

The Ideal Length of Your Business Plan

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Many management teams feel that their company is too complex to describe in 15 to 25 pages. While this is sometimes true, the business plan is not meant to tell the whole story. Rather, the company must be boiled down into its essential elements. If the investor is interested, there will be plenty of additional time to tell the whole story.

Business plans, like other marketing communications documents, should be visually appealing and easy-to-read. This can be accomplished by using charts and graphics and by formatting the plan for readability. Effectively using these techniques will enable the investor to more quickly and easily understand the company's value proposition within fewer pages.

While the body of the business plan should be 15 to 25 pages, the Appendix can be used for supplemental information. The Appendix should include a full set of financial projections, and as appropriate, technical and/or operational drawings, partnership and/or customer agreements, expanded competitor reviews, and lists of key customers among others.

If the Appendix is long, a divider should be used to separate it from the body of the plan, or a separate Appendix document should be prepared. These techniques ensure that the investor is not handed a thick business plan, which will make them queasy before even opening it up.

To summarize, the goal of the business plan is to create interest not to have an investor write you a check. In creating interest, the full story of your company need not be told. Rather, the plan should include the essential elements regarding why an investor should invest and spend more time examining the business opportunity. The shorter length does not mean that your business plan should take less time to prepare. Rather, it will take more time. As Mark Twain once said, If I had more time, I would write a shorter story. Likewise, condensing your business plan to a concise, compelling document is challenging and time consuming. Fortunately the rewards are significant.

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