WHAT IS A BUSINESS PLAN?

A good business plan is about:
- content & result oriented language

Your plan tells a complete story:
- the past & present,
- where the business is going
- how it is going to get there.
YOU ARE ALREADY DOING IT

- You’re doing a majority of the activities
- Writing this down is where the magic occurs.
- It takes some work but it doesn't have to be difficult or time-consuming.
- A written, dynamic and communicated Plan is critical.
THE BASIC PHILOSOPHY OF THE PLAN!

Define your strategy - requires focus

- What you’re really selling
- Who wants it
- Why they want it
- Provides something different
Control your destiny

DETERMINE WHERE YOU WANT TO GO

- BREAK THAT DOWN INTO SPECIFIC, CONCRETE STEPS
  - With dates
  - Deadlines
  - Budgets

Don’t merely react to events; be proactive.
The Basics - continued

- Plan your cash.
  - make a good, educated guess
  - then manage your planned vs. actual cash flow.
  - Growth costs money-CASH
  - Profits don’t necessarily mean cash
Allocate resources realistically

- Not just about cash flow
- It is about know-how and responsibility
- The questions are:
  - Who
  - What
  - When
ELEMENTS OF THE PLAN

Section One: The Business

- Executive Summary (1-2 pages)
- Description of Business (historical & present)
- Products/Services
- The Market and Industry
Section One: The Business (Continued)

- Location(s) of Business
- The Competition
- Management & Personnel
- Capital infusion needed (source and use)
- Assumptions for financial forecasts
Section Two: Historical Financial Data
✓ (1-3 years - income and balance sheets)

Section Three: Forecast Financials
✓ (3-5 years – income, cash flow and balance sheet)
Section Four: Addendums

✓ Contracts and Agreements
✓ Resumes
✓ Supporting Documents

Most plans range for 10-15 pages in length depending on the complexity of the business and uses for the Plan.
KEEP FOCUSED ON WHAT IS IMPORTANT:

• Don’t continually get bogged down in day-to-day problems and forget the bigger picture.

• Remember to Work on not just in the Business.
Managing the Plan and the Business

• Should address 3-5 years.
• Have a monthly forecast for the 12 months.
• You should only be wrong once a month:
  • You will gain new insights into your business
  • Then adjust your plan accordingly
• This results in your grasp on reality getting better each and every month.
The Benefits

- Planning creates a focus and specific and measurable targets.

- A “mountain top” view gives you the opportunity to:
  - Review your performance and the factors affecting your business
  - Be pro-active in making changes
THE RESULTS

- Greater ability to make continual improvements, anticipate problems and understand viable solutions.
- You get sound financial information,
- Greater confidence in your decision making.
To get business plan outlines go to:
http://wsbdc.org/services/grow/resources/business-plans/