General Comments

- write the plan yourself
- tangible demonstration of your understanding of the nature of the opportunity, the means by which you propose to exploit it, and the risks involved
- should be viewed as a working document that provides the reader with a general sense of direction of how you propose to move from "a" to "b" and what is required in terms of resources to get there

The Executive Summary

- the most important element of any plan
- no more than 1 or 2 pages in length
- what do I need?
- why is there an opportunity?
- why should you be talking to me?
- why the reader should continue reading?

About The Product or Service

- balance the amount of detail given
- convey a genuine understanding
- be very clear about the nature of the competitive advantage(s) to be achieved and the duration of the advantages so achieved

About The Market

- there is no substitute for market research
- convey a thorough understanding of industry trends
- cite your sources
- address barriers to entry

A Few Words About Sales & Marketing

- you must demonstrate that demand exists/can be created
- demonstrate how and when the first sale will be made
- quantify everything and put those quantities into perspective
- all figures used must tie into the financial projections
- strategy is more important than detail
What About Competitors?

- cardinal rule - “don’t assume them away”!
- demonstrate understanding of competitive dynamics
- discuss timing and vigor of competitive response
- address potential for price competition to appear

About Manufacturing & Operations

- demonstrate knowledge of what is required and why
- outline rationale for in house vs contracting-out
- identify areas of strategic and peripheral importance
- identify sources of potential &/or assured supply
- quantify everything and own only what you have to!

Management: The Key Element

- in most instances, investors back teams rather than individuals and they want to see “commitment”
- need to demonstrate that team has the appropriate blend of skills and relevant industry experience
- every team needs “a driver” to “make it happen”
- identify areas where team is weak or needs help
- demonstrate team works well together and has a track record of delivering on their promises

Financial Projections

- make all assumptions explicit
- be certain that they tie in with market data
- do sensitivity analysis on key drivers of profitability
- summarize the key points succinctly
- address the downside - don’t ignore it!
- demonstrate upside potential - don’t oversell it!

Financing Requirements

- be clear about what you need
- show how the funds will be used
- identify milestones - risk management technique
- should you propose a deal?

Identify The Risks

- never, ever ignore them or assume them away
- focus on key deal breakers - “when the wheels come off!”
- show how you propose to deal with them
- maintain perspective: put yourself in the role of investor
Avoid Business Plan Jargon: Oldies But Goodies

- "acquisition strategy" = current products do not work and have no market
- "core business" = obsolete product line with no new ideas
- "long selling cycle" = no sign of any customers any time soon
- "limited downside" = it can't get much worse than this

- "major opportunity" = last chance
- "revisiting budgets" = financial plan in total chaos
- "unique" = no more than a dozen others in the market
- "window of opportunity" = without more funds invested this business is dead
- "complete confidence in the managing director" = the investor is checking his contract before giving him the boot!