The Right Foot Workshop Series
Session 2: Business Models & Lean Business Planning

Presentation by:
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We exist to train, educate, and support entrepreneurs of both new (pre-venture) and established small businesses. Positioned within the nationwide network of SBDCs, we offer resources, key connections at the state and national level, workshops, and online and in-person support that equips us to help Ocean State entrepreneurs reach the next level of growth.
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The Right Foot Workshop

Session 1. Setting up a business

Session 2. Business Models & “Lean” Business Planning

Session 3. Financial

Session 4. Marketing

Session 5. Other Business Lessons
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Session 1. Setting up a business

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Session 5. Other Business Lessons
How many of you have been told you have to write a business plan?
Who wants to read your business plan?
Lender, investor, partner, landlord, etc...
Who doesn’t care much about your business plan?
Your customers
“The purpose of a business is to create a customer.”

- Peter Drucker
What To Expect In This Workshop

- A practical approach to startup business planning
- A simple business model brainstorming tool
- A “lean” (less time and $ wasted) approach to viability
- A way to connect this to a formal business plan
• Intro to lean startup approach
• Business Models
• What’s a business model?
• Examples of different business models

• Intro to business model canvas (BMC)
• Using the BMC to cut through noise and get to important questions

• From business model to business plan
• Who is your audience? (lender, investor, partner, etc)
• Other important topics, research, and processes for creating your plan
Intro to the Lean Startup Approach

In a nutshell:

• How do I find out who my customers are, what they want, and why they will/won’t want what I offer more than the alternative(s)? (Customer discovery)

• What is the best (most efficient, most valuable) way of meeting customer desires/demands? (Business modeling)

• How can I figure out what will work best and get some data/feedback to guide my actions/decisions? (Agile testing)
Intro to the Lean Startup Approach
So, what’s a business model?
What’s a business model?

The way a business solves customer problems and creates, delivers, captures value.
Business models

The way a business solves customer problems and creates, delivers, captures value.

Creates = production model
Delivers = distribution model
Captures = revenue model
Different Business Model Examples

.. in the same industry

RETAIL

• brick and mortar (storefront)
• e-commerce
• direct sales
• pop-up
• mobile/delivery
• kiosk, etc.
<table>
<thead>
<tr>
<th>Business Model Canvas</th>
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<tr>
<td><strong>Key Partners</strong></td>
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<td><strong>Key Activities</strong></td>
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<td><strong>Value Propositions</strong></td>
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<td><strong>Customer Relationships</strong></td>
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<td><strong>Cost Structure</strong></td>
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<td><strong>Channels</strong></td>
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<td><strong>Revenue Streams</strong></td>
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So, what’s your business model?
A Tale of Two Business Models

John's Bakery

- Loves baking and is good at it
- Wants to start his own bakery business
- Searches for a storefront, equipment, etc.
- Writes a formal business plan
- Uses personal savings and credit cards (gets denied for a business loan – too risky!)
- Signs a lease and opens up regular hours
- Struggles to promote the business and get customers to come in and buy

Jane’s Bakery

- Loves baking and is good at it
- Wants to start her own bakery business
- Spends time developing her brand/menu to align to customer demands/market trends
- Builds a following and a buzz on social media
- Does exclusive pop-up events (sells out every time)
- Gets a storefront (using savings, profits from company, and a small loan)
- But continues to run the store like a pop-up
Next Steps:
Thank You

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