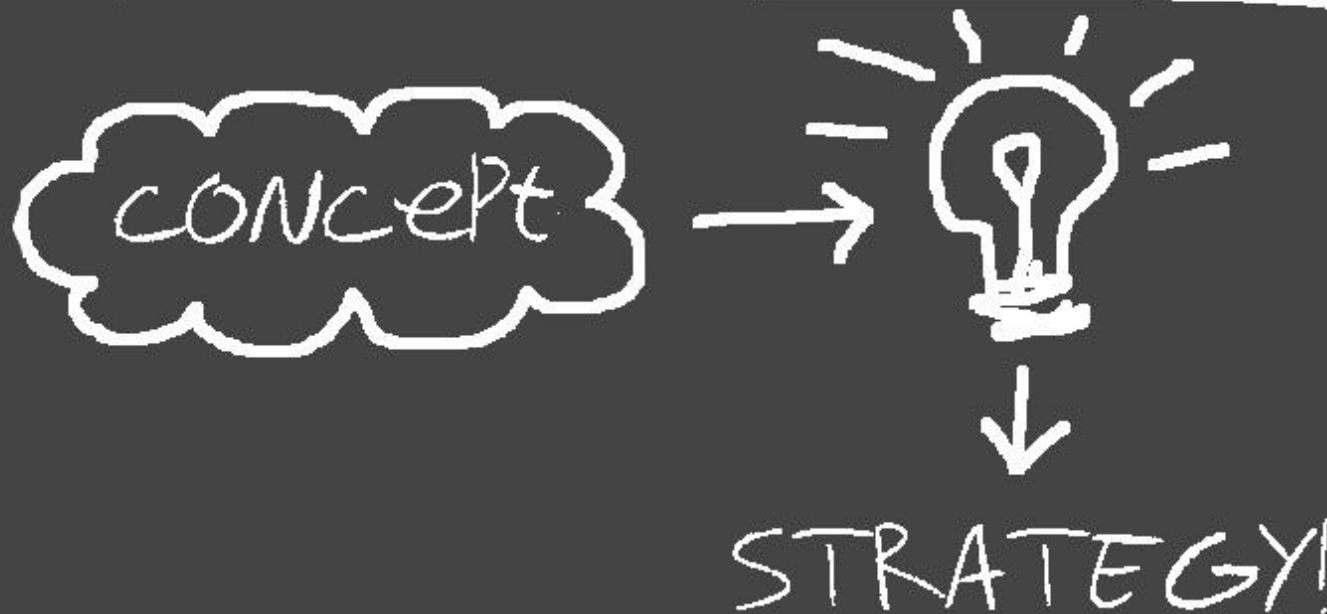


BUSINESS PLAN



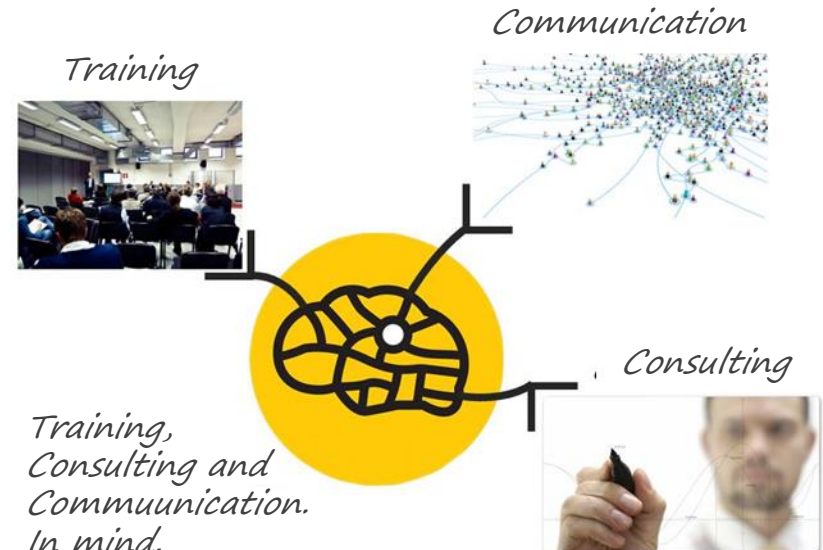
BRINC – Brainstorming in company

One goal in mind: increase clients performance!

BRINC supports enterprises, public institutions and non-profit companies in the design, implementation and communication of business and marketing strategies, facilitating the identification of synergies between markets and different stakeholders.

BRINC areas of activities:

- **Training:** online and offline marketing, territorial marketing, geo marketing, strategies and sales techniques; internal and external communication; team building, stakeholder engagement, project management.
- **Consulting:** BRINC assists companies, local economic activities, institutions and non-profit organizations in the development of new strategies to enter the market.
- **Communication:** BRINC assists companies in the definition of communication strategies



Luca Giovannetti, MBA - CMC



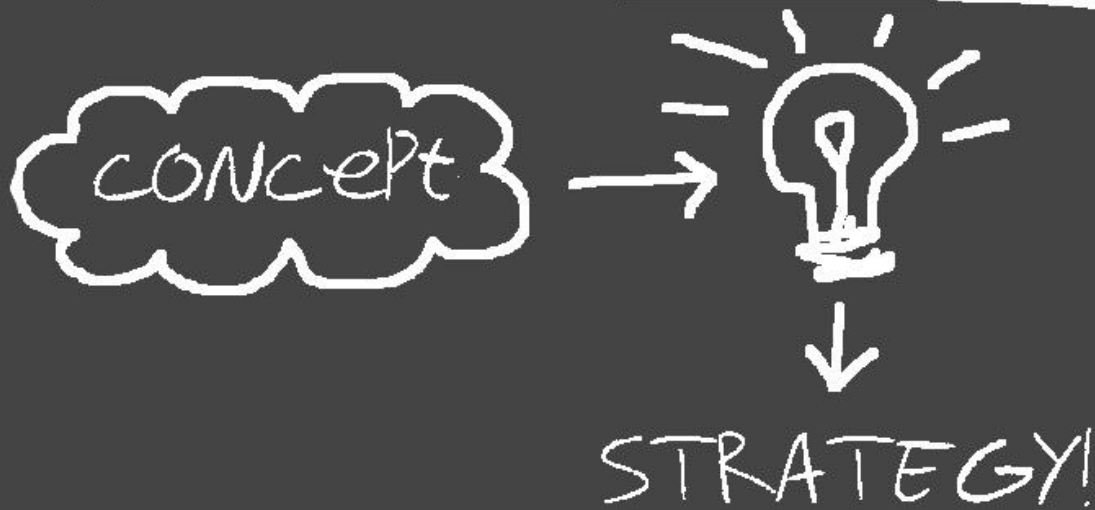
Senior management and marketing consultant, with solid experience in market analysis and strategy development; strong team building and networking skills. Specialized trainer in communication, marketing, negotiation and sales techniques. Since 2007 I have been working for media companies (TV, Newspaper, Magazines), Public Sector, Aftermarket Automotive, nonprofit organizations. In 2012 I founded **BRINC Brainstorming in company**. Since 2006 I collaborate with marketing and advertising magazines.

Web: www.brinc.it

email: luca@brinc.it

mob: (+39)349.6342485

BUSINESS PLAN



Day 1



The **business plan** is a document that contains contents and details of a business project (business idea). It is used to plan and manage the business, and to communicate with potential financial investors.

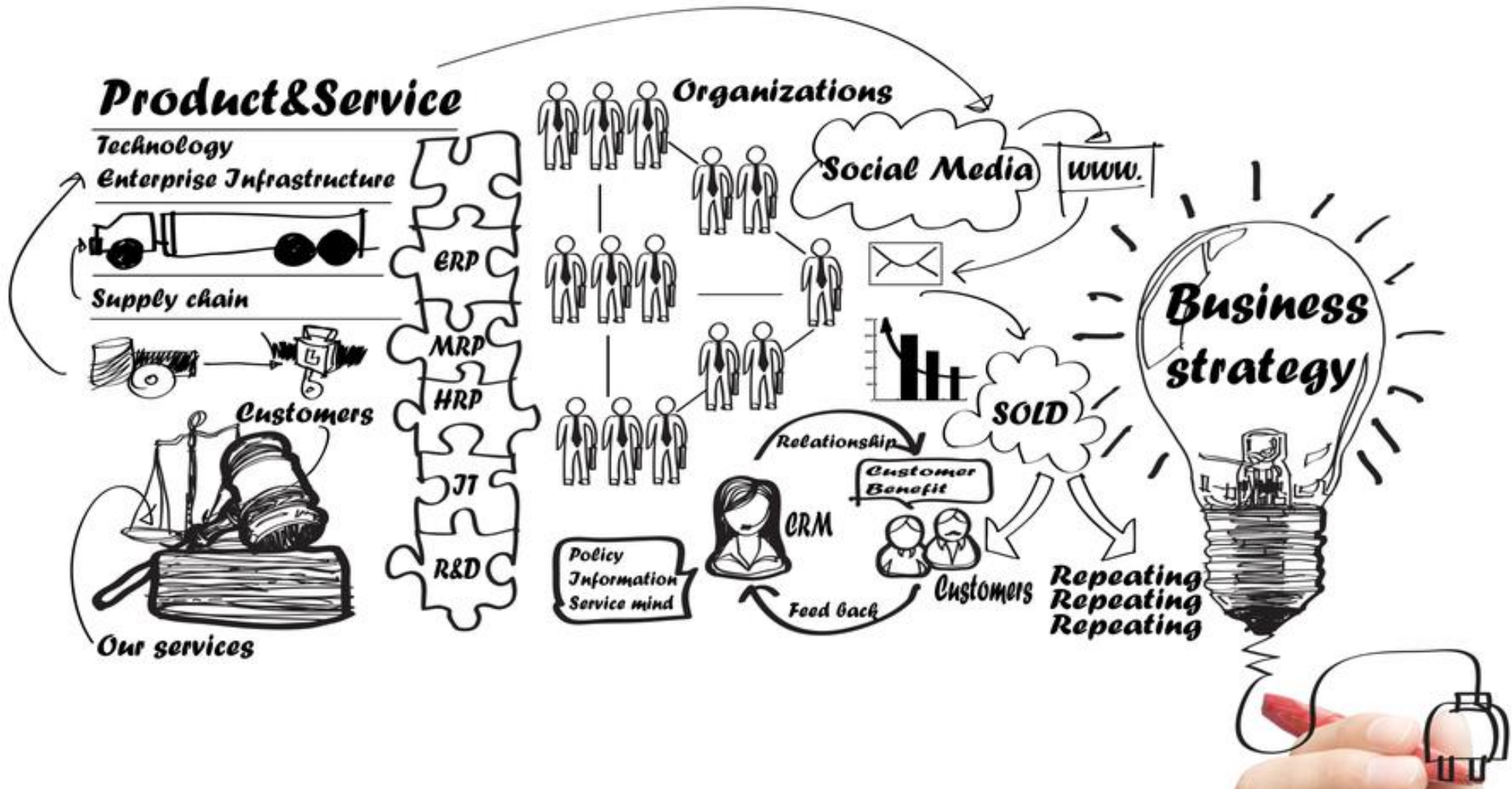
Business Plan

- Business Project Description
- Management Presentation
- Market Analysis
- Goals
- Marketing Plan
- Technical Feasibility Plan
- Economic and Financial Feasibility Plan (3-5 years)
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▪ **Business Project Description**

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Business Idea or Business Model Canvas



Business Idea

System of coherence necessary to the business in order to acquire competitive advantages within a market.

Coherence is the prime attribute of a business project. Coherence should be analyzed under three point of view:

- **Product system** ► What do you want to sell?
- **Market segmentation** ► Who is your customer?
- **Internal resources** ► How are we going to produce it?

Source: Richard Normann

Business Idea

- **Product system** ▶ What do you want to sell?
- **Market segmentation** ▶ Who is your customer?
- **Internal resources** ▶ How are we going to produce it?

The Product system identify the idea of business and define the business offer to the target customer.

The management of the new business should identify:

- ✓ Technical feasibility
- ✓ Level of innovation (i.e. quality, technology, processes, etc.)

Business Idea: ■ Product system ► What do you want to sell?

- What do you want to sell?
- Which elements create value?

Business Idea

- **Product system** ▶ What do you want to sell?
- **Market segmentation** ▶ Who is your customer?
- **Internal resources** ▶ How are we going to produce it?

Market segmentation: target customer addressed by the business idea.

The management of the new business should define:

- ✓ Which needs they want to satisfy
- ✓ Potential customers' segments
- ✓ Differential benefits for potential customers
- ✓ Actual and potential competitors

Business Idea: ■ Market segmentation ► Who is your customer?

- When you have defined your business, make a list of:
 - potential clients (B2B), or
 - customer segments (B2C).
- Discuss if your potential offer will be network driven (contact name) or solution driven (product / service).

Business Idea: ■ Market segmentation ► Who is your customer?

- What is your promise?

Define 3 aspect that
differentiate you from actual or
potential competitors

Business Idea

- Product system ▶ What do you want to sell?
- Market segmentation ▶ Who is your customer?
- **Internal resources** ▶ How are we going to produce it?

The business idea should be developed taking into account available financial resources and acquired skills

- ✓ technologies
- ✓ capitals
- ✓ team competences & skills (staff, knowledge)
- ✓ Networking competencies, suppliers relationships, potential customers and stakeholders

Business Idea: ■ Internal resources ► How are we going to produce it?

- Who is part of the team?
- Do you have all the skills and experiences needed to develop your business offer?







The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 			Revenue Streams 	

Business Plan From Business Idea to Business Offer

Business Model Generation Canvas - abstract

Key Activities: what an organization should do to develop the business and keep it running

Categories: Production, Distribution, Marketing, Problem solving, Platform development, Network

Key Partnership defines the supplier and partner network necessary to start and run the business model

3 good reasons to develop partnership: Optimization and Economy of scale; Risk and uncertainty reduction; Resources and activities acquisition

Key Resources identifies main aspects needed by the business model to run

Key resources categories: Physical
Physical; Intellectual; Human; Financial

Which **Costs** impact more on the structure of the organization?
Which are the most expensive Key Activities and Resources?

Offer models: Value Driven vs. Cost Driven

Cost Structure: Fixed costs; Variable costs; Scale and Scope Economies

Value Propositions define which & how products and services generate value for a specific customer segment, by satisfying needs or solving problems. They are the reason why customers switch from one Company to another.

Value creating elements: Newness; Performances; Cost reduction; Risk reduction; Brand / Status; Price; Customization; "Getting the job done"; Design; Accessibility; Convenience / Usability

Customer Relationship defines the relationship a Company creates with specific customer segments.

Customer Relationships: Personal service; Self-service; Automatic service; Community; Co-creation

Customer Segments define organizations and persons groups to whom the Company is addressing to in order to sell

Approach to market: Mass; Niche; Similar segments; Differentiation; Two-sided markets (or multi-sided)

Channels describe how a Company reach & communicate with its customer segments

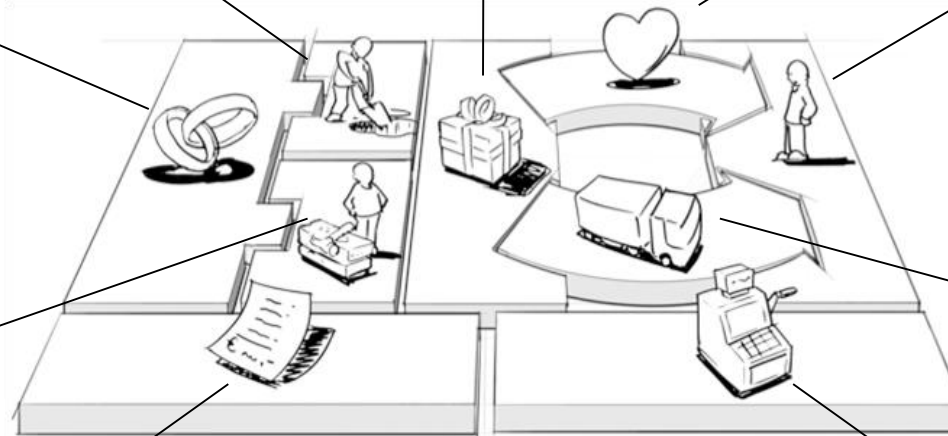
5 phases for Channels development:

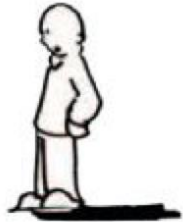
1. Awareness: communication
2. Evaluation: by the customer
3. Sales: how to buy?
4. Distribution: how to distribute
5. Post-sales: guarantees & services

Revenues Streams identify the economic value generated by each single customer segment

Price mechanisms:

- Fix; Price list; Per characteristics; Per customer Segment; Per volume
- Dynamic: Negotiation; Floating; Real-time; Bidding



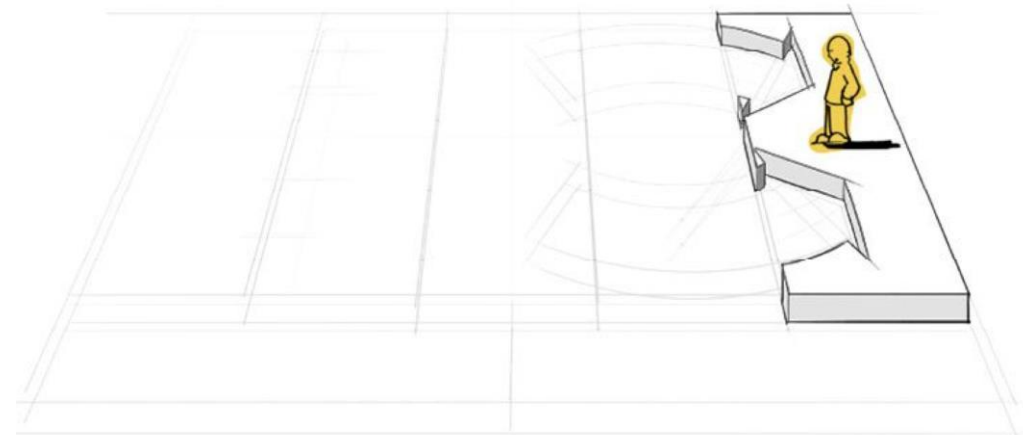


1

Customer Segments define organizations and persons groups to whom the Company is addressing to in order to sell

Approach to market segmentation:

- **Mass;**
- **Niche;**
- **Similar segments;**
- **Differentiation;**
- **Two-sided markets (or multi-sided)**



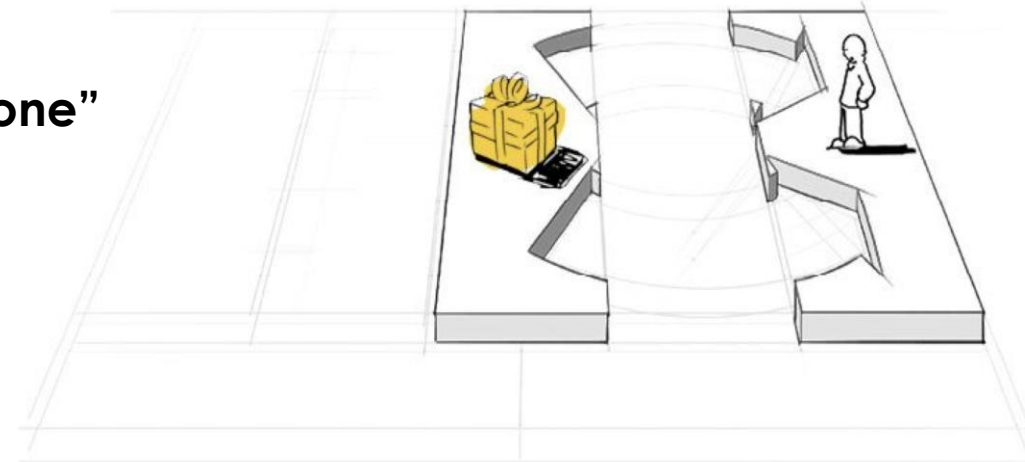


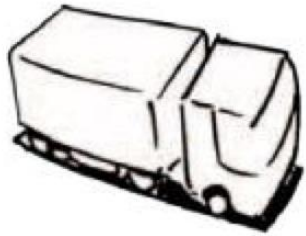
2

Value Propositions define which & how products and services generate value for a specific customer segment, by satisfying needs or solving problems. They are the reason why customers switch from one Company to an other.

Value creating elements:

- **Newness**
- **Performances**
- **Cost reduction**
- **Risk reduction**
- **Brand / Status**
- **Price**
- **Customization**
- **“Getting the job done”**
- **Design**
- **Accessibility**
- **Convenience / Usability**



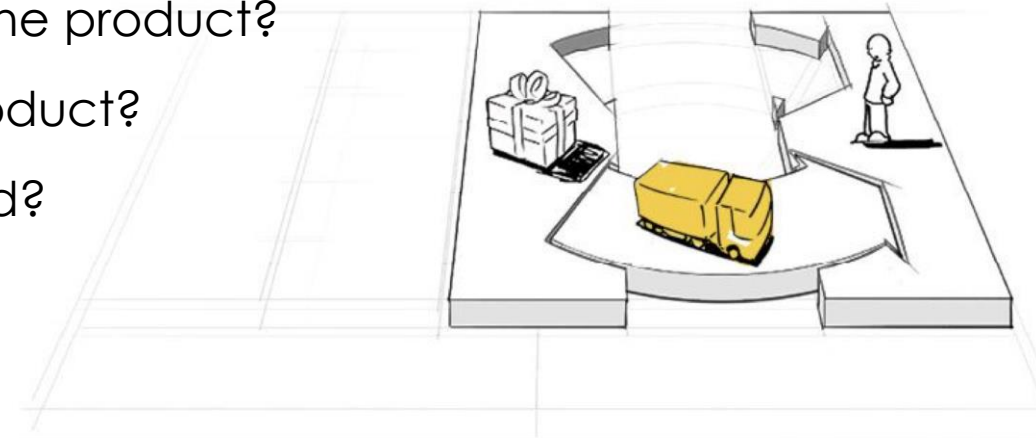


3

Channels describe how a Company reach and communicate with its customer segments and how the company distributes its product / service

5 phases of distribution development:

- ① **Awareness:** how do you communicate?
- ② **Evaluation:** how the customer evaluate the product?
- ③ **Sales:** how can the customer buy the product?
- ④ **Distribution:** how is the product distributed?
- ⑤ **Post-sales:** guarantees & services

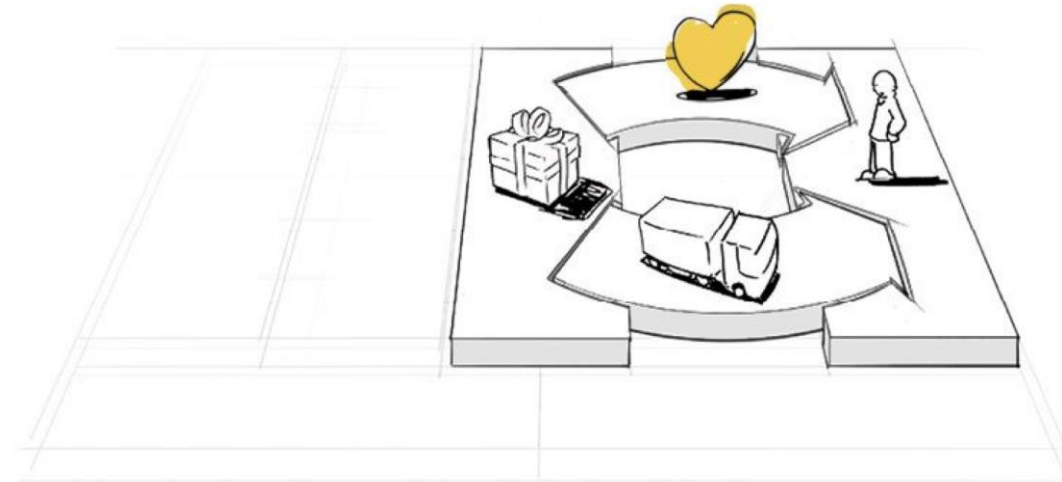




Customer Relationship defines the relationship a Company creates with specific customer segments.

Customer relationship categories:

- **Personal service;**
- **Self-service;**
- **Automatic service;**
- **Community;**
- **Co-creation**





5

Revenues Streams identify the economic value generated by each single customer segment

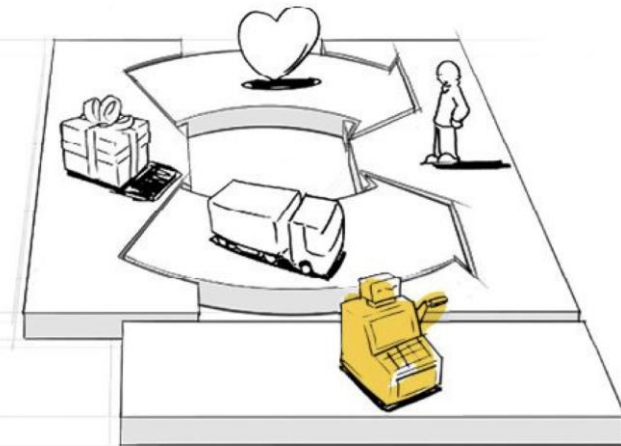
Price mechanisms:

Fix

- **Price list:** defined
- **by characteristics:** depending on product / service quality
- **by customer Segment:** diversification on customer
- **by volume:** economy of scale

Dynamic

- **Negotiation:** discussion with the parts
- **Floating:** depending on materials and / or third part elements
- **Real-time:** real time negotiation
- **Bidding:** price increasing depending on offers



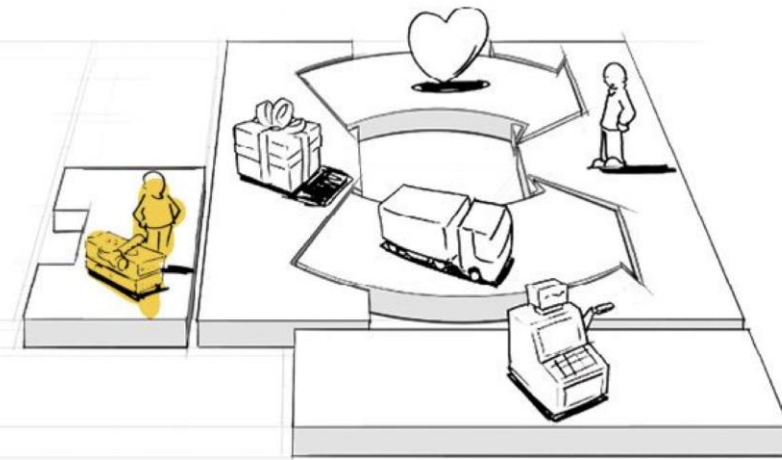


6

Key Resources identifies the main aspects needed by the business model to run and create value

Main Key Resources:

- **Physical:** all physical assets (machines; vehicles; buildings; IT infrastructure; distribution network; etc.)
- **Intellectual:** brand, patent, intellectual rights, etc.
- **Humans:** human resources competencies and skills
- **Financial:** financial model as direct financing, borrowing, investors, IPO (Initial Public Offer)



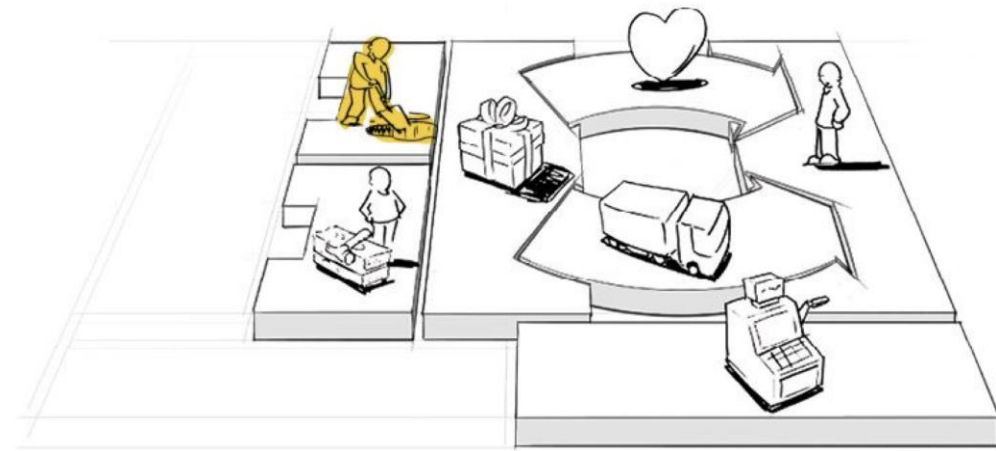


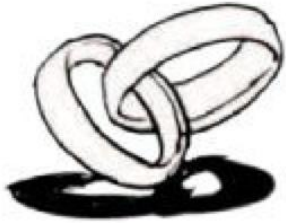
7

Key Activities: what an organization should do to develop the business and keep it running

Categories:

- **Production:** design, creation, production and delivery of the product in adequate quantity and quality
- **Problem solving:** key and/or individual problems which can put at risk the business model and its development
- **Platform / Network:** i.e. credit cards circuits, phone companies, advertising networks and syndications, etc.



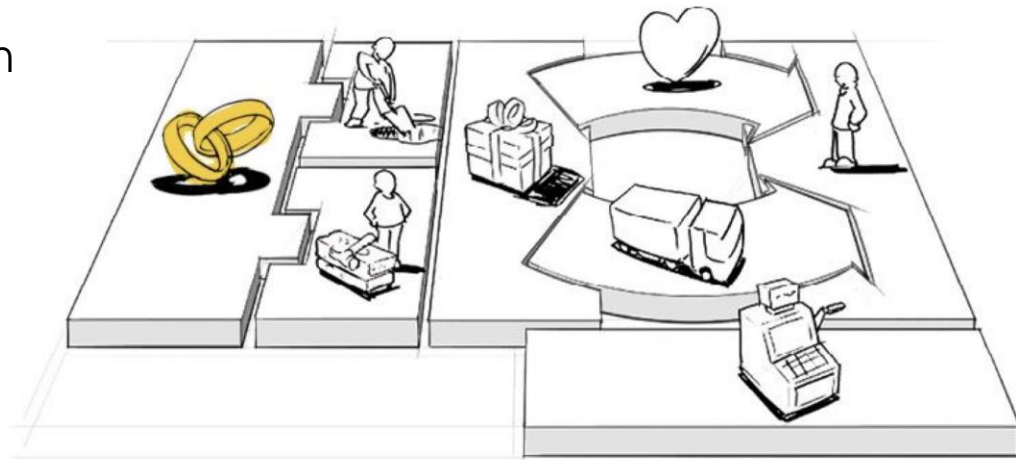


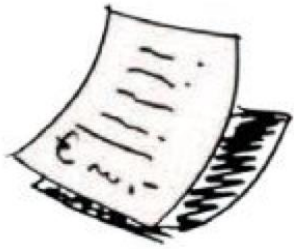
8

Key Partnership defines the supplier and partner network necessary to start and run the business model

3 reasons for partnership development:

- **Optimization and economy of scale:** partnership developed to gain cost reduction and resources optimization
- **Risk & uncertainty reduction:** partnership reduce risk level in economic contests characterized by competition and uncertainty
- **Resources & activities acquisition:** trade-off between make or buy. Buy is often defined as the less expensive and cheaper solution





9

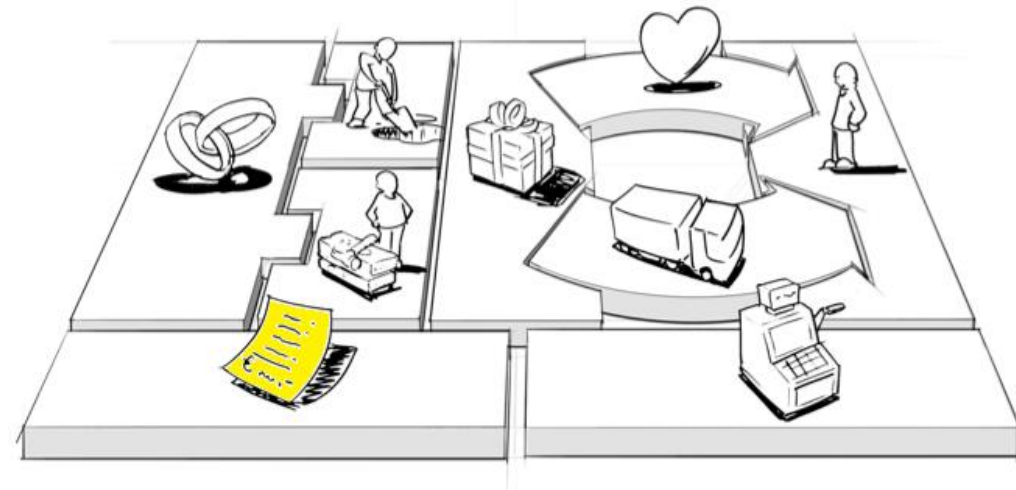
Which **Costs** impact more on the structure of the organization?
Which are the most expensive Key Activities and Resources?

2 modelli di offerta:

- **Offer models:** Value Driven vs. Cost Driven
- **Cost Structure:** Fixed costs; Variable costs; Scale and Scope Economies

Cost Structure:

- **Fixed costs;**
- **Variable costs;**
- **Scale and Scope Economies**





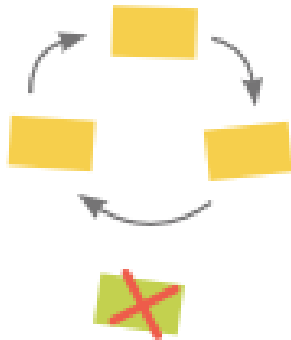
Ground rules to fill the canvas:

- Do not write on the Canvas
- One idea per post-it
- 100% rule: add every element relevant for your model
- Check the coherence between elements: do not create orphan elements (post-it)

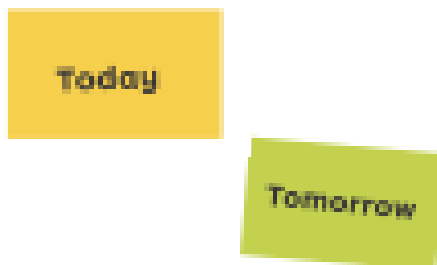
Some other tips:



- Choose post-it color with a meaning (i.e. use the same color for customer segments and the related value proposition)

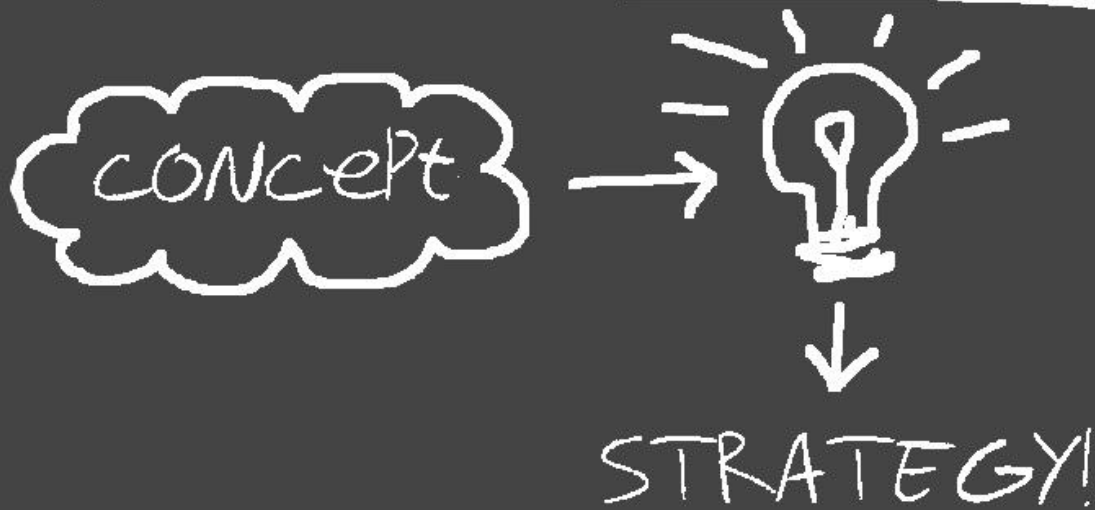


- Check the coherence between elements: do not create orphan elements (post-it)
i.e. every post-it in the revenue stream needs a corresponding post-it in the customer segment



- If you are mixing present and future, please make it clear
i.e. apply a different color code

BUSINESS PLAN



Day 2
👣👣

- Business Project Description
- **Management Presentation**
- Market Analysis
- Goals
- Marketing Plan
- Technical Feasibility Plan
- Economic and Financial Feasibility Plan (3-5 years)
- Expected Return On Investment (ROI) and Risk Assessment
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Management profile: Summary Skills



PROFILE

- ✓ Brief description of who you are, relevant experiences, your goals in the future



HARD SKILLS

- ✓ Skills and competencies needed to run the business
- ✓ It is the “core” side of the activity



SOFT SKILLS

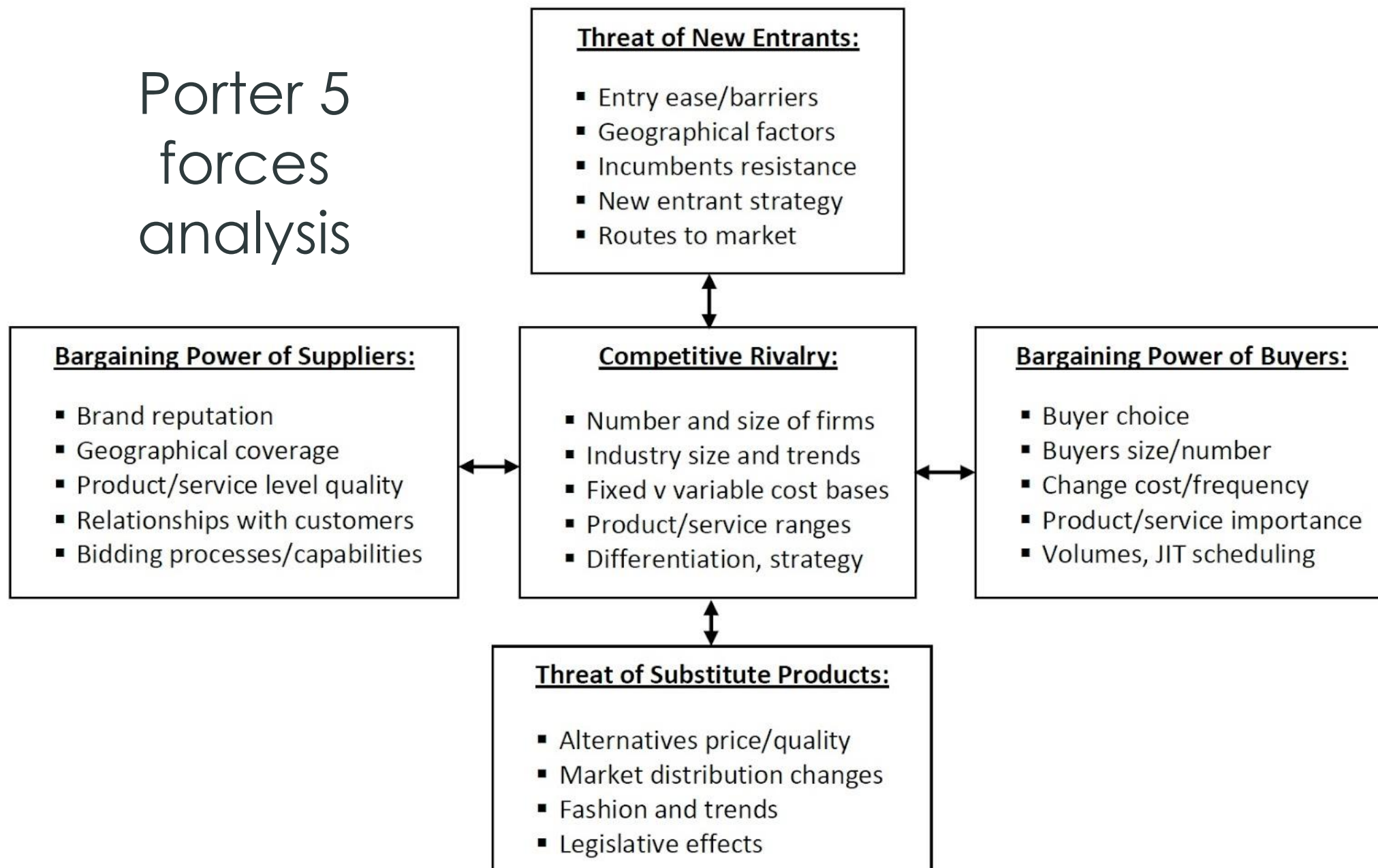
- ✓ Skills and competencies needed to offer a qualitative service / product to the customer and to keep positive and effective relationship with colleagues and partners

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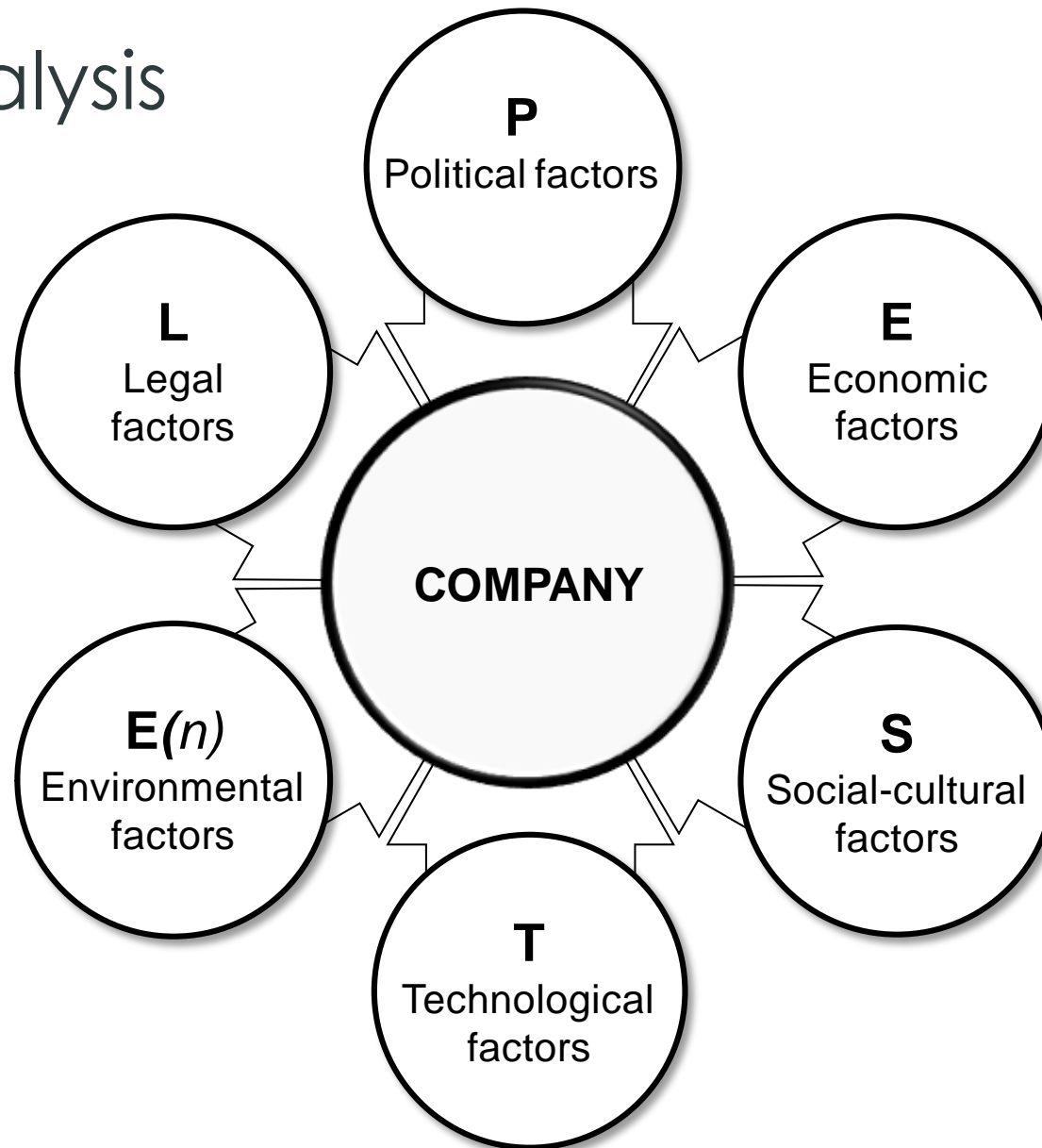
Market Analysis:

- Porter 5 forces
- PESTEL
- Porter Generic Strategies
- SWOT

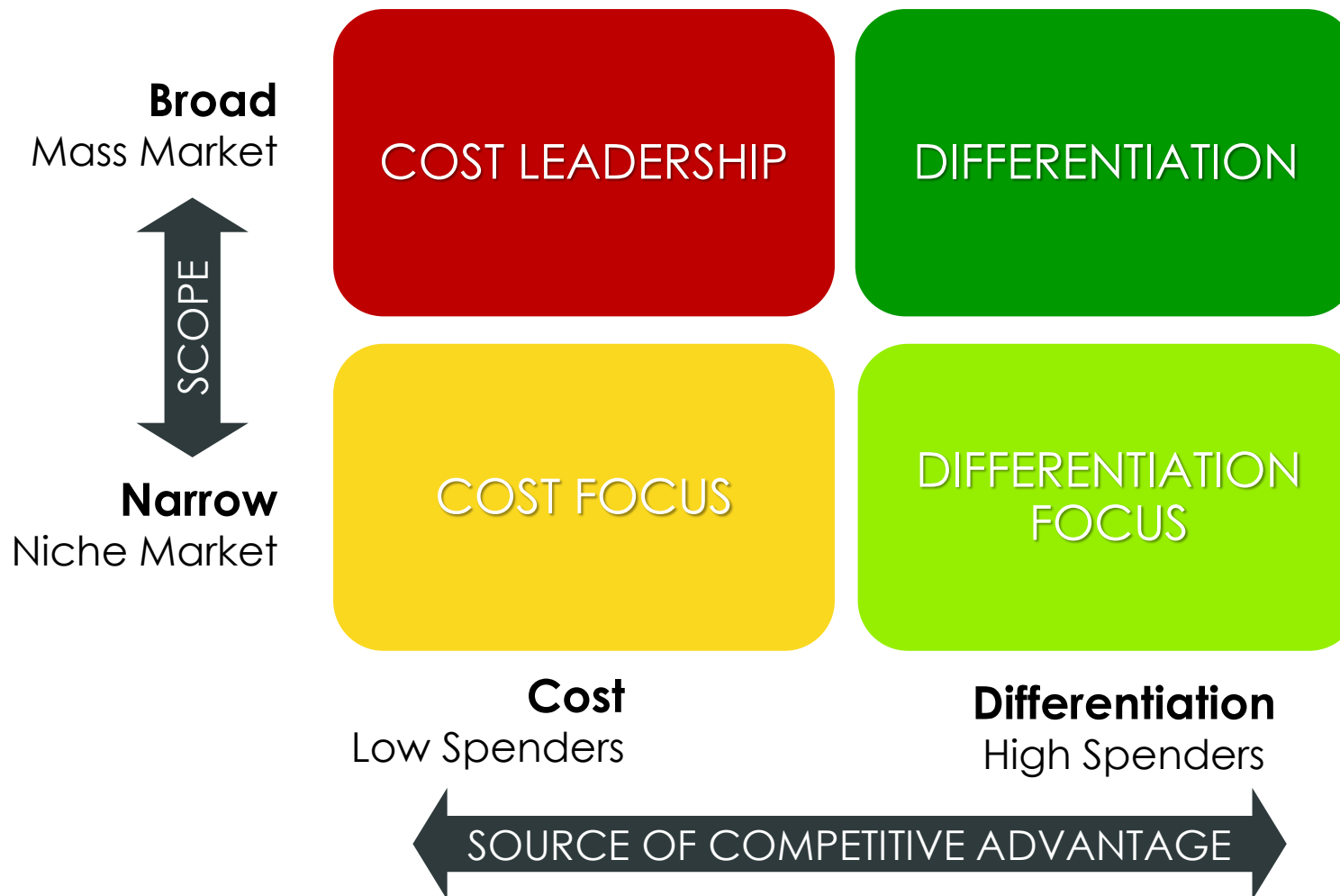
Porter 5 forces analysis



PESTEL analysis



Porter Generic Strategies



SWOT analysis



Characteristics of the business or project that give it an advantage over others

Characteristics that place the business or project at a disadvantage relative to others

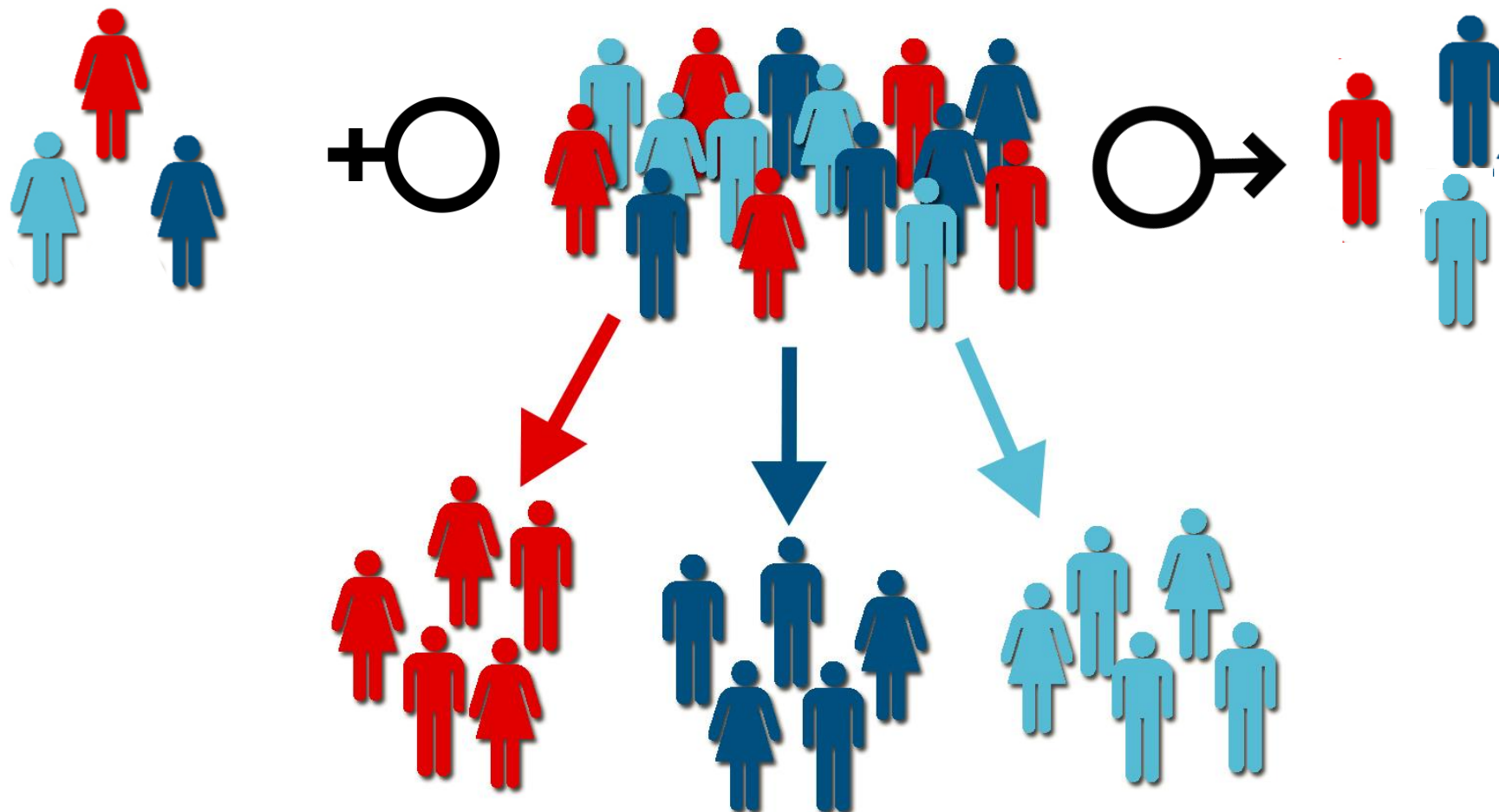
Elements in the environment that the business or project could exploit to its advantage

Elements in the environment that could cause trouble for the business or project

- Business Project Description
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Sales goals

Customer Segmentation



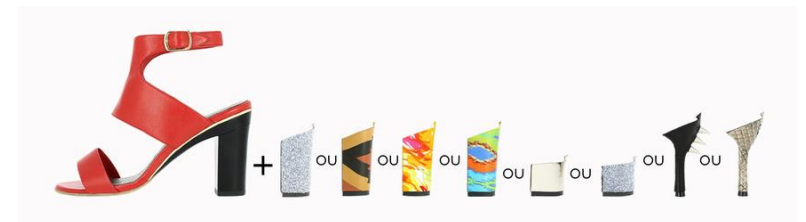
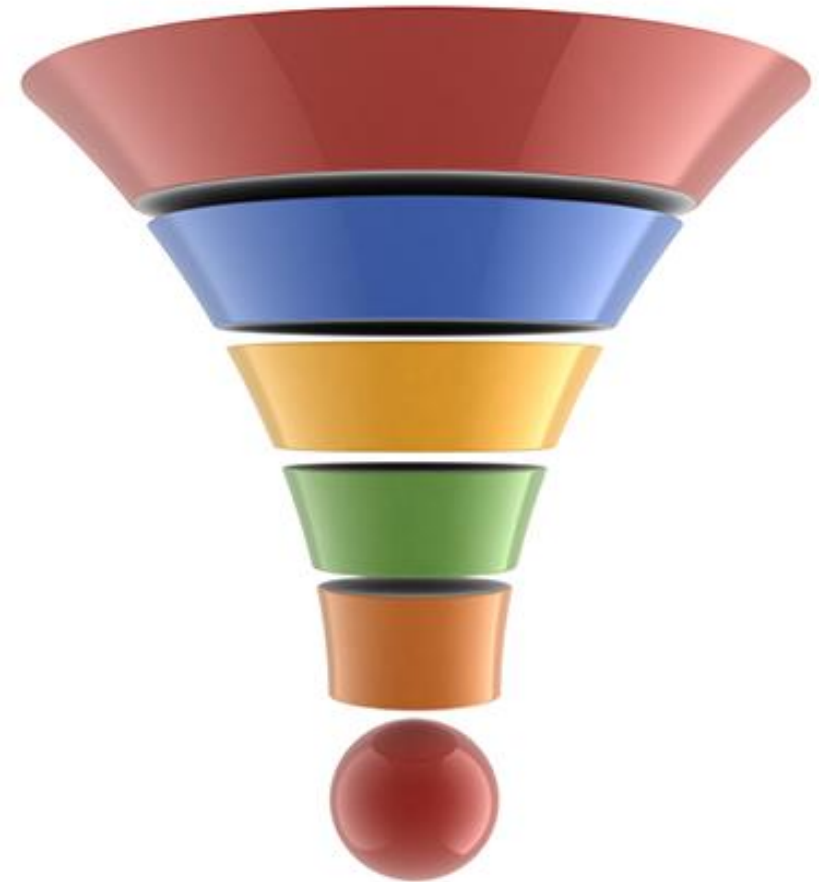


Shoes with replaceable hills

Who could be interested?

Try to give a market evaluation

Percentage that today is buying the product:



Country population:

Of which women:

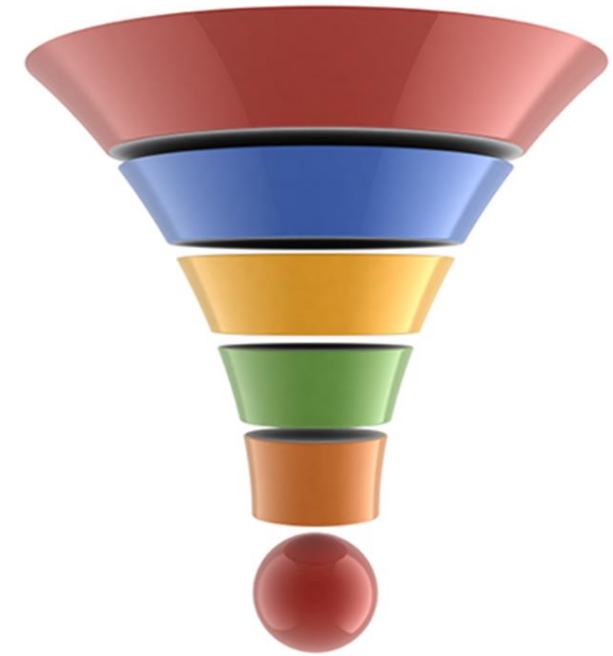
In the relevant age:

Which need the product:

Which today would be ready to buy it:

Percentage that today is buying the product:

Sales Revenues = Unit Price x Quantity



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Marketing Plan:

- Marketing Mix
- Target audience: Persona Profile

Marketing Mix: 4P

PRODUCT

What does the customer want from the product /service?
What needs does it satisfy?
How will the customer experience be? How is it branded? How is it differentiated versus your competitors?

PLACE

Where do buyers look for your product or service? How can you access the right distribution channels? What do your competitors, and how can you learn from that and/or differentiate?



PRICE

What is the value of the product or service to the buyer? Are there market standards? Is the customer price sensitive? Will a reduction in price gain you an extra market share? How will your price compare with your competitors?

PROMOTION

Where and when can you get across your marketing messages to your target market? How will you reach your audience? When is the best time to promote? How do your competitors promote their product / service?

Personas Profile ^{1/2}

Buyer Persona Profile
“Evocative name”

Brief description of the
main target



«Verbatim: a sentence
said by the target
describing who they
are and what they
want».

Demographic profile

.....

Pain points

.....

Priorities

.....

Values

.....

Product / service research abhits

.....

Identity / distinctive factors

.....

Psychographic characteristics

.....

Personas Profile 2/2

Main elements which influence customer choices

Buyer Persona Profile
“Evocative name”

Brief description of the
main target



«Verbatim: a sentence
said by the target
describing who they
are and what they
want».

Information sources

.....

.....

What are they looking for

.....

.....

Platforms and purchasing points

.....

.....

How do they measure their satisfaction?

.....

.....

- Business Project Description
- Management Presentation
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- Goals
- Marketing Plan

▪ **Technical Feasibility Plan**

- Economic and Financial Feasibility Plan (3-5 years)
- Expected Return On Investment (ROI) and Risk Assessment
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Technical Feasibility:

- Is the plan feasible?
- Do we have the necessary skills and competences?
- How can we acquire the missing skills and competences we?

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Economic and Financial Feasibility Plan

Revenues

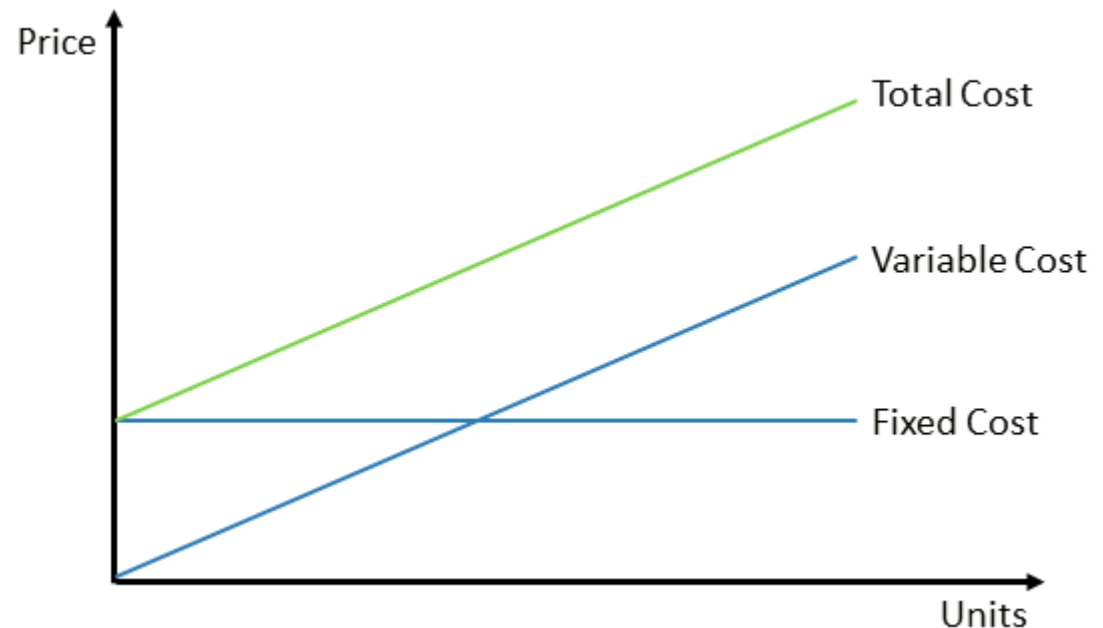
In business, revenue is the **income that a business has from its normal business activities, usually from the sale of goods and services to customers.**

For non-profit organizations, annual revenue may include donations from individuals and corporations, support from government agencies, income from activities related to the organization's mission, and income from fundraising activities, membership dues, and financial securities such as stocks, bonds or investment funds.

In general usage, revenue is income received by an organization in the form of cash or cash equivalents. Sales revenue or revenues is income received from selling goods or services over a period of time. Tax revenue is income that a government receives from taxpayers.

Costs: Fixed, Variable, Overhead

- **Fixed costs** are not permanently fixed; they will change over time, but are fixed in relation to the quantity of production for the relevant period.
- **Variable costs** are costs that change in proportion to the good or service that a business produces. Variable costs are also the sum of marginal costs over all units produced.
- **Overhead** refers to an ongoing expense of operating a business; it is also known as an "operating expense". Overheads are the expenditure which cannot be conveniently traced to or identified with any particular cost unit.



Costs: Capex and Opex

- **CAPEX:** capital expenditure or capital expense (CAPEX) is an expense where the benefit continues over a long period, rather than being exhausted in a short period. Such expenditure is of a non-recurring nature and results in acquisition of permanent assets. It is thus distinct from a recurring expense
- **OPEX:** operating expense, operating expenditure, operational expense, operational expenditure or OPEX is an ongoing cost for running a product, business, or system

P&L – Profit & Loss Account | INCOME STATEMENT

An income statement (US English) or profit and loss account (also referred to as a profit and loss statement (P&L), statement of profit or loss, revenue statement, statement of financial performance, earnings statement, operating statement, or statement of operations) **is one of the financial statements of a company and shows the company's revenues and expenses during a particular period. It indicates how the revenues** (money received from the sale of products and services before expenses are taken out, also known as the “top line”) **are transformed into the net income** (the result after all revenues and expenses have been accounted for, also known as “net profit” or the “bottom line”). **It displays the revenues recognized for a specific period, and the cost and expenses charged against these revenues, including write-offs** (e.g., depreciation and amortization of various assets) **and taxes**. The purpose of the income statement is to show managers and investors whether the company made or lost money during the period being reported.

P&L – Profit & Loss Account | Income Statement

REVENUES

Sales Revenues
Other Revenues

PRODUCTION COSTS (Opex)

Raw materials
Services
Not durable Goods
Staff

EBITDA (Earnings Before the Interest, Taxation, Depreciation and Amortization)

D&A Depreciation & Amortization

EBITDA – D&A = EBIT (Earnings Before Interest and Taxation)

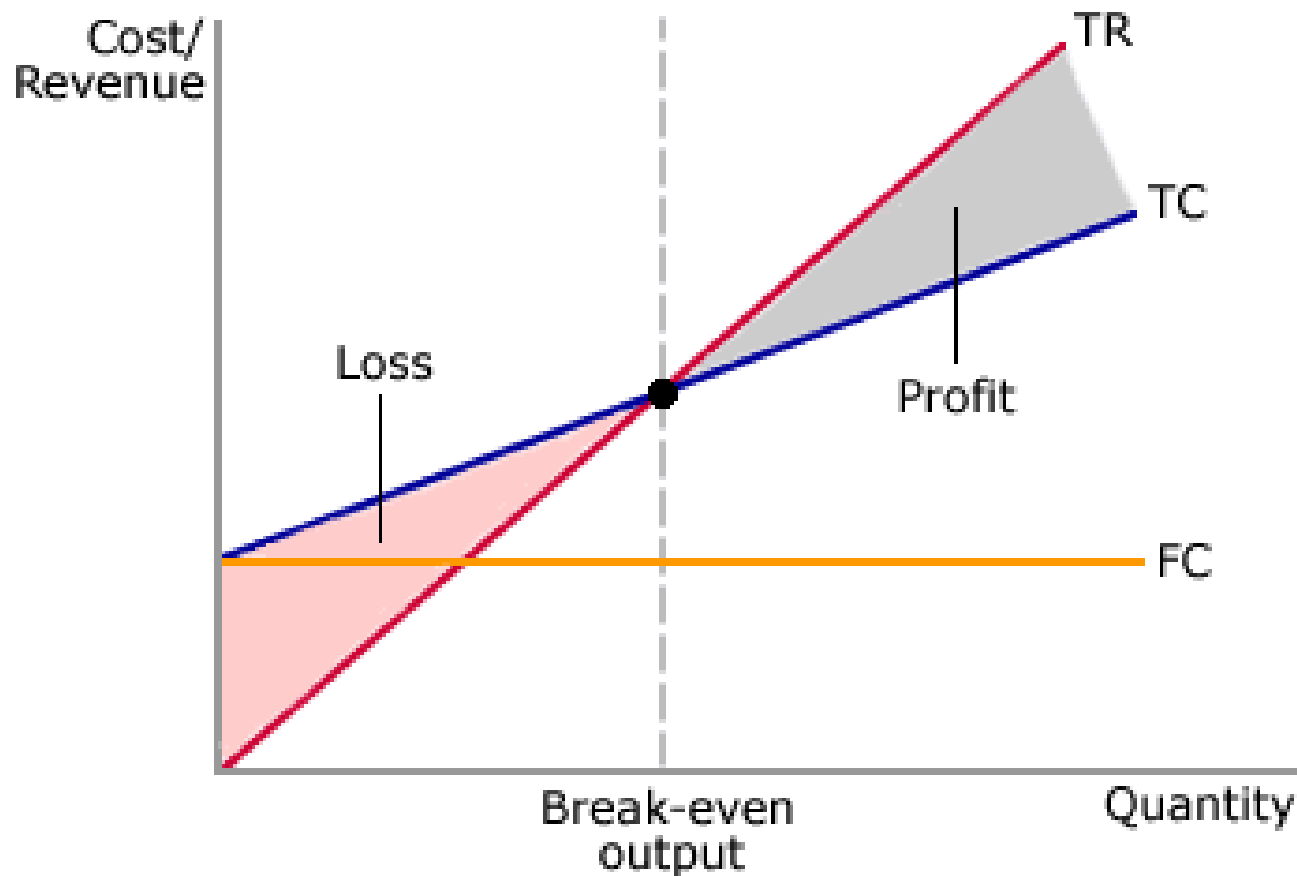
FINANCIAL COSTS (Gain or loss from financial activities)

Profit before taxes

Taxes

Net Profit

Break-even Point



In economics and business, specifically cost accounting, the **break-even point** (BEP) is the point at which cost or expenses and revenue are equal: there is no net loss or gain, and one has "broken even."

Cash Flow Statement

In financial accounting, a cash flow statement, also known as statement of cash flows, is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing and financing activities.

Essentially, **the cash flow statement is concerned with the flow of cash in and out of the business.**

CASH FLOW STATEMENT

NET PROFIT

DEPRECIATION & AMMORTIZATION

$$\text{OCF - Operating Cash Flow} = \text{NET PROFIT} + \text{D\&A}$$

CAPEX

$$\text{Net Cash Flow} = \text{OCF} - \text{CAPEX}$$

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Return On Investment

- NPV Net Present Value
- Payback Time

Opportunity Cost

In microeconomic theory, the **opportunity cost** of a choice is the **value of the best alternative forgone**, where a choice needs to be made between several mutually exclusive alternatives given limited resources.

Assuming the best choice is made, it is the "cost" incurred by not enjoying the benefit that would be had by taking the second best choice available.

The New Oxford American Dictionary defines it as "**the loss of potential gain from other alternatives when one alternative is chosen.**"

Net Present Value

Net Present Value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows.

NPV is used in capital budgeting to analyze the profitability of a projected investment or project.

NPV is a methodology to define present value of a series of expected cash flows discounted by the **rate of return** of alternatives projects (**opportunity cost**)

Net Present Value

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NPV is a methodology to define present value of a series of expected cash flows discounted by the **rate of return** of alternatives projects (**opportunity cost**)

$$NPV = C_0 + \frac{NCF_1}{1 + r} + \frac{NCF_2}{(1 + r)^2} + \dots + \frac{NCF_T}{(1 + r)^T}$$

C_0 = Initial Investment

NCF = Net Cash Flow

r = Discount Rate

T = Time

Net Present Value

Net Present Value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows. NPV is used in capital budgeting to analyze the profitability of a projected investment or project.

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$$NPV = C_0 + \frac{NCF_1}{1+r} + \frac{NCF_2}{(1+r)^2} + \dots + \frac{NCF_T}{(1+r)^T}$$

C₀ = Initial Investment
NCF = Net Cash Flow
r = Discount Rate
T = Time

A positive NPV indicates that the projected earnings generated by a project or investment exceeds the anticipated costs.

Generally, an investment with a positive NPV will be a profitable one and one with a negative NPV will result in a net loss.

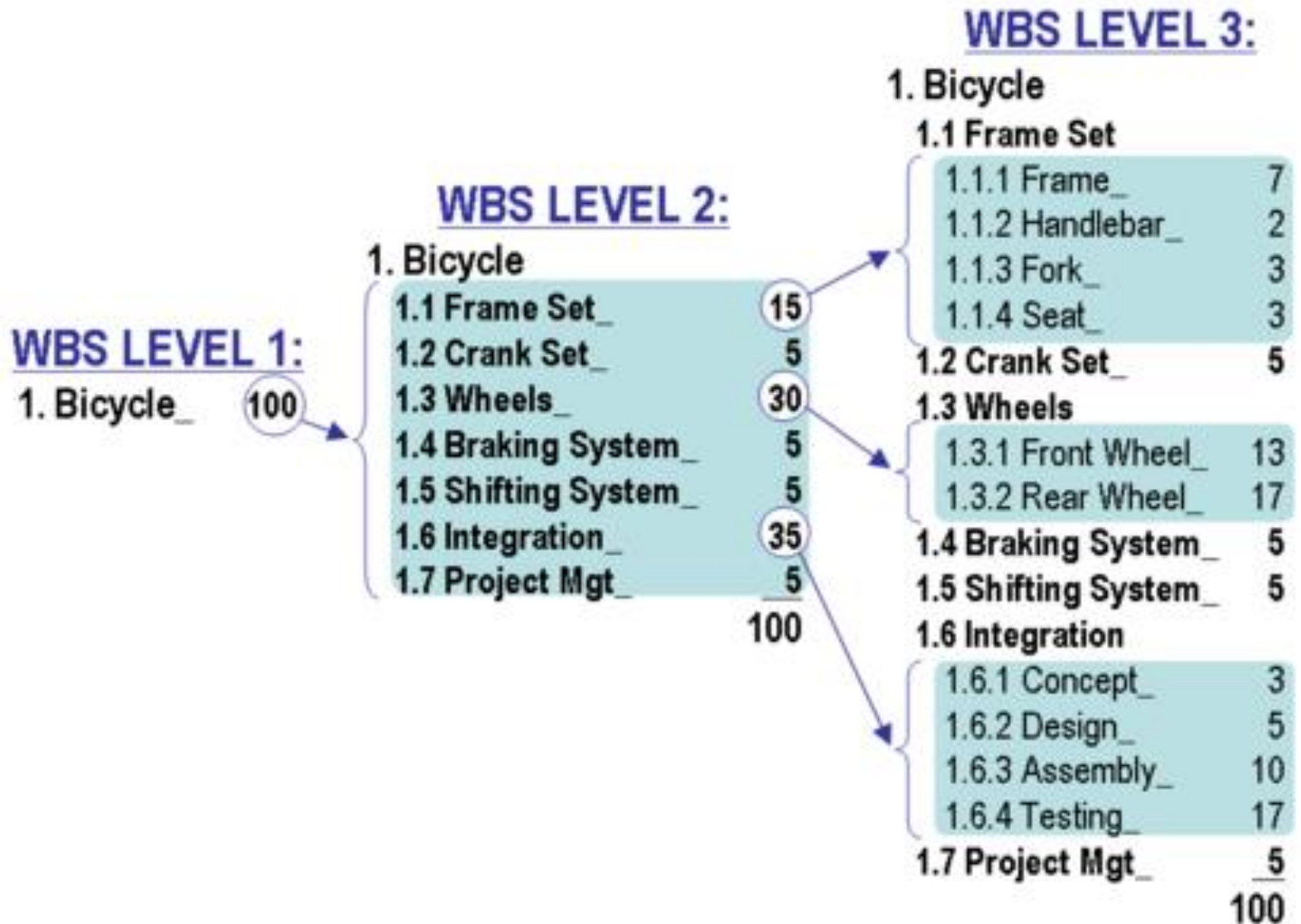
This concept is the basis for the **Net Present Value Rule**, which dictates that the only investments that should be made are those with positive NPV.

- Business Project Description
- Management Presentation
- Market Analysis
- Goals
- Marketing Plan
- Technical Feasibility Plan
- Economic and Financial Feasibility Plan (3-5 years)
- Expected Return On Investment (ROI) and Risk Assessment
- **Action Plan**

Action Plan

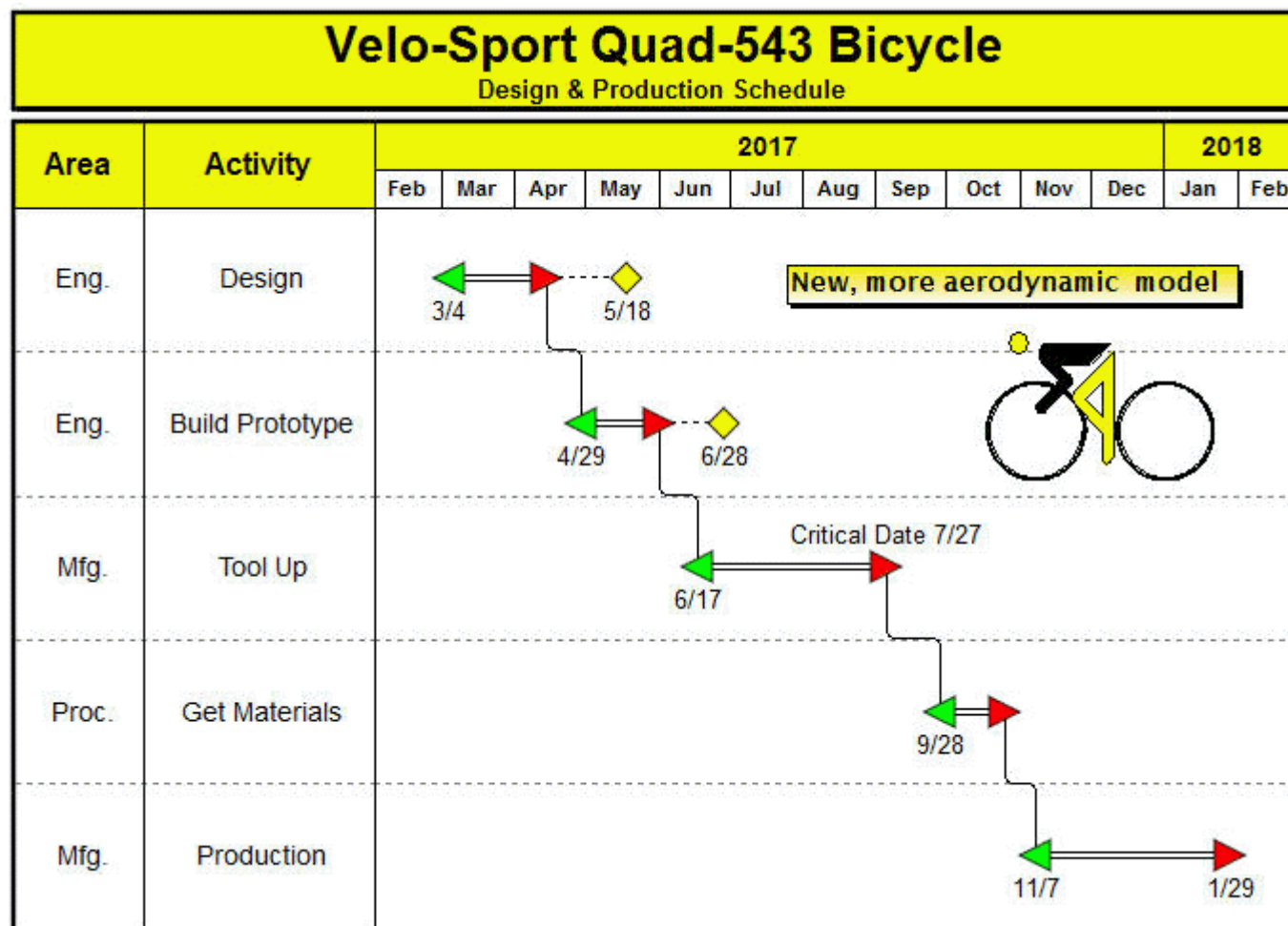
Business Plan

Business Plan Structure



Gantt

Gantt charts illustrate the start and finish dates of the terminal elements and summary elements of a project. Terminal elements and summary elements comprise the work breakdown structure of the project. Modern Gantt charts also show the dependency (i.e., precedence network) relationships between activities.



Thank you for your
attention!

Any Questions?