The primary point of a business plan is for the writer, not the reader. It forces you to think through your business idea and document your thinking. Keep your audience in mind, however. What questions will they want answered before funding your idea? Bring facts, not opinions.

# Executive Summary

The first section is written last. It is a summary of the business plan with a few key points, targeted to the executives who will fund the project. The purpose of this section is to convince the executives to read the rest of the plan.

## Market Opportunity

What is the opportunity in the market that creates a compelling reason to create a new product or major enhancement to an existing product or product line?

## Distinctive Competencies and Strategic Fit

Describe how this opportunity fits with the company’s distinctive competencies and corporate strategy.

## Financial Objectives

Objectives should be measurable, such as sales volume (revenue and units), number of accounts, profit, and/or reduced costs. The detailed financial plans should be included in the Business Plan or Appendix.

# Business Plan

This section answers the questions, "Have we found urgent, pervasive problems the market is willing to pay to solve? Can we make a profitable business of the solution to the problems? Do we have a competitive advantage? What impact will this solution have on our current business?"

## Market Problems

Describe the problems the market is facing that your plan will solve. How urgent are the problems? Quantify (from the market perspective) in terms of lost revenue, increased costs, reduced productivity, or other measures.

## Market Definition

### Market Segments

### Buyer and user personas

Describe each of the key buyer and user personas.

## Competitive Landscape

Summarize the competitive landscape for the top 2-3 competitors.

Why will we have an advantage over the competition? What will we do uniquely? How will it leverage our distinctive competence?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Competitor | Competitive  Threats | Competitive  Strategy | How to Win | When to Run |
| <Competitor A> |  |  |  |  |
| <Competitor B> |  |  |  |  |
| <Competitor C> |  |  |  |  |

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 This is an outline of the Business Plan. The downloadable version contains comments in each section. Turn on Show to see the comments.

# Alternative Solutions

Describe other ways the market solves these problems today (such as manual, internally developed, legacy products, work-arounds). What would compel companies or individuals to change from these alternatives?

## Product Definition

#### Our Solution

Describe the vision of the proposed solution.

#### Product Roadmap

Illustrate the high-level phases of key deliverables of the system, organized by themes, markets, personas, goals, or other strategic groupings.

#### Product Portfolio

What are the products and services necessary to solve the market problems? Include all hardware, software, and services necessary (whether provided by us or others). These are all of the elements to deliver a “whole product.”

Describe how this product leverages or integrates with existing products. If applicable, discuss how this product conflicts with or competes with other company products and how the issues will be addressed.

#### Technology Assessment

Without defining how to implement, describe the technologies available to solve the problems described. These technologies might be developed internally or externally. Are there technology shifts creating either opportunities or threats to this project?

How does this product fit in the Technology Product Assessment Grid (ABCD) with respect to our other offerings and to competitive offerings?

#### Buy, Build, or Partner

Evaluate options for developing the product in-house or externally, buying an existing product or service, or partnering with a marketing or technology partner to provide the solution. Evaluate pros and cons of the various options, quantify probable costs, and compare time-to-market scenarios.

#### Development Feasibility

Based on discussions with development (or services), assess the feasibility of the concept in terms of technology and general timeframe.

#### Services Feasibility

Describe the service offerings required to complete the solution and the feasibility of developing the services.

## Go-to-Market Strategy

#### Positioning

Include a separate positioning document for each type of buyer within each market segment.

Problem

Solution

Primary Message

Product Description

Problem-Oriented Features (Marketecture)

For a business plan for a new release or major investment for an existing product, highlight the new capabilities. Also include positioning for new buyers and/or market segments that this investment will target.

#### Barriers to Buy

Do buyers recognize their problem, and have a compelling reason to buy? Can we identify the buyers who are willing, funded, and empowered to purchase? Are there barriers to purchase such as higher priority projects, inexperience with this type of product, or lack of resources? How could we leverage these opportunities and challenges?

#### Distribution Strategy

Describe the distribution strategy. Include sales channels (direct and indirect) and delivery channels (such as on premise, cloud computing, embedded products). Include the planned channels for how customers will buy, receive, and use the offering.

#### Launch Considerations

Customer Acquisition

Describe the launch strategies for acquiring new customers.

Customer Retention

Discuss the opportunity for upgrading the installed base including upgrade revenues and cost to upgrade. What is the financial impact on the installed base to upgrade, including other costs such as hardware or services? Is this a replacement, add-on, or new product for the installed base? Will this product cannibalize sales of other products? What other issues will result from migration, obsolescence or overlapping products? Are there sales channel issues?

If this product replaces another product, what is the retirement strategy for the legacy product? Include investments, announcement plans for channel and customer base, migration strategy for customers, pricing, technology issues, revenue impact, and risks associated with retiring the legacy product.

## Financial Model

#### Market Sizing

Include size and demographics of the market segments you are targeting. If available, provide growth trends of the market.

What % of the segment will adopt your product category? What share of the market do you anticipate? Document your assumptions and formulas to determine market size.

#### Pricing

Describe the pricing structure with price points and sample configurations.

#### Revenue Projection

Provide projections for units and revenue. Do you have sales capacity to sell what is forecast? Do you have manufacturing, delivery, and services capacities?

Document your assumptions.

#### Cost Estimates

Based on discussions with all of the development groups (such as, software, hardware, documentation, testing, training, and consulting), estimate the time required for a project of similar scope.

Estimate incremental marketing and sales costs based on current expenditures.

#### Product Profitability

Evaluate profit estimates for this plan.

#### Key Performance Indicators

Identify the key performance indicators to measure the success of the project, such as specific metrics for revenue units or amounts, number of new named accounts, percentage of customer retention, reduced support costs, increased number of channel partners, increased lead conversion rate, and increased market share.

## Risks

Rank and describe the potential risks for implementing the plan. This might include market forces such as an anticipated new competitor or a limited window of opportunity. Execution risks might include using a new, unknown technology, uncertainty about the rate of adoption, not enough resources to launch, or unknown channel issues.

For each risk, discuss mitigation strategies if the risk materializes.

# Appendix

Financial Schedules

Include detailed spreadsheets here.

Market Research

Describe the research you conducted.

Positioning Documents

Attach the detailed positioning documents, by buyer persona.

Buyer and User Personas

Attach the buyer and user persona profiles.