**AREC 213 Business Plan Summary**

**Part 1: Project Overview**

The overall goal is to create a successful and compelling business plan based on a real idea that your team comes up with. You will have deadlines along the way with a number of smaller assignments, the main final project and one presentation. The final paper should be 14 to 17 pages double spaced size 12 font. The appendix can be any length.

This suggested format below can be followed exactly, but also there are two similar formats one from a major VC firm and one from the an entrepreneurship textbook that you will be given. If you choose to follow a different format make sure you clearly demonstrate in your outline that you will hit all of the necessary components of a business plan. The outline (table of contents) you turn in will make sure you are on the right track. You do need to conduct some real world market analysis about your idea.

Your class participation score will include a component for how well you do based on team evaluations conducted at the end of the course. Turning in these team evaluations will be part of your score. If you receive low evaluations it will lower your score and your course participation score.

If you have any questions please email me, see me during office hours or bring them up during class. It is up to your team to create a compelling, well researched and well written business plan. Finally, presentation is important; this includes things like layout, readability, grammar and punctuation.

**Deadlines:**

Project Assignment 1:

* Due Date: Monday, October 2
* Turn in list of project members

Project Assignment 2:

* Due Date: Wednesday, October 4
* Turn in summary of top three ideas and specific which is your current top choice

Project Assignment 3:

* Due Date: Monday, October 9
* Turn in final project idea

Project Assignment 4:

* Due Date: Wednesday, October 16
* Turn in a business plan outline (TOC)

Project Assignment 5:

* Due Date: Tuesday, December 2 by 5pm
* Turn in evaluations of other team’s projects

Project Assignment 6:

* Due Date: Tuesday, December 2 by 5pm
* Turn in peer team evaluations

Project Assignment Due:

* Due Date: Tuesday, December 2 by 5pm
* Turn in a finalized business analysis/plan

**Project in Class Presentation:**

* These will be held either November 27 or November 29th depending on when you group decides

**Part 2: Detailed Project Format**

**Section 1: The executive summary**

* **Executive Summary**

**Section 2: The opportunity description**

* **Company purpose**- Define the company/business in a single declarative sentence.
* **Problem-** Describe the pain of the customer (or the customer’s customer) and outline how the customer addresses the issue today.
* **Solution-** Demonstrate your company’s value proposition to make the customer’s life better. Show where your product physically sits.
* **Why now**- Set-up the historical evolution of your category. Define recent trends that make your solution possible.

**Section 3: Market Analysis**

* **Market size- How large of an opportunity is this**
* **Users-** Identify/profile the customer you cater to.

**Section 4: Competition**

* **Competitors-** List competitors and competitive advantages of your product

**Section 5: Design and Development Plan**

* How far along is the business, what needs to be done still.

**Section 6: The Economics of the Business**

* Include items that are important like Revenue model, Pricing, fixed and variable costs, startup costs
* Sell the reader on how this is going to make money

**Section 6: Marketing Plan**

* How are you going to get people to learn about your business

**Section 7: Management Team**

* Who will run and advise your company. Include Founders and Management, Board of Directors and/or Board of Advisors

**Section 8: Financials**

* Here you can include any pro forma financial statements or ratio analysis.

**Appendix**

**Optional**

**Section X: Operations Plan**

**Section X: Overall Schedule**

**Part 3: Other Possible Layouts**

**Sequoia Capital**

Summary: This is taken from Sequoia Capital a Venture Capital firm.

**Company purpose**   
Define the company/business in a single declarative sentence.

**Problem**Describe the pain of the customer (or the customer’s customer).  
Outline how the customer addresses the issue today.

**Solution**Demonstrate your company’s value proposition to make the customer’s life better.   
Show where your product physically sits and Provide use cases.

**Why now**   
Set-up the historical evolution of your category.  
Define recent trends that make your solution possible.

**Market size**Identify/profile the customer you cater to.  
Calculate the TAM (top down), SAM (bottoms up) and SOM.

**Competition**   
List competitors and List competitive advantages

**Product**   
Product line-up (form factor, functionality, features, architecture, intellectual property).  
Development roadmap.

**Business model**Revenue model and Pricing  
Average account size and/or lifetime value  
Sales & distribution model  
Customer/pipeline list

**Team**Founders & Management and Board of Directors/Board of Advisors

**Financials**   
P&L   
Balance sheet  
Cash flow and Cap table  
The deal

**Entrepreneurship- Successfully Launching New Ventures**

Summary: This is taken from the textbook and is a very detailed guide about all aspects of a Business Plan.

**Section 1: Executive Summary**

**Section 2: Industry Analysis**

* Industry size, growth rate, and sales projections
* Industry structure
* Nature of participants
* Key success factors
* Industry trends
* Long-term prospects

**Section 3: Company Description**

* Company description
* Company history
* Mission statement
* Products and services
* Current status
* Legal status and ownership
* Key partnerships (if any)

**Section 4: Market Analysis**

* Market segmentation and target market selection
* Buyer behavior
* Competitor analysis

**Section 5: The Economics of the Business**

* Revenue drivers and profit margins
* Fixed and variable costs
* Operating leverage and its implications
* Start-up costs
* Break-even chart and calculations

**Section 6: Marketing Plan**

* Overall marketing strategy
* Product, price, promotions, and distribution
* Sales process (or Cycle)
* Sales tactics

**Section 7: Design and Development Plan**

* Development status and tasks
* Challenges and risks
* Projected development costs
* Proprietary issues (patents, trademarks, copyrights, licenses, brand names)

**Section 8: Operations Plan**

* General approach to operations
* Business location
* Facilities and equipment

**Section 9: Management Team and Company Structure**

* Management team
* Board of directors
* Board of advisers
* Company structure

**Section 10: Overall Schedule**

* Incorporating the venture
* Completion of prototypes
* Rental of facilities
* Obtaining critical financing
* Starting production
* Obtaining the first sale

**Section 11: Financial Projections**

* Sources and uses of funds statement
* Assumptions sheet
* Pro forma income statements
* Pro forma balance sheets
* Pro forma cash flows
* Ratio analysis

**SBA.gov**

Summary: This is taken from the US Small Business Association site

**Executive Summary**

Your executive summary is a snapshot of your business plan as a whole and touches on your company profile and goals. Read these tips about what to include.

**Company Description**

Your company description provides information on what you do, what differentiates your business from others, and the markets your business serves.

**Market Analysis**

Before launching your business, it is essential for you to research your business industry, market and competitors.

**Organization & Management**

Every business is structured differently. Find out the best organization and management structure for your business.

**Service or Product Line**

What do you sell? How does it benefit your customers? What is the product lifecycle? Get tips on how to tell the story about your product or service.

**Marketing & Sales**

How do you plan to market your business? What is your sales strategy? Read more about how to include this information in your plan.

**Funding Request**

If you are seeking funding for your business, find out about the necessary information you should include in your plan.

**Financial Projections**

If you need funding, providing financial projections to back up your request is critical. Find out what information you need to include in your financial projections for your small business.

**Appendix**

An appendix is optional, but a useful place to include information such as resumes, permits and leases. Find additional information you should include in your appendix.