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How To Write a Great Business Plan

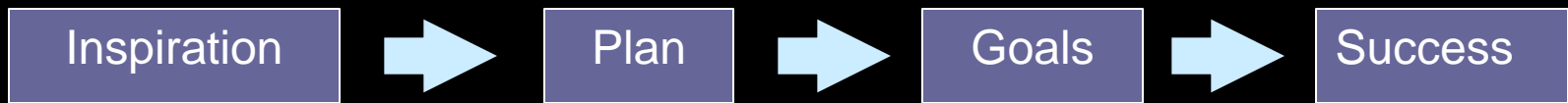


Tonight

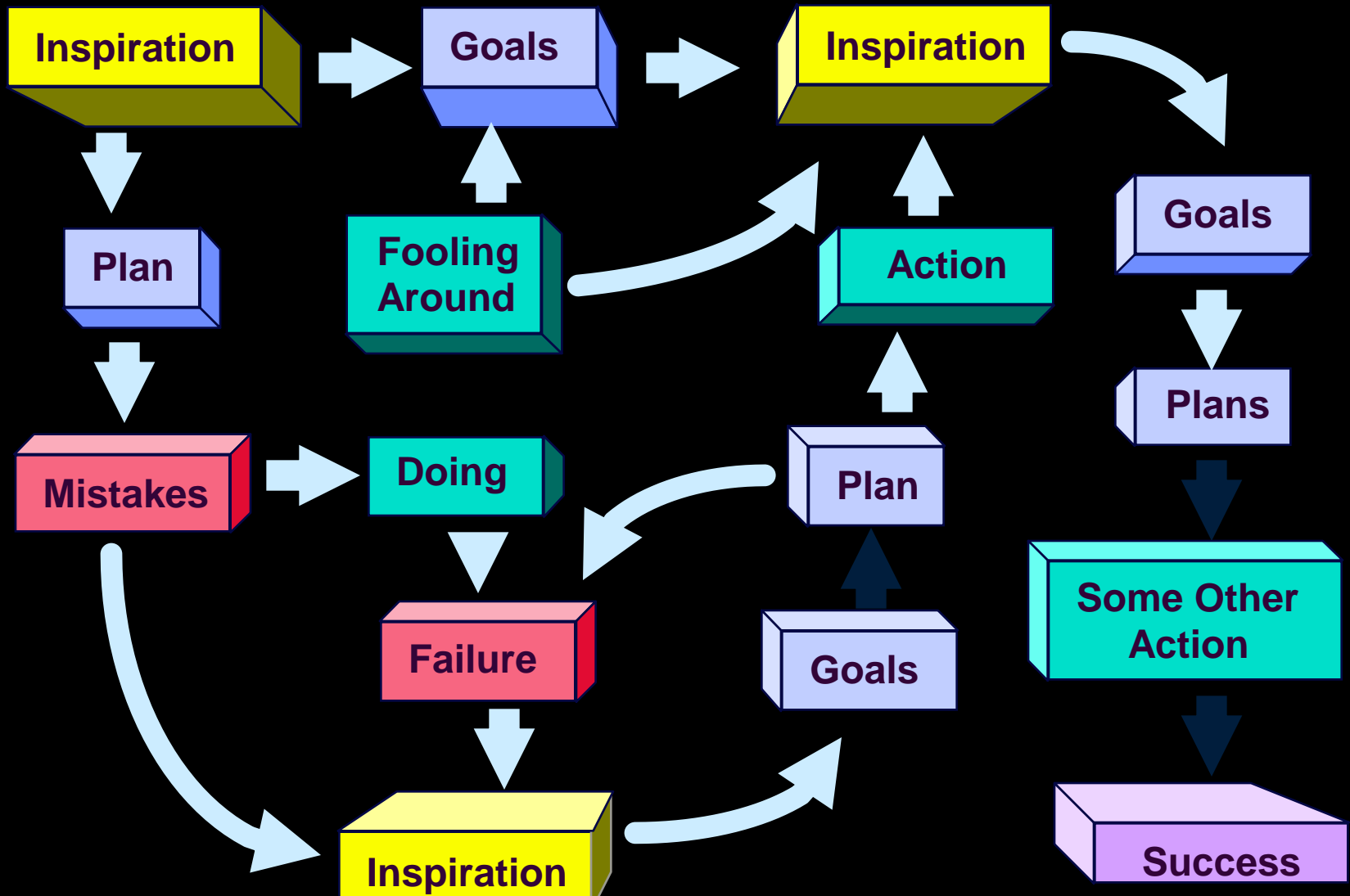
- Why write a Business Plan
- You must know (& address)
- V – Word (special prize)
- Communications



How Startups Should Work



How Startups Really Work



Why Write a Plan for this Mess?



Your Focus Should Be On

- What problem are you solving
- Value Proposition
- Competitive Advantage
- Profitability/Margins
- Management



What Problem Are You Solving?

- What is the need?
 - Not your need, society's, cool technology
 - But good place to start
- Market is compelling
- Industry is accessible



Clear Value Proposition

- What are the benefits
- Product/Service
- For Target Customer



Value Proposition Example

“XYZ is a _____[describe] company. By its _____[feature(s)], it provides _____ [unique benefit(s)] to _____[target market]”



Simple Value Proposition SST Corporation

“SST is a stainless steel toothbrush company. By its one bristle brush made of high tensile stainless steel, it provides an exhilarating tooth cleaning experience to thrill-seeking X-gen consumers”



Exercise



Sustainable Competitive Advantage

- Innovation
- Proprietary knowledge
- Differentiation
- Questionable competitive advantages
 - First to market
 - Development lead time
 - Better quality/service
 - Patents?



Show How You Will Be Profitable

- Demonstrate that you can make money
- High gross profit margins solve all problems
- Avoid low price thinking



Good Management Team

- Do you need experience
 - To start a venture?
 - Write a Plan?
- Do you understand the customer?



V – Word?

Validation



How Do I Get Answers?

- Talk to experts about the concept (~ 20)
- Talk potential customers (?)
- Check out the competition
- Lurk & Listen



What Is the Greatest Challenge to Getting Good Answers?

YOU! **FEAR**



Risks of Talking to People

- Steal the technology
- Steal the idea



A Good Business Plan

- Tells a story - creates excitement
- Explains why this is a great opportunity
- Explains how you are going to do it
- Provides evidence that customers want to buy
- 40-20-10-5-1?



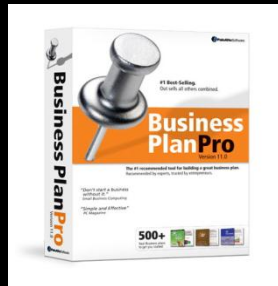
A Good Venture Plan

**Should be
Painful to Write**



Approach

- Start by trying to write concept on one page
 - Show it to people
- Iterative process
- Don't delegate
- Avoid



Communications

- Great elevator pitch
- Exec Summary in a DECK



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Resources

- *How Write a Successful Business Plan*
- Mullins, *New Business Road Test*



CUM *NEW VENTURE CHALLENGE*

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