eServices Europa

Business plan development

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AGENDA

• Why speaking about business planning (BP)?
• Business Plan, IPR and exit strategy for EU funded projects
• The objective of a Business Plan
• BP overall structure
• The importance of the Marketing Plan (MP)
• Different exit strategies for EU funded projects
• Resources available on BP
Let start with an example

- Creation of a Financial Facility to support Innovative Companies in the Mediterranean Region.
  - Based on a study identifying a potential deal flow of 4000 start-up projects
  - Consortium of a VC company, an association for consultancy and Web-based application provider
- Initial pilot project funded through the EC
Why speaking about business planning (BP)?

- **Research**, or how to transform resources into knowledge
- **Innovation**, or how to transform knowledge into resources
Business Plan, IPR and exit strategy for EU funded projects

- We are looking for sustainable results
- Project must capitalise on the created knowledge
- IPR is the heart of the Business model of Innovative projects
- The project should put itself clearly inside the value chain of the sector

This is the role of the business Plan
The integration of the IPR in the production process

Source: The innovation funnel
Example of Value Chain

Value Chain for Health sector - example

- **Prevention**
  - Study
  - Planning
  - Information
  - Observatory
  - Risk analysis, R&D on new diseases
- **Detection of disease**
  - Design of:
    - Equipments
    - Medicaments
    - etc.
  - Management of treatments
  - Organisation of health care:
    - Infrastructure
    - Administration
    - Doctors
- **Treatment**
  - Financing
  - HRM
    - Education
    - Training
    - Carriers
    - etc.
- **Follow-up**
  - Information, Communication
  - Management of treatments

**Parties Involved**
- Private professionals
- Public health care institutes
- Insurances
- Ill people
- Relatives
- Citizens
Objectives of a Business Plan

• To convince potential lenders or investors to provide financial backing

But also
• A blueprint and step-by-step instructions on how to **translate your idea** into a **profitably marketed service or product**

• It can corresponds to:
  – a reality check
  – your business's resume,
  – a timetable for operations,
  – a modelling tool
  – a vehicle for tracking the progress of your business
  – a blueprint against which you can adjust operations
  – a starting point for future planning
A business plan for whom?

• Internal audience
  – The owner
  – The staff

• External stakeholders
  – The lenders or investors
  – Clients
  – Suppliers
  – Partners
  – Institutions and administrations
  – Society

See chapter “E3. The stakeholders of a business and their perspectives” of Medibtikar Entrepreneurs’ manual
The key aspects

• What is a striking business plan:
  – It tells a **development story** and **creates empathy**
  – It demonstrates the **capability to deliver** within a difficult (adverse?) environment
  – It shows how you will **deliver valuable outcomes** to the key stakeholders
  – It **responds to** important National / regional development **needs and goals**
  – It shows clearly a **positive return** (social, economic, financial?) on the required investment
  – It demonstrates how activity will be **monitored** and performance and success **evaluated**
  – It makes a “**CLICK!”** in the key players’ minds
The overall structure (1/2)

Introduce yourself

- Title + Slogan Illustration
- Mission + Genesis
- Team: Who are we?
- Project status: How far are we?

Make your offer clear

- Market needs
- Our Solution
- Our Market(s), our clients
- Competition & Competitive advantages

Make your Business potential clear

- Business model
- Strategy to reach the market
- Clients & partners references
- Our forecasts

Express your needs and the chances of success

- Financing needs
- Major Milestones
- Key success factors
- Contact
An important part of the Business

• The Market!

• What are the strategic objectives and goals of the project?

it must examine radically what constitutes real value for customers by asking fundamental questions: what value offering need to be introduced or increased to meet customer needs? what value offerings can be reduced or eliminated, because they do not constitute real value for customers

"The man who will use his skill and constructive imagination to see how much he can give for a dollar, instead of how little he can give for a dollar, is bound to succeed." – Henry Ford
The mix marketing

- Achieve the objectives
- Targeted Market
- Shape the tools available in the company
- Pay strong attention on the 4 P from Porter Extended to 7 for services
The 7 P

- Product
- Price
- Place
- Promotion
- People
- Process
- Physical evidence
Product key factors

- Quality
- Characteristics
- Trade Mark
- Style
- Life Cycle

![Product Life Cycle Chart]

Sales

Launch Increase Maturity Decline
Price – the positioning

- Price
- Discount
- Reduction
- Conditions of Payment
- Loan

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<thead>
<tr>
<th>Economy</th>
<th>Gift</th>
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<td>Exploitation</td>
<td>Luxury</td>
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- Psychological price
- Option price
- Combined Offers
- Promotion
**Place** (distribution)

- Role of the distributors
- Complementarities (A and B / A or B)
- Internet

**Promotion**

- Promotion the services
- Public relations
- Tools
  - Direct e-mails, Forums / Exhibitions, Publicity, Sponsoring, Etc.
Additional Marketing Mix Elements

• **People**: direct contact between customers and service personnel, some services involve high levels of contact, high levels of trust and dependency.

• **Physical evidence**: this may be an actual physical component or a cue to indicate or represent the existence quality of the service purchased (often referred to as ‘Servicescape’).

• **Process**: the order and/or system of service delivery.
The Marketing plan

It should:

1. Derive from the corporate plan
2. Present
   1. The Analysis of the environment
   2. The Objectives (SMART principles – **Specific| Measurable| Achievable| Realistic| Time**)
   3. The Strategy (Segmentation, growth, targeting and positioning)
   4. The use of the marketing mix (7 Ps)
   5. The control (monitoring of the achievements)
Example

• Creation of a solution for Telecom companies
• Creation of a billing solution for Information service provider
• Creation of a solution for e-procudement.
Examples of possible exit strategies

1. Creation of a joint venture – mutual interest of the partners, complementary situation
   - Importance on the exit conditions

1. Mutual uses of the IPR

2. Capitalisation on the project by one partner
   - Case of a project where there is one provider and potential clients.
Key Elements to pay attention to

- Start first with the positioning and the segmentation
- Be clear on the Success Factors of the project
- Pay attention on the partnering agreement
- See how each partner will benefit out of the project
Example of the BP structure

• Several format are available. Two guides:
  – Gate2Growth
  – US Chamber of Commerce

• Other useful sources of information:
  – Alpha Neuron Business Blog
  – Exit strategy planning Blog
Examples

• Technology business plan 1

• Service Provider's Business Plan
Thanks for your attention

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