

GOING SOLO AS A CONSULTANT

ENTREPRENEURSHIP AS A PLAN B FOR YOUR CAREER





A SENSE OF URGENCY

Create a Plan B for your career ... or a new Plan A.

1

I HAVE SOME TIME

If you are not yet forced to start out on your own, you have a perfect opportunity to start building your entrepreneurial Plan B. It takes time and the best path forward is to start now.

2

I HAVE LIMITED TIME

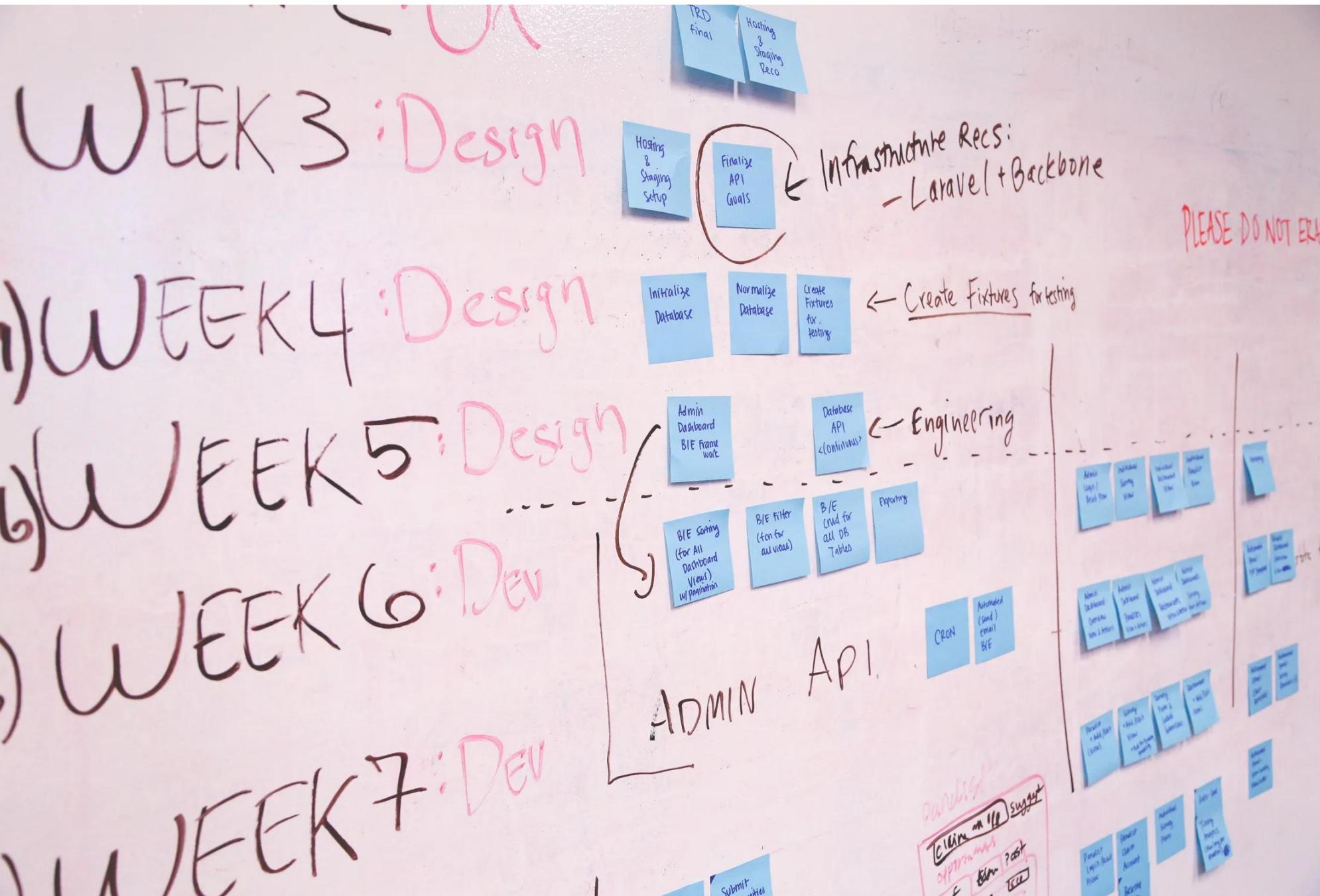
If your situation is more urgent, there are several considerations: How long can you plan before you run out of cash? How much time can you dedicate? Do you have potential partners to go along together?

ETERNAL LESSONS LEARNED WHEN THE HYPE IS OVERWHELMING

A close-up, low-angle shot of a metal shovel blade digging into dark, moist soil. The shovel's handle is visible on the left, and the blade is angled downwards, kicking up a small cloud of earth. The background is blurred, showing more of the same soil and some sparse vegetation.

**During a Gold rush,
start selling pickaxes and shovels.**

The three most important tasks to launch a business



Identify a need in the market

- ## ► **Opportunity Recognition**, Market Research, Business Idea

Investigate the opportunity

- Business Model, R&D, Financial Requirements

Determine the business founder's ability to meet the need.

- ▶ Self-Assessment, Business Plan, Startup-Strategy

ENTREPRENEURSHIP

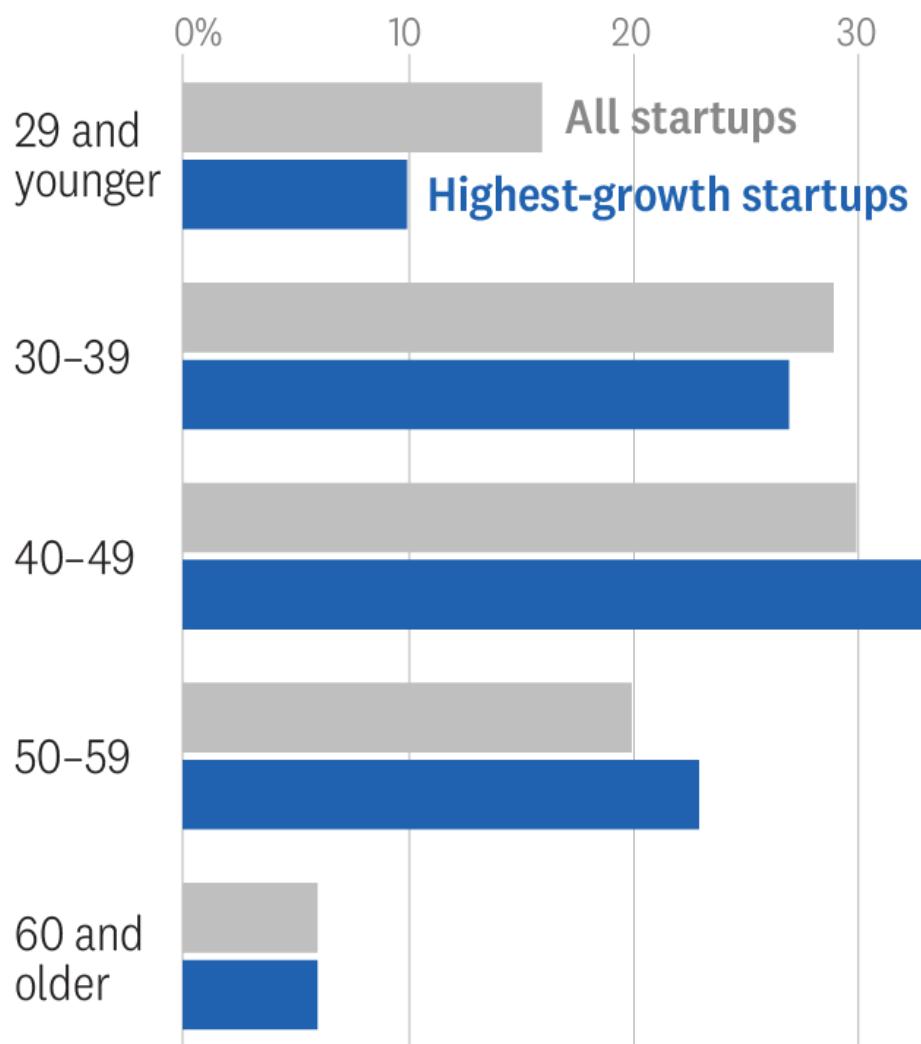
is living a few years of your life
like most people won't,
so that you can spend the rest of your life
like most people can't.



The Age of Startup Founders

The average age of people who founded the highest-growth startups is 45.

Percentage of founders by age group



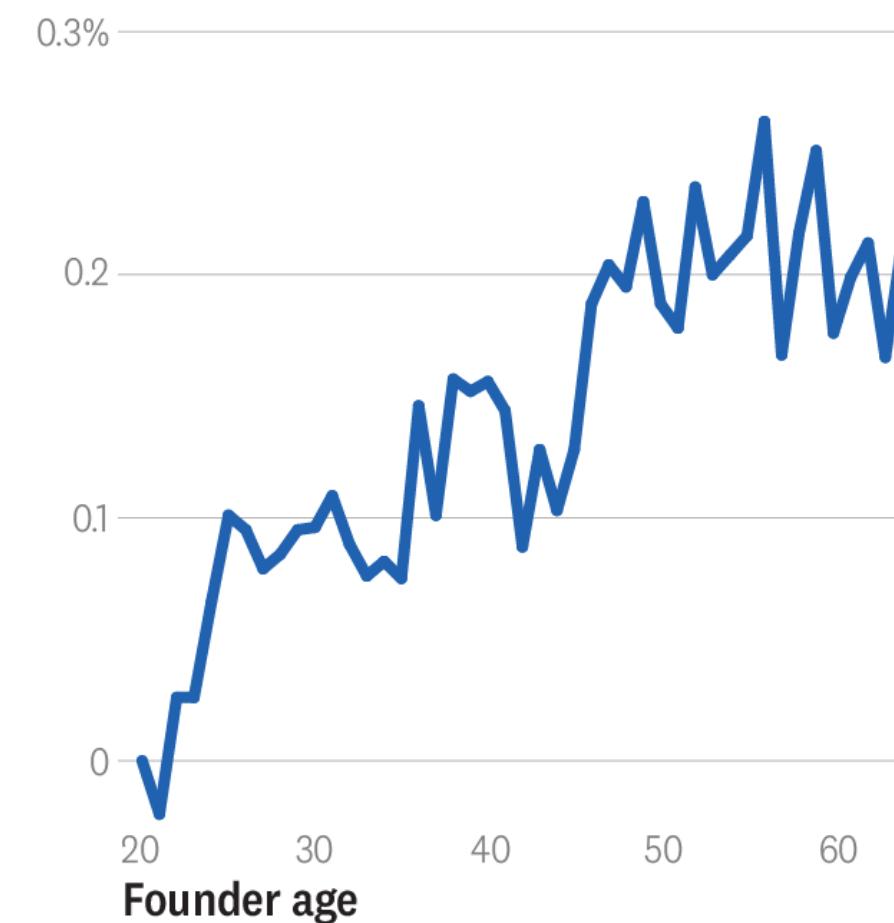
Note: The top 1% of startups by growth are considered “highest-growth.” Source: “Age and High-Growth Entrepreneurship,” by Pierre Azoulay et al., NBER, April 2018



Older Entrepreneurs Are More Likely to Succeed

The probability of extreme startup success rises with age, at least until the late 50s.

Change in the likelihood of success



Note: Y-axis represents the OLS regression coefficient for age variables, relative to a 20-year-old founder. “Extreme startup success” is defined as the top 0.1% of startups in employment growth over five years. Source: “Age and High-Growth Entrepreneurship,” by Pierre Azoulay et al., NBER, April 2018



ENTREPRENEURIAL AVENUES

1

SIDE HUSTLE



2

SOLOPRENEUR



3

SMALL BUSINESS



4

VENTURE



ARTIFICIAL INTELLIGENCE AND CAREER
EMPOWERMENT



Entrepreneurial Avenue 1

Side Hustle

- A** Flexible, part-time engagement. Keep a full-time job.
- B** Extensive use of social media or in-person interaction.
- C** Income generation with low investment.
- D** Option to grow to full-time business over time.
- E** Passion or interest driven.



Entrepreneurial Avenue 2

Solopreneur

- A** Personal branding with focus on expertise.
- B** Low overhead cost – “Pajama Entrepreneur”.
- C** Outsourcing of most non-essential operations.
- D** Self-motivation and discipline are required traits.
- E** Limited scalability – only 24 hrs. in a day.



Entrepreneurial Avenue 3

Small Business

- A** Still the backbone of the US Economy.
- B** Small team focus – family and employees.
- C** Mostly debt financed – savings, small loans.
- D** Long-term commitment, slower organic growth.
- E** Hands-on management with staying power.
- F** Structured business model to build a lasting brand.



Entrepreneurial Avenue 4

Venture Creation

- A** Unique business model. Novelty.
- B** Scalability of business at the core of venture.
- C** External equity financing, sweat equity.
- D** Founding team and early advisors.
- E** Extreme commitment, high financial risk.
- F** Potential for high rewards: IPO, company sale.



Entrepreneurial Avenue 4+

And then there are ...

- A** Influencer – Ad revenue, sponsorships.
- B** Content creator – Patreon financed.
- C** Gig worker – Rarely a permanent activity.
- D** Fractional services – part-time CTO, CFO, etc.
- E** Specialty marketplaces – Thrifting, sneaker drops.
- F** More: Micro-investors, 3D print-shops.



Who is the Entrepreneur?

(What does it take to be an entrepreneur or solopreneur?)

Common traits and characteristic of Entrepreneurs

EXERCISE: SET UP YOUR INNER ENTREPRENEUR PROFILE

Instructions: You can spend 30 points to describe how your current personal traits align with entrepreneurial traits. You can “spend” up to five points on a traits and you don’t have to spend on each trait. What is your profile?

1	Tolerance of ambiguity	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	10	Calculated risk-taking	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
2	Creativity	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	11	Internal locus of control	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
3	Determination	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	12	Commitment/perseverance	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
4	Vision	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	13	Opportunity orientation	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
5	Independence	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	14	Persistent problem solving	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
6	Team-building	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	15	Integrity and reliability	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
7	Tolerance for failure	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	16	Drive to achieve	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
8	Innovativeness	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	17	Self-confidence	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
9	Resourcefulness	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	18	High energy level	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>



Walter Kuemmerle:
A test for the fainthearted | 2002

5 Questions every Entrepreneur needs to answer.



1

**Are you
comfortable
stretching the
rules?**

2

**Are you prepared
to make powerful
enemies?**





3

**Do you have the patience
to start small?**

4

**Are you willing to
shift strategies
quickly?**



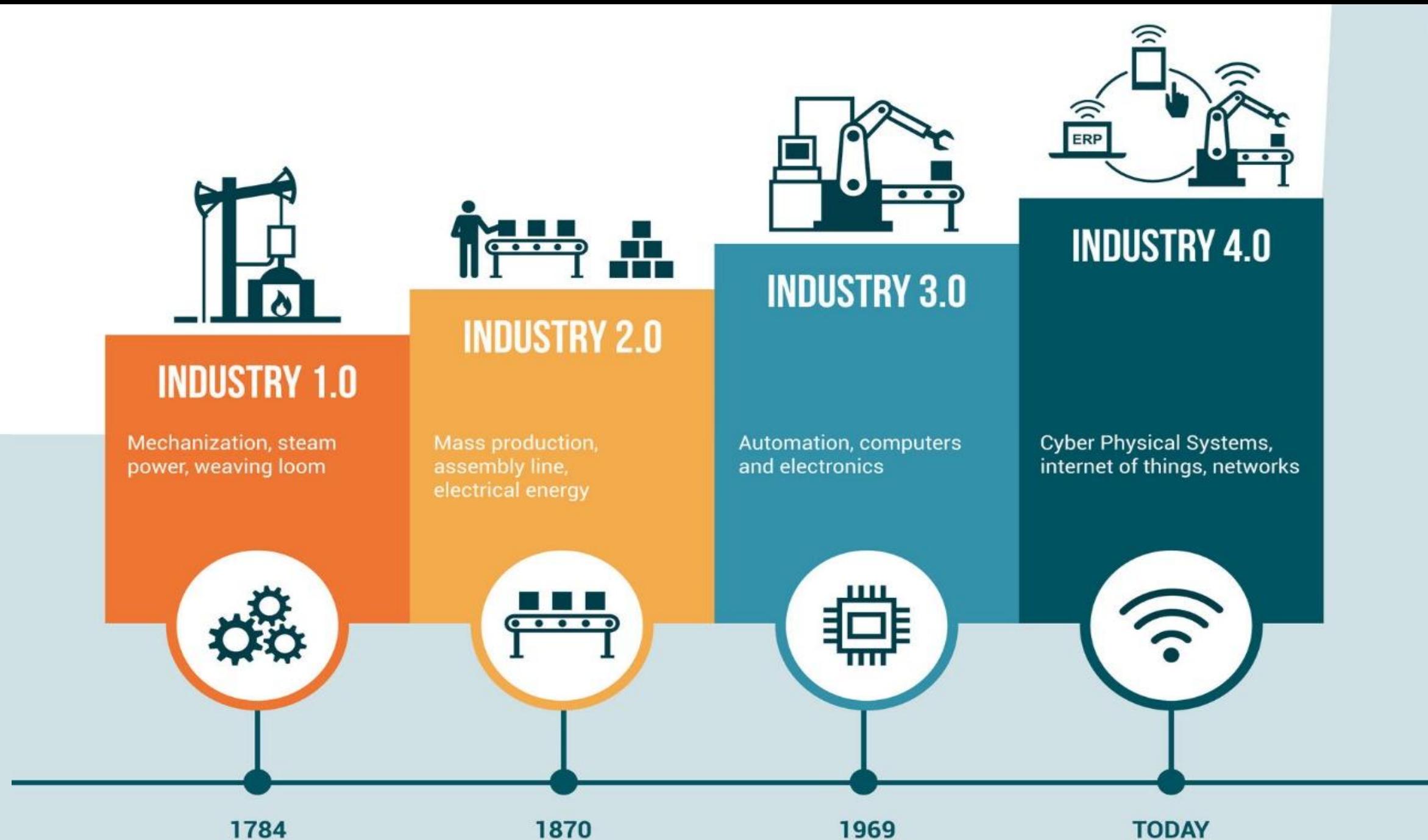


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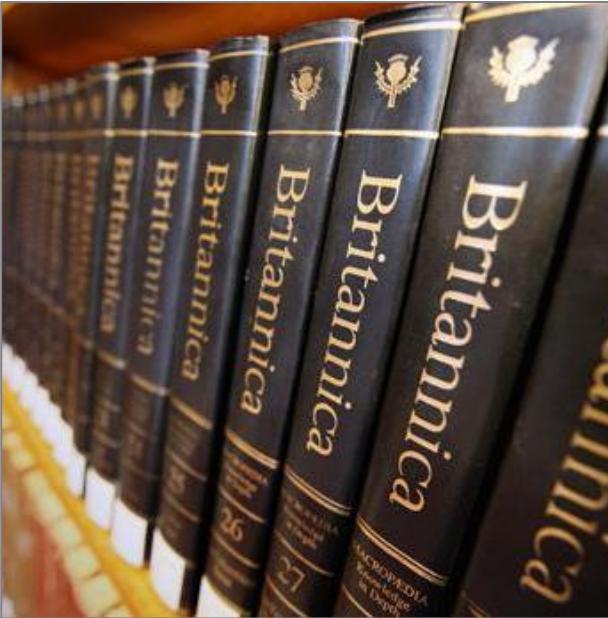
**Are you a closer?
(Telling is not
selling!)**

INDUSTRIAL REVOLUTIONS

force skills and mindsets to evolve



Opportunities from **CREATIVE DESTRUCTION**



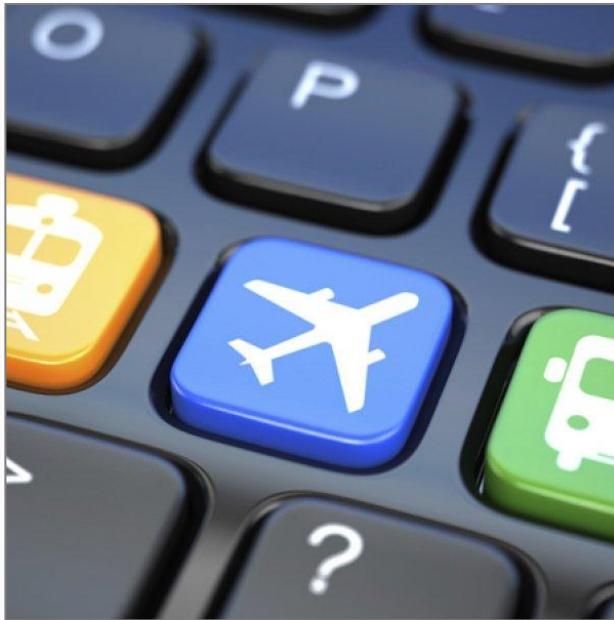
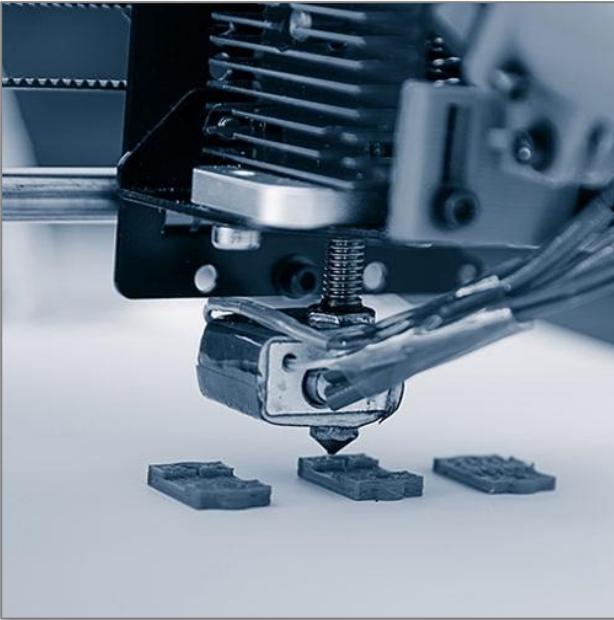
Creative Destruction*: Truly valuable entrepreneurial opportunities come from an external change that either

- ▶ Makes it possible to do things that had not been done before.
- ▶ Makes it possible to do something in a more valuable way.

Established businesses comes under threat. Traditional jobs are lost, new ones are also created.

* Austrian School economist, Josef Schumpeter, term is from 1942

CREATIVE DESTRUCTION: Disruptive Innovation



Schumpeter was mostly focused on **disruptive innovation** that upsets the status quo.

- ▶ Driverless cars threaten car insurance companies as the number of accidents will eventually drop.
- ▶ Electric vehicles threaten car repair garages as they require less maintenance.
- ▶ 3D printing threatens small and mid-size component manufacturers as parts can be printed at home.
- ▶ Online travel sites threaten and almost killed traditional travel agents.
- ▶ AIRBNB is challenging traditional hotels.
- ▶ Streaming services like NETFLIX and AMAZON threaten traditional movie studios.

SHOVEL-SELLING BUSINESS IDEAS

1

AI EDUCATION

- IN-PERSON WORKSHOPS
- PERSONAL WORKSHOPS
- ONLINE COURSES
- ADJUNCT FACULTY
- PROMPT ENGINEERING GUIDES

2

AI CONSULTING

- INTEGRATION STRATEGY CONSULTANT
(NO CODING REQUIRED)
- AI ASSISTED MARKETING
(CONTENT CREATION, SEO, CUSTOMER ENGAGEMENT)
- AI POWERED RECRUITING
(AI ASSISTED APPLICANT TRACKING, RESUME SCREENING)

3

AI SUPPORT

- SELLING AI TOOLS
- SELLING AI SUBSCRIPTIONS
- AI COMPLIANCE SUPPORT
- AI ETHICS ADVISOR
- AI GENERATED ASSETS SELLER
- TOOL INTEGRATION

4

AI CREATOR

- CARTOONS
- IMAGES
- LOGOS
- VOICEOVER SERVICES
- LEAD GENERATION

START-UP TIPS FOR SOLOPRENEURS

1

BRANDING



2

REGISTRATION



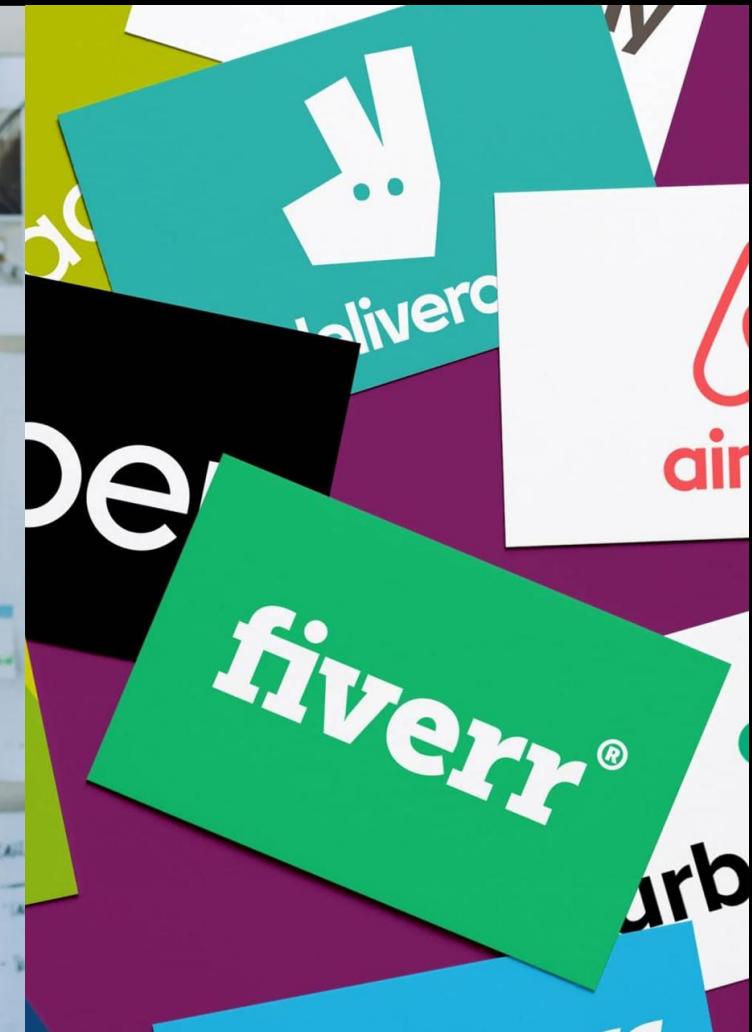
3

BUSINESS PLAN



4

BUSINESS MODEL





START-UP TIPS

Branding

- A** Company Name | You or the business?
- B** Tagline | How people remember you | Got milk?
- C** Website| Wix, SquareSpace, GoDaddy.
- D** Some audiences still take business cards.
- E** Getting out there – it will be up-close and personal.
- F** Find forums to speak – in-person and online.
- G** Find content creators and be a supplier.



"Just do it"



"Impossible
is Nothing"



"I'm lovin' it"



"Reassuringly
Expensive"



"The Ultimate
Driving Machine"



"Vorsprung
durch Technik"

L'ORÉAL

Gillette



HSBC

"Because
I'm worth it"



"The Best
A Man Can Get"

TESCO

John Lewis

"Every Little Helps"

"Never Knowingly
Undersold"



RONSEAL

"The World's
Local Bank"

"Always Coca-Cola"

D
DE BEERS

DIESEL
FOR SUCCESSFUL LIVING

"A Diamond Is
Forever"

"For Successful
Living"

"The Totally Tropical
Taste"

"Does exactly what
it says on the tin"

START-UP TIPS

Branding – AI taglines

A **Oliver Schlake** | Human strategies for a digital future
Trust in your brand, name recognition.

B **Bright Pivot** | Your roadmap to future-ready business.
Emphasize clarity in complexity

C **Mission Edge Consulting** |
Tech-forward thinking for mission-driven orgs.
Targeted at non-profit organizations

D **Prompt Point** |
We don't build the AI - we help you use it.
A Shovel-Seller brand, help others use AI.

E **Clear Path Advisors** | Guiding your next move.
Simplicity, classic and polished.



START-UP TIPS

Registration

- A** Chose your legal entity | LLC.
- B** Register within your state | LegalZoom.
- C** Business Bank Account. Separate your finances.
- D** Consider a conversation with an accountant.
- E** Set-up online bookkeeping | QuickBooks.
- F** Employer Identification Number | IRS.gov.
- G** WebDomain | Get your dot.com at NameCheap

BUSINESS PLAN - Planning is more important than the plan.



A formal, written expression of the entrepreneur's vision for converting ideas into a profitable, going business

Entry card for serious funding (venture capitalists, banks, angel investors)

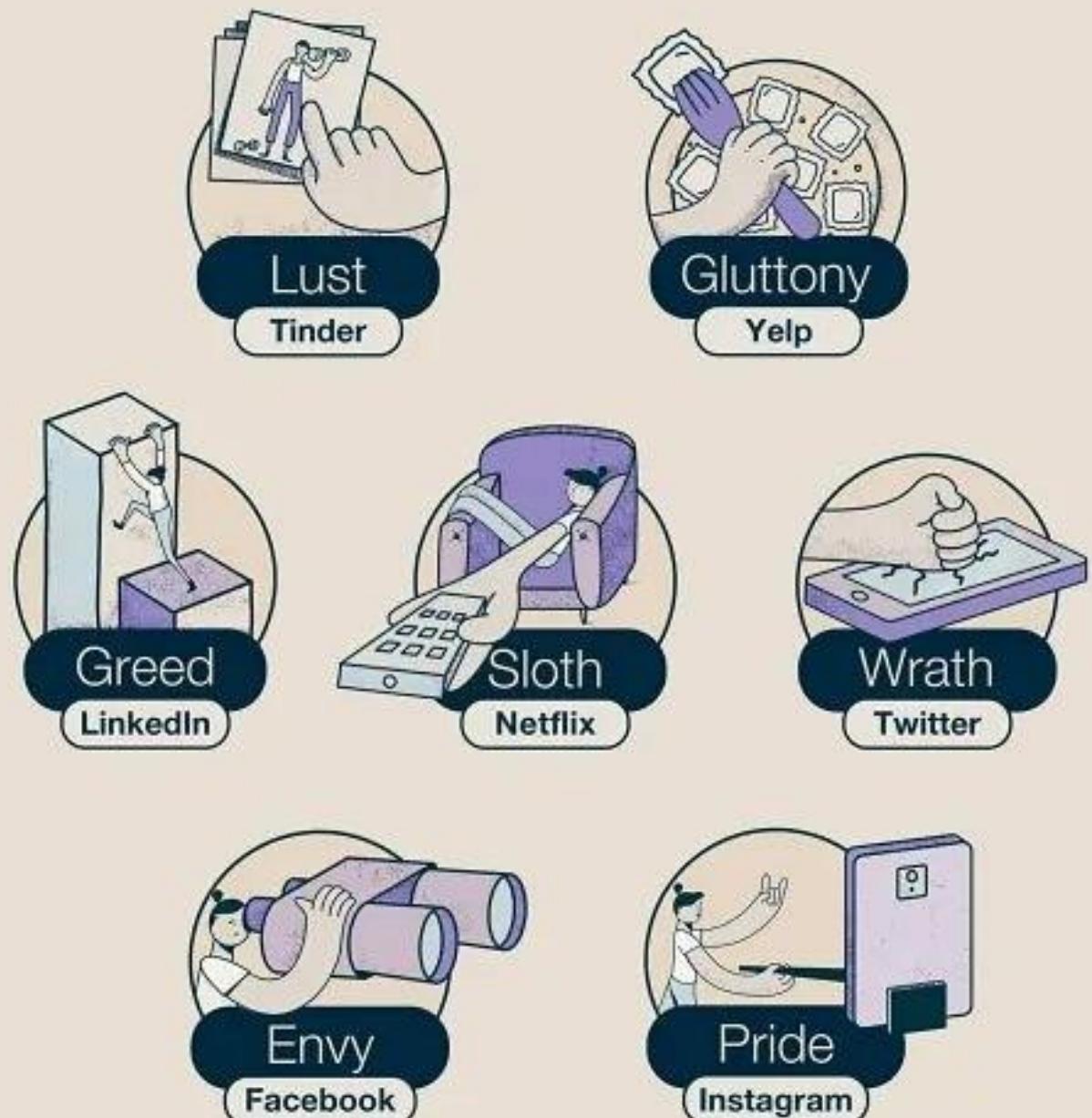
A business plan changes often as new business ideas evolve over time.

Do just enough business planning to get the new company started.

Refine the plan with information gathered from running the new venture.

7 Sins

in the Digital World

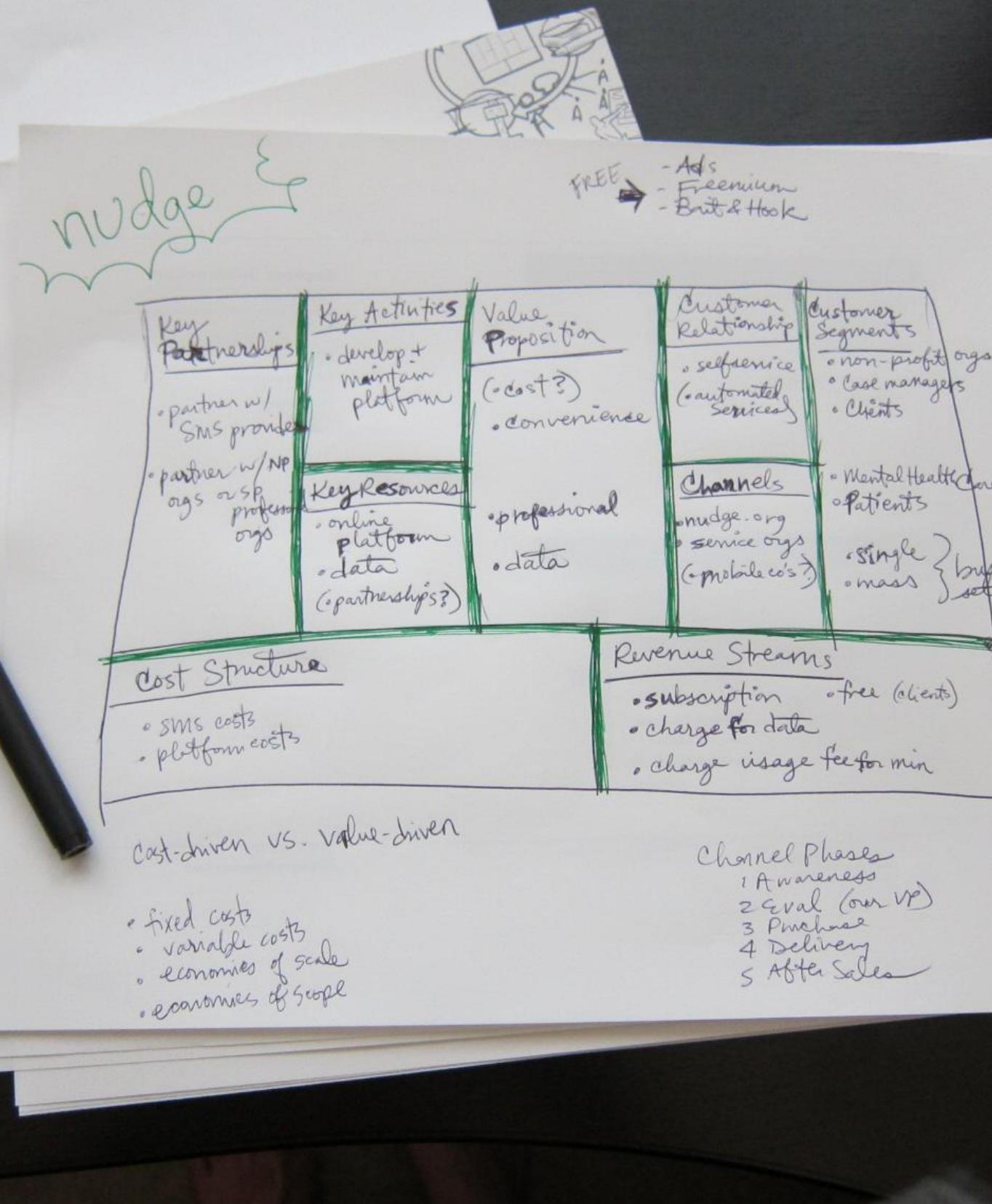


START-UP TIPS

Seven deadly sins of business plans.

- 1 Quantification of the opportunity is unclear.
- 2 Uncertainties and risk are ignored (in moderation).
- 3 Sustainable competitive advantage not explained.
- 4 Fails to answer": "Why would anyone buy this?"
- 5 Develop stage of the product is unclear (TRL Level).
- 6 Milestones/path forward unclear.
- 7 Not enough focus on who is running the business.

You're holding a handbook
and challengers striving
and design tomorrow's
Business Model Gen
WRITTEN by Alexander Osterwalder
CO-CREATED An amazing crowd of 470
DESIGNED BY Alan Smith, The Movement



BUSINESS MODEL GENERATION

Fastest way to a working business model.

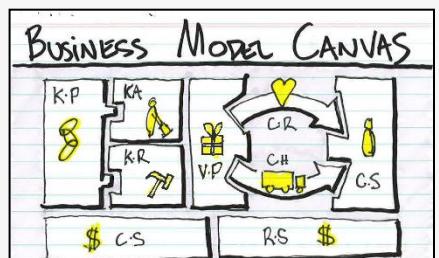
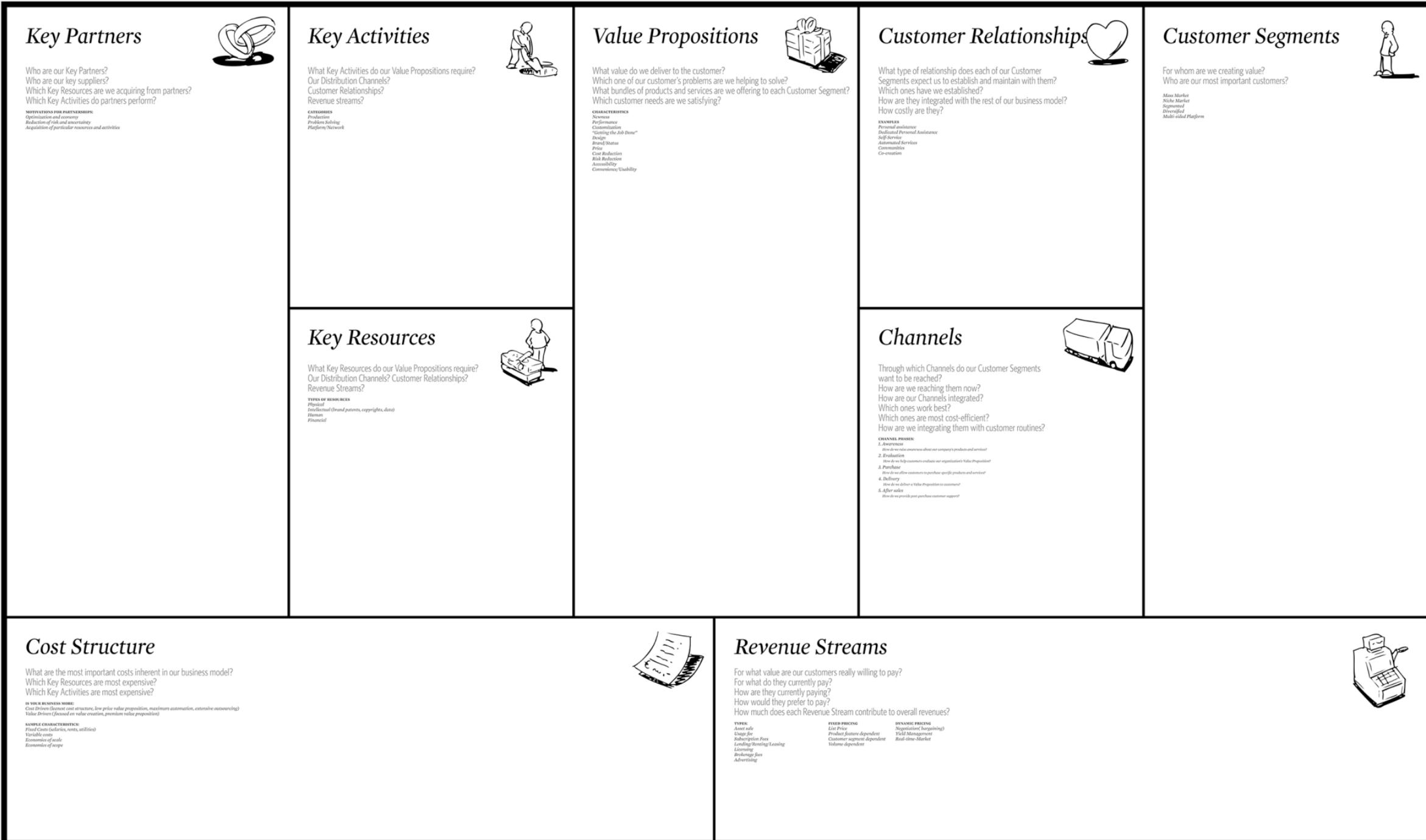
- 1 Visual thinking tool for a quick feasibility check.
- 2 The quasi standard to talk about a business idea.
- 3 First step for many new start-up companies.
- 4 Great for collaborative sharing of ideas.
- 5 A business model is not a full business plan.

The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year
Iteration: No



You're holding a handbook for visionaries, game changers, and challengers striving to defy outmoded business models and design tomorrow's enterprises. It's a book for the...

Business Model Generation

WRITTEN BY
Alexander Osterwalder & Yves Pigneur

CO-CREATED BY
An amazing crowd of 470 practitioners from 45 countries

DESIGNED BY
Alan Smith, The Movement



A great starting point

Business Model Generation

- 1** Excellent for simplifying the early stages.
- 2** “Canvas” has become key communication tool.
- 3** Does not provide enough for a full business plan.
- 4** Strategy, Team, Competition, Market trends are not covered

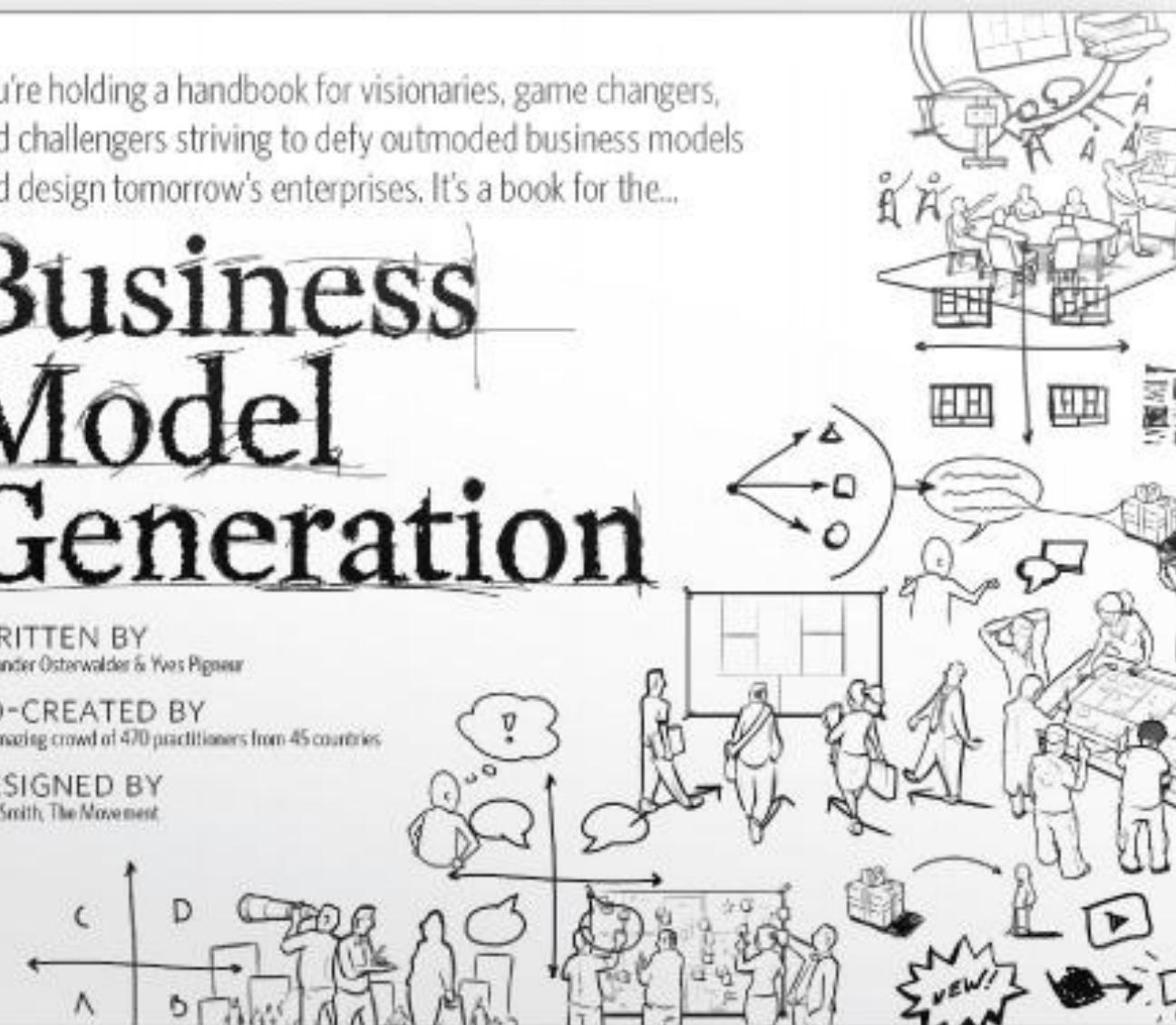
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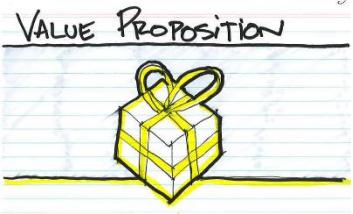
DESIGNED BY
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SO MUCH MORE

Appendix

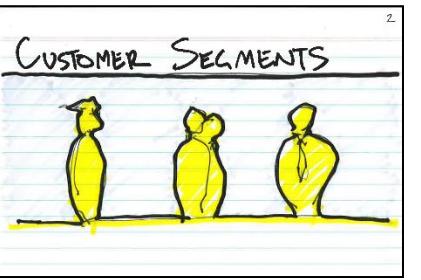
- 1** Business Model Generation Details
- 2** Business Plan Checklist
- 3** The big items
- 4** Business Plan Components



VALUE PROVIDED | value proposition

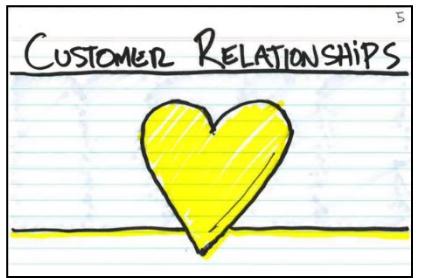
DEFINITION	CRITICAL QUESTIONS TO ANSWER	EXAMPLES
<p>Think of value provided as customer benefits created by “bundles” of services or products.</p> <p>The ability to provide exceptional value is the key reason why customers select one organization over the other.</p>	<ul style="list-style-type: none"> ▶ What value do we deliver to the customer? ▶ Which one of our customer's problems are we helping to solve? ▶ What bundles of products and services are we offering to each Customer Segment? ▶ Which customer needs are we satisfying? 	<ul style="list-style-type: none"> <input type="checkbox"/> Newness <input type="checkbox"/> Performance <input type="checkbox"/> Customization <input type="checkbox"/> “Getting the Job Done” <input type="checkbox"/> Design <input type="checkbox"/> Brand/Status <input type="checkbox"/> Price <input type="checkbox"/> Cost Reduction <input type="checkbox"/> Risk Reduction <input type="checkbox"/> Accessibility <input type="checkbox"/> Convenience/Usability

CUSTOMERS | customer segments



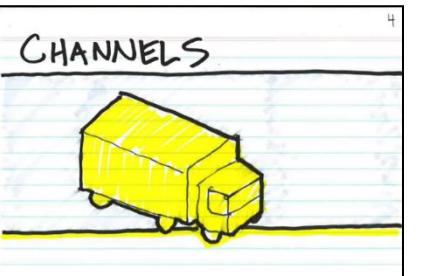
DEFINITION	CRITICAL QUESTIONS TO ANSWER	EXAMPLES
<p>Customers are the reason for an organization's existence.</p> <p>Every organization serves one or more distinct customer groups.</p> <ul style="list-style-type: none"> ▶ Important: Different customer groups may require different values provided, channels or relationships. <p>It is very common that organizations earn much more from one customer group than from all other (80/20 rule).</p>	<ul style="list-style-type: none"> ▶ For whom are we creating value? ▶ Who are our most important customers? ▶ How can we describe or segment the customer we serve? 	<ul style="list-style-type: none"> <input type="checkbox"/> Mass Market <input type="checkbox"/> Niche Market <input type="checkbox"/> Segmented <input type="checkbox"/> Diversified <input type="checkbox"/> Multi-sided Platform

CUSTOMER RELATIONSHIPS



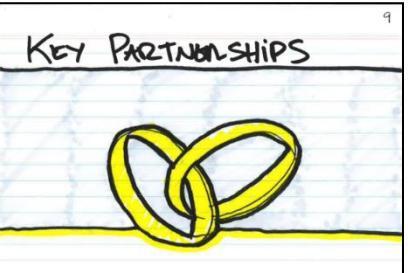
DEFINITION	CRITICAL QUESTIONS TO ANSWER	EXAMPLES
<p>Organizations must clearly define the type of relationship customers prefer. Also, organizations need to clarify the primary purpose of customer relationships. Is it to acquire new customers, retain existing customers or derive more revenue from existing customer?</p> <ul style="list-style-type: none"> ▶ Organizations often ignore what customers really prefer. Instead, they impose a relationships that works best to support the business goals (e.g. customer service for cable provider, anybody?) 	<ul style="list-style-type: none"> ▶ What type of relationship does each of our Customer Segments expect us to establish and maintain with them? ▶ Which ones have we established? ▶ How are they integrated with the rest of our business model? ▶ How costly are they? ▶ How effective are the relationships in place to achieve our goals? 	<ul style="list-style-type: none"> <input type="checkbox"/> Personal assistance <input type="checkbox"/> Dedicated Personal Assistance <input type="checkbox"/> Self-Service <input type="checkbox"/> Automated Services <input type="checkbox"/> Communities <input type="checkbox"/> Co-creation

CHANNELS



DEFINITION	CRITICAL QUESTIONS TO ANSWER	EXAMPLES
<p>Channels create awareness of services or products.</p> <p>They help potential customers evaluate products or services or get in touch with the organization's brand message.</p> <p>Channels enable customers to purchase so the business can deliver the value to them.</p> <p>Channels are also part of the post-purchase satisfaction by offering product support or updates.</p>	<ul style="list-style-type: none"> ▶ Through which channels do our Customer Segments want to be reached? ▶ How are we reaching them now? ▶ How are our Channels integrated? ▶ Which ones work best? ▶ Which ones are most cost-efficient? ▶ How are we integrating them with customer routines? 	<ul style="list-style-type: none"> <input type="checkbox"/> In-person or telephone <input type="checkbox"/> On-site or in-store <input type="checkbox"/> Physical delivery <input type="checkbox"/> The Internet (social media, blogs, emails) <input type="checkbox"/> Traditional media (television, radio, newspapers) <p>Channel phases:</p> <ol style="list-style-type: none"> 1. Awareness: How do we raise awareness about our company's products and services? 2. Evaluation: How do we help customers evaluate our organization's Value Proposition? 3. Purchase: How do we allow customers to purchase specific products and services? 4. Delivery: How do we deliver a Value Proposition to customers? 5. After sales: How do we provide post-purchase customer support?

KEY PARTNERS | key partnerships



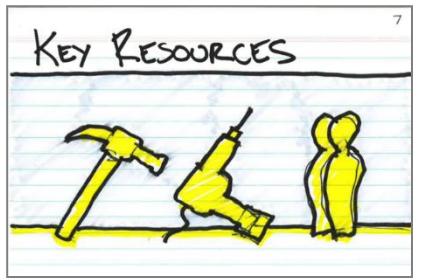
DEFINITION	CRITICAL QUESTIONS TO ANSWER	MOTIVATIONS FOR PARTNERSHIPS
<p>Partners are the network that makes a business model effective.</p> <p>No business should own every resource or perform every activity by itself.</p> <p>Partnerships can go beyond “make” and “buy”. Some partners share their customers with each other for mutual benefit.</p> <p>► Smaller organizations can partner with large professional partners to deliver exemplary services (e.g. payment portals, web services, advertising).</p>	<ul style="list-style-type: none">► Who are our Key Partners?► Who are our key suppliers?► Which Key Resources are we acquiring from partners?► Which Key Activities do partners perform?	<ul style="list-style-type: none"><input type="checkbox"/> Optimization and economy.<input type="checkbox"/> Reduction of risk and uncertainty.<input type="checkbox"/> Acquisition of resources and activities.<input type="checkbox"/> Spillover of larger brands' image (“we partner with Amazon!”)

KEY ACTIVITIES



DEFINITION	CRITICAL QUESTIONS TO ANSWER	EXAMPLES
<p>The most important things an organization must do to make its business model work.</p> <p>These tasks can be executed directly by the organization or by its partners.</p> <ul style="list-style-type: none"> ▶ Customers are interested in the value these executed task provide, not in the task in itself. 	<ul style="list-style-type: none"> ▶ What Key Activities do our value propositions require? ▶ Our Distribution Channels? ▶ Customer Relationships? ▶ Revenue streams? 	<p><input type="checkbox"/> MAKING</p> <ul style="list-style-type: none"> ▶ Manufacturing ▶ Designing/developing/delivering ▶ Preparation to deliver services <p><input type="checkbox"/> Selling</p> <ul style="list-style-type: none"> ▶ Promoting / advertising (e.g. sales calls) ▶ Educating potential customers ▶ Training <p><input type="checkbox"/> Supporting</p> <ul style="list-style-type: none"> ▶ Hiring people ▶ Administrative tasks (bookkeeping)

KEY RESOURCES



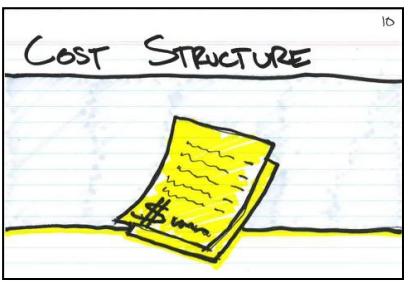
DEFINITION	CRITICAL QUESTIONS TO ANSWER	TYPES OF RESOURCES
<p>The “basic ingredients” to deliver value.</p> <p>The summation of all the resources, including their rarity, allows an organization to be competitive.</p>	<ul style="list-style-type: none"> ▶ What Key Resources do our value propositions require? ▶ Our distribution channels? Our customer relationships? ▶ Revenue Streams? 	<ul style="list-style-type: none"> <input type="checkbox"/> Physical (land, buildings, machines, and vehicles). <input type="checkbox"/> Intellectual (brands, trademarks, methods, reputation, software, patents, copyrights, data) <input type="checkbox"/> Human (workforce, experience, capacity, motivation) <input type="checkbox"/> Financial (cash, lines of credit, financial guarantees, goodwill)

REVENUE | revenue streams



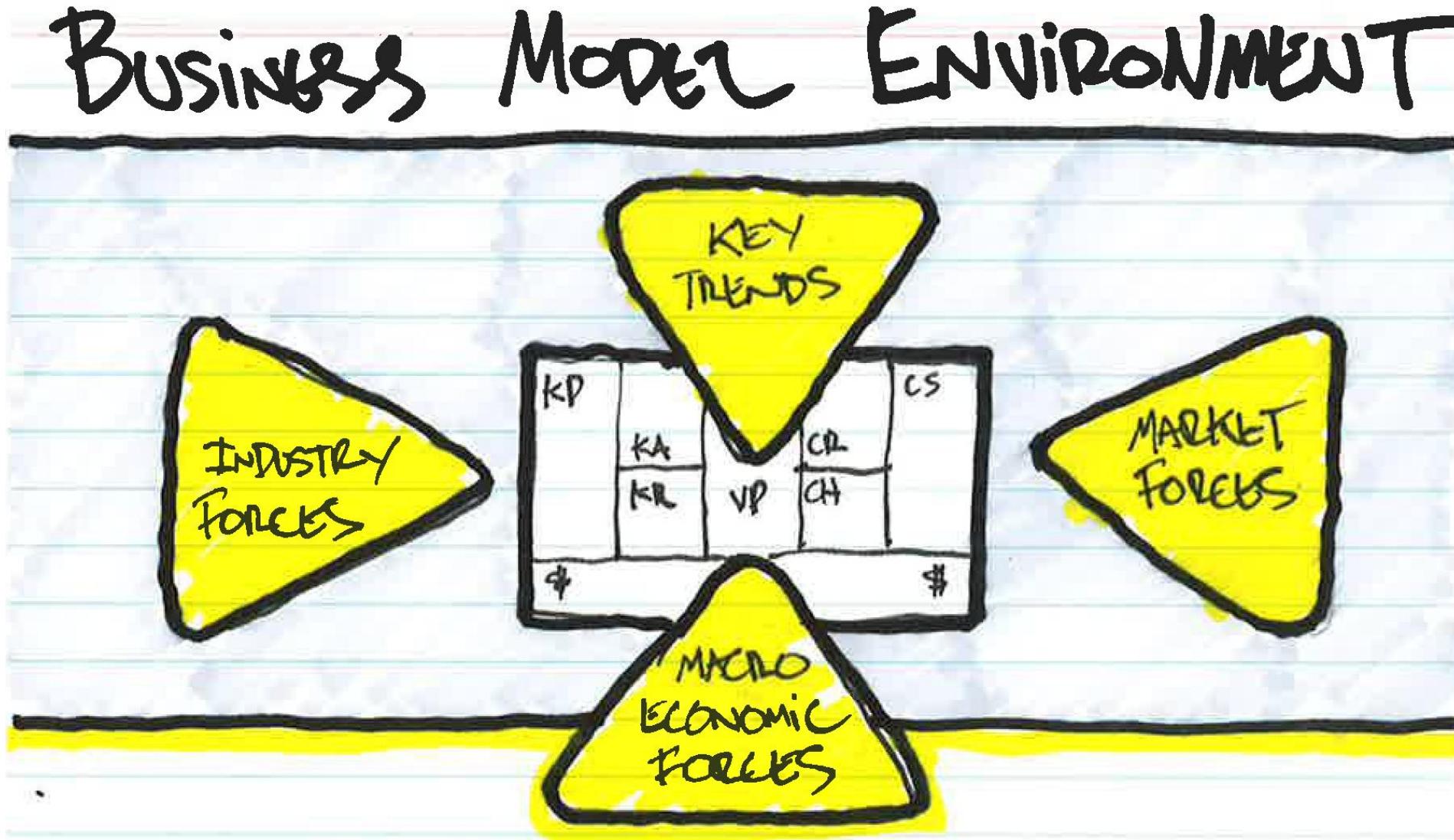
DEFINITION	CRITICAL QUESTIONS TO ANSWER	TYPES OF REVENUE
<p>Organizations must figure what value customer are truly will to pay for.</p> <p>They also must accept payment in ways customer prefer (at least until you are large enough to ignore this rule).</p> <p>Revenues can further be divided into one-time customer payments or recurring payments (e.g. subscriptions).</p> <p>Discovering new revenue streams is a key element in business growth.</p>	<ul style="list-style-type: none"> ▶ For what value are our customers really willing to pay? ▶ For what do they currently pay? ▶ How are they currently paying? ▶ How would they prefer to pay? ▶ How much does each Revenue Stream contribute to overall revenues? 	<ul style="list-style-type: none"> <input type="checkbox"/> Asset sale / Outright sale <input type="checkbox"/> Usage fee <input type="checkbox"/> Subscription Fees <input type="checkbox"/> Lending/Renting/Leasing <input type="checkbox"/> Licensing <input type="checkbox"/> Brokerage or matching fees <input type="checkbox"/> Advertising <input type="checkbox"/> Fixed pricing <ul style="list-style-type: none"> ■ List Price ■ Product feature dependent ■ Customer segment dependent ■ Volume dependent <input type="checkbox"/> Dynamic pricing <ul style="list-style-type: none"> ■ Negotiation(bargaining) ■ Yield Management ■ Real-time-Market!"")

COST | cost structure



DEFINITION	CRITICAL QUESTIONS TO ANSWER	TYPES OF REVENUE
<p>Acquiring key resources, performing key activates and working with key partners all incur costs.</p> <p>Cost can be roughly calculated after the key resources and key activities involving the key partners are defined.</p> <p>Different companies have different cost structures and can therefore better “scale” (e.g. software company vs. consulting firms)</p> <ul style="list-style-type: none"> Scalability refers to a company’s costs falling when serving more customers. 	<ul style="list-style-type: none"> ▶ What are the most important costs inherent in our business model? ▶ Which Key Resources are most expensive? ▶ Which Key Activities are most expensive? ▶ How much does it cost to produce and deliver the product or service? ▶ How much does it cost to support a customer? ▶ How easy is it to retain a customer? 	<p>Is your business more ...</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing) <input type="checkbox"/> Value Driven (focused on value creation, premium value proposition) <input type="checkbox"/> Sample characteristics: <ul style="list-style-type: none"> ▶ Fixed Costs (salaries, rents, utilities) ▶ Variable costs ▶ Economies of scale ▶ Economies of scope

Not part of the model: The environment



THE BIG ITEMS

THE BIG ITEMS

1. The People

Who are the entrepreneurs (more on the right)?

Who will run the venture?

Considered the most important section to many professional investors.

Investors “invest in people, not in ideas”

2. The Opportunity

What is the basic idea?

What problem does the product or service solve?

Why is the new product appealing—and to whom?

How will the idea be realized?

THE BIG ITEMS

3. The Context

What are the conditions for the business, and how could they change over time.

4. The Risk & Rewards

How will investors recap their investment and make a profit? How much funding is needed?

What type of funding?

How will it be used?

How will you realize a return?

A

FOUNDER QUESTIONS

- ▶ Where are the founders from?
- ▶ Where have they been educated?
- ▶ Where have they worked and for whom?
- ▶ What have they accomplished – professionally /personally – in the past?
- ▶ What is their reputation in the business community?
- ▶ What experience do they have that is directly related to the opportunity they are pursuing?
- ▶ What skills, ability and knowledge do the founders have?

B

FOUNDER QUESTIONS

- ▶ How realistic are they about the venture’s chances for success and the tribulations it will face?
- ▶ Who else needs to be on the team?
- ▶ Are they prepared to recruit high-quality people?
- ▶ How will they respond to adversity?
- ▶ Do they have the mettle to make the inevitably hard things have to be made?
- ▶ How committed are they to this venture?
- ▶ What are their motivations?

BUSINESS PLAN COMPONENTS

SAMPLE OUTLINE

1. Executive Summary
2. Background and purpose
3. Market Analysis
4. Competition
5. Development, production, and location
6. Management Team
7. Financial information
8. Risk factors
9. Harvest or exit
10. Scheduling and milestones
11. Appendices

1

EXECUTIVE SUMMARY

- ▶ Provides a brief, clear, and persuasive overview of the new venture
- ▶ Should motivate to read more (otherwise your proposal is useless)
- ▶ Similar, but not the same as the elevator pitch.
- ▶ Target 1 to 2 pages

2

BACKGROUND | PURPOSE

- ▶ What is the nature of the idea driving your company and how did it arise?
- ▶ What does the product/service has to offer?
- ▶ What is the basic nature of the company?
- ▶ What is the company's mission?

3

MARKET ANALYSIS

- ▶ What have you done to identify the market?
- ▶ Who is the new venture's customer?
- ▶ How does the customer make decisions about buying this product or service?
- ▶ How large is the market?
- ▶ How will products or services be promoted?
- ▶ What do you know about competing products and companies?
- ▶ How will the product or service be priced?

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4

COMPETITION

- ▶ What are the current product/service offerings in the market that directly compete with ours?
- ▶ What are the competing features?
- ▶ What companies are serving them? What is their size?
- ▶ What other products/service are we potentially competing with (case a wider net than you would think since many product can fulfill similar needs)?
- ▶ How is the competition in the industry (fierce, moderate, predictable)?

5

DEVELOPMENT

- ▶ Where are the products or services in the development process?
- ▶ What are the projected costs and timetable for making the product or delivering the service?
- ▶ What steps have been taken to assure quality and safety?
- ▶ Where are the products produced (location)?

6

MANAGEMENT TEAM

- ▶ Who are the founders?
- ▶ Who is on the current management team?
- ▶ Do team members have the experience, expertise, skills, and personal characteristics needed?

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7

FINANCIAL PROJECTIONS

- ▶ Proforma balance sheet
- ▶ Proforma income statement
- ▶ Cash flow statement
- ▶ Break-even analysis
- ▶ Growth targets
- ▶ Funding needs

8

CRITICAL RISKS

- ▶ Price cutting by competitors
- ▶ Unforeseen industry trends
- ▶ Sales projections not achieved
- ▶ Costs exceed estimates
- ▶ Schedules not met
- ▶ Difficulties raising financing
- ▶ Unforeseen trends

9

HARVEST AND EXIT

- ▶ Management succession
- ▶ Exit strategies
- ▶ Timelines

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MILESTONES

- ▶ Incorporation
- ▶ Completion of design
- ▶ Completion of prototypes
- ▶ Hiring of initial personnel
- ▶ Product displays
- ▶ Agreements
- ▶ Moving into production
- ▶ Receipt of orders
- ▶ First sales
- ▶ Profitability



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