Turning Your Idea into a Business - Business Modeling for Entrepreneurs

Alex de Winter
December 6, 2011
But…

Investors Pay Business Plans Little Heed, Study Finds
Business Modeling

Key Elements

• Product
• Market
• Team
• Competition
• Financials
• Risks & Mitigation
Product

- Value proposition
- Technical feasibility
- Scalability
- Focus vs shots on goal
• How big is the market?
  – Bottom up

• Who are the customers?
  – Segments
  – What do they care about?

• How much will they pay?

• Do your research!
Team

Core members
- Complementary skill sets
- Pig or chicken?
- Crazy, but not too crazy

Other notables
- Advisors
- Experts in the field

“The attributes that make great entrepreneurs, the experts say, are common in certain manias…”
Competition

- Incumbents
- Potential entrants
- Other solutions to the problem
- Sustainable competitive advantage
- IP / Freedom to Operate
Financials

- Estimated revenue
- COGS / gross margins
- Head count
- Financing sought
- Use of funds
- Milestones
- Total funding anticipated
- Potential exit or liquidity
Risks and Mitigations

- Technical
- Financial
- Market
- Competitive
Pitch Deck

- 20 slides
- Stand on their own
  - But, not too wordy
- It’s “Final Destination” meets “The Muppets”
- Have a demo ready
Questions?
Thank you!

adewinter@mdv.com

For further reading

• Graham Friend, Stefan Zehle, “Guide to Business Planning”


• Brent Bowers, “Investors Pay Business Plans Little Heed, Study Shows,” NY Times, May 14 ‘09

• David Segal, “Just Manic Enough: Seeking Perfect Entrepreneurs,” NY Times Sept 18, ’10

• http://bplan.berkeley.edu/Compete/resources.html

• http://www.bothsidesofthetable.com/