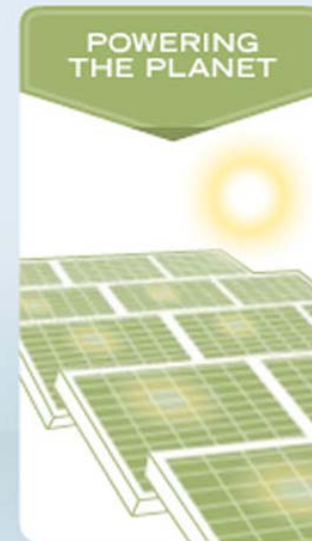




Business Plans: VC Perspective

Alex de Winter
Haas School of Business
November 30, 2009

- **Founded in 1983**
- **\$2B Under Management**
- **Focus on early stage investments in three areas**



"All the News
That's Fit to Print"

The New York Times

Late Edition

New York: Today, sunny, a few afternoon clouds. High 77. Tonight, slightly more humid. Low 63. Tomorrow, sun then clouds. High 81. Yesterday, high 81, low 63. Weather map, Page C19.

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NEW YORK, THURSDAY MAY 14, 2009

\$1 beyond the greater New York metropolitan area

75 CENTS

Investors Pay Business Plans Little Heed, Study Finds



Is This a Venture Business?



**Venture
Business**

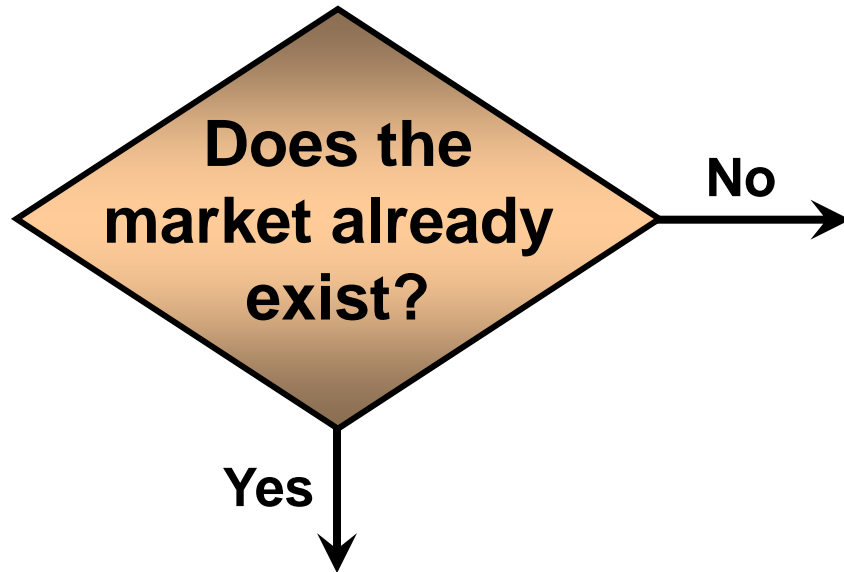
What is the Product?

- **Value proposition**
 - Nice to have vs. need to have?
- **Technical feasibility**
- **Scalability**



Example of a Disruptive Product

What is the Market Opportunity?



- Why not?
- Why now?

- Market size
- Problem with the status quo
- Issues driving the market
- Spend on these issues



How will you get to the market?



Target customer
Business model
Pricing strategy
Distribution

Core members

- Credentials
- Achievements

Other notables

- Advisors
- Experts in the field
- References



I love it when a B-plan comes together

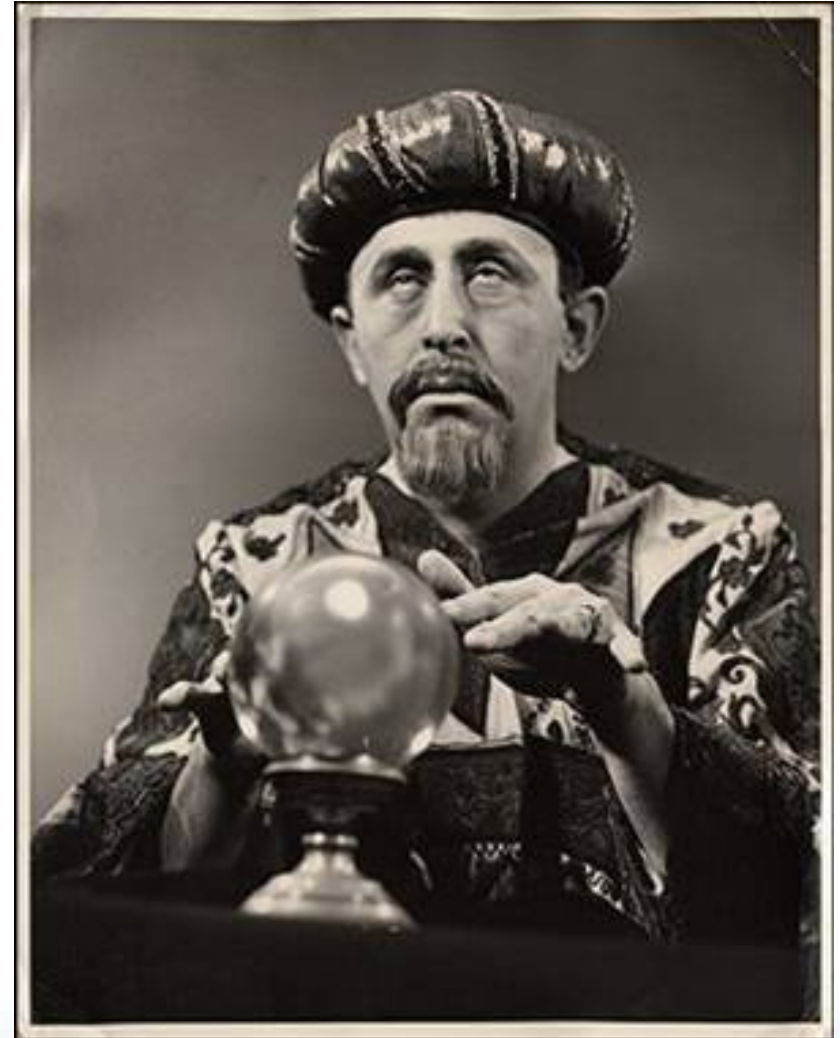
How is the Competitive Landscape?

- Incumbents
- Potential entrants
- Other solutions to the problem
- Sustainable competitive advantage
- IP / Freedom to Operate



What Might the Financials Look Like?

- **Estimated revenue**
- **COGS / gross margins**
- **Head count**
- **Projected burn rate**
- **Market share**



How Much Funding is Needed?

- **Financing sought**
- **Use of funds**
- **Milestones, risks mitigated**
- **Future rounds**
- **Total funding anticipated**
- **Potential exit or liquidity**



For further reading

- **Graham Friend, Stefan Zehle, “Guide to Business Planning”**
- **William Sahlman, “How to Write a Great Business Plan,” HBS Case, 1997**
- **Jeffry Timmons, Andrew Zacharakis, Stephen Spinelli, “Business Plans that Work: A Guide for Small Business”**
- **Brent Bowers, “Investors Pay Business Plans Little Heed, Study Shows,” New York Times, May 14, 2009 pg B5**

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