

## How to Write a Business Plan

*(This content is originally from Sequoia Capital. For the original article, please visit [www.sequoiacap.com](http://www.sequoiacap.com))*

Many companies, like Sequoia, like business plans that present lots of information with the fewest words possible.

Hence, the Sequoia team has made a business plan format that will only need 15-20 slides to lay out all your information!

### Step n°1 | **Company Purpose**

**Define the company** in a single, declarative sentence.

### Step n°2 | **Your Problem**

**Describe the pain** of the customer (or the customer's customer).

- *Outline how the customer addresses the issue today*

### Step n°3 | **The Solution**

Demonstrate your company's **value proposition** to make the customer's life better.

- *Show where your product physically sits.*

- *Provide use cases.*

### Step n°4 | **Why now?**

Set up the **historical evolution of your category**.

- *Define recent trends that make your solution possible.*

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## Step n°5 | **Market Size**

- Identify/profile the customer you cater to.
- Calculate the TAM (top-down), SAM (bottoms up), and SOM.

## Step n°6 | **Competition**

### **List competitors**

- List competitive advantages

## Step n°7 | **Product**

**Product line-up** (form factor, functionality, features, architecture, intellectual property).

- Development roadmap

## Step n°8 | **Business model**

### **Revenue model - Pricing**

- Average account size and/or lifetime value
- Sales and distribution model
- Customer/pipeline list

## Step n°9 | **Your Team**

### **Founders and management**

- Board of Directors/Board of Advisors

## Step n°10 | **Financials**

### **P&L (Profit & Loss Statement)**

- Balance sheet
- Cash flow
- Cap table
- The deal