

# The Art of Business Plans

In my work over the years, I have seen a lot of PowerPoint pitches, but I have also read an awful lot of business plans. The PowerPoint pitches have driven me nuts for sure (see my blog on THAT!), but the business plans explain my recent need for reading glasses.

One of the goals of my articles on this website is to reduce these external factors that are driving me nuts, so this article is all about the art of business plans.

# Only write for all the right reasons

Most people and companies write business plans almost exclusively to attract investors, and while this is indeed necessary to raise money, most venture capitalists I know have made a “gut feeling” yes/no decision during the PowerPoint pitch before they even touch the Business Plan.

Getting (and maybe even possibly reading...) the business plan is a physical step in everyone's due diligence.

The more relevant and hugely important reason to write your business plan, whether you are looking for funding or not, is to force the management team to solidify the objectives (the what), strategies (the how), and tactics

(the when, the where, the who) of the core business.

Even if you have all the funding in the world, every single business should still write their own business plan. Indeed, in this case ESPECIALLY if you have all the funding in the world because too much capital can worse than too little...

# Make it a singular lonely effort

The creation of your company's business plan will be a big group effort involving all the principal players in the company, and probably at least an outside consultant, and maybe a diverse Board, the actual physical writing of your business plan—literally sitting down at a

computer and typing out the document – just has to be a solo effort. It is not a team joint document shared on a network and written amongst a team of writers.

In the perfect world, the CEO should do it because she will be the ONE person who needs to know the plan by heart in her sleep. Take it from me (who writes quite a lot), for writing to be clear and consistent, there has to be only one writer. It is extremely difficult to cut-copy-and-paste several team member's contributions and come out with a reasonable, let alone a great plan.

# Start with

# the pitch, then the plan

Most people create a business plan, and it's a piece of rubbish: fifty pages long, thirty-page appendix, full of this year's buzzwords, acronyms, and superficialities like, "We only need one percent of this market."

Then they go ahead and create a PowerPoint pitch presentation from it.

It is no surprise why the plans are crap when they are based on lousy pitches? In our experience the best sequence is to perfect a pitch, and then write the business plan from it.

# Guy Kawasaki's 10/20/30 Rule of PowerPoint

- a PowerPoint presentation should have ten slides
- last no more than twenty minutes
- contain no font smaller than thirty points

Remember this:

A good business plan is simply an elaboration of a good pitch; a good pitch is not the summary of a good business plan.

Why? Because it's much easier to revise a pitch than to revise a plan. Give the pitch a few times, see what works and what doesn't, change the pitch, and then write the plan. Think of your pitch as your outline, and your plan as the full text. How many people write the full text and then write the outline?

Simply put in  
the right

# stuff

There are some basic rules that everyone is ready to see in a business plan in reality. What a business plan should address? Here's the simple list with the number of slides/pages for each one:

- Executive Summary (1)
- Problem (1)
- Solution (1)
- Business Model (1)
- What is your Magic Ingredient(1)
- Marketing and Sales (1)



- Competition (1)
- Team (1)
- Projections (1)
- Status and Timeline (1)
- Conclusion (1)

Basically, this is the same list of topics as is in a PowerPoint pitch. Those numbers in brackets are the ideal lengths for each section; note that they add up to eleven. As you'll see below, we think that the perfect length of the ideal business plan is twenty pages, so w've given you those extra nine pages to play with.

# Always focus on the

# executive summary

One of the myths of business plans is that the most important part of a business plan is the management team part.

The executive summary, yes all one page of it, is by far THE most important part of your business plan. If it isn't just fabulous, attention grabbing, heart poundingly fantastic, you are completely out of luck; no one will read beyond it to find out who's on the management team, what is your business model, and why your product is magically different and revolutionary in its field.

You should spend at least 80% of all your writing effort on getting a fantastic executive summary. Most people spend 80% of their effort on putting together that enormous Excel spreadsheet with all the dreamed up financial

figures that in reality no one believes.

# Keep it concise and clear

The ideal length of a business plan is twenty pages or less, and this includes the appendix. For every ten pages over twenty pages, you decrease the likelihood that the plan will be read, much less funded, by twenty-five percent. When it comes to business plans, less is more. Many people believe that the purpose of a business plan is to create such shock and awe that investors are begging for

wiring instructions; the reality is that the purpose of a a business plan is to get to the next step: continued due diligence with activities such as checking personal and customer references. The tighter the thinking, the shorter the plan; the shorter the plan, the faster it will get read.

# Have a simple 1 page financial projection

A lot of business plans contain 5 year projections with a \$10 million top line and such tiny levels of detail that the budget for coffee is a line item. Every funder and business executive who reads it knows that you're making these numbers up and making them large enough to

be interesting (you hope), but not so huge as to render sanity testing...

Do us all a big favour and reduce your Excel dream sheets down to one page and provide a simple forecast of the key business metrics (KBM's) of your business e.g. the projected number of paying customers. These KBM's provide a lot of insight into your assumptions. e.g. if you assumed that you'll get 30% of ANY serious market to buy your product in the first year, I would suggest checking your ego at the door.

Have the  
reader  
imagine the

# market size

Don't include quotes of some consulting firm's paid for validation of your market. For example, *"Saturn Research states that the market for bird watching software like we have will be \$12 billion by 2014."* None of us ever believes these "validations" because the last business plan we saw said this about USB thumb drives; the next one will say this about online cat toy sales, and the next one etc etc etc.

What you want to do is Have the reader imagine the market size: i.e. enable the reader to make her own mental calculation on the spot that this market is just huge! "Every hotel client would use this would buy this—Wow, this is a huge market!"

# Write deliberately, be flexible and nimble

When you write your company business plan, you write as if you know exactly what you're going to do. You are deliberate. You're probably wrong, but you take your best shot. using the information you CURRENTLY have.

However, writing deliberate does not mean that you stick to the plan in the face of new info and for sure not when new opportunities come along. As you act out and complete the plan, you act flexibly and stay nimble on your feet i.e. you are quick witted and fast moving: changing as you learn more and more about your market. The plan, after all, is YOUR plan to do with as

you want, however the plan should not take on a life of its own...

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# Can you afford not to have a Channel Manager?

If you run an accommodation business then it is highly likely you are using a channel management tool of some description or are at least planning to in the near future. If it is not on your immediate radar then you should consider putting it front and centre of your online



distribution strategy.

Simply put, a channel manager is Internet-based software that allows accommodation providers to manage availability and rates across a multitude of online channels from a single easy-to-use web page. The real benefits to the accommodation business are many and significantly outweigh the investment requirements to get up and running on this vital piece of software.

As an accommodation provider, the major business benefits accruing to you include:



- More accurate availability and price parity on online booking channels – by making a single change, your staff can update multitudes of websites immediately. This means availability and

pricing across sites will be current, accurate and require minimal staff training to maintain.

- The capability to list on many more online booking channels with little or no additional effort for each channel you add. The result is increased distribution without increased cost and you are able to put your rooms in front of millions of consumers around the globe.
- Free and easy marketing for your property – the major booking site players have the money and the will to market your property effectively online, so let them!
- Increased accuracy with your availability and rates, coupled with increased exposure to local and international online booking channels means increased bookings revenue and more dollars on your bottom line.
- Elimination of double bookings. Any channel manager worth its salt will automatically adjust inventory across all sites when a booking occurs on any site. This means you can have all your availability on all sites all the time

and feel secure. This is known as the Pooled Inventory Model and it means you can maximise your chance of being booked without being overbooked.

So, we've established that a channel manager will increase your online bookings but what should an accommodation provider look for when selecting among the multitude of offerings on the market? Look for:

- A product that is based on the pooled inventory model, where the tool automatically adjusts inventory across all sites as soon as a booking occurs on any site – this will maximise your inventory and reduce double bookings.
- A product with no transaction fees. Channel managers that work on a flat monthly fee are the best value for money
- A product that allows you to manage inventory on your own website's booking engine as well as on the third party booking sites.
- A product without lock-in contracts. A

channel manager with no lock-in contracts has confidence in their ability to service your business and backs their own product – this is a good sign. Rapid changes in technology you could be left behind if you are locked in to a sub par product.

- A product that does all their own product development in-house – they are more likely to be able to respond to the changes your business needs and adapt their product to a changing online distribution landscape.
- Ensure that you select a channel manager that is backed by a significant support team that can ensure all your needs are taken care of under one roof.
- Ensure your channel manager updates all the major international bookings sites. The local sites are not enough and the international majors are spending up big on marketing your property to the world. Remember, you have to be in it to win it!
- Last but not least, it is advisable to pay your channel manager a visit and view their operation first hand. Many

accommodation businesses are doing more than 40% of their business online. You cannot afford to put this business with a fly-by-night company. Remember, you are choosing a long term business partner, not just a product.

So what does the future hold for channel management?

Channel managers are rapidly evolving as the one-stop shop for all your online distribution needs, dis-intermediating some of the more traditional electronic distribution channels.

Channel managers are already connecting to online booking sites, wholesalers, traditional travel agents, GDS and inbound tour operators. Many additional channel options will be connected in the future and booking channels not connected to a reputable channel manager risk being left out in the cold.

The future will see the leading channel managers

increasingly connected to more property and central reservation systems, providing seamless connectivity between the property management system and the online bookings channels. Facilitation of automatic delivery of all reservations from online channels directly into the property management systems, is an important capability of the future channel manager. Such a solution completely eliminates the need for the property to recapture online booking channel reservation emails into the property system.

With the proliferation of channel managers and similar distribution switch networks of the future, distribution and acquisition costs to accommodation providers will be dramatically reduced. Channel managers are a far more cost effective option than older distribution systems and these systems are already finding their market challenged with the new kids on the block.

The accommodation providers that embrace the right channel management technology today will have reap the benefits of increased online

bookings, lower acquisition costs, increased business efficiency and ultimately, higher profit margins.

Can you afford not to?

Original post on Tourism Industry Blog.

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# Marine Life of Fiji and Tonga: A Video

# Identification Guide

Created for divers, snorkelers, aquarists and all marine enthusiasts, this “V.I.D” (Video ID) Guide covers the incredible marine biodiversity of this fantastic corner of the South Pacific.

It’s an comprehensive identification guide to 1272 animal and plant species – except that instead of being a book full of pictures, it’s a video with gorgeous real-life footage of each species, and each of the 1739 video clips is labeled with the common and scientific names of each species.



*“This is a powerful, practical resource. Something everyone who loves the sea can benefit from.” Andrew Wiens, Scuba Diving magazine*



This "V.I.D." Guide (Video ID) covers the incredible marine biodiversity of this fantastic corner of the South Pacific. The Marine Life of Fiji & Tonga is a comprehensive identification guide to 1272 animal and plant species – except that instead of being a book full of pictures, it's a video with gorgeous real-life footage of each species, and each of the 1739 video clips is labelled with the common and scientific names of each species.

Beautifully filmed and visually engaging, Marine Life of Fiji & Tonga contains pretty much every species you are likely to see, catch or hear about when counting butterflyfish in this part of the world. Three years and more than 3000 dives in the making, this is both an essential tool and exotic entertainment.

- 77 intuitive and easy-to-navigate DVD chapters
- 3.5 hours of gorgeous underwater footage
- 1739 video clips
- 1272 different species, including over 800 species of fish!

- common names and scientific names
- juveniles, males, females – plus endemic species and local colour variations
- video allows you to study behaviour: how species swim, feed, court, fight, clean, hunt
- tight macro shots show fine details, markings and texture normally impossible to see
- soothing ambient music by award-winning composer Bjorn Lynne
- filmed with utmost care and respect for the underwater environment
- downloadable checklist to keep a record of the species you've seen yourself (PDF format)

The package includes 2 DVD videos that you can play on your TV or computer plus a 14-page reference booklet with line drawings, descriptions and helpful information.

Disc One: FISH including sharks, lionfish, gobies, angelfish, ghost pipefish, rays, eels, butterflyfish, dragonets, seahorses, barracudas,

parrotfish...

Disc Two: EVERYTHING ELSE including whales, nudibranchs, corals, octopus, crustaceans, sponges, jellyfish, sea stars, sea snakes, cuttlefish...

**Buy your copy from  
Josh and Liz here at  
Underseas  
Productions!**

Josh Jensen & Liz Harlin from Underseas Productions has allowed us to show the Butterflyfish Section here for the Great Fiji Butterflyfish Count 2008. THANKS JOSH & LIZ!

Marine Life of Fiji and Tonga: A Video  
Identification Guide

# Marine Life of Fiji and Tonga: A Video Identification Guide