

Business Plan Overview

Read this section if you are writing a business plan for the competition.

The business plan is an essential component of the fund raising process. It is the underlying blueprint for your business and reflects the major selling points of your ideas, strategy, and team. A good business plan is concise, persuasive, and realistic. In addition, the best business plan is expected to be a fluid document - it will change and adapt as your business evolves to meet the demands of reality.

The objective of your plan is not to raise money, that is a far longer process. It's also not to explain every detail of your operating plans. The purpose of your business plan is to generate enough interest in prospective investors to make them want to take the next step and meet with you. You should bear that in mind as you write each sentence. Like with bathing suits, what's most appealing is often not what's revealed but what remains concealed. The takeaway impression you want to leave the readers with, whether they read every word or just skim the Executive Summary is "I really want to meet these people."

Since everyone is busy, an Executive Summary should be short, compelling, and complete enough so that if that is all someone reads, they will "get it." The high points are who you are, what the customers' pain is, what you plan to do to relieve it, why your team is ideal for the job, where you are in the process of building your company, and how much capital you need.

The body of the plan should go into greater detail on the Big Four: Management, Market, Product, Finance. Provide the backgrounds of key management members with detailed resumes. Discuss the market need more than the market size. Explain how you know. Frequently, the most successful companies are started by frustrated customers. Intimate familiarity with the problem space, stemming from personal business experience, is the most convincing. The product discussion should explain the product and its benefits from a customer's perspective, not from the designer's.

Financials need not include eight years of monthly projection of travel expenses. The income statement should show projection by month for the next six months, by quarter for the following six quarters, and then by year for another three years. Balance sheets are not critical for start-ups but funds flow statements are. Use the "Sources and Uses" format rather than the format that begins with earnings and adds back changes in receivables (a format incomprehensible in its goal). An appendix of relevant articles or analyst reports can sometimes be very helpful.

Remember, the plan's sole purpose is to get you invited to a meeting. You're trying to get a first date, no need to lay out where you plan to send your third child to college. Wherever possible, make it brief and compelling - short and sweet.

[DOWNLOAD A SAMPLE BUSINESS PLAN HERE](#)

Good luck!