

# Best Practice Business: New Edition

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Insights and Tips For Start-Ups, Senior Managers and Seasoned Executives Alike! (Including 16 bonus links)

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Sometimes it is good to just get back to basics! This post starts with business plan basics and concludes with 16 best

## **practice business insights, tips/links for executives, senior managers, startups/entrepreneurs alike!**

Here are some basics for entrepreneurs and consultants who want to develop a business plan that is simple, relevant and understandable! Your business plan should be made up of ten different areas that guide your forward:

- **Customers** – Understanding the different types of customers we serve-customer segmentation
- **A Strong Value Proposition** – Our formula for solving customer problems and satisfying needs with products/services
- **Marketing, Sales & Distribution Channels** where we deliver our value proposition (product-services) to customers in the most effective way possible.
- **Relationship Development and Maintenance.** Developing strong relationships with are established and maintained with each customer segment
- **Revenue Streams** from goods-services sold to customers
- **Key Resources or Assets-** The things, people required to effectively deliver our deliver products/services
- **Key Activities-** What we must do to effectively deliver products/services
- **Key Partnerships** alliances acquired outside the company to successfully deliver goods-services
- **Cost Structure-**elements that make up and result in the cost of our services/products and profits.
- **Monitoring and Evaluation** of our Business Model to remain relevant in a high change, highly competitive marketplace

**A business plan that works will guide you forward, because it is:**

**1. Customer Centric. It will define who you are serving by answering the following questions:**

- For whom are we creating value?
- Who are our most important customers? How will our customers be segmented?
- What do they want and what are they willing to pay for?

**2. Compelling and relevant. It has a strong value proposition that answers the following questions:**

- What bundle of products/services creates value for each specific customer segment?
- What problem/customer want are we satisfying?
- What benefits, features are we offering?
- Is our value proposition innovative, new or disruptive?
- What are the quantifiers (price, speed of service etc)
- What are the qualifiers (design, customer experience)

**3. Market Focused. It shows us how we can market, sell and deliver our products/services by direct and/or indirect channels. It will answer the following questions:**

- How do we reach our customer segments and deliver our value proposition?
- What is our company's interface or touch points with customers?
- How do we provide them with a unique customer experience?
- How do we raise awareness for our products/services and deliver our value proposition?
- How do we help clients evaluate and choose our value proposition?
- How will we develop a strong brand?
- How will we monitor and evaluate our value proposition
- How will we delivery products/services to our clients (web, direct sales, alliances, stores and retail outlets, partners, distributors)
- What is our after sales strategy to provide post purchase support, excellent service and value.

**4. Relationship Centric. It helps us build and maintain**

## **relationships.**

A good business plan defines the types of relationships we establish with each customer segment (personal, automated, client acquisition, retention, up selling). It also tells us how we will maintain and grow/expand customer relationships.

### **5. Focused on Generation of Profit-Multiple Revenue Streams and answers the following questions:**

- What do our customers want, and what will they be willing to pay for our services/products?
- What is the value they are paying for-What are they getting?
- What is our price structure (fixed pricing, bargaining, market dependent, volume dependent)
- Are our revenues streams one time purchases or recurring purchases?
- How much does each revenue stream contribute to overall revenues? (Product/service sales, usage fees, subscription fees, lending-renting-leasing fees, licensing fees, brokerage fees)
- What are our pricing mechanisms: Fixed, dynamic, negotiation-bargaining, market dependent, volume dependent, yield dependent (dependent on our inventory at time of sale), customer segment depend

### **6. Focused on Revenue Streams- Identification of Activities that Generate Profits**

The most important things the business must do to make it work and generate profits. The activities that help the company create and offer a strong value proposition, reach markets, maintain relationships, problem solve, earn revenues.

- **Production** (designing, making and delivering products/services)
- **Problem Solving** (solving customer problems, training,

knowledge management)

- **A Strong Platform** (services/products, technical network-digital-web that is managed, serviced and promoted).

## **7. Identifies Key Resources and Assets – Owned, Leased or Shared.**

- **Physical Resources:** mfg facilities, buildings, vehicles, machines, sales systems, distribution networks.
- **Intellectual Resources:** Brands, proprietary knowledge, patents and copyrights, partnerships, customer databases
- **Human Resources:** People who bring knowledge, innovation, creativity, management, sales, marketing, administration, leadership to the company
- **Financial Resources:** Cash, lines of credit, loans, stock options

## **8. Identifies Partners and Suppliers**

Success is not achieved alone, the development of partnerships is more critical than ever before because it will help us optimize resources and activities, reduce costs, reduce risk.

- **Who are our key partners?**
- **Who are our key suppliers?**
- **What key resources are we getting from partners?**
- **What key activities do partners perform? What Key activities do we perform?**

## **9. Has a Good Cost Structure**

Your cost structure must describe all costs incurred. Costs for creating and delivering value, maintaining customer relationships, generating revenues must allow us to minimize expenses and achieve revenue targets and goals. Cost Driven

costs are costs incurred to minimize expenses. Value Drive Costs are incurred to create value for our clients/business.

**Categories of Costs-Fixed & Variable:** Fixed costs remain the same despite volume, good or production (salaries, rent, and mfg costs). Variable Costs: Variable costs change with the volume of goods or services produced.

**Economies of Scale:** Cost Advantages as output increases in terms of lower purchasing costs, driving the cost of average unit of product/service down

**Economies of Scope:** Cost advantages due to a larger operation serving more clients and stronger marketing, sales, distribution challenges and multiple product/service lines.

10. Includes Evaluation and Monitoring of the Plan: It is critical to have a system that will allow you to measure, compare and evaluate business results on a regular and timely basis. There are six steps in the evaluation and monitoring process:

Identify Objectives	–	Identify Standards & Criteria	–	Collect Evidence	–	Analyze Data	–	Compare Results with Objectives	–	Evaluate & Develop Action Plan
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**More on Best Practice Business Basics as well as Business Startup Advice? You Betcha!**

**Best Practice Business Insights and Tips:**

- The Agile Management and Leadership Toolkit
- The Leadership Compendium
- Effective Team-building
- Ten Steps to Building Employee Engagement
- The Thriving Organization-Ten Power Steps Out of Jurassic Park

- From Now To How-Building Social, Virtual and Cross Generational Leadership

## **Best Practice Business Start Up Insights and Tips**

- 8 Things VCs Think About When Valuing Your Startup | Mashable
- The Business Startup Cost Calculator | Entrepreneur Magazine
- Infographic: Entrepreneurship-How Never To Give Up | Entrepreneur Magazine
- Consulting Success Tips by Seth Godin
- Are YOU Leaving Business on the Table?
- Seven Ways To Instill A Superhero Code of Conduct | Forbes

**More? Yes!** The Pause-A 3 Minute Tool That Works for Greater Resiliency, Focus, Mindfulness

**Even More? Yes! Your personal development, growth and happiness are critical!**

The Empowerment Compendium

The Happiness Compendium

The Secret to Personal Growth and Development

*I am committed to helping smart people and organizations use changes-challenges-strengths to optimize and catalyze their potential by building their 3Q Leadership Edge.*

*Use changes and challenges to improve whole brain thinking, engagement, empowerment, communication, management, leadership...career success?*

*Yes, the proof is in ten years of inspiring and outstanding 3Q results!*



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