



Lester Center for
Entrepreneurship
& Innovation

Best Practices in Business Plans An Entrepreneur's Perspective

**Bruce Cohen
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VitaPath Genetics, Inc.**



Correctable Genetic Variation

- New approach to remediable genetic variation
- Focus on preventing disease in at risk populations
- Backed by top-tier venture capital firms
- 8 employees, based in Foster City
- Industry veterans
- Capital efficient business / game changing technology

Business Plan 101

- What are the objectives?
 - *Passing a screen for a meeting*
 - *Getting through diligence*
- Who's the audience
 - *Partners / Managing Directors*
 - *Diligence team*
- What is the process
 - *Competitive review*
 - *Urgent portfolio need*

Options

- Executive Summary
 - *2-4 page version of elevator pitch*
 - *Generally non-confidential and low risk*
- Slide Deck
 - *Basic introductory presentation*
 - *Optional annotation*
- Full Business Plan
 - *Complete summary of business*
 - *Extensive coverage of tactics and details*
- Pseudo S-1
 - *Format of IPO filing*
 - *Full disclosure, detailed risk factors*

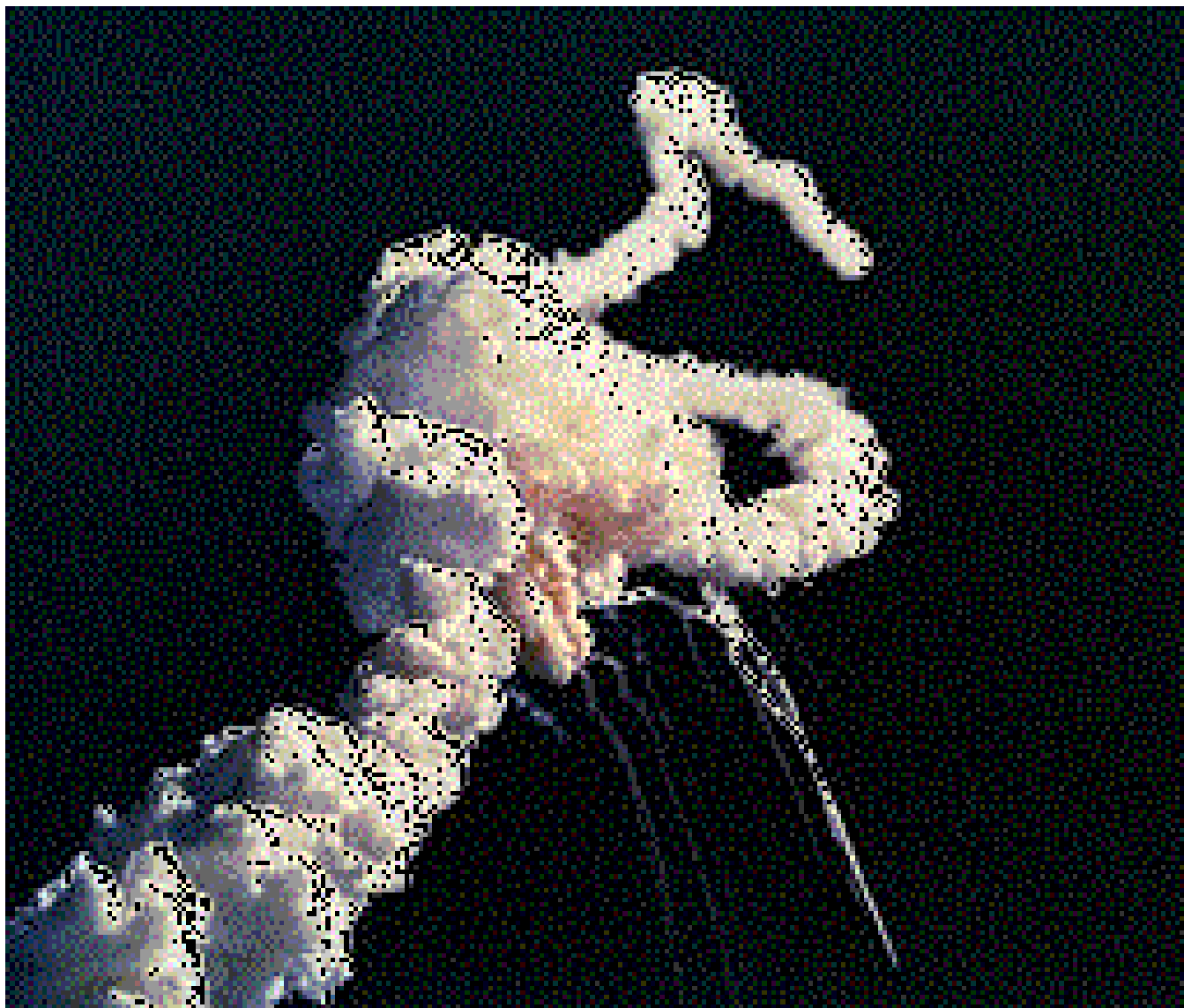
Essential Elements

- 1 paragraph summary of business
- Key members of team
- Total capital required
- Milestones

Unnecessary Elements

- Lengthy discourse on competition
- Risk factors
- Detailed scientific explanation
- Platitudes
- Confusing graphics
- Valuation metrics
- Anything which requires explanation

Slide Deck Warnings



Best Practices for Venture Audiences

- Be concise, not comprehensive
 - *If they're interested, the questions will come up in diligence*
 - *You have less than 5 minutes to make an impression*
- Always include a coherent financial model that shows ***how much capital*** will be required for success
- Don't assume anything is confidential
- Be cautious about presumed domain expertise
- Demonstrate a high level of enthusiasm, with a clear appreciation for manageable downside risk
- If you can't tell the story in an e-mail introduction, you don't have a business
- When the dog isn't eating the dog food, the problem is not with the dog