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CHAPTER 4 PRESENTING A COMPELLING PROPOSAL



PRESENTING A COMPELLING PROPOSAL

Why do people buy?

People buy to achieve a benefit. Your challenge is to identify how your product will enable that benefit, and to make a case that the cost of your product will be less than the value of the benefit accrued.

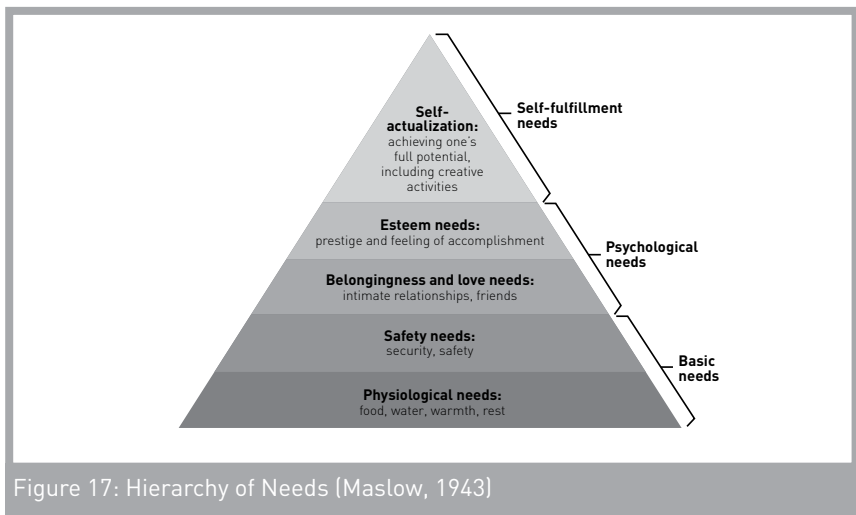
When talking to potential clients about the 'good' that working with you will achieve, you need to be mindful of the language you use. This is the language of 'features' and 'benefits'. Features are aspects of your product that we describe to the customer. For instance, next time you go into a mobile phone shop you will be impressed with the gadgetry on offer. The sales assistant may inform you of the key features of the new device as being WIFI/GPRS enabled, location tracking and having a wide range of accessories. Possessing these features in their own right may not be too exciting to you, but when you consider how they can help you to solve a problem, their perceived value soars. By adding the words 'which means that' as a translational tool, all now becomes clear (Figure 16):

WIFI and GPRS	WHICH MEANS THAT	'Always on' internet, wherever you are
Location tracking	WHICH MEANS THAT	Content such as weather forecasts, maps, shopping or events can be tailored to your location
Wide range of accessories	WHICH MEANS THAT	Your phone can be customised to your lifestyle and work habits

Figure 16: Buying benefits not features

Consumer audiences

Consumer audiences are driven by quality of life issues which are best illustrated by the use of the Hierarchy of Needs (Maslow, 1943). Maslow's model (Figure 17) claimed that people start to fulfil their needs by starting at the bottom of the pyramid with the intention of progressing upwards. Advertisers use this model to great effect. Next time you watch TV or read a newspaper or magazine, you will see supermarkets which play on physiological needs; insurance and home alarm companies appealing to your safety needs; entertainment companies appealing to your belongingness and love needs; car manufacturers hoping to meet your esteem needs, and of course educational and arts establishments appealing to your self-actualisation needs.



Money and time savings are also important motivators for a consumer audience and this is where their needs begin to cross over with those of business audiences. Discounts and two-for-one offers are important tools to get the consumer to buy quickly and in volume, due to the perceived additional value on offer. Think of the

people buy because they have a need

– otherwise they would keep their money in their pockets

devices we buy to save time, from washing machines and ironing presses to shopping online and digital photography. People buy because they have a need – otherwise they would keep their money in their pockets. So, no matter how trivial their perceived need is, it is still powerful enough to motivate them to spend their money on one product, rather than another from which they perceive that they will gain less benefit.

Business audiences

Describing and quantifying benefits to business audiences is relatively straightforward as they use a common and measurable language: that of profit. It is true that organisations are not motivated by greed alone. They are also motivated by the avoidance of risk or loss. Like us, they understand their social role and have a responsibility to run their business with the long term in mind, whilst not jeopardising the short-term sustainability of the business by losing a focus on cash flow. The organisational manager is clear that the function of good business is to control costs whilst growing income. Some will want to grow faster than others (usually those with external investors who want a large and rapid return on their investment) whilst others see the dangers of growing too quickly which can lead to cashflow problems in the short term (known as 'over-trading'), creating pressure on the organisation causing stress on employees, customers and suppliers. Whilst growth brings security and rewards, it can also bring risk and losses if done badly. By way of example, Figure 18 illustrates the example of selling a delivery van to a customer. Note how each product feature

is linked to a client benefit (as clients buy benefits, not features) joined with the words 'which means that'. The values attributed to each benefit are estimated. It is not always wise to share your estimations with the client too early in the relationship, as you will risk being seen as arrogant. Instead, keep them for the negotiation stage when price will become the main factor. Price, as we know, is driven by the potential benefit which is being purchased. Making an estimate of value helps get you into the client's mindset of needing to resolve a problem, and away from the mindset of an adversarial buyer-seller relationship.

Feature		Benefit	Annual Value
Carries two tonnes	WHICH MEANS THAT	More deliveries possible per day	The client currently has a 1 tonne pick-up which makes on average 10 deliveries of 100 kilos each per day. Each 100 kilo delivery is worth £100 to the client. Based on 221 working days a year, this means potentially a £221,000 increase in annual turnover for the client's company.
Covered	WHICH MEANS THAT	Less goods spoiled in transit	As the pick-up truck is uncovered, 5% of deliveries are rain damaged. This costs the client £11,050 per annum.
Diesel engine	WHICH MEANS THAT	Lower fuel costs, more economical	The current pick-up truck is petrol driven, drives 50 miles per day with each mile costing 12p. A diesel van will cover 100 miles a day at 8p per mile. This will cost the client an additional £442 in fuel costs.
Weighs less than 7.5 tonnes	WHICH MEANS THAT	You don't need an HGV driving licence	Drivers are easier to recruit and the client avoids paying £1,000 each to train them.
White paintwork	WHICH MEANS THAT	Easy to fix promotional vinyls	The client pays only for promotional vinyls to be attached (at £500) rather than a complete re-paint (at £2,000)
Satellite navigation	WHICH MEANS THAT	Driver never gets lost	It is common for two orders a week to be missed because the driver could not find the address. This is a loss of £9,200 per annum in turnover.
£35,000			£243,308

Figure 18: Features and Benefits analysis

The example in Figure 18 estimates the potential annual benefit of £243,308 in the first year alone, which can be gained partially from an investment of £35,000 in our delivery van. You don't need to be an expert in business to know that this is a compelling investment proposal.

Now we will consider examples more relevant to Higher Education. Figure 19 will analyse room hire and Figure 20 will examine consultancy. But first, some context. Imagine a fictional organisation, Collywobbler Manufacturing International (CMI), which approaches your institution for help in the form of room hire for the 20-strong management and supervision team to meet and address current business challenges. You may want to know more about CMI. They are a long-established manufacturer of components for the aerospace industry, employing 100 people and supplying a range of five product groups. CMI's challenge is to reduce its costs and increase its income. Now to do our own basic analysis of the benefits CMI are seeking:

- Assuming CMI's 100-strong workforce earn an average annual salary of £25,000 each, with a 100% overhead this means that CMI needs to earn £5,000,000 each year to break even.
- Their product range could average at £1,000,000 each
- 20% cost savings could achieve £1,000,000 (on £5,000,000 turnover)

Now we are clear of our objective. We are not seeking to provide a room with catering for the day. Any hotel or conference centre will do this for approximately £50 per person (£1,000 in our scenario).

CMI's challenge

is to reduce its costs

and increase its income

As a university, the value we can bring is much higher by helping CMI to delve deeply into their problem and deal with its root cause (see Figure 19). The first three benefits can be offered by any hotel or conference venue. The bottom three features are unique to our institution and have much higher potential to help CMI achieve their goals.

Feature		Benefit
Accessible campus (car parking; rail and bus access)	WHICH MEANS THAT	Cost efficient and safe
Modern learning spaces		Improved communication
Smart boards		Capture of learning
Campus services (accommodation, catering, leisure)		Comfortable, relaxed and productive delegates
Facilitation		Delegates can focus on innovation rather than running the meeting
Library and e-resources		Additional information
Laboratory, workshop or site visits		Good practice demonstrations

Figure 19: Features and Benefits – room hire

Assuming that CMI's facilitated 'away day' at our institution goes well, the next step may be to design a consultancy package that helps take them closer to their goal. Figure 20 outlines the features and benefits. Again the first two features could be offered by any consultancy, but the bottom two are unique offerings in higher education, setting us apart from our competition.

Feature		Benefit
Supervised by Professor Widget	WHICH MEANS THAT	20+ years research, teaching and commercial experience
Using rigorously tested industry standard diagnostic		It works first time without a need for extensive additional testing
Multi-disciplinary		We are a 'one stop shop' for a wide range of challenges
Staff and student teams		Staff experience coupled with student creativity. Potential student employees.

Figure 20: Features and Benefits – consultancy

Preparing a features and benefits analysis for your knowledge exchange activity will help you in the following ways:

- Retain a focus on the client's objectives from the activity (not just your own)
- Help you to use their language and perspective to present a compelling proposal
- Have clear criteria to measure your success with a view to future work
- Be a more effective negotiator, winning higher rewards for yourself and your institution
- Be a confident and professional business partner

The sales process

Building a sales relationship with a client, going from having never previously heard of you through to the action of purchasing from you, follows four distinct phases:

- **Attention.** Making the potential client aware that you exist. Tools include logo/brand identity, business cards, stationery (pads/pens), letter of introduction, 'cold' calls, sponsorship/advertising, conference/exhibitions, mailing lists, networking. In order to stand out and the memory of your institution being retained by clients for when they are ready to buy your product, promotional media should be:
 - Relevant to them and their potential needs.
Everything else is 'noise' that we have trained our minds to shut out in order to avoid overload
 - Timely for when they might identify a need or be in a position to consider buying
 - 'Sticky' which is a combination of being both novel and memorable
- **Interest.** Demonstrating relevance to their problem. Tools include a website, case studies, networking, mailing lists, 'cold' calls, articles/press releases, portfolio/sample products, competitions, recommendations/endorsements, and events/demonstrations.
- **Decision.** The client decides to buy from you instead of your competitors. Tools include presentation, special offers and promotion (e.g. buy-one-get-one-free), discount vouchers, promotional gifts.
- **Action.** The client places an order with you. Tools include personal selling, e-commerce website, order forms.

Promotional campaigns

Sales do not happen by chance. They are the result of meticulous research, planning and execution. A typical promotional campaign will go through the steps of relationship building, as detailed above, with a plan for how messages will be conveyed using the appropriate media over a period of time. These steps might look like this:

- Meet a prospective client at an event
- Send an email to the prospect thanking them for the meeting, add customer to mailing list
- Regular monthly newsletter goes out to customer, offering free information
- Customer requests free information and is sent an acknowledgment
- Free information sent to the customer
- Phone call to customer to ask for feedback on information sent
- Face-to-face meeting takes place – and a sale is made

sales do not happen

by chance

To co-ordinate your activity, and keep within budget, a simple promotional campaign format can be used over a period of time (Figure 21).

Activity	Objective	M	M	M	M	M	M	M	M	Cost
Adverts										
Brochure										
Website										
Mailshots										
PR										
Exhibitions										
Salesman										

Figure 21: Promotional campaign

The obvious question at this point is “How long does it take to turn a prospect into a customer?” An indication of the attrition involved in selling anything – since we will not realistically make a sale to everyone with whom we come into contact – and the time it takes to develop the relationship, can be demonstrated by the Sales Pipeline (Figure 22). All figures are approximate and are based on the author’s experience. Depending on your level of preparation and execution of a selling effort, these factors can vary.

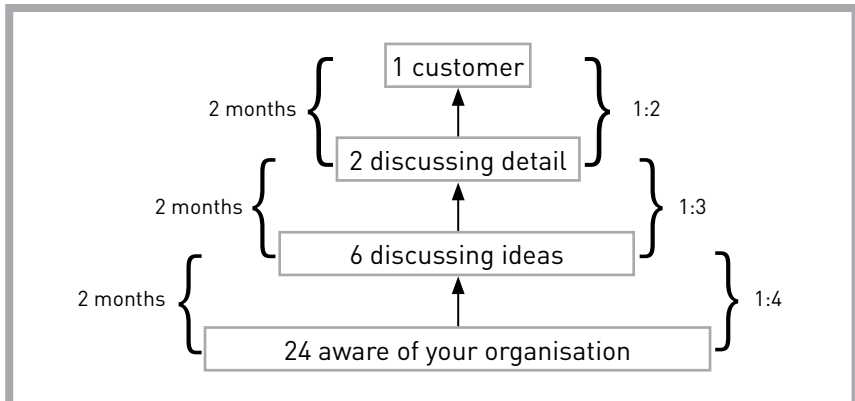


Figure 22: Sales pipeline

In our example, imagine that our objective is to generate £10,000 in annual income and we can reasonably anticipate that each customer will be worth, on average, £1,000 of annual income. We need to win 10 new customers to achieve our objective. Working to the previous stage of the pipeline, we estimate that we will convert 50% of the potential quoted customers whom into firm orders. Again moving to the previous stage in the pipeline, we know that to get to the stage of quoting one potential customer, we will need to be in outline discussions (the early phase of personal selling) with three 'prospects'. Finally, moving to the earliest stage of the pipeline we know that before we make contact with one 'prospect' who has a need that we can meet and is prepared to talk to us, we may need to generate awareness and interest with approximately four 'suspects' who have been identified during our market research as possibly having a need for our product. Each of these phases, if properly resourced, will take approximately four months to navigate. What does this mean for our daily promotional activities? Simply put, we will need to reach 240 new 'suspects' over the course of six months to populate the pipeline to be nurtured towards a sale.

This is not a daunting number. It is 40 contacts per month, 10 per week or 2 per day and this contact can be by a range of methods detailed above. It does not need to be telephone calls or personal visits, though the latter are important as the relationship matures.

In summary, the sales pipeline helps us to:

- Maintain a steady supply of business that can be increased or reduced as circumstances require
- Ensure you are picking the right suspects and prospects. If you are not, your conversion rates will plummet
- Build loyal repeat business. Using the Pareto principle as our guide, it is common for 80% of the value of our order to come from 20% of our clients. This highlights how reliant we can become on a few clients. Good practice recommends that we should be looking to diversify our client base in order to reduce commercial risk (ie if a big customer stops buying from us)
- Account for lost business. High attrition rates are expensive to the institution since to get a new customer costs approximately 20 times more than to maintain existing customer relationships.
- Measure your effectiveness at picking customers and securing orders from them

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Establishing credibility

There are a number of techniques for establishing credibility in the eyes of your potential client. They can be used and updated throughout the relationship as it develops, to win and retain their confidence. The important principles in developing these materials are brevity (extensive documents serve to make you look self-important and rambling – which does not bode well for a commercial relationship) and relevance. You would do well to avoid long out-of-date references. If you are new to the field, talk about your aspirations for your work in the context of contemporary issues. This will give the client an idea of your vision if there is an insufficient pedigree already established.

Personal Profile

No matter how modest your track record to date, you can offer a personal profile as an initial introduction. Figure 23 contains a sample profile. It is important to show a balance of experience that promotes you as a well-rounded professional who is clear on their strengths and open to new learning opportunities. You should draw attention to relevant experience and achievements, putting them in the context of your wider career to date.

talk about your aspirations
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in the context of contemporary issues

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Figure 23: Personal profile

Letters of support/endorsements

On the completion of a successful project with a client, ask them to supply a brief letter that gives an overview of your work for them and the positive effects it had on their organisation. The client will make certain to word their endorsement carefully, so as not to compromise the commercial confidentiality of the work to would-be competitors.

Case studies: client-based

To tell a compelling story of a successful engagement with a client, the case study format is the most versatile. After first agreeing the client's co-operation (some may demur due to confidentiality concerns and others may be unwilling to temporarily entrust their 'brand identity' to an external organisation) you should write a short amount of copy to be augmented with glowing quotations from the client. The final copy and design of the case study should be agreed with the client so that it supports both of your promotional objectives. It is advisable to have this activity supervised by a colleague with copywriting or journalistic experience as a commercial and public audience is very different from an academic audience. Here are a few guidelines for drafting your case study which with artwork, should be no more than two sides of A4 in length.

■ What was the problem?

- Name and location of the client, with a company logo
- What need was not being met?
- Who was suffering and in what way?

■ **What was your approach?** Popular themes include:

- Staff and student involvement
- Use of technology
- Research-informed practice
- Collaboration with other institutions/organisations

■ **What have been the benefits?** You do not need to give precise financial figures and in any case, the client will almost certainly not allow it. Instead, you could indicate percentage improvements or numbers of people who] benefitted. Key themes could include:

- Is there an ongoing relationship with the client that might lead to more collaboration?
- What has been the effect and impact of the work?
- What new opportunities has this work brought for the client?
- What were the wider benefits for the environment and the community?

■ **Contact details.** It is important to let a prospective client where they can go to find more details, or to contact you directly.

write a short amount
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headline

- short and to the point.

Avoid being cheesy or clever

Case studies: product-based

Whilst client-based case studies work well for products which are always tailored to the client's needs (eg consultancy, research, mentoring), using a product-based case study would be more appropriate for products that are delivered in a standard format (eg training, licensing). The format, covering no more than two sides of A4, should be as follows:

- Brief overview of the product, its purpose and how it is delivered
- Client testimonials, naming the individual who provided the quote and their position in the organisation, with a client logo
- Outline of your other offerings
- Contact details

Press releases

By definition, a press release should be editorial in nature, written as a story and not an advertisement. Publications such as newspapers and magazines, or broadcast media such as radio and television, make their money from the sale of content or the sale of advertising space, so every editor will manage the balance of both income streams as there will be limited commercial income from content-only publications.

Similarly, too many advertisements will deter the buyer from purchasing the publication which carries very little interest for them. Here are some guidelines for writing press releases:

- **Get your story** - something new; different; unusual; people-focused; extremes; anniversaries; conflict; location; change; suspense; consumer issues; emotion; unique, shock, etc.
- **Headline** - short and to the point. Avoid being cheesy or clever.
- **First paragraph** - two sentences which outline what the whole story is about.
- **Quotations** - always quote your main person as it adds flavour and personality.
- **Keep it short and focused** - one story only. 300-350 words should do it.
- **It's not an advert** - avoid sales speak and obvious promotion which is guaranteed not to be included.
- **Never lie** - never use claims like 'unique', 'best', 'oldest' or 'leading' unless you can prove it.
- **Use Plain English and avoid jargon**
- **Simple, short and active rather than passive sentences.**
- **'Notes to Editors'** - use it for institutional information; sources, references and other background information. Also make sure you include any photo captions here.

- **Be contactable** - include your name, email and telephone number.
- **Include a picture** - use an unusual angle or a 'prop' to make the picture more interesting. Send via email as a high resolution (300 dpi) jpeg image.

Dissemination events

These are a good way to spread the word about your work, with key references to the benefit that it has brought to society. Seeing you in action gives potential clients a new perspective on your style and expertise that cannot be communicated through text alone. Targeting conference or seminar events hosted by an aggregator, proposing and delivering talks as a guest speaker is always appreciated by conference organisers eager to provide interesting attractions for their delegates. You could also volunteer as a contributor for radio and television, or host online discussions such as blogs or 'webinars' to engage your audiences.

Your portfolio

As with an artist, your training portfolio gives a potential and current client more detail of the products that you offer. A portfolio could include:

- **Clients** – with whom have you previously worked?
Be prepared to provide references if required
- **How you work** – a brief outline of your approach, describing how you are qualified to undertake this work, including memberships of appropriate professional bodies and emphasising your client-centred approach.

- **Trainer profiles** – photo with no more than a one-page overview of your career.
- **Course outlines** – programmes from which a client can select.

Sample courses

Developing a one page workshop outline gives a client the key components of your training product without giving away your materials and teaching tools. Below is an overview of the key sections. Figure 24 provides an example training workshop outline.

- **Target** – at whom the course is aimed
- **Aim** –its purpose (linked to organisational objectives)
- **Objectives** – clear learning objectives. If in doubt here, use the Taxonomy of Educational Objectives (Bloom, 1956) as a starting point
- **1 day (or ½ day)** – shorter self-contained courses are easier to recruit
- **4 sections (or 2 sections) with 3 or 4 items in each** – allowing the discussion to move along without lingering unnecessarily
- **1 exercise in each** – allowing for different types of learning

Title	Developing Training Courses for Commercial Clients
Target	Academic and support staff
Aim	Develop full cost recovery training courses for employers from existing undergraduate and post graduate modules.
Objectives	<ul style="list-style-type: none"> • Judge the team's capability and capacity • Appraise a pipeline of CPD courses • Critique market research methods • Assess the differences and similarities of academic and CPD products • Justify a CPD course to internal and external audiences • Assess the requirements for a sustainable CPD team
Duration	1 day (9.30 – 4.00)
Content	<p>What courses could we develop?</p> <ul style="list-style-type: none"> • Growing a training portfolio • Assessing capability and capacity within the academic team • Identify and prioritise course opportunities • Assessing readiness of UG/PG materials to go to a professional market • Innovation in Higher Education <p>What does the market want?</p> <ul style="list-style-type: none"> • How to research the market for training courses • How to target your niche • Differentiating your courses from the competition • Product and service expectations • Promotion and selling of open and in-house courses <p>Delivery and evaluation</p> <ul style="list-style-type: none"> • Developing a 1-page course proposal • Start-up planning • Understanding the demands of a professional audience • Building sustainable delivery teams • Course evaluation and improvement <p>How to sell even more after the first course</p> <ul style="list-style-type: none"> • Meeting changing needs • Continuing Professional Development • Conferences • Post graduate programmes • Spin offs • Planning to innovate upon your programmes

Figure 24: Training workshop outline

The Elevator Pitch

This relic of the internet bubble of the late 1990s in the USA and is a powerful tool for communication. It begins with the scenario that you would enter a lift with a person with whom you do not currently have a commercial relationship but you recognise is important to the future success of your enterprising activities (they may be a potential funder, customer, partner or supplier). In the lift, you have their sole attention without interruption, and can communicate your proposition in such a way as to get a positive reception. The objective is not to get a sale, as it takes time to develop a trusting relationship and clients rarely appreciate such pressurised approaches. So, you have approximately 30 seconds to achieve any one of the following client responses:

- **“I’ve been looking for someone like you to work with. How opportune that we should meet. Let’s arrange to meet soon to discuss this further.”** Bingo! This is the ideal result. You just have to hope that they are good to work with.
- **“That’s an interesting idea. I’m not ready right now but please send me more details and I’ll be in touch.”** This may be a fob off, but you will just have to take it in good faith that they will honour their word and contact you when the time is right. Alternatively you may hear **“I don’t have a need for this but I do know someone who would be interested in talking to you. Do you have a business card that I can pass on?”** Good. This looks like a promising lead. Don’t book the celebration party just yet.

- **“Thank you for that. This is not something in which I have an interest but I’ll certainly bear you in mind should any opportunities arise.”** This is most definitely a brush off but by getting the point across quickly and being clear about what you do and what you want, you have won the contact’s appreciation. No-one wants to be bored at length for no clear benefit. The contact may talk positively about you to someone else who does have a clear and present need to work with you.

no-one wants to be bored at length

for no clear benefit

The elevator pitch is made up of two distinct parts:

- **The Premise** is what you do, with a clear benefits statement. Use clear and common language, avoiding jargon and acronyms, as you never know whether the person you are talking to is a specialist or a generalist. Exclusive and highly specialist language does not make you sound impressive to a potential client; there’s plenty of time to show off your intellectual stature. Instead it shows that you are a poor communicator. A good communicator tailors their language to include – not exclude – their audience, without losing the essence of what they are trying to communicate. The benefits statement needs to be relevant to the likely needs of the potential client. In this respect, mentioning potential savings or increases in income can be a powerful ‘hook’

to get the client to decide whether it is worth their while talking to you again, or referring you to a friend or colleague. Do not be tempted to guarantee improvement. Since you are unlikely to be in control of the likely means of implementation of any recommended improvements, such as marketing activity or the production process, you are in no position to guarantee any end result. Realistic expectations are a 'must' in any long-term commercial engagement. You will fall at the first obstacle if you over-promise and under-deliver, losing all credibility with the client and possibly across the sector too, as word begins to spread through informal networks. Still, your target will need a number that will tip their threshold of interest. From experience, 5%, 10% or 15% improvements in cost savings or income generation are big enough, whatever the organisation's budget, to trigger an interest – but small enough to seem credible and achievable in the short to medium term. Alternatively, if you are only dealing with a small selection of the client's organisation, and providing you have evidence to back it up, you can indicate potential per capita savings or improvements.

you will fall
at the first obstacle
if you over-promise and under-deliver

- **The Endorsement** is an objective frame of reference that signifies your quality. In the early stages before trading has commenced, you could reference your academic and professional achievements, or your employment history. As you start to trade, to be credible you will need to reference clients by name. You are giving away no confidential information here, as long as you don't let slip precisely what you did for each client, and are helping the target of your pitch to recognise client names which will indicate your position in the sector. Be sure to include clients who can testify to your product expertise (ie consultancy, training, R&D) and your service expertise (how responsive, reliable and professional you are). You may choose to list a very specific group of clients or a broad range. This choice depends on what you know about your target, enabling the message to be suitably tailored.

clients
are exposed to thousands
of advertising messages daily

Networking

Effective networking helps us to reach our target audience, identifying and making contact with potential clients (and competitors), in a direct and cost-efficient manner. A great deal of money can be spent on advertising, most of which will go to waste being ignored as 'noise' by clients who are exposed to thousands of advertising messages daily. Networking helps us to pinpoint and meet contacts through warm introductions in a supportive environment.

a group of people who share an interest, a craft and/or a profession

Seven touches

Different clients and different markets will need a different number of 'touches' (ie contacts with you and your 'brand') to convert a potential client into a sale. Estimates vary from seven touches to as many as 30, and working out what seems reasonable in a particular industry and specific business will help ensure future success. For those new to selling, an awareness of seven touches will remove a great deal of pressure to achieve the sale without having first built a legitimate and sustainable relationship with the client that is based on mutual understanding and respect.

Six degrees of separation

Network theory proposes that everyone is, on average, approximately six steps apart, by way of introduction, from any other person. This theory of networking helps us to navigate a daunting range of challenges for the novice networker as they seek to gain introductions to the people who matter to them (ie influencers and decision makers) in their quest for fruitful commercial relationships.

Communities of Practice

Cognitive anthropologists Lave and Wenger (1991) wrote of a community of practice (CoP) as being a group of people who share an interest, a craft and/or a profession. It is through the process of sharing information and experiences with the group that the members learn from each other, and have an opportunity to develop themselves personally and professionally. CoPs can exist

virtually – such as within discussion boards/blogs, newsgroups and social media groups via, for example, LinkedIn or Facebook – or physically, such as in discipline or industry groups of a professional society, or simply as a group of individual companies which all serve a similar customer or sector. Access to CoPs will help you to find an audience for your products and it will help you to develop new products, occasionally in collaboration with fellow CoP members, to meet emerging sector needs.

Hands-on networking

Such opportunities usually occur at exhibitions and conferences and can represent a world of opportunity, as everyone knows that they are there to sell or to be sold to in one way or another. This mindset can ensure an open and welcoming reception:

- **Who do you want to meet and when?** You can determine this in advance by aiming to talk to someone from a particular sector or organisation, or you can ask for a copy of the delegate list at the event, taking a few minutes to identify five key targets and then ask whoever is hosting the event to identify and introduce you to the individuals concerned. Try not to be too ambitious by aiming to meet too many people – you will only put yourself under unnecessary pressure and will rush meetings, potentially missing out on opportunities that may arise unexpectedly.
- **Join things and volunteer.** Members of your Community of Practice may constitute themselves as a membership organisation. For example, the UK knowledge exchange sector is mainly served by three organisations: the Institute of Knowledge Transfer (ikt.org.uk), PraxisUnico (praxisunico.org.uk) and the Association for University and Industry Links (auril.org.uk).

Mostly run by volunteers, these organisations host events and develop materials to further the profession. Your opportunity is to volunteer to support organisations in your own CoP, contributing to its improvement and developing your own understanding and contacts at the same time.

- **Wear a badge.** Even if your badge contains only your first name and who you work for. It's useful to put a face to a name, and it helps build a rapport with your contact. Remember that the badge needs to be readable at a distance of one to two metres.

“tell me, what do you do?”

- **Shake hands.** This friendly and welcoming gesture will help you make a ‘connection’. Accompany the handshake by an enthusiastic smile and the opening question “Tell me, what do you do?” This will encourage your new contact to talk freely.
- **Listen and take notes.** This is important for two reasons. Firstly, you need to concentrate on what the contact is saying so that you can respond appropriately. This is difficult when you are trying to retain large amounts of new information. Secondly, we all like to feel that we are interesting to listen to. Note-taking is a good technique for showing your new contact that you are interested, and in turn it is likely that they will take you more into their confidence, thus building a strong rapport.

- **Ask for introductions.** Don't be afraid to do this. It doesn't make you look desperate or timid. Quite the opposite. Your contact will be impressed with your professionalism and determination. They will also be flattered to be asked for help – more 'points' in your favour as you seek to build rapport with key contacts.
- **Move on.** At some point, the conversation with your contact will have run its course and you both need to move on, resisting the temptation to cling to a friendly face in an unfamiliar room. If you are finding that your contact is reluctant to bring the conversation to an end, you could ask them to introduce you to someone from your target list. If this fails, asking for their business card and thanking them for their time – then shaking hands of course – is a natural way to move on.
- **Review and follow-up.** Don't leave it too long to follow up on leads generated from the networking contacts. Any more than a one or two-day delay can risk you disappearing from their memory and subsequently an opportunity will be lost. A quick and appropriate follow-up, reminding them of the outcome of the discussion and recommending next steps, will help you to develop a professional reputation.

don't leave it too long
to follow up on leads
generated from the networking contacts

Cultivating your own network

Once you have joined your desired network, there are a few other considerations to help you get the best out of the time and effort you are going to invest:

■ **Multiple interests = multiple networks?**

If your interests are broad in nature, you will have to budget your time carefully between networks, perhaps taking differing roles (ie an active role in a small number of networks, with a passive role in others).

■ **What role do you want?**

This depends on your level of interest and the time you can devote. Roles might include leader, promoter, contributor, mentor, networker, initiator, or innovator.

■ **What do you want to achieve?**

You may have a range of reasons for engaging in a network:

- To mix with like-minded people
- To build business contacts (suppliers, customers, collaborators, funders)
- To hear new ideas and test your own ideas in a friendly environment
- To spot trends
- To lead a major initiative that addresses an unmet need in your Community of Practice, possibly by setting up a Special Interest Group
- To share your good practice and learn from others

The Proposal

Commercial proposals seek to balance risk and reward for those investing in them. They also serve to build relationships between the parties, based on transparency, accountability and trust, guaranteeing a successful completion of the project. Those interested in your proposal will include:

- **You.** Since you may be committing a great deal of effort to this initiative, it is wise to be clear about what you want to achieve and how you intend to go about it.
- **Your friends and family.** Their support, encouragement and understanding whilst you are otherwise engaged will help you through the tough days.
- **Employees/colleagues/suppliers.** They will be key in helping you to achieve your goal.
- **Customers (past, current, potential).** As your target audience, they will not need to know the intimate detail but a clear plan with a valuable outcome could win new business.
- **Funders** (banks, business angels, venture capital providers) will invest hard cash and expertise to drive your performance.
- **Your bookshelf.** Successfully delivered projects will boost your confidence in times of doubt and struggle.

At some point in your career as an enterprising academic, you will need to develop a proposal to win funding for a venture. The proposal may be as brief as that for a workshop or a short course,

or it might be as extensive as a spin-off business plan. Figure 25 examines each of the commercialisation options we considered in the Commercialisation Continuum (Figure 1) compared through the following lenses:

- **Duration** – how long the engagement is expected to last to deliver the current project
- **Value** – the amount of money at stake, from hundreds of pounds for a training workshop to as much as millions of pounds over the life of a spin-off company
- **Resources required** – assets other than time and cash which need to be invested by the parties
- **Stakeholders** – from a small number for a consulting agreement (you, the institution and the client) to a wide range as described in Chapter 5.
- **Legal relationship** – from a simple Terms and Conditions of a training engagement through to company formation and shareholder agreements for a spin-off company
- **Scope** – this relates to the operations and market activities of the venture

commercial proposals
seek to balance risk
and reward for those investing in them

	Training and Consultancy	R&D	Licence	Partnership	Spin off
Duration	Weeks, months	Months	Years	Years	Permanent
Value	£'00s - £',000s	£',000s - £'0,000s	£',000s - £'0,000s	£'0,000s - £'00,000s	£'00,000s - £'000,000s
Resources required	Expertise	Expertise and equipment	Intellectual Property, materials	Extensive	Extensive
Stakeholders	Few	Few	Few	Extensive	Extensive
Legal relationship	Simple	Contract	Contract	Shareholder	Shareholder
Scope	Small	Small	Wider	Broad	Broad

Figure 25: Types of bids

Formats

Commercial proposal formats are wide and varied, from a simple quotation for a training workshop or a short period of consulting work through more detailed medium-term (one to two-year) engagements, up to a proposal for a new company as it seeks investment. We will deal with these in two broad categories: contract proposals and investment proposals.

you may be expected
to act both in a consultancy
and delivery capacity

Contract proposals

A commercial approach to a client may be solicited or unsolicited. Which is the most successful? In truth, they both have their advantages and disadvantages. There are three possible outcomes when we consider whether the client knows what they want:

- Yes – These opportunities are numerous and widely published. The process can be highly bureaucratic as the client will canvas a range of bids to identify the most cost-effective. There is little room for creativity as the client knows what they want and may not be receptive to new ideas.
- Partly – Key internal stakeholders are already on board. The client may ask a limited number of alternative suppliers to bid. There is some room for creativity.
- No – The client is unlikely to ask others to bid and there is maximum room for creativity. The client, possibly having not secured funding for this work, will need your help to develop a persuasive internal argument. As such you may be expected to act both in a consultancy and delivery capacity.

You should contact the appropriate person in your institution so that you can use the correct proposal format. Key sections will include:

- **Date and client details** – when was it written (and so how long it is valid for) and who is it aimed at?
- **Title/reference** – a clear identity for the initiative, bearing in mind the needs of the target audience as you may wish to phrase it in their language

- **Duration of engagement** – when will it start and end (avoiding making an open-ended offer)?
- **Participants** – who will be involved/the target audience?
- **Aims** – overall purpose of the project
- **Objectives** – how your success or failure on the project will be measured
- **Outline/indicative content** – a little bit about what you will do, though not in great detail.
- **In scope/out of scope** – to make clear what work is not quoted for in case the client might reasonably expect its inclusion.
- **Payment** – total cost to include or exclude expenses, whether VAT will be charged, when you will invoice (before, during, or on completion of the project)
- **Approval and order number** – so that when signed, it forms a binding agreement and with an order number, your invoice is almost guaranteed to get paid.

Investment proposals

Many excellent publications exist on the subject of business planning. Your institution's Knowledge Exchange Office will also have expertise in this area. For your guidance, business plans tend to stick to the following basic format:

The Opportunity

Market definition and analysis

Market behaviour

Segmentation based on client needs, with segment attractiveness

Critical success factors

Barriers to entry and exit

Competition analysis

Need and demand

The Objective

Mission

Target customers

Value proposition

Short, medium and long term objectives

The Plan

Core strategy

Using technology to gain competitive advantage

Defensibility of the business

Business model

Market positioning

Collaboration

Marketing mix: product, price, place, promotion

The Implementation

Management team structure and biographies

Corporate governance

Annual operating cycle

Trading profit and loss, cashflow

Risk and sensitivity analysis

Detailed launch plan

Investment plan

Exit strategy

How new business proposals are evaluated

Capital investors will take an especially rigorous approach to evaluating a proposal for funding, using in full or in part, any of the following criteria:

- Uniqueness of the technology
- Readiness of the technology for production
- Value of the market
- Anticipated profit margins
- Intensity of competition in the market
- Competitive edge of the product or service
- Ease of access to the market
- Customer conservatism
- Commitment of the team
- Commercial experience of the team

In order to understand how the practice of opportunity appraisal occurs in an HE context, Warwick Ventures Ltd has kindly granted their permission to reproduce 'COAPplus: the new Commercial Opportunities Appraisal Process for technology related disclosures' mechanism. The mechanism works in two parts. The first part determines the commercial attractiveness of the opportunity as assessed using the following criteria and scoring:

Uniqueness/ protectability of the technology

Score of 5: for a family of patents, granted worldwide, which covers several interlinked aspects of the technology

Score of 4: for a single patent, granted worldwide, or for a family of patent applications, which cover the fundamentals of the technology

Score of 3: for a strong patent application (or application ready to be made), or for a very major suite of software that would take many man-years to duplicate

Score of 2: extensive know-how (evidenced by the standing of the academic/ team), or for a significant suite of software

Score of 1: for an interesting research result which might be protectable after more research, or for smaller software suites

Score of 0: for a bare idea, with no evident uniqueness or protectability

Readiness of technology

Score of 5: the technology is well proven and bug free, and a process for volume manufacture has already be proven by manufacture of significant quantities

Score of 4: the technology has successfully completed beta-testing (i.e. field testing with real customers) and is thus relatively bug-free, and a small-scale manufacturing process has been demonstrated.

Score of 3: the technology works well in the laboratory, but has not yet been tested by customers. Manufacture seems to be relatively straightforward.

Score of 2: the technology can be made to work sometimes in the laboratory, though this is still considerable 'black art' in doing it repeatedly. Not much thought has yet been given to larger scale manufacture.

Score of 1: closely related technologies have been made to work in this lab, and there seems to be no theoretical reason why this one shouldn't work too

Score of 0: the technology should work in theory, but hasn't yet been tried

Technical development timescale and risk

Score of 5: The technology is fully developed and productionised and can be taken on by a commercialisation agent with the certainty of being ready for market (subject to business development) within 3months.

Score of 4: The technology is fully developed, but not yet productionised, and can be taken on by a commercialisation agent with >90% certainty of being ready for market (subject to business development) within 6months.

Score of 3: The technology is developed sufficiently for a commercialisation agent to take it on with >75% certainty of being ready for market (subject to business development) within 12months

Score of 2: The technology is somewhat developed but someone will still need to spend 12-24months approx to fully develop it, giving them >50% certainty of being ready for market within 2years, or >75% certainty within 3years.

Score of 1: The technology will need several years of further development, but it is likely that this can be funded either by grant or industry or equity, with a 50% chance of being ready for market in 3-5years.

Score of 0: The idea will need a lot of time (>7yrs), effort and resource in terms of technical development (and it is not obvious who would fund the resource) and then there is only a 10% chance of real success.

Academic track record

Score of 5: The team is the world leader in the field and acknowledged as such.

Score of 4: The team is world class or the UK leader in the field and acknowledged as such.

Score of 3: The team leader is world class or a UK leader in a related but different field and acknowledged as such.

Score of 2: The idea comes from a strongly qualified individual or team who appear to be beginning to make a mark in the chosen field.

Score of 1: The idea comes from an individual supported by an acknowledged worker in the field.

Score of 0: The idea comes from an individual with no obvious track record or quality support.

Relevance of the technology to existing market demanded technology

Score of 5: An existing worthwhile market is very visibly searching for a new solution to a real problem which this invention can fulfill in the near term

Score of 4: An existing worthwhile market will see this technology as meeting a need, though some further technology or market development will be needed before it is accepted.

Score of 3: This appears to be a new technology that can eventually take a significant fraction of the market, but the market will need to be 'encouraged' to understand that it needs this approach.

Score of 2: The market is not crying out for a new solution, but the particular attributes of this technology can fit a few niches

once known about.

Score of 1: This is an interesting bit of science that can be put to practical applications, but there is a big element of 'technology push' needed to generate potential applications.

Score of 0: This might be an elegant piece of science but there is no market need, nor is it likely that there will be any market need in the foreseeable future.

Value of the market niche, now or within the next 5years (i.e. the value of the market of the niche that the technology is ever capable of filling, and in all geographical markets that could be accessed, even if there are no plans to do so)

Score of 5: the worldwide market for this product and its direct competitors is likely to be in excess of £1 billion p.a.

Score of 4: the worldwide market is likely to be in excess £100 million p.a.

Score of 3: the worldwide market is likely to be in excess £30 million p.a.

Score of 2: the worldwide market is likely to be in excess £10 million p.a.

Score of 1: the worldwide market is likely to be in excess £3 million p.a.

Score of 0: the worldwide market is likely to be less than £3 million p.a. (but this could still be a worthwhile high margin niche for a 'lifestyle' spin out).

Competitive edge

Score of 5: the product/service is/will be several times as good as the competition in one or more customer-critical areas, and is not worse in any other areas.

Score of 4: the product or service is/will be significantly better than the competition in at least one customer-critical area, and is not worse in other areas.

Score of 3: the product or service is/will be significantly better in one customer-critical area, but has minor disadvantages in other less critical areas.

Score of 2: the product or service is/will be marginally better (e.g. 25% better) compared to the competition in at least one customer-critical area, but has minor disadvantages in other less critical areas

Score of 1: the product or service has/will have advantages over the competition in one or more areas, which a reasonable, although minority, proportion of the customer base will see as having value

Score of 0: the product or service has no, nor likely to be developed to have, evident advantages over the competition

Profit margin (if considering a licence, score on the anticipated royalty rate, or use the profit margin that the licensee is likely to see)

Score of 5: the gross profit margin per sale is likely to be over 70% (royalty >7%)

Score of 4: the gross profit margin per sale is likely to be over 50% (royalty >5%)

Score of 3: the gross profit margin per sale is likely to be over 30% (royalty >3%)

Score of 2: the gross profit margin per sale is likely to be over 20% (royalty >2%)

Score of 1: the gross profit margin per sale is likely to be over 15% (royalty >1½%)

Score of 0: the gross profit margin per sale is likely to be under 15% (royalty <1½%)

Customer conservatism (the direct customer for the product or service)

Score of 5: the customer group is very innovative and experimental, buying new products or services just to try them out

Score of 4: the customer group is fairly innovative, and are willing to try out new products and services which seem to have some advantages

Score of 3: the customer group is not especially innovative, but is willing to give a fair hearing to any product or service that seems to offer clear advantages

Score of 2: the customer group is relatively conservative, preferring to stick to established methods unless new ones offer a strong advantage

Score of 1: the customer group is very conservative, tending to prefer “tried and trusted” methods and resist new ones for years even, though they offer strong advantages

Score of 0: regulatory, legal, moral or religious reasons lead to new methods being rejected irrespective of their advantages, which mean there is no chance of the idea being exploited

Route to market and barriers to market entry

Score of 5: There is an obvious and an easy to access route to market for the product or service, with no industry barriers – just do it!

Score of 4: The industry supply chain is well understood, open and simple to work with, and at least 2 routes in can be identified that will allow market access in normal times.

Score of 3: The industry supply chain is well understood and a least 1 route in can be identified that will allow market access in normal times without undue political or practical problems for the right person/ team.

Score of 2: The industry supply chain is rather complex and has built in barriers, and working through to get market access will take a bit of time and/or cash and need someone with existing market knowledge.

Score of 1: A route into the market can be identified, but as it is primarily a route to working round the significant barriers that exist, it will cost time, money, effort and specialist knowledge.

Score of 0: Every conventional and legal route to market (licence, spinout, joint venture, consultancy etc.) seems to have an insurmountable barrier to entry (which may be e.g. cost barriers, industry maturity, market stranglehold etc.).

Reputational Potential to the University must relate to the intended and expected use, unless there are obvious side effects. We are not suggesting any risk assessment regarding non intended uses.

Score of 20: The proposal appears to provide a route to solving a current global priority problem, which will have the world knocking at the door, and even it only fulfils part of its potential, will still provide huge brownie points for the university through socio-economic impact (e.g. drought, malaria control; a step change to greenhouse gas emissions)

Score of 15: The proposal will get international press coverage as it seems to meet a current global, but niche, need or real issue, bringing in interested parties to work with us. (e.g. orphan diseases)

Score of 10: The proposal will get national (and possibly international) press coverage as it seems to meet a current national need or real issue, bringing in interested parties to work with us.

Score of 5: The proposal will gain regional and possibly national coverage when publicised and get interested parties wanting to find out more as it really is a novel way of doing something. (eg healthy eating programmes operating regionally)

Score of 5: The idea meets a real legal and necessary need and has no negative potential, but is in an industry which some see as ethically wrong (e.g. for use in the defence industry and is a product/ service that can only be used for defensive purpose, such as improved personnel protection)

Score of 0: The idea is 'ok', might provide a few jobs or income, but is no more than Universities are expected to do on a day to day basis.

Score of 0: The idea meets a real legal and necessary need, but could be misinterpreted as it is for an industry which some see as ethically wrong (e.g. improvements to weapons only used for defensive purposes)

Score of -5: The idea does not meet anyone's need, or is just following the crowd to produce a 'me-too' product with no additional benefits and no innovative input.

Score of -10: The idea is easily seen as a waste of resources that could have more positively used in a related field, as it meets no real need or even academic area, and a leading University should not be bothering (implication – avoid, unless and until it can be refocused in a more acceptable way); or could adversely affecting a small number of people.

Score of -15: The idea has negative reputational value, as the idea could easily end up seriously damaging a lot of peoples' lives, which is something a quality University should steer well clear of (implication – avoid, unless and until it can be refocused in a more acceptable way)

Score of -20: This idea is meant solely and only as an aggressive weapon or similar with potential for harm to many people across multiple countries or globally, and cannot be repackaged for any positive purpose (eg – WMD) (implication - do not get involved and consider bringing it to the attention of other University authorities)

Potential value (£) to TTO (assuming success) (value is the likely cash return to the University on spinout exit, or total royalty and licence fees; pre share-out)

Score of 5: £3m+

Score of 4: £1m-£3m

Score of 3: £300k-£1m

Score of 2: £100k-£300k

Score of 1: £30k-£100k

Score of 0: <£30k

Likelihood of successful realisation for the University

Score of 5: >90%

Score of 4: 75%-90%

Score of 3: 50%-75%

Score of 2: 25%-50%

Score of 1: 10%-25%

Score of 0: <10%

Potential time to the University realisation of this value

Score of 5: within 12months

Score of 4: 12m – 24m

Score of 3: 2yr-3yr

Score of 2: 4yr-5yr

Score of 1: 6yr-10yr

Score of 0: >10yr

Time to TTO exit (exit defined as when the TTO do not need to do any further work or expend any further unrecoverable monies on it, merely sit back and collect the royalties or wait for the company to exit)

Score of 5: within 6months

Score of 4: 6m – 12m

Score of 3: 12m-2yr

Score of 2: 2yr-3yr

Score of 1: 3yr-5yr

Score of 0: >5yr

Cost of TTO resources to TTO exit (as external expenditure plus BDM time (for simplicity, say £500/day for BDM time)

Score of 5: It will only need a day or so of BDM effort to successful promotion, at a cost of <£2,000. (e.g. licence of new IP to an existing spinout)

Score of 4: Total WV cost £2k-£10k (e.g. licence to a known and pre-agreed licensee)

Score of 3: Total WV cost £10k-£25k (e.g. spend time to sort and select from a small number of easily found potential licensees)

Score of 2: Total WV cost £25k-£75k (e.g. where significant further technical or product development is needed, led by Warwick Ventures, prior to what is likely to be a licence)

Score of 1: Total WV cost £75k-£200k (e.g. development of a spin-out where management and/or staff resources are known, but some external resources will have to be bought in)

Score of 0: We will need to support this through national phase, buy in significant outside specialist help, and need say 1 BDM day per week for several years, adding up to a cost of >£200k over the years. (e.g. development of a spin-out, requires product development and a member of TTO staff will need to act as CEO for a significant time)

TTO added value

Score of 5: TTO involvement through the team's specialist capabilities is essential to get the idea to successful exit, and could not happen with only academic staff only.

Score of 4: The academic(s) have no idea where to go, but without the TTO involvement could muddle through to something which is very sub-optimal and not to the University regulations.

Score of 3: The academic(s) have contacts and ideas but need direction, an objective strategy and business leadership to make it happen.

Score of 2: The deal is effectively done, but it is likely to fall apart without the professional approach of the TTO to draw it to a timely conclusion of signed agreements.

Score of 1: The deal is effectively done, but the TTO is needed (because it's our job to do so) to manage IP/ patents and draw the paperwork to a conclusion.

Score of 0: The ultimate value to the University will not be affected in any way by our involvement as no patent protection is needed, no exploitation agreements are needed, and our business skills do not add anything (so we are not involved by definition)

The maximum score for each potential project is 100 points. Once this evaluation is completed COAP goes further, enabling an assessment of whether to commercialise via a licensing or spin-off route (see Figure 26).

Theme	Licence preferred						spinout preferred					
	2	1	0	-1	-2		2	1	0	-1	-2	
Technology	It is a niche technology						The technology has many varied applications – it is a platform technology					
Market structure	Market is mature, slow growing (or declining) and been around a long time with a few large companies						The market is new and rapidly expanding, with a large number of small or medium sized fast growing (and dying) companies					
Industry norms	Licensing is a common strategy within the industry sector (e.g. horticulture and IT)						Licensing is NOT a common strategy within the industry sector (e.g. mechanical engineering)					
Academic interest	Academic(s) have no interest in involvement in a spin out, but would be needed in at least a technical capacity						There is a group of founders motivated to start a company who will really do what is needed					
Ease of building a management team	There is some issue (e.g. technology complexity or risk) that makes it difficult to recruit a management team						All relevant issues mean that a management team of the right quality is, or can quickly be, in place					
Technology fit	The technology fits an existing company's (or > 1) IP or product portfolio who are already 'involved'						No existing obvious technology fit to any existing company					
Ease of raising equity	Raising investment equity will be difficult (for whatever reason - equity needed, non fashionable area, current investment arena)						Very likely that investment funds can be raised (due to all of technology, people, current environment etc) + an exit route visible					
University ultimate return	A licence can be easily negotiated which gives a low risk and high, early royalty flow or fees						Expected return to the University is much larger by spinout					

Common mistakes in preparing business proposals

1. No clear plan for progress

First of all, you must make it clear to the reader just what the business is, and that you can reach the goals outlined in your plan. Avoid broad, unsubstantiated statements such as “It is a known fact...” If you cannot support statements with good, solid data, then don’t make them. Show prior successes; write detailed sales plans with numbers and schedules. Talk about previous marketing efforts and compare them with future marketing efforts. Many plans describe where the business is now and talk about the markets they will sell to and how much money they will make, but present no step-by-step method to get there. Funders want real facts. Be able to support everything you say in your projections. Vague ideas, circuitous statements and shot-in-the dark guesses just won’t do.

2. Failing to describe the product in layman’s terms

Be clear, in simple language, what you are doing or making. The investor wants to know how you designed your product, and if it is right for the market. Avoid talking about the product too much and when you do describe it, avoid using a lot of industry jargon. Funders will not be inclined to approve a loan or provide financing if they cannot tell what the business is. Pretending that you are explaining your product to a group of 15-year olds will do the trick.

be clear,
in simple language,
what you are doing or making

3. Lack of market and competitor research

You must show where you fit in with your market and you must know the details of your competitors' products. List your competitors and identify their strengths and weaknesses. If possible, include estimates of their market shares and profit levels. Everyone has competitors, and to say "We have no competition" in a business plan is an almost-sure predictor of failure. To run a company effectively, you have to know your competitors and respect them.

to say "We have no competition"
in a business plan
is an almost-sure predictor of failure

4. Incomplete financials

Provide financial information which is detailed enough for a reviewer to make guesses about your accuracy, including a clear and complete list of the assumptions on which it is based. You must show actual figures if you have them. It is also advisable to have monthly figures at least for the first year; while tedious, it shows your foresight in getting through the slow months of your business. Most importantly, make sure that your numbers make sense. Review them thoroughly to ensure consistency in all sections, and back up every growth assumptions that you make with facts and a sensible plan.

5. Huge appendices

The business plan should include supporting materials such as brochures, résumés of key managers, technical papers summaries of market research studies and references from people acquainted with the company or its founders. However, the idea that a heavier document is more impressive doesn't work here. Be careful not to go into too much detail.

6. Bad Grammar

Nothing turns off a prospective investor faster than a poorly-written business plan. If you think that your writing is not up to par, get a good editor. Then review, review and review.

7. Too little detail

There are some Principals who write four-page plans and feel they have nothing more to say. Use the outline as a crutch and keep researching and writing. Also, many of you who write four-page plans think businesses don't need plans, and that you can do it all from your head. If you want investors, you must have a plan.

8. The overall plan is too long

Avoid being excessively wordy in your plan. Forty pages or fewer is ideal for attracting investors; eighty pages is definitely too long, especially when you can reduce it just to fifteen. Stick to the facts, state them clearly and do not repeat them unnecessarily. The goal is not to write a long business plan, but a good business plan.

stick to the facts, state them clearly

9. Overuse of Acronyms

As much as possible, reduce the use of acronyms in the plan, which make your readers go back and re-read the definition. If the full name is too tedious to type out, consider renaming it.

10. Repetition

Organise your plan carefully and put each fact and plan in only one place. This should be where it tells the story in the best way.

People who read business plans appreciate brevity, and view it as an indication of your ability to identify and describe, in an organised manner, the important factors that will determine the success of your business.

if you don't believe, why should they?

Presenting your proposal

Rules of effective language

- Simplicity: use small words
- Brevity: use short sentences
- Be enthusiastic - if you don't believe, why should they?
- Not too many messages – think of this in terms of tennis balls. If someone were to throw 20 at you how many do you think you would catch? If they threw three or four you are likely to catch all of them. The same is true with sending messages.
- Novelty: offer something new
- Speak aspirationally – any one of us would want to be involved in something exciting and new
- Ask a question – to draw the reader into a conversation

Preparing the presentation

To make a compelling argument you should follow a linear and logical process:

- **Position** – what is the background of the client's company and the market in which it operates?
- **Problem** – what specific issue is causing the organisation pain?
- **Possibilities** – what are the alternative options open to the client?
- **Proposal** – why your product is the best way to resolve the issue and return the organisation to good health?

The practical implementation of this approach would look like this:

1. **Introduction**
 - Welcome group, introduce yourself and the topic
 - Introduce main subjects to be dealt with
 - Why do they need to listen to you?
 - Timings: how long will it take?
 - Questions?
 - What you are trying to achieve**Connector**
2. **Brief description of the present situation**
Connector
3. **Problems developing because of the present situation**
Connector
4. **Suggestions for solving these problems**
Connector

5. **Proposal
Connector**

6. **Conclusion**

- Summary of the main points discussed
- Recommendation
- Suggestions for next stage
- Further reading materials – brochure, etc.
- Thanks for listening
- Questions?

Now for an example:

“Good morning ladies and gentlemen. My name is Andrew Corcoran from Blueberry Training. Today I will be talking about knowledge exchange training for academics. We will discuss the challenges and opportunities in Higher Education and how these can be overcome, based on my experience of training academics in more than fifty percent of UK universities since we started trading in 2004. The presentation will take around five minutes. It would help if you could hold any questions until the end of the presentation, when we can discuss how to take this initiative forward in your institution.

“As I mentioned earlier, we’ve worked with a wide range of UK universities that include research-intensive, teaching-intensive and specialist institutions and we are fully aware of the challenges facing the sector as a result of reduced government funding, increased focus on applied research and employability and the important need to make yourselves different in the light of global competition. This has a direct impact upon academic and support staff as they seek new opportunities to add value for their organisation, their customers and their students. The ensuing income shortage has led to job losses, existing staff coping with

increased workloads and ageing facilities and equipment which we cannot afford to replace. But moving to a more commercially-aware culture isn't easy, since it involves the development of radically different skillsets that will enable universities to thrive long into the future.

“The options open to us are as follows:

- We could hire new specialist commercial academic staff – this will be expensive and possibly impossible as institutions may be enforcing a recruitment freeze.
- We can implement a mentoring programme where academics are supported by business people – this is time-consuming and difficult to manage for all concerned.
- We can second staff to other institutions to learn how they pursue the successful commercialisation of knowledge – this may be difficult to co-ordinate and fit in with busy teaching, research and management schedules.
- We can train staff over a few one-day workshops with the key skills to build their confidence and capability when engaging in commercial work.

“I suggest that we start with a couple of pilot workshops to gauge staff interest, tailoring them as we go into a wider roll-out so that they meet your development needs at the lowest level of disruption and relative cost for your institution. I'll leave you with copies of our client case studies. Thank you for your attention. Are there any questions?”

Presentation Delivery

1 Build rapport

A good start to a presentation is vital. You must relax your audience and create an environment in which the communication will be listened to carefully.

2 Be flexible but in control

Allow events to flow naturally and accept small deviations. However, you are in charge so do not let control pass to your audience.

3 Avoid ambiguity

Make sure that your audience is interpreting your presentation in the way you intended. Ambiguity will confuse the group.

4 Listen closely to feedback

The communication process is two-way. Remember that you ignore the views and feedback of your audience at your peril!

5 Anticipate problems

Try and anticipate the likely responses from the audience. Having answers prepared will help you when confronted with feedback during the session.

6 Smile and relax

Smile and look relaxed, even though you may not be. If you relax, your audience will relax. Non-verbal communication is very effective. Make it work for you and not against you.

7 Communicate then activate

Once you have given your presentation, make sure that the audience knows what they must now do.

8 Eye contact

Scan your entire audience, being careful not to leave anyone out. Maintain eye contact with group members as much as possible, smiling at the same time where appropriate.

9 Voice

Change the pattern of your speech at intervals to maintain attention and avoid sounding monotonous. Do not mumble or speak with your back to your audience. Relax and try to project your voice without shouting.

10 Posture and movement

Move slowly yet purposefully; do nothing suddenly. Keep an upright, relaxed yet confident stance. Where appropriate, you may wish to lean slightly forward with your hands on a desk.

11 Language and non-words

Try to create colourful imagery by using vivid language which captures the imagination. Avoid jargon where possible and use short words and short sentences. Use pauses to punctuate your points and resist filling every moment with speech.

12 Gestures

Use the gestures which come naturally to you, including facial expressions. However, do not put your hands in your pockets, jangle change or whistle etc. Remain relaxed and calm, resting your arms loosely at your side.

13 Involvement techniques

Use as wide a range of techniques as time and space allows. Questions, experiments, demonstrations and audience participation all increase interaction.

14 Humour

Smile and be as amiable and pleasant as possible. Humour should be used with great care. It is easy to insult or alienate individuals or sections of your audience. However, humour will undoubtedly enhance any presentation.

Handling objections

Undoubtedly someone will disagree with you. They may just be checking the facts or the disagreement may be malicious in nature. A disagreement can be an opportunity for you to show your humility (you may have got it wrong) and your professionalism in not having to be 'right,' but seeking the best possible outcome for all concerned. The process could look like this:

- Start with a pause
- 'Empty' the person – start with “Thank you. Please tell me more.”
- 'Lock' the person into agreement – “If I can resolve that, do we have a deal?”
- Present the solution
- Ask for comments
- Confirm the issue as resolved