

How to start a business
with no money

Freesourcing



Jonathan Yates

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“It won’t be long before he gets a loyal following.”

Peter Jones, original member of *Dragons’ Den*

“The bottom line is: can he make a successful business? You know what? Of course he can.”

The Sunday Times

“Jonathan is living proof that whatever you put your mind to, you can achieve it.”

Deirdre Bounds, creator of i-to-i, the world’s largest gap-year travel company

“Jonathan has tremendous energy and drive. You can tap into some of that energy in his book.”

Sahar Hashemi, founder of Coffee Republic

“Jonathan is one of those rare individuals who has great business acumen as well as entrepreneurial insight. His passion to succeed is infectious.”

Mike Clare, Founder of Dream Beds plc

“The ideology of the Freeconomy movement is progression through the act of sharing and reuse. I am pleased to see Jonathan implementing similar strategies in his book *Freesourcing*.”

Mark Boyle, founder of the Freeconomy Community

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Introduction

You've had the big idea—well done! It's taken absolutely ages to knock your epiphany into shape, but you're sure this is the big one. Your current product development team—you, your mates, that shopping trip to the supermarket and the Internet research you did the other night at 2 a.m.—have been honing the business model down the pub for nearly two weeks and quite frankly, you can't believe it hasn't been done already. It's so simple that someone else must have surely seen the opportunity? No, according to the Internet and the supermarket, you are the only one with this money-making idea that will change the way the world turns. It's time to take the next step...but I bet you don't.

You see, this is where the majority of business ideas stop. What a shame, what a waste and what a missed opportunity! Never mind, at least you can talk about what might have been and when someone mentions to you the new multimillion-pound concept that's in the newspapers, you can always say you had the idea first. Then back to the pub for some creative idea generation.

The main problem seems to be motivation to spend your own money on getting the idea to the next stage. Inevitably you will question yourself and the idea: what if it fails, what will my development team think if everything goes pear shaped? And the classic excuse: I have no money to start a business.

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This is where *Freesourcing* comes in. You don't need your own money to start your business. What? Yes, that's right, you can start a business right now with those two little friends I often call on, time and effort.

There's an entire industry dedicated to helping you take your idea and do something with it. The secret is—and not many people get this bit, so hang on in there, as it's a bit complicated—the secret is that entrepreneurship and innovation are the wheels that grease the entire UK economy and keep Britain Great. The government pulls out all the stops to help people with ideas translate them into start-ups and then into profitable businesses. It's in the UK's interest for you to make your idea happen; more than that, it's your *responsibility* to make it happen. So what are you waiting for? Money?

Freesourcing is a definitive guide for free business start-up resources (freesources, geddit?). I will show you where to look for free help to start up your business and get it to a point where you can earn an income and take the idea to the growth stage on your own.

Freesourcers not only think outside the box, they wonder where they can get a box for free.

Large empty cardboard box—Would this be of any use to someone moving house? 27" high × 16" × 16". Collection from XXX. Will discard after today if no replies. Cheers XXXXXX—from www.freecycle.org

Freesourcing covers free premises, free money, free computers, free legal help, free banking, free networking, free stock. In fact, apart from this book, which at £9.99 is a snip, you could build your empire with £0.

About This Book

This book is intended to help you start your business for free using the ideas, enthusiasm and resources that you already have at your disposal. The stuff lying around your house, your social network, your emotion and drive—all the things you have amassed in your life so far can be put to good use in helping you create a profitable and growing business venture. Do you really need money to make money or can you start for free on your quest for financial freedom? That is the aim of this book, the freesourcing quest for freedom.

What kind of business do you want to start? Are you looking to change the world or are you happy with just running a business that enables you to take control of your life? Is the business you intend to start going to take five days to get going or five years? This book covers all sorts of business empires—what they have in common is that they generate an income and are started with no money whatsoever.

Freesourcing is an ethic, an idea and a plan to create something from nothing. In a way, it means you have to regress to childhood and search out your creativity to enjoy using simple and free solutions to get your idea off the ground. People from all over the world have started businesses for free in a multitude of ways and I would like to share with you some of their strategies.

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Most of the ideas in this book are free. What does free mean? Free means that a product or service is provided without, or is not subject to, a charge or payment. Free means not having to pay cash for something you need in your business. I stress the phrase “not having to pay cash”, because the freesourcer may have to pay in time or in kind where appropriate.

In the UK television programme *The Apprentice*, Sir Alan Sugar is always going on about minimizing costs. His success can be attributed to a keen eye for an opportunity and embracing cost savings and efficiencies at the most fundamental level of his business empire. This is part of the *Freesourcing* ethic. Most companies do this when they’ve been trading for a while: they turn the looking glass back on themselves and ask where they can be more efficient. In this book I suggest that you should start out like this and use freesourcing to grow. This is what an entrepreneur does.

Entrepreneurs are people who spend a few years of their life like some people won’t, the rest of their lives like some people can’t.

Be aware of the fact that there will always be some things you are unable to freesource. Each business start-up is different and there is no set process. The best advice when faced with something you need to pay for is to find a viable free alternative or find a way around it. Minimize cost at all junctions in the process—in other words, become an entrepreneur.

The word entrepreneur is used all over the media and is a catch-all term for anyone starting their own business, whatever the size.

Here are some widely recognized descriptions of entrepreneurs (taken from *100 All-Time Essentials for Entrepreneurs* by Jonathan Yates, so giving me a free plug!). Which one are you?

- ➔ *Altrepreneur*—Looks for a change of lifestyle and not just increased wealth. Their motivations are not for financial reward but a change of circumstances.
- ➔ *Mompreneur*—Parents who stay at home and use the time between looking after and raising their children to begin and grow a business from home.
- ➔ *Wantrapreneur*—A person who would like to start a business and is actively engaged in finding the right starting point.
- ➔ *Entrepreneur*—An entrepreneur makes money out of ever-changing market opportunities fuelled by the enjoyment of making a profit.
- ➔ *Solopreneur*—Individual entrepreneurs, in business for themselves, motivated by money and achievement and success on their own merit.
- ➔ *Ultrapreneur* (or serial entrepreneur)—Someone who actively reinvests their money into ever larger business ventures, not solely for the financial gain but also for the enjoyment of the process.
- ➔ *Freesource(u)r*—An entrepreneur who has started and grown their business with no money apart from that which the company has generated.

There is a certain amount of celebrity status associated with entrepreneurs and you get maximum credibility points if you can say you have started out on your own. But don't just use the word, know what it really means. This book will help you understand one of the facets of being an entrepreneur, namely that you need to see an opportunity and take advantage of it, maximizing revenues and minimizing costs, which is the essence of keeping start-up costs to a minimum.

When using freesources, you might expect there to be a lack of quality. It does hold true that if you demand quality in a timely manner you need to pay for it, otherwise the benefits of a competitive capitalist business environment would not work. However, free does not always mean quality so strive to find quality freesources where you can.

You will notice as you read this book that each section ends with a Freeq statement. Freeq is the freesourcing equivalent quotient. It's a mark of how much cash you will be saving by following the advice. Where possible, I have given a cash value that directly correlates to your saving. When this is not possible, I have used a time comparator for the free-source instead. However, in both cases remember that the Freeqs should not be taken as exact values but as a mark of where you should be looking to gain savings. The Freeqs I have chosen represent costs at the high end of the scale and better value may be achieved by shopping around.

As well as no-cost options, I have provided some excellent value low-cost options for you to have a look at as viable alternatives. And, if you're stuck for ideas of what business

to start, you'll find many Freestart suggestions for businesses you can begin for free throughout the book, and particularly in Chapter 8.

How are you going to start *your* business for free?

1

Use What You Have

So you have an idea for a business, which is brilliant. I am truly very excited for you, as this is the moment when your creativity knows no bounds. This is when your senses are most heightened and the constraints on what you can do have not yet reared their difficult and ugly heads.

This is the moment the pathway starts to unfold in front of you and you can map out your future. Grasp this moment and ride the wave of creativity for as long as possible, learning and understanding what it means to be an entrepreneur on the way. This is your moment to use what you have to make it happen. Don't leave that great idea lying on the table for another second, or it may slip away for ever.

In this chapter you will find out how to open your eyes and see what you have available to you immediately. It's Day 1 and you have decided to take your idea forward. There are

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specific fundamentals that you must get your hands on to move one square at a time over the snakes and ladders board of your entrepreneurial journey.

The most appropriate way to begin is to collect together everything you have available to you right now. Look around the house, in your attic and in the garage and see what you already have. Take the opportunity to reappraise those things you've been meaning to throw away and see them in a new light, reflecting the creativity of your new idea. They may be bits of junk now, but how could they benefit your business? The same goes for everything in your life: friends, family, experiences, money and, most importantly, you.

The trick is to think creatively about your life so far, the experiences you have gained and the people you know. This is your starting point, so use what you have.

Time

Time is the greatest, most widely available and least expensive resource you have at your immediate disposal.

You need to understand straight away that 100% of freesourcing has an actual cost. That cost is your time and a whole load of effort. You have to make adjustments to your life in order to create the time you need to start and grow your business. This is a simple but essential step.

You often hear the saying that time is not money, but actually it's not. Time is a measurement of our progress through the universe, whereas money is a system of exchange. You need to view the link between time and money as a system

of exchange with which to barter new assets to grow your business.

But do you have any spare time? Think back to the last time someone said they were too busy or there aren't enough hours in the day. It wasn't that long ago, was it? I bet you've said something similar in the last week or so.

There are 24 hours in a day and 60 minutes in an hour, which is 1440 minutes every day. What are you doing right this minute, right now, to benefit yourself? (I know, reading this book!) You should be asking yourself this question every minute of every day: What could I be doing in my freetime?

Here's a test for you. What do you do with your 24 hours each day?
Note in the list below how much time you usually allocate to each activity:
Getting up
Breakfast
Lunch
Dinner
Travel
Work
Chores
Watching TV
Socializing
Sleeping

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What could you be doing with your day instead? There's a difference between existing and living. Search out the spare minutes in your day and group them together to create a space for you to get something meaningful done.

What do you do with the time between your usual activities? What's the first thing you do when you wake up? Make a conscious effort to be prepared for the day ahead, but do it the night before and prepare yourself for those things that will make this a "doing" day. Set your alarm 15 minutes earlier—it's only 15 minutes' less sleep, after all, but it could make all the difference.

What about when you're travelling to and from work? Do you listen to a podcast on recent industry trends or do you read the free newspaper, then catch up on some sleep because you got up late again?

Do two things at once: go for a run to clear your head, get a bit fitter and listen to something useful on your MP3 player. Read trade magazines and always have the news on in the background. Learn to be creative with your time and let it work for you instead of continually chasing after it. Manage your time so you can do what's important to you with an ongoing and ever-changing plan.

How do you make your time work for you? Organize your life simply by using lists, create efficient systems for doing things, set aside time for the difficult jobs and don't just do the easy ones. Do the things you enjoy doing first to motivate yourself to do more.

We all get caught up in the difficulties of life and spread our time thinly by committing to coaching the junior rugby

section or tidying up the garden. Apply some rationality and set aside the time you need to get your business running. Go to bed early and get up early—change your lifestyle to enable you to commit more time to getting your business running effectively. And remember always to spend quality time with your family, as they are your second greatest asset when starting a business.

Time is one thing you can trade freely because it's yours, you are in control. You get to decide where you are going to be and what you are going to do while you're there. You may not have any cash to buy goods and services, but you do have time.

People have been bartering time and effort for goods and services for eons, so revitalize those skills. Think about the cliché for what happens when you're in a restaurant and you discover you've left your wallet at home: when the bill arrives, you start negotiating how much washing up you have to do before you can go home. This works for your business too.

To get the business moving, offer to work in a local shop for a morning and instead of the proprietor paying you any money, ask for something tangible that you need in return. Buy an axe so that you can go out to the local woods, take the free wood on offer from the council and chop it into kindling to sell on at £2 a bag. You could take the money you make and add it to your logo design fund or buy some more materials. Be creative in what you ask for, work hard and ensure good value for your time.

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Get busy working on the things that matter and make a difference to the growth of your business right now!



Professional time management course, 1 day at **£375**.

Family, friends and your social network

Apart from you, your time and your amazing idea, the next greatest asset you have is your network.

Your family will always help where they can: they are unselfish and would always like to help you become a success in whatever you decide to undertake. Unfortunately, this act of selflessness in itself can be a hindrance, as they want you to succeed so much that they always think encouragement is the best advice, when perhaps from time to time you really need them to say no to one of your ideas.

Ask your family for financial help when you need it, and for assistance with getting your hands on the kit you have to have to carry out your business. Ask them as well for access to contacts and possible sales leads. And go to your family when you're overworked and need a helping hand fulfilling a big order.

As a next step, you should increase your business "family" by extending the reach of your business and social networks.

People do business with other people. If you grow your network, you have more people to do business with.

Your social network is everyone you have ever spoken to, emailed, posted to in a forum, answered on Twitter, went to school with or done business with. It includes Glen down the pub, Barry, Stephanie and Paul who are parents at the kids' school, and not forgetting Janet the babysitter. You get the idea: your social network is everyone and anyone you can refer to for advice because you have a history with them in one form or another.

Strangers are friends you have yet to meet.

A social network is a structure. The structure is made up of a collection of points that are connected by intersections such as values, visions, ideas, exchange, friendship and so on. In the real world this will be your network of friends, your family, customers and suppliers, investors and any club affiliations you may have. The key factor is that you all have something in common. In many instances, the thing you have in common is other people.

But a time will come when your current network has been exhausted and you have to explore new opportunities to grow the business. This is when you need to spend some time expanding both your business and social networks. There are numerous business networking clubs that may charge a joining fee so you can be part of their group. These clubs are great if you want to get to know a particular group of people well, but unless you're joining as part of an active recruitment drive, you won't necessarily be meeting many