Business Plans
For The Real World

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Why a Business Plan?

- Strategic Guide
- Lenders
- Investors
Strategic Guide

- Where Do You Want To Go?
- How Are You Going to Get There?
- What Market Niches?
- How Much is it Going to Cost?
- Greatest Profit Opportunity?
Lender Expectations

- Good Business Track Record
- Ability to Repay
- Staying Power
- Collateral
Investor Expectations

- Competitive Advantage
- Huge Market
- Strong Management Team
- Strong Marketing and Sales Plan
- Some Skin in the Game
- Obscene Return
- Exit Strategy
Entrepreneurs Start Businesses:

- To Capitalize on an Invention
- To Pursue a Passion
- To Be Their Own Boss
- To Get Rich

---All Need an Exit Strategy
Exit Strategies

- Selling the Business
- Transferring the Business to a Family Member
- Taking the Company Public
- Being Acquired by a Larger Company
Funding Sources:

- Savings
- Friends and Family
- Financial Institutions / Banks
- Angel Investors
- Venture Capital
Business Plan Content

- Executive Summary
- Company Description
- Product/Services Description
- Industry Overview
- Market Analysis
- Competitors
Business Plan Content

- Customers
- Marketing and Sales Plans
- Development
- Operations
- Management
Business Plan Content

- Personnel
- Financial Summary
- Financials
- Offering
- Appendices
Executive Summary

- A mini-business plan in one or two pages
- Highlights the most important points of your business plan
- It is NOT an introduction to the plan
- It must grab the attention of your reader, and entice him/her to read further
Executive Summary

- Identify the company, its background, structure and location
- Describe what the company does, and the market it serves
- Describe the market potential for the company’s products and services, market trends, etc.
Executive Summary

- Outline the backgrounds and experience of the top management team

- Describe the funding required, the purposes for which it will be used, the collateral available (if for a lender), and the expected outcomes
Company Overview

Brief Company Introduction
- Mission statement
- Location, size, history
- Market and products
- Overview of company capabilities
- Objectives
Products/Services

- Products / Services
  - What does it do?
  - Uniqueness
  - Competitive Advantage
- Technology
  - Brief description
  - Applications
- Commercialization Status
  - Brief overview
Industry Overview

- Set The Stage
- Industry Definition and Description
  - Major players within the industry
  - Factors driving dynamics
  - New products and developments
- Legislation and Policies Driving the Industry
- Historical and Future Trends
Market Analysis

- Market Definition
  - Primary Market
  - Secondary Markets

- Market Size and Trends
  - Current total revenues
  - Predicted annual growth rate
Competitors

- Direct Competitors
  - Who are they?
  - Size and product breadth
  - Revenues and profitability
  - Strengths and weaknesses
  - Market shares

- Indirect Competitors
Customers

Customer Characteristics
- Who are they?
- Why do they buy?
- Need satisfied by the product/service
- How is the need currently filled?
- What are the alternatives?
- Who makes the decision to buy?
- How frequently do they purchase?
Marketing and Sales Plans

- Statement of Opportunity
- Marketing and Sales Objectives
- Existing Customers
- Potential Customers
  - Prospects targeted
  - How prospects will be targeted and qualified
Marketing Strategies

- Product/Service Strategy
- Pricing Strategy
- Distribution Strategy
- Advertising and Promotion Strategy
- Sales Strategy
- Marketing and Sales Forecasts
Marketing and Sales Plans

- Marketing Programs
  - Direct Mail
  - Trade Shows
  - Advertising
  - Internet
  - Publicity/Public Relations
  - Marketing Budget

- Pricing
  - Basis for targeted price point
  - Margins and profitability by volume levels
Marketing and Sales Plans

Sales Plan
- Sales force structure – (direct or reps)
- Sales expectations/quotas
- Margins given to intermediaries
- Service and warranties
- Sales Budget
- Organizational chart indicating planned growth
Development

- R & D Plan
  - Objectives
  - Milestones and current status
  - Difficulties and risks
  - Staffing
  - R & D Budget and assumptions
Operations

- Manufacturing/Production Plan
  - Objectives
  - Facilities
  - Staffing
  - Subcontractors
  - Quality Control
  - Budget / Operating Expenses
Management

- Company Organization
- Management Team
- Administrative Expenses
Management Team

- President
- VP Finance
- VP Sales
- VP Marketing
- VP Manufacturing
- Board of Advisors
Personnel

- Human Resource Plan
  - Staffing Objectives
  - Organizational Structure
  - 3-5 year growth plan
  - Budget
Summary of Financials

- Financial Objectives
  - Time to Cash Flow Positive
  - Time to profitability
- Financial Assumptions
- Capital Requirements
- Exit Scenario
Financials

- Pro-forma Cash Flow Projections
- Pro-forma Profit & Loss Statements
- Pro-forma Balance Sheet
Offering

- Investment Requirements
- Pro-forma Valuation of Business
- Offer
Appendices

- Resumes of Key Management
- Patent Information
- Customer List
- Testimonials
- Supplemental Financial Spreadsheets
- References
Investment Climate
Decide the Business Form
Questions?

Or further assistance send email to:

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