

## Strategic Exploration of the Business Venture

1. What is the opportunity?
2. What is the value to the entrepreneur/owner in pursuing the opportunity?
3. What is the purpose? What will the business accomplish and stand for?
4. What is the vision for the business? What will it look like in 15 years? 50 years?
5. What will the business sell? What is its value to others that will result in revenue?
  - i. What is the product? Is the product a commodity or niche?
  - ii. Is the product in demand, or will it solve a problem?
  - iii. Does the market exist, or will it need to be created?
- b. What is the revenue potential?
  - i. What is the scope of the market? Is it geographical or Internet?
  - ii. Can the idea be prototyped?
  - iii. Can process be scaled to increase turnover?
  - iv. What Vertical integration opportunities can be incorporated?
    1. Production?
    2. Processing?
    3. Marketing?
    4. Distribution?
    5. Wholesale or Retail?
- c. What competitive advantage will the business have?
- d. What are the risks:
  - i. Owner's financial risks?
  - ii. Market?
  - iii. Environmental?
  - iv. Staff health and safety?
  - v. Regulatory paper?
  - vi. What are the timing variables?
6. What are the capital requirements/solutions:
  - a. What will the ownership structure look like? Will the venture or enterprise perform within an existing company, or should the opportunity be pursued with a new business or enterprise?
    - i. What will be the additional time commitment of the current management?
    - ii. or entrepreneur's time? Resources?
  - b. What are the asset requirements? Can machinery and facilities be leased or must they be purchased?
  - c. What other upstream labor, supply and material elements?
  - d. What downstream element costs?
    - i. Processing?
    - ii. Marketing?
    - iii. Distribution?
    - iv. Wholesale or Retail?
  - e. In what way will entrepreneur and or owners be compensated?

- f. How will management performance be measured and compensated?
  - i. Timely accurate management information?
  - ii. Timely decision making?
  - iii. Ability to motivate and retain key talent?
  - iv. Ability to set goals and carry out actions?
  - v. Contribution to owner's value?
7. How will the pursuit of this new idea effect what is already committed to?
8. Can a plausible pathway be mapped back from the desired end result to the present?
9. What problems need to be solved for the business to work?
10. What are the cultural considerations? Risks? Opportunities?
11. What is the opportunity cost to time, resources and capital?

### **Satisfaction of Primary Purpose**

1. How will the pursuit of the venture satisfy owner's value?
2. How will the pursuit of this idea create profit?
  - a. What is the overall cost?
  - b. What human talents will it require?
  - c. What are the monetary capital requirements?
  - d. What capital investment costs are fixed?
  - e. How will capital be financed? What is the investment strategy?
  - f. What is the projected economic return?
    - o What margin is necessary?
    - o What turnover is necessary?
    - o What are the overheads?
  - g. How will success be determined?
3. What is the exit strategy?