

The background features abstract, overlapping purple geometric shapes, primarily triangles and polygons, in various shades of purple, ranging from light lavender to dark, almost black, tones. The shapes are layered, creating a sense of depth and movement. The overall composition is modern and minimalist.

# Innovative Entrepreneurship Theory and Practice

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**DIN111 (888111) 3(3-0-6)**

# Lesson 16 & 17: Business Plan


Innovative Entrepreneurship theory and practice (888111)

# Group business plans

Draft a business plan for your group:

- Executive summary
- Mission, vision, and culture
- Company description – including team roles
- and legal structure
- Opportunity analysis and research
- Marketing strategy
- Funding request

**TODAY WILL  
HELP!!!**

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What is a  
business plan?

# What is a business plan?

Explains the business idea

How it will be carried out

Organize your thoughts

Acts as a guide as you develop

## Includes:

- what the business is and will be
- all the main costs
- a description of how the business will be financed
- an estimate of projected earnings
- a marketing plan

Do you need a  
business plan?



## business plan need

- Is your business viable / feasible?
- It makes you analyse your idea, market, opportunities, etc.
- It is your guide to operations and management

## benefits

- Increase clarity of your goals, vision & mission
- Allows you to compare your predictions to your progress
- Acts as a guide to keep you focused

It will save you time & make you money!

# time & money

## Answer these questions:

- How much should you charge for your product or service?
- What exactly is your product or service?
- What is one unit of sale?
- What will your costs be?
- How are you going to market your product or service?
- How and where will you sell it?

If your proposed business is weak, the business plan can show you when  
to avoid the high cost of failure

# funding

- A business plan is crucial to raise capital
- It shows investors you are serious, focused and capable
- And shows them your plans clearly

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# Writing a business plan

## advice for writing

- Easy to understand for the reader
- Be clear & concise
- Business satisfy a need
- Show you understand and are passionate about your idea
- Business plans are between 15 and 40 pages

## advice for format

- Write in the third person (not 'I' and 'we')
- Use your research to validate what you say
- Use an academic style & stick to it
  - Sections and subsections
  - Introduction & conclusion
  - Page numbers
  - Cover page

Be professional

But really, it all comes  
down to developing a great

value proposition



# How to write a business plan

<https://www.youtube.com/watch?v=Fqch5OrUPvA>

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# Inside a business plan

cover page  
table of contents  
executive summary

**Mission** & Culture: Your dreams for the organization

**Company Description** - background & track record

Opportunity - **analysis** & research

**Market Strategy** & Plan - reaching customers

Management & operations - **making the plan happen**

**Financial analysis & projections** - translating action into money

appendices

# Parts of a Business plan

- Cover page
- Table of contents
- Executive summary
- **Mission, vision, and culture**
- **Company description**
- **Opportunity analysis and research:**
  - Industry analysis
  - Environmental analysis
  - Competitive analysis ...

# Parts of a Business plan

- Marketing strategy and plan:
  - Products/services
  - Pricing
  - Promotion
  - Place
- Management and operations:
  - Management team
  - Research and development
  - Physical location
  - Facilities
  - Inventory, production, and quality assurance

# Parts of a Business plan

- Financial analysis and projections:
  - Products/services
  - Sources and uses of capital
  - Cash flow projections
  - Balance sheet projections
  - Income statement projections
  - Breakeven analysis
  - Ratio analysis
  - Risks and assumptions
- Funding request and exit strategy:
  - Amount and type of funds requested
  - Exit plan
  - Milestones

# Appendices

## Can include:

- Resumes (personal CVs)
- Sample promotional materials
- Product illustrations/diagrams
- More detailed financial projections

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# Our Task

*(today & Thursday)*



## task

- sit in groups
- create mind maps
- one for each section (7 sections)

this is not needed for the project  
but, it does help the project

Create a *very quick* mind map for **each section**



cover page  
table of contents  
executive summary

**Mission & Culture:** Your dreams for the organization

**Company Description** - background & track record

**Opportunity** - analysis & research

**Market Strategy & Plan** - reaching customers

Management & operations - **making the plan happen**

**Financial analysis & projections** - translating action into money

appendices

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# Mission & culture: Your dreams for the organization

# Vision

- painting the big picture of what you want your organization to become.
- It is built on **the core values and belief system** of the organization.
- shorter than the mission statement

## Example

**“Digital for Thais” is the vision of AIS, a telecommunication company in Thailand**

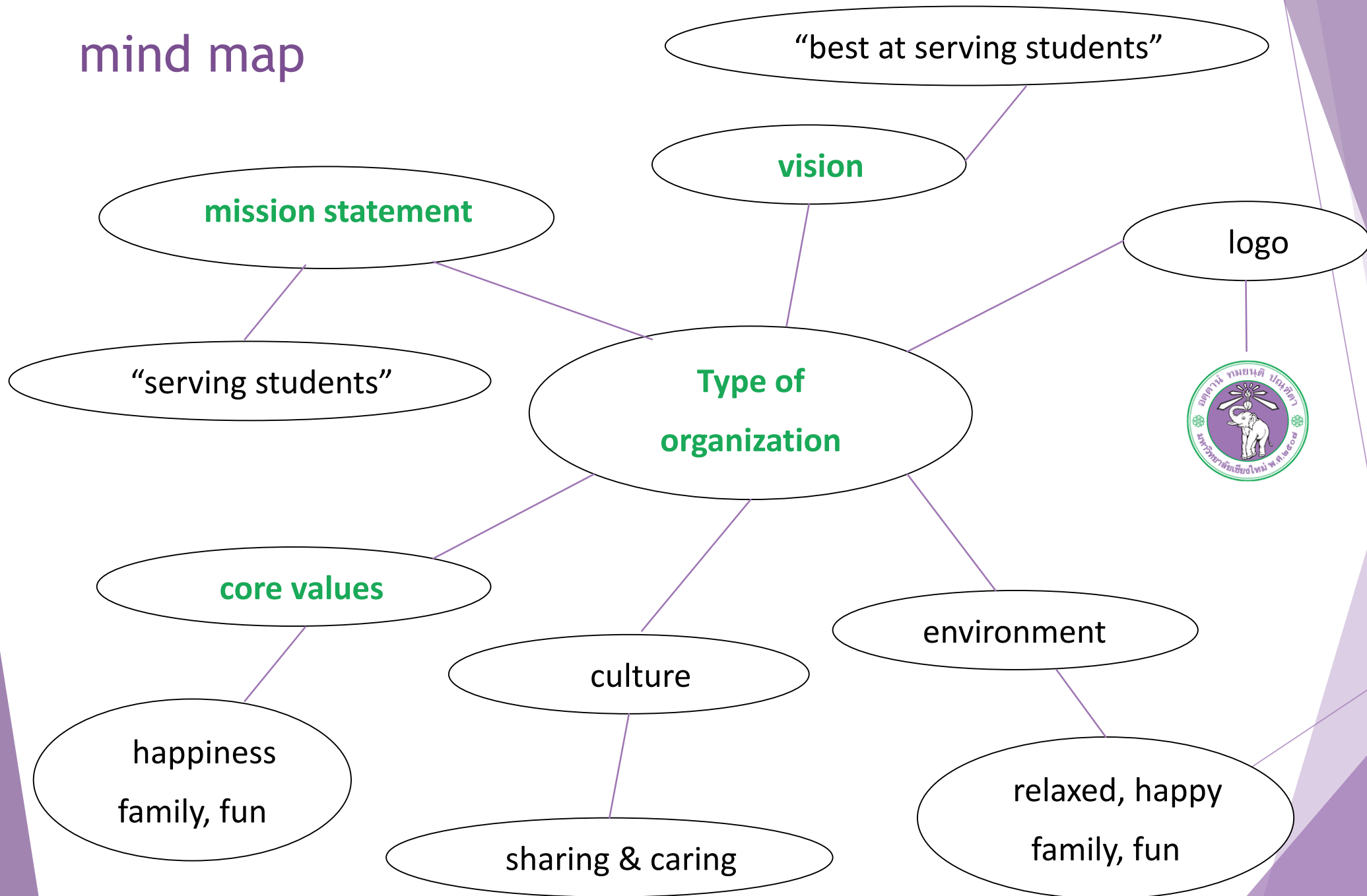
# Mission

- clarify what you are trying to do, and it can provide direction and motivation to those who are involved in the business.
- provides direction and motivation to employees
- should capture your passion for the business and your commitment to satisfying your customers
- should be clear and concise, no more than 20 to 40 words

## **AIS mission:**

**“Give a better service by using new innovations”**

# mind map





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# Company Description - background & track record

# Company Profile

- What exactly does your company offer?
- What does your company do?
- What makes your company unique?

# Description

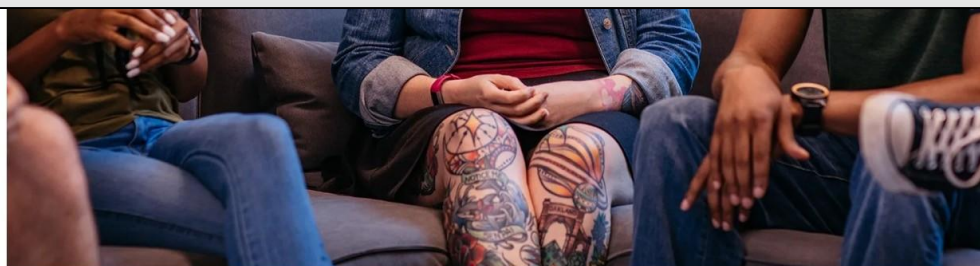
- It should include summary information about the company's founding, its progress, and its financial success.
- If this is a **start-up venture**, this section should describe briefly the background story of the company, explaining what you have done thus far and why you have done it.
- *The legal form of the business (sole proprietorship, corporation, LLC, partnership) should also be noted.*



Sales: +1 (800)

## Our Story

**M**ailchimp is an all-in-one Marketing Platform for small business. We empower millions of customers around the world to start and grow their businesses with our smart marketing technology, award-winning support, and inspiring content. Founded in 2001 and headquartered in Atlanta with additional offices in Brooklyn, Oakland, and Vancouver, Mailchimp is 100% founder-owned and highly profitable.



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# Mind map

What does your company do?

Does it have any background information?

- What exactly does your company offer?
- What makes your company unique?

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# Opportunity - analysis & research



## Opportunity analysis and research – testing ideas

This section will provide the credible data and information to determine and demonstrate the **market viability** of your proposed business

It should be a clear description of **why the business presents an excellent opportunity**, based on sound research and logic

## Opportunity analysis and research – **Industry analysis**

- ▶ industry definition,
- ▶ industry size and growth (or decline),
- ▶ product and industry life cycle, and
- ▶ any current or anticipated legal or regulatory concerns.

## Opportunity analysis and research – **Industry analysis**

- ▶ Determining **industry structure**,
  - ▶ including geographic distribution, business size of member firms, concentration of power, and rates of failure
  - ▶ For example, the failure rate of restaurants is very high and should be addressed in a business plan for a dining establishment.
- ▶ also how you will track industry developments on an ongoing basis

## Opportunity analysis and research

### – Environmental analysis

- ▶ the roles of the community, region, nation, and/or the rest of the world as they relate to your business.
  - ▶ Whether or not demographic and family changes are working in your favour could mean adjustments for the business.
  - ▶ Changes in technologies and economic conditions might radically alter your plans.
  - ▶ Examples could include the aging of the baby boomer generation or the prevalence of computer technology.

## Opportunity analysis and research

### – Proof of market

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There have to be

- ▶ enough customers who will purchase your product or service in
  - ▶ sufficient quantity
  - ▶ at a high enough price and
  - ▶ often enough for your business to be sustainable.
- ▶ provide evidence of a market opportunity
- ▶ market size, both in terms of dollars and units

## Opportunity analysis and research

### – Target market

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- ▶ **Segments**, which are groups of people defined by common factors, such as demographics, psychographics, age, or geography.
- ▶ This section will discuss **the size of your target market and the market share** that would be attainable.

# Opportunity analysis and research

## Psychographic Segmentation and The Art of Persuasion

Demographics
- Age
- Gender
- Occupation
- Location
- Education
- Marital status



Psychographics
- Personality traits
- Lifestyle
- Attitudes
- Values
- Interests
- Beliefs

## Opportunity analysis and research

### – Competitive analysis

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- ▶ It must make clear where your competitive strengths and weaknesses are and where there are holes in the competitors' businesses.
- ▶ Factors to compare may include, but would not be limited to, location, product selection, market share, product or service quality, experience, advertising, pricing, finances, capacity, hours, size and skill of workforce, and reputation.
- ▶ This should compare your organization with several direct and indirect competitors by name and include comparisons that would be meaningful to customers.



# Opportunity analysis and research

## – Competitive analysis

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- ▶ Value proposition and customer segments
  - ▶ <https://www.youtube.com/watch?v=m2IPvT920XM&list=PL8dPuuaLjXtNamNKW5qIS-nKgA0on7Qze&index=4>
- ▶ What you can learn from your competition
  - ▶ <https://www.youtube.com/watch?v=5hL66Xl6W6M&list=PL8dPuuaLjXtNamNKW5qIS-nKgA0on7Qze&index=5>

## opportunity

- What is your target market?
- What are your market goals?
- What is the market analysis that says you have a good opportunity of success?
- How does your company differ from its competition?
- How are you going to remain successful in your market?

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# Market Strategy & Plan - reaching customers

# Market

- ▶ Who are your customers?
- ▶ What are their ages?
- ▶ What is their gender?
- ▶ What do they earn?
- ▶ Who are your competitors?
- ▶ What will you do differently to your competitors?
- ▶ What is your Unique Selling Proposition?

# Product or service

- ▶ What is your product or service?
- ▶ How will it be used?
- ▶ When will it be used?
- ▶ What benefits does it have?

## Market strategy and plan: Reaching customer

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- ▶ How you will reach your customers (BMC platforms).
- ▶ **Marketing mix:**
  - ▶ The combination of the four factors— **product, price, place, and promotion**—that forms your competitive advantage.
- ▶ **Marketing plan:**
  - ▶ A statement of the **marketing goals** and objectives for a business and **the strategies and tactics to attain them.**

## Market strategy and plan: **Products/Services**

What benefit is your product or service providing to customers?

- ▶ Your products/services should **meet or create a customer need.**
- ▶ The distinctive features and **benefits of the product/service must be clearly stated.**
- ▶ If you are introducing an innovative technology, the value of the innovation to customers warrants explanation here.



## Market strategy and plan: Pricing

Price should reflect your strategy, and policy.

- ▶ If you are marketing a luxury item, a relatively low price might not send the right message to your target customers.
- ▶ Highlight competitive advantages—such as quality, credit terms, warranty type and length, service, and innovativeness—that support the pricing.

## Market strategy and plan: **Promotion**

- ▶ Promotion consists of **advertising**, **publicity**, and other promotional methods, such as **discount coupons** or **giveaways**
- ▶ Generally, **publicity** is free, whereas **advertising** is purchased.
- ▶ The description of your **promotional plans** should be specific with respect to the **methods used**, the **timeline for implementation**, and the **budget**.

## Market strategy and plan: **Promotion**

- ▶ **Advertising** consists of paid promotion through media outlets, such as broadcast or cable television, the Internet, podcasts and magazines.
- ▶ **Public relations** consists of community activities that are designed to enhance your organization's image.
- ▶ **Publicity** is free notice in the media presented as news.
- ▶ **Direct marketing** includes telemarketing, direct mail, in person selling, and other personalized efforts.

## Market strategy and plan: Place

This is **the venue** from which you will sell and distribute your product.

- ▶ Your selling location should be where consumers in your target market do their shopping
- ▶ If you are selling a luxury item, you will need to place it in stores or on web sites that are visited by customers who can afford it.
- ▶ Included in place is your selection of a type of **sales force** i.e., independent, company, single line, or multiline, any geographic definition of your market, and channels of distribution.
  - ▶ *Are you going to sell directly to consumers, work through wholesale distributors, be Web-based, or sell at retail?*

## Marketing Strategy

- What is your marketing strategy?
- Who are your customers?
- What are their ages, gender, what do they earn?
- Who are your competitors?
- What will you do differently to your competitors?
- What is your product or service?
- How will it be used?
- When will it be used?
- What benefits does it have?
- What is your Unique Selling Proposition?



**Thank you!**  
any questions?