

# **Business Plan Presentations**

## **Guidelines for Presenting Companies**

1. Follow the enclosed outline as closely as possible -- not necessarily the sequence, but cover the topics
2. Answer the most meaningful questions in the outline--not necessarily every one
3. Add information you feel is important even if it is not in the outline
4. Try to allocate about the same amount of time to each topic in the outline
5. Don't get bogged down trying to describe products or technologies--if the risk exists, just talk about what the technology is used for.
6. Try to answer the questions in the outline crisply and directly. No time for long explanations. You can elaborate later.
7. Don't exaggerate.
8. Be as factual as possible. Be prepared to defend any claims you make if possible.
9. Quantify claims whenever possible. (Don't say, "we're going to make the best widget in the industry." Say, "our widget will have 200% more performance than existing widgets and it will cost 30% less.")
10. If you don't know the answer to an important question, don't be afraid to say so. No one expects you to have all the answers at this stage. ("One of the reasons we need some money is so we can answer that question.")
11. Don't use busy charts. It takes too long to explain them. You have a little over one minute for each major topic. A good format would be to have nine charts with simple reminder phrases for each of the important topics to be addressed on each.
12. Use graphics, pictures, charts, graphs, etc. if they will dramatize a point. But make sure they are simple and easy to understand. Explain the graphics carefully if necessary.
13. Keep asking yourself, "Would I invest in this business? Why?" The audience is interested in the investment promise of your business--not the technology.
14. Don't try to say everything in your presentation. It is just an "attention getter". You can explain the details later, assuming you succeed in creating some interest.

## **Outline for Business Plan Presentations**

### ***History and Background***

What is your background and previous experience? Where did the idea for the company come from? How did you get involved with the company. When did the company begin operations? What exactly does the company do? What is your long term vision for the company? How has it been funded to date? Where does it stand today?

### ***Products and Technology***

What, specifically, are the company's products and what, if any, proprietary technologies are used to make them? What do the products do? What makes the products unique or special? In general, how are they better than other products or alternative methods of solving the problem? Why would the customer buy these products? How much better are they than other solutions? Can we demonstrate that they are cost effective? Are there patents? If so, what, specifically, to they protect? Why will they be of value to the company?

### ***Markets***

What specific problem do the products solve? For whom? That is, who, specifically is the customer? Why is the problem important? Why will the customer buy our product? How do we know the customer will buy? How do we know the price the customer will pay for our product? How large is the specific (narrowly defined) market for our product? What growth is expected in this market? How do you know the market exists? How do you know customers will pay your price?

### ***Competition***

How else can the customer solve the problem our products solve? What are the alternatives? How do we compare to each? Why are we better? In what ways are we worse? Who are the vendors of these other solutions? How do they compete with each other? Where will we fit into the industry? Why will we be able to compete effectively against them for the next ten years? Why are we confident that no new entrant will come along with a better solution and blow us away? Why do you think you can dominate your market niche?

### ***Management***

Who is presently involved in managing the company? What are their credentials? Why are their backgrounds relevant to building this business? Why will they be able to build a

successful company? If not all management spots are filled, what is the plan for filling them? What kind of people are you seeking? To fill what roles? If you do not expect to be the CEO that builds the business to \$10 or 20 million, what kind of person would you bring in? When? Who is on your board of directors? How does the board function?

### ***Business Strategy***

What are the important strategies for building the business? What kind of business will it be? (manufacturing, service, distribution, software, combination?) What is the business model? (i.e. what will produce the company's revenue? What kind of gross margins will the company have? What expense levels are required to run the business? What level of operating profit can the business generate?) Do you have any corporate partnerships in place? Do you plan to put any in place? What channels of distribution will you use to deliver your products to your customers? How will these channels be established? By whom? When? What are the significant risks to your business?

### ***Manufacturing***

What special issues relate to manufacturing the product(s)? Any special materials or processes? Any proprietary process? What special equipment or facilities are required? What investment is required to set up manufacturing? For what capacity? How do you know you can manufacture the product at a cost that will yield acceptable gross margins?

### ***Finances***

What kind of revenues can the business produce, on an annual basis, over the next five years? Profits? What investment is required to carry the company to the next major level of valuation? What specific tasks need to be accomplished to do that? How long will it take? (Try to identify a "next level" that can be achieved in less than 18 months.) What investment will be required beyond that? To the extent possible, explain key assumptions behind your forecast. And make sure the forecast relates in a logical way to the market forecasts you described previously. How will the investor get his money back? Through an IPO? Acquisition? When?

### ***Opportunity (You might want to do this first)***

Summarize why you think there is an opportunity to build a new, successful company. Why is this an exciting opportunity? Why is it an exciting investment opportunity? What kind of value might the company have in the future? If you aren't sure how to value the company in the future, use 1 x annual sales in the fifth year and 15 or 20 x net profits in the fifth year as reasonable estimates. Describe any other factors that make this an exciting opportunity.