

Experts share tips on creating the most effective business plans

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Thinking about entering the Business Plan Challenge? This year there are three contests — a community track, an FIU track and a high school track as well as the People's Pick video competition, so there are plenty of ways to win.

Here are some of the common questions we get about the contest. If you have other queries, enter them on the Q&A section at MiamiHerald.com/Challenge.

Q: What's new this year?

In past years we have allowed startup businesses up to one year old. Acknowledging the economy we are in, this year we are allowing businesses up to two years old.

We have three new e-mail addresses for entries, too. For entries in the Community Track, e-mail plans to Challenge@MiamiHerald.com. For the FIU Track, entries go to FIUChallenge@MiamiHerald.com. High School Track entries go to HighSchoolChallenge@MiamiHerald.com

Q: What do the judges look for?

Judges will be looking at both the quality of the idea and the business plan. The winners generally have submitted both a good idea and a well-thought out and well-presented plan.

Judges want to see if you have made clear that there is a real need for your business, that you know who your competition is and what sets your plan apart and the growth potential of your product or service company. The expertise of yourself and your management team is also important to include — some plans didn't get into the finals last year because it wasn't clear if the person submitting the plan had any expertise at all.

Many entries in the past often have lacked a solid discussion of financials — what launch costs will be and where the financing is coming from. Be sure to include your estimated operating costs and projected revenues. Be realistic, too.

Judges have also found the marketing sections lacking. Judges want to see that you've done your research on the market and that you know your target customer and have a plan for targeting that customer.

My advice: Have someone or several people read over your plan. Do they completely understand what your business does? And proofread. Nothing turns off a judge like a plan full of typos.

Q: Why can't I send in my full business plan?

We get hundreds of plans, so our judges couldn't possibly read them all if we didn't have a limit. That is why we require a maximum of three pages. Think of it as a meaty executive summary. After all, if you can't get an investor's — or a judge's — attention in the executive summary, you have probably lost him or her anyway. If you already have a full business plan, you could submit the executive summary as your entry. If you don't, at least doing a three-page plan will start you on the process.

As in past years, you may include one supplemental page of material, such as a product picture or diagram or spreadsheet.

Q: What are the prizes?

Exposure in the Miami Herald — what entrepreneur couldn't benefit from that? Winners will be profiled in a Business Monday cover story in May. In addition, there will be luncheon for the winners — a chance for them to network with the judges and Miami Herald business editors and writers.

You will also be invited to the Entrepreneurship Hall of Fame Reception at FIU, sponsor of the Challenge this year.

Q. I'm concerned about confidentiality. Will my business idea be protected?

If you win, we will write about you and your business idea, but we will write about it in a general way. Remember, the entry is only three pages long, at the max, so you don't need to get into proprietary detail about how your product will work or the technology behind it.

Entrepreneurship experts, including many of our judges, also say entrepreneurs should be proactive in seeking out feedback.

“Don't hesitate to enter the Challenge because you're worried about 'someone stealing your idea.' The advantages that you will gain from having experts review and critique your business plan and idea are well worth the possible risk of 'someone stealing your idea.' Besides, an 'idea' alone, is not worth the paper it's written on. What counts, and eventually has value, is the implementation, and YOUR plan,” said Ana Cela Harris, a judge in the FIU Track. “Besides, if it is an idea that is that simple to replicate, then that is one of the factors that you should consider — its feasibility, possible competition and imitators — and that's better to know up front.”

But of course, whether to enter is a decision you will have to make.