MODULE 2: BUSINESS PLANNING FOR AI STARTUPS

Objective: This module provides practical guidance, tools, and templates to help participants develop a structured and realistic business plan for an AI-driven startup. It focuses on transforming an idea into a viable business model, ensuring alignment between technology, market needs, and sustainability.

1. Introduction to Business Planning

A business plan is a structured document that describes your startup idea, how it will operate, who your customers are, and how it will generate value and revenue.

For AI startups, business planning is particularly important due to the need to **validate data-driven solutions, align technology with real market needs, and attract funding or partnerships.**

Why it matters for AI startups:

- AI solutions require validation (data, use-case, and users)
- Technology must match real market needs
- Investors and stakeholders require structured planning

Key principle:

A business plan is not static but it evolves as your idea develops.

Common Mistakes in Business Planning (AI Startups)

- Focusing too much on technology instead of the user problem
- Overestimating market size without evidence
- Ignoring competitors
- Lack of clear revenue model
- Not considering ethical and data-related risks

Tip: Always validate your idea with real users before scaling.

2. Business Plan Structure

2.1. Executive Summary

Element	Description
Problem	What problem are you solving?
Solution	What is your AI solution?
Target Users	Who are your customers?
Value Proposition	Why is your solution unique?

2.2. Market Research & Competitor Analyses

- **Competitor Analyses**

Step	What to do
1	Define target group
2	Identify competitors
3	Analyze market trends

Competitor	Product/Service	Strengths	Weaknesses	Your Advantage

❖ Target Audience

Element	Description
Age	
Occupation	
Needs	
Problems	
Digital behavior	
Willingness to pay	

2.3 Marketing & Customer Acquisition

Element	Description
Value Proposition	Why choose your product
Channels	Social media, partnerships
Customer Journey	Awareness → Interest → Use

Customer Journey Example:

Stage	Description	Example Action
Awareness	User discovers your product	Social media
Interest	User explores features	Website visit
Decision	User signs up	Free trial
Retention	User continues using product	Email updates

2.4 Financial Planning & Funding

Cost Structure:

Cost Type	Monthly Estimate
Development	
Marketing	
Tools/Software	
Other	

Revenue Projection:

Revenue Source	Price	Number of Users	Total

Funding Options:

- Grants
- Investors
- Bootstrapping

Break-even analysis: The point where total revenue equals total costs.

2.5 Risk Assessment in AI Startups

Risk Type	Example	Mitigation Strategy
Technical	AI model not accurate	Testing & iteration
Market	No demand	User validation
Financial	Lack of funding	Diversify funding
Ethical	Misuse of AI	Apply ethical guidelines

Co-funded by the European Union

3. Practical Templates

3.1 Business Plan Template

Section	Your Input
Startup Name	
Problem	
Solution	
Target Customers	
Value Proposition	
Revenue Model	
Key Activities	
Key Resources	
Partners	
Costs	

3.2 Financial Planning Template

Category	Value
Monthly Costs	
Expected Revenue	
Break-even Point	

4. Practical Exercises

4.1 SWOT Analysis

Strengths	Weaknesses
Opportunities	**Threats**

4.2 Case Study Example: AI Resume Builder

Element	Description
Problem	Creating CV is difficult
Solution	AI-generated CV
Target	Young job seekers
Revenue	Freemium

4.3 Pitch Deck Structure

Slide	Content
1	Problem
2	Solution
3	Market
4	Business Model
5	Traction
6	Team
7	Financials

4.4 Mini Exercise: Validate Your Idea

1. Who has this problem?
2. How do they solve it now?
3. Why is your solution better?
4. Would they pay for it?

5. User Flow

Step	Action
1	Learn theory
2	Fill templates
3	Compare with examples
4	Improve idea

Practical Tips for AI Entrepreneurs

- Start with a Minimum Viable Product (MVP)
- Use accessible AI tools (ChatGPT, Canva AI)
- Focus on one clear problem
- Test your idea early
- Adapt your business model continuously

References

- Blank, S., & Dorf, B. (2012). *The Startup Owner's Manual*. K&S Ranch.
- European Commission. (2020). *White Paper on Artificial Intelligence*.
- Kerzner, H. (2017). *Project Management: A Systems Approach to Planning, Scheduling, and Controlling* (12th ed.). Wiley.
- McKinsey & Company. (2023). *The State of AI Report*.
- OECD. (2019). *OECD Principles on Artificial Intelligence*.

- Osterwalder, A., & Pigneur, Y. (2010). *Business Model Generation*. Wiley.
- Ries, E. (2011). *The Lean Startup*. Crown Business.
- Schwaber, K. (2004). *Agile Project Management with Scrum*. Microsoft Press.
- Atlassian. (2022). *Project Management Guide*.