

## The Art of Business Planning

Case Study : OnLine Exercise Portal  
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There is real magic in enthusiasm.  
It spells the difference between mediocrity  
and accomplishment.”  
*Norman Vincent Peale*

## Why absence of Greek VC's

Early stage investment is a risk management game. Portfolio policy.

Greek Projects have low upside

- Small Domestic Market

- Founding teams have limitations

- Exit plans are difficult

Hence VC's Aim for

- Lower Risk

- Bigger Size

## When to Search for VC

Profits: 300 K for you or 10 M \$ for the company?

God client database. 100000 users or 1 key Account  
(eg. Vodafone GR)

There exist at least 1 key advantage

## Common Pitfalls in Early Stages

Great idea NO -> Good Execution Plan YES

One turn key person as founder NO -> A responsibility weighted team YES

Product Mentality NO -> User Mentality YES

## Celebrated Talk: The most worthy 14:42 minutes of your business life.

TED: [http://www.ted.com/talks/lang/eng/david\\_s\\_rose\\_on\\_pitching\\_to\\_vc.html](http://www.ted.com/talks/lang/eng/david_s_rose_on_pitching_to_vc.html)

Talks David S. Rose on pitching to VCs



## How to come up with the Idea

What you do well in life ?

How to make money

What I sell ?

To whom ?

Why would anyone care to buy ?

**Innovation** \*do not reinvent the wheel, just make a better working one

**People** \*Work with the best and make build the circumstances and the environment to attract the best.

**Commitment** \* stick to your idea until the end

After a lot of consideration and thought we have come up with an idea that exploits the medical and athletic knowledge background of some member of our team.

The Idea ?

A web portal for diet and training consulting based on users exercise profiles.

## Some Figures to Get Started

Athletic Apparel and Shoes Industry is over 10B \$ per year.

All Athletic Companies are open to alternative marketing.

Large User Bases attract More Information.

Supplement Industry is over 45M \$ annually.

## Encouraging Investors

Create a good impression

Create a sense of urgency to generate momentum

Frame ideas to make them more appealing

Prepare a good business plan

## A Living Document

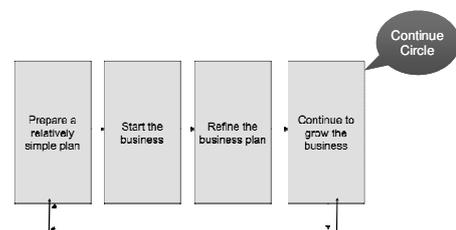
keep in mind that even without funding your own startup will definitely need a business plan

A business plan changes often as a new business develops.

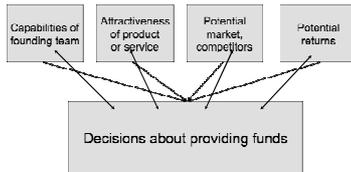
Do just enough business planning to get the new company started.

Refine the plan with information gathered from running the new venture.

## Model of Successful Business Planning



## Key Aspects



## Components

What is the basic idea?

**Why is the new product appealing—and to whom?**

How will the idea be realized?

Who are the entrepreneurs?

How will the venture be structured & operate?

How much funding is needed? What type of financing? How will it be used?

**How will you realize a return?**

## Successful Business Plan

Orderly

Cover page | Table of contents | Executive summary  
| Various sections | Appendices | Succinct

In proper form

Persuasive

Be prepared to answer all devils advocate questions

## Executive Summary

An impassioned statement about the wonderful things going on in the industry involved

Provides a brief, clear, and persuasive overview of the new venture

Target 2 to 3 pages

## fit2life portal case

- Sensor technology latest developments
- Mobile phones and programmable platforms
- Existing devices for exercise tracking
- Data mining algorithms for trend analysis
- Collaborative knowledge algorithms
- Supplement industry developments
- Apparel and sports wear
- Beauty figures and contemporary healthy way of life

## Business Plan Section

- Background, purpose, and opportunity
- Marketing
- Competition
- Development, production, and location
- Management
- Financial section
- Risk factors
- Harvest or exit
- Scheduling and milestones
- Appendices

## Background, Product, & Opportunity

- What is the nature of the idea driving your company and how did it arise?
- What does the product/service have to offer?
- What is the basic nature of the company?
- What are the company's mission & goals?

## fit2life portal case

- Group of medical and fitness post graduate students.
- Online exercise monitoring and consulting portal
- Networking between members
- Customized and self regulating diet programs
- Training and goal setting/monitoring
- Mission: Provide better quality of life to end users

## Market Analysis

What have you done to identify the market?  
How large is the market?  
How will products or services be promoted?  
What do you know about competing products and companies?  
How will the product or service be priced?

## fit2life portal case

Facebook application approach  
350 M users  
40M 15-35 upper class, income over 60K \$ /year  
20% of them regular exercise regular (>3 per week)  
40% of them regular exercise rarely (1-2 per week)  
20% of them seeks motivation to start

## Market Research 2.0

Google Trends  
Google Alerts  
Google Searches per month  
Alexa page traffic (always look the first 5 top sites of the industry) [good way to mark saturated markets if number of searches== number of unique visits]  
See supplement industry sales forecasts  
See clothes and apparel industry sales forecasts

## Development, Production, and Location

Where are the products or services in the development process?  
What are the projected costs and timetable for making the product or delivering the service?  
What steps have been taken to assure quality and safety?

### fit2life portal case

Home office  
Sensor fabrications and development in China (CE)  
Quality Control Plan  
Training and exercise database. Diet database.  
Algorithms for trend analysis  
Web portal

### Management Team

Do team members have the experience, expertise, skills, and personal characteristics needed?  
Do team members having good working relationships, defined roles, and clear communication?

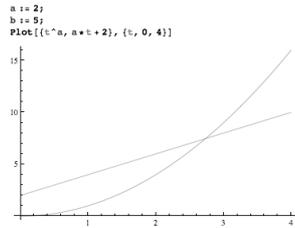
### fit2life portal case

Medical background  
Statistics  
Electronics and embedding programming  
Management  
Sales people  
Fitness trainers

### Financial Plans and Projections

will be closely & carefully examined by potential investors  
Proformal balance sheet  
Proformal income statement  
Cash flow statement  
Breakeven analysis

## Break even analysis with non linear sales model



## Critical Risks

- Price cutting by competitors
- Unforeseen industry trends
- Sales projections not achieved
- Costs exceed estimates
- Schedules not met
- Lack of experience
- Difficulties raising required financing
- Unforeseen political, economic, social or technological trends

## Harvest and Exit

Exit Strategies

Managing Strategies

For instance a startup that exploits google sketch up and google 3D buildings by developing a product that generates 3D vector objects with texture from plain images can have an exit plan a google buy out.

## fit2life portal case

Buy out from Garmin

Buy out from Poral

## Scheduling and Milestones

- Formal incorporation
- Completion of design
- Completion of prototypes
- Hiring of initial personnel
- Product displays
- Agreements
- Moving into production
- Receipt of orders
- First sales
- Profitability

## Marketing

- Google Ads.
- FB Campaign
- Affiliate Marketing
- Viral Videos [iphone app Boston Marathon]
- Guest Posts to Conventional Media

## Revenue Streams

- Membership Model
- Gold Membership [privileges]
- Social Networking, Matching Companions
- Supplements
- Affiliate Marketing
- Gym Advertising
- Apparel Advertising

## Competition

- Fitbit [simple data collection smart]
- Garmin connect.
- Polar.
- iPhone Runner App.
- iPhone Android Running Companion Apps. [GPS, Speed Data, future Accelometer]

## Differentiation

Extra Data Collection [temp, humidity, acceleration, inclination, Rest, Absence of exercise]

Integration with existing devices

Data mining and collaborative knowledge algorithms for diet, supplement and exercise suggestions.

Integration with existing training services

Trainees pairing.

similar exercise profiles run together at the central park

people that like to play basketball for instance can form online teams and schedule plays.

## Useful Addresses

Παρατηρητήριο για την Κοινωνία της Πληροφορίας.  
<http://www.observe.gr/page/default.asp?a=1&id=103>,  
<http://www.observe.gr/page/default.asp?a=1&id=183>

Πρότυπα επιχειρηματικά σχέδια από το πρόγραμμα Δικτυωθείτε για ηλεκτρονικό εμπόριο σε πολλαπλές θεματικές περιοχές. <http://www.go-online.gr/ebusiness/ebps.html>

ΕΣΠΑ δράσεις και προκυρήξεις: <http://www.espa.gr>

Εθνική Στατιστική Υπηρεσία <http://www.statistics.gr/portal/page/portal/ESYE/PAGE-database>

Οικονομικά και Χρηματοπιστωτικά Δεδομένα από το Υπ. Οικονομικών  
[http://www3.mnec.gr/sdds/users\\_gr.asp](http://www3.mnec.gr/sdds/users_gr.asp)

Παρουσίαση της Ελληνικής Οικονομίας από το Υπουργείο Οικονομικών  
[http://www.mnec.gr/eleconomics/Greek\\_economy\\_at\\_a\\_glance/](http://www.mnec.gr/eleconomics/Greek_economy_at_a_glance/)

Δημοσιεύσεις προσχεδίων, νόμων εργασιών της βουλής <http://www.parliament.gr/ergasies/nomosxedia.asp>