

# Business Plan

*Starting your own business takes motivation and talent. Developing a business plan will force you to think through some important issues that you would not otherwise consider. Your plan will become a valuable tool as you set out to develop and raise money for your own business. The ultimate purpose of any business is to make a profit and meet the wants and desires of the customer or clients.*

## **Pre-business checklist: (you must answer in full sentences after each question)**

- Is my business idea practical?
- What is my competition?
- What equipment or supplies do I need to start?
- Where is my business located?
- What are my resources?
- What will I name my business?
- How will I advertise?
- Is my business concept profitable?

## **BUSINESS PLAN**

### **1. Mission Statement**

- What is my reason for going into business? What do I really do? What is my market niche? What do I do that is special in order to make a profit?
- Express in a sentence or two – your mission statement. Try to use action words that are strong and concise.

### **2. Goals**

- List three major goals that are specific to your business. These goals should relate to your mission statement.

### **3. Strategies**

- Many factors have to be considered in the preparation of a business. This plan needs to meet the goals of the company. These considerations include:
  - Financial position – where will I get my initial funding from? How much do I think is it going to cost to start my business?
  - The financial condition and trend of the general economy – are customers able to spend money on my products? Is the economy good or bad at the moment? Are my customers spending money on things they **want** or only on things they **need**?
  - Market needs and conditions – are my products **needed** by customers?

- Strengths and weaknesses – what might be my business strengths and weaknesses? What should I capitalize on? How can I change my weaknesses into strengths?
- Competition's strengths and weaknesses – what are my competition's strengths and weaknesses and how will they affect my business? How can I capitalize on their weaknesses to make them one of my strengths?
- Sales and marketing – how will I sell my product? How will I advertise my product? How much money will I budget for marketing expenses?
- Location – where will my business be located? (You can choose a location that is already occupied... assume you can kick someone else out.) Why is this a desirable location for my customers?
- Labor force – who will work for me? How many people will work for me? How much will I pay them? What will their hours of work be? How will I train my staff?
- Suppliers – where do I think I will get my supplies from? What is the cheapest place to get my products from? How will this affect my net profit margins?
- Physical plant and premises – what will my business look like? Will this be appealing to my customers? Is my space conducive to sales? What are my overhead costs?
- Cash flow analysis and profit margins? Will I be making money at my business? How could I be making more money?