



GENIUS PROJECT: **Business Plan**

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- Introduction (some definitions)
- Business Plan
- Business Model CANVAS
- Conclusion / Final Remarks

Index (or Course Syllabus)

Innovation:

The creation of a new way of doing something, whether the enterprise is concrete (e.g., the development of a new product) or abstract (e.g., the development of a new philosophy or theoretical approach to a problem). Innovation plays a key role in the development of sustainable methods of both production and living because in both cases it may be necessary to create alternatives to conventional ways of doing things that were developed before environmental consideration was central to most people's framework for making decisions.

<https://www.britannica.com/topic/innovation-creativity>

Introduction (some definitions)

Entrepreneurship:

The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses. In economics, entrepreneurship combined with land, labor, natural resources and capital can produce profit. Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace.

<http://www.businessdictionary.com/definition/entrepreneurship.html>

Introduction (some definitions)

Project:

Planned set of interrelated tasks to be executed over a fixed period and within certain cost and other limitations.

<http://www.businessdictionary.com/definition/project.html>

Introduction (some definitions)

Business Plan:

Set of documents prepared by a firm's management to summarize its operational and financial objectives for the near future (usually one to three years) and to show how they will be achieved. It serves as a blueprint to guide the firm's policies and strategies, and is continually modified as conditions change and new opportunities and/or threats emerge. When prepared for external audience (lenders, prospective investors) it details the past, present, and forecasted performance of the firm. And usually also contains pro-forma balance sheet, income statement, and cash flow statement, to illustrate how the financing being sought will affect the firm's financial position.

<http://www.businessdictionary.com/definition/business-plan.html>

Business Plan

Business Plan Structure/Index:

- Executive Summary
- Business Model
- Management and Organization
- Marketing Plan
- Financials
- Appendix

Business Plan: **How to build a business plan**

Executive Summary:

The executive summary is an overview of the entire business plan and will either capture the readers attention or make them lose interest before reading any further. A crucial part of the business plan, the summary will basically tell readers the history of your company/project, where it is today and what direction it is headed.

The executive summary is where you sell others on the potential success of your business idea.

Business Plan:

How to build a business plan

Business Model:

A Business model describes the rationale of how an organization creates, delivers and captures value.

The business model is where you explicitly state what is exactly the value added by your project.

Business Model CANVAS (later)

Business Plan:
How to build a business plan

Management and Organization:

Brief description of your company (or the company to be constituted) including details about ownership, management and board of directors (if applicable). Qualifications, experience and education are important to provide readers with an insight as to how these individuals fit into the organizational structure and what they can bring to the table in their designated roles.

Business Plan:

How to build a business plan

Marketing Plan:

Description of the marketing strategy and how you intend to drive sales. Departing from a broad set of quantitative goals (return, growth, etc.), with support of a wide set of analysis, the marketing plan aims at define the overall strategy for the firm, namely, the market penetration strategy, growth strategy, distribution strategy and communication strategy. Sales strategies should also be included to provide information on sales staff and activities.

Business Plan:

How to build a business plan

Marketing Plan: 4P



Business Plan: How to build a business plan

Marketing Plan: 4P



Business Plan: **How to build a business plan**

Marketing Plan: PEST Analysis



Business Plan:
How to build a business plan

Marketing Plan: PEST Analysis

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL
<ul style="list-style-type: none">● ecological/environmental issues● current legislation home market● future legislation● international legislation● regulatory bodies and processes● government policies● government term and change● trading policies● funding, grants and initiatives● home market lobbying/pressure groups● international pressure groups● wars and conflicts	<ul style="list-style-type: none">● home economy situation● home economy trends● overseas economies and trends● general taxation issues● taxation specific to product/services● seasonality/weather issues● market and trade cycles● specific industry factors● market routes and distribution trends● customer/end-user drivers● interest and exchange rates● international trade/monetary issues	<ul style="list-style-type: none">● lifestyle trends● demographics● consumer attitudes and opinions● media views● law changes affecting social factors● brand, company, technology image● consumer buying patterns● fashion and role models● major events and influences● buying access and trends● ethnic/religious factors● advertising and publicity● ethical issues	<ul style="list-style-type: none">● technological● competing technology development● research funding● associated/dependent technologies● replacement technology/solutions● maturity of technology● manufacturing maturity and capacity● information and communications● consumer buying mechanisms/technology● technology legislation● innovation potential● technology access, licensing, patents● intellectual property issues● global communications

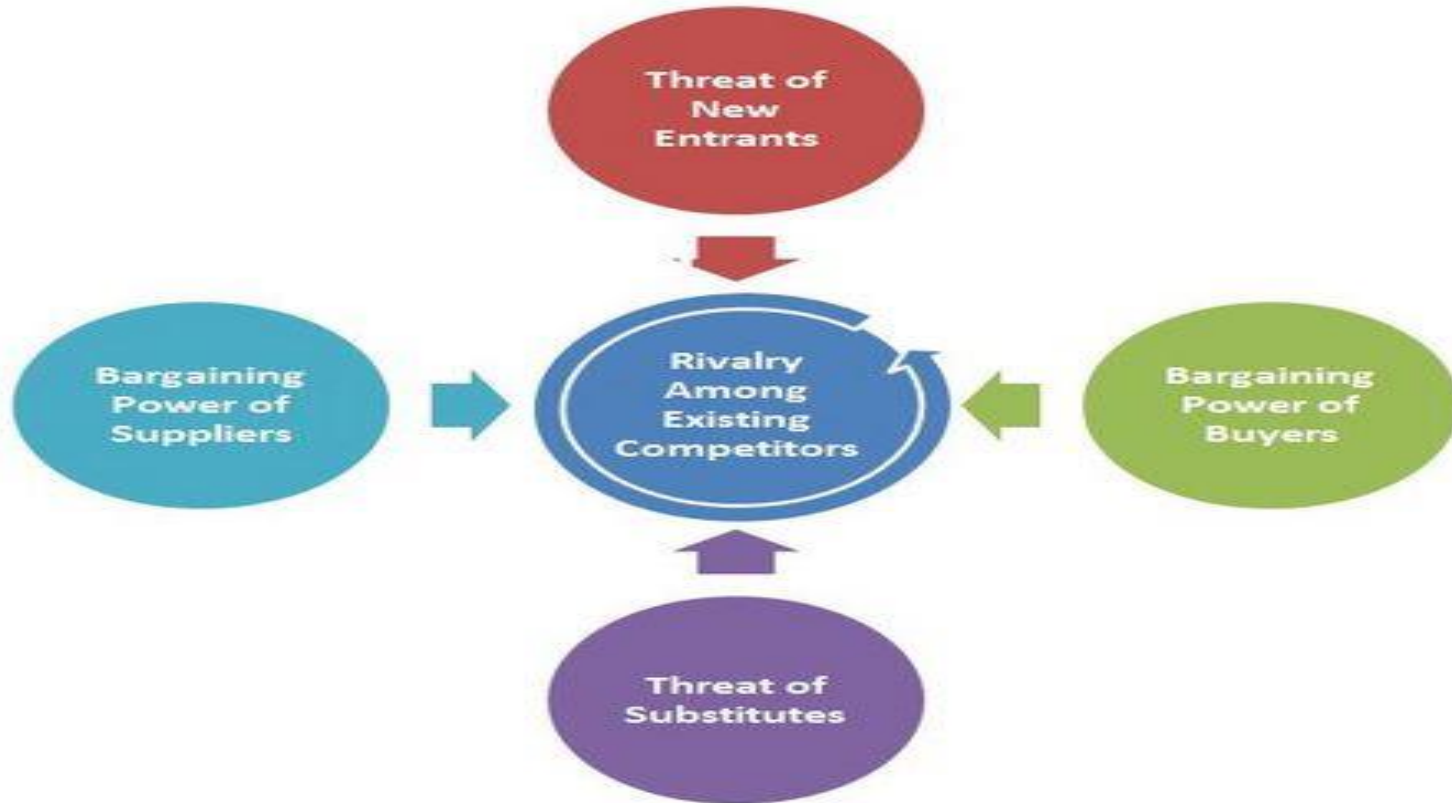
Business Plan: How to build a business plan

Marketing Plan: SWOT Analysis

<h1>S</h1> STRENGTHS	<h1>W</h1> WEAKNESSES	<h1>O</h1> OPPORTUNITIES	<h1>T</h1> THREATS
<ul style="list-style-type: none">• Things your company does well• Qualities that separate you from your competitors• Internal resources such as skilled, knowledgeable staff• Tangible assets such as intellectual property, capital, proprietary technologies etc.	<ul style="list-style-type: none">• Things your company lacks• Things your competitors do better than you• Resource limitations• Unclear unique selling proposition	<ul style="list-style-type: none">• Underserved markets for specific products• Few competitors in your area• Emerging need for your products or services• Press/media coverage of your company	<ul style="list-style-type: none">• Emerging competitors• Changing regulatory environment• Negative press/media coverage• Changing customer attitudes toward your company <p data-bbox="1381 1063 1729 1099"> WordStream</p>

Business Plan: How to build a business plan

Marketing Plan: Porter 5 Forces



Business Plan:
How to build a business plan

Financials:

Departing from the previous set of analysis, intends to evaluate the financial feasibility of the project. Therefore, it includes an investment plan, an operational plan (from a financial perspective) and a financing plan.

It will generate future expected financial statements, cash flow statements and financing needs. Ultimately, it will generate a "value" for the project.

Business Plan: **How to build a business plan**



Appendix:

Additional information not disclosed in the business plan that is presented to everybody. The financial statements referred to previously, the complete set of analysis produced and not the only the final output of them. If requested by a potential investor, they should be made readily available.

Business Plan:
How to build a business plan

Business Model:

A Business model describes the rationale of how an organization creates, delivers and captures value.

Osterwalder, A. & Yves Pigneur (2009). Business Model Generation.
Retrieved from www.strategyzer.com

Business Model CANVAS

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure			Revenue Streams	

Business Model CANVAS:

The 9 building blocks to build a business model

Block 1: Customer segment

An organization serves one or more customer segments

A customer segment defines the different groups of people or organizations an enterprise aims to reach and serve.

Customer groups represent separate segments if:

- Their needs require and justify a distinct offer
- They are reached through different distribution channels
- They require different types of relationships
- They have substantially different profitabilities
- They are willing to pay for different aspects of the offer

Business Model CANVAS:

The 9 building blocks to build a business model

Block 1: Customer segment (examples)

- Mass market: Consumer Electronics Sector
- Niche market: SUV vehicles (in the very beginning)
- Segmented: Bank Industry
- Diversified: Rolls-Royce
- Multi-sided platforms: VISA

Business Model CANVAS:
The 9 building blocks to build a business model

Block 2: Value propositions

An organization seeks to solve customer problems and satisfy customer needs with value propositions

Value proposition describes the bundle of products and services that create value for a specific customer segment. They solve a customer problem or satisfy a customer need.

Business Model CANVAS:
The 9 building blocks to build a business model

Block 2: Value propositions (examples)

- Newness: Cell Phones
- Performance: Personal Computers
- Customization: Online Advertising
- Getting the job done: Rolls-Royce Airplane Engines
- Design: Fashion
- Brand/Status: Rolls-Royce Cars
- Price: Low-Cost Airlines
- Cost reduction: Industrial Cleaning (outsourcing)
- Risk reduction: Guarantees
- Accessibility: Net Jets
- Convenience/Usability: iPod and iTunes

Business Model CANVAS:

The 9 building blocks to build a business model

Block 3: Channels

Value propositions are delivered to customers through communication, distribution and sales channels

Channels building block describes how a company communicates with and reaches its customer segments to deliver a value proposition. It is the company interface with customers, how they reach them.

Channel Types		Channel Phases				
Own	Direct					
	Sales force					
	Web sales	1. Awareness How do we raise awareness about our company's products and services?	2. Evaluation How do we help customers evaluate our organization's Value Proposition?	3. Purchase How do we allow customers to purchase specific products and services?	4. Delivery How do we deliver a Value Proposition to customers?	5. After sales How do we provide post-purchase customer support?
Partner	Indirect					
	Own stores					
	Partner stores					
	Wholesaler					

Business Model CANVAS:

The 9 building blocks to build a business model

Block 3: Channels (examples)

- Sales Force: Automotive Industry
- Web Sales: Amazon
- Own Stores: Nespresso
- Partner Stores: McDonalds
- Wholesaler: Other Coffee Brands

Business Model CANVAS:
The 9 building blocks to build a business model

Block 4: Customer relationship

Customer relationships are established and maintained with each customer segment

Customer relationship describes the types of relationships a company establishes with specific customer segments. They can range from personal to automated. It can be driven by:

- Customer acquisition
- Customer retention
- Boosting sales (upselling)

Business Model CANVAS:
The 9 building blocks to build a business model

Block 4: Customer relationships (examples)

- Dedicated Assistance: Private Banking
- Personal Assistance: Vodafone (call center)
- Self-service: Ryanair (kind off...)
- Automated services: Booking.com
- Communities: Aptamil
- Co-Creation: Youtube

Business Model CANVAS:
The 9 building blocks to build a business model

Block 5: Revenue stream

Revenue stream result from value propositions successfully offered to customers

Revenue stream represents the cash (revenues minus costs) a company generates from each customer segment. What price should we set to each particular customer segment? A business model can involve two different types of revenue streams, the first where transaction revenues result from one-time customer payments and the second where transaction revenues result from on-going payments to either deliver value proposition to customer or provide post-purchase customer support.

Business Model CANVAS: **The 9 building blocks to build a business model**

Block 5: Revenue stream

Pricing Mechanisms

Fixed "Menu" Pricing Predefined prices are based on static variables		Dynamic Pricing Prices change based on market conditions	
<i>List price</i>	Fixed prices for individual products, services, or other Value Propositions	<i>Negotiation (bargaining)</i>	Price negotiated between two or more partners depending on negotiation power and/or negotiation skills
<i>Product feature dependent</i>	Price depends on the number or quality of Value Proposition features	<i>Yield management</i>	Price depends on inventory and time of purchase (normally used for perishable resources such as hotel rooms or airline seats)
<i>Customer segment dependent</i>	Price depends on the type and characteristic of a Customer Segment	<i>Real-time-market</i>	Price is established dynamically based on supply and demand
<i>Volume dependent</i>	Price as a function of the quantity purchased	<i>Auctions</i>	Price determined by outcome of competitive bidding

Business Model CANVAS:

The 9 building blocks to build a business model

Block 5: Revenue stream (examples)

- Asset Sales: Automotive Industry
- Usage Fee: Hotel Industry
- Subscription Fee: Vodafone
- Renting/Leasing: Rent-A-Car
- Licensing: Media Industry
- Brokerage fee: Real Estate Agents
- Advertising: News Platforms

Business Model CANVAS:
The 9 building blocks to build a business model

Block 6: Key resources

Assets required to offer and deliver the previously described elements...

Key resources describes the most important assets required to make a business model work. They can be owned or leased by the company or acquired by key partners.

Business Model CANVAS:
The 9 building blocks to build a business model

Block 6: Key resources (examples)

- Physical: Santiago Bernabéu / Allianz Arena
- Intellectual: Brand (Proprietary Knowledge/Patents)
- Human: Cristiano Ronaldo / Robert Lewandowski
- Financial: Vodafone (equipment acquisition)

Business Model CANVAS:
The 9 building blocks to build a business model

Block 7: Key activities

... by performing a number of key activities

Key activities describes the most important things a company must do to make its business model work. These are the most important actions a company must take to operate successfully.

Business Model CANVAS:
The 9 building blocks to build a business model

Block 7: Key activities (examples)

- Production: BMW
- Problem Solving: Consultancy
- Platform/Network: UBER

Business Model CANVAS:
The 9 building blocks to build a business model

Block 8: Key partnerships

Some activities are outsourced and some resources are acquired outside the enterprise

Key partnerships describes the network of suppliers and partners that make the business model work. Companies create alliances to optimize their business models, reduce risk or acquire resources. It can be seen that the motivations to develop a partnership are:

- Optimization and economy of scale
- Reduction of risk and uncertainty
- Acquisition of particular resources and activities

Business Model CANVAS:
The 9 building blocks to build a business model

Block 8: Key partnerships (examples)

- Strategy: Benfica / Adidas
- Coopetition: VCR / Blu-Ray
- Joint venture: VW / Ford
- Buyer-supplier: Android (which phones run it?)

Business Model CANVAS:
The 9 building blocks to build a business model

Block 9: Cost structure

The business model elements result in the cost structure

Cost structure describes all costs incurred to operate a business model. Having set the other aspects, definition of a cost structure can be made relatively easily. The costs can be split between fixed and variable, related to their dependency on sales. If we have cost advantages with higher production, we have economies of scale. If we have cost advantages with diversified production, we have economies of scope.

Business Model CANVAS:
The 9 building blocks to build a business model

Block 9: Cost structure (examples)

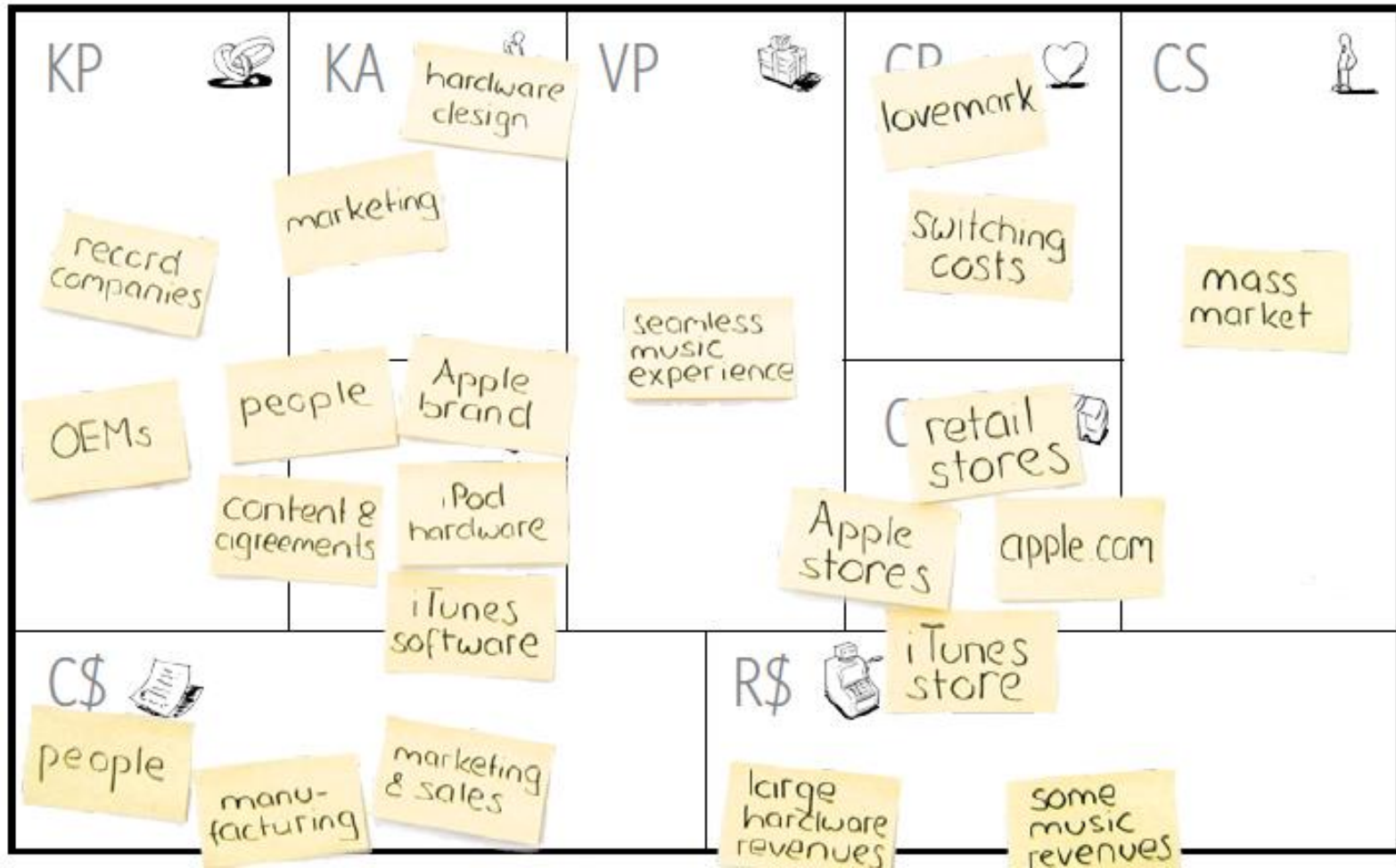
- Cost-Driven: Ryanair
- Value-Driven: NetJets

Business Model CANVAS:
The 9 building blocks to build a business model

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure			Revenue Streams	

Business Model CANVAS:

The 9 building blocks to build a business model



Business Model CANVAS:

The 9 building blocks to build a business model

Business Plan:

A business plan is not just a lengthy document that helps you get a loan or secure backers, even though that might be the reason you're putting it together. A business plan is a thorough examination of whether your business idea is viable. Preparing your business plan in the early stages of developing your company can save you a great deal of time, money and heartache by showing you where the weaknesses in your idea lie and giving you a chance to correct them before you make any serious mistakes, whether with your money or someone else's.

<https://www.investopedia.com/university/business-plan/business-plan9.asp>

Conclusion / Final Remarks

Business Model CANVAS:

The Business Model Canvas is useful for driving the conception of new products and services through its nine basic elements from both rational and emotional perspectives. It also allows the teams to brainstorm insights, ideas and opinions around the product, enabling a common understanding among the stakeholders as well as generating strong performance indicators towards a strategic innovation.

<https://www.frontrowagile.com/blog/posts/121-business-model-canvas-step-by-step>

Conclusion / Final Remarks



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