

TOOLKIT FOR

# FOUNDATIONS FOR BUILDING A B2B SAAS

FIRST TIME ENTREPRENEURS

PRESENTED BY

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From idea to launch, this guide helps you understand key B2B SaaS concepts, avoid common mistakes, and structure your business effectively.

Discover how to validate your idea, guide your decisions, and leverage modern tools to improve your productivity.

**The goal?** To help you focus on what truly matters: building a solid product and meeting your customers' needs.

**Happy reading!**

—The Sequolia Team



# ABOUT US



## BRIDGING THE GAP BETWEEN DISCOVERY AND DELIVERY.



Launching a SaaS startup is tough—tech shouldn't slow you down. Our AI-powered platform gives you a **secure, ready-to-go foundation** that handles the **cloud setup, security, and scaling** for you. No more infrastructure headaches—just focus on **building your product and growing your business**.



Already have a product? **No problem!** We make migration seamless and **optimize your stack for growth**.

Here's how we help:

- **Smart automation** keeps your platform stable and costs under control.
- **Frictionless development** means fewer roadblocks, faster updates, and less chaos.
- **Reliable releases** eliminate launch stress and keep your customers happy.
- **Expert guidance** at every step—from migration to scaling, we've got your back.

The right foundation makes you move **faster, smarter, and with confidence**.

## 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**, like the more than **45 startups and SMBs** we have advised. 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**.

# WITH SEQUOLIA, YOUR NEXT BIG THING IS ALREADY UNDERWAY.



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# 01

SECTION 01

## ENTREPRENEURSHIP: RISE TO THE CHALLENGE

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# 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. Resilient entrepreneurs embrace failure as a stepping stone to success, facing risks head-on. 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.

Great leaders use tools at their disposition such as AI to make smarter decisions and platform strategies, freeing time for big-picture thinking. A platform helps building a strong, scalable foundation that connects tools, teams, and processes to work seamlessly together. Instead of getting stuck in the weeds, leaders focus on growth and innovation.

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 help you understand that **there's room for all personality types** in entrepreneurship!

## 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 scale**. Engaging in large projects hones your **problem-solving skills** while providing exposure to diverse tech ecosystems. The **mentorship and networking** opportunities with industry leaders can be invaluable for future fundraising. However, beware the **comfort trap**—always maintain your entrepreneurial drive and have an **exit strategy** to pursue your startup vision when ready.
-  **STARTUP SCENE**  
Immersing yourself in the **startup scene** delivers a masterclass in entrepreneurship. You'll experience the **adrenaline of innovation**, witness how founders navigate uncertainty, and build **resilience** through real-world challenges. Whether as a founder or team member, this environment accelerates learning and helps you forge **strategic connections** with potential future co-founders.
-  **FIELD EXPERTISE**  
Becoming a **subject matter expert** in a specific domain creates your competitive edge. Deep expertise lets you identify **unmet market needs** and design truly innovative solutions. This specialization could be technical (like AI) or industry-specific (like healthcare tech), giving you the **insider knowledge** required to build disruptive products.

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

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# 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 **copilot** 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.

SEQUOLIA'S PLATFORM CAN ALSO HELP YOU STREAMLINE DEVELOPMENT BY HANDLING THE GRUNT WORK WITH ITS PRE-BUILT INFRASTRUCTURE AND ESSENTIAL B2B SAAS FEATURES.

 **CHECK OUT JOSH MOHRER SUCCESS STORY.**  
**EXPLORE WAYS TO USE AI INTO YOUR DAILY ACTIVITIES: SECTION 09 APPENDIX**

## 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 IMPORTANT, 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

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# IDEA:

## FIND YOUR GOLD MINE

The objective isn't to find the perfect idea from the start—it will evolve. The key is to **validate it quickly** by launching, gathering market feedback, and refining based on insights. **Execution is what truly determines success.** AI and **platform strategies** can accelerate this process. AI helps analyze trends, predict market shifts, and automate repetitive tasks, while a platform approach ensures a **scalable foundation** that streamlines operations from day one. Together, they free you to focus on **strategy, customer needs, and innovation.**

Once you've settled on an idea, **pick a name—don't overthink it.** It's more important as a **unifier for your team** than a permanent choice. To shape your SaaS business, start by identifying **real pain points** and conceptualizing **scalable solutions.**

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 "TARPIIT 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 (with AI for example) 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.



### 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

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# 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. **Today's investors don't just look for innovative products—they want to see innovative ways of operating**. Modern approaches like platform engineering (standardizing your tech foundation for scalability) or AI-powered automation can make your startup stand out by demonstrating efficiency and long-term viability from day one.

**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.**

### FUNDING YOUR LAUNCH

Whether you're seeking thousands or millions of dollars, numerous options exist, particularly in tech and politically focused industries. 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**, outlined in the next section..

### WAYS TO FUND YOUR LAUNCH



#### GRANTS

In your sector (AI is almost a must these days)



#### INCUBATORS & ACCELERATORS

In your area



#### TAX CREDITS

For R&D projects



#### STARTUP PROGRAMS

For discounts & credits



#### FRIENDS & FAMILY

Preseed 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 \(SR&ED\)](#), 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 back both **visionary ideas** and **innovative execution**. Modern approaches like **standardized platforms** and **AI automation** demonstrate your ability to build efficiently from day one—a key differentiator when fundraising. 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.

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**. 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

- |   |                                  |  |
|---|----------------------------------|--|
| <b>01</b><br> | <b>ANGEL INVESTORS</b>           | Wealthy individuals funding startups for equity, offering contacts and advice. Require compelling ideas, strong teams, and exit strategies. Found through personal connections with variable terms. Expect delays but competition helps. |
| <b>02</b><br> | <b>SEED FIRMS</b>                | Businesses investing small amounts early (even at idea stage). More accessible than angels with standardized terms. Provide early-stage advice and prep startups for VC rounds.  |
| <b>03</b><br> | <b>VENTURE CAPITALISTS (VCS)</b> | Invest pooled funds (typically millions) in later-stage startups. Stricter terms focus on ROI and board influence. Approach only when you can clearly demonstrate success potential.   |

# 05

## SECTION 05

# **BUSINESS PLAN:** DOCUMENT YOUR VISION

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# 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 PROFESSIONNALS TO GUIDE YOU THROUGH THE DIFFERENT SECTIONS.**

# 06

## SECTION 06

# BRANDING AND COMMUNICATION: FOSTER YOUR IMAGE

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# 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** 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



#### 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.



#### 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.



#### 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.



#### PERCEIVED VALUE

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



#### COMMUNICATION EFFECTIVENESS

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





## 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 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**.

[READ MORE ABOUT BUYER PERSONAS](#)

[DOWNLOAD TEMPLATE](#)

## DUALITY IN BRANDING: COMPANY VS. PRODUCT IDENTITY

The decision to **align your company name with your product** or maintain **a distinct identity for each** is challenging. The flexibility of having **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, a separate product name can foster **a deeper connection** between the product and its user base.

However, having **multiple names** can be a hassle for your customers, especially in the **first years after 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

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# 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 \(REQ\)](#) website. 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 business. 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

→ get, go, app... are popular for web-based application. Ex.: [get.sequolia.com](#) or [go.sequolia.com](#)

### SUGGESTION #2: ADD A SUFFIX

→ .com and .ca might be all gone but you can try other trendy extensions: .io, .ai, .tech, .co, .xyz and more. Ex.: [sequolia.co](#)



**WE RECOMMEND PURCHASING ALL 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 is subject to **double taxation on profits and dividends**.

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.
- **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

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# 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

This 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 monthly revenue from subscriptions** that provides a **steady measure of financial health**.

**\$ ARR**

### ANNUAL RECURRING REVENUE

Similar to MRR, it represents **anticipated yearly subscription revenue** ( $MRR \times 12$ ) for assessing **annual performance**.

**#**

### ACTIVE USERS OR CLIENTS

**Total count of subscribed users**, showing your product's **market acceptance and usage**.

**\$ CAC**

### CUSTOMER ACQUISITION COST

The **average cost to acquire a customer** (total acquisition costs  $\div$  new customers), covering **marketing, ads, and sales efforts**.

**%**

### CHURN RATE

**Percentage of customers lost** during a period, indicating **retention challenges** when high (lost customers  $\div$  total customers).

**\$ CLV**

### CUSTOMER LIFETIME VALUE

**Estimated total revenue per customer** (avg purchase  $\times$  frequency  $\times$  lifespan), showing **long-term customer value**.

**\$ EBITDA**

### EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

Measures **operational profitability** (revenue minus operating expenses excluding interest/taxes/depreciation/amortization).

**\$**

### TOP AND BOTTOM LINE REVENUE

**Top line** refers to the **total sales/revenue** while **bottom line** refers to **net profit** (after all expenses, taxes, etc.)

**\$**

### PROFITABILITY

While **tech ventures take longer to become profitable**, they typically achieve **higher margins** than traditional businesses.

# 09

SECTION 09

## **APPENDIX:**

A FEW RESOURCES FOR  
YOUR NEXT VENTURE

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# 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.

#### CRM & SALES

**Option: HubSpot or Attio**

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.

## 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.

## 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 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.

## 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.

## PLATFORM STRATEGY

### Option: Sequolia

Sequolia empowers B2B SaaS with a robust platform strategy, from code to production—the foundation for fast, secure and scalable growth. Their offering includes a platform packed with the essentials to get you started.

## 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](#)

### PLATFORM ENGINEERING STRATEGY

- Read: [Sequoia's Resource page](#)

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

[GO TO GLOSSARY](#)

