

ENTREPRENEURSHIP 101

A Guide to Starting a Good Business *with*

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Based on Bookings Africa's Entrepreneurship masterclass

by

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Part One

Business Plan



Before you write your
business plan professionally,
you must have thought
through your business.

- Dr Ponmile Osibo



Chapter One

A Business Plan

First and foremost, a good business plan must document a good business. There is no amount of work you could put into a business plan that would turn a bad business into a good one. Therefore, before you write your business plan professionally, you must make sure to think through your business thoroughly. You need to understand what it is you're working to accomplish. As your business plan needs to be simple, yet concise enough for you to share with a 5 year old.

What is a business plan?

A business plan is a simple document that talks about what you intend your current business or future business to do and implement.

What makes a business a good business?

To create a good business it is necessary to clearly identify these things:

#1 - What is the market opportunity?

Here, you want to look into what category the market opportunity falls under;

- Is it a blue ocean category? Meaning there is no one playing in that business space you're in.
- Is it latent or is it real? Real means you can see it and you can touch it, but for whatever reason, some people are not going after it or it is latent, in this sense you're going to have to spend a lot of time making people aware of it.
- Are you coming into this market opportunity as a disruptor or are you coming in to compete? etc.

#2 - The Solution; what problem are you addressing?

Once you've identified the market, it can be a huge market. However, there are many problems in that huge market, so you want to think about the specific problem you are going after. As such, you need to have a deep understanding of that industry, this is when you can really begin to understand what product you need to develop, and what route you need to take.

For example, Bookings Africa as a gig marketplace identified a lack of trust, payment issues, and unreliability.

#3 - What is the product?

What product are you developing to address this solution to the problem that I have identified, and to the market that I have seen? What is your strategy around that, what is your route to the market, and what is your approach?

#4 - Why would it work?

You need to be able to answer the question why would it work, why would this product you've developed, that is providing a solution to this problem in this market, why would it work? And it could be a million and one reasons for example - it could work because you have built great tech, you have access to the biggest manufacturers, you have the ability to scale rapidly, you have deep pockets and business experience.

#5 - What does my business need?

You need to be able to articulate what the business needs. Does it need capital, does it need a team, technology, market access, assets, etc. Once you have done 1-4, the answer to the question should be staring you in the face.

ELEMENTS OF A BUSINESS PLAN

The elements that make up your business plan play an important role in the likelihood of your business succeeding.

A business plan must have 6 elements:

- You must use simple language that is concise but not voluminous. There is a misconception that the more pages you slam at someone the better but that is not always the case. Have everything that you need and someone to know about the business written out in the business plan but also make sure it's concise.
- It must be an easy read. Your presentation, your flow, and your layout are important. This is because when you're giving it to an investor or a strategic partner, every page must be exciting enough for them to want to turn to the next page. Your knowledge of your business needs to shine through. If you've thought about it, you should be able to convey your thoughts; the problem, the market in such a way that it is exciting and leaves the investor wanting to read on.
- You must clearly communicate your Value Proposition. Am I the first in the market? Am I the best? Do I have the best technology? Do I provide value for my customers that nobody else is currently able to provide? For example, if transactions are costing 5% in the market, and I have the tech, the know-how to give it to them at 1%, so I will get customers to come to me because I'm reducing their cost of transacting by 80%.
- You need to outline the vision - what is the vision in 5 years, do you in 5 years want to be the largest in Nigeria, in West Africa, in Africa, or the world? How do you see that vision, what do you see that vision becoming?

- What is the team that is going to be responsible for executing this business plan? This is a key a lot of people do not pay attention to. Yes, you are the founder, you might have a co-founder, but what team are you looking at? Today, you might be a team of three but you need to be able to say to truly execute this business plan that I have written is I need to hire 6 more in the next 18 months and these are their role. You need to be specific to show any investor reading your document that you understand what your business needs, you understand the mile needs to achieve and you understand the team. You might not know the exact person now. But you understand the type, the caliber, and experience of the person you are looking to hire in that position.
- You need to show what is in it for an investor because when you're pitching to an investor you need to clearly show what is in it for him/her. The thing is in the line of 'if you invest in me today, in 5 years my revenue will be 5× and you are guaranteed to get back 5 times what you invest in me today'. You need to do your own analysis, you need to have a strong idea of what that will look at. Investors are ultimately are looking for a few things- they want their capital to be put into good use, to have an impact, to have scaled through the business because, at any point in time, this is because there are multiple businesses they may be looking at beside yours.

Difference between a Business Plan and Business Model

A business model is actually part of a business plan. It demonstrates how you generate revenue. A business model is a crucial part of your plan, as it is part of what the investor wants to see. So, in the case of some businesses, what they do is to have multiple ways of making income, some will say they charge a subscription, that's a model where every month they deduct a fee from their market audience, that's recurring revenue, others will tell you that as transactions pass through their platform/product they're going to take a commission from all transaction that passes through the platform, revenue from partners. It is principal that you understand that, because if you don't understand how your business is going to make money not just once but sustainably over a 5 year period and how you're going to be able to grow by that revenue. It is going to be hard to convince anyone that it is worth backing consistently over a long period of time.

***NOTE:** With your business plan as soon as you write it becomes obsolete, it is not something you write once and keep on a shelf. You need to keep at it and continue to fine-tune it with present-day market research. For example when COVID first came on the scene, a lot of businesses needed to reinvent their plans and model. There are some elements in your business plans that would not change, you might only need to tweak them to correspond to the current realities of the market.*

8 THINGS TO ADD IN A BUSINESS PLAN

1. Introduce your company - Be great at selling your business.
2. Introduce your team
3. How does it work, what exactly are you doing? How does the business operate? What's the customer experience, what's the structure. The systems that need to be in place.
4. Where does this belong, marketplace. You have to be an expert in your industry.
5. Your competition. Why hasn't this be done before, and if it's done before, what do you plan to do differently.
6. Revenue- What are your numbers, you need to highlight your key revenue drivers
7. How investors make their money back
8. How much do you need

Part Two

Branding

I believe strongly that every industry has its own set of celebrities, it doesn't matter what industry you're in.

- Bukola Sawyer

Chapter Two

Branding

Branding is all about understanding your brand.

When starting your company one of the first things you need to do is figure out is the *Unique Selling Point (USP)*.

I believe strongly that every industry has its own set of celebrities, it doesn't matter what industry you're in. Immediately you think of the banking industry you have certain names of people that come to mind as you think of the top individuals of that industry. Whatever niche you find yourself in, know that you can be a celebrity in that industry by ensuring that your *USP* stands out, likewise your mission statement, your vision statement, and most importantly the plans for what it is that you want the business to provide.

UNIQUE SELLING POINT (USP)

To define your Unique selling point, ask yourself:

- What is it about your business that stands out?
- What is it about the business that sets you apart from the common herd?
- What problem am I solving?
- What makes me and/or my solution special?

If you are a bank, what are you bringing to the table as a bank that makes you stand out from every other? Your company, your brand, whatever it is about has to stand out one way or the other, so ask yourself what is it about myself or my company that would make me stand out.

Once identified, *your USP has to be included in your business plan.*

VALUE PROPOSITION (VP)

To define your Value proposition, ask yourself:

- Why would people want to engage my business and why will they continue over time?
- What value am I giving them over a continuous and steady period of time that will make sure they stick with my product and keep coming back to use my product/service.

Examples are you offering the cheapest transaction rate, discounts, partnership access, etc.

It's key that you understand that VP and continue to evolve. Because people might decide to copy your VP, but you need to keep evolving, keep evaluating it as your business grows. There are certain value propositions that are inherent, and that is something you need to focus on because people can't copy what is in you, they can only try but it will never be the same.

MISSION STATEMENT

A company's mission defines the company's solution, its objectives, and its approach to reach those objectives.

For example, the mission statement for BukiHQ Media (founded by Bukola Sawyerr) is- *To make all of our clients newsworthy and relevant.*

Set only realistic objectives for your company

VISION STATEMENT

A company's vision describes the desired future position of the company.

For example, the vision statement for BukiHQ Media (founded by Bukola Sawyerr) is- *to be the one-stop-shop for all personal brand solutions in public and media relations. We want you to think about us first, we want you to come to us for all of your problems to solve them when it has to do with public and media relations.*


Unique Selling Point Vs Value Proposition

Your unique selling point is what makes you as the brand stands out *while*

Your value proposition is what you are bringing to the table that adds values

Part Three

Route to Market



The 7 Ps of marketing do not change but how we address them have changed.

- *Serah Mwikali Katusia*



Chapter Three

Route to Market

What is route to market?

At the basic, your **route to market** is how you get to your consumer, be it a product or service-based business.

In a more technical way, it is the methodology you use to be able to align marketing, sales, and solution to ensure that you are actually getting your product and services to the end-user effectively and efficiently.

Target Consumers

Your route to market is tied to figuring out who your consumers are. To do so, figure out the following:

- The source of growth - This involves you cutting the numbers to be sure you are focusing your efforts on people who actually exist and there are enough of them to market to in order for you to make a profit.
- Location - where is your priority market located and this is important as it will determine where your business should be.
- Demography - the age groups, profession, gender, etc.

- Behaviour- this is very important because the behaviour of your target audience will help you decide the insights to which your route to market will be anchored. the behaviour of the target consumers in terms of what really makes them tick. It helps you figure out where to invest in your route to market and how to reach them.

Marketing Strategy

The 7 Ps of marketing do not change but how we address them has changed. You have to determine:

- Product
- Price
- Package
- Place
- People
- Positioning
- Promotion

Customer Segmentation

Customer segmentation enables you to be specific in your communication. If you have not segmented your customers then you don't know what you are selling to each of the different customer type you have.

- The segmentation changes according to how consumers and their needs are changing. So you need to be able to adapt quickly and change what you're selling to your customers so that you can be relevant in today's world.

