

# Innovation for Entrepreneur

# Innovation for Entrepreneur

**DIN147 (888147) 3(3-0-6)**

# Business Plan

888147 - Innovation Entrepreneur

# What is a business plan?

Thorough explanation of your business idea

How are you going to carry out your business, including

- What is the business
- Costs
- Marketing
- Financing
- Projections e.g. earnings

organize your thoughts before starting a business

guide you

Need a business plan

# Why do you need a business plan?

- investment
- Is it viable.
- Help you do research you need
- A guide for you
- Save you money – how?

# Why do you need a business plan?

Save you money – how?

- How much should you charge for your product or service?
- What exactly is your product or service?
- What is one unit of sale?
- What will your costs be?
- How are you going to market your product or service?
- How and where will you sell it?

If your proposed business is weak,  
you may avoid the high cost of failure.

# Why do you need a business plan?

As a guide

- How much should you charge for your product or service?
- a vital tool for **guiding the internal operations**
- **clarity of vision, mission, and goals**
- Benchmarks to **measure progress**



Write a business plan

# What is a business plan?

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<https://www.youtube.com/watch?v=Fqch5OrUPvA>

# How to write your business plan

Q. What do you want to achieve with your business?

Vision & mission = \_\_\_\_\_

Q. Set your goals & objectives for the business (customers, income)?

Goals & objectives =

1. Short term goals (with 12 months) = \_\_\_\_\_
2. Medium term goals (2-3 years) = \_\_\_\_\_
3. Long term goals (3+ years) = \_\_\_\_\_

# How to write your business plan

Define your Unique Selling Point (USP)

USP = \_\_\_\_\_

Know your market

- What (who) is the competition?
- What do they offer?
- What are the current / future trends?
- How can you measure your performance?

# How to write your business plan

Know your customer

- Why would / do customers choose you?

Is there a demand for your business?

- Is there an adequate demand?

# How to write your business plan

## Set your marketing goals

- Measureable marketing goals to achieve your objectives
- How many will I sell?
- What is my development strategy?
- Price margins?
- Delivery methods?
- What is my promotion plan?

# How to write your business plan

Define your marketing strategy

- How are you going to achieve your goal?
- What is your plan?
  - Price / profit margin
  - How many products will you sell?
  - How will you promote your business?

Take Action!

- What are you going to do & when, and now?

# business plan components

The background features abstract, overlapping geometric shapes in various shades of purple, ranging from light lavender to dark, almost black tones. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The text is centered in the white space between these shapes.



# business plan

**Cover Page**

**Table of Contents**

**1.0 Executive Summary**

**2.0 Mission, Vision, and Culture**

**3.0 Company Description**

**4.0 Opportunity Analysis and Research**

4.1 Industry Analysis

4.2 Environmental Analysis

4.3 Competitive Analysis

# Business plan

## **5.0 Marketing Strategy and Plan**

5.1 Products/Services

5.2 Pricing

5.3 Promotion

5.4 Place

## **6.0 Management and Operations**

6.1 Management Team

6.2 Research and Development

6.3 Physical Location

6.4 Facilities

6.5 Inventory, Production, and Quality Assurance

# Common parts

## **Financial analysis and projections:**

- Sources and uses of capital
- Cash flow projections
- Balance sheet projections
- Income statement projections
- Breakeven analysis
- Ratio analysis
- Risks and assumptions

## **Funding request and exit strategy:**

- Amount and type of funds requested
- Exit plan
- Milestones

# Business plan

## Appendices

Resumes

Sample Promotional Materials

Product Illustrations/Diagrams

Detailed Financial Projections

cover page  
(toc = table of contents)

# Cover page and table of contents

## Cover page

- ▶ The cover page should be professional, neat, and attractive.
- ▶ It should provide the name of the business and the principals, contact information, and any confidentiality statement.

## The table of contents

- ▶ Should be sufficiently detailed so an investor or manager can easily find a section, but not so detailed that it takes up pages of the plan.

# executive summary

# Executive summary

- ▶ This part has to be compelling and comprehensive.
- ▶ It can be the hook that either catches potential investors or loses their attention.
- ▶ The executive summary must encapsulate the story of the business clearly and concisely, propose the funding request, and inspire enthusiasm for the possibility of its success.



# Executive summary

- ▶ This section should be written last and limited to one or two pages.
- ▶ It should answer the **who, what, when, why, and how** questions for the **business.**
  - ▶ Who will manage the business? What will it do, and what is the owner asking for in the plan? When will the proposed plan be implemented? How will the business succeed?

mission statement

# Mission and culture



Virgin

“Have fun, make money”

# Mission and culture



"A computer on every desk and in every home."

# Mission and culture



“...to create the most compelling car company of the 21<sup>st</sup> century by driving the world’s transition to electric vehicles.”

# Mission and culture

## The vision

- ▶ Broader and more comprehensive statement, painting the big picture of what you want your organization to become.
- ▶ It is built on the core values and belief system of the organization.
- ▶ It is typically shorter than the mission statement, with a loftier perspective

## Example

**“Digital for Thais” is the vision of AIS, a telecommunication company in Thailand**

# Mission and culture

## The mission

- ▶ A concise communication of **strategy**, including your business definition and competitive advantage.
- ▶ **The function** of a mission statement is to clarify what you are trying to do, and it can provide direction and motivation to those who are involved in the business.

# Mission and culture

## The mission

- ▶ It should capture your passion for the business and your commitment to satisfying your customers.
- ▶ The mission statement should be clear and concise, no more than 21 to 40 words.

## One of the AIS mission is

**“Give a better service by using new innovations”**



background

# Company description

- ▶ It should include summary information about the company's founding, its progress, and its financial success.
- ▶ If this is **a start-up venture**, this section should describe briefly the background story of the company, explaining what you have done thus far and why you have done it.
- ▶ The legal form of the business (sole proprietorship, corporation, LLC, partnership) should also be noted.

# Our Story



## Company description

**M**ailchimp is an all-in-one Marketing Platform for small business. We empower millions of customers around the world to start and grow their businesses with our smart marketing technology, award-winning support, and inspiring content. Founded in 2001 and headquartered in Atlanta with additional offices in Brooklyn, Oakland, and Vancouver, Mailchimp is 100% founder-owned and highly profitable.

analysis

# Opportunity analysis and research – testing ideas

- ▶ This section will provide the credible data and information to determine and demonstrate the **market viability** of your proposed business on paper.
- ▶ It should be a clear description of why the business presents an excellent opportunity, based on sound research and logic

# Opportunity analysis and research – **Industry analysis**

- ▶ It will deal with such factors as industry definition, industry size and growth (or decline), product and industry life cycle, and any current or anticipated legal or regulatory concerns.
- ▶ Determining **industry structure**, including geographic distribution, business size of member firms, concentration of power, and rates of failure, is also important.
  - ▶ For example, the failure rate of restaurants is very high and should be addressed in a business plan for a dining establishment.
- ▶ This is also the place to discuss how you will track industry developments on an ongoing basis

# Opportunity analysis and research

## – Environmental analysis

- ▶ This section addresses the roles of the community, region, nation, and/or the rest of the world as they relate to your business.
  - ▶ Whether or not demographic and family changes are working in your favour could mean adjustments for the business.
  - ▶ Changes in technologies and economic conditions might radically alter your plans.
  - ▶ Examples could include the aging of the baby boomer generation or the prevalence of computer technology.

# Opportunity analysis and research

## – Proof of market

- ▶ The investigation that will provide evidence of a market opportunity for your organization.
- ▶ This should identify **market size**, both in terms of dollars and units.
- ▶ There have to be enough customers who will purchase your product or service in sufficient quantity at a high enough price and often enough for your business to be sustainable.



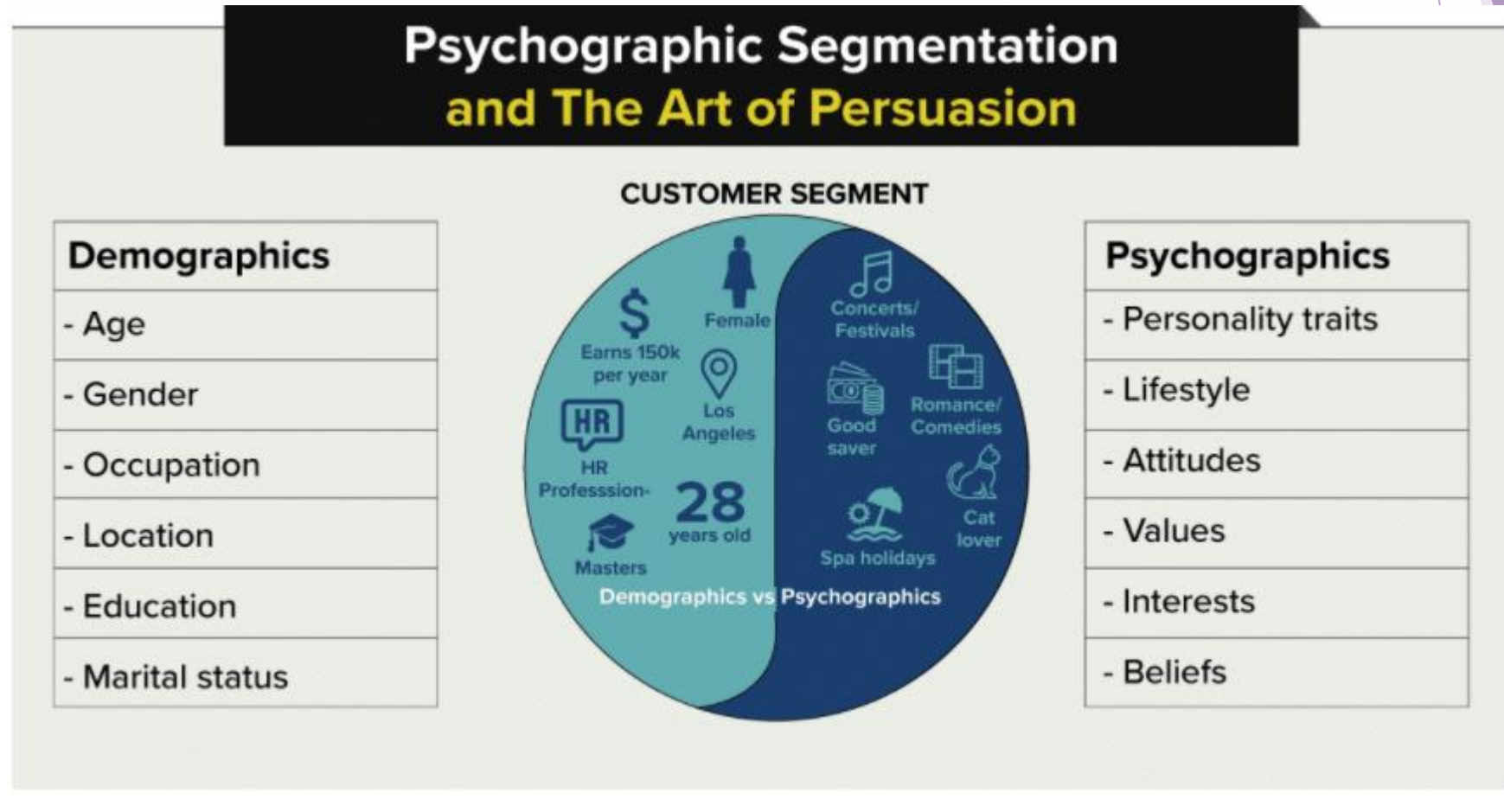
# Opportunity analysis and research

## – Target market

- ▶ **Segments**, which are groups of people defined by common factors, such as demographics, psychographics, age, or geography.
- ▶ This section will discuss **the size of your target market and the market share** that would be attainable.

# Opportunity analysis and research

## – Target market



# Opportunity analysis and research

## – Competitive analysis

- ▶ This should compare your organization with several direct and indirect competitors by name and include comparisons that would be meaningful to customers.
- ▶ It must make clear where your competitive strengths and weaknesses are and where there are holes in the competitors' businesses.
- ▶ Factors to compare may include, but would not be limited to, **location, product selection, market share, product or service quality, experience, advertising, pricing, finances, capacity, hours, size and skill of workforce, and reputation.**

# Opportunity analysis and research

## – Competitive analysis

- ▶ Value proposition and customer segments
  - ▶ <https://www.youtube.com/watch?v=m2IPvT920XM&list=PL8dPuuaLjXtNamNKW5qIS-nKgA0on7Qze&index=4>
- ▶ What you can learn from your competition
  - ▶ <https://www.youtube.com/watch?v=5hL66Xl6W6M&list=PL8dPuuaLjXtNamNKW5qIS-nKgA0on7Qze&index=5>

**Target market** – deal with factors such as:

- The size of your target market and the market share that is attainable
- Segments – groups of people defined by common factors, such as demographics, psychographics, age, or geography

plan

# Market strategy and plan: Reaching customers

- ▶ How you will reach your customers and your anticipated sales volume.
- ▶ **Marketing mix:**
  - ▶ The combination of the four factors— **product, price, place, and promotion**—that forms your competitive advantage.
- ▶ **Marketing plan:**
  - ▶ A statement of the marketing goals and objectives for a business and the strategies and tactics to attain them.

# Market strategy and plan: Products/Services

- ▶ **What benefit** is your product or service providing to customers?
- ▶ Your products/services should meet or create a customer need.
- ▶ The distinctive features and benefits of the product/service must be clearly stated.
- ▶ If you are introducing an innovative technology, the value of the innovation to customers warrants explanation here.



# Market strategy and plan:

## Pricing

- ▶ Price should reflect your strategy, and policy.
- ▶ If you are marketing a luxury item, a relatively low price might not send the right message to your target customers.
- ▶ Highlight competitive advantages—such as quality, credit terms, warranty type and length, service, and innovativeness—that support the pricing.

# Market strategy and plan:

## Promotion

- ▶ Promotion consists of advertising, publicity, and other promotional methods, such as discount coupons or giveaways.
  - ▶ Generally, **publicity** is free, whereas **advertising** is purchased.
- ▶ The description of your **promotional plans** should be specific with respect to the **methods used, the timeline for implementation, and the budget.**

# Market strategy and plan:

## Promotion

- ▶ Often this section is further divided into advertising, public relations and publicity, and direct marketing.
  - ▶ **Advertising** consists of paid promotion through media outlets, such as broadcast or cable television, the Internet, podcasts and magazines.
  - ▶ **Public relations** consists of community activities that are designed to enhance your organization's image.
  - ▶ **Publicity** is free notice in the media presented as news.
  - ▶ **Direct marketing** includes telemarketing, direct mail, in person selling, and other personalized efforts.

# Market strategy and plan:

## Place

- ▶ This is **the venue** from which you will sell and distribute your product.
- ▶ Your selling location should be where consumers in your **target market** do their shopping
- ▶ If you are selling a luxury item, you will need to place it in stores or on web sites that are visited by customers who can afford it.
- ▶ Included in place is your selection of a type of **sales force** i.e., independent, company, single line, or multiline, any geographic definition of your market, and **channels of distribution**.
  - ▶ *Are you going to sell directly to consumers, work through wholesale distributors, be Web-based, or sell at retail?*

# Marketing strategy and plan



successful plan

# Management and operations: Making the plan happen

## Management:

- ▶ The team must be composed of an effective balance of members with technical expertise (e.g., engineering, marketing, accounting, and operations), experience in the field, and life experience.
- ▶ Briefly discuss the current and proposed management team and reference their resumes in the appendices.
- ▶ It can also be worthwhile to add an organizational chart representing the company as it is proposed in the near term and with growth.
- ▶ In addition, descriptions of key roles and responsibilities and structures for each will need to be included.

# Management and operations: Making the plan happen

## Operations:

- ▶ If your business will be involved in research and development, this section should describe it.
- ▶ Include the state of development, such as prototype, testing, or commercialization.
- ▶ Any patents, patents pending, or other intellectual property should be discussed and the stage of commercial readiness.
- ▶ The description of the physical location is similar to the discussion of place in the marketing mix but with the emphasis on logistics and workforce readiness.



# Management and operations:

## Making the plan happen

### Operations (cont.):

- ▶ Describe the desired physical location(s) of the organization and the rationale.
  - ▶ For example, if you require a concentration of highly skilled scientists, you might want to locate near a university with a strong science orientation or near other firms with similar labor-pool requirements.
  - ▶ In addition, geographic proximity to customers and/or suppliers or distributors may be a critical site factor.
  - ▶ Other aspects to consider are business-friendly laws and courts, tax rates and structures, overall quality of life, and environment.

# Management and operations:

## Making the plan happen

### Operations (cont.):

- ▶ The business plan is an opportunity to set inventory control systems, production processes, and quality-assurance methods.

# successful financial planning

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# Financial analysis and projections: Translating action into money

- ▶ The financial section of the business plan will be the numeric representation of all that you wrote previously.
- ▶ This section should demonstrate organizational viability in financial terms.
- ▶ You are likely to show initial losses, and you should be up front about this.
- ▶ The financials should match both the general market and the other information you provided throughout the business plan.

# Financial analysis and projections: Translating action into money

## Source of capital:

- ▶ This section is the numeric representation of the start-up costs plus a verbal description of capital requirements.
- ▶ It is essential to make the list as complete and accurate as possible.

# Financial analysis and projections: Translating action into money

## Start-up cost examples:

Energy Mavens LLC Estimated Start-Up Costs		
Start-Up Expenses	Estimate	Notes/Assumptions
Certifications	\$ 20,000	Federal certifications for manufacturing
Consulting Fees	\$ 5,000	Manufacturing consultants
Expensed Equipment	\$ 3,000	Computers, printers, and the like
Financial Institution Fees	\$ 5,000	Loan fees at 2%
Identity Set/Stationary	\$ 2,000	Letterhead, business cards, envelopes
Insurance	\$ 6,000	6 months
Licenses	\$ 300	City, State, County
Marketing	\$ 19,000	Pre-venture advertising and promotion
Marketing Materials	\$ 20,000	Website, brochures, presentations
Owner's Wages	\$ 7,500	Pre-opening 3 months
Payroll (with taxes)	\$ 40,000	Engineer and manager 3 months
Permits	\$ 200	Building permits for leasehold improvements
Professional Fees - Accounting	\$ 1,000	Set-up of accounting system
Professional Fees - Legal	\$ 3,000	LLC formations, lease review, contracts
Professional Fees - Other	\$ 2,000	Professionals involved in leasehold improvements
Rent	\$ 15,000	\$4.00/sq. foot - 15,000 sq. foot - 3 months
Research & Development	\$ 5,000	Technical analysis
Supplies - Office	\$ 1,000	General supplies
Telephone/Internet	\$ 300	\$100 per month for 3 months
Travel/Fuel (.55xMILES)	\$ 10,000	Pitching product to companies & investors
Utilities	\$ 9,000	Eventually switch over to panels
Web Fees	\$ 500	Web - URL and fees
Other	\$ 300	Accounting software
<b>Total Start-Up Expenses</b>	<b>\$ 175,100</b>	

# Financial analysis and projections: Translating action into money

## Start-up cost examples (cont.)

<b>Start-Up Assets</b>		
Cash on Hand	\$ 1,000	Funds for miscellaneous purchases
Building (if purchased)	\$	not applicable
Cars, Trucks, and Other Vehicles	\$ 60,000	Prius with company logo & local delivery truck
Equipment (including installation)	\$ 20,000	Factory equipment
Furniture & Fixtures	\$ 20,000	Primarily warehouse fixtures
Inventory - Raw Materials	\$ 100,000	Component items
Inventory - Semi-Finished Goods	\$ 25,000	Partially produced components
Inventory - Finished Goods	\$	not applicable
Land (if purchased)	\$	not applicable
Leasehold Improvements	\$ 20,000	Custom system and other fit-out
Machinery	\$ 3,200,000	Specialized equipment detailed in plan
Rent Deposit (Prepaid Expense)	\$ 10,000	First and last month
Signage	\$ 10,000	Exterior and interior
Software for Manufacturing	\$ 50,000	Specialized software
Utility Deposits (Prepaid Expense)	\$ 3,000	All deposits
<b>Total Start-Up Assets</b>	<b>\$ 3,519,000</b>	
<b>Total Start-Up Requirements</b>	<b>\$ 3,694,100</b>	
Contingency Funds (10%)	\$ 369,410	
<b>Start-Up with Contingency</b>	<b>\$ 4,063,510</b>	<b>Budgeted Start-up Investment</b>

# Financial analysis and projections: Translating action into money

## Cash flow projections:

- ▶ This projections show **cash receipts less cash disbursements** over a period of time.
- ▶ Creating your cash flow projections for three years will bring financial potential and risks into clear focus both for you and your stakeholders
- ▶ It will also allow you to review your business plan and to reconsider your business approach.
- ▶ In **a start-up business**, cash flow is likely to be negative at various points, such as the early months or in certain seasons.
- ▶ A business cannot survive long with negative cash flow, so it must increase cash coming in (revenues, loans, equity investments, and the like) and/ or reduce the amount of cash going out (expenses, equipment purchases, debt repayment, for example).



# Financial analysis and projections: Translating action into money

## Cash flow calculation:

<b>Exhibit 2-3</b> <i>Cash Flow Calculations</i>	
Starting Cash	(+)
Cash In from Operations [Sales]	(+)
Cash Out from Operations [Cost of Goods Sold, Expenses, Taxes]	(-)
Cash In from Investing [Equity Infusions, Earnings on Investments]	(+)
Cash Out from Investing [Equipment Purchases, Repaying Investors]	(-)
Cash In from Financing [Loans]	(+)
Cash Out for Financing [Repayment of Debt]	<u>(-)</u>
Ending Cash Balance [Starting Balance for Next Period]	(=)

# Financial analysis and projections: Translating action into money

## Balance sheet projections:

- ▶ It provide snapshots of your business at specific points in time, such as the last day of a month, quarter, or year.
- ▶ Balance sheets show **the business's assets (what you own), liabilities (what you owe), and net worth, or owner's equity**

$$\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$$

# Financial analysis and projections: Translating action into money

## Balance sheet projections – example:

<b>Exhibit 2-4 Balance Sheet Summary Format</b>			
<b>Energy Mavens LLC Balance Sheet as of December 31</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Assets</b>			
Short-Term Assets	\$200,000	\$300,000	\$450,000
Long-Term Assets	<u>3,500,000</u>	<u>3,200,000</u>	<u>2,800,000</u>
<b>Total Assets</b>	<b><u>\$3,700,000</u></b>	<b><u>\$3,500,000</u></b>	<b><u>\$3,250,000</u></b>
<b>Liabilities</b>			
Short-Term Liabilities	\$100,000	\$200,000	\$200,000
Long-Term Liabilities	<u>1,500,000</u>	<u>1,050,000</u>	<u>800,000</u>
<b>Total Liabilities</b>	<b><u>\$1,600,000</u></b>	<b><u>\$1,250,000</u></b>	<b><u>\$1,000,000</u></b>
<b>Owner's Equity</b>	<b><u>\$2,100,000</u></b>	<b><u>\$2,250,000</u></b>	<b><u>\$2,250,000</u></b>
<b>Total Liabilities &amp; Equity</b>	<b><u>\$3,700,000</u></b>	<b><u>\$3,500,000</u></b>	<b><u>\$3,250,000</u></b>

# Financial analysis and projections:

## Translating action into money

### Income statements projections:

- ▶ It summarizes income and expense activity over a specified period, such as a month, quarter, or year, and shows net profit or net loss.
- ▶ Generally, start-up enterprises suffer losses for several months, or even a few years, depending on the type of business.
- ▶ You can show initial losses in your statements, but they must be comparable to industry norms, and you must have cash to cover any shortfalls

# Financial analysis and projections: Translating action into money

Income statement projections – example:

<b>Exhibit 2-5</b> <i>Income Statement Summary Format</i>			
<b>Energy Mavens LLC</b> <b>Income Statement for the Year Ending December 31</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>
Net Sales Revenue	\$2,500,000	\$3,500,000	\$5,500,000
Cost of Goods Sold	<u>1,400,000</u>	<u>1,700,000</u>	<u>3,000,000</u>
<b>Gross Profit</b>	<b>\$1,100,000</b>	<b>\$1,800,000</b>	<b>\$2,500,000</b>
Operating Expenses	<u>300,000</u>	<u>400,000</u>	<u>600,000</u>
<b>Earnings before Interest &amp; Taxes</b>	<b>\$800,000</b>	<b>\$1,400,000</b>	<b>\$1,900,000</b>
Interest Expense	100,000	90,000	80,000
Taxes	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Income</b>	<b><u><u>\$700,000</u></u></b>	<b><u><u>\$1,310,000</u></u></b>	<b><u><u>\$1,820,000</u></u></b>

# Financial analysis and projections: Translating action into money

## Breakeven analysis:

- ▶ This calculation will determine your organization's breakeven point—that is, **when the volume of sales exactly covers the fixed costs.**
- ▶ Calculating the breakeven point will help demonstrate whether there is a viable market for your business.

$$\frac{\text{Fixed Cost (\$)}}{\text{Gross Profit per Unit (\$)}} = \text{Breakeven Units}$$

# Financial analysis and projections: Translating action into money

## Ratio analysis:

- ▶ This analysis help you to understand your business performance relative to your industry peers.
- ▶ A business plan should include standard ratios: *gross profit, quick, current, debt, collection period, receivable turnover, inventory turnover, net profit on sales, net profit to assets, and net profit to equity*.
- ▶ By comparing your business from one period to another and looking at the industry norms, you can adjust the way you will operate, or you can explain why you are outperforming your industry through your competitive advantages or underperforming because of specific circumstances.

# Financial analysis and projections: Translating action into money

## Risk and assumptions:

- ▶ All businesses take risks and make their projections based on assumptions.
- ▶ To present a realistic plan, you will need to state your assumptions and known risks explicitly.
- ▶ You will have done some of this in your **SWOT analysis**



# Funding request and exit strategy:

## The ask and the return

### Funding request:

- ▶ Your business plan should explicitly state the amount of funds you will need in accordance with the financial projections you provide.
- ▶ **The reasoning** for the request will have to be clear and compelling.
- ▶ Then you should identify the type of financing you require or are requesting and include your own financial contribution and that of any partners or co-owners, the amount of debt (loans) you will need to take on.

# Funding request and exit strategy:

## The ask and the return

### The exit strategy:

- ▶ The exit strategy is the way in which you and/or your investors expect to leave the company someday in a planned and orderly way.
- ▶ For investors, this might mean a buyout plan for their equity, or an initial public offering (IPO) when the company goes public—that is, puts itself on the stock exchange.
- ▶ It could mean the sale of the business when certain benchmarks are met or at a predetermined point in time.

# Funding request and exit strategy:

## The ask and the return

### The exit strategy (cont.):

- ▶ Lenders and investors will want to know how they will recoup their investment and earn enough profit to warrant the risk they are taking.
- ▶ **Any business plan is only as strong as its implementation schedule.**
  - ▶ Therefore, **the schedule—timetable—of milestones (goals) that you include will be important to your business and your stakeholders.**
  - ▶ By establishing realistic deadlines for the completion of activities, you demonstrate knowledge and understanding of the necessary tasks.

and ...,

# Appendices: Making the case in greater detail

- ▶ The appendices will provide you with an opportunity to strengthen your business plan with examples and details that are not critical for inclusion in the main portions
- ▶ Each appendix should be numbered and placed in the plan according to the order of reference in the text.
- ▶ The appendices should be listed in your table of contents.

# Business plan advice

## BUSINESS PRESENTATION TEMPLATE



Slide 1: Title slide. Features a logo placeholder, the title "BUSINESS PRESENTATION TEMPLATE", and a background image of a man in a red shirt working at a laptop.



Slide 2: Content slide. Features a background image of a desk with a laptop and a monitor. Text includes "Lorem Ipsum Passage Used Text" and a paragraph of placeholder text.



Slide 3: Content slide. Features a background image of a desk with a laptop and a monitor. Text includes "Lorem Ipsum Passage Used Text" and a list of two bullet points.



Slide 4: Content slide. Features a background image of a man sitting on a sofa using a laptop. Text includes "Lorem Ipsum Passage Used Text" and two bullet points with circular icons.



Slide 5: Content slide. Features a background image of four men in suits. Text includes "Lorem Ipsum Passage" and four small circular portraits of the men.



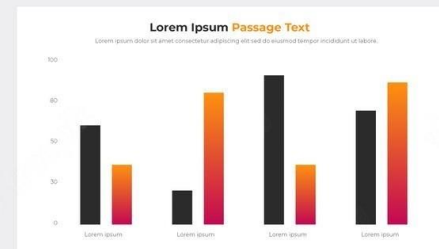
Slide 6: Content slide. Features a background image of a man working at a desk. Text includes "Lorem Ipsum Passage Used Text" and two bullet points with circular icons.



Slide 7: Content slide. Features a background image of hands typing on a laptop. Text includes "Lorem Ipsum Passage Text" and a quote box with a red double quote icon.



Slide 8: Content slide. Features a background image of a circular process diagram with six icons. Text includes "Lorem Ipsum Passage Text" and four bullet points.



Slide 9: Content slide. Features a background image of a bar chart with four bars. Text includes "Lorem Ipsum Passage Text" and a list of four items.

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# Business plan suggestions

## Write for your audience:

- ▶ Whether the plan is for an internal (you and your team) or an external (lenders and investors) audience, it will need to address issues and concerns in language your readers will understand.
- ▶ They need to see that this business is something they want to be on board with (if company personnel) or that it satisfies a market need (if potential investors).

# Business plan suggestions

## Show that you have skin in the game:

- ▶ No matter who the audience is, they will want to know that you are emotionally, intellectually, and financially invested in the business.

## Be clear and concise:

- ▶ Simple, direct language written without too many adjectives or unnecessarily complex terminology is best.
- ▶ Depending on your audience and the type of business, your plan should be from 15 to 40 pages long, including appendices.



# Business plan suggestions

## Use current data and reports for your industry:

- ▶ This is important to validate that you are being realistic and have truly done your research.

## Choose a voice and stick with it:

- ▶ It is best to write your business plan in the third person (not the first-person—“I” or “we”) to give it an objective tone.

## Use a consistent, easy-to-read format:

- ▶ Choose a format and use it consistently throughout the plan.
- ▶ For example, *using 1-inch margins, double spacing, and a serif font* (such as Times New Roman) will make the document easy to read.

# Business plan suggestions

## Number and label:

- ▶ Number pages, figures (drawings, illustrations, photos), and tables, and refer to each in the text by title and number to make it easy for the reader to understand and find sections of the plan.

## Present it professionally:

- ▶ A professional business plan on high-quality paper with a neat, attractive cover page, and professional binding will go a long way toward impressing the reader.



**Thank you!**  
any questions?