

**COURSE TITLE: ENTREPRENEURSHIP
IN MICROBIOLOGY**

Course Code: 24MICEPSC3

Course Teacher: Dr. R. Vijayakumar

Business Plan Development, Market need- Distribution, Price, Promotion and Market Goal Setting

Contents

1. Explain the purpose of a business plan.
2. Describe who reads a business plan and what they're looking for.
3. Discuss the guidelines to follow to write an effective business plan.
4. Identify & describe a suggested outline of a business plan.
5. Explain how to effectively present a business plan to potential investors.

What is a Business Plan?

- **Business Plan:** A business plan is a written narrative, typically 25-35 pages long, that describes what a new business plans to accomplish.
- **Dual-Use Document:** For most new ventures, the business plan is a dual-purpose document used both inside & outside the firm.

Who Reads the Business Plan? What Are They Looking For?

There are two primary audiences for a firm's business plan

Audience	What They are Looking For
A Firm's Employees	A clearly written business plan helps the employees of a firm operate in synchronize and move forward in a consistent and purposeful manner.
Investors & other external stakeholders	A firm's business plan must make the case that the firm is a good use of an investor's funds/the attention of others.

Guidelines for Writing a Business Plan

- **Structure of the Business Plan**

- To make the best impression, a business plan should follow a conventional structure, such as the outline for the business plan shown in the chapter.
- Although, some entrepreneurs want to demonstrate creativity, departing from basic structure of the conventional business plan is usually a mistake.
- Typically, investors are busy people and want a plan where they can easily find critical information.

Guidelines for Writing a Business Plan (Contd...)

- **Structure of the Business Plan (Contd...)**

- **Software Packages**

- There are many software packages available that employ an **interactive, menu-driven approach** to assist - writing of a business plan.
 - Some of these programs are very helpful.
 - However, entrepreneurs should avoid a **boiler-plate plan** that looks as though it came from a “**canned**” source.

- **Sense of Excitement:** Along with facts & figures, a business plan needs to project a **sense of anticipation & excitement about the possibilities** that surround a new venture.

Guidelines for Writing a Business Plan (Contd...)

• Content of the Business Plan

- The business plan should **give clear & concise information on all the important aspects** of the proposed venture.
- It must be long enough to provide sufficient information yet short enough to maintain reader interest.
- For most plans, 25-35 pages is sufficient.

Types of Business Plan

1. Summary of business plan
2. Full business plan
3. Operational business plan

Guidelines for Writing a Business Plan (Contd...)

- **Recognizing the Elements of the Plan May Change**
 - It's important to recognize that the plan will **usually change while written.**
 - **New insights invariably emerge** when an entrepreneur/a team of entrepreneurs immerse themselves in writing the plan & start getting **feedback** from others.

Outline of Business Plan

- Most business plans **do not include all the elements introduced in the sample plan;** we include them here for the purpose of completeness.
- Each entrepreneur **must decide which elements to include in his/her plan.**

Section 1: Executive Summary

Is a **short overview** of entire business plan.

- It provides a busy reader with everything that needs to be known about the new venture's distinctive nature.
- An executive summary **shouldn't exceed two single-spaced pages**.
- Even though the executive summary appears at the **beginning of the business plan**, it should be **written last**.
 - The plan itself will evolve as it's written, so not everything is known at the outset.

Section 1: Executive Summary

- In many instances, an investor will ask for a copy of a firm's executive summary and will ask for a copy of the entire plan only if the executive summary is **sufficiently convincing**.
- The executive summary, then, is **arguably the most important section of a business plan**.

Key Insights

Section 2: Industry Analysis

- This section should begin by describing the industry the business will enter in terms of its size, growth rate, & sales projections.
- Items to include in this section:
 - Industry size, growth rate and sales projections.
 - Industry structure.
 - Nature of participants.
 - Key success factors.
 - Industry trends.
 - Long-term prospects.

Section 2: Industry Analysis

- Before a business selects a target market, it should have a **good grasp of its industry-including where its promising areas are and where its points of vulnerability are.**
- The company participates in largely defines the playing field that a firm will participate.

Key Insights

Section 3: Company Description

This section begins with a general description of the Company.

– Items to include in this section:

- **Company description.**
- **Company history.**
- **Mission statement.**
- **Products & services.**
- **Current status.**
- **Legal status & ownership.**
- **Key partnerships (if any).**

Section 3: Company Description

Key Insights

- While at **first glance** this section may seem **less important** than the others, it is **extremely important**.
- It **demonstrates** to your reader that **you know how to translate an idea into a business**.

Section 4: Market Analysis

- The market analysis breaks the industry into segments and zeros in on the specific segment (or target market) to which the firm will try to appeal.
- Items to include in this section:
 - **Market segmentation & target market selection.**
 - **Buyer behavior.**
 - **Competitor analysis.**

Section 4: Market Analysis

- Most start-ups do not service their entire industry. Instead, they focus on servicing a specific (target) market within the industry.
- It's important to include a section in the market analysis that deals with the **behavior of the consumers** in the market. The more a start-up knows about the consumers in its target market, the more it can **tailor its products/services** appropriately.

Key Insights

Section 5: The Economics of the Business

This section addresses the **basic logic of how profits are earned** in the business and **how many units of a business's profits must be sold** for the business to “break even” and then start earning a profit.

- Items to include in this section:
 - Revenue drivers & profit margins.
 - Fixed and variable costs.
 - Operating power and its implications.
 - Start-up costs.
 - Break-even chart and calculations.

Section 5: The Economics of the Business

Key Insights

- Two companies in the same industry may make profits in different ways. One may be a **high-margin, low-volume business**, while the other may be a **low-margin, high-volume business**. It's important to check to make sure the approach you select is sound.
- **Computing a break-even analysis** is an extremely useful exercise for any proposed/existing business.

Section 6: Marketing Plan

The marketing plan focuses on how the business will market and sell its product/service.

– Items to include in this section:

- Overall marketing strategy.
- Product, price, promotions & distribution.
- Sales process (or cycle).
- Sales tactics.

Section 6: Marketing Plan

Key Insights

- The best way to describe a start-up's marketing plan is to start by articulating its **marketing strategy**, **positioning**, and points of **differentiation**, and then talk about how these overall aspects of the plan will be supported by **price**, **promotional mix**, and **distribution strategy**.
- It's also important to discuss the company **sales** process.

Section 7: Design and Development Plan

If you're developing a completely new product/service, you need to include a section in your business plan that focuses on the **status of your development efforts**.

– Items to include in this section:

- Development status and tasks.
- Challenges and risks.
- Projected development costs.
- Proprietary issues (patents, trademarks, copyrights, licenses, brand names).

Section 7: Design and Development Plan

Key Insights

- Many seemingly promising start-ups never get off the ground because their product development efforts stall/the **actual development of the product/service turns out to be more difficult than thought.**
- As a result, this is a very important section for businesses **developing a completely new product/service.**

Section 8: Operations Plan

Outlines **how your business will be run and how your product/service will be produced.**

- A useful way to illustrate how your business will be run is to describe it in terms of “back stage” (unseen to the customer) and “front stage” (seen by the customer) activities.
- Items to include in this section:
 - General approach to operations.
 - Business location.
 - Facilities and equipment.

Section 8: Operations Plan

Key Insights

- You have to **strike a careful balance between adequately describing this topic and providing too much detail.**
- As a result, it is best to keep this section **short and crisp.**

Section 9: Management Team and Company Structure

The management team of a new venture typically consists of the **founder/founders and a handful of key management personnel.**

– Items to include in this section:

- Management team.
- Board of directors.
- Board of advisers.
- Company structure.

Section 9: Management Team and Company Structure

Key Insights

- This is a **critical section** of a business plan.
- Many investors and others who read the business plan **look first at the executive summary and then go directly to the management team section to assess the strength of the people starting the firm.**

Section 10: Overall Schedule

- A schedule should be prepared that shows the major events required to launch the business.
- The schedule should be in the format of **milestones** critical to the business's success.
 - Examples of milestones:
 - Incorporating the venture.
 - Completion of samples.
 - Rental of facilities.
 - Obtaining critical financing.
 - Starting production.
 - Obtaining the first sale.

Section 10: Overall Schedule

Key Insight

- **An effectively prepared and presented schedule can be extremely helpful in convincing potential investors that the management team is aware of what needs to take place to launch the venture and has a plan in place to get there.**

Section 11: Financial Projections

The final section of a business plan presents a firm's pro forma (or projected) financial projections.

– Items to include in this section:

- Sources and uses of funds statement.
- Assumptions sheet.
- Pro forma income statements.
- Pro forma balance sheets.
- Pro forma cash flows.
- Ratio analysis.

Section 11: Financial Projections

Key Insights

- Having completed the earlier sections of the plan, it's easy to see why the financial projections come last.
- They take the plans you've developed and express them in financial terms.

Presenting the Business Plan to Investors

- **The Oral Presentation**

- The first rule in making an oral presentation is to follow directions. If you're told you have 15 min., **don't talk for more than the allotted time.**
- The presentation should be **smooth and well-rehearsed.**
- The slides should be **sharp and not cluttered.**

- **Questions & Feedback to Expect from Investors**

- The smart entrepreneur has a good idea of the questions that will be asked, and will be prepared for those queries.

Presenting the Business Plan to Investors

Twelve PowerPoint Slides to Include in an Investor Presentation

1. Title Slide
2. Problem
3. Solution
4. Opportunity and target market
5. Technology
6. Competition
7. Marketing and sales
8. Management team
9. Financial projections
10. Current status
11. Financing sought
12. Summary

Market need

- Market needs refer to **the functional needs, desires and goals of a target audience.**
- A company may **identify** an area of the market with **unmet needs and create a product/service** that addresses them.
- If that audience has a large amount of need, the company may receive a **significant profit.**

Distribution strategy

- You'll need to **assess** your company's distribution capabilities.
- Include the **results of your assessment** in the company description portion of your business plan.
- In your marketing plan, **brief** the marketing strategy section of your business plan — **describe how distribution supports your marketing goals & objectives.**

Pricing strategy

- One of the decisions **most crucial to business success involves pricing your products.**
- You need to arrive at prices that cover all costs and deliver a reasonable profit margin, while also hitting the sweet spot of what customers are willing to pay for the value they believe they receive from the purchase.
- To get your pricing right, you need to match your prices to the image of your business and the nature of your clientele (you can't charge premium prices if you've established your business as a middle-of-the-road option), while also covering your production and operational costs and delivering the profits necessary for your business survival.

Your promotion strategy

- The description of your *promotion strategy* tells how you'll **communicate your marketing message to prospective customers**.
- In your marketing plan, **provide a complete outline** of your promotion strategy, including a detailed description of your **target customer, your market area, your marketing message**, the creative approach you'll use to convey your message and advance your **brand image**, the **media channels** you'll employ to reach prospective customers, and the budget you've allocated to get the job done.

Tip: In the marketing section of your business plan, **summarize your promotion strategy**, taking care to describe how it supports the product, pricing, and distribution strategies your business will follow over the business plan period.

- When appropriate, include samples of marketing materials (letterhead, business cards, website screens, brochures, and so on) in the appendix of your business plan.
- Samples aren't necessary, but if you have professionally produced materials that contribute to a good, strong image of your company, their inclusion in your plan will contribute to the favorable impression that readers take away from your business plan.

Marketing goal setting

- One of the most important things that you need to do when it comes to marketing is to **set effective goals**. This is because **without setting clear objectives, it can be really hard to measure your progress and truly analyze whether or not your efforts are helping your business** in any way.
- With this in mind, we've put together a guide for how to set effective marketing goals. **Continue reading** to learn more about setting marketing goals and check out examples of marketing objectives.

Why set marketing goals?

- Setting clear & attainable marketing goals will **help to focus your efforts**, allowing you to **easily measure your progress and determine whether or not your marketing campaigns are successful**.
- Additionally, setting goals will help you **to establish priorities, stay motivated, and reach your business objectives more quickly**. Overall, setting effective marketing goals is an **essential part of any successful marketing strategy**.
- Of course, setting marketing goals is one thing—tracking them is another. A [CRM solution](#) like Mailchimp can enable you to successfully track your goals. This can help you **to easily analyze the data that you're collecting and determine whether or not your marketing campaigns are truly helping your business**.

How to set marketing targets?

- When developing marketing goals each year, think about examples of marketing objectives. You need clear metrics so that they are measurable. For example, **increased website traffic** can be measured in several ways, including **unique visitors or page views**. Not all objectives must be directly related to your organization's revenue generation.
- **Brand awareness**, for instance, focuses more on building up authority and awareness. As a result, other marketing metrics (beyond just ROI) might be more appropriate to measure this goal. These could include things like [social media engagement](#) or the number of press mentions your company receives.
- To learn more about how to set marketing targets that benefit your company, check out the tips we've listed below.

Understand your business objectives

- Your marketing goals should align with and support your business objectives. For ex.: if your primary objective is **to increase revenue**, then a goal may be to reach **more customers /improve customer retention rates**.
- A common mistake that many marketers make when setting marketing goals is to **focus solely on short-term results rather than long-term success**. Therefore, it is important to develop goals that are **both long-term and short-term**, such as the following:
 - **Improve brand awareness among potential customers** by a certain percentage.
 - **Increase website conversions** by a certain percentage.
 - Generate a specific amount of leads for your sales team within a specified time frame.
 - Set **realistic goals and time frames**. It is important to set realistic marketing targets that you feel confident can be achieved. **Avoid setting goals that are vague or unrealistic**, such as "be the best in the **industry**" or "**increase sales.**" Similarly, be sure to set appropriate time frames for your goals, so you can follow your progress and stay on track with your marketing efforts.
 - When it comes to long-term success in marketing, **consistency is key**. Once you have set your goals, it is **important to stick to them and not get sidetracked by other opportunities that arise**.

Create a marketing strategy

- Your marketing strategy will be the **foundation for your goals**, so it's important to **develop a sound plan before setting any targets**. When creating your strategy, **be sure to consider your target audience, budget and objectives**.
- A content marketing strategy should include goals for both the types of content you will create and specific performance metrics that are tied to those goals. For example, **if your goal is to increase leads, one metric might be email signups /opt-ins on a landing page**.
- A key component of any marketing strategy is **tracking your results and analyzing whether or not your efforts are working**. That means looking at **marketing analytics and conducting regular reviews**. [Marketing analytics](#) tools can help you track progress against your goals and objectives, as well as identify any **areas that need improvement**.
- Reviewing your results on a regular basis will help you to make **necessary adjustments to your strategy and ensure that you are on track to achieve your targets**.

Be realistic

- Marketing goals that are **too difficult will become demoralizing when you fail to achieve them**. Set yourself up for success by setting goals that are ambitious but achievable.
- Examples of unrealistic goals may **include doubling your website traffic in a month, increasing leads by 50% in 3 months, or getting on the first page of Google searches within 6 months**. Instead, try setting realistic goals such as:
 - **Increasing social media followers by 10% each month**
 - **Improving website conversions by 5%**
 - **Building relationships with 5 new influencers**

Set specific goals

- Make sure your targets are specific. Marketing goals need to be **as specific as possible** in order to be effective. For example, rather than setting a goal to “increase website traffic,” set a goal to **“increase website traffic by 10% within the next month.”**

Examples of non-specific goals include:

- Generate more leads
- Sell more products
- Get more website visitors
- Increase brand awareness

Some examples of specific goals are:

- Acquire 50 new customers in the next 3 months
- Grow email list subscribers by 10% each month for the next 6 months

Commit to a deadline

- If a goal doesn't have a deadline, it's **easy to push it off indefinitely**.
- In order to ensure that you stay on track, set a timeline for each of your targets. This will help you to **stay focused and motivated** as you work to achieve your goals.
- Additionally, setting a **specific deadline makes it easier to hold yourself accountable**.
- Ultimately, the key to success when setting marketing targets is to be realistic and specific, with clear objectives and a deadline for each goal.
- By doing so, you will **be able to create an effective marketing strategy** that can help you achieve your business objectives over time.

Examples of marketing goals

- One of the most important things that you need to do when setting marketing goals is **to understand your business objectives**. This involves understanding the current state of your business, as well as where you want it to be in the future. Once you have a clear understanding of your business's needs and goals, you can then create a marketing strategy that aligns with these objectives.
- **Some common marketing goals** include increasing brand awareness, generating leads, boosting sales, and improving customer loyalty. However, it's important to tailor your goals to fit the specific needs of your business.
- Below, we go over some examples of marketing goals in order to provide you with some inspiration and help you with your own goal-setting.

Increase web traffic

- One of the most common marketing goals is to increase traffic to your company website. This can be done by improving your [search engine optimization \(SEO\)](#) strategy, **creating high-quality content that encourages visitors to share and link back to your website**, and **building an email list of potential customers**.
- To increase web traffic, start by **researching the keywords** that potential customers are using to find businesses like yours.
- Once you've identified a few target keywords, **integrate them into your website's content** and make sure your site is optimized for search engines.
- Additionally, **create social media accounts** and share your content on these platforms to reach a wider audience.
- Finally, consider building an email list of potential customers so you can send them updates on your latest products and services.

Grow social media following

- Another common marketing goal is to increase your social media following. This can be done by consistently **posting high-quality and engaging content, running social media ads, and joining relevant industry groups or forums.**
- Social media can be challenging. To grow a social media following, start by identifying which platforms your target audience is using. Once you've determined where they are hanging out online, create a content strategy that provides value and resonates with them.
- Additionally, use social media ads to reach a wider audience, and consider joining relevant groups or forums where you can add value to the conversation.

Generate high-quality leads

- A lead is a potential customer who has shown interest in your product /service. A high-quality lead is someone who is likely to become a paying customer.
- To [generate leads](#), you can run ads targeting potential customers, create gated content such as [eBooks/white papers](#), and offer free trials of your product /service.
- You can court high-quality leads by running ads on platforms where your target audience can be found.
- Additionally, create gated content like eBooks or whitepapers that require an email address to access. This will help you to grow your email list while also providing valuable information to potential customers.
- Finally, offer free trials of your product /service so leads can experience the value firsthand.

Improve search engine rankings

- Your website's position in the [search engine results pages \(SERPs\)](#) can have a big impact on your business. To improve your rankings, you can optimize your website for relevant keywords, create high-quality backlinks, and improve your overall SEO strategy.
- Search engine rankings have consistently been a challenge for many organizations. Avoid tactics such as "keyword stuffing", this can actually hurt your rankings, as search engines will penalize you for keyword stuffing.
- Instead, focus on creating high-quality content that uses your target keywords naturally.
- Additionally, build backlinks to your website from high-quality websites, and make sure your website is optimized for mobile devices.
- There are many different marketing goals that businesses can focus on to improve their bottom line.
- One of the most common goals is to increase web traffic, which can be accomplished by improving your SEO strategy, creating high-quality content to encourage sharing and linking back to your website, and building an email list.

Final notes

- Setting effective marketing goals is one of the key parts of creating any successful marketing strategy.
- By focusing on clear objectives and developing realistic strategies, you can work towards achieving your business goals more quickly and efficiently.
- If you are struggling to develop effective marketing goals for your business, consider working with experts and investing in the right technology.
- Mailchimp is an all-in-one marketing platform that can help your company pursue its marketing goals, by creating targeted campaigns, running digital ads, and tracking analytics.
- Try Mailchimp today to get one step closer to reaching your marketing goals.