

Business plans: What, why and how

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CERN Entrepreneurship Meet-Up #11

23/09-2015

“An idea might sound great in your mind, but when you put down the details and numbers, it may fall apart”

- Eugene Kleiner, venture capitalist

Human Resources



Physical Resources




What: Business Plan

Technical Resources



Financial Resources



A photograph of a beach scene. In the foreground, a large, smooth, dark grey rock sits on the sand. The middle ground shows the ocean with gentle waves. In the background, a large, prominent rock formation, possibly a sea stack or cliff, rises from the water. The sky is overcast and grey.

“By failing to prepare, you
are preparing to fail”

- Benjamin Franklin

Why: Inside the firm

Structure

What?

Why?

How?



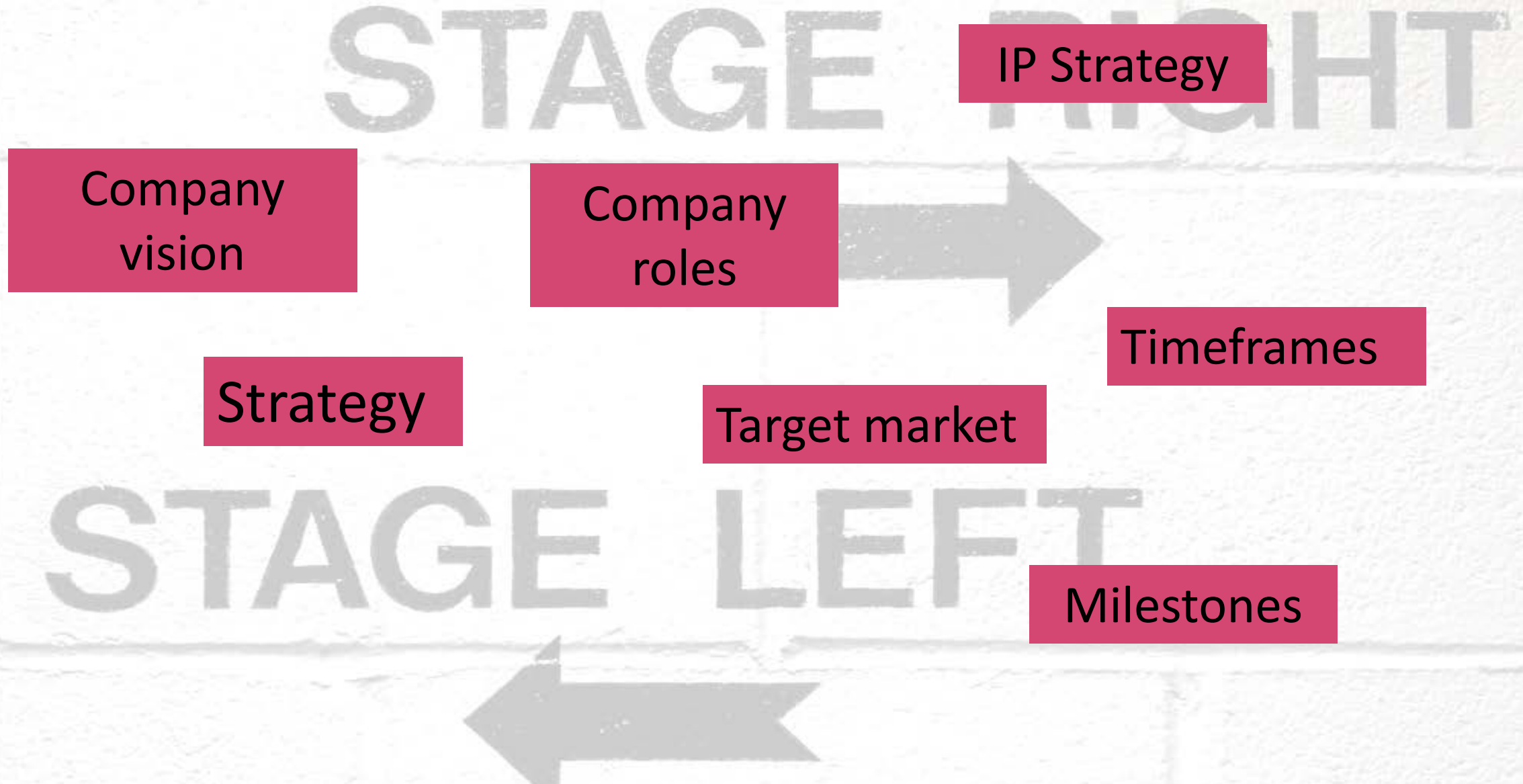
Reflection

Rights

Wrongs

Milestones

Why: Inside the firm





Why: Outside the firm

Why: Outside the firm

How do I make money?

What is the problem?

How big is the problem?

How will you solve the problem?

Why should I believe in this team?

Why: Outside the firm

Do not *think*.

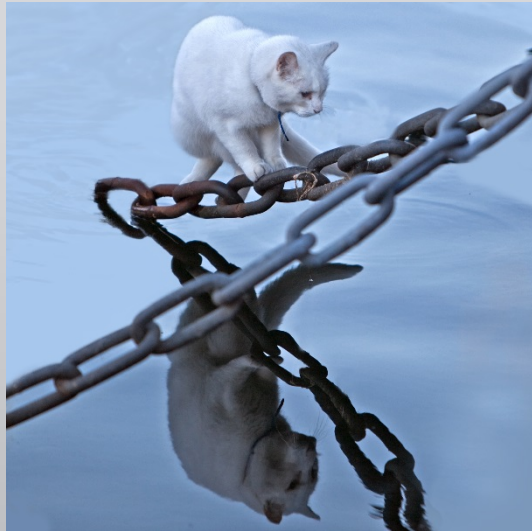
You have to **know**.

What: **Types of Business Plans**

Summary BP

10 – 15 pages

“Test the water”



Full BP

20 – 30 pages

Investor oriented



Internal BP

30+ pages

Operational map



How: Structure

Keep it old school

Do not be a copycat

Be excited, and show it!



How: Content



Long enough
to provide sufficient information



Short enough
to keep the reader interested

How: Outline

Executive summary

Introduction

Business Idea and Vision

Market

Product or Service Description

Business Model

Marketing and Sales

Organization

Financials

Risk Analysis

Milestones

Executive summary

What?

Why?

Who?



Introduction



Background
Problem to be solved



Key Personnel
Formalities



Company Structure
Present or future

Business Idea and Vision

Business Idea

What does the business do?

Who benefits from it?

How will it be done?

What makes it unique?

Mission Statement

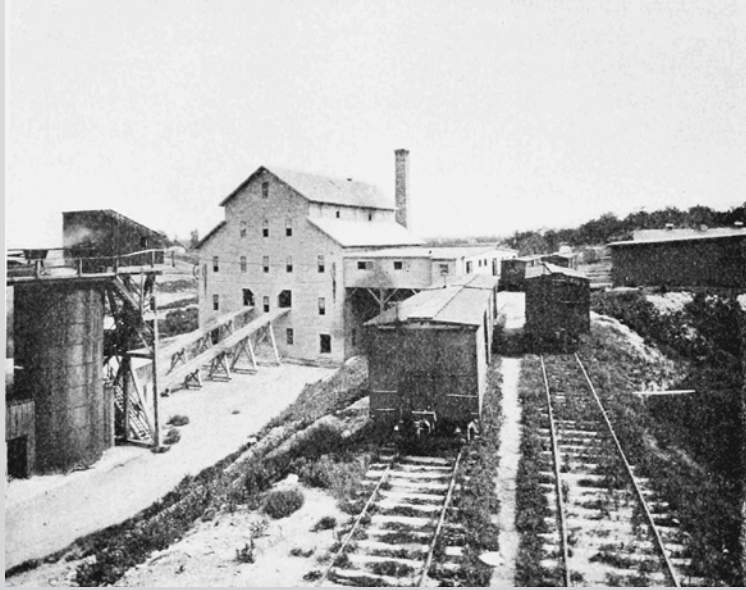
Why does this business exist?

Company Goals and Objectives

Goal: Where you want your business to be

Objectives: Progress markers along the way to goal achievement

Market



Industry

Trends
Changes
Legislation
Market size
Barriers of entry



Customers

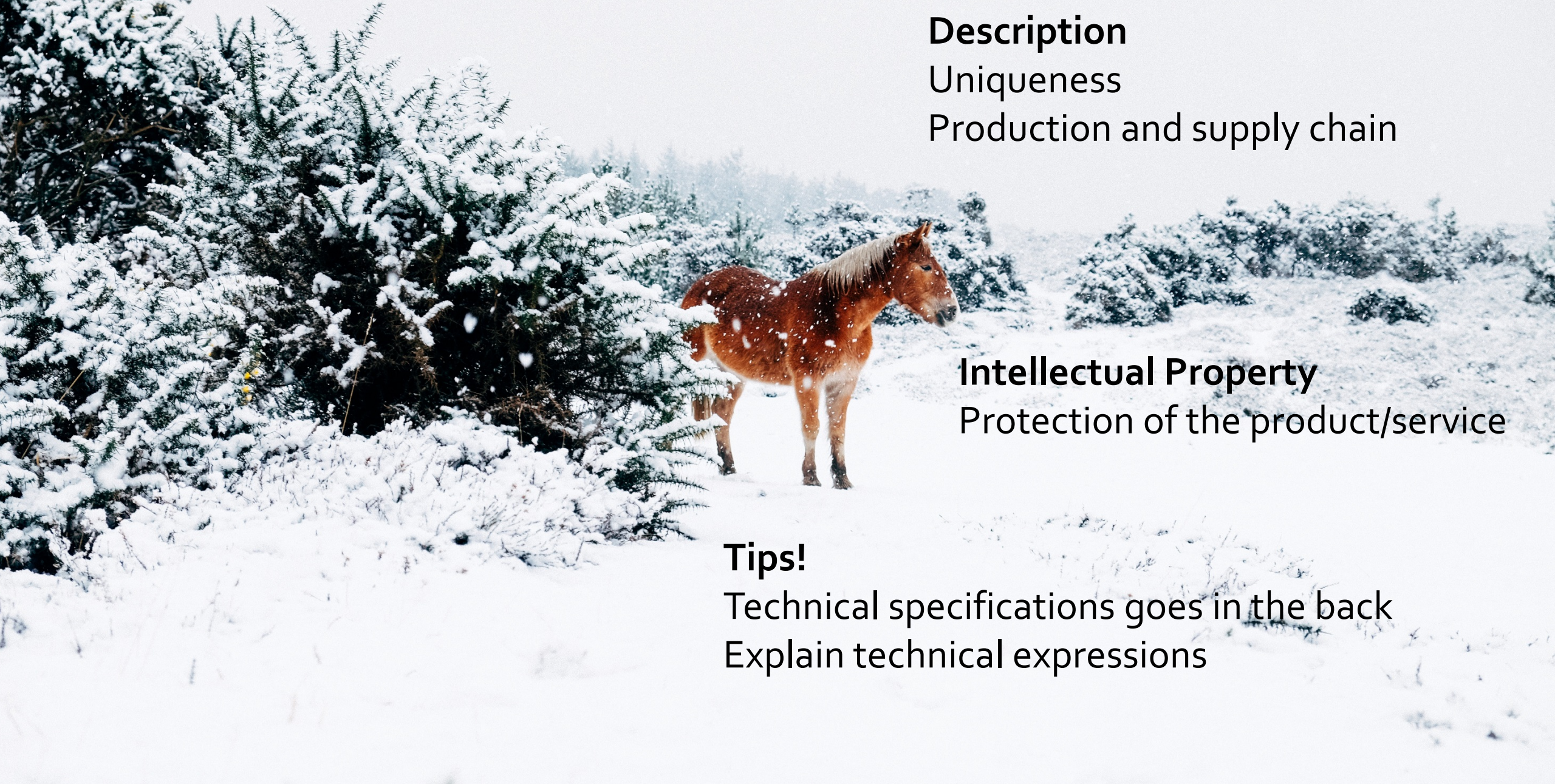
Geography
Demographics / Profile
Buying criteria
Willingness to pay
Income level



Competitors

Strengths & weaknesses
Market position
Distribution channels
Price structure
Sales technique

Product or Service Description



Description

Uniqueness

Production and supply chain

Intellectual Property

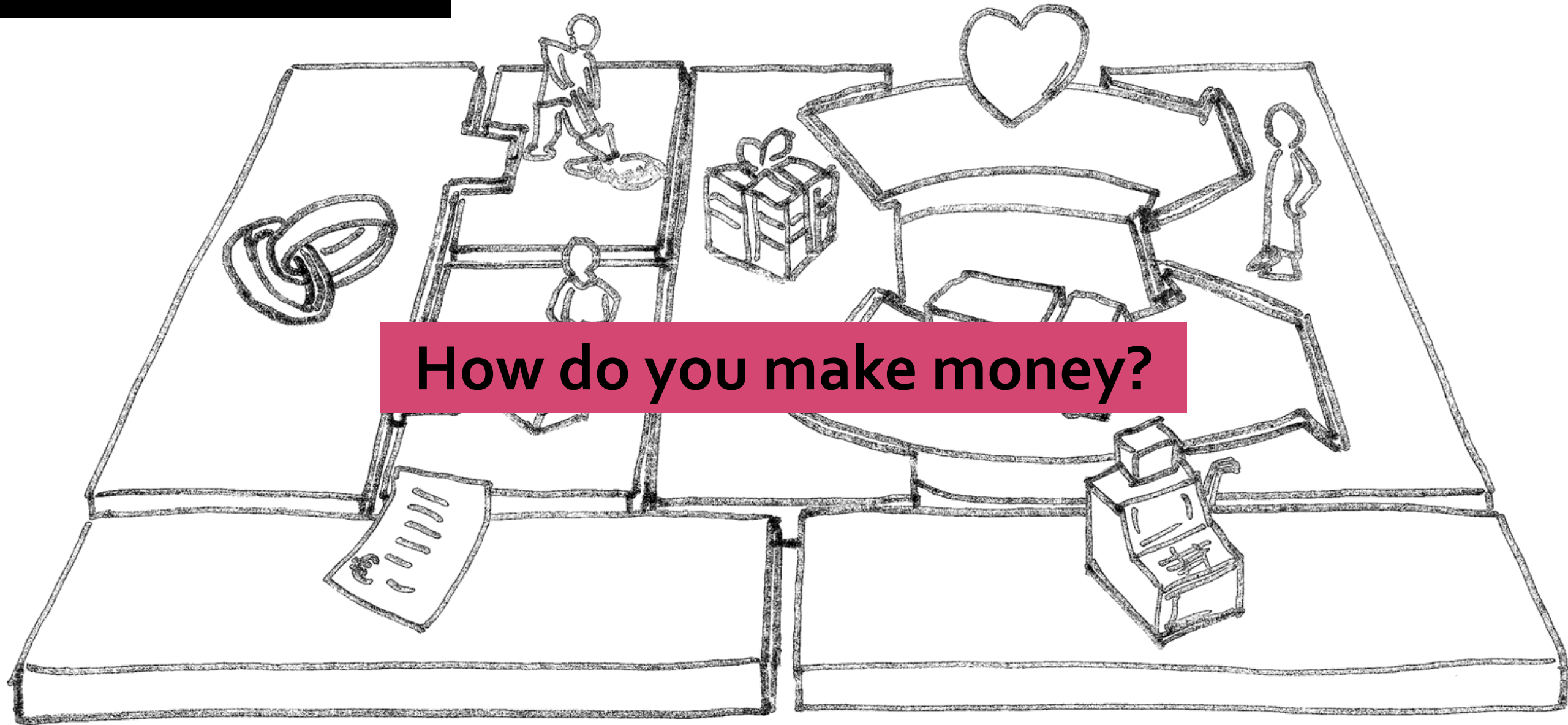
Protection of the product/service

Tips!

Technical specifications goes in the back

Explain technical expressions

Business Model



How do you make money?

Marketing and Sales

Segmentation

Target market

Buying behaviour

Price Strategy

Pricing

Competitors

Distribution

Channels

Established channels

Marketing Activities

Ad material

Internet presence

Organization



SUPPORT

ADVICE

GUIDANCE

Financials

Funding needs the next 3 – 5 years

How the funds will be used

Financial projections

Income statements

Balance sheets

Cash flow

Risk Analysis

Low income, high costs

Delayed development

Failed deliveries

Probability and consequences



Milestones

When

How

Why



Business Plans: *What, why and how*

What: A plan of what to accomplish and how

Why: To guide insiders and attract outsiders

How: By stopping by KT to pick up your very own copy of the business plan package

Q

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