# Business Plan Workshop

Tom A. Buckles, PhD August 9, 2013







# Workshop Road Map

- Introduction
- · What we will & will not do today
- Business Plan Basics
- Business Plan Web Resources
- Mission Statements
- Value Propositions
- Business Plan Exercise
- Wrap-up





## Goals

1. Introduce some business plan basics

2. Provide business plan resources

3. Create a Value Proposition

4. Create a one-page business plan





## Introduction

· A little about me

A little about you





## What we will/will not do today

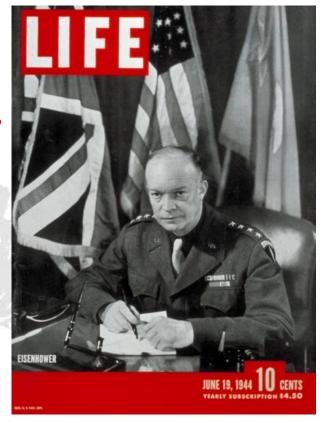
- What we will do
  - Discuss the basics of business plans
  - Explore some business plan resources
  - Create a one page business plan
  - Have some fun
- What we will not do
  - Create a 20-30 page business plan





Plans are Worthless

Planning is Everything



Dwight D. Eisenhower Supreme Commander, Allied Forces Europe 34<sup>th</sup> President of the United States



THE WALL STREET JOURNAL

Tuesday, January 9, 2007

**SMALL BUSINESS** 

ENTERPRISE | By Kelly K. Spors

## Do Start-Ups Really Need Formal Business Plans?

Studies Find Often Time Wasted Gathering Data With No Link to Success

ing number of academics are question- Gupta says. ing whether that's really the case.

Budding entrepreneurs can spend months, sometimes years, polishing elaborate 50- to 100-page business plans that include financial projections, market research, and intricate details on day-to-day planning and organization. But skeptics say there's little concrete evidence that extensive planning is highly correlated to success.

A more practical approach, they say, for entrepreneurs who aren't seeking external start-up financing from venture capitalists or angel investors, is to write a "back-of-the-envelope" plan with basic financial projections, such as cash flow, and fine-tune the business model after launching the

#### 'Just Do It'

"What we really don't want to do is literally spend a year or more essentially writing a business plan without knowing we have actual customers," says William Bygrave, an entrepreneurinal idea and developed outsourcing- a full business plan "the opportunity management software geared toward companies with annual revenue of more than \$1 million. While the planning helped him learn about the industry, it didn't point out the fundamental flaw of his original idea.

Business schools and consultants "We were handed one or two prospects in the planning stage, but it was formal business plan greatly improves a lot harder going after a broader base a start-up's odds of success. But a grow- of customers after we launched," Mr.

The critics of formal planning contend that it runs counter to what's at the heart of the entrepreneurial spirit: the ability to learn and adapt through experience. And there's a growing body of research supporting the notion that formal planning may not make much difference.

#### Planning Debate

The News: Some academics doubt the conventional wisdom that formal written business plans do much to help start-ups succeed.

The Background: Some recent studies suggest there's little correlation between having a business plan and profitability. Advocates of business plans counter that the plans give entrepreneurs focus and prevent costly

The Bottom Line: There are questions whether entrepreneurs may be

will be gone."

#### **Knowing Customer Base**

Benson Honig, a professor at Wil frid Laurier University in Ontario, Can ada, says his research of 396 nascer entrepreneurs in Sweden from the lat 1990s also found no correlation be tween business planning and profit ability. Instead, his study found the big gest predictor of success to be know ing customers in advance. Mr. Honi says he teaches "contingency plan ning" to his students-or thinking about a business as constantly gressing, changing and making sions based on the market clip te-in

stead of traditional busines planning Business-planning advocate counter that plans, hile not alway perfect, can help nascent entrepre neurs nail down important aspects of their concert, and sometimes preven

Evans, a counselor for Score, ap of retired business executives ho counsel entrepreneurs, says on client wanted to start a business design ing custom scrapbooks. But it wasn' until she started formally planning tha it became clear she would only make \$3 an hour for her labor.

#### **Untold Failures**

Scott Shane, a professor at Case Western Reserve University, says mos studies that discount business-plan

#### **Planning Debate**

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The Background: Some recent studies suggest there's little correlation between having a business plan and profitability. Advocates of business plans counter that the plans give entrepreneurs focus and prevent costly mistakes.

The Bottom Line: There are questions whether entrepreneurs may be spending months fine-tuning 50 page business plans, when they might be better off just sketching out basic financial projections and launching the business.

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- Because I have to...
  - Needed for financing
  - Strategic partnering
  - To explain business to customers/suppliers
  - To attract key people





- Need to Understand Your Business
  - The Business Plan is a result of a PLANNING PROCESS
  - · People don't Plan to Fail; they Fail to Plan
    - Who are your customers/users?
    - Will the buy or use your service or product?
    - What will they pay?
      - » Or how will you capture value for your efforts
    - How will you make and deliver the service/product
    - What resources (people, money, technology) will you need?



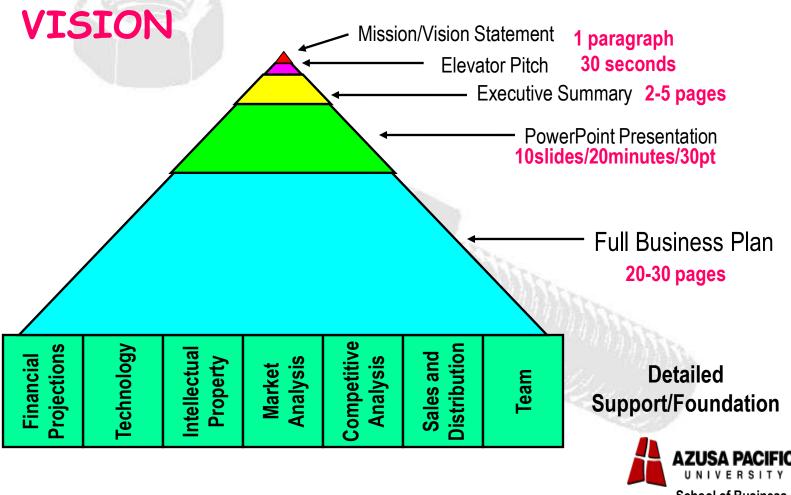
It is a Really Simple Concept ..... (whether you are doing a Web 2.0 company, a biotech or financial services company, or a non-profit social developmental company):

- · Create Value
- · Capture/Harvest the Value Created





The Business Plan - A SUPPORTED





- What Should Be In A Business Plan?
  - The Plan is a SELLING DOCUMENT
    - Don't lose sight of the vision
    - The excitement must come through
    - The Plan should project your image
  - BUT: The Plan Must Be Defensible





- What Should Be In A Business Plan?
  - Elements of a Full Business Plan
    - Executive Summary
    - The Opportunity and the Company and its Services/Products
    - Market Research/Analysis
    - Economics of the Business
    - Marketing Plan
    - Design and Development Plan
    - Manufacturing and Operations Plan
    - Management Team
    - Schedule
    - Critical Risks, Problems and Assumptions
    - The Financial Plan
    - Appendices









Glendora Business Plan Workshop Tom A. Buckles, PhD



# Dash on to Business Plan Web Resources



UNIVERSITY

& Management 15