F- Business Plan Model

### Guidelines for writing a Business Plan

***The guidelines listed below are provided for informational use only on how to facilitate writing a business plan. The proposed structure is neither mandatory nor comprehensive and can be changed according to the needs and the specificity of the applicant. However it is recommended that all elements mentioned in the following guideline be covered in the business plan.***

These guidelines can be used together with the excel file *Business Plan Graphs* (Appendix 3). The purpose is to create a visual and concise business plan, adapted to innovative start-ups.

Business plan

Company NamE

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# Executive Summary

The executive summary aims at giving an overview of the business project and its development. It has to encompass the key information in order to provide the reader with a global understanding about the enterprise. This information should be presented in a clear and concise way.

## Business Overview

This is a 1-page snapshot of your company. The information to each element should be limited to 1-3 sentences.

|  |  |
| --- | --- |
| Company Logo  **Company Name**  Legal Status, Incorporation Date  Company Address  Company Website | Elevator Pitch  *(What Value Proposition do you address to which market segment and potential customers)* |
| Problems/Needs  *(What problems/needs do you wish to solve?)* |
| **Contact:**  Mr./Mrs. …  Tel: +352….  email: | Solution  *(What solution/product do you offer to solve the problems/needs?)* |
| **Previous Funding and Equity:**   * Jan 2018: EUR 500k - Initial Capital * Dec 2019: EUR 700k - Pre-series A | Technology  *(What technology is behind your solution/product?)* |
| **Seeking:**   * EUR 1,5m over 3 years * or * 2018: EUR 500k; 2019: EUR 1m | Market Size  *(What market size do you expect to serve?)* |

|  |  |
| --- | --- |
| **Use of Proceeds**:   * Accelerate R&D * Hire Sales & Marketing * … | Main Competitors  *(Who are your main competitors?)* |
| **Revenue Forecast**:   * 2017: EUR xk * 2018: EUR xxm * 2019: EUR xxxm | Achievements  *(What are your main product/commercial achievements so far?)* |
| **Competitive Advantage**:   * …. * …. * …. | Why to Invest  *(Why should someone invest in your company?)* |
| **Cost-To-Market:** EUR xk  **Time-To-Market:** xx months  **Sales Cycle:**  xx months  **Patent(s):** Yes – No – Pending |

## Management/FOUNDER Team

This is a 1-page overview of your company’s founders. For each founder, it can include a picture, the position/role in the company, a brief description of past experience, main achievements, and contact details.

Co-founder 1

|  |  |
| --- | --- |
|  | CEO/CFO  ……………………………..  ……………………………..  ……………………………..  *(experience & contact details)* |
| Co-founder 2 |  |
|  | CTO  ……………………………..  ……………………………..  ……………………………..  *(experience & contact details)* |
| Co-founder 3 |  |
|  | CMO  ……………………………..  ……………………………..  ……………………………..  *(experience & contact details)* |

## Corporate Structure

The corporate structure is shown by a shareholding composition chart highlighting the shareholdings of different individuals and companies in your company, as well as your stake in other companies. It may include brief information about the holding companies and about the type of shares. It should not take more than 1/2 page. Please ensure, you go up to the ultimate beneficial owner (UBO).

|  |
| --- |
| *Example:* |

## Strategic roadmap

The strategic roadmap is a high-level timeline of your future (1-3 years) major projects and milestones (R&D, technical, commercial, financial, operational). It must not be confused with the pure product roadmap (chapter 5). It should not take more than 1/2 page.

The source of the example chart can be found in the excel “Business Plan Graphs”, sheet “Strategic roadmap”. You should adapt the information to fit your company.

Example:

# Origin

This section helps the reader becoming familiar with the origin of the idea and most importantly, the problem/ pain/ need that you want to solve with it. It should give answers to the following questions:

How did the idea come to you? Why do you want to offer your service/product? What are the problems you are trying to solve? What is evidence for these problems (in terms of research, statistics, customer voice, etc.)?

|  |  |
| --- | --- |
| Why? | |
| Problem/PAIN/NEED | Evidence/Customer VOICE/TRENDS |
| *Problem 1* | *Evidence 1* |
| *Problem 2* | *Evidence 2* |
| *Problem 3* | *Evidence 3* |

## History

If relevant, you may describe the background behind your company (former existence, locations, activities, achievements, etc.).

The whole chapter should take 1-2 pages.

…

# Competition

This chapter aims to present the state of the art, the currently available solutions in the market. It should also show how you position yourself compared to the available solutions. It should give answers to the following questions:

What are the present products/ services currently on the market that attempt to meet the same needs? Why are they not succeeding at this? What are the assets and drawbacks of the products/ services offered by competitors? Who are the main competitors commercializing those products/ services (name, enterprise descriptions, market share, etc.)? What elements allow you to differentiate your product/service from competitors? How do you compare in terms of key marketing factors (e.g. price, quality, novelty, ease of use, performance, etc.)? (Key marketing/differentiation factors should not be confused with technological functionalities)

This chapter should be approx. 2 pages long.

Product feature comparison, example:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Features of the product** | **My Company** | **Competitor 1** | **Competitor 2** | **Competitor 3** |
| Delivery | ✓ | ✓ | ✓ | ✓ |
| Loyalty & Rewards | ✓ | X | X | X |
| Quality | ✓ | ✓ | ✓ | X |
| Performance | ✓ | ✓ | X | X |
| Novelty | ✓ | X | X | X |

# Solution

In this section, the reader has to get a clear understanding of the product/service offered by the enterprise and the value proposition to the customers. It needs to highlight how the solution brings real added value to the customers and how it is unique and better compared to competitor solutions. Both a technical and a commercial description of the product/ service is required in order to highlight its unique nature. It is also important to present the technical development stages completed as well as the risks associated with the solution. The following questions should be answered:

Briefly describe your core business activity and the service the enterprise offers.

## Value Proposition

How does the product/ service attract clients? Why would the client buy this product in particular? How do you solve the current customer pains? How do you create additional gains for the customer?

## Product

What is the concrete product that you are selling? What are the functions fulfilled by the product/ service? On which technology is the product/ service based? From a technical point of view, how is the product/ service manufactured/ designed?

This description should not be too technical and easy to understand by anyone not familiar with the specific technology. You may include a picture of the product or prototype, or a flow chart of the service offered, if useful.

## INNOVATIVE Features

What are the three main innovative features offered by the product? How do they compare to competitor features? What is the added value that they bring for the customer? How do they make your product/service unique and better that competitor products/services? What are your “unique selling points”?

For this you may use the table provided in the template. The innovation type can be selected from a drop-down list.

|  |  |  |
| --- | --- | --- |
| **Innovation 1** | **Innovation 2** | **Innovation 3** |
| *Innovation type:*  Choose an item. | *Innovation type:*  Choose an item. | *Innovation type:*  Choose an item. |
| *Brief description:* | *Brief description:* | *Brief description:* |
| *Unique added value created:* | *Unique added value created:* | *Unique added value created:* |

## Development / Intellectual Property

What are the technical objectives and development stages you have already completed (research outputs, prototypes, etc.)? Do you own Intellectual Property rights related to it? Which means of IP are used as protection (patenting, trademarks, etc.)?

## Risks

What are the main risks your business is exposed to (technological, legal, market-related, operational, environmental, etc.)? Briefly describe the risks. What do you expect the likelihood of occurrence to be for each risk? What do you expect the financial impact to be in case of occurrence for each type of risk? How do you intend to manage/overcome/insure these risks?

The whole chapter may be 1-3 pages, depending on the complexity of the product.

# Product Roadmap

This section describes the future developments in R&D and the long-term **technological** roadmap. It should give answers to the following questions:

What are your future R&D work packages? How long will they last and how much will they cost? What are the forthcoming developments and when will they be achieved? What are your time-to-market and cost-to-market?

You may use the graph provided in the excel “Business Plan Graphs”, sheet “Product roadmap”..

This section should be around 1 page long.

*Example:*



# Market

This information has to enable the reader to understand who the clients are and what the potential of the market is.

## Target Customers

Who are the target customers for your product/ service (B2B or B2C, niche or mass, geographical area, sector, demographics, behavioural profiles, etc.)? Why do you target these customers? Do you already have first customers? Did you already sign contracts? Did you already get customer feedback?

## Market Size

To determine the size of your market, you may choose between a top-down estimation and bottom-up estimation, or do both.

The top-down estimation starts from the total global size of the market that your business is in and progressively narrows down this market size to your target market and finally to your market share. It gives an estimation of the market you can attend when fully scaled.

The following are the standard questions to be answered and quantified, but the questions depend on your kind of business.

What is the global market size for your type of solution (volume & value)? From this, what is your target market size (target countries, target customers/users)? From this, what is your expected market share? On which research do you base these numbers?

An example is provided in the excel “Business Plan Graphs”, sheet “Market size”.

The bottom-up estimation starts from the customers you expect to reach in the near future and what you can sell to them. It gives an estimation of your entry market. The market size can then be scaled according to your internal capacity.

The following are possible questions to answer:

What are your near-future priority countries? What are your near-future priority customers/users in these countries? How much do you plan to sell to these customers in the following year? How can you scale up after that? How much does your capacity allow you to sell?

An example is provided in the excel “Business Plan Graphs”, sheet “Market size”.

Top-down estimation

Example (product for cars):



Bottom-up estimation

Example:



## Market Trends

You should be able to give answers to the following questions:

What is the market growth rate? On which research do you base this? What do the perspectives look like? What are the market trends to watch carefully? What are the potential opportunities that could strengthen the development of your products/ services offer?

This chapter can be described in 1-2 pages.

*…*

# Business Model

This section aims at showing how the enterprise generates profit. It is a key point to understand to whom and for how much the products/services would be sold.

The reader should also get a clear understanding of the means implemented by the enterprise in order to realize its business model.

You should answer the following questions:

What product/service do you precisely sell? What clients are you targeting with which product? On which basis does your price policy rely (market price, % of profit margin, etc.)? At what price will you sell your different products/ services? What are the distribution means (direct selling, licensing, distributors, etc.) for the different products or customers?

## Go-to-Market Strategy

The go-to-market strategy describes the concrete next steps planned to bring the product to market and reach your target audience. It gives information to the following questions:

What are the distribution means (direct selling, licensing, distributors, etc.)? How do you intend to promote your product? What’s your communication strategy (internet-based, on TV, through specialized forums, etc.)? What are the concrete next go-to-market actions that you plan to take? How many potential customers do you target with each action? What are the results that you expect? What are the associated costs?

In order to structure this strategy and plan concrete next steps, you may use the table provided in the template to list your 2-4 next main go-to-market actions.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Action | Period | Geography | Channels | Customers | Target number | KPIs | Outcome | Cost |
| … |  |  |  |  |  |  |  |  |
| … |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

# Organization

This chapter allows the reader to understand the key activities executed by the enterprise and which resources they may require, as well as the outsourcing of some activities. It will also describe the wider team and future recruiting plans. The following questions should be treated.

## Internal activities

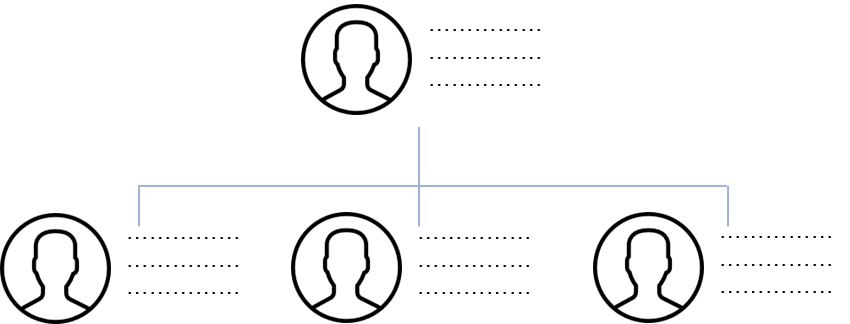
What will be the different activities of the enterprise (R&D, marketing, sales, etc.), and which resources will they require (financial, human, equipment, etc.)? At what time will these resources be used?

## External activities

Have you planned to outsource some activities? Who are your key subcontractors / partners?

## Organizational chart

In case you have a team larger than the founding team described in the executive summary, you can show an organizational chart.



## Investors and Advisors

Who are your external investors and advisors (if any)? Who is your board of directors? What’s the professional experience of these members? What special skills or resources do they bring to the enterprise?

## Recruiting Plan

Which activity will need you to increase headcount? Within which timeframe? What are the skills that the enterprise needs to find according to the development of its activities? How do you envisage finding them? You can present your HR plan graphically by using the excel “Business Plan Graphs”, sheet “HR Plan”. You may present it both in terms of number and cost.

This chapter could be 1-3 pages long.

# Financial Plan

This section aims at summarizing the entire financial situation of the enterprise. It may encompass its past, current, and future financials. It is a crucial point to understand how the enterprise spends and uses its funds. It needs to give answers to the following questions.

## Past INVESTMENTs

Who are the investors, how much did they invest, when did they invest, what type of investment was it?

You can use the table provided in the template.

|  |  |  |  |
| --- | --- | --- | --- |
| *Investment type* | *Who* | *How much* | *When* |
| *…* |  |  |  |
| *…* |  |  |  |
| *…* |  |  |  |

## Funds Needed & Usage

What is your financing need? For what use/expenses do you need this support? How much equity do you plan to give in return? Do you forecast other external investments?

## List of Assumptions

What are the assumptions taken for the financial projections (growth rate, inflation rate, interest rate, gross margin, etc.)? How might they change? What impact would this have on your forecasts?

## Financial Projections

The following are the standard financial projections to include in a business plan:

* Sales projections over at least the next 3 years
* Cash-flow projections over at least the next 3 years
* Profit and Loss over at least the next 3 years
* Balance Sheet over at least the next 3 years

You should add screenshots of the high-level projections and graphs of key metrics to the template document. Please describe verbally your overall financial evolution and main events, to justify the numbers. The detailed projections shall be added to the appendix in excel format.

## Ratios

Give an overview of the company’s key performance indicators (KPI’s), for example:

Customer Acquisition Cost; Conversion Rate; Life Time Value; Monthly Recurring Revenues; Total revenues after 3 years; Monthly Revenue Growth; Sales Life Cycle; Total Contract Value; Referral Rate; Cash Burn Rate; Churn Rate; Viral Ratio; Click Ratio; etc.

Choose those that are most appropriate to your business and maturity. You may also add other relevant metrics. You can show the actual and the target numbers (if available).

*Example:*

|  |  |  |
| --- | --- | --- |
| **KPIs** | **Actual** | **Planned** |
| Customer acquisition cost |  |  |
| Life Time Value |  |  |
| Conversion Rate |  |  |
| Monthly Recurring Revenues |  |  |
| Monthly Revenue Growth |  |  |
| Cash Burn Rate |  |  |

## Exit strategy

What is the exit strategy that you expect? Do you expect to go public or sell your company? To whom and when? What will be the return on investment / exit multiple for your investors?

# Appendix

You may include further details in the appendix, for example:

Glossary of terms

Product details

Market surveys

Patent details

Detailed 3-year financial forecasts

*…*