**Overcoming the Fear of Business Planning Using the Business Canvas Model**

Today we will look at the alternatives for the supplementary approach to business planning, we will start the session today, getting a feel today by taking a quick poll, what type of plans do you use in your business?

If you can take a moment to populate the screen, that would be great. We will talk about that as we go through. If you can do that, what we need to do really is to look at the different types of planning. Business plans, strategic plans, some are saying both. What I want you to do is think in terms of what type of planning you use when you think in terms of your business and how you look to the future. What we know, there are basically three types of plan. The first, early-stage business planning, or the business model Canvas which helps you identify the issues early, helps you to validate.

We will talk about that in detail. Then second the marketing plans, how do you promote your business and reach your targeted customers? What channels are you using to reach them? Lastly are the financial plans, probably the most difficult for most business planning. You need to project the future, and look out the future sales in class tests flow. Most small businesses fail because they Renate. -- Run out of cash. The best is to use cash flow objections for projection to develop your business strategy.

We want to think about today, really to talk about business model Canvas. The first thing we want to ask ourselves what is the business model?

This describes how your organization will deliver value. When we think about a business model everyone is familiar with, we think about Uber. 800 employees. And 1000 contract there's that drive for them, that is the business model, or maybe you are thinking of a virtual model, we had a virtual model where my partner and I were located in one area, our employees were located all over the country. The clients were all over the country, we went to trade shows, and it made it easier and economic for clients to use us, we designed business models around that. What you want to think about is what kind of business model are you going to develop, or do you develop, or what do you morph into as your business expands or develops why do we think about using the business model approach versus the traditional plan, these are different as you will see in the moment, this is one page versus many pages for business plan. The word I want you to think about when you think about business model Canvas, is validation. This validates the moving parts early in the process, while you are still thinking through who your customer base is, how you will reach them, it is a way to validate those different assumptions, you are using to create your business model, it identifies them early on so that you are not going down a path and developing your business without making sure your assumptions are valid. The second thing it does. To identify and confirm your target customer. We all know the number one issue we have is who is the customer? What are we delivering to that customer? Does it have value? And will they pay money for it?

This creates a value proposition, you need to find that need that you are fulfilling, what is the customer wanting and will they buy it? Lastly it will help confirm differentiators. What is it that makes your business model different? People by on differentiation, what is unique about what you are offering based upon what others who are your competitors are offering. When we look at this, week -- We see this as a business model Canvas.

This is an easier way where your eyes do not gloss over, you are not spending globs of time spending time on a document that will be re-created or developed, after validation. The best thing about it. After you have validated these elements. You can use it for the business plan. Most look at them and use throughout the entire planning process, when outside funding is not a requirement. In the business plan, this is used when you need to go for funding. Whether it be to a bank, venture capital, or friends and family. It is to the business plan. Which will allow you to think through what it is you are trying to do before you get into the extensive business plan itself. What it is, more thinking rather than writing. It will allow you to scratch out an assumption you have made. To allow you to eliminate an assumption you have made once you found it may not be valid, thinking in terms of this is an efficient way to start the process which is not very complicated.

What I would like you to see in the next poll, I would like you to see what is difficult in executing the business plan as far as you are concerned, if you can take a moment to do that, many people find developing a business plan becomes difficult.

Many people and their eyes gloss over and they retreat from the process. What I would like to know, what do you think the most difficult part of the plan is, it takes too much time, those of you who click the buttons, you will see the results. Some of you don't do a business plan it takes too much time. Calculating profit. What you want to do in terms of thinking what makes it most difficult?

Let's see what you all have said. 64 point of you -- 64% of you say it takes too much time.

I worked for a fortune 500 company and one of my jobs was to create a business plan, in September we would have it review, Star in July, we presented it in November, and then started all over six months later, we had a plan that we worked on for six months. And then we executed it for six months. Nobody takes it seriously. Many plans are finished, then put on the shelf and nobody looks at it. Worked with a client recently that did a strategic, paid $7000 to have it done, and they never looked at it, because they didn't understand how it worked. Or what to do. They don't review it regularly, a business plan is a living document to be reviewed regularly and adjusted as economic conditions or other environmental fact risk change. 70% say you don't do a plan.

Why is the business model Canvas good for you? It is efficient, and helps you find problems early and how you think you are going to organize your enterprise.

I will show you an example in just a few moments of how it works. It is manageable. When you think about one page versus 30 pages of a full business plan, this is manageable. You can make notes, validate, make adjustments and do it again, without going through an arduous task. It forces you to think through the moving parts. You will see how these nine parts fit together in the business model Canvas so that you can see the moving parts, and how they connect. So you can focus on those parts that are critical to your success. As we said, it is more simple, it sets the foundation for you to move forward for this idea, and most businesses start with some kind of idea, for example, might the my business I was in for 30 years, training business, I started out with the focus of offering performance improvement through cleaning and trade shows through strategic marketing.

I wanted to test, one, is there a need, and will someone pay me to do that? I found out people were interested, but they weren't interested in paying for it, so I focused on exhibitor staff training, as time went on, I found there was another element, which was measurement, I reinstituted Mike business model approach looking at the next step. It was not called business model Canvas of the time. The concept was there. It sets the foundation.

When we think about the business plan itself, we see it can be a good communication tool it tells a story. Of your business. What you are going to do how are you going to do it? What are the value you are providing to your customers? If you look at the business plans, this is the way to go because it provides the investors whether they be joined venture capitalists, friends and family, or the bank. With how you are thinking on how you are moving through the process of starting, launching and growing your business. It allows you to understand the players. You will want to think in terms of the great communication tool, like most. This is plans, it allows you to measure performance. If you will say your object to in the first six months of being in business, have two confirmed paying clients, you can measure your performance. It also helps manage the business. As business plans do more than just lay off the story, it guides you through the story and the business. This whole business model where does it come from? If you just Google strategize or.com, I will give you the last slide, it has a number of websites you can Google, you will find the business model Canvas, is a strategic management tool, a lean startup template, lean startup is a concept that does not wait until it's all done, getting out there and making adjustments to what you are saying. This is a way of looking at your business. Defining what is your model you will use. It is also a toll that can be used if you are in business. For example, if you are in business, and you want o add a product line or in extension to your business, what you want to think about is using the business model Canvas, to make that the foundation for that decision. We had a client on Cape Cod, that had an interior design business, she wanted to expand to exterior design for patios and yards, decks. She use the business model Canvas to determine what business model she could use in order to extend your business.

This can be used for not only new and launching businesses, but also for expanding and growing of businesses. The nice thing about it in today's environment we are all visual learners, the visual model Canvas is visual, where the plan is not, the page after page of prose in writing -- It is not it is the page after page of Pro's in writing. I will take you through each block to talk about. We will use an example of this company so that you can understand how works.

Let’s play the video. It takes about three minutes. >> [Video Playing]

You get to work together and answer fundamental questions, we will start with customer segments, these are the organizations to create value, a specific value [Indiscernible-speaker away from microphone] channels described TouchPoint's and delivering value. Customer relationships outline the type of relationships with your customers, and retain pricing mechanisms, or documents, under the revenue streams. Resources show which asset are expansible in your business model, you can discover what captures value, creativity shows you which things you will need. >>

[End of Video]

This will lead to additional [Indiscernible], priority [Indiscernible-speaker away from microphone] the airlines make more money selling only to [Indiscernible] and customer relation this covers the

right side where everybody can see. This left side with resources, in a single area. This is where you will get paid to [Indiscernible].

[Silence] [End of Video] >> [Silence] okay for those of you who had difficulty with the video. We will get the video link to you, a YouTube video that strategize and has been put together.

Y will walk through the business Canvas -- I will walk through the is this Canvas -- Business Canvas.

You can use this in early-stage discussions if you're looking for financing, it is an easy way for you to go to a financing organization, show them what your ideas are, your thoughts are, and give them a feel for the types of resources you are looking for, so that they can give you early-stage guidance. We have an organization called coastal community capital, on Cape Cod, many times we will have a client that has completed the business model Canvas take it as their first meeting capital, and get feedback on whether the ideas are financed double , or whether they can think about bank financing or venture capital financing. As you can see there are nine separate blocks.

Each of these blocks are interrelated to each other. On the right side they are mostly customer remade it -- Related issues.

Let's take a look at each one, the value our position will take a look at first, what are you delivering to a customer, in my business, we provide performance improvement, through training and measurement. What are you trying to do, what problem are you trying to solve? Will the customer that you are thinking about, will they be satisfied as a result of what you are providing? Many of you use ways as navigation tool.

When I went to a meeting this week, I used ways to get me where I was going I'm using this as an example, the value proposition is to be traffic they are allowing you as the driver many of you used this to navigate anywhere. You are also provided with warning, police ahead, it gives you an idea of what is going on, the proposition is satisfaction I don't know about you but my father never asked for directions, sometimes we would go around and around, the value proposition for Waze, is satisfaction, as well as finding attractions, there is another , that is the advertisers, it provides advertising relevant to drivers, I am driving a -- Along and I can see Dunkin' Donuts on my screen. What is it offering in way of the value proposition, number two Matt who are you creating -- Number two -- Who are you creating the value for?

Aside for what you are offering, who are you trying to offering it to, is the second part who are the segments, are you offering only two people in Stamford Connecticut, or you offering all the Northeast, global? In terms of understanding whom are you creating this for, and where they are located, what defines the customer segment?

In this case, Waze, they find people by geographic segments, and divine -- To find by drivers.

We got to the restaurant 1 mile and a half away, these are all drivers that come to be a part of the community, you think in terms of finding very specifically with the customer segments are, also roadside businesses, their customers because they are the advertisers, if you think about how West, in and out Burger location, might be a place it might be a customer segment for Waze Will kind of relationship will you have with your customers, the issue you have, what do they expect of us? How do we establish and maintain these relationships so that we can deliver what it is we have set out in our value proposition. To this specific customer? In the case of Waze, they are casual users of a free app. People who love gaming love this.

They are advertisers. What is that they expect. In terms of the relationship, the fourth block. These are the channels. Many times we start with a client, the first three blocks you need to think about, are value segments customer segments and channels, stop and validate. The channels, have you reach these customers?

I was in a tradeshow industry, one way to reach them was the national tradeshow you exhibited there. Another way through the one exhibitor Magazine, you advertised. Or you were on their segment identified suppliers. How do you reach them. One question we have today, needing to be validated for every business, where are the customers receiving the information? Where are they getting delivered the information they need to make buying decisions? When you that you are able to identify channels that they are tuned into. In this case, Waze primarily developed by word-of-mouth. They also can go to the app store, and find apps for GPS types. These type of materials, and advertisers will come to them. The advertisers will come to know that they are used by many people. Fair going from point a to point B.

LITS switch to another site -- Let us switch to another site.

If this is to deliver great GPS, what are the activities, what do they require us to do to get through the distribution channels for the customer relationships quick? To identify new markets? To improve faster software? To sell to advertisers, and to carry data so we can deliver to our customers who are the drivers. When we think about the activities we define what it is that we are going to do to deliver that value proposition.

The next block are the partners. Many of us have partners. Sometimes they have strategic partners, some are key suppliers, what we need, in order to support what we are trying to accomplish. In my business, my key partners were graphic designers, to help me design my training programs, they were exhibit builders who were partners in reaching exhibitors .

They thought in terms of who are partners, in order to create the links to the customer segments.

To achieve the work that you are trying to get accomplished.

For Waze, gas chains are key partners, community leaders are also examples of partners.

Let's take at the next block. The resources, now we are getting down to what we need to make this a reality. What resources to our propositions required? What do we need to affect our distribution channels and relationships? What do you need to make this model work?

For Waze, it was software to make the software where, algorithms, if I make a wrong turn, it can tell me turn left to get back on track, developers so that you are the working on the next bottle -- Model of ways. Then also mind share.

What are the resources that you need in order to make your business model successful? To be able to launch to deliver the value proposition to the segments through the channels that reach them?

Now here's where the rubber meets the road, where most plans get into difficulty, what are the inherent and important costs of the business? Were doing need to pay in order to acquire our key resources? What do we need to engage in, in our key activities? What we want to do is think in terms of the cost side of your venture. Road software, infrastructure for your IT maps. Selling to advertisers, the one thing you will also see is the opposite side, where you will get funds, cash flow is one of the most important elements in analyzing the business, where does this money come from? Where does this money used? It appears through advertisers, maybe through roadside businesses that want to identify, so that when I am thinking of a cup of coffee, Dunkin' Donuts pops up and it is 22 miles ahead, you want think in terms of the revenue stream that will define where you will get your money. In my business, my money came from training, training programs, keynote speaking, products that we sold, and services we provided. What you want to do is think in terms of identifying where is the revenue going to come from?

If you look over the business model Canvas, one element missing is competitors. That is a part of business planning, one of the things you want to look at, in the business model Canvas, you are trying to validate your business concept. When you go out and validate it, talk to potential customers, offer your value proposition, and you find out, I can get that from ABC, what is different from what you are offering?

You are doing competitive analysis, part of it is in the validation process for business model Canvas.

When you download the handout materials, you'll see a complete this as model Canvas for a business. Called whispering getting, -- Whispering marketing. All of the elements it takes to define the business.

If you want to learn more, here are websites to look at, the YouTube, the strategized, entrepreneurship, this can also be looked at , these are the ways to learn more than you are getting as an introduction, through the webinar.

If you want to see if business plan template, one of the once we find most affect, is www.seedcorp.com -- The reason why I like this for the business plan, this will give you each one of these blocks that make up the business plan, if you go to the website for the third drop-down menu, it says business templates . You can click to download the templates, it will give you a start in business planning .

So the business model Canvas, primarily a validation tool. It will help you to formulate his and validate your business concept you are looking for financing, and you will continue to look at the business Canvas, you don't need financing, and you need a way to keep track of the assumptions you need.

-- I will turn it back over to Alexa. We will go from there. >>

Thank you so much, we will now start the Q&A portion of the call, where I will be reading chat questions please continue submitting your questions by using the chat function located on the left side of your screen, with this time remaining we will address as many questions as we can, if we don't have time to get to your question, I encourage you to connect with the SCORE mentor, mentors are an invaluable -- Available online. >> Let's go ahead and jump into the questions. The first question comes from Laverne C., Laverne asks, should you do a plan by yourself or ask a professional?

I would suggest you do a plan with a mentor that will guide you through the process, to ask you the tough questions that it takes in order to start the process of validation. I don't think it is necessary to necessarily have a paid professional do the plan, or the business model Canvas or guide you through it, the important thing is for you to validate, so that you learn about your assumptions. To determine whether you will take the next step, or you will have to go back and review where you are, to review and move forward.

Okay.

The next question we come in from LaShawn, how is the business plan used to secure funding?

The number one element lenders look for is your ability to repay the loan, the business plan tells the story, and gives them the confidence that you have a valid idea, you have a customer base that is willing to buy what you are selling. You have a management team that is qualified to take it to the next step, to launch and growth, it will allow them to understand what kind of a thinker you are, so that they can step back to say, is this a good risk for us. >> All right. We have had several questions come in with regards to nonprofit. I would like to read a question from Kerry H, how will this be applied to establish a nonprofit not coming in from customers but maybe grants another sources of funding?

Good question. Nonprofits, they are the same as a for-profit, when you think about planning, with the exception of the tax status. Business model Canvas, it is just applicable for nonprofit, what are you offering the community? Who are your target audiences, who are you trying to reach to provide the value proposition of your nonprofit? You have to redefine revenue, for example it comes from the membership, grants, donations, you define it in terms of the nonprofit model.

A question comes in from Susan H., Can the BMC be used to obtain funding, is this a good precursor for a business plan?

I would say the business model Canvas is not a vehicle for obtaining this funding, they want more, rather they want more than the business model Canvas, but it is almost always to the precursor, if funding is part of your formula for love -- Launch. It is easy to do. It takes very little time to allow you to go out and validate your concepts before you start into in-depth analysis and writing to develop a business plan. >> Okay. Pat L, submitted a question. What are the views on Kansan Iser -- Canvanizer -- Can he say that again?

Yes Pat asks, what is the Canvanizer to share

I cannot answer that one, I do not know what that Canvanizer is.

Okay if you can Pat send in a quick description we can circle back around.

From Donna J., how do I find the competitive resources for no cost?

The library. There are a lot of online resources. I would suggest even if you Google what it is you're trying to do, see who is in the business, what they are saying about the offerings, what their differentiators are, look for advertising, marketing communications. They are in magazines, online, so that you can get a profile. I profile of others in the industry in the segment that you are trying to compete against.

All right.

Heidi V., submits a question. Is it true that 80% of his this plan, that failure, has not put them in place -- Pretty good assumption, those businesses to plan, they plan to fail, all they are doing is hoping for the best. Not having any direction or connection to what there is, and what they're trying to do. I would endorse that.

I see Canvanizer is something that they are using, with 300+ chapters, we all have different resources, I will learn myself and look into that.

Elizabeth B, submit the question, will this be harder to do the BMC, if you are starting a new idea?

No it is easier. When you have something new and different, then it will allow you to explore different options, potentially available to you, if you Avenue idea, I have a client come to us who had an idea who wanted to apply in a nonprofit arena, after she started to do the business model Canvas, she actually came to the conclusion from the feedback and the corporate planning idea she had changed the whole idea.

Will this replace the executive summary?

I guess it could. It does provide an overview. It might be interesting to see what a venture capitalist or bank would say as the first page of the full business plan, I can certainly see it being a tool to pitch your idea to a venture capitalists, or a bank. Or even a lending institution.

The next question, each customer may have a different value, and a different panel etc., to use one BMC for all customers, or separate for each customer?

It depends on the customer and how separate they are, I had a number of different customer phases exhibit, showing organizers, and showing or nurse -- Owners, I would have different propositions in different panels.

From Laura D. -- How can this breakdown the massive size of grant writing?

Grant writing is an animal all by itself, a very specific skill. It tells the story. You might be able to utilize

the business model Canvas as a tool in telling the story, so that the reader, the grand award or orphaned or, can understand the story differently. I think it could be a tool you can use.

I had not thought about it before, but I think it could be.

From Sharon W., where do you review in the plan once you get moving?

I think it is separate. The key performance indicators, and your performance, this is separate from the business model Canvas planning. I would say if you go through the validation process, and you find you can then take the next step, you would develop your objectives, and your key performance indicators that would determine success for any period, or time period. >>

I have a question from Dr. LaTonya N., how large should our customer's sake segment the courts -- How long should the customer segments the? -- Be? -- I further define my target as the customer

I find them as a Fortune 500 company, that has a program of 20 or more exhibitions per year. It depends on who you define who your target is.

All right. From Andrea B. thank you. -- We actually covered this one and maybe there is an elaboration on the nonprofit side, this is similar to the question asked earlier, we do have several on the nonprofit question, does the BMC work for a nonprofit organization how can it be used or applied?

It definitely can be used when you think about the different block, everyone of those blocks has to be at that interpret of the nonprofit arena, those who you serve in the customer segments, channels on how to reach them, then you have the relationships, how you relate to them, how you will connect, these are all applicable, you might change wording or titles, but it is all applicable to planning for a nonprofit.

I have used it with nonprofits.

Next question comes in from Kiana B., you mentioned these are fluid documents what is your recommendation for consistent reviewing and changing these documents?

A lot has to do with the industry segment of the business you are in, I recommend reviewing quarterly. I have been in a meeting for the last three days. The theme of this coming through the entire session was changed. The environment is changing so rapidly, if you are not looking at the assumptions, you are based in the business on, or basing your enterprise on, on a periodic quarterly semiannually basis, you will be behind the ball, someone will pass you by because you have not been tuned into the environment in the changes in your environment. I would endorse quarterly.

The next question. I hope pronouncing this name correctly, Jackie T. what is the difference between a one-page pitch stack and a canvas?

They could be very similar, pitch decks, they cover the same topics, but they are used for different approaches. They are used to pitch an idea, business model Canvas is used to validate an idea so that you can get to a pitch deck.

Next question from a lease -- Elise P., I am creating a pitch deck , is there anything I need to add or do differently?

If the question is launching a business, and do differently yes, probably there is, what you are trying to do is take a business that has a system in place, and making it available to others for a fee. You are still

launching a business, you have a value proposition, you have customer segments, you have Chait Mintz, -- Channels. You can use this to validate whether your franchise idea had legs , and do the initial planning before you get involved with all the legalities of franchising your concept. >> Okay next question, Orlando T., should you have a separate canvas under your overall business model, training workshops, public speaking for example?

Yes. You have a different value proposition, for each of those business segments, you have different channels for reaching the segment of the target market you are trying to reach, I would endorse having one for each segment, I have a client who has five business segments, and five business model Canvas is she developed.

Okay next question from Stephanie M. Is it possible to secure grant solely with the business use requirements, or is there a business plan required?

Grants are defined by the funder, they define how the grant has to be generated, in orders be considered, you have to look at who you are trying to petition for the grant. Understand what it is their requirements are for submittal.

Okay next question. From Smith. Will it be business investments, made after the business launching it?

Yes it goes into the cost side. I think you should identify once launched, what do you need to make it an of revenue producing enterprise?

Okay. Victor R, asks, if I am doing my own financing, can the finest canvas the simpler?

I guess yes, and no, if I'm going to put my own money into my business, I want to have this planned as well as I can, so that money is well-spent. The investment is secure by good plan.

When I started my business in 1985, my plan didn't exist, but my plan was a one-page plan, it took me six months to validate, before I moved forward, my personal investment that got it going, I would endorse doing it as if someone else were investing so that you have the plan is complete as possible.

Great thank you very much.

Thank you, ladies and gentlemen, on behalf of SCORE, I would like to thank you all for attending today's SCORE Live Webinar, I would like to give it a big thank you to Mark, we hope that you have a wonderful day, thank you so much. >>

[Event Concluded]