

# invent RESULTS

## 1/3/5 Plan

By following the steps in each phase, you will gradually build a business that is attractive to potential buyers (note: you are the buyer on record), ensuring profitability and scalability leading up to the fifth year. Whether or not you're planning to exit, your focus should always be on building the best possible value for your business. Following this plan will ensure you're aligned with your business's top potential.

### **1. Foundation Phase (1-Year Plan)**

*Goal: Establish a strong foundation for growth and profitability.*

#### **Market Research:**

- *Conduct thorough market research to understand customer needs, competitors, and industry trends.*
- *Define target market and customer profiles.*

#### **Financial Projections:**

- *Create detailed financial forecasts (revenue, expenses, profit margins).*
- *Focus on breaking even or achieving initial profitability.*

#### **Brand and Product Development:**

- *Build a brand identity that aligns with market needs.*
- *Develop and refine core products/services.*

#### **Operational Setup:**

- *Set up efficient processes for sales, customer service, logistics, and internal operations.*
- *Implement basic financial management systems (accounting, invoicing, cost controls).*

#### **Build a Marketing Strategy:**

- *Develop an initial marketing plan focused on building brand awareness and acquiring customers.*

- Utilize low-cost digital channels (social media, SEO, etc.).

#### **Hiring and Team Building:**

- Hire key team members/strategic partners and define company culture.
- Establish a leadership team aligned with the long-term vision.

## **2. Growth and Expansion (3-Year Plan)**

*Goal: Scale operations, expand market presence, and increase profitability.*

#### **Expand Product/Service Offering:**

- Based on market feedback, expand or refine product lines.
- Focus on innovations that can differentiate you from competitors.

#### **Geographic and Market Expansion:**

- Consider entering new geographic markets or segments.
- Explore partnerships or collaborations to broaden reach.

#### **Optimize Operations:**

- Invest in technology or processes that increase efficiency (automation, CRM systems, etc.).
- Streamline supply chain and distribution for better cost management.

#### **Refine Marketing Strategy:**

- Shift focus to higher-cost acquisition channels (PPC, advertising, trade shows) to grow more aggressively.
- Focus on customer retention, loyalty programs, and repeat purchases.

#### **Strengthen Financial Position:**

- Reassess pricing strategies, product margins, and operational costs.
- Build financial reserves for reinvestment in the business and reduce reliance on external capital.

#### **Team and Leadership Development:**

- Invest in leadership and employee development.

- *Ensure succession planning and strong management capabilities to handle scaling.*

### **3. Exit and Sale Preparation (5-Year Plan)**

*Goal: Prepare the business for sale with a focus on profitability, stability, and market attractiveness.*

#### **Maximize Profitability:**

- *Ensure consistent profitability by refining pricing, reducing operational costs, and optimizing revenue streams.*
- *Eliminate any unnecessary expenses or low-margin products.*

#### **Increase Valuation:**

- *Implement strategies to boost business valuation, such as intellectual property, strategic partnerships, or unique market positioning.*
- *Maintain strong financials and build a history of steady growth.*

#### **Marketing and Sales Strategy:**

- *Invest in customer acquisition to grow market share and expand your client base.*
- *Position the company as a leader in its niche, enhancing its appeal to potential buyers.*

#### **Strengthen Key Business Metrics:**

- *Focus on key metrics like revenue growth, customer retention, and profit margins.*
- *Document processes and ensure the business can run independently of the founder or leadership team.*

#### **Seek Legal and Financial Advice:**

- *Work with legal and financial professionals to structure the company for sale (ensure clean financial records, ownership of assets, etc.).*
- *Develop an exit strategy with the help of advisors (merger, acquisition, etc.).*

#### **Identify and Attract Potential Buyers:**

- *Start conversations with potential acquirers or investors.*
- *Position the business as a turnkey opportunity with future growth potential.*