



INTRODUCTION TO ECOMMERCE: MAKE THE CASH REGISTER RING!

CREATING A LEAN STARTUP BUSINESS PLAN IN 30-MINUTES OR LESS

Using this unique approach to business planning, you'll have a one-page business plan before you know it. It's fast, it's easy, and it's fun, and most importantly, it will arm you with information and the insights you need to move forward. In no time, you'll be planning marketing and sales activities, dreaming up new product ideas, and creating essential financial projections. It's the quickest way to get your business planning started, on your way to running a successful online store.

The **30-minute Business Plan** is an adaptation of *The Lean Canvas* and the *Business Model Canvas*. It is an actionable and entrepreneur-focused business plan. The plan concentrates on 9 key areas: *The Problem, Solutions, Unique Selling Proposition (USP), Customer Segments, Channels, Cost Structures, Revenue Streams, Key Metrics* and *Your Unfair Advantage*.

Let's start by defining exactly what a business plan is:

A business plan is a document that sets out a business's future objectives and the strategies for achieving them. A well thought-out business plan describes the rationale of how an organization creates, delivers, and captures value.

The Lean Startup

The 12 functional areas of Ecommerce are based on the Lean Startup methodologies.

- **The Vision** is the foundation of any startup, the reason for the existence, the ultimate goal. Your vision rarely changes.
- **The Strategy** is how you achieve that vision. Strategy includes architecting your business model, building your product roadmap, and responding to the market and competitors. Occasionally, the strategy may need to change, or “pivot”.
- **The Product** is the end result produced by your vision and strategy. The product is constantly evolving.

It is recommended that you complete the **30-minute Business Plan** in the following chronological order (The following pages explains each topic in detail).

Problem 1	Unique Selling Proposition (USP)	Customer Segments	Channels
Solutions 2	3	4	5
Cost Structures 6	Revenue Streams 7	Key Metrics 8	Unfair Advantage 9

Overview

(1) Problem & (2) Solution: It is likely that you are already familiar with the specific problem that you are trying to solve. What products or services do you offer customers that will solve their problems?

(3) Unique Selling Proposition (USP): This can be thought of as your business' "tagline" and combines why a particular customer segment or group would choose your "solution" to solve their "problem".

(4) Customer Segments: Who are the customers that are impacted by the problem you are attempting to solve.

(5) Channels: How are you going to reach these customers to offer them your business' solution? Popular online channels include Email, Social Media, Paid Search, Affiliate Programs, Automated Marketing, Blogging, Marketplaces (Amazon, eBay, Etsy) etc.

(6) Cost Structure & (7) Revenue Streams: What are the major costs, expenses and fees that are essential to running your business? How do you plan to make money to cover these operational costs and generate a profit?

(8) Key Metrics: How do you know if your business is successful? What key metrics are you focusing on financially? What data will influence your marketing spend? What metrics are you focusing on socially? (Social Proof)

(9) Your Unfair Advantage: In other words, what makes you and your business special? Is it easy to copy what you do? If so, why should a customer choose you? This could be your unique location, your excellent customer service, your secret recipe... it sets you apart and is the reason customers want to interact with you.

Instructions

1. **Problem**

People engage in purchasing a product or service because it fulfills a need that they have. People don't buy products, they buy solutions to problems. For example, people who buy rain boots are solving the problem of wet feet. What are the top problems your customers are facing?

Prompts:

- ✓ What problems do your products or services solve?

2. **Solution**

The product or service that your business provides is the "*solution*" to your customers' "*problems*"

Prompts:

- ✓ What does your business do to solve your customer's problems?
- ✓ What are your products and services?

3. **Unique Selling Proposition**

The USP is the marketing promise that a business makes to its customers that stems from the customer's "*problem*" and the "*solution*" offered by your business. Think of this as your business' tagline, also sometimes referred to a Value Proposition. (Examples: **Uber** – *The Smartest Way to Get Around*; **Slack** – *Be More Productive at Work with Less Effort*) The Selling Proposition is the reason why customers turn to one company over the other (this is an extension of your Unfair Advantage). It solves a customer problem or satisfies a customer need. The Selling Proposition is a short bundle of the features and benefits that a company offers a customer. Some of these benefits can be focused around: *Performance, Customization, Price, "Getting the job done", Brand/Status, Convenience/Usability, Accessibility, etc.*

Here is Amazon's USP, circa 2001

"For World Wide Web users who enjoy books, Amazon.com is the online bookseller that provides instant access to over 1.1 million books"

Prompts:

- ✓ **Target Audience:** Who is the group of buyers you are going after that you can easily identify and communicate with?
- ✓ **Customer Segment:** Within your target, what is the characteristic of the segment of buyers that are most likely to buy your product?
- ✓ **Business Category:** What category do you fall into? The competitive landscape for your buyer – how do they quickly identify with your business? What kind of products or services are you offering to your target audience?
- ✓ **Distinction:** Within your category, what is it that sets you apart from the rest? What makes your company unique? Why are you better?
- ✓ **Proof:** Show proof to your claim. This doesn't need to be numerical and data based, but it's what will convince your customers that you can deliver on your promise – why you'll be able to do what you agreed you can do.

4. **Customer Segments**

The customer segments are the different groups of people that your business is trying to reach. The customers are the people that your business can provide a product or service that is a "*solution*" to their "*problem*".

Customers should be grouped into separate segments or groups if:

- ✓ Their needs require a distinct offer
- ✓ They are reached through different channels
- ✓ They require different types of relationships
- ✓ They have substantially different profitability
- ✓ They are willing to pay for different aspects of the offer

Prompts:

- ✓ For whom are you creating value?
- ✓ Who are your potential buyers?
- ✓ Who can benefit most from your products or services?
- ✓ What do these groups of people have in common?

5. **Channels**

Your channels are customer touch points that play an important role in the customer experience. This is how you reach your customers with your "*solution*" for their "*problems*". Keep on mind, you may sell on one channel and use another channel for advertising. For example, you may sell your product on Etsy or Amazon, but use Instagram and Facebook posts to advertise and talk about how great your products are. Channels serve a variety of functions including:

- ✓ Raising awareness among customers about a company's products and services
- ✓ Helping customers evaluate a company's Selling Proposition
- ✓ Allowing customers to purchase specific products and services
- ✓ Delivering on your Selling Proposition, on your Marketing Promise
- ✓ Providing post-purchase customer support

Prompts:

- ✓ Through which channels do your target customers want to be reached?
- ✓ What is the most efficient way?
- ✓ How are your channels integrated with customer routines?

6. **Cost Structures**

Describes the most important costs needed to operate or run the business.

Remember to include both variable costs (variable costs will change based on the amount of business you're doing, so for example, the more cakes you sell the more money you must spend on ingredients) and fixed costs (fixed costs remain relatively constant regardless of your sales numbers. For example, a fixed cost would include the amount you pay every month for your Internet service.)

Prompts:

- ✓ What are the most important costs in your business?
- ✓ Which key resources or products are most expensive?
- ✓ Which key activities are most expensive?

7. **Revenue Streams:**

Revenue streams are the multiple ways that a business makes money. Revenue streams are important because this is how a business can successfully generate enough money to cover the costs of running the business, plus generate enough revenue to make profits.

Prompts:

- ✓ For what value are your customers willing to pay?
- ✓ For what do they currently pay?
- ✓ How do they currently pay?
- ✓ How would they prefer to pay?
- ✓ How much does each revenue stream calculate to overall revenue?

8. **Key Metrics**

Key Metrics are the data, the measurements, and the information you are tracking and evaluating to ensure that your business is meeting its goals.

Prompts:

- ✓ How do you measure success, both financially and socially?
- ✓ What goal justifies the existence of this business?
- ✓ Can you track a life-time value for your customers?

9. **Your Unfair Advantage**

Your Unfair Advantage is what separates you from the pack.

Prompts:

- ✓ Is your business model easy to copy?
- ✓ Did you copy someone else's business model? If so, how are you better?
- ✓ Why should a customer choose you?

Here is an example of a **30-minute Business Plan**. This company is an animated movie company called The Swan Princess

<p>Problem</p> <p>The animated movie market is dominated by Disney, so in this instance the Problem is an opportunity.</p>	<p>Unique Selling Proposition (USP)</p> <p>For classic animated movie enthusiasts, who love fairy tales, The Swan Princess Series provides the romantic-at-heart with wholesome family fun through the adventures of Princess Odette and Prince Derek. Join the 1 million+ Facebook followers!</p>	<p>Customer Segments</p> <p>-Parents of young children that grew up with the original Swan Princess movie -13-24-year-old worldwide audience -Cos-play and Comicon enthusiasts -Movie- cell collectors -Phone app gamers</p>	<p>Channels</p> <p>-Ecommerce Store -Mobile Apps -Comicon & Tradeshows -Streaming Video & TV (Netflix, Hulu, Sky) -Sony Distribution Network -Social Media -Email -Automated Marketing -Amazon, eBay</p>
<p>Solutions</p> <p>Revamp a movie franchise that was created in 1996 and modernize it for today's market and media outlets.</p>			
<p>Cost Structures</p> <p>-Operations -Inventory -Channel Fees -Animated film production</p>	<p>Revenue Streams</p> <p>-Licensing -Movie & Merchandise Royalties -Merchandise Sales -In-app purchases</p>	<p>Key Metrics</p> <p>-Sales data -Social Media Following -Movie sales -App downloads</p>	<p>Unfair Advantage</p> <p>-A history of entertaining children and animation fans -One million+ Facebook followers</p>

Traditional Business Plans

Once you've completed this assignment, using the information provided, you'll have yourself a business plan. Does that surprise you? Many people think of business plans as being long dossiers filled with graphs and charts and spreadsheets. Now you know that's not always the case. Most business plans fall into one of two categories: Traditional or Lean Startup.

We've just covered the Lean Startup business plan model. If you thought all business plans were like that aforementioned dossier, you were probably thinking of a Traditional Business Plan which is indeed very detailed. It typically includes comprehensive analysis, and revenue projections, as well as information on operating processes.

Financiers and investors commonly request this type of plan.

So, if you are looking to get funding or to bring new business partners onboard, consider writing a Traditional Business Plan as a follow-up to your **30-minute Business Plan**. Check out this resource for [Traditional Business Plans](#).

30-minute Business Plan

Use the Template on the next page, and instructions above, to create your very own **30-minute Business Plan**.

You can fill in the form on the next page, or you can print the document and complete it with an old fashion pen or pencil, or you can copy the Plan and make it your own. Whiteboarding also works really well if you want to brainstorm and collaborate with your team when completing your Plan. You can also download just the Plan at [MakeTheCashRegisterRing.com](#) using code **SKILL**.

If nothing else, this exercise will force you to take long, hard look at your business objectives. This Business Plan will serve you and your business well as the first step toward your online success. Refer back to this plan often, and add new information as your business grows.

Also, please reach out for any assistance and remember to post your project for community feedback.

Good luck with your venture,

Eugene

<https://www.skillshare.com/eugenebrill>

<p>Problem Worth Solving</p> <p>Click or Tap to enter text.</p>	<p>Unique Selling Proposition (USP)</p> <p>Click or Tap to enter text.</p>	<p>Customer Segments</p> <p>Click or Tap to enter text.</p>	<p>Channels</p> <p>Click or Tap to enter text.</p>
<p>Solutions</p> <p>Click or Tap to enter text.</p>			
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