

Nearly everyone agrees that for an entrepreneurial venture to succeed, a well-conceived, written business plan is required. For those not planning to seek outside funding, this plan can be a simple, one page outline. However, for those seeking outside funding, such plans are typically 20 or more pages in length and detail many aspects of the business. If you already have such a plan, you can extract information from it to complete the Executive Summary. If you don't have one yet, this document provides an excellent outline to help you start building one. It addresses the crucial questions asked by investors and other providers of resources.

If your introduction to investors or resource providers is a presentation, you have very limited time and just one goal: To arouse their interest in your business. Your objective is to have at least some of them follow up with you for additional information and/or request a meeting. This being the case, it is crucial that you have material available that documents your key points, provides a few of the details you weren't able to include in your presentation, and gives your listeners a summary of the investment opportunity they can review individually. This is your Executive Summary.

Some general guidelines for an Executive Summary are:

- Do not mark your document Confidential as New Enterprise Forum and Investors will not accept it.
- Documents are generally 2 to 5 pages long with an absolute maximum of 5 pages plus a cover page. If the plan is no more than 5 pages long, it can be used for a GLEQ submission. Use at least 11 point font and maintain a reasonably wide margin. Make sure your document is readable, clear, crisp, and concise. Ensure that there are no typographical, spelling, or grammatical errors. You will have the opportunity to provide more information and details in your follow-up meetings.
- Utilize photos, charts and graphs to convey key points. If you are using graphics copied from your presentation or another source, make sure they are legible in the Executive Summary.
- This annotated Executive Summary outline has been developed as a result of what New Enterprise Forum has been told by investors. This is what they want to know about your business and the type of information they require to invest in a company. This is a critical point – the document outlines what investors want to know, not necessarily what you want to write. Throughout the funding raising process, you are a salesperson trying to sell your company to the investors. As such, they are your customers and you must be responsive to their needs and interests. Present your company in a way that most clearly and completely describes why it is an attractive investment opportunity.

From a stylistic perspective, think about your Executive Summary as a compelling story with chapters that may be rearranged. Write in such a manner that the content urges the investor to continue reading and request additional information.

COVER PAGE

The cover page must include a title (e.g., Business Plan Executive Summary), the date, the company name, the CEO's name, the CEO's contact information (postal mail address, email address, phone number), and the company's web-site URL. It may also include the company's logo and a trademark notice.

1. OVERVIEW

The two most important aspects of the Overview are to hook the reader at the opening and to be concise. There's no "let me give you a brief history of how we got started" nor is there a description of the

factors leading to the company's creation. Here, and throughout the summary, the facts speak for themselves. They enable the reader to determine the magnitude of the problem and the value of the solution.

- A. Grab the reader's attention with your opening. The opening of the overview is critical just like the prologue of your presentation.
- B. Start with the size and scope of the problem in relatable terms. You want the reader to feel the pain at a personal level.
- C. Show how the company's product or service resolves the problem.
- D. Include information to elaborate unique aspects of your company and establish a level of credibility. Information could include:
 - i. Years in business
 - ii. Stage of business (idea, prototype, initial sales, etc.)
 - iii. Customers
 - iv. Sales Revenue
 - v. Funds raised to date
 - vi. Accomplishments

2. PRODUCT(S) AND/OR SERVICE(S)

Once again, the section is short and to the point. Photos and flow charts could help maintain brevity while portraying the main points. It's important to note that you are not selling a product – you are selling an investment opportunity. Make sure the investor knows what your product does but make sure that description is one that makes the investment opportunity an attractive one.

- A. Describe your various products and/or service offerings in terms of:
 - i. Customer benefits and quantifiable value proposition (i.e., savings in terms of cost, time, etc.). If your product/service impacts different levels of your industry's value chain, show the value proposition for all affected levels. If you have a real world example, share it here!
 - ii. Anticipated pricing structure
 - iii. Process or approvals required for commercialization
 - iv. Current status (i.e. beta testing, prototype, pilot, FDA testing, commercial product)
- B. Describe your technology:
 - i. Basis of the technology without disclosing proprietary information
 - ii. Intellectual property, including a description of patents, trade secrets, trademarks, and copyrights
 - iii. IP ownership and/or licensing agreements.

3. MARKET INCLUDING SALES/MARKETING PLAN

To investors, market research and size are extremely important. For example, venture capitalists invest in growth companies, and a company can grow only if (a) there is a large market and (b) there is reason to believe the company can capture a sizeable portion of that market. So, demonstrate that you are intimate with the size and characteristics of the market and have a plan for communicating with, selling to, and servicing that market.

Clearly show how you quantify your addressable market by referencing studies (i.e. Forrester, Gartner, US Census Bureau, etc.), stating assumptions and calculations. If you have hard facts about customers (or other aspects of the business), use them. Don't make them up. Investors, in their due diligence efforts, will check out your facts.

- A. Define and quantify the market segment and market niche in which you will be competing. Investors want to know you understand your addressable market.
- B. Focus attention on the beachhead market in detail (size, past/future growth, your share of the market)
- C. Provide examples of your actual and targeted customers and how will you prospect these potential customers.
- D. Describe how will you service your customer base.
- E. Identify the distribution channel and selling strategy will you employ to reach your targeted customers.
- F. Provide a detailed revenue model and the rationale used for developing the model.

4. COMPETITION

Don't say, "We don't have any competitors." Every company, old or new, has competition. It may be that no one else has a product exactly like yours, but somebody has a product or process they use to obtain the benefits your product will provide. It may be slower, less precise, more costly, bulkier, harder to use, etc., but it's a force to be reckoned with. Your task is to convince the world – and especially the investor – that your way allows your customers to be more profitable. Your competitive advantage is the cornerstone of your company's success. This is the place to declare it clearly and emphatically.

- A. Identify your major competitors. This should be by name, market position, market share and/or technology.
- B. Show how your product or service is differentiated from those of your competitors. Clearly state your competitive advantage. This could be highlighted by selecting several criteria aligned with user preferences and definitely linked to the user pain, then comparing your offering to the competition along these lines. A table is a good way to represent this information.

5. DEVELOPMENT PLAN

Investors want to know how you are going to make the company grow. By developing new products, entering new markets, forming partnerships with other companies or other ways? When will these events occur? What will the major costs be?

- A. Describe your future product(s)/service(s) in terms of:
 - i. Benefits or value proposition
 - ii. Costs
 - iii. Timing
 - iv. Resource requirements (people and dollars)
- B. Show how this grows the business into additional markets, global regions. etc.
- C. Share how these activities will strengthen the intellectual property position
- D. Identify any additional partnerships with customers or other organizations required to achieve the development. Is this in place or in process?

6. OPERATING PLAN

It is important to clearly describe those aspects of your company's operations which you intend to perform within your company and those you intend to outsource. If you plan to do it all yourself, the investor will scrutinize your management team, and staffing plans to determine whether you have the talent to do the job. If you plan to seek the assistance of others, investors want to know if you have identified who they will be, their qualifications, and whether you have established relationships with them.

- A. State the primary business functions to be provided by your firm.
- B. Describe subcontracted or alliance partnership activities. Be sure to identify, by name, the partner firms if agreements are in-place or in-process.
- C. Indicate how these relationships may change over time as your business grows and develops.

7. MILESTONES

This section provides a history of significant accomplishments and an action plan outline to move forward. A well-developed milestone plan establishes the credibility of your business approach. An effective means of communicating milestones is to present a chart with the key items listing over time.

Include the following items in the chart or discussion:

- A. Funding Requirements
- B. Product / Service Development including any associated approvals
- C. Intellectual Property
- D. Customers
- E. Staffing
- F. Exit

8. MANAGEMENT TEAM

Investors consider the leadership team to be the most important factor when making an investment decision. Make sure you consider establishing a board of directors and / or advisory board. Many start-up companies don't have all the key positions filled. If you have staffing gaps, identify the gaps and specify the kind of people you will need to fill them. If you have prospects in mind, say so. You needn't identify them by name.

- A. Provide a listing of the management team by name, functional role, educational background and experience. These may be presented succinctly in bullet form.
- B. Describe how the skills, experience and unique capabilities of your management team contribute to the success of your business.
- C. Detail additional key personnel needs over time as the company grows.
- D. Provide a listing of the board of directors and advisory board with information per individual.

9. FINANCIALS

Although this may be the most difficult part of the form to complete, it is the most important part. These figures demonstrate that,

- *Over a period of three to seven years, the company will have become valuable enough to earn a return for you and your investors.*
- *You have done a careful job of planning and are capable of meeting your fiscal responsibilities.*

The figures you report here are based on a full set of projected financials. *If developing these projections is beyond your own scope of abilities, seek out professionals who can assist you. It is absolutely essential that these figures can withstand the investor's scrutiny. For example, investors will use standard reference works to compare your forecasts to results experienced by other companies in your field. Your figures needn't match those industry norms, but if they vary dramatically, you should be prepared to explain why.*

- A. Provide financial data for the last two years of your operation (if available) and five years of projected financials. This is generally in table form.

- B. Include the following items in your pro forma model:
 - i. Sales in units and dollars
 - ii. Direct and indirect costs/expenses (Highlight key areas such as exceptional R&D and marketing.)
 - iii. EBITDA or EBIT – whichever makes more sense in your industry
 - iv. Number of employees
- C. Consider additional items such as number of customers if this will add credibility or understanding.
- D. Detail major assumptions, risks and contingency plans if an assumption is wrong.

10. FUNDING REQUIREMENTS AND FINANCING

The only comment here is: don't expect to get your money "now." Raising an investment typically takes six to nine months. Sometimes, equity investors will make loans to companies that are convertible to equity at some future time. Learn what the various options are, decide which you prefer, and then be flexible. You may decide that you want to specify a minimum amount you will accept from each investor.

- A. Show the amount of funding needed, how the funds will be used, and the date funds are needed, preferably in a tabular format.
- B. State the type(s) of financing sought (Equity, debt, etc.). Investor's will rarely provide debt, but in some cases, it may make sense to seek debt from a lending institution at that same time as equity is being raised.
- C. Share prior or future funding events either here or in the Milestone chart.

11. EXIT STRATEGY

Tell the investor how, and approximately when, s/he can get out.

- A. State your exit strategy. In all but the rarest cases, the exit strategy should be acquisition and potential buyers should be identified. If your anticipated exit is an IPO or management buy-out, you must explain why those are viable options for your business and the investors.
- B. Cite other exits in the industry if possible.
- C. State the anticipated timing of the exit.

Attached to these guidelines an example Executive Summary. **The example provided is entirely fictitious and is intended for educational purposes only.**

**Industry:**

Entrepreneurial Service Provider

Product/Service:

Presentation coaching to effectively communicate startup business opportunities with investors.

Value Proposition:

NEF coached teams have raised more than \$500M.

Status of Product:

Fully Tested Methodology
Two paying pilots ready for testing

Intellectual Property:

Two Patents Pending.

Founder/Management Team:

Walt Whitman, CEO
Steve Blank, COO
Timothy Geithner, CFO

Current Revenue:

\$25k Average Annual Revenue

Financial Projections:

\$20.3 M 5th year Revenue
\$6.7M 5th year Net Income

Current Investment: (\$000)

\$100K Seed Round

Funding Sought:

\$500k Series A Round

Legal Counsel:

Colley LLP

Accounting:

Deloitte

Contact Information:

Walt Whitman, CEO
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Web Site:

www.NewEnterpriseForum.org

New Enterprise Forum (NEF) is bringing to market a proven methodology of team-based coaching to train entrepreneurs to effectively communicate their business ideas to investors. The core technology has been nurtured and successfully demonstrated for over two decades. It is time to scale the business by developing thousands of NEF chapters nationally.

Problem: Foresee Results, a provider of customer satisfaction data, surveyed professional investors and found that 82% of them attribute poor investor presentations to two factors: the lack of a proper pitch outline and a lack of coaching. In addition, 67% of the respondents believe that an inability to properly communicate is strongly correlated with a lack of business success. Given that 23% of the \$45B available for venture investment is still available, and given that venture funds have a limited life, this inability to effectively communicate is costing investors billions of dollars per year.

Solution: In order to present investors with well-coached businesses, NEF works with Economic Development Corporations (EDCs) to establish local NEF chapters to offer three services that directly address the problem of poor pitch delivery. First, entrepreneurs working with the local chapter are granted access to the NEF web-site which is packed with vetted information to help them build a strong investor pitch deck. Second, the local chapters provide team-based coaching, with the specific goal of teaching the entrepreneur how to effectively communicate with the investor. Our teams ensure that all aspects of the pitch are logical, concise, and in line with industry norms. Third, the local chapters hold monthly meetings where entrepreneurs can connect with future teammates, service providers, and potential investors.

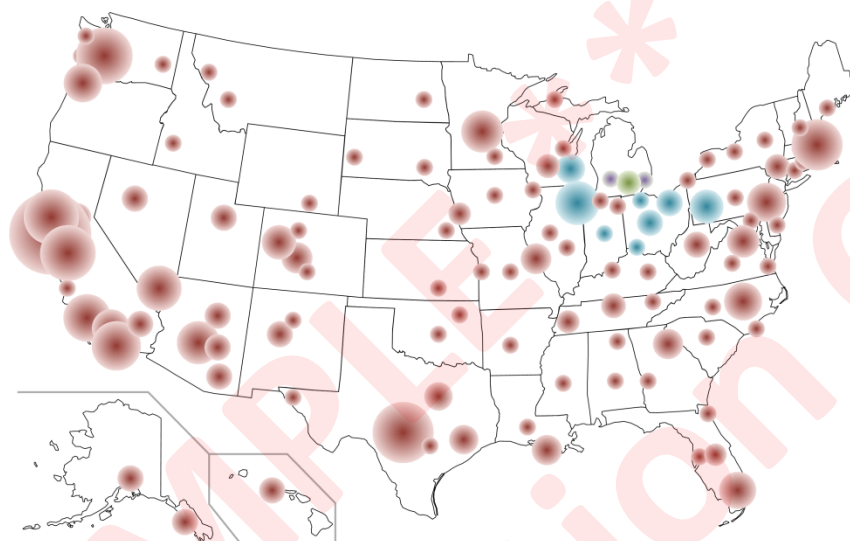
The Technology: NEF's product is the trained coaching brains it employs to provide content and coaching. Recent non-invasive studies performed at the University of Michigan Medical School have demonstrated that the brains of NEF's coaches are different from other brains – NEF coaches' brains show increased activity. This increased activity is known to be directly correlated with improvements in communications skills. More importantly, the process of transforming a normal brain into the brain of a NEF coach is protected by two pending patents.

Competition: NEF faces competition from a number of sources. However none offer the unique combination of benefits provided by NEF. Many organizations help people learn to be more effective public speakers, but they have no expertise with investor pitches and cannot point to quantifiable investor successes; whereas, NEF coached teams have raised more than \$500M.

Development Milestones: Since our founding, we have coached over 300 startups which have collectively raised \$500M. With the first round of

financing, we will commence pilot projects in Detroit and Lansing. We will expand the pilot to 10 cities in 2027, to be followed by national expansion in 2028. Based on our experience to date, we anticipate coaching 10 startups per year per NEF branch and that the average amount raised per company coached will remain constant.

Target Market: According to the US Venture Capital Association, the current size of the venture investment market is \$45B and it is projected to grow to \$56B by 2029. The map below shows our expansion plan, with the circles representing the amount of investment in various cities across the US, and with the colors representing the stage of our expansion. We have identified cities and investors in the Great Lakes Region as our beachhead market, due to the vast network of contacts we have already established. This region accounts for about \$8B of annual investment, making the addressable portion of the beachhead market worth \$60M for NEF. As NEF expands its scope nationally and into other investment sectors, our total addressable market will grow to \$200M.

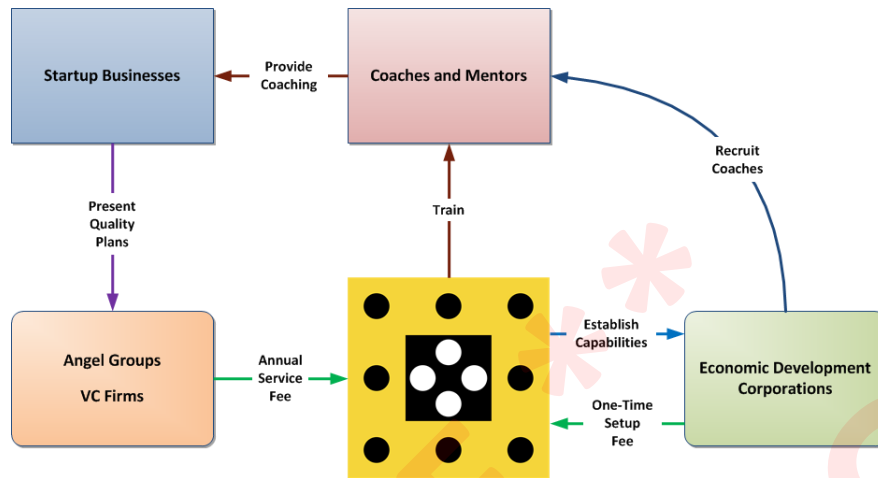


Competition: NEF faces competition from a number of sources including; consulting firms, such as Deloitte and PWC, groups like Toastmasters, and existing on-line resources. While each of these competitors modestly meets the market’s needs, none offer the unique combination of benefits provided by NEF. For instance, while Toastmaster does help people learn to be more effective public speakers, they have no expertise with investor pitches and cannot point to quantifiable investor successes; whereas, NEF coached teams have raised more than \$500M.

	NEF	Consulting Firms	Toastmasters	Web-Based Resources
Client Funding Success	●	●	○	◐
Investor Network	◐	●	◐	○
Improved Communications	●	◐	●	○
Scalability	●	◐	◐	●
Cost	●	○	◐	●

Business Model: Our primary customers are Angel Groups and VC firms, who value our services because NEF-coached startups have a greater likelihood of achieving a successful exit. Our plan is to charge these customers \$50,000 per year – a price which has been validated through in-depth conversations with 40 potential customers.

Our secondary customers are economic development corporations, who want high-growth potential businesses in their region. We charge them a one-time fee of \$20,000 to help them establish needed regional capabilities, build a recruiting plan and recruit coaches, and then train the coaches. Our discussions with 10 EDCs indicate that they are willing to pay this fee.



Go-To-Market Strategy: While NEF’s technology and process are proven, what remains to be tested is the ability to scale the business nationally. Thus, our go-to market strategy is designed to test the scalability on a local, then regional level, before expanding further. We have already contacted the Detroit and Lansing EDCs, and both are anxious to become paying beta customers for our expanded service. Successful expansion into these communities will trigger further regional expansion. We have made preliminary connections into Grand Rapids, Cleveland, and Chicago. Our experience suggests that the closing a sale requires several months.

Our primary marketing efforts will focus on the use of testimonials, coupled with advertising in venture capital publications and booths at venture fairs. Expansion nationally will employ a direct sales force due to the high-touch nature of our offering.

Management Team: Our team has the skill and experience to make NEF successful. Walt Whitman, CEO is a recognized authority in the area of communications. Until recently, he served as the VP of Marketing Communications for one of the world’s largest publishers. Steve Blank, our COO, has held executive management roles with four startups which went public. Tim Geithner, our CFO, has experience managing the finances for some of the world’s largest organizations. With funding, we will hire a VP of Social Marketing and a VP of Technology. We have assembled a notable advisory board, with key expertise back-stopping each of the critical areas of our business. John Denniston, a well-regarded venture capitalist, brings the voice the customer. Dale Carnegie ensures that the strategies we teach influence people and Sir Anthony Hopkins reviews the presentation skills we teach.

Financials: In 2025, we launch two paying pilot projects in nearby communities, followed by further, regional expansion in 2026. In 2027, we will greatly expand our sales and field service teams, allowing us to rapidly grow nationally. By 2029, we anticipate revenues of \$20M, which represents about 10% of our addressable market. We are able to produce attractive margins since our technology is patent-protected, COGS are mostly limited to the establishment phase, and most of our revenue sources from repeat customers.

(Values in 1,000s)	FY2025	FY2026	FY2027	FY2028	FY2029
<i>number of EDC customers</i>	2	10	40	80	150
<i>number of investor customers</i>	6	25	80	200	400
Gross Revenue	\$ 340	\$ 1,410	\$ 4,560	\$ 10,560	\$ 20,360
Cost of Goods	90	370	1,220	2,420	4,270
Gross Margin	250	1,040	3,340	8,140	16,090
Operating Expenses	800	1,480	2,738	5,065	9,371
EBITDA	\$ (550)	\$ (440)	\$ 602	\$ 3,075	\$ 6,719

Use of Funds: To date, NEF has generated annual revenue of \$25k and has recently received a seed round of \$100k. We are currently seeking a \$500k series A round which will be used to hire a full-time staff, expand our training activities, and support our pilot projects. The 12 months of support provided by this funding will allow us to achieve these milestones: NEF chapters fully operational in four new cities with a total ten teams coached with at least four of them having received a term sheet. Successful completion of these milestones will trigger the Series B round, which will be used to expand our services nationally. Once operating at that scale, we expect to become a target for acquisition by the major consulting firms, as such an acquisition would provide them a differentiated service offering.