Overview:

- Introduction
- One-Page Business Plan
- Full Scale Business Plan
- Other Suggestions and Comments
Introduction

- What is a Business Plan?
- Why a BP?
- Who reads the plan?
- Benefits of a BP?
One-Page Business Plan:

- Uses of the One Page BP
- Why the One Page BP works
- Main Ideas of One Page BP
- The Vision Statement
- The Mission Statement
- The Objectives
- The Strategies
- The Plans
- Conclusion
Full Scale Business Plan

- Writing a Business plan
- Introductory page
- Executive summary
- Industry analysis
- Description of venture
- Production plan
- Marketing plan
- Organizational plan
- Assessment of risk
- Financial plan
- Appendix
- The Elements Of A Business Plan (other two versions)
Other Suggestions and Comments

- Ten planning pitfalls.
- What factors do loan officers look for?
- Who reads the plan?
- Putting package together.
- Five Minute Reading.
- Guidelines to Remember
- Oral presentation of BP
- Why some Business plans Fail
Overview:

- What is a Business Plan?
- Why a BP?
- Who reads the plan?
- Benefits of a BP?
- One Page BP
- Parts of BP
- Proper preparation benefits
- Ten planning pitfalls
- What factors do loan officers look for?
- Developing a well – conceived BP
- Oral presentation of BP
- Why some BP’s Fail
Planning as a part of the business operation

Business plan:
Written document describing all relevant internal and external elements and strategies for starting a new venture
What is the business plan?

- The BP, the game plan or road map - answers the questions, where am I now? Where am I going? How will I get there?

- Potential investors, suppliers, and even customers will request or require a BP.
Why a business plan?

- It’s more for you than anybody else
- It allows you to organize your thoughts
- It allows you to see what you are missing
- It shows others that you have a rational organized process
- It becomes a historical document to let you see what you were thinking at the time
- It is a money raising document
- It is a recruiting tool
- It keeps you honest
- It is a starting point for a tactical operating plan
Who reads the plan?

- It may be read by
  - Investors
  - Employees
  - Bankers
  - Venture capitalist
  - Suppliers
  - Customers
  - Advisors
  - Consultants
Benefits of a business plan

Business plan help you avoid paying the high tuition
Entrepreneur should prepare his own business plan

For the entrepreneur
For the financial sources
FOR THE ENTREPRENEUR

• View the Venture Critically and Objectively
• Close Scrutiny of Assumption
• Examine Operating Strategies
• Comparing Forecast With Actual Results
• Communication Tool for Outside Financial Sources
FOR THE FINANCIAL SOURCES

• Detail of the market potential and plans for securing share
• Illustrate the venture’s ability to service debt
• Identifies critical risks and crucial events with a contingency plan
• Clear and concise document with necessary information and financial evaluation
• Assessing the entrepreneur’s ability in planning and managing
THE ONE PAGE BUSINESS PLAN

Start with a vision, build a company!
THE ONE PAGE BUSINESS PLAN
Writing a Business plan
Writing a Business Plan?

- Research, research, research
- Honesty, honesty, honesty
- Guts
- Determination that if it does not hold together, change the model or kill the plan
- Recognition that it is cheaper to kill a marginal idea than to try to make it work
- Do your financial homework
- Talk to your customers; Talk to your competitors
- Realize you can never do enough work on your plan
- Remember that it is a living document
Writing the BP

Introductory page
A. Name and address of business
B. Name(s) and address(es) of principles
C. Nature of BIZ
D. Statement of financing needed
E. Statement of confidentially of report
Writing the BP

- Executive summary
  Three to four pages summarizing the complete business plan
Industry analysis

A. Future outlook and trends
B. Analysis of competitors
C. Market segmentation
D. Industry forecasts

Writing the BP
Writing the BP

- **Description of venture**
  - A. Product(s)
  - B. Service(s)
  - C. Size of business
  - D. Office equipment and personnel
  - E. Background of entrepreneurs
Writing the BP

- Production plan
  A. Manufacturing process
  B. Physical plant
  C. Machinery and equipment
  D. Names of suppliers of raw materials
Writing the BP

- Marketing plan
  - A. Pricing
  - B. Distribution
  - C. Promotion
  - D. Product forecasts
Emphasize the market

- demonstrating user benefit
- identifying marketplace interest
- documenting market claims
Find out the market interest

- Having heard our pitch, will you buy?
- How can start-up biz gauge market reaction?
  1th. Few customers use the prototype.
  2th. Offer the product at price discount.
Writing the BP

Organizational plan

- A. Form of ownership
- B. Identification of partners
- C. Authority of principles
- D. Management-team background
- E. Roles and responsibilities of members of organization
Writing the BP

- Assessment of risk
  A. evaluate weakness of business
  B. New technologies
  C. Contingency plans
Financial plan
A. Pro forma income statement
B. Cash flow projections
C. Pro forma balance sheet
D. Break-even analysis
E. Sources and applications of funds
Writing the BP

Appendix

A. Letters
B. Market research data
C. Leases contracts
D. Price lists from suppliers
The Elements Of A Business Plan

- Executive summary
- Company history
- Business profile
- Business strategy
- Product or service
- Marketing strategy
Continued:

- Competitors analysis
- Resumes of officers or owners
- Plan of operation
- Financial data
- Loan proposal
- Implementation timetable
Executive summary

☐ The purpose of financial request
☐ The dollar amount requested
☐ The way the funds will be used
☐ Plan to repay the loan
Company History

- For exiting small Business
- History of the operation
- Financial and operational events
Business profile

- Nature
- General description of its operation
- Influences by government regulation and legislation
- Overall mission
- Goals
- Objectives (time frame)
Business Strategy

- How you can run your Business?
- How you make your profits
- The ways your industry and Business are likely to change in the immediate future
- Anticipate the changes
Description of firm’s product or service

☐ Their position in the product life cycle
☐ applicable patents
☐ manufactures
  ☐ production process employed
  ☐ strategic raw and materials required
  ☐ source of supply used
☐ Honest comparison with competitors
Marketing strategy

- How we are going to attract enough customers?
- Showing marketplace interest
- Documenting market claims
  - target market
  - market size and trends
  - pricing
  - advertising
  - distribution
  - warranties, guarantees and servicing
Competitor analysis

- Red Flag to lenders and investors
- Sources of data:
  - trade associations
  - customers
  - industry journals
  - marketing representative
  - sales literature
Resume

- Individual education
- Work history
- Relevant Business experience
- They are look for the
  - experience, talent, and integrity of the
    people who will breath life into the plan
Plan of operation

- Functional organizational chart
- Key positions and the personnel occupying them
- Employment contracts, share of ownership and perks
- Form of ownership
Financial data

- The dollars and cents of the proposed deal
- Monthly projected financial statement
- Cash flow
Loan proposal

☐ Purpose of the loan
☐ the amount requested
☐ plans for repayment
Implementation Timetable

Market
Methodology
Menaces
Money
Management
Ten planning pitfalls

1. Single-purpose use
2. One-person commitment
3. Benign neglect
4. Unworkable document
5. Unbalanced application
6. Disillusionment
7. Too action-oriented
8. No performance standard
9. Poor progress control
10. Early consumption

1. Single-purpose use
2. One-person commitment
3. Benign neglect
4. Unworkable document
5. Unbalanced application
What factors do loan officers look for?

5 C's

- Capital
- Capacity
- Collateral
- Character
- Conditions
Developing a Well-conceived Business Plan

Who reads the plan?

Putting package together

Five minute reading

Guidelines to remember
Who reads the plan?

Three main viewpoints

The entrepreneur’s
The marketability
The financial forecast
Putting package together

Appearance
Length
The Cover and Title Page
The Executive Summary
The Table of Contents
**Five Minute Reading**

Step 1: characteristic of the venture and its industry
Step 2: financial structure of the plan
Step 3: the latest balance sheet
Step 4: the quality of the entrepreneur in the venture
Step 5: the unique feature in this venture
Step 6: read the entire plan over lightly
Guidelines to Remember

• Keep the plan respectably short
• Organize and package the plan appropriately
• Orient the plan toward the future
• Avoid exaggeration
• Highlight critical risks
• Give evidence of an effective entrepreneurial team
• Do not over diversify
• Identify the target market
• Keep the plan written in the third person
• Capture the reader’s interest
Oral presentation of BP

- Answer the fundamental questions as discussed in the preceding section on the body of the BP
- Keep the presentation under a half hour
- Be sure to catch the audience’s attention in the first 60 seconds
- Stand without using a podium
- Move around but don’t pace
- Maintain eye contact with everyone
Oral presentation of BP

☐ Use visual aids
☐ Make sure the key members of the founding team are involved in the presentation
☐ Do a demonstration of the product or service where possible
☐ Practice the presentation in advance for a small group of friends
☐ Anticipate questions that may be asked by founders and determine how they should be answered
Why some Business plans Fail

- Goals set by the entrepreneur are unreasonable.
- Goals are not measurable.
- The entrepreneur has not made a total commitment to the business or to the family.
- The entrepreneur has no experience in the planned business.
- The entrepreneur has no sense of potential threats or weaknesses to the business.
- No customers need was established for the purposed product or service.
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