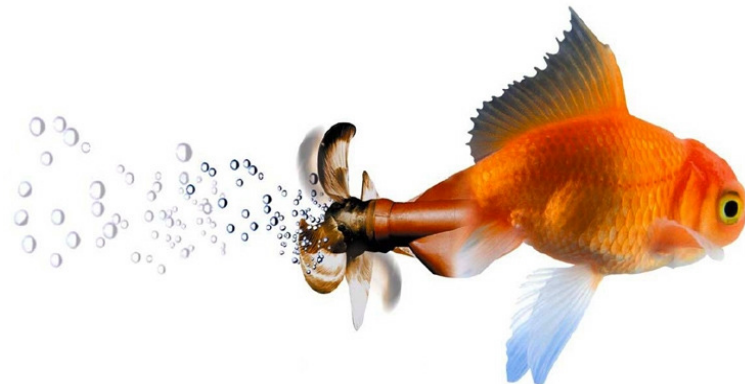


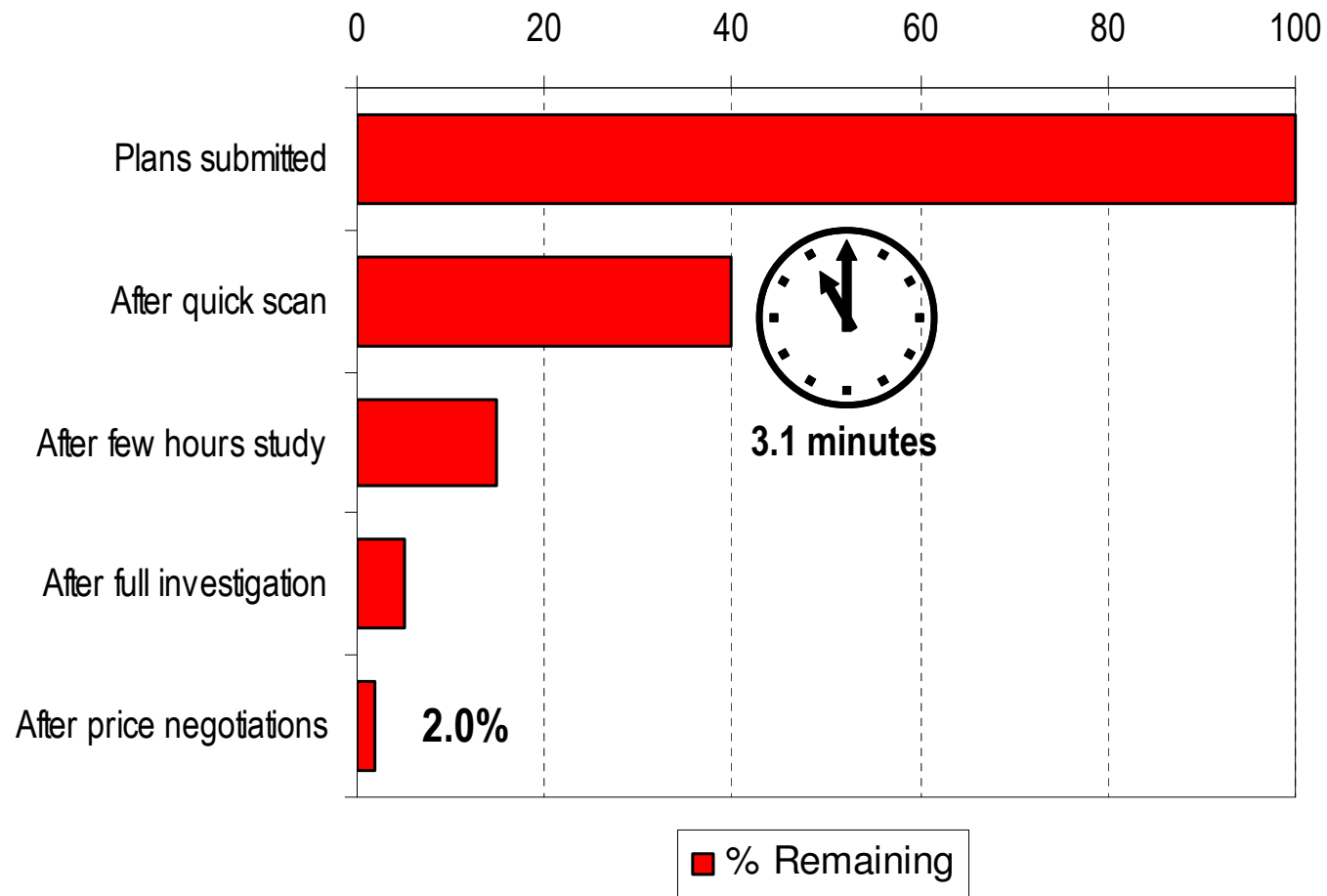


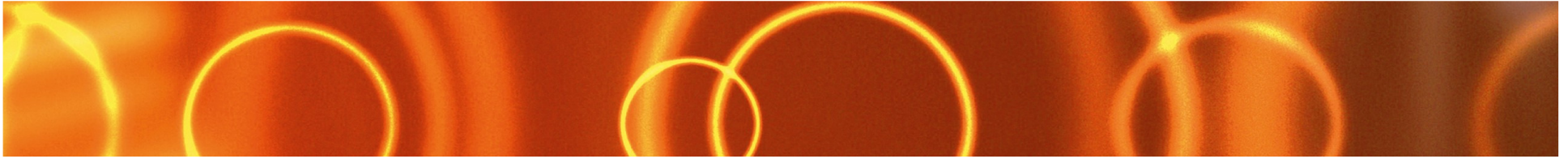
# Screening a business plan



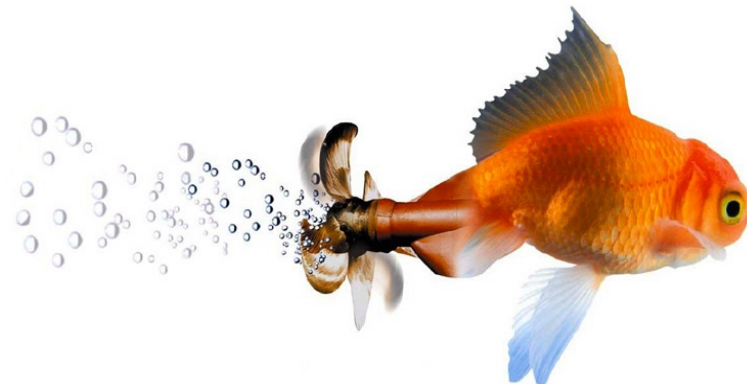
# Why are we here?

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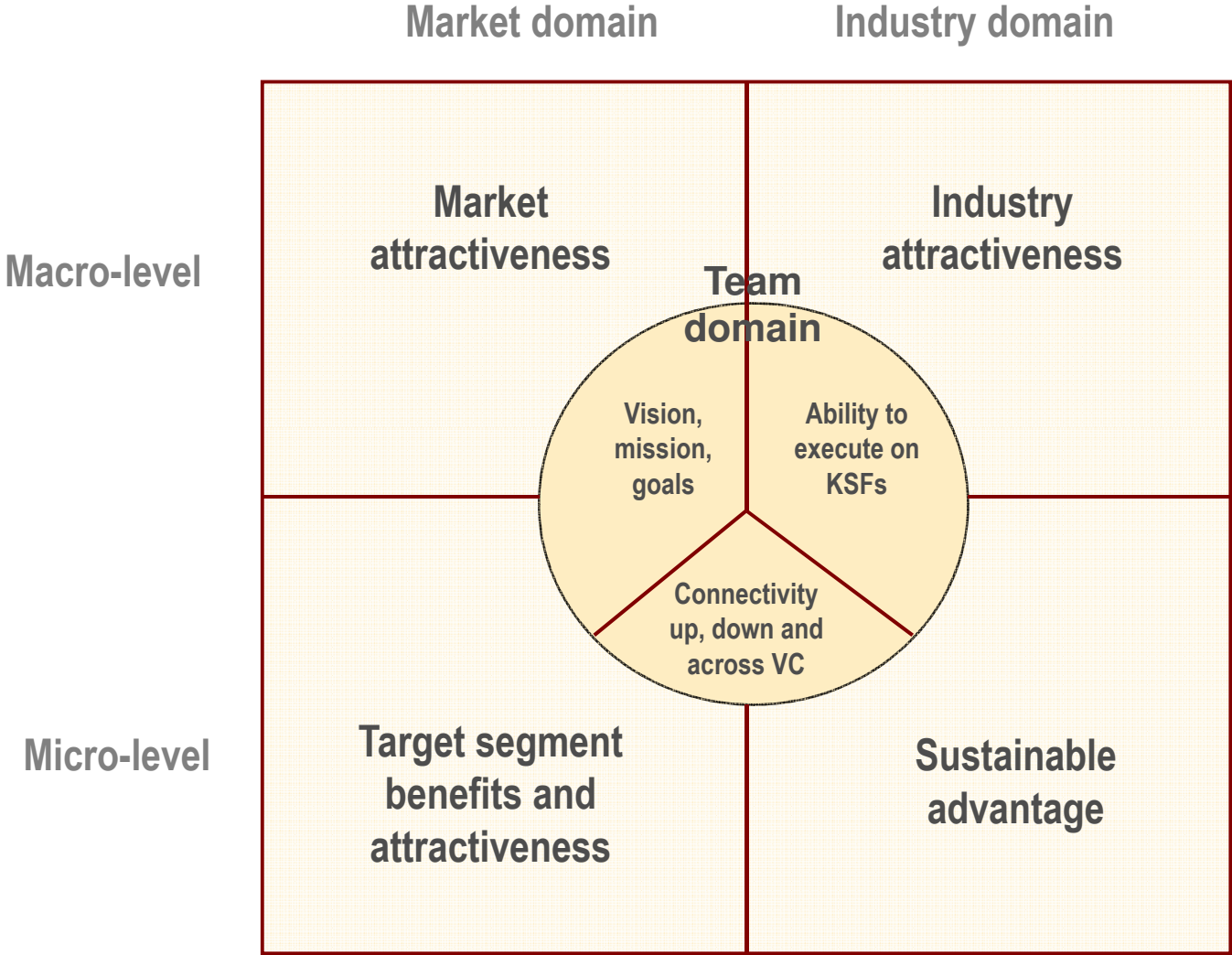


# The Ellpey plan

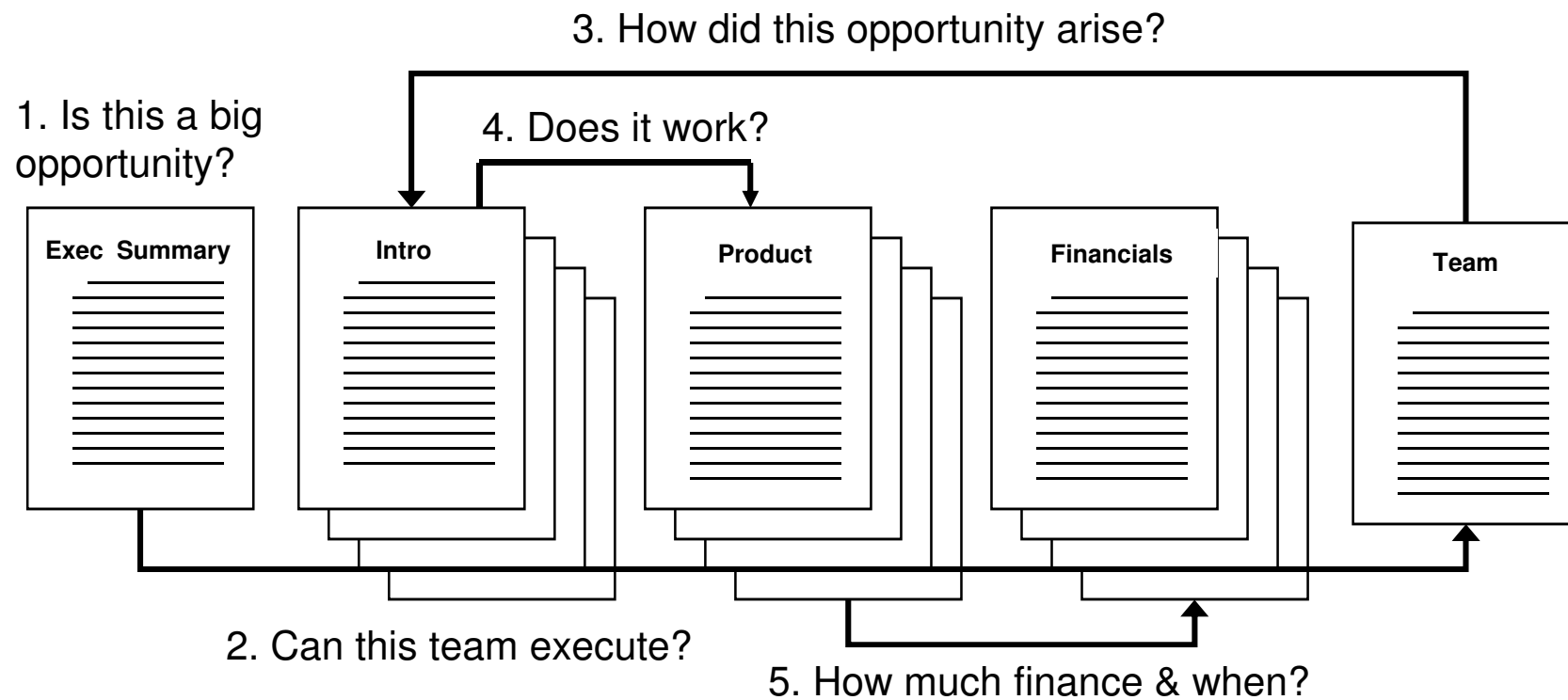


# Mullins' model (2003)

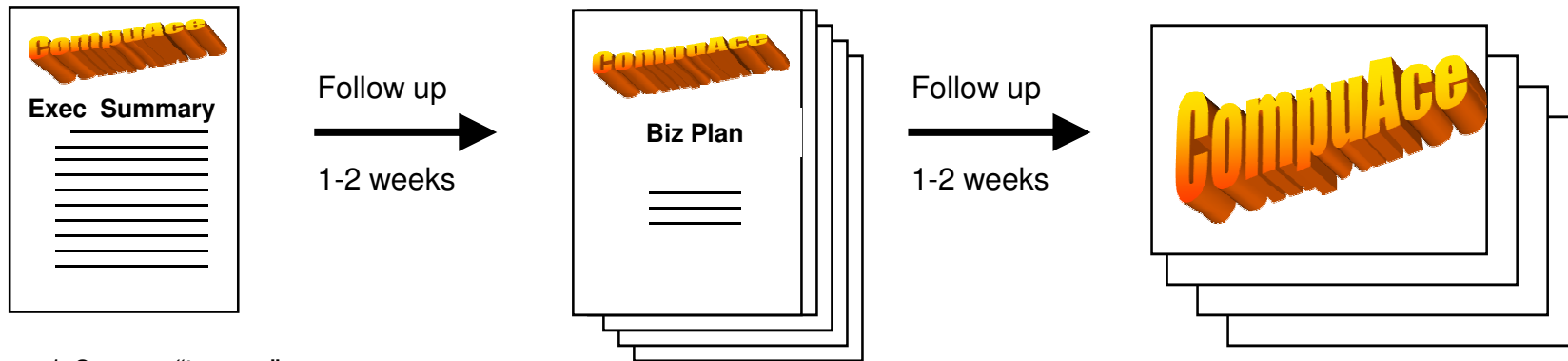
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# How do investors read a plan?



# Getting your plan to the top of the pile



- 1-2 page “teaser”
- Target investors
- “Warm contact”
- No NDA
- Offer full plan
- Suggest meeting

- Hard Copy
- Glossy
- Avoid NDA
- Provide meeting dates

- PowerPoint
- Supply hard copies
- Bring core team
- 30-45 min Presentation
- 60-90 min with Q&A

## One successful structure for a good business plan

<b>Section</b>	<b>Goal</b>
<b>1. Executive Summary</b>	• <i>Sell the opportunity on page 1</i>
<b>2. Introduction</b>	• <i>Set the scene &amp; describe the unmet need</i>
<b>3. Market</b>	• <i>Current solutions and competitors</i>
<b>4. Product or Service Offering</b>	• <i>How does it works &amp; how is it protected?</i>
<b>5. Business model</b>	• <i>How the business generates profit or value</i>
<b>6. Operations</b>	• <i>Implementation schedule &amp; milestones</i>
<b>7. Team</b>	• <i>Outline the team &amp; how it functions</i>
<b>8. Financing planning</b>	• <i>Outline the financing strategy &amp; exit</i>
<b>9. Appendices</b>	• <i>Due diligence materials</i> <ul style="list-style-type: none"><li>– <i>Financials</i></li><li>– <i>CVs/ IP/ Ownership</i></li></ul>



# Top deal killers...

- Poor quality management - leave positions vacant rather than recruit the wrong people
- Insufficient market size – the best plans address huge opportunities
- Insufficient “critical mass” to the technology - VCs will not back a one-shot wonder
- Problems with intellectual property portfolio

But....It depends heavily on the heuristics and biases of the reader!

## Suggested reading

Chapter 12 of Timmons, J.A and Spinelli, S. **New Venture Creation: Entrepreneurship for the 21st Century** 6th Edition, Irwin McGraw Hill, 2004, ISBN 0-07-249840-4

Mullins, J.W. **The New Business Road Test**, FT Prentice Hall, 2003, ISBN 0 273 66356 9