

TOPIC 5

Entrepreneurship

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Subject: Pharmaceutical Management and Planning

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Role of the entrepreneur

- What are the differences between an entrepreneur and a manager?
 1. As their businesses are at different stages of development, the sizes of their businesses are different:
 - ✓ Start-ups and spin-offs, etc. vs an established company
 2. As their businesses are at different stages of development, the sizes of their businesses are different:
 - ✓ Incremental vs radical
 3. Who are more open-minded, entrepreneurs or managers?
 - It depends on the answers to the previous questions.

NOTE: *These roles are not mutually exclusive.*

NOTE 2: *Success in the business world depends on a combination of factors, including individual skills, the industry and the economic context.*

Business Plan and Business Model

What is a business plan?

- A business plan is a document that comprehensively reflects the contents of a project for a business that will be set up.
- It ranges from defining the idea to specifying how it will be carried out; it includes programming the phases and identifying the means and resources to be used.

What is a business model (CANVAS)?

- A canvas, such as the Business Model Canvas or the Lean Canvas, is a concise, visual tool used to summarise the main parts of the business model on a single page or whiteboard. It is simple and focuses on business essentials.



VS

<p>KEY PARTNERS</p> <p>Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from our partners? Which key activities do partners perform?</p>	<p>KEY ACTIVITIES</p> <p>What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?</p> <p>KEY RESOURCES</p> <p>What key resources do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?</p>	<p>VALUE PROPOSITIONS</p> <p>What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we offering to each segment? Which customer needs are we satisfying? What is the minimum viable product?</p>	<p>CUSTOMER RELATIONSHIPS</p> <p>How do we get, keep, and grow customers? Which customer relationships have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p>CHANNELS</p> <p>Through which channels do our customer segments want to be reached? How do other companies reach them now? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p>	<p>CUSTOMER SEGMENTS</p> <p>For whom are we creating value? Who are our most important customers? What are the customer archetypes?</p>
<p>COST STRUCTURE</p> <p>What are the most important costs inherent to our business model? Which key resources are most expensive? Which key activities are most expensive?</p>		<p>REVENUE STREAMS</p> <p>For what value are our customers really willing to pay? For what do they currently pay? What is the revenue model? What are the pricing tactics?</p>		

Business Plan and Business Model



- A more extensive and detailed document
- An exhaustive analysis of markets, competition, operations and investments, etc.
- Long term
- Rigid
- Formal



- A visual and concise tool
- It helps to communicate the idea of the business to potential investors and partners.
- Short term
- Flexible
- Informal

Task

- Look for the business plan of a pharmaceutical company.
- Find the CANVAS of a pharmaceutical company.
- Compare the two documents.
- Are the above characteristics fulfilled?
- Discuss your impressions in groups.
- Present them to the class.

Why are the two documents needed?

A **BUSINESS PLAN** helps to reflect not only different plausible scenarios but also the **ACTIONS** and the **DIRECTION** the company will take.

KEY PARTNERS Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from our partners? Which key activities do partners perform?	KEY ACTIVITIES What key activities do our value propositions require? Our distribution channels? Customer relationships? Revenue streams?	VALUE PROPOSITIONS What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we offering to each segment? Which customer needs are we satisfying? What is the minimum viable product?	CUSTOMER RELATIONSHIPS How do we get, keep, and grow customers? Which customer relationships have we established? How are they integrated with the rest of our business model? How costly are they?	CUSTOMER SEGMENTS For whom are we creating value? Who are our most important customers? What are the customer archetypes?
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A **CANVAS** helps to communicate **DISRUPTIVE IDEAS** in forums where the audience does not expect a conventional presentation.

The relationship between success and the business plan

Entrepreneurs who implement a business plan are more likely to succeed. Why?

- A business plan allows you to anticipate problems.
- It helps you to avoid mistakes and unnecessary expense.
- You work smarter by minimising effort.
- It enables you to identify necessary resources.
- It helps to manage entrepreneurial tension.
- It orients you towards the future.
- It facilitates a company's innovation process.
- It increases motivation.
- It helps you to analyse the company's viability.



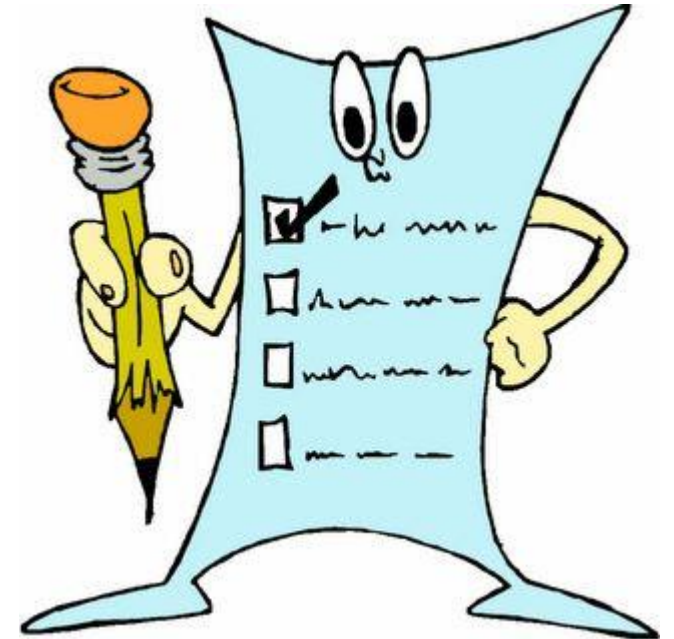
Steps to take before creating a Business Plan

Opportunity Cell

- Entrepreneurial team
- Business opportunity
- Resources

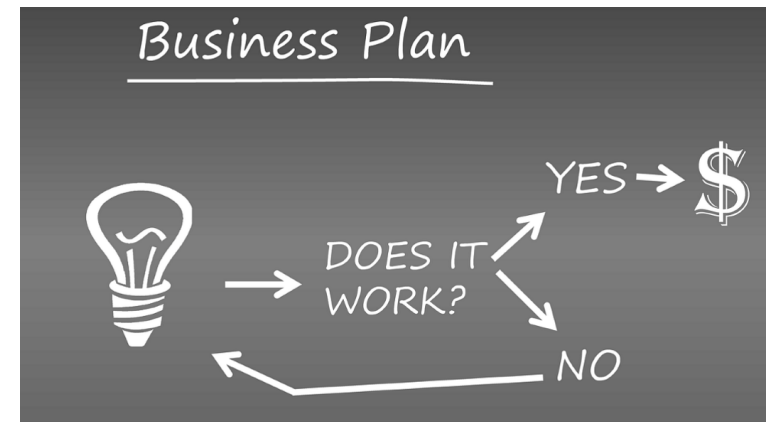
Gather information

- Make it relevant, quality, and up-to-date
- Be brief
- Be clear and concise
- Reflect a comprehensive vision of the project



Sections of the Business Plan

1. Overview
2. Business lines: products and services
3. Market analysis and marketing plan
4. Production process
5. Organisation and personnel
6. Economic and financial planning
7. Feasibility study



1. Overview

- General company data
- Overview of the business opportunity
- Comparison with competitors
- General project planning
- R+D policies
- Innovation policies

2. Business lines: products and services

- Contributions of the product or service
- SWOT analysis of the product or service
- Reasons to purchase the product or service
- Technology required
- Production process

3. Market analysis and marketing plan

- The product's commercial data
- Market description
- Market acceptance survey
- Marketing policies
- Porter's analysis
- Sales plan

4. Production process

- Description of the manufacturing process
- Infrastructure required
- Production costs
- Study of suppliers
- Capacity study

NOTE: This phase can also be carried out with **SERVICES**.

5. Organisation and personnel

- Company organisation chart
 - Departments
 - Personnel needed
 - Characteristics
 - Qualifications required
 - Type of contract
- Salaries and wages
- Costs charged to each department

NOTE: We will delve deeper into organisation and personnel in topic 9 on HR management.

6. Economic and Financial Planning

- Investment in fixed assets
- Working capital
- Financial resources
- Overheads
- Average period of payment to suppliers and collection from customers.

NOTE: We will discuss **economic and financial management** in topic 6.

7. Feasibility analysis

- Total volume of investments
- Total costs of the product or service
- Profit and loss account
- State pension plan
- Pension balance
- Ratios and conclusions

NOTE: We will discuss these issues further in topic 6.

Financing

- Any **investment** decision involves a decision on its financing.
- **Financial equilibrium** is a basic principle of financial management that considers that non-current assets should be financed with permanent resources and that current assets should be financed with short-term resources plus some permanent resources (called working capital).

NOTE: In topic 6 we will learn how to calculate the **break-even point**.

Sources of funding



- **Internal funding:** resources generated by the company from its daily activity through retained profit and amortisation.
- **External funding:** resources from outside the company. There are two types:
 - **Own funding:** by issuing shares.
 - **Foreign funding:** by requesting funds from financial institutions. The amount, term and conditions of return must be taken into account. External financing, which may be short or long term, includes bonds, obligations, leasing and loans.



Innovation ecosystems

- *These are **complex networks** of organisations, institutions, companies, researchers and other actors that **collaborate and share resources**, knowledge and technologies.*
- *Their purpose is to promote **research, development and innovation** in the pharmaceutical industry.*
- *These ecosystems have become essential for **accelerating** the discovery and development of new medicines, therapies and medical technologies.*

Key elements in innovation ecosystems

- **Collaborative research**
- **Technology transfer**
- **Regulatory support**
- **Entrepreneurship and financing**
- **Access to data and resources**
- **Education and training**
- **Global collaboration**



Steps in creating a company



Steps in creating a company

1. Planning and drafting a feasibility study: before starting any procedure, a market study must be carried out and a solid business plan prepared. Your business idea must be defined, your target audience identified, and your competition analysed.



Steps in creating a company

2. Choosing the legal form: decide what type of company you wish to create, e.g. a limited company (S.L.), a public limited company (S.A.), a self-employed company, etc. The choice of legal form will affect your legal requirements and obligations.



Steps in creating a company

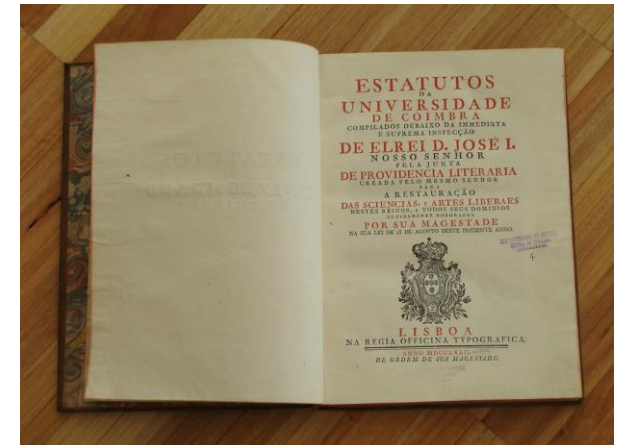
3. Reserving the company name: you must check whether the name you want for your company is available and reserve it in the Central Mercantile Registry or the Registry of Companies of the Valencian Community.

The logo for C.P. COMPANY features the letters 'C.P.' in a large, bold, serif font, with 'COMPANY' in a smaller, bold, sans-serif font directly below it. To the left of the text is a vertical grey bar with a white, stylized arrow-like shape pointing to the right.

C.P.
COMPANY

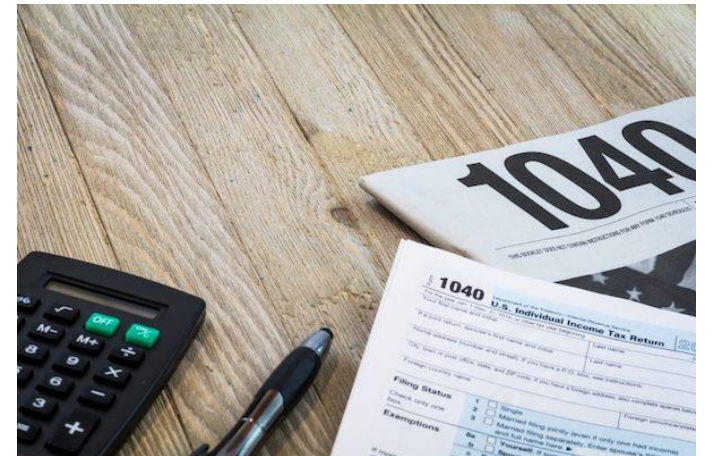
Steps in creating a company

4. Drafting the company's statutes: you will need to write the statutes, i.e. the set of internal rules that will govern the company's operations.



Steps in creating a company

5. Obtaining the Tax Identification Number (TIN): you need to apply for a company TIN (in Spanish, this is the NIF, or *Número de Identificación Fiscal*) from the Spanish Tax Agency (*Agencia Tributaria*) even if you are self-employed.



Steps in creating a company

6. Signing the public deed: you must go to a notary public to sign the company's public deed of incorporation.



Steps in creating a company

7. Registering in the commercial register: you must register your company in the Mercantile Registry of the Valencian Community. This is done via the Central Commercial Register or the website of the Commercial Register.



Steps in creating a company

8. Registering with Social Security: if you are going to have employees, you must register the company with Social Security and comply with the relevant employment and Social Security obligations.



Steps in creating a company

9. Obtaining licenses and permits: depending on the nature of your business, you may need to obtain certain licenses or permits. Check the requirements with your town hall and local authorities.

A photograph of a document titled "SOL·LICITUD DE LICÈNCIA PER A OBRES MAJORS D'INSTAL·LACIÓ D'ELEMENTS I EQUIPS DE TELECOMUNICACIONS" and "REGISTRE D'ENTRADA / REGISTRO DE ENTRADA". The document is from the Ajuntament de València (Valencia City Council). It contains sections for "DADES SOL·LICITANT / DATOS SOLICITANTE (1)", "DADES REPRESENTANT / DATOS REPRESENTANTE", and "DADES DE CONTACTE / DATOS DE CONTACTO". The document is partially obscured by a green object in the foreground.

Steps in creating a company

10. Registering with the Treasury: you must register with the Spanish Tax Agency and comply with your tax obligations, such as filing returns and paying taxes.



Steps in creating a company

11. Opening a bank account: open a business bank account and make the initial deposits required.



Steps in creating a company

12. Hiring employees (if necessary): if you plan to hire employees, make sure you satisfy employment obligations, such as drafting contracts and registering with Social Security.



Final recommendation

- Remember that these are **general** steps.
- These steps **may vary** depending on the nature of your business and the legal form you choose.
- I advise you to consult a lawyer or legal advisor for **specific guidance** and to make sure that you comply with all local and national regulations.
- Finally, remember that requirements **may change** over time, so stay up to date with current regulations.