

PART I

The Purpose of a Business Plan

In this section, we discuss the basic purposes of a business plan, how the business plan is used as a tool for securing financing, and how to think through the issue of the proper legal form for a newly created or defined business.

Chapter 1 covers the business plan in general. Many people think that the business plan is the unique province of start-up companies and entrepreneurs. In reality, a business plan is an integral tool for any business (or any not-for-profit entity as well) as a way to map out a desired short- and medium-term future.

Large companies often demand comprehensive annual business plans from each division or operating entity in order to allocate corporate resources. A company looking to buy or merge with another entity needs a business plan that shows the implications of such a combination and how the unified business will operate going forward. On the flip side, a company selling off a unit needs a business plan of how it will operate without the sold-off portion.

Companies should require a business plan for any new operating group, division, or subsidiary being formed, and some businesses require a business plan for every new product or project. Indeed, our publisher required of our editor a business plan for this book that detailed content, marketing, distribution, costs, and projected revenues.

Chapter 2 deals with the business plan as a specific tool for acquiring financing for a new or growing privately held business. Just as businesses use business plans to allocate corporate resources within the company, independent investors such as venture capitalists, private equity firms, and “angel” investors, as well as lenders such as banks or finance companies, use business plans to allocate resources to freestanding businesses. If a company is offering stock to the public, or to more than a few independent investors, the Securities and Exchange Commission (SEC) gets involved and spells out what must be included in a special form of business plan, known as a prospectus, that each potential investor must receive.

Since the last update of this book in 1993, the universe of potential investors in privately held businesses has exploded, as private equity groups, hedge funds, and even endowments and pensions have increased their exposure to equity investments in businesses not publicly traded. While venture capitalists and angels have often been seen as “gut feel” investors, because of their heavier fiduciary burden, these new players are often more demanding of detailed and specific business planning before they will invest.

Chapter 3 takes on the issue of the many legal forms a business may take on its founding. The choice of legal form is driven by four general considerations: liability, control, ease of admitting new investors, and taxes. In the 20 years since the first edition of this book appeared, there have been almost countless legislative changes to the United States tax code, as well as numerous legal interpretations of federal, state, and even foreign tax laws as they apply to U.S. businesses.

Perhaps the largest change in legal entity form over the last 20 years is the advent of the limited liability company (LLC). The LLC is often described as a “hybrid” of a partnership and a corporation, and has become the favorite form of legal entity for small businesses, and even for some larger businesses. LLC laws are governed by each state.

Wyoming was the first state to enact an LLC statute, in 1977, which sought to afford small-business owners the legal protection of corporate owners without all of the paperwork. According to the

Wall Street Journal, over 300,000 LLCs were formed in 2005 and their total number doubled between 2001 and 2004. The LLC seems to have supplanted the S corporation as the preferred legal form for entrepreneurs.

Finally, Chapter 4 discusses a concept known as “reverse due diligence.” Business plans are written by companies prior to acquiring another company, in an effort to understand how that new company will fit in with the acquiring company’s other corporate pieces. In a situation where a company puts itself up for sale, it may have a half dozen or more companies looking to possibly buy it. Increasingly, the company looking to sell itself hires an outside expert to do a single analysis and makes that analysis available to all potential buyers, so that each potential buyer does not have to hire its own analyst to assess the potential purchase. This makes the process easier for the company to be sold, since there are not experts from one or another potential buyer continually running around the business interfering with the work being done.

CHAPTER ONE



The Business Plan

It felt like it was time to update this book. We called our publisher, John Wiley & Sons, and discussed the ideas we had for a new edition. Wiley “did” a business plan. It may not have been written in the format suggested in this book, but make no mistake, before the company agreed to a new edition, it analyzed the competitive marketplace, determined if it could get a fair return on investment, looked at the credibility of the authors, and decided to invest in the new edition. This is exactly what any potential investor does when reading a business plan.

Keep in mind that entrepreneurs are most often doers rather than proposal writers. They would rather be on the battlefield—the cutting edge of business—than behind the lines planning their assault. They always want “to get on with it.” In addition, many entrepreneurs have difficulty articulating the business concepts that have often become second nature to them. They cannot find a way to share their vision in a manner that is conducive to some of the important sponsors of their project.

The same entrepreneur who can rally his team of employees to achieve breathtaking accomplishments often cannot sell the idea to the capital markets. The entrepreneur’s personal confidence in the venture may be enough to get early investors and key employees on board, but not enough to convince others who do more thorough due diligence before investing. With so many ventures seeking funding, translating ideas and personal qualities into the format needed by a potential investor or lender is not always easy.

We once worked with an entrepreneur who had what we all thought was a great idea. He saw a need for a single store with carpet, lighting appliances, window treatments, paint, cabinets, tile, and other “home interior” items. It was a great idea. Today, we see this idea alive in many “home stores” including the Home Depot and the Lowe’s stores.

Our entrepreneur friend said the store needed to be a place where men are comfortable. He was right. He had developed this concept after working with a major paint company. He said it has to be all pulled together. He had a team ready to go from each potential department. He knew the vendors. He had scouted out locations in which to run pilots. He had assurances from a team of executives.

He could not, however, get funded! His vision was so clear to the believers on his team and his advisers that no one saw the need to put it all down on paper in order to make a cohesive presentation to possible investors. He preferred extemporaneous conversation to the structured approach. Even use of the business plan concept as an outline for the presentations may have helped. A business plan may have allowed “teaming” with others, who could have helped raise the necessary funds. Many less significant opportunities get funded.

Consequently, one of the most difficult chores they face is the preparation and actual writing of a business plan. Whatever difficulty the preparation of a business plan may present, a plan is an absolute necessity for any business.

A business plan serves three functions:

1. Determining future projects
2. Determining how well goals have been met
3. Raising money

First and foremost, it is *a plan* that can be used to develop ideas about how the business should be conducted. It is a chance to refine

strategies and “make mistakes on paper” rather than in the real world, by examining the company from all perspectives, such as marketing, finance, and operations.

Second, a business plan is a retrospective tool against which a businessperson can assess a company’s actual performance over time. For example, the financial part of a business plan can be used as the basis for an operating budget, and can be monitored carefully to see how closely the business is sticking to that budget.

In this regard, the plan can and should be used as the basis for a new plan. After some time has elapsed, and thereafter on a periodic basis, the business plan should be examined to see where and even why the company strayed, whether that straying was helpful or harmful, and how the business should operate in the future.

The third reason for writing a business plan is the one most people think of first, that is, to raise money. Most lenders or investors will not put money into a business without seeing a business plan. There are stories of wild-eyed entrepreneurs and venture capitalists with pens at the ready who meet, scribble some projections on a wet cocktail napkin, shake hands, and become “partners” in a hot technology business, but most of those stories are urban legends.

Even during the earlier years of the modern venture capital boom—during the mid and late 1970s—and again in the days of “irrational exuberance”—during the late 1990s—when there may have been less formality and more dynamism in the venture capital world, there was always an orderly process for securing venture capital. A large part of that process is the preparation and examination of a business plan.

If an entrepreneur presents an idea to a commercial lender or a potential investor without a business plan in hand, that money source will ask the entrepreneur to draft one and come back later. Or worse, the potential source of money may not take the entrepreneur seriously, and may not ask the entrepreneur back at all. Assuming that he or she invites the entrepreneur back, the entrepreneur may wish to seek professional assistance in writing the plan, perhaps from a consultant or an accountant. The bottom line, however, is that a formal, written plan must be prepared if the venture and the funding request is to be taken seriously.

A business plan is a document designed to map out the course of a company over a specific period of time. Many companies write annual business plans, which focus intently on the coming 12 months and give more general attention about the following one to four years. Few business plans project beyond five years.

Because the business plan is a hybrid document—part pragmatic projection and part sales tool—it must walk a fine line in content and tone of presentation. The information must be accurate, yet must convey a sense of optimism and excitement. Although risks must be acknowledged, they should not be dwelled on.

The tone should be businesslike. If there is too much form over substance, people won't take the plan seriously. But the people who read business plans are real people. They respond to positive, interesting presentations, and are turned off by those that are vague, long-winded, or not well thought out and organized. They may also read so many business plans in a week that their eyes glaze over. Therefore, a business plan that makes especially good use of graphics, or that paints a picture of the company in a provocative way, has a better chance of being looked at closely than one that is monotonous and gray. Even minor errors in spelling and grammar can suggest substantial negatives regarding the entrepreneur and therefore the entire enterprise. Have someone skilled in this area review the plan to eliminate these minor annoyances that may have a major impact on the reader.

Many people we meet already have experience writing a business plan and do not even realize it. Everything that is done in business and, for that matter, in life has an inherent business plan aspect associated with it. We're fond of saying that even the publishing of this book was the subject of a business plan. The publisher, John Wiley & Sons, had to see if the book met the needs it had for the marketplace it serves. Wiley had to look at the economics associated with this book and see if it wanted to invest the time and resources necessary for publication. Similarly, the executives from Ernst & Young,

who are usually serving clients, had to look at the time and energy and expense associated with the publication and determine that it met various goals that were important to Ernst & Young and to those individuals. Business plans are everywhere!

SPECIAL EXHIBITS AT THE FRANKLIN INSTITUTE

Virtually every endeavor an organization undertakes has an inherent business plan nature. Dennis Wintz is an extraordinary executive who has done an excellent job of providing leadership to the Franklin Institute in Philadelphia, founded by one of the most important entrepreneurs in this country's history, Benjamin Franklin.

Dennis has been incredibly successful at reengineering the Institute's offerings. He has brought a number of wonderful traveling exhibits that have accomplished numerous purposes. In addition to funding themselves and providing some funds to offset general operating and capital needs, these "blockbuster" exhibits have also increased the esteem with which the community holds this important institution. What was once thought of by many as a stodgy museum of history is now considered a dynamic institute of knowledge.

In every instance when an exhibit is brought to the institute, a business plan is developed to consider each aspect of the exhibit. In addition to an operating budget, there are considerations for all of the essential elements discussed in this book. These include marketing and promoting the exhibit; the human resources necessary to manage and administer all aspects of the project; capital budgets to make the necessary physical adjustments to the facility to house the exhibit; and consideration of the exhibit logistics, such as hours, special entrances to the space from the general exhibit hall, exhibit security, and so on.

Each special exhibit is, in effect, a new business in the "portfolio" of the Franklin Institute.

PLANNING NEEDS TO BE DYNAMIC

Even when typewriters were still in vogue, a friend said that Rule 1 for preparing a business plan is, “Do it on a word processor.” Another colleague always packages business plans in a three-ring binder. The message is clear. Business plans are ephemeral; they are constantly subject to change and adjustment. The preparation of a business plan must be seen as an iterative process, as both the assumptions and the projections those assumptions engender must be constantly refined. And the preparation of a business plan never really stops.

It usually takes months to obtain financing. While financing can be closed in as little as three months, this is the speed of light in the business world, and six or more months is often more realistic. Some potential sources of funding may want to see updates of the plan, fresh thoughts, or updated financial figures if the company is already doing business.

While a company may formally rewrite a business plan every year, it may want to monitor and update the plan more frequently, perhaps quarterly or even monthly.

LOOKING FORWARD—THE BUSINESS PLAN AS A PLANNING DOCUMENT

Many people who think “business plan” think “start-up company.” Yet this is not necessarily accurate. Ongoing companies should and often do create business plans.

For an ongoing business, the business plan serves a number of functions. It is a way of getting consensus and consistency throughout the company. While business plans of rank start-ups are often written by one or two people, in an ongoing company—especially one that is larger—a number of people will have a hand in writing the business plan.

By the time the business plan has run through a number of revisions and is produced in final form, a large number of people will have been involved in preparing the plan’s vision for the company.

A frequent complaint from those running existing small businesses is that, because of the day-to-day management pressures involved in a small company, there is precious little time for planning. This is, of course, unfortunate, since a continuing effort at business planning is probably more important to the survival of a small company than to a large company.

The business plan is, in many ways, a company's first crack at strategic planning. And, contrary to what many people think, strategic planning not only *can* be done in the context of a small company, but it is vital, as a small company often does not have the resources that allow it to recover from mistakes.

The business plan is also an implementation tool. It can be used to test theories of how the company should be run and to calculate possible outcomes. Then the plan can be checked as those ideas are implemented to see if the projections were accurate. This step provides an early-warning system and allows for prompt action to correct problems.

Ongoing companies or those acquiring existing businesses have an advantage over new companies when developing a business plan. The numbers they use to make projections will have some basis in fact and experience. And the strategies they outline for the business's future are also rooted in their past strategies, incorporating what the company gained from its successes and learned from its mistakes.

Many of the questions one needs to ask to prepare a business plan must be successfully answered, or at least put in the "can't be answered at this time but must be monitored" folder, if a company is going to survive.

Sometimes, a key question is overlooked. For instance, a promising small specialty chemical company forgot to ask itself about the impact of federal environmental regulations before starting up its business. The company went into production in 1983, anticipating the first sales in 1984. It hired personnel, opened an office, and began marketing. With the meter running—the company was incurring significant overhead—the company finally discovered that it would need a federal Environmental Protection Agency (EPA) review of its products before it could actively market them. The com-

pany nearly bled itself dry maintaining its facilities and personnel while its product was tied up in review. This particular company made it, but others aren't so lucky.

Another company's business plan was good enough to acquire financing. The company was going to provide technical studio facilities for the production of audio and video products.

On the level of a business concept, the plan was good. But it lacked the depth necessary to make it a good implementation plan. After difficult negotiations relative to financing, the deal was finally closed in November. The company's owner told his consultant to expect an invitation to a February grand opening.

"Doesn't February sound a little quick?" the consultant asked the owner. "Shouldn't you sit down and draw up a more detailed implementation plan?" The owner had a lot of equipment to buy, personnel to hire, and marketing to do. Some city approvals were also required.

"Don't worry," the owner said. He felt he knew what he was doing.

The grand opening was held in May. It was beautiful, but it was also the company's last hurrah. The owner had planned to have \$125,000 in working capital when the business opened. But after being delayed for four months, and after throwing the lavish party, he was practically tapped out.

The lesson here is that anytime there is a dynamic situation, there should be a business plan. If there are unaccounted-for variables, they should at least be acknowledged and noted.

Exxon lost millions of dollars in the office products business. So did Digital Equipment Corporation in the personal computer business. Companies that size can survive debacles and go on to future successes, but small companies can't. They need to plan carefully.

SUCCEEDING BY SUCCEEDING, SUCCEEDING BY NOT FAILING

There are those who succeed by succeeding. They have some kind of "magic"—persistence, gumption, the willingness to roll the dice and

the luck to have it come up seven—that can't be taught; or if it can, it can be taught only over many years. Some people are almost destined to succeed because of past success. Entrepreneurs with track records of success get significant attention paid to their plans, and often get the benefit of the doubt in organizing a venture.

Although succeeding by succeeding can't be taught except through years of experience, succeeding by not failing can be. This, in many ways, is the heart of business planning.

There are a number of key hurdles in the creation of any business, each of which can result in disaster if improperly addressed. These include developing management and support employees, raising capital, developing and marketing product, keeping margins acceptable, and dealing with outside influences. Depending on which statistics one uses, 75 percent of all new businesses fail in the first few years, most for one of these reasons. A few are attacked by “factor x,” the unpredictable (see Figure 1.1).

At each one of these hurdles, an entrepreneur must examine the business, ask questions, and ferret out the possible problems. Each time a businessperson identifies a problem and solves it, he or she eliminates one more variable that can cause failure, and increases the chances of success.

Through careful planning, most problems can be solved. By doing careful planning and solving all the problems that can be solved, a businessperson can, in effect, stack the deck in favor of success.

LOOKING BACKWARD—THE BUSINESS PLAN AS A YARDSTICK

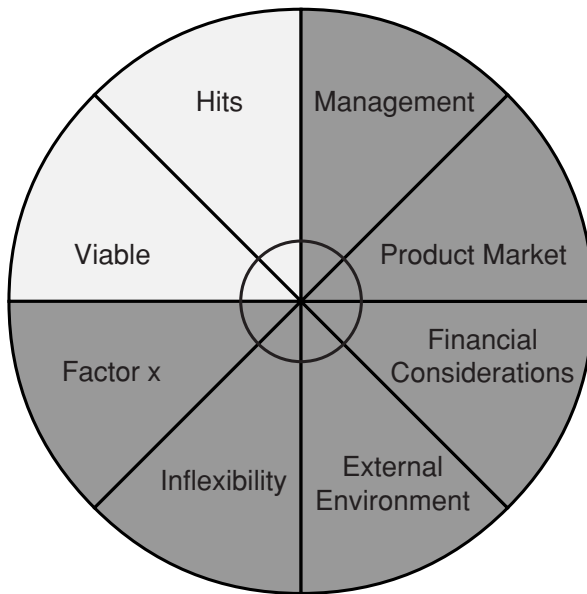
The constant updating of the business plan helps the plan fulfill its second major purpose, that of being a yardstick against which to measure the company's actual performance.

Last year's business plan can tell a company what strategy was effective or ineffective and what implementation was effective or ineffective.

Simplicity is a virtue to the extent that it eases implementation. However, often what looked simple on paper when the previous busi-

FIGURE 1.1 SUCCEEDING BY NOT FAILING (HALF OF THE FORMULA FOR SUCCESS)

This chart reflects the relationship between business failure and success for new enterprises. The shaded area reflects failure. This area is further divided into wedges that identify functional areas into which costly mistakes may be categorized. The three-to-one ratio of failure to success is probably not far from reality. While each wedge in the shaded area is equal in size and thus does not reflect a statistically accurate representation of the proportion of failures attributable to a particular functional area, it is instructive. To the extent that the entrepreneur addresses each functional area in a way that reduces the probability of costly error, the odds increase that the venture will be one of the fortunate ones that end up in the white (success) area.



ness plan was being prepared became complex in implementation. Examining the business's actual performance against the business plan can identify strengths and weaknesses in the organization—sometimes relating to people—that separate strategy from effective implementation.

The financial section of the previous business plan can be used in an objective, concrete way to monitor the business's performance.

The financial projections made when the plan was drawn up became the basis for the budget under which the company tried to operate. Deviations from that budget point out areas where either necessary resources were misjudged or possibly controls were lax during the period the business plan encompassed.

In addition to management, others will use the business plan as a monitoring tool. Financial sources, both lenders and investors, will note deviations between the plan and the company's actual performance; they will also ask why those deviations occurred. They may ask the question in a cordial manner, as part of a meeting to draw up the next business plan. Or they may ask the question as they are telling the businessperson to pack his or her bags and hand over the key to the restroom door, pursuant to the terms of the lending or investing agreement.

This is one of the arguments against overly hyping a business in a business plan. Professionals—consultants, accountants, and lawyers who work with businesspeople in writing business plans and securing financing—often counsel their clients to make realistic projections. Why should an entrepreneur aspire to be “superhuman” and risk not meeting projections when a little more modesty will produce projections that can much more easily be attained—or even exceeded—thereby keeping lenders happy and still providing investors with a healthy rate of return?

RAISING CASH—THE BUSINESS PLAN AS A FINANCING TOOL

This is the role of a business plan most people think of first. While we list this role last, it, too, is critical. After all, if a business can't raise cash, all else may be moot. Although raising cash is a critical hurdle, it is only the first of many.

Thinking that the primary role of a business plan is to be a sales tool to raise cash can get an entrepreneur into trouble. This emphasis can lead the businessperson to write a hyped-up plan that will not provide the objectivity necessary for the plan to fulfill its other two roles.

It is better to write an objective business plan and not get financing because the business is a bad risk than to have hypnotized oneself into thinking the risk is less than it is. Hyped projections in a plan only present a sham—deliberately or not—to funding sources, the outcome of which is to have the house of cards come tumbling down later. Bankruptcy court as an end result is a risk to be strongly considered and avoided. It is in the area of raising cash that the business plan walks a fine line between an objective analysis of a company's future and a sales document.

In addition to being clear and well organized, the business plan must be written at a level of complexity the reviewer will understand and in a style that shows the preparer's excitement about the potential business.

THE BUSINESS PLAN—A MORE GENERALIZED TOOL

During the 1980s and into this millennium, the business plan really came of age. What was once seen as primarily a financing tool became, in effect, standard operating procedure for businesspeople entering all sorts of business situations.

Business plans with the basic format described in this book are developed when a company is buying or expanding—whether the company is seeking outside financing or generating the capital from its own activities: downsizing, reorganizing, or selling.

The business plan format has become a common language, the structure around which businesspeople define and describe an entity's activities and determine if they have done the proper analysis of the business's potential. Depending on the circumstances, the tone of the business plan may be different, but the content will be basically the same.

A business plan's reviewers—whether it is the board of directors, a potential financing source, or a bankruptcy judge—must believe that the business can do what the plan states it will do.

USING PROFESSIONALS

Although we believe the business plan should always be prepared by the businessperson, it can be helpful to have professional input in the process from accountants, consultants, and/or lawyers. Informal sources of guidance—mentors, advisers, and the like—can also be valuable. Often, these professionals will ask objective questions of an entrepreneur and a plan that the businessperson has not yet explored, either because he or she just didn't think of it or because the answer seemed intuitively obvious. Professionals can often point out missing information or the magnitude of problems that may seem small to the entrepreneur, tone down claims that may be overblown or misleading, or help the entrepreneur clarify points in the plan.

Reviewers go through a process known as “due diligence”—an in-depth evaluation—before lending or investing money in a project. Preparers should, in effect, go through the same process, and professionals can often be catalysts in this process. Gaps and flaws in the plan should be addressed. Questions reviewers will ask should be asked and, if possible, answered in the business plan itself before the reviewers see it. If a question is posed in the plan (or by the reviewer) that can't be answered immediately, this should be admitted in the plan.

An example of the kind of give-and-take that can go on between entrepreneurs and professionals is a pair of entrepreneurs whose first retail store sold only compact discs (CDs) to music listeners. In the mid-1980s the entrepreneurs were looking for funding to expand to other locations. The first question asked by the consultant who was hired to help them raise money was, “How do you know you can replicate your success in other locations?”

After they convinced him they could do it again, they told him they wanted to open 15 stores in 15 separate markets. The entrepreneurs believed there was a window of opportunity in the then-new CD market and they wanted to be the first CD-only store in a number of markets. The consultant pointed out three major diffi-

culties in having 15 stores in as many markets: they would be difficult to manage; it would be difficult to get to know the dynamics of 15 local markets; and there would be a loss of economy of scale with regard to advertising.

Today, as we know, these kinds of issues have often been overcome. Regional and even national chains of CD, video, and other home entertainment stores prospered for many years either as company-owned or franchise locations.

The consultant suggested trying to saturate a narrower regional market with five to eight stores first, to further gauge whether the CD-only idea would really work outside the immediate area. The entrepreneurs convinced him that this was not a large enough market at that time to support so many stores.

They settled on a plan initially to put 10 stores in three areas—and then to expand into the other 12 cities over a few years. The entrepreneurs had realistic projections; it was just a matter of finding out how best to reach those numbers.

Some entrepreneurs come to us expecting to make millions on businesses that obviously aren't conceptually good enough. No one ever writes a business plan saying he or she is going to fail. It's always a question of how much money they are going to make, and how fast it is going to happen. Younger, less experienced businesspeople often believe they will make more money than older entrepreneurs who have been around the track a few times.

They often generate ideas that are derivative, not realizing that windows of opportunity open and close rapidly. If the all-CD concept was bold in the mid-1980s and a consultant urged caution, the same consultant would today ask a whole different set of questions. These would include: "How do you expect to beat the established regional and/or national chains without selling equipment as well? Conventional wisdom advocates being conservative in projections. How do you propose to compete against Web-based sales? How do you propose to compete against music downloads? Might an "oldies" model have appeal to a niche market? Should you add services, such as remastering old recordings onto digital media, so people can continue to listen to their old favorites with modern technology?"

Writing the business plan is not a formidable task if an entrepreneur truly understands his or her venture. Much of the information is either at the entrepreneur's disposal, within easy researching distance, or intuitively obvious. However, determining the comparative worth of all of the information and organizing it in the best way is challenging and is usually improved by at least a cursory glance from an unbiased professional.

THE ROLE OF THE PLAN IN RAISING MONEY

Since most business plans are written by people looking for financing, the plan's ultimate test is how much interest it can generate from reviewers in as little time as possible. In this regard, it is important to understand that the business plan is really only the beginning of the money-raising process. It is the first in a series of documents a reviewer will receive.

If it conveys in a clear, readable, and digestible form the company's basic goals and methods, a reviewer will pay attention. If the reviewer wants more information, she will not be shy about asking for more detail.

A plan for a computer software development company should not necessarily have 40 pages of code in it, but it should have a sentence saying that 40 pages of code are available for inspection should the reviewer or his designated technical expert want to see them.

The plan should be used as a negotiating tool. When preparing a plan, an entrepreneur should be specific about what he or she wants from the lender or investor, but vague about what he or she is willing to give up. This puts the ball in the investor's or lender's court. By holding back a card or two, without being misleading, the entrepreneur will allow the reviewer to establish the first negotiating point.

Remember, finally, that the business plan is a confidential document. It should be distributed only to those who have a need to see it, such as members of the management team, professional advisers,

and potential sources of money. Confidentiality forms such as the sample in Chapter 15 should be signed by those who receive copies of the plan. There is no reason to produce a large quantity of copies. Nor is there a reason to produce glossy, bound volumes.

First, this would make it difficult and expensive to update. Second, it would imply that many people were seeing the plan. Sources of financing often get a queasy feeling if they think a plan is being “shopped around.” We suggest that a plan initially be sent to at least three but fewer than 10 possible sources of financing. Plans should never be sent to professional sources sequentially, with the entrepreneur waiting for a reply from each before moving to the next. This approach could postpone a success for years.

When determining to whom a plan should be sent, entrepreneurs should carefully research what kind of sources are interested in the field they are in: some banks lend only in certain geographic areas; some investors invest only in certain types of businesses. Second, within a given organization, there may be a number of people or departments that can deal with business plans. They may also be divided geographically, by business group, or in another way. It is important to get a plan to the right group and ideally to the proper person.

In Chapter 2, we’ll talk more about who these people are and what they’re looking for when they examine a business plan.