The Wind-Up
Create a Pitch-worthy Business Plan
No Business Plan Survives First Contact With Customers
Business Plans -

- are the execution document that existing companies write when planning product-line extensions
- are used where customer, market and product features are known
- are operations documents that describe an execution strategy for addressing known factors
Most entrepreneurs face a series of unknowns:

- unknown customer segments,
- unknown customer needs,
- unknown market conditions,
- unknown cash flow issues,
- unknown supply chain issues,
- unknown product features,
- etc....
Entrepreneurs are Startup Wranglers

- a **startup** is a *temporary organization* designed to search for a **repeatable** and **scalable** business model
- the **primary objective** of a startup is to **validate** its *business model hypotheses*
- only **after this point** does the startup need an *operating plan*, financial *forecasts* and other well-understood *management tools*
Model Your Future...

- Key Activities
- Value Proposition
- Customer Relationships
- Key Partners
- Customers
- Costs
- Key Resources
- Channels
- Revenue

drawings by JAM
Business MODEL

- identifies the services that your customers value
- shows the funds received for the services your small business renders
- explains the flow of money within your small business

Business PLAN

- provides the details of your business
- explains the equipment, supplies, staff etc. you'll need to meet the details of the business model
- explains the structure needed to obtain that flow of money
Typical Business Plan Outline

- Executive Summary
- Business History, Background and Objectives
- Business Environment
- Products and/or Services
- Present Market
- Competition
- Marketing Plan
- Management and Organization
- Business Resources
- Financial Plan

- source: www.sba.gov
The Business Model Canvas

1. Value Propositions
   - Which one of our customer’s problems are we helping to solve? or Which customer needs are we satisfying?
   - What is the specific product/service?
   - What are the features that match customer needs?

2. Customer Segments
   - For whom are we solving a problem or fulfilling a need?
   - Who are the customers?
   - Does the value proposition match their needs?
   - Is this a single-sided or multi-sided market?

3. Channels
   - Through which Channels do our Customer Segments want to be reached?

4. Customer Relationships
   - How will we get, keep and grow customers?

5. Key Activities
   - What Key Activities do our Value Propositions require?

6. Key Resources
   - What Key Resources (suppliers, etc.) do our Value Propositions require?

7. Key Partners
   - Who are our Key Partners?

8. Revenue Streams
   - What is the revenue model? What are the pricing tactics? For what value are our customers willing to pay?

9. Cost Structure
   - What are the most important costs in our business model?
Strategic Plan

- A business plan covers the “who” and “what” of your business; a strategic plan examines the “how” and “when”
- A strategic plan is an internal document, designed for you to turn your business model into a course of action
- A strategic plan is usually written before a business plan and, though typically shorter and less detailed, contains the seed of your final, full business plan
Typical Strategic Plan Outline

- Executive Summary
- Mission Statement
- **SWOT Analysis**
- Company Goals
- Financial Projection
- Customer Analysis
- Industry Analysis
- Marketing Plan
Know Thyself (& thy business)

• **Strengths**
  - What do you do better than anyone else?
  - What is your Unique Value Proposition?

• **Weaknesses**
  - What could you improve?
  - What factors lose you sales?

• **Opportunities**
  - What emerging trends can benefit your business?

• **Threats**
  - What obstacles do you face?
From Strategy to Tactics

- Modelling your business and creating a strategic plan first allows you to identify what's missing or unclear in your business plan.
- Your business plan should be the "operational manual" for your business: it's difficult to get this right before you've actually been in business for a year or so.
- **DON'T RUSH!** There's no expiration date for seeking financing, but you can hurt your chances by approaching a bank or investor before you're ready.
- Business modelling and strategic planning help you see your business the way a bank or investor will, in terms of its viability and your preparedness.
PLAN Your Business

- **DON'T just write a business plan.** Most business plans are, at best, works of creative fiction.
- While a business plan is an essential tool in seeking financing or investing, a business plan is NOT a loan application.
- **A thorough** business plan which is the result of business modelling, strategic planning and SWOT analysis helps you to be sure you know how much financing you need, when you'll need it and, most importantly, how to apply it so that you grow your business and not your debt.
Resources

• *This presentation*:  
  https://slides.com/bluetechninitiative/business-model-review

• The **Business Model Fiddle** - create your own Business Model online:  
  http://bmfiddle.com/tour.html

• **Business Model Canvas explained**:  
  https://youtu.be/QoAOzMTLP5s

• **SWOT Analysis Worksheet**:  
  http://www.wikiwealth.com/swot-analysis-generator
About Cornell Green

**Cornell Green** is an IT Services professional with over 23 years of experience with such firms as Lehman Brothers and Paine Webber.

Since 2010, Mr. Green has been an independent consultant, working with NYC-based Small Businesses, helping them leverage the power of technology.

About BTI

**Blue Tech Initiative** - BTI - is a consortium of NYC-based IT Services companies united in the spirit of "co-opetition".

These three business: CommunIT Solutions, Openchoice IT and Gotcha Techs Harlem join together to provide effective solutions for New York’s Small Business community.