

## **Business Plan Questions (Next Step – following Conceptualization) M.Volker (Jan 2007)**

These questions will help you in preparing your business plan. These can assist in getting you started. When you are satisfied that you have addressed these questions adequately, you can then proceed to putting together a complete business plan. Although these questions have a strong technology-company orientation, you can adapt them to your business concept.

### *Question #1:*

#### The Product/Service

Describe the Product/Service with respect to the nature of the technological advancement, cost-saving advantages or revenue generating possibilities within, or in relationship to, the target market segment. In your description please address the following points:

- \* Describe the Product/Service (charts, diagrams, specifications, etc may be helpful)
- \* Describe the Product/Service business.
- \* How will revenue be generated?

### *Question #2:*

#### Intellectual Property

- \* Describe any intellectual property or other innovation associated with your Product/Service.
- \* Outline any patentable intellectual property and provide patent status.

### *Question #3:*

#### Technological Development

Describe the current development status of the Product/Service. In your explanation please address the following points:

- \* At present, what timelines and key milestones are in place to complete development or any enhancements?
- \* What are the unknown factors with respect to further development or any enhancements?
- \* Does this technology rely upon emerging or commercially available technology?
- \* Define clear milestones for the next 18 months

### *Question #4:*

#### The Technical Team

Describe the company's technical team and address the following points (remember you may attach resumes as appendixes):

- \* Highlight professional or academic qualifications of the team members.
- \* Describe past activities of the team with respect to past technical development/operations.
- \* Indicate if and how team members have worked together prior to this project.
- \* If the team is not fully assembled, what critical skills sets are missing?

### *Question #5:*

#### Market Scope

Describe the market scope for the Product/Service. In your response please include the following points:

- \* Describe the key attributes of the target market (size with segmentation, buying criteria, behaviour, etc.)?
- \* What are the market trends and why?
- \* How will you build your market?

*Question #6:*

Market Need

Describe how and why the Product/Service's appeal and relative fit to the target market. In your response please address the following points:

- \* Is the Product/Service introducing a need or filling an existing need?
- \* Why will customers purchase your Product/Service?
- \* Based on internal or industry feedback, are further improvements or enhancements necessary? What are these?
- \* Characterize the "early adopters" of the Product/Service within the target market.
- \* What indication of interest has been received from potential customers to use or test the Product/Service?
- \* Describe clear milestones for the next 18-36 months

*Question #7:*

Distribution Channels

Describe the intended sales channels for the Product/Service in the target market. In your response please address the following points:

- \* How or who will sell the Product/Service?
- \* Does your Product/Service provide a solution for the sales channel?

*Question #8:*

Competitive Situation

Describe the competition in the market place for the Product/Service. Please address the following points:

- \* What offerings are directly competitive or substitute offerings to your product/service.
- \* Name your top 3 competitors, regardless of size or market dominance.
- \* Which current market stakeholders may feel threatened by your Product/Service?
- \* Why will your product/service "beat" the competition?

*Question #9:*

Barriers to competition

Describe any barriers to others competing with your product or service. Examples might be:

- \* Patent or copyright protection
- \* Time to engineer a new product
- \* Market presence as first to market

*Question #10:*

Business Plan Status

Describe the current status of your business plan. In your response please address the following points:

- \* What are the areas that you need to address and get help with?
- \* What advisors were (or will be) consulted or what additional research was conducted?
- \* What key sources are included to document and support your plan?

*Question #11:*

Management Capacity

Describe the business skills (leadership, directorships, finance, marketing, operations, HR, etc.) of your team. Please address the following points:

- \* Highlight the key credentials of the management team.

- \* What key skill sets remain to be recruited?
- \* Does management regularly consult with market-based advisors or experts? How?

*Question #12:*

Financial

Describe the financial position of your venture. Your answer should address the following points and be supported by attached statements.

- \* How will your revenue model enhance market acceptance in the target market? How are you going to price your service/product?
- \* Include reference to your Cash flow statement
- \* Include reference to 1 and 2 year pro-formas, plus 3 to 5 year summaries
- \* How much money has been spent?
- \* How much money has been raised?
- \* How much money is required?
- \* Identify a budget consistent with the milestones described in Questions 3 and 6.

Appendixes should include the following:

- \* Resumes
- \* Pro-forma Financial Statements
- \* Supporting research NOT authored by the team