



Professional
Development
Program

Developing a Compelling Business Plan

Pitching investors and strategic partners

Benjamin P. Chen, PhD
Panacea Venture

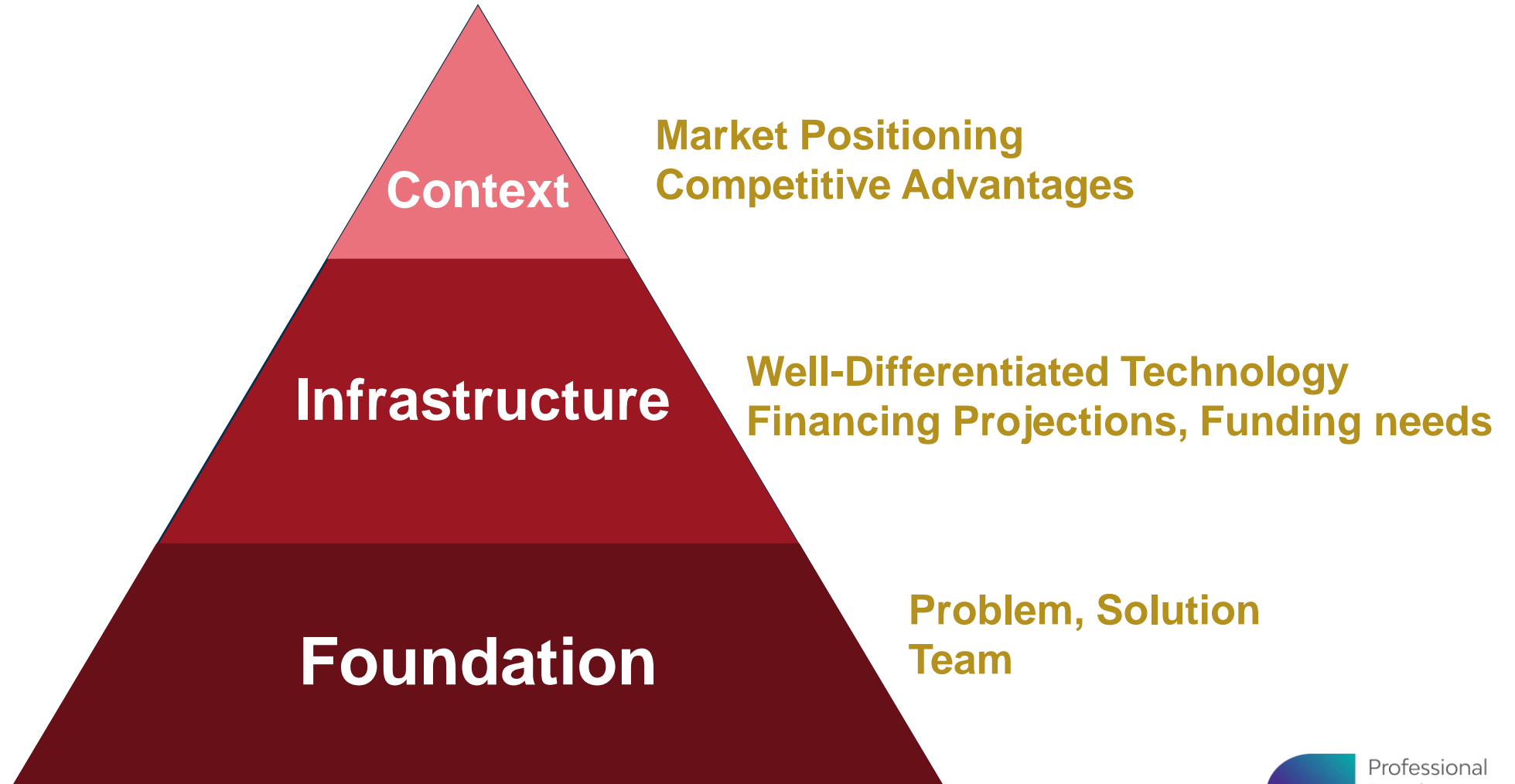
June 1–2, 2024

“You never get a second chance to make a first impression”

Regis McKenna

Famous for marketing and promoting Apple, Intel and Genentech

Building Blocks for a Business Plan



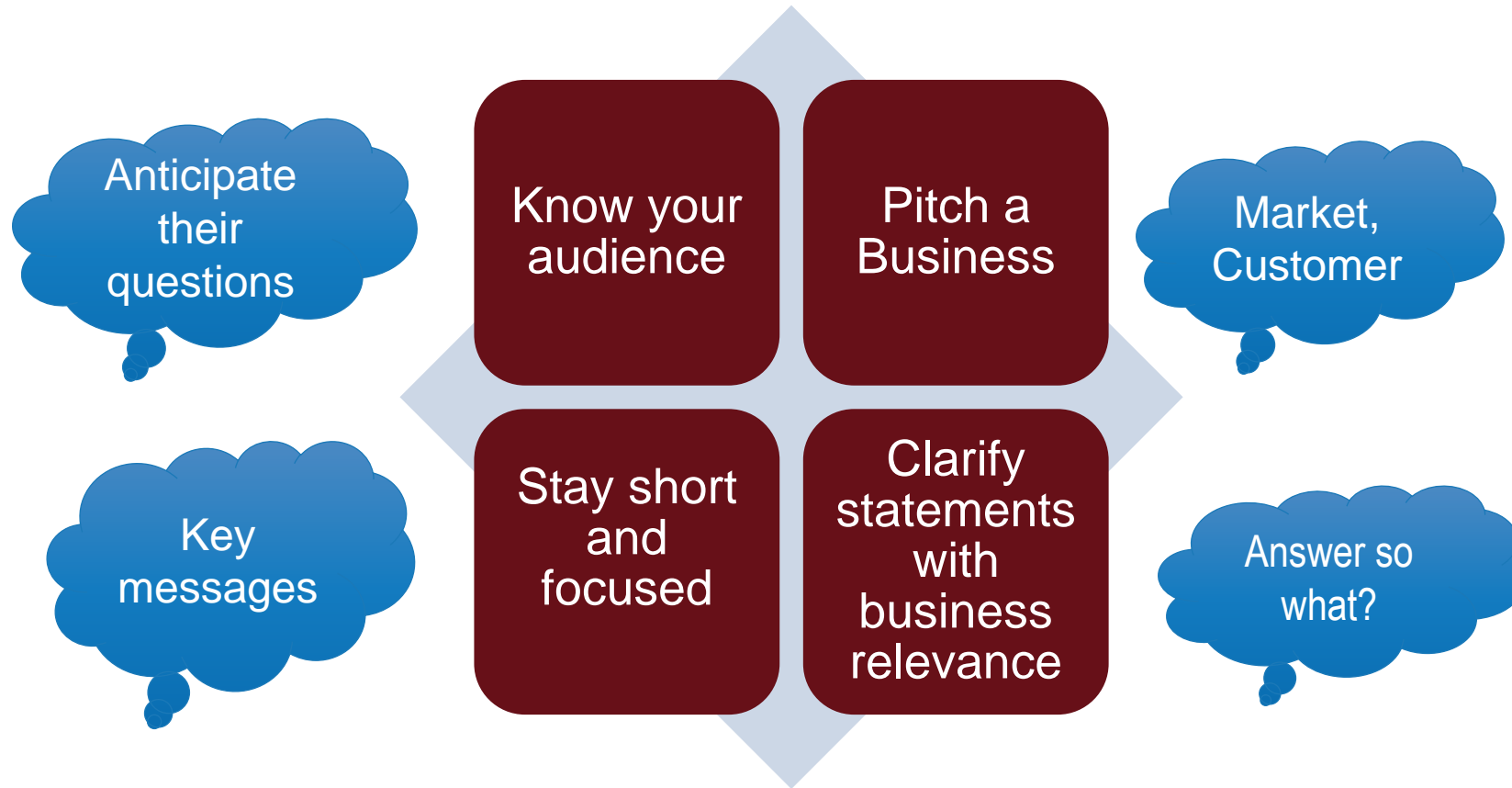
Pitch Then Plan

- Business plans don't sell opportunities, people do (via a Pitch)
 - But plans show that you understand how your business works
- Work up your Pitch
 - Then rework it with practice to multiple audiences
 - Then write your executive summary
 - Then write your business plan

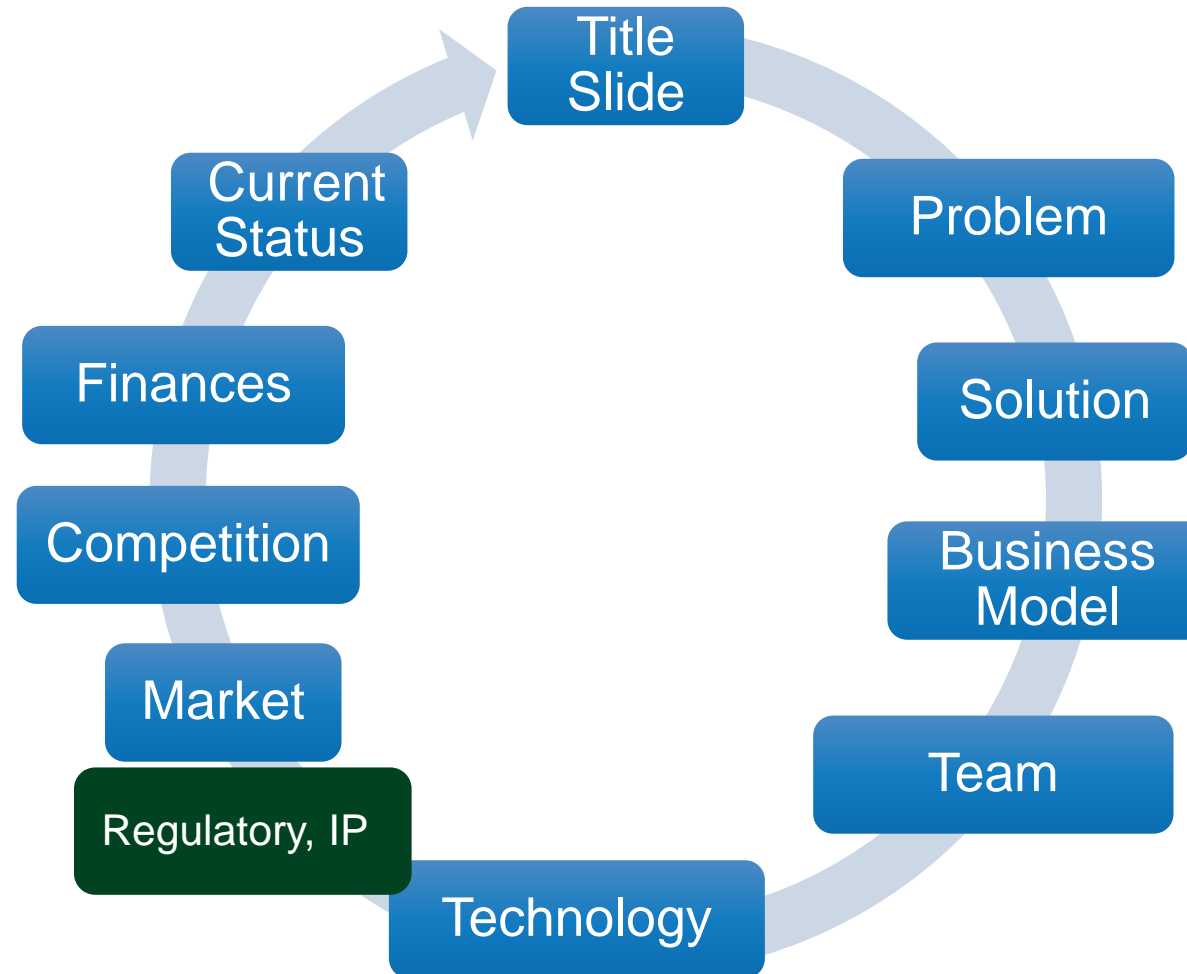
Start With The Elevator Pitch

- Get attention in first “10 to 20 seconds”
 - Highlight what you do, why it’s important
 - Why current solutions are not satisfying the identified need
- In the next “minute” give a top-level summary
 - Your Solution - its uniqueness and your competitive advantage
 - The Customer - who and why do they care – what value do you create?
 - Returns - how you are going to make money?
 - People - why this team, this company, and Why now?

Anatomy of a Pitch



10.5 The ~~Ten~~ Necessary Topics



Title Slide: Positioning Statement

Market Definition



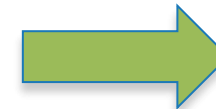
Solution



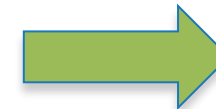
**Value/Compelling
reason to buy**



Competitive position



Differentiation



- *For (target customer)*
- *Who (statement of need or opportunity)*
- *The (product name) is a (product category)*

- *That (statement of key benefit – compelling reason to buy)*
- *Unlike (state our primary competitive advantage)*
- *Our product (statement of primary differentiation)*

Problem – *Clear and Compelling*

- What market need is being addressed, customer “pain” you are taking away?
 - How is it addressed today?
 - What gaps exist?
 - Identify the customers with this need?
- The problem is big, growing, real and not being well served

Solution

- Explain your product or service offering
 - How does it work?
 - Evidence that it does work (outcomes)
- Discuss the uniqueness and the value being created (be specific)
 - “3 to 10x” value or “3 to 10x” lower price”
- What is the long-term opportunity?
- What are the synergies?

Business Model (*evolving*)

- Who are your customers? How many?
 - Unique Value proposition
- How do you provide the channels or communications to customers? *Partner?*
- Organizational design
 - Where do you sit in the value chain?
- How do you make money (revenue model and margins)?

Management Team

- List your team, their relevant experience and expertise
 - Board
 - Advisors
 - Current investors if any
- Recognize the gaps in your team and talk about how they will be filled!

"Coming together is a beginning. Keeping together is progress. Working together is success."

"If everyone is moving forward together, then success takes care of itself." --*Henry Ford*

Do not forget to bring your investors along!

Technology

- Explain the secret sauce or underlying magic in simple terms!
 - Strategic partners want deeper dive than VCs in pitch
 - Due Diligence will include in-depth technology, IP and regulatory discussions
- Why is it unique, differentiable, sustainable?
 - How is it protected?
 - Current status of IP, patent strategy (both offensive and defensive)
- Current status of the technology development and demo results

Market

- Market size, growth potential
 - If therapeutic, patient profile, incidence, treatment methods
- What are your market segments?
 - Market entry target segment and why
 - What are your market share goals?
 - What will drive adoption? Barriers?
- How do you acquire your customers, convince them to buy, and retain them?
 - How much does it cost? How long?
 - For biotech, what are the **reimbursement and regulatory issues?**

Competition

- Overview of competitive landscape
- Current players, potential new entrants with competing technologies, alternatives.
 - How to position vs. competition?
 - Highlight barriers to entry
 - How will the competition respond to your entry and growth?

Financial Projections

- Pro Forma projections to demonstrate how the business works and sensitivities
- P&L (revenues, costs, margins)
- Cash Flow (burn rate, breakeven, profit)
- Backup slides
 - Balance Sheet
 - Dollars, key metrics (customers, products sold, \$ of revenue for key cost elements)
 - Bottoms up forecasts
 - Key assumptions, e.g. sales cycles, seasonality, etc.

Current Status

- Key milestones met to date
- Future tasks and milestones – development, IP, clinical, team, etc.
- Financing needed and uses
 - Highlight value creation and risk reduction
- **Exit strategy**

Summary

- State your current funding/need (follow on or not) and what you will accomplish with this tranche – what next value inflection point will you reach?
- End with a set of next steps
 - Due diligence/data room access
 - References
 - Site visit/demo
 - Process to MOU/Term Sheet

COMPELLING Pitch to Investors and Strategic Partners !!!