Entrepreneur Business Development Process

STAGE 1  
Personal Assessment

STAGE 2  
Discovery

STAGE 3  
Business Case (Feasibility)

STAGE 4  
Business Plan

STAGE 5  
Financing and Pre-Launch

STAGE 6  
Launch

STAGE 7  
Growth

These are the seven stages that IGNITE! recommends that most entrepreneurs follow. Stages 1-3 are the foundational stages; Stages 4 & 5 are the building stages; Stage 6 is the open the door stage; Stage 7 is expansion stage. See the following pages for more details.
Entrepreneur Business Development Process
Checklist/Guide

Use this information as a checklist and guide, with assistance from your IGNITE! representative, to help step through the stages or phases of a successful new business launch.

**Stage 1 Personal Assessment**

- What’s your personal vision?
  - How long have you had this vision about your life?
  - Why is this vision important to you?
- What are your personal goals in next 3, 5, 10 or 25 years?
- Think about your skills, attributes, beliefs, etc.
  - Passion
    - What is the passion of your heart and life?
    - Do you believe that you can make the world better and why?
    - What excites and energizes you?
    - Are you a dreamer, planner or does?
    - What would you do if you knew that it was impossible to fail?
  - Motivation
    - What are the reasons for wanting to start a business?
    - Are you a person that likes conformity?
    - What excites and energizes you?
    - When you were young, did you have a business like lawn cutting?
    - Would you rather sacrifice time and money to produce something that makes a difference or just get by without it?
  - Creativity or Access to Creative Resources
    - Provide examples where you were creative and how the creativity made a difference.
    - What magazines do you like to read regularly?
    - What are your hobbies?
- Intention
  - What are your plans for the next 2, 5 and 10 years?
-Conviction
  o Owning and operating a business is hard. Why is it important to you?
  o What do you fear the most about starting a business?

-Commitment
  o What are you willing to give-up to make a business successful?
  o Describe how you are a self-starter.
  o How many times have you had an idea but later heard that someone that taken the idea and developed a business around it?

-Beliefs
  o Describe what risk means to you.
  o How does chaos and uncertainty make you feel?
  o Have you ever failed miserably? What did you do?
  o Which of the following attributes apply to you?:
    ▪ Large aspirations
    ▪ Procrastinator
    ▪ Takes responsibility for your own actions
    ▪ Belief that what you set to do will be done
    ▪ Focus on the “here and now”
    ▪ Makes decisions on facts and data
    ▪ Excellent work under set deadlines
    ▪ Big picture approach

-Abilities
  o What are your abilities that would contribute to the success of a business venture?
  o What are any unique abilities you possess?
  o Personal and professional strengths and weaknesses

Decision to Go or Stop (Adjust by adding teams members that address weaknesses)

Stage 2 Discovery

- Problem-Solving Basics
  - Step 1: Define the problem
  - Step 2: Gather relevant information
  - Step 3: Generate possible ideas or alternatives

- Five Questions to ask when exploring new ideas or opportunities
  - What am I (or not) seeing that is new or different?
  - Where am I (or not) seeing it?
  - When am I (or not) seeing it?
  - Why am I (or not) seeing it?
  - Why am I not seeing more of it?
• Sources of Discovery/Opportunity/Problem-Solving/Idea Development
  o New goods, services, raw materials, markets, and methods that can be introduced through the formation of new means, ends, or relationships
  o Exploitation of inefficiencies
  o Unmet demand
  o Some good ideas can come from bad ideas
  o Advancing knowledge and technology changes a product or service
  o Knowledge acquired through individual circumstances
  o Look for familiar patterns in unrelated subjects
  o Cater to people’s laziness
  o Look to nature for business ideas
  o Zig rather than zag-go an opposite direction
  o Look for new or different applications for something already successful
  o Find ideas in diverse places-be aware of the world around you
  o Finds ideas that leap over current applications or are inferior

• “Inside the Box” Innovation:

  **Subtraction:** Removing a component that was previously thought essential to a product or service, such as the elimination of the record function in the Sony Walkman. Can you simplify, streamline, or miniaturize it?

  **Substitution:** Can there be a substitution for something that already exists? Who else? What else? When else? Where else?

  **Adaptation:** Can you adapt what others have done? Any analogies or connections from other fields? What is the most unconventional or unusual new use? What is now being wasted that could be put to use?

  **Modify or Rearrange:** Make something more useable, attractive, and appealing? Task unification: Combining tasks within a product or service, such as warmth and deodorizing in Odor-Eaters socks. Can you create an ensemble? A collection?

  **Multiplication or Magnification:** Copying an existing component, such as “picture-in-picture” TVs. What can be added? Add value?

  **Division:** Separating a component from the product, such as the remote control.

  **Reverse:** What are any opposites or reverse relationships, uses or functions?

  **Attribute dependency:** Making two previously independent attributes dependent in a meaningful way, such as a baby bottle that changes color when the liquid inside reaches the proper temperature.
• Research on Opportunity/Need
  - Scan sources such as Google and other search engines to see if something similar exists
  - Contact local economic development organizations concerning research on the idea
  - Patent search

• Idea Screen and Evaluation
  - Distinct from the entrepreneur—it’s the idea, not the person
  - Has unique attributes that differentiates?
  - What are the risks and uncertainties?
  - Has limited life cycle?

Decision to Go or Stop (Adjust)

Stage 3 Business Case/Feasibility (Validation of idea, market, and approach)

Business Feasibility Study = Will this work? A Business Feasibility Study is a controlled process of identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes and assessing the range of costs and benefits associated with alternatives for solving a problem.

Feasibility Studies Typically Include:

• Introduction (name of proposed business, founders and short summary of the business)
• Product/Service Feasibility
  - Desirability
  - Demand
• Industry/Market Feasibility
  - Industry Attractiveness
  - Target Market Attractiveness
  - Timeliness of Entry
• Organizational Feasibility
  - Management expertise
  - Resource Sufficiency
• Financial Feasibility
  - Total Start-Up Cash Needed
  - Financial Performance of Similar Businesses
  - Financial Attractiveness of Proposed Venture
• Summarize the Assessment and Identify Strengths and Weaknesses of the Proposed Business

Source: “Preparing Effective Business Plans”, Bruce R. Barringer

Decision to Go or Stop (Adjust)
Stage 4 Business Plan

**Business Plan = How will this work?** Take the information from your personal assessment, discovery and feasibility study to complete your business plan.

- Business Plan Key Components
  - Executive Summary
  - Company Overview
  - Strategic Plan
  - Business Goals
  - Business Model
  - Industry Analysis
  - Market Analysis
  - Competitive Analysis
  - Legal Structure
  - Marketing and Promotions Plan
  - Operations Plan (hours, HR, policies etc.)

- Team Structure
  - Has talent, experience and knowledge in sector
  - Seeks important opportunities with challenges and returns
  - Proactive to addressing opportunities
  - Creative in addressing problems or needs
  - Can convert ideas to marketable endeavors
  - Achievement-oriented
  - Uncertainty and ambiguity isn’t an obstacle
  - Flexible
  - Evaluates and mitigates risks
  - Focus on a vision
  - Multidisciplinary
  - Skilled at selling ideas

Source: 5 Owner Competencies Required for Rapid Business Growth™, Dino Eliadis, May 13, 2013

- Other Resources to Support Business (networks, mentors, attorney, accountant, etc.)
-Financial Plan, Three-Year Projections and Budget
  o What personal financial assets are you bringing to the business? How much and what percentage of the total?
  o Are there family investments in the business? How much and what percentage of the total?
  o Have you discussed the financial needs with your banker or investors?
  o What is your financial “safety net” or contingency plan?

-Non-Financial Resources (mentors, board of advisors, business support services, etc.)

-Sustainability Plan

-Exit Strategy

-Appendices
  • Investor/Elevator Pitch (for potential investors, banks or other funding sources, no more than two minutes)

Decision to Go or Stop (Adjust)

**Stage 5 Financing and Pre-Launch**

• Identification of Potential Financing
• Finalization of Financing and Resources
• Legal
  -Business structure finalized (sole proprietorship, partnership, C-corporation or S-corporation, limited liability company (LLC))
• Registration and Licenses (Federal, State and Local)
  -Articles of Incorporation
  -Business name
  -Trademark business name
  -Employer Identification Number (EIN) from the IRS
  -Identify state tax obligations and processes
• Site Location and Zoning Verification
• Any product/service adjustments

Decision to Go or Stop
If Go:

- Obtain Site Location Lease or Purchase Property
- Develop and finalize website
- Purchase Equipment, Supplies and Signage
- Implement Marketing Plan

**Stage 6 Launch**

- Opening Promotions
- Opening
- Post-Launch Review
- Periodic Business Review
- Business Plan Adjustments
- Implementation of Growth or Exit Plan

If Exit:

- Business Sale?
- Business Liquidation?
- Merger?
- Bankruptcy?

If Growth, go to Stage 7

**Stage 7 Growth**

10%+ annual growth rate correlates to sustainability

**Growth Factors:**

- Financing Resources
- Personnel Resources
- System Resources
- Business Resources
Stages of Growth:

- Existence (get monthly cash flow to breakeven)
- Survival (consistently established profit)
- **Success (grow or sustain the business)**
- **Rapid Growth (manage finances to assure growth doesn’t outpace the financial resources)**

  **Competencies for Rapid Business Growth***:
  - Clear Vision for the Future
  - Already Mastered Delegation
  - Solidified Key Metrics for Monitoring Operations
  - Developed Senior Management Team
  - Solid and Scalable Processes and Systems

- **Maturity (diversify into other markets/find related products or services to sell)**