

### ***Example: Competition and Differentiation***

Entrepreneurs currently address their business planning requirements in a variety of ways, from ignoring the need and starting their enterprise without a business plan to hiring a consultant to create the plan for them. Starting a business without a plan is like trying to fly a jet without first taking the time to learn how to fly. For the typical owner/operator of a small or micro business, hiring a consultant to develop a business plan makes about as much sense as paying someone else to take flying lessons. In order to understand their business, most entrepreneurs should develop their own business plans.

The following options currently dominate the market: books, digital products, workshops, consulting services, and business counseling services.

**Books:** A variety of publications are available in the market, through bookstores and the Internet. Analysis shows prices from a low of \$14.95 to a high of \$69.95, with most books competing in the \$20.00 to \$40.00 range. Also available are a number of free publications offered by all or most financial institutions and government agencies. In the course of researching to write the *Business Planner's Toolkit*, Boudreau purchased 24 books and gathered a number of free publications from a variety of sources.

**Digital Products:** A number of digital business planning products are available, ranging from free to over \$500. The two that currently seem to dominate the market, *Business Plan Pro* and *Bizplan Builder*, both currently sell at approximately \$115 (\$99USD). Boudreau has purchased and tested nine different software options and found that most do not successfully deal with both the narrative and the financial portions of the business plan. Business planning software products are either beyond the capacity of the novice, or are so streamlined that they enable the user to fabricate a relatively slick business plan without actually having to learn about their business. In an attempt to make it easy for the end user, software options typically neglect the most important benefit of business planning: to gain confidence through learning about one's business by researching the market.

**Workshops:** Most communities have local facilitators who provide business planning workshops at prices ranging from \$350 to \$1,000 per day. However, not many have specialized in business planning. Most often they are either experienced facilitators offering business planning as one of many topics, or consultants with knowledge but limited facilitation skills.

With the RoadMap™ as a foundation, Macrolink workshops not only teach participants about business planning, they also equip users with an organized approach so they know how to navigate the market research and business planning processes.

**Consulting Services:** It will typically cost between \$30 and \$100 per hour to have a consultant write a business plan for you. It can cost from \$2,000 to \$30,000 or more to have a consultant develop a business plan, which is simply not viable for most small or micro businesses. Macrolink will

differentiate from consultants by positioning as a business planning coach for customers who wish to develop their own business plans. Macrolink will not develop business plans for customers.

**Business Counseling Services:** Many economic and enterprise development agencies provide free counseling services for business planners. For example, most of the Community Futures Development Corporations in rural communities across Canada employ business analysts and sometimes self-employment benefits (SEB) coordinators, whose job is to assist entrepreneurs with business planning. Most of these competitors differ from Macrolink's coaching services in that they are usually gatekeepers for either loan funds or the SEB Program.

Boudreau's marketing strategy will include inviting and encouraging counselors to become customers by using the RiskBuster Business Planning System™ and, where possible, distributing the books and digital products to their clients.

The majority of people who need business plans face the following challenges.

1. They are unfamiliar and uncomfortable with business forecasting, planning, and writing.
2. They tend to be intimidated by gatekeepers (bankers, advisors, and analysts).
3. They are unsure which of the confusing array of business planning formats to use.
4. They do not have access to a clear, effective, step-by-step business planning process.

Macrolink Business Planning solutions are different in the following ways:

1. The RoadMap™ dovetails the market research and business planning processes, enabling users to navigate from the business idea to implementation, step by step.
2. The products will transform the business planning process into a safe, manageable, learning adventure.
3. Books will be positioned in the medium-to-high price range and in the high-quality category.
4. CDs and digital downloads will be positioned in the lower price range and medium-quality category.