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#### **IDEA 1: CENTRAL THEME**

- Business Plan is used to get other investors interested in backing and investing your business. One of the most important things for a business plan is that you must hold the interest of the audience.
- Swamiji's personal advice on debt is to avoid it. A business which is crippled with debt is a heavy weight on the entrepreneur. If you cannot get early investors – try to build an MVP – Minimum Viable Product to demonstrate its value to potential investors.

#### **IDEA 2: TWO KINDS OF BUSINESS PLAN**

- Without a Blueprint – If you have presented a business plan without a blueprint – its similar to the concept, *if one doesn't know where one is headed, then any road will take you there*. Unless one has a product like Google's or Facebook knowing what precisely you are trying to achieve, a blueprint is necessary for success.
- With a Blueprint – About 16 years ago, Swamiji used to present to Venture-Capitalists, where entrepreneurs used to get 5 minutes to pitch their idea. Whenever entrepreneur got a call – it was because that they had passion and they had plan for Revenues / Competition / ROI and a solid Business Plan – with this recipe Swamiji got a call almost every time for further discussions with the VCs.





### IDEA 3: EIGHT INGREDIENTS OF A GOOD BUSINESS PLAN

- For a successful outcome with a good business plan – we need to have following eight ingredients in a good business plan:
  1. What do you want to do – The Vision
  2. Why do you want to do it – The Mission or Passion
  3. Who are you doing it for – The Market Segment
  4. Who else is doing it – The Competitors
  5. Why should you do it – The Secret Sauce
  6. Who will be join you – The Team
  7. What do you need to do it – The VC Investment
  8. What will you give back – The ROI
- One can write something haphazardly or do it with thoughtfulness and if one does, one will have a revelation if this business is worth stepping into. One of the most important things for an entrepreneur is to have a clear idea on all above eight aspects of their business.

### IDEA 4: FIRST INGREDIENT- WHAT DO YOU WANT TO DO

- **What do you want to do?** What is your vision, what is the big idea? No one is going to invest in your company if you have an ok idea. Consider the Rule of 10X. Is it's an original idea or improvement over an existing idea – in which case it should be 10X better than existing ideas in market.
- 90% of business shut in first year, 90% of business of the remaining in the second year. Mark Cuban said, *“if you cannot make money in first year it's a hobby.”*
- Warren buffet has a story, “Imagine you could get your ideal car in the morning – the only condition is that is the only car you will ever going to get in your life. So, it's got to last a lifetime” – that car is your body and mind – it's got to last a lifetime. Same with vision – you cannot have multiple ideas – if you have to build a business – you have to come to conclusion what idea will I pursue, where am I headed – how big is the opportunity?
- Bigger the pain – bigger the business you end up building so be very sure if your vision is good to have vs must have

### IDEA 5: SECOND INGREDIENT- WHY DO YOU WANT TO DO IT

- **Why do you want to do it?** It's your Mission or Passion, it's journey of business, you will meet setback and rejection you will meet people who will be naysayers and provide gratuitous advice. Somewhere it's very important to outlive your negative emotions – it's not possible without passion else you will stop at first or second or third obstacle.
- Steve Job was interviewed by a journalist who said you are making some unilateral decisions in letting go his staff. He said, *“I have a business to run here, I am trying to get with this company profitable, I am not here to win a popularity contest.”*
- Unless one has that passion, like Steve Jobs who took just \$1 as his salary, because he was passionate about the job, we won't have the leverage to make radical changes. At the first few setbacks, one will go back to the default way of doing things.





- You don't build a business because you want to make money – you do that because you are passionate. Example would be Google, Facebook, Instagram, Amazon, Tesla , SpaceX - think of these companies, do these guys started by wanting to make money, it will flow in time when you execute the plan . You do something because you are passionate about it – chances are in short term you will be working 24/7.

#### IDEA 6: THIRD INGREDIENT- WHO ARE YOU DOING IT FOR

- If you are running a business for yourself -it is a hobby – it may never grow beyond that. One needs to answer the question - **who is your customer?** what is your market? Don't sugar coat your words and call spade a spade.
- In the Shark Tank Video- the innovator - Neal Desai promoted the app "CATE app" which he thought would apply to people who are in extra marital relationship. While this is not the ideal market one should strive to go into, this shows that this businessman was very clear who his customers were and he wouldn't sugar coat it, he wouldn't call it by any other name.
- By being honest, this causes one to identify your market segment and the investors would know if the product and market have value.
- Your Big Idea doesn't have to be a billion-dollar idea – it has to be novel and disruptive. If your idea doesn't apply to a particular segment, you will end up *being everything to everybody and that's the road to disaster*. It doesn't matter how small your segment is, it should be clearly identified.

#### IDEA 7: FOURTH INGREDIENT – WHO ELSE IS DOING IT

- If your business plan doesn't address who your competitor is – you won't be prepared for them. Mark Cuban said that most innovators are so much in love with their idea that they dismiss their competitors. You need to know **Who else is doing it** and how.
- According to Mark Cuban, the No.1 reason that people fail in business is due to "Lack of brains and lack of effort". New innovators tend to be dismissive of one's competition – they are head over heels in love with their idea. Its your job to educate yourself and out-learn your competitors.
- It shows in your hard work and preparedness to be able to answer Who else is doing it. Your product could be a tiny feature for you competitors and then you will be all over.
- For Example, in Social Media Space, there are many products that came after Facebook – most didn't succeed because one cannot succeed without knowing where one stand compared to others.

#### IDEA 8: FIFTH INGREDIENT – WHY SHOULD I DO IT

- **Why should you do it?** What is it about you that gives you the competitive advantage, what is your secret sauce - what is it about you that sets you apart?
- Many years ago – Swamiji met Granite Ventures VC. VC asked to present Swamiji and his CTO to present to the VC Partners – their Peer to Peer Hybrid Engine. They asked, "What is the secret sauce, Swamiji's CTO said, "There was no secret sauce -since it was built based on open source and industry best practices". That unfortunately was the end of that conversation.





- This is very important to consider what's different about you? Why should people come to you? What's different, What's the value proposition?
- One common area where we fail as entrepreneur is when we fail to pay attention to details. We need to pay attention to details. Of course, you will have people who do, but any area you let go, it will suffer .

#### IDEA 9: SIXTH INGREDIENT- WHO WILL BE DOING IT WITH YOU

- When somebody is weak and unsure of themselves, when some entrepreneur is not in touch with reality, they hire weak people. Strong people will challenge the founder and that is not necessarily a bad thing.
- Sometimes in order avoid the conflict – entrepreneurs hire someone who will go along. When your idea has merit then it is all that matters. **Having one good person is worth 100 mediocre people.**
- You need to be surrounded by people who are just as passionate. When you want to make a difference, people will walk into a meeting and they will do the same thing as before as before and you would think they have made the change.
- Intuition is experience distilled. If you are not really passionate, if you don't have things of substance and are crazy about your idea, you won't attract the right kind of people. Average minds work with average minds – they will give up easily. Truth is without passionate people you cannot make big leagues – if you want to scale you need passionate people, they don't come cheap – they need to be excited about the job.

#### IDEA 12: SEVENTH INGREDIENT – WHAT DO YOU NEED TO DO IT

- The Venture Capitalists want to fund the exceptional success stories.
- The VC want to operate by going for 25X return on their investment. In an investment of 10 ventures they expect that 6-7 businesses will not generate return, 2-3 will be moderate successful, only one gives 25 return.
- In human psychology – the fear of missing out is much greater than gaining the same amount. This should be your business that VCs should fear to miss out on.
- For any average idea or business, they won't worry to miss out. What is the grand idea, what are you crazy about it – why should they do they fund it.

#### IDEA 12: EIGHTH INGREDIENT – WHAT WILL YOU GIVE BACK

- With many startups, many VCs know that early figures in seed round don't mean much, but someone on your team should guide you on financials.
- Swamiji had a very qualified CFO and put together a big deck on financials – it gave the VCs comfort that they know what he was doing.
- Knowing where your strengths lie helps – if financials are not your strong suit, then get someone who can pair with you to compensate for knowing your numbers.





## IDEA 13: HOW BIG SHOULD THE BUSINESS PLAN BE

- How big should business plan be, as per Swamiji, one page is big enough. That one page should outline everything.
- You want to refine your Elevator Pitch, sometimes you will only get one minute – its only possible when you know, where you wish to go , you are clear about threat and strengths , if you know exactly where you are going.
- One can be telling secrets of universe but if the person is not attentive, it won't matter. Unless you have their attention – they won't even listen to you.
- This ability to command attention comes only if you are crisp, succinct, you have the energy and your eyes shine.





(Taken from xero.com)

## IDEA 14: ELON MUSK VIDEO - WHAT DOES IT TAKE TO BE SUCCESSFUL

- Elon Musk was asked what it takes to be successful. He said, “It’s like Eating Glass and Staring at Abyss” It needs a very high pain tolerance. Extended period of extreme pain.
- You start a business because you are passionate about it – its engrained in your DNA you won’t walk into an investor meeting unprepared as much as you would walk into marriage not dressed.

If people are willing to invest their money into your business – they deserve your best planning and research. Your Business Plan.

*Notes compiled by a lovely student in Om Swami’s “Walk the Dragon” Leadership Program.*

*P.S. The student wishes to remain anonymous.*

