

# BUSINESS PLANNING TEMPLATE

## For ENTRE 440/540 – Business Plan Practicum

Instructor: John Zagula      Email: [johnza@uw.edu](mailto:johnza@uw.edu)

### Overview

This is a simple outline for what investors, teams and others expect from a basic business plan, defined as the thinking behind a business, the case for its existence and growth, and the core decision making, strategy and steps needed to win in the market place. As such it is broken into three sections: 1) the vision and product offering, 2) the strategic/gap analysis, and 3) the financial/resource fundamentals.

### Assignment

Use this outline to put together a strong draft business plan. First, submit simple, long-hand answers - by section - to the questions below, in document format. Second, convert your answers into a compelling presentation/pitch - following guidelines provided in class. A good business plan is well thought-out, supported with solid evidence, and articulated clearly, concisely and passionately (*one big tip is to use analogies or examples of companies whose path you want to emulate - so as to not reinvent the wheel*).

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## Section 1. Vision and Offering - The Product

### Question A) Your vision and mission.

Why do you want to start this business in the first place? A strong answer paints a clear vision of a better future that you believe in/are motivated by. This vision should be believable, significant and relevant to today. [The ABCs, explained in the appendix - are a tool to help formulate this vision.] The answer must also state the role your company will play in helping make that vision a reality, a.k.a. your mission.

### Question B) Your idea.

Describe the offering or product you are developing. A strong answer articulates the urgent problem you are solving, the clear need you are addressing. It also specifically explains your unique solution to this problem and why it is a worthwhile/better answer than those offered today.

## Section 2. Strategic Gap Analysis - The Playing Field

### Question A) Supporting key trends.

Why is now is the right time to do this? Strong answers will show sufficient market momentum behind the business concept, supported by market trend/projection data, will explain why it hasn't been done already and what has changed/the catalyst to make it possible (e.g. new innovation or unique intellectual property)?

### Question B) Your Playing Field.

The answer to this situation analysis question comes in three parts, also known as the *Three Cs*:

1. *Customers*: Who are your current/prospective customers? What are their biggest priorities, issues and attitudes? A strong answer will show that your offering is a "must have" rather than a "nice to have" for this target customer set. It will also effectively argue that the market is large enough for your business to be successful even if you only capture a small share of it.
2. *Competition*: Who are your current/potential competitors (defined as alternatives to your solution)? What are their strengths, weaknesses, priorities and likely next moves? A strong answer shows real gaps/vulnerabilities to exploit and how, once your position is established, it can be defended.
3. *Competencies*: What are your own strengths, weaknesses/vulnerabilities? How will you exploit and compensation for these? How do they compare to the above two Cs? You need to answer "Why us?" and also make clear the implications for investments needed to strengthen that answer over time.

[The *ABCs* are a useful tool for the above. So is *SWOT* analysis. Again, see appendix below for explanation.]

### Question C) Your Play.

What is your the strategy to project your company into the market, the position you plan to occupy and your path to gaining it? The situation analysis above should directly guide you to this main bet you need to make. A strong answer here should be short, memorable, repeatable and identify and address the key risk factors.

### Question D) Positioning.

Positioning is the core argument you will use to persuade customers, guiding your pitch, your marketing, and all your external messages. A strong answer makes clear the category you are in, audience you are targeting, and how your solution to their problem is better/different than the alternatives. [The *XYZs*, explained in the appendix - are a simple tool to help formulate this positioning.]

## Section 3. Financial/Resource Fundamentals - The Plan

### Question A) Business Model.

How do you plan to make money? What are the basic economics of your business? A clear business model addresses the pricing and terms of your offering (e.g. premium vs. discount; subscription vs. service vs. one-time sales), as well as the expense structure of your business (e.g. gross margins, cost per sale, overhead). Ideally it also provides visibility into future, is believable and even has initial proof that it works.

### Question B) Go to Market.

Once you have a viable offering, how will you create demand for it and convert that in actual sales? A strong go-to-market plan addresses how to make your audience aware of your product (and how you segment them so as to target your efforts most effectively), how to persuade them to part with their money, and through which distribution channels to make it available and fulfill the demand you have created. A good answer is realistic, efficient, data driven and is mapped out over time - from first sale to early foothold to scale..

### Question C) Team.

Who is your team and why are they right for this job? Who is missing and how will you compensate for and fill these gaps over time. Your team's backgrounds should credibly demonstrate attitudes, skills, experience and other attributes that meet the unique demands of your business. Extra credit goes to those with a history of success, a track-record of milestones met and promises kept, and even some star power.

### Question D) Financial Plan.

Building a business takes resources. Resources take money. A good financial plan explains where and how you will acquire this money (i.e. sources - investors, lenders, revenue) and when/how you will spend it over time (i.e. uses - investments, capital, expenses). It states its assumptions clearly, is supported by evidence (actual or from other comparable companies/outside analysis). As the heart of your case for raising money, it must also articulate the "exit strategy" or ultimate path for realizing a strong return on investment.

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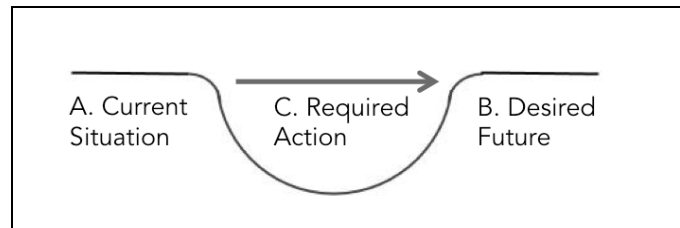
## Appendix - Useful conceptual tools\* for completing this template

Below are a few simple, easy to remember guides to help organize your thinking across several dimensions.

### The ABCs

One of the most general purpose mnemonic devices to kick off an argument, and to do a gap analysis. It starts with A) acknowledging a situation that everyone can agree on, then B) envisions a desired future your target can easily relate to, and finally, C) calls for the action needed to bridge the gap between the two.

This simple format provides a foundation for requests and responses ranging from raising money to dealing with your children. It can also be formulated in "Yes, But, So" statements such as: "Yes, the weather is horrible in Seattle in February. But, wouldn't it be nice to have some sun. So, let's go to Hawaii." or "Yes, I know homework sucks. But, it would be great to pass this class. So, I will ask for help." or more relevantly "Yes, there are existing solutions. But, wouldn't it be great if they were not so complex and expensive. So, we decided to build a better one."



### S.W.O.T.

SWOT stands for "Strengths, Weaknesses, Opportunities, Threats" and is a simple way to organize your analysis of either competitors or your own competencies. S and W are assessments of the current situation. O and T are forward looking - what are the biggest opportunities a competitor leaves open and threats it might pose. Looking at yourself, answer these in reverse - how are you threatening and what are you leaving open. Here too, ABC/gap analysis on each is useful.

### XYZs

All the slick videos, modern websites and social media campaigns are just a bunch of tactics unless they are backed by a very clear, compelling argument, i.e. *positioning statement*. The XYZs are a simple formula for coming up with such a statement. Strong positioning reads "We are the only X that solves Y in Z unique way." Where X= the category your offering is in, Y= the target customer problem you are addressing and Z = your differentiation relative to other offerings. Your answer to each element is an important decision, as you cannot be all things to all people.

\* Further details can be found in [The Marketing Playbook: Five Battle-Tested Plays for Capturing and Keeping the Lead in Any Market](https://www.amazon.com/dp/B001QIGZE0/ref=dp-kindle-redirect?encoding=UTF8&btcr=1). <https://www.amazon.com/dp/B001QIGZE0/ref=dp-kindle-redirect?encoding=UTF8&btcr=1>