

Business Plan Basics

So, You Think You Want to Start Your Own Business Huh?

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WHY?



Starting a business



Business Profile

- Description of the Business
 - Describe your service or product
- Target market and Customers
 - Describe your customer profile and why your customers want and need your services or products
- Growth Trends
 - Is the market for your product growing or shrinking?
- Pricing Power
 - Explain the unique qualities or circumstances concerning your product or service that will enable you to maintain profitable pricing.

The Vision and the Team

- Describe convincingly that you are passionately committed to your new business and have the realism to make inevitable hard choices.
- Summarize number of years of experience in this field.
 - Describe your work experience in the business you plan to start including a list of your skills and knowledge, which will be required in your business.
- Background and educational credentials of you and your team
 - Describe yourself, including your education.

Communication

- Computer and Communications Tools
 - Furnish a tabulation of each piece of equipment you intend to use including a description and the budget for each. You can use the following as a guide.
- Telephones
- Facsimile/E-fax
- Computers
- Internet
- Social media



Organization

- Business Structure
 - Explain the form of business structure you intend to use and why it is best for your business.
- Professional Consultants
 - List the names of your lawyer, accountant, insurance agent and any other professionals.
- Licenses
 - List what licenses you will require to go into business.

Business Names

- List the name you intend to do business as
- Reflect your business type
- Register your business name with your state
- Copyright or Trademark, if necessary

**What's in a
NAME?**



Insurance

- List the forms of insurance coverage including costs are anticipated.
 - Liability
 - Workman's Compensation
 - Medical
 - Disability
 - Life



Premises

- Outline your location criteria.
- Space requirements
- Future requirements
- Site analysis study if needed
- Demographic study if needed
- Lease check-off list
- Estimated occupancy cost as a % of sales
- Zoning and use approvals

Accounting and Cash Flow

- Accounting
 - Furnish, as a separate exhibit of your starting balance sheet and projected income statements for the first six months to one year.
- Cash Flow Planning
 - Provide a separate exhibit of your one year cash flow analysis including estimated sales, all costs and capital investments. Provide a checklist of all expense items for input into your cash flow projection.

Financing Strategy

- Provide a chart or spreadsheet showing all of the sources of your start-up capital. Explain any government assistance or loan guarantee programs you intend to apply for.
- If your business is for use with potential lenders, include a cash flow projection and projected income statements to show sources of repayment of loans. Be conservative in your forecasts.
- List your sources of referrals to lending institutions. (Your accountant, etc.)

THERE ARE NO GRANTS FOR FOR-PROFIT BUSINESSES!

Chart of Accounts

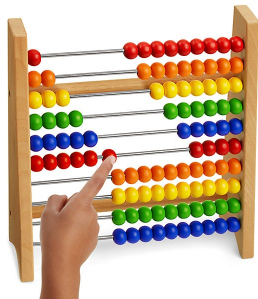
Income (Revenue)

- Sales
- Grants/Donations (Non-profits)
- Other Income

Expenses

- Advertising
- Contract Labor
- Dues & Subscriptions
- Furniture & Equipment
- Insurance
- Office Supplies/Expenses
- Professional Fees (Atty/Acct)
- Repairs & Maintenance
- Taxes/Licenses/Permits
- Telephone/Utilities

Income – Expenses = Net Profit



E-Commerce

- Plans
 - Describe in detail how you plan to use the Internet in marketing your product or service.
- E-Commerce Budgeting
 - Provide a detailed breakdown of the costs involved in creating, operating and maintaining your e-commerce activities.
- E-Commerce Competition
 - Describe how your best competitors utilize e-commerce and your strategy to improve on their practices.

Marketing

- Marketing Plan
 - Describe your overall marketing and sales strategy including how you plan to get and retain customers.
- Advertising and Promotion Plans
 - Describe your plans and budgets for advertising and promotions.
- Purchasing and Inventory Control
- Training Policies
 - Describe your plans for hiring and training your sales associates.



Competition

- The Competition
 - Describe your strongest competitors and how you intend to compete.
- How I Plan to Take Advantage of Competitors Weak Points
 - List your competitor's shortcomings and how you can capitalize on





Resources

- Entrepreneur Training Institute
 - 901-498-7675 www.myETInstitute.org
- SCORE
 - 901-544-3588 www.Memphis.score.org
- IRS irs.gov
- State Dept of Revenue and/or Secretary of State
- My Own Business
 - www.myownbusiness.com