

What to Run *Before* Your Business Plan Course

John W. Mullins

London Business School

What's Terrific About *Your* Business Plan Course?

- Pulls things together
- Applies theory learned in the core
- Gets students engaged: work on their own ideas
- Learning by doing

What's *Not* So Good About Your Business Plan Course?

- A “sales” mindset: no critical thinking
- Puts them in a difficult position vs. judges
- Some students disengage if the idea is not theirs
- Most plans are pretty bad! Why?

One Solution: Opportunity Assessment Course

- Course project: a feasibility study for an opportunity they choose
- No confirmation bias: “go” or “no-go” are both OK
- No embarrassment with judges
- Brings together strategy, marketing, OB
- Jump-starts the business planning

How Do You Build It?

- The seven domains of attractive opportunities

In the Words of Warren Buffett...

“When a business with a reputation for poor fundamentals meets a management team with a reputation for brilliance... it’s the reputation of the former that remains intact.”

Research Question

How can entrepreneurs (and investors, too?) best assess market opportunities?

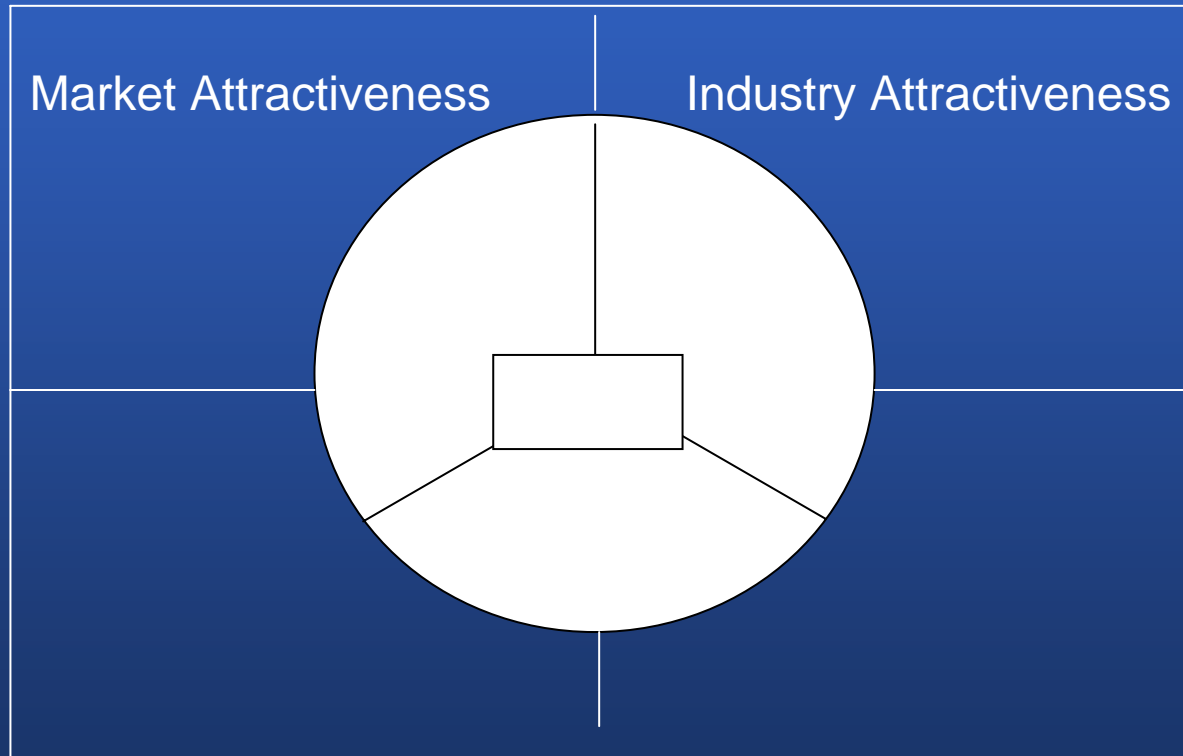
Point of Confusion #1: The Market / Industry Distinction

- What's a market?
- What's an industry?
- These are frequently confused!

The Seven Domains of Attractive Opportunities

Market Domains

Industry Domains



Point of Confusion #2: The Macro / Micro Distinction

- Large and growing markets are important, but...
- Structurally attractive industries (in a five forces sense) are also important, but...

The Seven Domains of Attractive Opportunities

Market Domains

Industry Domains

Macro
Level

Market Attractiveness

Industry Attractiveness

Micro
Level

Target Segment Benefits
and Attractiveness

Sustainable Advantage

Point of Confusion #3: What's Crucial about Entrepreneurs and Their Teams...

- It's not found on their CVs
- Not simply about “chemistry” or “character” or “entrepreneurial drive”

The Seven Domains of Attractive Opportunities

Market Domains

Industry Domains

Macro Level

Market Attractiveness

Industry Attractiveness

Mission,
Aspirations,
Propensity
for Risk

Ability to
Execute
on CSFs

**Team
Domains**

Connectedness up
and down Value Chain

Micro Level

Target Segment Benefits
and Attractiveness

Sustainable Advantage

In Summary, for the Seven Domains...

- Scores are not additive: summing the scores across the seven domains is meaningless
- Strong scores at the micro level can mitigate poor macro-level scores

What to Do *Before* (Or in?) Your Business Plan Course?

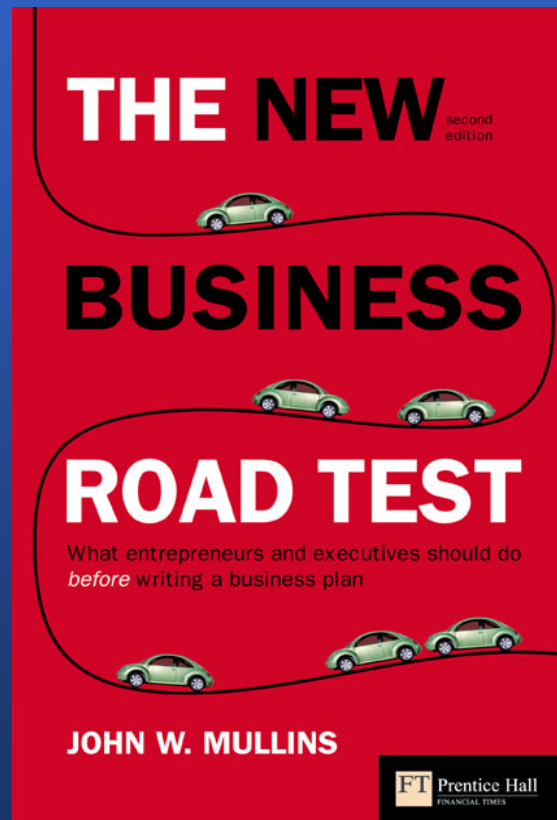
- The seven domains
 - Identify key weaknesses
 - Questions to be answered
 - Suggest avenues for reshaping the opportunity if not mitigated by other domains
 - Identify key strengths
 - Crucial in telling your story to resource providers

Remember Warren Buffett's Words

“When a business with a reputation for poor fundamentals meets a management team with a reputation for brilliance, it’s the reputation of the former that remains intact.”

For the Rest of the Story...

The New Business Road Test



To Download an Examination Copy of Chapter 1...

www.faculty.london.edu/jmullins

Instructor website at
www.pearson-books.com/roadtest

See Amazon for Reader Reviews