

SOUTHEAST BIO·PLAN COMPETITION

DEVELOPMENT PLAN TEMPLATE

The following is presented simply as a guideline for the preparation of a **Development Plan** related to your opportunity and may not be entirely relevant in all instances. Use what works and discard the rest. The principal goal of the **Plan** will be to communicate information related to the nature of an opportunity based on an existing technology development program that has reached a stage of development that supports the launch of a product or service (or multiple products or services) ----- in essence, justification for the transfer of the fruits of a laboratory project into a newly-created commercial enterprise or development partnership that will facilitate the launch of a new product/service. The resulting commercial development strategy embodied in the **Development Plan** will be the cornerstone of your efforts to raise sufficient capital to undertake this transformation.

The principal elements of the **Development Plan** will likely include, but are not limited to, the following:

- 1.0 Executive Summary
- 2.0 Technology Overview
- 3.0 Opportunity Overview
- 4.0 Market/Industry Analysis
- 5.0 Competition Analysis
- 6.0 Value Proposition
- 7.0 Enterprise Overview
- 8.0 Financial Summary or Sources and Uses of Funds

In total, the **Development Plan** should be limited to 15 to 20 pages (excluding cover pages, disclaimers and appendices). It should capture the interest of a potential partner (e.g., angel, venture capital, corporate) willing to support the early development of the commercial concept and an enterprise that will advance the program to a stage where a genuinely serious commitment can be made to full commercial exploitation.

1.0 Executive Summary (1 - 2 Pages)

The Executive Summary is a brief description of the entire opportunity and typically includes most, if not all, of the subsections below. Each of these subsections should be about a paragraph in length. Ultimately, this is a condensed description of the essence of your anticipated business ----- the bottom line of what your company is or will be all about.

Effectively writing this section is the most challenging part of the process. It is often best to write this section last, although it will be the first thing provided in the document. You will likely find that once you have written the body of the **Development Plan**, you should be able to more easily come back and write these summary sections.

- The Technology – Provide a brief overview of the technology. This is a one-paragraph description of the underpinnings of the opportunity. Include a summary of your current status, including major milestones achieved, and the outlook for the completion of key future milestones leading to success; in particular, that one final bit of data that will prove the commercial viability of the products/services that will emerge.
- The Opportunity – Provide a brief description of the product or service that evolves out of the technology you have developed. What will it accomplish and what will make it unique and why it will solve some compelling problem. State this in terms of market needs, not from the perspective a product or service.
- The Market - Describe the size and growth of the targeted market segment that your new product/service will address, and why it is attractive as a business opportunity. Explain who the buyer is and what the compelling opportunity may be as it relates to that end user. You need to start with where the market is today, and explain what more needs to be done, featuring the product opportunity that you plan to pursue.
- Competitive Analysis – Explain who the main competitors are, why they are important, what their weaknesses are and how the company’s new product or service will beat them. This answers the investor question, “why will you win?”
- Value Proposition – Show the value that the company’s product and/or service will bring to some customer and what the benefits are that the customer will receive from its use. Again, don’t explain what the technology is all about, but what measurable benefit the customer will likely get from using your product and/or service.
- Management and Organization – Outline the near-term development team and highlight their qualifications as regards the immediate goals of starting up an enterprise

SE BIO/Plan

to achieve the commercial goals you are pursuing. This is not their CVs. It's a short paragraph on only the principals. Simply highlight their role in the new or proposed company and relevant job history that shows why they are an excellent choice for their anticipated role. Two or three sentences on each member of the senior team should be sufficient.

- Financial Summary – Identify the sources of funding to date and the near-term funds that will be required as well as what exactly will be accomplished if those funds are available.

2.0 The Technology (2 – 3 pages)

This section is your opportunity to describe, in reasonable detail, the nature of the technology that is the basis for your belief that a commercial opportunity exists. However, keep in mind that the vast majority of the individuals who read this and future written plans will have a modest technical background, at best. In any case, provide a general overview of the technology highlighting the development path and those key pieces of data that have emerged which will ultimately substantiate your claim of some superior properties, unique benefits, or the satisfaction of an unmet need. Provide a description of the current status of the technology's development. Furthermore, provide a description of the remaining studies, if any, which will be critical to demonstrating the commercial viability of the anticipated products or services that will evolve out of a continuing development effort.

3.0 The Opportunity (1 – 2 pages)

In this section of the **Development Plan** you will describe how it is that your technology will lead to a commercial opportunity and what that opportunity might look like. More specifically, how the laboratory data you have in hand translates into a product or service that will produce some defined benefit that a potential end-user will recognize. This is not a description of how the technology works; rather, how a product/service based on that technology will serve as the basis for a commercial opportunity ----- the presumed end result of translational research. In this specific case, it is already assumed, based on information that you have provided previously, that a venture-backed, start-up enterprise will be the primary means for further development. However, it is important that the breadth and scope of the opportunity should be sufficient to justify this level of investment and effort. This is your first opportunity to make the case that the technology can be successfully transferred into a vehicle of this type and produce the results a potential investor would recognize as sufficient and necessary.

4.0 The Market (2 - 3 Pages)

This section is a detailed explanation of the overall market with a particular focus on the selected market segments the new company will pursue. You may want to include a quantitative display of the total addressable market and speculate on your specific revenue opportunity at some point in the future. It will be particularly important to show how both will grow over some period of time. The major trends that are or will be driving the market should be described as well in support of the projected growth.

This is, perhaps, the most important section of the **Development Plan**. It sets the foundation for the initial interest in the opportunity and, ultimately, should serve as the basis for the entire commercial development strategy. You may want to focus considerable attention on how your new product(s) will address a compelling market need that has high value, is growing rapidly, and is one where there is a need for the sale of a product/service like yours to meet that need. You may also wish to describe what you believe (or can show) are all the trends and what influences the market dynamics today or will influence the market in the future and, ultimately, how you will fit into this evolving situation.

5.0 The Competition (2 -3 pages)

Provide a solid description of the competition that is going after the same opportunity in any way (directly or indirectly). Focus on the competitors that are successful and who represent a threat to the company's success. End this section with a clear explanation of how your new company will win.

Direct Competition – Describe those companies that have a direct competitive product or service. Say why they are strong and why they are weak. How do their products perform and what, if any, are its shortcomings.

Indirect Competition – Also describe companies whose products and services are broader but include a solution in their overall offering, if any.

6.0 The Value Proposition (2-3 pages)

This section provides the details of the products and/or services from the point of view of what capabilities the customer will have as a result of having acquired this product/service and how

SE BIO/Plan

they will see some benefit that they don't receive otherwise. This is not the place to describe all the underlying architecture, design and technology; this should have been done earlier, so stay away from long descriptions of how the product works. Focus instead on what it provides the buyer. The description has to be from the customer's point of view and what will be delivered to them.

The outline below provides several elements that would present your product's capabilities in summary form. Adopt those that will work for you.

Product/Services Overview – Provide a brief overview of what the essential problem that is addressed by the product and/or service and what the company would provide for a solution. You are simply trying to show that the product really addresses the buyer's needs as previously described. You are not selling your architecture either. Stay focused on what the product does for the customer.

Product/Services Features – Outline the essential features of the product and service and how the customer will benefit from them. The sum of all these features must meet the requirements described above. Again, this is not an explanation of how it works; it's about what the product provides in the way of functional capability, from the customer's point of view.

Proof-of-Concept - Provide a proof-of-concept of the technology/product/service that demonstrates conclusively that your product will achieve the specific aims that it will be designed to address once it enters the market.

Development Status - Provide a summary of technology/product/service development status coupled with a timeline which includes major milestones.

Unique Competitive Advantages – Outline the main competitive advantages that the company's products will bring to the table and why this will cause the customer to select this product instead of the competitor's. Insert comparative tables where possible.

R&D Partners - Listing of present and/or potential development partners along with their level of involvement. What is the business rationale for each partner? Why would each of them want to be involved?

Patents - Listing and description of all relevant patents which support this proposal and the potential of intellectual property and patent protection expected for the new concept or product. Also, provide some indication of the proposed enterprise's current access (through licensure) to the patent(s).

SE BIO/Plan

Future Products and Services – This paragraph simply points to what additional product and service opportunities become possible with the product and service and how those will be pursued in the future. This section simply points out that there are additional opportunities that will provide future growth for the company.

7.0 Enterprise Overview (1 page)

Within this section you will want to briefly describe how you propose to organize your efforts over the near-term to accomplish your immediate goals. The configuration of the effort should be commensurate with the scope of the opportunity. You should also explain how the near-term configuration of your efforts will lead to some business model that is appropriate for your anticipated product or service in the future. If the business model you anticipate will be entirely new, you should explain the advantages of such in some detail.

In addition to information on how the company will be configured, you should include a brief description of what you presently assume will be required to move forward ----- some sense of the human capital you will need, where they will be housed, and the technical capabilities that will be required including some statement on how these will be accessed. Also, a timeline for expansion of resources throughout the various phases of your early development may be helpful. Finally, some elaboration on both the anticipated management structure and advisors that will be sought both now and over time will be beneficial.

8.0 Financial Summary (1 – 2 pages)

This section will describe how you have funded your efforts to date and what you anticipate will be required to achieve key near-term milestones on your way to full commercial exploitation of the opportunity described above. The timing of infusions of capital will be important as well. So, how much do you need, when do you need it, how will you spend it and, most importantly, what will you produce as a result of this effort that will advance the program to some next stage.