



Preparing an

# Executive Summary



An excellent Executive Summary will answer these 12 important questions...



# *1. What is the opportunity?*

- What problem are you fixing (pain)?
- What need are you filling?
- Why will this need return large premiums?
- How big is the market today and in the future?



## 2. *What is your competitive advantage?*

- Proprietary solution; patents, unique processes, licensing agreements, barriers to entry?
- “Secret sauce”: technology, product design, market position, exclusivity...?
- Unique experience of management team?

### *3. What is your business model?*



- What is your business strategy?
- How will you produce revenue?
- How will you generate recurring revenue?



## *4. Is your business scalable?*

- Growth potential?
- Ramp volume quickly?
- Grow rapidly with modest resources?
- Service large customer base?



## *5. How do you know you will have customers?*

- Have you identified customers and prospects?
- How many customers will you have?
- Do you have customers now?

## *6. How do you connect to customers?*



- Methods of selling?
- Channels: direct, retail, distributors, mail, telephone, Web....?
- Maintain contact with customers?
- Why this will work for you?
- Repeat sales?
- Super salesman?

## *7. Who are your competitors?*



- Strengths and weaknesses compared to you?
- Learnings from competitors?
- Strategy to win?
  
- Alternatives are also competition!

## 8. *What are your financial plans?*



- Financial projections?
- Margins?
- Profits?
- Do you currently have revenue?
- When do you project break even?
- Realistic assumptions.

## *9. Why is your management team qualified to develop this business?*



- Experience, past performance?
- Why this team is right for the task?
- Unique skills?
- Board, advisors?



## *10. What are the risks?*

- Market?
- Technology?
- Competition?
- Execution?
- Profit?
- Contingency plans?



## *11. What are your funding needs and milestones?*

- How much investment funding do you need?
- What you will use the funds for?
- What are your key accomplishments and financial milestones?

## *12. What is your exit strategy?*



- Usual answers:
  - be acquired
  - IPO
  - grow company
- Do you envision another exit?

# *Suggested outline*



- Company overview -- (investment opportunity)
- Market opportunity, addressable market, customers
- Product/Solution, technology
- Business model
- Sales and marketing strategy
- Competition, competitive advantage
- Financials
- Leadership team
- Investment needed, use of funds, milestones
- Exit strategy

## *Summary thoughts*



- Include concise answers to as many questions as possible
- Organize under headings or combinations of headings
- Limit: 3 pages total