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PENNSYLVANIA
Small Business Development Centers
Helping businesses start, grow, and prosper.

1821

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PENNSYLVANIA SBDC
Center of EXCELLENCE
LATINO

BUSINESS PLAN DESIGN
Business Model Canvas Workshop

ASIAN AMERICAN
Chamber of Commerce
GREATER PHILADELPHIA

January 30, 2022
| Lenin Agudo |

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SBDC next-gen ^{SAP} Lab

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THROUGH OUR SERVICES WE CAN HELP YOUR BUSINESS

START GROW PROSPER

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OUR NETWORK LOCATIONS

THE PENNSYLVANIA SMALL BUSINESS DEVELOPMENT CENTERS

The map displays 15 numbered locations across Pennsylvania: 1. Berks; 2. Allegheny; 3. Erie; 4. Berks; 5. Northampton; 6. Centre; 7. Clarion; 8. Cambria; 9. Westmoreland; 10. Cumberland; 11. Philadelphia; 12. Washington; 13. Pike; 14. Chester; 15. Luzerne. A small inset map shows the location of Pennsylvania within the United States.

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FUNDING PARTNERS

POWERED BY
SBA
U.S. Small Business Administration

pennsylvania
DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

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ABOUT THIS PRESENTATION

Content & Practice

BASIC CONCEPTS



15%

FORMULAS TO SUCCEED



10%

BIG BUSINESS LESSONS



35%

CANVAS UTILIZATION



40%

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TOOLS WE USE

Business Plan Pitch




Business Model Canvas



Financial Model



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The Business Model Canvas

Designed for: _____ Designed by: _____ Date: _____ Version: _____

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure		Revenue Streams		

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A well written business plan is the key to funding your business?

- a. Very much agree
- b. Pretty much agree
- c. Somewhat disagree
- d. Very much disagree

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BUSINESS PLAN VS. BUSINESS MODEL CANVAS



IDEAS TO CONCEPT

Canvas distills ideas to concept


Let's you focus on what is important



EXPERIMENT W/DIFF. B.M.

Canvas is quicker to do and let's you experiment with different business models

The business plan is easier to write when you have a canvas




EASIER TO UNDERSTAND

Looking at a canvas makes your business easier to understand

Not suitable if you are looking for bank funding but is a good intro for investors

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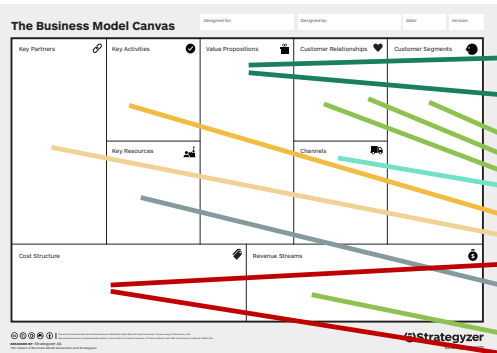
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BMC & BUSINESS PLAN


Each of the nine BMC components corresponds to one or more sections of a traditional business plan



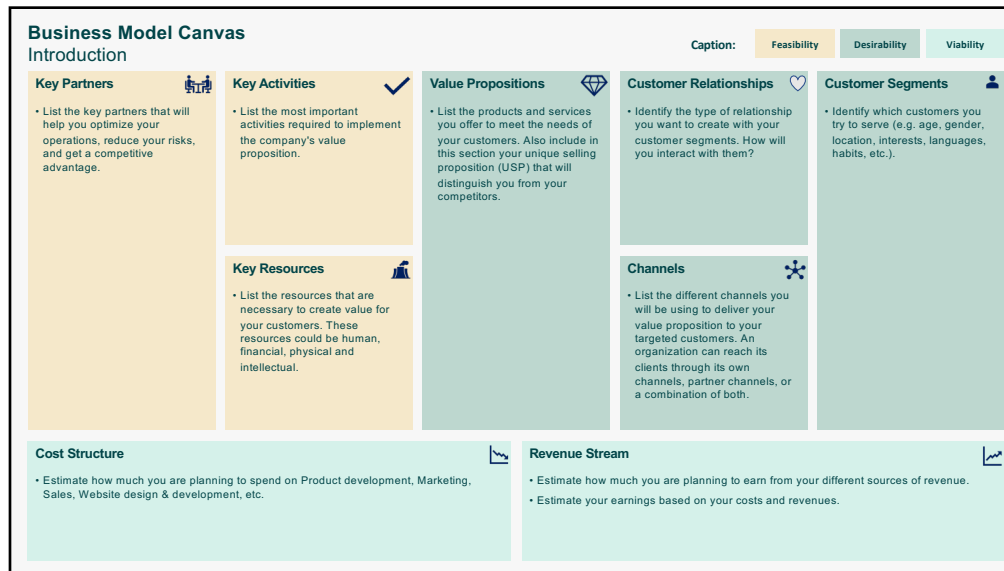
1. **Executive Summary**
 - Clear, succinct & effective as a standalone overview of the plan
2. **Company Overview**
 - Genesis of concept
 - History & current status
 - Overall strategy & objective of the venture
3. **Products & Services**
 - Description of your product / services' key features, benefits to customers, & pricing
 - Comments on development, next steps, & proprietary position
4. **Marketing**
 - Description of your potential customers in terms of size & composition
 - Sales & promotion strategy
 - Assessment of competitors through barriers to entry & competitor analysis
5. **Operations**
 - Production of your potential customers in terms of size and composition
 - Product costs & margins
 - Potential obstacles and risks, & corresponding alternate courses of action
6. **Management**
 - Organizational structure & a summary of how the skills and backgrounds of management will enable venture to execute strategy
7. **Summary Financials**
 - Projected cash flow statement, income statement & balance sheet
 - Amount of funding needed to move forward, if any, and the intended usage of capital

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YOUR BUSINESS, YOUR THEATER

FRONTSTAGE
Everything that is customer facing.

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YOUR BUSINESS, YOUR THEATER

FRONTSTAGE

- Customer Segments
- Customer Relationships
- Channels

• Revenue Streams

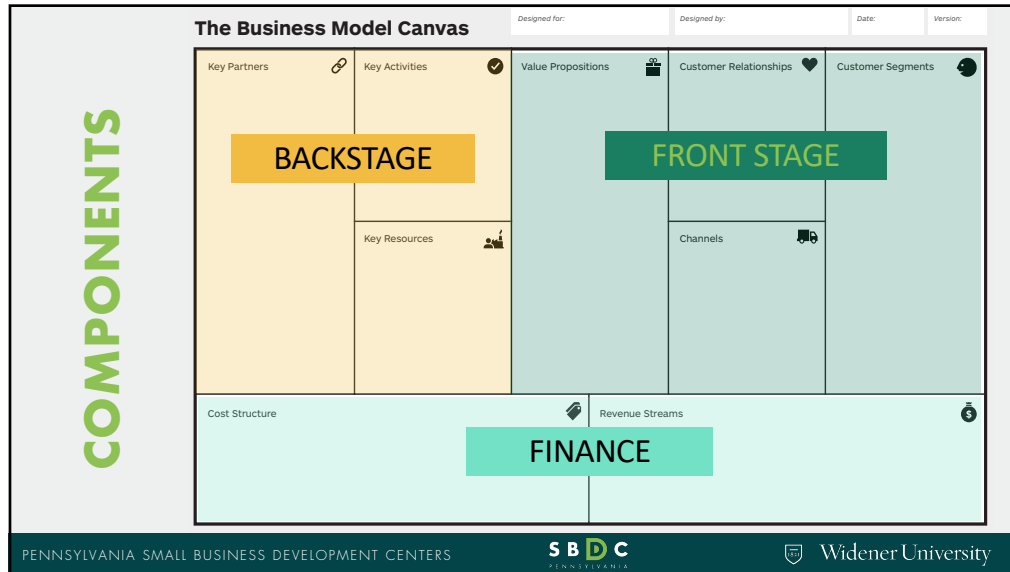
- Key Activities
- Key Resources
- Key Partners

• Costs

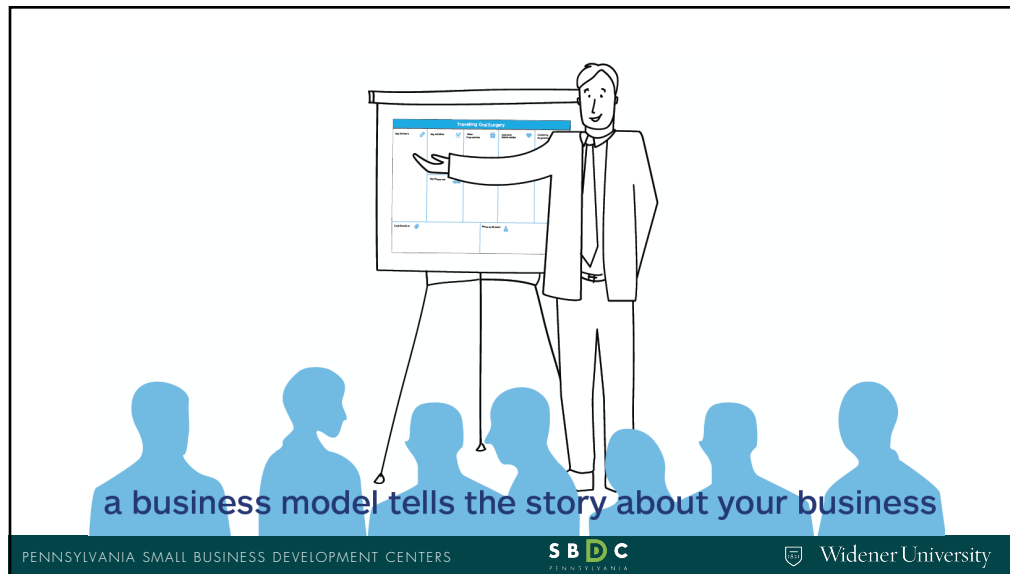
BACKSTAGE

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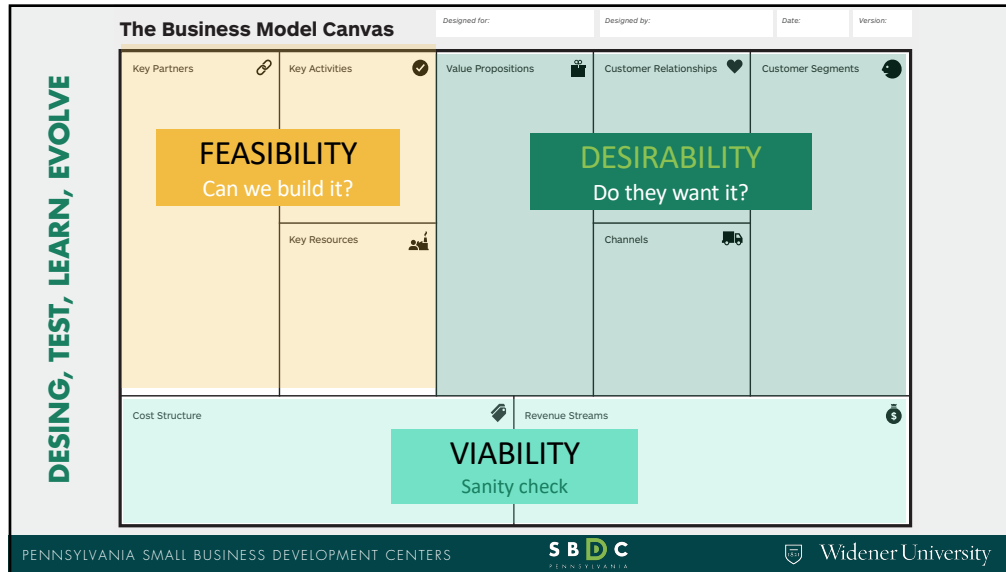
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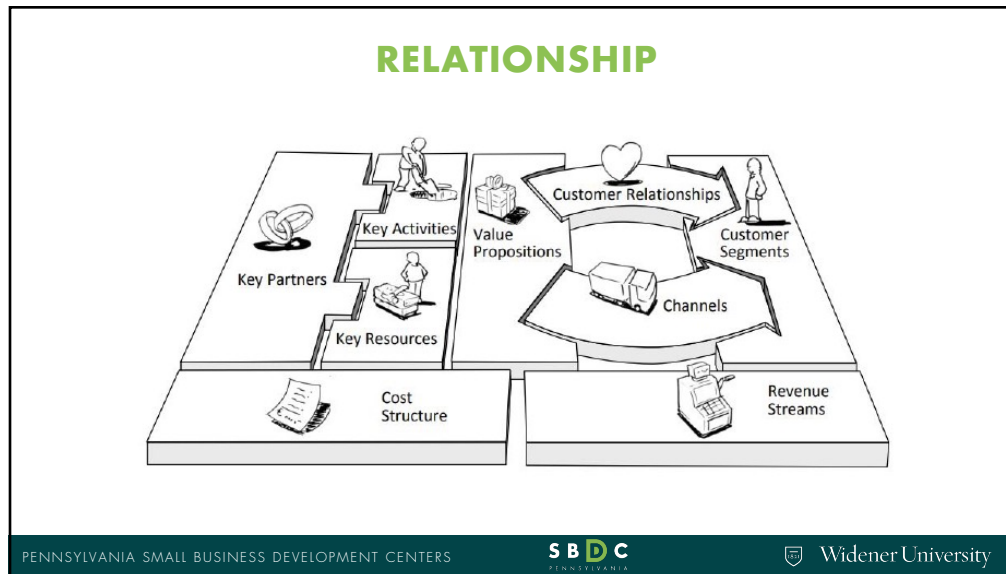
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MONITOR YOUR BABY
FROM YOUR SMART PHONE

OWLET

O₂ 97% Oxygen Levels

130/min Heartbeat

2h17m deep sleep

36.6 temperature

on back

Graphics Vitals

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Wireless monitoring of babies' blood oxygen, heart rate, and sleep data, by nurses in the hospitals

Owlet
Rest Assured.

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BMC
BusinessModel
COMPETITION

First Place Winner

Owlet

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...more than 80,000 units last year. The company also pulled in \$15 million in Series B funding in late 2016, bringing the total amount in the coffers to \$25 million.

Startups
Apps
Gadgets
Events
Videos
—
Crunchbase
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Bag Week 2018
Instagram
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Owlet updates its smart baby health monitoring sock so babies can't kick it off

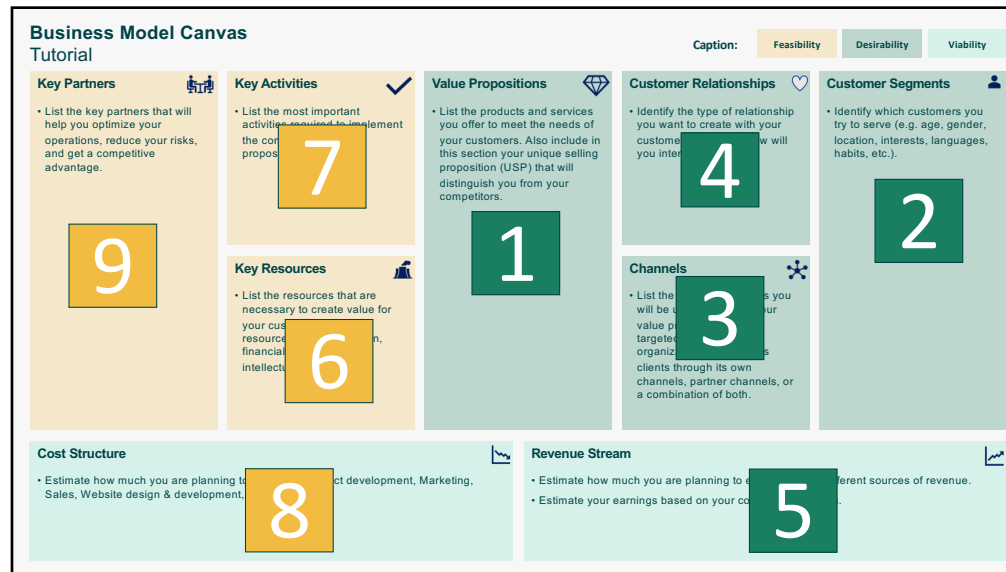
Sarah Buhr @sarahbuhr / Mar 29, 2017

GADGETS OWLET SMART SOCK 2.0

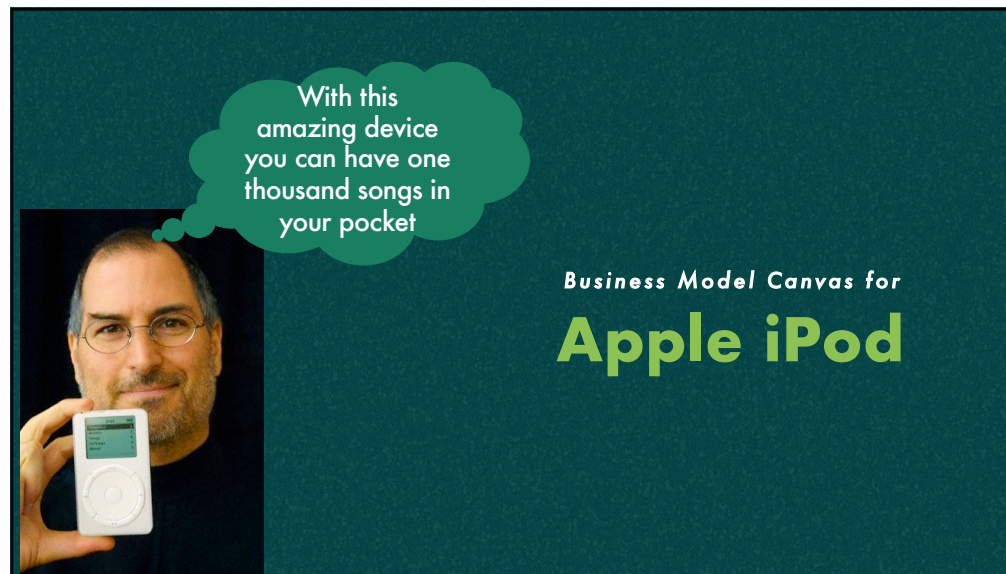
Owlet, a Utah-based startup monitoring your babies vitals, has a new and improved smart sock

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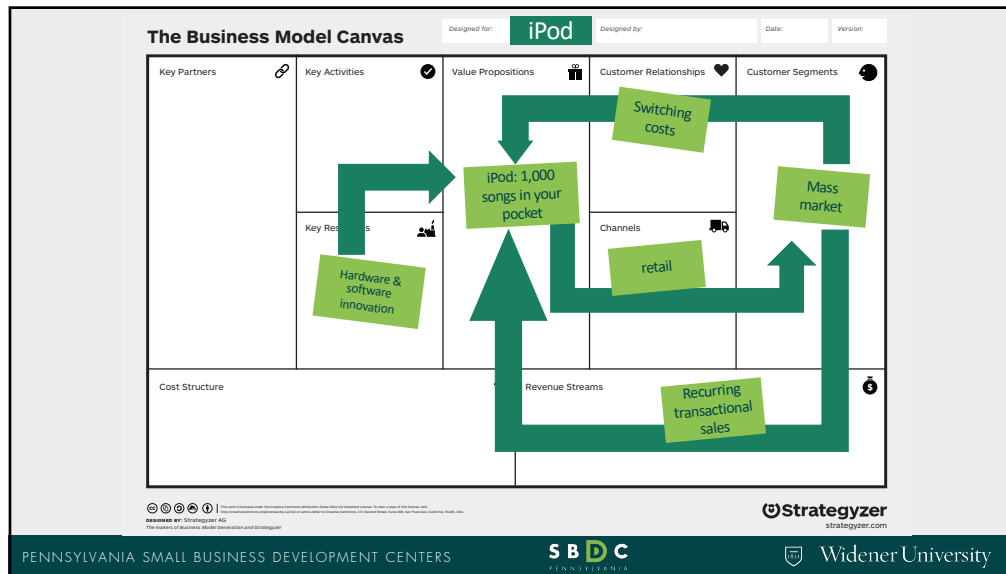
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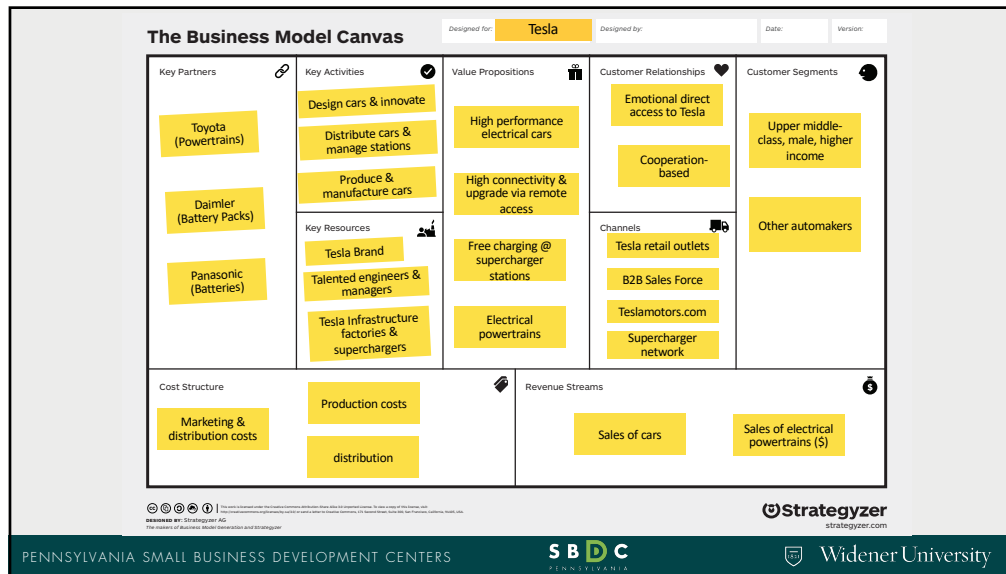


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Tesla
Business Model Canvas

1. Feasibility
2. Desirability
3. Viability

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Business Model Canvas for
Pizza Restaurant

- 1. Feasibility**
- 2. Desirability**
- 3. Viability**

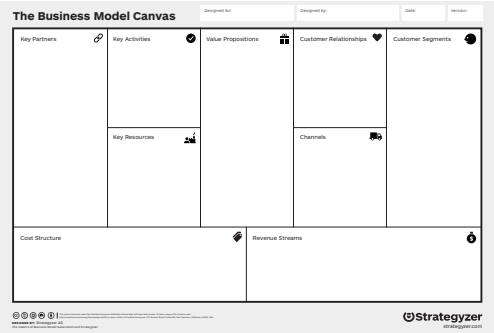
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INDIVIDUAL CHALLENGE


Sketch a Business Model for a Pizza Restaurant

The Business Model Canvas



Strategyzer

+



BMC
Avery Stickers

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Business Model Canvas Tutorial

Pizza Restaurant

Caption:
Feasibility
Desirability
Viability

Key Partners

• List the key partners that will help you minimize your risks and opportunities.

- bank
- Suppliers
- schools
- landlord

Key Activities

• List the most important actions you must take to make your business model work.

- Cleaning
- Order supplies
- Hire & train staff
- Food Prep

Key Resources

• List the most important assets that are required to make your business model work.

- Quality Staff
- Good location
- Working capital
- Fresh ingredients

Value Propositions

• List the products and services you offer to solve customer problems.

- Tasty pizza
- Budget friendly
- No cook/cleanup
- Convenient
- Flexible menu

Customer Relationships

• Identify the types of relationships you want to establish with different customer segments.

- Social media
- Personal attention
- Rewards program

Channels

• Identify the channels through which you want to reach your customer segments.

- Word of mouth
- Social Media
- Google Ads
- Print publications
- Delivery Service Sites
- Street traffic

Customer Segments

• Identify which customer segments you want to serve.

- Families
- Students
- Workers in neighborhood

Cost Structure

• List the most important costs you incur to create your value proposition.

- Food & supplies
- Rent
- Equipment
- staff
- Utilities

Revenue Stream

• List the sources of revenue your business model generates.

- Catering
- Events - rental
- Merchandise
- Liquor & beverage sales
- Pizza sales

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A BIKE BUSINESS

• *Let's start one*



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You get...



One Bicycle

+



\$1,000

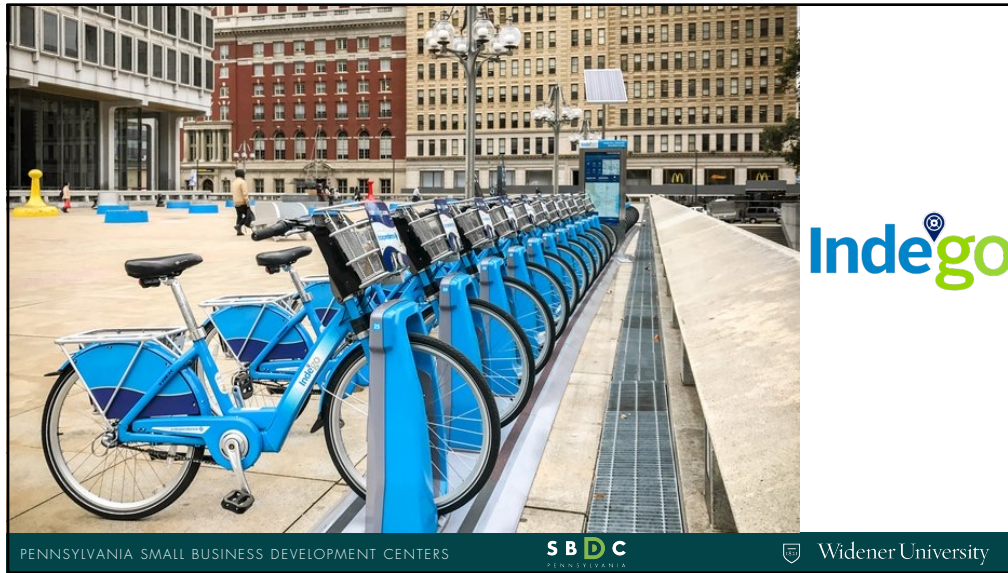
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Design a business model using a Bike and \$1,000



rolling kiosk for Nespresso cafe



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Design a business model
using a Bike and \$1,000



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Business Model Canvas Tutorial

Rolling Cafe

Caption: Feasibility Desirability Viability

Key Partners

- List the key partners that will help you optimize your operations, reduce your risks, and get a competitive advantage.

Suppliers

Key Activities


- List the most important activities required to implement the company's value proposition.

Inventory management
Cycling & Sales

Value Propositions

- List the products and services you offer to meet the needs of your customers. Also include in this section your unique selling proposition (USP) that will distinguish you from your competitors.

Rolling Cafe



Customer Relationships

- Identify the type of relationship you want to create with your customer segments. How will you interact with them?

Personal

Customer Segments

- Identify which customers you try to serve (e.g. age, gender, location, interests, languages, habits, etc.).

Frustrated Coffee Drinkers

Key Resources

- List the resources that are necessary to create value for your customers. These resources could be human, financial, physical and intellectual.

Bicycle Cafe

Channels

- List the different channels you will be using to deliver your value prop targeted cu organization clients through its own channels, partner channels, or a combination of both.

Rolling Cafe

Cost Structure

- Estimate how much you are planning to spend on Product development, Marketing, Sales, Website design & development, etc.

Inventory
Bicycle cafe maintenance

Revenue Stream

- Estimate how much you are planning to earn from your different sources of revenue.
- Estimate your earnings based on your costs and revenues.

Sales margins

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SEVEN REVENUE MODELS TO GROW YOUR BUSINESS


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SEVEN REVENUE MODELS



1. Switching Costs
2. Recurring Revenues
3. Earn Before You Spend
4. Game Changing Cost Structure
5. Getting Others to do the Work
6. Scalability
7. Protection from Competition

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RESOURCES

- **Value Proposition Design and Testing Business Ideas** books, online learning, blog etc., www.strategyzer.com
- [Talking to Humans \(customer discovery & validation\)](#)
- [Lean Startup \(Eric Ries\)](#)
- [Customer Development \(Steve Blank\)](#)
- [Kauffman Foundation](#)
- <http://fromideatobusiness.strategyzer.com>




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RESOURCES

- [Guide to Starting & Operating a Small Business](#)
- [Checklist of General Legal Requirements 2022](#)

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SPECIALTY PROGRAMS



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ask?emap
Environmental Management Assistance Program

877-ask-emap

SAP



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LET'S KEEP IN TOUCH




Lenin Agudo, MBA, CGBP
Director, Widener University SBDC



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THANK YOU!



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