

Elements of a Concept Plan

No single outline is appropriate for every new venture. The following outline covers most of the areas that are appropriate for the Henry R. Kravis Concept Plan Competition:

- Cover Sheet
- Table of Contents
- Executive Summary (Limited to 10 pages single-spaced maximum, but an appendix is permitted.)

I. Background and Purpose of the Venture

Includes the history and current status of the venture, describes the concept, and sets out the objectives of the venture.

II. Market Analysis

Describes the market: market size, trends and key customer groups. Elaborates on the characteristics of the target market. Presents clear statements describing advantages that new product service provides to customers. Describes the competitive environment, including any regulatory restrictions. Identifies distribution and marketing strategy and any source of competitive advantage or disadvantage related to marketing. Uses all of the above factors to develop a sales forecast for the venture. Identifies critical market and market-related risks.

III. Products and Services

Contains a detailed product description, including life cycle, intellectual property issues, status of development efforts, and distribution methods. Identifies any sources of competitive advantage or disadvantage related to the product or service. Identifies critical product-related risks.

IV. Development, Production and Operations

Describes the status of research and development efforts and what remains to be done to achieve marketable product. Sets out a time line for reaching start-up. Describes the status of production efforts, including production processes, production requirements, delivery capabilities, and quality control. Identifies any competitive advantages or disadvantages related to development or operations. Identifies critical risks of development and operations.

V. Ownership and Control

Describes legal and control structure of the venture. Gives details of managerial ownership, proposed ownership by outside investors, and the composition of the board of directors.

VI. Financial Information

Reports the current and historical financial status of the venture, estimates total funding requirements over time, with pro forma financial statements for an appropriate period. Identifies assumptions underlying the financial projections, with support for the assumptions.