




The Basics of Writing a Business Plan

Seminar for Current and Future Business Owners





Writing A Business Plan

**The decision to treat your own waste
Do the research before you make a
decision**

Objectives

- ◆ **Teach key components of a basic business plan**
- ◆ **Provide guidelines for style and appearance of a business plan**



Agenda



- 1. Introduction**
- 2. The Importance of a Business Plan**
- 3. Key Elements of a Business Plan**
- 4. Writing Styles and Tools**
- 5. Wrap-up/Questions and Answers**

Housekeeping

- ◆ **Class Materials**
- ◆ **Restrooms**
- ◆ **Breaks**
- ◆ **Participation**
- ◆ **Questions and Comments**





The Importance of a Business Plan

**Gives you a better chance
of success**

What is a Business Plan?

- ◆ **Written document that:**
 - **Defines your business**
 - **Identifies your goals and mission**
 - **Serves as your company's "resume"**



Who Needs a Business Plan?

- ◆ **Business Owners**
- ◆ **Lending Institutions**
- ◆ **Others**

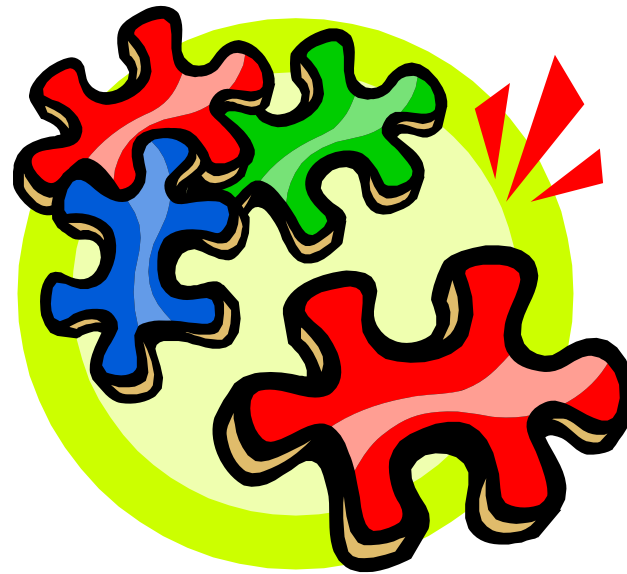




Why is the Business Plan Important?

- 1. Obtain Financing**
- 2. Planning**
- 3. Communication**
- 4. Promotion/Marketing**
- 5. Education**

Elements of the Business Plan



What's in the Business Plan



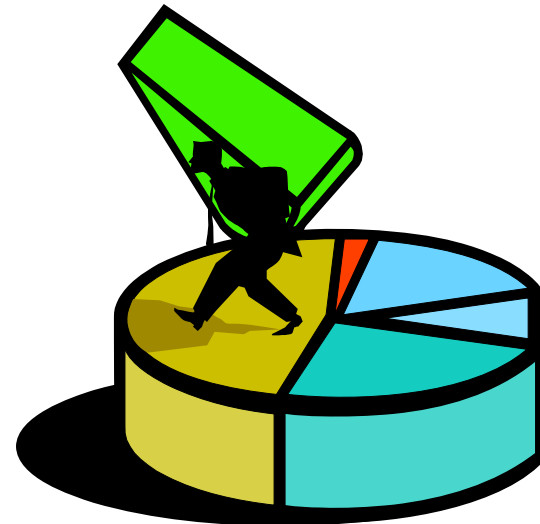


The Beginning and the End

- ◆ **Title Page**
- ◆ **Cover Page**
- ◆ **Table of Contents**
- ◆ **Executive Summary**
- ◆ **Supporting Documents**

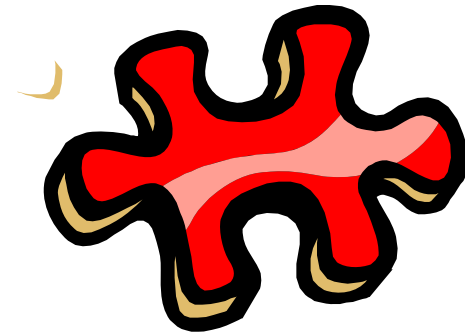
Four Key Sections

- 1. Business Description**
- 2. Management and Organizational Plan**
- 3. Marketing Plan**
- 4. Financial Plan**



1. Business Description

- ◆ **Explains what your business is:**
 - **What you do**
 - **How you do it**
 - **Who you do it for**
 - **Where you do it**





Business Description: Contents

- ✓ **Company name**
- ✓ **Products/ services**
- ✓ **Business concept**
- ✓ **History, present status, and future plans**
- ✓ **Legal structure**
- ✓ **Location**



Business Concept

- **Your product or service should fit one of these criteria:**
 - ✓ **Something new**
 - ✓ **Something better**
 - ✓ **Reach an underserved or new market**
 - ✓ **Some unique feature**

Business Concept Activity

Answer the following questions for your business:

- 1. What does your product/ service do?**
- 2. How is it different from others?**
- 3. Who will buy it?**
- 4. Why will they buy it?**
- 5. Where will you sell it?**
- 6. How will you promote it?**

Always Follow the Money

- ◆ **Initial Cost for the Equipment**
- ◆ **Site Selection / Accessibility**
- ◆ **Engineering / Planning & Zoning**
- ◆ **Permitting**
- ◆ **Financing**



Operational Cost

- ◆ **Labor**
- ◆ **Electric**
- ◆ **Polymer / Chemicals**
- ◆ **Maintenance**
- ◆ **Disposal of Solids**
- ◆ **Other---Gallons to Process, Properties of Liquid Sludge of Dewatered Sludge**

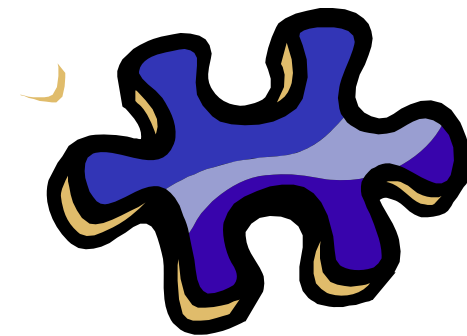


The Revenue Stream

- ◆ **Who is going to pay you?**
- ◆ **How are you going to get paid?**
- ◆ **How long does it take to get paid?**
- ◆ **What are the working capital requirements?**

2. Management & Organizational Plan

- ◆ **How the company will be managed**
- ◆ **Organizational roles & responsibilities**
- ◆ **Management/Human Resource policies**



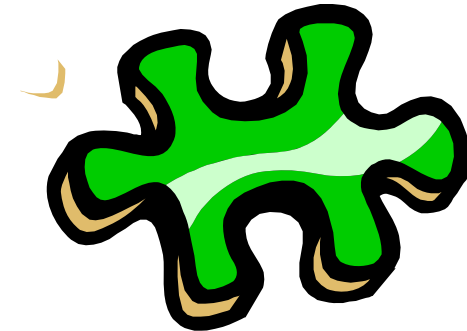


Management and Organizational Plan: Contents

- ✓ **Management team**
- ✓ **Organizational roles & responsibilities**
- ✓ **Board of directors/ advisory council**
- ✓ **Personnel requirements**
- ✓ **Employee incentives**
- ✓ **Outside professional services used**
- ✓ **Owner and manager compensation**

3. Marketing Plan

- ◆ **Provides insight about marketplace environment**
- ◆ **Provides competitive strategies**





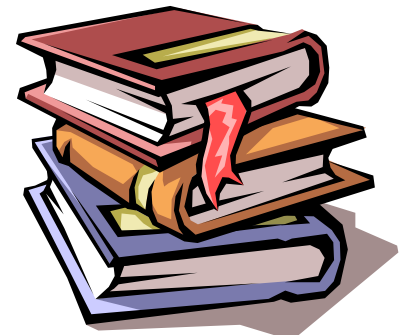
Marketing Plan: Contents

- ✓ **Market research/Industry analysis**
- ✓ **Customer base**
- ✓ **Competition**
- ✓ **Pricing strategy**
- ✓ **Advertising/promotional plan**
- ✓ **Sales potential**
- ✓ **Features & benefits of product/service**
- ✓ **Distribution plan**

Researching Your Marketing Plan

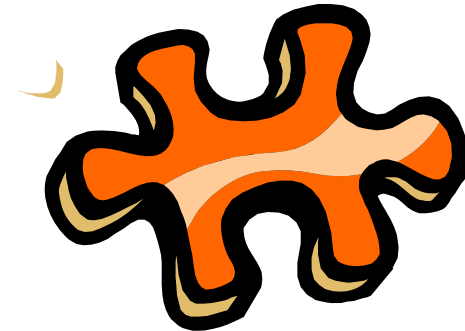
Where do you get all this information?

- ◆ **Free sources**
 - **Internet or library**
- ◆ **Paid sources**
 - **Trade Association reports or books**
- ◆ **Independent research**
 - **Other businesses**
 - **Consumers/ customers**



4. Financial Plan

- ◆ **What you currently have**
- ◆ **What you need**
- ◆ **Where you're going to get it**
- ◆ **How you're going to spend it**



Financial Plan: Contents

- ✓ **Financial needs**
- ✓ **Revenue & cost assumptions**
- ✓ **Projected financial statements**
 - ✓ **Income statement**
 - ✓ **Balance sheet**
 - ✓ **Cash flow statement**
- ✓ **Break-even analysis & ratios**



The Beginning & The End: Supporting Documents

- ✓ Financial documents
- ✓ Personal resume
- ✓ Personal financial statement
- ✓ Copies of contracts, leases, other legal documents
- ✓ Letters of reference
- ✓ Other...





The Beginning & The End: Executive Summary

- ◆ **A one-page overview of your business venture**
- ◆ **Serves as the “introduction” to your business plan**
- ◆ **Placed in the front, but done last**



Executive Summary: Contents

- ✓ **Brief overview of business strategy**
- ✓ **List of owners & other key people**
- ✓ **Business structure**
- ✓ **What the company does**
- ✓ **Company objectives**
- ✓ **Why you'll be successful**
- ✓ **What you're asking for**



Executive Summary: Activity

- 1. Work in teams**
- 2. Use information from one person's company**
- 3. Write responses to the items on the list of Executive Summary Contents**
- 4. Share with the class**

Writing Styles and Tools



A Professional Look

- ◆ People judge you by your look
- ◆ Impacts your credibility





Writing Styles

- ◆ **Complete Information**
- ◆ **Accuracy**
 - **Check math & spelling**
- ◆ **Simple & Direct**
- ◆ **Proof your work**



Language

- ◆ **Be “realistically” optimistic**
- ◆ **Provide specifics and facts**
- ◆ **Don’t be flamboyant**
- ◆ **Use appropriate business terms**
- ◆ **Explain unique industry terms**
- ◆ **No acronyms or slang words**
- ◆ **Write in third person**



Appearance

- ◆ **Format**
 - **Numbers for impact**
 - **Bullet points for focus**
 - **White space**
- ◆ **Type/Font**
 - **Serif versus San Serif**
 - **No more than 2 type faces**
 - **12pt. minimum**



Appearance

- ◆ **ALL CAPITAL LETTERS ARE A NO-NO**
- ◆ **Page Numbers**
 - **Number and date all pages**
- ◆ **Printing**
 - **Laser quality**
 - **Bind so document can lay flat**
- ◆ **Cover should convey quality**

Length

- ◆ **Depends on complexity of business & amount of financing needed**
 - **Usually between 15 – 30 pages**





Wrap-up and Close



Remember the Purpose



- ◆ **Remember what readers want to know:**
 - **Is your business solid?**
 - **Is there sufficient market?**
 - **Are financial projections healthy and realistic?**

Agenda



- 1. ✓ Introduction**
- 2. ✓ The importance of a Business Plan**
- 3. ✓ Key Elements of a Business Plan**
- 4. ✓ Writing Styles and Tools**
- 5. ✓ Wrap-up/ Question and Answer**



Where to Start?



- ◆ **Create an outline with what you know**
 - Add charts & graphs
- ◆ **Research what's missing**
- ◆ **Write the formal plan**
 - Complete sentences
 - Focus on results not methods
- ◆ **Review examples if possible**



Objectives

- ◆ **Know the key components of a basic business plan**
- ◆ **Have style & appearance guidelines**



Products and Services offered by the SBTDC

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- **Other Training Seminars: Business Planning, Accounting, Finance, Human Resources, Marketing, Branding, Sales Strategic Planning, Business Structure & International Trade**
- **Small Business Resource Library**
- **Trademark Searches**
- **SMART (Strategic Management Assessment Review Tool)**
- **Financial Analysis Tools (fisCAL)**
- **And More**

Congratulations!



You're On Your Way!



Thank You!



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