

What Makes a Good Business Case?

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First Capital Challenge


Two Step Process


#1: Show there's lots of money to be made

#2: Show the risks can be covered

#1: Lots of Money to be Made

Profit = Revenue – Cost


= (Unit Revenue) x (# of Units)


- (Unit Cost) X (# of Units)
- Fixed Costs

Unit Revenue

- What do people pay now?
- How much money will they save?
- What do people say they would spend?

What is it worth to your customer? – Prove it

Unit Cost

- What cost have you been quoted?
- What costs are others seeing?
- What has an expert estimated?

**Can you produce it at
a profit? – Prove it**

of Units

- How many potential customers exist?
- Of those, how many can you reach?
- Of those, how many can you serve, when, given the competition?

Why will they buy from you and keep buying from you? – Prove it

Fixed Costs

- People
- Equipment
- Facilities
- Services

Do you have a good sense of what this will take? – Prove it

#2: Covering Risks

How will you overcome, mitigate or hedge the risks of:

- Market
- Technology
- Execution

Do you understand and can you manage the risks? – Prove it

Finally

The easiest way to build a great business case ...

... start with a great business opportunity in a growing and profitable market.

Have you identified a growing and profitable market? – Prove it