



Stanford eCorner

Purpose of a Business Plan

Tom Byers, *Stanford Technology Ventures Program*

January 18, 2006

Video URL: <http://ecorner.stanford.edu/videos/1372/Purpose-of-a-Business-Plan>

Byers talks about how a great business plan can be developed. He uses Sahlman's alignment model to explain that an opportunity has to be in alignment with resources, people and context for deals to get completed.



Transcript

Written in 1997 from a professor at Harvard, called "How to Write a Great Business Plan." And I love the tag line it says, "Which information belongs and which doesn't may surprise you." It's very short. You can order it from Harvard Business School or just borrowed it from someone who has taken one of our classes because certainly in my class it's a sign along with the textbook and Randy's book. And this is just a pictorial diagram of it, and without a lot of time here. It just shows that some people might think that the business plan only is important about that is getting a deal done. It is just getting something, some money out of some investors to make something happen. In fact, it's a set of questions that have to be answered so the whole ecosystem of a venture has to be in alignment. The opportunity has to be in alignment with resources and people in the context we talked about the economic environment and so forth - regulatory environment with the deal. When they are in alignment the deals will get done. It has nothing to do with whether the business plan is super-polished or spiffy or anything like that.