

Investment-readiness is essential as it is the bridge that provides the financial and fundraising capability that investors and funders expect from entrepreneurs, thereby significantly increasing the chances of being funded. Entrepreneurs need to prepare before they approach investors in order to master their options and gain credibility. An investee must show that possesses the attributes, which makes him an investible proposition by an appropriate investor for the finance he is seeking. Thus, the following documents are mandatory for a comprehensive image of the proposed investment:

A. Executive Summary

An executive summary is a document that **briefly and efficiently** summarizes a larger business plan while addressing all of the key elements. It is highly recommended to be a one-page document. In cases where the project is complex and it needs to emphasize the details, more pages (one or two) can be added with caution. The main components are:

- Overview of the company.
- The problem that is solving.
- The product/services offered (solution).
- Addressable market.
- Potential Competition.
- Business Model.
- Management team.
- Progress so far.
- Ask price.
- Use of funds.

B. Financial Model (EXCEL)

The financial section of a business plan is one of the most essential components of the plan. It is meant to explain **whether the business will be viable** in the following years. The model should contain:

- Construction and its cost allocation and analysis (all the types of equipment, fees, payroll for the personnel, etc.).
- Construction's outcome (i.e. infrastructure) annual depreciation over the years.
- The type of financing and the repayment schedule (if it is debt financing; loan).
- Analytical pricing strategy and sales forecast (forecast per revenue stream)
- Expenses budget (per expense category; cost of sales, personnel, marketing, etc.).
- Income projections in a pro forma Profit and Loss statement.
- Development of a pro forma cash-flow statement (crucial to be underlined the need of funds and how it will be used).
- Valuation metrics.

C. Business Plan

The Business Plan could be presented into two forms, either in a WORD file in form of an essay or in a PowerPoint file in a form of a presentation. The latter is strongly recommended. The Business Plan should be **comprehensive and highlight every detail that the potential investor needs to be aware**. Briefly, the following chapters should be included:

- Company's presentation which undertakes the implementation of the project.
- Market research (market characteristics, addressable customers, industrial figures, available opportunities, etc.).
- Description of the problem the business is addressing, and which is the solution offered.
- Competition analysis (underlining the direct and indirect competitors; based on specific characteristics).
- Technical analysis of the investment (incl. the initial budget of the investment).
- The business model (the way the business will generate revenues and how will further be developed in the future).
- Budgeting and forecasting presentation (revenues, expenses, cash flows etc.).
- Project's valuation metrics (DCF, NPV, IRR, etc.).
- Timeline (progress so far & what is next to come).
- Management team and/or any advisors.
- Use of the requested funds (allocation).