



Hands on Business Planning

Description of Company

&

Description of Product or Service

The Business Plan

<p>(1) Executive Summary</p> <ul style="list-style-type: none"> • Compelling • Clear • Concise • Last Section Completed • Limit To One Page 	<p>(2) Description of Company</p> <ul style="list-style-type: none"> • Name • Mission Statement • Vision • Intentions 	<p>(3) Description of Product or Service</p> <ul style="list-style-type: none"> • Describe In Detail • Unique Attributes • Rules and Regulations 	<p>(4) Your Market</p> <ul style="list-style-type: none"> • Industry • Customer Base • Competition • Price • Distribution • Trends
<p>(5) Marketing Plan</p> <ul style="list-style-type: none"> • Market Analysis • SWOT Analysis • Product Positioning • Forecasts • Marketing Budget 	<p>(6) Operations Plan</p> <ul style="list-style-type: none"> • Business Location • Type of Facility / Equipment • Type and Qty of Staff • Inventory 	<p>(7) Management Team</p> <ul style="list-style-type: none"> • Who • Qualifications & Experience • Roles & Responsibilities 	<p>(8) Financials</p> <ul style="list-style-type: none"> • Income Statement • Cash-Flow Projections • Balance Sheet • Assumptions • Historical Records • Plan/Use of Financial Assistance

Questions

<p>What is a business entity and why is having one important?</p>	<p>Do you have a mission statement? If so, what is it?</p>	<p>What is the difference between a mission statement and vision statement?</p>
<p>Do you represent a product or a service? How is it provided?</p>	<p>What are the key features of your product or service?</p>	<p>What is considered intellectual property? How do you protect it?</p>



Hands on Business Planning

Session 2

Description of Company

Describing Your Business

- Vital details, such as location, size and what it does
- Also describes the vision and direction
- Start with an elevator pitch
- Stick with high level information
- Exude your passion for the business

Describing Your Business (cont.)

- Mandatory Elements:
 - Business Name – official name registered with the State
 - Type of Business Structure (Entity)
 - Ownership/Management Team – key people behind the company
 - Location – address, facility type
 - History
 - Mission Statement
 - Product/Service – brief overview of what you plan to sell/provide and to whom
 - Objectives – outline of what is to be accomplished with this plan
 - Vision Statement

The goal of the Business Description is for the reader to quickly determine 'who the business' is through common elements of information so reader can develop an accurate impression.

The terms underlined above will be discussed in more detail. Terms not underlined are self explanatory.

Describing Your Business (cont.)

- Business Structure (Entity):
 - Four purposes: (1) protects business owners; (2) saves taxes; (3) providing certainty and structure; (4) presents a professional image
 - Types:
 - Sole Proprietorship
 - General Partnership
 - Limited Partnership (LP)
 - Limited Liability Partnership (LLP)
 - Corporation
 - Non-profit Corporation
 - Limited Liability Company (LLC) **Most Common**

Separate handout on business structure types to be provided. It's essential to form an entity that fits you personally and your business. Can and should be discussed in detail on an individual and confidential basis.

Describing Your Business (cont.)

- History (what to include):
 - The origin of the idea for the business
 - The market opportunity you're pursuing (and why)
 - Your progress to date, including any relevant key milestones
 - Problems you've faced so far (and how you've overcome them)
 - Short-term growth plans
- *New business should include:*
 - *Educational background*
 - *Relevant experience, expertise and technical skills*
 - *Previous businesses you've started and their outcomes/current status*
 - *Plan to account for any weakness or inexperience*
 - *Professional clubs or associations*

Focus on being creative in a way that is engaging, giving the audience a better idea on who you are and what the business is about. Also paint a clear picture why you are the best person (or team) for the opportunity at hand.

Describing Your Business (cont.)

- Mission Statement

- Purpose: To describe, explain why it's needed, and how it will compete
 - Describe what you do (product or service)
 - Design clothes, insure families, provide communication services
 - Describe how you do it (buzzwords on how you operate)
 - Provide quality, protect clients, ensure latest technologies
 - Describe why you do it (purpose beyond financial rewards)
 - Passion for clothing, concern for uninsured, missed opportunities due to lack of communication

MISSION STATEMENT EXAMPLE:

“Our mission is to be the most successful IT systems company in the world by delivering the best customer experience in all markets we serve.”– Dell Inc.

Describing Your Business (cont.)

- Vision Statement

- Purpose: To project the direction of the company that is meaningful; inspiring the reader while motivating the business (employees/investors/customers)
 - Examine your Mission Statement
 - Why does the business exist? What does it do well?
 - Dare to dream (visualize)
 - Where do you want the business to go in ___ years? What do you want it to be?
 - Shape the statement
 - ___ years from now, (business name) will _____ by _____

Use the Vision Statement as the basis for setting goals, objectives and actions. Share the Vision Statement with employees, partners and customers.

VISION STATEMENT EXAMPLE:

“Five years from now, Computer Services Ltd. will have annual revenues over one million by consistently providing timely, reasonably priced repair and instructional services”



Hands on Business Planning **Session 2**

Description of Product or Service

Description of Product or Service

- Showcase the value, quality and benefits
- Why they are needed by the target market
- How will they compete (compare) to the competition
- Length and detail will depend on product/service complexity

The steps underlined on the next page will be discussed in more detail. Terms not underlined are self explanatory.

Describing Product or Service

- **Mandatory Elements (high level)**
 - Description of product / service being offered
 - What it is, how it works, benefit provided, value proposition
 - Current lifecycle
 - Idea stage, prototype, new product, mature product
 - Competitive comparison (at a high level)
 - Pricing, guarantees, warranties, shelf life, features and benefits
 - Accreditations/intellectual property
 - Trademarks, copyrights, patents, testing, certifications, testimonials
 - **Cost and margins**
 - Cost to produce or provide, amount or percent of profit from pricing
 - **Marketing & Sales**
 - Promotional material, literature, collateral, sales channels, etc.
 - **Order processing / fulfillment**
 - How orders are fulfilled, manufactured, outsourced, etc.
 - **Distribution**
 - Where it's available, how it's delivered

Describing Product or Service

- Lifecycles – 5 Stages
 - Ideation
 - Generating, developing and sharing new ideas that can be researched and tested
 - Introduction
 - New product or service is launched into a market, building awareness, user-trials, price testing, educating the customer base – obtaining market acceptance
 - Growth
 - Key stage for establishing position in a market, increasing sales, and improving profit margins
 - Maturity
 - Longest stage that includes the performance peak, mass adoption, decreasing market share and profits from competition
 - Decline
 - Activity drops impacting business due to new technology, competition and demand prompting reinvention, diversification or closure

Describing Product or Service

- Competitive Comparison

- The 'Your Market' session (next meeting) will dive deep into the competition.

- For the purposes of this section, keep it high level and focus on the following:

1. Who is the competition?

- List of competitors in a logical order (market share)

2. What makes your offer unique

- Features, benefits, value, price, etc. as whole (not by each competitor)

3. Why would the customer choose your offer over the competition

- Local, in-person, faster, quality, family owned, etc.

Describing Product or Service

- Accreditations
 - Process for certifying competency, authority or credibility, also know as credentials
 - Ensures that certain practices are acceptable, ethical and ensure a level of quality
- Intellectual Property
 - A work or invention that is the result of creativity, such as a manuscript or a design, to which one has rights and for which one may apply for a patent, copyright, trademark, etc.
 - *Trademark – recognizable sign, design or expression that identifies the business*
 - *Copyright – exclusive rights to use and distribute for a limited time, most common for literature and code*
 - *Patent – exclusive rights by a sovereign state to make, use, sell and import an invention for limited time in return for public disclosure of such invention*

Describing Product or Service

- Sales

- Bringing your product or service to market so that they can be purchased

- Types of Sales Channels

- *Direct – business sells directly to customer*
- *Indirect – intermediary (retailer or dealer) sells to customer*
- *On-premise - Store or office, in person via over the counter or during meeting*
- *Off-premise – Away from store or office, in person at customer location*
- *Phone – Telemarketing*
- *Media - Newspaper, magazines, direct mail (cooperative or solo), radio, television, outdoor*
- *Online – email, search engine marketing (pay per click), social ads (facebook), affiliate marketing (third parties), search engine optimization (search ranking), public relations, etc.*
- *B2? – B2B (business to business), B2C (business to consumer)*

Describing Product or Service

- Tips
 - Keep it simple – assume audience has little understanding
 - Be clear and concise – don't get too detailed; use bullets, lists and tables
 - Use layman terms – describe as if you are talking to the customer, avoid acronyms and jargon
 - Highlight the features and benefits and why they are needed
 - Show off your expertise, experience and accolades
 - Include, but separate the fine print



Hands on Business Planning **Next Session**

Your Market

Questions

<p>What is a business entity and why is having one important?</p> <p>Sole Proprietorship General Partnership Limited Partnership (LP) Limited Liability Partnership (LLP) Corporation Non-profit Corporation Limited Liability Company (LLC)</p>	<p>Do you have a mission statement? If so, what is it?</p> <p>What your business does, how and why it does it in a way that is important to you</p> <p>Why do you exist?</p>	<p>What is the difference between a mission statement and vision statement?</p> <p>Mission answers the question “Why do we exist?” Vision answers the question “What will the future look like as we fulfill our mission? What will be different?” While mission is about today, vision is about the future, what we will become</p>
<p>Do you represent a product or a service? How is it provided?</p> <p>Product is a tangible and discernible item. Service is the production of a intangible benefit.</p> <p>By mail? Purchased in person? A verbal meeting?</p>	<p>What are the key features of your product or service?</p> <p>Reasons customers buy, value proposition, benefit, purpose, price, problem solved, experience gained</p>	<p>What is considered intellectual property? How do you protect it?</p> <p>They are creations, inventions, literary, artistic works, designs, symbols, names, images</p> <p>Protected by patents, copyrights and trademarks</p>

6 Sessions

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