

Writing an outstanding business plan (BP)



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1. What is a Business Plan (BP)?

- ❑ The primary value of your BP will be to create a **written outline** that evaluates all aspects of the economic viability of your business venture including a **description** and **analysis** of your business prospects.
 - ❑ BP document can convince the readers that the business can produce **enough revenue** to make a satisfactory profit and therefore **attractive as an investment opportunity**.
 - ❑ BP should sell the writer/reader on the business:
 - Writer: so that you can go out and do it
 - Reader: to invest in it
-

BP concept: The 5W and 1H

- ☐ **What** do you want to accomplish?
- ☐ **Why** is there an opportunity?
- ☐ **When** do you expect to hit your milestones?
- ☐ **Who** are you and who will help you in this initiative?
- ☐ **Where** will you be in two to three years?
- ☐ **How** will you achieve your goals?



Ask yourself before start...

- ☐ **What's my Vision?**
 - ☐ **Can I say it so that anyone understands it?**
 - ☐ **What about business model?**
 - ☐ **Do I solve any problem or create any value for customers?**
 - ☐ **Are we really innovative?**
 - ☐ **R-W-W check: Is It Rreal? Can We Win? Is It Worth Doing?**
 - ☐ **Is my business different from others?**
 - ☐ **Return On Investment (ROI)?**
-

BP balances...

- ❑ **It requires disciplined balance**
 - **It's visionary, but logical and focused.**
 - **It's financially perfect, but could be flexible.**
 - **It's for today, but also for 3-5 years out.**
 - **It's a formal Plan, but it's easy to read.**
 - **It's creative, but it follows some rules.**
-

No BP, No money; No money, No_____

- ❑ **The Six Stages of Successful Sources**
 - **FF&A: Friends, Family & Acquaintances**
 - **Private angels**
 - **Venture capitalists**
 - **Corporate investors**
 - **Strategic partners**
 - **Banks**



Business idea generation: An eye-catching briefing

- **A presentation (10 mins) should be provided with**
 - **(1) business idea**
 - **(2) rough business model (a clear-illustrated figure)**
 - **(3) brief explanation of the business**
 - **(4) target customers/business opportunity**

 - **Practice, make it in 1 minute** (so call “a quick presentation in elevator”, referring *The McKinsey’s mind*)
-

2. Business Plan Format

You have two options

- ❑ **The Traditional Business Plan**
 - **7-8 sections**
 - **20-40 pages with detail financials generally**
 - **More detail: markets, products & technologies**

 - ❑ **Business Plan Lite**
 - **3-4 sections**
 - **An extended Executive Summary**
 - **10-15 pages with simple financials**
-

2. Business Plan Format

□ The Traditional Business Plan

- 7-8 sections
- 20-40 pages with financials generally
- More detail: markets, products & technologies

- * Certainly preferred by sophisticated VCs
 - * Provides an opportunity to provide clear details
 - * Brings out the richness of the business idea.
 - * *Details the business and sales models*
 - * *Format & Detail will be discussed later*
-

2. Business Plan Format

- * A result of the times, to save time is to save money
- * Be an excellent writer
- * Provide great detail with very well chosen words
- * Get your points across succinctly & with clarity.
- * *Executive summary, The market, The model*, and simple *Financial part* create the BP Lite

☐ Business Plan Lite

- 3-4 sections
 - An extended Executive Summary
 - 10-15 pages with critical financial facts
-

2. Business Plan Format

Traditional Business Plan

Several basic elements should appear:

- ☐ Cover Page
 - ☐ Table of contents
 - ☐ Executive summary
 - ☐ The company
 - ☐ The market
 - ☐ The Product/service
 - ☐ Sales and Promotion
 - ☐ Management team
 - ☐ Financial projections
 - ☐ Supporting materials
-

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 - ☐ Financial projections
 - ☐ Supporting materials
 - ☐ Contact name
 - ☐ Contact information
 - ☐ Year, date
 - ☐ Mistake not allowed
-

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 - ☐ Management team
 - ☐ Financial projections
 - ☐ Supporting materials
 - ☐ Mistake not allowed
 - ☐ Be presentable
-

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Sample Business Plan

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Action Plan

The 30 Day Business Plan™

DAY 1

Name your company. Write a mission.
Develop a One Day Business Plan™.

Company Name	11
Company Mission Statement	14
The One Day Business Plan™	18-29

DAY 2

Design a logo. Write a principal business
definition. Complete cover sheet.

Company Logo	30
Confidentiality Agreement	34
Preparation and Copyright Notice	34
Principal Business Definition	35
Summary of Business Proposition	35
Targeted Reader Statement	35

DAY 3

Determine the content and heading
structure of your business plan.

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DAY 4

Summarize your business idea. List key
facts.

Executive Summary	43
Statement of Purpose	46
Fact Sheet	46

DAY 5

List goals, objectives, and strategies.
Choose a legal structure.

Accomplishments to Date	54
Buildings and Equipment Owned	54
Company History	54
Company Philosophy	54
Goals and Objectives	54
Keys to Success	57
Legal Structure	58

DAY 6

Find a location and compare it with
your competitors'. List pros and cons.

Location Analysis	66
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DAY 7

Describe growth strategies once initial goals
and objectives have been met. Outline R&D
plans.

Planned Expansion	73
Research and Development	75

DAY 8

Describe your principal products and
services. Outline future sales plans.

Description of Principal Products and Services ..	79
Feasibility Study	80
Future Products and Services	81

DAY 9

Find suppliers. Take steps to protect your
ideas.

Purchasing Plan	87
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DAY 10

Choose a single-entry or double-entry
accounting system. Open a business
checking account.

Accounting System	96
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Template for free

Business Plan

Prepared by: <name>

Version: <release.draft>

Date: mm.dd.yyyy

Non-Disclosure Agreement

By proceeding within this document (the "Plan"), you, any company, entity or organization that you are employed by or are otherwise the agent of, and all other employees thereof, (collectively, "Recipient") and (Insert Business Name Here) ("The Company"), agree that:

- The plan has been submitted by The Company to Recipient solely for the purpose of evaluating a potential investment by Recipient in The Company. The plan is not for use by any other person (s) or for any other purpose, and may not be reproduced, disseminated or otherwise disclosed to any person (s), other than any employees or agents of Recipient, including, without limitation, any legal counsel or accountants, of Recipient, who have a need to know the contents of the Plan in connection with the evaluation of a potential investment in The Company (collectively, "Representatives") who agree to the confidentiality provisions herein. Recipient shall be responsible for any and all acts of its Representatives.
- Recipient agrees to hold in the strictest confidence, and not use or disclose to anyone other than the employees of Recipient, its Representatives and The Company, the information contained in the Plan or supplied to the Recipient, orally or in writing, by The Company (the "Confidential Information"). Confidential Information includes, without limitation, concepts, cost data, techniques, design, work in progress, and other technical know-how, the identity of customers, suppliers, and subcontractors of The Company, financial, marketing and other business information, or any other trade secrets of The Company disclosed by The Company to Recipient or its Representatives or any summaries, analyses or other documents based thereon. Confidential Information further includes any information The Company has received from others, which The Company is obligated to treat as confidential or proprietary. If the Recipient has any questions as to what comprises Confidential Information, the Recipient agrees to consult with an officer of The Company prior to making any disclosure thereof.
- It is further agreed that any violation of this agreement by the Recipient or its Representatives will cause irreparable injury to The Company and that The Company shall be entitled to extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions, and permanent injunctions or other equitable relief. If court proceedings are required to enforce any provision or remedy any breach of this agreement, The Company shall be entitled to an award of reasonable attorney's fees incurred in connection therewith.
- This business plan does not constitute an offering. Any offering will be made by a definitive offering agreement. This plan has been submitted on a confidential basis solely to determine if selected individuals or organizations have an interest in making an equity investment.

2. Business Plan Format

Traditional Business Plan

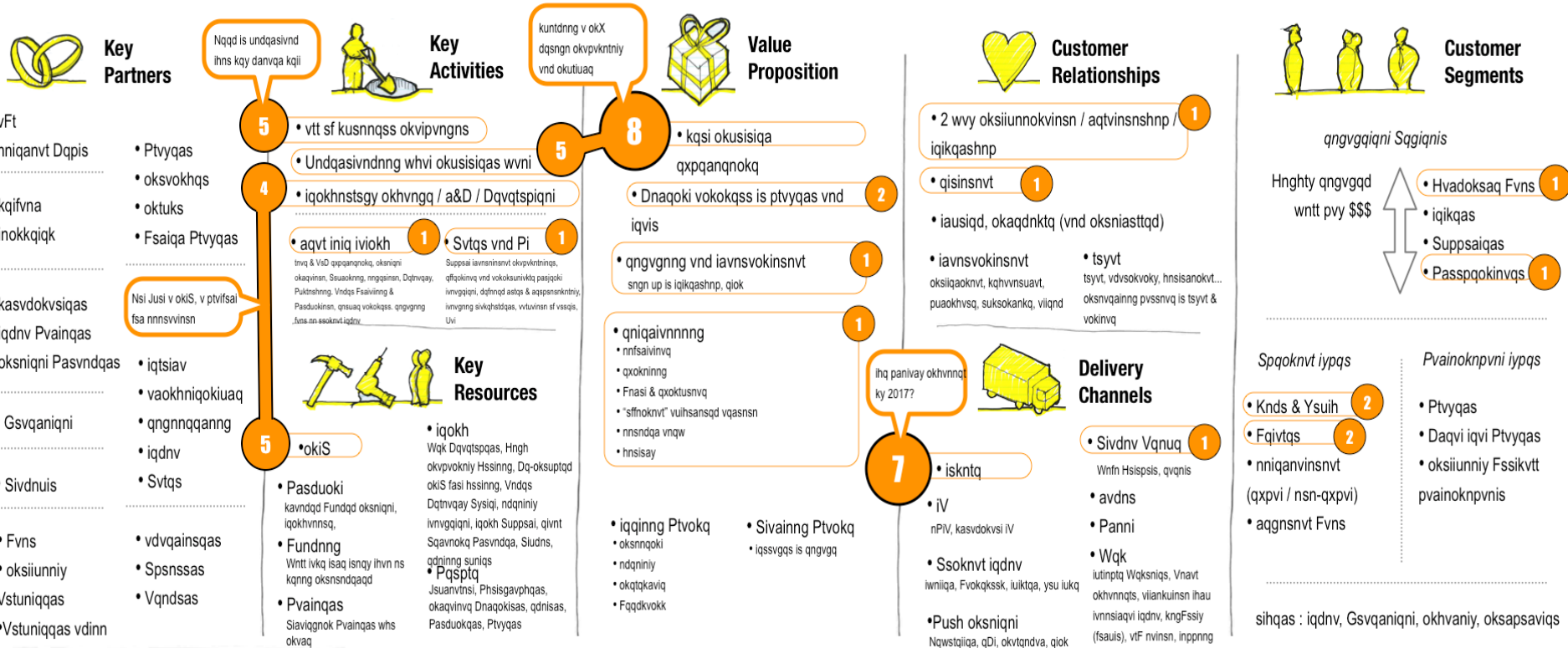
Several basic elements should appear:

- ☐ Cover Page
 - ☐ Table of contents
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 - ☐ The market
 - ☐ The Product/service
 - ☐ Sales and Promotion
 - ☐ Management team
 - ☐ Financial projections
 - ☐ Supporting materials
 - ☐ Be attractive
 - ☐ Make it in 1 page
 - ☐ Your Idea
 - ☐ Your Markets
 - ☐ Your **business model**
 - ☐ Your competitive advantages
 - ☐ Your use of the funds
 - ☐ management team briefly
-

Business Model and Target Areas for Improvement

Nuikqa sf Vsiqu

#



Cost Structure

- Dsnvinsns
- vffntniy Siaqvis
- vuokinsns & iavdnng
- Suksokanpinsns
- kasvdkvnd, iskntq
- Pasduokis, nPIV Pasduokis

Revenue Streams

- Gsvqaniqni Gavnis
- Paqinui oksniqni
- Vndqs Suksokanpinsns
- oktnp sf iavnsvokinsns
- Pvy Pqa Vnqw (iskntq, sntnnq nPIV)
- iqakohvndnsq & qoksiiaokq
- Dsnvinsns
- vffntniy Siaqvis
- vuokinsns & iavdnng
- Suksokanpinsns
- kasvdkvnd, iskntq
- Pasduokis, nPIV Pasduokis

Key Partners

Suppliers



ORACLE


Selling Side




ERICSSON

Nokia Siemens Networks


Key Activities




Key Resources



ENGINEERING



FINANCES



Value Propositions

Messaging
Mobile Data Services
SMS, MMS, Voicemail

Broadband
Mobile Data Control

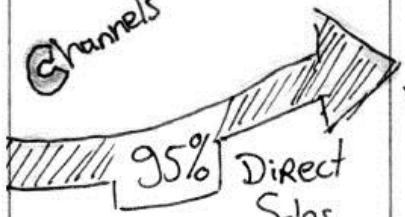
Charging
Mobile Data Charging

VAS
Value Added Services

Customer Relationships



Channels



Key Selling Partner

Customer Segments

TIER 1



vodafone

T-Mobile

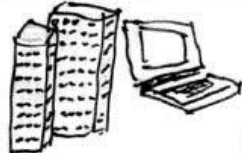
Tier 2

Tier 3


Personnel



70%



20%



10%

Cost Structure

Revenue Streams

Acision

Innovation Assured



Licences



Hardware



Implementation

Why Social Media & Content Marketing Matters



82%

of daily bloggers have acquired a customer from blog

77%

B2C businesses have acquired a customer through Facebook

43%

of businesses have acquired a customer through LinkedIn

37%

of businesses have acquired a customer through Twitter

15%

of businesses have acquired a customer through Google+



59% of SEO Professionals rate blogging as one of their top inbound marketing strategies

70% of brands have a presence on Google+ and 50% of companies rate it "important" to their business

76% of the 1.1 billion + Facebook Users log in to Facebook at least once per day



78% of Internet users conduct product research online
1 Million Links are shared on Facebook every 20 minutes
Social media has a 100% higher lead-to-close rate than outbound marketing.
40% of marketers report that Google+ is "useful to critical" for their business.

You can't just say it - You have to get the people to say it to each other

- James Farley, CMO Ford



In the last 2 years, the number of people accessing the Internet via mobile phone is 818.4 million - an increase of 60.3 percent.



Social media sites and blogs reach 8 out of 10 of all U.S. Internet users and account for 23% of all time spent online.



62% of companies today outsource their content marketing- Interesting content is a top 3 reasons people follow brands on social media



The average cost to generate a lead through inbound marketing (\$143) is about half the average for outbound marketing (\$373)



During the prior 12 months, 72% of consumers reported having recommended a local business by word of mouth (down from 78% last year), while 37% did so on Facebook (up from 32%).

f g+ t in p

Laura M. Donovan
Vice President of Social Media Services
Laura@TheWordPro.com
www.TheWordPro.com
www.Facebook.com/TheWordPro

THE WORD PRO

SOURCES:

<http://www.hubspot.com>
<http://blog.kissmetrics.com/master-social-customer-acquisition/>
<http://marketing.linkedin.com/blog/good-company-how-best-class-marketers-use-linkedin-company-pages-grow-their-business>
<http://www.inboundwriter.com/content-marketing/25-content-marketing-statistics-that-will-blow-your-mind/#sthash.ZIRcCkmo.dpuf>
<http://www.b2bmarketinginsider.com/content-marketing/the-cost-of-bad-content>
<http://contentmarketinginstitute.com/2012/02/best-content-marketing-infographics/>

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 - ☐ Financial projections
 - ☐ Supporting materials
 - ☐ The past and present
 - ☐ Business objectives
 - ☐ Might be a startup
-

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 - ☐ Supporting materials
 - ☐ **Market description**
 - **Worldwide market size/ scale & trends**
 - **The Business Opportunity**
 - **Market position**
 - ☐ **Customer needs**
 - **Customer analysis & their needs**
 - **Value creation for your products & services**
 - ☐ **Five forces analysis**
-

Pie chart helps to explain

BIGGEST CONTENT MARKETING CHALLENGE

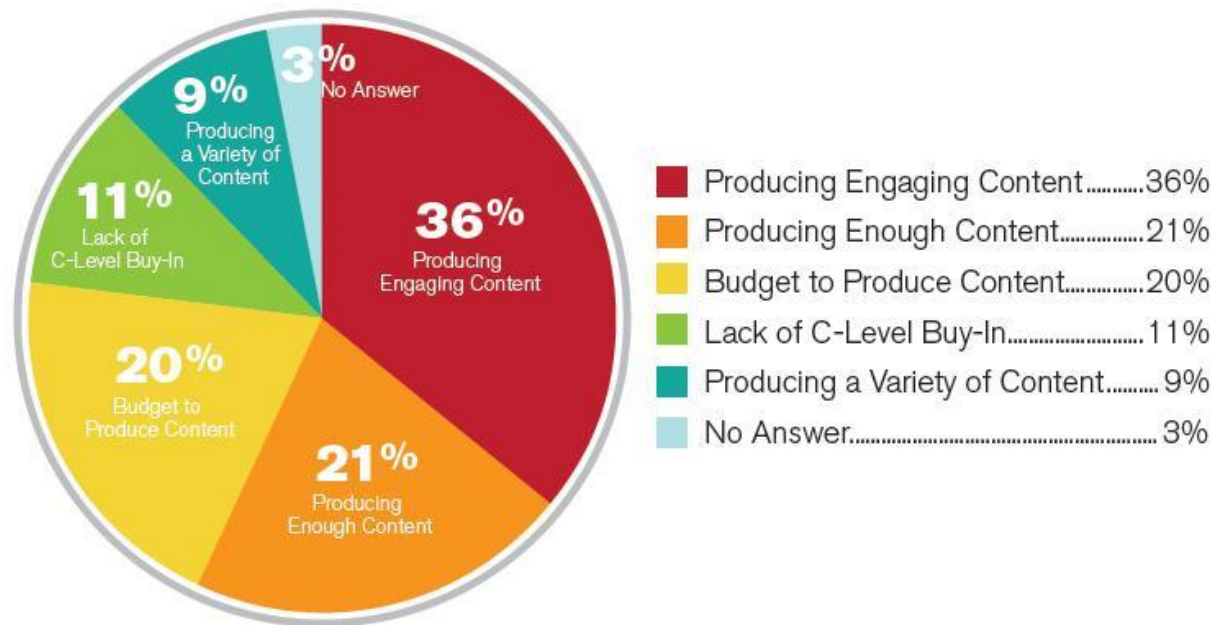
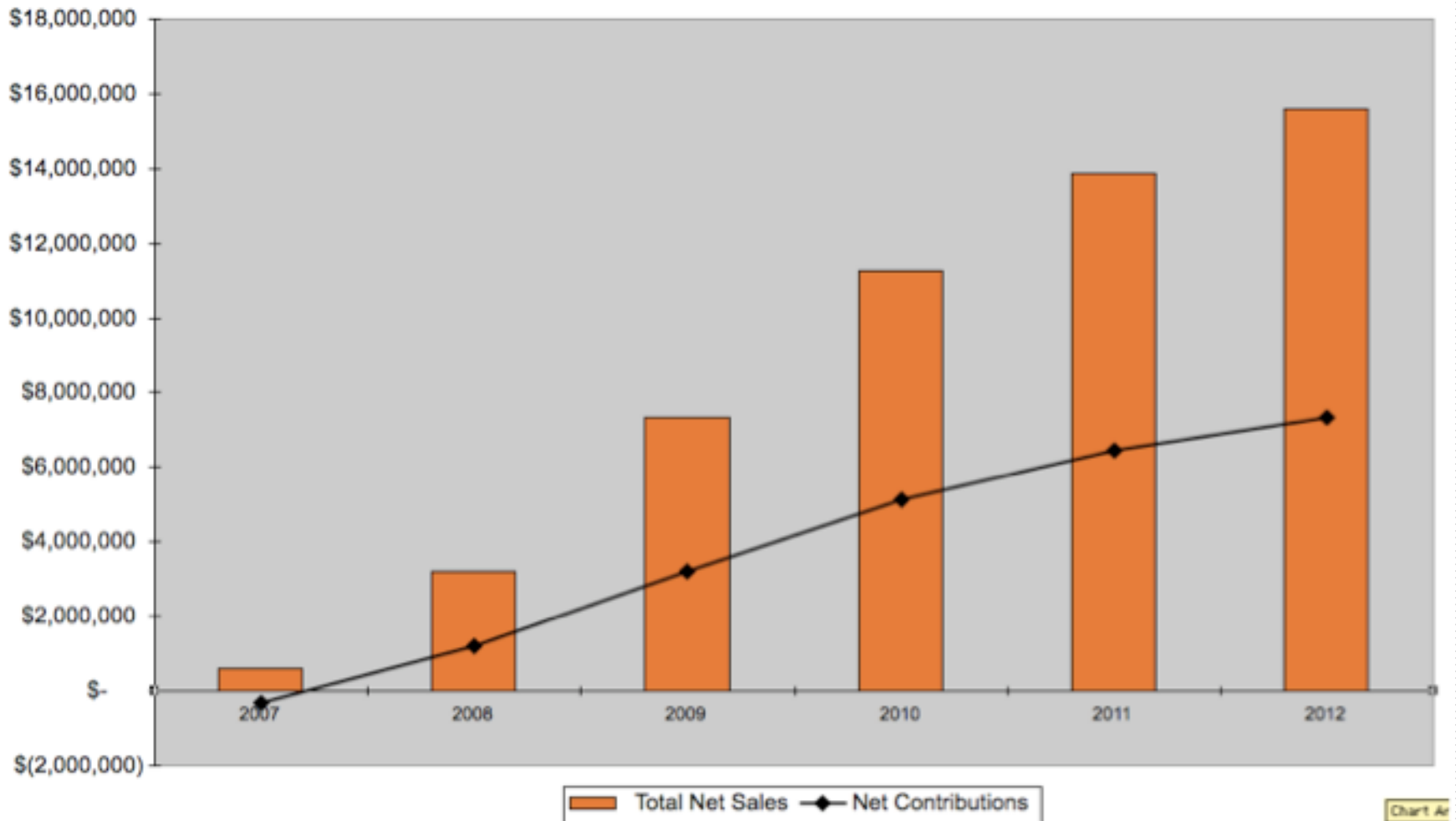


Figure 13

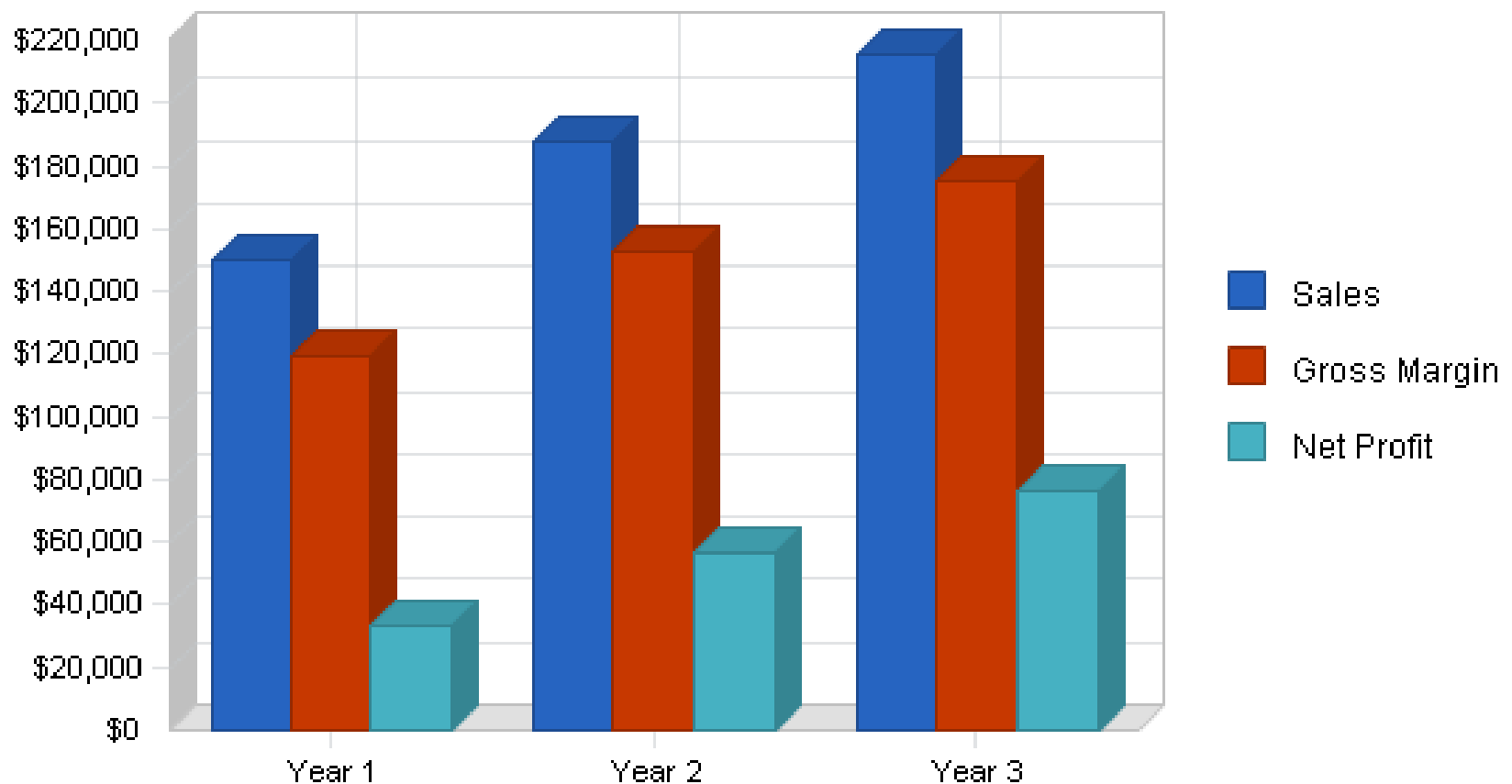
B2B Content Marketing: 2010 Benchmarks, Budgets and Trends
MarketingProfs/Junta42

Bar chart helps to explain



Bar chart helps to explain

Highlights



Five forces analysis



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- ☐ **SWOT analysis**
 - Core competence
 - Key Success Factors (KSFs)
 - Competitive advantages
- ☐ **Identify Market opportunity**
 - Identify Costs briefly
 - Business development strategy
 - Model Business Requirements

SWOT analysis

Strengths

list your:

- + advantages
- + unique and low-cost resources
- + factors mean that you "get the sale"

Weakness

list your:

- + disadvantages, limitations
- + what could you improve
- + factors lose you sales

SWOT

Opportunities

list your:

- + chances to improve performance
- + good opportunities can you spot

Threats

list your:

- + external trouble for the business
 - + obstacles do you face
 - + what your competitors are doing
-

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 - ☐ Supporting materials
- ☐ Marketing Plan
 - What are the data points to measure success?
 - What is your price positioning & why?
 - What are your primary tactics in years 1 & 2?
 - What are your primary events in year 1?
 - If this is an innovative offering, how are you going to get people to use it and get return
 - What is your manufacture strategy if you have?
-

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 - ☐ Financial projections
 - ☐ Supporting materials
 - ☐ Marketing Plan (Cont'd)
 - What's your sales model?
 - What standard channels will you use?
 - Is there an innovative channel?
 - Quality level? CRM support?
 - ☐ Strategic alliances
 - ☐ Media support
 - ☐ Risk factors & protection:
shows you know what could go wrong and plan to avert it
 - ☐ 4Ps/4Cs framework
-





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 - ☐ Supporting materials
 - ☐ Experience counts first.
 - ☐ Brand name also counts.
 - ☐ Dedication counts third.
 - ☐ Ability to rapidly learn.
 - ☐ Too strong ego oriented is a negative.
-

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 - ☐ Supporting materials
 - ☐ Profit and loss with different scenario/ periods
 - ☐ **Sensitivity analysis**
 - ☐ **Cash flow**
 - ☐ **ROI (return on investment)**
 - ☐ Balance sheet (if applicable)
 - capital costs
 - marketing costs
 - staff and administrative costs
 - ☐ What are the primary risks?
 - ☐ What's your exit strategy?
-

Returns on Invested Capital

Consistent Returns Demonstrate Asset Performance, Management Discipline

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Segment ROI^(a):															
Natural Gas Pipes—KMP	13.3%	15.5%	12.9%	13.5%	14.0%	15.5%	16.7%	17.5%	16.9%	14.0%	11.9%	11.9%	11.9%	11.6% ^(b)	11.5% ^(b)
Natural Gas Pipes—EPB														9.5	9.7
Products Pipelines	11.9	11.8	12.8	12.9	12.4	11.6	11.8	13.2	12.5	13.4	13.7	12.9	12.1	12.4	12.3
Terminals	19.1	18.2	17.7	18.4	17.8	16.9	17.1	15.8	15.5	15.1	14.6	14.3	13.5	12.1	11.2
CO ₂	27.5	24.6	22.0	21.9	23.8	25.7	23.1	21.8	25.9	23.5	25.7	26.2	28.7	26.6	23.3
KM Canada	--	--	--	--	--	--	--	11.0	12.1	12.8	13.7	14.1	16.3	14.8	11.5
Return on Investment	12.3%	12.7%	12.6%	13.1%	13.6%	14.3%	14.4%	14.1%	14.9%	13.9%	13.5%	13.5%	13.6%	11.9% ^(b)	11.5% ^(b)
Return on Equity	17.2%	19.4%	20.9%	21.7%	23.4%	23.9%	22.6%	22.9%	25.2%	25.2%	24.3%	24.0%	24.0%	21.7% ^(b)	20.2% ^(b)

Projection	Domestic	Foreign	Total	Budget (Low/High)	Net	ROI (per \$1200 Unit)	ROI %	ROI %/Year (if 3 years needed to recoup budget)
Low	\$25,000	\$0	\$25,000	(\$24,000)	\$1,000	\$10	.83%	.28%
				(\$52,000)	(\$27,000)	\$0	0%	0%
Med	\$50,000	\$2,000	\$52,000	(\$24,000)	\$28,000	\$280	23.3%	7.8%
				(\$52,000)	\$0	\$0	0%	0%
High	\$100,000	\$5,000	\$105,000	(\$24,000)	\$81,000	\$810	68%	23%
				(\$52,000)	\$53,000	\$530	44.2%	14.7%

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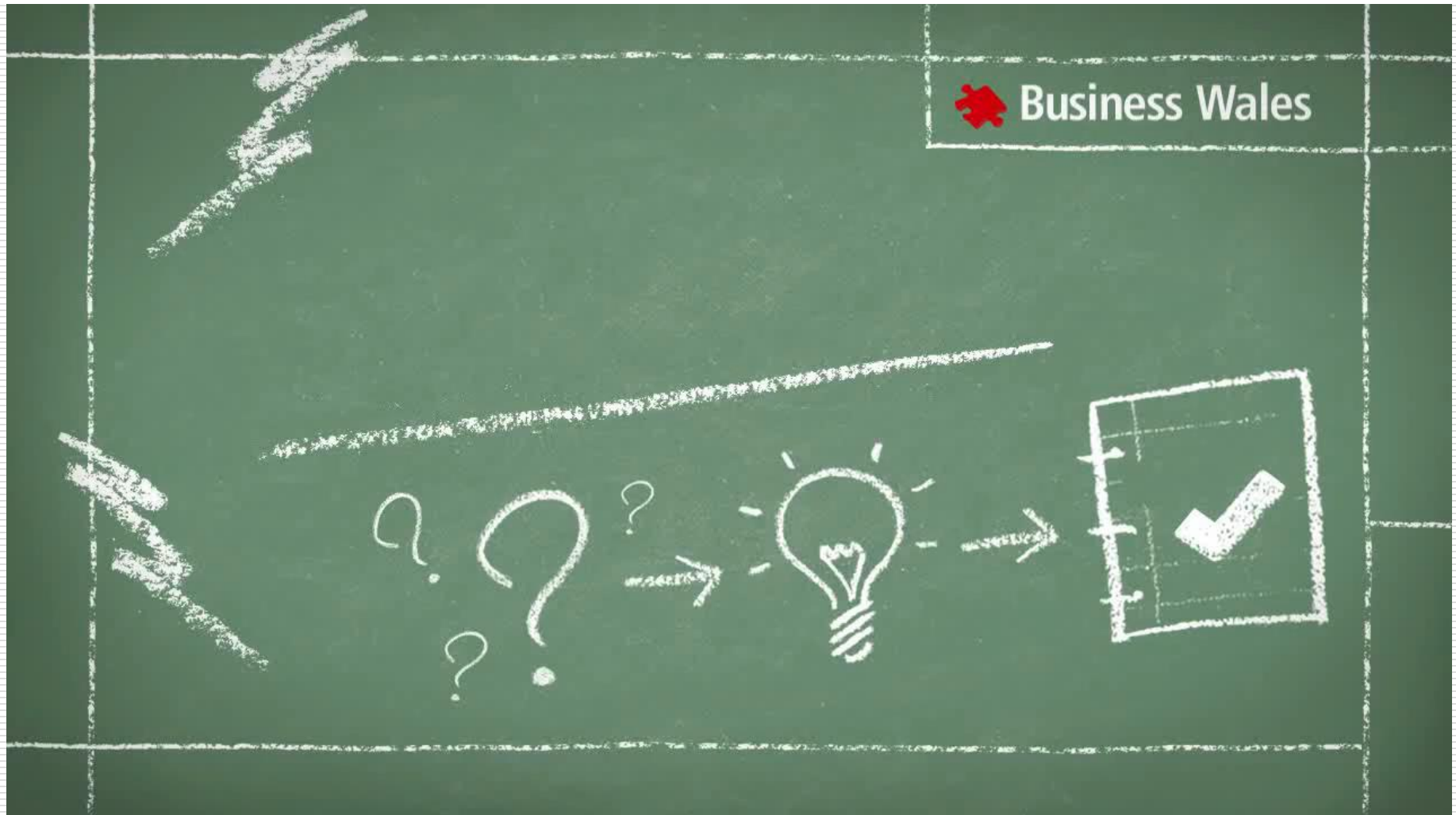
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 - ☐ The market
 - ☐ The Product/service
 - ☐ Sales and Promotion
 - ☐ Management team
 - ☐ Financial projections
 - ☐ Supporting materials
 - ☐ Appendix
 - ☐ More useful hard data
 - ☐ Important certificates
 - ☐ Referee's contact
 - ☐ Important media reports
 - ☐ Any critical publication
 - ☐ Do not provide resumes
 - ☐ Do not include patents unless it's critical
-



References

- ❑ www.MyBusinessAnalyst.com
 - ❑ www.goodtogobusinessplans.com
 - ❑ www.bplans.com
 - ❑ www.businessplans.org
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 - ❑ Pinson, Linda and Jerry Jinnett. Anatomy of a Business Plan. Chicago: Upstart Publishing Company, 1996.
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 - ❑ Woods, John A. 10-Minute Guide to Teams & Teamwork, New York: Macmillan Spectrum, 1997
 - ❑ **FIND YOUR BP FRAMEWORK/ SAMPLE VIA INTERNET !**
-

How to write a BP: from UK government





Thank you very much

