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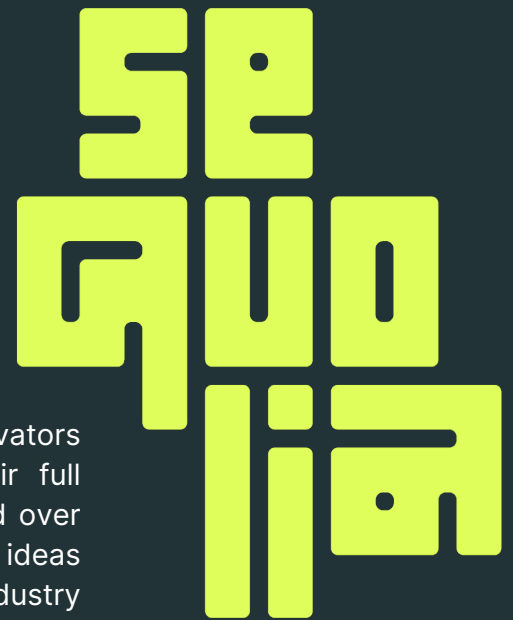
JANUARY 2025

TOOLKIT FOR
FIRST-TIME ENTREPRENEURS

**FOUNDATIONS FOR
BUILDING A B2B
SAAS STARTUP**

sequolia

ABOUT US



WHO WE ARE

At Sequolia, we are a team of seasoned tech enthusiasts and innovators who share a passion for empowering businesses to reach their full potential. With 50 years of cumulative experience, we have advised over 45 startups and SMBs, and our journey has been fuelled by endless ideas and of course, countless happy hours. We combine our in-depth industry knowledge with our commitment to developing cutting-edge products, making us a trusted partner for companies seeking to scale and thrive on the competitive B2B SaaS landscape.

BRIDGING THE GAP BETWEEN DISCOVERY AND DELIVERY.

Our products provide the robust foundation your software development teams need, boasting best practices for continuous delivery, platform engineering, and AI to help you focus on product delivery and get to market faster than ever.



MANAGED SAAS: We handle the operational management of your software products, including infrastructure, monitoring, updates, and security. Focus on testing your ideas and fostering growth with realistic options while we manage the complexities.



DEVOPS AS A SERVICE: We modernize your continuous delivery pipeline, application architecture and cloud infrastructure using state-of-the-art technology for faster releases and improved cost efficiency.



PLATFORM: Transition to our core platform. It's packed with the essentials for your B2B software development, leveraging artificial intelligence, the latest platform engineering technologies and proven blueprints to boost your competitiveness.

With Sequolia, your next big thing is already underway. Let us help you accelerate your go-to-market strategy, manage costs effectively and enhance developer productivity, all while facilitating continuous growth and success.



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01

SECTION 01

ENTREPRENEURSHIP:

RISE TO THE
CHALLENGE

ENTREPRENEURSHIP :

RISE TO THE CHALLENGE

Welcome to the world of B2B SaaS entrepreneurship, where resilience reigns supreme! Here, success doesn't generally just happen—it's forged in the fires of challenge and shaped by the unyielding determination of resilient leaders.

ATTRIBUTES OF A GREAT LEADER

Resilience and authenticity are your secret weapons. Resilience is the ability to bounce back stronger each time life throws you a curveball. Whether they are weathering storms or pivoting with grace, resilient entrepreneurs embrace failure as a stepping stone to success. It's not about avoiding risk. It's about facing it head-on,

both physically and psychologically. As for authenticity, there is no one-size-fits-all leadership persona in this game. Your greatest asset is being true to yourself, because inauthenticity is obvious from a mile away. Just to be clear, this isn't the same as imposter syndrome, which can manifest at the beginning. You will overcome this feeling by gradually building your knowledge and staying authentic in your approach.

And when it comes to measuring great leaders, trust is the name of the game. Combine the science of empirical data with the art of empathy and sound judgment. Remember, trust isn't just earned—it's cultivated through actions, not words.

THREE ATTRIBUTES THAT DEFINE GREAT LEADERS



CLARITY OF THOUGHT & LANGUAGE

Picture a clear path guiding your team toward success. Invest in refining your ideas into concrete plans before sharing them. Keep it simple! Effective communication requires practice, preparation, and patience, whether for a 10-minute pitch or a lengthy presentation.



GOOD JUDGEMENT ABOUT PEOPLE

Building a dream team begins with recognizing good talent. Meet as many people as possible to identify those who stand out. Not every hire will be perfect, but that's okay. Learn from each hiring process, as every experience is a valuable lesson.



STRONG INTEGRITY AND COMMITMENT

Ready to give it your all? That's the spirit! Strong personal integrity and unwavering commitment are the cornerstones of great leadership. Hold yourself accountable with the transparency test: if everyone heard and saw what you said and did, would you stand tall or look small? Integrity is non-negotiable.

MATCH YOUR PERSONALITY TO THE RIGHT ROLE

As you embark on your B2B SaaS venture, it is imperative to understand your inherent personality traits while you steer the ship. The NOVA profile, a framework that explores personality types and interests, offers valuable insights into the executive roles best suited for individuals. Be aware of your strengths, but also your vulnerabilities so that you find insights or people to complete you.



WE HIGHLY RECOMMEND YOU AND YOUR FOUNDING TEAM TAKE THE NOVA TEST TO BETTER UNDERSTAND HOW TO WORK TOGETHER: CONTACT US FOR AN EXPERT RECOMMENDATION.

First stop: C-suite. Here's where you'll discover which role aligns best with your personality:

CEO (COMMANDER):

Are you a visionary with a knack for strategic thinking? If so, the CEO role might be your calling. Take the helm with your inspiring leadership and steer the company toward its overarching direction.

COO (OPERATOR):

Do you thrive on meticulous planning and flawless execution? As a natural operator, the role of Chief Operating Officer is your domain. Optimize processes, thereby ensuring seamless execution of business strategies.

CTO (TECHNOLOGIST):

Are you fuelled by innovation and passionate about technology? Welcome to the realm of the Chief Technology Officer. Shape the company's technological landscape of the company with your tech-savvy prowess.

CPO (STRATEGIST):

Do you have a knack for seeing the bigger picture and shaping product direction? Embrace your inner strategist as the Chief Product Officer. Drive the company's product strategy with your keen eye for market needs.

CMO (TRAILBLAZER):

Are you a creative powerhouse with excellent communication skills? As a trailblazer, the role of Chief Marketing Officer awaits. Propel the company's brand into the spotlight and cultivate a community of supporters.

Here are a few more interesting theories about the personalities of entrepreneurs:

THE BIG 5 PERSONALITY TRAITS IN ENTREPRENEURSHIP:

- Conscientiousness
- Agreeableness
- Openness
- Neuroticism
- Extraversion

You will learn how individual differences in these traits influence entrepreneurial behaviour, success, and decision-making processes.

THE 8 PERSONAS OF SUCCESSFUL ENTREPRENEURS:



This knowledge will allow you to understand the nuances of entrepreneurial inclinations. There's room for all personality types!


EXPLORING RELEVANT EXPERIENCES FOR ASPIRING ENTREPRENEURS

As you embark on your journey into entrepreneurship, consider the wealth of experiences that can shape and enrich your path to success. While there's no one-size-fits-all approach, the next page details some avenues worth exploring:


THREE AVENUES FOR GAINING EXPERIENCE

 **BIG TECH**

Venturing into the realm of Big Tech offers a unique opportunity to tackle complex challenges at an unprecedented scale. Engaging in projects of significant magnitude not only hones your problem-solving skills but also provides invaluable exposure to diverse tech ecosystems. Rubbing shoulders with industry titans can lead to mentorship opportunities and invaluable networking connections. While not essential, a stint in Big Tech can enhance your understanding of corporate dynamics and bolster your resume for potential venture capital endeavours. However, beware the allure of comfort and status—it's a trap that may hinder your entrepreneurial aspirations. Remember, planning is key; ensure you have an exit strategy in place to pivot back to your entrepreneurial pursuits when the time is right.

 **STARTUP SCENE**

Immersing yourself in the vibrant startup scene offers a firsthand glimpse into the world of entrepreneurship. Here, you'll witness the birth of innovative ideas, the adrenaline-fuelled hustle, and the resilience required to navigate the unpredictable startup landscape. Whether you are a founder, team member, or enthusiastic observer, a startup can provide a fertile ground for learning the ropes, honing your skills, and forging meaningful connections. Dive into the process, absorb insights from seasoned entrepreneurs, and cultivate a mindset of continuous learning and adaptation.

 **FIELD EXPERTISE**

Becoming an expert in a specific field can effectively lay the groundwork for uncovering your entrepreneurial niche. Whether this means mastering a particular industry, honing technical expertise, or delving deep into a specialized domain, field experience equips you with the knowledge and insights necessary to identify untapped opportunities and craft innovative solutions. By immersing yourself in the intricacies of your chosen field, you'll not only cultivate a nuanced understanding of market dynamics but also unearth potential pain points. Embrace the journey of becoming a subject matter expert, and let your expertise serve as the springboard for your entrepreneurial endeavours.

By exploring these diverse avenues of experience, you'll not only gain invaluable insights and skills but also chart a course towards entrepreneurial success grounded in real-world understanding and expertise. You may also encounter individuals who could potentially be the co-founders you're looking for! So, here's your first test as an entrepreneur...

COULD YOU CONVINCe PEOPLE TO JUMP ON THIS CRAZY RIDE WITH YOU, EQUIPPED WITH NOTHING BUT YOUR VISION AND PASSION?

02

SECTION 02

FOUNDING TEAM:

DIVIDE AND CONQUER

FOUNDING TEAM:

DIVIDE AND CONQUER

The role of a founder is nothing short of challenging. It's important to surround yourself with competent, resilient and trustworthy people. We highly recommend that you find yourself at least one co-founder, or even a team of up to four co-founders, to divide and conquer: this adage rings true in startup land. With at least one co-founder, you can divide tasks, thereby doubling productivity and leveraging each other's strengths.

THE BENEFITS OF PARTNERING UP

While AI tools can boost productivity, founders, especially non-technical ones, still wear many hats and must acquire diverse skills. They handle product vision, marketing, sales, finance and business strategy. It's crucial for non-technical founders to partner with technical co-founders for skill complementation and to create prototypes or MVPs, which are essential for securing funding and attracting early customers. Without this technical support, founders may face delays, cost overruns and subpar products.

A co-founder provides accountability, keeps the project on track and offers moral support throughout the startup journey.

STATISTICS SHOW THAT STARTUPS WITH CO-FOUNDERS TEND TO PERFORM BETTER AND ARE MORE LIKELY TO SUCCEED.

In today's competitive startup environment, venture capitalists (VCs) have also become more cautious when considering solo founders, adding another layer of complexity.



WE DON'T RECOMMEND USING A DEVELOPER SHOP INITIALLY, AS YOUR PRODUCT ISN'T FULLY DEFINED YET. THE REQUIRED ITERATIONS WILL BE COSTLY AND INVOLVE MANY INDIVIDUALS WORKING ON YOUR PROJECT AT DIFFERENT LEVELS.



BUILDING A COMPANY IS BASICALLY TAKING ALL THE IRRATIONAL PEOPLE YOU KNOW... PUTTING THEM IN ONE BUILDING AND THEN LIVING WITH THEM 12 HOURS A DAY, AT LEAST.

- KEITH RABOIS

SOLO FOUNDERS: USE AI AS A COPILOT, AT LEAST

AI can boost productivity by generating texts, images and code. Solo founders increasingly use AI as a co-pilot to complement their strengths, handle portions of code and better understand markets. However, caution is needed when double-checking AI outputs, as the data might not always be up to date. While AI can aid with brainstorming and creative tasks, its limitations mean it's essential to hire experienced people as your product complexity grows.



CHECK OUT [JOSH MOHRER SUCCESS STORY](#).

EXPLORE WAYS TO INCORPORATE AI INTO YOUR DAILY ACTIVITIES: [SECTION 09 APPENDIX: PRODUCTIVITY TOOLS](#)

EVALUATING A CO-FOUNDER

When considering a potential co-founder, it's essential to assess compatibility across various dimensions. Avoid basing your decision solely on skills, as these can evolve significantly over time. Instead, discuss your individual and shared goals, values, stress management techniques, communication preferences and the level of personal and financial commitment you are willing to dedicate to your joint venture.

To cultivate trust and enhance collaboration skills, we highly recommend meeting face-to-face and defining each other's roles and responsibilities. This will provide an accountability structure to avoid conflicts and foster efficient teamwork based on your communication skills and different personalities.

Once you've identified your co-founders and clarified their roles, make sure compensation is fair and equitable for everyone. Don't get caught up in minor disputes over equity percentages—keeping things balanced now will set a solid foundation for long-term motivation.

JOB TITLES ARE CRUCIAL, EVEN FOR SMALL TEAMS, TO CLEARLY DEFINE RESPONSIBILITIES AND ROLES. THEY ENHANCE INTERNAL ACCOUNTABILITY AND POSITIVELY INFLUENCE EXTERNAL PERCEPTIONS.

SURROUND YOURSELF WISELY

Your founding team is one aspect, but it's equally important to surround yourself wisely for external matters such as the legal, funding, financial and technical aspects. Be wary of “coaches” who promise life-changing results and often engage in excessive name-dropping without delivering substantial outcomes. Instead, seek out individuals with proven track records, particularly in the realm of B2B SaaS. The B2B SaaS sector caters to a unique clientele with specific demands and expectations. Receiving sound advice can expedite your market entry, reduce initial product development costs and facilitate the hiring of top talent. When evaluating experts, take your time: ask probing questions, seek second opinions and verify their success in relevant areas. Carefully vetting your advisors can make all the difference.

TALK IS CHEAP AND MAKING SOFTWARE IS PRETTY EASY – EXECUTION IS THE HARD PART.

03

SECTION 03

IDEA:

FIND YOUR GOLD MINE

IDEA:

FIND YOUR GOLD MINE

The objective here isn't to discover the perfect idea outright; this will evolve over time. The important step is to validate it by introducing it to the market as quickly as possible and observing the response, understanding that it will evolve as you gain insights along the way. The execution of your idea will ultimately determine its success—this is where the real challenge lies.

Once you've settled on your idea, try to find a name for your business and test it out. Don't waste time trying to find something perfect, as it can be temporary and serve as a unifier for your team. To help you identify pain points and conceptualize solutions that will form the foundation of your SaaS business, consider the following tips.

ENTREPRENEURS SHOULD KEENLY OBSERVE INDUSTRY TRENDS, LISTEN TO CUSTOMER FEEDBACK AND ANALYZE COMPETITORS. UNCOVERING A MARKET PULL INVOLVES RECOGNIZING NEEDS BEFORE THEY BECOME MAINSTREAM AND OFFERING A SOLUTION THAT ALIGNS WITH FUTURE DEMAND.

ON THE LOOKOUT FOR IDEAS



01

GENUINE USER PROBLEM

Ensure your solution addresses a real issue for your target users by engaging with them directly. Focus on specific, high-quality problems rather than abstract ones.



02

NO "TARPIT IDEAS"

Beware of seemingly appealing ideas that are tough to execute and trap you in endless challenges. Research similar concepts first to avoid getting stuck in a project that might drain resources and force a pivot.



03

PERSONAL RELEVANCE

Explore ideas that personally resonate with you or address problems you have encountered firsthand. Direct experience often provides valuable insights into genuine market needs.



04

RECENT CHANGES

Advancements in AI and pandemic-driven shifts have created new innovation opportunities. B2B SaaS has evolved with the Internet, mobile tech, cloud computing and AI. Understanding this history helps align products with current trends.



05

FERTILE GROUND

Focus on industries with complex challenges, high barriers to entry or minimal competition but high demand. These areas are ripe for innovation and have fewer founders due to their complexity. Rapidly growing markets with significant competition require fresh insights to stand out.



06

RELEVANT PROXIES

A proxy is a large company in a similar domain to your startup, but not a direct competitor. Identifying proxies can help you find niches where you can be more flexible, agile, offer competitive pricing and create tailored solutions.

HELP USERS IMPROVE THEIR PRODUCTIVITY, QUALITY OF LIFE OR TELEMETRY NEEDS.

QUICK USE CASE

stripe

TIMING

Stripe entered a market filled with pre-existing payment solutions, where companies like PayPal dominated the landscape. Despite the competition, Stripe identified an opportunity to revolutionize online payments by offering a simpler, developer-friendly solution. Recognizing the potential to create a better product in an industry dominated by complex and cumbersome payment systems, Stripe seized the opportunity to innovate.

IDEA

Despite skepticism from many founders and investors who viewed the idea as either bad or too challenging, Stripe persisted with its vision of creating a more seamless and efficient payment infrastructure for online businesses.

MARKET

Contrary to initial perceptions, the market for online payment solutions turned out to be far larger and more receptive than initially anticipated. As Stripe gained traction, its user base expanded rapidly, demonstrating the untapped market and validating the company's innovative approach to online payments.

EVOLUTION OF AN IDEA: THE PIVOT

A pivot is a strategic move where you tweak your product or business model based on valuable insights and feedback. It's all about adapting to better serve your customers' needs and stay ahead of the curve. So, think of it as a positive step forward rather than a complete overhaul.

[EXPLORE EXAMPLES OF SUCCESSFUL PIVOTS](#)

START SMALL, GROW TALL

The journey from idea to traction is often a marathon, and rarely a sprint. Entrepreneurs are advised to initiate their B2B SaaS ventures as side projects. This allows them to test ideas, gather feedback, and refine their offerings without fully committing.

Once traction is gained, bringing in at least one co-founder adds diverse skills, shared responsibilities and support crucial for scaling.

In the meantime, you can work at a tech company or a startup or become an expert in a field to start gathering ideas and experience. Start working on and building things you are interested in or good at. In "Why Greatness Cannot Be Planned", the acclaimed author and computer scientist Kenneth Stanley challenges conventional wisdom about achieving greatness. Through a thought-provoking exploration, Stanley delves into the unpredictable nature of success and offers profound insights into the roles of serendipity, experimentation and emergent properties in the pursuit of excellence.

[READ: WHY GREATNESS CANNOT BE PLANNED](#)

04

SECTION 04

FUNDING:

KICKSTART YOUR
STARTUP

FUNDING:

KICKSTART YOUR STARTUP

Raising capital is often considered the second most challenging aspect of launching a startup, the first being the creation of a product that people want. Securing funding is a daunting task. Unlike the portrayed ease of fundraising on shows like *Shark Tank*, the reality is far more complex and demanding. It requires meticulous planning, persistence and a significant investment of time and effort.

While you might not need to raise money before developing the initial version of your idea and attracting users, there are funding options available to support your launch and provide leverage for future fundraising during your growth stage. Whether you're seeking thousands or millions of dollars, numerous options exist, particularly in tech and politically focused industries.

SOMETIMES, IT CAN COST YOU MORE TO GROW FASTER: YOU LOSE EQUITY, CONTROL AND SHARES. THE BEST TYPE OF FUNDING COMES FROM YOUR CUSTOMERS, IF POSSIBLE.

You will need to add this information to your business plan, outlined in the next section.

FUNDING YOUR LAUNCH

The first round of funding typically includes grants, funding from friends and family and sometimes a seed round. Other options are also available to help you reduce costs or secure significant amounts of money. You should lay all of this out in your business plan.

WAYS TO FUND YOUR LAUNCH



GRANTS

In your sector



INCUBATORS & ACCELERATORS

In your area



TAX CREDITS

For R&D projects



STARTUP PROGRAMS

For discounts & credits



FRIENDS & FAMILY

Pre-seed funding



CONSULTING SERVICES

For bootstrapping

A. GRANTS

To kickstart your launch, begin by thoroughly researching grants available in your area, particularly those tailored to the tech sector or your specific industry. Grants are non-repayable funds provided by government bodies or organizations to support initiatives. Focus on grants that align with your startup's goals, as they can offer a significant financial boost without requiring you to give away shares in your company. These funds typically come with fewer strings attached compared to other funding options, and range from a few thousand to several million dollars!

Here are a few resources for your research:

- [PME MTL](#): Coaching and financing for entrepreneurs
- [BDC](#): Bank for entrepreneurs
- [Canada Digital Adoption Expense \(CDAE\)](#): Encourages businesses to invest in digital technologies.
- [CNRC-PARI \(National Research Council of Canada - Industrial Research Assistance Program\)](#): Designed to support small and medium-sized businesses in their innovation journey.

B. INCUBATORS AND ACCELERATORS

Consider affiliating with incubators or accelerators associated with your school or other organizations. These programs offer more than just funding (often up to a few thousands); they provide invaluable resources, mentorship and a structured environment to foster your startup's growth. Accelerators, especially, are renowned for their time-efficient programs crafted to swiftly advance startups to the next level.

Here are a few examples of incubators and accelerators in Quebec:

- [PME MTL \(Montreal\)](#): Coaching and financing for entrepreneurs
- [Centech \(Montreal\)](#): Incubator affiliated with École de Technologie Supérieure (ÉTS). It offers programs, workshops, and mentorship to help tech startups grow.

- [FounderFuel \(Montreal\)](#): Accelerator providing early-stage startups with funding, mentorship, and access to a network of investors and industry experts.
- [TandemLaunch \(Montreal\)](#): Deep technology incubator focusing on creating and growing early-stage startups in areas such as artificial intelligence, computer vision, and robotics.

These are just a few examples, and there are several other incubators and accelerators across Quebec that cater to various industries and different stages of startup development.

C. TAX CREDITS

Optimizing tax credits for your B2B SaaS startup can be a game-changer, however, navigating them can be complex.

One of the most lucrative tax credits available to Canadian businesses is the [Scientific Research and Experimental Development \(SR&ED\)](#) tax incentive, which rewards companies for innovation and R&D activities.



TO MAKE THE MOST OF THESE CREDITS, CONSIDER HIRING A CONSULTANT WHO IS WELL-VERSED IN TAX LAW AND REGULATIONS.

They can help you navigate the intricacies of each credit, thereby ensuring you maximize your benefits and keep more money in your pocket to fuel your growth. It will take time to manage, but it will be worth it.

D. STARTUP PROGRAMS

Startup programs offer significant financial relief through discounts and credits, helping B2B ventures reduce early costs. For example, [HubSpot](#) provides up to 90% off in the first year, while [AWS](#) offers up to \$100,000 in credits. These benefits can accelerate growth by providing access to essential services. Be sure to research various programs, as HubSpot and AWS are just two examples among many that can support your startup's development.

E. FRIENDS AND FAMILY

This funding stage involves obtaining initial financial support from your personal contacts, typically ranging from a few thousand dollars up to \$100,000, to kickstart your venture. Many startups secure their initial funds from friends and family. While advantageous due to the ease of access and familiarity, there are drawbacks, such as mixing business with personal relationships and potential limitations with connections and investor status.

F. CONSULTING SERVICES

Your startup and product development can be financed by selling services, for instance by consulting your area of expertise. This approach allows a gradual transition from a service-based to a product-based business model, with clients covering the development costs. It ensures that you're making something at least one customer wants and embracing their reality.

Relying solely on bootstrapping and funding your company out of revenue that you generate from customers, has its drawbacks, including financial constraints and distractions from client-related tasks. It can also remove the focus from scaling the startup. Consulting, while providing immediate revenue and validation, may hinder long-term startup success due to its service-oriented nature.



MAKE SURE YOU HAVE A PLAN TO MINIMIZE RELIANCE ON CONSULTING AS A CRUTCH IF YOU WANT TO FOCUS ON YOUR SAAS MODEL.

THE NEXT STAGES IN FUNDING YOUR LAUNCH

Investors are attracted to compelling ideas and capable founding teams who can realize their vision. When founders are prepared to present this narrative effectively, they can raise funds. Seeking more advanced funding requires guidance from a CFO experienced in B2B SaaS, or a Fractional CFO for flexible, cost-effective access to top-tier talent without full-time commitments.

During your fundraising journey, rejection is inevitable, and that's perfectly normal. Keep refining your pitch and persevering even if you face setbacks. Sometimes rejections happen due to factors beyond your control, such as economic conditions or mismatched portfolio interests. Stay resilient and continue pitching your idea until you find the right fit.

NEXT STAGES OF FUNDING

A. SEED FUNDING

Seed funding is used to develop the product or idea, and typically ranges from \$500,000 to \$2,000,000. Legal fees are minimal at this stage. Convincing investors is more important than a flashy pitch. When deciding how much to raise, consider achievable progress, credibility with investors, and dilution, ideally aiming for 10% to 20%. Calculate the required amount to cover several months of operations, including salaries.

Pitching to investors can be challenging, and requires time, energy and motivation that must be reallocated from potential customers.

Investors often provide feedback on your unit economics rather than on product-market fit or customer needs, so it's important to balance these efforts carefully.

B. SERIES A, B, C & D

As the startup grows, it progresses through Series A, B, C, and D funding rounds, each attracting larger investments aimed at scaling operations, with Series A-B typically ranging from \$10 million to \$50 million and Series C-D reaching potentially millions more. These rounds of funding are much more complex and require additional information that is not included in this guide, for instance about valuation and more.

UNDERSTANDING THE DIFFERENCE BETWEEN INVESTORS

Distinguishing between investor types is crucial because your pitch must be tailored to each investor's preferences and their typical investment amount.

TYPES OF INVESTORS

01 ANGEL INVESTORS

Angel investors are wealthy individuals who fund startups in exchange for equity, offering valuable contacts and advice. Founders need a compelling idea and team to attract them, and angels expect an exit strategy like an acquisition or IPO. Personal connections are crucial for finding angel investors, and deal terms can vary widely. Delays are common, but competition and pursuing alternatives can expedite the process and ensure successful deals.

02 SEED FIRMS

Seed firms invest small amounts at early stages, like angels, but operate as businesses. They are easier to contact via their website or email, have standardized deal terms, and often invest at the idea stage. They provide advice tailored to early-stage challenges and prepare startups for later VC funding. Seed firms and angel investors aim to support startups initially and then pass them to VC firms for the next round.

03 VENTURE CAPITALISTS (VCS)

Venture Capitalists (VCs) manage pooled funds from multiple investors and invest larger amounts in startups than seed firms, typically several million dollars. These investments come later in a startup's life and include stricter terms, such as prioritizing return on investment and vesting agreements for founders' stock. Founders may retain the CEO role but often lose some control as VCs influence the board of directors. Startups should approach VCs when they can convincingly demonstrate their potential for success, leveraging the founders' credentials and a clear idea.

05

SECTION 05

BUSINESS PLAN:

DOCUMENT YOUR

VISION

BUSINESS PLAN:

DOCUMENT YOUR VISION

Your business plan is more than just a document; it's the compass guiding the execution of your vision. While it may seem like a bureaucratic formality, it's far from it. A business plan represents a strategic investment of time and thought, ensuring the company speaks with a unified voice. It articulates the company's purpose, outlines its unique value proposition and clarifies its place in the market. This clarity is not only crucial for external stakeholders but is also vital to the internal team's cohesion and motivation. When every team member understands the company's focus, they become torchbearers of the shared vision, particularly over the long term.

Familiarity with your specific industry and a clear long-term vision make it easier to manage your team as founders. Trust us! It's not always easy when you start receiving feedback and ideas from all over the place, potentially influencing you to change your direction. It's important to remain agile while keeping a steadfast focus on your overarching vision.



VISION AND STRATEGY AREN'T ENOUGH. THE LONG-TERM KEY TO SUCCESS IS EXECUTION. EACH DAY. EVERY DAY.

- RICHARD M. KOVACEVICH

OUTLINING THE ESSENTIALS OF A BUSINESS PLAN

Here's a blueprint for crafting a concise yet effective business plan, provided by PME MTL, a network of experts in financing and supporting entrepreneurs and businesses. The main sections are outlined and described.

 READ THE NEXT PAGE FOR A WALKTHROUGH AND OUR ADDED TIPS AND TRICKS.

[DOWNLOAD TEMPLATE](#)



A. SUMMARY

A snapshot of the entire plan, summarizing the company's mission, products or services, and goals.



DO THIS LAST: A GENERATIVE AI TOOL LIKE CHAT GPT CAN HELP YOU SAVE TIME.

B. COMPANY

An in-depth exploration of the business, including its history, mission (your “what”), vision (your “why”), values (your “how”), founding team and revenue model. Show that your idea and your team can generate much value.

→ Read [#02 Founding Team: Divide and Conquer](#)

→ Read [#03 Idea: Find your gold mine](#)

To help you with the revenue model, learn the financial basics.

→ Read [#07 Financial Basics: Learn about cashflow](#)

C. MARKETING

An overall marketing and communication strategy and comprehensive study of the industry, market trends, competitors and target audience. This section also details a roadmap for reaching and acquiring customers with promotional and sales tactics. For your competitive analysis, stay vigilant on a global scale; this enables you to “borrow” existing market solutions and improve them with your own insight, thereby expediting your path to finding a product-market fit.

→ Read [Steal Like an Artist by Austin Kleon](#), a manifesto for creativity in the digital age.

Though you might not need a complete and final brand book for your business plan, it’s important to start thinking about your branding and communication strategy now.

→ Read [#05 Branding and Communication: Create your image](#)

D. OPERATIONAL PLAN

A detailed showcase of what the company offers, emphasizing unique selling propositions, as well as insights into the company's structure, leadership team, and key personnel.

→ Read [#02 Founding Team: Divide and Conquer](#)

E. FINANCIAL FORECASTS

A forecast of the company's expected funding and financial performance, including income statements, balance sheets and cash flow statements.

Gain an understanding of cashflow management as early as possible and familiarize yourself with the financial metrics used in B2B SaaS business operations. This understanding will help to prevent crises that could impact your team: make sure you never miss a payday!

→ Read [#07 Financial Basics: Learn about cashflow](#)

To fund your startup, begin by researching all the grants available in your area. Keep an eye out for tech or other programs specific to the industry you are targeting to assist you in initiating your startup journey. Additionally, explore incubators or accelerators affiliated with your school or with other organizations as these can also provide valuable resources and help connect you with mentors.

→ Read [#04 Funding: Kickstart your startup](#)



SEEK SUPPORT FROM TRUSTED ADVISORS AND RELIABLE PROFESSIONALS TO GUIDE YOU THROUGH THE DIFFERENT SECTIONS.

06

SECTION 06

BRANDING AND COMMUNICATION:

FOSTER YOUR IMAGE

BRANDING AND COMMUNICATION:

CREATE YOUR IMAGE

Once you have a better idea of who your customers are, you can start getting to know them better and focus on developing a name and a robust branding and communication strategy to initiate awareness-building efforts. A company's identity and perception of a company are intrinsically linked to its success.

Your company's name is not just a string of letters; it's a portal to your brand's essence. A well-crafted name encapsulates the values, mission and identity of your business. It is the first touchpoint for potential clients and partners, setting the tone for the relationships that follow. Choosing a name is not a whimsical exercise; it's a strategic decision that influences brand recall, market positioning and overall brand perception.

THE POSITIVE IMPACT OF A STRONG BRANDING



01

TRUST AND CREDIBILITY

A well-established brand instills trust and credibility in the eyes of potential clients. It signifies reliability, longevity and a commitment to quality.



02

MARKET DIFFERENTIATION

In a crowded market, strong branding differentiates your company from the competition. It highlights what makes your offering unique and positions it as the solution of choice.



03

CUSTOMER LOYALTY

A brand that resonates emotionally with its audience fosters loyalty. Customers are not just purchasers; they become brand advocates, who contribute to long-term success.



04

PERCEIVED VALUE

Strong branding enhances your product's perceived value. It creates an impression of premium quality, justifying competitive pricing.



05

COMMUNICATION EFFECTIVENESS

A clear and consistent brand message facilitates effective communication. It ensures that your audience understands your value proposition, fostering a deeper connection.



EXAMPLE OF GOOD BRANDING IN B2B SAAS: [READ ABOUT SLACK](#)

GET TO KNOW YOUR BUYER PERSONAS

Buyer personas are fictional, generalized representations of your ideal customers. They help you understand your existing and prospective customers better and make it easier for you to tailor content to the specific needs, behaviours and concerns of different groups. To build your product and marketing strategy, you need to delve into your target audience's goals, frustrations and pain points. Use the template below to create a comprehensive profile.

[READ MORE ABOUT BUYER PERSONAS](#)

[DOWNLOAD TEMPLATE](#)

DUALITY IN BRANDING: COMPANY VS. PRODUCT IDENTITY

The decision to whether align your company name with your product or maintain a distinct identity for each is challenging. The flexibility of having a different names for your company and your product has strategic advantages. It allows for focused product positioning and facilitates scalability as your product portfolio evolves. Additionally, having a separate product name can foster a deeper connection between the product and its user base.

However, having multiple names to remember can be a hassle for your customers, especially in the first years after your launch, and you'll also have to compete for keywords on search engines. Therefore, you might want to start with a single name and consider splitting later on.

EVOLUTION & ADAPTATION: REBRANDING AS A STRATEGIC MOVE

Companies can evolve, expand or pivot. A forward-looking branding strategy recognizes this reality. Rebranding, while a significant undertaking, can rejuvenate a brand, align it with evolving market trends and reinforce its relevance. Whether prompted by a shift in company focus, a maturing target audience or technological advancements, rebranding signifies a commitment to staying current and resonant, so, don't worry too much about not getting it perfectly the first time.

[HERE ARE A FEW EXAMPLES OF SUCCESSFUL AND NOT-SO-SUCCESSFUL REBRANDS.](#)



YOU'LL BE READY TO REGISTER YOUR BUSINESS NAME AND POTENTIAL TRADEMARKS.

→ [READ THE NEXT SECTION #07 ADMINISTRATIVE ESSENTIALS: SECURE YOUR FOUNDATION.](#)

07

SECTION 07

ADMINISTRATIVE ESSENTIALS:

SECURE YOUR FOUNDATION

ADMINISTRATIVE ESSENTIALS:

SECURE YOUR FOUNDATION

Completing these administrative tasks can feel like navigating a maze – let us simplify the process by shedding light on the essential steps you need to take early on.

NAME AVAILABILITY AND REGISTRATION

Your brand name serves as a unique identifier, that embodies the essence of your brand. To steer clear of legal complications, start by confirming the name's availability. You can determine this by conducting thorough research and following the registration procedures for the Quebec and Canada registries.

For a Quebec-centric approach, registering your business name involves navigating the **Registraire des entreprises du Québec (REQ)** platform. It's a nuanced process that requires thorough searches to ensure your chosen name is not too similar to, or doesn't clash with, an existing businesses.

On the federal stage, the **Canadian Intellectual Property Office (CIPO)** oversees business name registration. Here, entrepreneurs can conduct a comprehensive search before committing to a name. You will need to pay a search fee, so make sure you carefully make your selection first.

TRADEMARKS

Trademarks are the guardians of your brand identity by protecting you against unauthorized use. Securing trademarks involves navigating the intellectual property landscape. As with business names, this process takes place at both the provincial and federal levels. Entrepreneurs should explore the **Canadian Trademarks Database** and **CIPO** to ensure comprehensive protection.

REGISTER YOUR DOMAIN NAME

Your domain name is the gateway to your online presence. Registering and safeguarding it is a strategic move. Entrepreneurs can leverage services for domain registration through domains and web hosting providers, thereby ensuring seamless management and protection. You may discover that many of your preferred names are already taken; this happens a lot. However, with the continuous evolution of URL extensions, there's now a better chance to secure the name you want. Here are a few of the latest trends:

SUGGESTION #1: ADD A PREFIX

Example: get.sequolia.com or go.sequolia.com

→ get, go, app... are popular for web-based application.

SUGGESTION #2: ADD A SUFFIX

Example: sequolia.co

→ .com and .ca might be all gone but you can try other trendy extensions: .io, .ai, .tech, .co, .xyz and more.



WE RECOMMEND PURCHASING RELATED DOMAIN NAMES TO PREVENT CONFUSION AND MAKE IT EASIER FOR CLIENTS TO FIND YOU ONLINE.

TYPE OF CORPORATIONS AND SHAREHOLDER AGREEMENTS

When starting your business, you can choose from several types of corporations, each with its own advantages. A sole proprietorship is the simplest form, offering complete control, but with personal liability for business debts. A partnership involves two or more individuals sharing profits, losses, and liability. An LLC (Limited Liability Company) provides liability protection for owners while allowing management and taxation flexibility. A C Corporation is a separate legal entity offering limited liability and the ability to raise capital through stock, but it is subject to double taxation on profits and dividends. An S Corporation combines the benefits of a C Corporation with pass-through taxation, avoiding double taxation. Choosing the right type depends on your business goals, liability concerns and tax considerations.

A shareholder agreement is a crucial document that outlines the rights, responsibilities and obligations of shareholders within a company. It covers various aspects such as share ownership, voting rights, dividend distribution and dispute resolution mechanisms. This agreement helps ensure transparency, accountability and alignment of shareholder interests, providing a solid framework for the governance of the company.



YOU WILL NEED TO HIRE A LAWYER TO BUILD YOUR SHAREHOLDER AGREEMENT.

PATENT AND COPYRIGHT

The question of whether to seek a patent or copyright is pivotal. The decision hinges on the nature of your innovation and its susceptibility to replication. A patent grants exclusive rights to an invention, but obtaining one involves an intricate application process. Entrepreneurs must evaluate the novelty and inventiveness of their creations before embarking on the patent journey. You can conduct your own research about registered patents in the Canadian Patents Database, but we recommend seeking assistance from a patent expert if you believe this may be applicable.

On the other hand, copyright protects original works of authorship, such as literary, artistic and musical creations, automatically granting exclusive rights to the creator upon creation. If your innovation involves written content, software code or artistic designs, copyright may be the more suitable protection. Unlike patents, copyright protection does not require registration, although registering can enhance enforcement.



TALK TO A LEGAL EXPERT TO DETERMINE THE BEST APPROACH FOR YOUR INTELLECTUAL PROPERTY.

08

SECTION 08

FINANCIAL BASICS:

LEARN ABOUT
CASHFLOW

FINANCIAL BASICS:


LEARN ABOUT CASHFLOW

Startup success hinges on a recurring pricing model, strategic financial management, early cashflow and understanding key performance indicators (KPIs). We highly recommend finding an accountant or fractional CFO with experience in B2B SaaS to guide you through these processes and provide valuable advice.

EVERY CONCEPT IN THIS SECTION IS DYNAMIC AND WILL EVOLVE OVER TIME.

YOUR FIRST B2B SAAS PRICING MODEL

When you're setting up your first pricing plan for your B2B SaaS venture, it's like stepping into uncharted territory. Pricing is one of the hardest aspects of any startup, so don't sweat it if you don't nail it on the first try! Estimate and validate your pricing before launch based on perceived value and market conditions. As you get to know your customers better, you'll find opportunities to tweak and fine-tune your pricing to better align with their needs. Remember, those early adopters who sign up are taking a chance on your startup, so they're understanding if your pricing isn't set in stone from day one. Stay flexible, gather feedback, and adjust as needed. Over time, you'll dial in a pricing model that's just right for both you and your customers, while adding more value along the way.

 **START BY FOCUSING ON RECURRING REVENUE (SEE MRR IN THE KPI SECTION ON THE NEXT PAGE). THIS WILL BE THE STEPPING-STONE TO CREATING VALUE FOR YOUR COMPANY.**

CASHFLOW AS A FOUNDATION FOR STABILITY

Cashflow is the lifeblood of any business, especially in a B2B SaaS venture. Entrepreneurs should prioritize understanding cashflow early on to ensure operational stability and avoid crises, such as missed paydays, which can quickly erode trust. **Cash runway**—the number of months until your cash runs out—can be estimated using forecasts or calculated based on your burn rate, which is the difference between your cash expenses and your revenues. Understanding and managing cashflow effectively helps maintain business continuity and team morale.

TOOLS FOR FINANCIAL DEXTERITY

Navigating the fiscal landscape necessitates adept tools that empower entrepreneurs to make informed decisions. An abundance of financial tools cater specifically to the nuanced requirements of B2B SaaS. From comprehensive accounting software like QuickBooks and Xero to advanced financial planning platforms such as Sage, entrepreneurs have an impressive array of instruments at their disposal. These tools streamline financial processes, enhance transparency and fortify the financial backbone of your venture.

GET STARTED WITH A FEW KPIs

From a finance perspective, these key metrics provide a clear picture of the venture's fiscal health. Understanding and consistently monitoring them is crucial for making informed decisions, optimizing business strategies, and ensuring long-term growth and stability in a B2B SaaS environment.

\$ MRR

MONTHLY RECURRING REVENUE

The predictable and recurring monthly revenue generated by subscription-based services or products. It provides a steady measure of your business's financial health.

\$ ARR

ANNUAL RECURRING REVENUE

Similar to MRR, ARR represents the anticipated annual revenue from subscription-based services or products. It is calculated by multiplying the MRR by 12 months and is useful for assessing the yearly revenue outlook.

#

NUMBER OF CLIENTS OR USERS

The total count of clients or users who are actively using or subscribing to your product or service. It indicates the extent to which your product has gained acceptance and is in use within the target market.

\$ CAC

CUSTOMER ACQUISITION COST

The average cost incurred by your business to acquire a new customer. The CAC includes expenses related to marketing, advertising, sales and other efforts aimed at customer acquisition. It is calculated by dividing the total acquisition costs by the number of new customers gained over a specific period.

%

CHURN RATE

The percentage of customers who discontinue their subscription or stop using your product over a given period. A high churn rate can indicate issues with customer satisfaction and retention. It is calculated by dividing the number of customers lost during a specific period by the total number of customers at the beginning of that period.

\$ CLV

CUSTOMER LIFETIME VALUE

The estimated total revenue that a business expects to earn from a single customer throughout their entire relationship. The CLV helps in understanding the long-term value of acquiring and retaining customers. It is calculated by multiplying the average purchase value, purchase frequency, and customer lifespan.

\$ EBITDA

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

EBITDA is a measure of a company's operational performance and profitability, excluding certain expenses. It provides a snapshot of a business's ability to generate operating income. It is calculated by subtracting operating expenses (excluding interest, taxes, depreciation, and amortization) from total revenue.

\$

TOP AND BOTTOM LINE REVENUE

The top line refers to a company's sales or revenues, or the total income generated during a particular period. The bottom line is the company's net profit, which is after all operating expenses, depreciation, interests and taxes. The bottom line is what the company generates for its stakeholders.

\$

PROFITABILITY

Profitability refers to the extent to which a company earns a profit. Tech ventures usually take more time to reach profitability than regular businesses, but the margins are usually a lot higher.

09

SECTION 09

APPENDIX:

A FEW RESOURCES FOR
YOUR NEXT VENTURE

APPENDIX:

PRODUCTIVITY TOOLS

Leveraging the right tools can significantly enhance your productivity and streamline your operations. Here's a curated list of popular tools that have garnered favour among industry professionals, including our recommendations.



CHOOSING THE RIGHT COMBINATION OF TOOLS DEPENDS ON YOUR SPECIFIC NEEDS AND WORKFLOWS. ULTIMATELY, IT IS UP TO YOU AND YOUR TEAM TO DETERMINE YOUR PREFERENCES. DON'T FORGET TO RESEARCH STARTUP PROGRAMS FOR INCENTIVES OR CREDITS.

MUST-HAVE PRODUCTIVITY TOOLS

EMAIL & STORAGE

Options: Microsoft Outlook 365 or Google Business

While both options offer cloud storage and collaborative document editing, the Microsoft business package, coupled with OneDrive, is often favored for its professional features and seamless integration with other Microsoft tools. You'll then get access to the Office Suite including Excel, Word, PowerPoint and Teams.

INTERNAL COMMUNICATION

Option: Slack

Slack is a popular platform for internal communication, providing organized channels, direct messaging, and integrations with various apps to keep teams connected and informed.

NOTES & ADMIN

Option: Notion

Notion goes beyond traditional note-taking, offering a comprehensive platform for task management, collaboration, and documentation. Its versatility makes it a favorite for teams seeking an all-in-one solution.

NOTES AUTOMATION

Option: Fireflies AI

Fireflies AI is an AI-powered meeting assistant that transcribes, records, and analyzes conversations to improve productivity and collaboration.

PRODUCT MANAGEMENT

Options: Jira for Project Management & Confluence for Documentation

Jira is renowned for its agile project management capabilities, while Confluence complements it by providing a collaborative space for creating, sharing, and evolving project documentation.

MARKETING & SALES

Option: Canva

Canva simplifies the creation of visually appealing marketing materials and sales presentations. Its user-friendly interface and extensive template library make it a valuable asset for design needs.

CRM & SALES

Option: HubSpot

HubSpot is a comprehensive solution that seamlessly integrates Customer Relationship Management (CRM) and Sales Pipeline tools. It offers a unified platform to streamline customer interactions, manage sales pipelines, and optimize marketing efforts.

WEBSITE & INBOUND MARKETING

Option: HubSpot

HubSpot extends its capabilities to Content Management System (CMS) and Inbound Marketing. As part of its unified platform, HubSpot empowers businesses to manage content effectively, implement inbound marketing strategies, and orchestrate cohesive customer engagement initiatives.

PRODUCT DESIGN

Option: Figma

Figma is a versatile design and prototyping tool that facilitates collaborative product design. With its cloud-based platform, Figma enables seamless real-time collaboration among design teams, streamlining the entire product design process. From wireframing to prototyping, Figma empowers designers to create and iterate with efficiency and precision.

ACCOUNTING

Option: Quickbooks

QuickBooks is a widely-used accounting software designed to help businesses manage their finances with ease. It offers a range of features, including invoicing, expense tracking, payroll management and financial reporting, making it a popular choice for small- to medium-sized enterprises.

TEXT GENERATION

Option: ChatGPT

Harness the power of conversational AI with ChatGPT for text generation. It's a versatile tool for creating engaging content, automating responses, and enhancing user interactions.

IMAGE PROCESSING

Option: Midjourney

Midjourney offers efficient image processing solutions, aiding in tasks like resizing, optimization and transformation. It's a valuable asset for optimizing visual content in B2B SaaS.

THIS SHOULD GET YOU STARTED!

APPENDIX:

READING AND TEMPLATES

Some readings and models for starting your B2B SaaS business.

ENTREPRENEURSHIP

- Read: [The Big 5 Personality Traits](#)
- Read: [The 8 Personas of Successful Entrepreneurs](#)

IDEA

- Read: [Find your Market Pull: Julian Startup Guide](#)
- Read: [Steal Like an Artist by Austin Kleon](#)
- Read: [Why Greatness Cannot be Planned by Kenneth O. Stanley & Joel Lehman](#)

TEAM

- Watch: [Lessons from a Titan with Doug Leone](#)
- Watch: [Build Amazing Teams with Keith Rabois](#)

BUSINESS PLAN

- Get Template: [Guide to Writing a Business Plan, Investissement Québec](#)

MARKETING

- Read: [Marketing Psychology: 10 Revealing Principles of Human Behavior](#)
- Read & Get Template: [Buyer Personas Guide](#)

SOFTWARE DEVELOPMENT

- Read: [Manifesto for Software Development](#)
- Read: [How to Build Software Series – MVP Edition](#)

We've compiled the key terms used in the B2B SaaS industry to help you dive into discussions with confidence.

[GO TO GLOSSARY](#)

