

# Strategic Plan Building an Initial Business Model



# Aims and Objectives

- The key to the business model is understanding the key objective(s) for COMPANY XYZ.
- What is the overall aim of this activity?
- Financial (e.g. income and profit maximisation)
- Organisational charitable objectives
- To support other activities of the organisation
- To protect or replace existing business
- To increase market share (from whom?)
- Others
- If more than one, what is the priority and precedence?

# The Market

- What is the market?
- Estimate of market size (based on what?)
- Is there a segmentation in the market? E.g. by sector, region, demographics, customers size etc
- Who are the target customers?
- How would the market penetration build?
- What competitors are there? Do they have a particular target or focus?
- Is there a potential for partnership or collaboration?

# Products and Services

- What are the products and services?
- What will be the key benefits to the customers
- How are the products and services different (and better) than the competition/alternatives (USPs)
- Is the product an adaptation of existing type products or is it totally new?
- Who would build the products?
- What is the product lifecycle? (years)

# Sales, Marketing & Fulfilment (1)

- How would the products and services be sold to customers and by whom?
- Would sales be direct, via existing sales teams or via intermediaries or channels?
- What pricing or packaging models are being considered? (e.g. per transaction, time based, fixed charges, annual licences, up front, linked to other products/services etc).
- Are there any plans to differentiate by sector, region etc?
- What are the expected prices?
- Are discounts to be given?

# Sales, Marketing & Fulfilment (2)

- What volumes/mix of services/products would be expected?
- How would the products and services be delivered to customers and by whom?
- What launch and marketing activities would be needed?
- What operational activities would be needed to fulfil orders
- What sort of customer after sales support/ Customer services is envisaged? Does this use existing resources or new ones?

# Staffing & Culture

- Do we have the appropriate core skills /expertise or do they need to be developed or brought in?
- What sort of culture is needed? (e.g. consultancy, entrepreneurial, charitable, profit maximisation etc)
- What additional staffing requirements are there? (Numbers, roles and levels)

# Project Management

- How will these activities be managed and governed?
- Who will be managing this (if known)?
- What are the key timescales and milestones?
- What interdependencies are there on other projects and business activities?
- Is there an international dimension?
- Are there any particular regulation issues to consider?
- What other activities/projects are dependent on this one?
- What are the key risks?
- What are the “show stoppers”



- What are the key financial targets? (e.g. sales, margin)
- What is the target return on investment?
- What impacts could there be on other activities (positive and negative)

# Next Steps

- To build a model based on agreed key assumptions
- Review the outcome of the model and look at various options
- Conduct market research and analysis to test the assumptions
- Produce an updated and more detailed business model