

## **Part 2: How to write an Information Memorandum or business plan to raise capital – Corporate Objectives**

**By Len McDowall, Integral Capital Group**

In this continuing series of articles on how to write a Business Plan or Information Memorandum to raise capital, Part 2 discusses business plan content specifically 'corporate objectives'.

### **Corporate Objectives**

When writing your business plan it's important to state what aims and objectives the entrepreneurs are striving to achieve, both personally and for the company. In addition, these goals must be appropriate to the company's industry sector and must blend with the objectives of potential investors who are approached, since venture capital investment can be considered as a partnership it is vital that each party has the same broad objectives.

This section on 'corporate objectives' will aid the investor in his or her appraisal process and avoids entrepreneurs wasting valuable time and energy trying to sell what may be a perfectly good business opportunity to financiers who admire the idea but are not likely backers.

Entrepreneurs will have to address four basic issues:-

- What do the founders want for themselves: money, power, success, excitement, status?
- What do the founders want for their company - to go public to sell out, to build an empire?
- How do the founders and corporate objectives fit with the experience of other companies in the industry sector? Investors will question business plans which deviate significantly from industry norms.
- What are the venture capitalists objectives and how do these compare with the above?

If these objectives are not coherent investors will resist.

The content of Business Plans will be covered further in subsequent articles by Len McDowall.

© Len McDowall, Integral Capital Group      19<sup>th</sup> October, 2007  
[www.integralcapital.com.au](http://www.integralcapital.com.au)

### **About Len McDowall - Managing Director, Integral Capital Group Pty Ltd**

Len McDowall was previously inaugural Chairman and Managing Partner of Bird Cameron Chartered Accountants (now known as RMS Bird Cameron), which employed 1000 people in 50 offices in Australia and Hong Kong. Len, has extensive experience in all facets of financial management with a particular emphasis on structuring and negotiating joint ventures and capital raisings. Len and his partners established the Integral Capital Group in 1990 which specialises in mergers and acquisitions, public floatation's and capital raisings.