

DEVELOPING A BUSINESS PLAN

- OUTLINE -

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Texas Business Solutions

The Purpose of Our Business Plan

Communicate our mission.

Delineate the nature of our product(s) and/or service(s)

Demonstrate the profitability of our intended operations

Analyze our Sales forecasts and consumer targets

Propose marketing and other action plans

Project our future growth

Detail a competent personnel structure

The name of our entity is...

And our goals are to:

Provide quality products

Provide the best service

Take care of our employees

Reinvest capital to ensure future growth of our business

We are offering a Product(s) or Service(s)...

Present state of the industry.

- Global
- National
- Regional
- Local

Growth and/or history of the industry.

Projected growth and trends of the industry.

Special advantages and characteristics of your product(s) or service(s)

To the following target users and customers...

Present size of the target group

Growth and/or history of the target group

Anticipated growth of target group, using substantiated research, facts, and figures.

In the following areas...

Present areas.

Growth and/or history of those areas.

Anticipated growth of areas.

(Demonstration of Graph Usage)

Competitive Situation

Who else provides similar products and services in the area(s) in which you will do business.

Brief history and/or growth of the competition.

Geographics of your competition.

Projected trends of your competition.

Your plans for Entering the market. Possible market shares?

Listing(s) of competition.

(Use of Maps, Market Share Pies)

FINANCES

Start-Up Costs

Advertising
Professional Fees
Dues & Subscriptions
Licenses & Fees
Bank Charges
Contributions
Insurance(s)
Interest Expenses
Office Equipment
Materials & Supplies
Printing & Stationery
Office Supplies
Postage
Contract Labor
Salaries
Taxes:
 FICA
 State Unemployment
 FUTA
Rent
Telephone
Utilities
 Water
 Sewer
 Electricity
 Security
 Other
Travel
Training & Education
Entertainment
Miscellaneous
Other Liabilities
Opening Inventory
Other Equipment
Miscellaneous

Totals:

First Year Budget

Expenses by month (including Start-Up Expenses)

Sales by month

Cost of Sales by month

Profit/loss by month

(Spreadsheet handout)

Break Even Point Analysis

Cost of Sales Analysis

Profit Margins

Percent of sales each item does to total sales

Calculation of Sales Dollars to break even.

Number of Units equal to these sales dollars.

Further examination of probable sales figures:

- Analysis of Seasonal patterns.

- Adjustments:

 - local, regional, and national economy

 - # of working days in each month

- Sales Forecasts:

 - yearly

 - quarterly

 - monthly

- Use of Barometer Boards

Cash Flow Analysis

Income and Expenses actually anticipated to be received or spent - by month.

Analysis of:

- Accounts Payable:

 - monthly calendar

 - weekly and/or daily calendar

- Accounts Receivable:

 - % Charge sales

 - % Cash sales

 - % Collectable 30, 60, or 90 days

Sales Analysis

Age groups

Income levels

(If Company - size that will be catered to)

Average Sale (\$)

% of Repeat Business

% of Referrals

% by Type of Advertising i.e.,

Internet

Radio

TV

Yellow Pages

Newspapers

Etc.

% by geographical areas

Total Sales dollars

First Year

Five Years

Total Product(s) or Service(s) Sold

Pricing Structure(s) and Targets

What type of customer data bases you will keep

How to keep records of customers, transactions, and work performed.

Marketing Plan

How, When, and Where are you doing to do What, to Whom.

(How do you arrive at these sales figures that we said we were going to achieve?)

(Advertising figures gives us a beginning thought)

Five Year Plan

Projections of Income, Expenses, and Profits/Losses for the next four years.

(Five-year budget worksheet)

Discuss:

When to add an employee

Addition of salespeople and territories, etc.

How to interpolate future trends and financial data

Changing expenses

Changing percentages of sales

"What if" questions

Personnel Structure

Job Analyses:

work activities, procedures, and processes

personal responsibilities

equipment used

formal lines of communication

physical actions

standards for work performance

knowledge applied or dealt with

materials processed

services performed

work scheduling

financial and non-financial incentives

pay range

working conditions and environment

personnel requirements for the job

personal attributes

education and training required

work experience

Job Descriptions

Hiring Procedures

Orientation Programs

Handbooks:

policies and procedures

hiring, discipline, and firing

Bureaucratic Structure
Personnel Structure (Cont.)

Organizational Chart

Growth in the number of employees, by category for the next four years.

Resumes of Principals

Brief work history

Major accomplishments

Skills listing

(Optional for presentation of formal requests to banks, SBA, etc.)

(Discuss format and presentation angles)