



## Creating a business plan

A business plan may have multiple purposes. It may be created to provide a blueprint, strategies, resources, and people requirements of a new venture or micro-enterprise and/or it may be used to attract investors. Most business plans define the “Who, What, Why, Where, When and How” of a business venture. Although, you do not need a business plan in order to start a business, doing a plan will help you think your business idea through and allow others to ask questions you may have overlooked.

What a business plan is NOT is an automatic path to success. The creation of a plan is a lengthy, arduous, creative and give and take process. Very often during the research phase of the business plan, entrepreneurs discover alternative markets, additional applications, previously unknown competition, as well as technology that may affect the original thought processes. Therefore it is critical that the entrepreneur or management team of a new venture be involved in the creation and the completion a business plan.

Business plans should contain most of the following and perhaps additional sections depending upon your business idea:

- Executive Summary (written last and is only **a one page summary**). Special note – think of it as your advertisement – capture the readers attention here or they will lose interest)
  - Description of Business Concept and the Business
  - Opportunity and Strategy
  - Target Market and Projections
  - Competitive Advantages
  - Costs
  - Sustainability
  - The Team
  - The Offering (if using to obtain Capital)

- The Industry, The Company and its Products
  - Detail your product in this section
- Market Research and Analysis
  - Customers
  - Market size and trends
  - Competition and competitive edges
  - Estimate Market share and sales
  - Where is the market going
- The Economics of the Business
  - operating margins
  - breakeven analysis
  - cash flows
  - all your financial expectations
- Marketing Plan
  - Strategy
  - Competition
  - sales tactics
  - pricing
  - marketing
  - distribution
- Design and Development (ex: Intellectual Property, Costs)
- Manufacturing and Operations Plan
- Management Team
  - Biographies

- organizational charts
- Compensation plans
- Board of Directors etc
- Overall Schedule of Implementation
- Critical Risks, Problems and Assumptions
- The Financial Plan/Forecasted Financials (sales projections, balance sheet, income statement, start up capital, operating budgets etc...)
- Proposed Company Offering (if you are trying to raise Capital)
- Appendices (charts, graphs, resources)

#### **General Do's and Don'ts for preparing a business plan:**

##### **Do:**

- Make the plan logical, comprehensive, readable and as SHORT as possible
- Stress the business concept and how it will meet a market need – you are selling the company and opportunity not a product
- Demonstrate you have thought through and have the knowledge to execute your plan
- Provide specific and accurate numbers where possible, show capital efficiency
- Tell the truth, be upfront about all risks and assumptions

##### **Don'ts:**

- Give a history lesson about yourself or the business opportunity. Stick to the facts
- Estimate your revenues on a % of market share. Build your revenue forecast from the ground up with accountability and specifics.
- Use technical jargon
- Waste time writing a plan when you could be obtaining clients and sales. You can always postpone a plan. "Cash is King"

- Stop the thought process once the plan is complete. A good plan is a living breathing document that is adjusted to current and future market conditions and technological changes.

If you decide to outsource the business plan, you (the client) are normally responsible for supplying:

- Product/Service description
- Objectives of the company (revenues, growth, market share, etc...)
- Target market description and demographic data
- Competitor list
- Past or projected financial statements
- Amount of capital sought
- Cost breakdown of products or services
- Supplier and customer information
- Resumes of management
- Past business plans, market research, brochures etc.

**Whether you are a micro-enterprise , technology venture or just starting a small business, [The Entrepreneur's Advisor™](#) can assist you in the preparation of your plans. To find out more please [contact us](#) for a free quote.**

***Business Plans are done by quote only as each venture and business is different.***