

Preferred business plan structure

1. Executive Summary

2. Background

- Company overview
- Funding requirements
- Motivation

3. Industry overview

4. Market/Business environment

- Social and political environment
- Regulation impacting on industry
- Market dynamics (size, growth, customer segments, etc)
- Competitive forces (Porter's, including detailed assessment of major threats and traditional competitors)

5. Company/Detailed company profile & strategy

- Nature of business
- Target market
- Structure and ownership of SME
- Product and services provided
- Business model
- Operations
- Investment thesis

6. Core Team / Management

7. Returns/ financial analysis and investment case

- Financial history
- Financial projections (P&L; Cash Flow, Bal. Sheet)
- Capital requirements and required capital structure
- Fair market value as stand-alone business
- Valuation after value add potential
- Exit strategy and likely value realisation
- Financial & Social IRR, given investment required
- Absolute returns (total capital gain) and downside potential

8. Risks and risk management

- Market, technology, and regulatory risks
- Company risks (product, team, etc)
- Financial, legal and regulatory irregularities and risks
- Environmental issues and risks

9. Proposed investment structure

- Exit strategy and timelines
- Transaction structure
- Key terms and conditions
- Outstanding issues

Appendices

We will be looking for the following elements in your business plan

Business plan screening criteria:

1. Business vision is clear, and long-term goals are CSMART

- *Challenging, Specific, Measurable (quantifiable), Actionable, Realistic, Time-bound*

2. Industry is well understood

- Value chain and key players are well mapped out
- Key supply and demand drivers clearly mapped out
- Key Success Factor defined, with compelling argument
- Drivers of competitive advantage (DCA) are clearly defined, based on KSF

3. **Attractive Market Opportunity: Market landscape (battlefield) is clear and market presents attractive opportunity**
 - Attractive demand
 - Total market size defined, with good Market intel to back up assumptions
 - Market appropriately segmented, to define addressable portion of market
 - Customer segments defined, including needs assessment, with compelling market intelligence
 - Segments prioritized based on attractiveness, with compelling market intelligence
 - Manageable competitive landscape
 - Competitive landscape clearly defined (types, strengths and weaknesses)
 - Primary competitors analyzed (competitive SWOT against Drivers of Competitive Advantage)
4. **Path to sustainable, effective, valuable differentiation is specific and doable**
 - Company analyzed, and has advantage where it matters most (competitive SWOT against Drivers of Competitive Advantage, relative to competitors, with compelling market intelligence)
 - Customers clearly defined: 1 or 2 clear and attractive priority segments (with market size and growth rate projected for next 5 years)
 - Product / service and value proposition proven, with compelling case (supported by MI) for why value proposition is superior
 - Clear and sensible definition of capabilities required to consistently deliver superior value with superior economics
 - Compelling case for why Company has sustainable edge in key capability areas
 - Top initiatives (3 – 5 maximum) clearly defined, with realistic assessment of timelines, investment , impact
5. **The business case is quantified and yields required returns**
 - Clear definition of investment required to execute, including value (R2M min, R30M max), and use (capex, working capital, etc)
 - Clear, sensible, realistic analysis of impact of investment on underlying business value drivers
 - Full pro forma P&L, cash flow statement, balance sheet, shareholder value, and investment IRR (taking into account the cost of capital)
 - Full pro forma social value and social IRR assessment (taking into account the cost of capital)
6. **The risks are properly accounted for**
 - Clear, honest, realistic assessment of risks (per risk area, and overall)
 - Clear risk mitigation strategy, including impact on execution timelines, investment, costs, revenues, etc
 - Level of execution risk Is manageable
 - Key assumptions are supported by objective market intelligence