

# Business Plan Guidelines

The following is a typical business plan outline. The outline is offered as a starting point. You will need to make appropriate adjustments to fit the needs of your business idea.

**APPLICATION INCLUSIONS:** With the online application process you will be limited in the amount of information submitted. Once you have actually submitted your application, or the deadline has passed, you will be unable to make any changes. No exceptions.

Your application should be limited to ten pages, with supporting documents restricted to a reasonable number. Your financial information must be submitted on the provided template. Applications are judged on clarity of content. The following are suggested inclusions:

## **A.) Executive Summary of Business**

The Executive Summary is the most important section in the plan and should be written first. In two pages or less, the summary must provide a compelling story about the large opportunity in the marketplace, why it is not presently being served adequately, your company's unique capabilities and product, and its competitive advantage that will enable it to generate superior growth and margins. Provide an explanation of how you will efficiently reach the customer through your marketing and sales program. Define the required management skills and describe the qualifications of the existing key managers. State the amount of capital that is required to implement the plan, indicate the timing of your capital requirements, and project the financial results.

- Brief description of company
- Key management and expertise/experience in this market
- Financial requirements (uses of financing, sources of funds, terms needed)
- After you have worked on the most relevant parts of the outline you will probably find that the executive summary should be revised.

## **B.) Description of Company and Industry**

- Description (name, legal form, purpose, breakdown of ownership)
- Basic business strategy
- Description of industry

## **C.) Products/Services and Markets**

Provide a detailed description of products (or services) and an overview of the market sector or niche being targeted.

- Description of products (customers, end users, uses, costs, prices, estimated growth, proprietary position - patent, trademark)
- Trade area/distribution
- Competitor profiles - Differentiate from competition
- Position in market place
- Degree of product development risk/cost

- Market strategy/Market size/Degree of change to market variability in demands (seasonality, economic, interest rates, consumer taste, etc.)
- Product development risk/cost
- Pricing policy and rational
- Product guarantees/Brand promise
- Sales program
- Regulatory and legal risks

#### **D.) Production -- Optional**

- Raw materials
- Physical facilities and equipment needs
- Employee requirements
- Utility requirements
- Ideal location based on all of the above

#### **E.) Management**

The single most important criteria in the selection of an investment opportunity is management. Provide a complete resume for each of the senior managers (including all relevant work experience, education, patents and technical publications, and professional certifications) and an organization chart.

- Organization chart
- Key management - Cash Investment versus Sweat Equity
- Compensation - Structure
- Board of Directors - Governance Process/Ethical Controls
- Stockholders
- Legal structure
- Management contribution as investor - Work for free?

#### **F.) Financing and Accounting** (Mandatory use of template for #s)

Historical (if applicable) and projected financial information are required to enable investors to understand the use of capital, assess the current and potential value of the company, and to evaluate the trade-off between risk and return for the investment.

- Cash flow projections for three years - Break even analysis
- Capital and debt level
- Exit strategies (How you expect to create liquidity for your investors)