

# Business Proposal Overview

**Goal:** For students to understand the preparation necessary to start their own business

**Objectives:** Students will...

- Articulate the potential value, both intrinsic and financial, of a specific business activity
- Demonstrate an ability to research markets for specific products and services
- Think creatively about how to position and promote their product and service
- Decide how to balance cost and quality in providing a product or service
- Justify their choice of the type of business structure and organization
- Provide accurate financial data that justifies a request for start-up funding

**What:** The business proposal is a simplified version of business plan that most entrepreneurs complete prior to starting work. With a business plan, the audience is potential partners, investors, and creditors. For your proposal, the audience will be the panel of judges present at our exhibition. Your goal is to convince others not only that your plan has potential but that it has **more** potential than the other proposals during our exhibition. Note that quality work could result in the offer of jobs or even capital to make your plan operational.

The proposal must have the following:

1. Executive Summary - This describes your basic business concept and structure, your value proposition, your financial needs, and projected return on investment (10 points).
2. Market Analysis - This section describes the general industry or trade, including recent trends. It identifies your general customer base and the demographics, geographic distribution, and social and cultural preferences of core customers. You should define the total size of your market. Finally, you should describe comparable businesses in the local area, unmet needs within the local market, the share of the market you hope to capture, and what will set you apart: quality, performance, service, selection, convenience, price, sustainable practices, community support, or other quality. Information sources for this research will include trade associations, business articles, online databases, and local organizations (20 points).
3. Service or Product Line - You will include a description of your product or service, how it is unique or superior to the competition, production methods, including materials, potential suppliers and necessary equipment. If you have a retail location, describe your facilities and hours (10 points).
4. Marketing Strategy - Here you will describe how you will position your product or service within the market, your overall marketing approach, and provide at least one slogan or tagline that communicates your essential message. This section is also where you describe your sales and distribution strategy and how you decided upon a price. You also

want to describe your promotional strategy and use of advertising, public events or demonstrations, or direct marketing (10 points).

5. Organization & Management - In this section you describe your labor needs, decision-making, and organization. You provide a wage scale for different employees and describe the need for outside help, such as a board of directors, lawyers, accountants, volunteers, etc. An organizational chart might prove helpful. You also include a timeline for growth and evaluation and monitoring of your success. You should describe the greatest risks facing the venture and how you will deal with them (10 points)

6. Financial Information - In the final section, you will use a budget of your fixed and variable costs to do what's called a "break-even analysis" that shows how long it will take before you are "breaking even." You will also enumerate your start-up costs and identify possible sources of funding. (20 points)

**Length:** 5 to 15 pages single-spaced (including financial statements)

**Exhibition** (20 points) - You must have the following:

- a concise explanation and justification of your business idea that you share with attendees
- your proposal in a three-hole folder or binder for attendees to look through
- a visual aid to support your proposal. Visual aids can include posters, videos, slide shows, brochures, model, or demonstration of your product or service.

**How:** You can start on the proposal as we move through our unit on business, using the exercises in class to start to work things out. After February 17th, you will have approximately three weeks of project work time to finish your research and write the proposal. During this time, I will gather everyone writing a business proposal together to answer questions and offer coaching. I will also be teaching additional classes on related topics, such as marketing and financing, that you can participate in. You will need to do outside research to complete the proposal. You can do much of this online, but you can also do interviews in the community of potential customers and current business owners both in Durango and elsewhere.

**When:** Final proposals are due by the end of class on March 6th; exhibition date TBD.

## Evaluation

Each of the sections listed above will be evaluated based on the following criteria:

- Accuracy - Are the facts and numbers you are providing correct? Do you provide citations?
- Level of detail - Do you provide enough detail to overcome skepticism?
- Language - Is the proposal convincing, compelling, and easy to understand? Is it free of spelling and grammatical errors?
- Creativity - Is your business idea innovative? Have you overcome obstacles and problems in creative ways?
- Logical - Do the different parts of proposal hold together? Are the assumptions valid? Do you acknowledge uncertainty? Will your proposal contribute to long-term health and resilience of La Plata County's economy?

Section/Component	Pay particular attention to:	Possible	Score
Executive Summary	Accuracy, language, and logic	10	
Market Analysis	Accuracy, detail, and logic	20	
Product Description	Accuracy, detail, and creativity	10	
Marketing Strategy	Detail, creativity, and logic	10	
Management plan	Detail, creativity, and logic	10	
Financial statements	Accuracy and detail	20	
Exhibition	Accuracy, language, creativity, and logic	20	
Total		100	