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B.Com Honours

Semester I

Calicut University

Business Start-up Essentials

Course Code: COM1FM105 (1) • Module 2 Notes

1. Business Planning and Value Propositions

A business plan is a formal, written document detailing how a business defines its objectives and how it plans to achieve them. It serves as an operational roadmap for the founders and a sales pitch for potential investors. This module covers the structure of a business plan, value propositions, competitive advantage, market research, industry trends (SWOT/PESTEL), and target customer profiling.

Core Components of a Business Plan

- Executive Summary:** A high-level overview of the business concept, problem solved, target market, team, and financial needs. (Written last, read first).
- Business Description:** Legal structure, mission statement, history, and long-term vision.
- Market Analysis:** Industry trends, competitor benchmarking, and target customer demographic segments.
- Organization & Management:** Team profiles, advisory boards, ownership structure, and organizational hierarchy.
- Product / Service Line:** Detailed explanation of the offering, product lifecycle stage, and IP status.
- Marketing & Sales Strategy:** Customer acquisition plans, channel distribution, and pricing models.
- Financial Projections:** Income statements, cash flow forecasts, break-even charts, and funding requests.

Unique Value Proposition and Competitive Advantage

Unique Value Proposition (UVP)

A clear statement describing the benefit the product delivers, how it solves the customer's problem, and what makes it unique compared to competitors. E.g., Uber: "The smartest way to get around."

Competitive Advantage (Moat)

The structural barrier that prevents competitors from copying the startup. Moats include patents, brand reputation, cost leadership, high switching costs, or network effects.

Market Research and Trend Analysis

Firms gather data to test assumptions before launch using standard frameworks:

- **Primary vs. Secondary Research:** Primary research is collected first-hand (customer surveys, interviews). Secondary research utilizes pre-existing public data (industry databases, government files).
- **SWOT Analysis:** Evaluates internal factors (Strengths, Weaknesses) and external factors (Opportunities, Threats).
- **PESTEL Analysis:** Evaluates external macro-environmental forces (Political, Economic, Social, Technological, Environmental, Legal) that affect the business strategy.

Customer Personas and Segmentation

Firms group buyers into segments based on demographics (age, income), geographics (location), psychographics (values, lifestyle), and behaviors (usage rate, loyalty). A **Customer Persona** is a semi-fictional representation of the ideal customer based on real research data, detailing their motivations, goals, pain points, and purchase behaviors, ensuring that marketing campaigns are targeted effectively.

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