**Stage 2 Business Innovation**

**Task 3: Financial Pitch**

**Assessment Type 1: Business Skills (40%)**

**Weighting: 10%**

This task builds on the analysis that you have conducted in Task 2 – Consultancy Infographic & analysis and is designed to provide the Financial Information for your proposed business transformation.

In this task, you are required to synthesise, evaluate and communicate information from a range of data sources to explore and develop viable revenue models and cost structures that support the recommendations of your consultancy report.

**Task Description**

Based on the recommendations made in your consultancy infographic and analysis, prepare a financial presentation that addresses the following areas:

* Market Analysis
* Revenue Model
* Pricing Strategy

In preparing your presentation you should investigate the following:

* + Market Analysis:
* Market Size for proposed transformation
* Demographics including income and capacity to pay
* Competitor Analysis
  + Proposed Revenue Model:
* Identify your proposed [revenue model](https://www.cmu.edu/swartz-center-for-entrepreneurship/assets/revenue-models.march-2015.pdf) and the assumptions that underpin it.
* Test your proposed revenue model with your stakeholders, pivoting when required.
  + Proposed Pricing Strategy:
* Identify your proposed [Pricing Strategy](https://www.business.gov.au/Products-and-services/Develop-a-pricing-strategy) and the assumptions that underpin it.
* Test your proposed pricing strategy with your stakeholders, pivoting when required.

**This task should be presented in a multi-modal format and encompass a creative and innovative format. Below are some suggestions:**

* You could tell a story
* An announcement
* Q & A
* Behind the scenes look
* News broadcast
* Sharing of product/service
* Conducting an interview
* Drawing on a whiteboard (videoscribe)
* Timelapse
* Before/after
* Animation
* FAQ’s
* Introducing employees

**Assessment Conditions**

**Format:**

Financial Presentation

**Word Count:**

To a maximum of 6 minutes (1000-word equivalent)

Words on the slides count!

**Assessment Design Criteria**

FSP2 Generate viable solutions to problems and/or needs using customer-focused approaches

CA1 Contextual application of decision-making and project management tools and strategies

CA2 Create and apply business intelligence to iteratively develop business models and plans

CA3 Contextual application of communication and/or collaborative skills.

|  | **Finding and Solving Problems** | Contextual Application | Analysis and Evaluation |
| --- | --- | --- | --- |
| A | Insightful identification and exploration of problems and/or needs using customer-focused approaches  Highly creative generation of innovative and viable solutions to problems and/or needs using customer-focused approaches | Perceptive and highly effective contextual application of decision-making and project management tools and strategies  Astute and highly strategic creation and application of business intelligence to iteratively develop business models and plans  Astute and perceptive contextual application of communication and/or collaborative skills. | Discerning evaluation of business models and plans  Critical analysis and perceptive evaluation of opportunities and challenges for business in the digital age  Insightful analysis and evaluation of social, economic, environmental, and/or ethical impacts of global and local business. |
| B | Well-considered identification and exploration of problems and/or needs using customer-focused approaches  Creative generation of viable solutions with some innovation to problems and/or needs using customer-focused approaches | Well-considered and mostly effective contextual application of decision-making, project management and change management tools and strategies  Strategic creation and application of business intelligence to iteratively develop business models and plans  Mostly perceptive contextual application of communication and/or collaborative skills. | Mostly discerning evaluation of business models and plans  Mostly critical analysis and evaluation of opportunities and challenges for business in the digital age  Well-considered analysis and evaluation of social, economic, environmental, and/or ethical impacts of global and local business. |
| C | Considered identification and exploration of problems and/or needs using customer-focused approaches  Mostly creative generation of viable solutions to problems and/or needs using customer-focused approaches | Considered contextual application of decision-making, project management and change management tools and strategies  Competent creation and application of business intelligence to iteratively develop business models and plans  Effective contextual application of communication and/or collaborative skills. | Considered evaluation of business models and plans  Some critical analysis and evaluation of opportunities and challenges for business in the digital age  Considered analysis and evaluation of social, economic, environmental, and/or ethical impacts of global and local business. |
| D | Some identification and exploration of problems and/or needs using customer-focused approaches  Some generation of solutions to problems and/or needs using customer-focused approaches | Some application of decision-making, project management and change management tools and strategies  Some creation and application of business intelligence to iteratively develop business models and plans  Some contextual application of communication and/or collaborative skills. | Some analysis and description of business models and plans  Some analysis and description of opportunities and challenges for business in the digital age  Some analysis and description of social, economic, environmental, and/or ethical impacts of global and local business. |
| E | Attempted identification and exploration of problems and/or needs using customer-focused approaches  Attempted generation of solutions to problems and/or needs using customer-focused approaches | Attempted application of decision-making, project management and change management tools and strategies  Attempted creation and application of business intelligence to iteratively develop business models and plans  Attempted application of communication and/or collaborative skills. | Attempted description of business models and plans  Description of opportunities and challenges for business in the digital age  Description of social, economic, environmental, and/or ethical impacts of global and local business. |

**Extra Guidelines – Task Process**

|  |  |
| --- | --- |
| Look back at the KPIs (Key performance indicators *or goals*) you had for the business in Task 3. Start to think about how the goals / opportunities / KPI’s will be met financially. What factors do you need to consider? Can these goals still be met? Or do you need to pivot? |  |
| Briefly describe what your proposed transformation was (from task 3) and link these to the KPIs – does the transformation meet these goals? |  |
| Look at the *existing* market size for the business. The market size for a business is the total potential number of customers or sales, usually in a given year. For an existing type of business, you can look at existing sales numbers to understand the market size. This is important as you will look at how you can *expand* the market size from what it is currently. |  |
| Decide on the market size for your transformation and be specific about it.  e.g. Working families from Burnside SA 5066. Use the ABS census quick stats website to determine your market and explain why you have selected this target market. E.g. I can see that only 5.9% of people living in Burnside, are unemployed which reflects a high rate of people who work and can afford to pay for my product. However, 18.4 percent of people are unemployed in Salisbury, reflecting a low capacity to pay. Can people in your market afford to pay for your transformation? (this is an estimate).  What are the ages of your proposed target market? Does your transformation suit this age bracket? Do you have to pivot to make it suit? **This takes research!**  Here are some website links to get you started:  <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20Data%20in%20Pictures>  <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20QuickStats> |  |
| Conduct a competitor analysis. This can be done in a variety of ways with a variety of information. Use the table from the website as a guide to create your own with the information you can find. Below is an example. You may need to do some primary market research to find out these aspects.  <https://www.mykpono.com/how-to-conduct-competitive-analysis/>  Competitive Analysis Template Example |  |
| Select your proposed revenue model and how this will work for your proposed transformation. Test this with your stakeholders, pivoting where required. You will need to use project management tools.  Below is an example of different revenue models. How do you plan on getting your revenue from the transformation? Why have you chosen this model?  <https://fi.co/insight/the-10-most-popular-startup-revenue-models>  <https://www.cmu.edu/swartz-center-for-entrepreneurship/assets/revenue-models.march-2015.pdf> |  |
| Select your proposed pricing strategy for your proposed transformation. Test this with your stakeholders, pivoting where required. You will need to use project management tools.  How will you price the transformation? Why have you chosen this strategy?  <https://www.business.gov.au/Products-and-services/Develop-a-pricing-strategy>  <https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/pricing/strategies>  <https://quickbooks.intuit.com/r/pricing-strategy/6-different-pricing-strategies-which-is-right-for-your-business/> |  |
| Be Visual! Use graphs, tables and diagrams! Look at this website for ideas <https://venngage.com/blog/consulting-report-template/>  It is a paid service but shows you how you can be visual e.g. SWOT, Competitor Analysis etc |  |
| Sections you *could* include:   * Market Analysis * Proposed Revenue Model * Proposed Pricing Strategy * Conclusion * Reference List |  |
| Key words to be included:   Digital Age   Business Model and Business Plan   Risks and/or challenges   Opportunities   Business Intelligence   Market Research   Iteration |  |