



# **Got an IDEA! Put it on Paper!!**

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# The Basics of a Business Plan

- Learn the basics of taking your money making idea & put it on paper!
- A business plan is like having a map for a cross-country drive.
- A business plan will help you decide if the business is viable.
- Conveys your business goals, strategies and potential problems.

# The Three Primary Parts of a Business Plan

## 1. Business Concept

- ✓ Industry
- ✓ Business structure
- ✓ Product or Service
- ✓ Making your Business a Success

# Business Planning continued...

## 1. Marketplace Section

- ✓ Which you describe & analyze potential customers
- ✓ Who & where you are
- ✓ What makes them buy
- ✓ Describes the competition
- ✓ How you position yourself

# Business Planning continued...

## 1. Financial Section

- ✓ Contains your income and cash flow statement.
- ✓ Balance sheet and other financial ratios etc.

# The 7 Components to the 3 Parts

## 1. Executive Summary

- ✓ Outlines & describes the product or service
- ✓ 1<sup>st</sup> thing the reader sees
- ✓ Clearly states the nature of the business and if you are seeking capital or other financing.

## 2. Business Description

- ✓ Expands on the Executive Summary
- ✓ Description of your industry
- ✓ Target market for your product
- ✓ Describe your product or service
- ✓ Explains how & why the \$\$ will make your business

# 7 Components continued...

## 3. Market Strategies

- ✓ Define your market—its size, structure, growth prospects, trends and sales potential.
- ✓ Based on interviews & sales analysis
- ✓ Focus on customers & your competition.
- ✓ Document how & from what sources you compiled the information.
- ✓ Describe how your business idea fits into the overall market.
- ✓ Emphasize your *"unique selling proposition"* **USP**

# 7 Components continued...

## 4. Competitive Analysis

- ✓ How does your business relate to the competition?
- ✓ Detail strengths & weaknesses of your competitors
- ✓ The plan must show that you recognize this & have a strategy to deal with competition.

# 7 Components continued...

## 5. Design & Development Plan

- ✓ Product development
- ✓ Market development
- ✓ Organization development
- ✓ Create a schedule that shows how the product, marketing strategies and organization will develop over time

# 7 Components continued...

## 6. Operations & Management Plan

- ✓ Describe how your business will function on a daily basis.
- ✓ Responsibilities of each member of the management team.
- ✓ Capital & expense requirements for operating the business.

# 7 Components continued...

7. Financial Factors—Financial statements are the backbone of your business plan.

- ✓ Short & long term profitability.
- ✓ Paints a picture of the business's financial strength in terms of assets, liabilities & equity over a set period.
  - Balance sheet—assets, liabilities & equity over a set period.
  - Cash flow statement—money coming & going
  - Income statement—cash generating ability of the business.

# Other Things to Consider...

- How to find the \$\$ your company will need....
  - Local economic development organizations will have information to assist you,
  - Small Business Development Centers at [www.ndsbdc.org](http://www.ndsbdc.org) is an excellent resource.
  - Google the information you are looking for...

***A business plan is a written description of your business's future!***

Questions????