

Management

- ☞ If your business is **you** as a freelancer, you'll need to manage yourself. Being your own boss is one thing. Managing a business requires more. You'll need a healthy measure of dedication and persistence. You'll need the ability to make decisions, to plan, and to manage finances.
- ☞ If you're building an entrepreneurial **organization**, you'll also need the ability to manage people as your business grows. It's particularly important that you assess your own skills (and the tasks and functions for which you have no aptitude, patience or interest. Prepare to hire people with the skills you lack. See also, **Business Black Belt**
- ☞ The most important way to reduce perceived risk in investors' minds is to establish the ability of your management team to actually build the company you have envisioned. Your plan describes the people who will build this magnificent business—the people behind the scenes who know what to do and how to use the proceeds of an investment or loan. For further information on building your leadership team, see “Developing Your Management Team” in the Resources section of *BizPlanBuilder*.
- ☞ Your plan should address these questions:
 - How can your team members' backgrounds/previous business experience help you in *this* business?
 - Where will you need to compensate for your own lack of skills / experience?
 - What positions on your management team still need to be filled?
 - Establish a clear picture of management team capabilities that contribute to the probability of future success.
- ☞ Be sure that the management team résumés you'll add to the supplementary documents in your plan include **career highlights** describing team member **accomplishments** in their previous positions. Actual accomplishments make all the difference—to you in the hiring process, and ultimately to the success of your business.
- ☞ Venture capital companies can invest as much as \$100,000 in due diligence—what they look at most are your people. Are your people really who you/they say they are? Have they really accomplished what you/they say they have? Choose your team carefully! A VC friend of ours says that the deal can be washed out with just one discrepancy. (No ‘3 strikes’ – just 1 strike can be enough to end your deal.)

Like Starbuck's coffee, where everyone must have “a passion for coffee and the coffee experience,” at [Company], everyone we hire has a passion for [Industry] / [product].

Although no one has built a business exactly like [Company] before, we have assembled a team of people who have built [xxx].

- ☞ List management team areas of expertise that add up to the total transferable skills and experience necessary to support your business success.
- ☞ Take great care in who you hire... Are they a friend who can get you by for now or are they skilled, talented and driven to find their success with you? How big are their expectations? Do you trust them—don't think; feel this in your chest. Good? OK. Feel a little sick? What do you know? Envision your future. Has this person helped you get there? Or have they used you? Did you use them? For some, it just doesn't matter. People need a job. They will do it well, take your money and go home. That's OK—you need these people and they need you. Tell them specifically what you want them to do. They want leadership. Imagine many people acting upon your direction to build what you have

envisioned. Not to worry, they know what to do and how it can be done. Just remember who is in charge.

To complete our team, [Company] is [hiring / preparing to hire] a new [job title] and [job title]. [This / these] executive(s) will manage our [x] and [departments / divisions] respectively, and assure that [x] is accomplished. With [this / these] position(s) filled, we will have everyone we need to effectively and efficiently execute our plan.

Executive Team

🔊 *“A leader knows what's best to do; a manager knows merely how best to do it.”*
~ KEN ADELMAN

- 🔊 Provide a brief description of each person's background. Relate it to their functions in the new organization. Add other officers as appropriate.
- 🔊 Below are examples of what to include about the people building your company—make a copy and repeat for every person on your management team. You can include their entire resume in the ‘Supporting Documents’ of your plan or provide them later.
- 🔊 Include other key people as appropriate to your business... CTO, Architect, Chief Pilot, etc.
- 🔊 Insert additional descriptions below for other executives in your organization whose background and experience contribute to your effectiveness as a management team.
- 🔊 Strong company backgrounds pertinent to your management team's functions are good references to demonstrate a solid pool of talent and assure a higher probability of future success.

[Owner/Founder] - [Title] (age)

[Owner/Founder] started [Company] after working in [field / [Industry] industry] for [00] years, and in [field / industry] for [00] years. Coupled with extensive [research / training / experience] in [xxx], [Founder First Name] is ideally prepared to run [Company]. [Founder First Name] graduated from [university or college] with a [degree] in [area of major study] and addition studies in [area].

Having worked in [field / [Industry] industry] for [00] years, [Founder First Name] became aware of an urgent need for [market gap], and proceeded to plan and launch [first start-up Company]. This company grew to [\$000 (insert peak revenues)] in [year], and subsequently [sold / closed / merged / restructured], garnering a [dollar amount] payoff that enabled him / her to [what you did after that.] Ultimately, [Company] has realized significant benefits from that experience, as it provided the [experience / funding / people] necessary to successfully launch [Company].

[Founder 2] - [Title] (39)

[Founder 2] has served as [title / role / occupation] in the [field / [Industry] industry] for [00] years, and in [field / industry] for [00] years. Additional experience in [field / industry / research / training / experience] and [xxx] give [Founder 2 First Name] the necessary skills to direct the sales of [Company], with primary emphasis on expanding the customer base and implementing customer loyalty programs alternatives. [Founder 2 First Name] holds a degree in [degree(s) and major] from [xxx] University/school.

[COO name], Chief Operating Officer (39)

[COO name] has served as [title / role / occupation] in the [field / [Industry] industry] for [00] years, and in [field / industry] for [00] years. Additional experience in [field / industry / research / training /

experience] and [xxx] give [COO first name] the necessary skills to direct the operations of [Company], and coordinate among our various divisions and departments.

[COO first name] studied [major] at [university or college] and was awarded the [degree] with a major in [major], a minor in [minor field] and continued [his / her] education with ongoing studies in [area(s) of study]. First-hand experience with [area of experience, for example business ownership / international trade / offshore manufacturing] make [COO first name] an important player in [Company]’s planned [growth / expansion / redirection / evolution] into [area of growth / market / change].

[CFO name], CFO (39)

[CFO name] has served several companies as CFO, among them, [list companies]. As an independent CPA, [CFO first name] also worked with a variety of clients in [list industries, particularly those related to your company’s industry], and brings this added perspective to the needs of [Company].

[CFO first name] earned a [Bachelor of xxx / Masters degree / Ph.D.] at [university or college], and [his / her] CPA certification in [year received]. [CFO first name] has also continued [his / her] training with ongoing coursework in [areas of study] to stay abreast of the latest developments in [area].

🔊 Duplicate and edit the Executive Team Bio Template from the Pre-Planning Documents section of BizPlanBuilder to describe each additional executive officer, vice president or director on your team.

To complete our team, [Company] is [hiring / preparing to hire] a new [job title] and [job title]. [This / these] executive(s) will manage our [xxx] and [xxx] [departments / divisions] respectively, and assure that [x] is accomplished. With [this / these] position(s) filled, we will have everyone we need to effectively and efficiently execute our plan.

🔊 — OR —

As [Company] grows, and funding is secured, we anticipate bringing on executives to complement our existing team in the areas of xxx and xxx. We have defined specific attributes that will be essential in these roles, and created job descriptions to simplify the process of locating the right person for each position we need to fill. We also anticipate expanding our technical and support teams with individuals who have demonstrated expertise with web-based xxx, Java, and html to support our growth with xxx.

🔊 Duplicate and edit the Executive Team Bio Template from the Pre-Planning Documents section of BizPlanBuilder to describe any additional executive, vice president or director on your team.

[Company] Stock Allocation

🔊 We recommend authorizing many shares: 10,000,000 – 20,000,000. That way the number of shares issued to your team and advisors will be perceived as generous. Of course they will do the math to determine what percentage of the company they’ll own...

🔊 You want to avoid talking in terms of percentages – that will change, especially when you sell shares to investors over several rounds. Keep any conversation to ‘number of shares.’

🔊 That said, at first consider your senior management team would get 3-5% each depending upon what they bring to the party!

[000] shares of [Company] common stock have been authorized by the State of [State]. At this time [000] shares are outstanding, and have been allocated as shown above.

Stock vests over [00] years from the date of employment. In addition, we plan to allocate [000] shares of common stock for Employee Incentive stock options.

- ☞ For example, if shares vest over 5 years, each year your people get 20% of their shares. If one quits, say after 2 years, they will be 40% vested. The rest of their share allocation will go back into the pool.

Management Team Ownership & Stock Allocation

Officers & Key Employees		Age	Shares
[Name]	Owner / Founder / President / CEO	44	5,000,000
[Name]	COO or Sr. Vice President	[00]	[000]
[Name]	CFO or VP Finance	[00]	[000]
[Name]	Vice President of Marketing	[00]	[000]
[Name]	Vice President of Sales	[00]	[000]
[Name]	Vice President of R&D	[00]	[000]
[Name]	Vice President of Operations	[00]	[000]
[Name]	Controller	[00]	[000]
[Name]	Corporate Attorney	[00]	[000]

Of the [00] people who make up the corporate staff, there are [0] founders who hold the following positions:

[Name]	[title]	[00]	[000]
[Name]	[title]	[00]	[000]
[Name]	[title]	[00]	[000]

Each founder has been provided with [00]% of the original stock issue.

- ☞ You may want to insert an Executive Team Responsibilities section here. You will find a template in the Master Supplementary Documents Section of BizPlanBuilder. Include the completed materials in the Supplementary Documents section at the end of your finished business plan.
- ☞ Résumés of additional key employees should be provided in the Supporting Documents.

Outside Support

Our outside management advisors provide tremendous support for management decisions and creativity.

[Name]	Accountant / CPA
[Name]	Corporate Attorney
[Name]	[Type of] Consultant

- ☞ Provide résumés of outside support staff in the Supporting Documents.
- ☞ An organizational chart describing necessary business functions and relationships may also be included in Supporting Documents.
- ☞ Include each person's actual résumé in the Supporting Documents.

The strength of the [Company] management team stems from combined expertise in both management and technical areas. This [has produced / is expected to produce] outstanding results over the [past / next] [00] years.

A complementary cross section of areas-of-expertise is crucial to securing a favorable response from potential investors.

The leadership and alignment characteristics of [Company]'s management team have resulted in the establishment of broad and flexible goals. Our goals are designed to meet the ever-changing demands of the swift-moving marketplace requiring our products. This is evident when the team responds to situations requiring new and innovative capabilities.

Board of Directors

- ☞ A good Board of Directors can help you make good financial and high-level strategic decisions, and demonstrate to potential investors that other smart, experienced people are financially and legally involved with your company. The presence of a Board of Directors demonstrates that you are serious about financing and goes a long way to minimizing risks associated with investing in your business.
- ☞ Select Directors for their broad business experience, standing in business, and enthusiasm for working with you. Directors are active advisors who should be active participants you can call on any time for advice. A Board of Directors is usually comprised of no more than 5-7 people who are compensated with company stock.
- ☞ **“Do not condemn the judgment of another because it differs from your own. You may both be wrong.” ~ DANDEMIS**
- ☞ How do you make a deal with a Director or Advisor? Look in the Pre-Planning folder (scroll-down in the left-side menu) for “Invite to Board of Advisors” or the “Invite to Board of Directors” letter template.

An outside Board of Directors, including highly qualified business and industry professionals/experts, [assists / will assist] our management team in making appropriate key decisions and taking the most effective action; however, they will not be responsible for management decisions.

- ☞ Use this section to highlight the backgrounds of your Board of Directors. Include each director's name, age and position in your description.
- ☞ We've provided two Director and two Advisor descriptions that you can customize and modify for each of the participants on your boards. If you need additional descriptions, copy, paste and customize additional copies of any of the descriptions we've provided in either the Board of Directors or Board of Advisors section.
- ☞ Include each person's actual résumé in the Supporting Documents

[Director name], [current / past Title] of [Director affiliation / company], provides extensive expertise in [Industry] [field / industry / area of specialization], to help [Company] take the best approach to [increasing sales / managing our operations / marketing our products...]. Additionally, [Director first name] has more than [00] years' experience working with [xxx]—a distinct advantage for [Company] as we [introduce new products / expand our facilities / acquire xxx / move to the global marketplace...]

☞ - OR -

[Director name], [current / past Title] of [Director affiliation / company], [age], brings [00] years' experience working [with / in] [x]. This is important for [Company] due to our focus on [area in which

this director provides expertise]. As we [what do you plan to do], [Director first name] will provide invaluable insight and direction.

🔊 Paste or key in any additional Director descriptions you need here.

Board of Directors Stock Allocations

Director		Age	Shares
[Name]	[Director Title]	[00]	[000]
[Name]	[Director Title]	[00]	[000]
[Name]	[Director Title]	[00]	[000]
[Name]	[Director Title]	[00]	[000]
[Name]	[Director Title]	[00]	[000]

Board of Advisors

- 🔊 A Board of Advisors typically provides a peer-group environment where participants brainstorm and talk through ideas, drawing on diverse experience, markets and industries. Regardless of your business type, size or industry, a good Board of Advisors can help you make better decisions, and consider alternative approaches to your business that you might not have considered otherwise. The presence and availability of a good board of advisors provides a sounding board, a source of new ideas, and feedback that could prevent an expensive or disastrous faux pas with customers.
- 🔊 Choose advisors for their specific experience, standing in business, and enthusiasm for working with you. They can be window dressing (there to impress investors), but should be active participants you can call on at any time for advice and support. Although a Board of Directors is usually no more than 5-7 people, a Board of Advisors can number to 30+.
- 🔊 Typically, you don't pay advisors, but you do give them shares. If you've authorized 10-20 million shares, you might offer them 10,000-20,000 options each. (Options because they are not taxable and the increase in value from their initial strike price will be partially due to the contribution of the advisors!) Read more in the *Handbook of Business Planning* ("Open Book" icon above.)
- 🔊 ***"When men lack a sense of awe, there will be disaster"***. - LAO TSE, TAO TE CHING: 72

[Company]'s outside Board of Advisors includes business owners and managers from a variety of businesses and disciplines. Each offers a unique perspective, and a wealth of experience to draw on as we [grow / streamline / downsize / merge / branch out...]. We also get great "cross-fertilization" for each of our respective businesses as we share ideas and suggestions. Our advisory board participates in regular brainstorming sessions, and we frequently contact advisors individually to draw on their specific areas of expertise.

[Advisor name], is currently the [Title] of [Advisor company]. [He / she] provides a ready source of expertise relative to [business / field / industry / area of specialization], to help [Company] [what you do with the advice].

[Advisor name], [Title] of [Advisor company], [age], brings [00] years' experience working [with / in] [business / field / industry / area of specialization]. We have identified a strong parallel between [Advisor's business or industry] and our own, and [have been / expect to be] successful implementing a similar strategy.

🔊 Paste or key in any additional Advisor descriptions you need here.

Board of Advisors Stock Allocations

Advisor		Age	Shares
[Name]	[Advisor Title]	[00]	[000]
[Name]	[Advisor Title]	[00]	[000]
[Name]	[Advisor Title]	[00]	[000]
[Name]	[Advisor Title]	[00]	[000]
[Name]	[Advisor Title]	[00]	[000]
[Name]	[Advisor Title]	[00]	[000]

Staffing

🔊 Discuss additional staffing requirements based on necessary talents, skills, experience or expertise.

[Company]'s development team recognizes that additional staff is required to properly support marketing, sales, research, and support functions.

Currently, [Company] has [00] employees working in [00] [departments / groups]. An additional [00] employees will be required to meet projected market demand over the next [00] years. Anticipated staffing requirements are listed below.

🔊 List projected staff needed. Delete any unnecessary positions, or replace with necessary positions not currently listed below.

Position to be Filled	# Required	Required By
Management	[00]	[month, year]
Marketing	[00]	[month, year]
Sales	[00]	[month, year]
Engineering	[00]	[month, year]
Customer Relations	[00]	[month, year]
Technical Support	[00]	[month, year]
Administration	[00]	[month, year]
Manufacturing	[00]	[month, year]
Assembly	[00]	[month, year]
Skilled Labor	[00]	[month, year]
Repair	[00]	[month, year]

Field Service Technicians	[00]	[month, year]
Maintenance	[00]	[month, year]

- 🔊 ***“Never carry someone longer than their mother did.”*** ~ Jay Shelov
- 🔊 Remember that it is up to you to determine if your people are doing what you need done.
- 🔊 You are not running a charity or clinic for them – they work for you.
- 🔊 ***When in charge, take charge!*** – George S, Patton