

Top Ten Mistakes in Business Plans



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We Have Seen a Few Plans . . .



- Over 80,000 entrepreneurs have approached us
- Over 17,000 executive summaries or business plans
- Over 1,000 face-to-face meetings
- 79 rounds, \$310 million (since 1999)
- 12 rounds, \$55 million (as of 10/5/01)

1

Too Darn Long

- Elevator Pitch: 1 minute
- Exec Summary: 2-3 pages
- PowerPoint Slides: dirty dozen
- Business Plan: <20 pages
or <\$6 at Kinkos

2

Poor Positioning

- Solutions or technologies looking for a problem
- No visible “pain”
- No real customer validation
- Invisible benefits, no “so what?”

3

Lack of Focus

- “Swiss Army Knife” plans
- Multiple opportunities: phases

4

Not Enough Real World Market Analysis

- Top down vs bottom's up
- Logical growth rate
- Don't just prove a market, but prove a reachable market
- Don't prove the obvious

5

No Business “Cockpit Gauges”

- What are the top 3 drivers or metrics of your business?

6

Unclear Business Model

- How will you make money?
- Your path to profitability
- Oblivious to sell + budget cycles
- Oblivious to adoption or implementation timetables

6 Unclear Business Model

- Too dependant on others accepting or cooperating
- Scalability: how will you get **BIG?**

7 Poor or Incomplete Competitive Analysis

- You always have competition
- Not defensible - or even distinguishable - from others doing the same thing
- Not disclosing everyone
- Do your homework

8

Weak Team Information

- It is the team, stupid
- Out implement
- Admit your holes

9

Poorly Defined Leverage Points

- You can't do it alone
- Move the world: your fulcum?
- Who has a vested interest in your success?
- What are you leverage points?

10 Goofy Fundamentals That Distract

- Do the basics right the first time
- Get “adult supervision”
- Use specialists
- Look like a “standard” Silicon Valley deal

Top Ten Mistakes

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2. Poor Positioning
3. Lack of Focus
4. Not Enough Real World Market Analysis
5. No Business “Cockpit Gauges”
6. Unclear Business Model
7. Poor or Incomplete Competitive Analysis
8. Weak Team Information
9. Poorly Defined Leverage Point
10. Goofy Fundamentals That Distract

Q & A



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