEXT STEPS

1. Create 3 different scenarios to use on the C&P tool.
2. Identify 3 areas to change due to the C&P Tool
3. Continue maintaining weekly and monthly financial management.

**Practice Makes Perfect.**

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THANK YOU FOR BEING PART  
OF



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