

# Business Plan Framework

## eMerging Business and Technology Limited

*A high level view of some significant issues that need to be addressed in putting a plan together.  
Note that this is not exhaustive and focus and issues may vary with the characteristics of a particular business.*

## **Founders' (SME) / Business (Corporate) Objectives**

*Why we are doing this*

- Value/Exit Options
  - What are the personal / owners aims (for a SME) or the strategic / tactical goals (for a Corporate) of doing this?
  - What is the benefit of doing this?
  
- Key Opportunity Drivers for Business Opportunity and Investment
  - The big qualified drivers that mean this is real
  - Not a generic list of the usual suspects
  - What is the unique that means you will succeed?
  - What means money should be spent on this opportunity rather than something else
  
- Financing Requirements
  - How much?
  - Where from?
  
- Strategy
  - The big picture plan and campaign that will execute the benefits
  
- Critical Success Factors and Key Risks
  - Measures that establish the plan is on track
  - What needs to be negated or contained

## Mission

*Essentially your Creed.*

*Needs to be precisely what you are going to do - not inflated puff for the external world.*

*Needs to be simple and direct enough for everyone inside your organisation to understand and buy into.*

*Can provide the bedrock for you "Elevator Pitch" – but shouldn't be confused with it.*

- What are you seeking to achieve / provide
  - Customer service / product
  
- For
  - Client / Market
  
- By
  - Doing what – service / product / etc?
  - Commodity / premium / etc?
  
- Benefits
  - How the client / market will get value from what you are doing

## **“Now” - Where are we?**

*What is the current situation relevant to what we wish to do*

*Factual hard headed qualification – not a rose tinted view*

- **Pluses**
  - The things we have going for us
  - Market need, our current skills, IPR, risk, etc
  
- **Issues**
  - Where we are short, have barriers, etc
  
- **Major Threats**
  - Competition, ability to sustain advantage, etc

## **“Then” Strategy**

*The plan and campaign goals to execute - some key aspects but may be modified according to your business*

- Will Achieve
  - Preferably hard and factual although there may also be soft goals
- Understands market and customer needs and can sell benefits
  - Without this, you are probably wasting your time
- Has the execution plan, infrastructure and internal and accessible external competence to profitably deliver and guarantee the benefits
  - How do you create a genuine “unfair advantage” – not another “me too” USP
- Has the finance, scale, reach, resilience and substance to execute
  - How do you get these – otherwise the big beasts will kill you
- Transitioned to strategy enabling entity
  - From sole owner (if you’re a SME) or to being able to control your destiny (if you are a Corporate
- Business rolled out to plan without surprises
  - Where most plans fail – great strategy but poor execution

## Market Assumptions

*Hard, qualified and adequately researched – otherwise you might as well gamble the investment at a casino*

- Main
  - Size and segments
  - Movements, discontinuities, etc
  
- Market hierarchy of needs
  - Required value proposition and significance
  - The things that give you an opportunity
  
- Therefore proposition will work because
  - Why customers / the market want change
  - Shortfalls not being currently meet
  
- Therefore what is required
  - What benefits can be enabled
  - What proposition features relate to executing these benefits
  
- Future landscape
  - What's the position going to be like in 2 or 3 years time

## Competitor Landscape

*There are obvious candidates – but don't forget those who (maybe less immediately obvious) can leverage some aspect of complementary market or supply chain assets / competence*

- Current players in this arena
  - Doing it now, have done it before, can quickly adapt, etc
- Potential future entrants in this arena
  - See above plus you don't have monopoly on creativity
- Barriers to entry
  - For everyone, for you, for existing competition and for potential future entrants
- Why is there still an opportunity?
  - There is an awful lot of brainpower out there, so needs a genuine reason
  - A discontinuity is the best reason
- Future landscape
  - What's the position going to be like in 2 or 3 years time

## Market Strategy and Offerings

*Having looked at the market and your competition, how are you going to execute*

- Key Issues
  - Your focus, goals, etc
  - Why, how, who, when, etc
- Go to Market “Sell to/Sell through/Sell for/Sell with” strategies, models and opportunity
  - How you will execute
- Who will best help speed and scale?
  - How to create a bigger pie, piggy back off others assets and resource, etc



## Addressable Market & Tactics

*Having got a strategy, the tactical plan that will execute it*

- Pipeline
  - Qualifies whether your market and revenue assumptions are real
  
- Sales Engagement Model, Plan and Account Management
  - Will reflect requirements of pipeline
  
- Marketing
  - As above

## Offerings and Customer Acquisition

*Businesses vary, so some top level options are outlined below that may not apply to you*

**Core Offerings** (pick all or some)

**Engagement Plan** (How will these offerings be delivered)

- **Consultancy/Project Offer**
  - We can identify your real requirements
  - We can identify the solution
  - We can help implement the solution
- **Implementation Offer**
  - We can implement/transition/provide the solution
- **Build Offer**
  - We can build the solution
- **Outsource Offer**
  - We can provide the service
- **Service Offer**
  - We can operate or maintain the service
- **Finance Offer**
  - We can arrange for you to pay for the service and the assets in a variety of attractive ways

## **Offerings - Market & Customer Focus**

*All standard stuff but will help to qualify how real the plans are and whether they are viable*

- Customer “Must haves” and match
- Customer “Want to have” and match
- Sales Risk and Mitigation
- Market Risks and Mitigation
- Customer Risks and Mitigation
- Profit/Asset Risks and mitigation

## Management – Basic Requirement

*A key issue – speaks directly to whether the strategy will be executed*

- What is required
  - Strength of management – industry sector expertise – track record – team leader – complementary expertise
  - vision – personal goals and desire - balanced culture
- Who are they and what they do
  - Relevant experience, domain knowledge and track record
  - Define required individual goals
  - Fit between plan and personal goals
- Structure and foundation
  - Stake holding, governance, decision making, control, process, objective setting, delivery, measurement
- Gaps and plan to fill
  - Do we know what we don't know and/or can't do
  - Executive board - employees - non execs - associates
- Controls and performance measurement
  - For management, employees and others
  - Legal, honest and decent – but how is/will this be validated
- Rewards/incentives
  - Proportionate value for all the stakeholders
  - Growth or income based?

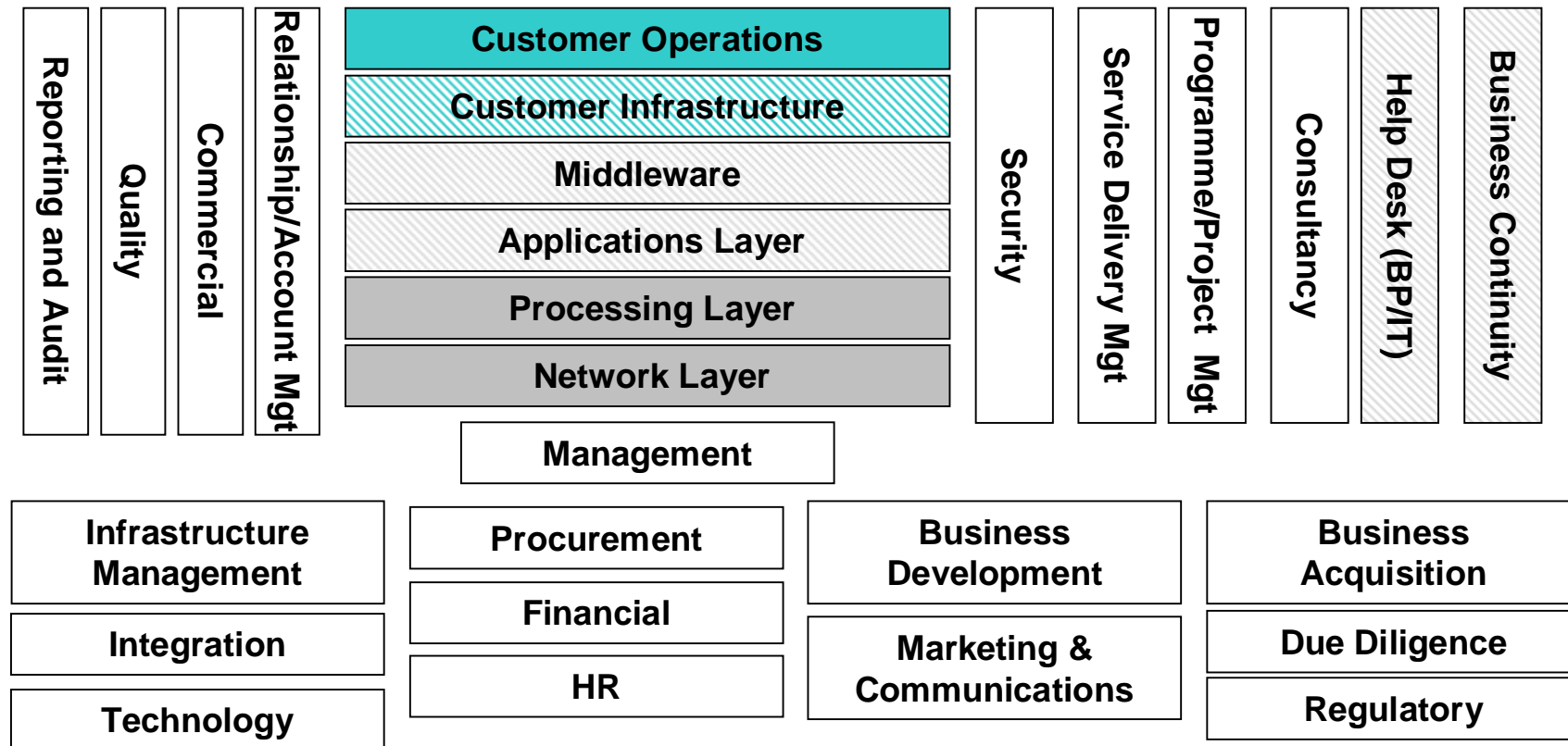
## Management – Current Position

- In place
- Identified
- Yet to be sourced
- Launch team

## Business Operations

*A checklist – will vary with the business*

*Which of the following process/competence is needed – and how do they integrate/align?*



## **Business Operations – 2**

*A checklist – will vary with the business*

*Which of the following process/competence is needed – and how do they integrate/align?*

### **Business Acquisition**

- Account Management
- Business Conception, Development & Planning
- Bid Management & Estimators
- Due Diligence
- Requirements Capture & Solutions Design

### **Delivery**

- Solution & architecture competence
- Programme/project management
- Integration & commissioning
- Infrastructure Operations
  - IT
  - Network
  - Helpdesks for IT and business process
  - Reporting & SLA management

### **Security**

### **Vendor/Partner Management**

### **General**

- Commercial & procurement
- Financial
- HR
- TUPE transition management

### **Own Resource or “Hired in”**

### **Etc**

## Revenue Plan & Key Points – This Year

- Projected
  - Revenue ~
  - Costs ~
  - EBIT
  - Cash ~
  - Burn rate per month of delay in customer acquisition ~
- Upside opportunities
- Opportunities/Threats



## Revenue Plan & Key Points – Next Year

- Projected
  - Revenue ~
  - Costs ~
  - EBIT
  - Cash ~
  - Burn rate per month of delay in customer acquisition ~
  - Value on p/e multiple ~
- Upside opportunities
- Opportunities/Threats

## **SWOT Issues & Critical Success Factors**

- Strengths
- Weaknesses
- Opportunities
- Threats
- Key issues to leverage Strengths and Opportunity and overcome Weaknesses and Threats

## Key Drivers to move from “Now” to “Then”

- Short term – 1/2 months
- Medium Term – 2/6 months
- Long Term – 4/12 months

**Critical Milestones/Measures of Success This Year**

Date	Event	Conditional Issues	Action

## Recommendations and Agreement on Way Ahead