

## Workbook



## Business Pitch

## CREDITS

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Use this workbook as a guide to help organize your information to develop a well thought out business pitch. The workbook is broken into sections to help you collect the essential information you need and walk you through the process of creating your business pitch.

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## INTRODUCTION

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### The SBDC Process:

1. Complete the Packet
2. Forward to SBDC Point of Contact
3. Receive Feedback

### The importance of business planning:

A business plan for start-up or early stage companies can have multiple purposes. It can be used by the business owner as a guide for developing and operating a business or it can represent your business to others such as investors, banks and other companies. The purpose of this guide is to assist the new business owner in the development of a plan for the owners and management of a new enterprise. The business plan outline that follows provides a structure for documenting how the business will address the critical issues for developing a successful business. It essentially tells a story that answers the following questions.

1. **What** products or services will the business offer?
2. **Who** will be your customer?— describes the characteristics of who will value and purchase what the company offers
3. **Why** will those customers buy from you? What problem do you solve or what need do you fill that the potential customer perceives as important? What alternatives does the customer have to fill that need (the competition) and why would they buy from you?
4. **How** will you manufacture or acquire the product or deliver a service? How will you find customers? How will you operate your business?
5. What are the legal requirements? Are there licensing or regulatory requirements for the business? What other legal issues will be addressed?
6. Will the business be profitable? The financial sections of the plan will address projections of income from sales and expenses involved in the business. Will the business be sufficiently profitable to be sustainable and meet the owners' requirements?

*“Predicting rain doesn't count. Building arks does.” - Warren Buffett*

The goal of the “business pitch” is to convey the main purpose of your business. It is designed to help you communicate quickly and efficiently your ideas in the early stage of your venture without any superfluous detail. It can also be the first step of your entrepreneurial journey with the Small Business Development Center. After completion of this template, you can use the work product to communicate important information about your business or business idea with a SBDC consultant.

Main purposes of the pitch:

- ✓ Help the SBDC to understand your business
- ✓ Help you think about different aspects of your business
- ✓ Help you decide whether or not to continue your project

On the next page, you will find the common structure of the business pitch. You can add a section at the end if you want to add more information not included in other sections.

The sections do not need to be completed in order. You can go back and forth between the different sections of the book.



## CHECKLIST

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Below is a checklist of important elements expected in a business pitch. You can check them as you go along.

- The Idea
- The Business Model
- The Customer
- The Competition
- The Message
- The Sales Approach
- The Inner Workings
- The Management Team
- The Money Forecast
- The Next Steps

## ABOUT ENTREPRENEURSHIP

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There are many ways to start a business and no perfect way to do it. Below are some common steps followed by entrepreneurs.

### **1** Spot an opportunity

Find unmet need in the market

### **2** Weigh the risks

Assess risks and rewards

### **3** Gather resources

Determine resources required and how to obtain them

### **4** Sell the product/services

Sell the products and services



A good entrepreneur should be willing to give up an idea if she/he finds out that the idea is not profitable.



## THE IDEA

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Identifying an opportunity is usually the first step of an entrepreneur. There must be an opportunity to solve a problem for your idea to be of value. If your product or service does not solve any problem, there will be no need for your product or service and no customer to pay for it.

### Action Item 1 - Define the opportunity

**What problem have you discovered?**

*E.g.: Busy people do not have the time to iron their shirts.*

**What is your solution to the problem?**

*E.g.: A special spray that removes wrinkles from clothes.*

**How does your idea differ from those already in the market?**

*(Is it more efficient, more effective, or more innovative?)*

*E.g.: It is an innovative product.*

**What is the focus of your business: price, convenience, or quality?**

*E.g.: This product will make it more convenient for people to remove wrinkles.*

*“If everyone is thinking alike, then somebody isn’t thinking.” - George Patton*

**What problem have you discovered?**

**What is your solution to the problem?**

**How does your idea differ from those already in the market?**

**What is the focus of your business: price, convenience, or quality?**

The product or service is the solution you have devised to fulfill the opportunity. The product should be equal to the current industry standards and rise above to fill a consumer need that is not currently being met. If there is enough demand for this need to be fulfilled, your product or service may be able to thrive.

Action Item 2 - Determine your products and services

Product/Service	Description	Needs Fulfilled	Customer
<i>E.g.: Wrinkle remover</i>	<i>Spray to remove wrinkles</i>	<i>Remove wrinkles quickly and easily</i>	<i>Traveling business people</i>

Product/Service	Description	Needs Fulfilled	Customer



## THE BUSINESS MODEL

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The business model states the purpose of the business and how this purpose translates into a product or service and generates money.

### Action Item 3 - Define the business model

**Why are you in business?**

(State briefly the purpose of your company)

*E.g.: The purpose of my company is to make space travel affordable to anyone.*

**How do you deliver your product?**

*E.g.: The space shuttle will depart from the spaceport in NY. Tickets are available online and in travel agencies.*

**How do you make money?**

*E.g.: We sell regular and first class spacecraft tickets with special onboard accommodations.*

**Why are you in business?**

**How do you deliver your product?**

**How do you make money?**

*“If you do what you love, you'll never work a day in your life.” - Marc Anthony*

## THE CUSTOMER

The customers are the main groups of people that you intend to sell your products/services to. Without an interested customer base, a business cannot generate any revenue. Therefore, it is important to understand and distinguish between each customer group (“segment”) and identify their specific needs. You may need to research the community in depth to get an understanding of your customer base.

A group of customers can be identified by various characteristics:

- Geographic: city, area, weather...
- Demographic: age, gender, income, ethnicity, religion...
- Lifestyle: activities, interests, opinions...
- Type: customers (B2C), other businesses (B2B)

After determining the characteristics of your customers, you can try to estimate the size of each group.

### Action Item 4 - Identify your customers

Customer Group	Characteristics	Needs	Size
<i>University students</i>	<ul style="list-style-type: none"> <li>- Low/no income</li> <li>- 18 to 24 years old</li> <li>- Small apartment/room</li> <li>- Widener area</li> </ul>	<i>Cheap, light, small, and easy to build furniture.</i>	<i>9,000?</i>
<i>Young adults</i>	<ul style="list-style-type: none"> <li>- Low income</li> <li>- 22 to 30 years old</li> <li>- Small apartment</li> </ul>	<i>Basic, affordable, and lasting furniture.</i>	<i>1,000?</i>

Customer Group	Characteristics	Needs	Size

## THE COMPETITION

The competition includes any other businesses in the area who sell products or services that directly compete with yours. The key to overcoming competition is to maintain quality and create distinction between your business and theirs. Good business owners keep an eye on their competitors and adapt their business strategies as their competitors grow and change. Try to fulfill needs that your competitors do not. Also, think how you are planning to overcome your disadvantages.

### Action Item 5 - Find the main competitors

Competitor	Your advantage	Your disadvantage
<i>Dunkin Donuts</i>	<i>Organic, local, and seasonal products</i>	<i>Higher prices, lower brand recognition</i>
<i>Le café</i>	<i>Better location</i>	<i>Client loyalty, greater food offering</i>
<i>Starbucks</i>	<i>Organic, local, and seasonal products</i>	<i>Higher prices, lower brand recognition, less choices</i>

Competitor	Your advantage	Your disadvantage

It is very important to understand the environment in which your business will compete and evolve. A SWOT analysis is a very useful tool to assess the environment in which the business will be operating. It compares the internal strengths and weaknesses of the business to the external opportunities and threats.

### Action Item 6 - Find your industry

The North American Industry Classification System is used by business and government to classify business establishments according to industry. The number is helpful for you to identify industry trends, potential issues, identify competitors, and establish benchmarks for financial ratios.

Find the NAICS code of your industry at:

<https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2017>

The NAICS code for my business is:

*E.g.: 722515 Snack and Nonalcoholic Beverage Bars.*



North  
America  
Industry  
Classification  
System

Action Item 7 - Perform a SWOT analysis

It is very important to understand the environment in which your business will compete and evolve. A SWOT analysis is a very useful tool to assess the environment in which the business will be operating. It compares the internal strengths and weaknesses of the business to the external opportunities and threats.

**Strengths:** characteristics of the business that give it an advantage over others.

**Weaknesses:** characteristics that place the business at a disadvantage relative to others

**Opportunities:** elements that the business could use to its advantage

**Threats:** elements in the environment that could cause trouble for the business

	POSITIVE FACTORS	NEGATIVE FACTORS
INTERNAL FACTORS	<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>- Good location: In front of the university, across the street</li> <li>- Free Wi-Fi</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>- Higher prices</li> <li>- Low working capital</li> </ul>
EXTERNAL FACTORS	<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>- Students in need of a welcoming place to hangout</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>- Coffee shops within the university</li> <li>- Coffee shops on main street</li> </ul>

Perform a SWOT Analysis for your company

	POSITIVE FACTORS	NEGATIVE FACTORS
INTERNAL FACTORS	STRENGTHS	WEAKNESSES
EXTERNAL FACTORS	OPPORTUNITIES	THREATS





## THE MESSAGE

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The message is how you present your business to the world. Your business’s message should convey who you are, what you do, and why you do it. Think about what your consumers want and tell them how you are going to give them what they seek. Make sure you address the problem your customers have and include a reference to it in your marketing message.

### Action Item 8 - Create your message

A message should be:

- Simple
- Unexpected
- Concrete
- Credible
- Emotional

*E.g. “Our bakery offers a unique selection of pastries and specialties made by French bakers. It is the only authentic French bakery in the area”.*

**Ad-Lip Challenge** *Can you fill in the blanks?*

Our (Target Market) \_\_\_\_\_  
faces (Problem your product/ service solves) \_\_\_\_\_,  
due to (Why the problem exists) \_\_\_\_\_,  
therefore, (Company name) \_\_\_\_\_  
seeks to solve this problem by (Product or Service) \_\_\_\_\_  
allowing them to (Benefit of product/service). \_\_\_\_\_.

*E.g. “Our Pre-venture and small business owners face problems beginning and growing their businesses, due to their limited knowledge in all aspects of business or limited access to capital, therefore, the SBDC seeks to solve this problem by offering educational workshops and one-on-one consulting at no cost to our clients allowing them to start, grow, and prosper.”*

## THE SALES APPROACH

The sales strategy is critical and should be considered carefully. Well known franchises, such as McDonalds, already benefit from brand recognition. People are already informed and can walk in without more information. If you create a new business, you will need a sales strategy to get people to walk through your door.

Below is a list of common sales strategies:

- Website
- Attend trade shows and fairs
- Give away coupons
- Put up signs
- Call people
- Participate in community events

Also, it is important to identify the channels of distribution for your products and services: online shopping, retailers, etc.

### Action Item 9 - Determine your sales approach

Customer Group	Channel of communication	Channel of distribution
University students	Website, university fair, booth in the student building, flyers	Store located in town, delivery in town
Young adults	Website, newspaper advertising, signs	Store located in town, delivery in town

Customer Group	Channel of communication	Channel of distribution

## THE INNER WORKINGS

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*“No business can do everything. Even if it has the money, it will never have enough good people. It has to set priorities. The worst thing to do is a little bit of everything. It is better to pick the wrong priority than none at all.” - Peter Drucker*

Your business will need to perform some general and specific functions to keep operating. Some entrepreneurs think that they can do everything by themselves, but they soon realize that they need to delegate some tasks to be more efficient. This section will help you identify the key functions of your business and determine the person in charge, the time, the cost, and the resources required for each function.



Good **delegation** is critical for a business. You will not be able to do everything by yourself. For example, if you want to do your own taxes, you will be away from your core business for hours. Instead, you could hire an accountant to do your taxes and save time.

Keep in mind that some functions have to be performed simultaneously. Also, do you have a backup plan if a person in charge of a key function becomes unavailable?

You will also have to think of the requirements needed to perform a function. For example, the accountant will need financial information to perform his function.

Below is a list of the most common functions required by a business. However, you will need to identify the other specific key functions of your business. For example, a pizzeria will need the key function of “Delivery” or a retailer will need the key function of “Inventory Management”. The person responsible can be an employee (e.g. waiter) or a contractor (e.g. lawyer, accountant, bankers, or insurance agents).

List of common key business functions:

- **Finance and Accounting:** manage cash, bookkeeping
- **Administration:** purchase supplies and equipment, paperwork
- **Sales and Marketing:** promote, advertise, make sales
- **Management:** lead, schedule, and monitor employees
- **Management Operations:** manage processes and production
- **Production/Operations:** create the product or provide the service
- **Customer relationship:** serve and inform clients
- **Communication:** maintain website and social media
- **Maintenance:** clean and maintain the facilities

**Action Item 10 - Identify the key functions of your business**

Key Function	Person Responsible	Requirement	Cost	Hours
<i>Bookkeeping</i>	<i>Peter – Owner/Manager</i>	<i>QuickBooks software</i>		
<i>Scheduling</i>	<i>Peter – Owner/Manager</i>			
<i>Selling</i>	<i>Dorian - Employee</i>	<i>POS system</i>		
<i>Buying supplies</i>	<i>Peter – Owner/Manager</i>			
<i>Cooking pizzas</i>	<i>Mike - Employee</i>	<i>Kitchen, certification</i>		
<i>Maintaining website</i>	<i>Contractor</i>	<i>Web domain</i>		
<i>Cleaning</i>	<i>Dorian - Employee</i>			
<i>Delivering</i>	<i>John - Employee</i>	<i>Insurance?</i>		

You might want to think about the benefits and downsides of the location of your business. Also, your operating hours should facilitate the access to your business by your customers.

**Action Item 11 - Explain the operations**

**Where will your business be located?**

*13 Bruce Wayne Street, Gotham City*

**When will your business operate?**

*From 11 a.m. to 11 p.m., Monday to Sunday*

**What equipment will you need to operate your business?**

*(Production machines, specific licenses...)*

*Food Handling and Safety License, Liquor License, Music License, Professional kitchen, POS system...*

**How the goods or services are produced?**

*(Give a brief step by step process from production to sales)*

*The pizzaiolo will produce pizzas to order using fresh ingredients delivered in the morning.*

**Where will your business be located?**

**When will your business operate?**

**What equipment will you need to operate your business?**

**How the goods or services are produced?**



**Action Item 12 - Identify the value chain you are part of**

Identify all the suppliers and vendors you need to support your business function. Consider the customers and where they fall in the supply chain and understand their contribution to the supply chain.

A value chain includes all the businesses involved in the production and distribution of a good or service. It is important to identify your place in the value chain and to collaborate closely with the other members.

Example:



## THE MANAGEMENT TEAM

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The management pertains to the key players who will manage your business. The team will complete the “management trinity”:

- Production expert: Who will oversee the work
- Marketing expert: Who will oversee sales
- Finance expert: Who will take care of the money

In this section, you can add any board of directors, advisory boards, consultants, or major investors that you may use in rounding out your management team. You can also talk about any professionals like lawyers, accountants, bankers, or insurance agents that will assist you in running the business.

People	Function	Salary
<i>John (Owner/Manager)</i>	<i>Production expert</i>	
<i>Steve</i>	<i>Marketing expert</i>	
<i>William</i>	<i>Finance expert</i>	

People	Function	Salary



When you create a business, you will be the **owner** and most likely the **manager**. Therefore, you should give yourself a salary as an employee of your business. The profit coming from the ownership of your business should provide you an acceptable return on investment proportional to the risk.

## THE MONEY FORECAST

Try to estimate your profit as best as you can for your first year of operations for the three possible scenarios: best, normal, and worst. The most important part of your money forecast is your assumptions list. This is a list of all of the knowledge you have to insert a number into the financial calculation but does not appear in the raw number. For instance, you might place \$13,000 in the equipment section of your start up costs. You should also add to your assumptions list that the \$13,000 is for a used for transit van you plan to use for deliveries. Write down the assumptions underlying your estimates.

**Revenue:** units sold x price

**Initial costs:** startup costs + equipment + legal fees...

**Operating costs:** labor + raw material + rent + advertising + ...

**Profit:** Revenue – Initial costs – Operating costs

### Action Item 13 - Estimate your revenue, costs, and profit

	Worst case	Normal case	Best case
Revenue		\$ 145,150	
- Initial costs	\$10,000	\$10,000	\$10,000
- Operating Costs			
= Profit			

	Worst case	Normal case	Best case
Revenue			
- Initial costs			
- Operating Costs			
= Profit			



When you create a business, think of your **opportunity cost**.

If you plan to earn \$800/week from your venture by working 100 hours, your actual wage will be \$8/hour. If you currently earn \$10/hour for a 40 hour week, you will take more risk with your venture for a lower wage.



Action Item 14 - Product/Service breakdown

Product/Service	Price	Cost	Profit	Units
<i>Widener Cola</i>	\$ 0.85	\$0.65	\$0.20	67,000
<i>Widener Cola Light</i>	\$ 0.90	\$ 0.75	\$0.15	45,000
<i>Widener Pepper</i>	\$ 0.90	\$ 0.75	\$0.15	31,000
<i>Widener Tea</i>	\$ 0.90	\$0.80	\$0.10	22,000

Product/Service	Price	Cost	Profit	Units

## THE NEXT STEPS

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Try to create a to-do list of the things you need to do in order to start your business.

Some examples of steps are:

- Creating a legal entity
- Setting an accounting system
- Hiring people
- Getting certifications
- Getting a loan
- Getting insurance
- Renting a property
- Creating a website
- Complying with zoning regulations
- Installing phone, internet, and other technologies

### Action Item 15 - Create a todo list to starting your business

Task	Responsible Party	Due Date	Cost	Resources
Ex. Develop Business Plan.	Self	February 12	N/A	SBDC

Action Item 16 - Define your major goals in the next 2-3 years

Goal	Date
Start an online store for my candle shop on Ebay and Etsy	11/25/2014
Open a physical store in King of Prussia Mall	09/25/2015
Open a second physical store	09/25/2016

Goal	Date

*“The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark.” - Michelangelo*

**Action Item 17 - The business roadblocks**

List all the problems you have encountered and the mistakes you have made and try to anticipate the problems that you may encounter in the future and how you plan to overcome them.

Problem	Solution
Ex. Need money for operations	Apply for working capital loan

*“Failure is simply the opportunity to begin again, this time more intelligently.” – Henry Ford*

## REVISION HISTORY

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Date	Author	Modification



**Small Business Development Center**  
**Widener University**

*Helping businesses start, grow, and prosper.*

## Workbook Business Pitch

Thank you for using this workbook!

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