



Essentials of entrepreneurship business planning

TYE 2015
Feb 15, 2015



The Sequence





Several References at our site

- Home
- Events
- News & Posts
- Gallery
- Press
- Contact
- References
- Logout



Dallas - TYE

References

General References/Links

- [TIE Initiatives – TYE Program](#)
- [TYE Dallas Launch Announcement](#)
- [Tentative schedule](#)
- [Application Form](#)
- [Information Session held in Jun 2012](#)

Business Plan Templates / Tools

- [TYE Business Plan Template 1 – Word](#)
- [TYE Business Plan Template 1 – Spreadsheet](#)
- [TYE Business Plan Template 1 – Powerpoint](#)
- [TYE Dallas 2012 – business_model_canvas_poster](#)
- [TYE Dallas – Mini Biz Plan Template](#)
- [Spring Wise Tool](#)
- [Sequoia Tool](#)
- [Bizinate Tool](#)
- [Business Plan Samples](#)

Suggested Reading



With Thanks to
Eric Engineer



The problem definition

- What problem do you solve? And for whom?
- How do you know it's a real problem?
- How are customers handling problem today?
- Do you speak your customer's language?
- Is there adoption friction?
 - Aware of the problem?
 - Urgency? Feeling pain? Medicine or Vitamin?
 - Willingness to pay? Existing or new budget?



The Solution/Opportunity

- What is your solution ?
- How does your offering solve the problem?
- Offering = product + *go-to-market strategy*
- What's your secret sauce?
- How much better/unique/different?
- What evidence do you have?



Product demo / case study

- Demo is NOT a features and functions walk through
- Illustrate the customer problem and your unique solution to that problem
 - Build your demo around a “case study”
 - Provide context before starting
 - Focus on 1-2 core “use cases” that create value and differentiate your product

(This comes later – when you have to present it!)

- PRACTICE, PRACTICE, PRACTICE
- Consider a video if you are not good at demos



Market

- Big picture description of market dynamics
 - *Why now? Why a startup?*
 - *Graphics are useful*
- Define and segment your market
 - *Identify low-hanging fruit*
 - *Short-term vs. long-term*
- Market size estimates
 - *Bottoms-up vs. tops-down*
 - *Consider changes over time*
 - *“sanity check”*
- Sales
 - *Sales Strategy*
 - *Indirect vs Direct Selling*
 - *Medium of Selling*



Market traction + GTM plan + Sales Strategy

- Evidence of “product/market fit”
 - B2B: adopters, customers, partners, press/analyst
 - B2C: users, virality, engagement, monetization
- Go-to-market plan
 - Product Definition + Positioning
 - Marketing + Distribution + Sales Plan
 - Business Model + Pricing



Competition + sustainable advantage

- No competition = no market
- “doing nothing” / “good enough” substitutes
- What is the basis of competition?
- How does your advantage grow over time?
 - Breakthrough technology (10x price/perf)
 - Economies of scale
 - Network effects
 - Data scale
 - Brand
 - Distribution
 - Virtuous cycles
- Patents are nice to have but not enough



Operations

- How is your business going to run ?
- What is the team to capture this big opportunity?
- How will the product be manufactured/ service be delivered ?
- Relevant experiences
- Be open and honest about your gaps and weaknesses; have a plan to address them
- Recruit advisors to build credibility



Economics + financial projections

- **Demonstrate unit economics of business model**
 - Pricing, acquisition costs, churn, lifetime value
 - Data points supporting your assumptions
- **3-5 year financial forecast**
 - bookings, revenues, gross margin, key operating expenses, cash needs
- **Overlay with key stages, milestones, metrics**
 - # customers, product releases, new channels, cash-flow break even, financing rounds, etc
- **Nobody will believe your numbers!**
 - Mechanics and key assumptions are what matters
 - Clearly identify key assumptions and why you feel confident in them
 - What drive revenues, margin, and expenses?
 - Is it consistent w/ market sizing and GTM plan
 - If you're taking a SWAG be up-front about it and explain how you will learn more over time

**Putting such a
plan into a
concise pitch**



Reference Video from Last year

- Last Year's presentation (go to 2:50 or so to see the presentation and the judges' feedback) – will give you an idea
<http://www.youtube.com/watch?v=1NwfhWakahY>
- Think of this as the end goal of this workshop
- One way to look at the next several weeks worth of work is to look at this end goal and work backwards



Toolbox

Executive Summary

1-2 page doc

Slide Deck

10 slides + detailed appendix

Product Demo

Live or video

Financial Model

Simple spreadsheet w/ clear assumptions



Less than 15 slides

Slide 0

Title + intros + back story

Slide 1

10,000 foot view

Slide 2

problem definition

Slide 3

how you uniquely solve the problem

Slide 4

product demo / case study

Slide 5

market analysis + sizing

Slide 6

competition + sustainable advantage

Slide 7

market traction + GTM plan

Slide 8

team bios

Slide 9

unit economics + financial projections

Slide 10

company status + funding needs/uses

Slide 11

exit potential

Slide 12

summary + next steps

Appendix

lots of back-up slides