

What Does it Take to Win a Business Plan Competition?

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Why Should You Listen to Me?

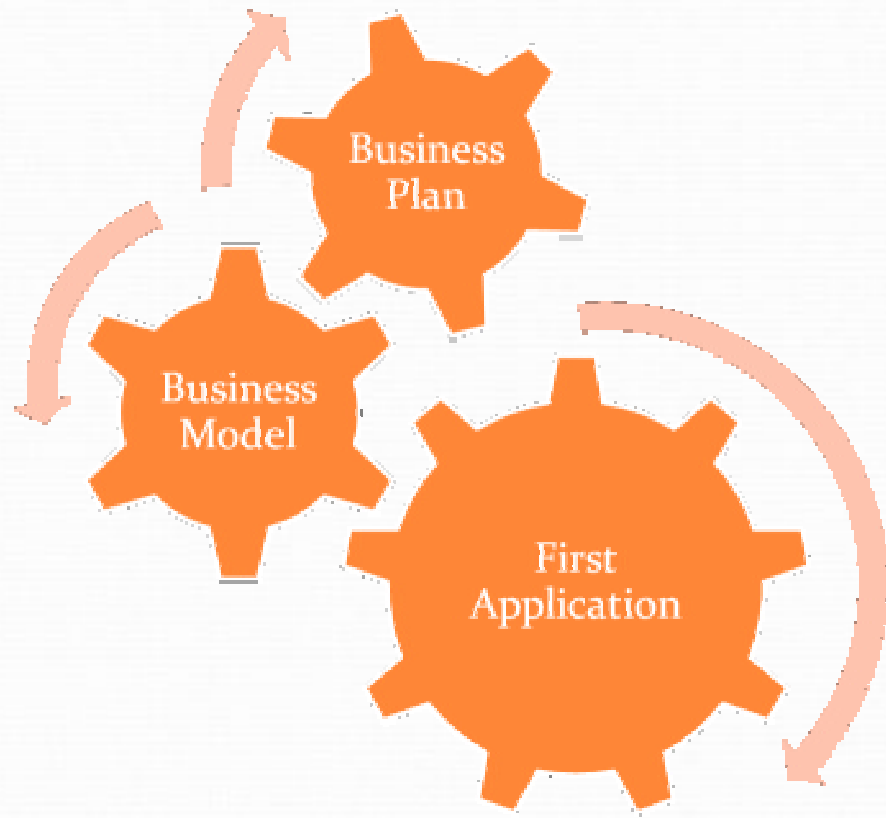
- Won two BP competitions including RIBP '09
- Reviewed 100+ BPs for Excel Venture Management
- Written extensively on this subject
- BPs have gotten me jobs
- Currently COO for BioIntraface Inc.
- No conflicts of interest to report

My Goals

- Provide an overview of BP components focusing on practical advice and examples
- Describe additional resources
- Identify vital sources of feedback
- List common problem areas for BPs

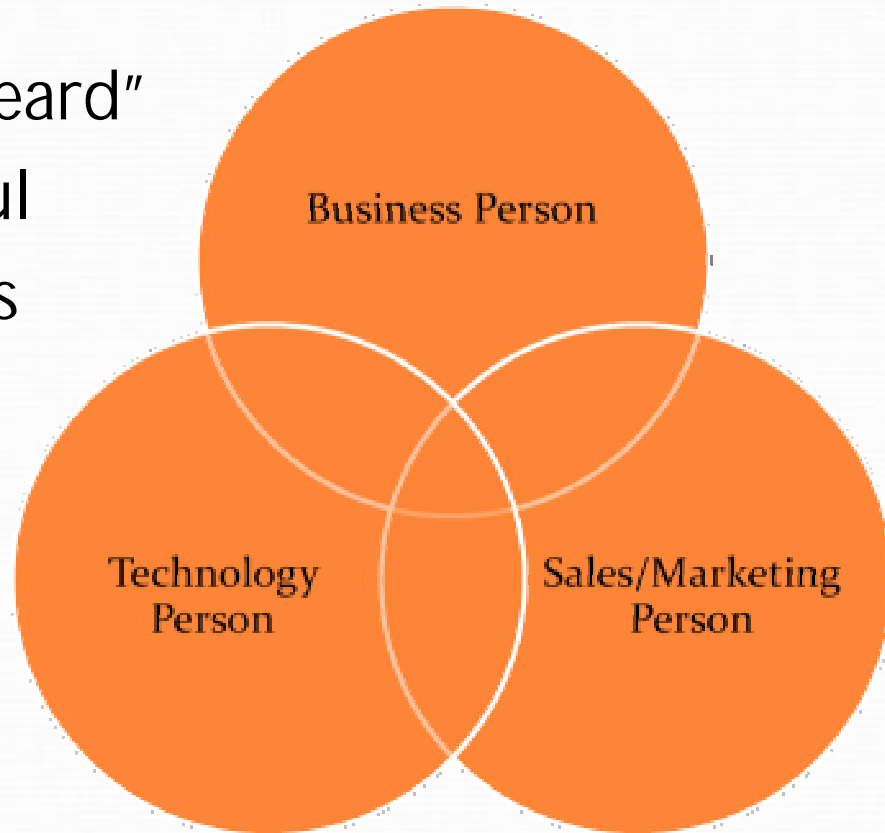
Parts of a technology-based BP

- Team
- The Market
- Competitive Matrix
- The Story
- Sales
- Manufacturing
- Finances
- Use of Proceeds
- Technology



Ideal Team Composition

- Ok to be looking to fill one spot, but not two (or three!)
- At least one “grey beard”
- Previously successful
- Strong collaborators
- Strong SAB



The Market

- To be VC-fundable, market size should be \$1B or 1M people
- Use Frost & Sullivan or other market research data
- Addressable market vs. total market
- Quantify customer/shareholder benefits
- Unintended detriments

Competitive Matrix

- Not just direct competitors, but also substitutes
- Compare across multiple important criteria
- Who is currently the gold standard and why?

	No Drug Resistance?	Penetrate Biofilm?	Promote Healing?	Low Caregiver Involvement?
Treatment				
BioIntraface coating	ü	ü	ü	ü
Gold Standard	-	-	-	-
Competitor A	ü	-	-	-
Competitor B	ü	ü	-	-
Potential Competitor C	ü	-	ü	-
Substitute D	-	ü	?	ü

The Story

- This is the hook to get judges interested in your BP
- Why are they listening to you?
- Are you changing the world?
- What unfulfilled need are you meeting?
- Do they really care about this problem?
- Do you have a killer application? Only one?
- Can you explain it in 60 seconds?



Sales

- Business model—what is it and why does it make sense for this market?
- Product price
- How much profit do you leave on the table to drive adoption?
- Sales cycle
- Use customer testimonials to show traction
- Don't simply use a percentage of the total market as your forecast
- Don't project to grow faster than Google

Manufacturing

- COGS and margins—do they make sense for your industry?
- Facilities needed—emphasize RI base for this competition
- What impact will your company have on RI?
- Show scalability



Finances

- 5 years forward-looking data in the form of Balance Statements, Income/Expense Statements, and Cash Flow Statement
 - Link fields in Excel so that changes populate throughout your financials
- Historical data (there should be some...)
- What are the comparable acquisitions/exits and their multiples in your market?
- When will you reach cash flow positive? Positive retained earnings?
- What are the critical risks and how are you mitigating them?

Use of Proceeds

- Ask for enough, but not too much
- Tranche with meaningful milestones
- Understand the market dynamics so that you know the bump in value with each successfully completed milestone
- Have a realistic concept for the value of your company
- Supplement with grants (BI has received \$300K and written over \$3M in R&D grants through its collaboration with RIH and Brown)

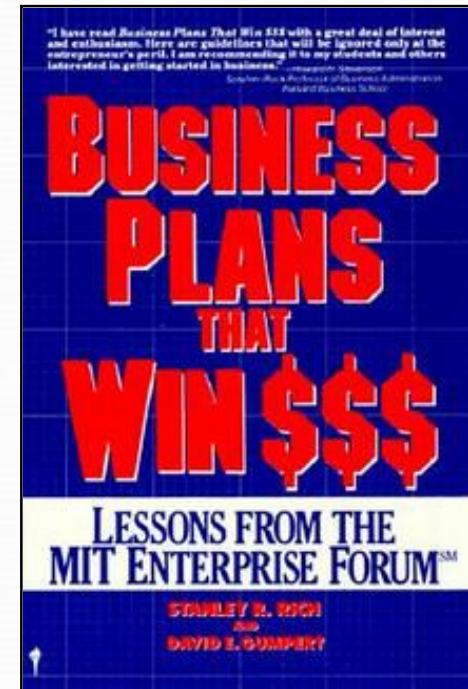
Technology/Product

- Shouldn't be lion's share of BP
- Often taken for granted by judges
- Should understand mechanism of action
- Intellectual property protection can be vital
- Show actual use or at least a prototype—this isn't a "Business Concept" competition



Resources

- "Business Plans That Win \$\$\$: Lessons From the MIT Enterprise Forum" by SR Rich and DE Gumpert.
- www.massdevice.com
- ForeSight T2+2
- BP writing software (?)



Sources of Feedback

- Venture capitalists and angel investors
- Customers
- Vendors
- Business students
- Your parents/spouse

- Don't forget to thank them and let them know how you did...

Eleven Reasons Why You Won't Win

1. Solution looking for a problem
2. Weak team
3. Unrealistic financials
4. Can't identify any competitors
5. No exit plan
6. Market is too small
7. Poor IP position
8. No killer application
9. Un-scalable technology
10. Unclear worth to customers
11. Unintentionally weaponizable



www.massdevice.com/blogs/david-spenciner/why-can%E2%80%99t-i-get-funded



Questions?

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