The Business Plan

BUSINESS PLANS
Mike Volker

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 

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

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

**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!!!

### 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)
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.

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.”

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Links:
- http://www.sfu.ca/~mvolker/biz/busplan.htm
- http://www.sfu.ca/~mvolker/biz/index.htm

mike@volker.org