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#### Workshop on Entrepreneurship for Physicists and Engineers from Developing Countries

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Business plan fundamentals - Creating a business plan

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# **Business plan fundamentals**

Creating a business plan

Joint ICTP-TWAS Workshop on Entrepreneurship for Physicists and Engineers from Developing Countries Trieste, Italy

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# What is your business plan for?

If it is to generate funding and support investors must be able to see a ...

#### ...Return on Investment





# **Executive summary**

- What is the problem that you have the solution for
- Who is your customer and what is market size, and growth, scalability
- Who is in the team and/or gaps
- How it will make money, how much cash is needed and what is on offer for that cash





## Good Business Plans 1

- Clearly defined market need
- Realistic business strategy
- Clear intellectual property position
- Understanding of competitors and your competitive advantage



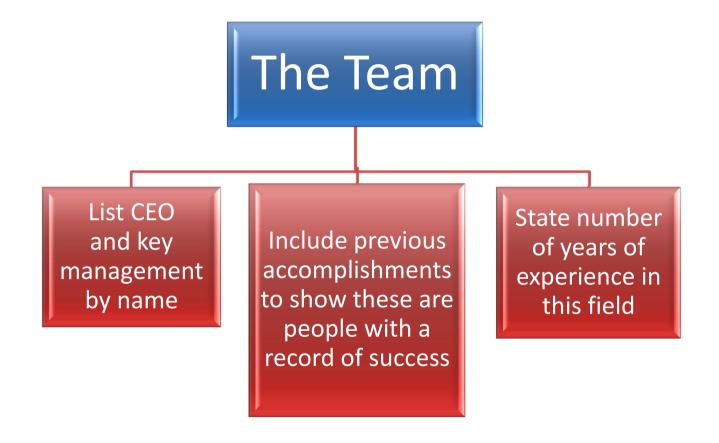


### Good Business Plans 2

- Uniqueness of business idea
- Mix of commercial, scientific and technical skills
- Experienced management team
- Robust cash flow forecasts
- Exit route for investors











# Marketing







# Competition







# Goals & Objectives

Five-year goals, specific, measurable objectives for example

- scientific milestones
- market share objectives
- revenue/profitability objectives
- sales person productivity





#### Financial Plan

High-level five year financial plan that defines financial model, pricing assumptions, and shows yearly expected sales and profits.

- Profit & Loss account (Income Statement)
- Balance Sheet
- Cash flow
- Ratio Analysis





## Don't run out of cash







## Resource Requirements

Where the money will be spent, and when!

Technology

Personnel

Financial, distribution, promotion, overheads

Products/services/technology required to be purchased outside company





# Summary 1

The business plan is a tool to enable funding to be obtained

It is demonstrating the commercialisation prospects that will determine success





# Summary 2

What determines real success, is that you bring together the crucial factors of:

- Enthusiasm
- Commitment
- Strength of management team





# Where to go for information







# Thank you

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