

Writing The Business Plan

1. Advice by Mark Hutchinson, CEO, VisionSite:

In order to create a successful business plan you must realize these three points:

- **You will never finish the plan.** Don't try to make it perfect, just keep making it better.
- **Get help.** Use your advisors, friends and professional writers to do content reviews and editing passes. Do this frequently.
- **Don't take it personally.** No matter how hard you try, your business plan will never be perfect. Different investors want different things; so don't take the criticisms personally. Use the suggestions you think are good, chuck the rest, and move on.

Here are suggestions for the documents you should have:

- **Executive Summary** – 1 to 3 pages. Focus on the opportunity and the team. You may want to have two versions. One for general distribution and one specifically including investor related topics like the exit strategy and possibly offering parameters.
- **Company Overview** – about 10 pages. This document bridges the gap between the Executive Summary and the full Business Plan. If your Business Plan is substantial, consider building this streamlined document. Investors will appreciate it. It should generally contain the same sections as the Business Plan but limit each to a page or so.
- **Business Plan** – (page count varies, but shoot for 35) To keep your Business Plan tight, place bulky pieces into appendices that can be delivered separately. Items such as full team resumes, full monthly financials and detailed market analysis sections are ideal candidates for the addendum. The actual sections and ordering vary dramatically depending on whom you talk to. The overriding requirements are to put the reason why you are going to succeed first and you must include sections describing the market, the team and the financials.
- **The Pitch** – Make sure to create a written pitch. Going through this process helps you focus on the essential opportunity and success factors of your company. I suggest starting with a pitch the you can read aloud in 7 minutes and then condense it down. You should be able to deliver a 5 minute, 3 minute, 2 minute and a 30 second pitch. Trust me, writing it down first really helps.
- **The Presentation** – I tend to agree with Guy from Garage.com on this one. Keep it short – about 12 slides in under 15 minutes. In my experience the presentation should focus on YOU, not the slides and you want more time for questions and discussion anyway. Use graphics and charts on the slides to accentuate what you are saying, don't just read your slides. It is also good to provide a hard copy of the presentation to your audience so they can make notes. Don't forget to

practice in front of other people until you can do it smoothly and with passion.

- **The List** – Keep a list of all your team member's contact information and everyone else that is involved too. This list is for your own benefit and you will be surprised by how many times you need to give somebody the name or phone number of your banker, accountant or lawyer. Keep this list internal, but make sure your key people have a copy and know who everybody is on the list. A team that is coordinated and well informed inspires confidence all around.

Here are some resources that you might find useful:

- www.Bplans.com - Yep, you guessed it, they know about business plans.
- www.sba.gov - Good general resource and they have a business plan section.
- Other online bp sites: Do a search on www.yahoo.com for Business Plans – you'll find plenty.
- I highly recommend using the OEN Business Plan Review program – check out their website at www.oen.org.
- SCORE and other advisory groups are a great resource for getting in contact with people who will take a look at your plan. Ask people at networking events (such as SAO and OEN) if they would look over your plan.

2. Advice by Miguel McKelvey, Founder, versation:

As far as I'm concerned, there are only five things that really matter. All of them have as much to do with business as business planning, and therein lies the first point:

- **Your Business is Your Business Plan**
You might write page after page containing mission statements, value propositions and marketing plans. You might manipulate financial spreadsheets for hours. You might expound upon the enormous market and endless opportunity for financial reward. You might even describe exactly how you're going to make money. The truth is, none of it is true. It's all fluff. The chances that anything in your business plan happens exactly the way you envision it are essentially nil. But it doesn't matter. No one will expect you to be right. The only business plan that will come true is the one you make each morning when you show up at work. And even that one is shaky.
- **Appreciate the Journey**
The value of the business plan is the process of creating it. It's the journey that's meaningful – not the destination. The same goes for your business. You have to value the experience. If the only reason

you're starting a business is so you can go public and retire early – you're playing the wrong game. Start buying lottery tickets. It's a lot easier, and your chances for success are about as good.

- **Business Plan Criticism is Totally Subjective**

Everyone wants something different. Different formats. Different look and feel. Different focus. Different length. It's nearly impossible to get consistent feedback from multiple people. So, if someone doesn't like your plan, don't worry about it. If everyone doesn't like your plan, you've obviously got some more work to do.

- **People Are What Really Matter**

No matter how good or how bad a business plan, investors invest in people. They have to believe that the people founding the company can make it happen. The people that invested in our company invested because they liked us and they believed we were capable. They didn't really understand our business, and frankly, I don't think they really cared.

- **Don't Ever Do What You're "Supposed" to Do**

By giving this advice, I'm completely contradicting myself, but it's the only way I can communicate the point. I've not only experienced, but watched countless others experience the terrible results of accepting advice and acting on it. If someone ever gives you a set of guidelines, a formula for success, or even just a suggestion – QUESTION IT. Question it again and again. Especially when it comes to money. Don't spend a dime until you're absolutely sure it's the right way to spend it. (You'll never be absolutely sure.) And never trust anyone who has something to gain - especially in today's economy. If someone tells you it's going to cost \$10,000, odds are you can figure out a way to do it yourself for a \$100. If a consultant costs \$200 an hour, odds are you can find the same expertise online in 20 minutes. **Don't ever get caught up in the way business is "supposed" to be done.**