**Business Plan**

**Company Name**

**Founder Name**

**Product\_Name**

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# Executive Summary

## Introduction

One-page elevator pitch (write early and keep polishing)

* Explain problem solved
* Describe product/service
* Unique value proposition (why a customer would buy it)
* Potential for the business if successful
* What size investment is needed
* Summary of key takeaways from each section of this plan (all of the punch lines)

## Business Overview

* Company description and business model
* Value proposition - financial
* Current status of the company
* Current or committed funding and all funding sources

## Market Opportunity

* Why is this such a great idea?
* Define the problem, describe the customer pain
* Competitive analysis (how the problem is not being solved by competitors)

## Market Solution

* Product or service description
* How you will remove the pain, solve the problem
* Description of a working model or prototype, if appropriate
* Ability to create barriers to entry

## The Market

* Identification of customer(s)
* Market size, analysis and forecast
* Industry analysis and forecast

## Management Team

* Founders and key management bios
* Industry experience, education

## Financial Analysis

* Outline overall financial model with projections through Year 3
* Including pro forma cash flow and budget analysis
* Other analysis, as appropriate (i.e. break even analysis)
* Discuss assumptions and capital requirements

## Funding Request

# Introduction

* Describe problem to be solved.
* Describe proposed solution.
* UVP = unique value proposition (What exactly is new/better?)
* Details of how it will work
* Preliminary roadmap (optional), focus should be mostly on how to get to launch
* The Lean Startup (by Eric Ries) – minimize time & capital investment (minimum viable product approach)
* Plan knowing there will be iterations, used when time‐to‐market matters
* Create a fast mock‐up (using paper, if need be)

## The Problem

## Proposed Solution

## Unique Value Proposition

## How Product\_Name Works

## Preliminary Roadmap

# Target Market

* Who is target customer? (distinguishing characteristics, demographics, psychographics, geographies)
* Show deep knowledge of customer desires, key behaviors, and how they make buying decisions
* Discuss how this customer will be reached and made aware of product (ad strategies)
* Describe target market (TAM and SAM), growth trends, dynamics of buying/selling power
* TAM = Total Available Market (vs. Serviceable Market)
* Industry Analysis = market size, structure, & growth, barriers to entry, dynamics & trends, vulnerability to economic factors . Show that target market is large or has potential to be large soon, and conditions are ripe.
* Five Forces Model (Competitive Strategy – by Michael Porter)
* Suppliers & Buyers (bargaining power of each), Potential Entrants & Substitutes (threat of each), Industry Competitors (center of diagram with horiz and vert. axes for other forces)
* Competition (provide deep analysis but with a broad scope, by wearing shoes of your customer)
  + Realistic assessment of what bus. will likely face in existing and future market
  + Who are they?
  + Are they focused?
  + How large / capable are they?
  + What are their strengths and weaknesses?
  + What position have they taken? (price, quality, customer service, etc.) What is their edge / focus?
* Is the market fragmented or concentrated?
* How does offering exceed the market by a significant margin (compelling reasons)
* Indirect competitors, overlapping businesses, potential new entres or substitutes, products that overlap
* Brainstorm by grouping competitors into categories / market segments
* SWOT Analysis (Internal Strengths vs. Weaknesses, External Opportunities vs. Threats)
* Attribute Comparison Chart = used by buyer to evaluate your features vs. competitors (a good visual aid)

## Analysis of Market Opportunity

### Analysis of Demand for Proposed Solution

### Currently Available Solutions

### Potential Partnerships & Co-Sponsors

## Analysis of Competitive Entities

### Offerings from Similar Companies

### Market Trends

# Marketing

How you will go to market initially, and keep customers buying your product going forward

## Product

Attributes that will be highlighted for customers

## Place

Channels and methods of distribution

## Promotion

Strategies for creating awareness of product, educating customers on benefits, and getting them to take action

### Potential Advertising Slogans

## Price

Initial position in marketplace relative to other offerings

## Positioning

Relative to alternatives (room for innovation in all 5 P’s, which should work together)

Discuss differentiation in terms of Specialized vs General (horiz axis) and Broad vs Narrow (vert. axis) see [www.sunrisebridgepartners.com](http://www.sunrisebridgepartners.com)

Go to Market Approach (use verifiable facts with references to data/research)

* pricing strategy
* cost and size of launch
* how fast ramp?
* partners?

# Operations

* Actual plan for generating success
* How mature or feasible is the product/service/technology (risks, barriers to entry, marketshare issues)
* How will product be developed & tested & refined (key milestones with target dates that match Financial Plan)
  + launch date
  + revenue milestones
  + partnerships executed
  + key contracts signed
  + financial events
  + key employees hired
* Present the Action Plan for executing the company’s Vision (aggressive but credible).
  + Processes that must be performed every day to meet customer needs
  + Long‐term processes & systems
  + Reality vs. Concept
  + How customers needs will be met (proof of concept)
* How will operation ramp & grow over what time period (each phase)
* Personnel/labor requirements & costs
* Special equipment and/or key suppliers requirements (risks) & costs
* Space requirements (or zoning issues) for producing product & associated costs
* www.growthink.com ‐ <http://www.youtube.com/watch?v=0Jd34WCmBMM>
* “Doing the right thing is more important than doing the thing right.” ‐ Peter Drucker

## Requirements Phase

## Feasibility Phase

## Development Phase

## Test Phase

## Production Phase

## Launch Phase

## End-of-Life Phase

# Management and Organization

* Brief bios of team and overview of org structure
* What additional team members might be needed to overcome any issues here
* Identify any “spikes” you will require to be ahead of competitors
* Advantages team now has that can be leveraged
* Show how roles & responsibilities will be allocated and that team is willing to go along with the plan

## Team Member Name

## Team Member Name

## Team Member Name

## Team Member Name

# Development, Milestones, and Risks

* Overlaps a bit with Operations section, but show key things you need to do
* Show long term goals / growth strategy
* Identify key risks and challenges and plans to address them

## Development Plan

## Proposed Milestones

### Planning Phase

### Development Phase

### Pre-Launch Activities

### Launch Activities

### Post-Launch (Ongoing) Activities

## Potential Risks to Org

The failure mode effects analysis (FMEA) process followed to identify and analyze risks discussed in this section.

### Poor Execution

Delays in meeting announced milestones due to

* Unresolvable legal issues
* Inadequate resources

### Reduced Revenue Due to Damaged Reputation

### Cost Overruns

## Potential Benefits to Org

Brainstorming techniques used to identify and analyze benefits discussed in this section.

### Increased Revenues

### Good Will

“By showing the world that our org has a triple bottom line (profit, people, and planet), we show that we’re not just solely interested in profits.”

### Talent Development

The org could certainly use this product as a vehicle for developing other talent (hardware or software expertise), not to mention marketing talent, within our org.

### Publicity Opportunities

* Mentions of Product\_Name throughout the industry
* Partnerships with other orgs offering related solutions

# Legal

## Intellectual Property

Get a patent on the hardware / software / interface?

## Trademarks

Can we register Product\_Name as a trademark?

## Warranty

What do we dare promise and for how long?

## Liabilities

What if the device fails to warn a user?

What if user loses personal info stored on the device?

## Partnerships

Will this device compete with any of our existing customers’ products?

# Financials

## Cost Analysis

### Initial Costs

This section describes out-of-pocket expenses that will be covered by founders.

### Startup Costs

This section provides an estimate of the cost of designing, developing, and testing a prototype of Product\_Name.

### One-Year and Five-Year Plans - Projected Costs

This section provides an estimate of projected costs, based on projected milestones and expected supply, production ramp up, and distribution costs, as well as the cost of pre-launch, launch, post-launch and other activities.

### One-Year and Five-Year Plans - Projected Revenue

# Conclusions

# References

The following information sources are referenced in this document:

* xxx
* xxx

# Appendix A - General Guidelines & Tips

This section contains more detailed information on topics referred to in the plan.

## Topic 1

## Topic 2

## Notes from Training Sessions

* The plan should:
  + Provide a formal statement of bus. goals, a plan of action, and rationale
  + Be useful to investors but also provide team alignment
  + Demo your integrated approach to customers & stakeholders & PR (and any other affected entities)
  + Provide a checklist function that walks thru major areas of a business
  + Provide transparency into the approach & planning for each area required to launch the business
  + Serve as a living doc that evolves as the team learns
* Show how this innovation includes 3 elements:
  + What is different/new about this idea than what came before?
  + How will the new thing be applied to the market?
  + How will it deliver a superior (more efficient/effective) economic result? (customers happier thru savings, fewer upset customers, address issue of planned obsolescence, etc.)
* Identify innovation area(s):
  + new product/service/technology
  + new process/system/structure
  + new strategy/bus. model/combination
* Identify innovation type:
  + Sustaining = same market & value network   
    (evolving / incremental or transformational)
  + Disruptive = new market & network
* Provide **visuals** that show path to new idea thru existing market/products.
* Describe how it serves an underserved part of the market in a superior way.
* Define the problem (from user POV and the org POV) and show the solution.
* Show how idea embraces market trends and addresses unmet needs by applying technological advances.
* Show how it is an extension of service / enhancement of product
* Describe benefits to the org, users, & world (triple bottom line):
* Show how product enables the org to adapt to changing market & usage patterns
* Describe how the idea will be:
  + attractive to customers
  + executed
  + remain viable (profitable & supportable & robust vs. competitors)
* Brainstorm on better solutions and incorporate those features.
* Look at each attribute of existing solutions, and see what can be improved or combined in a new way. For example, pencil has these attributes (color, materials used, primary & secondary functions, size, durability)

## Notes from Meetings with Subject Matter Experts (SMEs)

* People to contact regarding questions about the Business Plan:
  + Project Manager
  + others
* Some other suggestions to use: (which have not been mentioned in the videos)
  + Do a Market Survey
  + Affinity mapping
  + Ethnographic interviewing
  + Game storming using Post-its
* Below is a list of companies/app names which  are focused on related gadgets
  + xxx

## Notes from Coaching Sessions

### Session #1 –

### Session #2 –

## Additional Resources

* Websites useful for keeping up with the Startup/Tech world:
  + [www.Quora.com](http://www.Quora.com)
  + [www.Venturebeat.com](http://www.Venturebeat.com)
  + [www.Mashable.com](http://www.Mashable.com)
  + [www.Engadget.com](http://www.Engadget.com)
  + [www.IDEO.com](http://www.IDEO.com)
  + <http://dschool.stanford.edu/>
* [www.businessmodelgeneration.com/canvas](http://www.businessmodelgeneration.com/canvas)
* <http://bplan.berkeley.edu/Documents/businessmodelgeneration_preview.pdf>
* Conceptual Blockbusting: A Guide to Better Ideas – by James Adams (Stanford U)
* Dealing with Darwin – by Geoffrey A. Moore
* The Innovation Trinity [www.triployed.com](http://www.triployed.com)
* The Lean Startup – by Eric Ries
* Competitive Strategy – by Michael Porter