

UNEP – ToR 206191:

Investment Readiness Toolkit N°5

for: SME BlueImpact Asia

GUIDANCE REPORT

Developing Effective Business
Plans & Presentations

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Business Plans & Presentations*

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PREFACE:

PURPOSE OF THE TOOLKIT

This document provides the narrative of the Investment Readiness Toolkit (“the Toolkit”) for SME BlueImpact Asia. This initiative was established by a consortium of Asian Development Bank (ADB), United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP). In 2022, the consortium produced the [Blue Economy Knowledge Product \(BEKP\) –Financing the Blue Economy](#) which called for a blended finance initiative to mobilise investment for a sustainable blue economy focusing on Small-Medium Enterprises (SMEs). [SME BlueImpact Asia](#) is executed primarily by Ocean Assets Group (OAG), with support from the consortium of ADB, UNDP and UNEP.

OAG runs a parallel program for blue economy SMEs in the Global South: BlueDeals. The digital platform of BlueDeals hosts the Investment Readiness Toolkit, with user-friendly media tools to make the content of this Report more accessible to SMEs and other stakeholders.

Recommendations for actions and resources are designed to help SMEs in the blue economy to efficiently raise capital in today’s marketplace. Each section includes detailed step-by-step guidance, sample pathways and documents. Links to supporting experts and institutions will also be provided should SMEs need to seek additional support. Users may access the sections most relevant to their needs:

- I. UNDERSTANDING THE SME FINANCE ENVIRONMENT
- II. ACCESSING DEBT FINANCE
- III. ACCESSING EQUITY FINANCE
- IV. UNDERSTANDING IMPACT METRICS
- V. DEVELOPING BUSINESS PLANS & PRESENTATIONS**

A DEVELOPING EFFECTIVE BUSINESS PLANS

Developing a comprehensive business plan is essential for SMEs when seeking to raise capital. Here is a step-by-step guide on how to create a business plan for this purpose, along with links to further resources:

1. Executive Summary:

Start with a concise overview of your business, including its mission, vision, and objectives. Highlight key points about your products/services, target market, competitive advantage, and the amount of capital you are seeking.

2. Company Description:

Provide detailed information about your company, such as its legal structure, history, location, and ownership. Describe your products/services, target market, and competitive landscape.

3. Market Analysis:

Conduct thorough market research to understand your target market, industry trends, customer needs, and competition. Identify your target audience and explain how your products/services meet their demands. Include data, statistics, and market projections to support your analysis.

4. Organization and Management:

Describe your organisational structure, management team, and key personnel. Highlight their qualifications, expertise, and roles within the company. Investors want to know that you have a competent team capable of executing the business plan successfully.

5. Product or Service Line:

Provide a detailed description of your offerings, emphasising their unique features and benefits. Explain how your products/services fulfil customer needs better than competitors. Include information on intellectual property, research and development, and any plans for future product/service expansion.

6. Marketing and Sales Strategy:

Outline your marketing and sales approach, including your target market, pricing strategy, distribution channels, and promotional activities. Provide a clear plan on how you will acquire and retain customers, demonstrating a deep understanding of your market and competition.

7. Financial Projections:

Develop a comprehensive financial section, including income statements, balance sheets, cash flow statements, and key financial ratios. Project your financial performance for at least three to five years, including revenue, expenses, profitability, and capital requirements. Use realistic assumptions based on market research and industry benchmarks.

8. Funding Requirements:

Clearly state the amount of capital you are seeking and how it will be utilised. Explain how the investment will drive business growth and generate returns for investors. Detail the funding structure you are open to (ie, equity, debt or a combination thereof).

9. Risk Analysis:

Identify potential risks and challenges that may affect your business. Discuss your risk mitigation strategies and contingency plans. This shows investors that you have considered potential obstacles and have plans in place to navigate them.

10. Appendices:

Include any supporting documents, such as market research data, legal agreements, permits/licences, resumes of key personnel, and product/service brochures. As in other sections of the Investment Readiness Toolkit, we will provide links to further resources.

B. INVESTMENT DECKS & PRESENTATION SKILLS

Firstly, please see the sections on Debt and Equity Funding, because presentations must be developed to meet the requirements of various funders.

Secondly, please refer to the samples and templates in the Resources section:

- **Sample Documents:** Best practices and templates for investment decks, term sheets, loan agreements and financial disclosure.
- **Video Instructions:** Experts show to make short (<4minutes) and long (10-15minutes) presentations to successfully engage investors.

Thirdly, here is a summary of key elements of an impactful investor presentation:

1. Clear Value Proposition:

Clearly articulate the unique value proposition of your business. Highlight what sets your SME apart from competitors, the problem you are solving, and the potential market opportunity.

2. Concise Executive Summary:

Begin with a concise and compelling executive summary that captures the essence of your business, including key financials, growth prospects, and investment requirements. This section should grab the attention of investors and provide a snapshot of the investment opportunity.

3. Strong Market Analysis:

Present a thorough market analysis that demonstrates your understanding of the target market, its size, growth potential, and key trends. Showcase your competitive landscape analysis and how your SME fits into the market dynamics.

4. Clear Business Model:

Explain your business model in a clear and concise manner. Outline your revenue streams, pricing strategies, customer acquisition channels, and the scalability of your operations.

5. Compelling Financial Projections:

Present realistic and well-supported financial projections that demonstrate the potential return on investment. Include revenue forecasts, expense breakdowns, profitability targets, and key financial metrics. Be transparent about underlying assumptions and growth drivers.

6. Highlight Traction and Milestones:

Showcase any achievements, traction, or milestones your SME has reached, such as successful product launches, partnerships, customer acquisitions, or revenue growth. This builds credibility and demonstrates your ability to execute on your business plan.

7. Effective Communication of Risks:

Acknowledge and address the potential risks and challenges associated with your business. Show that you have identified and mitigated these risks or have plans in place to manage them effectively.

8. Strong Team Introduction:

Introduce the key members of your team, highlighting their relevant experience, expertise, and track record. Investors often invest in the capabilities of the team as much as the business idea itself.

9. Use of Visuals and Data:

Utilise visuals, charts, and graphs to convey information effectively and make complex concepts more digestible. Balance text with visual elements to keep the presentation engaging and visually appealing.

10. Clear Call-to-Action:

End your presentation with a clear call-to-action, specifying the next steps you would like potential investors to take. Whether it's arranging follow-up meetings, requesting additional information, or expressing interest in investing, provide a clear pathway for further engagement.

11. Professional Design and Delivery:

Ensure that your presentation is professionally designed, visually appealing, and error-free. Practise your delivery to ensure confidence, clarity, and an engaging presentation style.

Remember, an effective investor presentation should be tailored to your audience, highlighting the aspects of your SME that are most relevant and compelling to potential investors. It should be concise, well-structured, and visually appealing to capture and maintain the attention of investors throughout the presentation.

C. FUNDING NEGOTIATIONS: KEY STRATEGIES & TACTICS

When negotiating with funders, it's important to approach the process strategically and tactically. Here are key negotiating strategies and tactics to consider:

1. Prepare Thoroughly:

Conduct thorough research and gather relevant information about the funder, their investment criteria, and past deals they have made. Understand their goals, interests, and potential concerns. Prepare a compelling case that addresses their specific needs and aligns with their investment strategy.

2. Define Your Goals and Priorities:

Clearly define your own goals and priorities before entering into negotiations. Identify your desired outcomes, such as funding amount, valuation, terms, and conditions. Understand your limits and walk-away points, but also be open to creative solutions that can benefit both parties.

3. Build Relationships:

Develop a positive and constructive relationship with the funder. Establish rapport, trust, and open lines of communication. Seek to understand their perspective and actively listen to their concerns. A strong relationship can foster a collaborative negotiation environment.

4. Demonstrate Value:

Clearly articulate the unique value proposition of your business and how it aligns with the funder's objectives. Highlight your competitive advantages, growth potential, market opportunities, and potential returns on investment. Provide evidence and data to support your claims.

5. Create Win-Win Solutions:

Focus on creating win-win outcomes where both parties feel they are benefiting from the deal. Look for creative solutions that can address the needs and interests of both sides. Explore options such as flexible terms, performance-based milestones, or revenue-sharing arrangements.

6. Leverage Multiple Offers:

If possible, create competition among funders by seeking multiple offers or expressions of interest. This can strengthen your negotiating position and give you leverage to secure more favorable terms. However, use this strategy carefully to maintain credibility and avoid alienating potential funders.

7. Understand Negotiables and Non-Negotiables:

Identify the key aspects of the deal that are negotiable and those that are non-negotiable for you. Focus your negotiation efforts on the areas that have the most significant impact on your business and where you have some flexibility.

8. Be Flexible and Open to Trade-offs:

Negotiation often involves give-and-take. Be willing to make reasonable concessions or trade-offs to reach a mutually beneficial agreement. Prioritize your key interests and be strategic about the concessions you are willing to make.

9. Stay Positive and Professional:

Maintain a positive and professional attitude throughout the negotiation process. Keep emotions in check and focus on the issues at hand. Be respectful, diplomatic, and collaborative. This can help build trust and lead to more productive negotiations.

10. Seek Legal and Financial Advice:

Engage legal and financial professionals who have experience in negotiating funding deals. They can provide valuable guidance, review contract terms, and ensure that your interests are protected.

Remember, negotiations are a dynamic process, and flexibility and adaptability are important. Strive for a mutually beneficial outcome where both parties feel satisfied and confident in the partnership.

RESOURCES

A BUSINESS PLANS

When using a template, ensure that you customise it to suit your specific needs. Include information about your target market, operations, products/services, marketing strategies, financial projections, and management team. Be sure to tailor the plan to showcase the unique aspects and opportunities of your business.

General

The following offer a variety of business plan templates and tools. While they may require a subscription or fee, they often provide professionally designed templates and guidance specific to different industries.

- [LivePlan](#)
- [Bplans](#)
- [Upmetrics](#)

Aquaculture:

- [WorldFish Center: Small-Scale Aquaculture Business Plan](#)
- [GrowThink: Fish Farm Business Plan \(2023\)](#)

Seaweed:

- [Seaweed Farming Financial Model](#)
- [Safe Seaweed Coalition](#)

Marine Energy:

- [EC: Business Models & Standards for Marine Energy](#)
- [McKinsey: Succeeding in the Offshore Wind Business](#)

Marine & Coastal Tourism:

- [ADB: Recommendations for Marine & Coastal Tourism Businesses](#)
- [Ocean Panel: Sustainable Business Models - Marine Tourism](#)

Green Shipping:

- [McKinsey: How to Transform your Shipping Business](#)
- [UNCTAD: Business Plan Guidelines for Shipping SMEs](#)

Green Ports:

- [UNCTAD: Strategic Planning for Port Authority](#)
- [Port Economics: Business Plans](#)

Waste Management & Recycling

- [Slides: Waste Management Business Plans](#)
- [ILO: Waste Recycling Business Models](#)

Marine Protected Areas

- [UNEP-FI: Bankable MPAs](#)
- [Coalition for Private Investment in Conservation: Channeling Private Finance to MPAs](#)

B. INVESTOR PRESENTATIONS

Equity

- [Visible VC: Best Practices for Investor Presentations](#)
- [Kruze Consulting: Top 10 VC Pitch Decks](#)
- [Founder Institute: Pitch Guide Deck](#)
- [Growth Equity Interview Guide](#)

Debt

- [WIPFLI: Four Elements of an Effective Loan Presentation](#)
- [Visme: Business Loan Presentation Template](#)
- [SlideShare: Small Business Loan Proposal PPT](#)
- [PWC: Financial Statement Presentations](#)