The Introductory Paragraph

One of the Finer Points of Writing a Compelling Business Plan

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One of the most frequent mistakes that entrepreneurs make when writing a business plan is to write an opening paragraph that they think sounds like it came straight out of Business 2.0 or Red Herring. By loading the introduction full of venture and technology jargon, entrepreneurs seem to hope to demonstrate business savvy and instead tend to obscure—sometimes irretrievably—their message.

The message of the first paragraph of a business plan or an executive summary should tell the reader what the business is or will be. The entire business plan will follow that sentence, allowing the entrepreneur to demonstrate substantively his or her expertise, experience and excitement. If some of these elements can be layered into the first paragraph, then great—but don’t let color cloud clarity.

Compare these two opening paragraphs for a pizza delivery business.

**Version 1: Pseudo Red Herring**

SuperRedHotZa.com is a vertical service provider targeting consumers in a strategically defined demographic and geographic niche. Product orders are received via traditional telephonic reception as well as via our proprietary application service provider module in real time over the Internet. Product deliveries are routed via a custom automated scheduling system and are then made by self transported associates in under 30 minutes.

**Version 2: Written for Clarity**

Super Red Hot Pizza sells pizza to students living in and around the University of Utah. Orders are taken over the phone and via the web. Student employees, using their own cars, then deliver orders.

The key for entrepreneurs is to be sure that anyone who reads the first paragraph will understand it—at least well enough to be able to ask the right questions. Investors are so pressed for time that they may read little else. Make sure that if an investor passes on your plan after the first paragraph, that it is for the correct reasons and not because the investor couldn’t guess what business was being pitched.