

Introduction to the Business plan.

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Agenda.

- Introduction
- Business Plan: importance, target groups, structure
- Practical Examples

Why do we need a
Business
Plan?



Defining a Business Plan

A business plan is a document that convincingly demonstrates the ability of your business to sell enough of its product or service to make a satisfactory profit and be attractive to potential backers.

A business plan is a selling document that conveys the excitement and promise of your business to any potential backers or stakeholders.

Gumpert, D. E. in "The Portable MBA in Entrepreneurship"



Why we need a Business Plan ?

Existing empirical studies from USA and Germany **usually report that many entrepreneurs are not enough prepared for implementing their projects or precede blind to the foundation of their firms:**

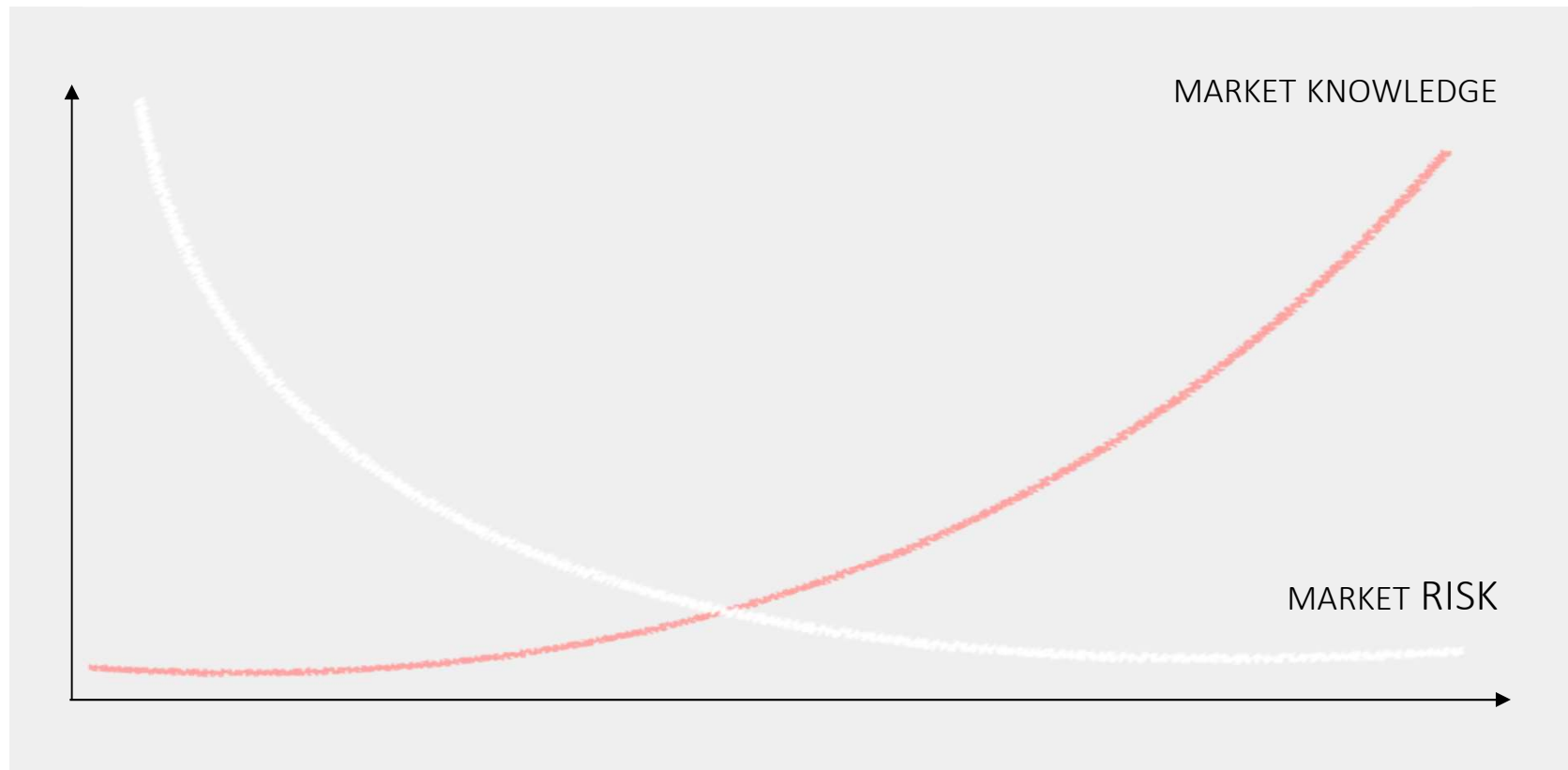
- Hunsdiek, D. / May-Strobl, E. (1986): Entwicklungslinien und Entwicklungsrisiken neugegründeter Unternehmen. Stuttgart, Poeschel. (Development lines and risk of start-ups)
- Domeyer, V. / Funder, M. (1991): Kooperation als Strategie. Eine empirische Studie zu Gründungsprozessen, Organisationsformen, Bestandsbedingungen von Kleinbetrieben. Opladen, Westdeutscher Verlag. (Co-operation as strategy. Empirical study of start-ups, organisation forms, existence of small firms)
- Brüderl, J. / Preisendörfer, P. / Ziegler R. (1996): Der Erfolg neugegründeter Betriebe. Berlin, Duncker & Humblot.



Why we need a Business Plan ?

- Results from Brüderl et al. (1996)
- Research sample: 1849 interviews in Upper-Bavaria, Germany
- Only 18% of the interviewees disposed of a written and elaborated concept (business plan) at the time of register by the authorities
- Relevance for the success:
The entrepreneurs, who during the foundation phase the more professionals consult, extensive preparing activities undertake, and written back-ups of their projects have, **the less often liquidate their start-ups during the first three years**. Additionally, (if still in business) they can increase their number of employee as well as their sales.

Why do we need a Business Plan?

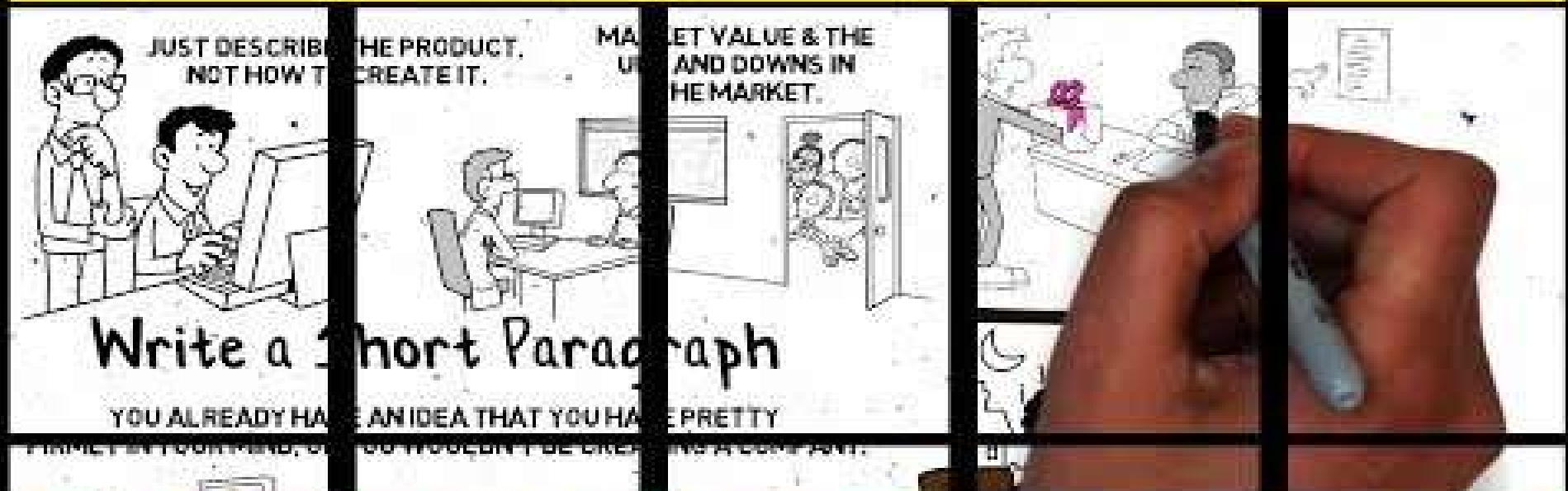




Target groups of Business Plan

- **internal:**
 - Sanity check for the entrepreneur
 - Internal check for the start-up team
- **external:**
 - The business plan is necessary to get money from potential investors and/or banks
 - The business plan is normally a pre-condition for applying to public support
 - The business plan supports the development of strategic alliances with other enterprises and/or institutions.
 - The business plan can help for the acquisition of “big contracts”

HOW TO WRITE A BUSINESS PLAN



HOW TO START A BUSINESS?

Defining a Business Plan: be careful with what you sell!



FoodMetric develops and implements solutions for chemical and quality-based analysis of food and non-food products, which are faster and more reliable than conventional methods.



Main Benefits of implementation FoodMetric solutions:

- Shorter analysis time and possibility to determine several parameters simultaneously;
- Possibility to increase sampling;
- Reduction of costs associated.

Defining a Business Plan: be careful with what you sell!



100.000 €

Business Plan Structure?



Size and Design

- Size: 25 to maximum 50 pages
- Clear structured presentation, prioritization of the individual statements, short and exhaustive description (details, if necessary, as appendix)
- When dealing with technological products take into account that the readers may not understand technical details



Contents

- Cover (1 Page)
- Table of contents (1 page)
- Executive summary (max. 2 pages)
- Market Opportunity (max. 2 pages)
- Product/service description (approx. 4 pages)
- Market and competitor analysis (approx. 3 pages)
- Marketing and distribution (approx. 4 pages)
- Business system (approx. 3 pages)
- Enterprise management (approx. 2 pages)
- Financial planning (approx. 6 pages)
- Appendix

In the appendix there is place for complementary information, like organigrams, important auxiliary calculations, patents or also announcements and articles.

Executive Summary?

Executive Summary

It is not the introduction, but a compressed “compendium for the management”. The presentation quality is not only decisive for the financing opportunities but also for the project rejection! This summary should be written always at the end, since only after the rest of the chapters has been elaborated, it is easier to formulate the ideas and goals in a more concrete and precise way. This summary should be readable and understandable in less than five minutes.

Chapter contents:

- Description of the business idea
- Short market description
- Marketing strategy
- Management
- Financial goals

“A good Executive Summary gives me a sense of why this is an interesting venture. I look for a very clear statement of the long-term mission, an overview of the people, the technology, and the fit to the market”
Ann Winblad, Venture Capitalist

Product/Service Description?

Product/Service Description

Product Characteristics / Service Functions

Important elements

- Performance Characteristics
- Customer Touchpoints

Customer Benefit

Important elements

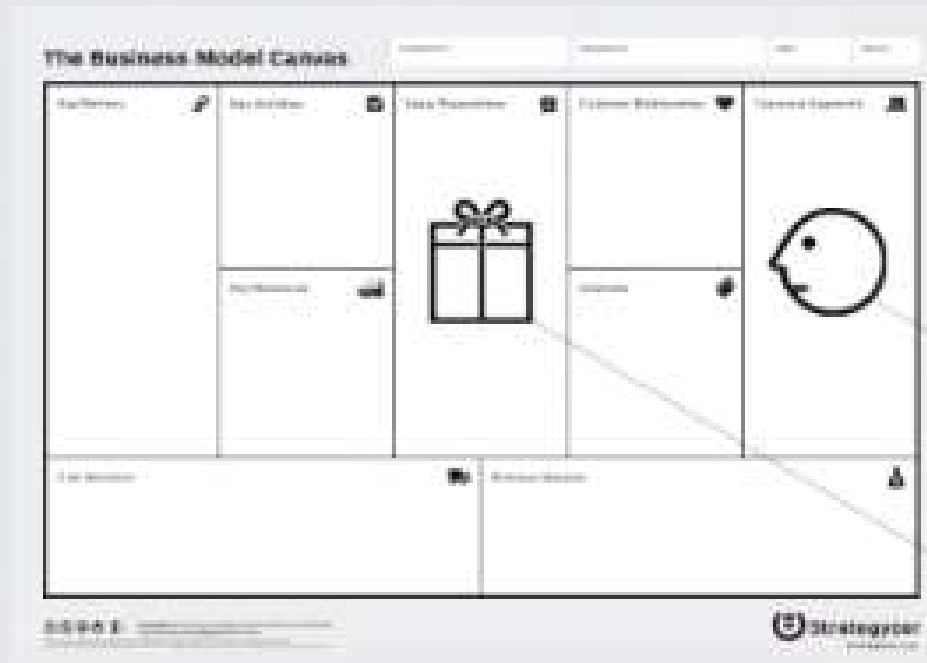
- Pains Relievers
- Gain Creators

Future Development

Important elements

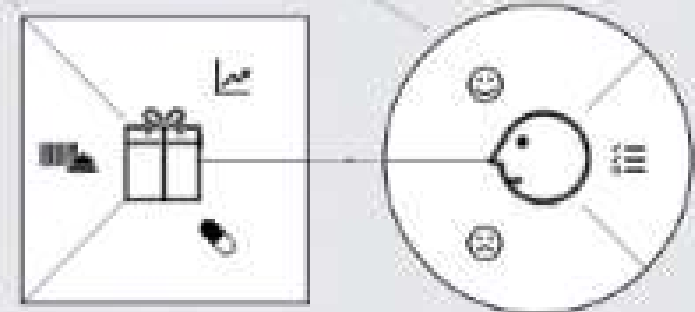
- Plan for future Development of the product/service (3-5 years)

zooming into the value proposition

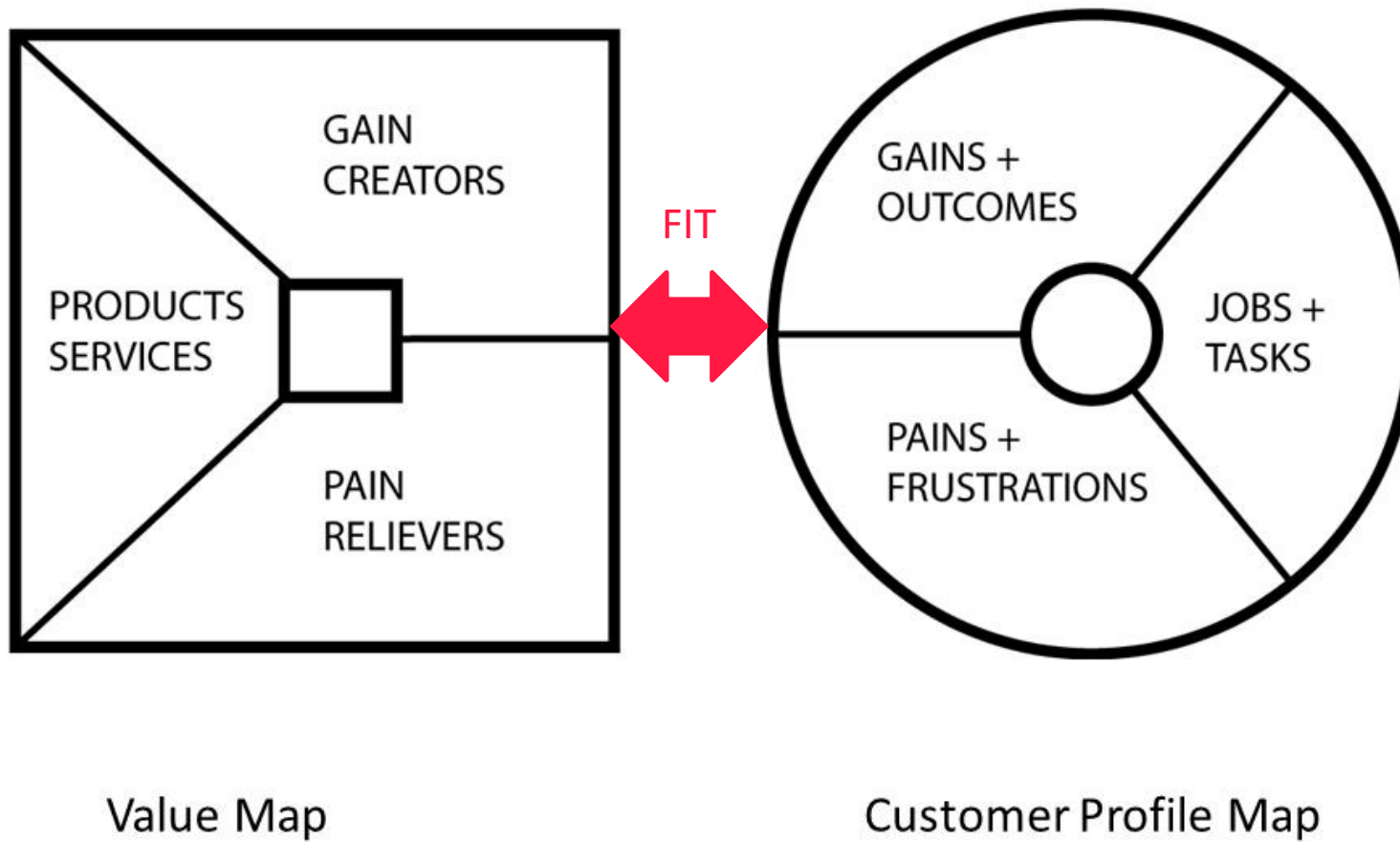


**Value
Map**

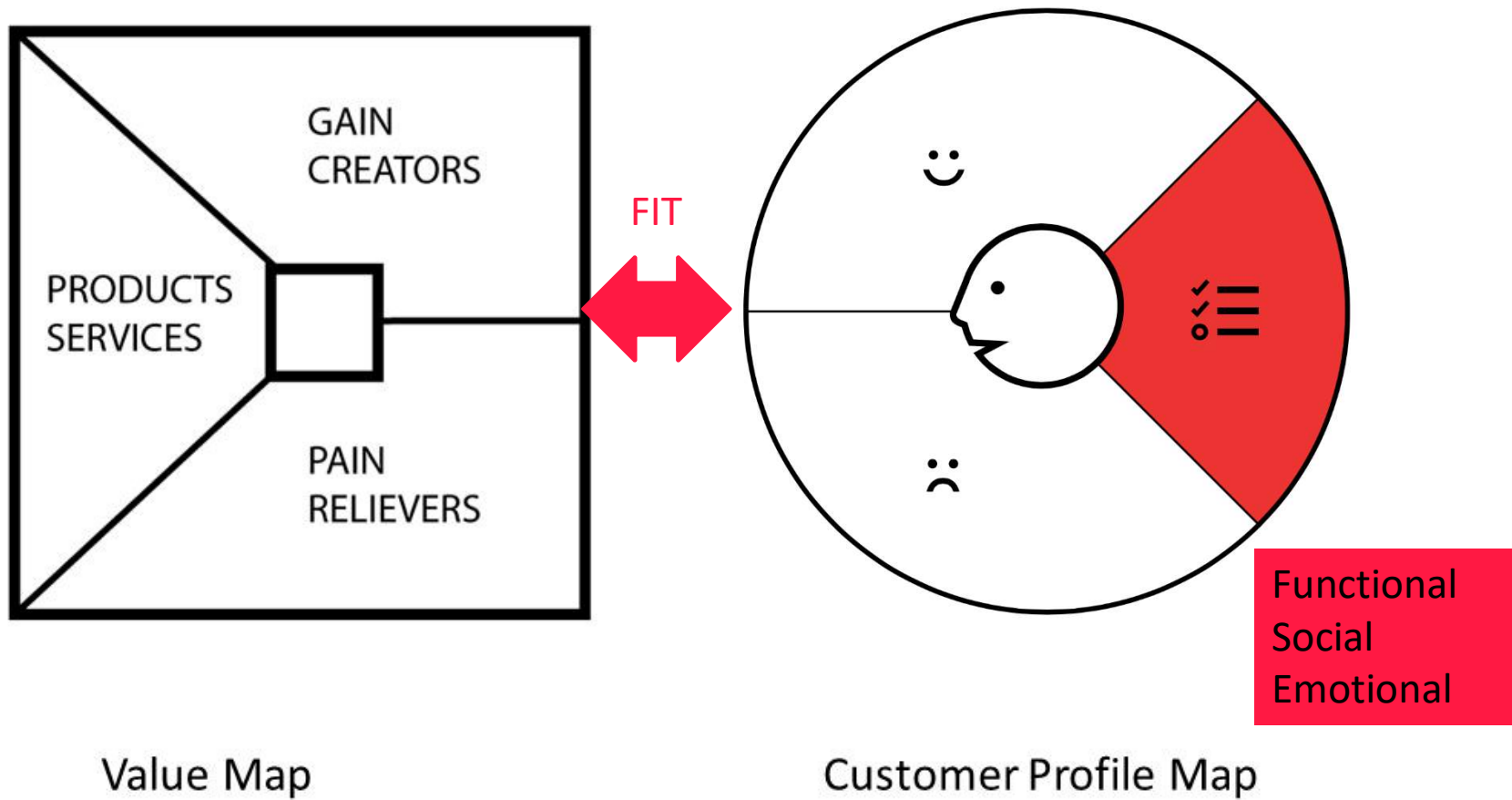
**Customer
profile**



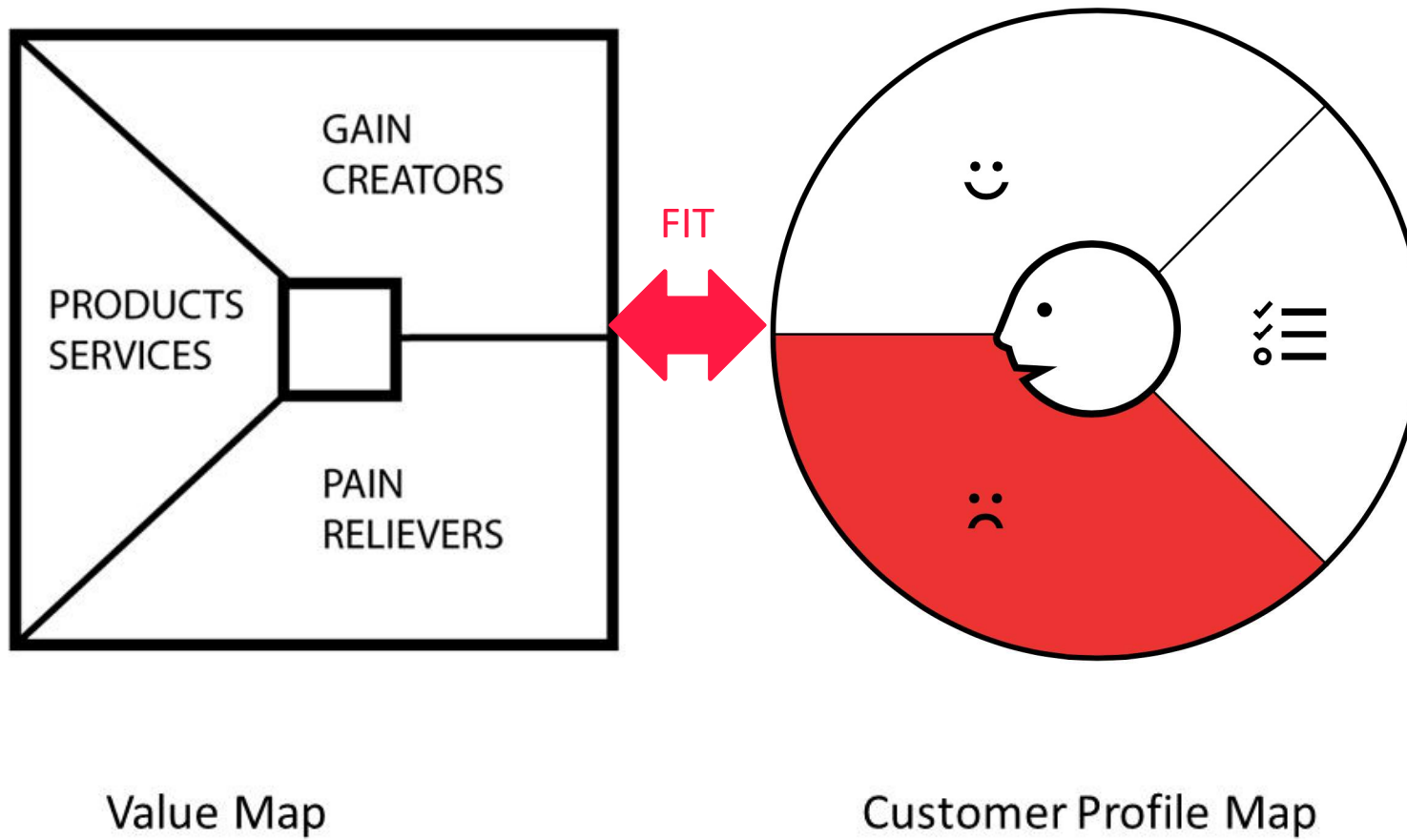
Product/Service Description: Performance characteristics



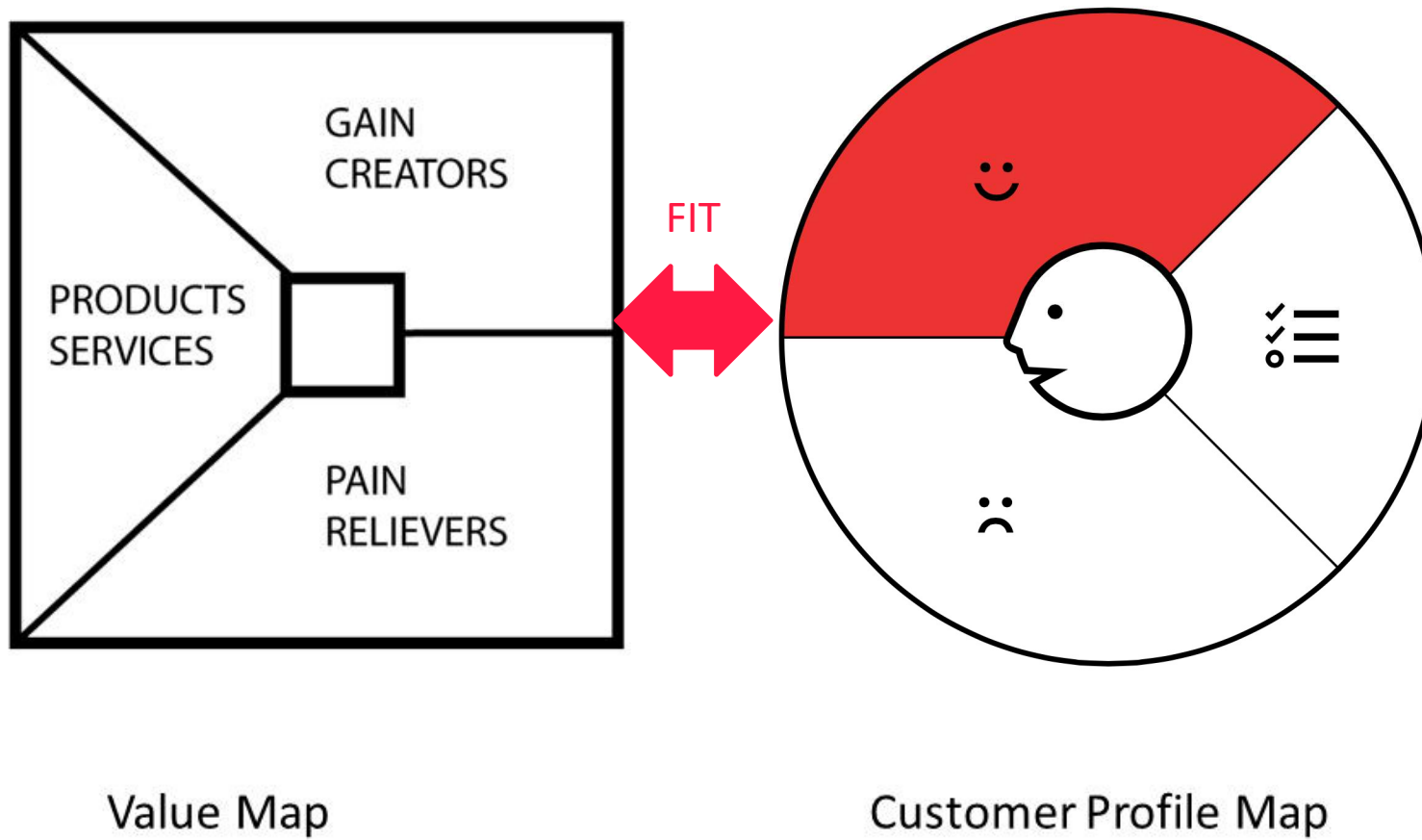
Product/Service Description: Performance characteristics



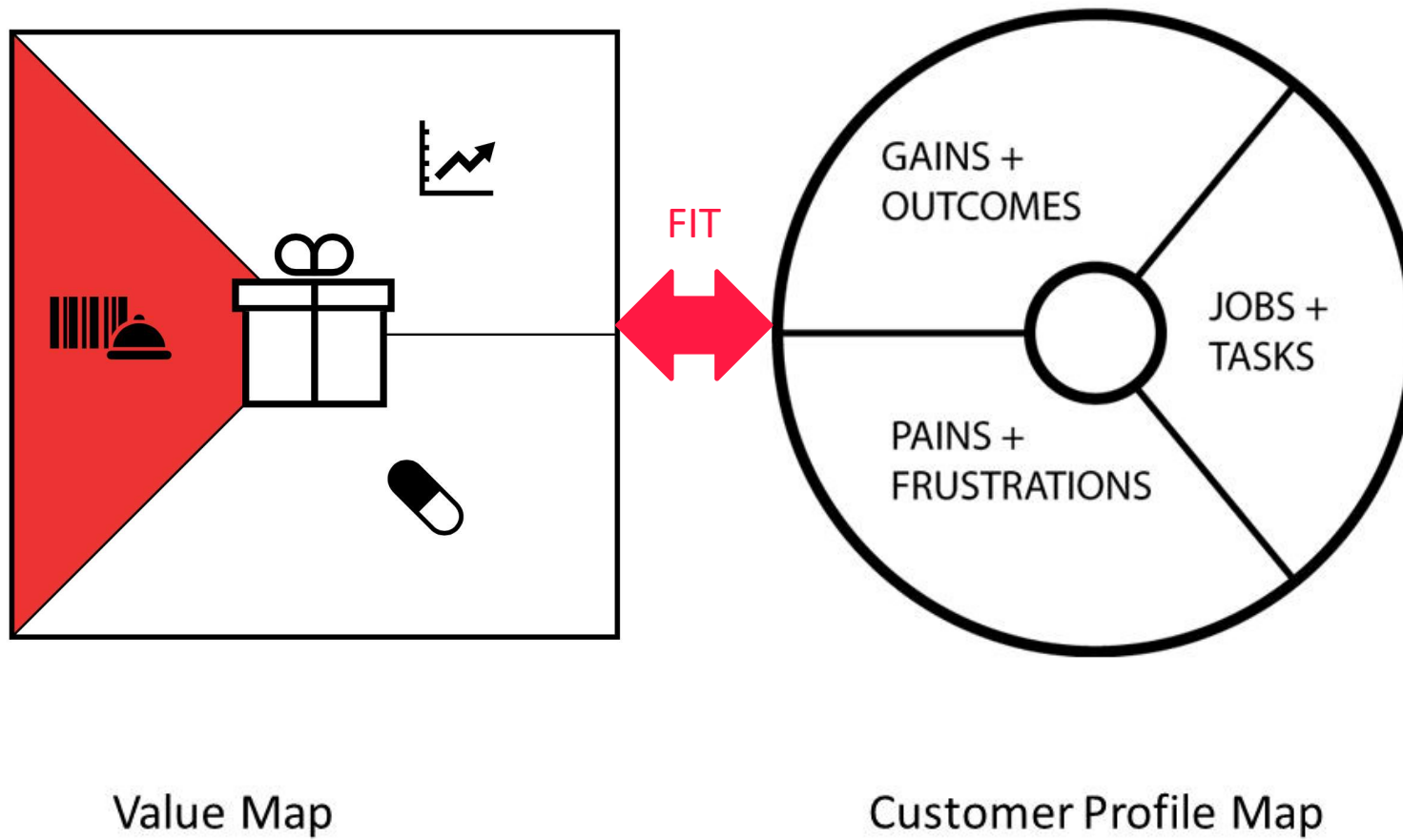
Product/Service Description: Performance characteristics



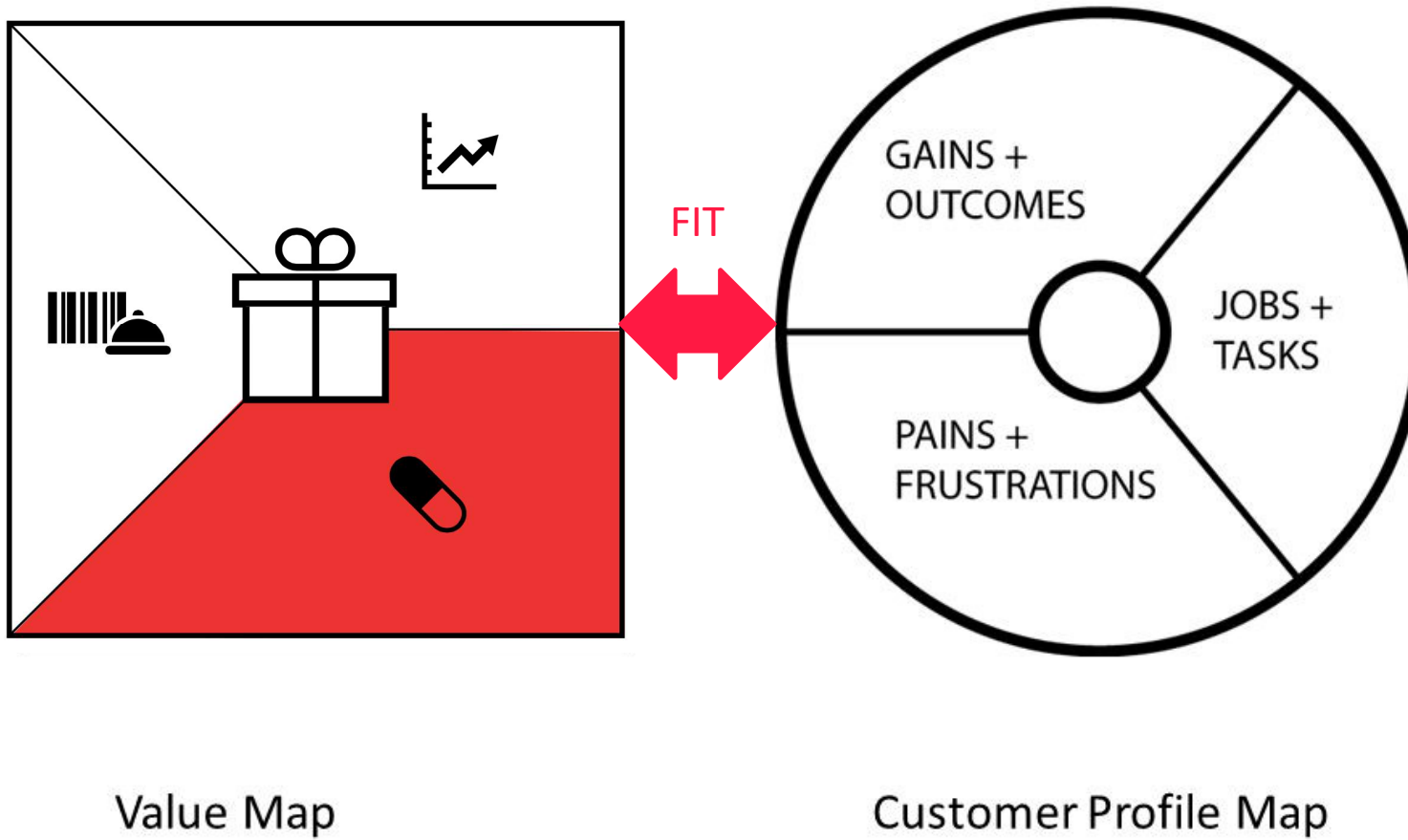
Product/Service Description: Performance characteristics



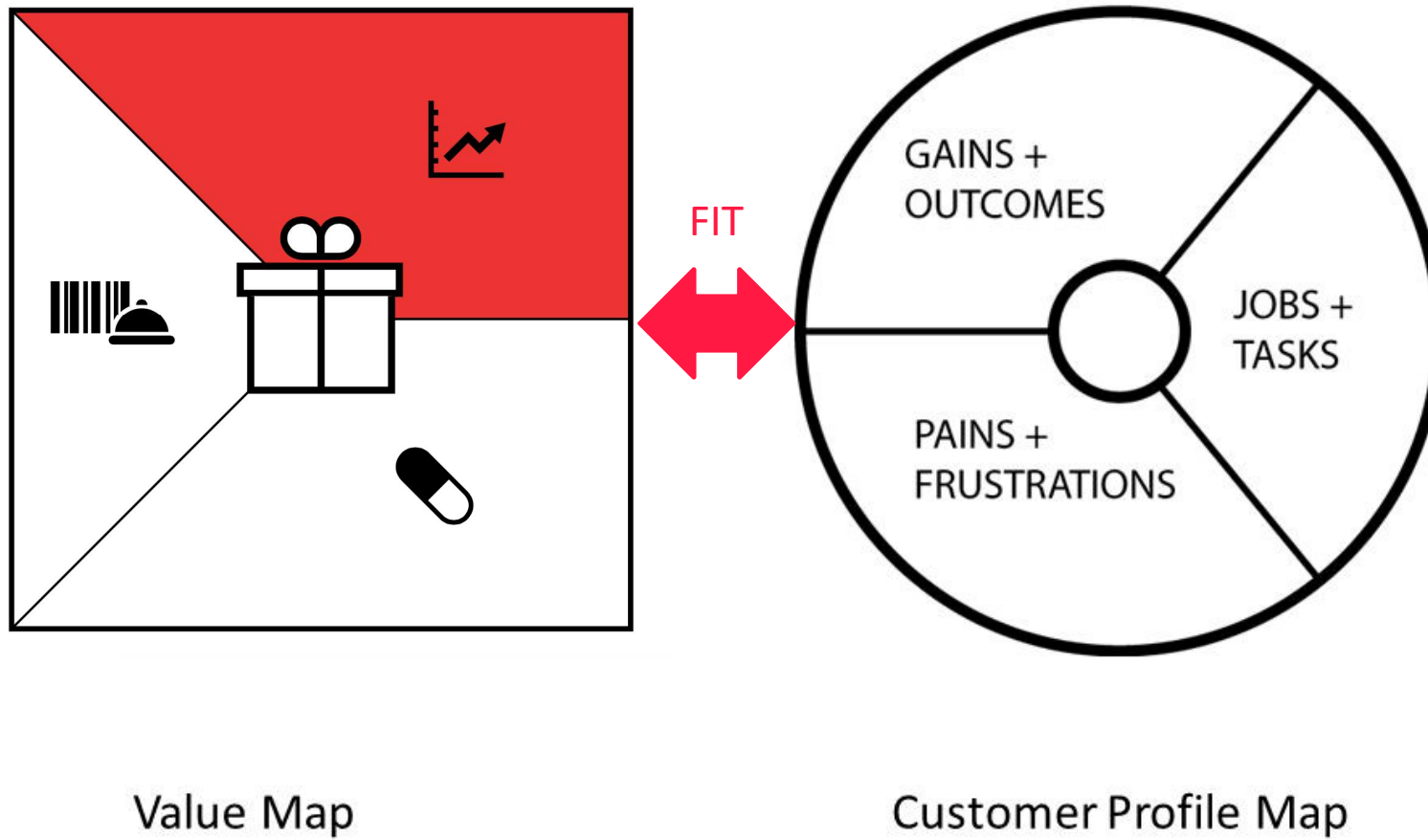
Product/Service Description: Performance characteristics



Product/Service Description: Performance characteristics



Product/Service Description: Performance characteristics

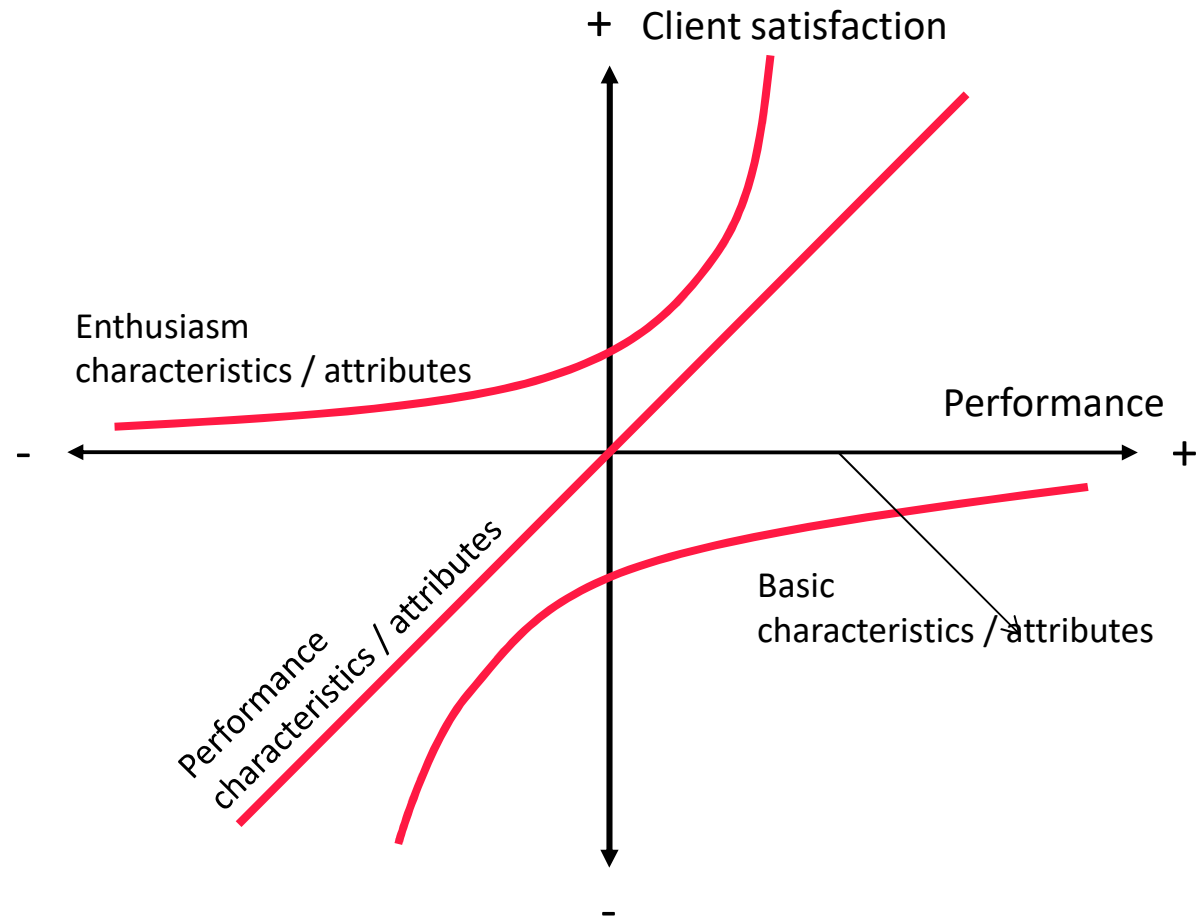


Product/Service Description: Performance characteristics



Product/Service Description: Kano Model

- Systematization method for characteristics or attributes of a product or service
- Three level model
 - Basic characteristics / attributes
 - Performance characteristics / attributes
 - Enthusiasm characteristics / attributes



Product/Service Description: Kano Model

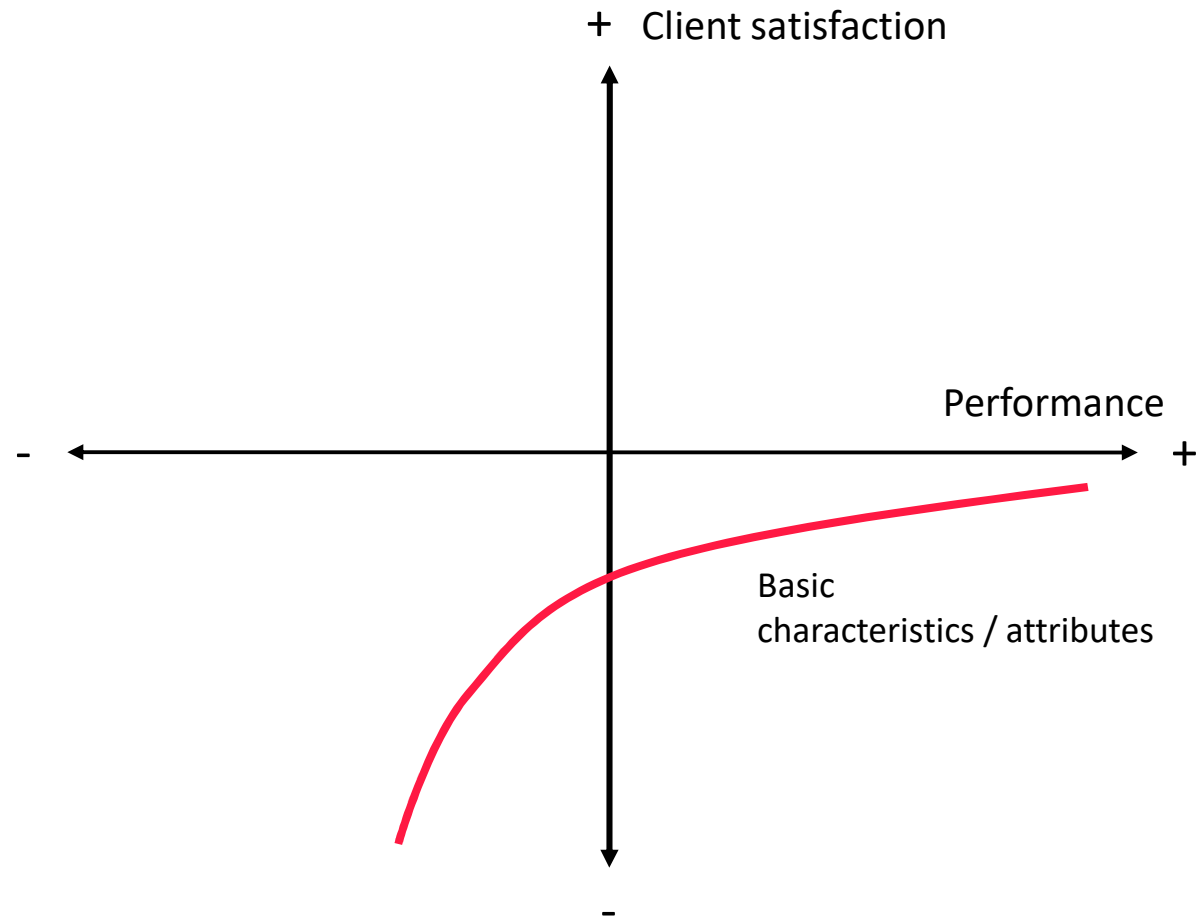
- Performance characteristics / attributes
 - The more we provide, the more satisfied our customer become
 - Eg. Internet connection speed



Product/Service Description: Kano Model

- Basic characteristics / attributes

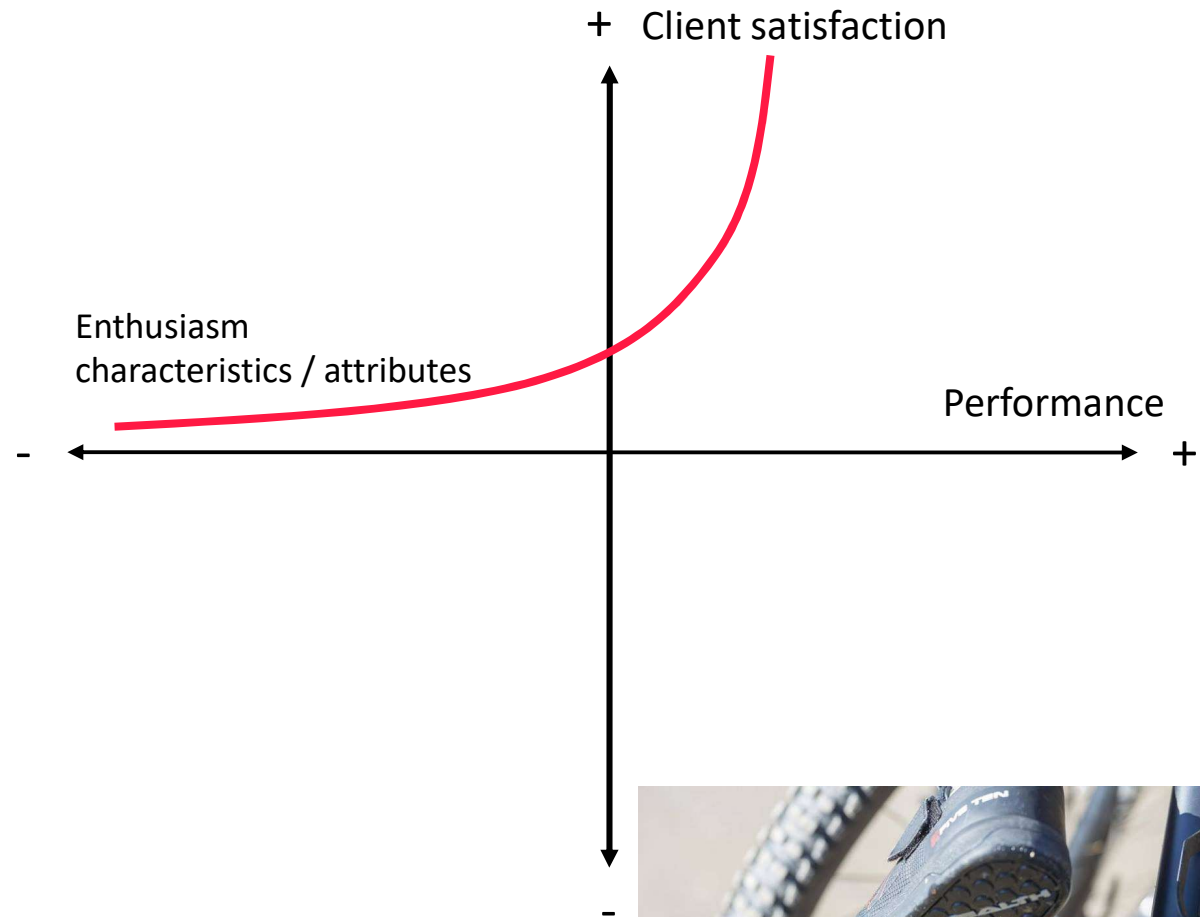
- Features that are simple expected by customers;
- If the product doesn't have them, it will be considered to be incomplete or just plain bad
- E.g. wifi connection



Product/Service Description: Kano Model

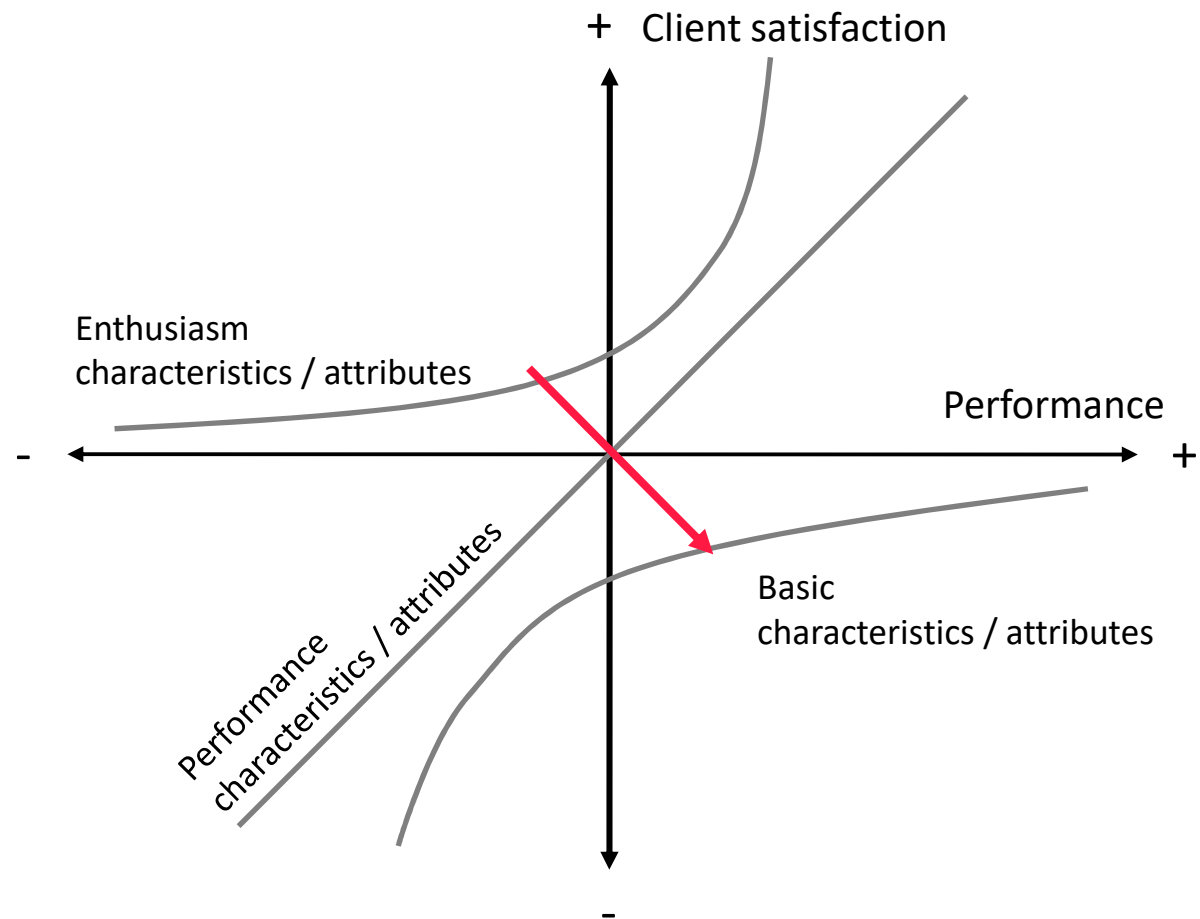
- Enthusiasm characteristics / attributes

- Unexpected features which cause a positive reaction;
- May not be present for customers to buy the product/service
- E.g. first time you used an iPhone



Product/Service Description: Kano Model

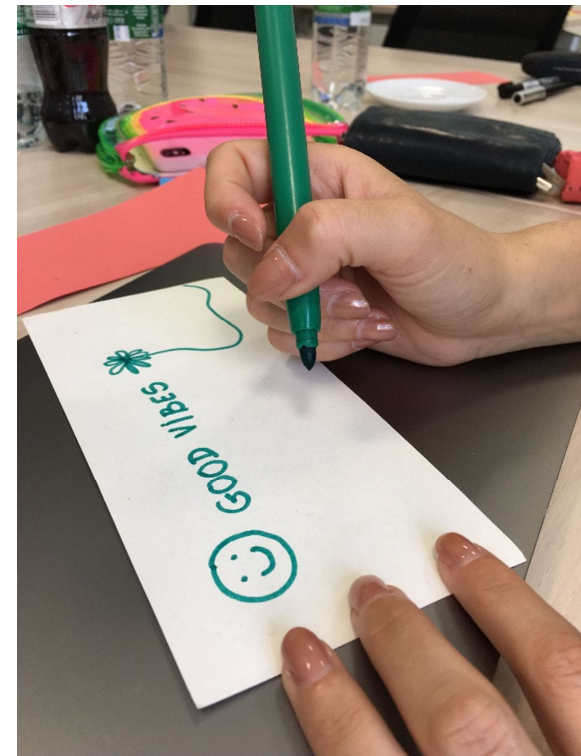
- Natural decay of delight





Thank you for your attention!

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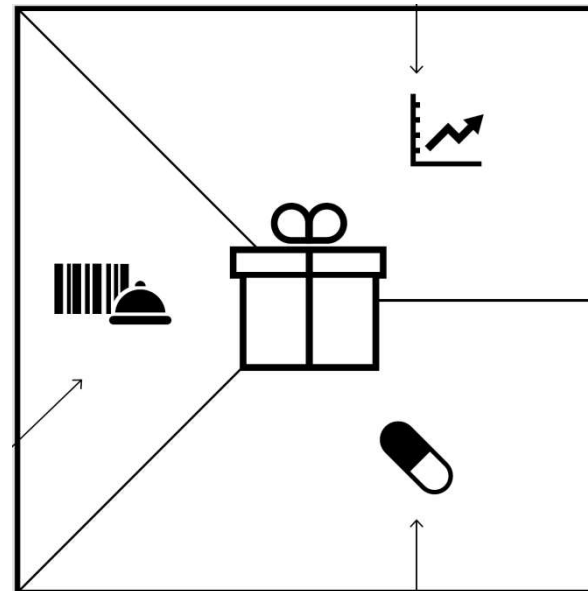


Value Map

Features of a specific value proposition in your business model in a more detailed way (product and service characteristics, pain relievers, and gain creators)

List of all **Product/Service Characteristics** a value proposition is built around

Gain Creators describe how your products/services create customer gains.



Pain Relievers describe how your products/services alleviate customer pains.

Modified from Osterwalder et al. 2014

Example

Mobile Car Care

Mobile Car Care

FEATURE



AUTOCAR

Service Characteristics – Mobile Car Care

- The Service: The mobile car care project is a **multi-car service** delivered to the customers location, which specializes in car detailing, scratch repair, cracked windshield repair, applying car protective films, oil change, regular car wash, and flat tire services. Among other services that are provided upon request includes the following:

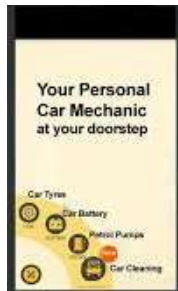
- Window tinting/shading
- Condition vinyl & leather surface
- Auto accessories sales



- Mobile Car Care: **All these service are delivered to the office, house or any other location chosen by the customer.** Customer's request are made through a mobile application, which features all the services and packages provided.

Service Touchpoints– Mobile Car Care

- Our well equipped Car Care vehicles carry all the necessary tools in order solve the customer's problem immediately



- Our App is the easy to use communication channel with the following functions
 - Easy one button call of the service provider
 - Recommended Maintenance Alert
 - Vehicle documents always available
 - Appointment scheduling



Customer Benefits – Mobile Car Care

- Our One-stop Car Care service is provided to customer everywhere in the country
- We solve immediate problems as well as continuously check customer's cars
- Our user-friendly App is an easy to use communication channel to call for support, book car inspections, etc.
- Our well-trained staff provides high-quality services



Future Development – Mobile Car Care

- App Store with special car-related products

Take Care
of Your Car
Exterior Care [Shop now](#)

