

WHY YOU NEED A BUSINESS PLAN

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Starting Your Own Business

A few words of advice...

- Have a **backup source of income** for living for the first year
- Everything takes longer than expected
- Everything costs more than expected
- Don't be in such a hurry to get started
- Third attempt at an idea may be a lot better than the first!

What is a Business Plan?

- A Business Plan is a written document that defines the goals of your business and describes how you will achieve those goals.
- A Business Plan outlines the objectives; defines budgets; identifies operation, marketing and personnel plans.
- A Business Plan forecasts income, gross profit and overall financial position.
- A Business Plan anticipates problems and determines strategies to solving them.
- A Business Plan requires your time, effort and energy.
- A Business Plan is your 'GPS' to business success.

Business Planning

- *“What’s in it for me...?”*
- Do I really need to write a business plan?
- Isn’t planning for “big business” only?
- How does planning help me with starting and growing my business?
- Can’t I hire someone to write my business plan?
- How can I know all the answers?

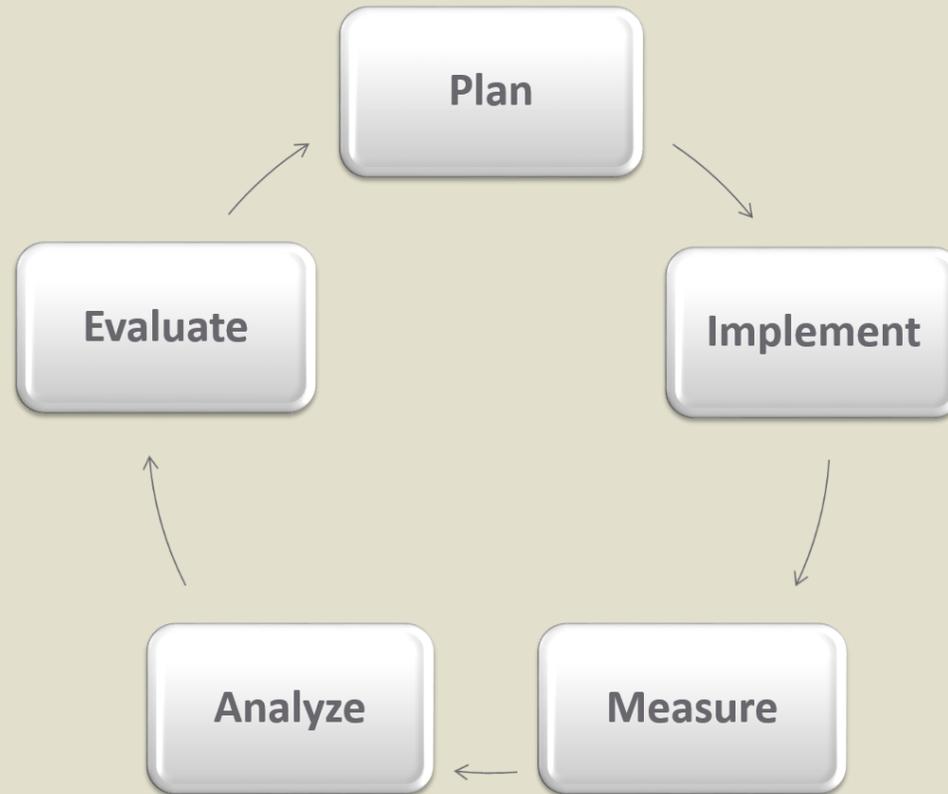
Why You Should Write a Business Plan:

- Use it as a feasibility study
- Forces you to take a good look at the whole business
- A good tool for better and more effective management
- Focuses attention on important aspects of business
- Helps communicate your ideas
- Helps you to move from “reactive” to “proactive”
- Points everyone in same direction
- Helps identify opportunities

10 Reasons Why You Need a Strong Business Plan

1. To attract investors.
2. To see if your business ideas will work.
3. To outline each area of the business.
4. To set up milestones.
5. To learn about the market.
6. To secure additional funding or loans.
7. To determine your financial needs.
8. To attract top-level people.
9. To monitor your business.
10. To devise contingency plans.

The Steps of Planning



Tips for Successful Planning

- Believe planning is important
- Commit time and energy
- Involve everyone—get an advisory board
- Have realistic expectations
- Be open to discovering disappointing news and making adjustments

Specific – Goals must be specific, clear and easily defined.

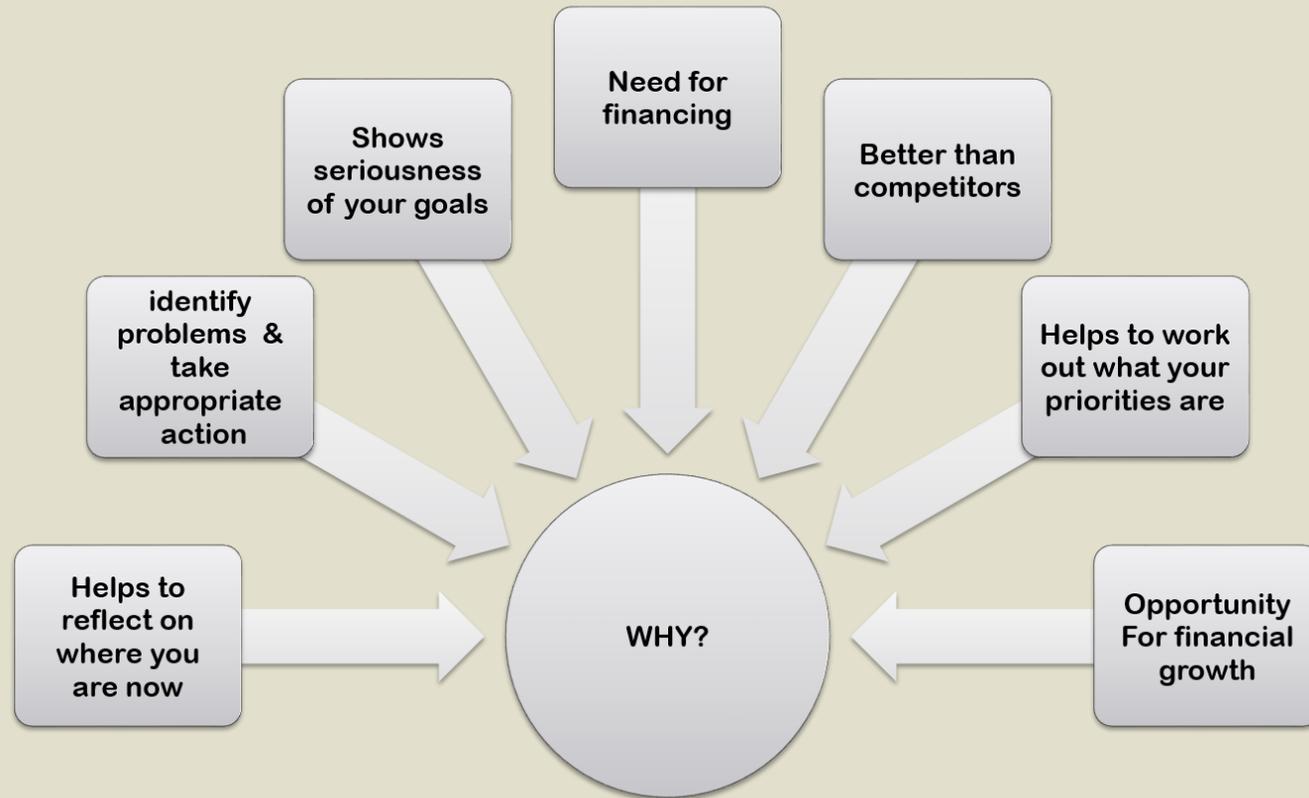
Measurable - Goals must be measurable over time.

Attainable - Goals must be logical in order to attain them.

Realistic - Goals must be realistic based on current assumptions and future plans.

Time-Sensitive – Goals need timelines.

Why You Need A Business Plan



How To Use Your Business Plan

- As a feasibility study
- As a benchmark to track performance
- As a reminder of your goals
- As a financing proposal

How Detailed Should Your Plan Be?

Depending on your business and your intended use, you may need a very different type of Business Plan:

- **Mini-plan:** *Less emphasis on critical details. Used to test your assumptions, concept, and measure the interest of potential investors.*
- **Working Plan:** *Almost total emphasis on details. Used continuously to review business operations and progress.*
- **Presentation Plan:** *Emphasis on marketability of the business concept. Used to give information about the business to bankers, venture capitalists, and other external resources.*

Mistakes to Avoid

Mistakes to avoid in preparing a business plan:

- Failing to provide solid data.
- Failing to describe the product in lay terms.
- Failing to thoroughly analyze the market.
- Including financial statements that are overly detailed or incomplete.
- Hiding weaknesses.
- Using bad grammar.
- Making the overall plan too long.

Business Plan Essentials

A Good Business Plan answers the following questions:

- What does the business do?
- How old is the business/startup?
- What are the business goals?
- What is the future of the industry you are in?
- What are the risks in the business?
- What market does it serve?
- How will you market to your potential customers?

Business Plan Outline

- Cover Page
- Table of Contents
- Executive Summary
- Vision & Mission
- Company Description
- Description of Products and or Services
- Management & Organization
- Market Analysis
- The Marketing Plan
- Operations Plan
- Personnel Plan
- Funding Request/Need
- The Financial Plan
- Supporting Documents
 - Owner's Bio
 - Personal Financial Statement
 - Tax Returns
 - Marketing Copies

Putting It All Together

The Finishing Touches

- The essential closing skills of a fine piece of work bring us to **fact-checking, reviewing, and editing**.
- Read through your plan completely.
- **Validate** facts and references.
- Depending on your audience, you could hire an **editor**.
- **Complete changes** highlighted by your editor.
- Have the document **edited one final time** to make it as complete as possible.

Presenting the Business Plan to Investors

1. Title Slide
2. Problem
3. Solution
4. Opportunity and target market
5. Technology
6. Competition
7. Marketing and sales
8. Management team
9. Financial projections
10. Current status
11. Financing sought
12. Summary