

Presenting the Plan with Confidence

Introduction

If your business plan piques the interest of an investor or banker, or you enter it into a business plan competition, you'll normally be asked to make a verbal presentation of the plan. On these occasions, you'll want to be prepared to present the plan with confidence and poise. If the presentation goes well, it can move you closer to obtaining the funding or financing you need. If it doesn't, it can impede your chances of moving forward and represent a setback in your attempts to get your business off the ground.

This chapter provides a primer on making an effective business plan presentation. Most of us do not routinely make verbal presentations, so careful planning and practice pay off. If you've followed the approach to writing a business plan described in this book, you've put a lot of time and effort into the process. You'll want to cap off your efforts by presenting your plan in a manner that maximizes your chances for success.

This chapter contains two sections. The first section focuses on preparing for and making an effective presentation. Tips and suggestions are provided on steps to take before you make the presentation and how to deliver the presentation effectively. The second section of the chapter focuses on the content of the presentation. This section is augmented by walking you through a 12-slide PowerPoint presentation and making recommendations for what to include on each slide.

Preparing for and Delivering an Effective Business Plan Presentation

The first set of issues to think about after you've been asked to make a verbal presentation of your business plan is how to go about preparing for the task and how to deliver an effective presentation. How you present yourself and the manner in which you interact with the people you will be presenting to makes as much difference as the plan itself. As you present your plan, your audience will not only be judging your plan, but also they will be judging you (and your team). The way you carry yourself, your facial expressions, how sharp your PowerPoint slides are, how you handle difficult questions, and similar attributes, are all cues to your audience of how effective a business owner you are likely to be. As a result, it's important that you prepare and deliver the presentation in an effective manner.

This section covers two topics: preparing for the presentation and effective presentation techniques.

Preparing for the Presentation

The initial task in preparing for a business plan presentation is to find out as much as you can about the people you'll be presenting to. This task may require some legwork but is normally well worth it. All venture capital firms have Web sites that include lists of their portfolio companies and bios of their partners, and it's usually easy to find out the backgrounds of business angels via Web searches and discrete inquiries. If you're involved in a business plan competition, it's not inappropriate to ask about the names and backgrounds of the judges.

Knowing this information is important for two reasons. First, if you can tie the business you're proposing into other activities that the people you're meeting are involved with, they may see more value in supporting your efforts. For example, if you were presenting the business plan for Prime Adult Fitness to a group of angel investors and noticed that one of the investors is a heart surgeon that practices at a local teaching hospital, you might mention during the presentation that Prime Adult Fitness would be open to the possibility of collaborating with the hospital. This comment might prompt the heart surgeon to start thinking about the types of studies he could conduct in your facility relating to exercise and cardiovascular health. If you can establish this type of tie-in with one or more of the panelists during the presentation, it might enhance the value of your business in their mind(s).

The second reason it's important to learn about the people you'll be presenting to is to try to find some type of personal connection with one or more of the individuals involved. Any type of common ground you can find, like having the same college or university affiliation or a similar hobby, helps break the ice and build rapport. You'll have to find an appropriate way of working the connection into your presentation, or bring it up during the informal minutes before or after your presentation. As long as you come across as sincere, people normally consider it a compliment that you went to the trouble of learning about their backgrounds.

The other tasks involved in preparing for a business plan presentation consist of a hodgepodge of activities. Any one of the activities, however, could be problematic if not handled correctly. You should make sure to know how much time you have and plan accordingly. The number one rule in making a presentation is to follow the rules. If an angel group tells you that you'll have 1 hour, but 30 minutes of the hour is reserved for questions and answers, you should carefully time your presentation so it doesn't last for more than 30 minutes—no excuses. You should also dress appropriately. If you're unsure of what to wear, call the receptionist of the firm at which you'll be presenting and ask about attire. If that route isn't practical, it's always better to dress up, by wearing formal business attire, than it is to dress down. The only exception to these rules of thumb is if your business has sharp polo shirts or something similar with your company name and logo on it. In this instance, it might be appropriate for your team members to wear that attire. You should also have business cards, even if you are a very early stage startup. There are many places where you can get generic business cards printed for just a few dollars.

It's also important to practice your presentation. Many experienced entrepreneurs practice their presentations several times in front of colleagues and others to time the presentation and get feedback. It's also a good idea to watch other people present, to get a sense of what works and what doesn't. There are business plan competitions in many areas, and you should sit in on the competitions if possible. There are also places on the Internet where presentations are posted. For example, firms that are planning to launch an IPO are taken on a "road show" by their investment bank. A road show is a whirlwind tour that consists of meetings in key cities where the firm presents its business plan to groups of investors. These presentations are taped and are available at <http://www.retailroadshow.com> until the IPO is completed. Another option is to view presentations made at the Demo Conference (<http://www.demo.com>), which is a conference where promising companies (mostly startups) are asked to "demo" their product or service ideas. (Go to the "Video Archives" link on the Demo's Web site.) These pitches are product pitches rather than business plan presentations, but they can still provide useful and interesting examples of effective and ineffective presentation techniques.

Finally, to the extent that you can, you should try to find out as much as you can about the

venue you'll be presenting in. If you'll be in a small conference room, then you usually don't have to make any special adjustments. But if you'll be presenting on a stage or to a large audience, which is sometimes the case in the finals of a business plan competition, then you might want to make the fonts on your PowerPoint slides larger, for example, and find innovative ways to project to a larger audience.

Delivering an Effective Presentation

Many books have been written about delivering effective presentations, and you may want to visit your library and browse through several of the books. Two particularly good books are *Knockout Presentations*¹ by Diane DiResta and *Presentations for Dummies*² by Malcolm Kushner. Both of these books contain numerous tips and pointers for making effective business presentations.

The first thing to consider in making a presentation is who will do the presenting. If you're a sole entrepreneur, you'll obviously be doing the presenting, but if you're part of team, the question always arises regarding how many members of the team should talk during the presentation. This issue is a judgment call, but there is a strong case to be made for involving as many team members as possible. If you tag team your presentation and it goes well, it shows that your team members work well together, and there is no one member of your team who is so dominant that he or she wants all the attention. It also helps keep the listener attentive and alert. It varies the pace of the presentation and allows the listener to learn a little bit about each of the individuals involved.

The second thing to consider is the proper role of the PowerPoint slides you're using and your verbal remarks. This is a place where many presenters, whether alone or as part of a group, miss the mark. Your PowerPoint slides are not meant to tell the story of your business. You (and your team) should tell the story, and the slides should provide an overall context and punctuate your remarks. This is a hard rule to follow because the natural tendency is to try to help the listener by making the slides as complete as possible. But that's usually a mistake. Your PowerPoint slides should be brief and contain only major themes and supporting points. Your audience should spend the majority of their time listening to you rather than reading your slides. The only exception to this rule is if you're sending a set of slides for someone to review instead of making a presentation. In this instance, the slides should be more complete because they'll need to tell the story.

There are many rules of thumb about PowerPoint slides in presentations, and you'll need to use your judgment in making various calls. Some experts recommend a 6-6-6 rule when drafting slides: 6 words per bullet, 6 bullets per page, and no more than 6 text slides in a row before a visual break (a slide that includes graphs, tables, or illustrations). All kinds of colorful metaphors are attached to the dangers of trying to fit too many slides into a presentation or making your slides too dense, including "death by PowerPoint" and "PowerPoint Poisoning" (coined first by Delbert). A maximum of 12 PowerPoint slides in a 20-30 minute business plan presentation and the 6-6-6 rule are good guidelines to follow. In the mock PowerPoint presentation shown later in this chapter, 12 slides are used.

The final and most important advice about delivering an effective presentation is to make it interesting, upbeat, and heartfelt (to the degree appropriate and fitting). No one wants to listen to a plodding, boring presentation, no matter how much potential the venture has. In addition, although it sounds cliché, you need to connect with your audience. The following is a brief list

of techniques that presenters use to try to accomplish this objective:

- Tell a personal story or anecdote.
- Use humor.
- Show passion through hand gestures and excitement in your voice.
- Involve the audience by asking for a show of hands on key points.
- Demonstrate a prototype of the product.

This is just a brief list—you can use many other techniques as well. A very telling study conducted by MIT validates the importance of these types of techniques. According to the study, communication happens on three levels: 55 percent visual (body language), 35 percent vocal (tone of voice), and 7 percent verbal (words).³ There are additional techniques that help a presenter connect with an audience, including building pauses into your presentation to ask if anyone has a question, and varying the pitch of your voice and changing your expressions to help keep the listeners engaged.

It's also important to understand that your overarching goal, during a business plan presentation, is to not only educate your audience about your idea but also to fire them up (to inspire). This goal can be accomplished in both overt and subtle ways. A subtle way is to tell a personal story or anecdote, which indicates why you feel your business is important and why you are fully committed to its success. For example, according to Jeremy Ryan's bio (Jeremy is the CEO and cofounder of Prime Adult Fitness), Jeremy's interest in fitness stems from an incident involving his father. At age 49, Jeremy's father survived a heart attack and restored his health by joining a fitness center and exercising regularly. Jeremy's father is now an active 73-year-old retiree. In his business plan presentation, Jeremy could briefly talk about his father and the impact that joining a fitness center has had on extending his life. This type of heartfelt story, as long as it ties in with the business, usually deeply resonates with an audience.

Preparing the Content of an Effective Business Plan Presentation

The second component of putting together an effective business plan presentation is to determine the content to present. As important as the issues are that were just covered, the presentation has little to no chance of succeeding if the content is poorly thought out or important elements are missing.

Obviously, you can't convey everything that's in a 25- to 35-page business plan in a 20- to 30-minute presentation. As a result, you have to focus on the parts of the plan that are the most important to your audience. The single biggest mistake that people make in putting together a business plan presentation is focusing on the areas that excite them the most, rather than the areas that will help their audience make a decision. As indicated in Chapter 10, whereas you may be very passionate about your product (or service) idea, like starting a fitness center for people 50 years old and older, the people listening to your plan may have other interests. Although they need to know about your product, your market, your management team, and so forth, they usually have very specific information that they're listening for. For venture capitalists, it's usually how quickly you can grow your business and your anticipated rates of return. For bankers, it's normally how predictable your cash flows are and how you plan to minimize risk. For a business angel, it may be another topic. You'll need to anticipate what the "hot-button" issue is for your audience and structure your presentation

accordingly.

A number of authors, and business plan experts, have recommended templates for business plan presentations. The templates spell out the number of slides to include, the order in which to include them, and the content to include on each slide. Although slight variations exist across authors, there is general consensus about what should be included in a 20- to 30-minute business plan presentation. The following plan represents a consensus of various approaches. You should tweak and vary the approach to make it fit your plan and to tailor it to the audience you are presenting to.

The plan presented here contains 12 slides. Many experts figure 2 minutes per slide (on average), so this number works fairly well for a 20- to 30-minute presentation. Presumably, the people you will be presenting to will have a copy of your business plan. If you're not confident of that, bring several copies of your plan to the presentation. This is particularly important if you're participating in a business plan competition. There may be members of the audience who are hearing your plan for the first time and may be interested in seeing the entire business plan.

Sample Business Plan Presentation

The presentation starts with a title slide, which is normally projected on the screen while your audience is assembling and before you start your formal remarks.

<p><i>Company Name/Logo</i></p> <p>Name of Founder(s)</p> <p>Contact Information of Founder(s)</p> <p>Acknowledgement of Whom the Presentation Is Being Made To</p> <p>Date</p>

Comments: This slide should be sharp and uncluttered. Make sure to include contact information for at least one of the founders. You should also personalize the presentation by putting the correct date on the cover slide and acknowledging to whom the plan is being presented.

<p>Slide 1: Overview</p> <ul style="list-style-type: none"> • Brief explanation of your product or service • Short explanation of the key points that will be conveyed in the presentation • Short discussion of the potential positive outcomes (business, societal, financial) that will result from the launching of the business
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Comments: This slide should give your audience an overview of your business and its potential. It's a good place to include a story, an anecdote, or a statistic that vividly illustrate why the business is important and why you're launching it. If you don't "hook" your listeners here, it's hard to regain their attention. Tailor your remarks specifically to your audience. If one fact about your business is particularly compelling, tell it here.

Slide 2: The Problem

- Explain the problem to be solved
 - What's the pain?
 - Why aren't customers satisfied with current solutions?
 - Will the problem get better or worse over time?
- Validate the problem via research
 - What do your potential customers think?
 - What do the experts say?
- How big is the problem?

Comments: It's always best to first talk about the problem (i.e., no fitness center available that's exclusively for people 50 years old and older), and then present your company (in the next slide) as the solution to the problem. You should validate your assertions via primary and secondary research. Primary research is vital. Prove to your audience that you've talked to potential customers, and they see the problem the same way you do. This is a good place to talk about the results of your feasibility analysis and concept tests. You can also cite industry experts or services such as Mintel and IBISWorld, but nothing is more convincing than your own data. Convey to your audience the size of the problem. The problem normally has to suggest a large market to get the interest of equity investors.

Slide 3: The Solution

- Present your business as the solution to the problem
 - Describe how your solution is distinctly different from others that are addressing the same problem
- Describe the degree to which your solution makes your customers lives richer or more efficient or effective
- Talk about how you'll erect barriers to entry to prevent others from quickly copying your solution

Comments: Present your business as the solution to the problem. Describe how your solution is better than others. For example, in Prime Adult Fitness's case, there are many all-purpose fitness centers that are starting to offer classes for older people, but Prime Adult Fitness will be the only center *exclusively* for older people. Talk about how much difference your business will make in the lives of your customers. Will your solution help your customers as little, a moderate amount, or a lot? You'll also need to address the imitation issue. How will you keep others from immediately duplicating what you're doing? This is where patents or other intellectual property may come into play. You may also benefit by capturing a strong first-mover advantage.

Slide 4: Opportunity and Target Market

- Articulate your specific target market
 - Talk about business and environmental trends that are providing your target market momentum
- Show, graphically if possible, the size of your target market, your projected sales (three years minimum), and your projected market share
 - Explain how you arrived at your sales figures
 - Be prepared to defend your numbers

Comments:Articulates your specific target market. Show graphically, if you think its necessary, how you segmented your market. Demonstrate, through your verbal remarks, that you are fully acquainted with the market and the behavior of its customers. Talk specifically about the trends that are providing your market momentum. Show (in dollars) the size of your target market, your projected sales, and your projected market share for at least three years. Graphs work best and break up the tedium of a primarily text-based presentation. Impress your audience by having a solid rationale to support your projected sales. Be prepared to defend your numbers.

Slide 5: Technology

- Talk about your technology, or unique aspects of your product or service, if appropriate
 - Don't talk in an overly technical manner
 - Make your descriptions easy to understand
- Show pictures or descriptions of your product or your product prototype
 - If applicable, bring a prototype to the presentation
- Talk about any intellectual property issues that are involved

Comments:This slide is optional but is normally included. You should talk about your technology or any unusual aspects of your product or service. Make sure to talk in layman's terms. Show a picture of your product or service (an artist's rendition may be sufficient), or a product prototype if applicable. If a working prototype of your product exists, bring it to the presentation. If you're a service business, like Prime Adult Fitness, a sample brochure or daily schedule of the events that will take place in your center is a form of a prototype. Talk about any intellectual property issues that are involved.

Slide 6: Competition

- Discuss your direct, indirect, and future competitors
- Show your competitive analysis grid
- Use the competitive analysis grid as a way to discuss the advantages you will have over your competitors

Talk about why you think your points of competitive advantage are sustainable
 If your exit strategy is to be bought by one of your larger competitors, this is a good place to introduce the possibility

Comments: Lay out your competitive landscape. Don't diminish your credibility by understating the current or future competition. Display your competitive analysis grid, and use it to visually depict your points of competitive advantage. Talk about why you think your points of competitive advantage are sustainable. If your exit strategy is to be bought by one of your larger competitors, this is a good place to introduce the possibility. Show how your points of competitive advantage would benefit your potential acquirer.

Slide 7: Marketing and Sales

- Describe your overall marketing strategy
- Describe your pricing strategy
- Talk about your sales process
 - Explain what motivates people (companies) in your industry to buy
 - Explain how you'll make your customers aware of your product or service
 - Explain how you'll reach your customers
 - Describe whether you'll field your own sales force or will work through intermediaries

Comments: Begin by describing your overall marketing strategy. Describe your pricing strategy and whether you plan to feature cost-plus pricing or value-based pricing. Describe how your price(s) will compare to your competitors. Talk about your sales process, and walk your audience through how people will become aware of your product or service and how you'll sell it to them. If you plan to field your own sales force, talk about how your salespeople will be compensated. If you've administered a buying intentions survey or conducted other primary research regarding how people feel about your product, report the results here.

Slide 8: Management Team

- Describe your existing management team
 - Describe their backgrounds and expertise
 - Describe how their backgrounds and expertise are key to the success of your venture
 - Describe how the team works together
- Discuss the gaps in the management team and how you plan to fill them
- Briefly discuss your board of directors and/or board of advisors

Comments:As emphasized throughout this book, your audience will see your management team as a key element in the potential success of your new venture. Explain how the team came together and how their backgrounds and expertise are keys to the success of your firm. If you've put together a board of directors or a board of advisors, briefly mention the key individuals who are involved. Show the gaps in your team by displaying a skills profile, and explain how you'll fill the gaps. If, overall, you've been able to put together an impressive team (of employees and advisors), talk briefly about how you've been able to "sell" your vision for the firm to these individuals. If your audience sees that you've been able to get good people to commit to your firm as employees and advisors, they'll believe that you can sell your product to paying customers.

Slide 9: Financial Projections

- Show a summary of your income projections and your cash flow projections for the first three–five years
 - Condense the projections as appropriate to fit them onto a single slide
 - If the font appears to be too small, use an additional slide

Comments:Show a summary of your income projections and cash flow projections for the first three to five years. If the font seems too small, use an additional slide. Make sure to have the actual projections available if anyone wants to see more detail. Know your numbers cold. You shouldn't stumble or hesitate if asked about any number in the projections. Be prepared to explain the assumptions behind your numbers. Describe your projected return on sales in the context of industry norms.

Slide 10: Current Status

- Highlight the milestones achieved to date
- Describe how much money the founders, the management team, and any early investors have put into the firm
 - Describe how the money has been spent
- Describe the current ownership structure of the firm
- Describe the firm's form of business ownership (i.e., LLC, Subchapter S Corporation, C Corporation)

Comments:Describe the current status of your firm in the context of the milestones you've achieved. Describe how much money the founders, the management team, and any early investors have put into the firm. Talk about how the money has been spent. Investors, in particular, want to see evidence that you use money effectively. Don't diminish the value of your accomplishments. Talk about the current ownership structure of your firm (a graph works well for this), and describe your business's form of legal ownership.

Slide 11: Financing Sought

- Show a sources and uses of funds statement that leads you to the

financing you seek

The sources and uses of funds statement should specify, to the extent possible, specifically how you'll use the funds

- Show the milestones you'll be able to accomplish after you receive the funding you're seeking

Comments: This slide lays out specifically how much financing you're seeking and how you'll use the money. Be prepared to talk about how much of your firm you're willing to give up if you're presenting to equity investors or the type of terms you're looking for if you're trying to obtain a bank loan. Show the milestones you'll be able to accomplish after you receive the funding you're requesting.

Slide 12: Summary

- Summarize the strongest points about your venture
- Summarize the strongest points about your team
- Discuss your exit strategy
- Solicit feedback

Set up a follow-up meeting if possible

Comments: Bring the presentation to a close. Summarize the strongest points (two to three maximum) about your venture and your team. Discuss your exit strategy. Solicit feedback if you're presenting to equity investors or bankers. If you're presenting in a business plan competition, thank the judges for their participation. Be ready to answer any questions about your new venture.

Chapter Summary

1. If your business plan piques the interest of an investor or banker, or you enter it into a business plan competition, you'll normally be asked to make a verbal presentation of the plan. On these occasions, you must be prepared to present the plan with confidence and poise.
2. Most of us do not routinely make verbal presentations, so careful planning and practice pay off.
3. The first set of issues to think about after you've been asked to make a verbal presentation of your business plan is how to prepare for the task and how to deliver an effective presentation. How you present yourself and the manner in which you interact with the people you will be presenting to makes as much difference as the plan itself.
4. You should make sure to know how much time you have to make your presentation and plan accordingly. The number one rule in making a presentation is to follow the rules.
5. You should dress appropriately for a presentation. If you're unsure what to wear, call the receptionist of the firm at which you'll be presenting and ask about attire. If that route isn't practical, it's always better to dress up, by wearing formal business attire,

- than it is to dress down.
6. It's important to practice your presentation. Many experienced entrepreneurs practice their presentations several times in front of colleagues and others to time the presentation and get feedback. It's also a good idea to watch other people present to get a sense of what works and what doesn't work.
 7. A strong case can be made for involving as many of the members of your team as possible in a business plan presentation.
 8. Your goal, during a business plan presentation, is to not only educate your audience about your idea but also to fire them up (to inspire).
 9. An important component of putting together an effective business plan presentation is to determine the content to present. Obviously, you can't convey everything that's in a 25- to 35-page business plan in a 20- to 30-minute presentation. As a result, you have to focus on the parts of the plan that are the most important to your audience.
 10. The 12 slides in the mock business plan presentation in this chapter include overview, the problem, the solution, opportunity and target market, technology, competition, marketing and sales, management team, financial projections, current status, financing sought, and summary.

Review Questions

1. Why is it important to carefully prepare and plan for a business plan presentation?
2. What are the most important issues involved with preparing for a business plan presentation?
3. What is meant by the statement, "as you present your plan, your audience will not only be judging your plan, but they will also be judging you?"
4. Why is it important to know about the people you'll be presenting your business plan to?
5. Why is it important to practice your presentation?
6. What is the proper role of PowerPoint slides in a business plan presentation?
7. What are the positive aspects of involving as many of the members of a management team as possible in a business plan presentation?
8. What is meant by the phrase "death by PowerPoint?"
9. What is a reasonable number of PowerPoint slides to include in a 20- to 30-minute business plan presentation?
10. List the title of the slides included in the mock 12-slide business plan presentation included in this chapter.

Application Questions

1. You recently sat through a business plan presentation and were impressed by the research that founders included in the presentation to validate their points. They included cites from the *Wall Street Journal*, several trade magazines, Standard & Poor's NetAdvantage, Mintel, and the U.S. Census Bureau. As you were driving home, it struck you that although there was a lot of research

to back up the business plan's claims, there wasn't a stitch of primary research reported. The founders were relying strictly on secondary research. You're wondering if this aspect of the plan should bother you. Should it?

2. Make a list of 10 mistakes that you could make in a business plan presentation. Next to each mistake, make a brief suggestion for how to avoid the mistake.
3. Sharon Peters, a friend of yours, asked you to sit in on a dry run of her business plan presentation. You know that Sharon is looking for \$250,000 to launch her venture. At the end of the presentation, you ask Sharon why she never mentioned how much money she's looking for. She replied, "That's a point of negotiation. I don't want to disclose how much I'm looking for or how much of the company I'm willing to give up, until I know how interested someone is in my venture. Discuss the pluses and minuses of Sharon's approach."
4. You recently sat in on a business plan competition at a local university, and one presentation struck you as odd. It was a good presentation. All five members of the management team were present, but only one person did all the presenting. The other four members of the team never said a word, not even during the question and answer session. Speculate on why you think the presentation struck you as odd and the pluses and minuses of this approach to presenting.
5. A friend of yours showed you the slides she plans to use for her business plan presentation, and you noticed that the slides didn't include any financial information. You asked your friend about this omission, and she said, "financial statements are boring. No one wants to look at a bunch of financial statements in a business plan presentation." How would you respond to your friend's assertion?

Endnotes

¹D. DiResta, *Knockout Presentations* (Worcester, MA: Chandler House, 1998).

²M. Kushner, *Presentations for Dummies* (Indianapolis, IN: 2004).

³D. DiResta, *Knockout Presentations* (Worcester, MA: Chandler House, 1998).

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Chapter 11: Presenting the Plan with Confidence
 ISBN: 9780132318327 Author: Bruce R. Barringer
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