

MEMORANDUM

From	Dr. Michael Hirt, H&F
Subject	Content elements / Outline for a Business Plan

Executive Summary

- Purpose of this plan
- Business opportunity, business model, market, product/service, technology, management
- Summary of three/five-year income statement, profit, head count and capital requirements

Customer Need and Business Opportunity

- Product/service idea and technology description, end users and customers
- Value proposition

Business Strategy and Key Milestones

- Company's business
- Long-term business goals
- Current position and milestones achieved
- Strategy and growth strategy
- Vision and Mission statement
- Plan to out-manoeuvre the competition
- Each objective by department & milestones with cumulative cash need and head count
- Risk evaluation

Product Plan

- Product/service description
- Development schedule and launch date(s)
- Product differentiation
- Professional service plan

Marketing Plan

- Basic need and company solution
- Ideal customer and value proposition
- Market segmentation and size of markets
- Market trends
- Interest shown by prospective customers
- Competitive positioning (price, value, image) and unfair advantage
- Pricing policy
- Channels of distribution
- Key customers
- Customer acquisition strategy (incl. key decision-makers/purchasing agents at customers, purchasing behavior, buying characteristics)
- Strategic partners
- Business/revenue model
- Business message
- Branding plan
- Sales strategy, channels, sales force, sales force compensation, coverage and sales plans
- Customer service & support policy
- Three/five-year sales forecasts
- Competition (key competitors, competitive advantages, barriers to entry, competitive strategy)

Operating Plan

- Technology goals & position
- Research plan
- Development & Engineering plan
- Production/Sub-contracting/Outsourcing plan
- Professional service plan
- Quality control, industry standards and certifications
- Equipment and technology
- Customer service & support plan
- Facilities and administration plan
- Accounting and Management Information Systems
- Intellectual property strategy and implementation (own patents, licenses, trademarks etc.)
- Intellectual property due diligence and implementation (avoiding infringement of others intellectual property)
- Risk assesment & risk management (incl. contingency plans)

Management and Key Personnel

- Organization
- Roles and responsibilities
- Management team
- Professional service team
- Staffing plan and headcount projections by functional area (G&A, sales, marketing, product development)
- Résumés and background of team members and key personnel
- Incentive compensation plan
- Management style/company culture
- Scientific/Advisory board

Financial Projections

- Overview and key assumptions
- Three/five-year forecasts
- Break-even analysis
- Income statement
- Balance sheet
- Cash-Flow statement