The Business Plan … The Business Model

The marketing plan for any firm needs to be based upon a solid business plan and business model. The elements of the business plan should include; the vision of the firm; the mission of the firm; the goals and objectives of the firm; the customer segments we choose to serve; the value proposition we will use to serve the customer segments better than our competitors; the channels for distributing the value creation; the communications processes for communicating value to the segments; the manner of customer engagement to create customer relationships; the revenue and profit model; the cost structure inherent in the profit model; the key resources required including funding; the key activities required and our core competencies to accomplish the activities; and key relationships and partnerships. For each of these elements, we need to ask the questions of where are we at; what would create a wow in the marketplace; will that wow be relevant to the customers and differentiated from the competitors; can we get to the wow.

For each of the foundational elements we might list possible sub-elements to consider and guide the business plan.

**Vision and Mission** … what do we do; how do we do it; what are our abiding values and beliefs; what do we want to do in the future; what will wow the marketplace in the future

**Customer Segments** … consider the mass market; niche markets; segments; consider geo-graphics, demographics; lifestyle; behaviors; size of segments; responsiveness of segments; empathy based (think; see; feel; do; hear; pain and gain)… who do we serve now and who do we want to serve in the future.

**Value Propositions** … how do we and will we create value; innovation; newness; quality; customization; performance; convenience; accessibility; services; design; brand equity to consumer (brand promise and story); reduced cost; reduced risk; add services; bundle and unbundle; sustainable; simpler and easier; superior; added-functions; six sigma; better or different;

**Channels of Distribution** … use of internet for direct; ownership of channel; integration; packaging; accessibility; convenience; payments; customer support; touch point analysis; stores; immersive experiences; digitization; delivery; mobile; dealerships;

**Channels of Communications**: … social media; advertising; promotions; public relations; accessibility; email and internet communications; ease of trial; showcase; mobile; word of mouth from loyal customers;

**Customer Engagement and Relationships** … social media monitoring; self-service; automated services; personal services; product co-creation; communities; membership; ownership; trials and sampling; training and education; product placement; sponsorship; experiences; loyalty; word of mouth

**Revenue Streams** … product sales; services; usage fees; subscriptions; licensing; leasing; advertising income; brokerage fees; long tail; platform operations;

**Cost Streams** … fixed costs; variable costs; economies of scale and scope; digitization; new product development; lean; standardization; integration; supply chain ownership and management;

**Profit Model** … free as a business model; advertising; bait and hook ; open business models; offer product systems and services (Microsoft Office plus Windows); systems;

**Key Resources required** … facilities; capital including lines of credit, cash, start-up funds; people; intellectual property including brands, patents, databases;

**Key Activities required** … core competencies; production; service; networking; platform; innovation; storytelling; investor engagement; employee engagement; scenarios modeling;

**Key Partnerships** .. supplliers; distributors; non-competitive strategic alliances; joint venture partners; unique or unusual partnerships; collaborations;

Considering and understanding these elements will lead to deep thoughts about the business and be the basis for creating a business model and business plan.

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References: Ten Types of Innovation, Larry Keeley

 Business Model Generation, by Alex Osterwalder

 Rotman on Design