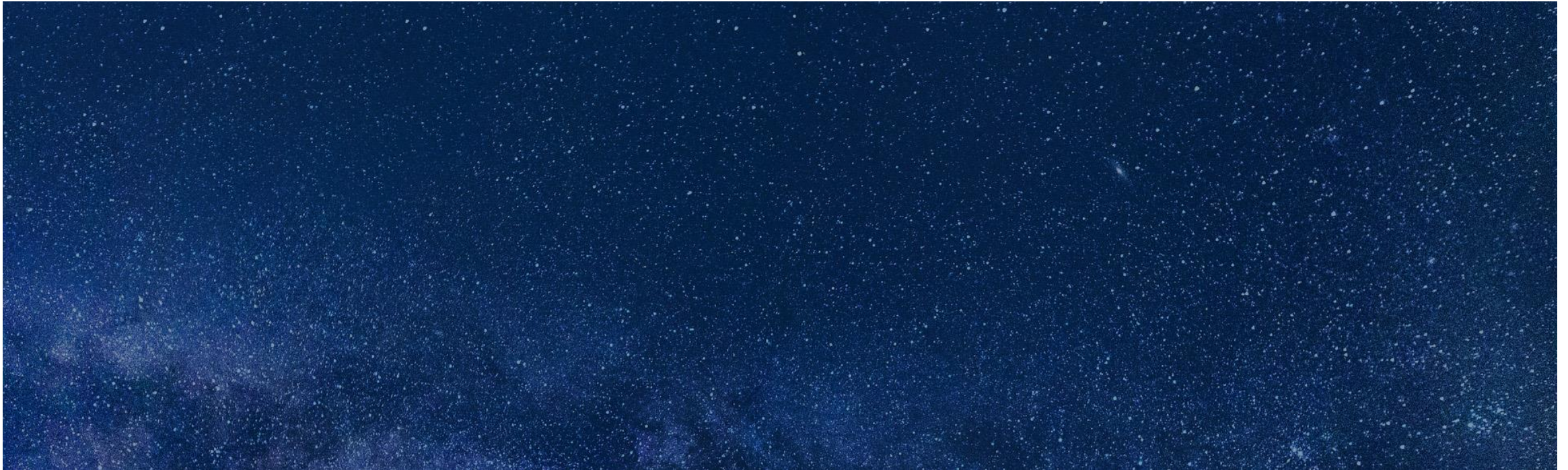


THE BUSINESS PLAN IS ALIVE AND WELL



LOU FARINA , BUSINESS ADVISOR, TECHNOLOGY COMMERCIALIZATION
MARICOPA SMALL BUSINESS DEVELOPMENT CENTER, AZSBDC NETWORK



SBDC (Small Business Development Center)

To be your partner, providing
“no-fee” services to assist you in growing your business

We are funded by the SBA, the Maricopa County Community College District (MCCCD), and the Arizona Commerce Authority (ACA)

LOU FARINA



Lou is a Small Business Analyst at the Maricopa SBDC specializing in Technology commercialization. He is a former technology executive with over 20 new ventures, mergers, acquisitions, turnarounds and divestures. He has led large scale corporate investments involving hundreds of millions of dollars in capital and revenue on a global scale. Currently, Lou serves as a strategic advisor and angel investor. Lou enjoys working with high-potential technology companies within the Arizona ecosystem.

Lou completed his Bachelors of Science in Chemical Engineering and MBA from the State University of New York at Buffalo.

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What is Business Planning?

Why Should I Write a Business Plan?

What are Key Elements of a Good Business Plan?

Where Can I Find Resources to Assist me?



"Hey Harv, ya know, sometimes when it comes to a business plan, simplicity is best."

WHAT IS BUSINESS PLANNING?



Business Planning encompasses the goals, strategies and actions that you envision taking to ensure your business' start and growth.

WHAT IS BUSINESS PLANNING?



The Creation of a Blueprint of your Business

WHY SHOULD I WRITE A BUSINESS PLAN?



Wait!....I heard that the Business Plan is Dead!

- There is a Book with that title!
- I read that a startup raised millions of dollars in startup capital with only a few presentation slides
- A business plan in the form of a 50 page strategy document that takes 2 years to make and then sits in your computer is certainly dead and a waste of time
- The business plan is not dead, but is always evolving

WHY SHOULD I WRITE A BUSINESS PLAN?



Bet on the Jockey not the Horse

WHY SHOULD I WRITE A BUSINESS PLAN?



- Sharing Information

- 3:1 rule
- i.e. 40 hours to write
- 120 Hours to Extract

- The Written Word

- Efficiency
- Accuracy
- Credibility



WHY SHOULD I WRITE A BUSINESS PLAN?



Target Audience You!

- It will look different when your thoughts are put on paper
- Enables a higher level of thinking, and therefore, more focused action.
- Organize your goals, priorities, and intentions. ...
- Uncover voids in thought and address subject possibly overlooked
- Encourages daily progress and helps keep you motivated
- You will feel like you have made substantial progress

WHY SHOULD I WRITE A BUSINESS PLAN?



Target Audiences

	1 Page Overview	Pitch Deck	Business Plan	Financial History	Financial Forecast	Application
Banks			★	●	●	●
Investors	●	●	★		●	●
Partners		●	★			
Key Hires			★			
Incubators			★			●
Competitions		●	★			●
Advisors		●	★			

WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?



- It's not a novel...but its also not a single page document
- Its not an operational plan tied to resources and schedule- think blueprint not construction schedule
- A Lean Canvas is not a substitute
- It will be outdated by the time the ink is dry
- Its will not be 100% accurate...it will be a living document
- Follow template formatting

WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?



Executive Summary

- 1-2 pages (same font)
- Most salient points
- Written last
- Consistent
- Simple, digestible
- Could be the only thing that is read

Executive Summary Kajavic Industries Inc.

Business Description

Kajavic Industries Inc. (KII) is a California based development company focused on delivering sustainable solutions to the Indian Nations. The primary areas of development involve renewable power generation, sustainable building materials integrated with energy efficient technologies, and long-term job creation.

Residential Business Unit - Project Review

KII offers an opportunity to fund a development project and later provide investment capital for a patented energy production system. The goal of the development phase is the production of a feasibility unit for the residential market. The initial specifications describe a 5kW power delivery system with integrated on-demand control logic functioning under 50dB with 120V/60Hz/1-Phase or 240V/60Hz/1-Phase output.

Sustainable Design Concept

KII's patented power delivery system (PDS) adapted for residential applications provides three distinct advantages over existing systems. The first comparison references the traditional carbon based fuel power delivery systems with their inherent emission and environmental issues. KII PDS delivers power via a combination battery/fuel cell configuration with proprietary on-demand control logic. PDS produces no emissions and operates with near whisper quiet operation.

The second major distinction involves the nature of distributed power requiring regulatory approval and reliability metrics to participate in the existing electrical grid. The PDS eliminates this process by providing the end user the ability to simple switch between the electrical grid and PDS both accessing the home's electrical network. The PDS is independent of the electrical grid simply functioning as an alternate power source with a stable electricity delivery rate.

The final major advantage involves the relationship of the end user and their environmental impact with respect to power consumption and the monetization of this data stream. Every PDS will function as a live website providing continuous monitoring of the home's energy consumption and displaying in real-time the reduction in emissions and the associated environmental benefits. This data stream will be available to local and national retailers to offer participating PDS end users discounts and promotions for their environmental responsibility, while delivering KII an additional revenue stream from the associated sales.

Development Timeline

The feasibility unit described above will require six to nine months to design, test, and perform reliability metrics before completion of a thorough financial analysis for the residential market. These stages will lead to the development of an investment package specifically designed for the angel investor.

Initial Investment - Residential Business Unit

KII will form a separate business unit dedicated to the commercialization of PDS for the residential market. KII will offer an equity position in this business unit for both the initial investment and later for the capitalization requirements driven by the financial analysis.

Development Phase Investment: \$900,000 USD
Equity Position: 30% (Initial Investment)

WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?

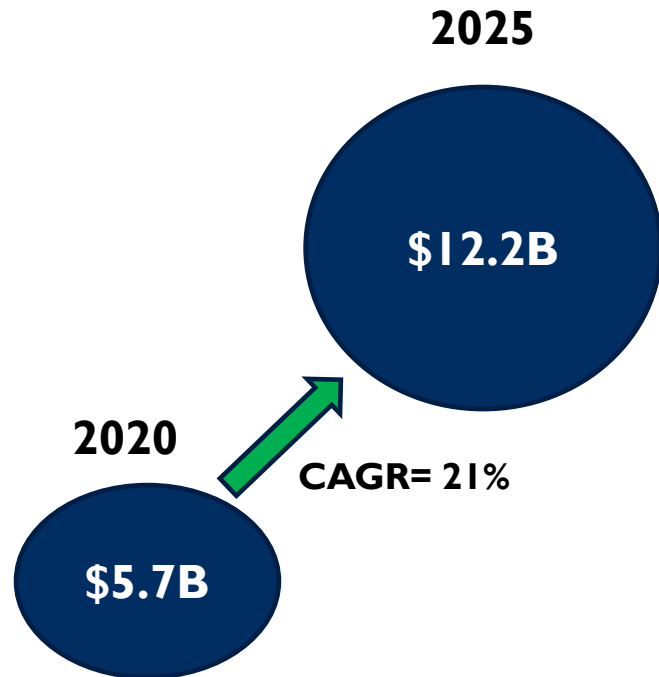


**The capabilities that
allow you to produce
and deliver value to
your customer that
your competition can't**

Value Proposition

- Communicates the clearest benefit that customers receive by giving you their business
- Problem that is being solved
- Pain Point
- Differentiation

WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?



Source: XYZ Analyst Reports

Market Overview

- Describe the overall market
- What is the size in units/dollars?
- Is the market growing, mature or stable?
- What is the growth rate? (CAGR)
- What is the Market outlook long-term and short-term?
- Specify sources or secondary data

WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?

Customer Segments

- Who are you (will be) selling to?
- Create Personas
- Demographics (age, gender income...)
- Geography (where they live, work)
- Psychographic (personality)
- Behavioral (spending, consumption, usage...)





WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?



Competition

- Red Flag- claim you have “no competition.”
- List key companies that compete with you
- List products/services that compete with yours
- Do they compete across the board, or just for specific products, for certain customers or in certain geographic areas?

Our Offering vs. The Competition

		 Bing	 Bai du 百度	 YAHOO!	 Yandex
Shows Most Relevant Results	✓				
Load Time < 1 Second	✓	✓	✓	✓	✓
Shows > 8 File Types	✓	✓	✓		
Largest Ad Inventory Volume	✓				
Owns Mobile Operating System	✓				

Please Note: This slide is for example purposes only and does not necessarily reflect the competitive position of companies in the search market.

WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?



Management Team and Advisors

- Provide an understanding of the people behind your business
- Include brief biographies
- Summarize your experience and those of your key employees
- Focus on the prior experience and skills that have prepared your team to succeed in this business.
- List the members of your professional/advisory support team.



WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?



Risks

- Identify Risks
- Red Flag- no risk
 - Uninformed
 - Denial
- Demonstrates knowledge of the business
- Business is much about managing risks
- Obligation to disclose



WHAT ARE THE KEY ELEMENTS OF A GOOD BUSINESS PLAN?



Financials

- Pro forma
 - Profit and Loss
 - Cash Flow
 - Balance Sheet
- History (2 years)
 - Latest Year by month
 - Prior Year by year
 - Match taxes
- Projections (3 Years)
 - Years 1 & 2 by month
 - Year 3 (fiscal year)

EXXON MOBIL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(millions of dollars)

	Three Months ending Sept. 30, 2018
	2018
Revenues and other income	
Sales and other operating revenue	74,187
Income from equity affiliates	1,960
Other income	458
Total revenues and other income	76,605
Costs and other deductions	
Crude oil and product purchases	41,776
Production and manufacturing expenses	9,097
Selling, general and administrative expenses	2,892
Depreciation and depletion	4,658
Exploration expenses, including dry holes	292
Non-service pension and postretirement benefit expense	307
Interest expense	200
Other taxes and duties	8,303
Total costs and other deductions	67,525
Income before income taxes	9,080
Income taxes	2,634
Net income including noncontrolling interests	6,446
Net income attributable to noncontrolling interests	206
Net income attributable to ExxonMobil	6,240

WHERE CAN I FIND RESOURCES TO ASSIST ME?



- SBDC Advisor
- Score Templates
- LivePlan
- SBA
- Your Target Audience
- Internet Search

How to request counseling

- Signup at our website:
www.maricopa-sbdc.com
- Complete the **Request for Counseling Form**

Thank You

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