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PREPARING BUSINESS AND MARKETING PLANS AND PROGRAMS

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I. ENTREPRENEURSHIP

The dictionary defines an **ENTREPRENEUR** as “*one who undertakes to start and conduct an enterprise or business*”.

Larry Udell defines an **ENTREPRENEUR** as “that rare and very unique individual who has a vision and is willing to pursue it, in the face of numerous obstacles, criticism, hardships and sacrifices, to achieve a dream”.

A. Successful Entrepreneurs Have Specific Characteristics

- They dream while awake
- They can visualize their dreams
- They easily admit their weaknesses
- They also recognize their strengths
- They know how to influence others
- They can balance their weaknesses with the strength's of others
- They have the ability to put their dreams on paper for others to understand
- They are willing to share success, greed is not their motivation

B. Recipe for Creating A Successful New Venture

1. A founder who realizes he/she cannot achieve their dream by themselves.
2. A founder who has done their homework on researching the business, product, service, market, and the competition.
3. A founder who wants to achieve success for personal satisfaction and peer acceptance, more than great personal wealth.
4. A team whose total individual focus is on a single objective, with each participant recognizing their contributions and its values to the total.
5. A well-defined “Road-Map” or business plan that everyone agrees on, with target dates for accomplishments, individually and collectively.
6. A documented knowledge of the realistic needs for the immediate and long range funding of the start-up phase and growth.
7. The ability to change course or direction at any time in the growing process, for the benefit of achieving the objective.
8. Learning to adapt and recognize the needs of other team members.
9. Not allowing negative outside influences to have any effect upon the venture and goals.

10. Prioritizing and re-prioritizing the targets and the time requirements.
11. Having the individual and collective abilities not to permit greed or personal gains to interfere with the focused purpose the venture was originally created for.
12. To always keep family informed and never to sacrifice the devotion by others for success. *“You cannot replace true love with wealth.”*

C. Risk vs. Rewards

1. Know your personality:

- Are you results oriented?
- Do you like to make decisions?
- Do you handle pressure well?

2. Identify your values:

- Work hard, but you can also have a life;
- Do not put work before family.

3. Understand your work style:

- Do you wait for others to tell you what to do? If you are not a self-starter, stay in the big company.

4. Choose wisely:

- Investigate the opportunity and the people involved.
- What is the real true potential?
- What will my value and contribution be?

5. Set specific goals:

- When does your responsibility begin and end?
- How long is the time commitment?
- What is the compensation potential?

6. Have a realistic financial picture:

- What is your number one motivation?
- How long will it take to achieve your objectives?
- How will you earn the greatest income from the venture?

7. Even a bomb can be a boon:

- Start-up experience even if you failed looks great on a resume.
- The more times you try, the greater the potential is for success.

- We learn every day, both from our successes and our failures.
- If it all checks out don't look back in the future and say, I wish I did ...!

II. THE NEW PRODUCT BUSINESS PLAN

- What's the opportunity & why?
- What evidence do you have that this will work?
- How does it fit with existing strategies, programs, and strengths?
- What's the product and/or service?
- How will you organize to develop, produce and deliver the product and service? (e.g., operations, people, alliances, ...)
- Who are the customers & why? (e.g., descriptions, motivations, market size,
- How will you market it? (e.g., pricing, promotion, PR, sales, distribution, logistics, service, ...)
- How much will it cost to get to a point of self-sustaining growth? Where will the money come from? With what capital structure?
- What are the projected payoffs? (e.g., projections of cash flow and/or capital appreciation)
- What are the risks and the contingencies?



Diagram 1

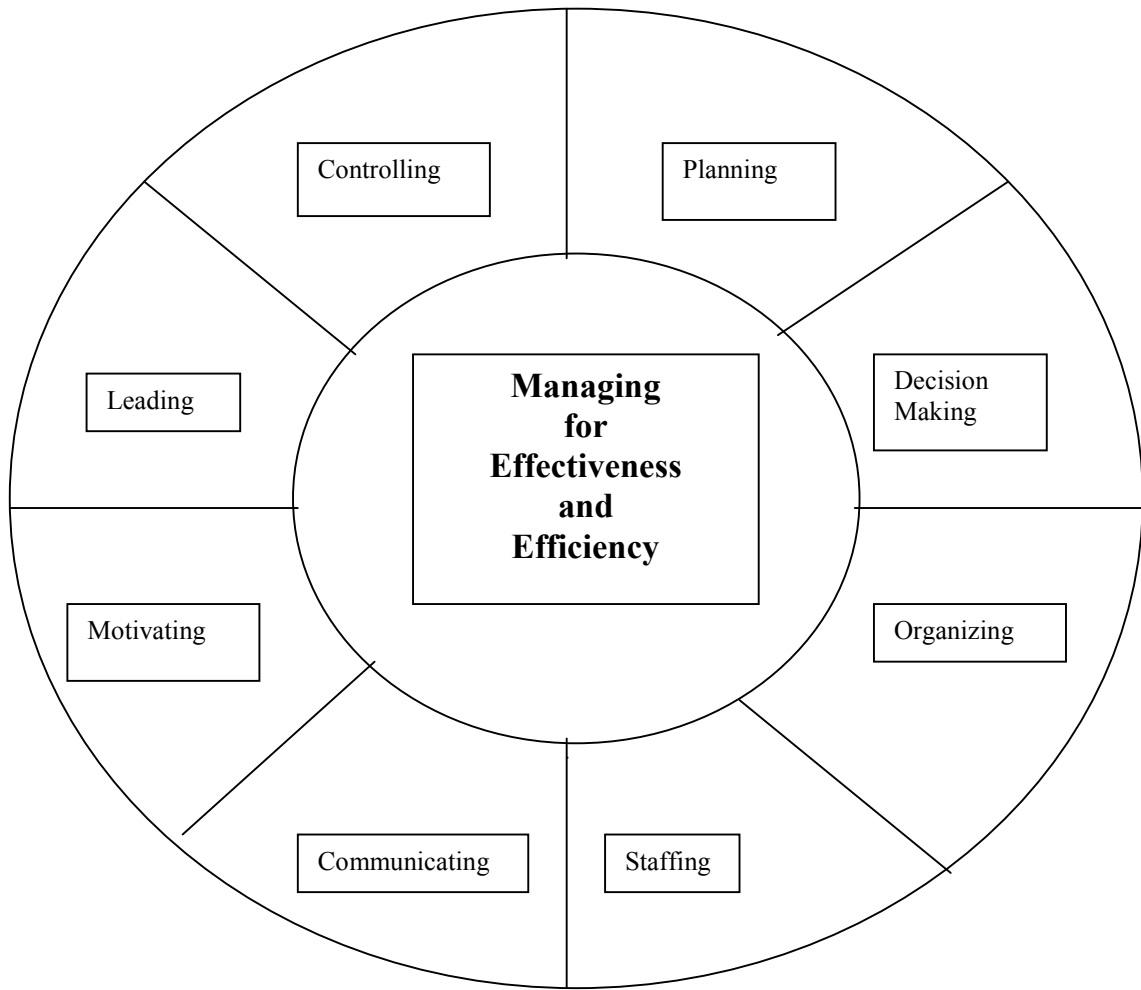


Diagram 2

8 KEY SKILLS OF CHANGE LEADERSHIP

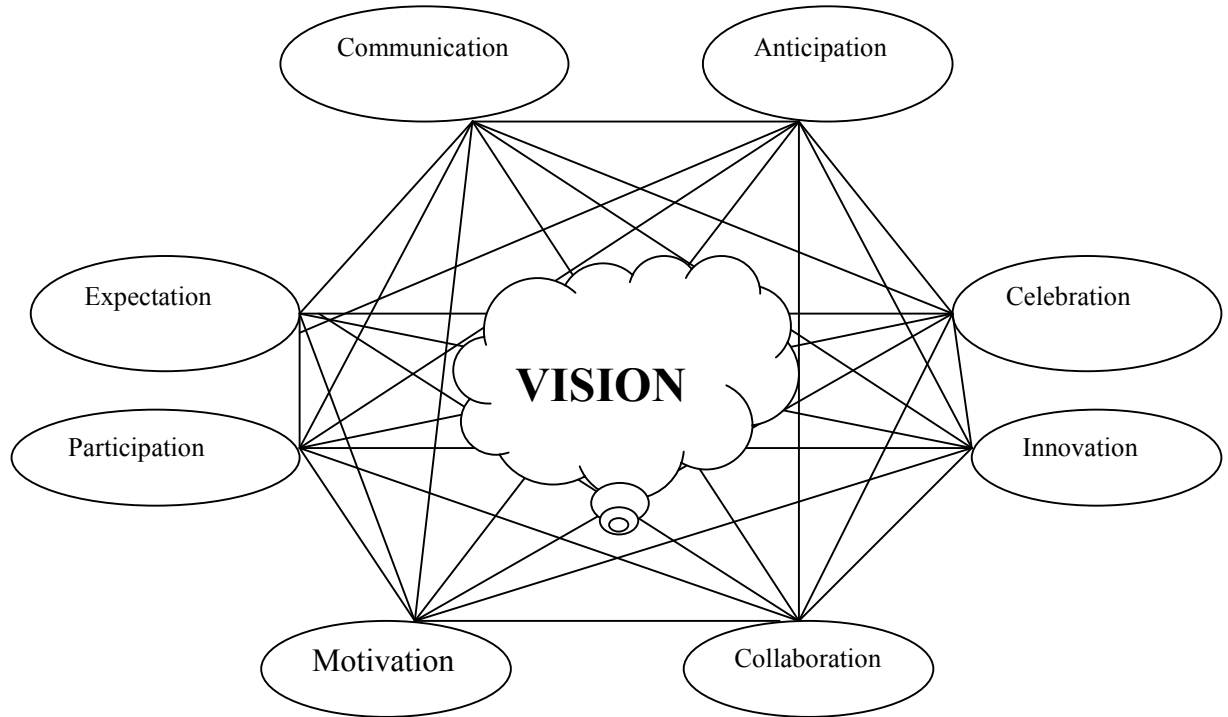


Diagram 3

The Changing Environment

Think back over the last few years. Consider how changes in these areas have created a need for change in your organization.

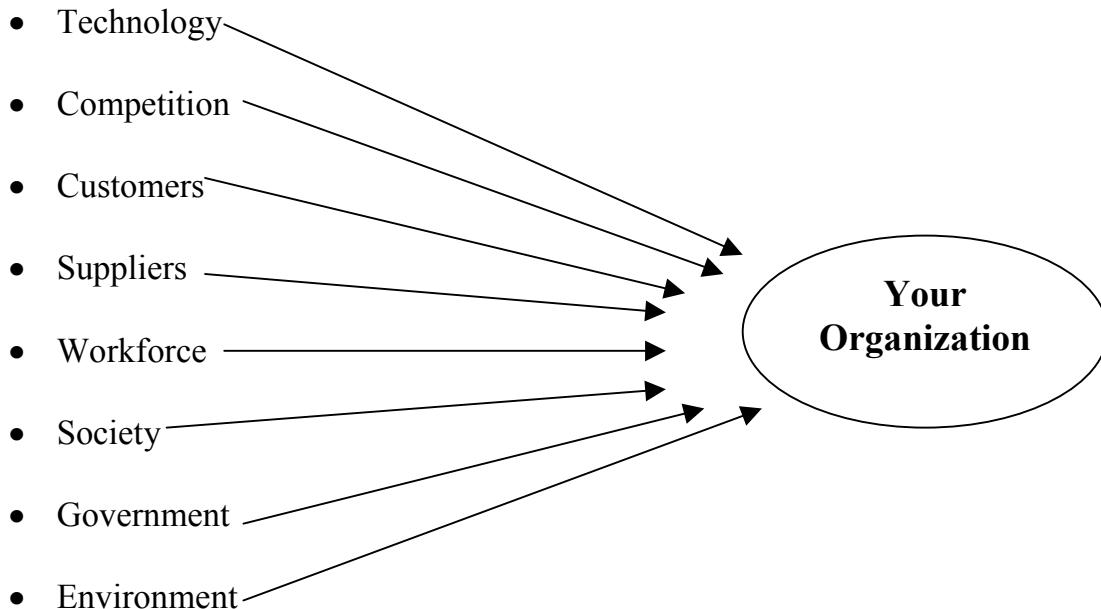


Diagram 4

III. BUSINESS PLAN OUTLINE

1. Executive summary*
2. Industry
 - Characteristics
 - Products/services currently offered
 - Growth
3. Opportunity within the industry*
4. Product / Service
 - Description
 - How product works or service is used?
 - Special qualities that make it unique
 - Advantages
 - Improvement over competition
 - Demonstrated tests

* Critically important.

5. Company history (if applicable)6. Management*

- Team
- Structure
- Board of Directors
- Advisors (accounting, banking, financial, legal, marketing, technical, industry)

7. Operations

- Day-to-day operations (what, how, who, when)
- Facilities
- Capital equipment
- Suppliers
- Costs
- Quality control

8. Marketing

- Product/service (summary)
- Market size
- Market share
- Target segment
- Customer
- Distribution
- Competition
- Price
- Advertising and promotion
- Distinctive feature of this co. & product from the competition
- Positioning (how this company wants to be perceived by the industry and customers)
- Growth plan (geographical, product diversification, customer segments)

9. Personnel

- Management (summary)
- Non-exempt
- Number required

10. Regulations and laws

* Critically important.

11. Finance

- How much
- Timing
- Use of funds *
- Projections (income statements, balance sheets, cash flow statements, salary schedule, fixed asset list, depreciation schedule, revenue schedule, loan amortization schedule)

Anticipated problems**What separates the winners from the losers**(from a survey of 2,000 small businesses)

<u>FACTOR</u>	<u>SUCCESSFUL FIRMS</u>	<u>FAILURES</u>
Degree of Preparation	Spent 6 to 12 months to research and prepare for their venture	Spent less than four months to prepare for startup
Use of Advisors	90% utilized professional advisors such as lawyers and accountants in start-up	Only 25% sought any professional help at an early stage
Business Education and Reading	Almost 70% had taken business related courses before starting business and also regularly read business books and magazines	Only 10% had ever attended business courses or took time to read materials
Expectations of Income	More than 50% said they started with modest expectations, and were prepared to be patient for signs and results of success	36% said they fully expected to make a lot of money within first three years
<u>FACTOR</u>	<u>SUCCESSFUL FIRMS</u>	<u>FAILURES</u>
Recognized the Value of a Team Effort	Over 75% understood the value or balancing the strengths and weaknesses or individuals that recognized a common goal	Less than 20% knew they could not do it by themselves, but tried anyway

* Critically important.

IV. FINANCIAL FEASIBILITY

- Time to market & window of opportunity
- Development costs
- Pricing
 - What the market will bear
 - Direct costs plus development amortization
- Profitability
- Technology valuation
 - Development costs
 - Gross revenues for one year
 - Net present value of future earnings
 - Technology worth to purchaser
 - Adjustments for risk and a dose of realism
- Capital requirement

V. TECHNOLOGY MARKETING

1. Understand the technology:
 - Features;
 - Applications;
 - Benefits;
 - Distinctive aspect;
 - Advantages.
2. Identify position within technology chain:
 - Enabling technology;
 - Intermediate technology;
 - User applied technology.
3. Understand the technology purchaser:
 - Focuses on industrial problem;
 - Wants a solution, not a technology;
 - Evaluates technology as a solution, not in terms of performance.
4. Ascertain industrial problems/applications
5. Target industries and companies

6. Contact within each company:
 - Those responsible for the problem;
 - Those capable of evaluating the technology;
 - Technology investment decision makers.

VI. MARKET FEASIBILITY

1. Key questions

- Is the market large enough?
- Will the customer perceive value?
- Can we get to the customer?
- Can the product withstand competition?

2. Elements to investigate

a) Product competition

- Features
- Advantages & disadvantages
- Benefits

b) Market segments

c) Customer

d) Company competition

- Size
- Strengths (R&D, marketing, finance, etc.)
- How each competes (price, service, tech., etc.)
- Resources
- Market size

e) Target market share

- Percentage and dollars
- Can distribution be developed to support market share

f) Distribution

- Appropriate channels
- Will the trade take-on the product?

g) Price

- Actual cost-price push
- What market will bear-price pull?

h) Required investments

- Education prior to purchase
- Advertising & promotion
- Distribution development

VII. FINANCING FLOW CHART

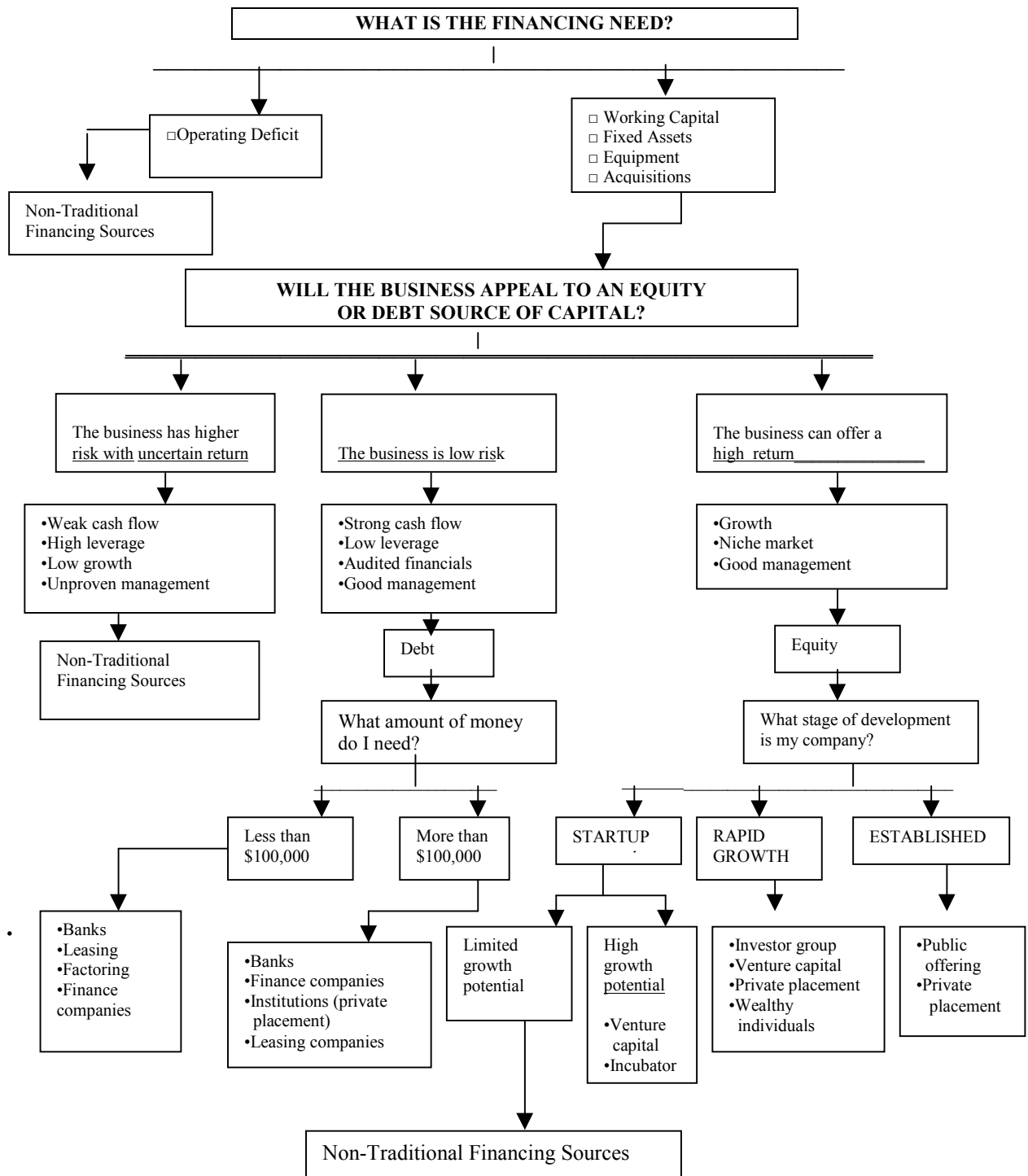


Diagram 5

The seeds of entrepreneurship
blossom by what we learn every day

The knowledge we have today is
much greater than it was yesterday
therefore opportunities expand
at an accelerated rate
on a daily basis

One evolutionary technology
can create an entirely new industry
potentially employing millions of
people throughout the world,
just look around you for examples

There is no limit to individual
achievement in today's
technological fast paced world

Who is really prepared for the
opportunities of tomorrow?

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