

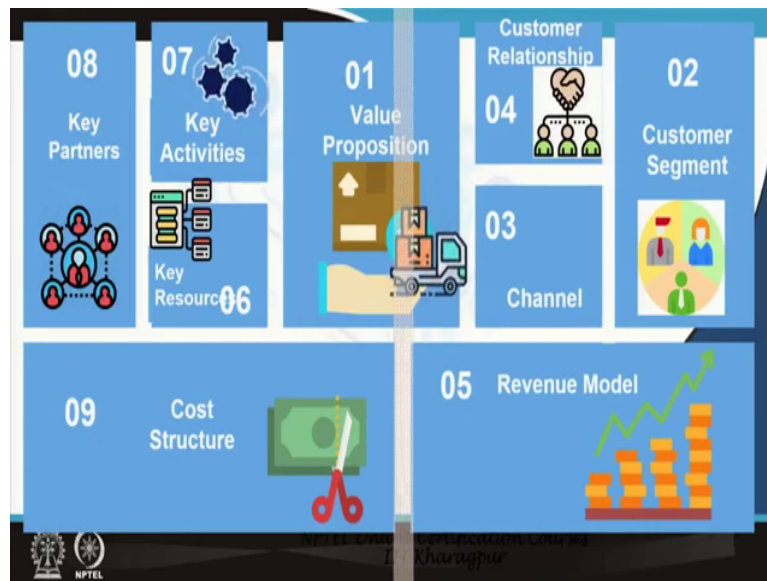
Entrepreneurship Essentials
Prof. Manoj Kumar Mandal
Rajendra Mishra School of Engineering Entrepreneurship
Indian Institute of Technology, Kharagpur

Module - 09
Lecture - 43
Business Plan – II

Welcome to the second session of business plan. So, we have already seen the introduction and the business background and today we are going to discuss the remainder of the business plan. You are actually trying to sell your business to the audience. So think, put yourself in the shoes of the audience or investors. What do you think that you would be interested to know from somebody to make it an make an investment decision? Just place that on your presentation rather than anything else.

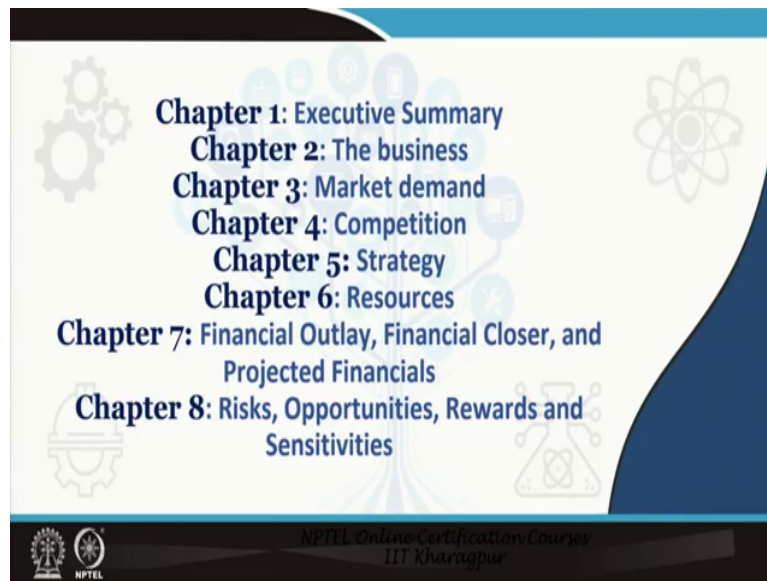
Just eliminate anything and everything. Elimination of which does not change your business plan, that does not change the sharpness the edge of your selling proposition you should eliminate them. So try to focus and eliminate unnecessary garnishing. You are not here to you know make things beautiful. People do not have time to understand, time to read all of that be to the point.

(Refer Slide Time: 01:34)



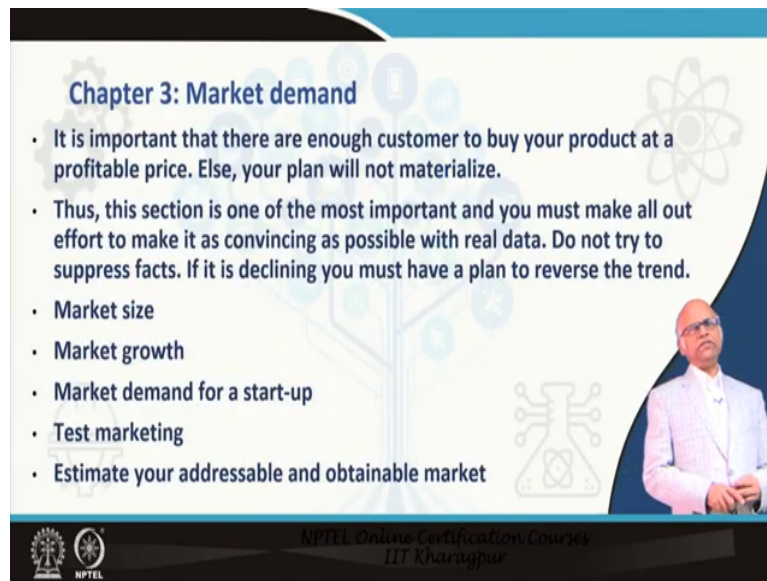
Now at some place in your business plan, suppose you are making a presentation in power point or you are writing in the form of say a what document, it makes sense to give a business model canvas. Wherein, the major items will be visible at one place. In the item of things or say index, contents if you mention that page number so and so contains the business model canvas, chances are very high that you are at there at or investors attention will go to that particular page they will get a bird's eye view about your entire business.

(Refer Slide Time: 02:12)



So, try to focus on that. In the previous session, we have talked about different chapters. You may call it chapters or sections or something it is not necessarily that formally you have to mention that this is my chapter number 1. But executive summary, the business background, market demand, competition, strategy, resources, financial outlay, risk, these are these are the sections that must be contained in a business plan.

(Refer Slide Time: 02:42)



Chapter 3: Market demand

- It is important that there are enough customer to buy your product at a profitable price. Else, your plan will not materialize.
- Thus, this section is one of the most important and you must make all out effort to make it as convincing as possible with real data. Do not try to suppress facts. If it is declining you must have a plan to reverse the trend.
- Market size
- Market growth
- Market demand for a start-up
- Test marketing
- Estimate your addressable and obtainable market

NPTEL Online Certification Courses
IIT Kharagpur

So we have already seen the chapter 2. 1 and 2 we will see chapter 3 that is market demand. Market is most important because, the most important event for any start-up is a point when somebody is bringing out the wallet from his or her pocket and making payment in excess for your goods or services. That is the happening moment, happening event of a start-up.

So you have to find somebody, not somebody many people increasing number of people who will be paying in-excess for your goods and services and at a price that will give you profit. So profitable price and sufficient number of customer or growing number of customer. So you need to understand, what is the structure of the market? How what is the size of the market? How the market has grown so far? And how is it going to grow moving forward? And what is how much of that pie the total market you are targeting to capture?

This information with data will give your audience a complete picture, a clear picture about your sustainability as a business. If you are not clear about this, then rest of the things will not really catch that fancy. Suppose, you can say that market size is say, 100 and there are existing players who are kind of catering to say 60 and the market is growing like at the rate of 30 percent year on year.

So, we are about we are targeting to capture say 5 percent of the market in the first year, maybe 10 percent in the next second year, maybe 15 percent in the third year that data will give your audience confidence that you understand the market and you have a clear plan as to how much of the market you are going to capture. And then moving forward, you are going to tell them what is your strategy how you are going to acquire customer and then how you are going to give them so much satisfaction that customers will come back again and again repeatedly.

And they will become evangelists for you, meaning they will spread word of mouth to other customers and growing number of customers will come and your customer acquisition cost is going to go down.

(Refer Slide Time: 05:02)

Market demand

Chapter 3

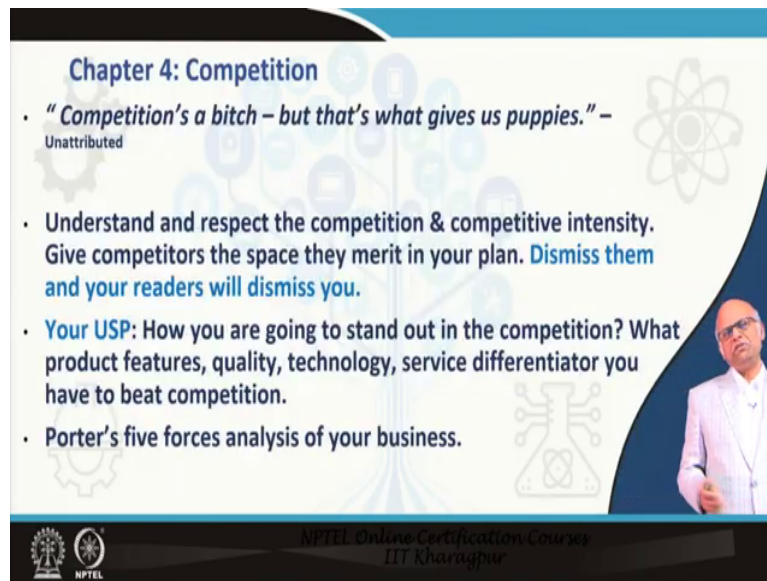
The market demand

- Market demand risks and opportunities
- Market share change – give a competitive intensity of your market and your competitive position.
- That market must be of sufficient size, now and in the future, to support at least your business, not to mention your competitors.
- Your market must buy your product for you to have a business. Your market must look attractive. Else you should not pursue it.
- Your reader wants to know, before all else, who these buyers are, how much they are buying, how much they are paying, why they are buying, what has been influencing them, how those influences may change and how much they are likely to buy in the future.

NPTEL Online Certification Course
IIT Kharagpur

So, demand supply and this clarity is absolutely essential. This is the information that your audience is eager to know and it will give them the confidence that you would like to get, gain.

(Refer Slide Time: 05:21)



Chapter 4: Competition

- *“Competition’s a bitch – but that’s what gives us puppies.” – Unattributed*
- Understand and respect the competition & competitive intensity. Give competitors the space they merit in your plan. **Dismiss them and your readers will dismiss you.**
- **Your USP:** How you are going to stand out in the competition? What product features, quality, technology, service differentiator you have to beat competition.
- Porter’s five forces analysis of your business.

NPTEL Online Certification Course
IIT Kharagpur

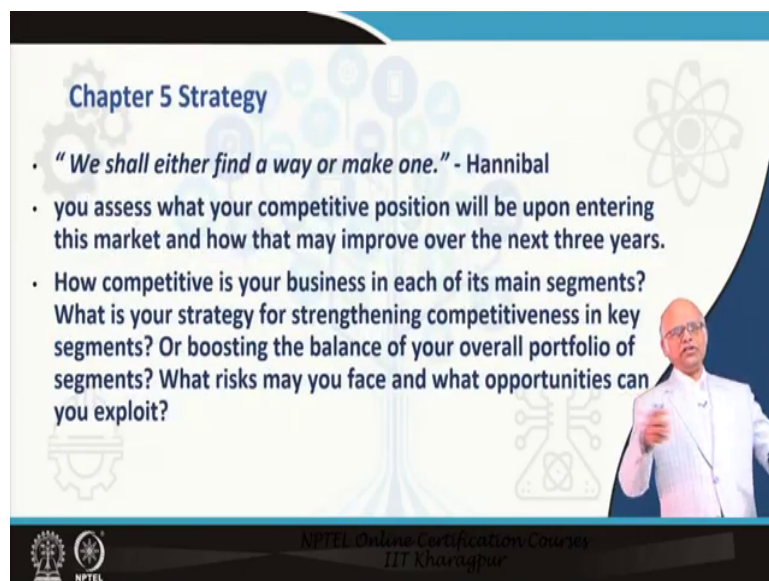
In fact, you should convince this particular point to yourselves before even starting to start a business. So, unless you are confident that the market is good enough and you have sufficient wherewithal to capture market, you have a wonderful story that will resonate with the customer and the customers will become loyal to your company, your brand you should not start. You should be absolutely confident only then you will start.

And, if you are confident the rest of the presentation is a cakewalk. Because if you are confident, you will be able to command and convince your audience that yes, you have the right recipe to become successful in the marketplace. Manufacturing, buying raw material, logistics, this can be taken care of with maybe even professionals. But, if your product is not something that the customers are willing to buy this is going to give you so much stress that this cannot this is unsurmountable.

Now, next is competition. Competition is primarily is means you can win over competition primarily by your USP. Do you have a superior value proposition? You have competitors. They have similar kind of products may or may not. Now if they have similar kind of products, what is your differentiator? Is your are your differentiator superior compared to your competitors?

What is the unique selling propositions that you have and that you are going to tell your audience that is going to help you to acquire customers from competitors and they are going to buy your product not really those of your competitors? What is that USP? You have to be clear. Some of the USP's we have discussed in the previous day. Here in the in a competition, you can even talk about the Porter's 5 forces. And, if you really can give a wonderful analogy and a comparison as to the competition in the marketplace perhaps there will be clarity.

(Refer Slide Time: 07:41)



Chapter 5 Strategy

- *"We shall either find a way or make one."* - Hannibal
- you assess what your competitive position will be upon entering this market and how that may improve over the next three years.
- How competitive is your business in each of its main segments? What is your strategy for strengthening competitiveness in key segments? Or boosting the balance of your overall portfolio of segments? What risks may you face and what opportunities can you exploit?

NPTEL Online Certification Courses
IIT Kharagpur

And, your audience will know that you are familiar that competition is multi-prong and you have some strategy to challenge them head-on and they will become confident then you are prepared. You know the competition and you are prepared to get over the competition, a strategy ok. The quotation here is we shall either find a way or make one meaning that we will win either we will find a way to win or we will create new strategy to win.

So, a strategy is to win over competition a strategy is to attract customer that will include telling a wonderful story that will resonate with your customer and they become emotionally attached to your brand. So you before that you have to understand the customers, your audience would like to know whether you know the customers persona. What is what are their challenges? What are their likings, dislikings? What are their needs? What they will definitely demand if you have the clarity? Rest is how you are going to build them and are they superior compared to competitors?

(Refer Slide Time: 08:54)

Strategy

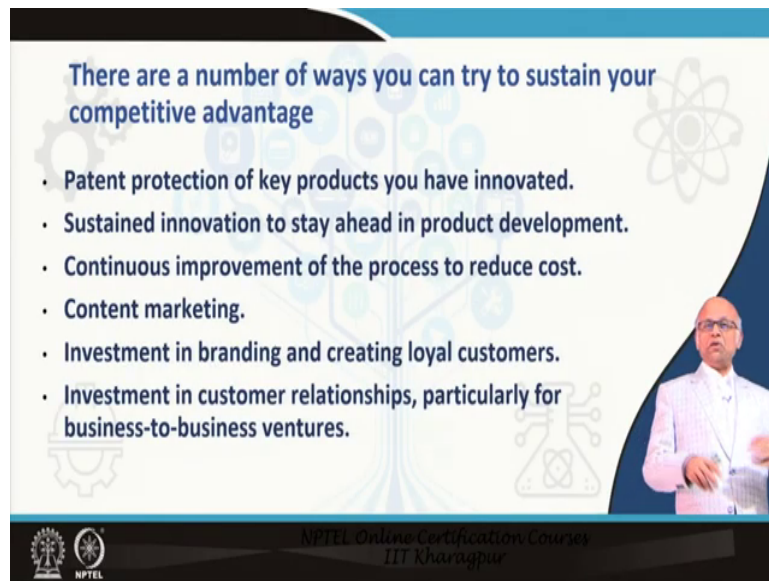
- Neither you exaggerate your opportunities nor you gloss over the risks.
- Be realistic.
- Tell your strategies to beat the competition.

NPTEL Online Certification Courses
IIT Kharagpur

So in this place, do not exaggerate your opportunities nor gloss over the over the risk. If you hide the risk, your audience will know that there are risk that you are not aware of. Even if you are aware of you are not telling, so they will think that you are not aware of that is going to kill your that that will make the presentation useless.

So rather than making something useless, be very clear about competition, give your competitors enough space meaning try to elaborate that they have this strength. What is their value proposition and then how you are how your value proposition is superior? So do not suppress anything because everything is known to everybody. Be realistic till your strategy to bid the competition.

(Refer Slide Time: 09:44)



There are a number of ways you can try to sustain your competitive advantage

- Patent protection of key products you have innovated.
- Sustained innovation to stay ahead in product development.
- Continuous improvement of the process to reduce cost.
- Content marketing.
- Investment in branding and creating loyal customers.
- Investment in customer relationships, particularly for business-to-business ventures.

NPTEL Online Certification Courses
IIT Kharagpur

Now how you can remain competitive? How you can gain pricing power? And win over competition? These are all part of the strategies and we have discussed that earlier in a presentation talking about competitive advantage and pricing power and all that. So something like technology, like your protected intellectual property right, your effort to continuously improve the technology and then protecting that, etcetera will give confidence to your audience.

(Refer Slide Time: 10:17)

Chapter 6: Resources

"It's not the size of the dog in the fight, it's the size of the fight in the dog." – Mark Twain

Most investors say that they back the team.

- In startups, investors do not look for managers. They look for visionary leaders, a person who believes wholly in the product or service, who will inspire and motivate others in the team.

NPTEL Online Certification Courses
IIT Kharagpur

If you have a, if you have seen shark tank any of this any of the (Refer Time: 10:24), when somebody says that I have already filed a patent and my technology is protected and I have acquired something like say, 10 customers or say 50 customers, immediately, investors become interested. So those are the competitive wall or those are the moat that you create around your business and competition cannot enter into and win your customers away.

Mark this is resources. Mark Twain says mockingly, its not the size of the dog in the fight it is the fight in the dog. Meaning you may have hundreds of resources, you may say that I have 100 tech guys, but whether it is 100 tech guys or 5 tech guys, what is their output? What are their strength? Where do they come from? And how much do they deliver? That matters.

(Refer Slide Time: 11:18)

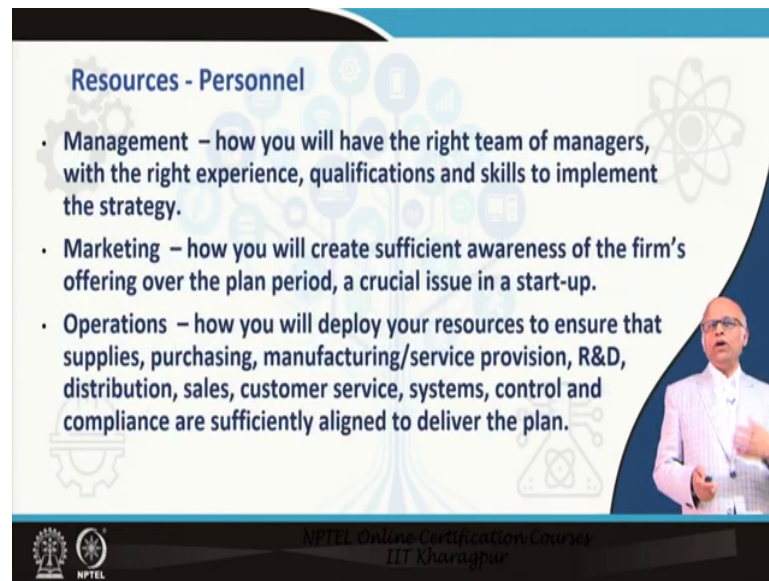
Resources

- Technology requirement
- Personnel requirement
- Inputs requirements – raw-materials, services, and utilities
- Logistic requirements – distribution, sale, delivery and aftersales services.
- Financial requirements

NPTEL Online Certification Courses
IIT Kharagpur

So, you have to really talk about the different departments of sections of your business.

(Refer Slide Time: 11:25)



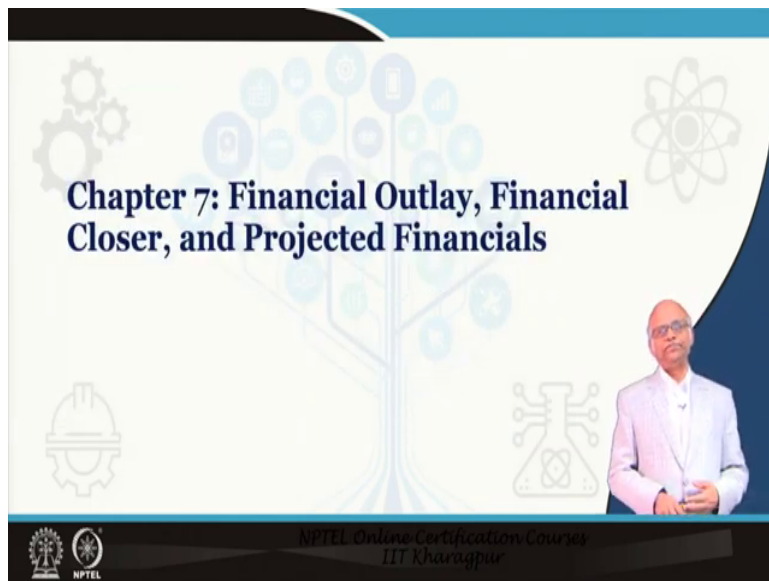
Resources - Personnel

- Management – how you will have the right team of managers, with the right experience, qualifications and skills to implement the strategy.
- Marketing – how you will create sufficient awareness of the firm's offering over the plan period, a crucial issue in a start-up.
- Operations – how you will deploy your resources to ensure that supplies, purchasing, manufacturing/service provision, R&D, distribution, sales, customer service, systems, control and compliance are sufficiently aligned to deliver the plan.

NPTEL Online Certification Courses
IIT Kharagpur

And then who are going to manage them? Who are going to look after the business process management? Who are looking after marketing? What is what are their credentials? Who are looking after operations? What are their credentials? And how are they doing it?

(Refer Slide Time: 11:38)



Financial outlay this is very important because this is where you are going to tell your audience where the money is, what can they expect from the business? So, you are going to show them a projected financials from where they are going to understand that if I invest in this company these are the outcomes these are these are the things that we can expect.

(Refer Slide Time: 12:08)

Financial Outlay before commercial operation: to be given in Appendix

Startup Expenses	₹ '000	Assets:	Funding	₹'000
Early salary	100	Current assets	Liabilities	
Market research	40	Cash	Accounts payable	100
Prototyping	500	Inventory	Other curr liabilities	50
Design of logo, etc.	30	Other current assets	Friends & Relatives	500
Traveling	25	Long term assets	Long-term liabilities	0
Legal expenses	60	Machinery	Sub-total	650
Trial expenses	200	Computer		
Advert. & Promo	100	Software	Equity	
Rent	60	Interior decoration	Owners	1000
Utilities	20	Furniture & Fixure	Investors	0
Website & hosting	20	Other long-term assets	Crowdsourcing	630
Internet data plan	10	Sub total	Sub-total	1630
Telephone bill	5	Total expenses	Total funding	2280
Insurance	10			
Consumables	20			
(Prel. & Preop.)	1200			

NPTEL Online Certification Courses
IIT Kharagpur

So one thing among financials is whether you have made the financial outlay as to what, how much money you need? At the end of the presentation you are going to tell them that I need say 5,000,000 dollar.

So the question will come back what are you going to do with this 5,000,000 dollar? So, you must have a clear idea that these are the things that I am going to do which are going to cost me this this this and total money is this and I am going to invest this or I have already invested this. Shortfall is this and this is this I am expecting from the investors. So that now they can negotiate as to what should be the dilutions etcetera. But then do not unnecessarily burden with lot of data.

You should keep all the data in the annexure. Here you should mention that these are the total requirement of fund, this is the money that I am bringing or co-founders are bringing and this

is the shortfall or maybe my friends relative has brought this. This is a shortfall I am looking to the investors for this.

(Refer Slide Time: 13:14)

Assets	₹ '000	Funding	₹ '000
Current Assets		Liabilities	
Cash	500	Short-term liabilities	
Accounts receivable	2,000	Accounts payable	0
Inventory	10,000	Other current liabilities	0
Other current assets	2,500	Friends & Relatives	500
Sub total	15,000	Long-term liabilities	0
Long term assets		Sub-total	500
(Prel. & Preop.)	1,200		
Machinery	50,000	Equity	
Computer	1,000	Owners	2,000
Software	2,000	Reserves & Surplus	0
Interior decoration	500	Investors	70,000
Furniture & Fixture	300	Crowdsourcing	2,500
Other long-term assets	5,000	Sub-total	74,500
Sub total	58,800		
Total Assets	75,000	Total funding	75,000

Financial Outlay and Financial Closer

This part is for the Appendix. Only the brief should be provided in the main body.

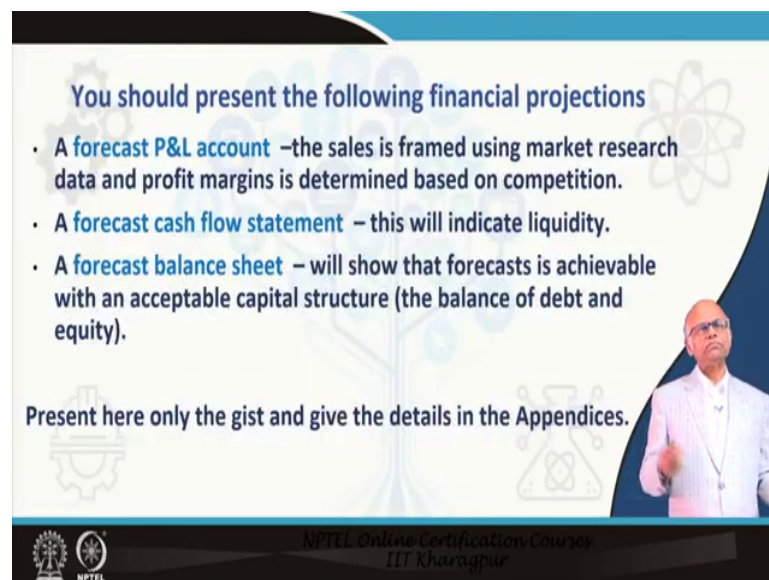
In the next slide, you should show the gist or the glimpse of your projected financials including the historical financials. Suppose you have already operated for 6 months or a year. So what is the turnover? What is the cash burn or profit or whatever you have met, just 2, 3 lines. And then next I should show that this is my future projection about financial outlay. That means, this is the amount of money I need to invest then, what is your cells moving forward? Second year? Third year? Fourth year? Fifth year? Maybe you should make a projection of 5 years or so.

Though people will tell us that future does not actually hold anything because everything is going to go top seater we were moving forward. Nothing normally materializes as we predict.

But still, there should be something, some guidance based on which our investors are going to make a decision and they are going to think that ok, I actually, I am planning something, I will plan. So just to have a plan, we make projections. And every month perhaps this projection will change, nobody cares about that. Its perfectly ok.

So we need to make a projection about our turnover profit and cash-flow that is going to happen moving forward.

(Refer Slide Time: 14:44)



The slide features a white background with a blue header and footer. The main content is a list of three bullet points under the heading 'You should present the following financial projections'. The presenter, a man in a white suit, is visible in the bottom right corner of the slide area. The footer contains the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

You should present the following financial projections

- A **forecast P&L account** –the sales is framed using market research data and profit margins is determined based on competition.
- A **forecast cash flow statement** – this will indicate liquidity.
- A **forecast balance sheet** – will show that forecasts is achievable with an acceptable capital structure (the balance of debt and equity).

Present here only the gist and give the details in the Appendices.

NPTEL Online Certification Courses
IIT Kharagpur

And then eventually, we are not going to run out of cash. We want to tell our audience that we are ok. So you want to tell our audience, your audience forecast; profit-loss account, cash-flow statement and balance sheet. These 3 are highly essential.

(Refer Slide Time: 15:06)

The slide is titled "Chapter 8: Risks, Opportunities, Rewards and Sensitivities" and includes a quote by John F. Kennedy: "When written in Chinese the word 'crisis' is composed of two characters. One represents danger, and the other represents opportunity." Below the quote, it states: "Opportunities are hidden in adversities. Explain how you are transforming challenges into opportunities." The slide also features a vertical label "Opportunities and Sensitivities" on the right side and a small image of a man in a white suit. The NPTEL logo and "NPTEL Online Certification Courses IIT Kharagpur" are visible at the bottom.

Particularly at the end if you show the cash flow, people will be confident that you have a positive cash flow moving forward. You are not going to run out of cash at in the foreseeable future.

Eighth chapter or section is the last section wherein you talk about the risk opportunities, rewards and sensitivities. When you talk about risk or say crisis, you talk about uncertainties. Look at what John F Kennedy has said, the word crisis has 2 syllables in Chinese. The first one says: the danger, first one says danger. And the second one says opportunities; that means, crisis means there is a danger and if you can you can somehow work around it, you may come victorious and there will be an opportunity for you.

In this regard, remember that great opportunities are always shrouded with danger or say disruption or uncertainties. If there would be no uncertainties and there is a great opportunity

waiting for waiting there in the horizon, there will be umpteen number of people fighting to catch that opportunity and within no time that opportunity will vanish. Only when there is a great opportunity, that is kind of covered with an with huge uncertainty and danger, only then people will be averse to even try to get close to that opportunity.

People will not even look at the opportunity, they will look at the danger part of it or the uncertainty part of it, they will try to remain away from it. But smart entrepreneurs will know that this is the danger, beneath that there is a huge opportunity. So, they will try to somehow work around and get rid off the dangerous part of it and capture this opportunity and create wonderful enterprise with huge profit and then enact a successive story. We frequently encounter things like opportunities, unbelievable opportunities.

So, remember that if something looks too good to be true that is actually too good to be true. So, somebody promises you that give me your money, I am going to give you 50 percent return per year. Over if over 10 years or 20 years or as long as you are there. So, you should ask yourself or you should tell yourself that this is this proposition is too good to be true and anything too good to be true is actually; that means, this man has a fraudulent intention. He is interested to just get your money and then run away. This happens many there are many many scams of this kind.

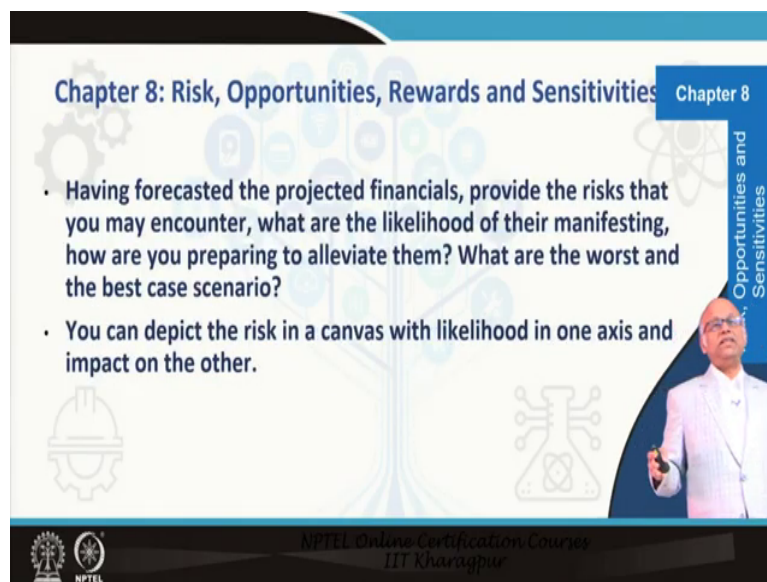
They come with a proposition which is too good to be true and people take it as if it is true. Whereas, a smart people will always stay away from that. At the same time, the opposite is also true if it is too dangerous just do not think that it is too dangerous. Just look beneath that is an opportunity waiting. Is it the fact that people are running away? Whereas, if I try to come up with a solution to really alleviate this danger, is there an opportunity? If it is there that is an wonderful proposition to the adopt and make business.

There is something called sensitivities. Sensitivities is like how sensitive your business is in terms of fluctuation in price or fluctuation in input cost, fluctuation in salary, fluctuation in interest rate. So in your financials you should make this different scenarios: optimistic, realistic, pessimistic. That means, optimistic means everything is going to go as per present scenario, realistic means you take a slightly lesser optimistic view, pessimistic means you

think that everything may actually not transpire the way it is and there may be some bit of down bit in everything.

So, that it gives a clear idea about the risk and return to your audience reward is very important and your audience is more interested to know about the reward in whole of your presentation your audience will be eagerly waiting when you are going to tell them that if you invest this amount of money you are going to get this many x return in this many years, that is very important.

(Refer Slide Time: 20:18)



Chapter 8: Risk, Opportunities, Rewards and Sensitivities Chapter 8

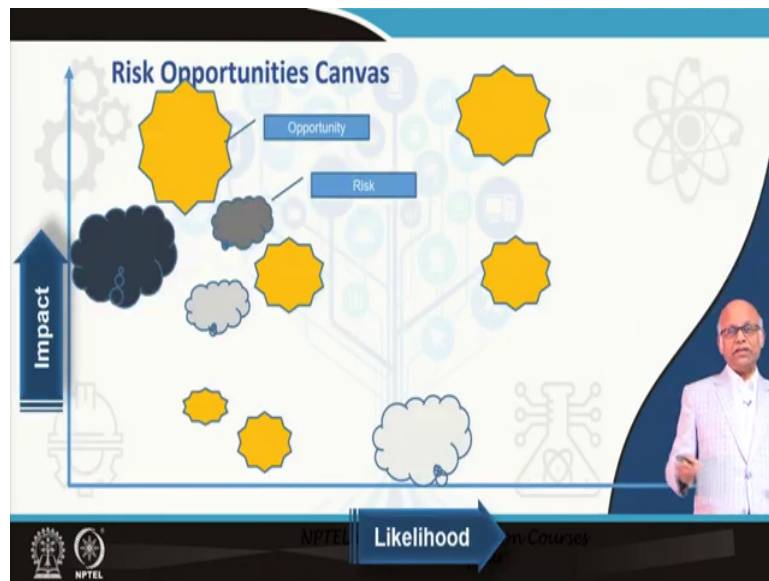
- Having forecasted the projected financials, provide the risks that you may encounter, what are the likelihood of their manifesting, how are you preparing to alleviate them? What are the worst and the best case scenario?
- You can depict the risk in a canvas with likelihood in one axis and impact on the other.

NPTEL Online Certification Courses
IIT Kharagpur

Opportunities and Sensitivities

So forecast your projected financial from where they will get a cue as to what kind of reward they may expect. But you should all as I said give a 3 different scenarios: optimistic, realistic and pessimistic.

(Refer Slide Time: 20:40)



So, that the risk and reward both are understandable. This can be presented in the form of a graphics. This context know for a fact. There is a saying that a picture speaks a thousand words. That means, by showing a showing an image relevant image, you can actually convey a lot of messages and you can reduce time of your presentation. For example, if you show this that these are the risk; suppose the black ones are the risk the x-axis is the likelihood that this risk will actually happen and the y-axis is the impact that is going to create.

Now, if there are a big risk this is going to create huge impact, but the likelihood of that happening is very less. You can eliminate them and ignore them. At least, you give this presentation and write on every element that these are the risk, label them with the risk. I am looking forward, I am kind of expect these opportunities to happen, this risk to happen and

this is a size and this is likelihood, in a graph your audience will know that ok, you are familiar about risk return and here are they.

(Refer Slide Time: 21:56)

Chapter 8
Risk, Opportunities and Sensitivities

Checklist on Risks and Opportunities

- Set out and weigh up the big risks and key opportunities on your way to achieving the targeted success.
- Their likelihood of occurrence
- The impact on bottom-line and cash flow if they do occur.
- Check if there is any risk that can potentially kill your business. You must have a clear and comprehensive plan to beat it.
- On balance, size and likelihood of opportunities should beat the foreseeable risks. Opportunities should outshine the risks.

NPTEL Online Certification Course
IIT Kharagpur

(Refer Slide Time: 22:06)

Rewards

- Provide some estimates of the pay-off to the investors and founders.
- This is important if you are pitching for fund.

NPTEL Online Certification Courses
IIT Kharagpur

Checklist on risk and opportunities you create a checklist and present them everything on this graph. Whether they are likely to happen or they are not likely to happen. As I said, reward must be very well articulated because this is the information that investors are interested in, what is the payoff?

(Refer Slide Time: 22:20)

Sensitivities

Chapter 8
Risk, Opportunities and Sensitivities

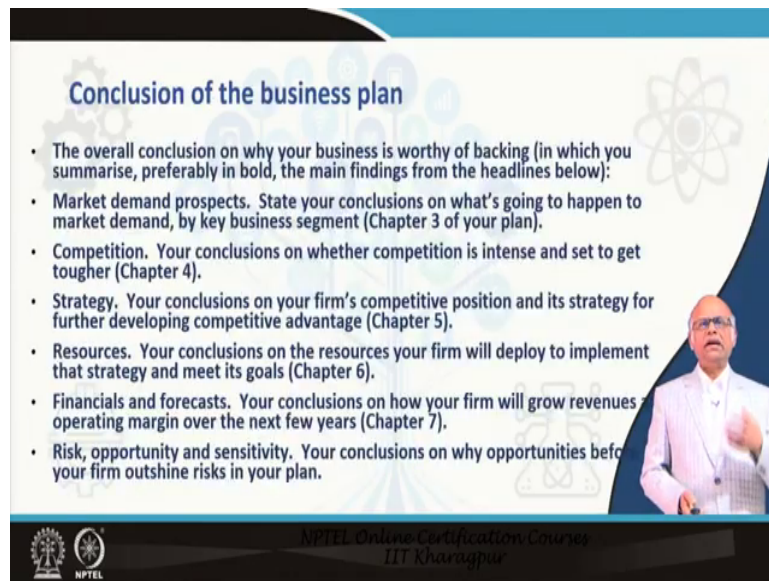
- Sensitivities is numerical estimation of how your cash flow is affected if any of the big risks manifest.
- Say, selling price is down by 5%, estimate the cash flow and show how your business is affected.
- You can actually place a value to the negative impact of some of the key risks.
- You can also draw attention to the upside of something going more favorable than projected.

NPTEL Online Certification Courses
IIT Kharagpur

The slide features a background with faint icons of gears and a tree. A video inset on the right shows a man in a white shirt speaking. The NPTEL logo is in the bottom left corner.

So, this this makes your audience happy if you say that a return is very high. But then if it is unrealistic, they will know that you are cooking up a story, you are not going to materialize that way.

(Refer Slide Time: 22:32)



Conclusion of the business plan

- The overall conclusion on why your business is worthy of backing (in which you summarise, preferably in bold, the main findings from the headlines below):
- Market demand prospects. State your conclusions on what's going to happen to market demand, by key business segment (Chapter 3 of your plan).
- Competition. Your conclusions on whether competition is intense and set to get tougher (Chapter 4).
- Strategy. Your conclusions on your firm's competitive position and its strategy for further developing competitive advantage (Chapter 5).
- Resources. Your conclusions on the resources your firm will deploy to implement that strategy and meet its goals (Chapter 6).
- Financials and forecasts. Your conclusions on how your firm will grow revenues and operating margin over the next few years (Chapter 7).
- Risk, opportunity and sensitivity. Your conclusions on why opportunities before your firm outshine risks in your plan.

NPTEL Online Certification Courses
IIT Kharagpur

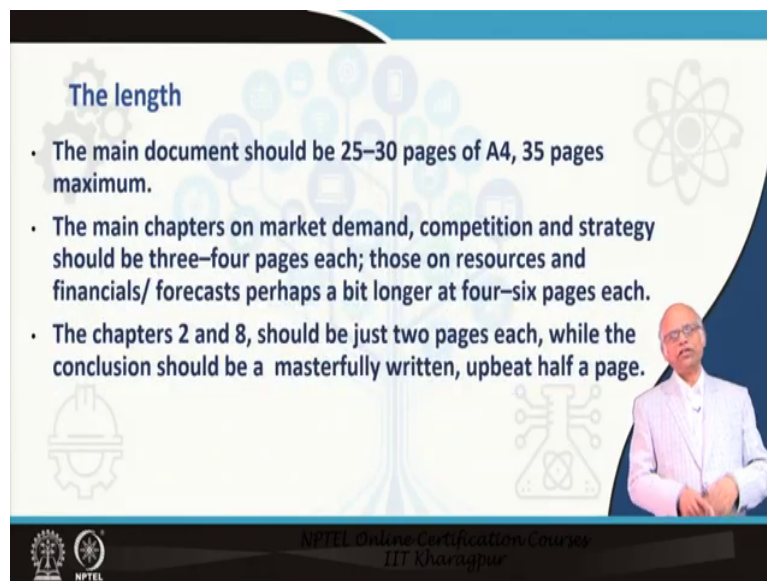
As I said, sensitivities are dependent on the this how sensitive your business is on changes in your assumptions. You assume that price will be this if it changes by 5 percent downward or 5 percent upward, what is the implication? That is sensitivity. In the conclusion, section its almost like executive summary you want to tell your audience or you want to call to action to your audience. You have told your story in a big way and now they are almost ready to make a decision.

Now you focus on the best components of your presentation. Your competitive advantage, value proposition how many customers you have already acquired and then how happy they are. Maybe you show a just before this you show a happy face of a customer, you just to the counter and he has he or she has got the product and they are just happy. So, something like

that which will convey or say you give some data here that we have already acquired these many customers, we have this IP and customers are growing this way etcetera etcetera.

This will call into action to your audience to make a decision about issuing the check to you so that they will engage into negotiation and then final discussion will be over.

(Refer Slide Time: 24:04)



The length

- The main document should be 25–30 pages of A4, 35 pages maximum.
- The main chapters on market demand, competition and strategy should be three–four pages each; those on resources and financials/ forecasts perhaps a bit longer at four–six pages each.
- The chapters 2 and 8, should be just two pages each, while the conclusion should be a masterfully written, upbeat half a page.

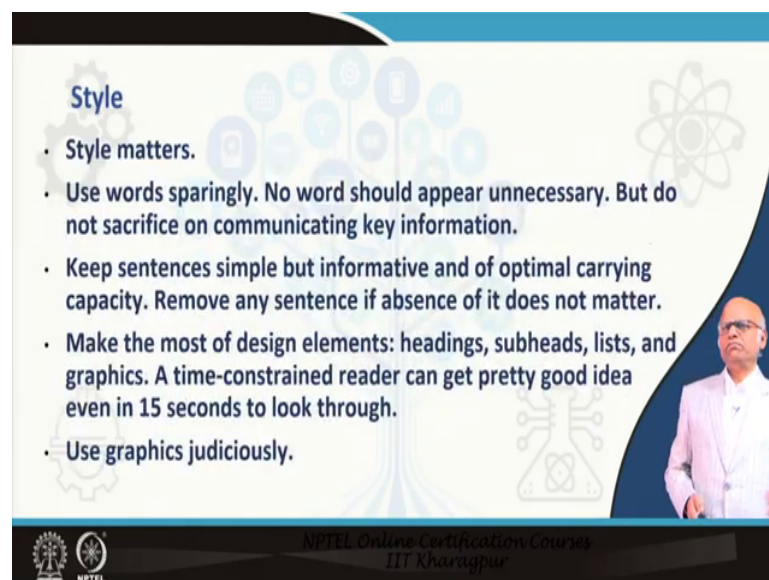
NPTEL Online Certification Courses
IIT Kharagpur

So, focus on conclusion as much as you focus on the executive summary. Any presentation is almost like a book or a story or a say in a cinema, you wish or in any story for that matter you start with a bang so that people remain in expectation throughout your presentation or throughout the cinema. Then you finish with another bang so that the last experience is wonderful, last experience is the lasting impression that your cast your audience is going to have.

First experience will keep them glued to the story. So tell a story at the beginning so that they are they remain in up in expectation and finish it with a call to action. Not literally, but with your with your data that you are presenting, they decide that yes i am going to invest. The length should be something like 25-30 pages not more than 35.

Then the main chapters on mark that we have discussed that chapter 2 to 8 should be just 2 pages each.

(Refer Slide Time: 25:11)



The slide is titled "Style" and contains a list of five bullet points. The background features a blue and white color scheme with various icons representing technology and science. A small inset image of a man in a white suit is visible on the right side of the slide. The NPTEL logo and course information are at the bottom.

Style

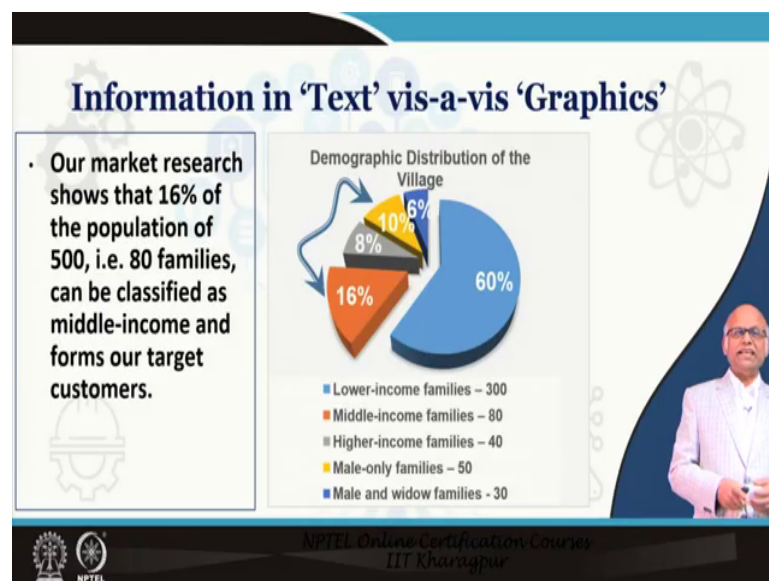
- Style matters.
- Use words sparingly. No word should appear unnecessary. But do not sacrifice on communicating key information.
- Keep sentences simple but informative and of optimal carrying capacity. Remove any sentence if absence of it does not matter.
- Make the most of design elements: headings, subheads, lists, and graphics. A time-constrained reader can get pretty good idea even in 15 seconds to look through.
- Use graphics judiciously.

NPTEL Online Certification Courses
IIT Kharagpur

And the conclusion should be not more than a page. Style matters, meaning that even though I said that you should not keep on garnishing with unnecessary data, you should follow a lean philosophy always meaning if you eliminate anything without reducing the value of your presentation, you should eliminate

But then a style matters, try to make a presentation. Your presentation you understand that people are all emotional people. If you if you present something beautifully, half the thing is done. So if you see that you have you have taken so much care in preparing everything. That does not waste their time, but that gives a wonderful impression that matters.

(Refer Slide Time: 25:56)



So, if you can present something that within 15 seconds they decide that yes, this is good that is wonderful. Like present data in the form of graphics, that kind of attracts people as peoples attention it looks nice and this is this also conveys the message clearly.

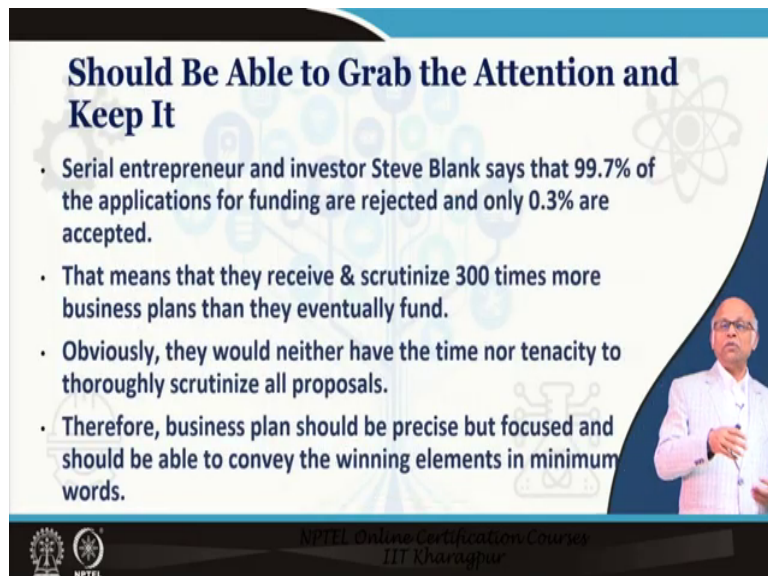
It just rivet the message and they do not forget also. First of all, they assimilate the grasp and then they retain. So in both way image or graphics actually is a good idea. But then do not put too many unnecessary images. A wonderful image of your interior may matter, a happy customer may matter, you may also include a something like a some recommendation or

some nice words from a customer that that means, forms a social media or your review of your product.

You can just put it verbatim with quotation, that will give confidence to your audience. So try focusing on all those positives. Even without any of these 8 sections, if you can really convey the message that resonate with your audience and your audience get a feel of the strength of your business model, the purpose is done. So, it is not necessary that you have to give a presentation for 20 minutes, 30 minutes.

Even if there are 20 minutes of time, but within 5 minutes you convey so much information, so much confidence you can inculcate so much confidence in the minds of your audience, good enough.

(Refer Slide Time: 27:42)



Should Be Able to Grab the Attention and Keep It

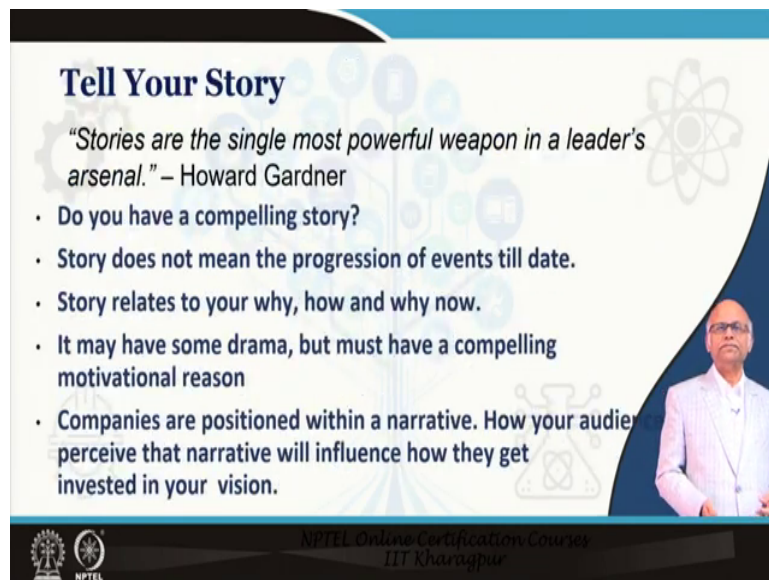
- Serial entrepreneur and investor Steve Blank says that 99.7% of the applications for funding are rejected and only 0.3% are accepted.
- That means that they receive & scrutinize 300 times more business plans than they eventually fund.
- Obviously, they would neither have the time nor tenacity to thoroughly scrutinize all proposals.
- Therefore, business plan should be precise but focused and should be able to convey the winning elements in minimum words.

NPTEL Online Certification Courses
IIT Kharagpur

They are going to make a decision. Its not necessary that more time, more presentation is going to make them happy. Nobody wants to listen to a big presentation. You should be able to grab the attention and keep it. See what bill gross has to say. Acceptance rate or its still blank. acceptance rate is only 0.3 percent. That means, your audience actually sipped through 300 proposals to select only 1 proposal.

So they are already burdened, they are bored. So if you bore them more they are going to go away.

(Refer Slide Time: 28:24)



Tell Your Story

"Stories are the single most powerful weapon in a leader's arsenal." – Howard Gardner

- Do you have a compelling story?
- Story does not mean the progression of events till date.
- Story relates to your why, how and why now.
- It may have some drama, but must have a compelling motivational reason
- Companies are positioned within a narrative. How your audience perceive that narrative will influence how they get invested in your vision.

NPTEL Online Certification Courses
IIT Kharagpur

So be precise and to the point. Most importantly, tell a story. You have to convey why customers have a have a severe pain and why you have a compelling reason to solve that pain or alleviate that pain. If you really can come to this level, that you have a wonderful story, a

compelling a story that that is about a chronic pain in a customers and your proposal and their pain is a wonderful match, a product market fit that is going to sell.

Like Huggies, if you have a story to tell your customers you can tell the same here that our customers are these and we are offering them this and that is how they are going to remain they are going to come to us and remain loyal customers. You can start with that story, that is going to be that is going to sell and that throughout your presentation that is going to resonate with your audience.

(Refer Slide Time: 29:30)



Know your audience and give the information they need to make decisions.

(Refer Slide Time: 29:34)

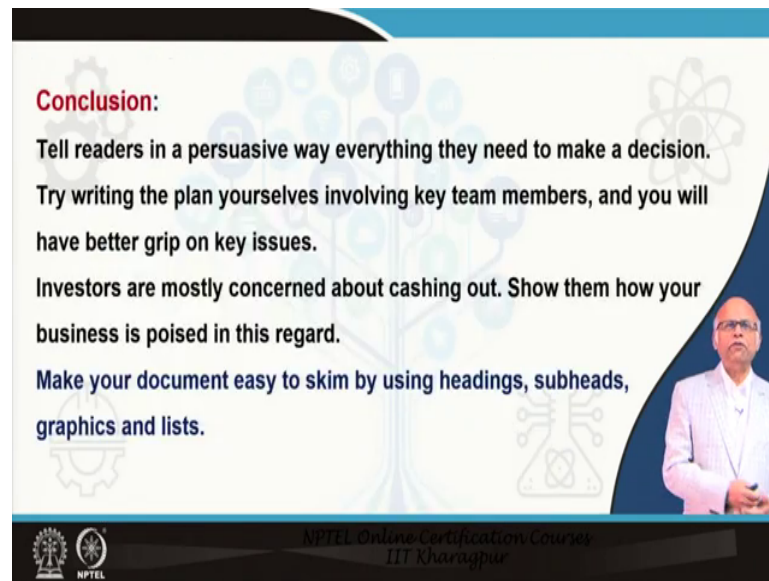
Experts say that your business plan journey should traverse the Seven Cs

- C1 Clear good plan
- C2 Crisp
- C3 Concise
- C4 Consistent
- C5 Coherent
- C6 Credible and
- C7 Correctness.

NPTEL Online Certification Courses
IIT Kharagpur

People say that experts say that you have to cross the 7 seas to be able to succeed in a business plan journey. And those are clear, good plan, crisp, concise, consistent, coherent, credible and absolutely correct. Do not prevaricate or give false information.

(Refer Slide Time: 29:57)



Conclusion:

Tell readers in a persuasive way everything they need to make a decision.

Try writing the plan yourselves involving key team members, and you will have better grip on key issues.

Investors are mostly concerned about cashing out. Show them how your business is poised in this regard.

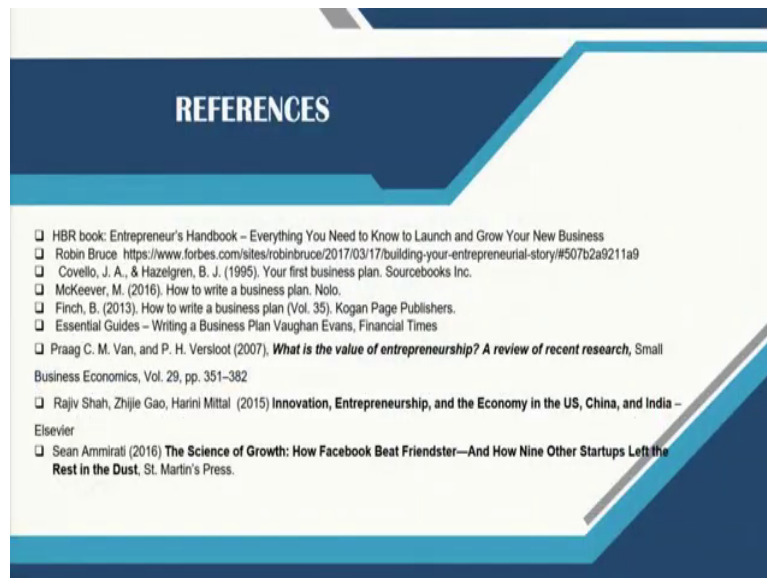
Make your document easy to skim by using headings, subheads, graphics and lists.

NPTEL Online Certification Courses
IIT Kharagpur

In conclusion, tell readers in a persuasive way everything that need to make decision. Try writing the plan yourselves, otherwise during presentation it may go haywire. Do not prepare it by somebody and then then you try to tell people that you know I have a slide there to reply your question.

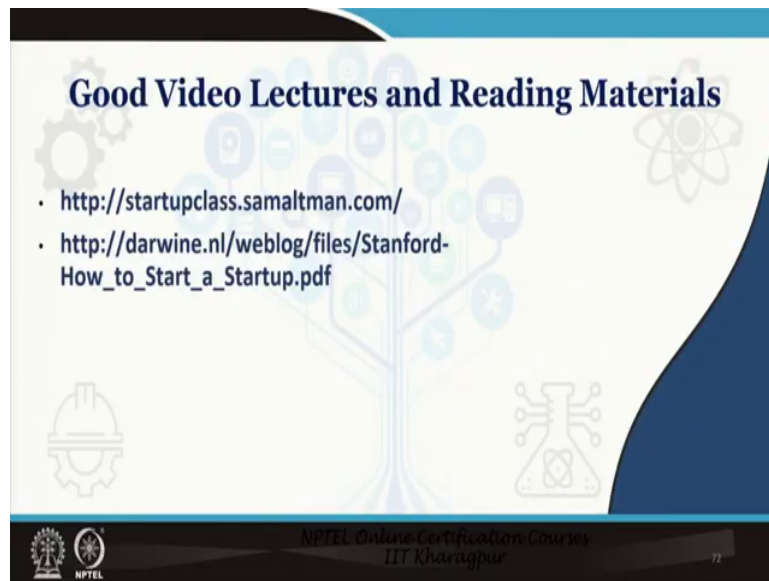
So, you flip the pages it does not go well. You should be confident that yes, this is this and this is not.

(Refer Slide Time: 30:37)



Make your document easy to skim by using headlines then subheads graphics and lists. Particularly in the contents, if you mention everything well it will help your audience to understand what to expect from your presentation and where to find that. Some references, some books also you can read them.

(Refer Slide Time: 30:50)



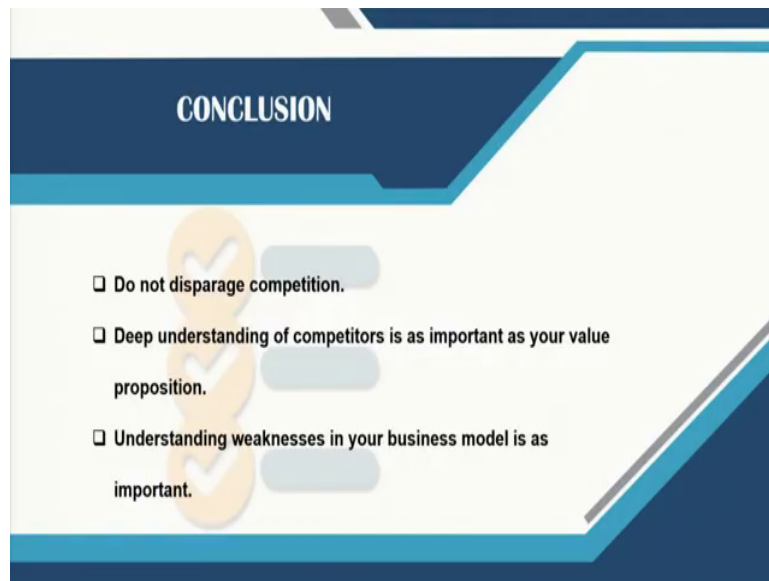
Good Video Lectures and Reading Materials

- <http://startupclass.samaltman.com/>
- http://darwine.nl/weblog/files/Stanford-How_to_Start_a_Startup.pdf

The slide features a central graphic of a tree with various icons (gears, lightbulbs, atoms, a hard hat, and a chemical flask) integrated into its branches. The background is light blue with a dark blue curved shape on the right side. At the bottom, there are logos for NPTEL and IIT Kharagpur.

Thank you very much here is a presentation by Sam Altman, I have already mentioned earlier also, you can look at them and.

(Refer Slide Time: 30:57)



CONCLUSION

- Do not disparage competition.
- Deep understanding of competitors is as important as your value proposition.
- Understanding weaknesses in your business model is as important.

Thank you.