

## Writing Your Business Plan

Your business plan is a blueprint or map that is presented in a written format that is well-reasoned, documented, and logical. The purpose of the business plan is to make all relevant information available to interested parties. It serves as a communication piece, a management aid, and a planning tool. It will define your business, outline all strategic plans, identify your business goals, and analyze your cash flows in and out the business. The plan must be complete, comprehensive, detailed, organized, and well-reasoned.

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Your business plan will provide you with a road map to your targeted goals and objectives. One of its purposes is to help you understand just how you are going to reach new customers. If you cannot reach customers, you will not stay in business. Finding new customers takes a lot of time, energy, and money. You will save much time and energy and won't waste money if you will spend the time up front to thoroughly research and prepare your business plan. A good business plan will help you learn about your business—its industry and potential market. You will understand the many external and internal forces that impact your potential business success. It will give you a competitive edge and help you gain control over your company.

You are salesperson  
who must sell your  
business plan and  
your company

Many professionals will be intensely interested in your business plan. Think of yourself as a salesperson who must *sell* your business plan and your company to an interested party before they will invest with you. Interested parties

include your banker, any investors, your vendors, and your customers. In order to be successful, a salesperson must know everything about the product he or she is selling and be able to answer any questions that might be asked. Over the course of the conversation, you must convince them that you know everything there is to know about the business, including potential pitfalls and obstacles. More importantly, should Plan A fail to work in a given challenge, do you have a Plan B that will work? Above all, you (the one with the most to lose) ought to be absolutely committed to a thorough, detailed, and accurate business plan.

You must commit to a sound business plan

The business plan must be an integral part of your thought process. It should be the most thought-out plan you have ever put together. It is not over even after you have printed and distributed it. It must remain a viable, living, adjusted, and referred to document. The life of your business must revolve around it.

Business plans are tedious and require a lot of work and a lot of thought. They are difficult, time consuming, and not a lot of fun. But if you cannot commit to a sound business plan, you have no place considering the possibility of business management or ownership...keep your day job!

### **Components Of A Business Plan**

1. **Executive Summary** | detailed overview of the entire plan
2. **Market Analysis** | highlights the industry and target market
3. **Company Description** | defines the nature of the business; why and how it all fits together
4. **Business Organization and Management** | team profiles, background and qualifications, who does what
5. **Marketing and Sales Management** | the process of creating customers; how you plan to do so
6. **Product and/or Service Line** | what are you selling and why people will spend their cash with you instead of some other business
7. **Funding Needs/Request** | current and future cash needs
8. **Financials** | all financial pro forma documentation and interpretation
9. **Appendix** | all supporting documentation including the following: personal and business credit history, key manager résumés, product line and service pictures, letters of reference, market studies and analysis, contracts, lease agreements, legal documentation, licenses and permits, etc.

There are many sources that will help you with the details and specifics of the preceding components. Complete books are written on that subject alone. Locate some of these resources as you get into greater detail and preparation.