

# Notes on Figliuolo's Business Plan Course

Ben Taft

you can watch it here seems customer focused, uses his consulting company as an example

## **Define the Business**

This is, essentially, the executive summary

## **Articulate the Problem Solved by the Product**

- Who has the problem
- Why is it a problem
- How does your product fix it

## **Size the market**

- Businesses or Consumers
- Number of customers
- organization
  - supply
  - product
  - geography
- How much money is available to spend on our product
- What is a reasonable fraction to capture
- What is the proper position of the product in the market
  - niche
  - commodity

## **The product**

- Describe it in non-technical terms
- make benefits concrete
- avoid buzzwords

## **The revenue model**

- How are you going to make money
- what do comparables cost

- how much customers are paying now
- how much value your product creates
- how value is split between business and customer

## **SWOT**

- why you are going to win against your competitors
- implications of swot inform plannig

## **Market Analysis**

### **Trends**

- growing or shrinking
- fragmented or unified
- who does the buying
- what other products / services to customers want
- how you will act upon the trends

### **Honest comparison to competitors**

- name competitors and how you stack up to them
- describe by performance metrics, price, and features
- how does this comparison dictate the position in the market

### **Competition from substitute products**

- May not be direct competitor
- why customers should prefer your solution

### **Go-to-market strategy**

- How you will reach the customers
- How you will build awareness
- use a distributor or sell directly

## **The Product**

### **Value Proposition**

- What the benefits are
- What you have to believe to want this product

### **How the product is different**

- substantive
- impactful
- focus on customers that will appreciate these differences

## **Strategy to Protect Market Share**

- IP
- licensing / non-competes

## **Phases of Product Development**

- features of MVP
- next-level prototypes
- final product
- continuous improvement
- risks faced during development

## **Delivering the Product**

- what channel or channels will the product go through
- anticipate challenges

## **Selling**

### **Branding and Marketing**

- what the brand will be like
- advertising channels
- costs and benefits of these choices

### **Pricing**

- this needs to have nice clear obvious model
- use competitors as starting points

### **Sales strategies**

- cycle from contact to close
- compensation for sales force
- contracts that customers will sign

### **Customer/Product support**

- support components
- expected demand for support
- support team size and composition

## **Running the Operations**

### **Team**

- skills
- employees / contractors / temps

- training
- growth
- each of these features may change over time. project plan

## **Production**

- suppliers
- equipment
- facilities
- variation in demand

## **Suppliers**

- outsource everything you can to stay focused
- what are major inputs and who might supply them
- partnerships and managing risk
- reputation impacts from suppliers' behaviors

## **Management**

### **Leadership Team**

- bios
- org chart
- ownership structure
- roles to fill and when they get filled

### **Advisory Team**

- advisory
- board of directors
- specialists aka consultants
- timeline for when to use which

### **Compensation**

- get legal advice bc it's complicated
- make sure that equity vests and is used judiciously
- cash can be scarce at the beginning
- this will influence potential investors' expectations

### **Administrative Tasks**

- vendors for regulatory tasks
- keep licenses and filings up-to-date
- insurance
- legal protections
- financial i's and t's dotted and crossed

## **Financial Projections**

### **Assumptions**

- range of possibilities for each assumption
  - data is best
  - sensitivity analysis otherwise
- degree of importance of each assumption

### **Forecasts**

- build from bottom up – per unit sold
- revenues, costs, p&l, balance sheet
- detail at least worst, best, and expected scenarios

### **Capital Requirements**

- current cash on hand
- burn rate
- how long you can survive
- when you will be bringing in enough money to be self-sustaining
- who is going to provide capital
- what capital will be used for
  - marketing
  - sales force
  - product development
  - ANYTHING ELSE WILL SCARE INVESTORS

### **Financial risks**

- lose funding
- lose customer
- marketing doesn't work
- lawsuits
- new competitors appear
- strategies to respond to or ameliorate risk

### **Exit Plan**

- no exit means fewer investors
- acquired by another company
- sell to other investors
- what will investors' ROI be?