

Developing A Business Plan

- | **Understand the Audience**
- | **Functions of a Business Plan**
- | **What Do Investors Look For?**
- | **Tell A Story**
- | **The Bottom Line**
- | **Topics**
- | **A Business Plan Should Not:**
- | **Gaffs to Avoid**
- | **Remember:**

Understand the Audience

- | **Managing Other People's Money**
 - **Pension Funds**
 - **Private Individuals**
- | **Buried Under Business Plans**
 - **50-100 Per Month or More**
- | **Sitting on 10 Boards**
- | **Risk Adverse**
- | **Managing Time Very Carefully**

Functions of a Business Plan

- | **Pique the Investor's Interest**
- | **Open the Door for a Meeting**
- | **Provide Clues About Management**
 - **Thought Process**
 - **Strategic Skills**
 - **Realism**
 - **Ability to Address Issues**
- | **Describe the Opportunity Clearly**

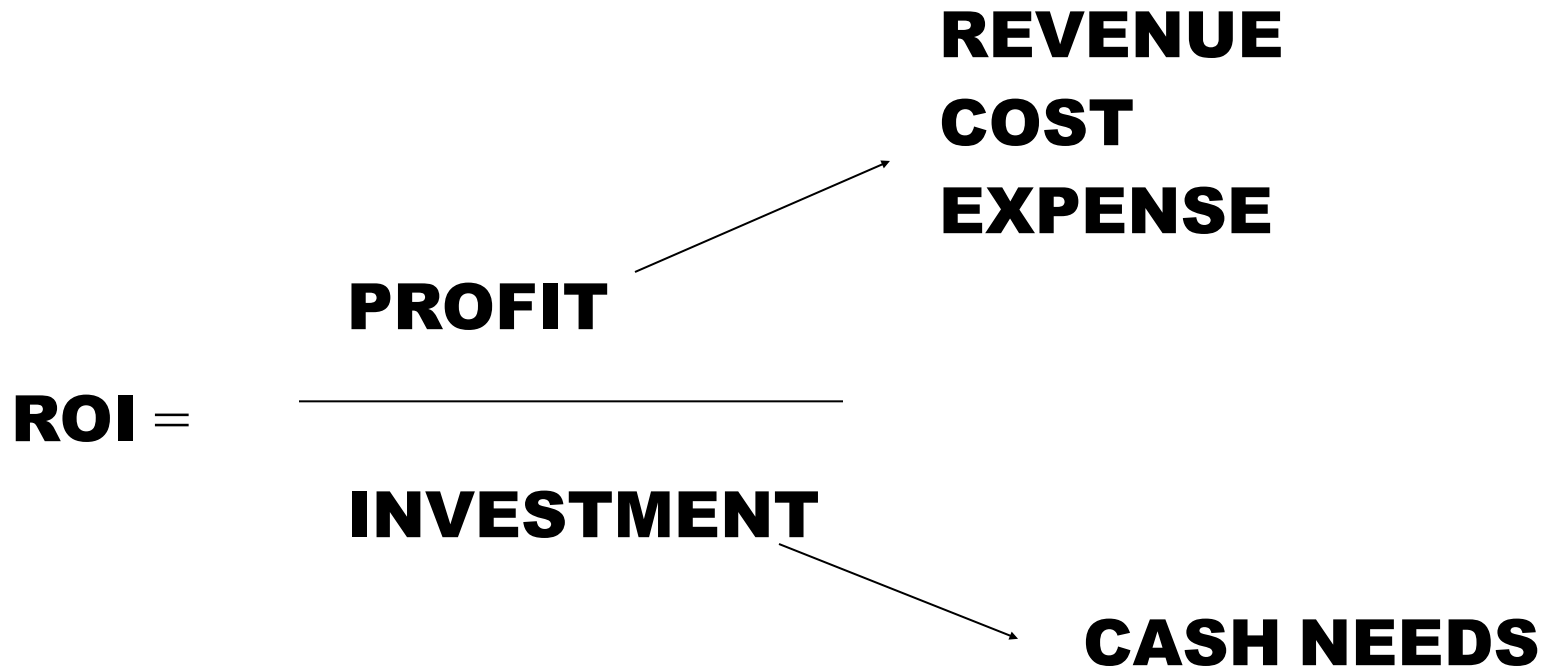
What Do Investors Look For?

- | **Strong Management**
 - **Relevant Experience**
- | **Unique Technology & Products**
 - **Proprietary**
- | **Strong Market Demand**
 - **Defensible Forecast for Served Market**
- | **Products that solve real problems**
 - **Economic Justification**
- | **Competitive Positioning**

Tell A Story

- | **Start with Executive Summary**
- | **Tell a Story**
 - **Logical, Realistic**
 - **Coherent**
- | **Quantify, Schedule, Predict**
- | **Justify**
- | **Estimate Resource Needs**
- | **Risks and Strategies**

The Bottom Line



Topics

- | **Industry/Market Opportunity**
 - **Perspective**
- | **Products/Technology**
 - **Uniqueness**
- | **Business Strategy/Model**
 - **Source of Profits**
- | **Competition/Positioning**
 - **Basis for Competitive Advantage**
- | **Management**
 - **Relevance of Experience**
- | **Marketing Strategy**
 - **Distribution**
- | **Manufacturing**
 - **Special Needs**
- | **Financial Projections**
 - **Pro Forma**

A Business Plan Should

Not:

- | **Exaggerate or Overstate**
- | **Seek Financial Precision**
- | **Underestimate or Ignore Risk**
- | **Assume that the Advantages will be Obvious**
- | **Be Too Detailed**
- | **Be Too Technical**

Gaffs to Avoid

- | **“No Competition”**
- | **“2% of a \$10 Billion Market”**
- | **Uninvolved Luminaries**
- | **“The Advantages are Obvious”**
- | **“ABC VC Firm says they will invest”**
- | **Under-estimate Capital Needs**
- | **Over-estimate Valuation**
- | **“Can you state clearly what your company does?”**

Remember:

*It's Better to be
Roughly Right
than Precisely
Wrong*