

UFS Business Bug Workshop

What is a business plan?

Who am I?

- Johnathan Smit
- johnathan.j.smit@gmail.com
- Office student ideas
- Innovation & New Business Development

Workshop

- What we look for in a business plan
- 7 minute video

Most important lesson. EVER.

- Do it right NOW! Don't put things off. This is how you get things done.
- “Work as if your competitors never sleep”
- Mark Cuban

Your number one question?

- Where do I start?

The idea

- Why not to be obsessively secretive about your idea:
- New entrepreneurs need a lot of advice
- Execution is more important than the idea
- Someone else has the exact same idea
- Good = 5 Great = 15
- Totally unique ideas generally don't make it

The idea

- The most likely cause of failure is your lack of experience, not losing to the competition
- You desperately need real feedback
- First mover advantage is just silliness

If you still don't believe me, here is a **challenge**:
Take your third best idea and do your best to have someone steal it from you!

How do I start a business?

1. Product / Service
2. Group of people willing to buy
3. Way to get paid

TEST!

- Treat your business experiments
- Start with a minimum viable product (MVP)
- Validated learning: **Is the idea viable?**
- Receive feedback
- Pivot!
- Adjust.

Where Do I Start?

Advice you usually get:
Write a business plan!

Why? What is a business plan?

- Not about writing a document
- Planning Process
- Ask the right questions
- Document = by-product!

WE'RE BUILDING BUSINESSES HERE!

CREATE VALUE!

- It's about creating VALUE!
- How am I helping people?

New way to think about value

- Think of everything in the world as free.
- What do I mean by that?

- Have you ever baked your own bread?

(See my blog for more details on this...)

Business Plan: 3 Questions

1. What is it?
2. What do you need?
3. Why should care?

Business Plan Layout

- Guidelines – Upload document
- **Show how you will create value!**

Common business planning mistakes to avoid

Lack Skills

- Don't have the needed skill set
- Can't find the right partner
- Have time and energy
- Don't have money!

The team

- It's more about the entrepreneur / team than the idea itself
- Invest in you!
- Have to have just as much skin in the game!

Lack of purpose

- Business plan is boring
- Way to general, in the air. Not relevant!
- Repetitive!
- Still don't know what they want/need

Instant Business

- Want to have an instant perfect business
- Start small, dream big
- Show how you are going to start and grow/scale the business

What do you actually have?

- Don't tell me what you want to do, show me what you have done
- Shark tank

But you said...

- Contradictory statements and facts
- Make sure everything I validated

Against the flow

- Make sure your business plan follows a logical flow of information.

Academic Business Plans

- Write academic plans
- Educate the reader with the terms
- Focus on how it applies to your business!
- Provide, short and concise info that is relevant to your business.
- Always anticipate the investors next question.

HUSTLE!

- New entrepreneurs are afraid to get out there.
- Stuck in the planning stage
- Hustle, hustle, hustle!
- 50% planning
- 50% building your business/ product

Unimportant tasks

- Get caught up in fancy names and titles
- Spend time on seemingly important things
- Most important things: Getting money in the bank and developing products and services.
All other things that don't build wealth/value is secondary tasks.

GUESS -timates

- Overestimate income
 - Underestimate expenses
 - Shows inexperience!
-
- How you make your assumptions and estimates? Base them on actual data.

Financials

- Budget
- Income Statement
- Cash flow statement

- Your whole plan needs to be reflected in your financial estimates.

Giving up equity?

- Value a business according to what they require, not what it's actually worth
- Idea is worth nothing
- What investors look for = VALUE
- (Paying customers, contracts etc)

Marketing

- “Advertising is like sex. Only losers pay for it”
- Chris Guillebeau
- Social media? Word of mouth?
- How will people know about you?
- Acquisition cost!

Who are you again?

- Struggle to explain what their unique selling point is? (USP/ Competitive advantage)
- DIFFICULT QUESTION!
- What makes you different than all the other entrepreneurs out there?
- Not good enough just to be different, need to be better!

Now that you have capital?

- Usually don't show how and when they will use the capital they ask for!
- Show how you will scale the idea and when the investor will get their investment back.

7 Minute Video

Same info that would be in your proposal

- Who are you?
- Who is the team?
- What is your story? Be sincere!
- How did you come about your idea?

- WHY!? What is the problem that you are solving? (Dropbox video)
- What is your product?
- How is it solving this problem?
- How are you going to help people? = **VALUE!**

7 Minute Video

- Who do you want to sell it to?
 - Why would they buy it?
 - What are they currently using in it's place?
 - What makes you different?
 - How will you reach them?
-
- What do you need?
 - If you get the capital, how will you use it?
 - What is your plan to grow/scale the business?

Next workshop

- Date: 17 April 2013
- Time: 17h00
- Venue: To be announced
- Topic: 7 minute pitch & networking

Videos & References

- Sign up to use Dropbox: <http://db.tt/KGAekeaB>
- Shark Tank Episode: <http://www.youtube.com/watch?v=gCbtIWvJhWI>
- Dollar Shave Club: <http://www.youtube.com/watch?v=ZUG9qYTJMsI>
- enterPRIZE website: <http://www.enterprizejobchallenge.co.za/>
- Pet waste removal company: <http://www.odditycentral.com/news/dog-poop-removal-company-proves-big-hit.html>
- My blog: <http://chiefeverything.wordpress.com/>