Identity the relevant risk for your business and the mitigation strategies and tactics for each

Elements of risk to consider:
- **Business risk**
- **Brand Reputational risk**
- **Financial risk**
- **Legal Risk**
- **Cyber Risk**
- **Other/Uncertainty/Ambiguities**

Ensure / Assess that your financials (cash flow, P&L, etc., will support the hiring of an intern or a fractional / part time / full time employee to help grow the business.

Define the role of that new employee.

Ask...who is doing the selling for your business?

Consider attending MSBDC "How To" Webinars Associated with Phase 3

Workshops & Events - Mason SBDC

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Proficiency 1 2 3 4 5

2 Crystalize your Hypothesis using the BMC / Value Proposition Design
Proficiency 1 2 3 4 5

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4 Draft your Minimal Viable Product or Service that you intend to offer/sell to the marketplace
Proficiency 1 2 3 4 5

5 Establish/buy a domain name then consider creating a legal entity
Proficiency 1 2 3 4 5

6 Think through your Go to Market approach: B:B, B:C, B:G then map the stakeholder ecosystem, partner organizations, customer types and competition; register with SAM.gov if applicable
Proficiency 1 2 3 4 5

7 Identify the first 10 intended targeted customers / early adopters by NAICS codes, title, name, POC for discovery and sales
Proficiency 1 2 3 4 5

8 Establish the sales structure you will use; identify required retail space, warehouse, manufacturing, office space if relevant
Proficiency 1 2 3 4 5

Vision, Startup, Legal Entity Choices, Value Proposition Design, Customer Segmentation, Eco System Stakeholder Mapping, Competitive Analysis

24 Prepare for growth, hyper growth, scaling and / or exiting or negotiating the sale of the business ; succession planning; plans for sale, or exit
Proficiency 1 2 3 4 5

23 Ensure business is HR compliant; ensure business has the appropriate set of Cybersecurity measures for compliance; set up self audit schedule
Proficiency 1 2 3 4 5

22 Begin using the structure, approach, frequency of stewardship and key performance metric reporting frequency using the metrics that matter; make business course corrections based on data insights
Proficiency 1 2 3 4 5

21 Develop Business Imperatives for a two year outlook; develop a suite of the fewest correct, simple metrics, conduct stewardship and reporting on regular frequency to track progress .
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Strategic Imperatives, Metrics, Cybersecurity

Anatomy of a Typical Small Business Entrepreneurial Journey
Legal & Admin Steps to Starting a Business
Value Proposition Design and Message Mapping
Government Contracting 101
Small Business Financing
Preparing your Business Briefing / Narrative / Pitch
Marketing 101
Digital Marketing – SEO and Social Media Marketing
Accounting, Budgeting, Financial Management
Performance Management – Guide to Key Performance Indicators / Biz Dashboards
Business Operations: Taxes, HR, Legal, Real Estate, Management, Leadership
Cyber Security for Small Business

Customer Discovery, Validating the Hypothesis, Early Adopter

9 Launch Customer Discovery Process ; ask "is Intellectual Property" relevant? List / assess discovery lessons learned
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Developing the Business Plan "pitch" Narrative, Financial Projections (Rev. / Cost), Risk, Funding the Business Stages of Marketing Maturity, Business Development, Sales, Operations , Scaling

20 Consider venture growth staffing needs; internships, training, onboarding; prioritize staffing for growth, i.e. business development, operations, etc.
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17 Validate / Refine / Adjust pricing strategy and tactics; revise revenue forecasts accordingly; update 2 year cash flow spreadsheet; update pitch; establish basic book of business accounting
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16 Refine then choose channels to market strategy; choose relevant channel design; plan to build and host website in accordance with pre-engineered templates and sound hosting platforms
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13 Build/Refine Revenue Projections, COGs, Operating Expense Budget into 2 year cash flow spreadsheet; determine sales milestones
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Referencing leg 3 of the "map", lets pause for Questions and Discussion!

Leg #4 of the journey

"Typical" Small Business Entrepreneurial Journey

"Typical" Small Business Entrepreneurial Journey

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## Self Assessed Proficiency – From Subject Matter Expert to Needing Mentorship

5 = Excellent (We do this regularly, systematically, and with continuous improvement)

4 = Good (We do this regularly and systematically)

3 = Average (We have some skills in this area)

2 = Poor (We do this irregularly and in an ad hoc manner)

1 = Nonexistent (We do not have these skills at all)

SME

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Step # 21 Points of Emphasis

Illustrative Only

Develop Strategic Imperatives for a 2-year time horizon then identify metrics to measure progress

CORE VALUES and VISION for XYZ Comp.:

XYZ Co. operations and its leadership team will always be guided by 4 uncompromising Core Principles:

1. We never place profit over people
2. We work to delight our customers every day
3. We continuously Innovate to hedge uncertainty
4. We aspire to create, communicate, deliver and then extract market value

Our Vision is to be considered a thought leader and rank # 1 in customer satisfaction

STRATEGIC "IMPERATIVES", AIMS / GOALS for the next 2 Years are:

1. Increase topline revenue by 10% via expanded services

2. Reduce operating expenses by 2%

3. Build loyalty, target 95% customer retention

4. Build a dashboard targeting 1% improvements

5. Create incentives and reward employee innovation

PERFORMANCE METRICS in 4 KEY THEMES designed specifically to MEASURE PROGRESS against our goals are:

1. Financial Metrics
- New product/svc sales less op expenses — Net income in $USD
- Customer Acquisition Costs — Mo. Cost / Cust. Sales
- Begin monitoring cash flow statement — Ist report Dec 2024

2. Customer Experience Metrics
- Website Customer conversion rate — Monthly % Conversion
- Customer net promoter scores — Monthly Summary
- 1st Annual Customer Sat Survey — Launch Dec 2025

3. Internal / Process Metrics
- Act on identifiable inefficiencies — YTD % Improvement $s
- Marketing Return on Investment — Mkting as % of Sales
- 9 metric dashboard report created — 1st briefing Jun 2025

4. Organizational / Cultural / Diversity/Inclusion Metrics
- Launch of 2 profitable new ventures — Science to Sales $s
- Increase employee satisfaction — Annual HR Sat Survey
- Create / Invest in Innovation HUB — Program viable 6-2026

Example Illustrative Only

Our Leadership Team will start reporting progress in (June 2025) and will do so on a (monthly) basis using a simple traffic light (other) format

XYZ Company
Strategic Imperatives & Balanced Scorecard
2025–2027 Strategic Planning Framework
AI-Powered Special Education Platform

Strategic Framework Highlights:
- 2-year Time Horizon
- Metrics across all 4 Dimensions
- Lead, Lag, Milestone Metrics

CORE VALUES & VISION	STRATEGIC IMPERATIVES (2-Year Goals)	PERFORMANCE METRICS (4 Key Themes)
Our Core Values XYZ operations and leadership are guided by four principles: 1. **Children First** – Every decision prioritizes child outcomes 2. **Accessible to All** – Multilingual, culturally aware tools 3. **Science-Backed** – Real research drives improvement 4. **True Partnership** – Parents, teachers, therapists as collaborators **Our Vision** *To become the most trusted special education platform in the world – ensuring every child with autism, dyslexia, ADHD, or learning delays has tools to succeed.*	**5 Strategic Imperatives** 1. Expand into GCC, North Africa, and U.S. school districts 2. Achieve $50K MRR from schools, centers, and families 3. Drive 90% teacher and 80% parent monthly engagement 4. Launch EZread 2.0, enhanced ABA tools, and smart course planner 5. Build a lean, high-performing team with scalable onboarding	**1. Financial Metrics** • **LEAD:** New leads/month, Demo-to-pilot conversion rate (%) • **LAG:** Monthly Recurring Revenue ($USD), CAC ratio • **MILESTONE:** 10 pilots by Jun 2026 | $50K MRR by Dec 2027 **2. Customer Experience Metrics** • **LEAD:** Onboarding time (days), Support response time (hrs) • **LAG:** NPS score, Customer satisfaction (target 4.7/5) • **MILESTONE:** Parent Portal 2.0 launch by Q2 2026 **3. Internal / Process Metrics** • **LEAD:** Release frequency (#/quarter), Marketing ROI (%) • **LAG:** Platform uptime (%), Bug resolution time • **MILESTONE:** Internal dashboard by Jun 2026 | Auto-onboarding 2027 **4. Team & Culture Metrics** • **LEAD:** Training hours/employee, Ideas submitted (#) • **LAG:** Team retention rate (%), Employee satisfaction • **MILESTONE:** Key hires complete by 2026 | Innovation program 2027

XYZ Company

Strategic Imperatives & Balanced Scorecard

2025–2027 Strategic Planning Framework

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Our Vision

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5 Strategic Imperatives

1. Expand into GCC, North Africa, and U.S. school districts
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Strategic Framework Highlights:

- 2-year Time Horizon
- Metrics across all 4 Dimensions
- Lead, Lag, Milestone Metrics
- Commitment to begin reporting

Reporting Commitment: Leadership will begin progress reporting in Q1 2025 using a **monthly traffic-light dashboard** format.
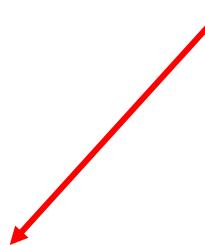
About XYZ Company

XYZ Company is an AI-powered educational technology company creating adaptive learning tools and social stories for children with autism, ADHD, dyslexia, and other special needs. Our platform serves schools, therapy centers, and families with two core product lines: XYZ (behavioral solutions including ABA tools and social stories) and EZread (reading intervention platform).

Target Markets: U.S. school districts seeking evidence-based special education technology solutions.

Framework: Kaplan-Norton Balanced Scorecard
November 2024

Step # 22 Points of Emphasis

From the development of your Strategic Imperatives for a 2-year time horizon, develop your suite of Business Performance Indicators and Dashboard to track your performance forward

Develop Your:

Metrics/Measures – 2 Year Imperatives

Stewardship Process

Reporting Format and Frequency

Dashboard

Leading → Analyse past performance

Influence future performance ← Lagging
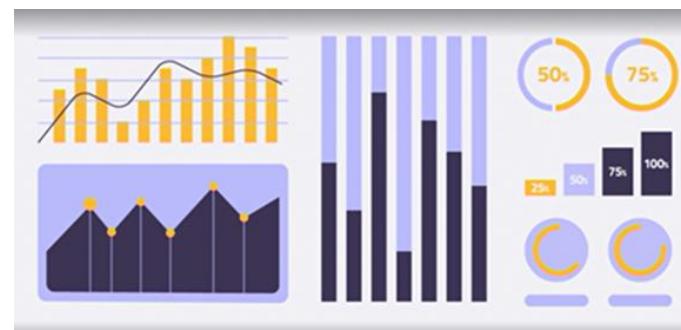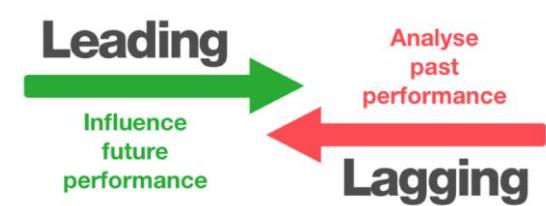
Register for the webinar: "Building your Business Performance Metrics/ Scorecard/Dashboard" June 5th, 10am-noon

Building your Business Performance Dashboard Metrics - A Step by Step Guide - *Live Webinar* - PW

Step # 23 Points of Emphasis

**Ensure business *compliance*
in both
HR and *Cyber Security* related areas**

HR Non-Compliance Areas

Affordable Care Act (ACA) Violations

Americans with Disabilities Act (ADA) Non-Compliance

COBRA Compliance Failures

Employee Misclassification

Equal Pay Act Violations

Family & Medical Leave Act (FMLA) Mismanagement

Cybersecurity Threats
Likely to Affect

Virus	64%
Spyware	62%
Phishing	52%
Firmware Hacking	34%
IP Spoofing	32%
Ransomware	31%
Attacks on Virtualization	30%
Social Engineering	26%
Hardware-Based Attacks	26%
DDoS	24%
IoT-Based Attacks	23%
Botnets	22%
Rootkits	21%
Man in the Middle Attacks	20%
SQL Injection	18%

Step # 24 Points of Emphasis

Consider exit/sale, scaling, growth, via expansion, acquisition
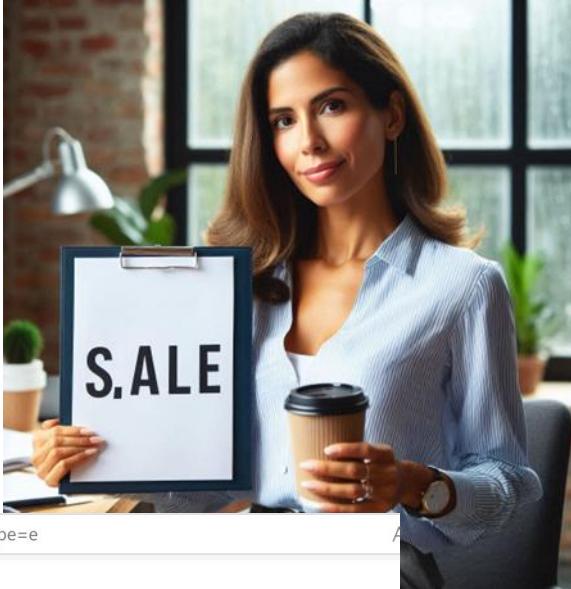
https://www.bizbuysell.com/?bing_cpc_brand=&utm_device=c&utm_matchtype=e

BizBuySell™   Buy a Business ∨   Buy a Franchise ∨   Sell a Business ∨   Tools & Advice ∨   Business Brokers ∨

Find a business for sale

Businesses | Franchises

Ensure / Assess that your financials (cash flow, P&L, etc., will support a purchase or expansion plan

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[Workshops & Events - Mason SBDC](#)

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Small Business Entrepreneurial Map – Original Work by George Siragusa, Senior Business Adviser, Mason SBDC – Copyright March 2025

Referencing leg 4 the "map", lets pause for Questions and Discussion!

"Typical" Small Business Entrepreneurial Journey

Ideally Mentor Guided and Resourced. (left margin)

Ideally Mentor Guided and Resourced. (right margin)

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2 Crystalize your Hypothesis using the BMC / Value Proposition Design
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Vision, Startup, Legal Entity Choices, Value Proposition Design, Customer Segmentation, Eco System Stakeholder Mapping, Competitive Analysis

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Strategic Imperatives, Metrics, Cybersecurity (vertical)

Customer Discovery, Validating the Hypothesis, Early Adopter (vertical)

Adaptable Framework.
Independent, Actionable Steps.
*Inter*dependent Actions.
Competency Self-Assessed.
Iterative & Process Driven.

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Developing the Business Plan "pitch" Narrative, Financial Projections (Rev. / Cost), Risk, Funding the Business Stages of Marketing Maturity, Business Development, Sales, Operations , Scaling

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8 Relevant

FORGET THE MISTAKE REMEMBER THE LESSON

Glass Half Full

LESSONS LEARNED

…*Hindsight from those Entrepreneurial Journeys*

1. Using the power of the VPD Framework model *BEFORE:*

> creating your legal entity

> building your website

> starting your business.
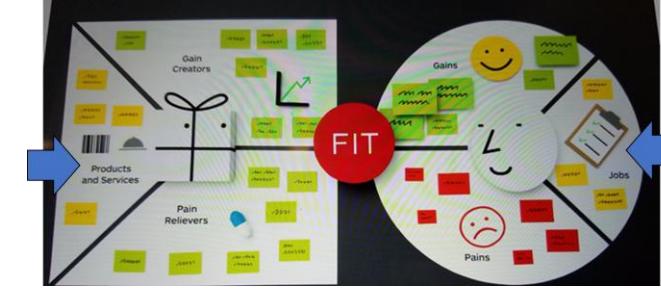
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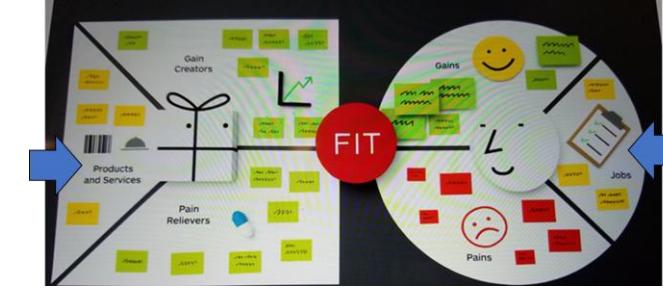
VPD is a best in class, practical *framework* that clearly lays out the hypothesis, rationale and *details of a path forward* that helps describe *how* organizations intend to *create*, deliver and capture *value from whom*.
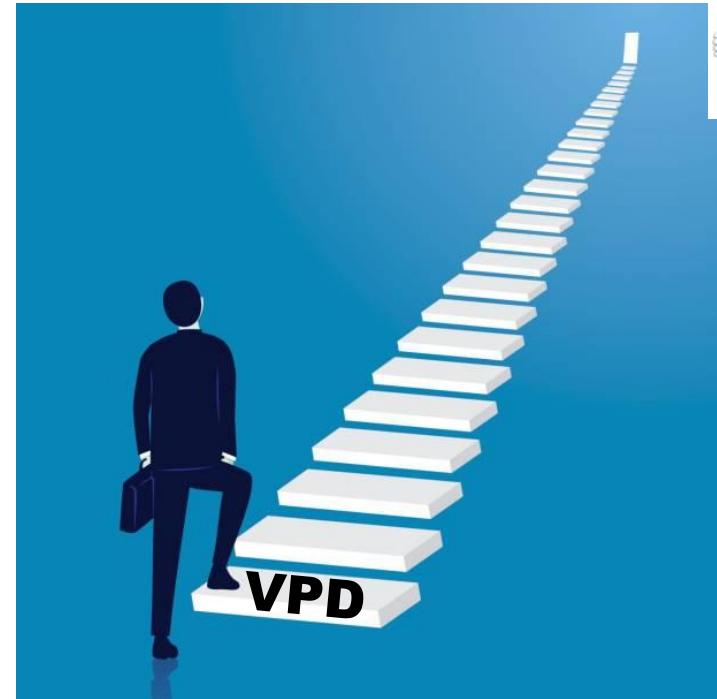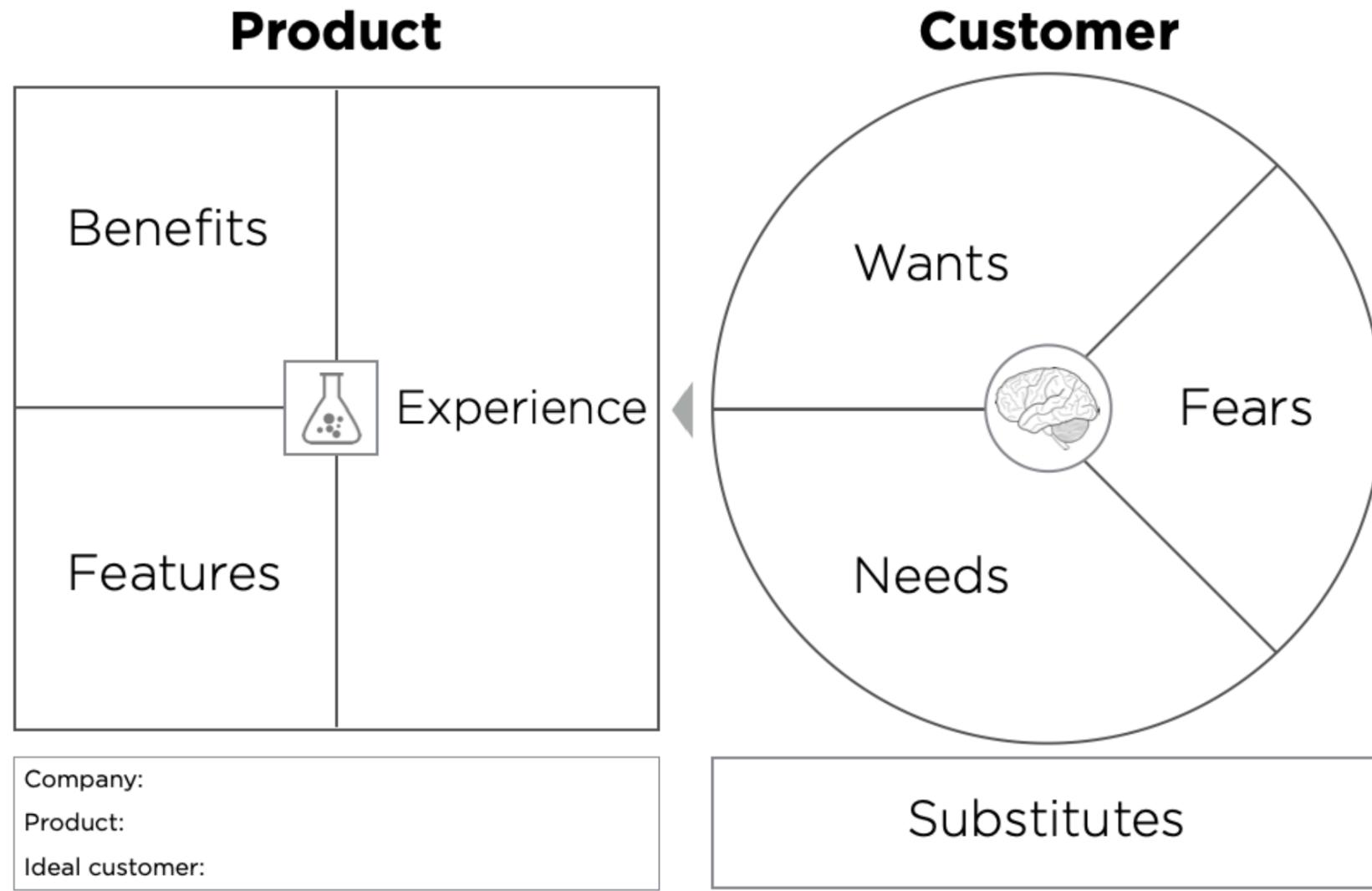
The Lean Startup methodology is a testament to the startup world's innovative spirit.

The beauty of lean thinking is its emphasis on value. Traditional businesses can often become mired in processes that add little to no value for the end consumer.

Lean Startup methodology prioritizes customer value above all else, urging businesses to strip away the superfluous and focus on what truly matters.

It focuses on creating products or services under conditions of extreme uncertainty. At its core lies the mantra: Build a Hypothesis, Measure, Learn.

This iterative process emphasizes creating minimal viable products (MVPs), swift market testing, and rapid refinements based on real-world feedback.

Source:
7 Key Principles for Creative Strategy Development - Intrafocus

Think **"CIRCLE"** or intended *targeted Customer Segment/Sub Segment*

Think **"SQUARE"** or your *product / service offer* aligned with the Intended targeted customer needs

Value Proposition Design
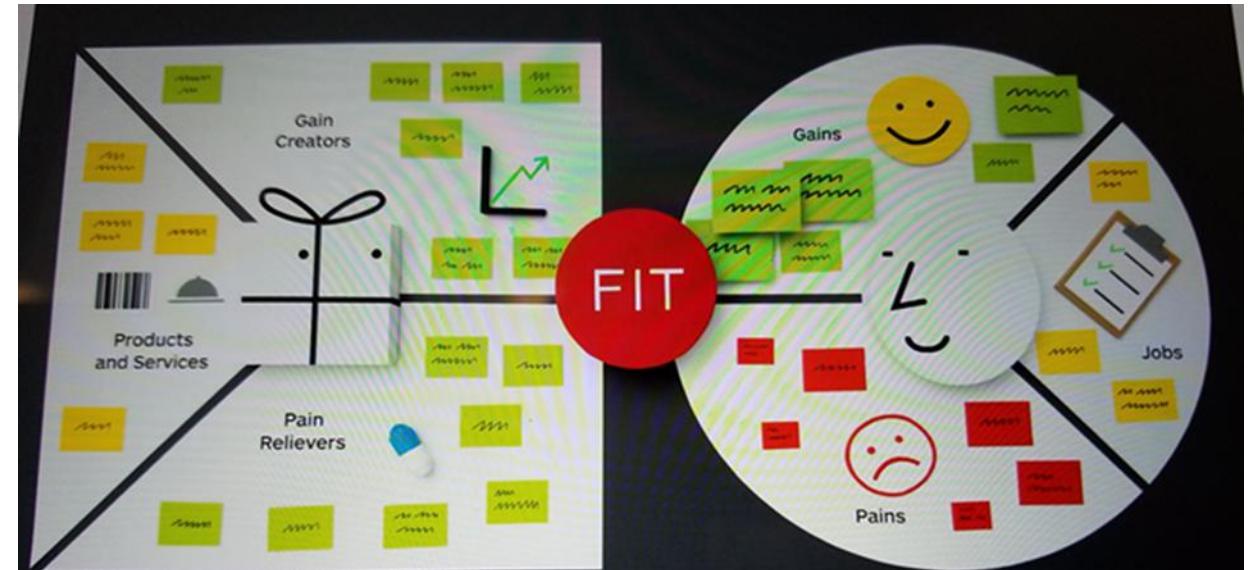
# 2. Knowing Who (specifically) your intended targeted Customer is?
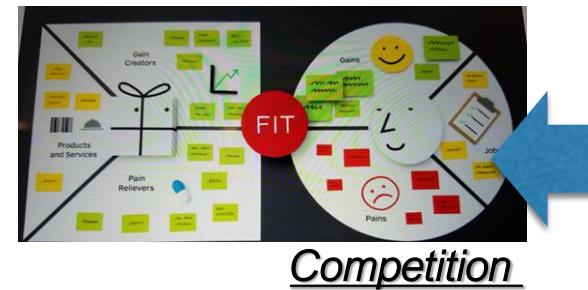
Identifying with specificity,(i.e, NAICS codes, job titles, etc.) *which customer segment(s), sub segments*, *customers*, the *initial demand* for the *early stage, MVP* product/service offer will be coming from, how do they buy…and how do we (efficiently) <u>find them</u> and <u>sell / market to them!</u>

8 types of customer segmentation

Demographic   Geographic   Behavioral   Value-based

Needs-based   Technographic   Psychographic   Lifecycle stage
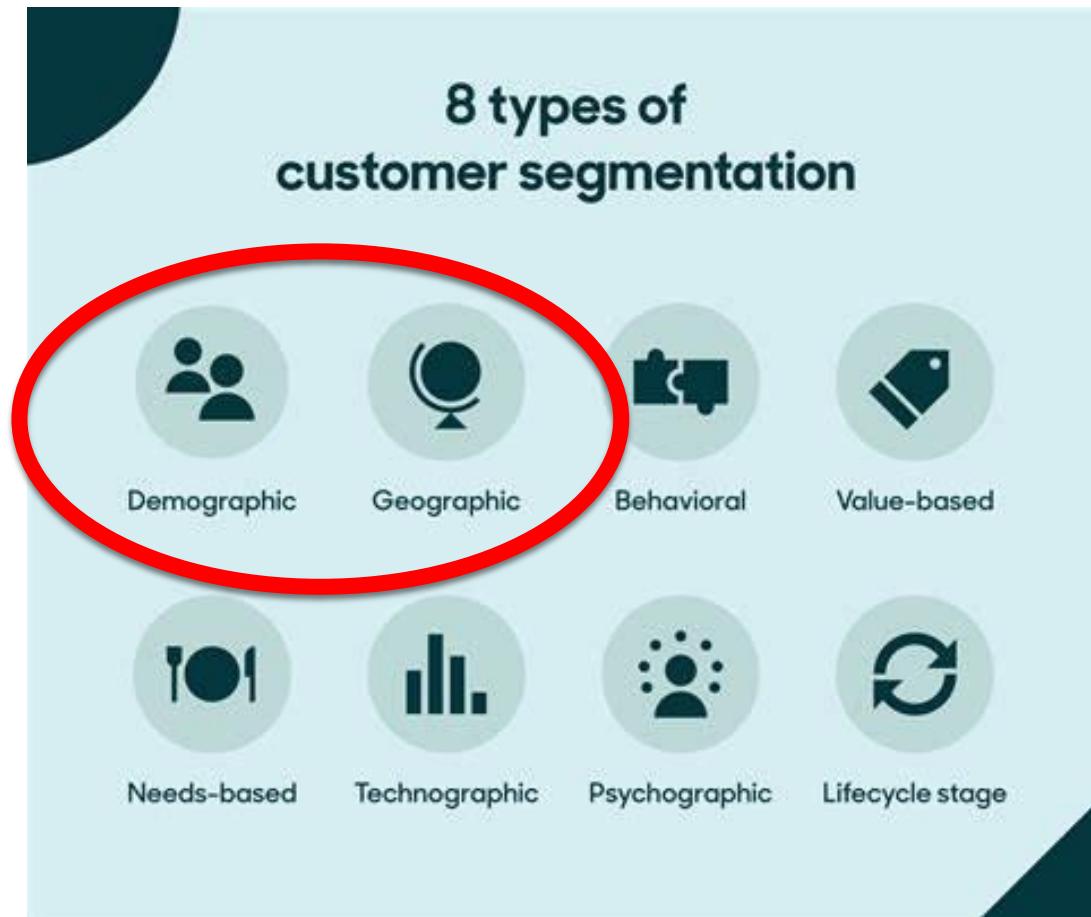
We can't overstate importance of *VP Design*

10 Characteristics of a Great Value Proposition

10 It is difficult to copy

9 Outperform competition substantially on at least one dimension

8 Differentiate from competition

7 Focuses on jobs, pains and gains that people will pay a lot of money for

1 Is embedded in a great business model

6 Align with how customers measure success

2 Focuses on what matters most to the customers

3 Focuses on unresolved pains

4 Target few jobs, pains, and gains but extremely well

5 Goes beyond functional jobs and address emotional & social jobs

Source: strategyzer.com

The Value Proposition Canvas

Value Proposition — Customer Segment

Gain Creators — Gains

Products & Services — Customer Job(s)

Pain Relievers — Pains

COPYRIGHT: Strategyzer AG
The makers of Business Model Generation and Strategyzer

Strategyzer
strategyzer.com

3. Understanding the Market Demand and Market Size for your offering
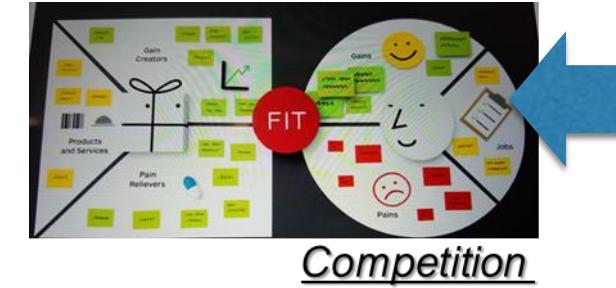
Understand, "ground-truth" and then reasonably estimate future local demand (i.e. in units, engagements, customers, traffic, $s, etc.), for the early stage (MVP) Minimal Viable Product or Service

How big is the accessible market for your product / service ?

Competition
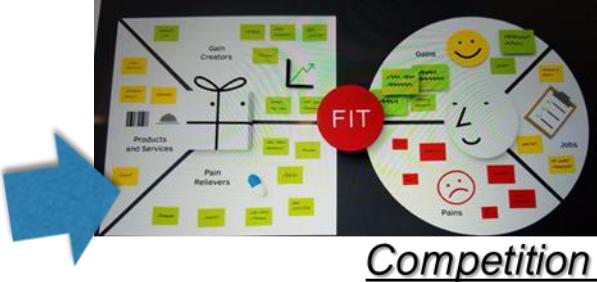
4. Keeping your MVP* (proof of concept) Simple, Focused, Understandable
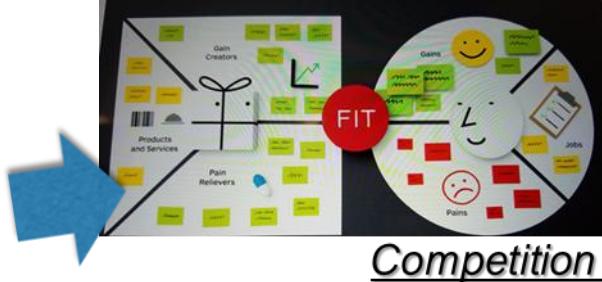
*Ensure the range of the initial Minimal Viable Product or Service *(MVP) offering is not too broad*

Multiple Features?
Multiple Geographies?
Layers of Customization?
Complex Supply Chain?
High COGs?
Lacks Synergy between Multiple Customer Segments?
Lacks Synergy in Manufacturing?
Complex Pricing Structures?
Complicated Logistics and Business Plan?

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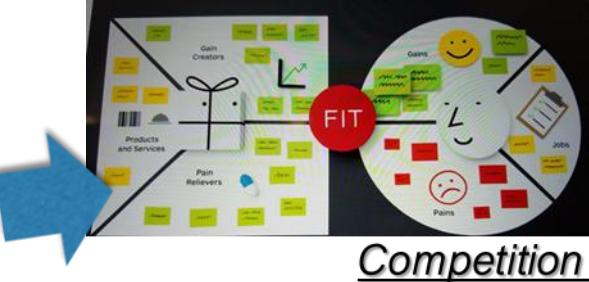
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Ask yourself, it is multiple products or services being sold into multiple customer segments at the same time having multiple different personas.

If so, your initial offering to the marketplace may be too complex for your early stage MVP.

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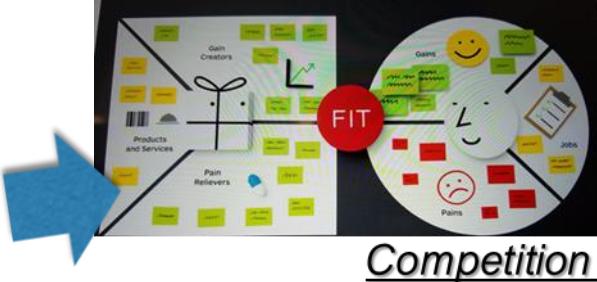
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Q: Could a broader product line, or service offering be launched in "phases" into the marketplace?

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5. Explaining how your *"SOLUTION"* to the problem is Different, Unique, Novel, Innovative, Beneficial..and needed.
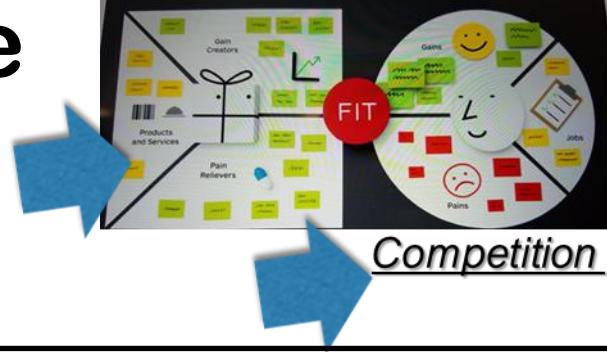
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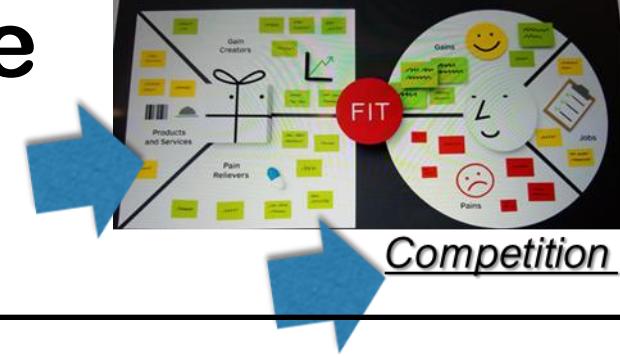
Understand how, specifically, ==the product/service offer is <u>"as good as or better than" competition</u>== and brings tangible, quantifiable benefits to your customers

WHAT MAKES YOU UNIQUE?

CUSTOMER BENEFITS

$$$s
Time
Cost Avoidance

6. Building the solution (product or service offering) on the basis of your Strengths

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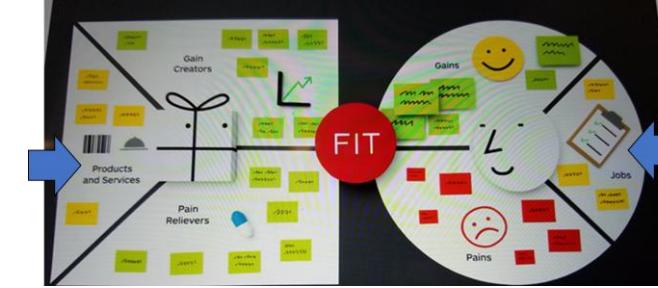
How specifically does the initial MVP product/service offering play to founders' strength.

Is it within her/his area of specific capability, demonstrated competencies, or, very particular area of focus or expertise.

7. Business leaders should aspire to become and remain Subject Matter Experts (SME) in their ecosystem.

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The marketplace is dynamic.

There is competition.

There is considerable "homework" required to continuously 1**create**, 2**_communicate_** and 3**_deliver_** and 4**extract value** to support your *Value Proposition Design* (VPD)

Ensures you can continue to monetize the value you worked so hard to create!

8. Get out…Build, Discover, Assess, Learn, Adjust, Pivot

BUSINESS PLAN

I. Table of Contents
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II. Executive Summary
III. General Company Description
IV. Products and Services
V. Marketing Plan
VI. Operational Plan
VII. Management and O…
VIII. Personal Finan…
Startup Exp…

"No business plan survives first contact with a customer"

—Steve Blank,
Silicon Valley–based retired serial entrepreneur.
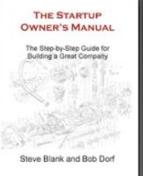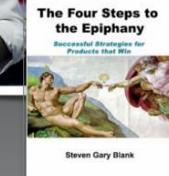
Steve Blank
Customer Development

The Four Steps to the Epiphany
Successful Strategies for Products that Win

Steven Gary Blank

THE STARTUP OWNER'S MANUAL
The Step-by-Step Guide for Building a Great Company

Steve Blank and Bob Dorf

8. Get out…Discover, Assess, Learn, Adjust, ==Pivot== (if needed)

Questions to seed your Customer Discovery interviews:

- *Please speak to the specific __issues__ / __challenges,__ __risks__ that drove you to your current suppliers' solution?*

- *What has been the experience with your current solution provider?*

- *Tell me about the current process: How does it work?*

- *What has been your return on investment with the current solution? How do you define / measure success?*

- *Who beside yourself makes the final decisions?*

- ==*If you had a magic wand, what 2 things would you change about your current solution or solution provider?*==

References on Lean Startup Customer Discovery:

- **"Customer Discovery and Customer Validation in Lean Software Startups"** by Tuomas Tähti.

- **"Customer Discovery Basics"** by Harvard Business School.

- **"The Mom Test"** by Rob Fitzpatrick

- **"Obviously Awesome"** by April Dunford.

- **"Talking to Humans"** by Giff Constable

Customer Discovery: What Do You Ask, with Justin Wilcox

Video

THE MOM TEST

TALKING TO HUMANS

During the Customer Discovery Interview process…

10 to 30 Interviews!

NO SALES PITCH

If I could wave my magic wand,
I WOULD CHANGE...

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Why?

Why?

Why?

Why?

Why?

Root Cause!

ASK:
5 Whys

Referencing the Lessons Learned, let us pause for Questions and Discussion!

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Center text

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Thank you for your attention, questions and engagement today!

The Anatomy of a Typical Small Business Entrepreneurial Journey
+ hindsight of 8 Lessons Learned

"Coaches' Corner"