

Guy kawasaki business plan example

[Business](#)



Your Logo Name of your company Your Name Title Company Name Mailing address Email address Direct dial number Executive Summary The executive summary is the most important part of the business plan because if it doesn't "wow" readers, they will stop—or at least "tune out"—at this point. My suggested format is: * Paragraph 1: Explain what your company does in very simple but seductive terms. * Paragraph 2: Explain the "magic sauce" that your company has that provides a believable competitive advantage. * Paragraph 3: Explain your current status, milestones reached, and milestones soon to be achieved.

Your plan is going to live or die, be read or be tossed, based on this section. It is 80% of what matters in a business plan. Note: You can read my blog post for more information. Problem/Opportunity The purpose of this section is to create an awareness that the problem you solve or opportunity you address is financially attractive. Most entrepreneurs rely on consulting studies, but this is ineffective because everyone makes similar statements: "According to Jupiter, the market for avocado farming software will grow to \$20 billion by 2015."

As a rule of thumb, the more citations you use, the less believable the opportunity. The better method is to catalyze fantasy so readers make their own market estimate. For example, if your product appeals to teenagers, you'd like the reader to be thinking, "My kids and all their friends would love this. The market will be huge." Unfair Advantage This section has to answer the very simple question: "Why you?" In other words, what makes your company so special that you will succeed where others will fail? Each company can have a different answer to this question: * Leading-edge PhD

research High visibility and powerful connections in the industry * Exclusive, perpetual intellectual property license I'll also tell you what doesn't work: saying that you're bright, energetic, hardworking people who really believe in what you're doing. Entrepreneurship isn't an elementary-school play where everyone gets positive feedback. In other words, think "Tiger entrepreneur" in the spirit of Amy Chua's Tiger Mom. Frankly, you may not have an unfair advantage then what you should do is delay raising money and bootstrap your company until you can show that the "dogs are eating the food." If I had to pick the best unfair advantage, it would be that you're already shipping, and customers are flocking to you. That cuts through all the bull shiitake. Sales and Marketing This section explains how you're taking your product to market—particularly during the introduction phase. You must show an understanding of direct sales, channels, or freemium marketing to be credible. Also, you should make it obvious that the cost of acquisition of a customer is far less than the revenue you'll reap from each customer. Specificity is everything here. Blowing smoke such as "we'll use viral marketing" is an insult to the reader's intelligence.

Going viral is an outcome, not a strategy. A sophisticated reader will want to know your tactics at the ground-level—not a 50,000 foot view. So imagine yourself in the marketplace. You've got a knife in your teeth. How are you going to capture the market? Competition There are two goals for this section. First, to provide an overview of what competition your company faces. Readers truly want to know what you will be up against. Second, to build credibility by showing that you are aware of all the major competitors and understand how to do battle with them.

Many entrepreneurs screw up this section by claiming there is no competition. Anyone whose money you'd want will conclude one of two things if you do this: you don't know how to use a search engine or you're going after a market that doesn't exist. The best case for this section is that you create a chart that shows what you can do and your competition can't and what you can't do and your competition can. Finish off by showing tactical ways to defeat the competition. Business Model Explain exactly how you're going to make money in this section. Will you be selling licenses? Boxes? Virtual goods?

Advertising? There are a limited number of options here, and I wouldn't try to invent a brand-new business model. You may not know how you will generate revenue. That's okay. Take your best shot based on your marketing and sales strategy and what other successful companies have done. I would not, however, list a bunch of potential business models. Then it looks like you're clueless and barfing out possibilities. Here's a power tip: Ask women what they think of your business model. Women are much better judges of business models than men because they are much better bull-shitake detectors.

Forecast In a few days, I'll provide an Excel model that helps you create a five-year financial forecast for this section. You can find the Excel model in the same folder as this outline on my SkyDrive, or search for the post on my blog <http://blog.guykawasaki.com>. But the gist of this section of your business plan is to tell your story with numbers. The elements of this story include the opportunity, required resources, and checkpoints. Honestly, no

one is going to believe your numbers, and this is okay because it's true of all pitches.

What you need to communicate is an overall picture of the economics of your business, the trends in the market segment, and an understanding of your business. Team This is the infamous team section of the business plan. It's the section that entrepreneurs think make or break the plan. Many experts would disagree with me, but it's not the most important part of the business-plan document. The Executive Summary is because if it's not great, readers will not care, or perhaps even get to, the team section. Frankly, most team sections are weak—almost by definition.

You are, after all, a young company seeking funding. If you truly had a proven team, you wouldn't be seeking funding because you'd be using your own money or you could call up investors in prior companies who would fall all over themselves to fund you. So what you want to do is to have catalyzed fantasy with your PowerPoint, demo, and previous sections of the business plan to such a degree that the reader is thinking, " This is such a great idea that we can help build the team," as opposed to " This is such a great team that surely they can do something great. "

Then this section should demonstrate that you have at least two people who are dedicating their lives to making the company a success and that they have relevant experience. You and your co-founder are probably not famous, but hopefully you've worked for companies that the reader has heard of. You heard it here first: well-known corporate logos are a proxy for a good team. If not corporate logos, then college logos will suffice. If you can furnish neither,

then we're back to the best testimony of all: you are already shipping, and the dogs are eating the food.

Have you noticed that I constantly come back to this? Real customers are the best "proof" of viability. Status and Milestones The purpose of this section is to "tie a bow on the present." Another metaphor is that this section of the plan is the vanilla ice cream that goes on top of the warm apple pie. Reiterate all the progress you've made "without any outside funding," how the customers are eating your stuff up, and how the trend is your friend.