

PR Communications

John Cass, a marketer, writes about corporate blogging, PR, marketing, social media, and the Internet



* Bill Attinger of the [ActSeed community](#) agreed to answer my questions about how entrepreneurs build their business model and a better pitch for investment. Bill has taken an interest in the [PitchCamp](#) session that's happening at ConvergeSouth on Saturday October 2nd. I'm hosting the event and it seeks to give start-ups the tools to know how to pitch. Investors will be there to give advice, but are not committed to giving an investment, here is my question and answer from Bill:

John: What advice do you give to entrepreneurs when developing their business model?

Bill: Ask lots of questions; interrogate your model more than anyone else would; run it by the people you believe may be your worst critics. Be methodical. Have a solid outline of topics you need to address and make sure each area receives constant attention, not just "lip service" during a business plan writing exercise.

Don't be afraid to abandon your model if it doesn't work (i.e. don't fall in love with it or get emotionally attached if it doesn't seem to work; you'll find a good alternative or another business to pursue soon enough).

Quantitatively, prove to yourself that your model makes money and can sustain itself within reasonable assumptions. Know where your key milestones are (e.g. quantity of units sold or members subscribing). Cash is king. Make sure you build your model around cash flow, not paper profits.

Participate in the "wallet economy", not the "attention economy". In other words, build a business that can make money and where customers are willing to pay for value received. Gone are the days where you can expect to be subsidized to "amass eyeballs" for free and sell out for a giant premium.

At the end of the day, you need to be able to tell your story in numbers, and make sure you show how you and your team will be able to execute the model you have developed.

You can't develop a solid business model without thoroughly addressing team, product, customer, competition, risks and needs. All of these items have associated costs and efforts to coordinate into a successful business. Make sure you have a process to address these issues on a continual basis, not on a one-time static basis, as your business model will evolve just like your business will, and the markets will.

You can sign up for pitchcamp at [ConvergeSouth](#).