How To Build A Billion Dollar Business Plan: 10 Top Points

Every year, as an investor, I look at scores of business plans from eager entrepreneurs who seek funding for their emerging enterprises. Most plans are not well written and I find only a few that are excellent. I invite the founders with poorly conceived plans to improve their efforts and return when they are ready to present again.

At the end of a presentation, I take time to share with the entrepreneur what they need to do to develop an optimal business blueprint.

For those high achievers who have thoughtfully prepared outstanding plans, with reliable assumptions, they often receive the funding they need for company growth.

I contacted my good friend, Thomas Harrison, chairman of Diversified Agency Services, an Omnicom division, to share his views with me on the key elements of a great business plan. Over the years, he has seen numerous presentations from companies Omnicom has purchased that represent a vast number of firms within the Omnicom firmament of marketing organizations. He, too, has seen a combination of terrific and terrible plans.

“Mr. Harrison,” I asked, “What counsel would you give an aspiring business builder on the development of a great plan?”

“Alan,” he said, “I think some people get confused between a business plan and a marketing plan. A business plan is a genetic, molecular definition of my business. It crystallizes why I’m in business; it shouts what I do for the world, for consumers, for my customers. It dissects my business DNA and how it is
unique and it clarifies why my customers should do business with me.”

“The “Plan” is the blueprint; it’s the architect’s renderings that show the skeleton of the business… the DNA of the business. The Plan allows me to be crystal clear about that skeleton and how it supports my vision of my value (the business value) to my customers. It explains exactly why customers will buy what I make/sell and what it is about my product that will delight my customers.”

**Ten Key Points:**

What should be included in a well-conceived business plan? Tom recommends the following:

1. Describe why your company is relevant. What is the need being addressed?
2. Explain the overall state of the market and any important trends.
3. Explain why customers will buy your product or service.
4. Describe, in detail, who your customers are.
5. Explain who your current competitors are and their advantages.
6. Explain which competitors you will displace.
7. Describe your product offerings, how they compete with other brands and why they are needed.
8. Provide an overview of the various resources, including the people that will be needed to deliver what’s expected by the customer.
9. Describe corporate priorities and the processes to achieve them.
10. Included three thorough financial plans; one that’s conservative, one moderate and one optimistic, each with realistic and achievable sales revenues, margins, expenses and profits on a monthly, quarterly and annual basis.

“The purpose of the plan is to allow you, and everyone involved in the business to know the building blocks of the business and its purpose for existing,” Tom continued. “The value of the plan is to think, visualize and memorialize the business DNA so that successors can work consistently with the original vision, character and purpose of the business through future generations.”

Mr. Harrison knows what he is talking about when it comes to superior planning. He oversees 170 global companies that generate billions of dollars in annual sales.

**My Own Top Recommendations**

When I see a fantastic business plan I note the following:

1. The plan is viewed by management as a living document. It’s concise and
accurate. It is considered by everyone daily. It’s a constant guide to high performance and corporate success.

2. The leaders have defined very precisely who their customers are, by the numbers, with specific measurable demographics. They know everything about their buyers including what they watch, read, and hear. They know these targets better than their own family.

3. They know what customers need, what they want to buy, when and where. They know what people will pay for their products or services. They know why people need to buy; the emotional components as well as the utilitarian purposes.

4. They have listened and heard what’s on the minds and in the hearts of potential and existing clients. They are able to forecast what people might purchase in the future even before the customer knows he will need it.

5. These leaders know the industry like the back of their hands. They know everything about the competition and what they are doing. They have excellent relationships with trade association members and channel partners.

6. They understand industry trends and are forward thinking.

7. They have conceived, developed and manufactured exactly what the customer needs. They have built products with features and benefits that differentiate themselves from competing product offerings.

8. They have set specific priorities with key objectives they will achieve via the correct resources.

9. They have developed sound, repeatable and time tested processes that yield high efficiency and productivity.

10. They have all the right people on the bus, with measurable tasks and rewards. Everyone has participated in developing their individual plans that are aligned to achieve their goals and the overall objectives of the organization.

11. Their financial plan is defensible and accurate. They have backup plans in the event of unseen consequences.

12. Leaders meet regularly to evaluate their progress and the progress of each organization within the business. They report to all employees, often.

13. Management has developed a powerful culture based on teamwork, innovation, client and employee satisfaction, integrity, results and hard work.

As a summary, a great plan is developed by people with deep knowledge and experience. They possess a strategic mindset. They have a clear vision of where they want to be and how to reach their destination. And, most importantly, they achieve desired results based upon a clear road map. Perhaps these insights can be of value as you consider your own business plan. If you are developing a plan for your first business, you should engage the help of people who met the criteria I have described. It will be well worth the additional effort.

What are the elements of the most successful business plans you’ve seen or have written? I welcome your thoughts. You can reach me here, through my personal website at www.AlanEHall.com, or at @AskAlanEHall.
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