



## Measure Twice, Cut Once

Planning will make or break your business, and app businesses require their own special type of plan. A business plan is an overarching strategy and a guide for spending money and time.

For strategy:

- At what pace do you want to start? And to grow? What's your timeline?
- How many products do you want to manage? You don't have to know the exact number right now, but you should know if it's single digits, double digits, triple digits, etc.
- What is your primary driver? Revenue, impact, hobby, etc.?
- How will you achieve downloads and revenue?

For time and money:

- Essentially, do you want to buy a \$5,000 app template and invest less time, or buy a \$20 app template and invest sweat equity?
- What are your business assets as a person? Sales, design, technology, etc? Allot your time for those activities, and partner with someone else for the rest.
- Perform a daily audit of your actions and how they apply to your business strategy.

## Plan Types

The five main types of app business plans are as follows:

1. **App Factory:** Also called "re-skinning" or "app flipping," an app factory has an operation system that feeds in templates and produces apps on the back-end, for an enormous, self-promulgating portfolio. Your emphasis is on quantity rather than quality. Profit is made from advertisements attached to newly created apps.



2. **Dev Shop:** You develop other companies' apps and profit from your service contract, rather than the app store. It's a viable, lucrative business model that is heavy on marketing, sales, engineering, project management, etc.
3. **Indie App:** The indie developer is the craft brewer of apps—an individual or a small team that's all about quality. They'll start with a basic framework and customize it well, developing only a few at a time, and keeping only two or three in their portfolio. Profits come from store popularity and cross promotion—in essence, from your relationship with your users.
4. **Deal Maker:** The deal maker is a broker of app development deals. You are the connection that makes an app happen, and your profit comes from either a fee, commission, or profit share.
5. **Business App:** Business apps are developed as a supplement to what a company does. Your money and time is spent marketing and creating new ways for people to find you, engage with your brand, and use your app. You offer something to your customers—there's got to be a value for using the app. It might be getting notifications, it could be a way to access data, or to order food online, etc. Customer loyalty drives your profits.

### Choose the Right One

1. **You vs. Opportunity.** Think of yourself first and the opportunity second, because who you are as a person trumps opportunity every time. If the opportunity is out of sync with the real you, it's a ticking stress bomb.
2. **Experience.** Lead with the experience and assets that you already have, then build on them. Focus more on what you are good at, rather than what you're passionate about.



3. Advantage. What can you do that most people cannot, right now? Brainstorm what you can do better than others in your various circles.
4. Excitement. It's fourth for a reason. Excitement will get you up in the morning, but it's better enjoyed as the result of choosing the right plan, rather than an indicator of which one to choose.

### Setup

By the end of this lesson, you should have a piece of paper, even if it's just a beverage napkin, with a clear concept of your business plan. Take the following steps:

1. Write down your answers. Then go through again and expand on them. Prove to yourself that this is important. Pick it to pieces and imagine defending your choice, point by point, to a sharp attorney.
2. Create a 12-month timeline with milestones, goals, kill dates, and pre-established measurements of success and failure. It's really important to think about this up front for long-term vision. Otherwise, you remain in perpetual reactionary mode, putting out fires rather than maintaining your pace for the long game.
3. Ask three friends or family members to review your plan and come prepared to sell them on it once you have their feedback. Choose people you trust to be both honest and supportive. It's a vulnerable position to place yourself in, but the sanity check is invaluable, and if you listen to what they have to say, you might find that they have excellent suggestions that you hadn't considered. Even if you never implement them, it is crucial that you listen and truly hear what they have to say.
4. Additional items to consider are budget, team, and strategies for growth, monetization, and exit.



## Next Steps

- Complete your answers to the questions from previous videos.
- Create a rough 12-month timeline.
- Ask three friends or family members to weigh in.
- Check your gut. Take a deep breath, and consider whether this feels right.