The 2022 Harriet Stephenson Business Plan Competition

www.seattleu.edu/businessplan
Peter Rowan

Executive Director
prowan@seattleu.edu
206.954.1973
THREE ROUNDS

SCREENING ROUND
Date: March 22, 2022
• 2-3 page business plan summary (8-10 Judges per plan)
• Template, rubric, and examples on the BPC website

SEMI-FINALS
Date: April 19 & 22
• 2-Minute Elevator Pitch (7-9 Judges)
• Tradeshow Booth (~75 Judges + Community Choice Vote)
• Template and rubric on the BPC website

FINALS
Date May 20, 2022
• 10-Minute Investor Pitch (7-9 Judges)
TIMELINE

PREPARE TO ENTER
• Resource Nights
• Personal Coaching

SCREENING ROUND ENTRIES
• March 22, 2022
  (Business Plan Summary due)
• Judges Comments

SEMI-FINALISTS
• April 19 & 22, 2022
  (Elevator Fast Pitch & Trade Show)
• Team Coach Matched

FINALISTS
• May 20, 2022
  (Finals)
• Expert Coaching Sessions
15 SECOND INTRO

- Name
- Program/Major
- Your Target Customer
Workshop Recap

- 1) Find a real problem
- 2) Find people with problem and solve it for them
- Now: Building bridges
The plan of how an organization will deliver their unique value proposition to customers and achieve competitive advantage
Go to Market

1. Target Customer
2. Market Size
3. Revenue Model
4. Pricing

Also: Sales & Marketing!
Target Customer
Focus on the CUSTOMER

Customer

Pays you money

Consumer

User of product/service
Be Careful of complex cases
Customers and Markets

**MARKET:** Place where people can sell goods and services

» **Supply:** the sellers that compete for customers in the marketplace

» **Demand:** the desire held by prospective customers for the goods and services available.
Your Beachhead Market
What is it?
Your Beachhead Market

- Where is it?
Your Beachhead Market

- Why do you need to focus on it?
Market Categories of Potential Customers:
1. Innovators (2.5%)
2. Early adopters (13.5%)
3. Early majority (34%)
4. Late majority (34%)
5. Laggards (16%)
Working outward from beachhead

- Visionaries
- Beach head
  - Niche
  - Segment
  - Overall Market
Beachhead Market Selection

• Does your beachhead market meet these three conditions?

1. Similar buying habits
2. Similar buying cycles
3. WOMM
The first step(s)...

1. Problem – Solution Fit
2. Customer Evidence – Early traction
3. Product Market Fit
Product Market Fit

Faith vs. PM fit

Test in beach head markets

Scale to larger markets

Source: Steve Blank
Love leads to **Higher Retention**
Market Size
Market Sizing

» Estimating potential customers.
  • Investors want to know your target market.

» Subgroups of the market:
  • TAM, or Total Available Market
  • SAM, or Serviceable Available Market
  • SOM, or Share of Market

» Entrepreneurs: Establish a beachhead market.
Total Addressable Market

- Counting “noses”
Calculating TAM

1. How many end users are there in your beachhead market?
2. Estimate the amount of revenue per end user per year for your product
3. Multiply 1 X 2

\[
\text{TAM} = \text{# of End Users} \times \text{Rev/user}
\]
TAM/SAM/SOM

Total Addressable Market
(everyone in your target market)

Serviceable Available Market

Share of Market
Calculating Market Size

1. **Define the segment:** Define your segment of the market.

2. **Top-down market sizing:** determining the total market, and then estimating your share of the market.

3. **Bottom-up analysis:** A bottom-up estimating potential sales using calculations in order to arrive at total sales figure.

4. **Sanity checks:** You might have gathered all your data and research, but does it make logical sense?

5. **Check out the competition:** Research on other options; is your industry crowded; what companies are leading the way in selling products or services similar to yours?
Revenue Model
Ten Types of Revenue Models

1. Unit Sales
2. Advertising
3. Data
4. Intermediation
5. Licensing
6. Franchising
7. Subscription
8. Professional
9. Utility and Usage
10. Freemium
Pricing
Pricing Strategies

How much to charge for products or services
• Create consistent revenue streams.

Competition and planning the pricing strategy.
• Understand your competition, your target market, and how your qualifications measure up against others – and plan your pricing strategy from there

No right way to determine pricing strategy.
• Prices will adjust as per demand.
• Positioning and brand of product or service will affect how much it sells for.
Pricing Strategies

1. **Competition-led pricing**: Copy the prices of other businesses.
2. **Customer-led pricing**: Ask customers.
3. **A loss leader**: Offering a product or service at a below-cost price.
4. **Introductory offer**: Encourage people to try your new product by offering it for free.
5. **Skimming**: For new products or services.
6. **Psychological pricing**: Encourage customers to buy based on their belief.
7. **Fair pricing**: Both businesses and customers believe that the pricing is reasonable.
8. **Bundled pricing**: Packaging a set of goods or services together.
Questions?