

Overhead 3-B: Understand basics of writing a business plan.

- **Typical sections of a typical business plan.**

- I. Executive Summary**
- II. Product or Service Description**
- III. Market Landscape**
- IV. Operational Plan**
- V. Sales and Marketing Plan**
- VI. Financial Plan**
- VII. Appendices**

I. Executive Summary

- One page description of the business.
- Refer to what you are seeking.

II. Product or Service Description

III. Market Landscape

- The industry and its characteristics.
 - Size – (Units and Dollars)
 - Growth
 - Consumer behavior
 - Other factors
- Target markets. What markets are you targeting?
 - People
 - Place
 - Preference
 - Competition

IV. Operational Plan

- Team and Structure
 - Management team and roles
 - Tip: Present team member bio.
 - Tip: Project needs for staff in the future.
 - Tip: What function in the company will they be handling?
 - Form of ownership
 - Sole Proprietorships most common
 - Business location
 - Tip: List advantages
- Product/Service Plan
 - Detailed description of product/service
 - Supplier/Manufacturing/Inventory detail
- Major Year 1 Tasks and Future Goals

- Year 1 Tasks
 - Tip: List dates and status too
- Future Goals
 - Tip: Be as specific as possible

V. Sales and Marketing Strategy

- Product
 - Example: Mature product
 - Example: New/introductory product
- Place
 - Tip: Sales strategy
- Price
 - Internal/Cost perspective
 - External/market perspective
- Promotion
 - Advertising
 - Tip: Advertising value
 - Publicity
 - Tip: Made you look!
 - Personal Selling
 - Tip: Relationships

GENERAL TIPS

- Tip: Go Guerilla
- Tip: Objective-based promotion
- Tip: Why is this special?

VI. Financial plan

- Projected Income: Revenue – expenses = income
 - Thinking about revenues vs. income
 - Revenue
 - Expenses
 - Income
- Revenue
 - Defining a unit
 - Defining your market
- Expenses
 - Your time
 - Rent
 - Utilities
 - Telephone
 - Car
 - Insurance
 - Machinery
 - Equipment
 - Office

- Inventory
 - Marketing/Promotion
 - Professional Dues or Fees
 - Other
- Your Revenues – your expenses = your profit.
 1. Write down your projected income for a month or a year. Example = \$100.
 2. Write down your projected expenses for a month or a year. Example = \$75.
 3. Subtract #2 from #1. Example $\$100 - \$75 = \$25$.
 4. Divide your answer by #1. Example $\$25 / \$100 = 25\%$.
 5. This is your estimated percent PROFIT for your business.
 - What do entrepreneurs do with profit?
 - Invest back in the business
 - Pay back investors
 - Keep it for themselves
 - A combination of the above
 - Proposed plan to meet your capital (= “money”) needs
 - When completing exercise 3-4, Part II, think about:
 - Which items need to be bought NOW?
 - Which items can be bought later?
 - Where will you get the money that you need NOW?

VII. Appendices