CHAPTER 18: Preparing, Presenting & Sending Out Your Plan

It’s not just what you’ve got; it’s what you do with what you’ve got.

“Who you know is important. It makes a lot of sense to have first-class consultants. Find out who are the good small business attorneys and accountants in town and hook up with them. Then you can believably say, ‘I’ve found the best law firm, the best accountant, and now I’m looking for the best bank to complete my team.’”

Robert Mahoney
Corporate Banker

Now that your plan is complete, or almost complete, it’s time to put it to use. Ideally, this book has helped you work through the process of developing your plan and improved your understanding of the forces that affect your business success. If you now do nothing more than put the written document on the shelf and never look at it again, you will still have already reaped major benefits.

But a business plan is a working document, and you probably have a specific idea of how you intend to use it. Most likely, you want to utilize your business plan as 1) a tool for raising funds (either investments or loans); 2) an internal reference document to guide your company’s
development; or 3) a recruitment tool for key personnel; or all of the above. If you’re using it for a class or a business plan competition, be certain to look at Chapter 20 for more insight.

Whether intended for internal or external use, your business plan must be made presentable for others. You must consider how you can best distribute the plan for maximum impact and how to make the finished plan an effective instrument for achieving your aims.

You have many different ways to choose from to present your plan. Although a banker will probably want a written document, an investor or strategic partner may require something more compelling such as an electronic presentation.

A Word About Confidentiality — Non-Disclosure Agreements

“If you need complete confidentiality, you should most likely not pursue venture capital as a source of funds. While venture capitalists are experienced in maintaining confidentiality, for a number of justifiable reasons, in general they will not sign confidentiality agreements. Also, if you do not need a lot of money at this stage, don’t seek venture capital. You will be able to demand a better price and increase the likelihood of getting funding if the company is further developed.”
Eugene Kleiner

Venture Capitalist

Once you begin to circulate your business plan, you inevitably begin to worry about the confidentiality of your information. Obviously, you don’t want your competitors, or potential competitors, to know your strategy or technology.

Most new entrepreneurs are probably overly concerned about issues of confidentiality. Very few business ideas, after all, are truly new — it’s the execution rather than the concept that makes a business a success. Generally, bankers and sophisticated investors respect the confidentiality of plans they receive; they’re financiers, not entrepreneurs, and aren’t interested in running businesses. Nevertheless, it pays to be careful.

To help ensure confidentiality, you may want to draw up a “non-disclosure agreement,” or NDA, for the recipient to sign before receiving your plan. You can use NDAs with less sophisticated investors, potential employees, suppliers, and the like.

However, many professional investors — particularly venture capitalists — do not sign NDAs. This is standard policy with venture capitalists, and asking a venture capitalist to sign an NDA is viewed as a sign of inexperience. They see so many plans in so many related industries that they would inevitably have the possibility of a conflict. It is part of their business to respect the confidentiality of entrepreneurs, and they have their reputation at stake.
The best way to protect your information is to be selective about to whom you send your plan. Research your recipients and make certain they are not already funding a competitor. Check their reputations for honesty and discretion. Deal only with reputable people. On top of that, limit the number of copies of your plan in circulation and omit from your plan highly technical, sensitive information. You can provide that information later to only the most serious sources of potential funding.

An attorney can help you draft a non-disclosure agreement, and an example is provided on the opposite page.

### Preparing Your Plan for Distribution

Your plan should look as good as the business really is. It is a shame to have an outstanding business overlooked or turned down by investors because the plan doesn’t represent the company well.

Before you prepare your plan for either internal or external distribution, refer back to Chapter 3. Now is the time to edit and proofread your plan; see how you can make the language more concise and clear. Have someone else edit and proofread the plan as well. You may want to use the services of a professional writer to help make your language clearer or a graphic designer to help you lay out your plan or create graphs and charts to enhance its impact.

#### Non-Disclosure Agreement

Non-Disclosure Agreement
Re: (Company Name)

I agree that any information disclosed to me by
___________________________________________

Company in connection with my review of the company will be considered proprietary and confidential, including all such information relating to the Company’s past, present, or future business activities, research, product design or development, personnel, and business opportunities.

“Confidential Information” means any information disclosed, either directly or indirectly, in writing, orally, or by inspection of tangible objects (including business plans, research, product plans, products, services, customers, markets, software, inventions, processes, designs, drawings, engineering, marketing, or finances).

Confidential information shall not include information previously known to me or the general public or previously recognized as standard practice in the field. It will also not include information that becomes generally available in the public domain through no action or inaction of myself, my employees, or others associated with me.

I agree not to use any Confidential Information for any purpose except to evaluate and, if applicable, implement a potential business relationship with
___________________________________________ Company.
I agree not to disclose any Confidential Information to third parties or to anyone except those who are required to have the information in order to evaluate or engage in discussions concerning the contemplated business relationship.

I agree that for a period of five years, I will hold all confidential and proprietary information in confidence and will not use such information except as may be authorized by the Company and will prevent its unauthorized dissemination. I acknowledge that unauthorized disclosure could cause irreparable harm and significant injury to the Company. I agree that, on request, I will return all written or descriptive matter, including the business plan and supporting documents, to the Company.

Accepted and Agreed to:

______________________________________________________
______
Signature

______________________________________________________
_____  
Printed Name
Whether you prepare the plan yourself or with professional assistance, make certain it is a good representation of you and your company and is visually appealing. Pay attention to details of layout and graphics to make it easier to be read or skimmed quickly. Once you are confident that your plan is easy to read and skinned stimulating, you can apply the final touches to prepare it for distribution.

18.2.2 Cover Sheet

The very first page in your plan should be a simple cover sheet (different from the cover letter). When binding your plan with a clear front cover (which is recommended), your cover sheet then becomes, in effect, your plan’s cover. As such, it should make a positive first impression. It must be uncluttered and businesslike. On your cover sheet, include this information:

- The words “Business Plan.”
The name of your company.

The date.

A copy number.

A disclaimer or confidentiality statement.

The name, address, phone number, and email address of the contact person (for external distribution).

The name of the division or department and contact person (for in-house corporate plans).

The company logo, if desired.

This sounds like a lot, but it’s not. You should be able to put all this information on a cover sheet and still leave attractive white space on the page.

If you are using a cover other than a clear front cover with the cover sheet visible, make certain that the name of your company is printed on the cover. Funders often have stacks of business plans on their desks; you want them to be able to easily locate your plan without having to open the cover.
Both you and your readers will find that page numbers make it easy to refer to specific information when discussing your plan. Rather than numbering the pages consecutively from start to finish (page 1, 2, 3, etc.), a better method is to number pages by section and page. Thus your Executive Summary would be 1-1, 1-2, 1-3, etc.; the next section 2-1, 2-2, 2-3, etc.; the next section 3-1, 3-2, 3-3, etc.; and so on. This pagination method enables you to update or make changes in one section without having to reprint the entire plan. Of course, if you change the order of sections to tailor your plan for specific readers, you have to re-number the plan.

Table of Contents

Any plan more than 10 pages long benefits from a Table of Contents. Place it at the beginning of your plan, immediately after your cover sheet and before the Executive Summary. Title your Table of Contents “Contents,” and simply list the sections and page numbers on which each section starts. If you want to draw attention to particular portions of certain sections, do so by using subheadings for those sections in the Table of Contents, but don’t get carried away. After all, a business plan is relatively short, and your readers can find their way around fairly easily.

Date

Because securing financing can take a long while, be careful about distributing a plan that appears outdated. A reader who in November receives a plan dated March can easily assume that you have met with nothing but rejections for many months. Thus, it may be
advisable to use only the year on the cover sheet: “Business Plan, 2011.” You can also choose to generate a new cover sheet for each recipient, including the month and year: “Business Plan, August 2011.” You needn’t cite anything more specific than the month.

**18.2.5 Copy Number**

Number each copy of your business plan before distribution, and keep a list of which individual has received which copy. This way you can keep track of how many copies are in circulation, and, if necessary, can ask to have a copy returned. Most important, if a copy is circulated without your permission, it’s easier to trace the responsible party.

Further, since you may revise your business plan as your business develops, you may produce different versions of your plan. To keep track of which version a recipient has, you may want to devise a code number or letter along with the copy number. Refrain from writing “Version 16” on your plan; it makes a poor impression. A code could look like “Copy C.4,” which might indicate to you that it’s the third version, fourth copy. “Copy 3.4” could indicate it’s the third version, copy four, or you could call it “Copy 7.4” to mean the version you completed in July, fourth copy.

**18.2.6 Disclaimer**

When circulating your business plan to outside funding sources, you want to make certain you don’t find yourself in legal hot water. Difficulties can arise when you offer ownership in your company in
return for an investment; in actuality, you are selling stock in your company, and federal law regulates the sale of stock.

The best way to protect yourself is to consult an attorney. You can also include a disclaimer on the front cover that indicates your plan is not an offering for sale but rather a document for information purposes only. The same disclaimer can also be used to help protect the confidentiality of your business plan, especially when you are not adding a non-disclosure agreement. Your attorney can provide you with the best language, but a typical disclaimer might look like this:

“This document is for information only and is not an offering for sale of any securities of the Company. Information disclosed herein should be considered proprietary and confidential. The document is the property of ___________ Company and may not be disclosed, distributed, or reproduced without the express written permission of ___________ Company.”

Layout, Design, and Presentation

Because you must limit the total number of pages in your business plan, you may be tempted to fill each page from top to bottom. Resist this urge. A page crammed with too much information intimidates and may annoy the reader.
“Automatic turnoffs for a business plan? Writing on both sides of the paper. Typing mistakes. Not knowing how to present financials. Always use straightforward financials; don’t get imaginative. Avoid fancy covers; use black or clear binders. Get it professionally typed, or better, desktop published. Looks count a lot.”

Robert Mahoney
Corporate Banker

People make up their minds about how difficult a page is to read before they actually start reading it. Therefore, leave sufficient “white space” (unused, blank space) on the pages of your plan to make the text appear inviting to the reader.

“Frame” your text by leaving a border around it. Generally, leave about a 1” margin on the top and right side, with a little more (such as 1¼”) on the bottom and left side (to allow for binding). Print on only one side of each page.

Single-space your text, but leave double spaces between paragraphs. Keep your paragraphs short. Use either underlined or bold-print headers (such as the one directly below this paragraph) to begin each section or show a change of topic.

Use charts and graphs in your business plan. These engage the reader and highlight impressive and important information.
18.3.1 Choosing a Typeface

Software programs provide many choices of serif and sans-serif typefaces. A serif typeface is a more traditional style having small fine lines or “feet” that make words and lines of type easier to read; this is especially effective when a document has a lot of text, as in the case of a business plan.

More modern looking, sans-serif type has no fine lines. Use it for headings, lists, and other places where there is a limited amount to read.

Shown below, in their actual form, are a few of the more commonly used serif and sans-serif typefaces:

**SERIF:**

- Garamond
- Times or Times Roman
- Bembo
- Palatino

**SANS-SERIF:**

- Univers Condensed
  - **Univers Bold**
- Helvetica Condensed
  - **Helvetica Bold**
When selecting type for your business plan, follow these guidelines:

- Choose type that is easy to read and businesslike in appearance.

- Use no more than two plain and one italic typeface in your plan.

- Use a serif for the text, and serif or sans-serif type for headlines (as in this book).

Type size is measured in “points.” For text, 10-point type is recommended; smaller than 9 points is a strain to read. (You are now reading 11-point type.) Section headings and titles generally can be set in 12- to 14-point type.

The Final Step: Editing Your Plan

Once you finish your plan, go through it again thoroughly. Find ways to make your sentences shorter and easier to understand.

Eliminate unnecessary words. Change passive verbs and jargon to clear, active language. For example, instead of saying “Profitability will have been reached by Teddy’s Dog Togs in its third year of operation,” be more direct with a sentence like this: “Teddy’s Dog Togs will show a profit by year three.”
A business plan must inspire trust. Misspellings, typographical errors, and improper grammar undermine trust. Proofread your plan for such mistakes and have at least one other person proofread it as well.

**Preparing an Electronic Presentation**

“The value of a PowerPoint presentation is that you (the entrepreneur) get to control the agenda of the meeting. Otherwise we can have an open-ended discussion, but I’m going to control the meeting through my questions rather than you guiding it through your presentation. If you have a computer presentation, you can make sure you make all the points you want to make.”

Mark Gorenberg

Venture Capitalist

For most sophisticated investors, such as venture capitalists, you will want to — or need to — prepare a computer presentation, outlining the highlights of your business plan. A computer slide presentation is an excellent way of conveying the most important aspects of your business in a short time. (This type of presentation may be referred to as a “slide” show, a “deck,” or a “preso” since each frame of a computer presentation is called a “slide.”)

Some venture capitalists and other investment groups now prefer to see computer presentations instead of written business plans. While
they used to ask for your executive summary and financials first, now they ask for your slides and financials. However, you will still need a written plan, either to be reviewed before you are granted a meeting or to leave behind after you meet with potential investors.

In some cases, you won’t present your plan in person. Many investors will likely ask for your slides before they will consider looking at your plan. In that case, you will send your computer presentation electronically. For this reason, you must create a presentation that’s compelling enough to stand on its own without a presenter.

Take advantage of the electronic medium. Consider embedding video or audio into your slide show. Your content can include a prototype if you have one, a demonstration such as how your service will be performed, a look at your location, or anything else that will make your plan more comprehensible and exciting. You can link to a password-protected YouTube video if you have one. You may also choose to put the slides online on a password-protected site (more on this on page 325).

A computer presentation is an excellent opportunity to tell certain investors the strongest reasons to invest in your business. Since you control the content of your presentation, you get to highlight those aspects of your business that will be most compelling to your financing prospect.

Of course, the computer presentation should contain all the major points of your business plan. You need not present them in the exact order of the written plan, but you may have to explain some elements before other points will be understandable. If you make your
presentation in person, the investors will interrupt you to ask questions, challenge your assumptions, and so forth, so make certain you get to your most important points early in your slides. If there’s an obvious issue with your plan, such as a large competitor entering your same niche, address it up front before your investors do.

“Your PowerPoint presentation should be a half hour at most. First and foremost we need to understand what you’re selling. That’s the name of the game from the first slide to the last slide. You’re telling a story: have a beginning, middle, and end. Don’t tell the end of the mystery first. Tell us the pieces of the story: the big idea that gets you excited, the execution, the fact that you’re the ones to do it. Set it up, then give us the punch line. End with what value you add, so we can really be excited.”

**Andrew Anker**

**Venture Capitalist**

Adjust the content of your slides according to the knowledge base of your audience. You don’t want to bore them with information they already know or don’t need to know, such as the nitty-gritty details of your day-to-day operations. You can, however, include background information for those recipients who need it. And do your homework. Some quick research on your potential investors can reap big rewards.
If you include some of this information in your presentation, your credibility increases dramatically.

When putting together your slides, don’t try to overwhelm an investor with too many. Remember, your slides are meant to whet their appetite. While there is no exact number that will be right for every business, you should be able to convey all the key details of your company in 12 slides. If you have too many and you are presenting in person, you’re going to feel as if you have to rush through your presentation to get to them all.

The text of each slide should be primarily in short, bulleted points. You rarely need whole sentences. Put no more than 3–5 bullet points on a slide. You can use an effect to make bullet points appear one-by-one; this gives you control over the flow of information during your presentation.

If you are presenting your slides in person, practice first. Make certain you are comfortable working with the computer and the software so that you are not distracted during your meeting.

12 Critical Slides

- **Title slide:** your company’s name, a short company description, name of presenter(s) if presenting in person.

- **Your elevator pitch:** a succinct description of your products or services, market, and competitive advantages. Use vibrant language, and if possible, embed audio or video to demonstrate your product or service.
Size of opportunity: this is what investors—VCs even more so than “angels”—want to know. To what size can your company potentially grow and what are your plans for future development?

Your specific target customers: who they are and the customer needs that your product will meet.

The market size: numbers and dollars, past growth, growth forecasts.

The competition: division of market share, how your product compares to theirs, your value proposition in comparison to the competition’s, and barriers to entry.

Your team: who they are, past successes and experience, and why they are qualified to do the job.

The business model: how you will distribute your product, pricing strategies, how you will reach your customers.

The timeline: when you expect to reach key milestones.

Financials: a brief summary of key points from your income statement, balance sheet, and/or cash-flow projections.
**Funding:** how much you are asking for in this round, how many future rounds are expected, how much you will request during those rounds, and how the funds will be used.

**The investment opportunity:** potential exit strategies and financial return for investors.

### Putting Your Business Plan Online

“*If you put your plan in a secure area on a website, then it’s a convenient way to get the plan to potential people to read. It’s easy to read it, to print it, but it’s much more accessible than paper. It’s a lot less for me to carry if I want to read it at home or on the road. I can download it to my flash drive and read it on a plane. I could print it and throw it away, knowing it’s always there for me to read.*”

**Mark Gorenberg**

**Venture Capitalist**

Some entrepreneurs, especially those involved in Internet-related or technology businesses, may choose to put their business plan on a website. There are many advantages to having your plan online: It is easily available to you or potential investors, you can update it frequently, and investors can access it anywhere they can get online.
Of course, there are also many disadvantages. The biggest one is security. NEVER put a business plan on the Internet without making it password-protected. Even if you think no one will find it because it is at some obscure site, search engines may turn up your pages when looking for keywords. Moreover, investors will be skeptical of any business plan that is essentially out there for the entire world to see.

Another disadvantage of having your plan online is that many people find it difficult to read a long document on a computer screen (assuming they don’t print it out). Readers can’t “flip through” your plan to get an overview of your business, colorful graphics might not catch their eye, and if your potential reader, such as someone traveling, is away from online access, they have no way of bringing your plan along to read.

If you do put your business plan online, create a homepage with hyperlinks to each section and/or subsections of your plan. You want readers to be able to easily get to the information that interests them without having to scroll through pages of text.

Keep in mind that financial forms can be particularly difficult to read online and the formatting may be lost or distorted when printed out. Graphics, however, often work extremely well.

For all these reasons, always have printed copies of your business plan as well. Don’t let the Internet be your only method of presenting your business to the investment world.
18.6 Updating Your Plan

Your quest for financing may take many months, and your plans for your company may change during that time, especially if yours is a new enterprise. You want to make certain that your written plan is always reasonably current with your actual business strategy and position.

So, before sending out a plan to a new financing source, review its contents and update it. Bring your financial information up to the close of the last month or quarter, revise your financial projections to reflect recent developments, and add descriptions of any new members of management.

18.7 Chapter Summary

The appearance of your business plan should be of the same high quality as its contents. It should be a good representation of you and your company. Prepare your plan with care, and include active language, graphs and charts, and attractive page layouts and typefaces. Pay attention to the final touches such as the cover sheet and table of contents. Once you have completed your written plan, review and edit it — and update it as needed. Before you distribute it, you may want to draw up a Non-Disclosure Agreement for less sophisticated investors, potential employees, suppliers, and the like to sign.

Consider preparing a slide presentation, as more-sophisticated investors will want to see one before even looking at the written plan.
You may also want to put your plan online on a password-protected site.