

BUSINESS PLANNING GUIDE *

Research will need to be completed for each component of the Business Plan Outline before writing your business plan.

EXTERNAL

Industry and Market

- What is the industry outlook: healthy, growing, stable, volatile, trendy or a niche market?
- Financial Data: benchmark statistics.
- What is the regulatory environment?
- Are there trade associations?
- Describe the economy and environment.
- Are there growth opportunities in this market?

Market & Customers

- Who needs your goods and services?
- Describe the target markets for your product or service.
- Number of target markets – size, demographics and characteristics of each target market.
- Why do they purchase your product or use your services?
- What is your percentage goal for the market share in each target market?
- What strategies do you use to reach each of your target markets?
 - Sales promotion, direct sales, advertising, publicity, social media, etc.

Competition

Identify and Understand the Competition (*both direct and indirect*)

- What competition does your business face?
 - Who are they, where are they located and how long have they been in business?
 - Is their business growing or shrinking?
 - What was their revenue for the past year?
 - How are the operations similar or dissimilar to yours?
 - What are their strengths and weaknesses?
 - How do they brand?
 - How do they reach their customers?

INTERNAL

Business Description

- What type of business do you have?
 - Service, retail, wholesale, manufacturing
- What is your status of business?
 - Startup, acquisition, franchise, expansion
- What is your business form?
 - Sole Proprietor, Partnership, Corporation, Limited Liability Company (LLC)
- How does the business fund its operations?
 - Equity, debt or profits
- When did or will the business open?

Management

- Personal history of the owner (s)
 - Why did you chose this market and business
 - General management experience and education
 - Related work experience
- Duties and responsibilities
- Resources available to the business-both general business assistance and professionals
- What culture and environment will you create?

Personnel

- What are your current personnel needs? In the future? Five years from now?
- Are you subcontracting work rather than hiring employees & are you compliant with IRS regulations?

Business Location

- Where is the business located?
- Why did you pick this location and is it the best location for your business?
- How does location affect your business?
- Is it leased or owned?
- Are renovations needed or necessary?
- What is the neighborhood composition?

Operations

- What are your hours of operation?
- Is the business seasonal?
- Policies and procedures
 - Refunds, discounts, payments (cash/check/credit cards)

Product and Service

- Do you offer a variety of products and services?
- What are the features and benefits of the product/service?
- Is the product or service unique? How?
- If the product or service is not unique, why would it be purchased (demand, cost, quality, etc.)
- What is your pricing strategy and is it cost or market driven?

FINANCIAL DATA

Including Projected Financial Statements

- Breakeven Analysis
- Projected Financial Statements
 - Income Statement
 - Cash Flow Statement
 - Balance Sheet
 - Capital Equipment List

* *Business Planning Guide by David Bangs and William Osgood*