



BUSINESS PLAN

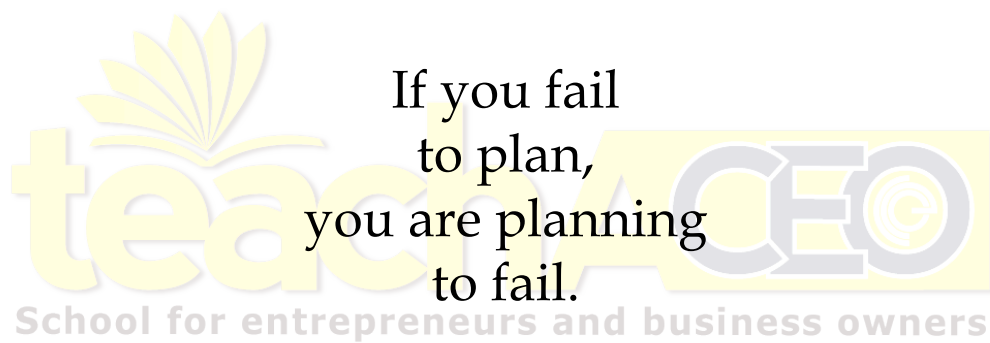
101

Presented by CEO Blog Nation & Teach a CEO
Step-by-step guide & guest posts on starting a business

Table of Contents

Table of Contents

INTRODUCTION	4
SECTIONS OF THE BUSINESS PLAN	5
EXECUTIVE SUMMARY	5
GENERAL COMPANY DESCRIPTION	7
PRODUCTS & SERVICES	9
THE MARKET & THE COMPETITORS	11
THE MARKETING STRATEGY	13
PRODUCTS AND/OR SERVICES	13
PRICING STRATEGY	13
SALE & DISTRIBUTION PLAN	13
1) <i>Outline the distribution methods to be used</i>	14
2) <i>Outline the transaction process between your business and your customers</i>	14
3) <i>If it's applicable to your business, outline your sales strategy</i>	14
ADVERTISING & PROMOTION PLAN	15
OPERATIONAL PLAN	16
MANAGEMENT AND ORGANIZATION	17
OVERALL SCHEDULE	18
CRITICAL RISKS AND PROBLEMS	19
PERSONAL FINANCIAL STATEMENT	20
FINANCIAL HISTORY	21
FINANCIAL PLAN	22
TECHNOLOGY PLAN	23
APPENDIX	24
GUEST POSTS FROM CEO BLOG NATION.....	25
WORRYING IS NOT A BUSINESS PLAN	25
FROM UNEMPLOYED TO SELF EMPLOYED: WEEKEND BUSINESS PLAN	29
5 PHASES TO DIY STRATEGIC PLANNING FOR START-UPS.....	32
HOW TO INCREASE YOUR CHANCES OF GETTING THAT SMALL BUSINESS LOAN.....	35
WHAT IS THE MOST IMPORTANT PART OF THE BUSINESS PLAN?	36
<i>A Strategy for Finding Customers</i>	36
<i>Flexibility</i>	36
<i>Figuring Out How Much I Need to Quit My Job</i>	37
<i>The Vision</i>	37
<i>Long-Term Direction</i>	37
<i>The Marketing Strategies Section</i>	38



If you fail
to plan,
you are planning
to fail.

- Benjamin Franklin

Introduction

The business plan, once a requirement to start any venture, is now more of an option. There's a school of thought that says that you don't need a business plan to start a business.

I remember when I started my first venture, the first thing I did was grab a large book – How to Start a Business, scoured the internet for how to write a business plan and just dove in. Months later, I finished with a 30-40 page plan. Again and again, I wrote “business” plans for grant competitions (Youth Venture Grant) and new ventures that I was planning to start.

The one thing I remember about business plans is that it is a great way for you to formulate your thoughts and develop a strategy and plan for your business.

Whether you are looking for venture capital or a business loan or crowdfunding, remember that if nothing else the business plan is an exercise for you and your co-founders. The formulated business plan might be going the way of the printing press but understand planning and strategizing is still very important and vital to the success of any business. It just might be an exercise you have with your team and you never hit “publish” but I would argue there is still a place for it in today's sometimes volatile business world. This is a time when the [failure rate](#) is extremely high for startups.

This ebook is packed with great information and even some of our best guest posts on the subject. I hope this plan is a good guide for you in taking the next step in starting your business.

As always let us know what you think of this eBook! Send an email (gwh@ceoblognation.com) to me or track me down on social media (@prograshion). I wish you the best of luck with your next venture and don't forget to [drop by and tell us about your business](#).



Gresham Harkless - @prograshion
<http://www.prograshion.ceopress.com>
CEO Media Firm, LLC

Sections of the Business Plan

Executive Summary

Your executive summary is typically the first thing an investor or bank will look at prior to investing or granting a business loan.

The executive summary should highlight the strengths of your plan and is the last section written of the business plan. It is typically one or two pages and should be concise and precise. Although experts disagree on the actual length of the executive summary, every word counts, so choose your words wisely.

Things that should be included in your executive summary:

If you are an established business...

- **The Mission Statement** – This is an explanation of what your business is about and should be completed in about a paragraph.
- **Company Information** – Include a short statement with the time that your business was formed, founder(s) and their roles, number of employee(s), and your business location(s).
- **Growth Highlights** – Include examples of company growth, such as financials or market highlights. Including visually appealing graphs or charts is generally recommended.
- **Your Products & Services** – Briefly describe the company's products and services
- **Financial Information** – If you currently have bank accounts or loans, include that information in this section.
- **Summary of Future Plans** – Explain the plan for the future of your business.

If you are a startup or new business...

- You should focus on your experience and background in addition to decisions that led you to start your venture.
- Include what you have done through market analysis and additional information about a need or a gap in the target market and how your venture and its solutions will fill that gap. Convince the potential reader or investor that you can succeed in the target market and then address future plans.

Additional Tips

- Double check for style, punctuation, spelling, and grammatical errors.
- Have someone else read it over.
- Keep language strong and positive.
- Keep your audience in mind.
- Avoid technical jargon.
- Remember to sell, not just describe.
- Write it last.
- The executive summary can also include sections for risk and opportunity, information about your competition, and industry analysis.



General Company Description

The general company description is the first part of the business plan that will actually be written. This section follows the executive summary and is the second part of the business plan. This section provides a general direction of the business and outlines the company for potential investors or potential partners. In this section you can include details about your business, your business structure, and your business' core values.

The general company description should address the following:

Basic Information

- **The Nature of the Business:** Describe your industry and what your business will do to address an industry need.
- **Business Structure:** Include a description of the legal structure of your business and why the business structure works best.
- **Mission Statement:** While not required, this short (30-40 words) section encompasses your business and its guiding principles and values.

Goals & Objectives

- **Goals:** This is a statement of what you want for the future and supports the reaching of an objective. For example, if your objective is to increase users by 50% - a goal could be to increase active users by engaging your audience through social media.
- **Objectives:** This is an achievement that you hope to reach and is usually measurable. For example it would be to increase revenue by 50% within the next twelve months.

Values & Philosophies

- **Target Market:** Include a brief description of who your target market is and how you plan to reach that market. This should be brief and will be expanded upon in a future section.

Strengths & Resources

- **Industry:** Describe your industry along with any foreseeable volatility and growth in the industry. Also provide future descriptions for the demands of your products or services.
- **Strengths:** Include information about the strengths and resources you and any other working partners bring to the business to help it succeed. Include their relevant experience.



Products & Services

This section is an opportunity for you to describe in depth your products and services. There should be an emphasis on the benefits to potential and current customers. Also, ensure that your focus on the particular niche that your product and/or service fulfills for your ideal customer.

Included in this section should be:

A Description of Your Product/Service

In this sub-section, include information about how your product and service functions and also include information about the customer's benefits from the product and/or service. Talk about your product or service's ability to meet your target customers' needs and any advantages your product or service might have over your competition. Also, include your current developmental stage if your product has not been developed and tested in the marketplace (e.g. Beta).

Explain the process for the development and execution of your product and service from the beginning to the end.

Life Cycle

Related to your current developmental stage, include where your product is in the life cycle and what factors (internal or external) might influence this cycle in the future.

Intellectual Property

If there are any existing, pending or any anticipated copyright or patent filings, be sure to list them in depth in this sub-section. If there is anything that might be considered trade secret or legal agreements like nondisclosure or non-compete agreements

Research & Development (R&D) Activities

Outline and explain any R&D activities that you are involved with or planning and what the expected results of these activities might be. Included in this sub-section are any future products and/or services you are anticipating in your company. Finally, be sure to mention and analyze what Research & Development efforts from your competitors and in your industry.

Outline any R&D activities that you are involved in or are planning. What results of future R&D activities do you expect? Be sure to analyze the R&D efforts of not only your own business, but also of others in your industry.



The Market & the Competitors

This part of the business plan is also known as the market analysis and illustrates and explores your industry and market knowledge (such as competitors) along with any research finding of conclusions.

Here are the relevant sections:

- **Industry Description & Outlook:** Take a snapshot of your industry and provide a description including current size, history, growth rates, trends, characteristics and major customer groups within the industry.
- **Information About Your Target Market:** Narrow your target market to a manageable size. Some entrepreneurs and business owners try to appeal to too many target markets too soon. If you do have ambitious goals to target numerous markets in the beginning (or anytime), be sure to plan an achievable strategy.
 - Distinguishing characteristics
 - Market share
 - Size of the primary target market
 - Pricing & gross margin target
 - When you include information about any of the market tests or research studies you have completed, be sure to focus only on the results of these tests. Any other details should be included in the appendix.
- **Competitive Analysis** – Your competitive analysis should identify your competition by product line or service and market segment. Assess the following characteristics of the competitive landscape:
 - Market share
 - Strengths and weaknesses
 - Importance of your target market to your competitors
 - Barriers that may hinder you as you enter the market
 - Your window of opportunity to enter the market
 - Indirect or secondary competitors who may impact your success
 - Barriers to market that might affect your success (e.g., changing technology, high investment cost, and lack of quality personnel)?
- **Regulatory Restrictions** - Include any customer or governmental regulatory requirements that might affect our business, and how you'll comply. Also, cite

any operational or cost impact the compliance process will have on your business.



The Marketing Strategy

This part of the business plan is also known as the marketing strategy and explains the plan for your business' marketing efforts and activities. This section will also describe who your customers are and how you will reach them to tell them about your products and services. In addition to an explanation of your products and services, this section will also explain your competitive analysis. Also included in this section is market segmentation, competitive analysis and other selling strategies.

These are the relevant sections in this part of the business plan:

Products and/or Services

The Products and/or Services section will focus on the uniqueness of your product or services (including features), and how your customers will benefit (tangible and intangible) from the use of your offerings. Finally, your Unique Selling Proposition (USP) is the message that you want your customers and clients to receive about your product or services and the building block for your marketing efforts. Your goal is to communicate accurately and effectively your USP to your target customers.

Pricing Strategy

The pricing strategy part of your marketing strategy explains your rationale for pricing your product or service. The price you charge has to be simultaneously competitive and allow you to make a reasonable profit. To determine what price you will charge you must take in to account what the consumer is willing to pay and the cost of your products and services, estimating the benefits to your consumers and comparing your products, services, and prices to others that are similar. Also include your anticipated Return on Investment (ROI).

Sale & Distribution Plan

The goal of your marketing plan is to get your consumer to buy your products and/or services. This is the idea of the sales and distribution plan—to illustrate exactly how your clients are going to buy your products and services. The three parts that make up this section of the marketing plan are the (1) Outline of the distribution methods to be used (2) Outline the transaction process between your business and your customers (3) Your sales strategy.

1) Outline the distribution methods to be used

Here are some questions that should help:

- How exactly is your product or service going to get into the hands of the customer (e.g. distributed by mail or through a website)?
- What is the distribution channel you are going to use?
- What are the costs associated with distribution?
- How long will it take for your product or service to get in the hands of your customer?
- How are your products to be packaged for shipping and for display?
- Does the packaging meet all regulatory requirements (such as labelling)?
- Is the packaging appropriately coded, priced, and complementary to the product?
- What minimum inventory levels must be maintained to ensure that there is no loss of sales due to problems such as late shipments and back orders?

2) Outline the transaction process between your business and your customers

Here are some questions that should help you develop this section:

- What system will be used for processing orders, shipping, and billing?
- What methods of payment will customers be able to use?
- What credit terms will customers be offered? If you will offer discounts for early payment or impose penalties for late payment, they should be mentioned in this part of your marketing plan.
- What is your return policy?
- What warranties will the customer be offered? Describe these or any other service guarantees.
- What after-sale support will you offer customers and what will you charge (if anything) for this support?
- Is there a system for customer feedback so customer satisfaction (or the lack of it) can be tracked and addressed?

3) If it's applicable to your business, outline your sales strategy

Here are some questions that should help you develop this section:

- What types of salespeople will be involved (commissioned salespeople, product demonstrators, telephone solicitors, etc.)?

- Describe your expectations of these salespeople and how sales effectiveness will be measured.
- Will a sales training program be offered? If so, describe it in this section of the marketing plan.
- Describe the incentives salespeople will be offered to encourage their achievements (such as getting new accounts, the most orders, etc.).

Advertising & Promotion Plan

The advertising and promotion section of the marketing plan explains how you are going to deliver your USP to your prospective clients and customers. First determine the message you want to send to your audience and then evaluate the best way to distribute this message. Then include what options you are picking, its cost, and how much business you are expecting to generate.

Options for promoting your USP:

- Marketing & Advertising
- Social Media
- Internet
- Television
- Radio
- Newspapers
- Magazines
- Telephone book & directories
- Billboards
- Direct Mail
- Cooperative advertising

In this section you can be as thorough as possible including the specific activities that you plan to do for your marketing and advertising including sales promotions like free samples, coupons, point of purchase displays and product demonstrations; marketing materials like brochures, business cards, pamphlets, handouts and flyers; publicity like product launches, special events, guest posts and testimonials; Web Site; and Tradeshow.

Operational Plan

The Operations Plan is the most critical component of the business plan. It is the company's action plan for executing its vision of day to day operations. It is how the company is going to convince its investors that they are a viable force. In the operating plan, business owners will explain the essential elements of the business such as production/manufacturing, inventory and distribution. Specifically, this is the section to explain how a product is going to be made, stored and shipped to customers. If it is a service, this section will depict how the service will be executed for clients and customers.

There are two main sections that an Operations Plan must entail: Everyday Processes and Business Milestones.

Everyday Processes are also referred to as **Short-Term Processes**. These are the short-term goals and actions of how the company is going to provide its customers with goods and services. A great example of this is Wal-Mart. They have an excellent process mapped out of how to move products from the warehouse to the store using a unique distribution strategy. These Short-Term Processes are what moves a business from a conceptual stage to reality. By detailing the key operational steps that the company is going to take, they are proving to their investors that they can do this better than anyone else in that field.

Business Milestones are also referred to as **Long-Term Processes**. This is the second very important piece to this puzzle. This details how the company is going to continue to execute the vision of the company long-term. This process is best mapped out using a table that shows the key milestones that the company wants to meet versus the target date that they have set for reaching them. Some of the milestones that should be tracked include when are new products/services going to enter the market, when will the company reach certain milestones for revenue, key partnerships, customer contracts, and when will certain employees be hired.

Management and Organization

If you are writing your business plan in order to raise funds, then the organization and management section of the plan will be the most important section you can write. Potential investors take a lot of stock from what you write in these sections so be thorough and straight to the point. The success of the company is often tied to the success of the management team and their experience as well as how well the company is laid out and organized.

The management section of the plan should introduce the management team to whomever is reading your business plan. You should include a brief biography on each member and include yourself as the founder of the company. The details that should be included are the name, percentage of ownership, their position in the company, what are their responsibilities, educational history, work history, and any type of special recognition. You want to sell your management team and their capabilities so it is imperative that you not forget any important details such as special skills, prior employment, and accomplishments. The information should be accurate in case the investor is interested in doing a reference check. Also, do not include any general statements. Everything should be concise and to the point.

The organizational structure is also an important point in selling your company. Investors want to see the details about the structure of your business. Important details to include are what type of business it is, who are the owners, what type of ownership is it, and if there is any authorized or outstanding equity. One effective way to do this is through the creation of an organizational chart with a narrative description that describes exactly what everyone is doing and that someone is in charge of every function of your company.

Overall Schedule

An overall schedule is a schedule that shows investors when management or leadership plans to attain their goals and what milestones that they have planned. These milestones were addressed in other parts of the business plan and are critical to the success of the company. An excellent overall schedule will demonstrate to investors that that management has set a realistic goal for growth and that the critical factors that are essential for the company's growth have been identified.

The overall schedule should contain a flow chart analysis or the timing of product development, operations, and important deadlines with marketing of the product or service. Some topics that should be covered include time to complete incorporation of the company, when will management team be hired, completion of product prototype, completion of product testing, the projected date for production of the company's product, the projected date for the product to hit the market, when will orders be able to be placed, deliveries, receipt of payment, and other types of scheduling requirements.

Management also needs to show how the company will acquire extra funding, when will the company take part in trade shows if applicable, when will hiring take place if additional people are needed, and when is it projected for the company to add on to the existing building or acquire new equipment. All of these considerations should be added to the overall schedule as these might be questions that an investor will want to know.

Critical Risks and Problems

When starting a business, it is understood that there are **risks and problems** associated with development. The business plan should contain some assumptions about these factors. If your investors discover some unstated negative factors associated with your company or its product, then this can cause some serious questions about the credibility of your company and question the monetary investment. If you are up front about identifying and discussing the risks that the company is undertaking, then this demonstrates the experience and skill of the management team and increase the credibility that you have with your investors. It is never a good idea to try to hide any information that you have in terms of risks and problems.

Identifying the problems and risks that must be dealt with during the development and growth of the company is expected in the business plan. These risks may include any risk related to the industry, risk related to the company, and risk related to its employees. The company should also take into consideration the market appeal of the company, the timing of the product or development, and how the financing of the initial operations is going to occur. Some things that you may want to discuss in your plan includes: how cutting costs can affect you, any unfavorable industry trends, sales projections that do not meet the target, costs exceeding estimates, and other potential risks and problems. The list should be tailored to your company and product. It is a good idea to include an idea of how you will react to these problems so your investors see that you have a plan.

Personal Financial Statement

A **personal financial statement** is very similar to a business financial statement. It will calculate the total value of you as an individual so that you can track your financial progress. It is a good indication of how your business is progressing because the business entity should be the largest financial entity on the statement. Another name for this is a net worth statement and should be done annually at least.

The first step towards obtaining your personal financial statement is getting your business valued. You need to know how much your business is worth. You can hire a CPA to get a basic valuation. The next thing is to get your total assets calculated. To do this, you need to add all of your cash accounts, investments, real estate, and the value of your business that you received from your business valuation. If you own any expensive jewelry or artwork then this can be counted at a wholesale price. All of these variables are documented as total assets. You also need to calculate your total liabilities. This is everything that you owe including loans, credit cards, auto, mortgage, etc. You also need to include your liability from your business such as business loans and anything that needs to be paid out.

Once you have all of these numbers figured out, then you can calculate your total net worth. You get this number by subtracting your total liabilities from your total assets. The resulting number is your personal net worth and includes your business figures.

Other information you should include are:

- Tax returns for the past three years.
- A recent credit report, showing credit score.
- A resume or curriculum vitae.

Financial History

The **financial history** is the last financial statement that needs to be in your business plan. It is an overall summary of the financial disposition of your company from start to finish. The financial history will vary depending upon if you have a new business or if you have an established business. The information that is included in this document will encompass all of the previous financial documentation that you put together for this business plan.

If your company is a new business then you will only have projections for your financial history. Because it is a new business, if you apply for a loan, a bank will ask for your personal financial history because it is an indication of how you handle your personal finances and presumably an indicator of how the finances of your business will also be managed. If it is an established business, you will be required to present a business financial history that will show how viable your business is. The information that you need to put together for your financial history is much of the same information that you needed to put together other financial documents. You will need to show your assets, liabilities, and net worth. You will be asked for any contingent liabilities which are debts you may owe in the future. You will need a profit and loss statement, any real estate holdings the company may have, how the company is structured, any audit information, and detailed information of the insurance coverage for your company.

School for entrepreneurs and business owners

Financial Plan

The financial section of a business plan or the financial plan is not about showing accounting. It is about financial projections and how those projections are going to be reached. An accounting plan is looking back in time to the historical view of how goals were reached, while the financial planning section of the business plan is about looking forward. The financial plan is a guess of how things are going to work and can be adjusted to fit your company's needs and goals.

Financial plans can benefit from past results such as how the market has historically performed or how a company with similar goals has performed. You can also forget about including minute details because there are too many variables to take account for. All you are really looking at is an educated guess. Investors are going to want to see your financial plan to prove to them that your business is going to grow and how quickly that will happen. They also want to see proof that there is a strategy in place where they can leave the investment and make some money. They want to make sure you are capable of repaying the loan that they give you. No investor wants to give money to a company that is not going to thrive. You must show the numbers and prove them. Remember to be realistic in your forecast of how your company will grow. A good rule of thumb is to break the financial section into components that will demonstrate market segments and give realistic estimates of sales revenue.

School for entrepreneurs and business owners

Technology Plan

The purpose of the **technology plan** is to put into place a design of how technology will be used in your company and what types of technology is needed. Keep in mind when writing this plan, how the company might grow in the future so that whatever decisions you make today will be flexible enough to grow and change tomorrow. Consider your employees as well when choosing technology. You want to choose something that is user friendly and not overly complicated. Programs that have excessive features can make your choices a hindrance rather than a help.

Depending upon the industry you are in, there may be specialty vendors out there that offer computer programs and systems that can be beneficial to your company. Contact your local trade organization or network in your industry to find out what types of industry specific technology is available. These types of products may be more expensive than general technology products, but can better solve your industry needs. It is better to choose something that is needed now, than to have to make costly upgrades or complete changes later on. It is also incredibly expensive to have software developed especially for you so think things through before making a decision.

If your main core industry is technology based, then it is important to write out your technology plan in such a way that investors understand that this is your core business and to provide the necessary data. Be careful however not to include anything that might reveal company secrets of proprietary information.

Appendix

The appendix is the part of the business plan where you can add anything that is longer than 2 pages that was discussed or referenced in other sections of the business plan. The appendix contains documents such as receipts, bank statements, copies of documents, pictures, tax returns, inventory assessments and personal and business credit history information. The information that is placed in the appendix is highly confidential, so be sure to limit the information that is viewed.



Guest Posts from CEO Blog Nation

Worrying is Not a Business Plan

In your kitchen you probably have a spice or powder-filled container with a plastic top that has two tabs – one for pouring or spooning, and one for sprinkling. That top is most likely derived from the original Flapper my company invented.

Today there's an entire line of Flapper products used by over 150 companies, including Durkee, Cremora, San Giorgio, Ronzoni, and McCormick. Thanks to that initial success, over the years I've been able to build a multimillion-dollar manufacturing company that provided me with the means to be a major philanthropist, endowing hospitals, universities, and charities that offer valuable help to thousands of people.

I tell you this not to brag, but to make the point that the tips I share with you in this article concerning *leveraging adversity to reach new heights of professional success in a tough economy* have stood the test of time.

These tips will help you stop *worrying* and start *doing*... Remember, when it comes to all types of adversity, taking positive action with the ideas you believe are the wisest at the moment, (knowing that things may change for the better or worse tomorrow), can't help but lead to eventual success.

Management and Employee Success Are Intertwined

The first and fundamental rule of successful management through good times *and* bad is one that, tragically, that executives often forget: management and employee success are intertwined.

I can gauge the health of any business in the faces of the employees, for beyond all the mechanics of the place there is one truth: a viable business is a collective human endeavor. Indeed, much of what is wrong in a good deal of current business theory – and which has come to the surface now that times are hard – is the failure to recognize that the heart of any business beats to the rhythms of its employees.

The bottom line must not be profit, because profit can only come as a fruit of the health and dreams of the human endeavor the business represents.

Management's training and development responsibility, then, is to cultivate within the work place an environment which lends itself to creativity, dreams, and collective spirit larger than the sum of its paychecks and mechanical parts.

For example, at one of Weatherchem's first staff meetings we discussed company benefits. As we knocked around ideas to promote productivity, commitment and creativity, the plant controller asked, "Why bother? People are like cattle. You can herd them any way you want."

I fired him. Of the original handful of employees, he was the only one who did not stay. From that day forward I made sure everyone at Weatherchem understood my lifelong fundamental conviction: everyone deserves to be loved, respected and honored; we all win or lose together.

Make Collaboration With Employees Your Path To Success

It's far better to collaborate. I've always preferred to plant seeds in other's minds while they plant seeds in mine. Some germinate and some don't. But those that do tend to sprout and bloom for me in wonderful ways.

So if your business is currently suffering, walk around and talk to all your employees. Ask: *How can we improve this place? What's wrong here?*

I guarantee you will get more valuable information in just a few hours than you could possibly act upon in a year! Allow me to share with you a personal reminiscence to illustrate my point...

Fifty years ago at the age of 30, when I was working for my father at the Weatherhead Company, I sat down with the 15 members of the AFL-UAW Local 463 union negotiation committee led by its president, John Allar, to discuss the financial hardships we were suffering.

We were in a "helluva" pickle. Annual sales at the Cleveland plant were \$9 million and we were down \$2.7 million. I said to Allar, *"Rather than be at each other's throats as we sink, let's work together, collaborate, and figure out how we're going to get out of this mess..."*

You know what? The Weatherhead Company and the union *did* get out of that mess - by *working together*.

To his day I don't understand why Congress had the top executives of the auto industry come to Washington to participate in hearings, but didn't call in a union negotiating committee from one, two or all three car companies. Why would Congress not want to hear the union side of things?

For that matter, why didn't Congress have the smarts to invite a contingent of assembly line workers to share viewpoints from the factory floor? (Those hard-working, blue-collar folks would probably have put forth the most valuable testimony of all!)

The bottom line is that Congress and the Executive Branch may have comprehension of the problems facing the auto industry, but they don't have practical knowledge on how to rectify what's wrong.

You shouldn't make the same mistake. *Talk* to your employees. Discover what's running through their minds, and be sure to let them know what you're thinking, and that you want their help because you're all in the same boat.

If you must cut salaries, for example, also make sure your employees know that there will be a firm salary restoration date or make clear the company performance criteria/metrics for reinstating full salaries.

Pay Extra-Close Attention To Your Customers

Here, *two* rules of marketing/sales during times of economic strife come into play:

- It's easier/cheaper to keep a current customer than to find a new one.
- You get 80% of your business from 20% of your customers.

(The tried and true 80/20 rule is actually called the "Pareto Principal" after the Italian economist who first recognized it in the early 1900s. It applies to many areas: 80% percent of contributions come from 20% of a charity's donors... and so on.)

Chances are, many of your customers are going through the same economic turmoil you're experiencing, and are looking for ways to realize cost cutting or cost savings.

Your timely customer service visit, telephone call or email might be just the ticket to let that 20% treasure-trove of current best customers know how much they

mean to you and get them thinking they would be better off reducing – or eliminating – the business they do with some other company, as opposed to yours!

*Albert J. Weatherhead is the author of **The Power Of Adversity** and chairman and CEO of Weatherhead Industries, a private manufacturer of plastic closures for food, spice, pharmaceutical and nutraceutical products.*

This post was originally published on Rescue a CEO.



From Unemployed to Self Employed: Weekend Business Plan

These days, the least secure position is a job. You can lose a job. The difference between unemployed and self-employed? Nothing. Why not start your own business? All businesses, big and small, started with one person and a dream.

You could start a business of your own...and you can do it over a weekend. It's a matter of thinking new thoughts and taking aligned action. But you better get going. The older we get, the faster time goes. We are just too old to waste time.

I wrote a terrific book called, *The Bare Bones Biz Plan*. It's a six week program for creating a winning business plan and business. I've been thinking. What if you didn't want to take six weeks? What if you wanted to power it out over a weekend?

One of the reasons I wrote a business planning book in the first place is because so many people approach me with a rapid fire description of their business concept. But, I can't get my head around it and their words are all over the place. So, I ask, "What have you got written down? What can you show me?" At that point they usually just point to their head. "It's all in here." Well, moving the ideas to paper, to a binder, to your iPad or computer, is the start of making it *real*. Thought begets reality. Thought moves to material form by writing it or typing it.

What if we condensed the process of business planning? From Friday evening to Sunday evening, you could think about and clarify your vision for your ideal business. You could lay out the inspired action that will move you in that direction. Profitably. Without draining your time and energy for no real reward. Without creating a pile of debt. And, you could hit the ground running on Monday.

Why not clear out a weekend and follow this game plan. Prove that you can take charge of your time and commit to 48 hours of focused thought and action. If you can pull that off, you will increase your confidence that you can make sweeping changes in your life. Ready to go go go?

Commit to a weekend in the next month. Write in on your calendar. In blood. And communicate to all who may come looking for you that you will be

on a retreat and unavailable. Arrange to have dependent family members depend on someone else for the weekend.

Here's your agenda for the weekend.

Friday evening

Go to the office supply store or check your office for the following items...

- A one-inch three ring binder. Get a nice one. Your Biz Plan is going inside.
- A hundred sheets of paper. (So you can create a few drafts of each exercise.)
- A set of write-on tabs to "tab up" your Biz Plan. Six or eight come in a package.

Note that you could create your Biz Plan on your laptop, or your iPad. Whatever works for you. You want to make the Biz Plan easily accessible and demonstrable. For instance, if you found yourself sitting next to Warren Buffet on an airplane, could you easily whip out your Biz Plan and go through it with him? That could be a "readiness meets opportunity" moment for you.

Go to the supermarket and stock up on food for the weekend...

The idea is to have simple, healthy food at the ready so that you can prep and eat without a lot of fuss.

Rise and Shine...Think and Plan...

On **Saturday** and **Sunday**, flesh out the Biz Plan and put it in your binder. These are the essential elements of a sound business plan. Tab up your binder accordingly. And start writing!

- **The Mission** – Why should this business exist? What's the point or purpose?
- **The Elevator Speech** – How can you communicate to your customers what problems you solve, differently and better than anyone else?
- **Your Goals** – What do you want to achieve this coming year? The next?
- **The Organizational Chart** – Who can help? What would they do for you?
- **The Financial Plan** – How will this business make money and how much? How much will you need to charge to make it work?

- **The Marketing Plan** – How can you get enough of the right calls, at the right time, from the right customers?
- **The Top 10 Projects** – What projects could you energize that would help you solve your most pressing problems or capitalize on your most compelling opportunities?
- **The Executive Summary** – How can you communicate all this in one page? To show to investors, team members, your spouse or partner. And to help you gain clarity about what you want and how you are going to get it.

One last thing. You can't do this wrong. If you spend two days thinking and planning only good can come from that. We are too old to let yet another day, another year, go by as we stand helplessly on the sidelines of our own lives. One weekend could make all the difference.

*This guest post is courtesy of Ellen Rohr. She can be reached at contact@barebonesbiz.com and check out her book *The Weekend Biz Plan* at www.barebonesbiz.com.*

This post was originally published on Rescue a CEO.



5 Phases to DIY Strategic Planning for Start-ups

When I work with business start-ups, one of my first questions is do they have a strategic plan? The reply I often hear is “We have a business plan, so why do we need a strategic plan?”

So let’s start by discussing the clear distinctions between a business plan and a strategic plan...

Business Plan vs. Strategic Plan

A *business plan* is typically used to get a business off the ground, obtain funding, or set up operations. Additionally, the timeframe or scope of a business plan is typically no more than one year.

A *strategic plan* is much more detailed with *specific* objectives coupled with clear action plans designed to achieve those objectives over the course of one to three years.

Think of the difference like this...a business plan presents the entrepreneur’s business concept to potential investors, while a strategic plan communicates direction to the organization.

Why Every Start-up Needs a Strategic Plan

Simply put, strategic planning provides focus and direction. Without a clear plan, any business, and especially start-ups, can easily find themselves wasting valuable resources and capital on activities that will not contribute their ultimate mission.

Developing Your Own Strategic Plan

Below is a framework for developing your strategic plan. Your strategic plan should address each of these key questions:

Phase 1: Where are we now?

Every strategic plan requires a significant information gathering effort. As a start-up you may not yet even have an executive team in place, but your business

plan established your business concept and that's enough for you to get started compiling important information about the marketplace you are about to enter.

1. Who will be your competitors? How will you differentiate yourself from them?
2. Who are your customers? How large is your target group? How will you reach them?
3. How will you develop, produce and deliver your products/services?
4. What will our organization look like in six months? One year? Three years?
5. What opportunities and threats exist in the marketplace?

If your start-up is further along, then you need to assemble your strategic planning team and assign the research tasks to various members. You should also gather input from *everyone* regarding the company's strengths and weaknesses. Even if you have yet to launch, after looking at your competition and your future marketplace, you should be able to identify some of your strengths and weaknesses.

It can't be emphasized enough that the power of your strategic plan to properly guide your business activities is dependent on good input. You should not move forward until you feel you have a solid knowledge base from which to build your plan.

Phase 2: Where do we want to be?

I call this the *desired results phase*. This is when you and/or your team establish the *vision statement* for the business and the two to four *objectives* the plan will focus on.

Phase 3: How will we get there?

This phase represents the real meat of your strategic plan. I like to wait until this point to create the *mission statement*, then move on to creating and prioritizing the *strategies* and *programs* designed to achieve the objectives of the plan.

Phase 4: Who must do what?

During the *implementation phase* agreed upon *action plans* are established for the prioritized strategies and programs. Action plans include specifics about what is going to be done and who is responsible for getting it done and when.

Phase 5: How are we doing?

During the *review phase* the person responsible for the overall adherence to the strategic plan monitors the progress of all action plans. Failure to meet due dates requires adjustments or revisions to the action plan(s).

This raises a very important point...as a business in its infancy; your strategic plan is a working document that you should be open to revising and updating when things change. Once you start actually selling and serving your customers, you'll be gathering real data about what works and what doesn't. This may require revisions to your action plans and even some of your primary objectives.

Make these revisions with the consensus of your strategic planning team to be sure everyone has input and is 'on-board' with new directives. Having the ability to adapt to changes based on real market experience is key to surviving those first critical years when most new businesses fail. While most established companies can go a full year between strategic planning efforts, as a new business, your strategic planning team may want to meet every month or two.

I promise if you follow these tried-and-true steps in creating and implementing your strategic plan, it will become your blueprint to success. Commit to your plan and follow it!

—

Jim Gribble is a Senior Consultant for PI Midlantic, a behavioral and cognitive assessment consulting firm based in Annapolis, Maryland. PI Midlantic's consultants aid businesses in strategic planning using the Predictive Index System. The PI Worldwide member firm is celebrating 30 years in business this year.

This post was originally published on Rescue a CEO.

How to Increase Your Chances of Getting That Small Business Loan

A small business loan is what you need to make your dreams a reality. If you want to turn your idea into a lucrative and profitable business, you often need capital to help you get started. Securing small business loans can be the best way to give you access to money you need to take your business idea to the next level. With so many lenders out there – such as National Funding – the task may seem simple. However, securing a business loan is not quite as easy as it might seem. In the past, qualifying for a business loan was a bit simpler than it is now. With loan applications undergoing much more scrutiny than before, you need to take the right steps to boost your chances of having your small business loan approved.

Here are a few easy steps that you can take to help make securing a small business loan more within your reach:

Seek Advice for Help with Your Business Plan

It is always a good idea to take advantage of all the resources that you have at your disposal. You have the ability to seek advice from the Small Business Administration. This will give you access to trained counselors and professionals that can help you develop a business plan for free. This will help you to show your lender that you have a plan in place to put the money from the loan to good use. An effective business plan is often the key to securing a business loan.

Lenders want to know what type of idea you have and how you plan to go about putting it into motion. By getting advice with your business plan, you will be able to create a plan that is professional and shows that you have done the necessary research. Your plan should detail the amount of money that you want for the loan and how that money will be used.

Take a Look at Your Credit Report

Before you apply for a small business loan it is important that you take a look at your credit report for any mistakes. There are 3 different reporting agencies and the chances of discrepancies on your credit report are fairly high. This means that it is essential that you check your credit report for accuracy before you apply for a small business loan. You do not want to be turned down for loan approval based on a credit report that is not accurate.

This post was originally published on Rescue a CEO.

What is the Most Important Part of the Business Plan?

Building a successful business is similar to building a house. Each brick is laid in such a way to support the foundation and the building of the house. Without one brick, the entire house could collapse. However, one of the most overlooked periods of the plan is even before the "bricks" are laid down. It is the planning. For entrepreneurs that part is the business plan, it is the business plan. All sections are important, but Entrepreneur asked entrepreneurs what they thought was the most important part of the business plan.

A Strategy for Finding Customers

For us, the most important part of our business plan is our strategy for finding customers. I think a lot of people are wrapped up in their mission, or their vision - and while that is important, you can't execute on a vision alone without a strategy of finding others to share or participate in it. **Why did you start your business?** I started Chic CEO, because I was frustrated that I couldn't find an aggregate website that had the foundational and fundamental information that women need to get started. In addition, there weren't many business websites that spoke to me the way I wanted them to. So I created one.

Thanks to Stephanie Burns, CEO of Chic CEO, LLC!

Flexibility

The most of important part of a business plan is to leave room for flexibility. Although a business plan may seem like the finite way you plan to run your business, you should always leave room for flexibility as you move to implement your plan and your business becomes a reality. **Why did you start your business?** I started my unique practice, debt resolution and bankruptcy avoidance law firm, to educate and try to help people in their time of financial need. I pride myself in being able to use my expertise for good and being able to lead my clients on the path to a debt-free life.

Thanks to Leslie H. Tayne, Esq., Law Offices of Leslie H. Tayne P.C.!

Figuring Out How Much I Need to Quit My Job

The most important part of my business plan was figuring out how much I would need to make to quit my full time job. I would love my business to be full time and by seeing what I would need to do to make that happen, I was able to change direction and focus and treat my blog as a true business with a budget, operating hours, a mission statement, and goals. **Why did you start your business?** I love dogs. I'm a blogger (Keep the Tail Wagging) and I started my blog to building a community of dog lovers, promote dog rescue and responsible breeding, and to share tips on dog training/nutrition/grooming/care/health.

Thanks to Kimberly Gauthier, Keep the Tail Wagging!

The Vision

It is the Vision. It must be so powerful that you live it within your being. You must feel and see the customers you are serving. Experience the consciousness of all aspects. When the vision is this powerful your focus and direction will be strong and you will know it is happening. Never lose the vision and focus. It is based on the brain's ability to see the end result; just like an inventor. An inventor does not invent one component at a time; they vision and work backwards. **Why did you start your business?** I started with this business from the first seminar and could see the vision strongly. When it went up for sale, I purchased it. It is the solution to many entrepreneurs marketing their business successfully and adding coaching/consulting for additional income.

Thanks to June Davidson, ASLA!

Long-Term Direction

It's essential for the business plan to have a long-term direction related to the business' mission statement. Without having this clear direction for the future, it would be too easy to participate in business activities and projects that are not in alignment with the mission. And falling of course like that would be a surefire way for an otherwise amazing business to fail. **Why did you start your**

business? My reasons for becoming an entrepreneur were simple: I love graphic design, and I have a passion for helping small businesses. Put those two together and you have Sweet Dreamz Design!

Thanks to Barbara Austin, Chief Design Officer of Sweet Dreamz Design!

The Marketing Strategies Section

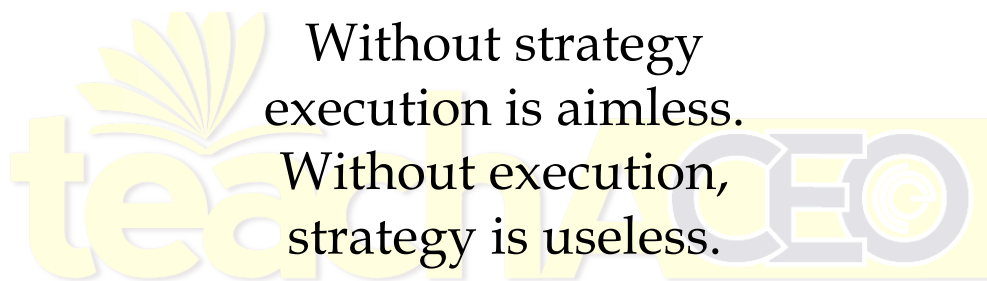
The most important part of the business plan is the marketing strategies section of the plan. This explains how, why and how you plan to reach an ongoing audience. **Why did you start your business?** I started my business because I wanted and needed the flexibility to volunteer in my children's classrooms, get to swim, track and tennis meets and be available for their hopes and dreams. I actually bought a building one block from the high school, two blocks from the middle school and three blocks from the elementary. I started my business on my youngest child's first day of kindergarten. At first, I rented a space and then purchased my own location in the same neighborhood. The third floor became a children's playroom for my three and the staff's kids. They had a TV, videos, a big overstuffed sofa, school desks, game, puzzles and toys up there. Since our office has a full kitchen, I was able to keep milk, cold water, soft drinks and lemonade all year round. We also kept frozen cookie dough in the freezer for impromptu cookie fests.

Thanks to Nancy Garberson, Marketing & Communication Strategies, Inc.!

This post was originally published on Hearpreneur.

Without strategy
execution is aimless.

Without execution,
strategy is useless.



School for entrepreneurs and business owners

- Morris Chang

THE END

...NOT REALLY,
IT'S THE BEGINNING.

