

SK

SKEMA BUSINESS SCHOOL

BUSINESS PLANNING

Dr. Philippe Chereau
Director, SKEMA Ventures



INTRODUCTION OF THE LECTURER



*Without practice,
theory is
meaningless, and
vice versa.*

Prof. Philippe CHEREAU is the director of SKEMA Ventures and associate professor in strategy and entrepreneurship at SKEMA Business School. He holds a Doctorate from Aix-Marseille Université, a PhD from SKEMA BS, and a Master in Management from EDHEC Business School. He is also a visiting faculty at Aix-Marseille Université, Mines ParisTech and University of Naples Federico II.

As a scholar, he conducts research on the relationships between competitive strategy, business model innovation and performance in innovative firms.

He teaches strategy, entrepreneurship, strategic consulting, international business, negotiation, and regularly lectures for executive seminars, in France, China, Brazil, Italy, and the USA.

As a former entrepreneur, his teaching bridges the gap between advanced academic knowledge and practice. He has held positions in international business development, general management and executive consulting.

He is the co-author of the textbooks *Le Conseil Stratégique pour l'Entreprise* published in 2014, rewarded among “best books in Management”, and *Strategic Consulting: Tools & Methods for Successful Strategy Missions*, published in 2017.

SYNOPSIS

Course objectives

1. From strategy, to business model, to business plan
 - 1.1. The process of strategic management
 - 1.2. From strategy to BM
 - 1.3. From BM to BP
2. The business plan
 - 2.1. Types and objectives of BP
 - 2.2. Framework, content and tools
3. The pitched business plan: The lite BP toolkit

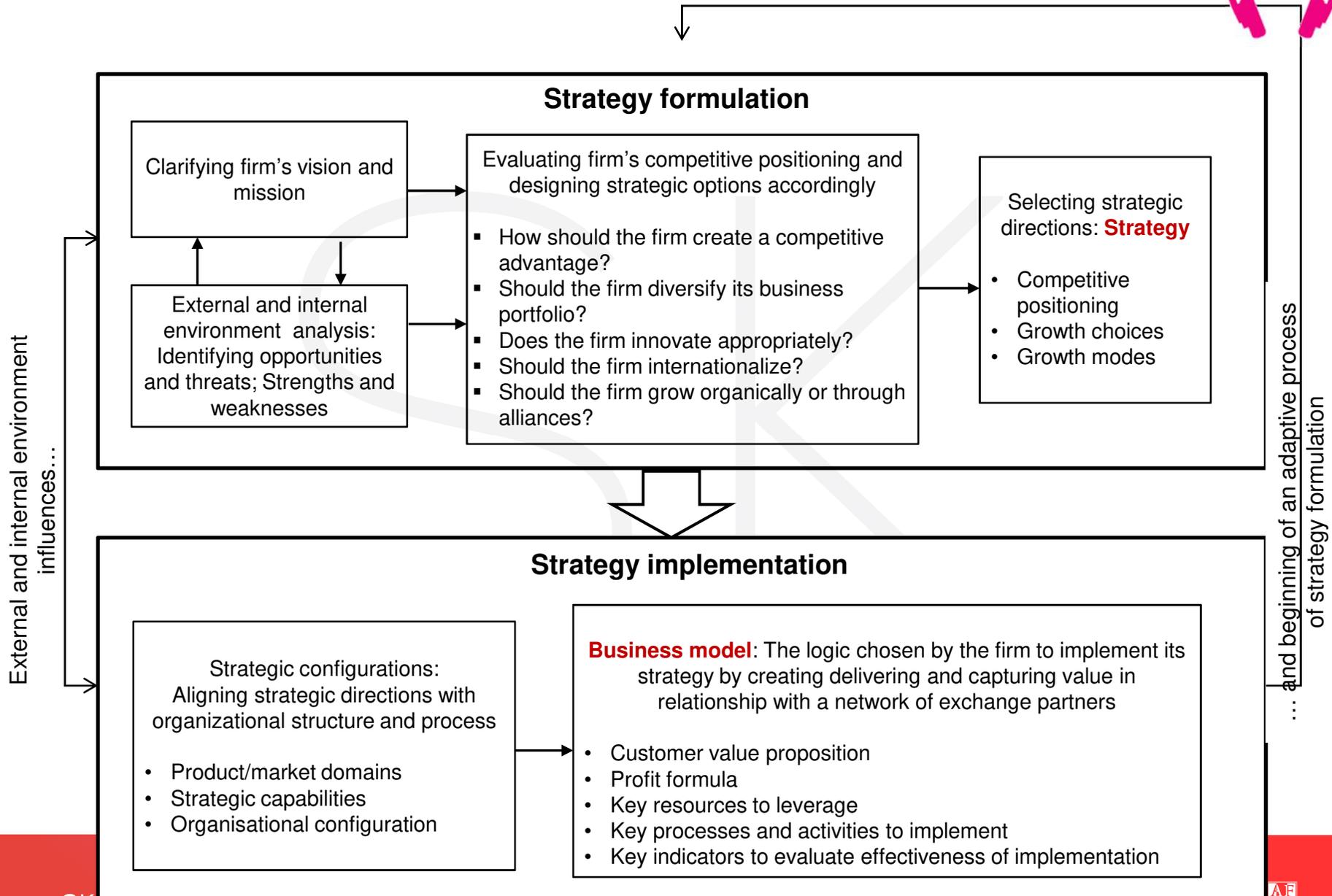
COURSE OBJECTIVES

What we want to achieve through this course ...

- Introduce students to the process of designing, formulating and pitching a Business Plan (BP)
- Deliver the template of a BP commonly accepted by investors and business angels when evaluating the relevance of an entrepreneurial project
- Beyond the objective of presenting a business, introduce the BP as a strategic planning tool

1. FROM STRATEGY TO BUSINESS MODEL TO BUSINESS PLAN

1.1. THE STRATEGIC MANAGEMENT PROCESS



1.1. THE STRATEGIC MANAGEMENT PROCESS

- **Strategy:** Plan of actions to create a valuable, sustainable **competitive position** in the targeted market.

⇒ *it implies that the firm has made choices about how it wishes to compete in the market (price competitiveness, differentiation, innovation, expertise)*



- **Business model:** The **logical combination** of choices (clients, offer, organization, profit formula) that explains **how** the firm will **execute** its strategy to reach and maintain this competitive position.

⇒ **BM** must **reflect the realized strategy !**

1.2 FROM STRATEGY TO BM

Strategic choices **predict** BM design

- There are “ideal” combinations of strategy-BM
- The more firms deviate from the ideal combination, the more their overall performance decreases



1.2 FROM STRATEGY TO BM

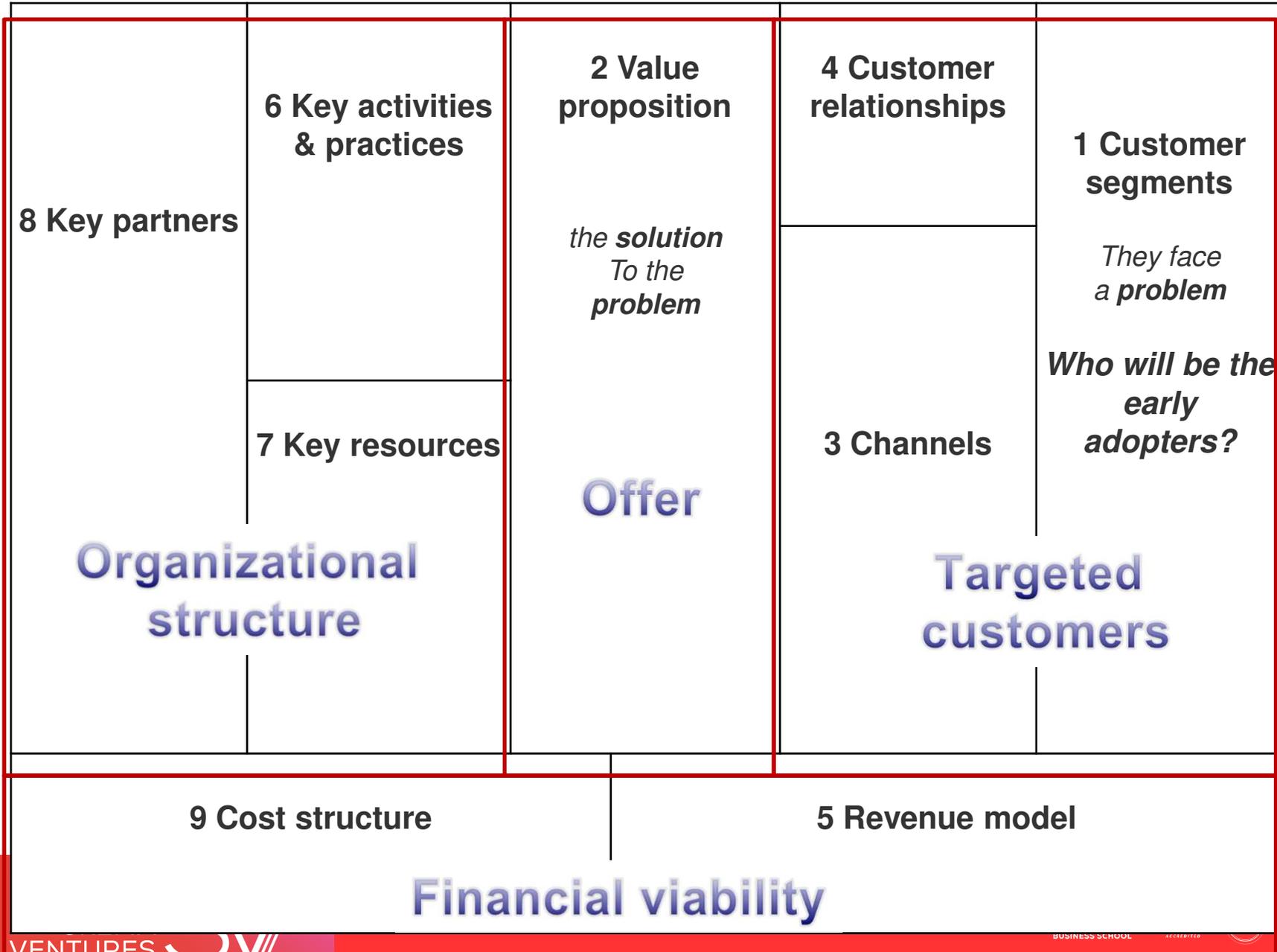
BM explains **how the firm works**, and answers 4 questions:

- Who are my clients?
- What do they consider valuable?
- How can I generate revenue by offering what they really want?
- What is the best profit formula to create value for the clients, at an appropriate cost for the company?

BM is the logic chosen to operate the firm's strategy, based on **4 key choices**:

- a Value Proposition to Customers,
- a Profit Formula (revenues / costs),
- Key Activities,
- Key Resources.

1.2 FROM STRATEGY TO BM USING THE BM CANVAS



1.2 FROM STRATEGY TO BM USING THE BM CANVAS

<p>1-PROBLEM List your customers' top 3 problems you want to address</p>	<p>4-SOLUTION The product and services for each specific targeted consumer segment and partner of the ecosystem To solve the problem (or satisfy the need) specific to each targeted consumer segment and partner</p>	<p>3-UNIQUE VALUE PROPOSITION Single, clear, compelling message that turns an unaware visitor into an interested prospect</p>	<p>7-UNFAIR ADVANTAGE Something that can't be easily copied or bought</p>	<p>2-CUSTOMERS SEGMENTS List your target customers and users. They may</p> <ul style="list-style-type: none"> • have needs that require different handling • be addressed via different distribution channels • have distinct levels of profitability • be interested in different aspects of VP
<p>EXISTING ALTERNATIVES List how these problems are solved today</p>	<p>HIGH LEVEL CONCEPT List your X for Y analogy E.g.: Airbnb = Blablacar for housing</p>	<p>6-CUSTOMERS RELATIONSHIPS Means you plan to use to conquer, hold and retain consumers and partners of the business ecosystem</p>	<p>5-CHANNELS How to raise awareness about the VP, and deliver it to consumers and partners.</p> <ul style="list-style-type: none"> • Make known the existence of the offer • Allow consumers to evaluate the VP • Allow consumers to purchase the offer • Deliver the offer • Maintain the VP after the purchase 	<p>EARLY ADOPTERS List the characteristics of the customers who will generate fast and easy sales</p>
<p>11-KEY PARTNERS List your Key Partners needed to deliver your value proposition and ensure your revenue streams</p> <ul style="list-style-type: none"> • Company-provider and company-producer partnerships to secure the upstream value chain • Strategic alliances between non-competitors • Partnerships between competitors: Coopetition • Joint venture to develop a new VP • Support from local authorities 		<p>9-KEY ACTIVITIES & PRACTICES That help provide the VP profitably, reproducibly, and at a large-scale</p> <ul style="list-style-type: none"> • Activities: design, R&D, procurement, production, marketing, sales, recruitment, training, SI • Rules and key indicators: margin requirements, rules on accounts receivables & payables, quotes conversion rate, ... 	<p>10-KEY RESOURCES List the resources you need to deliver your value proposition, deal with your distribution channels, sustain your customer relationships & ensure your revenue streams</p> <ul style="list-style-type: none"> • Physical assets (equipment, facilities, IS, ...) • Human Resources • Intellectual assets (patents, trademarks, reputation) • Financial assets 	
<p>12-COST STRUCTURE Split your costs into variable and fixed costs, think of the possible impact of economies of scale according to :</p> <ul style="list-style-type: none"> ▪ Key activities ▪ Key resources ▪ Key partnerships 			<p>8-REVENUE MODEL List your sources of revenues and margin</p> <ul style="list-style-type: none"> • Turnover model: price x volume of sales. How much can the company expect to earn and how to achieve this level of sales (market size captured, purchase frequency, additional sales, ...) • Margin model: how much margin each transaction must generate to achieve the expected profitability 	

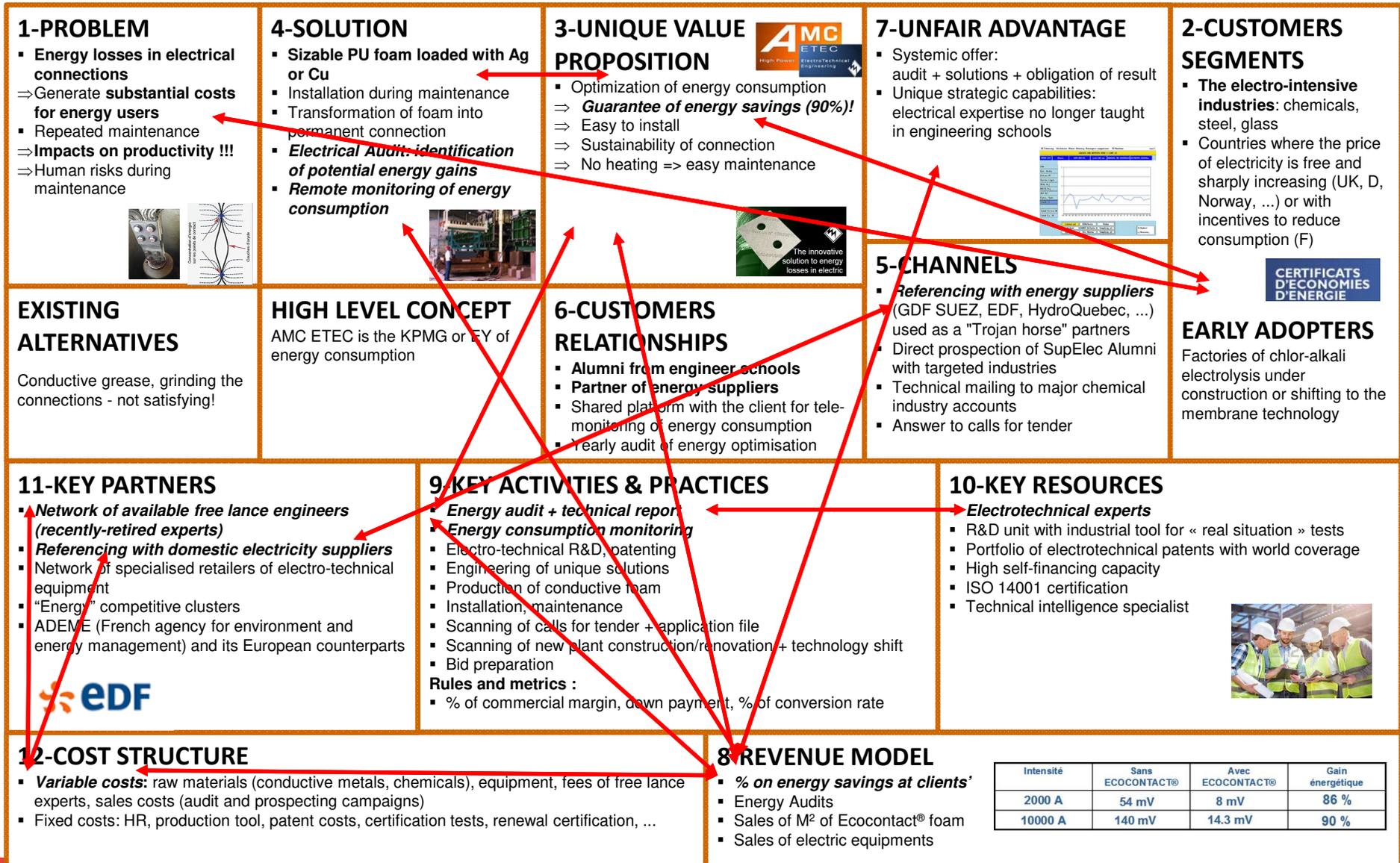
1.2 FROM STRATEGY TO BM: THE ISSUE OF BM FIT

Like a good moving vehicle, all components of the BM must **permanently fit** together to

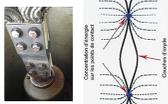
- Reinforce one-another
- Ensure the dynamic consistency of the BM when one component has to change



1.2 FROM STRATEGY TO BM: THE ISSUE OF BM FIT



1.2 FROM STRATEGY TO BM: THE ISSUE OF BM FIT

<h3>1-PROBLEM</h3> <ul style="list-style-type: none"> Energy losses in electrical connections ⇒ Generate substantial costs for energy users Repeated maintenance ⇒ Impacts on productivity !!! ⇒ Human risks during maintenance 	<h3>4-SOLUTION</h3> <ul style="list-style-type: none"> Sizable PU foam loaded with Ag or Cu Installation during maintenance Transformation of foam into permanent connection Electrical Audit: identification of potential energy gains Remote monitoring of energy consumption 	<h3>3-UNIQUE VALUE PROPOSITION</h3>  <ul style="list-style-type: none"> Optimization of energy consumption ⇒ Guarantee of energy savings (90%)! ⇒ Easy to install ⇒ Sustainability of connection ⇒ No heating => easy maintenance 	<h3>7-UNFAIR ADVANTAGE</h3> <ul style="list-style-type: none"> Systemic offer: audit + solutions + obligation of result Unique strategic capabilities: electrical expertise no longer taught in engineering schools 	<h3>2-CUSTOMERS SEGMENTS</h3> <ul style="list-style-type: none"> The electro-intensive industries: chemicals, steel, glass Countries where the price of electricity is free and sharply increasing (UK, D, Norway, ...) or with incentives to reduce consumption (F)  <h3>EARLY ADOPTERS</h3> <p>Factories of chlor-alkali electrolysis under construction or shifting to the membrane technology</p>									
<h3>EXISTING ALTERNATIVES</h3> <p>Conductive grease, grinding the connections - not satisfying!</p>	<h3>HIGH LEVEL CONCEPT</h3> <p>AMC ETEC is the KPMG or EY of energy consumption</p>	<h3>6-CUSTOMERS RELATIONSHIPS</h3> <ul style="list-style-type: none"> Alumni from engineer schools Partner of energy suppliers Shared platform with the client for tele-monitoring of energy consumption Yearly audit of energy optimisation 	<h3>5-CHANNELS</h3> <ul style="list-style-type: none"> Referencing with energy suppliers (GDF SUEZ, EDF, HydroQuebec, ...) used as a "Trojan horse" partners Direct prospection of SupElec Alumni with targeted industries Technical mailing to major chemical industry accounts Answer to calls for tender 										
<h3>11-KEY PARTNERS</h3> <ul style="list-style-type: none"> Network of available free lance engineers (recently-retired experts) Referencing with domestic electricity suppliers Network of specialised retailers of electro-technical equipment "Energy" competitive clusters ADEME (French agency for environment and energy management) and its European counterparts 	<h3>9-KEY ACTIVITIES & PRACTICES</h3> <ul style="list-style-type: none"> Energy audit + technical report Energy consumption monitoring Electro-technical R&D, patenting Engineering of unique solutions Production of conductive foam Installation, maintenance Scanning of calls for tender + application file Scanning of new plant construction/renovation + technology shift Bid preparation <p>Rules and metrics :</p> <ul style="list-style-type: none"> % of commercial margin, down payment, % of conversion rate 	<h3>10-KEY RESOURCES</h3> <ul style="list-style-type: none"> Electrotechnical experts R&D unit with industrial tool for « real situation » tests Portfolio of electrotechnical patents with world coverage High self-financing capacity ISO 14001 certification Technical intelligence specialist 											
<h3>12-COST STRUCTURE</h3> <ul style="list-style-type: none"> Variable costs: raw materials (conductive metals, chemicals), equipment, fees of free lance experts, sales costs (audit and prospecting campaigns) Fixed costs: HR, production tool, patent costs, certification tests, renewal certification, ... 	<h3>8-REVENUE MODEL</h3> <ul style="list-style-type: none"> % on energy savings at clients' Energy Audits Sales of M² of Ecocontact® foam Sales of electric equipments <table border="1" data-bbox="1512 1220 2027 1308"> <thead> <tr> <th>Intensité</th> <th>Sans ECOCONTACT®</th> <th>Avec ECOCONTACT®</th> <th>Gain énergétique</th> </tr> </thead> <tbody> <tr> <td>2000 A</td> <td>54 mV</td> <td>8 mV</td> <td>86 %</td> </tr> <tr> <td>10000 A</td> <td>140 mV</td> <td>14.3 mV</td> <td>90 %</td> </tr> </tbody> </table>	Intensité	Sans ECOCONTACT®	Avec ECOCONTACT®	Gain énergétique	2000 A	54 mV	8 mV	86 %	10000 A	140 mV	14.3 mV	90 %
Intensité	Sans ECOCONTACT®	Avec ECOCONTACT®	Gain énergétique										
2000 A	54 mV	8 mV	86 %										
10000 A	140 mV	14.3 mV	90 %										

1.3 FROM BM TO BUSINESS PLAN



BUSINESS PLAN
SHOE HUNTER
Moto del Risparmio FCSI
Supporto di Filippo Chiara
SADPH Business School

1-PROBLEM List your customers' top 5 problems you want to address	4-SOLUTION The product and services for each specific targeted consumer segment and partner of the ecosystem To solve the problem (or satisfy the need) specific to each targeted consumer segment and partner	3-UNIQUE VALUE PROPOSITION Single, clear, compelling message that turns an unaware visitor into an interested prospect	7-UNFAIR ADVANTAGE Something that can't be easily copied or bought	2-CUSTOMERS SEGMENTS List your target customers and users. They may: • have needs that require different handling • be addressed via different distribution channels • have distinct levels of profitability • be interested in different aspects of VP
EXISTING ALTERNATIVES List how those problems are solved today	HIGH LEVEL CONCEPT List your X for Y analogy F.i.: Airbnb - Bnblocat (air housing)	6-CUSTOMERS RELATIONSHIPS Means you plan to use to conquer, hold and retain consumers and partners of the business ecosystem	5-CHANNELS How to raise awareness about the VP, and deliver it to consumers and partners. • Make known the existence of the offer • Allow consumers to evaluate the VP • Allow consumers to purchase the offer • Deliver the offer • Maintain the VP after the purchase	EARLY ADOPTERS List the characteristics of the customers who will generate fast and easy sales
11-KEY PARTNERS List your Key Partners needed to deliver your value proposition and ensure your revenue streams • Company provider and company producer partnerships to secure the upstream value chain • Strategic alliances between non-competitors • Partnerships between competitors: Competition • Joint ventures to develop a new VP • Support from local authorities	9-KEY ACTIVITIES & PRACTICES That help provide the VP profitably, repeatably, and at a large scale • Activities: design, R&D, procurement, production, marketing, sales, recruitment, training, IT • Rules and key indicators: margin requirements, rules on accounts receivables & payables, quotes conversion rate, ...		10-KEY RESOURCES List the resources you need to deliver your value proposition, deal with your distribution channels, sustain your customer relationships & ensure your revenue streams • Physical assets (equipment, facilities, IT, ...) • Human Resources • Intellectual assets (patents, trademarks, reputation) • Financial assets	
12-COST STRUCTURE Split your costs into variable and fixed costs, think of the possible impact of economies of scale according to: • Key activities • Key resources • Key partnerships		8-REVENUE MODEL List your sources of revenues and margin • Turnover model: price x volume of sales. How much can the company expect to earn and how to achieve this level of sales (market size captured, purchase frequency, additional sales, ...) • Margin model: how much margin each transaction must generate to achieve the expected profitability		

The full **BP** is the story-writing exercise that reflects the coherence of your **BM**

Context – Vision/mission

Market analysis

- Business opportunities
- Targeted segments
- Competition
- Market forces
- Value proposition – competitive advantage

Activities of the firm

Strategy and development plan

Marketing and sales plan

Organization

- Key resources
- Key partners

Financial forecasts

- Revenue model
- Cost structure

Appendices

The various components of the **BM** will structure the formulation of the **BP**

1.3 FROM BM TO BUSINESS PLAN

1-PROBLEM <i>List your customers' top 5 problems you want to address</i>	4-SOLUTION <i>The product and services for each specific targeted consumer segment and partner of the ecosystem ...</i> <i>... To solve the problem (or satisfy the need) specific to each targeted consumer segment and partner</i>	3-UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that turns an unaware visitor into an interested prospect</i>	7-UNFAIR ADVANTAGE <i>Something that can't be easily copied or bought</i>	2-CUSTOMERS SEGMENTS <i>List your target customers and users. They may</i> <ul style="list-style-type: none"> • have needs that require different handling • be addressed via different distribution channels • have distinct levels of profitability • be interested in different aspects of VP 	
EXISTING ALTERNATIVES <i>List how these problems are solved today</i>	HIGH LEVEL CONCEPT <i>List your X for Y analogy</i> <i>F.i.: Airbnb - Bnblikeur (air housing)</i>	6-CUSTOMERS RELATIONSHIPS <i>Means you plan to use to conquer, hold and retain consumers and partners of the business ecosystem</i>	5-CHANNELS <i>How to raise awareness about the VP, and deliver it to consumers and partners.</i> <ul style="list-style-type: none"> • Make known the existence of the offer • Allow consumers to evaluate the VP • Allow consumers to purchase the offer • Deliver the offer • Maintain the VP after the purchase 	EARLY ADOPTERS <i>List the characteristics of the customers who will generate fast and easy sales</i>	
11-KEY PARTNERS <i>List your Key Partners needed to deliver your value proposition and ensure your revenue streams</i> <ul style="list-style-type: none"> • Company provider and company producer partnerships to secure the upstream value chain • Strategic alliances between non-competitors • Partnerships between competitors: Coopetition • Joint ventures to develop a new VP • Support from local authorities 	9-KEY ACTIVITIES & PRACTICES <i>That help provide the VP profitably, repeatably, and at a large scale</i> <ul style="list-style-type: none"> • Activities: design, R&D, procurement, production, marketing, sales, recruitment, training, SI • Rules and key indicators: margin requirements, rules on accounts receivables & payables, quotes conversion rate, ... 	10-KEY RESOURCES <i>List the resources you need to deliver your value proposition, deal with your distribution channels, sustain your customer relationships & ensure your revenue streams</i> <ul style="list-style-type: none"> • Physical assets (equipment, facilities, IS, ...) • Human Resources • Intellectual assets (patents, trademarks, reputation) • Financial assets 			
12-COST STRUCTURE <i>Split your costs into variable and fixed costs, think of the possible impact of economies of scale according to:</i> <ul style="list-style-type: none"> • Key activities • Key resources • Key partnerships 	8-REVENUE MODEL <i>List your sources of revenues and margin</i> <ul style="list-style-type: none"> • Turnover model: price x volume of sales. How much can the company expect to earn and how to achieve this level of sales (market size captured, purchase frequency, additional sales, ...) • Margin model: how much margin each transaction must generate to achieve the expected profitability 				



The pitched BP is a story-telling exercise that reflects the coherence of the BM

1. VISION/MISSION
2. BUSINESS OPPORTUNITIES
3. SOLUTION/OFFER
4. VALUE PROPOSITION/CUSTOMER BENEFITS
5. TARGETED MARKET
6. COMPETITION
7. SIMPLIFIED BUSINESS MODEL
8. GO TO MARKET STRATEGY
9. THE TEAM
10. HISTORY OF THE PROJECT
11. THE NEXT 18 MONTHS
12. KEY FIGURES
13. RISKS
14. DEMAND

The various components of the BM will structure the pitched deck of the BP

2. THE BUSINESS PLAN

2.1. TYPES AND OBJECTIVES OF BUSINESS PLANS

The different types of Business plan

- The Elevator Pitch
a one-minute oral presentation
- The pitched Business Plan
approximately 10-14 slides
- The Full Business Plan
approximately 50 pages or more

2.1. TYPES AND OBJECTIVES OF BUSINESS PLANS

The different types of Business plan

The Elevator Pitch is

- a one to two minutes oral presentation
- a hook to capture attention
- a synthetic description of the product/market domain(s) of the business, the value proposition to clients, the associated revenue model, and the planned growth options
- a straightforward announcement of your demand to the audience



2.1. TYPES AND OBJECTIVES OF BUSINESS PLANS

The different types of Business plan

The pitched BP is

- the formalized presentation of the 20 mn pitched description of your project
- a concentrate of the project likely to convince stakeholders to support it



2.1. TYPES AND OBJECTIVES OF BUSINESS PLANS

The different types of Business plan

The full BP is :

- the detailed description of your project, and the roadmap to implement it that encompasses all relevant and reliable justifications for starting it,
- supported by the full description of the business model components and the expected financial outputs that will make the project viable
- and the planned growth options and growth modes to develop it

2.2. THE BP FRAMEWORK (SEE MASTER THESIS GUIDELINES)

Executive summary

1- Context

2- Market analysis

3- Activities of the firm

4- Strategy and development plan

5- Marketing and sales plan

6- Organization

7- Financial forecasts

8- Appendices

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

Executive summary

Objective: an extremely brief presentation of the company and its project in order to

- Avoid, especially for reasons of confidentiality, to broadly disseminate a detailed version of the business plan,
- Motivate investors to fund the project, with a short presentation that encompasses the key elements of the company's strategy, BM and financials

Content:

- Context (problem statement): 1/2 pages max
- Activity: 2 pages max
- Market: 2 pages max
- Financial information: Revenues and net result n-1, n, n+1 to n+5
- Strengths of the project: 3 or 4 major points maximum
- Prospects : Competitive positioning, products, activities, ... , financial Performance, expected rents for investors (if any)
- Proposed operation (if any): Types and amount of funds to raise, for which % of shares

Length: 5-6 pages max

Method/tools: NA

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

1-Context

Objective: The context should simply describe an overview of the business of the company and its industry/markets, in the form of a short introduction, without going into details since all themes are handled thereafter.

Content:

- The activity of the company and its market: the nature of the business and the distinctive competencies or differentiating features of the company: 3 pages max
- The few key dates in the history of the company: creation, product releases, major contracts, fundraising, recruitments, certification, etc.): 2 pages max
- The historical evolution of sales, net income and workforce in recent years.

Length: 5-6 pages max

Method/tools: BM canvas components (problem, solution, value proposition, key partners, key activities and resources)

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

2-Market analysis

Objective: The analysis of the market and the competition should be the demonstration of the company's knowledge of the market structure and its trends. Only essential information are to be included in the business plan (the details of external diagnostic, market research, ... are to be attached in the appendices).

Content:

- Market segment(s) on which the company positions its products.
- Major trends of this or these segments. Provide prospective information about the evolution of macro-environment (PESTEL) and industry contingencies (market forces), key success factors by segment
- Different forms of competition (direct, indirect, substitutes, potential threat, ...), nature and level of aggressiveness. Qualify and name key competitors and form strategic groups according to their characteristics (size, followed strategies, capitalistic situations ...).
- Define the positioning of the products or activities of the company in this environment
- Clarify the competitive advantages of the company's products.

Length: 7-10 pages max

Method/tools: PESTEL, market forces, industry KSF, industry competitive system, industry value curve/ company value curve ... to highlight the OT of the SWOT,

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

3-Activities of the firm

Objective: Description of the distinctive characteristics of the business or products offered by the company.

Content:

- Overall activities of the firm (types of products or services offered and for what types of applications or needs).
- Description of the goods or services of the company (globally or by sub-groups in the case of multiple activities) and the characteristics of each of them (from the perspective of the customer).
- Examples of use and effectiveness of the products, and possible simplified technical data.
- Evolution of the current and future structure of the products or services portfolio (stable, innovations, extension of the range ...).
- Status of intellectual and industrial protection.

Length: 5-8 pages max

Method/tools: BM components (solution, value proposition, unfair advantage)

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

4-Strategy and development plan

Objective: Description of the competitive and growth strategy choices made by the company to position and develop.

Content:

- Positioning (value of esteem, value of use) aimed by the company and the role in its value network (subcontractor, international operator, distributor, ...) and the situation envisaged in five years.
- Major strategic actions to reach the objectives (main steps, pace, key operations, ...) and on what the company will focus in the next three/five years.
- Key risk factors identified for the implementation of this approach and the retaliation actions or bypass scenarios considered.

Length: 6-7 pages max

Method/tools: Generic strategy typologies (Porter, Miles and Snow), growth options and modes, scenario design and evaluation (SAFe methodology) – see SKEMA Ventures blog

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

5-Marketing and sales plan

Objective: Description of the sales and marketing action plan with regards to the chosen strategy.

Content:

- Marketing plan and actions to meet market needs (targeting certain market segments rather than others, brand policy ...).
- Sales forecasts by market segment and product or group of products / services, taking into account the time of negotiation / contracting of each activity and time-to-market for new offerings.
- Preferred methods of distribution and customer retention (sales organization structure, channels, potential partnerships, communication / information, customer relationships...).

Length: 4-6 pages max

Method/tools: 4Ps, branding, clientele ABC matrix, BM components (channels, customers relationship)

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

6-Organization

Objective: Description of the organizational features that will enable the company to successfully implement its strategy.

Content:

- General organization of production (done internally or outsourced, relations and cooperation with subcontractors, ...) and justification of these choices (financially, strategically, ...).
- Supply chain, "order-to-cash" process and specific constraints (critical inventory management, payment terms, procurement, ...).
- Organizational structure, roles and responsibilities among the various key personnel, recruitment scheduled or underway.
- Emphasize the VRIN capabilities of the firm

Length: 3-4 pages max

Method/tools: BM components (key activities, key resources, key partners). Internal diagnostic of the company's SW of the SWOT.

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

7-Financial forecasts

Objective: Demonstrate the financial transcription and relevance of the forecasted strategy and BM: KFI, strategic financial ratios,

Content:

- Evolution of revenues over the next 5 years (highlighting changes, new business, launching of new products, entry in new markets, ...).
- Evolution of expenses (fixed and variable costs) and margins over the next 5 years and justifications of main developments (with reference to operational plans described above).
- Funding decisions (loans, grants, investors, ...)
- Cash flow statement and evolution of the use of funds and cash needed.
- High and low hypotheses regarding the implementation of forecasted development strategy.

Length: 3-4 pages max including financial tables

Method/tools: BM components (revenue model, cost structure), DEFI tool (see SKEMA Ventures blog), DuPont model of strategic financial ratios

2.2. THE BP FRAMEWORK (SEE GUIDELINES)

8-Appendices

Objective: Demonstrate evidences of what has been described in the BP

Content: All documents (questionnaires, survey results, tables,) that support your BP.

SK

3. THE PITCHED BUSINESS PLAN

The 14 slides of the pitched Business Plan

1. VISION/MISSION
2. BUSINESS OPPORTUNITIES
3. SOLUTION/OFFER
4. VALUE PROPOSITION/CUSTOMER BENEFITS
5. TARGETED MARKET
6. COMPETITION
7. SIMPLIFIED BUSINESS MODEL
8. GO TO MARKET STRATEGY
9. THE TEAM
10. HISTORY OF THE PROJECT
11. THE NEXT 18 MONTHS
12. KEY FIGURES
13. RISKS
14. DEMAND

Checking the 14 slides

✓ 1. Vision/Mission

Do I provide a clear (understandable) picture of our raison d'être, the role we want to play in the future, and the positioning of my business?

BeFutur Biotechnologies
Mission Statement

Our company's mission is to enhance human life through a customized care treatment approach, using advances in cells and tissues engineering.

To achieve our mission, we pledge excellence, personal respect, integrity and ethical behavior in everything we make and market. We promise to improve our products through diligent research and development, innovation and commitment to be the very best. We strive for continuous improvement in our performance, and are deeply committed to meeting the needs of our customers.

denovoSkin
Vision & Mission

Dramatically improve quality of life of patients with disfiguring, deep wounds and defects

Provide a new, minimally scarred skin which:

- has great clinical and cosmetic outcome
- grows with the patient itself, thus reducing surgery and hospitalization
- permits normal social relations



Checking the 14 slides

✓ 2. Business opportunities

Do I make the existence of a latent, imperfectly satisfied, or unsatisfied demand clear to the audience?

Business opportunities

- Skin donor-site shortage and complications
- Healing with scars
- Need multiple surgery during growth stage of patients
- Patient social adapting problems



Source: DenovoSkin, 2013

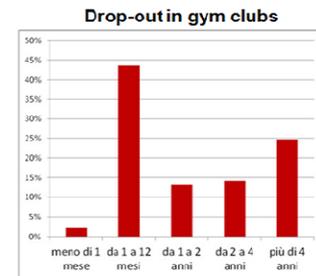
Dr. Philippe CHEREAU

Good but how big is the opportunity?
Data are missing



Business opportunity

- 44% of gym users cancel their subscription after 1 month (within 1 year)
- The top reason of drop-outs is lack of quick evident results (no motivation)
- A 2% increase in retention can deliver a 20% increase in profits



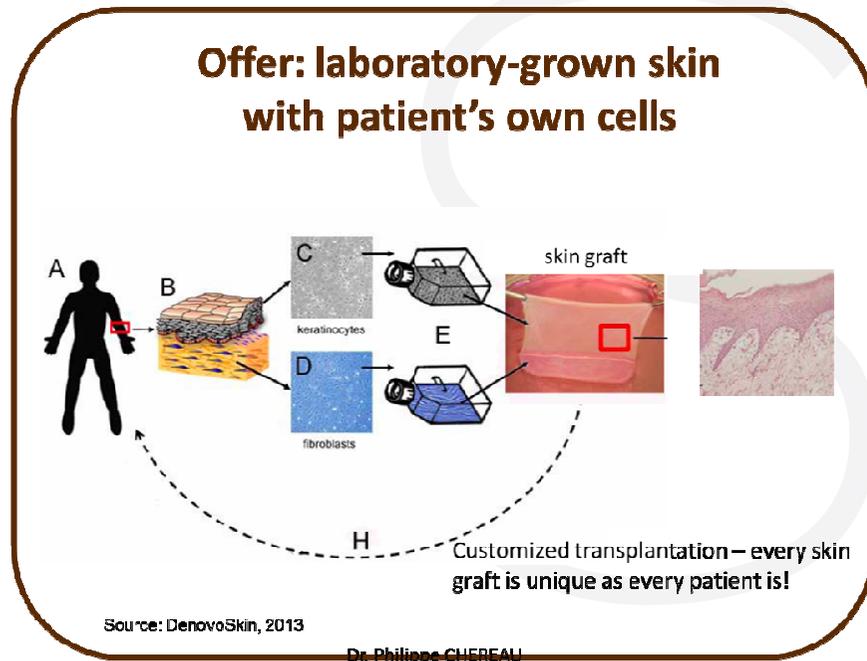
From research from Body Training Sytem, 2010

Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

Checking the 14 slides

✓ 3. Solution/offer

Do I clearly describe the offer I propose to take advantage of above mentioned opportunities? Is it understandable by non-specialists?



Solution/Offer

JUMPO is a smart and customized **high-tech** and **wearable system** which track movements of the body via wearable wireless sensors and provide you a **real-time fitness monitoring** giving feedback on a screen

Main features:

- Wearable
- Movement reconstruction
- Quantitative data collection
- Real-time feedback
- Progress tracking
- Adaptive profile
- Group sessions
- Portable
- Small and lightweight

The interface shows a user's progress with a score and progress percentage for four different activities:

Score A: 83	Progress 90%
Score B: 85	Progress 25%
Score C: 97	Progress 0%
Score D: 64	Progress 80%

The application also features a virtual reality environment where users can interact with characters like Superman and Batman.

Fitness self-monitoring system

Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

Checking the 14 slides

✓ 4. Value Proposition

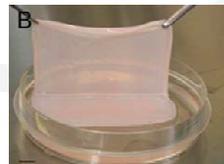
Is the benefit we offer to clients obvious? Do I make clear how different we are from existing offerings?

Value proposition of denovoSkin

- Minimize scarring
 - Reduce number of surgeries
 - Reduce hospitalization time
 - Give back self and social confidence
- Minimize donor-skin area, only 1 cm

Wound Area	Needed healthy skin from patient	
	Gold standard	denovoSkin
10 cm ²	5 cm ²	1 cm ²
20 cm ²	10 cm ²	1 cm ²

→ Dramatic reduction



- Provide surgeon-friendly skin tissue



Value Proposition

Gym clubs

- Retain customers, increase offer and profits



Users

- Reach goals, tracking your day by day progress and increasing motivation and engagement; enjoy a totally new fitness experience



Trainers

- Catch new users with a totally new and engaging technology; create tailored workouts to users and monitor their performances



Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

Checking the 14 slides

✓ 5. Targeted market

Have I characterized the market segment(s) clearly enough in order for the audience to figure out the present and future business potential and involved stakeholders (clients, users)?

Targeted marked segments

- Burn and reconstructive surgeons

Patients

- 11 million people burned need hospital care/year world wide
- Patients with reconstructive surgery need
 - 1% of newborns



- Hospital associated production site outside Europe



Good But where are these patients?
In which countries? What about the welfare systems of targeted markets

Targeted market

CONTINENT	Total industry revenues (USD)	TOTAL # OF CLUBS	TOTAL # OF MEMBERS	REVENUE/ MEMBER
United Kindom	\$5.551.053.350	5.885	7.400.000	\$750
Spain	\$5.035.570.000	5.800	7.980.000	\$631
Germany	\$5.207.839.500	6.703	7.900.000	\$659
Italy	\$3.721.021.200	7.500	5.200.000	\$716
France	\$3.179.087.856	2.940	4.000.000	\$795

[International Health, Raquet & Sportclubs Association, 2013]



entering the Italian market

First 4 companies have 7% of the market

11 Million Italians are willing to pay up to 1,2k€/yr

[Il Sole 24 Ore, 2012 – Anif Eurowellness, 2013]

OUR CUSTOMERS

- Gym clubs and sport centers
- Personal Trainers and Coaches

Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

Checking the 14 slides

✓ 6. Competition

Have I encompassed all potential competitors and their retaliation capacities (competitive positioning, substitutes, market power, barriers to entry)?

 **Fitness self-monitoring system**

Competitors

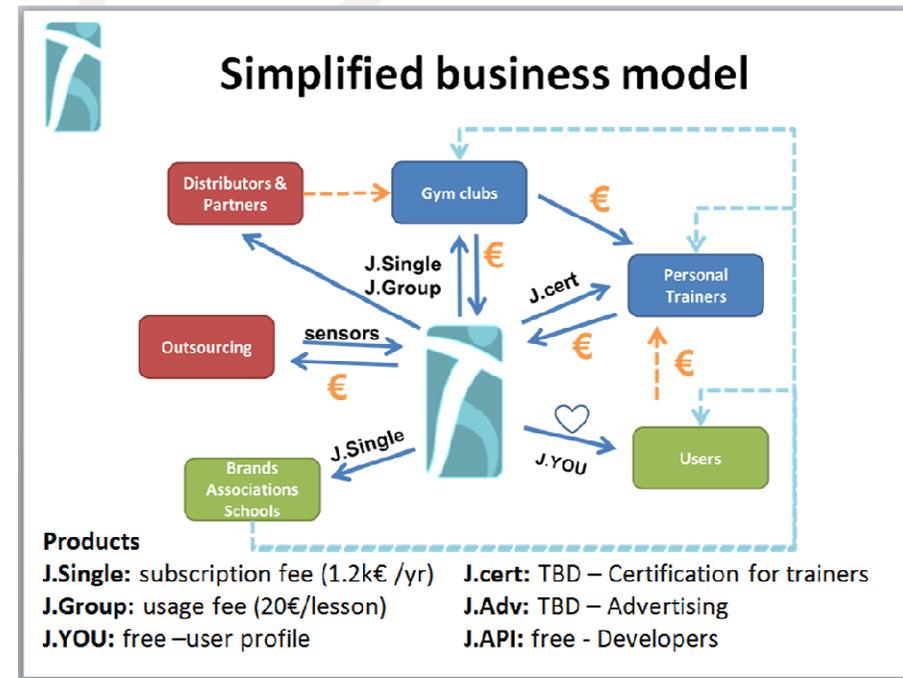
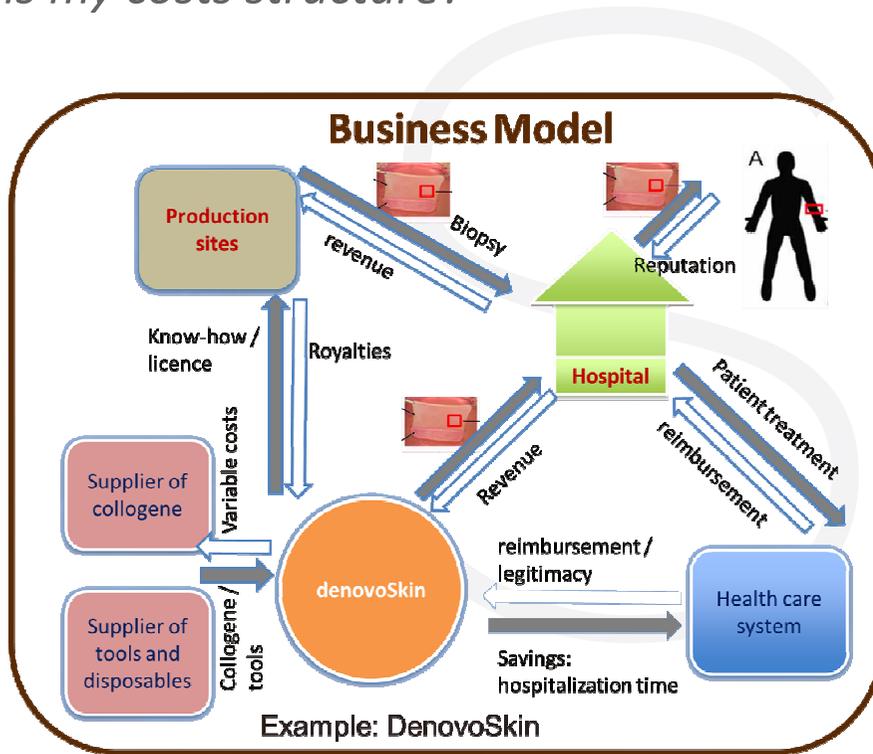
Company	Complete movement reconstruction	Track progress	Gamification	Online profiling	Group session	Realtime feedback
Polar	✗	✓	✓	✗	✓	✓
Preva	✗	✓	✗	✓	✗	✓
Exergame fitness	✗	✓	✓	✓	✓	✗
Digifit	✗	✓	✗	✗	✗	✗
Fitocracy	✗	✓	✓	✓	✗	✗
Dacadoo	✗	✗	✗	✓	✗	✗
Jumpo	✓	✓	✓	✓	✓	✓

Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

Checking the 14 slides

✓ 7. Simplified business model

Can the audience easily understand whom I sell to, who uses my product/service, who recommends it, whom I cooperate with, how do I get my revenues, and what is my costs structure?



Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

Checking the 14 slides

✓ 8. Go-to-market strategy

Have I described the various channels and steps to produce, communicate about, show, sell my offer and grow?

Go-to-market strategy

- Sales strategy: direct sales to hospitals
- Competitive strategy:
 - we offer a better product
- Development strategy
 - First focus on skin in Europe
 - Skin worldwide
 - Diversify product features

- Cooperate alliances
- Communication strategy:
 - On-site visits
 - Conferences
 - Key Opinion Leader
 - Publications
 - Media: internet, television, newspapers

Source: DenovoSkin, 2013

GO TO MARKET STRATEGY

Channel types		Channel phases					
		AWARENESS	EVALUATION	PURCHASE	DELIVERY	AFTER SALES	
OWN	Direct	Website Sales	Advertisement Word-to-mouse	Customers' opinion Presence of professionals	Website payment solution	Enjoy the trip	Community belonging
		Mobile App Sales	Communication Website	Apple store advise and comments	Purchasing Downloading	Use of the app	Community belonging

Communication

- Website & phone App
- Local events
- Recruit ambassadors & lead users

Social network



Contest game

Development strategy

We keep our core business and develop ourselves worldwide



* Annex 1

Ex.: Outpack: Customized outdoor tourism platform

Checking the 14 slides

✓ 9. The team

Have I emphasized enough why this is us and now? Is it really relevant? Is there any talent missing?



The team



Domenico Formica, PhD
CTO, Electronic Designer
10+ yrs mechatronic design



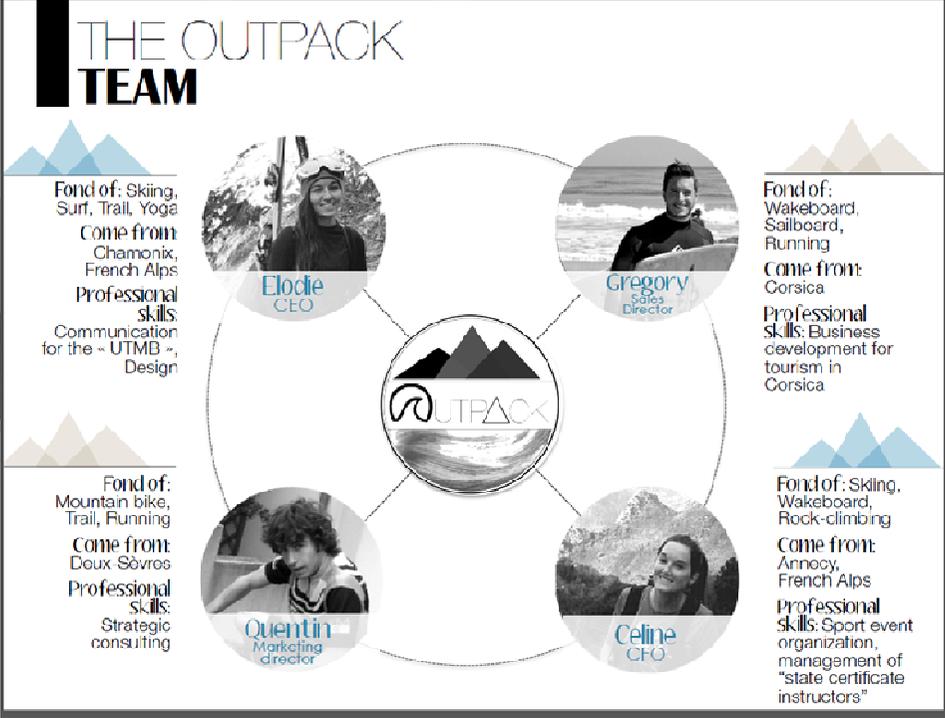
Giuseppe Cavallo, PhD
CEO, Business Developer
5+ yrs in Business Dvpt
in Medical Industry



Fabrizio Taffoni, PhD
CSO, Biomechanical Expert
8+ yrs biomechanical research

Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

THE OUTPACK TEAM



The infographic features a central circular logo with the word 'OUTPACK' and a mountain range. Four circular portraits of team members are arranged around the center, each with a text box describing their interests, origins, and professional skills.

- Elodie (CEO):** Fond of: Skiing, Surf, Trail, Yoga. Come from: Chamonix, French Alps. Professional skills: Communication for the ~ UTMB ~, Design.
- Gregory (Sales Director):** Fond of: Wakeboard, Sailboard, Running. Come from: Corsica. Professional skills: Business development for tourism in Corsica.
- Quentin (Marketing director):** Fond of: Mountain bike, Trail, Running. Come from: Deux-Sèvres. Professional skills: Strategic consulting.
- Celine (CEO):** Fond of: Skiing, Wakeboard, Rock-climbing. Come from: Annecy, French Alps. Professional skills: Sport event organization, management of "state certificate instructors".

Ex.: Outpack: Customized outdoor tourism platform

Checking the 14 slides

✓ 10. Genesis of the project

Does the track record of the project make sense? Is it reassuring?

History of project

- Track record the last 3 years: over 15 scientific papers

- Production tests within surgeons' requirement
- Regulatory and ethical approval

Example: DenovoSkin

HISTORY OF THE PROJECT

HOW DID WE MET?

Common values
BACKPACK genesis
OUTPACK pivot

QUESTIONNAIRE

Validation of our concept

QUANTITATIVE study
More than 400 answers from 18 to 65 years old people

QUALITATIVE study
Interview with few alpinism guides and outdoor sports certificate instructors

MEETING

LEAD USERS
Leo Slemett
1st Freeride World Qualifier General Ranking 2014

Michel Poletti
Director of UTMB

Frédéric Dimanche
Director of Mso Tourism

LOGO

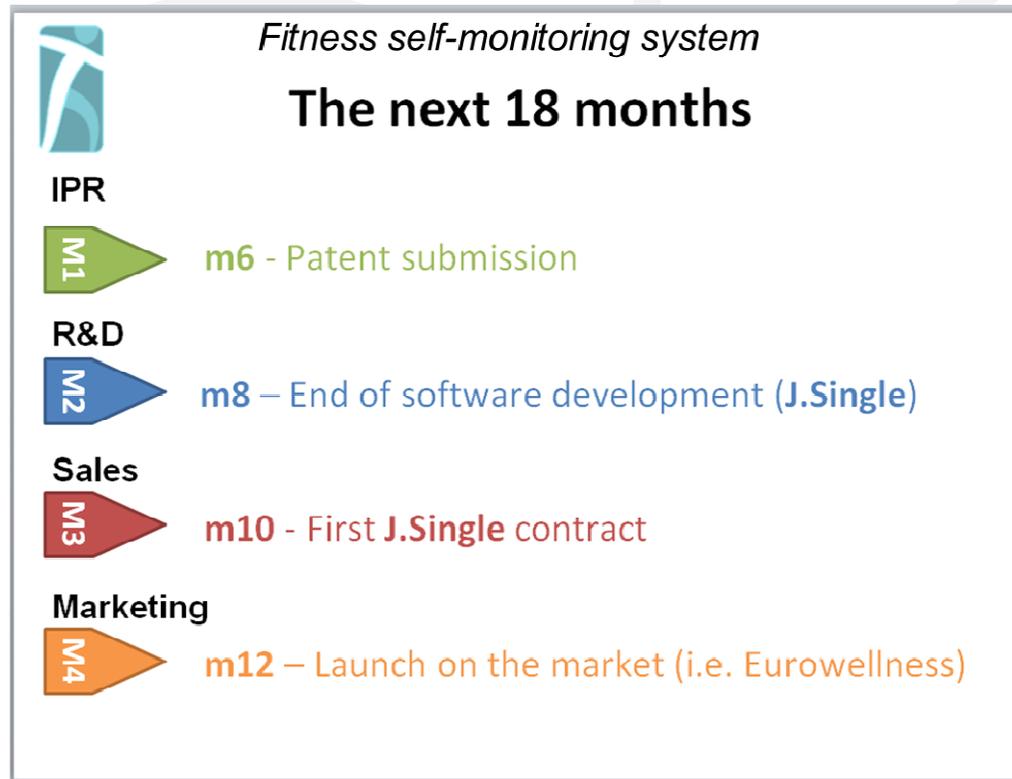
Based on 2 nature elements

Ex.: Outpack: Customized outdoor tourism platform

Checking the 14 slides

✓ 11. The next 18 months

Would the audience likely make the same choices for the near future considering what I have already introduced to them? Would they support this short-term plan?



Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

Checking the 14 slides

✓ 12. Key figures

Do I provide a realistic picture of my financial objectives? Do I need to give explanations about figures or are they crystal clear? (sales, fixed and variables costs, investments, funding decisions)

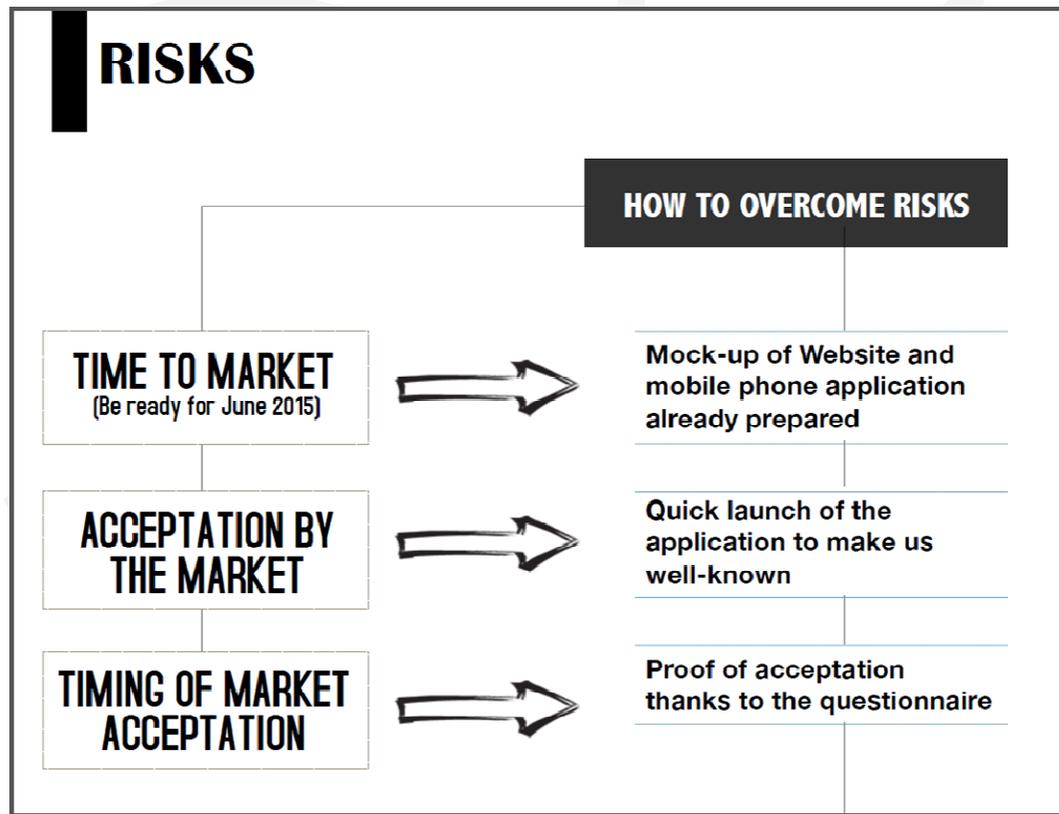
	Y0 (BEFORE LAUNCH)	Y1	Y2	Y3	Y4	Y5
Investments	63 000	75 000	125 000	250 000	375 000	600 000
Sales		480 480	1 441 440	2 402 400	3 603 640	4 804 800
Charges	85 000	433 400	976 900	1 700 400	2 665 400	3 548 200
Earnings before tax	-35 000	97 080	478 540	724 000	948 240	1 258 600
Cash at the end of year	22 000	237 838	539 630	493 635	724 176	879 856
Equity	65 000	162 080	640 620	1 314 620	2 212 860	3 421 460

Earnings before tax/sales	20,2%	33,2%	30,1%	26,3%	26,2%
Earnings before tax/equity	59,9%	74,7%	55,1%	42,9%	36,8%

Checking the 14 slides

✓ 13. Risks

Have I addressed the real risks of the project? Do I show that I am prepared to handle them? Is it reassuring?



Ex.: Outpack: Customized outdoor tourism platform

Checking the 14 slides

✓ 14. Demand

Is my demand logic? Do I phrase it in an attractive way? (They should rush to support the project !)



Fitness self-monitoring system
Demand

- **Financial resources**
 - round I 90k€ for:
 - end of development of J.Single software
 - contract top level fitness professionals for content development
 - round II 250k€ for:
 - market development
 - development of J.Group and J.Trainer
- **Network resources**
 - contacts with main fitness industry players
 - Companies (Technogym, LPG, Panatta, ecc.)
 - Associations (Eurowellness,IHRSA, ecc.)
 - Distribution channels (Decathlon, Legea, ecc.)

Source: JUMPO – Health2Market European program – Venture Academy, Rome 2015

CONCLUSION

- 1) **Strategy** predicts **Business Model** design : **Strategy-BM fit** is key !
 - 2) **BM components** structure the **formulation** of the **Business Plan**
 - 3) The **full BP** is the **story-writing** that **reflects** the coherence of the **BM**
 - 4) The **pitched BP** is the **story-telling** that **reflects** the coherence of the **BM**
- ⇒ The more aligned BM components with strategy choices, the higher the credibility of your Business Plan
- ⇒ The more aligned BM components with one another, the higher the solidity (and generated trust) of your Business Plan

