From Idea to Business Plan in Less Than 3 Hours
AGENDA

Understand the Business Planning Process

Ready to Use Business Model Canvas

Ready to Use LivePlan® Pitch Template

Ready to Use LivePlan® Business Model Template
INTRODUCTIONS

Name
Name of Business
Planning or On-going
50% of New Businesses Fail

Why Businesses Fail?

Lack of Planning

Planning Leads to Success

Plan Serves as:
- Road Map for Success
- Benchmark for Measuring Success

16% Greater Likelihood of Success

1 https://hbr.org/2017/07/research-writing-a-business-plan-makes-your-startup-more-likely-to-succeed

50% Succeed
50% Fail

16% Greater Likelihood of Success
Planning is a Process

Research:
- Opportunity
- Customers
- Competitors

Objectives
- What
  - Objectives Should Be:
    - Time Specific
    - Measurable
    - Realistic

Strategies

Tactics
- How

Outcomes
PLANNING PROCESS

Objectives

What

Strategies

How

Tactics

- Arrival Date
- Arrival Time
- Airline
- Direct/Connecting
- Transportation to Airport
- Transportation from Airport
- Etc.
PLANNING PROCESS

What

Strategies

How

Tactics

Idea

Business Model Canvas

Pitch

Business Plan
Customers

Empathy Map

Segment

Common

Needs

Pains

Gains

Think and Feel?
What customer values in when filling this need?
What emotions are experienced in this situation?
What effect do those feelings have on judgements and actions?
What concerns or worries might influence actions or outcomes?
What dreams/aspirations could influence decisions or behaviors?

See?
What does the environment look like?
What informational resources might be available to your target customer?
Who else may be involved in helping identify and evaluate alternatives?
What products and/or services are perceived to be possible solutions?

Hear?
Who might your target customer look to for advice or guidance?
What might these people be telling your target customer?
Which one(s) influence your target customer?
Media channels target customer uses for information about need and solutions?

Say and Do?
What are your customer's attitudes concerning the decision process, possible solutions, and the right and wrong ways of filling the need?
What behaviors does your target customer preferring in executing the decision process, acquiring a solution, and using the solution?
What conflicts between their attitudes and preferred behaviors might occur?
What is customer currently using to fill this need?

Gain?
What does your target customer want from the product or service they select?
What criteria measure the success of their chosen solution?
What attributes are your target customer seeking in the chosen product or service?

Pain?
What frustrations are experienced in the process of satisfying this need?
What about your customer's current solution is less than satisfying?
What obstacles/roadblocks experienced in satisfying this need?
What does your target customer like to have eliminated?
Segment

Value Proposition Canvas

Target Customer

Gains

Pains

Task/Need

SAY AND DO?
- What are customer's attitudes concerning the decision process, possible solutions, and the right approach of filling the need?
- What is the customer prefer to exhibit in executing the decision process, acquiring a solution, and applying the solution?
- What kind of shift between their attitudes and preferred behaviors might occur?

GAIN?
- What is customer really want from the product or service they select?
- What criteria measure the success of their chosen solution?
- What attributes are your customer seeking in the chosen product or service?
Value Proposition Canvas

Segment

Target Customer

Features

Benefits

Gain Creators

Products & Services

Pain Relievers

Customer Job(s)

Gains

Pains
Business Model Canvas
Over 5 million people use our Business Model Canvas. Join them by using our platform and services to clearly understand customers, create better products, and grow businesses.

**Enterprise teams** can train at our Cloud Academy and receive coaching through our **Innovation Sprints**

**Smaller companies** can take our Online Courses, use our Web App, and download free resources

Learn more

Sign up for free

Business Model Online Course

Value Proposition Online Course
Hey there!

Get started with a free account

Learn about our methodology. Try our online tool for creating Business Models and Value Propositions. And get access to 30+ downloads and videos that you can use to better design, test, and assess your business.

Sign up

Already have an account? Log in

First Name

Last Name

Email Address

Password

Protect your idea, use at least 10 characters

I accept the terms of service

Sign up

https://strategyzer.com/platform/register
Business Model Canvas

What

How
BUSINESS MODEL

Customer Segments

For each segment describe:
Who they are
Need they are satisfying
Current solution
Relevant attitudes
Current behaviors
Preferences
Pains
Gains
BUSINESS MODEL

VALUE PROPOSITION

Features
Gain Creators

Products & Services

Pain Relievers

Features
VALUE PROPOSITION

Bundle

Product(s)
  Features → Benefits
  Standard
  Options

Services
  Pre-purchase Support
  Purchase Support
  Post-purchase Support
  Quality Assurance
VALUE PROPOSITION

Promise

Category Membership Requirements

Point of Difference

Valued by Customer
Not Offered by Competitors
Deliverable by Offering

We help [TARGET SEGMENT] do [NEED/TASK] by providing [PRODUCT/SERVICE] that [PROMISE].
BUSINESS MODEL

Key Partners

Key Activities

Key Resources

Cost Structure

Customer Relationships

Customer Segments

Revenue Streams
Channels

Communication Channels
- Marketing Messages
- Pre-purchase Information
- Post Purchase Support
# Channels

## Communication Channels

- Marketing Messages
- Pre-purchase Information
- Post Purchase Support

### Broadcast
- Television
- Radio

### Print
- Magazines
- Newspaper

### Outdoor
- Billboards
- Kiosks, Shelters, Posters, etc.

### Direct
- Internet & Digital
- Telephone

### Snail Mail
- Digital
- Social Media
- Mobile Apps

- Face-o-Face
CHANNELS

COMMUNICATIONS CHANNELS

PRODUCT DELIVERY CHANNELS

<table>
<thead>
<tr>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Force</td>
<td>Own Stores</td>
</tr>
<tr>
<td>Web Sales</td>
<td>Partner Stores</td>
</tr>
<tr>
<td></td>
<td>Whole-salers</td>
</tr>
</tbody>
</table>
CUSTOMER RELATIONSHIPS

Customer Acquisition
Customer Retention
Boosting Sales

Personal Automated
CUSTOMER RELATIONSHIPS

Categories of Customer Relationships

- Personal Assistance
- Dedicated Customer Assistance
- Self-service
- Automated Services
- Communities
- Co-creation
Revenue Streams

Two Types

Transaction Revenues
  One-time Customer Payments
Recurring Revenues
  On-going Payments
  Post-purchase Customer Support
Revenue Streams

Ways to Generate

- Asset Sale
- Usage Fee
- Subscription Fees
- Lending/Renting/Leasing
- Licensing
- Brokerage Fees
- Selling Advertising
# Revenue Streams

## Pricing Mechanisms

<table>
<thead>
<tr>
<th>Fixed Menu Pricing</th>
<th>Dynamic Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>List Price</td>
<td>Negotiation</td>
</tr>
<tr>
<td>Feature Dependent</td>
<td>Yield Management</td>
</tr>
<tr>
<td>Segment Dependent</td>
<td>Real-time-market</td>
</tr>
<tr>
<td>Volume Dependent</td>
<td>Auctions</td>
</tr>
</tbody>
</table>
KEY ACTIVITIES

Production
Designing
Making
Delivering

Administration
Human Resources
Accounting
Information Technology

Sourcing
Storing
Finance
Maintenance
Legal

Marketing
Product Management
Distribution

Pricing
Promotion
BUSINESS MODEL

- Key Partners
- Value Propositions
- Customer Relationships
- Customer Segments
- Channels
- Cost Structure
- Revenue Streams
KEY RESOURCES

Allow to:

- Create/Offer Value Proposition
- Reach Markets
- Maintain Relationships
- Earn Revenues
Key Resources

Physical Resources
Intellectual Resources
Human Resources
Financial Resources
BUSINESS MODEL
Key Partners

Types of Partnerships

- Strategic Alliances
- Coopetition
- Joint Ventures
- Buyer-supplier Relationships
KEY PARTNERS

Optimize Business Model
Reduce Risks
Acquire Resources
Business Model
Cost Structure

Cost-driven Structures
- Low-price Value Propositions
- Maximum Automation
- Extensive Outsourcing

Value-driven Structures
- Premium Value Propositions
- High Degrees of Personalization
Cost Structures Include:

Fixed Costs
Variable Costs
Economies of Scale
Economies of Scope
**Empathy Map**
Defines Target Customer

**Value Proposition Canvas**
Translates Customer Benefits into Product Features and Defines Offering

**Business Model Canvas**
Names the “Whats” of Marketing, Operations and Finance
PLANNING PROCESS

What

Strategies

How

Tactics

Business Model Canvas

Pitch

Business Plan

IDEA
$65 for 6 Mos.

https://partners.liveplan.com/score-st-paul-6mo
Enter your information to get started!

First Name

Last Name

Email *

We care about your privacy.

START MY PLAN

SCORE St. Paul + LivePlan will help you get started with 6 months of LivePlan for $65. After that you can migrate to a monthly or annual subscription plan, the value is terrific!
Garrett’s Bike Shop

We offer high-quality biking gear for families and regular people, not just gearheads.

Get Opportunity

Problem worth solving

It’s hard to buy a good bike in this town without being an “insider” cycling expert.

Our solution

Garrett’s is a safe-free zone where regular people can get top-notch gear and expert advice.

Competitors

Our competitive advantages

Local bike shop

Welcoming environment and family-friendly space

Drop-in rides

Higher-quality gear and expert advice

Online sales

Ability to return online gear and expert service

Financial Projections

Sales

Expenses

Profit

Timeline

Signage for LivePlan

Sales generation

Order stock inventory

Grand opening

Team and Key Roles

Garrett Nicely

Jill Bloom

Tom McKey

Heather Gibson

Garrett is a successful entrepreneur and technology visionary. He has taken on new projects such as LivePlan and is excited about helping other entrepreneurs.

Jill is an experienced salesperson and has a background in customer service. She will be a valuable asset to the team.

Tom is a certified public accountant and has experience in accounting and finance. He will be responsible for managing the finances of the business.

Heather is a professional writer and has experience in marketing and communication. She will be responsible for creating marketing materials and content for the business.
We provide [TARGET CUSTOMER] with [PRODUCT/SERVICE] that helps them [PRIMAY APPLICATION] and [BENEFITS].
Headline

Start with a strong, compelling description of your company and its business opportunity. What are the keys to your success? Is it your innovative product or service? The unserved market you've identified? The proven team of people you've put together? Don't try to cram everything into 140 characters. Just focus on what's most important.

Describe the essence of your company in one sentence

We help [TARGET SEGMENT] do [NEED/TASK] by providing [PRODUCT/SERVICE] that [PROMISE].
Problem worth solving

State the problem (or problems) that you solve for your target customers. “Problems” can also appear as unmet needs or wants — the lack of a good Caribbean restaurant in your town, for example. Be sure to tackle a problem that is important to your market. Just because a need is imperfectly met does not guarantee that anyone wants to pay for a better solution.

Describe the problem you solve:
Our solution

Explain how you solve the problem that your customers face. What does your company offer? What is it about your solution that provides a uniquely effective remedy for their pain points? Don’t just name your products or services here. Give a sense of how they solve the problem in a novel or superior way.

Describe your solution:
Target market

What types of potential customers do you intend to focus on? Which group represents your primary market? Which others are worth pursuing? Selling to “everyone” is not a good approach. Take Nike as an example. Their shoes are broadly useful, but that doesn't mean their target market is just “people with feet.” It's tough to craft marketing messages and find sales channels to address nearly everyone in the world at once. Instead, Nike focuses on their best potential customers — aiming, say, the new Air Jordan model at customers with a sporty sense of style, and so on.
Competitive landscape

Make a short list of your competitors. If you don’t have obvious direct competitors, focus on other ways that your target customers satisfy their needs now. You may have the only bowling alley in town, for example, but you’re still competing for entertainment spending that might otherwise go to movie theaters or restaurants or the local skating rink. As you add competitors, describe what makes your offering more attractive. Do you offer a lower price? A unique experience? A better location? A more tailored solution for your particular customers?
Funding needs

If your company is seeking funding, enter the amount you would like to raise and describe how you intend to use that money to reach your goals.

Keep in mind that some countries have strict laws about soliciting investments. To be safe, limit your description to the planned use of funds. Do not describe what equity or other benefits you are offering in return for that funding.

How much funding are you seeking?

$ 0

How will you use these funds?

---

Key Resources

Physical Resources
Intellectual Recourses
Human Resources
Financial Resources
Sales channels

Describe how you plan to get your products or services to market. Are you selling and delivering to your target customers directly through a retail store, website, or catalog? Do you have a sales team? Do you sell through intermediaries — distributors, retailers, or wholesalers? Describe your sales channels:

Marketing activities

1. Partner with Travel Northwest
2. Advertise in local publications
3. Grand opening w/deals, contest, etc.
4. Host social media pages and website
5. Attend outdoor enthusiast trade shows

Sales and Marketing
Marketing activities

Explain how you plan to attract attention, build interest in your offerings, and convert prospects into customers. Describe your web presence. What sort of online marketing do you do? Do you advertise online, in print, or elsewhere? Do you attend events? Is it largely done by resellers or dealers, what are your partners?

Describe your marketing strategy:
Forecast

When you are confident that you have identified a market with a problem worth solving, it's time to put together a quick financial forecast for your solution. Can you actually turn a profit? Some opportunities look good at a glance, but don't hold up to financial scrutiny. If you are planning for an already established company, setting financial targets is just as important so you can track your progress in the coming year.

What type of forecast data would you like to use?

- Input descriptions or lists
- Forecast charts & data
Revenue streams
If you aren’t ready to prepare a detailed revenue forecast (or don’t want to share revenue numbers in your pitch), just use the area to explain how your company will make money. Are you selling products directly? Or through third parties? Delivering services? Bringing in revenue from partnerships, royalties, or other arrangements?

Describe your revenue streams:
Major costs
Use this area to explain the cost structure of your business. What are your major costs of doing business? How will your expenses scale as your company grows? Do you need to budget for capital equipment, property, or other major purchases?

- Description  ○ Short List

Describe your major costs
Garrett's Bike Shop

Tell us about this direct cost

What do you want to call it?

[Input box to enter a name or description]

What sort of cost is this?

- General cost
- Cost for a specific revenue stream

How much will it cost?

- Varying amounts over time
- % of overall revenue

How much will you pay them?

- [Input box for dollar amount] per [Input box for period]

When will it start?

[Input box for date]

Do you want to include annual raises?

Successful employees typically earn pay raises over time. To build in annual raises, enter the annual percentage increase here. Otherwise, leave it at zero.

- [Input box for percentage]

Tell us about this expense

What do you want to call it?

[Input box to enter a name or description]

What sort of expense is this?

- Rent or lease
- Marketing
- Other expense

How do you want to enter their salary?

- Constant amount
- Varying amounts over time
- % of overall revenue
- % of specific revenue stream

How much will you pay them?

- [Input box for dollar amount] per [Input box for period]

When will they start?

[Input box for date]

How much will you spend on it?

- [Input box for dollar amount] per [Input box for period]

When should this expense begin?

[Input box for date]
Milestones

Make a quick list of important milestones for your project that need to happen on time to keep your plan moving. This could include launching a new product, entering a new market, adding a new location for your new store.

Your schedule can contain as many milestones as you need. The most important milestones will be featured on the pitch, though.

Tell us about this milestone

What do you want to call it?

Due Date

Who is responsible? (optional)

Details (optional)

Receive an email reminder a few days before the milestone is due
Team and key roles

Identify the key members of your organization, and explain why future success. Definitely include company owners and members also want to add key employees with strategically valuable skills plan to fill later, trusted advisors, or other valuable contributors.
Team and key roles

Identify the key members of your organization, and explain why future success. Definitely include company owners and members also want to add key employees with strategically valuable skills plan to fill later, trusted advisors, or other valuable contributors
Partners and resources

Use this section to identify any relationships, equity, or other strategically important to your business model. You can also include notes that is not addressed in the rest of the pitch. We might hide it on your pitch.
PLANNING PROCESS

What

Strategies

How

Tactics

IDEA

Business Model Canvas

Pitch

Business Plan
**Business Model Canvas**
Lists the “What”

**Pitch**
Describes the “What/How”

**Business Plan**
Prescribes the “How”
Table of Contents

Executive Summary ............................................................................................................. 1
Opportunity ........................................................................................................................ 1

Opportunity ........................................................................................................................ 5
Problem & Solution ........................................................................................................... 5
Target Market ..................................................................................................................... 5
Competition ....................................................................................................................... 6

Execution ........................................................................................................................... 8
Marketing & Sales ............................................................................................................... 8
Operations ........................................................................................................................ 10
Milestones & Metrics ......................................................................................................... 11

Company ........................................................................................................................... 13
Overview ........................................................................................................................... 13
Team ................................................................................................................................... 14

Financial Plan .................................................................................................................... 15
Forecast ............................................................................................................................. 15
Financing ........................................................................................................................... 17
Statements ........................................................................................................................ 18

Appendix ............................................................................................................................ 21
Profit and Loss Statement ................................................................................................. 21
Balance Sheet .................................................................................................................... 23
Cash Flow Statement ......................................................................................................... 33
Table of Contents

Opportunity
- Problem & Solution
  - Problem Worth Solving
  - Our solution
- Target Market
  - Market Size & Segments
- Competition
  - Current alternatives
  - Our advantages

Appendix
- Profit and Loss Statement
- Balance Sheet
- Cash Flow Statement
Describe Key Problem
Elaborate on Problem
Support Why a Problem
Table of Contents

Opportunity
- Problem & Solution
  - Problem Worth Solving
  - Our solution
- Target Market
  - Market Size & Segments
- Competition
  - Current alternatives
  - Our advantages

Garrett's Bike Shop

We offer high-quality biking gear for families and regular people, not just gearheads.

Problem worth solving
It's hard to buy a good bike in this town without being an "insider" cycling expert.

Our solution
Garrett's is a snob-free zone where regular people can get top notch gear and expert advice.

Appendix
- Profit and Loss Statement
- Balance Sheet
- Cash Flow Statement

Explain How Address Problem
Describe How Products and Services Meet Problem
Support Why Resolves Problem
Describe Target Market/Ideal Customer
More than One Homogeneous Segment (Group)?
Provide Descriptions and Numbers
Provide Support/Source(s) for Numbers
Describe Competitive Landscape
Describe Each Competitor and Their Offering(s)
Describe Other Ways Target Customers Filling Need
Describe Your Key Advantages
Explain Why Customers Perceive Better Support with Citations
Describe Your Value Proposition (Positioning)

PRODUCT Creates Value

Describe Your Value Proposition (Positioning)

**Value Proposition**

**Bundle**
- Product(s)
- Features → Benefits
- Standard Options
- Services
  - Pre-purchase Support
  - Purchase Support
  - Post-purchase Support
  - Quality Assurance

**Garrett’s Bike Shop**

We offer high-quality biking gear for families and regular people, not just gearheads.
Describe Pricing Structure

PRICE Captures Value

Describe Pricing Structure
Provide Support
PROMOTION Communicates Value

Describe Your Value Proposition (Message)
Identify Tools and Describe Use
Identify Media and Describe Use

We provide [TARGET CUSTOMER] with [PRODUCT/ SERVICE] that helps them [PRIMARY APPLICATION] and [BENEFITS].
**Describe Distribution Channels**

**Delivers Value**

**Provide Support**
Describe Physical Locations
Describe Space Needed at Each Location and Why
Explain Benefits of Each Location
Discuss Future Expansion Considerations
Describe Software, Hardware, Etc. and Why

Point-of-Sale
Financial/Bookkeeping
E-Commerce
Customer Relationship Management
Etc.
Table of Contents

Execution
- Marketing & Sales
  - Marketing Plan
  - Sales Plan
- Operations
  - Locations & Facilities
  - Technology
  - Equipment & tools
- Milestones & Metrics
  - Milestones Table
  - Key metrics

Describe and Justify Equipment
Describe and Justify Tools
Description, Justification and Timing of Forecasted Capital Expenditures

Key Resources

Physical Resources
Intellectual Resources
Human Resources
Financial Resources
<table>
<thead>
<tr>
<th>Milestone</th>
<th>Due Date</th>
<th>Who's Responsible</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete target market</td>
<td>Completed</td>
<td>Sarah</td>
<td></td>
</tr>
<tr>
<td>Complete target market section</td>
<td>Completed</td>
<td>Jim</td>
<td>Research...</td>
</tr>
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<td>Grand Opening!</td>
<td>Completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sign Lease for Downtown Showroom</td>
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<tr>
<td>Example</td>
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<td></td>
<td></td>
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<tr>
<td>Create strategy</td>
<td></td>
<td></td>
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<tr>
<td>Example</td>
<td>Completed</td>
<td>Company xyz</td>
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</tr>
<tr>
<td>Example</td>
<td>Completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buy truck from Bob's Auto</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Key Metrics

Customer retention is one of our main focal points for Garrett's Bike Shop. Although, ideal that our shop is located in a university focused town, there is a consistent turnover of students after they graduate from the university. Also, during the summer when sales may be lower due to seasonality of university attendance it is important to focus on retention of key customers in Metroburg. With focus on customer retention, we can become the specialty bike shop that customers intend to have repeat business for themselves, and their families.

Describe Performance Key Metrics
Describe What Success Means
Describe How Will Measure
Track Actual Results
### Table of Contents

**Company**
- Overview
  - Ownership & Structure
- Team
  - Management team
  - Advisors

**Financial Plan**
- Forecast
- Financing
- Statements

**Appendix**
- Profit and Loss Statement
- Balance Sheet
- Cash Flow Statement

---

#### Identify and Describe Owners and Their Contributions

<table>
<thead>
<tr>
<th></th>
<th>Offers</th>
</tr>
</thead>
</table>
| Sole Proprietorship  | • Owner sole manager  
                      | • Taxed as individual                                                  |
| Partnership          | • Shared management responsibilities                                     |
|                      | • Income taxed at partner level                                         |
| Limited Liability Company (LLC) | • Protection for owners |
|                      | • Easy to form                                                         |
|                      | • Fewer rules than corporations                                         |
| "C" Corporation      | • Stock shares,                                                        |
| (Conventional)       | • Limits liability                                                     |
|                      | • Continues until dissolved                                             |
| "S" Corporation      | • Profits only taxed at shareholder level                               |
| (Sub-chapter)        | • Limited liability                                                    |
Tell Your Story

What Led to Decision to Start/Buy Business
What Qualifies You to Operate Business
What Are Long-term Business’ Goals
If On-going
  When and Who Started
  Good Years
  Bad Years
  What’s New
List Members of the Management Team

Why “Right” Team

For Each Member:
- Describe Role
- Describe Skills, Experience and Accomplishments
List Persons Advising You/Business
Discuss Each Advisor’s Role and Qualifications
Why Good Resource for You
Financial Plan

Forecast
- Key assumptions
  - Revenue by Month
  - Expenses by Month
  - Net Profit (or Loss) by Year

Financing
- Use of funds
- Sources of Funds

Statements
- Projected Profit and Loss
- Projected Balance Sheet
- Projected Cash Flow Statement

Explain Basis for Financial Projections
Growth Assumptions
Profit Objectives
Evidence of Strong Business Opportunity
Financial Plan

Forecast
- Key assumptions
- Revenue by Month
- Expenses by Month
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Garrett's Bike Shop

We offer high-quality biking gear for families and regular people, not just gearheads.

Financial Projections

Revenue
- FY13: $10K
- FY14: $140K
- FY15: $182K

Expenses
- FY13: $415K
- FY14: $180K
- FY15: $684K

Profit
- FY13: $30K
- FY14: $540K
- FY15: $340K

Revenue by Month

Projected Profit and Loss
Tell us about this revenue stream

What do you want to call it?

What type of revenue stream is this?
- **Unit sales**
  - Best for products that are sold in individual units or sets
- **Billable hours**
  - Best for services that are priced on a per-hour basis
- **Recurring charges**
  - Best for subscriptions, memberships, rentals, web app offerings with monthly or periodic charges
- **Revenue only**
  - If none of the models above are applicable, or you already have a detailed forecast in Excel or elsewhere, choose this option and enter overall revenue values without any detail

When will this revenue start?
Let us know when you plan to start signing up customers or if you have already started before the forecast period.

Jan 2019

How many new customers do you expect to sign up?
Estimate the number of new customers that you will sign up in each period of your forecast. Don't worry about existing customer or cancellations here, just new signups.

- **Constant amount**
  - per month
  - Varying amounts over time
Financial Plan

Forecast
- Key assumptions
- Revenue by Month
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Financial Plan

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- Sources of Funds

Statements
- Projected Profit and Loss
- Projected Balance Sheet
- Projected Cash Flow Statement
For Loans, Investments, Etc.

For Each Loan, Equity Offering, Bond, Etc.:

State Its Type of Funding

The Amount

How Funds Used or to be Used

Why Needed

Expected Return
For Each Funding Source:

- State Its Type of Funding
- The Amount
- How Funds Used or to be Used
- Why Chosen for Purpose

Plans for Future Funding
### Projected Profit & Loss

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$788,484</td>
<td>$1,064,912</td>
<td>$1,185,287</td>
</tr>
<tr>
<td><strong>Direct Costs</strong></td>
<td>$358,751</td>
<td>$490,874</td>
<td>$554,080</td>
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<tr>
<td><strong>Gross Margin</strong></td>
<td>$429,733</td>
<td>$574,039</td>
<td>$631,206</td>
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<tr>
<td><strong>Gross Margin %</strong></td>
<td>55%</td>
<td>54%</td>
<td>53%</td>
</tr>
</tbody>
</table>

#### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary</strong></td>
<td>$155,400</td>
<td>$160,210</td>
<td>$165,182</td>
</tr>
<tr>
<td><strong>Employee Related Expenses</strong></td>
<td>$27,972</td>
<td>$28,838</td>
<td>$29,733</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>$4,260</td>
<td>$4,260</td>
<td>$4,260</td>
</tr>
<tr>
<td><strong>Leased Equipment</strong></td>
<td>$8,400</td>
<td>$8,400</td>
<td>$8,400</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td>$118,273</td>
<td>$159,736</td>
<td>$177,703</td>
</tr>
<tr>
<td><strong>Lease</strong></td>
<td>$56,400</td>
<td>$56,400</td>
<td>$56,400</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td><strong>Office Expenses</strong></td>
<td>$39,424</td>
<td>$53,246</td>
<td>$53,246</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$416,129</td>
<td>$477,080</td>
<td>$507,032</td>
</tr>
</tbody>
</table>

#### Operating Income

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Incurred</strong></td>
<td>$5,843</td>
<td>$4,590</td>
<td>$2,752</td>
</tr>
<tr>
<td><strong>Depreciation and Amortization</strong></td>
<td>$1,353</td>
<td>$2,240</td>
<td>$2,240</td>
</tr>
<tr>
<td><strong>Income Taxes</strong></td>
<td>$961</td>
<td>$13,518</td>
<td>$17,877</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$783,037</td>
<td>$988,312</td>
<td>$1,083,982</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>$5,447</td>
<td>$76,600</td>
<td>$101,305</td>
</tr>
<tr>
<td><strong>Net Profit / Sales</strong></td>
<td>1%</td>
<td>7%</td>
<td>9%</td>
</tr>
</tbody>
</table>
## Projected Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$32,744</td>
<td>$73,828</td>
<td>$137,687</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$32,748</td>
<td>$45,142</td>
<td>$50,231</td>
</tr>
<tr>
<td>Inventory</td>
<td>$122,718</td>
<td>$138,520</td>
<td>$138,520</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$188,210</td>
<td>$257,490</td>
<td>$326,438</td>
</tr>
<tr>
<td>Long-Term Assets</td>
<td>$31,200</td>
<td>$31,200</td>
<td>$31,200</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>$(1,353)</td>
<td>$(3,593)</td>
<td>$(5,833)</td>
</tr>
<tr>
<td><strong>Total Long-Term Assets</strong></td>
<td>$29,847</td>
<td>$27,607</td>
<td>$25,367</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$218,056</td>
<td>$285,097</td>
<td>$351,805</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$96,989</td>
<td>$119,123</td>
<td>$126,320</td>
</tr>
<tr>
<td>Income Taxes Payable</td>
<td>$961</td>
<td>$13,518</td>
<td>$17,877</td>
</tr>
<tr>
<td>Sales Taxes Payable</td>
<td>$4,119</td>
<td>$4,622</td>
<td>$5,060</td>
</tr>
<tr>
<td>Short-Term Debt</td>
<td>$54,349</td>
<td>$55,935</td>
<td>$29,195</td>
</tr>
<tr>
<td>Prepaid Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$156,418</td>
<td>$193,187</td>
<td>$178,453</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>$66,192</td>
<td>$19,852</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$222,610</td>
<td>$213,060</td>
<td>$178,453</td>
</tr>
<tr>
<td>Paid-in Capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>$(10,000)</td>
<td>$(4,553)</td>
<td>$72,047</td>
</tr>
<tr>
<td>Earnings</td>
<td>$5,447</td>
<td>$76,600</td>
<td>$101,305</td>
</tr>
<tr>
<td><strong>Total Owner's Equity</strong></td>
<td>$(4,553)</td>
<td>$72,047</td>
<td>$173,352</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td>$218,056</td>
<td>$285,097</td>
<td>$351,805</td>
</tr>
</tbody>
</table>
### Projected Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Cash Flow from Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>$5,447</td>
<td>$76,600</td>
<td>$101,305</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>$1,353</td>
<td>$2,240</td>
<td>$2,240</td>
</tr>
<tr>
<td>Change in Accounts Receivable</td>
<td>($32,748)</td>
<td>($12,394)</td>
<td>($5,089)</td>
</tr>
<tr>
<td>Change in Inventory</td>
<td>($122,718)</td>
<td>($15,602)</td>
<td>$0</td>
</tr>
<tr>
<td>Change in Accounts Payable</td>
<td>$96,989</td>
<td>$22,134</td>
<td>$7,198</td>
</tr>
<tr>
<td>Change in Income Tax Payable</td>
<td>$961</td>
<td>$12,557</td>
<td>$4,359</td>
</tr>
<tr>
<td>Change in Sales Tax Payable</td>
<td>$4,119</td>
<td>$503</td>
<td>$438</td>
</tr>
<tr>
<td>Change in Prepaid Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash Flow from Operations</strong></td>
<td>($46,597)</td>
<td>$95,838</td>
<td>$110,450</td>
</tr>
<tr>
<td><strong>Investing &amp; Financing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets Purchased or Sold</td>
<td>($31,200)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments Received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Long-Term Debt</td>
<td>$66,192</td>
<td>($46,340)</td>
<td>($19,852)</td>
</tr>
<tr>
<td>Change in Short-Term Debt</td>
<td>$44,349</td>
<td>$1,586</td>
<td>($26,739)</td>
</tr>
<tr>
<td>Dividends &amp; Distributions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash Flow from Investing &amp; Financing</strong></td>
<td>$79,341</td>
<td>($44,754)</td>
<td>($46,592)</td>
</tr>
<tr>
<td>Cash at Beginning of Period</td>
<td>$0</td>
<td>$32,744</td>
<td>$73,828</td>
</tr>
<tr>
<td>Net Change in Cash</td>
<td>$32,744</td>
<td>$41,084</td>
<td>$63,859</td>
</tr>
<tr>
<td><strong>Cash at End of Period</strong></td>
<td>$32,744</td>
<td>$73,828</td>
<td>$137,687</td>
</tr>
</tbody>
</table>
For Miscellaneous Materials Like:

- More Detailed Financial Statements/Projections
- Product Sketches/Plans
- Research Reports
- Floor Plans/Blueprints
- Other Helpful Exhibits
Summarize “Problem Worth Solving”
Summarize “Our Solution” Section
Summarize “Target Market” Section & Describe Ideal Customer
Summarize “Competition” Section
What Makes Solution & Company Better
Table of Contents

Executive Summary
- Opportunity
- Expectations

Opportunity
- Problem
- Solution
- Target Market
- Competition

Execution
- Marketing & Sales
- Operations
- Milestones & Metrics

Company
- Overview
- Team

Financials
- Forecast
- Financial Highlights by Year
- Financing
- Financing Needed

Appendix

Summarize Financial Goals

Strategic Reasoning

Summarize “Financing” Section
**REVIEW**

Research:
- Opportunity
- Customers
- Competitors

Objectives
- Should Be:
  - Time Specific
  - Measurable
  - Realistic

Strategies

Tactics

Outcomes

How

Execution Details

Objectives Should Be:
- Time Specific
- Measurable
- Realistic
**REVIEW**

**IDEA**

What

Strategies

Business Model Canvas

[Image of Business Model Canvas]

https://strategyzer.com/platform/register
Empathy Map
Defines Target Customer

Value Proposition Canvas
Translates Customer Benefits into Product Features and Defines Offering

Business Model Canvas
Names the “Whats” of Marketing, Operations and Finance
REVIEW BUSINESS MODEL CANVAS

Operations Strategies

Marketing Strategies
REVIEW BUSINESS MODEL CANVAS

Operations Strategies

Key Partners

Key Activities

Value Propositions

Customer Relationships

Customer Segments

Channels

Finance Strategies

Marketing Strategies

Resources

Review
Garrett's Bike Shop

We offer high-quality biking gear for families and regular people, not just gearheads.

Our Opportunity

Problem worth solving
It's hard to buy a good bike in this town without being an "insider" cycling expert.

Our solution
We have a great selection of bikes and gear, and we offer expert advice.

Customer Segments

Key Resources

Costs

Value Proposition

Funding Needed

$100K

This is not an offer to sell or a solicitation of any offer to buy any securities.
**Review**

**Sales and Marketing**

**Sales channels**
We sell bicycles and accessories directly to customers through our bike shop. We also sell via our online store and at special bike enthusiast events.

**Marketing activities**
1. Partner with local bike clubs
2. Contact local shops
3. Attend bike shows
4. Distribute flyers
5. Attend customer events

**Financial Projections**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>$137K</td>
<td>$133K</td>
<td>($4K)</td>
</tr>
<tr>
<td>FY14</td>
<td>$546K</td>
<td>$680K</td>
<td>$621K</td>
</tr>
<tr>
<td>FY15</td>
<td>$163K</td>
<td>$800K</td>
<td>($140K)</td>
</tr>
<tr>
<td>FY16</td>
<td>$624K</td>
<td>$900K</td>
<td>($296K)</td>
</tr>
</tbody>
</table>

**Milestones**
- Validate your target markets: Dec 4, 2013
- Develop Q1 budget: Dec 4, 2013

**Customer Relationships**

**Value Proposition**

**Channels**

**Cost Structure**
Review

Team and Key Roles

Garrett McKenzie
Founder/Owner
After a successful run as a mortgage broker, Garrett will apply his business acumen to leading a company he is passionate about.

Jill Bloom
Shop Manager
After a decade of bike-shop experience and 6 completed triathlons, Jill will anchor the service side of the business.

Tom McKay
Advisor
Tom is a CPA with twenty-five years of experience advising dozens of startups and small businesses.

Heather Gibson
Investor
Heather is an avid cyclist and small business owner. Her expertise will expand the company's financial capabilities.

Partners and Resources

Accountants
Our CPA firm serves as our business advisors. They help us with budgeting/forecasting and KPI tracking.

The Great Outdoors
The Great Outdoors is a local chain of stores who sells gear for outdoor enthusiasts and amateurs alike.

Travel Northwest
Travel Northwest is the best resource for information, events, and activities in the great Northwest.

Cycle Parts "R" Us
Cycle Parts "R" Us is a bicycle manufacturer that specializes in innovative cycle design.

Key Resources or Relationships
Executive Summary

What  How

Strategy  Tactics

Garrett's Bike Shop

We offer high-quality biking gear for families and regular people, not just gearheads.

Our Story

Problem-solution

It's hard to buy a good bike in a big town without being a "tire"cycling expert.

Our solution

Garrett's is a bike shop where regular people can get top-notch gear and expert service.

Competition

Here our solution is better:

- Customized advice
- Top-quality products
- Friendly service

Sales Channels

We sell bicycles and accessories directly to customers through our bike shop. We also sell via our online store and at special bike enthusiast events.

Marketing Activities

1. Partner with national publications
2. Advertise in local publications
3. Grand opening window display, contest, etc.
4. Host social media, pages and website
5. Attend outdoor enthusiast trade shows

Financial Projections

Revenue

Expenses

Net Income

Year 1  Year 2  Year 3  Year 4  Year 5

Sales and Marketing

Funding Needed

$100K

Business Plan

What  How

Strategy  Tactics

Business Plan
# REVIEW

## GARRETT'S BIKE SHOP 2017

### Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>1</td>
</tr>
<tr>
<td>Opportunity</td>
<td>1</td>
</tr>
<tr>
<td>Expectations</td>
<td>3</td>
</tr>
<tr>
<td>Opportunity</td>
<td>5</td>
</tr>
<tr>
<td>Problem &amp; Solution</td>
<td>5</td>
</tr>
<tr>
<td>Target Market</td>
<td>5</td>
</tr>
<tr>
<td>Competition</td>
<td>5</td>
</tr>
<tr>
<td>Execution</td>
<td>8</td>
</tr>
<tr>
<td>Marketing &amp; Sales</td>
<td>8</td>
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<tr>
<td>Operations</td>
<td>10</td>
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<tr>
<td>Milestones &amp; Metrics</td>
<td>11</td>
</tr>
<tr>
<td>Company</td>
<td>13</td>
</tr>
<tr>
<td>Overview</td>
<td>13</td>
</tr>
<tr>
<td>Team</td>
<td>14</td>
</tr>
<tr>
<td>Financial Plan</td>
<td>15</td>
</tr>
<tr>
<td>Forecast</td>
<td>15</td>
</tr>
<tr>
<td>Financing</td>
<td>17</td>
</tr>
<tr>
<td>Statements</td>
<td>18</td>
</tr>
</tbody>
</table>

---

**Garrett's Bike Shop**

We offer high-quality biking gear for families and regular people, not just gearheads.

**Our Mission**

Problem: 

We noticed there was a gap in the market for quality bikes made specifically for families.

Solution: 

Garrett's Bike Shop is a bike shop where families can find a wide range of bikes and accessories.

**Sales and Marketing**

**Sales Channels**

1. Online and in-store sales
2. Local community events
3. Social media marketing
4. Email marketing
5. Affiliates and partners

**Marketing Activities**

1. Social media campaigns
2. Influencer collaborations
3. Local events and sponsorships
4. Email marketing campaigns
5. Website promotions

---

**Executive Summary**

**Target Market**

- Existing families
- New families
- Single parents

**Competition**

- Local bike shops
- Online retailers
- National chains

**Marketing**

- Social media
- Email marketing
- Influencer collaborations

**Financial Projections**

*Revenue:*

- Year 1: $200,000
- Year 2: $300,000
- Year 3: $400,000

*Profit:*

- Year 1: $20,000
- Year 2: $30,000
- Year 3: $40,000

---

**Appendix**

---
# Table of Contents

**Executive Summary** ................................. 1

Opportunity ............................................. 2
Expectations ............................................. 2
Opportunity ............................................. 3
Problem & Solution ...................................... 3
Target Market .......................................... 3
Competition ............................................ 3

**Execution** ........................................... 4

Marketing & Sales ...................................... 4
Operations ............................................ 4
Milestones & Metrics .................................... 4

**Company** ........................................... 5

Overview ................................................ 5
Team ..................................................... 5

**Opportunity** ......................................... 6

Strategies ................................................ 6

**Target Market** ....................................... 7

Customers ................................................ 7
Channels ................................................ 7

**Competitors** ........................................ 7

Strengths ................................................ 7
Weaknesses ............................................ 7
Opportunities .......................................... 7
Threats .................................................. 7

**Financial Plan** ...................................... 8

Forecast ................................................ 8
Financing ............................................... 8
Statements ............................................. 8

**Appendix** ........................................... 9
GARRETT’S BIKE SHOP 2017

Table of Contents

Executive Summary .......................................................... 1
Opportunity ....................................................................... 1
Expectations ..................................................................... 3

Opportunity ........................................................................
Problem & Solution .................................................................
Target Market .................................................................... 5
Competition ....................................................................... 6

Execution .......................................................................... 8
Marketing & Sales .................................................................
Operations ......................................................................... 10
Milestones & Metrics ..............................................................

Company ........................................................................... 13
Overview ............................................................................
Team .................................................................................

Financial Plan .................................................................... 15
Forecast ............................................................................. 15
Financing .......................................................................... 17
Statements ......................................................................... 18

Appendix ........................................................................... 21

Sales and Marketing

Milestones

Section of Business Model Canvas
From Idea to Business

16% Greater Likelihood of Success

1 https://hbr.org/2017/07/research-writing-a-business-plan-makes-your-startup-more-likely-to-succeed
Learn More:

**Strategyzer Business Model Canvas**

www.strategyzer.com
Osterwalder, et. al, *Value Proposition Design*, 2014, John Wiley & Sons


**LivePlan**

www.liveplan.com
https://partners.liveplan.com/score-st-paul-6mo