

# Simple Steps for Starting Your Business

## Session 2: Business Concept

## Simple Steps for Starting Your Business Student Webpage

<http://www.score.org/startyourbusiness>

Includes links to handouts, workshop materials, and additional resources.

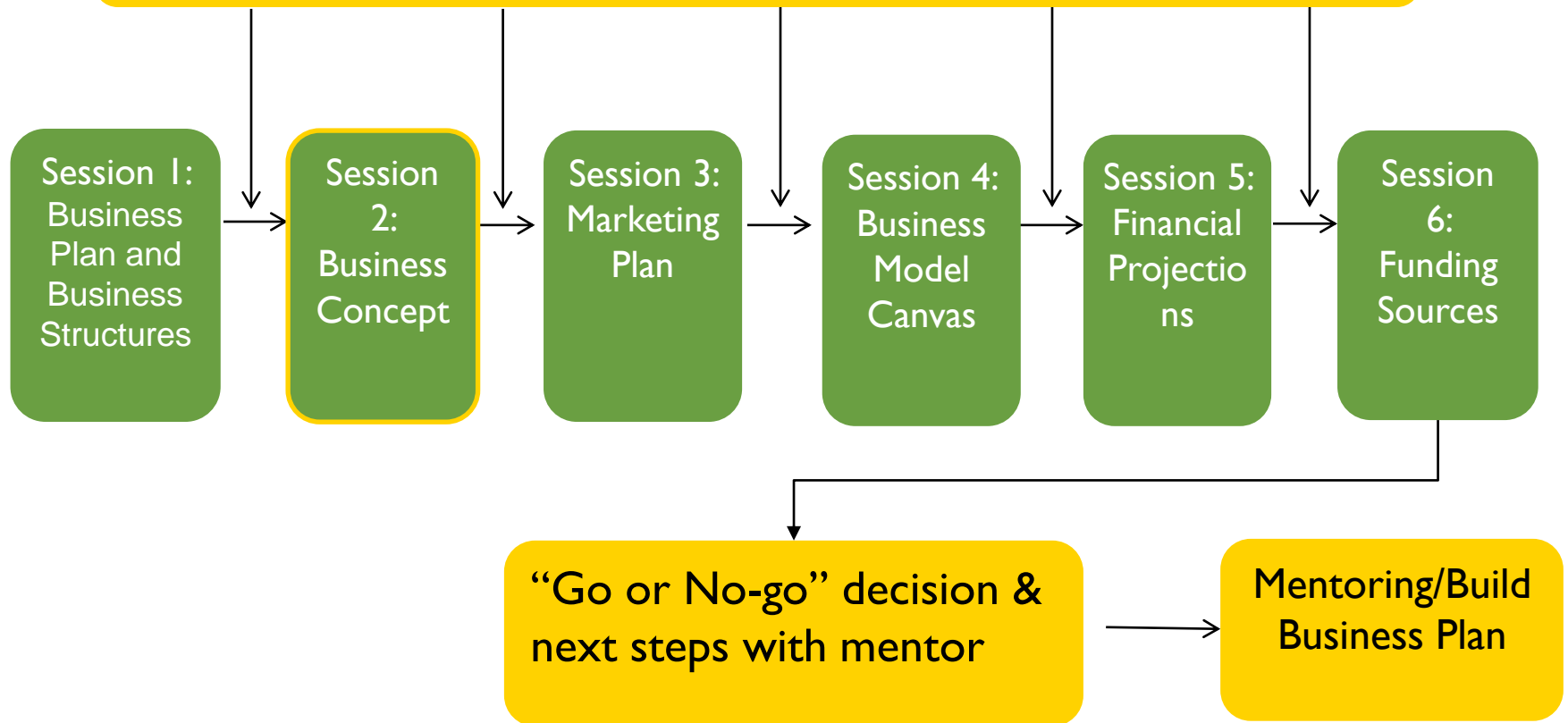
Our class slack page is

[https://join.slack.com/t/scoresstsybjan2020/shared\\_invite/zt-k0tu1xdj-p\\_E2hhpf4zu2i\\_qcsqYzw](https://join.slack.com/t/scoresstsybjan2020/shared_invite/zt-k0tu1xdj-p_E2hhpf4zu2i_qcsqYzw)

# Process Roadmap

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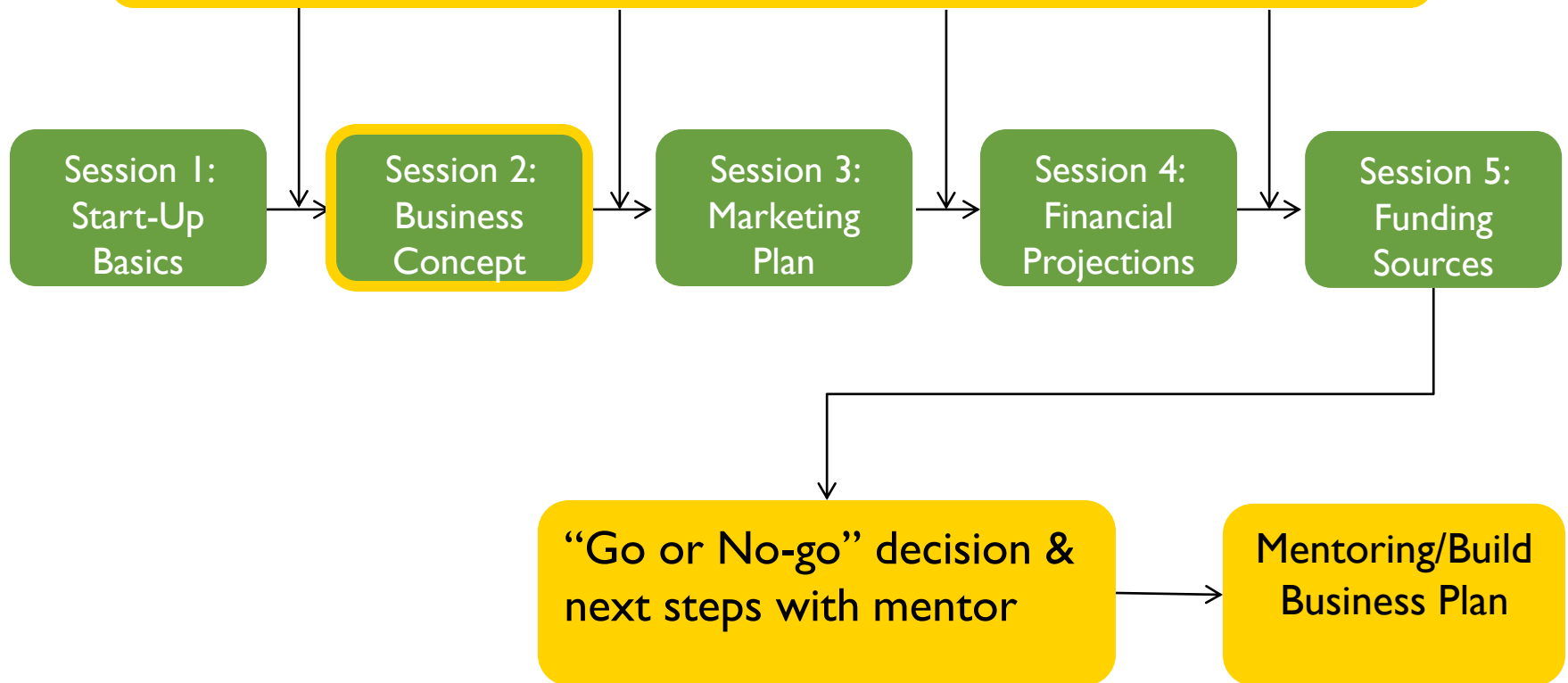
## One-on-One Mentoring



# Process Roadmap

SESSION 2: Business Concept

## One-on-One Mentoring



# SCORE Commitment

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- Deliver quality information and a quality learning process for the five-part business planning series
- Provide free, one-on-one mentoring to clients so they can be appropriately prepared to launch their new businesses
- Help get clients to a Go/No-Go decision on their business ideas

# Client Commitment

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- Attend the workshop series
- Do assigned homework
- Sign up for free, one-on-one mentoring
- Complete a draft of the feasibility plan (text and financials)

**All of the above will assist you in reaching a decision about starting your business.**

# Homework Review

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Welcome!

- Any questions about the vision statement
- or the Ann's Nursery handout?

# Session 2 Objectives

SESSION 2: Business Concept



- Develop an outline of your business concept
- Identify key data to understand your client and market
- Identify your marketing strategy

# Agenda

SESSION 2: Business Concept



- Capture Your Dream
- Feasibility Plan Draft
- Industry Profile Data
- Customer Data
- Competitive Data
- Resources for Collecting Data

# Capture Your Dream

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They all started with a dream!

- Steve Jobs
- Bill Gates
- Richard Branson
- Mary Kay Ash
- Walt Disney
- Steven Spielberg
- Oprah Winfrey
- Ray Kroc
- Sam Walton

**What is your dream?**

*If there were no obstacles in your way, what would be your ideal business?*

Take 15 minutes to discuss.

# Feasibility Plan Draft

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- Provides you with the information to help make a Go/No-Go decision for your business idea.
- Has the core information to create a complete business plan for bankers and investors.
- Gives you direction to get started.

# Business Concept Outline

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Simple Steps for  
Starting Your Business

Last Revised: 1/11/2014

## Business Concept: **Business Concept Outline**

Fill in the spaces below (front and back) to the best of your ability. This outline will help you draft your feasibility plan.

Business Idea	
Personal Background	
Industry Profile	
Target Markets	
Other Key Factors	

**Canon**

**SCORE**  
FOR THE LIFE OF YOUR BUSINESS

- What is your business idea?
- Your background
- Your industry
- Your target market
- Other key factors
  - Competition
  - Risks
  - Etc.

# Meet Ann's Nursery

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- Has a wide range of target market choices.
- Financials that require fixed assets, accounts receivable, inventory and borrowing.

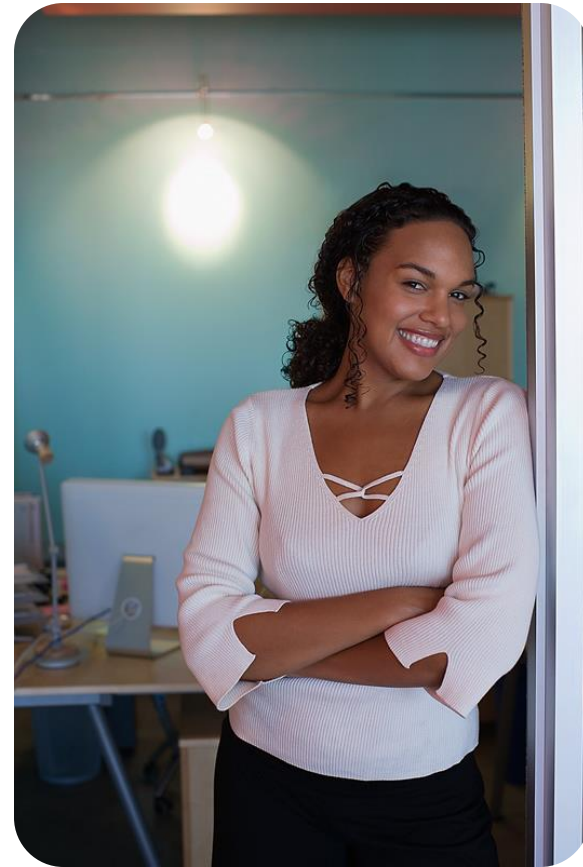
**Though fictitious, it is realistic and covers the elements necessary for a business.**

# Business Idea

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## Defining a Market Need

- Need fulfilled or problem solved
- Product/service features and benefits
- Competitive advantage
- Business model



# Personal Battleground

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## Your Experience

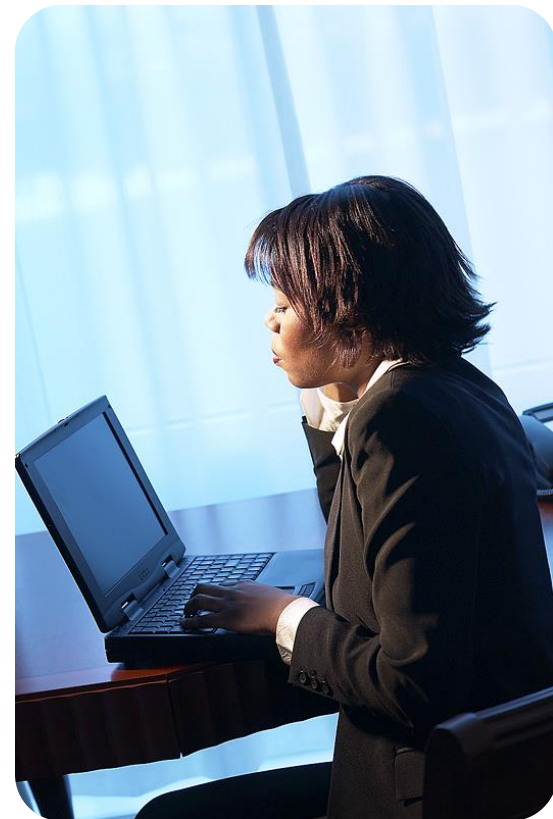
- Skills that fit idea
- Personal risk tolerance that fits idea

# Industry Profile

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## Defining Your Business

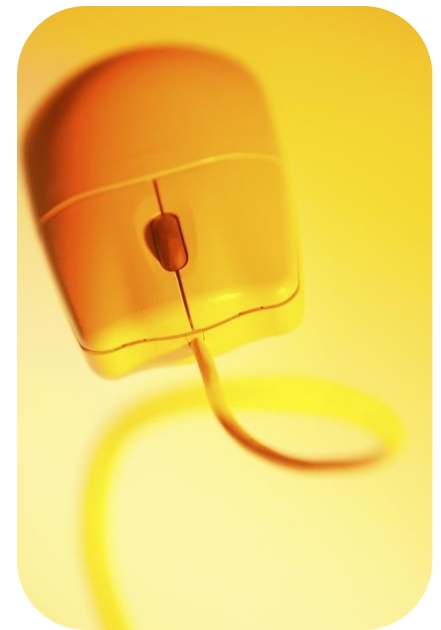
- Description: North American Industry Classification System (NAICS)
- Profitability: Risk Management Association (RMA) Annual Statement Studies
- National Trade and Professional Association (NTPA) Directory
- Growth/Life Cycle
- Profitability: RMA
- Trends



## 2012 NAICS Definitions

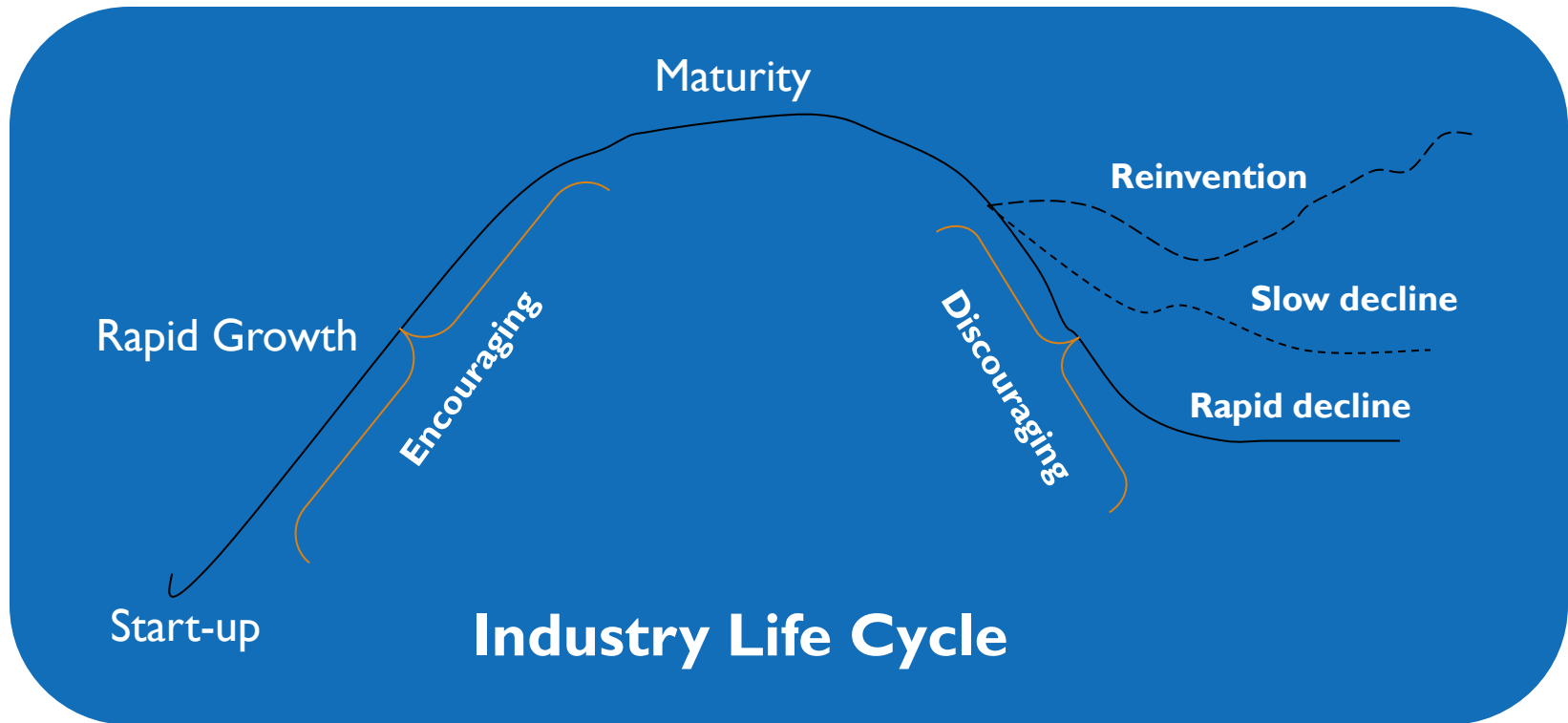
### 111421 Nursery and Tree Production

This U.S. industry comprises establishments primarily engaged in (1) growing nursery products, nursery stock, shrubbery, bulbs, fruit stock, sod, and so forth, under cover or in open fields and/or (2) growing short rotation woody trees with a growth and harvest cycle of 10 years or less for pulp or tree stock.



# The Industry Life Cycle

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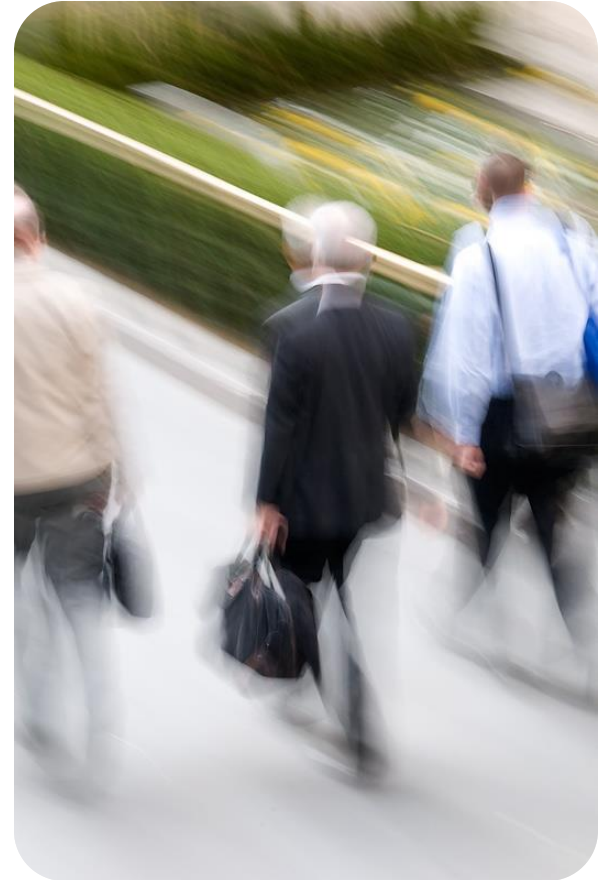


# Target Markets

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## Who do you serve?

- Type: retailer, consumer, etc.
- Number
- Income level/ability to pay
- Demographics
- Lifestyle
- Habits



# Other Key Factors

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- Competition
  - size
  - product/service features
- Suppliers
  - availability
  - reliability
- Business Risk
  - product longevity
  - legal/environmental

# Group Exercise: Business Concept

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- From what you know now, outline the first 2 elements of your business concept by element (take 5 minutes maximum).
- Pick a partner near you and give an elevator speech (two minutes each) outlining your business concept.
- Ask each other questions to clarify ideas.



# Collecting Critical Information

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- Industry
- Customer
- Competitor
- Market Trends

# Customer Data

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## Know Your Market

- Demographics
- Habits and patterns

## Customer Data Sources

- Internet
- Census data/government websites
- Trade associations
- Civic/community organizations
- Library reference sections

# Competitor Data

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## Understand What They Offer

- Price
- Features
- Annual Sales
- Size/profitability
- Market strategy

## Competitor Data Sources

- Competitor
- Suppliers
- Trade associations
- RMA
- D&B (Dun and Bradstreet)

# Income Demographics

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## Income Demographics for Zip Code 17601

Household income

Less than \$15,000	\$15,000 - \$24,999	\$25,000 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$140,000	\$150,000 and over
779	1,508	1,833	3,047	4,385	2,798	2,152	1,442

Number of households

Total households: 17,944

Source: [www.census.gov](http://www.census.gov)

# Competitive Data

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## Example: Hoovers

[SELL TO THIS COMPANY](#)  
[Know This Industry](#)  
[Identify Pain Points](#)  
[Prepare For The Call](#)

**BROWSE COMPANY RECORD**  
[Fact Sheet](#)  
[Full Overview](#)  
[History](#)  
[Family Tree](#)  
[Industry](#)  
[Products / Operations](#)  
[Competitors](#)  
[Competitive Landscape](#)  
[People](#)  
[News](#)  
[Financial Data](#)  
     [Summary](#)  
     [Income Statement](#)  
     [Balance Sheet](#)  
     [Cash Flow](#)  
     [Historical Financials](#)  
     [Stock Quote](#)  
     [Interactive Stock Chart](#)  
     [Market Data](#)  
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### General Electric Company (NYSE: GE)

3135 Easton Tpke.  
 Fairfield, CT 06828-0001 United States (Map)

Phone: 203-373-2211  
 Fax: 203-373-3131

<http://www.ge.com>

Covered by Diane Stimets

#### COMPANY RECORD TOOLS

- [Download Company Data](#)
- [Build Custom Report](#)
- [Find Similar Companies](#)
- [View Quick Report](#)
- [Watch This Company](#)
- [Print This Page](#)
- [E-mail Link to This Page](#)

#### OVERVIEW

From turbines to TV, from household appliances to power plants, General Electric (GE) is plugged in to businesses that have shaped the modern world. The company produces -- take a deep breath -- aircraft engines, locomotives and other transportation equipment, kitchen and laundry appliances, lighting, electric distribution and control equipment, generators and turbines, and medical imaging equipment. GE is also one of the preeminent financial services companies in the US. [General Electric Capital](#), comprising [commercial finance](#), [consumer finance](#), [aircraft leasing](#), real estate, and energy financial services, is its largest segment. Other operations include the [NRC](#) television network.

[Full Overview](#)

#### KEY INFORMATION

<b>D-U-N-S Number</b>	001367960 <a href="#">Buy a D&amp;B credit report.</a>
<b>Doing Business As</b>	"Ge"
<b>Company Type</b>	Public - NYSE: <a href="#">GE</a> Headquarters
<b>Year Of Founding or Change In Control</b>	1892
<b>State of Incorporation</b>	NY
<a href="#">Family Tree</a>	

#### KEY NUMBERS

<b>Fiscal Year-End</b>	December
<b>2008 Sales (mil.)</b>	\$182,515.0
<b>1-Year Sales Growth</b>	5.7%
<b>2008 Net Income (mil.)</b>	\$17,410.0
<b>1-Year Net Income Growth</b>	--
<b>2008 Employees</b>	323,000
<b>1-Year Employee Growth</b>	(1.2%)
<b>Employees At This Location</b>	550

[More Financials](#)

Source: [www.hoovers.com](http://www.hoovers.com)



# American Community Survey

The American Community Survey (ACS) is an ongoing survey that provides data every year – giving communities the current information they need to plan investments and services.

Subject	Washington city, District of Columbia			
	Estimate	Margin of Error	Percent	Percent Margin of Error
<b>EMPLOYMENT STATUS</b>				
Population 16 years and over	523,073	+/-911	523,073	(X)
In labor force	352,716	+/-4,560	67.4%	+/-0.9
Civilian labor force	350,483	+/-4,630	67.0%	+/-0.9
Employed	310,607	+/-5,456	59.4%	+/-1.0
Unemployed	39,876	+/-3,595	7.6%	+/-0.7
Armed Forces	2,233	+/-733	0.4%	+/-0.1
Not in labor force	170,357	+/-4,554	32.6%	+/-0.9
Civilian labor force	350,483	+/-4,630	350,483	(X)
Percent Unemployed	(X)	(X)	11.4%	+/-1.0
Females 16 years and over	278,970	+/-554	278,970	(X)
In labor force	179,564	+/-3,508	64.4%	+/-1.3
Civilian labor force	179,280	+/-3,489	64.3%	+/-1.3
Employed	160,529	+/-4,243	57.5%	+/-1.5
Own children under 6 years	41,391	+/-1,271	41,391	(X)
All parents in family in labor force	29,456	+/-2,299	71.2%	+/-5.2
Own children 6 to 17 years	57,964	+/-1,973	57,964	(X)
All parents in family in labor force	43,927	+/-2,842	75.8%	+/-4.3

# Key Data Websites

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NAICS: [www.census.gov/eos/naics](http://www.census.gov/eos/naics)

American Community Survey: [www.census.gov/acs](http://www.census.gov/acs)

Small Business Administration: [www.sba.gov](http://www.sba.gov)

Bureau of Economic Analysis: [www.bea.gov](http://www.bea.gov)

Securities and Exchange Commission: [www.sec.gov](http://www.sec.gov)

Bureau of Labor and Statistics: [www.bls.gov](http://www.bls.gov)

SCORE's website: [www.score.org](http://www.score.org)

# Your Local Librarian

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- Web-based searches for information (e.g., Reference USA)
- Reference library tools most commonly used by SCORE clients
- Reference books display and typical information

# Other Market Trends

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## Important Considerations

- Political
- Social
- Environmental

## Trend Sources

- Newspapers
- Periodicals
- Television
- Internet



# Collecting Critical Information

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- Ask directly, usually a distant competitor
- Ask mutual suppliers
- Ask competitors' (your future) customers
- Be a customer
- Join a trade association
- Check competitor websites

# Group Exercise: Data Collection

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## Gather competitive information

- Price and pricing strategy
- Product features
- Estimate of annual sales
- Marketing strategies

## Pair up and share plans

- What did you learn from this discussion?
- How will you use that knowledge in the future?
- *Time: 5 minutes to write; 15 minutes for discussion.*

# Review

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- Capture your dream
- Feasibility plan draft
- Meet Ann's Nursery
- Industry profile data
- Customer data
- Competitive data
- Resources for collecting data

# Simple Steps for Starting Your Business

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## Learn More...

- ✓ Session 1 → Startup Basics Jan. 11
- ✓ Session 2 → Business Concept Jan. 25
- Session 3 → Marketing Plan Feb. 8
- Session 4 → Business Model Canvass Feb 22
- Session 5 → Financial Projections Mar. 8
- Session 6 → Funding Sources & Next Steps Mar. 22

# Homework

SESSION 2: Business Concept

1. Review the feasibility plan for Ann's Nursery (if you haven't already).
2. Finish your Business Concept Feasibility Plan(s).
3. **Collect key competitive information.** This data will be used in the next session.
  - a) Price and pricing strategies
  - b) Features and benefits
  - c) Annual sales
  - d) Marketing strategies in reaching target customers

See you at the next session on Marketing.

# Your Own SCORE Mentor

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Take advantage of this free service in order to make the best possible decision.

[www.score.org/mentors](http://www.score.org/mentors)

# Help Us, Help You

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Please complete our workshop survey:



- Use the link on Slack to access the form, or go to
- <https://forms.gle/bWykGmRwe2etNx8K7>