



Start Up & New Venture Management

UNIT – I: BEING AN ENTREPRENEUR

Profile Analysis of the Entrepreneur



- ▶ Knack of selling
- ▶ Disruptor / Innovator
- ▶ Knowledge
- ▶ Determination
- ▶ Delegator
- ▶ Profitability
- ▶ Relationship
- ▶ Risk taking
- ▶ Confidence
- ▶ Independent



Entrepreneurial Behaviour & Motivation

- ▶ Entrepreneurial behaviour is a result of entrepreneurial motivation
- ▶ Motivation has been derived from the word 'Motive' which implies the inner state of mind that activates, provokes and directs our behaviour towards the goal.
- ▶ Motivation is a process that motivates a person into action and induces him to follow the course of action till the goals are finally achieved



Nature of Motivation

- ▶ Internal feeling of an individual
- ▶ These feeling prompts one to work more
- ▶ Energises towards productive action
- ▶ Linked to satisfaction
- ▶ Individual is motivated in totality



Importance of Motivation

- ▶ High Satisfaction and Morale
- ▶ Increased productivity
- ▶ Contribution to organizational goals
- ▶ Congenial work environment
- ▶ Reduced absenteeism and turnover
- ▶ Acceptance of organizational change
- ▶ Improves morale of employees.
- ▶ Lower labour turnover.
- ▶ Improves goodwill of organisation.
- ▶ Creates cordial industrial relations.
- ▶ Changes are more easily accepted by employees



Types of Motivation

- ▶ **Positive Motivation:** Results in willing co-operation of workers by tempting them towards rewards or incentives.
- ▶ **Negative Motivation:** Creates fear amongst workers by threatening them with demotions, pay cuts, lay-offs, etc.



Theories of Motivation

Maslow Need Hierarchy Theory

- ▶ **Physiological Needs:** Water, Air, Shelter, Clothing
- ▶ **Safety Needs:** Job Security, Personal Future Security
- ▶ **Social Needs:** Love, Affection, Warmth, Friendship
- ▶ **Esteem or Ego Needs:** Self Respect, Confidence, Recognition, Prestige
- ▶ **Self-Activation Needs:** Development, Personal Achievement



Theories of Motivation

McClelland's Three Need Model

Need for achievement:

- ▶ Drive to excel, advance and grow.
- ▶ Desire to achieve something with own efforts.

Need for Power:

- ▶ Drive to influence others and situations.
- ▶ Desire to influence and dominate others through use of authority.

Need for Affiliation:

- ▶ Drive for friendly and close interpersonal relationships.
- ▶ Desire to establish and maintain friendly relationship with others.
- ▶ People possess the above needs in varying degrees and these needs may be simultaneously acting on an individual.
- ▶ In case of entrepreneurs the need for achievement is more dominating.



Theories of Motivation

Alderfer's ERG Theory

Existence, Relatedness and Growth Theory.

- ▶ **Existence Needs:** Includes basic needs and safety needs.
- ▶ **Relatedness Needs:** Needs are satisfied by personal relations and social interactions.
- ▶ **Growth Needs:** Includes self-actualization needs. For the proper development of entrepreneurship, relatedness and growth needs are more important.

Motivating Factors for Entrepreneur



(A) Internal Factors:

- ▶ Educational Background.
- ▶ Occupational Experience.
- ▶ Desire to do work independently.
- ▶ Desire to branch out to manufacturing.
- ▶ Family Background.

Motivating Factors for Entrepreneur



- ▶ **(B) External Factors:**
- ▶ Assistance from Government.
- ▶ Assistance from financial institutions.
- ▶ Availability of technology.
- ▶ Availability of raw material.
- ▶ Demand of the particular product.



Entrepreneurial Traits or Competencies

- ▶ Initiative
- ▶ Looking for Opportunity
- ▶ Persistence
- ▶ Information Seeker
- ▶ Quality Consciousness
- ▶ Commitment to work
- ▶ Commitment to Efficiency
- ▶ Proper Planning
- ▶ Self Confidence
- ▶ Assertive
- ▶ Persuasive
- ▶ Effective Monitoring
- ▶ Employees Welfare
- ▶ Effective strategist



Developing Entrepreneurial Competencies

- ▶ Gaining first-hand knowledge about competencies
- ▶ Competency Recognition
- ▶ Self-Assessment
- ▶ Comparing of Competencies
- ▶ Developing of Competencies and feedback

Lean startup



- ▶ **What Is Lean Start-up?**
- ▶ A lean start up is a method used to found a new company or introduce a new product on behalf of an existing company.
- ▶ The lean start up method advocates developing products that consumers have already demonstrated they desire so that a market will already exist as soon as the product is launched. As opposed to developing a product and then hoping that demand will emerge



Lean startup principles

- ▶ Entrepreneurs are everywhere
- ▶ Entrepreneurship is Management
- ▶ Validated learning
- ▶ Build – Measure – Learn
- ▶ Innovation Accounting
- ▶ <https://www.youtube.com/watch?v=RSalOCHbuYw>



What is startup?

- ▶ A human institution designed to deliver a new product or service under conditions of extreme uncertainty.
- ▶ It has nothing to do with the size of company, sector of the economy or industry.
- ▶ **Entrepreneurship = Experiment**
- ▶ Reason for Failure – Not building things inefficiently but building things very efficiently that nobody wants.

<https://www.youtube.com/watch?v=RSaIOCHbuYw>



Gauging Consumer Interest

- ▶ By employing lean start up principles, product developers can gauge consumer interest in the product and determine how the product might need to be refined. This process is called validated learning and it can be utilized to avoid the unnecessary use of resources in product creation and development. Through lean start up, if an idea is likely to fail, it will fail quickly and cheaply instead of slowly and expensively, hence the term “**fail-fast.**”
- ▶ The lean start up method was developed by American entrepreneur **Eric Ries**, founder, and CEO of the Long-Term Stock Exchange (LTSE). He fully explains the method in his bestselling book, *The Lean Start-up*, which has been translated into 30 languages.
- ▶ Lean start up is an example of **consumers dictating** the **type of products** they are offered by their respective markets, rather than those markets dictating what products will be offered to them.



Lean Start-up vs. Traditional Businesses

- ▶ The lean start up method also differentiates itself from the traditional business model when it comes to **hiring**. Lean start-ups hire workers who can **learn, adapt, and work quickly** while traditional businesses hire workers based on experience and ability. Lean start-ups also use different **financial reporting metrics**; instead of focusing on income statements, balance sheets, and cash flow statements, they focus on **customer acquisition cost**, **lifetime customer value**, customer churn rate, and how viral their product could be.



Requirements for Lean Start-up

- ▶ The lean start up method considers **experimentation** to be more valuable than detailed planning.
- ▶ Five-year business plans built around unknowns are considered a waste of time, and customer reaction is paramount.



Requirements for Lean Start-up

- ▶ Instead of business plans, lean start-ups use a business model based on **hypotheses** that are **tested rapidly**. Data does not need to be completed before proceeding; it just needs to be sufficient. When customers do not react as desired, the start up quickly adjusts to limit its losses and return to developing products consumers want.
- ▶ **Failure is the rule, not the exception.**



Requirements for Lean Start-up

- ▶ Entrepreneurs following this method test their hypotheses by engaging with potential customers, purchasers, and partners to gauge their reactions about product features, pricing, distribution, and customer acquisition. With the information, entrepreneurs make **small adjustments** called **iterations** to products, and **large adjustments** called **pivots** correct any major concerns. This testing phase might result in changing the target customer or modifying the product to better serve the current target customer.



Requirements for Lean Start-up

- ▶ The lean start up method **first identifies a problem that needs to be solved**. It then **develops a minimum viable product** or the smallest form of the product that allows entrepreneurs to introduce it to potential customers for feedback. This **method is faster and less expensive** than developing the final product for testing and **reduces the risk** that start-ups face by decreasing their typical high failure rate. Lean start up redefines a start-up as an organization that is searching for a **scalable business model**, not one that has an existing business plan that it is determined to execute.



Example of Lean Start-up

- ▶ For example, a healthy meal delivery service that is targeting busy, single 20-somethings in urban areas might learn that it has a better market in 30-something affluent mothers of new-borns in the suburbs. The company might then change its delivery schedule and the types of foods it serves to provide optimal nutrition for new mothers. It might also add on options for meals for spouses or partners and other children in the household.
- ▶ The lean start up method is not to be used exclusively by start-ups. Companies such as **General Electric, Qualcomm, and Intuit** have all used the lean start up method; GE used the method to develop a new battery for use by cell phone companies in developing countries where electricity is unreliable.



KEY TAKEAWAYS

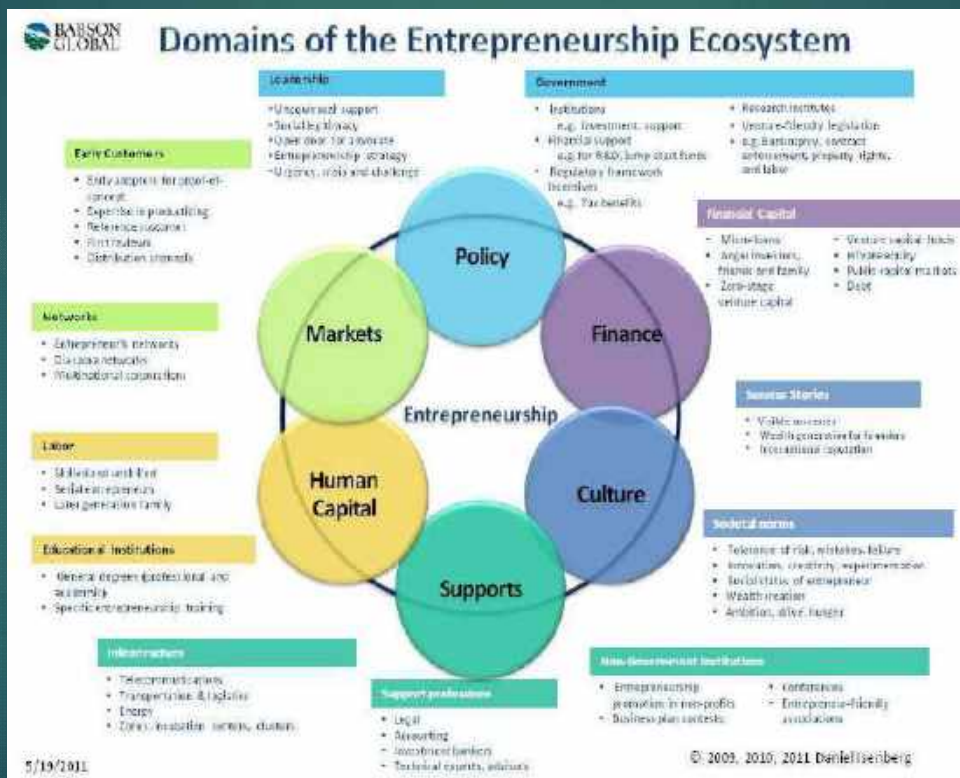
- ▶ Lean start up is the process of developing a product or company based on the **expressed desires of the market**.
- ▶ The lean start up uses **validated learning**, which is a process by which companies assess consumer interest.
- ▶ Lean start up methods focus heavily on customer-related information such as **customer churn rate, lifetime customer value, and product popularity**.
- ▶ In lean start up practices, **experimentation** is favoured more than adherence to a rigid plan.
- ▶ Lean start up standards will involve the **release of a small form or early concept products** in order to assess the customer reaction to the product.

The Entrepreneurial Ecosystem



- ▶ India ranked **46th** among 132 countries in GII (Global Innovation Index)
- ▶ India ranked **4th** in Global Entrepreneurship Monitor Index 2021/2022 (report unveiled at Dubai Expo) followed by Saudi Arabia, Netherlands & Sweden.

The Entrepreneurial Ecosystem





Domains of Entrepreneurial Ecosystem

Policy:

(a) Leadership

- ▶ Unequivocal support
- ▶ Social legitimacy
- ▶ Open door for Advocate
- ▶ Entrepreneurship strategy
- ▶ Urgency, Crisis & Challenge

(b) Government

- ▶ Institutions (e.g. investment, support)
- ▶ Financial support (e.g. For R&D, Jump start funds)
- ▶ Regulatory framework incentives (e.g. Tax benefits)
- ▶ Research institutes
- ▶ Venture-friendly legislation (e.g. bankruptcy, contract enforcement, property rights and labour)



Domains of Entrepreneurial Ecosystem

Finance:

(a) Financial Capital

- ▶ Micro-loans
- ▶ Angel investors, friends & family
- ▶ Zero-stage venture capital
- ▶ Venture capital funds
- ▶ Private equity
- ▶ Public Capital markets
- ▶ Debt



Domains of Entrepreneurial Ecosystem

Culture:

(a) Success Stories

- ▶ Visible successes
- ▶ Wealth generation for founders
- ▶ International reputation

(b) Societal norms

- ▶ Tolerance of risk, mistakes, failure
- ▶ Innovation, creativity, experimentation
- ▶ Social status of entrepreneur
- ▶ Wealth creation
- ▶ Ambition, drive, hunger

Domains of Entrepreneurial Ecosystem



Supports:

(a) Non-Government institutions

- ▶ Entrepreneurship promotion in non-profits
- ▶ Business plan contests
- ▶ Conferences
- ▶ Entrepreneur-friendly associations

(b) Support professions

- ▶ Legal
- ▶ Accounting
- ▶ Investment bankers
- ▶ Technical experts, advisors

(c) Infrastructure

- ▶ Telecommunications
- ▶ Transportation and logistics
- ▶ Energy
- ▶ Zones, incubation centers, clusters



Domains of Entrepreneurial Ecosystem

Human Capital:

(a) Educational institutions

- ▶ General degrees (professional & academic)
- ▶ Specific entrepreneurship training

(b) Labour

- ▶ Skilled and unskilled
- ▶ Serial entrepreneurs
- ▶ Later generation family



Domains of Entrepreneurial Ecosystem

Markets:

(a) Networks

- ▶ Entrepreneur's networks
- ▶ Diaspora networks
- ▶ Multinational corporations

(b) Early customers

- ▶ Early adopters for proof-of-concept
- ▶ Expertise in productizing
- ▶ Reference customer
- ▶ First reviews
- ▶ Distribution channels



Entrepreneurs and Strategic Decisions

- ▶ Decision making is a cognitive process
- ▶ Cognition = Thinking
- ▶ Cognition involves individual decision making involving the selection of a specific course of action that is supposed to bring a certain result.

Entrepreneurs and Strategic Decisions



Decision making implies choice

- ▶ Alternatives are available in a decision making
- ▶ Exact outcomes are unknown albeit estimated

Entrepreneurs and Strategic Decisions



Decision making process-

- ▶ Recognizing a problem situation
- ▶ Generating alternatives
- ▶ Evaluating the various alternatives
- ▶ Selecting the alternative that best satisfies our evaluation criteria

Entrepreneurs and Strategic Decisions



How does decisions of entrepreneurs differ from company managers?

- ▶ Operate with limited information
- ▶ Must be action oriented and decisive
- ▶ Accept risk
- ▶ Involve major consequences

Entrepreneurs and Strategic Decisions



Decision making is a strategic activity -

Setting specific courses of action to reach strategic goals

- ▶ Revenue and profit goals
- ▶ Market share and competitive advantage
- ▶ Product superiority and technical advantage

Entrepreneurs and Strategic Decisions



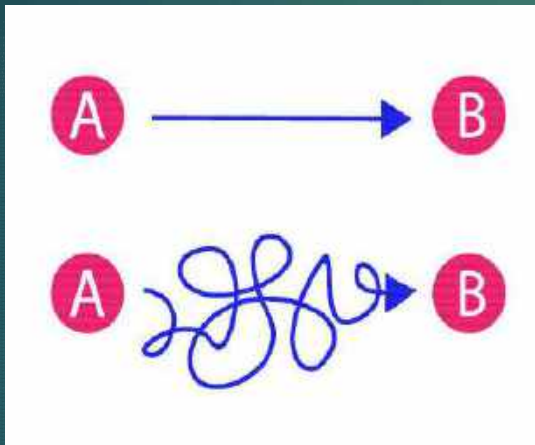
Strategic decisions share four fundamental characteristics-

- ▶ **Complexity:** facts, variables and contingencies relevant for the decision at hand.
- ▶ **Uncertainty:** all possible outcomes are not known and are difficult to forecast.
- ▶ **Rationality:** a specific goal is intended by making a decision.
- ▶ **Control:** intentional and deliberate actions are made by decision-makers.

Entrepreneurs and Strategic Decisions



Environment of entrepreneurs is uniquely challenging

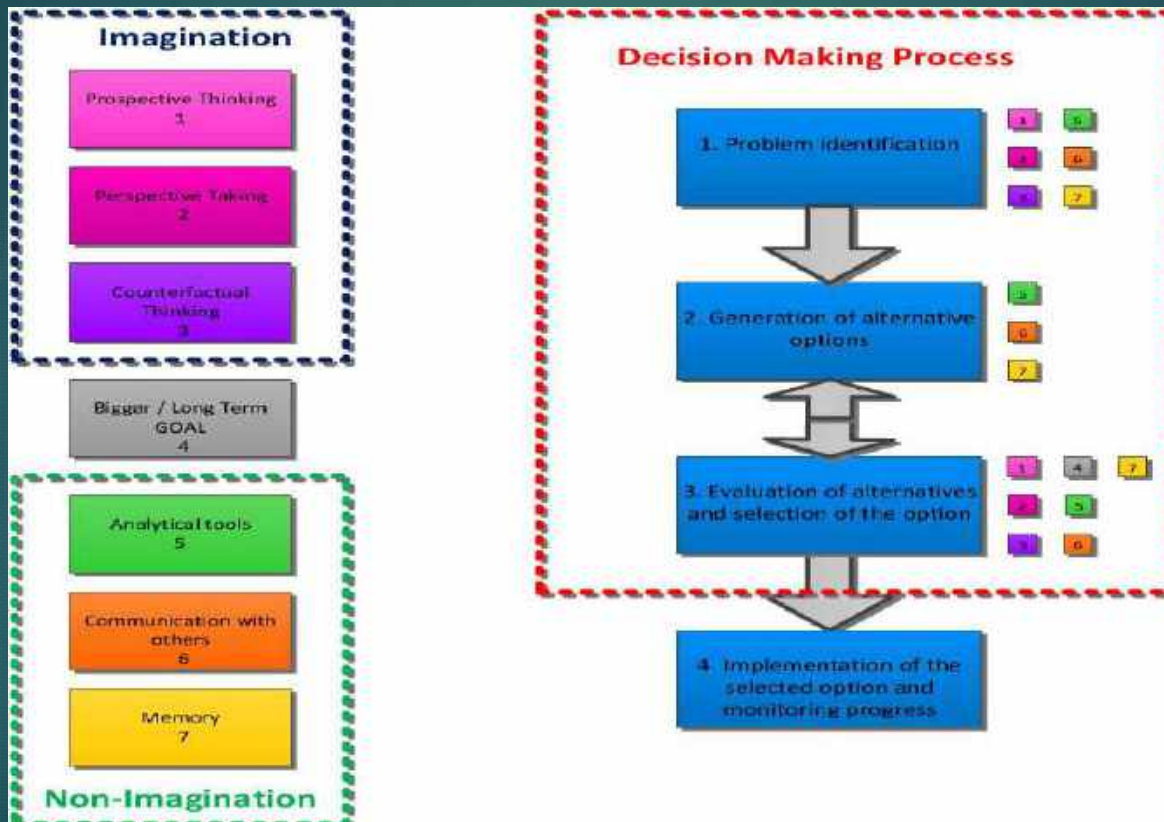


Entrepreneurs and Strategic Decisions



- ▶ Entrepreneurs are doing new things.
- ▶ Entrepreneurs are without the resources and relationships typical of established companies.
- ▶ Uncertainty and complexity levels are high
 - Consequences of failed decisions include failed businesses; significant financial and emotional pain.

Entrepreneurs and Strategic Decisions





Entrepreneurs and Strategic Decisions

Major Strategic Decision Areas for an Entrepreneur:

- 1) Generation of new Entry opportunity
- 2) Assessing the attractiveness of a new entry strategy
- 3) Exploiting New Entry Opportunity
- 4) Risk reduction strategies for new entry exploitation

Sustainability of Entrepreneurship:



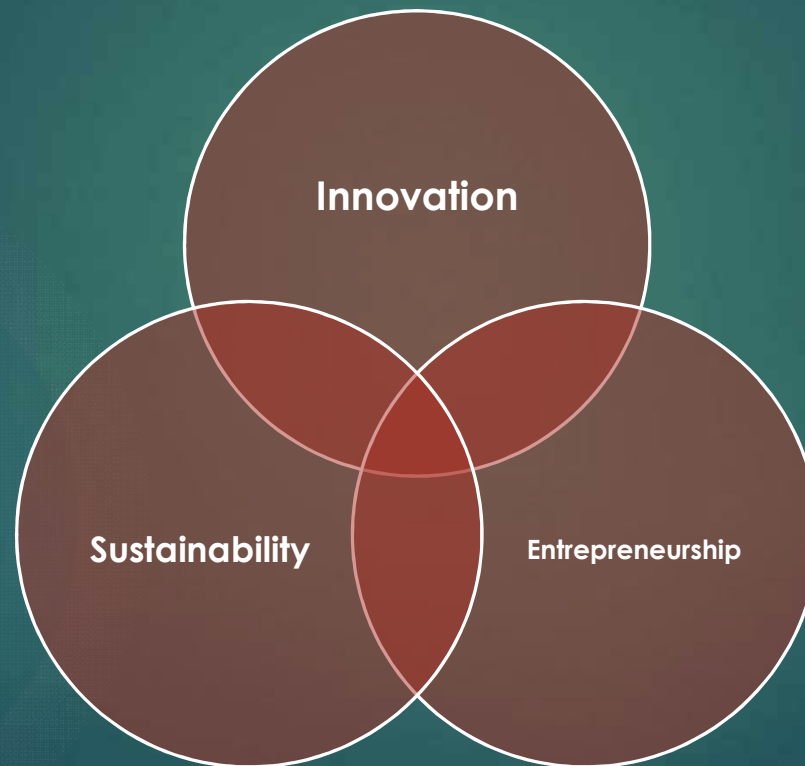
- ▶ What is sustainable entrepreneurship?



Sustainability of Entrepreneurship:

- ▶ Sustainable innovations aimed at the mass market and providing benefit to the larger part of society.
- ▶ Individuals or companies contributing substantially to sustainable development with their core business can be called sustainable entrepreneurs.
- ▶ A business strategy or approach focused on increasing value for society, the environment and the company or business.

Sustainability of Entrepreneurship:



Sustainability of Entrepreneurship:



Sustainability:

- ▶ On one hand, a globalized and competitive market demands an increasingly strategic position, whereas companies are induced to establish defined strategies to maintain competitive advantage. On the other hand, consumers are pressing for quality, safety and different new products.

Sustainability of Entrepreneurship:



Entrepreneurship:

- ▶ According to Schumpeter, the entrepreneur destroys the existing economic order by introducing new products & services, by creating new forms of organizations or by exploiting new resources and materials.
- ▶ According to him, the entrepreneur is an engine of the economic system who perceives the essence of entrepreneurship in the use of new business opportunities and by associating this concept with innovation.

Sustainability of Entrepreneurship:



Economic Dimension:

- ▶ Economic sustainability has appeared in the development of growth models.

Environmental Dimension:

- ▶ Aspects related to renewable natural resources, impact on the environment, environmental actions taken by the organizations.
- ▶ Social Dimension:
- ▶ Referred as 'social responsibility' emerged as a way for the wealthiest to help the most in need.
- ▶ Idea is to let the organizations route some 'profit' to invest in social development projects.

Sustainability of Entrepreneurship:



Innovation:

- ▶ Innovations pertaining to sustainable development.
- ▶ By commitment to sustainable development, entrepreneurs must necessarily change their way of acting in order to reduce their negative social impacts arising from a purely economic perspective.
- ▶ This requires a new way of looking at innovation.

Handling Doubts on Survival of Business

► **Know you are not alone-**

First, acknowledge that everyone has doubts. It's isolating to believe that you're the only one suffering from a lack of confidence. You'll sabotage your success if you feel like an outlier.

► **Stop worrying about what others think-**

When you spend all your time and energy trying to manage other peoples' perception of you, you'll get stuck in an inadequacy loop. There will always be someone who appears to be doing better, getting further or having more. Do not benchmark yourself against others' accomplishments and possessions.

Handling Doubts on Survival of Business

► Set immediate goals-

In addition to adopting ambitious, long-term goals, remember to establish attainable, short-term ones. It's easy to let doubt creep in when your big goals aren't immediately realized. By achieving smaller goals along the way, you can constantly bask in frequent wins.

► Remind yourself of prior successes-

When the uncertainty inevitably hits, instead of dwelling on negatives, reflect on what went right and recent achievements -- with each accomplishment being another step along the path toward reaching bigger goals. Give yourself full credit for your triumphs.

Handling Doubts on Survival of Business

► **Surround yourself with the right people-**

No person is an island, as the saying goes, and that holds true for your business life as well. Keep the people who encourage you close and seek out their feedback on a regular basis. Distance yourself from individuals who are always pessimistic toward you, your business and your future prospects.

► **Be selective-**

Always look for alternative interpretations of situations that didn't turn out the way you wanted. Things happen that are outside of your control, irrespective of your involvement.



Handling Doubts on Survival of Business

► Remember the rest of the world-

It can be hard to separate yourself from bad experiences. You might do everything exactly right and yet sometimes things simply don't work out. Remind yourself of that when you begin to doubt your abilities. And it's important to take a step back and remember that you're not the center of the universe. Other people have their goals and achievements, troubles and interpretations of situations.

► Don't hinge personal identity to instant success-

Most people develop an idealistic image of themselves. When they fail to live up to that image at any point, doubt sinks in. Despite your best efforts and intentions, mistakes happen and it doesn't make sense to dwell on them. Instead, learn from each blunder and actively develop better habits.

Handling Doubts on Survival of Business

► **Forgive yourself-**

A sure way to waste time is by beating yourself up and choosing to feel miserable. Give yourself permission to move on.

► **Be decisive but don't fear a change of mind-**

When the time comes to make a decision, do not over expend your energy dithering. In most cases, your first gut feeling is probably the right choice, so make a decision and move on. But do not be afraid to change course if, down the line, you realize it wasn't the right choice after all. That might seem like a contradiction, but it is not.

Handling Doubts on Survival of Business

► **Distract yourself-**

It's all too easy to become overly caught up in negative thoughts, which left unchecked can spread to all aspects of your life. Break the cycle immediately. A few ways to try to exit this self-destructive mental loop include taking a walk, moving on to another project or doing exercise. Experiment and find the technique that works best to quell pessimism before it consumes you.

► **Face your fears-**

Finally, do not let fear or self-doubt dictate how you lead your personal life or operate your business. Regularly evaluate the worst-case scenarios as well as the risk-reward ratio and face the things that scare you head-on.



Struggle & Causes of Entrepreneurial Failure

Major reasons are related to:

Product, Market, Finance, Managerial Resilience

► **Not having enough money-**

Unpreparedness or lack of planning. Lack of money whether its self-finance or bank loan.

► **Not knowing your market-**

Who are your customers?

Who is your competition?

What is your target market willing to pay for your product or service?



Struggle & Causes of Entrepreneurial Failure

► **Lack of vision-**

Businesses without well thought-out, long-term and short-term goals will fail because they don't have clear success benchmark along the way.

► **Biting off more than you can chew-**

As per the saying "Rome wasn't built in a day" and neither was Amazon, Google, GE, Microsoft or Tesla.

► **Trying to be everything to everybody-**

Trying to be too quick to chase money or sale by adding products or services that they do not truly specializes in.

Like jack of all trades but master of none.



Struggle & Causes of Entrepreneurial Failure

► **Not enough marketing-**

You can have the best product or serviced in the world, but if nobody knows about it, you won't succeed.

Unless you reach your audience, you cannot find success.

Social media, digital, word-of-mouth marketing

► **Poor planning-**

Like "If you fail to plan, you plan to fail".

A good business plan need not be overly complicated.

It is simply knowing and developing a strategy around your company, product and competition.

Struggle & Causes of Entrepreneurial Failure

► **Not accepting constructive criticism-**

Considering criticism as an opportunity to do better.

Not getting offended by critique because you are too emotional about your business.

Attitude of learning from criticism.

► **Not delegating-**

What doesn't work in today's context and scenario is:

"If it's going to be, it's up to me"

"Entrepreneurs are self-made"

"If you want things done right, do it yourself"

It cannot be a 'one-person show', but needs a good team to help you bring your vision to reality.



Struggle & Causes of Entrepreneurial Failure

► **Lack of soft skills-**

Sometimes intangible and non-technical talents that entrepreneurs need to lead effectively.

Include attitude, communication, empathy, motivation, team work, networking, leadership, decision making, problem-solving and conflict resolution.

► **Burnout-**

If not delegating, entrepreneurs can quickly burn out and lose their drive and passion if they do not get the right support.

“Entrepreneurs are the only people who will work 80 hours a week to avoid working 40 hours a week.

Legal Fundamentals



► Legal Forms:

Proprietorship

Partnership

LLP

PLC



UNIT – II

CUSTOMER DISCOVERY



CUSTOMER DISCOVERY

Entrepreneurial Opportunity Search & Identification

- ▶ Identify market inefficiencies
- ▶ Remove key hassles
- ▶ Customers desire to experience something new
- ▶ Pick a growing sector/industry
- ▶ Product differentiation
- ▶ Cash flow consideration
- ▶ Seasonability of the business



CUSTOMER DISCOVERY

Analysis of Opportunity

- ▶ Communication with potential customer
- ▶ Researching potential competitors
- ▶ Identify target market segments
- ▶ Quantify target market segment
- ▶ Develop sales projections
- ▶ Project profit/loss



CUSTOMER DISCOVERY

Product Selection

Criteria for Product selection:

- ▶ Supply Gap
- ▶ Fund
- ▶ Availability of access to raw material
- ▶ Technical implications
- ▶ Profitability / marketability
- ▶ Availability of qualified personnel
- ▶ Govt. policies
- ▶ Corporate objectives



CUSTOMER DISCOVERY

Product Selection

Steps to be followed:

- ▶ Idea generation
- ▶ Evaluation
- ▶ Choice



Market Intelligence, Market Analysis & Market Research

Market Research	Market Intelligence
Is used to evaluate the feasibility of a new product or service, through research conducted directly with potential consumers	Is used to evaluate the functioning of the whole business, through continued awareness of all the aspects of the target market
Is company specific	Is market specific
Scope includes topics like consumer preferences, customer perception, customer base, customer retention, trends, product features, styles, flavors etc.	Scope includes topics like market share, money sources invested in the industry, competitors, market understanding, market analysis, market trends, customer spending and suppliers
Is a subset of market intelligence	Is a superset of market research

Market Intelligence, Market Analysis & Market Research



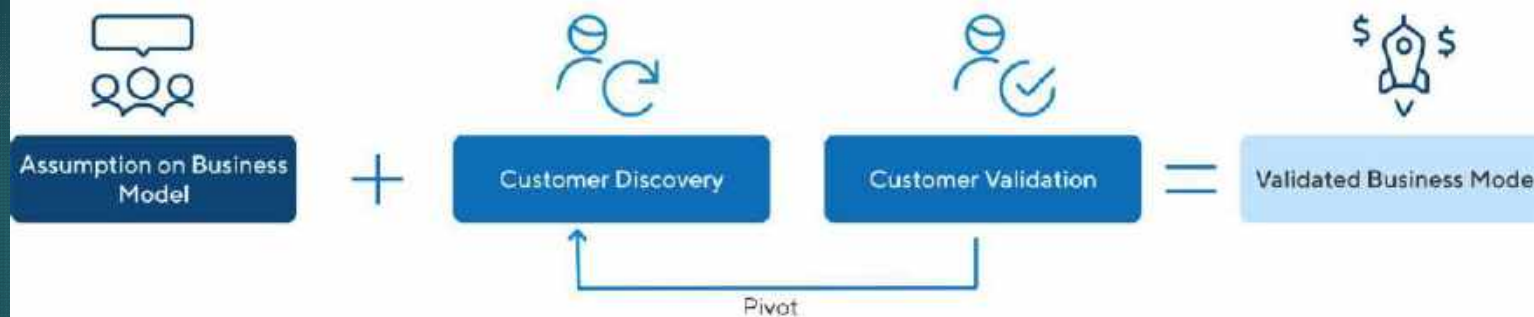


Customer Validation

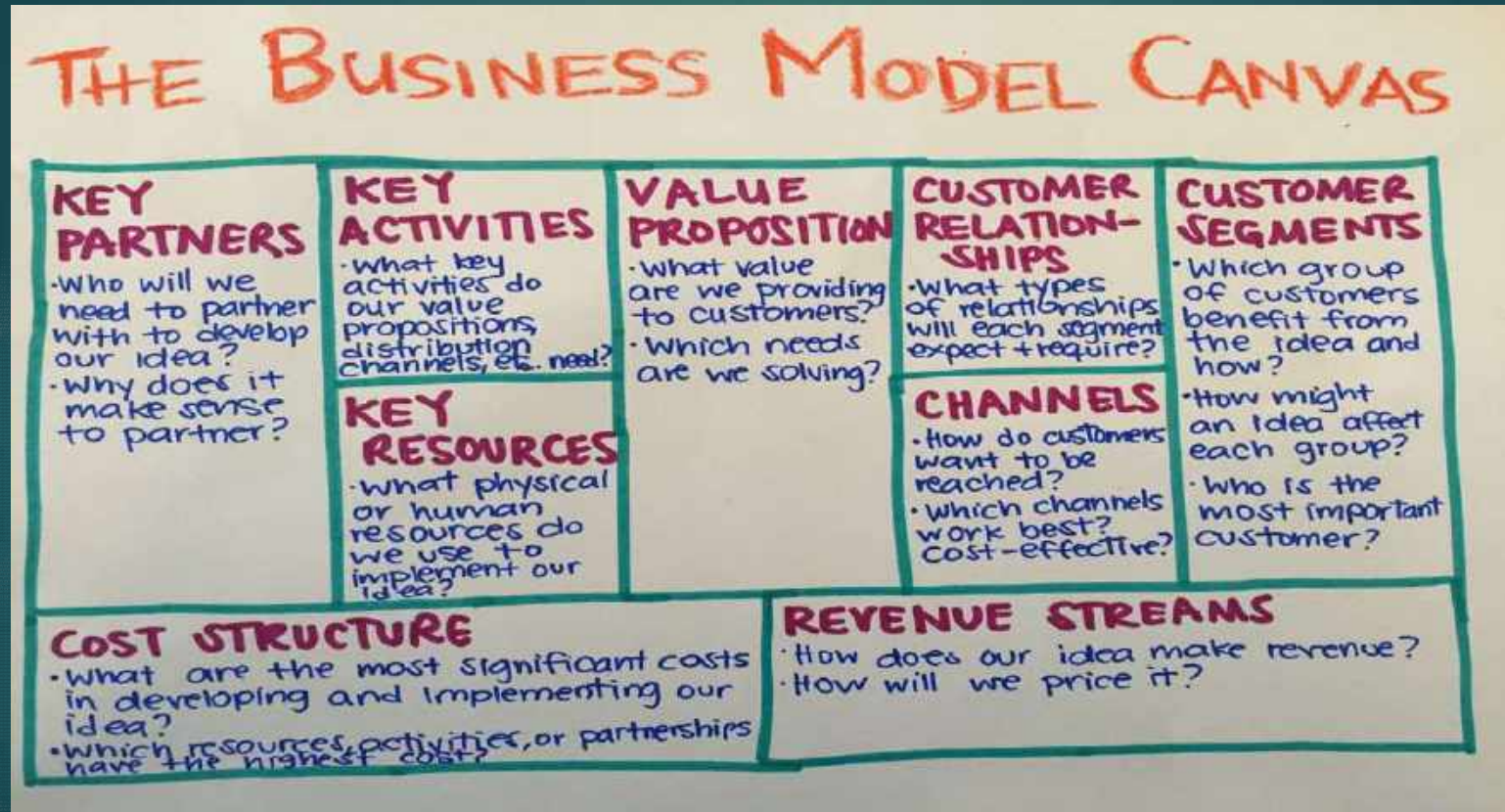
- ▶ Customer validation is an essential phase of the product development process
- ▶ i.e., the steps needed to take a product from concept to market availability.
- ▶ It tests assumptions and hypotheses about the customer problem, target market, and product

Customer Validation

What Is Customer Validation to a Product Manager?



Developing your Business Model





Crafting your Value Proposition

- ▶ Understand the value proposition creation process.
- ▶ Test your target customer assumptions.
- ▶ Describe your product vision.
- ▶ Create and test the minimum viable product.
- ▶ Develop a value proposition statement.

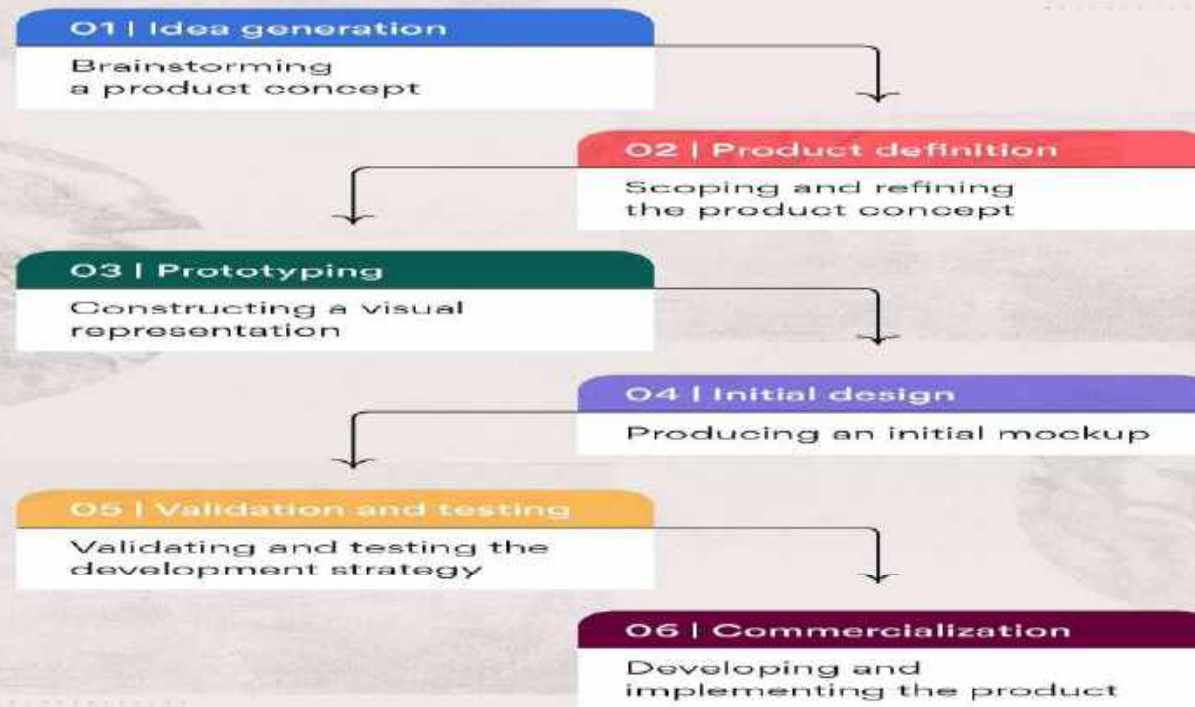


Product Development

- ▶ Product development is the process of building a new product, from ideation all the way through launch.

Product Development Process

The 6 stages of the product development process



Long Tail Markets



- ▶ Term coined in 2004
- ▶ BY Researcher Chris Anderson

Long Tail Markets

- ▶ The long tail is a business strategy that allows companies to realize significant profits by selling low volumes of hard-to-find items to many customers, instead of only selling large volumes of a reduced number of popular items.

Long Tail Markets

- ▶ The long tail concept takes into account less popular products that are in less demand.
- ▶ profitability of these products could increase as consumers move away from conventional markets.
- ▶ This theory is supported by the growing number of online marketplaces, which facilitate competition for shelf space and traditional distribution channels and enable the sale of many products, particularly over the internet.



Long Tail Markets

- ▶ It is a strategy that allows companies to make significant profits from products that are hard to find.
- ▶ Anderson found that less demand niche products or those that sell less in volume can potentially outperform top sellers as long as the distribution channel is large enough.
- ▶ it means that consumers divert their attention from the main market and focus on less popular products.

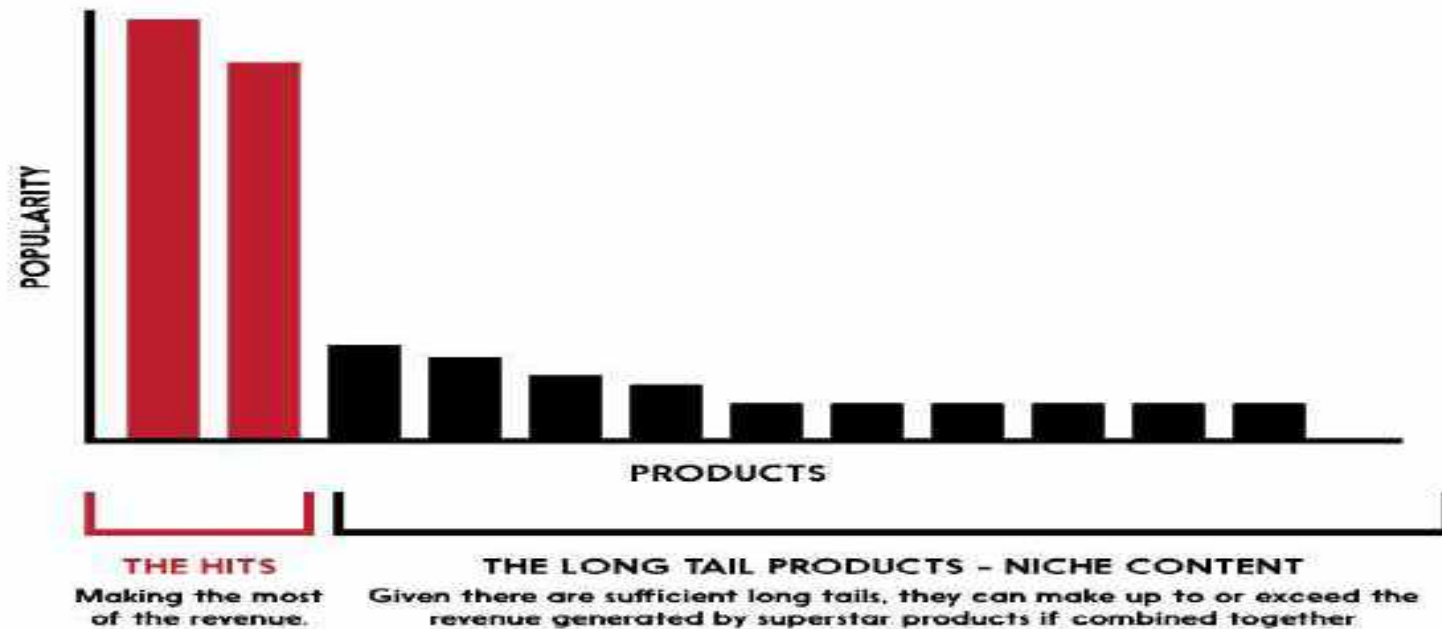
Long Tail Markets



► Examples:

- Amazon
- Netflix
- Meesho
- Microfinance companies

Long Tail Markets





Product Launch Goals

- ▶ Find a product-market fit
- ▶ Capture new customers
- ▶ Increase in revenue
- ▶ Build product awareness
- ▶ Build the company's reputation in the industry

Go-to-Market Strategy



- ▶ A go-to-market strategy (GTM strategy) is an action plan that specifies how a company will reach target customers and achieve competitive advantage.
- ▶ The purpose of a GTM strategy is to provide a blueprint for delivering a product or service to the end customer, taking into account such factors as pricing and distribution.

Go-to-Market Strategy



- ▶ Organizations can use a GTM Strategy for
 - launching new products or services
 - introducing a current product to a new market
 - relaunching the company or brand

Go-to-Market Strategy



► Benefits of GTM Strategy

- A clearly defined plan and direction for all stakeholders
- Reduced time to market for products and services
- Increased chances of a successful product or service launch
- Decreased likelihood of extra costs generated by failed product or service launches

Go-to-Market Strategy



- ▶ Enhanced ability to react to changes and customer desires
- ▶ Improved management of challenges
- ▶ An established path for growth
- ▶ Ensured creation of an effective customer experience
- ▶ Guaranteed regulatory compliance



Go-to-Market Strategy

Core Components of GTM Strategy:

- ▶ **Market definition:** Which markets will be targeted to sell the product or service?
- ▶ **Customers:** Who is the target audience within these markets?
- ▶ **Distribution model:** How will the product or service be delivered to the customer?
- ▶ **Product messaging and positioning:** What is being sold and what is its unique value or primary difference when compared to other products or services in the market?
- ▶ **Price:** How much should the product or service cost for each customer group?

Go-to-Market Strategy



objectives of a go-to-market strategy

- ▶ Creating awareness of a specific product or service.
- ▶ Generating leads and converting leads into customers.
- ▶ Maximizing market share by entering new markets, increasing customer engagement and outperforming competitors.
- ▶ Protecting the current market share against competitors.
- ▶ Strengthening brand positioning.
- ▶ Reducing costs and optimize profits.

Go-to-Market Strategy





Role of Selling in a Start-Up

- ▶ How will you acquire new customers?
- ▶ How will you expand/strengthen existing relationships with customers?
- ▶ How will you sell more products and services?



Role of Selling in a Start-Up

- ▶ Why startups need a sales strategy
 1. A sales strategy allows you to address the needs of customers at every stage
 2. A sales strategy improves the ROI of your sales team
 3. A sales strategy enables you to hire the right people



Role of Selling in a Start-Up

Build your startup sales strategy:

- ▶ **Step 1:** Chart the course of your customer journey, both before and after sales. Take time to understand what you are currently doing at each sales interval.
- ▶ **Step 2:** Deconstruct the sales journey, research and brainstorm on how and where you can reduce the cost or improve the customer satisfaction. For example, maybe you should do more upselling, maybe you can shift to drip emails instead of phone calls to reach out to prospects, etc.
- ▶ **Step 3:** Once you have a profitable sales process in mind, check to see if it integrates with your marketing plan.
- ▶ **Step 4:** Identify one key sales activity that will boost your business growth significantly.
- ▶ **Step 5:** Define your method and process around this key sales activity. Allocate resources and build your process to maximize the impact of this activity.



Sales Forecasting for Start-Ups

Three reasons why startups should prepare sales forecasts

1. Sales forecasts help you to understand and manage your cash flow
2. Sales forecasting assists in planning your procurements, production and logistics capacity
3. Sales forecasts help you to develop your medium-term revenue projections

(needed if you seek external financing)



Mapping Buyer Response Modes

- ▶ It is key for start-ups to understand customer responses to sales propositions and to be able to map these buyers response modes.
- ▶ The term response modes describes a potential customer's behaviour or reaction to a sales proposition.

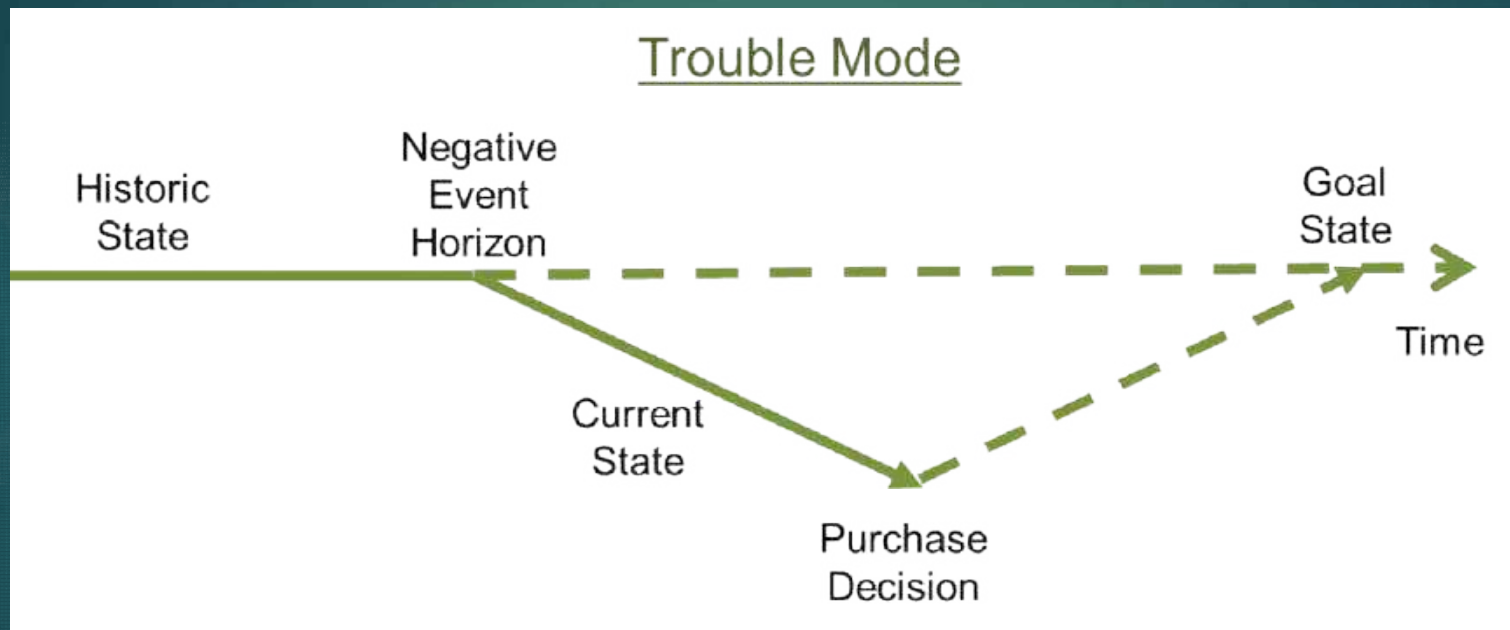


Mapping Buyer Response Modes

- ▶ The four response modes

1. Trouble Mode refers to a prospect who **acknowledges he has a problem** and is actively **seeking a solution**, in the form of a product or service, to his problem. The acknowledgment of a problem represents a **negative event horizon**. Before that event, their historic state matched their goal state. After the negative event, their current state is below their goal state. These prospects are actively engaged in a purchase decision which will return them to their goal state. **Ex. Two-wheeler or Car for daily commute**

Mapping Buyer Response Modes

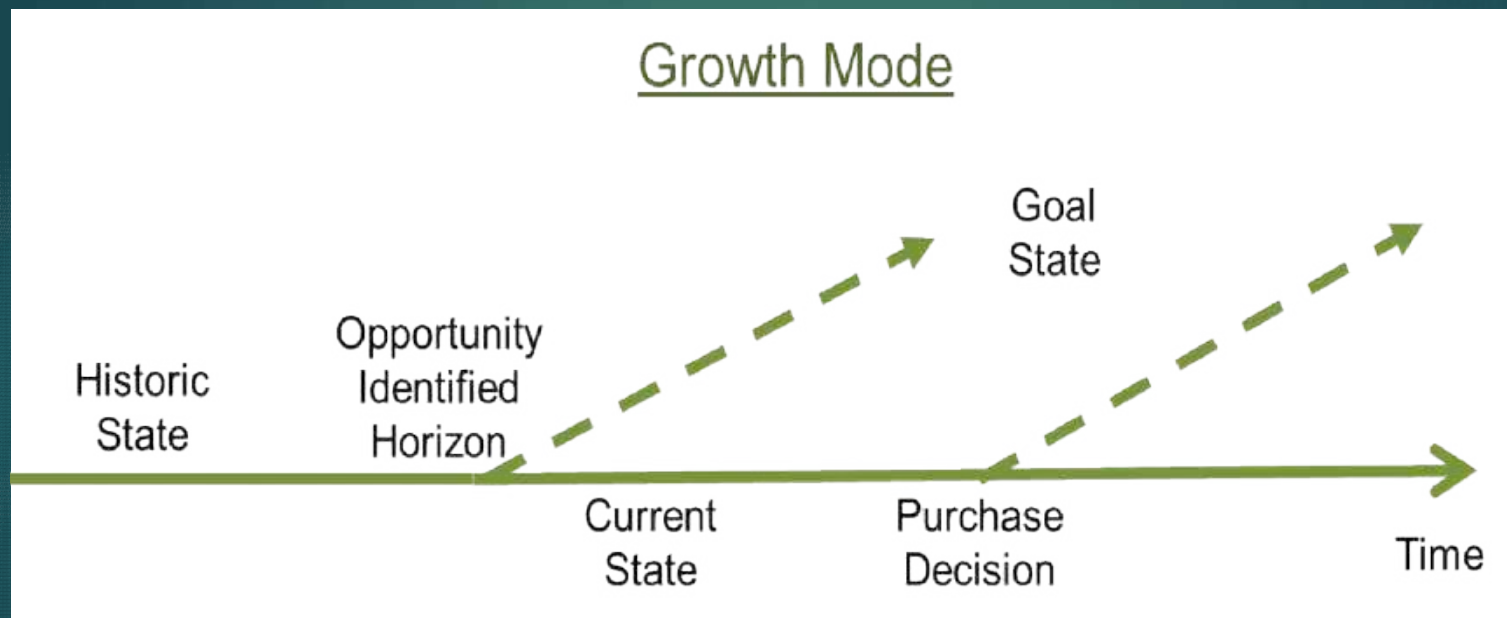




Mapping Buyer Response Modes

- ▶ **2. Growth Mode** refers to a prospect who **acknowledges that her state could be improved**, and that the improvement would require the purchase of a product or service. The acknowledgment of an opportunity to improve their state implies that, in their mind, they are **performing below potential capability and that to reach their potential, they must take action**. Like prospects in Trouble Mode, prospects in Growth Mode are actively engaged in a purchase decision. **Ex. Microwave Oven**

Mapping Buyer Response Modes

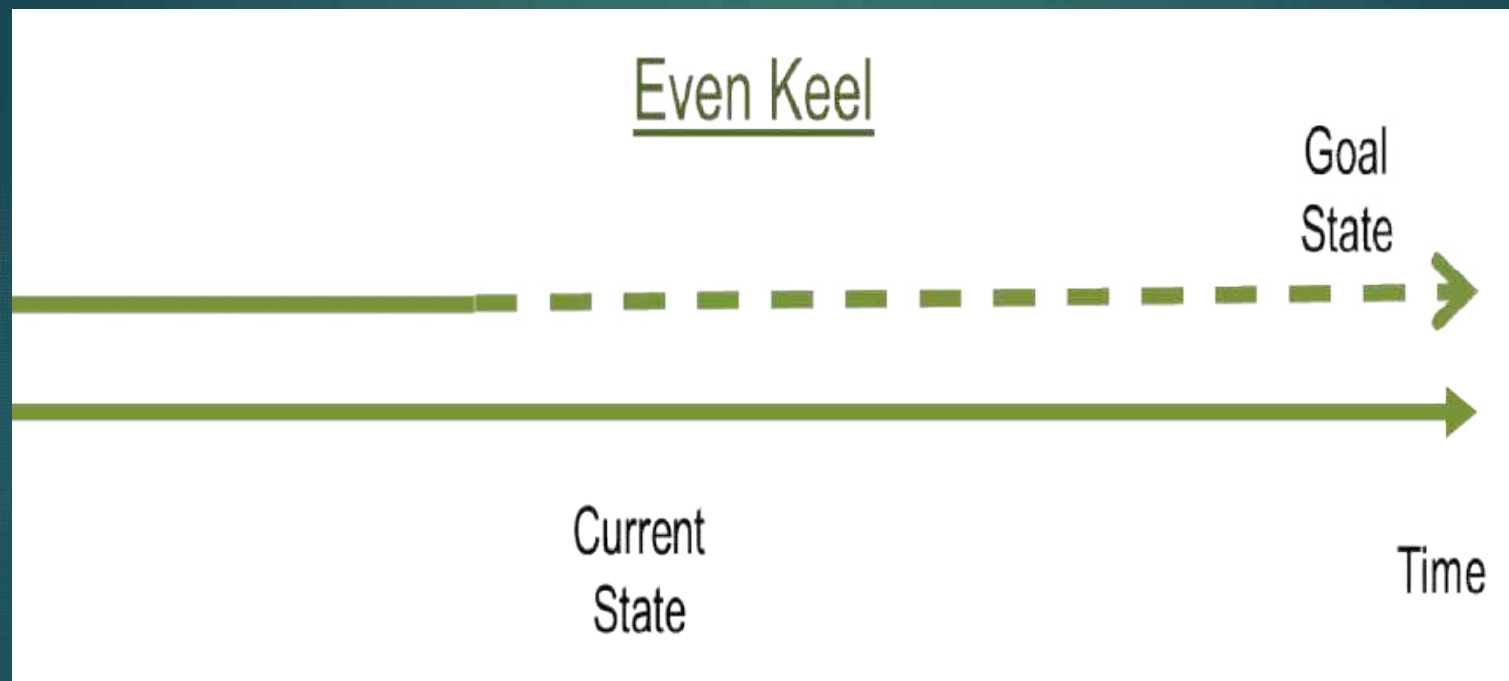




Mapping Buyer Response Modes

- ▶ **Even Keel** refers to **prospects who are satisfied with their current state**, at least satisfied as it relates to the product or service being sold by the salesperson. It **may not be that their current state is good, nor that it can't be improved**, but simply that improving on the current state in the area affected by that salesperson's offerings **isn't a priority currently**. These prospects are **unengaged** in the market currently, and are therefore **unlikely to currently purchase**. The emphasis is on "currently". They **may not purchase today, but at some point in the future they are likely to re-engage the market**. For a salesperson, these **Even Keel prospects should not be a high priority**. Even Keel prospects are best managed by **marketing communications** until their response mode changes. **Ex. Byju, Life Insurance & Term Insurance etc.**

Mapping Buyer Response Modes

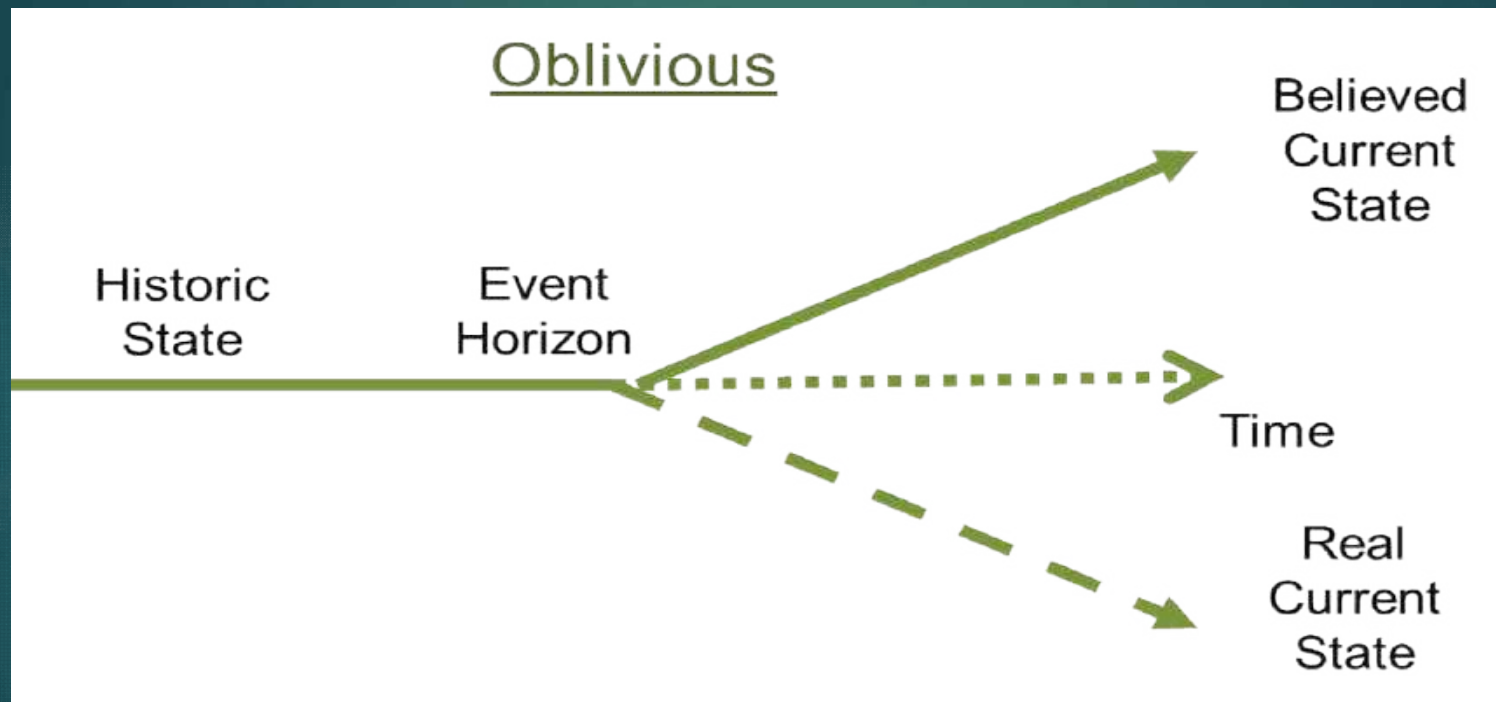




Mapping Buyer Response Modes

- ▶ The fourth response mode is **Oblivious**. Oblivious prospects may be **unaware of the trouble they are experiencing**, or the **growth opportunity before them**. They **need an education** before they will enter the market. Like with Even Keel prospects, salespeople should not treat Oblivious prospects as a priority. Let marketing communications manage them until their response mode changes. **Ex. Mutual Funds**

Mapping Buyer Response Modes



Social Media Promotion Tools



- ▶ Facebook & Instagram
- ▶ Google+
- ▶ Pint rest
- ▶ Twitter
- ▶ LinkdIn
- ▶ Youtube
- ▶ Yelp & Foursquare
- ▶ Reddit



UNIT-III

THE FINANCIAL ROADMAP

Planning / Budgeting



- ▶ What is Budgeting?



Planning / Budgeting

- ▶ **Budgeting** is the process of creating **a plan to spend your money**.
- ▶ It allows you to determine in advance whether you will have enough money to do the things you need to do or would like to do.
- ▶ If you don't have enough money to do everything you would like to do, then you can use this planning process to prioritize your spending and focus your money on the things that are most important to you.

Planning / Budgeting





Planning / Budgeting

- ▶ *Budgeting is simply balancing your expenses with your income. If they don't balance and you spend more than you make, you will have a problem. Many people don't realize that they spend more than they earn and slowly sink deeper into debt every year.*

Planning / Budgeting



- ▶ Why is Budgeting so Important?



Planning / Budgeting

- ▶ Since budgeting allows you to create a spending plan for your money, **it ensures that you will always have enough money for the things you need** and the things that are important to you. Following a budget or spending plan will also keep you out of debt or help you work your way out of debt if you are currently in debt.

Developing a Financial Roadmap



Stage	Needs	Plan
Survival	Burn-rate Monitoring	Cash Flow Projection
Early Revenue	Revenue Forecasting	Marketing/Sales Funnel
Early Growth	Cost Planning	High-level Budget
Growth	Decentralization	Operational Plans
Scale	Real-time Iteration	Dynamic Planning

Financial Statements: Four Components



Components of Financial Statements



Balance Sheet



Income
Statement



Statement of
Changes in
Equity



Cash Flow
Statement



WallStreetMojo

Financial Statements: Four Components



1) Balance Sheet:

The balance sheet reports the business's financial position at a particular point in time. It is also known as the Statement of Financial Position or Statement of Financial Condition or Position Statement.

Financial Statements: Four Components



- ▶ It shows the Assets owned by the business on one side and sources of funds used by the business to hold such assets in the form of Capital contribution and liabilities incurred by the business on the other side.
- ▶ In a nutshell, the Balance Sheet shows how the money has been made available to the company's business and how the company employs the money.

Financial Statements: Four Components



- ▶ **Balance Sheet Consists of 3 Elements:**



Financial Statements: Four Components

► Assets:

These are the resources controlled by the business. They can take the form of **Tangible Asset** or **Intangible Assets** and can also be classified based on **Current Assets** (which are to be converted into cash within a year) and **Non-Current Assets** (which are not converted into cash within a year).



Financial Statements: Four Components

► Liabilities:

These are the amounts owed to lenders and other creditors. Liabilities are further classified into **Current Liabilities** such as Bills Payable, Creditors, etc. (which are payable within a year) and **Non-Current Liabilities** such as Term Loans, Debentures, etc. (which are not payable within a year).



Financial Statements: Four Components

► Owner's Equity:

Also known as **Capital Contribution** by the Owner. It shows the residual interest in the **Net Assets** of an entity that remains after deducting its liabilities. It is also a sign of the promoter's skin in the game (i.e., business).

Assets = Liabilities + Owners Equity

Financial Statements: Four Components



2) Income Statement:

The Income Statement reports the financial performance of the business over some time and comprises Revenue (which comprises all cash inflows from the manufacturing of goods and rendering of services), Expenses (which comprise all cash outflows incurred in the manufacturing of goods and rendering of services) and also comprise of all gains and losses which are not attributable in the ordinary course of business. Excess of Revenues over Expenses results in Profit and vice versa, resulting in Loss for the business during that period.

Financial Statements: Four Components



3) Statement of changes in Equity:

- ▶ This statement is one of the financial statement components, which reports the amount and sources of changes in Equity Shareholders' Investment in the business over a while.
- ▶ It summarizes the changes in the capital and reserves attributable to equity holders of the company over the accounting period. Accordingly, all the increases and decreases during the year, when adjusted with the Beginning balance, result in the ending balance.



Financial Statements: Four Components

- ▶ The statement includes transactions with shareholders and reconciles each equity account's beginning and ending balance, including capital stock, additional paid-in capital, retained earnings, and accumulated other comprehensive income. The statement shows how the composition of equity (share capital, other reserves, and Retained Earnings) has changed over the years.

Financial Statements: Four Components



4) Cash Flow Statement:

This statement shows the **changes in the business's financial position** from the perspective of the movement of cash into and from the business. The primary rationale behind preparing a cash flow statement is to **supplement the Income Statement and Statement of Financial Position**. These statements don't provide sufficient insight into movements in cash balances.



Financial Statements: Four Components

- ▶ The cash flow statement bridges that gap and helps various business stakeholders understand the sources of cash and utilization of cash. There are three sections to the cash flow statement, namely:

Cash Flow from Operating Activities starts from Operating Profit and reconciles operating profit to cash.

Cash Flow from Investing Activities – comprises all acquisition/purchase of long-term assets and disposal/sale of long-term Assets and other investments that are not included in cash equivalent. It also includes receipts of interest and dividends from investments.

Cash Flow from Finance – It accounts for equity capital and borrowings changes. It comprises the payment of dividends to the shareholders cash flows arising from the repayment of loans, and fresh borrowing and issue of shares.



How to budget for Start-Up Success?

1. Set a target

Make use of tools such as Google Sheets, MS Excel, accounting software for integrated financial planning.

set an upfront goal that will help you differentiate between the 'must-haves' and the 'would-be-nice-to-haves.'

Do not forget to factor in an emergency fund within your startup budget.

This should include a minimum of 3 months' expenses at any given time.

How to budget for Start-Up Success?



2. List income sources

Always be mindful of being realistic when calculating potential revenue or funding sources such as loans, savings, or investment income.

How to budget for Start-Up Success?



3. Categorize costs into revenue bucket

Divide your costs into Capital and Operational Expenditure.

The former includes any large investments such as land areas, equipment, etc. These costs give you returns several times.

How to budget for Start-Up Success?



4. Determine variable costs

Raw material,
Advt. Expenditure,
Shipping,
Freelance services,
Utilities etc.

How to budget for Start-Up Success?



5. Accommodate interest and taxes

How to budget for Start-Up Success?



6. Create estimates for financial statements

How to budget for Start-Up Success?



7. Integrate with all departments

Bootstrapping

- ▶ “Bootstrapping” is the act of building your business using your own funds and revenue from customers, instead of raising money from outsiders such as angel investors and venture capitalists.
- ▶ Most start-up companies use bootstrapping, or alternative sources of funding such as crowdfunding, to build their ventures.



Alternative sources of funding

► Crowdfunding:

It's like taking a loan, pre-order, contribution or investments from more than one person at the same time.

Those giving money will make online pledges with the promise of pre-buying the product or giving a donation.

Anyone can contribute money toward helping a business that they really believe in.



Alternative sources of funding

► Angel Investment

Angel investors are individuals with surplus cash and a keen interest to invest in upcoming startups.

They can also offer mentoring or advice alongside capital.

They prefer to take more risks in investment for higher returns.



Alternative sources of funding

► **Venture Capital**

Venture capitals are professionally managed funds who invest in companies that have huge potential.

VCs provide expertise, mentorship and acts as a litmus test of where the organisation is going, evaluating the business from the sustainability and scalability point of view.



Alternative sources of funding

► Private Equity:

Private equity is an alternative investment class and consists of capital that is not listed on a public exchange.

Private equity is composed of funds and investors that directly invest in private companies or that engage in buyouts of public companies, resulting in the delisting of public equity.

Institutional and retail investors provide the capital for private equity, and the capital can be utilized to fund new technology, make acquisitions, expand working capital, and bolster and solidify a balance sheet.



Alternative sources of funding

► **Business Incubators & Accelerators**

Early stage businesses can consider Incubator and Accelerator programs as a funding option.

Found in almost every major city, these programs assist hundreds of startup businesses every year.

These programs normally run for 4-8 months and require time commitment from the business owners.



Alternative sources of funding

► **Winning Contests**

An increase in the number of contests has tremendously helped to maximize the opportunities for fund raising.

It encourages entrepreneurs with business ideas to set up their own businesses.

In such competitions, you either have to build a product or prepare a business plan.



Alternative sources of funding

► Bank Loans

The bank provides two kinds of financing for businesses. One is working capital loan, and other is funding.

Working Capital loan is the loan required to run one complete cycle of revenue generating operations, and the limit is usually decided by hypothecating stocks and debtors.

Funding from bank would involve the usual process of sharing the business plan and the valuation details, along with the project report, based on which the loan is sanctioned.



Alternative sources of funding

► **Microfinance Providers or NBFCs**

Microfinance is basically access of financial services to those who would not have access to conventional banking services.

It is increasingly becoming popular for those whose requirements are limited and credit ratings not favoured by bank.



Alternative sources of funding

► Govt. Programs That Offer Startup Capital

Government backed '**Pradhan Mantri Micro Units Development and Refinance Agency Limited (MUDRA)**' starts with an initial corpus of Rs. 20,000 crore to extend benefits to around 10 lakhs SMEs.

Alternative sources of funding



► Quick Ways To Raise Money

Product Pre-sale

Selling Assets

Credit Cards



Alternative sources of funding

► Informal Capital – Friends & Family

It's a way to raise money at a very **early stage** in your business. You **might not yet have a complete business plan** or any **proof of value**, such as initial orders for stock.

Most friends and family investors will be willing to put their trust in you to deliver on your business plan, no matter how concrete or vague it may currently be.

Government Role – Various Schemes



PMEGP

- ▶ **Prime Minister's Employment Generation Programme**
- ▶ <https://www.kviconline.gov.in/pmegpeportal/pmegphome/index.jsp>
- ▶ **credit-linked subsidy programme** introduced by the government of India in **2008**.
- ▶ PMEGP is a merger of two schemes, namely, **Prime Minister's Rojgar Yojna and Rural Employment Generation Programme**.

Government Role – Various Schemes



PMEGP

- ▶ This program focuses on generating self-employment opportunities through micro-enterprise establishments in the non-farm sector by helping **unemployed youth and traditional artisans**.
- ▶ The **Ministry of MSME** administers the Prime Minister's Employment Generation Programme (PMEGP).
- ▶ The PMEGP Scheme is being implemented by **Khadi and Village Industries Commission (KVIC)** at the national level.

Government Role – Various Schemes



PMEGP

- ▶ At the State level, the Scheme is being implemented through State Khadi and Village Industries Commission Directorates, State Khadi and Village Industries Boards and District Industries Centres and banks.

Government Role – Various Schemes



Objectives of PMEGP:

- ▶ Generation of sustainable and continuous self-employment opportunities in urban and rural areas of the country.
- ▶ Providing sustainable and continuous employment to a large segment of rural and urban unemployed youth, traditional and prospective artisans through the establishment of micro-enterprises.
- ▶ Facilitating the financial institution's participation for higher credit flow to the micro sector.

Government Role – Various Schemes



Eligibility for PMEGP:

- ▶ Individuals with age of 18 years or more
- ▶ Passing standard VIII is required for a project above Rs 5 lakh in the service sector and above Rs 10 lakh in the manufacturing sector
- ▶ Institutions registered under Societies Registration Act- 1860
- ▶ Production based co-operative societies
- ▶ Self-help groups and charitable trust

Government Role – Various Schemes



Salient Features of PMEGP:

- ▶ The Scheme is implemented through Khadi and Village Industries Commission, State Khadi and Village Industries Commission Directorates, State Khadi and Village Industries Boards and District Industries Centres and banks in Urban and Rural areas in the ratio of 30:30:40 between Khadi and Village Industries Commission / Khadi and Village Industries Boards / DIC respectively.

Government Role – Various Schemes



Salient Features of PMEGP:

- ▶ Assistance under the PMEGP is only available to new units that are to be established.
- ▶ There is no income ceiling for setting up projects.
- ▶ Existing units or units that are already availing any government subsidy (State or Central) are ineligible.

Government Role – Various Schemes



Salient Features of PMEGP:

- ▶ Any industry including coir based projects (excluding those mentioned in the negative list) can take advantage of this scheme
- ▶ The per capita investment under the scheme should not exceed Rs 1 lakh in plain areas and Rs 1.5 lakh in hilly areas.
- ▶ Maximum project cost Rs 10 lakh in the service sector and Rs 25 lakh in the manufacturing sector is this limit.

Government Role – Various Schemes



Subsidy under PMEGP:

Categories of beneficiaries under PMEGP	Beneficiary's own contribution (of project cost)	Rate of Subsidy	
		Urban	Rural
General Category	10%	15%	25%
Special Category (including SC/ST/OBC /Minorities/ Women, Ex-Servicemen, Physically handicapped, NER, Hill, and Border areas etc)	5%	25%	35%

Government Role – Various Schemes



CGTMSE

- ▶ **Credit Guarantee Fund Trust for Micro and Small Enterprises**
- ▶ <https://www.cgtmse.in/>
- ▶ CGTMSE is an initiative of the Government of India in collaboration with the Ministry of Micro, Small and Medium Enterprises (**MSME**) and the Small Industries Development Bank of India (**SIDBI**) launched on 30th August 2000.
- ▶ The basic aim of CGTMSE is to **encourage first-time entrepreneurs to establish SMEs and MSME**, considered to be the bulwark of the Indian economy by availing of collateral-free loans from eligible financial institutions.

Government Role – Various Schemes



CGTMSE

- ▶ The guarantee **covers default** by the borrower to repay the advance.
- ▶ the CGTMSE scheme primarily envisages the provision of loans to first-generation entrepreneurs so that they can flourish in the competitive environment **without the burden of security or third-party guarantees.**
- ▶ In turn, the **financial institutions are provided cover** for the absence of security to fund SMEs and MSMEs promoted by small Indian businessmen up to a certain limit.

Government Role – Various Schemes



Features of the Credit Guarantee Scheme:

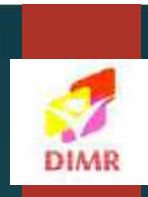
- ▶ Guaranteed repayment of 75% or 85% in some cases for the defaulted principal loan amount up to Rs.50 lakh.
- ▶ The maximum guarantee is 50% for loan amounts greater than Rs.50 lakh but under Rs.1 crore.
- ▶ Provides 85% repayment for loans up to Rs.5 lakhs to micro-enterprises.
- ▶ The guarantee amount for repayment is 80% of the loan amount in case the MSME is promoted by a woman or the location of the unit is in the North East Region (NER).

Government Role – Various Schemes



Features of the Credit Guarantee Scheme:

- ▶ The repayment procedure or **CGTMSE loan recovery** covers the entire loan amount inclusive of the interest component for a period of 3 months and/ or the entire outstanding loan amount along with the accrued interest from the suit filed date or the day when the loan turns into an NPA, whichever is lower.
- ▶ Rehabilitation of business units if the failure is beyond the control of the management to the extent of Rs.1 crore as support to the lender for assistance in resuscitating the enterprise.



Government Role – Various Schemes

► Maximum Guarantee Cover under CGTMSE:

Category	The maximum amount of credit facility		
	Up to Rs. 5 lakh	More than Rs. 5 lakh to Rs. 50 lakh	More than Rs.50 lakh to Rs. 2 crores
Micro Enterprises	85 percent of the default amount maximum of Rs. 4.25 lakhs.	75 percent of the default amount maximum of Rs. 37.50 lakhs.	75 percent of the default amount maximum Rs.1.5 crores
Women and Units in NER	80 percent of the default amount maximum Rs.40 lakhs for credit facility up to Rs.50 lakhs.		
All others	75 percent of the default amount maximum Rs.40 lakhs for credit facility up to Rs.50 lakhs.		

Government Role – Various Schemes



CGTMSE Scheme Eligibility Criteria:

Lending Institutions: It covers the whole gamut of scheduled commercial banks, specified Regional Rural Banks, SIDBI, NSIC, NEDFi, SFB and NBFCs who lend to the specific sector and have entered into an agreement with CGTMSE or the Trust for the purpose. These are designated as Member Lending Institutions (MLIs) and number 131 at present.

Government Role – Various Schemes



CGTMSE Scheme Eligibility Criteria:

- ▶ **Lending Borrowers:** The CGTMSE coverage is conditional to all new and existing SMEs:
 - ▶ The maximum credit facility is Rs.50 lakhs for a guarantee cover not exceeding Rs. 62.50 lakhs / Rs.65 lakhs.
 - ▶ For credit facilities above Rs.50 lakhs, the guarantee cap is limited to Rs. 1 crore.
 - ▶ Term credit for the entire outstanding amount on the date the loan is declared to be an NPA or on the date of filing a suit.

Government Role – Various Schemes



CGTMSE Scheme Eligibility Criteria:

- ▶ **Exclusions:** Some entities are excluded from the **CGTMSE coverage**. They are:
 - ▶ Retail Trade.
 - ▶ Educational Institutions.
 - ▶ Agriculture.
 - ▶ Self Help Groups (SHG).
 - ▶ Training Institutes.

Government Role – Various Schemes



MPDA

- ▶ **Market Promotion and Development Assistance Scheme**
- ▶ https://msme.gov.in/sites/default/files/Khadi_MPDA_Guidelines.pdf
- ▶ In order to overcome the challenges faced by the entrepreneurs in promoting and marketing their khadi products, the Ministry of Micro, Small and Medium Enterprises have implemented (MDA).
- ▶ Market Promotion and Development Assistance Scheme (MPDA) is a modified scheme of the MDA formulated and implemented by the Khadi and Village Industries Commission (KVIC).

Government Role – Various Schemes



Objectives of MPDA:

- ▶ To support the marketing development activities of **Khadi entrepreneurs**.
- ▶ To provide financial assistance and equal distribution of subsidy to the khadi entrepreneurs.
- ▶ To enable market segmentation for Khadi and Village Industry products.
- ▶ To expand opportunities for Khadi and Village units in the national and international markets.

Government Role – Various Schemes



Objectives of MPDA:

- ▶ To reinforce marketing activities by hosting and participating in exhibitions.
- ▶ To create demand for Khadi and Village Industry products.
- ▶ To promote the scheme and the incentive offered to the **entrepreneurs**.
- ▶ To enhance infrastructure by building more Khadi Plazas.

Government Role – Various Schemes



Guidelines of MPDA:

- ▶ The producing institutions should submit their quarterly claims for the production achieved within 15 days of completion of the quarter, and it must be submitted through the Online MDA Processing System of KVIC.
- ▶ The claims that are not submitted within the stipulated time will be forfeited, and the assistance will then be given to other **Khadi Institutions**.
- ▶ Claims submitted to the State/Divisional Directors are processed daily, and a recommendation is later sent to the Directorate of Khadi for the release of subsidy.

Government Role – Various Schemes



Guidelines of MPDA:

- ▶ On examining the claims forwarded by the field offices, the Directorate of Khadi will advance the recommendations to the Directorate of Accounts within 7 working days.
- ▶ The Directorate of Accounts processes and releases the claims to the concerned institutes and entrepreneurs within 5 working days.
- ▶ The assistance will be calculated at 30% of the prime cost

Government Role – Various Schemes



Guidelines of MPDA:

- ▶ The prime cost for the calculation of assistance covers only the cost of raw materials and doesn't include the establishment margin, trade margin, insurance and bank interest.
- ▶ The Khadi Institutions applying for the assistance should submit the Utilisation Certificate (UC) rendered by the registered **Chartered Accountant** (CA). The registration number and address of the CAs should be mentioned clearly in the certificate.

Government Role – Various Schemes



Benefits of MPDA:

- ▶ **Production Institutions** can indulge in activities that improve the production and quality of khadi products and also,
 - ▶ To upgrade the existing technology and infrastructures
 - ▶ To set up Common Facility Centers (CFCs)
 - ▶ Delegate design consultants to bring in the latest designs from the fashion industry



Government Role – Various Schemes

Benefits of MPDA:

- ▶ **Selling Institutions** can make use of the assistance for their sales and promotional activities and for
 - ▶ Restoration of sales units
 - ▶ Upgrading the outlets with the latest technologies that will increase the sales volume
 - ▶ Participating in national and international fairs
 - ▶ Employing experienced marketing professionals to promote and publicise the khadi products in digital and print media
 - ▶ Increasing sales through different marketing channels such as e-commerce, franchisees etc.
 - ▶ Promote Khadi products by offering them for discounted prices on occasion of national celebrations such as Gandhi Jayanthi, Independence day, Republic day etc.
 - ▶ Training marketing and sales personnel with advanced marketing strategies

Government Role – Various Schemes



Benefits of MPDA:

- ▶ The scheme benefits the entrepreneurs in,
 - ▶ Initiating Aadhaar linked bank/post office account through which funds are routed.
 - ▶ Achieving targeted sales and increased production.
 - ▶ To be engaged regularly with spinning, dyeing and weaving activities by the Khadi Institutions and not as an 'on-job' work basis.

Government Role – Various Schemes



Benefits of MPDA: Market Promotion

- ▶ The assistance is provided to the eligible entrepreneurs and the Khadi institutions to refurbish their sales outlet, construct more khadi plazas, to take part in the International Trade Fairs and establish connections with international buyers and sellers. While participating in the fair, the claim for the space rent, airfare and duty allowances can be obtained under the scheme.

Government Role – Various Schemes



SFURTI

- ▶ <https://sfurti.msme.gov.in/SFURTI/Home.aspx>
- ▶ SFURTI is **Scheme of Fund for Regeneration of Traditional Industries.**
- ▶ SFURTI scheme was launched in 2005 by the Indian government's Ministry of MSME to promote the development of clusters in India.
- ▶ The main motive of the SFURTI scheme is to **ensure that the various traditional clusters of industries spread throughout the country of India are met with amenities and benefits that help them become more competitive** in the industry and gain larger revenue in profits.

Government Role – Various Schemes



SFURTI

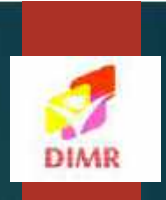
- ▶ The scheme targets several important sectors such as the **bamboo industry, honey industry, and khadi industry**. This assists traditional artisans, local workers, and local entrepreneurs by supporting their business substantially.



Government Role – Various Schemes

Objectives of SFURTI:

- ▶ **Organizing the various clusters of traditional industry workers and artisans** to ensure they are competitive and facilitate support and assistance for their livelihood.
- ▶ **Providing economically sustained employment** for the industry's various workers, local business heads, and rural artisans.
- ▶ **Advancing and enhancing the market value and advertising value of products provided by local clusters.** This is done by providing economic and financial support for the worker or artisan's new products, intervening in the design process and remedying it, improving the packaging of the product, and ensuring a sound marketing plan for the product.



Government Role – Various Schemes

Benefits of SFURTI:

- ▶ The scheme helps the local and traditional artisans of the rural parts of India in the various associated clusters to improve their skills and manufacturing capabilities so that they achieve better employment and economic success. This is done via special training and several exposure visits.
- ▶ The SFURTI scheme initiates actual provisions for facilities as well as centers. It provides an improved set of equipment tools to artisans and workers to improve their product and service quality. Indirectly, the scheme ensures maximum utilization for various facilities available at an artisan's disposal.



Government Role – Various Schemes

Benefits of SFURTI:

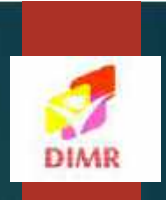
- ▶ The system governing the clusters has active participation of its stakeholders. These stakeholders actively look for market opportunities in these clusters, which in turn ensures the economic growth of the respective clusters.
- ▶ The scheme helps generate cluster-based industries in the sub-divisional regions of a district. This helps local workers and rural artisans create helpful and innovative skills that help them create new business plans, improve the technologies involved, upgrade the level of processes, and give the workers a sense of market intelligence that helps them create new marketing partnerships.



Government Role – Various Schemes

Benefits of SFURTI:

- ▶ The scheme helps create an economically sustainable business ecosystem that supplies a wide array of products featuring an integrated value chain of its own. The scheme also has a market catering approach to creating products and services that ensure the longevity of the cluster-based industries.
- ▶ The scheme ensures the integration of the various artisans and workers in the clusters to form united operations and business formations that facilitate a total growth of the region as a whole.



Government Role – Various Schemes

Benefits of SFURTI:

- ▶ The scheme helps artisans and workers create and market products that target the actual current consumer market and serve their needs. This helps them organize their otherwise disorganized product lines into a cumulative product line that is unified with the cluster's total artisan force to create products with maximum value.
- ▶ The scheme recognizes E-commerce as one of the best business channels for business growth and marketing for pitching the business and products of local artisans to a wider market. The scheme devises a meticulous plan especially to ensure that the local artisans have their products and services become well-known and reputed in the online space of the E-commerce industry.



Government Role – Various Schemes

Industries are Covered by the SFURTI Scheme?

- ▶ Artisans
- ▶ Artisan guilds cooperatives
- ▶ Workers
- ▶ Raw material providers
- ▶ Local entrepreneurs
- ▶ PDS providers
- ▶ Self-Help Groups (SHGs)
- ▶ Machinery makers



Role of MSDE

- ▶ The **Ministry of Skill Development & Entrepreneurship** is responsible for **co-ordination of all Skill Development efforts across the country, removal of disconnect between demand and supply of skilled manpower, building the vocational and technical training framework, skill up-gradation, building of new skills and innovative thinking not only for existing jobs but also jobs that are to be created.**
- ▶ The Ministry aims to skill on a large scale with speed and high standards in order to achieve it's vision of a '**Skilled India**'.
- ▶ <https://www.msde.gov.in/>



Schemes of MSDE

PMKVY

Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE) implemented by National Skill Development Corporation.

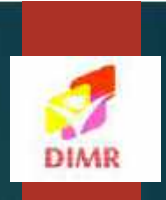
The objective of this Skill Certification Scheme is to **enable a large number of Indian youth to take up industry-relevant skill training** that will help them in securing a better livelihood.



Schemes of MSDE

Key Features of PMKVY:

- ▶ **Standards:** The training will be done as per the standards (National Occupational Standards - NOS and Qualification Packs - QPs for specific job roles) that have been formulated by industry-driven bodies, namely the Sector Skills Councils (SSCs).
- ▶ **Demand-driven targets:** Based on the assessment of skill demand and the 'Skill Gap Studies', target for skill training would be allocated to sector skill councils by NSDC in consultation with the SSCs, States/UTs and the Central Ministries/Departments under the oversight of the Steering Committee of PMKVY.



Schemes of MSDE

Key Features of PMKVY:

- ▶ **Target aligned to national flagship programmes and regions:** Target for skill training will be aligned to the demand from the Central Government's flagship programmes like the 'Make in India' 'Swachh Bharat', 'Digital India', 'National Solar Mission', and so on.
- ▶ **Evaluation:** Trainee feedback based on validated standard format verified at the time of assessment will become the key element of the evaluation framework to assess the effectiveness and scale-up of PMKVY in future.
- ▶ **Grievance redressal:** A proper grievance redressal mechanism will be put in place. Online Citizen's Portal would be set up to disseminate information about PMKVY, and serve as a platform for redressal of grievances.



Schemes of MSDE

SANKALP

- ▶ **Skill Acquisition and Knowledge Awareness for Livelihood Promotion** (“SANKALP”) is a programme of the Ministry of Skill Development with **loan assistance from the World Bank**.
- ▶ It aims to **improve short term skill training qualitatively and quantitatively through strengthening institutions, bring in better market connectivity and inclusion of marginalised sections of the society**.
- ▶ SANKALP was launched on 19th January 2018 and has a tenure till March 2023.
- ▶ <https://sankalp.msde.gov.in/#/web/web-home>



Schemes of MSDE

Sankalp scheme focuses on three main outcomes:

- ▶ institutional strengthening at the national, state, and district levels;
- ▶ quality assurance of skill development programs; and
- ▶ inclusion of marginalised populations in skill development programs.



Schemes of MSDE

Features of SANKALP:

- ▶ It has a certification organization that will assess the trainees' competence to set a standard for the scheme.
- ▶ Because the plan will be overseen by a regulatory authority, it is expected to reinforce the national architecture.
- ▶ A national accrediting board will be developed to supervise the training activities and centers in order to give the program a standard. A research division will also be established to develop a team of researchers and thinkers.



Schemes of MSDE

Features of SANKALP:

- ▶ The impartial research team will assess the skill's efficiency as well as the labor market trend. The scheme's framework has been universalized to make it more adaptable.
- ▶ The labor market's information system is taken into account to make the plan functional. The skill development management will aid in the scheme's ecosystem management. A platform named Kushal Mart was created to make the plan more effective. The platform will facilitate the exchange of skills, allowing workers to benefit from the scheme.



Schemes of MSDE

Features of SANKALP:

- ▶ A site has been established to track the training program's operations. Takshila-National Portal is the name of the portal. The trainers use the site to keep track of the regular activities that take place in the training centers.
- ▶ The training institution must build capacity in order to develop entrepreneurship. This stage will provide funding to aspiring trainees so that they can concentrate on their training and create a profession.
- ▶ The initiative will address the issue of a shortage of qualified trainers, and the non-operational institution will reopen.



Schemes of MSDE

Features of SANKALP:

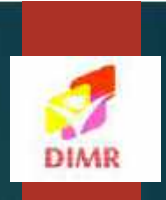
- ▶ The initiative would offer people with training to help them find work in other countries, and India International Skill Centers will be developed to help them do so. The initiative is being implemented in 16 facilities, and many trainees have been placed in foreign countries.
- ▶ In phase II of the project, the government is attempting to create 66 more facilities. The International Awarding Body will oversee the centers as part of the system.



Schemes of MSDE

STAR

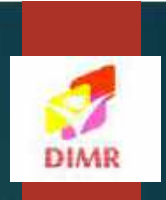
- ▶ Launched by the **Ministry of Skill Development and Entrepreneurship**, the main aim of the **Standard Training Assessment & Reward (STAR)** scheme is to **encourage skill development among the youth**.
- ▶ Under the scheme, **monetary rewards are provided in case individuals successfully complete the approved training programmes**.



Schemes of MSDE

Features of STAR Scheme

- ▶ Implementation of the scheme is done via Public-Public and Public-Private partnerships.
- ▶ On completion of the programme, a STAR certificate will be provided by the Government of India. The certificate will be valid across India.
- ▶ On completion of the programme, incentives worth approximately Rs.10 lakh will be provided within one year from the date the scheme was launched.



Schemes of MSDE

Nature of Assistance under STAR Scheme:

- ▶ Training bodies and assessment for all details of the scheme will be different. Therefore, there will be no overlap in the roles. The main aim of this move is to ensure objectivity and transparency.
- ▶ Consideration will be provided to backward sections that are not financially sound.
- ▶ The **Ministry of Finance, Government of India, will provide the monetary reward for the scheme.** The reward will be provided via direct bank transfer into the account of the beneficiary.



Schemes of MSDE

Eligibility of STAR Scheme

- ▶ Only individuals who avail the skill development programme from an eligible provider can avail the scheme.
- ▶ In case the training provider does not have any previous affiliation with any NSDC or government institution, they must go through a pre-screening procedure. The pre-screening procedure will be as per an Affiliation Protocol that has been prepared by the NSDC.
- ▶ The individual must have completed 10th Class and must be at least 18 years old.



Financing Mix & Financing Continuum Shareholding

- ▶ Financing mix is the **combination of the debt and equity structure** of a company.
- ▶ It can also be referred to as the **way a corporation finances its assets through some combination of equity, debt or hybrid securities**; that is the combination of both equity and debt.



Funding Continuum

- ▶ Creating a funding strategy is a challenging, yet crucial step for any business. Most experts agree that the key to a successful financing plan is **understanding the different sources of funding**, and **pursuing those that are applicable to the company's stage of growth**.

Funding Continuum





Cliff – Vesting Schedule

- ▶ Cliff vesting is a **specified point of time or date when the employee becomes fully vested i.e. gains the right to receive full benefit from a retirement plan, provided by the employers.**
- ▶ It is different from normal vesting because normal vesting happens incrementally over time, while in cliff vesting employee becomes fully vested at a specified date.
- ▶ Vesting is the legal term for having full entitlement or legal rights over benefits provided by employers.



Cliff – Vesting Schedule

- ▶ In most cases, vesting increases gradually over time, i.e., employee's entitlement to the share of benefit plan will increase gradually over the period of time.
- ▶ While in cliff vesting, employees will have to complete a specified period of time in the organization to become fully vested and then will receive the employer's contribution in the benefit according to a pre-defined schedule.
- ▶ It is preferred by employers as they think it as a way to retain employees in the organization at least for a specified period of time.
- ▶ They also use this type of vesting to **incentivize and retain hard-working or important employees.**



Cliff – Vesting Schedule

Types of Cliff Vesting Options:

► Time-Based

In a time-based schedule, employee's entitlement to an employer's benefit will increase gradually over time, but the employee will have to spend a specified time say one year in the organization to receive any benefit at all.



Cliff – Vesting Schedule

Types of Cliff Vesting Options:

► Milestone-Based

In a milestone-based schedule, employees are asked to achieve a specific business goal or complete a project, after which they become entitled to receive full benefits from the employer benefit plan.



Cliff – Vesting Schedule

Types of Cliff Vesting Options:

► Hybrid or Mix-Off

In a Hybrid or mix off vesting schedule, the employee will have to complete a specified period of time as well as achieve a business goal or milestone to become **fully vested** to receive an employer's contribution to benefit plan.



Cliff – Vesting Schedule

Importance of Cliff – Vesting:

- ▶ Employers incentivize employees who add value to the organization through cliff vesting and help them become **part-owner** of the company.
- ▶ This embeds the environment of **loyalty and reduces attrition** in the organization.
- ▶ It also helps employers to vest or understand the value of the employee before they become fully vested.
- ▶ Where the cliff period is attached to the completion of the business goal, it **encourages the employee to perform better** as well as **helps in the growth of the organization** at the same time.

The Pitch for investor presentation



1. An attention-grabbing introduction

Make investors pay attention by telling a story.

The Pitch for investor presentation



2. A clear vision of a world with your company

Your job is to show investors how your company will improve lives.

The Pitch for investor presentation



3. A solid plan to achieve your vision

Every entrepreneur says he/she only needs to capture two percent of the market. Okay, that's great, but investors care more about how you are going to achieve that milestone. Your pitch should focus on the execution that makes your idea a sound investment. Show investors you have a legitimate plan to maximize the opportunity by proving an actionable plan.

The Pitch for investor presentation



4. A clear exit strategy

While it may be looked down upon in the world of startups to be thinking about exit strategy, that is not the case when you are pitching to investors. They want to see return and an exit strategy provides just that.

A billion-dollar execution plan alone won't convince investors of your business's potential to make them money. You must communicate a strategy for what will happen after you build it, including who will buy it. Make sure before you get in front of investors you research similar deals and how much they earned.



The Pitch for investor presentation

5. Be prepared and remain engaging

Your stage presence makes investors remember you, so train your voice. Perfect your carriage, confidence, passion and projection, yet, **don't sound too stiff or scripted**. One way to make sure you are prepared is to videotape yourself and watch the play-by-play to refine your body language and delivery.

Once you are in a room full of investors, try to hold an individual's eyes in the audience until you get a reaction from the person, then shift your gaze to another person. This creates a connection with the audience.

Elements of perfect investment pitch



- ▶ Grab their attention with a catchy cover slide! It should be pleasing to the eye and demonstrate what you are pitching. Get your potential investors interested from the start!!
- ▶ Do an overview of your company! Have an elevator pitch that conveys clarity and passion.
- ▶ Define the problem! What exactly is the problem that your company can solve with your product? What made you think of your product? Tell your story passionately so that your potential investors will WANT to invest!

Elements of perfect investment pitch



- ▶ Show your solution! How is your company going to solve the problem at-hand in a way that no one else has tried? Be persuasive – your product IS the solution and YOU thought of it!!
- ▶ Address who your customer is! Who will you be helping? Identify those who WILL buy your product.
- ▶ Differentiate yourself from competitors! Sell yourself – show that you know everything there is to know about the industry you are breaking into and that **YOUR product will be 10 TIMES BETTER** than any competitor in the market now.



UNIT-IV

ENTREPRENEURIAL LEADERSHIP

Building & Managing the founder team



- ▶ Establish core leadership
- ▶ Emphasize director-level diversity
- ▶ Champion open communication and collaboration
- ▶ Do actual team-building exercises
- ▶ Know when it's time to bring on a CEO



Building & Managing the founder team

Important Factors while building a founding team:

- ▶ Homophily / Similarity
- ▶ Functionality / Skill diversity
- ▶ Cultural bias
- ▶ Social constraints / Network constraints
- ▶ Ecological / Geographical constraints



Building & Managing the founder team

Elements of Founder Team

- ▶ Board of Directors
- ▶ Board of Advisors
- ▶ Management Team
- ▶ Key Employees
- ▶ Other Professionals
- ▶ Lenders & Investors



Attracting & Retaining the Right People

1. Know your company's mission and values

- ▶ Identify the most important skills and values for your company. Then fill positions around those needs instead of just hiring one employee to replace another.
- ▶ “Employees feel more engaged and are more likely to flourish when their **values are aligned with those of their employer.**”



Attracting & Retaining the Right People

2. Build an employee-focused culture

- ▶ Consider what you can offer employees. Employees value **work-life balance**. They appreciate it when you offer **flexible work schedules**, for instance. Candidates and employees also appreciate **career opportunities like on-the-job training and potential promotions**.
- ▶ Today's workers want to feel **valued**, too. **Show your appreciation** for them through **employee-recognition programs, performance bonuses and comfortable work environments**.
- ▶ Help them **unwind** as well. Activities like **group yoga, friendly athletic competitions, and regular team-building activities** outside the office provide welcome breaks.
- ▶ "A sense of **rejuvenation and freedom** is very crucial, or else it would become a traditional workplace of 9-5. In short, **get away from the conventional working standards**,"



Attracting & Retaining the Right People

3. Involve employees in recruiting

- ▶ **Happy employees usually stay longer.** They also **help you attract top talent** by showing the best potential hires that they also could be happy at your business.
- ▶ **Referral incentives** also encourage your employees to help you attract top talent. Consider **rewards like gift cards, cash bonuses or extra time off.**



Attracting & Retaining the Right People

4. Get out and meet people

- ▶ Meeting a potential hire in person is still the best way to establish a fit between them and your company. But it can be even better if you **meet them before they apply for a position**. They will be more likely to want to work with you in the future if they know the opportunity you offer in advance.
- ▶ **"Tapping into a specific talent pool** can yield great results-especially from candidates who aren't actively pursuing opportunities."
- ▶ **Campus recruiting** also can provide a pipeline for future talent. Connect with candidates by attending **job fairs, sponsoring events and providing internships**, for example.



Attracting & Retaining the Right People

5. Connect online

- ▶ **Social media** is a good place for business professionals to search and to be found. You can **use keywords like job titles on LinkedIn** to find candidates with the experience and skills you want. Then you can contact them directly to see if they would be interested in working for you.
- ▶ You also can attract top talent by **sharing lots of information about your company**, such as **recruiting videos, photos from company events and testimonials from employees**. Show **what differentiates your company and makes it a great place to work**.
- ▶ “**Through social media**, companies can now **connect with candidates** in ways that weren’t possible with traditional recruitment methods.” Post **company announcements and industry news on social media pages to reach our customers** — these updates are an **organic way to attract potential employees**, too.”



Attracting & Retaining the Right People

Retaining the Right People:

- ▶ Leadership
- ▶ Career Growth
- ▶ Mission & Purpose
- ▶ Creative Thinking
- ▶ Giving Back
- ▶ Problem Solving
- ▶ Professional Development
- ▶ Recognition & Reward



Board & Governance

- ▶ **Vision:** envisioning future & developing mission
- ▶ **Direction:** setting goals & policies
- ▶ **Transparency:** information sharing, effective communication & reporting
- ▶ **Guidance:** providing advice & direction
- ▶ **Due diligence:** judging risks involved
- ▶ **Commitment:** emotional & intellectual engagement in venture's course of action.



Role of Successful Board

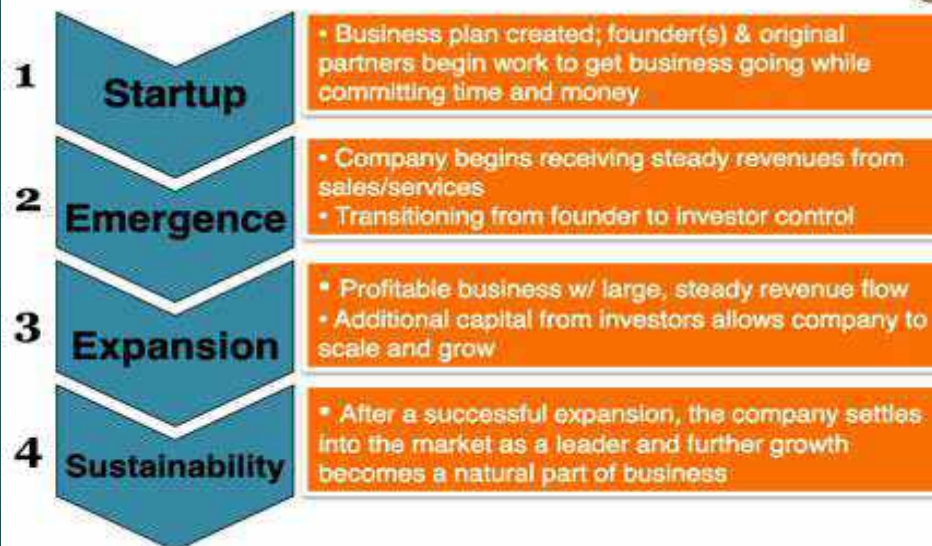
- ▶ **Financial:** overseeing financial results, judging forecasts, ensuring availability of lines of funding, fair allocation of earnings, financial security.
- ▶ **Visionary:** doing the right things, providing insight, vision & focus for strategic objectives, bring ideas with experience to assist in strategy implementation.
- ▶ **Reinforcement:** skill strengthening of board and staff, prioritizing the choices, watching over compensation, authority & responsibility.

Different Board Models for Different Ventures

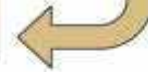


Board Basics – When to Form your Board

4 Stages of a Business:



Form board *BEFORE* Emergence stage





Different Board Models for Different Ventures

- ▶ **Operational Board:** manages and governs
- ▶ **Management Board:** management & governance functions separates at maturity stage of venture
- ▶ **For-Profit Board:** proven forms of governance & regulations, friends of CEO, experts or specialists
- ▶ **NPO Board**
- ▶ **Social Enterprise Board:** ensures venture is properly funded till surplus is available for social purpose



How to assemble board of advisors

- ▶ Have a purpose
- ▶ Recruit doubters
- ▶ Leverage the network
- ▶ Write it down
- ▶ Time is money
- ▶ Keep it intimate
- ▶ Maximize value
- ▶ Maintain ongoing communication



Legal Matters Organizational Forms

- ▶ Sole proprietorship
- ▶ Partnership
- ▶ Joint Stock company
- ▶ Co-operative Organization



Documents Required for starting a business

- ▶ Permanent Account Number (PAN)
- ▶ Tax Account Number (TAN)
- ▶ Digital Signature Certificate
- ▶ Director Information Number (DIN)
- ▶ Registered Business Name
- ▶ MOA & AOA
- ▶ Certificate of Incorporation
- ▶ Registration of the Establishment



Types of Taxes

- ▶ Income Tax
- ▶ Profession Tax
- ▶ Corporation Tax
- ▶ Capital gain Tax
- ▶ Excise Duty
- ▶ Custom Duty
- ▶ Goods & Service Tax (GST)



Legal Expenses

- ▶ Advertising & Promotion
- ▶ Borrowing Costs
- ▶ Employee Expenses
- ▶ Equipment & Supplies
- ▶ Insurance, License & Permit Fees
- ▶ Research Expenses
- ▶ Technological Expenses



Employee Management & Leadership in the workforce

- ▶ Good workplace leadership & management to encourage goal achievement
- ▶ Effective leadership to draw ability of employees to help achieve their objectives
- ▶ Facilitates participation, engagement, growth & retention
- ▶ Employee involvement & empowerment
- ▶ Allow employee to take control of their job and outcomes
- ▶ Help employee to serve customer for customer experience

Recruiting, Selection & Hiring



Recruitment Process

- ▶ Recruitment Planning
- ▶ Identify recruitment sources
- ▶ Contacting sources
- ▶ Application Pool
- ▶ Selection Process
- ▶ Evaluation & Control

Recruiting, Selection & Hiring



Selection Process

- ▶ Screening of Applicants
- ▶ Selection Tests
- ▶ Interviews
- ▶ Medical Examination
- ▶ Reference Check & Background Verification
- ▶ Hiring Decisions or Approval by Appropriate Authority



Hiring the First Employee

► **Prepare for the Hiring Process:**

- 1) Decide what one can afford
- 2) Take care of the legal obligations

► **Attract the Right Applicants:**

- 1) Imagine the ideal candidate
- 2) Create a compelling job description



Hiring the First Employee

► **Identify the top candidates:**

- 1) Conduct pre-employment screening
- 2) Interview promising applicants
- 3) Check the candidates references

► **Bring ideal candidate on board:**

- 1) Send an offer letter
- 2) Welcome new hire to the team



UNIT-V

**BUSINESS
PLAN**

Need & Objectives



- ▶ For identifying opportunities
- ▶ For evaluating performance
- ▶ For gauging strategies
- ▶ For obtaining Finance

Business Plan as an Entrepreneurial Tool



- ▶ Attracts money to project
- ▶ Communicates master plan to team members
- ▶ Resource planning
- ▶ Setting budgets
- ▶ Analyzing ideas
- ▶ Providing SWOT analysis
- ▶ Increases opportunity for success
- ▶ Increases the stakeholder's confidence
- ▶ Identifies barriers to business
- ▶ Performance tool



Sections of a Business Plan

- ▶ Executive Summary
- ▶ Industry Overview
- ▶ Market Analysis & Competition
- ▶ Sales & Marketing Plan
- ▶ Management Plan
- ▶ Operating Plan
- ▶ Financial Plan
- ▶ Appendices & Exhibits



Contents of Business Plan

- ▶ Cover page
- ▶ Table of contents
- ▶ Executive summary
- ▶ Target Audience
- ▶ Current situation
- ▶ Description of opportunity & market
- ▶ Business Model
- ▶ Financing your venture
- ▶ Risk Analysis
- ▶ Possible exit strategies
- ▶ Conclusion & Appendices