GUIDEBOOK
PHASE 4

PLANNING
PROJECT PLAN &
PITCHING

OVERVIEW

Planning. Finally, at the last phase young women will now have the opportunity to put their entire business idea in paper and develop their business plan and business model canvas. This phase would not be completed unless young social entrepreneurs would externalise their business vision by pitching for support to prospective partners and supporters. At this final step young women will be introduced to the skills and competences of story telling and pitching to possible funders and partners.

After reviewing the information gathered, participants formalize and finish writing their individual/ group business plan. The online contents will guide them in implement, monitor and evaluate the progress of the implementation of their business idea, and their mentors will coach then all steps of the way.

a) Write up and analysis. Business plan and Business model canvas finalisation. Environmental analysis, competences list, marketing and sales plan, financial and economic projections. Evaluation with LICET technique from Aregai

b) Presentation skills, pitching skills to investors or prospective partners. Storytelling

c) Learning Skills and Impact on trainees

d) Self-assessment on learning skills

Contents

Planning-Business Model Canvas

9 BLOCKS OF BUSINESS MODEL CANVAS

Customer Segments

This block defines the different groups of people or organizations you aim to reach and serve.

Customer groups represent separate segments if:
- Their needs require and justify a distinct offer
- They are reached through different Distribution Channels
- They require different types of relationships
- They have substantially different profitabilities
- They are willing to pay for different aspects of the offer

Examples: Mass market, Niche market, Segmented, Diversified, Multi-sided platforms (or multi-sided markets).

Value Propositions

It describes the bundle of products and services that create value for a specific Customer Segment.

Some Value Propositions may be innovative and represent a new or disruptive offer. Others may be similar to existing market offers, but with added features and attributes.

Examples: Newness, Performance, Customization, "Getting the job done", Design, Brand/status, Price, Cost reduction, Accessibility, Risk reduction, Convenience/usability.

Channels

Describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition.

Channels have 5 distinct phases:

1. Awareness - How do we raise awareness about our company's products and services?
2. Evaluation - How do we help customers evaluate our organization's Value Proposition?
3. Purchase - How do we allow customers to purchase specific products and services?
4. Delivery - How do we deliver a Value Proposition to customers?
5. After sales - How do we provide post-purchase customer support?

Customer Relationships

This block describes the types of relationships a company establishes with specific Customer Segments.

Customer relationships may be driven by the following motivations:

- Customer acquisition
- Customer retention
- Boosting sales (upselling)

Examples: Personal assistance, Dedicated personal assistance, Self-service, Automated services, Communities, Co-creation

Revenue Streams

It represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings).

A business model can involve two different types of Revenue Streams:

- Transaction revenues resulting from one-time customer payments
- Recurring revenues resulting from ongoing payments to either deliver a Value Proposition to customers or provide post-purchase customer support

Ways to generate Revenue Streams: Asset sale, Usage fee, Subscription fees, Lending/Renting/Leasing, Licensing, Brokerage fees, Advertising.

Each Revenue Stream might have Fixed "Menu" Pricing based on static variables, or Dynamic Pricing based on changing market conditions.

Key Resources

It describes the most important assets required to make a business model work.

Key resources can be physical, financial, intellectual, or human. Key resources can be owned or leased by the company or acquired from key partners.

Key Activities

This block describes the most important things a company must do to make its business model work.

Categories: Production, Problem-solving, Platform/network.

Key Partnerships

It describes the network of suppliers and partners that make a business model work.

Four types of partnerships:
- Strategic alliances between non-competitors
- Coopetition: strategic partnerships between competitors
- Joint ventures to develop new businesses
- Buyer-supplier relationships to assure reliable supplies

Why build a partnership:
- Optimization and economy of scale
- Reduction of risk and uncertainty
- Acquisition of particular resources and activities

Cost Structure

It's all costs incurred to operate a business model.

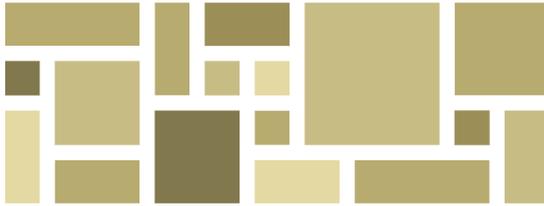Depending on the importance of cost structure, your business models will be:

- cost-driven
- value-driven
- somewhere in between

Cost Structure characteristics:

Fixed costs	Remain the same despite the volume of goods or services produced (salaries, rents, and physical manufacturing facilities).
Variable costs	Change proportionally with the volume of goods or services produced.
Economies of scale	Average cost per unit falls as output rises.
Economies of scope	Cost advantages that a business enjoys due to a larger scope of operations (same marketing activities support multiple products).

More details:

https://assets.strategyzer.com/assets/resources/business-model-generation-book-preview-2010.pdf

Business Plan

FINANCIAL PROJECTIONS

Financial projections are managerial accounting tools that look forward, rather than financial accounting tools that serve the purpose of reporting past facts.

Reflections

Financial projections can be thought of as reflections:

- force entrepreneurs to reflect on their business model: analyze, motivate, and discuss strategic choices
- are a reflection of the businesses plan - set expectations and make businesses plan speak in numbers
- reflect something about entrepreneurs themselves - reveal an approach to business

Limitations

The nature of the entrepreneurial process implies that financial projections :
- are always inaccurate
- quickly become outdated
- are always optimistic

Sources of information

The financial projection reflects information about the company, the market(s), and the entrepreneur's plans.

We distinguish four main sources of information:

1. Primary data research: directly from the market
2. Secondary data research: filtered and prepared
3. Learn from the experience of similar companies
4. Use own past performance, when available

Classic mistakes

Revenues	Costs
- Overestimate speed of revenues - Unjustifiable revenue spurts - Distinguish listed and actual average price - Assume all revenue is collectible	- Assume same COGS as established firms - Forget costs of running business - Plan for underutilized assets - Full labor costs - Including benefits, training, bonuses, etc...
Cash flow	**General**
- Late payments and collection costs - Underestimate delays in raising funding - Forget that cash flow is a matter of life and death!	- Ignore industry norms - False precision - Too much detail - Mismatch of financial and business plan

More info:

https://www.sbs.ox.ac.uk/sites/default/files/2018-08/buildingabusiness5.pdf

PITCHING PRACTICES

Successful Presentation Language: Framing the Pitch

An article, published in IEEE Transactions on Professional Communication, analyzed frames used by entrepreneurs and how they are developed. Here, "frame" is a way of talking about something that helps connect your understanding of an object, product, or event with other people's understanding and values.

The article states, "The entrepreneur acquired the most influential frames through stakeholder discussion, applied these frames in a way that stacked and made salient multiple frames beyond the problem-solution frame, and judged frame fit by considering the degree to which catchers took up the frames." The author calls investors and stakeholders in this study "catchers" to stress that they are the ones pitches are directed to. It's important that they understand, so it can help to use multiple frames.

Problem-solution is just one frame you can use. What this means for entrepreneurs is that the way you describe your product will probably evolve as you talk about it with stakeholders, and it should probably evolve in ways that are meaningful to them. It's okay to stack frames if you need to. You can work to come up with different, specific terms that help define your innovation in different contexts for different groups.

The example in this paper framed the innovation – a nonprofit organization called Hacker Gals – as a collection of hackers who know about computers, makers who get things done, and women who have unique perspectives in the startup world.

The combination of frames helped the paper's author, who also runs the startup, to communicate better with more stakeholders. Ultimately, more specificity emerged as she reworked her pitches: "Specificity and salience appeared to be, in other words, directly proportional." Thus, one thread tying all these rhetorical analyses together is that specificity is important in entrepreneurial pitches, but it doesn't come only from the minds of the pitch team. It comes as a result of working and reworking the pitch with stakeholders and mentors.

Gender and Pitch Success

Lakshmi Balachandra, Anthony Briggs, Kimberly Eddleston, and Candida Brush studied how gender affects the way entrepreneurial pitches are perceived. They did not find that being female absolutely precluded an entrepreneur from finding funding, but they did find that "gendered expectations do make a difference as women entrepreneurs who present masculine behaviors are more likely to be evaluated positively than those who do not." The authors continue, "Interestingly we find women entrepreneurs have stronger communication skills, but rates of women's entrepreneurial participation remain weaker than men's." The authors suggest that this is because investors, generally speaking, are males who prefer to see so-called "masculine behavior," characterized as "bold," "attentive," "[demonstrating] self-assurance," "calm," and "confident," in women giving entrepreneurial pitches.

The authors go on to say: "Consistent with liberal feminist theory, women do face bias in terms of the masculine stereotype held by the majority of the male-dominated investment community: During the pitch, women should 'act' like men and indicate masculine behaviors or they may be penalized by investor audiences to not have the qualities they believe to be consistent with entrepreneurship."
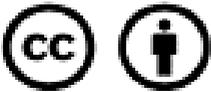
Don't interpret this article simply as a plea to female entrepreneurs to "Pitch Like a Man" in early-stage pitch presentations, to reference the title of this article. Social structures setting the norms for pitch analysis need to change. Investors must become aware of their own biases and retrain themselves to analyze pitches on their own merits rather than on the gender of the people making the pitch. Scholars and advocates are better positioned to demand these changes than entrepreneurs begging for startup funds in an environment where the success rate is very low.

What to Wear

The quality of a pitch presentation is subjective. Investors and judges will notice when a pitch lacks quality, but they might not care to or be able to discern if it was the style of dress or style of presentation that spoiled the deal. Your dress and your performance can obviously influence whether or not your pitch is successful, but there are not many hard and fast rules. Web resources are filled with advice on how to dress and whether or not you should wear formal business attire, business- casual attire, or even casual attire. What's essential is that you research what pitch competition calls for or what the investor prefers. Just ask how formal the context of the presentation is and dress accordingly. If it's a competition, look for media from previous events showing how previous winners were dressed.

There's not a deep pool of academic research on what to wear to your pitch presentation, but scholars have shared a clear idea of what doesn't work: "Casual dress and nonchalance have a negative influence on investors' evaluations." Do the research that allows you to dress to suit the occasion. When in doubt, wear a business suit and jacket. You can always set the jacket aside and lose the tie or your most formal accessories, e.g. Mom's pearls, if needed.

FROM THE FIELD: THE PERFECT PITCH

by Amy Eisman
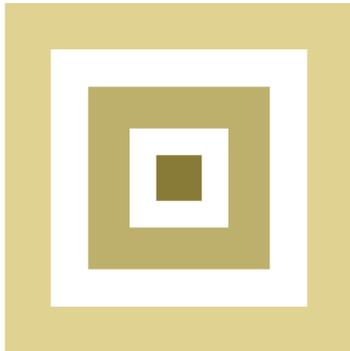
From the Field

What makes a compelling, memorable presentation? What will make investors sit up and take notice?

Most experts say the first thing a startup presenter should do is tell a good story. You have to be engaging, even entertaining, explains Tom Davidson, former senior director of PBS Digital, now in product development at Gannett.

Executive coach and author Peggy Klaus calls that "painting images about how this product or company could impact the audience."

Klaus, president of Klaus & Associates, has seen thousands of presentations – from executives and entrepreneurs, to private bankers and nonprofits. She tells clients to keep the audience in mind by embracing fictional radio station WIFT-FM – where the call letters stand for what's in it for them?

"Most people who start a speech or presentation think about what I want to say, what is my point," Klaus says. "That is a narcissistic way of looking at it. What are their goals and objectives?"

Insiders admit the soul of a good pitch presentation is really common sense. Don't dare read your slides. Be confident and concise. And of course practice, practice, practice.

"People think they can wing it because they've been verbal since 18 months," Klaus says. "This results in a terrible meltdown situation."

Below, the experts weigh in on the perfect pitch:

Your parents were right.

"Maintain eye contact with your audience," says Jan Schaffer, who has funded 220 media entrepreneurship and innovation projects as Executive Director of J-Lab: The Institute for Interactive Journalism. "Walk around. Be at ease. Show some personality without being obnoxious."

They were right about this, too.

Introduce yourself, says Schaffer, who teaches media entrepreneurship at American University and the CUNY Graduate School of Journalism. Don't forget to tell your listeners who you are. Your audience won't always be classmates.

Be armed.

Have one or two sentences that show that you, as the founder, have a firm grasp of the opportunity, says Ju-Don Marshall Roberts, startup advisor and coach and now Chief Content Officer for WFAE.FM. Convey enough passion to show you are the one to pull this off.

Davidson emphasizes that you simply can't let the investors, humans like the rest of us, get distracted. If you don't know an answer, tell them an exact time you will get back to them with the response.

Define your opportunity.

Will the market sustain the product? Have you explained how your idea is different from a similar one? "Good ideas die all the time," Roberts says.

Equally critical: Convince funders that this is a business, not a hobby, Schaffer says.

Bring a solid team.

"I've seen a lot of pitches where you think, 'This is a great idea, I wish someone else was doing it,'" Roberts says.

Memorize your pitch and don't read your deck.

"Likewise, don't read from your laptop or cell phone," Schaffer says.

Klaus has seen so many presentations that a question about biggest mistakes momentarily stumped her. "There are so many. Where do I begin?"

She identifies some of the top presentation mistakes as using jargon, causing death by PowerPoint, speaking longer than seven minutes before interacting with the audience, and being condescending or arrogant.

Klaus also warns against promising future results and cautions that conditional language is preferred. "With our numbers, we see a future where we can … "

Klaus warns that young people's nerves often get the best of them. They end up talking quickly or speaking with an upward inflection (making statements sound like questions). They fidget. They twist their hair. They slap their thighs.

Klaus says young presenters have a particular challenge that interferes with the enthusiasm our experts say is critical. "A lot of young people feel if they show passion and excitement they will come off as too exuberant or too young," says the author of Brag! The Art of Tooting Your Own Horn Without Blowing It. "It is actually the inverse — that young people feel, 'If I am really serious, they will think I am really smart.'"

In the end, make a video of yourself while practicing your pitch. Yes, we know you hate seeing yourself perform. But if even you can't stand watching you, why should an investor have to listen?

Amy Eisman is director of media entrepreneurship at the School of Communication at American University in Washington, D.C. An innovator in journalism education and consultant, she held previous editing positions at AOL, USA Today, USA Weekend, and others. She is a former Fulbright lecturer and chairs the MJ Bear Fellowship Committee for ONA. Reach her on Twitter at @aeisman.

INSPIRATIONAL VIDEOS

https://www.ted.com/talks/dana_kanze_the_real_reason_female_entrepreneurs_get_less_funding

https://www.youtube.com/watch?v=sJeX2vjjh1U - Building a Business - Lecture 6: Investment options and how to access them, Oxford

https://vimeo.com/80295507 - Own the room

https://vimeo.com/80287465 - Allow Yourself to be Brilliant

https://vimeo.com/80117083 - Lean In: Harnessing the Power of Stories (Short) 112213

https://www.ted.com/talks/roselinde_torres_what_it_takes_to_be_a_great_leader

 https://www.ted.com/talks/david_s_rose_how_to_pitch_to_a_vc

https://www.ted.com/talks/paul_zak_trust_morality_and_oxytocin

https://www.youtube.com/watch?v=vLwsKnN1zsQ - David Droga – Making Advertising Human (FoST 2017)

https://youtu.be/SshglHDKQCc - Ep 6 - Telling Your Story by Strategyzer

Find further reading here:

https://www.slideshare.net/MurftheSurf/presenting-skills

https://www.slideshare.net/itsmeeloise/presenting-with-powerpoint

https://www.slideshare.net/paramountlearning/presenting-and-pitching-skills

https://www.khanacademy.org/computing/pixar/storytelling

https://www.blog.theteamw.com/2014/11/04/your-brain-on-stories/ -

https://hbr.org/2014/10/why-your-brain-loves-good-storytelling

https://ideas.ted.com/the-1-question-you-need-to-ask-before-a-speech-or-presentation/

https://business.tutsplus.com/tutorials/writing-a-storytelling-pitch-deck--cms-33047

https://www.strategyzer.com/blog/posts/2014/7/26/telling-your-story

https://fi.co/insight/how-to-nail-the-pitch-17-storytelling-tips-for-startups

SELF-ASSESS EXERCISES

My planning skills

The participants should open the EntreComp document, find a planning section, and define their level (from 1 to 8) in all of the listed characteristics.

https://publications.jrc.ec.europa.eu/repository/bitstream/JRC101581/lfna27939enn.pdf

p. 31-32

(Note for teachers:
This section can also be organized as a team exercise in the beginning of the workshop. Draw the planning competences grid on the blackboard or flip-chart and ask the participants to post a sticker or drow a colored dot in one of the levels for each section of planning competency.)

Refer to exercises from the handbook

Self-Assessment
Phase 4
PLANNING- PROJECT
PLAN & PITCHING

Answer the questions in the table on the next pages by putting an "X" letter under one statement, that represents your current opinion in the best way.

	Question	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
1.	I know where to check my planning competences in the EntreComp system to measure my progress					
2.	I understand how Business Model Canvas works (BMC)					
3.	I can use BMC for my business idea, and I know how to do it without any assistance					
4.	I can make a business plan for my business idea on my own					
5.	I need the help of professionals to make my business plan					
6.	I know how to make a pitch deck for my business idea and can prepare it on my own					
7.	I can pitch my business idea as a story					