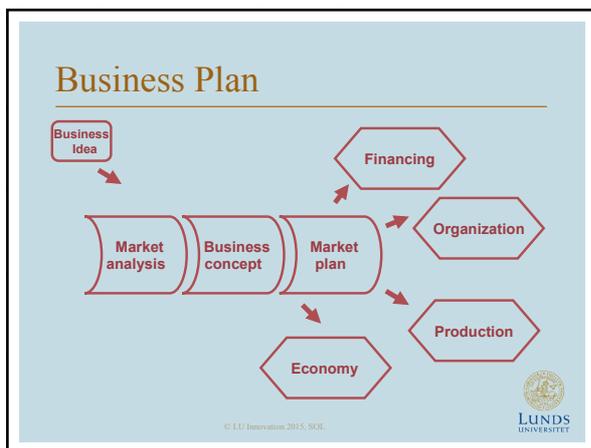


Market Analysis and Business Plan

The Market Analysis is a part of the Business Plan
That is where it all begins...



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Why do we need a business plan?

- » Describe goals internally, externally
- » Answer all kinds of questions
- » Different target audience
- » Dynamic document
- » Helps in the decision-making process

Writing a business plan, makes you think through the business idea thoroughly.



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Target groups

- » Investors
- » Customers
- » Suppliers
- » Potential board members, key persons
- » Control document for management, staff
- » Bank, Auditor, Partners, Distributor

Note! Usually different versions



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The decision process

- » First an emotional decision...
- » ...then "Cognitive motivation"
 - » Nano robots that clean blood vessels
 - » Car tires that never wear out
 - » Powder that eliminates contaminations and salt from water
 - » Activated nano particles that eliminates virus
 - » Bacteria that produce snow
- » The Elevator Pitch



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The elevator pitch

- » Limited amount of time
- » Seize the opportunity when it comes
- » Create interest
- » Communicate the essentials
- » Give an easy-to-remember summary


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Communicating what ?

- » Business ideas
 - Customers
 - Investors
- » Applying for funds
- » Making a scientific speech
- » Applying for a job
- » ...


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The Elevator Pitch

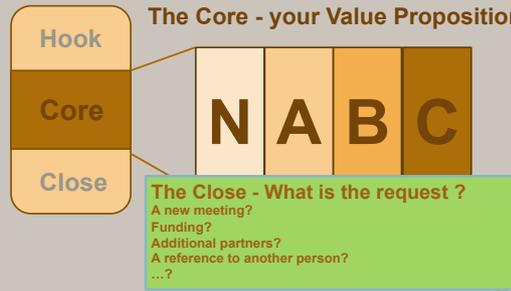


The Elevator Pitch – three parts

The Hook - Create interest:
 Ex.
 "Are you having trouble hearing? You are not alone."
 "More than two thousand ideas have been patented for new mousetraps and only two are really used."
 Tell a story


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The Elevator Pitch



The Core - your Value Proposition

The Close - What is the request ?
 A new meeting?
 Funding?
 Additional partners?
 A reference to another person?
 ...?


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NABC

- » Important **Need**
 - What problem do we solve ?
 - Define the playing ground, state of the art
 - Provide facts, scientific background
- » Our unique **Approach**
 - How do we solve the problem ?
 - What is our approach for addressing the need


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NABC

- » **Benefit** per cost
 - What is the user benefit ?
 - What is the superior customer value ?
 - How does it compare to the cost ?
- » **Competition** and alternatives
 - Who are the competitors ?
 - What alternatives are available ?
 - Now ? In the future?


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Pitfalls

- Do not concentrate on the approach
 - nAbc
 - NabC
- Do not just say "faster", "cheaper", "better"
 - Be specific and quantitative
 - If you don't know, guess - take a "SWAG"
- Do not forget the Close
 - What do you want to achieve? Next step?
- Iterate, iterate, iterate ...

N: What the world needs is a little red wagon
A: Our approach is to build a little red wagon
B: The benefits are that we will have a little red wagon
C: There is no competition, since our wagon is a nice shade of red.

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The Business Model Canvas (the BMC)

The diagram shows a 9-block Business Model Canvas. The top row contains Key Partners, Key Activities, Value Proposition, Key Resources, Channels, Customer Relationships, and Customer Segments. The bottom row contains Cost Structure and Revenue Streams.

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The Business Model Canvas (the BMC)

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The Business Model Canvas (the BMC)

The diagram shows a Business Model Canvas for Apple. Key Partners (KP) include record companies, OEMs, and content providers. Key Activities (KA) include hardware design, marketing, and Apple brand. Value Proposition (VP) includes seamless music experience, iPod hardware, and iTunes software. Key Resources (KR) include people, manufacturing, and marketing. Channels (CH) include retail stores, Apple stores, and iTunes store. Customer Relationships (CR) include switching costs. Customer Segments (CS) include mass market, Apple.com, and some music revenues. Revenue Streams (RS) include iTunes store and some music revenues. Cost Structure (CS) includes people, manufacturing, and marketing.

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Part 1

LUNDS UNIVERSITET MARKET ANALYSIS

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Market Analysis

- The Market
- The Customers
- The Competitors
- The Market strategies

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A. The Market

1. The Present situation
2. The Future
3. Trends



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A1 Market – The Present situation

- » Description
 - Consumer clients/ Business clients
 - » B2A, B2B, B2C, B2D, B2G
 - Conservative/Dynamic
 - Size, potential growth
 - Segments, Target groups, Localization
 - Delimitation of the market
 - Other properties
- » The positioning
 - Present situation
 - Target positioning



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A2 Market – The Future

- » Maturity
- » Market share, forecasts
- » Threats?
 - How to overcome?
- » Specific opportunities, potentials
- » Factors that influences the development



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A3 Market – trends

- » Fashion trends
- » Seasonal dependence
- » Market dependence
 - Boom, recession, ...
- » Other visible trends
 - Advantages
 - Disadvantages



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B Customers

1. Customers, general
2. Most important customer(s)
3. Customer benefit



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B1 Customers, general

- Where are the customers?
- How many?
- How dependent is the company of (a) certain customer(s)?
- Customer's decision process
- Capability to pay
- Price sensitivity, purchase amount
- How to tie the customer to the company?
 - » Contract, subscription, updates



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B2 Most important customer(s)

- » Which customers are the most important?
- » Few customers, how to handle the risk?
- » How is the customer dependent on the Company?
- » Describe the sales process



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B3 Customer benefit

- » What need do we satisfy? (*"Important problem"*)
- » How are we better than the competitors?
- » How do we get feedback from the customers?
- » What alternatives does the customer have?



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C The Competitors

1. Who are the competitors?
2. Competing products, offers
3. Rights, patents, licenses
4. Reactions from the competitors when the product is launched



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C1 Who are the competitors?

1. Who are the main competitors?
 - Owners
 - Turnover, Sales volume, profitability, debts
 - Weaknesses, previous mistakes
 - Distribution channels
 - Price, offer, service



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C2 Competing products

- » Offer
- » Product function
- » Reliability, durability
- » Environmental impact, sustainability
- » Design
- » Delivery reliability
- » Service
- » Price
- » Financing (leasing, interest free purchase)



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C3 Rights, patents, licenses

- » Trademarks
- » Registered design
- » Copyright
- » Patent
- » Licenses
- » Goodwill
- » Reputation

No patent is stronger than the one who defends it



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C4 Reactions at product launch

- » Prepare for counter action
- » Price reduction
- » Suppliers
- » (Counter-)Market campaigns



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D The Market strategies

1. Business model
2. Pricing
3. Sales
4. Distribution
5. Service
6. Marketing



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D1 Business model, examples

- » Printers, color cartridges
- » Elevators
- » Cellular phones
- » TetraPak
- » ECOS, heater process control
- » Leasing
- » Christer Ericsson fixation belt
 - » $24kr * 135\% = 32,40$ cp. 175kr -> 167,25



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D2 Pricing

- » Market price
- » Penetration pricing
 - (Low price for vast spreading)
 - Example: Media Markt?
- » Skimming pricing
 - (High price at start for high gros margin)
 - Example: Apple, Cars, Hi-Tech
- » Difficult to increase price significantly
 - (Easy to decrease discount)



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D3 Sales

- » Build global sales organization (expensive)
- » Whole sale dealer, Agents, Retailers
- » Web shop, Mail-order
- » Segmentation
 - Geographic division
 - Customer type
 - Submarket
- » Exclusive contract
 - combine with minimum quantities



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D4 Distribution

- » Retailer
- » Agents
- » Franchising
- » Whole sale dealer
- » Shops (owned by the company)
- » Employed salespersons
- » Web shop, mail order
- » Call center



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Margins, retailer

Medicine	33%
Textile fabrics	50%
Sports equipment	30-40%
New cars	10-16%
Cellular phones	10-20% (previously 50%)
Supermarket (groceries)	25-30%



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Margins, whole sale

Medicine	9%
Groceries and beverages	5%



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Margins, manufacturer

Medicine	58%
Computers (PC)	10-15%
Apple (previously)	50%
Computers (servers)	20-25%

Source: Affärsplanering - en handbok för nya tillväxtföretag, McKinsey&Company, Ekerlids förlag, 2005



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D5 Service

- » Service level important for re-purchase frequency
- » Who makes the service
 - Supplier
 - Retailer
 - The Company
- » Quality of service
- » Post market



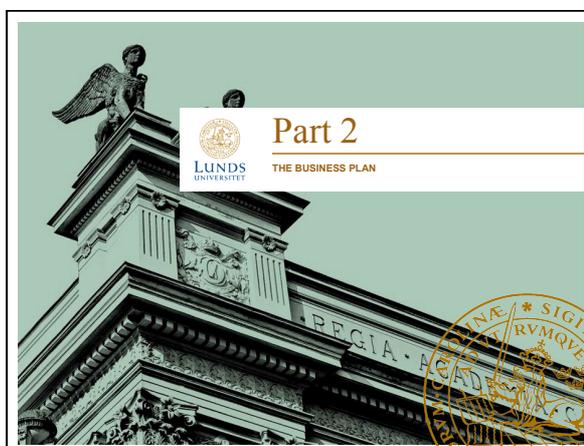
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D6 Marketing

- » Conventional Advertisement
 - Papers, periodical, radio, TV, The Internet
- » Direct marketing
 - Direct mail, telephone sales, The Internet
- » Media
 - Editorial articles, press releases, directed information
- » Exhibitions and fairs
- » Customer visits



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The Business Plan

Shaping
Disposition
Contents



Shaping

- » Max 25 pages (VentureCup: Max 15)
- » Keep a simple language
- » Focus on essentials
 - What do you want to communicate?
- » Facts, state the references
- » Always stick to the truth
- » Be "down-to-earth" and tangible
- » Practice the presentation
- » Let "external" people read and give feedback

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The business shall attract investors

- » Truthful
- » Vigorous
- » Comprehensible
- » Tangible
- » Fact supported
- » Well edited

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Disposition

Summary	6. Owners
1. Business Concept	7. Production
2. Management	8. Economic overview
3. Products	9. Realization
4. Market Plan	Supplements
5. Organization	

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Disposition

Vision	7. Key Resources
1. Business Idea	8. Key Partners
2. Background	9. Cost Structure
3. Business model	10. Competitors
Extended BMC	11. Trends
4. Value proposition	12. Team & org
5. Customer Segment	13. Implementation
Distr./Relation/Revenue	14. Profitability & Finance
6. Key Activities	15. Risk analysis

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Focus

- » Idea, Appetizer, the Elevator pitch
- » Customer benefit
- » Management
- » Exit

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Supplements

1. Income statement
2. Balance sheet
3. Liquidity Plan
4. Finance
5. Technical descriptions

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Literature

- » Så skriver du en vinnande affärsplan
 - en praktisk handledning
- » How to succeed in Sales and Marketing
 - Advice for start-up companies
 - www.connectsverige.se
- » Affärsplanering
 - En handbok för nya tillväxtföretag
 - McKinsey&Company, Ekerlids förlag

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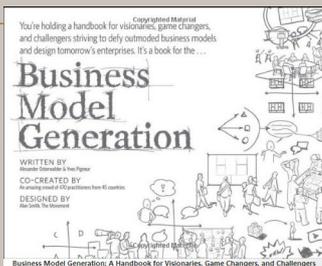


BMC

Business Model Generation: A handbook for Visionaries, Game Changers, and Challengers.

Alexander Osterwalder and Yves Pigneur,

John Wiley & Sons

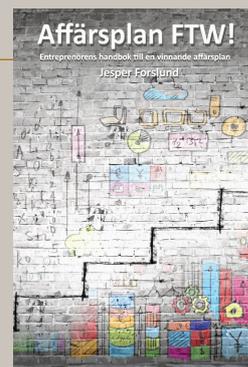


Venture Cup

Affärsplan FTW

Jesper Forslund

Lean Publishing 2014

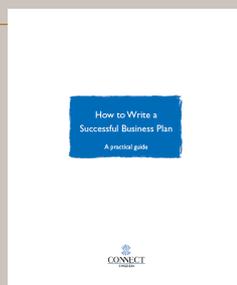


English version

» How to write a...

Available at

www.connectsverige.se



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That's it!



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more questions ...?