

Your first deliverable for the Capstone term project – the business plan and presentation – is a realistic, manageable **statement of work** (scope). It outlines the goals and expectations for the project, its deliverables, and timing. It will serve as the initial charter between the team and the Faculty Advisor to help ensure that there is mutual understanding of the project goals, timeline and the specific role of the team members. This document is a first level summary of what the team intends to accomplish. It serves as an early checkpoint in the process to ensure that all parties are in full agreement of objectives and scope prior to commencement of the more detailed analysis that is required for the project.

The scope will include

- Project overview
- Objectives
- Feasibility analysis
- Statement of work (generally in phases) including major deliverables, tasks and milestones
- Initial research plan (this will evolve as a separate document as you learn more)
- Project schedule, communications, and roles and allocation of tasks among team members

Throughout this process be aware of the next deliverables at the end of Term 1: the preliminary business plan – which should include a research summary - and a presentation. The research, secondary and primary, is summarized into a “research summary” which can be used as a platform for identification of gaps, key insights, development of the business model, etc., and will (in some form, in whole or in part) be incorporated into the business plan. The business plan outline will serve as a structure for you to present, justify and quantify: opportunity, product development plan, market description and entry strategy, business model, financial projections, and other aspects which may be specific to your business (i.e. regulatory and reimbursement in the life sciences; manufacturing; items specific to B2B or B2C businesses, etc.).

The purpose of the scope document is to help you understand, at the outset, your project from start to finish, what you need to accomplish and by when, and what are the intermediate milestones on the way to your final plan and presentation. Remember: “prior planning prevents poor performance”!

This scope document should be approximately 3-5 pages. Review the syllabus, think about your business concept – what needs to be done, when, by whom. Then, as a team, develop this scope document. Use the following format:

Project overview

What is the opportunity that led to this business concept? What is the market need that you think you have identified? How will you address this need? At this point, how would you describe how the business will operate and what is the financial opportunity?

Objectives

What will you accomplish during the term of the Capstone? Obviously, you'll produce a written business plan and a presentation / pitch, but what else? Will you produce a prototype? A web site? You'll conduct industry analysis which will help you understand trends, competitive positioning and strategies; what else? You'll do market research: who will you talk to and why? What is outside the scope? For example, perhaps you will not produce a prototype; you definitely won't carry out technical development even though you might identify technical milestones that still must be met for the business to go forward.

Feasibility Analysis

This is an abbreviated, approximate "mini plan" that justifies and forms the basis for your project. This information should be readily available from your Launch in 9 presentation and the preliminary background research you did to develop and evaluate your concept. See the more detailed description at the end of this document.

Statement of work and major deliverables

For this section, carefully read the syllabus to understand what deliverables are required, what needs to be accomplished in each, and by when.

Research plan

The Research Plan should cover both secondary and primary research and should be synchronized with the structure of your work plan. Documented secondary research is used to size your market, document growth trends and other environmental trends that could influence demand for your product or service. Primary research is used to capture the 'voice of the customer,' test and validate key plan assumptions based largely on exhibited customer behavior. There will be a higher emphasis on secondary research initially while you are familiarizing yourselves with the issues, challenges, and overall understanding in the specific business area of your project. The secondary research informs the primary research. You will develop a primary research tool to identify, assign and track primary research; to extract the important information; and to synthesize the primary research to yield key insights. Be very proactive on your primary research. It has a long lead and will be the majority of your efforts for 2-4 months. Strong primary research is key to the development of a viable business plan.

The primary research portion of your project will rely heavily on qualitative techniques such as:

- **a netnographic analysis** of your target customer discussing the problem you have identified. A complete market codebook should be created to provide preliminary support for the existence of your identified problem. A structured content analysis of online community discussions, user forums, and product reviews are all examples of relevant information sources.
- **Customer interviews ...** through Launch in 9, the team should plan to repeatedly return to their customer for validation of the problems they face, clear understanding of their current solutions and a full documentation of the 'job map' that details the full consumption experience (pre-consumption, consumption, post-consumption). Document each customer interview, summarizing primary themes, and retaining contact info for follow-up interviews.
- **Customer validation ...** experimental testing of target customer behavior related to key venture assumptions. A prioritized assumption list coupled with detailed testing

strategies for critical assumptions and documentation regarding your findings and response (i.e., implement or pivot) should be maintained

- **Customer survey** ... limited survey information—particularly in relation to net promoter scores associated with different prototype versions will be collected.
- **Customer Pre-Order** ... kickstarter or other crowdsourced reaction to your concept including pre-production commitment is a strong behavioral indicator of market interest associated with L9

Project schedule and team roles

Again, looking at the syllabus, prepare a project schedule showing tasks and timelines (an Excel spreadsheet is fine). At this point, estimate roles and responsibilities among team members.

Feasibility Analysis

This analysis should be based on the preliminary work that you have already done to investigate, develop, and validate your business concept. It is complementary to the presentation that you delivered at the Launch in 9 event. Complete a 2-3 page plan to include with the scope document, and prepare 4-6 slides for presentation.

Be sure to cover:

1. Market & Opportunity
 - a. What is the opportunity?
 - b. What is the problem to be solved?
 - c. What is the market being addressed (size (# and \$) and description)
 - i. Total (i.e. if everyone who had this need purchased)
 - ii. Initial (i.e. what segment of the market will be initially targeted?)
2. Marketing
 - a. Product or service
 - b. Pricing strategy or model
 - c. Distribution; channels
 - d. Promotion
 - e. Market structure and competition
 - f. Competitive Advantage
3. Management
 - a. Organizational structure
 - b. Staffing
4. Business Model/flow diagram
 - a. What is the business model? How does the product move from order to \$\$'s?
5. Financials
 - a. Start up costs (rough estimates of course; space, inventory, equipment, technology, other)
 - b. Fixed costs (space, human resources, utilities, other)
 - c. Variable costs (i.e. per unit estimates of inventory and supplies, shipping and packaging, etc)
 - d. Sales projections (at "steady-state"; per month; variations for seasonality/growth?)
6. Discuss feasibility
 - a. When is the venture profitable; cash-flow breakeven?
 - b. What investment is required? From where?