

**BUSINESS  
PLAN  
WORKSHOP**



**ROWAN UNIVERSITY  
BUSINESS PLAN  
COMPETITION  
FEBRUARY 1, 2008**

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**Preparing the “winning” business  
plan: Objectives**

- Explain how a business plan serves as a blueprint for building a company.
- Know the steps toward completing a business plan.
- Learn the detailed components of a business plan.
- Understand how to write a business plan so that it targets investors.

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**DYNAMIC COMPONENTS**

- THE PEOPLE
- THE OPPORTUNITY
- THE EXTERNAL CONTEXT
- THE DEAL

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## THE PEOPLE



- WHO ARE THE PEOPLE INVOLVED?
- WHAT HAVE THEY DONE IN THE PAST THAT WOULD LEAD ONE TO BELIEVE THAT THEY WILL BE SUCCESSFUL IN THE FUTURE?
- WHO IS MISSING FROM THE TEAM AND HOW WILL THEY BE ATTRACTED?

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## THE OPPORTUNITY



- IS THE TOTAL MARKET FOR THE VENTURES P/S LARGE OR RAPIDLY GROWING?
- IS THE INDUSTRY ONE THAT IS NOW OR CAN BECOME STRUCTURALLY ATTRACTIVE?
- WHAT ARE THE COSTS OF PRODUCING AND MARKETING YOUR P/S?

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## THE EXTERNAL CONTEXT



- MACROECONOMIC
- REGULATORY
- COMPETITION
- CHANGE MANAGEMENT

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## THE DEAL



- STAGE
- VALUATION
- EQUITY SHARE
- TERMS OF FINANCING

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## ELEMENTS OF A BUSINESS PLAN

- EXECUTIVE SUMMARY
- COMPANY OVERVIEW
- THE BUSINESS CONCEPT
- MARKET OPPORTUNITY
- COMPETITIVE ANALYSIS
- MANAGEMENT TEAM
- FINANCIAL PROJECTIONS



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## EXECUTIVE SUMMARY

- YOUR BASIC BUSINESS CONCEPT MAKES SENSE
- YOUR BUSINESS ITSELF HAS BEEN THOROUGHLY PLANNED
- THE MANAGEMENT IS CAPABLE
- A CLEAR-CUT MARKET EXISTS
- YOUR BUSINESS INCORPORATES SIGNIFICANT COMPETITIVE ADVANTAGES
- YOUR FINANCIAL PROJECTIONS ARE REALISTIC
- INVESTORS OR LENDERS HAVE AN EXCELLENT CHANCE TO GET THEIR MONEY BACK

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## COMPANY OVERVIEW

DESCRIBE:

- ITS STAGE OF DEVELOPMENT
- LEGAL STATUS
- LOCATION
- MISSION



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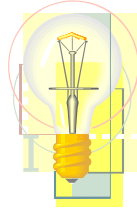
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## THE BUSINESS CONCEPT

- SOMETHING NEW
- SOMETHING BETTER
- AN UNDERSERVED OR NEW MARKET
- INCREASED INTEGRATION



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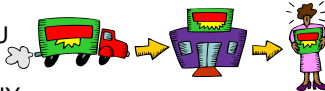
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## MARKET OPPORTUNITY

- WHAT ARE YOU SELLING?
- TO WHOM ARE YOU SELLING?
- WHY WILL THEY BUY IT FROM YOU?
- HOW WILL YOU SELL IT?
- WHEN WILL YOU SELL IT?



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## COMPETITION ANALYSIS

- WHY YOUR COMPANY CAN COMPETE SUCCESSFULLY
- IMPORTANT DISTINCTIONS BETWEEN YOU AND YOUR COMPETITORS
- BARRIERS TO ENTRY FOR NEW COMPETITORS



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## MANAGEMENT TEAM

DESCRIBE:

- THE HISTORY CAPABILITIES OF YOUR MANAGEMENT TEAM
- HIGHLIGHT RELEVANT EXPERIENCE THAT DEMONSTRATES THEIR VALUE TO THE MGMT TEAM



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## FINANCIAL PROJECTIONS

- INDICATE YOUR COMPANY'S EXPECTED REVENUES AND PROFITS YEARS 1-5
- INCLUDE LONG TERM GOALS:
  - EXPECTED SALES
  - NUMBER OF EMPLOYEES
  - NUMBER OF LOCATIONS



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## “THE DEVIL IS IN THE DETAILS”

- **LENGTH**
- **TIME PERIOD**
- **LANGUAGE**
  - SUPERLATIVES
  - SUBJECTIVITY
  - BUSINESS TERMS
- **NUMBERS**
  - “QUANTITATIVE IS AUTHORITATIVE”
  - BULLETS
- **VISUALS**
  - GRAPHICS
  - CHARTS
  - PHOTOS

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## UNDERSTANDING THE INVESTOR EVALUATION PROCESS

- EXECUTIVE SUMMARY
- FINANCIALS
- MANAGEMENT TEAM
- BUSINESS MODEL
- CONTEXT
- THE DEAL



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