Business Modeling, Planning and Pitching

“…don’t make business more complicated than it needs to be…” **-Don Jones**

Business canvas

- It’s all about the product, why waste time on modeling out the business?

reCAPTCHA introduced in 2007 by Luis Van Ahn
- Designed to address problem with “robots” (human verification)
- Technology rather pedestrian
- Sold to Google in 2009 for $28 M

Founded in 1926 in Sweden
- Really transformed into the business that it is today in the 1980’s
- Innovative business model
- Reasonably high quality product
- Self assembly
- So, does not need to be only about technology

Types of business canvases

- Business Model Canvas (BMC)
  - The original Business Model Canvas, developed by Alexander Osterwalder and Yves Pigneur, is a strategic management tool for mapping out how a company creates, delivers, and captures value. It is generally used **by established businesses or for comprehensive business planning**.
  - Its nine building blocks cover the core operations of a business: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, Cost Structure
- Value Proposition Canvas (VPC)
  - The Value Proposition Canvas is a supplementary tool that "zooms in" on two specific blocks of the Business Model Canvas: **the Customer Segments and the Value Propositions**.
  - It helps ensure a strong product-market fit by detailing customer needs and how a product or service meets those needs.
  - It is divided into two main sections:
    - Customer Profile: Details the customer's jobs (tasks), pains (obstacles/frustrations), and gains (desired outcomes).
    - Value Map: Describes the products and services offered, and how they act as pain relievers and gain creators for the customer.
- Lean Canvas
  - The Lean Canvas is an adaptation of the Business Model Canvas, created by Ash Maurya in the spirit of the Lean Startup methodology.
  - It is specifically optimized **for startups and new ventures** facing high uncertainty, focusing on problem-solving, rapid iteration, and validation of assumptions.
  - It replaces some of the original BMC's components with more startup-focused elements:
    - Replaces "Key Partners" with Problem
    - Replaces "Key Activities" with Solution
    - Replaces "Key Resources" with Key Metrics
    - Replaces "Customer Relationships" with Unfair Advantage

The Business Model Canvas

Designed for:	Designed by:	Date:	Version:

Key Partners

Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS
Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

Key Activities

What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATEGORIES
Production
Problem Solving
Platform/Network

Key Resources

What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES
Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

Value Propositions

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?

CHARACTERISTICS
Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability

Customer Relationships

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?

EXAMPLES
Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Channels

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?

CHANNEL PHASES
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?

Customer Segments

For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform

Cost Structure

What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

IS YOUR BUSINESS MORE
Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing)
Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS
Fixed Costs (salaries, rents, utilities)
Variable costs
Economies of scale
Economies of scope

Revenue Streams

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?

TYPES
Asset sale
Usage fee
Subscription Fees
Lending/Renting/Leasing
Licensing
Brokerage fees
Advertising

FIXED PRICING
List Price
Product feature dependent
Customer segment dependent
Volume dependent

DYNAMIC PRICING
Negotiation (bargaining)
Yield Management
Real-time-Market

DESIGNED BY: Business Model Foundry AG
The makers of Business Model Generation and Strategyzer

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Strategyzer
strategyzer.com

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Customer segment dependent
Volume dependent

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Yield Management
Real-time-Market

Your Business Model Canvas

KEY PARTNERS

Guess

Guess

Guess

KEY ACTIVITIES

Guess

Guess

KEY RESOURCES

Guess

Guess

VALUE PROPOSITION

Guess

RELATIONSHIPS

Guess

CHANNELS

Guess

Guess

CUSTOMER SEGMENT

Guess

COST STRUCTURE

Guess

Guess

REVENUE STREAMS

Guess

Guess

Skype

KEY PARTNERS

- Payment Providers
- Distribution Partners
- Telco Partners

KEY ACTIVITIES

- Software Develoment

KEY RESOURCES

- Software Developers
- Software

VALUE PROPOSITION

- Free Internet & Video Calling
- Cheap Calls to Phones (SKYPEOUT)

RELATIONSHIPS

- Mass Customers

CHANNELS

- Skype.com
- Headset Partnerships

CUSTOMER SEGMENT

- Web Users Globally
- People Who Want to Call Phones

COST STRUCTURE

- Software Development
- Complaint Management

REVENUE STREAMS

- SKYPEOUT Prepaid or Subscription
- Hardware Sales

Key Partners

- Investors
- Travelers
- Hosts
- Insurance companies
- Payment providers

Key Activities

- Maintain a platform
- Provide customer support
- Conduct user research

Key Resources

- Community of hosts and guests
- Platform
- Developers and other staff

Value Propositions

- Simple booking process
- Wide range of provide homes to choose from
- Competitive prices compared to hotels
- Convenience of living like a local

Customer Relationships

- Self-service
- Customer support

Channels

- Word of mouth
- Social media
- Travel bloggers

Customer Segments

- Budget travelers
- Leisure travelers
- Locals looking for extra income
- Unconventional travelers

Cost Structure

- Platform development and maintenance
- Marketing

Revenue Streams

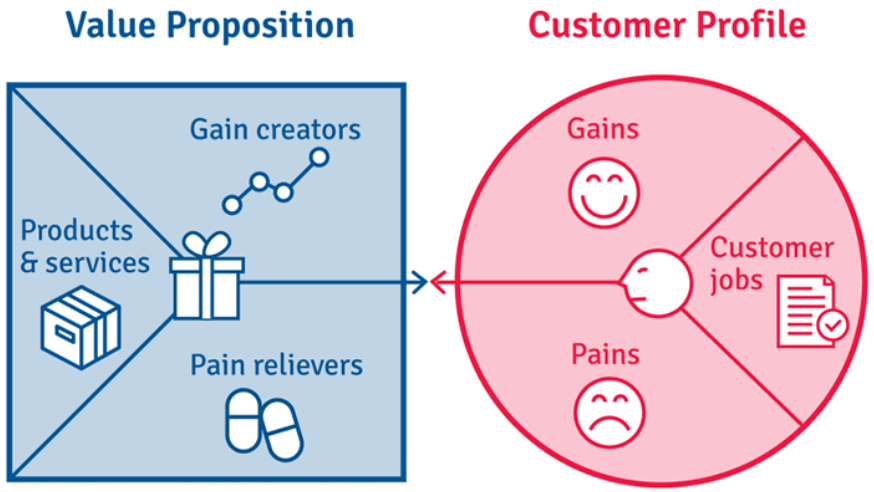
- Booking fee
- Affiliate marketing

(source: https://www.altexsoft.com/blog/business/using-business-model-canvas-to-launch-a-technology-startup-or-improve-established-operating-model/)

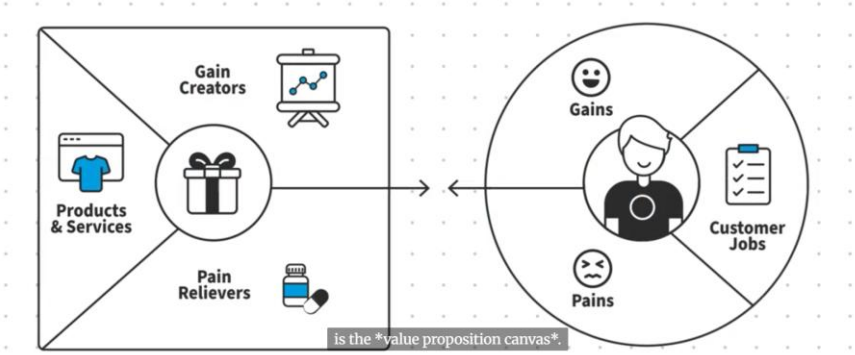
Value Propositions

- **<u>Describes the bundle of products and services that create value for a specific Customer Segment.</u>**
- The Value Proposition is the reason why customers turn to one company over another.
- It solves a customer problem or satisfies a customer need.
- Each Value Proposition consists of a selected bundle of products and/or services that caters to the requirements of a specific Customer Segment.
- In this sense, the Value Proposition is an aggregation, or bundle, of benefits that a company offers customers.
- Some Value Propositions may be innovative and represent a new or disruptive offer. Others may be similar to existing market offers, but with added features and attributes.

- **Questions to be Answered:**
  - What value do we deliver to the customer?
  - Which one of our customer's problems are we helping to solve?
  - Which customer needs are we satisfying?
  - What bundles of products and services are we offering to each
  - Customer Segment?



Value Proposition Canvas



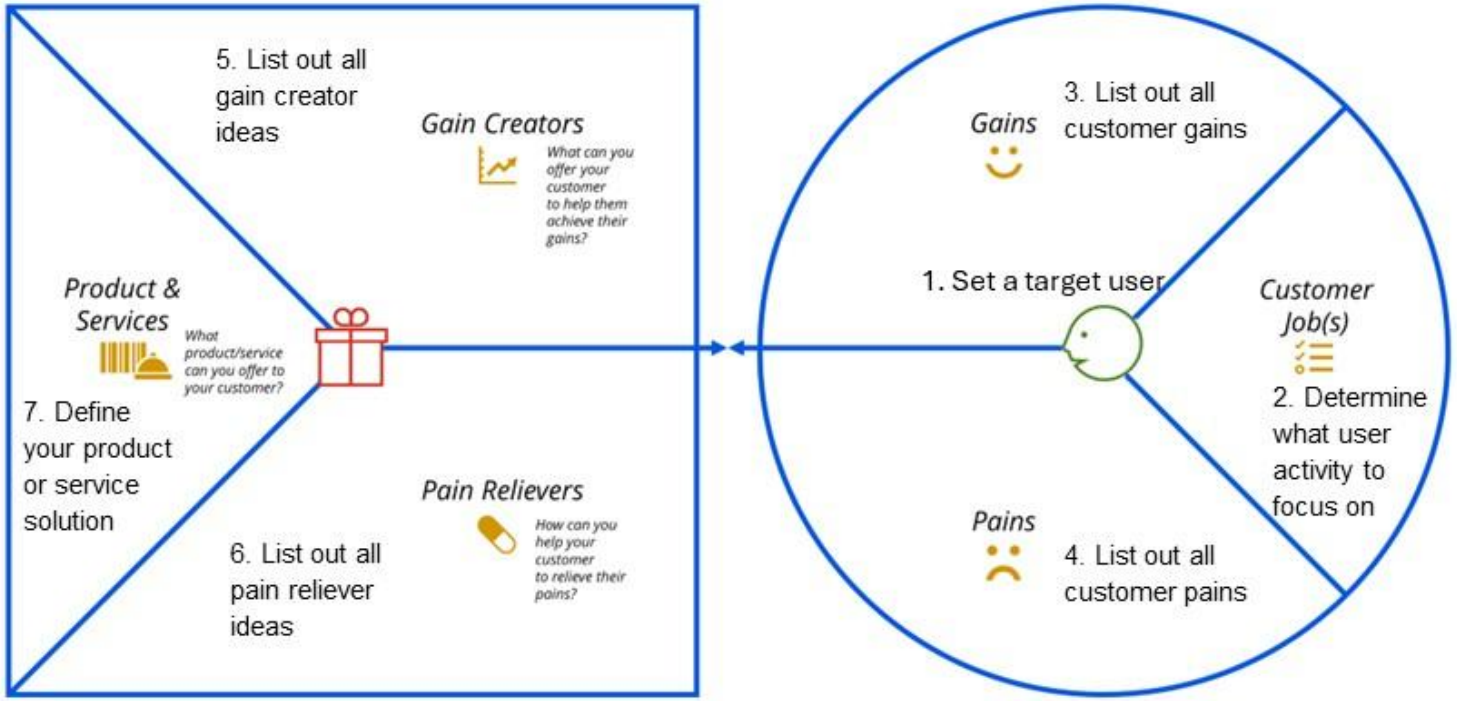
Customer Profile: This section helps you gain a deep, empathetic understanding of your target customer segment.

- **Customer Jobs:** The tasks or problems customers are trying to get done in their work or personal lives. These can be functional (e.g., scheduling a meeting), social (e.g., wanting to look professional), or emotional (e.g., feeling less stressed).
- **Pains:** The negative emotions, undesired costs/situations, or risks customers experience before, during, or after getting a job done. Examples include wasted time, frustrations, or potential obstacles.
- **Gains:** The positive outcomes, benefits, or desired results customers expect, desire, or would be surprised by. This includes functional utility, social gains, positive emotions, and cost savings.

Value Map: This section describes how you intend to create value for that specific customer segment.

- **Products & Services:** A list of all the items (tangible, digital, financial, or intangible) your value proposition is built upon that help customers complete their jobs.
- **Pain Relievers:** A description of how your products and services alleviate specific customer pains. They should directly address the pains listed in the Customer Profile.
- **Gain Creators:** A description of how your products and services produce outcomes and benefits that customers expect, desire, or would be surprised by. They should directly address the gains in the Customer Profile.

Build a Value Proposition Canvas

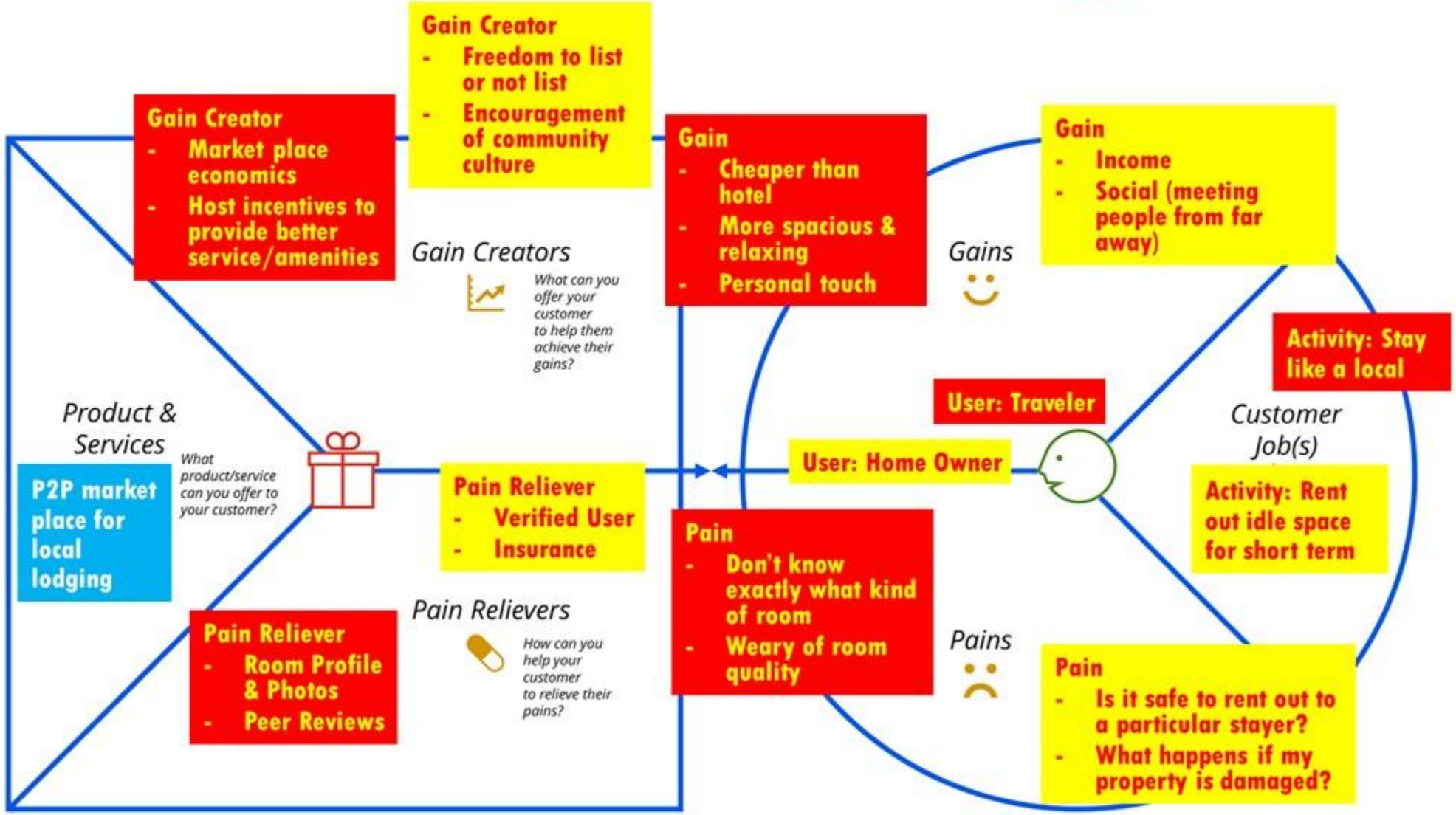


Source: https://www.strategyzer.com/library/the-value-proposition-canvas

Template: agile-od.com/valprocanvas

Value Proposition Canvas Example

airbnb



@coachtakeshi

Value Proposition Canvas

Designed for:

Designed by:

Date:

Version:

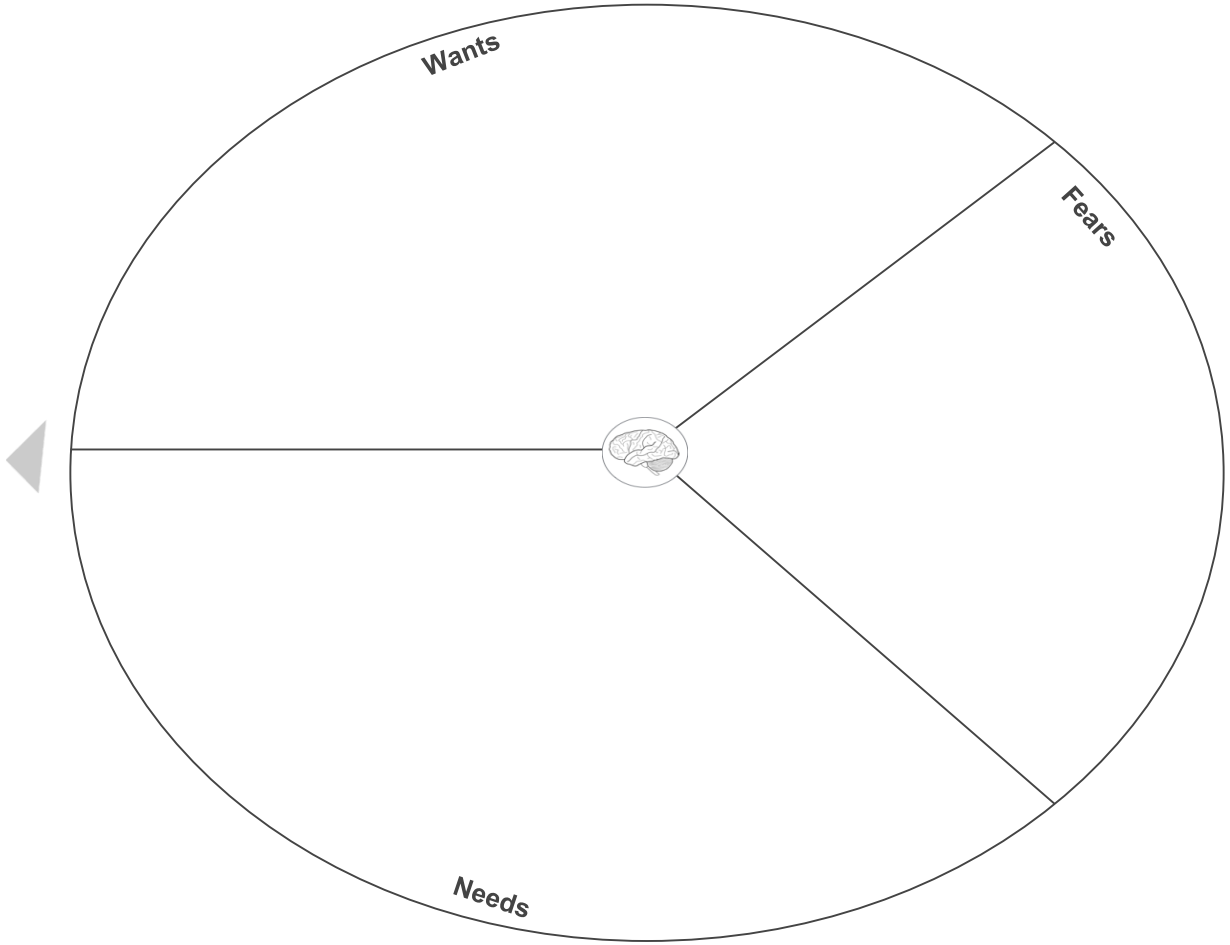
Product

Benefits

Experience

Features

Customer



Product

Ideal Customer

Substitutes

Designed by: Peter J. Thomson, based on the work of Steve Blank, Clayton Christensen, Seth Godin, Yves Pigneur and Alex Osterwalder. (https://www.strategyzer.com/canvas/value-proposition-canvas). PowerPoint implementation by: Neos Chronos Limited (https://neoschronos.com). License: CC BY-SA 3.0

Lean Canvas

- **Lean** is a management philosophy focused on **maximizing customer value while minimizing waste**.
- Emphasizes **continuous learning, experimentation, and rapid feedback**.
- Originates from Lean Manufacturing and evolved through **Lean Startup thinking** (build–measure–learn).
- **Lean Canvas**
  - **Lean Canvas** is a **one-page, visual business planning tool** designed for startups and innovation projects.
  - It applies **Lean principles** to business modeling by focusing on **assumptions, risks, and validation**.
  - Developed by **Ash Maurya**, adapted from the Business Model Canvas for early-stage ventures.

Lean Canvas

- **Why Lean Canvas?**
  - Designed for **uncertain, fast-changing environments**.
  - Helps entrepreneurs and innovators **identify, test, and refine key assumptions quickly**.
  - Preferred in **innovation frameworks** for early validation before scaling.
- **Lean Canvas vs Other Canvases**
  - **Lean Canvas**
    - Problem-centric and risk-focused
    - Best for **startups, research projects, and early innovation**
  - **Business Model Canvas**
    - Operations-centric (partners, resources, activities)
    - Suitable for **established or scaling businesses**
  - **Value Proposition Canvas**
    - Deep focus on **customer needs and value fit**

LEAN BUSINESS MODEL CANVAS TEMPLATE

This template is designed to help you quickly iterate and validate your business idea, ensuring it's both viable and competitive. By filling out the following sections, you'll have a comprehensive overview of your business model, focusing on lean principles and efficiency.

PROBLEM

Identify the main issues or challenges your target customer faces, which your business aims to solve. This sets the stage for understanding the market need.

CUSTOMER SEGMENTS

Define the specific groups of people or businesses your product or service is designed for. Knowing your audience is crucial for tailored marketing and product development.

CHANNELS

Describe how you will reach your customer segments and deliver your value proposition. This could include sales channels, marketing strategies, and distribution methods.

UNIQUE VALUE PROPOSITION

Highlight the unique benefit or solution your product or service offers to address the problems identified. This is what sets you apart from competitors.

SOLUTION

Outline the products or services you propose as a solution to the problems faced by your customer segments. Detail how these solutions effectively address the issues.

UNFAIR ADVANTAGE

Explain what gives your business a competitive edge that cannot be easily replicated or overcome by competitors. This could be proprietary technology, partnerships, or brand strength.

KEY METRICS

Identify the critical indicators of success for your business. These metrics help you track progress and make informed decisions.

COST STRUCTURE

Break down the main costs involved in operating your business. Understanding your expenses is essential for pricing and financial planning.

REVENUE STREAMS

Specify how your business will make money. This includes all sources of income, whether from direct sales, subscriptions, or other revenue models.

Space Center Houston
Conrad Challenge
Presented by equinor

The Lean Canvas Model

Company Name:

Date:

Problem

Solution

Unique Value Proposition

Sustainable Advantage

Customer Segments

Existing Alternatives

Key Metrics

High-Level Concept

Channels

Early Adopters

Cost Structure

Revenue Streams

PROBLEM

List your customers top 3 problems

SOLUTION

Outline possible solution for each problem

UNIQUE VALUE PROPOSITION

Single, clear, compelling that turns an unaware visitor into an interested prospect

UNFAIR ADVANTAGE

Something that can't be easily copied or bought

CUSTOMER SEGMENTS

List your target customers and users

EXISTING ALTERNATIVES

List how these problems are solved today

KEY METRICS

List key numbers telling how your business is doing today

HIGH LEVEL CONCEPT

List your X for Y analogy (e.g. YouTube = Flickr for videos)

CHANNELS

List your path to customers

EARLY ADOPTERS

List characteristics of your ideal customer

COST STRUCTURE

List your fixed and variable costs

REVENUE STREAMS

List your sources of revenue

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Early Strategic Analysis of Uber

PROBLEM

List your top 1-3 problems.

- In certain situation, it is sometimes very difficult to find a taxi
- The price of a trip is not known in advance and, sometimes, is not transparent
- Paying a taxi driver often requires having some cash

SOLUTION

Outline a possible solution for each problem.

- Intermediary between drivers and customers
- Fixed fee known when the trip is booked
- Payment processed via credit card

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.

- Offering an individual transport solution in any big cities worldwide

UNFAIR ADVANTAGE

Something that cannot easily be bought or copied.

- A 3-billion driver network
- Available in 65 countries and over 600 cities worldwide

CUSTOMER SEGMENTS

List your target customers and users.

- Urban millennials
- Local business people transportation
- Business travelers
- Foreign tourists

KEY METRICS

List the key numbers that tell you how your business is doing.

- Number of trips
- Number of users
- Average price of a trip
- Average revenue of a driver

CHANNELS

List your path to customers (inbound or outbound).

- Mobile app
- Promo codes
- Mailing

EXISTING ALTERNATIVES

List how these problems are solved today.

- Taxi
- Car sharing services

HIGH-LEVEL CONCEPT

List your X for Y analogy e.g. YouTube = Flickr for videos.

- "A taxi, anywhere, everywhere"

EARLY ADOPTERS

List the characteristics of your ideal customers.

- Urban millennials
- Technophile

COST STRUCTURE

List your fixed and variable costs.

- Development and hosting costs of the platform
- Acquisition and customer loyalty costs
- Selection and animation of the network of drivers

REVENUE STREAMS

List your sources of revenue.

- A commission rate received on the total price of a trip
- Trip sharing fees (€0,20 per shared trip)

What Is a Business Plan?

- Business Plan
  - A business plan is a written narrative, typically 25 to 35 pages long, that describes what a new business plans to accomplish.
- Dual-Use Document
  - For most new ventures, the business plan is a dual-purpose document used both inside and outside the firm.

Who Reads the Business Plan—And What Are They Looking For?

There are two primary audiences for a firm's business plan

Audience	What They are Looking For
A Firm's Employees	A clearly written business plan helps the employees of a firm operate in sync and move forward in a consistent and purposeful manner.
Investors and other external stakeholders	A firm's business plan must make the case that the firm is a good use of an investor's funds or the attention of others.

Importance of the business plan

- **Strategic Perspective**
  - Provides a **clear roadmap** for starting and growing the business
  - Clarifies the **business idea, vision, and objectives**
  - Helps assess **market feasibility and customer needs**
  - Identifies **opportunities, risks, and challenges** in advance
  - Supports **strategic planning and informed decision-making**
  - Acts as a **management tool** for monitoring progress and performance

- **Operational & Financial Perspective**
  - Essential for **raising finance** from investors, banks, and donors
  - Communicates the business concept to **stakeholders and partners**
  - Defines **operational structure and resource requirements**
  - Provides **financial projections** (revenue, costs, profitability)
  - Sets **milestones and performance targets**
  - Serves as a **persuasive document** to demonstrate business viability

Contents of a successful business plan

- Title Page
  - Name of the project / business
  - Promoter(s) details
  - Date and location
- Executive Summary
  - Brief overview of the project
  - Objectives and key highlights
- Business Description
  - Nature and scope of the business
  - Vision, mission, and goals
- Market Analysis
  - Industry overview and market potential
  - Target customers and demand analysis
  - Marketing and sales strategy
- Competitive Analysis
  - Major competitors
  - Competitive advantage
- Technical / Operational Details
  - Production process or service delivery
  - Technology and machinery
  - Location and infrastructure

Contents of a successful business plan

- Management & Organization
  - Ownership structure
  - Management team and key responsibilities
- Human Resource Plan
  - Staffing requirements
  - Skills and training needs
- Implementation Schedule
  - Project timeline and milestones
- Financial Plan
  - Project cost and means of finance
  - Revenue and expense estimates
  - Profitability and break-even analysis
- Risk Analysis
  - Key risks and assumptions
  - Risk mitigation strategies
- Conclusion
  - Project feasibility and sustainability

Guidelines for Writing a Business Plan

- Structure of the Business Plan
  - To make the best impression a business plan should follow a conventional structure, such as the outline for the business plan shown in the chapter.
  - Although some entrepreneurs want to demonstrate creativity, departing from the basic structure of the conventional business plan is usually a mistake.
  - Typically, investors are busy people and want a plan where they can easily find critical information.
  - Software Packages
    - There are many software packages available that employ an interactive, menu-driven approach to assist in the writing of a business plan.
    - Some of these programs are very helpful. However, entrepreneurs should avoid a boilerplate plan that looks as though it came from a “canned” source.
  - Sense of Excitement
    - Along with facts and figures, a business plan needs to project a sense of anticipation and excitement about the possibilities that surround a new venture.

Guidelines for Writing a Business Plan

- Content of the Business Plan
  - The business plan should give clear and concise information on all the important aspects of the proposed venture.
  - It must be long enough to provide sufficient information yet short enough to maintain reader interest.
  - For most plans, 25 to 35 pages is sufficient.
- Types of Business Plans
  - There are three types of business plans

Summary Business Plan	Full Business Plan	Operational Business Plan
10–15 pages	25–35 pages	40–100 pages
Works best for new ventures in the early stages of development that want to "test the waters" to see if investors are interested in their idea	Works best for new ventures who are at the point where they need funding or financing; serves as a "blueprint" for the company's operations	Is meant primarily for an internal audience; works best as a tool for creating a blueprint for a new venture's operations and providing guidance to operational managers

- Recognizing the Elements of the Plan May Change
  - It's important to recognize that the plan will usually change while written.
  - New insights invariably emerge when an entrepreneur or a team of entrepreneurs immerse themselves in writing the plan and start getting feedback from others.

Outline of Business Plan

- Outline of Business Plan
  - A suggested outline of a business plan is shown on the next several slides.
  - Most business plans do not include all the elements introduced in the sample plan; we include them here for the purpose of completeness.
  - Each entrepreneur must decide which elements to include in his or her plan.

Section 1: Executive Summary

- Executive Summary
  - The executive summary is a short overview of the entire business plan.
  - It provides a busy reader with everything that needs to be known about the new venture's distinctive nature.
  - An executive summary shouldn't exceed two single-spaced pages.
  - Even though the executive summary appears at the beginning of the business plan, it should be written last.
    - The plan itself will evolve as it's written, so not everything is known at the outset.

- Key Insights
  - In many instances an investor will ask for a copy of a firm's executive summary and will ask for a copy of the entire plan only if the executive summary is sufficiently convincing.
  - The executive summary, then, is arguably the most important section of a business plan.

Section 2: Industry Analysis

- Industry Analysis
  - This section should begin by describing the industry the business will enter in terms of its size, growth rate, and sales projections.
  - Items to include in this section:
    - Industry size, growth rate, and sales projections.
    - Industry structure.
    - Nature of participants.
    - Key success factors.
    - Industry trends.
    - Long-term prospects.

- Key Insights
  - Before a business selects a target market it should have a good grasp of its industry—including where its promising areas are and where its points of vulnerability are.
  - The industry that a company participates in largely defines the playing field that a firm will participate in.

Section 3: Company Description

- Company Description
  - This section begins with a general description of the company.
  - Items to include in this section:
    - Company description.
    - Company history.
    - Mission statement.
    - Products and services.
    - Current status.
    - Legal status and ownership.
    - Key partnerships (if any).
- Key Insights
  - While at first glance this section may seem less important than the others, it is extremely important.
  - It demonstrates to your reader that you know how to translate an idea into a business.

Section 4: Market Analysis

- Market Analysis
  - The market analysis breaks the industry into segments and zeros in on the specific segment (or target market) to which the firm will try to appeal.
  - Items to include in this section:
    - Market segmentation and target market selection.
    - Buyer behavior.
    - Competitor analysis.

- Key Insights
  - Most start-ups do not service their entire industry. Instead, they focus on servicing a specific (target) market within the industry.
  - It's important to include a section in the market analysis that deals with the behavior of the consumers in the market. The more a start-up knows about the consumers in its target market, the more it can tailor its products or services appropriately.

Section 5: The Economics of the Business

- The Economics of the Business
  - This section addresses the basic logic of how profits are earned in the business and how many units of a business's profits must be sold for the business to "break even" and then start earning a profit.
  - Items to include in this section:
    - Revenue drivers and profit margins.
    - Fixed and variable costs.
    - Operating leverage and its implications.
    - Start-up costs.
    - Break-even chart and calculations.
- Key Insights
  - Two companies in the same industry may make profits in different ways. One may be a high-margin, low-volume business, while the other may be a low-margin, high-volume business. It's important to check to make sure the approach you select is sound.
  - Computing a break-even analysis is an extremely useful exercise for any proposed or existing business.

Section 6: Marketing Plan

- Marketing Plan
  - The marketing plan focuses on how the business will market and sell its product or service.
  - Items to include in this section:
    - Overall marketing strategy.
    - Product, price, promotions, and distribution.
    - Sales process (or cycle).
    - Sales tactics.
- Key Insights
  - The best way to describe a start-up's marketing plan is to start by articulating its marketing strategy, positioning, and points of differentiation, and then talk about how these overall aspects of the plan will be supported by price, promotional mix, and distribution strategy.
  - It's also important to discuss the company sales process.

Section 7: Design and Development Plan

- Design and Development Plan
  - If you're developing a completely new product or service, you need to include a section in your business plan that focuses on the status of your development efforts.
  - Items to include in this section:
    - Development status and tasks.
    - Challenges and risks.
    - Projected development costs.
    - Proprietary issues (patents, trademarks, copyrights, licenses, brand names).

- Key Insights
    - Many seemingly promising start-ups never get off the ground because their product development efforts stall or the actual development of the product or service turns out to be more difficult than thought.
    - As a result, this is a very important section for businesses developing a completely new product or service.

Section 8: Operations Plan

- Operations Plan
  - Outlines how your business will be run and how your product or service will be produced.
  - A useful way to illustrate how your business will be run is to describe it in terms of “back stage” (unseen to the customer) and “front stage” (seen by the customer) activities.
  - Items to include in this section:
    - General approach to operations.
    - Business location.
    - Facilities and equipment.
- Key Insights
  - You have to strike a careful balance between adequately describing this topic and providing too much detail.
  - As a result, it is best to keep this section short and crisp.

Section 9: Management Team and Company Structure

- Management Team and Company Structure
  - The management team of a new venture typically consists of the founder or founders and a handful of key management personnel.
  - Items to include in this section:
    - Management team.
    - Board of directors.
    - Board of advisers.
    - Company structure.

- Key Insights
  - This is a critical section of a business plan.
  - Many investors and others who read the business plan look first at the executive summary and then go directly to the management team section to assess the strength of the people starting the firm.

Section 10: Overall Schedule

- Overall Schedule
  - A schedule should be prepared that shows the major events required to launch the business.
  - The schedule should be in the format of milestones critical to the business's success.
  - Examples of milestones:
    - Incorporating the venture.
    - Completion of prototypes.
    - Rental of facilities.
    - Obtaining critical financing.
    - Starting production.
    - Obtaining the first sale.
- Key Insight
  - An effectively prepared and presented schedule can be extremely helpful in convincing potential investors that the management team is aware of what needs to take place to launch the venture and has a plan in place to get there.

Section 11: Financial Projections

- Financial Projections
  - The final section of a business plan presents a firm's pro forma (or projected) financial projections.
  - Items to include in this section:
    - Sources and uses of funds statement.
    - Assumptions sheet.
    - Pro forma income statements.
    - Pro forma balance sheets.
    - Pro forma cash flows.
    - Ratio analysis.

- Key Insights
  - Having completed the earlier sections of the plan, it's easy to see why the financial projections come last.
  - They take the plans you've developed and express them in financial terms.

Presenting the Business Plan to Investors

- The Oral Presentation
  - The first rule in making an oral presentation is to follow directions. If you're told you have 15 minutes, don't talk for more than the allotted time.
  - The presentation should be smooth and well-rehearsed.
  - The slides should be sharp and not cluttered.
- Questions and Feedback to Expect from Investors
  - The smart entrepreneur has a good idea of the questions that will be asked, and will be prepared for those queries.

Presenting the Business Plan to Investors

Twelve PowerPoint Slides to Include in an Investor Presentation

1. Title Slide
2. Problem
3. Solution
4. Opportunity and target market
5. Technology
6. Competition
7. Marketing and sales
8. Management team
9. Financial projections
10. Current status
11. Financing sought
12. Summary

Business pitch

- A **business pitch** is a concise presentation of a business idea to investors or stakeholders
- Purpose:
  - Clearly explain **the problem and the solution**
  - Demonstrate **market opportunity and value creation**
  - Show why the idea is **worth investing in or supporting**
- HBS emphasizes that an effective pitch focuses on **clarity, logic, and persuasion**
- Should answer:
  - What problem are you solving?
  - For whom?
  - Why does it matter?

Key Elements of an Effective Business Pitch

- **Problem** – A real, important customer pain point
- **Solution** – Your product/service and how it solves the problem
- **Market Opportunity** – Target market size and customer segment
- **Business Model** – How the business makes money
- **Competitive Advantage** – What differentiates you from competitors
- **Traction / Evidence** – Validation, data, or early results (if any)
- **Team** – Why your team can execute successfully
- **The Ask** – Funding, partnership, or support required

Contents of a Successful Idea Pitch for Different Stakeholders

- **Core Elements of a Successful Idea Pitch (Common to All Stakeholders)**
  - Clear **problem statement** and customer pain point
  - Simple and compelling **solution / value proposition**
  - Target **market and customer segment**
  - **Business model** – how value and revenue are generated
  - **Competitive advantage** and differentiation
  - Evidence or logic supporting **feasibility**
  - Clear **vision and growth potential**

- 3 Kinds of Pitches for Entrepreneurs
  - **Elevator Pitch**
    - Duration: **30–60 seconds**
    - Purpose: Spark interest and open the door for further discussion
    - Focus: Problem and solution & Unique value proposition
    - Used in: Networking events, informal meetings, first contact
  - **Short Pitch**
    - Duration: **3–5 minutes**
    - Purpose: Quickly explain the business idea with clarity
    - Focus:
      - Problem, solution, and target market
      - Business model and differentiation
    - Used in: Early investor meetings, demo days, incubators
  - **Long Pitch**
    - Duration: **10–20 minutes**
    - Purpose: Convince stakeholders to invest or support
    - Focus:
      - Market opportunity and competitive landscape
      - Strategy, traction, team, and financials
      - Risks and funding ask
    - Used in: Investor presentations, formal funding discussions

Contents of a Successful Idea Pitch for Different Stakeholders

- **Pitch Contents for Investors (VCs, Angels, Banks)**
  - Market size and **scalability potential**
  - Revenue model and **financial projections**
  - Competitive landscape and **entry barriers**
  - Traction, milestones, or proof of concept
  - Founding team's **capability and experience**
  - **Risk factors** and mitigation strategy
  - Clear **funding ask** and expected returns

Contents of a Successful Idea Pitch for Different Stakeholders

- **Pitch Contents for Customers & Partners**
  - Customer problem and **direct benefits**
  - Unique features and **value delivered**
  - Pricing, affordability, and ease of adoption
  - Product/service quality and reliability
  - Use cases, demos, or testimonials
  - Partnership value and **mutual benefits**

- **Pitch Contents for Internal Stakeholders & Regulators**
  - **For Internal Stakeholders (Employees / Management):**
    - Strategic fit with organizational goals
    - Role clarity and **execution roadmap**
    - Resource requirements and timelines
    - Incentives and long-term vision
  - **For Regulators / Public Institutions:**
    - Legal and regulatory compliance
    - Social, economic, or public value
    - Risk management and sustainability
    - Alignment with national policies and standards

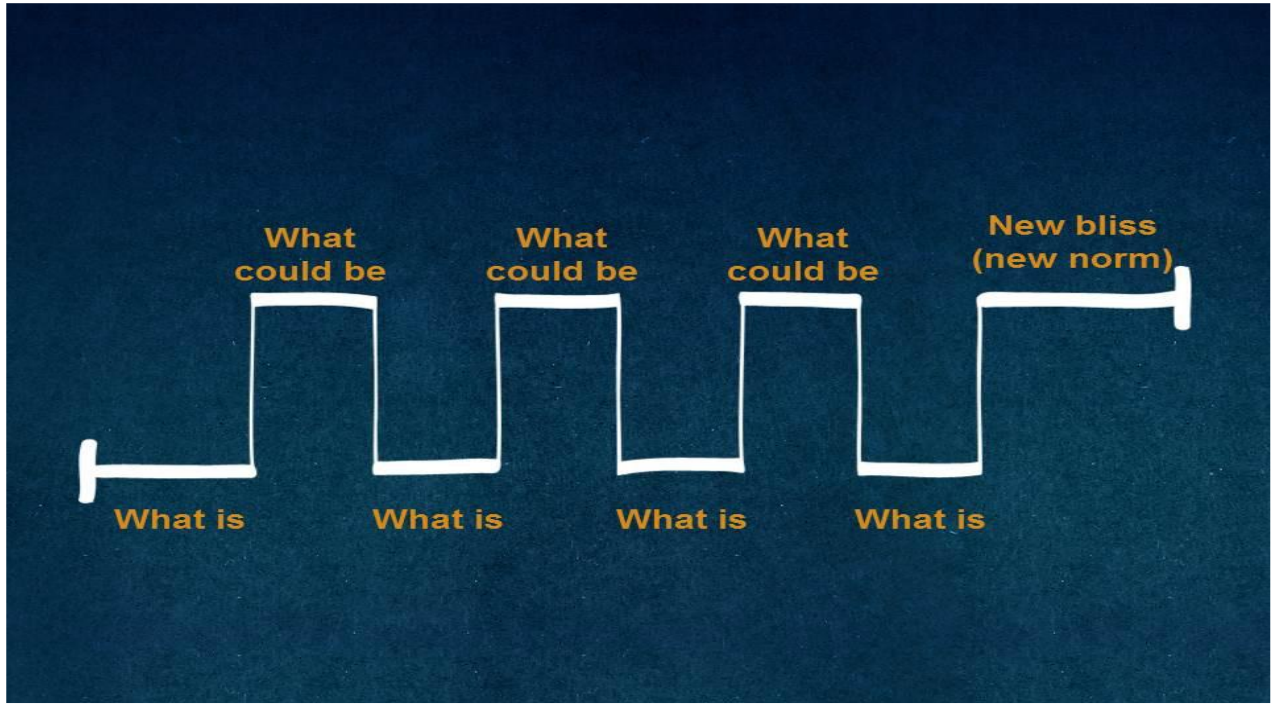
Pitch delivery skills

- **Fundamentals of Effective Pitch Delivery**
  - Clear and well-structured message
  - Simple, non-technical language
  - Strong opening to capture attention
  - Logical flow:
    Problem → Solution → Value → Ask
  - Focus on key messages, not excessive details
- **Verbal Communication Skills**
  - Confident and steady voice
  - Proper pace and clear pronunciation
  - Effective voice modulation for emphasis
  - Avoid filler words (um, ah, you know)
  - Use pauses to highlight important points
- **Non-Verbal Communication Skills**
  - Confident posture and body language
  - Maintain appropriate eye contact
  - Natural hand gestures to support key points
  - Positive facial expressions
  - Professional appearance and attire

- **Engagement and Persuasion Skills**
  - Tailor the pitch to the audience
  - Use storytelling to explain the idea
  - Support claims with facts or examples
  - Show passion and belief in the idea
  - Clearly state the value and benefits
- **Handling Questions and Closing**
  - Listen carefully to questions and feedback
  - Respond clearly and confidently
  - Address objections calmly and logically
  - Be honest about limitations and risks
  - End with a strong summary and clear call to action

Pitch delivery skills

Through contrasting stories leading from a current state ("what is" narrative without the idea), to future state ("what could be" narrative with the idea), your audience can embrace and be moved by your idea.



Story Telling Structure by Nancy Duarte

The storytelling canvas

- The storytelling canvas helps you achieve the following:
- Transform very complex ideas into simple ones,
- Build a story bank of success stories,
- Sell a project effectively, and
- Become a better empathic communicator.

IDEA
What? Why? When? Who? Where? How?

GOALS
3 Goals

COMMON GROUND
Who is your audience?
What interests do you share?

SUPPORT STORIES

PROBLEMS	SOLUTIONS
1.	1.
2.	2.
3.	3.

DESTINATION
Your promise to the audience

PROOF
Social facts and scientific evidences to support your statements

CALL TO ACTION

STRUCTURE
Organize pillars by creating contrast. "Ups & Downs"

** Developed on a basis of Story Telling Structure by Nancy Duarte*

< Company's Logo

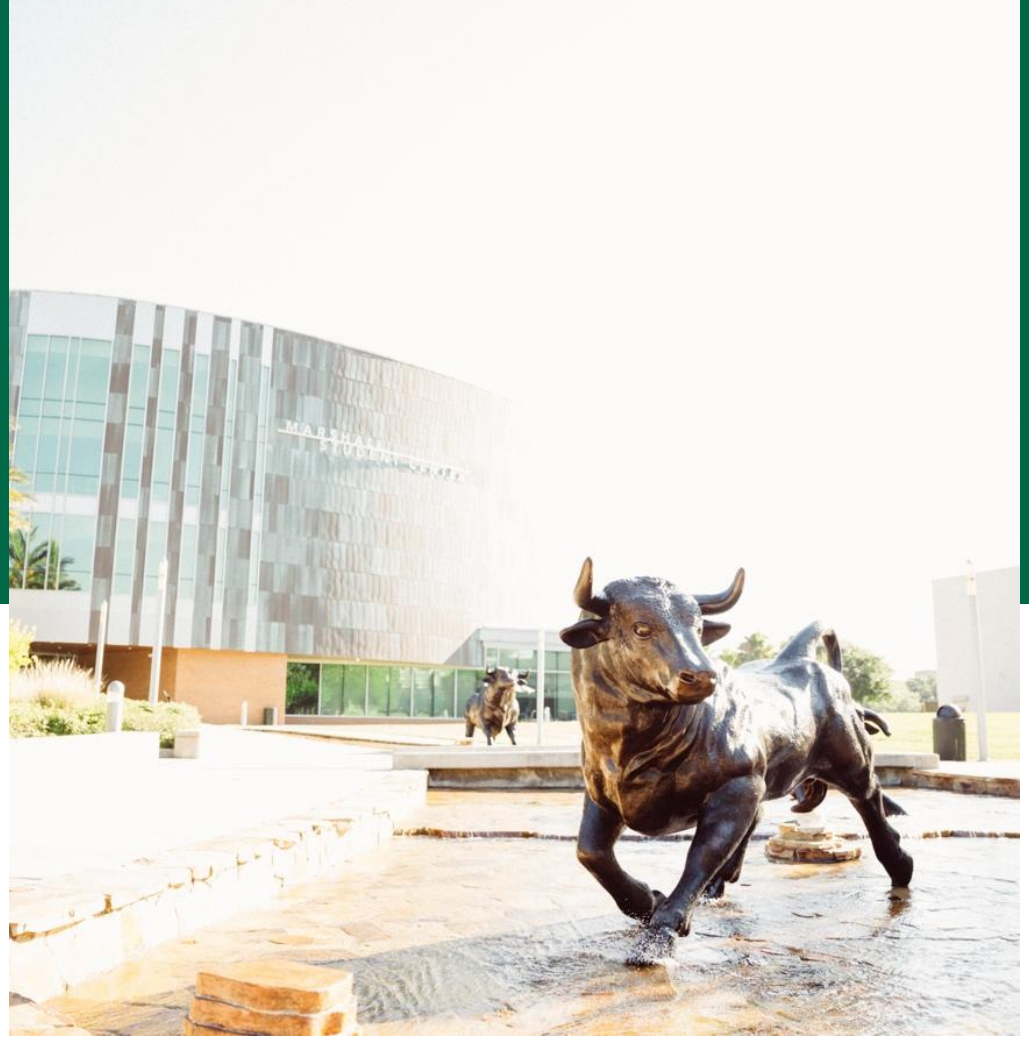
Introduction (Company Name)

Company's Statement

UNIVERSITY of SOUTH FLORIDA

Defining the Unresolved Problem

State the problem(s) that your business solves (unmet needs or wants, etc.).



Our Solution

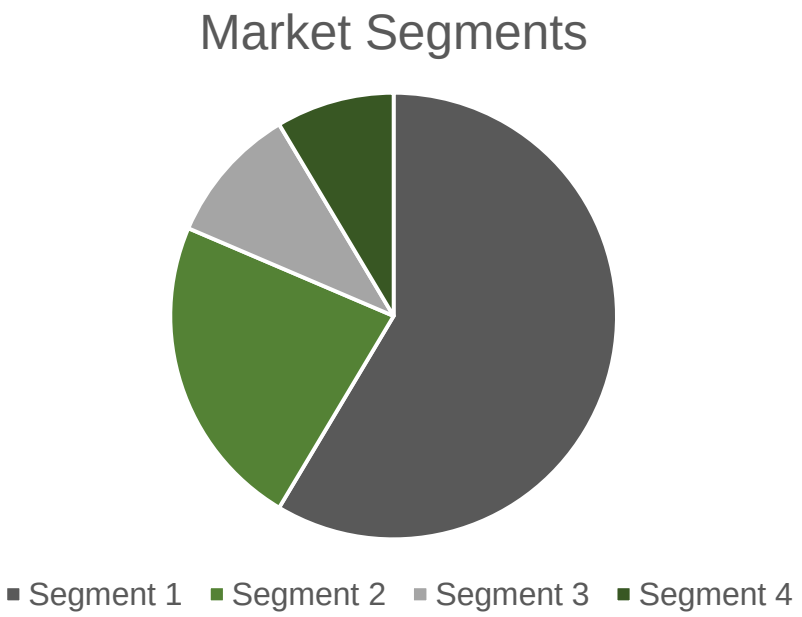
- Explain how you solve the problem

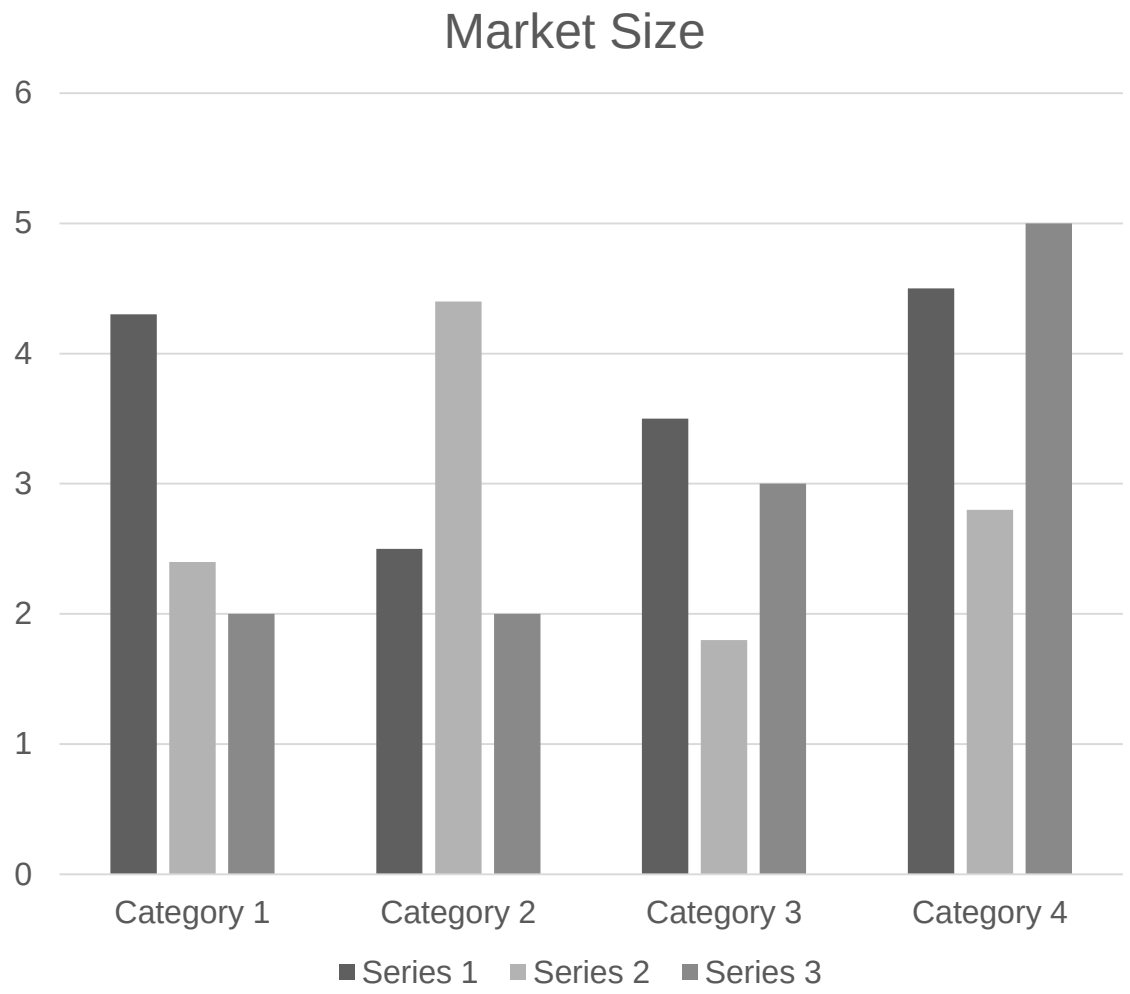
Our Product or Service

Go into more detail about what your product/service is.

Target Market and Opportunity

1. What types of potential customers do you intend to focus on? Which group represents your primary market? Which others are worth pursuing?





Business Model

Primary Revenue Streams

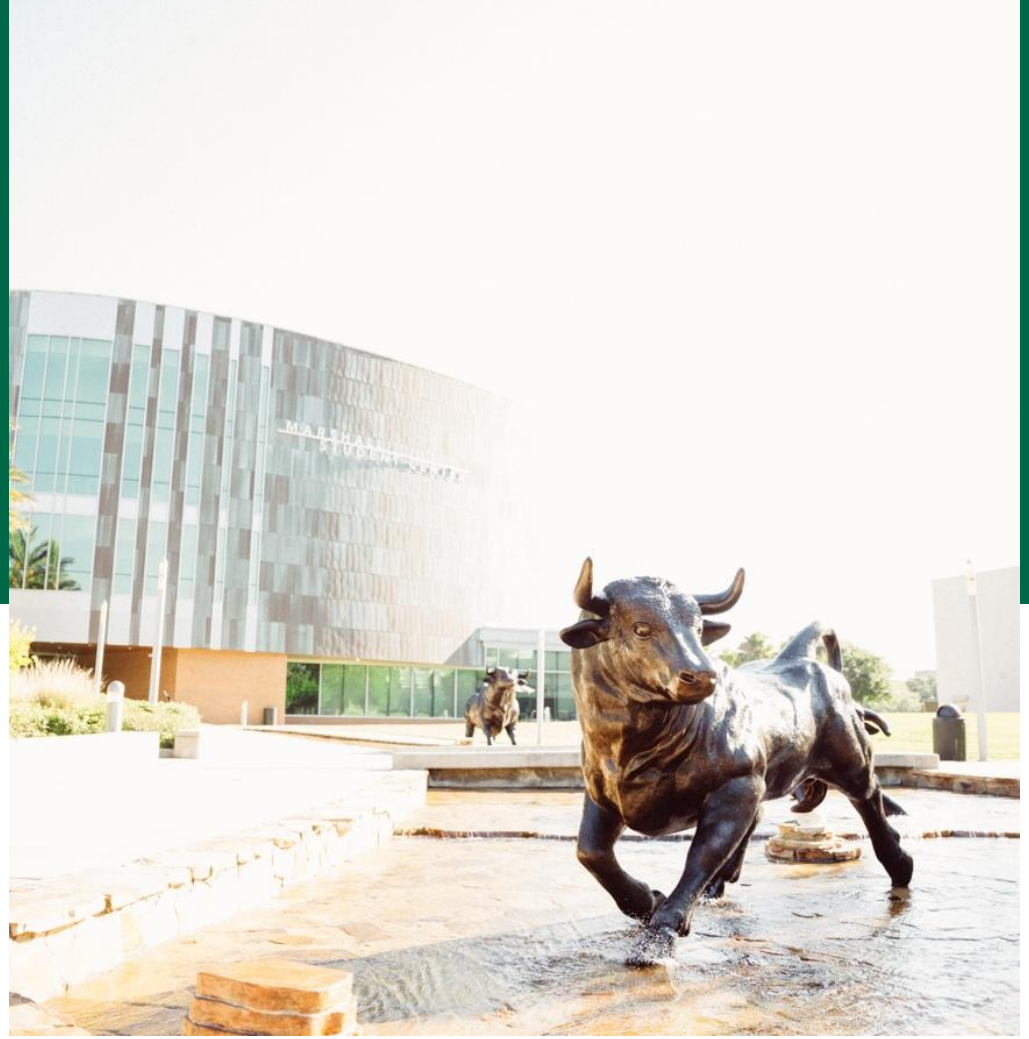
Business Model

Pricing Strategy

Business Model

Competitive Positioning

Marketing and Sales Plan



1. Overview of the key tactics you'll employ to reach potential customers

2. Sales channels

Your Team

Full Name
Role

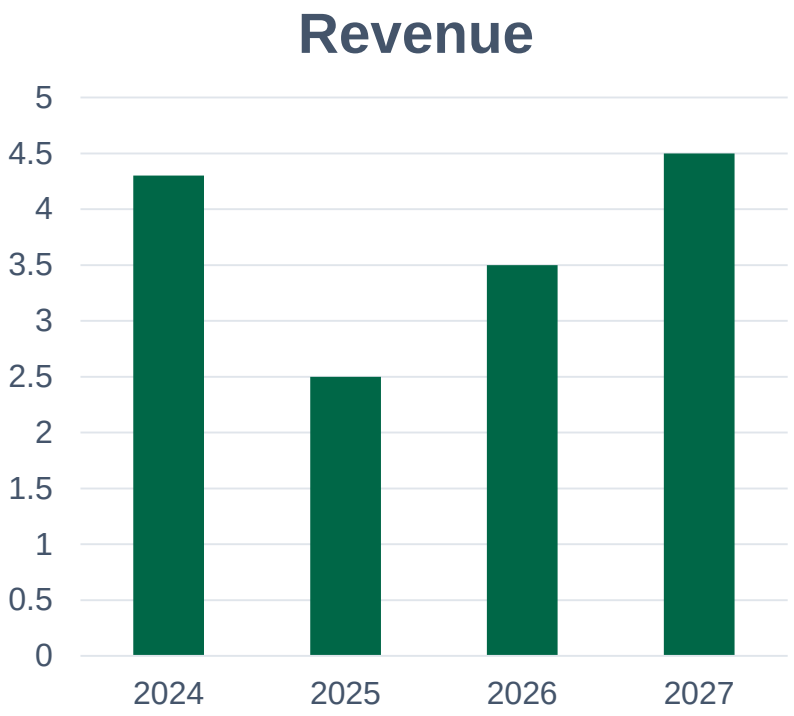
Full Name
Role

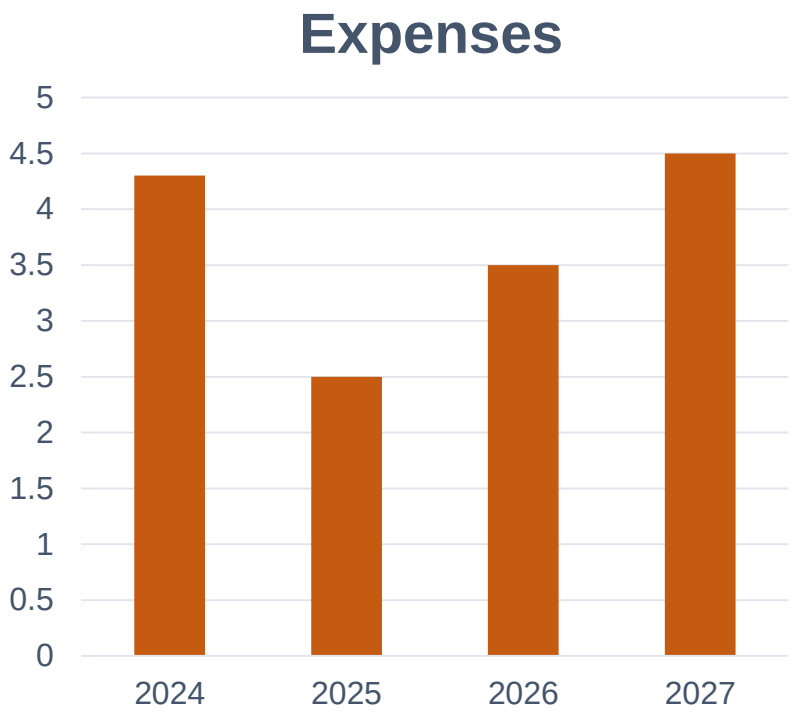
Full Name
Role

Full Name
Role

Full Name
Role

Financial Projections

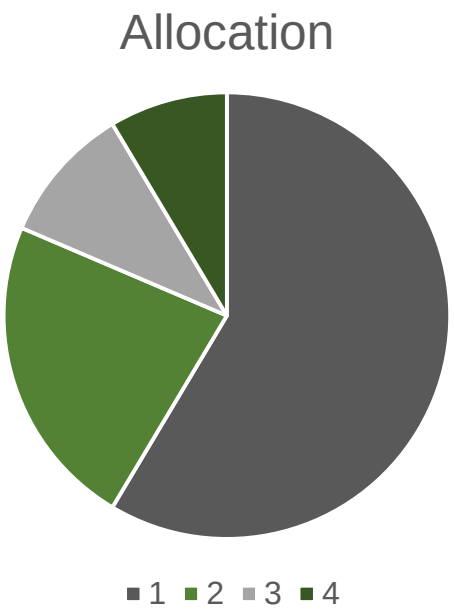


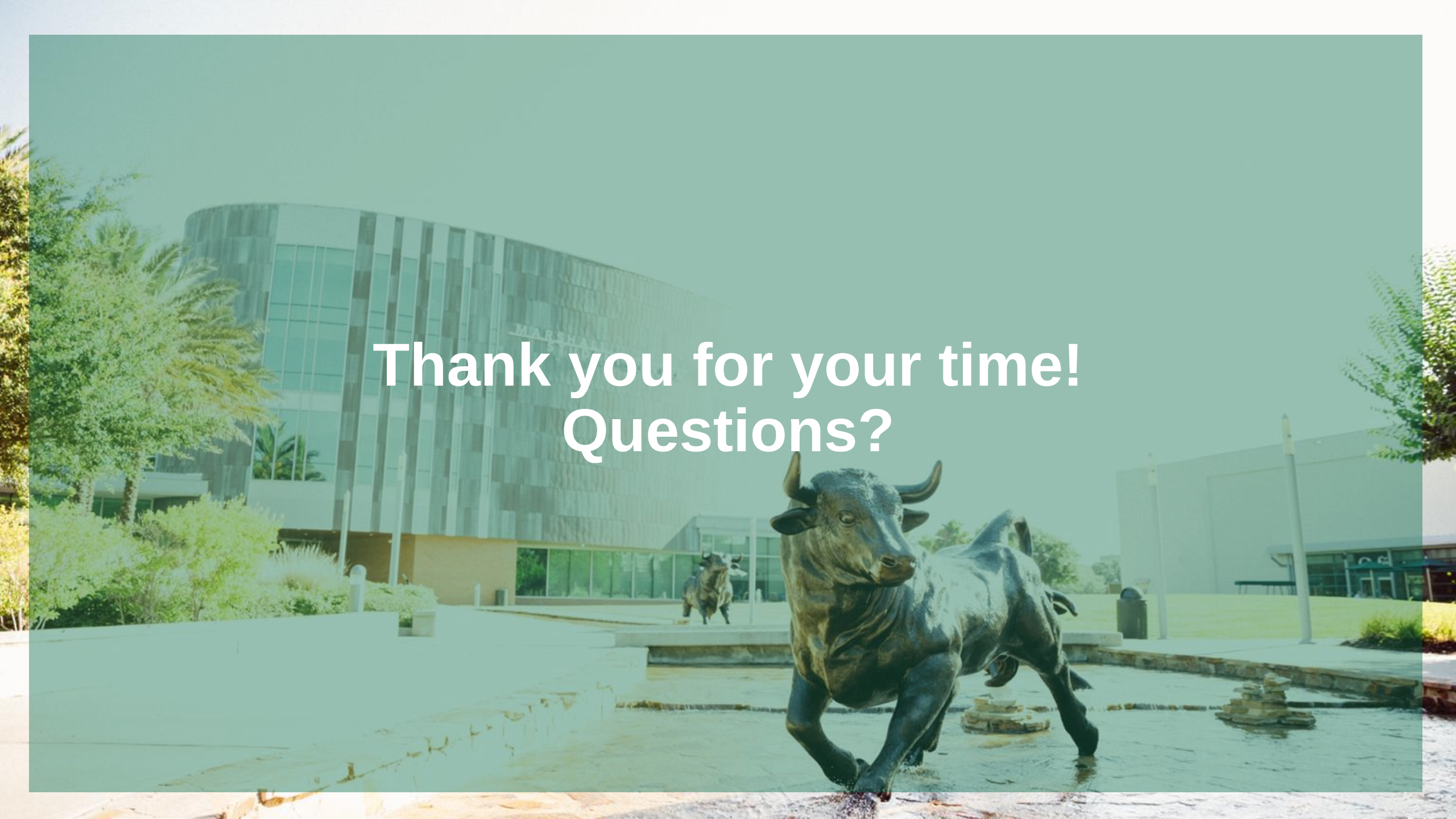


Funding needed

Seeking:
$10,000.00

Describe how you intend to use that money to reach your goals.





Thank you for your time!
Questions?