

WRITING AND IMPLEMENTING YOUR BUSINESS PLAN



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

THE BASICS - CONTINUED

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.



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Business Advisor

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