Hey, as you probably already know, I'm an avid reader.

It's been said, "You're the same person you'll be in five years except for the books the read and the people you meet."

Well I take that to heart... and always have a good book at my side.

This past weekend, I dove into *Burn Your Business Plan* and came across some enlightening money-getting information that I had to share with you.

I'm always looking to hone my techniques, strategies, to sharpen my knowledge and skills. And you should be too.

Below are some key insights I extracted from the book (left aligned text)... and my thoughts/feedback (which are indented) on how to apply.

Enjoy :)

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Cheryl Marshall, a principal of Axxon Capital, a Boston-based venture capital firm said... "I don't read business plans. I look at the entrepreneur."

- Cheryl looks at the entrepreneur, the person behind the business, not the business plan. That's her best indicator for a good investment.

  If Cheryl looked at YOU, what would she think?

  **Takeaway:** raising money is more about how you're perceived, how you present yourself... than a written business plan.

In my survey of 42 venture capitalists, 43% said they had invested in one or more businesses within the previous three years “without the benefit of having reviewed a complete business plan” of 15 to 40 pages.

- David Gumpert interviewed venture capitalists... not “informal investors” – friends and family - for the research in his book.
So, if many venture capitalists don’t need a business plan to make a decision to invest, it’s a safe bet that all investors are reducing emphasis on business plans

**Takeaway**: a formal business plan is not *necessary* for recruiting investors.

Two thirds of the venture capitalists in my survey cited “too much... hype” as a “significant shortcoming” in the plans they see... One of the main reasons investors tune out on business plans is because they contain lot’s of lingo. Put enough lingo in, and you can’t be sure what a company does... “financial projections too far removed from reality” is the most significant shortcoming venture capitalists identify in the business plans they see.

- A few issues that venture capitalists see in business plans: too much hype, lot’s of lingo, and crazy financial projections.

**Takeaway**: lose the hype, stay away from industry jargon (for instance, I don’t use the term “private money” with my lenders... I talk about investment opportunities, not “private money lending” opportunities), and be conservative with your company’s financial projections.

The business plan shouldn’t be the first thing you do.

- This was very interesting to hear from a guy who is the author of multiple books on writing business plans.

**Takeaway**: writing your business plan is NOT the first thing you need to do!

Too often, you are obsessing about preparing a business plan when you should be out doing the grunt work that is part and parcel of starting a business.

- Ding ding ding! Ok, listen up... this is IMPORTANT!

He says, “... you should be out doing the grunt work that is part and parcel of starting a business.”

**Takeaway**: rather than worrying about not having a biz plan or writing a perfect plan... get out there and take action.

*“The process of business planning should focus more on testing and refining your thinking about the model and strategy and less on writing.”* – Venture capitalist participant in survey for book

- There are a couple insights in the quote above...
First, you should be focusing on “testing” the business model and strategy. Hmmm... how do you do that? You network to build your success team, build your buyer’s list, market to generate seller leads, start making offers, etc.

Next, you focus on refining your thinking about your model and strategy. This is where you tweak things; you make small changes to the actions you’re taking... and over time get better and better results.

Takeaway: ready or not, it’s time to take action... so that you can test and refine your thinking about your business model and strategy.

Anita Roddick of Body Shop, Frank Carney of Pizza Hut, Debbie Fields of Mrs. Field’s Cookies... none had business plans when they started their businesses. What’s the common theme in the stories of these entrepreneurs? ...“it’s about doing the business. Creating and selling the product or service, with little or no money.” Bootstrapping, as it has come to be known.

- If you think you need money to get started in this business, you’re wrong. You can get started with no money, no credit. How?

   You can wholesale properties to other investors. Find a great deal, put a contract on it, and assign it to another investor for a fee. That’s bootstrapping.

   Sure, having access to cash makes biz a lot easier. But it’s not necessary for you to get started.

   Takeaway: it’s about doing the business. Get started now.

When it comes to putting pen to paper, or mouse to computer, a formal slide presentation should be your first order of business.

- It’s really cool that he suggests “your first order of business” to be a formal slide presentation because...

   ... fortunately for you, you have access to my private lender PowerPoint presentation that’s easily customizable to suit your business.

   Takeaway: download and customize my PPT presentation if you haven’t already at privatemoneyblueprint.com/vip/PrivateMoneyPowerPoint.ppt (you have to enter the domain exactly as it’s written above)

When prospective investors inquire as to whether you have a business plan, you can say, “We haven’t completed our full plan, but we do have a brief written summary. Would you like to see it?”
This is a covert way to respond to the “do you have a business plan” question... that leads people straight into getting a formal appointment to show ‘em your presentation. Your “brief written summary” is your presentation.

**Takeaway:** Use this response to the “do you have a business plan” question to get people into a formal appointment.

Here’s what we will do, not what we hope to do.

- The language you use... verbally and in writing must communicate confidence!

  Eliminate words like try, hope, wish... when communicating about yourself and your business opportunities. Tell people what you will do.

  **Takeaway:** Communicate with confidence in all that you do.

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Hope you enjoyed my notes from *Burn Your Business Plan*.

With all this said, having a business plan isn't a bad thing or isn't something that you never want to do... it’s something that can be done at the right time.

There are a ton of things that you can do right now to “do the business”... even without investment capital. And doing these “things” will attract investors.

So get out there and take action, leverage what you’ve learned here, and...

Happy Investing!

- Patrick

Real Estate Investor / Head of Faculty at PMBP
Private Money Blueprint
David E. Gumpert maintains that writing a business plan not only takes too much time, but distracts entrepreneurs from tasks that mean more to potential investors, like preparing a presentation, developing a Web site, obtaining publicity, and making sales. You'll learn a totally new approach to starting and building a business and impressing investors. Preface -- Acknowledgments -- Introduction : Investor relations for entrepreneurs -- Part I : Perspectives on business planning -- Raising money in an age of high anxiety : why investors have business plan phobia ; A David E. Gumpert is the author of How to Really Create a Successful Business Plan and the coauthor of Business Plans That Win $$. He is the former small business editor of Harvard Business Review. He lives in Needham, Massachusetts. In order to navigate out of this carousel please use your heading shortcut key to navigate to the next or previous heading. Back. Burn the Business Plan: What Great Entrepreneurs Really Do. Carl J. Schramm. 4.7 out of 5 stars 27. David E. Gumpert joins RSB to reveal the details of what he discovered in his research on government and corporate collusion to limit the kinds of foods we grow, sell and eat. Here is what farmer and food rights advocate Joel Salatin says in the foreword of "Life, Liberty and the Pursuit of Food Rights": "David Gumpert is a quintessential journalist. Has consulted with dozens of entrepreneurs about their startup and growth plans. Has spoken to entrepreneurship and trade organizations as well as business students about business planning issues. Former staff reporter with The Wall Street Journal. Need it faster? Want to know as soon as content is added? Want the daily show notes? Click Here to subscribe to The Robert Scott Bell Show content feed!