

## The Business Plan

### BUSINESS PLANS

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## Why Bother?

- Garner Support & Buy-In
- Communicate ideals to others
- Any Plan is better than no plan
- Ambitious plans are better than slam-dunks
- Business Plans are not static
- Performance Measures and Reward Systems
- Who should prepare *the Plan*?

## What's in a Plan?

- Executive Summary
- The Company
- Marketing
- Operations
- Financial
- Risk Factors
- How much detail?

## What's in a Plan?

### Executive Summary

(avoid generalizations – give me the numbers!)

- Vision Statement
- Mission Statement
- Statement of the opportunity
- Salient features (management, IP)
- Statement of sales and profit potential
- Investment highlights (if appropriate)

Elevator Pitch: a *summary* of the exec summary!

## The Elevator Pitch...

What do Angels (and others) look for?

the 3 G's....

GOODNESS

GREATNESS

GREED

## The Elevator Pitch...

Questions in the Reader's Mind are:

- What's the Opportunity?
- Why You? (your advantages)
- What's the Deal? (what are you asking for?)

Answers in the Author's Mind are:

- Concise and articulate
- Not overly product/technology centric
- Sure to include all relevant contact information

## What's in a Plan?

### The Company

- People (management, experience)
- History (background) of company
- Ownership structure (stakeholders)
- Board of Directors and/or advisors

## What's in a Plan?

### Marketing

- Opportunity
- Product(s) or services offered
- Market Mix (the 4Ps of marketing)
- The Sales Plan (not a *forecast*, but a *plan*)
- Competitive strategy and competitive analysis

## What's in a Plan?

### Operations

- internal organization (who does what?)
- facilities
- details on how product(s) is to be produced or sourced
- research and development activities (if applicable)
- logistics
- The H.R. plan

## What's in a Plan?

### Financial (NB: discussion in main section, spreadsheets as attachments)

- Profit and Loss Pro forma statements (2-5 years)
- Balance Sheets
- Cash Flow statements (include sensitivity analysis)
- break-even analysis
- funding requirements (worst case, best case)
- sources of funding
- uses and applications of funding
- the "deal", i.e. the financing proposal
- Share capital, options plan
- STATE ASSUMPTIONS!!!

## What's in a Plan?

### Risk Factors

- Identification of risks
- Potential problems
- Contingency plans
- SWOT (Strengths, Weaknesses, Opportunities, Threats)
- Other issues and Concerns

## Vision & Mission

- Vision: How do we see ourselves?  
A "snapshot" (like Balance Sheet)
- Mission: What's our purpose?  
A "process" (like P&L)
- Provides blanket guidelines  
(e.g. gives guidance in the absence of articulated details)

## SFU'S TTO MISSION

*The mission of the University/Industry Liaison Office at Simon Fraser University is to facilitate the creation of new university-industry research and development partnerships and to commercialize the results of University-based research with a view to providing an economic return to the University, the Province of British Columbia, and Canada.*

## SFU'S TTO VISION

*The vision of the University/Industry Liaison Office at Simon Fraser University is...*

*1.to be recognized as a leader in North America in the technology commercialization process;*

*2.to be seen as a major force in the economic development of the high tech industry in B.C.*

## Sample Mission Statements

- 3M:  
"To solve unsolved problems innovatively"
- Mary Kay Cosmetics:  
"To give unlimited opportunity to women."
- Merck:  
"To preserve and improve human life."
- Wal-Mart:  
"To give ordinary folk the chance to buy the same thing as rich people."
- Walt Disney:  
"To make people happy."

## The Business Plan

### Links:

<http://www.sfu.ca/~mvolker/biz/busplan.htm>  
<http://www.sfu.ca/~mvolker/biz/index.htm>  
<http://www.smallbusinessbc.ca/workshop/busplan.php>  
[http://strategis.ic.gc.ca/sc\\_n/engdoc/starting\\_business.html?guides=e\\_sta](http://strategis.ic.gc.ca/sc_n/engdoc/starting_business.html?guides=e_sta)

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