**BUS 201, LESSON 1**

Name:

Course:

Institution:

Date:

1. ***Who are the primary consumers of business plans? In what ways do the people who read business plans differ in the information they are looking for?***

The potential target of business plans are venture capitalists and lenders. Each type of customer has specific interests in a business plan. Investors and lenders evaluate the business plan of a company because they are contemplating on establishing a long- lasting relationship with the venture. Certainly, they are more concerned about the relationships between the business and its customers and suppliers (Sahlman, 2008). Therefore, these sections of the business plan provide useful insights to potential investors and lenders.

It is imperative for a business venture to consider what investor’s might be looking for in the company’s business plan. It is obvious that investors and lenders will be expected to keenly evaluate details of the enterprise such as the location of the business, target market, business structure as well as the type of business. However, beyond the basic, are critical areas that investors and lenders keenly focus on. While it is important to acknowledge that the particulars might differ depending on the amount of capital required, nature of the venture and the type of investor or lender (Zacharakis, Spinelli & Timmons, 2011). People look for the following things while reading a business plan. First, people would like to see the general background of the industry, business experience and management team. The second different aspect that people look for in a business plan is how unique is the product being offered to the market. In addition to the uniqueness of the product, people want to know if the enterprise knows its demographic and target market. Finally, people want to know if the business has researched thoroughly on its rivals (Zacharakis, Spinelli & Timmons, 2011).

1. ***Describe the general rules of thumb for the length and appearance of a business plan.***

As with all aspects in the corporate world, it is not what an enterprise’s business plan says that is crucial, how the information is presented is important as well. The presentation of these data is important because the business plan acts as the first introductory element that introduces the enterprise’s business idea to potential investors, according to Vendel & Brown (2012). Undoubtedly, the decision of the investor will be depended on the merits of the business plan and as such, the length and general appearance of the plan are vital too. A profession and attractively presented plan reveals how an enterprise pays attention to details and ideas being presented. Consequently, the rules of the thumb that a business plan should consider in terms of appearance and length includes as cited by Parks, Olson & Bokor (2015): it should be written by the entrepreneur with additional support from advisors, employees and co- management, as well as family. The second rule is that the business plan should be formatted correctly for the target audience, funding sources, stakeholders and so on. Another rule is to ensure that the length of the business plan is between 20 to 25 typewritten pages. In addition, the entrepreneur should use charts, pictures and graphs where appropriate in order to make it easy for the target audience to understand objectives of the plan. Another cardinal rule that an entrepreneur should consider when writing a business plan is to ensure that the financial segment reflects the business’ narrative. For example, a big discrepancy should be noticed by the investor in as far as the advertising plan and budget allocation is concerned.

***3. Spend some time studying the website of Heart Juice (www.heartjuice.com), a healthy beverage company referred to in the chapter. Search for additional information on the company. Write a two minute elevator speech rather than a 60-second elevator speech.***

Has anyone here ever tasted an all- natural healthy juice? Then you do not know what you are missing out. I got my first taste of all natural heart juice after placing an online order of healthy juice on [www.heartjuice.com](http://www.heartjuice.com). Even though I had little information about heart friendly juice, the first sip changed everything in as far as my attraction to healthy beverages is concerned. Heart Juice provides healthy products that ensure that your heart remains healthy and strong. If you are interested in healthy beverage, just email me your location and I will make sure that a bottle of health juice is delivered at your doorstep.

My name is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and if you have great taste for healthy juice, then do not hesitate to get in touch

***4. What are the three most common sources of new business ideas? Briefly describe how each of the sources spawns potential business ideas.***

Often, people have money yet they do not know the right kind of investment to channel the money. This occurs because such individuals lack ideas in respect to available opportunities in the market. However, there are numerous sources of business ideas ranging from brainstorming, listening to consumer complaints, conducting an industrial survey, expositions, trade fairs and exhibitions, the mass media, franchising, and so on (Kourdi, 2009). For purposes of answering this question, brainstorming, the media and industrial surveys will be discussed in depth. First, brainstorming is one of the most common sources of business ideas. This technique is a creative problem- solving strategy and a source of new business ideas. Under this technique the primary goal of the entrepreneur is to solve an existing problem in the society (Kourdi, 2009). The strategy often begins with a problem statement or a question. Consequently, each idea generated from brainstorming can result in one or more ideas that explain help solve the existing problem.

The second common source of business ideas is the media. The mass media is a crucial source of ideas, opportunities and information. Cable networks, magazines, radio, internet sites, newspapers and TV stations all make up the mass media. The advertisements that are available on this platform can allow one to discover available business opportunities (Kourdi, 2009). Finally, industrial survey is another common source of business ideas. An industrial survey provides opportunity for the wants and needs of consumers, which offer the rational for a good or service, to be ascertained or analyzed (Kourdi, 2009).

***5. What four environmental trends provide the richest sources of new business ideas? List each environmental trend and provide an example of the type of business idea that it might create.***

The four environmental trends that offer the richest source of business ideas include: economic forces such as consumer spending patterns, disposable income; social forces such as lifestyle and demographic changes; technological advances such as new uses of available technology or new technologies; and, regulatory or political changes such as new laws and regulations (Cavusgil,et al 2014). The aforementioned environmental trends create business opportunities that can be pursued by entrepreneurs. Environmental trends suggest product or business opportunity gaps. Economic forces help entrepreneurs to determine the areas that are ready for new ventures and those that new business ventures should avoid. A case in point of economic trends is that allows start-ups to establish ventures that can help customers save money.

Social trends, on the other hand, alter how businesses and people behave as well as how they determine their priorities. Social trends offer opportunities for new start-ups to accommodate such changes. Examples of these trends include the increasing workplace diversity, baby boomer generation retirement, increasing interest in wellness, fitness and health, emphasis on green energy and so on. Technological trends also help create new business opportunities. For example, technological advances have helped create industries such as the internet, digital photography, biotechnology as well as the computer industry (Grewal & Lilien, 2015). Regulatory changes and political action is the final environmental trend that acts as a source of business idea. In this respect new start- ups come up in order to help existing corporation to comply with regulatory changes and political action. For example, changing laws aimed at protecting the environment have presented entrepreneurs with the opportunity to start enterprises that help other companies to comply with environment- related laws and regulations.

**References**

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