

# Write A Business Plan

A well-written business plan will play a key role in the success of your business. In addition to being required to obtain certain loans, a carefully considered plan helps business owners focus on the strategic objectives and communicate those objectives to the staff. For those inexperienced in creating a business plan, free assistance is available from a variety of sources, including the local Small Business Development Centers and the nonprofit (SCORE). Local banks can tell you what they look for in a plan and an accountant can help you prepare necessary financial statements.

## **The planning process will not be intimidating if you keep these points in mind:**

- ◆ Planning ahead for your new business can mean the difference between success and failure .
- ◆ Use an informal plan consisting of three to six pages to convince relatives and friends to back your venture. Be sure to cover the first five points cited below .
- ◆ To approach bankers, individual investors and venture capitalists, prepare a more formal written business plan. It shouldn't be longer than 40 pages and should be organized as follows:
  1. **Executive Summary:** A two-page, succinct explanation of your business and its activities, with an overview of your key objectives and business goals .
- ◆ **Business Description:** Describes your perception of the company. How will your business grow and profit?
  1. **The Market and Competition:** Largest section. Honestly acknowledges competition and describes how your company will differ from other providers.
  2. **The Product or Service:** Describes the core of your business.
  3. **Selling:** Explains how you will access the marketplace. Will you advertise, attend trade shows or establish a web site?
  4. **Management and Personnel:** Explains how you will staff and manage your business. It includes one-paragraph profiles - or biographies of you, partners and any other key managers.
  5. **Financial Data:** Contains the balance sheet, profit-and-loss statement, break-even chart and cash flow analysis.
  6. **Investment:** based on the cash flow, it includes what the investor will receive as a return.
  7. **Appendices:** Includes testimonials from potential customers, research clips, miscellaneous charts and graphs.
- ◆ **To create a successful business plan, consider these three questions:**
  1. Which type of business plan (informal, less than 10 pages, or more formal, up to 40 pages) is most appropriate for you?
  2. Outline the sections of your plan. How long should each be?
  3. Identify areas that require more work on your part, as well as areas that you are ready to put into writing.