

## 6.2: Introduction

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Bootstrapping is the practice of funding a new business with minimal external investment. Many entrepreneurs start their ventures with little to no savings, relying on creativity and frugality to get their businesses off the ground. This approach requires running the startup as efficiently and cost-effectively as possible, emphasizing the importance of minimizing expenditures and maximizing resources. Bootstrapping not only helps in managing finances wisely but also instills valuable lessons on financial discipline and resourcefulness.

To succeed in bootstrapping, entrepreneurs must employ various strategies to cut costs and optimize operations. Tips include wearing multiple hats to save on personnel costs, utilizing used equipment, leveraging shared office spaces, and maintaining excellent customer relationships for early payments. Entrepreneurs can also benefit from hiring interns, seeking flexible leases, offering equity in lieu of cash, and exploring barter exchanges. These practices are essential for maintaining a lean operation while positioning the business for sustainable growth and success.

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