Crafting Your Message:
The Executive Summary

Overview

- Parts of a Coordinated Message
- The Executive Summary
  - Key components
  - Hints
  - Pitfalls & Reminders
- Pitfalls and Hints
- ZLI Programs & Resources

Parts of a Coordinated Message
Words to the wise....

You need the right message
...for the right audience
...at the right time

... clearly articulated
... and delivered with PASSION!

Parts of a Coordinated Message

- Core Idea
  - 5 Breaths
- Executive Summary
  - 2 – 5 pages generally accepted
  - 3 pages for MBC
- PowerPoint
  - 8 – 15 minutes
- Elevator Pitch
  - 2 – 3 minutes
- Full Business Plan
  - 15 pages + Financials

S.S.D.D

(Same Stuff, Different Delivery)

Executive Summary

- Remember: Purpose of the document
- What is your business, product, service?
- Market need or pain
- Value proposition & business model
- Competitive advantage a.k.a. secret sauce
- Competition & industry
- Target market, sales & marketing strategy
- Management
- Key financials & possible exits
What Is Your Business? Why Now?

- Be brief and to the point
- Use plain English!
  - No MBA buzzwords or engineering geek speak
  - Get your head out of your assets
- What opened the door for this idea?
  - Linear development or disruptive?
  - Improvement or new?
  - Evolutionary or revolutionary?
- Staying power or a fad?
- Connect timeliness of idea to market pain

Market Need or Pain

- Market need drives idea, the product fills that need
- What is the pain in the market?
- Quantify “pain” in terms of true market opportunity — bring it to life!
  - Just how “big” is this opportunity?
- What are potential customers doing now?
- Connect the listener to the problem
  - Can you personalize the issues?

Value Proposition & Business Model

- How valuable is your idea to your customers?
- How are you going to extract this value?
  - Retail
  - Internet Sales
  - Direct to Consumer/Business/Industry
  - One-off, contract, razor & blades
- What is the business model?
Value Proposition & Business Model

What is the business model?

This is really two questions:
• What do you actually do?
• How do you make money?

Competitive Advantage

• What is your #1 competitive advantage?
  – Intellectual property (patents, trademark, copyright)
  – Management team
  – Exclusive customer relationships
• How are you going to act on it?
  – Being the “first mover” IS NOT a competitive advantage
  – Execution is more important than being first
  – Legal protections does not grant advantage, acting on inherent value does

Competition and Industry

• Who is your competition?
• What are your customers doing now?
• How will current industry players respond?

• Understand implications of Porter’s 5 Forces analysis
• Do you know how the value chain operates?
**Target Market, Sales & Marketing**

- Describe the market & market size
  - Dollars spent, units sold, number of buyers
  - Demographics, psychographics, geographics
  - Growth rates, market share
  - Good proxies
- How are you going to sell your product?
- Who are your key prospects, betas?
- Be realistic, don’t oversimplify

**Management**

- Names, roles/positions
- Could include key advisors (with permission)
- Highlight team’s ability to deliver
- Has the team worked together before?
- Be honest about team’s missing skills and needed recruits
- Be realistic, don’t over-compensate

**Key Financials & Exits**

- Provide credible financial forecast measures
  - Revenues, Units, Margins, Customers, Market share
- Be realistic, don’t over-promise
- What do you need NOW?
- Offer feasible exits
  - What is “typical” in your industry?
  - Know – not necessarily say – ballpark returns
Hint: do a reality check

- Have you documented an innovative idea with growth potential?
- Is there a sustainable competitive advantage?
- Is the leadership team strong and experienced?
- What is the logical go-to-market strategy?

Hint: the audience counts

- Message must fit the audience’s needs
  - What do they know?
  - Why should they care?
- Know what you are asking for
  - Money
  - Expertise
  - Referrals
  - Sale

Hint: the grandmother test*

- Can someone technically unfamiliar with your business understand what you are doing?

* sometimes known as the mother-in-law test, the babysitter test or the fan-sitting-next-to-me-at-the-Big-House test
Typical Pitfalls

- Core idea not linked to market need
- Gross over-simplification of the issues
- No credible go-to-market strategy
- The “1% market share” objective
- Weak team composition and experience
- Vague sources and uses of funds
- Unclear role for the investor

All of the above will lead to loss of credibility

Mechanics Reminders

- This is a working/breathing document
- Order and length of each section is based on what works for your business idea
- Great ideas can be expressed succinctly
- Include clear visuals only if they enhance
- Stick to typical business format (10-12pt font, 1 inch margins, single or double space)
- Confidentiality based on honor system
- For MBC, Executive Summary is 3 pages max

Remember: A Coordinated Message

- The business idea piques interest
- There is a PLAN that supports the business
- The message weaves through all your formats logically, completely and believably
- You are presenting what MUST work, not just what might work
- Your message is tailored to the audience
ZLI Programs & Resources

- Dare to Dream Grants
- Business Plan Competitions
  - Michigan Business Challenge ($15K Pryor-Hale Award for Best Business among others)
  - EVC Quick Pitch
  - Intercollegiate Opportunities
  - Great Lakes Entrepreneur’s Quest (GLEQ)
- Office Hours & Coaching
- Appropriate Courses & Networks
- Referral to Community Agencies/Founders Forum

Questions?

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