

DO YOU NEED A BUSINESS PLAN

Many Americans dream of going into business for themselves. About one million a year actually do it. Unfortunately, for most, the dream will become a nightmare. A recent SBA survey indicates 50% of all businesses with employees close after 3 years and 50% of all businesses without employees close after 2 years.

Many factors affect business success. Though you can't control all of them, it does help to "capture" a vision of your business on paper. Your business plan will not only focus your efforts, but show others the serious planning you've done to support your dream. *It will increase your chances of achieving success.*

What is a Business Plan?

A Business Plan is a written document that:

- Focuses your thoughts, ideas, and dreams, transforming them into a documented plan of action.
- Provides a standard format for communicating your plan to others. This is especially important if you want to obtain a loan. It helps ensure that you've covered all the bases.
- Enables you to measure your progress.
- Serves as a guide for where you are going and how you plan to get there.

Remember that your business plan, though written, is not carved in stone. It should change and evolve as you learn more about your business. As you keep strengthening your plan by adding new information, what began as a skeleton will quickly be fleshed out into a useful guide.

What Do I Put In My Business Plan?

Business plans are usually similar in structure, but their details vary depending on the type of business, the size of business, and the stage of the business. To create a basic business plan, you'll need to include the following items:

- **A description of the business.** You might start with, “ *I want to open a small Italian restaurant that will serve pizza and pasta dish*”. As you investigate further, you will add the restaurant's location, hours, menu, name and other defining elements.
- **Your marketing strategy** .This section contains information identifying your potential customers as well as your competitors. It explains why your customers will be yours rather than your competitors', how you'll publicize your business to your potential customers, your pricing strategy versus those of your competitors, and similar topics.
- **The financial aspects of your business.** This section will discuss what items you need to buy to start, expand or better manage your business, their cost, and how you plan to finance their purchase. It will detail the cost of each item you plan to sell, how much you plan to sell each month, your projected expenses, profit, and loss each month, the cash flow requirements, and any other information you can think of that will affect the economic health of your business.

If you think that sounds like a lot of work, you're right! But if it sounds like too much work, you're still dreaming. A business is a **BIG** investment in time, money, resources, reputations, and relationships. It demands and deserves your total commitment.

How Will Having a Business Plan Help Me?

A well thought out business plan:

- Provides a process for thinking through every aspect of your business. This can keep you from making serious mistakes.
- Helps you understand how much money is needed and when.
- Provides support for achieving financing (banks and others require a business plan before they will grant you a loan).
- Helps you to understand and plan for competition so you can compete successfully.
- Provides you with a road map that you can use to run your business. A solid plan helps you to keep your business under control and guides you when you need to make detours, change directions, or change the speed at which you start and operate your business.

Where Can I Find Help in Developing My Business Plan?

Books -Many books have been published on how to prepare a business plan. Your local library (see separate SCORE chapters) has samples of business plans and books on how to create them. The SBDC Resource Centers also have these books. SBDC offices have computers where you can build your business plan free of charge.

SCORE can also provide individualized counseling. In these counseling sessions, we will help you decide what to put in your business plan. Once you have started your business, we can help you improve and expand your business plan.

SEMINARS: SBDC provide seminars on Writing Your Business Plan. Information as to where, when and fees, if any, are in the Seminar section of our web site: scorefoxvalley.org

SCORE want to see your dream become a reality. Call us today for help with *your* business plan.