

presented by

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founder of

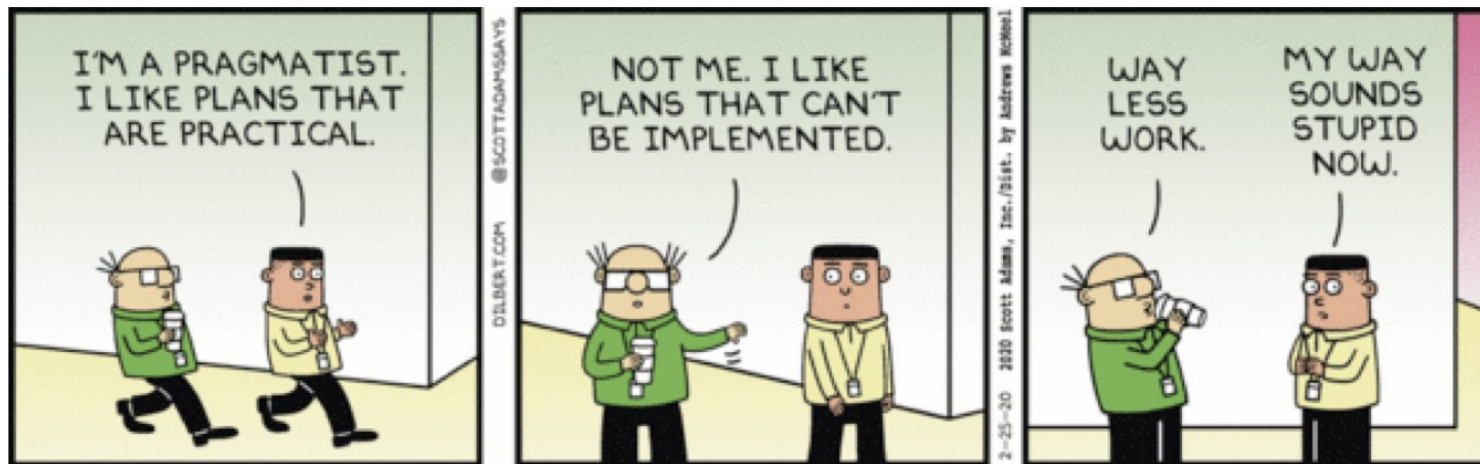




- A business plan is a document that outlines your business's financial goals and explains how you'll achieve them.
- A strong, detailed plan will provide a road map for the business's success!
- Nearly 70% of successful business owners recommend writing a business plan before you start a business, and yet, more than 10% of prospective business owners said they do not intend to write a business plan.
- Another 10% aren't sure if they need a plan at all.



- It's more than the old cliché: A failure to plan is a plan to fail.
- In fact, a wealth of data now exists on the difference a written business plan makes, especially for small or growing companies.
- Even if you are not trying to get a bank loan, You NEED a Business Plan!
- When done right, business plans have enormous payoffs. Let me show you how!!!



Pick a business plan format that works for you

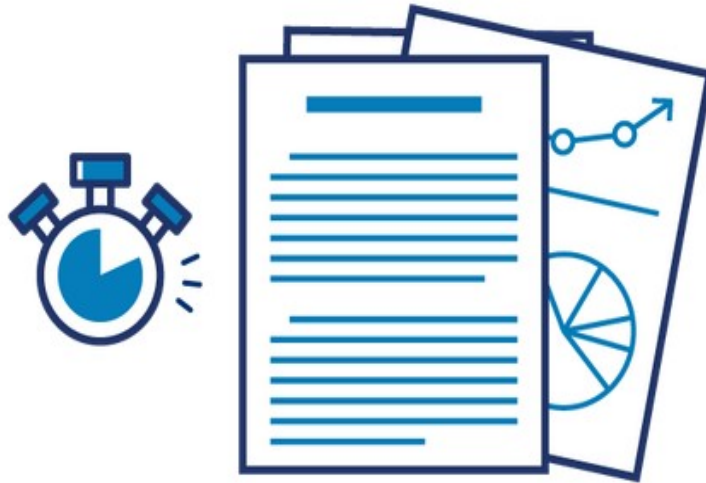
There's no right or wrong way to write a business plan. What's important is that your plan meets your needs.

Most business plans fall into one of two common categories: traditional or lean startup.

Traditional business plans are more common, use a standard structure, and encourage you to go into detail in each section. They tend to require more work upfront and can be dozens of pages long.

Lean startup business plans are less common but still use a standard structure. They focus on summarizing only the most important points of the key elements of your plan. They can take as little as one hour to make and are typically only one page.





Traditional business plan

This type of plan is very detailed, takes more time to write, and is comprehensive. Lenders and investors commonly request this plan.



Lean startup plan

This type of plan is high-level focus, fast to write, and contains key elements only. Some lenders and investors may ask for more information.

TRADITIONAL THINKING
LEAN THINKING



Traditional Business Plan Format

- You might prefer a traditional business plan format if you're very detail-oriented, want a comprehensive plan, or plan to request financing from traditional sources.
- When you write your business plan, you don't have to stick to the exact business plan outline. Instead, use the sections that make the most sense for your business and your needs. Traditional business plans use some combination of these eight sections.



- 1. Write an executive summary**
- 2. Describe your company**
- 3. State your business goals**
- 4. Describe your products and services**
- 5. Do your market research**
- 6. Outline your marketing & sales plan**
- 7. Perform a business financial plan**
- 8. Make financial projections**



1 Executive summary

High-level overview of your business

- This is going to be the first page of your business plan. Think of it as your sales pitch.
- It should include a mission statement, a brief description of the products or services offered, and a broad summary of your financial growth plans.
- Though the executive summary is the first thing your investors will read, it can be easier to write it last.
- That way, you can highlight information you've identified while writing other sections that go into more detail.

The who, what, and why of a business plan



Who:

Who are the major players shaping business goals?



What:

What do you offer, and what are your advantages?



Why:

Why are you in business, and why choose you?

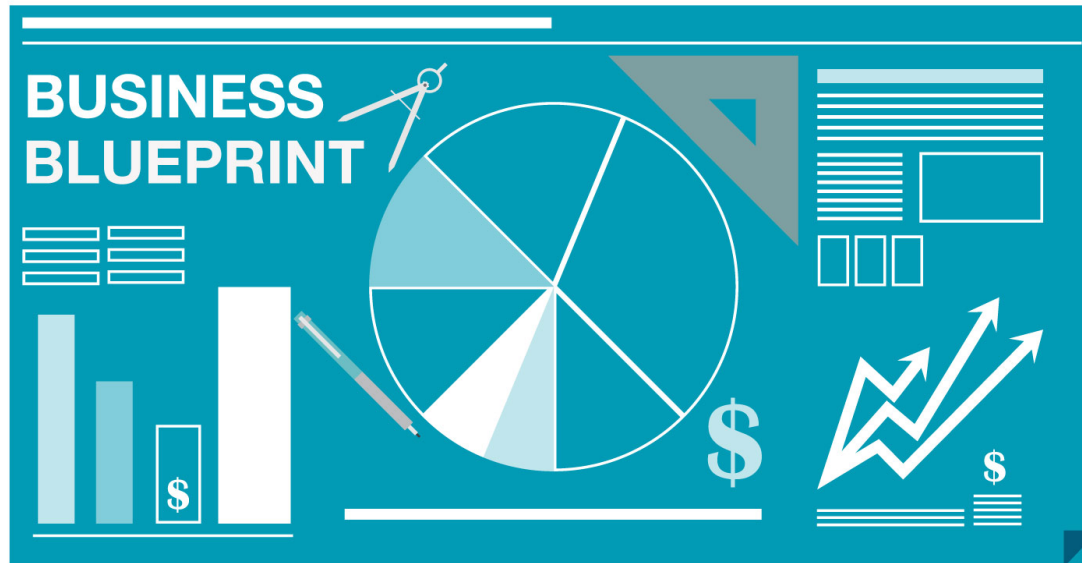
Investors want to know you have:

Product-market fit: Have you done the research to determine the demand for your product or service?

A solid team in place: Do you have the people you need to support your goals and objectives?

Scalability: Can you grow your sales volume without proportional growth in employees and fixed costs?

A templated business plan gives investors a blueprint of what to expect from your company and tells them about you as an entrepreneur.



- Briefly tell your reader what your company is and why it will be successful.
- Include your mission statement, your product or service, and basic information about your company's leadership team, employees, and location.
- You should also include financial information and high-level growth plans if you plan to ask for financing.



- You need a business plan because the majority of venture capitalists (VCs), and all banking institutions will not invest in a startup or small business without a solid, written plan.
- If you are operating a non-profit and applying for grants, you will also need a business plan.
- Not only does a business plan help you focus on concrete objectives, but it gives outside parties reassurance that you've thought ahead.

EXECUTIVE SUMMARY



THE CONCEPT
OF YOUR BUSINESS



A BRIEF BUSINESS
OVERVIEW



FINANCIAL
PLANS AND NEEDS



ESSENTIAL
ACHIEVEMENTS

What is an executive summary?

- An executive summary is a short, informative, and easy-to-read opening statement to your business plan. Even though it's usually just one to two pages, the executive summary is incredibly important.
- An executive summary tells the story of what your business does, why an investor might be interested in giving funds to your business, why their investment will be well-spent, and why you do what you do. An executive summary should be informative, but it should also capture a busy reader's attention.

Why write an executive summary?

- Anyone you're sending your executive summary and business plan to is likely busy—very busy. An entire business plan is long, involved, and deals with a lot of numbers.
- Someone busy wants to get an understanding of your business, and they want to do it quickly, which is to say not by diving into a complicated, 80-page business plan. That's where your executive summary comes in.
- An executive summary provides just the opportunity to hook someone's interest, tell them about your business, and offer a clear selling point as to why they should consider investing in your business.
- Your executive summary is your chance to sell your business to potential investors and show them your business is worth not only their money but also their time.



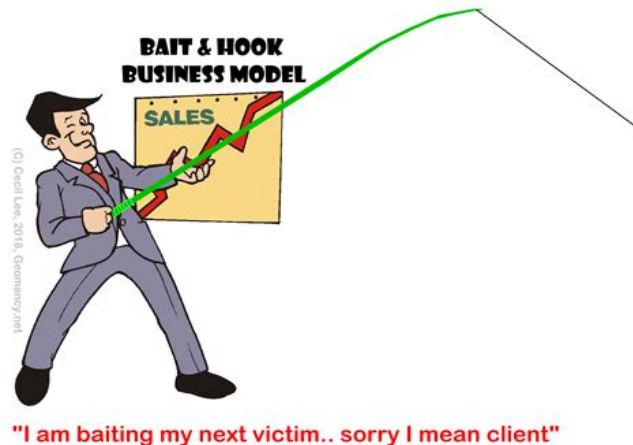
1. The hook

The first sentence and paragraph of your executive summary determine whether or not the entire executive summary gets read. That's why the hook or introduction is so important.

In general, a hook is considered anything that will get a reader's attention. While an executive summary is a formal business document, **Your hook should make you stand out from the crowd—without wasting time.**

Your hook can be sharing something creative about your company, an interesting fact, or just a very well-crafted description of your business. **It's crucial to craft your hook with the personality of your reader in mind.** Give them something that will make your company stand out and be memorable among a sea of other business plans.

Grab their attention in the first paragraph, and you're much more likely to get your executive summary read, which could lead to an investment.



2. Company description summary

Now that you've hooked your reader, it's time to get into some general information about your business. If an investor is going to give you money, after all, they first need to understand what your company does or what product you sell and who is managing the company.

Your company description should include information about your business, such as when it was formed and where you're located; your products or services; the founders or executive team, including names and specific roles; and any additional details about the management team or style.



3. Market analysis

Your market analysis in the executive summary is a brief description of what the market for your business looks like. **You want to show that you have done your research and proven that there is a need for your specific product or services.** Some questions you should answer:

- Who are your competitors?
 - Is there a demand for your products or services?
 - What advantages do you have that make your business unique in comparison to others?
- To reiterate, stick to the highlights of your market analysis in your executive summary.** You'll provide a complete analysis in a separate section of your business plan, but you should be able to communicate enough in the executive summary that a potential investor can gauge whether your business has potential.



4. Products and services

- Now that you've established a need in the market, it's time to show just how your business will fill it.
- **This section of your executive summary is all about highlighting the product or service that your company offers.** Talk about your current sales, the growth you've seen so far, and any other highlights that are a selling point for your company.
- **This is also a good time to identify what sets your business apart and gives you a competitive advantage.** After all, it's unlikely that your business is the first of its kind.
- **Highlight what you do better than the competition and why potential customers will choose your product or service over the other options on the market.**

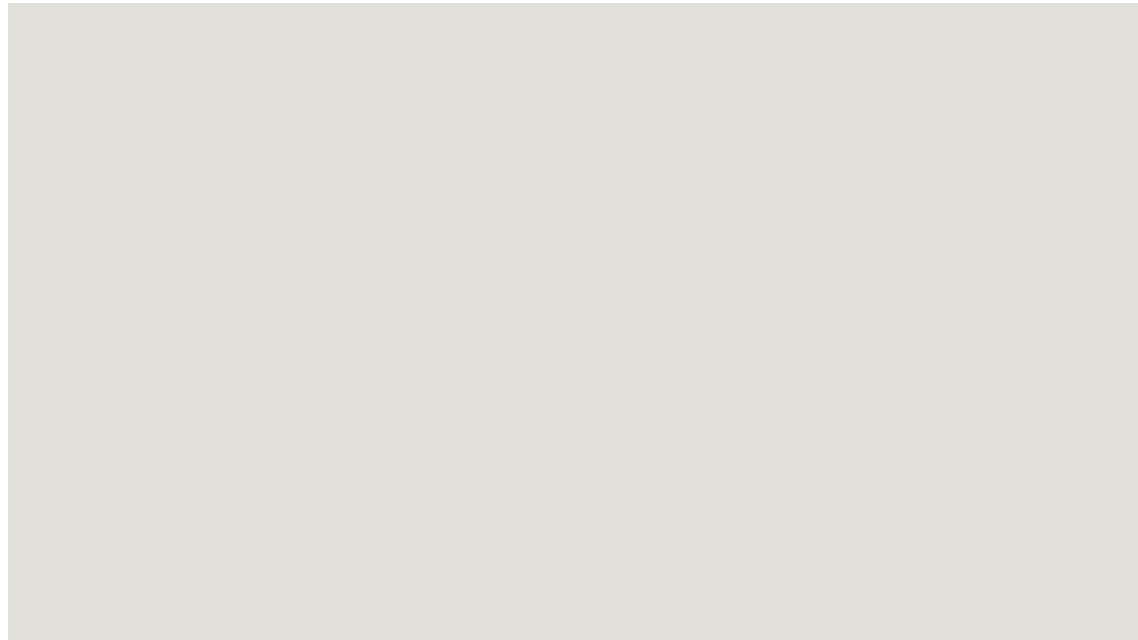


5. Financial information and projections

• **In this section of your executive summary, you want to give the reader an overview of your current business financials.** Again, you'll go more in-depth into this section later in your business plan, so just provide some highlights.

• Include your current sales and profits (if you have any), as well as what funding you're hoping to acquire and how this will affect your financials in the next few years.

• This is also where you can explain what funding, if any, you've received in the past. If you paid back your loan on time, this is an especially bright selling point for potential lenders.



6. Future plans

- While asking for what funding you need is essential, you've also got to make clear what you're going to use that funding for. If you're asking for money, you want the person to know you have a plan to put those funds to good use.
- Are you hoping to open another location, expand your product line, invest in your marketing efforts?
- This final section of your executive summary should detail where you want your business to go in the future, as well as drive home how funding can help you get there.



Be concise

- **An executive summary should include everything that's in your business plan, just in a much shorter format.** Writing a concise executive summary is no easy task and will require many revisions to get to the final draft. **And while this is the first section of your business plan, you'll want to write it last, after you've put together all the other elements.**

- To choose your most important points and what should be included in the executive summary, go through your business plan, and pull out single-line bullet points. Go back through those bullet points and eliminate everything unnecessary to understanding your business.

- Once you have your list of bullet points narrowed down, you can start writing your executive summary. Once it's written, go back in and remove any unnecessary information. Remember, you should only be including the highlights—you have the rest of your business plan to go into more detail. The shorter and clearer your executive summary is, the more likely someone is to read it.



Use bullet points

- One simple way to make your executive summary more readable is to use bullet points.
- If someone is reading quickly or skimming your executive summary, extra whitespace can make the content faster and easier to read.
- Short paragraphs, short sentences, and bullet points all make an executive summary easier to skim—which is likely what the reader is doing.
- If important numbers and convincing stats jump out at the reader, they're more likely to keep reading.

Play to your strengths

- One of the best ways to catch the attention of your reader is to share why your business is unique.
- What makes your business unique is also what makes your business strong, which can capture a reader's interest and show them why your business is worth investing in.
- Be sure to highlight these strengths from the start of your executive summary.

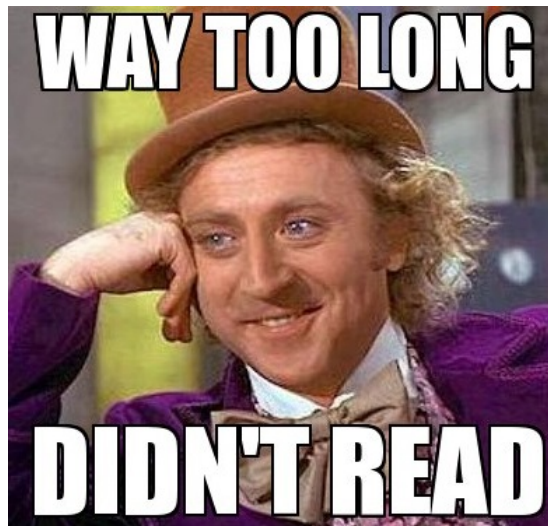


What can i say?
I'm just different !

OzCoverGallery.com

How long should an Executive Summary be?

- There's no firm rule on how long an executive summary should be, as it depends on the length of your business plan and the depth of understanding needed by the reader to fully grasp your ask.
- That being said, it should be as short and concise as you can get it. In general, an executive summary should be one to two pages in length.
- You can fudge the length slightly by adjusting the margin and font size, but don't forget readability is just as important as length.
- You want to leave plenty of white space and have a large enough font that the reader is comfortable while reading your executive summary.
- If your executive summary is hard to read, it's less likely your reader will take the time to read your business plan.



The Bottom Line

- While an executive summary is short, it's challenging to write. **Your executive summary condenses your entire introduction, business description, business plan, market analysis, financial projections, and ask into one to two pages.**
- Condensing information down to its most essential form takes time and many drafts. When you're putting together your business plan's executive summary, be sure to give yourself plenty of time to write it and to seek the help of friends or colleagues for editing it to perfection.
- However, some tools make crafting a business plan, including your executive summary, a simpler process. **A business plan template is a great place to start.** After all, a well-written executive summary can make all the difference in obtaining funding for your business, so you'll want all the help you can get.



Executive summary

01

Who are my target customers?

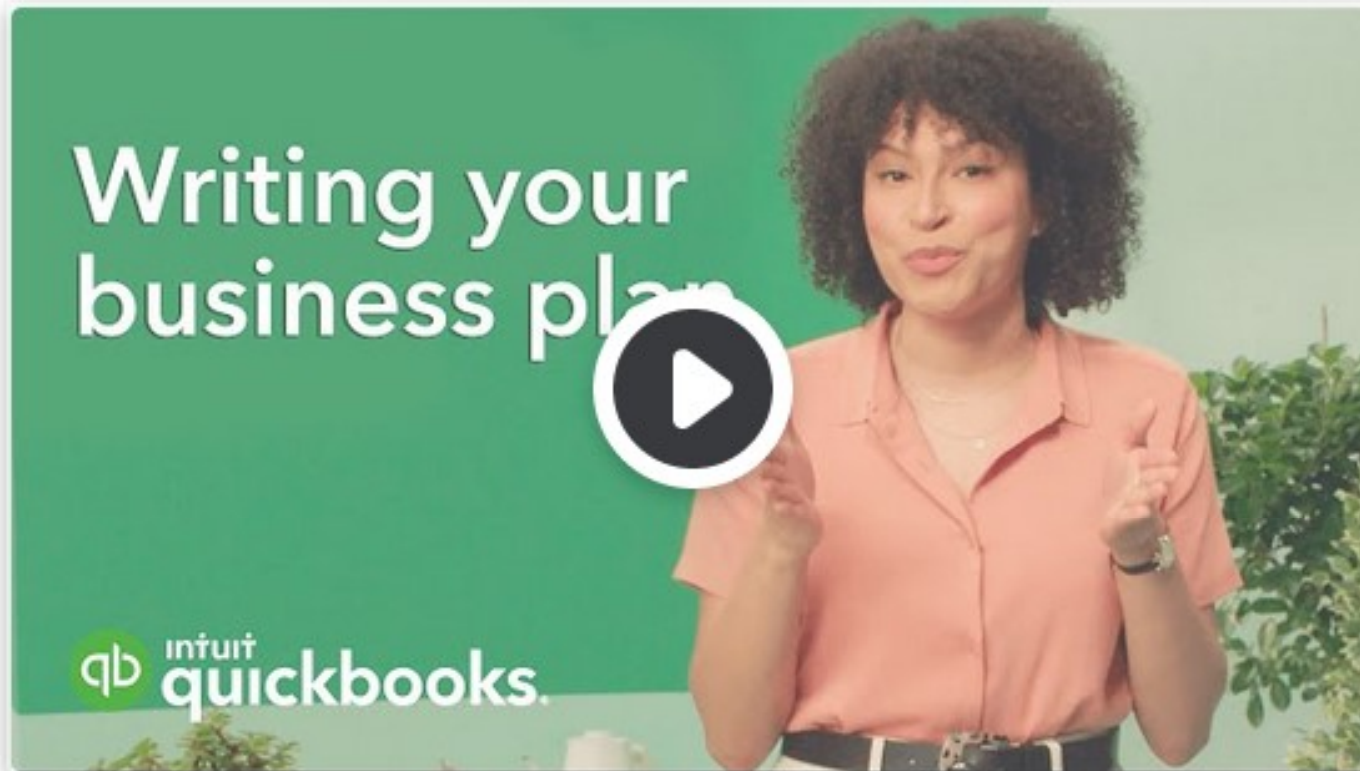
What needs do my customers have?

What is my product/service?

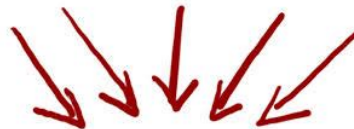
What problem does my product/service solve?

Who are my competitors?

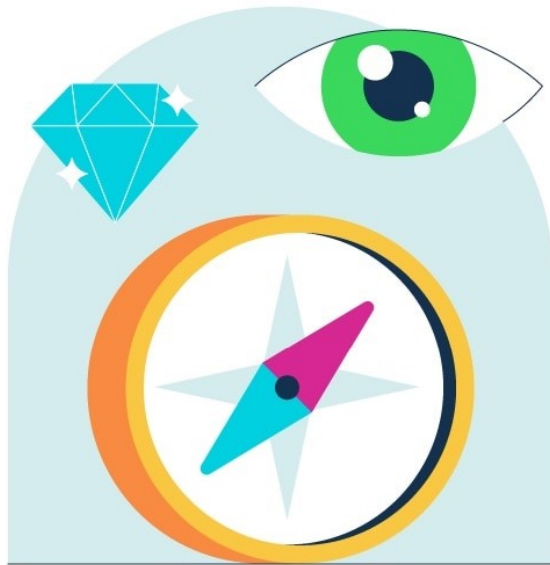
What are the differentiating key features of my product/service?



CLICK HERE



<https://www.youtube.com/watch?v=3oNdiDVISXU>



2

Company description

Mission statement,
history, and goals

Compose your company description

Within a business plan, your company description contains three elements:

- Mission statement
- History
- Objectives

Your company description should also define your [business structure](#) — such as a sole proprietorship, partnership, LLC, or S-corp — and include the percent ownership that each owner has and the extent of each owner's involvement in the company.

These elements give context to the bigger picture in your business plan, letting investors know the purpose behind your company so the goals make sense as well.



What is a mission statement?

A mission statement is your business's reason for existing. It's more than what you do or what you sell, it's about why exactly you do what you do. Effective mission statements should be:

Inspirational to make others believe in your vision

Emotional to captivate readers and grab their interest

Throughout every part of your plan, less is more. Nowhere is that truer than your mission statement. **Think about what motivates you**, what causes and experiences led you to start the business, the problems you solve, the wider social issues you care about, and more.

How to write a Mission Statement



Company Mission Statements can be hard to write! A Mission Statement needs to be short, concise, clear, vivid and inspiring!

There's nothing worse than looking at a blank piece of paper! So gather together some relevant information about the company before you begin. Hints and Tips follow!

With some preparation and planning you will be able to write an effective Company Mission Statement easily



Created by www.samples-help.org.uk



EXAMPLES

THE MOST INSPIRATIONAL COMPANY MISSION STATEMENTS



"It's our goal to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online."



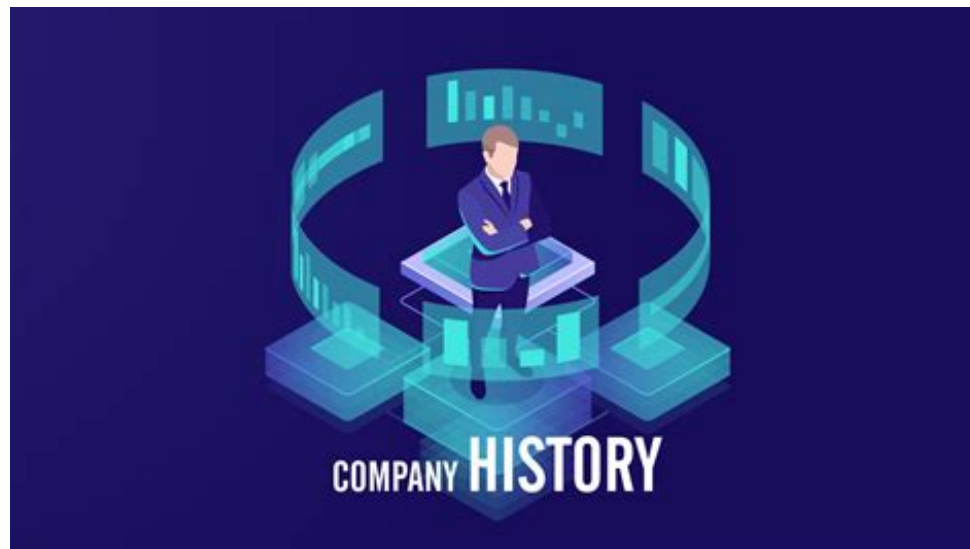
"Our mission is to bring the Teddy Bear to life. An American icon, the Teddy Bear brings to mind warm thoughts about our childhood, about friendship, about trust and comfort, and also about love."

How do you describe a company's history?

Don't worry about making your company history a dense narrative, especially if it's a new business. Instead, write it like you would a profile:

- Founding date
- Major milestones
- Location(s)
- Number of employees
- Executive leadership roles
- Flagship products or services

Then, translate that list into a few short paragraphs (like the example next).





EXAMPLES

Example of a company description

Laura's Landscapers' mission is to change the face of our city through sustainable landscaping and help you create the outdoor living space of your dreams.

Founded in 2021 by sisters Laura and Raquel Smith, we have over 25 years of combined landscape architecture experience. Our four employees work in teams of two and have already completed 10 projects for some of Richmond's most influential business and community leaders.

Our objectives over the next three years are to:

- Solidify a glowing reputation as a service-based business that always exceeds customers' expectations and honors the environment*
- Complete at least 18 projects during year one, 24 in year two, and 36 in year three generated through word of mouth, referrals, and home shows*
- Increase revenue from \$360,000 in FY2021 to \$972,000 in FY2023 based upon 10 completed projects in the last nine months*

Why do business objectives matter?

Business objectives give you clear goals to focus on, like the North Star. These goals must be SMART, which stands for:

- Specific
- Measurable
- Achievable
- Realistic
- Time-bound

They must also be tied to key results. When your objectives aren't clearly defined, it's hard for employees and team members to work toward a common purpose. What's worse, fuzzy goals won't inspire confidence from investors, nor will they have a profitable impact on your business.



Company description

02

Mission statement:

Write a paragraph from the information you list below.

- What motivates me? What experiences led me to create this business? Why do I care about solving the problems I'm targeting?

Company history:

Write one to two paragraphs about the following information.

- Founding date:

- Company milestones:

- Location(s):

- Leadership structure:

- Number of employees:

- Flagship products/services:

Business objectives:

Write one to two paragraphs about the following information.

- What is my specific objective?

- How do I measure this goal?

- How will I achieve this goal?

- Is this goal reasonable? Why?

- What's the time frame of this goal?





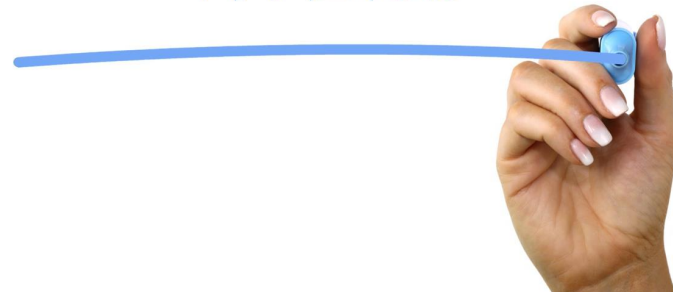
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Market research

Define your target market and personas

- The next step is to outline your ideal potential customer as well as the actual and potential size of your market.** To do this you'll need a good understanding of your industry outlook and target market.
- Competitive research will show you who your competitors are,** and what other businesses are doing, and what their strengths are.
- In your market research, look for trends and themes. What do successful competitors do? Why does it work? Can you do it better? Now's the time to answer these questions.
- Lenders and investors will want to know what sets your product apart from your competition.** Discuss what they do well, and point out what you can do better. If you're serving a different or underserved market, explain that.

MARKET OPPORTUNITY ANALYSIS



Target markets—also known as personas—identify demographic information like:

- Location
- Income
- Age
- Gender
- Education
- Profession
- Hobbies



TARGET MARKETS vs. BUYER PERSONAS

Demographics

- Gender
- Age range
- Annual income
- Location



Demographics + Psychographics

- Age, gender, location
- Employer and job title
- Daily functions and responsibilities
- Role in the buying process
- Personal and professional goals
- Challenges and pain points
- Preferred sources of information
- Where they spend their time online
- Personal background
- Buying habits
- Hobbies and free time activities



By getting specific, you'll illustrate expertise and generate confidence. **If your target market is too broad, it can be a red flag for investors.**

Example: If your product is perfect for people with money to hire landscape architects, listing “anyone with a garden” as your target market might not go over so well.

The same is true with your market analysis when you estimate its size and monetary value. In addition to big numbers that encompass the total market, drill down into your business's addressable market—meaning, local numbers or numbers that apply the grand total to your specific segments. You may even [map your customer's journey](#) to get a better understanding of their wants and needs.



Market research shows the opportunity for Laura's Landscapers has never been better:

- *In the U.S., total revenue for landscaping services increased from \$69.8 billion in 2015 to \$99 billion in 2022.*
- ***Among landscaping contractors, designing and building is the second fastest growing service offering.***
- ***What's more, landscape design and construction is the number one "new service" existing companies plan to add over the next year.***

Leading indicators for interest in green, eco-friendly, and sustainable landscaping have all increased exponentially over the last five years:

- ***Online search volume for those terms is up 467%***
- *10 new community organizations have been formed*
- *73 high-profile projects have been covered by local media*

And currently 13% of residents have a household income of \$125,000 or more (compared to the U.S. average of 5%)

GOTCHA!



Market research and potential

03

Business objectives:

Write one to two paragraphs summarizing the following demographic information.

- Where is my target market located?
- What is my target market's income?
- What age groups are in my target market?
- What genders are in my target market?
- What education does my target market have?
- What are my target market's common professions?
- What hobbies does my target market have?



4 Competitive analysis

Recap your competitors' strategy

4. Conduct competitive analysis

Competitive research begins with identifying other companies that currently sell in the market you're looking to enter. The idea of finding enough time to learn about every potential competitor you have may sound overwhelming, but it can be extremely useful.



FACTOR	My Business	Strength	Weakness	Competitor A	Competitor B	Competitor C	Importance to Customer
Products							
Price							
Quality							
Selection							
Service							
Reliability							
Stability							
Expertise							
Company Reputation							
Location							
Appearance							
Sales Method							
Credit Policies							
Advertising							
Image							

Distinguish yourself from the competition

Look at your competitor's About Us page or their **mission and values statement** for ideas on how to highlight your differences.



Answer these additional questions after you've identified your most significant competitors:

- Where do they invest in advertising?
- What kind of press coverage do they get?
- How good is their customer service?
- What are their sales and pricing strategies?
- How do they rank on third-party rating platforms?

Spend some time thinking about what sets you apart. If your idea is truly novel, be prepared to explain the customer pain points you see your business solving. If your business doesn't have any direct competition, research other companies that provide a similar product or service.



Competitive analysis

04

Expand on the information you included in your executive summary in one to two paragraphs.

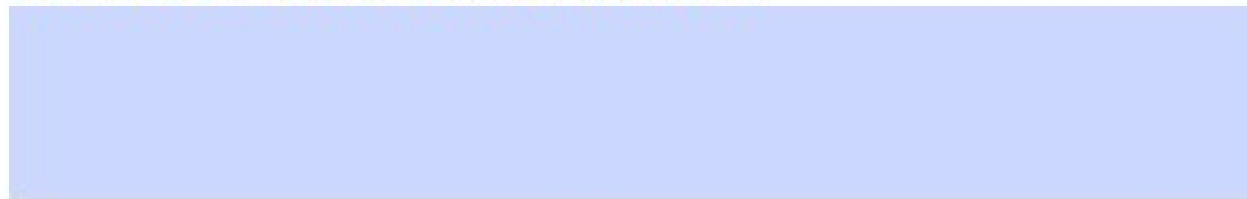
- Who is/are my main competitor(s)?



- Why are they my main competitors?



- How are they competitive against my product/service?





5 Product or service details

Benefits and
production process

5. Describe your product or service

This section describes the benefits, production process, and life cycle of your products or services, and how what your business offers is better than your competitors.

When describing benefits, focus on:

- Unique features
- Translating features into benefits
- Emotional and practical payoffs to your customers
- Intellectual property rights or any patents that protect differentiation
- Your supply chain and order fulfillment strategy
- Your sales strategy
- Your distribution strategy



SO...
what is your product?

Within the product life cycle portion, map elements like:

- Time between purchases
- Up-sells, cross-sells, and down-sells
- Future plans for research and development

$$\text{Return Purchase Rate} = \frac{\text{\# of Return Customers}}{\text{\# of Total Customers}}$$

Product or service

05

Highlight your offering in a brief description that considers the following questions.

Benefits:

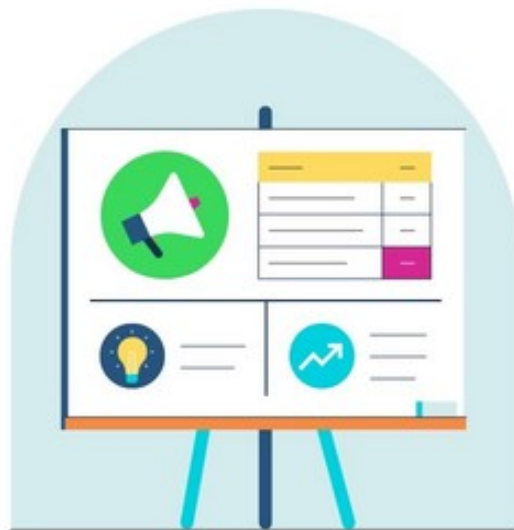
- What unique features does my product/service offer?
- How do these features translate into benefits for my target market?
- What are the emotional and practical payoffs to my customers?
- What intellectual property rights protect my product/service?

Production process:

- How do I create my product/service?
- How do I source raw materials or components, if any?
- How are parts assembled? (Manufacturing or otherwise)
- How do I maintain quality control and quality assurance?
- How do I handle reception and delivery of parts and products? (Supply chain logistics)

Production life cycle:

- What does the time between purchases look like?
- How do I up-, cross-, and down-sell products/services?
- Do I have any future plans for research and development?



6 Marketing and sales plan

Strategies to promote your offering

6. Develop a marketing and sales strategy

Your marketing strategy or marketing plan can be the difference between selling so much that growth explodes or getting no business at all. Growth strategies are a critical part of your business plan.

You should briefly reiterate topics such as your:

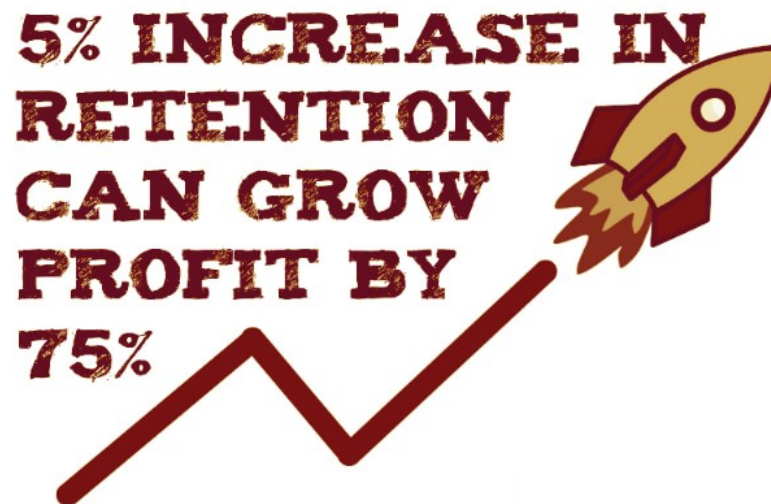
- Value proposition
- Ideal target markets
- Existing customer segments



Then, add your:

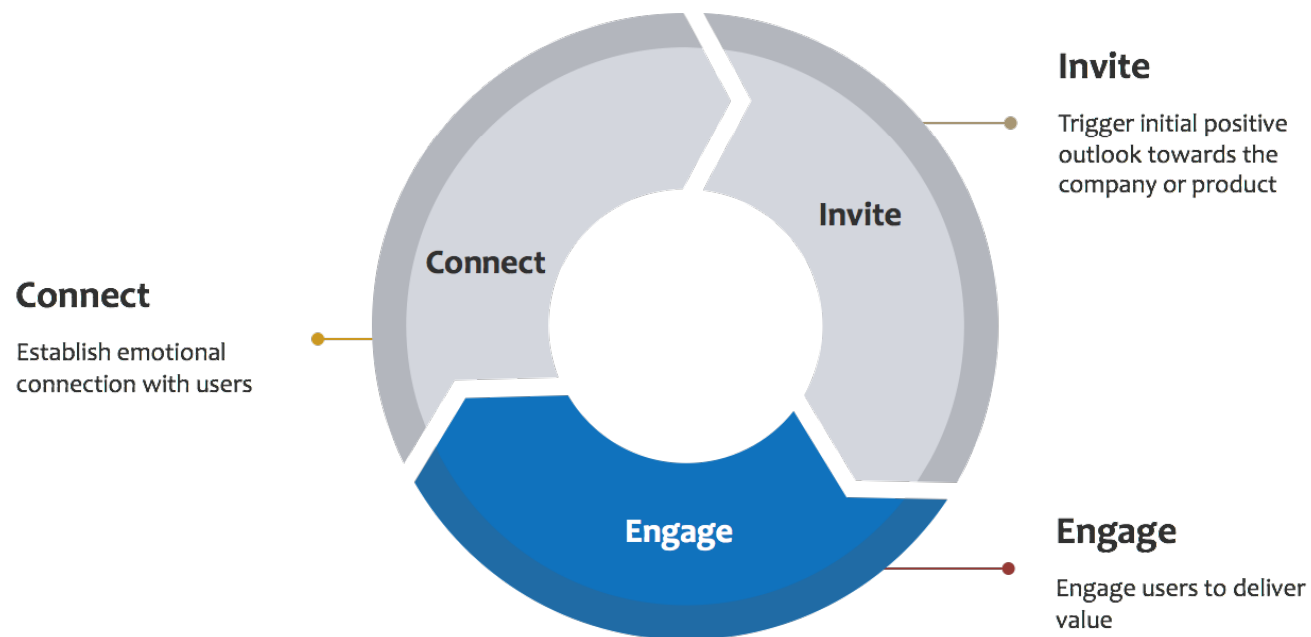
- Launch plan to attract new business
- Growth tactics for established businesses to expand
- Retention strategies like customer loyalty or referral programs
- Advertising and promotion channels such as search engines, social media, print, television, YouTube, and word of mouth

You can also use this section of your business plan to reinforce your strengths and what differentiates you from the competition. Be sure to show what you've already done, what you plan to do given your existing resources, and what results you expect from your efforts.



There's no single way to approach a marketing strategy. **Your strategy should evolve and change to fit your unique needs.**

Your goal in this section is to describe how you'll attract and retain customers. You'll also describe how a sale will actually happen. You'll refer to this section later when you make financial projections, so make sure to thoroughly describe your complete marketing and sales strategies.



- You can also use this section of your business plan to reinforce your strengths and what differentiates you from the competition.
- Be sure to show what you've already done, what you plan to do given your existing resources, and what results you expect from your efforts.

Example of marketing and sales strategy

Laura's Landscapers' marketing and sales strategy will leverage, in order of importance:

1 Word of mouth

2 Referrals

3 Reviews and ratings

4 Local Google Ads

5 Social media

6 Home shows

7 Direct mail



Reputation is the number one purchase influencer in high-end landscape design. As such, channels 1-4 will continue to be our top priority.

Our social media strategy will involve YouTube videos of the design process as well as multiple Instagram accounts and Pinterest boards showcasing professional photography. Lastly, our direct mail campaigns will send carbon-neutral, glossy brochures to houses in wealthy neighborhoods.



Marketing and sales strategy

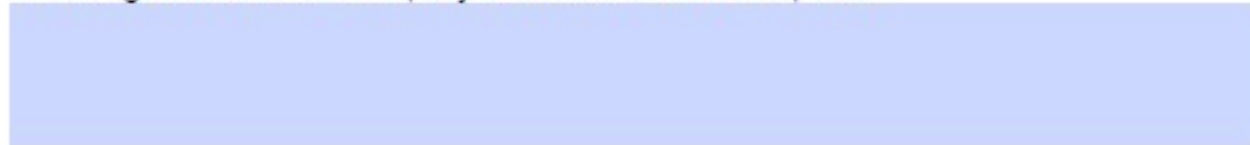
06

Briefly reiterate your growth strategies (value proposition, target market, existing customer segments), then add the following information.

- What's my launch plan to attract new business?



- What growth tactics will help my established business expand?



- What retention strategies (customer loyalty, referral programs, etc.) will I utilize?



- What are my advertising and promotion channels?





7 Business financials

Budgets and your
financial plan

7. Compile your business financials

If you're just starting out, your business may not yet have [financial data](#), financial statements, or comprehensive reporting. **However, you'll still need to prepare a budget and a financial plan.**

If your company has been around for a while and you're seeking investors, be sure to include:

- Income statements
- Profit and loss statements
- Cash flow statements
- Balance sheets

Other figures that can be included are:

- How much of your revenue you retain as your net income
- Your ratio of liquidity to debt repayment ability
- How often you collect on your invoices



Link to a free start-up budget guide

<https://quickbooks.intuit.com/r/budgeting/essential-small-business-financial-tools-free-startup-budget-template-and-guide/>

Ideally, you should **provide at least three years' worth of reporting**. Make sure your figures are accurate and don't provide any profit or loss projections before carefully going over your past statements for justification.

Avoid underestimating business costs

- Costs, profit margins, and sale prices are closely linked, and many business owners set sale prices without accounting for all costs.
- New business owners are particularly at risk for this mistake.
- **The cost of your product or service must include all of your costs, including overhead.**
- If it doesn't, you can't determine a sale price to generate the profit level you desire.



Funding request

•If you're asking for funding, this is where you'll outline your funding requirements. **Your goal is to clearly explain how much funding you'll need over the next three years and what you'll use it for.**

•Specify the terms you'd like applied, and the length of time your request will cover. **Give a detailed description of how you'll use your funds.** Specify if you need funds to buy equipment or materials, pay salaries, or cover specific bills until revenue increases. Always include a description of your future strategic financial plans, like paying off debt or selling your business.

Financial projections

•**Supplement your funding request with financial projections. Your goal is to convince the reader that your business is stable and will be a financial success.**

•If your business is already established, include income statements, balance sheets, and cash flow statements for the last three years. If you have other collateral you could put against a loan, make sure to list it now.

•**Provide a prospective financial outlook for the next three years.** Include forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets.

•**For the first year, be even more specific and use quarterly — or even monthly — projections.** Make sure to clearly explain your projections, and match them to your funding requests.

In the case of Laura's Landscapers, this big picture would involve steadily increasing the number of annual projects and cost per project to offset lower margins:

Current revenue for FY2022: \$200,000

- 10 completed projects
- ~\$20,000 per project
- 15% profit margins
- \$30,000 net

FY2023 projections: \$552,000

- 24 completed projects
- ~\$23,000 per project
- 12% profit margins
- \$66,240 net

FY2022 projections: \$360,000

- 18 completed projects
- ~\$20,000 per project
- 15% profit margins
- \$54,000 net

FY2024 projections: \$972,000

- 36 completed projects
- ~\$27,000 per project
- 10% profit margins
- \$97,200 net

Business financials

07

When possible, provide at least three years' worth of reporting in the inclusions below. Make sure figures are accurate, and don't provide profit and loss projections before carefully double-checking your past statements for justification.

- Income statements
- Profit and loss statements
- Cash flow statements
- Balance sheets

Answer:

- How much of my revenue do I retain as net income?
- What's my ratio of liquidity to debt repayment ability?
- How often do I collect on my invoices?





8

Organization structure

Notable team members

8. Describe your organization and management

Your business is only as good as the team that runs it. Identify your team members and explain why they can either turn your business idea into a reality or continue to grow it.

Highlight expertise and qualifications throughout—this section of your business plan should show off your management team superstars.

You should also note:

Roles you still need to hire to grow your company

The cost of hiring experts to assist operations



Organization and management

08

Identify your team in a bulleted list and explain why they can either turn your business idea into a reality or continue to grow it.

Team member, Role:

- Education:

- Professional background:

- Awards and honors:

- Notable clients:

Team member, Role:

- Education:

- Professional background:

- Awards and honors:

- Notable clients:

Team member, Role:

- Education:

- Professional background:

- Awards and honors:

- Notable clients:

Showcasing the larger team

- Number of employees:

- Cumulative years of experience:

- Awards and honors:

- Notable clients:



9 Funding request

Upfront and
long-term investments

9. Explain your funding request

- When outlining how much money your small business needs, try to be as realistic as possible.
- You can provide a range of numbers if you don't want to pinpoint an exact number. However, **include a best-case scenario and a worst-case scenario.**
- Since a new business doesn't have a track record of generating profits, it's likely that you'll sell equity or shares to raise capital in the early years of operation. Equity means ownership—when you sell equity to raise capital, you are selling a portion of your company.
- **Remember:** An equity owner may expect to have a voice in company decisions, even if they do not own a majority interest in the business.


Equity Shares

- Equity shares are also known as ordinary shares.
- They are the form of fractional or part ownership in which the shareholder, as a fractional owner, takes the maximum business risk.
- The holders of Equity shares are members of the company and have voting rights.
- Equity shares are the vital source for raising long-term capital.
- Equity shares represent the ownership of a company and capital raised by the issue of such shares is known as ownership capital or owner's funds.

- Most small business equity sales are private transactions. The investor may also expect to be paid a dividend, which is a share of company profits, and they'll want to know how they can sell their ownership interest.
- Additionally, you can raise capital by borrowing money, but you'll have to repay creditors both the principal amount borrowed and the interest on the debt.
- When drafting your business plan, decide if you're willing to accept the trade-off of giving up total control and profits before you sell equity in your business.

Tip: Put together a timeline so your potential investors have an idea of what to expect. Some customers may not pay for 30 days or longer, which means the business needs a cash balance to operate.

PRIVATE EQUITY	
PROS	CONS
Invested funds are large	You no longer have full control of your business
Investors are involved in the business	Investors might see success differently
Firms want you to succeed and will help you get there	It is hard to qualify for private equity investing



The founder can access cash by contributing their own money into the business or by securing a line of credit (LOC) at a bank. If you raise cash through a LOC or some other type of loan, it needs to be paid off ASAP to reduce the interest cost on debt.

Example of a funding request

Laura's Landscapers has already purchased all necessary permits, software, and equipment to serve our existing customers. Once scaled to \$972,000 in annual revenue—over the next three years and at a 10% profit margin—our primary ongoing annual expenses (not including taxes) will total \$874,800.

While already profitable, we are requesting \$100,000 in the form of either a business loan to purchase equipment necessary to outfit two additional crews.



Funding request

09

Create a brief summary of exactly how much you're asking for, and what that amount will go to. Be as specific as possible.

Requested amount and form (loan, equity, etc.):

Projected primary ongoing annual expenses with dollar value:

- Example: Payroll (labor): \$612,360

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10 Document appendix

Compilation of
important docs

10. Compile an appendix for official documents

Finally, assemble a well-organized appendix for anything and everything readers will need to supplement the information in your plan.

Consider any info that:

Provides supporting information or additional materials that you couldn't fit in elsewhere, such as resumes of key employees, equipment leases, receipts, bank statements, contracts and personal and business credit history.

Useful details to cover in an appendix might also include:

- Licenses, Deeds, local permits, and legal documents
- Certifications that bolster your credibility
- Business registries and professional licenses pertaining to your business
- Patents and intellectual properties



Appendix of official documents

10

Assemble a well-organized appendix for investors and employees to reference, including:

- Deeds, local permits, and legal documents
- Certifications that bolster your credibility
- Business registries and professional licenses
- Patents and intellectual properties
- Industry associations and memberships
- State and federal identification numbers or codes
- Key customer contracts and purchase orders

As you include documents in the appendix, create a miniature table of contents and footnotes throughout the rest of the plan linking to or calling attention to them.

JUST
TO
RECAP



How to make a business plan that stands out

Investors have little patience for poorly written documents. You want your business plan to be as attractive and readable as possible.

- **Keep it brief.** A typical business plan can range from 10 to 20 pages. As long as you cover the essentials, less is more.
- **Make it easy to read.** Divide your document into distinct sections, so that investors can quickly flip between key pieces of information.
- **Know your margins.** List every cost your business incurs, and make sure that you're assigning those costs to each product or service that you sell.
- **Proofread.** Double-check for typos and grammatical errors. Then, triple-check. Otherwise, you might risk your credibility.
- **Invest in quality design and printing.** Proper layout, branding, and decent printing or bookbinding gives your business plan a professional feel.
- **Be prepared in advance.** Have everything ready to go at least two weeks ahead so you have time to make revisions in case of a last-minute change.

Business plan template

Even if you don't plan on seeking investments early on, there are other important reasons to use a business plan template to write a great business plan:

- Clarifies what you're trying to accomplish
- Identifies opportunities to understand your market, like demographics and behaviors
- Establishes the role of each team member
- Gives team members a benchmark to reference and stay on track
- Helps catch errors to make sure financial projections are accurate
- You'll see the holes and blind spots that could cause future issues

Download the following template to build your business plan from the ground up, considering all the important questions that will help your investors and employees.



Business Plan Template

Follow this template to construct a business plan that's tailored to your goals, objectives, and needs.





This example business plan is provided by the Small Business Administration.
Get help starting and running your small business at SBA.gov.

This example business plan is provided by the Small Business Administration.
Get help starting and running your small business at SBA.gov.



We Can Do It Consulting

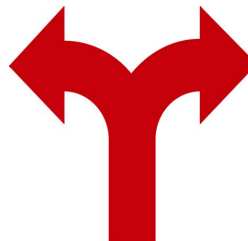
Business Plan

Rebecca Champ, Owner
Created on December 29, 2016

Wooden Grain Toy Company

Business Plan

Andrew Robertson, Owner
Created on December 29, 2016



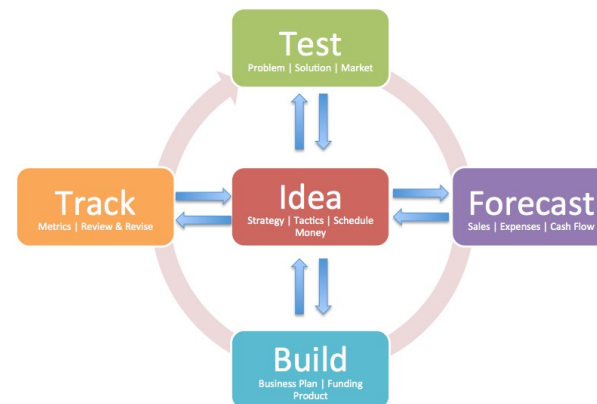


Let's face facts: Writing a traditional business plan is a hassle.

- A traditional business plan takes too long to write.
- Most people won't even read it from cover-to-cover.
- It's often outdated by the time you finish writing it.
- It doesn't lend itself to frequent and easy updating—and that's the core of the problem.



- Historically, entrepreneurs have taken months to craft detailed business plans without even gathering feedback from potential customers.
- They've viewed business planning as a single hurdle to get their business up and running or a thick wad of paper to shove across a banker's desk in order to get the funding they need.
- These business plans end up as just a collection of guesses and assumptions, instead of a proven roadmap for growth.
- But planning is still critical, even if the business plan might be broken. Studies have shown that businesses that set goals and track their progress grow 30 percent faster than those who "just wing it." Furthermore, even established businesses grow faster when they have a plan.
- So what if I told you there was a better way to do business planning? One that lets you adjust and refine your plan as you gather more information about your business and your customers.
- A method known as Lean Planning.



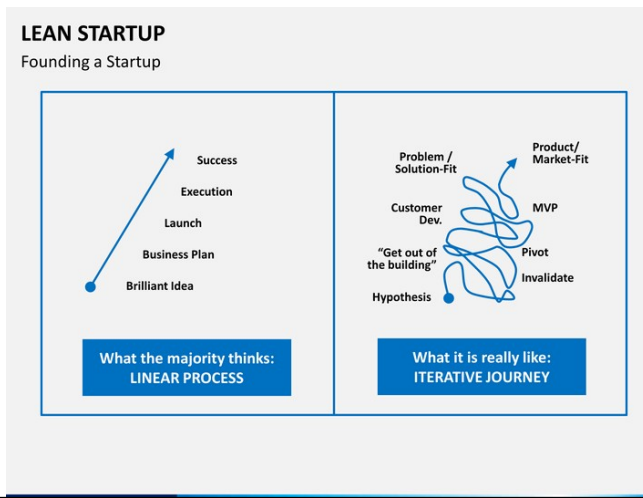
Lean Planning is a 4-step process that helps you discover a business model that works and manage your company successfully.

Here's the Lean Planning process:

1. [Create a Lean Plan](#)
2. [Test the plan](#)
3. [Review your results](#)
4. [Revise your plan](#)

These 4-steps replace the traditionally lengthy business plan with a 20-minute planning process. This ensures that you are taking small steps, reviewing your results, and creating incremental improvements—all while reducing your risk of failure.

It's also simpler and faster than writing a traditional business plan. And, possibly the greatest benefit is that this method can benefit both startups and established businesses.



If you're a startup

Lean Planning helps you quickly [figure out if your idea is any good](#) and what you need to change to build a viable business.

If you're an established business

Lean Planning works even if you're already up and running. **It helps you continually refine and tweak your strategy while measuring your progress toward your goals.** After all, planning is about making better management decisions, not about producing a thick document that sits in a drawer.

Read on to learn how to make the lean model work for you by creating your own Lean Business Plan.



Step 1: Create a Lean Plan

•The Lean Planning methodology starts with a one page Lean Plan that you can create in 20 minutes.

•That's right—one page. Lean Planning is a simple methodology and your Lean Plan should be simple, too. You can download a [Lean Plan template](#) and fill it in as you follow the steps below.



IDENTITY

We offer high-quality biking gear for families and regular people, not just gearheads.

PROBLEM WORTH SOLVING

It's hard to buy a good bike in this town without being an "insider" cycling expert.

OUR SOLUTION

Garrett's is a snob-free zone where regular people can get top-notch gear and expert advice.

TARGET MARKET

Young families
College students
Commuters

THE COMPETITION






Other local bike shops
Big-box retailers
Online retailers

SALES CHANNELS

We sell bicycles and accessories directly to customers through our bike shop. We also sell via our online store.

MARKETING ACTIVITIES

1. Partner with Travel Northwest
2. Advertise in local publications
3. Grand Opening w/deals, contests
4. Host social media pages and website
5. Attend outdoor enthusiast trade shows

 REVENUE <ol style="list-style-type: none"> 1. Bikes 2. Accessories 3. Clothing 4. Service and repair 	 EXPENSES <ol style="list-style-type: none"> 1. Payroll 2. Rent 3. Utilities 4. Insurance
 MILESTONES <div> <div>Develop Q1 budget (Garrett, Dec. 15)</div> <div>Build website (Jill, Jan. 20)</div> </div> <div> <div>Scout locations (Garrett, Jan. 12)</div> <div>List potential advertising publications (Tom, Feb. 22)</div> </div>	
 TEAM AND KEY ROLES <p>Garrett: Owner Jill Bloom: Shop Manager Tom McKey: Advisor Heather Gibson: Investor</p>	 PARTNERS AND RESOURCES <p>Johnson & Cohen: Accountants The Great Outdoors Travel Northwest Cycle Parts R Us</p>

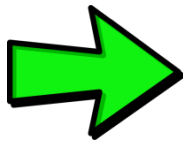
What to include in your Lean Plan

1. **Strategy:** What you're going to do
2. **Tactics:** How you're going to do it
3. **Business model:** How you're going to make money
4. **Schedule:** Who is doing what and when

Let's dive into each section.

Your business strategy

Your business strategy is simply an overview of what you want to do and who your customers and competitors are. Start by identifying the problem you are solving for people and follow up by explaining your solution to this problem.



IDENTITY We offer high-quality biking gear for families and regular people, not just gearheads.	
PROBLEM WORTH SOLVING It's hard to buy a good bike in this town without being an "insider" cycling expert.	OUR SOLUTION Garrett's is a snob-free zone where regular people can get top-notch gear and expert advice.
TARGET MARKET Young families College students Commuters	THE COMPETITION Other local bike shops Big-box retailers Online retailers

⚠️ PROBLEM WORTH SOLVING	🔑 OUR SOLUTION
It's hard to buy a good bike in this town without being an "insider" cycling expert.	Garrett's is a snob-free zone where regular people can get top-notch gear and expert advice.



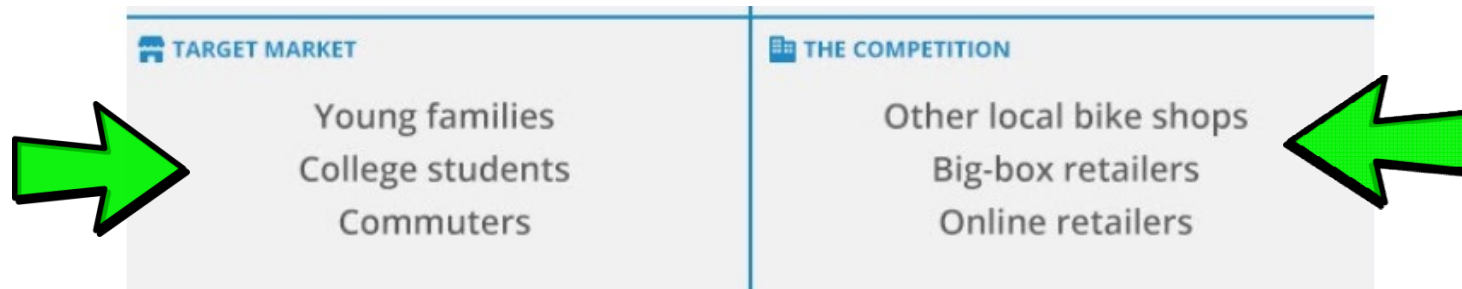
The problem you're solving

Businesses exist to solve problems for customers. Their products and services fill a need or satisfy a desire. **If all you have is a solution that is in search of a problem, you're going to have a hard time building a successful business. So, start with the other side of the equation and focus on how you can help your customers solve a problem.**

Start small with just one or two sentences or a few bullet points to identify the problem you are solving. Do the same thing to describe your solution.



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Your ideal customer

Now, quickly describe your target market. Who is your ideal customer? If you know how many potential customers are out there, great. **If you're in the early stages of fleshing out your business idea, don't worry too much about [detailed market research](#). Instead, focus on defining your [ideal customer](#)—who are they, and what are their key attributes?**

Your competition

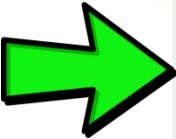
Finally, create a shortlist of [your competition](#). How do your potential customers solve their problems today?

That's it. A business strategy doesn't have to be complicated with Lean Planning. It's just a few bullet points that describe the essence of your business: what you're doing and who you're doing it for.

Tactics

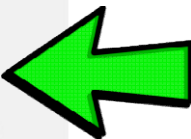
The next section of your Lean Plan is a short outline of your business tactics. This is just an outline of how you're going to make your strategy happen. You'll be thinking about sales, marketing, [the team you might need](#), and any partners or outside resources you'll need to leverage.

SALES CHANNELS



We sell bicycles and accessories directly to customers through our bike shop. We also sell via our online store.

MARKETING ACTIVITIES

- 
1. Partner with Travel Northwest
 2. Advertise in local publications
 3. Grand Opening w/deals, contests
 4. Host social media pages and website
 5. Attend outdoor enthusiast trade shows

Your sales strategy

Start by thinking through your sales strategy. Are [you selling online](#) or building a physical store? Maybe both? Or, perhaps your product will be sold in stores owned by other companies.

Your marketing strategy

Next comes your marketing strategy. How are you going to reach your customers? How do they find out that you exist and that you solve their problem?

Your team

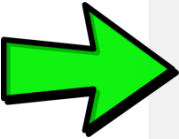
If you need to build a team to grow your business, who are the key people that you'll need to hire? If you're an existing business, who are the critical employees that run the company and execute your strategy?

Key partners and resources

Finally, think about other businesses that you might need to work with to make your strategy happen. Are there key suppliers or distributors that you'll need to have relationships with?

Remember, this is a Lean Plan, so each of these sections should just be three to five bullet points each.

TEAM AND KEY ROLES



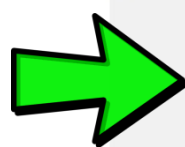
Garrett: Owner
Jill Bloom: Shop Manager
Tom McKey: Advisor
Heather Gibson: Investor

PARTNERS AND RESOURCES

Johnson & Cohen: Accountants
The Great Outdoors
Travel Northwest
Cycle Parts R Us

Schedule

Now it's time to build a schedule for your Lean Plan. Lean Planning is all about getting things done, so including a schedule is one of the most important things to include in your Lean Plan.



MILESTONES

Develop Q1 budget (Garrett, Dec. 15)	Scout locations (Garrett, Jan. 12)
Build website (Jill, Jan. 20)	List potential advertising publications (Tom, Feb. 22)



If you're a startup

- Your next step is to get out from behind your desk and go talk to your potential customers (I'll go into more detail on this in a moment).
- Your goal will be to verify that you've defined a solid strategy.** To that end, a startup's schedule should include things like conducting customer interviews, sending out surveys, researching physical locations, interviewing potential suppliers, and so on.

If you're an established business

- Your schedule will probably be focused on specific business milestones that are related to executing your strategy and implementing your tactics.
- It's critical to have accountability here. Your schedule should have dates and people responsible for completing each task.
- Finally, make sure to include a time to regularly review your Lean Plan. You'll want to review and revise this plan frequently, so having a regular review point is critical. I recommend a monthly review cycle, but reviewing more frequently is fine, too.



Business model

Even if you have a problem that's worth solving, a solid solution to the problem, and a target market that needs your solution, you don't have a business unless the numbers work out. You need a [business model](#) that works. The last component of your Lean Plan is a [basic forecast and budget](#) to ensure that a great idea can actually lead to a great business.



REVENUE	EXPENSES
1. Bikes	1. Payroll
2. Accessories	2. Rent
3. Clothing	3. Utilities
4. Service and repair	4. Insurance

Yes, [forecasting](#) and budgeting do mean looking into the future, and no one knows the future (at least I don't!). But, it doesn't have to be as difficult as it sounds.

Putting together some basic, [bottom-up sales forecasts](#) and a [basic budget for expenses](#) will quickly tell you if you have a business model that works—one that can create a viable business that will pay the bills.

At this stage, it's important not to paint an incredibly rosy picture of your financial prospects. Instead, the sales forecasts should be as realistic as possible. Assume that not nearly as many people as you think will show up in your store. Assume that your website won't get mainstream press coverage.

With this "realistic" forecast, do you still have a viable business? [Can you turn a profit?](#) If you can only be successful with incredibly high volumes of customers, you may need to take a second look at your pricing, expenses, and other aspects of your business model. Or, make sure that you get the kind of funding that's needed for large marketing and PR campaigns.

You can get started on your Lean Plan right away by downloading our [free template](#). Your Lean Plan will fit on one page and you'll be able to complete an initial draft in under an hour—that's much faster than writing a traditional business plan.

Step 2: Test the plan

Now that you have your Lean Plan in hand, you're ready to start putting the plan into action to see if your ideas will work.

Depending on your business stage, you'll do this in different ways. If you're a startup with an unproven idea or an existing business that's considering a new strategic direction, your next step is to validate the ideas in your Lean Plan.

Your Lean Plan is just a set of assumptions about a business. Ask yourself:

- Do the target customers actually have the problem that you think they have?
- Does the solution you're proposing actually solve their problem?
- Do your target customers want to pay for your solution? How much?

Reducing risk is your goal in the early stages of starting a business

Starting a business is full of risks. There are just so many unknowns, and it's incredibly risky to just build your business based on a set of assumptions about your target market, their problems, and how they'll react to your solution.

Your Lean Plan is a really just a set of educated guesses that need to be answered and then revised on a continuous basis until most unknowns are removed. That's how you reduce risk.

So, you need to take the very simple, but very challenging step of actually talking to your potential customers.

Look at your first version of your Lean Plan as a set of assumptions that need to be proven true or false and then go back and revise your assumptions as you go. Refining your plan so that it's a collection of facts instead of guesses can be the difference between a successful business and a failure.

Step 3: Review your results

Both Silicon Valley startups and Main Street small businesses need to know how they are doing. Which means Are they growing according to plan? Why or why not? If not, what changes need to be made? Should the plan change?

For new startups

If you're just getting started and don't have many (or any) metrics to track yet, you should be reviewing the results of your customer interviews and any other information that you've gathered that would change your strategy. Perhaps you'll be refining your solution or even tweaking the definition of the problem you are solving. Perhaps you'll refine your marketing and sales strategy.

For established businesses

Beyond [tracking key financial metrics](#) such as [cash](#), sales, expenses, accounts receivable, and accounts payable, businesses must track the other key metrics that are critical to their success. These other key metrics might be website visits, foot traffic in the store, tables turned in a restaurant or any other core number that drives business success.

Reviewing your results regularly is key to better management and success. These metrics should be reviewed at least monthly in a [regular plan review meeting](#) with key business partners and employees. This is when you refine your plan and your pitch if necessary and track your ongoing action plan.

Step 4: Revise your plan

Lean Planning is a process, not just a document. It's all about continuous improvement. You're quickly defining a strategy, experimenting to see if that strategy works, reviewing the results, and revising the plan before you start again.

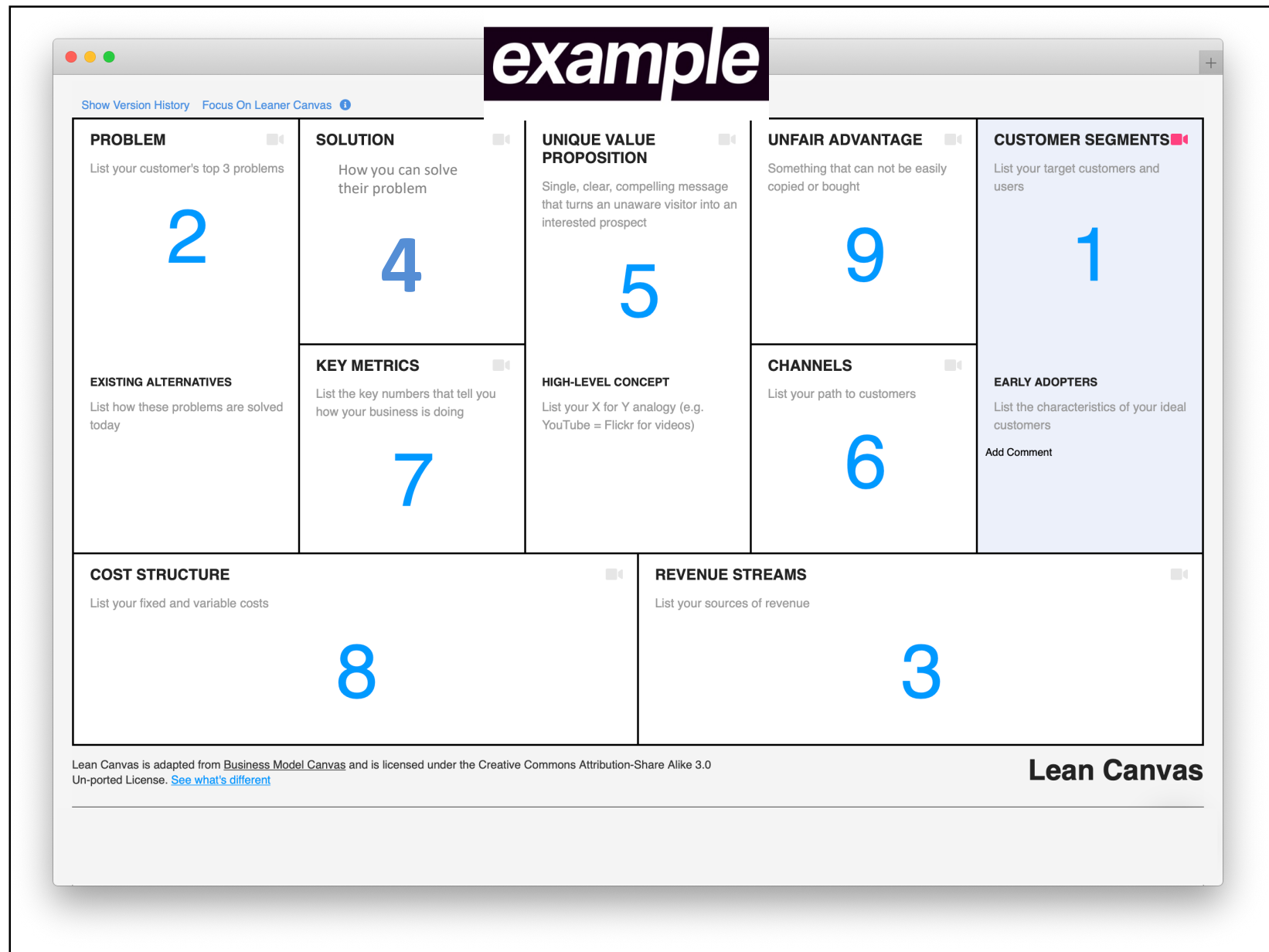
Lean Planning is never finished. It's simply a process for running your business better, more efficiently, and setting you and your team up for success.

What if you need a more detailed business plan?

There may be a time when you need a more detailed business plan. There's nothing wrong with that. Some people might want to read it, you may need to submit a full plan for funding and you might even want to document your strategy in more detail.



Your detailed business plan will be born from your Lean Plan. The ideas in your Lean Plan will transfer from bulleted lists to sentences and paragraphs. You'll add more detail to your sales and marketing strategy, your pricing strategy, and perhaps your manufacturing plans and distribution strategy.



Key partnerships

Note the other businesses or services you'll work with to run your business. Think about suppliers, manufacturers, subcontractors, and similar strategic partners.

Key activities

List the ways your business will gain a competitive advantage. Highlight things like selling direct to consumers, or using technology to tap into the sharing economy.

Key resources

List any resource you'll leverage to create value for your customer. Your most important assets could include staff, capital, or intellectual property. Don't forget to leverage business resources that might be available to you, such as SBC's, SBDC's, & VBOC's.

Value proposition

Make a clear and compelling statement about the unique value your company brings to the market.

**ANYTHING
YOU CAN DO
I CAN DO
BETTER**

Customer relationships

Describe how customers will interact with your business. Is it automated or personal? In person or online? Think through the customer experience from start to finish.

Customer segments

Be specific when you name your target market. Your business won't be for everybody, so it's important to have a clear sense of whom your business will serve.

Communication Channels

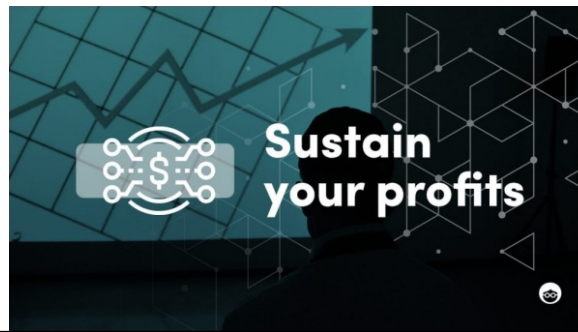
List the most important ways you'll talk to your customers. Most businesses use a mix of channels and optimize them over time.

Cost structure

Will your company focus on reducing cost or maximizing value? Define your strategy, then list the most significant costs you'll face pursuing it.

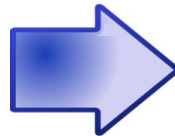
Revenue streams

Explain how your company will actually make money. Some examples are direct sales, memberships fees, and selling advertising space. If your company has multiple revenue streams, list them all.





Free Lean Business Planning Template



THE LEAN BUSINESS PLAN TEMPLATE - Your business plan on a single page.



1. IDENTITY	
1.1 PROBLEM/ WORTH SOLVING	1.2 OUR SOLUTION
2.1 TARGET MARKET	2.2 THE COMPETITION
3.1 SALES CHANNELS	3.2 MARKETING ACTIVITIES
4.1 REVENUE	4.2 EXPENSES
5.1 MILESTONES	
6.1 TEAM AND KEY ROLES	6.2 PARTNERS AND RESOURCES



3 tips to update your business plan

It's a good idea to periodically revisit your business plan, especially if you are looking to expand. **Conducting new research and updating your plan could also provide answers when you hit difficult questions.**

Mid-year is a good time to refocus and revise your original plans because it gives you the opportunity to refocus any goals for the second half of the year. Next are three ways to update your plan.



1. Refocus your productivity

When you wrote your original business plan, you likely identified your specific business and personal goals. **Take some time now to assess if you've hit your targets.**

Example: If you planned to launch a new tips and trends video series and it hasn't happened yet, what's stopping you? Put a timeline together and set a launch date.

If you only want to work a set number of hours per week, you must identify the products and services that deliver the returns you need to make that a reality. Doing so helps you refocus your productivity on the most lucrative profit streams.

Also, **use what you've achieved and the hard lessons you've learned to help you re-evaluate what is and isn't working.**



2. Realign with your goals

Do a gut check to determine whether all of your hard work is still aligned with your original goals and your mission statement.

Ask yourself these questions:

- Are my goals still relevant?
- Am I still focused on the big picture?
- Where do I want to be a year from now?
- Will my existing plan still take me where I want to go?

These questions may be tough to answer at first glance, but they reveal your ties to your goals and what most likely needs to change to achieve new wins.



3. Repurpose your offerings

If your time has become more focused on small projects rather than tangible growth and building a valuable client list, consider packaging your existing products or services differently. Can you bundle a few things together?

Example: Laura's Landscapers might be able to offer a special pool and patio package. Doing so might help them bring in fewer yet higher-paying projects.

Perhaps they can offer a maintenance package as well to keep that customer long term.

You must deliberately manage your revenue streams, and that might require shuffling things around a little to focus on what is working for you.

