

02: Drawing up a business plan for potential funders

Below are just bullet point guides of what to include in a business plan when you asked to make a presentation to potential funders :

10 point Business Plan Outline

1. Executive Summary
2. Business Vision
3. Background and History
4. Product/Service
5. Market
6. Management
7. Sales Plan
8. Development Plan
9. Intellectual Property
10. Financials

1. Executive summary

- > Maximum of 2 pages long
- > 1 paragraph for each business plan section

2. Business vision

- > Hardest part to be prescriptive about, but this is your chance to sell the concept
- > This the only part of the plan where speculation and dreaming about the future is acceptable

3. Background and history

- > Date of incorporation
- > Directors



- > Share capital
- > Funding history
- > Business history
- > Business location(s)

4. Product/Service

- > What is your offering
- > What is your Unique Selling Point
- > Explain to an appropriate level of detail
- > Use diagrams, pictures and metaphors to get your ideas across

5. Market

- > Size
- > Customers
- > Competition

6. Management

- > CEO
- > Founder (and inventor if business based on new technology)
- > Chairman

7. Sales Plan

- > When and how will first sales be achieved?
- > Licences or direct sales?
- > Direct sales force or agency working for commission?
- > Partnerships

8. Development Plan

- > Provide evidence of a realistic and methodical approach to achieving your technical goals
- > Show how the technology development plan is synchronised with the sales effort



- > 1 page Gantt type overview
- > Identify milestones or key decision points

9. Intellectual Property (if applicable) – what do you own?

- > Patents?
- > Know how?
- > Barriers to entry – do you know of other intellectual property which might hinder your entry into a particular market?

10. Financials

- > When will first sales be made?
- > Back-up on cost data to support requested level of investment
- > Sensible matching of costs and revenues

Some Do's and Don't's

DO

- > Your homework before approaching a funder
- > Get an introduction rather than making a cold call
- > Be aware that investors will be making judgements throughout their interactions with you
- > Expect to provide references on yourself and your customers
- > Admit weakness
- > Identify gaps in your planning
- > Talk about risks and the possibility of failure
- > Pester your investor – be proactive
- > Say no to his/her requests if they're not sensible

DON'T

- > Make claims you can't substantiate
- > Make your plan or presentation too long
- > Use management speak or technical jargon





- > Say there's no competition
- > Delay in providing follow-up information

2 final thoughts

1. Regardless of how you perform on the day, if the underlying business proposition is sound, you will succeed
2. Think of your investor as pitching to you rather than the other way round

