

Startup Companies

BUSINESS PLAN

Complutense University of Madrid



BUSINESS PLAN

- Concept and Usefulness**
- Contents and Structure**
- Supporting documents**

CONCEPT AND USEFULNESS

What is a Business Plan?

A document that explains a business opportunity, identifies the market that will be served, and provides details on how the entrepreneurial organization plans to pursue it.

CONCEPT AND USEFULNESS

What is it for?

- Identifying the key aspects of the business
- Obtaining financing
- Managing: maintaining attention and control
- Improving the business model.

CONCEPT AND USEFULNESS

Types of business plans:

- **Plans for external stakeholders:**
 - Mini business plans (v.gr. pitch deck)
 - Traditional business plans (obsolete)
- **Internal planning and control plans :**
 - Go-to-market Plan (product launching)
 - Operational Plans (resources, investment...)

CONTENTS AND STRUCTURE

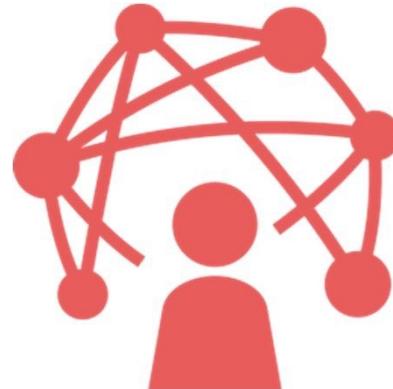
What to include and How to structure it?

- THERE IS NO STANDARD FORM**
- IT IS A SINGLE STORY**
- DEPENDING ON THE AUDIENCE**

CONTENTS AND STRUCTURE

4 types of essential contents

Each plan develops them with varying degrees of intensity.



People

Opportunities

Context

Alliances

CONTENTS AND STRUCTURE



PEOPLE

- Founders and expertise (in the field and together)
- Motivation and commitment
- Need of onboarding new members

CONTENTS AND STRUCTURE

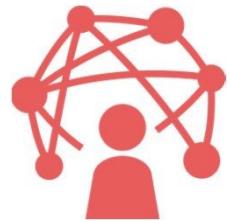


OPPORTUNITIES

- Market size and growth rate
- Competitors: competitive advantage and barriers
- Validated Business Model
- Extension to adjacent markets

Source: Sahlman (1996)

CONTENTS AND STRUCTURE



CONTEXT

- Critical factors and variables for the business
- Sensitivity analysis to its variation
- Contingency plans

Source: Sahlman (1996)

CONTENTS AND STRUCTURE



ALLIANCES

- Clients: pre paying and loyalty
- Suppliers: common strategic interests
- Investors: smart money
- Management by stages

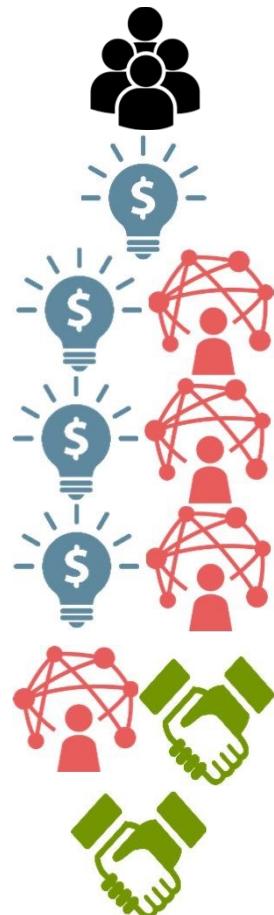
CONTENTS AND STRUCTURE

STRUCTURE CRITERIA:

- **Stages:** Timeline
- **Areas:** Basic functions in the company
- **Activities:** Customer, Value chain...
- **Hybrids:** several criteria simultaneously

CONTENTS AND STRUCTURE

1. Intro: Company & Goals
2. Market analysis: the Customer
3. Competitors: current and future
4. Product & process: operations
5. Marketing Plan: go to market
6. Finance: Forecast
7. Legal and societary matters.
8. Conclusions and appendix
(team...)



CONTENTS AND STRUCTURE

A Bussiness Plan Look & feel

- Keep the text brief and straightforward.
- Short and simple phrases and paragraphs.
- Friendly interface (bulletpoints, icons, numbering, graphics over text and tables)
- Citation and appendix as support elements

SUPPORTING DOCUMENTS

INVESTOR DECK contents (III):

- **Competitor:** Matrix, positioning, competitive advantages (real or expected).
- **Business Model:** How to monetize, margin, recurrence and lead generation profitability compared to competitors.
- **Marketing and sales:** Channels, costs and future and current conversion rates.

SUPPORTING DOCUMENTS

INVESTOR DECK contents (IV):

- **Traction:** KPIs evolution (GMV, MRR, ARR, LTV...) compared to similar companies.
- **Team:** Names, surnames, position and experience (if any, mentors, advisors and investors)
- **Financial data:** Graphic evolution and forecast for the next 3 years in terms of incomes, costs and Cash Flow.

SUPPORTING DOCUMENTS

INVESTOR DECK contents (V):

- **Financial needs:** Size of the investment round, goals to reach and allocation of the capital.
- **Final recap:** Key ideas
- **Contact:** Company logo and contact (CEO generally)

SUPPORTING DOCUMENTS

What kind of financial data needs an investor?

- P&L. to date and expected.
- Cash-flow and Cash Burn rate
- Traction and metrics
- Main premises used to calculate data.

SUPPORTING DOCUMENTS

Why is that data useful for?

- To analyze the real situation
- To evaluate its evolution and track record.
- To compare and generate scenarios.
- To start a due diligence process.

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