Lecture 4: Business Plans
Wednesday, July 4, 2012
University of Lagos
Today’s Agenda

- How Fedex began
- How to write a good business plan
- Anatomy of a business plan
How Fedex began

- A Yale undergraduate, Frederick W. Smith wrote a term paper on the need for overnight delivery service in the computer age that was dawning
- His professor found such a service highly improbably and gave him a grade of “C” on his paper
- 5 years later, Smith started Federal Express
- World's largest express transportation company
- Has 624 aircraft, 43,000 vehicles, and 100,000 Power ships
- More than 145,000 employees
- Delivers 3.1 million packages every day
What is a Business Plan?

- A document that helps you communicate your vision to partners, investors etc.
Good Business Plans

- No spelling or grammatical errors: put your best foot forward.
- Well thought out and easily understood (no technical jargon)
- Articulates the key strengths of the business
- Clearly outlines the risk of the business
- Presents supporting evidence of the viability of the business
- Should compel action
Anatomy of a Business Plan

- Executive Summary
- Overview of Product/Service
- Market Analysis
- Business Team
- Strategy Information
- Financial Information
Executive Summary

- A summary version of the entire business plan
- Brief and to the point – 1-2 pages max.
Product/Service Overview

- How the product works
- Patent Information
- Technology
- Platforms
- Process Flow etc.
Market Analysis

- Market size estimates
- Market entry strategy
- Feasibility study results
- Target market and demographics
- Extension markets
Business Team

- You, your background and experience
- Your teammates and their roles
- Other support e.g., advisors, board members etc.
Strategy Information

5 C’s
- Customers
- Competition
- Channels
- Collaborators
- Company

5 P’s
- Price
- Placement
- Promotion
- People
- Product
Financial Information

- Growth projections
- Revenue Sources
- Fixed Costs
- Operating Cost
- Equity
- Debt
- Capital
- Existing Contracts
- Cashflow / Liquidity Event
Questions and Feedback
Assignment

- Peek at some good business plans online and you will be called to tell us about it in the next class.

- Also, company name and logo due on Friday.
Announcements

- Team Ideas must be defined by end of the week
- Next Class: Still on Business Plans
- Class registration
- Check your emails and aiti website regularly
- Post lab assignments to aitinigeria2012@gmail.com