This business plan is intended solely for informational purposes to assist in determining if you
with a due-diligence investigation of this project. The information contained herein is
believed to be reliable, but the management team makes no representations or warranties with
respect to this information. The financial projections that are part of this plan represent
estimates based on extensive research and on assumptions considered reasonable, but they are
of course not guaranteed. The contents of this plan are confidential and are not to be
reproduced with express written consent.
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The Executive Summary of a Business Plan is a one or two page distillation of your entire plan, and is usually the last section to be written. A first-time reader should be able to read the Summary by itself and know what your plan is all about. The Summary should stand alone and should not refer to other parts of your plan. Remember, most readers will never get any further than your Executive Summary, so make it count!

**Comment [SRL2]:** Introductory paragraph introducing the Executive Summary. Include a brief summary of your Company Overview.

**Comment [SRL3]:** Brief summary of your product/service description section.

**Comment [SRL4]:** Brief summary of your marketing and sales plan section.

**Comment [SRL5]:** Brief summary of your development plan.

**Comment [SRL6]:** Brief summary of your operations plan.

**Comment [SRL7]:** Brief summary of your management section.

**Comment [SRL8]:** Brief summary of your financial plan.

**Comment [SRL9]:** Brief summary of your offering, including exit strategy.
Company Overview

**Introduction**

**History and Current Status**

**Markets and Products**

**Objectives**

Comment [SRL10]: The Company Overview is a brief (one or two pages) description of the company you have founded or want to found. How will it be organized? Will it be a sole proprietorship, partnership, or corporation? What are your ambitions for the company? Will it always be a small company, or do you want to grow it into an international giant? Upon reading this section, the reader should have a good idea of where you are and where you are going with your company. Note that the Company Overview is the reader's introduction to your plan.

Comment [SRL11]: Introductory paragraph introducing the company, including current name and location.

Comment [SRL12]: What is the history of the company? Does our company currently exist, or will it be forming? What are our current sales and current products (if any)? How is our company organized (e.g., sole proprietorship, partnership, corporation)?

Comment [SRL13]: Briefly, what market(s) needs will our company address? What products and services will our company sell? Defined by markets and customers, what are the boundaries of our business?

Comment [SRL14]: What is our overall strategy and what objectives do we have? What are our goals for the company (keep it small, grow it big, franchise it, etc.)? What is our exit strategy for ourselves and for our investors (sell to larger company, go public, buy out investors, etc.)
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Comment [SRL15]: The Product and Services section is a detailed description of the products and/or services you will be selling. You should not assume that the reader is familiar with your product/service, so be sure to explain and describe it carefully. Begin to sell your idea here by generating some excitement about your product/service. Be factual, but be enthusiastic. When readers have finished learning about your product or service, they should be primed to wade into the marketing and financial details of your venture.

Comment [SRL16]: Brief introductory paragraph introducing the product/service section.

Comment [SRL17]: Describe the product or service. What exactly is our product or service? What isn't it? Who will purchase it? Why?

Comment [SRL18]: Why is our product/service superior to the competition's, and how is it different? What is unique about our product/service? What are its features and benefits? How will it be priced relative to the market?

Comment [SRL19]: What proprietary rights do we have to the product/service? For example, patents, copyrights, trade secrets, non-compete agreements, and other proprietary knowledge or skills.

Comment [SRL20]: Is our product/service ready for the market, or is it in development? If in development, how far along is it? What obstacles remain?
Marketing and Sales

Market Analysis

[Introduction]

The Market. [Text here…]

Market Trends. [Text here…]

Customer Analysis. [Text here…]

Marketing Strategy

[Introduction]

Target Market. [Text here…]

Product. [Text here…]

Price. [Text here…]

Place. [Text here…]

Promotion. [Text here…]

Sales Strategy

Comment [SRL21]: The Marketing and Sales section of your plan will make or break the prospects for your venture. A great idea is meaningless if you cannot find customers. Carefully drafted and logical financial projections are irrelevant if nobody buys your product. In the Marketing and Sales section you must convince first yourself, and then the reader, that there is indeed an eager market for your product. Your Marketing and Sales section will probably be in two or three sections. The first is a Market Analysis, the second a Marketing Strategy, and third is a Sales Strategy. Depending on your business, you may choose to roll the Sales Strategy into the Marketing Strategy section.

Comment [SRL22]: In your Marketing Analysis subsection you lay out for the reader the market in which you will be competing. This is not the place to go into detail about your ideas and concepts, but to carefully and analytically describe the larger environment in which you will be participating. Most of the research you do for this subsection will probably be in a library, or talking with experts (perhaps your competitors) in the industry. Other great sources of information about an industry are suppliers who sell to the industry, sales...
Development

[Introduction]

Current Status

Development Plans

Development Timetable

Development Risks

Comment [SRL37]: In this section, you will outline how you intend to ramp-up your business. This section is often woefully under-developed in many business plans. Assuming you have a dynamic marketing plan and customers do indeed come flocking for your product or service, you must be able to deliver it to them. The Development section is a road map of how you are going to get from where you are now to where you want to be in the future. If you are starting a business, what are all of the steps that you need to accomplish to get the business up and running? If you are expanding a business, what do you need to do to make it grow? These steps can be as routine as securing retail space, or as critical as applying for and getting a patent on key technology. Don’t go into too much detail here. For example, the need to get business cards printed probably does not belong in a development plan (although you might include it in a detailed checklist in the appendices). Use your judgment.

Comment [SRL38]: Introductory paragraph to Development section.

Comment [SRL39]: What is the current status of our company and our products? Where are we now?

Comment [SRL40]: What work remains to launch our company and our products? What factors need to come together to make our concept work? What are we doing to bring them together?

Comment [SRL41]: What is our timetable for launching our company and our products? (Consider adding a chart or table here?) Go out as far in the future as you have plans.

Comment [SRL42]: What are the risks to the successful implementation of our development plans? Are they technological risks (e.g., we can’t make our product work)? Cost risks (e.g., it costs more than we figured)? Competitive risks (e.g., we are preempted in the market by a competitor)? Et cetera.
Operations

[Introduction]

Competing with Operations

Scope of Operations

Ongoing Operations

Comment [SRL43]: The Operations section outlines how you will run your business and deliver value to your customers. Operations is defined as the processes used to deliver your products and services to the marketplace and can include manufacturing, transportation, logistics, travel, printing, consulting, after-sales service, and so on. In all likelihood, about 80% of your expenses will be for operations, 80% of your employees will be working in operations, and 80% of your time will be spent worrying about operating problems and opportunities. Be sure that you carefully link the design of your operations to your marketing plan. For example, if high quality will be one of your comparative advantages in the marketplace, then design your operations to deliver high quality, not low costs. Remember that you will probably have to make trade-offs with your operations. It is impossible to have the lowest costs, highest quality, best on-time performance, and most flexibility in your industry all at the same time. Often, higher quality means higher costs, lower costs means less variety and less flexibility. Be careful how you make these trade-offs so that you can deliver products to the market in accordance with your marketing plan!

Comment [SRL44]: Introductory paragraph to the Operations section.

Comment [SRL45]: How will we use Operations to fulfill our Marketing plans? How will we win in the marketplace on the dimensions of cost, quality, timeliness, and flexibility? Which dimensions will we stress and which will we de-emphasize? How will we use operations to add value for customers in our target market?

Comment [SRL46]: What will we do in-house and what will we purchase (make vs. buy?) Why does this make sense for our business? What will be our relationship with vendors, suppliers, partners, and associates? What kind of people will we need to hire? Include detail in an appendix, as necessary.

Comment [SRL47]: How will operate on an ongoing basis? Include detail in an appendix, as necessary.
**Management**

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**Comment [SRL48]:** Venture capitalists often assert that there are three attributes important for a successful start-up business: management, management, and management. Many venture capital firms claim they will invest in a strong management team with a mediocre idea, but will decline to fund a weak management team with a great idea. The purpose of the Management section therefore is to convince the reader that you have a great management team to complement a great business concept. This is not the place for modesty or self-deprecation. Be honest, but highlight your accomplishments and your capabilities while mitigating any obvious shortcomings or weaknesses. For example, if you are young and inexperienced, accentuate your energy, capacity for hard work, and willingness to learn, while downplaying your lack of experience. When readers are finished with this section, you want them to be confident that your venture is in good hands and will be competently managed — by you!

**Comment [SRL49]:** Brief paragraph introducing the Management section.

**Comment [SRL50]:** How will we be organized? What does our top-level organization chart look like? What is the ownership structure of our company?

**Comment [SRL51]:** Who are the key managers? (Include resumes in the Appendix.) What will be their duties and responsibilities? What unique skills do they bring to the venture? What additions to the management team do we plan? When?

**Comment [SRL52]:** Will we have a board of directors? Who will be on it? What will be their role?

**Comment [SRL53]:** How will the management team be compensated? Pay? Stock options? What will be compensation for the board of directors?
<table>
<thead>
<tr>
<th>Section</th>
<th>Comment</th>
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<tbody>
<tr>
<td><strong>Introduction</strong></td>
<td>The Summary of Financials section should be frosting on a cake. You've outlined a great business concept, demonstrated a real need in the marketplace, shown how you will execute your ideas, proven that your team is just right to manage the venture, and now you will show how much money everyone is going to make. Note, however, that if your business concept is weak, or there is not a market, or if your execution is poor, or if your management team is incompetent, then your financial plans are doomed to failure. If you haven't convinced your readers by now, the strength of your concept, then they won't be convinced by your financials.</td>
</tr>
<tr>
<td>Financial Assumptions</td>
<td>Brief introduction to the Summary of Financials section</td>
</tr>
<tr>
<td>Financial Forecasts</td>
<td>What assumptions have you made in putting together your financial forecasts? Summarize here – include detail in an appendix, if required.</td>
</tr>
<tr>
<td>Capital Requirements</td>
<td>Summarize your financial forecasts. Include detailed statements in appendices, including cash flow and income statements, and balance sheets. Generally, included statements for 5 years into the future. The first year should include forecasts by month, the second year should include quarterly forecasts, and the final three years should be annual forecasts. You may also wish to include other financial documents such as a break-even...</td>
</tr>
<tr>
<td>Financial Risks</td>
<td>How much new capital do you need? What is the timetable for new capital infusion? How much do you need?</td>
</tr>
<tr>
<td>Exit Strategies</td>
<td>What financial risks are inherent in your plan? How do you plan to minimize these risks? How will you avoid financial pitfalls? What is the worst-case scenario and how will you respond?</td>
</tr>
<tr>
<td></td>
<td>What is our preferred exit strategy? Go public? Sell out? Operate and grow? What is our exit strategy if the business does not develop as we hope? How can we get out?</td>
</tr>
</tbody>
</table>
Offering

[Introduction]

Investment Requirements

Valuation of Business

Offer

Comment [SRL61]: The Offering (or Funding Request) is where you make your pitch for money. If you have decided to seek equity capital, then you need to offer a potential investor (F&F, VC, angel, alliance partner) a specified piece of your company in return for a specific amount of money. If you are seeking a loan, then you need to request a potential lender (F&F, bank, customer) for a specific amount of money in return for a specific return. In either case, it is important that you be specific with your funding needs, that you clearly spell out and sell the advantages of your proposal to the investor, and make it clear how investors can eventually get their money back out of your venture. Also, it is important that you persuade investors that the deal you are offering is fair to them and is supported by the facts. Finally, remember that everything is open to negotiation, so don't give away the farm on the first round!

Comment [SRL62]: Brief paragraph introducing the Offering section.

Comment [SRL63]: What investments do we require to achieve our plans? What is the timing?

Comment [SRL64]: What is the current value of our company? How do we calculate this value?

Comment [SRL65]: What is the structure of the deal we are offering or seeking? How much money do we want? How much of the company are we willing to give away? How much interest are we willing to pay? What collateral do we have for a loan? What is the planned exit strategy for investors? What is the anticipated return on investment for investors?
Comment [SRL66]: The appendices are where you should collect all of the documentation which support the body of your business plan. As with the plan as a whole, it should be complete, but succinct. Include those documents which are required (e.g., financial projections), those which are helpful (e.g., results of marketing studies), and those which assist in selling your idea (e.g., letters of interest from potential customers). Don't include lots of tangential information such as newspaper clippings or tables of data unless they really serve to bolster your plan. One way to deal with information that is voluminous and/or lengthy (such as a large market research study) is to summarize it, and note in the plan that the complete document is available upon request.

### Table of Appendices

Support for Product/Service Description (e.g., diagrams, pictures, etc.)

Support for Marketing and Sales Plan

Support for Development Plan

Support for Operations Plan

Resumes of Management Team

Financial Statements

- Cash Flow Statements [5 years]
- Income Statement [5 years]
- Balance Sheets [5 years]
- Other supporting financial statements