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# An incubated co-working space for technology innovation

**JSkyfall**

**Business plan, Marketing Plan and Business Strategy Report**

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# Definition of Terms

|  |  |
| --- | --- |
| **Term** | **Definition** |
| Balance sheet | A summary of the financial balances of the business |
| A start-up | A new developed created company that is still in its development phase. |
| Break-even calculation | The determination of how much tells you how much a business must sell in order to cover the costs of doing business. |
| Marketing strategy | An essential aim to increase sales and achieve a sustainable competitive advantage. |
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|  |  |

# Team Register

|  |  |
| --- | --- |
| **Member Name** | **Role Description** |
| Mfeya Shane Sifiso | Marketing Plan |
| Makalima Luyolo | Business Strategy |
| Mayipase Nande | Business Plan |

# Description of Acronyms

|  |  |
| --- | --- |
| **Acronym** | **Description** |
| PDCA | Plan, Do, Check, Act |
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|  |  |
|  |  |
|  |  |
|  |  |

# Document Overview

## Introduction and Purpose of this Document

This documents is composed of the research on a business plan, marketing strategy and business strategy. It encapsulates the definition of these sub-topics, their purpose and relevance in the business industry. Moreover, each of these sub-headings are clearly outline with regards to how they are structured and how one can go about creating them. For example a structure and a layout of how a business plan is constructed and drawn up is clearly defined.

**Section A**

**A business Plan**

**What is a business plan?**

A business plan is as the name states, a plan for a business. Tim Berry claims that business planning is about results. Nonetheless various sources define what a business plan is differently, but not necessarily distinctly. A business plan is commonly defined as a formalized document that summarizes all the financial, operational and other objectives of a business. It consists of a detailed plan or plans and budgets that illustrate how the aforementioned objectives are to be realised.

According to a business plan is any plan which permits a business to look ahead, allocate resources, focus on key points, and prepare for problems and opportunities. Through a business plan a business idea can be communicated. It then allows for the employees, suppliers, investors, financial institutions and other stakeholders to also understand the business idea. The key purpose for this communication to happen is so that one can be able to convince stakeholders that the new venture will succeed and therefore it is worthwhile to invest in it.

**Importance of a business plan**

There a various reasons why every business needs a business plan, and various ways in which having a business plan can benefit them. Some of these reasons include:

* **It is after all a plan**

This means that if one has a plan then they have an understanding and to a certain extent an idea of what goals they want to reach, which tasks they want to undertake, which one’s take more priority than others, in other words the business plan will force you to look closely at all aspects of your business.

* **Forces one to look closely at your business as a whole**

This means that business plan is of great importance is that normally whenever there’s a plan handy an outline of tasks and goals to reach is already in hand. Essentially with that a sense of direction is provided, because a there is a clear scope that outlines if at a certain period of time what must be completed.

* **A tool to access people and capital.**

A business plan can be used by potential investors as well as potential employees to determine whether a business is worthy of the investment, or to be worked for by potential investors and employees, respectively.

* **Pre-planning creates a proactive attitude within a person.**

That is a take initiative attitude is created within a person. Clarity of goals and objectives of a company is depicted through a compilation of a business plan.

* **Milestones will keep you on track**

Use a business plan to keep track of dates and deadlines in one place. This is valuable even for the one-person business and vital for teams.

* **Your educated guesses will be better.**

Use your plan to refine your educated guesses about things like potential market, sales, and costs of sales, sales drivers, lead processing and business processes

* **You'll understand interdependencies.**

Use a plan to keep track of what needs to happen and in what order. For example, if you have to time a product release to match a testing schedule or marketing to match a release, your business plan can be invaluable in keeping you organized and on track.

* **Course corrections will keep your business from flopping.**

Having a business plan gives you a way to be proactive -- not reactive -- about business. Don't wait for things to happen. Plan them. Follow up by tracking the results and making course corrections. It's a myth that a business plan is supposed to predict the future. Instead, it sets expectations and establishes assumptions so you can manage the future with course corrections.

**Types of a business plan**

There are various types of business plans. According to Alyson Paige, there are six types of business plans, namely:

**Strategic**

A strategic business plan provides a detailed map of a company’s goals and how it will achieve them, laying out a foundational plan for the entire company. According to the website, Clean Washington Center, a strategic business plan includes five elements: business vision, mission statement, definition of critical success factors, strategies for achieving objectives and an implementation schedule. A strategic business plan brings all levels of the business into the big picture, inspiring employees to work together to create a successful culmination to the company’s goals.

**Startup**

A start up business is as one that is created for a startup business. It may include section like the description of the company, the product or service the business will supply. The market evaluations and the projected management team also. Moreover it can provide a financial analysis with spreadsheets describing financial areas including, but not limited to, income, profit and cash flow projection

**Internal**

Internal business plans target an audience within the business. Write an internal business plan to evaluate a proposed project. Describe the company’s current state, including operational costs and profitability. Calculate if and how the business will repay any capital needed for the project. Provide information about project marketing, hiring and tech costs. Include a market analysis illustrating target demographics, market size and the market’s positive effect on the company income

**Feasibility**

A feasibility business plan answers two primary questions about a proposed business venture. According to the University of Colorado Leeds School of Business, feasibility plans attempt to determine who, if anyone, will purchase the service or product a company wants to sell, and if the venture can turn a profit. Feasibility business plans include, but are not limited to, sections describing the need for the product or service, target demographics and required capital. A feasibility plan ends with recommendations for going forward.

**Operations Business Plans**

Operations plans are internal plans that consist of elements related to company operations. An operations plan, according to BPlans.com, specifies implementation markers and deadlines for the coming year. The operations plan outlines employees’ responsibilities

**Growth**

Growth plans or expansion plans are in-depth descriptions of proposed growth and are written for internal or external purposes. According to BPlans.com, if company growth requires investment, a growth plan may include complete descriptions of the company, its management and officers. The plan must provide all company details to satisfy potential investors. If a growth plan needs no capital, the authors may forego obvious company descriptions, but will include financial sales and expense projections.

**Before writing a business plan**

There are various things you must consider before putting together a business plan like how long should it be, who needs a business plan?, when should one develop a business plan, as well as why you need a business plan.

According to Tim Berry a business plan should adopt an "easy to read quickly" format. This means that a business plan must be kept simple, straightforward and short. A few other things that one must refrain from doing when drawing up a business plan is:

* To not use long complicated sentences
* Avoid buzzwords, jargon and acronyms
* Avoid "naked" bullet points

Additionally, Tim Berry advises that when one draws up a business plan, they must:

**Keep it short**

Nowadays a business plan is 20 to 30 pages long. That is one is able to convey their plan fully within that 30 pages, with the exception of your graphics blueprints, floor plans, logos and signage photos which are just as important.

**Use business charts**

The use of bar charts to show, at a minimum, sales, gross margin, net profits, cash flow and net worth by year is important.

**Polish the overall look and feel.**

Polishing the overall look means that ensuring consistency in font style, size, and also ensuring that you make use of spell check. Also, proofreading is gravely important as you may not want to use the correctly spelt words incorrectly.

**Who needs a business plan and why**

The only person who doesn’t need a business plan is one who is not going into business. This means that if you intend on starting a business you’ll need a business plan. Mainly startup companies as well as established businesses seeking help need a business plan. For startup companies the reason why they would need a business plan is first and foremost. The classic business plan writer is normally an entrepreneur seeking funds to help start a new venture. Through a business plan they are able to convince investors to put up the capital necessary to get them under way.

However as aforementioned even already established business that are way past the startup stage also need a business plan. For these middle-stage enterprises a business plan may be essential in cases where they may need help with funding for growth just as the startups do, although the amounts they seek may be larger and the investors more willing. However they may feel the need to have a written plan to help manage an already rapidly growing business. Also a plan may be seen as a valuable tool to be used to convey the mission and prospects of the business to customers, suppliers or others.

**When do you need a business plan?**

A need for a business plan is undisputed according to various sources. Stever Robbins, regards a business plan as more than a tool for getting funding, but rather as more of the road map to your business's future. That is with a business plan you are able to depict the plans and goals you want to attain and reach in your business at a given time. Also you are forced to review everything at once including your value proposition, marketing assumptions, operations plan, financial plan and staffing plan thereby noticing connection you would have missed had you not written a business plan beforehand.

Tim Berry states that there is no law or authority that disallows one to not have a business plan before starting a business. However it is advisable to have a working plan in hand, as it may be a good idea to know what you’ll be doing before actually doing it, thereby saving you a lot of time and money you might lose from guessing your way forward.

Lynn Jurich,2011 states that as much as business owners may draw up a business plan beforehand, she believes it’s a waste of time, and that if one wants to start a business they should get out in the field refine their plan as they go along and learn new things.

**Using your Business Plan**

A business plan is referred to as a tool that a business person can use for various purposes like attracting investors, or just for defining and outlining the goals the business must reach at a set time, and the strategies that determine just how they will be reached. Consequently there are a number of considerations one must first heed before continuing to draw up a business plan. The essential questions one must be able to answer when drawing up a business plan are:

**Do you intend to use your plan to help you raise money?**

If one has the intention of writing up a business plan for the purpose of raising funds, then a close attention and focus on the executive summary must be carefully placed. This is solely because the business owner needs to have a very clear definition of how the company is going to make money. For example if the business owner is aiming at getting a loan from a bank, then a clear projection of how they’ll generate sufficient cash flow to service loans must be created.

**Do you anticipate showing your plan to suppliers to demonstrate that you're a worthy customer?**

Through a creation of a solid business plan, the business owner may be able to convince supplier of some precious commodity to favor you over your rivals. Moreover you may also want to place emphasis on your blue-ribbon customer list and spotless record of repaying trade debts in this plan.

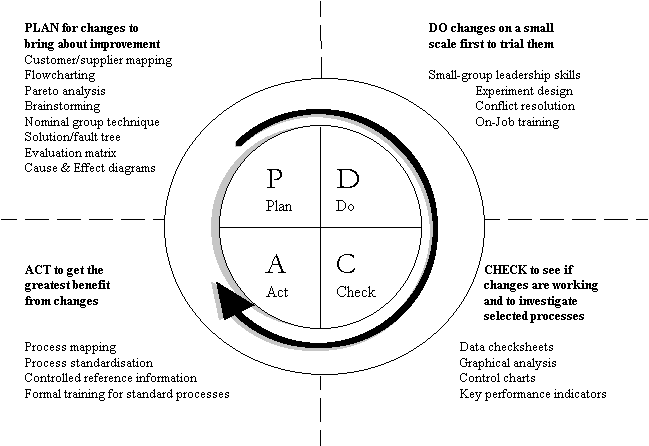
**Do you intend to use your plan to attract talented employees?**

A business plan created with the purpose of attracting talented customers must have emphasis placed on things such as stock options and other aspects of compensation. Another form of compensation would be a location, work environment, corporate culture and opportunities for growth and advancement.

**Plan your Business Plan**

The process of planning requires one to think thoroughly the activities required to achieve a desired goal. This is the same with a business plan, as an outline of what a company is to achieve at a certain period of time is given, then also the activities required to do so need to be thought of and clearly outlined as well. This why then a business plan also needs to be planned.

A model that can be used for this process is called a Plan, Do, Check, Act (PDCA) Model otherwise known as a Deming model. This model was made popular by Dr. W. Edwards Deming. He was considered to be the father of modern quality control; however he always refereed to this model as Shewhart cycle.



*Figure 1: PDCA Model*

**Elements of Your Business Plan**

This is a step that one takes when they have done all the necessary analysis of what a business plan is, why you need it as well as when. In this section an illustration of the structure of a business plan is defined. However various sources have rather similar structures of a business plan. According to Ryan Himmel, a business plans the following sections:

Executive summary

An executive summary is as the name states, a summary of a business plan, even though it’s the first part of the business plan, it’s normally written last, after the whole document that the business plan has been written. The structure is usually simple as the executive summary is basically just a single page. Normally it would generally include your business’s name, its location, what product or service you sell and the purpose of your plan.

However with startup business plans, the case is not the same as there is not much information to go around. What a startup business plan executive summary may then be made up of is Instead; focus on your experience and background as well as the decisions that led you to start this particular enterprise. Demonstrate that you have done thorough market analysis. Include information about a need or gap in your target market, and how your particular solutions can fill it. Convince the reader that you can succeed in your target market, and then address your future plans.

**Company overview**

Once you've developed your executive summary, you should then lead into a company overview, dealing exactly what the company does, its management team and other key information. Next, you'll want to define the market opportunity. Here you'll need to go into detail explaining how the different segments of the market add up to a total available market opportunity. Statistics and industry research will be critical in this section.This section of your business plan provides a high-level review of the different elements of your business. This is akin to an extended elevator pitch and can help readers and potential investors quickly understand the goal of your business and its unique proposition.

Product or service

After defining the market, you should describe the product or service you will develop to target that market. The product description should be written in such a way that the business model becomes perfectly clear to the reader. They will want to understand how you plan to make money. This will lead into the financial model highlighting growth and expense projections. Many entrepreneurs don't spend enough time identifying how they will effectively use their cash to grow their company. This is why you must have a clear strategy in going to market.

Distribution

The distribution section should include details on how you plan to acquire customers. Is it through partnerships, online/offline marketing, search engine optimization, direct email, public relations or something else?

Analysis of competitors

Up to this point, we've focused mainly on the company. However, every business plan needs to include an analysis of the competition. Unless you're creating a new market, most of the time you'll have competition in your space and usually it comes from a large, established company. This section should highlight how your company will gain share and how your product and model can be defended.

Risk assessment

Lastly, you need to define the company risks. Every company, even Google has risks. You need to understand what they are and have a plan in place to mitigate those risks.

**The Detailed Structure of a Business Plan**

In most cases business plans would have a similar structure, and maybe differ in order, arrangement or names, but your typical business plan will almost always have the following areas. Also the length of these areas will vary and that will be determined by different businesses and their subheadings.

**Executive Summary**

The acceptable length of an executive summary is a maximum of two pages. The main sections in an executive summary of a business plan for more established organization are:

* **The mission statement**

This is essentially an explanation of what the company is about, what it aims to achieve as well as how. It’s usually a paragraph long, or even much less.

* **Company information**

This is normally a short summary that gives an overview of what the business was formed, the names of the founders and their roles, your number of employees, and your business location(s)

* **Growth Highlights**

This is composed of the strategies and techniques the company is going to apply for its growth. These are depicted through bar charts that show sales, gross margin and profits, all those numbers before taxes and interest, for the next three year.

* **Main objective**

These are company goals and objectives that it aims to reach. They are usually accepted in a list or a bullet format

* **Your Products/Services**

Briefly describe the products or services you provide

* **Financial Information**

If you are seeking financing, include any information about your current bank and investors

* **Summarize future plans**

Explain where you would like to take your business

**General Company Description**

This section gives a high level overview of company and the business that it engages in; hence its maximum length is one to two pages. It is basically an introduction of a business. Normally what one would include in this section is:

* The Mission statement of the business
* The nature of your business and list the marketplace needs that you are trying to satisfy.
* Explain how your products and services meet these needs.
* List the specific consumers, organizations or businesses that your company serves or will serve.
* Explain the competitive advantages that you believe will make your business a success such as your location, expert personnel, efficient operations, or ability to bring value to your customers.

**The Opportunity, Industry & Market**

This section requires quite an in-depth study and a communication of the identified insight received into the industry, the market and the opportunity from the systematic research conducted prior writing the business plan. It is sub sectioned into:

* The Opportunity

The opportunity mainly refers to the gap identified in the market. This is where the elaboration of where the market is? What gave rise to it? How was it identified as well as how will it be filled?

* The Industry

This is where you detail the industry in which you will operate in, the forces affecting it. These forces are covered by discussing barriers to entry, suppliers, customers, substitute products and competition. Answering the following questions will enable you to cover the critical issues in discussing the industry:

The Market

Present your insights into the market in which you will operate. Focus on the customers for your product or service by addressing the following questions:

• What is the total size of the market?

• How fast is the market growing?

• What percentage share of the market will you have? (This is important only if you think you will be a major factor in the market.)

• What are the major trends in target market – trends in consumer preferences, demographic shifts and product development?

**Strategy**

This is where a business needs to describe to readers how the business will compete in the chosen markets, which is an estimated length of 1 to 2 pages. This requires a description and explanation of the strategic choices that you have made as a business, including:

The focus of the business: broad mass market or a specific niche?

How the business will succeed in the market? How will you create a unique and valuable position, involving a different set of activities?

What is unique about the business? How is the offering different from that of competitors?

What is the value for the customers? Describe the value proposition for the customer?

**Business Model**

A business model is the profit-making engine of the business with a maximum length of a page. It is central to a business’s success. The important aspects of a business model that should be presented in a consolidated framework include: The sources of revenue

The major costs involved in generating the revenue

The profitability of the business (revenue less costs)

The investment required to get the business up and running (to get to scale)

The critical success factors and assumptions for making the profit model work

Team – Management &Organization

This section has a maximum length of 2 pages, where one should provide a description of the people behind the business. It should include:

A list the founders including their qualifications and experience

A description of who will manage the business on a day-to-day basis. What experience do these individuals bring to the business? What special or distinctive competencies do they offer?

An organizational chart if you have more than 10 employees, showing the management hierarchy and responsibility for key functions (including position descriptions for key employees)

**Marketing Plan**

The marketing plan encapsulates all the components of the marketing strategy. It should draw on the market research and disclose on all of the important marketing decisions about:

* The product (or service) and why it is valuable to customers
* The focused and detailed description of the target market
* The positioning of the product or service – how it should be perceived by customers
* The pricing strategy with specific price points at which the product or service will be sold
* The sales and distribution channels that will be used to get the product or service to the customer
* The promotion strategy including public relations activities, specific promotions, advertising and intended viral marketing activities

**Operational Plan**

This section explains the daily operation of the business, its location, equipment, people, processes, and surrounding environment. It has the estimated length of 2 pages. Also it will vary depending on the nature of the business but some the more common items that can be presented include:

* A description of the operating cycle that describes what the organization will do to deliver its service or create and sell its product
* A description of where all the necessary skills and materials will be sourced
* What will be outsourced, what relationships are in place and how those relationships will be managed?
* The cash receipts and cash payment cycle of the business

**Financial Plan**

The financial plan is a reasonable estimate of your company’s future financials. It has the estimated length of 3 to 5 pages.

It includes discussions on the main features in the financial plan and qualifies this with financial projections. A business owner is advised not to include too much financial detail in the body of the business plan. However if the business plan has detailed projections and supporting calculations, they must be placed in the appendix. The following are the most important financial documents to include in the financial plan:

* Start-up expenses and capitalization: a description and explanation of what it will cost to launch the business and where you expect to get this money
* 12-month profit and loss projection (month-by-month) and a three-year profit and loss projection (quarter-by-quarter)
* A 12-month cash-flow projection and a three-year cash-flow projection (quarter-by-quarter)
* A projected balance sheet at start-up and at the end of years one to three
* A break-even calculation

**Appendix**

This section includes all the additional documents that the reader of the business plan may want to refer to. Those documents could be appendix:

* Brochures and advertising materials
* Industry studies
* Blueprints and plans
* Maps and photos of location
* Magazine or other articles
* Detailed lists of equipment owned or to be purchased
* Copies of leases and contracts
* Letters of support from future customers
* Any other materials needed

**Business Plan Tools**

The most popular business plan tool is Business Plan Pro. It is produced by a company called Palo-Alto Software whose chairman is Tim Berry. This software has been for nearly a decade, the business world’s most popular business plan software. Outselling all of its competitors combined, Business Plan Pro remained in Amazon’s top 10 list of best-selling business software. The purpose of this software is to make it easier for new and existing small businesses to complete an SBA-approved business plan that is not only suitable for important allies such as banks and vendors, but that can also be used to help manage the evolution of small but growing businesses.

**The 6 Questions your Business Plan must answer**

Upon completion your business plan should be able to answer the following questions:

1. **What problem are you going to solve?** Explain what you do, why it’s important and why it’s not available anywhere else.
2. **Who are your customers?** Who’s your market? Explain how old your customers are, where and how they live, how they spend their time and how you anticipate they would use your product or service.
3. **Why are you the right person to run this company?** VCs and future partners will want to know what makes you uniquely qualified to run your business. Share your education, past leadership experience and your track record. Then share the same information for the other key leaders in your company.
4. **What’s your time table?**Investors want to know how their money is going to be utilised and when. Make sure your business plan provides a solid timeline of milestones, including growth and profitability.
5. **What is your business model?**How will you make money? Explain if you’ll get revenue from advertising or subscriptions or if you’ll charge for upgrades and add-ons.
6. **What puts you ahead of your competitors?**Know what you do differently from your competition. Are you faster or less expensive? Do you have more responsive customer service? Underscore what sets you apart.

**Updating the Business Plan**

The question that soon arises when the business plan has been put together and finalized is when should it be updated? Tim Berry states that a business plan should be always are updated. That is a business plan should be updated every month, every week and every day. Casey Naiduk claims that as soon as a business plan is created, it is slightly wrong and outdated.

There are various reasons why a business plan needs to be updated, except for the aforementioned. The world changes all the time, markets are never stagnant, and technology is forever advancing, that is as you stand in the line to purchase a gadget, a newer version of it is already underway. Also as much as the business plan may be for the future, but no one can accurately predict the future, not to say one must therefore not have a business plan. On the contrary a business plan must be developed, and from there one can be able to control the future to a certain extent.

**When to update a business plan**

A business plan is a working document that will require to be constantly updated so it is sync and aligns with the current world, whether in technology, markets, or financial states. Also when there is a major shift or change in your organization, your business plan should be able to reflect that. Also upon reaching a milestone a business plan may need to be updated, that is if for example your plan depicted that within a period of two years you’ll have acquired 20% of the market, and you reach that milestone, then your business plan may then need to be revised.

Additionally, at the very least a business plan needs to be updated yearly solely because in a period of a year the industry is more likely to have changed by then, and the systems that were used have been updated or have become obsolete. However in the annual and monthly review of a business plan, one can apply different techniques to go about doing it.

**The annual update**

Talk to your customers and potential customers.

Review your value proposition. What are your customers buying? What problems do you solve? What other solutions can they choose?

Try to come up with new market segmentation.

Segmentation is the grouping or divisions you see in the market. For example, if you normally view your market by type of product, look at it by channel or buyer. If you divide by region, divide by size of the buyer company. Think up a new segmentation to give you a fresh view.

Look at the larger potential market for the problems that need solutions.

Look at contiguous businesses. Look at changing trends and technologies.

**The monthly update**

Accounting and financial analysis normally works in months since the books close after every month. Make sure you have a monthly review of the difference between planned results and actual results for your sales, profits, balance and cash.

For each of the standard pro-forma projections, always maintain a table with the plan, another with actual results, and a third with the difference between plan and actual, which is called variance.

As an annual plan marches through the months, you can use the table reserved for actual results to include changes in budget that affect the near future. For example, if the annual plan starts in January, then by the end of May you have an actual Sales Forecast that includes actual results for January through May and the latest revised forecast for June through December.

You must also review the activities, deadlines and planned results that don't fall into the financials. A good plan is full of milestones, assumptions and tasks, all of which should be measurable. Make sure you review and update these measured results every month.

**When updating a business plan.**

There is a few numbers of questions to be answered. The purpose is to bring clarity about the company’s direction, plan and purpose. Answering these questions will build up to the performance of the competitive analysis.

* What glaring changes do we have to make?
* What are our projections for growth, and how will we execute?
* What markets do we want to reach, and how?
* What investors do we want to attract, and how will the relationships with our current affiliates change?
* What industry trends have evolved? What is the future of the industry?
* What new products or services will we release, and how and when will we do so?
* What is the state of our management team? Is our corporate structure poised for growth?

Competitive Analysis

This analysis is basically the identification of the strengths, weaknesses of the businesses that are a competition to your business. This analysis is a critical part of the marketing plan as this evaluation can allow for a business to establish what makes its product or service unique, and therefore what attributes you play up in order to attract your target market. The competitive analysis includes identifying the following:

* Your competitors
* The products or services sold by your competition.
* Your competition’s market share.
* Their past strategies
* Their current strategies?
* The type of media used to market their products or services
* The hours per week they purchase to advertise through the media used in this market
* The competitor's strengths and weaknesses
* The potential threats your competitors pose.
* The potential opportunities they make available for you

**Section B:**

**Marketing Plan**

**Introduction**

Definitions

A marketing plan is a written document that outlines in great detail what the organization hopes to accomplish by following the plan. The plan should have specific strategies when implemented and will help the organization achieve its goals.

A marketing plan is a business document written for the purpose of describing the current market position of a business and its marketing strategy for the period covered by the marketing plan. Marketing plans usually have a life of from one to five years.

Purpose of Market Plan

The purpose of a marketing plan is to clearly show what steps or actions will be taken to achieve the plan goals. For example, a marketing plan might have a strategy to increase the organization's market share by ten percent. The plan would then outline the goals that need to be achieved to reach a ten percent increase in market share.

Why you would need a Marketing Plan?

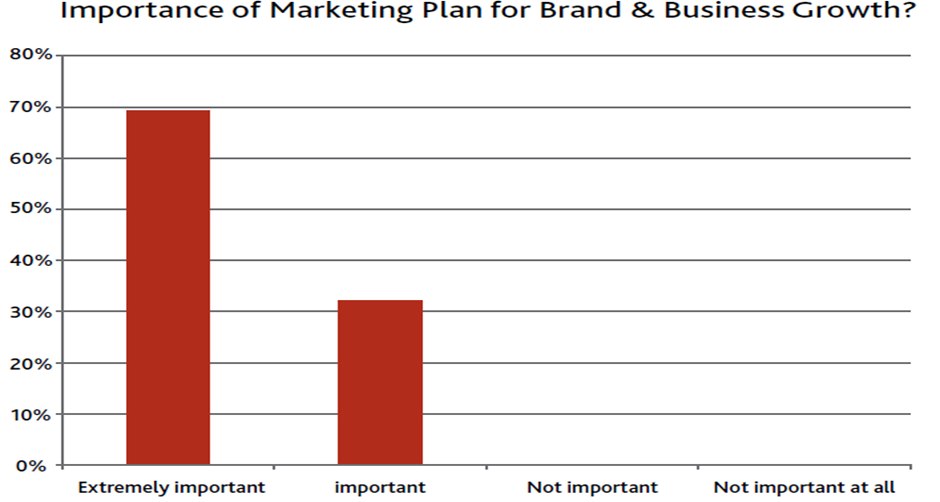
A good marketing plan will help you answer key questions about your business, and act as a reference document to help you to execute your marketing strategy. It will also help you to develop a structured approach to creating services and products that satisfy your customers’ needs.

When writing a marketing plan you need to be clear about your marketing objectives and how you’re going to achieve them. Use our marketing plan template to set realistic and measurable objectives, includes budgets and action plans, and allocate responsibilities.

Our research confirms that the annual marketing plan still plays a vital role in today’s modern

Business world. Around 70% of the panel said the marketing plan was extremely important in

Driving brand and business growth, with the balance rating it as important. (D.Taylor,D. Nichols, BrandGym Research Paper 4, Managing Partners, Gobal, May 2011)



**Marketing Process**

Marketing Research

Marketing Strategy

Market Plan

**Market Research**

The process of gathering, analysing and interpreting information about a market, about a product or service to be offered for sale in that market, and about the past, present and potential customers for the product or service; research into the characteristics, spending habits, location and needs of your business's target market, the industry as a whole, and the particular competitors you face.

Market research is always good in telling you what people think about a specific product, while also having the ability to give insight in what a the possible improvements that can go into a specific product to make it better for the customer.

Market research involves two types of data:

Primary information. This is research you compile yourself or hire someone to gather for you.

Secondary information. This type of research is already compiled and organized for you. Examples of secondary information include reports and studies by government agencies, trade associations or other businesses within your industry. Most of the research you gather will most likely be secondary.

What market research can never tell what your customers want when they themselves don’t know it yet? E.g. no market research could have led to the development of the Touch Screen Phone, which then lands a hand to the part of innovation from those guys.

Market research really struggles to contribute to the development of a new product that doesn’t yet exist. So it might be a phase you want to skip at the beginning of you product development and then revisit it once the product is there to check if there is still a market for your product and weather you still on the right track.

**The Value of Information**

Information can be useful, but what determines its real value to the organization? In general, the value of information is determined by:

* The ability and willingness to act on the information.
* The accuracy of the information.
* The level of indecisiveness that would exist without the information.
* The amount of variation in the possible results.
* The level of risk aversion.
* The reaction of competitors to any decision improved by the information.
* The cost of the information in terms of time and money.

**The** **Marketing Research Process**

Once the need for marketing research has been established, most marketing research projects involve these steps:

1. Define the problem
2. Determine research design
3. Identify data types and sources
4. Design data collection forms and questionnaires
5. Determine sample plan and size
6. Collect the data
7. Analyse and interpret the data
8. Prepare the research report

Problem Definition

The decision problem faced by management must be translated into a market research problem in the form of questions that define the information that is required to make the decision and how this information can be obtained. Thus, the decision problem is translated into a research problem. For example, a decision problem may be whether to launch a new product. The corresponding research problem might be to assess whether the market would accept the new product.

The objective of the research should be defined clearly. To ensure that the true decision problem is addressed, it is useful for the researcher to outline possible scenarios of the research results and then for the decision maker to formulate plans of action under each scenario. The use of such scenarios can ensure that the purpose of the research is agreed upon before it commences.

**Research Design**

Marketing research can classified in one of three categories:

* Exploratory research
* Descriptive research
* Causal research

These classifications are made according to the objective of the research. In some cases the research will fall into one of these categories, but in other cases different phases of the same research project will fall into different categories.

Exploratory research has the goal of formulating problems more precisely, clarifying concepts, gathering explanations, gaining insight, eliminating impractical ideas, and forming hypotheses. Exploratory research can be performed using a literature search, surveying certain people about their experiences, focus groups, and case studies. When surveying people, exploratory research studies would not try to acquire a representative sample, but rather, seek to interview those who are knowledgeable and who might be able to provide insight concerning the relationship among variables. Case studies can include contrasting situations or benchmarking against an organization known for its excellence. Exploratory research may develop hypotheses, but it does not seek to test them. Exploratory research is characterized by its flexibility.

Descriptive research is more rigid than exploratory research and seeks to describe users of a product, determine the proportion of the population that uses a product, or predict future demand for a product. As opposed to exploratory research, descriptive research should define questions, people surveyed, and the method of analysis prior to beginning data collection. In other words, who, what, where, when, why, and how aspects of the research should be defined. Such preparation allows one the opportunity to make any required changes before the costly process of data collection has begun.

There are two basic types of descriptive research: longitudinal studies and cross-sectional studies. Longitudinal studies are time series analyses that make repeated measurements of the same individuals, thus allowing one to monitor behaviour such as brand-switching. However, longitudinal studies are not necessarily representative since many people may refuse to participate because of the commitment required. Cross-sectional studies sample the population to make measurements at a specific point in time. A special type of cross-sectional analysis is a cohort analysis, which tracks an aggregate of individuals who experience the same event within the same time interval over time. Cohort analyses are useful for long-term forecasting of product demand.

Casual research seeks to find cause and effect relationships between variables. It accomplishes this goal through laboratory and field experiments.

**Data Types and Sources**

Secondary Data

Before going through the time and expense of collecting primary data, one should check for secondary data that previously may have been collected for other purposes but that can be used in the immediate study. Secondary data may be internal to the firm, such as sales invoices and warranty cards, or may be external to the firm such as published data or commercially available data. The government census is a valuable source of secondary data.

Secondary data has the advantage of saving time and reducing data gathering costs. The disadvantages are that the data may not fit the problem perfectly and that the accuracy may be more difficult to verify for secondary data than for primary data.

Some secondary data is republished by organizations other than the original source. Because errors can occur and important explanations may be missing in republished data, one should obtain secondary data directly from its source. One also should consider who the source is and whether the results may be biased. There are several criteria that one should use to evaluate secondary data.

* Whether the data is useful in the research study.
* How current the data is and whether it applies to time period of interest.
* Errors and accuracy - whether the data is dependable and can be verified.
* Presence of bias in the data.
* Specifications and methodologies used, including data collection method, response rate, quality and analysis of the data, sample size and sampling technique, and questionnaire design.
* Objective of the original data collection.
* Nature of the data, including definition of variables, units of measure, categories used, and relationships examined.

Primary Data

Often, secondary data must be supplemented by primary data originated specifically for the study at hand. Some common types of primary data are:

* demographic and socioeconomic characteristics
* psychological and lifestyle characteristics
* attitudes and opinions
* awareness and knowledge - for example, brand awareness
* Intentions - for example, purchase intentions. While useful, intentions are not a reliable indication of actual future behaviour.
* Motivation - a person's motives are more stable than his/her behaviour, so motive is a better predictor of future behaviour than is past behaviour.
* behaviour

Primary data can be obtained by communication or by observation. Communication involves questioning respondents either verbally or in writing. This method is versatile, since one needs only to ask for the information; however, the response may not be accurate. Communication usually is quicker and cheaper than observation. Observation involves the recording of actions and is performed by either a person or some mechanical or electronic device. Observation is less versatile than communication since some attributes of a person may not be readily observable, such as attitudes, awareness, knowledge, intentions, and motivation. Observation also might take longer since observers may have to wait for appropriate events to occur, though observation using scanner data might be quicker and more cost effective. Observation typically is more accurate than communication.

Personal interviews have an interviewer bias that mail-in questionnaires do not have. For example, in a personal interview the respondent's perception of the interviewer may affect the responses.

**Questionnaire Design**

The questionnaire is an important tool for gathering primary data. Poorly constructed questions can result in large errors and invalidate the research data, so significant effort should be put into the questionnaire design. The questionnaire should be tested thoroughly prior to conducting the survey.

**Measurement Scales**

Attributes can be measured on nominal, ordinal, interval, and ratio scales:

* Nominal numbers are simply identifiers, with the only permissible mathematical use being for counting. Example: social security numbers.
* Ordinal scales are used for ranking. The interval between the numbers conveys no meaning. Median and mode calculations can be performed on ordinal numbers. Example: class ranking
* Interval scales maintain an equal interval between numbers. These scales can be used for ranking and for measuring the interval between two numbers. Since the zero point is arbitrary, ratios cannot be taken between numbers on an interval scale; however, mean, median, and mode are all valid. Example: temperature scale
* Ratio scales are referenced to an absolute zero values, so ratios between numbers on the scale are meaningful. In addition to mean, median, and mode, geometric averages also are valid. Example: weight

**Validity and Reliability**

The validity of a test is the extent to which differences in scores reflect differences in the measured characteristic. Predictive validity is a measure of the usefulness of a measuring instrument as a predictor. Proof of predictive validity is determined by the correlation between results and actual behaviour. Construct validity is the extent to which a measuring instrument measures what it intends to measure.

Reliability is the extent to which a measurement is repeatable with the same results. A measurement may be reliable and not valid. However, if a measurement is valid, then it also is reliable and if it is not reliable, then it cannot be valid. One way to show reliability is to show stability by repeating the test with the same results.

**Attitude Measurement**

Many of the questions in a marketing research survey are designed to measure attitudes. Attitudes are a person's general evaluation of something. Customer attitude is an important factor for the following reasons:

* Attitude helps to explain how ready one is to do something.
* Attitudes do not change much over time.
* Attitudes produce consistency in behaviour.
* Attitudes can be related to preferences.

Attitudes can be measured using the following procedures.

* Self-reporting - subjects are asked directly about their attitudes. Self-reporting is the most common technique used to measure attitude.
* Observation of behaviour - assuming that one's behaviour is a result of one's attitudes, attitudes can be inferred by observing behaviour. For example, one's attitude about an issue can be inferred by whether he/she signs a petition related to it.
* Indirect techniques - use unstructured stimuli such as word association tests.
* Performance of objective tasks - assumes that one's performance depends on attitude. For example, the subject can be asked to memorize the arguments of both sides of an issue. He/she is more likely to do a better job on the arguments that favour his/her stance.
* Physiological reactions - subject's response to a stimuli is measured using electronic or mechanical means. While the intensity can be measured, it is difficult to know if the attitude is positive or negative.
* Multiple measures - a mixture of techniques can be used to validate the findings, especially worthwhile when self-reporting is used

There are several types of attitude rating scales:

* Equal-appearing interval scaling - a set of statements are assembled. These statements are selected according to their position on an interval scale of favourableness. Statements are chosen that has a small degree of dispersion. Respondents then are asked to indicate with which statements they agree.
* Likert method of summated ratings - a statement is made and the respondents indicate their degree of agreement or disagreement on a five point scale (Strongly Disagree, Disagree, Neither Agree or Disagree, Agree, Strongly Agree).
* Semantic differential scale - a scale is constructed using phrases describing attributes of the product to anchor each end. For example, the left end may state, "Hours are inconvenient" and the right end may state, "Hours are convenient". The respondent then marks one of the seven blanks between the statements to indicate his/her opinion about the attribute.
* Staple Scale - similar to the semantic differential scale except that 1) points on the scale are identified by numbers, 2) only one statement is used and if the respondent disagrees a negative number should marked, and 3) there are 10 positions instead of seven. This scale does not require that bipolar adjectives be developed and it can be administered by telephone.
* Q-sort technique - the respondent if forced to construct a normal distribution by placing a specified number of cards in one of 11 stacks according to how desirable he/she finds the characteristics written on the cards.

**Sampling Plan**

The sampling frame is the pool from which the interviewees are chosen. The telephone book often is used as a sampling frame, but have some shortcomings. Telephone books exclude those households that do not have telephones and those households with unlisted numbers. Since a certain percentage of the numbers listed in a phone book are out of service, there are many people who have just moved who are not sampled. Such sampling biases can be overcome by using random digit dialling. Mall intercepts represent another sampling frame, though there are many people who do not shop at malls and those who shop more often will be over-represented unless their answers are weighted in inverse proportion to their frequency of mall shopping.

In designing the research study, one should consider the potential errors. Two sources of errors are random sampling error and non-sampling error. Sampling errors are those due to the fact that there is a non-zero confidence interval of the results because of the sample size being less than the population being studied. Non-sampling errors are those caused by faulty coding, untruthful responses, respondent fatigue, etc.

There is a trade-off between sample size and cost. The larger the sample size, the smaller the sampling error but the higher the cost. After a certain point the smaller sampling error cannot be justified by the additional cost.

While a larger sample size may reduce sampling error, it actually may increase the total error. There are two reasons for this effect. First, a larger sample size may reduce the ability to follow up on non-responses. Second, even if there is a sufficient number of interviewers for follow-ups, a larger number of interviewers may result in a less uniform interview process.

**Data Collection**

In addition to the intrinsic sampling error, the actual data collection process will introduce additional errors. These errors are called non-sampling errors. Some non-sampling errors may be intentional on the part of the interviewer, who may introduce a bias by leading the respondent to provide a certain response. The interviewer also may introduce unintentional errors, for example, due to not having a clear understanding of the interview process or due to fatigue.

Respondents also may introduce errors. A respondent may introduce intentional errors by lying or simply by not responding to a question. A respondent may introduce unintentional errors by not understanding the question, guessing, not paying close attention, and being fatigued or distracted.

Such non-sampling errors can be reduced through quality control techniques.

**Data Analysis - Preliminary Steps**

Before analysis can be performed, raw data must be transformed into the right format. First, it must be edited so that errors can be corrected or omitted. The data must then be coded; this procedure converts the edited raw data into numbers or symbols. A codebook is created to document how the data was coded. Finally, the data is tabulated to count the number of samples falling into various categories. Simple tabulations count the occurrences of each variable independently of the other variables. Cross tabulations, also known as contingency tables or cross tabs, treats two or more variables simultaneously. However, since the variables are in a two-dimensional table, cross tabbing more than two variables is difficult to visualize since more than two dimensions would be required. Cross tabulation can be performed for nominal and ordinal variables.

Cross tabulation is the most commonly utilized data analysis method in marketing research. Many studies take the analysis no further than cross tabulation. This technique divides the sample into sub-groups to show how the dependent variable varies from one subgroup to another. A third variable can be introduced to uncover a relationship that initially was not evident.

**Conjoint Analysis**

The conjoint analysis is a powerful technique for determining consumer preferences for product attributes.

**Hypothesis Testing**

A basic fact about testing hypotheses is that a hypothesis may be rejected but that the hypothesis never can be unconditionally accepted until all possible evidence is evaluated. In the case of sampled data, the information set cannot be complete. So if a test using such data does not reject a hypothesis, the conclusion is not necessarily that the hypothesis should be accepted.

The null hypothesis in an experiment is the hypothesis that the independent variable has no effect on the dependent variable. The null hypothesis is expressed as H0. This hypothesis is assumed to be true unless proven otherwise. The alternative to the null hypothesis is the hypothesis that the independent variable does have an effect on the dependent variable. This hypothesis is known as the alternative, research, or experimental hypothesis and is expressed as H1. This alternative hypothesis states that the relationship observed between the variables cannot be explained by chance alone.

There are two types of errors in evaluating a hypotheses:

* Type I error: occurs when one rejects the null hypothesis and accepts the alternative, when in fact the null hypothesis is true.
* Type II error: occurs when one accepts the null hypothesis when in fact the null hypothesis is false.

Because their names are not very descriptive, these types of errors sometimes are confused. Some people jokingly define a Type III error to occur when one confuses Type I and Type II. To illustrate the difference, it is useful to consider a trial by jury in which the null hypothesis is that the defendant is innocent. If the jury convicts a truly innocent defendant, a Type I error has occurred. If, on the other hand, the jury declares a truly guilty defendant to be innocent, a Type II error has occurred.

Formulate the null and alternative hypotheses.

* Choose the appropriate test.
* Choose a level of significance (alpha) - determine the rejection region.
* Gather the data and calculate the test statistic.
* Determine the probability of the observed value of the test statistic under the null hypothesis given the sampling distribution that applies to the chosen test.
* Compare the value of the test statistic to the rejection threshold.
* Based on the comparison, reject or do not reject the null hypothesis.

Make the marketing research conclusion.

In order to analyse whether research results are statistically significant or simply by chance, a test of statistical significance can be run.

Discriminant Analysis

Analysis of the difference in means between groups provides information about individual variables, it is not useful for determine their individual impacts when the variables are used in combination. Since some variables will not be independent from one another, one needs a test that can consider them simultaneously in order to take into account their interrelationship. One such test is to construct a linear combination, essentially a weighted sum of the variables. To determine which variables discriminate between two or more naturally occurring groups, discriminant analysis is used. Discriminant analysis can determine which variables are the best predictors of group membership. It determines which groups differ with respect to the mean of a variable, and then uses that variable to predict new cases of group membership. Essentially, the discriminant function problem is a one-way ANOVA problem in that one can determine whether multiple groups are significantly different from one another with respect to the mean of a particular variable.

A discriminant analysis consist of the following step:

1. Formulate the problem.
2. Determine the discriminant function coefficients that result in the highest ratio of between-group variation to within-group variation.
3. Test the significance of the discriminant function.
4. Interpret the results.
5. Determine the validity of the analysis.

Discriminant analysis analyses the dependency relationship, whereas factor analysis and cluster analysis address the interdependency among variables.

**Factor Analysis**

Factor analysis is a very popular technique to analyse interdependence. Factor analysis studies the entire set of interrelationships without defining variables to be dependent or independent. Factor analysis combines variables to create a smaller set of factors. Mathematically, a factor is a linear combination of variables. A factor is not directly observable; it is inferred from the variables. The technique identifies underlying structure among the variables, reducing the number of variables to a more manageable set. Factor analysis groups variables according to their correlation.

**Cluster Analysis**

Market segmentation usually is based not on one factor but on multiple factors. Initially, each variable represents its own cluster. The challenge is to find a way to combine variables so that relatively homogenous clusters can be formed. Such clusters should be internally homogenous and externally heterogeneous. Cluster analysis is one way to accomplish this goal. Rather than being a statistical test, it is more of a collection of algorithms for grouping objects, or in the case of marketing research, grouping people. Cluster analysis is useful in the exploratory phase of research when there are no a-priori hypotheses.

Cluster analysis steps:

1. Formulate the problem, collecting data and choosing the variables to analyse.
2. Choose a distance measure. The most common is the Euclidean distance. Other possibilities include the squared Euclidean distance, city-block (Manhattan) distance, Chebychev distance, power distance, and percent disagreement.
3. Choose a clustering procedure (linkage, nodal, or factor procedures).
4. Determine the number of clusters. They should be well separated and ideally they should be distinct enough to give them descriptive names such as professionals, buffs, etc.
5. Profile the clusters.
6. Assess the validity of the clustering.

**Marketing Research Report**

The format of the marketing research report varies with the needs of the organization. The report often contains the following sections:

* Authorization letter for the research
* Table of Contents
* List of illustrations
* Executive summary
* Research objectives
* Methodology
* Results
* Limitations
* Conclusions and recommendations
* Appendices containing copies of the questionnaires, etc.

**Conclusion**

What market research can never tell what your customers want when they themselves don’t know it yet? E.g. no market research could have led to the development of the Touch Screen Phone, which then lands a hand to the part of innovation from those guys.

Market research really struggles to contribute to the development of a new product that doesn’t yet exist. So it might be a phase you want to skip at the beginning of you product development and then revisit it once the product is there to check if there is still a market for your product and weather you still on the right track.

**Section C**

**Business Strategy**

**Introduction and Definition**

An organisation’s process to define its strategy, direction and decision making with regards to resource allocation to pursuit of a plan. Essentially, strategic planning is a formal concern of an organisation’s future course, answering and dealing with mainly these three questions:

* "What do we do?"
* "For whom do we do it?"
* "How do we excel?"

*“Without a strategy an existing business can drift away from its customers and become uncompetitive within its environment and eventually stops making profit. Therefore having a strategy is a way to remain competitive or a way of forcing a strategic change when an organisation has drifted away from its environment and is starting to fail.*

*Most small businesses have a strategy in the form of a business plan; this is usually a standard document generated to convince either an advisor or a bank they have a good idea and have thought about it.* “Johnson et al (2008)

**Starting a business**

According to statistics, new businesses more likely to fail than succeed. With such odds, it is then necessary to ensure a chosen venture is viable before extensive amount of money and time is put and which is needed to start and grow a new business.

Don’t start your start up without knowing for certain**:**

1. Is there demand for your product or service?
2. How much will it cost to start up?
3. How much will you need to sell to break even?
4. Who is your target customer?

**Why do we need a strategy?**

The objective of having a strategy is to achieve more with less. For example, say your current position is A and you want to get to B. Your strategy tells you how to get there most effectively. Especially when more than one person is working together achieving an objective, it is key to have a plan detailing who does what when. To make a meaningful plan you must have a strategy and vice versa.

Therefore having a strategy is a way to remain competitive or a way of forcing a strategic change when an organisation has drifted away from its environment and is starting to fail.

**Where Do You Want To Go?**

 The mission, vision, intent, goals, markets, competitors and positioning all need to be explored and documented as the first step to planning and executing a successful business.

* Where do you see your business in 10 years? 5 years? Next year?
* What does your balance sheet look like?  What does your day look like?
* What is your execution strategy for funding, operations, marketing and human resources?

**How Will You Get There?**

This can be fundamentally achieved by breaking your goals into smaller action items spaced over a period of time, you can ensure you will be on the road to success.

The desire, accountability, and dedication, combined with having a strategic partner to help develop and execute the necessary steps, will be the things that separate your successful business from a failing one.

**Strategic Business Planning**

Defining and creating a strategic plan and framework will equip with a road map to achieving business goals.

Planning is the most important phase of any endeavour, and for businesses, this is no different.

In this phase, the business owner, with your strategic business planning. Focus is on what one really wants to accomplish, and specifically state what the most important goals are for the business to reach. These goals will be realistic and lay the foundation for the next phase of the business.

The Strategic Plan is comprised of 4 parts:

* Strategy Development,
* Marketing,
* Operations,
* Finances.

Once these 4 topics are addressed, one will be equipped with a strategic business plan for immediate execution for day to day operations and/or for funding for the company.

**Analysis**

When developing strategies, analysis of the organization and its environment as it is at the moment and how it may develop in the future, is important. The analysis has to be executed at an internal level as well as an external level to identify all opportunities and threats of the external environment as well as the strengths and weaknesses of the organizations.

There are several factors to assess in the external situation analysis:

* Markets (customers)
* Competition
* Technology
* Supplier markets
* Labour markets
* The economy
* The regulatory environment

**The Processes of strategy**

This three-step strategy formulation process is referred to as determining where you are now, determining where you want to go, and then determining how to get there. These three questions are the essence of strategic planning. Economics for the external factors and for the internal factors.

## Strategy formulation

* Performing a situation analysis, self-evaluation and competitor analysis: both internal and external; both micro-environmental and macro-environmental.
* Concurrent with this assessment, objectives are set. These objectives should be parallel to a timeline; some are in the short-term and others on the long-term. This involves crafting vision statements (long term view of a possible future), mission statements (the role that the organization gives itself in society), overall corporate objectives (both financial and strategic), strategic business unit objectives (both financial and strategic), and tactical objectives.
* These objectives should, in the light of the situation analysis, suggest a strategic plan. The plan provides the details of how to achieve these objectives.

**Strategy implementation**

* Allocation and management of sufficient resources (financial, personnel, time, technology support)
* Establishing a chain of command or some alternative structure (such as cross functional teams)
* Assigning responsibility of specific tasks or processes to specific individuals or groups
* It also involves managing the process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary.
* When implementing specific programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation, and integration with (and/or conversion from) legacy processes.

## Strategy evaluation

* Measuring the effectiveness of the organizational strategy, it's extremely important to conduct a SWOT analysis to figure out the strengths, weaknesses, opportunities and threats (both internal and external) of the entity in question. This may require to take certain precautionary measures or even to change the entire strategy.

### Suitability

Suitability deals with the overall rationale of the strategy. The key point to consider is whether the strategy would address the key strategic issues underlined by the organisation's strategic position.

### Feasibility

Feasibility is concerned with the resources required to implement the strategy are available, can be developed or obtained. Resources include funding, people, time and information.

### Acceptability

Acceptability is concerned with the expectations of the identified stakeholders (mainly shareholders, employees and customers) with the expected performance outcomes, which can be return, risk and stakeholder reactions.

**Strategic planning guidelines**

* Vision - Define the vision and set a mission statement with hierarchy of goals
* SWOT analysis(SWOT) - Analysis conducted according to the desired goals
* Formulate - Formulate actions and processes to be taken to attain these goals
* Implement - Implementation of the agreed upon processes
* Control - Monitor and get feedback from implemented processes to fully control the operation

**Strategic Planning methods and approaches**

* Three-step process
* **Situation** – evaluation and origin of the current situation.
* **Target** - goals and objective definition.
* **Path** - map a possible route to the goals/objectives.
* Draw-See-Think
  + **Draw** - ideal image or desired end state.
  + **See** – the gap in today’s situation.
  + **Think** - specific actions to be taken to close the gap.
  + **Plan** – resources required to execute the activities.
* Draw-See-Think
  + **See** - what is today's situation is.
  + **Think** - define goals/objectives.
  + **Draw** - map a route to achieving the goals/objectives.

**Ways to create a strategy**

## Entrepreneurial

This method is very much the gut feeling by either an individual or small group, who decides on the direction of an organisation. Strategy tools are mostly used for validating the gut feeling of the Entrepreneur and to communicate this to the stakeholders.

## Emergent Orientated

The strategy becomes the obvious choice and emerges from day to day activities and from what has succeeded in the past. Again strategy tools if they are used will be to validate and communicate the strategy. As opportunities are spotted they are seized, maybe using some SWOT analysis or financial planning to underpin these obvious strategic moves

**Intended Strategy**

Intended strategy consists of strategies which are deliberately created through some process for example a number of leaders within an organisation, who use their combined creativeness and strategic tools to generate new strategies for the organisation. Using the tools to generate the strategy and validate and communicate it. As such this approach looks at the organisations capabilities, at the environment the organisation sits in and creates and validates a strategic ‘position’. This type of strategy tends to be a once yearly task that is done at a strategy conference with maybe quarterly updates

**Funding**

Getting funding for a venture can be intimidating if it is not known where to start.

Initial step would be to better understand the types of documentation needed for each type of prospective funder.

And then produce it, draft it and present it in a manner that significantly increases odds of receiving funding.

Whether you are looking for grants, loans, angel investors or venture capitalists, all that is similar and applicable so as to balance out your intentions and goals.

**Bootstrap -- and use credit cards with no or low interest rates**.

Gather all loose cash, savings bonds, etc. Also figure out the cheapest way to make a minimum viable business or product

Leveraging 0 percent credit cards is the best way to fund your business since there is no interest to pay

**Ask friends and family for a loan or angel investment.**

Focus on those that are the closest to you and have the deepest pockets. Those are the two most important characteristics you should consider, because these people will not try to get involved in your operation, will spread the word within their networks and aren't looking for high returns

**Crowdfund**

Through crowdfunding sites like Kickstarter, this is an excellent way to raise capital, introduce a product to market, garner feedback and gain grass roots support. And to fund first large scale production run -- and advance interest in the product.

**Consider a peer-to-peer lending site.**

Peer-to-peer lending sites such as allow entrepreneurs to borrow up to a certain amount. However, loan rates vary especially for borrowers considered a credit risk

**Take out an alternative small business loan.**

An alternative small business loan is quick, simple alternative to a bank loan because these types of loans are primarily revenue based and require as little as three months of financial activity, potential borrowers can easily overcome common hurdles such as credit and time in business.

**Joining an accelerator or incubator**

Being part of an incubator is a great way to learn about how to grow a business, and most importantly for new entrepreneurs, to learn how to approach and pitch investors.

**Participation in a small business competition**

**Financials**

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