

Business of Software CSC454/2527 - ASSIGNMENT 6b

Startup Business Plan Outline (10%)

The due date for this assignment is December 11, 2017 at noon on Basecamp. Please name the file that you upload with the Team Name - Assignment 6b – Business Plan Outline

A strong, compelling business plan outline does three things very well.

First, it is a blueprint that helps the founders and other stakeholders crystalize the fundamentals of every aspect of the venture's business model. Second, it serves as the execution roadmap for the business. Third, it is typically the cornerstone of raising money for a new venture and/or subsequent funding rounds. A business plan outline is a "living document" in that it is updated constantly as new information is assimilated by the business.

I'm not going to dictate how many pages are needed to make this an informative and professional document. I do expect a well sectioned, essay written business plan outline with a table of contents to make it all easy to follow. I've given you the Table of Contents and the elements of the Business Plan Outline below along with the assignments that you have already completed to assist you in completing your business plan outline. Cutting and pasting is not the answer so read the work that you have created and the volumes of feedback you have received and go back use what you have learned to create a polished and complete outline of what your business plan will articulate.

Cover Sheet:

- Team Name
- Assignment Number

Table of Contents:

- Opportunity
- Industry
- Market Analysis
- Products / Services
- Competition
- Outlook / Benchmarks / Development Plans
- Sales Strategy
- Technology / Special Know-how
- Financial Performance
- Financing Needs
- Current Investors
- Exit Strategy
- Management

- Attachments:
 - Historical financial statements
 - Projected financial statements: cash flow, profit & loss, and balance sheets
 - Useful metrics and analytics
 - Resumes
 - Technical reports / review
 - Customer endorsements
 - Source of market data
 - Capital equipment and facility requirements

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Business Plan Outline

Opportunity (Assignments 3 & 4)

- What problem will your company's product or service solve?
- What is the Value Proposition? (economic benefit of solving the problem)
- Why will your company be successful?
- Demonstrable customer demand

Industry (Assignment 2)

- Description of the industry in which your company operates or will operate:
 - Structure
 - Size
 - Major factors affecting market growth
 - Industry trends
 - Market trends
 - Competitive environment
 - New entrants
 - Key technologies

Market Analysis (Assignments 2 & 3)

- Customers:
 - Potential customers
 - Customers' buying processes
- Market size and trends:
 - Size of current total market
 - Demonstrable customer demand
 - Market segments
 - Market shares by market segment
 - Potential growth for each market segment
 - Ability of company to grow and obtain market share
 - Potential sales and market share

Products / Services (Assignment 4)

- Differences between what is currently on the market and what you will offer
- Detail each product or service:
 - Primary end use and significant secondary applications
 - Benefits of product
 - Unique features
 - Any possible drawbacks of the product or service
 - Present state of development of the product
 - Time and money required to fully develop, test, and introduce
- Competitive advantage over the competition
- Opportunities for the expansion of the product line

Competition (Assignment 4)

- Strengths and weaknesses of competitors
- Substitute and/or alternative products
- Comparison with your product:
 - Price, performance, delivery, timing, service, warranties, financial strength, distribution methods, production capability and other pertinent features
- Comparison of fundamental values
- Advantages and disadvantages of products
- Category leaders, new constraints, drop outs
- Assessment of future competitive environment
- Barriers to entry

Outlook/Benchmarks/Development Plans (High Level) (Assignment 6)

- Milestones:
 - Complete management team
 - Product development stages (proto-type, etc.)
 - Customer acquisition
 - Breakeven
 - Cash flow positive
 - Funding
- Risks:
 - Development / technical
 - Competitive
 - Production / supply
 - Financial

Sales Strategy (Assignment 6)

- Marketing strategy:
 - Marketing philosophy
 - Value chain and channels of distribution in the market segments
- Pricing:
 - Pricing policy compared with those of your major competitors
 - Gross profit margin (indicate whether this margin is large enough to allow for distribution and sales warranty, training, service, etc.)
 - Comparative pricing strategy for competitive or substitute products

- Sales tactics:
 - Channels of distribution by market segment
 - Value chain and margins for each segment
 - Sales force structure
 - Internal
 - External
- Service and warranty policies, if applicable
- Advertising and promotion:
 - Advertising vehicles
 - Trade show
 - Trade magazine advertisements
 - Direct mailings
 - Internet
 - Promotional campaign
 - Other

Technology/Special Know-how (Assignment 4)

- Development status of product(s):
 - Time frame
 - Resource requirements
 - Difficulties and risks
 - Design or development stages
- Technological advantage:
 - Patent, trademark, copyright, or intellectual property rights
 - Extent of search for infringement licenses
- Contractual rights
- Privacy concerns
- Any unresolved issues
- Confirming data and/or experts
- Product improvement and new products:
 - Costs
 - Time frame
 - Resource requirements
 - Difficulties and risks
 - Design or development stages

Financial Performance (Assignment 6)

- Discussion of projected financial performance:
 - Assumptions (bottom up, not market share)
 - Revenues
 - Margins
 - Cash flow
 - Breakeven
- Capitalization:
 - Current
 - Projected

Financing Needs (Assignment 6)

- Amount of funding
- Purpose
- Timing
- Future financing needs

Current or Prospective Investors (Assignment 6)

- Names (and type e.g. Angel)
- Type of ownership
- Percentage
- Rights

Exit Strategy (Assignment 6)

- Alternative opportunities
- Anticipated return on investment
- Most likely strategy
- Timing

Management Team (Assignment 6)

- Organization:
 - Roles and individuals
 - Open positions
- Key management personnel:
 - Experience
 - Achievements
 - Ability to perform within this team
 - Identified future employees
- Board of directors or advisors
- Other consultants or advisors

BUSINESS PLAN OUTLINE ENDS HERE
