



MODULE 1: CREATING IDEAS, CREATING A BUSINESS



01/12/2020

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

MODULE 1: CREATING IDEAS, CREATING A BUSINESS



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’.

From concept to commercialisation, a business idea will evolve constantly. 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)
- Analysis tools like [PESTLE](#), [VRIN/VRIO](#), [TOWS](#), [Value Chain](#), [Business Canvas Model](#), etc.

As a trainer, you should be able to guide and support the entrepreneur on these concepts as well as supporting them with market assessment and validation activity. This Module, developed as part of the **BIC for SME** project, helps trainers to challenge entrepreneurs 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](#)):

In doing this, the trainer gives the entrepreneur a business and financial roadmap for the business from the original concept right the way through to commercialisation, and they 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 and having identified gaps in terms of business development knowledge, this module provides a template whereby the trainer can help the entrepreneur to deal with issues of concern to the business such as:

- Developing and assessing both a comprehensive and a summary business plan (from concept to commercialisation), for 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 trainers with competencies, methodologies and tools to support entrepreneurs to:

1. Understand and evaluate the potential impact of a business idea including its validation in terms of market demand, technology and finance
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 for each client, trainers should use the **BIC for SME** Diagnostic Tool for Entrepreneurs. Trainers should then use the same tool to assess their own ability to meet those needs as a Trainer / Mentor / Coach.

The **BIC for SME** Diagnostic Tool will highlight areas of strength and weakness for the entrepreneur and trainer 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 where trainers can highlight key areas to address.

Alternatively, or in support of the **BIC for SME** Diagnostic Tool, trainers and entrepreneurs 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, it is important for the Trainer / Mentor / Consultant to:

1. Select the elements of the Creating a Business Module to be covered and set timelines for same.
2. Set the training sequence (Trainers to 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).

Initially, the basic concepts of the topic can be transferred to the target audience through frontal lessons. Trainers can use powerpoint slides, blackboard, case studies and examples. Thereafter, a peer learning training method may also be employed through project work where entrepreneurs are split in small groups (3-5), with each one working on a specific business or business idea. At the end of the project work, each group could deliver a complete Business Plan or a Business Canvas Model and present their work in a 10 minute pitch context. The students will be provided with training materials for offline study. A Trainer can use a guest speaker/case study (i.e. a presentation by a successful entrepreneur).

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 the entrepreneur must constantly conduct their own direct research and revise their business idea and business plan regularly. They must take control of these issues as they must understand all aspects of the business in depth. As a result, they will engage in a very significant

amount of independent learning on this part of the **BIC for SME** programme. The outcome desired for the trainer therefore, is to be able to guide the entrepreneur on key issues to consider when developing a business idea and a related Business Plan.

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

This module focusses 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 for a start-up or expanding enterprise. It is linked to [Module 6](#), which gives the user 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.

The trainer needs to work through the issues and tools in this Module to understand them in a practical sense so as to properly instruct entrepreneurs in their use. Thereafter, the trainer can guide the entrepreneur in evaluating a business idea and in developing a comprehensive Business and Financial plan using the available templates.

Following the Training / Mentoring / Coaching intervention, the trainer can use the Diagnostic Tool for entrepreneurs and trainers a second time to assess the progress made in terms of enhanced knowledge, competencies and skills. Alternatively, the trainer can create a structure to assess an entrepreneurs business plan.

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

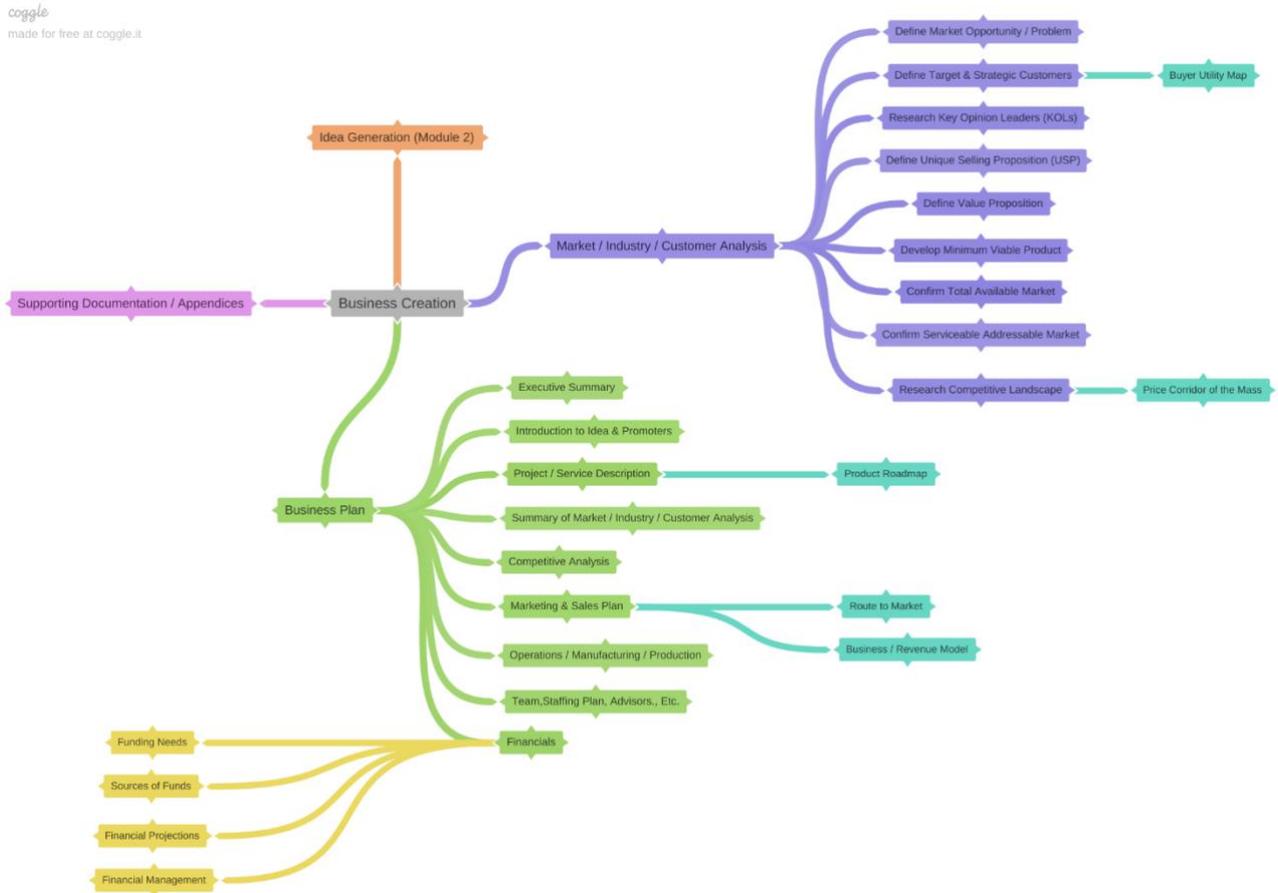
3.1.2: Developing a plan to Establish and Manage your Business idea

- 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](#)):

In addition to this Module, the trainer should identify and expose the entrepreneur to other relevant modules of the programme so as to develop a robust, sustainable business.

An overview of the 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



3.1.1 Creating a Business (issues to think about)

Question:

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

Answer:

Through experience or research one can identify opportunities. It is very unlikely that somebody will come up with a totally unique product or service that is not available elsewhere. However, someone 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](#).

Question:

How do we determine if a business idea will succeed?

Answer:

Research and market analysis and validation are required. Questions that need to be asked of an entrepreneur (and answered by the entrepreneur) include:

- Why would customers use this product / service? Are you solving a confirmed market problem or addressing a gap in the market?
- Have you 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?
- 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 [USP](#) (Unique Selling Proposition) or [Value Proposition](#)?
- As well as the market, can you validate the technology / service offering and its acceptability to users? Is it clear that this product / service offering meets market demand and have you an [MVP](#) (Minimum Viable Product) that you can further develop?
- Who exactly are your customers? Are they the final consumers, [Strategic Customers](#), intermediary businesses, other?
- 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 you 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.

Note: The market issues outlined above directly impact on the financial planning and financial management of the business. The costs and potential revenues from same must be considered as part of the overall business development path and these issues are addressed in [Module 6](#).

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 practical overview / guide for promoters in the day-to-day management of their 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 the trainer should prepare an entrepreneur for:

- Stakeholders (investors, banks, partners, suppliers, etc.) want to see that the entrepreneur and the project, are grounded in reality
- They want to see that the entrepreneur has 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 entrepreneurs 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
- Entrepreneurs need to show their ability to 'execute' (i.e. achieve results / deliver on key milestones) and demonstrate the ability to understand that all plans will iteratively change in interaction with the market
- Understand the difference between Cash V's Sales (i.e. ability to manage cashflow)

- Show that they value the experience & knowledge of others

The basic elements of any business plan are as follows:

- Executive Summary (usually written at the end)
- Introduction to the Idea and the Entrepreneurs
- Market Analysis - The Opportunity
- Project Description / Offering (including Social impacts and sustainability (if relevant))
- Competitive Analysis
- Marketing and Sales
- Strategic and Operational Planning - Operations / Technical Elements
- Team
- Financial requirements and sources of funding, financial analysis and financial management
- Financial Projections including risks and contingency planning
- Supporting Documentation
 - Technical Drawings / Product Images
 - IP findings
 - Etc.
- Dealing with Legal Issues such as Business Registration (see [Module 4](#)):

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

Tool 1: Business Plan Development Resources (practical templates)

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=0ahUKEwiN5eGKva7fAhVHbVAKHcX3Bg8QFggEMAA&client=internal-uds-cse&cx=000825887272978772436.nbqkywijhyo&usg=AOvVaw3FfYEKkf_Lm5CnobvWMjGo
<http://dcuinvent.ie/images/uploads/general/InterTradelrelandBusinessPlanningCubeGuide.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 Nonprofit Business Model Canvas [Better Version + WALKTHROUGH] - Bryan Alexandros
<https://www.youtube.com/watch?v=ZKkiBy9hq9U> (Using the Business Model Canvas for a Social Enterprise Business).

Tool 2: Business Canvas Model

In addition to the tools for business planning outlined above, trainers can also encourage entrepreneurs to 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 users 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 the entrepreneur will develop to launch and maintain the business.
- The income streams that will allow the entrepreneur to sustain their activity.

Trainers will then have to help the entrepreneur to think about the connections between all these elements. The Business Canvas Model (below) shows, in just one sheet, the main elements of the business. Numbers are indicative of an order which entrepreneurs could follow, but as every element is related to the others they could virtually start in any one of them.

Image 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>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>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>6. KEY RESOURCES In order to develop these activities, which resources will I need?</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>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 for the Trainer

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/knowing-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.	InterTradeIreland Website (Business Cube Guide – searched December 2018) - http://dcuinvent.ie/images/uploads/general/InterTradeIrelandBusinessPlanningCubeGuide.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 we have provided already). Detailed instructions are provided within the templates on how they should be used.

Summary of key points

- Business development is a dynamic / active process
- Entrepreneurs will gather/analyse information, as they move towards their goal of setting up an enterprise
- As the enterprise develops the entrepreneur 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. They may have to review what they have already done and re-assess how they should proceed. This is a necessary step in developing an enterprise.

- Entrepreneurs must maintain a market focus - it is important to clearly identify the right market segments for their 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, the 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 trainers do not omit crucial content because lack of time and that entrepreneurs will achieve fluency in key elements of the topic. The key steps are:

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: Trainers to organize topics based on importance (as per the Diagnostic evaluation), impact, interactions, etc.. (see Section 2)
5. Confirm Action plan and Milestones - KPI
6. Output: assess the result achieved

Having understood and having demonstrated to the entrepreneur how to use the various tools contained in the Module (steps 1 – 4 above), the trainer should confirm 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 the entrepreneur plans 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 posses 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.
<p>What is the best Business / Revenue Model?</p>	Name	Etc.	Etc.

<ul style="list-style-type: none"> • Direct sales; online sales; distributors; licence model; B2C; B2B; B2B2C; B2G;? 			
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 therefore important for the trainer to consider some Countermeasures (if possible).

- Failure to properly define, refine the product / service offering - (investigate the work done by the entrepreneur and advise on 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

It is important for the Trainer / Mentor / Consultant to monitor output achieved against the original Diagnostic evaluation, Roadmap and Action Plan. For example:

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.