Lab Assignment

Preparing a Business Plan - Part II:

Business Model & Operations – Opportunities and Risks

Business model organization and operations forms the heart of a business plan. It details step by step, exactly how a company will bring a product/service from initial conception through to the front end consumer. It presents the key figures in the organization, the management team, describes the workforce and any external resources. Remember, describing the people involved in a venture is very important as the decision to invest depends not only on an idea but on the people behind the idea.

Outlining opportunities and risk to investors is important so they can see the long term possibilities for growth in the business along with the level of exposure to risk. It is an important step to complete in order to ensure that any potential downfall for the company have not been overlooked.

The objective of this lab assignment is to plan the business model organisation, operations, opportunities and risks of the business. The questions below should act as a guide in thinking through these topics.

**Operations**
- What are the business processes involved in running the business and how are they interfaced?
- What if any R&D is required?
- Are there intellectual property issues to consider?
- What if any external resources are required?

**Business Model Organisation**
- Who are the key figures involved in this new venture, what is their background and their future roles in the company?
- How will the management team be structured?
- What is the future management style? – Hierarchical, flexible, entrepreneurial etc?
- What size/type of workforce is required?

**Opportunities and Risks**
- Is there an alternative customer segment that may be targeted?
- Can the products/services be expanded in future?
- What factors would present risks to the business? – e.g. Other companies, new technology, manufacturing costs
- How can the risks to the business be controlled?