

WRITING AN EXECUTIVE SUMMARY

One of the most important parts of a business plan is the Executive Summary. Executive summaries are also usually the first things read and analyzed by potential investors, so it's a very important part of your plan.

WHAT SHOULD AN EXECUTIVE SUMMARY INCLUDE?

Your executive summary should be no more than a page or two and it should summarize all the other sections of your plan. It should include key financial numbers from your plan, as well as brief summaries of other important sections.

A critical point that must be communicated in the Executive Summary is your company's distinctive competence—the factors that will make your business successful in a competitive market.

A. The Purpose of the Plan

1. Attract investors
2. Document an operational plan for controlling the business

B. Market Analysis

1. The characteristics of your target market (demographic, geographic, etc.)
2. The products or services you will offer to satisfy those needs

C. The Company

1. The needs your company will satisfy
2. The products or services you will offer to satisfy those needs

D. Marketing and Sales Activities

1. Marketing strategy
2. Sales strategy
3. Keys to success in your competitive environment

E. Product or Service Research and Development

1. Major milestones
2. Ongoing efforts

F. Organization and Personnel

1. Key managers and owners
2. Key operations employees

G. Financial Data

1. Funds required and their use
2. Historical financial summary
3. Prospective financial summary (including a brief justification for prospective sales levels)

WHEN SHOULD YOU WRITE AN EXECUTIVE SUMMARY?

It should be the last thing you write in your business plan, even though it's usually the first thing read by others. It's concise length and summary format will enable the reader to quickly understand what you plan to do with your business.

Banks and Venture Capitalists are busy people and if their interest is not piqued at the

start they will not continue to read your plan. VCs receive thousands of plans, many of them the size of a book. They will only read a plan if the first few pages indicate that it is worthy of further exploration, which is why your executive summary is so important.

The Executive Summary should not be a mere listing of topics contained in the body of your business plan but should emphasize the key issues presented.