

Product commercialization and Business Modeling

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Business Planning & Modeling

- It's a **practical** and **logical** way for planning a business
 - No cookie-cutter business plan programs = **one size does NOT fit all**
 - Plan to develop the **elements** of your plan
 - Do not be intimidated by the **effort** needed to bring forth a business
- First craft a **one-page pitch** for your business & refine it as you go

So where do I start ?

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Mission Statement

- Brief statement that summarizes **how** and **where** a firm will compete
- Known as company **mission**, vision, overall strategy, goals, simple rules, and statement of purpose
- Must be **concise** and **understood by everyone**
- Keeps the focus of new businesses on activities that offer **competitive advantage**

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For your Initial Business model, think about...

- What type of new business do you want to pursue? **Why?**
- **Products and/or services** will you offer in your new business
- Your **goals** for this new business.
- How will you **finance** your initial operations?
- **Who** will be involved in your new business.
- **Competitive advantage** - Compare your intended products and/or services to those of your competitors.
- How will you **maintain** the above competitive advantage?
- How will you implement **positive change in your community?**

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Lets start with four key elements you need --

- **Value Proposition** - What problem do you solve for your customer?
- **Customers** – Think what segments of customers?
- **Channels** – what **Value Proposition** are you delivering to **Customers** through communication, distribution, and sales **channels**.
- Now, tie these together = **Customer Relationships** = how are you going to relate to each of the customers you identified in the above customer segments?

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Five additional key elements (5 + 4 = 9)

Revenue Streams – This is a result of your **Value Proposition** successfully delivered to your **Customers**

To deliver the above five things, you need ...

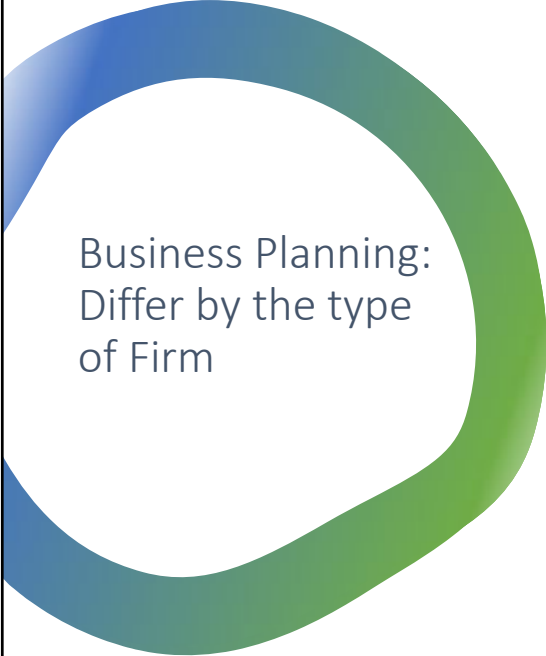
Key Resources – so tell me what they are...

and also tell me some of the **Key Activities** you'll need to perform

OK, honestly, by now - you figured you probably will have to form some **Key Partnerships**. May be use some outsourced help or get some help inhouse.

By now, you have 8 elements and have already built “The business model” – this is based on some **cost structure**

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Business Planning:
Differ by the type
of Firm

- Venture capital-backed firms
 - Business plan = promotional tool
 - Many hire consultants to develop their plans
 - Plans may run 25 to 45 pages long
- Entrepreneurial firms
 - Business plan = guide for running the business
 - Business owners develop their own plans
 - Plans are 15 to 25 pages long
 - Goals of the plan: To be a guide, to provide a self-evaluation, and to provide information necessary to evaluate the key criteria

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Example Business Plans

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Exercise

Spend 45 min in breakout session and think about some of the elements we talked about with your teammates.

I'll join your session to explore one or two areas to drill deeper.