

Course title: Creating Innovative Business Models

Lecture 8. Startup ideas with limited commercial potential

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Parking Lot

- To help manage time, we may need to “park” some questions
- We will assess at the end to see if your questions were answered
- If not, we can plan to follow up



Agenda

- Welcome
- Learning Objectives
- MSSB Curriculum Overview
- The Thirteen Modules
- A Deep Dive
- Getting Started with MSSB
- Success Tips

Icebreaker

What are the top [1-3] products/services offered by your organization/branch that entrepreneurs love?

or

What are the top [1-3] resources that your organization/branch has that organizations serving entrepreneurs love?

Learning Objectives

- Simply state
 - Introduce the MSSB Curriculum
 - What it is
 - Why it was created
 - Who can benefit
 - How they benefit
 - Getting started!

MSSB: What It Is

- A business education tool
- Collaboratively developed by the FDIC & SBA
- 13 modules
- Covers a wide range of business topics

MSSB: Why It Was Created

- To assist financial institutions and community organizations
- To help entrepreneurs think
- To have deep and sustainable impact
- To spur economic activity

MSSB: Who Can Benefit

- Financial Institutions and Community Organizations
 - Small Business/Economic Development Organizations
 - Community Banks/Financial Institutions
 - Government Programs
 - Chambers of Commerce or Business Chambers/Trade Associations
 - Independent Small Business Consultants
- Aspiring and Existing Entrepreneurs
- Urban and Rural Communities

MSSB: How They Benefit

- Financial Institutions and Community Organizations
- Aspiring and Existing Entrepreneurs
- Urban and Rural Communities

MSSB: Curriculum Overview



MSSB: Curriculum Components

- Instructor's Guide
- Participant's Guide/Workbook
- PowerPoint Slides



MSSB: Curriculum Modules

- Banking Services
- Credit Reporting
- Financial Management
- Insurance
- Organizational Types
- Record Keeping
- Risk Management
- Selling a Business and Succession Planning
- Tax Planning
- Time Management
- Is Small Business Ownership a Good Fit for You?
- Planning for a Healthy Business
- Managing Cash Flow

Banking Services



Understanding the Value for Small Businesses

Banking Services

- Entrepreneurs will
 - Gain a solid understanding of the banking products and services available to small business owners
 - Understand the importance of building effective long-term relationships with a banker or lender
 - Recognize the role of a personal credit score in the lending process

Credit Reporting



Demystified

Credit Reporting

- Entrepreneurs will
 - Understand the full scope of credit reporting and the impact of credit reports on the operation or growth of a small business
 - Discover strategies for building or improving business credit
 - Appreciate how personal credit scores impact the ability of a business to obtain credit

Financial Management



Appropriate Allocation of Resources

Financial Management

- Entrepreneurs will
 - Grasp the importance of sound financial management
 - Understand the basics of small business financial management including:
 - Startup financing
 - Financing for a growing business
 - Financing working capital
 - Financing fixed assets

Insurance



Planning for the Unexpected

Insurance

- Entrepreneurs will
 - Recognize the importance of small business insurance
 - Understand the full range of insurance products and services
 - Required coverage
 - Other coverage

Organizational Types



Advantages and Disadvantages of Business Structures

Organizational Types

- Entrepreneurs will
 - Know that the legal structure of a business determines how a company operates and is taxed
 - Distinguish the general characteristics, advantages and disadvantages of organizational types:
 - Sole proprietorship
 - Partnerships
 - Limited liability company
 - C-corporation
 - S-corporation

Record Keeping



Critical Managerial Tool

Record Keeping

- Entrepreneurs will
 - Comprehend the necessity for good record keeping
 - Learn about the practices and rules of record keeping for small businesses
 - Discover record keeping software tools.

Risk Management



Be Prepared for Negative Outcomes

Risk Management

- Entrepreneurs will
 - Understand the common risks associated with a small business
 - Identify the external and internal factors which can cause risks for a small business
 - Implement, monitor and evaluate a risk management plan for a small business

Selling a Business and Succession Planning



Exit Strategies

Selling a Business and Succession Planning

- Entrepreneurs will
 - Learn how to change the ownership of a business through selling, closing or transferring the business to successors
 - Know how to establish an exit strategy for retirement which includes a succession plan, transferring ownership of the business and paying taxes

Tax Planning



Understanding the Details

Tax Planning and Reporting

- Entrepreneurs will
 - Understand the range of state, local and federal tax reporting requirements of a small business and its owner
 - Be able to research general tax reporting requirements
 - Understand the importance of establishing a plan to pay taxes

Time Management



Steps on Effective Use of Time

Time Management

- Entrepreneurs will
 - Understand the importance of time management
 - Discover commonly used time management practices like
 - Pareto analysis
 - ABC method
 - Eisenhower method
 - POSEC method

Is Small Business Ownership a Good Fit for You?



Strength Assessments

Is Small Business Ownership a Good Fit for You?

- Entrepreneurs will
 - Discern between the myths and realities of small business ownership
 - Start a self-assessment to determine their readiness to become a small business owner
 - Gain insight about their readiness to start a business

Planning for a Healthy Business



Startup Costs and Beyond

Planning for a Healthy Business

- Entrepreneurs will
 - Discover a 4-Step Business Planning process, via a case study, that will help them create a long-term healthy business
 - Back-of-Napkin Plan
 - Resource Plan
 - Business Plan
 - Action Plan

Managing Cash Flow



Practical Problem-Solving

Managing Cash Flow

- Entrepreneurs will
 - Learn how critically important cash flow management is for a small business
 - Act as advisors to Bob and The Wired Cup
 - Understand the need for expert assistance and advice

The Deep Dive

Managing Cash Flow



Pre-Test

In your
Participant Guide

- Locate the Pre- and Post-Test Form at the back of your Participant Guide.
- Complete the BEFORE Training column to assess your knowledge on this topic *before* participating in this class.

DON'T
FORGET

Reference

1. Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers (The Strategyzer series) by Alexander Osterwalder and Yves Pigneur | Jul 13, 2010
2. Reimagining Innovation: The Future of Exponential Leadership by Aaron Bare and N. Forbes Shannon | Aug 20, 2020
3. Testing Business Ideas: A Field Guide for Rapid Experimentation (The Strategyzer Series) by David J. Bland and Alexander Osterwalder | Nov 12, 2019
4. Unlocking the Customer Value Chain: How Decoupling Drives Consumer Disruption by Thales S. Teixeira, Greg Piechota, et al.
5. Build a Business, Not a Job: Grow Your Business & Get Your Life Back by David Finkel and Stephanie Harkness | Jun 21, 2017
6. The Insider's Guide to Culture Change: Creating a Workplace That Delivers, Grows, and Adapts by Siobhan McHale | Feb 11, 2020
7. The Prosperity Paradox: How Innovation Can Lift Nations out of Poverty by Clayton M. Christensen, Efosa Ojomo, et al.
8. Competing Against Luck: The Story of Innovation and Customer Choice by Clayton M. Christensen, Taddy Hall, et al.