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-- **Jan Knight, Owner – Bancroft Information Services.**

Ten Common Business Planning Mistakes

Akira Hirai, Cayenne Consulting

Your business plan is very often the first impression potential investors get about your venture. But even if you have a great product, team, and customers, it could also be the last impression the investor gets if you make any of these avoidable mistakes.

1. Failing to effectively describe the pain you are solving. If there isn't a problem, there doesn't need to be a solution - and hence, there doesn't need to be a company.
2. Underestimating the nature of competition. If you think you have no competitors, you're fooling yourself.
3. Too much hype. Just use simple, factual language, and let investors get themselves excited.
4. Trying to be all things to all people. It's hard enough to do one thing well, so pick one and build a business around it.
5. Too long. Most investors prefer a 20 -25 page plan. If they're interested, they'll ask for additional details.
6. Too technical. Most investors aren't scientists - they're businesspeople.
7. Basic flaws in financial models. It's hard to imagine, but many entrepreneurs create balance sheets that don't balance. And that's just the tip of the iceberg.
8. Claiming to be "conservative" in the financial forecasts. Nobody ever believes this line, so just come up with a forecast you can justify (and prepare an additional "worst-case" scenario as well).
9. Repetition. Apart from the necessary overlap between the executive summary and the rest of your plan, there should be little or no repetition in your plan.

10. Bad formatting. This seems basic, but it matters. Investors have so many plans to choose from - why take a chance?

It's a tough investment climate, but good ideas backed by good teams and good business plans are still getting funded.

Give yourself the best possible chance by avoiding these simple mistakes.

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The logo for Cayenne Consulting, featuring the company name in a white, sans-serif font on a dark blue rectangular background. The letters 'SM' are smaller and positioned to the right of the main text.

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