
Crush Your Business Plan Presentation

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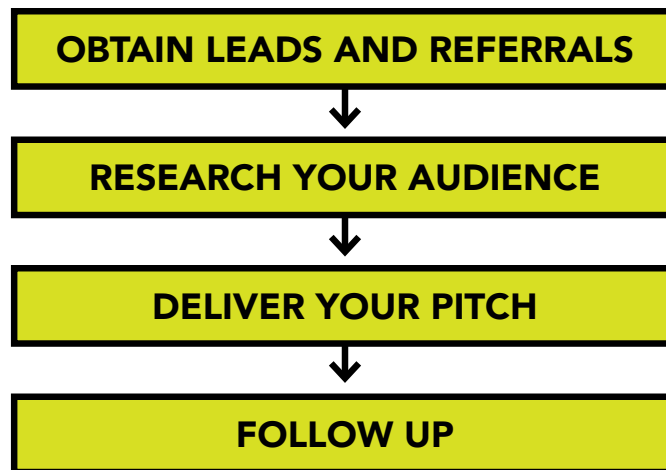


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CRUSH YOUR BUSINESS PLAN PRESENTATION

For many entrepreneurs, the costs associated with starting a business have decreased considerably. This, coupled with the rise of entrepreneurial bootstrapping, or paying for your business with your own personal funds, means that many new business owners don't approach investors or lenders until it comes time to grow or expand their business.

No matter where you are in your entrepreneurial journey, the process and techniques laid out in this blueprint will help you find success when networking, presenting, and securing commitments.



OBTAINING LEADS AND REFERRALS

In the LinkedIn age, the essential business practice of networking has been commodified. Because the platform makes it seem so effortless, many new entrepreneurs don't appreciate the need to network endlessly. Successful networking—the actual process of adding people to your professional network—has the potential to expose your new venture to tremendous opportunities. A failure to network can potentially stifle the growth of your new business and can mean opportunities are left on the table.

PUT IN THE WORK

Networking on LinkedIn is important and it can be effective; the point is, don't stick to that platform alone. Get the word out. Meet people in person. Shake hands, make time, and speak freely. No one will be a stronger advocate for your interests than you yourself. This doesn't mean badgering people into accepting a business card or cold calling them nonstop.

Business relationships are built on trust and mutual benefit. It stands to reason, then, that tapping into both of these will make your networking efforts as successful as possible. Gaining referrals, or the art of meeting people through other people, will always yield better results than cold calling or attempting to meet people without the benefit of a trusted intermediary.

FOCUS ON PROVIDED VALUE

It can be easy for networking efforts to devolve into a laser-focused hunt for contacts that have the potential to help you grow your business. It is important to categorize the people you are trying to meet and rank them based on their ability to help you meet your goals—you can't shake the hands of everyone in the world and there are only so many hours in the day. What you do want to avoid, however, is pushing for your own interests without providing value for the people you are attempting to connect with.

Job seekers are another category of people who benefit from extensive networking, and they are often advised not to ask for a job. Put yourself in the shoes of their prospects. How many calls a day do you think they get asking for a job? Instead of asking for a job, asking for a meeting, or asking for a commitment, ask "What can I do for you?"

By focusing on the ways in which you can provide value to your audience, you are setting yourself apart from the crowd. Providing value to your audience gives them a reason to not just throw away your card but to respond when you follow up. Admittedly, it isn't always easy to find ways to provide value for your audience, and sometimes it will be downright impossible. Focus on what you have to offer; the bigger your network the more value you can provide. And be creative. The best way to uncover the needs of your audience? Ask them. In many cases the sorts of people you will be trying to network with are also on the lookout for opportunities to grow their own professional networks.

USE YOUR PLAN AS A NETWORKING TOOL

Experienced entrepreneurs will tell you that your business plan is a tool in its own right. Many people believe that business plans are only necessary if you are seeking funding—not true. Business plans have a wide range of uses, but our purpose here is to show how a robust business plan can be a networking and communication tool.



Reach out to your professional network with your complete business plan and ask for feedback. Think about it. Your "ask" is benign and you are putting your experience, credentials, and winning business plan in the hands of people within your professional network. Business people are always looking for opportunities, and you are handing them one and asking them to read it cover to cover! Instead of telling your audience what value you can offer them, they are uncovering it for themselves.

Experienced salespeople know that minimizing the "ask" and reducing the amount of friction (commitment) they put on their prospects increases their success. This same approach is in full effect when you share your résumé with your network for feedback. It boils down to the difference between "Can I share an opportunity with you?" (high potential commitment, high friction) and "Can I just pick your brain about something?" (low potential commitment, low friction).

RESPECT YOUR PROSPECT'S TIME (AND LET THEM SPEAK)

You are busy and so is your audience; no one benefits from a waste of time. Don't pull people away from their prior commitments to perfect your elevator pitch. Respecting your audience's time can go a long way toward establishing (and maintaining) a fruitful relationship. As the saying goes, we only get to make a first impression once. Which prospect do you think will be more receptive to follow-up: a person who is inconvenienced by your contacting them or one who has a smooth, low-friction experience?

To this end, don't interrupt your audience. It can be easy to get into the habit of delivering your elevator pitch all at once or trying to give your audience too much info. Let them speak, ask them questions to keep them engaged, and keep the conversation... well... a conversation. No one has fun when they are talked at.

PRESENT SUCCESS STORIES

No one likes a downer. Presenting and initiating conversations from a position of strength helps sell your skills, sell your idea, and sell your opportunity. What have you achieved so far? How close are you to achieving your next milestone? What mutual acquaintance has already endorsed your opportunity or otherwise made a commitment? Never be afraid to name-drop when networking. Presenting a success story to everyone you talk to has the secondary effect of helping to boost your confidence. If that's not an issue for you, great! But for the rest of us it doesn't hurt to recount our wins and pat ourselves on the back now and again.

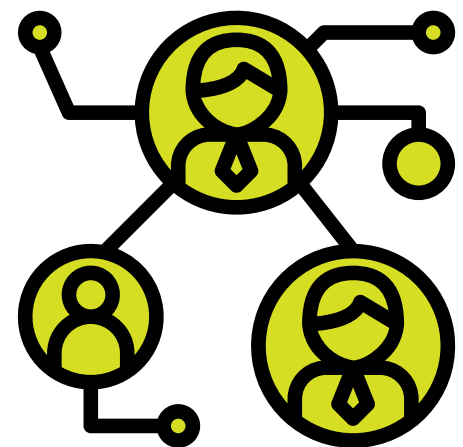
AGR – ALWAYS GROW REFERRALS

Every networking activity you undertake should have a call to action (CTA): the thing you want your audience to do once your conversation comes to a close. It could be as simple as dropping a business card or visiting a website. It could also be a comparatively larger "ask" such as setting up a call or a meeting. In addition to this CTA, you should practice strict AGR best practices—always grow referrals.

How do you meet people through other people? You ask. By demonstrating value to your primary audience and then concluding the conversation with an inquiry to grow your own network, you are killing two birds with one stone. It can be as simple as "By the way, do you know anyone else who might benefit from a conversation like this?" or "Thanks. Is there anyone else you think I should be talking to about this?" or "Is there anyone else you can recommend to me for this?"

FOLLOW UP (OR FIND A WAY TO)

You already know that today's business environment is fast-paced and never lets up. The people you are networking with have numerous responsibilities and other commitments. Even if they have every intention of following up with you, the ball is really in your court. Don't get lost in the shuffle. When it comes time to follow up, you can't afford to drop the ball here. You have already made a connection and a great first impression. Follow up and close the loop.



If the follow-up isn't explicit—as is the case when you secure a commitment from a prospect—use an aspect of your conversation as an excuse to follow up. What did the two of you discuss that can be used to reactivate the conversation? How do you know the person you connected with? What portion of the conversation was left unresolved? Any of these elements can be used as the topic of a follow-up.

To round out our discussion of effective networking, two more bits of good advice. First, don't forget to thank your audience freely and often. Demonstrating to your audience that you are aware that their time and attention is valuable will go great lengths toward bringing you into their good graces.

Second, don't fall behind. Keep your LinkedIn account and other social media accounts up to date. Update your pitch, your business cards, and your approach as you learn and grow.

RESEARCHING YOUR AUDIENCE

If you are asked to make a presentation for a class of third graders and you come in with a PowerPoint that summarizes the nuances of transatlantic trade, you will have a disinterested audience. Researching and understanding the needs of your audience will help you connect with them when it comes time to make your business plan presentation.

Researching your audience to make a stronger connection is the kind of thing that never hurts. It doesn't hurt when you are working to grow your professional network, it doesn't hurt when you are presenting your plan, and it doesn't hurt when you are making connections with your customers. Let's take a look at a few of the audiences you might be addressing as a new entrepreneur.

INVESTORS

Investors are looking for a return on their investment. If they weren't, then they wouldn't be a very good investor. What this means in practical terms is that investors have an eye for growth. If an opportunity has the potential to grow sustainably, then it has the potential to multiply their investment. Investors ask specific questions and look at specific aspects of your opportunity.

- Is there a growing market for your product or service?
- Are you in a position to capitalize on that growing market?
- Does this product/service represent a truly unique value proposition or is it a copycat product?
- Is there a clearly defined exit strategy?
- What is the time horizon for a return on investment?

As you can see, these types of questions limit the number of new businesses (and even existing ones) that investors are interested in. In fact, many investors aren't interested in brand new businesses with unproven track records. If your opportunity is a good fit for presentation to investors, come forearmed with the knowledge that the growth and success aspects of your business will be under the microscope.

Having answers to the types of questions outlined above is absolutely crucial when it comes to building credibility, respecting your audience's time, and making a positive first impression. Researching your audience goes further than just anticipating the general kinds of questions that investors ask, however. The same social media ubiquity that commodifies personal relationships can also serve as a gold mine of background information for your prospects.

Taking a few moments to research your audience's background can help you uncover topics to mention when building rapport ("I saw that you worked on project X with contributor Y"). Research can also help you tailor your pitch to the specific needs of your audience ("I know you are looking for an opportunity in the area of X"), and research can help you uncover details about your audience's professional network for additional potential referrals. These referrals could be avenues for introduction to the prospect themselves or to other members of their professional network that you may want to secure an introduction to.

LENDERS

Investors are looking to grow and multiply their investment with a clear exit strategy; lenders are looking to mitigate risk and seeking assurance that their money will be returned with interest. The distinction may seem slight, but in practice it means that lenders ask different questions and expect different answers than many investors do. Here, when we talk about lenders, we are normally referring to banks, credit unions, or other debt financing institutions, but in recent years nontraditional lenders have risen in popularity. Nontraditional lenders include peer-to-peer lending services and some crowdfunding platforms. Keep in mind as well that for many new businesses, friends and family play the role of lender, and for many more new businesses, the owner will bootstrap the business by borrowing money from herself.

If investors need to see a business plan, then lenders need to see a business plan. A robust and well-researched business plan is absolutely essential when it comes to securing funding. But don't walk into a bank expecting to walk out with a loan if all you have is a plan. Lenders also want to see your business's credit history or, barring that, your own credit history. Banks especially want to see evidence of a clear, concise business model that can demonstrate profitability and strong cash flow. A business with poor cash flow can struggle to repay its debts, and that is exactly the kind of circumstance that banks want to avoid. Refrain from vagueness when talking to lenders, and focus on the ways in which your business is currently able to or will be able to repay its obligations. Banks will also ask questions designed to uncover hidden risks and questions about the use of funds and the fitness of funds for your business or current business cycle.

- How do you maintain profitability in the face of market challenge X?
- If your sales dropped by 15 percent, would you still be able to repay your obligations? What evidence or plan do you have to maintain or grow current sales volumes?
- In what way will these funds be used to grow the business? Are you opening a second location or hiring new staff?
- Is it wise to open a second location considering how tight margins are at your first location?
- Is your product correctly priced?
- What controls do you have in place to keep expenses in check?

These questions represent the interests of the lender first and foremost, but answering these kinds of questions for yourself as well is essential to avoiding undue risk and getting ahead of potential losses.

SENDING YOUR PITCH

Your presentation's pitch is where the rubber meets the road. Active networking, researching your audience, and preparing your presentation based on their needs are all done in preparation for this request: can we block off some time for me to present this opportunity to you? This "ask" is, as you should know by now, most successful when you have been referred by a mutual contact, when you have established a rapport with your prospect, and when you understand (and can speak to) your prospect's needs. Unsolicited business plan presentations with a generic cover letter will almost always end up in the recycling bin.

Send your prospect your pitch presentation. This is usually a pitch deck, or series of slides, that details the most relevant aspects of your opportunity. It is attached to and acts as a companion to your relevant business plan. Here when we say "relevant business plan" we are talking about a version of your business plan that was put together with this audience in mind. Put your audience research to work and don't be afraid to tweak your pitch deck or business plan to speak directly to this audience. On the other hand, don't make anything up or fudge numbers to make yourself look good. That kind of underhanded dealing always comes out in the due diligence process.

Along with your pitch presentation, include a cover letter or letter of introduction. Don't use a form letter or a clunky template. In your letter—likely an email as opposed to a sheet of paper—it's important to include some details that will set expectations for your audience.

First, make sure your referral is crystal clear and that your prospect knows exactly who you are. "That one guy from that convention said I should talk to you" isn't going to establish credibility or inspire confidence. This identification can go in the first sentence or even right in the subject line of your email. Next, using just a few sentences, let your prospect know why you feel your presentation and opportunity are a good fit for them. Let them know why you have selected them and what you have to offer, but keep it brief.

It is also a good idea to give your prospect a general idea of what to expect. For instance, mention whether you are approaching other investors or lenders, if other investors or lenders have already made commitments, or any other milestones your business has achieved. Present a success story and don't be shy about sharing your accomplishments, but don't get too wordy.

This expectation-setting should also extend to the terms under which you are making your presentation. Make your goal known. Are you seeking funding? Seeking access to a funding network? Seeking additional industry contacts? Seeking mentorship? Whatever your goal, let your prospect know what to expect. Is your plan confidential? Do you have accompanying materials that you will need returned, such as demo pieces or prototypes? Does your presentation include food that could have allergenic concerns? Would you like your

prospect to pass your business plan along to another party? Will you require the signing of a nondisclosure agreement? Whatever specifics apply to your plan, your presentation, and your audience should all go in your cover letter.

Don't forget the follow-up.

DELIVERING YOUR PITCH

There is no magic bullet that will guarantee funding. Ultimately, your success depends on the nature of your opportunity, the fit between your opportunity and your audience, the strength of your presentation, the size and composition of your network, and a fair bit of luck. There are, however, a few best practices that will give your presentation a professional edge and a solid foundation for success.

MEET IN PERSON

Once your prospect has agreed to hear your pitch, try to meet in person. Just like with your networking efforts, your best results will come from face-to-face meetings. This is particularly the case when you are trying to secure large financial commitments. Put yourself in your prospect's shoes. Would you make a large financial commitment over Skype? Or via email or text? That being said, if your prospect prefers to keep communication electronic, it might be best to follow their lead. There is no benefit in creating friction with a prospect who would prefer to use conference calls, video chat, or email.

FOCUS ON YOUR VALUE PROPOSITION

Your value proposition is what sets you apart from the competition. It is the core of what makes your business competitive and ultimately makes or breaks your business. You may have heard it referred to as your USP—unique sales proposition. It boils down to just two key statements:

- Who is your target customer?
- What makes you different from the competition?

Who your target customer is, the problem you solve for them, and what sets you apart from the competition is a distillation of your business. All of the other aspects—your staff, marketing strategy, sales strategy, etc.—make up the how that drives your value proposition, or the why of your business.

OVERCOME OBJECTIONS AND ANTICIPATE QUESTIONS

Salespeople refer to the process of defusing pushback from prospects as "overcoming objections." Your pitch conveying your opportunity is indistinguishable from any other sales pitch. As an entrepreneur it is your responsibility to sell your audience the value of your opportunity. This means that the persuasive tactics you will use in your presentation will overlap neatly with the same persuasive tactics that salespeople use. Chief among these is the practice of overcoming objections.

It is unrealistic and probably impossible to prepare a response to every possible question that your prospect(s) may have. It isn't impossible, however, to review your plan and your presentation critically. Do this, and compile a list of potential objections.

- If your competitor does X as a response to your growing market share, how will that impact your strategy?
- You said that your target customer is interested in X and is willing to pay a premium for it. How did you collect that information?
- You are requesting funds to expand your service area, but you haven't specified whether you are hiring additional staff. Was that an oversight, or can your existing staff handle the additional workload?
- I see your gross revenue number here. How does that number compare to similar businesses?

These types of questions, and more, represent subtle (or not so subtle) pushback from your prospects. It is natural and healthy for your prospects to dig into your presentation. Listen to what they have to say. In many cases your prospects have experience working with entrepreneurs and new ventures. This experience helps them ask the right questions to distinguish good opportunities from ones that may not be successful. If and when your pitch isn't successful, it is okay to ask your prospect why they passed on your offer. Sometimes the time isn't right or the opportunity isn't a good fit. These kinds of things happen.

However, if the reason has to do with an aspect of your plan or your presentation, do some digging of your own. Your prospects can help guide you toward developing the perfect pitch, or sometimes they can help you understand why your opportunity isn't ready to be presented to investors or lenders.

DON'T FORGET THE COMMITMENT

What you hope to achieve with your presentation should have been enunciated in your cover or introduction letter, but don't rely on your prospect to follow through unprompted. Don't badger your prospects, but don't let them forget why you are there in the first place.

Also, you won't necessarily have a decision right at the conclusion of your pitch—but this doesn't mean you should leave without a commitment. A softer commitment to a follow-up is still a win, but remember: it is your responsibility to follow up!

No one will be a bigger advocate for your interests than you will.