

Title:

How To Write Killer Business Plans - Part 2

Word Count:

575

Summary:

Keep your eye on the Executive Summary

The first thing your potential funding audience needs to be reading is your executive summary. There is a saying in the film industry that no great script is written, only rewritten, and in a way that's how you need to treat your executive summary. It's the most essential part of your plan because it acts like a shop window to the plan inside, and it needs to draw the potential investor in.

Why use 5 words when you can use 3? Why b...

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Article Body:

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Why use 5 words when you can use 3? Why be vague when you can be direct? It's got to punch above its weight class and have impact, so don't be afraid of rewriting it until you know it off by heart.

Start with a paragraph about each important part of the overall plan, and avoid repetition. In the very first paragraphs, spell out what it is that your business does, who does it, and why it does it, and how it makes money doing it, along with the funding requirements and repayment / exit plan.

The more exact you can be, the better.

To Finish first, first you've got to Finish.

Knowing when to end your plan is almost an art form in itself, and whilst it's no bad idea to have a living breathing document for internal purposes, failure to bring things to a conclusion is a real turnoff for external investors. Over half think that business plans are too long, and therefore lose interest, or simply have other pressing engagements they must deal with before they'll ever get to the end of yours.

The flip side of this is also true: Too short and the investor will be given the impression that you haven't given this enough thought or done enough research, or worst case scenario will have insufficient information to form a sensible investment decision. Uncertainty is the seed of doubt, and doubt is definitely not a basis for risking investment dollars.

Like the tale of Goldilocks the plan needs to be "just right", and while each business will vary significantly, some where between 12 and 25 pages seems to be the plan porridge that gets eaten all up!

Demonstrate a Need not Greed.

Somewhere along the way you have to show that you've done some market research, and that you've thought about what this truly means in respect of your business.

The point here is to think about the niche or zone or subsector you operate in. For example the world car market is billions of dollars, but if you're setting up a hand car-wash in your local town then this is not the size of your market.

Think about relevance and about the customer's reality. While you might have the ambition for hand car-wash world domination, take the first step first, then the second. Show how the customer has a need or desire for your product. Don't assume the investor will know. Spell it out.

Explain how you will fulfil that need with your products and services. Cover how the customer will find you, or how you will get your message across to them. Discuss the frequency of that need. Some sales people call this the itch cycle. Every so often you've just got to scratch it.

For example, everyone who has a car has a need to have it serviced at least once a year. Everyone who likes ketchup will want some more when it runs out.

Factor these buy cycles into your research.

