

Wyoming Start-up Challenges Business Model Overview

1. Problem (1-3 slides)

This is the most important part of the model. A problem is an essential element of a business idea. If no problem exists, the idea being presented should be reconsidered. Explain what problem is being solved while framing it in the context of a deficiency in the current environment that could be improved through the idea. Talking to customers is a crucial step at this stage. To make a really dynamite product/service it is important to keep adding on value and figuring out different ways to solve the problem.

- Talk to primary customers to see if this problem exists and how big the problem truly is
- Provide an overview of the problem your business is addressing
- Provide enough detail that we can really understand what problem your target customer group has
- Tell stories about this problem— particularly from the customer standpoint

2. Product or Service (1-2 slides)

This section describes the product/service in more detail and combined with the, “Problem,” defines the, “Value Proposition.” The length of the section depends primarily on how complex the product or service is. Validate with multiple potential customers!! For products, depending on the complexity, it might be appropriate to have a description of how it works. Be sure to include features of the product/service and highlight the benefits to the customer and any details about the how the idea is protected. NOTE – If the product still has to be developed, give an overview of the steps you would follow to do this and how long you think it would take you.

3. Customer(s) (1 slide)

In this section, describe the customers, including “best” customer, that company or individual who will have the shortest sales cycle (time to buy) and pay the most. Be as specific as possible because the ideal customer should be intensely experiencing the problem that is being solved. The largest customer may NOT be your best customer. For example, a DoD customer might buy \$10M worth of product from you (*maybe*) but 6 years from now. Meanwhile, a commercial customer might buy \$1M of product *this quarter*. The latter is clearly your priority focus!

4. Market(s) and Segmentation Model (1-2 slides)

The marketing section identifies how many of those best customers are out there. It should include information on current market size and growth potential at the least. Additional information on industry trends, seasonality factors, etc can be included as well. Assess sub-markets or segments of that overall market, and determine which is/are best for you.

5. Competition (1 slide)

It is important to acknowledge the competition and provide a complete view of the competitive landscape, including direct, indirect, current, and anticipated competitors. Competition could also be status quo. Describe your competition as specifically as possible. This section should answer why someone would buy from you versus someone else.

6. Marketing Strategy (1 slide)

This section should outline a general approach of a marketing strategy or how the business will identify prospective customers and make sure they know about your product. If a list of customers can easily be written, this section becomes less important. Be careful not to confuse marketing strategy with sales strategy.

7. Sales and Channel Strategy (1 slide)

Quite simply, the sales process is everything that is done once you are in front of the prospective customer. This section should talk about everything related to how the product/service will be sold. It includes discussion of sales, “channels.”

8. Revenue Model (1 slide)

This is how the company will make money. Describe the intended revenue model – single sale, software as a service (SaaS), licensing, hardware service agreements, “Service Level Agreements,” leasing revenue, etc...

9. Cash Flow and Profit/Loss Statement (1-2 slides)

Important Section: This section takes all of the information gathered from the previous nine steps of the business plan concept and helps determine if the company will make money. The cash-flow or P&L projection should be done for two to three years into the future. The WTBC can assist with developing assumptions and working through the model. This will help you learn what your revenue levels and profitability will be as well as help you learn about the sales cycle. This is the ultimate answer whether or not this product/service can become a successful business.