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## How to Write a Catchy and Intelligent Business Plan

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<http://economictimes.indiatimes.com/small-biz/startups/et-startup-awards-2015-how-to-write-a-catchy-intelligent-business-plan/articleshow/47683988.cms>

With hordes of investors rushing to pump significant capital into Indian startups, it is becoming more critical than ever for fledgling entrepreneurs to be able to draw their attention and convince them that they are the ones to bet on. And the key tool for this is a well-crafted business plan.

Entrepreneurs have realised that business plans can have a massive impact on whether their startups will receive the steady flow of capital they need to sustain, critical for any early stage ventures that typically works on wafer-thin margins.

A typical business plan is one that contains a definition of the product or service on offer, details on current and future earnings, team profile and snapshots of competitors and investors. But given the rapid maturing of the country's start-up ecosystem, business plans, too, have metamorphosed to keep pace.

"Always go big. That's been our constant mantra," said Jaydeep Barman, cofounder and chief executive of on-demand restaurant chain Faasos, which is backed by venture capital firms Lightbox Ventures and Sequoia Capital. "Big plans by definition, means big markets, and that's what VCs want to see."

Barman's tip: Never talk about potential returns for an investor, identify opportunities, emphasise team, and give details on projected costs.

"That's what we're looking for," said Vijay Shekhar Sharma, founder and CEO of mobile commerce start-up Paytm as well as an early-stage investor. "Excel sheets with financial modelling may not always work."

# ET Primer on Crafting Winning Business Plans

## What Is a Business Plan?

A typical business plan contains a definition of the product or service, current and forecasted financial metrics, profile of the founding team, competitors and the investors backing them. In addition to deploying it to lure investors, entrepreneurs can use business plans to get suppliers, customers and other key stakeholders on board



## B-Plan Structure

**INTRODUCTION:** How the startup was founded; initial funding; and the USP of its product or service

**TEAM:** Details on founding and management teams, the board, advisers and mentors if any

**OPPORTUNITY:** The problem that the startup aims to solve; customer pain points; opportunity or market size; and industry growth projection

**BUSINESS MODEL:** Revenue model; pricing of product or service; existing average account size; loyalty and number of registered users



**THE ASK:** How much capital the startup needs to raise; pre-money valuation expectation; cost break-up on how the capital will be deployed; and expected burn rate



## Dos: B-plan Essentials

- **Profile** a typical customer and the problem faced by him or her that the company's product or service can resolve
- **Revenue model** and pricing. It helps to have a mentor involved while drafting your first B-plan
- **When presenting** a business plan to investors, present verbally. Give them a hard copy of the presentation only if they wish to have a look



- **When presenting** a business plan through email, attach a slide presentation, a short video of the startup, employee culture, lives of customers, and a text cover letter
- **Hiring plan:** How many people will a startup need to employ and how much will they cost
- **Business plan/video** should have 2-3 short testimonials of customers

## Don'ts: What to Avoid

- **Do not** make the business plan too wordy, long and detailed
- **A business plan** should not be too optimistic. Long-term milestones should be avoided
- **Don't say** there is no competition. An investor will not believe that
- **Do not** make errors – in spelling, grammar or calculations
- **Do not** contradict a cofounder when answering investor questions



I advise people to first evolve their product and service, then get into a plan. A good plan needed at the time of fund-raise should have a roadmap and differentiate a customer from a beneficiary

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## 5 Cool B-Plan Formats

- Create a mind map
- Build a mobile app
- Introduce drama on pain points
- Storify your value proposition
- Animation or comic strip to tell your plan



## Annual B-Plan Contests

- IIT-Bombay Eureka
- IIM-A Entre
- Wharton India Economic Forum
- TIE International Business Plan Contest
- Start-Up Chile

