

# Format of Business Plan for Incubation at IC IITP

IC IITP

[www.iciitp.com](http://www.iciitp.com)

# Snapshot

NAME OF THE APPLICANT	:	<i>Name of the company or person/ persons applying for incubation</i>
MOBILE NUMBER	:	<i>Ten digit mobile number</i>
E-MAIL ADDRESS	:	<i>Please provide a frequently (atleast once a day) used email address. You will receive further communication on this email address.</i>
CITY	:	<i>Write the city/town from which you are applying</i>
DATE OF APPLICATION	:	<i>Write the date on which the application is being submitted</i>
ABSTRACT	:	<i>Provide a one-line description about the idea or innovation.</i>
SECTOR	:	<i>Write the sector that the product or idea is focussing on. Some examples for sector are Tele-medicine, wearable, primary healthcare, etc.</i>
STAGE	:	<i>Current stage of maturity of the idea. Some examples are Idea, Prototype, Design, early growth stage, growth stage, etc.</i>

***This table is compulsory in your business plan.***

# Mandatory sections in the Business plan

1. Value proposition (highlighting the innovation)
2. Profile of management team; and advisory board (if any)
3. Planned products and services portfolio
4. Product development milestones and timelines
5. Approach and infrastructure requirements for technical implementation
6. Market potential analysis and competition analysis
7. Go-to-market plan
8. Funding requirements
9. Capital structure
10. Risk analysis and projected financials

*It is recommended to have one page/ slide per section of a business plan. Maximum length of your business plan should be 10 pages/ slides overall. You may allocate pages intelligently to each section to highlight the important aspects. The shorter the document it is more likely that you have put more thought into formulating how to present it. We want you to think about expressing your idea/ business in a very crisp fashion.*

*This format of business plan is intended to push you to think about prioritising what is important and, hopefully, think about it in an organized fashion. We don't mean to say that is the only format of thinking. This format is meant specifically for Incubating your business into our Incubator at IC IITP.*

*After going through this document, you might decide not to apply to us at all. If we have ignited a spark within you to think in a particular direction of making your idea/ business better, we couldn't be happier.*

*Feel free to drop me an email ([manager\\_ic@iitp.ac.in](mailto:manager_ic@iitp.ac.in)) if you have any inputs on this format itself.*

# SECTION 1: Value Proposition

- Please mention the need you are trying to address.
  - In other words, you are answering the question, “What problem would continue to exist if you were not working on this idea/ start-up?”
  - In case it still isn’t clear: You are working on disrupting something. What is that? Mention that disruption clearly in a way laymen can understand.
- Mention the value proposition you provide to the end-user/ customer of your business.
  - You are trying to do something faster, better, quicker, more efficiently than before. Or you are doing something to completely revolutionize the way it was being done. Or you are inventing something that didn’t exist before. While the excitement of doing all this is fine, it needs to benefit the end-user/ customer in a certain way. What is that?
  - From a simpler, more commercial angle, the question could be framed as, ‘Why will someone pay you?’. Answer that question.
- Highlight the innovation in your value proposition.
  - There should be a differentiation from existing products in the market in a strong technical manner. This is an Incubation Center focussed on nurturing innovations in Electronics System Design and manufacturing (ESDM) and Medical Electronics in an IIT. So, remember the context in which you are writing this business plan.
  - This innovation is the foundation stone of your business plan. Please be as clear as you can be about the innovation.

*INFORMAL DISCLAIMER: If you are worried about exposing your ‘idea’ to us and that we are going to copy it: Kindly be assured that we are busy enough running this Incubation Centre at IIT Patna! We receive many business plans with similar ideas in similar areas. We are trying to understand how to nurture these business plans and grow them to achieve their own success. All our actions are focussed on the Incubation process and the product development. So, we need enough details to incubate you but not to run your business ourselves. So, it is a business call you have to take on how much to reveal and how much not to. If you don’t reveal much you run the risk of not getting through the process. If you reveal too much you run the risk of being scared about someone running away with your idea. This is where IC IITP wishes to assure you that maintaining confidentiality of your idea is our highest priority. Please apply without any worries!*

# SECTION 2: Management and Advisory team

- Please provide brief but significant details about your team members with small-size photos.
  - Brief but significant points of work-experience. Quantify wherever possible. For example: Joined a startup as founding employee and helped scale upto <pick a growth parameter you want to show>
  - Please refer the boxes given below for further detailing of the individual profiles.
- Provide links to their LinkedIn profile and other social media (facebook, twitter, etc.)
- If you have an advisor/ advisory team working closely with you or willing to work with you in the future, profile them as well. Put them on a separate slide/ page.



## TEAM MEMBER 1

Designation in the company  
*Educational Qualification*

- *Cover the significant work experience details.*
- *Highlight any previous startups done.*
- *Product development experience will be valued.*
- *Research areas & Technical publications, if any.*
- *Patents held, if any.*
- *Any funds raised in the past?*
- *If you have any exit, please mention it.*



## TEAM MEMBER 2

Designation in the company  
*Educational Qualification*

- *Cover the significant work experience details.*
- *Highlight any previous startups done.*
- *Product development experience will be valued.*
- *Research areas & Technical publications, if any.*
- *Patents held, if any.*
- *Any funds raised in the past?*
- *If you have any exit, please mention it.*



## TEAM MEMBER 3

Designation in the company  
*Educational Qualification*

- *Cover the significant work experience details.*
- *Highlight any previous startups done.*
- *Product development experience will be valued.*
- *Research areas & Technical publications, if any.*
- *Patents held, if any.*
- *Any funds raised in the past?*
- *If you have any exit, please mention it.*

## SECTION 3: Products and Services portfolio

- List out the product portfolio you are planning to build.
  - One product companies (at a plan level) rarely generate excitement from a follow-on funding perspective. So, it's always better to have a portfolio of products planned. You might be working on a single product currently. But there needs to be a plan to develop further products.
- If your product needs a service component to ensure users have a better experience with it, kindly detail the service plan as well.
  - Kindly think through the execution of the service side as well. This needs to reflect in your financial projections also.
- You may even plan to position your product as a service. Like [this](#). Or follow the Apple iTunes model.

## SECTION 4: Product development milestones and timelines

- The main idea behind applying for IC IITP is to get help/ guidance/ accelerate your product development phase. Hence this is, perhaps, the most important section of your business plan. Please write this carefully. Mentors will be working with you to execute this plan. So, kindly ensure you plan this section thoroughly. And mention the main points with detail enough to understand that this plan is good enough for incubation. The details will be necessary for your presentation session and the subsequent two year programme.
- Please plan this as per your own product development schedule. Provide estimates of when you plan to accomplish each milestone. Think about the inputs you need at each stage and write it down somewhere. You will need to refer to that for writing a later section.
- This video is one of the best resources on the internet for hardware product development (use the principles he talks about. Ignore the specifics about his own product):

“How to Design Hardware Products” by Hosain Rahman  
Source: [YouTube](#)

## SECTION 5: Approach and infrastructure required for technical implementation

- In this section you will define an approach that you will follow to develop your product. It depends on many aspects of your product. You have already defined the various aspects of your product earlier. Now, in this section you elaborate upon how you go about doing this. You have already shared the milestones and timelines in the previous slide. So, this is all about the “How” of things.
  - Circuit Model (drawings) and Device Model (drawings) of the product
  - Manufacturability of the product and capital requirements
- At the same time, you enumerate the requirements to achieve your technical development/ implementation. You should include in this list a requirement in the following heads:
  - List of equipment required to help you in your approach
  - List and estimated price of the components to build the product
  - Existing gaps in understanding of solving a particular problem en-route the development journey. And hence, define the technical mentoring needs.
  - If you have any specific mentor profile in mind, you are free to let us know. We will try to find a mentor for you such that she/ he meets your requirement.
  - Also let us know the software pieces you would require to build, design and develop the entire product.



## SECTION 6: Market and competition analysis

- What is the size of your market? Give an overall size for your market in terms of INR Crores or USD Million. Get deeper as you describe that. This number could be a number you got from a market report.
- Usually, market reports will include a generic market size. If they are specific to what you are trying to do, then great. But then, if it isn't try and carve out through a logical set of assumptions a certain number that could be your relevant market. This is the number you will hit 100% if your business is successful.
- There is another number you can derive. Start from the number of sales calls you can do per day (assume the number of sales personnel you will have). Assume a sales call to sales conversion ratio. Multiply by revenue per sale and estimate the turnover of the company. This is how you arrive at the first year revenues of your company. This in turn also shows the %age of market share you will garner (this number divided by the relevant market number you arrived at in the previous bullet point).
- If you can use another relevant market in another country or another similar market somewhere else to help people understand the market you are trying to address.
- At the same time, there will be competitors for your product. Please don't say or even think that "there are no competitors". Always remember what happened to Nokia. They did nothing wrong but the ground below them shifted. So, be aware of competitors from every direction.
- The sustainability of your venture/ idea/ business can be easily defined to this one section called "competition analysis". The perspective you have about your competition defines the longevity of your business. This section might not be very critical in your Incubation chances, but it would define the DNA of how your future will turn out very strongly.

## SECTION 7: Go-to-market plan

- This all about how the business will reach out to the customer. Which distribution channel will you use? Why? Dig deeper on this aspect. Will you own the channel? Will you franchise it? How many layers in the distribution channel?
- Get down into more detail of your service layer. If you are selling a hardware device, where will the batteries be available? How will the chargers be available? If the device needs service on a regular basis – who will do it? Will you build a service network yourself? Or will you outsource it to someone?
- Which geography will you go after first? What is going to be the profile of your first few customers? How will you sweep the market? What's the approach here? Define the low-hanging fruit in each geography? How will you find them? What's the market strategy to reach them?
- What about certification requirements of the markets you are going after? How have you planned your clinical trials (in case of a medical device)? Do you need any assistance from IC IITP to put together the clinical trials partner?
- Will you have a software on the device? How will you update the software/ firmware? Would the customer need to come to you? Or will it be live?
- Will you have any strategic alliances to help you reach out to the customer? Who would be the likely partners for you?

## SECTION 8: Funding requirements

- So, yes, this section is important here even though you are coming for Incubation. Your priority is to develop your product and get the product to shape. But then, you need to have a parallel track of thought running 24x7 about how you will keep this venture afloat. A hardware company/ start-up always has a requirement capital for various needs. So, you need to keep your eye on that aspect of building this venture always.
- Estimate your costs for the two year program first. How much you will need to survive two years in an Incubator. And brainstorm about sources from where that money could come from. Keep that list handy.
- There was a section earlier where you listed down components you need and an estimated price for that. This is the section where you bring it in officially and put it down as a breakup.
- You will have to think about whether you will raise this money through equity or any other means. Debt in India is tough. But this government is attempting at relaxing norms for lending to startups. So, let's wait and see. As an Incubator, we will provide you access to Investors and angels in order to meet your requirements. So, it is essential we understand your future funding requirements at the admission stage.
- Even otherwise, it is useful for you to think in this direction and ensure that the business doesn't dry out of funds.

## SECTION 9: Capital structure

- You maybe applying for admission to IC IITP as individuals. But according to our process, within 4 months of your successful admission into the Incubator you need to form a Private Limited company. So, you need to think about your capital structure. It's just a table. Nothing major. The term might sound serious. Here's how it typically looks:

Shareholder	Number of shares held	%age shareholding
Shareholder1	500	50%
Shareholder2	500	50%
<b>TOTAL</b>	<b>1,000</b>	<b>100%</b>

- At a startup level this is all you need to know about capital structure. Being a hardware-focussed company, you will have much more complicated structure because you will try and access all forms of available funds in all kinds of complicated structures. Some of these forms of funds will find their way into the capital structure. For example, if you raise money through a VC, they will invest through an instrument called Convertible preference shares which are redeemable at their option which behaves as debt as long as it sits in your company. And at the moment of exit, it converts itself into equity and they make money as equity investors. Well, you didn't understand that, did you? It's okay. Leave it for now. We shall cross that bridge together when we come to that. For now, think about who will hold how much share in the company. That must be easy!

## SECTION 10: Risk Analysis and projected financials

- What are the various risks associated with your product/ team/ company/ business model? Analyse them and discuss the top two risks in this section. Sometimes, there could be Government rules and regulations that could be required. Else, there could be distributor reliability. Every option you choose in the process of putting this company together, there will be risks and associated returns. Elucidate the risks. Prioritise the top two risks. And mention them and discuss those risks.
- Financial projections. Do a P&L/ cash flow for the first 12-18 months of your revenue generation phase. For the IC IITP application, you need not do a very detailed one. But at the same time, it should not be a very brief and worthless exercise. You must have put some thought into how you will be making revenue. And the associated costs should be properly thought through. If you are aiming at raising VC funds sometime in the future, this exercise is quite important to be done right at the beginning itself. The more you understand your company from the numbers perspective, the more you will know which areas to focus on during the operations of the company at various levels of scale of the company.

That's it. If you feel like adding more, please do. But 10 pages only!

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*Please send your business plans to Mr. Aditya Nataraja, Manager-IC: **manager\_ic@iitp.ac.in***

*Please submit your business plans based on this format. If you have a better format, please use it. We need information under the following heads. This maybe used as a guideline for writing a business plan for the purpose of submission to IC IITP.  
Only the table in the first slide is compulsory*