

# Business Plan Review

<enter company name here>
<enter date here>
<enter your name here>

### Scoring Criteria

Excellent Potential	10
Good Potential	8
Close to Acceptable	5
Needs Significant Work	3
Not Addressed in Plan	0

### Criteria

#### > Business Model Risk

You have a well structured, complete business plan with executive summary (Max 30 pages with complete executive summary)
Financial and operational strategies communicated with clear understanding of staffing needs. How do you plan to expand your labor force?
Do you have an understandable proprietary technology (IP position clearly stated)
What are the primary risks facing your opportunity? Are the strategies for managing these risk factors clearly stated and credible?
What gives your company a competitive advantage?
When will your company break even in terms of profitability and cash flow?
What alliances or partnerships have you entered (e.g. joint ventures, marketing alliances, licensing arrangements, selling/distribution agreements, channel partnerships, software agreements, etc.)?
What milestones have you identified that will change the value of the company when achieved relative to operational strategies and use of investment funds?
What makes your business different or unique?

**Subtotal**

**Sub %**

Score	Weight	Total
0	5	0
0	3	0
0	2	0
0	3	0
0	3	0
0	3	0
0	3	0
0	3	0
0	5	0

**0**

**0%**

#### > Financing Risk

Return on Investment: How do you know that your business has high-growth potential? e.g. expected ROI to be at least 30% and greater than 5 times money over expected holding period.
What are your probable exit scenarios?
Financial Projections: Well written section in business plan relating financial projections to operating strategies. Financial projections (i.e. P&L, Balance Sheet and Cash Flow) with explanatory notes and assumptions <i>including exit strategy. Assumptions as important as numbers. Projections of volumes using prices must be supported by solid marketing information.</i>
What is your planned "Use of Funds"? Do you have a clear plan for use of funds with impact analysis for higher and lower funding, where appropriate?
Are you after the right amount of money to fund this plan?
Does your financing strategy include subsequent rounds until you achieve positive cash flow?
Is your valuation reasonable, justifiable and rational? Did you include a discussion about your approach, methodology and conclude with a clear statement defining Pre-money valuation and percent of equity being offered for capital being sought?
Did you discuss preferred stock, board seats and employee stock option pools?
Did you show substantial economic investment by founders and/or management?

**Subtotal**

**Sub %**

0	4	0
0	4	0
0	5	0
0	3	0
0	2	0
0	4	0
0	5	0
0	2	0
0	3	0

**0**

**0%**

**> Execution Risk**

Do you have an experienced, strong, cooperative management team in place. What is it about your management team that makes them uniquely capable of executing on this business plan?
Do you have high quality outside advisors or a good Board of Directors?

0	3	0
0	3	0

**CEO**

Does your CEO have years of CEO Experience?
Does he/she have experience in this targeted market?
Does he/she have experience in taking companies from this stage to profitability?

0	4	0
0	4	0
0	3	0

**CFO**

Does your CFO have years of CFO experience?
Does he/she have experience in this targeted market?
Does he/she have experience in taking companies from this stage to profitability?

0	2	0
0	2	0
0	2	0

**VP Marketing and/or Sales**

Years of Marketing Experience
Experience in this targeted market?
Experience in taking companies from this stage to profitability?

0	2	0
0	2	0
0	2	0

**VP Technology/Science**

Years of Experience
Experience in this targeted market?
Experience with taking technology from this stage to profitability?

0	2	0
0	2	0
0	2	0

**Subtotal**

**Sub %**

**0  
0%**

**> Market Risk**

What is the market potential for your company's product or service? What is the revenue potential for the industry, and what is its growth rate?
Have you correctly identified the target market? i.e. consumers, or the businesses that supply the consumers?
How did you calculate market potential? How do you determine industry sales and growth rate?
Did you clearly state the value proposition, i.e. Why would someone be "compelled" to purchase your product or service? What specific needs does it address?
Do you understand the current market and how it may change? The current technology and where the trends are going?
Do you have Market Validation? Did you discuss sales or testing that includes user responses as to price, features, satisfaction, and market relationships developed?
Did you include your Competitive Analysis, i.e. a REALISTIC discussion of competitors including profile and comparison of strengths, weaknesses beyond typical product/service comparisons?
Can you articulate your product's advantages in a way that makes a difference?
What is your customer acquisition strategy and what is your ability to execute it?
Have you conducted a survey of customers resulting in data that supports your projected sales volumes and price points?
Have you adequately considered all the distribution options and explored their use?

0	3	0
0	2	0
0	2	0
0	4	0
0	3	0
0	5	0
0	4	0
0	4	0
0	3	0
0	3	0

**Subtotal**

**Sub %**

**0  
0%**

**> Technology Risk**

Did you clearly state the competitive or unique features of the product?
Did you discuss the current stage of development and whether the product is either; conceptual, working model, prototype, or production prototype?
Did you discuss the expected life cycle of the product relating expected life cycle stages; i.e. (Introduction, Growth, Shakeout, Mature, Decline) vs. the business plans (Market Growth Rate, Product/Technology Change, Segments, Competitors, Profitability)?
Did you adequately describe the Proprietary Features and level of complexity of the product (complexity is greater risk/reward)?
Is your product evolutionary, disruptive or revolutionary?
Do you have multiple products or lines of revenue, or recurring revenues, etc.?
Does your product integrate in the current market environment or does it require market education, user education?

0	5	0
0	5	0
0	5	0
0	5	0
0	5	0
0	5	0
0	5	0

**Subtotal**

**0**

**Sub %**

**0%**

**Total score**

**0**

**Total %**

**0%**

The scoring weights are based on our opinion as to relative importance to achieving the overall goals of the plan. It is most heavily weighted to the management team. A business plan that does not achieve at least 60% in each category has obvious deficiencies in the presentation or the plan. This areas should be addressed to make the plan more complete and competitive.