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# Preparing The Best Business Plan

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# What Does a Business Plan Do?

- Clarity of Vision
- Mitigating Risks
- Attracting Investors
- Strategic Planning
- Performance Monitoring



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**Validate First!**



**Business Model Canvas**

Organization/Division/Target Name:

Key Resources (6)	Key Activities (5)	Value Proposition (1)	Customer Relationships (4)	Customer Segments (2)
Key Partners (7)			Channels (3)	
Expenditures (8) →		Revenues Streams (9) →		



**Business Model Canvas**

Organization/Division/Target Name:

Key Resources (6)	Key Activities (5)	Value Proposition (1)	Customer Relationships (4)	Customer Segments (2)
<p>What resources do you need to make the business model possible?                      Physical assets?                      Intellectual assets                      Human capital (valuable, rare, inimitable)?                      Financial capital (cash, lines of credit, loan, grants, investors)?</p> <p>Are these resources being utilized specific to an area of your model?</p>	<p>What are the most important things you must do to make the model work for your business?</p> <p>Key Activities is the grocery list.                      Including Operations today's: Cover everything to the right on the model</p> <p>Be specific</p> <p>Include research</p> <p>Include risk mitigation plans</p>	<p>What Customer Problems are you solving?</p> <p>What Features Accomplish this?</p> <p>What is the Bundle of Products or services that creates value for a specific customer segment?</p> <p>Is it something new?</p>	<p>How will you retain customers?</p> <p>Is it unique?</p> <p>Does it speak specifically to your product or service?</p> <p>Lead to increasing customer sales?</p> <p>Is this a procedure within the company?</p>	<p>For who are you solving a problem or fulfilling a need?</p> <p>Does your value proposition match their needs?</p> <p>What are the characteristics of the customer?</p> <p>Where are they located?</p>
<p><b>Key Partners (7)</b></p> <p>Which external organizations can help with resources?                      These are the who's.</p> <p>Skin in the game</p> <p>Who is currently missing?</p>	<p>Are there procedures in place to stay on course?</p>	<p>Is it a custom product or service?</p> <p>What is the solution?</p>	<p><b>Channels (3)</b></p> <p>How will your customers find out about your value proposition?                      Advertising?                      Face to Face?                      Word of mouth?                      Social Media?</p> <p>Good question to ask - How do they get their information?                      Are you where they are?</p>	<p>What are their income levels?</p> <p>Can they afford your product?</p> <p>Are they cost effective to sell to?</p> <p>If multiple customer segments, a model can be done for each one depending on their channels (block #3).</p>
<p><b>Expenditures (8)</b></p> <p>→</p>	<p>What are all the costs associated with operating the product or service you modeled?                      Fixed costs (volume independent)?                      Variable costs (proportionate to volume)?                      Greater return on fixed costs?</p>	<p><b>Revenues Streams (9)</b></p> <p>→</p>	<p>The cash flow generated by the business model. Will it be transaction revenue (one-time customer payment) or recurring revenue (on-going payments)?                      Product sales?                      Usage fee (based on consumption)?                      Subscription fee? Licensing?</p>	



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# What You need to Include in Your Business Plan



# Sections

- Executive Summary
- Business Description
- Business Goals
- Products and/or Services
- Market Analysis
- Marketing & Sales Plan
- Financial Analysis
- Financial Projections
- Appendix



# Most Important Section

- Executive Summary
  - This is your opportunity pitch and first area read by managers, investors, bankers etc..
  - Include mission, products/services, market growth and broad summary of financial growth.
  - Cover main points of the overall business plan
  - Write last after you have researched other areas





# How many Pages

- Depends on audience and purpose
  - Depending on project, it could be as little as 3 – 5 pages
  - Average business plan is 10 – 15 pages for new start up business idea
  - Investors or managers usually have limits on size
  - Corporate plans could be over 50 pages depending on what's included in appendix



# What NOT To Do

- Don't put unreasonable estimates or over inflated projections.
- Don't be too vague or too detailed
- Don't make it difficult to follow
- Avoid technical overload – Technical can be added to appendix



# What To Do

- Complete roadmap
- PROOF READ – Formatting, spelling, etc..
- Easy to Read – Know your audience
- Include illustrated charts and graphs
- Photographs – Locations, Product, etc...
- Get help from business resources



# Area Resources

- Small Business Development Center (FLSBDC) - [www.sbdcfamu.org](http://www.sbdcfamu.org)
- Alliance of Entrepreneur Resource Organizations (AERO) - [www.bigbendaero.com](http://www.bigbendaero.com)
- Office of Economic Vitality (OEV) - [oevforbusiness.org](http://oevforbusiness.org)
- Strategyzer - [www.strategyzer.com](http://www.strategyzer.com)



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# Questions?

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