

## Outline of Business Plan Content

Life Sciences Business Plans vary considerably in structure, terminology and content, depending on the nature of the asset(s) and the key issues in the industry concerned. The plan presents the value proposition to a potential investor in a logical sequence and in language that reflects the industry/scientific sector without being difficult for a non-expert to follow.

The number of pages varies depending on the complexity of the asset(s) and the market in which the company operates or is intending to operate. Typically, a plan will be in the region of 20–30 pages, plus appendixes that contain financial statements and other explanatory documents.

Despite considerable variances, all business plans will deal to some extent with the following topics, although the headings may be adapted to suit the nature of the company and its asset(s). Approximations of page numbers are included here to indicate depth of treatment.

### **Executive Summary (1–2 pages)**

This is an outline of the business and its commercial viability. It summarizes the Business Plan content in a way that is designed to quickly attract investor interest and inspire the investor to read the rest of the plan. The Executive Summary can also be used as a stand-alone nonconfidential document.

### **Business Outline (1 page)**

The plan starts with a brief description of the business and what it is working to achieve.

### **Patient Need (2–4 pages)**

This section highlights the unmet patient need that the company's asset is designed to address. It can describe the nature and extent of the medical need and the limitations of the current therapeutics or devices.

### **The Asset (3–5 pages)**

The asset is described in sufficient detail to allow the investor to understand what the asset is and how it works, without going into too much depth. This section is designed to be understood by a person with limited knowledge of the area of science or technology in question.

Although the specific topics addressed would differ between therapeutics and devices, areas that typically are covered include benefits demonstrated to date, safety considerations, differentiation from existing products and products known to be in development, development plans, commercialization plans, and manufacturing issues.

### **The Market (4–6 pages)**

The intended patient population is described in terms of current size, projected growth, and anticipated demand for the type of asset in question. This section covers issues such as how the final product will get to the patient, the cost of treatment, who pays for the product, who owns it, and any reimbursement issues.



The financial aspects of the market are described in terms of current size and valuation, expected growth, and expected market share both initially and over time. There may be discussion of particular concerns regarding market outlook, such as anticipated regulatory issues.

When dealing with a large market that divides into segments, it is important to be as specific as possible about the segment relevant to the asset.

### **Competition (2-4 pages)**

The plan gives information on both current competitors and expected competitors (based on known competing products in development). It also outlines how the company expects to be able to deal with competition and the competitive advantage their asset has over existing and anticipated products.

### **Exclusivity/Intellectual Property (IP) (1 page)**

This section deals with the company's strategy for securing exclusivity and/or freedom to operate. It summarizes the IP protection (including patents, trademarks, and know-how) and any other sources of exclusivity the company has already acquired, as well as the IP protection yet to be obtained. It also outlines freedom to operate, including any licenses required and the progress made to obtain such licenses.

### **Key Risks (Up to 1 page)**

If appropriate, there may be a discussion of key industry risks and barriers to entry. This section typically is more substantial for later-stage financings; less detail is necessary or appropriate for early-stage financings.

### **Financials and Capital Plan (1 page)**

This section includes a brief description of the current financial condition of the company plus projections covering at least the period during which activities funded by the requested investment will occur. The income statement, balance sheet, statement of cash flow, and any other relevant financial documents can be attached as appendixes.

There should be a brief description of fundraising to date, current and expected future fundraising, and the use or intended use of funds at each stage.

### **Exit Strategy (<1 page)**

The plan states the form or forms of investor exit that are anticipated (such as sale, licensing, or IPO) and how the company is working to be in a position to most effectively carry out that exit.

### **Management (1-2 pages)**

This section may simply be comprised of brief bios of the existing members of the management team and any significant scientific advisors. It may also include details of plans to hire management personnel in the short term, particularly if there are obvious gaps in the team structure.