

Greville Commins

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Enterprise Competition seminars

Introduction

Introduction

- Six lectures on different aspects of starting a business
 - 18th Nov - What makes a good business idea?
 - 25th Nov - Innovation for business
 - 2nd Dec - Creating a winning business plan
 - 13th Jan - Understanding and engaging markets
 - 20th Jan - Developing business & product strategies
 - 27th Jan - Selling & negotiating in business

Greville (Grev) Commins

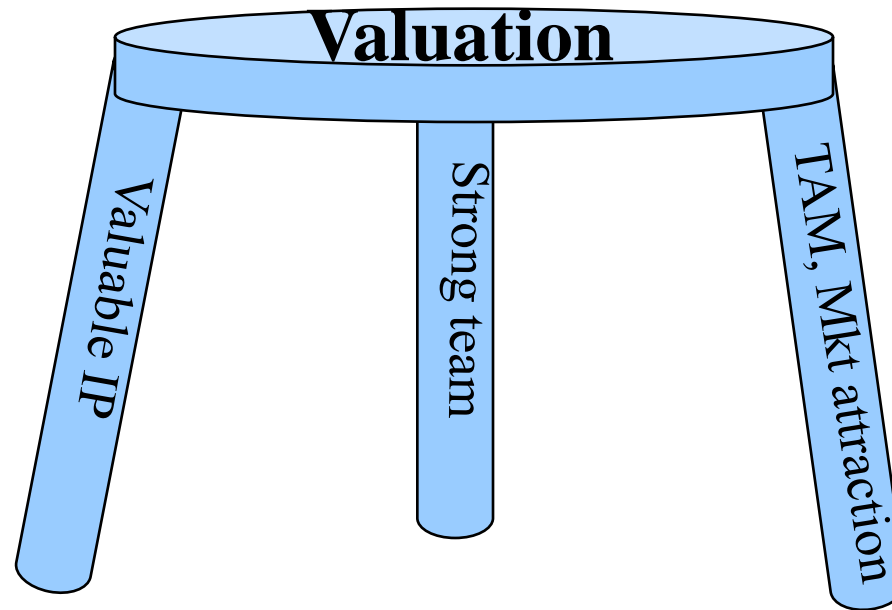
- Electronics & Computer (H/W & S/W) background
- 25+ year career in business
 - 20 years marketing technologies, 5 years acquiring IP, >10 years at Director level
 - 5 years in Intel, 16 years in ST (5 in silicon valley)
- Own start up in computer systems & sold after 3 years
- Professional Sales trained (Wilson), Trained negotiator (Karrass), NED trained (Cranfield Inst Mgt).
- Lecturing on Enterprise at UoB, & International negotiations at UWE
- Judge on UoB Business plan competition 2001-2007
- Mentor for SETsquared for 6 years, now Entrepreneur in residence
- Past Chairman of Silicon South West (2007), NED at ProVision
- Teaching experience (Motorcycles, Cars, Diving, Boating, Technology Microprocessors & High Level Languages, Enterprise).

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What makes a good business idea?

Your business proposition is a 3 legged stool

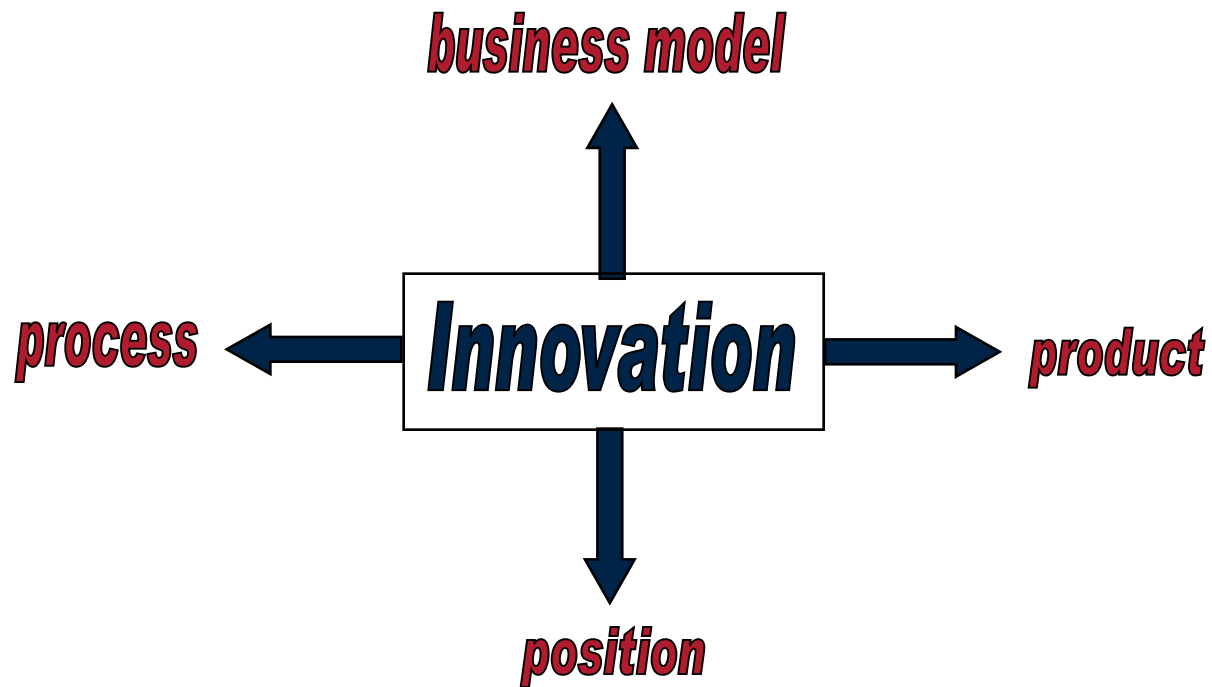


Many business plans have a weakness in one or more legs

What makes a good business idea?

- Something new and innovative
- The **innovation** is protected and has a **USP**
- The market has **untapped potential** for sales or the product intercepts a **new market vector**
- You have a **route to market**
- The **competition are not ready**, able, unaware, non-existent or the **barrier to entry** is high.
- Potential to make a (realistic) **return on investment** in reasonable time-scales
- Have the **resources & skills** to develop the product

What kind of innovation is your business idea?



New business innovation can take these forms

- Product
 - A wholly new product, solving a particular problem or providing a new benefit.
- Business model
 - A new way of doing business, financial arrangements, franchises,
- Position
 - A different market positioning, branding, marketing strategy, sector focus, target customer
- Process
 - Different manufacturing process, channel to market, packaging, operating model

Unique Selling Proposition (USP)

- First proposed as a theory, in early 1940s, to explain a pattern among successful advertising campaigns.
- Such campaigns made unique propositions to the customer and that this convinced them to switch brand.
- Rosser Reeves in *Reality in Advertising (1961)* said
 - Each advertisement must make a proposition to the customer: "buy this product, and you will get this specific benefit."
 - The proposition itself must be unique - something that competitors do not, or will not, offer.
 - The proposition must be strong enough to pull new customers to the product.
 - There was some strong debate about this at the time amongst the advertising community....

USP examples

- Some good current examples of products with a clear USP are:
 - **Head & Shoulders:** "You get rid of dandruff"
 - **Olay:** "You get younger-looking skin"
 - **Red Bull:** "You get stimulation of body and mind"
 - **Ronseal:** "You get exactly what it says on the tin"
- Some unique propositions that were pioneers when they were introduced:
 - **Domino's Pizza:** "You get fresh, hot pizza delivered to your door in 30 minutes or less."
 - **FedEx:** "Your package absolutely, positively has to get there overnight"
 - **Maltesers:** "The milk chocolate melts in your mouth, not in your hand"
 - **Wonder Bread:** "It helps build strong bones 12 ways"

A USP can Intercept a new market vector

- New technology
- New markets
- Change in social attitudes or behaviours
- Regulatory regime change
- Running out of road
- New business model
- Unthinkable events

Resources & Skills

- If your venture does not have the resources & Skills to achieve the completion of the business idea this could be a serious issue
 - Resource shortfall could mean additional funding, prioritisation, delays...
 - Skills shortfall could mean delays while you acquire the skills or increased risk of failure
 - All these weaken the case for investment

Your Competition

- Understand your competitors
 - Strengths/Weakness'
 - Strategy
 - Products
 - Markets
- What is your competitive strategy?
 - How will you beat them?
 - Do you have an advantage?
 - How will they respond?
 - Are there any barriers to their entry?

Routes to Market

- Get your new product into the hands of customers?
 - Direct sales using your own sales force or even web sales.
 - Distributors, companies on margin,
 - Representatives,
 - Sublicense/franchise
- The key is to choose a channel
 - which optimises the motivation of your customer to buy your product
 - Channel strategy is not technology focused but customer driven
- How much do these routes cost and how productive?
 - Important to assess the cost of selling
 - And build into product costings

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Evaluating Business Ideas

Some of the ways to evaluate business Ideas

- Use 4 P's to assess new ideas
 - Product, Price, Place, Promotion
- Assess financial opportunity using
 - Return On Investment (ROI), Profits, Market size/growth
- Assess product idea
 - Feasibility, competitive position, time to market,
- Resources required
 - Funding, people/skills, team
- Excitement factor
 - Novelty, innovation/creativity, market attraction

Reviewing a business plan



Read Executive summary quickly.

- A critically important part of any plan
- Is it interesting?
- Does it make you want to continue reading?
- Does it answer many of the key filters?

- Scan the main sections of the business plan to get further understanding of the business potential

- Is it easy to find answers to key filter questions?
- How confident do you feel about the business opportunity?
- How does the team come across?
- Are you excited by the product?

Investment in your business

- All businesses need some basic resources
 - Funding
 - Skills
 - A problem to solve
 - A solution
- When you start your business **you** will be investing something
 - Your own money, skills, ideas
 - You should look for a return on your investment
 - Outside investors, partners, employees will also look for a return.

Return on investment

- All investors require a return on their investment in a particular venture.
 - Your business idea will be judged against a variety of financial measurements
- Key financial measurements
 - The amount of return
 - Time taken to achieve that return
- will be compared the against other investment options.
- If business cannot achieve a better return investors will go elsewhere.

Summary:

- A well written business idea
 - Tells a story
 - Has a beginning/middle/ending
 - Answers the questions about
 - What product?, What Price?, What Place?, How Promoted?
 - Financial case
 - Resources/Team
 - Credibility
 - Excitement
- At end of summary does reader have everything needed to assess idea?

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Introducing Bristol University Business plan competition



Entering the Bristol University Business Plan competition

- Entering the competition will help you;
 - Accelerate the development of your project
 - Get feedback on your entry early on
 - If you get through - more advice from a range of experts
 - Great learning experience
 - Will help you build a better business by being better prepared.
- So why not enter?

Overview of the Bristol University Business Plan competition

- Total prize fund worth over £35,000
 - Cash prizes
 - plus special prize for the best undergraduate entry
 - A rent-free desk for six months in the SETsquared Centre pre-incubator
 - giving your business a professional front
 - allow you to develop your plans away from home or work environment
 - **www.bris.ac.uk/research/newco/incubation/index_html**
 - Professional services

Other benefits

- Expert business advice from the sponsors to put your idea on the road to commercial success
- Access advice from Business West
- Exposure to potential investors
- Opportunity for networking
- Publicity for the winners and their idea, their department and the University
- Develop your understanding of enterprise and gain experience you can cite in your cv

- The cash prize for the best entry led by an undergraduate student is intended as a reward for demonstrating entrepreneurial talent, whether or not they go on to establish a new enterprise.

Personal benefits

- Many reasons to develop your business skills
 - Help you evaluate start-ups as employee
 - Help you communicate ideas effectively
 - Understand how others will judge your ideas
 - Advice and experience on how to present ideas
 - Is your idea investable?

WHO ARE THE JUDGES?

- ALL **BUSINESS PEOPLE** FROM COMPANIES IN A BROAD SPECTRUM OF INDUSTRIES
 - **Banking**
 - **Law**
 - **Accountancy**
 - **BUSINESS Link**
 - **Investors**
 - **Bristol City council**
 - **Industrial**
 - **Health care**
- ALL SEE **BUSINESS PLANS** IN DAY TO DAY LIFE AS BUSINESS MANAGERS
- PLUS **EXPERIENCE** OF
 - **START UPS, SPIN OFFS, INTERNAL BUSINESSES**

What are the judges looking for?

- **STRATEGIC VISION**
- A GOOD **EXECUTIVE SUMMARY**
- **WHAT'S IN IT FOR THE INVESTOR**
- A good understanding of the **MARKET** plus the **SALES CHANNEL** for the Product
- **TEAM STRENGTH** – Investors place trust in the team
- Good **PRESENTATION** / credibility

What will the judges value?

- **STRATEGIC VISION** for your business
 - Think bigger
 - Make it an exciting prospect
- A good **EXECUTIVE SUMMARY**
 - Think about who will be reading your business plan
 - Likely they will not be experts in your discipline
- **WHAT'S IN IT FOR THE INVESTOR**
 - Where will they get return on investment
- A good understanding of the **MARKET** plus the **SALES CHANNEL** for the product
 - Good Market intelligence forecasts
 - Give investor a view of potential for product
- **TEAM STRENGTH** – Investors place trust in the team
 - Or recognition of weakness'
 - And a plan to resolve
- Good **PRESENTATION** / credibility

You must demonstrate

- A good understanding of the market for your product or service
- Why the value proposition will be attractive to the customers
- The potential for profitability and high growth
- Sustainable competitive advantage
- A viable plan for launching the enterprise

Your entry into the Competition

- The first stage concentrates on the **business idea**
- To enter: produce a brief, clear and convincing outline of the business idea on the **entry form** from www.bris.ac.uk/research/newco/competition
- The completed form must not exceed **4 pages**.
- For help on completing the form, see the guidelines. www.bris.ac.uk/research/newco/competition/guidelines.html
- Competition entries must be e-mailed to enterprise-competition@bristol.ac.uk by **12.00 noon, 24 February 2009**.

Competition 2nd Stage: Full Business Plan

- The judges review all of the entries to identify about 8-12 finalists to go to stage 2
- These finalists are invited to produce a full business plan from their original idea
- The judges and RED team provide mentoring and advice throughout this stage.
- Stage 2 culminates in a presentation and assessment of the full business plan.
- Winners announced in July 2009

Business plan competition winners

- Spread across many disciplines;
 - Computer
 - Social
 - Chemistry
 - Medical
 - Web based
 - Technology
 - Industrial

Review of past winners (2008)

- **Eclat Solutions**
 - Prof Christian Allen, Asa Morris (staff) and Thomas Rendall, (Postgraduate, Aero Engineering)
- **DocCom Solutions**
 - Dr Jonathan Bloor & Dr Jonathon Shaw (Staff, UBHT)
- **VibraTip™**
 - Andy Levy (Staff, UBHT)
- Undergraduate prize: **Duality**
 - Ben Organ (Undergraduate, Computer Science)

Review of past winners (2007)

- **Odor-Reader**
 - **Chris Probert**, University of Bristol, Staff and **Norman Ratcliffe**, University of the West of England, Staff
- **Light Materials Ltd**
 - **Dr Neil Fox**, School of Chemistry, **Dr Gareth Fuge**, School of Chemistry and **Dr Suzanne Furkert**, School of Chemistry
- **Best Social Enterprise**
 - Bristol Buggy: Jenny Anstead, UBHT, Staff and Peter Smithson, UBHT, staff
- **Undergraduate prize**
 - A2B Navigation Solutions: Sophie Coleman, Undergraduate, Medical Science

Review of past winners (2006)

- **SensaGest** (In SETsquared Bristol)
 - **Ian Anderson**, Postgraduate in the University's department of Computer Science,
 - **Paul Duff** Postgraduate in the University's department of Computer Science
- **StrainTrain**
 - **Tim Deans, Martin Herbert, Ben Jackson and Robbie McLeod** University of Bristol undergraduates

Review of past winners (2005)

1. Revolymmer - Revolutionising Commodity Polymers

- **(Prof. Terry Cosgrove**, Professor of Physical Chemistry and **Dr. Roger Pettman**, Innotune Ltd)
- **Null Hypothesis** (In SETsquared Bristol)
 - **(Andrew Impey**, School of Biological Sciences, **Mark Steer**, School of Biological Sciences and **Dr Dave Hall**, Department of Clinical Medicine)

Review of past winners (2004)

1. Global Risk Management

- **Rob Dover** (Deputy Director, Governance Research Centre, Department of Politics) and **Prof Anthony Forster** (Professor of Politics and International Relations)

2. Warm body (personal female thermometry)

- **Dr Andy Butterworth** and **Dr Toby Knowles** (Research Fellows, School of Veterinary Science)

Review of past winners (2003)

- 1. Real Composite Technology (RCT) for the 'Carbon fibre folding bicycle'**
 - **Tim Axford** and **Jake Kenny**, final year undergraduate students, Department of Aerospace Engineering
- **Veqter for 'Interior stress measurement in engineering components'** (In SETsquared Bristol)
 - **Ed Kingston**, PhD student, and **Professor David Smith**, Department of Mechanical Engineering

Review of past winners (2002)

1. MetroCom

- **Dr Mike Cowin**, Department of Electrical and Electronic Engineering

2. ACNet

- **Tom Buckler**, UG student, Department of Electrical and Electronic Engineering

Review of past winners (2001)

1. ArchLight

- **Dr Alan Chalmers**, Department of Computer Science

2. Clarity

- **Dr Ruth Townsley**, Norah Fry Research Centre

Further help from Business Advice Surgeries

- Business Advice Surgeries, run in Partnership with Business Link, offer;
 - One-to-one Advice to help you develop your business idea or start-up
 - Advice on topics from general business planning to specialist advice for high tech/high growth companies
 - Open to all Bristol staff and students
 - Take place at SETsquared, UGE, Park Row.

Conclusions

- If your new business idea has
 - Potential to make a **return on investment** in reasonable time-scales
 - the **resources & skills** to develop the product
 - The **innovation** is protected and has a **USP**
 - The market has untapped potential for sales or the product intercepts a **new market vector**
 - You have a **route to market**
 - The **competition are not ready.**
- Go for it.....