

3. The Business Plan

Many business people believe that the longer a business plan is the better. This is wrong! In your business plan you need to state clearly just four things; we call them the four pillars. These are:

1. Who you are.
2. How much you want to raise?
3. What you are going to do with the money?
4. How investors will be repaid?

Try to fit those four statements into one page, two at the most. Investors can make a decision based on the answers to those questions. The rest of the business plan will support the four pillars.

1. Expand on your business and the product or service that you offer. What is so good about you and what you do.
2. Why have you decided to raise this money? And why equity or debt? If you are raising equity how many shares are you offering and how much of your total equity does that represent?
3. Explain how this new money will a difference to your business. How are you going to use it?
4. What is your exit strategy? If you are raising equity how will you repay investors? If you are raising debt can you afford the payments? Can you prove it using past financial performance and forward projections that are realistic?

Remember the short, concise well thought out business plan is best and always use pictures to help explain difficult concepts.