

From the Idea to Success

The business plan as a roadmap to
success

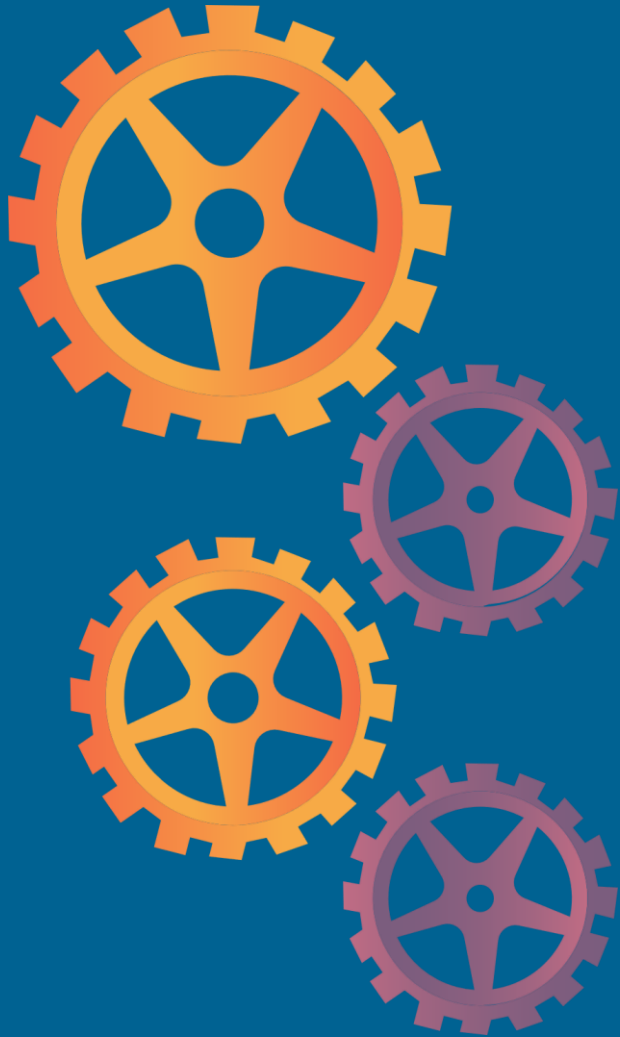


Is a business or a product idea enough for success?

No

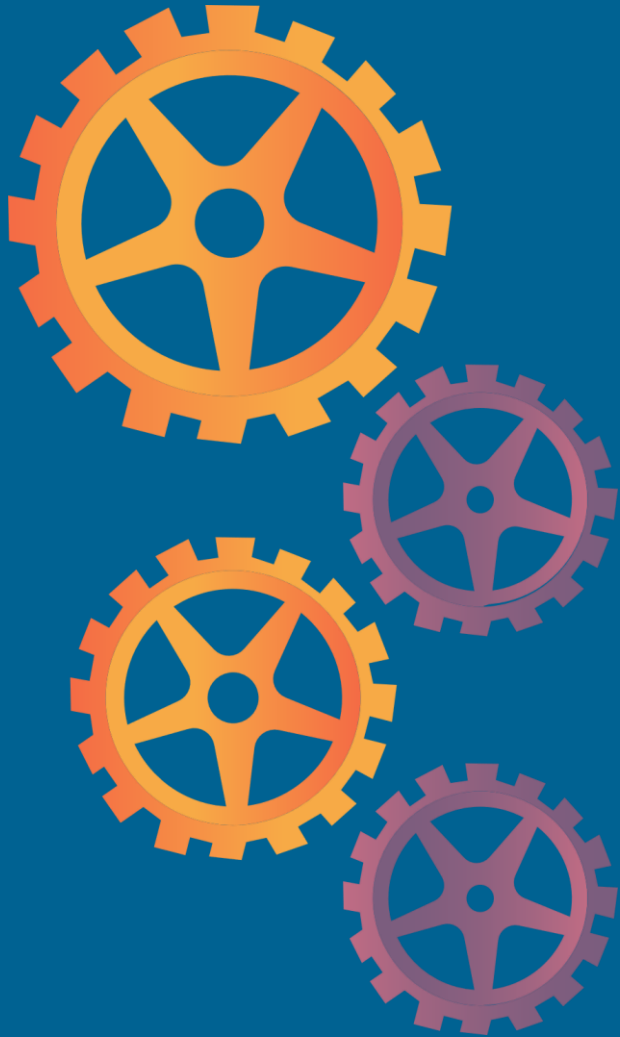
- The customer won't buy the idea but the product / service
- The entrepreneur has to create or have an:
 - Effective organization to supply the product / service
 - Effective strategy
 - Financial backing of the project and
 - Favorable market situation.

Business Plan



What is a business plan and how can I write a business plan that can persuade others to invest?

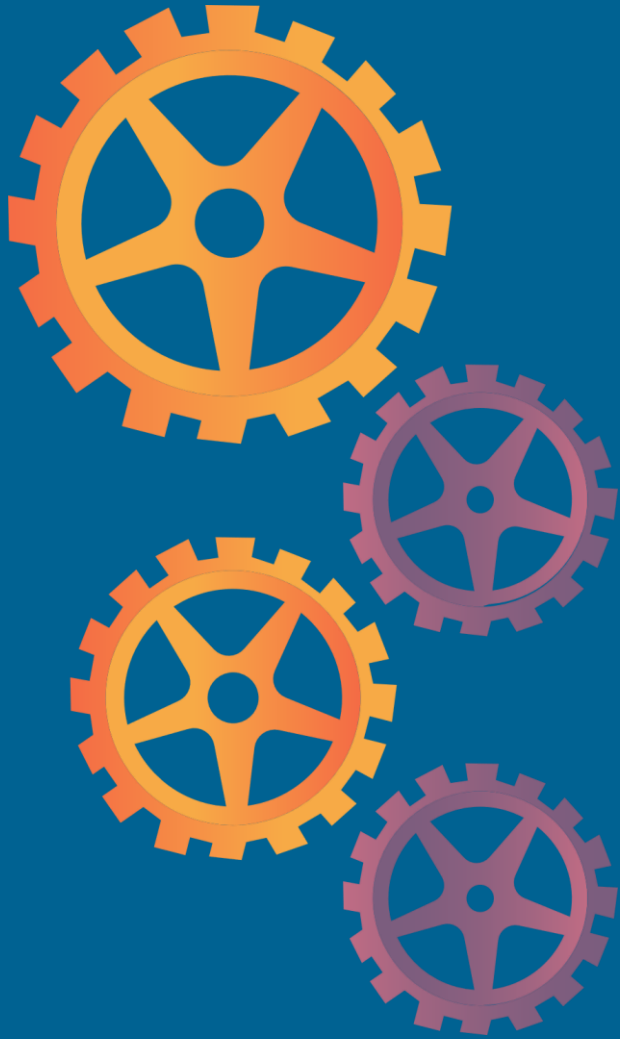
- A Business Plan is a detailed proposal that describes a new business or the expansion of an existing one. A business plan is used to:
 - Focus on the purposes and uses of the plan
 - Identify and support key assumptions
 - Highlight critical factors for success or failure
 - Delineate milestones so users can evaluate success
 - Include financial projections to test the plan, commit the entrepreneur, and facilitate negotiation



What is the structure of a business plan?

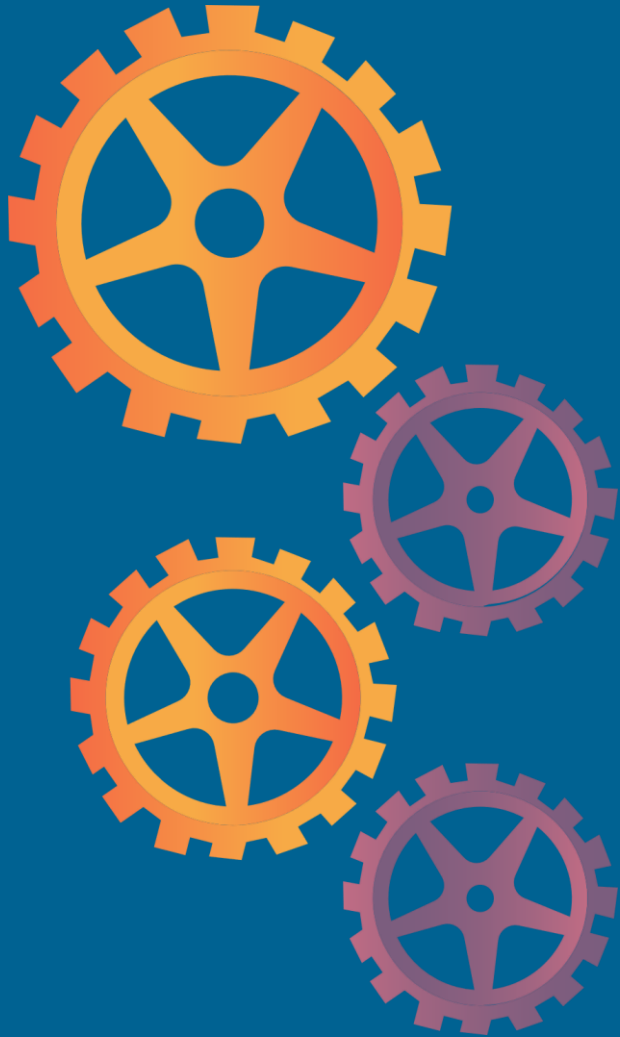
- Executive Summary
- Product/Service Plan
- Management Team Plan (human resources)
- Industry/Market Analysis – Competitor / customer / market analysis
- Operational Plan
- Organizational Plan
- Marketing Plan
- Growth Plan
- Financial Plan

And ... a lot of Appendixes



A good business plan ...

- convinces people that the business idea and its implementation is feasible and has growth potential. A business plan in order to be convincing has to:
 - Demonstrate understanding of the technology, market, risks, and customer needs
 - Defensible assumptions that yield testable hypotheses
 - Credible evidence of irrevocable commitment
 - Evidence of reputation and certification
 - Signals the quality and capabilities of the team



Pitfalls of business plans

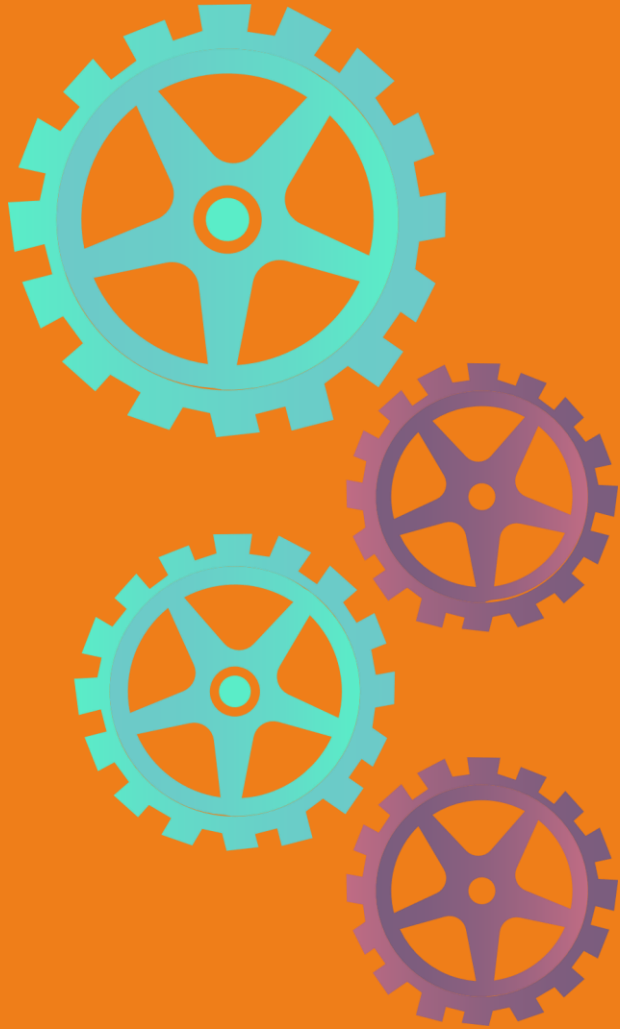
- Failing to identify clearly the customer problem that the venture would address
- Failing to identify clearly a narrow target market
- Relying on a business model that does not make economic sense
- Relying on a highly credentialed team that lacks the critical expertise the venture needs
- Failing to recognize the threats and potential problems



Are the financial statements important for a business plan?

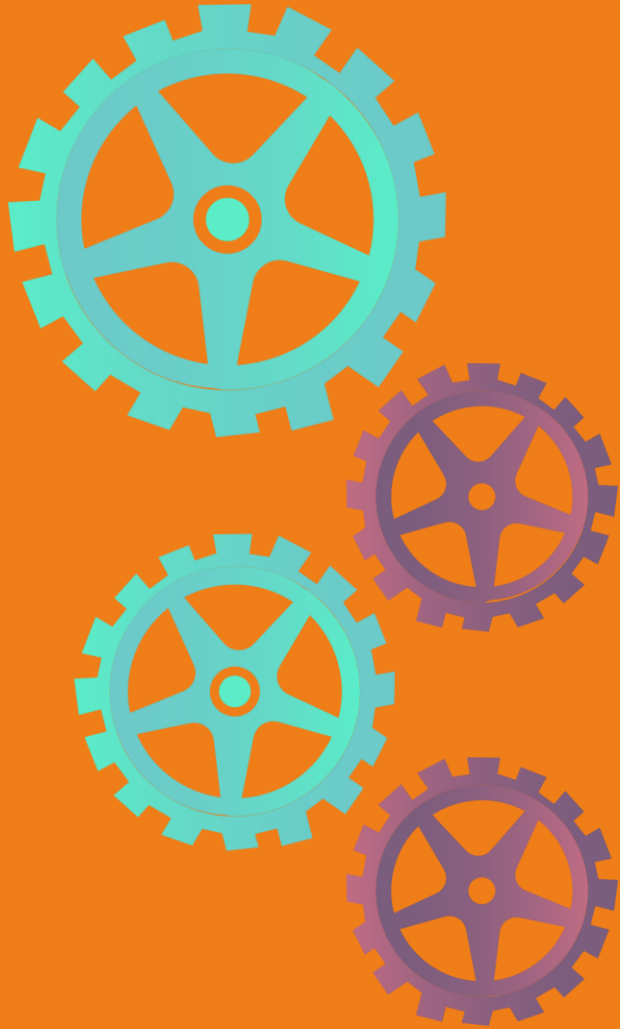
Yes

- ✓ They represent the financial health, transactions and situation of the business.
- ✓ They are the vessels of communication between managers/owners, shareholders, banks, etc. Information like profits, sales, investments, inventory, loans, etc are included in them.
- ✓ They are analyzed by a lot of stakeholders.
- ✓ They are so important that are extremely regulated in terms of form, accuracy, time of publication, etc.



Who can finance my business idea?

- ✓ Family and Friends
- ✓ Other Businesses
- ✓ Employees
- ✓ Hedge fund
- ✓ Venture capital
- ✓ Banks
- ✓ Crowd funding
- ✓ And others



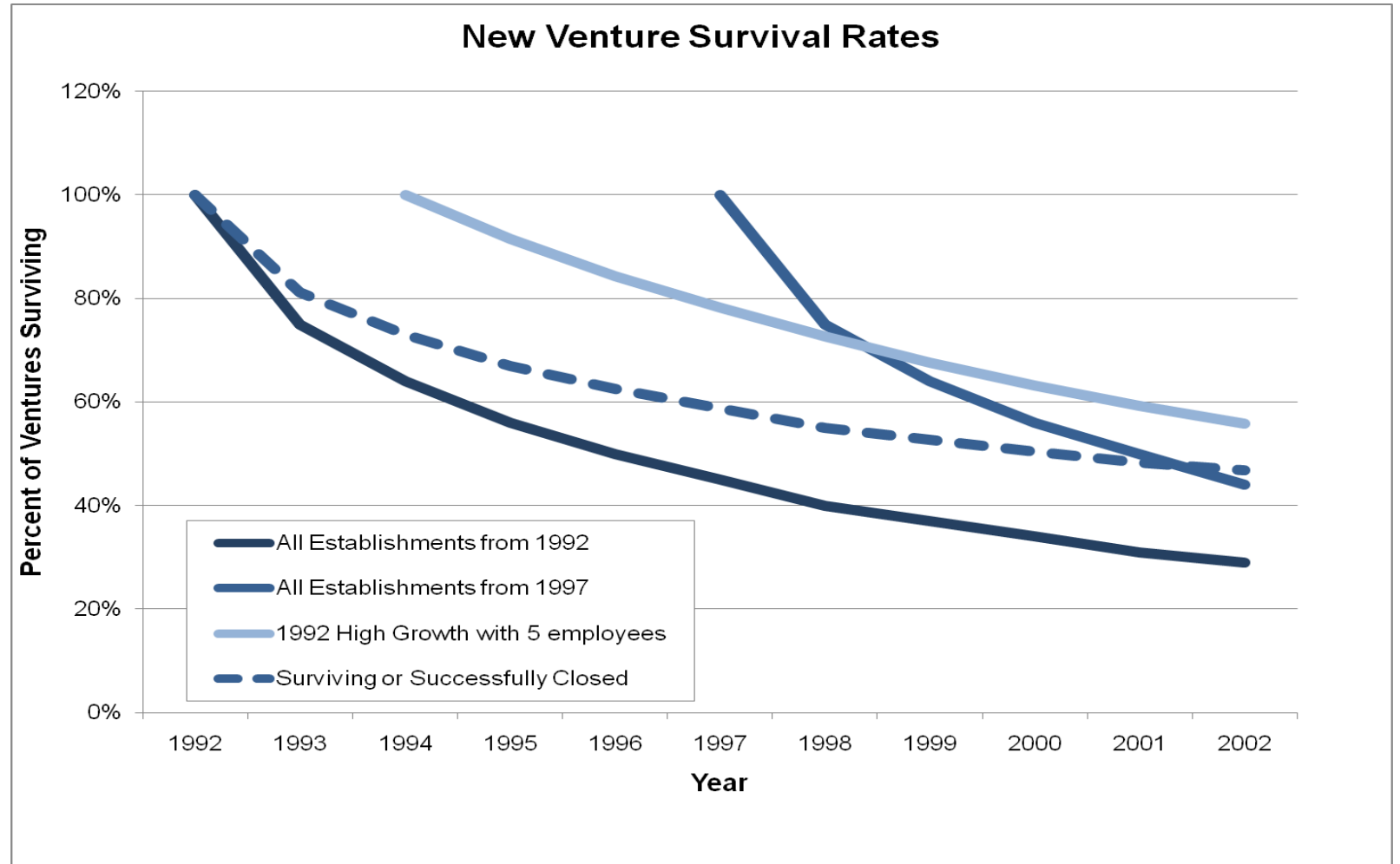
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Do start-ups fail? (1)

Yes



Source: 1998-2002 Business Information Tracking Series. Data available in "Small Business Growth: Searching for Stylized Facts," Small Business Administration Working Paper, 2007, prepared by Brian Headd and Bruce Kirchoff.

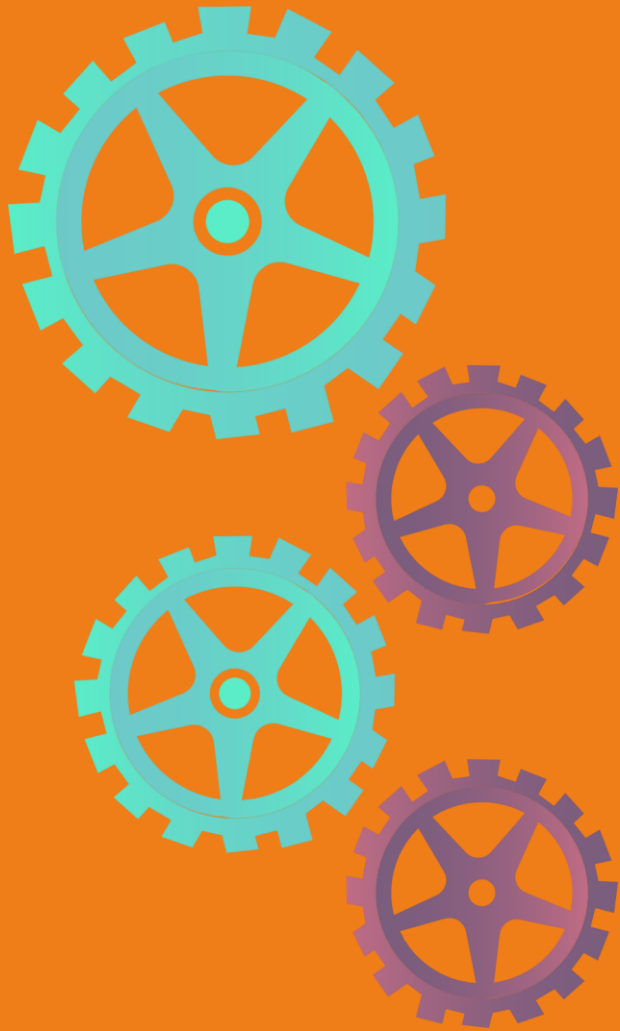
Why do start-ups fail?

✓ **Failure**

- ✓ Poor management
- ✓ Neglect
- ✓ Weak control systems
- ✓ Insufficient capital

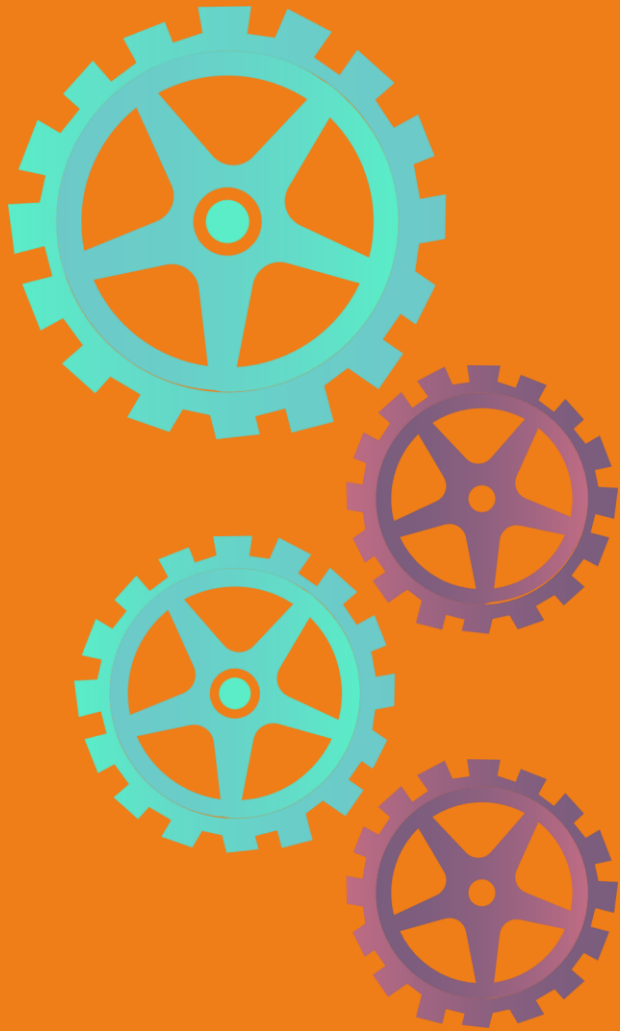
✓ **Success**

- ✓ Hard work, drive, and dedication
- ✓ Market demand
- ✓ Managerial competence
- ✓ Luck!!!



Is the international – global environment important for formulating a business strategy?

- ✓ No boundaries and frontiers
- ✓ Key success factor: Inward and outward Logistics
- ✓ The business isn't in competition with the local businesses but with the businesses **all over the world**



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