



Individual Readiness Assessment

Name: _____

Group: _____

A.1 – Many “high-tech” entrepreneurs possess strong technical skills and often have a clear vision of product development risks in their own minds. In this situation:

- A vision statement is not really needed since the pathway forward is already evident.
- Given the entrepreneur’s knowledge, the process of developing a business plan is dramatically shortened.
- Picking venture team members is simplified since technical barriers are known and the engineering staff requirements and business plan organizational needs are pretty clear.
- A hazard is that the entrepreneur is likely to underestimate the business strategy component of the business plan.

Answer: _____

A.2 – Since business plan formats are pretty well standardized, the easiest and fastest way to get a business plan completed is to purchase a software package that automates business plan generation.

- True
- False

Answer: _____

A.3 – The development of a business plan is a useful tool for investors, business partners, and the new venture team. Select the following statement most likely to be true:

- The plan is the primary document needed in the process of raising funds from angel investors.
- It is a good idea to have the plan completed before your first product prototype is ready.
- The plan should be available through your website to provide broad exposure to potential investors.
- The plan is a strategic document that can be used in recruiting and attracting potential employees.

Answer: _____

A.4 – What is the recommended length of a business plan?

- The recommended length varies with the expected investor due diligence.
- About 15-25 pages should convey the essential ideas.
- No more than 5-8 pages.
- It depends a lot on the complexity of the technology involved and the patent landscape.

Answer: _____

A.5 – Working through the development of a business plan typically involves a lot of work, but fortunately there is a lot of information available to entrepreneurs. Still, one or two common gaps often appear in many business plans. Which of the following would be the most critical flaw in a given business plan?

- Inaccurate financial projections.
- A hastily written document that needs editing.
- The document is over 6 months old and the marketing information is no longer valid.
- The business model is incomplete or unclear.

Answer: _____

A.6 – The development of an “elevator pitch” is frequently encouraged when thinking about a new business venture. This is probably because:

- a. The elevator pitch simplifies the introduction of a written business plan.
- b. A persuasive elevator pitch is necessary when appealing to investors.
- c. The process of thinking about a new venture requires you articulate a value proposition, and developing an elevator pitch is needed to focus your energy.
- d. During the initial phases of a venture, the elevator pitch can help you quickly test business concept scenarios with stakeholders.

Answer: _____

A.7 – A key aspect of the financial section of a business plan is

- a. Statement of managerial accounting skill
- b. Production capability
- c. A realistic sales forecast
- d. A description of competitor financial strength.

Answer: _____

A.8 – One of the common mistakes when starting a new business venture is being over-optimistic about market size. This could be the result of:

- a. Diversifying your product line too soon
- b. Poor market research.
- c. Missing the product’s window of opportunity.
- d. Focusing on sales volume rather than profit.

Answer: _____

A.9 – The interrelationship between social capital, economic capital, and natural capital is a balancing act. For a new battery manufacturing venture, which of the following would be the best message to convey in a business plan?

- a. To reduce financial risk, some funding will be needed to purchase environmental waivers.
- b. The plan indicates a social entrepreneur will be hired as soon as funds are available, since this will convince investors the “right” team is balanced and environmental issues are taken seriously.
- c. A plan that integrates these factors together reflects a venture’s attention to the “triple bottom line” and balances stakeholder interests.
- d. Strict adherence to environmental regulations is a priority.

Answer: _____

A.10 – The business plan is claimed to serve as the “alignment tool” for a new business venture. This means that:

- a. Production process variances have been minimized.
- b. Sales and marketing staff are aligned with the product opportunities.
- c. Financial forecasts are believable and provide an attractive ROI to potential investors.
- d. The business plan illustrates how key stakeholder interests are served by the proposed venture.

Answer: _____