

Entrepreneurial Business Planning

A list by any other name would smell as sweet?

Entrepreneurial Business Planning

- What color sox did you wear last Tuesday?
- What color will you wear in 3 months?
- How do you justify these data to your partners and customers, given **your life requires** their continuous, enthusiastic, re-investment?
- Conclusion: if something is not (ie; properly. Everything has requirements) written, then it does not exist and neither will you
- **Everything in life worth doing deserves a proper plan.**

Entrepreneurial Business Planning

- A business plan is a list
- A list is a tool; infinite in variety, specialized for a task
- Your task (specified by REQUIREMENTS) defines everything: how to think, what to do, when to start and stop, etc
- How often have you gone shopping and failed to remember everything needed? You had no (proper) list; right?
- Hint: please learn to write requirements properly, and practice thinking in terms of them

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- Business phases
 - A. Pre-startup
 - This means you are still deciding What, How, When, Why, How long, etc.
 - You **don't yet** have STRUCTURE and PROCESSES to improve; you have to create them
 - B. Post-startup
 - This means you have things to improve or expand (change), rather than starting from nothing. Those things are CONSTRAINTS. Life is no longer 'simple'.

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- Pre-Startup phase Planning
 - Need to decide WHAT, HOW, WHEN, WHERE, HOW MUCH, etc
 - Ideally, you also need to decide on WITH WHOM, and those people need to understand your requirements, & be able to actually help you
 - You need a requirements document and a rolodex for this, not a full plan
 - A 'light weight list' of reqs and needs will guide you in most of those conversations and decisions. This could be a couple of pages, up to a dozen or so.

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- Post-Startup phase
 - You have some form of light-weight plan
 - You have people
 - You likely have a functioning business
 - You have constraints
 - You have unrealized business goals
 - This is when you need to sharpen the pencil and do a full plan, to help ID new needs & resources and to help make big decisions. You may 'bet the company' on these decisions, so you need to be serious about everything which goes into them.
 - Hence, a serious plan. This means NOT 'lean'; you want to look at the whole cow, including the fat. Could be a couple hundred pages.

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- Types of business plans
 - ‘Lean Canvas’
 - Relatively fast & light
 - Can be done by one person
 - Pretty good for initial ‘reality checks’
 - Audience is core team only
 - Up to 10-20 pages should be fine. Takes a week.
 - Full plan
 - Serious document, likely written by multiple SMEs
 - Required for funding solicitations, partners, people serious about P&L, risk, and similar
 - Audience is external to company, for big decisions & new support
 - Angel ‘pre-investment DD report’ is good example
 - My largest was about 205 pages; DD for expanding a chain of retail stores. Took a team of 6 SMEs over a month to write.

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- Example Lean Canvas report sections
 - Top 3 problems
 - Top 3 features
 - Key metrics
 - Unique value prop
 - Unfair advantage
 - Target customers
 - Sales channels
 - Cost structure
 - Revenue streams

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- Example full report sections
 - Everything in 'lean canvas' plus:
 - Full past financials with certifications
 - Full past and future financial models
 - Alternative structure/location/ops models
 - Logistics & supply chain modeling
 - Legal
 - Competitor summaries
 - Risk & mitigation analysis
 - 'how an investor will make 10X in 5yr with high probability'
 - Letters of intent

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- **Conclusions:**
- Business Plan should match the Business Phase/Purpose
- Assess the Plan as a customer, based on Requirements
- Metrics must make sense for the intended audience
- Different Business Phase = different goals = different requirements = different tools/approach.

- So...

- Use a Lean Canvas for initial 'whether' and 'when to start' questions
- Use a full Plan when you have real Partners, Funders and Customers to convince, and big, high-risk questions to answer

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- Questions & discussion?