*Be creative with your title page!*

*Add photographs/color/graphics!*

**Business Name**

**Student Name, Student Name & Student Name**

**School Name**

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14. **Executive Summary**
	1. *The executive summary is perhaps the most important part of your start-up business plan. The Executive Summary should quickly summarize: problem(s), unique value proposition, solution(s), intellectual property, customer segments, and competitive advantage.*
		1. *It is recommended that you write your Executive Summary last.*
		2. *When you begin to work on your business presentations (pitch) the Executive Summary is a great place to start. The Executive Summary should read like a brief pitch!*
15. **Problem**
	1. *List the top three problems your product/service is addressing.*
	2. *Innovation is looking at the world, identifying a problem, want or need, and solving that problem, want or need. Entrepreneurship is taking your solution from idea to market success.*
16. **Unique Value Proposition**
	1. *What is the single, clear, compelling message that states why your product or service is different and worth buying?*
	2. *Describes the bundle of products and services that create value for a specific Customer Segment.*
	3. *The Value Proposition is the reason why customers turn to one company over another. It solves a customer problem or satisfies a customer need. Some Value Propositions may be innovative and represent a new or disruptive offer. Others may be similar to existing market offers, but with added features and attributes.*
	4. *Questions to be Answered:*
		1. *What value do we deliver to the customer?*
		2. *Which one of our customer’s problems are we helping to solve? Which customer needs are we satisfying?*
		3. *What bundles of products and services are we offering to each Customer Segment?*
17. **Solutions**
	1. *What are the top three features of your product or service?*
18. **Intellectual Property**
	1. *Have you identified your intellectual property? How will your protect your intellectual property (patent, trademark, copyright, etc.)?*
	2. *Students will learn:*
		1. *What is a patent?*
		2. *Types of patents.*
		3. *Business process patent (yes, there is such a thing).*
		4. *Trademark & Service Mark.*
		5. *Copyright.*
19. **Customer Segments**
	1. *Defines the different groups of people or organizations an enterprise aims to reach and serve.*
	2. *Customers comprise the heart of any business model. Without (profitable) customers, no company can survive for long. In order to better satisfy customers, a company may group them into distinct segments with common needs, common behaviors, or other attributes. A business model may define one or several large or small Customer Segments. An organization must make a conscious decision about which segments to serve and which segments to ignore. Once this decision is made, a business model can be carefully designed around a strong understanding of specific customer needs.*
	3. *Customer groups represent separate segments if:*
		1. *Their needs require and justify a distinct offer*
		2. *They are reached through different Distribution Channels*
		3. *They require different types of relationships*
		4. *They have substantially different profitability*
		5. *They are willing to pay for different aspects of the offer*
	4. *Questions to be answered:*
		1. *Who are our most important customers?*
		2. *Who are we creating value for?*
20. **Channels**
	1. *Describes how a startup communicates with and reaches its Customer Segment(s) to deliver a Unique Value Proposition.*
	2. *Communication, distribution, and sales Channels comprise a company's interface with customers. Channels are customer touch points that play an important role in the customer experience.*
	3. *Channels serve several functions, including:*
		1. *Raising awareness among customers about a company’s*
		2. *products and services*
		3. *Helping customers evaluate a company’s Value Proposition*
		4. *Allowing customers to purchase specific products and services*
		5. *Delivering a Value Proposition to customers*
		6. *Providing post-purchase customer support*
	4. *Questions to be Answered:*
		1. *Through which Channels do our Customer Segments want to be reached?*
		2. *How are we reaching them now?*
		3. *How are our Channels integrated?*
		4. *Which ones work best?*
		5. *Which ones are most cost-efficient? How are we integrating them with customer routines?*
21. **Revenue Streams**
	1. *What is the revenue model? What is the revenue and gross margin?*
	2. *Represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings).*
	3. *A company must ask itself, “For what value is each Customer Segment truly willing to pay?” Successfully answering that question allows the startup to generate one or more Revenue Streams from each Customer Segment. Each Revenue Stream may have different pricing mechanisms, such as fixed list prices, auctioning, market dependent, or volume dependent.*
	4. *A business model can involve two different types of Revenue Streams:*
		1. *Transaction revenues resulting from one-time customer payments*
		2. *Recurring revenues resulting from ongoing payments to either deliver a Value Proposition to customers or provide post-purchase customer support*
	5. *Questions to be Answered:*
		1. *For what value are our customers really willing to pay?*
		2. *For what do they currently pay?*
		3. *How are they currently paying?*
		4. *How would they prefer to pay?*
		5. *How much does each Revenue Stream contribute to overall revenues?*
22. **Cost Structure**
	1. *Describes the most important costs incurred while operating under a particular business model. Creating and delivering value, maintaining customer relationships, and generating revenue all incur costs.*
	2. *Two Types of Businesses by Cost Structure:*
		1. *Cost Driven or Value Driven.*
	3. *Cost-Driven*
		1. *A business which is cost-driven focuses on creating a lean cost structure through offering cheaply priced value propositions, a high degree of automation, and outsourcing of costly functions. It is important to lower your prices based on internal costs and expenses rather than in response to what the competition is doing. During the price war competitors will steadily undercut each other’s prices to attract the price sensitive customer. However, if your competition is able to manage its costs and create operational efficiencies, they will be able to sustain their business on the lower price and continue to attract customers.*
	4. *Value-Driven*
		1. *Not all companies drive their business based on costs. Some focus completely on the value they are providing to their customers, hence taking the value-driven approach. This strategy is characterized by complete focus on the creation and delivery of a high value, value proposition which is highly customized to the customer segment’s preferences.*
	5. *Questions to be answered:*
		1. *What are the customer acquisition costs?*
		2. *What are the distribution costs?*
		3. *What are the human resources costs?*
		4. *Any other/additional costs?*
23. **Key Metrics**
	1. *What are the key activities that must be measured?*
	2. *Common Key Metrics:*
		1. ***Customer Acquisition Cost****: Once you start bringing in revenue, you need to make sure it doesn’t cost too much to keep bringing in new customers. How do you measure customer acquisition cost? A new startup business will generally not have data from which customer acquisition costs can be calculated. In this case (new startup) you forecast customer acquisition costs by making mathematical estimates. Examples of customer acquisition costs:*
			1. *Number of new customers per month*
			2. *Costs to develop product/service*
			3. *Estimated life of product/service*
			4. *Monthly marketing costs*
			5. *Monthly maintenance costs*
		2. ***Customer Retention****: One of the wonderful things about a lean startup is the short product development cycles. Customers who have adopted your business model early on may be completely turned off by a subsequent product release, and others could be engaged. What you really need to measure is your customer retention rate. That way, you’ll know when you’ve reached a sustainable point where customers perceive a value and are willing to continue to pay. Measuring customer retention is relatively straightforward. With all the different advertising channels out there, you should track the retention of those customers you engaged using different media approaches. Then you can better target future advertising dollars.*
		3. ***Viral reach****: Viral reach is how many you’ve engaged via social media outlets like, Instagram, Twitter, Snapchat, and Facebook. Social media is great advertising when done right, and growth rates for viral reach vary widely. If your reach metrics look good, then maybe it’s time to tease apart the quality of those connections to see how valuable they really are. Don’t be discouraged if you have slower viral growth but more relevance. But you should be concerned if you have rapid viral growth without quality participators.*
		4. ***Revenue****: You’re probably most familiar with revenue as a metric, but you may be focusing so much on whether you’re turning a profit to realize if your revenue metric is looking good! Operations and maintenance costs can vary widely for the first few years of a lean startup, so make sure to focus on revenue, not just overall profit. If revenue looks good, then you’ll need to seriously work on reducing your operations cost. When you do get your O&M under control, let the rest of us know what your secret trick was!*
24. **Competitive Advantage**
	1. *Many lean canvas models use the term “unfair advantage.” I do not like this term because the use of “unfair” creates a negative perception of a positive characteristic. The ultimate competitive advantage is the creation of an idea (or product) that cannot be easily copied.*
	2. *What about your product or service means that it cannot be easily copied or bought?*
		1. *Examples: reputation, unique brand experience, unique partnerships that lead to an offer that cannot be copied.*
25. **Conclusion**
	1. *A specific request made to prospective investors for their capital investment into the start-up business (the “ask”).*
26. **References**
	1. *List all sources of information used in the written start-up business plan.*