

**OregonStartups.com
Business Plan Checklist**

Company:	Date:
Management Team	
How complete is the management team? Is there an experienced:	
CEO	
CTO	
Engineering VP	
Marketing or Business Development VP	
Finance person	
Operations person	
Other key management team members	
Does the team have the right members to accomplish what needs to be done over next year?	
If not, what additional management team members are need in the next year?	
Review each team member's background	
Have team members started a company before?	
What experience does the team have in the industry being addressed?	
Does the team appear to have the ability to persevere to overcome difficulties?	
What has the team invested in the company?	
Does the team realize that foregone salaries are "sweat equity"?	
How does the chemistry feel? Can the team work with investors?	
How is the team compensated?	
What equity ownership does the team have?	
Are there vesting or buy-back provisions for the team's equity?	
Are any of the managers part-time?	
Do all management team members live/work in the same geographical area?	
Is any member of the team not replaceable? Why?	
Have all management team members signed non-compete, non-disclosure, & invention-assignment contracts?	
Are there any outstanding issues with former members of the management team or founders?	
Has the company loaned money to any officer, director, or employee?	

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Board and Advisors	
Who is on the Board of Directors?	
What expertise or capability does each member contribute?	
How many Board members have managed a startup company?	
What agreements, written or verbal, are in place with BoD members?	
Who is on the management advisory board? Expertise/experience?	
Who is on the technical advisory board? Expertise/experience?	
Funding Strategy	
What is the company's funding strategy?	
How much has already been raised and from who?	
What funds are being sought now?	
When are the funds for the current round needed?	
What will be accomplished with those funds over what period of time?	
What funding will be needed (and when) at the next funding event?	
Has management raised capital before?	
Exactly how will the company raise the needed funds?	
Are there examples of companies in this or a similar industry that received funding in a similar situation? (Similar company stage, time-to-exit, etc.)	
How long does the company expect fund raising to require?	
Are their timing expectations realistic?	
Does the company intend to use debt financing? What kind?	
What are the terms and conditions of any prior funding?	
Who on the team is pursuing the funding, and how much time is being spent?	
Industry	
What is the industry? Major segments?	
How fragmented is it?	
What is the size, growth rate, and volatility?	
What are the barriers to entry and how will the company get through them?	
What are the regulatory barriers and how will the company get through them?	
What expenses are associated with managing regulatory barriers?	
Are there examples of how other companies have penetrated the barriers in this industry (regulatory or other)?	
Recent major industry events or changes?	
Startup teams experience in this industry?	

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Problem or Opportunity	
What <u>compelling</u> problem is the startup addressing?	
Why wont an established company solve the problem faster/better?	
Why is this a high-growth opportunity?	
Is a solution to the problem a "must have" or "nice to have" ?	
Will customers really pay for a solution?	
How large is the opportunity?	
Are there industry gurus who can validate the size of the opportunity?	
Product/Solution/Advantage	
How <u>compelling</u> is the company's solution? Is it a breakthrough?	
What is the development stage (idea; in R&D; prototyped; shipping; ...)	
Have customers used the product and provided feedback?	
How proven is the technology (what are the technology risks?)	
Steps required to complete development	
Timing of product introduction	
Are there specific liability issues with the product? How will that risk be mitigated?	
What are product margins? How were they estimated? What is the confidence in the estimates? How will margins change over the next 2 years?	
If the product includes software, how is it licensed?	
What advantage does the company have? Why will they win?	
Is there patented technology? Status of patent applications?	
Business Model	
Exactly who is the customer (i.e., who pays)? Is the customer also the user?	
What is it that the company will charge the customer for? S/W license? Equipment? A disposable? A usage or monthly fee?	
How will the customer pay?	
How does the buying process for this type of product work?	
Are there similar (successful) business models?	
Adoption Issues	
What factors will slow adoption of the product?	
How will the product change the way the customer works today?	
What objections will customers have to adopting the product?	
What process do customers in this industry go through to evaluate products like this?	
What process do customers go through to implement products like this into their flow?	

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How much will it cost and how long will it take for customers to adopt the product?	
Dependencies	
Are there partnerships that are required to enter this business?	
Are written agreements already in place?	
If not, what are the risks?	
What are the partnership risks? What are the alternatives?	
Are there technologies that must be licensed to enter this business?	
Are written licensing agreements already in place?	
If not, what are the risks?	
What are the licensing risks and alternatives?	
Marketing Strategy	
What is the customer value proposition?	
What is the product positioning in the market?	
What is the pricing strategy?	
What is the promotional strategy?	
What are the company's quarterly marketing initiatives for the next 12 months?	
Sales	
How exactly will the product be sold? Direct? Through a channel?	
Does the team have experience with that sales approach?	
Has some member of the team sold a related product into this industry before?	
How good is the team's rolodex for customers in this industry?	
Describe the sales cycle	
What are the steps? Who are the customer-side players?	
How long will the sales cycle be? Who recommends? Who makes the technical decision? Who can veto? Who must approve the expenditure?	
How will revenue be divided between product sales, support, and other services?	
What is the 12-month bookings forecast?	
How was the forecast developed? What are the key assumptions?	
How will sales people (or the channel) be compensated?	

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Customers	
Are there existing, paying customers? Who?	
Who are the next 5 customers the company will sell to?	
How fiscally sound are the existing (or expected) customers?	
Are there customer references?	
Why did they (or will they) buy?	
How did they solve the problem before?	
What other alternatives are available?	
Evaluation feedback (performance, problems, price, installation, usage...)	
How many will they buy?	
Competition	
Who are the 5 biggest competitors?	
Are they fiscally sound?	
That is the competition's positioning statement?	
That is the competition's marketing and sales strategy?	
What are their advantages weaknesses and what is the differentiation?	
Do the competitors know about the company yet?	
Finance	
What are the five-year projections for revenue and earnings?	
Do the people, marketing, and R&D expenses make sense? Do the financials compare reasonably with similar companies? Have the financials been reviewed by an accountant?	
What cash does the company have today? When does it run out?	
What is the monthly cash burn?	
What Receivables and Payables does the company have today?	
What debt does the company have on the books?	
Does the company have a detailed cash-based budget for the next 12 months?	
What are the major uses of cash today and over the next 12 months?	
When does the company expect to be cash-flow positive?	
Does the company work with an accounting firm? Which one?	

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Operations/Manufacturing Strategy	
How will the product be manufactured and/or delivered?	
How long is the manufacturing cycle?	
What capital expenditures are needed to meet demand over the next 2 years?	
What manufacturability risks are there?	
What are COGS and how will COGS change over the next 2 years?	
Who are the manufacturing partners?	
Do they have a track record of building this type of product? Is there risk of feasibility or unexpectedly high cost?	
Are they fiscally sound?	
Are there alternative partners?	
Who are the suppliers?	
Are they fiscally sound?	
Are there alternatives?	
Will they provide credit?	
Hardware Support	
What is the expected Mean Time Between Failures?	
How was MTBF determined?	
What is the expected MTTR	
What is the hardware repair strategy?	
What hardware warranty expense is planned?	
How will the hardware be installed?	
How will hardware support be priced?	
Software Support	
What is the strategy for software support (bug fixes, new releases, etc.)?	
How will the software be installed?	
How will software support be priced?	
User Support	
What is the strategy for supporting end users?	
How much assistance will users to require?	

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Capital Structure	
What is the current ownership structure of the company?	
What funds have been paid to the company as a result of stock purchases?	
What restrictions are placed on stock that has been issued?	
What shareholder rights have been given to existing shareholders?	
Is there a stock option plan? What is the vesting?	
Intellectual Property	
What patent applications has the company filed?	
What are the claims the company has made? How compelling are they?	
What investigation of existing-art has been done?	
Where is the patent in the review process?	
What patent attorney does the company use?	
Did any team member use any IP of any kind from a previous company?	
Is there are large parter that can/will help defend the patent?	
Is each team member aware of his or her IP responsibilities with former companies?	
Have any team members signed non-compete agreements with previous companies that cause a concern?	
Has the company applied for any trademarks?	
Are trade secrets a part of the company's IP strategy?	
Legal, Contracts, Insurance	
What form of business does the company use? (C Corp, S Corp, LLC, etc.)	
What law firm prepared the corporate & stock option paperwork?	
Are there any lawsuits in which the company is a party?	
Who is the company's current legal counsel?	
Does the company have all the necessary state and local licenses and permits for doing business?	
What contracts does the company have in place? What is the status of each?	
Exit Strategy	
Has the company identified a credible exit and exit timeframe?	
Assuming an acquisition, what are the companies? How compelling is the argument?	