



Business Plan

Resource

Version 2.0

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So You Need a Business Plan . . .

Perhaps you already have a business up and running (or have a brilliant idea for a business in the works). During changing and challenging times, you may be rethinking the idea of working for someone else and feel the need to have your fate squarely in your own hands. Regardless of where you're at (or why) as a business owner or potential business owner, you're going to need a plan—a business plan.

A business plan sets forth your focus and strategy. It formulates your game plan. But it does more than that: The actual act of creating your business plan can give you clarity and insight as well. You're researching relevant information, getting a sense of the landscape in your industry, anticipating obstacles, and thinking through how you'll overcome them. And if you do your prep work right, you're honing your elevator pitch, too! Your business plan is your business in a nutshell.

If you do a search of sample business plans online, you'll find tremendous variety—everything from a one-page, informal format to a range of industry-specific formats, or even to a version that poses hundreds of questions and then asks you to plug in your answers.

With so many options—and so much on the line (your business is your baby, right?)—it's easy to feel overwhelmed. We'll break down for you what's most important to highlight and how to get your business plan out of your head and onto paper (or the computer or wherever you house the important stuff).

Let's get started!



Your Business Plan Title

Your Name:

Your Business Name:

Street, City, State, Zip:

Phone Number:

E-mail Address:

EXECUTIVE SUMMARY

Write this section last. This will be your opportunity to summarize the critical information that you share in this document.

Keep it short and sweet (one to two pages max). Think of this section as your “elevator pitch” on paper. Who are you? What do you do? How do you do it different from/better than the competition? Your tone should be professional, concise, and enthusiastic about your business.

BUSINESS DESCRIPTION

Describe what you do.

What does your business do? Make? Sell? What makes you (or will make you) different from your competition? What are the greatest strengths/skills/expertise of you/your company?

Mission Statement

Do you have a formal mission statement? Add it here. Ideally, your mission statement should be no more than 30 words and should describe the heart of your work. If you don't have a mission statement, get a feel for what other businesses use (for tone/clarity) and summarize your core purpose as an entity here.

Business Philosophy

What are your values and priorities as a business? Articulate them here.

Goals & Objectives

Where do you want your business to be? What are the steps you will take to help you accomplish your goals? Outline your big-picture vision here and then list the progress markers you'll have in place to keep you on track.

Legal Form of Ownership

What kind of legal entity is your business? A sole proprietorship? Corporation? Partnership? Limited liability company (LLC)? Why did you choose this type? If you haven't yet decided, where are you in that thought process? What is the status of any licenses or permits for your type of business entity?

Location

This used to be a fairly straightforward question. You'd consider whether your business was a virtual one (like an online shop) or one that required a physical location. You'd take into account things like home offices, the location of your customer base (and competition), parking, accessibility, etc.

2020 brought its share of trials and tribulations. But it also taught us to rethink how and where we do business. We've gotten more creative with geography and how we deliver products and services in a time when physical contact is minimized.

If you already have a location for your business, does what used to work still work? Or do you need to reassess where you operate your business from?

If you're running (or plan to run) a brick-and-mortar business, how easy (or difficult) will it be to follow any current health guidelines or directives? Will you need a drive-through for contactless food pickup? Do you need to account for more space between tables or desks? What other business-specific demands will you have to factor in?

If you're working from home, do you have a designated workspace? Does your home provide sufficient Wi-Fi for Zoom calls? Can you take a meeting at home or would you need to find an alternate location to use if an in-person meeting was necessary?

Products & Services

In depth, describe your products and/or services (you'll include any relevant brochures, drawings, photos, etc. in the Appendix). Why is there a demand for what you have to offer? Whom are you selling to (your potential market)? What is unique about your products/services that makes them stand out? What are their features and benefits?

If you are reliant on outside vendors/suppliers, do you have financial arrangements/inventory controls in place? Auditing/security systems?

Do you know how you're going to address issues like warranties, refunds, delivery, service contracts, and customer support? Outline what you're doing to ensure you deliver on your promise to your consumers.

Make sure that when you're thinking about your products and services, you take into account the possibility that some of your clients, team, and/or vendors might be required to adhere to different health and safety protocols depending upon where they're located. Include language about what steps you're taking to ensure everyone's safety during the production or delivery of products and services.

MARKETING

Marketing covers a lot of territory. It's about knowing your customers and how you're best positioned to serve them. It's about knowing your competition and how you stand apart from them. And THEN marketing is about how to reach those customers to promote your products and services.

Keep in mind, this section of a business plan is ripe with opportunity to include beautiful charts and graphics demonstrating market segment shares and local market growth and such. If that's your thing, knock yourself out. But if it's not, let your text do the talking here.

Industry-Specific

What are the current trends in your target market? Think growth trends, product development trends, consumer preference trends, etc. Identify them here. What are the opportunities and potential for growth for you and your business in this space? What are the obstacles you may face? Think high capital and production costs, brand recognition, cost of shipping, global pandemic, etc. How will you successfully overcome those challenges?

Customers

Are you selling directly to customers or to other retailers, wholesalers, and/or distributors? Who is your “typical” customer? Age? Gender? Socioeconomic status? Level of education? If you’re dealing with other businesses, what is your “typical business customer” like? Industry? Price preferences? Size and place of company? Describe them here. What do your customers want from you? Not want from you? Visualize your target customers (and their expectations) and describe them here. Has a changing economy and work landscape altered what your target customer looks like? If so, think here about what you can do to keep newly acquired customers as well as how you might provide more value to those you’ve lost.

Competition

Who is operating in the same space? Doing/selling something similar? (Don’t forget to account for “indirect” competition, such as online sales, etc.) Identify your closest/most fierce competitors. What can they teach you? What can you do better? What do you offer that they don’t? In general, what are your competitive advantages and disadvantages?

Niche

You’ve been researching the market: What is your place in it? Where do you stand out? What makes you unique? What special value do you offer? What makes this space yours for the taking?

Pricing

What is/will be your pricing policy? Explain how you set prices. Do not assume the lowest price is the best; that’s a mistake, especially for small businesses. If in doubt, look at your research again to determine what’s “middle-of-the-road” pricing. You can better compete by focusing on quality and service than on price points alone. How does your pricing compare to your competition? To the industry in general? How will you keep up with marketplace changes? Manage overhead? Make sure that you consider the added cost of doing business in a less-contact world.

Promotion & Advertising

How will you brand yourself/your company? How do you want customers to view you? Think website, business cards, signage, logos, etc. Where/how will you advertise and/or promote your company? Social media? Print medium? Word-of-mouth? Mail/phone solicitation? Other modalities? How will you leverage the fact that more people are online now than ever and convert that to more prospective customers for your business? Which opportunities will give you the greatest impact at the lowest cost? How will you create and stay within your advertising budget? How will you manage tracking, repeat customers, etc.?

IMPLEMENTATION

You've got all of your facts and plans now. How will you implement it all? Here's where you spell out the logistics of the operational part of your plan.

- **Management Team:** Who are the key players and what are their qualifications/backgrounds and responsibilities?
- **Professional Support:** Make sure to include any/all of these that are relevant: board of directors and advisory board, consultants and key advisors, banking and insurance professionals, legal/accounting support, and anyone else integral to your business.
- **Legal Matters:** Think permits and licensing/bonding, special industry-specific regulations, zoning/building code requirements, trademarks/patents, etc. Are there additional compliance issues involving health risk that you need to consider? What are the key legal issues you need to consider and who will enforce/track compliance for them?
- **Money Matters:** How do you bill/invoice? Do you extend credit? What payment terms do you have/plan to have? How do you manage your payables/receivables?
- **Inventory:** What is your system for managing inventory? How much lead time do you need to order? How do shortages of supplies and/or delays in transportation and shipping affect your ability to maintain your inventory? What do you keep and what's its value?
- **Personnel:** Do you have employees/contractors? How many? How are they paid? How are they supervised? What are their job responsibilities? What training requirements do they have? Do they work in-person or from home? If working from home is a new environment for them, do they have what they need to succeed (e.g., technology, child care, or help with children who may also be schooling virtually, etc.)?

FINANCIALS

There's a reason we saved this section for last. This is the part that can make you second-guess what you just yesterday thought was a great, world-changing idea. Being faced with the numbers can make this venture very real very quickly. Take a deep breath. You've done your research, scoped out your competition, differentiated your skills and expertise, and devised a game plan. You've got this.

Remember earlier when we said that the graphics and tables were optional? Here they're not. But there is a tremendous assortment of premade templates that make it easy for you to plug in your data and complete. The following are the (most basic) financial documents you should include in your business plan:

- 12-month profit and loss projection (start-up big picture for numbers)
- Four-year profit projection (carrying your forecast beyond your first year/optional)
- Projected cash flow (what you'll need; helps you anticipate shortages before there's a problem)
- Balance sheet (breakdown of assets and liabilities)
- Break-even analysis (this one's a good one—it lets you know when you're out of the red!)

When completing any of these, you'll often have to "guesstimate" numbers and make certain

assumptions. Make sure that you make note of those assumptions.

Be prepared. You may be expected by bankers/investors to share your personal financial information as well. Particularly with new small businesses, owners often may use their personal finances to support their venture. If you're asking for money, be aware that those who lend it will want to know what you have available that you're willing/able to invest in your own endeavor.

APPENDICES

Your appendices may include the following:

- Biographies/resumes for key individuals in your business
- Brochures/promotional materials
- Photographs/articles
- Any relevant studies/plans/blueprints
- Copies of any contracts/agreements
- Letters of support
- Market research studies
- Assets/equipment lists (as relevant)
- Credit reports (personal and business)
- Business tax returns (personal and business)

YOUR TURN!

Now it's your turn! Don't feel bound to the document; you can bounce from section to section as you see fit or just go from start to finish.

Remember—standard guidance suggests you do your Executive Summary last so that you're highlighting the key points/areas of the other sections.

Other Pointers

Don't forget to add the page numbers to your Table of Contents, if you have one, once you're done. (And adjust the footer to reflect your true "start" page.)

We've spaced sections out to get you started, but you're not limited by the space allotted. Adjust as necessary to answer the questions comprehensively.

(The Executive Summary is the only section that really has any kind of length parameters—you should aim for no more than two pages for that.)

(INSERT LOGO HERE)

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Industry-Specific

Customers

Competition

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Promotion & Advertising

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Professional Support

Legal Matters

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Remember to spell out any assumptions you make with your numbers!