



Business Map

A step by step process to write your business plan.

WRITE YOUR BUSINESS PLAN IN TEN WEEKS

Writing a business plan does not have to be overwhelming or incredibly time consuming. You can get started with a simple outline and refine it along the way. This self-paced program is designed to help you do just that.

WEEK ONE – THE SET UP

ASSIGNMENT: Create Your Workspace (Hard Copy or Digital)

Do you think better when you write something down? Then find a three-ring binder, a stack of paper, a three-hole punch, and tabs or dividers.

If binders and tab sound too low tech this can be done online. Simply create a series of folders.

Whichever method you use start collecting your notes, ideas, articles, and inspiration and dropping the information into the right folder or section of your notebook.

A typical plan will include the following sections:

Company Background - This section includes history, mission, vision, values, goals, and performance to date. There should also be an introduction of the business structure, products, services, and key team members.

Market Research - Who are the target customers and what is important to them? What makes key competitors successful? What market trends indicate there is opportunity for success?

Business Strategy – Consider the promises you make to clients when they buy your product. You will need to define your pricing, marketing, distribution, and product strategies

Operations – What processes and resources are required to support your strategy. This section should also include a milestone chart indicating when things will occur and who will be responsible for critical tasks.

Financials – At a minimum, your plan should include a three-year projected income statement and balance sheet, capital requirements and monthly operating funds. If this is a new business, you will need to include a break-even analysis.

Executive Summary although it appears at the beginning of the plan, the Executive Summary is the last section to be created. Creating an overview of the information to come.

Appendix – This is a catch all section

Who is Your Business Plan For?

Business plans help you get funding (loans or investment), secure a lease, bring on new business partners, or provide an operating road map for your team.

Each audience will look to different sections of your business plan to feel confident investing in or working with your company.

Lenders focus on the numbers. Are the forecasts achievable? Have you considered what could go wrong and how you will pay back the loan even if things don't turn out quite the way you expected.?

Conversely, investors are more interested in the business idea. Do you customers or research to prove there is interest in your product? Does the leadership team have the skills and experience to transform the idea into action?

Finally, if you are writing an operating plan your focus should be on the action steps and milestones that confirm you are heading in the right direction.

QUESTION: Why are you writing this plan?

QUESTION: Who is the primary audience for your plan.

QUESTION: What are the most important questions you plan must answer?

WEEK TWO: COMPANY BACKGROUND

This section of your business plan introduces the reader to you and your business.

QUESTION: Why did you start the business?

QUESTION: How did you arrive at your business idea?

QUESTION: Why will your business be successful?

QUESTION: What have you done so far? This might include sales results, or patents, awards

Vision, Mission, Values and Goals

Sometimes these terms are tossed around as if they were the same. They are not!

Vision: This is a long-term view of your business. A clear description of what your company will look like in three to five years.

Mission: Why do you exist? What business are you really in, and whom do you serve?

Values: In this age of corporate and political scandals, it is hard to believe values matter anymore, but they do. What are the lines you will not cross?

Goals: Goals must be specific and measurable. What are the short-term and long-term goals of your company?

Business Structure and Management Team

Introduce your team to give the reader confidence that the leadership has the talent, background, and necessary skills to lead the business to success.

Briefly introduce each of the members of your management team, focusing instead on specific skills, education, and experiences relevant to the business.

QUESTION: Who are the members of your leadership team?

QUESTION: Are there other, non-management personnel critical to the delivery of your product or service

QUESTION: Will you need to add additional positions? Do you have timelines and job descriptions for these roles?

Product/Service Description

Use simple, jargon-free language that will give the reader a strong picture of what you do. If you must use technical terms, be sure to explain them.

QUESTION: What are you selling?

QUESTION: What is your current sales volume?

QUESTION: If your product is not complete, what will it cost, what type of resources and how long will it take to get the product ready for the market?

WEEK THREE: MARKET RESEARCH

Your plan should demonstrate you have done the research and know the answers to important questions about your market.

Target Customer

Everyone is NOT your customer. The more well-defined your customer, the more confidence the reader will have.

QUESTION: Who is your ideal customer? Age, income, location?

QUESTION: What problem does your product solve?

QUESTION: What product features will be most important to your ideal customer

Many variables beyond the product itself may influence a purchase decision. Consider factors such as price, location, reputation, credit or finance terms, customer service and support.

QUESTION: What do your customers value most? Which of the elements listed above will be most important in their purchase decision.

Competitors

Every business has competitors. Even if your idea is ground-breaking, your customers have been solving their problem in different ways before you came along.

It is important to understand what you are selling against to be successful.

Look at their website, check out their social media profiles, advertisements, and customer reviews. The more you know, the more prepared you are to sell against them.

List of three competitors

QUESTION: What do they well?

Competitor # 1

Competitor # 2

Competitor # 3

Market

QUESTION: How big is the market, how much growth potential is there?

QUESTION: Describe any regulatory issues facing your business, such as licenses or permits or specific laws which will impact the design or delivery of your product.

WEEK FOUR: MAP YOUR STRATEGY (PART1)

When you plan a road trip, you will have to decide whether you will stick to all the major highways or take a scenic detour. You will decide where you want to stop along the way to your destinations.

The business strategy section of your plan defines the general direction your business will travel. The roadmap includes strategy for elements referred to as "The Four Ps.", product, place, price, and promotion.

As you outline your strategy, remember, each element must contribute to the business's ability to meet the needs of the target customer. This week we'll look at the first two elements: product and place.

Product

This is a concise description of the features and benefits of your product / service. Detailed sketches and specifications can be placed in the appendix.

QUESTION: How do you solve the customer's problem?

QUESTION: What are features are unique to your solution?

QUESTION: Will you be offering guarantees or warranties?

QUESTION: How often will you roll out new or complementary products and services?

Place or Location

This is your distribution strategy describing how and where customers will buy your product.

QUESTION: Is location important to your customers?.

QUESTION: Where will people buy your product? (Online store, retail outlet, or popup shop?)

QUESTION: Will you sell direct to end users or through a network or resellers"?

WEEK FIVE: MAP YOUR STRATEGY (PART 2)

Price

As you think about your pricing strategy consider how the price will influence consumer perceptions, action by your competitors, your production capacity and elasticity of demand.

Production Capacity – If you can only deliver a limited amount of product, you may want to charge a higher price.

Elasticity of Demand – Refers to the number of customers will you lose if you raise your price or gain if you lower your price.

QUESTION: What is your pricing goal? Market Leader, Middle of the Pack or Low-Cost Alternative?

QUESTION: Will you offer quantity discounts or periodic promotions?

QUESTION: What are your payment terms. Is financing available?

Promotion or Marketing

The goal of promotion is to create a favorable impression of your product in the mind of prospective clients and guide them through your sales funnel to ultimately purchase your product.

QUESTION: What is your USP (Unique Selling Proposition)

QUESTION: What media channels will you employ and why? These outlets might include: (traditional advertising, press releases, events, social media, and referral marketing.

QUESTION: How will you measure the results of your marketing

QUESTION: How much have you budgeted for advertising and other promotional activities?

WEEK SIX: OPERATIONS

Think about your business plan as a roadmap. The strategy section outlines where you are going, and the operations section describes the type of fuel you will put in your engine. It should outline tasks, responsibilities, resources, and tools.

Avoid cluttering your document with interesting side notes and activities that do not move you toward your goals.

This section will answer the question: How will you build, sell, and deliver your product. Everything outlined in this section should be tied to achieving goals outlined in the History & Position to Date section.

Sales and Sales Management:

QUESTION: Who will be responsible for sales?

QUESTION: How will you hire and train salespeople?

QUESTION: How will you compensate salespeople?

QUESTION: How will you monitor and control sales efforts?

QUESTION: How will you handle customer complaints and after sale support?

Manufacturing/Supply:

Think of manufacturing in broad terms as you describe the process for creating and delivering your product or service.

QUESTION: What major items of purchased materials or services will you require

QUESTION: Who are your primary vendors

QUESTION: What are the main points in your production or service delivery process

QUESTION: What engineering and or design support is needed

QUESTION: What facilities and equipment are needed

QUESTION: What quality control measures will your employ

QUESTION: How much do you need to become fully operational?

Staffing Issues:

Summarize current key job roles and staffing plans. An organization chart can be a helpful addition to this section.

QUESTION: What are the key roles in your company.

QUESTION: What is your succession plan for key roles

QUESTION: What is your hiring procedure?

QUESTION: How ill you train and onboard new employees?

QUESTION: What is compensation and benefit program?

Controls:

Lenders and investors look to your records to be sure there is adequate control over finances. As a business owner these tools help you determine whether you are on track to achieve success.

QUESTION: What bookkeeping / accounting systems are you using?

QUESTION: Who will conduct audits and create financial reports?

This section should also include a milestone chart. This is a list of primary actions, and goals to be accomplished in the next year. The list should also identify one person in the organization responsible for achieving the objective.

WEEK SEVEN: CRITICAL RISKS

This is typically included in the operations section, but it is so important it needs a separate planning session. Without an adequate assessment of risks, you will not be prepared if something should occur.

External factors:

QUESTION: What external factors, trends or events could potentially adversely affect your business? (Loss of a major client, rise of competition, new regulations, major economic trend shift, natural disaster)

Internal factors:

QUESTION: What internal factors could potentially adversely affect your business? (Loss of key employee, injury or death of owner or partners, technology failure, or theft)

Risk protection:

QUESTION: What steps have you taken to mitigate risks described above

QUESTION: Does your contingency plan include:

- ✓ Where you will operate if your office is damaged or destroyed.
- ✓ How you will finance equipment replacement.
- ✓ Do you have adequate insurance to replace office furniture, equipment, inventory, and other assets?
- ✓ How you will cover business operating expenses and costs incurred in moving, or damages caused by missed deadlines.
- ✓ Do you have detailed documentation of all assets if they need to be replaced?
- ✓ In the event you cannot complete a project or meet a deadline because of the business interruption, do you have a relationship with someone who can serve your customers on a short-term basis?

WEEK EIGHT: THE FINANCIALS

Unrealistic financial projects set up a business for failure when owners spend too without enough cash reserves to help the business through the startup phase.

QUESTION: Can you handle the volume and capacity demands of the best-case scenario?

QUESTION: Is the idea still viable in a worst-case scenario?

QUESTION: How much money are the owners/partners investing?

QUESTION: How much money will you need for startup?

QUESTION: How much ownership will you give investors?

QUESTION: What is the exit strategy for investors?

Does your business idea add up?

At a minimum, your business plan must include the following financial information.

For an existing business:

- ✓ Income statement – Two years of history
- ✓ Cash flow projections
- ✓ Balance sheet.

Your plan should also include two versions (best- and worst-case scenarios) of your three-year forecast

QUESTION: Are you already selling?

QUESTION: Do you have firm orders for your products?

QUESTION: What research exists to support the forecast??

QUESTION: What assumptions have you made in arriving at your forecast?

WEEK NINE: THE EXECUTIVE SUMMARY

Although it appears at the front of the plan, a good executive summary is written last, capturing the highlights of the entire business plan document.

The executive summary should be brief, no more than two or three pages in length. You must grab the reader's attention so he or she is willing to dig more deeply into your opportunity

QUESTION: What are the most important things for the reader to know about your business?

Step Back and Review

The information in the summary comes from your plan

- ✓ Name, type of business, location, and legal status.
- ✓ Current state of the company, readiness for market; past successes, and key staff.
- ✓ Product/service description, present volume, and unique features.
- ✓ Why customers need your products. Include an indication of your market size and growth potential.
- ✓ Summarize objectives for the short and long term.
- ✓ Outline key operating strategies.
- ✓ Present funding requirements and exit strategy for investors.

The Appendix

This is where you put information, which is important, but does not seem to fit anywhere else. It can be as long or as short as you want. Almost anything can go in this section

- ✓ Expanded product descriptions, technical specifications, and patents
- ✓ Comprehensive financial statements
- ✓ Certifications, licenses, and contracts
- ✓ Newspaper clippings, testimonials, and letters

WEEK TEN: GET INPUT

Once all the pieces of your plan have been collected, it is time to share. This is a great time to involve anyone who could be affected by the plan. Seek advice from people you respect. Talk to employees, family members, key business partners and advisers, such as your accountant, lawyer, and banker.

Don't forget your employees. They will be vital to your success if they know what you are trying to accomplish.

LIST: Three people with whom you will share your plan.

A plan is never really done

A good business plan is never finished. The best business plans are not beautifully bound documents gathering dust on a shelf. They are tattered and smudgy from frequent use as a roadmap, showing where a business is going and how it plans to get there.

Throughout the year make notes of your progress. Continue to assemble new ideas.

Annual Review

Put an appointment on your calendar for one year from today for a business plan review. Pick a quiet place, away from the office, cell phone and email to honestly assess your results of the previous year.

QUESTION: What were your biggest accomplishments?

QUESTION: How can you build on that success next year?

QUESTION: Where did you miss your goals?

QUESTION: What changes will you make in the year to come.

