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UNIVERSITY *of* ST. THOMAS

MINNESOTA

Schulze School of Entrepreneurship

OPUS COLLEGE OF BUSINESS

Introduction

Recap

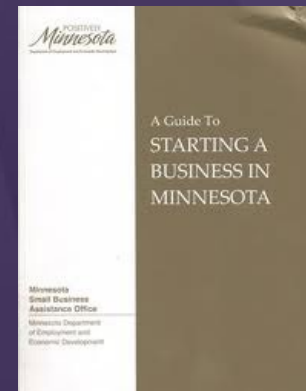
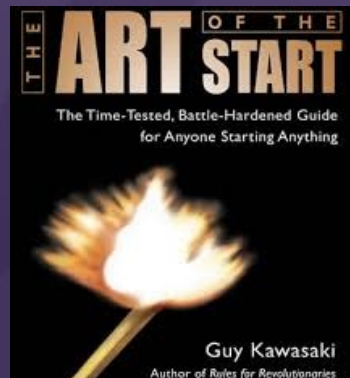
-  Small Business Development Center (SBDC)
-  Viability
-  Profitability
-  Financing
-  Other

- 🛡️ National program
- 🛡️ Partnership
- 🛡️ Confidential and no-cost advising



Suggested Reading

Recap



Viability

Recap



Assessing Market Need

Recap

- 🛡️ What problem is being solved?
- 🛡️ Who is the ideal customer?
 - Target market
 - Trends today
- 🛡️ How are their needs met now?

Assessing Market Need

Recap



Image by Midorisyu via Flickr-cc

Assessing Market Need

Recap



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Market Segmentation

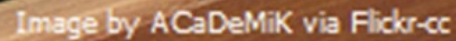


Test the Market

Primary market research

- Talk to potential customers – what's important to them? Willing to pay?
- Similar businesses - how are they doing?
- Shop the competition

Recap



Ideas

Recap

 Don't have to be first



Positioning

Positioning strategy

Uniqueness of product
or service



DotCom



Value to customer

The Team

Recap

- Who are the owners?
- Can they fund this?
- Relevant experiences?
- Commitment?



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Personal Goals

Recap

Financial goals

- Income
- Wealth

Other goals

- Life balance
- Are you happy?

Can it make money?

- Not always obvious
- Sales price
- Costs

Selling price

- What do others charge?
- What's included?



Pricing

Pricing too low (common)

- Don't recognize all costs
- Price as a statement of quality
- Bad strategy

Pricing too high

- Drive potential customers away
- Unrealistic view of your product

Profitability

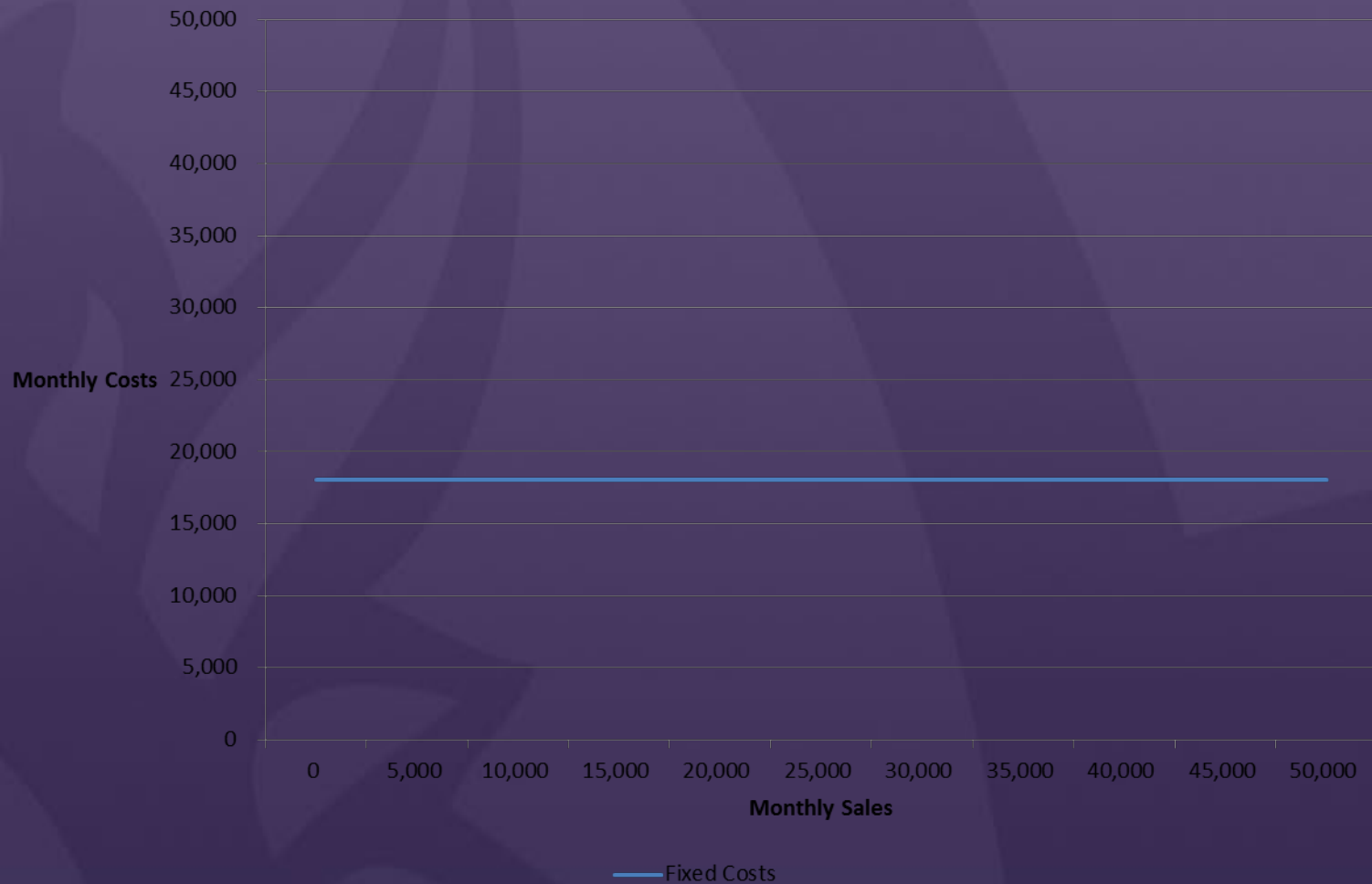
Recap

Costs

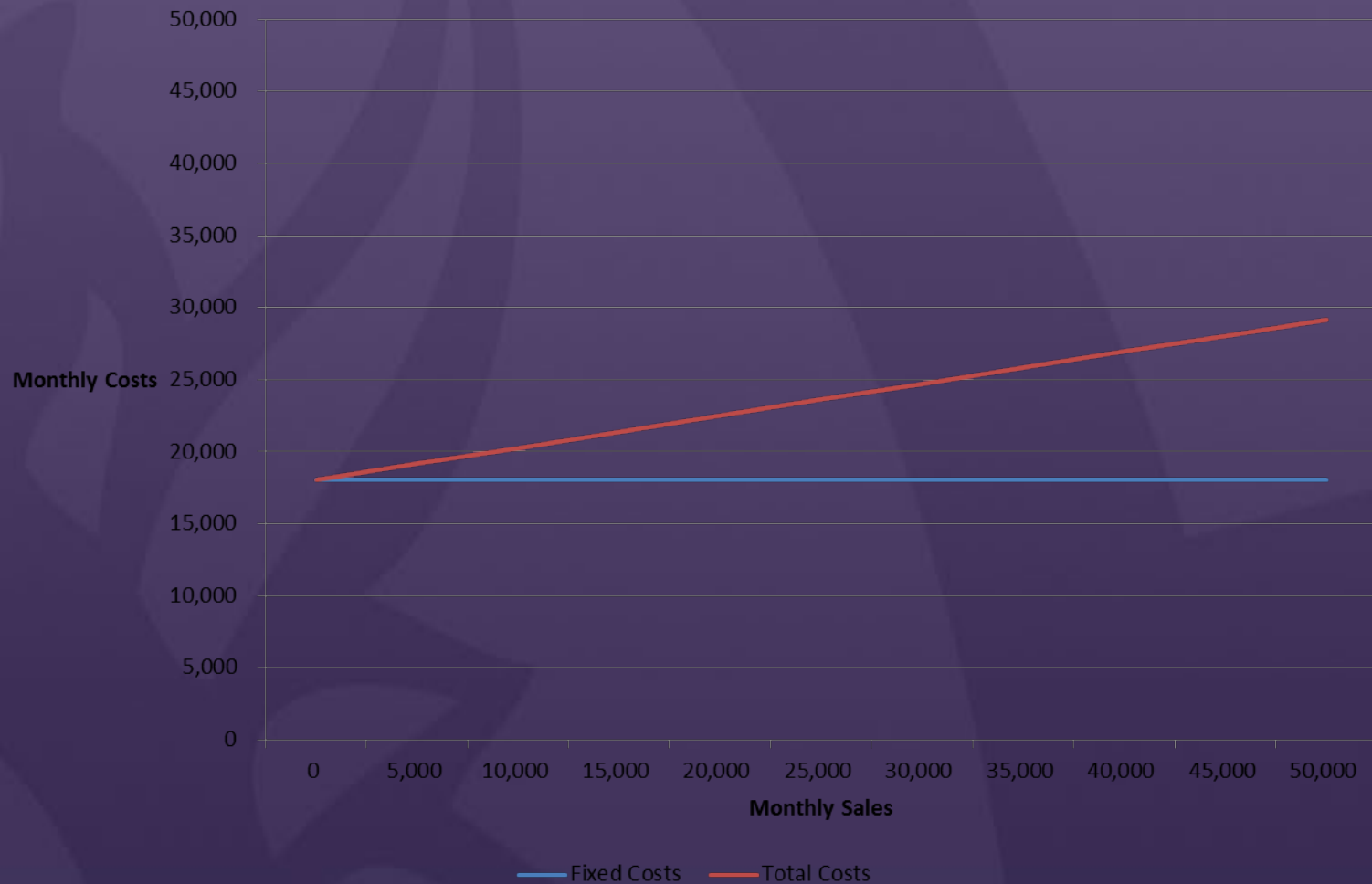
- Variable
- Fixed

Breakeven point

Breakeven








Breakeven



Breakeven



Business Planning

-  Raising outside capital
-  Process
-  Maintain focus
-  Benchmarking
-  Feedback

Business Planning



Startup Capital

Recap

Sources

- Self
- Family & Friends
- Bank Debt
- Outside Equity Investment



What bankers want

- Conditions
- Collateral
- Capacity
- Capital
- Character



Outside Equity Investment

Recap

🛡️ What investors want

- Repeat entrepreneurs/top team
- Sustainable competitive advantage
- High growth & high margins
- Exit plan



Common Failures

- 🛡 No problem worth solving
- 🛡 Running out of resources
- 🛡 No difference that matters
- 🛡 Ignoring competition
- 🛡 Loss of focus
- 🛡 Draining cash



Questions & Comments

