



## Guidelines for drafting a Business Plan

- *The below are some suggestions on topics and info, based on industry best practices.*
- *Business plan should be submitted in English, in pdf format and should be between 10-15 pages max.*

Cover page: Provide company name, logo & URL if any

### 1. Value proposition

- a. “What, How, Why” – one sentence. Define the company / business in a single declarative sentence

### 2. Problem / Opportunity

- a. Describe the pain of the customer (or the customer’s customer). Or the pleasure you are providing. What is the Problem? Make it Obvious. Who has it? How does the product solve the problem? What’s the market for this solution? What is your value proposition and your unique selling point?
- b. Outline how the customer addresses the issue today and why the current solutions are inadequate

### 3. Solution

- a. Demonstrate your company’s (validated) **value proposition** to make the customer’s life better. Show how your solution is a Painkiller not a Vitamin. Explain the value of the pain you alleviate or the value of the pleasure you provide.
- b. Describe why your solution makes your customers happy, how it is better, different than anyone else’s. What is unique in your approach, compared to those of other companies? You can include a customer case study. Provide use cases. What is the market's state-of-the-art? How would your innovation compare with available solutions, practices or products (e.g. performance, costs, ease-of-use, gender dimension, climate change or environmental aspects, benefits to society)? Clearly explain what your competitive advantage / USP is.
- c. **Why Now?** Set-up the historical evolution of your category. Define recent trends that make your solution possible.
- d. Product line up (form factor, functionality, features, architecture, intellectual property), Development roadmap



4. **Market Opportunity / Size:** (Bigger is Better) Provide TAM, SAM, SOM size, Customer Lifetime Value, market growth rate
  - a. **Total Market Size** (€ size, unit size, growth rates, your niche)
    - i. **Total Addressable Market (TAM):** how big is the universe (top down = based on reports by third parties)
    - ii. **Served Addressable Market (SAM):** how many can you reach with your sales channel (bottoms up= calculate users / usage/ rev €)
    - i. **Target market. Serviceable and Obtainable Market (SOM):** who will be the most likely buyers? Identify / profile the customer you cater to. Identify and quantify client segments. Define your market: what segment are you in? Provide Macro trends and insights. What is the market in terms of type (e.g. niche / high volume, new/mature, growth rate), size (e.g. volume, value, geographical scope) and growth? What is your targeted market share?
  - b. What steps have you taken to validate the market?
  - c. Traction: Show customer validation if you have – show that there are real users out there using and loving the solution, even if not paying customers. Monthly growth rate?
5. **Competition:** (why are you better or different)
  - a. List all top Competitors. Who are the competitors? Include URLs. Who might become competitors? Who do you fear most?
  - b. List competitive advantages: How do you truly differentiate you're your competitors?
    - i. Show how you are better or different, if not better or different “niche to win” –
    - ii. Where do you exist in the larger overall competitive landscape? Show your positioning in the competitive landscape.
    - iii. Which are the barriers to entry? How do you intend to overcome them or create them for your competition?
6. **Proprietary Technology / Expertise (Underlying Magic)**
  - a. Describe the technology or magic behind your product. What is your unfair advantage / USP? IPRs? (Big market lead, experienced team, superior / breakthrough tech, technology, defensible IP/patents, exclusive partnerships)



## 7. Business Model, go-to-market, Commercialization Strategy

- a. **Business Model:** Describe top 1-3 sources of revenue. Revenue and number of customers to date (if any). Prioritize by size, growth and/or potential. What is the current market activity / customer behavior? (Common revenue models: Direct – ecommerce, subscription, digital goods. Indirect – advertising, lead gen, affiliate). Who is your primary customer and how do you make / plan to make money?
- b. Show how to get to Break-even (or Profitable) and when:
  - i. Pricing model / what are the unit economics
  - ii. Average account size and / or lifetime value
  - iii. Business metrics: Show basic math on conversion rates and / or customer acquisition costs. What is the lifetime value of an average customer? What are your key traction metrics (users / customers/ revenue)?
- c. **Go-to-market plan & growth strategy:** what are the most important and unique channels and methods you will use to find and win customers. How are you doing it differently than others in the space? Who are the decision-makers for sales conversions and how will you get in front of them? How will you achieve your target growth rates?
- d. Customer / pipeline list.

## 8. Marketing Plan

- a. Describe how you get customers & through which distribution channels
- b. What's the volume, cost, conversion rate?
- c. Why is your model scalable? How do you intend to scale-up and reach European and/or global markets?

## 9. Team & Key Stakeholders

- a. Founders & Management: Highlight key team members and their prior positions / successes, domain expertise. Demonstrate relevant experience. List each founder name, position and quick background. Please provide an email address for each founder in the startup.
- b. CAP Table: Provide detailed CAP table including ESOP? What is the current ownership table? Provide equity ownership breakdown among the founders, employees and any other stockholders and their profile. Include what % of the equity each founder, employee and investor hold.



- c. How many total team members does your company have? How many engineers / developers?
- d. Board of Directors – names, profile and who they represent & Board of Advisors
- e. Identify:
  - i. Key hires you need but don't have (Job descriptions)

**10. Financial Projections, Key Metrics & Milestones:**

- a. Show growth potential / Revenues. Three-year forecast with key metrics. Mention key & critical assumptions in your model of expenses, customer conversion, market penetration %. Highlight total customers, total revenues, total expense, EBTDA (per year)
- b. Cash flow – Unit economics
- c. The deal:
  - i. How much money raised? At what valuation? Who are your existing & notable investors, if any? Commitments? How much operating runway does this provide?
  - ii. What will you do with the capital?
    - 1. New hires (build product)
    - 2. Marketing & Sales (get Customers / €€€)
    - 3. CapX, Ops & Infrastructure (Scale up)
  - iii. Show Achievable Milestones