



MODULE 1: CREATING IDEAS, CREATING A BUSINESS



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Module 1: Creating Ideas, Creating a Business

OBJECTIVE: This Module will provide users with competences, methodologies and tools to support entrepreneurs in defining the structure and the processes of a new business, understanding and evaluating the potential impact of a business idea and developing a well-researched Business Plan addressing strategic and operational issues for a start-up or expanding enterprise.

Module 1: Creating Ideas, Creating a Business

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1. BACKGROUND

Note: this Module should be considered in conjunction with [Module 2](#) – Adding Value through Innovation and [Module 6](#) – ‘Getting Money to Start, Grow and Sustain your Business’.

A business idea will evolve constantly from concept through to commercialisation. The entrepreneur will continuously work on analysing and defining the value of the business idea / enterprise to the customer (i.e. assessing or validating the value proposition and defining the unique selling point ([USP](#))). This can be done through:

- [Secondary](#) and [primary research](#) and market validation (whether quantitative, qualitative or both) and..
- Analysis tools like [PESTLE](#), [VRIN/VRIO](#), [TOWS](#), [Value Chain](#), [Business Canvas Model](#), etc.

Your trainer should be able to guide and support you on these concepts as well as supporting you in other assessment and validation activity. This Module, developed as part of the **BIC for SME** project, will help you when investigating and examining important issues to do with the business including:

Creating a Business (issues to think about)

- Market, Customer and Industry Analysis (also addressed in [Module 2](#))
- Defining the Opportunity / Problem being addressed
- Validating market demand
- Competitive Analysis

Developing a plan to Establish and Manage your Business idea

- Project Description / Definition and ‘how’ the product / service is delivered (addressed in [Module 2](#))
- Social impacts and Sustainability (if relevant)
- Strategy and Operational Planning
- Marketing and Sales
- Operations / Technical Elements
- Team

- Financial issues such as: funding needs, sources of funding, financial analysis and financial management, risks and contingency planning (addressed in [Module 6](#))
- Presenting the business to key stakeholders and potential investors (also addressed in [Module 6](#))
- Using Practical Tools / Supporting Documentation including:
 - [Business Plan Development Resources](#)
 - [Summary Business Plan Model](#)
 - [Business Canvas Model](#)
- Dealing with Legal Issues such as Business Registration (see [Module 4](#)):

This analysis process, particularly in conjunction with [Module 6](#), gives you a business and financial roadmap for your business from the original concept right the way through to commercialisation, and you can address key issues in terms of sales, competition, location, market access, funding requirements, revenue, etc..

Note: Creating business ideas, critical thinking and innovation are dealt with in [Module 2](#).

Having completed the **BIC for SME** Diagnostic evaluation with your trainer and having identified gaps in terms of business development knowledge, this module provides a template whereby you can deal with issues relevant to the business such as:

- Developing and assessing both a comprehensive and a summary business plan (from concept to commercialisation), whether a new or existing enterprise
- Developing both a strategic and an operational approach to a business
- Validating the opportunity in terms of market demand, technology and finance, communicating key issues of the business / business idea with key figures in a real business start-up and development situation.

2. MODULE GOALS (MODULE DIAGNOSTIC, ROADMAP & DELIVERY)

2.1 Module Goals

In Section 3, a detailed breakdown of the Module content is provided. However, the broad objectives of this Module are to provide you with competencies, methodologies and tools to support you in assessing your business idea and in developing a practical plan to create a business. At the end of the Module you should be able to:

1. Understand and evaluate the potential impact of a business idea including its validation in terms of market demand, technology and funding
2. Develop a well-researched Business Plan addressing Strategic and Operational issues for a Start-Up or Expanding Enterprise
3. Develop, define, evaluate and present a sound structure for a new business and relevant content for a business plan
4. Evaluate and debate the reasons for, and benefits of, business planning and business plans
5. Apply knowledge gained in other modules of the programme (especially [Module 2](#) and [Module 6](#)) so as to develop a robust, sustainable business plan
6. Engage effectively with key stakeholders and third parties in order to investigate, evaluate and address business requirements

2.2 Plan the Module Training Process

2.2.1 Undertake a Diagnostic Assessment / Baseline Survey

In order to identify the key aspects in Creating a Business and developing a successful Business Plan you should complete the **BIC for SME** Diagnostic Tool for Entrepreneurs with your Trainer / Coach / Mentor. This **BIC for SME** Diagnostic Tool will highlight areas of strength and weakness in terms of your knowledge and competencies in this topic and will provide a Roadmap in terms of the actions to be undertaken to enhance knowledge and competencies. This Roadmap is supported by a visual Concept Map (see Section 4), which provides a visual representation of the Module which will highlight key areas to address. **Note:** The **BIC for SME** Diagnostic Tool and training material is designed to be used with the support of a Trainer / Coach / Mentor but can also be used by Entrepreneurs on their own if they wish to do so.

Alternatively, or in support of the **BIC for SME** Diagnostic Tool, you can use a simple problem-analysis tool to find the root cause of the issues involved in business and Business Plan development such as:

- [Five whys](#) - The primary goal of the technique is to determine the root cause of a defect or problem by repeating the question "Why?". Each answer forms the basis of the next question.

The "five" in the name derives from an anecdotal observation on the number of iterations needed to resolve the problem.

- Etc.

2.2.2 Develop a Training Roadmap & Action Plan

Following the initial Diagnostic or Baseline Evaluation and in order to make the training intervention effective, your Trainer / Mentor / Consultant can:

1. Select the elements of the Creating a Business Module to be covered and set timelines for same.
2. Set the training sequence (i.e. organize topics based on importance (as per the Diagnostic evaluation), impact, interactions, etc.).
3. Select the pedagogy (how the selected elements of the Module are to be covered in terms of practical work, lectures, reading material, exercises, etc., as well as linking them with other relevant **BIC for SME** Modules).
4. Set Action plan and Milestones to be achieved – KPI (see Section 5).
5. Determine Outputs - assess the result achieved (see Section 5).

2.2.3 Delivery of the 'Creating Ideas, Creating a Business' Module

The delivery of the Module should take approximately 18 Hours (including supported and (primarily) independent learning).

Note: the business plan is constantly changing and as the entrepreneur you must constantly conduct your own direct research and revise your business idea and business plan regularly. You must take control of these issues as you must understand all aspects of the business in depth. As a result, you will engage in a very significant amount of independent learning on this part of the **BIC for SME** programme.

Important: These issues cannot be addressed in isolation or from desk research alone and it is very important to engage and talk with key stakeholders on an ongoing basis.

This module focuses on key issues when assessing a business idea (see [Module 2](#)) as well as developing a well-researched Business Plan to address strategic and operational issues whether you have a start-up or an expanding enterprise. It is linked to [Module 6](#), which provides information on how to assess the financial requirements of a business, identify sources of funds, and how to undertake financial analysis to support the development and sustainability of a business. You will need to be able to develop a comprehensive Business and Financial plan for yourself and for key stakeholders. You need to understand these tools and methodologies in a practical sense.

Following your Training / Mentoring / Coaching intervention, you can use the **BIC for SME** Diagnostic Tool for Entrepreneurs and Trainers a second time and assess the progress you have made in terms of enhanced knowledge, competencies and skills.

3. CONTENT OF THE MODULE

3.1: Module Content

This Module looks at key issues in creating a business including:

3.1.1: Creating a Business (issues to think about)

- Market, Customer and Industry Analysis (also addressed in [Module 2](#))
- Defining the Opportunity / Problem being addressed
- Validating market demand
- Competitive Analysis

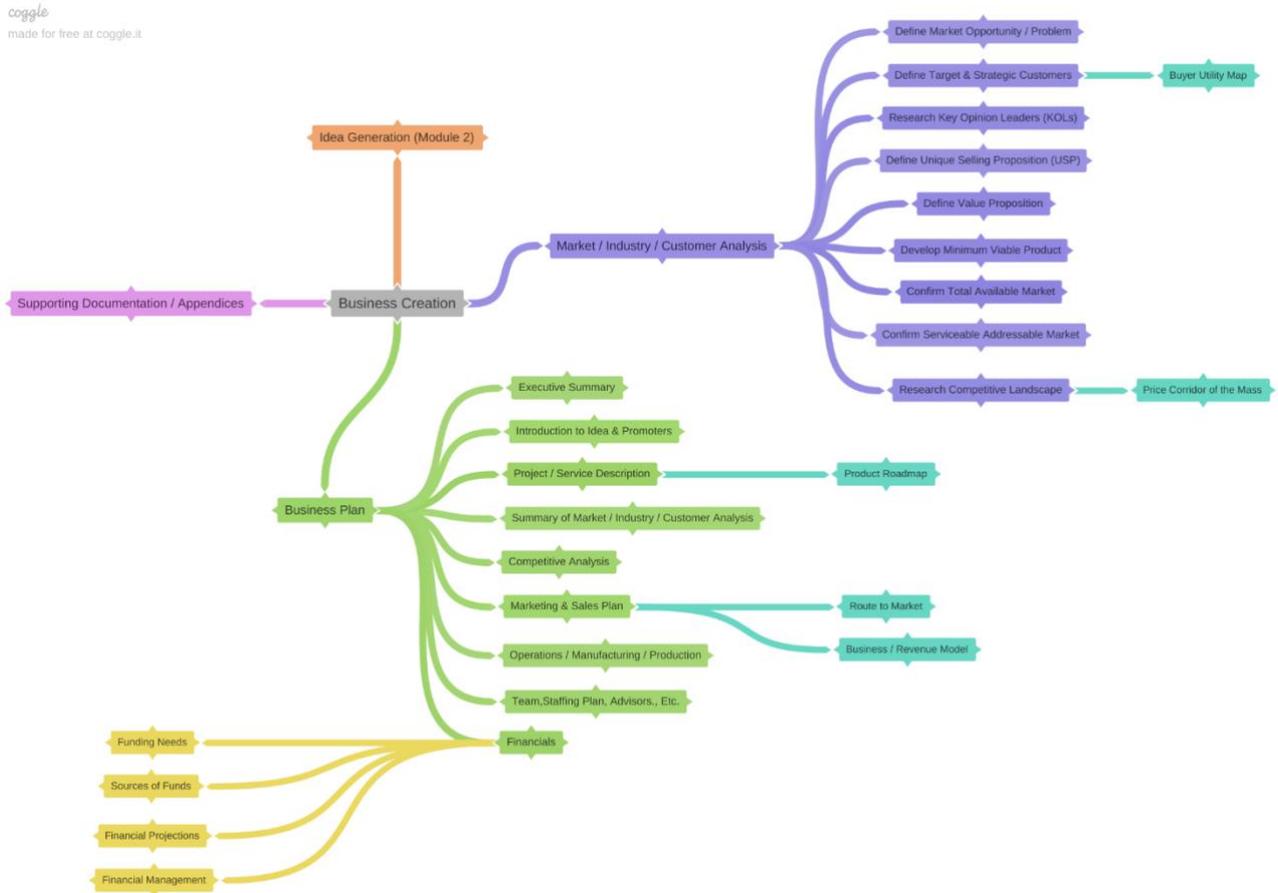
3.1.2: Developing a plan to Establish and Manage your Business idea

- Project Description / Definition and 'how' the product / service is delivered (addressed in [Module 2](#))
- Social impacts and Sustainability (if relevant)
- Strategy and Operational Planning
- Marketing and Sales
- Operations / Technical Elements
- Team
- Financial issues such as: funding needs, sources of funding, financial analysis and financial management, risks and contingency planning (addressed in [Module 6](#))
- Presenting the business to key stakeholders and potential investors (also addressed in [Module 6](#))
- Using Practical Tools / Supporting Documentation including:
 - [Business Plan Development Resources](#)
 - [Summary Business Plan Model](#)
 - [Business Canvas Model](#)
- Dealing with Legal Issues such as Business Registration (see [Module 4](#)):

Note: The information gathered above directly impacts on the financial planning and financial management of the business (see [Module 6](#)), and you should also consider other relevant modules of the programme so as to develop a robust, sustainable business.

An overview of the Module Content is provided below and can also be found in The Diagnostic Tool in the Roadmap Worksheet.

Fig 1.1: Concept Map for Creating a Business



Section 3.1.1: Creating a Business (issues to think about)

Question:

How do you generate business ideas? Where do you get ideas to create a business?

Answer:

Through experience or research one can identify opportunities. It is very unlikely that you will come up with a totally unique product or service that is not available elsewhere. However, you may identify a better way of doing things, a faster way of doing things or a cheaper way of doing things, etc. This requires skills and competencies in areas of critical thinking, idea generation and innovation management and these issues are addressed in [Module 2](#).

[Entrepreneur.com](#) also suggests a number of sources for new business ideas including:

- Ask yourself, "What's next?"
- Do something about what bugs you.
- Look for new niches.
- Apply your skills to an entirely new field.
- Find a business area lacking recent innovations.
- Make a cheaper version of an existing product.
- Talk to shoppers.

Question:

How will I know if my business idea has the potential to succeed?

Answer:

Research and market analysis are required. Questions that need to be addressed include:

- Why would customers use my product / service? Am I solving a confirmed market problem or addressing a gap in the market?
- Have I validated the market need? Have [Target Customers](#) or [Key Opinion Leaders](#) (KOLs) confirmed that this service / product is needed and will target customers switch from the existing offerings that are already available?
- What is the [USP](#) (Unique Selling Proposition) or [Value Proposition](#)?
- As well as the market, can I validate the technology / service offering and its acceptability to users? Is it clear that this product / service offering meets market demand and have I an [MVP](#) (Minimum Viable Product) that I can further develop?
- Who exactly are my customers? Are they the final consumers, [Strategic Customers](#), intermediary businesses, other?
- In the case of international markets are some mature or developing, and do they display other unique characteristics which must be considered (wealth, market structure, distribution, etc.)
- What is the (verifiable) [Total Available Market](#) for this product / service offering?
- What is the [Serviceable Available Market](#) for this product / service?
- What is the competitive situation? Can I use the [Buyer Utility Map](#) and [Price Corridor of the Mass](#) to identify which target customers will buy the product / service v's competing offerings and why and at what price?
- Who are the current competitors and where are other competitors likely to emerge from?
- What is the Route to Market (direct sales, online sales, distributors, licence model, etc.) and Business / Revenue Model (B2C, B2B, B2B2C, B2G, etc.)?
- Etc.

Note: by clicking on the links above you will be able to find more information on the highlighted topics which will help you better refine and develop your business idea.

The development of an [MVP \(Minimum Viable Product\)](#) (see [Module 2](#) also) can provide a significant amount of information to entrepreneurs in terms of market demand, assessment of user needs, costs, USPs, etc., etc. An MVP is a product with enough features to attract early-adopter customers and validate a product idea early in the product development cycle. In industries such as software, the MVP can help the product team receive user feedback as quickly as possible to iterate and improve the product. This methodology is built on both validating and iterating products based on user input.

Eric Ries introduced the concept of the MVP as part of his Lean Startup methodology and he describes [the purpose of an MVP](#) in this way: It is the version of a new product that allows a team to collect the maximum amount of validated learning about customers with the least amount of effort (and cost). An MVP helps you to:

- Release a product to the market as quickly as possible
- Test an idea with real users before committing a large budget to the product's full development
- Learn what resonates with the company's target market and what doesn't
- In addition to allowing you to validate an idea for a product without having to build the entire product, an MVP can also help minimize the time and resources you might otherwise commit to building a product that won't succeed.

You can define your MVP in the following way:

- Make sure your planned MVP aligns with your business objectives.
- Start identifying specific problems you want to solve, or improvements you want to enable, for your user persona.
- Translate your MVP functionality into a plan of development action.

Section 3.1.2 Developing a Plan to Establish and Manage your Business Idea

Business Plan templates ([see links referenced later in the Module](#)) give guidance on key issues to consider when developing a Business Plan. Business Plans can be detailed documents (25 pages maximum including finances) but they can most certainly be shorter (as long as all key issues are addressed). The [Summary Business Plan](#) template (see [Module 6](#)) and [Business Canvas Model](#) can be used as a simple overview / guide in the day-to-day management of your business while also being useful in attracting investors / key stakeholders for the business. A number of examples of the Business Canvas Model for different businesses are available [here](#).

As highlighted in Section 1, a business plan:

- Is formal written document describing the short & long term goals of a business and describes how they will be achieved.
- Details & evaluates critical issues for success and helps to establish the viability of the project (i.e. Research – Analysis – Decision Making).
- Acts as a selling document to potential investors, helps to convince grant aiding authorities and financial institutions to assist the project and establishes a business strategy for the enterprise.

When creating a business and seeking support for both start-up and ongoing businesses, there are some key issues which you should be aware of:

- Stakeholders (investors, banks, partners, suppliers, etc.) want to see that you and the project, are grounded in reality
- They want to see that you have identified a genuine market opportunity, has a product / service that can be successful, and a business model which can be scaled up
- They will want to see that there is a management team / structure / advisors with relevant experience (including the skills required to grow and scale)
- While pre-revenue projects are considered by investors / stakeholders, some early market traction is preferred so you should try to achieve product / service sales ([market validation](#) and [minimum viable product](#)) as early as possible or at least have good beta / market research results
- You need to show your ability to 'execute' (i.e. achieve results / deliver on key milestones) and demonstrate the ability to understand that all plans will iteratively change when interacting with the market
- Understand the difference between Cash V's Sales (i.e. ability to manage cashflow)
- Show that you value the experience & knowledge of others

The basic elements of any business plan are as follows:

- *Executive Summary (usually written at the end)*
 - In two pages, highlight the key issues of your business. (The Business Plan Summary template may help here).
- *Introduction to the Idea and the Entrepreneurs*
 - Give a succinct background to the origins of the idea and the promoters / entrepreneurs

- *Market Analysis - The Opportunity / Problem being addressed*
 - Clearly highlight the market opportunity or problem being addressed and put a verifiable value on the potential market? I.E. validate the market. Is there a Social Enterprise dimension to it?
- *Project Description / Offering*
 - Clearly define the features and benefits of your product and simply describe 'how' it works, thereby addressing the market opportunity / problem. Outline your Product Roadmap and any IP, etc.
- *Competitive Analysis*
 - Identify current (and potential) competition. Highlight your (verified) USP / Value Proposition.
- *Marketing and Sales*
 - Describe your Route to Market (direct sales, distribution partnerships, licencing, etc.), and related [Revenue / Business Model](#)
- *Strategic and Operational Planning - Operations / Technical Elements*
 - Show how you will organise the business so that it will run effectively day-to-day and in the longer term.
- *Team*
 - Outline the skill sets & personalities do you need to run the business, when you need them, how you recruit and select them and how you retain them (see [Module 3](#)) ? Have advisors or a steering committee.
- *Financial requirements and sources of funding, financial analysis and financial management (see [Module 6](#))*
- *Financial Projections including risks and contingency planning management (see [Module 6](#))*
- *Supporting Documentation*
 - Supporting documentation can be added as an appendix and will give clarity on your business to relevant stakeholders
 - Technical Drawings / Product Images
 - IP findings
 - Etc.
- *Dealing with Legal Issues such as Business Registration (see [Module 4](#)):*
 - Identify the legal issues you must adhere to when setting up a business.

The following links provide access to Business Plan templates which you can use. There is no specific, recommended model and you will find other resources available online which you may find more suitable for your own needs. A key issue is to present the plan in a concise, yet informative way.

Tool 1: Business Plan Development Resources (practical resources)

1. https://www.google.com/url?q=https://www.enterprise-ireland.com/en/Start-a-Business-in-Ireland/Do-I-qualify-as-a-HPSU-/Business-Plan-Template-.doc&sa=U&ved=0ahUKEwiN5eGKva7fAhVHbVAKHcX3Bq8QFggEMAA&client=internal-uds-cse&cx=000825887272978772436:nbqkywijhyo&usg=AOvVaw3FfYEKkf_Lm5CnobvWMjGo
<http://dcuinvent.ie/images/uploads/general/InterTradeIrelandBusinessPlanningCubeGuide.pdf>
2. http://www.forthsectordevelopment.org.uk/documents/New_BusPlanGuide.pdf (Social Enterprise focus)
3. <http://diytoolkit.org/media/DIY-Toolkit-Full-Download-A4-Size.pdf> (Social Enterprise focus)
4. The Non-profit Business Model Canvas [Better Version + WALKTHROUGH] - Bryann Alexandros <https://www.youtube.com/watch?v=ZKkjBy9hq9U> (Using the Business Model Canvas for a Social Enterprise Business).

Tool 2: Business Canvas Model

In addition to the templates for business planning outlined above, you can also follow the [Business Canvas Model \(template below\)](#). It is a very simple and graphic way of seeing all the elements of the Model and how they relate to each other within a business. The Model demonstrates how changes in one element can have an impact on the others. It's a good way to perceive a business or social initiative as a dynamic (non-static) reality, subject to changes coming either from within or from external factors.

When using the Model you will firstly need to establish the elements of the business:

- Product or service - not only technical or physical elements, but also the value it gives to the user.
- The client / user profile, particularly with regard to the clients demands, needs and values.
- The core activities which you will develop to launch and maintain the business.
- The income streams that will allow you to sustain your activity.

You then have to think about the connections between all these elements. Your trainer / Mentor / Consultant may be able to assist you in this. The Business Canvas Model (below) shows in just one sheet the main elements of the business. Numbers are indicative of an order which you could follow, but as every element is related to the others you could virtually start in any one of them.

Fig 1.2: Business Model Canvas: Developed by Alexander Osterwalder

<p>7. KEY PARTNERS Which people or organisations am I counting on to develop my project? First, think of your providers, but you could think, too, about your friends and family, that will support you, or your banker, that will allow you a credit...</p>	<p>5. KEY ACTIVITIES In order to grant the value I am proposing, which are the activities I will have to develop (production, marketing, selling...)</p> <p>6. KEY RESOURCES In order to develop these activities, which resources will I need?</p>	<p>1. VALUE PROPOSITION Which is the value I grant my client/user? How it is different from other solutions they find to their demands?</p>	<p>3. RELATION WITH USERS How will I relate (communication style) with my customers?</p> <p>4. CHANNELS Which are the channels I'll be using to show them my offer? (from "mouth-to-ear" to TV ads!)</p>	<p>2. USERS PROFILES How are my clients (socio-demographic elements)? What do they need? How do they solve currently this need? What things are important to them (values)?</p>
<p>8. COST STRUCTURE Considering both the resources I'll need, and the key partners I'll have to compensate (if they are providers, it is clear), which would be my main lines of cost?</p>		<p>9. REVENUE STREAMS Considering my costs, how will I get the income to ensure the launching and development of my idea? In poor words: how will I get the money?</p>		

3.2 Useful Material & Templates

Links to **Materials and Further Reading** are provided below:

Topics / Useful Links	
<ul style="list-style-type: none"> • USP (Unique Selling Proposition) 	<ul style="list-style-type: none"> • https://www.entrepreneur.com/encyclopedia/unique-selling-proposition-usp
<ul style="list-style-type: none"> • Secondary research 	<ul style="list-style-type: none"> • https://www.entrepreneur.com/encyclopedia/secondary-market-research
<ul style="list-style-type: none"> • Primary research 	<ul style="list-style-type: none"> • https://www.thehartford.com/business-insurance/strategy/market-research/primary-second-research
<ul style="list-style-type: none"> • PESTLE 	<ul style="list-style-type: none"> • http://dl.icdst.org/pdfs/files/2d89fe2521e3327388a4e68bbf59a72b.pdf
<ul style="list-style-type: none"> • VRIN/VRIO 	<ul style="list-style-type: none"> • https://strategicmanagementinsight.com/tools/vrio.html
<ul style="list-style-type: none"> • TOWS 	<ul style="list-style-type: none"> • https://www.mindtools.com/pages/article/newSTR_89.htm
<ul style="list-style-type: none"> • Value Chain 	<ul style="list-style-type: none"> • https://www.mindtools.com/pages/article/newSTR_66.htm
<ul style="list-style-type: none"> • Target Customers 	<ul style="list-style-type: none"> • https://blog.hootsuite.com/target-market/

<ul style="list-style-type: none"> • KOLs (Key Opinion Leaders) 	<ul style="list-style-type: none"> • https://www.activecampaign.com/blog/key-opinion-leaders
<ul style="list-style-type: none"> • MVP (Minimum Viable Product) 	<ul style="list-style-type: none"> • https://www.forbes.com/sites/quora/2018/02/27/what-is-a-minimum-viable-product-and-why-do-companies-need-them/#e0fefca382ca and https://blog.leanstack.com/minimum-viable-product-mvp-7e280b0b9418
<ul style="list-style-type: none"> • Strategic Customers 	<ul style="list-style-type: none"> • https://hbr.org/2014/03/choosing-the-right-customer
<ul style="list-style-type: none"> • TAM (Total Available Market) 	<ul style="list-style-type: none"> • https://www.thebusinessplanshop.com/blog/en/entry/tam_sam_som
<ul style="list-style-type: none"> • SAM (Serviceable Available Market) 	<ul style="list-style-type: none"> • https://www.thebusinessplanshop.com/blog/en/entry/tam_sam_som
<ul style="list-style-type: none"> • Buyer Utility Map 	<ul style="list-style-type: none"> • https://hbr.org/2000/09/knowning-a-winning-business-idea-when-you-see-one
<ul style="list-style-type: none"> • Price Corridor of the Mass 	<ul style="list-style-type: none"> • https://hbr.org/2000/09/knowning-a-winning-business-idea-when-you-see-one
<ul style="list-style-type: none"> • Market Validation 	<ul style="list-style-type: none"> • http://www.venturechoice.com/articles/market_validation.htm
<ul style="list-style-type: none"> • Business Canvas Model 	<ul style="list-style-type: none"> • https://www.strategyzer.com/canvas/business-model-canvas
<ul style="list-style-type: none"> • Revenue Model 	<ul style="list-style-type: none"> • https://fi.co/insight/the-10-most-popular-startup-revenue-models

Useful Tools are also provided in the appendices at the end of the module including:

- [Appendix 1: Summary Business Plan](#)

Bibliography

1.	Enterprise Ireland Website (searched December 2018) - https://www.google.com/url?q=https://www.enterprise-ireland.com/en/Start-a-Business-in-Ireland/Do-I-qualify-as-a-HPSU-/Business-Plan-Template-.doc&sa=U&ved=0ahUKEwiN5eGKva7fAhVHbVAKHcX3Bg8QFggEMAA&client=internal-uds-cse&cx=000825887272978772436:nbqkywijhyo&usq=AOvVaw3FfYEKkf Lm5CnobvWMjGo
2.	InterTradelreland Website (Business Cube Guide – searched December 2018) - http://dcuinvent.ie/images/uploads/general/InterTradelrelandBusinessPlanningCubeGuide.pdf
3.	http://diytoolkit.org/media/DIY-Toolkit-Full-Download-A4-Size.pdf (searched December 2018)
4.	The Nonprofit Business Model Canvas [Better Version + WALKTHROUGH] - Bryann Alexandros https://www.youtube.com/watch?v=ZKkjBy9hq9U (searched December 2018)
5.	Youtube articles on business plan development – see Useful Links section
6.	www.hban.org - https://www.hban.org/fileupload/HBANGuide(Entrepreneur).pdf (Page 26) – (searched January 2019)
7.	http://transitionproject.eu/tag/ebn/ - (searched January 2019)

Key Terms

Key Terms	
Business Plan	A document which establishes a business strategy for the enterprise which will be important when seeking key stakeholder support
Stakeholders	People / organisations which can impact upon your business or whom your business can impact upon (investors, banks, partners, suppliers, customers, etc.)
Business plan Execution	The ability to achieve results / deliver on key milestones
Cashflow, Profit & Loss & Balance Sheet	These are key elements in preparing financial projections for a business whether at start-up stage or scaling up
One Page Business plan	This is a simple summary / ‘snapshot’ of the overall business plan designed to attract interest from potential contributors to the enterprise (stakeholders)
Pitch Slide Deck	This is a PPT presentation of 10/12 slides which acts as a selling document to potential investors, helps to convince grant aiding authorities and financial institutions to assist the project and establishes a business strategy for the enterprise

Business Canvas Methodology	This is a graphic representation of key elements within a business and how they relate to each other and how changes in one of these elements can have an impact on the others
Target Customers	The type of person that a company wants to sell its products / services to. You need the right product to satisfy the needs of your target customer.
KOLs (Key Opinion Leaders)	KOLs are considered experts on certain topics. They're often regarded as trustworthy and authentic. Their authenticity enables them to have influence on the opinions and preferences of audiences in their domain of expertise.
MVP (Minimum Viable Product)	A Minimum Viable Product is that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort. In general, the purpose of this product is to test the demand.
Strategic Customers	A strategic customer can represent the target audience for a product / service, possessing an outstanding reputation in their field.
TAM (Total Available Market)	The total market demand for a product or service.
SAM (Serviceable Available Market)	The segment of the TAM targeted by your products and services which is within your geographical reach.
Buyer Utility Map	A tool to help managers think from a demand-side perspective. It outlines all the levers companies can pull to deliver exceptional utility to buyers as well as the various experiences buyers can have with a product or service. It has two dimensions: The Buyer Experience Cycle (BEC) and the Utility levers.
Price Corridor of the Mass	A tool managers can use to determine the right price to unlock a critical mass of target buyers. When pricing, managers must evaluate the trade-offs that buyers consider when making their purchasing decision, as well as the level of legal and resource protection that will block other companies from imitating their offering.
Market Validation	Market validation is the process of presenting a concept for a product to its target market and learn from those prospective buyers whether or not the idea is worth pursuing. This process typically takes place early-on in the conception stage, before any significant investment has been made in developing the product.

Case Studies / Good practices / Exercises

N/A (Business plans are confidential and so, we cannot provide samples / examples here, other than the templates / tools provided already). Detailed instructions are provided within the templates on how they should be used.

Self-test Questions

Self-test questions
Question 1: Some challenges facing me as an entrepreneur are:
a) Inability to strategise, plan and manage growth
b) Poor price / cost management structure as well as insufficient revenue sources
c) Weak sales and marketing strategies and management
d) Weak location selection
e) All of the above
Correct Answer: All of the above
Question 2: Why is planning important for entrepreneurs?
a) It helps keep concentrated on goals.
b) Keeps finances on track.
c) It tells how much revenue we expect to make.
d) It highlights things to avoid.
e) It helps keep track of progress
Correct answer(s) – a, b and e
Question 3: What are the potential barriers a successful business?
Potential barriers to a successful business include:
<ul style="list-style-type: none"> • lack of consultative management style/structure • lack of suitable team / personnel, • lack of finance (internal, external and within partnerships) and proper financial management, • lack of adequate market and customer research • dominant competitors

- lack of product refinement

Question 4: Can the following sources be used in order to generate new business ideas?

- Employees
- Customer service
- Customer complaints systems
- Old/shelved ideas
- Sales force / sales team
- Change in market conditions (economic boom and bust cycles, changing demographics (migrants, different family structures, etc.) etc.
- Locational / sectoral advantages
- Legislative drivers
- Raw material sources / supply
- Benchmarking against other businesses / industries

Correct answer(s) – yes for all – all the above can be used as a source of new ideas

Question 5: Is it fair to say that Entrepreneurs are big risk-takers and leave things to chance?

Yes or No

Correct answer(s) – No

- Entrepreneurs are opportunity-seekers and are alert to business opportunities
- They are generally pro-active, innovative, idea generators with good organizational capabilities and thrive on change.
- Entrepreneurs also want responsibility, have a need to achieve, have power and are committed to seeing a project through.
- An entrepreneur is willing to adopt a broad financial strategy.
- They take calculated risks.

Summary of Key Points

- Business development is a dynamic / active process
- You should gather/analyse information, as you move towards your goal of setting up an enterprise
- As the enterprise develops you will find that the business model and perhaps the initial service / product will change based on market feedback, and external and internal forces in the business environment. You may have to review what you have already done and re-assess how you should proceed. This is a necessary step in developing an enterprise.
- You must maintain a market focus - it is important to clearly identify the right market segments for your product / service
- Market segments can be defined in terms of consumers with common geographic, demographic, psychographic and behavioural characteristics which can be measured, can be properly serviced and can yield a return.

4. ROADMAP & ACTION PLAN

Having completed the Diagnostic evaluation and having identified the key issues of concern or knowledge gaps in terms of supporting a business, your Trainer will have been able to set out a Training Roadmap on specific issues to do with Idea Generation, Creating a Business and Developing a Business Plan.

As outlined in Section 2.2.2, the Training roadmap (learning path) is a structured sequence of training activities proposed to teach a topic. While it should be comprehensive, it also needs to be practical, in order to organise the learning over a series of sessions. It will ensure that users do not omit crucial content because lack of time and that they will achieve fluency in key elements of the topic. Steps:

1. Set the goals derived from the **BIC for SME** diagnostic needs check (see Section 2)
2. Set out the Roadmap and Action Plan by selecting the elements of the Module to be covered and timelines (see Section 2)
3. Select pedagogy (how the selected elements of the Module are to be covered in terms of lectures, reading material, exercises, etc.,) (see Section 2)
4. Set sequence: organize topics based on importance (as per the Diagnostic evaluation), impact, interactions, etc.. (see Section 2)
5. Confirm Action plan and Milestones - KPI
 1. Output: assess the result achieved

Having understood and practiced how to use the various tools and templates contained in the Module (steps 1 – 4 above), you should be able to identify (ideally with the help of a Trainer / Coach / Mentor) a set of action items including a timeline indicating: what is to be done, by whom, when and how. Examples are provided below:

4.1 Action Plan

What	Who	When	How
Define the Business Idea and why you plan to develop it. <ul style="list-style-type: none"> • Is there a gap or an opportunity in the market to provide a better offering? • Is there a problem in the market which is not being addressed by the current incumbents? 	Promoter	2 weeks	Discuss with the Trainer
Research potential customers.	Promoter	6-8 weeks	Discuss with the Trainer

<ul style="list-style-type: none"> • Why would customers use this product / service? • What is the USP (Unique Selling Proposition) or Value Proposition on offer to customers? • Who exactly are the target customers (what characteristics to they possess and can common characteristics be identified across a significant market)? • Can Strategic Customers, be identified? 			
<p>Value of market / customers.</p> <ul style="list-style-type: none"> • What is the (verifiable) Total Available Market for this product / service offering? • What is the Serviceable Available Market for this product / service (i.e. how much of the market can the business realistically service)? 	Promoter	6-8 weeks	Discuss with the Trainer
<p>Validate the market need.</p> <ul style="list-style-type: none"> • Have Target Customers or Key Opinion Leaders (KOLs) confirmed that this service / product is needed? • Will target customers switch from the existing offerings that are already available? • Is an MVP (Minimum Viable product Available)? 	Promoter	8-12 weeks	Etc.
<p>What is the competitive landscape?</p> <ul style="list-style-type: none"> • Who are the current competitors (direct and indirect)? • Are new competitors likely to emerge? 	Promoter	Etc.	Use of the Buyer Utility Map and Price Corridor of the Mass Model in conjunction with the Trainer.

What is the best Business / Revenue Model? <ul style="list-style-type: none"> Direct sales; online sales; distributors; licence model; B2C; B2B; B2B2C; B2G;? 	Name	Etc.	Etc.
Has a Marketing / Sales Plan been developed?			
Is there a team in place to develop and grow the business or how will the staffing plan be developed?			
Is a comprehensive Business Plan available?	Who?	Etc.	Etc.
Etc.			Etc.

The **BIC for SME** Diagnostic / Assessment Tool and Roadmap can provide entrepreneurs with a 'take away' in the form of a handout thereby providing them a practical guideline on tasks to be completed.

4.2 Countermeasures

Not all Action Items will progress as planned. It is important, therefore, that you consider some Countermeasures (if possible).

- Failure to properly define, refine the product / service offering - (discuss with your Trainer / Mentor / Coach alternative approaches for this critical issue)
- Criticism of initial MVP - (review feedback and identify alternative features / benefits which can enhance the product / service)
- Inconclusive feedback from market research (trial customers, KOLs, etc.) - (review feedback and identify alternative or niche markets)
- Cannot put an accurate value on the market based on secondary research (seek professional expertise / undertake primary research).

5. FOLLOW-UP & OUTPUTS

As with all plans, it is important that you monitor output achieved against the original Diagnostic evaluation, Roadmap and Action Plan (you can undertake this with the support of your Trainer / Mentor / Consultant):

Task / Objective	Outcome (Date)
Contact Key Opinion Leaders	To Do
Establish the overall value of the market	Done
Establish the competitive landscape	Done
Develop a Minimum Viable Product	Work in progress

6. APPENDICES

- [APPENDIX 1](#): Summary Business Plan

APPENDIX 1: Summary Business Plan

INVESTMENT PROPOSAL
 All information herein is confidential and intended only for registered Investors

Requirement:

AN Other Company, based in Milan, is seeking funding of €150k from equity investors which will be matched by €100k approved preference share financing from government / EU grants. The company is approved by the revenue office for tax compliance. The investment will be used to develop the marketing and commercialisation strategy of the company over the next 12 months.

What AN Other Company does?

AN Other Company provides a XXXXXX and XXXXXX Software solution, focusing on advanced patient monitoring systems delivering a range of key metrics / measurements plus Paperless Records.... The solution delivers measurable improvements and reduces costs associated with patient observation and management including: XX% average time saving by staff when performing patient observations and reporting/reviewing patient history; up to XX% reduction of measurement and recording errors. It is flexible to use: one patient or multiple patients – one ward or the entire site, standalone system or highly integrated with existing investments.

Present Position:

AN Other Company product trials and test procedures have been undertaken in companies, including international companies, based in Italy (AN Other, AN Other, AN Other, AN Other). Strong expressions of interest have been received during 2019 from international software resellers to supply the companies product to their major clients based in Ireland, the US, Europe and etc.....

Sales and Marketing:

Product Sales are scheduled to commence during Q1 2020. In the short term AN Other Company will utilise decision maker contacts within partner organisations (e.g. AN Other, AN Other, AN Other, AN Other) as well as strategic market partner and reseller channels (e.g. AN Other, AN Other, AN Other, AN Other) to achieve sales. They will also increase their direct sales force to target SMEs in Italy and the EU using web and digital marketing support.
 Competitors include AN Other, AN Other, AN Other, AN Other.

The Opportunity:

According to PwC, the EU market for Patient XXXXXX and XXXXXX Software solution is worth €18.5 billion, while waste and health management inefficiency issues cost Italian businesses €33 billion per annum (Italian Centre for xxxxx). Based on extensive research to date, the promoters have identified that hospitals are not delivering full value for their Human Capital investment with no ground breaking solutions to this problem for more than 20 years. AN Other Company provides the solution, delivering cost effective, long term improvements in the area of XXXXX and XXXXXXX.

Financial Summary

Summary	2020	2021	2022	2023
Total Revenue	€200,000	€500,000	€1,200,000	€2,500,000
Gross Margin%	60%	40%	40%	50%
Net Profit (post tax)	€(60,000)	€(20,000)	€600,000	€1,500,000
Net Profit Margin	-30%	-%	%	%
Employees	8	10	12	14

Company: AN Other Company

Ref: BMWXXX

Stage of Dev.: Start-Up

Investment Required: €250K

Sector: Logistics / Software

Skills sought: Strategic and Market Dev.

Revenues:
 2020: €200,000
 2021: €500,000
 2022: €1,200,000
 2023: €2,500,000

Document created: April 2014

Management & Shareholding:

AN Other – CEO (Product Dev & Sales) – Previous experience includes

.....

AN Other – CFO (Finance, Project Management, Statistics) – He has had roles as

.....

AN Other – CTO (Software platform architect)

The detail above is based on information supplied by the company The Halo Business Angels Network recommends that before entering into a transaction involving the acquisition or subscription for shares, investors obtain the advice of a person authorised under the Investment Intermediaries Act 1995 who specialises in advising on investments of this type and obtain appropriate due diligence, taxation and legal advice.