The Business Plan Outline

The following instructions for business plans are adapted from guidelines used by Angel groups to evaluate high tech start-up and early-stage opportunities. Please keep your business plans to a maximum of 8 – 10 pages: be concise and focused on your technology and product, customer discovery and engagement and team building.

1.0 ONE LINE PITCH
Summarize the unique qualities of your enterprise – the elevator pitch.

2.0 BUSINESS SUMMARY
2.1 What is your enterprise?
2.2 What need do your products/services address?
2.3 Who are the users and why will they want to buy what your enterprise sells?
2.4 How do you plan to dominate your market niche?

3.0 MANAGEMENT
3.1 What is your background and previous experience?
3.2 Where did the idea for the enterprise come from? Show creative thinking and passion.
3.3 How did you get involved with the enterprise?
3.4 Who is presently involved in managing the enterprise and what are their credentials?
3.5 Why will you be able to build a successful, sustainable enterprise?
3.6 If not all management spots are filled, what needs to be filled and what is the plan for filling them?
3.7 What kind of people are you seeking and what roles will they play?
3.8 If you do not expect to be the CEO that builds the business to $10 or 20 million and beyond, what kind of person would you bring in? When do you plan to bring this person on-board?
3.9 Who is on your board of directors? The Advisory board?
3.10 How does the board function?

4.0 THE CUSTOMER PROBLEM
4.1 What specific problem or need do customers have?
4.2 Why is the problem important?
4.3 Who, specifically, are the customers?

5.0 PRODUCTS/SERVICES
5.1 What, specifically, are your products and/or services?
5.2 What do the products and/or services do?
5.3 Why would the user want to use them?
5.4 What makes what you are offering unique or special?
5.5 How is it better than other products/services or alternative methods of solving problem?
5.6 How much better is your solution than other solutions?
5.7 Have you demonstrated that your solution is cost effective?
5.8 Are there any special issues that relate to manufacturing/creating the product(s) or delivering the service, including any special materials, processes, equipment, or facilities required?

6.0 TARGET MARKET
6.1 How do you know the market exists? What independent evidence can you cite, such as independent market research?
6.2 How large is the specific (narrowly defined) market for your product(s) or service(s)?
6.3 What growth is expected in this market?

7.0 CUSTOMERS
7.1 Who are your customers?
7.2 How many do you have?

8.0 SALES/MARKETING STRATEGY
8.1 What channels of distribution will you use to deliver your products or services to your users?
8.2 How will these channels be established? By whom? When?
8.3 What expertise does your enterprise have to execute the marketing/sales program?
8.4 How are you going to stand out among all the established competitors?
8.5 How can you boil down the advantages of your sophisticated technology or specialized service so prospects will understand it quickly and easily?

9.0 BUSINESS MODEL
9.1 What is the business model? (i.e. what will produce the enterprise’s revenue and will it work?)
9.2 What gross margins will the enterprise achieve?
9.3 What level of operating profit (i.e., free cash-flow) will it generate?
9.4 What corporate partnerships have you put in place?
9.5 Do you rely on outside contractors? To what degree?
9.6 How much do you license from others?
9.7 What development challenges are most important or difficult to overcome? How do you intend to overcome them?
9.8 What investment is required to produce your product(s) or offer your service(s)? How much additional investment will be required to accommodate growth?
9.9 Can you manufacture your product(s) or deliver your service(s) at a cost that will yield gross margins of 40% or more?

10.0 COMPETITORS
10.1 How else can the user solve the problem your product(s) or service(s) solve?
10.2 What are the alternatives?
10.3 How does your product compare to each alternative?
10.4 Why is it better?
10.5 In what ways is it worse?
10.6 Who are the vendors of these other solutions?
10.7 How do they compete with each other?

11.0 COMPETITIVE ADVANTAGE
11.1 Where will you fit into the industry?
11.2 Why will you be able to compete effectively against your competitors for the next ten years?
11.3 Why are you confident that no new entrant will come along with a better solution and take over your users?
11.4 Why do you think you can dominate your market niche?
11.5 What, if any, proprietary technologies or processes have you developed?
11.6 Are there patents? If so, what, specifically, do they protect? Why will they be of value to the venture?

12.0 FINANCIAL PROJECTIONS
12.1 How much earned income will the enterprise produce, on an annual basis, over the next five years?
12.2 What kind of cash-flows will it produce?
12.3 What investment is required to carry the venture to the next major level of funding?
12.4 What specific tasks need to be accomplished to do this? How long will it take? (Try to identify a “next level” that can be achieved in less than 18 months.)
12.5 Will additional investment be required beyond that?
12.6 Explain the key assumptions behind your forecasts. Make sure the forecasts relate in a logical way to the market forecasts you described previously.

13.0 FUNDING SOUGHT
13.1 How much money are you seeking to raise?
13.2 How much hard-money (cash) has been raised to date? How much have the founders put in?
13.3 How much cash have directors and advisory board members invested?
13.4 What equity or bonus incentives are available to recruit key executives?
13.5 Do you have a pre-money valuation for this round of financing? If so, how did you arrive at it?

14.0 MILESTONES
14.1 What are your enterprise’s major milestones over the next 18 months? What is your track record at hitting schedules on similar efforts?
14.2 Are you fully-staffed for the work indicated in the schedule?
14.3 How are you going to get your external partners to meet your schedule?
14.4 What makes you think you can achieve this schedule?
14.5 What contingencies have you built into the schedule and the financial projections?