

HR Plan

This section of the business plan includes a description of the functions that will need to be filled, a description of the key management personnel and their primary duties, an outline of the organizational structure for the venture, a description of the board of directors, a description of the ownership position of any other investors, and so forth. You need to present indications of commitment, such as the willingness of team members to initially accept modest salaries, and of the existence of the proper balance of technical, managerial, and business skills and experience in doing what is proposed.

A. *Organization*

- Present the key management roles in the company and the individuals who will fill each position. (If the company is established and of sufficient size, an organization chart needs to be appended.)
- If it is not possible to fill each executive role with a full-time person without adding excessive overhead, indicate how these functions will be performed (e.g., using part-time specialists or consultants to perform some functions), who will perform them, and when they will be replaced by a full-time staff member.
- If any key individuals will not be on board at the start of the venture, indicate when they will join the company.
- Discuss any current or past situations where key management people have worked together that could indicate how their skills complement each other and result in an effective management team.

B. *Key management personnel.*

- For each key person, describe in detail career highlights, particularly relevant know-how, skills, and track record of accomplishments, that demonstrate his or her ability to perform the assigned role. Include in your description sales and profitability achievements (budget size, number of subordinates, new product introductions, etc.) and other prior entrepreneurial or general management results.
- Describe the exact duties and responsibilities of each of the key members of the management team.
- Complete résumés for each key management member need to be included here or as an exhibit and need to stress relevant training, experience, and concrete accomplishments, such as profit and sales improvement, labor management success, manufacturing or technical achievements, and meeting budgets and schedules.

C. *Management compensation and ownership.*

- State the salary to be paid, the stock ownership planned, and the amount of equity investment (if any) of each key member of the management team.
- Compare the compensation of each key member to the salary he or she received at his or her last independent job.

D. *Employment and other agreements and stock option and bonus plans.*

- Describe any existing or contemplated employment or other agreements with key members.
- Indicate any restrictions on stock and investing that affect ownership and disposition of stock.
- Describe any performance-dependent stock option or bonus plans.
- Summarize any incentive stock option or other stock ownership plans planned or in effect for key people and employees.

E. *Board of directors.*

- Discuss the company's philosophy about the size and composition of the board.
- Identify any proposed board members and include a one- or two-sentence statement of each member's background that shows what he or she can bring to the company.

F. *Supporting professional advisors and services.*

- Indicate the supporting services that will be required.

- Indicate the names and affiliations of the legal, accounting, advertising, consulting, *and* banking advisors selected for your venture and the services each will provide