Establishing a Business Plan

1. Executive Summary
   a. Provide a description of the business concept and the business opportunity and strategy.
   b. Who is your target market?
   c. Do you have a competitive advantage? If so, what might that be?
   d. Who’s on the team?
   e. Describe the offering. What makes your business attractive?

2. Industry and Proposed Company
   a. What will your company provide/create/produce/contribute?
   b. Describe the products and/or services.
   c. How do you plan to ingress the target industry and if you are able to establish entry, how will you sustain growth and survive?

3. Market Analysis
   a. Who is your customer?
   b. How large is your market? Small/Mid-size/large enterprise?
   c. Who is your competition and will you have a competitive advantage?
   d. Upon ingress define your market share. Can you be a real player? How? Why?
   e. Track your market status. Know where you stand and most importantly why you believe you can sustain that status.

4. Economics of the Business
   a. The dollars must make sense.
   b. Can you be profitable and can you sustain that profitability?
   c. Understand your fixed/variable/semi-variable costs.
   d. After initial investment when do you actually break-even?
   e. How long do you run at break-even – when do you actually start making money and is that revenue stream sustainable?

5. Marketing Plan
   a. What is your overall marketing strategy?
   b. What is your established pricing?
      i. Have you evaluated elasticity? What can you actually charge for your product? What will the consumer bear before redirect?
   c. Sales Statistics – We call it BI (Business Intelligence) today.
      i. Best sellers/worst sellers/in-product success which might be buried.
   d. Service and Warranty Polices
   e. Advertising and Promotion – Have you budgeted for these items?
      i. If you have what impact do those costs have on your fully diluted cost structure?
   f. Distribution
      i. Are you planning to handle your own distribution?
      ii. Have you considered 3Pl logistics?

6. Design and Development
   a. Who is handling your development?
b. What risks are you exposed to with respect to development?
c. Will your creative people continue to generate new products and will they continue to improve the old ones?
d. Do you have a handle on your development costs? Be careful, creative developers have little sense with respect to cost. They come from an entirely different part of the brain, I assure you.

7. Manufacturing and Operations Plan
   a. What is your operating cycle? Lead-time from concept to market.
   b. Where will your manufacturing occur? Are you global? If so, that opens up an entirely new host of issues.
   c. Do you plan to own your own facilities and if you do how will you maintain and improve those facilities?
   d. Who heads up this team? Do you have competent manufacturing and operations managers available to support your organization?
   e. What regulatory constraints might you be exposed to and do those constraints come with legal exposure?

8. Management Team
   a. How will you structure your organization?
   b. Who are your key management personnel?
   c. How well do you compensate the executive team?
   d. Are they provided profit sharing? Do you eventually give them a piece of the action?
   e. Who else has a pound of flesh in your enterprise?
   f. How will you deal with employment agreements/stock options/bonus plans?
   g. Do you have a Board of Directors? Who sits on that board/why?

9. Sustainability and Impact
   a. Have you really developed a business which can sustain itself?
      i. “Are you selling a cell phone or a CB-radio?”
   b. Will the EPA want to chat with you at some point? What is your product doing to the environment?
   c. How do the locals feel about your product and you being in their neighborhood? Will you be supported/rejected? If so/why?

10. Overall Schedule
    a. Every investor wants to know you are confident with your plan. You must be capable of making them feel as though you have your arms around every detail.

11. Risks, Potential Obstacles and Assumptions
    a. Remember your SWOT Analysis? This would be a very good time to pull out that model and use it.

12. The Financial Plan
    a. Income statements
    b. Balance sheets
    c. Pro Forma Income statements
    d. Etc....
e. They are all important so remember to have someone on our team well versed dealing with these documents and requirements.

13. Proposed Funding Requirements
   a. What will it cost? The investors will want to know your bottom line. What will it cost to get this idea off the ground? Does it have real merit and it can this idea really work?
   b. What will their ROI (return on investment) and ROI (Return in innovation) mean to them in dollars and cents? “It’s all about the money,” make no bones about it.”

14. References
   a. Dig in a bit and do some research. Then be prepared to show that research and support those citations. You will be better prepared for having done so.

15. Appendices
   a. Everyone isn’t as smart as you so be sure to explain the complexities of your Business Plan. Do a good job in this area your potential investors will appreciate your efforts.

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