

Business Blueprint Simplified – New Business Line

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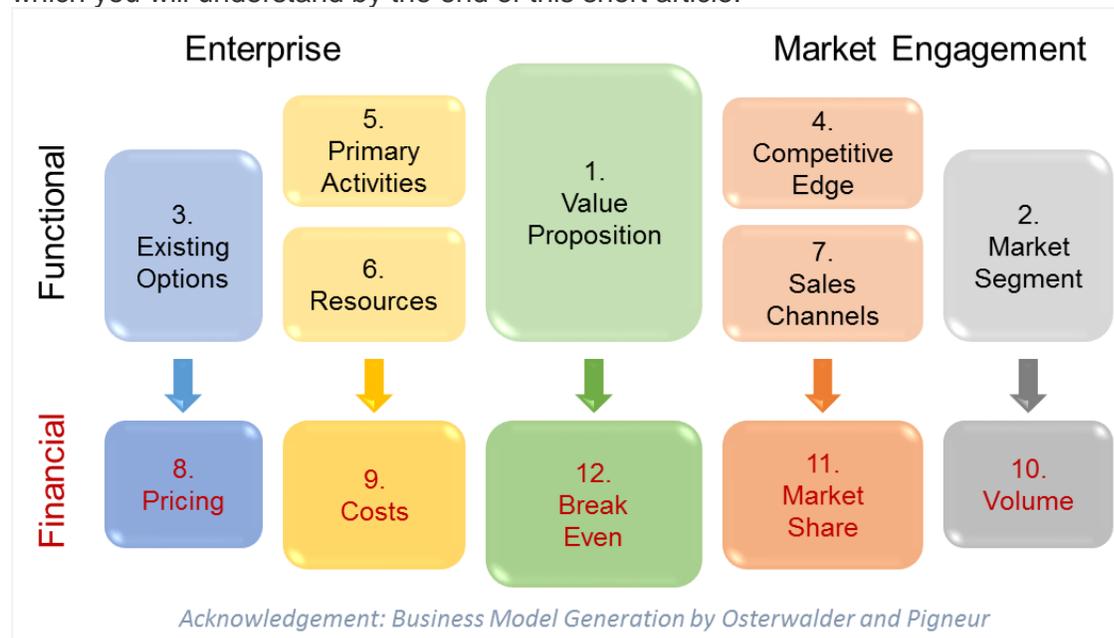
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Feedback and comments welcome. Let's build this further.....

Startup, small, medium, or large: what-ever size your business may be, chances are you are looking to convert new ideas into monetary gains. Number of questions with equally large number of choices cross your mind.

Here is how you can put all that on a one page landscape and qualify it for pursuit. Refer to the graphic and fill in the 12 boxes in the sequence as numbered. At this point, do not worry about the relative placement of these boxes. Yes, you will hop around, and that is for a good reason, which you will understand by the end of this short article.



1. What is your value proposition?

Product: New product, new capability, a new core technology, established product adapted to a new market, better look and feel, cheaper alternative,...

Service: physical, intellectual, emotional, entertainment, logistics, healthcare, transport, financial, security, online, emergency response,...

2. What market segments are you going after?

Types: Mass market, niche market, specific customer(s), segmented & diversified, multisided platform, ...

3. What are existing options with the customers today?

No option: you are defining a need, creating value, you can set price for high profits

Few options: perhaps barrier to entry is high, with opportunity for profits, when value is demonstrated

Many options: barrier to entry is low, and so will be the profits. Watch out!

4. What is your competitive edge?

Potential – Talent, knowledge, assets, IP, existing product line, ...

Excellence in execution – cost structure, speed, logistics, locations, ...

Image – Branding, public relations, Govt relations,

5. Primary activities do you need to undertake for this venture?

Design, development, prototype, manufacturing, supply chain, aftermarket, financing, training, recruitment, resource acquisition, safety/regulatory compliance, ...

6. What is your resource requirement?

People, facilities, equipment, IT infrastructure, IP, finances, reserves, ...

7. What sales channels would you be using?

Physical stores, virtual stores, partner stores, personal network, vending machines, tradeshow, conferences, door to door, kiosks, ...

8. What is your pricing model?

Deterministic – Fixed, cost + profit, Freemium, insurance

Opportunistic – Negotiable, yield driven, perishables, auctions, performance based

Your answers in box 3 (existing options) determine the max you can charge.

9. What are your costs?

One-time costs, fixed costs, units costs, economies of scale, value driven costs, negotiable costs, ...

Your answers in box 5 & 6 (activities and resources) determine the minimum you can achieve.

10. How much capacity does market have for your offering?

Millions (Mass market), Thousands (Niche market), Tens (specific customer),

Your answers in box 2 determine the best you can hope for

11. What market share do you hope to capture?

What %age during launch period, growth period, mature stage... and How - Lease/Sales/Subscription

Your answers in box 4 & 7 (competitive edge and sales channel) determine the maximum you can capture.

12. When will you breakeven?

Now you can calculate the time frame and sales quantity required to start making profits.

Your answers to box 9 & 11 will help you estimate your breakeven point

End Game

We started with a value proposition in Box 1 and end up with break-even point, just below, in Box 12.

The boxes on the left are the enterprise side and right side is about engaging with the market.

The upper row of boxes is all about functional or execution and lower row is all about financial aspects.

Each financial box is primarily related to the functional boxes just above.

If the breakeven does not make proper business case, think about where in the upper row you can make changes to adjust the equation in the lower row. You may end up going all the way back to redefining your value proposition. And that is OK.

You balance this out, you are good to start THE new business line.....

Acknowledgement: The underlying philosophy for this model is based on the Book – “Business Model Generation” by Alexander Osterwalder and Yves Pigneur.

About Ripi Singh

With 25 years in technology development, management, and leadership; Dr. Ripi Singh has learnt that Innovation, Productivity and Quality can be concurrently improved to reduce operational stress. He is now on an advisory and coaching mission to help businesses around the world, with his proprietary Innovation Framework called +4 π . It goes above and beyond the traditional initiatives such as six-sigma and lean.

He is natural at Strategic thinking, Innovative problem solving, Technology Commercialization, University-Industry relationships, and high performance team building. His people, process and technology leadership skills span across multiple domains - aerospace, defense, healthcare, energy, manufacturing, and IT. He holds a PhD in Engineering and Masters in Strategy and Innovation.

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