Blackblot Strategic Product Entrepreneur™ (SPE) Plan for Startups

<Comment: Replace the Blackblot logo with your company logo.>

Company Name: <Enter company name>
Product Name: <Enter product name>

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Document Revision History:

Date	Revision	Revised By	Approved By
<Enter revision date>	<Revision #>	<Enter your name>	<Enter name>

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1. Introduction

1.1. Document Objective

This document outlines the Blackblot Strategic Product Entrepreneur™ Plan (Blackblot SPE Plan). This key document is based on the Blackblot Strategic Product Entrepreneur™ Model for Startups (Blackblot SPE Model for Startups), a lightweight and consistent model to realistically review market opportunities, determine product features, and shape marketing efforts at startups (temporary product organizations).

<Comment: Throughout the document, keep your writing short, clear, and simple. The Blackblot SPE Plan enables the reader to understand the market opportunity and its economic potential, the market problem being solved, the proposed product and its functionality, the product's value and messaging, related strategies, and business model. The entire document forms the understanding and business justification for delivering the proposed product to market.>

2. SPE Phase I – Market Opportunity

2.1. Section Objective

This section describes, identifies, and justifies a valid market opportunity.

<Comment: The main challenge in this phase is to realize the profit and risk potential of this business venture.>

3. Market Problem and Opportunity

3.1. Sub-Section Objective

This sub-section describes the market problem and the resulting market opportunity that are the subject of this business venture.

3.2. Market Problem

<Identify and justify the specific market problem. Explain any other interlinking market problems.>

<Comment: The market problem is a "consumer" or "product" or "technology" problem in the target market. The market problem is essentially a situation (difficulty) that exists in the target market and requires change.

- *Consumer Problem – A marketplace situation in which consumer needs remain unsatisfied (B2C). The solution to a consumer problem is a whole product.*
- *Product Problem – An industry situation in which product functionality is unmet (B2B). The solution to a product problem is a product component.*
- *Technology Problem – Challenges in applied science. The solution to a technology problem is scientific research.>*

3.3. Market Opportunity

<Provide a statement detailing the specific market opportunity. Size and substantiate the market opportunity as much as possible. Document the assumptions and facts that validate and justify the market opportunity. Explain any other interlinking market opportunities.>

<Comment: The market opportunity is a lucrative, lasting, and sizable market problem.   Market Opportunity = Market Problem + Volume + Duration + Earning Potential.>

3.4.   Market Overview

<Define and describe the main target market and the primary customer profile to which the product is targeted. List the key characteristics of the target market and the customer. Comment as relevant on the market size, market growth, and any applicable technological, regulatory, and cultural trends as well as the economic, political, and competitive landscape. Explain why the main target market was selected and explain the rationale supporting the pursuit of this specific target market.>

3.5.   Glossary and Definitions

<Provide a list of any related terms and their definitions which will be used in describing anything related to this business venture.>

Term	Definition
<Term>	<Provide a definition for the term.>

4.   SPE Phase II – Market Problem

4.1.   Section Objective

This section describes the market difficulty and desired functionality.

<Comment: The main challenge in this phase is to realize in a structured and detailed way the user problem that will be solved and what specific needs are to be addressed.>

5.   User Statements

5.1.   Sub-Section Objective

This sub-section describes the user statements that are drawn from the market problem.

<Comment: User Statements (US) are facets of the market problem. In this section, avoid defining a product or technology and avoid providing detailed design or implementation specifications. User statements describe the solution from the user's perspective and effectively depict what the user wishes to accomplish.>

5.2.   User Statements

US Name	User Statement Directive and Constraints
<Provide a short name for easy reference to the user statement.>	<Provide the instruction that guides and directs functionality being sought by the user. Each directive addresses a facet of the market problem. The directive format is: "User <shall/should[(high/medium/low)]> be able to <functionality>."> *<Comment: The special conventions used in the directive are:* • *Square brackets "[ ]" denote optional arguments* • *Pointed brackets "<>" denote mandatory arguments* • *Slash symbol "/" denotes the "OR" logical operator.>* <Provide a list of all possible constraints, the limitations imposed on the solution relevant to this particular user statement.>

<Example:

US Name	User Statement Directive and Constraints
Dropped Flashlight.	*User shall be able to find dropped flashlight.* • *Terrain: snow (one foot deep)* • *Recovery time: ten seconds* • *Visibility: darkness*

>

<Comment: Provide a list of the operational characteristics, the working capabilities required of the solution. Write each user statement separately.>

6. Use Cases

6.1. Sub-Section Objective

This sub-section describes how the users put a solution to use and in which events.

<Comment: Use cases describe how different users put a solution to use and for which events. Use cases define events (specific instances of usage) and describe who (user) does what (interaction) with the product and for what purpose (goal). In more precise terms, a use case is a specific way of using the system by performing some part of the functionality. Each use case constitutes a complete course of action initiated by a user, and it specifies the interaction that takes place between a user and the system. The collected use cases specify all the existing ways of using the system. Use cases focus on single instances of use. Combining several use cases forms a "Scenario". A scenario is a succession of use cases, and is sometimes presented using a "Storyboard". In several published books covering the topic of use cases, the "User" may be referred to as the "Actor", and the "Product" may be referred to as the "System". These terms are and can be used alternately.>

6.2. Use Case Statement

Use cases define events (specific instances of usage) and describe who (user) does what (interaction) with the solution and for what purpose (goal).

<Comment: Prepare use cases for the primary users. The following is a general tabular structure that can be used in describing each use case.>

Use Case Name	Use Case Name Statement
<Title given to the specific use case.>	<Summary description of the use case that encompasses and defines the event (specific instance of usage) and describes who (user) does what (interaction) with the solution and for what purpose (goal).>

<Example: The following is a proper example of use case statement. Note that it is clear to recognize from each statement "Who" does "What" with the product for which "Event(s)" and for what "Purpose".

Use Case Name	Use Case Name Statement
Professional Hikers	*Professional Hikers use light signals to signal rescue airplanes in case of emergency so that their lives can be saved.*

>

7. Product Roadmap

7.1. Sub-Section Objective

This sub-section describes a product roadmap for the <Enter the name of the product or product line>. A product roadmap is a plan or vision that describes the company's long-term strategy for the product's evolution during the course of time.

7.2. Product Roadmap

Roadmap	<Enter Year>	<Enter Year+1>	<Enter Year+2>
Product Name/Code Name			
Target Market			
Value Proposition			
Enhancements and Added Features			
Technologies Used in Product			
MSRP †			

† Manufacturer's suggested retail price

<Example:

Microsoft Windows Roadmap		
Roadmap	**2001**	**2007**
Product Name/Code Name	*Windows XP (Whistler)*	*Windows Vista (Longhorn)*
Target Market	*SMB and consumers*	*SMB and consumers*
Unique Selling Proposition	*Compatibility*	*Compatibility*
Value Proposition	*---*	*---*
Enhancements and Added Features	*Stability, domains, memory management, remote admin*	*Security, stability, Aero GUI, shell, account control*
Technologies Used in Product	*Multiprocessing, EFS, NTFS, hyper-threading, ClearType*	*WIM, WinFX, Speech recognition IPv6, MSH, WPF*
MSRP †	*$200 (Pro)*	*$400-$500 (?)*

† Manufacturer's suggested retail price

>

8. SPE Phase III – Product Development

8.1. Section Objective

This section describes the solution's required features and technology.

<Comment: The main challenge in this phase is to realize how to solve the user problem and how to build the product.>

9. Product Statements

9.1. Sub-Section Objective

This sub-section describes the functional and feature requirements of the product.

<Comment: Each product statement must be written as a clear and concise statement, rather than in a long narrative or paragraph form. Do NOT describe the product design, technology, or implementation specifications.>

9.2.   Product Statements

PS Name	Product Statement Directive and Constraints
<Provide a short name for easy reference to the product statement.>	<Provide the requirement's directive, a statement that describes a facet of the product. The directive is an instruction, guiding what the product does or has. Directives are phrased as follows: "*Product shall/should provide...*".> • <Provide all possible constraints, the design limitations imposed on the product, relevant to this particular product statement.>

<Example:

PS Name	Product Statement Directive and Constraints
Dual Voltage	*Product shall provide support for worldwide electrical power grids.* • *Voltage: 230 volt and 110 volt.*

>

<Comment: Provide the product statements – the functions provided by the product. This effectively is a list of what the product does or has. Write each product statement separately.>

10.   **The Product**

10.1.   Sub-Section Objective
This sub-section describes the product.

10.2.   Product Overview
<Provide a general description of the product relating to its purpose and functionality.>

10.3.   Product Technology Overview
<Provide a general description of the technology and innovation found in the product itself.>

10.4.   Solution Technology Overview
<Provide a general description of the technology and innovation found in the solution itself and in the technology which will be employed in producing the solution.>

10.5.   Intrinsic Advantages – Product
<Describe any business advantage intrinsic to the product itself.>
<Comment: Business advantages can be any number of distinctive competencies, such as superior customer value, lower total cost of ownership, lower price, greater market share and profitability, superior technology, broader distribution network, and higher operational efficiency.>

10.6.   Product Diagram/Architecture
<If relevant, describe the solution's architecture and modules accompanied by a schematic diagram.>

11.   SPE Phase IV – Market Messaging

11.1.   Section Objective
This section describes the marketing messages delivered to the target market, relative to the <Enter product name> product.

<Comment: The main challenge in this phase is to the right information that will induce a buying decision by the customers. The information created here is the basis for developing clear and focused marketing messages that communicate the product's value proposition and unique psychological placement to the target market.>

12.   Value Proposition

12.1.   Sub-Section Objective
This sub-section describes the "Value Proposition" factors which the product holds.

12.2.   Resultant Value Proposition
<Describe the product's "Resultant Value Proposition".>
<Comment: The "Resultant Value Proposition" is an implicit promise a product holds for customers to deliver a fixed combination of gains in time, cost, and status. This proposition reflects the product's main and relevant benefit, in absolute terms, to the customer and is what primarily is needed of the product.>

12.3.   Relative Value Proposition
<Describe the product's "Relative Value Proposition".>
<Comment: The "Relative Value Proposition" is an implicit promise a product holds for customers to deliver a desired ratio of benefits and costs [customer]. It is a notion that the customers use to differentiate products of seemingly similar value, although their respective absolute benefits and costs may be different. "Total Cost of Ownership" (TCO) is the aggregate expenses incurred by the customer from buying and using the product (essentially costs [customer]). Common relative value propositions, which are based on the ratio between benefits (features) and costs (TCO), include:
- *Much more features for more TCO.*
- *More features for the same TCO.*
- *More features for less TCO.*
- *Same features for less TCO.*
- *Less features for much less TCO.>*

12.4.   Unique Selling Proposition
<Describe the product's Unique Selling Proposition (USP). The USP can be one word or several paragraphs long. Keeping the USP simple and brief makes it easier to comprehend and more effective.>

<Comment: The "Unique Selling Proposition" is a key value differentiator, which sets the product apart from other competing products. Relative to the product, the USP embodies value to customers, a competitive differentiator, and target market appeal. The proposition must be one that the competition either cannot or does not offer. A USP may also be generated for a brand, product line or company. This template deals with developing a USP for a product.

- *The three Unique Selling Proposition (USP) elements are:*
  - o *Value to customers – The one statement that describes the unique value of the product.*
  - o *Competitive differentiator – The one statement that makes the product different than any other competing products.*
  - o *Target market appeal – The one reason customers will buy the product even though it may seem to be no different from any other similar products.>*
- *The following may constitute a product's Unique Selling Proposition: particular product attributes, quality, customer service, guarantee, serving a specific market segment, distribution, patriotism, sentimental appeal, rarity, locality, tradition, synergy, fashion, patents, trademarks, convenience, variety, and packaging.*
- *The following are examples of Unique Selling Propositions:*
  - o *Advil's USP for its cold medication is fast relief.*
  - o *Apple's USP for its computers is user-friendliness.*
  - o *Rolls-Royce's USP for its vehicles is luxury.>*

13. Product Positioning

13.1. Sub-Section Objective

This sub-section describes the product's positioning statement, which conveys the actual and desired way in which customers perceive the product when compared to its competition.

<Comment: The common definition for product positioning is "the place a product occupies in customers' minds relative to competing products". Product positioning is the process that establishes the customers' perception of the product, which is the goal of this process.>

13.2. Current Product Positioning Perception

<If applicable, describe the present disposition and perception the target market may hold towards your company and products.>

13.3. Core Two Sentence Positioning Statement

"For the <Enter target customer> who <Enter statement of need or opportunity>, the <Enter product name or category> provides <Enter statement of key benefit>. Unlike <Enter primary competitive alternative>, the <Enter statement of primary differentiation>".

<Comment: Identify the key positioning statement relative to the product itself and its main target audience.>

13.4.   Competition's Positioning
<If applicable, define, list, and describe how the competitors position their products that are in direct competition to your product, attempting to solve the same specific market problem.>

14.   SPE Phase V – Product Delivery

14.1.   Section Objective
This section describes the strategy mix and business model which will be used to help achieve the business and marketing objectives.
<Comment: The main challenge in this phase is to formulate the "business compass" which will steer the business venture towards marketplace success.>

15.   Strategy Mix

15.1.   Sub-Section Objective
This sub-section describes the business venture's strategy mix.

15.2.   Business Strategy
<Describe the chosen business strategy.>
<Comment: Business strategy describes decisions that support being a leader or follower or innovator, in a specific line of business.>

15.3.   Market Strategy
<Describe the chosen market strategy.>
<Comment: Market strategy describes decisions that define target markets, set marketing objectives, and outline how to build a corporate competitive advantage.>

15.4.   Product Strategy
<Describe the chosen product strategy.>
<Comment: Product Strategy describes decisions that build and enhance products to fit market needs, and outline how to build a product competitive advantage.>

16.   Business Model

16.1.   Sub-Section Objective
This sub-section describes the business venture's business model, the scheme used by a company to generate economic gain for itself and its shareholders.

16.2.   Business Model
<Describe the chosen business model.>
<Comment: Business model, a misunderstood and ill-used term that is often substituted for business plan or business strategy, is a simple and most intuitive concept. A business model is a description of how a company intends to make money. For example, selling software applications with a perpetual license, particularly for desktop operating

systems, has been Microsoft's traditional business model. Many online content/services providers such as google.com and cnn.com have a business model where they provide content for free and charge for advertising. Some news and financial services websites and mobile applications employ an advertisement-free, subscriber-based business model.>

17. Financial Outlook (Optional)

17.1. Section Objective

This section depicts the financial outlook and costs relative to the product.

17.2. Market Analysis

<Complete the table below.>

Potential Customers	Growth	Year 1	Year 2
Consumer	%	0	0
Small Business	%	0	0
Large Business	%	0	0
Government	%	0	0
Other	%	0	0
Total	%	0	0

<Example:

Potential Customers	Growth	Year 1	Year 2
Consumer	*2%*	*12,000*	*12,240*
Small Business	*5%*	*15,000*	*15,750*
Large Business	*8%*	*33,000*	*35,640*
Government	*-2%*	*36,000*	*35,280*
Other	*0%*	*19,000*	*19,000*
Total	*2.78%*	*115,000*	*117,910*

Develop a basic Market Analysis table, with a simple list of market segments. Fill in the total potential customers estimated and the annual growth rate expected for each segment.>

17.3. Break-Even Analysis

<Complete the table below.>

Break-even Analysis	
Monthly Units Break-even	0
Monthly Sales Break-even	$
Assumptions	
Average Per Unit Sales Price	$
Average Per Unit Variable Cost	$
Estimated Monthly Fixed Cost	$

<Example:

Break-even Analysis	
Monthly Units Break-even	*1175*
Monthly Sales Break-even	*$381,875*
Assumptions	

Average Per Unit Sales Price	*$325*
Average Per Unit Variable Cost	*$245*
Estimated Monthly Fixed Cost	*$94,000*

The Break-even Analysis Table is an illustration of where it is estimated the business will actually begin to make money. The Break-even Analysis table calculates a break-even point based on total fixed costs, total variable costs per unit of sales, and revenue per unit of sales.>

17.4.   Financial Costs
<Complete the table below.>

Financial Analysis	Year 1	Year 2
Revenue:	$	$
Costs:		
Analysis	$	$
Design	$	$
Development	$	$
Implementation	$	$
Ongoing Operational Costs:		
Human Resources	$	$
Administration	$	$
Net Benefit or Cost:	$	$
Net Present Value (xx% Discount Rate)	$	$

<Comment: Ascertain the relevant costs incurred over the chosen time frame:
- *Cost of goods.*
- *Cost of selling.*
- *Overhead cost.*

Note that each of the relevant costs possesses a fixed and variable component.

Consideration should be given to:
- *When the costs will be incurred.*
- *Who will incur the costs.*
- *Certainty of costs.*

Do not intentionally underestimate costs or any capital requirements. It is better to ask for all necessary funding the first time rather than to have to go back and ask for more.>

18. Conclusions and Recommendations

18.1. Section Objective

This section provides specific recommendations regarding the business venture.

18.2. Conclusions

<Identify and describe any conclusions about the proposed business venture.>

18.3. Recommendations

<Make specific recommendations on proceeding with the business venture.>

<Comment: The extent of the recommendation may range from recommending approval for a full product delivery program to recommending a more detailed requirements analysis be done to validate some key business venture components.>

18.4. Exit Strategy

<Describe and recommend an exit strategy for the team, product, and technology, should the product commercially fail. Common exit options are: sale, merger, spin-off, or public offering.>

19. Review and Approval

19.1. Section Objective

This section describes how the business venture is reviewed and approved, and who is responsible for the process and the decision making.

<Comment: This section also contains the final outcome of the business venture. If the business venture is approved, then evidence of the approval should be included. If the business venture is not approved, then the business decision behind either rejecting the product or deferring the delivery program should be documented.>

19.2. Review Process

<Describe who will review the Strategic Product Entrepreneur™ plan, what is the approval process and by when should the plan be approved or not.>

<Comment: Ultimately note in this document whether or not the business venture is approved. If applicable, approval conditions should be identified and documented. If the business venture is not approved, reasons for the decision should be documented.>

20. Supporting Data

20.1. Section Objective

This section provides data in support of claims, assertions, assumptions, and statements made throughout this document.

20.2. Assumptions

<Describe any assumptions made when writing this document.>

20.3.   Research Information
<If relevant, describe and list the type and scope of research conducted in the course of writing this document.>

20.4.   Product Diagram/Architecture
<If relevant, describe the product's architecture and modules accompanied by a schematic diagram.>

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