

Business Plans That Get Funded

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Disclaimer

These are my opinions & not necessarily
from textbooks....

What Makes a Great Plan?

A Great Plan Should...

- Be Well Written
- Shows Your Unique Abilities, Products, Etc.
- Demonstrates Knowledge of the Local Market, Industry, Competition, and Limitations/
Capacity of the Company
- Have Financial Statements That Make Sense
- Shows Your Motivation

Six Business Model Elements

- Acquire High Value Customers (w/o Spending Too Much \$\$ to Get Them)
- Offer Significant Value to Customers (Competitive Advantage)
- Deliver Products or Services w/High Margins
- Provide Customer Satisfaction
- Maintain Market Position
- Funding the Business

A View From the Trenches

- Learn to Understand Financial Statements
- Most Banks are Cash Flow Talkers,
But Collateral Lenders
 - Start-ups May Be Different
- Letters of Intent/Purchase Orders are Gold
- “Prove” Your Sales – it Drives the Boat
- Do You Have an Elevator Speech?

Tips & Techniques

- Don't Forget:
 - Exit Strategy
 - Show First Two Years Monthly
 - Document Assumptions as You Make Them
 - 20-25% Tangible Net Worth at Closing is Typical
 - Show the Breakeven Point
 - Write the Executive Summary Last

Tips & Techniques (General)

- Run Sanity Checks
 - Ex. - ROI v. Industry Norms
- Interview the Competition While You're Still Students
- Pay Payroll Taxes First!!!
- Workers Comp. – It's the Law
- Get a Professional to Cover Weaknesses
- Update - It's a Never Ending Saga...

Resources

- Consortium Library
 - Articles, Trade Journals, BP software, reference materials, etc.
- Alaska InvestNet
- Score
- Small Business Development Center
- Business Plan Pro (.com)
- PlanWrite ***Business Plan*** Writer Deluxe

If We Have Time

- How Much Does a Company Have to Return (%) to Make it Worth the Effort?
- How Does One Determine the Ownership “Give Up” When Seeking Equity Investment (Venture Capital)