



University Spin-offs Alliance:

From the idea to the market through mentoring and transnational entrepreneurial teams

## Module 2. Part 1

# Developing the business idea, how to form the business plan

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## About this learning material

In this learning material you will come across different icons:



## Introduction

Entrepreneurship is the backbone of every economy and a driver of economic development and competitiveness. The economy is transforming, facing new challenges and it is important to find new and sustainable business ideas. It is essential to be able to set up viable enterprises, because of now jobs, new products, new opportunities.

To improve entrepreneurial competencies and promote the realization of new business ideas as a part of “**SPiNteams**” **project a series of webinars is being developed.**

Once you have built a knowledge base on how to develop personal entrepreneurial competences and how to act like an entrepreneur, you have to keep thinking about the details on entrepreneurship planning and realization. In this material, which complements the second webinar, we will look at the basic issues of business planning and modelling.

Let's try to find an answer to the question - how to form the business plan? goal of this training course is to support our participants in improving their entrepreneurial and business skills.



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Entrepreneurship

<https://intelligence.weforum.org/to-pics/a1Gb0000000LGqtEAG?tab=publications>



SPiNteams project

<https://www.spinteam.eu/>

## Plan a business idea, why?

You have a business idea about which you have dreamed of, found as a response to an unmet demand, has come as a solution to a problem.

“Finding a new commercial business opportunity is about being able to find a solution to a problem – a solution that sufficient people are willing to pay for and a solution of which the competitors have not (yet) come up with”(Burns, 2020).

You are ready to implement the idea, so what you need to start with?

Create a plan, create your vision and put it on paper.

**Why to plan? Why it is important?**



*Business plan essence (pixabay)*



**Ričards Andersons - CEO & Founder of CrossChem**

“You need to plan everything! Sit down, form an Excel, build the models! Details and nuances are important!” (Interview with Rīčards Andersons 1.12.2021).

**Krists Blažēvičs - Board member and co-founder of BG**

**Noma LTd**“ It is necessary to plan so that it is possible to see the vision and goal- it is appropriate and necessary in the specific situation. Write, analyse, think in a team” (Interview with **Krists Blazevics** 1.12.2021).



**What do you think?**

Do you need to write a business plan?



**Rīčards Andersons** - CEO & Founder of CrossChem

<https://www.linkedin.com/in/richard-anderson-2483bba7/>



**Krists Blažēvičs** - Board member and co-founder of BG Noma LTd



### **Gundars Strazdiņš – Owner of Visual Experts**

“Business planning allows you to find a reference point. Draw conclusions. Putting it down on paper in 90% of the cases will help to make it clear whether it will work or not!” (Interview with **Gundars Strazdiņš** 1.12.2021).

### **Kaspars Ritums - Owner of Movers.lv**

“It is necessary to plan in order to eliminate ambiguities, questions and mistakes. It will help to get a competent opinion” (Interview with **Kaspars Ritums** 2.12.2021).

### **Mārtiņš Laizāns - Owner of Dream Property Management**

“You need to understand what will you sell and how you will sell it. You may prepare a short and clear concept plan, which will be improved during the work” (Interview with **Martins Laizans** 2.12.2021).

### **Harijs Ābele – Creator and idea author of Beloved boards**

“You need a business plan and a very detailed one, not just for the finance part. It is necessary to understand who, how much and why customer will buy your product - as clearly as possible! “(Interview with **Harijs Ābele** 3.12.2021).

### **Alise Balgalve - CEO Muesli Graci**

“The business plan is needed to understand whether the business will be able to live, when it’s financially stable! It can be used as a measure of whether the business is progressing as planned“(Interview with **Alise Balgalve** 3.12.2021),



#### **Gundars**

**Strazdiņš- Owner of Visual Experts**

<https://www.linkedin.com/in/gstrazdins/>



#### **Kaspars Ritums**

Owner Movers.lv

<https://www.linkedin.com/in/kaspars-ritums-936a7230/>



#### **Mārtiņš Laizāns -**

Owner of Dream Property Management

<https://www.linkedin.com/in/m%C4%81rti%C5%86%C5%A1-laiz%C4%81ns-6b93b349/>



#### **Harijs Ābele –**

Creator and idea author - Beloved boards

<https://www.linkedin.com/in/harijs-%C4%81bele-282a89127/>



#### **Alise Balgalve -**

CEO Muesli Graci

<https://www.linkedin.com/in/alise-balgalve-8037b38a/>



*From idea to success (pixabay)*

A business plan is also the strategy for how you will execute every part of your business. This doesn't have to be a written plan. You can plan your business strategy in your mind. What's important is that you have a viable and quality plan of action before you start your business, and not just plunge into a business blindly. (Genadinik, 2015)

Writing a business plan forces you to develop skills you need to bring your successful business into existence. (Clark, 2018)

A business plan is a tool that helps to test the viability of a business idea, a tool that allows you to organize and create the structure of the business model, a tool to evaluate alternatives. Create a business plan to understand the nuances of implementing your idea, to whom, what and how to sell.

## Analyse. Analyse to be prepared for planning.

To plan and define a vision of your business idea basic information is required. It is important to understand exactly what information needs to be selected, to be collected and analysed.



*Information analysis (pixabay)*

### **Information to be collected for analysis**



Plan, it will help you develop new ideas.



**What do you think?**

What needs to be analysed in preparation for a business plan?



Market situation	Potential customers	Competitors
<ul style="list-style-type: none"> <li>•Market stability</li> <li>•Market tendency</li> <li>•Regulatory framework</li> <li>•Tax rates</li> <li>•Financial system</li> <li>•Information system</li> <li>•Transport system</li> <li>•Entrepreneurship support infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>•Population</li> <li>•Population structure</li> <li>•Income level</li> <li>•Expenditure structure</li> <li>•Value system</li> <li>•Consumer habits and behavior</li> </ul>	<ul style="list-style-type: none"> <li>•Direct competitors</li> <li>•Indirect competitors</li> <li>•Market leader existence</li> <li>•Competitors' behavior in the market</li> <li>•Advantages and disadvantages of competitors</li> </ul>



Information

<https://ec.europa.eu/eurostat>



Information

<https://data.oecd.org/>



Information

<https://data.worldbank.org/>

Selecting and compiling information can be a time consuming process that requires the use of different sources of information. In addition, it is often necessary to conduct in-depth market research through surveys, discussions and interviews.

However, it is important to determine exactly what information needs to be obtained, information that will allow you to create a vision for a new business idea and evaluate the details. The information to be analysed may differ from the specifics of the idea and the chosen field of activity and market.



The better informed you are, the better prepared you are!



Godwill, Engwa Azeh. *Fundamentals of Research Methodology: A Holistic Guide for Research Completion, Management, Validation and Ethics*. 2015. eBook. Database: (EBSCOhost)



Walle, Alf H Qualitative. *Research in Business: A Practical Overview*. 2015. eBook., Database: (EBSCOhost)

## Content of the business plan

The information has been gathered and conclusions have been drawn and you are ready to model your business idea and find answers to the questions – what and how you will sell?

Now it is important to understand - what needs to be included in the plan? The plan creator is responsible for the content of the plan. However, planning must cover all relevant aspects of the company's operations and factors affecting its operations.

As a possible example of content, we can use in “*Business Model Generation*” (Osterwalder, A., Pigneur, Y., 2010) offered business plan content.

### Business Plan

#### Executive Summary

#### The Team

Management Profile

Why we are the Winning Team

#### The Business Model

Vision, Mission, and Values

How our Business Model Works

Value Proposition

Target Market

Marketing Plan

Key Resources and Activities

#### Financial Analysis

Breakeven Analysis

Sales Scenarios and Projections

Capital Spendings

Operating Costs

Funding Requirements



The content  
of different business  
plans may differ



Templates

<https://templates.office.com/en-us/business-plans>



## External Environment

The Economy

Market Analysis and Key trends

Competitors Analysis

Competitive Advantages of our Business Model

## Implementation Roadmap

Projects

Milestones

Roadmap

## Risk Analysis

Limiting Factors and Obstacles

Critical Success Factors

Specific Risks and Countermeasures

## Conclusions

## Annexes

A business plan may also serve as an implementation guide.  
(Osterwalder, A., Pigneur, Y., 2010)

When creating a business plan, all aspects of the operation are described and previously collected information can be used.

A good tool for creating a business plan is the Business Model Canvas. In fact, the work you may have done designing and thinking through your own business model is the perfect basis for writing a strong business plan (Osterwalder, A., Pigneur, Y., 2010).



Samples

<https://www.bplans.com/sample-business-plans/>



Facilitate the development of a business plan, uses various modelling tools.

## Business Model Canvas



*Business Model Canvas (Stratgyzer.com)*

“Use the Canvas to provide readers with an immediate visual portrait of your model. Ideally, illustrate the elements with drawing. Then describe the Value Proposition, show evidence of customer need, and explain how will reach the market. Describe the key resources and Activities needed to build and execute the business model“ (Osterwalder, A., Pigneur, Y., 2010).

Business Model Canvas comprises nine interlinked building blocks, each influencing the other. At its core is the Value proposition (box 1). On the right there are for blocks of the business model that are driven by value to customers: Customer segment (box 2), Customer relations (box 3), Channels (of distribution) (box 4) and the result revenue stream (box 5). The remaining four blocks on the left are driven by business efficiencies: Key activities (box 6), Key resources (box 7), Key partnership (box 8) and the resulting Cost structure (box 9) (Burns, 2020).

Create a model on a computer, with sticky notes on the board, alone or as a team - approaches can be different, the main thing is to get a common vision.

A good tool for business modelling is also Rebelbase Platform and Project Builder and its tracks - Ideation, Validation, Launch, Scalability, Impact, Financials.



Canvas tool

<https://www.stratgyzer.com/resources/canvas-tools-guides>



**What do you think?**

How the value of a good or service is formed?

What are key customers?

Who are the key partners?

What will be the main activities to be carried out?



Rebelbase platform

<https://rebelbase.co/>

Write, create and visualize! The main thing is to be aware of the most important aspects.



It is crucial to remember that details are important!

### *Important aspects of business idea*

If you are sure of success, you will succeed. Confidence creates confidence.

## Practice examples

In the concluding part of the material, we will look at some practical entrepreneurship examples. All the examples to be considered are business ideas that have been implemented by the graduates of the Turiba University (Latvia), Faculty of Business Administration.

### BG Noma LTD

“BG NOMA Ltd” is a rapidly growing construction equipment rental company. Seven years on the market and more than 5,000 projects in the Baltics countries have been realized. There are good perspectives for further development of the company.

The business idea was developed and implemented by two students of Turiba University with the support of Turiba Business Incubator. The future business partners used the knowledge and infrastructure acquired at the university.

### Muesli Graci (Felice Ltd)

Produces functional muesli, hot cereal and quick meal of high nutritional value. Graci brand was awarded the Red Dot Design Award for the HEALTH muesli packaging line (in 2018), considered amongst experts in the design world as one of the most renowned design prizes. Graci is the first brand in the Baltics to be granted with the “Best of the Best” category. Products are exported to various countries in the world - Iceland, New Zealand, Denmark, France, China, Saudi Arabia etc. (MusleGraci.com, 2021)

“Starting this business was inspired by the lack of such functional product on the market” (Interview with Alise Balgalve 3.12.2021).

### CrossChem Ltd

CrossChem produces certified AdBlue® from 2009, CrossChem has developed and maintains its own public AdBlue® station network that provides easy re-fill for anyone on the road. Produces chemical products for all transport segments.



**Turiba University**

<https://www.turiba.lv/en>



**BG Noma Ltd**

<https://bgnoma.lv/>



**Muesli Graci**

<http://muesli-graci.com/en>



Watch it!

<https://www.facebook.com/Muesli-Graci/videos/124982755889049>



**CrossChem Ltd**

<https://crosschem.lv/?lang=en>

Manufacturer and exporter with 100% Latvian capital, had established more than 15 factories around the world, as well as provide exports to more than 50 countries around the world (Interview with Rīčards Andersons 1.12.2021).

### **Movers.lv**

The company provides professional moving and packaging services. The company has experience in organizing relocations in different European countries. The owner of the company, Kaspars, highly values the knowledge gained at the Turība University, which allowed him to improve the company's operations (Interview with **Kaspars Ritums** 2.12.2021).



**Movers.lv**

<http://www.movers.lv/en/g/>

### **Ekselsio Ltd**

Ekselsio is a digital marketing agency with experience in the Latvian, Estonian, Finnish and CIS markets. The development of this business ideas is the result of international cooperation. During studies, Turība University student discovered a common interest with an exchange student from Finnish partner University, it resulted in the new company. The business was started in Turība business incubator and students took advantage of the opportunities provided by the mentoring classes (Interview with **Danil Katkevitch** 3.12.2021).



**Ekselsio Ltd**

<https://ekselsio.me/en/>

### **Amro Baltic Ltd**

Company provides the equipment and solutions for business development. AMRO BALTIC started its operations in 2013. Various technological solutions are offered to trade, manufacturing, healthcare, hospitality and transportation companies. Ģirts Belazerovs - co-founder of AMRO Baltic, points out that success is based on being able to do what the market demands and adapt to the situation (Interview with Ģirts Belazerovs 3.12.2021).



**Amro Baltic Ltd**

<https://www.amro.lv/>

### **Dream Property Management**

Dream Property Management is full cycle real estate agency services, from purchase/ lease, legal support, construction, cleaning, customer acquisition, house management. Dream Property Management is not the first business project realized



**Dream Property Management Ltd**

<http://dreamproperty.lv/lv/>



by Turība alumni Mārtiņš Laizāns. The first realized project was a bicycle storage room for students. Mārtiņš admits that you have to search and test ideas until you find the right business idea (Interview with Mārtiņš Laizāns 2.12.2021).

### Visual Experts Ltd



*Visual Experts (Gundars Strazdiņš)*

Gundars Strazdiņš as a visual expert is helping businesses, NGOs, marketing managers, start-up owners to create visuals that communicate the accurate values and messages of their brands or products. Gundars was an active student, who already during studies got involved in the implementation of various projects. After graduation, he started working as a freelancer and has set up his own company. He is always ready to share his experience (Interview with Gundars Strazdiņš 1.12.2021).

### Beloved Boards Ltd



*Beloved boards products (Harijs Ābele)*

Beloved Boards manufactures educational wooden activity boards for children from 6 months to 3 years from raw materials obtained in Latvia. The goods are exported to various markets. Harry admits that he found the idea by studying and listening to his fellow students' stories about other toy manufacturers and sales problems “(Interview with Harijs Ābele 3.12.2021).



**Visual Experts  
Ltd**

<http://visualexpert.co/>



**Beloved boards**

<https://www.beloved-boards.com>



Watch it!

<https://fb.watch/9TzN9ii1Rn/>



Watch it!

Watch the second webinar on the SPINTeam-Webpage

<https://www.spinteam.eu/>





## Sources

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### Interviews

with Alise Balgalve 3.12.2021

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with Girts Belazerovs 3.12.2021

with Gundars Strazdins 1.12.2021

with Harijs Abele 3.12.2021

with Kaspars Ritums 2.12.2021

with Kristis Blazevids 1.12.2021

with Ricards Andersons 1.12.2021

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