



EXECUTIVE SUMMARY
GUIDELINES

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The Business Plan Executive Summary (the “Executive Summary”) should give the reader a chance to understand the basic concept and highlights of your business plan. To motivate and entice the reader to seek more information, this document should describe a compelling investment opportunity.

Use the following guidelines to prepare your Executive Summary. Your Executive Summary should be limited to **NO MORE THAN 7 PAGES**, not including a title page (required) and table of contents (optional). A few well conceived sentences will go a long way -- be succinct. Note: the following guidelines are not intended to specify an exact outline of your Executive Summary. However, all of the following essential topics should be addressed:

1. Title Page: The title page should only contain the following information: (i) corporate logo, company name, address and phone number; (ii) name and position of contact person(s) at your company; and (iii) date of preparation of the Executive Summary.

2. Description of Business: Briefly describe the industry and the specific unmet needs your product or service addresses. What is lacking or deficient in the market today? What is your company’s unique solution to the problem? How big is the customer’s problem you are solving? Demonstrate the benefits or value proposition to your customers.

3. Market: How big is the market you are pursuing and how fast is it growing? How established is the market? What segment of the market will your company enter? What are the current trends? What market migration is planned?

4. Customers: Who are your existing customers? Who is your target customer? What defines an ‘ideal’ customer prospect? Who actually writes you the check? Use specific customer examples where possible.

5. Competition: Who are the dominant players? Who is adjacent to you in the market that could enter your market? What are your competitors’ strengths and weaknesses? Why are you different?

6. Competitive Advantage: What is your sustainable competitive advantage? What barriers to entry have you overcome or possess that will make it difficult for other competitors to enter the market? Do you own or control any patents, proprietary technology or other intellectual property?

7. Marketing & Distribution: How do you market and position your product or service to your segment? How do you get in front of a customer? What channels will you use and how powerful are they?

8. Per Customer Economics: How much does it cost for you to acquire a customer? How much revenue do you generate per customer? What is your cost of goods per customer? What does it cost you to service each customer? What is churn? What is the profit per lifetime of a customer?

9. Management Team: Briefly describe the backgrounds and responsibilities of the founders and top managers of the company. What background and skills do they possess that are relevant? What team members are missing and what is the plan to fill these open positions?

10. Milestones: What is your stage of development? Briefly describe milestones already achieved (e.g. company formation, earlier capital raises, prototype developed, 1st sale achieved, 2M users reached, etc). Briefly describe milestones to be achieved over the next 1-3 years. What milestones will be achieved with the capital being requested in the current round?

11. Capitalization & Fund Raising: What is the company's current capital structure? How much cash has been invested and by whom? Please include a capitalization table as shown below (be sure to include management's capital contributions & all major investors). How much money are you raising? What is your valuation expectation and what is it based on? How will the money be spent? How long will the new money last? How much additional financing do you anticipate and when?

CAPITALIZATION TABLE

Share Category	Shares	Paid in Capital	Percent Ownership
Common			
Preferred			
Warrants & Options			
Totals			

12. Summary Financial Information: Present a summary of the company's financial projections for the next 5 years in the following format (be sure to include a list of all key assumptions driving your projections). Include the last 3 years of historical data if available.

<u>Operating Budget</u>	<u>Historical</u>			<u>Pro-Forma</u>				
	FYr-3	FYr-2	FYr-1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Revenue								
Cost of Sales								
Gross Margin								
SG&A								
EBITDA								
# of Employees								
<u>Capital Request</u>								
Total Funding Required								
Total Investment Requested								
<u>Use of funds</u>								
Operating Expense								
Equipment Expense								
Salary Expense								

*All amounts (except employees) shown in \$1,000's

13. Risks: What are 3-5 major circumstances that could cause the enterprise to fail? What 'gotchas' could change the business outlook overnight? (e.g. technology, new market entrants, changes in standards or regulations, etc.) What are your company's weak links?

14. Exit Strategy: Explain how and when the investors are likely to experience a liquidity event with your business (i.e. through buy back, merger, acquisition, initial public offering, etc.)? What specific operational or strategic steps will you take to achieve the exit?

15. Strategic Direction & Summary: Describe the overall strategic (or long-range) direction of the company for the next 3-5 years. What are the 3-5 key points you want the reader to retain?